

NewtekOne[®]

Enter

2024

with The Newtek Advantage[®]

—
WE DO IT BETTER[®]

Contents

2

An Outlook on 2024 from Barry Sloane

4

Payments - Dual Pricing

6

Payments - Instant Funding

8

Insurance

11

Payroll

13

Lending

15

Technology

17

Point of Sale Solutions

19

Banking

22

The Newtek Advantage®

Enter the New Year with The Newtek Advantage®

An Outlook on 2024 from Barry Sloane, President & CEO of NewtekOne, Inc.





THANK YOU FOR YOUR INTEREST IN NEWTEKONE.

As we step into the year 2024, we at NewtekOne are filled with immense optimism despite the challenges we believe many of our clients faced in 2023. NewtekOne is excited to be in an incredibly strong position to assist you with your business needs and help you achieve unprecedented levels of success.

Since its humble beginnings in 1998, starting in a spare bedroom in a New York City apartment, NewtekOne has grown and served more than 80,000 business clients, with a database of over 2.6 million business referrals. We have over 1,000 new clients who come to us daily seeking our help and assistance across many different areas of business to help them flourish and prosper. In 2023 alone, NewtekOne provided over \$1.1 billion in business loans and processed over \$5.3 billion in credit card payments for its clients, aiding our clients in their growth and supporting their employees and families.

Moreover, NewtekOne is thrilled to introduce the Newtek Advantage™, detailed on page 24, which highlights the many ways NewtekOne can support your business. Our goal is to help your business by making available NewtekOne's business and financial solutions, which can help you:

- **Increase revenues**
- **Minimize expenses**
- **Enhance cyber security**
- **Streamline operations to boost profitability**

As we bid farewell to 2023 and welcome the promise of 2024, NewtekOne extends its warmest wishes to its clients for a year filled with happiness, good health, and prosperity. We are honored to have been provided the opportunity to serve you and be a part of your journey toward achieving your dreams.

To kickstart the new year, we invite you to enjoy our complimentary 2024 magazine, filled with valuable insights, expert advice, and inspiring success stories from businesses like yours.

Remember, at NewtekOne, your success is not just a goal; it's our unwavering commitment. Together, let's make 2024 a year of unprecedented growth and boundless possibilities.

Best regards,

Barry Sloane

Chairman, Founder & CEO
NewtekOne, Inc.

Payments - Dual Pricing

Businesses are Switching to Dual Pricing in 2024. Should You?

With increasing inflation and constant changes to processing fees, businesses have to stay agile with pricing strategies to stay competitive. Recent changes, like the adjustment of Visa's surcharging cap, have pushed merchants to look for alternative credit card processing strategies that give them more control over their processing fees and help them counteract market shifts and inflationary pressures. One strategy that is making waves in the payments industry is the integration of dual pricing.



Payments - Dual Pricing

Grow Your Profits. Reduce Expenses. Increase Customer Satisfaction.

Using innovative Dual Pricing technology, businesses can offer two different transaction amounts for the same product or service, giving them greater transparency to their customers. Dual Pricing is enabled on the business's payment terminal and automatically displays both a card price and a discounted cash price while permitting the merchant to transfer most, if not all, of the credit card processing fees to the cardholder.

Newtek Payments Does Dual Pricing Better

Newtek Payments offers a game-changing Dual Pricing solution that lets you take control of fees within your business. Newtek Payments works directly with its clients to develop the best payment processing plan for them to drastically reduce increasing processing fees and enhance profit margins on every transaction. All with complete customer satisfaction – guaranteed.

The Newtek Payments GUARANTEE

The Dual Pricing solutions offered by Newtek Payments are fast, reliable, cost-effective, and a must-have for any business. In fact, Newtek Payments **GUARANTEES** it will beat your current processor, **or you get a \$100 gift card.**

Contact Newtek Payments today to reduce your payment processing rate to as little as \$0 using Newtek Payments' game-changing solutions.



Key Benefits of Dual Pricing

Reduces Expenses:

Transferring most, if not all, of the processing fees to the cardholder to increase overall profits.

Payment Transparency:

Discounts for cash transactions appear as separate line items on receipts so customers experience transparent pricing.

Customer Satisfaction:

Cardholders can reduce their overall payment and save with the payment choice of cash transactions.

Pricing Flexibility:

Provides flexibility to adjust prices in response to market changes without affecting all customers.

Regulatory Compliance:

Dual pricing may meet region-specific regulatory requirements that credit surcharging may not.

Payments - Instant Funding

2024's Competitive Edge: Instant Funding

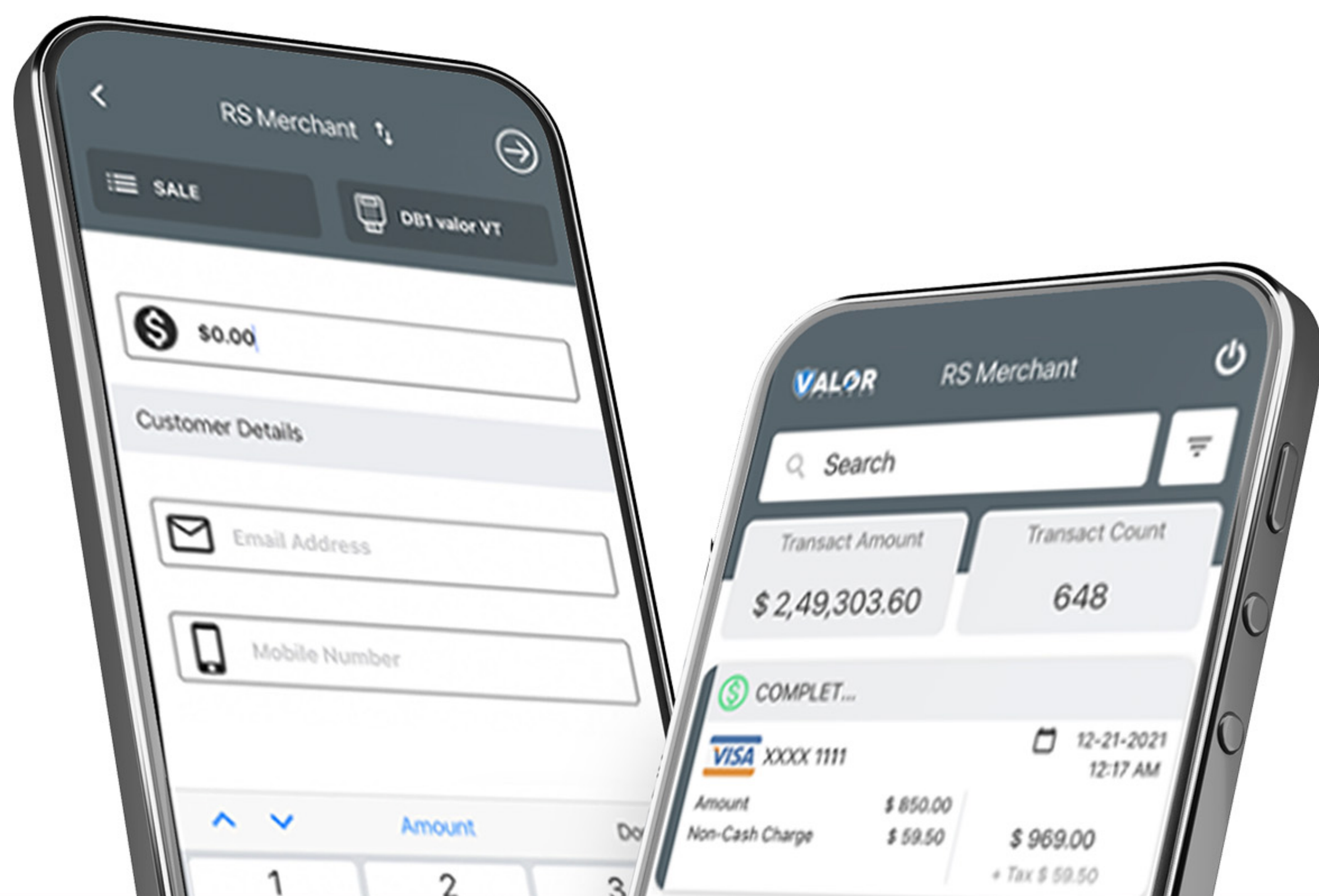
In 2024, it's more critical than ever for businesses to have quick access to cash to navigate the unpredictable nature of today's market. Traditional merchant accounts typically take time to process payments, and many of them set aside money into a reserve account, causing delays for businesses that need their cash ASAP. With Instant Funding, businesses can bypass these waiting periods, gaining instant access to their revenue streams and the ability to use or transfer their earnings right away.



Payments - Instant Funding

Newtek Payments Does Instant Funding Better

Newtek Payments' Instant Funding service is designed to meet the immediate financial needs of its clients' businesses. Once a transaction is processed, the merchant can transfer some of the funds (subject to certain limitations) to its account quickly, almost instantaneously. Whether you need to access cash flow to pay an invoice, make payroll, or purchase new equipment, Newtek Payments is here to help you get the money you need when you need it. After all, it's your money.



The Newtek Payments **GUARANTEE**

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Contact Newtek Payments today to reduce your payment processing rate to as little as \$0 using Newtek Payments' game-changing solutions.



Key Benefits of Instant Funding

Rapid Access to Revenue:

Merchants can utilize Newtek Payments' Instant Funding to receive money for a variety of needs, including covering unexpected expenses and keeping operations running smoothly.

Simplified Pricing:

Get the funds you need without breaking the bank. Unlike other funding options, Newtek Payments offers a simple and affordable pricing model — just 1% of the funds transferred.

Applications Across Industries:

Real-time access to capital can provide a competitive advantage to any business, including auto body shops, florists, big order businesses, construction companies, and more.

Quick Set-Up:

A quick and easy application process makes it simple to get started.

24/7 Customer Support:

Access Newtek Payments' 24/7 dedicated U.S.-based customer support to answer any questions at any time.

Insurance

3 Reasons Insurance Rates are Rising in 2024 & How We Help



Insurance

What These Trends Mean For You & Your Policy



Climate Change Affects Property Insurance

The personal insurance landscape is undergoing a significant transformation, driven by the growing impact of climate change. Natural disasters that were once considered rare occurrences are happening more frequently, with most reaching the financial magnitude of billion-dollar catastrophes. This escalation is not just in terms of the sheer number of events but also in the claims and losses sustained, leading to substantial rate increases for homeowners and auto insurance clients. It has become the new norm to see annual premium hikes ranging from 25% to 30%. Major insurance carriers, like AIG, report experiencing more catastrophic losses in the past five years than in the previous decade combined. Each year, the scale and cost of these disasters grow, increasing the financial impact on insurers.



Rapid Inflation Results in Increased Premiums

This surge in claims coincides with a period of rapid inflation, affecting the costs of labor and raw materials. This swift increase has left many insurance carriers financially strained, with some experiencing underwriting losses for the first time in two decades. As a result, carriers are becoming more selective, writing fewer policies and, in some cases, withdrawing from states entirely. For instance, Liberty Mutual and Farmers Insurance are pulling out of high-risk regions like California. This reduction in competition and the reluctance to take on risks that fall outside their preferred criteria make it increasingly difficult for families and businesses alike to obtain the insurance they need.



The Cost of Liability Claims Increases

In the commercial insurance sector, while property insurance rates are rising, the impact is less pronounced than in personal insurance, thanks to more diverse coverage options and competitive pricing. However, the sector is facing significant challenges due to increasing liability claim costs. This rise is fueled by a growing tendency towards litigation against businesses and the escalating costs of managing liability claims, influenced heavily by inflation. Insurance carriers, who set their premiums without anticipating such steep inflation, are now struggling to adjust their rates to reflect these new economic realities. The result is a complex dynamic where insurance providers have to navigate the challenges of responding to increased lawsuits and managing ongoing inflation.

Insurance

Newtek Insurance Agency Does Insurance Better

In response to these industry challenges, Newtek Insurance Agency (NIA) is prepared to handle the hassle and headaches that come with finding the right insurance policy. As an industry-leading insurance broker, NIA does the shopping around for you. NIA saves you time and money by helping you get the right coverage at the best rates.

Proactive Rate Evaluation:

NIA actively compares premiums to ensure its clients have complete transparency with their policies.

Personalized Coverage Shopping:

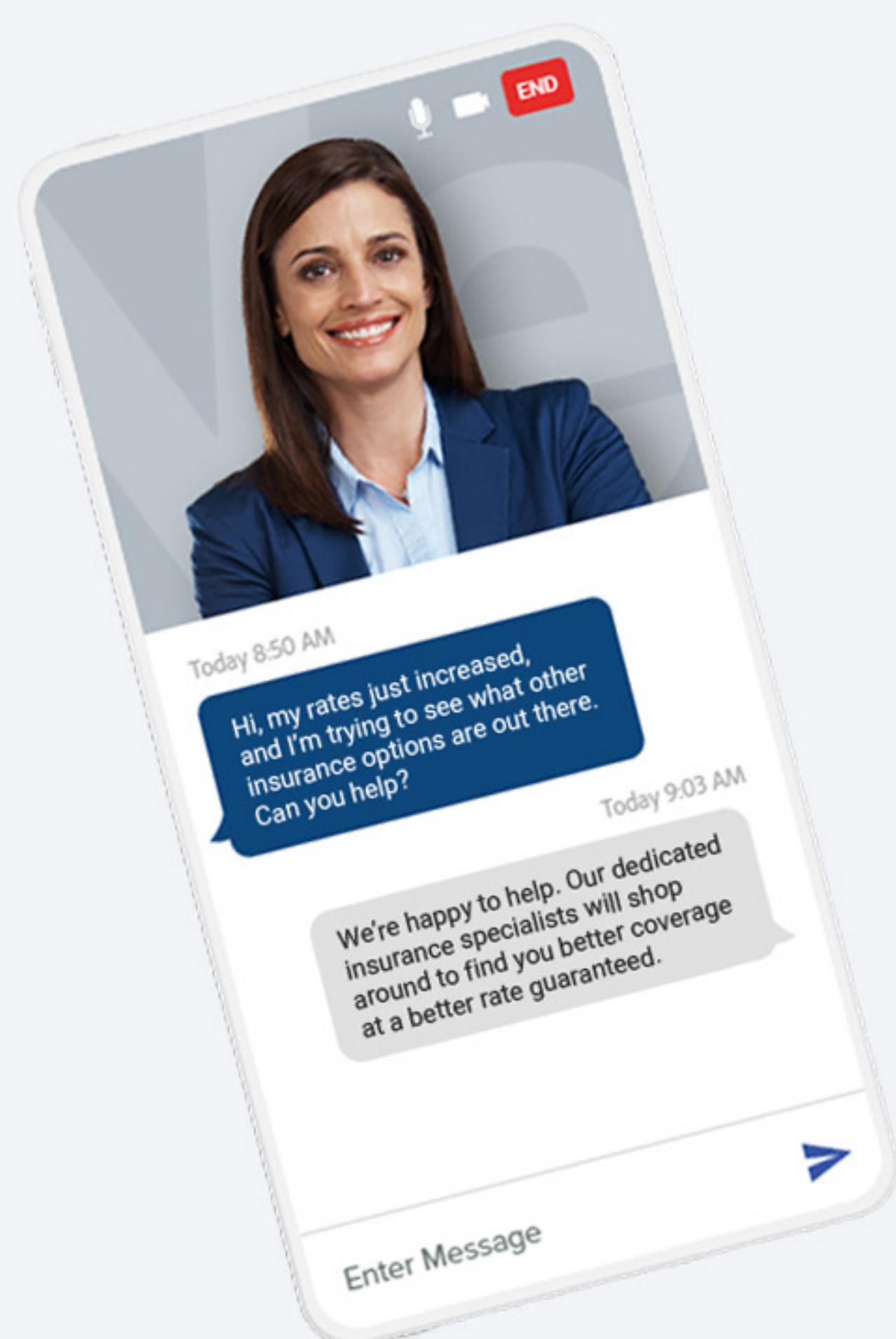
NIA's team of specialists undertakes the responsibility of shopping for the correct coverage, rigorously comparing rates with dozens of carriers.

Package Potential:

NIA specializes in finding packaging opportunities for home, auto, and other insurance policies, which can significantly reduce premiums.

Nationwide Licensing:

NIA is licensed in all 50 states, ensuring clients get complete coverage solutions regardless of their location.



Partner with Newtek Insurance

The last thing you want is to pay too much to be underinsured. Let NIA's specialists do the leg work so you get the coverage you need. Contact NIA today to receive a **no-cost, no-obligation** review of your current policy. You'll either receive peace of mind knowing you already have the best solution, or NIA will find you better coverage at a better rate.

Newtek Insurance[®]
AGENCY PARTNER PROGRAM



Better serve clients and prospects



Access subject-matter experts across all divisions



Earn additional non-interest revenue for your company



Easily pass over info through patented NewTracker[®] software



Payroll

Stay Compliant & Cut Costs for Payroll in 2024 – Guaranteed

As businesses focus on growth and maximizing profits, the small yet important task of keeping up with Payroll and HR Regulations often gets overlooked. As the government takes a closer look at payments, filing requirements, and overall compliance, small and large businesses alike are searching for cost-effective and accurate Payroll and HR solutions.

Major Changes for ACA Penalties

In a significant policy update for 2024, the IRS has ramped up its penalties under the Affordable Care Act (ACA) to a steep \$4,460 per full-time employee. This increase targets Applicable Large Employers (ALEs), defined as businesses with a workforce of 50 or more full-time employees, each clocking in at least 30 hours a week. These employers are mandated to provide affordable health insurance to at least 95% of their employees. Compliance is a complicated process due to the specific demands that need to be met, including full-time status, the IRS's affordability threshold, and the household income of eligible employees.



Payroll

Newtek Payroll Does Payroll Better

Newtek Payroll & Benefits Solutions' (Newtek Payroll) all-in-one solution guarantees savings from your current payroll and HR provider and provides enhanced service with dedicated payroll professional staff and industry-leading software to help you achieve ACA compliance. With 3 months free and a guaranteed 20% overall savings compared to Newtek Payroll's competitors, Newtek Payroll is the #1 choice for small and large businesses alike when it comes to managing payroll and HR.

Payroll Processing:

Run payroll in minutes and eliminate costly fines and penalties when Newtek Payroll takes liability for the accuracy of payroll taxes.

HR Services:

Onboard and manage new hire employees using Newtek Payroll's tools and resources without needing to hire a full-time HR representative. Newtek Payroll's HR service can help mitigate expensive legal risks and assist you in maintaining compliance.

Time & Labor Management:

Fast, easy, and affordable time tracking helps reduce error rates, maintains accurate employee records, and assists you in complying with employment regulations, including the Affordable Care Act.

ACA Compliance:

Includes accurate reporting, deadline tracking, electronic forms for submission and accurate data reporting to the IRS and applicable state agencies to avoid costly penalties.

The Newtek Payroll **GUARANTEE**

Avoid costly penalties from the IRS and applicable state agencies with Newtek Payroll's all-in-one solution - the best software, the best service, and the best price. Newtek Payroll **GUARANTEES** your satisfaction and lower cost than your current payroll solution, or it will give you your money back. Switch now to improve your service by speaking to Newtek Payroll's U.S.-Based Dedicated Payroll Professionals.



Is Your Business ACA-compliant?

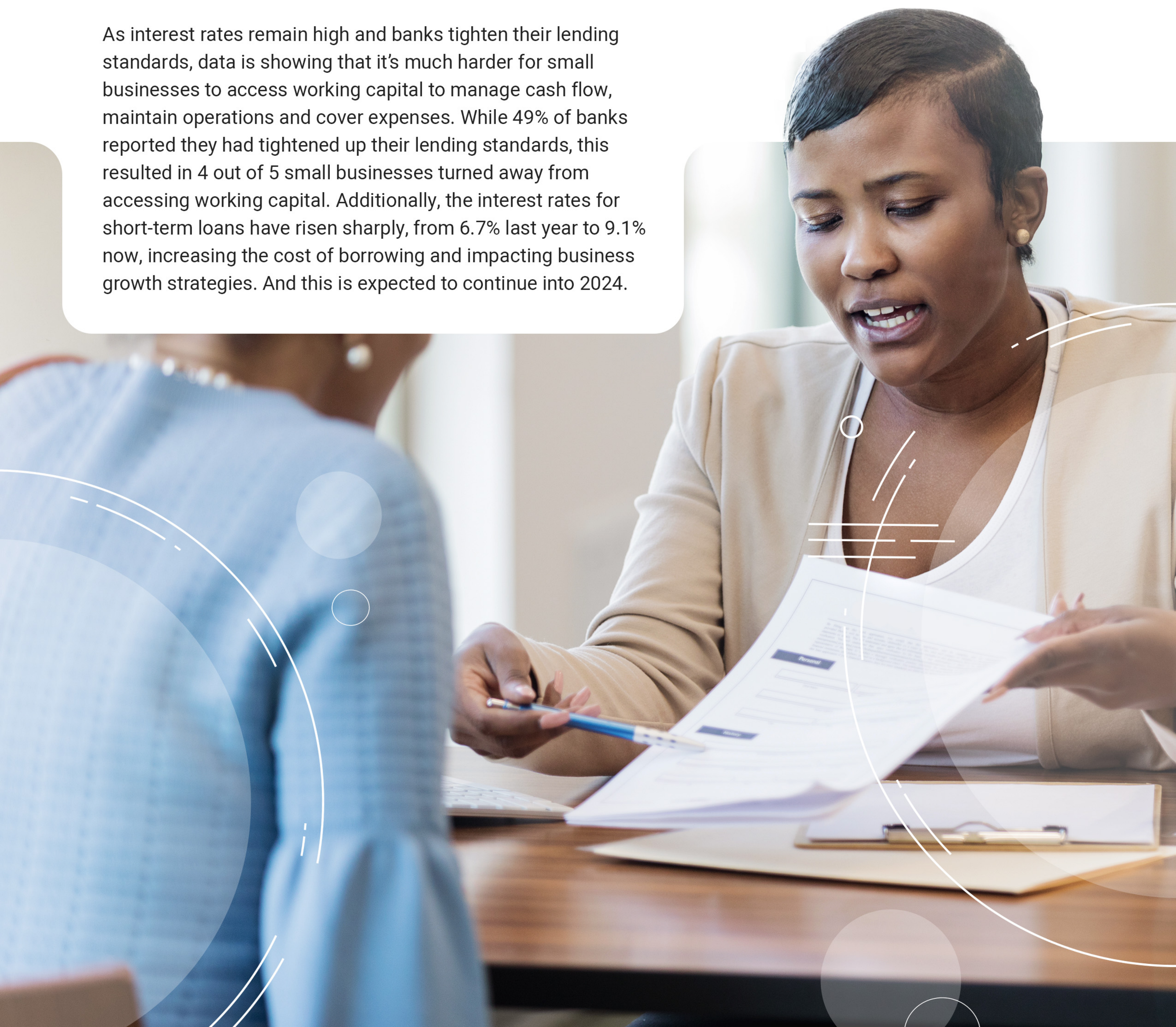
Achieving ACA compliance is a complex, data-intensive task for many businesses. They face the daunting task of meticulously maintaining up-to-date data for each employee, which includes constantly changing household levels that affect affordability thresholds. The IRS requires precise filing of specific forms by set deadlines, accompanied by accurate data reporting. Failure in any of these areas can result in significant financial repercussions — a penalty of \$4,460 per full-time employee. This penalty is not just a one-off but accumulates annually, making non-compliance a costly mistake.

Newtek Payroll is dedicated to helping you navigate ACA with its all-in-one Payroll & HR reporting software that will help you complete the correct forms with accurate data to meet deadlines. Newtek Payroll's solutions can help you achieve timely delivery, reporting, and compliance with changing government and state-specific ACA reporting requirements to avoid penalties.

Lending

Interest Rates Continue to Rise Into 2024

As interest rates remain high and banks tighten their lending standards, data is showing that it's much harder for small businesses to access working capital to manage cash flow, maintain operations and cover expenses. While 49% of banks reported they had tightened up their lending standards, this resulted in 4 out of 5 small businesses turned away from accessing working capital. Additionally, the interest rates for short-term loans have risen sharply, from 6.7% last year to 9.1% now, increasing the cost of borrowing and impacting business growth strategies. And this is expected to continue into 2024.



Lending

What Does this Mean for Expansion Plans?

In this environment, business owners are also contemplating whether to seek additional funding for expansion. Expansion plans could include purchasing new equipment, upgrading facilities to attract more customers, acquiring another business, or even considering buying property in response to rising rents. However, the current rates mean that financing these projects are now more costly than ever. The combination of higher interest rates, tightened lending standards, and the current economic climate is forcing many business owners to seek alternative solutions that are accessible, affordable, and flexible.

Newtek Lending Does Lending Better

While small business lending has decreased from lenders in general, Newtek Lending has increased its loan approvals by 47% year-over-year for small businesses to access the financing they need. Newtek Lending has flexibility of borrowing terms, diverse product offerings to meet different needs, and an average closing rate of 30 days to best suit Newtek Lending's clients.

Newtek Lending Solutions:

Term Loans

- Funding from \$5,000 to \$15,000,000
- Loan terms between 10 and 25 years
- Working capital to drive your business forward
- Available for businesses in many industries

Lines of Credit

- Lines backed by Accounts Receivable
- Lines backed by Inventory
- Offers a continuous source of capital
- From \$50,000 to \$5 million available

Additional Benefits

- Greater proceeds than conventional bank financing
- Receive funding in as little as 7-30 days
- No restrictive loan covenants or balloon payments
- Streamlined application process to access funding quickly
- White-glove service from a dedicated lending specialist
- Receive quotes on additional solutions such as payroll, insurance, point of sale systems, technology, banking, or payments to cut costs.

Partner with Newtek Lending

Newtek Lending's team provides hands-on, personalized assistance to create tailored solutions that combine term loans and lines of credit to satisfy both short and long-term financing needs. Join the thousands of businesses that trust Newtek Lending to grow their business.

Contact Newtek Lending's team of experts today to find which financing solution best fits your needs to receive funding in as little as 7-30 days.

Technology

AI-Powered Cyber Attacks Challenge Business Security

AI tools, while great for gaining efficiencies and conducting research, are also leveraged by hackers to generate targeted cyber attacks against businesses. As technology evolves, AI-powered malware can adapt in real-time, making it challenging for traditional anti-malware detection systems to keep up against more sophisticated attacks. With AI-based technology, attackers are creating phishing emails and messages that are sophisticated and hard to detect, ransomware attacks where software is rendered inaccessible until a ransom is paid, and exploiting software vulnerabilities to disrupt the supply chain. The resulting effects of these attacks are business interruption, loss of clients and partners, loss of data, and time-consuming and costly recovery.



Technology

Is Your Business at Risk?

Risk professionals warn that cyber crimes will continue to grow as technology advances. Small businesses are particularly vulnerable, often underestimating their risk of attack due to their size. In fact, only 14% of small to medium-sized businesses are equipped to handle attacks at this scale. And those that are equipped must proactively invest in advanced technology to detect, isolate, and eliminate cyber threats. Without robust cyber defense measures, businesses face the risk of major disruption, loss of business, reputational damage, and potential closure.

Newtek Technology Solutions Does Cyber Security Better

Help your business drive efficiency, fuel growth, and maintain security against cyber attacks for years to come with Newtek Technology Solutions' (NTS) game-changing technology services. NTS' team of experts addresses the most complex and critical challenges with tailored strategies to address unique vulnerabilities and threats.

IT Consulting

Identify and quantify security risks with a dedicated IT Team, so you can develop tailored improvements to reduce risk.

Security & Compliance

Develop and implement the ideal infrastructure to ensure your data is protected.

Website Security

Detect and fix threats, accelerate performance, and attain PCI compliance with thorough website security solutions.

Infrastructure & Managed Cloud

Smooth and cost-effective data migration to a secure and private cloud to remediate risk, improve performance and reduce overall costs.



Partner with NTS

Get started today with a **no-cost, no-obligation** assessment of your entire IT infrastructure, where NTS identifies the risks and vulnerabilities associated with your enterprise - that's a service valued at over \$1,000. This evaluation will identify vulnerabilities, inefficiencies, or opportunities within your systems and offer targeted, affordable solutions to keep your business and client data safe and secure.

Point of Sale Solutions

Maximizing Efficiency with Advanced POS Systems

In 2024, the functionality of point-of-sale (POS) systems extends beyond just basic order processing and payment handling. Key features of POS systems now include inventory management, customer relationship management, robust reporting and analytics, and effective employee management. It's important to note that the most critical features will depend on the unique needs of your business.

These POS systems have become more versatile than ever in today's business landscape. As businesses grapple with increasing costs of supplies and relentless market competition, POS technology continues to offer invaluable support in enhancing operational efficiency and improving profit margins.



Point of Sale Solutions

Newtek Payment Systems Does Point of Sale Solutions Better

Newtek Payment Systems (NPS) enhances all businesses with core solutions merchants need to run their business efficiently. NPS' POS solutions are tailored to fit retail and restaurant establishments. Additionally, NPS offers custom modules for assisted living, golf courses, parking garages, and more.

Accounting

NPS integrates top accounting software that merchants use directly into the POS solution, making bookkeeping a breeze.

Smooth Transition

Decrease downtime and eliminate headaches associated with setting up both hardware and software with NPS POS equipment. NPS' POS specialists handle it all for you with an average turnaround time typically less than 1 week after approval.

Dual Pricing

Eliminate merchant credit card processing fees by transferring most, if not all, of the costs onto the consumer with dual pricing.

Protect your business reputation and save time and money with NPS' POS solutions. Plus, you can embed key NewtekOne products including Payments, Payroll, Insurance, and Lending into the platform; transforming NPS into a one-stop shop for all of your business needs.

NPS Key Features

- Instant Funding
- Online Ordering
- Order and Pay-at-the-table
- Food Delivery Integrations
- QR Codes
- Inventory Management



Partner with NPS

NPS' team takes the time to understand your business and offer targeted Point of Sale Solutions. Speak with one of NPS' around-the-clock POS specialists to find the system that fits your business needs.

Banking

One of the Top Checking Accounts on the Market in 2024

So many banks have reimagined banking, made promises, and fallen short when it comes to banking for businesses. That's why Newtek Bank, National Association (Newtek Bank®) is launching what we believe to be the best checking account on the market for businesses to grow their money without being held down by fees. At Newtek Bank, you can combine Newtek Bank's Business Checking account that pays interest and offers unlimited transactions for free with Newtek Bank's Business Money Market account that pays you top-of-the-market rates to get the most out of your excess funds. Newtek Bank understands business because it was built by business people. And that's why **Newtek Bank Does Business Banking Better.**



Banking

Grow Your Capital with the Bank that Puts Businesses First

Newtek Bank encourages you to compare its banking benefits against those offered by other financial institutions to find a better and more profitable solution.

- Unlike most banks, Newtek Bank doesn't charge transaction fees, respecting your hard-earned business funds.
- Newtek Bank doesn't charge for EFTs or domestic wire transfers, allowing you to transfer funds freely without extra costs.
- Newtek Bank offers free withdrawals at approximately 40,000 ATMs nationwide, avoiding the ATM fees charged by others.
- Focused on your growth, Newtek Bank offers a 1.00% Annual Percentage Yield (APY) on business checking accounts.
- Newtek Bank provides a separate business money market account with a 3.50% APY*, helping business owners quickly reach their savings goals using their excess funds. This is a game-changer for businesses.

Business First Checking

No service charges, overdrafts, minimum balances, or hidden fees.

A business checking account that pays you interest without penalizing you with fees every step of the way.

Business Checking

1.00% APY for all business checking accounts.

ACH & Wires

Whether you're paying taxes or paying vendors, Newtek Bank's domestic wire and ACH transfers allow you to send and receive money quickly and securely, without any hidden fees.

Bill Pay

Pay your vendors securely from your account.

The Newtek Advantage®

See the pulse of your business and gain access to digital tools, specialists, and insights all in one place.

Grow Your Funds with a Money Market Account

Reach your savings goals faster with an account made for business growth.

Newtek Bank's money market account is designed to work in combination with your business checking account. Roll over your excess liquidity from your checking account to begin earning 3.50% APY* — with a maximum of 6 transactions a month. Ensure your funds are constantly working harder for you and grow your funds even faster.

Newtek Bank doesn't want you to just save your money; it wants you to grow it.

* Business Checking Account/Business /Business Money Market Account — Annual Percentage Yield (APY) valid as of 1/2/2024, and subject to change without notice. Rates may change after account is opened. Minimum balance of \$0.01 required to open account and obtain APY. Fees may reduce Earnings.

Newtek Bank, National Association ("Newtek Bank, N.A."), is the banking subsidiary of NewtekOne, Inc. Newtek Bank, N.A. is a member of the Federal Deposit Insurance Corporation (FDIC). As a Newtek Bank, N.A. customer, your Newtek Bank, N.A. deposits are insured by the FDIC up to \$250,000 per depositor, for each account ownership category.

Banking

Big Benefits for Big Growth

- No monthly service or transaction fees.
- Same-day deposit for merchant processing and payroll clients is available.
- Unlimited domestic transactions at no additional costs.
- Live U.S. support dedicated to helping your business grow.
- Free debit cards with approximately 40,000 MoneyPass® Network ATMs nationwide.

Newtek Bank, The Bank You Can Trust™

Newtek Bank helps you get the most out of your money, which includes eliminating all hidden fees, a 1.00% business checking APY*, and growing your excess checking funds at an APY of 3.50% with your business money market account*. Get the biggest bang for your buck and watch your savings grow.

Business Checking

Tackle everyday business finances with same-day deposits, secure bill pay, and other game-changing features.

Business Money Market Account

Grow your excess checking funds at a rate of 3.50% APY*.

Certificates of Deposit

Maximize your funds with one of Newtek Bank's high-yield CD products with flexible terms to meet your needs.

* Business Checking Account/Business /Business Money Market Account – Annual Percentage Yield (APY) valid as of 1/2/2024, and subject to change without notice. Rates may change after account is opened. Minimum balance of \$0.01 required to open account and obtain APY. Fees may reduce Earnings.

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Newtek Bank, N.A. Member FDIC



Open an Account with Newtek Bank

Take advantage of Newtek Bank's desire to help your business thrive, and speak to one of Newtek Bank's U.S.-Based specialists to open your FDIC-Insured, safe and secure account today.

**Your sweat equity deserves to be
with a bank that has one focus —
helping your business thrive.**

The Newtek Advantage®

The Software, People, & Processes You Need to Grow

Gain The Newtek Advantage®

You're just a couple of clicks away from accessing the pulse of your business using cutting-edge technology, all from one place. With the Newtek Advantage, you can:

- Gain one-click access to a full suite of solutions designed to drive bottom-line growth
- Manage payroll from the palm of your hand
- Track website statistics and analytics to easily measure performance
- Review account balances and financial statements quickly and securely
- Store and organize all business documents in one place for greater ease
- View all of your merchant processing data, including chargebacks, refunds, and debit/credit purchases
- Access 24/7 U.S. support, live and on-camera, to receive answers and solutions ASAP



Get In Touch

See how NewtekOne can maximize efficiency and growth and how The Newtek Advantage can be customized to your business.

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