

NewtekOne[®]

NASDAQ: NEWT

**Update on NewtekOne, Inc. Operational and Financial Performance
As a Financial Holding Company Given Recent Market Conditions**

Hosted by:

Barry Sloane, CEO & President

Attendees

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Note Regarding Forward-Looking Statements

Certain statements in this presentation are “forward-looking statements” within the meaning of the rules and regulations of the Private Securities Litigation and Reform Act of 1995. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. These statements are not guarantees of future results or occurrences. Actual results and capital and other financial conditions may differ materially from those included in these statements due to a variety of factors. These factors include, among others: macroeconomic and other challenges and uncertainties related to the COVID-19 pandemic, such as the impacts to the U.S. and global economies, as well as the broader impacts to financial markets and the global macroeconomic and geopolitical environments; higher inflation and its impacts; higher interest rates and the impacts on macroeconomic conditions, and NewtekOne, Inc.’s funding costs; NewtekOne, Inc.’s conversion to a financial holding company, consummation of the acquisition of Newtek Bank, N.A. and Newtek One’s limited experience as a financial holding company and owning and operating a bank; and the precautionary statements included in this release. Factors that could cause NewtekOne, Inc.’s actual results to differ materially from those described in the forward looking statements can be found in NewtekOne, Inc.’s Annual Report on Form 10-K for the year ended December 31, 2022 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2022, June 30, 2022, and September 30, 2022, filed May 9, 2022, August 8, 2022, and November 8, 2022, with the Securities and Exchange Commission and are available on NewtekOne, Inc.’s website (<https://investor.newtekbusinessservices.com/sec-filings>), and on the Securities and Exchange Commission’s website (www.sec.gov). Any forward-looking statements made by or on behalf of NewtekOne, Inc. speak only as to the date they are made, and NewtekOne, Inc. does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made.

- Our focus today will be directed towards why we believe NewtekOne and Newtek Bank, N.A. are different and why the industry's problems might indirectly but not directly affect us
- Reporting regularly to investors and analysts in turbulent times is an important transparency the Company has used as its north star for over 22 years, and will continue to do so
- We believe that our business model is dramatically different than the majority of other banks and financial holding companies; today's discussion is designed to emphasize that and show how well positioned we are to operate as we believe banks will have to operate in the future

- Newtek Bank, N.A., as of January 31, 2023, had approximately \$250 million of total assets with \$78 million of capital, or approximately 30% capital base (unaudited)
- NewtekOne, Inc., on a proforma unaudited consolidated basis had approximately \$1-\$1.1 billion in assets with approximately \$200 million in equity which includes common and preferred stock
- NewtekOne reconfirmed its recent guidance of \$1.70 - \$2.00 earnings per share for 2023 and \$2.80 - \$3.20 per share in 2024 despite turbulent market conditions which we do not believe are affecting our business model
- We own a well-capitalized bank, Newtek Bank, N.A., and are a well-positioned financial holding company
- We are proud to report what we believe are strong capital positions as of January 31, 2023, even with the asset mark downs we reported as of December 31, 2022
- We believe that we have ample liquidity at the bank with an investment portfolio of \$5 -\$7 million of securities and \$40 million of cash, along with a financial holding company that recently raised \$50 million of debt and \$20 million of preferred stock with an investment grade BBB+ rating. Newtek Bank also has a line of credit with the Federal Home Loan Bank of Atlanta.

- The business model, as previously stated, does not rely on non-interest bearing deposits and lower-cost core deposits
- These types of deposits are important and attractive but we believe that the market, investors and analysts, and some regulators, overestimated the stickiness of these deposit relationships in a dramatically rising interest rate environment, and a technology-based environment which moves money to other banks, like Newtek Bank, in 3-5 minutes, or purchases treasuries directly from the United States government
- We have publicly stated in prior conference calls that we are not relying on low-cost deposits for the first two years of our business model and that is a 2025-2026 story which we believe we will benefit from our payment processing, payroll, and lending units.
 - It is possible and hopeful that the benefit lower cost deposits and non-interest bearing accounts could come a lot sooner than that, but we set the market expectation for out in the future to give us cushion.
 - In addition, we do not assume that lower cost deposits are as sticky as recent participants in the market have found out.
- Our SBA 7(a) loans are prime plus 3 floating rate, with 75% government guarantee producing a 10-11 point in the current market gain on sale
- We intend to diversify the portfolio with conforming C&I and conforming CRE loans at tighter spreads and asset liability match them accordingly
- Our SBA 504 loans which will be held for sale and hedged appropriately, as we have done over the last 18 months

- NewtekOne has filed a S-3 Shelf Registration Statement with the SEC, which, upon effectiveness, provides the Company with the ability to raise capital through:
 - Debt
 - Preferred stock
 - Equity

a. Savings deposits:

- 1. Money market deposit accounts (MMDAs).....
- 2. Other savings deposits (excludes MMDAs).....
- b. Total time deposits of less than \$100,000.....
- c. Total time deposits of \$100,000 through \$250,000.....
- d. Total time deposits of more than \$250,000.....
- e. Individual Retirement Accounts (IRAs) and Keogh Plan accounts of \$100,000 or more included in Memorandum items 2.c and 2.d above.....

	In Thousands Of Dollars	
RCON6810	7,152	M.2.a.1.
RCON0352	2,332	M.2.a.2.
RCON6648	42,676	M.2.b.
RCONJ473	63,788	M.2.c.
RCONJ474	2,955	M.2.d.
RCONF233	2,807	M.2.e.

- We believe that many competitors in the industry have a business model dominated by low-cost deposits which have been deemed to be sticky and longer-term duration-based loans or assets that we do not believe perform well in a dramatically rising interest rate environment on a marked to market basis
 - Therein lies the problem the industry has that we do not believe NewtekOne has
 - Also, important to note, NewtekOne has positioned itself as a financial and business solutions provider, which we believe differentiates NewtekOne as a financial holding company
 - NewtekOne's innovative business model ~~on~~ is not based on ~~around~~ things like crypto or venture lending, it is focused on serving the independent business owner client base with traditional tried and true products, however dramatically improving the client experience, bundling the solutions together, and providing state of the art client service to what we believe has been a traditionally ignored customer base of independent business owners
- In addition, we are a financial holding company that we believe can generate reoccurring revenue from payment processing, technology solutions, insurance, and payroll. Our non-conforming loan origination business conducted at the financial holding company is also hedged and asset liability matched, and that we believe does not expose us to the current problems that have arisen with Silvergate, Silicon Valley Bank, or Signature Bank

- NewtekOne has consistently maintained its position in the market for over 24 years to provide business and financial solutions to its clientele
- NewtekOne's management team has steered the company through the 2008-2009 credit crisis, the pandemic, and now the market's current recognition that the traditional banking model dependent upon low-cost deposits must change and correct itself
- We believe that NewtekOne has proven to be a more than adequate risk manager over its 24-year history, and we further believe that the acquisition of the 59-year-old National Bank of New York City will be a risk reducer to the organization and help us diversify our asset base and liability acquisition model
- We greatly look forward to reporting our first quarter 2023 results