

NewtekOne[®]

NASDAQ: NEWT

Third Quarter 2024

Financial Results Conference Call

November 7, 2024

Hosted and Presented by:

Barry Sloane, CEO & President

M. Scott Price, CFO

Also Attending

Nicolas Young, President, Newtek Bank, N.A.

Investor Relations

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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. Information regarding the Company’s assets under supervision, capital ratios, risk-weighted assets, supplementary leverage ratio and balance sheet data consists of preliminary estimates and are subject to change with the filing of the Company’s Form 10-Q for the quarterly period ended September 30, 2024. These statements and other forward-looking statements herein are based on the current beliefs and expectations of NewtekOne’s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. In addition, earnings per share guidance reflects risks, uncertainties and assumptions with respect to facts and circumstances that are beyond our control, in particular concerning interest rates, monetary policy and prevailing economic conditions during the relevant periods, any of which may differ significantly from our assumptions about the applicable period, causing our actual operating results, including our earnings per share, to differ materially from the stated guidance. See “Note Regarding Forward-Looking Statements” and the sections entitled “Risk Factors” in our filings with the Securities and Exchange Commission which are available on NewtekOne’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 speak only as to the date they are made, and NewtekOne 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.

Significant Events in Q3 2024

- Third quarter 2024 earnings per share (“EPS”) of \$0.45 per basic and diluted common share beating the midpoint of our previously stated forecast of \$0.43 per basic and diluted common share
- Reconfirming FY 2024 full year EPS guidance of \$1.85 to \$2.05 per basic and diluted common share
- Third quarter 2024 quarterly deposit growth over last quarter was approximately 12% at Newtek Bank
- Third quarter 2024 total loan growth over last quarter was 17% at Newtek Bank
- Net interest margin at Newtek Bank was 5.29% for the three months ended September 30, 2024; an increase of 10% over 4.83% for the three months ended June 30, 2024, and an increase of 50% over 3.53% for the three months ended September 30, 2023
- Approximately 500 basis points of loan loss reserve coverage at September 30, 2024
- Business deposits (checking and business money market) at Newtek Bank grew by 73% to \$235 million in the third quarter 2024 from \$136 million in the second quarter 2024
- Alternative Loan Program (ALP) picked up traction and demonstrated a full execution through securitization (see detailed slide later in presentation)
- We continue to demonstrate over the past seven quarters that higher margins and higher yielding assets are driving higher returns on assets and returns on tangible common equity while Newtek Bank is growing its number of business checking accounts, which are less costly to manage
- Efficiency ratio at Newtek Bank declined to 39% for the third quarter 2024, further validating the benefits of our technology-enabled banking-strategy
- Newtek Bank continues to demonstrate the ability to acquire and process business, emphasizing its unique and internally developed technological platform
- Completed a registered public offering of \$75.0 million aggregate principal amount of 8.625% Fixed Rate Senior Notes due 2029, listed on the Nasdaq Global Market[®] under the trading symbol “NEWTH” (the “2029 Notes”). The 2029 Notes were rated BBB+ by Egan-Jones Ratings Company.

Financial Performance							
	3Q23	4Q23	1Q24	2Q24	3Q24	FY 2023	2024 YTD
ROAA	6.0 %	9.9 %	5.8 %	6.4 %	6.3 %	5.7 %	6.2 %
ROE	42.8 %	64.8 %	37.5 %	48.3 %	51.1 %	34.7 %	45.0 %
ROTCE	44.0 %	66.3 %	37.9 %	48.8 %	49.3 %	35.7 %	45.6 %
Efficiency	40.3 %	34.4 %	49.9 %	42.3 %	39.4 %	49.9 %	43.5 %

Margin							
	3Q23	4Q23	1Q24	2Q24	3Q24	FY 2023	2024 YTD
Net Interest Margin (NIM)	3.49 %	4.43 %	4.82 %	4.83 %	5.29 %	3.63 %	4.98 %
Avg Yield on Loans	8.49 %	9.26 %	9.48 %	9.57 %	11.12 %	8.35 %	9.58 %
Avg Rate on Deposits	4.44 %	4.40 %	4.48 %	4.47 %	4.82 %	4.27 %	4.38 %
Avg Rate on Funding	4.35 %	4.32 %	4.41 %	4.42 %	4.75 %	4.17 %	4.33 %

	Growth			
	4Q23	1Q24	2Q24	3Q24
HFI Loans (Ending)	20 %	18 %	14 %	15 %
HFI Loans (Average)	72 %	24 %	12 %	1 %
Deposits (Ending)	17 %	9 %	17 %	12 %
Deposits (Average)	1 %	9 %	24 %	(3) %

	Capital & Credit			
	4Q23	1Q24	2Q24	3Q24
CET 1	21.5 %	17.6 %	17.1 %	15.5 %
Total Capital	22.8 %	18.9 %	18.3 %	16.8 %
Leverage	16.6 %	15.5 %	13.8 %	13.3 %
NPL/Total Loans	1.6 %	1.2 %	2.3 %	3.0 %
ACL/Loans HFI	3.7 %	4.1 %	4.7 %	5.0 %

Note: Reconciliations of non-GAAP financial measures to the most comparable GAAP measures are set forth on pages 44 and 45

Financial Performance							
	3Q23	4Q23	1Q24	2Q24	3Q24	FY 2023	2024 YTD
ROAA	3.0 %	3.1 %	2.8 %	2.8 %	2.9 %	3.6 %	2.9 %
ROE	18.8 %	19.7 %	16.3 %	17.0 %	17.3 %	21.3 %	16.9 %
ROTCE	20.8 %	25.7 %	20.6 %	21.1 %	21.3 %	27.6 %	21.2 %
Efficiency	63.8 %	66.6 %	70.6 %	66.3 %	61.8 %	76.3 %	66.2 %

Margin							
	3Q23	4Q23	1Q24	2Q24	3Q24	FY 2023	2024 YTD
Net Interest Margin (NIM)	2.60 %	2.76 %	2.92 %	2.71 %	3.08 %	2.37 %	2.91 %
Avg Yield on Loans	9.64 %	9.52 %	9.49 %	9.34 %	9.32 %	9.29 %	9.38 %
Avg Rate on Deposits	4.46 %	4.62 %	4.82 %	4.85 %	4.63 %	4.42 %	4.81 %
Avg Rate on Funding	6.53 %	6.48 %	6.63 %	6.64 %	6.41 %	6.56 %	6.59 %

Growth					Capital				
	4Q23	1Q24	2Q24	3Q24		4Q23	1Q24	2Q24	3Q24 ¹
Total loans	10 %	11 %	2 %	10 %	CET 1	16.2 %	17.2 %	16.0 %	17.7 %
Total deposits	7 %	11 %	19 %	6 %	Total Capital	19.1 %	20.2 %	18.8 %	20.5 %
Total deposits + borrowings	2 %	6 %	7 %	3 %	Leverage	13.6 %	13.7 %	13.7 %	13.9 %

Summary Income Statement	3Q23	4Q23	1Q24	2Q24	3Q24	\$ Change Q3 '24 vs. Q2 '24	% Change Q3 '24 vs. Q2 '24	% Change Q3 '24 vs. Q3 '23
Net interest income	\$ 8,077	\$ 8,301	\$ 8,906	\$ 9,126	\$ 10,981	\$ 1,855	20.3 %	36.0 %
Provision for credit losses	3,446	4,365	4,015	5,799	6,928	1,129	19.5 %	101.0 %
Noninterest income	41,024	49,107	49,367	52,020	51,851	(169)	(0.3)%	26.4 %
Noninterest expense	31,320	38,209	41,159	40,564	38,847	(1,717)	(4.2)%	24.0 %
Earnings before tax	14,337	14,834	13,099	14,783	17,057	2,274	15.4 %	19.0 %
Net income available to common shareholders	\$ 10,919	\$ 10,444	\$ 9,250	\$ 10,545	\$ 11,534	\$ 989	9.4 %	5.6 %
Diluted earnings per share	\$ 0.43	\$ 0.43	\$ 0.38	\$ 0.43	\$ 0.45	\$ 0.02	4.7 %	4.7 %

¹ Preliminary capital ratios

Note: Reconciliations of non-GAAP financial measures to the most comparable GAAP measures are set forth on pages 44 and 45. Dollars in thousands.

During fiscal year 2024 NewtekOne has demonstrated a continued ability to deliver strong results and shareholder value, while continuing to invest in its core infrastructure to support its strategic initiatives. Management plans to continue to build on the strong momentum into fiscal year 2025.

Summary of Key Projection Assumptions

	2023	2024E	2025E
<u>Loan Originations</u>			
SBA 7(a) ¹	\$815	\$935	\$1,000
SBA 504 ²	\$99	\$175	\$250
Alternative Loan Program	\$70	\$325	\$500
Conforming Bank Loans	\$31	\$80	\$200
Total Deposits	\$464	\$838	\$1,107

The Company expects \$1.85-\$2.05 earnings per diluted share for fiscal year 2024. The Company also expects full year 2025 earnings per diluted share between \$2.00-\$2.25.

¹ SBA 7(a) Loans Funded

² SBA 504 Loans Closed

Dollars in millions except per share data

NewtekOne & Newtek Bank Bank Market Comparables

	LOB	Commercial Banks		NewtekOne		Newtek Bank	
		1-3bn	3-5bn				
	<u>Q2 '24</u>	<u>Q2 '24</u>	<u>Q2 '24</u>	<u>Q2 '24</u>	<u>Q3 '24</u>	<u>Q2 '24</u>	<u>Q3 '24</u>
<u>Margin</u>							
Net Interest Margin	3.26 %	3.36 %	3.19 %	2.71 %	3.08 %	4.83 %	5.29 %
Yield on Earning Assets	7.12 %	5.65 %	5.52 %	8.70 %	8.78 %	8.96 %	8.82 %
Cost of Interest Bearing Liabs	4.15 %	3.06 %	3.19 %	6.64 %	6.41 %	4.57 %	4.20 %
<u>Profitability</u>							
ROTCE	11.39 %	11.40 %	10.58 %	21.10 %	21.30 %	48.80 %	49.30 %
ROAA	0.93 %	1.10 %	1.10 %	2.82 %	2.90 %	6.37 %	6.30 %
Efficiency Ratio	61.0 %	63.3 %	59.2 %	66.3 %	61.8 %	42.3 %	39.4 %
Fee Income/Revenue	27.3 %	24.3 %	24.2 %	85.1 %	74.3 %	76.0 %	39.8 %
<u>Credit Quality</u>							
NPA/Loans	0.42 %	0.73 %	0.81 %	6.30 %	8.67 %	2.50 %	3.08 %
Reserves/Loans	1.45 %	1.25 %	1.25 %	1.91 %	2.85 %	3.74 %	3.95 %
Reserves/NPAs	340 %	157 %	135 %	30 %	33 %	151 %	132 %
NCOs/Avg Loans	0.35 %	0.19 %	0.23 %	0.28 %	0.18 %	0.54 %	1.04 %
Texas Ratio	— %	5.69 %	6.35 %	28.46 %	30.46 %	11.15 %	14.51 %
<u>Balance Sheet</u>							
Asset Growth Q/Q	13 %	7 %	(14)%	7 %	4 %	15 %	11.70 %
Loan Growth Q/Q	14 %	14 %	(13)%	5 %	10 %	13 %	17.00 %
Deposit Growth Q/Q	13 %	6 %	(16)%	5 %	6 %	17 %	12.40 %
Loan/Deposits	86 %	85 %	85 %	142 %	187 %	85 %	88.40 %
<u>Capital</u>							
Total Capital Ratio	13.1 %	14.4 %	14.8 %	18.8 %	20.5 %	18.3 %	16.8 %
Leverage Ratio	8.7 %	10.5 %	10.7 %	13.7 %	13.9 %	13.8 %	13.3 %
Tier 1 Ratio	11.9 %	16.8 %	15.6 %	16.0 %	17.7 %	17.1 %	15.5 %
Equity/Assets	8.1 %	9.2 %	9.6 %	16.2 %	16.8 %	13.8 %	13.2 %

Source: S&P Capital IQ, company websites

Live Oak Bank is Our Closest Single Bank Comparable

\$ in 000s	3Q24		3Q24	
	Live Oak Bancshares	NewtekOne, Inc.	Live Oak Bank	Newtek Bank
ROAA	0.43%	2.90%	0.50%	6.27%
ROTCE	5.19%	21.30%	6.32%	49.30%
Efficiency Ratio	59.72%	61.80%	57.24%	39.40%
Asset Size	\$12,607.3	\$1,674.2	\$12,525.7	\$914.2
Net Income	\$13.2	\$11.9	\$15.0	\$13.5
P/E Ratio ¹	17.3x	6.4x	--	--

¹P/E=Price to next twelve months' earnings as of 11/1/2024

Note: Live Oak Bank has monetized and spun out its technology and records gain on sale. We aspire, similar to Live Oak Bank, to be analyzed as a differentiated company solving our client's business and financial problems, and evolving for the future. Dollars in millions.

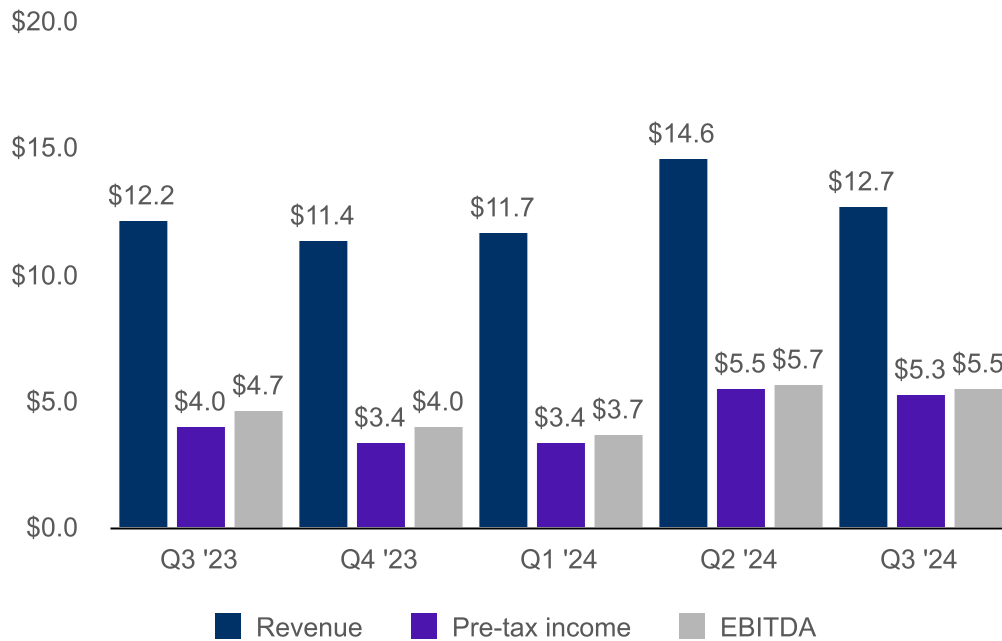
NewtekOne Q3 2024 Valuation Factors

- Growth in Payments Segment - Newtek Merchant Solutions
- Material benefit of early redemption of the NSBF securitization debt that reached its “clean-up call” allows the Company to unlock cash from the loans that were pledged to the securitization bondholders
- Growth in capital and book value
- How the Newtek Advantage[®] has helped growth in the Insurance Agency
- Interesting aspects of Newtek Technology Solutions divestiture
- Understanding our credit thesis as a high-margin loan originator
- Newtek Bank is not your ordinary \$900 million asset-sized bank with 360 employees
- Alternative Loan Program loans funded on balance sheet versus joint venture
- We also originate SBA 504 and ALP loans which are commercial loans with a lower risk profile than our traditional SBA 7(a) loans

- Newtek Payments:
 - Pretax income increased by 32.5% to \$5.3 million for the three months ended September 30, 2024, over \$4.0 million during the same period in 2023
 - Pretax income increased by 43.4% to \$14.2 million for the nine months ended September 30, 2024, over \$9.9 million during the same period in 2023
 - Forecasted pretax income for full year 2024 is \$17.7 million, which would represent a 33.1% increase over full year 2023 pretax income
 - Pretax income forecast for 2025 is \$19.6 million, which would represent a 10.7% increase over the forecasted 2024 pretax income of \$17.7 million

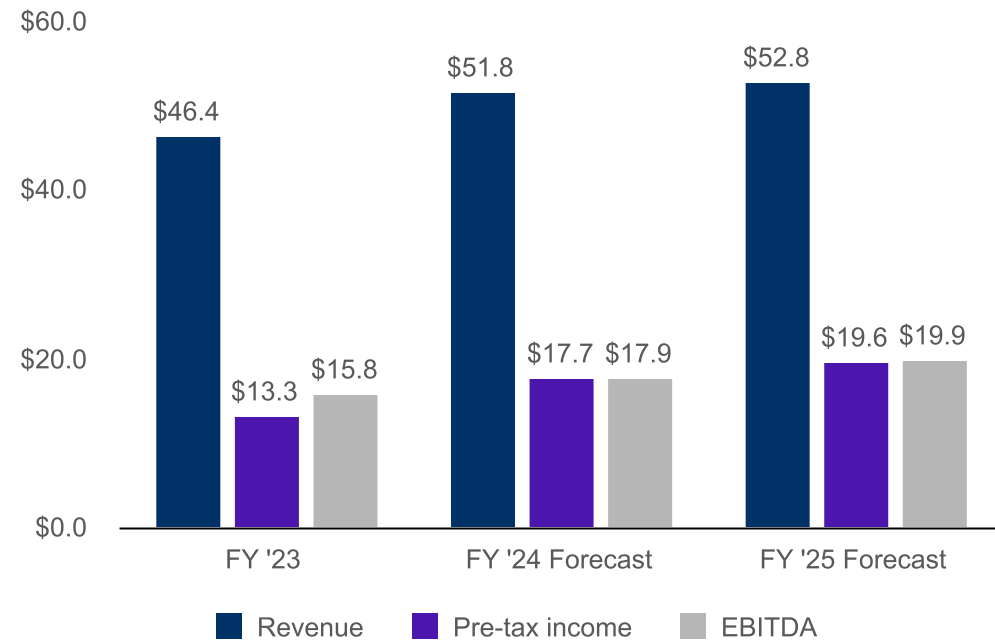
Quarterly Trend

(\$ in millions)



Actual FY 2023, FY 2024E, and 2025E

(\$ in millions)



Note: Financial metrics in the chart above adjusted to include certain intercompany revenues and expenses eliminated within the consolidated group

Early Redemption of Newtek SBA 2018-1 and 2019-1 Securitizations

- On October 23, 2024 – NewtekOne executed an early redemption (“clean-up call”) of the Newtek Small Business Finance (“NSBF”) securitization debt on its outstanding 2018-1 and 2019-1 SBA 7(a) loan securitizations
- Retiring these two securitizations freed-up cash remaining in these deals and is anticipated to provide additional cash flows to NSBF over the remaining terms of the loans

	SBA 2018-1	SBA 2019-1	Total			
Cash Required to Exercise Call Option	\$12.4	\$13.0	\$25.4			
Reserve Cash Balance (Held at Trustee)	\$2.1	\$2.3	\$4.4			
Payments Collected Not Remitted	\$1.0	\$1.7	\$2.7			
	\$3.1	\$4.0	\$7.1			
Net Cash out to Exercise Call Option	\$9.3	\$9.0	\$18.3			
	Number of Loans	Principal Balance	Number of Loans	Principal Balance	Number of Loans	Principal Balance
Total Loans Released to Newtek upon Exercise	271	\$40.6	366	\$46.1	637	\$86.7
Over Collateralization to Net Cash out		437%		512%		474%
Performing Loans Released Upon Exercise	234	\$30.6	306	\$36.6	540	\$67.2
Over Collateralization to Net Cash out		329%		407%		367%
Non-Performing Loans Released upon Exercise	37	\$10.1	60	\$9.5	97	\$19.6

- Estimated cash flows to NSBF over the first 24 months would be:

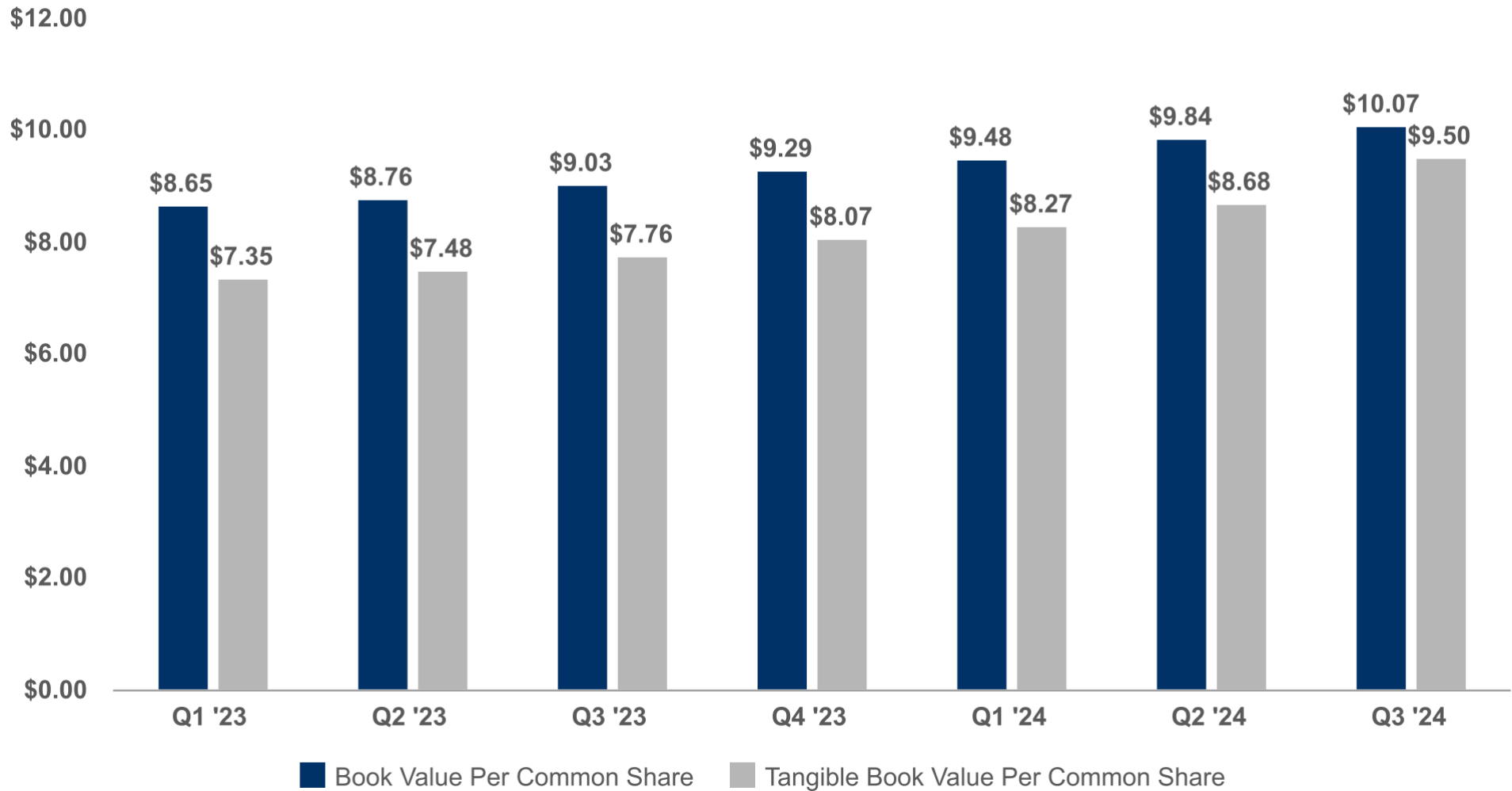
Total Cashflows From Redemption

Year 1	\$37.1
Year 2	\$32.8
Total	\$69.9

Dollars in millions

Growth in Book Value & Tangible Book Value

Book Value and Tangible Book Value Growth



*Values above are per common share and therefore exclude Preferred Stock

Growth in Newtek Insurance Agency

- Net active policies grew by 1,429 units, or 37.6%, to 5,234 units, over the last 20 months from January 2023 to September 2024
- This growth illustrates the benefit of having everything at a business' fingertips in the Newtek Advantage[®]

Newtek Technology Solutions Divestiture

- August 11, 2024, NewtekOne entered into a definitive agreement (the “Agreement”) to sell its subsidiary Newtek Technology Solutions, Inc. (“NTS”) to Paltalk, Inc. (“Paltalk”) (Nasdaq: PALT). The Company reported NTS as held for sale as of September 30, 2024.
- NTS provides managed IT solutions and currently manages IT hardware and software for approximately 17,000 customers.
- In connection with the Company’s acquisition of Newtek Bank and transition to a financial holding company, the Company made a commitment to the Board of Governors of the Federal Reserve System to divest or terminate the activities of NTS by January 2025.
- Pursuant to the Agreement, Paltalk has agreed to pay to the Company at the closing: (i), \$4,000,000 in cash, subject to certain purchase price adjustments, and (ii) issue to the Company 4,000,000 shares of a newly created series of Paltalk non-voting preferred stock (collectively, the “Closing Consideration”).
- Upon the occurrence of certain specified transfers of the Preferred Stock, each share of Preferred Stock will automatically convert into one share of common stock of Paltalk, subject to certain anti-dilution adjustments.
- In addition to the Closing Consideration, the Company may be entitled to receive an earn-out amount of up to \$5,000,000, payable in cash or Preferred Stock (or a combination thereof, determined in Paltalk’s discretion), based on NTS’ achievement of certain cumulative average Adjusted EBITDA thresholds for the 2025 and 2026 fiscal years.
- The transaction is subject to closing conditions, including Paltalk shareholder approval.
- Paltalk has announced that it intends to change its name at closing to IPM Corporation and change its stock symbol to “IPM.”
- IPM intends to be a pure play small-cap publicly traded company, providing solutions to business owners in the areas of cyber security, managed technology solutions, professional IT services and procurement.
- NTS is estimated to generate between \$25 million to \$30 million of revenues and achieve adjusted EBITDA of approximately \$2 million in 2024.
- In addition, following the close, the Company will be entitled to one representative on the Paltalk board of directors.

Credit Thesis As A High-Margin Loan Originator

- Our loans to our customer base are focused on independent business owners, small- to medium-sized businesses, and small- to medium-sized enterprises in order to achieve extraordinary risk-adjusted returns. What does this mean?
- After adjusting for credit losses, net of the higher coupon on a risk-adjusted basis, our assets and returns on equity are higher
- Having made loans to this important economic and demographic group for over two decades, the credit system that we have deployed has proven that we manage the risk no matter what the environment, whether the interest rate environment is high or low, or if dealing with a pandemic, or a 2023 banking crisis
- Despite the fact that industry standards and the marketplace might consider our loans high-risk loans, we believe the risk-adjusted spread of loss reserves, realized losses and realized charge offs, our return on assets, return on tangible common equity and the ability to grow is evidence that the loans we make are provide us more cushion than low-margin loans that have limited amounts of realized and unrealized losses
- These low-margin loans are pervasive in the banking sector because the entire industry is originating these types of loans with very thin margins, so that with any shift, you may have more severe write downs, like we have recently witnessed with commercial real estate loans and other consumer loans
- We reject the notion that although it is appropriate to consider a small- to medium-sized business loan, based upon regulatory standards, a higher level of risk on a risk-adjusted basis, our 20 years of experience in the category gives us confidence that we have, and can continue to, manage this risk and receive higher rates of return
- We have comfort knowing we have a material amount of cushion on these loans that will not affect required capital, loss reserves, or profit margins, and we believe this cushion will protect us against undesirable outcomes, or perform much better than industry-standard loans that typical banks originate

Newtek Bank N.A. & NewtekOne, Inc.

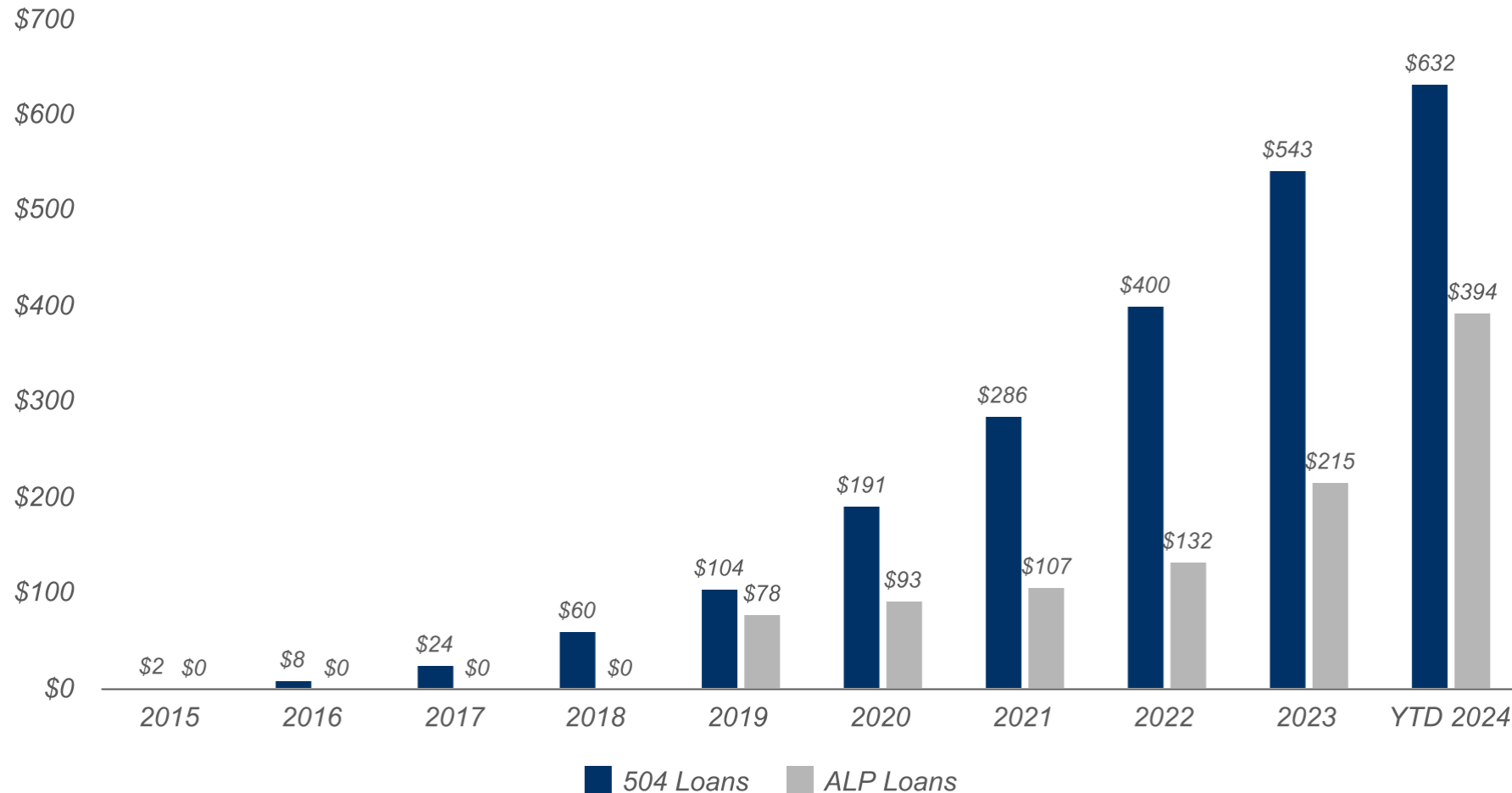
- Newtek Bank, N.A. is a \$900 million asset-sized bank with 360 employees
- NewtekOne, Inc. is a financial holding company with \$1.7 billion in assets with 570 employees, including bank and non-bank subsidiary employees
- Additions to management over the last 24 months
 - Chief Strategy Officer
 - Chief Technology Officer
 - Newly named Chief Information Officer
 - Chief Risk Officer
 - Chief Financial Officer
 - Chief Accounting Officer

Alternative Loan Program Funding

- BR/TCP joint venture
- TSO joint venture
- Funded on our own balance sheet

Cumulative SBA 504 and ALP Loan Origination Volume Since 2015

in millions



- We have originated a total of \$1.03 billion in both our SBA 504 loan program and our Alternative Lending Program, broken down as follows:
 - SBA 504 Loans Originated Since 2015 = \$631.8 million
 - ALP Loan Originated Since 2019 = 393.7 million
- We have never experienced an unrealized or realized loss over the life of the SBA 504 loan program
- We have experienced \$3.0 million in unrealized losses in the ALP program with no realized losses over the life of this program

Executive and Board NEWT Stock Ownership

- Over the past 18 months as of October 31, 2024:
 - Insiders and directors bought a total of 91,663 common shares of NewtekOne
 - Barry Sloane, Chairman and CEO, bought a total of 84,233 common shares of NewtekOne
 - 83% of Newtek employees are participating in the Company's employee stock program and have been granted shares of Newtek common stock
- As of October 31, 2024:
 - Total NewtekOne common shares owned by insiders and directors was approximately 1,565,420 shares, which represents 6.0% of total outstanding shares
 - Barry Sloane owns a total of 1,158,855 shares of NewtekOne, which represents 4.4% of total outstanding shares¹

¹Excludes shares owned by the Barry Sloane Family Foundation

Growth In Deposits for Newtek Bank, N.A.

- Deposits were \$746 million as of September 30, 2024; a sequential increase of 12.4% over \$664 million at June 30, 2024, and an increase of 43.7% over \$519 million at December 31, 2023
- Insured deposits represented approximately 75% of total deposits at September 30, 2024
- Business core deposits finished the third quarter 2024 at \$235 million; an increase of \$99 million quarter over quarter, or 73%
- Deposits received from our lending clients were \$78 million for the third quarter of 2024, an increase of \$30 million sequentially from the prior quarter

Zero-Fee Bank Accounts

- Business clients dislike undisclosed fees
- There are few-to-no choices for zero-fee based accounts in the marketplace today, and our clients have the opportunity to choose our depository accounts with lower expenses, higher interest using our deposit calculator and truly knowing the economic benefit of banking with Newtek Bank
- Planned rollout of deposit calculator before November 13, 2024

SBA 7(a) Loans

- SBA 7(a) loan closings of \$245.3 million for the three months ended September 30, 2024; an increase of 12.5% over \$218.0 million of SBA 7(a) loans closings for the three months ended September 30, 2023
- The Company forecasts \$935.0 million in total SBA 7(a) loan closings for 2024, which would represent a 14.7% increase over loan closings in 2023

SBA 504 Loans

- Newtek Bank closed \$38.4 million of SBA 504 loans for the three months ended September 30, 2024; an increase of 117.0% over \$17.7 million SBA 504 loans closed for the three months ended September 30, 2023

Total Loans

- Newtek Bank and the Company's non-bank lending subsidiaries closed \$372.1 million of loans across all loan products for the three months ended September 30, 2024; a 43.0% increase over \$260.2 million of loans closed for the same period in 2023

Loan Pipeline Growth

Total Loans Across All Products	As of		Year-Over-Year % Change
	9/30/2023	9/30/2024	
Prequalified	\$ 891.7	\$ 1,203.6	34.98 %
Underwriting	134.6	260.5	93.54 %
Approved Pending Closing	158.9	159.8	0.57 %
Total	\$ 1,185.2	\$ 1,623.9	37.01 %

Alternative Loan Program	As of		Year-Over-Year % Change
	9/30/2023	9/30/2024	
Prequalified	\$ 61.5	\$ 164.4	167.32 %
Underwriting	7.8	64.0	720.51 %
Approved Pending Closing	25.7	15.4	(40.08) %
Total	\$ 95.0	\$ 243.8	156.63 %

SBA 7(a)	As of		Year-Over-Year % Change
	9/30/2023	9/30/2024	
Prequalified	\$ 429.0	\$ 523.4	22.00 %
Underwriting	99.9	156.2	56.36 %
Approved Pending Closing	100.5	105.0	4.48 %
Total	\$ 629.4	\$ 784.6	24.66 %

- At September 30, 2024 as compared to September 30, 2023:
 - SBA 7(a) closings of \$673.8 million compared to \$565.2 million
 - ALP closings of \$178.3 million compared to \$52.4 million
 - Total loan closings across all products and all subsidiaries of \$1.0 billion compared to \$737.9 million

*As of September 30, 2024, we have \$120 million of ALP loans on our balance sheet at Newtek Business Service Holdco 6, Inc. (dba Newtek Alternative Loan Program Holdings), and anticipate growing this balance to \$200 million by December 31, 2024. We anticipate executing a third ALP securitization in the first quarter 2025. Important to note, that we are now funding ALP loans on our balance sheet, and not in a joint venture, which means we can earn twice the amount of profits, versus a 50-50 split in a joint venture. So while there is an increase in equity investment from 50% to 100%, this structure yields greater profitability.

Dollars in millions

- July 23, 2024, NewtekOne's joint venture, Newtek-TSO II Conventional Credit Partners, LP ("Newtek-TSO"), closed a \$154.3 million ALP loan backed securitization
- Newtek-TSO sold \$137.2 million of Class A Notes and \$17.2 million of Class B Notes (collectively, the "Notes") issued by NALP Business Loan Trust 2024-1
- The Notes were backed by \$190.5 million of ALP-loans originated by the Company
- The Class A and Class B Notes received Morningstar DBRS ratings of "A (sf)" and "BBB (high) (sf)", respectively
- The Notes had an 81.0% advance rate. Newtek-TSO received in excess of \$370.0 million in requests for approximately \$154.3 million of Notes
- The Class A Notes were priced at a yield of 6.585%, and the Class B Notes were priced at a yield of 7.835%, for a combined weighted average yield of 6.724%
- This securitization transaction represents the second term asset-backed securitization closed by a Company joint venture and secured by ALP loans - loans which do not conform to the requirements of the Small Business Administration ("SBA") 7(a) loan program
- Historically, the Company has issued 15 rated securitizations, two of which were with joint ventures and backed by ALP loans. All of the Company's prior securitizations have maintained their investment-grade ratings or been upgraded. For additional detail on this ALP loan backed securitization, please use the following link [NALP Business Loan Trust 2024-1](#)

Why does this program exist?

- Materially better credits (stronger guarantors, larger businesses and greater liquidity) than the SBA 7(a) program
- To satisfy customer demand for loans greater than \$5 million, with 10-25 year amortization periods, and no loan covenants
- Loans financed at the holding company and through joint venture partners and securitizations

Whole Loan Metrics

- Origination points average approximately 3.0% to 3.5%
- Origination expense: approximately 2 points
- Amortization schedule: 10-25 years amortization, without balloon payments
- The average credit carries an initial margin at an origination of 850 basis points to the five-year treasury, with a floor set at the initial rate and rolling at the same margin at each five-year anniversary
- Servicing fee: approximately 100 basis points earned by Newtek Bank
- Prepayment penalties for years 1 through 4 of approximately 5%, 5%, 5%, 3%

July 2024 Newtek-TSO Portfolio (ALP loans which went into the securitization)

- Approximately \$191 million in loan collateral with an approximate 12.7% gross note rate to borrower
- Servicing margin (paid to Newtek Bank) is equal to 100 basis points
- Investment-grade bond yield to investors is approximately 6.7%
- Advance rate to investment-grade bonds is approximately 80%
- Above metrics do not include servicing or origination fees
- 11.7% collateral yield after servicing sold to special purpose vehicle
- Approximate margin is 500 basis points times 4 debt turns equaling 20%
- 31.7% rough gross yield at inception, not including charge offs, legal fees, all securitization costs, any labor or cost to manage*

*Management estimates; not indicative of future

- Net income was \$11.9 million, and EPS was \$0.45 per basic and diluted common share, for the three months ended September 30, 2024; a 4.7% increase, on a per share basis, compared to \$10.9 million and \$0.43 per basic and diluted common share, for the three months ended June 30, 2024, and a 4.7% increase, on a per share basis, compared to \$10.9 million and \$0.43 per basic and diluted common share, for the three months ended September 30, 2023
- The Company is confirming its 2024 annual EPS forecast in a range of \$1.85 to \$2.05 per basic and diluted common share
- Net interest income was \$11.0 million for the three months ended September 30, 2024; an increase of 20.9% over \$9.1 million for the three months ended June 30, 2024, and an increase of 35.8% over \$8.1 million for the three months ended September 30, 2023
- Total assets were \$1.7 billion at September 30, 2024; an increase of 21.4% from \$1.4 billion at December 31, 2023
- Total borrowings were \$655.8 million at September 30, 2024; an increase of 1.8% from \$644.1 million at December 31, 2023. Loans held for investment were \$913.0 million at September 30, 2024; an increase of 13.3% over \$806.1 million at December 31, 2023

- Net income was \$32.5 million and EPS was \$1.26 per basic and diluted common share for the nine months ended September 30, 2024, compared to \$36.5 million and \$1.46 per basic and diluted common share for the nine months ended September 30, 2023. Net income for the nine months ended September 30, 2023, was positively impacted by an income tax benefit of \$14.2 million, or \$0.59 per basic and diluted share.
- Excluding this income tax benefit, EPS for the nine months ended September 30, 2023, would have been \$0.87 per basic and diluted share.¹
- Net interest income was \$29.0 million for the nine months ended September 30, 2024; an increase of 58.5% over \$18.3 million for the nine months ended September 30, 2023.
- Net interest margin² was 2.91% for the nine months ended September 30, 2024; an increase of 30.5% over 2.23% for the nine months ended September 30, 2024.

^{1,2}Non-GAAP; reconciliations of non-GAAP financial measures to the most comparable GAAP measures are set forth on pages 43,44, and 45

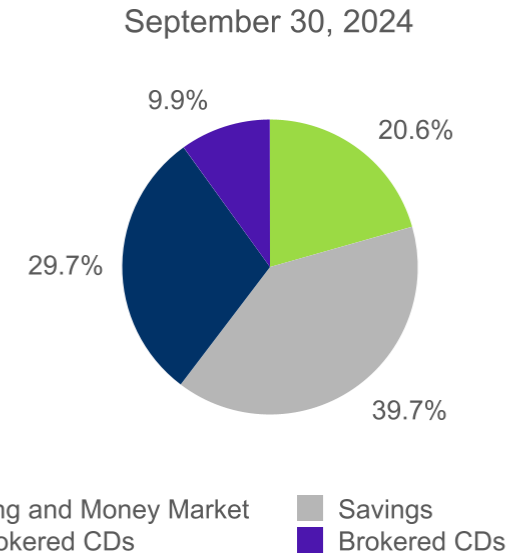
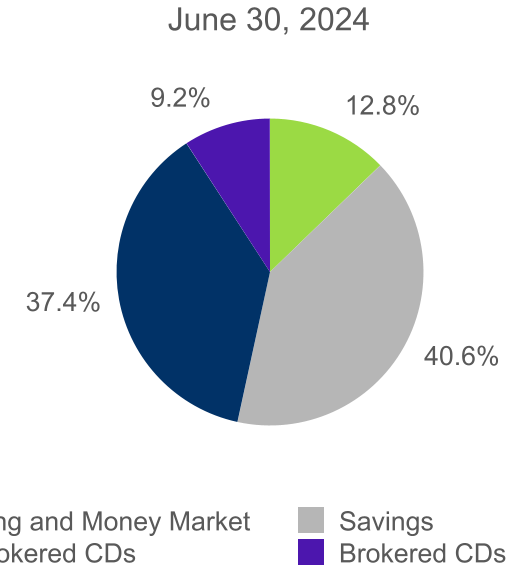
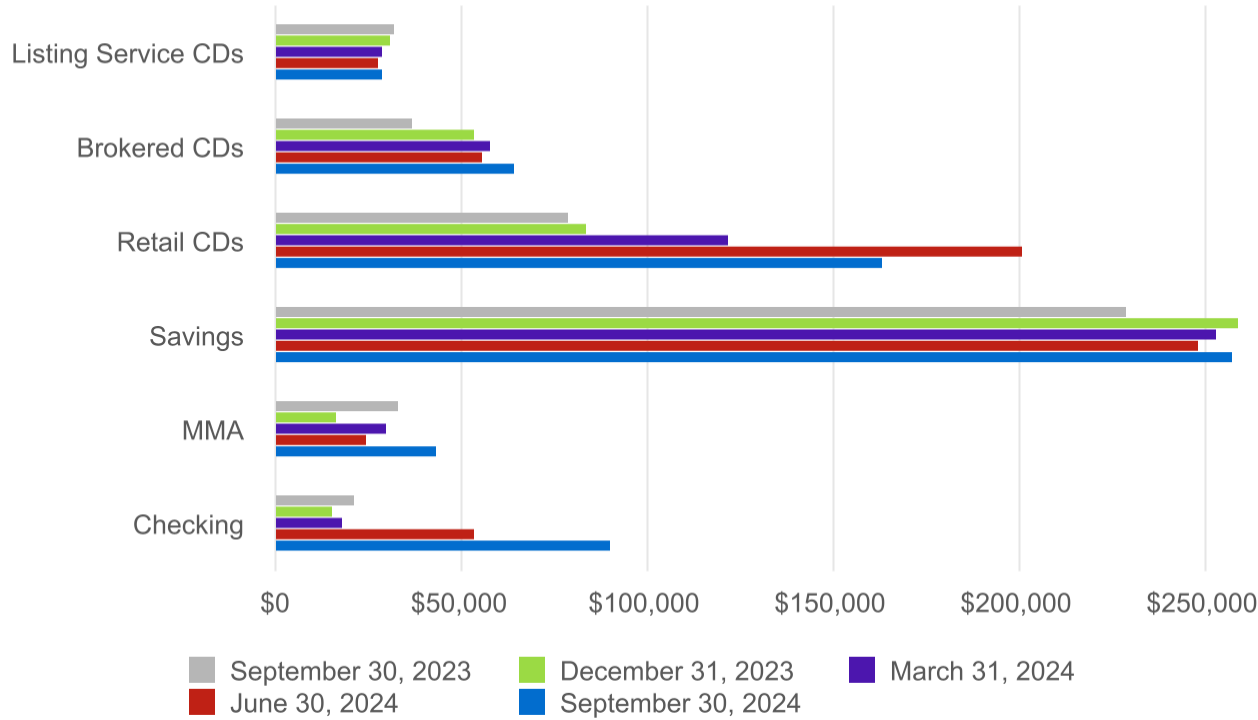
NewtekOne's Average Earning Assets And Interest-Bearing Liabilities

\$ in millions

	4Q23		1Q24		2Q24		3Q24	
	\$	%	\$	%	\$	%	\$	%
<u>Assets</u>								
Interest Earnings Cash	173.3	5.21 %	128.1	5.22 %	171.9	5.16 %	171.2	5.46 %
Investment Portfolio	35.6	4.85 %	38.9	4.76 %	32.0	4.65 %	25.5	5.22 %
Total Loans	985.6	9.52 %	1,058.6	9.49 %	1,153.0	9.34 %	1,219.9	9.32 %
Total Int Earning Assets	1,194.5	8.76 %	1,225.6	8.88 %	1,356.9	8.70 %	1,416.6	8.78 %
<u>Liabilities</u>								
Deposits								
Demand	23.8	0.33 %	18.7	0.62 %	31.1	0.80 %	67.3	1.13 %
Savings	245.3	5.09 %	251.8	5.05 %	252.8	5.09 %	252.3	5.11 %
Money Market	26.3	4.86 %	16.9	4.72 %	24.6	4.23 %	30.0	4.12 %
Time	142.9	4.49 %	178.0	4.94 %	260.8	5.16 %	279.2	5.09 %
Total Deposits	438.3	4.62 %	465.4	4.82 %	569.3	4.85 %	628.8	4.63 %
Borrowings	668.5	7.69 %	636.5	7.95 %	656.1	8.19 %	630.8	8.18 %
Total Int Bearing Liabilities	1,106.8	6.48 %	1,101.9	6.63 %	1,225.4	6.64 %	1,259.6	6.41 %
Net Interest Spread		2.28 %		2.25 %		2.06 %		2.37 %
Net Interest Margin		2.76 %		2.92 %		2.70 %		3.08 %

Newtek Bank Deposit Growth and Breakdown

Newtek Bank, N.A. Deposit Composition



- Deposits have increased mainly in Business Checking and Retail CD products, while Brokered CDs declined as a percent of total
- Cost of deposits decreased by 24 basis points from Q2 '24 driven by increased levels of Business Checking and Money Market Accounts and lower balances of higher cost Retail CDs

The Newtek Advantage™ Is NewtekOne's Proprietary Business Portal For Its Clients

- The Newtek Advantage[®], which has a patent pending, provides NewtekOne's clients with analytics, relationships and transactional capability that other financial institutions do not
- Newtek Advantage[®] gives our business clients a management asset that can enhance their business operations
- What a Client Receives When they Open a Newtek Advantage[®] Account
 - Free unlimited document storage
 - Free real-time updated traffic analytics
 - Free real-time credit card processing and chargeback batch information for merchant solutions clients
 - Ability for Newtek Payroll clients to make payroll directly from business portal
- Six NewtekOne professional relationships available on camera
 - Deposits
 - Newtek Lending
 - Newtek Insurance
 - Newtek Payroll & Health Benefits
 - Newtek Technology
 - Newtek Payments
- We believe the Newtek Advantage[®] can become (and should become) a market-recognized tool and solution that NewtekOne's clients ultimately will not want to be without

	Newtek Small Business Finance Non-Accrual Historical				
	3Q23	4Q23	1Q24	2Q24	3Q24
Cost Basis	\$ 70,247.0	\$ 70,970.5	\$ 70,575.3	\$ 85,023.4	\$ 68,576.4
FV Adjustment	(27,676.1)	(27,582.1)	(29,162.4)	(34,804.9)	(14,260.2)
FV	42,570.9	43,388.4	41,412.9	50,218.4	54,316.2
Price	60.60 %	61.14 %	58.68 %	59.06 %	79.21 %

- Newtek Small Business Finance's ("NSBF") (our non-bank SBA 7(a) lending subsidiary) is in rundown mode and hitting the sweet spot of the default curve with 2021, 2022 and 2023 cohort years of SBA 7(a) loans originated in 3%, 4% and 5% prime rate environments
- NSBF's performing loan portfolio has a weighted-average coupon of 11.25% that partially absorbs charge offs
- NSBF has \$281 million in shareholder capital

	Newtek Bank, N.A. At Amortized Cost				
	3Q23	4Q23	1Q24	2Q24	3Q24
Past due 31-89 days loans HFI	\$ 1,401.3	\$ 4,896.0	\$ 12,088.1	\$ 7,464.2	\$ 8,564.0
Nonaccrual loans HFI	5,256.3	5,373.2	8,014.7	13,588.1	19,588.0
Charge-offs	—	—	369.7	800.0	1,763.5
Allowance for credit losses	8,209.0	12,574.0	16,126.0	21,098.0	26,045.0
Total loans HFI	281,587.0	336,305.0	397,625.0	451,829.0	518,489.0
Allowance for credit losses/Total loans HFI	2.9 %	3.7 %	4.1 %	4.7 %	5.0 %
Nonaccrual loans HFI/Total loans HFI	1.9 %	1.6 %	2.0 %	3.0 %	3.8 %

Dollars in thousands

Excludes loans held outside of Newtek Bank and NSBF

Adequate Level of Loan Loss Reserves at Newtek Bank

- Newtek Bank has 500 basis points, or 5.0%, of a CECL reserve against its loan portfolio
 - As the Bank adds more conforming C&I and CRE loans, the reserve balance is expected to move towards 350 basis points, or 3.5%
 - As the Bank's loan portfolio seasons, these reserves will be utilized as non-accrual loans increase based on the default curve
- We believe that we can generate well above-average coupons at the Bank and holding company that can absorb these losses
- Although NewtekOne and Newtek Bank experienced loan losses in the third quarter 2024, as any typical lending institution would, we were able to absorb the impacts and still generate EPS of \$0.45 per basic and diluted share in the third quarter 2024, due to high capital levels and high levels of income generation and lucrative business margins

Diversification of Earnings

- Newtek Bank
 - Benefits from lower-cost business accounts
 - Continued growth in SBA 7(a) lending
 - Diversified bank assets with lower-margin conforming bank loans
- ALP
 - Gain on sale
 - Net interest income
 - Servicing income (capitalized at bank)
- Newtek Payments Segment (Payment Processing and Merchant Services)
- NTS divestiture
 - Expect to provide an update shortly
- Other (Insurance and Payroll Solutions growth businesses)

- Newtek Bank hired Jennifer Merritt in November 2023 as Chief Operating Officer of the digital bank
- Newtek Bank opened Wilmington, North Carolina office July 2024
- Newtek Bank hired 25 professionals in 2024 to service commercial bank accounts with the highest level of technological efficiency and human interaction
- Since January 6, 2023, Newtek Bank opened, services and manages over 11,000 distinct bank accounts

Key Financial Metrics: Q32024, FY2023 and FY2024E

(in millions)	Summary of Key Projection Assumptions				
	3Q24A	2Q24A	3Q23A	FY 2023A	FY 2024E
Origination Volumes					
SBA 7(a) ¹	243	226	210	815	935
SBA 504 ²	38	16	18	143	175
Alternative Lending Program	66	59	9	83	325
Conforming Bank Loans	22	12	—	31	80
SBA 7(a) Cash Premium	10.78 %	11.02 %	9.73 %	10.16 %	11.08 %

Q3 2024 EPS of \$0.45 per basic and diluted common share

FY 2024 EPS projection of \$1.85 to \$2.05 per basic and diluted common share:

	Low	High
4Q '24	\$0.68	\$0.76

Year-End 2024 Key Projections:

- HFI Loans \$1.1 billion
- Total Deposits \$755 million
- Net Interest Margin 3.00% - 3.25%

¹ SBA 7(a) Loans Funded

² SBA 504 Loans Closed

NewtekOne Invested in 2023 & 2024 for Growth

2023 Investments:

- NBNYC, a 61-year-old bank that had virtually no digital and transactional deposit acquisition capability
- NBNYC primarily purchased loans from brokers
- In 2023, we overcame the operational and software challenges in establishing our business model and strategy
- The launch of The Newtek Advantage[®]
- Major enhancements to accounting staff and regulatory compliance staff
- Process automation for loan originations
- Digital account opening for retail depositors

2024 Initiatives:

- Newtek Advantage[®] growth and increased impressions
- Business deposit gathering
- Enhanced data and business performance reporting
- Expanded payment processing; leveraging Newtek Bank
- NetSuite[®], a new financial reporting platform

How Do We Grow Investor Interest

- Attended investor conferences, hosted by institutions such as LD Micro, Keefe, Bruyette & Woods and B. Riley Securities and will attend others such as Piper Sandler, and Raymond James, among others
- Hosted an analyst day in June 2024 in Company headquarters in Boca Raton, and virtually, of which the replay can be found on our corporate website under 'Investor Relations' in the 'Events and Presentations' section
- Our year-over-year second quarter comparisons are very strong and now able to show normalized year-over-year comparisons as a bank and financial holding company to demonstrate growth over 2023 in this new corporate structure
- Continuing to educate and familiarize the six sell side analysts that have coverage on NewtekOne
- Engage in regular conference calls with institutional investors
- Anticipate maintaining NewtekOne's quarterly dividend policy
- Continue to execute on our business plan and model to provide high-quality financial and business solutions to our growing database of clients

Why We Believe NewtekOne's Future is Bright

- Acquired and modernized a 61-year-old bank that lacked current software, policies, procedures, digital capability, and any scalable capacity for deposits or loans
- Established a new Bank Management Team
- Well-capitalized bank
- Current rate movements in 2023 & 2024 and yield curve shape were and are not favorable to small-cap bank holding companies, but this appears to be changing
- Acquired book of low-risk, low-margin, duration-matched balance sheet
- Effective shelf registration statement for holding-company growth
- Alternative lending program growth
- Newtek Advantage^(R) development
- Raising commercial business core deposits will increase margins and lower cost of funds
- Adding higher-margin SBA loans to bank vs. low-margin acquired book of loan business
- Newtek Advantage^(R) becomes the gold standard in banking for deposit gathering and generating reoccurring fee income based non-banking revenues
- New hires announced, and will continue to be announced
- Have overcome hurdles and, while there are a few left, the finish line is in sight

Investment Summary

- Financial holding company capital ratios remain strong
- Newtek Bank profitability ratios
 - Q3 2024 ROAA: 6.3%
 - Q3 2024 ROTCE: 49.3%
 - Q3 2024 Efficiency ratio: 39.4%
- NewtekOne profitability ratios
 - Q3 2024 ROAA: 2.9%
 - Q3 2024 ROTCE: 21.3%
 - Q3 2024 Efficiency ratio: 61.8%
- Q3 2024 EPS of \$0.45 per basic and diluted common share, which beat the midpoint of our previously stated forecast of \$0.43 per basic and diluted common share
- Reconfirmed 2024 EPS forecast range of \$1.85 to \$2.05 per basic and diluted common share
- Forecasts 2025 annual EPS forecast in a range of \$2.00 to \$2.25 per basic and diluted share.
- On October 21, 2024, the Company paid its quarterly cash dividend of \$0.19 per share on the outstanding common stock of NewtekOne to shareholders of record as of October 10, 2024
- Current dividend yield of 5.8% as of October 31, 2024
- A growth-oriented differentiated technology-enabled business solutions company that is also a depository

Note: Reconciliations of non-GAAP financial measures to the most comparable GAAP measures are set forth on pages 44 and 45

M. Scott Price, CFO Presents MD&A

Consolidated Condensed Statements of Income (unaudited)

NewtekOne, Inc. and Subsidiaries

(in thousands except per share data amounts)

	Three Months Ended			Nine Months Ended		
	September 30, 2024	June 30, 2024	September 30, 2023 (as restated)	September 30, 2024	September 30, 2023 (as restated)	
Interest income	\$ 31,271	\$ 29,353	\$ 26,736	\$ 87,691	\$ 68,004	
Interest expense	20,290	20,227	18,659	58,678	49,671	
Net interest income	10,981	9,126	8,077	29,013	18,333	
Provision for credit losses	6,928	5,799	3,446	16,742	7,339	
Net interest income after provision for credit losses	4,053	3,327	4,631	12,271	10,994	
Noninterest income	51,851	52,020	41,026	153,238	127,665	
Noninterest expense	38,847	40,564	31,320	120,570	108,120	
Net income before taxes	17,057	14,783	14,337	44,939	30,539	
Income tax expense (benefit)	5,123	3,838	3,418	12,410	(5,941)	
Net income	11,934	10,945	10,919	32,529	36,480	
Dividends to preferred shareholders	(400)	(400)	(400)	(1,200)	(1,049)	
Net income available to common shareholders	\$ 11,534	\$ 10,545	\$ 10,519	\$ 31,329	\$ 35,431	
Earnings per Common Share:						
Basic	\$0.45	\$ 0.43	\$ 0.43	\$ 1.26	\$ 1.46	
Diluted	\$0.45	\$ 0.43	\$ 0.43	\$ 1.26	\$ 1.46	

Consolidated Condensed Statements of Financial Condition (unaudited)

NewtekOne, Inc. and Subsidiaries

(in thousands except per share data amounts)

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Assets		
Cash and cash equivalents	\$ 190,422	\$ 184,006
Investment securities	27,398	35,806
Loans held for sale	302,428	175,474
Loans held for investment	912,960	806,106
Allowance for credit losses	(26,045)	(12,574)
Loans held for investment, net	886,915	793,532
Settlement receivable	62,117	62,230
Joint ventures, at fair value (cost of \$43,321 and \$37,864), respectively	55,750	40,859
Goodwill and intangibles	14,794	30,120
Servicing assets	46,111	39,725
Other assets	67,716	67,761
Assets classified as held for sale	20,519	—
Total assets	\$ 1,674,170	\$ 1,429,513
Liabilities and Shareholders' Equity		
Liabilities:		
Deposits	\$ 649,458	\$ 463,505
Borrowings	655,834	644,122
Dividends payable	5,237	4,792
Due to participants	22,217	23,796
Accounts payable, accrued expenses and other liabilities	54,675	44,252
Liabilities directly associated with assets classified as held for sale	4,964	—
Total liabilities	1,392,385	1,180,467
Shareholders' Equity:		
Preferred stock (par value \$0.02 per share; authorized 20 shares, 20 shares issued and outstanding)	19,738	19,738
Common stock (par value \$0.02 per share; authorized 199,980 shares, 26,018 and 24,680 issued and outstanding, respectively)	520	492
Additional paid-in capital	216,693	200,765
Retained earnings	44,834	28,051
Total shareholders' equity	281,785	249,046
Total liabilities and shareholders' equity	\$ 1,674,170	\$ 1,429,513

Consolidated Condensed Statements of Cash Flows (unaudited)

NewtekOne, Inc. and Subsidiaries

(in thousands except per share data amounts)

	Nine Months Ended September 30,	
	2024	2023 (as restated)
Net cash used in operating activities	\$ (61,163)	\$ (102,140)
Net cash used in investing activities	(123,090)	(137,567)
Net cash provided by financing activities	192,133	315,488
Net increase in cash and restricted cash	7,880	75,781
Cash and restricted cash - beginning of period	184,006	125,606
Consolidation of cash and restricted cash from controlled investments and business combinations, net of cash paid	(1,464)	22,306
Cash and restricted cash - end of period	\$ 190,422	\$ 223,693

Reconciliation of Core EPS to GAAP EPS

(in thousands except per share data)

	Nine Months Ended September 30, 2023			Three Months Ended September 30, 2023		
	GAAP EPS	Adjustments	Core EPS	GAAP EPS	Adjustments	Core EPS
	Based on Net Income	Discrete Tax Benefits on Reorg	Based on Adjusted Net Income	Based on Net Income	Discrete Tax Benefits on Reorg	Based on Adjusted Net Income
Net income before taxes	\$ 30,539	\$ —	\$ 30,539	\$ 14,337	\$ —	\$ 14,337
Income tax expense (benefit)	(5,941)	14,244	8,303	3,418	—	3,418
Net income	<u>36,480</u>	<u>(14,244)</u>	<u>22,236</u>	<u>10,919</u>	<u>—</u>	<u>10,919</u>
Preferred dividends	(1,049)	—	(1,049)	(400)	—	(400)
Net income available to common shareholders	<u>\$ 35,431</u>	<u>\$ (14,244)</u>	<u>\$ 21,187</u>	<u>\$ 10,519</u>	<u>\$ —</u>	<u>\$ 10,519</u>
Basic:						
Income available to common shareholders	\$ 35,431	\$ (14,244)	\$ 21,187	\$ 10,519	\$ —	\$ 10,519
Weighted-average basic shares outstanding	24,255	—	24,255	24,277	—	24,277
Basic	<u>\$ 1.46</u>	<u>\$ 0.59</u>	<u>\$ 0.87</u>	<u>\$ 0.43</u>	<u>\$ —</u>	<u>\$ 0.43</u>
Diluted:						
Income available to common shareholders	\$ 35,431	\$ (14,244)	\$ 21,187	\$ 10,519	\$ —	\$ 10,519
Total weighted-average diluted shares outstanding	24,336	—	24,336	24,413	—	24,413
Diluted	<u>\$ 1.46</u>	<u>\$ 0.59</u>	<u>\$ 0.87</u>	<u>\$ 0.43</u>	<u>\$ —</u>	<u>\$ 0.43</u>

Reconciliation of GAAP to Non-GAAP Financial Measures-Newtek Bank, N.A.

The information provided below presents a reconciliation of each of our non-GAAP financial measures to the most directly comparable GAAP financial measure.

<i>(in thousands)</i>	As of and for the three months ended			As of and for the nine months ended	
	September 30, 2024	June 30, 2024	September 30, 2023 (as restated)	September 30, 2024	September 30, 2023 (as restated)
Return on Average Tangible Common Equity					
Net Income (GAAP)	\$13,484	\$12,453	\$8,805	\$35,338	\$13,063
Tax-adjusted amortization of intangibles	32	33	35	99	108
Numerator: Adjusted net income	13,516	12,486	8,840	35,437	13,171
Average Total Shareholders' Equity	110,124	103,678	81,601	104,884	77,286
Deduct: Average Goodwill and Intangibles	1,009	1,052	2,146	1,053	2,177
Denominator: Tangible Average Common Equity	\$109,115	\$102,626	\$79,455	\$103,831	\$75,109
<i>Return on Average Tangible Common Equity</i>	49.3%	48.9%	44.1%	45.6%	23.4%
Return on Average Assets					
Numerator: Net Income (GAAP)	\$13,484	\$12,453	\$8,805	\$35,338	\$13,063
Denominator: Average Assets	855,992	782,138	584,887	763,917	453,361
<i>Return on Average Assets</i>	6.3%	6.4%	6.0%	6.2%	3.9%
Efficiency Ratio					
Numerator: Non-Interest Expense (GAAP)	\$17,006	\$17,308	\$11,516	\$51,747	\$38,682
Net Interest Income (GAAP)	11,216	9,310	5,368	28,248	10,871
Non-Interest Income (GAAP)	31,960	31,641	23,233	90,827	54,958
Denominator: Total Income	\$43,176	\$40,951	\$28,601	\$119,075	\$66,223
<i>Efficiency Ratio</i>	39.4%	42.3%	40.3%	43.5%	58.3%

Reconciliation of GAAP to Non-GAAP Financial Measures-NewtekOne, Inc.

The information provided below presents a reconciliation of each of our non-GAAP financial measures to the most directly comparable GAAP financial measure.

<i>(dollars and number of shares in thousands)</i>	As of and for the three months ended			As of and for the nine months ended	
	September 30, 2024	June 30, 2024	September 30, 2023 (as restated)	September 30, 2024	September 30, 2023 (as restated)
Return on Average Tangible Common Equity					
Numerator: Net Income (GAAP)	\$11,934	\$10,945	\$10,919	\$32,529	\$36,480
Tax-adjusted amortization of intangibles	141	143	279	437	863
Numerator: Adjusted net income	12,075	11,088	11,198	32,966	37,343
Average Total Shareholders' Equity	274,888	258,326	234,018	257,081	224,052
Deduct: Preferred Stock (GAAP)	19,738	19,738	19,738	19,738	19,738
Average Common Shareholders' Equity	255,150	238,588	210,168	237,343	204,314
Deduct: Average Goodwill and Intangibles	29,729	29,883	31,879	29,890	31,860
Denominator: Average Tangible Common Equity	\$225,421	\$208,705	\$178,679	\$207,453	\$172,454
<i>Return on Average Tangible Common Equity</i>	21.3%	21.4%	24.9%	21.2%	29.0%
Return on Average Assets					
Numerator: Net Income (GAAP)	\$11,934	\$10,945	\$10,919	\$32,529	\$36,480
Denominator: Average Assets	1,610,849	1,551,009	1,355,410	1,521,465	1,294,762
<i>Return on Average Assets</i>	2.9%	2.8%	3.0%	2.9%	3.8%
Efficiency Ratio					
Numerator: Non-Interest Expense (GAAP)	\$38,847	\$40,564	\$37,777	\$120,570	\$108,120
Net Interest Income (GAAP)	10,981	9,126	5,673	29,013	18,333
Non-Interest Income (GAAP)	51,851	52,020	44,285	153,238	127,665
Denominator: Total Income	\$62,832	\$61,146	\$49,101	\$182,251	\$145,998
<i>Efficiency Ratio</i>	61.8%	66.3%	63.8%	66.2%	74.1%

Appendix

- M. Scott Price, EVP, CFO, NewtekOne and Newtek Bank, Principal Financial Officer
 - Joined May 2023
- Frank DeMaria, EVP, Chief Accounting Officer, NewtekOne and Newtek Bank
 - Joined May 2023
- Nick Leger, SVP and Treasurer, NewtekOne and Newtek Bank
 - Joined in 2015
- Jonathan Shanfield, SVP, Managing Director, Performance Management and Reporting, NewtekOne
 - Joined January 2024
- Julio Hernandez, SVP, Compliance Officer, Newtek Bank
 - Joined December 2023
- Matthew Sauli, VP. Director of Finance & Accounting Operations, NewtekOne
 - Joined January 2024
- Taylor Quinn, Chief Risk Officer, NewtekOne and Newtek Bank
 - Joined April 1, 2024
- Ron Lay, Chief Technology Officer, NewtekOne & Newtek Bank
 - Will join December 2024

Market Comparables ⁽¹⁾

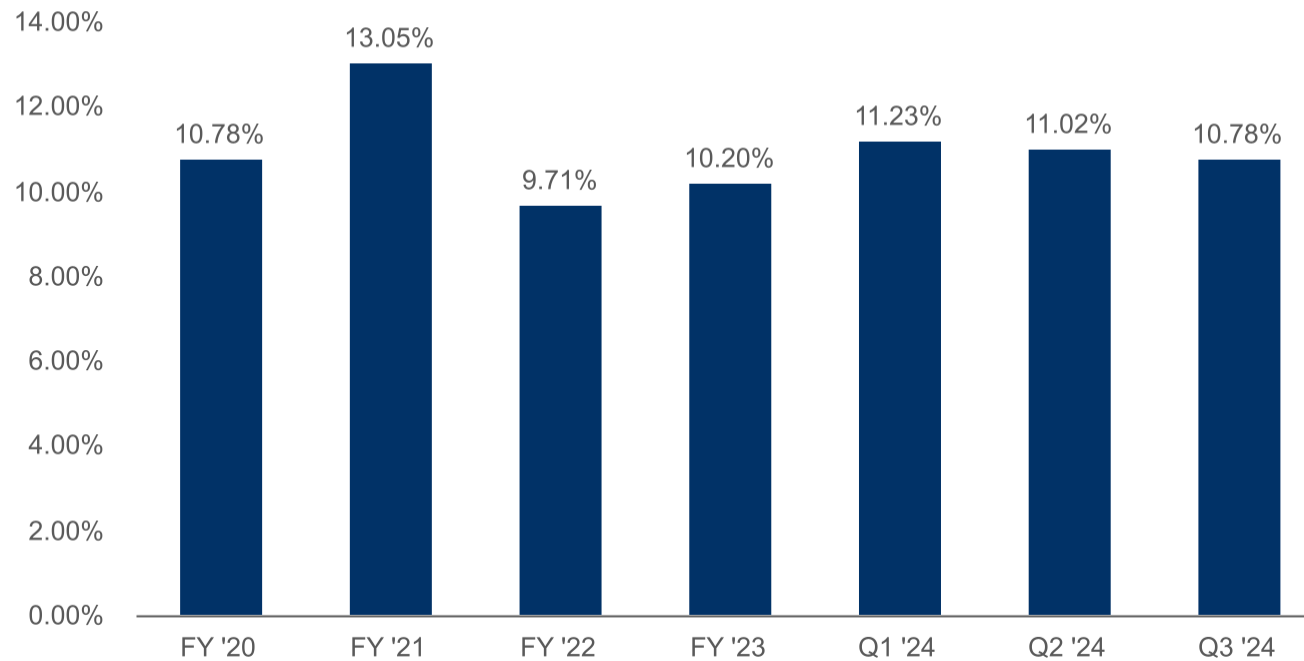
Ticker	Company	P/E CY 2024E	P/E CY 2025E⁽²⁾	Dividend Yield⁽³⁾	24 over 23 EPS Growth Rate⁽²⁾
AX	Axos Financial, Inc.	8.5x	8.6x	—%	(0.6)%
BY	Byline Bancorp, Inc.	10.0x	10.3x	1.3%	(3.8)%
LC	LendingClub Corporation	29.2x	14.3x	—%	104.5 %
LOB	Live Oak Bancshares, Inc.	22.2x	16.8x	0.3%	32.4 %
CASH	Pathward Financial, Inc.	10.4x	8.9x	0.3%	NM
SOFI	SoFi Technologies, Inc.	NM	31.6x	—%	130.6 %
TBBK	The Bancorp, Inc.	12.1x	10.2x	—%	18.5 %
TFIN	Triumph Financial, Inc.	107.9x	38.9x	—%	177.3 %
Average		28.6x	17.5x	0.2%	65.6 %
Median		12.1x	12.3x	—%	32.4 %
NewtekOne		6.6x	5.9x	6.1%	11.6 %

(1) Source: S&P Capital IQ as of 9/30/2024

(2) Based upon consensus EPS average estimates

(3) Most recent quarter's dividend, annualized

Net Premium Trends



- For the three months ended September 30, 2024, the weighted average net premium received on the sale of guaranteed portions of SBA 7(a) loans was 110.78%

Note: Net premiums received on the sale of guaranteed portions of SBA 7(a) loans are recorded as net gains on sale of the guaranteed portions of SBA 7(a) loans originated in the consolidated statements of operations. Premiums above 10% are split 50/50 with the SBA as reflected above.