

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

May 6, 2024

Date of Report (date of Earliest Event Reported)

NEWTEKONE, INC.

(Exact Name of Company as Specified in its Charter)

Maryland

(State or Other Jurisdiction of Incorporation or Organization)

814-01035

(Commission File No.)

46-3755188

(I.R.S. Employer Identification No.)

4800 T Rex Avenue, Suite 120, Boca Raton, Florida 33431

(Address of principal executive offices and zip code)

(212) 356-9500

(Company's telephone number, including area code)

(Former name or former address, if changed from last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.02 per share	NEWT	Nasdaq Global Market LLC
5.75% Notes due 2024	NEWTL	Nasdaq Global Market LLC
5.50% Notes due 2026	NEWTZ	Nasdaq Global Market LLC
8.00% Notes due 2028	NEWTI	Nasdaq Global Market LLC

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Forward-Looking Statements

Statements in NewtekOne, Inc.'s ("NewtekOne" or the "Company") Current Report on Form 8-K (including the exhibit) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and beliefs and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. See "Note Regarding Forward-Looking Statements" and the sections entitled "Risk Factors" in the Company's 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.

Item 2.02. Results of Operations and Financial Condition.

On May 6, 2024, the Company issued a press release announcing "NewtekOne, Inc. Reports First Quarter 2024 Financial Results; Achieves Growth in Loans and Deposits in the First Quarter 2024; First Quarter 2024 Earnings per Share Beats Company's Previously Issued Forecast; Company Raises Full Year 2024 Earnings per Share Forecast." A copy of the Press Release is furnished as Exhibit 99.1 to this Current Report on Form 8-K. The information in this report shall be deemed "filed" for purposes of the Securities Exchange Act of 1934, as amended.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
<u>99.1</u>	<u>Press Release, dated May 6, 2024, entitled "NewtekOne, Inc. Reports First Quarter 2024 Financial Results; Achieves Growth in Loans and Deposits in the First Quarter 2024; First Quarter 2024 Earnings per Share Beats Company's Previously Issued Forecast; Company Raises Full Year 2024 Earnings per Share Forecast"</u>

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEWTEKONE, INC.

Date: May 6, 2024

By:

/S/ BARRY SLOANE

Barry Sloane

Chief Executive Officer, President and Chairman of the Board



Your Business Solutions Company

NewtekOne, Inc. Reports First Quarter 2024 Financial Results

Achieves Growth in Loans and Deposits in the First Quarter 2024

First Quarter 2024 Earnings per Share Beats Company's Previously Issued Forecast; Company Raises Full Year 2024 Earnings per Share Forecast

Boca Raton, Fla., May 6, 2024 - NewtekOne, Inc. (Nasdaq: NEWT), announced today its financial and operating results for the three months ended March 31, 2024.

NewtekOne First Quarter 2024 Financial Highlights

- Net income was \$9.7 million, or \$0.38 per basic and diluted common share for the three months ended March 31, 2024, compared to \$18.6 million, or \$0.76 and \$0.74 per basic and diluted common share, respectively, for the three months ended March 31, 2023.
 - First quarter 2023 earnings per share ("EPS"), as previously restated, was positively impacted by an income tax benefit of \$14.2 million, or \$0.59 per basic and \$0.58 per diluted share, respectively (excluding this income tax benefit, first quarter 2023 core EPS would have been \$0.17 and \$0.16 per basic and diluted share, respectively).¹
- The Company is raising its 2024 annual earnings forecast to a range of \$1.85 to \$2.05 per basic and diluted common share from its previous forecast range of \$1.80 to \$2.00 per basic and diluted common share.
- Net income was \$9.7 million, or \$0.38 per basic and diluted common share for the three months ended March 31, 2024, compared to \$10.8 million, or \$0.43 per basic and diluted common share, for the three months ended December 31, 2023.
- Net interest income was \$8.9 million for the three months ended March 31, 2024; an increase of 7.2% over \$8.3 million for the three months ended December 31, 2023, and an increase of 93.5% over \$4.6 million for the three months ended March 31, 2023.
- Total assets were \$1.5 billion at March 31, 2024, an increase of 7.1% from \$1.4 billion at December 31, 2023.
- Total borrowings were \$662.5 million at March 31, 2024; an increase of 2.9% from \$644.1 million at December 31, 2023.
- Loans held for investment were \$840.6 million at March 31, 2024; an increase of 4.3% over \$806.1 million at December 31, 2023.

- Cash and cash equivalents were \$163.2 million, including \$35.8 million of restricted cash, at March 31, 2024; a decrease of 11.3% from \$184.0 million, including \$30.9 million of restricted cash, at December 31, 2023.
- Net interest margin² was 2.92% for the three months ended March 31, 2024; an increase of 5.8% over 2.76% for the three months ended December 31, 2023, and an increase of 46.0% over 2.00% for the three months ended March 31, 2023.
- Return on Tangible Common Equity ("ROTCE")¹ of 20.6% for the three months ended March 31, 2024; a decrease of 19.8% over 25.7% for the three months ended December 31, 2023, and a decrease of 61.1% over 52.9% for the three months ended March 31, 2023.
- Return on Average Assets ("ROAA")^{1,2} of 2.8% for the three months ended March 31, 2024; a decrease of 9.7% over 3.1% for the three months ended December 31, 2023, and a decrease of 57.6% over 6.6% for the three months ended March 31, 2023.
- Efficiency ratio² of 70.6% for the three months ended March 31, 2024; an increase of 6.0% over 66.6% for the three months ended December 31, 2023, and a decrease of 15.0% compared to 83.1% for the three months ended March 31, 2023.
- Total risk-based capital ratio² was 20.3% at March 31, 2024; an increase of 6.3% over 19.1% at December 31, 2023.
- Tier-1 leverage ratio² was 13.7% at March 31, 2024; an increase of 0.7% compared to 13.6% at December 31, 2023.
- On April 15, 2024, the Company paid a quarterly cash dividend of \$0.19 per share on its outstanding common shares, which represents a 5.5% increase over the \$0.18 per share quarterly dividend declared on December 11, 2023.

Newtek Bank, N.A.

- Total deposits³ were \$565.3 million at March 31, 2024, which represents an 8.9% sequential increase in deposits, compared to \$519.1 million at December 31, 2023 and an increase of 299.2% over \$141.6 million in deposits at December 31, 2022.
- Insured deposits represented approximately 75.9% of total deposits at March 31, 2024.
- Net interest margin was 4.80% for the three months ended March 31, 2024; an increase of 8.4% over 4.43% for the three months ended December 31, 2023, and an increase of 62.7% over 2.95% for the three months ended March 31, 2023.
- ROTCE¹ of 37.9% for the three months ended March 31, 2024; a decrease of 42.8% over 66.3% for the three months ended December 31, 2023, and an increase of 461.0% over (10.5)% for the three months ended March 31, 2023.
- ROAA¹ of 5.8% for the three months ended March 31, 2024; a decrease of 41.4% over 9.9% for the three months ended December 31, 2023, and an increase of 314.8% over (2.7)% for the three months ended March 31, 2023.

¹ Non-GAAP; reconciliations of non-GAAP financial measures to the most comparable GAAP measures are set forth on the last page of the financial information accompanying this press release.

² Assets under supervision, capital ratios, risk-weighted assets and supplementary leverage ratio are preliminary data and subject to change with our filings with regulatory agencies and our Form 10-Q for the quarterly period ended March 31, 2024.

³ Total deposits as reported include deposits from affiliates held at Newtek Bank, which are eliminated through consolidation on the NewtekOne consolidated financial statements.

- Efficiency ratio¹ of 50.1% for the three months ended March 31, 2024; an increase of 45.6% compared to 34.4% for the three months ended December 31, 2023, and a decrease of 56.3% compared to 114.6% for the three months ended March 31, 2023.
- Total risk-based capital ratio was 18.9% at March 31, 2024, a decrease of 17.1% from 22.8% at December 31, 2023.
- Tier-1 leverage ratio was 15.5% at March 31, 2024; a decrease of 6.6% from 16.6% at December 31, 2023.

Lending Highlights

- Total SBA 7(a) loan closings of \$207.1 million for the three months ended March 31, 2024; an increase of 35.9% over \$152.5 million of SBA 7(a) loans closings for the three months ended March 31, 2023.
- The Company forecasts \$925.0 million in total SBA 7(a) loan fundings for 2024, which if achieved, would represent a 13.5% increase over 2023.
- Newtek Bank closed \$34.4 million of SBA 504 loans for the three months ended March 31, 2024; a decrease of 29.7% over \$48.9 million SBA 504 loans closed for the three months ended March 31, 2023.
- Newtek Bank and the Company's non-bank subsidiaries closed \$308.0 million of loans across all loan products for the three months ended March 31, 2024; a 35.6% increase over \$227.2 million of loans closed for the same period in 2023.

Barry Sloane, Chairman, President, and Chief Executive Officer commented, “We are more than pleased to report our first quarter 2024 financial results. We broke several records this quarter and continue to perform exceptionally well as a financial holding company. We achieved EPS of \$0.38, basic and diluted, in the first quarter 2024, as compared to first quarter 2023 EPS basic and diluted of \$0.76 and \$0.74, respectively, as previously restated, which was positively impacted by an income tax benefit. However, on a core EPS basis, we outperformed first quarter 2023 EPS of \$0.17 and \$0.16 per basic and diluted share, as well as exceeded the high end of our first quarter 2024 EPS forecast of \$0.19 to \$0.25 per basic and diluted common share.¹ We are modestly increasing our 2024 annual earnings guidance to \$1.85 to \$2.05 per basic and diluted common share from our previous forecast of \$1.80 to \$2.00 per basic and diluted common share. Our out performance for the first quarter of 2024 was led by Newtek Bank's SBA 7(a) loan fundings of \$207.1 million, a 35.9% increase over \$152.5 million SBA 7(a) fundings for the same period last year. Our alternative loan program, through NewtekOne's non-bank subsidiary, generated record closings of \$53.8 million during the first quarter 2024, compared to \$12.2 million closed in the first quarter 2023. It is important to note that we continue to increase our loan loss reserves and our coverage ratio at Newtek Bank, and as of March 31, 2024, we had approximately 406 basis points of loan loss reserves, which is an increase from 374 basis points at December 31, 2023. We believe this reserve will normalize at approximately 350 basis points as more traditional bank loan products come onto our balance sheet. Having been in the SBA lending business since 2003, we are confident that we fully understand the risk versus reward of being an SBA lender. We weathered the 2008/2009 credit crisis, the COVID-19 pandemic, and have experienced both high and low interest-rate environments. With this history in mind, we continue to give careful consideration to the current economic conditions, and believe that we are maintaining an appropriate level of reserves for our book of loans. We feel good about our practices and where we are, predicated on over two decades of lending history, experience and management, and would expect to be analyzed within this framework.”

Mr. Sloane continued, “In addition to Newtek Bank's strong performance in lending, Newtek Bank continued to raise deposits, growing deposits by approximately 8.9% from the \$519.1 million at December 31, 2023 to \$565.3 million at March 31, 2024. Our ability to gather deposits against an industry backdrop of U.S commercial banks that only grew deposits by approximately 1.2% from December 27, 2023 to March 27, 2024, according to an April 11, 2024 report by S&P Global Market Intelligence, demonstrates that our strategy of

utilizing digital account opening together with our thousands of prospects of independent business owners can enable us to generate this deposit growth at Newtek Bank. Key financial metrics at Newtek Bank also saw sequential growth over the fourth quarter 2023. Newtek Bank's net interest margin expanded from 4.43% during the fourth quarter 2023 to 4.80% during the first quarter 2024; and net interest income increased by 16.7% sequentially to \$7.7 million during the first quarter 2024 from \$6.6 million during the fourth quarter 2023. Newtek Bank experienced a ROAA of 5.8% and a ROTCE of 37.9%, which was accomplished with an efficiency ratio of 50.1% for Q1 2024. Furthermore, we also continued to deliver strong metrics in key areas on a consolidated basis in the first quarter 2024 with a ROAA of 2.8% and ROTCE of 20.6%. Based on the confidence in our business model, during the first quarter 2024 the board declared a quarterly dividend of \$0.19 per share, an increase of 5.6% over the prior quarter's dividend of \$0.18 per share.”

Mr. Sloane further stated, “We can't underscore enough the transformative change from a 1940's Act business development company (BDC) to a 1934 Act financial holding company. This transformation, however, makes it very difficult in many aspects for accurate year-over-year comparisons. Moreover, when looking at a comparison of our EPS for the first quarter 2024 versus the first quarter 2023, we noted that our first quarter 2023 EPS included an income tax benefit of approximately \$14.2 million, or \$0.59 per basic share and \$0.58 per diluted share, respectively. On a core EPS basis, we outperformed in the first quarter of 2024 versus 2023. Additionally, during the first quarter of 2023 our SBA 7(a) loans were originated out of our non-bank lender using fair value accounting with no CECL reserve, which, among other things, reduces current income for the benefit of future income. Therefore, when looking at our first quarter 2024 performance with sharp focus, we clearly had strong quarterly performance on a comparative basis.”

Mr. Sloane added, “We still have room for our returns to improve as we complete our fourth full quarter after transitioning our SBA 7(a) loan production to Newtek Bank in April 2023. Our funding costs continue to be lower at Newtek Bank, versus our funding costs for the first quarter of 2023, when we were still originating our SBA 7(a) loans out of our non-bank lender (NSBF). Our 20- plus-year track record of originating quality loans for sale into the secondary market have demonstrated generous returns for our shareholders. We look forward to continuing to drive funding costs down as we expect to fully roll out our lower-cost business checking accounts to our large client database in our marketing plan. Our business plan requires us to ensure that we have the proper staff, software, policies and procedures, and compliance measures in place to raise deposits in a regulatory-compliant manner, which, in 2023, limited our growth in commercial deposits. We slowly rolled out this product in the first quarter of 2024 to a pilot group of lending clients and firmly believe that we will see growth in this depository area for the remainder of the year. Our commercial demand deposit account pays a 1.0% annual percentage yield (“APY”) and our commercial money market account pays a 3.5% APY while providing our independent business owner customers added benefits, through the Newtek Advantage™. We believe the Newtek Advantage, especially when bundled with our bank and non-bank service offerings, provides a tremendous competitive advantage in comparison to our competitors who offer lower deposit rates, charge higher fees, and do not offer the benefits that we offer through the Newtek Advantage. These benefits include, but are not limited to, free document storage, free web-traffic analytics, merchant services data and payroll execution directly from the client's business portal. By growing this portion of our deposit base, it will give us additional stability and diversification of core deposits at Newtek Bank as well as lower our cost of funds. It is important to note that our deposits, on a consolidated basis, are made up of approximately 76% insured deposits. This metric is extremely important as it demonstrates our ability to attract smaller balances on a diversified basis versus the more volatile higher-balance deposits that upon which our competitor banks rely.”

Mr. Sloane concluded, “We are very proud of what our management team has been able to accomplish, creating the foundation for a business that leverages technology, manages risk and is scalable and compliant. We continue to be pleased with what we have accomplished as a financial holding company. We expect the capital markets to gain confidence in our business model's earnings, growth and consistently high returns on equity and assets. Our success is predicated on our unique, progressive state-of-the-art business model, one that does not

depend upon branches, traditional bankers, brokers, or expensive business development officers, which has been tested and has succeeded over the last 25 years. Our experience has taught us that the equity markets appreciate growth of earnings and returns no matter what the business model, and we expect to consistently deliver on our expectations."

First Quarter 2024 Conference Call and Webcast

A conference call to discuss the first quarter 2024 financial results will be hosted by Barry Sloane, President, Chairman and Chief Executive Officer, M. Scott Price, Chief Financial Officer, and Frank M. DeMaria, Chief Accounting Officer, tomorrow, Tuesday, May 7, 2024, 8:30 a.m. EDT.

Please note, to attend the conference call or webcast, participants should register online at [NewtekOne, Inc. First Quarter 2024 Financial Results Conference Call](#). To receive a dial-in number, participants are requested to register at a minimum 15 minutes before the start of the call. The corresponding presentation will be available in the 'Events & Presentations' section of the Investor Relations portion of NewtekOne's website at [NewtekOne, Inc. First Quarter 2024 Financial Results Conference Call](#). A replay of the call with the corresponding presentation will be available on NewtekOne's website shortly following the live presentation and will be available for a period of 90 days.

Note Regarding Dividend Payments

Amount and timing of dividends, if any, remain subject to the discretion of the Company's Board of Directors.

[NewtekOne®](#), Your Business Solutions Company®, is a financial holding company, which along with its bank and non-bank consolidated subsidiaries, provides a wide range of business and financial solutions under the Newtek® brand to independent business owners. Since 1999, NewtekOne has provided state-of-the-art, cost-efficient products and services and efficient business strategies to our independent business owner relationships across all 50 states to help them grow their sales, control their expenses and reduce their risk.

NewtekOne's and its subsidiaries' business and financial solutions include: banking (Newtek Bank, N.A.), [Business Lending](#), [SBA Lending Solutions](#), [Electronic Payment Processing](#), [Technology Solutions \(Cloud Computing, Data Backup, Storage and Retrieval, IT Consulting\)](#), [eCommerce](#), [Accounts Receivable Financing & Inventory Financing](#), [Insurance Solutions](#), [Web Services](#), and [Payroll and Benefits Solutions](#).

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Note Regarding Forward-Looking Statements

Certain statements in this press release 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 prior to any filings with regulatory agencies and filing of the Company's Form 10-Q for the quarterly period ended March 31, 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 (including the impacts from a government

shutdown) 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.

SOURCE: NewtekOne, Inc.

Investor Relations & Public Relations

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NEWTEKONE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(In Thousands, except for Per Share Data)

ASSETS	March 31, 2024	December 31, 2023
Cash and due from banks	\$ 12,295	\$ 15,398
Restricted cash	35,759	30,919
Interest bearing deposits in banks	115,152	137,689
Total cash and cash equivalents	163,206	184,006
Debt securities available-for-sale, at fair value	28,127	32,171
Loans held for sale, at fair value	187,104	118,867
Loans held for sale, at LCM	59,880	56,607
Loans held for investment, at fair value	442,928	469,801
Loans held for investment, at amortized cost, net of deferred fees and costs	397,625	336,305
Allowance for credit losses	(16,126)	(12,574)
Loans held for investment, at amortized cost, net	381,499	323,731
Federal Home Loan Bank and Federal Reserve Bank stock	3,773	3,635
Settlement receivable	56,890	62,230
Joint ventures, at fair value (cost of \$45,108 and \$37,864), respectively	48,247	40,859
Non-control investments (cost of \$772 and \$796), respectively	728	728
Goodwill and intangibles	29,944	30,120
Right of use assets	5,193	5,701
Deferred tax asset, net	2,717	5,230
Servicing assets	41,172	39,725
Other assets	58,169	56,102
Total assets	<u>\$ 1,509,577</u>	<u>\$ 1,429,513</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 5,466	\$ 10,053
Interest-bearing	507,476	453,452
Total deposits	512,942	463,505
Borrowings	662,488	644,122
Dividends payable	5,038	4,792
Lease liabilities	6,344	6,952
Due to participants	26,647	23,796
Accounts payable, accrued expenses and other liabilities	41,986	37,300
Total liabilities	<u>1,255,445</u>	<u>1,180,467</u>
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, 24,715 and 24,680 issued and outstanding, respectively)	493	492
Additional paid-in capital	201,431	200,913
Retained earnings	32,611	28,051

Accumulated other comprehensive loss, net of income taxes	(141)	(148)
Total shareholders' equity	254,132	249,046
Total liabilities and shareholders' equity	\$ 1,509,577	\$ 1,429,513

NEWTEKONE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (unaudited)
(In Thousands, except for Per Share Data)

	Three Months Ended		
	March 31, 2024	December 31, 2023	March 31, 2023 (as restated)
Interest income			
Debt securities available-for-sale	\$ 460	\$ 435	\$ 232
Loans and fees on loans	24,985	23,660	17,502
Other interest earning assets	1,622	2,274	981
Total interest income	27,067	26,369	18,715
Interest expense			
Deposits	5,576	5,111	1,475
Notes and securitizations	10,827	11,411	8,718
Bank and FHLB borrowings	1,758	1,546	3,939
Total interest expense	18,161	18,068	14,132
Net interest income	8,906	8,301	4,583
Provision for credit losses	4,015	4,365	1,318
Net interest income after provision for credit losses	4,891	3,936	3,265
Noninterest income			
Dividend income	386	360	504
Loan servicing asset revaluation	(1,735)	(1,983)	919
Servicing income	5,357	4,985	4,403
Net gains on sales of loans	20,292	17,252	6,367
Net gain on loans under the fair value option	2,798	5,420	5,905
Technology and IT support income	5,770	6,460	6,709
Electronic payment processing income	10,987	10,659	10,328
Other noninterest income	5,512	5,954	7,221
Total noninterest income	49,367	49,107	42,356
Noninterest expense			
Salaries and employee benefits expense	20,506	14,535	19,073
Technology services expense	3,408	4,265	3,803
Electronic payment processing expense	4,846	4,168	4,504
Professional services expense	4,565	3,311	3,440
Other loan origination and maintenance expense	2,244	2,503	2,781
Depreciation and amortization	532	613	791
Loss on extinguishment of debt	—	271	—
Other general and administrative costs	5,058	8,543	4,631
Total noninterest expense	41,159	38,209	39,023
Net income before taxes	13,099	14,834	6,598
Income tax expense (benefit)	3,449	3,985	(11,952)

NEWTEKONE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (unaudited)
(In Thousands, except for Per Share Data)

Net income	9,650	10,849	18,550
Dividends to preferred shareholders	(400)	(405)	(249)
Net income available to common shareholders	\$ 9,250	\$ 10,444	\$ 18,301
Earnings per share:			
Basic	\$ 0.38	\$ 0.43	\$ 0.76
Diluted	\$ 0.38	\$ 0.43	\$ 0.74

Reconciliation of GAAP to Non-GAAP Financial Measures (unaudited)

The information provided below presents a reconciliation of each of our non-GAAP financial measures to the most directly comparable GAAP financial measure. Ratios for three-month period ended have been annualized based on calendar days.

Reconciliation of Core EPS to GAAP EPS:

	Three Months Ended March 31, 2023		
	GAAP EPS	Adjustments	Core EPS
	Based on Net Income	Discrete Tax Benefits on Reorg	Based on Adjusted Net Income
Net income before taxes	\$ 6,598	\$ —	\$ 6,598
Income tax expense (benefit)	(11,952)	14,244	2,292
Net income	18,550	(14,244)	4,306
Dividends to preferred shareholders	(249)	—	(249)
Net income available to common shareholders	\$ 18,301	\$ (14,244)	\$ 4,057
Basic:			
Income available to common shareholders	\$ 18,301	\$ (14,244)	\$ 4,057
Weighted-average basic shares outstanding	24,223	—	24,223
Basic	\$ 0.76	\$ 0.59	\$ 0.17
Diluted:			
Income available to common shareholders	\$ 18,301	\$ (14,244)	\$ 4,057
Total weighted-average diluted shares outstanding	24,881	—	24,881
Diluted	\$ 0.74	\$ 0.58	\$ 0.16

Newtek Bank, NA

As of and for the three months ended

<i>(in thousands)</i>	March 31, 2024	December 31, 2023	March 31, 2023 (as restated)
Return on Average Tangible Common Equity			
Numerator: Net Income (Loss) (GAAP)	\$9,402	\$15,064	\$(1,921)
Average Total Shareholders' Equity (non-GAAP)	100,792	92,201	76,218
Deduct: Average Goodwill and Intangibles (non-GAAP)	1,100	2,099	2,190
Denominator: Tangible Average Common Equity (non-GAAP)	\$99,692	\$90,102	\$74,028
<i>Return on Average Tangible Common Equity (non-GAAP)</i>	37.9%	66.3%	(10.5)%
Return on Average Assets			
Numerator: Net Income (GAAP)	\$9,402	\$15,064	\$(1,921)
Denominator: Average Assets (non-GAAP)	652,604	601,130	285,914
<i>Return on Average Assets (non-GAAP)</i>	5.8%	9.9%	(2.7)%
Efficiency Ratio			
Numerator: Non-Interest Expense (GAAP)	\$17,510	\$12,796	\$13,222
Net Interest Income (GAAP)	7,690	6,589	1,682
Non-Interest Income (GAAP)	27,257	30,621	9,860
Denominator: Total Income	\$34,947	\$37,210	\$11,542
<i>Efficiency Ratio (non-GAAP)</i>	50.1%	34.4%	114.6%

NewtekOne Inc.

Three months ended

<i>(dollars and number of shares in thousands)</i>	March 31, 2024	December 31, 2023	March 31, 2023 (as restated)
Return on Average Tangible Common Equity			
Numerator: Net Income (GAAP)	\$9,650	\$10,849	\$18,550
Average Total Shareholders' Equity (non-GAAP)	237,831	218,387	194,010
Deduct: Preferred Stock (GAAP)	19,738	19,738	19,738
Average Common Shareholders' Equity (non-GAAP)	218,093	198,649	174,272
Deduct: Average Goodwill and Intangibles (non-GAAP)	30,060	31,250	32,062
Denominator: Average Tangible Common Equity (non-GAAP)	\$188,033	\$167,399	\$142,210
<i>Return on Tangible Common Equity (non-GAAP)</i>	20.6%	25.7%	52.9%
Return on Average Assets			
Numerator: Net Income (GAAP)	\$9,650	\$10,849	\$18,550
Denominator: Average Assets (non-GAAP)	1,401,554	1,382,690	1,124,693
<i>Return on Average Assets (non-GAAP)</i>	2.8%	3.1%	6.6%
Efficiency Ratio			
Numerator: Non-Interest Expense (GAAP)	\$41,159	\$38,209	\$39,023
Net Interest Income (GAAP)	8,906	8,301	4,583
Non-Interest Income (GAAP)	49,367	49,107	42,356
Denominator: Total Income	\$58,273	\$57,408	\$46,939
<i>Efficiency Ratio (non-GAAP)</i>	70.6%	66.6%	83.1%
Tangible Book Value Per Share			
Total Shareholders' Equity (GAAP)	\$254,132	\$249,046	\$232,586
Deduct: Goodwill and Intangibles (GAAP)	29,944	30,120	32,091
Numerator: Total Tangible Book Value (non-GAAP)	\$224,188	\$218,926	\$200,495
Denominator: Total Number of Shares Outstanding	24,715	24,680	24,609
<i>Tangible Book Value Per Share (non-GAAP)</i>	\$9.07	\$8.87	\$8.15
Tangible Book Value Per Common Share			
Total Tangible Book Value (non-GAAP)	\$224,188	\$218,926	\$200,495
Deduct: Preferred Stock (GAAP)	19,738	19,738	19,738
Numerator: Tangible Book Value Per Common Share (non-GAAP)	\$204,450	\$199,188	\$180,757
Denominator: Total Number of Shares Outstanding	24,715	24,680	24,609
<i>Tangible Book Value Per Common Share (non-GAAP)</i>	\$8.27	\$8.07	\$7.35

