

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K/A

Amendment No. 1 to

CURRENT REPORT

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

March 5, 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/A (including the exhibit) contain 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 (the "SEC") which are available on NewtekOne's website (<https://investor.newtekbusinessservices.com/sec-filings>) and on the SEC'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.

EXPLANATORY NOTE

NewtekOne is filing this Amendment No. 1 (the "Amendment") to NewtekOne's Current Report on Form 8-K which was originally filed with the SEC on March 6, 2024 (the "Original Filing"). In connection with the NewtekOne's April 1, 2024 filing of its annual report on Form 10-K for the year ended December 31, 2023, NewtekOne issued a press release announcing its audited fourth quarter and full year 2023 financial results (the "April 1 Earnings Release"). The April 1 Earnings Release is furnished as Exhibit 99.1 to the Amendment and updates and replaces the Company's March 5, 2024, press release announcing the Company's unaudited fourth quarter and full year 2023 financial results, which was filed as Exhibit 99.1 to the Original Filing.

Item 2.02. Results of Operations and Financial Condition.

A copy of the April 1 Earnings Release is furnished as Exhibit 99.1 to this Amendment No.1 to NewtekOne's Current Report on Form 8-K/A.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits.**

Exhibit Number	Description
99.1	Press Release, dated April 1, 2024

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: April 1, 2024

By:

/S/ BARRY SLOANE

Barry Sloane

Chief Executive Officer, President and Chairman of the Board



Your Business Solutions Company

CORRECTING and REPLACING NewtekOne, Inc. News Release

Today NewtekOne, Inc. ("NewtekOne") timely filed its annual report on Form 10-K for the period ended December 31, 2023. The purpose of this press release is to update and replace NewtekOne's press release dated March 5, 2024, which announced NewtekOne's unaudited fourth quarter and full year 2023 financial results.

NewtekOne, Inc. Reports Fourth Quarter and Full Year 2023 Financial Results

Full Year 2023 Basic Earnings per Share of \$1.89 and Diluted Earnings per Share of \$1.88

Boca Raton, Fla., April 1, 2024 - NewtekOne, Inc. (Nasdaq: NEWT), announced today its audited financial and operating results for the three and twelve months ended December 31, 2023.

This is NewtekOne's fourth quarter reporting, and third full quarter reporting, as a financial holding company following the Company's January 6, 2023 completion of the acquisition of National Bank of New York City ("NBNYC") (renamed Newtek Bank, N.A.) and the withdrawal of NewtekOne's BDC election. NewtekOne now consolidates the balance sheets and results of operations of its former portfolio companies (now consolidated subsidiaries) and no longer applies investment company accounting.

Barry Sloane, CEO, President and Chairman commented, "We are pleased to report our first full year as a financial holding company owning Newtek Bank, a nationally chartered bank. We achieved basic earnings per share (EPS) of \$1.89 and diluted EPS of \$1.88. We believe that we can achieve EPS growth in today's environment, given the majority of our net revenue is non-interest-bearing, making our business model unique and valuable. For the full year 2023, Newtek Bank realized return on average assets ("ROAA") of 5.7%, return on tangible common equity ("ROTCE") of 35.7%, and an efficiency ratio of 49.9%. NewtekOne, Newtek Bank's financial holding company, realized ROAA of 3.6%, and ROTCE of 27.6%¹. We believe these metrics clearly depict a thriving business; one that serves independent business owners in all 50 states and that is well positioned for financial and operational growth in future quarters, demonstrated by our expanding net interest margin. Our operating structure does not use branches, traditional bankers, brokers, or business development officers to source business opportunities, and instead, relies upon the patented NewTracker^(R) system which generates approximately 1,000 unique business referrals each day. Unlike other financial holding companies, we have been able to expand our business during these difficult times in the banking sector, which we attribute to our unique and time-tested business model that utilizes technology to minimize or eliminate the concept of traditional bankers, brokers, branches and business development officers. With NewtekOne's common equity Tier 1 capital (CET1) ratio of 16.2%, total capital ratio of 19.1%, and 13.6% leverage ratio, we believe we have the equity to continue to grow our business, pay an attractive market dividend and grow retaining earnings."

Mr. Sloane continued, "With 2023 behind us, we can look back with pride over the year's multiple accomplishments and building a strong foundation for our future. The conversion from a BDC to a financial holding company resulted in the Company no longer qualifying as a regulated investment company (RIC) for federal income tax purposes and no longer qualifying for accounting treatment as an investment company. Accordingly, we believe prior year and year-over-year comparisons are difficult and it is important to analyze many of our financial metrics on a quarter-over-quarter sequential basis. Additionally, when analyzing NewtekOne, we also believe it is important to consider our time-tested, differentiated business model which has provided multiple streams of income from its lines of business. These changes came with many operational and accounting challenges. We are on a path to realizing our goal of being recognized as the premier business and financial solutions provider for independent business owners in the U.S. By purchasing a nationally chartered bank, we were able to add depository services to our already-robust menu of high-quality business and financial solutions that we believe can enable our clients to operate at a higher level. Most of our clients go to their depository institutions multiple times per week or month. Extremely important to note is that our conversion to a bank holding company in no way implies that NewtekOne and Newtek Bank will look like or operate like the universe of traditional bank holding companies or banks. As a result, we do not think we should be valued like a traditional bank, as our business model offers our investors more than net interest income, and therefore, we believe should garner distinct valuation compared to the universe of traditional banks. We also value this non-interest income as reoccurring income. We firmly believe that our business model can be executed with prudent risk management practices while servicing our clients with multiple solutions that can enhance their business and commercial endeavors. Our operating metrics are built on growth objectives with respect to ROA, ROE, and efficiency ratios, which we believe is distinct from the asset-growth strategies of the traditional banking industry."

NewtekOne Fourth Quarter 2023 Financial Highlight

As noted above, we believe it is important to analyze many of our financial metrics on a quarter-over-quarter sequential basis:

- Net income was \$10.8 million, or \$0.43 per basic and diluted common share, for the three months ended December 31, 2023, compared to net income of \$10.9 million, or \$0.43 per basic and diluted common share, for the three months ended September 30, 2023.
- Net interest income was \$8.3 million for the three months ended December 31, 2023; an increase of 2.5% over \$8.1 million for the three months ended September 30, 2023.
- Total assets were \$1.4 billion at December 31, 2023, which remained relatively consistent to the balance at September 30, 2023.
- Total borrowings were \$644.1 million at December 31, 2023; a decrease of 0.7% from \$648.7 million at September 30, 2023.
- Loans held for investment were \$806.1 million at December 31, 2023; an increase of 4.1% over \$774.6 million at September 30, 2023.
- Cash and cash equivalents were \$184.0 million, including \$30.9 million of restricted cash, at December 31, 2023; a decrease of 17.7% from to \$223.7 million, including \$71.7 million of restricted cash, at September 30, 2023.
- Net interest margin² was 2.76% for the three months ended December 31, 2023; an increase of 6.2% over 2.60% for the three months ended September 30, 2023.
- ROTCE of 25.7% for the three months ended December 31, 2023; an increase of 23.6% over 20.8% for the three months ended September 30, 2023.
- ROAA^{1,2} of 3.1% for the three months ended December 31, 2023; an increase of 3.3% over 3.0% for the three months ended September 30, 2023.
- Efficiency ratio² of 66.6% for the three months ended December 31, 2023; an increase of 4.4% compared to 63.8% for the three months ended September 30, 2023.
- Total risk-based capital ratio² was 19.1% at December 31, 2023; an increase of 7.9% over 17.7% at September 30, 2023.
- Tier-1 leverage ratio² was 13.6% at December 31, 2023; a decrease of 6.8% compared to 14.6% at September 30, 2023.
- On January 12, 2024, the Company paid its fourth quarterly cash dividend as a financial holding company of \$0.18 per share to shareholders of record as of December 29, 2023.

- The Company is forecasting full year 2024 EPS in a range of \$1.80 to \$2.00 per basic and diluted common share and intends to update this forecast when it releases its first quarter 2024 financial results.

NewtekOne Financial Highlights Twelve Months Ended December 31, 2023

- Net income was \$47.3 million, or \$1.89 per basic common share and \$1.88 per diluted common share, for the twelve months ended December 31, 2023.
- Net interest income was \$26.6 million for the twelve months ended December 31, 2023.

Newtek Bank, N.A.

- Total deposits were \$463.5 million at December 31, 2023, which represents a 227.3% increase in deposits, compared to \$141.6 million in deposits at NBNYC at December 31, 2022.
- Insured deposits represented approximately 85.8% of total deposits at December 31, 2023.
- Net interest margin² was 4.43% for the three months ended December 31, 2023; an increase of 26.9% over 3.49% for the three months ended September 30, 2023.
- ROTCE^{1,2} of 66.3% for the three months ended December 31, 2023; an increase of 50.7% over 44.0% for the three months ended September 30, 2023.
- ROAA^{1,2} of 9.9% for the three months ended December 31, 2023; an increase of 65.0% over 6.0% for the three months ended September 30, 2023.
- Efficiency ratio^{1,2} of 34.4% for the three months ended December 31, 2023; a decrease of 14.6% compared to 40.3% for the three months ended September 30, 2023.
- Total risk-based capital ratio² was 22.8% at December 31, 2023, a decrease of 8.8% from 25.0% at September 30, 2023.
- Tier-1 leverage ratio² was 16.6% at December 31, 2023; an increase of 11.4% from 14.9% at September 30, 2023.

Lending Highlights

- In April 2023, the Company began funding SBA 7(a) loans out of Newtek Bank with Preferred Lender Program (PLP) status.
- Total SBA 7(a) loan fundings of \$260.7 million for the three months ended December 31, 2023; an increase of 24.2% over \$209.9 million of SBA 7(a) loans funded for the three months ended September 30, 2023.
- Total SBA 7(a) loan fundings of \$815.0 million for the twelve months ended December 31, 2023.
- The Company forecasts \$925.0 million in total SBA 7(a) loan fundings for 2024, which would represent a 13.5% increase over 2023.
- Newtek Bank closed \$60.5 million of SBA 504 loans for the three months ended December 31, 2023; an increase of 241.8% over \$17.7 million SBA 504 loans closed for the three months ended September 30, 2023.
- Total SBA 504 loan closings of \$142.9 million for the twelve months ended December 31, 2023.
- Newtek Bank and the Company's non-bank subsidiaries closed a record \$1.1 billion of loans, across all loan products, for the twelve months ended December 31, 2023, compared to \$923.8 million of loans closed by NewtekOne, its subsidiaries and portfolio companies for the same period in 2022.

The Company's 2023 prior-period comparative financial statements have been adjusted to correct errors made in the Company's condensed financial statements previously issued in the first, second, and third quarters of 2023. Amounts referenced in this press release refer to results on an "As Adjusted" basis unless otherwise noted. Specifically, as set forth in the "[Summary of Revisions to Prior Period Financial Statements](#)," annexed

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 prior to any filings with regulatory agencies and the filing of our Form 10-K for the year ended December 31, 2023.

hereto, which revises certain line items in the Company's condensed financial information for the first, second, and third quarters of 2023 as previously reported, the Company's: (i) year-to-date EPS (basic and diluted) reflects an increase of \$0.36 per share and \$0.36 per share, respectively; (ii) year-to-date Net Income reflects an increase of \$7.9 million; and (iii) Total Assets reflects an increase of \$15.3 million. The increases in Total Assets was primarily driven by the recognition of net deferred tax assets and income tax receivables as well as intangible assets. The increases in Net Income resulted principally from the after-tax impact of the recognition of servicing assets at Newtek Bank, and the recognition of deferred loan origination costs, net, in connection with accounting for loans originated by Newtek Bank. The revised calculations of EPS are attributed to application of the treasury stock and if-converted methods, as well as revisions to the allocation of undistributed earnings to preferred stock under the two class method, in conjunction with other adjustments to net income. The Company's management continues to assess the effectiveness of the Company's internal controls over financial reporting ("ICFR"), including any deficiencies in ICFR which led to these accounting errors.

Continuing, Mr. Sloane said, "The goal of owning a nationally chartered bank was driven by recognizing that our client base communicates with their bank digitally with high frequency, so the opportunity and our ability to communicate with our clients through our Newtek Advantage® platform, and assist them on a daily basis to become part of their operating ecosystem, has been our goal and is now closer to reality. We have witnessed the customer traffic to Newtekone.com and Newtekbank.com increase to approximately 18,000 unique digital visitors per month, providing our customers with the opportunity to access the Newtek Advantage®, communicate with us, and see all we have to offer. We seek to employ the most cutting-edge technology and AI in order to enhance the client experience, improve work flow processes, and acquire clients in an environment that has less friction and higher levels of business satisfaction."

Mr. Sloane concluded, "We spent a good part of 2023 building out our bank infrastructure, continuing to hire top-quality executives and establishing additional policies and procedures, all at a great expense, an investment we believe will provide a great return in the future. Obviously, the investment and upfront expense is to better enable us to safely and soundly grow our business, and develop a lasting infrastructure. Also important to note, is that we have been able to grow our loan-loss reserves dramatically during our first twelve months of operations ending December 31, 2023. We ended 2023 with a 3.7% loan loss reserve to loans held for investment, and we expect to prudently manage credit risk and related reserves as the future conditions of the economy take shape."

This earnings release should be read in conjunction with NewtekOne's annual report on Form 10-K for the period ended December 31, 2023, filed with the SEC on April 1, 2024.

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 the small- and medium-sized business ("SMB") market. Since 1999, NewtekOne has provided state-of-the-art, cost-efficient products and services and efficient business strategies to SMB 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.

Newtek®, NewtekOne®, Newtek Bank, National Association™, Your Business Solutions Company®, Newtek Advantage® and One Solution for All Your Business Needs® are registered trademarks of NewtekOne, Inc.

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-K for the period ended December 31, 2023. 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 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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Summary of Revisions to Prior Period Consolidated Financial Statements

As of January 6, 2023, the Company is no longer subject to Financial Accounting Standard Board Accounting Standards Codification (FASB) Topic (ASC) 946 *Financial Services – Investment Companies*, which resulted in a significant change in the Company's accounting and financial reporting requirements for the year ended December 31, 2023. For example, the Company is required to consolidate the financial statements of what was previously referred to as our controlled or majority-owned investments together with those already consolidated by the Company. In accordance with ASC 946, prior to January 6, 2023, the Company was required to account for investments, loans and other receivables at fair value. For fiscal year ended December 31, 2023, the Company is now required to account for debt securities under ASC 320, loans and other receivables, including modifications and restructurings under ASC 310, and must apply the current expected credit loss model to each of these financial instruments under ASC 326. Additionally, management continues to elect the fair value option of accounting under ASC 825 for certain financial instruments. Finally, as a result of the conversion, the Company no longer qualifies as a RIC for federal income tax purposes, and no longer qualifies for accounting treatment as an investment company, therefore management has been required to expend significant efforts in order to implement these changes in accounting and financial reporting requirements.

The Company's condensed comparative financial statements have been adjusted to correct errors made in the Company's financial statements previously issued for the first, second, and third quarters of 2023. These adjustments include the following adjustments for the year-to-date period ended September 30, 2023:

1. Accounting for deferred loan origination fees and costs, net, under ASC 310 resulting for the year-to-date period ended September 30, 2023, in (a) a \$5.1 million and \$5.7 million decrease in non-interest income and non-interest expense, respectively, and (b) net increases to pretax income of \$0.6 million (the Company was not applying the standard to its SBA 7(a) HFI at amortized cost or to its SBA 504 HFS at LCM portfolios);
2. Calculating EPS under ASC 260 (a) exclude stock compensation awards from average basic shares outstanding and (b) adjust average diluted shares to reflect the (i) treasury stock method for stock compensation awards and warrants and (ii) the if-converted method for preferred stock and (c) adjusting the allocation under the two-class method to align with the contractual limitations for preferred stock, all of which result in quarterly increases per share for both basic and diluted EPS for the first three quarters of 2023;
3. Establishing net deferred net tax assets and income taxes receivable under ASC 740 in conjunction with the common control transaction, as of January 6, 2023, specifically to recognize (a) the book tax differences on the inside basis of the assets and liabilities that were consolidated as of that date (b) net amounts receivable from tax authorities and (c) deferred tax assets arising from a change in taxpayer filing status in conjunction with the Reorganization, all of which resulted in increased net deferred tax assets and income taxes receivable of \$10.0 million and an increase to additional paid in capital of \$2.9 million and an income tax benefit of \$7.1 million. The results of these adjustments impacted period end balances on the statements of financial condition and year-to-date amounts on the statements of income for each period presented;
4. Establishing certain servicing assets under ASC 860 in conjunction with the common control transaction and servicing assets that stemmed from loan originations that occurred following January 6, 2023, resulting in a \$1.0 million increase in non-interest income and a \$1.5 million increase in servicing assets; and
5. An adjusting opening balance sheet entry in conjunction with common control transaction to correct (a) net understatements of goodwill and intangibles and stockholders' equity resulting in respective increases of \$3.9 million and (b) amortization of intangible assets.

The year-to-date and quarterly impact of these adjustments for the periods presented are outlined in the unaudited tables below.

NewtekOne, Inc. and Subsidiaries
Consolidated Statements of Financial Condition (Unaudited)

As of the Period Ended:

<i>(in thousands)</i>	September 30, 2023			June 30, 2023			March 31, 2023		
	As Reported ¹	Adjustment	As Adjusted	As Reported ¹	Adjustment	As Adjusted	As Reported ¹	Adjustment	As Adjusted
Assets									
Total cash and cash equivalents	\$ 223,692	\$ —	\$ 223,692	\$ 256,333	\$ —	\$ 256,333	\$ 197,143	\$ —	\$ 197,143
Goodwill & intangibles	27,157	4,154	31,311	27,595	4,072	31,667	28,101	3,990	32,091
Servicing assets	36,774	1,517	38,291	35,754	484	36,238	33,351	328	33,679
Loans held for investment, at amortized cost, net ¹	272,725	653	273,378	213,501	294	213,795	164,639	9	164,648
Deferred tax asset, net	8,656	7,599	16,255	4,622	8,005	12,627	4,706	8,120	12,826
Other assets	48,430	1,418	49,848	46,670	1,541	48,211	49,850	1,629	51,479
All other assets	760,720	—	760,720	852,150	—	852,150	767,933	—	767,933
Total assets	\$ 1,378,154	\$ 15,341	\$ 1,393,495	\$ 1,436,625	\$ 14,396	\$ 1,451,021	\$ 1,245,723	\$ 14,076	\$ 1,259,799
Liabilities and Shareholders' Equity									
Liabilities:									
Deposits	432,559	—	432,559	447,357	—	447,357	247,574	—	247,574
Accounts payable, accrued expenses and other liabilities	36,509	162	36,671	37,512	162	37,674	44,912	—	44,912
All other liabilities	682,063	—	682,063	730,541	—	730,541	734,727	—	734,727
Total liabilities	\$ 1,151,131	\$ 162	\$ 1,151,293	\$ 1,215,410	\$ 162	\$ 1,215,572	\$ 1,027,213	\$ —	\$ 1,027,213
Total shareholders' equity	227,023	15,179	242,202	221,215	14,234	235,449	218,510	14,076	232,586
Total Liabilities & Shareholders Equity	\$ 1,378,154	\$ 15,341	\$ 1,393,495	\$ 1,436,625	\$ 14,396	\$ 1,451,021	\$ 1,245,723	\$ 14,076	\$ 1,259,799

¹Certain amounts labeled "As Reported" have been reclassified to conform to current period presentation.

NewtekOne, Inc. and Subsidiaries
Consolidated Statement of Income (Unaudited)
(In Thousands, except for Per Share Data)

	For the nine months ended			For the six months ended			For the three months ended		
	September 30, 2023			June 30, 2023			March 31, 2023		
	As Reported ¹	Adjustment	As Adjusted	As Reported ¹	Adjustment	As Adjusted	As Reported ¹	Adjustment	As Adjusted
Net interest income	\$ 18,333	\$ —	\$ 18,333	\$ 10,256	\$ —	\$ 10,256	\$ 4,583	\$ —	\$ 4,583
Provision for credit losses	7,339	—	7,339	3,893	—	3,893	1,318	—	1,318
Noninterest income	132,113	(4,448)	127,665	89,215	(2,574)	86,641	42,787	(431)	42,356
Noninterest expense	113,891	(5,771)	108,120	79,346	(2,546)	76,800	39,197	(174)	39,023
Income tax expense (benefit)	671	(6,612)	(5,941)	(2,339)	(7,018)	(9,357)	(4,863)	(7,089)	(11,952)
Net income	\$ 28,545	\$ 7,935	\$ 36,480	\$ 18,571	\$ 6,990	\$ 25,561	\$ 11,718	\$ 6,832	\$ 18,550

Weighted average number of shares outstanding

Basic	24,626	(371)	24,255	24,608	(364)	24,244	24,609	(386)	24,223
Diluted	24,626	(290)	24,336	25,423	(1,125)	24,298	25,237	(356)	24,881
Earnings (loss) per common share									
Basic	\$ 1.10	\$ 0.36	\$ 1.46	\$ 0.72	\$ 0.31	\$ 1.03	\$ 0.46	\$ 0.30	\$ 0.76
Diluted	\$ 1.10	\$ 0.36	\$ 1.46	\$ 0.72	\$ 0.31	\$ 1.03	\$ 0.46	\$ 0.28	\$ 0.74

	For the three months ended			For the three months ended			For the three months ended		
	September 30, 2023			June 30, 2023			March 31, 2023		
	As Reported ¹	Adjustment	As Adjusted	As Reported ¹	Adjustment	As Adjusted	As Reported ¹	Adjustment	As Adjusted
Net interest income	\$ 8,077	\$ —	\$ 8,077	\$ 5,673	\$ —	\$ 5,673	\$ 4,583	\$ —	\$ 4,583
Provision for credit losses	3,446	—	3,446	2,575	—	2,575	1,318	—	1,318
Noninterest income	42,900	(1,876)	41,024	46,428	(2,143)	44,285	42,787	(431)	42,356
Noninterest expense	34,545	(3,225)	31,320	40,149	(2,372)	37,777	39,197	(174)	39,023
Income tax expense (benefit)	3,011	405	3,416	2,524	71	2,595	(4,863)	(7,089)	(11,952)
Net income	\$ 9,975	\$ 944	\$ 10,919	\$ 6,853	\$ 158	\$ 7,011	\$ 11,718	\$ 6,832	\$ 18,550

Weighted average number of shares outstanding

Basic	24,663	(386)	24,277	24,607	(343)	24,264	24,609	(386)	24,223
Diluted	24,663	(250)	24,413	25,588	(1,282)	24,306	25,237	(356)	24,881
Earnings (loss) per common share									
Basic	\$ 0.38	\$ 0.05	\$ 0.43	\$ 0.26	\$ 0.01	\$ 0.27	\$ 0.46	\$ 0.30	\$ 0.76
Diluted	\$ 0.38	\$ 0.05	\$ 0.43	\$ 0.26	\$ 0.01	\$ 0.27	\$ 0.46	\$ 0.28	\$ 0.74

¹Certain amounts labeled "As Reported" have been reclassified to conform to current period presentation.

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

ASSETS	December 31, 2023	December 31, 2022
	Financial Holding Company	Investment Company ¹
Cash and due from banks	\$ 15,398	\$ 53,692
Restricted cash	30,919	71,914
Interest bearing deposits in banks	137,689	—
Total cash and cash equivalents	184,006	125,606
Debt securities available-for-sale, at fair value	32,171	—
Loans held for sale, at fair value	118,867	19,171
Loans held for sale, at LCM	56,607	—
Loans held for investment, at fair value	469,801	505,268
Loans held for investment, at amortized cost, net of deferred fees and costs	336,305	—
Allowance for credit losses	(12,574)	—
Loans held for investment, at amortized cost, net	323,731	—
Federal Home Loan Bank and Federal Reserve Bank stock	3,635	—
Settlement receivable	62,230	—
Joint ventures, at fair value (cost of \$37,864 and \$23,314), respectively	40,859	23,022
Controlled investments (cost of \$0 and \$131,495), respectively	—	259,217
Non-control investments (cost of \$796 and \$1,360), respectively	728	1,360
Goodwill and intangibles	30,120	—
Right of use assets	5,701	6,484
Deferred tax asset, net	5,230	—
Servicing assets	39,725	30,268
Other assets	56,102	28,506
Total assets	<u>\$ 1,429,513</u>	<u>\$ 998,902</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 10,053	\$ —
Interest-bearing	453,452	—
Total deposits	463,505	—
Borrowings	644,122	539,326
Dividends payable	4,792	—
Lease liabilities	6,952	7,973
Deferred tax liabilities, net	—	19,194
Due to participants	23,796	35,627
Accounts payable, accrued expenses and other liabilities	37,300	21,424
Total liabilities	<u>1,180,467</u>	<u>623,544</u>
Shareholders' Equity:		
Preferred stock (par value \$0.02 per share; authorized 20 shares, 20 and 20 shares issued and outstanding, respectively)	19,738	—
Common stock (par value \$0.02 per share; authorized 200,000 shares, 24,680 and 24,609 issued and outstanding, respectively)	492	492
Additional paid-in capital	200,913	354,243
Retained earnings	28,051	20,623

Accumulated other comprehensive loss, net of income taxes	(148)	—
Total shareholders' equity	<u>249,046</u>	<u>375,358</u>
Total liabilities and shareholders' equity	<u>\$ 1,429,513</u>	<u>\$ 998,902</u>

¹The Company's financial statements as of December 31, 2022, are, and in previous years were, presented and accounted for under the specialized method of accounting applicable to investment companies and excluded many of our consolidated subsidiaries, which were previously treated as portfolio company investments.

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

	Year Ended December 31,		
	2023 Financial Holding Company	2022 Investment Company ¹	2021 Investment Company ¹
Interest income			
Debt securities available-for-sale	\$ 1,518	\$ —	\$ —
Loans and fees on loans	84,001	35,696	25,951
Loans and fees on loans - PPP loans	—	—	49,989
Interest from affiliates	—	2,921	3,026
Other interest earning assets	8,854	—	—
Total interest income	94,373	38,617	78,966
Interest expense			
Deposits	15,849	—	—
Notes and securitizations	40,217	21,780	18,591
Bank and FHLB borrowings	11,673	3,998	1,536
Notes payable related party	—	547	388
Total interest expense	67,739	26,325	20,515
Net interest income	26,634	12,292	58,451
Provision for credit losses	11,704	—	—
Net interest income after provision for credit losses	14,930	12,292	58,451
Noninterest income			
Dividend income	1,757	24,657	9,896
Loan servicing asset revaluation	(3,549)	(10,095)	(6,778)
Servicing income	18,289	13,698	11,307
Net gains on sales of loans	50,734	56,901	53,113
Net gain (loss) on loans under the fair value option	18,008	(26,504)	11,477
Technology and IT support income	24,916	—	—
Electronic payment processing income	42,855	—	—
Other noninterest income	23,762	34,221	10,295
Total noninterest income	176,772	92,878	89,310
Noninterest expense			
Salaries and employee benefits expense	65,708	20,186	17,866
Technology services expense	14,272	—	—
Electronic payment processing expense	18,327	—	—
Professional services expense	13,077	7,134	5,610
Other loan origination and maintenance expense	9,433	30,746	29,506
Depreciation and amortization	2,884	239	304
Loss on extinguishment of debt	271	417	1,552
Other general and administrative costs	22,357	7,673	7,454
Total noninterest expense	146,329	66,395	62,292
Net income before taxes	45,373	38,775	85,469
Income tax expense (benefit)	(1,956)	6,464	1,327
Net income	47,329	32,311	84,142

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

Dividends to preferred shareholders	(1,454)	—	—
Net income available to common shareholders	\$ 45,875	\$ 32,311	\$ 84,142
Earnings per share:			
Basic	\$ 1.89	\$ 1.34	\$ 3.69
Diluted	\$ 1.88	\$ 1.34	\$ 3.69

¹The Company's financial statements as of December 31, 2022, are, and in previous years were, presented and accounted for under the specialized method of accounting applicable to investment companies and excluded many of our consolidated subsidiaries, which were previously treated as portfolio company investments.

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

	Three Months Ended December 31,		
	2023 Financial Holding Company	2022 Investment Company ¹	2021 Investment Company ¹
Interest income			
Debt securities available-for-sale	\$ 435	\$ —	\$ —
Loans and fees on loans	23,660	11,781	6,623
Loans and fees on loans - PPP loans	—	—	—
Interest from affiliates	—	834	895
Other interest earning assets	2,274	—	54
Total interest income	26,369	12,615	7,572
Interest expense			
Deposits	5,111	—	—
Notes and securitizations	11,411	7,348	4,791
Bank and FHLB borrowings	1,546	1,303	394
Notes payable related party	—	262	112
Total interest expense	18,068	8,913	5,297
Net interest income	8,301	3,702	2,275
Provision for credit losses	4,365	—	—
Net interest income after provision for credit losses	3,936	3,702	2,275
Noninterest income			
Dividend income	360	4,606	9,775
Loan servicing asset revaluation	(1,983)	(6,131)	(3,456)
Servicing income	4,985	3,767	2,961
Net gains on sales of loans	17,252	6,948	15,034
Net gain (loss) on loans under the fair value option	5,420	(14,089)	6,361
Technology and IT support income	6,460	—	—
Electronic payment processing income	10,659	—	—
Other noninterest income	5,954	24,840	4,149
Total noninterest income	49,107	19,941	34,824
Noninterest expense			
Salaries and employee benefits expense	14,535	5,806	5,139
Technology services expense	4,265	—	—
Electronic payment processing expense	4,168	—	—
Professional services expense	3,311	2,812	2,145
Other loan origination and maintenance expense	2,503	8,846	8,122
Depreciation and amortization	613	58	68
Loss on extinguishment of debt	271	—	597
Other general and administrative costs	8,543	2,054	1,791
Total noninterest expense	38,209	19,576	17,862
Net income before taxes	14,834	4,067	19,237
Income tax expense (benefit)	3,985	6,289	(793)
Net income	10,849	(2,222)	20,030
Dividends to preferred shareholders	(405)	—	—

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

Net income available to common shareholders	\$	10,444	\$	(2,222)	\$	20,030
Earnings per share:						
Basic	\$	0.43	\$	(0.09)	\$	0.84
Diluted	\$	0.43	\$	(0.09)	\$	0.84

¹The Company's financial statements as of December 31, 2022, are, and in previous years were, presented and accounted for under the specialized method of accounting applicable to investment companies and excluded many of our consolidated subsidiaries, which were previously treated as portfolio company investments.

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.

Newtek Bank, NA <i>(in thousands)</i>	As of and for the three months ended	As of and for the year ended
	December 31, 2023	December 31, 2023
Return on Average Tangible Common Equity		
Numerator: Net Income (Loss) (GAAP)	\$15,064	\$28,127
Average Total Shareholders' Equity (non-GAAP)	92,201	81,043
Deduct: Average Goodwill and Intangibles (non-GAAP)	2,099	2,157
Denominator: Tangible Average Common Equity (non-GAAP)	\$90,102	\$78,886
<i>Return on Average Tangible Common Equity (non-GAAP)</i>	66.3%	35.7%
Return on Average Assets		
Numerator: Net Income (GAAP)	\$15,064	\$28,127
Denominator: Average Assets (non-GAAP)	601,130	490,604
<i>Return on Average Assets (non-GAAP)</i>	9.9%	5.7%
Efficiency Ratio		
Numerator: Non-Interest Expense (GAAP)	\$12,796	\$51,378
Net Interest Income (GAAP)	6,589	17,461
Non-Interest Income (GAAP)	30,621	85,580
Denominator: Total Income	\$37,210	\$103,041
<i>Efficiency Ratio (non-GAAP)</i>	34.4%	49.9%

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

Newtek Bank's comparative financial measures have been adjusted to correct errors made in the Company's financial statements previously-issued in the first, second and third quarters of 2023. The amounts presented below are as of and for the periods ended (in thousands). Ratios for three-month period ended have been annualized based on calendar days.

Newtek Bank, NA (in thousands)	As of and for the three months ended								
	September 30, 2023			June 30, 2023			March 31, 2023		
	As Reported ¹	Adjustment	As Adjusted	As Reported ¹	Adjustment	As Adjusted	As Reported ¹	Adjustment	As Adjusted
Return on Average Tangible Common Equity									
Numerator: Net Income (Loss) (GAAP)	\$7,831	\$974	\$8,805	\$5,974	\$205	\$6,179	\$(1,817)	\$(104)	\$(1,921)
Average Total Shareholders' Equity (non-GAAP)	81,043	558	81,601	76,838	338	77,176	75,813	405	76,218
Deduct: Average Goodwill and Intangibles (non-GAAP)	2,146	—	2,146	2,195	—	2,195	2,190	—	2,190
Denominator: Tangible Average Common Equity (non-GAAP)	\$78,897	\$558	\$79,455	\$74,643	\$338	\$74,981	\$73,623	\$405	\$74,028
Return on Average Tangible Common Equity (non-GAAP)	39.4%		44.0%	32.1%		33.1%	(10.0)%		(10.5)%
Return on Average Assets									
Numerator: Net Income (GAAP)	\$7,831	\$974	\$8,805	\$5,974	\$205	\$6,179	\$(1,817)	\$(104)	\$(1,921)
Denominator: Average Assets (non-GAAP)	584,182	705	584,887	485,633	330	485,963	285,455	459	285,914
Return on Average Assets (non-GAAP)	5.3%		6.0%	4.9%		5.1%	(2.6)%		(2.7)%
Efficiency Ratio									
Numerator: Non-Interest Expense (GAAP)	\$14,759	\$(3,243)	\$11,516	\$16,243	\$(2,399)	\$13,844	\$13,314	\$(92)	\$13,222
Net Interest Income (GAAP)	5,089	279	5,368	3,771	445	4,216	2,011	(329)	1,682
Non-Interest Income (GAAP)	24,984	(1,751)	23,233	23,920	(2,055)	21,865	10,101	(241)	9,860
Denominator: Total Income	\$30,073	\$(1,472)	\$28,601	\$27,691	\$(1,610)	\$26,081	\$12,112	\$(570)	\$11,542
Efficiency Ratio (non-GAAP)	49.1%		40.3%	58.7%		53.1%	109.9%		114.6%

¹Certain amounts labeled "As Reported" have been reclassified to conform to current period presentation.

NewtekOne Inc.	As of and for the three months ended	As of and for the year ended
<i>(dollars and number of shares in thousands)</i>	December 31, 2023	December 31, 2023
Return on Average Tangible Common Equity		
Numerator: Net Income (GAAP)	\$10,849	\$47,329
Average Total Shareholders' Equity (non-GAAP)	218,387	222,624
Deduct: Preferred Stock (GAAP)	19,738	19,738
Average Common Shareholders' Equity (non-GAAP)	198,649	202,886
Deduct: Average Goodwill and Intangibles (non-GAAP)	31,250	31,706
Denominator: Average Tangible Common Equity (non-GAAP)	\$167,399	\$171,180
<i>Return on Tangible Common Equity (non-GAAP)</i>	25.7%	27.6%
Return on Average Assets		
Numerator: Net Income (GAAP)	\$10,849	\$47,329
Denominator: Average Assets (non-GAAP)	1,382,690	1,316,923
<i>Return on Average Assets (non-GAAP)</i>	3.1%	3.6%
Efficiency Ratio		
Numerator: Non-Interest Expense (GAAP)	\$38,209	\$146,329
Net Interest Income (GAAP)	8,301	14,930
Non-Interest Income (GAAP)	49,107	176,772
Denominator: Total Income	\$57,408	\$191,702
<i>Efficiency Ratio (non-GAAP)</i>	66.6%	76.3%
Tangible Book Value Per Share		
Total Shareholders' Equity (GAAP)	\$249,046	\$249,046
Deduct: Goodwill and Intangibles (GAAP)	30,120	30,120
Numerator: Total Tangible Book Value (non-GAAP)	\$218,926	\$218,926
Denominator: Total Number of Shares Outstanding	24,680	24,680
<i>Tangible Book Value Per Share (non-GAAP)</i>	\$8.87	\$8.87
Tangible Book Value Per Common Share		
Total Tangible Book Value (non-GAAP)	\$218,926	\$218,926
Deduct: Preferred Stock (GAAP)	19,738	19,738
Numerator: Tangible Book Value Per Common Share (non-GAAP)	\$199,188	\$199,188
Denominator: Total Number of Shares Outstanding	24,680	24,680
<i>Tangible Book Value Per Common Share (non-GAAP)</i>	\$8.07	\$8.07

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

The Company's comparative financial statements have been adjusted to correct errors made in the Company's financial statements previously-issued in the first, second and third quarters of 2023. The amounts presented below are as of and for the periods ended (in thousands, except per share data). Ratios for three-month period ended have been annualized based on calendar days.

NewtekOne Inc. (dollars and number of shares in thousands)	As of and for the three months ended								
	September 30, 2023			June 30, 2023			March 31, 2023		
	As Reported ¹	Adjustment	As Adjusted	As Reported ¹	Adjustment	As Adjusted	As Reported ¹	Adjustment	As Adjusted
Return on Average Tangible Common Equity									
Numerator: Net Income (GAAP)	\$9,975	\$944	\$10,919	\$6,853	\$158	\$7,011	\$11,718	\$6,832	\$18,550
Average Total Shareholders' Equity (non-GAAP)	224,119	5,787	229,906	219,863	14,155	234,018	180,707	13,303	194,010
Deduct: Preferred Stock (GAAP)	19,738	—	19,738	19,738	—	19,738	19,738	—	19,738
Average Common Shareholders' Equity (non-GAAP)	204,381	5,787	210,168	200,125	14,155	214,280	160,969	13,303	174,272
Deduct: Average Goodwill and Intangibles (non-GAAP)	27,376	(25,958)	1,418	27,848	4,031	31,879	28,291	3,771	32,062
Denominator: Average Tangible Common Equity (non-GAAP)	\$177,005	\$31,745	\$208,750	\$172,277	\$10,124	\$182,401	\$132,678	\$9,532	\$142,210
<i>Return on Tangible Common Equity (non-GAAP)</i>	22.4%		20.8%	16.0%		15.4%	35.8%		52.9%
Return on Average Assets									
Numerator: Net Income (GAAP)	\$9,975	\$944	\$10,919	\$6,853	\$158	\$7,011	\$11,718	\$6,832	\$18,550
Denominator: Average Assets (non-GAAP)	1,407,389	17,281	1,424,670	1,341,174	14,236	1,355,410	1,111,391	13,303	1,124,693
<i>Return on Average Assets (non-GAAP)</i>	2.8%		3.0%	2.0%		2.1%	4.2%		6.6%
Efficiency Ratio									
Numerator: Non-Interest Expense (GAAP)	\$34,545	\$(3,225)	\$31,320	\$40,149	\$(2,372)	\$37,777	\$39,197	\$(174)	\$39,023
Net Interest Income (GAAP)	8,077	—	8,077	5,673	—	5,673	4,583	—	4,583
Non-Interest Income (GAAP)	42,900	(1,876)	41,024	46,428	(2,143)	44,285	42,787	(431)	42,356
Denominator: Total Income	\$50,977	\$(1,876)	\$49,101	\$52,101	\$(2,143)	\$49,958	\$47,370	\$(431)	\$46,939
<i>Efficiency Ratio (non-GAAP)</i>	67.8%		63.8%	77.1%		75.6%	82.7%		83.1%
Tangible Book Value Per Share									
Total Shareholders' Equity (GAAP)	\$227,023	\$15,179	\$242,202	\$221,215	\$14,234	\$235,449	\$218,510	\$14,076	\$232,586
Deduct: Goodwill and Intangibles (GAAP)	27,157	4,154	31,311	27,595	4,072	31,667	28,101	3,990	32,091
Numerator: Total Tangible Book Value (non-GAAP)	\$199,866	\$11,025	\$210,891	\$193,620	\$10,162	\$203,782	\$190,409	\$10,086	\$200,495
Denominator: Total Number of Shares Outstanding	24,645	—	24,645	24,615	—	24,615	24,609	—	24,609
<i>Tangible Book Value Per Share (non-GAAP)</i>	\$8.11	\$0.45	\$8.56	\$7.87	\$0.41	\$8.28	\$7.74	\$0.41	\$8.15
Tangible Book Value Per Common Share									
Total Tangible Book Value (non-GAAP)	\$199,866	\$11,025	\$210,891	\$193,620	\$10,162	\$203,782	\$190,409	\$10,086	\$200,495
Deduct: Preferred Stock (GAAP)	19,738	—	19,738	19,738	—	19,738	19,738	—	19,738
Numerator: Tangible Book Value Per Common Share (non-GAAP)	\$180,128	\$11,025	\$191,153	\$173,882	\$10,162	\$184,044	\$170,671	\$10,086	\$180,757
Denominator: Total Number of Shares Outstanding	24,645	—	24,645	24,615	—	24,615	24,609	—	24,609
<i>Tangible Book Value Per Common Share (non-GAAP)</i>	\$7.31	\$0.45	\$7.76	\$7.06	\$0.42	\$7.48	\$6.94	\$0.41	\$7.35

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