



June 6, 2022

Conditional Approval #1292
July 2022

Richard Gelman, Chairman of the Board
National Bank of New York City
136-29 38th Avenue
Flushing, New York 11354-4112

Re: Dividends Payable in Property Other Than Cash Application and Operating Subsidiary Application
National Bank of New York City, Flushing, New York Charter No: 15070
OCC Control Numbers: 2022-NE-Capital&Div-327017 and 2022-NE-Subs&Equities-327050

Dear Mr. Gelman:

The Comptroller of the Currency (OCC) conditionally approves the National Bank of New York City's (NBNYC or Bank) dividend payable in property other than cash (dividend) in the form of the Bank's owned property located at 136-29 38th Avenue, Flushing, New York, to Gelman LLC. The dividend will have minimal impact on NBNYC's retained earnings.

The OCC also conditionally approves the simultaneous application filed by NBNYC on May 20, 2022, to establish Gelman LLC (the Subsidiary). The Subsidiary is being formed to facilitate the distribution of the Bank's owned property in accordance with the Stock Purchase Agreement, dated August 2, 2021, in which Newtek Business Services Corp., Boca Raton, Florida (Newtek) will acquire NBNYC. In the Stock Purchase Agreement, the Bank's owned property will be leased to Newtek for an agreed upon period subsequent to the consummation of the acquisition. The OCC concludes that the activities of Subsidiary are legally permissible for national banks and their operating subsidiaries. The Subsidiary qualifies as an operating subsidiary as the operating subsidiary meets the requirements set forth in 12 CFR 5.34(e)(2). Please be reminded that the Bank must follow the call report instructions for RC-R, should the Subsidiary exist on a quarter end date. In addition, transactions between affiliates should be conducted at arm's length and in accordance with applicable laws and regulations, including validating and valuing the Bank's owned property at the time of transfer with an updated appraisal should consummation exceed six months from the appraisal date of February 17, 2022.

The conditional approvals are subject to the following condition:

- The closing of the Newtek acquisition of NBNYC, per the aforementioned Stock Purchase Agreement, and receipt of the requisite regulatory approvals.

The condition of approval is a condition "imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 USC 1818. As such, the condition is enforceable under 12 USC 1818.

The conditional approvals are granted based on a thorough review of all information available, including the representations and commitments made in the applications and by the Bank's representatives.

The dividend and the establishment of the Subsidiary should be completed within one year of the date of this letter or the approval automatically terminates unless the OCC grants an extension.

This approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

Please include the OCC control number on any correspondence related to this filing. If you have any questions, contact Madeline Hilferty at 202-322-8525 or Madeline.Hilferty@occ.treas.gov

Sincerely,

/s/

Debra Burke
Director for District Licensing