Newtek Business Services Corp.
NASDAQ: NEWT

Full Year 2018
Financial Results Conference Call
March 7, 2019 8:30 am ET

Hosted by:

Barry Sloane, CEO & President   Jennifer Eddelson, EVP & CAO

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Note Regarding Forward-Looking Statements

The matters discussed in this Presentation, as well as in future oral and written statements by management of Newtek Business Services Corp., that are forward-looking statements are based on current management expectations that involve substantial risks and uncertainties which could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. Forward-looking statements relate to future events or our future financial performance. We generally identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions. Important assumptions include our ability to originate new investments, achieve certain margins and levels of profitability, the availability of additional capital, and the ability to maintain certain debt to asset ratios. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this Presentation should not be regarded as a representation by us that our plans or objectives will be achieved. The forward-looking statements contained in this Presentation include statements as to: our future operating results; our business prospects and the prospects of our portfolio companies; the impact of investments that we expect to make; our relationships with third parties; the dependence of our future success on the general economy and its impact on the industries in which we invest; our ability to access debt markets and equity markets; the ability of our portfolio companies to achieve their objectives; our expected financings and investments; our regulatory structure and tax status; our ability to operate as a BDC and a RIC; the adequacy of our cash resources and working capital; the timing of cash flows, if any, from the operations of our portfolio companies; the timing, form and amount of any dividend distributions; the impact of fluctuations in interest rates on our business; the valuation of any investments in portfolio companies, particularly those having no liquid trading market; and our ability to recover unrealized losses. The following discussion should be read in conjunction with our consolidated financial statements and related notes and other financial information appearing in our quarterly and annual reports filed with the U.S. Securities and Exchange Commission.

Newtek's Historical Stock Performance

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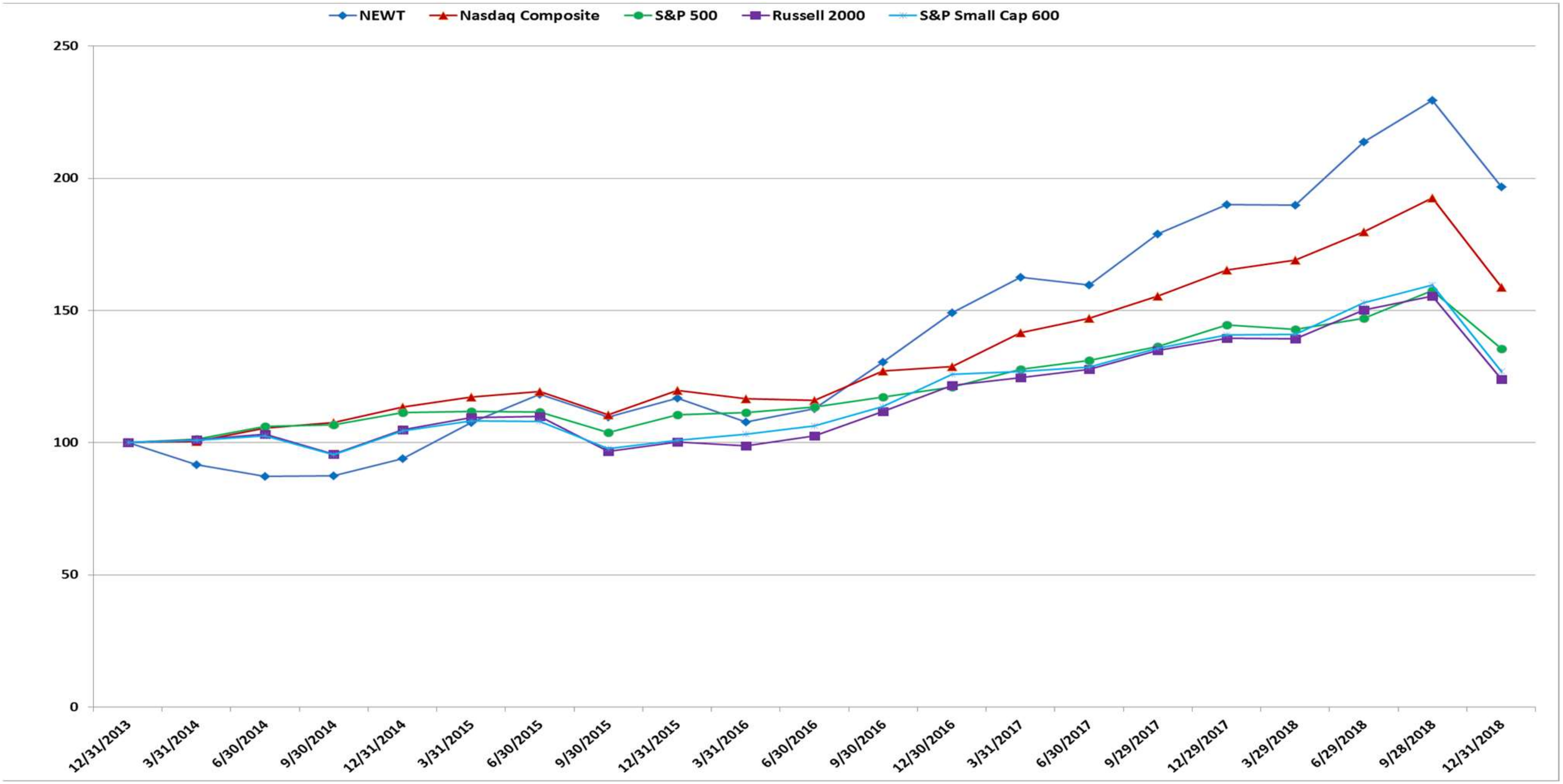
- As of December 31, 2018, including reinvested dividends in NEWT:
  - Newtek's 5-year total return was **96.7%**
  - Newtek's 3-year total return was **68.5%**
  - Newtek's 1-year total return was **3.5%**

- Newtek's total return year to date through February 28, 2019, was 13.8%, which does not include any dividends paid
- Newtek's first quarter 2019 dividend of $0.40 per share is payable on March 29, 2019 to shareholders of record March 15, 2019



Note: Total returns as per Bloomberg. Newtek converted to a business development company in November 2014, and therefore the 5-year total return includes pre-BDC returns. Historical performance is not indicative of future performance.

NEWT vs. Indices: Total Return Statistics

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- For the year ended December 31, 2018, total return[1] including reinvested dividends:
  - **NEWT: +3.5%**
  - S&P 500: -4.4%
  - Russell 2000: -11%

[1] As per Bloomberg

Newtek Short Interest

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Settlement Date	Short Interest	Average Share Volume	Days to Cover
2/15/2019	1,232,645	84,226	14.63
1/31/2019	1,226,177	154,755	7.92
1/15/2019	1,081,097	135,197	8.00
12/31/2018	927,730	427,756	2.17
12/14/2018	693,074	183,814	3.77
11/30/2018	512,053	151,351	3.38
11/15/2018	359,018	121,864	2.95

Continued Growth in Key Metrics

- Year-over-year increase in SBA loan volume
- Quarterly and annual year-over-year growth in loan referral volume
- Significant improvement in our ability to process loans utilizing our proprietary technology
- Growth in net interest income in a rising rate environment with a floating rate loan portfolio
  - Net interest income increased by 6.4% in 2018 as compared to 2017
- Steady performance and growth in payments business portfolio companies
- Reduced cost of capital in borrowing lines
- Increased capacity in lending lines for SBA 504 loans that are funded by a portfolio company

Full Year 2018 Financial Highlights

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- Total investment income of $49.5 million for the year ended December 31, 2018; an increase of 27.2% over total investment income of $38.9 million for the year ended December 31, 2017
- Net investment loss of $(7.5) million, or $(0.40) per share, for the year ended December 31, 2018, an improvement of 11.1% on a per share basis, over net investment loss of $(7.9) million, or $(0.45) per share, for the year ended December 31, 2017
- Adjusted net investment income ("ANII")[1] of $36.4 million, or $1.94 per share, for the year ended December 31, 2018; an increase of 9.6% on a per share basis compared to ANII of $30.8 million, or $1.77 per share, for the year ended December 31, 2017
  - Beat analysts' ANII consensus estimates[2] by $0.02 per share
- Net asset value ("NAV") of $287.4 million, or $15.19 per share at December 31, 2018, compared to NAV of $15.08 per share at December 31, 2017
- Debt-to-equity ratio of 117.4% at December 31, 2018
  - December 31, 2018, proforma debt-to-equity ratio was 105.3% as a result of the settlement of government-guaranteed portions of SBA 7(a) loans sold prior to December 31, 2018, settling subsequent to the balance sheet date
  - The Company is now able to increase its debt-to-equity ratio from 1:1 to 2:1, and plans to do so at a slow and measured pace
- Total investment portfolio increased by 18.5% to $541.1 million at December 31, 2018, from $456.7 million at December 31, 2017

[1]See page 43 for definition of ANII. [2]Analyst consensus estimates as per Bloomberg on February 28, 2019.

Debt-to-Equity Ratio Explanation

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Newtek Business Services Corp. and Subsidiaries Debt to equity ratio, actual as of December 31, 2018		
Actual Debt to Equity ratio at December 31, 2018:		
Total senior debt	$	337,501
Total equity	$	287,445
Debt to equity ratio - actual at December 31, 2018		117.4%

- Newtek funds both the unguaranteed and guaranteed portions of SBA 7(a) loans through its credit facility. The guaranteed portions of its SBA 7(a) loans are levered until the loans are sold and settled, typically within 10-14 days of origination
- Based on timing of when loans are sold and settled, the debt-to-equity ratio will fluctuate
- As of December 31, 2018, there were approximately $38.6 million of guaranteed portions of SBA 7(a) loans sold pending settlement (broker receivable) against our line of credit

Newtek Business Services Corp. and Subsidiaries Debt to equity ratio - proforma at December 31, 2018		
(in thousands):		
Broker receivable, including premium income receivable	$	42,617
Less: premium income included in broker receivable		(4,009)
Broker receivable		38,608
90% advance rate on SBA guaranteed non-affiliate portions of loans sold, not settled	$	34,747

Proforma debt adjustments:		
Total Senior Debt as of December 31, 2018	$	337,501
Proforma adjustment for broker receivable as of December 31, 2018, as calculated above		(34,747)
Total proforma debt at December 31, 2018	$	302,754

Proforma Debt to Equity ratio at December 31, 2018:		
Total proforma debt	$	302,754
Total equity	$	287,445
Debt to equity ratio - proforma at December 31, 2018		105.3%

2018 Dividend Payments and 2019 Dividend Forecast

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- The Company paid cash dividends totaling $1.80 per share during 2018, an increase of 9.8% over 2017 cash dividends of $1.64 per share
- The Company forecasts paying an annual cash dividend of $1.84[1] per share in 2019, a 2.2% increase over the 2018 cash dividend of $1.80 per share
- On February 15, 2019, Newtek's Board of Directors declared a first quarter 2019 cash dividend of $0.40 per share, payable on March 29, 2019 to shareholders of record as of March 15, 2019
- For the past three years as a BDC, our annual dividend payout has exceeded our initial annual dividend forecast:
  - 2016: Initial annual dividend forecast of $1.50 per share; paid $1.53 per share
  - 2017: Initial annual dividend forecast of $1.57 per share; paid $1.64 per share
  - 2018: Initial annual dividend forecast of $1.69 per share; paid $1.80 per share
- Historically, our annual cash dividends paid have been between 90% to 100% of taxable income. We anticipate our 2019 annual dividend payout to be between 90% to 100% of our taxable income, with the goal of 95%, the midpoint of the range

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

Full Year 2018 SBA 7(a) Lending Highlights

- NSBF funded $469.2 million of SBA 7(a) loans during the year ended December 31, 2018; an increase of 21.6% over $385.9 million of SBA 7(a) loans funded for the year ended December 31, 2017
- NSBF forecasts full year 2019 SBA 7(a) loan fundings of between $580 million and $620 million, which would represent an approximate 27.9% increase, at the midpoint of the range, over SBA 7(a) loan fundings for the year ended December 31, 2018

Additional 2018 Highlights

- **November 8, 2018:** Premier Payments LLC and Newtek Merchant Solutions, two of the Company's wholly owned payment processing portfolio companies, closed $50.0 million in financing arranged by Webster Bank, which retired the Goldman Facility and reduced interest cost by 350 basis points
- **November 8, 2018:** Newtek closed its ninth and largest small business loan securitization, for the sale of $108.6 million in Unguaranteed SBA 7(a) Loan-Backed Notes (the "Notes"), Series 2018-1
- **July 26, 2018:** At the Company's special meeting of shareholders, its shareholders approved the application of the modified asset coverage requirements set forth in Section 61(a)(2) of the Investment Company Act of 1940, as amended by the Small Business Credit Availability Act. As a result, the Company's asset coverage requirements for senior securities has been reduced from 200% to 150%
- **July 12, 2018:** S&P Global Ratings raised its rating on the Class A Notes from Newtek Small Business Loan Trust 2010-1 from AA to AAA
- **June 4, 2018:** NSBF, Newtek's SBA 7(a) lender subsidiary, received a 50 basis point reduction in the interest rate for its existing $100.0 million revolving credit facility through Capital One, National Association, used to fund the unguaranteed and guaranteed portions of SBA 7(a) loans NSBF originates
- **February 21, 2018:** Closed an underwritten public offering of $57.5 million in aggregate principal amount of its 6.25% Notes Due 2023, which trade under the symbol "NEWTI", and retired the 7% $40.25 million in Notes Due 2021

Factors for 2019 SBA 7(a) Loan Funding Forecast

- Sufficient capital available
- Do not forecast a significant change in loan demand to reach the 2019 SBA 7(a) loan funding forecast
- Current close rate of loans from referrals is 2.5%
  - We believe we can add between $90 to $125 million in SBA 7 (a) loan fundings in 2019 while maintaining the credit quality of the loans, by increasing the close rate to 3% through investments in technology and human capital
- Throughout 2018, we hired new staff and promoted existing seasoned staff
- Invested in human capital as well as added work stations for over 100 new employees in New York; Boca Raton, FL; and Orlando, FL combined
- Invested in and improved technology for the lending platform
- Gained new alliance partnerships
- Expect to continue to see significant growth in loan referrals
- Launch of non-conforming conventional loan program will benefit SBA 7(a) and SBA 504 loan programs

Newtek's 9th & Largest Securitization

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- On November 8, 2018, Newtek closed its ninth and largest small business loan securitization, for the sale of $108.6 million in Unguaranteed SBA 7(a) Loan-Backed Notes (the "Notes"), Series 2018-1
- Offering consisted of 2 Classes of Notes:
  - Class A Notes: $82.9 million, rated 'A' by Standard and Poor's
  - Class B Notes: $25.7 million rated 'BBB-' by Standard and Poor's
- The Notes had an 83.5% advance rate, an approximate 4.0% improvement over the most recent securitization in November 2017, making it the highest advance rate of all securitizations to date
- The Notes were priced at an average initial yield of 4.32% (Note: interest rates will be floating rate) across both classes
  - Received the best pricing in our securitization history with an approximate 30 basis point reduction in the spread over LIBOR on the Class A Notes compared to our November 2017 securitization
- Deutsche Bank Securities Inc. acted as sole bookrunner for the sale of the Notes and Capital One Securities, Inc. acted as co-manager for the offering

Exercise of Optional Redemptions

- On February 25, 2019, NSBF exercised the optional redemption of rated notes in the 2010-1 securitization transaction
  - As a result, we increased borrowing availability by $15.6 million
- Exercised the optional redemption of rated notes in the 2013-1 securitization transaction, effectively retiring that deal and adding seasoned collateral to our 2018-1 securitization transaction
  - As a result, we increased borrowing availability by $15.0 million

Positive Effects of Rising Interest Rates

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- Interest income increases in a rising-rate environment with a floating rate loan portfolio
  - Interest rate on loan portfolio is PRIME plus 2.75%, which is equivalent to an **8.25%** current coupon to Newtek
  - The Notes in our 2018-1 securitization transaction were priced at an average initial yield of approximately **4.32%** (Note: interest rates will be floating rate) across both classes
  - Equivalent to a spread of approximately 375 to 400 basis points
- Experience faster prepayment speeds in a rising-rate environment
  - Higher prepayment speeds could lead to more frequent exercising of redemptions of older securitization transactions and in turn allow for greater cash flow in the securitization, which can assist us in cost-effectively financing our growth
  - Expect to be a more frequent issuer in 2019, with larger deal sizes as we grow our loan platform as well as continue to exercise redemptions of older deals due to the higher prepayment speeds we are experiencing

Non-Conforming Conventional Loan Program

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- On November 27, 2018, a wholly-owned affiliate of Newtek Business Services Corp. ("Newtek"), Newtek Commercial Lending, Inc., and a wholly-owned affiliate of BlackRock TCP Capital Corp. ("BlackRock TCP"), Conventional Lending TCP Holdings LLC, entered into a joint venture, Newtek Conventional Lending, LLC (the "JV"), governed by the Limited Liability Company Agreement for the JV
- The intended purpose of the JV will be to originate commercial business loans to middle-market companies as well as small businesses
- Newtek and BlackRock TCP each committed to contribute up to $100 million in equity funding to the JV and each will have equal voting rights on all material matters
- The JV intends to deploy capital over the course of time with additional leverage supported by a warehouse line of credit
- Currently, the JV is expected to close a $100 million senior-secured revolving credit facility with an investment bank, with a $100 million accordion feature, allowing the JV to increase the borrowing available under the JV's credit facility to $200 million; the warehouse line would be used to fund and securitize non-conforming conventional loans
- The Company believes the JV investment in the non-conforming conventional loan program could have a positive impact on 2019 performance

Reduced Cost of Capital at Portfolio Companies

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- Premier Payments LLC and Newtek Merchant Solutions, two of the Company's wholly owned payment processing portfolio companies, closed $50 million in financing arranged by Webster Bank
- The $50 million in financing consists of a $35 million five-year term loan, and a $15 million revolving credit facility
- These portfolio companies used a portion of this financing to repay the $40 million outstanding balance and retire the $50 million facility with Goldman Sachs Specialty Lending Group L.P., an affiliate of the Goldman Sachs Group Inc.
- The financing with Webster Bank represents a 350 basis point improvement over the interest rate on the term loan with their existing lender
- The Company believes this interest rate reduction will increase the available distributable income at the portfolio companies, which could positively impact the Company's earnings

Sale of Elavon Portfolio

- Premier Payments LLC sold a wholesale portfolio of 1,200 merchants back to Elavon
- Recorded a $5.6 million pre-tax gain
- Received $7.5 million upfront with a $500,000 earnout, which equates to a total of $8.0 million
- Purchased Premier Payments LLC for approximately $16.5 million 3 years ago
- Elavon portfolio generated 25% of income and 25% of processing volume of Premier Payments LLC
- Validates our payment processing equity valuation
- Exercised call option on approximately 1,200 merchant accounts, which should improve cash flow in 2019 by approximately $1.5 million, which offsets $1.0 million cash flow loss on sale of Elavon portfolio

Newtek Small Business Finance Overview: SBA 7(a) Loans

- Currently the largest non-bank lender (with PLP status) licensed by the SBA under the federal Section 7(a) loan program based on annual origination volume
- One of 14 Non-Bank SBA Government-Guaranteed Lender Licenses (new licenses are presently no longer being issued)
- 4th largest SBA 7(a) lender (including banks[1])
- National SBA 7(a) lender to small businesses since 2003; 16-year history of loan default frequency and severity statistics
- Issued 9 S&P-rated AA & A securitizations since 2010
- Small balance, industry and geographically diversified portfolio of 1,960 loans
  - Average loan size is approximately $181K of average unguaranteed retained loan balance
- Floating rate at Prime plus 2.75% with no caps and quarterly rate adjust; currently equivalent to 8.25% cost to borrower
- No origination fees with 7- to 25-year amortization schedules; receiving a high-quality loan product
- Secondary market established for SBA 7(a) government-guaranteed loans for over 61 years and Newtek establishes liquidity for unguaranteed portions through securitizations

[1]As of December 31, 2018

SBA 7(a) Loan Originations & Pipeline Comparisons

SBA 7(a) Loan Pipeline		
	December 31, 2017	December 31, 2018
Prequalified Loans	$117,935,500	$193,311,150
Loans In Underwriting	64,506,400	73,324,330
Approved Pending Closing	60,612,400	63,723,000
Total Loan Pipeline	**$243,054,300**	**$330,358,480**

- For the year ended December 31, 2018, SBA 7(a) loan fundings increased year over year by 21.6%
- At December 31, 2018, the total SBA 7(a) loan pipeline was 35.9% greater than the total SBA 7(a) loan pipeline at December 31, 2017

Growth in Loan Referrals

Loan Referrals ($ in millions)		
FY 2017	FY 2018	Year-over-Year % Change
$ 10,790	$ 18,773	74.0%

- FY 2018 loan referrals were approximately $18.8 billion; a 74.0% year-over-year increase over $10.8 billion in FY 2017

Loan Units Referred		
FY 2017	FY 2018	Year-over-Year % Change
31,006	64,614	108.4%

- FY 2018 loan units referred were 64,614; a 108.4% year-over-year increase over 31,006 in FY 2017

NSBF Lending Referral Growth in Dollars & Units: 2007 vs. 2008 vs. 2017 vs. 2018

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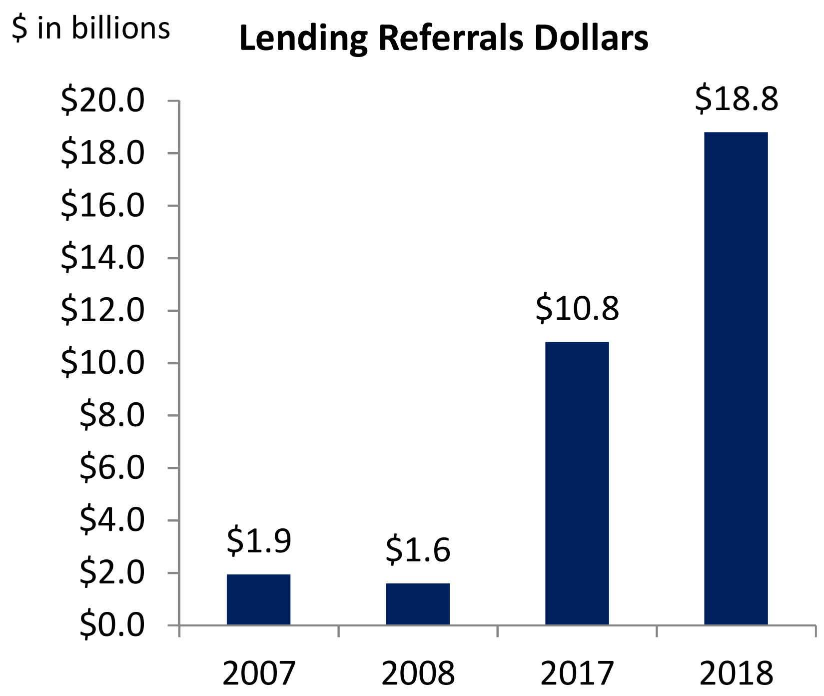
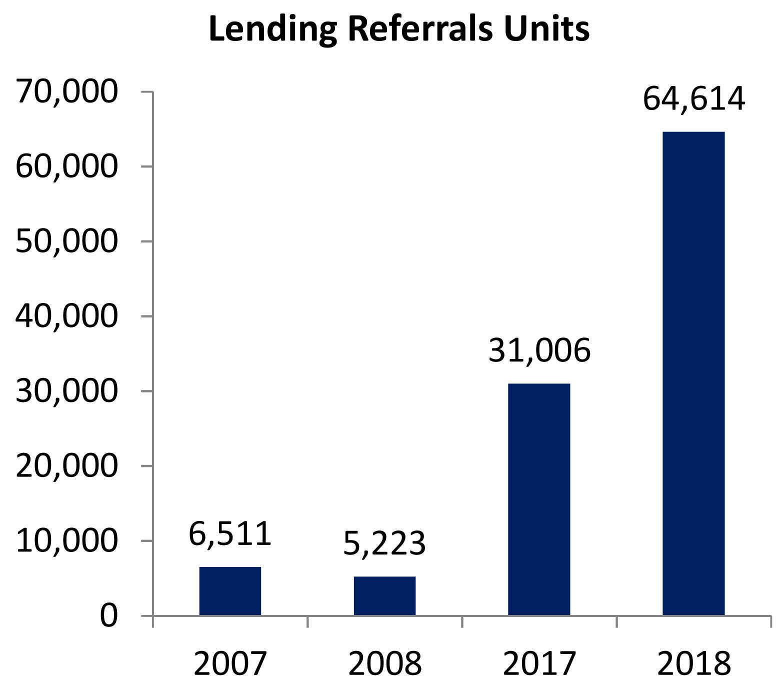
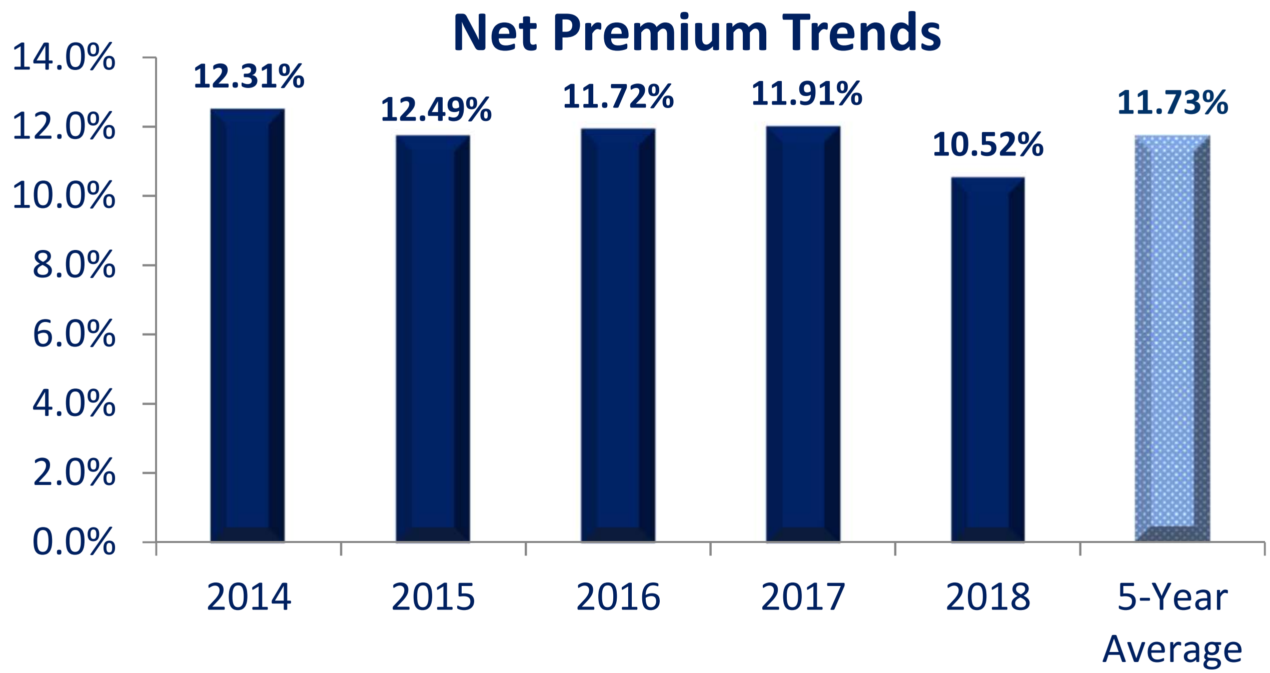
- The graph below represents SBA 7(a) loan referrals from all sources, in both dollars and units





- Lending referrals have increased significantly in both gross referral dollars and units over the past 10 years
- Referral growth year over year is broad based and not from any one particular referral source

Average Net Premium From SBA Guaranteed Loan Sales



- For the three months ended September 30, 2018 and December 31, 2018, the average net premiums received on the sale of guaranteed portions of SBA loans were 9.28% and 9.97%, respectively
- For the year ended December 31, 2018, the weighted average net premium received on the sale of guaranteed portions of SBA loans was 10.52%
- The decline in the weighted average net premium was the result of market conditions during the third quarter of 2018, particularly a higher interest rate environment which led to higher prepayments

Note: Post conversion to a BDC in November 2014, amounts are recorded as Net realized gains on non-affiliate investments in the consolidated statements of operations. Premiums above 10% are split 50/50 with the SBA as reflected above.

SBA 7(a) Loan Portfolio Performance

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Cumulative SBA Non-Performing 7(a) Loan Portfolio as a Percentage of Total SBA 7(a) Loan Portfolio

(in thousands)	12/31/2015	12/31/2016	12/31/2017	12/31/2018
SBA 7(a) Unguaranteed Non-Performing Investments, at amortized cost	$ 10,772	$ 14,934	$ 23,408	$ 36,727
Net Unrealized Depreciation on Non-Performing SBA 7(a) Loans	(4,575)	(6,349)	(11,839)	(16,664)
SBA 7(a) Unguaranteed Non-Performing Investments, at fair value	$ 6,197	$ 8,584	$ 11,569	$ 20,063
Total Outstanding Loan Portfolio - Fair Value	$ 158,355	$ 211,471	$ 278,034	$ 349,402
SBA 7(a) Non-Performing Loan Portfolio, at fair value, as a Percentage of Total Outstanding SBA 7(a) Loan Portfolio[1]	**3.9%**	**4.1%**	**4.2%**	**5.7%**

Realized Losses (Loan Charge Offs) as a Percentage of Average Outstanding SBA 7(a) Loan Portfolio

	As of December 31, 2017	As of December 31, 2018
Average 12-Month Outstanding Loan Balance	$ 253,664,728	$ 321,478,938
Charge Offs - Rolling 12 Months	$ 893,868	$ 2,737,960
Realized Losses (Loan Charge Offs) as a Percentage of Average Outstanding Loan Portfolio	**0.35%**	**0.85%**

- Realized losses represent amounts charged off at the end of liquidation that had been previously written down through fair value depreciation adjustments

[1]When excluding the guaranteed portion of loans repurchased from the SBA, the adjusted non-performing portfolio (at fair value) as a percentage of total outstanding loan portfolio for the years ended December 31, 2015, 2016, 2017, and 2018 would have been 3.9%, 3.2%, 3.4% and 5.0%, respectively.

SBA 7(a) Loan Portfolio Performance: Quarter End Sequential Comparison

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Cumulative SBA Non-Performing 7(a) Loan Portfolio as a Percentage of Total SBA 7(a) Loan Portfolio

(in thousands)		9/30/2018		12/31/2018
SBA 7(a) Unguaranteed Non-Performing Investments, at amortized cost	$	33,392	$	36,727
Net Unrealized Depreciation on Non-Performing SBA 7(a) Loans		(14,270)		(16,664)
SBA 7(a) Unguaranteed Non-Performing Investments, at fair value	$	19,123	$	20,063
Total Outstanding Loan Portfolio - Fair Value	$	330,165	$	349,402
SBA 7(a) Non-Performing Loan Portfolio, at fair value, as a Percentage of Total Outstanding SBA 7(a) Loan Portfolio[1]		**5.8%**		**5.7%**

Realized Losses (Loan Charge Offs) as a Percentage of Average Outstanding SBA 7(a) Loan Portfolio

		As of September 30, 2018		As of December 31, 2018
Average 12-Month Outstanding Loan Balance	$	299,039,278	$	321,478,938
Charge Offs - Rolling 12 Months	$	2,514,059	$	2,737,960
Realized Losses (Loan Charge Offs) as a Percentage of Average Outstanding Loan Portfolio		**0.84%**		**0.85%**

- Realized losses represent amounts charged off at the end of liquidation that had been previously written down through fair value depreciation adjustments

[1]When excluding the guaranteed portion of loans repurchased from the SBA, the adjusted non-performing portfolio (at fair value) as a percentage of total outstanding loan portfolio for the nine months ended September 30, 2018 and the year ended December 31, 2018 would have been 5.1% and 5.0%, respectively.

NSBF Collateral Type for Originations in: 2007 vs. 2008 vs. 2018

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- Represents percentage of loan originations by collateral type in each of: 2007, 2008, and 2018
- NSBF seeks to secure all loans with business and personal assets until a loan is adequately secured or all available collateral is secured
- Most loans have a personal guaranty
- Real property assets tend to have better stability in liquidation values vs. other asset types which can depreciate in value with use, i.e. machinery and equipment

Machinery and Equipment

	# of Loans	Balance ($)	% of Balance
2007	31	3,723,865	36.79%
2008	18	2,027,900	30.64%
2018	120	28,814,754	25.22%

Commercial Real Estate

	# of Loans	Balance ($)	% of Balance
2007	21	2,960,395	29.25%
2008	10	1,404,049	21.21%
2018	197	52,124,188	45.62%

Residential Real Estate

	# of Loans	Balance ($)	% of Balance
2007	55	2,550,375	25.20%
2008	25	1,567,350	23.68%
2018	129	11,983,800	10.49%

Note: In each year, 2007, 2008 and 2018 the loan balance represents the unguaranteed portion of the total loans originated in each of those years.

NSBF Loan Purpose for Originations in: 2007 vs. 2008 vs. 2018

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- Represents percentage of loan originations by loan purpose in each of: 2007, 2008, and 2018
- During underwriting, loans are classified into one of three categories based on their loan purpose
- Loans to existing businesses are often times for debt refinance which reduces monthly debt payments, increasing debt coverage or funding for new equipment needed for business growth
- Loans for a start-up business are primarily made to franchises and rely on financial projections, management experience, brand awareness and profitability
- Over the past 10 years, loan originations to start-up businesses have significantly declined

Existing Business

	# of Loans	Balance ($)	% of Balance
2007	37	3,530,955	34.89%
2008	20	2,940,800	44.43%
2018	451	94,996,191	83.13%

Business Acquisition

	# of Loans	Balance ($)	% of Balance
2007	26	3,408,325	33.67%
2008	12	1,835,749	27.74%
2018	69	14,619,200	12.79%

Start-up Business

	# of Loans	Balance ($)	% of Balance
2007	65	3,182,000	31.44%
2008	34	1,841,672	27.83%
2018	49	4,652,325	4.07%

Note: In each year, 2007, 2008 and 2018 the loan balance represents the unguaranteed portion of the total loans originated in each of those years.

NSBF Loan Origination Geography in: 2007 vs. 2008 vs. 2018

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- Represents percentage of loan originations by geography in each of: 2007, 2008, and 2018
- Growth in the number of referrals and growth in the number of referral partners has generated referrals over a larger footprint of the United States
- The resulting portfolio is more diversified by industry and geographic location, which could provide insulation from a regional recession or a larger regional weather event such as a hurricane

2007

State	# of Loans	Balance ($)	% of Balance
FL	24	2,316,955	22.89%
NJ	7	1,327,325	13.11%
VA	7	609,475	6.02%
NY	10	545,950	5.39%
KY	1	500,000	4.94%

2008

State	# of Loans	Balance ($)	% of Balance
FL	22	1,737,045	26.25%
NY	8	1,582,400	23.91%
TX	7	879,000	13.28%
PA	2	557,700	8.43%
NJ	3	254,375	3.84%

2018

State	# of Loans	Balance ($)	% of Balance
FL	72	13,436,100	11.76%
TX	46	10,417,234	9.12%
CA	41	10,037,495	8.78%
NY	37	8,980,050	7.86%
CT	28	6,761,550	5.92%

Note: In each year, 2007, 2008 and 2018 the loan balance represents the unguaranteed portion of the total loans originated in each of those years.

SBA 7(a) Loan Sale Transaction

Net Cash Created on SBA 7(a) Loan Sale Transaction – An Example

Key Variables in Loan Sale Transaction	
Loan Amount	$1,000,000
Guaranteed Balance (75%)	$750,000
Unguaranteed Balance (25%)	$250,000
Realized Gain (Premium)[1]	10.52%
Term	25 years

Net Cash Created		
Guaranteed Balance	$750,000	
Realized Gains on Guaranteed Balance[2]	$78,900	
Cash Received in Securitization[(3)]	$208,750	
Total		$1,037,650
Net Cash Created (Post Securitization) [4,5]	$37,650	

[1]Realized gains (premiums on loan sales) above 10% are split 50/50 with the SBA. This example assumes guaranteed balance is sold at a 11.04% premium. The additional 1.04% (11.04% - 10%) is split with SBA. NSBF nets 10.52%.
[2]Assumes 10.52% of the Guaranteed balance.
[3]Assumes 83.5% advance rate in securitization on unguaranteed balance.
[4]Assuming the loan is sold in a securitization in 12 months.
[5]Net cash created per $1 million of loan originations.

SBA 7(a) Loan Sale Transaction

Direct Revenue / Expense of an SBA 7(a) Loan Sale Transaction – An Example

Key Variables in Loan Sale Transaction	
Loan Amount	$1,000,000
Guaranteed Balance (75%)	$750,000
Unguaranteed Balance (25%)	$250,000
Realized Gain (Premium)[1]	10.52%
Term	25 years

Resulting Revenue (Expense)		
Associated Premium[2]	$78,900	
Servicing Asset[3]	$13,200	
Total Realized Gain		$92,100
Packaging Fee Income		$2,500
FV Non-Cash Adjustment on Uninsured Loan Participations[4]	$(6,250)	
Referral Fees Paid to Alliance Partners	$(7,500)	
Total Direct Expenses		$(13,750)
Net Risk-Adjusted Profit Recognized [5]		**$80,850**

[1]Realized gains (premiums on loan sales) above 10% are split 50/50 with the SBA. This example assumes guaranteed balance is sold at a 11.04% premium. The additional 1.04% (11.04% - 10%) is split with SBA. NSBF nets 10.52%.
[2]Assumes 10.52% of the Guaranteed balance.
[3]Fair value estimate of servicing asset.
[4]Example assumes a 2.5% discount to reflect cumulative estimate of default frequency and severity among other assumptions.
[5]Net risk-adjusted profit recognized per $1 million of loan originations.

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Portfolio Company Review

SBA 504 Loans: Focus for Portfolio Companies

- The Certified Development Company ("CDC")/504 Loan Program is a long-term financing tool that provides growing businesses with fixed-rate financing to acquire assets such as land, buildings, and sizeable purchases of equipment
- SBA 504 Loans:
  - Cannot be used for working capital or purchasing inventory (allowed uses under the SBA 7(a) loan program)
  - Loan-to-value ("LTV") ratio for the borrower of 90%; borrowers contribute 10% equity
  - Gives borrowers a fixed-rate alternative
- Portfolio company has a first lien on collateral with a 50% LTV
- U.S. Government has second lien on collateral subordinate to the portfolio Company's lien
- Portfolio company intends to sell the senior loan participations at anticipated 3-5 point premiums

SBA 504 & Non-Conforming Conventional Loans: Fundings & Closings

- Newtek Business Credit ("NBC") & Newtek Business Lending ("NBL"), wholly owned portfolio companies, closed $23.3 million of SBA 504 loans for the year ended December 31, 2018; as compared to $21.8 million of SBA 504 loans closed for the year ended December 31, 2017
- During the year ended December 31, 2018, NBC and NBL funded $36.3 million of SBA 504 and non-conforming conventional loans, and NBSC funded a $5.7 million non-conforming conventional loan for a total of $42.0 million of SBA 504 loans and conventional loans as compared to $18.0 million of SBA 504 loans funded during the year ended December 31, 2017
- We are optimistic regarding our portfolio company SBA 504 loan program due to:
  - Growth in referral volume
  - Pipeline growth
  - Further establishing growth through loan processing offices in Orlando, FL and Boca Raton, FL

SBA 504 & Non-Conforming Conventional Loans: Fundings & Closings Forecast

- Beginning in 2019, all SBA 504 loans will be originated out of NBL
- NBL, a wholly owned portfolio company, forecasts full year 2019 SBA 504 loan closings of approximately $135 million
- NBL forecasts full year 2019 SBA 504 loan fundings of approximately $100 million

SBA 504 Pipeline

- As of December 31, 2018, there were $114.1 million of SBA 504 loans in NBL's pipeline; an increase of 22.0% from the same period last year

NBL's SBA 504 Loan Pipeline		
	December 31, 2018	December 31, 2017
Prequalified Loans	$46,290,804	$63,562,717
Loans In Underwriting	33,274,500	28,910,250
Approved Pending Closing	34,574,215	1,082,000
Total SBA 504 Loan Pipeline	**$114,139,519**	**$93,554,967**

Sample SBA 504 Loan Structure

An example of a typical SBA 504 loan structure is detailed below:

Real Estate Acquisition Loan				
	$ Amount		$ Amount	Percent of Total
Purchase Price	$800,000	1st Mortgage Funded by NBL	$500,000	50%
Renovations	150,000	Bridge Loan Originally Funded by NBL*	400,000	40%
Soft & Closing Costs	50,000	Borrower Equity Injection	100,000	10%
Total	$1,000,000	Total	$1,000,000	100%

- Up to 50% first mortgage
- Up to 40% second mortgage provided by CDC ($250,000 to $4.0 million)
- At least 10% equity contribution

*Taken out by CDC funded second mortgage of $400,000 typically within 60-90 days of funding.

Loan Sale Transaction - SBA 504 Loan

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Net Cash Created in SBA 504 Loan Sale Transaction – An Example

Key Variables in Loan Sale Transaction	
Total Projected Financing	$2,769,300
Senior Loan Balance	$1,538,500
Junior Bridge Loan Balance[(1)]	$1,230,800
Premium	3.00%
Rate	Fixed
Term	10 Years

Net Cash Created Pretax	
Total Senior & Junior Debt	$2,769,300
Funded Under Bank Facility	$2,492,370
NBL Equity	$276,930
Premium Earned	$46,040
Interest Earned Before Sale[(2)]	$45,632
Origination Fees	$27,693
Interest Expense	($30,985)
Total	$2,857,680
Net Cash Created[(3)]	$88,379
Return on Investment (Gross Operating Profit/ Equity)[(4)]	31.91%

(1) Funded by NBL, to be taken out within 90 days by a junior lender through SBA guaranteed debentures.
(2) Interest earned on Senior and Junior Bridge loans are outstanding prior to takeout from CDC and loan sale.
(3) Net cash created equals the addition of Net Premium Earned, Net Interest Earned Before Sale, Origination Fees, less interest expense.
(4) The first year return on investment is based on net cash created of $88,379 divided by NBL equity of $276,930. The holding period for the loan is assumed to be 3 months in this example, but the return is based on the full year.

Portfolio Companies – Electronic Payment Processing (“EPP”)

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- EPP includes Newtek Merchant Solutions (“NMS”) and Premier Payments LLC, which merged into NMS on December 31, 2018
- We have owned and operated NMS for 10+ years
- Processed approximately $6.1 billion in electronic payments volume in 2018
- NMS closed a $35 million term loan and a $15 million revolving line of credit arranged by Webster Bank, reducing the interest spread over LIBOR by 350 basis points compared to the interest rate on the term loan with the previous lender

2018 Revenue & Adjusted EBITDA

- 2018 Revenue: $121.6 million
- 2018 Adjusted EBITDA*: $14.7 million

2019 Forecast

- 2019 Revenue: $129.0 million
- 2019 Adjusted EBITDA*: $15.5 million

Valuation & Financial Performance

- Payment processing businesses combined fair market value of $116.25 million[2], net of debt as of 12/31/18, which equates to approximately 7.5x FY 2019 forecasted Adjusted EBITDA*

Publicly Traded Comparable Companies

Name (Symbol)	2019 Enterprise Value / 2019 Forecasted EBITDA[1]
i3 Vertcals (IIIV)	19.2x
Jet Pay (JTPY)	22.9x
EVO Payments (EVOP)	16.9x
Worldpay Inc. (WP)	17.8x
Global Payments (GPN)	15.6x
First Data Corporation (FDC)	12.1x

Note: See Form 10-K, for the year ended December 31, 2018, for specific valuation methodologies for controlled portfolio companies. [1]Multiples calculated using Bloomberg as of March 1, 2019. *See page 46 for definition of Adjusted EBITDA.

Technology Portfolio Companies

- Newtek's technology portfolio companies include Newtek Technology Solutions ("NTS"), IPM and Sidco, LLC, d/b/a Cloud Nine Services ("C9")
- NTS, IPM and C9 have a combined fair market value of $19.6 million, net of debt as of December 31, 2018
- NTS is a managed technology & cloud computing business, wholly owned and managed for 10+ years
- IPM provides professional technology solutions and consulting services
- C9 provides white-labeled professional services for some of the largest software companies in world

Cloud Services: Significant Market Opportunity

- Significant opportunity exists in the cloud services space
- NTS has a full suite of IT infrastructure services
- Existing and potential clients can leverage NTS' existing data centers in lieu of building their own data center which is costly and time consuming
- NTS can provide cost effective and timely cloud solutions to its clients providing a significant market opportunity for NTS
- ITaaS, DaaS, DRaaS, SaaS, secure email, hybrid cloud, private cloud and public cloud

Investment Summary

- Newtek Business Services Corp. has a differentiated BDC model
- Newtek is an **internally managed BDC;** does not pay a 4% management fee to an external manager
- Portfolio companies are wholly owned, most for over 10 years
- Portfolio company dividends tend to be less sensitive to credit risk, interest rates and inflation, and could potentially benefit with such increases
- Forecast paying an annual cash dividend of $1.84 per share in 2019
- Proven track record; Established in 1998; publically traded since September 2000
- Over 16-year lending history through multiple lending cycles; great depth and breadth of experience
- NSBF does not purchase repackaged loans; instead, originates on a true retail basis leading to strong credit quality and loan performance
- Small balance, industry and geographically diversified portfolio of 1,960 loans with an average loan size of approximately $181K of the average unguaranteed retained loan balance
- Floating rate notes without a cap, tied to Prime and with a quarterly rate adjust
- Management's interests aligned with shareholders; management and Board combined own approximately 6.8% of outstanding shares as of December 31, 2018
- **No** derivative securities in BDC; **No** SBIC leverage; **Do not** invest in CDOs or loans with equity kickers, **No** 2nd lien or mezzanine financing as a business line
- **No** direct lending exposure to oil and gas industry

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Financial Review

Jennifer C. Eddelson, Chief Accounting Officer

Consolidated Statements of Operations
Newtek Business Services Corp. and Subsidiaries

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(in thousands except per share data amounts)

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Investment income:				
Interest income	$ 6,652	$ 4,982	$ 23,807	$ 18,671
Dividend income	4,469	2,421	12,630	9,747
Servicing income	2,302	2,043	8,552	7,206
Other income	1,235	970	4,526	3,290
Total investment income	14,658	10,416	49,515	38,914
Expenses:				
Salaries and benefits	5,523	4,885	21,082	19,292
Interest	4,652	3,264	16,066	11,397
Depreciation and amortization	126	110	484	402
Professional fees	925	955	3,094	3,009
Origination and servicing	2,606	1,785	8,362	5,871
Change in fair value in contingent consideration liabilites	(74)	293	(51)	(455)
Loss on extinguishment of debt	—	—	1,059	—
Other general and administrative costs	2,035	2,039	6,907	7,279
Total expenses	15,793	13,331	57,003	46,795
Net investment loss	(1,135)	(2,915)	(7,488)	(7,881)
Net realized and unrealized gains (losses):				
Net realized gain on investments	12,091	11,880	43,175	39,417
Net unrealized (depreciation) appreciation on investments, net of deferred taxes	(885)	10,893	5,676	10,834
Net unrealized depreciation on servicing assets	(2,510)	(1,793)	(5,685)	(3,394)
Net realized and unrealized gains	8,696	20,980	43,166	46,857
Net increase in net assets resulting from operations	$ 7,561	$ 18,065	$ 35,678	$ 38,976
Net investment loss per share	$ (0.06)	$ (0.16)	$ (0.40)	$ (0.45)
Net increase in net assets resulting from operations per share	$ 0.40	$ 1.00	$ 1.91	$ 2.25
Weighted average shares outstanding	18,888	18,072	18,714	17,327

Newtek Business Services Corp. and Subsidiaries

In evaluating its business, Newtek considers and uses Adjusted Net Investment Income ("ANII") as a measure of its operating performance. ANII includes short-term capital gains from the sale of the guaranteed portions of SBA 7(a) loans and a non-conforming conventional loan, and beginning in 2016, capital gain distributions from controlled portfolio companies, which are reoccurring events. The Company defines ANII as Net investment income (loss) plus Net realized gains (losses) recognized from the sale of guaranteed portions of SBA 7(a) loans and conventional loan investments, plus or minus Loss on lease adjustment, plus the net realized gains on controlled investments (beginning in 2016 as it is anticipated this will be reoccurring income), plus or minus the change in fair value of contingent consideration liabilities, plus loss on extinguishment of debt.

The term Adjusted Net Investment Income is not defined under U.S. generally accepted accounting principles, or U.S. GAAP, and is not a measure of operating income, operating performance or liquidity presented in accordance with U.S. GAAP. Adjusted net investment income has limitations as an analytical tool and, when assessing the Company's operating performance, investors should not consider ANII in isolation, or as a substitute for net investment income (loss), or other consolidated income statement data prepared in accordance with U.S. GAAP. Among other things, Adjusted net investment income does not reflect the Company's actual cash expenditures. Other companies may calculate similar measures differently than Newtek, limiting their usefulness as comparative tools. The Company compensates for these limitations by relying primarily on its GAAP results supplemented by ANII.

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Newtek Business Services Corp. and Subsidiaries
Adjusted Net Investment Income
For the Three Months Ended December 31, 2018 and 2017

(in thousands, except per share amounts)	Three months ended December 31, 2018	Per share	Three months ended December 31, 2017	Per share
Net investment loss	$ (1,135)	$ (0.06)	$ (2,915)	$ (0.16)
Net realized gain on non-affiliate investments - SBA 7(a) loans	12,091	0.64	12,080	0.67
Net realized (loss) gain on controlled investments	-	-	(200)	(0.01)
Loss on lease	(79)	(0.00)	(77)	(0.00)
Change in fair value of contingent consideration liabilities	(74)	(0.00)	293	0.02
Adjusted Net investment income	$ 10,803	$ 0.57	$ 9,181	$ 0.51

Note: Per share amounts may not foot due to rounding

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Newtek Business Services Corp. and Subsidiaries
Adjusted Net Investment Income
For the Year Ended December 31, 2018 and 2017

(in thousands, except per share amounts)	Year ended December 31, 2018	Per share	Year ended December 31, 2017	Per share
Net investment loss	$ (7,488)	$ (0.40)	$ (7,881)	$ (0.45)
Net realized gain on non-affiliate investments - SBA 7(a) loans	42,845	2.29	39,617	2.29
Net realized gain on non-affiliate investments - conventional loans	278	0.01	-	-
Net realized gain (loss) on controlled investments	52	0.00	(200)	(0.01)
Loss on lease	(307)	(0.02)	(326)	(0.02)
Change in fair value of contingent consideration liabilities	(51)	(0.00)	(455)	(0.03)
Loss on debt extinguishment	1,059	0.06	-	-
Adjusted Net investment income	$ 36,388	$ 1.94	$ 30,755	$ 1.77

Note: Per share amounts may not foot due to rounding

Non-GAAP Financial Measures

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Newtek's Controlled Portfolio Company Investments

The Company's controlled portfolio company investments define Adjusted EBITDA as earnings before net interest expense, taxes, depreciation and amortization, impairment, loss on extinguishment of debt, gain on sale of merchant portfolio and managerial assistance fees. Adjusted EBITDA is used as a supplemental measure to review and assess the operating performance of the controlled portfolio companies. The Company's controlled portfolio companies also present Adjusted EBITDA because the Company believes it is frequently used by securities analysts, investors and other interested parties as a measure of financial performance.

The term Adjusted EBITDA is not defined under U.S. generally accepted accounting principles, or U.S. GAAP, and is not a measure of operating income, operating performance or liquidity presented in accordance with U.S. GAAP. Adjusted EBITDA has limitations as an analytical tool and, when assessing the portfolio company's operating performance, investors should not consider Adjusted EBITDA in isolation, or as a substitute for net income, or other income statement data prepared in accordance with U.S. GAAP. Among other things, Adjusted EBITDA does not reflect the controlled portfolio companies' actual cash expenditures. Other companies may calculate similar measures differently than the controlled portfolio company, limiting their usefulness as comparative tools. The Company compensates for these limitations by relying primarily on its GAAP results supplemented by Adjusted EBITDA.

2018 Adjusted EBITDA Reconciliation – Electronic Payment Processing
(Newtek Merchant Solutions and Premier Payments LLC combined)

(in millions)	Year Ended December 31, 2018
Pretax income	$ 15.1
Interest expense, net	1.7
Depreciation and amortization	1.6
Loss on extinguishment of debt	1.3
Gain on sale of merchant portfolio	(5.6)
Managerial assistance fees	0.6
Adjusted EBITDA	**$ 14.7**

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2019 Projected Adjusted EBITDA Reconciliation – Electronic Payment Processing (Newtek Merchant Solutions)

(in millions)	Year Ended December 31, 2019	
Pretax income	$	10.2
Interest expense, net		2.2
Depreciation and amortization		2.5
Managerial assistance fees		0.6
Adjusted EBITDA	**$**	**15.5**