Newtek Business Services Corp.
NASDAQ: NEWT

Second Quarter 2019
Financial Results Conference Call
August 7, 2019 8:30 am ET

Hosted by:

Barry Sloane, CEO & President   Chris Towers, EVP & CAO

Investor Relations
Jayne Cavuoto
Director of Investor Relations
jcavuoto@newtekone.com
(212) 273-8179

Note Regarding Forward-Looking Statements

Newtek® Your Business Solutions Company®

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 Vs. Indices: Historical Stock Performance

Newtek® Your Business Solutions Company®

- Newtek has consistently outperformed the S&P 500 and Russell 2000 Indices over one, three and five-year time periods
- As of **June 30, 2019**, including reinvested dividends:

5-Year Total Return

- NEWT: **209.4%**
- S&P 500: **66.3%**
- Russell 2000: **40.6%**

3-Year Total Return

- NEWT: **139.3%**
- S&P 500: **48.9%**
- Russell 2000: **41.6%**

1-Year Total Return

- NEWT: **26.3%**
- S&P 500: **10.4%**
- Russell 2000: **-3.4%**

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.

Second Quarter 2019 Financial Highlights

Newtek® Your Business Solutions Company®

- Total investment income of $14.1 million for the three months ended June 30, 2019; an increase of 24.1% over total investment income of $11.4 million for the three months ended June 30, 2018
- Net investment income (loss) of $(1.1) million, or $(0.06) per share, for the three months ended June 30, 2019; a 45.5% improvement on a per share basis compared to a net investment income (loss) of $(2.1) million, or $(0.11) per share, for the three months ended June 30, 2018
- Adjusted net investment income ("ANII")[1] of $11.0 million, or $0.57 per share, for the three months ended June 30, 2019; an increase of 29.5% on a per share basis compared to ANII of $8.2 million, or $0.44 per share, for the three months ended June 30, 2018
  - ANII exceeded analysts' consensus estimates[2] by $0.01 per share
- Net asset value ("NAV") of $293.4 million, or $15.33 per share, at June 30, 2019; an increase of 1.8% over NAV of $15.06 per share at June 30, 2018, and an increase of 0.9% over NAV of $15.19 per share at December 31, 2018
- Debt-to-equity ratio of 127.9% at June 30, 2019
  - June 30, 2019, proforma debt-to-equity ratio was 114.5% as a result of the sale of government-guaranteed portions of SBA 7(a) loans prior to June 30, 2019, and settling subsequent to the balance sheet date
- Total investment portfolio increased by 17.6% to $573.5 million at June 30, 2019, from $487.7 million at June 30, 2018, and increased 6.0% from $541.1 million at December 31, 2018
- Newtek Small Business Finance ("NSBF") increased its existing revolving credit facility through Capital One, National Association ("Capital One") by $50.0 million to $150.0 million

[1]See page 48 for definition of ANII. [2] As per Bloomberg August 1, 2019.

Debt-to-Equity Ratio Explanation

Newtek
Your Business Solutions Company®

Newtek Business Services Corp. and Subsidiaries Debt to equity ratio, actual as of June 30, 2019		
Actual Debt to Equity ratio at June 30, 2019:		
Total senior debt	$	375,058
Total equity	$	293,352
Debt to equity ratio - actual at June 30, 2019		127.9%

- 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 the guaranteed portions of SBA 7(a) loans are sold and settled, the debt-to-equity ratio will fluctuate
- As of June 30, 2019, there were approximately $48.53 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 June 30, 2019 *(in thousands):*		
Broker receivable, including premium income receivable	$	48,533
Less: premium income included in broker receivable		(4,988)
Broker receivable		43,545
90% advance rate on SBA guaranteed non-affiliate portions of loans sold, not settled	$	39,191

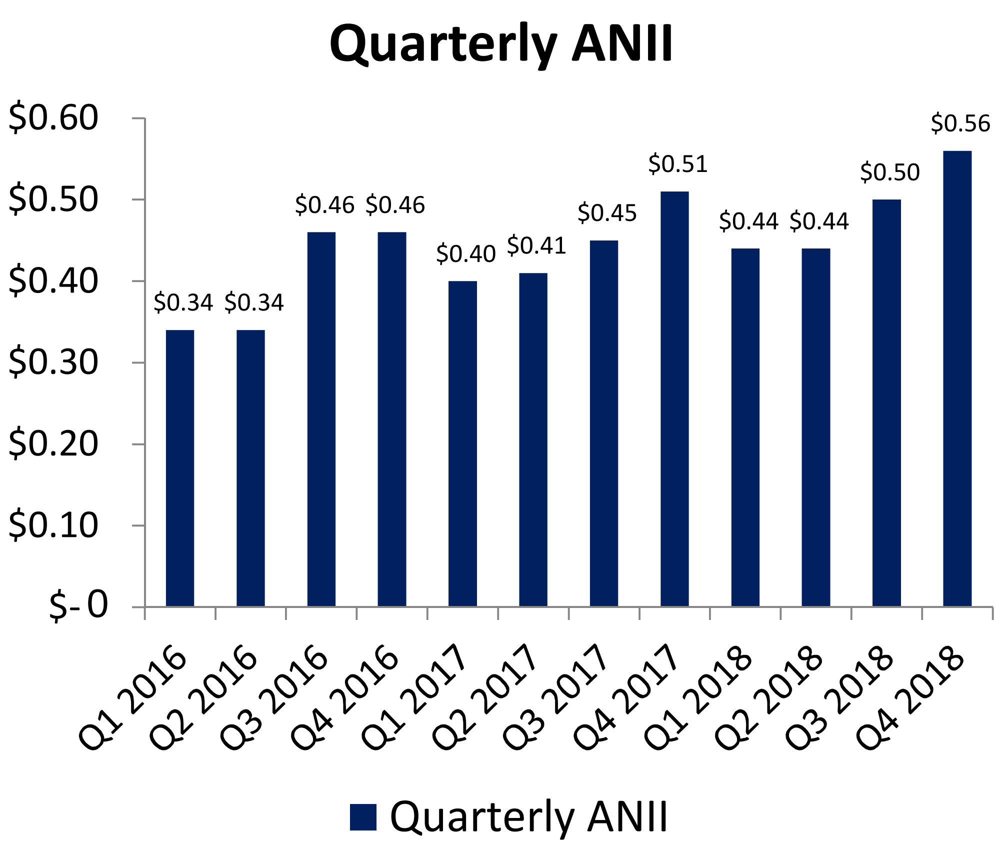
Proforma debt adjustments:		
Total Senior Debt as of June 30, 2019	$	375,058
Proforma adjustment for broker receivable as of June 30, 2019, as calculated above		(39,191)
Total proforma debt at June 30, 2019	$	335,868

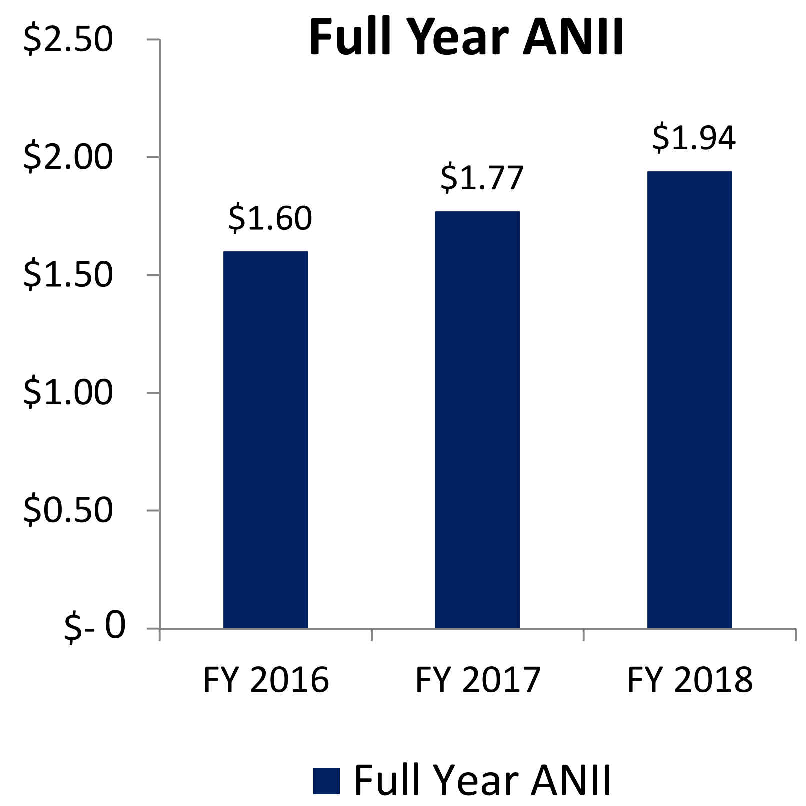
Proforma Debt to Equity ratio at June 30, 2019:		
Total proforma debt	$	335,868
Total equity	$	293,352
Debt to equity ratio - proforma at June 30, 2019		114.5%

Significant Improvement in Net Investment Income (Loss)

- Net investment income (loss) improved by 45.5%, on a per share basis, for the three months ended June 30, 2019, compared to the same period last year
- Net investment income (loss) continues to narrow as the unguaranteed SBA loan portfolio continues to grow, which is primarily financed by cost effective securitization debt, and becomes a larger portion of our growing business
- The Company anticipates that future dividend contributions from Newtek Conventional Lending and dividend contributions from other portfolio companies will also add to this trend
- Gain-on-sale income from SBA 7(a) loan sales, which is considered qualified income for BDC and RIC purposes and has been a recurring event for 16 years, is not considered part of the Net investment income (loss) calculation according to generally accepted accounting principals (GAAP) which is why the Company believes Adjusted net investment income ("ANII") is a key metric

Upward Trend in ANII





Seasonality in Earnings

Newtek® Your Business Solutions Company®

- Historically, Newtek has experienced a seasonally stronger second half of the calendar year, with an approximate average of 55% of annual per share earnings realized in the second half of the calendar year over the past several years

Adjusted Net Investment Income			
	2018	2017	2016
Q1	$ 0.44	$ 0.40	$ 0.34
Q2	$ 0.44	$ 0.41	$ 0.34
Q3	$ 0.50	$ 0.45	$ 0.46
Q4	$ 0.56	$ 0.51	$ 0.46
FY	$ 1.94	$ 1.77	$ 1.60

Percentage of Full Year ANII			
	2018	2017	2016
ANII % 1st Half Calendar Year	45.4%	45.8%	42.5%
ANII % 2nd Half Calendar Year	54.6%	54.2%	57.5%

2019 Dividends & Dividend Forecast

Newtek® Your Business Solutions Company®

- The Company paid a first quarter 2019 cash dividend of $0.40 per share on March 29, 2019 to shareholders of record as of March 15, 2019
- The Company paid a second quarter 2019 cash dividend of $0.46 per share on June 28, 2019 to shareholders of record as of June 14, 2019, which represents a 9.5% increase over the Company's second quarter 2018 cash dividend of $0.42 per share
- The Company increased its annual cash dividend forecast to $1.95[1] per share, from its initial 2019 dividend forecast of $1.83 per share, which would represent an 8.3% increase over the 2018 cash dividend of $1.80 per share
- 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.

Second Quarter 2019 SBA 7(a) Lending Highlights

Newtek
Your Business Solutions Company

- NSBF funded $122.6 million of SBA 7(a) loans during the three months ended June 30, 2019; an increase of 15.1% over $106.5 million of SBA 7(a) loans funded for the three months ended June 30, 2018
- NSBF funded $35.9 million SBA 7(a) loans in July 2019; and increase of 215% over SBA 7(a) loan fundings of $11.4 million in July 2018
- 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

Factors for 2019 SBA 7(a) Loan Funding Forecast

- Sufficient capital available
  - The proceeds of the recent NEWTL bond issuance will be a significant contributor going forward
- Do not forecast a significant change in loan demand
- Throughout 2019, 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 JV loan program is expected to benefit SBA 7(a) and SBA 504 loan programs

Newtek Conventional Lending (“NCL”) Joint Venture

Newtek® Your Business Solutions Company®

- May 20, 2019: The Company’s joint venture, Newtek Conventional Lending, a new platform to provide non-conforming conventional C&I term loans to U.S. middle-market companies and small businesses, funded its first loan
- NCL is a 50/50 joint venture between Newtek Commercial Lending, Inc., a wholly owned subsidiary of Newtek, and Conventional Lending TCP Holding, LLC, a wholly owned affiliate of BlackRock TCP Capital Corp.
- Newtek and BlackRock TCP committed an equal amount of equity funding to the JV and each have equal voting rights on all material matters
- The purpose of the JV is to originate commercial business loans to middle-market companies as well as small businesses
- On April 29, 2019, NCL closed a $100 million senior-secured revolving credit facility with Deutsche Bank. The new facility includes a $100 million accordion feature, allowing the JV to increase the borrowing available under the facility to $200 million
- The Company believes the JV investment in the non-conforming conventional loan program could be a material and growing contributor to our future business
- The Company estimates that of the forecasted $20 billion in loan referrals for 2019, there could be between 1% and 2% that could qualify for the non-conforming conventional loan program

Public Offering of Notes – 'NEWTL'

Newtek® Your Business Solutions Company®

- On July 25, 2019, the Company closed its public offering of $55.0 million in aggregate principal amount of 5.75% Notes Due 2024 ("Notes")
- The Company intends to use the net proceeds from this offering to redeem the outstanding 7.50% 2022 Notes, currently trading under the symbol 'NEWTZ,' to increase its SBA 7(a) lending activity, to make direct investments in portfolio companies and for general working capital purposes
- The Notes are listed on the Nasdaq Global Market under the trading symbol 'NEWTL'
- Egan Jones maintained its rating of A- on Newtek Business Services Corp. and the Notes
- NEWTL closing price as of August 2, 2019 was above par at $25.35

Launch of NewTracker® 2.0

Newtek® Your Business Solutions Company®

- NewTracker® 1.0 was launched over a decade ago, and the Company received a patent on its capability and functionality
- NewTracker® enables Newtek to offer full transparency into its back office and give a referring partner total confidence that we are taking care of their clients with the utmost care and efficiency
- Dan Hendel, Newtek's Director of IT, and his development team, anticipates rolling out NewTracker® 2.0 during the third quarter 2019
- This rollout along with the Company's investment in a new phone system, Microsoft Office 365 secure email, and virtual desktop initiative will further enhance the Company's security and functionality for alliance partners and internal staff
- The ability to track talk time, quality of call, success rate and time to process business is completely within our hands and we are excited about its potential
- Our master central database and enhanced outbound ability to market into our master central database is on the horizon

Analyst Coverage

Compass Point Research and Trading, LLC
Casey Alexander
calexander@compasspointllc.com
646-448-3027

JMP Securities LLC
Christopher York
cyork@jmpsecurities.com
415-835-8965

Raymond James
Robert Dodd, Ph.D.
Robert.Dodd@RaymondJames.com
901-579-4560

Keefe, Bruyette & Woods
Fred Cannon
fcannon@kbw.com
212-887-3887

Keefe, Bruyette & Woods
Luke Wooten
wootenl@kbw.com
212-887-7795

Ladenburg Thalmann & Co. Inc.
Mickey M. Schleien
mschleien@ladenburg.com
305-572-4131

Investment in Staff to Support Growth at the BDC

Newtek® Your Business Solutions Company®

- **Brent Ciurlino**, Senior Vice President, Risk and Operations, Newtek Business Services Corp.
  - Brent joined Newtek Business Services Corp. as a full-time employee in the position of Senior Vice President, Risk and Operations
  - Brent comes to Newtek with an extensive background in regulation, compliance, and risk, most recently as EVP, Chief Operating and Risk Officer at Freedom Mortgage Corporation
  - Prior to Freedom, Brent was Senior Advisor, Lending and Risk Management Services at Waterfall Asset Management
  - In addition, he has worked directly as a Senior Regulatory Executive for federal regulatory entities such as the Office of Credit Risk Management for the U.S. Small Business Administration, the Federal Deposit Insurance Corporation, and the Resolution Trust Corporation
  - Brent will support growth at all aspects of BDC lending

Investment in Staff to Support Growth at the BDC

Newtek® Your Business Solutions Company®

- **Brian Moon**, Treasurer and Senior Vice President of Corporate Development, Newtek Business Services Corp.
  - Brian comes to Newtek with 20+ years of experience in Investment Banking, working at institutions such as Morgan Stanley, Deutsche Bank and Wells Fargo Securities
  - Brian has extensive experience in the Financial Institutions and Business Services industries including BDCs, specialty finance, insurance, insurance brokerage, merchant processing, transportation infrastructure, retail and staffing/consulting sectors

Investment in Staff to Support Growth at Portfolio-Company Level

Newtek
Your Business Solutions Company

- **Albert Spada,** Executive Vice President, Newtek Small Business Lending
  - Albert has been a leader in the commercial lending industry for several decades
  - Prior to joining Small Business Lending, Albert was Managing Director and Head of Asset Based Finance at Santander Bank in the United States, with responsibility for the ABL and Mortgage Warehouse Finance businesses
  - Prior to Santander, he held the positions of National Sales Leader for Citizens Business Capital, Executive Vice President and Chief Sales Officer of CIT Commercial and Industrial, and spent more than 13 years at GE Commercial Finance in various leadership positions
  - Albert also held positions at The Bank of New York and Goldman Sachs

Investment in Staff to Support Growth at Portfolio-Company Level

- **Frank Bertelle**, Chief Operating Officer, Newtek Business Credit
  - Prior to joining Newtek Business Credit, Frank served as Senior Vice President, Market Credit Manager for TD Bank N.A. ABL Group, where he managed a team of six credit managers and credit analysts covering 35 accounts with commitments and loans outstanding of $1.6 billion and $658 million, respectively
  - Prior to TD Bank, Frank held positions at The CIT Group, Transamerica Business Capital Corp. and The Dai-Ichi Kango Bank, LTD

Investment in Staff to Support Growth

- **James DeSantis**, Newtek Small Business Lending
  - Comes to Newtek Small Business Lending with an extensive background in credit underwriting, portfolio management and lending operations
  - As Director of Credit Operations, Mr. DeSantis will report to Peter Downs, Chief Lending Officer
  - Mr. DeSantis will sit on credit committee and be responsible for supervising all aspects of credit and credit underwriting across Newtek's various lending programs
  - Mr. DeSantis spent 14 years at GE and over a decade at other prestigious financial institutions
  - Prior to GE, he held positions at other major financial institutions such as Bank of America and Citicorp

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

Newtek® Your Business Solutions Company®

- 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 have not been issued over the past decade)
- 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 2,162 loans
  - Average loan size is approximately $179K 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 30 years and Newtek establishes liquidity for unguaranteed portions through securitizations

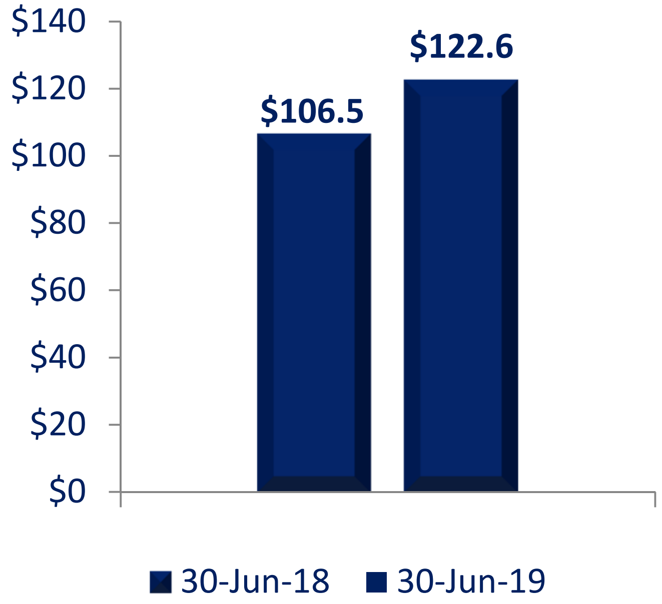
[1]As of June 30, 2019

SBA 7(a) Loan Originations & Pipeline Comparisons

Newtek® Your Business Solutions Company®

SBA 7(a) Loan Fundings
Quarter Ended
June 30, 2018 vs. 2019

$ in millions



SBA 7(a) Loan Pipeline		
	June 30, 2018	**June 30, 2019**
Prequalified Loans	$180,329,900	$220,908,000
Loans In Underwriting	140,612,400	80,443,842
Approved Pending Closing	86,324,100	102,062,100
Total Loan Pipeline	**$407,266,400**	**$403,413,942**

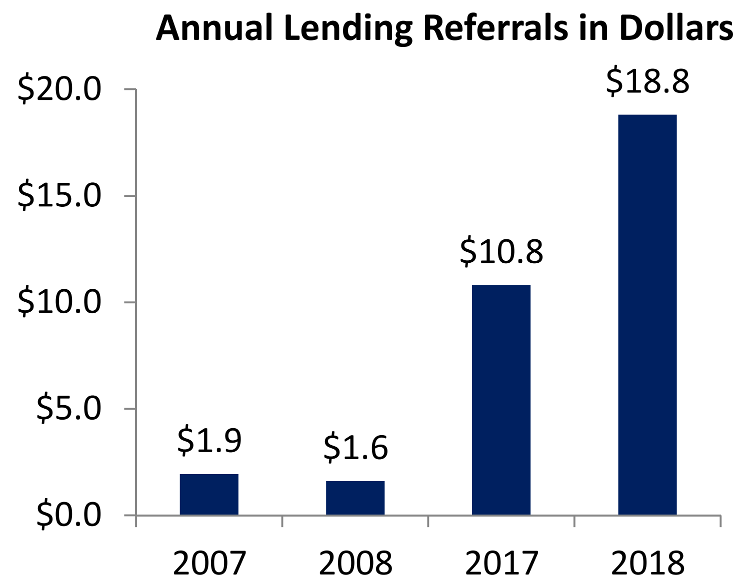
- For the three months ended June 30, 2019, SBA 7(a) loan fundings increased year over year by 15.1%
- NSBF funded $35.9 million SBA 7(a) loans in July 2019; and increase of 215% over July 2018

Growth in Loan Referrals

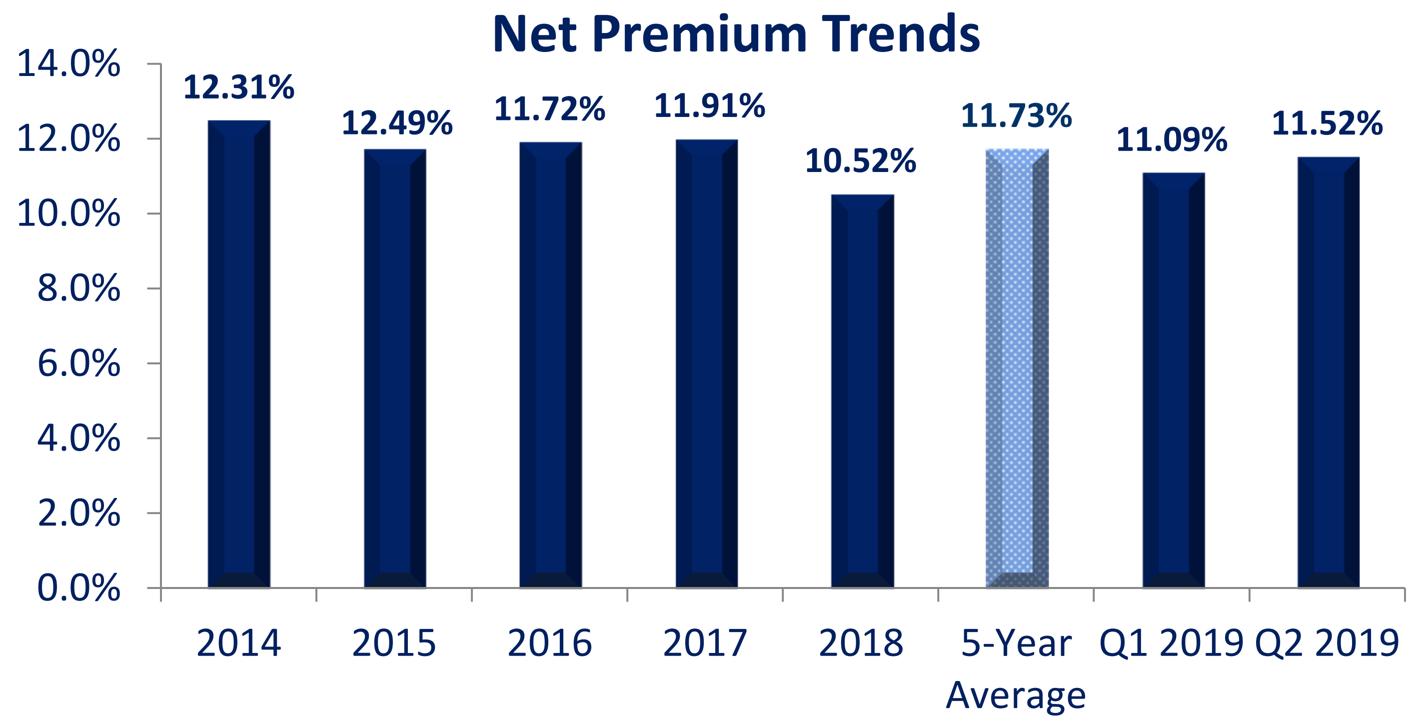
- Our large and growing referral volume enables us to select the loans with the best credit quality

Loan Referrals ($ in millions)		
For the Six Months Ended		
30-Jun-18	30-Jun-19	Year-over-Year % Change
$ 9,385	$ 9,909	5.6%

- Loan referrals have increased significantly in gross referral dollars 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 June 30, 2019, the weighted average net premium received on the sale of guaranteed portions of SBA 7(a) loans was 11.52%

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.

Loan Portfolio Weighted Average Seasoning

Newtek®
Your Business Solutions Company®

- The following shows the loan portfolio's weighted average seasoning at June 30 for the past three years:
  - At June 30, 2017: 26.9 Months
  - At June 30, 2018: 27.7 Months
  - At June 30, 2019: 28.5 Months

Portfolio Currency & Delinquency Trending Analysis – Total SBA 7(a) Unguaranteed Retained Portfolio

Newtek® Your Business Solutions Company®

- The following chart shows the performing SBA 7(a) loan portfolio aging and currency at June 30, 2019 compared to June 30, 2018, on a cost basis

	6/30/2019			6/30/2018		
Days Past Due	# of Loans	Retained Principal Balance (in thousands)	% of Portfolio	# of Loans	Retained Principal Balance (in thousands)	% of Portfolio
Current	1,912	$ 315,411	92.8%	1,581	$ 268,099	96.0%
31 - 60	29	9,405	2.8%	26	9,564	3.4%
61 - 90	27	9,098	2.7%	6	1,573	0.6%
91 - 120	0	-	0.0%	0	-	0.0%
> 120	17	5,945	1.6%	0	-	0.0%
Performing Total	**1,985**	**$ 339,860**	**100.0%**	**1,613**	**$ 279,237**	**100.0%**

Note: The table above does not include performing loans in which NSBF owns 100% as a result of NSBF repurchasing the guaranteed portions from the SBA. The total of 100% NSBF-owned performing loans at 6/30/19 and 6/30/18 was $4.6 million and $4.8 million, respectively, and is included in SBA unguaranteed non-affiliate investments on the consolidated statements of assets and liabilities.

Sub-Performing and Non-Performing SBA 7(a) Loans - Total Unguaranteed Retained Portfolio

Newtek® Your Business Solutions Company®

- The following chart shows the sub-performing and non-performing SBA 7(a) loans at June 30, 2019 compared to June 30, 2018 on a cost basis

	6/30/2019			6/30/2018		
Non-Performing Loans	# of Loans	Retained Principal Balance (in thousands)	% of Portfolio	# of Loans	Retained Principal Balance (in thousands)	% of Portfolio
Sub-Performing[1] (Cash Flowing)	18	$ 5,295	1.41%	9	$ 778	0.26%
Non-Performing[2] (Liquidation)	152	30,099	8.02%	111	22,375	7.40%
Total	**170**	**$ 35,394**	**9.4%**	**120**	**$ 23,153**	**7.9%**

[1]Sub-performing loans are non-accrual, nonperforming loans which are cash flowing (the borrower is currently making partial loan repayments) and the Company believes outstanding principal has a likelihood of being recovered from borrower principal payments, as opposed to collateral liquidation. Sub-performing loans are valued, in part, based on the present value of expected future cash flows.[2] Nonperforming loans that are not generating cash flow are non-accrual loans which the Company believes outstanding principal can only be recovered by collateral liquidation. Nonperforming loans not generating cash flow are valued based upon the value of the underlying collateral in a liquidation scenario.

Note: The table above does not include non-performing loans in which NSBF owns 100% as a result of repurchasing the guaranteed portions from the SBA. The total of 100% NSBF-owned non-performing loans at 6/30/19 and 6/30/18 was $6.9 million and $5.3 million, respectively, and is included in SBA unguaranteed non-affiliate investments on the consolidated statements of assets and liabilities.

Non-Performing Loans That Paid in Full

- **Ve[redacted]Pizza, Inc.**

  - NSBF #1148XX/SBA #96875850XX
  - 9/20/17: loan funded for $365,000
  - 2/1/19: loan defaulted (business closed)
  - 5/15/19: loan transferred to liquidation
  - 6/10/19: loan paid in full (sale of CRE), not repurchased out of a government-guaranteed pool

- **Sc[redacted] Inc.**

  - NSBF #908XX/SBA #84179350XX
  - 4/29/16: loan funded for $1,050,000
  - 8/1/18: loan defaulted
  - 10/10/18: loan transferred to liquidation
  - 3/15/19: repurchased the entire $1.0 million loan out of a government-guaranteed pool
  - 6/18/19: loan paid in full

120-Day Past Due Loan Paid in Full

Newtek Your Business Solutions Company®

- **UKC**
  - NSBF #899XX
  - 6/20/16: loan funded for $5,000,000
  - 4/1/19: Loan became past due 60 days, due to cash flow issues. Borrower continued to make partial payments while working on resolution of cash flow issues. Loan migrated further in delinquency during this period
  - 8/01/19: Borrower sells CRE and pays loan in full

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

Newtek®
Your Business Solutions Company®

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

	As of 09/30/2018	As of 12/31/2018	As of 03/31/2019	As of 06/30/2019
Average 12-Month Outstanding Loan Balance	$ 299,039,278	$ 321,478,938	$ 334,821,713	$ 349,446,419
Charge Offs - Rolling 12 Months	$ 2,514,059	$ 2,737,960	$ 2,717,687	$ 3,138,201
Realized Losses (Loan Charge Offs) as a Percentage of Average Outstanding Loan Portfolio	0.84%	0.85%	0.81%	0.90%

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

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

Newtek® Your Business Solutions Company®

- 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

Newtek® Your Business Solutions Company®

- 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

Newtek® Your Business Solutions Company®

- 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

Newtek®
Your Business Solutions Company®

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]	11.52%
Term	25 years

Net Cash Created		
Guaranteed Balance	$750,000	
Realized Gains on Guaranteed Balance[2]	$86,475	
Cash Received in Securitization[(3)]	$208,750	
Total		$1,045,225
Net Cash Created (Post Securitization) [4,5]	$45,225	

[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 113.04% premium. The additional 3.04% (13.04% - 10%) is split with SBA. NSBF nets 11.52%.
[2]Assumes 11.52% 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]	11.52%
Term	25 years

Resulting Revenue (Expense)		
Associated Premium[2]	$86,475	
Servicing Asset[3]	$13,200	
Total Realized Gain		$99,675
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]		**$88,175**

[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 13.04% premium. The additional 3.04% (13.04% - 10%) is split with SBA. NSBF nets 11.52%.
[2]Assumes 11.52% 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.

Portfolio Company Review

SBA 504 Loans: Newtek Business Lending ("NBL")

Newtek® Your Business Solutions Company®

- Beginning in 2019, all SBA 504 loans are originated out of Newtek Business Lending ("NBL"), a wholly owned portfolio company
- 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
- NBL has a first lien on collateral with a 50% LTV
- U.S. Government has second lien on collateral subordinate to NBL's lien
- NBL intends to sell the senior loan participations at anticipated 3-5 point premiums

SBA 504 Loans

Newtek®
Your Business Solutions Company®

- NBL funded $10.2 million of SBA 504 loans year to date through July 31, 2019
- NBL forecasts full year 2019 SBA 504 loan closings of approximately $100 million, a decrease from its previous forecast of $135 million
- NBL forecasts full year 2019 SBA 504 loan fundings of approximately $75 million, a decrease from its previous forecast of $100 million
- We are optimistic regarding NBL's 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

Second Quarter 2019
SBA 504 First Position Loan and Sales

Newtek® Your Business Solutions Company®

- During the second quarter of 2019, $14.12 million of SBA 504 first position loans were sold

Sale Date	Sale Price	Gross Principal Balance Sold	NBL Cash Premium	Net Amount to NBL
6/14/2019	103.50%	$ 554,305.41	$ 19,400.69	$ 573,706.10
6/14/2019	103.50%	$ 435,913.00	$ 15,256.96	$ 451,169.96
5/9/2019	102.25%	$ 2,808,837.92	$ 63,198.85	$ 2,872,036.77
6/14/2019	103.50%	$ 1,247,520.20	$ 43,663.21	$ 1,291,183.41
6/14/2019	103.50%	$ 862,112.67	$ 30,173.94	$ 892,286.61
6/14/2019	103.50%	$ 163,447.04	$ 5,720.65	$ 169,167.69
6/14/2019	103.50%	$ 3,326,946.96	$ 116,443.14	$ 3,443,390.10
4/26/2019	103.00%	$ 4,721,099.84	$ 153,432.74	$ 4,874,532.58
Total		**$ 14,120,183.04**	**$ 447,290.18**	**$14,567,473.22**

Note: Most loans are originated with 1 to 2 points of origination fees.

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

Newtek® Your Business Solutions Company®

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.

Newtek Conventional Lending Loan Pipeline

Newtek® Your Business Solutions Company®

- NCL funded its first loan on May 20, 2019 and has funded $20.5 million in non-conforming conventional loans through July 31, 2019
- As of July 31, 2019, there were $121.0 million of non-conforming conventional loans in NCL's pipeline; an increase of 74.8% over its pipeline at June 30, 2019

NCL's Non-Conforming Conventional Loan Pipeline

	June 30, 2019	July 31, 2019
Prequalified Loans	$25,659,000	$66,613,000
Loans In Underwriting	20,685,000	49,700,000
Approved Pending Closing	22,862,000	4,675,000
Total SBA 504 Loan Pipeline	**$69,206,000**	**$120,988,000**

Portfolio Companies: Newtek Merchant Solutions ("NMS")[1]

Newtek
Your Business Solutions Company®

- We have owned and operated NMS for 10+ years
- Processed approximately $6.1 billion in electronic payments volume in 2018
- NMS Q2 2019 Adjusted EBITDA* increased by 9.5% over the same period last year

2019 Forecast

- 2019 Revenue: $129.0 million
- 2019 Adjusted EBITDA*: $16.0 million

Valuation & Financial Performance

- Payment processing businesses fair market value of $121.25 million[2], net of debt as of 6/30/19, which equates to approximately 7.6x FY 2019 forecasted Adjusted EBITDA*

Publicly Traded Comparable Companies

Name (Symbol)	2019 Enterprise Value / 2019 Forecasted EBITDA[3]
i3 Vertcals (IIIV)	23.3x
EVO Payments (EVOP)	20.2x
Worldpay Inc. (WP)	23.1x
Global Payments (GPN)	18.0x
First Data Corporation (FDC)	13.6x

[1] Premier Payments LLC, merged into NMS on December 31, 2018.
[2]See Form 10-K, for the year ended December 31, 2018, for specific valuation methodologies for controlled portfolio companies. [3]Multiples calculated using Bloomberg as of August 5, 2019. *See page 50 for definition of Adjusted EBITDA.

Technology Portfolio Companies

Newtek® Your Business Solutions Company®

- 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 $17.8 million, net of debt as of June 30, 2019
- 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
- We anticipate and are optimistic on our technology portfolio companies to execute on our strategy

Cloud Services: Significant Market Opportunity

Newtek
Your Business Solutions Company

- 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 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 $1.95 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 2,162 loans with an average loan size of approximately $179K 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 6.7% of outstanding shares as of June 30, 2019
- **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

Financial Review

Chris Towers, Chief Accounting Officer

Consolidated Statements of Operations
Newtek Business Services Corp. and Subsidiaries

Newtek® Your Business Solutions Company®

(in thousands except per share data amounts)

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Investment income:				
Interest income	$ 7,252	$ 5,703	$ 14,486	$ 11,026
Dividend income	2,828	2,585	6,009	5,210
Servicing income	2,503	2,008	4,931	4,073
Other income	1,566	1,108	2,487	2,163
Total investment income	14,149	11,404	27,913	22,472
Expenses:				
Salaries and benefits	3,484	5,212	7,072	10,090
Interest	4,712	3,792	9,447	7,304
Depreciation and amortization	124	116	253	236
Professional fees	643	587	1,627	1,527
Origination and servicing	2,128	2,168	3,781	3,773
Origination and servicing - related party	2,471	—	4,659	—
Change in fair value in contingent consideration liabilites	9	7	55	17
Loss on extinguishment of debt	—	—	—	1,059
Other general and administrative costs	1,657	1,656	3,084	3,373
Total expenses	15,228	13,538	29,978	27,379
Net investment loss	(1,079)	(2,134)	(2,065)	(4,907)
Net realized and unrealized gains (losses):				
Net realized gain on investments	12,051	10,371	21,395	20,252
Net unrealized (depreciation) appreciation on investments, net of deferred taxes	(1,383)	883	(102)	2,466
Net unrealized depreciation on servicing assets	(911)	(1,499)	(1,467)	(2,078)
Net realized and unrealized gains	9,757	9,755	19,826	20,640
Net increase in net assets resulting from operations	$ 8,678	$ 7,621	$ 17,761	$ 15,733
Net investment loss per share	$ (0.06)	$ (0.11)	$ (0.11)	$ (0.26)
Net increase in net assets resulting from operations per share	$ 0.45	$ 0.41	$ 0.93	$ 0.85
Weighted average shares outstanding	19,113	18,680	19,058	18,588

Non-GAAP Financial Measures

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, 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.

Newtek Your Business Solutions Company®

Newtek Business Services Corp. and Subsidiaries
Adjusted Net Investment Income
For the Three Months Ended June 30, 2019 and 2018

(in thousands, except per share amounts)	Three months ended June 30, 2019	Per share	Three months ended June 30, 2018	Per share
Net investment loss	$ (1,079)	$ (0.06)	$ (2,134)	$ (0.11)
Net realized gain on non-affiliate investments - SBA 7(a) loans	12,051	0.63	10,319	0.55
Net realized gain on controlled investments	-	-	52	0.00
Loss on lease	(26)	(0.00)	(76)	(0.00)
Change in fair value of contingent consideration liabilities	9	0.00	7	0.00
Adjusted Net investment income	$ 10,955	$ 0.57	$ 8,168	$ 0.44

Note: Per share amounts may not foot due to rounding

Non-GAAP Financial Measures

Newtek® Your Business Solutions Company®

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.

Newtek® Your Business Solutions Company®

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

(in millions)	Year Ended December 31, 2019
Pretax income	$ 10.7
Interest expense, net	2.2
Depreciation and amortization	2.5
Managerial assistance fees	0.6
Adjusted EBITDA	**$ 16.0**