
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

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

**August 3, 2015 (July 30, 2015)
Date of Report (date of Earliest Event Reported)**

NEWTEK BUSINESS SERVICES CORP.

(Exact Name of Company as Specified in its Charter)

MARYLAND
(State or Other Jurisdiction of
Incorporation or Organization)

814-01035
(Commission
File No.)

46-3755188
(I.R.S. Employer
Identification No.)

212 West 35th Street, Second Floor, New York, NY 10001
(Address of principal executive offices and zip code)

(212) 356-9500
(Company's telephone number, including area code)

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

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

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

Statements in this Current Report on Form 8-K (including the exhibits), including statements regarding Newtek Business Services Corp.'s ("Newtek" or the "Company") beliefs, expectations, intentions or strategies for the future, may be forward-looking statements. All forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from the plans, intentions and expectations reflected in or suggested by the forward-looking statements. Such risks and uncertainties include, among others, intensified competition, operating problems and their impact on revenues and profit margins, anticipated future business strategies and financial performance, anticipated future number of customers, business prospects, legislative developments and similar matters. Risk factors, cautionary statements and other conditions which could cause Newtek's actual results to differ from management's current expectations are contained in Newtek's filings with the Securities and Exchange Commission. Newtek undertakes no obligation to update any forward-looking statement to reflect events or circumstances that may arise after the date of this filing.

Item 7.01 Regulation FD Disclosure.

Newtek Business Services Corp. (the "Company") held a conference call on July 30, 2015 to discuss the matters set forth in the press release entitled "Newtek Business Services Corp. Reports Second Quarter 2015 Financial Results; Second Quarter Adjusted Net Investment Income of \$0.49 Per Share" (the "Press Release"), a copy of which was furnished as Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 29, 2015 and is incorporated by reference herein. In conjunction with the call, the Company distributed an investor presentation, a copy of which is furnished as Exhibit 99.1 to this Current Report on Form 8-K. The presentation is also available on the Company's investor relations website at <http://investor.newtekbusinessservices.com>.

The information contained in this Current Report, including the Press Release and Exhibit 99.1 attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, and shall not be incorporated by reference into any registration statement pursuant to the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Investor Presentation for Conference Call on July 30, 2015.

SIGNATURES

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

NEWTEK BUSINESS SERVICES CORP.

Date: August 3, 2015

/s/ Barry Sloane

Barry Sloane

Chairman of the Board and Chief Executive Officer

EXHIBIT INDEX

Exhibit
Number

Description

99.1 Investor Presentation for Conference Call on July 30, 2015.

Newtek Business Services Corp.
"The Small Business Authority®"
NASDAQ: NEWT

Second Quarter 2015
Financial Results Conference Call
July 30, 2015 8:30 am ET

Hosted by:

Barry Sloane, President & CEO

Jennifer Eddelson, EVP & CAO

Investor Relations	Public Relations
Newtek Investor Relations	Newtek Public Relations
Jayne Cavuoto Director of Investor Relations jcavuoto@thesba.com (212)273-8179	Simrita Singh Director of Marketing ssingh@thesba.com (212)356-9566

Note Regarding Forward Looking Statements

This presentation contains certain forward-looking statements. Words such as "believes," "plans," "anticipates," "forecasts" and "future" or similar expressions are intended to identify forward-looking statements. All forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from the plans, intentions and expectations reflected in or suggested by the forward-looking statements. Such risks and uncertainties include, among others, intensified competition, operating problems and their impact on revenues and profit margins, anticipated future business strategies and financial performance, anticipated future number of customers, business prospects, legislative developments and similar matters. Risk factors, cautionary statements and other conditions, which could cause Newtek's actual results to differ from management's current expectations are contained in Newtek's filings with the Securities and Exchange Commission and available through <http://www.sec.gov/>

Second Quarter Financial Highlights

- Second full quarter reporting as a BDC
- Net asset value ("NAV") equaled \$169.6 million, or \$16.62 per share, at June 30, 2015, compared with NAV of \$169.6 million, or \$16.61 per share, at March 31, 2015
 - Increase of 1.9% from NAV of \$166.4 million, or \$16.31 per share, at December 31, 2014
- Adjusted net investment income was \$5.0 million, or \$0.49 per share
- For the six months ended June 30, 2015 Adjusted net investment income* was \$10.3 million, or \$1.01 per share
- Total investment income was \$5.6 million
- Newtek Small Business Finance, LLC restructured its \$50.0 million revolving line of credit with Capital One, N.A., to remove the guarantees of the Company's portfolio companies and extended the term by one year
- Newtek Small Business Finance, LLC, signed a lease for approximately 34,000 square feet of office space in Lake Success, New York (Long Island), which will commence in early 2016
 - Anticipate that moving portfolio companies into one location will facilitate cross selling
- Revised loan funding forecast to between \$230 million and \$270 million of SBA 7(a) loans in 2015, which represents an approximate 24% increase over 2014

*See Slide 25 for definition of Adjusted net investment income

Portfolio and Investment Company Highlights

- **Goldman Sachs**

- In June 2015, Newtek Merchant Solutions and Newtek Technology Solutions, two of The Company's wholly owned portfolio companies, closed a \$38.0 million four-year multi-draw term loan with Goldman Sachs

- **Premier Payments LLC**

- In July 2015, Newtek Business Services Corp. acquired Premier Payments LLC, one of the Country's leading electronic payment processors with double-digit revenue and EBITDA year-over-year percentage growth, as a new wholly owned portfolio company, for approximately \$16.5 million in cash and restricted newly issued shares of Newtek Common Stock

- **Electronic Payment Processing**

- Q2 2015 revenue was \$25.5 million; an increase of 10% over \$23.2 million in Q2 2014
- Q2 2015 adjusted EBITDA was \$2.5 million; an increase of 10% over \$2.2 million in Q2 2014

- **Newtek Business Credit**

- Anticipate securing \$50.0 million warehouse line of credit

*See Slide 25 for definition of Adjusted net investment income

Acquisition of Portfolio Company Premier Payments LLC

- Acquired Premier Payments LLC on July 23, 2015
- Total purchase price was approximately \$16.5 million, of which \$14.0 million was paid in cash and the remainder was paid in \$2.5 million newly issued restricted shares of Newtek Common Stock
- Premier Payments LLC is one of the Country's leading electronic payment processors, which powers billions of dollars of credit card and debit card transactions on an annual basis
- Anticipate this acquisition will expand The Company's presence in the merchant processing space, and is expected to be accretive to earnings beginning in Q3 2015
- Anticipate \$5.5 billion in electronic payment processing volume* by end of 2015
- The following is the estimated** year-over-year Revenue and EBITDA growth of Premier Payments LLC

\$ in millions	Q1 2014		Q1 2015		% Increase
Revenue	\$	1.292	\$	1.670	29.3%
EBITDA	\$	0.421	\$	0.670	59.0%

	Q2 2014		Q2 2015		% Increase
Revenue	\$	1.493	\$	1.817	21.8%
EBITDA	\$	0.500	\$	0.760	51.9%

*Includes processing volume from both Newtek Merchant Solutions and Premier Payments LLC
 **Year-over-year revenue and EBITDA growth are unaudited pro forma estimations

Dividend Distributions

- On July 15, 2015, paid second quarterly dividend of \$0.47 per share in cash
- Paid a total of \$0.86 in cash dividends to date in 2015, which represents approximately 85% of the adjusted net investment income of \$1.01 per share for the six months ended June 30, 2015
- Maintain 2015 annual cash dividend forecast of approximately \$1.82* per share
- Based on final earnings and profits analysis through 2014, management has revised its forecast and anticipates paying a one-time special dividend of \$3.29* per share by the end of 2015
 - It is expected that between 24% and 27% of the special dividend will be paid in cash, with the balance paid in newly issued shares of Newtek Common Stock
- The special dividend will be reported to shareholders as a qualified dividend

* Amount and timing of dividends, if any, remain subject to the discretion of the Company's board of directors. Amounts based on current share count of approximately 10.3 million.

Newtek Small Business Finance

- Currently the largest non-bank institution licensed by the U.S. Small Business Administration (SBA) under the federal Section 7(a) loan program based on annual origination volume (national PLP status)
- One of 14 Non-Bank SBA Government-Guaranteed Lender Licenses (these licenses are presently no longer being issued)
- 9th largest SBA 7(a) lender including banks
- ROI in SBA 7(a) lending in excess of 30%
- National SBA 7(a) lender to small business since 2003; 12-year history of loan default frequency and severity statistics
- Issued 5 S&P Rated AA & A Securitizations since 2010
- Small balance, industry and geographically diversified portfolio of 853 loans
 - Average loan size is \$173K of average Newtek uninsured retained loan balance
- Floating rate at Prime plus 2.75% with no caps; equivalent to 6% cost to borrower
- No origination fees with 7- to 25-year amortization schedules and are receiving high-quality loan product
- Secondary market established for SBA 7(a) government-guaranteed lending for over 61 years and Newtek establishes liquidity for uninsured portions through securitizations
- After securitization of uninsured portion and sale of government insured portion, principal in the loan is returned

Comparable Company Statistics

- **Live Oak Bancshares, Inc. (NASDAQ: LOB)**
 - Online platform for small business lending
 - \$551 million market capitalization
 - Raised \$81.6 million in IPO on 7/23/15
 - Transaction priced at 4.8x tangible book value
- **On Deck Capital (NYSE: ONDK)**
 - Operates an online platform for small business lending
 - Raised \$200 million in IPO on 12/17/14
 - \$1.3 billion market valuation
- **Lending Club (NYSE: LC)**
 - Operates as an online marketplace that facilitates loans to consumers and businesses in the U.S.
 - Raised over \$1.0 billion in IPO 12/11/14
 - \$8.9 billion market valuation
- **BankUnited, Inc. (NYSE: BKU)**
 - Acquired Certus' Small Business Finance Unit in an asset purchase transaction
 - Certus' loan portfolio totaled approximately \$203 million as of January 31, 2015
 - Purchase price for the transaction will be a \$20 million premium to the tangible NAV

Current SBA 7(a) Loan Pipeline

SBA 7(a) Loan Pipeline at 30 June 2015	
Prequalified Loans	\$40,921,692
Loans In Underwriting	\$40,599,318
Approved Pending Closing	\$29,490,400
Open Referrals	\$366,053,580
Total Loan Pipeline	\$491,451,916

- Loans in pipeline totaled approximately \$491.5 million at June 30, 2015
- Expect to fund between \$230 million and \$270 million of SBA 7 (a) loans in 2015, which represents an approximate 24% increase over 2014

SBA 7(a) Loan Sale Transaction

Net Cash Created in 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
Premium ⁽¹⁾	12.5%
Term	25 years

Net Cash Created Pretax	
Guaranteed Balance	\$750,000
Realized Gain on Guaranteed Balance ⁽²⁾	\$93,750
Cash Received in Securitization ⁽³⁾	\$177,500
Total	\$1,021,250
Net Cash Created Pre-Tax (Post Securitization) ^(4,5)	\$21,250

- (1) Premiums above 10% split 50/50 with SBA. This example assumes guaranteed balance is sold at 15%. The additional 5% (15%-10%) is split with SBA. Newtek nets 12.5%
- (2) Assumes 12.5% of the Guaranteed balance
- (3) Assumes 71% advance rate in securitization on unguaranteed balance
- (4) Assuming the loan is sold in a securitization in 12 months
- (5) Net cash created pre-tax 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
Premium ⁽¹⁾	12.5%
Term	25 years

Resulting Revenue (Expense)	
Associated Premium ⁽²⁾	\$93,750
Servicing Asset ⁽³⁾	\$18,630
Total Realized Gain	\$112,380
Packaging Fee Income	\$2,500
FV Non-Cash Discount on Uninsured Loan Participations	\$(12,500)
Referral Fees Paid to Alliance Partners	\$(7,500)
Total Direct Expenses	\$(20,000)
Net Risk-Adjusted Profit Recognized ⁽⁴⁾	\$94,880

- (1) Premiums above 10% split 50/50 with SBA. This example assumes guaranteed balance is sold at 15%. The additional 5% (15%-10%) is split with SBA. Newtek nets 12.5%
- (2) Assumes 12.5% of the Guaranteed balance
- (3) Value determined by GAAP servicing value; a present value of future servicing income
- (4) Net risk-adjusted profit recognized per \$1 million of loan originations
- (5) Uninsured piece gets immediately written down at origination to reflect cumulative estimate of default frequency and severity

Guaranteed Loan Pricing* Comparison

Qtr	All Loans			10-Year Term Loans		25-Year Term Loans	
	Weighted Average Sale Price	Weighted Average Net Price to NSBF	Weighted Average Loan Term (Yrs)	Weighted Average Sale Price	Weighted Average Net Price to NSBF	Weighted Average Sale Price	Weighted Average Net Price to NSBF
Q1 2014	114.49	112.24	15.95	112.19	111.10	118.49	114.25
Q2 2014	115.15	112.57	18.60	112.47	111.23	117.33	113.66
Q3 2014	116.37	113.19	22.32	113.66	111.83	116.89	113.45
Q4 2014	113.62	111.73	17.87	111.40	110.54	115.62	112.81
YTD 2014	115.01	112.49	18.79	112.25	111.09	117.05	113.53

Qtr	All Loans			10-Year Term Loans		25-Year Term Loans	
	Weighted Average Sale Price	Weighted Average Net Price to NSBF	Weighted Average Loan Term (Yrs)	Weighted Average Sale Price	Weighted Average Net Price to NSBF	Weighted Average Sale Price	Weighted Average Net Price to NSBF
Q1 2015	114.87	112.44	18.82	112.73	111.37	116.35	113.18
Q2 2015	114.91	112.46	17.13	113.45	111.73	117.19	113.59
YTD 2015	114.89	112.45	17.98	113.10	111.55	116.71	113.30

*The above prices are solely indicative of where our SBA government-guaranteed participation certificates have historically been bought and sold in the secondary market. Other factors include loan seasoning, loan size, weighted average maturity and collateral securing the loan.

Gain-on-Sale Premium Trend

Loan Sale Premium Income Trend

\$ in millions

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>1st half 2015</u>
\$2,428	\$12,468	\$12,367	\$19,456	\$19,493	\$15,438*

*Net realized gain on non-affiliate investments.

Comparative Loan Portfolio Data

12/31/2010 vs. 06/30/2015

- Since 2010, the credit quality and diversification of the loan portfolio has steadily improved

Loan Characteristic	As of 12/31/10	As of 06/30/15
Business Type:		
Existing Business	53.9%	77.6%
Business Acquisition	25.9%	16.5%
Start-Ups	20.2%	6.0%
Primary Collateral:		
Commercial RE	45.3%	56.9%
Machinery & Equipment	22.8%	19.1%
Residential RE	22.3%	9.9%
Other	9.6%	7.0%
Percentage First Lien on RE:		
Commercial RE	84.8%	95.2%
Residential RE	9.9%	21.1%

Loan Characteristic	As of 12/31/10	Loan Characteristic	As of 06/30/15
Industry:			
Restaurant	10.6%	Restaurant	8.9%
Hotels & Motels	7.6%	Amusement & Recreation	6.8%
State Concentration:			
Florida	21.6%	Florida	12.3%
New York	12.7%	New York	11.0%
Georgia	14.1%	Pennsylvania	6.3%
Other:			
Total Portfolio at Cost (\$mm)	\$31		\$150
Avg. Balance (\$mm)	\$0.076		\$0.173
Wtd. Avg. Mean FICO	675		703
Wtd. Avg. Current LTV	78.2%		79.9%

SBA 504 Loans: A New Focus for Newtek

- Provide financing for major fixed assets such as equipment or real estate
- Loans cannot be used for working capital or purchasing inventory (allowed uses under the 7(a) program)
- The 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
- Loan-to-value ("LTV") ratio for the borrower of 90%; borrowers contribute 10% equity
- Newtek has exposure on only 50% of the LTV
- U.S. Government has exposure on 40% of the LTV
- Newtek will sell the senior loan participation at an anticipated 3-5 point premium
- SBA 504 loans give borrowers a fixed-rate alternative
- Newtek services the senior loan

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 Originated by Newtek	\$500,000	50%
Renovations	\$150,000	Bridge Loan Originally Funded by Newtek*	\$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 Certified Development Company (\$250,000 to \$4.0 million)
- At least 10% equity contribution

*Taken out by Certified Development Company ("CDC") funded second mortgage of \$400,00 within 60-90 days of Newtek's funding

Loan Sale Transaction SBA 504 Loan

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

Key Variables in Loan Sale Transaction		Net Cash Created Pretax	
Total Projected Financing	\$2,000,000	Total Senior & Junior Debt	\$1,800,000
Senior Loan Balance	\$1,000,000	Funded Under Bank Facility	\$1,620,000
Junior Bridge Loan Balance	\$800,000	Newtek Equity	\$180,000
Borrower Equity	\$200,000	Net Premium Earned	\$32,000
Premium ⁽²⁾	3.20%	Net Interest Earned Before Sale	\$44,000
Rate	Fixed	Interest Expense	(\$20,475)
Term	25 Years	Origination Fees	\$14,000
		Servicing Fee Income	\$2,500
		Total	\$1,872,025
		Net Cash Created	\$72,025
		Return on Investment (Gross Operating Profit/ Equity) ⁽⁷⁾	40%

(1) Initially funded by Newtek to be taken out in 90 days by a junior lender through SBA guaranteed debentures

(2) Assumes 4.00% gross premium with 20% paid to referral source

(3) Assumes 3.20% net premium paid on Senior Loan Balance

(4) Assumes Senior and Junior Bridge loans are outstanding for six months and three months, respectively

(5) Servicing fee generated over six months

(6) Net cash created per \$1.0 million of loan originations. Net cash created equals the addition of Net Premium Earned, Net Interest Earned Before Sale, Origination Fees, Servicing Fee Income less Interest Expense

(7) The first year return on investment is based on net cash created of \$72,025 divided by Newtek equity of \$180,000. The holding period for the loan is actually 6 months but the return is based on the full year

Portfolio Company Newtek Merchant Solutions

- Electronic payment processing business, which we have wholly owned and managed for 10+ years
- Over 13,000 business accounts; realized over \$4.6 billion in electronic payment processing volume in 2014
- Q2 2015 Revenue of \$25.5 million; an increase of 10% over \$23.2 million in Q2 2014
- Q2 2015 Adjusted EBITDA of \$2.5 million; an increase of 10% over \$2.3 million in Q2 2014

2015 Forecast

- Revenue: \$99.9 million
- Adjusted EBITDA: \$9.5 million

Enterprise Valuation & Financial Performance

- Valued at 5.3x EBITDA
- Valued at \$50 million

Publicly Traded Comparable Companies

Name (Symbol)	Enterprise Value / 2015E EBITDA
▪ Heartland Payment Systems (HPY)	9.10x
▪ Vantiv, Inc. (VNTV)	10.24x

(1) Estimates via Bloomberg
*See page 25 for definition of Adjusted EBITDA.

Portfolio Company Newtek Technology Solutions

- Managed technology & cloud computing business, which we have wholly owned and managed for 10+ years
- Host and manage SMBs computer hardware, software and their technology solutions in our Level-4, 5,000 square foot data center in Phoenix, Arizona
- Over 106,000 business accounts and over 77,000 domain names
- This segment is being transformed to take advantage of shift to cloud-based business trends including eCommerce, Payroll and Insurance; additional cloud offerings in the pipeline
- Restructured data center lease, which we anticipate will allow us to save between \$200K- \$250K per year
 - Acquired additional space in the U.K., New Jersey and Phoenix, Arizona
- Q2 2015 Revenue of \$3.6 million; a decrease of 14.3% over \$4.2 million in Q2 2014
- Q2 2015 Adjusted EBITDA of \$0.8 million; a decrease of 38.5% over \$1.3 million in Q2 2014

2015 Forecast

- Revenue: \$14.8 million
- Adjusted EBITDA: \$3.3 million

Enterprise Valuation & Financial Performance

- Valued at 1.4x revenue
- Valued at \$21 million

Publicly Traded Comparable Companies

Name (Symbol)	Enterprise Value / 2015E EBITDA
▪ Endurance (EIGI)	12.07x
▪ Rackspace Holdings, Inc. (RAX)	7.12x

(1) Estimates via Bloomberg.
*See page 25 for definition of Adjusted EBITDA.

Internally Managed vs. Externally Managed BDCs

Internally Managed BDCs	Externally Managed BDCs
No base or incentive fees paid to an external manager	Pay expense fees and incentive to a management company
Generally a greater percent of revenue becomes dividend income for the shareholder	Not required to provide shareholders with compensation information
Lower operating expense ratios than externally managed	Higher operating expense ratios than internally managed BDCs
Typically trade at a premium to NAV/share	Typically trade at a discount to NAV/share

- Newtek is an internally managed BDC, and is currently trading at 1.15x* NAV
- The following Internally managed BDC public comparables currently trade at a median price to NAV of approximately 1.20x**
 - Hercules Technology Growth Capital (NASDAQ: HTGC)
 - KCAP Financial (NASDAQ: KCAP)
 - Main Street Capital (NASDAQ: MAIN)
 - Triangle Capital (NASDAQ: TCAP)

* As of July 27, closing price of \$19.17

**As of July 27, 2015.

Investment Summary

- NAV of \$16.62 per share at June 30, 2015; a 1.9% increase over NAV per share at December 31, 2014
- Company is better suited for investors as a BDC vs. an operating company
- Forecasted dividends
 - Expect to pay an annual cash dividend of approximately \$1.82* in 2015
 - Anticipate paying special dividend of \$3.29* per share by the end of 2015, of which between 24% and 27% is presently expected to be paid in cash, with the balance paid in newly issued shares of Newtek Common Stock
- Investing in a business without excessive leverage offers attractive returns without excessive risk
- Portfolio companies wholly owned and managed, most for over 10 years, by Newtek Business Services Corp.
- Newtek Business Services Corp. is an **internally managed BDC**
- Proven Track Record; Established in 1998; publically traded since September 2000
- Management's interests aligned with Shareholders
 - CEO is a major shareholder; Founders, Management and Board combined own approximately 20% of outstanding shares⁽¹⁾
- No derivative securities in BDC
- No 2nd lien or mezzanine financing as a business line
- No direct lending exposure to oil and gas industry

⁽¹⁾As of July 29, 2015

*Amounts based on the Company's current outstanding shares of approximately 10.3 million



Financial Review Jennifer C. Eddelson, Chief Accounting Officer

Consolidated Statement of Operations

Newtek Business Services Corp. and Subsidiaries

<i>(n thousands)</i>	Three Months Ended June 30, 20
Investment income:	
From non-controlled/non-affiliate investments	
Interest income	\$ 2,231
Servicing income	1,068
Other income	464
Total investment income from non-controlled/non-affiliate investments	<u>3,763</u>
From controlled/affiliate investments	
Interest income	56
Dividend income	1,787
Other income	—
Total investment income from controlled/affiliate investments	<u>1,843</u>
Total investment income	<u>5,606</u>
Expenses:	
Salaries and benefits	3,133
Interest	1,728
Depreciation and amortization	85
Other general and administrative costs	2,955
Total expenses	<u>7,901</u>
Net investment loss	(2,295)
Net realized and unrealized gains (losses):	
Net realized gain on non-affiliate investments	7,340
Net unrealized depreciation on SBA guaranteed non-affiliate investments	(1,464)
Net unrealized depreciation on SBA unguaranteed non-affiliate investments	(470)
Net unrealized appreciation on affiliate investments	2,019
Net unrealized loss on servicing assets	(256)
Net unrealized appreciation on credits in lieu of cash and notes payable in credits in lieu of cash	2
Net realized and unrealized gains	<u>7,171</u>
Net increase in net assets resulting from operations	<u>\$ 4,876</u>
Net investment loss per share	<u>\$ (0.22)</u>
Net increase in net assets per share	<u>\$ 0.48</u>
Weighted average shares outstanding	<u>10,206</u>

Change in Net Asset Value

Newtek Business Services Corp. and Subsidiaries
As of June 30, 2015

(in thousands, except per share data)

	NAV	NAV/Share	NAV % Change
NAV at December 31, 2014	\$ 166,418	\$ 16.31	
Net investment income (loss)	(4,771)	(0.47)	-2.9%
Net realized gains - non-affiliate investments	15,039	1.47	9.0%
Net unrealized losses - non-affiliate investments	(4,298)	(0.42)	-2.6%
Net unrealized gain/loss - Controlled portfolio companies	9,519	0.93	5.7%
Net unrealized loss - Servicing asset	(612)	(0.06)	-0.4%
Net unrealized appreciation on credits in lieu of cash and notes payable in credits in lieu of cash	2	0.00	0.0%
Net increase in net assets from operations	14,879	1.46	8.9%
Dividends declared	(8,787)	(0.86)	-5.3%
Net increase in net assets after dividend	6,092	0.60	3.7%
NAV after dividend	172,510	16.90	
Opening balance adjustment to Deferred tax asset	(2,870)	(0.28)	-1.7%
Adjustment to 2014 offering costs	17	0.00	-0.4%
Consolidation of Texas Whitestone Group and CCC Real Estate	(33)	(0.00)	-0.2%
NAV at June 30, 2015	\$ 169,624	\$ 16.62	1.9%
Total common shares outstanding:	10,206		
Adjusted Net investment income ¹	\$ 10,268		
Adjusted Net investment income ¹ per share	\$ 1.01		
NAV per share	\$ 16.62		

(1) Adjusted Net investment income is defined as Net investment income plus Net realized gains.

Adjusted Net Investment Income Reconciliation

In thousands, except per share data

	Adjusted Net Investment Income (ANII)					
	For the three months ended March 31, 2015		For the three months ended June		For the six months ended June 30,	
		Per share		Per share		Per share
Net investment loss	\$ (2,476)	\$ (0.24)	\$ (2,295)	\$ (0.22)	\$ (4,771)	\$ (0.47)
Net realized gain on non-affiliate investments	7,699	0.75	7,340	0.72	15,039	1.47
Adjusted net investment income	<u>\$ 5,223</u>	<u>\$ 0.51</u>	<u>\$ 5,045</u>	<u>\$ 0.49</u>	<u>\$ 10,268</u>	<u>\$ 1.01</u>

Non-GAAP Financial Measures

In evaluating its business, Newtek considers and uses adjusted net investment income as a measure of its operating performance. Adjusted net investment income includes short-term capital gains from the sale of the guaranteed portions of SBA 7(a) loans, which is a reoccurring event. The Company defines Adjusted net investment income (loss) as Net investment income (loss) plus Net realized gains.

The Company defines Adjusted EBITDA as earnings before, interest expense, taxes, depreciation and amortization, corporate overhead allocation and stock compensation expense. Newtek uses Adjusted EBITDA as a supplemental measure to review and assess the operating performance of its portfolio companies. The Company also presents the Adjusted EBITDA of its portfolio companies because it believes it is frequently used by securities analysts, investors and other interested parties as a measure of financial performance.

The terms Adjusted net investment income and Adjusted EBITDA, are not defined under U.S. generally accepted accounting principles, or U.S. GAAP, and are not a measure of operating income, operating performance or liquidity presented in accordance with U.S. GAAP. Adjusted net investment income and Adjusted EBITDA have limitations as analytical tools and, when assessing the Company's operating performance, and that of its portfolio companies, investors should not consider Adjusted net investment income and Adjusted EBITDA 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 and Adjusted EBITDA do not reflect the Company's, or its portfolio companies 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 Adjusted net investment income and Adjusted EBITDA.

Adjusted EBITDA Reconciliation

	Electronic Payment Process		Managed Technology Solutions	
	For the three months ended June 30, 2015	For the three months ended June 30, 2016	For the three months ended June 30, 2015	For the three months ended June 30, 2016
<i>(in millions)</i>				
Pretax income	\$ 2.17	\$ 2.16	\$ 0.35	\$ 0.92
Interest expense	0.02	-	0.01	0.01
Depreciation and amortization	0.07	0.06	0.32	0.33
Stock compensation expense	-	0.07	-	(0.00)
Corporate overhead allocation	0.20	-	0.13	-
Adjusted EBITDA	\$ 2.46	\$ 2.29	\$ 0.81	\$ 1.26