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Newtek Business Services Corp.
NASDAQ: NEWT

First Quarter 2017
Financial Results Conference Call
May 4, 2017 4:15 pm ET

Hosted by:

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

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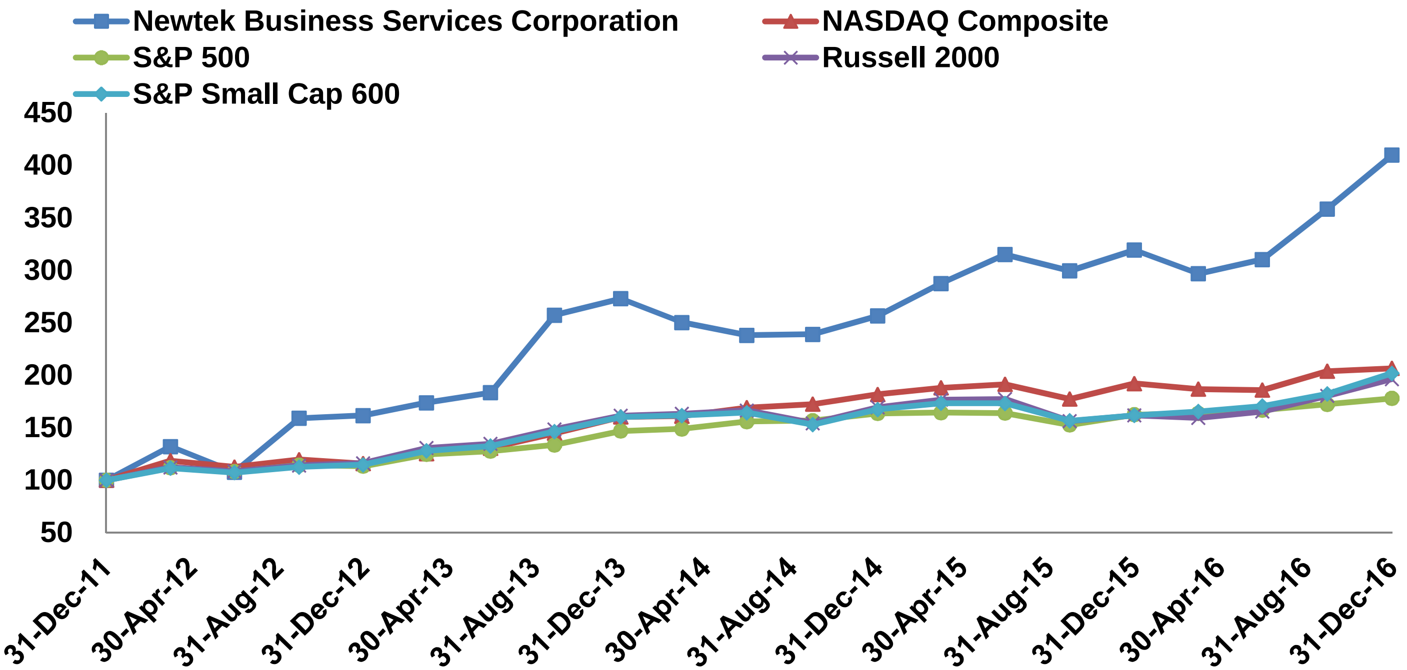
Note Regarding Forward-Looking Statements

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 prospective portfolio companies; the impact of investments that we expect to make; our informal 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

- Newtek's total return for the first quarter of 2017, including reinvested dividends, was **9.1%**
- As of December 31, 2016, including reinvested dividends in NEWT:
  - Newtek's 5-year total return was **307.2%**
  - Newtek's 3-year total return was **49.1%**
  - Newtek's 1-year total return was **27.7%**
- As of December 31, 2015, Newtek's total 1-year return, including reinvested dividends, was **24.2%**



*Note: Total returns as per Bloomberg. Newtek converted to a business development company in November 2014, and therefore the 3-year and 5-year total returns include pre-BDC returns. Historical performance is not indicative of future performance.

First Quarter 2017 Financial Highlights

- Net asset value ("NAV") of $246.4 million, or $14.31 per share, at March 31 2017
  - Represents an increase of 20.9% over NAV of $203.8 million, or $14.10 per share, at March 31, 2016
  - Represents an increase of 17.8% over NAV of $209.1 million, or $14.30 per share, at December 31, 2016
- Net investment loss of $(2.1) million, or $(0.13) per share, for the three months ended March 31, 2017, compared to $(1.4) million, or $(0.10) per share, for the three months ended March 31, 2016
- Adjusted Net Investment Income[1] of $6.5 million, or $0.40 per share, for the three months ended March 31, 2017; an increase of 32.6% over $4.9 million, or $0.34 per share, for the three months ended March 31, 2016
- Total investment income of $9.0 million; a 32.4% increase over $6.8 million for the three months ended March 31, 2016
- Debt-to-equity ratio of 70.8% at March 31, 2017
- Total investment portfolio increased by 4.0% to $359.0 million at March 31, 2017, from $345.2 million at December 31, 2016

*See slide 30 for definition of Adjusted Net Investment Income ("ANII").

Dividend Payments and 2017 Forecast

- Paid first quarter 2017 dividend of $0.36 per share on March 31, 2017 to shareholders of record as of March 20, 2017
- Newtek's Board of Directors declared a second quarter 2017 cash dividend of $0.40[1] per share payable on June 30, 2017 to shareholders of record as of May 31, 2017
  - The second quarter 2017 dividend of $0.40 per share represents a 14% increase over the dividend of $0.35 per share in the second quarter of 2016
  - The total of the first quarter and second quarter dividends in 2017 equal $0.76 per share; an increase of 8.6% over the total of the first quarter and second quarter dividends in 2016 of $0.70 per share
- Forecast paying an annual cash dividend of $1.57[1] per share in 2017; a 2.6% increase over the 2016 annual dividend of $1.53 per share
- Note: Approximately 47% of total quarterly cash dividends paid in 2016 qualified for preferential tax treatment
  - Anticipate similar tax attributes for 2017 due to our distinct business model[2]

[1] Amount and timing of dividends, if any, remain subject to the discretion of the Company's Board of Directors. [2]The determination of the tax attributes of the Company's distributions is made annually as of the end of the Company's fiscal year based upon its taxable income for the full year and distributions paid for the full year. Therefore, a determination made on a quarterly basis may not be representative of the actual tax attributes of the Company's distributions for a full fiscal year. Prior year tax determinations do not guarantee similar tax determinations in following years.

2017 SBA Lending Highlights

- Newtek Small Business Finance, LLC (“NSBF”) funded $78.6 million of SBA 7(a) loans during the first quarter; an increase of 40.3% compared to $56.1 million of SBA 7(a) loans for the three months ended March 31, 2016
- Newtek Business Credit Solutions (“NBCS”), a controlled portfolio company, funded $3.5 million of SBA 504 loans during the first quarter
- NSBF’s servicing portfolio of loans originated by NSBF was approximately $1.0 billion, an increase of 25.3% over the three months ended March 31, 2016
- Received $2.8 billion in loan referrals; a 38.1% increase over the three months ended March 31, 2016
- Throughout the Company’s 14-year lending history, approved over 3,000 SBA 7(a) loans totaling over $2.0 billion
- Anticipate funding approximately $400 million in SBA 7(a) loans (by NSBF) and SBA 504 loans (by NBCS) in 2017, which would represent an approximate 26% increase in total SBA loan fundings over 2016

Newtek's Differentiated BDC Business Model

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- Why we believe our model is better
  - We do not pay a 4% external management fee to an external advisor; we are an internally managed BDC
  - We invest in (and originate) primarily senior-secured loans, and in operating businesses as portfolio companies which are wholly owned, most for over 10 years, by Newtek
  - Portfolio company reoccurring stream of income tends to be less sensitive to credit risk, interest rates and inflation, and could potentially benefit with such increases
  - Potential net asset value ("NAV") upside as portfolio companies grow versus a portfolio of debt securities
  - Small balance, industry and geographically diversified portfolio of 1,289 loans with an average loan size of approximately $178K of average unguaranteed retained loan balance
  - Floating rate notes without a cap, tied to Prime and with a quarterly rate adjust
  - Forecast paying an annual cash dividend of $1.57 per share in 2017; a 2.6% increase over the 2016 annual dividend paid of $1.53[1] per share
  - President & CEO owns approximately 5.8% of outstanding shares at March 31, 2017; management's interests aligned with shareholder interests
  - Have historically not invested in loans with 10%-14% interest rates with an equity kicker which tend to be a higher risk
  - **NO** equity investments in collateralized debt obligations ("CDOs"), **NO** SBIC leverage
  - **NO** derivative securities in our BDC, **NO** 2nd lien or mezzanine financing as a business line, **NO** direct lending exposure to oil and gas industry

Capital Markets Activity

- On January 30, 2017, the Company closed an underwritten offering of 2,587,500 shares of common stock at a public offering price of $15.25 per share
  - Keefe, Bruyette & Woods, *A Stifel Company*, Raymond James & Associates, Inc. and UBS Investment Bank acting as joint bookrunners
- Did not execute any at-the-money ("ATM") sales of Newtek common stock during Q1 2017
- Newtek's subsidiary, Newtek Small Business Finance, LLC, signed a letter of intent to increase its existing revolving credit facility through Capital One, N.A. by $50 million to $100 million, as well as reduce the borrowing rate, subject to final documentation and approval from the U.S. Small Business Administration
- Certain portfolio companies negotiated an increase in the Goldman Sachs credit facility to $50.0 million from $38.0 million and a reduction of interest from current borrowing rates; subject to final documentation
- Goldman Sachs credit facility of $38.0 million is currently underdrawn
  - Potential leverage upside for portfolio companies
  - Current amount drawn is $22.0 million; $14.4 million is currently available to be drawn from this facility
  - Availability is limited to 2.5x trailing twelve month EBITDA of certain portfolio companies

Internally Managed vs. Externally Managed BDCs

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Internally Managed BDCs	Externally Managed BDCs
No base or incentive fees paid to an external manager	Pay expense and incentive fees 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 1.14x* NAV as of May 3, 2017
- Newtek's internally managed BDC public comparables currently trade at a median price to NAV of approximately 1.37x**
- Believe the difference between Newtek's price-to-NAV multiple and the median price-to-NAV multiple, of the internally managed BDC peers, is the result of Newtek's smaller market capitalization and limited dividend history

Internally Managed BDCs	IPO Date as BDC	Market Capitalization** *(in millions)*	Stock Price/NAV Multiple**
Triangle Capital Corporation (NASDAQ: TCAP)	February-07	$ 899.9	1.21x
Main Street Capital (NASDAQ: MAIN)	January-10	$ 2,230.0	1.81x
Hercules Technolgy Growth Capital (NASDAQ: HTGC)	June-05	$ 1,280.0	1.55x
KCAP Financial (NASDAQ: KCAP)	December-06	$ 139.9	0.70x
Newtek Business Services Corp.(NASDAQ: NEWT)	November-14	$ 286.3	1.14x

*Closing price of $16.32 as of May 3, 2017. **Closing prices as of May 3, 2017 and most recently publicly reported NAVs. Market capitalization as of May 3, 2017.

Investments Within Business Solutions Footprint

- Since Newtek's conversion to a BDC, there have been four controlled portfolio company investments:
  - – On July 23, 2015, completed investment in Premier Payments LLC.
  - – On June 24, 2016, completed investment in banc-serv Partners, LLC
  - – On May 20, 2016, the Company's wholly owned controlled portfolio company, Newtek Technology Solutions ("NTS"), acquired the assets of ITAS, LLC and Deer Valley Data, LLC
  - – On April 6, 2017, completed investment in IPM, an information technology consulting company, which is a new wholly owned controlled portfolio company
    - Anticipated to help expand position as 'the company that manages your technology'
    - IPM's staff of 45 IT professionals will help portfolio companies craft a more competitive cloud-computing strategy
- Newtek's strategy of returns predicated on:
  - – Continued growth in loan originations
  - – Organic growth in portfolio companies
  - – Strategic investments within the business solutions footprint

Current Investment Pipeline*

- Currently targeting the following companies for investment:

1. ISO with $2.0 billion in annualized payment processing volume
2. PEO with $3.0 million in EBITDA
3. Cloud Computing Hosting Company with $4.0 million in EBITDA

*As of May 4, 2017. Newtek makes no representation or assurances that these investments will close.

Potential Washington Effects on Newtek & BDCs

- BDC Leverage Bill
  - If passed, could allow BDCs to increase leverage from 1:1 to 2:1*
- Acquired Funds and Expenses (“AAFE”)
  - Inclusion of AAFE for 1940’s Act companies has resulted exclusion from Russell Indices
  - SEC could exclude 1940’s Act companies from AAFE with regulatory action
  - BDCs potentially could be re-indexed
- Current administration’s tax reform initiative
  - Could lead to cost reduction in tax reporting preparation for small businesses, which may stimulate their economic growth
- Linda McMahon, Small Business Administration Chief, is a proponent of reducing regulation on small businesses

*Subject to the terms and conditions of the Company’s existing credit facilities.

Continued Expansion of Senior Management Team

- Q1 2017, added talent to the senior management team of Newtek and controlled portfolio companies
- Key Q1 2017 Hires:
  - **Jesse H. Davis,** Director of Information Technology, Newtek Business Services Corp.
    - 30+ years of information technology experience
    - Co-founder, President of Creative Mobile Technologies, the Country's leading taxi technology company, which developed a suite of technological enhancements for taxi passengers
    - Throughout his career, employed at Metlife, Merrill Lynch, US Life Insurance, ADP, Paine Webber and Bessemer Trust
  - **Tom Wesner,** Chief Operating Officer, Newtek Technology Solutions
    - 20+ years of technology and product delivery experience
    - 10 years executive-level experience at Xerox Corporation where he led strategic operations and business system optimization planning for the Entry Products Business Group
    - Holds a BS in Computer Science from Oregon State University and MBA from University of Oregon.

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

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- Currently the largest non-bank lender licensed by the 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 (new licenses are presently no longer being issued)
- 7th largest SBA 7(a) lender including banks[1]
- National SBA 7(a) lender to small business since 2003; 14-year history of loan default frequency and severity statistics
- Issued 7 S&P-rated AA & A securitizations since 2010
- Small balance, industry and geographically diversified portfolio of 1,289 loans
  – Average loan size is approximately $178K of average unguaranteed retained loan balance
- Floating rate at Prime plus 2.75% with no caps and quarterly rate adjust; currently equivalent to 6.75% 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 March 31, 2017

SBA 7(a) Loan Fundings & Pipeline Comparisons

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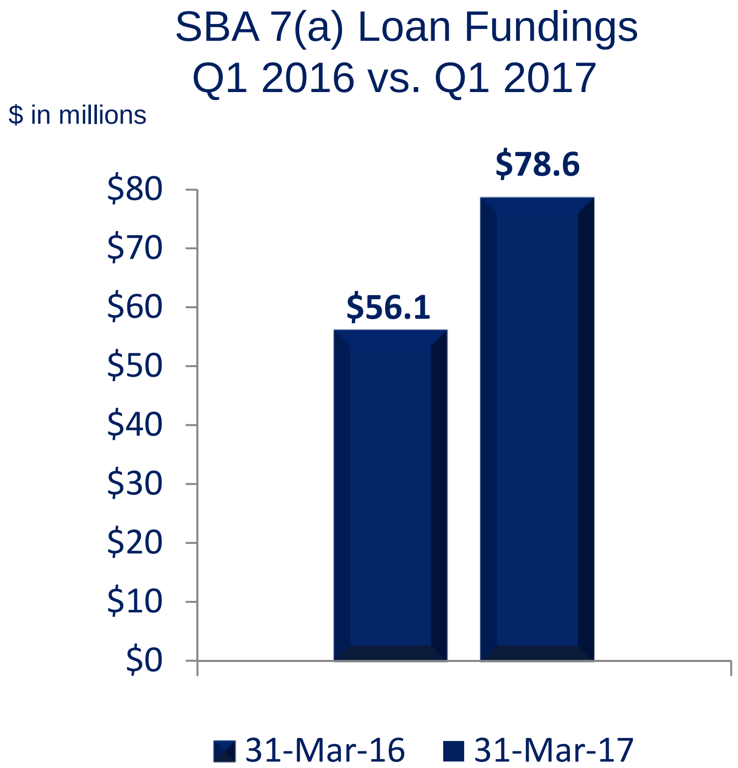
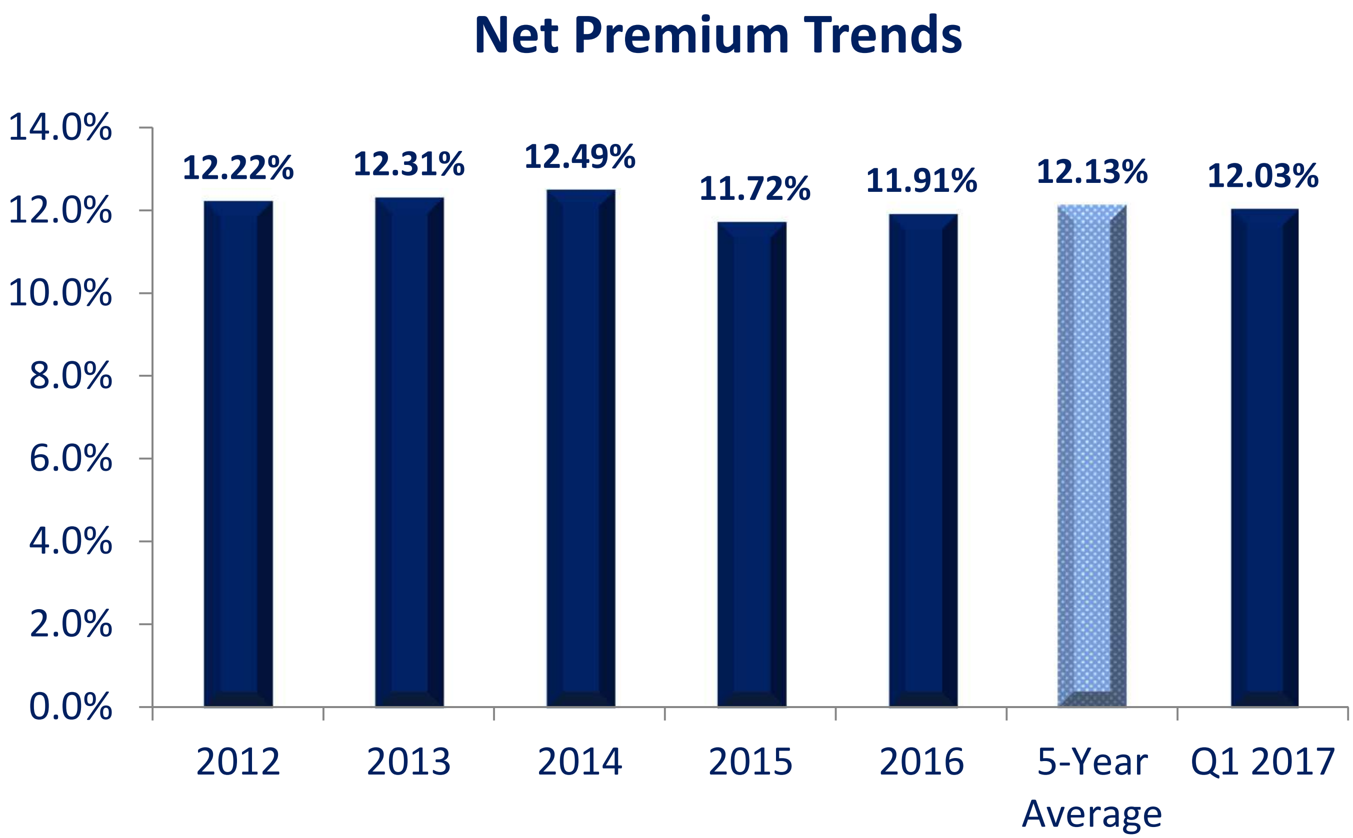


SBA 7(a) Loan Pipeline		
	March 31, 2017	March 31, 2016
Prequalified Loans[1]	$178,635,578	$94,891,350
Loans In Underwriting	$48,111,500	$41,900,625
Approved Pending Closing	$43,559,000	$28,703,700
Total Loan Pipeline	**$270,306,078**	**$165,495,675**

[1]Prequalified loan volume continues to increase with greater referral volume.

- For the three months ended March 31, 2017, SBA 7(a) loan fundings increased year over year by 40.3%
- At March 31, 2017, total SBA 7(a) loans in the pipeline increased by 63.3% to approximately $270.3 million compared to $165.5 million at March 31, 2016
- Received $2.8 billion in loan referrals in the three months ended March 31, 2017; a 38.1% increase over the three months ended March 31, 2016

Average Net Premium From SBA Guaranteed Loan Sales



Weighted Average Term	17.29	18.84	18.79	17.74	18.04	18.14	19.03

- For the three months ended March 31, 2017, the net premium received on the sale of guaranteed SBA loans was 12.03%

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.

Non-Performing Portfolio as a Percentage of Total Outstanding Loan Portfolio

(in thousands)	3/31/2014	3/31/2015	3/31/2016	3/31/2017
SBA 7(a) Unguaranteed Non- Performing Investments, at amortized cost	$ 7,345	$ 9,014	$ 11,810	$ 15,320
Fair Value Adjustment	(3,168)	(3,799)	(5,094)	(7,170)
SBA 7(a) Unguaranteed Non-Performing Investments, at fair value	$ 4,177	$ 5,215	$ 6,716	$ 8,150
Total Outstanding Loan Portfolio - Fair Value	$ 87,670	$ 128,467	$ 166,761	$ 219,582
Non-Performing Portfolio (at fair value) as a Percentage of Total Outstanding Loan Portfolio	**4.8%**	**4.1%**	**4.0%**	**3.7%**

Loan Portfolio Performance

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

	As of March 31, 2016	As of March 31, 2017
Average 12-Month Outstanding Loan Balance	$ 157,484,807	$ 202,552,252
Charge Off Rolling 12 Months	$ 1,152,248	$ 898,557
Realized Losses (Loan Charge Offs) as a Percentage of Average Outstanding Loan Portfolio	**0.73%**	**0.44%**

- For the 12 months ended March 31, 2017, experienced 0.44% of charge offs as a percentage of the average 12-month outstanding loan balance

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
Realized Gain (Premium)[1]	12.4%
Term	25 years

Net Cash Created		
Guaranteed Balance	$750,000	
Realized Gains on Guaranteed Balance[2]	$93,000	
Cash Received in Securitization[(3)]	$177,500	
Total		$1,020,500
Net Cash Created (Post Securitization) [4,5]	$20,500	

[1]Realized gains (premiums on loan sales) above 10% split 50/50 with SBA. This example assumes guaranteed balance is sold at 14.80%. The additional 4.8% (14.8% - 10%) is split with SBA. Newtek nets 12.4%.
[2]Assumes 12.4% 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 per $1 million of loan originations.

SBA 7(a) Loan Sale Transaction

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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]	12.4%
Term	25 years

Resulting Revenue (Expense)		
Associated Premium[2]	$93,000	
Servicing Asset[3]	$18,000	
Total Realized Gain		$111,000
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]		**$99,750**

[1]Realized gains (premiums on loan sales) above 10% split 50/50 with SBA. This example assumes guaranteed balance is sold at 14.8%. The additional 4.8% (14.8% - 10%) is split with SBA. Newtek nets 12.4%.
[2]Assumes 12.4% of the Guaranteed balance.
[3]Value determined by GAAP servicing value; a present value of future servicing income.
[4]Unguaranteed portion gets immediately written down at origination to reflect cumulative estimate of default frequency and severity. This example assume a 2.5% discount.
[5]Net risk-adjusted profit recognized per $1 million of loan originations.

SBA 504 Loans: Focus for Portfolio Company – Newtek Business Credit Solutions ("NBCS")

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- 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
- NBCS funded $3.5 million of SBA 504 loans in the first quarter 2017
- As of March 31, 2017 there were $33.1 million SBA 504 loans in the pipeline
- Anticipate funding approximately $40 million in SBA 504 loans in 2017, which is part of our total SBA loan funding forecast of $400 million for 2017, which includes SBA 7(a) loans (by NSBF) and SBA 504 loans (by NBCS)
- SBA 504 Loans:
  - Cannot be used for working capital or purchasing inventory (allowed uses under the 7(a) program)
  - Loan-to-value ("LTV") ratio for the borrower of 90%; borrowers contribute 10% equity
  - Give 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

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 NBC	$500,000	50%
Renovations	$150,000	Bridge Loan Originally Funded by NBC*	$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 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	$2,682,274
Senior Loan Balance	$1,342,274
Junior Bridge Loan Balance(1)	$1,040,000
Borrower Equity	$300,000
Premium(2)	5.00%
Rate	Fixed
Term	10 Years

Net Cash Created Pretax	
Total Senior & Junior Debt	$2,382,274
Funded Under Bank Facility	$2,144,047
NBC Equity	$238,227
Net Premium Earned(3)	$50,335
Interest Earned Before Sale(4)	$39,592
Origination Fees	$26,000
Interest Expense	($17,420)
SBA Servicing Fee (One-time)	($6,711)
Total	$2,474,070
Net Cash Created(6)	$91,796
Return on Investment (Gross Operating Profit/ Equity)(7)	38.5%

(1) Funded by NBC, Newtek's portfolio company, to be taken out in 90 days by a junior lender through SBA guaranteed debentures.
(2) Assumes 5.00% gross premium with 25% paid to referral source.
(3) Assumes 3.75% net premium paid on Senior Loan Balance.
(4) Assumes Senior and Junior Bridge loans are outstanding for 90 days.
(5) Servicing fee generated over six months.
(6) 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 $91,796 divided by NBC equity of $238,227. The holding period for the loan is actually 3 months but the return is based on the full year.

Portfolio Companies –
Electronic Payment Processing (“EPP”)

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- EPP includes Newtek Merchant Solutions and Premier Payments LLC (Newtek Payment Solutions)
- We have owned and operated Newtek Merchant Solutions for 10+ years
- Processed $5.8 billion in electronic payment volume in 2016; goal to process approximately $8.0 billion in electronic payment processing volume in 2017
- For the three months ended March 31, 2017 vs. March 31, 2016
  - Revenue was $27.8 million; an increase of 9.4% over $25.4 million
  - Adjusted EBITDA* was $3.1 million; an 11.9% increase over $2.8 million

2017 Forecast

- Revenue: $115.0 million
- Adjusted EBITDA*: $13.5 million

Valuation & Financial Performance

- Payment Processing business valued at $85.0 million, net of debt as of 3/31/17, which equates to approximately 6.3x FY 2017 forecasted Adjusted EBITDA*

Publicly Traded Comparable Companies

Name (Symbol)	2016 Enterprise Value / 2017 Forecasted EBITDA[1]
Vantiv, Inc. (VNTV)	15.0x
Global Payments (GPN)	14.5x
CardConnect Corp. (CCN)	12.2x
First Data Corporation (FDC)	10.3x

Note: See Form 10-K, for the year ended December 31, 2016, for specific valuation methodology for controlled portfolio companies. [1]Multiples calculated using Bloomberg as of April 28, 2017. *See page 32 for definition of Adjusted EBITDA.

EPP’s Opportunities

- Additional alliance partners
- American Express® OptBlue®
- Tablet and mobile-based cloud computing
- Europay, MasterCard and Visa (“EMV”) compliance solutions
- Clients want:
  - Security
  - eCommerce backup
  - Robust reporting
  - Mobile applications
  - EMV compliance
  - One provider vs. multiple

Portfolio Company – Newtek Technology Solutions (“NTS”)

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- Managed technology & cloud computing business, wholly owned and managed for 10+ years
- Host and manage SMBs computer hardware, software and their technology solutions in our Level-3, 5,000 square foot data center in Phoenix, Arizona; additional space, including in the U.K. and New Jersey
- Offers services to approximately 99,000 business accounts and over 70,000 domain names
- This business is being transformed to take advantage of shift to cloud-based business trends including eCommerce, Payroll and Insurance; additional cloud offerings in the pipeline
- Recent investment in IPM anticipated to help expand position as technology solutions provider
- For the three months ended March 31, 2017 vs. March 31, 2016:
  - Revenue of $3.4 million; a decrease of 4.6% from $3.6 million
  - Adjusted EBITDA* of $0.5 million; a decrease of 36.8% from $0.8 million

2017 Forecast

- Revenue: $13.2 million

Valuation & Financial Performance

- NTS valued at $19.7 million as of 3/31/17, which equates to approximately 1.5x 2017 forecasted revenue

Publicly Traded Comparable Companies

Name (Symbol)	2016 Enterprise Value / 2017 Forecasted Revenue[1]
Endurance (EIGI)	2.6x
Web.com Group Inc. (WWWW)	2.1x

Note: See Form 10-K, for the year ended December 31, 2016, for specific valuation methodology for controlled portfolio companies [1]Multiples calculated using Bloomberg as of April 28, 2017. *See page 32 for definition of Adjusted EBITDA.

NTS' Opportunities in Cloud Computing

- Dedicated server migration to the Cloud
- 24-7 outsourced managed service solutions
- Hot back-up and live redundancy globally
- HIPAA-compliant solutions under the Affordable Care Act
- Independent business owners will flock to the Cloud
- Independent business owners will ask
  - Where is your server?
  - Where is your data?
- Counterparty must offer a strong balance sheet, reps and warranties, high level of security and guaranteed uptime or backup
- Revamped comprehensive internally offered web services and eCommerce solution

Investment Summary

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- 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 reoccurring stream of income tends 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 $1.57[1] per share in 2017
- Proven track record; Established in 1998; publically traded since September 2000
- Over 14-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 1,289 loans with an average loan size of approximately $178K of 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 5.8% of outstanding shares as of March 31, 2017
- **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

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

Newtek® Your Business Solutions Company®

Financial Review

Jennifer C. Eddelson, Chief Accounting Officer

Consolidated Statements of Operations
Newtek Business Services Corp. and Subsidiaries

Newtek
Your Business Solutions Company

(n thousands except per share data amounts)

	Three Months March 31, 2017	Three Months March 31, 2016
Investment income:		
From non-affiliate investments:		
Interest income	$ 4,235	$ 2,451
Servicing income	1,646	1,371
Other income	665	597
Total investment income from non-affiliate investments	6,546	4,419
From controlled investments:		
Interest income	147	82
Dividend income	2,300	2,293
Total investment income from controlled investments	2,447	2,375
Total investment income	8,993	6,794
Expenses:		
Salaries and benefits	4,651	3,344
Interest	2,530	1,488
Depreciation and amortization	89	40
Other general and administrative costs	3,817	3,302
Total expenses	11,087	8,174
Net investment loss	(2,094)	(1,380)
Net realized and unrealized gains (losses):		
Net realized gains on non-affiliate investments	8,685	6,286
Net unrealized appreciation on SBA guaranteed non-affiliate investments	113	62
Net unrealized depreciation on SBA unguaranteed non- affiliate investments	(556)	(1,027)
Net unrealized appreciation on controlled investments	931	3,690
Provision for deferred taxes on unrealized appreciation on controlled investments	(566)	(1,608)
Net unrealized depreciation on non-control/non-affiliate investments	—	(16)
Net unrealized depreciation on servicing assets	(609)	(403)
Net realized and unrealized gains	7,998	6,984
Net increase in net assets	$ 5,904	$ 5,604
Net investment loss per share	$ (0.13)	$ (0.10)
Net increase in net assets per share	$ 0.36	$ 0.39
Weighted average shares outstanding	16,383	14,509

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 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) 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).

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 Reconciliation								
(in thousands, except per share amounts)		Three Months ended March 31, 2017		Per share		Three Months ended March 31, 2016		Per share
Net investment loss	$	(2,094)	$	(0.13)	$	(1,380)	$	(0.10)
Net realized gain on non-affiliate debt investments		8,685		0.53		6,276		0.43
Loss on lease		(101)		(0.01)		-		-
Adjusted net investment income	$	6,490	$	0.40	$	4,896	$	0.34

Note: amounts may not foot due to rounding

Non-GAAP Financial Measures

Newtek's Controlled Portfolio Company Investments

The Company's controlled portfolio company investments define Adjusted EBITDA as earnings before interest expense, taxes, depreciation and amortization, managerial assistance fees, loss on lease and stock compensation expense (added back in the third quarter of 2016 only and will not be included prospectively as it's anticipated to be a reoccurring expense). 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.

Adjusted EBITDA Reconciliation – Electronic Payment Processing

(in millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Pretax income	$ 2.1	$ 1.9
Interest expense, net	0.4	0.3
Depreciation and amortization	0.4	0.4
Managerial assistance fees	0.2	0.2
Adjusted EBITDA	**$ 3.1**	**$ 2.8**

Adjusted EBITDA Reconciliation – Newtek Technology Solutions

(in millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Pretax (loss) income	$ (0.1)	$ 0.1
Interest expense, net	0.1	0.1
Depreciation and amortization	0.4	0.4
Managerial assistance fees	0.1	0.2
Adjusted EBITDA	**$ 0.5**	**$ 0.8**

2017 Adjusted EBITDA Reconciliation – Electronic Payment Processing

(in millions)	Year Ended December 31, 2017	
Pretax income	$	9.7
Interest expense, net		1.2
Depreciation and amortization		1.9
Managerial assistance fees		0.7
Adjusted EBITDA	**$**	**13.5**