Newtek Business Services Corp.
NASDAQ: NEWT

Raymond James 38th Annual Institutional Investors Conference
March 8, 2017

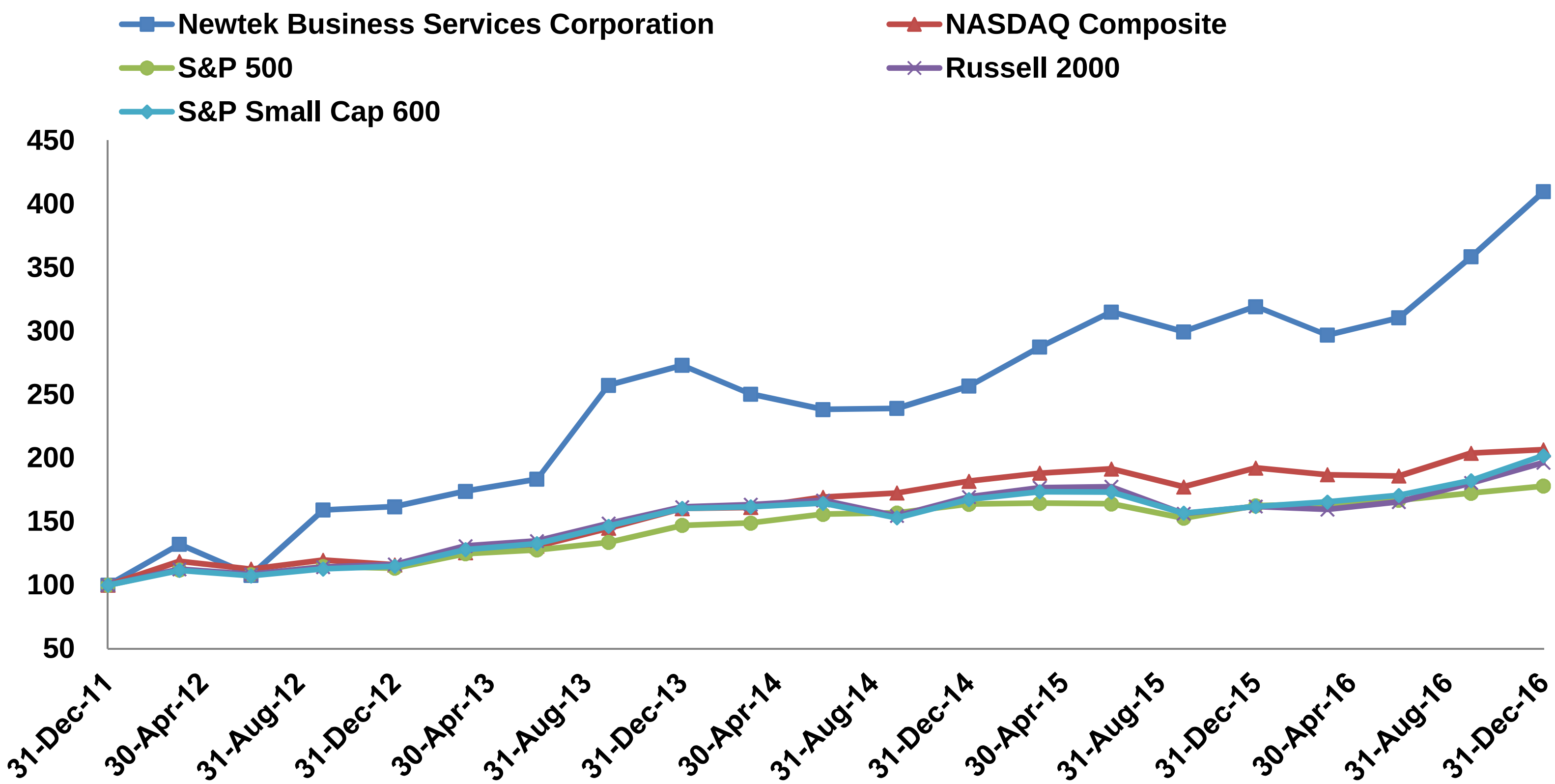
Barry Sloane, CEO & President

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

- As of December 31, 2016:
  - Newtek's 5-year total return, including reinvested dividends in NEWT, was **307.2%**
  - Newtek's 3-year total return, including reinvested dividends in NEWT, was **49.1%**
  - Newtek's 1-year total return, including reinvested dividends in NEWT, was **27.7%**



*Note: Total returns as per Bloomberg. Newtek converted to a BDC 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.

About Newtek Business Services Corp. (NASDAQ: NEWT)

Newtek® Your Business Solutions Company®

- An **internally managed Business Development Company ("BDC")**, which along with its controlled portfolio companies, is a direct distributor of a wide-range of business services and financial products to the small- and medium-sized business market ("SMB")
- Newtek converted to an internally managed BDC on November 12, 2014 and has been publically traded for over 16 years, since September 2000
- Once a BDC elects to be treated as a regulated investment company ("RIC"), the RIC must distribute ***at least 90%*** of its annual taxable income to shareholders
  - The Company forecasts paying an annual cash dividend of $1.57 per share in 2017; a 2.6% increase over the 2016 annual dividend of $1.53 per share (which was equivalent to approximately 94% of our estimated taxable income in 2016).
- Newtek and its controlled portfolio companies provide state-of-the-art, cost-efficient products and business solutions to over 100,000 SMB accounts across all 50 States including:
  - SBA 7(a) Lending
  - SBA 504 Lending
  - Receivable and Inventory Line of Credit Financing
  - Electronic Payment Processing
  - Payroll and Benefits Solutions
  - eCommerce and Mobile Processing
  - Commercial / Personal Insurance / Health & Benefits
  - Cloud Computing Products
  - Web Services – Hosting/Design Development

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

Newtek Positioned As *THE* Business Solutions Company

Newtek®
Your Business Solutions Company®

- Positioned to be the business solutions company of choice for independent business owners
- One Newtek, One Brand
- Satisfy the business needs of small- and medium-sized businesses across many products and services from ONE brand
- www.newtekone.com
- Drive traffic to product pages as The Business Solutions Company
  - Newtek Business Finance Solutions - Newtekone.com/loans
  - Newtek Payment Solutions - Newtekone.com/payments
  - Newtek Technology Solutions - Newtekone.com/technology
  - Newtek Payroll and Benefits Solutions - Newtekone.com/payrollbenefits
  - Newtek Insurance Agency Solutions - Newtekone.com/insurance

NewTracker® & Alliance Relationships

- NewTracker® is Newtek's patented proprietary web-based customer referral, tracking and processing software
- NewTracker® is at the core of Newtek's differentiated business model with its unique ability to acquire opportunities and enable the Company to cost effectively provide financial and business solutions
- Management believes this financial technology acquisition strategy is one of the Company's secrets to success and that it is exponentially scalable
- Processing business from a remote location drives Newtek's business model
- Newtek has built a robust network of nationally recognized alliance partners that refer businesses to Newtek through NewTracker®
  - Alliance partners refer their customers to Newtek for one or more of our product solutions, to enhance and/or expand their core product menus
  - Alliance partner examples include: *AIG, Amalgamated Bank, Credit Union National Association, E-Insure, ENT Federal Credit Union, The Hartford, Legacy Bank, Morgan Stanley Smith Barney, Navy Federal Credit Union, New York Community Bank, Lending Tree, LLC, Randolph Brooks Federal Credit Union and UBS Bank, among others*
  - Recently added *Raymond James, Meineke Mufflers, JCC and True Value Hardware Stores* with additional alliance partner opportunities in the pipeline

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 operating businesses grow versus a portfolio of debt securities
  - Small balance, industry and geographically diversified portfolio of 1,227 loans with an average loan size of approximately $179K 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[1] per share in 2017; a 2.6% increase over the 2016 annual dividend paid of $1.53[1] per share
  - President & CEO owns approximately 7% of outstanding shares at December 31, 2016; 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

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

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 1.16x* NAV as of March 3, 2017
- Newtek's internally managed BDC public comparables currently trade at a median price to NAV of approximately 1.59x**
- Effect of BDC size and longevity of dividend history

Internally Managed BDCs	IPO Date as BDC	Market Capitalization** *(in millions)*	Stock Price/NAV Multiple**
Triangle Capital Corporation (NASDAQ: TCAP)	February-07	$ 922.3	1.28x
Main Street Capital (NASDAQ: MAIN)	January-10	$ 2,050.0	1.67x
Hercules Technolgy Growth Capital (NASDAQ: HTGC)	June-05	$ 1,023.0	1.50x
KCAP Financial (NASDAQ: KCAP)	December-06	$ 152.4	0.76x
Newtek Business Services Corp.(NASDAQ: NEWT)	November-14	$ 285.1	1.13x

*Closing price of $16.56 as of March 3, 2017. **Closing prices as of March 3, 2017 and most recently publicly reported NAVs. Market capitalization as of March 3, 2017.

2016 Dividend Distributions: Qualified vs. Non-Qualified

- Of the regular quarterly cash dividends paid in 2016, approximately 53.0% was reported as ordinary income, 34.8% was reported as qualified dividends and 12.2% was reported as long-term capital gains

Payable date	Distribution amount per share	Taxable	Long term capital gains	Qualified	Non-Qualified	Total
1/19/2016	$ 0.40	88.3%	11.7%	37.8%	62.2%	100.00%
3/31/2016	$ 0.35	86.6%	13.4%	35.3%	64.7%	100.00%
6/30/2016	$ 0.35	86.6%	13.4%	33.6%	66.4%	100.00%
9/30/2016	$ 0.43	89.1%	10.9%	33.6%	66.4%	100.00%
12/30/2016	$ 0.40	88.3%	11.7%	33.6%	66.4%	100.00%

- Approximately 47% of total quarterly cash dividends paid in 2016 qualify for preferential tax treatment
- Believe this is one of the distinct advantages of our business model in which our portfolio companies' reoccurring stream of income is taxed at the portfolio-company level prior to being distributed to the Company
- Believe this reoccurring stream of income to be less sensitive to credit risk, interest rates and inflation, and could potentially benefit with such increases
- We anticipate similar tax attributes for 2017 due to our distinct business model

Note: 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.

Full Year 2016 Financial Highlights

- Forecast paying an annual cash dividend of $1.57 per share in 2017; a 2.6% increase over the 2016 annual dividend of $1.53 per share
- Net asset value ("NAV") of $209.1 million, or $14.30 per share, at December 31, 2016, which represents an increase of 2.6% over NAV of $203.9 million, or $14.06 per share, at December 31, 2015
- Total investment income of $31.0 million; an 18.8% increase over $26.1 million for the year ended December 31, 2015
- Total investment portfolio increased by 29.3% to $345.2 million at December 31, 2016, from $266.9 million at December 31, 2015
- Debt-to-equity ratio of 82% at December 31, 2016
- Net investment loss of $(9.3) million, or $(0.64) per share, compared to $(6.2) million, or $(0.57) per share, for the year ended December 31, 2015
- Adjusted net investment income[1] of $23.2 million, or $1.60 per share, for the year ended December 31, 2016

*See slide 37 for definition of Adjusted net investment income.

Additional 2016 Financial Highlights

- Completed seventh and largest securitization to date resulting in the issuance and sale of $53.4 million of notes rated by Standard and Poor's Financial Services, LLC
- On June 24, 2016, Newtek made an investment in banc-serv Partners, LLC, a new wholly owned controlled portfolio company
- On April 22, 2016, closed a $40.25 million public offering of 7.00% Notes due 2021
  - The Notes trade on the Nasdaq Global Market under the trading symbol "NEWTL"

*See slide 39 for definition of Adjusted net investment income.

2016 SBA Lending Highlights

- Funded $309.1 million of SBA 7(a) loans in 2016; an increase of a 27.5% over the same period one year ago
- The Company's wholly owned portfolio company, Newtek Business Credit Solutions, closed $7.3 million in SBA 504 loans in 2016
- The Company received $8.5 billion in loan referrals in 2016; an approximate 67% increase over the same period last year
  - In Q4 2016, the Company received $2.8 billion in loan referrals; a 100% increase over Q4 2015
  - In January 2017, the Company received $932.8 million in loan referrals; an approximate 79% increase over loan referrals received during the same period last year
- At December 31, 2016, SBA 7(a) loans in the pipeline increased by approximately 77% to $176.1 million compared to $99.7 million at December 31, 2015
- Anticipate funding approximately $400 million in SBA 7(a) and SBA 504 loans in 2017, which would represent an approximate 26% increase over 2016

January 2017 Equity Offering

- 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 acted as joint bookrunners for this offering
- Strong demand for Newtek common stock and, as a result, deal was oversubscribed
- Gained new institutional shareholders and increases in positions by existing shareholders

Credit Facilities

- 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 $25 million to $75 million, as well as reduce the borrowing rate, subject to final documentation and approval from the U.S. Small Business Administration
- Potential leverage upside for portfolio companies
  - Goldman Sachs credit facility of $38.0 million is currently underdrawn
  - Current amount drawn is $22.0 million; $14.1 million is currently available to be drawn from this facility
  - Availability is limited to 2.5x trailing twelve month EBITDA of certain portfolio companies
  - In discussion with Goldman Sachs to increase size of facility and reduce borrowing costs

Investments Within Business Services Footprint

- Newtek's strategy of returns predicated on:
  - Loan growth in the BDC
  - Organic growth in portfolio companies
  - Strategic acquisitions within the business services footprint
- Since Newtek's conversion to a BDC, there have been three 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

Current Investment Pipeline*

- Currently targeting the following companies for investment:
  1. Technology professional services company (VAR) with $2.7 million in EBITDA
  2. ISO with $2.0 billion in annualized payment processing volume
  3. Factoring company with $1.0 million in EBITDA
  4. PEO with $3.0 million in EBITDA
  5. SBIC Fund and Management Company
  6. Cloud Computing Hosting Company with $2.0 million in EBITDA
  7. IT staffing company with $2.0 million in EBITDA

*As of March 6, 2017. Newtek makes no representation or assurances that these investments will close.

Office Consolidation

- April 11, 2016: Opened new office headquarters in Lake Success, NY, which is located in western Long Island, and vacated its office space in West Hempstead, NY and New York, NY
  - Seven of the Company's controlled portfolio companies in a central location
- In December 2016, entered into a sublease for entire office space in West Hempstead for the remainder through the April 2019 term
  - Expect to receive $750,000 in rental income over remaining term
- Plan to close the Brownsville, TX portfolio company office and relocate certain positions to Lake Success, NY
- Plan to reduce size of the West Allis, WI portfolio company office

Continued Expansion of Senior Management Team

- Throughout 2016, added significant talent to the senior management team of Newtek and its controlled portfolio companies
- Key 2016 Hires:
  - **Robert Schwan,** *Executive Vice President, Payroll Operations, Newtek Payment & Benefit Solutions*
  - **Glenn Weisberg,** *Regional Vice President, Newtek Business Services Corp.*
  - **Timothy C. Ihlefeld,** *Executive Vice President, Strategic Alliances, Newtek Business Services Corp.*
  - **Michelle A. Flaherty,** *Vice President/Human Resources, Newtek Merchant Solutions*
  - **Andrew Cohen,** *President & Chief Operating Officer, Newtek Merchant Solutions*
  - **Darlene Hayden,** *Senior Vice President, Director of Web Solutions and Marketing, Newtek Technology Solutions*
  - **Nilesh Joshi,** *Executive Vice Present and Chief Information Officer, Newtek Business Services Corp.*

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

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- Currently the largest non-bank institution 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 1,227 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 6.50% cost to borrower
- No origination fees with 7- to 25-year amortization schedules; receiving a high-quality loan product
- Secondary market established for SBA 7(a) government-guaranteed loans for over 61 years and Newtek establishes liquidity for unguaranteed portions through securitizations

[1]As of December 31, 2016

Capturing Opportunity in the Lending Market

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Lending referrals $ in millions

Year to Date		Lending Referrals Submitted	Lending Referral Units	Closed Loan Units
December 31, 2016	$	8,560.6	14,809	402
December 31, 2015	$	5,116.9	9,503	292
Year-over-Year Increase		**67.3%**	**55.8%**	**37.7%**

- Referrals received have increased by approximately 67% as of December 31, 2016, compared to the same period one year ago
- In January 2017, the Company received $932.8 million in loan referrals; an approximate 79% increase over loan referrals received during the same period last year
- Lending referral units increased by approximately 56% as of December 31, 2016, compared to the same period one year ago
- Closed loan units increased by approximately 38% as of December 31, 2016, compared to the same period one year ago
- Continued strategy of funding smaller loan sizes which further diversifies our loan portfolio as well as increases the number of cross-selling opportunities

SBA 7(a) Loan Fundings & Pipeline Comparisons

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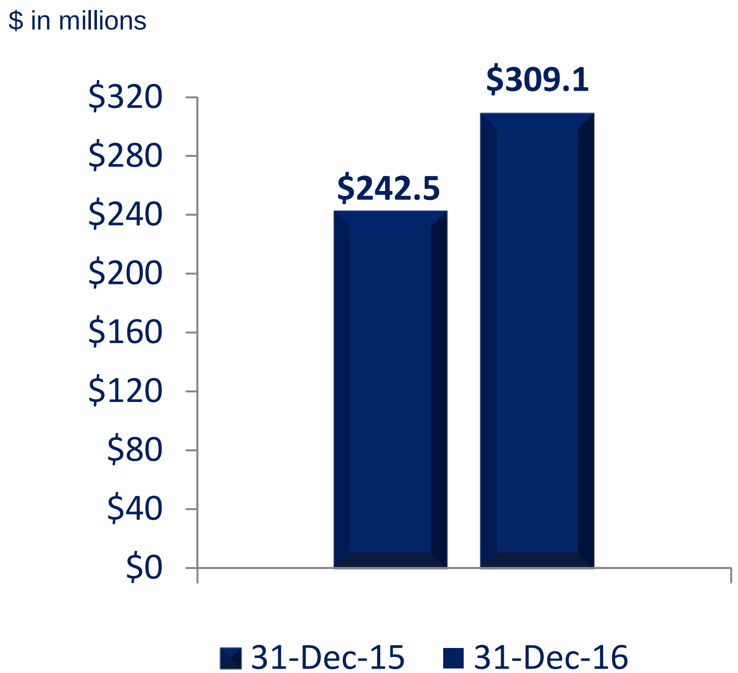
Year Ended
December 31, 2015 vs. 2016

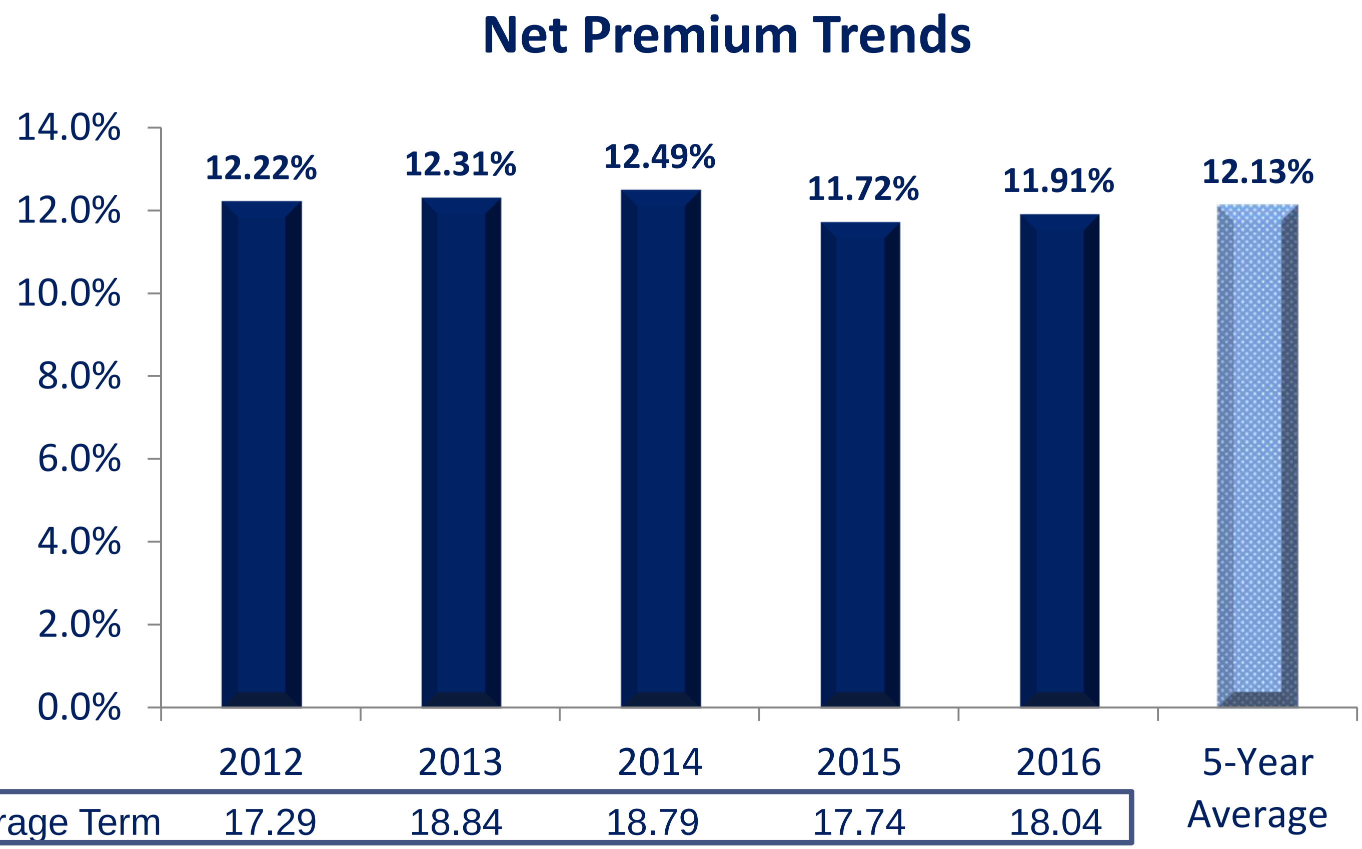


2016 SBA 7(a) Loan Pipeline		
	December 31, 2016	December 31, 2015
Prequalified Loans[1]	$82,466,150	$52,303,001
Loans In Underwriting[2]	$22,641,000	$26,684,950
Approved Pending Closing	$71,021,800	$20,752,800
Total Loan Pipeline	**$176,128,950**	**$99,740,751**

[1]Prequalified loan volume continues to increase with greater referral volume.
[2]Reduction of Loans in Underwriting in 2016 over 2015 was a result of year-over-year improvement in the efficiency of the Company's lending process via technology and staffing.

- For the year ended December 31, 2016, SBA 7(a) loan fundings increased year over year by 27.5%
- At December 31, 2016, SBA 7(a) loans in the pipeline increased by 76.6% to approximately $176.1 million compared to $99.7 million at December 31, 2015

Average Net Premium From SBA Guaranteed Loan Sales



	2012	2013	2014	2015	2016
Weighted Average Term	17.29	18.84	18.79	17.74	18.04

- For the year ended December 31, 2016, the net premium received on the sale of guaranteed SBA loans was 11.91%

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)	12/31/2013	12/31/2014	12/31/2015	12/31/2016
SBA 7(a) Unguaranteed Non- Performing Investments, at amortized cost	$ 7,653	$ 9,510	$ 10,772	$ 14,934
Fair Value Adjustment	(3,441)	(3,208)	(4,575)	(6,349)
SBA 7(a) Unguaranteed Non-Performing Investments, at fair value	$ 4,212	$ 6,302	$ 6,197	$ 8,584
Total Outstanding Loan Portfolio - Fair Value	$ 89,640	$ 121,426	$ 158,305	$ 211,462
Non-Performing Portfolio (at fair value) as a Percentage of Total Outstanding Loan Portfolio	**4.70%**	**5.19%**	**3.91%**	**4.10%**

Loan Portfolio Performance

<u>**Realized Losses (Loan Charge Offs) as a Percentage of Average Outstanding Loan Portfolio**</u>

	As of December 31, 2015	As of December 31, 2016
Average 12-Month Outstanding Loan Balance	$ 148,872,793	$ 193,247,854
Charge Off Rolling 12 Months	$ 1,183,766	$ 925,199
Realized Losses (Loan Charge Offs) as a Percentage of Average Outstanding Loan Portfolio	0.80%	0.48%

- For the 12 months ended December 31, 2016, experienced 0.48% of charge offs as a percentage of the average 12-month outstanding loan balance

SBA 7(a) Loan Sale Transaction

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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 (NBC)

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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
- NBC closed $7.3 million of SBA 504 loans in 2016
- As of December 31, 2016 there were $34.8 million SBA 504 loans in the pipeline
- 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
- 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 will sell the senior loan participation at an anticipated 3-5 point premium
- SBA 504 loans give borrowers a fixed-rate alternative

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

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
- For the year ended December 31, 2016 vs. December 31, 2015
  - Revenue was $107.4 million; an increase of 7.9% over $99.5[1] million
  - Adjusted EBITDA* was $12.9 million; a 17.6% increase over $10.9 million

2017 Forecast

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

Valuation & Financial Performance

- Payment Processing business valued at $84.0 million, net of debt as of 12/31/16, which equates to approximately 6.2x FY 2017 forecasted Adjusted EBITDA*

Publicly Traded Comparable Companies

Name (Symbol)	Enterprise Value / 2016 EBITDA (LTM)[2]
Vantiv, Inc. (VNTV)	18.5x
Global Payments (GPN)	19.2x
First Data Corporation (FDC)	13.0x

Note: See 2016 Form 10-K for specific valuation methodology for controlled portfolio companies. [1]The Premier Payments LLC investment closed on July 23, 2015 and therefore prior-year results include Revenue and EBITDA from Premier Payments LLC for the period after investment.
[2]Estimates via Bloomberg as of February 27, 2017. *See page 39 for definition of Adjusted EBITDA.

EPP’s Opportunities in Payment Processing

Newtek® Your Business Solutions Company®

- 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")

- 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-4, 5,000 square foot data center in Phoenix, Arizona; additional space in the U.K., New Jersey and Phoenix, Arizona
- 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
- For the year ended December 31, 2016 vs. December 31, 2015:
  - Revenue of $14.2 million; decrease of 1.0% from $14.4 million
  - Adjusted EBITDA* of $3.0 million; a decrease of 20.8% from $3.2 million

2017 Forecast
Revenue: $14.5 million

Valuation & Financial Performance
NTS valued at $20.1 million as of 12/31/16, which equates to approximately 1.4x 2017 forecasted revenue

Publicly Traded Comparable Companies

Name (Symbol)	Enterprise Value / 2016 Revenue (LTM)[1]
Endurance (EIGI)	2.9x
Web.com Group Inc. (WWWW)	2.3x

Note: See 2016 Form 10-K for specific valuation methodology for controlled portfolio companies [1]Multiples calculated using Bloomberg as of February 27, 2017. *See page 39 for definition of Adjusted EBITDA.

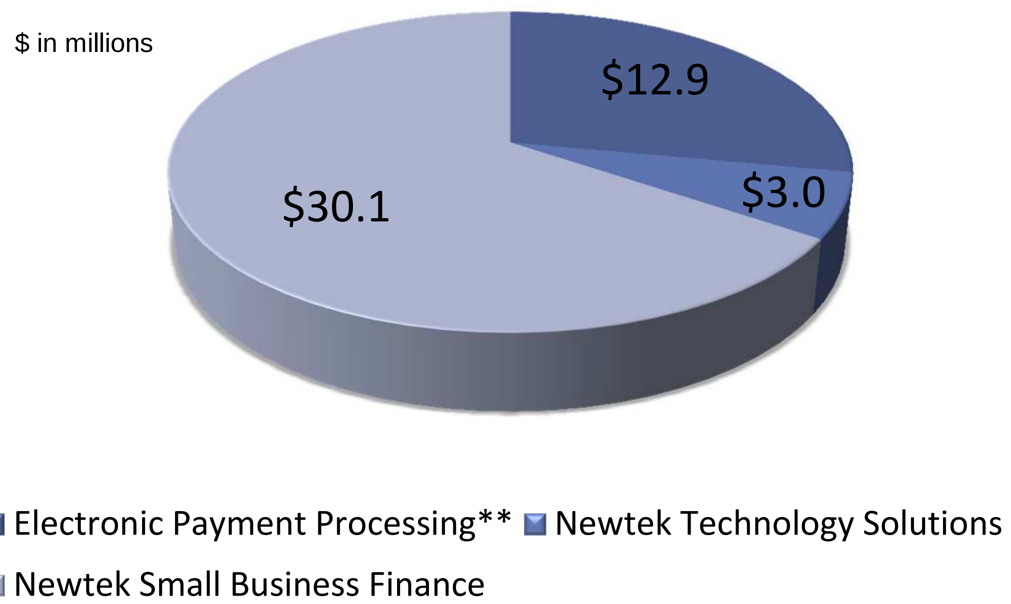
NTS' Opportunities in Cloud Computing

- 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 Healthcare 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

Full Year 2016 Adjusted EBITDA Breakdown*

Newtek® Your Business Solutions Company®

2016 Adjusted EBITDA[1] Breakdown



- 34.6% of 2016 Adjusted EBITDA[1] emanates from business service portfolio companies
- 65.4% of 2016 Adjusted EBITDA[1] emanates from the lending business

*Slide is for discussion purposes only. Does not represent BDC consolidated results and only reflects NSBF and three largest portfolio companies. **Includes Newtek Merchant Solutions and Premier Payments LLC.
[1]See page 39 for definition of Adjusted EBITDA.

Investment Summary

Newtek
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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 13-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 1,227 loans with an average loan size of approximately $179K 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 8% of outstanding shares as of December 31, 2016
- **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.

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Financial Review

Jennifer C. Eddelson, Chief Accounting Officer

Consolidated Statements of Operations

Newtek Business Services Corp. and Subsidiaries

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(n thousands except per share data amounts)

	Year Ended December 31, 2016	Year Ended December 31, 2015
Investment income:		
From non-affiliate investments:		
Interest income	$ 11,158	$ 8,924
Servicing income	6,160	4,611
Other income	2,714	1,929
Total investment income from non-affiliate investments	20,032	15,464
From controlled investments:		
Interest income	360	277
Dividend income	10,573	10,218
Other income	—	111
Total investment income from controlled investments	10,933	10,606
Total investment income	30,965	26,070
Expenses:		
Salaries and benefits	15,234	12,753
Interest	8,440	6,479
Depreciation and amortization	296	326
Other general and administrative costs	16,255	12,697
Total expenses	40,225	32,255
Net investment loss	(9,260)	(6,185)
Net realized and unrealized gains (losses):		
Net realized gain on non-affiliate investments	31,512	28,386
Net realized gain on controlled investments	108	5,473
Net unrealized appreciation (depreciation) on SBA guaranteed non-affiliate investments	1,035	(3,215)
Net unrealized appreciation on SBA unguaranteed non- affiliate investments	18	1,183
Net unrealized appreciation on controlled investments	11,337	12,250
Provision for deferred taxes on unrealized appreciation on controlled investments	(5,128)	(857)
Net unrealized depreciation on non-control/non-affiliate investments	(43)	(24)
Net unrealized depreciation on servicing assets	(2,269)	(1,268)
Net unrealized depreciation on credits in lieu of cash and notes payable in credits in lieu of cash	(5)	(7)
Net realized and unrealized gains	36,565	41,921
Net increase in net assets	$ 27,305	$ 35,736
Net investment loss per share	$ (0.64)	$ (0.57)
Net increase in net assets per share	$ 1.88	$ 3.32
Weighted average shares outstanding	14,541	10,770

Non-GAAP Financial Measures

Newtek Business Services Corp. and Subsidiaries

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, and beginning in 2016, capital gain distributions from controlled portfolio companies, which are reoccurring events. The Company defines Adjusted net investment income (loss) as Net investment income (loss) plus Net realized gains (losses) recognized from the sale of guaranteed portions of SBA 7(a) loan investments, plus Loss on lease expense, plus stock based compensation expense (added back in third quarter of 2016 only and will not be included prospectively as it is anticipated to be a reoccurring expense), 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 Adjusted net investment income 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 Adjusted net investment income.

Non-GAAP Financial Measure: Adjusted Net Investment Income

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Newtek Business Services Corp. and Subsidiaries

Adjusted Net Investment Income Reconciliation				
(in thousands, except per share amounts)	Year ended December 31, 2016	Per share	Year ended December 31, 2015	Per share
Net investment loss	$ (9,260)	$ (0.64)	$ (6,185)	$ (0.57)
Net realized gain on non-affiliate debt investments	31,512	2.17	28,386	2.63
Loss on lease	604	0.04	-	-
Stock-based compensation[1]	226	0.02	-	-
Realized gains on controlled investments[2]	108	0.01	-	-
Adjusted net investment income	$ 23,190	$ 1.60	$ 22,201	$ 2.06

[1]Includes only stock-based compensation for the third quarter 2016. Not included prospectively as it is anticipated to be a reoccurring expense.
[2] Included in 2016 only as it is anticipated to be reoccurring income.

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)	Year Ended December 31, 2016	Year Ended December 31, 2015
Pretax income	$ 9.0	$ 9.3
Interest expense, net	1.4	0.3
Depreciation and amortization	1.8	0.7
Managerial assistance fees	0.7	0.6
Adjusted EBITDA	**$ 12.9**	**$ 10.9**

Note: Adjusted EBITDA for the year ended December 31, 2015 does not include results for Premier Payments LLC, prior to investment on July 23, 2015.

Adjusted EBITDA Reconciliation – Newtek Technology Solutions

(in millions)	Year Ended December 31, 2016		Year Ended December 31, 2015	
Pretax income	$	0.3	$	1.2
Interest expense, net		0.4		0.1
Depreciation and amortization		1.6		1.3
Managerial assistance fees		0.7		0.5
Adjusted EBITDA	**$**	**3.0**	**$**	**3.2**

Note: Totals may not foot due to rounding.

Non-GAAP Financial Measures
Full Year 2016 Adjusted EBITDA Reconciliation

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(in millions)	Electronic Payment Processing	Managed Technology Solutions
Pretax income	$ 9.0	$ 0.3
Interest expense, net	1.4	0.4
Depreciation and amortization	1.8	1.6
Managerial assistance fees	0.7	0.7
Adjusted EBITDA	**$ 12.9**	**$ 3.0**

(in millions)	Newtek Small Business Finance
Net increase in net assets	$ 22.6
Interest expense, net	6.9
Depreciation and amortization	0.2
Loss on lease	0.3
Stock compensation expense	0.1
Adjusted EBITDA	**$ 30.1**

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**

Newtek Business Services Corp.
NASDAQ: NEWT

Raymond James 38th Annual Institutional Investors Conference
March 8, 2017

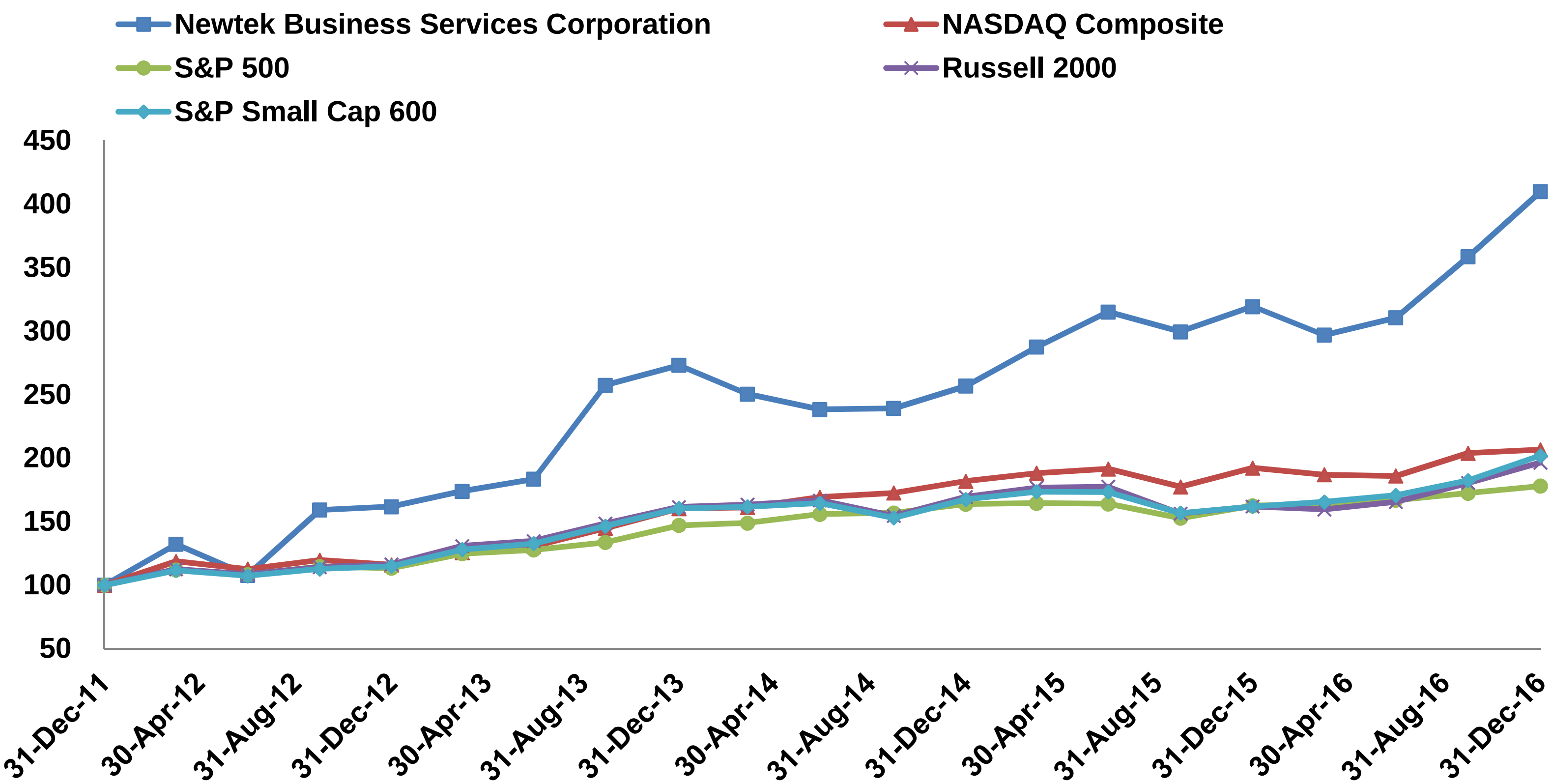
Barry Sloane, CEO & President

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

- As of December 31, 2016:
  – Newtek's 5-year total return, including reinvested dividends in NEWT, was **307.2%**
  – Newtek's 3-year total return, including reinvested dividends in NEWT, was **49.1%**
  – Newtek's 1-year total return, including reinvested dividends in NEWT, was **27.7%**



*Note: Total returns as per Bloomberg. Newtek converted to a BDC 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.

About Newtek Business Services Corp. (NASDAQ: NEWT)

Newtek® Your Business Solutions Company®

- An **internally managed Business Development Company ("BDC")**, which along with its controlled portfolio companies, is a direct distributor of a wide-range of business services and financial products to the small- and medium-sized business market ("SMB")
- Newtek converted to an internally managed BDC on November 12, 2014 and has been publically traded for over 16 years, since September 2000
- Once a BDC elects to be treated as a regulated investment company ("RIC"), the RIC must distribute ***at least 90%*** of its annual taxable income to shareholders
  - The Company forecasts paying an annual cash dividend of $1.57 per share in 2017; a 2.6% increase over the 2016 annual dividend of $1.53 per share (which was equivalent to approximately 94% of our estimated taxable income in 2016).
- Newtek and its controlled portfolio companies provide state-of-the-art, cost-efficient products and business solutions to over 100,000 SMB accounts across all 50 States including:
  - SBA 7(a) Lending
  - SBA 504 Lending
  - Receivable and Inventory Line of Credit Financing
  - Electronic Payment Processing
  - Payroll and Benefits Solutions
  - eCommerce and Mobile Processing
  - Commercial / Personal Insurance / Health & Benefits
  - Cloud Computing Products
  - Web Services – Hosting/Design Development

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

Newtek Positioned As *THE* Business Solutions Company

Newtek® Your Business Solutions Company®

- Positioned to be the business solutions company of choice for independent business owners
- One Newtek, One Brand
- Satisfy the business needs of small- and medium-sized businesses across many products and services from ONE brand
- www.newtekone.com
- Drive traffic to product pages as The Business Solutions Company
  - Newtek Business Finance Solutions - Newtekone.com/loans
  - Newtek Payment Solutions - Newtekone.com/payments
  - Newtek Technology Solutions - Newtekone.com/technology
  - Newtek Payroll and Benefits Solutions - Newtekone.com/payrollbenefits
  - Newtek Insurance Agency Solutions - Newtekone.com/insurance

NewTracker® & Alliance Relationships

- NewTracker® is Newtek's patented proprietary web-based customer referral, tracking and processing software
- NewTracker® is at the core of Newtek's differentiated business model with its unique ability to acquire opportunities and enable the Company to cost effectively provide financial and business solutions
- Management believes this financial technology acquisition strategy is one of the Company's secrets to success and that it is exponentially scalable
- Processing business from a remote location drives Newtek's business model
- Newtek has built a robust network of nationally recognized alliance partners that refer businesses to Newtek through NewTracker®
  - Alliance partners refer their customers to Newtek for one or more of our product solutions, to enhance and/or expand their core product menus
  - Alliance partner examples include: *AIG, Amalgamated Bank, Credit Union National Association, E-Insure, ENT Federal Credit Union, The Hartford, Legacy Bank, Morgan Stanley Smith Barney, Navy Federal Credit Union, New York Community Bank, Lending Tree, LLC, Randolph Brooks Federal Credit Union and UBS Bank, among others*
  - Recently added *Raymond James, Meineke Mufflers, JCC and True Value Hardware Stores* with additional alliance partner opportunities in the pipeline

Newtek's Differentiated BDC Business Model

Newtek®
Your Business Solutions Company®

- 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 operating businesses grow versus a portfolio of debt securities
  - Small balance, industry and geographically diversified portfolio of 1,227 loans with an average loan size of approximately $179K 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[1] per share in 2017; a 2.6% increase over the 2016 annual dividend paid of $1.53[1] per share
  - President & CEO owns approximately 7% of outstanding shares at December 31, 2016; 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

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

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 1.16x* NAV as of March 3, 2017
- Newtek's internally managed BDC public comparables currently trade at a median price to NAV of approximately 1.59x**
- Effect of BDC size and longevity of dividend history

Internally Managed BDCs	IPO Date as BDC	Market Capitalization** *(in millions)*	Stock Price/NAV Multiple**
Triangle Capital Corporation (NASDAQ: TCAP)	February-07	$ 922.3	1.28x
Main Street Capital (NASDAQ: MAIN)	January-10	$ 2,050.0	1.67x
Hercules Technolgy Growth Capital (NASDAQ: HTGC)	June-05	$ 1,023.0	1.50x
KCAP Financial (NASDAQ: KCAP)	December-06	$ 152.4	0.76x
Newtek Business Services Corp.(NASDAQ: NEWT)	November-14	$ 285.1	1.13x

*Closing price of $16.56 as of March 3, 2017. **Closing prices as of March 3, 2017 and most recently publicly reported NAVs. Market capitalization as of March 3, 2017.

2016 Dividend Distributions: Qualified vs. Non-Qualified

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- Of the regular quarterly cash dividends paid in 2016, approximately 53.0% was reported as ordinary income, 34.8% was reported as qualified dividends and 12.2% was reported as long-term capital gains

Payable date	Distribution amount per share	Taxable	Long term capital gains	Qualified	Non-Qualified	Total
1/19/2016	$ 0.40	88.3%	11.7%	37.8%	62.2%	100.00%
3/31/2016	$ 0.35	86.6%	13.4%	35.3%	64.7%	100.00%
6/30/2016	$ 0.35	86.6%	13.4%	33.6%	66.4%	100.00%
9/30/2016	$ 0.43	89.1%	10.9%	33.6%	66.4%	100.00%
12/30/2016	$ 0.40	88.3%	11.7%	33.6%	66.4%	100.00%

- Approximately 47% of total quarterly cash dividends paid in 2016 qualify for preferential tax treatment
- Believe this is one of the distinct advantages of our business model in which our portfolio companies' reoccurring stream of income is taxed at the portfolio-company level prior to being distributed to the Company
- Believe this reoccurring stream of income to be less sensitive to credit risk, interest rates and inflation, and could potentially benefit with such increases
- We anticipate similar tax attributes for 2017 due to our distinct business model

Note: 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.

Full Year 2016 Financial Highlights

Newtek® Your Business Solutions Company®

- Forecast paying an annual cash dividend of $1.57 per share in 2017; a 2.6% increase over the 2016 annual dividend of $1.53 per share
- Net asset value ("NAV") of $209.1 million, or $14.30 per share, at December 31, 2016, which represents an increase of 2.6% over NAV of $203.9 million, or $14.06 per share, at December 31, 2015
- Total investment income of $31.0 million; an 18.8% increase over $26.1 million for the year ended December 31, 2015
- Total investment portfolio increased by 29.3% to $345.2 million at December 31, 2016, from $266.9 million at December 31, 2015
- Debt-to-equity ratio of 82% at December 31, 2016
- Net investment loss of $(9.3) million, or $(0.64) per share, compared to $(6.2) million, or $(0.57) per share, for the year ended December 31, 2015
- Adjusted net investment income[1] of $23.2 million, or $1.60 per share, for the year ended December 31, 2016

*See slide 37 for definition of Adjusted net investment income.

Additional 2016 Financial Highlights

- Completed seventh and largest securitization to date resulting in the issuance and sale of $53.4 million of notes rated by Standard and Poor's Financial Services, LLC
- On June 24, 2016, Newtek made an investment in banc-serv Partners, LLC, a new wholly owned controlled portfolio company
- On April 22, 2016, closed a $40.25 million public offering of 7.00% Notes due 2021
  - The Notes trade on the Nasdaq Global Market under the trading symbol "NEWTL"

*See slide 39 for definition of Adjusted net investment income.

2016 SBA Lending Highlights

- Funded $309.1 million of SBA 7(a) loans in 2016; an increase of a 27.5% over the same period one year ago
- The Company's wholly owned portfolio company, Newtek Business Credit Solutions, closed $7.3 million in SBA 504 loans in 2016
- The Company received $8.5 billion in loan referrals in 2016; an approximate 67% increase over the same period last year
  - In Q4 2016, the Company received $2.8 billion in loan referrals; a 100% increase over Q4 2015
  - In January 2017, the Company received $932.8 million in loan referrals; an approximate 79% increase over loan referrals received during the same period last year
- At December 31, 2016, SBA 7(a) loans in the pipeline increased by approximately 77% to $176.1 million compared to $99.7 million at December 31, 2015
- Anticipate funding approximately $400 million in SBA 7(a) and SBA 504 loans in 2017, which would represent an approximate 26% increase over 2016

January 2017 Equity Offering

- 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 acted as joint bookrunners for this offering
- Strong demand for Newtek common stock and, as a result, deal was oversubscribed
- Gained new institutional shareholders and increases in positions by existing shareholders

Credit Facilities

- 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 $25 million to $75 million, as well as reduce the borrowing rate, subject to final documentation and approval from the U.S. Small Business Administration
- Potential leverage upside for portfolio companies
  - Goldman Sachs credit facility of $38.0 million is currently underdrawn
  - Current amount drawn is $22.0 million; $14.1 million is currently available to be drawn from this facility
  - Availability is limited to 2.5x trailing twelve month EBITDA of certain portfolio companies
  - In discussion with Goldman Sachs to increase size of facility and reduce borrowing costs

Investments Within Business Services Footprint

Newtek® Your Business Solutions Company®

- Newtek's strategy of returns predicated on:
  - Loan growth in the BDC
  - Organic growth in portfolio companies
  - Strategic acquisitions within the business services footprint
- Since Newtek's conversion to a BDC, there have been three 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

Current Investment Pipeline*

- Currently targeting the following companies for investment:
  1. Technology professional services company (VAR) with $2.7 million in EBITDA
  2. ISO with $2.0 billion in annualized payment processing volume
  3. Factoring company with $1.0 million in EBITDA
  4. PEO with $3.0 million in EBITDA
  5. SBIC Fund and Management Company
  6. Cloud Computing Hosting Company with $2.0 million in EBITDA
  7. IT staffing company with $2.0 million in EBITDA

*As of March 6, 2017. Newtek makes no representation or assurances that these investments will close.

Office Consolidation

- April 11, 2016: Opened new office headquarters in Lake Success, NY, which is located in western Long Island, and vacated its office space in West Hempstead, NY and New York, NY
  – Seven of the Company’s controlled portfolio companies in a central location
- In December 2016, entered into a sublease for entire office space in West Hempstead for the remainder through the April 2019 term
  – Expect to receive $750,000 in rental income over remaining term
- Plan to close the Brownsville, TX portfolio company office and relocate certain positions to Lake Success, NY
- Plan to reduce size of the West Allis, WI portfolio company office

Continued Expansion of Senior Management Team

Newtek
Your Business Solutions Company

- Throughout 2016, added significant talent to the senior management team of Newtek and its controlled portfolio companies
- Key 2016 Hires:
  - **Robert Schwan,** *Executive Vice President, Payroll Operations, Newtek Payment & Benefit Solutions*
  - **Glenn Weisberg,** *Regional Vice President, Newtek Business Services Corp.*
  - **Timothy C. Ihlefeld,** *Executive Vice President, Strategic Alliances, Newtek Business Services Corp.*
  - **Michelle A. Flaherty,** *Vice President/Human Resources, Newtek Merchant Solutions*
  - **Andrew Cohen,** *President & Chief Operating Officer, Newtek Merchant Solutions*
  - **Darlene Hayden,** *Senior Vice President, Director of Web Solutions and Marketing, Newtek Technology Solutions*
  - **Nilesh Joshi,** *Executive Vice Present and Chief Information Officer, Newtek Business Services Corp.*

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

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- Currently the largest non-bank institution 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 1,227 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 6.50% cost to borrower
- No origination fees with 7- to 25-year amortization schedules; receiving a high-quality loan product
- Secondary market established for SBA 7(a) government-guaranteed loans for over 61 years and Newtek establishes liquidity for unguaranteed portions through securitizations

[1] As of December 31, 2016

Capturing Opportunity in the Lending Market

Lending referrals $ in millions

Year to Date		Lending Referrals Submitted	Lending Referral Units	Closed Loan Units
December 31, 2016	$	8,560.6	14,809	402
December 31, 2015	$	5,116.9	9,503	292
Year-over-Year Increase		**67.3%**	**55.8%**	**37.7%**

- Referrals received have increased by approximately 67% as of December 31, 2016, compared to the same period one year ago
- In January 2017, the Company received $932.8 million in loan referrals; an approximate 79% increase over loan referrals received during the same period last year
- Lending referral units increased by approximately 56% as of December 31, 2016, compared to the same period one year ago
- Closed loan units increased by approximately 38% as of December 31, 2016, compared to the same period one year ago
- Continued strategy of funding smaller loan sizes which further diversifies our loan portfolio as well as increases the number of cross-selling opportunities

SBA 7(a) Loan Fundings & Pipeline Comparisons

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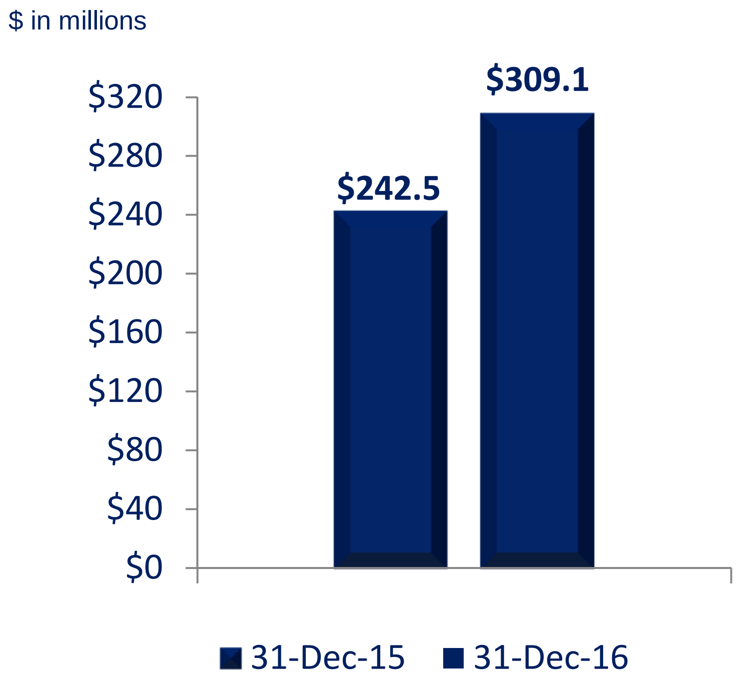
Year Ended
December 31, 2015 vs. 2016



2016 SBA 7(a) Loan Pipeline		
	December 31, 2016	December 31, 2015
Prequalified Loans[1]	$82,466,150	$52,303,001
Loans In Underwriting[2]	$22,641,000	$26,684,950
Approved Pending Closing	$71,021,800	$20,752,800
Total Loan Pipeline	**$176,128,950**	**$99,740,751**

[1]Prequalified loan volume continues to increase with greater referral volume.
[2]Reduction of Loans in Underwriting in 2016 over 2015 was a result of year-over-year improvement in the efficiency of the Company's lending process via technology and staffing.

- For the year ended December 31, 2016, SBA 7(a) loan fundings increased year over year by 27.5%
- At December 31, 2016, SBA 7(a) loans in the pipeline increased by 76.6% to approximately $176.1 million compared to $99.7 million at December 31, 2015

Average Net Premium From SBA Guaranteed Loan Sales

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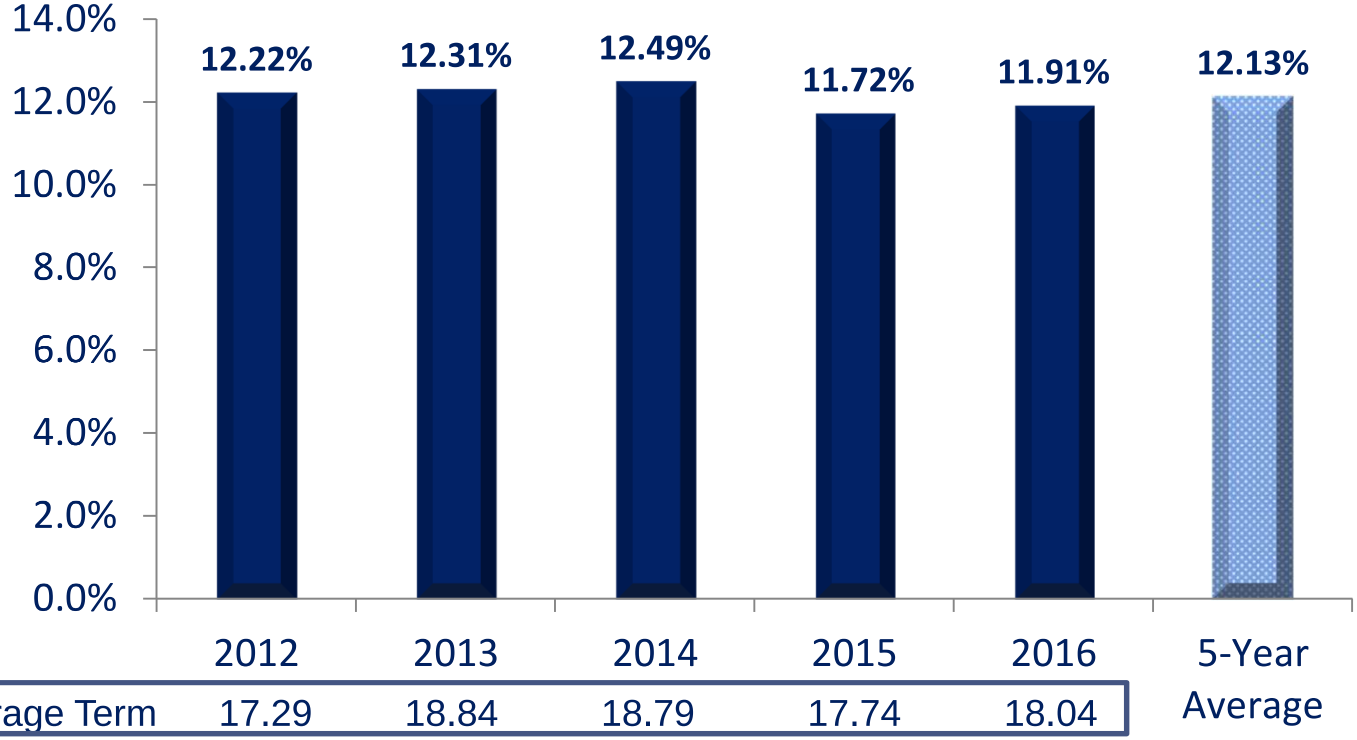
Net Premium Trends



	2012	2013	2014	2015	2016
Weighted Average Term	17.29	18.84	18.79	17.74	18.04

- For the year ended December 31, 2016, the net premium received on the sale of guaranteed SBA loans was 11.91%

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)	12/31/2013	12/31/2014	12/31/2015	12/31/2016
SBA 7(a) Unguaranteed Non- Performing Investments, at amortized cost	$ 7,653	$ 9,510	$ 10,772	$ 14,934
Fair Value Adjustment	(3,441)	(3,208)	(4,575)	(6,349)
SBA 7(a) Unguaranteed Non-Performing Investments, at fair value	$ 4,212	$ 6,302	$ 6,197	$ 8,584
Total Outstanding Loan Portfolio - Fair Value	$ 89,640	$ 121,426	$ 158,305	$ 211,462
Non-Performing Portfolio (at fair value) as a Percentage of Total Outstanding Loan Portfolio	**4.70%**	**5.19%**	**3.91%**	**4.10%**

Loan Portfolio Performance

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

	As of December 31, 2015	As of December 31, 2016
Average 12-Month Outstanding Loan Balance	$ 148,872,793	$ 193,247,854
Charge Off Rolling 12 Months	$ 1,183,766	$ 925,199
Realized Losses (Loan Charge Offs) as a Percentage of Average Outstanding Loan Portfolio	**0.80%**	**0.48%**

- For the 12 months ended December 31, 2016, experienced 0.48% of charge offs as a percentage of the average 12-month outstanding loan balance

SBA 7(a) Loan Sale Transaction

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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 (NBC)

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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
- NBC closed $7.3 million of SBA 504 loans in 2016
- As of December 31, 2016 there were $34.8 million SBA 504 loans in the pipeline
- 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
- 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 will sell the senior loan participation at an anticipated 3-5 point premium
- SBA 504 loans give borrowers a fixed-rate alternative

Sample SBA 504 Loan Structure

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- 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
- For the year ended December 31, 2016 vs. December 31, 2015
  - Revenue was $107.4 million; an increase of 7.9% over $99.5[1] million
  - Adjusted EBITDA* was $12.9 million; a 17.6% increase over $10.9 million

2017 Forecast

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

Valuation & Financial Performance

- Payment Processing business valued at $84.0 million, net of debt as of 12/31/16, which equates to approximately 6.2x FY 2017 forecasted Adjusted EBITDA*

Publicly Traded Comparable Companies

Name (Symbol)	Enterprise Value / 2016 EBITDA (LTM)[2]
Vantiv, Inc. (VNTV)	18.5x
Global Payments (GPN)	19.2x
First Data Corporation (FDC)	13.0x

Note: See 2016 Form 10-K for specific valuation methodology for controlled portfolio companies. [1]The Premier Payments LLC investment closed on July 23, 2015 and therefore prior-year results include Revenue and EBITDA from Premier Payments LLC for the period after investment.
[2]Estimates via Bloomberg as of February 27, 2017. *See page 39 for definition of Adjusted EBITDA.

EPP's Opportunities in Payment Processing

- 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-4, 5,000 square foot data center in Phoenix, Arizona; additional space in the U.K., New Jersey and Phoenix, Arizona
- 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
- For the year ended December 31, 2016 vs. December 31, 2015:
  - Revenue of $14.2 million; decrease of 1.0% from $14.4 million
  - Adjusted EBITDA* of $3.0 million; a decrease of 20.8% from $3.2 million

2017 Forecast

- Revenue: $14.5 million

Valuation & Financial Performance

- NTS valued at $20.1 million as of 12/31/16, which equates to approximately 1.4x 2017 forecasted revenue

Publicly Traded Comparable Companies

Name (Symbol)	Enterprise Value / 2016 Revenue (LTM)[1]
Endurance (EIGI)	2.9x
Web.com Group Inc. (WWWW)	2.3x

Note: See 2016 Form 10-K for specific valuation methodology for controlled portfolio companies [1]Multiples calculated using Bloomberg as of February 27, 2017. *See page 39 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 Healthcare 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

Full Year 2016 Adjusted EBITDA Breakdown*

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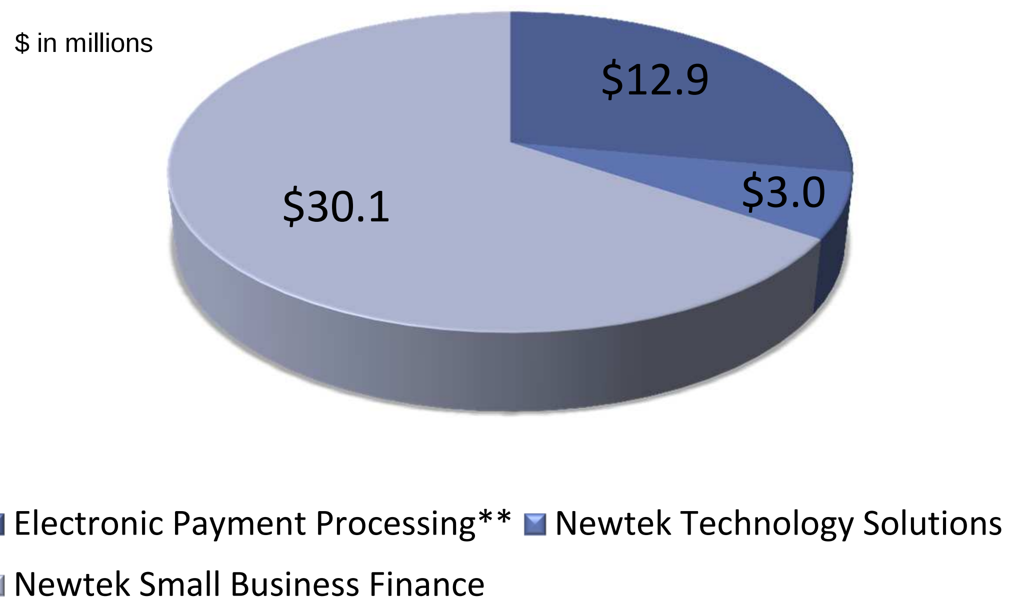
2016 Adjusted EBITDA[1] Breakdown



- 34.6% of 2016 Adjusted EBITDA[1] emanates from business service portfolio companies
- 65.4% of 2016 Adjusted EBITDA[1] emanates from the lending business

*Slide is for discussion purposes only. Does not represent BDC consolidated results and only reflects NSBF and three largest portfolio companies. **Includes Newtek Merchant Solutions and Premier Payments LLC.
[1]See page 39 for definition of Adjusted EBITDA.

Investment Summary

- Newtek Business Services Corp. has a differentiated BDC model
- Newtek is an **internally managed BDC;** does not pay a 4% management fee to an external manager
- Portfolio companies are wholly owned, most for over 10 years
- Portfolio company 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 13-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 1,227 loans with an average loan size of approximately $179K 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 8% of outstanding shares as of December 31, 2016
- **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.

Financial Review

Jennifer C. Eddelson, Chief Accounting Officer

Consolidated Statements of Operations
Newtek Business Services Corp. and Subsidiaries

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(n thousands except per share data amounts)

	Year Ended December 31, 2016	Year Ended December 31, 2015
Investment income:		
From non-affiliate investments:		
Interest income	$ 11,158	$ 8,924
Servicing income	6,160	4,611
Other income	2,714	1,929
Total investment income from non-affiliate investments	20,032	15,464
From controlled investments:		
Interest income	360	277
Dividend income	10,573	10,218
Other income	—	111
Total investment income from controlled investments	10,933	10,606
Total investment income	30,965	26,070
Expenses:		
Salaries and benefits	15,234	12,753
Interest	8,440	6,479
Depreciation and amortization	296	326
Other general and administrative costs	16,255	12,697
Total expenses	40,225	32,255
Net investment loss	(9,260)	(6,185)
Net realized and unrealized gains (losses):		
Net realized gain on non-affiliate investments	31,512	28,386
Net realized gain on controlled investments	108	5,473
Net unrealized appreciation (depreciation) on SBA guaranteed non-affiliate investments	1,035	(3,215)
Net unrealized appreciation on SBA unguaranteed non- affiliate investments	18	1,183
Net unrealized appreciation on controlled investments	11,337	12,250
Provision for deferred taxes on unrealized appreciation on controlled investments	(5,128)	(857)
Net unrealized depreciation on non-control/non-affiliate investments	(43)	(24)
Net unrealized depreciation on servicing assets	(2,269)	(1,268)
Net unrealized depreciation on credits in lieu of cash and notes payable in credits in lieu of cash	(5)	(7)
Net realized and unrealized gains	36,565	41,921
Net increase in net assets	$ 27,305	$ 35,736
Net investment loss per share	$ (0.64)	$ (0.57)
Net increase in net assets per share	$ 1.88	$ 3.32
Weighted average shares outstanding	14,541	10,770

Non-GAAP Financial Measures

Newtek Business Services Corp. and Subsidiaries

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, and beginning in 2016, capital gain distributions from controlled portfolio companies, which are reoccurring events. The Company defines Adjusted net investment income (loss) as Net investment income (loss) plus Net realized gains (losses) recognized from the sale of guaranteed portions of SBA 7(a) loan investments, plus Loss on lease expense, plus stock based compensation expense (added back in third quarter of 2016 only and will not be included prospectively as it is anticipated to be a reoccurring expense), 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 Adjusted net investment income 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 Adjusted net investment income.

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Newtek Business Services Corp. and Subsidiaries

Adjusted Net Investment Income Reconciliation

(in thousands, except per share amounts)	Year ended December 31, 2016	Per share	Year ended December 31, 2015	Per share
Net investment loss	$ (9,260)	$ (0.64)	$ (6,185)	$ (0.57)
Net realized gain on non-affiliate debt investments	31,512	2.17	28,386	2.63
Loss on lease	604	0.04	-	-
Stock-based compensation[1]	226	0.02	-	-
Realized gains on controlled investments[2]	108	0.01	-	-
Adjusted net investment income	$ 23,190	$ 1.60	$ 22,201	$ 2.06

[1]Includes only stock-based compensation for the third quarter 2016. Not included prospectively as it is anticipated to be a reoccurring expense.
[2] Included in 2016 only as it is anticipated to be reoccurring income.

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)	Year Ended December 31, 2016	Year Ended December 31, 2015
Pretax income	$ 9.0	$ 9.3
Interest expense, net	1.4	0.3
Depreciation and amortization	1.8	0.7
Managerial assistance fees	0.7	0.6
Adjusted EBITDA	**$ 12.9**	**$ 10.9**

Note: Adjusted EBITDA for the year ended December 31, 2015 does not include results for Premier Payments LLC, prior to investment on July 23, 2015.

Adjusted EBITDA Reconciliation – Newtek Technology Solutions

(in millions)	Year Ended December 31, 2016	Year Ended December 31, 2015
Pretax income	$ 0.3	$ 1.2
Interest expense, net	0.4	0.1
Depreciation and amortization	1.6	1.3
Managerial assistance fees	0.7	0.5
Adjusted EBITDA	**$ 3.0**	**$ 3.2**

Note: Totals may not foot due to rounding.

Non-GAAP Financial Measures
Full Year 2016 Adjusted EBITDA Reconciliation

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(in millions)	Electronic Payment Processing	Managed Technology Solutions
Pretax income	$ 9.0	$ 0.3
Interest expense, net	1.4	0.4
Depreciation and amortization	1.8	1.6
Managerial assistance fees	0.7	0.7
Adjusted EBITDA	**$ 12.9**	**$ 3.0**

(in millions)	Newtek Small Business Finance
Net increase in net assets	$ 22.6
Interest expense, net	6.9
Depreciation and amortization	0.2
Loss on lease	0.3
Stock compensation expense	0.1
Adjusted EBITDA	**$ 30.1**

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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**