

**Newtek Business Services Corp.-A Business Development Company ("BDC")**

[Newtek Business Services Corp.](#) ("Newtek" or the "Company"), *Your Business Solutions Company*<sup>®</sup>, is an **internally managed BDC**, which along with its controlled portfolio companies, is a direct distributor of a wide-range of business solutions to the small- and medium-sized business market (SMB). Publicly traded since September 2000, Newtek and its portfolio companies have provided 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 Lines of Credit Financing, Electronic Payment Processing, eCommerce and Mobile Payment Processing, Payroll and Benefits Solutions, Commercial / Personal Insurance /Health & Benefits, Cloud Computing Products and Web Services – Hosting/Design Development.**

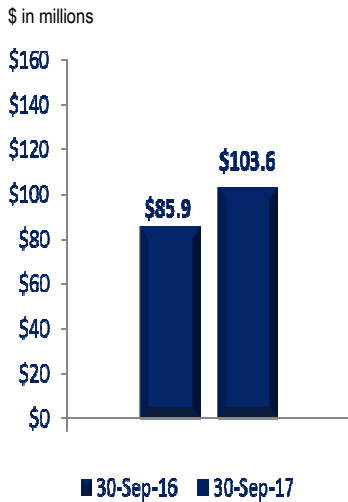
<b>Nasdaq Ticker:</b>	<b>NEWT</b>
<b>Closing Price (2/20/18):</b>	<b>\$17.06</b>
<b>52-Week Range:</b>	<b>\$15.61-\$19.40</b>
<b>Shares O/S (11/7/18):</b>	<b>18.0M</b>
<b>Market Cap (02/20/18):</b>	<b>\$307.1M</b>
<b>FY 2017 Dividend:</b>	<b>\$1.64 p/sh</b>
<b>Forecasted FY 2018 Dividend:</b>	<b>\$1.70 p/sh</b>

**BDC Overview**

- ◆ Newtek is an internally managed BDC.
- ◆ BDCs: (1) Are regulated under the Investment Company Act of 1940. (2) Generally invest in, or lend to, small- to medium-sized businesses, which become the BDC's portfolio companies. (3) If they elect to be treated as a regulated investment company ("RIC"), the RIC must distribute **at least 90%** of its annual taxable income to shareholders.

**SBA Loan Growth**

**SBA 7(a) Loan Fundings  
Three Months Ended  
September 30, 2016 vs. 2017**



- ◆ Newtek Small Business Finance, LLC funded \$103.6M of SBA 7(a) loans for the three months ended 09/30/17; an increase of 20.6% compared to \$85.9M of SBA 7(a) loans funded for the three months ended 09/30/16.
- ◆ Newtek Business Credit Solutions, a controlled portfolio company, funded \$4.8M of SBA 504 loans during the three months ended 09/30/17.
- ◆ Anticipate funding approximately \$415M in SBA 7(a) and SBA 504 loans in 2017, which would represent an approximate 31% increase in SBA loan originations over 2016.
- ◆ Received \$2.6B in loan referrals in the three months ended 09/30/17; a 30.7% year-over-year increase over the same period last year.
- ◆ Q3 2017 loan units referred were 7,900; a 135.6% year-over-year increase over 3,353 in Q3 2016.

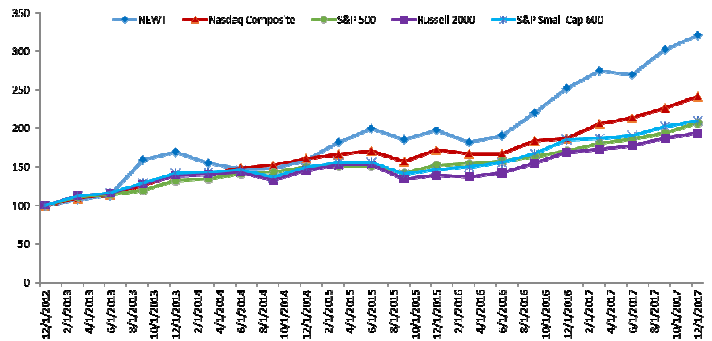
**Nine Months Ended 9/30/2017: Financial Highlights**

- ◆ Net asset value ("NAV") of \$255.6M, or \$14.40 per share, at 09/30/17; an increase of 0.7% over NAV of \$14.30 at 12/31/16.
- ◆ Net investment loss of \$(5.0)M, or \$(0.29) p/share, for the nine months ended 9/30/17, an improvement of 44.2% on a p/share basis, over a net investment loss of \$(7.6)M, or \$(0.52) p/share, for the nine months ended 9/30/16.
- ◆ ANII of \$21.6 million, or \$1.26 p/share, for the nine months ended 9/30/17; an increase of 10.5% on a p/share basis, over ANII of \$16.5M, or \$1.14 p/share, for the nine months ended 9/30/17.
- ◆ Total investment income of \$28.5M for the nine months ended 9/30/2017; an increase of 30.3% over total investment income of \$21.9M for the nine months ended 9/30/2016.

**2017 Annual Dividend and 2018 Forecast**

- ◆ Forecasts paying an annual cash dividend of \$1.70<sup>2</sup> p/share in 2018, a 3.7% increase over the 2017 annual dividend of \$1.64 p/share.
- ◆ January 18, 2018: Newtek's Board declared a Q1 2018 cash dividend of \$0.40 p/share, payable on March 30, 2018 to shareholders of record as of March 20, 2018, which represents an approximate 11% increase over the Q1 2017 dividend of \$0.36 p/share.

**Newtek's Historical Price Performance**



- ◆ Newtek's 12-month total return at December 31, 2017, including reinvested dividends, was **27.5%**
- ◆ As of December 31, 2017 including reinvested dividends in NEWT:
  - Newtek's **5-year total return** was **220.9%**
  - Newtek's **3-year total return** was **102.2%**

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

**Newtek's Differentiated BDC Model**

**WHY WE BELIEVE OUR MODEL IS BETTER**

- ◆ As an **internally managed** BDC, Newtek does not pay a 4% management fee to an external manager.
- ◆ We invest in (and originate) primarily senior-secured loans, and in operating businesses which are portfolio companies, which are primarily wholly owned and operated by Newtek, most for over 10 years.
- ◆ Potential net asset value ("NAV") upside as portfolio company businesses grow versus a portfolio of debt securities.
- ◆ Proven track record; Established in 1998; publically traded since September 2000.
- ◆ Over 14-year lending history through multiple lending cycles.
- ◆ Portfolio company cash flows tend to be less sensitive to credit risk, interest rates and inflation, and could potentially benefit with such increases.
- ◆ Small-balance, industry and geographically diversified portfolio of loans with an average loan size of approximately \$182K of the average unguaranteed retained loan balance.
- ◆ Floating-rate notes without a cap; tied to Prime with a quarterly rate adjust.
- ◆ Management's interests aligned with shareholders; management and Board combined, own approximately 6.4% of outstanding shares as of September 30, 2017.
- ◆ Have historically not invested in loans with 10%-14% interest rates with an equity kicker, which tend to be a higher risk.
- ◆ **NO** SBIC leverage, **NO** equity investments in collateralized debt obligations ("CDOs"), **NO** derivative securities, **NO** 2<sup>nd</sup> lien or mezzanine financing as a business line and **NO** direct lending exposure in the oil and gas industry.

\*As of September 30, 2017

<sup>1</sup>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), plus or minus the change in fair value of contingent consideration liabilities, plus stock-based compensation expense (added back in third quarter of 2016 only and is not included prospectively as it is anticipated to be a reoccurring expense).

<sup>2</sup>Amount and timing of dividends, if any, remain subject to the discretion of the Company's board of directors.

## Newtek and its Controlled Portfolio Companies



**Business Finance Solutions:** Largest non-bank SBA 7(a) lender in the U.S. providing end-to-end financing solutions, specializing in helping businesses obtain needed funds with a suite of financial programs that work with a variety of businesses and unique needs. SBA financing available from \$50,000 to \$10 million. In addition to business lending, our portfolio companies provide SBA 504 loans, accounts receivable and inventory financing, and third-party servicing.



**Newtek Merchant Solutions:** Provides a high-quality, customized program and pricing structure so business owners can accept non-cash payments. Newtek processed approximately \$5.8 billion annually for 2016, and is PCI compliant, monitoring transactions and processing them securely. Full-rate disclosure and no hidden fees, ensures the best rates. Bilingual customer support teams available 24/7/365.



**Newtek Technology Solutions:** Operate a level-three, military-strength data center in Phoenix, AZ. All applications for clients now hosted in the Cloud with tablet/smart phone access in real time. Includes cloud computing, hardware and software support, web design, internet marketing and web hosting. U.S.-based, 24/7/365 bilingual customer support teams are fast, responsive, experienced and solution-focused.



**Newtek Payroll and Benefits Solutions:** Cloud-based payroll product offers the same functionality as national brands at a much more affordable price. Cloud-based functionality and reporting makes the product easy to use. The service has options of direct deposit, paper checks, electronic check signing and more. Seamlessly integrates with Newtek's workers' compensation insurance, forming the "Pay As You Go" program.



**Newtek Insurance Brokerage Solutions:** Delivers affordable commercial, personal, life and health insurance, evaluates current insurance coverage, identifies risks and liabilities, determines potential risks and shops the market on the business owners' behalf with more than 40 A-rated insurance carriers.

## Executive Management

**Barry Sloane, Founder, Chairman of the Board, Chief Executive Officer & President.** Currently is and has been an executive officer of many of the Company's controlled portfolio companies. Mr. Sloane founded the Company in 1998.

**Jennifer C. Eddelson, CPA, Chief Accounting Officer & Executive Vice President.** Has served as Executive Vice President and Chief Accounting Officer of the Company since July 1, 2011. Previously Ms. Eddelson was employed by the Company since 2004 as Corporate Controller and Vice President of Financial Reporting since 2006. Ms. Eddelson is a certified public accountant licensed in the state of New York.

**Peter Downs, President of Newtek Small Business Finance, Chief Lending Officer & Director.** Joined the Company in 2003 and has been the President of Newtek Small Business Finance, LLC ("NSBF") and a member of the Risk Committee for NSBF.

**Michael A. Schwartz, Chief Legal Officer, Chief Compliance Officer & Secretary.** Has served as Chief Legal Officer and Corporate Secretary since January 1, 2015. On October 1, 2015, Mr. Schwartz was appointed the Company's Chief Compliance Officer. Previously, Mr. Schwartz was Senior Counsel to the Company since November 2013.

**John Raven, Chief Information Security Officer & Chief Technology Officer.** Has served as the Chief Information Security Officer and Chief Technology Officer of the Company since January 2016. In addition, Mr. Raven serves as President and COO of the controlled portfolio company Newtek Technology Solutions.

For additional information on each of the members of Newtek's executive management, please use the following link to view the Company's 2016 Annual Report and Proxy Statement: <http://investor.newtekbusinessservices.com/annuals-proxies.cfm>

## Company Contacts

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### Note Regarding Forward-Looking Statements

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