Newtek Business Services Corp.
NASDAQ: NEWT

Third Quarter 2022
Financial Results Conference Call
November 8, 2022 8:30 am ET

Hosted by:
Barry Sloane, CEO & President and Nicholas Leger, EVP & CAO

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Note Regarding Forward-Looking Statements

The matters discussed in this Presentation, as well as in future oral and written statements by management of Newtek Business Services Corp., that are forward-looking statements, are based on current management expectations that involve substantial risks and uncertainties which could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. Forward-looking statements relate to future events or our future financial performance. We generally identify forward-looking statements by terminology such as “may,” “will,” “should,” “would,” “allows,” “outlook,” “seeks,” “desires,” “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 close the pending acquisition of the National Bank of New York City (the “Acquisition”), obtain required regulatory approvals for the pending Acquisition, the timing of the closing of the Acquisition, the timing of the Company’s discontinuance from regulation as a BDC under the 1940 Act, projections concerning or considering the pending Acquisition, 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: the pending Acquisition and the potential benefits thereof, our future operating results; our business prospects and the prospects of our portfolio companies; the impact of investments that we expect to make; our ability to enter into joint venture agreements and the joint ventures abilities to originate loans; the ability to maintain key personnel and hire new personnel; our ability to expand our product offering; our ability and that 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 the section entitled “Risk Factors,” and 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 (“SEC”). We may not actually achieve the plans, intentions or expectations disclosed in forward-looking statements, and you should not place undue reliance on forward looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in forward-looking statements. We do not assume any obligations to update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law. In addition to factors previously disclosed in our reports filed with the SEC and those identified elsewhere in this Presentation, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: our ability to obtain regulatory approvals (and the timing of such approvals) and meet other closing conditions to the Acquisition; modification or termination of certain businesses to comply with regulatory requirements; delay in closing the Acquisition; the occurrence of any event, change or other circumstance that could give rise to the right of one or both parties to terminate the Acquisition; the risk that any announcements relating to the proposed Acquisition could have adverse effects on the market price of our common stock; difficulties and delays in integrating the NBNYC business; diversion of management’s attention from ongoing business operations and opportunities; our ability to operate as a bank holding company and the increase in regulatory burden and compliance costs; the attractiveness of our banking products to our existing customer base and our ability to cross-sell; any change in our dividend payout due to no longer operating as a BDC and RIC. These are representative of the factors that could affect the outcome of the forward-looking statements. In addition, such statements could be affected by general industry and market conditions and growth rates, general economic and political conditions, either nationally or in the states in which Newtek or NBNYC does business, including interest rate fluctuations, changes and trends in the securities markets and other factors.

Newtek and its Shareholder Base Believe Converting to a Bank Holding Company is in the Best Interest of Newtek

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- On August 2, 2021, the Company entered into the Stock Purchase Agreement with the National Bank of New York City ("NBNYC") and certain NBNYC shareholders to acquire all of the issued and outstanding stock of NBNYC (the "Acquisition"). Subject to certain pending regulatory approvals (the "Regulatory Approvals") and closing conditions described in the Company's Proxy Statement dated May 2, 2022, the Acquisition is part of the Company's plan to reposition itself as a bank holding company ("BHC") that intends to elect financial holding company status
- On June 1, 2022, at a special meeting of shareholders, Newtek shareholders overwhelmingly approved a proposal authorizing the Company's Board of Directors to discontinue the Company's election to be regulated under the Investment Company Act of 1940, as amended (the "1940 Act") (*subject to certain regulatory approvals and closing conditions described in the Company's Proxy Statement dated May 2, 2022*) (the "Proposal"). As previously disclosed, 89% of the votes cast at the Special Meeting were in favor of the Proposal
- As described more fully in the May 2, 2022 Proxy Statement, as a bank holding company, we believe we will be able to:
  - Increase the Company's financing flexibility and lower the cost of capital to the Company
  - Reduce the Company's reliance on issuance of higher cost of capital common equity to fund growth
  - Reduce reliance on higher cost of commercial funding sources to originate loans
  - Remove the 150% asset coverage requirement (i.e., limitations of 2 to 1 leverage) versus the limitations placed on bank holding companies and banks
  - Offer banking as a service and banking on demand
  - Have the opportunity for the Company to leverage the Company's patented technologies, including NewTracker® and the NewtekOne Dashboard™ (The Newtek Advantage™), patent pending
  - We believe we will be the same company, just in a different structure that we believe will enable us to unlock greater shareholder value

Unlocking the Value of Our Home-Grown Technology

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- NewTracker® enables us to remotely acquire customers through strategic alliance partnerships without the traditional use of branches, brokers, or business development officers ("BDO")
- The NewtekOne Dashboard™ which has been positioned as the "Newtek Advantage™" is designed to be a management tool for our business clientele that can make their businesses more successful and that our clients can depend on
- We will evaluate licensing NewTracker®, the Newtek Advantage™ and other Newtek technologies that have been developed across all product lines, to technology solution providers. Similar to what Live Oak Bank has done with nCino
- The Company believes it can further unlock shareholder value by potentially creating joint ventures with, and/or licensing our technology to, other market participants and financial institutions, including but not limited to community banks, regional banks and credit unions, which we believe can place us in a position to monetize our technological assets and processes
- We believe the Newtek Advantage™, can allow us to offer our future banking clientele the personal banking relationships, analytics, software and transactional capability that other banks simply do not offer

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"We give you personal banking relationships, analytics, software & transactional capability that other banks do not!"

Newtek Advantage™ - *"We give you relationships, analytics, software & transactional capability that other banks do not"*

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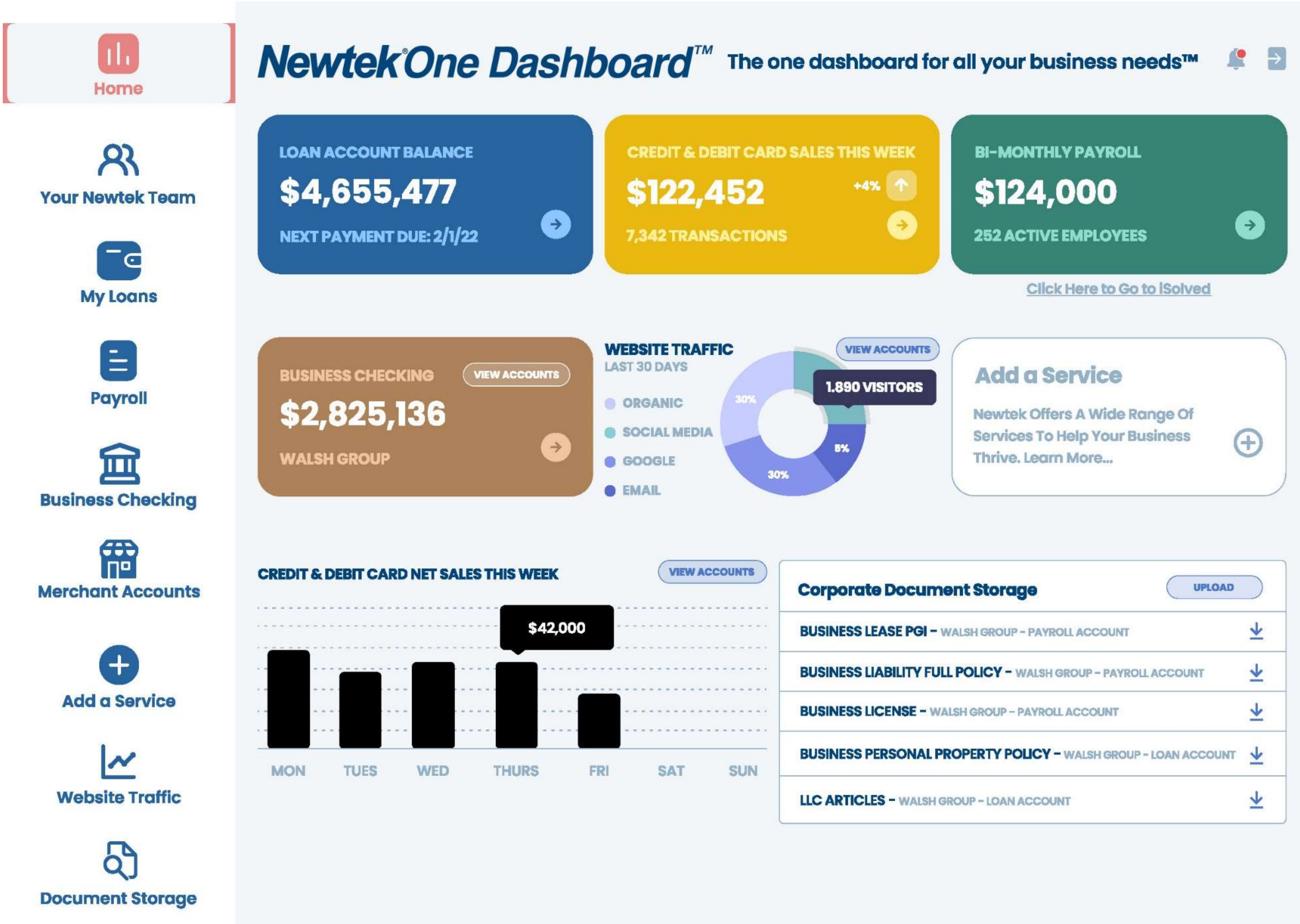

Newtek Advantage™

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- The Newtek Advantage™ will give Newtek's clients analytics, relationships and transactional capability that other banks do not
- We expect the Newtek Advantage™ to give our business clients a management asset that will enhance their business operations
- We believe the Newtek Advantage™ is unique because each of our clients will be assigned a Newtek relationship manager, and specialist in each Newtek business line
  - For example, our clients will have a Newtek lending specialist or a payments specialist and, if we become a bank holding company, a Newtek Bank depository specialist. This could give our clients 6 or 7 relationships to connect with at any time
- Our clients will be able to go into the Newtek Advantage™ and communicate via video with a Newtek specialist
- Our vision is to offer our clients the Newtek Advantage™, which can become a market-recognized tool and solution that Newtek's clients ultimately will not want to be without
- Future potential Newtek Advantage™ benefits: Newtek Tax and Newtek Digital Bookkeeping

Status of Regulatory Approval & Timing

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- The Acquisition is pending the Regulatory Approvals of the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System and the U.S. Small Business Administration
- We anticipate receiving the Regulatory Approvals in the fourth quarter of 2022, and closing the Acquisition thereafter
- We anticipate maintaining our status as a BDC through December 31, 2022
- The final decision on the timing of the Company's discontinuance from regulation as a BDC will be made by the Company's Board based on such factors deemed appropriate by the Board, including the then current status of the Acquisition and discussions with applicable regulatory authorities. After the Company's discontinuance from regulation as a BDC, the Company will no longer be subject to the regulatory provisions of the 1940 Act applicable to BDCs, will no longer qualify as a RIC, and therefore will be treated differently from both a tax and regulatory perspective

Third Quarter 2022 Operational Performance of Newtek Business Services Corp.

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- We want to note the efforts of our staff in operating our business and fully servicing our clients with all their needs, while simultaneously preparing for the future opening of Newtek Bank, National Association, subject to Regulatory Approvals

Rebranding of Newtek Business Services Corp to NewtekOne®

- In September 2022, the Company announced its future rebranding strategy in anticipation of receiving Regulatory Approvals for the closing of the Acquisition
- Upon receipt of the pending Regulatory Approvals and the close of the Acquisition, Newtek plans to change its name to **"NewtekOne®"** and to rename NBNYC, the 59-year-old nationally chartered bank, **"Newtek Bank, National Association."**
- The rebranding strategy is consistent with the Company's three-decade old philosophy developed by Newtek's CEO, Barry Sloane, in 1995, when he recognized and nurtured the idea to provide a single set of branded financial and business solutions to address the needs of independent business owners across the U.S.
- Newtek has solidified its position in the marketplace as the One Solution for All of Your Business Needs® for independent business owners, and now plans to expand upon this long-standing model as NewtekOne®
- As the soon-to-be rebranded NewtekOne, independent business owners will be able to access their depository functions and money movement capabilities multiple times a week, as well as develop a partnership with NewtekOne through which they can cultivate business relationships, as well as access advice, consultation, analytics and transactional capability
- In addition, as part of the rebranding initiative, Newtek will launch several rebranded product lines under the names of Newtek Bank, Newtek Technology, Newtek Payments, Newtek Lending, Newtek Payroll and Newtek Insurance
- Newtek will also launch its redesigned corporate website at www.newtekone.com

Third Quarter 2022 Lending Highlights: Record SBA 7(a) Fundings

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- Newtek Small Business Finance, LLC ("NSBF") funded a record $223.0 million in SBA 7(a) loans for the three months ended September 30, 2022, which represents a 36.1% increase over $163.9 million of SBA 7(a) loan fundings for the three months ended September 30, 2021
- NSBF also funded 355 SBA 7(a) loan units, a record for the three months ended September 30, 2022, compared to 219 SBA 7(a) loan units for the same period last year
- NSBF funded a record $586.9 million SBA 7(a) loans for the nine months ended September 30, 2022, which represents a 61.9% increase over $362.6 million SBA 7(a) loan fundings for the nine months ended September 30, 2021
- From January 1, 2022 through October 31, 2022, NSBF funded a record $650.9 million SBA 7(a) loans; a 68.3% increase over $386.8 million SBA 7(a) loans for the same period last year
- NSBF funded $64.1 million SBA 7(a) loans during October 2022
- NSBF raised its full year 2022 SBA 7(a) loan funding forecast to $775 million, which would represent a 38.2% increase over $560.6 million of SBA 7(a) loans funded in 2021
- Record SBA 7(a) loan fundings were accomplished without reducing the credit quality of our borrowers, to the contrary, we tightened credit standards with a reduced approval-rate percentage of loans presented to loan committee
  - The weighted average FICO score in NSBF's most recent securitization equaled 725 on its guarantors versus a weighted average FICO score of 704 in our SBA 7(a) loan portfolio at 12/31/2021
- For the three months ended September 30, 2022, the weighted-average net premium received on the sale of guaranteed portions of SBA 7(a) loans slightly increased to 9.4%

Operational Lending Performance Drivers

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- Changes to our NewTracker® platform have enabled us to transfer data from the borrower to our lending process in a more seamless manner removing any intermediary (banker, broker, BDO), reducing friction, increasing efficiency, accuracy and speed to qualify
- Our utilization of our NewTracker® referral system, which receives close to 75,000 referrals per quarter on average, gives us the ability to pair borrowers with loans from our SBA 7(a), SBA 504, secured lines of credit, and non-conforming conventional loan offerings
- We have made changes at the senior management level of our lending businesses, under the direction of Peter Downs, President of NSBF and Chief Lending Officer of the Company, over the past two years

Year-to-Date Through 10/31/2022
Loan Closings and Loan Pipeline

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Pipeline - SBA 7(a)				
	As of		Variance to Prior Year	
Status	10/31/2021	10/31/2022	$	%
In Prequal	250,202,730	338,903,009	88,700,279	35.45%
In Underwriting	92,168,110	148,871,100	56,702,990	61.52%
Approved Pending Closing	167,220,093	134,930,500	(32,289,593)	-19.31%
Closed (Year to Date)	392,136,067	644,737,856	252,601,789	64.42%
Total	**$901,727,000**	**$1,267,442,465**	**$220,312,196**	**24.43%**

Pipeline - SBA 504				
	As of		Variance to Prior Year	
Status	10/31/2021	10/31/2022	$	%
In Prequal	213,990,900	208,782,364	(5,208,536)	-2.43%
In Underwriting	22,768,050	18,642,500	(4,125,550)	-18.12%
Approved Pending Closing	62,830,514	39,767,614	(23,062,900)	-36.71%
Closed (Year to Date)	87,465,860	100,976,381	13,510,521	15.45%
Total	**$387,055,324**	**$368,168,859**	**($9,552,379)**	**-2.47%**

Pipeline - Non-Conforming Conventional				
	As of		Variance to Prior Year	
Status	10/31/2021	10/31/2022	$	%
In Prequal	40,465,000	88,827,000	48,362,000	119.52%
In Underwriting	37,102,500	28,315,000	(8,787,500)	-23.68%
Approved Pending Closing	0	8,420,000	8,420,000	-
Closed (Year to Date)	10,300,000	25,259,750	14,959,750	145.24%
Total	**$87,867,500**	**$150,821,750**	**$23,379,750**	**26.61%**

Year-to-Date Through 10/31/2022
Loan Closings and Total Loan Pipeline

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	Pipeline - Total			
	As of		Variance to Prior Year	
Status	**10/31/2021**	**10/31/2022**	**$**	**%**
In Prequal	504,658,630	636,512,373	131,853,743	26.13%
In Underwriting	152,038,660	195,828,600	43,789,940	28.80%
Approved Pending Closing	230,050,607	183,118,114	(46,932,493)	-20.40%
Closed (Year to Date)	489,901,927	770,973,987	281,072,060	57.37%
Total	**$1,376,649,824**	**$1,786,433,074**	**$234,139,567**	**17.01%**

Growth in Loan Referrals

- We received approximately 76,361 loan referrals for the three months ended September 30, 2022, compared to 72,598 for the same period in 2021
- We closed 368 loan units in the three months ended September 30, 2022 compared to 230 loan units for the same period in 2021
- Newtek's database of customer opportunities is extensive
- Cross-selling efforts are expected to be enhanced through the Newtek Advantage™, the "One Solution for all of Your Business Needs™"
- Newtek has 19 years of loan assembly, underwriting and technological expertise making it a leader in commercial lending
- Newtek has materially improved its technological lending applications to improve operational efficiencies in loan assembly, underwriting, approvals and closings

2022 Dividends

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- In anticipation of the Company discontinuing its election to be regulated under the 1940 Act, subject to Regulatory Approvals of the Acquisition and other closing conditions, after which the Company will no longer qualify as a RIC for federal income tax purposes and will no longer qualify for accounting treatment as an investment company, the Company is forecasting that it will distribute 90 – 100% of its 2022 taxable income to shareholders, plus a spillover dividend of retained earnings, which is forecasted to be paid out as a fourth quarter 2022 distribution in December 2022.[1] In line with the foregoing:
  - On September 28, 2022, the Company forecasted a fourth quarter 2022 cash distribution of $0.70 per share[1], which is expected to be paid on or before December 31, 2022
  - If this fourth quarter 2022 distribution is declared by the Board, the Company expects to pay approximately $2.75 per share in cash dividends and distributions to shareholders in 2022

[1]Note regarding Dividend Payments: Amount and timing of fourth quarter dividend or distribution, if any, remains subject to the discretion of the Company's Board of Directors.

Third Quarter 2022 Financial Highlights

- Total investment income of $23.6 million for the three months ended September 30, 2022; an increase of 90.0% compared to total investment income of $12.4 million for the three months ended September 30, 2021
- Net investment income (loss) of $0.2 million, or $0.01 per share, for the three months ended September 30, 2022, which represents a 103.3% increase, on a per share basis, compared to net investment income (loss) of $(6.7) million, or $(0.30) per share, for the three months ended September 30, 2021
- Adjusted net investment income ("ANII")1 of $15.0 million, or $0.62 per share, for the three months ended September 30, 2022; an increase of 12.7%, on a per share basis, compared to ANII of $12.3 million, or $0.56 per share, for the three months ended September 30, 2021
- Debt-to-equity ratio of 1.41x at September 30, 2022; proforma debt-to-equity ratio was 1.26x after taking into account the sales of government-guaranteed portions of SBA 7(a) loans prior to September 30, 2022, which sales settled subsequent to the balance sheet date
- Total investment portfolio increased by 10.3% to $785.6 million at September 30, 2022, from $712.5 million at September 30, 2021
- Net asset value ("NAV") of $391.8 million, or $16.04 per share, at September 30, 2022 compared to NAV of $16.23 per share at September 30, 2021

[1]Please see page 42 or definition of ANII, and pages 43 & 44 for reconciliation of ANII.

Financial Highlights: Nine Months Ended September 30, 2022

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- Total investment income of $63.2 million for the nine months ended September 30, 2022; a decrease of (24.5)% over total investment income of $83.7 million for the nine months ended September 30, 2021 which included $50.0 million of fee income from the PPP, which, as previously disclosed, is not recurring
- Net investment income (loss) of $(1.1) million, or $(0.04) per share, for the nine months ended September 30, 2022, which represents a (103.7)% decrease, on a per share basis, compared to net investment income (loss) of $24.0 million, or $1.07 per share, for the nine months ended September 30, 2021, which included $50.0 million of fee income from the Paycheck Protection Program (“PPP”) which, as previously disclosed, is not recurring
- ANII[1] of $50.3 million, or $2.08 per share, for the nine months ended September 30, 2022; a decrease of (25.7)%, on a per share basis, compared to ANII of $62.8 million, or $2.80 per share, for the nine months ended September 30, 2021, which included $50.0 million of fee income from the PPP which, as previously disclosed, is not recurring

[1]Please see page 42 for definition of ANII, and pages 43 & 44 for reconciliation of ANII.

Proforma Debt-to-Equity Reconciliation

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Newtek Business Services Corp. and Subsidiaries Debt to equity ratio, actual as of September 30, 2022		
Actual Debt to Equity ratio at September 30, 2022		
Total senior debt	$	553,153
Total equity		391,799
Debt to equity ratio - actual at September 30. 2022		1.41x

- Newtek typically funds both the unguaranteed and guaranteed portions of SBA 7(a) loans through its credit facility. The guaranteed portions of its SBA 7(a) loans are levered until the loans are sold and settled, typically within 10-14 days of origination

- Based on timing of when the guaranteed portions of SBA 7(a) loans are sold and settled, the debt-to-equity ratio will fluctuate

- As of September 30, 2022, there were approximately $71.6 million of guaranteed portions of SBA 7(a) loans sold pending settlement (broker receivable) against our line of credit

Newtek Business Services Corp. and Subsidiaries Debt to equity ratio - proforma at September 30, 2022 *(in thousands):*	
Broker receivable, including premium income receivable	71,634
Less: premium income included in broker receivable	(5,893)
Broker receivable	65,741
90% advance rate on SBA guaranteed non-affiliate portions of loans sold, not settled	59,167
Proforma debt adjustments:	
Total Senior Debt as of September 30, 2022	553,153
Proforma adjustment for broker receivable as of September 30, 2022, as calculated above	(59,167)
Total proforma debt at September 30, 2022	493,986
Proforma Debt to Equity ratio at September 30, 2022:	
Total proforma debt	493,986
Total equity	391,799
Debt to equity ratio - proforma at September 30, 2022	1.26x

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

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- The largest non-bank lender (with PLP status) licensed by the SBA under the federal Section 7(a) loan program, based on loan approval dollar volume
- One of 14 Non-Bank SBA Government-Guaranteed Lender Licenses
- National SBA 7(a) lender to small businesses since 2003; 19-year history of loan default frequency and severity statistics
- Issued 12 AA & A S&P-rated securitizations since 2010
- Small balance, industry and geographically diversified portfolio of 3,346 loans
  – Average loan size is approximately $150,000 of average unguaranteed retained loan balance
- Floating rate at Prime plus 2.75% with no caps and quarterly rate adjust; currently equivalent to 9.75% cost to borrower; pursuant to new SBA 7(a) rules, new NSBF 7(a) loan originations have increased to Prime plus 3.00%
- No origination fees (in addition to the SBA guaranty fee) with 7- to 25-year amortization schedules; receiving a high-quality loan product
- Secondary market established for SBA 7(a) government-guaranteed loans for over 30 years, and Newtek establishes liquidity for unguaranteed portions through securitizations

Average Net Premium From SBA Guaranteed Loan Sales

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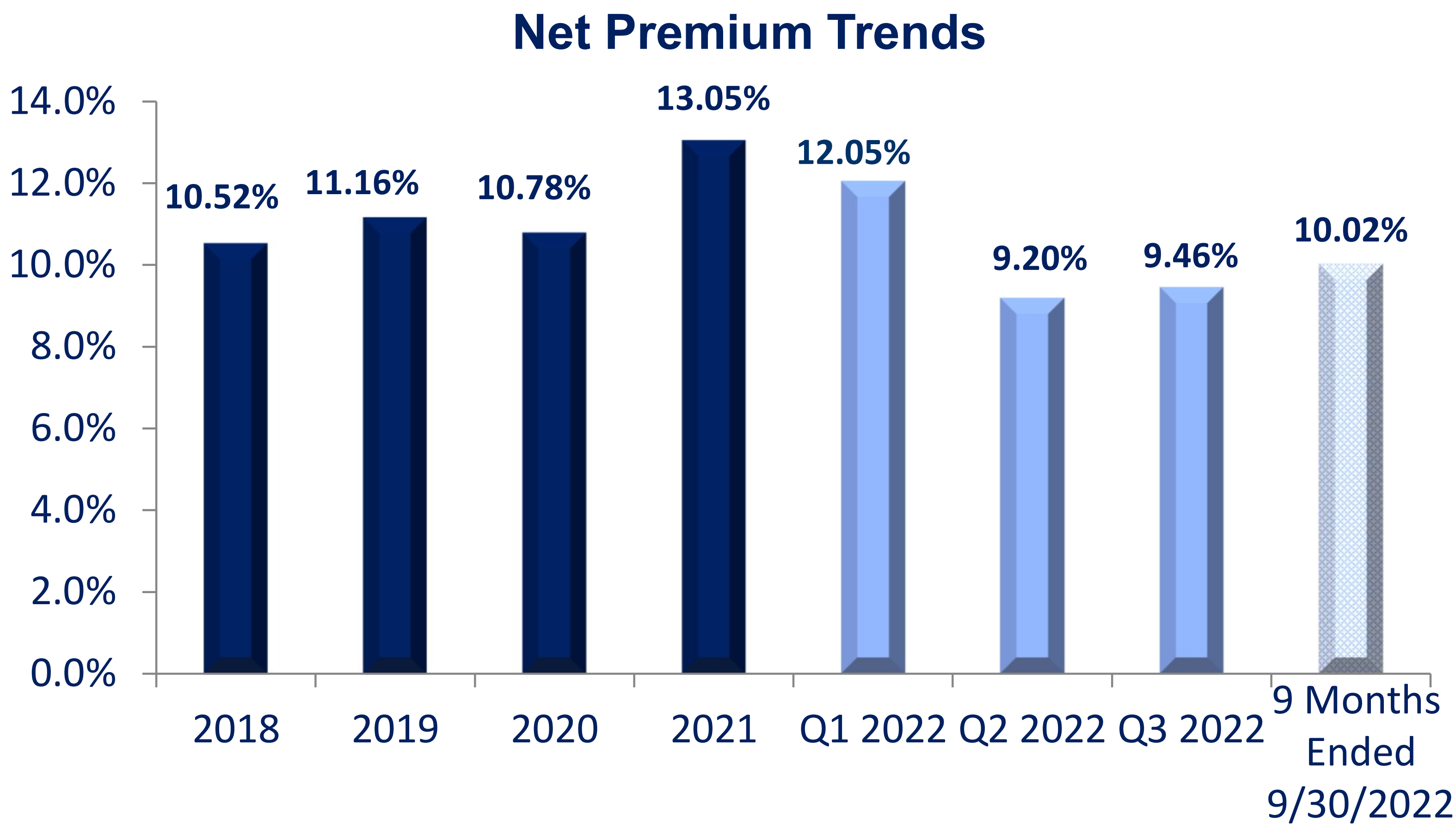
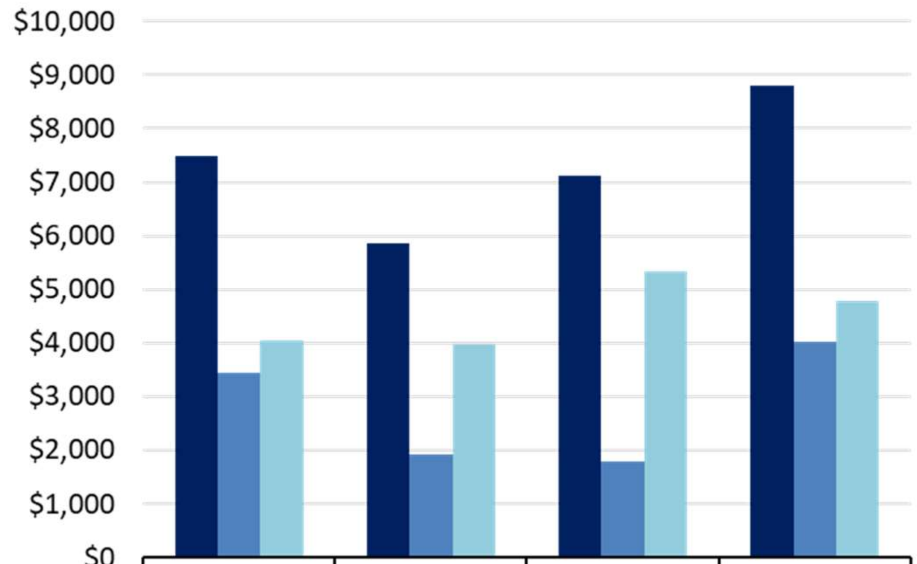


- For the three months ended September 30, 2022, the weighted average net premium received on the sale of guaranteed portions of SBA 7(a) loans was 9.46%, a slight improvement over the second quarter of 2022. The decline reflects, among other things, the lagging prime rate and other market pressures that we do not believe will exist forever
- For the nine months ended September 30, 2022, the weighted average net premium received on the sale of guaranteed portions of SBA 7(a) loans was 10.02%,
- The Company had $13.9 million in guaranteed portions of SBA 7(a) loans on its balance sheet as of September 30, 2022 available for sale

Note: Net premiums received on the sale of guaranteed portions of SBA 7(a) loans are recorded as Net realized gains on non-affiliate investments in the consolidated statements of operations. Premiums above 10% are split 50/50 with the SBA as reflected above.

NSBF Net Interest Income Trend



	Q3 2019	Q3 2020	Q3 2021	Q3 2022
Interest Income	$7,476	$5,871	$7,130	$8,804
Interest Expense - External	$3,438	$1,911	$1,784	$4,031
Net Interest Income - External	$4,038	$3,960	$5,347	$4,773

Note: the term 'External' denotes that fact that interest expense and net interest income do not include intercompany interest.

Tighted Underwriting Criteria

- We have tightened underwriting criteria due to changing market conditions i.e., rising interest rates, inflation, and a weakening economy:
  - Higher FICO® and SBSS℠ scores
  - Underwriting with stress tests and higher levels of interest-rate starting points
  - Making sure businesses have 4 to 8 quarters of excess liquidity in the event that historic and future projections are missed
  - Lending to businesses that can liquidate collateral or have unencumbered borrowing power to survive expense increases and revenue declines

Currency Analysis of Unguaranteed Accrual Portfolio

- The following chart shows the SBA 7(a) loan portfolio aging and currency at September 30, 2022, June 30, 2022 and September 30, 2021 **on accrual loans only**[1]

	9/30/2022			6/30/2022			9/30/2021		
Days Past Due	# of Loans	Retained Principal Balance	% of Portfolio	# of Loans	Retained Principal Balance	% of Portfolio	# of Loans	Retained Principal Balance	% of Portfolio
Current	3,097	$ 431,326,434	97.25%	2,889	$ 408,106,062	98.18%	2,341	$ 339,203,646	94.53%
31 - 60	42	$ 12,195,350	2.75%	34	$ 7,549,270	1.82%	43	$ 8,968,313	2.50%
61 - 90	0	-	0.00%	0	$ -	0.33%	0	$ -	0.00%
91 - 120	0	-	0.00%	0	$ -	0.00%	35	$ 8,194,494	2.28%
> 120	0	-	0.00%	0	$ -	0.00%	7	$ 2,483,601	0.69%
Accrual Total	**3,139**	**$ 443,521,784**	**100%**	**2,923**	**$ 415,655,322**	**100%**	**2,426**	**$ 358,850,113**	**100%**

[1] The SBA made principal and interest payments on behalf of eligible borrowers pursuant to Section 1112 of the CARES Act. September 30, 2022, June 30, 2022 and September 30, 2021 data do not include PPP loans.

Note: The table above does not include accrual loans in which NSBF owns 100% as a result of NSBF repurchasing the guaranteed portions from the SBA. The total amortized cost of the 100% NSBF-owned accrual loans at 09/30/2022, 06/30/2022 and 09/30/2021 was $0.153 million, $4.2 million and $7.0 million, respectively, and is included in SBA unguaranteed non-affiliate investments on the consolidated statements of assets and liabilities.

Illustrative SBA 7(a) Loan Sale Transaction

Net Cash Created on SBA 7(a) Loan Sale Transaction – An Example*

Key Variables in Loan Sale Transaction	
Loan Amount	$1,000,000
Guaranteed Balance (75%)	$750,000
Unguaranteed Balance (25%)	$250,000
Realized Gain (Premium)[1]	10.02%
Term	25 years

Illustrative Net Cash Created		
Guaranteed Balance	$750,000	
Realized Gains on Guaranteed Balance[2]	$75,150	
Cash Received in Securitization(3)	$208,750	
Total		$1,033,900
Net Cash Created (Post Securitization) [4,5]	$33,900	

* There is no assurance that this can occur.
[1]Realized gains (premiums on loan sales) above 10% are split 50/50 with the SBA.
[2]Assumes 10.02% of the Guaranteed balance.
[3]Assumes 83.5% advance rate in securitization on unguaranteed balance.
[4]Assuming the loan is sold in a securitization in 12 months.
[5]Net cash created per $1 million of loan originations.

Illustrative SBA 7(a) Loan Sale Transaction

Direct Revenue / Expense of an SBA 7(a) Loan Sale Transaction – An Example*

Key Variables in Loan Sale Transaction	
Loan Amount	$1,000,000
Guaranteed Balance (75%)	$750,000
Unguaranteed Balance (25%)	$250,000
Realized Gain (Premium)[1]	10.02%
Term	25 years

Illustrative Resulting Revenue (Expense)		
Associated Premium[2]	$75,150	
Servicing Asset[3]	$13,200	
Total Realized Gain		$88,350
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]		**$77,100**

* There is no assurance that this can occur.
[1]Realized gains (premiums on loan sales) above 10% are split 50/50 with the SBA.
[2]Assumes 9.2% of the Guaranteed balance.
[3]Fair value estimate of servicing asset.
[4]Example assumes a 2.5% discount to reflect cumulative estimate of default frequency and severity among other assumptions.
[5]Net risk-adjusted profit recognized per $1 million of loan originations.

Portfolio Company Review

SBA 504 Loan Program

- Newtek Business Lending ("NBL"), a wholly owned portfolio company, originates and funds SBA 504 loans; and has originated non-conforming conventional loans including on behalf of the Company's joint venture program
- Newtek Small Business Lending ("SBL") closes and services SBA 504 loans originated by NBL
- NBL closed $101.0 million of SBA 504 loans year-to-date through October 31, 2022; an increase of 22.6% over $82.4 million of SBA 504 loans closed during the same period in 2021
- SBA 504 loan closing statistics for the three months ended September 30, 2022
  - 10 Loans - $25.0 million total closings
  - (5) 1st Mortgage Loans = $16.1 million
  - (5) 2nd Mortgage Loans = $8.9 million (taken out or expected to be taken out by SBA debentures)
- NBL forecasts closing approximately $150 million of SBA 504 loans for the full year 2022, which would represent a 66.5% increase over $90.1 million of closed SBA 504 loans in 2021
- NBL has a total of $195 million in credit facilities with Deutsche Bank AG, Capital One Bank N.A., and One Florida Bank to provide SBA 504 financing

Credit Quality of Historic SBA 504 Loans & Non-Conforming Conventional Loan

- NBL originated $388.4 million SBA 504 loans since 2017, and has not experienced any defaults or charge offs to date

- The Company has originated $132.5 million non-conforming conventional loans since 2019, and has not experienced any defaults or charge offs to date

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 NBL	$500,000	50%
Renovations	150,000	Bridge Loan Originally Funded by NBL*	400,000	40%
Soft & Closing Costs	50,000	Borrower Equity Injection	100,000	10%
Total	$1,000,000	Total	$1,000,000	100%

- Up to 50% first mortgage
- Up to 40% second mortgage provided by CDC ($250,000 to $4.0 million)
- At least 10% equity contribution

*Taken out by CDC funded second mortgage of $400,000 typically within 60-90 days of funding.

Illustrative 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	$1,000,000
Senior Loan Balance	$500,000
Junior Bridge Loan Balance(1)	$400,000
Premium	3.00%
Rate	Fixed
Term	10 Years

Illustrative Net Cash Created Pretax	
Total Senior & Junior Debt	$900,000
Funded Under Bank Facility	$630,000
NBL Equity	$270,000
Net Origination Fees	$18,000
Interest Earned Before Sale(2)	$22,750
Interest Expense	($7,963)
Premium Earned Upon Sale	$15,000
Total Net Cash Created(3)	$47,788
Return on Investment (Gross Operating Profit/ Equity)(4)	35.4%

* There is no assurance that this can occur.

(1) Funded by NBL, to be taken out within 90 days by a junior lender through SBA guaranteed debenture.

(2) Interest earned on Senior and Junior Bridge loans are outstanding prior to takeout from CDC and loan sale.

(3) Net cash created equals the addition of Net Premium Earned, Net Interest Earned Before Sale, Origination Fees, less Interest Expense.

(4) The first year return on investment is based on net cash created of $48,400 divided by NBL equity of $270,000. The holding period for the loan is assumed to be 6 months. In this illustrative example, return on investment is shown annualized for the full year and does not account for $120,000 of equity returned early after 90 days due to the Junior Bridge Loan replacement via SBA guaranteed debenture.

Non-Conforming Conventional Lending Program Initiatives

- Newtek Conventional Lending LLC ("NCL"), the Company's first joint venture, was launched in 2019 to fund non-conforming conventional loans
- Newtek Business Lending originates and closes non-conforming conventional loans funded by joint ventures
- SBL services these portfolios for Newtek entities
- At September 30, 2022, the NCL portfolio of non-conforming conventional loans had a total principal balance of approximately $81.4 million, consisting of 16 loans, all of which are current with payments
- In January, 2022, NCL closed a conventional commercial loan securitization with the sale of $56.3 million Class A Notes, NCL Business Loan Trust 2022-1, Business Loan-Backed Notes, Series 2022-1, secured by a segregated asset pool consisting primarily of conventional commercial business loans

Goal to Expand Non-Conforming Conventional Loan Program

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- The Company is currently negotiating additional joint-venture agreements
- During the third quarter of 2022, the Company's wholly owned subsidiary Newtek Commercial Lending, Inc. and TSO II Booster Aggregator, L.P. ("TSO II") entered into a joint venture, Newtek-TSO II Conventional Credit Partners, LP (the "JV")
- TSO II is a fund owned and managed by a $15 billion asset management company, which will provide up to $100 million of equity capital to fund non-conforming conventional loans to middle-market companies as well as small businesses
- Newtek Commercial Lending and TSO II each committed to contribute an equal share of equity funding to the JV and each will have equal voting rights on all material matters. The JV intends to deploy capital over the course of time with additional leverage supported by a warehouse line of credit
- The JV is preparing to close on a $150 million leverage facility from a well-known investment bank

Benefits of Non-Conforming Conventional Loan Program

- Additional origination fees
- Additional servicing income
- Asset liability match of interest income while loans are in warehouse credit facility and interest expense when in securitization vehicle
- Joint Ventures provide Newtek with greater operating leverage by using Newtek's existing pipeline, systems and portfolio company staff to originate loans with greater balances and higher return on equity
- Joint Ventures can leverage Newtek's existing origination platform which
- We anticipate funding $600 million of non-conforming conventional loans in 2023 and $1.0 billion of non-conforming conventional loans in 2024 with the expectation that they will be funded through joint venture investments held at the bank holding company and exited through securitizations

NCL Securitization

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- On January 28, 2022, NCL closed a conventional commercial loan securitization with the sale of $56.3 million Class A Notes (“Notes”), NCL Business Loan Trust 2022-1, Business Loan-Backed Notes, Series 2022-1, secured by a segregated asset pool consisting primarily of conventional commercial business loans

  – The Notes were rated “A” (sf) by DBRS Morningstar
  – The weighted average gross coupon on the loans was approximately 8.2%
  – The weighted average net coupon of joint venture was approximately 7.4%
  – Approximate net interest margin was 4%
  – The A-rated coupon was approximately 3.2%
  – Percentage of equity contributed by JV partners was 37%

  – Extremely attractive returns on equity for Newtek and JV partners – anticipated double-digit yields
- We believe we can cast a wider net to reach and meet the needs of additional types of borrowers with our non-conforming conventional lending program
- We continue to build a pipeline and are close to launching our new Newtek TSO JV
- We believe the profitability profile and volume demands for our non-conforming conventional loans has the potential to augment the performance of our historical and traditional government-guaranteed lending programs
- We plan to lever our operational infrastructure, track record and securitization expertise to grow our non-conforming conventional loan program, while also remaining focused on continuing to grow our SBA 7(a) and SBA 504 loan programs

Portfolio Companies: Newtek Payment Processing Companies

- Newtek Merchant Solutions and Mobil Money had a combined equity fair market value of $118.0 million as of September 30, 2022
- Total enterprise value ("TEV") of $130.0 million, including debt and excess cash, equates to a total enterprise value multiple of 8.1x 2022 forecasted EBITDA of $16.0 million for the combined Newtek Payment Processing Companies

Market Comparables

Ticker	Company	TEV/ 2022 EBITDA [(1)]
EVTC	EVERTEC, Inc.	9.0x
GPN	Global Payments Inc.	10.5x
EVOP	EVO Payments	15.0x [(2)]
IIIV	i3 Verticals, Inc.	10.7x

Footnotes:
(1) Prices and estimates as of November 2, 2022.
(2) EVO Payments agreed to be acquired at $34.00 a share in August and the multiple shown is based upon $33.65 per share trading price on 11/2/22

Source: S&P Capital IQ

Newtek Technology Solutions ("NTS")

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- **NTS is our Phoenix-based cloud-computing portfolio company that primarily provides managed services**
- NTS had an equity fair market value of $30.0 million, (net of debt) as of September 30, 2022
- Combined TEV including debt and excess cash is $40.9 million
- NTS forecasts 2022 revenue between **$35 and $40 million**, and 2022 EBITDA of approximately **$4.0 million** (10.2x TEV/ 2022E EBITDA multiple)
- We expects growth in the fourth quarter and believes it can resume higher growth run rates

Newtek Payment Systems – POS on Cloud

- In Q3 2019, NBSC acquired a 50.1% interest in POS on Cloud d/b/a Newtek Payment Systems which owns a cloud-based Point of Sale (POS) system for a variety of restaurant, retail, assisted living, parking garages, parks and golf course businesses providing not only payments and purchase technology solutions but also inventory, customer management, reporting, employee time clock, table and menu layouts, and ecommerce solutions as the central operating system for an SMB
- We believe Newtek Payment Systems is extremely competitive and can replace existing users of Square® and Clover®
- NMS offers the Newtek Payment Systems POS system to its clients and is continually updating and further commercializing the software
- Several major clients include a state government and a large assisted-living company
- POS on Cloud has been co-branded Newtek Payment Systems and will be white labeled for our alliance partners so they will be able to offer POS payment systems to their clients including credit unions, banking institutions, trade associations and investment banking clientele
- POS on Cloud is an all-encompassing system that can:
  - Process payments
  - Integrate with ecommerce
  - Integrate with all food delivery services like Uber Eats, Grubhub, DoorDash etc.
  - Integrate with general ledger accounting software
  - Include the Newtek Payroll Solutions payroll product to provide payroll solutions, workman's compensation, health insurance, and a window into 401K
- Our depository alliance partners will be able to manage and operate accounts for payroll and payments and distribute and sell their own 401K

Newtek Payroll & Benefits Solutions & Newtek Insurance Solutions

- Expanded Newtek's Payroll & Benefits Solutions offering with its revamped management and iSolved® software in 2021
  - Samantha Razon, Director of Payroll Operations, has joined Shannon Vestal, Senior Vice President of Newtek Payroll Solutions, to enhance, grow and develop our state-of-the-art payroll, health and benefits offerings
- Expanded Newtek's Insurance Agency Solutions ("NIA") offering with its revamped management in 2021
- Both Payroll & Benefits Solutions, and NIA estimate profitability in 2022

Investment Summary

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- Newtek has been publicly traded since 2000, with a strong core business that has proven to be nimble, operating in different financial structures, markets and economic environments and navigating to success, which we believe positions us for success in our new structure and therefore benefit our shareholders
- We believe that, subject to Regulatory Approvals, the Company has an opportunity to unlock the value in its technology that it has built over 19 years in a bank holding company structure
- BDC dividend investors have been selling Newtek stock since August 2021 coinciding with the day Newtek announced its intention to acquire NBNYC; we believe we have experienced a stockholder base transformation similar to what we experienced when we converted to a BDC in 2014
- We believe the new structure will allow for increased institutional ownership as Institutional investors typically do not purchase BDCs due to BDCs exclusion from the S&P 500 and Russell 2000 indices and the Acquired Fund Fees and Expenses (“AFFE”) makes it difficult for institutional investors to invest in BDCs
- If our fourth quarter 2022 distribution of $0.70 per share is declared by the Board, the Company expects to pay approximately $2.75 per share in cash dividends and distributions to shareholders in 2022
- If we receive our anticipated Regulatory Approvals, we will provide earnings forecasts for 2023 and 2024, as we currently have limited guidance available
- We are hopeful our sell side analysts will transfer coverage from BDC analysts to bank analysts
- Earnings multiples are depressed industry wide for BDC and bank stocks
- Gain-on-sale margins are depressed, and lags in the Prime versus Treasuries have created margin pressure

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Financial Review

Nicholas Leger, Chief Accounting Officer

Consolidated Statements of Operations
Newtek Business Services Corp. and Subsidiaries

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(in thousands except per share data amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Investment income:				
Interest income	$ 9,557	$ 7,851	$ 26,002	$ 21,405
Interest income - PPP loans	—	269	—	49,989
Dividend income	7,224	23	20,051	121
Servicing income	3,575	2,819	9,931	8,346
Other income	3,224	1,446	7,171	3,829
Total investment income	23,580	12,408	63,155	83,690
Expenses:				
Salaries and benefits	4,772	2,351	14,380	12,727
Interest	6,917	5,177	17,412	15,217
Depreciation and amortization	58	72	181	236
Professional fees	1,509	1,418	4,322	3,465
Origination and servicing	2,866	4,586	7,202	10,555
Origination and servicing - related party	5,430	3,177	14,698	10,830
Loss on extinguishment of debt	—	—	417	955
Other general and administrative costs	1,823	2,322	5,619	5,663
Total expenses	23,375	19,103	64,231	59,648
Net investment income (loss)	205	(6,695)	(1,076)	24,042
Net realized and unrealized gains (losses):				
Net realized gain on investments	14,767	19,272	49,953	38,079
Net realized gain (loss) on derivative transactions	—	(268)	445	(268)
Net unrealized (depreciation) appreciation on investments, net of deferred taxes	(1,986)	5,921	(10,825)	5,581
Net unrealized depreciation on servicing assets	(1,624)	(1,616)	(3,964)	(3,322)
Net realized and unrealized gains	11,157	23,309	35,609	40,070
Net increase in net assets resulting from operations	$ 11,362	$ 16,614	$ 34,533	$ 64,112
Net investment income per share	$ 0.01	$ (0.30)	$ (0.04)	$ 1.07
Net increase in net assets resulting from operations per share	$ 0.47	$ 0.74	$ 1.43	$ 2.85
Weighted average shares outstanding	24,299	22,541	24,204	22,468

Non-GAAP Financial Measures

Newtek Business Services Corp. and Subsidiaries

In evaluating its business, Newtek considers and uses ANII as a measure of its operating performance. ANII includes short-term capital gains from the sale of the guaranteed portions of SBA 7(a) loans and conventional loans, and beginning in 2016, capital gain distributions from controlled portfolio companies, which are reoccurring events. The Company defines ANII as Net investment income (loss) plus Net realized gains recognized from the sale of guaranteed portions of SBA 7(a) loan investments, less realized losses on non-affiliate investments, plus the net realized gains on controlled investments, plus or minus the change in fair value of contingent consideration liabilities, plus loss on extinguishment of debt, plus or minus an adjustment for gains or losses on derivative transactions.

We do not designate derivatives as hedges to qualify for hedge accounting and therefore any net payments under, or fluctuations in the fair value of, our derivatives are recognized currently in our GAAP income statement. However, fluctuations in the fair value of the related assets are not included in our income statement. We consider the gain or loss on our hedging positions related to assets that we still own as of the reporting date to be “open hedging positions.” While recognized for GAAP purposes, we exclude the results on the hedges from ANII until the related asset is sold and/or the hedge position is “closed,” whereupon they would then be included in ANII in that period. These are reflected as “Adjustment for realized gain/(loss) on derivatives” for purposes of computing ANII for the period. We believe that excluding these specifically identified gains and losses associated with the open hedging positions adjusts for timing differences between when we recognize changes in the fair values of our assets and changes in the fair value of the derivatives used to hedge such assets.

The term ANII 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. ANII has limitations as an analytical tool and, when assessing the Company’s operating performance, investors should not consider ANII in isolation, or as a substitute for net investment income, or other consolidated income statement data prepared in accordance with U.S. GAAP. Among other things, ANII does not reflect the Company’s actual cash expenditures. Other companies may calculate similar measures differently than Newtek, limiting their usefulness as comparative tools. The Company compensates for these limitations by relying primarily on its GAAP results supplemented by ANII.

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Newtek Business Services Corp. and Subsidiaries
Adjusted Net Investment Income
For the Three Months Ended September 30, 2022 and 2021

(in thousands, except per share amounts)	Three months ended September 30, 2022	Per share	Three months ended September 30, 2021	Per share
Net investment income (loss)	$ 205	$ 0.01	$ (6,695)	$ (0.30)
Net realized gain on non-affiliate investments - SBA 7(a) loans	14,767	0.61	19,272	0.85
Adjustment for realized gain/(loss) on derivatives (1)	-	-	(7)	-
Adjusted Net investment income	$ 14,972	$ 0.62	$ 12,570	$ 0.56

(in thousands, except per share amounts)	Three months ended September 30, 2022	Per share	Three months ended September 30, 2021	Per share
Net realized gain on derivatives	$ -	$ -	$ (268)	$ (0.01)
Hedging realized result on hedging positions closed during period	-	-	261	0.01
Adjustment for realized gain on derivatives	$ -	$ -	$ (7)	$ -

(1)The following is a reconciliation of GAAP net realized gain/(loss) on derivative transactions to our adjustment for realized gain/(loss) on derivatives on closed transactions presented in the computation of ANII in the table above: Note: Per share amounts may not foot due to rounding

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Newtek Business Services Corp. and Subsidiaries
Adjusted Net Investment Income
For the Nine Months Ended September 30, 2022 and 2021

(in thousands, except per share amounts)	Nine months ended September 30, 2022	Per share	Nine months ended September 30, 2021	Per share
Net investment income (loss)	$ (1,076)	$ (0.04)	$ 24,042	$ 1.07
Net realized gain on non-affiliate investments - SBA 7(a) loans	49,953	2.06	38,079	1.69
Adjustment for realized gain/(loss) on derivatives (1)	1,010	0.04	(7)	-
Loss on extinguishment of debt	417	0.02	995	0.04
Adjusted Net investment income	$ 50,304	$ 2.08	$ 63,069	$ 2.81

(in thousands, except per share amounts)	Nine months ended September 30, 2022	Per share	Nine months ended September 30, 2021	Per share
Net realized gain on derivatives	$ 445	$ 0.02	$ (268)	$ (0.01)
Hedging realized result on hedging positions closed during period	565	0.02	261	0.01
Adjustment for realized gain on derivatives	$ 1,010	$ 0.04	$ (7)	$ -

[1]The following is a reconciliation of GAAP net realized gain/(loss) on derivative transactions to our adjustment for realized gain/(loss) on derivatives on closed transactions presented in the computation of ANII in the table above: Note: Per share amounts may not foot due to rounding