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

FORM 8-K

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

**May 8, 2015 (May 7, 2015)
Date of Report (date of Earliest Event Reported)**

NEWTEK BUSINESS SERVICES CORP.

(Exact Name of Company as Specified in its Charter)

MARYLAND
(State or Other Jurisdiction
of Incorporation or Organization)

814-01035
(Commission
File No.)

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

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

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

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

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

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

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

Item 2.02. Results of Operations and Financial Condition.

Newtek Business Services Corp. (the "Company") held a conference call on May 7, 2015 to discuss the matters set forth in the press release entitled "Newtek Business Services Corp. Reports First Quarter 2015 Financial Results; Adjusted Net Investment Income of \$0.51 per share; Dividend Forecast for Second Quarter 2015 of Approximately \$0.47 per Share, a 20% Increase over the First Quarter Dividend of \$0.39 per Share" (the "Press Release"), a copy of which was furnished as Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 7, 2015 and is incorporated by reference herein. In conjunction with the call, the Company distributed an investor presentation, a copy of which is furnished as Exhibit 99.1 to this Current Report on Form 8-K. The presentation is also available on the Company's investor relations website at <http://investor.newtekbusinessservices.com>.

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

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
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99.1	Investor Presentation for Conference Call on May 7, 2015.
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SIGNATURES

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

NEWTEK BUSINESS SERVICES CORP.

Date: May 8, 2015

/s/ Barry Sloane

Barry Sloane
Chairman of the Board and Chief Executive Officer

EXHIBIT INDEX

Exhibit Number

Description

99.1 Investor Presentation for Conference Call on May 7, 2015.

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

First Quarter 2015
Financial Results Conference Call
May 7, 2015 4:15pm ET

Hosted by:

Barry Sloane, President & CEO

Jennifer Eddelson, EVP & CAO

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



Note Regarding Forward Looking Statements

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

First Quarter Financial Highlights

- First full quarter reporting as a BDC
- Net asset value ("NAV") equaled \$169.6 million, or \$16.61 per share, at March 31, 2015, a 1.9% increase from the NAV of \$166.4 million, or \$16.31 per share, at December 31, 2014
- Adjusted net investment income was \$5.2 million, or \$0.51 per share
 - Adjusted net investment income includes short-term capital gains from loan sales, which is reoccurring event
 - Sale of government-guaranteed loan participation certificates
 - Adjusted Net investment income (loss) = Net investment income (loss) + Net realized gain
- Total investment income was \$4.8 million
- Expect to fund between \$240 million and \$280 million of loans in 2015, which represents an approximate 29% increase over 2014
- As of today, our total loan servicing portfolio, through NSBF and Small Business Lending (a wholly owned portfolio company), is in excess of \$1.0 billion
- JMP Securities initiated research coverage on Newtek (February 23, 2015)
- Ladenburg Thalmann & Co. initiated research coverage on Newtek (April 22, 2015)

*See Slide 37 for definition of Adjusted net investment income



Dividend Distributions

- On April 13, 2015 paid first quarterly dividend of \$0.39 per share in cash, which was \$0.01 per share higher than previously forecasted, and represents 76.5% of the Q1 2015 adjusted net investment income
- Increased 2015 annual cash dividend forecast to approximately \$1.82* per share, \$0.01 per share higher than previously forecasted
- Expect second quarter dividend of approximately \$0.47* per share; a 20% increase over the Q1 2015 dividend of \$0.39 per share
- Plan to declare and pay a special one-time dividend during 2015
 - Special dividend will distribute prior C-corp earnings and profits which is expected to be a mix of Newtek common stock and cash
 - Newtek's Board of Directors will take into consideration the timing, amount and composition of this distribution once the Company has filed its 2014 tax returns and completes its analysis
 - Special dividend anticipated to be treated as a "Qualified Dividend" for tax purposes

* Amount and timing of dividends, if any, remain subject to the discretion of the Company's board of directors.

Consolidated Balance Sheet Highlights

\$ in thousands	Balance March 31, 2015	Balance Dec 31, 2014
Total Cash & Cash Equivalents	\$8,593	\$17,813
Total Assets	\$304,975	\$301,832
Total Liabilities	\$135,411	\$135,414
Total Net Assets	\$169,566	\$166,418
NAV/Share	\$16.61	\$16.31

- Total liquidity of \$26.6 million at March 31, 2015 which is comprised of:
 - \$12.0 million availability through combined Capital One, N.A. facilities
 - \$8.6 million of unrestricted cash
 - \$6.0 million in money market funds

- Adjusted total liquidity of \$37.7 million at March 31, 2015 which is total liquidity plus
 - \$5.6 million of government-guaranteed certificates on the balance sheet funded with cash plus pending cash premiums
 - \$5.5 million in cash in portfolio companies*

* Includes cash from the following portfolio companies: Small Business Lending, Inc., Universal Processing Services of Wisconsin, LLC, Crystaltech Web Hosting, Inc., and Newtek Insurance Agency, LLC



Capital One, N.A., Bank Line

- Restructured \$50 million Capital One, N.A., bank line of credit (subject to approval by the Small Business Administration)
 - Holding-company only guarantee
 - Ability to distribute dividends
- Prior line of credit collateralized by:
 - Newtek Merchant Solutions
 - Newtek Managed Technology Solutions
 - Newtek Insurance Agency
 - Newtek Payroll Solutions
- All assets under Newtek Business Services Corp.
- All other assets will now be available to re-lever up, subject to \$8.8 million of other Capital One, N.A., bank line debt



Newtek Small Business Finance

- Currently the largest non-bank institution U.S. Small Business Administration (SBA) licensed lender under the federal Section 7(a) loan program based on annual origination volume (national PLP status)
- One of 14 Non-Bank SBA Government-Guaranteed Lender Licenses (these licenses are no longer being issued)
- 9th largest SBA 7(a) lender including banks⁽¹⁾
- ROI in SBA 7(a) lending in excess of 30%
- National SBA 7(a) lender to small business since 2003; 11-year history of loan default frequency and severity statistics
- Issued 5 S&P Rated AA & A Securitizations since 2010
- Small balance, industry and geographically diversified portfolio of 768 loans
 - Average loan size is \$175K of average Newtek uninsured retained loan balance
- Floating rate at Prime plus 2.75% with no caps; equivalent to 6% cost to borrower
- No origination fees with 7 to 25-year amortization schedules and are receiving high-quality loan product
- Secondary market established for SBA 7(a) government-guaranteed lending for over 61 years and Newtek establishes liquidity for uninsured portions through securitizations
- After securitization of uninsured portion and sale of government insured portion, principal in the loan is returned

⁽¹⁾As of December 31, 2014



Actual & Forecasted 2015 SBA 7(a) Loan Fundings

\$ n Millions

Actual SBA 7(a) Loan Fundings	
Q1 2015	\$48.3
Quarterly SBA 7(a) Loan Funding Forecast	
Q2 2015	\$60.0
Q3 2015	\$70.0
Q4 2015	\$80.0

- Expect to fund between \$240 million and \$280 million of SBA 7 (a) loans in 2015, which represents an approximate 29% increase over 2014
- Loans in pipeline totaled approximately \$413.6 million at March 31, 2015



Current SBA 7(a) Loan Pipeline

SBA 7(a) Loan Pipeline at March 31, 2015	
Prequalified Loans	\$40,921,692
Loans In Underwriting	\$40,599,318
Approved Pending Closing	\$29,490,400
Open Referrals	\$302,642,526
Total Loan Pipeline	\$413,642,526

SBA 7(a) Loan Sale Transaction

Net Cash Created in SBA 7(a) Loan Sale Transaction - An Example

Key Variables in Loan Sale Transaction	
Loan Amount	\$1,000,000
Guaranteed Balance (75%)	\$750,000
Unguaranteed Balance (25%)	\$250,000
Premium ⁽¹⁾	12.5%
Term	25 years

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

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

SBA 7(a) Loan Sale Transaction

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

Key Variables in Loan Sale Transaction	
Loan Amount	\$1,000,000
Guaranteed Balance (75%)	\$750,000
Unguaranteed Balance (25%)	\$250,000
Premium ⁽¹⁾	12.5%
Term	25 years

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

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



Net Realized and Unrealized Gains

- In December 2014, the Company held approximately \$28.1 million in guaranteed loans originated in December 2014, and estimated the sale of these loans would have generated \$3.4 million of realized gains
- During Q1 2015, \$24.4 million of these loans were sold, which generated approximately \$3.4 million in realized gains (comparable to premium income pre-BDC conversion)
- Retained approximately \$13.0 million of guaranteed loans which generated a \$1.7 million unrealized gain at quarter end
- In Q1 2015, recognized total net realized gains of \$7.7 million, including an extraordinary non-recurring event
- For the 3-month period ended March 31, 2015, sale prices on guaranteed loan sales averaged 112.44%, net to the Company

Guaranteed Loan Pricing* Comparison

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

Qtr	All Loans			10-Year Term Loans		25-Year Term Loans	
	Weighted Average Sale Price	Weighted Average Net Price to NSBF	Weighted Average Loan Term (Yrs)	Weighted Average Sale Price	Weighted Average Net Price to NSBF	Weighted Average Sale Price	Weighted Average Net Price to NSBF
Q1 2015	114.87	112.44	18.82	112.73	111.37	116.35	113.18
YTD 2015	114.87	112.44	18.82	112.73	111.37	116.35	113.18

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

Comparative Loan Portfolio Data

12/31/2010 vs. 03/31/2015

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

Loan Characteristic	As of 12/31/10	As of 03/31/15
Business Type:		
Existing Business	53.9%	78.9%
Business Acquisition	25.9%	15.0%
Start-Ups	20.2%	6.1%
Primary Collateral:		
Commercial RE	45.3%	58.2%
Machinery & Equipment	22.8%	18.4%
Residential RE	22.3%	9.9%
Other	9.6%	7.5%
Percentage First Lien on RE:		
Commercial RE	84.8%	96.3%
Residential RE	9.9%	19.6%

Loan Characteristic	As of 12/31/10	Loan Characteristic	As of 03/31/15
Industry:			
Restaurant	10.6%	Restaurant	8.6%
Hotels & Motels	7.6%	Amusement & Recreation	6.8%
State Concentration:			
Florida	21.6%	New York	13.3%
New York	12.7%	Florida	10.7%
Georgia	14.1%	Connecticut	6.6%
Other:			
Total Portfolio (\$mm)	\$31		\$139
Avg. Balance (\$mm)	\$0.076		\$0.175
Wtd. Avg. Mean FICO	675		704
Wtd. Avg. Current LTV	78.2%		76.5%



Quality Loan Portfolio

- Continue to maintain strict underwriting guidelines and the credit quality of our loans, which enabled us to build a well-balanced loan portfolio of senior-secured floating-rate loan participation certificates with an average loan balance of approximately \$175,000
- 11-year history of loan default frequency and severity statistics
- Total cumulative unrealized losses attributed to the SBA unguaranteed investment portfolio totaled \$6.5 million as of March 31, 2015, which represents a price equivalent to 94.99%
- Total cumulative unrealized losses attributed to the SBA non-performing unguaranteed investment portfolio totaled \$3.8 million as of March 31, 2015
- In Q1 2015, we realized a diminutive amount of losses totaling approximately \$47,000 against our total loan portfolio



Changes in Newtek Business Credit

- Appointed Gary T. Taylor as President and Chief Operating Officer
 - Harold Gartner to move to a sales, marketing and business development role
- Signed LOI for a \$50 million warehouse line of credit, which represents an increase from the existing credit facility of \$15 million
 - New \$50 million line of credit is against accounts receivable, inventory and healthcare receivables and SBA 504 loans
 - Previous \$15 million line only against accounts receivable



SBA 504 Loans: A New Focus for Newtek

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



Sample SBA 504 Loan Structure

- An example of a typical SBA 504 loan structure is detailed below

Real Estate Acquisition Loan				
	\$ Amount		\$ Amount	Percent of Total
Purchase Price	\$800,000	1st Mortgage Originated by Newtek	\$500,000	50%
Renovations	\$150,000	Bridge Loan Originally Funded by Newtek*	\$400,000	40%
Soft & Closing Costs	\$50,000	Borrower Equity Injection	\$100,000	10%
Total	\$1,000,000	Total	\$1,000,000	100%

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

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



Loan Sale Transaction SBA 504 Loan

Net Cash Created in SBA 504 Loan Sale Transaction Example

Key Variables in Loan Sale Transaction	
Total Projected Financing	\$2,000,000
Senior Loan Balance	\$1,000,000
Junior Bridge Loan Balance	\$800,000
Borrower Equity	\$200,000
Premium ⁽²⁾	3.20%
Rate	Fixed
Term	25 Years

Net Cash Created Pretax	
Total Senior & Junior Debt	\$1,800,000
Funded Under Bank Facility	\$1,620,000
Newtek Equity	\$180,000
Net Premium Earned ⁽³⁾	\$32,000
Net Interest Earned Before Sale	\$44,000
Interest Expense	(\$20,475)
Origination Fees	\$14,000
Servicing Fee Income ⁽⁵⁾	\$2,500
Total	\$1,872,025
Net Cash Created⁽⁶⁾	\$72,025
Return on Investment (Gross Operating Profit/ Equity)⁽⁷⁾	40%

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

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

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

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

(5) Servicing fee generated over six months

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

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



Gaining New Alliance Partners

- Newtek has a new partner program that on average has generated 30-50 referrals per day with seemingly similar quality to referrals from existing referring agents
- In May of 2015, entered into a partnership with Lending Club (NYSE: LC)
- This partnership will enable Newtek Small Business Finance to further expand its suite of lending products
- Will enable Newtek to service clients who are earlier in their business development, do not have significant collateral to pledge and/or do not have long amortization loan requirements
- We have several other significant opportunities in the pipeline

Expanding Senior Management Team

Gary T. Taylor

President & Chief Operating Officer, Newtek Business Credit

- Over 30 years of extensive experience in lending, commercial/investment banking, specialty and structured finance, process improvement, credit operations, technology integration and portfolio management
- Most recently, Mr. Taylor was the Managing Director and Chief Operating Officer at CIT Bank Small Business Lending where he managed the department engaged in underwriting and processing, servicing and business analysis/reporting. He also managed sales and the securitization process for more than \$200 million of assets
- Prior to that, he was Senior Vice President and Chief Credit Officer at Lehman Brothers Bank where he oversaw all elements of credit risk and evaluated assets for securitizations that comprised of commercial and residential mortgage-backed securities and other asset-backed classes
- Mr. Taylor spent over ten years at Moody's Investors Service as a Vice President where he assessed credit, legal and structural risks inherent to asset-backed securities involving consumer and commercial credit, and assigned appropriate ratings
- He was also a frequent speaker at industry conferences and events during his tenure at Moody's Investor Service
- Mr. Taylor spent over 5 years as Senior Vice President of Credit Operations/Business Finance Division of AT&T Capital Corporation where he directed the credit and operations group of a rapidly growing small business lender. While at AT&T Capital Corporation, he also developed and implemented business-oriented credit policies and procedures to effectively manage risk while steadily increasing volume
- Earlier in his career, he held senior positions at FDIC/Resolution Trust Company, The First National Bank of Chicago and The Chase Manhattan Bank
- Mr. Taylor is a graduate of Florida A&M University's School of Business and Industry, with a BS in Business with honors
- He also completed the Credit Development Program with Chase Manhattan Bank and attended Columbia University's Executive Education, Institute of Lease Management
- Mr. Taylor will be based in the Company's West Hempstead, New York office

Expanding Senior Management Team

John Raven

*Chief Operating Officer,
Managed Technology Solutions*

- Over 20 years of experience in information technology space
- Brings a broad array of expertise in areas of cloud technology, information technology and, security and data center and storage solutions as well as sales and marketing, and product development
- Mr. Raven is an operations executive offering deep expertise and performance in leading, developing, managing and delivering complex solutions in support of company's objectives
- Most recently, Mr. Raven offered Chief Technology Officer and Chief Operating Officer consulting services to Looksmart, LTD. and Clickable
- Prior to that, he served as a Chief Technology Officer and Chief Operating Officer consultant for IBM Global Services and its elite IBM Export Blue Team where he provided information technology architect services
- Prior to that, Mr. Raven was the President, Chief Technology Officer and Chief Operating Officer for YP.com & LiveDeal, Inc., where he analyzed priority strategic challenges, delivered concepts and recommendations for course of action to CEO and Board
- Throughout his career he has held various senior positions at technology companies including Perot Systems, Read-Rite Corporation, Southern Texas PCS (T-Mobile) and Viacom, Inc.
- Mr. Raven is a graduate of the California Institute of Technology with a B.S. in Computer Science
- Mr. Raven spent 12 active years and 10 reserve years with the United States Army, serving as a soldier and combat veteran in the Infantry and Special Operations
- Mr. Raven worked for NASA Jet Propulsion Laboratory for 3 years as a System and Network Engineer for the 1996 Mission to Mars, Mars Pathfinder
- He is an ISC² Certified Information Systems Security Professional (C.I.S.S.P) and Project Management Institute Project Management Professional (P.M.P)
- Has experience with Hypervisor platforms, SQL database environments, network and telecom environments, datacenter operations, information security systems, storage systems, compliance standards, leadership and management methodologies, Internet search systems, Internet marketing, carrier operations and manufacturing systems
- Mr. Raven will be based in the Company's Phoenix, Arizona office

Expanding Senior Management Team

- Michael W. Campbell** ■ Over 20 years of experience in merchant bankcard operations with expertise in credit and risk management
Chief Credit Officer & Chief Risk Officer, Newtek Merchant Solutions
- Brings extensive and diversified experience in areas of merchant operations, bankcard credit, risk management, card scheme rules, policy, fraud, regulatory, data security and portfolio management
 - Most recently, Mr. Campbell was the Vice President and Head of Risk for Charge Payment Merchant Services where he managed all phases of the operation with direct management of all credit, risk, policy, regulatory and operational matters
 - Prior to that, he was a senior risk consultant at The Strawhacker Group where he was the business leader for all acquiring and issuing risk projects providing guidance to investors, issuers and acquirers with respect to portfolio quality and best practices for credit, risk, policy, regulatory, excessive chargebacks, PCI and EMV matters
 - Mr. Campbell spent 5 years as the Head of Credit US, eCommece and Merchant PCI at RBS Worldpay where he reported to the CEO in areas of credit, Merchant PCI, sponsorship bank relationship and internal security
 - Mr. Campbell spent over 10 years at Chase Paymentech Solutions as Vice President of National and Credit Partner Risk where he established a department to manage credit and risk for a CIBS portfolio and ISO partner programs while playing a key role in the integration of the Chase Merchant Services and Paymentech's credit cultures
 - He also was Head of Credit for Chase Merchant Services where primary role was to ensure credit functions provided by FDC were effectively administered on behalf of Chase Merchant Services
 - Earlier in his career, for over 5 years, he was a Vice President Risk Manager for Barnett Merchant Services Corporation where he was a member of Barnett's Merchant senior management team responsible for all areas of risk
 - Mr. Campbell is a member of Visa and MasterCard Advisor Committees, Merchant Acquirer's Committee (MAC), Fraud Advisory Committee (ETA) and the International Association of Financial Crimes Investigator
 - Mr. Campbell is a graduate of the University of South Carolina
 - Mr. Campbell is a US Army Veteran
 - Mr. Campbell will be based in the Company's West Allis, Wisconsin office



Expanding Senior Management Team

Dean Choksi, CFA

*Treasurer & Senior Vice
President, Newtek Business
Services Corp.*

- Over 14 years of experience with financial analysis and equity research and possesses specific expertise in areas of valuation, financial modeling, capital markets and financing
- Most recently, Mr. Choksi was the Executive Director of Finance at Fifth Street Management LLC, an investment advisor of two publicly traded BDCs, where he played a key role in capital market transactions, assisting in the raise of over \$1.0 billion in public debt and equity, and was the primary contact for multiple lenders in a multi-hundred million dollar syndicated bank credit facility
- Prior to that, he was a Director of U.S. Equity Research at UBS Investment Bank, and the lead analyst covering consumer finance and specialty finance companies, including BDCs
- Mr. Choksi also worked in equity research at Barclays Capital and Lehman Brothers, where he co-covered nine companies in several financial services sub-sectors, and at RBC Capital Markets where he followed IT consulting and business services companies
- Throughout his career as an equity research analyst, Mr. Choksi built and maintained financial statement models, analyzing and forecasting key operational and financial metrics, and wrote multiple research reports on various financial services, IT consulting and business services companies
- Earlier in his career, Mr. Choksi held positions in equity research sales at Wells Fargo Securities and SoundView Technology Group
- Mr. Choksi is a graduate of James Madison University with a Bachelor of Business Administration in Finance and Economics
- He is also CFA charterholder
- Mr. Choksi will be based in the Company's West Hempstead, New York office



Portfolio Company Electronic Payment Processing

- We wholly owned and have managed this business for over 10 years
- We are a registered Independent Sales Organization (ISO) with Visa and MasterCard
- We are the "State-of-the-Art Merchant Processor"
- Point of sale (POS) in the Cloud, Gateway and Switch, CyberScan
- 15,000 business accounts; realized over \$4.6 billion in electronic payment processing volume in 2014
- Anticipate \$5.0 billion in electronic payment processing volume by end of 2015
- Growth and acquisition story
- One-of-a-kind eCommerce capability
- Secured mobile wallet
- Appointed Mr. Michael Campbell as Chief Credit Officer and Chief Risk Officer of Newtek Merchant Solutions

Portfolio Company Electronic Payment Processing

- **Q1 2015 Revenue of \$23.2 million**; increase of 7.9% over \$21.5 million in Q1 2014
- **Q1 2015 Adjusted EBITDA of \$1.9 million**; increase of 5.6% over \$1.8 million in Q1 2014
- **FY 2015 Forecast:**
 - Revenue: \$100.2 million
 - Adjusted EBITDA: \$9.8 million

Valuation & Financial Performance

- Valued at 4.75x EBITDA
- Valued at \$48.1 million

(1) Estimates via Bloomberg
 *See page 37 for definition of Adjusted EBITDA.

Publicly Traded Comparable Companies

Name (Symbol)	Enterprise Value / 2015E EBITDA ⁽¹⁾
▪ Heartland Payment Systems (HPY)	9.10x
▪ Vantiv, Inc. (VNTV)	10.24x



Portfolio Company Managed Technology Solutions

- We have wholly owned and managed this business for over 10 years
- We host and manage SMBs computer hardware, software and their technology solutions in our Level-4, 5,000 square foot data center in Phoenix, Arizona
- Over 106,000 business accounts manage solutions of hardware and software for business clients; manage over 77,000 domain names
- This segment is being transformed to take advantage of shift to cloud-based business trends including: eCommerce, Payroll and Insurance
- According to Gartner², cloud computing is expected to have a very promising future and experience significant growth; enterprises will spend \$921 billion on public cloud services over the five-year period (2013-2017)
- Implementing cost-reduction measures and new product introductions as part of repositioning strategy
- Several changes with MTS senior management team
- Appointed Mr. John Raven as Chief Operating Officer of MTS

(1) According to Gartner "...in the next five years enterprises will spend \$921 billion on public cloud services (2013-2017). Excerpt from Gartner Presentation [Cloud Computing 2014 ready for real business?](#) Darryl Carlton, October 2013

(2) "The use of cloud computing is growing, and by 2016 this growth will increase to become the bulk of new IT spend." Excerpt from Gartner Press Release, Oct. 24, 2013; <http://www.gartner.com/newsroom/id/2613015>

Portfolio Company Managed Technology Solutions

- **Q1 2015 Revenue of \$3.6 million**, a decrease of 12.2% over \$4.1 million in Q1 2014
- **Q1 2015 Adjusted EBITDA of \$644,000**; a decrease of 41.5% over \$1.1 million in Q1 2014
- **FY 2015 Forecast:**
 - Revenue: \$17.5 million
 - Adjusted EBITDA: \$5.1 million

Valuation & Financial Performance

- Valued at 3.75x EBITDA
- Valued at \$21.5 million

Publicly Traded Comparable Companies

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

(1) Estimates via Bloomberg.
 *See page 37 for definition of Adjusted EBITDA.



Managed Technology Solutions Subsequent Q1 2015 Events

- Restructured IO data center lease, which we anticipate will allow us to realize significant cost savings over the next 5 years; announcement forthcoming
 - Between \$200,000-\$250,000 of cost reduction per year
 - Acquired additional space in London, New Jersey and Phoenix, Arizona, which are fully costed, net of the above cost savings
 - This additional space will enable us to offer a more robust international and U.S. cloud-computing offering
- Additional cloud offerings in the pipeline
- Recently signed new deals totaling \$320,000 in net new annualized reoccurring revenue for term



Other Portfolio Companies

- Newtek Business Credit
- Newtek Insurance Agency
- Newtek Payroll Solutions
- Small Business Lending (third-party loan servicing)

Internally Managed vs. Externally Managed BDCs

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

Internally Managed BDC Public Comparables

- Newtek currently trading at 1.04x* NAV
- Internally managed BDC public comparables currently trade at a median price to NAV of approximately 1.3x**
 - Hercules Technology Growth Capital (NASDAQ: HTGC)
 - KCAP Financial (NASDAQ: KCAP)
 - Main Street Capital (NASDAQ: MAIN)
 - Triangle Capital (NASDAQ: TCAP)

* As of May 6, 2015 closing price of \$17.35

**As of May 2, 2015. Based on the following public comparable companies: HTGC, KCAP, MAIN, TCAP



Comparable Company Statistics

▪ **On Deck Capital (NYSE: ONDK)**

- Operates an online platform for small business lending
- Raised \$200 million in IPO on 12/17/14
- \$1.3 billion market valuation

▪ **Lending Club (NYSE: LC)**

- Operates as an online marketplace that facilitates loans to consumers and businesses in the U.S.
- Raised over \$1.0 billion in IPO 12/11/14
- \$8.9 billion market valuation

▪ **BankUnited, Inc. (NYSE: BKU)**

- Acquired Certus Small Business Finance Unit in an asset purchase transaction
- Certus' loan portfolio totaled approximately \$203 million as of January 31, 2015
- Purchase price for the transaction will be a \$20 million premium to the tangible NAV

Investment Summary

- NAV of \$16.61 per share at March 31, 2015; a 1.9% increase over NAV per share at December 31, 2014
- Company is better suited for investors as a BDC vs. an operating company
- Forecasted dividends
 - Expect Q2 2015 dividend of **\$0.47** per share; forecast paying an annual cash dividend of approximately **\$1.82** in 2015, \$0.01 higher than previously forecasted
 - Newtek will declare and pay a one-time special dividend during 2015
- Investing in an business without excessive leverage offers attractive returns without excessive risk
- Portfolio companies wholly owned and managed, most for over 10 years, by Newtek Business Services Corp.
- Newtek Business Services Corp. is an **internally managed BDC**
- Proven Track Record; Established in 1998; publically traded since September 2000
- Management's interests aligned with Shareholders
 - CEO alone owns approximately 10% of outstanding shares; Founders, Management and Board combined own approximately 20% of outstanding shares
- No derivative securities in BDC
- No 2nd lien or mezzanine financing as a business line
- No direct lending exposure to oil and gas industry

⁽¹⁾As of May 6, 2015



Financial Review Jennifer C. Eddelson, Chief Accounting Officer

Consolidated Statement of Operations

Newtek Business Services Corp. and Subsidiaries

	Three Months Ended March 31, 2015
Investment income:	
From non-controlled/non-affiliate investments	
Interest income	\$ 2,125
Servicing income	1,043
Other income	395
Total investment income from non-controlled/non-affiliate investments	<u>3,563</u>
From controlled/affiliate investments	
Interest income	88
Dividend income	1,087
Other income	12
Total investment income from controlled/affiliate investments	<u>1,187</u>
Total investment income	<u>4,750</u>
Expenses:	
Salaries and benefits	3,023
Interest	1,356
Depreciation and amortization	85
Other general and administrative costs	2,762
Total expenses	<u>7,226</u>
Net investment loss	(2,476)
Net realized and unrealized gains (losses):	
Net realized gain on non-affiliate investments	7,699
Net unrealized depreciation on SBA guaranteed non-affiliate investments	(1,698)
Net unrealized depreciation on SBA unguaranteed non-affiliate investments	(666)
Net unrealized appreciation on affiliate investments	7,500
Net unrealized loss on servicing assets	(356)
Net realized and unrealized gains	<u>12,479</u>
Net increase in net assets resulting from operations	<u>\$ 10,003</u>
Net investment loss per share	<u>\$ (0.24)</u>
Net increase in net assets per share	<u>\$ 0.98</u>
Weighted average shares outstanding	<u>10,206</u>

NEWT Change in Net Asset Value

Newtek Business Services Corp. and Subsidiaries

<i>(in thousands)</i>	As of March 31, 2015		
	NAV	NAV/Share	NAV % Change
NAV at December 31, 2014	\$ 166,418	\$ 16.31	
Net investment income (loss)	(2,476)	(0.24)	-1.5%
Net realized gains - non-affiliate investments	7,699	0.75	4.6%
Unrealized losses - non-affiliate investments	(3,429)	(0.34)	-2.1%
Unrealized gains - non-affiliate investments	1,731	0.17	1.0%
Net unrealized gain/loss - Portfolio companies	7,500	0.73	4.5%
Net unrealized loss - Unguaranteed SBA 7(a) loans	(666)	(0.07)	-0.4%
Net unrealized loss - Servicing asset	(356)	(0.03)	-0.2%
Net increase in net assets from operations	10,003	0.98	6.0%
Dividend declared	(3,985)	(0.39)	-2.4%
Net decrease in net assets after dividend	6,018	0.59	3.6%
NAV after dividend	172,436	16.90	
Opening balance adjustment to Deferred tax asset	(2,870)	(0.28)	-1.7%
NAV at March 31, 2015	\$ 169,566	\$ 16.61	1.9%
Total common shares outstanding:	10,206		
Adjusted Net investment income ¹	\$ 5,223		
Adjusted Net investment income ¹ per share	\$ 0.51		
NAV per share	\$ 16.61		

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



Non-GAAP Financial Measures

In evaluating its business, Newtek considers and uses Adjusted net investment income and Adjusted EBITDA as a supplemental measure of its operating performance.

Adjusted net investment income includes short-term capital gains from the sale of the guaranteed portions of SBA 7(a) loans, which is a reoccurring event. The Company defines Adjusted net investment income (loss) as Net investment income (loss) + Net realized gains.

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

The terms Adjusted net investment income and Adjusted EBITDA, are not defined under U.S. generally accepted accounting principles, or U.S. GAAP, and are not a measure of operating income, operating performance or liquidity presented in accordance with U.S. GAAP. Adjusted net investment income and Adjusted EBITDA, have limitations as analytical tools and, when assessing the Company's operating performance, investors should not consider Adjusted net investment income and Adjusted EBITDA in isolation, or as a substitute for net investment income (loss), or other consolidated income statement data prepared in accordance with U.S. GAAP. Among other things, Adjusted net investment income and Adjusted EBITDA do not reflect the Company's actual cash expenditures. Other companies may calculate similar measures differently than Newtek, limiting their usefulness as comparative tools. The Company compensates for these limitations by relying primarily on its GAAP results supplemented by Adjusted net investment income and Adjusted EBITDA.

Adjusted Net Investment Income Reconciliation

Adjusted Net Investment Income		
	For the three months ended March 31, 2015	Per share
\$ in Thousands		
Net investment loss	\$ (2,476)	\$ (0.24)
Net realized gain on non-affiliate investments	7,699	0.75
Adjusted net investment income	<u>\$ 5,223</u>	<u>\$ 0.51</u>