

Investor Fact Sheet

Newtek Business Services, Inc. (Nasdaq: NEWT)

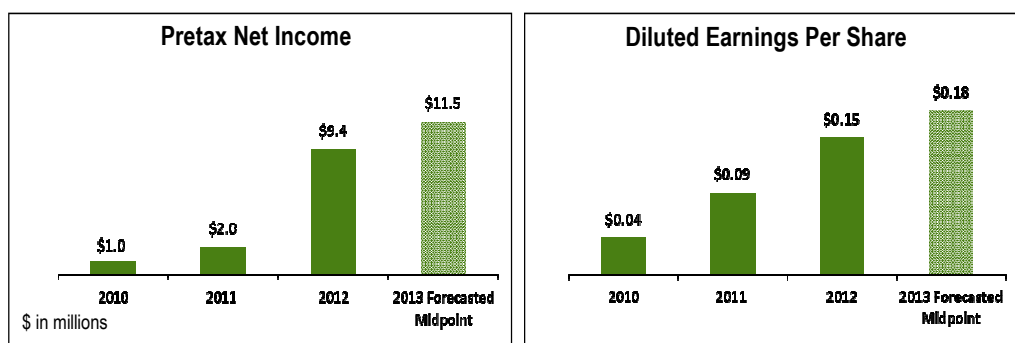


www.thesba.com

Company Overview

Newtek Business Services, Inc., *The Small Business Authority*[®], is a direct distributor of a wide range of business services and financial products to the small- and medium-sized business (SMB) market under the Newtek[®] brand. Newtek is the Authority (The Payroll Authority[®], The Cloud Authority[®], Insurance Authority[®]), for independent business owners providing state-of-the-art, cost-efficient products, services and efficient business strategies to over 100,000 accounts across all 50 States to help them grow their sales, control their expenses and reduce their risk. Since 1999, Newtek has helped SMB owners realize their potential by providing them with the essential tools needed to manage and grow their businesses and to compete effectively in today's marketplace. Newtek's products and services include: **Electronic Payment Processing, Business Lending, The Newtek Advantage[™], Accounts Receivable Financing, Web Services, Web Hosting, eCommerce, Data Backup, Storage and Retrieval, Insurance Services, and Payroll.**

Select Financial Data



Financial and Operational Highlights

- ◆ Q2 2013 Consolidated Highlights:
 - Earnings per diluted share ("EPS") were \$0.05, up 66.7% over \$0.03 in Q2 '12
 - Six months ended June 30, 2013, diluted EPS were \$0.09, up 50.0% over \$0.06 for the same period last year
 - Consolidated pretax income was \$2.9M, up 48.0% over \$1.9M in Q2 '12
 - Net income attributable to Newtek Business Services, Inc. was \$1.8M, up 48.2% over \$1.2M in Q2'12
 - Operating revenues were \$37.0M, up 14.5% over \$32.3M in Q2' 12
 - Modified EBITDA** was \$5.2M, up 39.2% over \$3.7M in Q2 '12
- ◆ The Company reaffirmed full-year 2013 guidance*:
 - EPS between \$0.17 and \$0.19 per diluted share, with a midpoint of \$0.18
 - Revenues between \$145.1M and \$151.2M, with a midpoint of \$148.2M
 - Pretax income between \$10.0M and \$13.0M, with a midpoint of \$11.5M
 - Modified EBITDA** between \$19.3M and \$22.4M, with a midpoint of \$20.9M
- ◆ **Small Business Finance (SBF) Segment:**
 - Funded \$42.8 million in loans in Q2 2013, a 103.7% increase over Q2 2012
 - On track to fund \$175 million of SBA 7(a) loans in 2013
- ◆ **Electronic Payment Processing (EPP) Segment:**
 - Revenue up approximately 10% to \$23.4 million in Q2 2013
 - Expect approximately \$4.5 billion of annualized electronic payment processing volume by the end of 2013
 - Expect significant increase in revenue in EPP segment in second half of 2013 due to uptick in ISO contracts
- ◆ **Managed Technology Solutions (MTS) Segment:** being transformed to take advantage of shift to Linux-based platforms and Cloud-based business trends
 - Q2 2013 MTS revenue increased by approximately 1% to \$4.6 million
 - Repositioning strategy yielding positive results. For Q2'13 vs. Q2 '12:
 - Average Cloud revenue per user up 26.7%
 - Total Cloud service accounts up 31.3%, to 28,637*** accounts
 - Average Cloud instances up 8.0% to 676
 - Total shared Linux accounts up 187.7% to 1,233 accounts

Select Financials and Facts

Nasdaq Ticker:	NEWT
Closing Price at 8/2/13:	\$2.19
52-Week Range:	\$1.60-\$2.25
Shares O/S (diluted):	37.9M
Est. Public Float:	27.5M
Market Cap (8/2/13):	\$77.3 M
Enterprise Value (6/30/13):	\$125.7M
FY '12 Revenue:	\$131.1 M
Cash**** (6/30/13):	\$23.1 M
Cash****/Share (6/30/13):	\$0.61
Insider Ownership:	25.5%
Institutional Ownership:	7.1%
Fiscal Year-end:	12/31

Growth Strategy

- ◆ Positioned as an authoritative presence in the small business economy for finance, technology, and all aspects of operations for independent business owners
- ◆ Grow brand through organic search as well as through www.thesba.com
- ◆ Emphasize cross-selling, cross-marketing and bundling of products into the current customer base
- ◆ Continue to grow alliance channels designed to attract referrals from banks, credit unions and other affinity groups
- ◆ **"The Newtek Advantage[™]**, a state-of-the-art Cloud-based operating platform, brings business intelligence straight to mobile devices and is only available at Newtek
- ◆ Continue to reposition Managed Technology Solutions segment with upgrade to Linux-based platforms and open-source software, and focus on Cloud-based products

Balance Sheet Highlights

\$ in millions	6/30/13	12/31/12
Cash & Cash Equivalents****	\$23.1	\$22.7
Total Assets	\$162.5	\$152.7
Total Liabilities	\$90.1	\$83.8
Shareholders' Equity	\$72.5	\$68.9

****Includes \$9.1M at June 30, 2013 and \$8.5M at December 31, 2012 of restricted cash.

*Full-year 2013 EPS, revenue, pretax income & Modified EBITDA guidance effective as of 8/6/2013

**The Company defines Modified EBITDA as earnings before income from tax credits, interest expense, taxes, depreciation and amortization, stock compensation expense, other than temporary decline in value of investments, Capco fair value change and the amortization of the 2011 accrued loss on the lease restructure

***Includes the 1,233 shared Linux Accounts



Small Business Lending: Non-bank lenders providing end-to-end financing solutions, specializing in helping businesses obtain needed funds with a suite of financial programs that work with a variety of businesses and unique needs. Financing available from \$3,000 to \$5 million. In conjunction with business lending, Accounts Receivable Management Services help business owners save time and money.



Merchant Processing: Provides a high-quality, customized program and pricing structure so business owners can accept non-cash payments. Newtek expects to process approximately 4.5 billion annually for 2013, and is PCI compliant, monitoring transactions and processing them securely. Full-rate disclosure and no hidden fees, ensures the best rates. Bilingual customer support teams available 24/7/365.



Web Services: Includes web design, internet marketing, and web hosting. U.S.-based, 24/7/365 bilingual customer support teams are fast, responsive, experienced, and solution-focused. Over 60,000 accounts. Operate a level-four, military-strength data center in Phoenix. All applications for clients now hosted in the Cloud with tablet/smart phone access in real time.



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



Commercial Insurance: Our insurance service, provided by Newtek Insurance Agency, LLC, delivers a personal connection to affordable commercial, personal, life, and health insurance, evaluates current insurance coverage, identifies risks and liabilities, determines potential risks and shops the market on the business owners’ behalf with more than 40 A-rated insurance carriers.



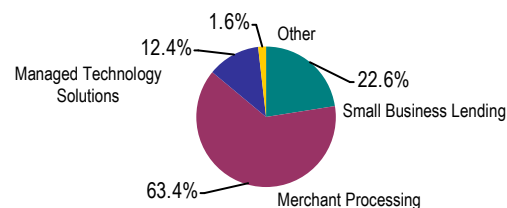
The Newtek Advantage™: A mobile real-time SMB management platform that puts all of a business’ critical transactions and economic, eCommerce and website traffic data on a smartphone, tablet, laptop or PC. The Newtek Advantage™ provides the intelligence that businesses require and will give them the advantage to succeed. This revolutionary platform will allow owners and operators of small- and medium-sized businesses to manage their businesses from their mobile device anywhere, anytime, all without an IT department.

\$ in millions	Q2 2013	Q2 2012	% chg
Revenues	\$37.0	\$32.3	+14.5
Pre-tax Income	\$2.9	\$1.9	+48.0
Net income attributable to Newtek Business Services, Inc.	\$1.8	\$1.2	+48.2
EPS-diluted	\$0.05	\$0.03	+66.7

Investment Highlights

- ◆ Publicly traded Company since 2000
- ◆ Management’s interests aligned with shareholders; CEO owns approximately 13.4% of outstanding shares (as of 8/2/2013)
- ◆ Trades at slightly more than 3.5x 2013 forecasted Modified EBITDA**
 - * 2013 forecasted Modified EBITDA** of \$20.9 million represents an increase of 25.4% over 2012 Modified EBITDA**
- ◆ Trades at approximately 1.1x book value
- ◆ Growing revenues
 - * Expect to grow revenues by approximately 13% in 2013
- ◆ Tremendous opportunity to penetrate market
 - * Over 27 million small businesses in the U.S.
- ◆ Inexpensive relative to market comparables
 - * Market Comps: VNTV, WWWW, UBPS, DRIV, LMLP

Q2 2013 Revenue by Service Line



Senior Management

Barry Sloane, Chairman of the Board, Chief Executive Officer & President

Mr. Sloane is Chairman, CEO and President of Newtek Business Services, Inc. Prior to joining Newtek, Mr. Sloane was a Managing Director of Smith Barney, Inc. where he directed the Commercial and Residential Real Estate Securitization Unit and was also national sales manager for institutional mortgage and asset-backed securities sales. Mr. Sloane was founder and President of Aegis Capital Markets, a consumer loan origination and securitization business. Additionally, he was Senior Vice President of Donaldson, Lufkin and Jenrette, where he was responsible for directing sales of mortgage-backed securities and was a senior mortgage security sales person and trader for Bear Stearns, L.F. Rothschild, E.F. Hutton and Paine Webber.

Craig J. Brunet, Executive Vice President & Chief Information Officer

Mr. Brunet is an Executive Vice President and the Chief Information Officer. In addition, he is also President and COO of Newtek Technology Services. Before joining Newtek, Mr. Brunet was Chairman and CEO of Harvest Strategies, a strategic consulting firm with global clients. Mr. Brunet began his career at South Central Bell Telephone Company and was promoted to AT&T Corporate where he held a variety of senior executive positions in National Account Management, Client Education and Training and was also Director of Strategic Planning. He was also Executive Vice President of Entergy Corporation where he managed and directed overall Entergy System retail and wholesale marketing.

Jennifer C. Eddelson, CPA, Executive Vice President & Chief Accounting Officer

Ms. Eddelson is a certified public accountant licensed in the state of New York and has served as Executive Vice President and Chief Accounting Officer of Newtek Business Services, Inc. since July 1, 2011. Previously Jennifer was employed by the Company since 2004 as Corporate Controller, Vice President of Financial Reporting since 2006, and in these and her current capacities has had a principal responsibility for the development and implementation of the Company’s accounting policies and practices. Previously, Ms. Eddelson practiced as a certified public accountant for eight years with Janover, LLC, a public accounting firm located in New York, primarily in the audit and tax area. Ms. Eddelson is a member of the NYS Society of CPAs and a member of the AICPA.

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The Small Business Authority® is a registered trade mark of Newtek Business Services, Inc., and neither are a part of or endorsed by the U.S. Small Business Administration.

Note Regarding Forward-Looking Statements

Statements in this release including statements regarding Newtek’s beliefs, expectations, intentions or strategies for the future, may be “forward-looking statements” under the Private Securities Litigation Reform Act of 1995. 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>.