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NASDAQ:NEWT

Newtek Business Services Corp.'s Board of Directors Approves Reduction in Asset Coverage Requirement

May 2, 2018

LAKE SUCCESS, N.Y., May 02, 2018 (GLOBE NEWSWIRE) -- [Newtek Business Services Corp.](#) ("Newtek" or the "Company") (Nasdaq:NEWT), an internally managed business development company ("BDC"), today announced that on April 27, 2018, its Board of Directors recommended the submission of a proposal for shareholders to approve the application of the modified asset coverage requirements set forth in new Section 61(a)(2) of the Investment Company Act of 1940, as amended by The Small Business Credit Availability Act ("SBCAA"). On that same day, the Board approved application to the Company of the asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act, as modified by the SBCAA.

As a result, the Company's asset coverage requirements for senior securities will change from 200% to 150%, which is equivalent to an increase in the debt-to-equity ratio from 1:1 to 2:1, effective April 27, 2019. However, if Company shareholders approve the proposal by the required majority of votes at the Special Meeting of Shareholders scheduled for July 26, 2018, the 150% minimum asset coverage ratio will be effective on the day after such approval.

Barry Sloane, Chairman, President and Chief Executive Officer commented, "We believe the legislative change will provide a tremendous opportunity for the growth of Newtek's business model. We want to note that we expect to increase our debt-to-equity ratio gradually over time in a prudent manner, with the goal of improving cash flows and return on equity while minimizing risk. We look forward to discussing the legislation in greater detail on our first quarter 2018 conference call on Thursday morning, May 3, 2018, at 8:30 am ET. The details on how to access our conference call are included below."

First Quarter 2018 Investor Conference Call and Webcast

A conference call to discuss first quarter 2018 results will be hosted by Barry Sloane, President, Chairman and Chief Executive Officer, and Jennifer Eddelson, Executive Vice President and Chief Accounting Officer, Thursday, May 3, 2018 at 8:30 a.m. ET. The live conference call can be accessed by dialing (877) 303-6993 or (760) 666-3611.

In addition, a live audio webcast of the call with the corresponding presentation will be available in the 'Events & Presentations' section of the Investor Relations portion of Newtek's website at <http://investor.newtekbusinessservices.com/events-and-presentations>. A replay of the webcast with the corresponding presentation will be available on Newtek's website shortly following the live presentation and will remain available for 90 days following the live presentation.

About Newtek Business Services Corp.

[Newtek Business Services Corp.](#), Your Business Solutions Company®, is an internally managed BDC, which along with its controlled portfolio companies, provides a wide range of business services and financial products under the Newtek® brand to the small- and medium-sized business ("SMB") market. Since 1999, Newtek has provided state-of-the-art, cost-efficient products and services and efficient business strategies to SMB accounts across all 50 states to help them grow their sales, control their expenses and reduce their risk.

Newtek's and its portfolio companies' products and services include: [Business Lending](#), [SBA Lending Solutions](#), [Electronic Payment Processing](#), [Technology Solutions \(Cloud Computing, Data Backup, Storage and Retrieval, IT Consulting\)](#), [eCommerce](#), [Accounts Receivable Financing & Inventory Financing](#), [The Newtek Advantage](#), [Insurance Solutions](#), [Web Services](#), and [Payroll and Benefits Solutions](#).

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Note Regarding Forward Looking Statements

This press release contains certain forward-looking statements. Words such as "believes," "intends," "expects," "projects," "anticipates," "forecasts," "goal" 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/>. Newtek cautions you that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected or implied in these statements.

SOURCE: Newtek Business Services Corp.

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