Newtek Small Business Finance Funded Approximately $1.125 Billion of Paycheck Protection Program (PPP) Loans To Date

July 14, 2020

BOCA RATON, Fla., July 14, 2020 (GLOBE NEWSWIRE) -- Newtek Business Services Corp., (Nasdaq: NEWT), an internally managed business development company ("BDC"), today announced that Newtek Small Business Finance, LLC ("NSBF"), the Company's nationally licensed lender under the U.S. Small Business Administration ("SBA") Section 7(a) Program, has funded approximately $1.125 billion of Paycheck Protection Program ("PPP") loans of its total pipeline of $1.145 billion of PPP loans with SBA loan (E-Tran) numbers to date. NSBF estimates that upwards of 130,000 employees could be retained by NSBF's PPP borrowers if NSBF's total potential funding of $1.145 billion of PPP loans is reached. NSBF estimates it will fund in whole or part of its remaining $20 million of PPP loans with SBA loan (E-Tran) numbers. The PPP program is still ongoing and NSBF expects to accept PPP loan applications through August 8, 2020. As of Monday, July 6, 2020, there was in excess of $130 billion of appropriation remaining for PPP loans.

Barry Sloane, Chairman, President and Chief Executive Officer said, "Despite the headwinds the United States is currently facing with regards to the COVID-19 pandemic and significant economic contraction, the Company and its management team has sharpened and narrowed its focus with the intent of being able to deliver results to its shareholders during these trying economic times. The tremendous media attention and its consistent discussion of uncertainty relating to the pandemic has created a level of fear and uncertainty in the economy, amongst its consumers and throughout the investment community. With the current backdrop, prior to our Q2 2020 earning's release on August 5, 2020, we felt it relevant to release certain key metrics to our investors with respect to Newtek and the economy. NSBF funded and closed $1.1 billion of PPP loans for the quarter ended June 30, 2020. We are currently estimating that by August 8, 2020, which is the final date to apply for the current round of PPP funding, NSBF will have funded and closed between $1.14 billion to $1.16 billion of PPP loans. NSBF is beginning to rebuild its pipeline of SBA 7(a) loans and will provide additional guidance in this regard on our upcoming Q2 2020 shareholder conference call. Based upon early commentary from Senator Ben Cardin of Maryland, Senator Marco Rubio of Florida, officials from the administration and a House Bill with $3 trillion of stimulus passed, we believe that there may be additional rounds of PPP funding available to businesses that have been affected by COVID-19, with a continued focus on smaller business clientele. It is hopeful that a draft of this legislation will appear from the Senate within the next two weeks, as it has already been a part of the recently passed House stimulus bill."

Barry Sloane continued, "Our portfolio company payment processing metrics, which measure our portfolio of clients that accept Visa, Discover, Mastercard and American Express, appear to be rebounding. While our portfolio company payment processing volume decreased year over year by 37% in April, 27% in May, and 14% in June, throughout the first 11 days of July, processing volumes are flat to slightly down compared to the same period last year. We believe this is indicative of robust consumer spending even though many vital northeastern economies, as well as an important geography in Miami-Dade County, Florida, still have limitations on indoor dining and gyms. It is extremely challenging to forecast economic opportunities in the immediate future given the mix of information coming from federal, state and local governments. The Company believes that it will be able to sustain further roadblocks, setbacks and impediments to economic viability and growth, and that it is well positioned to solve its clients' needs through government-sponsored financing, state-of-the-art ecommerce solutions, and cloud-based technological solutions to enable businesses to operate remotely with flexibility. As legislation in Washington occurs regarding future developments in the PPP and further support for the SBA 7(a) program, we aim to keep our focus constructive, but cautious, as a jagged recovery is anticipated to continue. We look forward to reporting record adjusted net investment income for the second quarter 2020 and other key metrics regarding our business portfolio and opportunities going forward. We remain cautiously optimistic about our business opportunities and future prospects."

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 and financial solutions 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 relationships 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, 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.

Investor Relations & Public Relations
Contact: Jayne Cavuoto
Telephone: (212) 273-8179 / jcavuoto@newtekone.com

Source: Newtek Business Services Corp.