



August 12, 2014

Newtek Receives Approval From Capital One, N.A. to Increase Lending Financing Line by \$23 Million to \$50 Million

Newtek's Total Financing Through Capital One, N.A. to Reach \$70 Million

NEW YORK, Aug. 12, 2014 /PRNewswire/ -- [Newtek Business Services, Inc.](#) NASDAQ: NEWT, *The Small Business Authority*[®], announced today that its lending subsidiary, [Newtek Small Business Finance](#), received approval and documentation from Capital One, N.A. to increase its existing \$27 million revolving credit facility to \$50 million. The form of the amended documentation for the additional financing is subject to regulatory approval, and will bring the Company's total financing through Capital One, N.A. to \$70 million on a company-wide basis. The \$70 million consists of a \$10 million term loan and up to \$60 million in revolving lines of credit.

The Company announced in July of this year that it entered into a \$20 million credit agreement with Capital One, N.A., which consists of a \$10 million term loan and a \$10 million revolving credit facility, both of which have four-year terms. The term loan was used to refinance the Company's existing \$10 million of mezzanine debt from a group of investors led by Summit Partners Credit Advisors, L.P. Due to the extinguishment of the mezzanine debt, the Company incurred a one-time non-cash charge of approximately \$1.9 million in the second quarter of 2014, which represented the total remaining deferred financing costs attributable to the Summit debt, and the remaining unamortized debt discount. The refinance of the mezzanine debt will reduce the Company's interest expense by more than \$1.0 million annually, for a total of approximately \$4.2 million over the remaining term of the retired Summit loan. The additional \$10 million revolving credit facility will be used by the Company for general corporate purposes.

Barry Sloane, Chairman, President and Chief Executive Officer commented, "We are very pleased to announce the Capital One, N.A. approval of an additional \$23 million for our revolving credit facility which, upon regulatory approval, brings our total available revolving financing to \$50 million for our lending business. This additional financing will give us both increased capability and flexibility to grow our loan originations and issue larger, more cost-effective asset-backed securitizations. Our ability to increase our total financing with Capital One, N.A. by \$43 million since July and, as a result, substantially lower our interest expense, is just one example of our strategic initiatives to increase our top- and bottom-line growth, which we will discuss in greater detail on our upcoming quarterly conference call this Thursday, August 14, 2014 at 4:15 PM."

Investor Conference Call and Webcast

The Company's conference call to discuss second quarter 2014 financial results will be held on Thursday, August 14, 2014 at 4:15pm EDT. The live conference call can be accessed by dialing (877) 303-6993 or (760) 666-3611. A live audio webcast of the call and the corresponding presentation will be available in the 'Events & Presentation' section of the Investor Relations portion of Newtek's website at <http://investor.newtekbusinessservices.com/events.cfm>



About Newtek Business Services, Inc.

[Newtek Business Services, Inc.](#), *The Small Business Authority*[®], is the Authority for the small- and medium-sized business (SMB) market providing a wide range of business services and financial products under the Newtek[®] brand. Since 1999, Newtek has provided state-of-the-art, cost-efficient products and services and efficient business strategies to over 100,000 business accounts across all 50 States to help them grow their sales, control their expenses and reduce their risk.

Newtek's products and services include: [The Newtek Advantage™](#), [Electronic Payment Processing](#), [Managed Technology Solutions \(Cloud Computing\)](#), [eCommerce](#), [Business Lending](#), [Insurance Services](#), [Web Services](#), [Data Backup, Storage and Retrieval](#), [Accounts Receivable Financing](#), [Payroll](#).

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 press 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>.

Newtek Business Services, Inc.

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