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Newtek Business Services Corp. Reports 2016 Common Stock Dividend Tax Allocation

NEW YORK, Jan. 30, 2017 (GLOBE NEWSWIRE) -- [Newtek Business Services Corp.](#) ("Newtek" or the "Company") (NASDAQ:NEWT), an internally managed business development company ("BDC"), today announced the calculation of the dividend tax status for its dividends paid in 2016. The Company announced that approximately 53.0% of the regular quarterly cash dividends paid in 2016 will be taxed as ordinary income, 34.8% will be taxed as qualified dividends and 12.2% will be taxed as long-term capital gains.

Long-term capital gains and qualified dividends paid to non-corporate taxpayers (including individuals) qualify for favorable tax treatment under the Internal Revenue Code and, for 2016, will generally be subject to a maximum 20% U.S. federal income tax rate (plus a 3.8% Medicare surtax, if applicable). Shareholders should consult their own tax advisors concerning the U.S. federal tax treatment of dividends reported as qualified dividends in light of their unique circumstances.

The following table provides a summary by payment date of the U.S. federal income tax characteristics of Newtek's dividends that are attributable to 2016:

Payable date	Distribution amount per share	Taxable	Long-term capital gains	Qualified	Non-Qualified	Total
1/19/2016	\$ 0.40	88.3%	11.7%	37.8%	62.2%	100.00%
3/31/2016	\$ 0.35	86.6%	13.4%	35.3%	64.7%	100.00%
6/30/2016	\$ 0.35	86.6%	13.4%	33.6%	66.4%	100.00%
9/30/2016	\$ 0.43	89.1%	10.9%	33.6%	66.4%	100.00%
12/30/2016	\$ 0.40	88.3%	11.7%	33.6%	66.4%	100.00%

Barry Sloane, President, Chairman and Chief Executive Officer of Newtek said, "We are pleased to announce the calculation of the tax status for our dividends paid in 2016 and that approximately 47% of our 2016 quarterly cash dividends qualify for preferential tax treatment. This is a direct function of our business model where, historically, our controlled portfolio companies have provided a reoccurring stream of income which is taxed at the portfolio companies before being paid to the company."

Mr. Sloane continued, "We are reaffirming our full year 2017 dividend forecast of \$1.57 per share, which forecast includes the 2.6 million shares of common stock issued in conjunction with the equity offering we closed today. We expect to pay our 2017 forecasted dividend out of adjusted net investment income, and in accordance with our dividend policy."

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 over 100,000 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 Solutions](#), [SBA Lending](#), [Electronic Payment Processing](#), [Technology Solutions \(Cloud Computing, Data Backup, Storage and Retrieval\)](#), [eCommerce](#), [Receivable Financing & Inventory Financing](#), [The Secure Gateway](#), [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.

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