



Newtek Business Services Corp. Forecasts Paying a Second Half of 2022 Dividend in a Range of \$1.00 to \$1.50 per Share

August 3, 2022

BOCA RATON, Fla., Aug. 03, 2022 (GLOBE NEWSWIRE) -- [Newtek Business Services Corp.](#) (NASDAQ: NEWT), an internally managed business development company ("BDC"), today announced that it is forecasting paying a third and fourth quarter 2022 total dividend in a range of \$1.00 per share to \$1.50 per share¹, which dividends are expected to be paid by December 31, 2022, subject to approval by the Company's Board of Directors. Newtek has paid a total of \$1.40 per share in dividends year to date through June 30, 2022, and is currently forecasting a full year 2022 dividend of between \$2.40 per share and \$2.90 per share.

Barry Sloane, Chairman, President and Chief Executive Officer said, "On August 2, 2021, Newtek signed a definitive agreement to acquire the National Bank of New York City ("NBNYC" and the "Transaction") and has been working with the regulators to obtain regulatory approvals for the Transaction. While Newtek believes that it will receive the required regulatory approvals, we cannot state with certainty the outcome of the regulatory approval process. As previously disclosed, the Company's Board of Directors will not seek to discontinue the Company's election as a BDC under the 1940 Act until after the Company receives the required regulatory approvals for the Transaction and after certain of the Transaction closing conditions are met. The final decision on the timing of the Company's discontinuance from regulation as a BDC under the 1940 Act will be made by the Board of Directors based on such factors deemed appropriate by the Board of Directors, including the then current status of the Transaction and discussions with applicable regulatory authorities. After the Company's discontinuance from regulation as a BDC, the Company will no longer be subject to the regulatory provisions of the 1940 Act applicable to BDCs, will no longer qualify as a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended, and therefore will be treated differently from both a tax and regulatory perspective. Newtek currently estimates that it will maintain its status as a BDC and RIC in the near term, and therefore expects to maintain its current dividend policy with the objective of making quarterly distributions in an amount that approximates 90 - 100% of the Company's annual taxable income, and also pay a spillover dividend (which is included in the forecasted second half 2022 guidance), between now and December 31, 2022, subject to approval by our Board."

Mr. Sloane continued, "Newtek believes that it will be successful in its plan to close the Transaction and convert to a bank holding company and has updated previous illustrations as to what Newtek might look like upon the close of the Transaction as a bank holding company owning a well-capitalized bank, as well as provided certain financial targets for Newtek as a bank holding company for 2023, if the Transaction were to close. This illustration can be found on our corporate website at www.newtekone.com in the 'Investor Relations' section under ' [Events and Presentations](#)' and is titled 'July 2022 Illustration of the NBNYC Acquisition and Conversion of Newtek Business Services Corp. to a Bank Holding Company'."

¹Note regarding Dividend Payments: The Company's Board of Directors expects to maintain a dividend policy with the objective of making quarterly distributions in an amount that approximates 90 - 100% of the Company's annual taxable income. The determination of the tax attributes of the Company's distributions is made annually as of the end of the Company's fiscal year based upon its taxable income for the full year and distributions paid for the full year.

[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, include our ability to close the pending acquisition of the National Bank of New York City (the "Transaction"), obtain required regulatory approvals for the pending Transaction, the timing of the closing of the Transaction, the timing of the Company's discontinuance from regulation as a BDC under the 1940 Act, projections concerning or considering the pending Transaction, the timing of our ability to originate new investments, achieve certain margins and levels of profitability, the availability of additional capital and the ability to maintain certain debt to asset ratios, 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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Source: Newtek Business Services Corp.