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The Small Business Authority Releases the January 2011 SB Authority Index

The SB Authority Index Shows the Small Business Economy Growing 0.67% From Prior Month

NEW YORK, Feb. 25, 2011 (GLOBE NEWSWIRE) -- Newtek Business Services, (Nasdaq:NEWT), [The Small Business Authority](#), announced the release of the SB Authority Index for January 2011. The SB Authority Index is up 0.67% from December 2010. The index increase was led by a large improvement in the Russell Micro-cap Index, retail sales and Newtek Visa/MasterCard processing volume. The other five components of the index are approved SBA volumes, ADP National Employment Report, the Prime Rate, Estimated Small Business Default Loan Rate, and New Business Formations. We see the small business economy seems to be gradually trending up.

President and CEO, Barry Sloane said, "The small business economy seems to be moving up and forward in direction and magnitude. The SB Authority Index being up 0.67% was driven by several factors but with a stand out element in the Russell Micro-cap stock index. Looking at the Russell year after year, this equity-based index has sequentially made a strong upward move. This index is representative of the bull market in the Micro-cap stock market. The Federal Reserve's zero based interest rate policy has caused tremendous liquidity across the United States and worldwide. As stock prices rise, it's indicative of an easier flow of equity capital and venture capital to small businesses."

Mr. Sloane continues, "A rising index is indicative of a lower equity cost of capital and a sign that it is more readily available. In addition, as stock prices rise, it is symbolic of an economy that might be currently lagging the stock market and will catch up and improve its cash flow for businesses. This component of the SB Authority Index is a leading component of the economy as rising stock market indices are a precursor to economic growth. The Small Business Authority views this component of the overall index as helpful to future economic growth and activity."

About Newtek Business Services, Inc.

Newtek Business Services, [The Small Business Authority](#), provides the following products and services:

- | **Electronic Payment Processing:** eCommerce, electronic solutions to accept non-cash payments, including credit and debit cards, check conversion, remote deposit capture, ACH processing, and electronic gift and loyalty card programs.
- | **Web Hosting:** Full-service web host which offers eCommerce solutions, shared and dedicated web hosting and related services including domain registration and online shopping cart tools.
- | **eCommerce:** A suite of services that enable small businesses to get up and running on-line quickly and cost effectively, with integrated web design, payment processing and shopping cart services.
- | **Business Lending:** Broad array of lending products including SBA 7(a) and SBA 504 loans.
- | **Insurance Services:** Commercial and personal lines of insurance, including health and employee benefits in all 50 states, working with over 40 insurance carriers.
- | **Web Services:** Customized web design and development services.
- | **Data Backup, Storage and Retrieval:** Fast, secure, off-site data backup, storage and retrieval designed to meet the specific regulatory and compliance needs of any business.
- | **Accounts Receivable Financing:** Receivable purchasing and financing services.
- | **Payroll:** Complete payroll management and processing services.

Newtek Business Services, Inc., [The Small Business Authority](#), is a direct distributor of a wide range of business services and financial products to the small- and medium-sized business market under the Newtek™ brand. Since 1999, Newtek has helped small- and medium-sized business owners realize their potential by providing them with the essential tools needed to manage and grow their businesses and to compete effectively in today's marketplace. Newtek provides its services to over 100,000 business accounts and has positioned the Newtek™ brand as a one-stop-shop provider of such business services. According to the U.S. Small Business Administration, there are over 27.5 million small businesses in the United States, which in total represent 99.7% of all employer firms.

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>.

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