



April 27, 2011

## The Small Business Authority Releases the March 2011 SB Authority Index

### The SB Authority Index Shows The Small Business Economy Growing 0.60% from prior month

NEW YORK, April 27, 2011 /PRNewswire/ -- Newtek Business Services, NASDAQ: NEWT, [The Small Business Authority](#), announced the release of its SB Authority Index for March 2011. The SB Authority Index is up 0.60% from February 2011. The Prime Rate, Retail Sales and Approved SBA Loan Volume led the index increase. The other five components of the index are the Russell Microcap Index, ADP National Employment Report, New Business Formations, Estimated Small Business Default Loan Rate, and Newtek Merchant Processing Volume. We see the small business economy growing but at a slow and upward trend.

President and CEO, Barry Sloane said, "The SB Authority index continues to climb off of a very low base and is still barely above the Small Business economies high point in the fourth quarter of 2007. When we look at what factors drive the small business economy, no single factor weighs more heavily on small business growth and stability as levels of rates of interest. The cost of capital for small business has remained low for several years, which is now driven by the Federal Reserves aggressive monetary easing. This ease has several repercussions for small business that we shall discuss.

One may ask, why is the Prime Rate used as the index measure? Many small business owners borrow off of home equity, either through a Home Equity Line of credit or a second mortgage. The index of choice for most lenders in these markets is offering finance based on a spread to the Prime Rate. Another key small business financing vehicle is SBA (Small Business Administration) 7A loans, of which we anticipate 17.5 billion of guaranty to be drawn upon in this fiscal year. The significant majority of these loans are prime based."

Mr. Sloane continues, "The Fed has kept rates low thru a low fed funds rate and its quantitative easing policy of buying long term government bonds. This has caused the dollar to go lower. Increased the prices of many key commodity prices like oil, copper, corn, sugar, beef etc. Although quite stimulating in the short term these fixes have long term issues that may make it difficult for independent business owners to deal with down the road. "Helicopter Ben" Bernanke our Fed Chairmen showers the market with liquidity and inspiring economic policy in the short term.

Our SB Authority index has moved positively off of its bottom in 2008 because of lower rates driving the Russell micro cap Index, consumer spending, retail sales and exports with a cheaper dollar. As long as the Prime Rate stays at 3.25 percent we see the small business economy moving forward against the back drop of the deleveraging of the Banking industry and State Local and possible future Federal Spending."

### 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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