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## The Small Business Authority Launches the First Small Business Based Economic Market Index

### The SB Authority Index Shows the Small Business Economy Growing 1.05% for the Year 2010

NEW YORK, Feb. 1, 2011 (GLOBE NEWSWIRE) -- Newtek Business Services, (Nasdaq:NEWT), [The Small Business Authority](#), announced today the launch of its SB authority Index. The SB authority Index is up 1.05% for the year 2010. The increase for the index was lead by Small Business Loan Originations, Russell MicroCap Index, Newtek's proprietary internal Visa/MasterCard Merchant Processing Volume, and Retail Sales. The other four components are ADP National Employee Report, the Prime Rate, Estimated Small Business Default Loan Rate, and New Business Formations. We see the small business economy growing but at a slow and upward trend.

President and CEO Barry Sloane said, "The premier release of the SB authority Index is a great milestone for [The Small Business Authority](#). We are proud to release this index and the annual results to independent business owners across the United States to inform, educate and serve as a barometer of financial health of the small business economy. According to the Small Business Administration small businesses defined by the SBA represent 50 per cent of nonfarm GDP. 27 million businesses fit this definition and create 70 to 75 per cent of the new jobs in the US. For years this business segment has been ignored by economists and market participants until now. [The Small Business Authority](#) has created an index that independent business owners can follow and be relied upon for economic clues, trends and market direction."

Mr. Sloane continues, "The SB authority Index rose 1.05% for the year 2010. This increase is an improvement in the small business economy rebounding off of 2008 and 2009 weakness. The index is made up of 8 key components as previously mentioned. The fourth quarter in particular showed strong performance. Few market participants are aware that SBA loan guaranty requests in Q4 were made by participating lenders at a volume of 12 billion. The largest lending years for this type of 7A loan demand from small business tops out at 15.2 billion for a given year. So the quarterly loan volume for 2010 is extremely high. We realize this demand was driven by a closing window for SBA loan fee waivers for borrowers and a terminating 90 percent government guaranty percentage for lenders."

Mr. Sloane adds, "These sweeteners were part of the Obama 2010 recovery act and disappeared by law on December 31<sup>st</sup>, 2010. This stimulus produced abnormal lending demand and supply, drove the index and will support healthy economic activity for several quarters. We also witnessed strong growth in electronic payment processing and retail sales which drove the index higher. This data indicates primarily strong consumer spending patterns. For more information on this month's and the 2010 index please sign up for our newsletter, [The Small Business Observer](#). Lastly we will broadcast more information on our Small Business News segment this coming Saturday February 5<sup>th</sup>, 2011 on *The Small Business Authority Hour* radio show on 77WABC at 4:00pm EST."

### 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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