



June 22, 2011

The Small Business Authority Index for May 2011 Experiences A Slow Down in Consumer Discretionary Spending

The SB Authority Index Shows The Small Business Economy Growing Just 0.35% from prior month

NEW YORK, June 22, 2011 /PRNewswire/ -- Newtek Business Services, (Nasdaq: NEWT), [The Small Business Authority](#), announced the release of the SB Authority Index for May 2011 reaching 104.89 points. The SB Authority Index is up 0.35% from April 2011. The Russell microcap index and new business formations led the slight increase in the index. The other six components of the index are approved SBA loan originations, retail sales, ADP national employment report, Newtek's proprietary merchant processing volume, estimated small business default loan rate, and the prime rate.

President and CEO, Barry Sloane said, "Despite some inertia from a trillion dollars of government budgetary stimulus, the Federal Reserve's policy of QE2 buying \$600 billion dollars of government long term obligations and the Federal Reserve expanding its balance sheet by over one trillion dollars by purchasing assets from financial institutions, the U.S. economy is slowing. Small businesses rely on consumer discretionary spending and a growth in employment to drive their businesses. Consumer spending is slowing as they are increasing their savings rate, paying less debt and are being pinched by higher food and energy costs. Smaller businesses given the uncertain economic outlook are refusing to invest and hire for future growth."

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.
- | **[Managed Technology Solutions \(Cloud Computing\)](#)**: 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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