

Small Business Investment Company (SBIC) Program Overview
as of June 30, 2020

PROGRAM COMPOSITION

	FY End 2016	FY End 2017	FY End 2018	FY End 2019	as of 06/30/20
Program Composition of Operating SBICs					
Total Number of Licensees	313	315	305	300	303
Debenture	216	227	227	224	230
Participating Security	41	33	25	22	15
Bank-Owned/Non-Leveraged	47	47	47	48	52
Specialized SBICs	9	8	6	6	6
Private Capital of Operating SBICs by Fund Type (\$ in millions)					
a. Regulatory Private Capital	\$14,115.3	\$15,014.7	\$15,808.2	\$16,717.9	\$18,030.0
Debenture	11,357.7	12,259.3	13,252.8	13,500.0	13,969.6
Participating Security	716.8	504.6	352.3	323.8	260.9
Other	2,040.8	2,250.8	2,203.1	2,894.1	3,799.5
b. Leverageable Private Capital	\$8,897.0	\$9,565.2	\$10,015.0	\$10,231.2	\$10,686.6
Debenture	7,309.8	7,974.6	8,533.4	8,564.9	8,962.9
Participating Security	571.7	383.5	262.5	234.4	185.1
Other	1,015.5	1,207.1	1,219.1	1,431.9	1,538.6
c. Unfunded Private Commitments	\$5,218.2	\$5,449.7	\$5,793.1	\$6,486.7	\$7,343.4
Debenture	4,047.9	4,284.8	4,719.4	4,935.1	5,006.7
Participating Security	145.0	121.2	89.8	89.4	75.8
Other	1,025.3	1,043.7	983.9	1,462.2	2,260.9
Leverage from SBA of Operating SBICs by Fund Type (\$ in millions)					
d. SBA Capital at Risk (e+f)	\$13,696.7	\$13,996.4	\$14,280.7	\$13,827.4	\$14,011.4
Debenture	13,356.3	13,810.2	14,203.4	13,785.0	13,972.2
Participating Security	249.5	96.8	18.0	4.0	4.0
Other	90.9	89.4	59.3	38.4	35.2
e. Outstanding SBA Leverage	\$10,330.4	\$10,708.9	\$10,860.5	\$10,780.5	\$10,837.5
Debenture	10,010.8	10,525.3	10,785.8	10,740.7	10,800.9
Participating Security	244.6	96.8	18.0	4.0	4.0
Other	75.0	86.8	56.7	35.8	32.6
f. Outstanding SBA Commitments	\$3,366.3	\$3,287.6	\$3,420.2	\$3,046.9	\$3,173.9
Debenture	3,345.5	3,285.0	3,417.6	3,044.3	3,171.3
Participating Security	4.9	-	-	-	0.0
Other	15.9	2.6	2.6	2.6	2.6
g. Unreimbursed Prioritized Payments	\$113.1	\$55.5	\$0.1	\$0.0	\$0.0
Combined Private Capital and SBA Capital at Risk of Operating SBICs (\$ in millions)					
h. Total Capital at Risk (a+d)	\$27,812.0	\$29,011.1	\$30,088.9	\$30,545.3	\$32,041.4
Debenture	24,714.0	26,069.5	27,456.2	27,285.0	27,941.8
Participating Security	966.3	601.4	370.3	327.8	264.9
Other	2,131.7	2,340.2	2,262.4	2,932.5	3,834.7
Program Composition in Liquidation (\$ in millions) *					
Total Number of Licensees	104	97	87	79	79
Participating Security	76	72	66	57	57
Other	28	25	21	22	22
Leverage Balance	\$810.5	\$671.7	\$413.1	\$499.0	\$567.6
Participating Security	571.1	451.8	257.1	216.3	202.1
Other	239.4	219.9	156.0	282.7	365.5
Program Funding (\$ in millions)					
Debenture Authorization (\$ in Millions)	\$4,000.0	\$4,000.0	\$4,000.0	\$4,000.0	\$4,000.0
Annual Charge	0.672%	0.347%	0.222%	0.094%	0.275%
Average Debenture Pooled Interest Rate	2.29%	2.70%	3.35%	2.70%	n/a

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ECONOMIC IMPACT: SBIC FINANCINGS TO SMALL BUSINESS REPORTED *

	FY End 2016	FY End 2017	FY End 2018	FY End 2019	as of 06/30/20	Chg. From 06/30/19
Total SBIC Program						
Financing Amount Reported (\$ in millions)	\$5,991.7	\$5,727.3	\$5,502.6	\$5,865.7	\$3,650.6	(16%)
<i>Type of Financing (\$ in millions)</i>						
Straight Debt	3,791.7	3,720.2	3,543.0	3,594.4	2,263.8	(12%)
Debt with Equity Features	1,157.1	859.8	807.3	792.0	457.0	(25%)
Equity Only	1,042.9	1,147.4	1,152.2	1,479.3	929.8	(18%)
Number of Companies Financed	1,201	1,077	1,151	1,191	884	(7%)
Special Competitive Opportunity Gap Businesses	332	308	315	292	223	(4%)
Businesses Located in LMI Areas*	284	262	265	245	190	(4%)
Women, Minority, Veteran Owned Businesses*	61	68	66	59	50	9%
Number of Jobs Created or Sustained**	122,382	112,865	106,021	111,201	69,253	(16%)
Debenture SBICs						
Financing Amount Reported (\$ in millions)	\$5,653.8	\$5,353.8	\$5,159.0	\$5,450.4	\$3,312.8	(17%)
<i>Type of Financing (\$ in millions)</i>						
Straight Debt	3,665.5	3,617.6	3,422.1	3,464.1	2,176.2	(13%)
Debt with Equity Features	1,110.6	835.4	791.8	760.3	442.6	(25%)
Equity Only	877.7	900.9	945.0	1,226.0	694.0	(25%)
Number of Companies Financed	986	904	940	987	702	(12%)
Special Competitive Opportunity Gap Businesses	260	245	238	227	177	(7%)
Businesses Located in LMI Areas*	232	212	206	192	150	(7%)
Women, Minority, Veteran Owned Businesses*	35	47	39	41	39	8%
Number of Jobs Created or Sustained**	115,481	105,505	99,400	103,326	62,844	(17%)
Non-Leveraged, Bank-Owned, and Specialized SBICs						
Financing Amount Reported (\$ in millions)	\$307.0	\$357.7	\$328.0	\$397.3	\$330.4	10%
<i>Type of Financing (\$ in millions)</i>						
Straight Debt	116.5	94.1	111.9	120.4	83.0	9%
Debt with Equity Features	38.2	23.4	13.4	27.6	14.4	(22%)
Equity Only	152.3	240.1	202.6	249.3	233.0	13%
Number of Companies Financed	203	189	236	244	213	25%
Special Competitive Opportunity Gap Businesses	70	67	84	70	55	15%
Businesses Located in LMI Areas*	50	54	66	58	48	20%
Women, Minority, Veteran Owned Businesses*	26	22	27	17	14	40%
Number of Jobs Created or Sustained**	6,271	7,048	6,319	7,532	6,269	10%
Participating Security SBICs						
Financing Amount Reported (\$ in millions)	\$30.9	\$15.8	\$15.7	\$18.1	\$7.4	(22%)
<i>Type of Financing (\$ in millions)</i>						
Straight Debt	9.7	8.6	9.0	9.9	4.6	(29%)
Debt with Equity Features	8.3	0.9	2.0	4.1	0	(100%)
Equity Only	12.9	6.3	4.6	4.1	2.8	87%
Number of Companies Financed	40	23	15	14	7	(30%)
Special Competitive Opportunity Gap Businesses	9	6	3	3	1	0%
Businesses Located in LMI Areas*	9	6	3	3	1	0%
Women, Minority, Veteran Owned Businesses*	0	0	0	1	0	0%
Number of Jobs Created or Sustained**	630	312	302	342	140	(23%)

* The Office of Investment and Innovation reports financing information based on data collected on the SBA Form 1031. Information is aggregated, by fiscal year, based on the date of the submission of the form and not on the date of the financing to the small business.

** SBA estimates jobs created or sustained using "The 1999 Arizona Venture Capital Impact Study" (confirmed by the DRI-WEFA study of 2001) indicating that 1 job is created for every \$36,000 of SBIC Program investment (adjusted for inflation).

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PROGRAM OFFICE ACTIVITIES						
	FY End 2016	FY End 2017	FY End 2018	FY End 2019	as of 06/30/20	Chg. from 06/30/19
New Licensees						
New Licensees by Fund Type	21	15	25	18	19	90%
Debenture	17	11	21	15	15	114%
Bank-Owned/Non-Leveraged	4	4	4	3	4	33%
Initial Private Capital (\$ in millions)	\$1,188.0	\$831.7	\$1,224.1	\$1,234.0	\$1,603.0	111%
Debenture	893.0	656.5	1,137.9	986.5	895.0	74%
Bank-Owned/Non-Leveraged	295.0	175.2	86.2	247.5	708.0	186%
Licensing Pipeline*						
Total in Pipeline	49	62	53	51	48	(13%)
In Applicant Initial Review	20	22	20	18	11	(58%)
In Capital Raising	22	26	23	25	20	(5%)
In Licensing	7	14	10	8	17	113%
Licensing Activity**						
Applicant Initial Review						
Received during FY	57	55	39	26	26	13%
1st Time SBIC Applicants	30	27	17	8	9	13%
Subsequent Fund Applicants	27	28	22	18	17	13%
Processed in FY	50	52	41	32	35	106%
Green Light Letters Issued	32	31	28	25	30	173%
<i>% of Processed Receiving Green Light</i>	64%	60%	68%	78%	86%	(99%)
1st Time SBIC Applicants	10	18	10	11	8	60%
Subsequent Fund Applicants	22	13	18	14	22	267%
Number Denied -- 1st Time and Subsequent	15	15	7	3	4	33%
Number Withdrawn -- 1st Time and Subsequent	3	6	6	4	1	(67%)
Capital Raising Completed/Terminated						
Green Light Letters Expired/Other	0	5	7	7	2	(50%)
Licensing Applications Submitted	24	22	24	14	31	288%
Total, Capital Raising Completed/Terminated	24	27	31	21	33	175%
<i>% in Capital Raising Completed/Terminated</i>						
Submitting Applications	100%	81%	77%	67%	94%	(99%)
Licensing ***						
Received during FY	24	22	24	14	31	288%
1st Time SBIC Applicants	2	9	8	5	12	1,100%
Subsequent Fund Applicants	22	13	16	9	19	171%
Otherwise Resolved During FY	6	0	3	1	2	100%
FY Number of New Licensees	21	15	25	18	19	90%
1st Time SBIC Applicants	8	1	11	4	10	150%
Subsequent Fund Applicants	13	14	14	14	9	50%
<i>Average Months to Process</i>	5.8	5.1	8.2	6.8	5.5	(29%)

* *OII re-evaluated the data collection and also identified several historical data discrepancies. Consequently, some data was updated and therefore may not be consistent with previously issued Program Overview reports.

*** FY 2019 Licensing data has been adjusted for the lapse in appropriations.

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	FY End 2016	FY End 2017	FY End 2018	FY End 2019	as of 06/30/20	Chg. from 06/30/19
Leverage Activities in Operations						
Debenture Leverage						
Commitments Issued	\$2,514.3	\$1,959.8	\$2,521.9	\$1,614.1	\$1,552.4	62%
Draws	\$2,157.6	\$1,901.8	\$2,118.7	\$1,927.2	\$1,284.8	(8%)
Redemptions (Pre-Paid and at Maturity)	\$807.8	\$1,372.0	\$1,893.5	\$1,816.4	\$1,138.1	24%
Transfers to Liquidation	\$38.6	\$42.4	\$0.0	\$179.9	\$90.4	560%
<i>% of Beginning Leverage Transferred</i>	<1%	<1%	0%	2%	<1%	7%
Participating Securities Leverage						
Prioritized Payments (PP) Advanced	\$15.5	\$8.9	\$3.3	\$0.3	\$0.0	(100%)
SBA Distributions						
Prioritized Payments	\$137.4	\$73.1	\$56.6	\$12.1	\$0.0	(100%)
Adjustments and Annual Fees	\$13.1	\$1.8	\$4.0	\$0.5	\$0.0	0%
Profit Participation	\$4.0	\$0.4	\$17.0	\$0.2	\$0.0	0%
PS Redemptions--Operating SBICs	\$5.1	\$11.3	\$13.6	\$3.1	\$0.0	(100%)
Transfers to Liquidation	\$115.2	\$59.6	\$21.9	\$11.0	\$0.0	(100%)
<i>% of Beginning Leverage Transferred</i>	\$22.8	\$49.3	\$51.7	\$1.2	\$0.0	(100%)
Prioritized Payments at Transfer	7%	25%	60%	10%	0%	(100%)
	\$11.1	\$49.6	\$59.2	\$0.3	\$0.0	(100%)
SBIC Examination Activities						
Exam Reports Issued						
Exam Cycle (months)	186	167	177	206	146	51%
<i>% of Reports with Major Findings</i>	13.0	16.3	17.3	15.2	13.5	(19%)
	19%	17%	24%	17%	15%	(99%)
Licensees with Leverage						
Exam Cycle (months)	137	126	139	151	108	46%
<i>% of Reports with Major Findings</i>	11.5	15.4	16.9	14.2	12.3	(21%)
	19%	19%	26%	19%	17%	(99%)
Licensees without Leverage						
Exam Cycle (months)	49	41	38	55	38	65%
<i>% of Reports with Major Findings</i>	17.1	19.2	18.8	18.1	17	(15%)
	18%	12%	16%	15%	7%	(99%)
Surrenders and Transfers to Liquidation						
SBIC License Surrenders						
Debtenture	9	7	31	18	14	27%
Participating Security	5	0	21	14	8	(20%)
Bank-Owned/Non-Leveraged	4	3	5	2	6	500%
Specialized SBICs	0	4	4	2	0	0%
	0	0	1	0	0	0%
SBIC Licensee Transfers to Liquidation						
Debtenture and Specialized SBICs	2	6	4	4	2	0%
Participating Security	1	1	1	3	1	0%
	1	5	3	1	1	0%
Activities in the Office of Liquidation						
Participating Security Leverage						
Total Leverage Collections	\$98.6	\$118.4	\$200.0	\$11.3	\$14.3	40%
<i>Collections as % of Beginning Leverage</i>	14%	21%	44%	4%	7%	(98%)
Leverage Write-offs	\$52.5	\$51.4	\$89.9	\$31.3	<(\$1)	(94%)
Prioritized Payments Collections	\$2.7	\$0.4	\$50.7	\$1.4	\$0.4	(50%)
Prioritized Payments Write-offs	\$15.7	\$14.0	\$14.6	\$3.6	\$0.0	0%
Debtenture Leverage						
Total Leverage Collections	\$54.0	\$37.8	\$9.2	\$36.3	\$3.9	(47%)
<i>Collections as % of Beginning Leverage</i>	21%	16%	4%	23%	1%	(100%)
Leverage Write-offs	\$7.1	\$24.7	\$12.7	\$14.9	\$4.3	100%