

Small Business Investment Company (SBIC) Program Overview
as of March 31, 2016

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--- PROGRAM COMPOSITION ---

	FY End 2012	FY End 2013	FY End 2014	FY End 2015	As of 03/31/16
--- Program Composition of Operating SBICs ---					
Total Number of Licensees	301	292	294	303	306
Debenture	158	175	187	205	208
Participating Security	86	63	53	46	44
Bank-Owned/Non-Leveraged	44	43	45	43	45
Specialized SBICs	13	11	9	9	9

--- Private Capital of Operating SBICs by Fund Type (\$ in millions) ---

a. Regulatory Private Capital	\$9,376.6	\$10,333.2	\$11,789.5	\$12,994.9	\$13,545.1
Debenture	6,114.4	7,504.4	8,923.4	10,414.2	10,811.0
Participating Security	1,881.5	1,316.2	1,096.1	887.8	800.8
Other	1,380.8	1,512.6	1,770.1	1,693.0	1,933.3
b. Leveragable Private Capital	\$6,187.0	\$6,416.5	\$7,070.2	\$7,930.5	\$8,513.8
Debenture	3,795.2	4,467.6	5,292.8	6,413.4	6,974.6
Participating Security	1,457.6	1,079.2	874.8	684.7	641.6
Other	934.2	869.7	902.6	832.4	897.5
c. Unfunded Private Commitments	\$3,189.6	\$3,916.7	\$4,719.3	\$5,064.4	\$5,031.3
Debenture	2,319.2	3,036.9	3,630.6	4,000.8	3,836.3
Participating Security	423.8	237.0	221.3	203.1	159.2
Other	446.6	642.8	867.4	860.6	1,035.8

--- Leverage from SBA of Operating SBICs by Fund Type (\$ in millions) ---

d. SBA Capital at Risk (e+f)	\$8,823.6	\$9,483.7	\$10,947.1	\$12,351.2	\$12,956.5
Debenture	7,230.6	8,400.3	10,211.9	11,883.6	12,555.4
Participating Security	1,574.2	1,019.7	693.2	392.6	326.1
Other	18.9	63.8	42.0	75.0	75.0
e. Outstanding SBA Leverage	\$6,435.7	\$6,950.6	\$7,921.4	\$9,157.2	\$9,834.5
Debenture	4,870.6	5,919.4	7,209.9	8,712.0	9,439.7
Participating Security	1,549.3	1,002.2	681.2	384.6	319.7
Other	15.9	29.0	30.3	60.6	75.0
f. Outstanding SBA Commitments	\$2,387.8	\$2,533.2	\$3,025.7	\$3,194.0	\$3,122.1
Debenture	2,360.0	2,480.9	3,002.0	3,171.6	3,115.7
Participating Security	24.8	17.4	12.0	8.0	6.4
Other	3.0	34.9	11.7	14.4	0.0
g. Unreimbursed Prioritized Payments	\$358.9	\$238.3	\$201.7	\$142.2	\$128.9

--- Combined Private Capital and SBA Capital at Risk of Operating SBICs (\$ in millions) ---

h. Total Capital at Risk (a+d)	\$18,200.2	\$19,816.9	\$22,736.6	\$25,346.1	\$26,501.6
Debenture	13,344.9	15,904.7	19,135.2	22,297.8	23,366.3
Participating Security	3,455.9	2,335.8	1,789.3	1,280.4	1,127.0
Other	1,399.6	1,576.4	1,812.1	1,768.0	2,008.3

--- Program Composition in Liquidation (\$ in Millions) ---

				DRAFT	DRAFT
Total Number of Licensees	117	123	121	116	115
Participating Security	80	84	83	82	81
Other	37	39	38	34	34
Leverage Balance	\$1,422.5	\$1,354.2	\$1,137.6	\$950.6	\$923.7
Participating Security	1,111.7	1,011.1	785.2	691.6	682.0
Other	310.8	343.1	352.4	259.0	241.7

--- Program Funding (\$ in millions) ---

Debenture Authorization (\$ in Millions)	\$3,000.0	\$3,000.0	\$4,000.0	\$4,000.0	\$4,000.0
Annual Charge	0.804%	0.760%	0.355%	0.742%	0.672%
Average Debenture Pooled Interest Rate	2.46%	2.83%	3.10%	2.68%	2.51%

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--- ECONOMIC IMPACT: SBIC FINANCINGS TO SMALL BUSINESS REPORTED ---

	FY End 2012	FY End 2013	FY End 2014	FY End 2015	As of 03/31/16	Chg. from 03/31/15
--- Total SBIC Program ---						
Financing Amount Reported (\$ in millions)	\$3,227.4	\$3,498.3	\$5,464.6	\$6,285.5	\$2,923.0	(2%)
Type of Financing (\$ in millions)						
Straight Debt	1,927.7	2,095.7	3,478.5	3,810.5	1,948.4	7%
Debt with Equity Features	723.3	834.1	1,030.4	1,351.2	498.3	(24%)
Equity Only	576.4	568.5	955.6	1,124.8	476.3	(3%)
Number of Companies Financed	1,094	1,068	1,085	1,210	688	(2%)
Special Competitive Opportunity Gap*	290	260	281	288	-	-
Businesses Located in LMI Areas*	216	213	229	229	-	-
Women, Minority, Veteran Owned	108	67	70	73	37	(3%)
Number of Jobs Created or Sustained**	68,918	73,585	113,022	129,749	60,644	(3%)
--- Debenture SBICs ---						
Financing Amount Reported (\$ in millions)	\$2,950.3	\$3,256.3	\$5,217.5	\$5,939.6	\$2,766.6	(2%)
Type of Financing (\$ in millions)						
Straight Debt	1,855.1	2,042.4	3,418.1	3,701.8	1,889.0	5%
Debt with Equity Features	671.7	794.6	978.6	1,265.9	469.3	(24%)
Equity Only	423.6	419.3	820.9	971.9	408.3	(2%)
Number of Companies Financed	795	856	908	1,010	557	(5%)
Special Competitive Opportunity Gap*	192	206	232	226	-	-
Businesses Located in LMI Areas*	153	170	191	182	-	-
Women, Minority, Veteran Owned	50	51	56	51	23	(26%)
Number of Jobs Created or Sustained**	63,001	68,493	107,913	122,608	57,400	(3%)
--- Non-Leveraged, Bank-Owned, and Specialized SBICs ---						
Financing Amount Reported (\$ in millions)	\$175.2	\$166.1	\$195.7	\$300.1	\$142.7	20%
Type of Financing (\$ in millions)						
Straight Debt	57.3	38.4	51.3	98.8	55.4	108%
Debt with Equity Features	23.1	18.3	41.5	72.6	25.6	(8%)
Equity Only	94.8	109.4	102.9	128.8	61.7	(4%)
Number of Companies Financed	166	110	102	147	115	21%
Special Competitive Opportunity Gap*	83	35	36	48	-	-
Businesses Located in LMI Areas*	48	27	24	34	-	-
Women, Minority, Veteran Owned	58	13	15	21	14	133%
Number of Jobs Created or Sustained**	3,742	3,495	4,047	6,196	2,960	19%
--- Participating Security SBICs ---						
Financing Amount Reported (\$ in millions)	\$101.8	\$75.9	\$51.3	\$45.8	\$13.7	(32%)
Type of Financing (\$ in millions)						
Straight Debt	15.3	14.9	9.1	9.9	3.9	129%
Debt with Equity Features	28.5	21.2	10.4	12.8	3.5	(40%)
Equity Only	58.0	39.8	31.8	24.1	6.3	(50%)
Number of Companies Financed	157	125	93	53	31	(16%)
Special Competitive Opportunity Gap*	20	24	16	14	-	-
Businesses Located in LMI Areas*	19	21	16	13	-	-
Women, Minority, Veteran Owned	1	3	0	1	0	(100%)
Number of Jobs Created or Sustained**	2,175	1,597	1,062	945	284	(32%)

* The Office of Investment and Innovation is evaluating applications used to determine Special Competitive Opportunity Gap as well as Businesses located in LMI areas. Figures for the current year are not available, but will be based on the same indicators as previous years and will be updated in the next quarterly report.

** 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).

Information developed and maintained by Data Management Branch, Office of Investment and Innovation

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(updated as of May 16, 2016)

--- PROGRAM OFFICE ACTIVITIES ---

	FY End 2012	FY End 2013	FY End 2014	FY End 2015	As of 03/31/16	Chg. from 03/31/15
--- New Licensees ---						
New Licensees by Fund Type	30	34	30	25	7	(22%)
Debenture	27	29	24	22	5	(38%)
Bank-Owned/Non-Leveraged	3	5	6	3	2	100%
Initial Private Capital (\$ in millions)	\$973.9	\$1259.0	\$1,319.0	\$1,236.4	\$445.4	49%
Debenture	892.6	1,111.5	1,131.2	1,204.1	195.4	(34%)
Bank-Owned/Non-Leveraged	81.3	147.4	187.8	32.3	250.0	4900%
--- Licensing Pipeline* ---						
Total in Pipeline	52	51	43	45	28	(39%)
In Applicant Review/Program Development	8	12	9	21	5	(62%)
In Capital Raising	30	20	17	14	16	(11%)
In Licensing	14	19	17	10	7	(53%)
--- Program Development and Licensing Activity** ---						
Applicant Initial Review/Program Development						
Received during FY	61	72	45	47	28	22%
1st Time SBIC Applicants	43	59	35	24	13	18%
Subsequent Fund Applicants	18	13	10	23	15	25%
Processed in FY	63	74	48	35	21	11%
Green Light Letters Issued	38	34	28	16	11	10%
% of Processed Receiving Green Light	60%	46%	58%	46%	53%	(15%)
1st Time SBIC Applicants	21	21	17	11	5	(29%)
Subsequent Fund Applicants	17	13	11	5	6	100%
Number Denied -- 1st Time and Subsequent	20	30	15	15	9	13%
Number Withdrawn -- 1st Time and Subsequent	5	5	5	4	1	0%
Raising Capital in Process						
Green Light Letters Expired	9	8	7	10	0	0%
Licensing Applications Submitted	38	44	32	25	8	(33%)
Total in the Capital Raising Process	47	52	39	35	8	(33%)
% in Capital Raising Submitting Applications	81%	85%	82%	72%	100%	0%
Licensing						
Received during FY	38	44	32	25	8	(33%)
1st Time SBIC Applicants	20	28	13	15	1	(88%)
Subsequent Fund Applicants	18	16	19	10	7	75%
Otherwise Resolved During FY	10	5	4	7	4	100%
FY Number of New Licensees	30	34	30	25	7	(22%)
1st Time SBIC Applicants	19	15	18	12	5	0%
Subsequent Fund Applicants	11	19	12	13	2	(50%)
Average Months to Process	5.8	6.8	7.4	8.4	9.0	(8%)
% Completed in Goal (6 months)	56%	50%	37%	36%	43%	95%

* The Office of Investment and Innovation re-evaluated the data collection in the Office of Program Development. Consequently, the content of Licensing Pipeline, for previous years, was updated and therefore may not be consistent with previously issued Program Overview reports.

** The Office of Investment and Innovation identified several historical discrepancies in data. Consequently, the content of Program Development and Licensing Activity, for previous years, was updated and therefore may not be consistent with previously issued Program Overview reports.

--- PROGRAM OFFICE ACTIVITIES ---

	FY End 2012	FY End 2013	FY End 2014	FY End 2015	As of 03/31/16	Chg. from 03/31/15
--- Leverage Activities in Operations ---						
Debenture Leverage						
Commitments Issued	\$1,924.1	\$2,155.7	\$2,548.9	\$2,553.0	\$1,082.3	6%
Draws	\$1,421.7	\$1,737.0	\$2,064.6	\$2,337.4	\$1,107.9	0%
Redemptions (Pre-Paid and at Maturity)	\$651.8	\$567.1	\$660.8	\$806.1	\$335.8	(19%)
Transfers to Liquidation	\$144.4	\$118.8	\$127.8	\$26.5	\$0.0	(100%)
% of Beginning Leverage Transferred	3%	2%	2%	0.4%	0%	0%
Participating Securities Leverage						
Prioritized Payments (PP) Advanced	\$99.3	\$66.2	\$43.9	\$28.4	\$8.9	(45%)
SBA Distributions	\$560.1	\$292.8	\$264.3	\$201.6	\$80.8	(32%)
Prioritized Payments	\$86.8	\$52.9	\$37.0	\$24.8	\$9.3	(14%)
Adjustments and Annual Fees	\$25.4	\$18.8	\$10.2	\$3.7	\$0.9	80%
Profit Participation	\$44.2	\$23.6	\$11.1	\$13.3	\$4.2	(42%)
PS Redemptions--Operating SBICs	\$403.7	\$197.5	\$206.1	\$159.8	\$66.5	(34%)
Transfers to Liquidation	\$220.1	\$296.9	\$129.3	\$109.2	\$0.0	(100%)
% of Beginning Leverage Transferred	11%	21%	14%	18%	0%	(100%)
Prioritized Payments at Transfer	\$50.8	\$119.1	\$49.7	\$42.8	\$0	(100%)
--- SBIC Examination Activities ---						
Exam Reports Issued	233	244	200	222	61	(22%)
Exam Cycle (months)	12.6	12.4	12.7	12.7	12.9	4%
% of Reports with Findings	9%	17%	11%	19%	16%	(38%)
Licensees with Leverage	182	206	163	173	45	(29%)
Exam Cycle (months)	11.7	11.6	11.5	11.2	11.5	6%
% of Reports with Findings	7%	15%	9%	21%	18%	(33%)
Licensees without Leverage	51	38	37	49	16	7%
Exam Cycle (months)	15.6	16.5	18.2	18.1	17.0	(11%)
% of Reports with Findings	18%	26%	19%	8%	13%	(35%)
--- Surrenders and Transfers to Liquidation ---						
SBIC License Surrenders	17	27	18	13	4	(20%)
Debenture	8	9	9	4	2	0%
Participating Security	4	11	3	4	2	100%
Bank-Owned/Non-Leveraged	5	6	5	5	0	(100%)
Specialized SBICs	0	1	1	0	0	0%
SBIC Licensee Transfers to Liquidation	11	16	11	3	0	(100%)
Debenture and Specialized SBICs	4	4	4	0	0	(100%)
Participating Security	7	12	7	3	0	0%
--- Activities in the Office of Liquidation ---						
Participating Security Leverage				Draft	Draft	
Total Leverage Collections	\$211.4	\$227.0	\$273.3	\$183.7	\$9.2	(89%)
Collections as % of Beginning Leverage	15%	20%	27%	23%	1%	(91%)
Leverage Write-offs	\$308.0	\$178.2	\$87.7	\$27.4	\$1.3	(24%)
Prioritized Payments Collections	\$0.5	\$7.1	\$0.8	\$14.2	\$2.7	(81%)
Prioritized Payments Writte-offs	\$38.3	\$106.6	\$20.7	\$56.5	(\$2.7)	(119%)
Debenture Leverage						
Total Leverage Collections	\$50.5	\$39.7	\$77.3	\$67.2	\$19.2	140%
Collections as % of Beginning Leverage	23%	13%	23%	19%	7%	(13%)
Leverage Write-offs	\$6.5	\$47.9	\$42.2	\$57.5	(\$1.9)	(100%)