

**Small Business Investment Company (SBIC) Program Overview**  
As of December 31, 2012

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<b>PROGRAM COMPOSITION</b>					
	<b>FY End 2009</b>	<b>FY End 2010</b>	<b>FY End 2011</b>	<b>FY End 2012</b>	<b>As of 12/31/12</b>
<b>--- Program Composition of Operating SBICs ---</b>					
<b>Total Number of Licensees</b>	<b>315</b>	<b>307</b>	<b>299</b>	<b>301</b>	<b>299</b>
Debenture	126	140	143	158	161
Participating Security	127	107	97	86	84
Bank-Owned/Non-Leveraged	48	47	46	44	42
Specialized SBICs	14	13	13	13	12
<b>--- Private Capital of Operating SBICs by Fund Type (\$ in millions) ---</b>					
<b>a. Regulatory Private Capital</b>	<b>\$8,650.1</b>	<b>\$8,649.6</b>	<b>\$8,862.7</b>	<b>\$9,376.6</b>	<b>\$9,517.7</b>
Debenture	3,401.2	4,184.6	5,071.1	6,114.4	6,373.0
Participating Security	3,361.7	2,722.3	2,286.5	1,881.5	1,802.2
Other	1,887.2	1,742.6	1,505.1	1,380.8	1,342.6
<b>b. Leveragable Private Capital</b>	<b>\$6,260.0</b>	<b>\$6,249.9</b>	<b>\$6,057.5</b>	<b>\$6,187.0</b>	<b>\$6,267.8</b>
Debenture	2,308.5	2,774.4	3,158.1	3,795.2	4,034.2
Participating Security	2,510.3	2,083.9	1,778.4	1,457.6	1,388.6
Other	1,441.2	1,391.6	1,120.9	934.2	845.0
<b>c. Unfunded Private Commitments</b>	<b>\$2,390.1</b>	<b>\$2,399.7</b>	<b>\$2,805.2</b>	<b>\$3,189.6</b>	<b>\$3,249.9</b>
Debenture	1,092.7	1,410.2	1,913.0	2,319.2	2,338.8
Participating Security	851.4	638.4	508.0	423.8	413.5
Other	446.0	351.1	384.2	446.6	497.6
<b>--- Leverage from SBA of Operating SBICs by Fund Type (\$ in millions) ---</b>					
<b>d. SBA Capital at Risk (e+f)</b>	<b>\$8,196.0</b>	<b>\$7,902.6</b>	<b>\$8,253.3</b>	<b>\$8,823.6</b>	<b>\$9,093.6</b>
Debenture	4,152.0	4,883.4	5,999.0	7,230.6	7,656.6
Participating Security	4,026.6	3,005.0	2,235.4	1,574.2	1,413.1
Other	17.4	14.2	18.9	18.9	23.9
<b>e. Outstanding SBA Leverage</b>	<b>\$6,799.9</b>	<b>\$6,339.5</b>	<b>\$6,433.1</b>	<b>\$6,435.7</b>	<b>\$6,939.4</b>
Debenture	2,892.0	3,409.8	4,244.9	4,870.6	5,545.7
Participating Security	3,890.5	2,915.5	2,174.4	1,549.3	1,377.8
Other	17.4	14.2	13.9	15.9	15.9
<b>f. Outstanding SBA Commitments</b>	<b>\$1,396.0</b>	<b>\$1,563.1</b>	<b>\$1,820.2</b>	<b>\$2,387.8</b>	<b>\$2,154.2</b>
Debenture	1,260.0	1,473.6	1,754.2	2,360.0	2,110.9
Participating Security	136.0	89.5	61.1	24.8	35.3
Other	0.0	0.0	5.0	3.0	8.0
<b>g. Unreimbursed Prioritized Payments</b>	<b>\$581.1</b>	<b>\$508.0</b>	<b>\$444.9</b>	<b>\$358.9</b>	<b>\$324.4</b>
<b>--- Combined Private Capital and SBA Capital at Risk of Operating SBICs (\$ in millions) ---</b>					
<b>h. Total Capital at Risk (a+d)</b>	<b>\$16,846.0</b>	<b>\$16,552.1</b>	<b>\$17,116.0</b>	<b>\$18,200.2</b>	<b>\$18,611.3</b>
Debenture	7,553.2	9,068.1	11,070.1	13,344.9	14,029.6
Participating Security	7,388.2	5,727.3	4,521.9	3,455.6	3,215.3
Other	1,904.6	1,756.8	1,524.0	1,399.6	1,366.4
<b>--- Program Composition in Liquidation (\$ in Millions) ---</b>					
<b>Total Number of Licensees</b>	<b>132</b>	<b>140</b>	<b>123</b>	<b>117</b>	<b>118</b>
Participating Security	82	84	80	80	81
Other	50	56	43	37	37
<b>Leverage Balance</b>	<b>\$1,650.6</b>	<b>\$1,885.1</b>	<b>\$1,629.3</b>	<b>\$1,422.5</b>	<b>\$1,416.4</b>
Participating Security	1,429.0	1,585.0	1,406.5	1,111.7	1,120.2
Other	221.6	300.1	222.8	310.8	296.2
<b>--- Program Funding (\$ in millions) ---</b>					
Debenture Authorization (\$ in Millions)	\$3,000.0	\$3,000.0	\$3,000.0	\$3,000.0	\$1,097.3 CR to 3/27/13
Annual Charge	0.406%	0.285%	0.515%	0.804%	0.760%
Latest Debenture Pooled Interest Rate	4.41%	3.55%	3.60%	2.46%	n/a

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

	FY End 2009	FY End 2010	FY End 2011	FY End 2012	As of 12/31/12	Change 12/31/11
<b>--- Total SBIC Program ---</b>						
<b>Number of Companies Financed</b>	<b>1,481</b>	<b>1,331</b>	<b>1,339</b>	<b>1,094</b>	<b>302</b>	<b>(3%)</b>
<b>Special Competitive Opportunity Gap</b>	441	392	430	290	77	(8%)
Businesses Located in LMI Areas	321	318	351	216	66	0%
Women, Minority, Veteran Owned	164	109	110	108	17	(43%)
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$1,856.1</b>	<b>\$2,047.1</b>	<b>\$2,833.4</b>	<b>\$3,227.4</b>	<b>\$810.2</b>	<b>50%</b>
Type of Financing (\$ in millions)						
Straight Debt	564.4	803.8	1,375.2	1,927.7	465.2	76%
Debt with Equity Features	718.2	772.3	1,022.9	723.3	190.6	(9%)
Equity Only	573.5	471.0	435.2	576.4	154.4	132%
<b>Number of Jobs Created or Sustained*</b>	<b>42,306</b>	<b>46,130</b>	<b>61,527</b>	<b>68,918</b>	<b>17,313</b>	<b>48%</b>
<b>--- Debenture SBICs ---</b>						
<b>Number of Companies Financed</b>	<b>963</b>	<b>896</b>	<b>1,007</b>	<b>795</b>	<b>222</b>	<b>12%</b>
<b>Special Competitive Opportunity Gap</b>	296	275	310	192	55	10%
Businesses Located in LMI Areas	224	231	263	153	48	4%
Women, Minority, Veteran Owned	106	64	65	50	10	43%
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$1,227.4</b>	<b>\$1,587.0</b>	<b>\$2,588.6</b>	<b>\$2,950.3</b>	<b>\$748.7</b>	<b>54%</b>
Type of Financing (\$ in millions)						
Straight Debt	488.8	754.8	1,344.8	1,855.1	450.9	78%
Debt with Equity Features	586.1	665.4	963.5	671.7	180.2	(4%)
Equity Only	152.5	166.8	280.3	423.6	117.6	162%
<b>Number of Jobs Created or Sustained*</b>	<b>27,977</b>	<b>35,760</b>	<b>56,211</b>	<b>63,001</b>	<b>15,998</b>	<b>51%</b>
<b>--- Non-Leveraged, Bank-Owned, and Specialized SBICs ---</b>						
<b>Number of Companies Financed</b>	<b>130</b>	<b>133</b>	<b>136</b>	<b>166</b>	<b>48</b>	<b>(17%)</b>
<b>Special Competitive Opportunity Gap</b>	62	58	68	83	18	(38%)
Businesses Located in LMI Areas	24	33	40	48	14	(7%)
Women, Minority, Veteran Owned	47	38	41	58	7	(70%)
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$165.6</b>	<b>\$124.5</b>	<b>\$79.9</b>	<b>\$175.2</b>	<b>\$51.2</b>	<b>122%</b>
Type of Financing (\$ in millions)						
Straight Debt	24.0	12.5	14.1	57.3	10.7	331%
Debt with Equity Features	34.0	18.9	12.3	23.1	8.2	(6%)
Equity Only	107.6	93.1	53.5	94.8	32.2	173%
<b>Number of Jobs Created or Sustained*</b>	<b>3,775</b>	<b>2,806</b>	<b>1,736</b>	<b>3,742</b>	<b>1,094</b>	<b>119%</b>
<b>--- Participating Security SBICs ---</b>						
<b>Number of Companies Financed</b>	<b>445</b>	<b>346</b>	<b>220</b>	<b>157</b>	<b>37</b>	<b>(36%)</b>
<b>Special Competitive Opportunity Gap</b>	95	66	58	20	4	(20%)
Businesses Located in LMI Areas	85	61	54	19	4	(20%)
Women, Minority, Veteran Owned	13	7	4	1	0	0%
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$463.1</b>	<b>\$335.6</b>	<b>\$164.9</b>	<b>\$101.8</b>	<b>\$10.3</b>	<b>(65%)</b>
Type of Financing (\$ in millions)						
Straight Debt	51.6	36.4	16.2	15.3	3.6	(56%)
Debt with Equity Features	98.1	88.1	47.2	28.5	2.1	(81%)
Equity Only	313.4	211.2	101.5	58.0	4.6	(54%)
<b>Number of Jobs Created or Sustained*</b>	<b>10,555</b>	<b>7,564</b>	<b>3,580</b>	<b>2,175</b>	<b>220</b>	<b>(66%)</b>

\* 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).

--- PROGRAM OFFICE ACTIVITIES

	FY End 2009	FY End 2010	FY End 2011	FY End 2012	As of 12/31/12	Chg. from 12/31/11
--- Leverage Activities in Operations ---						
<b>Debenture Leverage</b>						
Commitments Issued	\$788.0	\$1,164.8	\$1,827.5	\$1,924.1	\$445.2	24%
Draws	\$594.9	\$931.0	\$1,392.0	\$1,421.7	\$676.7	128%
Redemptions (Pre-Paid and at Maturity)	\$149.3	\$250.5	\$544.2	\$651.8	\$0.0	0%
Transfers to Liquidation	\$86.6	\$95.8	\$8.5	\$144.4	\$0.0	0%
% of Beginning Leverage Transferred	3.3%	3.2%	0.2%	3.3%	0.0%	0%
<b>Participating Securities Leverage</b>						
Prioritized Payments (PP) Advanced	\$228.0	\$186.0	\$136.4	\$99.3	\$19.3	(31%)
<b>SBA Distributions</b>	<b>\$314.8</b>	<b>\$480.8</b>	<b>\$659.1</b>	<b>\$560.1</b>	<b>\$108.4</b>	<b>(20%)</b>
Prioritized Payments	\$83.8	\$98.7	\$143.1	\$86.8	\$14.3	(26%)
Adjustments and Annual Fees	\$27.1	\$39.5	\$54.4	\$25.4	\$7.5	(40%)
Profit Participation	\$10.9	\$10.5	\$26.7	\$44.2	\$5.9	(4%)
PS Redemptions--Operating SBICs	\$193.0	\$332.1	\$434.9	\$403.7	\$80.7	(18%)
Transfers to Liquidation	\$619.3	\$701.4	\$307.5	\$220.1	\$91.4	301%
% of Beginning Leverage Transferred	13.3%	18.3%	11.0%	10.8%	6.4%	582%
Prioritized Payments at Transfer	\$156.2	\$179.9	\$35.7	\$49.3	\$38.6	503%
--- SBIC Examination Activities ---						
<b>Exam Reports Issued</b>	<b>268</b>	<b>249</b>	<b>260</b>	<b>233</b>	<b>34</b>	<b>(31%)</b>
Exam Cycle (months)	15.2	14.1	12.6	12.6	11.6	(5%)
Number of Reports with Findings	47	25	35	21	9	350%
% of Reports with Findings	17.5%	10.0%	13.5%	9.0%	26.5%	549%
<b>Licensees with Leverage</b>	<b>218</b>	<b>196</b>	<b>199</b>	<b>182</b>	<b>30</b>	<b>(27%)</b>
Exam Cycle (months)	13.9	12.9	11.7	11.7	11.2	(3%)
Number of Reports with Findings	37	17	22	12	6	500%
% of Reports with Findings	17.0%	8.7%	11.1%	6.6%	20.0%	720%
<b>Licensees without Leverage</b>	<b>50</b>	<b>53</b>	<b>61</b>	<b>51</b>	<b>4</b>	<b>(50%)</b>
Exam Cycle (months)	21.2	18.2	15.6	15.6	14.8	(7%)
Number of Reports with Findings	10	8	13	9	3	200%
% of Reports with Findings	20.0%	15.1%	21.3%	17.8%	75.0%	500%
--- Surrenders and Transfers to Liquidation ---						
<b>SBIC License Surrenders</b>	<b>15</b>	<b>9</b>	<b>24</b>	<b>17</b>	<b>4</b>	<b>(33%)</b>
Debenture	5	4	14	8	1	(67%)
Participating Security	1	2	4	4	0	(100%)
Bank-Owned/Non-Leveraged	9	2	6	5	2	0%
Specialized SBICs	0	1	0	0	1	100%
<b>SBIC Licensee Transfers to Liquidation</b>	<b>29</b>	<b>22</b>	<b>6</b>	<b>11</b>	<b>2</b>	<b>(50%)</b>
Debenture and Specialized SBICs	9	4	0	4	0	(100%)
Participating Security	20	18	6	7	2	0%
--- Activities in the Office of Liquidation ---						
<b>Participating Security Leverage</b>				DRAFT	DRAFT	
<b>Total Collections</b>	<b>\$115.5</b>	<b>\$254.0</b>	<b>\$269.7</b>	<b>\$212.5</b>	<b>\$78.1</b>	<b>373%</b>
Collections as % of Beginning Balance	10.0%	17.8%	17.0%	15.1%	7.0%	150%
Leverage Charge-offs	\$237.8	\$300.9	\$220.7	\$308.0	\$5.1	2450%
Prioritized Payments Charged off	\$162.7	\$179.9	\$56.6	\$38.3	\$0.0	(100%)
<b>Debenture Leverage</b>						
<b>Total Collections</b>	<b>\$12.0</b>	<b>\$11.4</b>	<b>\$22.4</b>	<b>\$50.5</b>	<b>\$13.5</b>	<b>137%</b>
Collections as % of Beginning Balance	7.7%	5.1%	7.5%	22.7%	4.3%	100%
Leverage Write-offs	\$15.1	\$19.1	\$64.3	\$6.5	\$1.3	100%