

**Small Business Investment Company (SBIC) Program Overview**  
as of December 31, 2014

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**--- PROGRAM COMPOSITION ---**

	FY End 2011	FY End 2012	FY End 2013	FY End 2014	As of 12/31/14
<b>--- Program Composition of Operating SBICs ---</b>					
<b>Total Number of Licensees</b>	<b>299</b>	<b>301</b>	<b>292</b>	<b>294</b>	<b>299</b>
Debenture	143	158	175	187	193
Participating Security	97	86	63	53	53
Bank-Owned/Non-Leveraged	46	44	43	45	44
Specialized SBICs	13	13	11	9	9
<b>--- Private Capital of Operating SBICs by Fund Type (\$ in millions) ---</b>					
<b>a. Regulatory Private Capital</b>	<b>\$8,862.7</b>	<b>\$9,376.6</b>	<b>\$10,333.2</b>	<b>\$11,789.5</b>	<b>\$12,190.6</b>
Debenture	5,071.1	6,114.4	7,504.4	8,923.4	9,391.8
Participating Security	2,286.5	1,881.5	1,316.2	1,096.1	1,064.2
Other	1,505.1	1,380.8	1,512.6	1,770.1	1,734.6
<b>b. Leveragable Private Capital</b>	<b>\$6,057.5</b>	<b>\$6,187.0</b>	<b>\$6,416.5</b>	<b>\$7,070.2</b>	<b>\$7,346.8</b>
Debenture	3,158.1	3,795.2	4,467.6	5,292.8	5,609.4
Participating Security	1,778.4	1,457.6	1,079.2	874.8	845.7
Other	1,120.9	934.2	869.7	902.6	891.7
<b>c. Unfunded Private Commitments</b>	<b>\$2,805.2</b>	<b>\$3,189.6</b>	<b>\$3,916.7</b>	<b>\$4,719.3</b>	<b>\$4,843.8</b>
Debenture	1,913.0	2,319.2	3,036.9	3,630.6	3,782.4
Participating Security	508.0	423.8	237.0	221.3	218.5
Other	384.2	446.6	642.8	867.4	842.9
<b>--- Leverage from SBA of Operating SBICs by Fund Type (\$ in millions) ---</b>					
<b>d. SBA Capital at Risk (e+f)</b>	<b>\$8,253.3</b>	<b>\$8,823.6</b>	<b>\$9,483.7</b>	<b>\$10,671.4</b>	<b>\$11,590.4</b>
Debenture	5,999.0	7,230.6	8,400.3	9,941.6	10,872.6
Participating Security	2,235.4	1,574.2	1,019.7	687.8	675.8
Other	18.9	18.9	63.8	42.0	42.0
<b>e. Outstanding SBA Leverage</b>	<b>\$6,433.1</b>	<b>\$6,435.7</b>	<b>\$6,950.6</b>	<b>\$7,718.1</b>	<b>\$8,467.2</b>
Debenture	4,244.9	4,870.6	5,919.4	7,006.6	7,773.1
Participating Security	2,174.4	1,549.3	1,002.2	681.2	663.8
Other	13.9	15.9	29.0	30.3	30.3
<b>f. Outstanding SBA Commitments</b>	<b>\$1,820.2</b>	<b>\$2,387.8</b>	<b>\$2,533.2</b>	<b>\$2,953.3</b>	<b>\$3,123.2</b>
Debenture	1,754.2	2,360.0	2,480.9	2,935.1	3,099.5
Participating Security	61.1	24.8	17.4	6.6	12.0
Other	5.0	3.0	34.9	11.7	11.7
<b>g. Unreimbursed Prioritized Payments</b>	<b>\$444.9</b>	<b>\$358.9</b>	<b>\$238.3</b>	<b>\$201.7</b>	<b>\$205.7</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>\$17,116.0</b>	<b>\$18,200.2</b>	<b>\$19,816.9</b>	<b>\$22,460.9</b>	<b>\$23,781.0</b>
Debenture	11,070.1	13,344.9	15,904.7	18,865.0	20,264.4
Participating Security	4,521.9	3,455.6	2,335.8	1,783.9	1,740.0
Other	1,524.0	1,399.6	1,576.4	1,812.1	1,776.6
<b>--- Program Composition in Liquidation (\$ in Millions) ---</b>					
				DRAFT	DRAFT
<b>Total Number of Licensees</b>	<b>123</b>	<b>117</b>	<b>123</b>	<b>121</b>	<b>120</b>
Participating Security	80	80	84	83	82
Other	43	37	39	38	38
<b>Leverage Balance</b>	<b>\$1,629.3</b>	<b>\$1,422.5</b>	<b>\$1,354.2</b>	<b>\$1,144.4</b>	<b>\$1,054.3</b>
Participating Security	1,406.5	1,111.7	1,011.1	782.8	722.4
Other	222.8	310.8	343.1	361.6	331.9
<b>--- Program Funding (\$ in millions) ---</b>					
Debenture Authorization (\$ in Millions)	\$3,000.0	\$3,000.0	\$3,000.0	\$4,000.0	\$4,000.0
Annual Charge	0.515%	0.804%	0.760%	0.355%	0.742%
Average Debenture Pooled Interest Rate	3.60%	2.46%	2.83%	3.10%	n/a

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

	FY End 2011	FY End 2012	FY End 2013	FY End 2014	As of 12/31/14	Chg. from 12/31/13
<b>--- Total SBIC Program ---</b>						
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$2,833.4</b>	<b>\$3,227.4</b>	<b>\$3,498.3</b>	<b>\$5,464.6</b>	<b>\$1,534.7</b>	<b>24%</b>
Type of Financing (\$ in millions)						
Straight Debt	1,375.2	1,927.7	2,095.7	3,478.5	970.2	16%
Debt with Equity Features	1,022.9	723.3	834.1	1,030.4	283.7	45%
Equity Only	435.2	576.4	568.5	955.6	280.8	35%
<b>Number of Companies Financed</b>	<b>1,339</b>	<b>1,094</b>	<b>1,068</b>	<b>1,085</b>	<b>369</b>	<b>10%</b>
<b>Special Competitive Opportunity Gap</b>	<b>430</b>	<b>290</b>	<b>260</b>	<b>281</b>	<b>80</b>	<b>(19%)</b>
Businesses Located in LMI Areas	351	216	213	229	64	(29%)
Women, Minority, Veteran Owned	110	108	67	70	17	0%
<b>Number of Jobs Created or Sustained*</b>	<b>61,527</b>	<b>68,918</b>	<b>73,585</b>	<b>113,022</b>	<b>31,970</b>	<b>22%</b>
<b>--- Debenture SBICs ---</b>						
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$2,588.6</b>	<b>\$2,950.3</b>	<b>\$3,256.3</b>	<b>\$5,217.5</b>	<b>\$1,471.0</b>	<b>22%</b>
Type of Financing (\$ in millions)						
Straight Debt	1,344.8	1,855.1	2,042.4	3,418.1	958.1	16%
Debt with Equity Features	963.5	671.7	794.6	978.6	258.0	35%
Equity Only	280.3	423.6	419.3	820.9	254.9	39%
<b>Number of Companies Financed</b>	<b>1,007</b>	<b>795</b>	<b>856</b>	<b>908</b>	<b>306</b>	<b>12%</b>
<b>Special Competitive Opportunity Gap</b>	<b>310</b>	<b>192</b>	<b>206</b>	<b>232</b>	<b>63</b>	<b>(24%)</b>
Businesses Located in LMI Areas	263	153	170	191	51	(34%)
Women, Minority, Veteran Owned	65	50	51	56	12	(14%)
<b>Number of Jobs Created or Sustained*</b>	<b>56,211</b>	<b>63,001</b>	<b>68,493</b>	<b>107,913</b>	<b>30,643</b>	<b>21%</b>
<b>--- Non-Leveraged, Bank-Owned, and Specialized SBICs ---</b>						
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$79.9</b>	<b>\$175.2</b>	<b>\$166.1</b>	<b>\$195.7</b>	<b>\$55.0</b>	<b>125%</b>
Type of Financing (\$ in millions)						
Straight Debt	14.1	57.3	38.4	51.3	11.5	333%
Debt with Equity Features	12.3	23.1	18.3	41.5	23.5	1026%
Equity Only	53.5	94.8	109.4	102.9	20.0	1%
<b>Number of Companies Financed</b>	<b>136</b>	<b>166</b>	<b>110</b>	<b>102</b>	<b>48</b>	<b>129%</b>
<b>Special Competitive Opportunity Gap</b>	<b>68</b>	<b>83</b>	<b>35</b>	<b>36</b>	<b>10</b>	<b>11%</b>
Businesses Located in LMI Areas	40	48	27	24	7	40%
Women, Minority, Veteran Owned	41	58	13	15	4	0%
<b>Number of Jobs Created or Sustained*</b>	<b>1,736</b>	<b>3,742</b>	<b>3,495</b>	<b>4,047</b>	<b>1,145</b>	<b>122%</b>
<b>--- Participating Security SBICs ---</b>						
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$164.9</b>	<b>\$101.8</b>	<b>\$75.9</b>	<b>\$51.3</b>	<b>\$8.7</b>	<b>(17%)</b>
Type of Financing (\$ in millions)						
Straight Debt	16.2	15.3	14.9	9.1	0.6	(79%)
Debt with Equity Features	47.2	28.5	21.2	10.4	2.2	(2%)
Equity Only	101.5	58.0	39.8	31.8	5.9	12%
<b>Number of Companies Financed</b>	<b>220</b>	<b>157</b>	<b>125</b>	<b>93</b>	<b>21</b>	<b>(50%)</b>
<b>Special Competitive Opportunity Gap</b>	<b>58</b>	<b>20</b>	<b>24</b>	<b>16</b>	<b>8</b>	<b>0%</b>
Businesses Located in LMI Areas	54	19	21	16	7	(13%)
Women, Minority, Veteran Owned	4	1	3	0	1	0%
<b>Number of Jobs Created or Sustained*</b>	<b>3,580</b>	<b>2,175</b>	<b>1,597</b>	<b>1,062</b>	<b>182</b>	<b>(18%)</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 2011	FY End 2012	FY End 2013	FY End 2014	As of 12/31/14	Chg. from 12/31/13
--- New Licensees ---						
<b>New Licensees by Fund Type</b>	<b>22</b>	<b>30</b>	<b>34</b>	<b>30</b>	<b>5</b>	<b>67%</b>
Debenture	18	27	29	24	4	33%
Bank-Owned/Non-Leveraged	4	3	5	6	1	100%
<b>Initial Private Capital (\$ in millions)</b>	<b>\$840.1</b>	<b>\$973.9</b>	<b>\$1,259.0</b>	<b>\$1,319.0</b>	<b>\$170.7</b>	<b>52%</b>
Debenture	713.6	892.6	1,111.5	1,131.2	165.7	48%
Bank-Owned/Non-Leveraged	126.5	81.3	147.4	187.8	5.0	100%

--- Licensing Pipeline ---						
<b>Total in Pipeline</b>	<b>62</b>	<b>51</b>	<b>42</b>	<b>42</b>	<b>32</b>	<b>(42%)</b>
In Applicant Review/Program Development	10	8	12	9	4	(75%)
In Capital Raising	34	30	20	17	14	(42%)
In Licensing	18	13	10	16	15	0%

--- Program Development and Licensing Activity ---

<b>Applicant Initial Review/Program Development</b>						
<b>Received during FY</b>	<b>74</b>	<b>61</b>	<b>74</b>	<b>45</b>	<b>8</b>	<b>(20%)</b>
1st Time SBIC Applicants	52	43	59	35	1	(83%)
Subsequent Fund Applicants	22	18	15	10	7	75%
<b>Processed in FY</b>	<b>78</b>	<b>63</b>	<b>74</b>	<b>48</b>	<b>13</b>	<b>86%</b>
<b>Green Light Letters Issued</b>	<b>40</b>	<b>38</b>	<b>34</b>	<b>28</b>	<b>8</b>	<b>14%</b>
<i>% of Processed Receiving Green Light</i>	<i>51%</i>	<i>60%</i>	<i>46%</i>	<i>58%</i>	<i>62%</i>	<i>(38%)</i>
1st Time SBIC Applicants	26	21	21	17	3	0%
Subsequent Fund Applicants	14	17	13	11	5	25%
Number Denied -- 1st Time and Subsequent	31	20	34	15	5	100%
Number Withdrawn -- 1st Time and Subsequent	7	5	6	5	0	0%

The Office of Investment and Innovation is in the process of re-evaluating data collection in the Office of Program Development. Consequently, the content of Applicant Initial Review has changed this quarter and will change in subsequent reports.

<b>Raising Capital in Process</b>						
<b>Green Light Letters Expired</b>	<b>11</b>	<b>9</b>	<b>8</b>	<b>7</b>	<b>1</b>	<b>100%</b>
<b>Licensing Applications Submitted</b>	<b>33</b>	<b>36</b>	<b>47</b>	<b>32</b>	<b>8</b>	<b>14%</b>
Total in the Capital Raising Process	44	45	55	39	9	29%
<i>% in Capital Raising Submitting Applications</i>	<i>75%</i>	<i>80%</i>	<i>85%</i>	<i>82%</i>	<i>89%</i>	<i>(11%)</i>

<b>Licensing</b>						
<b>Received during FY</b>	<b>33</b>	<b>36</b>	<b>47</b>	<b>32</b>	<b>8</b>	<b>14%</b>
1st Time SBIC Applicants	20	19	30	13	6	500%
Subsequent Fund Applicants	13	17	17	19	2	(66%)
Otherwise Resolved During FY	10	10	5	4	2	0%
<b>FY Number of New Licensees</b>	<b>22</b>	<b>30</b>	<b>34</b>	<b>30</b>	<b>5</b>	<b>66%</b>
1st Time SBIC Applicants	11	15	15	18	3	0%
Subsequent Fund Applicants	11	15	19	12	2	100%
Average Months to Process	5.6	5.8	6.8	7.4	11.6	55%
<i>% Completed in Goal (6 months)</i>	<i>50%</i>	<i>56%</i>	<i>50%</i>	<i>37%</i>	<i>20%</i>	<i>(39%)</i>

--- PROGRAM OFFICE ACTIVITIES ---

	FY End 2011	FY End 2012	FY End 2013	FY End 2014	As of 12/31/14	Chg. from 12/31/13
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--- Leverage Activities in Operations ---

**Debenture Leverage**

Commitments Issued	\$1,827.5	\$1,924.1	\$2,155.7	\$2,548.9	\$512.4	14%
Draws	\$1,392.0	\$1,421.7	\$1,737.0	\$2,064.6	\$647.3	20%
Redemptions (Pre-Paid and at Maturity)	\$544.2	\$651.8	\$567.1	\$660.8	\$0.0	0%
Transfers to Liquidation	\$8.5	\$144.4	\$118.8	\$127.8	\$0.0	(100%)
% of Beginning Leverage Transferred	0%	3%	2%	2%	0%	(100%)

**Participating Securities Leverage**

Prioritized Payments (PP) Advanced	\$136.4	\$99.3	\$66.2	\$43.9	\$8.2	(36%)
<b>SBA Distributions</b>	<b>\$659.1</b>	<b>\$560.1</b>	<b>\$292.8</b>	<b>\$264.3</b>	<b>\$20.1</b>	<b>(43%)</b>
Prioritized Payments	\$143.1	\$86.8	\$52.9	\$37.0	\$1.0	(87%)
Adjustments and Annual Fees	\$54.4	\$25.4	\$18.8	\$10.2	\$0.3	24%
Profit Participation	\$26.7	\$44.2	\$23.6	\$11.1	\$1.4	(28%)
PS Redemptions--Operating SBICs	\$434.9	\$403.7	\$197.5	\$206.1	\$17.4	(31%)
Transfers to Liquidation	\$307.5	\$220.1	\$296.8	\$129.3	\$0.0	(100%)
% of Beginning Leverage Transferred	11%	11%	21%	14%	0%	(100%)
Prioritized Payments at Transfer	\$58.6	\$50.8	\$119.1	\$49.7	\$0.0	(100%)

--- SBIC Examination Activities ---

<b>Exam Reports Issued</b>	<b>260</b>	<b>233</b>	<b>244</b>	<b>200</b>	<b>40</b>	<b>5%</b>
Exam Cycle (months)	12.6	12.6	12.4	12.7	12.9	2%
% of Reports with Findings	145%	9%	17%	6%	5%	(76%)
<b>Licensees with Leverage</b>	<b>199</b>	<b>182</b>	<b>206</b>	<b>163</b>	<b>30</b>	<b>0%</b>
Exam Cycle (months)	11.7	11.7	11.6	11.5	10.8	(7%)
% of Reports with Findings	11%	7%	15%	4%	0%	(100%)
<b>Licensees without Leverage</b>	<b>61</b>	<b>51</b>	<b>38</b>	<b>37</b>	<b>10</b>	<b>25%</b>
Exam Cycle (months)	15.6	15.6	16.5	18.2	19.1	19%
% of Reports with Findings	21%	18%	26%	11%	20%	(20%)

--- Surrenders and Transfers to Liquidation ---

<b>SBIC License Surrenders</b>	<b>24</b>	<b>17</b>	<b>27</b>	<b>18</b>	<b>3</b>	<b>(57%)</b>
Debenture	14	8	9	9	1	(67%)
Participating Security	4	4	11	3	0	(100%)
Bank-Owned/Non-Leveraged	6	5	6	5	2	0%
Specialized SBICs	0	0	1	1	0	100%
<b>SBIC Licensee Transfers to Liquidation</b>	<b>6</b>	<b>11</b>	<b>16</b>	<b>11</b>	<b>0</b>	<b>(100%)</b>
Debenture and Specialized SBICs	0	4	4	4	0	(100%)
Participating Security	6	7	12	7	0	(100%)

--- Activities in the Office of Liquidation ---

<b>Participating Security Leverage</b>				<b>DRAFT</b>	<b>DRAFT</b>	
<b>Total Collections</b>	<b>\$269.7</b>	<b>\$212.5</b>	<b>\$234.2</b>	<b>\$269.0</b>	<b>\$59.0</b>	<b>253%</b>
Collections as % of Beginning Leverage	17%	15%	21%	27%	8%	400%
Leverage Write-offs	\$220.7	\$308.0	\$178.2	\$93.0	\$1.4	100%
Prioritized Payments Write-offs	\$56.6	\$38.3	\$106.6	\$21.4	\$8.0	100%
<b>Debenture Leverage</b>						
<b>Total Collections</b>	<b>\$22.4</b>	<b>\$50.5</b>	<b>\$39.7</b>	<b>\$70.0</b>	<b>\$29.7</b>	<b>111%</b>
Collections as % of Beginning Leverage	7%	23%	13%	20%	8%	50%
Leverage Write-offs	\$64.3	\$6.5	\$47.9	\$44.7	\$0.0	0%