

Small Business Investment Company (SBIC) Program Overview
As of March 31, 2014

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--- PROGRAM COMPOSITION ---

	FY End 2010	FY End 2011	FY End 2012	FY End 2013	As of 3/31/14
--- Program Composition of Operating SBICs ---					
Total Number of Licensees	307	299	301	292	287
Debenture	140	143	158	175	176
Participating Security	107	97	86	63	61
Bank-Owned/Non-Leveraged	47	46	44	43	40
Specialized SBICs	13	13	13	11	10
--- Private Capital of Operating SBICs by Fund Type (\$ in millions) ---					
a. Regulatory Private Capital	\$8,649.6	\$8,862.7	\$9,376.6	\$10,333.2	\$10,426.0
Debenture	4,184.6	5,071.1	6,114.4	7,504.4	7,775.2
Participating Security	2,722.3	2,286.5	1,881.5	1,316.2	1,243.6
Other	1,742.6	1,505.1	1,380.8	1,512.6	1,407.1
b. Leveragable Private Capital	\$6,249.9	\$6,057.5	\$6,187.0	\$6,416.5	\$6,506.6
Debenture	2,774.4	3,158.1	3,795.2	4,467.6	4,686.2
Participating Security	2,083.9	1,778.4	1,457.6	1,079.2	1,005.7
Other	1,391.6	1,120.9	934.2	869.7	814.8
c. Unfunded Private Commitments	\$2,399.7	\$2,805.2	\$3,189.6	\$3,916.7	\$3,919.3
Debenture	1,410.2	1,913.0	2,319.2	3,036.9	3,089.0
Participating Security	638.4	508.0	423.8	237.0	237.9
Other	351.1	384.2	446.6	642.8	592.4
--- Leverage from SBA of Operating SBICs by Fund Type (\$ in millions) ---					
d. SBA Capital at Risk (e+f)	\$7,902.6	\$8,253.3	\$8,823.6	\$9,483.7	\$10,034.0
Debenture	4,883.4	5,999.0	7,230.6	8,400.3	9,096.3
Participating Security	3,005.0	2,235.4	1,574.2	1,019.7	894.1
Other	14.2	18.9	18.9	63.8	43.5
e. Outstanding SBA Leverage	\$6,339.5	\$6,433.1	\$6,435.7	\$6,950.6	\$7,454.7
Debenture	3,409.8	4,244.9	4,870.6	5,919.4	6,547.7
Participating Security	2,915.5	2,174.4	1,549.3	1,002.2	876.7
Other	14.2	13.9	15.9	29.0	30.3
f. Outstanding SBA Commitments	\$1,563.1	\$1,820.2	\$2,387.8	\$2,533.2	\$2,579.2
Debenture	1,473.6	1,754.2	2,360.0	2,480.9	2,548.6
Participating Security	89.5	61.1	24.8	17.4	17.4
Other	0.0	5.0	3.0	34.9	13.2
g. Unreimbursed Prioritized Payments	\$508.0	\$444.9	\$358.9	\$238.3	\$238.2
--- Combined Private Capital and SBA Capital at Risk of Operating SBICs (\$ in millions) ---					
h. Total Capital at Risk (a+d)	\$16,552.1	\$17,116.0	\$18,200.2	\$19,816.9	\$20,459.9
Debenture	9,068.1	11,070.1	13,344.9	15,904.7	16,871.5
Participating Security	5,727.3	4,521.9	3,455.6	2,335.8	2,137.8
Other	1,756.8	1,524.0	1,399.6	1,576.4	1,450.6
--- Program Composition in Liquidation (\$ in Millions) ---					
				DRAFT	DRAFT
Total Number of Licensees	140	123	117	123	125
Participating Security	84	80	80	84	83
Other	56	43	37	39	42
Leverage Balance	\$1,885.1	\$1,629.3	\$1,422.5	\$1,352.0	\$1,390.7
Participating Security	1,585.0	1,406.5	1,111.7	1,008.2	952.1
Other	300.1	222.8	310.8	343.8	438.6
--- Program Funding (\$ in millions) ---					
Debenture Authorization (\$ in Millions)	\$3,000.0	\$3,000.0	\$3,000.0	\$3,000.0	\$4,000.0
Annual Charge	0.285%	0.515%	0.804%	0.760%	0.355%
Average Debenture Pooled Interest Rate	3.55%	3.60%	2.46%	2.83%	3.19%

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

	FY End 2010	FY End 2011	FY End 2012	FY End 2013	As of 3/31/14	Chg. from 3/31/13
--- Total SBIC Program ---						
Financing Amount Reported (\$ in millions)	\$2,047.1	\$2,833.4	\$3,227.4	\$3,498.3	\$2,374.1	15%
Type of Financing (\$ in millions)						
Straight Debt	803.8	1,375.2	1,927.7	2,095.7	1,605.8	31%
Debt with Equity Features	772.3	1,022.9	723.3	834.1	369.7	(22%)
Equity Only	471.0	435.2	576.4	568.5	398.6	9%
Number of Companies Financed	1,331	1,339	1,094	1,068	587	(8%)
Special Competitive Opportunity Gap	392	430	290	260	160	5%
Businesses Located in LMI Areas	318	351	216	213	136	6%
Women, Minority, Veteran Owned	109	110	108	67	32	(16%)
Number of Jobs Created or Sustained*	46,130	61,527	68,918	73,585	49,745	14%
--- Debenture SBICs ---						
Financing Amount Reported (\$ in millions)	\$1,587.0	\$2,588.6	\$2,950.3	\$3,256.3	\$2,221.1	14%
Type of Financing (\$ in millions)						
Straight Debt	754.8	1,344.8	1,855.1	2,042.4	1,562.6	30%
Debt with Equity Features	665.4	963.5	671.7	794.6	338.2	(26%)
Equity Only	166.8	280.3	423.6	419.3	320.2	11%
Number of Companies Financed	896	1,007	795	856	479	(8%)
Special Competitive Opportunity Gap	275	310	192	206	131	11%
Businesses Located in LMI Areas	231	263	153	170	113	13%
Women, Minority, Veteran Owned	64	65	50	51	23	(18%)
Number of Jobs Created or Sustained*	35,760	56,211	63,001	68,493	46,540	13%
--- Non-Leveraged, Bank-Owned, and Specialized SBICs ---						
Financing Amount Reported (\$ in millions)	\$124.5	\$79.9	\$175.2	\$166.1	\$123.3	23%
Type of Financing (\$ in millions)						
Straight Debt	12.5	14.1	57.3	38.4	38.9	70%
Debt with Equity Features	18.9	12.3	23.1	18.3	25.7	150%
Equity Only	93.1	53.5	94.8	109.4	58.7	(12%)
Number of Companies Financed	133	136	166	110	53	(25%)
Special Competitive Opportunity Gap	58	68	83	35	20	(17%)
Businesses Located in LMI Areas	33	40	48	27	13	(28%)
Women, Minority, Veteran Owned	38	41	58	13	10	0%
Number of Jobs Created or Sustained*	2,806	1,736	3,742	3,495	2,584	22%
--- Participating Security SBICs ---						
Financing Amount Reported (\$ in millions)	\$335.6	\$164.9	\$101.8	\$75.9	\$29.7	38%
Type of Financing (\$ in millions)						
Straight Debt	36.4	16.2	15.3	14.9	4.2	(19%)
Debt with Equity Features	88.1	47.2	28.5	21.2	5.8	(3%)
Equity Only	211.2	101.5	58.0	39.8	19.6	90%
Number of Companies Financed	346	220	157	125	63	2%
Special Competitive Opportunity Gap	66	58	20	24	11	0%
Businesses Located in LMI Areas	61	54	19	21	11	0%
Women, Minority, Veteran Owned	7	4	1	3	0	0%
Number of Jobs Created or Sustained*	7,564	3,580	2,175	1,597	621	37%

* 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 2010	FY End 2011	FY End 2012	FY End 2013	As of 3/31/14	Chg. from 3/31/13
--- New Licensees ---						
New Licensees by Fund Type	23	22	30	34	9	(25%)
Debenture	21	18	27	29	9	(10%)
Bank-Owned/Non-Leveraged	2	4	3	5	0	(100%)
Initial Private Capital (\$ in millions)	\$654.8	\$840.1	\$973.9	\$1,259.0	\$287.0	(36%)
Debenture	615.6	713.6	892.6	1,111.5	287.0	(30%)
Bank-Owned/Non-Leveraged	39.2	126.5	81.3	147.4	0.0	(100%)
--- Licensing Pipeline ---						
Total in Pipeline	66	62	51	43	52	(12%)
In Applicant Review/Program Development	14	10	8	13	15	(44%)
In Capital Raising	42	34	30	20	20	(9%)
In Licensing	10	18	13	10	17	70%
--- Program Development and Licensing Activity ---						
Applicant Initial Review/Program Development						
Received during FY	73	74	61	71	17	(60%)
1st Time SBIC Applicants	54	52	43	58	13	(65%)
Subsequent Fund Applicants	19	22	18	13	4	(64%)
Processed in FY	64	78	63	66	15	(48%)
Green Light Letters Issued	40	40	38	31	14	(12%)
% of Processed Receiving Green Light	63%	51%	60%	47%	93%	69%
1st Time SBIC Applicants	26	26	21	21	10	11%
Subsequent Fund Applicants	14	14	17	10	4	(43%)
Number Denied -- 1st Time and Subsequent	19	31	20	30	1	(89%)
Number Withdrawn -- 1st Time and Subsequent	5	7	5	5	0	(100%)
% Completed in Goal						
1st Time (2 months)	5%	16%	55%	29%	25%	(14%)
Subsequent (1 month)	88%	91%	70%	92%	94%	(6%)
Raising Capital in Process						
Green Light Letters Expired	n/a	11	9	8	1	(66%)
Licensing Applications Submitted	n/a	33	36	47	16	(27%)
Total in the Capital Raising Process	n/a	44	45	55	17	(32%)
% in Capital Raising Submitting Applications	n/a	75%	80%	85%	94%	7%
Licensing						
Received during FY	15	33	36	47	16	(33%)
1st Time SBIC Applicants	6	20	19	30	5	(69%)
Subsequent Fund Applicants	9	13	17	17	11	37%
Resolved During FY	2	10	10	5	3	200%
FY Number of New Licensees	23	22	30	34	9	(25%)
1st Time SBIC Applicants	10	11	15	15	6	(40%)
Subsequent Fund Applicants	13	11	15	19	3	50%
Average Months to Process	5.8	5.6	5.8	6.8	6.3	0%
% Completed in Goal (6 months)	65%	50%	56%	50%	44%	(24%)

--- PROGRAM OFFICE ACTIVITIES ---

	FY End 2010	FY End 2011	FY End 2012	FY End 2013	As of 3/31/14	Chg. from 3/31/13
--- Leverage Activities in Operations ---						
Debenture Leverage						
Commitments Issued	\$1,164.8	\$1,827.5	\$1,924.1	\$2,155.7	\$844.7	(4%)
Draws	\$931.0	\$1,392.0	\$1,421.7	\$1,737.0	\$993.7	(4%)
Redemptions (Pre-Paid and at Maturity)	\$250.5	\$544.2	\$651.8	\$567.1	\$252.0	(17%)
Transfers to Liquidation	\$95.8	\$8.5	\$144.4	\$118.8	\$128.4	1708%
% of Beginning Leverage Transferred	3%	0%	3%	2%	2%	100%
Participating Securities Leverage						
Prioritized Payments (PP) Advanced	\$186.0	\$136.4	\$99.3	\$66.2	\$24.3	(33%)
SBA Distributions	\$480.8	\$659.1	\$560.1	\$292.8	\$133.8	(33%)
Prioritized Payments	\$98.7	\$143.1	\$86.8	\$52.9	\$18.4	(54%)
Adjustments and Annual Fees	\$39.5	\$54.4	\$25.4	\$18.8	\$6.2	(29%)
Profit Participation	\$10.5	\$26.7	\$44.2	\$23.6	\$4.2	(73%)
PS Redemptions--Operating SBICs	\$332.1	\$434.9	\$403.7	\$197.5	\$105.0	(22%)
Transfers to Liquidation	\$701.4	\$307.5	\$220.1	\$296.8	\$53.2	(55%)
% of Beginning Leverage Transferred	18%	11%	11%	21%	6%	(25%)
Prioritized Payments at Transfer	\$179.9	\$35.7	\$49.3	\$115.4	\$13.7	(64%)
--- SBIC Examination Activities ---						
Exam Reports Issued	249	260	233	244	85	(17%)
Exam Cycle (months)	14.1	12.6	12.6	12.4	12.9	7%
Number of Reports with Findings	25	35	21	41	10	(7%)
% of Reports with Findings	10%	145%	9%	17%	12%	13%
Licensees with Leverage	196	199	182	206	64	(29%)
Exam Cycle (months)	12.9	11.7	11.7	11.6	11.3	0%
Number of Reports with Findings	17	22	12	31	7	(18%)
% of Reports with Findings	9%	11%	7%	15%	11%	15%
Licensees without Leverage	53	61	51	38	21	62%
Exam Cycle (months)	18.2	15.6	15.6	16.5	17.8	0%
Number of Reports with Findings	8	13	9	10	3	25%
% of Reports with Findings	15%	21%	18%	26%	14%	(23%)
--- Surrenders and Transfers to Liquidation ---						
SBIC License Surrenders	9	24	17	27	9	(36%)
Debenture	4	14	8	9	5	67%
Participating Security	2	4	4	11	1	(86%)
Bank-Owned/Non-Leveraged	2	6	5	6	3	0%
Specialized SBICs	1	0	0	1	0	(100%)
SBIC Licensee Transfers to Liquidation	22	6	11	16	5	0%
Debenture and Specialized SBICs	4	0	4	4	4	300%
Participating Security	18	6	7	12	1	(75%)
--- Activities in the Office of Liquidation ---						
Participating Security Leverage				DRAFT	DRAFT	
Total Collections	\$254.0	\$269.7	\$212.5	\$240.6	\$98.8	(32%)
Collections as % of Beginning Balance	18%	17%	15%	22%	10%	(23%)
Leverage Write-offs	\$300.9	\$220.7	\$308.0	\$177.3	\$12.3	(45%)
Prioritized Payments Writte-offs	\$179.9	\$56.6	\$38.3	\$106.6	\$0.0	(100%)
Debenture Leverage						
Total Collections	\$11.4	\$22.4	\$50.5	\$35.6	\$34.0	128%
Collections as % of Beginning Balance	5%	7.58	23%	14%	14%	180%
Leverage Write-offs	\$19.1	\$64.3	\$6.5	\$58.3	\$4.2	223%