

Small Business Investment Company (SBIC) Program Overview
as of March 31, 2015

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--- PROGRAM COMPOSITION ---

	FY End 2011	FY End 2012	FY End 2013	FY End 2014	As of 3/31/15
--- Program Composition of Operating SBICs ---					
Total Number of Licensees	299	301	292	294	296
Debenture	143	158	175	187	193
Participating Security	97	86	63	53	50
Bank-Owned/Non-Leveraged	46	44	43	45	44
Specialized SBICs	13	13	11	9	9
--- Private Capital of Operating SBICs by Fund Type (\$ in millions) ---					
a. Regulatory Private Capital	\$8,862.7	\$9,376.6	\$10,333.2	\$11,789.5	\$12,180.5
Debenture	5,071.1	6,114.4	7,504.4	8,923.4	9,433.3
Participating Security	2,286.5	1,881.5	1,316.2	1,096.1	992.0
Other	1,505.1	1,380.8	1,512.6	1,770.1	1,755.1
b. Leveragable Private Capital	\$6,057.5	\$6,187.0	\$6,416.5	\$7,070.2	\$7,524.5
Debenture	3,158.1	3,795.2	4,467.6	5,292.8	5,833.9
Participating Security	1,778.4	1,457.6	1,079.2	874.8	777.2
Other	1,120.9	934.2	869.7	902.6	913.4
c. Unfunded Private Commitments	\$2,805.2	\$3,189.6	\$3,916.7	\$4,719.3	\$4,655.9
Debenture	1,913.0	2,319.2	3,036.9	3,630.6	3,599.5
Participating Security	508.0	423.8	237.0	221.3	214.8
Other	384.2	446.6	642.8	867.4	841.7
--- Leverage from SBA of Operating SBICs by Fund Type (\$ in millions) ---					
d. SBA Capital at Risk (e+f)	\$8,253.3	\$8,823.6	\$9,483.7	\$10,671.4	\$11,430.4
Debenture	5,999.0	7,230.6	8,400.3	9,941.6	10,858.3
Participating Security	2,235.4	1,574.2	1,019.7	687.8	530.1
Other	18.9	18.9	63.8	42.0	42.0
e. Outstanding SBA Leverage	\$6,433.1	\$6,435.7	\$6,950.6	\$7,718.1	\$8,428.5
Debenture	4,244.9	4,870.6	5,919.4	7,006.6	7,876.1
Participating Security	2,174.4	1,549.3	1,002.2	681.2	522.1
Other	13.9	15.9	29.0	30.3	30.3
f. Outstanding SBA Commitments	\$1,820.2	\$2,387.8	\$2,533.2	\$2,953.3	\$3,001.9
Debenture	1,754.2	2,360.0	2,480.9	2,935.1	2,982.2
Participating Security	61.1	24.8	17.4	6.6	8.0
Other	5.0	3.0	34.9	11.7	11.7
g. Unreimbursed Prioritized Payments	\$444.9	\$358.9	\$238.3	\$201.7	\$206.6
--- Combined Private Capital and SBA Capital at Risk of Operating SBICs (\$ in millions) ---					
h. Total Capital at Risk (a+d)	\$17,116.0	\$18,200.2	\$19,816.9	\$22,460.9	\$23,610.8
Debenture	11,070.1	13,344.9	15,904.7	18,865.0	20,291.6
Participating Security	4,521.9	3,455.6	2,335.8	1,783.9	1,522.1
Other	1,524.0	1,399.6	1,576.4	1,812.1	1,797.1
--- Program Composition in Liquidation (\$ in Millions) ---					
Total Number of Licensees	123	117	123	121	121
Participating Security	80	80	84	83	83
Other	43	37	39	38	38
Leverage Balance	\$1,629.3	\$1,422.5	\$1,354.2	\$1,137.6	\$1,082.9
Participating Security	1,406.5	1,111.7	1,011.1	785.2	757.4
Other	222.8	310.8	343.1	352.4	325.5
--- Program Funding (\$ in millions) ---					
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%	2.52%

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

	FY End 2011	FY End 2012	FY End 2013	FY End 2014	As of 3/31/15	Chg. from 3/31/14
--- Total SBIC Program ---						
Financing Amount Reported (\$ in millions)	\$2,833.4	\$3,227.4	\$3,498.3	\$5,464.6	\$2,971.1	25%
Type of Financing (\$ in millions)						
Straight Debt	1,375.2	1,927.7	2,095.7	3,478.5	1,827.3	14%
Debt with Equity Features	1,022.9	723.3	834.1	1,030.4	651.8	76%
Equity Only	435.2	576.4	568.5	955.6	492.0	23%
Number of Companies Financed	1,339	1,094	1,068	1,085	699	19%
Special Competitive Opportunity Gap	430	290	260	281	167	2%
Businesses Located in LMI Areas	351	216	213	229	136	(1%)
Women, Minority, Veteran Owned	110	108	67	70	38	6%
Number of Jobs Created or Sustained*	61,527	68,918	73,585	113,022	62,269	25%
--- Debenture SBICs ---						
Financing Amount Reported (\$ in millions)	\$2,588.6	\$2,950.3	\$3,256.3	\$5,217.5	\$2,832.0	28%
Type of Financing (\$ in millions)						
Straight Debt	1,344.8	1,855.1	2,042.4	3,418.1	1,799.0	15%
Debt with Equity Features	963.5	671.7	794.6	978.6	618.1	83%
Equity Only	280.3	423.6	419.3	820.9	414.9	30%
Number of Companies Financed	1,007	795	856	908	584	22%
Special Competitive Opportunity Gap	310	192	206	232	138	4%
Businesses Located in LMI Areas	263	153	170	191	112	(2%)
Women, Minority, Veteran Owned	65	50	51	56	31	15%
Number of Jobs Created or Sustained*	56,211	63,001	68,493	107,913	59,354	28%
--- Non-Leveraged, Bank-Owned, and Specialized SBICs ---						
Financing Amount Reported (\$ in millions)	\$79.9	\$175.2	\$166.1	\$195.7	\$119.1	(3%)
Type of Financing (\$ in millions)						
Straight Debt	14.1	57.3	38.4	51.3	26.6	(32%)
Debt with Equity Features	12.3	23.1	18.3	41.5	27.9	9%
Equity Only	53.5	94.8	109.4	102.9	64.6	10%
Number of Companies Financed	136	166	110	102	95	79%
Special Competitive Opportunity Gap	68	83	35	36	21	0%
Businesses Located in LMI Areas	40	48	27	24	17	21%
Women, Minority, Veteran Owned	41	58	13	15	6	(40%)
Number of Jobs Created or Sustained*	1,736	3,742	3,495	4,047	2,496	(3%)
--- Participating Security SBICs ---						
Financing Amount Reported (\$ in millions)	\$164.9	\$101.8	\$75.9	\$51.3	\$20.0	(33%)
Type of Financing (\$ in millions)						
Straight Debt	16.2	15.3	14.9	9.1	1.7	(60%)
Debt with Equity Features	47.2	28.5	21.2	10.4	5.8	1%
Equity Only	101.5	58.0	39.8	31.8	12.5	(37%)
Number of Companies Financed	220	157	125	93	37	(41%)
Special Competitive Opportunity Gap	58	20	24	16	9	(18%)
Businesses Located in LMI Areas	54	19	21	16	8	(27%)
Women, Minority, Veteran Owned	4	1	3	0	1	0%
Number of Jobs Created or Sustained*	3,580	2,175	1,597	1,062	419	(33%)

* 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 3/31/15	Chg. from 3/31/14
--- Leverage Activities in Operations ---						
Debenture Leverage						
Commitments Issued	\$1,827.5	\$1,924.1	\$2,155.7	\$2,548.9	\$1,018.4	21%
Draws	\$1,392.0	\$1,421.7	\$1,737.0	\$2,064.6	\$1,104.2	11%
Redemptions (Pre-Paid and at Maturity)	\$544.2	\$651.8	\$567.1	\$660.8	\$416.1	65%
Transfers to Liquidation	\$8.5	\$144.4	\$118.8	\$127.8	\$6.9	(94%)
% 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	\$16.1	(34%)
SBA Distributions	\$659.1	\$560.1	\$292.8	\$264.3	\$119.1	(11%)
Prioritized Payments	\$143.1	\$86.8	\$52.9	\$37.0	\$10.8	(41%)
Adjustments and Annual Fees	\$54.4	\$25.4	\$18.8	\$10.2	\$0.5	(91%)
Profit Participation	\$26.7	\$44.2	\$23.6	\$11.1	\$7.2	69%
PS Redemptions--Operating SBICs	\$434.9	\$403.7	\$197.5	\$206.1	\$100.6	(4%)
Transfers to Liquidation	\$307.5	\$220.1	\$296.8	\$129.3	\$55.7	5%
% of Beginning Leverage Transferred	11%	11%	21%	14%	9%	50%
Prioritized Payments at Transfer	\$58.6	\$50.8	\$119.1	\$49.7	\$25.1	83%
--- SBIC Examination Activities ---						
Exam Reports Issued	260	233	244	200	78	(8%)
Exam Cycle (months)	12.6	12.6	12.4	12.7	12.4	(4%)
% of Reports with Findings	145%	9%	17%	6%	26%	116%
Licensees with Leverage	199	182	206	163	63	(2%)
Exam Cycle (months)	11.7	11.7	11.6	11.5	10.8	(4%)
% of Reports with Findings	11%	7%	15%	4%	27%	145%
Licensees without Leverage	61	51	38	37	15	(29%)
Exam Cycle (months)	15.6	15.6	16.5	18.2	19.2	8%
% of Reports with Findings	21%	18%	26%	11%	20%	43%
--- Surrenders and Transfers to Liquidation ---						
SBIC License Surrenders	24	17	27	18	5	(44%)
Debenture	14	8	9	9	2	(60%)
Participating Security	4	4	11	3	1	0%
Bank-Owned/Non-Leveraged	6	5	6	5	2	(33%)
Specialized SBICs	0	0	1	1	0	0%
SBIC Licensee Transfers to Liquidation	6	11	16	11	2	(60%)
Debenture and Specialized SBICs	0	4	4	4	2	(50%)
Participating Security	6	7	12	7	0	(100%)
--- Activities in the Office of Liquidation ---						
Participating Security Leverage						
Total Leverage Collections	\$267.7	\$211.4	\$227.0	\$273.3	\$82.6	(16%)
Collections as % of Beginning Leverage	16%	15%	20%	27%	11%	10%
Leverage Write-offs	\$220.7	\$308.0	\$178.2	\$87.7	\$1.7	(86%)
Prioritized Payments Writte-offs	\$56.6	\$38.3	\$106.6	\$20.7	\$14.2	100%
Debenture Leverage						
Total Leverage Collections	\$22.4	\$50.5	\$39.7	\$77.3	\$35.7	5%
Collections as % of Beginning Leverage	7%	23%	13%	23%	10%	(29%)
Leverage Write-offs	\$64.3	\$6.5	\$47.9	\$42.2	\$0.0	(100%)