

PROGRAM COMPOSITION

	FY End 2012	FY End 2013	FY End 2014	FY End 2015	FY End 2016
--- Program Composition of Operating SBICs ---					
Total Number of Licensees	301	292	294	303	313
Debenture	158	175	187	205	216
Participating Security	86	63	53	46	41
Bank-Owned/Non-Leveraged	44	43	45	43	47
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	\$14,115.3
Debenture	6,114.4	7,504.4	8,923.4	10,414.2	11,357.7
Participating Security	1,881.5	1,316.2	1,096.1	887.8	716.8
Other	1,380.8	1,512.6	1,770.1	1,693.0	2,040.8
b. Leveragable Private Capital	\$6,187.0	\$6,416.5	\$7,070.2	\$7,930.5	\$8,897.1
Debenture	3,795.2	4,467.6	5,292.8	6,413.4	7,309.8
Participating Security	1,457.6	1,079.2	874.8	684.7	571.7
Other	934.2	869.7	902.6	832.4	1,015.5
c. Unfunded Private Commitments	\$3,189.6	\$3,916.7	\$4,719.3	\$5,064.4	\$5,218.2
Debenture	2,319.2	3,036.9	3,630.6	4,000.8	4,047.9
Participating Security	423.8	237.0	221.3	203.1	145.0
Other	446.6	642.8	867.4	860.6	1,025.3

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

The FY End 2016 Outstanding SBA Leverage figures will be revised after the reconciliation with the LAS system is completed.

d. SBA Capital at Risk (e+f)	\$8,823.6	\$9,483.7	\$10,947.1	\$12,351.2	\$13,715.1
Debenture	7,230.6	8,400.3	10,211.9	11,883.6	13,374.7
Participating Security	1,574.2	1,019.7	693.2	392.6	249.5
Other	18.9	63.8	42.0	75.0	90.9
e. Outstanding SBA Leverage	\$6,435.7	\$6,950.6	\$7,921.4	\$9,157.2	\$10,348.8
Debenture	4,870.6	5,919.4	7,209.9	8,712.0	10,029.2
Participating Security	1,549.3	1,002.2	681.2	384.6	244.6
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	\$3,366.3
Debenture	2,360.0	2,480.9	3,002.0	3,171.6	3,345.5
Participating Security	24.8	17.4	12.0	8.0	4.9
Other	3.0	34.9	11.7	14.4	15.9
g. Unreimbursed Prioritized Payments	\$358.9	\$238.3	\$201.7	\$142.2	\$113.1

--- 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	\$27,830.3
Debenture	13,344.9	15,904.7	19,135.2	22,297.8	24,732.4
Participating Security	3,455.9	2,335.8	1,789.3	1,280.4	966.2
Other	1,399.6	1,576.4	1,812.1	1,768.0	2,131.7

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

Total Number of Licensees	117	123	121	115	105
Participating Security	80	84	83	81	76
Other	37	39	38	34	29
Leverage Balance	\$1,422.5	\$1,354.2	\$1,137.6	\$959.2	\$810.6
Participating Security	1,111.7	1,011.1	785.2	697.5	571.2
Other	310.8	343.1	352.4	261.7	239.4

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--- 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%	2.29%

ECONOMIC IMPACT: SBIC FINANCINGS TO SMALL BUSINESS REPORTED *

	FY End 2012	FY End 2013	FY End 2014	FY End 2015	FY End 2016	Chg. from FY 2015
--- Total SBIC Program ---						
Financing Amount Reported (\$ in millions)	\$3,227.4	\$3,498.3	\$5,464.6	\$6,285.5	\$5,991.7	(5%)
Type of Financing (\$ in millions)						
Straight Debt	1,927.7	2,095.7	3,478.5	3,810.5	3,791.7	0%
Debt with Equity Features	723.3	834.1	1,030.4	1,351.2	1,157.1	(14%)
Equity Only	576.4	568.5	955.6	1,124.8	1,042.9	(7%)
Number of Companies Financed	1,094	1,068	1,085	1,210	1,201	(1%)
Special Competitive Opportunity Gap	290	260	281	288	332	15%
Businesses Located in LMI Areas	216	213	229	229	284	24%
Women, Minority, Veteran Owned	108	67	70	73	61	(16%)
Number of Jobs Created or Sustained**	68,918	73,585	113,022	129,749	122,381	(6%)
--- Debenture SBICs ---						
Financing Amount Reported (\$ in millions)	\$2,950.3	\$3,256.3	\$5,217.5	\$5,939.6	\$5,653.8	(5%)
Type of Financing (\$ in millions)						
Straight Debt	1,855.1	2,042.4	3,418.1	3,701.8	3,665.5	(1%)
Debt with Equity Features	671.7	794.6	978.6	1,265.9	1,110.6	(12%)
Equity Only	423.6	419.3	820.9	971.9	877.7	(10%)
Number of Companies Financed	795	856	908	1,010	986	(2%)
Special Competitive Opportunity Gap	192	206	232	226	260	15%
Businesses Located in LMI Areas	153	170	191	182	232	27%
Women, Minority, Veteran Owned	50	51	56	51	35	(31%)
Number of Jobs Created or Sustained**	63,001	68,493	107,913	122,608	115,480	(6%)
--- Non-Leveraged, Bank-Owned, and Specialized SBICs ---						
Financing Amount Reported (\$ in millions)	\$175.2	\$166.1	\$195.7	\$300.1	\$307.0	2%
Type of Financing (\$ in millions)						
Straight Debt	57.3	38.4	51.3	98.8	116.5	18%
Debt with Equity Features	23.1	18.3	41.5	72.6	38.2	(47%)
Equity Only	94.8	109.4	102.9	128.8	152.3	18%
Number of Companies Financed	166	110	102	147	202	37%
Special Competitive Opportunity Gap	83	35	36	48	70	46%
Businesses Located in LMI Areas	48	27	24	34	50	47%
Women, Minority, Veteran Owned	58	13	15	21	26	24%
Number of Jobs Created or Sustained**	3,742	3,495	4,047	6,196	6,271	1%
--- Participating Security SBICs ---						
Financing Amount Reported (\$ in millions)	\$101.8	\$75.9	\$51.3	\$45.8	\$30.9	(33%)
Type of Financing (\$ in millions)						
Straight Debt	15.3	14.9	9.1	9.9	9.7	(2%)
Debt with Equity Features	28.5	21.2	10.4	12.8	8.3	(35%)
Equity Only	58.0	39.8	31.8	24.1	12.9	(46%)
Number of Companies Financed	157	125	93	53	40	(25%)
Special Competitive Opportunity Gap	20	24	16	14	9	(36%)
Businesses Located in LMI Areas	19	21	16	13	9	(31%)
Women, Minority, Veteran Owned	1	3	0	1	0	(100%)
Number of Jobs Created or Sustained**	2,175	1,597	1,062	945	630	(33%)

* The Office of Investment and Innovation reports financing information based on data collected on the SBA Form 1031. Information is aggregated, by fiscal year, based on the date of the submission of the form and not on the date of the financing to the small business.

** 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 the Office of the Business Operations Officer, Office of Investment and Innovation

PROGRAM OFFICE ACTIVITIES

	FY End 2012	FY End 2013	FY End 2014	FY End 2015	FY End 2016	Chg. from FY 2015
--- New Licensees ---						
New Licensees by Fund Type	30	34	30	25	21	(16%)
Debenture	27	29	24	22	17	(23%)
Bank-Owned/Non-Leveraged	3	5	6	3	4	33%
Initial Private Capital (\$ in millions)	\$973.9	\$1259.0	\$1,319.0	\$1,236.4	\$1,188.0	(4%)
Debenture	892.6	1,111.5	1,131.2	1,204.1	893.0	(26%)
Bank-Owned/Non-Leveraged	81.3	147.4	187.8	32.3	295.0	814%
--- Licensing Pipeline* ---						
Total in Pipeline	55	51	43	37	50	35%
In Applicant Review/Program Development	11	12	9	13	21	62%
In Capital Raising	30	20	17	14	21	50%
In Licensing	14	19	17	10	8	(20%)
--- Program Development and Licensing Activity** ---						
Applicant Initial Review/Program Development						
Received during FY	61	75	45	48	57	19%
1st Time SBIC Applicants	43	59	35	24	30	25%
Subsequent Fund Applicants	18	16	10	24	27	13%
Processed in FY	63	74	48	44	49	11%
Green Light Letters Issued	38	34	28	25	32	28%
<i>% of Processed Receiving Green Light</i>	<i>60%</i>	<i>46%</i>	<i>58%</i>	<i>57%</i>	<i>65%</i>	<i>14%</i>
1st Time SBIC Applicants	21	21	17	11	10	(9%)
Subsequent Fund Applicants	17	13	11	14	22	57%
Number Denied -- 1st Time and Subsequent	20	34	15	17	14	(18%)
Number Withdrawn -- 1st Time and Subsequent	5	6	5	2	3	50%
Raising Capital in Process						
Green Light Letters Expired	9	8	7	10	0	(100%)
Licensing Applications Submitted	38	44	32	25	24	(4%)
Total in the Capital Raising Process	47	52	39	35	24	(31%)
<i>% in Capital Raising Submitting Applications</i>	<i>81%</i>	<i>85%</i>	<i>82%</i>	<i>72%</i>	<i>100%</i>	<i>39%</i>
Licensing						
Received during FY	38	44	32	25	24	(4%)
1st Time SBIC Applicants	20	28	13	15	2	(87%)
Subsequent Fund Applicants	18	16	19	10	22	120%
Otherwise Resolved During FY	10	5	4	7	5	(29%)
FY Number of New Licensees	30	34	30	25	21	(16%)
1st Time SBIC Applicants	19	15	18	12	13	8%
Subsequent Fund Applicants	11	19	12	13	8	(38%)
Average Months to Process	5.8	6.8	7.4	8.4	6.0	(29%)
<i>% Completed in Goal (6 months)</i>	<i>56%</i>	<i>50%</i>	<i>37%</i>	<i>36%</i>	<i>62%</i>	<i>72%</i>

* 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	FY End 2016	Chg. from FY 2015
--- Leverage Activities in Operations ---						
Debenture Leverage						
Commitments Issued	\$1,924.1	\$2,155.7	\$2,548.9	\$2,553.0	\$2,514.3	(2%)
Draws	\$1,421.7	\$1,737.0	\$2,064.6	\$2,337.4	\$2,157.6	(8%)
Redemptions (Pre-Paid and at Maturity)	\$651.8	\$567.1	\$660.8	\$806.1	\$807.8	0%
Transfers to Liquidation	\$144.4	\$118.8	\$127.8	\$26.5	\$38.6	46%
<i>% of Beginning Leverage Transferred</i>	3%	2%	2%	0.4%	0.4%	0%
Participating Securities Leverage						
Prioritized Payments (PP) Advanced	\$99.3	\$66.2	\$43.9	\$28.4	\$15.5	(46%)
SBA Distributions	\$560.1	\$292.8	\$264.3	\$201.6	\$137.4	(32%)
Prioritized Payments	\$86.8	\$52.9	\$37.0	\$24.8	\$13.1	(47%)
Adjustments and Annual Fees	\$25.4	\$18.8	\$10.2	\$3.7	\$4.0	8%
Profit Participation	\$44.2	\$23.6	\$11.1	\$13.3	\$5.1	(62%)
PS Redemptions--Operating SBICs	\$403.7	\$197.5	\$206.1	\$159.8	\$115.2	(28%)
Transfers to Liquidation	\$220.1	\$296.9	\$129.3	\$109.2	\$22.8	(79%)
<i>% of Beginning Leverage Transferred</i>	11%	21%	14%	18%	7%	(61%)
Prioritized Payments at Transfer	\$50.8	\$119.1	\$49.7	\$42.8	\$10.7	(75%)
--- SBIC Examination Activities ---						
Exam Reports Issued	233	244	200	222	186	(16%)
Exam Cycle (months)	12.6	12.4	12.7	12.7	13.0	2%
<i>% of Reports with Findings</i>	9%	17%	11%	19%	19%	0%
Licensees with Leverage	182	206	163	173	137	(21%)
Exam Cycle (months)	11.7	11.6	11.5	11.2	11.5	3%
<i>% of Reports with Findings</i>	7%	15%	9%	21%	19%	(10%)
Licensees without Leverage	51	38	37	49	49	0%
Exam Cycle (months)	15.6	16.5	18.2	18.1	17.1	(6%)
<i>% of Reports with Findings</i>	18%	26%	19%	8%	18%	125%
--- Surrenders and Transfers to Liquidation ---						
SBIC License Surrenders	17	27	18	13	7	(46%)
Debenture	8	9	9	4	3	(25%)
Participating Security	4	11	3	4	4	0%
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	2	(33%)
Debenture and Specialized SBICs	4	4	4	0	1	100%
Participating Security	7	12	7	3	1	(67%)
--- Activities in the Office of Liquidation ---						
Participating Security Leverage					Draft	
Total Leverage Collections	\$211.4	\$227.0	\$273.3	\$170.7	\$97.9	(43%)
<i>Collections as % of Beginning Leverage</i>	15%	20%	27%	23%	14%	(39%)
Leverage Write-offs	\$308.0	\$178.2	\$87.7	\$34.4	\$53.1	54%
Prioritized Payments Collections	\$0.5	\$7.1	\$0.8	\$14.1	\$2.7	(81%)
Prioritized Payments Write-offs	\$38.3	\$106.6	\$20.7	\$55.9	\$15.1	(73%)
Debenture Leverage						
Total Leverage Collections	\$50.5	\$39.7	\$77.3	\$83.6	\$55.6	193%
<i>Collections as % of Beginning Leverage</i>	23%	13%	23%	19%	21%	(13%)
Leverage Write-offs	\$6.5	\$47.9	\$42.2	\$36.0	\$5.5	(85%)