

--- PROGRAM COMPOSITION ---

	FY End 2011	FY End 2012	FY End 2013	FY End 2014	As of 12/31/14
--- Program Composition of Operating SBICs ---					
Total Number of Licensees	299	301	292	294	299
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
--- 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	\$12,190.6
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. Leveragable Private Capital	\$6,057.5	\$6,187.0	\$6,416.5	\$7,070.2	\$7,346.8
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
c. Unfunded Private Commitments	\$2,805.2	\$3,189.6	\$3,916.7	\$4,719.3	\$4,843.8
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
--- 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	\$11,590.4
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
e. Outstanding SBA Leverage	\$6,433.1	\$6,435.7	\$6,950.6	\$7,718.1	\$8,467.2
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
f. Outstanding SBA Commitments	\$1,820.2	\$2,387.8	\$2,533.2	\$2,953.3	\$3,123.2
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
g. Unreimbursed Prioritized Payments	\$444.9	\$358.9	\$238.3	\$201.7	\$205.7
--- 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	\$23,781.0
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
--- Program Composition in Liquidation (\$ in Millions) ---					
				DRAFT	DRAFT
Total Number of Licensees	123	117	123	121	120
Participating Security	80	80	84	83	82
Other	43	37	39	38	38
Leverage Balance	\$1,629.3	\$1,422.5	\$1,354.2	\$1,144.4	\$1,054.3
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
--- 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%	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
--- Total SBIC Program ---						
Financing Amount Reported (\$ in millions)	\$2,833.4	\$3,227.4	\$3,498.3	\$5,464.6	\$1,534.7	24%
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%
Number of Companies Financed	1,339	1,094	1,068	1,085	369	10%
Special Competitive Opportunity Gap	430	290	260	281	80	(19%)
Businesses Located in LMI Areas	351	216	213	229	64	(29%)
Women, Minority, Veteran Owned	110	108	67	70	17	0%
Number of Jobs Created or Sustained*	61,527	68,918	73,585	113,022	31,970	22%
--- Debenture SBICs ---						
Financing Amount Reported (\$ in millions)	\$2,588.6	\$2,950.3	\$3,256.3	\$5,217.5	\$1,471.0	22%
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%
Number of Companies Financed	1,007	795	856	908	306	12%
Special Competitive Opportunity Gap	310	192	206	232	63	(24%)
Businesses Located in LMI Areas	263	153	170	191	51	(34%)
Women, Minority, Veteran Owned	65	50	51	56	12	(14%)
Number of Jobs Created or Sustained*	56,211	63,001	68,493	107,913	30,643	21%
--- Non-Leveraged, Bank-Owned, and Specialized SBICs ---						
Financing Amount Reported (\$ in millions)	\$79.9	\$175.2	\$166.1	\$195.7	\$55.0	125%
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%
Number of Companies Financed	136	166	110	102	48	129%
Special Competitive Opportunity Gap	68	83	35	36	10	11%
Businesses Located in LMI Areas	40	48	27	24	7	40%
Women, Minority, Veteran Owned	41	58	13	15	4	0%
Number of Jobs Created or Sustained*	1,736	3,742	3,495	4,047	1,145	122%
--- Participating Security SBICs ---						
Financing Amount Reported (\$ in millions)	\$164.9	\$101.8	\$75.9	\$51.3	\$8.7	(17%)
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%
Number of Companies Financed	220	157	125	93	21	(50%)
Special Competitive Opportunity Gap	58	20	24	16	8	0%
Businesses Located in LMI Areas	54	19	21	16	7	(13%)
Women, Minority, Veteran Owned	4	1	3	0	1	0%
Number of Jobs Created or Sustained*	3,580	2,175	1,597	1,062	182	(18%)

* 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 ---						
New Licensees by Fund Type	22	30	34	30	5	67%
Debenture	18	27	29	24	4	33%
Bank-Owned/Non-Leveraged	4	3	5	6	1	100%
Initial Private Capital (\$ in millions)	\$840.1	\$973.9	\$1,259.0	\$1,319.0	\$170.7	52%
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 ---						
Total in Pipeline	62	51	42	42	32	(42%)
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 ---

Applicant Initial Review/Program Development						
Received during FY	74	61	74	45	8	(20%)
1st Time SBIC Applicants	52	43	59	35	1	(83%)
Subsequent Fund Applicants	22	18	15	10	7	75%
Processed in FY	78	63	74	48	13	86%
Green Light Letters Issued	40	38	34	28	8	14%
<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.

Raising Capital in Process

Green Light Letters Expired	11	9	8	7	1	100%
Licensing Applications Submitted	33	36	47	32	8	14%
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>

Licensing

Received during FY	33	36	47	32	8	14%
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%
FY Number of New Licensees	22	30	34	30	5	66%
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
--- 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%)
<i>% of Beginning Leverage Transferred</i>	0%	3%	2%	2%	0%	(100%)
Participating Securities Leverage						
Prioritized Payments (PP) Advanced	\$136.4	\$99.3	\$66.2	\$43.9	\$8.2	(36%)
SBA Distributions	\$659.1	\$560.1	\$292.8	\$264.3	\$20.1	(43%)
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%)
<i>% of Beginning Leverage Transferred</i>	11%	11%	21%	14%	0%	(100%)
Prioritized Payments at Transfer	\$58.6	\$50.8	\$119.1	\$49.7	\$0.0	(100%)

--- SBIC Examination Activities ---

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

--- Surrenders and Transfers to Liquidation ---

SBIC License Surrenders	24	17	27	18	3	(57%)
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%
SBIC Licensee Transfers to Liquidation	6	11	16	11	0	(100%)
Debenture and Specialized SBICs	0	4	4	4	0	(100%)
Participating Security	6	7	12	7	0	(100%)

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

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Participating Security Leverage						
Total Collections	\$269.7	\$212.5	\$234.2	\$269.0	\$59.0	253%
<i>Collections as % of Beginning Leverage</i>	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%
Debenture Leverage						
Total Collections	\$22.4	\$50.5	\$39.7	\$70.0	\$29.7	111%
<i>Collections as % of Beginning Leverage</i>	7%	23%	13%	20%	8%	50%
Leverage Write-offs	\$64.3	\$6.5	\$47.9	\$44.7	\$0.0	0%