

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

	FY End 2012	FY End 2013	FY End 2014	FY End 2015	As of 12/31/15
<b>--- Program Composition of Operating SBICs ---</b>					
<b>Total Number of Licensees</b>	<b>301</b>	<b>292</b>	<b>294</b>	<b>303</b>	<b>300</b>
Debenture	158	175	187	205	204
Participating Security	86	63	53	46	44
Bank-Owned/Non-Leveraged	44	43	45	43	43
Specialized SBICs	13	11	9	9	9

**--- Private Capital of Operating SBICs by Fund Type (\$ in millions) ---**

<b>a. Regulatory Private Capital</b>	<b>\$9,376.6</b>	<b>\$10,333.2</b>	<b>\$11,789.5</b>	<b>\$12,994.9</b>	<b>\$12,976.7</b>
Debenture	6,114.4	7,504.4	8,923.4	10,414.2	10,491.2
Participating Security	1,881.5	1,316.2	1,096.1	887.8	807.2
Other	1,380.8	1,512.6	1,770.1	1,693.0	1,678.3
<b>b. Leveragable Private Capital</b>	<b>\$6,187.0</b>	<b>\$6,416.5</b>	<b>\$7,070.2</b>	<b>\$7,930.5</b>	<b>\$8,249.2</b>
Debenture	3,795.2	4,467.6	5,292.8	6,413.4	6,769.7
Participating Security	1,457.6	1,079.2	874.8	684.7	648.0
Other	934.2	869.7	902.6	832.4	831.5
<b>c. Unfunded Private Commitments</b>	<b>\$3,189.6</b>	<b>\$3,916.7</b>	<b>\$4,719.3</b>	<b>\$5,064.4</b>	<b>\$4,727.5</b>
Debenture	2,319.2	3,036.9	3,630.6	4,000.8	3,721.5
Participating Security	423.8	237.0	221.3	203.1	159.2
Other	446.6	642.8	867.4	860.6	846.8

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

<b>d. SBA Capital at Risk (e+f)</b>	<b>\$8,823.6</b>	<b>\$9,483.7</b>	<b>\$10,947.1</b>	<b>\$12,349.2</b>	<b>\$12,931.0</b>
Debenture	7,230.6	8,400.3	10,211.9	11,881.6	12,479.5
Participating Security	1,574.2	1,019.7	693.2	392.7	376.6
Other	18.9	63.8	42.0	75.0	75.0
<b>e. Outstanding SBA Leverage</b>	<b>\$6,435.7</b>	<b>\$6,950.6</b>	<b>\$7,921.4</b>	<b>\$9,155.2</b>	<b>\$9,649.0</b>
Debenture	4,870.6	5,919.4	7,209.9	8,710.0	9,218.3
Participating Security	1,549.3	1,002.2	681.2	384.7	370.2
Other	15.9	29.0	30.3	60.6	60.6
<b>f. Outstanding SBA Commitments</b>	<b>\$2,387.8</b>	<b>\$2,533.2</b>	<b>\$3,025.7</b>	<b>\$3,194.0</b>	<b>\$3,282.0</b>
Debenture	2,360.0	2,480.9	3,002.0	3,171.6	3,261.2
Participating Security	24.8	17.4	12.0	8.0	6.4
Other	3.0	34.9	11.7	14.4	14.4
<b>g. Unreimbursed Prioritized Payments</b>	<b>\$358.9</b>	<b>\$238.3</b>	<b>\$201.7</b>	<b>\$142.2</b>	<b>\$141.6</b>

**--- Combined Private Capital and SBA Capital at Risk of Operating SBICs (\$ in millions) ---**

<b>h. Total Capital at Risk (a+d)</b>	<b>\$18,200.2</b>	<b>\$19,816.9</b>	<b>\$22,736.6</b>	<b>\$25,344.2</b>	<b>\$25,907.8</b>
Debenture	13,344.9	15,904.7	19,135.2	22,295.8	22,970.7
Participating Security	3,455.9	2,335.8	1,789.3	1,280.4	1,183.7
Other	1,399.6	1,576.4	1,812.1	1,768.0	1,753.3

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

<b>Total Number of Licensees</b>	<b>117</b>	<b>123</b>	<b>121</b>	<b>116</b>	<b>115</b>
Participating Security	80	84	83	82	81
Other	37	39	38	34	34
<b>Leverage Balance</b>	<b>\$1,422.5</b>	<b>\$1,354.2</b>	<b>\$1,137.6</b>	<b>\$950.6</b>	<b>\$934.7</b>
Participating Security	1,111.7	1,011.1	785.2	691.6	682.3
Other	310.8	343.1	352.4	259.0	252.4

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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%	n/a

**Small Business Investment Company (SBIC) Program Overview**

as of December 31, 2015  
(updated as of May 16, 2016)

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

	FY End 2012	FY End 2013	FY End 2014	FY End 2015	As of 12/31/15	Chg. from 12/31/14
<b>--- Total SBIC Program ---</b>						
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$3,227.4</b>	<b>\$3,498.3</b>	<b>\$5,464.6</b>	<b>\$6,285.5</b>	<b>\$1,508.2</b>	<b>(2%)</b>
Type of Financing (\$ in millions)						
Straight Debt	1,927.7	2,095.7	3,478.5	3,810.5	1,009.9	4%
Debt with Equity Features	723.3	834.1	1,030.4	1,351.2	241.8	(15%)
Equity Only	576.4	568.5	955.6	1,124.8	255.8	(9%)
<b>Number of Companies Financed</b>	<b>1,094</b>	<b>1,068</b>	<b>1,085</b>	<b>1,210</b>	<b>379</b>	<b>3%</b>
<b>Special Competitive Opportunity Gap*</b>	290	260	281	288	-	-
Businesses Located in LMI Areas*	216	213	229	229	-	-
Women, Minority, Veteran Owned*	108	67	70	73	-	-
<b>Number of Jobs Created or Sustained**</b>	<b>68,918</b>	<b>73,585</b>	<b>113,022</b>	<b>129,749</b>	<b>31,304</b>	<b>(2%)</b>
<b>--- Debenture SBICs ---</b>						
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$2,950.3</b>	<b>\$3,256.3</b>	<b>\$5,217.5</b>	<b>\$5,939.6</b>	<b>\$1,459.0</b>	<b>(1%)</b>
Type of Financing (\$ in millions)						
Straight Debt	1,855.1	2,042.4	3,418.1	3,701.8	994.8	4%
Debt with Equity Features	671.7	794.6	978.6	1,265.9	225.1	(13%)
Equity Only	423.6	419.3	820.9	971.9	238.4	(6%)
<b>Number of Companies Financed</b>	<b>795</b>	<b>856</b>	<b>908</b>	<b>1,010</b>	<b>327</b>	<b>7%</b>
<b>Special Competitive Opportunity Gap*</b>	192	206	232	226	-	-
Businesses Located in LMI Areas*	153	170	191	182	-	-
Women, Minority, Veteran Owned*	50	51	56	51	-	-
<b>Number of Jobs Created or Sustained**</b>	<b>63,001</b>	<b>68,493</b>	<b>107,913</b>	<b>122,608</b>	<b>30,283</b>	<b>(1%)</b>
<b>--- Non-Leveraged, Bank-Owned, and Specialized SBICs ---</b>						
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$175.2</b>	<b>\$166.1</b>	<b>\$195.7</b>	<b>\$300.1</b>	<b>\$40.0</b>	<b>(27%)</b>
Type of Financing (\$ in millions)						
Straight Debt	57.3	38.4	51.3	98.8	11.8	3%
Debt with Equity Features	23.1	18.3	41.5	72.6	15.2	(35%)
Equity Only	94.8	109.4	102.9	128.8	12.9	(35%)
<b>Number of Companies Financed</b>	<b>166</b>	<b>110</b>	<b>102</b>	<b>147</b>	<b>35</b>	<b>(27%)</b>
<b>Special Competitive Opportunity Gap*</b>	83	35	36	48	-	-
Businesses Located in LMI Areas*	48	27	24	34	-	-
Women, Minority, Veteran Owned*	58	13	15	21	-	-
<b>Number of Jobs Created or Sustained**</b>	<b>3,742</b>	<b>3,495</b>	<b>4,047</b>	<b>6,196</b>	<b>829</b>	<b>(28%)</b>
<b>--- Participating Security SBICs ---</b>						
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$101.8</b>	<b>\$75.9</b>	<b>\$51.3</b>	<b>\$45.8</b>	<b>\$9.2</b>	<b>6%</b>
Type of Financing (\$ in millions)						
Straight Debt	15.3	14.9	9.1	9.9	3.3	450%
Debt with Equity Features	28.5	21.2	10.4	12.8	1.5	(32%)
Equity Only	58.0	39.8	31.8	24.1	4.5	(24%)
<b>Number of Companies Financed</b>	<b>157</b>	<b>125</b>	<b>93</b>	<b>53</b>	<b>17</b>	<b>(19%)</b>
<b>Special Competitive Opportunity Gap*</b>	20	24	16	14	-	-
Businesses Located in LMI Areas*	19	21	16	13	-	-
Women, Minority, Veteran Owned*	1	3	0	1	-	-
<b>Number of Jobs Created or Sustained**</b>	<b>2,175</b>	<b>1,597</b>	<b>1,062</b>	<b>945</b>	<b>192</b>	<b>5%</b>

\* The Office of Investment and Innovation is evaluating applications used to determine Special Competitive Opportunity Gap as well as Businesses located in LMI areas. Figures for the current year are not available, but will be based on the same indicators as previous years and will be updated in a subsequent quarterly report.

\*\* 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 Data Management Branch, Office of Investment and Innovation

**Small Business Investment Company (SBIC) Program Overview**

as of December 31, 2015  
(updated as of May 16, 2016)

**--- PROGRAM OFFICE ACTIVITIES ---**

	FY End 2012	FY End 2013	FY End 2014	FY End 2015	As of 12/31/15	Chg. from 12/31/14
<b>--- New Licensees ---</b>						
<b>New Licensees by Fund Type</b>	<b>30</b>	<b>34</b>	<b>30</b>	<b>25</b>	<b>1</b>	<b>(80%)</b>
Debenture	27	29	24	22	1	(75%)
Bank-Owned/Non-Leveraged	3	5	6	3	0	(100%)
<b>Initial Private Capital (\$ in millions)</b>	<b>\$973.9</b>	<b>\$1259.0</b>	<b>\$1,319.0</b>	<b>\$1,236.4</b>	<b>\$30.7</b>	<b>(82%)</b>
Debenture	892.6	1,111.5	1,131.2	1,204.1	30.7	(81%)
Bank-Owned/Non-Leveraged	81.3	147.4	187.8	32.3	0.0	(100%)
<b>--- Licensing Pipeline* ---</b>						
<b>Total in Pipeline</b>	<b>51</b>	<b>42</b>	<b>42</b>	<b>47</b>	<b>36</b>	<b>13%</b>
In Applicant Review/Program Development	8	12	9	21	12	200%
In Capital Raising	30	20	17	14	14	0%
In Licensing	13	10	16	12	10	(33%)
<b>--- Program Development and Licensing Activity** ---</b>						
<b>Applicant Initial Review/Program Development</b>						
<b>Received during FY</b>	<b>61</b>	<b>72</b>	<b>45</b>	<b>47</b>	<b>13</b>	<b>63%</b>
1st Time SBIC Applicants	43	59	35	24	10	900%
Subsequent Fund Applicants	18	13	10	23	3	(57%)
<b>Processed in FY</b>	<b>63</b>	<b>74</b>	<b>48</b>	<b>35</b>	<b>9</b>	<b>(31%)</b>
<b>Green Light Letters Issued</b>	<b>38</b>	<b>34</b>	<b>28</b>	<b>16</b>	<b>5</b>	<b>(38%)</b>
<i>% of Processed Receiving Green Light</i>	<i>60%</i>	<i>46%</i>	<i>58%</i>	<i>46%</i>	<i>56%</i>	<i>(10%)</i>
1st Time SBIC Applicants	21	21	17	11	1	(67%)
Subsequent Fund Applicants	17	13	11	5	4	(20%)
Number Denied -- 1st Time and Subsequent	20	30	15	15	3	(40%)
Number Withdrawn -- 1st Time and Subsequent	5	5	5	4	1	100%
<b>Raising Capital in Process</b>						
<b>Green Light Letters Expired</b>	<b>9</b>	<b>8</b>	<b>7</b>	<b>10</b>	<b>0</b>	<b>(100%)</b>
<b>Licensing Applications Submitted</b>	<b>37</b>	<b>47</b>	<b>32</b>	<b>26</b>	<b>3</b>	<b>(63%)</b>
Total in the Capital Raising Process	46	55	39	36	3	(67%)
<i>% in Capital Raising Submitting Applications</i>	<i>80%</i>	<i>85%</i>	<i>82%</i>	<i>72%</i>	<i>100%</i>	<i>12%</i>
<b>Licensing</b>						
<b>Received during FY</b>	<b>37</b>	<b>47</b>	<b>32</b>	<b>26</b>	<b>3</b>	<b>(63%)</b>
1st Time SBIC Applicants	18	30	13	16	0	(100%)
Subsequent Fund Applicants	19	17	19	10	3	50%
Otherwise Resolved During FY	17	10	11	7	2	0%
<b>FY Number of New Licensees</b>	<b>30</b>	<b>34</b>	<b>30</b>	<b>25</b>	<b>1</b>	<b>(80%)</b>
1st Time SBIC Applicants	19	15	18	12	1	(67%)
Subsequent Fund Applicants	11	19	12	13	0	(100%)
Average Months to Process	5.8	6.8	7.4	8.4	18.0	55%
<i>% Completed in Goal (6 months)</i>	<i>56%</i>	<i>50%</i>	<i>37%</i>	<i>36%</i>	<i>0%</i>	<i>(100%)</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	As of 12/31/15	Chg. from 12/31/14
<b>--- Leverage Activities in Operations ---</b>						
<b>Debenture Leverage</b>						
Commitments Issued	\$1,924.1	\$2,155.7	\$2,548.9	\$2,553.0	\$680.2	33%
Draws	\$1,421.7	\$1,737.0	\$2,064.6	\$2,337.4	\$570.7	(12%)
Redemptions (Pre-Paid and at Maturity)	\$651.8	\$567.1	\$660.8	\$806.1	\$0.0	0%
Transfers to Liquidation	\$144.4	\$118.8	\$127.8	\$26.5	\$0.0	0%
<i>% of Beginning Leverage Transferred</i>	3%	2%	2%	0.4%	0%	0%
<b>Participating Securities Leverage</b>						
Prioritized Payments (PP) Advanced	\$99.3	\$66.2	\$43.9	\$28.4	\$4.5	(44%)
<b>SBA Distributions</b>	<b>\$560.1</b>	<b>\$292.8</b>	<b>\$264.3</b>	<b>\$201.6</b>	<b>\$19.2</b>	<b>(4%)</b>
Prioritized Payments	\$86.8	\$52.9	\$37.0	\$24.8	\$0.7	(30%)
Adjustments and Annual Fees	\$25.4	\$18.8	\$10.2	\$3.7	\$0.2	(33%)
Profit Participation	\$44.2	\$23.6	\$11.1	\$13.3	\$2.2	57%
PS Redemptions--Operating SBICs	\$403.7	\$197.5	\$206.1	\$159.8	\$16.1	(8%)
Transfers to Liquidation	\$220.1	\$296.9	\$129.3	\$109.2	\$0.0	0%
<i>% of Beginning Leverage Transferred</i>	11%	21%	14%	18%	0%	0%
Prioritized Payments at Transfer	\$50.8	\$119.1	\$49.7	\$42.8	\$0	0%
<b>--- SBIC Examination Activities ---</b>						
<b>Exam Reports Issued</b>	<b>233</b>	<b>244</b>	<b>200</b>	<b>222</b>	<b>24</b>	<b>(40%)</b>
Exam Cycle (months)	12.6	12.4	12.7	12.7	13.1	2%
<i>% of Reports with Findings</i>	9%	17%	11%	19%	17%	240%
<b>Licensees with Leverage</b>	<b>182</b>	<b>206</b>	<b>163</b>	<b>173</b>	<b>13</b>	<b>(57%)</b>
Exam Cycle (months)	11.7	11.6	11.5	11.2	10.3	(4%)
<i>% of Reports with Findings</i>	7%	15%	9%	21%	23%	100%
<b>Licensees without Leverage</b>	<b>51</b>	<b>38</b>	<b>37</b>	<b>49</b>	<b>11</b>	<b>10%</b>
Exam Cycle (months)	15.6	16.5	18.2	18.1	16.4	(14%)
<i>% of Reports with Findings</i>	18%	26%	19%	8%	9%	(55%)
<b>--- Surrenders and Transfers to Liquidation ---</b>						
<b>SBIC License Surrenders</b>	<b>17</b>	<b>27</b>	<b>18</b>	<b>13</b>	<b>4</b>	<b>33%</b>
Debenture	8	9	9	4	2	100%
Participating Security	4	11	3	4	2	100%
Bank-Owned/Non-Leveraged	5	6	5	5	0	(100%)
Specialized SBICs	0	1	1	0	0	0%
<b>SBIC Licensee Transfers to Liquidation</b>	<b>11</b>	<b>16</b>	<b>11</b>	<b>3</b>	<b>0</b>	<b>0%</b>
Debenture and Specialized SBICs	4	4	4	0	0	0%
Participating Security	7	12	7	3	0	0%
<b>--- Activities in the Office of Liquidation ---</b>						
<b>Participating Security Leverage</b>				<b>Draft</b>	<b>Draft</b>	
<b>Total Leverage Collections</b>	<b>\$211.4</b>	<b>\$227.0</b>	<b>\$273.3</b>	<b>\$183.7</b>	<b>\$7.0</b>	<b>(88%)</b>
<i>Collections as % of Beginning Leverage</i>	15%	20%	27%	23%	1%	(88%)
Leverage Write-offs	\$308.0	\$178.2	\$87.7	\$27.4	\$2.3	64%
Prioritized Payments Collections	\$0.5	\$7.1	\$0.8	\$14.2	\$2.7	(80%)
Prioritized Payments Writte-offs	\$38.3	\$106.6	\$20.7	\$56.5	(\$2.7)	(134%)
<b>Debenture Leverage</b>						
<b>Total Leverage Collections</b>	<b>\$50.5</b>	<b>\$39.7</b>	<b>\$77.3</b>	<b>\$67.2</b>	<b>\$7.9</b>	<b>(1%)</b>
<i>Collections as % of Beginning Leverage</i>	23%	13%	23%	19%	3%	(63%)
Leverage Write-offs	\$6.5	\$47.9	\$42.2	\$57.5	(\$1.3)	(100%)