

--- PROGRAM COMPOSITION ---

	FY End 2008	FY End 2009	FY End 2010	FY End 2011	As of 6/30/12
<b>--- Program Composition of Operating SBICs ---</b>					
<b>Total Number of Licensees</b>	<b>348</b>	<b>315</b>	<b>307</b>	<b>299</b>	<b>299</b>
Debenture	129	126	140	143	153
Participating Security	149	127	107	97	89
Bank-Owned/Non-Leveraged	54	48	47	46	44
Specialized SBICs	16	14	13	13	13
<b>--- Private Capital of Operating SBICs by Fund Type (\$ in millions) ---</b>					
<b>a. Regulatory Private Capital</b>	<b>\$9,021.1</b>	<b>\$8,650.1</b>	<b>\$8,649.6</b>	<b>\$8,862.7</b>	<b>\$9,168.8</b>
Debenture	3,194.7	3,401.2	4,184.6	5,071.1	5,848.1
Participating Security	3,956.7	3,361.7	2,722.3	2,286.5	1,979.7
Other	1,869.7	1,887.2	1,742.6	1,505.1	1,341.0
<b>b. Leveragable Private Capital</b>	<b>\$6,538.9</b>	<b>\$6,260.0</b>	<b>\$6,249.9</b>	<b>\$6,057.5</b>	<b>\$6,081.3</b>
Debenture	2,149.9	2,308.5	2,774.4	3,158.1	3,618.4
Participating Security	2,917.6	2,510.3	2,083.9	1,778.4	1,532.6
Other	1,471.4	1,441.2	1,391.6	1,120.9	930.3
<b>c. Unfunded Private Commitments</b>	<b>\$2,482.2</b>	<b>\$2,390.1</b>	<b>\$2,399.7</b>	<b>\$2,805.2</b>	<b>\$3,087.6</b>
Debenture	1,044.8	1,092.7	1,410.2	1,913.0	2,229.7
Participating Security	1,039.1	851.4	638.4	508.0	447.1
Other	398.3	446.0	351.1	384.2	410.7
<b>--- Leverage from SBA of Operating SBICs by Fund Type (\$ in millions) ---</b>					
<b>d. SBA Capital at Risk (e+f)</b>	<b>\$8,531.9</b>	<b>\$8,196.0</b>	<b>\$7,902.6</b>	<b>\$8,253.3</b>	<b>\$8,807.0</b>
Debenture	3,674.6	4,152.0	4,883.4	5,999.0	7,055.2
Participating Security	4,835.6	4,026.6	3,005.0	2,235.4	1,733.0
Other	21.8	17.4	14.2	18.9	18.9
<b>e. Outstanding SBA Leverage</b>	<b>\$7,262.7</b>	<b>\$6,799.9</b>	<b>\$6,339.5</b>	<b>\$6,433.1</b>	<b>\$6,485.4</b>
Debenture	2,527.7	2,892.0	3,409.8	4,244.9	4,791.4
Participating Security	4,713.3	3,890.5	2,915.5	2,174.4	1,680.1
Other	21.8	17.4	14.2	13.9	13.9
<b>f. Outstanding SBA Commitments</b>	<b>\$1,269.2</b>	<b>\$1,396.0</b>	<b>\$1,563.1</b>	<b>\$1,820.2</b>	<b>\$2,321.7</b>
Debenture	1,146.9	1,260.0	1,473.6	1,754.2	2,263.8
Participating Security	122.3	136.0	89.5	61.1	52.9
Other	0.0	0.0	0.0	5.0	5.0
<b>g. Unreimbursed Prioritized Payments</b>	<b>\$594.2</b>	<b>\$581.1</b>	<b>\$508.0</b>	<b>\$444.9</b>	<b>\$380.5</b>
<b>--- Combined Private Capital and SBA Capital at Risk of Operating SBICs (\$ in millions) ---</b>					
<b>h. Total Capital at Risk (a+d)</b>	<b>\$17,553.0</b>	<b>\$16,846.0</b>	<b>\$16,552.1</b>	<b>\$17,116.0</b>	<b>\$17,975.9</b>
Debenture	6,869.3	7,553.2	9,068.1	11,070.1	12,903.3
Participating Security	8,792.3	7,388.2	5,727.3	4,521.9	3,712.7
Other	1,891.5	1,904.6	1,756.8	1,524.0	1,359.9
<b>--- Program Composition in Liquidation (\$ in Millions) ---</b>					
<b>Total Number of Licensees</b>	<b>118</b>	<b>132</b>	<b>140</b>	<b>123</b>	<b>126</b>
Participating Security	64	82	84	80	81
Other	54	50	51	43	45
<b>Leverage Balance</b>	<b>\$1,308.8</b>	<b>\$1,650.6</b>	<b>\$1,885.1</b>	<b>\$1,629.3</b>	<b>\$1,742.5</b>
Participating Security	1,152.6	1,429.0	1,585.0	1,406.5	1,416.9
Other	156.2	221.6	300.1	222.8	325.7
<b>--- Program Funding (\$ in millions) ---</b>					
Debenture Authorization (\$ in Millions)	\$3,000.0	\$3,000.0	\$3,000.0	\$3,000.0	\$3,000.0
Annual Charge	0.717%	0.406%	0.285%	0.515%	0.804%
Latest Debenture Pooled Interest Rate	5.61%	4.41%	3.55%	3.60%	2.766%

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

	FY End 2008	FY End 2009	FY End 2010	FY End 2011	As of 6/30/12	YTD % Change
<b>--- Total SBIC Program ---</b>						
<b>Number of Companies Financed</b>	<b>1,905</b>	<b>1,481</b>	<b>1,331</b>	<b>1,339</b>	<b>831</b>	<b>(26%)</b>
<b>Special Competitive Opportunity Gap</b>	632	441	392	430	220	(35%)
Businesses Located in LMI Areas	460	321	318	351	169	(38%)
Women, Minority, Veteran Owned	238	164	109	110	77	(15%)
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$2,427.4</b>	<b>\$1,856.1</b>	<b>\$2,047.1</b>	<b>\$2,833.4</b>	<b>\$2,124.4</b>	<b>(2%)</b>
Type of Financing (\$ in millions)						
Straight Debt	672.2	564.4	803.8	1,375.2	1,216.1	13%
Debt with Equity Features	836.4	718.2	772.3	1,022.9	528.7	(27%)
Equity Only	918.8	573.5	471.0	435.2	379.6	5%
<b>Number of Jobs Created or Sustained*</b>	<b>54,505</b>	<b>42,306</b>	<b>46,130</b>	<b>61,527</b>	<b>45,476</b>	<b>(4%)</b>
<b>--- Debenture SBICs ---</b>						
<b>Number of Companies Financed</b>	<b>1,249</b>	<b>963</b>	<b>896</b>	<b>1,007</b>	<b>592</b>	<b>(29%)</b>
<b>Special Competitive Opportunity Gap</b>	461	296	275	310	142	(41%)
Businesses Located in LMI Areas	346	224	231	263	115	(43%)
Women, Minority, Veteran Owned	164	106	64	65	32	(42%)
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$1,436.3</b>	<b>\$1,227.4</b>	<b>\$1,587.0</b>	<b>\$2,588.6</b>	<b>\$1,937.9</b>	<b>(1%)</b>
Type of Financing (\$ in millions)						
Straight Debt	596.3	488.8	754.8	1,344.8	1,168.8	10%
Debt with Equity Features	655.7	586.1	665.4	963.5	481.6	(28%)
Equity Only	184.3	152.5	166.8	280.3	287.5	26%
<b>Number of Jobs Created or Sustained*</b>	<b>32,251</b>	<b>27,977</b>	<b>35,760</b>	<b>56,211</b>	<b>41,483</b>	<b>(3%)</b>
<b>--- Non-Leveraged, Bank-Owned, and Specialized SBICs ---</b>						
<b>Number of Companies Financed</b>	<b>142</b>	<b>130</b>	<b>133</b>	<b>136</b>	<b>131</b>	<b>21%</b>
<b>Special Competitive Opportunity Gap</b>	69	62	58	68	65	23%
Businesses Located in LMI Areas	24	24	33	40	41	41%
Women, Minority, Veteran Owned	60	47	38	41	45	36%
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$148.9</b>	<b>\$165.6</b>	<b>\$124.5</b>	<b>\$79.9</b>	<b>\$109.0</b>	<b>73%</b>
Type of Financing (\$ in millions)						
Straight Debt	15.7	24.0	12.5	14.1	33.6	226%
Debt with Equity Features	23.1	34.0	18.9	12.3	21.3	106%
Equity Only	110.1	107.6	93.1	53.5	54.1	27%
<b>Number of Jobs Created or Sustained*</b>	<b>3,344</b>	<b>3,775</b>	<b>2,806</b>	<b>1,736</b>	<b>2,334</b>	<b>69%</b>
<b>--- Participating Security SBICs ---</b>						
<b>Number of Companies Financed</b>	<b>591</b>	<b>445</b>	<b>346</b>	<b>220</b>	<b>124</b>	<b>(36%)</b>
<b>Special Competitive Opportunity Gap</b>	114	95	66	58	15	(71%)
Businesses Located in LMI Areas	100	85	61	54	15	(69%)
Women, Minority, Veteran Owned	16	13	7	4	0	(100%)
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$842.2</b>	<b>\$463.1</b>	<b>\$335.6</b>	<b>\$164.9</b>	<b>\$77.5</b>	<b>(46%)</b>
Type of Financing (\$ in millions)						
Straight Debt	60.2	51.6	36.4	16.2	13.7	15%
Debt with Equity Features	157.7	98.1	88.1	47.2	25.8	(37%)
Equity Only	624.3	313.4	211.2	101.5	38.0	(59%)
<b>Number of Jobs Created or Sustained*</b>	<b>18,910</b>	<b>10,555</b>	<b>7,564</b>	<b>3,580</b>	<b>1,658</b>	<b>(48%)</b>

\* 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 2008	FY End 2009	FY End 2010	FY End 2011	As of 6/30/12	YTD % Change
<b>--- New Licensees ---</b>						
<b>New Licensees by Fund Type</b>	<b>6</b>	<b>11</b>	<b>23</b>	<b>22</b>	<b>23</b>	<b>64%</b>
Debenture	5	8	21	18	21	91%
Bank-Owned/Non-Leveraged	1	3	2	4	2	(33%)
<b>Initial Private Capital (\$ in millions)</b>	<b>\$240.4</b>	<b>\$345.2</b>	<b>\$654.8</b>	<b>\$840.1</b>	<b>\$731.0</b>	<b>32%</b>
Debenture	232.4	257.4	615.6	713.6	695.2	61%
Bank-Owned/Non-Leveraged	8.0	87.8	39.2	126.5	35.8	(70%)
<b>--- Licensing Pipeline ---</b>						
<b>Total in Pipeline</b>	<b>n/a</b>	<b>n/a</b>	<b>66</b>	<b>62</b>	<b>57</b>	<b>(11%)</b>
In Applicant Review/Program Development	n/a	n/a	14	10	12	20%
In Capital Raising	n/a	n/a	42	34	30	(9%)
In Licensing	n/a	n/a	10	18	15	(17%)
<b>--- Program Development and Licensing Activity ---</b>						
<b>Applicant Initial Review/Program Development</b>						
<b>Received during FY</b>	<b>27</b>	<b>48</b>	<b>73</b>	<b>74</b>	<b>56</b>	<b>(5%)</b>
1st Time SBIC Applicants	19	29	54	52	41	(2%)
Subsequent Fund Applicants	8	19	19	22	15	(12%)
<b>Processed in FY</b>	<b>22</b>	<b>48</b>	<b>64</b>	<b>78</b>	<b>54</b>	<b>0%</b>
<b>Green Light Letters Issued</b>	<b>11</b>	<b>36</b>	<b>40</b>	<b>40</b>	<b>30</b>	<b>7%</b>
<i>% of Processed Receiving Green Light</i>	50%	75%	63%	51%	56%	9%
<b>Average Months to Process</b>						
1st Time SBIC Applicants	2.0	2.7	3.5	3.5	1.9	(53%)
Subsequent Fund Applicants	n/a	n/a	1.2	0.6	1.2	140%
<b>% Completed in Goal</b>						
1st Time (2 months)	n/a	17%	5%	16%	58%	2,800%
Subsequent (1 month)	n/a	n/a	88%	91%	71%	(20%)
<b>Raising Capital in Process</b>						
<b>Green Light Letters Expired</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>11</b>	<b>8</b>	<b>33%</b>
<b>Licensing Applications Submitted</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>33</b>	<b>30</b>	<b>27%</b>
Total Exiting the Capital Raising Process	n/a	n/a	n/a	44	38	28%
<i>% of Total Submitting License Applications</i>	n/a	n/a	n/a	75%	79%	(16%)
<b>Licensing</b>						
<b>Received during FY</b>	<b>n/a</b>	<b>n/a</b>	<b>15</b>	<b>33</b>	<b>30</b>	<b>36%</b>
1st Time SBIC Applicants	n/a	n/a	6	20	18	29%
Subsequent Fund Applicants	n/a	n/a	9	13	12	50%
Otherwise Resolved During FY	5	3	2	10	12	71%
<b>FY Number of New Licensees</b>	<b>6</b>	<b>11</b>	<b>23</b>	<b>22</b>	<b>23</b>	<b>5%</b>
1st Time SBIC Applicants	1	3	10	11	11	38%
Subsequent Fund Applicants	5	8	13	11	12	100%
<i>% of Resolved Receiving License</i>	n/a	n/a	85%	73%	72%	0%
Average Months to Process	n/a	14.6	5.8	5.5	5.9	0%
<i>% Completed in Goal (6 months)</i>	n/a	n/a	65%	50%	53%	4%

--- PROGRAM OFFICE ACTIVITIES ---

	FY End 2008	FY End 2009	FY End 2010	FY End 2011	As of 6/30/12	YTD % Change
<b>--- Leverage Activities in Operations ---</b>						
<b>Debenture Leverage</b>						
Commitments Issued	\$1,029.4	\$788.0	\$1,164.8	\$1,827.5	\$1,290.2	3%
Draws	\$649.1	\$594.9	\$931.0	\$1,392.0	\$901.5	(17%)
Redemptions (Pre-Paid and at Maturity)	\$224.8	\$149.3	\$250.5	\$544.2	\$230.8	(18%)
Transfers to Liquidation	\$26.3	\$86.6	\$95.8	\$8.5	\$129.8	1,427%
<i>% of Beginning Leverage Transferred</i>	1.2%	3.3%	3.2%	0.2%	3.0%	1,400%
<b>Participating Securities Leverage</b>						
Prioritized Payments (PP) Advanced	\$246.6	\$228.0	\$186.0	\$136.4	\$78.3	(26%)
<b>SBA Distributions</b>	<b>\$895.8</b>	<b>\$314.8</b>	<b>\$480.8</b>	<b>\$659.1</b>	<b>\$443.2</b>	<b>(17%)</b>
Prioritized Payments	\$174.9	\$83.8	\$98.7	\$143.1	\$65.0	(46%)
Adjustments and Annual Fees	\$45.1	\$27.1	\$39.5	\$54.4	\$24.5	(49%)
Profit Participation	\$40.2	\$10.9	\$10.5	\$26.7	\$39.3	68%
PS Redemptions--Operating SBICs	\$635.6	\$193.0	\$332.1	\$434.9	\$314.5	(8%)
Transfers to Liquidation	\$473.9	\$619.3	\$701.4	\$307.5	\$174.1	(19%)
<i>% of Beginning Leverage Transferred</i>	9.6%	13.3%	18.3%	11.0%	8.5%	(23%)
Prioritized Payments at Transfer	\$132.5	\$156.2	\$179.9	\$35.7	\$42.8	87%
<b>--- SBIC Examination Activities ---</b>						
<b>Exam Reports Issued</b>	<b>273</b>	<b>268</b>	<b>249</b>	<b>260</b>	<b>162</b>	<b>(7%)</b>
Exam Cycle (months)	16.1	15.2	14.1	12.6	12.6	(1%)
Number of Reports with Findings	151	122	86	96	10	(50%)
<i>% of Reports with Findings</i>	21.3%	17.5%	10.0%	13.5%	6.2%	(46%)
<b>Licensees with Leverage</b>	<b>224</b>	<b>218</b>	<b>196</b>	<b>199</b>	<b>130</b>	<b>(2%)</b>
Exam Cycle (months)	14.5	13.9	12.9	11.7	11.8	0%
Number of Reports with Findings	121	96	51	55	4	(69%)
<i>% of Reports with Findings</i>	22.3%	17.0%	8.7%	11.1%	3.1%	(69%)
<b>Licensees without Leverage</b>	<b>49</b>	<b>50</b>	<b>53</b>	<b>61</b>	<b>32</b>	<b>(24%)</b>
Exam Cycle (months)	23.2	21.2	18.2	15.6	15.6	1%
Number of Reports with Findings	30	26	35	41	6	(14%)
<i>% of Reports with Findings</i>	16.3%	20.0%	15.1%	21.3%	18.8%	12%
<b>--- Surrenders and Transfers to Liquidation ---</b>						
<b>SBIC License Surrenders</b>	<b>14</b>	<b>15</b>	<b>9</b>	<b>24</b>	<b>14</b>	<b>(18%)</b>
Debenture	5	5	4	14	8	(20%)
Participating Security	5	1	2	4	2	(33%)
Bank-Owned/Non-Leveraged	4	9	2	6	4	0%
Specialized SBICs	0	0	1	0	0	0%
<b>SBIC Licensee Transfers to Liquidation</b>	<b>13</b>	<b>29</b>	<b>22</b>	<b>6</b>	<b>9</b>	<b>80%</b>
Debenture and Specialized SBICs	3	9	4	0	3	100%
Participating Security	10	20	18	6	6	20%
<b>--- Activities in the Office of Liquidation ---</b>						
<b>Participating Security Leverage</b>						
<b>Total Collections</b>	<b>\$293.7</b>	<b>\$115.5</b>	<b>\$254.0</b>	<b>\$269.7</b>	<b>\$158.1</b>	<b>(12%)</b>
Leverage Charge-offs	\$176.1	\$237.8	\$300.9	\$220.7	\$10.2	(86%)
Prioritized Payments Charged off	\$134.2	\$162.7	\$179.9	\$56.6	\$21.3	(49%)
<i>Collections as % of Beginning Balance</i>	25.6%	10.0%	17.8%	17.0%	11.2%	(34%)
<b>Debenture Leverage</b>						
<b>Total Collections</b>	<b>\$42.4</b>	<b>\$12.0</b>	<b>\$11.4</b>	<b>\$22.4</b>	<b>\$26.9</b>	<b>48%</b>
Leverage Write-offs	\$14.8	\$15.1	\$19.1	\$64.3	\$0.0	0%
<i>Collections as % of Beginning Balance</i>	22.8%	7.7%	5.1%	7.5%	12.1%	61%