

--- PROGRAM COMPOSITION ---

	FY End 2010	FY End 2011	FY End 2012	FY End 2013	As of 6/30/14
<b>--- Program Composition of Operating SBICs ---</b>					
<b>Total Number of Licensees</b>	<b>307</b>	<b>299</b>	<b>301</b>	<b>292</b>	<b>292</b>
Debenture	140	143	158	175	182
Participating Security	107	97	86	63	57
Bank-Owned/Non-Leveraged	47	46	44	43	43
Specialized SBICs	13	13	13	11	10
<b>--- Private Capital of Operating SBICs by Fund Type (\$ in millions) ---</b>					
<b>a. Regulatory Private Capital</b>	<b>\$8,649.6</b>	<b>\$8,862.7</b>	<b>\$9,376.6</b>	<b>\$10,333.2</b>	<b>\$10,792.8</b>
Debenture	4,184.6	5,071.1	6,114.4	7,504.4	8,152.6
Participating Security	2,722.3	2,286.5	1,881.5	1,316.2	1,156.5
Other	1,742.6	1,505.1	1,380.8	1,512.6	1,483.6
<b>b. Leveragable Private Capital</b>	<b>\$6,249.9</b>	<b>\$6,057.5</b>	<b>\$6,187.0</b>	<b>\$6,416.5</b>	<b>\$6,777.9</b>
Debenture	2,774.4	3,158.1	3,795.2	4,467.6	5,001.1
Participating Security	2,083.9	1,778.4	1,457.6	1,079.2	928.1
Other	1,391.6	1,120.9	934.2	869.7	848.6
<b>c. Unfunded Private Commitments</b>	<b>\$2,399.7</b>	<b>\$2,805.2</b>	<b>\$3,189.6</b>	<b>\$3,916.7</b>	<b>\$4,014.9</b>
Debenture	1,410.2	1,913.0	2,319.2	3,036.9	3,151.5
Participating Security	638.4	508.0	423.8	237.0	228.4
Other	351.1	384.2	446.6	642.8	635.0
<b>--- Leverage from SBA of Operating SBICs by Fund Type (\$ in millions) ---</b>					
<b>d. SBA Capital at Risk (e+f)</b>	<b>\$7,902.6</b>	<b>\$8,253.3</b>	<b>\$8,823.6</b>	<b>\$9,483.7</b>	<b>\$10,804.4</b>
Debenture	4,883.4	5,999.0	7,230.6	8,400.3	9,964.6
Participating Security	3,005.0	2,235.4	1,574.2	1,019.7	796.4
Other	14.2	18.9	18.9	63.8	43.5
<b>e. Outstanding SBA Leverage</b>	<b>\$6,339.5</b>	<b>\$6,433.1</b>	<b>\$6,435.7</b>	<b>\$6,950.6</b>	<b>\$7,711.2</b>
Debenture	3,409.8	4,244.9	4,870.6	5,919.4	6,902.0
Participating Security	2,915.5	2,174.4	1,549.3	1,002.2	778.9
Other	14.2	13.9	15.9	29.0	30.3
<b>f. Outstanding SBA Commitments</b>	<b>\$1,563.1</b>	<b>\$1,820.2</b>	<b>\$2,387.8</b>	<b>\$2,533.2</b>	<b>\$3,093.2</b>
Debenture	1,473.6	1,754.2	2,360.0	2,480.9	3,062.6
Participating Security	89.5	61.1	24.8	17.4	17.4
Other	0.0	5.0	3.0	34.9	13.2
<b>g. Unreimbursed Prioritized Payments</b>	<b>\$508.0</b>	<b>\$444.9</b>	<b>\$358.9</b>	<b>\$238.3</b>	<b>\$209.5</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>\$16,552.1</b>	<b>\$17,116.0</b>	<b>\$18,200.2</b>	<b>\$19,816.9</b>	<b>\$21,597.2</b>
Debenture	9,068.1	11,070.1	13,344.9	15,904.7	18,117.2
Participating Security	5,727.3	4,521.9	3,455.6	2,335.8	1,952.9
Other	1,756.8	1,524.0	1,399.6	1,576.4	1,527.1
<b>--- Program Composition in Liquidation (\$ in Millions) ---</b>					
<b>DRAFT</b>					
<b>Total Number of Licensees</b>	<b>140</b>	<b>123</b>	<b>117</b>	<b>123</b>	<b>127</b>
Participating Security	84	80	80	84	86
Other	56	43	37	39	41
<b>Leverage Balance</b>	<b>\$1,885.1</b>	<b>\$1,629.3</b>	<b>\$1,422.5</b>	<b>\$1,354.2</b>	<b>\$1,420.6</b>
Participating Security	1,585.0	1,406.5	1,111.7	1,011.1	1,001.1
Other	300.1	222.8	310.8	343.1	419.5
<b>--- Program Funding (\$ in millions) ---</b>					
Debenture Authorization (\$ in Millions)	\$3,000.0	\$3,000.0	\$3,000.0	\$3,000.0	\$4,000.0
Annual Charge	0.285%	0.515%	0.804%	0.760%	0.355%
Average Debenture Pooled Interest Rate	3.55%	3.60%	2.46%	2.83%	3.19%

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

	FY End 2010	FY End 2011	FY End 2012	FY End 2013	As of 6/30/14	Chg. from 6/30/13
<b>--- Total SBIC Program ---</b>						
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$2,047.1</b>	<b>\$2,833.4</b>	<b>\$3,227.4</b>	<b>\$3,498.3</b>	<b>\$3,666.3</b>	<b>34%</b>
Type of Financing (\$ in millions)						
Straight Debt	803.8	1,375.2	1,927.7	2,095.7	2,410.5	42%
Debt with Equity Features	772.3	1,022.9	723.3	834.1	674.4	13%
Equity Only	471.0	435.2	576.4	568.5	581.3	33%
<b>Number of Companies Financed</b>	<b>1,331</b>	<b>1,339</b>	<b>1,094</b>	<b>1,068</b>	<b>839</b>	<b>0%</b>
<b>Special Competitive Opportunity Gap</b>	<b>392</b>	<b>430</b>	<b>290</b>	<b>260</b>	<b>225</b>	<b>8%</b>
Businesses Located in LMI Areas	318	351	216	213	187	9%
Women, Minority, Veteran Owned	109	110	108	67	51	0%
<b>Number of Jobs Created or Sustained*</b>	<b>46,130</b>	<b>61,527</b>	<b>68,918</b>	<b>73,585</b>	<b>75,813</b>	<b>32%</b>
<b>--- Debenture SBICs ---</b>						
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$1,587.0</b>	<b>\$2,588.6</b>	<b>\$2,950.3</b>	<b>\$3,256.3</b>	<b>\$3,460.3</b>	<b>36%</b>
Type of Financing (\$ in millions)						
Straight Debt	754.8	1,344.8	1,855.1	2,042.4	2,360.4	43%
Debt with Equity Features	665.4	963.5	671.7	794.6	626.8	10%
Equity Only	166.8	280.3	423.6	419.3	473.1	42%
<b>Number of Companies Financed</b>	<b>896</b>	<b>1,007</b>	<b>795</b>	<b>856</b>	<b>696</b>	<b>4%</b>
<b>Special Competitive Opportunity Gap</b>	<b>275</b>	<b>310</b>	<b>192</b>	<b>206</b>	<b>188</b>	<b>16%</b>
Businesses Located in LMI Areas	231	263	153	170	158	16%
Women, Minority, Veteran Owned	64	65	50	51	40	8%
<b>Number of Jobs Created or Sustained*</b>	<b>35,760</b>	<b>56,211</b>	<b>63,001</b>	<b>68,493</b>	<b>71,554</b>	<b>33%</b>
<b>--- Non-Leveraged, Bank-Owned, and Specialized SBICs ---</b>						
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$124.5</b>	<b>\$79.9</b>	<b>\$175.2</b>	<b>\$166.1</b>	<b>\$162.3</b>	<b>38%</b>
Type of Financing (\$ in millions)						
Straight Debt	12.5	14.1	57.3	38.4	42.9	43%
Debt with Equity Features	18.9	12.3	23.1	18.3	38.6	234%
Equity Only	93.1	53.5	94.8	109.4	80.9	6%
<b>Number of Companies Financed</b>	<b>133</b>	<b>136</b>	<b>166</b>	<b>110</b>	<b>76</b>	<b>(13%)</b>
<b>Special Competitive Opportunity Gap</b>	<b>58</b>	<b>68</b>	<b>83</b>	<b>35</b>	<b>25</b>	<b>(17%)</b>
Businesses Located in LMI Areas	33	40	48	27	16	(30%)
Women, Minority, Veteran Owned	38	41	58	13	12	0%
<b>Number of Jobs Created or Sustained*</b>	<b>2,806</b>	<b>1,736</b>	<b>3,742</b>	<b>3,495</b>	<b>3,357</b>	<b>35%</b>
<b>--- Participating Security SBICs ---</b>						
<b>Financing Amount Reported (\$ in millions)</b>	<b>\$335.6</b>	<b>\$164.9</b>	<b>\$101.8</b>	<b>\$75.9</b>	<b>\$43.7</b>	<b>(27%)</b>
Type of Financing (\$ in millions)						
Straight Debt	36.4	16.2	15.3	14.9	7.2	(43%)
Debt with Equity Features	88.1	47.2	28.5	21.2	9.1	(49%)
Equity Only	211.2	101.5	58.0	39.8	27.3	(8%)
<b>Number of Companies Financed</b>	<b>346</b>	<b>220</b>	<b>157</b>	<b>125</b>	<b>80</b>	<b>(19%)</b>
<b>Special Competitive Opportunity Gap</b>	<b>66</b>	<b>58</b>	<b>20</b>	<b>24</b>	<b>14</b>	<b>(18%)</b>
Businesses Located in LMI Areas	61	54	19	21	14	(7%)
Women, Minority, Veteran Owned	7	4	1	3	0	(100%)
<b>Number of Jobs Created or Sustained*</b>	<b>7,564</b>	<b>3,580</b>	<b>2,175</b>	<b>1,597</b>	<b>903</b>	<b>(29%)</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 2010	FY End 2011	FY End 2012	FY End 2013	As of 6/30/14	Chg. from 6/30/13
<b>--- New Licensees ---</b>						
<b>New Licensees by Fund Type</b>	<b>23</b>	<b>22</b>	<b>30</b>	<b>34</b>	<b>19</b>	<b>(24%)</b>
Debenture	21	18	27	29	16	(24%)
Bank-Owned/Non-Leveraged	2	4	3	5	3	(25%)
<b>Initial Private Capital (\$ in millions)</b>	<b>\$654.8</b>	<b>\$840.1</b>	<b>\$973.9</b>	<b>\$1,259.0</b>	<b>\$581.6</b>	<b>(31%)</b>
Debenture	615.6	713.6	892.6	1,111.5	526.1	(30%)
Bank-Owned/Non-Leveraged	39.2	126.5	81.3	147.4	55.5	(36%)
<b>--- Licensing Pipeline ---</b>						
<b>Total in Pipeline</b>	<b>66</b>	<b>62</b>	<b>51</b>	<b>43</b>	<b>47</b>	<b>7%</b>
In Applicant Review/Program Development	14	10	8	13	7	(42%)
In Capital Raising	42	34	30	20	21	(5%)
In Licensing	10	18	13	10	19	90%
<b>--- Program Development and Licensing Activity ---</b>						
<b>Applicant Initial Review/Program Development</b>						
<b>Received during FY</b>	<b>73</b>	<b>74</b>	<b>61</b>	<b>71</b>	<b>26</b>	<b>(59%)</b>
1st Time SBIC Applicants	54	52	43	58	22	(48%)
Subsequent Fund Applicants	19	22	18	13	4	(83%)
<b>Processed in FY</b>	<b>64</b>	<b>78</b>	<b>63</b>	<b>66</b>	<b>32</b>	<b>(47%)</b>
<b>Green Light Letters Issued</b>	<b>40</b>	<b>40</b>	<b>38</b>	<b>31</b>	<b>20</b>	<b>(31%)</b>
<i>% of Processed Receiving Green Light</i>	63%	51%	60%	47%	63%	31%
1st Time SBIC Applicants	26	26	21	21	15	(12%)
Subsequent Fund Applicants	14	14	17	10	5	(58%)
Number Denied -- 1st Time and Subsequent	19	31	20	30	9	(65%)
Number Withdrawn -- 1st Time and Subsequent	5	7	5	5	3	(40%)
<b>% Completed in Goal</b>						
1st Time (2 months)	5%	16%	55%	29%	44%	52%
Subsequent (1 month)	88%	91%	70%	92%	100%	0%
<b>Raising Capital in Process</b>						
<b>Green Light Letters Expired</b>	<b>n/a</b>	<b>11</b>	<b>9</b>	<b>8</b>	<b>5</b>	<b>(17%)</b>
<b>Licensing Applications Submitted</b>	<b>n/a</b>	<b>33</b>	<b>36</b>	<b>47</b>	<b>25</b>	<b>(36%)</b>
Total in the Capital Raising Process	n/a	44	45	55	30	(33%)
<i>% in Capital Raising Submitting Applications</i>	n/a	75%	80%	85%	83%	(5%)
<b>Licensing</b>						
<b>Received during FY</b>	<b>15</b>	<b>33</b>	<b>36</b>	<b>47</b>	<b>25</b>	<b>(36%)</b>
1st Time SBIC Applicants	6	20	19	30	10	(62%)
Subsequent Fund Applicants	9	13	17	17	15	15%
Otherwise Resolved During FY	2	10	10	5	5	0%
<b>FY Number of New Licensees</b>	<b>23</b>	<b>22</b>	<b>30</b>	<b>34</b>	<b>19</b>	<b>(24%)</b>
1st Time SBIC Applicants	10	11	15	15	12	33%
Subsequent Fund Applicants	13	11	15	19	7	(56%)
Average Months to Process	5.8	5.6	5.8	6.8	7.5	12%
<i>% Completed in Goal (6 months)</i>	65%	50%	56%	50%	37%	(38%)

--- PROGRAM OFFICE ACTIVITIES ---

	FY End 2010	FY End 2011	FY End 2012	FY End 2013	As of 6/30/14	Chg. from 6/30/13
<b>--- Leverage Activities in Operations ---</b>						
<b>Debenture Leverage</b>						
Commitments Issued	\$1,164.8	\$1,827.5	\$1,924.1	\$2,155.7	\$1,638.3	10%
Draws	\$931.0	\$1,392.0	\$1,421.7	\$1,737.0	\$1,346.1	7%
Redemptions (Pre-Paid and at Maturity)	\$250.5	\$544.2	\$651.8	\$567.1	\$252.0	(17%)
Transfers to Liquidation	\$95.8	\$8.5	\$144.4	\$118.8	\$140.2	18%
<i>% of Beginning Leverage Transferred</i>	3%	0%	3%	2%	2%	0%
<b>Participating Securities Leverage</b>						
Prioritized Payments (PP) Advanced	\$186.0	\$136.4	\$99.3	\$66.2	\$34.6	(33%)
<b>SBA Distributions</b>	<b>\$480.8</b>	<b>\$659.1</b>	<b>\$560.1</b>	<b>\$292.8</b>	<b>\$181.3</b>	<b>(35%)</b>
Prioritized Payments	\$98.7	\$143.1	\$86.8	\$52.9	\$28.5	(45%)
Adjustments and Annual Fees	\$39.5	\$54.4	\$25.4	\$18.8	\$9.2	(51%)
Profit Participation	\$10.5	\$26.7	\$44.2	\$23.6	\$9.2	(55%)
PS Redemptions--Operating SBICs	\$332.1	\$434.9	\$403.7	\$197.5	\$134.4	(28%)
Transfers to Liquidation	\$701.4	\$307.5	\$220.1	\$296.8	\$109.8	(41%)
<i>% of Beginning Leverage Transferred</i>	18%	11%	11%	21%	12%	(8%)
Prioritized Payments at Transfer	\$179.9	\$58.6	\$50.8	\$119.1	\$41.6	(40%)
<b>--- SBIC Examination Activities ---</b>						
<b>Exam Reports Issued</b>	<b>249</b>	<b>260</b>	<b>233</b>	<b>244</b>	<b>128</b>	<b>(25%)</b>
Exam Cycle (months)	14.1	12.6	12.6	12.4	12.5	2%
Number of Reports with Findings	25	35	21	41	11	(54%)
<i>% of Reports with Findings</i>	10%	145%	9%	17%	9%	(39%)
<b>Licensees with Leverage</b>	<b>196</b>	<b>199</b>	<b>182</b>	<b>206</b>	<b>102</b>	<b>(32%)</b>
Exam Cycle (months)	12.9	11.7	11.7	11.6	11.1	(4%)
Number of Reports with Findings	17	22	12	31	7	(63%)
<i>% of Reports with Findings</i>	9%	11%	7%	15%	7%	(46%)
<b>Licensees without Leverage</b>	<b>53</b>	<b>61</b>	<b>51</b>	<b>38</b>	<b>26</b>	<b>30%</b>
Exam Cycle (months)	18.2	15.6	15.6	16.5	17.8	(1%)
Number of Reports with Findings	8	13	9	10	7	40%
<i>% of Reports with Findings</i>	15%	21%	18%	26%	27%	8%
<b>--- Surrenders and Transfers to Liquidation ---</b>						
<b>SBIC License Surrenders</b>	<b>9</b>	<b>24</b>	<b>17</b>	<b>27</b>	<b>12</b>	<b>(37%)</b>
Debenture	4	14	8	9	6	0%
Participating Security	2	4	4	11	2	(75%)
Bank-Owned/Non-Leveraged	2	6	5	6	4	0%
Specialized SBICs	1	0	0	1	0	(100%)
<b>SBIC Licensee Transfers to Liquidation</b>	<b>22</b>	<b>6</b>	<b>11</b>	<b>16</b>	<b>8</b>	<b>(33%)</b>
Debenture and Specialized SBICs	4	0	4	4	4	0%
Participating Security	18	6	7	12	4	(50%)
<b>--- Activities in the Office of Liquidation ---</b>						
<b>Participating Security Leverage</b>					DRAFT	
<b>Total Collections</b>	<b>\$254.0</b>	<b>\$269.7</b>	<b>\$212.5</b>	<b>\$234.2</b>	<b>\$122.7</b>	<b>(16%)</b>
<i>Collections as % of Beginning Leverage</i>	18%	17%	15%	21%	12%	(8%)
Leverage Write-offs	\$300.9	\$220.7	\$308.0	\$178.2	\$13.3	(41%)
Prioritized Payments Writte-offs	\$179.9	\$56.6	\$38.3	\$106.6	\$0.0	(100%)
<b>Debenture Leverage</b>						
<b>Total Collections</b>	<b>\$11.4</b>	<b>\$22.4</b>	<b>\$50.5</b>	<b>\$39.7</b>	<b>\$51.5</b>	<b>76%</b>
<i>Collections as % of Beginning Leverage</i>	5%	7%	23%	13%	15%	66%
Leverage Write-offs	\$19.1	\$64.3	\$6.5	\$47.9	\$5.1	240%