

PROGRAM COMPOSITION

	FY End 2008	FY End 2009	FY End 2010	FY End 2011	FY End 2012
--- Program Composition of Operating SBICs ---					
Total Number of Licensees	348	315	307	299	301
Debenture	129	126	140	143	158
Participating Security	149	127	107	97	86
Bank-Owned/Non-Leveraged	54	48	47	46	44
Specialized SBICs	16	14	13	13	13
--- Private Capital of Operating SBICs by Fund Type (\$ in millions) ---					
a. Regulatory Private Capital	\$9,021.1	\$8,650.1	\$8,649.6	\$8,862.7	\$9,376.6
Debenture	3,194.7	3,401.2	4,184.6	5,071.1	6,114.4
Participating Security	3,956.7	3,361.7	2,722.3	2,286.5	1,881.5
Other	1,869.7	1,887.2	1,742.6	1,505.1	1,380.8
b. Leveragable Private Capital	\$6,538.9	\$6,260.0	\$6,249.9	\$6,057.5	\$6,187.0
Debenture	2,149.9	2,308.5	2,774.4	3,158.1	3,795.2
Participating Security	2,917.6	2,510.3	2,083.9	1,778.4	1,457.6
Other	1,471.4	1,441.2	1,391.6	1,120.9	934.2
c. Unfunded Private Commitments	\$2,482.2	\$2,390.1	\$2,399.7	\$2,805.2	\$3,189.6
Debenture	1,044.8	1,092.7	1,410.2	1,913.0	2,319.2
Participating Security	1,039.1	851.4	638.4	508.0	423.8
Other	398.3	446.0	351.1	384.2	446.6
--- Leverage from SBA of Operating SBICs by Fund Type (\$ in millions) ---					
d. SBA Capital at Risk (e+f)	\$8,531.9	\$8,196.0	\$7,902.6	\$8,253.3	\$8,822.6
Debenture	3,674.6	4,152.0	4,883.4	5,999.0	7,230.6
Participating Security	4,835.6	4,026.6	3,005.0	2,235.4	1,573.2
Other	21.8	17.4	14.2	18.9	18.9
e. Outstanding SBA Leverage	\$7,262.7	\$6,799.9	\$6,339.5	\$6,433.1	\$6,434.8
Debenture	2,527.7	2,892.0	3,409.8	4,244.9	4,870.6
Participating Security	4,713.3	3,890.5	2,915.5	2,174.4	1,548.4
Other	21.8	17.4	14.2	13.9	15.9
f. Outstanding SBA Commitments	\$1,269.2	\$1,396.0	\$1,563.1	\$1,820.2	\$2,387.8
Debenture	1,146.9	1,260.0	1,473.6	1,754.2	2,360.0
Participating Security	122.3	136.0	89.5	61.1	24.8
Other	0.0	0.0	0.0	5.0	3.0
g. Unreimbursed Prioritized Payments	\$594.2	\$581.1	\$508.0	\$444.9	\$358.9
--- Combined Private Capital and SBA Capital at Risk of Operating SBICs (\$ in millions) ---					
h. Total Capital at Risk (a+d)	\$17,553.0	\$16,846.0	\$16,552.1	\$17,116.0	\$18,199.2
Debenture	6,869.3	7,553.2	9,068.1	11,070.1	13,344.9
Participating Security	8,792.3	7,388.2	5,727.3	4,521.9	3,454.6
Other	1,891.5	1,904.6	1,756.8	1,524.0	1,399.6
--- Program Composition in Liquidation (\$ in Millions) ---					
Total Number of Licensees	118	132	140	123	117
Participating Security	64	82	84	80	79
Other	54	50	51	43	38
Leverage Balance	\$1,308.8	\$1,650.6	\$1,885.1	\$1,629.3	\$1,463.5
Participating Security	1,152.6	1,429.0	1,585.0	1,406.5	1,165.4
Other	156.2	221.6	300.1	222.8	298.1
--- Program Funding (\$ in millions) ---					
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%	2.46%

-ECONOMIC IMPACT: SBIC FINANCINGS TO SMALL BUSINESS REPORTED

	FY End 2008	FY End 2009	FY End 2010	FY End 2011	FY End 2012	FY 2012 Change
--- Total SBIC Program ---						
Number of Companies Financed	1,905	1,481	1,331	1,339	1,094	(18%)
Special Competitive Opportunity Gap	632	441	392	430	290	(33%)
Businesses Located in LMI Areas	460	321	318	351	216	(38%)
Women, Minority, Veteran Owned	238	164	109	110	108	(2%)
Financing Amount Reported (\$ in millions)	\$2,427.4	\$1,856.1	\$2,047.1	\$2,833.4	\$3,227.4	14%
Type of Financing (\$ in millions)						
Straight Debt	672.2	564.4	803.8	1,375.2	1,927.7	40%
Debt with Equity Features	836.4	718.2	772.3	1,022.9	723.3	(29%)
Equity Only	918.8	573.5	471.0	435.2	576.4	32%
Number of Jobs Created or Sustained*	54,505	42,306	46,130	61,527	68,918	12%
--- Debenture SBICs ---						
Number of Companies Financed	1,249	963	896	1,007	795	(21%)
Special Competitive Opportunity Gap	461	296	275	310	192	(38%)
Businesses Located in LMI Areas	346	224	231	263	153	(42%)
Women, Minority, Veteran Owned	164	106	64	65	50	(23%)
Financing Amount Reported (\$ in millions)	\$1,436.3	\$1,227.4	\$1,587.0	\$2,588.6	\$2,950.3	14%
Type of Financing (\$ in millions)						
Straight Debt	596.3	488.8	754.8	1,344.8	1,855.1	38%
Debt with Equity Features	655.7	586.1	665.4	963.5	671.7	(30%)
Equity Only	184.3	152.5	166.8	280.3	423.6	51%
Number of Jobs Created or Sustained*	32,251	27,977	35,760	56,211	63,001	12%
--- Non-Leveraged, Bank-Owned, and Specialized SBICs ---						
Number of Companies Financed	142	130	133	136	166	22%
Special Competitive Opportunity Gap	69	62	58	68	83	22%
Businesses Located in LMI Areas	24	24	33	40	48	20%
Women, Minority, Veteran Owned	60	47	38	41	58	41%
Financing Amount Reported (\$ in millions)	\$148.9	\$165.6	\$124.5	\$79.9	\$175.2	119%
Type of Financing (\$ in millions)						
Straight Debt	15.7	24.0	12.5	14.1	57.3	305%
Debt with Equity Features	23.1	34.0	18.9	12.3	23.1	88%
Equity Only	110.1	107.6	93.1	53.5	94.8	77%
Number of Jobs Created or Sustained*	3,344	3,775	2,806	1,736	3,742	116%
--- Participating Security SBICs ---						
Number of Companies Financed	591	445	346	220	157	(29%)
Special Competitive Opportunity Gap	114	95	66	58	20	(66%)
Businesses Located in LMI Areas	100	85	61	54	19	(65%)
Women, Minority, Veteran Owned	16	13	7	4	1	(75%)
Financing Amount Reported (\$ in millions)	\$842.2	\$463.1	\$335.6	\$164.9	\$101.8	(38%)
Type of Financing (\$ in millions)						
Straight Debt	60.2	51.6	36.4	16.2	15.3	(6%)
Debt with Equity Features	157.7	98.1	88.1	47.2	28.5	(40%)
Equity Only	624.3	313.4	211.2	101.5	58.0	(43%)
Number of Jobs Created or Sustained*	18,910	10,555	7,564	3,580	2,175	(39%)

* 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	FY End 2012	FY 2012 Change
--- New Licensees ---						
New Licensees by Fund Type	6	11	23	22	30	36%
Debenture	5	8	21	18	27	50%
Bank-Owned/Non-Leveraged	1	3	2	4	3	(25%)
Initial Private Capital (\$ in millions)	\$240.4	\$345.2	\$654.8	\$840.1	\$973.9	16%
Debenture	232.4	257.4	615.6	713.6	892.6	25%
Bank-Owned/Non-Leveraged	8.0	87.8	39.2	126.5	81.3	(36%)
--- Licensing Pipeline ---						
Total in Pipeline	n/a	n/a	66	62	57	(8%)
In Applicant Review/Program Development	n/a	n/a	14	10	8	(20%)
In Capital Raising	n/a	n/a	42	34	30	(12%)
In Licensing	n/a	n/a	10	18	19	6%
--- Program Development and Licensing Activity ---						
Applicant Initial Review/Program Development						
Received during FY	27	48	73	74	61	(18%)
1st Time SBIC Applicants	19	29	54	52	43	(17%)
Subsequent Fund Applicants	8	19	19	22	18	(18%)
Processed in FY	22	48	64	78	63	(19%)
Green Light Letters Issued	11	36	40	40	38	(5%)
<i>% of Processed Receiving Green Light</i>	50%	75%	63%	51%	60%	18%
Average Months to Process						
1st Time SBIC Applicants	2.0	2.7	3.5	3.5	2.2	(37%)
Subsequent Fund Applicants	n/a	n/a	1.2	0.6	1.1	83%
% Completed in Goal						
1st Time (2 months)	n/a	17%	5%	16%	55%	244%
Subsequent (1 month)	n/a	n/a	88%	91%	70%	(23%)
Raising Capital in Process						
Green Light Letters Expired	n/a	n/a	n/a	11	9	(18%)
Licensing Applications Submitted	n/a	n/a	n/a	33	36	9%
Total Exiting the Capital Raising Process	n/a	n/a	n/a	44	45	2%
<i>% of Total Submitting License Applications</i>	n/a	n/a	n/a	75%	80%	7%
Licensing						
Received during FY	n/a	n/a	15	33	36	9%
1st Time SBIC Applicants	n/a	n/a	6	20	19	(5%)
Subsequent Fund Applicants	n/a	n/a	9	13	17	31%
Otherwise Resolved During FY	5	3	2	10	10	0%
FY Number of New Licensees	6	11	23	22	30	36%
1st Time SBIC Applicants	1	3	10	11	15	36%
Subsequent Fund Applicants	5	8	13	11	15	36%
Average Months to Process	n/a	14.6	5.8	5.5	5.4	(2%)
<i>% Completed in Goal (6 months)</i>	n/a	n/a	65%	50%	57%	14%

PROGRAM OFFICE ACTIVITIES

	FY End 2008	FY End 2009	FY End 2010	FY End 2011	FY End 2012	FY 2012 Change
--- Leverage Activities in Operations ---						
Debenture Leverage						
Commitments Issued	\$1,029.4	\$788.0	\$1,164.8	\$1,827.5	\$1,924.1	5%
Draws	\$649.1	\$594.9	\$931.0	\$1,392.0	\$1,421.7	2%
Redemptions (Pre-Paid and at Maturity)	\$224.8	\$149.3	\$250.5	\$544.2	\$651.8	20%
Transfers to Liquidation	\$26.3	\$86.6	\$95.8	\$8.5	\$144.4	1,599%
<i>% of Beginning Leverage Transferred</i>	1.2%	3.3%	3.2%	0.2%	3.3%	1,550%
Participating Securities Leverage						
Prioritized Payments (PP) Advanced	\$246.6	\$228.0	\$186.0	\$136.4	\$99.3	(27%)
SBA Distributions	\$895.8	\$314.8	\$480.8	\$659.1	\$560.1	(15%)
Prioritized Payments	\$174.9	\$83.8	\$98.7	\$143.1	\$86.8	(39%)
Adjustments and Annual Fees	\$45.1	\$27.1	\$39.5	\$54.4	\$25.4	(53%)
Profit Participation	\$40.2	\$10.9	\$10.5	\$26.7	\$44.2	66%
PS Redemptions--Operating SBICs	\$635.6	\$193.0	\$332.1	\$434.9	\$403.7	(7%)
Transfers to Liquidation	\$473.9	\$619.3	\$701.4	\$307.5	\$220.1	(28%)
<i>% of Beginning Leverage Transferred</i>	9.6%	13.3%	18.3%	11.0%	10.8%	(2%)
Prioritized Payments at Transfer	\$132.5	\$156.2	\$179.9	\$35.7	\$49.3	38%
--- SBIC Examination Activities ---						
Exam Reports Issued	273	268	249	260	233	(10%)
Exam Cycle (months)	16.1	15.2	14.1	12.6	12.6	(1%)
Number of Reports with Findings	58	47	25	35	21	(40%)
<i>% of Reports with Findings</i>	21.3%	17.5%	10.0%	13.5%	9.0%	(33%)
Licensees with Leverage	224	218	196	199	182	(9%)
Exam Cycle (months)	14.5	13.9	12.9	11.7	11.7	0%
Number of Reports with Findings	50	37	17	22	12	(45%)
<i>% of Reports with Findings</i>	22.3%	17.0%	8.7%	11.1%	6.6%	(40%)
Licensees without Leverage	49	50	53	61	51	(16%)
Exam Cycle (months)	23.2	21.2	18.2	15.6	15.6	0%
Number of Reports with Findings	8	10	8	13	9	(31%)
<i>% of Reports with Findings</i>	16.3%	20.0%	15.1%	21.3%	17.6%	(17%)
--- Surrenders and Transfers to Liquidation ---						
SBIC License Surrenders	14	15	9	24	17	(26%)
Debenture	5	5	4	14	8	(43%)
Participating Security	5	1	2	4	4	0%
Bank-Owned/Non-Leveraged	4	9	2	6	5	0%
Specialized SBICs	0	0	1	0	0	0%
SBIC Licensee Transfers to Liquidation	13	29	22	6	11	83%
Debenture and Specialized SBICs	3	9	4	0	4	100%
Participating Security	10	20	18	6	7	17%
--- Activities in the Office of Liquidation ---						
						as of 6/30/2012
Participating Security Leverage						
Total Collections	\$293.7	\$115.5	\$254.0	\$269.7	\$158.1	(12%)
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%)
Debenture Leverage						
Total Collections	\$42.4	\$12.0	\$11.4	\$22.4	\$26.9	48%
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%