

**QUARTERLY REPORT
TO
THE DENALI COMMISSION**

From

ALASKA GROWTH CAPITAL BIDCO, INC.

**For the Quarter Ended
March 31, 2007**

ALASKA GROWTH  CAPITAL

**Fourth Quarter Progress Report – 2007
DENALI COMMISSION
Award # 0095-DC-2003-E1**

Total financing during the first quarter of 2007 was \$2,910,000.

FINANCING VOLUME THROUGH FIRST QUARTER

The total amount of financing disbursements to businesses in communities classified as “Distressed” by the Denali Commission was \$630,000 and the total amount of financing to all rural communities was \$1,960,000. Total financing volume by market segment is summarized below:

	Total Loan Volume	Rural (off road system)	To Minority businesses	To "distressed" communities
Total Financings	\$2,910,000	\$1,960,000	\$980,000	\$630,000
% of Total	100%	67%	34%	22%

ACTUAL PERFORMANCE AGAINST PERFORMANCE MEASURES FOR 2007

Three performance measures will not be reported on until the end of February, 2008 because data from AGC clients are required to measure performance against these metrics and this data is only collected annually.

Measure 1: *Total annual financing disbursements to businesses in communities defined as "distressed" by the Denali Commission.*

	<u>Minimally Acceptable</u>	<u>Satisfactory</u>	<u>Outstanding</u>
Total	1,694,082	1,954,710	2,736,586
Actual performance for 2007			\$630,000
Percentage of "Outstanding"			23%

Measure 2: Total annual financing disbursements to Alaskan - owned businesses in communities defined as "distressed" by the Denali Commission.

	<u>Minimally Acceptable</u>	<u>Satisfactory</u>	<u>Outstanding</u>
Total	1,433,454	1,694,082	2,475,968
Actual performance for 2007			\$630,000
Percentage of "Outstanding"			25%

Measure 5: Number of technical assistance engagements provided to businesses that operate in "distressed" communities. A "technical assistance engagement" is defined as a minimum of 8 hours of assistance provided by Alaska Growth Capital. These engagements will cover a broad range of topics, as defined by the needs of the business.

	<u>Minimally Acceptable</u>	<u>Satisfactory</u>	<u>Outstanding</u>
Total	25	39	53
Actual performance for 2007			23
Percentage of "Outstanding"			43%

DETAILED PORTFOLIO INFORMATION

The following is a table that outlines detailed information about the loans disbursed to businesses in "distressed" communities during the first quarter.

Funds Disbursed This Quarter on New Loans Closed Defined as "Denali Distressed" Communities.

Amount	Company	Location	Loan Purpose
\$630,000	Sweetsirs	Galena	Refinance existing debt, working capital
\$630,000	TOTAL		

New Loans in the Closing Process This Quarter Defined as "Denali Distressed" Communities. None.

Management

- Allison Warden, an Inupiaq from Barrow, began working as the receptionist on March 19, 2007.

Staffing

Our staff currently includes the following:

- David Hoffman, CEO
- Jeff Batton, Vice President, Corporate Development
- Patrick Williams, Loan Officer (Alaska Native)

- John Delano, Senior Loan Officer
- Benjie Sumulong, Loan Officer
- Karen Horner, Controller
- Hugh Short, Vice President of Consulting Services (Alaska Native)
- Jered Stewart, Client Services Associate (Alaska Native)
- Sherry Selby, Processing Supervisor/Compliance Officer
- Teo Ransum, Loan Processor
- Shelly Hutchison, Office Administrator
- Rebecca McMullen, Accounting Technician (Alaska Native)
- Allison Warden, Receptionist (Alaska Native)
- Amber Bowman, Loan Processor
- Lynda Muise, Loan Servicing

PERFORMANCE DASHBOARD

The following graphs show progress towards internal goals and grant measures. The graphs show total (actual) closed and “in closing” (pending) versus budget. The budget line includes performance measures set by internal goals and grant measures as outlined in the Denali Commission Award.

PERFORMANCE DASHBOARD ALASKA GROWTH CAPITAL March 31, 2007

