

**QUARTERLY REPORT
TO
THE DENALI COMMISSION**

From

ALASKA GROWTH CAPITAL BIDCO, INC.

**For the Quarter Ended
June 30, 2007**

ALASKA GROWTH  CAPITAL

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

Total financing through the second quarter of 2007 was \$19,870,000.

FINANCING VOLUME THROUGH SECOND QUARTER

The total amount of financing disbursements to businesses in communities classified as “Distressed” by the Denali Commission was \$1,530,000 and the total amount of financing to all rural communities was \$17,060,000. Total financing volume by market segment is summarized below:

	Total Loan Volume	Rural (off road system)	To Minority businesses	To "distressed" communities
Total Financings	\$19,870,000	\$17,060,000	\$1,640,000	\$1,530,000
% of Total	100%	85%	8%	7%

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			\$1,530,000
Percentage of "Outstanding"			56%

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			\$1,530,000
Percentage of "Outstanding"			62%

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			31
Percentage of "Outstanding"			58%

DETAILED PORTFOLIO INFORMATION

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

None.

New Loans in the Closing Process This Quarter Defined as "Denali Distressed" Communities.

None.

Management.

None.

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
- Bill Phalen, Loan Officer
- Karen Horner, Controller
- Hugh Short, Vice President of Consulting Services (Alaska Native)
- Jered Stewart, Client Services Associate (Alaska Native)
- Shavonne English, Compliance Officer

- Frances Sumulong, Loan Processor
- Shelly Hutchison, Office Administrator
- Rebecca McMullen, Accounting Technician (Alaska Native)
- Allison Warden, Administrative Assistant (Alaska Native)
- 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 June 30, 2007

