

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **February 23, 2017**

Main Street Capital Corporation

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

001-33723
(Commission File Number)

41-2230745
(IRS Employer Identification No.)

1300 Post Oak Boulevard, 8th Floor, Houston, Texas
(Address of principal executive offices)

77056
(Zip Code)

Registrant's telephone number, including area code: **713-350-6000**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On February 23, 2017, the Registrant issued a press release. A copy of such press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information disclosed under this Item 2.02, including Exhibit 99.1 hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

Exhibit 99.1. Press release dated February 23, 2017

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Main Street Capital Corporation

(Registrant)

February 23, 2017

(Date)

/s/ Jason B. Beauvais

Jason B. Beauvais
General Counsel

Exhibit Index

99.1 Press release dated February 23, 2017

Main Street Announces Fourth Quarter And Full Year 2016 Financial Results

Fourth Quarter 2016 Net Investment Income of \$0.57 Per Share

Fourth Quarter 2016 Distributable Net Investment Income Increased to \$0.61 Per Share

Net Asset Value Increased to \$22.10 Per Share

HOUSTON, Feb. 23, 2017 /PRNewswire/ -- Main Street Capital Corporation (NYSE: MAIN) ("Main Street") announced today its financial results for the fourth quarter and full year ended December 31, 2016.

Fourth Quarter 2016 Highlights

- Net investment income of \$30.4 million (or \$0.57 per share), representing a 7% increase from the fourth quarter of 2015
- Distributable net investment income of \$32.8 million (or \$0.61 per share), representing a 9% increase from the fourth quarter of 2015⁽¹⁾
- Total investment income of \$46.8 million, representing an 8% increase from the fourth quarter of 2015
- Industry leading ratio of total non-interest operating expenses as a percentage of quarterly average total assets ("Operating Expense to Assets Ratio") on an annualized basis of 1.5%
- Net increase in net assets resulting from operations of \$48.0 million (or \$0.90 per share)
- Declared regular monthly dividends totaling \$0.555 per share for the first quarter of 2017, or \$0.185 per share for each of January, February and March 2017, representing a 2.8% increase from the regular monthly dividends paid for the first quarter of 2016
- Paid semi-annual supplemental cash dividend of \$0.275 per share in December 2016
- Net asset value of \$22.10 per share at December 31, 2016, representing an increase of \$0.48 per share, or 2.2%, compared to \$21.62 per share at September 30, 2016, or an increase of \$0.76 per share, or 3.5%, after excluding the effect of the supplemental dividend paid in December 2016
- Completed \$58.9 million in total lower middle market ("LMM") portfolio investments, including investments totaling \$36.2 million in two new LMM portfolio companies, which after aggregate repayments of debt principal and return of invested equity capital from several LMM portfolio investments resulted in a net increase of \$55.2 million in total LMM portfolio investments
- Net decrease of \$12.8 million in middle market portfolio investments
- Net increase of \$3.2 million in private loan portfolio investments
- Amended long-term revolving credit facility ("Credit Facility") to extend the maturity through September 2021

Full Year 2016 Highlights

- Net investment income of \$115.8 million (or \$2.23 per share), representing an 8% increase from 2015
- Distributable net investment income of \$124.1 million (or \$2.39 per share), representing a 10% increase from 2015⁽¹⁾
- Total investment income of \$178.3 million, representing an 8% increase from 2015
- Industry leading Operating Expense to Assets Ratio of 1.5%
- Generated net realized gains of \$61.0 million on the exits of debt and equity investments in three LMM portfolio companies
- Net increase in net assets resulting from operations of \$138.9 million (or \$2.67 per share)
- Paid regular monthly dividends totaling \$2.175 per share, representing a 3.6% increase compared to \$2.10 per share for 2015
- Paid supplemental cash dividends totaling \$0.55 per share, unchanged from the prior year
- Net asset value of \$22.10 per share at December 31, 2016, representing an increase of \$0.86 per share, or 4.0%, compared to \$21.24 per share at December 31, 2015, or an increase of \$1.41 per share, or 6.6%, after excluding the effect of the supplemental dividends paid in 2016
- Completed \$166.3 million in total LMM portfolio investments, including investments totaling \$107.8 million in seven new LMM portfolio companies, which after aggregate repayments of debt principal and return of invested equity capital from several LMM portfolio investments resulted in a net increase of \$67.2 million in total LMM portfolio investments
- Net increase of \$5.2 million in middle market portfolio investments
- Net increase of \$86.6 million in private loan portfolio investments
- Received a license to operate third Small Business Investment Company ("SBIC") subsidiary, which provided capacity for up to \$125 million of additional long-term fixed interest rate debt capital through the issuance of U.S. Small Business Administration ("SBA") guaranteed debentures

In commenting on Main Street's results, Vincent D. Foster, Main Street's Chairman and Chief Executive Officer, stated, "We are pleased with our operating results for the fourth quarter of 2016, a quarter during which we increased our total investment income and our distributable net investment income per share, over the same period in the prior year. As a result of our positive performance, we again generated distributable net investment income per share in excess of our regular monthly dividends, exceeding the regular monthly dividends paid during the quarter by approximately 10%. In addition, during 2016 our full year total distributable net investment income exceeded our regular monthly dividends paid for the year by 10% and we maintained our supplemental dividends at \$0.55 per share. We believe that our 2016 performance, including the net realized gains of \$61.0 million on the exits of three lower middle market companies, continued to highlight the unique benefits of our differentiated investment strategy, and we look forward to using the remaining incremental debenture capacity under our third SBIC license received in 2016 to help fund our primary investment strategy of providing debt and equity financing to lower middle market companies."

Fourth Quarter 2016 Operating Results

The following table provides a summary of our operating results for the fourth quarter of 2016:

	Three Months Ended December 31,			
	2016	2015	Change (\$)	Change (%)
	(dollars in thousands, except per share amounts)			
Interest income	\$ 37,508	\$ 34,323	\$ 3,185	9%
Dividend income	7,088	6,913	175	3%
Fee income	2,234	2,117	117	6%
Income from marketable securities and idle funds	-	140	(140)	(100%)
Total investment income	\$ 46,830	\$ 43,493	\$ 3,337	8%
Net investment income	\$ 30,432	\$ 28,520	\$ 1,912	7%
Net investment income per share	\$ 0.57	\$ 0.57	\$ -	0%
Distributable net investment income ⁽¹⁾	\$ 32,759	\$ 30,189	\$ 2,570	9%
Distributable net investment income per share ⁽¹⁾	\$ 0.61	\$ 0.60	\$ 0.01	2%

Net increase in net assets resulting from operations	\$ 47,993	\$ 7,543	\$ 40,450	536%
Net increase in net assets resulting from operations per share	\$ 0.90	\$ 0.15	\$ 0.75	500%

The \$3.3 million increase in total investment income in the fourth quarter of 2016 from the comparable period of the prior year was principally attributable to (i) a \$3.2 million increase in interest income primarily related to higher average levels of investment portfolio debt investments and (ii) a \$0.2 million increase in dividend income from investment portfolio equity investments. The \$3.3 million increase in total investment income in the fourth quarter of 2016 includes an increase of \$0.5 million primarily related to higher accelerated prepayment and repricing activity for certain investment portfolio debt investments when compared to the same period in 2015.

Cash operating expenses (total operating expenses excluding non-cash, share-based compensation expense) increased to \$14.1 million in the fourth quarter of 2016 from \$13.3 million for the corresponding period of 2015. This comparable period increase in cash operating expenses was principally attributable to (i) a \$0.5 million increase in compensation expense related to increases in the number of personnel, base compensation levels and incentive compensation accruals and (ii) a \$0.3 million increase in interest expense, primarily due to an increase in interest expense on our Credit Facility, with such increase primarily due to the higher average interest rate on the Credit Facility in the fourth quarter of 2016, with these increases partially offset by a \$0.1 million increase in the expenses allocated to our external investment manager, a wholly owned portfolio company and registered investment advisor that provides investment management services to third parties (the "External Investment Manager"), in each case when compared to the same period in the prior year. Our Operating Expense to Assets Ratio was 1.5% on an annualized basis for the fourth quarter of 2016 and for the year ended December 31, 2016, compared to 1.4% on an annualized basis for the fourth quarter of 2015 and for the year ended December 31, 2015.

The \$2.6 million increase in distributable net investment income, which is net investment income before non-cash, share-based compensation expense, was primarily due to the higher level of total investment income, partially offset by higher operating expenses as discussed above.⁽¹⁾ Distributable net investment income on a per share basis for the fourth quarter of 2016 reflects (i) an increase of approximately \$0.01 per share from the comparable period in 2015 attributable to the net increase in the comparable levels of accelerated prepayment and repricing activity for certain investment portfolio debt investments and (ii) a greater number of average shares outstanding compared to the corresponding period in 2015 primarily due to shares issued through offerings under our at-the-market, or ATM, program and shares issued pursuant to our dividend reinvestment plan.

The \$40.5 million change in the net increase in net assets resulting from operations was primarily the result of (i) a \$31.7 million increase in net change in unrealized appreciation (depreciation) from net unrealized depreciation of \$10.4 million for the fourth quarter of 2015 to net unrealized appreciation of \$21.3 million for the fourth quarter of 2016, (ii) an \$8.3 million decrease in the net realized loss from investments to a net realized loss of \$4.0 million for the fourth quarter of 2016 and (iii) a \$1.9 million increase in net investment income as discussed above, partially offset by a \$1.5 million decrease in the income tax benefit for the fourth quarter of 2016. The net realized loss of \$4.0 million for the fourth quarter of 2016 was primarily the result of the net realized loss of \$6.9 million on the restructure of two middle market investments, partially offset by (i) the net realized gain of \$1.4 million due to activity in our other portfolio and (ii) a realized gain of \$1.3 million for additional cash proceeds received in connection with the prior exit of a LMM investment.

The following table provides a summary of the total net unrealized appreciation of \$21.3 million for the fourth quarter of 2016:

	Three Months Ended December 31, 2016				Total
	LMM (a)	Middle Market	Private Loan	Other (b)	
	(dollars in millions)				
Accounting reversals of net unrealized (appreciation) depreciation recognized in prior periods due to net realized (gains)/losses recognized during period	\$ (0.1)	\$ 7.0	\$ -	\$ (1.0)	\$ 5.9
Net unrealized appreciation relating to portfolio investments	6.3	6.9	1.3	1.0	15.5
Total net change in unrealized appreciation relating to portfolio investments	<u>\$ 6.2</u>	<u>\$ 13.9</u>	<u>\$ 1.3</u>	<u>\$ -</u>	<u>\$ 21.4</u>
Unrealized depreciation relating to SBIC debentures (c)					<u>(0.1)</u>
Total net change in unrealized appreciation (depreciation)					<u>\$ 21.3</u>

(a) LMM includes unrealized appreciation on 22 LMM portfolio investments and unrealized depreciation on 20 LMM portfolio investments.

(b) Other includes \$0.5 million of unrealized appreciation relating to the External Investment Manager and \$0.5 million of net unrealized appreciation relating to the other portfolio.

(c) Relates to unrealized appreciation on the SBIC debentures held by our wholly owned subsidiary Main Street Capital II, LP which are accounted for on a fair value basis.

Liquidity and Capital Resources

As of December 31, 2016, we had \$24.5 million in cash and cash equivalents and \$212.0 million of unused capacity under our Credit Facility, which we maintain to support our investment and operating activities.

Several details regarding our capital structure as of December 31, 2016 are as follows:

- Our Credit Facility included \$555.0 million in total commitments from a diversified group of fourteen participating lenders, plus an accordion feature which allows us to increase the total commitments under the facility to up to \$750.0 million.
- \$343.0 million in outstanding borrowings under our Credit Facility, bearing interest at an annual interest rate of 2.5%.
- \$240.0 million of outstanding SBIC debentures through our three wholly owned SBIC subsidiaries, with \$110.0 million of remaining capacity under the permitted maximum of SBIC debentures of \$350.0 million. These debentures, which are guaranteed by the SBA, had a weighted average annual fixed interest rate of approximately 4.1% and mature ten years from original issuance. The first maturity related to our SBIC debentures does not occur until 2017, and the weighted average remaining duration was approximately 4.9 years.
- \$175.0 million of notes outstanding that bear interest at a rate of 4.50% per year (the "4.50% Notes"). The 4.50% Notes mature on December 1, 2019 and may be redeemed in whole or in part at any time at our option subject to certain make-whole provisions.
- \$90.7 million of notes outstanding that bear interest at a rate of 6.125% per year (the "6.125% Notes"). The 6.125% Notes mature on April 1, 2023, and may be redeemed in whole or in part at our option on or after April 1, 2018. The 6.125% Notes are listed on the New York Stock Exchange and trade under the symbol "MSCA."
- Our net asset value totaled \$1,201.5 million, or \$22.10 per share.

Investment Portfolio Information as of December 31, 2016⁽²⁾

The following table provides a summary of the investments in our LMM portfolio, middle market portfolio and private loan portfolio as of December 31, 2016:

As of December 31, 2016		
LMM (a)	Middle Market	Private Loan

	(dollars in millions)		
Number of portfolio companies	73	78	46
Fair value	\$ 892.6	\$ 630.6	\$ 342.9
Cost	\$ 760.3	\$ 646.8	\$ 357.7
% of portfolio at cost - debt	69.1%	97.2%	93.5%
% of portfolio at cost - equity	30.9%	2.8%	6.5%
% of debt investments at cost secured by first priority lien	92.1%	89.1%	89.0%
Weighted-average annual effective yield (b)	12.5%	8.5%	9.6%
Average EBITDA (c)	\$ 5.9	\$ 98.6	\$ 22.7

- (a) We had equity ownership in 99% of our LMM portfolio companies, and the average fully diluted equity ownership in those portfolio companies was approximately 36%.
- (b) The weighted-average annual effective yields were computed using the effective interest rates for all debt investments at cost, including amortization of deferred debt origination fees and accretion of original issue discount but excluding fees payable upon repayment of the debt instruments and any debt investments on non-accrual status.
- (c) The average EBITDA is calculated using a simple average for the LMM portfolio and a weighted average for the middle market and private loan portfolios. These calculations exclude certain portfolio companies, including five LMM portfolio companies, one middle market portfolio company and three private loan portfolio companies, as EBITDA is not a meaningful valuation metric for our investments in these portfolio companies.

The fair value of our LMM portfolio company equity investments was approximately 172% of the cost of such equity investments and our LMM portfolio companies had a median net senior debt (senior interest-bearing debt through our debt position less cash and cash equivalents) to EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) ratio of 2.9 to 1.0 and a median total EBITDA to senior interest expense ratio of 2.6 to 1.0.

Including all debt that is junior in priority to our debt position, these median ratios were 3.2 to 1.0 and 2.5 to 1.0, respectively.⁽²⁾ ⁽³⁾ Based upon our internal investment rating system, with a rating of "1" being the highest and a rating of "5" being the lowest, and with all new investments initially rated a "3", the weighted average investment rating for our total LMM investment portfolio was 2.3 and 2.2 as of December 31, 2016 and 2015, respectively.

As of December 31, 2016, we had other portfolio investments in ten companies, collectively totaling \$100.3 million in fair value and \$107.1 million in cost basis, which comprised approximately 5.0% of our investment portfolio at fair value.

As of December 31, 2016, there was no cost basis in our investment in the External Investment Manager and this investment had a fair value of \$30.6 million, which comprised approximately 1.5% of our investment portfolio at fair value.

As of December 31, 2016, we had four investments on non-accrual status, which comprised approximately 0.6% of the total investment portfolio at fair value and approximately 3.0% of its cost. Our total portfolio investments at fair value were approximately 107% of the related cost basis as of December 31, 2016.

External Investment Manager

The External Investment Manager maintains an investment sub-advisory relationship with HMS Income Fund, Inc., a non-listed business development company ("HMS Income"), and earns management fees for the services provided to HMS Income. During the fourth quarter of 2016, the External Investment Manager generated \$2.5 million of fee income from this relationship, and HMS Income ended the fourth quarter of 2016 with total assets of over \$1.0 billion. The relationship with HMS Income benefited our net investment income by \$2.1 million in the fourth quarter of 2016 through a \$1.4 million reduction of our operating expenses for expenses we allocated to the External Investment Manager for services we provided to it and \$0.7 million of dividend income we received from the External Investment Manager.

Fourth Quarter and Full Year 2016 Financial Results Conference Call / Webcast

Main Street has scheduled a conference call for Friday, February 24, 2017 at 10:00 a.m. Eastern Time to discuss the fourth quarter and full year 2016 financial results.

You may access the conference call by dialing 412-902-0030 at least 10 minutes prior to the start time. The conference call can also be accessed via a simultaneous webcast by logging into the investor relations section of the Main Street web site at <http://www.mainstcapital.com>.

A telephonic replay of the conference call will be available through Friday, March 3, 2017 and may be accessed by dialing 201-612-7415 and using the passcode 13652927#. An audio archive of the conference call will also be available on the investor relations section of the company's website at <http://www.mainstcapital.com> shortly after the call and will be accessible for approximately 90 days.

For a more detailed discussion of the financial and other information included in this press release, please refer to the Main Street Annual Report on Form 10-K for the year ended December 31, 2016 to be filed with the Securities and Exchange Commission (www.sec.gov) and Main Street's Fourth Quarter 2016 Investor Presentation to be posted on the investor relations section of the Main Street website at <http://www.mainstcapital.com>.

- (1) Distributable net investment income is net investment income as determined in accordance with U.S. Generally Accepted Accounting Principles, or U.S. GAAP, excluding the impact of share-based compensation expense which is non-cash in nature. Main Street believes presenting distributable net investment income and the related per share amount is useful and appropriate supplemental disclosure for analyzing its financial performance since share-based compensation does not require settlement in cash. However, distributable net investment income is a non-U.S. GAAP measure and should not be considered as a replacement for net investment income and other earnings measures presented in accordance with U.S. GAAP. Instead, distributable net investment income should be reviewed only in connection with such U.S. GAAP measures in analyzing Main Street's financial performance. A reconciliation of net investment income in accordance with U.S. GAAP to distributable net investment income is detailed in the financial tables included with this press release.
- (2) Portfolio company financial information has not been independently verified by Main Street.
- (3) These credit statistics exclude certain portfolio companies for which EBITDA is not a meaningful metric for the statistic.

ABOUT MAIN STREET CAPITAL CORPORATION

Main Street (www.mainstcapital.com) is a principal investment firm that primarily provides long-term debt and equity capital to lower middle market companies and debt capital to middle market companies. Main Street's portfolio investments are typically made to support management buyouts, recapitalizations, growth financings, refinancings and acquisitions of companies that operate in diverse industry sectors. Main Street seeks to partner with entrepreneurs, business owners and management teams and generally provides "one stop" financing alternatives within its lower middle market portfolio. Main Street's lower middle market companies generally have annual revenues between \$10 million and \$150 million. Main Street's middle market debt investments are in middle market businesses that are generally larger in size than its lower middle market portfolio companies.

Main Street's common stock trades on the New York Stock Exchange ("NYSE") under the symbol "MAIN." In addition, Main Street has outstanding 6.125% Notes due 2023, which trade on the NYSE under the symbol "MSCA."

FORWARD-LOOKING STATEMENTS

Main Street cautions that statements in this press release which are forward-looking and provide other than historical information involve risks and uncertainties that may impact its future results of operations. The forward-looking statements in this press release are based on current conditions and

include statements regarding Main Street's goals, beliefs, strategies and future operating results and cash flows. Although its management believes that the expectations reflected in those forward-looking statements are reasonable, Main Street can give no assurance that those expectations will prove to have been correct. Those statements are made based on various underlying assumptions and are subject to numerous uncertainties and risks, including, without limitation: Main Street's continued effectiveness in raising, investing and managing capital; adverse changes in the economy generally or in the industries in which its portfolio companies operate; changes in laws and regulations that may adversely impact its operations or the operations of one or more of its portfolio companies; the operating and financial performance of its portfolio companies; retention of key investment personnel; competitive factors; and such other factors described under the captions "Cautionary Statement Concerning Forward Looking Statements" and "Risk Factors" included in its filings with the Securities and Exchange Commission (www.sec.gov). Main Street undertakes no obligation to update the information contained herein to reflect subsequently occurring events or circumstances, except as required by applicable securities laws and regulations.

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MAIN STREET CAPITAL CORPORATION
Consolidated Statements of Operations
(dollars in thousands, except shares and per share amounts)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
	(unaudited)			
INVESTMENT INCOME:				
Interest, fee and dividend income:				
Control investments	\$ 11,824	\$ 13,568	\$ 52,221	\$ 49,832
Affiliate investments	10,607	7,338	37,702	27,200
Non-Control/Non-Affiliate investments	24,399	22,447	88,242	86,571
Interest, fee and dividend income	46,830	43,353	178,165	163,603
Interest, fee and dividend income from marketable securities and idle funds investments				
	-	140	174	986
Total investment income	46,830	43,493	178,339	164,589
EXPENSES:				
Interest	(8,619)	(8,360)	(33,630)	(32,115)
Compensation	(4,327)	(3,796)	(16,408)	(14,852)
General and administrative	(2,475)	(2,350)	(9,284)	(8,621)
Share-based compensation	(2,327)	(1,669)	(8,304)	(6,262)
Expenses allocated to the External Investment Manager	1,350	1,202	5,089	4,335
Total expenses	(16,398)	(14,973)	(62,537)	(57,515)
NET INVESTMENT INCOME	30,432	28,520	115,802	107,074
NET REALIZED GAIN (LOSS):				
Control investments	-	(3,906)	32,220	(582)
Affiliate investments	(91)	-	25,167	5,827
Non-Control/Non-Affiliate investments	(3,868)	(8,311)	(26,317)	(25,147)
Marketable securities and idle funds investments	-	(62)	(1,681)	(1,414)
Total net realized gain (loss)	(3,959)	(12,279)	29,389	(21,316)
NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION):				
Portfolio investments	21,434	(10,668)	(8,305)	11,048
Marketable securities and idle funds investments	-	344	1,729	(177)
SBIC debentures	(123)	(56)	(943)	(879)
Total net change in unrealized appreciation (depreciation)	21,311	(10,380)	(7,519)	9,992
INCOME TAXES:				
Federal and state income, excise and other taxes	283	(1,418)	(2,089)	(2,964)
Deferred taxes	(74)	3,100	3,316	11,651
Income tax benefit (provision)	209	1,682	1,227	8,687
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 47,993	\$ 7,543	\$ 138,899	\$ 104,437
NET INVESTMENT INCOME PER SHARE - BASIC AND DILUTED				
	\$ 0.57	\$ 0.57	\$ 2.23	\$ 2.18
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER SHARE - BASIC AND DILUTED	\$ 0.90	\$ 0.15	\$ 2.67	\$ 2.13

DIVIDENDS PAID PER SHARE:				
Regular monthly dividends	\$ 0.555	\$ 0.540	\$ 2.175	\$ 2.100
Supplemental dividends	0.275	0.275	0.550	0.550
Total dividends	<u>\$ 0.830</u>	<u>\$ 0.815</u>	<u>\$ 2.725</u>	<u>\$ 2.650</u>

WEIGHTED AVERAGE SHARES OUTSTANDING -				
BASIC AND DILUTED	53,473,204	50,229,465	52,025,002	49,071,492

MAIN STREET CAPITAL CORPORATION
Consolidated Balance Sheets
(dollars in thousands, except per share amounts)

	December 31, 2016	December 31, 2015
ASSETS		
Portfolio investments at fair value:		
Control investments	\$ 594,282	\$ 555,011
Affiliate investments	375,948	350,519
Non-Control/Non-Affiliate investments	<u>1,026,676</u>	<u>894,466</u>
Total portfolio investments	1,996,906	1,799,996
Marketable securities and idle funds investments	<u>-</u>	<u>3,693</u>
Total investments	1,996,906	1,803,689
Cash and cash equivalents	24,480	20,331
Interest receivable and other assets	35,133	27,737
Receivable for securities sold	1,990	9,901
Deferred financing costs, net	12,645	13,267
Deferred tax asset, net	<u>9,125</u>	<u>4,003</u>
Total assets	<u>\$ 2,080,279</u>	<u>\$ 1,878,928</u>
LIABILITIES		
Credit facility	\$ 343,000	\$ 291,000
SBIC debentures	239,603	223,660
4.50% Notes	175,000	175,000
6.125% Notes	90,655	90,738
Accounts payable and other liabilities	14,205	12,292
Payable for securities purchased	2,184	2,311
Interest payable	4,103	3,959
Dividend payable	<u>10,048</u>	<u>9,074</u>
Total liabilities	878,798	808,034
NET ASSETS		
Common stock	543	504
Additional paid-in capital	1,143,883	1,011,467
Accumulated net investment income, net of cumulative dividends	19,033	7,181
Accumulated net realized gain from investments, net of cumulative dividends	(58,887)	(49,653)
Net unrealized appreciation, net of income taxes	<u>96,909</u>	<u>101,395</u>
Total net assets	<u>1,201,481</u>	<u>1,070,894</u>
Total liabilities and net assets	<u>\$ 2,080,279</u>	<u>\$ 1,878,928</u>
NET ASSET VALUE PER SHARE	<u>\$ 22.10</u>	<u>\$ 21.24</u>

	<u>Three Months Ended December 31,</u>		<u>Twelve Months Ended December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Net investment income	\$ 30,432	\$ 28,520	\$ 115,802	\$ 107,074
Share-based compensation expense	2,327	1,669	8,304	6,262
Distributable net investment income (1)	<u>\$ 32,759</u>	<u>\$ 30,189</u>	<u>\$ 124,106</u>	<u>\$ 113,336</u>

Per share amounts:

Net investment income per share - Basic and diluted	<u>\$ 0.57</u>	<u>\$ 0.57</u>	<u>\$ 2.23</u>	<u>\$ 2.18</u>
Distributable net investment income per share - Basic and diluted (1)	<u>\$ 0.61</u>	<u>\$ 0.60</u>	<u>\$ 2.39</u>	<u>\$ 2.31</u>

- (1) Distributable net investment income is net investment income, as determined in accordance with U.S. GAAP, excluding the impact of share-based compensation expense which is non-cash in nature. Main Street believes presenting distributable net investment income and the related per share amount is useful and appropriate supplemental disclosure of information for analyzing its financial performance since share-based compensation does not require settlement in cash. However, distributable net investment income is a non-U.S. GAAP measure and should not be considered as a replacement for net investment income and other earnings measures presented in accordance with U.S. GAAP. Instead, distributable net investment income should be reviewed only in connection with such U.S. GAAP measures in analyzing Main Street's financial performance. A reconciliation of net investment income in accordance with U.S. GAAP to distributable net investment income is presented in the table above.