AMES NATIONAL CORP
Form 4/A
September 26, 2005

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
STAFFORD ROBERT W
(Last) (First) (Middle)
PO BOX 846
(Street)
AMES, IA 50010
(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
AMES NATIONAL CORP [ATLO]

3. Date of Earliest Transaction (Month/Day/Year)
01/05/2005

4. If Amendment, Date Original Filed(Month/Day/Year)
01/26/2005

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
_____ Director _____ 10% Owner
_____ Officer (give title below) __X__ Other (specify below)
former 10% owner

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common stock	01/05/2005		P		600	A	$ 84	78,566	I	by wife (1)
Common stock	01/07/2005		P		540	A	$ 84	79,106	I	by wife (1)
Common stock	01/07/2005		P		340	A	$ 84	79,446	I	by wife (1)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STAFFORD ROBERT W PO BOX 846 AMES, IA 50010				former 10% owner

Signatures

Robert W. Stafford	09/26/2005
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Amendment to properly report transaction dates of three seperate transactions previously incorrectly reported on aggregated basis with an incorrect transaction date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. > 1,037 (82) (819) Net cash provided by (used in) operating activities 65,918 (221,399) 64,150 Cash flows from investing activities
Net change in restricted cash and cash equivalents (1,157) (26,362) (223) Net cash used in investing activities (1,157) (26,362) (223) Cash flows from financing activities
Borrowings on debt 174,000 263,754 217,760 Repayments of debt (315,306) (71,531) (268,217) Capitalized borrowing costs (2,882) Proceeds from members equity contributions 46,313 58,906 30,980 Payments of members equity distributions (13,530) (3,368) (44,450) Proceeds from shares sold, net of underwriting costs 119,034 Payment

of offering costs (1,429) Dividends and Distributions paid (9,742) Net cash provided by (used in) financing activities (3,542) 247,761 (63,927) Net change in cash and cash equivalents 61,219 Cash and cash equivalents, beginning of period Cash and cash equivalents, end of period $61,219 $ $ Supplemental disclosure of cash flow information

Cash paid during the period for interest $2,355 $4,219 $8,926 Supplemental disclosure of noncash activity

Obligations of Company paid by members of Golub Capital BDC LLC $896 $344 $258

See Notes to Consolidated Financial Statements.

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Golub Capital BDC, Inc. and Subsidiaries

Consolidated Schedule of Investments
September 30, 2010
(In thousands)

See Notes to Consolidated Financial Statements.

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(1) The majority of the investments bear interest at a rate that may be determined by reference to LIBOR (L) or Prime (P) and which reset daily, quarterly or semi-annually. For each we have provided the spread over LIBOR or Prime and the weighted average current interest rate in effect at September 30, 2010. Certain investments are subject to a LIBOR or Prime interest rate floor. For fixed rate loans, a spread above a reference rate is not applicable.

(2) For portfolio companies with multiple interest rate contracts, the interest rate shown is a weighted average current interest rate in effect at September 30, 2010.

(3) The negative fair value is the result of the capitalized discount on the loan or the unfunded commitment being valued below par. The negative cost is the result of the capitalized discount being greater than the principal amount outstanding on the loan.

(4) The entire commitment was unfunded at September 30, 2010. As such, no interest is being earned on this investment.

(5) Loan was on non-accrual status as of September 30, 2010, meaning that the Company has ceased recognizing interest income on the loan.

* Denotes that all or a portion of the loan secures the notes offered in the Debt Securitization.

See Notes to Consolidated Financial Statements.

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Golub Capital Master Funding LLC

Consolidated Schedule of Investments
September 30, 2009
(In thousands)

See Notes to Consolidated Financial Statements.

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	Investment Type	Spread Above Index(1)	Interest Rate(2)	Maturity Date	Principal Amount	Cost	Percentage of Members Equity	Fair Value
Containers, Packaging and Glass								
Industrial Container Services, LLC	Senior loan	L + 4.00%	4.28%	09/2011	$1,707	$1,658	1.8%	$1,638
Pelican Products, Inc.	Senior loan	L + 5.00%	7.70%	01/2013	1,706	1,547	1.8	1,638
Pelican Products, Inc.	Senior loan	L + 5.00%	7.75%	01/2014	3,137	2,831	3.2	2,948
					6,550	6,036	6.7	6,224
Diversified Conglomerate Manufacturing								
Heat Transfer Parent, Inc.	Senior loan	L + 3.00%	3.25%	06/2013	1,877	1,784	1.6	1,454
Neptco Inc.	Senior loan	L + 5.25%	7.25%	03/2013	4,591	4,367	4.4	4,086
Pasternack Enterprises, Inc.	Senior loan	L + 4.00%	4.29%	02/2014	3,687	3,531	3.6	3,318
Vintage Parts, Inc.	Senior loan	L + 5.50%	5.78%	12/2013	8,214	8,098	8.4	7,804
					18,369	17,780	18.0	16,662
Diversified Conglomerate Service								
Benetech, Inc.	Senior loan	L + 5.00%	5.25%	12/2013	9,537	9,138	9.7	8,965
Compass Group Diversified Holdings, LLC	Senior loan	L + 4.00%	4.50%	12/2013	4,688	4,689	5.1	4,689
Cortz, Inc.	Senior loan	L + 5.50%	8.51%	03/2014	7,213	7,146	7.6	7,069
The Service Companies, Inc.	Senior loan	L + 6.25%	10.00%	03/2014	6,005	5,850	6.3	5,885
PSI Services LLC	Senior loan	L + 3.50%	5.50%	11/2012	6,333	5,929	3.4	3,166
					33,776	32,752	32.1	29,774
Diversified Natural Resources, Precious Metals and Minerals								
Metal Spinners, Inc.	Senior loan	L + 4.00%	6.00%	01/2014	5,900	5,600	5.5	5,133
Metal Spinners, Inc.	Senior loan	L + 7.00%	9.00%	04/2014	785	785	0.7	683
Virginia Explosives & Drilling Company, Inc.	Senior loan	L + 7.00%	10.50%	05/2011	1,075	1,017	1.1	1,053
Virginia Explosives & Drilling Company, Inc.	Senior loan	L + 7.00%	10.50%	10/2011	2,825	2,661	3.0	2,741
					10,585	10,063	10.4	9,610
Electronics								

Golub Capital Master Funding LLC Consolidated Schedule of Investments September 30, 2009 (In thousands) 9

Cape Electrical Supply LLC	Senior loan	L + 3.75%	4.00%	11/2013	2,795	2,630	2.8	2,572
GXS Worldwide, Inc.	Senior loan	L + 5.75%	9.25%	03/2013	2,997	2,592	3.2	2,971
GXS Worldwide, Inc.	Second lien loan	L + 10.25%	13.75%	09/2013	1,200	1,040	1.2	1,148
Inovis International, Inc.	Senior loan	L + 5.50%	9.50%	11/2009	2,134	2,127	2.3	2,134
McBride Electric Inc.	Senior loan	L + 6.50%	10.75%	09/2010	1,558	1,558	1.3	1,168
The Sloan Company, Inc	Second lien loan	L + 5.50%	7.25%	10/2012	2,405	2,387	2.5	2,358
					13,089	12,334	13.3	12,351
Farming and Agriculture								
AGData, L.P.	Senior loan		11.25%	07/2012	14,170	14,170	15.3	14,170
AGData, L.P.	Senior loan		10.37%	07/2012	1,843	1,843	2.0	1,840
					16,013	16,013	17.3	16,010
Finance								
Collect America, Ltd.	Senior loan	L + 5.25%	7.64%	12/2011	1,886	1,747	1.9	1,773
Collect America, Ltd.	Senior loan	L + 6.00%	8.38%	03/2012	2,574	2,379	2.6	2,419
eVestment Alliance Holdings, LLC	Senior loan	L + 6.50%	9.50%	05/2014	8,786	8,605	9.5	8,786
Metavante Corporation	Senior loan	L + 1.75%	2.23%	11/2014	2,977	2,461	3.2	2,974
Pillar Processing LLC	Senior loan	L + 5.50%	5.80%	11/2013	7,033	7,004	7.4	6,822
Pillar Processing LLC	Senior loan		14.50%	05/2014	3,125	3,125	3.4	3,125
Wall Street Systems Holdings, Inc.	Senior loan	L + 5.00%	8.00%	05/2013	8,327	8,327	9.0	8,327
					34,708	33,648	36.9	34,226
Grocery								
JRD Holdings, Inc.	Senior loan	L + 2.25%	2.49%	07/2014	1,291	1,102	1.3	1,248
Healthcare, Education and Childcare								
ATI Holdings, Inc.	Senior loan	L + 3.50%	3.80%	09/2011	1,035	976	1.1	983
ATI Holdings, Inc.	Senior loan	L + 4.00%	4.31%	09/2012	1,671	1,565	1.7	1,571
Community Hospices of America, Inc.	Senior loan	L + 5.00%	8.00%	01/2011	1,133	1,104	1.2	1,110
Community Hospices of America, Inc.	Second lien loan	L + 9.50%	12.50%	04/2011	4,865	4,812	5.1	4,768
DaVita, Inc.		L + 1.50%	1.81%	10/2012	5,000	4,471	5.2	4,846

Golub Capital Master Funding LLC Consolidated Schedule of Investments September 30, 2009 (In thousands) 10

	Senior loan							
DDC Center Inc.	Senior loan	L + 6.50%	9.50%	10/2014	14,400	14,400	15.2	14,112
Delta Educational Systems, Inc.	Senior loan	L + 4.00%	6.00%	06/2012	4,770	4,511	4.9	4,579

See Notes to Consolidated Financial Statements.

Golub Capital Master Funding LLC Consolidated Schedule of Investments September 30, 2009 (In thousands) 11

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See Notes to Consolidated Financial Statements.

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 1. Organization

Golub Capital BDC, Inc. (GBDC and together with its subsidiaries, the Company) is a Delaware corporation formed on April 13, 2010 and is an externally managed, closed-end, non-diversified management investment company. GBDC has elected to be treated as a business development company (BDC) under the Investment Company Act of 1940, as amended (the 1940 Act). In addition, for tax purposes, GBDC intends to elect to be treated as a regulated investment company (RIC) under Subchapter M of the Internal Revenue Code of 1986, as amended (the Code).

On April 13, 2010, Golub Capital BDC LLC (GC LLC) converted from a limited liability company to a corporation, leaving GBDC as the surviving entity (the Conversion). At the time of the Conversion, all limited liability company interests were exchanged for 8,984,863 shares of common stock in GBDC. GBDC had no assets or operations prior to the Conversion and as a result, the books and records of GC LLC have become the books and records of the surviving entity.

On April 14, 2010, GBDC priced its initial public offering (the Offering) selling 7,100,000 shares of its common stock at a public offering price of $14.50 per share. Concurrent with the Offering, an additional 1,322,581 shares were sold through a private placement, also at $14.50 per share. On May 19, 2010, an additional 305,000 shares at $14.50 were issued upon the exercise of the underwriters over-allotment option.

GC LLC was formed in the State of Delaware on November 9, 2009, to continue and expand the business of Golub Capital Master Funding LLC (GCMF) which commenced operations on July 7, 2007. All of the outstanding limited liability company interests in GCMF were initially held by three Delaware limited liability companies, Golub Capital Company IV, LLC, Golub Capital Company V, LLC, and Golub Capital Company VI, LLC (collectively the Capital Companies). In November 2009, the Capital Companies formed GC LLC, into which they contributed 100% of the limited liability company interests of GCMF and from which they received a proportionate number of limited liability company interests in GC LLC. In February 2010, GEMS Fund L.P. (GEMS), a limited partnership affiliated through common management with the Capital Companies, purchased an interest in GC LLC. As a result of the Conversion, the Capital Companies and GEMS received shares of common stock in GBDC.

Subsequent to the Conversion, GCMF became a wholly owned subsidiary of GBDC. GCMF s financial results are consolidated with GBDC, and the portfolio investments held by GCMF are included in the Company s consolidated financial statements. All intercompany balances and transactions have been eliminated. For periods prior to November 19, 2009, the consolidated financial statements only reflect the financial results of GCMF.

On July 16, 2010, the Company completed a $300 million term Debt Securitization (defined in Note 6 to the consolidated audited financial statements). The notes offered in the Debt Securitization were issued by Golub Capital BDC 2010-1 LLC, a newly formed, indirect subsidiary of the Company (the Issuer), and the Class A Notes and Class B Notes are secured by the assets held by the Issuer. The Debt Securitization was executed through a private placement of $174,000 of Aaa/AAA Class A Notes. In partial consideration for the loans transferred to the Issuer as part of the Debt Securitization, Golub Capital BDC 2010-1 Holdings LLC (Holdings), a direct subsidiary of the Company, retained all of the Class B and Subordinated Notes, which totaled $10 and $116 million, respectively, and retained all the membership interests in the Issuer, which Holdings initially purchased for $0.25. Assets related to transactions that do not meet Accounting Standards Codification (ASC) Topic 860 *Transfers and Servicing* requirements for accounting sale treatment are reflected in the consolidated balance sheet of the Company, as investments. Those assets are owned by the Issuer, a special purpose entity that is consolidated in the Company s financial statements, and the creditors of the Issuer have received security interests in such assets and such assets are not intended to be available to the creditors of the Company (or any affiliate of the Company). For further information on the Debt Securitization, see Note 6 to the consolidated audited financial statements.

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 1. Organization (continued)

On August 24, 2010, GC SBIC IV, L.P., a wholly owned subsidiary of the Company, received approval for a license from the United States Small Business Administration (SBA) to operate a Small Business Investment Company (SBIC). As an SBIC, GC SBIC IV L.P. will be subject to a variety of regulations and oversight by the SBA concerning, among other things, the size and nature of companies in which it may invest as well as the structures of those investments.

The license will allow GC SBIC IV, L.P. to obtain leverage by issuing SBA-guaranteed debentures, subject to issuance of a capital commitment by SBA and customary procedures. Debentures are loans issued by an SBIC which have interest payable semi-annually and a ten-year maturity. The interest rate is fixed at the time of issuance at a market-driven spread over U.S. Treasury Notes with ten-year maturities.

The Company applied for exemptive relief from the SEC on July 9, 2010 and filed an amended application on November 12, 2010 and on March 31, 2011 to permit it to exclude the debt of our SBIC subsidiary guaranteed by the SBA from the Company s 200% asset coverage test under the 1940 Act. If the Company receives an exemption for this SBA debt, the Company would have increased flexibility under the 200% asset coverage test.

The Company s investment strategy is to invest in senior secured, unitranche, mezzanine and second lien loans to middle market companies that are, in most cases, sponsored by private equity investors. The Company has entered into an investment advisory agreement (the Investment Advisory Agreement) with GC Advisors LLC (the Investment Adviser), under which the Investment Adviser will manage the day-to-day operations of, and provide investment advisory services to, the Company. Prior to April 14, 2010, Golub Capital Incorporated served as the investment advisor for the Company.

Note 2. Accounting Policies and Recent Accounting Updates

Basis of Presentation:

The accompanying consolidated financial statements of the Company and related financial information have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) and pursuant to the requirements for reporting on Form 10-K and Articles 6 or 10 of Regulation S-X. In the opinion of management, the consolidated financial statements reflect all adjustments and reclassifications that are necessary for the fair presentation of financial results as of and for the periods presented. All intercompany balances and transactions have been eliminated. Certain prior period amounts have been reclassified to conform to the current period presentation.

Accounting Standards Codification:

In June 2009, the Financial Accounting Standards Board, FASB issued *Accounting Standards Codification*™ (the Codification) which is the single source of authoritative GAAP recognized by the FASB to be applied by nongovernmental entities. The Codification does not change GAAP, but combines all authoritative standards into a comprehensive, topically organized online database. One level of authoritative GAAP exists, other than guidance issued by the Securities and Exchange Commission (SEC). All other accounting literature excluded from the Codification is considered non-authoritative. The Codification was made effective by the FASB for periods ending on or after September 15, 2009. These consolidated financial statements reflect the guidance in the Codification.

Fair value of financial instruments:

The Company applies fair value to substantially all of its financial instruments in accordance with ASC Topic 820 *Fair Value Measurements and Disclosures.* ASC Topic 820 defines fair value, establishes a framework used to measure fair value and requires disclosures for fair value measurements. In accordance with ASC Topic 820, the Company has categorized its financial instruments carried at fair value, based on the

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 2. Accounting Policies and Recent Accounting Updates (continued)

priority of the valuation technique, into a three-level fair value hierarchy. Fair value is a market-based measure considered from the perspective of the market participant who holds the financial instrument rather than an entity specific measure. Therefore, when market assumptions are not readily available, the Company s own assumptions are set to reflect those that management believes market participants would use in pricing the financial instrument at the measurement date.

The availability of observable inputs can vary depending on the financial instrument and is affected by a wide variety of factors, including, for example, the type of product, whether the product is new, whether the product is traded on an active exchange or in the secondary market and the current market conditions. To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for financial instruments classified as Level 3.

Any changes to the valuation methodology are reviewed by management to confirm that the changes are justified. As markets change, new products develop and the pricing for products becomes more or less transparent, the Company will continue to refine its valuation methodologies. See Note 5 for disclosures required by ASC Topic 820.

Use of estimates:

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Consolidation:

As permitted under Regulation S-X and the AICPA Audit and Accounting Guide for Investment Companies, the Company will generally not consolidate its investment in a company other than an investment company subsidiary or a controlled operating company whose business consists of providing services to us. Accordingly, the Company consolidated the results of the Company s subsidiaries in its consolidated financial statements.

Segments:

In accordance with ASC Topic 280 *Segment Reporting*, the Company has determined that it has a single reporting segment and operating unit structure.

Cash and cash equivalents:

Cash and cash equivalents are highly liquid investments with an original maturity of three months or less at the date of acquisition. The Company places its cash in financial institutions and, at times, such balances may be in excess of the Federal Deposit Insurance Corporation insurance limits.

Restricted cash and cash equivalents:

Restricted cash and cash equivalents represent amounts that are collected and are held by trustees who have been appointed as custodians of the assets securing certain of the Company s financing transactions. Restricted cash is held by the trustees for payment of interest expense and principal on the outstanding borrowings.

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 2. Accounting Policies and Recent Accounting Updates (continued)

Revenue recognition:

Investments and related investment income: The Company s board of director s (the Board) determines the fair value of its portfolio investments. Interest income is accrued based upon the outstanding principal amount and contractual interest terms of debt investments. Premiums, discounts and origination fees are amortized or accreted into interest income over the life of the respective debt investment. For the years ended September 30, 2010, 2009, and 2008, interest income included $7,654, $5,598 and $315 of such amounts, respectively.

As of September 30, 2010 and September 30, 2009, the Company had interest receivable of $1,956 and $2,198. For the years ended September 30, 2010, 2009, and 2008, the Company earned interest income of $33,150, $33,338, and $20,686. During the years ended September 30, 2010, 2009, and 2008, the Company received interest in cash in the amounts of $33,067, $31,891, and $20,971, respectively.

For investments with contractual payment-in-kind interest (PIK), which represents contractual interest accrued and added to the principal balance that generally becomes due at maturity, the Company will not accrue PIK interest if the portfolio company valuation indicates that the PIK interest is not collectible. For the years ended September 30, 2010, 2009, and 2008, the Company recorded PIK income of $325, $32, and zero, respectively. Investment transactions are accounted for on a trade-date basis. Realized gains or losses on investments are measured by the difference between the net proceeds from the disposition and the cost basis of investment, without regard to unrealized gains or losses previously recognized. The Company reports changes in fair value of investments that are measured at fair value as a component of the net change in unrealized appreciation (depreciation) on investments in the consolidated statement of operations.

Non-accrual loans: Loans may be left on accrual status during the period the Company is pursuing repayment of the loan. Management reviews all loans that become past due 90 days or more on principal and interest or when there is reasonable doubt that principal or interest will not be collected for possible placement on non-accrual status. Accrued interest is generally reversed when a loan is placed on non-accrual. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management s judgment. Non-accrual loans are restored to accrual status when past due principal and interest is paid and, in management s judgment, are likely to remain current. The total fair value of non-accrual loans was $3,095 and $8,376 as of September 30, 2010 and respectively.

Income taxes:

The Company intends to elect to be treated as a RIC under subchapter M of the Code and operates in a manner so as to qualify for the tax treatment applicable to RICs. In order to qualify as a RIC, among other things, the Company is required to meet certain source of income and asset diversification requirements and timely distribute to its stockholders at least 90% of investment company taxable income, as defined by the Code, for each year. The Company, among other things, has made and intends to continue to make the requisite distributions to its stockholders, which will generally relieve the Company from U.S. federal income taxes.

Depending on the level of taxable income earned in a tax year, the Company may choose to carry forward taxable income in excess of current year dividend distributions into the next tax year and pay a 4% excise tax on such income, as required. To the extent that the Company determines that its estimated current year annual taxable income will be in excess of estimated current year dividend distributions, the Company accrues excise tax, if any, on estimated excess taxable income as taxable income is earned. For the years ended September 30, 2010, 2009, and 2008, no amount was recorded for U.S. federal excise tax.

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 2. Accounting Policies and Recent Accounting Updates (continued)

The Company accounts for income taxes in conformity with ASC Topic 740 *Income Taxes*. ASC Topic 740 provides guidelines for how uncertain tax positions should be recognized, measured, presented and disclosed in financial statements. ASC Topic 740 requires the evaluation of tax positions taken in the course of preparing the Company s tax returns to determine whether the tax positions are more-likely-than-not to be sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense in the current year. It is the Company s policy to recognize accrued interest and penalties related to uncertain tax benefits in income tax expense. There were no material uncertain tax positions at September 30, 2010. The 2007 through 2009 tax years remain subject to examination by U.S. federal and most state tax authorities.

Dividends and other Distributions:

Dividends and distributions to common stockholders are recorded on the declaration date. The amount to be paid out as a dividend or other distribution is determined by the Board each quarter and is generally based upon the earnings estimated by management. Net realized capital gains, if any, are distributed at least annually, although the Company may decide to retain such capital gains for investment.

The Company has adopted a dividend reinvestment plan that provides for reinvestment of any distributions the Company declares in cash on behalf of its stockholders, unless a stockholder elects to receive cash. As a result, if the Board authorizes, and the Company declares, a cash dividend, then stockholders who have not opted out of the dividend reinvestment plan will have their cash dividends automatically reinvested in additional shares of the Company s common stock, rather than receiving the cash dividend. The Company may use newly issued shares to implement the plan (especially if the Company s shares are trading at a premium to net asset value), or the Company may purchase shares in the open market in connection with the obligations under the plan. In particular, if the Company s shares are trading at a significant discount to net asset value and the Company is otherwise permitted under applicable law to purchase such shares, the Company intends to purchase shares in the open market in connection with any obligations under its dividend reinvestment plan.

Deferred financing costs:

Deferred financing costs represent fees and other direct incremental costs incurred in connection with the Company s borrowings. As of September 30, 2010 and 2009, the Company had deferred financing costs of $2,748 and zero, respectively, which are included in Other assets on the Consolidated Statements of Financial Condition. These amounts are amortized and included in interest expense in the consolidated statements of operations over the estimated average life of the borrowings. Amortization expense for the years ended September 30, 2010, 2009 and

2008 was $134, $410 and $493, respectively.

Deferred offering costs:

Deferred offering costs consist of fees paid in relation to legal, accounting, regulatory and printing work completed in preparation of the Offering. Deferred offering costs are charged against the proceeds from equity offerings when received.

Earnings and net asset value per share:

For the years ended September 30, 2010, 2009, and 2008, earnings per share calculations are not appropriate as the Company did not have common shares outstanding or an equivalent prior to the Offering on April 14, 2010.

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 2. Accounting Policies and Recent Accounting Updates (continued)

Subsequent events:

In February 2010, the FASB issued Accounting Standards Update (ASU) Topic 855 *Subsequent Events*, which amended its authoritative guidance related to subsequent events to alleviate potential conflicts with current SEC guidance. Effective immediately, these amendments remove the requirement that an SEC filer disclose the date through which it has evaluated subsequent events. The adoption of this guidance did not have a material impact on the Company s consolidated financial statements.

Recent accounting pronouncements:

In January 2010, the FASB issued Accounting Standards Update, or ASU, 2010-06 *Fair Value Measurements and Disclosure Improving Disclosures about Fair Value Measurements*. ASU 2010-06 amends ASC Topic 820 to add new requirements for disclosures about transfers into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances and settlements relating to Level 3 measurements. ASU 2010-06 also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. On January 1, 2010, we adopted ASU 2010-06 and included the required disclosures in Note 5.

Note 3. Related Party Transactions

Investment Advisory and Management Agreement

On April 14, 2010, GBDC entered into the Investment Advisory Agreement with the Investment Adviser, under which the Investment Adviser will manage the day-to-day operations of, and provide investment advisory services to GBDC. The Investment Advisory Agreement was subsequently amended on July 16, 2010. The Investment Adviser is a registered investment adviser with the SEC. The Investment Adviser receives fees for providing services, consisting of two components, a base management fee and an incentive fee.

The base management fee is calculated at an annual rate equal to 1.375% of average adjusted gross assets at the end of the two most recently completed calendar quarters (excluding cash and cash equivalents and including assets purchased with borrowed funds and securitization-related assets) and is payable quarterly in arrears. To the extent that the Investment Adviser or any of its affiliates provides investment advisory, collateral management or other similar services to a subsidiary of the Company, the base management fee shall be reduced by an amount equal to the product of (1) the total fees paid to the Investment Adviser by such subsidiary for such services and (2) the percentage of such subsidiary s total equity, including membership interests and any class of notes not exclusively held by one or more third parties, that is owned, directly or indirectly, by the Company. Prior to the Offering, the base management fee was calculated at an annual rate of 0.75% of the value of the GCMF investments under the terms of GCMF s Sale and Servicing Agreement with Golub Capital Incorporated (the Investment Manager).

The Company has structured the calculation of the incentive fee to include a fee limitation such that an incentive fee for any quarter can only be paid to the Investment Adviser if, after such payment, the cumulative incentive fees paid to the Investment Adviser since the effective date of the Company s election to become a BDC would be less than or equal to 20.0% of the Company s Cumulative Pre-Incentive Fee Net Income (as defined below).

The Company accomplishes this limitation by subjecting each quarterly incentive fee payable on the Income and Capital Gains Incentive Fee Calculation (as defined below) to a cap (the Incentive Fee Cap). The Incentive Fee Cap in any quarter is the difference between (a) 20.0% of Cumulative Pre-Incentive Fee Net Income and (b) cumulative incentive fees of any kind paid to the Investment Adviser by GBDC since the effective date of its election to become a BDC. To the extent the Incentive Fee Cap is zero or a negative value in any quarter, no incentive fee would be payable in that quarter. Cumulative Pre-Incentive Fee Net Income is

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 3. Related Party Transactions (continued)

equal to the sum of (a) Pre-Incentive Fee Net Investment Income for each period since the effective date of the Company s election to become a BDC and (b) cumulative aggregate realized capital gains, cumulative aggregate realized capital losses, cumulative aggregate unrealized capital depreciation and cumulative aggregate unrealized capital appreciation since the effective date of the Company s election to become a BDC.

Pre-Incentive Fee Net Investment Income means interest income, dividend income and any other income (including any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that the Company receives from portfolio companies but excluding fees for providing managerial assistance) accrued during the calendar quarter, minus operating expenses for the calendar quarter (including the base management fee, taxes, any expenses payable under the Investment Advisory Agreement and the Administration Agreement, as defined below, any expenses of securitizations and any interest expense and dividends paid on any outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature such as market discount, debt instruments with PIK interest, preferred stock with PIK dividends and zero coupon securities, accrued income that the Company has not yet received in cash.

Incentive fees are calculated and payable quarterly in arrears (or, upon termination of the Investment Advisory Agreement, as of the termination date) (a Performance Period). The Investment Adviser is not under any obligation to reimburse the Company for any part of the incentive fee it received that was based on accrued interest that is never actually received.

The income and capital gains incentive fee calculation (the Income and Capital Gain Incentive Fee Calculation) has two parts, the income component and the capital gains component. The income component is calculated quarterly in arrears based on the Company s Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter.

Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Because of the structure of the income component, it is possible that an incentive fee may be calculated under this formula with respect to a period in which the Company has incurred a loss. For example, if the Company receives Pre-Incentive Fee Net Investment Income in excess of the hurdle rate (as defined below) for a calendar quarter, the income component will result in a positive value and an incentive fee will be paid unless the payment of such incentive fee would cause the Company to pay incentive fees on a cumulative basis that exceed 20.0% of Cumulative Pre-Incentive Fee Net Investment Income. Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of the Company s net assets (defined as total assets less indebtedness and before taking into account any incentive fees payable during the period) at the end of the immediately preceding calendar quarter, is compared to a fixed hurdle rate of 2.0% quarterly. If market interest rates rise, GBDC may be able to invest funds in debt instruments that provide for a higher return, which would increase Pre-Incentive Fee Net Investment Income and make it easier for the Investment Adviser to surpass the fixed hurdle rate and receive an incentive fee based on such net investment income. Our Pre-Incentive Fee Net Investment Income used to calculate this part of the incentive fee is also included in the amount of our total assets (other than cash and cash equivalents but including assets purchased with borrowed funds and securitization-related assets) used to calculate the 1.375% base management fee annual rate. The Company calculates the income component of the Income and Capital Gain Incentive Fee Calculation with respect to our Pre-Incentive Fee Net Investment Income quarterly, in arrears, as follows:

Zero in any calendar quarter in which the Pre-Incentive Fee Net Investment Income does not exceed the hurdle rate;
100% of the Company s Pre-Incentive Fee Net Investment Income with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, that exceeds the hurdle rate but is less than 2.5% in any calendar quarter. This portion of the Company s Pre-Incentive Fee Net Investment
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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 3. Related Party Transactions (continued)

Income (which exceeds the hurdle rate but is less than 2.5%) is referred to as the catch-up provision. The catch-up is meant to provide the Investment Adviser with 20.0% of the Pre-Incentive Fee Net Investment Income as if a hurdle rate did not apply if this net investment income exceeds 2.5% in any calendar quarter; and
20.0% of the amount of the Company s Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.5% in any calendar quarter.

The sum of these calculations yields the Income Incentive Fee. This amount is appropriately adjusted for any share issuances or repurchases during the quarter. For the year ended September 30, 2010, the Income Incentive Fee was $55. There was no incentive fee calculation for the years ended September 30, 2009 and 2008.

The second part of the Incentive Fee Calculation (the Capital Gain Incentive Fee) equals (a) 20.0% of the Company s Capital Gain Incentive Fee Base, if any, calculated in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), commencing with the calendar year ending December 31, 2010, less (b) the aggregate amount of any previously paid Capital Gain Incentive Fees. The Company s Capital Gain Incentive Fee Base equals the sum of (1) realized capital gains, if any, on a cumulative positive basis from the date the Company elected to become a BDC through the end of each calendar year, (2) all realized capital losses on a cumulative basis and (3) all unrealized capital depreciation on a cumulative basis.

The cumulative aggregate realized capital losses are calculated as the sum of the amounts by which (a) the net sales price of each investment in the Company s portfolio when sold is less than (b) the accreted or amortized cost base of such investment.

The cumulative aggregate realized capital gains are calculated as the sum of the differences, if positive, between (a) the net sales price of each investment in the Company s portfolio when sold and (b) the accreted or amortized cost basis of such investment.

The aggregate unrealized capital depreciation is calculated as the sum of the differences, if negative, between (a) the valuation of each investment in the Company s portfolio as of the applicable Capital Gain Incentive Fee calculation date and (b) the accreted or amortized cost basis of such investment.

The sum of the Income Incentive Fee and the Capital Gain Incentive Fee will be the Incentive Fee.

The Company will accrue the Capital Gain Incentive Fee if, on a cumulative basis, the sum of net realized gains/ (losses) plus net unrealized appreciation/ (depreciation) is positive. The Capital Gain Incentive Fee is calculated on a cumulative basis from the date the Company elected to become a BDC through the end of each calendar year.

The Incentive Fee will not be paid at any time if, after such payment, the cumulative Incentive Fees paid to date would be greater than 20.0% of the Company s cumulative Pre-Incentive Fee Net Income since the election to be treated as a BDC. Such amount, less any Incentive Fees previously paid, is referred to as the Incentive Fee Cap. If, for any relevant period, the Incentive Fee Cap calculation results in our paying less than the amount of the Incentive Fee calculated above, then the difference between the Incentive Fee and the Incentive Fee Cap will not be paid by GBDC, and will not be received by the Investment Adviser as an Incentive Fee either at the end of such relevant period or at the end of any future period.

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 3. Related Party Transactions (continued)

Administration Agreement

GBDC has also entered into an administration agreement (the Administration Agreement) with GC Service Company, LLC (the Administrator). Under the Administration Agreement, the Administrator furnishes GBDC with office facilities and equipment, provides it clerical, bookkeeping and record keeping services at such facilities and provides GBDC with other administrative services as the Administrator subject to review by the Board, determines necessary to conduct GBDC s day-to-day operations. GBDC reimburses the Administrator the allocable portion (subject to the review and approval of the Board) of overhead and other expenses incurred by it in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions, and GBDC s allocable portion of the cost of its chief financial officer and chief compliance officer and their respective staffs. Under the Administration Agreement, the Administrator will also provide managerial assistance to those portfolio companies to which GBDC is required to provide such assistance and will be paid an additional amount based on the services provided, not to exceed the amount GBDC receives from such portfolio companies.

Other Related Party Transactions

Prior to the Offering, the Investment Manager paid for certain expenses on behalf of GCMF, all of which were subsequently reimbursed directly with cash or through a member s equity contribution. Subsequent to the Offering, the Investment Advisor, an affiliate of the Investment Manager, pays for certain third-party expenses incurred by the Company. Such expenses include, but are not limited to, postage, printing, office supplies, and rating agency fees. These expenses are not marked-up and represent the same amount the Company would have paid had the Company paid the expense directly. Total expenses paid on behalf of the Company by the Investment Advisor or Investment Manager for the years ended September 30, 2010, 2009, and 2008 were $883, $325, and $290, respectively.

Total expenses reimbursed to the Investment Manager and the Investment Advisor, as applicable, for the years ended September 30, 2010, 2009, and 2008 were $639, $344 and $258, respectively. Of these amounts, for the years ended September 30, 2010, 2009, and 2008, $225, $344 and $258 were reimbursed via a members equity contribution, respectively.

As of September 30, 2010 and 2009, included in accounts payable and accrued expenses is $116 and $13 for accrued expenses paid on behalf of the Company by the Investment Manager or the Investment Adviser, as applicable. As of September 30, 2009, also included in accounts payable and accrued expenses is a $672 payable to an affiliated entity for cash received from an investment owned by the affiliate.

On December 23, 2009, GC LLC s wholly owned subsidiary and predecessor, GCMF, agreed to distribute six portfolio assets to GC LLC. GC LLC then distributed these portfolio assets to Golub Capital Company IV, LLC, Golub Capital

Company V, LLC, and Golub Capital VI, LLC (the Capital Companies) pro rata in accordance with the ownership interest in GC LLC held by each of the Capital Companies. The Capital Companies made an aggregate cash contribution of $21.3 million to GC LLC, which GC LLC subsequently contributed to GCMF. Under the terms of GC LLC s terminated credit facility, GC LLC was required to complete the distribution of these assets based on their par value, and the $21,300 aggregate cash contribution by the Capital Companies represented the par value of the distributed assets. At the time of the transfer, the aggregate fair value of such distributed assets was $13,500.

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 4. Investments

Investments and cash and cash equivalents consisted of the following:

	September 30, 2010			September 30, 2009		
	Par	Cost	Fair Value	Par	Cost	Fair Value
Senior Secured	$235,826	$228,308	$227,048	$268,608	$255,641	$248,480
Unitranche	91,931	90,309	90,369	123,110	121,070	117,357
Second lien	11,396	11,192	11,380	10,920	10,582	10,457
Subordinated Debt	13,436	13,091	13,436			
Equity	N/A	2,636	2,636			
Cash and cash equivalents	N/A	61,219	61,219			
Restricted cash and cash equivalents	N/A	31,771	31,771		30,614	30,614
Total	$352,589	$438,526	$437,859	$402,638	$417,907	$406,908

The Company invests in portfolio companies located in the United States and in Canada. The following tables show the portfolio composition by geographic region at cost and fair value as a percentage of total investments. The geographic composition is determined by the location of the corporate headquarters of the portfolio company, which may not be indicative of the primary source of the portfolio company s business.

	September 30, 2010			September 30, 2009		
Cost:						
United States						
Mid-Atlantic	$ 84,182	24.3	%	$ 94,137	24.3	%
Midwest	91,473	26.5		88,837	22.9	
West	66,670	19.3		53,196	13.7	
Southeast	63,180	18.3		91,391	23.6	
Southwest	24,551	7.1		31,622	8.2	
Northeast	9,685	2.8		22,359	5.8	
Canada	5,795	1.7		5,751	1.5	
Total	$ 345,536	100.0	%	$ 387,293	100.0	%
Fair Value:						
United States						
Mid-Atlantic	$ 85,412	24.7	%	$ 93,878	24.9	%
Midwest	89,516	26.0		84,314	22.4	
West	66,870	19.4		49,732	13.2	
Southeast	63,982	18.6		91,225	24.3	

Southwest	23,810	6.9		30,047	8.0	
Northeast	9,333	2.7		21,175	5.6	
Canada	5,946	1.7		5,923	1.6	
Total	$ 344,869	100.0	%	$ 376,294	100.0	%

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 4. Investments (continued)

The Company s investments primarily consist of senior secured corporate loans. The industry compositions of the portfolio at fair value were as follows:

	September 30, 2010			September 30, 2009		
Cost:						
Aerospace and Defense	$1,902	0.6	%	$2,122	0.5	%
Automobile	11,569	3.3		12,556	3.2	
Banking	3,346	1.0		4,146	1.1	
Beverage, Food and Tobacco	8,641	2.5		13,870	3.6	
Buildings and Real Estate	34,854	10.1		32,203	8.3	
Cargo Transport	7,330	2.1		19,588	5.1	
Chemicals, Plastics and Rubber	3,682	1.0		5,309	1.4	
Containers, Packaging and Glass	8,533	2.5		6,036	1.6	
Diversified Conglomerate Manufacturing	17,058	4.9		17,780	4.6	
Diversified Conglomerate Service	33,739	9.8		33,854	8.7	
Diversified Natural Resources, Precious Metals and Minerals	8,082	2.3		10,063	2.6	
Electronics	14,380	4.2		12,334	3.2	
Farming and Agriculture				16,013	4.1	
Finance	26,894	7.8		33,648	8.7	
Grocery	1,097	0.3		1,102	0.3	
Healthcare, Education and Childcare	62,897	18.2		53,595	13.8	
Home and Office Furnishings, Housewares, and Durable Consumer	7,456	2.2		9,376	2.4	
Leisure, Amusement, Motion Pictures and Entertainment	22,698	6.6		15,553	4.0	
Machinery (Non-Agriculture, Construction or Electric)				11,176	2.9	
Oil and Gas	3,576	1.0		14,863	3.8	
Personal and Non-Durable Consumer Products	14,781	4.2		4,157	1.1	
Personal Food and Miscellaneous Services	7,230	2.1		8,570	2.2	
Printing and Publishing	3,349	1.0		3,634	0.9	
Retail Stores	28,174	8.2		19,226	5.0	
Telecommunications	4,244	1.2		6,860	1.8	
Textiles and Leather	4,602	1.3		7,033	1.8	
Utilities	5,422	1.6		12,626	3.3	

Total	$345,536	100.00%	$387,293	100.0 %

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 4. Investments (continued)

	September 30, 2010		September 30, 2009	
Fair Value:				
Aerospace and Defense	$1,856	0.5 %	$2,038	0.5 %
Automobile	11,490	3.3	11,714	3.1
Banking	3,321	1.0	4,005	1.1
Beverage, Food and Tobacco	8,737	2.5	14,107	3.7
Buildings and Real Estate	32,233	9.3	31,441	8.4
Cargo Transport	7,538	2.2	19,237	5.1
Chemicals, Plastics and Rubber	3,851	1.1	3,749	1.0
Containers, Packaging and Glass	8,865	2.6	6,224	1.7
Diversified Conglomerate Manufacturing	16,594	4.8	16,662	4.4
Diversified Conglomerate Service	34,263	9.9	31,048	8.3
Diversified Natural Resources, Precious Metals and Minerals	8,063	2.3	9,610	2.6
Electronics	14,703	4.3	12,351	3.3
Farming and Agriculture			16,010	4.3
Finance	27,049	7.8	34,226	9.0
Grocery	1,195	0.3	1,248	0.3
Healthcare, Education and Childcare	61,244	17.8	53,025	14.0
Home and Office Furnishings, Housewares, and Durable Consumer	7,456	2.2	8,919	2.4
Leisure, Amusement, Motion Pictures and Entertainment	23,313	6.8	15,697	4.2
Machinery (Non-Agriculture, Construction or Electric)			10,773	2.9
Oil and Gas	3,629	1.1	12,176	3.2
Personal and Non-Durable Consumer Products	15,092	4.4	4,082	1.1
Personal Food and Miscellaneous Services	7,605	2.2	8,778	2.3
Printing and Publishing	3,463	1.0	3,688	1.0
Retail Stores	28,455	8.3	18,352	4.8
Telecommunications	4,224	1.2	6,623	1.8
Textiles and Leather	4,699	1.4	7,359	2.0
Utilities	5,931	1.7	13,152	3.5
Total	$344,869	100.0 %	$376,294	100.0 %

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 5. Fair Value Measurements

The Company follows ASC Topic 820 for measuring the fair value of portfolio investments. Fair value is the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, fair value is based on observable market prices or parameters, or derived from such prices or parameters. Where observable prices or inputs are not available, valuation models are applied. These valuation models involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the instruments or market and the instruments complexity. The Company s fair value analysis includes an analysis of the value of any unfunded loan commitments. Financial investments recorded at fair value in the consolidated financial statements are categorized for disclosure purposes based upon the level of judgment associated with the inputs used to measure their value. The valuation hierarchical levels are based upon the transparency of the inputs to the valuation of the investment as of the measurement date. The three levels are defined as follows:

Level 1: Inputs are unadjusted, quoted prices in active markets for identical financial instruments at the measurement date.

Level 2: Inputs include quoted prices for similar financial instruments in active markets and inputs that are observable for the financial instruments, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Inputs include significant unobservable inputs for the financial instruments and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value are based upon the best information available and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the financial instrument. The following section describes the valuation techniques used by the Company to measure different financial instruments at fair value and includes the level within the fair value hierarchy in which the financial instrument is categorized.

With the exception of money market funds held at large financial institutions (Level 1 investment) and commercial paper debt securities (Level 2 investment), all of the financial instruments that are recorded at fair value as of and during the periods ended September 30, 2010 and 2009 were valued using Level 3 inputs of the fair value hierarchy. Level 1 assets are valued using quoted market prices. Level 2 assets are valued using market consensus prices that are corroborated by observable market data and quoted market prices for similar instruments. Financial instruments that are recorded at Level 3 of the valuation hierarchy are the Company s debt and equity investments. Level 3 assets are valued at fair value as determined in good faith by the Board, based on input of management, the audit committee and independent valuation firms that have been engaged at the direction of the Board to assist in the valuation of each portfolio investment without a readily available market quotation at least once during a trailing 12 month period, and under a valuation policy and a consistently applied valuation process. This valuation process is conducted at the end of each fiscal quarter, with approximately 25% (based on fair value) of the Company s valuation of portfolio companies without readily available market quotations subject to review by an independent valuation firm.

When valuing Level 3 debt and equity investments, the Company may take into account the following type of factors, where relevant, in determining the fair value of the investments: the enterprise value of a portfolio company, the nature and realizable valuable of any collateral, the portfolio company s ability to make payments and its earnings, discounted cash flows, the markets in which the portfolio company does business, comparison to publicly traded securities, changes in the interest rate environment and the credit markets that generally may affect the price at which similar investments may be made and other relevant factors. In

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 5. Fair Value Measurements (continued)

addition, for certain debt and equity investments, the Company may base its valuation on indicative bid and ask prices provided by an independent third party pricing service. Bid prices reflect the highest price that the Company and others may be willing to pay. Ask prices represent the lowest price that the Company and others may be willing to accept for an investment. The Company generally uses the midpoint of the bid/ask as the best estimate of fair value.

ASC Topic 820 requires disclosure of the fair value of financial instruments for which it is practical to estimate the value. As a result, with the exception of the line item entitled debt which is reported at cost, all assets and liabilities approximate fair value on the balance sheet due to their short maturity.

Due to the inherent uncertainty of determining the fair value of Level 3 investments that do not have a readily available market value, the fair value of the investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that may ultimately be received or settled. Further, such investments are generally subject to legal and other restrictions or otherwise are less liquid than publicly traded instruments. If the Company were required to liquidate a portfolio investment in a forced or liquidation sale, the Company may realize significantly less than the value at which such investment had previously been recorded.

The Company s investments are subject to market risk. Market risk is the potential for changes in the value of investments due to market changes. Market risk is directly impacted by the volatility and liquidity in the markets in which the investments are traded.

In accordance with ASC Topic 820, the following table presents information about the Company s investments measured at fair value on a recurring basis, and indicates the fair value hierarchy of the valuation techniques utilized by the Company to determine such fair value:

As of September 30, 2010:	Fair Value Measurements Using			
Description	Level 1	Level 2	Level 3	Total
Assets:				
Debt investments	$	$	$ 342,233	$ 342,233
Equity investments			2,636	2,636
Commercial paper debt securities[(1)]		86,235		86,235
Money market funds[(1)]	512			512

As of September 30, 2009:	Fair Value Measurements Using			
Description	Level 1	Level 2	Level 3	Total

Assets:				
Debt investments	$	$	$ 376,294	$ 376,294
Money market funds[1]	25,475			25,475

(1) Included in cash and cash equivalents and restricted cash and cash equivalents on the consolidated statements of financial condition.

The net change in unrealized appreciation/(depreciation) for the year reported within the net change in unrealized appreciation on investments in the Company s consolidated statements of operation attributable to our Level 3 assets held as of September 30, 2010 was $2,921.

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 5. Fair Value Measurements (continued)

The following table presents the changes in investments measured at fair value using Level 3 inputs:

	Year ended September 30, 2010		
	Debt Investments	Equity Investments	Total
Fair value, beginning of period	$376,294	$	$376,294
Net change in unrealized appreciation on investments	2,921		2,921
Realized loss on investments	(40)		(40)
Proceeds from revolving loans, net	(4,208)		(4,208)
Fundings of portfolio investments	141,462	2,636	144,098
Proceeds from principal payments and sales of portfolio investments	(181,850)		(181,850)
Amortization of discount and premium	7,654		7,654
Fair value, end of period	$342,233	$ 2,636	$344,869

	Year ended September 30, 2009		
	Debt Investments	Equity Investments	Total
Fair value, beginning of period	$135,476	$	$135,476
Net change in unrealized depreciation on investments	(1,489)		(1,489)
Realized loss on investments	(3,972)		(3,972)
Proceeds from revolving loans, net	(39,018)		(39,018)
Fundings of portfolio investments	383,713		383,713
Proceeds from principal payments and sales of portfolio investments	(104,014)		(104,014)
Amortization of discount and premium	5,598		5,598
Fair value, end of period	$376,294	$	$376,294

The following are the carrying value and fair values of the Company s debt liabilities as of September 30, 2010 and 2009. Fair value is estimated by discounting remaining payments using applicable market rates.

	As of September 30, 2010	As of September 30, 2009

	Carrying Value	Fair Value	Carrying Value	Fair Value
Debt	$ 174,000	$ 174,000	$ 315,306	$ 315,306

Note 6. Borrowings

In accordance with the 1940 Act, with certain limited exceptions, we are only allowed to borrow amounts such that our asset coverage, as defined in the 1940 Act, is at least 200% after such borrowing. As of September 30, 2010 our asset coverage for borrowed amounts was 243.0%

Debt Securitization

On July 16, 2010, the Company completed a $300,000 term debt securitization (Debt Securitization). The notes offered in the Debt Securitization (the Notes) were issued by the Issuer, and the Class A Notes and Class B Notes are secured by the assets held by the Issuer. The Debt Securitization was executed through a private placement of $174,000 of Aaa/AAA Class A Notes which bear interest at three-month London Inter

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 6. Borrowings (continued)

Bank Offered Rate LIBOR, plus 2.40%. The $10,000 face amount of Class B Notes bear interest at a rate of three-month LIBOR plus 2.40%, and the $116,000 face amount of Subordinated Notes do not bear interest. The Class A Notes are included in the September 30, 2010 consolidated balance sheet. In partial consideration for the loans transferred to the Issuer as part of the Debt Securitization, Holdings retained all of the Class B and Subordinated Notes, which totaled $10,000 and $116,000, respectively, and retained all of the membership interests in the Issuer, which Holdings initially purchased for $0.25.

During a period of up to three years from the closing date (which may be extended for two additional years, upon satisfaction of certain conditions), all principal collections received on the underlying collateral may be used by the Issuer to purchase new collateral under the direction of the Investment Adviser in its capacity as collateral manager of the Issuer and in accordance with the Company s investment strategy, allowing the Company to maintain the initial leverage in the securitization for such three-year period. The Notes are scheduled to mature on July 20, 2021.

The proceeds of the private placement of the Notes, net of expenses, were used to repay and terminate the Company s prior credit facility, which was a $300,000 credit facility entered into on July 27, 2007. As part of the Debt Securitization, the Company entered into a master loan sale agreement with Holdings and the Issuer under which the Company agreed to sell or contribute certain senior secured and second lien loans (or participation interests therein) to Holdings, and Holdings agreed to sell or contribute such loans (or participation interests therein) to the Issuer and to purchase or otherwise acquire Subordinated Notes issued by the Issuer. The Notes are the secured obligations of the Issuer, and an indenture governing the Notes includes customary covenants and events of default.

The Investment Adviser will serve as collateral manager to the Issuer under a collateral management agreement and will receive a fee for providing these services. As a result, the Company has amended and restated its Investment Advisory Agreement to provide that the base management fee payable under such agreement is reduced by an amount equal to the total fees that are paid to the Investment Advisor by the Issuer for rendering such collateral management services.

As of September 30, 2010, there were 77 portfolio companies with a total fair value of $272,836 securing the notes. The pool of loans in the Debt Securitization must meet certain requirements, including, but not limited to, asset mix and concentration, collateral coverage, term, agency rating, minimum coupon, minimum spread and sector diversity requirements.

The interest charged under the Debt Securitization is based on 3-month LIBOR which as of September 30, 2010 was 0.3%. For the period from July 16, 2010 to September 30, 2010, the effective average interest rate was 3.1%, interest expense was $1,167, and the cash paid for interest was $0. The interest and other credit facility expenses on the terminated facility for the year ended September 30, 2010, 2009, and 2008 was $2,224, $4,547, and $8,599. The average interest rate on the terminated facility for the years ended September 30, 2010, 2009, and 2008 was 1.3%, 1.5%, and 4.5%, respectively.

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 6. Borrowings (continued)

The total average debt outstanding for the years ended September 30, 2010, 2009, and 2008 was $213,793, $305,440, and $191,225, respectively. The average cost of borrowings for the years ended September 30, 2010, 2009, and 2008 was 1.7%, 1.5%, and 4.5%, respectively.

The classes, amounts, ratings and interest rates (expressed as a spread to LIBOR) of the Class A Notes are as follows:

Description	Class A Notes
Type	Senior Secured Floating Rate
Amount Outstanding	174,000
Moody s Rating	Aaa
S&P Rating	AAA
Interest Rate	LIBOR + 2.40%
Stated Maturity	July 20, 2021

Note 7. Federal Income Tax Matters

The Company intends to elect to be treated as a RIC under Subchapter M of the Code, and to distribute substantially all of its respective net taxable income. Accordingly, no provision for federal income tax has been made in the financial statements. The Company has unused capital loss carryovers which may be used to offset future net realized capital gains summarized as follows:

	As of September 30, 2010	
	Amount	Year of Expiration
Unused capital loss carryovers	$ 40	2018

Taxable income differs from net increase (decrease) in net assets resulting from operations primarily due to unrealized appreciation (depreciation) on investments as investment gains and losses are not included in taxable income until they are realized. Permanent differences between book and tax basis reporting for the 2010 fiscal year have been identified and appropriately reclassified as follows. These reclassifications have no impact on net assets:

	As of September 30, 2010
Paid in capital	$ (1,122)

Accumulated net realized loss	$
Accumulated capital distribution in excess of net investment income	$ 1,122

The following reconciles net increase in net assets resulting from operations to taxable income:

	Year ended September 30, 2010
Net increase in net assets resulting from operations	$ 26,248
Net increase in net assets resulting from operations for period October 1, 2009 to April 13, 2010(2)	(15,673)
Net realized loss on investments not taxable	40
Net unrealized appreciation on investments	(1,995)
Taxable income before deductions for distributions	$ 8,620

(2) The period prior to the effective date of the Company s election to become a BDC

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 7. Federal Income Tax Matters (continued)

The tax character of distributions paid during the 2010 fiscal year was as follows:

	As of September 30, 2010 Amount
Ordinary income	$ 8,620
Long-term capital gains	$
Return of capital	$ 1,122

As of September 30, 2010 the components of distributable earnings on a tax basis were as follows:

	As of September 30, 2010 Amount
Capital loss carryforward	$ (40)
Undistributed ordinary income	
Undistributed long-term gain	
Unrealized appreciation/(depreciation)	1,995
Total	$ 1,955

Note 8. Commitments and Contingencies

Commitments: The Company had outstanding commitments to fund investments totaling approximately $26,622 and $18,642 under various undrawn revolvers and other credit facilities as of September 30, 2010 and 2009, respectively.

Indemnifications: In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties that provide general indemnifications. The Company s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not occurred. The Company expects the risk of any future obligation under these indemnifications to be remote.

Legal proceedings: In the normal course of business, the Company may be subject to legal and regulatory proceedings that are generally incidental to its ongoing operations. While there can be no assurance of the ultimate disposition of such proceedings, the Company does not believe their disposition will have a material adverse effect on the Company s consolidated financial statements.

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 9. Financial Highlights

The financial highlights for the Company are as follows:

Per share data[1]:	Period from April 1, 2010 through September 30, 2010	Year ended September 30, 2010	2009	2008	2007
Net asset value at beginning of period	$15.77	$N/A [3]	$N/A [3]	$N/A [3]	$N/A [3]
Issuance of common stock	(1.06)	N/A [3]	N/A [3]	N/A [3]	N/A [3]
Distributions declared	(0.55)	N/A [3]	N/A [3]	N/A [3]	N/A [3]
Offering costs	(0.09)	N/A [3]	N/A [3]	N/A [3]	N/A [3]
Net investment income	0.54	N/A [3]	N/A [3]	N/A [3]	N/A [3]
Unrealized appreciation (depreciation) on investments	0.10	N/A [3]	N/A [3]	N/A [3]	N/A [3]
Realized gain (loss) on investments		N/A [3]	N/A [3]	N/A [3]	N/A [3]
Net asset value at ending of period	$14.71	$14.71	$N/A [3]	$N/A [3]	$N/A [3]
Per share market value at end of period	$15.30	$15.30	$N/A [3]	$N/A [3]	$N/A [3]
Total return based on market value[4][2]	9.31 %	N/A [3]	N/A [3]	N/A [3]	N/A [3]
Total return based on average net asset value/member s equity[2]	4.32 %	14.33 %	29.57 %	(9.82)%	2.04 %
Shares outstanding at end of period	17,712,444	17,712,444	N/A [3]	N/A [3]	N/A [3]
Ratios to average net assets:					
Expenses without incentive fees[5]	4.28 %	5.31 %	11.61 %	30.59 %	43.64 %
Incentive fees[5]	0.04 %	0.03 %	N/A	N/A	N/A
Total expenses[5]	4.32 %	5.34 %	11.61 %	30.59 %	43.64 %
Net investment income without incentive fees[5]	7.25 %	12.79 %	37.64 %	28.87 %	21.57 %

(1) Based on actual number of shares outstanding at the end of the corresponding period or the weighted average shares outstanding for the period, unless otherwise noted, as appropriate.

(2) Interim periods are not annualized.

(3) Per share data are not provided as the Company did not have shares of common stock outstanding or an equivalent prior to the Offering on April 1, 2010.

(4) Based on time period from April 14, 2010 (date of stock issuance) through September 30, 2010. Calculation is ending market value less beginning market value, adjusting for distributions.

(5) Annualized for interim periods.

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (In thousands, except shares and per share data)

Note 10. Dividends and other Distributions

The Company s dividends and other distributions are recorded on the record date. The Company did not pay dividends or other distributions during 2009 or 2008. The following summarizes the Company s dividend declaration and distribution during the year ended September 30, 2010.

Date Declared	Record Date	Payment Date	Amount Per Share	Total Amount
May 13, 2010	June 22, 2010	June 29, 2010	$ 0.24	$ 4,251
August 5, 2010	September 10, 2010	September 30, 2010	0.31	5,491

Note 11. Subsequent Events

Distributions: On December 8, 2010, the Company s Board declared a quarterly distribution of $0.31 per share payable on December 30, 2010 to holders of record as of December 20, 2010.

On October 8, 2010, GC SBIC IV, L.P. received a $22,000 debt commitment from the SBA. The commitment may be drawn upon subject to customary SBA procedures. Through December 10, 2010, GC SBIC IV, L.P. had drawn $10,000 of the commitment.

Note 12. Selected Quarterly Financial Data (Unaudited)

	September 30, 2010	June 30, 2010(1)	March 31, 2010	December 31, 2009
Total investment income	$ 7,431	$ 7,230	$ 7,645	$ 10,843
Net investment income	4,351	4,815	5,018	9,182
Net realized and unrealized gain (loss)	1,896	(100)	1,925	(840)
Net increase (decrease) in members equity/net assets resulting from operations	6,247	4,715	6,943	8,342
Earnings per share	0.35	0.29	N/A	N/A
Net asset value per common share at period end	$ 14.71	$ 14.67	N/A	N/A

	September 30, 2009	June 30, 2009	March 31, 2009	December 31, 2008

Total investment income	$ 9,524	$ 9,482	$ 8,993	$ 5,339
Net investment income	7,789	7,337	6,792	3,561
Net realized and unrealized (loss) gain	(208)	2,016	(2,559)	(4,711)
Net increase (decrease) in members equity/net assets resulting from operations	7,581	9,353	4,233	(1,150)
Earnings per share	N/A	N/A	N/A	N/A
Net asset value per common share at period end	N/A	N/A	N/A	N/A

(1) The earnings per share and weighted average shares outstanding calculations for the three months ended June 30, 2010, are based on the assumption that the number of shares issued immediately prior to the Conversion on April 14, 2010 (8,984,863 shares of common stock) had been issued on April 1, 2010, at the beginning of the three month period.

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$500,000,000

GOLUB CAPITAL BDC, INC.

Common Stock

Preferred Stock

Warrants

Subscription Rights

Debt Securities

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GOLUB CAPITAL BDC, INC.
PART C
Other Information

Item 25. Financial Statements and Exhibits

(1) Financial Statements

The following financial statements of Golub Capital BDC, Inc. (the Company or the Registrant) are included in Part A of this Registration Statement.

GOLUB CAPITAL BDC, INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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(2) Exhibits

(a)(1)	Form of Certificate of Incorporation (Incorporated by reference to Exhibit (a)(2) to the Registrant s Pre-effective Amendment No. 3 to the Registration Statement on Form N-2, filed on March 24, 2010).
(b)(1)	Form of Bylaws (Incorporated by reference to Exhibit (b)(2) to the Registrant s Pre-effective Amendment No. 3 to the Registration Statement on Form N-2, filed on March 24, 2010).
(c)	Not applicable.
(d)(1)	Form of Stock Certificate (Incorporated by reference to Exhibit (d) to the Registrant s Pre-effective Amendment No. 3 to the Registration Statement on Form N-2, filed on March 24, 2010).
(d)(2)	Form of Subscription Certificate
(d)(3)	Form of Indenture
(d)(4)	Form of Subscription Agent Agreement
(d)(5)	Form of Warrant Agreement
(e)	Amended and Restated Dividend Reinvestment Plan (Incorporated by reference to Exhibit 10.1 to the Registrant s Current Report on Form 8-K, filed on May 5, 2011).
(f)	Not applicable.
(g)	Amended and Restated Investment Advisory Agreement between Registrant and GC Advisors LLC (Incorporated by reference to Exhibit 10.5 to the Registrant s Current Report on Form 8-K, filed on July 16, 2010).
(h)(1)	Form of Underwriting Agreement for equity securities.
(h)(2)	Form of Underwriting Agreement for debt securities.
(i)	Not applicable.
(j)	Form of Custody Agreement (Incorporated by reference to Exhibit (j) to the Registrant s Pre-effective Amendment No. 5 to the Registration Statement on Form N-2, filed on April 12, 2010).
(k)(1)	Certificate of Appointment of Transfer Agent (Incorporated by reference to Exhibit (k)(1) to the Registrant s Pre-effective Amendment No. 3 to the Registration Statement on Form N-2, filed on March 24, 2010).
(k)(2)	Form of Administration Agreement between Registrant and GC Service Company LLC (Incorporated by reference to Exhibit (k)(2) to the Registrant s Pre-effective Amendment No. 3 to the Registration Statement on Form N-2, filed on March 24, 2010).
(k)(3)	Form of Trademark License Agreement between the Registrant and Golub Capital Management LLC (Incorporated by reference to Exhibit (k)(3) to the Registrant s Pre-effective Amendment No. 3 to the Registration Statement on Form N-2, filed on March 24, 2010).
(k)(4)	Purchase Agreement, dated July 16, 2010, by and among the Registrant, Golub Capital BDC 2010-1 Holdings LLC, Golub Capital BDC 2010-1 LLC and Wells Fargo Securities, LLC (Incorporated by reference to Exhibit 10.1 to Registrant s Report on Form 8-K, filed on July 16, 2010).
(k)(5)	Master Loan Sale Agreement, dated July 16, 2010, by and between the Registrant, Golub Capital BDC 2010-1 LLC and Golub Capital BDC 2010-1 Holdings LLC (Incorporated by reference to Exhibit 10.2 to Registrant s Report on Form 8-K, filed on July 16, 2010).
(k)(6)	Indenture, dated July 16, 2010, by and between Golub Capital BDC 2010-1 LLC and U.S. Bank, National Association (Incorporated by reference to Exhibit 10.3 to Registrant s Current Report on Form 8-K, filed on July 16, 2010).

(k)(7)	Collateral Management Agreement, dated July 16, 2010, by and between Golub Capital BDC 2010-1 LLC and GC Advisors LLC (Incorporated by reference to Exhibit 10.4 to Registrant s Current Report on Form 8-K, filed on July 16, 2010).

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(l)	Opinion and Consent of Dechert LLP, special counsel for Registrant.[1]
(m)	Not applicable.
(n)	Independent Registered Public Accounting Firm Consent.
(o)	Not applicable.
(p)	Not applicable.
(q)	Not applicable.
(r)(1)	Code of Ethics of the Registrant (Incorporated by reference to Exhibit (r)(1) to the Registrant s Pre-effective Amendment No. 3 to the Registration Statement on Form N-2, filed on March 24, 2010).
(r)(2)	Code of Ethics of GC Advisors (Incorporated by reference to Exhibit (r)(2) to the Registrant s Pre-effective Amendment No. 3 to the Registration Statement on Form N-2, filed on March 24, 2010).

(1) To be filed by amendment.

Item 26. Marketing Arrangements

The information contained under the heading Plan of Distribution on this Registration Statement is incorporated herein by reference.

Item 27. Other Expenses of Issuance and Distribution

Securities and Exchange Commission registration fee	$ 58,050	
FINRA filing fee	50,500	
NASDAQ Global Select Market listing fees	195,000	(1)
Printing expenses	270,000	(1)
Legal fees and expenses	550,000	(1)
Accounting fees and expenses	250,000	(1)
Miscellaneous	26,450	(1)
Total	$ 1,400,000	(1)

(1) These amounts are estimates.

All of the expenses set forth above shall be borne by us.

Item 28. Persons Controlled by or Under Common Control

The Registrant directly or indirectly owns 100% of the limited liability company interests of Golub Capital Master Funding LLC, a Delaware limited liability company, Golub Capital BDC 2010-1 Holdings LLC, a Delaware limited liability company, Golub Capital BDC 2010-1 LLC, a Delaware limited liability company, GC SBIC IV-GP, Inc., a Delaware corporation, GC SBIC IV-GP, LLC, a Delaware limited liability company, and GC SBIC IV, L.P., a Delaware limited partnership, all of which are included in the Registrant s consolidated financial statements as of September 30, 2010 and March 31, 2011.

Item 29. Number of Holders of Securities

The following table sets forth the approximate number of record holders of the Registrant s common stock as of June 6, 2011.

Title of Class	Number of Record Holders
Common Stock, $0.001 par value	103

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Item 30. Indemnification

As permitted by Section 102 of the General Corporation Law of the State of Delaware, or the DGCL, the Registrant has adopted provisions in its certificate of incorporation, as amended, that limit or eliminate the personal liability of its directors for a breach of their fiduciary duty of care as a director. The duty of care generally requires that, when acting on behalf of the corporation, directors exercise an informed business judgment based on all material information reasonably available to them. Consequently, a director will not be personally liable to the Registrant or its stockholders for monetary damages or breach of fiduciary duty as a director, except for liability for: any breach of the director s duty of loyalty to the Registrant or its stockholders; any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law; any act related to unlawful stock repurchases, redemptions or other distributions or payment of dividends; or any transaction from which the director derived an improper personal benefit. These limitations of liability do not affect the availability of equitable remedies such as injunctive relief or rescission.

The Registrant s certificate of incorporation and bylaws provides that all directors, officers, employees and agents of the registrant shall be entitled to be indemnified by us to the fullest extent permitted by the DGCL, subject to the requirements of the 1940 Act. Under Section 145 of the DGCL, the Registrant is permitted to offer indemnification to its directors, officers, employees and agents.

Section 145(a) of the DGCL provides, in general, that a corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), because the person is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of any other enterprise. Such indemnity may be against expenses (including attorneys fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and if, with respect to any criminal action or proceeding, the person did not have reasonable cause to believe the person s conduct was unlawful.

Section 145(b) of the DGCL provides, in general, that a corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor because the person is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of any other enterprise, against any expenses (including attorneys fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 145(g) of the DGCL provides, in general, that a corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of any other enterprise, against any liability asserted against the person in any such capacity, or arising out of the person s status as such, regardless of whether the corporation would have the power to indemnify the person against such liability under the provisions of the law. We have obtained liability insurance for the benefit of our directors and officers.

The Investment Advisory Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, GC Advisors LLC (the Adviser) and its officers, managers, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from the Registrant for any damages, liabilities, costs and expenses (including reasonable attorneys fees and amounts reasonably paid in settlement) arising from the rendering of the Adviser s services under the Investment Advisory Agreement or otherwise as an investment adviser of the Registrant.

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The Administration Agreement provides that, absent willful misfeasance, bad faith or negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, GC Service Company, LLC and its officers, manager, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from the Registrant for any damages, liabilities, costs and expenses (including reasonable attorneys fees and amounts reasonably paid in settlement) arising from the rendering of GC Service Company, LLC s services under the Administration Agreement or otherwise as administrator for the Registrant.

The Underwriting Agreement provides that each Underwriter severally agrees to indemnify, defend and hold harmless the Registrant, its directors and officers, and any person who controls the Registrant within the meaning of Section 15 of the Securities Act of 1933, as amended, or the Securities Act or Section 20 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the successors and assigns of all of the foregoing persons, from and against any loss, damage, expense, liability or claim (including the reasonable cost of investigation) which, jointly or severally, the Registrant or any such person may incur under the Securities Act, the Exchange Act, the 1940 Act, the common law or otherwise, insofar as such loss, damage, expense, liability or claim arises out of or is based upon any untrue statement or alleged untrue statement of a material fact contained in and in conformity with information concerning such Underwriter furnished in writing by or on behalf of such Underwriter through the managing Underwriter to the Registrant expressly for use in this Registration Statement (or in the Registration Statement as amended by any post-effective amendment hereof by the Registrant) or in the Prospectus contained in this Registration Statement, or arises out of or is based upon any omission or alleged omission to state a material fact in connection with such information required to be stated in this Registration Statement or such Prospectus or necessary to make such information not misleading.

Insofar as indemnification for liability arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Item 31. Business and Other Connections of Investment Adviser.

A description of any other business, profession, vocation or employment of a substantial nature in which the Adviser, and each managing director, director or executive officer of the Adviser, is or has been during the past two fiscal years, engaged in for his or her own account or in the capacity of director, officer, employee, partner or trustee, is set forth in Part A of this Registration Statement in the sections entitled Management. Additional information regarding the Adviser and its officers and directors is set forth in its Form ADV, as filed with the Securities and Exchange Commission (SEC File No. 801-70448), and is incorporated herein by reference.

Item 32. Location of Accounts and Records.

All accounts, books and other documents required to be maintained by Section 31(a) of the Investment Company Act of 1940, and the rules thereunder are maintained at the offices of:

(1) the Registrant, Golub Capital BDC, Inc., 150 South Wacker Drive, Suite 800, Chicago, IL 60606;
(2) the Transfer Agent, American Stock Transfer & Trust Company, LLC, 59 Maiden Lane, Plaza Level, New York, New York 10038;
(3) the Custodian, U.S. Bank National Association, Corporate Trust Services, One Federal Street, 3rd Floor, Boston, MA 02110; and
(4) the Adviser, GC Advisors LLC, 150 South Wacker Drive, Suite 800, Chicago, IL 60606.

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Item 33. Management Services

Not Applicable.

Item 34. Undertakings

The Registrant hereby undertakes:

(1) To suspend the offering of shares until the prospectus is amended if (1) subsequent to the effective date of its registration statement, the net asset value declines more than ten percent from its net asset value as of the effective date of the registration statement; or (2) the net asset value increases to an amount greater than the net proceeds as stated in the prospectus.

(2) Not applicable.

(3) In the event that the securities being registered are to be offered to existing shareholders pursuant to warrants or rights, and any securities not taken by shareholders are to be reoffered to the public, to supplement the prospectus, after the expiration of the subscription period, to set forth the results of the subscription offer, the transactions by underwriters during the subscription period, the amount of unsubscribed securities to be purchased by underwriters, and the terms of any subsequent reoffering thereof; and further, if any public offering by the underwriters of the securities being registered is to be made on terms differing from those set forth on the cover page of the prospectus, to file a post-effective amendment to set forth the terms of such offering;

(4) (a) to file, during any period in which offers or sales are being made, a post-effective amendment to the registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) to reflect in the prospectus any facts or events after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(b) that, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of those securities at that time shall be deemed to be the initial bona fide offering thereof;

(c) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering;

(d) that, for the purpose of determining liability under the Securities Act to any purchaser, if the Registrant is subject to Rule 430C: Each prospectus filed pursuant to Rule 497(b), (c), (d) or (e) under the Securities Act as part of a registration statement relating to an offering, other than prospectuses filed in reliance on Rule 430A under the Securities Act, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness; provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use; and

(e) that, for the purpose of determining liability of the Registrant under the Securities Act to any purchaser in the initial distribution of securities, the undersigned Registrant undertakes that in a

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primary offering of securities of the undersigned Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to the purchaser:

(i) any preliminary prospectus or prospectus of the undersigned Registrant relating to the offering required to be filed pursuant to Rule 497 under the Securities Act;

(ii) the portion of any advertisement pursuant to Rule 482 under the Securities Act relating to the offering containing material information about the undersigned Registrant or its securities provided by or on behalf of the undersigned Registrant; and

(iii) any other communication that is an offer in the offering made by the undersigned Registrant to the purchaser.

(5)

(a) For the purpose of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by us pursuant to Rule 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective.

(b) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(6) Not applicable.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement on Form N-2 to be signed on its behalf by the undersigned, thereunto duly authorized, in The City of New York, in the State of New York, on this 7th day of June 2011.

GOLUB CAPITAL BDC, INC.
By:

/s/ David B. Golub
Name: David B. Golub
Title: Chief Executive Officer

KNOW ALL MEN BY THESE PRESENT, each person whose signature appears below hereby constitutes and appoints each of Lawrence E. Golub, David B. Golub and Ross A. Teune as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Registration Statement on Form N-2 and any registration statement filed pursuant to Rule 462(b) under the Securities Act, and to file the same, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement on Form N-2 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ David B. Golub David B. Golub	Chief Executive Officer and Director (Principal Executive Officer)	June 7, 2011
/s/ Ross A. Teune Ross A. Teune	Chief Financial Officer (Principal Financial and Accounting Officer)	June 7, 2011
/s/ Lawrence E. Golub Lawrence E. Golub	Chairman of the Board of Directors	June 7, 2011
/s/ John T. Baily John T. Baily	Director	June 7, 2011
/s/ Kenneth F. Bernstein Kenneth F. Bernstein	Director	June 7, 2011
/s/ Anita R. Rosenberg Anita R. Rosenberg	Director	June 7, 2011
/s/ William M. Webster IV William M. Webster IV	Director	June 7, 2011