UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the quarterly period ended September 30, 2013

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the transition period from to

Commission file number 814-00854

TPG Specialty Lending, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware **(State or Other Jurisdiction of Incorporation or Organization)**	**27-3380000** **(I.R.S. Employer Identification No.)**
301 Commerce Street, Suite 3300, Fort Worth, TX **(Address of Principal Executive Offices)**	**76102** **(Zip Code)**

Registrant's Telephone Number, Including Area Code: (817) 871-4000

Not applicable
Former Name, Former Address and Former Fiscal Year, If Changed Since Last Report.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-Accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☒

The number of shares of the Registrant's common stock, $.01 par value per share, outstanding at November 7, 2013 was 555,313.

Table of Contents

TPG SPECIALTY LENDING, INC.

FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2013

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that involve substantial risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about us, our current or prospective portfolio investments, our industry, our beliefs, and our assumptions. Words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “would,” “should,” “targets,” “projects,” and variations of these words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and are difficult to predict, that could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

In addition to factors previously identified elsewhere in the reports and other documents TPG Specialty Lending, Inc. has filed with the Securities and Exchange Commission (the “SEC”), the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance:

- an economic downturn could impair our portfolio companies’ abilities to continue to operate, which could lead to the loss of some or all of our investments in such portfolio companies;
- such an economic downturn could disproportionately impact the companies in which we have invested and others that we intend to target for investment, potentially causing us to experience a decrease in investment opportunities and diminished demand for capital from these companies;
- such an economic downturn could also impact availability and pricing of our financing;
- an inability to access the capital markets could impair our ability to raise capital and our investment activities; and,
- the risks, uncertainties and other factors we identify in the sections entitled “Risk Factors” in this report and in our Annual Report on Form 10-K for the year ended December 31, 2012, filed with the SEC on March 15, 2013, as amended, and elsewhere in our filings with the SEC.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, some of those assumptions are based on the work of third parties and any of those assumptions could prove to be inaccurate; as a result, forward-looking statements based on those assumptions also could prove to be inaccurate. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this report should not be regarded as a representation by us that our plans and objectives will be achieved. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this report. We do not undertake any obligation to update or revise any forward-looking statements or any other information contained herein, except as required by applicable law. The safe harbor provisions of Section 21E of the Securities Exchange Act of 1934, as amended (the “1934 Act”), which preclude civil liability for certain forward-looking statements, do not apply to the forward-looking statements in this report because we are an investment company.

Table of Contents

PART I. FINANCIAL INFORMATION

In this Quarterly Report, “Company”, “TSL”, “we”, “us” and “our” refer to TPG Specialty Lending, Inc. and its consolidated subsidiaries unless the context states otherwise.

Item 1. Financial Statements

TPG Specialty Lending, Inc.

Consolidated Balance Sheets
($ in thousands, except per share amounts)
(Unaudited)

	September 30, 2013	December 31, 2012
Assets		
Investments at fair value		
Non-controlled, non-affiliated investments (amortized cost of $874,580 and $644,421, respectively)	$ 889,330	$ 653,944
Cash and cash equivalents	19,643	161,825
Interest receivable	3,076	2,354
Receivable for investments sold	865	1,976
Prepaid expenses and other assets	13,240	13,050
Total Assets	$ 926,154	$ 833,149
Liabilities		
Revolving credit facilities	$ 338,267	$ 331,836
Management fees payable to affiliate	1,580	1,464
Incentive fees payable to affiliate	5,051	4,053
Dividends payable	13,900	10,260
Payable for investments purchased	—	2,759
Payable on foreign currency forward contracts	1,223	—
Payables to affiliate	1,682	480
Other liabilities	3,362	2,494
Total Liabilities	365,065	353,346
Commitments and contingencies (Note 8)		
Net Assets		
Preferred stock, $0.01 par value; 100,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, $0.01 par value; 100,000,000 shares authorized; 549,120 and 474,677 shares issued, respectively; and 548,121 and 473,678 shares outstanding, respectively	5	5
Additional paid-in capital	545,643	469,709
Treasury stock at cost; 999 shares	(1)	(1)
Undistributed net investment income	(1,083)	(1,016)
Net unrealized gains	13,527	9,523
Undistributed net realized gains	2,998	1,583
Total Net Assets	561,089	479,803
Total Liabilities and Net Assets	$ 926,154	$ 833,149
Net Asset Value Per Share	$ 1,023.66	$ 1,012.93

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

TPG Specialty Lending, Inc.

Consolidated Statements of Operations
($ in thousands)
(Unaudited)

	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Income				
Investment income from non-controlled, non-affiliated investments:				
Interest from investments	$ 22,816	$ 13,486	$ 63,300	$ 29,778
Other income	482	131	1,738	318
Interest from cash and cash equivalents	—	3	2	13
Total investment income from non-controlled, non-affiliated investments	23,298	13,620	65,040	30,109
Investment income from non-controlled, affiliated investments:				
Interest from investments	—	931	—	2,723
Other income	—	3	—	10
Total investment income from non-controlled, affiliated investments	—	934	—	2,733
Total Investment Income	23,298	14,554	65,040	32,842
Expenses				
Interest	2,651	1,780	7,330	3,856
Management fees	3,433	2,528	9,698	6,132
Incentive fees	2,850	2,397	8,097	4,789
Professional fees	902	675	2,419	2,031
Directors' fees	71	71	213	216
Other general and administrative	579	375	1,729	1,090
Total expenses	10,486	7,826	29,486	18,114
Management fees waived (Note 3)	(1,853)	(1,189)	(5,038)	(2,409)
Net Expenses	8,633	6,637	24,448	15,705
Net Investment Income Before Income Taxes	14,665	7,917	40,592	17,137
Income taxes, including excise taxes	80	—	84	—
Net Investment Income	14,585	7,917	40,508	17,137
Unrealized and Realized Gain				
Net change in unrealized gains:				
Non-controlled, non-affiliated investments	2,804	4,137	5,227	6,327
Non-controlled, affiliated investments	—	861	—	(161)
Foreign currency forward contracts	(1,942)	—	(1,223)	—
Total net change in unrealized gains	862	4,998	4,004	6,166
Realized gains:				
Non-controlled, non-affiliated investments	520	666	1,062	3,832
Foreign currency forward contracts	292	—	353	—
Total realized gains	812	666	1,415	3,832
Total Unrealized and Realized Gains	1,674	5,664	5,419	9,998
Increase in Net Assets Resulting from Operations	$ 16,259	$ 13,581	$ 45,927	$ 27,135

The accompanying notes are an integral part of these consolidated financial statements.

[Table of Contents](#)

TPG Specialty Lending, Inc.

Consolidated Schedule of Investments as of September 30, 2013
(Amounts in thousands, except share amounts)
(Unaudited)

Company (1)	Industry	Investment	Interest	Acquisition Date	Amortized Cost (2)	Fair Value	Percentage of Net Assets
AFS Technologies, Inc. (3)(4)	Beverage, food, and tobacco	Senior secured loan ($45,017 par, due 8/2015)	7.75%	8/31/2011	$ 44,375	$ 45,692	8.1%
Ecommerce Industries, Inc. (3)(4)	Office products	Senior secured loan ($20,217 par, due 10/2016)	8.00%	10/17/2011	20,001	20,419	3.6%
MSC.Software Corporation (3)(4)	Aerospace and defense	Senior secured loan ($54,156 par, due 11/2017)	7.75%	12/23/2011	53,477	54,156	9.7%
Mandalay Baseball Properties, LLC (3)(4)	Hotel, gaming, and leisure	Senior secured loan ($34,489 par, due 3/2017)	12.00% (incl. 4.50% PIK)	4/12/2012	33,869	35,362	6.3%
Infogix, Inc. (3)(4)	Insurance	Senior secured loan ($32,306 par, due 6/2017)	10.00%	6/1/2012	31,815	32,225	5.7%
Consona Holdings, Inc. (3)(4)	Business services	Senior secured loan ($29,700 par, due 8/2018)	7.25%	8/13/2012	29,337	29,403	5.2%
Heartland Automotive Holdings, LLC (3)(4)	Automotive	Senior secured loan ($37,472 par, due 6/2017)	9.00%	8/28/2012	36,682	36,723	6.5%
Mediware Information Systems, Inc. (3)(4)	Healthcare and pharmaceuticals	Senior secured loan ($72,092 par, due 5/2018)	8.00%	11/9/2012	70,496	71,371	12.7%
SumTotal Systems, LLC (3)(4)	Human resource support services	Senior secured loan ($7,503 par, due 11/2018)	6.25%	11/16/2012	7,422	7,463	1.3%
Rogue Wave Holdings, Inc. (3)(4)	Financial services	Senior secured loan ($45,975 par, due 11/2017)	8.25%	11/21/2012	44,948	45,745	8.2%
Embarcadero Technologies, Inc. (3)(4)	Financial services	Senior secured loan ($43,596 par, due 12/2017)	8.00%	12/28/2012	42,644	43,487	7.8%
SRS Software, LLC (3)(4)	Healthcare and pharmaceuticals	Senior secured loan ($36,094 par, due 12/2017)	8.75%	12/28/2012	35,196	35,191	6.3%
Sage Automotive Interiors, Inc. (3)(4)	Automotive	Senior secured loan ($21,775 par, due 12/2016)	8.50%	12/31/2012	21,541	21,666	3.9%
The Newark Group, Inc. (3)(4)	Containers and packaging	Senior secured loan ($47,040 par, due 2/2018)	8.50%	2/8/2013	46,619	47,510	8.5%
Actian Corporation (3)(4)	Business services	Senior secured loan ($68,933 par, due 4/2018)	8.50%	4/11/2013	66,633	66,865	11.9%
PAI Group, Inc. (3)(4)	Human resource support services	Senior secured loan ($34,825 par, due 5/2018)	10.50%	5/8/2013	34,031	34,029	6.1%
Intelident Solutions, Inc. (3)	Healthcare and pharmaceuticals	Senior secured loan ($27,555 par, due 8/2016)	8.00% (incl.2.00% PIK)	6/4/2013	26,848	26,807	4.8%
Jeeves Information Systems AB (3)(5)	Manufacturing	Senior secured loan (SEK 177,608 par, due 6/2018)	9.25%	6/5/2013	26,446	27,061	4.8%
Network Merchants, Inc. (3)	Business services	Senior secured loan ($29,659 par, due 9/2018)	8.75%	9/12/2013	29,055	29,050	5.2%
AMF Bowling Worldwide, Inc. (3)(4)	Hotel, gaming, and leisure	Senior secured loan ($14,906 par, due 6/2018)	8.75%	7/2/2013	13,716	14,666	2.6%
Campus Management, Inc. (3)	Education	Senior secured loan ($30,000 par, due 9/2018)	8.75%	9/30/2013	29,250	29,250	5.2%
Global Geophysical (3)(4)	Oil, gas, and	Senior secured loan	10.75%	9/30/2013	40,262	40,262	5.2%

	consumable fuels	($41,000 par, due 9/2016)					
Total Senior Secured Loans					784,663	794,403	141.6%
Junior Secured Loans							
Centaur, LLC (3)	Hotel, gaming, and leisure	Junior secured loan ($10,000 par, due 2/2020)	8.00%	2/15/2013	9,920	10,050	1.8%
Mannington Mills, Inc. (3)(4)	Construction and building	Junior secured loan ($47,488 par, due 3/2017)	14.00% (incl.2.00% PIK)	3/2/2012	46,543	52,238	9.3%
SumTotal Systems, LLC (3)	Human resource support services	Junior secured loan ($10,000 par, due 5/2019)	10.25%	11/16/2012	9,945	9,925	1.8%
Total Junior Secured Loans					66,408	72,213	12.9%

Table of Contents

Company (1)	Industry	Investment	Interest	Acquisition Date	Amortized Cost (2)	Fair Value	Percentage of Net Assets
Senior Secured Revolving Loans							
Infogix, Inc. (3)(4)	Insurance	Senior secured loan ($3,300 par, due 6/2017)	10.00%	6/1/2012	3,227	3,288	0.6%
Heartland Automotive Holdings, LLC (3)(4)	Automotive	Senior secured loan ($2,778 par, due 6/2017)	10.00%	8/28/2012	2,659	2,667	0.5%
SRS Software, LLC (3)	Healthcare and pharmaceuticals	Senior secured revolving loan ($2,000 par, due 12/2017)	8.75%	12/28/2012	2,000	1,950	0.4%
Intelident Solutions, Inc. (3)	Healthcare and pharmaceuticals	Senior secured revolving loan ($1,642 par, due 8/2016)	8.00%	6/4/2013	1,643	1,634	0.3%
Total Senior Secured Revolving Loans					9,529	9,539	1.7%
Corporate Bonds							
Soho House Bond Ltd. (5)	Hotel, gaming, and leisure	Bond (GBP 7,000 par, due 10/2018)	9.00%	9/20/2013	11,200	11,455	2.0%
Total Corporate Bonds					11,200	11,455	2.0%
Equity							
SRS Parent Corp.	Healthcare and pharmaceuticals	Common Shares Class A (1,980 shares)		12/28/2012	1,980	931	0.2%
		Common Shares Class B (2,953,020 shares)		12/28/2012	20	9	— %
Network Merchants, Inc.	Business services	Non-Voting Preferred Units (774,099 units)		9/12/2013	780	780	0.1%
Total Equity					2,780	1,720	0.3%
Total					$874,580	$889,330	158.4%

(1) Unless otherwise indicated, the Company's portfolio companies are domiciled in the United States. As of September 30, 2013, the Company does not "control" any of the portfolio companies nor are any of its portfolio companies considered to be "affiliates" – see Note 4. Certain portfolio company investments are subject to contractual restrictions on sales.

(2) The amortized cost represents the original cost adjusted for the amortization of discounts and premiums, as applicable, on debt investments using the effective interest method.

(3) Loan contains a variable rate structure. Variable rate loans bear interest at a rate that may be determined by reference to either LIBOR or an alternate base rate, at the borrower's option, which reset periodically based on the terms of the loan agreement. For each such loan we have provided the interest rate in effect on the date presented. In addition to the interest earned based on the stated interest rate of this loan, the Company may be entitled to receive additional interest as a result of its arrangement with other lenders in a syndication.

(4) The investment, or a portion thereof, is held within TPG SL SPV, LLC, a wholly-owned subsidiary of the Company, and is pledged as collateral supporting the amounts outstanding under the revolving credit facility with Natixis Bank (see Note 7).

(5) This portfolio company is a non-U.S. corporation and, as a result, is not a qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of total assets.

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

TPG Specialty Lending, Inc.

Consolidated Schedule of Investments as of December 31, 2012
($ in thousands, except share amounts)
(Unaudited)

Company (1)	Industry	Investment	Interest	Acquisition Date	Amortized Cost (2)	Fair Value	Percentage of Net Assets
AFS Technologies, Inc. (3)(4)	Beverage, food and tobacco	Senior secured loan ($46,884 par, due 8/2015)	7.75%	8/31/2011	$ 45,987	$ 46,532	9.7%
Ecommerce Industries, Inc. (3)(4)	Office products	Senior secured loan ($21,562 par, due 10/2016)	8.00%	10/17/2011	21,286	21,808	4.5%
MSC.Software Corporation (3)(4)	Aerospace and defense	Senior secured loan ($56,266 par, due 11/2017)	7.75%	12/23/2011	55,423	55,984	11.7%
Federal Signal Corporation (3)(4)	Capital equipment	Senior secured loan ($41,608 par, due 2/2017)	12.00%	2/22/2012	40,897	43,064	9.0%
Mandalay Baseball Properties, LLC (3)(4)	Hotel, gaming and leisure	Senior secured loan ($28,414 par, due 3/2017)	12.00% (incl.4.00% PIK)	4/12/2012	27,684	28,556	6.0%
Infogix, Inc. (3)(4)	Insurance	Senior secured loan ($30,613 par, due 6/2017)	10.00%	6/1/2012	29,974	30,346	6.3%
Attachmate Corporation (3)(4)	Business services	Senior secured loan ($926 par, due 11/2017)	7.25%	6/25/2012	944	894	0.2%
eResearch Technology, Inc. (3)(4)	Healthcare and pharmaceuticals	Senior secured loan ($24,937 par, due 5/2018)	8.00%	7/3/2012	24,006	24,626	5.1%
Teletrac, Inc. (3)(4)	Transportation	Senior secured loan ($17,413 par, due 7/2017)	6.65%	7/23/2012	17,049	17,151	3.6%
Consona Holdings, Inc. (3)(4)	Business services	Senior secured loan ($29,925 par, due 8/2018)	7.25%	8/13/2012	29,514	29,925	6.2%
Heartland Automotive Holdings, LLC (3)(4)	Automotive	Senior secured loan ($38,951 par, due 6/2017)	9.00%	8/28/2012	37,998	38,075	7.9%
Synagro Technologies, Inc. (3)	Environmental industries	Senior secured loan ($3,134 par, due 10/2014)	2.31%	11/8/2012	2,759	2,813	0.6%
International Equipment Solutions, Inc. (3)(4)	Capital equipment	Senior secured loan ($29,391 par, due 9/2016)	8.50%	9/18/2012	28,732	28,876	6.0%
Mediware Information Systems, Inc. (3)(4)	Healthcare and pharmaceuticals	Senior secured loan ($50,500 par, due 5/2018)	8.00%	11/9/2012	49,230	49,218	10.3%
SumTotal Systems, LLC (3)	Human resource support services	Senior secured loan ($10,000 par, due 11/2018)	6.25%	11/16/2012	9,867	9,925	2.1%
Rogue Wave Holdings, Inc. (3)(4)	Financial services	Senior secured loan ($40,000 par, due 11/2017)	8.25%	11/21/2012	38,947	39,600	8.3%
Embarcadero Technologies, Inc. (3)(4)	Financial services	Senior secured loan ($59,714 par, due 12/2017)	8.00%	12/28/2012	58,223	58,221	12.1%
SRS Software, LLC (3)(4)	Healthcare and pharmaceuticals	Senior secured loan ($37,500 par, due 12/2017)	8.75%	12/28/2012	36,439	36,563	7.6%
Sage Automotive Interiors, Inc. (3)(4)	Automotive	Senior secured loan ($19,878 par, due 12/2016)	9.50%	12/31/2012	19,717	19,679	4.1%
Total Senior Secured Loans					574,676	581,856	121.3%

Company (1)	Industry	Investment	Interest	Acquisition Date	Amortized Cost (2)	Fair Value	Percentage of Net Assets
Junior Secured Loans							
Mannington Mills, Inc. (3)(4)	Construction and building	Junior secured loan ($50,537 par, due 3/2017)	14.00% (incl.2.00% PIK)	3/2/2012	49,551	53,190	11.1%
SumTotal Systems, LLC (3)	Financial services	Junior secured loan ($5,000 par, due 5/2018)	10.25%	11/16/2012	4,950	4,925	1.0%
Synagro Technologies, Inc. (3)	Environmental industries	Junior secured loan ($5,670 par, due 10/2014)	7.00%	9/14/2012	2,814	1,517	0.3%
Total Junior Secured Loans					57,315	59,632	12.4%
Senior Secured Revolving Loans							
Heartland Automotive Holdings, LLC (3) (4)	Automotive	Senior secured revolving loan ($555 par, due 6/2017)	10.00%	8/28/2012	413	431	0.1%
Total Senior Secured Revolving Loans					413	431	0.1%
Corporate Bonds							
Checkers Drive-In Restaurants, Inc. (4)	Beverage, food and tobacco	Bond ($10,000 par, due 12/2017)	11.00%	11/16/2012	10,017	10,025	2.1%
Total Corporate Bonds					10,017	10,025	2.1%
Equity							
SRS Parent Corp.	Healthcare and pharmaceuticals	Common Shares Class A (1,980 shares)		12/28/2012	1,980	1,980	0.4%
		Common Shares Class B (2,953,020 shares)		12/28/2012	20	20	— %
Total Equity					2,000	2,000	0.4%
Total					$644,421	$653,944	136.3%

(1) Unless otherwise indicated, the Company’s portfolio companies are domiciled in the United States. As of December 31, 2012, the Company does not “control” any of the portfolio companies nor are any of its portfolio companies considered to be “affiliates” – see Note 4. Certain portfolio company investments are subject to contractual restrictions on sales.

(2) The amortized cost represents the original cost adjusted for the amortization of discounts and premiums, as applicable, on debt investments using the effective interest method.

(3) Loan contains a variable rate structure. Variable rate loans bear interest at a rate that may be determined by reference to either LIBOR or an alternate base rate, at the borrower’s option, which reset periodically based on the terms of the loan agreement. For each such loan we have provided the interest rate in effect on the date presented. In addition to the interest earned based on the stated interest rate of this loan, the Company may be entitled to receive additional interest as a result of its arrangement with other lenders in a syndication.

(4) The investment, or a portion thereof, is held within TPG SL SPV, LLC, a wholly-owned subsidiary of the Company, and is pledged as collateral supporting the amounts outstanding under the revolving credit facility with Natixis Bank (see Note 7).

Table of Contents

Transactions during the year ended December 31, 2012 in which the issuer was an affiliated company (but not a portfolio company that we "control") are as follows:

Company	Fair Value at December 31, 2011	Gross Additions (a)	Gross Reductions (b)	Net Unrealized Loss	Fair Value at December 31, 2012	Realized Gains	Interest Income	Dividend Income	Other Income
	As of and for the Year Ended December 31, 2012								
AFS Technologies, Inc. (c)	$ 42,663	$15,990	$(58,316)	$ (337)	$ —	$ 100	$2,724	$ 1,231	$ 10
Total	$ 42,663	$15,990	$(58,316)	$ (337)	$ —	$ 100	$2,724	$ 1,231	$ 10

(a) Gross additions include increases in the cost basis of investments resulting from new investments, payment-in-kind interest or dividends, the amortization of any unearned income or discounts on debt investments, as applicable.

(b) Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, and the amortization of any discounts on debt investments, as applicable.

(c) In connection with the redemption of the Company's preferred equity investment, AFS Technologies, Inc. was no longer an affiliated company as of December 31, 2012.

The accompanying notes are an integral part of these consolidated financial statements.

TPG Specialty Lending, Inc.

Consolidated Statements of Changes in Net Assets
($ in thousands)
(Unaudited)

	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Increase in Net Assets Resulting from Operations		
Net investment income	$ 40,508	$ 17,137
Net change in unrealized gains	4,004	6,166
Net realized gains	1,415	3,832
Increase in Net Assets Resulting from Operations	45,927	27,135
Increase in Net Assets Resulting from Capital Share Transactions		
Issuance of common shares sold	56,857	187,692
Reinvestment of dividends	19,077	5,082
Dividends declared	(40,575)	(19,510)
Increase in Net Assets Resulting from Capital Share Transactions	35,359	173,264
Total Increase in Net Assets	81,286	200,399
Net assets, beginning of period	479,803	173,092
Net Assets, End of Period	$ 561,089	$ 373,491
Undistributed Net Investment Income Included in Net Assets at the End of the Period	$ (1,083)	$ (2,137)

The accompanying notes are an integral part of these consolidated financial statements.

TPG Specialty Lending, Inc.

Consolidated Statements of Cash Flows
($ in thousands)
(Unaudited)

	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Cash Flows from Operating Activities		
Increase in net assets resulting from operations	$ 45,927	$ 27,135
Adjustments to reconcile increase in net assets resulting from operations to net cash used in operating activities:		
Net change in unrealized gains	(4,004)	(6,166)
Net realized gains	(1,415)	(3,832)
Realized gains on foreign currency forward contracts	353	—
Net amortization of discount on securities	(5,216)	(2,638)
Amortization of debt issuance costs	1,514	991
Purchases of investments, net	(432,428)	(448,542)
Proceeds from investments, net	46,357	82,940
Repayments on investments	164,250	53,202
Paid-in-kind interest	(2,061)	(1,214)
Changes in operating assets and liabilities:		
Interest receivable	(722)	(521)
Prepaid expenses and other assets	835	(6,909)
Management fees payable	116	406
Incentive fees payable	998	3,047
Payable to affiliate	1,202	928
Other liabilities	(1,891)	3,479
Net Cash Used in Operating Activities	(186,185)	(297,694)
Cash Flows from Financing Activities		
Borrowings on revolving credit facilities	717,000	1,067,188
Payments on revolving credit facilities	(710,569)	(911,237)
Proceeds from issuance of common stock	56,857	187,692
Dividend paid to stockholders	(17,858)	(6,022)
Debt issuance costs	(1,427)	(5,328)
Net Cash Provided by Financing Activities	44,003	332,293
Net Increase (Decrease) in Cash and Cash Equivalents	(142,182)	34,599
Cash and cash equivalents, beginning of period	161,825	143,692
Cash and Cash Equivalents, End of Period	$ 19,643	$ 178,291
Supplemental Information:		
Interest paid during the period	$ 6,263	$ 2,108
Dividends declared during the period	$ 40,575	$ 19,510
Reinvestment of dividends during the period	$ 19,077	$ 5,082
Subscription receivable	$ 50	$ —

The accompanying notes are an integral part of these consolidated financial statements.

TPG Specialty Lending, Inc.

Notes to Consolidated Financial Statements
(Unaudited)

($ in thousands, unless otherwise indicated)

1. Organization and Basis of Presentation

Organization

TPG Specialty Lending, Inc. (collectively with its consolidated subsidiaries, "TSL" or the "Company") is a Delaware corporation formed on July 21, 2010. The Company was formed primarily to lend to, and selectively invest in, middle-market companies in the United States. The Company has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). In addition, for tax purposes, the Company has elected to be treated as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). TSL is managed by TSL Advisers, LLC (the "Adviser"). On June 1, 2011, the Company formed a wholly-owned subsidiary, TC Lending, LLC, a Delaware limited liability company. On March 22, 2012, the Company formed a wholly-owned subsidiary, TPG SL SPV, LLC, a Delaware limited liability company.

Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), and include the accounts of the Company and its subsidiaries. In the opinion of management, all adjustments, consisting solely of accruals considered necessary for the fair presentation of the consolidated financial statements for the periods presented, have been included. The results of operations for interim periods are not indicative of results to be expected for the full year. All intercompany balances and transactions have been eliminated in consolidation.

Certain financial information that is normally included in annual financial statements, including certain financial statement footnotes, prepared in accordance with U.S. GAAP, is not required for interim reporting purposes and has been condensed or omitted herein. These financial statements should be read in conjunction with the Company's consolidated financial statements and notes related thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012, which was filed with the Securities and Exchange Commission ("SEC") on March 15, 2013.

Certain prior period information has been reclassified to conform to the current period presentation. These reclassifications have no effect on the Company's financial position or its results of operations as previously reported.

Fiscal Year End

The Company's fiscal year ends on December 31.

2. Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. 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. Such amounts could differ from those estimates and such differences could be material.

Investments at Fair Value

Investment transactions purchased on a secondary basis are recorded on the trade date. Loan originations are recorded on the funding date which is generally the date of the binding commitment. Realized gains or losses are measured by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment without regard to unrealized gains or losses previously recognized, and include investments charged off during the period, net of recoveries. The net change in unrealized gains or losses primarily reflects the change in investment values and also include the reversal of previously recorded unrealized gains or losses with respect to investments realized during the period.

Investments for which market quotations are readily available are typically valued at such market quotations. In order to validate market quotations, the Company utilizes a number of factors to determine if the quotations are representative of fair value, including the source and nature of the quotations. Debt and equity securities that are not publicly traded or whose market prices are not readily available are valued at fair value as determined in good faith by the Company's Board of Directors (the "Board"), based on, among other things, the input of the Adviser, the Company's Audit Committee and independent third-party valuation firms engaged at the direction of the Board.

As part of the valuation process, the Board takes into account relevant factors in determining the fair value of its investments, including: the estimated enterprise value of a portfolio company (i.e., the total fair value of the portfolio company's debt and equity), the nature and realizable value of any collateral, the portfolio company's ability to make payments based on its earnings and cash flow, the markets in which the portfolio company does business, a comparison of the portfolio company's securities to any similar publicly traded securities, overall changes in the interest rate environment and the credit markets that may affect the price at which similar investments may be made in the future. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, the Board considers the pricing indicated by the external event to corroborate its valuation.

The Board undertakes a multi-step valuation process each quarter, which includes, among other procedures, the following:

- The quarterly valuation process begins with each investment being initially valued by the investment professionals responsible for the portfolio investment.
- The Adviser's management reviews the preliminary valuations with the investment professionals. Agreed upon valuation recommendations are presented to the Audit Committee.
- The Audit Committee reviews the valuations presented and recommends a value for each investment to the Board.
- The Board reviews the recommended valuations and determines the fair value of each investment; valuations that are not based on readily available market quotations are valued in good faith based on, among other things, the input of the Adviser, Audit Committee and, where applicable, other third parties.

In connection with debt and equity securities that were valued at fair value in good faith by the Board, the Board has engaged independent third-party valuation firms to perform certain limited procedures that the Board identified and requested them to perform. As of September 30, 2013, independent third-party valuation firms performed their procedures over substantially all of the Company's investments. Upon completion of such limited procedures for the quarter ended September 30, 2013, the third-party valuation firms determined that the fair value, as determined by the Board, of those investments subjected to their limited procedures, was reasonable.

The Company applies Financial Accounting Standards Board Accounting Standards Codification ("ASC") 820, *Fair Value Measurement* ("ASC 820"), as amended, which establishes a framework for measuring fair value in accordance with U.S. GAAP and required disclosures of fair value measurements. ASC 820 determines fair value to be the price that would be received for an investment in a current sale, which assumes an orderly transaction between market participants on the measurement date. Market participants are defined as buyers and sellers in the principal or most advantageous market (which may be a hypothetical market) that are independent, knowledgeable, and willing and able to transact. In accordance with ASC 820, the Company considers its principal market to be the market that has the greatest volume and level of activity. ASC 820 specifies a fair value hierarchy that prioritizes and ranks the level of observability of inputs used in determination of fair value. In accordance with ASC 820, these levels are summarized below:

- Level 1—Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2—Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Transfers between levels, if any, are recognized at the beginning of the quarter in which the transfers occur. In addition to using the above inputs in investment valuations, the Company applies the valuation policy approved by its Board that is consistent with ASC 820. Consistent with the valuation policy, the Company evaluates the source of inputs, including any markets in which its investments are trading (or any markets in which securities with similar attributes are trading), in determining fair value. When a security is valued based on prices provided by reputable dealers or pricing services (i.e., broker quotes), the Company subjects those prices to various criteria in making the determination as to whether a particular investment would qualify for treatment as a Level 2 or Level 3 investment. For example, we review pricing methodologies provided by dealers or pricing services in order to determine if observable market information is being used, versus unobservable inputs. Some additional factors considered include the number of prices obtained as well as an assessment as to their quality.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may fluctuate from period to period. Additionally, the fair value of such 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 realized. Further, such investments are generally less liquid than publicly traded securities and may be subject to contractual and other restrictions on resale. If the Company were required to liquidate a portfolio investment in a forced or liquidation sale, it could realize amounts that are different from the amounts presented and such differences could be material.

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected herein.

Financial and Derivative Instruments

The Company recognizes all derivative instruments as assets or liabilities at fair value in its consolidated financial statements. Derivative contracts entered into by the Company are not designated as hedging instruments, and as a result the Company presents changes in fair value through current period earnings.

In the normal course of business, the Company has commitments and risks resulting from its investment transactions, including those involving derivative instruments. Derivative instruments are measured in terms of the notional contract amount and derive their value based upon one or more underlying instruments. While the notional amount gives some indication of the Company's volume of derivative trading activity, it generally is not exchanged, but is only used as the basis on which interest and other payments are exchanged. Derivative instruments are subject to various risks similar to non-derivative instruments including market, credit, liquidity, and operational risks. The Company manages these risks on an aggregate basis as part of its risk management policies.

Foreign Currency

Foreign currency amounts are translated into U.S. dollars on the following basis:

- market value of investments, other assets and liabilities: at the spot exchange rate on the last business day of the period; and
- purchases and sales of investments, income and expenses: at the rates of exchange prevailing on the respective dates of such transactions, income or expenses.

Although net assets and fair values are presented based on the applicable foreign exchange rates described above, the Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in fair values of investments held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Investments denominated in foreign currencies and foreign currency transactions may involve certain considerations and risks not typically associated with those of domestic origin, including unanticipated movements in the value of the foreign currency relative to the U.S. dollar.

Interest and Dividend Income Recognition

Interest income is recorded on an accrual basis and includes the amortization of discounts and premiums. Discounts and premiums to par value on securities purchased are amortized into interest income over the contractual life of the respective security using the effective yield method. The amortized cost of investments represents the original cost adjusted for the amortization of discounts and premiums, if any.

Loans are generally placed on non-accrual status when principal or interest payments are past due 30 days or more or when there is reasonable doubt that principal or interest will be collected in full. Accrued and unpaid interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment regarding collectability. Non-accrual loans are restored to accrual status when past due principal and interest is paid current and, in management's judgment, are likely to remain current. Management may determine to not place a loan on non-accrual status if the loan has sufficient collateral value and is in the process of collection.

Dividend income on preferred equity securities is recorded on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity securities is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly-traded portfolio companies.

Income Taxes

The Company has elected to be treated as a BDC under the 1940 Act. The Company also has elected to be treated as a RIC under the Code. So long as the Company maintains its status as a RIC, it will generally not pay corporate-level U.S. federal income or excise taxes on any ordinary income or capital gains that it distributes at least annually to its stockholders as dividends. As a result, any tax liability related to income earned and distributed by the Company represents obligations of the Company's stockholders and will not be reflected in the consolidated financial statements of the Company.

The Company evaluates tax positions taken or expected to be taken in the course of preparing its financial statements to determine whether the tax positions are "more-likely-than-not" to be sustained by the applicable tax authority. Tax positions not deemed to meet the "more-likely-than-not" threshold are reversed and recorded as a tax benefit or expense in the current year. All penalties and interest associated with income taxes are included in income tax expense. Conclusions regarding tax positions are subject to review and may be adjusted at a later date based on factors including, but not limited to, on-going analyses of tax laws, regulations and interpretations thereof.

New Accounting Pronouncements

In June 2013, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2013-08, *Financial Services—Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements* ("ASU 2013-08"). ASU 2013-08 amends the criteria that define an investment company, clarifies the measurement guidance and requires certain additional disclosures. Public companies are required to apply ASU 2013-08 prospectively for interim and annual reporting periods beginning after December 15, 2013. The Company has evaluated the impact of the adoption of ASU 2013-08 on its financial statements and disclosures and determined the adoption of ASU 2013-08 will not have a material effect on the Company's financial condition and results of operations.

3. Agreements and Related Party Transactions

Administration Agreement

On March 15, 2011, the Company entered into an Administration Agreement (the "Administration Agreement") with the Adviser. Under the terms of the Administration Agreement, the Adviser provides administrative services to the Company. These services include providing office space, equipment and office services, maintaining financial records, preparing reports to stockholders and reports filed with the SEC, and managing the payment of expenses and the performance of administrative and professional services rendered by others. Certain of these services are reimbursable to the Adviser under the terms of the Administration Agreement.

For the three and nine months ended September 30, 2013, the Company incurred expenses of $0.3 million and $0.9 million, respectively, for administrative services payable to the Adviser under the terms of the Administration Agreement. For the three and nine months ended September 30, 2012, the Company incurred expenses of $0.2 million and $0.7 million, respectively, for administrative services payable to the Adviser under the terms of the Administration Agreement.

On November 5, 2013, the Board renewed the Administration Agreement which now remains in effect, unless earlier terminated as described below, for a period of one year from the date it was approved by the Board. The Administration Agreement may be terminated by either party without penalty upon at least 60 days' written notice to the other party.

No person who is an officer, director or employee of the Adviser and who serves as a director of the Company receives any compensation from the Company for such services. However, the Company reimburses the Adviser (or its affiliates) for an allocable portion of the compensation paid by the Adviser (or its affiliates) to the Company's Chief Compliance Officer, Chief Financial Officer, and other professionals who spend time on such related activities (based on a percentage of time such individuals devote, on an estimated basis, to the business and affairs of the Company). Directors who are not affiliated with the Adviser receive compensation for their services and reimbursement of expenses incurred to attend meetings.

Advisory Agreement

On April 15, 2011, the Company entered into an Advisory Agreement (the "Advisory Agreement") with the Adviser. The Advisory Agreement was subsequently amended on December 12, 2011. Under the terms of the Advisory Agreement, the Adviser will provide investment advisory services to the Company. The Adviser's services under the Advisory Agreement are not exclusive, and the Adviser is free to furnish similar or other services to others so long as its services to the Company are not impaired. Under the terms of the Advisory Agreement, the Company will pay the Adviser a base management fee (the "Management Fee") and may also pay certain incentive fees (the "Incentive Fee").

The Management Fee is calculated at an annual rate of 1.5% based on the average value of the Company's gross assets calculated using the values at the end of the two most recently completed calendar quarters, adjusted for any share issuances or repurchases during the period. Management Fees are payable quarterly in arrears and are prorated for any partial month or quarter.

For the three and nine months ended September 30, 2013, Management Fees were $3.4 million and $9.7 million, respectively. For the three and nine months ended September 30, 2012, Management Fees were $2.5 million and $6.1 million, respectively.

Until such time that the Company has an initial public offering of its Common Stock (an "IPO"), the Adviser has waived its right to receive the Management Fee in excess of the sum of (i) 0.25% of aggregate committed but undrawn capital; and, (ii) 0.75% of aggregate drawn capital (including capital drawn to pay Company expenses) as determined as of the end of any calendar quarter.

For the three and nine months ended September 30, 2013, Management Fees of $1.9 million and $5.0 million, respectively, were waived. For the three and nine months ended September 30, 2012, Management Fees of $1.2 million and $2.4 million, respectively, were waived.

The Incentive Fee consists of two parts, as follows:

(i) The first component, payable at the end of each quarter in arrears, will equal 100% of the excess of pre-incentive fee net investment income in excess of a 1.5% quarterly hurdle rate until the Adviser has received 15% (17.5% subsequent to an IPO) of total net investment income for that quarter, and 15% (17.5% subsequent to an IPO) of all remaining pre-incentive fee net investment income for that quarter.

(ii) The second component, payable at the end of each fiscal year in arrears, will, prior to an IPO, equal 15% of cumulative realized capital gains from the inception of the Company to the end of such fiscal year, less cumulative realized capital losses, unrealized capital depreciation and net of the aggregate amount of any previously paid capital gain incentive fees for prior periods (the "Capital Gains Fee"). Following an IPO, the Capital Gains Fee will equal a weighted percentage of the Company's realized capital gains, if any, on a cumulative basis as between the inception of the Company to an IPO and from such IPO to the end of such fiscal year. The weighted percentage is intended to ensure that for each fiscal year following an IPO, the portion of the Company's realized capital gains that accrued prior to an IPO will be subject to an incentive fee rate of 15% and the portion of the Company's realized capital gains that accrued following an IPO will be subject to an incentive fee rate of 17.5%.

Notwithstanding the forgoing, if prior to an IPO, cumulative net realized losses from inception of the Company exceed the aggregate dollar amount of dividends paid by the Company through such date, the Adviser will forego the right to receive its quarterly incentive fee payments with respect to pre-incentive fee net investment income until such time that cumulative net realized losses are less than or equal to dividend payments.

The Company accrues Incentive Fees taking into account unrealized gains and losses; however, Section 205(b)(3) of the Investment Advisers Act of 1940, as amended, prohibits the Adviser from receiving the payment of fees until such gains are realized. There can be no assurance that such unrealized gains will be realized in the future.

For the three and nine months ended September 30, 2013, Incentive Fees were $2.9 million and $8.1 million, respectively, of which $2.6 million and $7.3 million, respectively, were realized and payable to the Adviser. For the three and nine months ended September 30, 2012, Incentive Fees were $2.4 million and $4.8 million, respectively, of which $1.5 million and $3.3 million, respectively, were realized and payable to the Adviser.

On November 5, 2013, the Board renewed the Advisory Agreement which now remains in effect, unless earlier terminated as described below, for a period of one year from the date it was approved by the Board. The Advisory Agreement will automatically terminate in the event of an assignment and may be terminated by either party without penalty upon at least 60 days' written notice to the other party.

From time to time, the Adviser may pay amounts owed by the Company to third-party providers of goods or services, including the Board and the Company will subsequently reimburse the Adviser for such amounts paid on its behalf. Amounts payable to the Adviser are settled in the normal course of business without formal payment terms. Expenses incurred by the Adviser on behalf of the Company for the three and nine months ended September 30, 2013, were $1.2 million and $3.4 million, respectively. Expenses incurred by the Adviser on behalf of the Company for the three and nine months ended September 30, 2012, were $0.9 million and $2.6 million, respectively.

4. Investments at Fair Value

Under the 1940 Act, the Company is required to separately identify non-controlled investments where it owns 5% or more of a portfolio company's outstanding voting securities as investments in "affiliated" companies (as defined under the 1940 Act). In addition, under the 1940 Act, the Company is required to separately identify investments where it owns more than 25% of a portfolio company's outstanding voting securities and/or had the power to exercise control over the management or policies of such portfolio company as investments in "controlled" companies (as defined under the 1940 Act). Detailed information with respect to the Company's non-controlled, non-affiliated; non-controlled, affiliated; and controlled investments is contained in the accompanying consolidated financial statements, including the consolidated schedule of investments. The information in the tables below is presented on an aggregate portfolio basis, without regard to whether they are non-controlled, non-affiliated; non-controlled, affiliated; or controlled investments.

Table of Contents

Investments at fair value consisted of the following at September 30, 2013 and December 31, 2012:

	September 30, 2013		
	Amortized Cost (1)	Fair Value	Net Unrealized Gains (Losses)
Debt investments	$ 871,800	$887,610	$ 15,810
Preferred equity / mezzanine	780	780	—
Common equity	2,000	940	(1,060)
Total Investments at Fair Value	$ 874,580	$889,330	$ 14,750

	December 31, 2012		
	Amortized Cost (1)	Fair Value	Net Unrealized Gains
Debt investments	$ 642,421	$651,944	$ 9,523
Common equity	2,000	2,000	—
Total Investments at Fair Value	$ 644,421	$653,944	$ 9,523

(1) Amortized cost represents the original cost adjusted for the amortization of discounts or premiums, as applicable, on debt investments using the effective interest method.

The industry composition of Investments at fair value as of September 30, 2013 and December 31, 2012, is as follows:

	September 30, 2013	December 31, 2012
Aerospace and defense	6.1%	8.6%
Automotive	6.9%	8.9%
Beverage, food, and tobacco	5.1%	8.7%
Business services	14.2%	4.7%
Capital equipment	—	11.0%
Construction and building	5.9%	8.2%
Containers and packaging	5.3%	—
Education	3.3%	—
Environmental industries	—	0.7%
Financial services	10.0%	15.0%
Healthcare and pharmaceutical	15.5%	16.9%
Hotel, gaming, and leisure	8.0%	4.4%
Human resource support services	5.8%	2.3%
Insurance	4.0%	4.7%
Manufacturing	3.0%	—
Office products	2.3%	3.3%
Oil, gas, and consumable fuels	4.6%	—
Transportation	—	2.6%
Total	100.0%	100.0%

The geographic composition of Investments at fair value as of September 30, 2013 and December 31, 2012, is as follows:

	September 30, 2013	December 31, 2012
United States		
Midwest	16.5%	18.8%
Northeast	21.0%	17.8%
South	25.4%	25.7%
West	32.8%	37.7%
Europe	4.3%	—
Total	100.0%	100.0%

5. Derivatives

Foreign Currency

The Company enters into foreign currency forward contracts from time to time to facilitate settlement of purchases and sales of investments denominated in foreign currencies or to help mitigate the impact that an adverse change in foreign exchange rates would have on the value of the Company's investments denominated in foreign currencies. A foreign currency forward contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. These contracts are marked-to-market by recognizing the difference between the contract exchange rate and the current market rate as unrealized appreciation or depreciation. Realized gains or losses are recognized when contracts are settled. The Company's foreign currency forward contracts typically have terms of approximately one month. The volume of open contracts at the end of each reporting period is reflective of the typical volume of transactions during each month. Risks may arise as a result of the potential inability of the counterparties to meet the terms of their contracts. The Company attempts to limit this risk by dealing with only creditworthy counterparties.

During the three and nine months ended September 30, 2013, we entered into foreign currency forward contracts related to our investments in Jeeves Information Systems AB (SEK) and Soho House Bond Ltd. (GBP).

As of September 30, 2013, details of open foreign currency forward contracts were as follows:

Foreign Currency	Settlement Date	Amount (in '000s) and Transaction	USD Value at Settlement Date	USD Value at September 30, 2013	Unrealized Appreciation (Depreciation)
Swedish Kronor (SEK)	October 17, 2013	193,326 sold	$ (28,949)	$ (30,088)	$ (1,139)
British Pound (GBP)	October 17, 2013	7,000 sold	(11,251)	(11,335)	(84)
Total			$ (40,200)	$ (41,423)	$ (1,223)

There were no open foreign currency forward contracts as of December 31, 2012.

6. Fair Value of Financial Instruments

Financial Instruments Carried at Fair Value

The following tables present fair value measurements for Investments at fair value and foreign currency forward contracts based on the inputs used as of September 30, 2013 and December 31, 2012:

	Fair Value Hierarchy at September 30, 2013			
	Level 1	Level 2	Level 3	Total
Debt investments	$ —	$53,559	$834,051	$887,610
Preferred equity / mezzanine	—	—	780	780
Common equity	—	—	940	940
Total Investments at Fair Value	—	53,559	835,771	889,330
Foreign currency forward contracts	—	(1,223)	—	(1,223)
Total	$ —	$52,336	$835,771	$888,107

	Fair Value Hierarchy at December 31, 2012			
	Level 1	Level 2	Level 3	Total
Debt investments	$ —	$84,650	$567,294	$651,944
Common equity	—	—	2,000	2,000
Total Investments at Fair Value	$ —	$84,650	$569,294	$653,944

The following tables present changes in Investments at fair value that use Level 3 inputs as of and for the three and nine months ended September 30, 2013:

	As of and for the Three Months Ended September 30, 2013			
	Debt Investments	Common Equity	Preferred Equity / Mezzanine	Total
Balance, beginning of period	$ 744,206	$ 1,244	$ —	$ 745,450
Purchases	146,192	—	780	146,972
Repayments / redemptions	(60,965)	—	—	(60,965)
Paid-in-kind interest	808	—	—	808
Net change in unrealized gains (losses)	2,166	(304)	—	1,862
Net amortization of discount on securities	1,644	—	—	1,644
Balance, End of Period	$ 834,051	$ 940	$ 780	$ 835,771

	As of and for the Nine Months Ended September 30, 2013			
	Debt Investments	Common Equity	Preferred Equity / Mezzanine	Total
Balance, beginning of period	$ 567,294	$ 2,000	$ —	$ 569,294
Purchases	389,756	—	780	390,536
Proceeds from investments	(30,615)	—	—	(30,615)
Repayments / redemptions	(132,988)	—	—	(132,988)
Paid-in-kind interest	2,060	—	—	2,060
Net change in unrealized gains (losses)	4,241	(1,060)	—	3,181
Net realized gains	142	—	—	142
Net amortization of discount on securities	4,235	—	—	4,235
Transfers into Level 3	29,926	—	—	29,926
Balance, End of Period	$ 834,051	$ 940	$ 780	$ 835,771

Consona Holdings, Inc. transferred into Level 3 during the three months ended June 30, 2013, as a result of changes in the observability of inputs into its valuation.

The following table presents changes in Investments at fair value that use Level 3 inputs as of and for the three and nine months ended September 30, 2012:

	As of and for the Three Months Ended September 30, 2012		
	Debt Investments	Preferred Equity/Mezzanine Investments	Total
Balance, beginning of period	$ 394,598	$ 9,050	$403,648
Purchases	116,051	—	116,051
Repayments / redemptions	(45,742)	—	(45,742)
Paid-in-kind interest	556	—	556
Net change in unrealized gains	4,229	950	5,179
Net amortization of discount on securities	1,508	—	1,508
Balance, End of Period	$ 471,200	$ 10,000	$481,200

Table of Contents

	As of and for the Nine Months Ended September 30, 2012		
	Debt Investments	Preferred Equity/Mezzanine Investments	Total
Balance, beginning of period	$ 174,348	$ 10,000	$ 184,348
Purchases	414,992	(5)	414,987
Proceeds from investments	(60,905)	—	(60,905)
Repayments / redemptions	(53,146)	—	(53,146)
Paid-in-kind interest	1,137	—	1,137
Net change in unrealized gains	6,241	5	6,246
Realized gains	522	—	522
Net amortization of discount on securities	2,181	—	2,181
Transfers out of Level 3	(14,170)	—	(14,170)
Balance, End of Period	$ 471,200	$ 10,000	$ 481,200

Rare Restaurant Group, LLC transferred out of Level 3 during the three months ended March 31, 2012, as a result of changes in the observability of inputs into its valuation.

The following table presents information with respect to net change in unrealized appreciation or depreciation on Investments at fair value for the three and nine months ended September 30, 2013 and 2012 for which Level 3 inputs were used in determining fair value that are still held by the Company as of September 30, 2013 and 2012:

	Net Change in Unrealized Appreciation or Depreciation for the Three Months Ended September 30, 2013 on Investments Held at September 30, 2013	Net Change in Unrealized Appreciation or Depreciation for the Three Months Ended September 30, 2012 on Investments Held at September 30, 2012
Debt investments	$ 2,166	$ 4,229
Preferred equity / mezzanine investments	—	950
Common equity	(305)	—
Total	$ 1,861	$ 5,179

	Net Change in Unrealized Appreciation or Depreciation for the Nine Months Ended September 30, 2013 on Investments Held at September 30, 2013	Net Change in Unrealized Appreciation or Depreciation for the Nine Months Ended September 30, 2012 on Investments Held at September 30, 2012
Debt investments	$ 6,414	$ 6,241
Preferred equity / mezzanine investments	—	5
Common equity	(1,060)	—
Total	$ 5,354	$ 6,246

The following tables present the fair value of Level 3 Investments at fair value and the significant unobservable inputs used in the valuations as of September 30, 2013 and December 31, 2012:

	September 30, 2013				
	Fair Value (1)	Valuation Technique	Unobservable Input	Range (Weighted Average)	Impact to Valuation from an Increase to Input
Debt investments	$ 764,540	Income Approach	Market Yield	5.90% — 12.06% (10.01%)	Decrease
Preferred equity / mezzanine	$ 780	Market Approach (2)			
Common equity	$ 940	Market Approach	EBITDA Multiple	9.5x	Increase

	December 31, 2012				
	Fair Value (1)	Valuation Technique	Unobservable Input	Range (Weighted Average)	Impact to Valuation from an Increase to Input
Debt investments	$ 452,831	Income Approach	Market Yield	7.00% — 11.29%(9.84%)	Decrease
Common equity	$ 2,000	Market Approach (2)			

(1) Excludes $69.5 million and $114.5 million of debt investments as of September 30, 2013 and December 31, 2012, respectively, which, due to the proximity of the transactions relative to the measurement date, were valued by using the value implied from such transactions.

(2) Due to the proximity of the transaction relative to the measurement date, the value implied from the transaction is representative of the fair value for the investments as of September 30, 2013 and December 31, 2012, respectively.

Financial Instruments Not Carried at Fair Value

Debt

The fair value of the Company's debt, which is categorized as Level 3 within the fair value hierarchy, as of September 30, 2013 and December 31, 2012, approximates its carrying value as the outstanding balances are callable at carrying value.

Other Financial Assets and Liabilities

The carrying amounts of the Company's financial assets and liabilities as of September 30, 2013 and December 31, 2012, other than investments at fair value, approximate fair value due to their short maturities or their close proximity of the originations to the measurement date. Under the fair value hierarchy, cash and cash equivalents are classified as Level 1 while the Company's other assets and liabilities, other than investments at fair value and borrowings, are classified as Level 2.

7. Debt

In accordance with the 1940 Act, with certain limitations, the Company is allowed to borrow amounts such that its asset coverage, as defined in the 1940 Act, is at least 200% after such borrowing. As of September 30, 2013 and December 31, 2012, the Company's asset coverage was 265.9% and 244.6%, respectively.

Debt obligations consisted of the following as of September 30, 2013 and December 31, 2012:

	September 30, 2013		
	Total Facility	Borrowings Outstanding	Amount Available (1)
Revolving Credit Facility (DBTCA)	$ 100,000	$ 53,000	$ 47,000
Revolving Credit Facility (Natixis)	100,000	67,767	7,137
Revolving Credit Facility (SunTrust)	400,000	217,500	182,500
Total Debt Obligations	$ 600,000	$ 338,267	$ 236,637

	December 31, 2012		
	Total Facility	Borrowings Outstanding	Amount Available (1)
Revolving Credit Facility (DBTCA)	$ 250,000	$ 165,000	$ 85,000
Revolving Credit Facility (Natixis)	100,000	66,836	4,808
Revolving Credit Facility (SunTrust)	200,000	100,000	100,000
Total Debt Obligations	$ 550,000	$ 331,836	$ 189,808

(1) The amount available considers any limitations related to the respective debt facilities' borrowing bases. On November 8, 2013, the Reinvestment Period of the Revolving Credit Facility (Natixis) expired and accordingly any availability under the facility terminated.

For the three and nine months ended September 30, 2013 and 2012, the components of interest expense, average debt outstanding, and weighted average interest rate on borrowings were as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Stated interest expense	$ 1,797	$ 962	$ 4,665	$ 2,082
Commitment fees	341	365	1,151	783
Amortization of debt issuance cost	513	453	1,514	991
Total Interest Expense	$ 2,651	$ 1,780	$ 7,330	$ 3,856
Average debt outstanding	$ 270,999	$ 127,145	$ 226,294	$ 92,398
Weighted average interest rate	2.6%	3.0%	2.7%	2.9%

Revolving Credit Facility (DBTCA)

During July 2013, the Company delivered notices to Deutsche Bank Trust Company Americas to permanently reduce the commitment of the Company's Revolving Credit Facility (DBTCA) from $250 million to $100 million. The elective reduction was made in anticipation of the facility expiring in December 2013 and does not have a significant effect on the Company's liquidity as (i) the Company's borrowings are limited by the 1940 Act's asset coverage requirement; and (ii) there is adequate availability under the Company's other credit facilities.

Revolving Credit Facility (Natixis)

On July 17, 2013, the Company's wholly-owned subsidiary TPG SL SPV, LLC amended the Revolving Credit Facility (Natixis). The amendment included additional options in the matrix table used in connection with managing the various benchmarks and compliance with the facility's collateral quality tests.

The Revolving Credit Facility (Natixis) is secured by a perfected first priority security interest in the assets of TPG SL SPV, LLC, a wholly-owned subsidiary of the Company (the "Subsidiary") and on any payments received by the Subsidiary in respect of such assets and, as such, are not available to pay the debts of the Company. As of September 30, 2013 and December 31, 2012, the Subsidiary had $177.0 million and $163.8 million, respectively, in assets, including $167.6 million and $154.4 million, respectively, in investments, and $68.3 million and $67.3 million, respectively, in liabilities, including the outstanding borrowings, on its balance sheet. As of September 30, 2013 and December 31, 2012, the Subsidiary had $5.8 million and $4.3 million, respectively, in restricted cash, a component of Prepaid expenses and other assets, in the accompanying consolidated financial statements.

Revolving Credit Facility (SunTrust)

On July 2, 2013, the Company entered into an agreement to amend and restate the Revolving Credit Facility (SunTrust), effective on July 3, 2013. The amended and restated facility, among other things, (a) increased the size of the facility from $200 million to $350 million; (b) increased the limit for swingline loans from $30 million to $50 million; (c) extended the expiration of the revolving period from August 24, 2015 to June 30, 2017, during which period the Company, subject to certain conditions, may make borrowings under the facility; (d) extended the stated maturity date from August 23, 2016 to July 2, 2018; (e) modified pricing; and, (f) increased advance rates for certain types of investments used in determining the borrowing base.

The amended and restated facility also reduced the fee rate on undrawn commitment amounts from 0.500% to 0.375% per annum. The amended and restated facility continues to be guaranteed by certain subsidiaries of the Company and secured by a perfected first-priority security interest in substantially all the portfolio investments held by the Company and each guarantor.

The amended and restated facility includes an uncommitted accordion feature that allows the Company, under certain circumstances, to increase the size of the facility to a maximum of $550 million. On September 30, 2013, the Company exercised its right under the accordion feature and increased the size of the facility to $400 million.

Prior to the amendment, the revolving credit facility contained a covenant restricting the Company from incurring secured debt (other than the facility and any capital call facility) in excess of 40% of the total assets of the Company. The amended and restated facility removes this covenant. The amended and restated facility continues to include customary covenants, including certain financial covenants related to asset coverage and liquidity and other maintenance covenants, as well as customary events of default.

As of September 30, 2013 and December 31, 2012, the Company was in compliance with the terms of its debt obligations.

8. Commitments and Contingencies

Portfolio Company Commitments

From time to time, the Company may enter into commitments to fund investments. As of September 30, 2013 and December 31, 2012, the Company had the following commitments to fund investments:

	September 30, 2013	December 31, 2012
Senior secured revolving loan commitments	$ 20,782	$ 17,500
Senior secured term loan commitments	14,100	14,500
Total Portfolio Company Commitments	$ 34,882	$ 32,000

Other Commitments and Contingencies

As of September 30, 2013 and December 31, 2012, the Company had $1.5 billion and $1.4 billion, respectively, in total capital commitments from investors ($1.0 billion and $1.0 billion unfunded, respectively), of which $117.1 million and $114.1 million, respectively, is from the Adviser and its affiliates ($76.7 million and $76.6 million unfunded, respectively).

From time to time, the Company may become a party to certain legal proceedings incidental to the normal course of its business. As of September 30, 2013, management is not aware of any pending or threatened litigation.

9. Net Assets

The following tables summarize the total shares issued and proceeds received related to capital drawdowns delivered pursuant to the Subscription Agreements during the nine months ended September 30, 2013 and 2012:

	Nine Months Ended September 30, 2013	
	Shares Issued	Proceeds Received
February 20, 2013	31,184	$ 31,857
September 13, 2013 (1)	24,504	25,000
Total Capital Drawdowns	55,688	$ 56,857

(1) As of September 30, 2013, there were $0.1 million in capital drawdowns outstanding from investors. On October 2, 2013, all outstanding amounts had been received by the Company.

	Nine Months Ended September 30, 2012	
	Shares Issued	Proceeds Received
February 15, 2012	6,525	$ 6,429
February 22, 2012	35,521	35,000
March 29, 2012	76,137	75,000
May 31, 2012	13,379	13,459
June 29, 2012 (1)	34,789	35,000
September 26, 2012	22,439	22,698
Total Capital Drawdowns	188,790	$ 187,586

(1) As of June 30, 2012, there were $2.9 million in capital drawdowns outstanding from investors. On July 13, 2012, all outstanding amounts had been received by the Company.

Pursuant to the Company's dividend reinvestment plan, the following tables summarize the shares issued to investors who have not opted out of the Company's dividend reinvestment plan during the nine months ended September 30, 2013 and 2012:

	Nine Months Ended September 30, 2013		
Date Declared	Record Date	Date Shares Issued	Shares Issued
December 31, 2012	December 31, 2012	March 12, 2013	5,159
March 31, 2013	March 31, 2013	May 7, 2013	6,550
June 30, 2013	June 30, 2013	August 6, 2013	7,046
Total Shares Issued			18,755

	Nine Months Ended September 30, 2012		
Date Declared	Record Date	Date Shares Issued	Shares Issued
December 31, 2011	December 31, 2011	March 20, 2012	343
March 20, 2012	March 31, 2012	May 16, 2012	1,458
May 9, 2012	June 30, 2012	August 7, 2012	3,316
Total Shares Issued			5,117

The number of shares issued through the dividend reinvestment plan was determined by dividing the total dollar amount of the dividend payable to such investor by the net asset value per share of the Common Stock on the record date of the dividend. The Common Stock issued through the dividend reinvestment plan was rounded down to the nearest whole share to avoid the issuance of fractional shares, and fractional shares were paid in cash.

10. Dividends

The following tables summarize the dividends declared during the nine months ended September 30, 2013 and 2012:

	Nine Months Ended September 30, 2013		
Date Declared	Record Date	Payment Date	Dividend per Share
March 12, 2013	March 31, 2013	May 6, 2013	$ 25.49
June 30, 2013	June 30, 2013	July 31, 2013	26.47
September 30, 2013	September 30, 2013	October 31, 2013	25.36
Total			$ 77.32

	Nine Months Ended September 30, 2012		
Date Declared	Record Date	Payment Date	Dividend per Share
March 20, 2012	March 31, 2012	May 7, 2012	$ 10.51
May 9, 2012	June 30, 2012	August 3, 2012	21.50
September 30, 2012	September 30, 2012	October 30, 2012	24.30
Total			$ 56.31

The dividends declared during the nine months ended September 30, 2013 and 2012, were derived from net investment income, determined on a tax basis.

11. Income Taxes

Taxable income generally differs from Increase in Net Assets Resulting from Operations due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized gains or losses, as unrealized gains or losses are generally not included in taxable income until they are realized.

In general, the Company may make certain adjustments to the classification of stockholders' equity as a result of permanent book-to-tax differences, which may include differences in the book and tax basis of certain assets and liabilities and nondeductible federal taxes or expenses, among other items. To the extent these differences are permanent, they are charged or credited to Additional Paid-in Capital or Accumulated Net Investment Income, as appropriate, in the period that the differences arise. These adjustments have no effect on the Company's net assets or results of operations.

We neither have any uncertain tax positions that met the recognition or measurement criteria of ASC 740-10-25, *Income Taxes*, nor did we have any unrecognized tax benefits as of the periods presented herein. Although we file federal and state tax returns, our primary tax jurisdiction is federal. Our inception-to-date taxable years remain subject to examination by the Internal Revenue Service as well as the respective state and local tax authorities.

The tax basis of the Company's investments as of September 30, 2013 and December 31, 2012, approximates their amortized cost.

For the three and nine months ended September 30, 2013, a net expense of $0.1 million and $0.1 million, respectively, was recorded for U.S. federal excise tax. For the three and nine months ended September 30, 2012, we did not incur any U.S. federal excise tax.

12. Financial Highlights

The following per share data and ratios have been derived from information provided in the consolidated financial statements. The following are the financial highlights for a share of Common Stock outstanding during the three months ended September 30, 2013 and 2012.

	Nine Months Ended	
	September 30, 2013	September 30, 2012
Per Share Data		
Net asset value, beginning of period	$ 1,012.93	$ 980.51
Net investment income (1)	79.69	60.67
Net unrealized and realized gains	8.36	23.37
Total from investment operations	88.05	84.04
Dividends declared (2)	(77.32)	(56.31)
Total increase in net assets	10.73	27.73
Net Asset Value, End of Period	$ 1,023.66	$ 1,008.24
Shares Outstanding, End of Period	548,121	370,440
Total Return (3) (4)	8.7%	8.6%
Ratios / Supplemental Data		
Ratio of net expenses to average net assets (4)	4.7%	5.3%
Ratio of net investment income to average net assets (4)	7.8%	5.8%
Net assets, end of period	$ 561,089	$ 373,491
Weighted-average shares outstanding	508,294	282,445
Total committed capital, end of period (5)	$ 1,500,000	$ 1,402,970
Ratio of total contributed capital to total committed capital, end of period	34.5%	25.7%
Year of formation	2010	2010

(1) The per share data was derived by using the weighted average shares outstanding during the period.
(2) The per share data was derived by using the actual shares outstanding at the date of the relevant transactions.
(3) Total return is calculated as the change in net asset value per share during the period plus declared dividends per share, divided by the beginning net asset value per share.
(4) Not annualized.
(5) Amount includes $117.1 million and $98.4 million of commitments from the Adviser and its affiliates as of September 30, 2013 and 2012, respectively.

13. Subsequent Events

Revolving Credit Facility (DBTCA)

On November 5, 2013, the Company entered into an agreement to amend the Revolving Credit Facility (DBTCA) by extending the stated maturity date from December 22, 2013 to June 30, 2014.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information contained in this section should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this report. This discussion also should be read in conjunction with the "Cautionary Statement Regarding Forward Looking Statements" set forth on page 3 of this Quarterly Report on Form 10-Q.

OVERVIEW

We were incorporated under the laws of the State of Delaware on July 21, 2010. We elected to be treated as a business development company under the 1940 Act, and have elected to be treated as a regulated investment company ("RIC") for U.S. federal income tax purposes. As such, we are required to comply with various statutory and regulatory requirements, such as the requirement to invest at least 70% of our assets in "qualifying assets," source of income limitations, asset diversification requirements, and the requirement to distribute annually at least 90% of our taxable income and tax-exempt interest.

PORTFOLIO INVESTMENT ACTIVITY

Our investment activity for the three months ended September 30, 2013 and 2012, is presented below (information presented herein is at amortized cost (1) unless otherwise indicated):

($ in millions)	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012
Principal amount of investments funded (2):		
Senior term debt	$ 150.7	$ 140.9
Senior secured revolving loan	9.3	—
Corporate bonds	11.2	0.9
Preferred equity / mezzanine	0.8	—
Total	$ 172.0	$ 141.8
New investment commitments (3):		
Portfolio companies	$ 16.9	$ 5.6
Average Total Investment in New Portfolio Companies (4):	$ 28.2	$ 21.0

(1) The amortized cost represents the original cost adjusted for the amortization of discounts and premiums, as applicable, on debt investments using the effective interest method.
(2) Amount of investments funded includes amounts originally funded in the period on term loans and revolving credit facilities, but not amounts subsequently repaid by borrowers in the period.
(3) New investment commitments include new agreements to fund revolving credit facilities and term loans not funded at closing.
(4) "Average Total Investment in New Portfolio Companies" is computed as the average of all new portfolio company debt and equity investments made during the period, including investment commitments not yet funded.

The weighted average yields at fair value and amortized cost of the following portions of our portfolio as of September 30, 2013 and December 31, 2012, were as follows:

	September 30, 2013		December 31, 2012	
	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Senior term debt and revolving loans	10.2%	10.4%	10.2%	10.4%
Junior secured loans	12.2%	13.2%	13.7%	14.2%
Corporate bonds	8.9%	9.1%	11.0%	11.0%
Debt and income producing securities	10.4%	10.6%	10.6%	10.7%

RESULTS OF OPERATIONS

The primary driver of change between the results of our operations for the three and nine months ended September 30, 2013 versus the comparable periods in 2012 is related to our investing and other related business activities as we continued to establish our business and deploy our available capital.

Investment Income

We generate revenues in the form of interest income from the debt securities we hold and dividends on either direct equity investments or equity interests obtained in connection with originating loans, such as options, warrants or conversion rights. In addition, we generate revenue in various forms, including commitment, loan origination, syndication, and prepayment fees. Certain of these fees are capitalized and amortized as additional interest income over the life of the related investment.

Investment income for the three and nine months ended September 30, 2013, was $23.3 million and $65.0 million, respectively, which consisted of $22.8 million and $63.3 million, respectively, in interest income and $0.5 million and $1.7, respectively, in other income from non-controlled, non-affiliated investments.

Investment income for the three and nine months ended September 30, 2012, was $14.6 million and $32.8 million, respectively, which consisted of $14.4 million and $32.5 million, respectively, in interest income and $0.1 million and $0.3 million, respectively, in other income. Investment income from non-controlled, non-affiliated investments was $13.6 million and $30.1 million, respectively, while investment income from non-controlled, affiliated investments was $0.9 million and $2.7 million, respectively.

Expenses

Our primary operating expenses include the payment of the Management Fee and, depending on our operating results, the Incentive Fee, expenses reimbursable under the Administration Agreement and the Advisory Agreement, and other direct expenses that we incur, such as compensation to our Board and interest payable for borrowings. The Management Fee and Incentive Fee compensate our Adviser for work in identifying, evaluating, negotiating, closing, monitoring, and realizing our investments. Under the terms of the Administration Agreement, our Adviser provides administrative services to us. These services include providing office space, equipment and office services, maintaining financial records, preparing reports to stockholders and reports filed with the SEC, and managing the payment of expenses and the performance of administrative and professional services rendered by others. Certain of these services are reimbursable to our Adviser under the terms of the Administration Agreement. We bear all other costs and expenses of our operations and transactions.

Net expenses for the three and nine months ended September 30, 2013 were $8.6 million and $24.4 million, respectively, which consisted of $2.7 million and $7.3 million, respectively, of interest expense, $1.6 million and $4.7 million, respectively, in Management Fees (net of waivers), $2.9 million and $8.1 million, respectively, in Incentive Fees, $0.9 million and $2.4 million, respectively, in professional fees, $0.1 million and $0.2 million, respectively, in directors' fees, and $0.6 million and $1.7 million, respectively, in other general and administrative expenses.

Net expenses for the three and nine months ended September 30, 2012, were $6.6 million and $15.7 million, respectively, which consisted of $1.8 million and $3.9 million, respectively, of interest expense, $1.3 million and $3.7 million, respectively, in Management Fees (net of waivers), $2.4 million and $4.8 million, respectively, in Incentive Fees, $0.7 million and $2.0 million, respectively, in professional fees, $0.1 million and $0.2 million, respectively, in directors' fees, and $0.4 million and $1.1 million, respectively, in other general and administrative expenses.

Income Tax Expense, Including Excise Tax

We have elected to be treated as a RIC under Subchapter M of the Code and we intend to operate in a manner so as to continue to qualify for the tax treatment applicable to RICs. To qualify as a RIC, we must, among other things, distribute to our stockholders generally at least 90% of our investment company taxable income, as defined by the Code, for each taxable year. In order to maintain our RIC status, we, among other things, have made and intend to continue to make the requisite distributions to our stockholders which will generally relieve us from U.S. federal income taxes.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such income, as required. To the extent that we determine that our estimated current year annual taxable income will be in excess of estimated current year dividend distributions from such income, we accrue excise tax on estimated excess taxable income. For the three and nine months ended September 30, 2013, a net expense of $0.1 million and $0.1 million, respectively, was recorded for U.S. federal excise tax. For the three and nine months ended September 30, 2012, we did not incur any U.S. federal excise tax.

Net Change in Unrealized Gains/Losses

We value our investments quarterly and any changes in fair value are recorded as unrealized gains or losses.

During the three and nine months ended September 30, 2013 and 2012, the net change in unrealized gains (losses) on our investment portfolio was comprised of the following:

	Three Months Ended		Nine Months Ended	
($ in millions)	**September 30, 2013**	**September 30, 2012**	**September 30, 2013**	**September 30, 2012**
Change in unrealized gains	$ 5.8	$ 6.8	$ 10.1	$ 7.9
Change in unrealized losses	(3.0)	(1.8)	(4.9)	(1.7)
Net Change in Unrealized Gains	$ 2.8	$ 5.0	$ 5.2	$ 6.2

The net change in unrealized gains (losses) for the three and nine months ended September 30, 2013 and 2012, consisted of the following (certain gains (losses) have been rounded to zero):

($ in millions)	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Actian Corporation	$ 0.5	$ —	$ 0.2	$ —
AFS Technologies, Inc.	0.7	0.9	0.8	(0.2)
AMF Bowling Worldwide, Inc.	1.0	—	1.0	—
Attachmate Corporation	—	0.2	—	0.2
Campus Management, Inc.	—	—	—	—
Centaur, LLC.	—	—	0.1	—
Center Cut Hospitality, Inc.	—	(0.4)	—	(0.3)
Checkers Drive-In Restaurants, Inc.	(0.3)	—	—	—
Consona Holdings, Inc.	(0.1)	0.1	(0.3)	0.1
Ecommerce Industries, Inc.	—	0.2	(0.1)	0.2
El Pollo Loco, Inc.	—	(0.1)	—	—
Embarcadero Technologies, Inc.	0.1	—	0.8	—
eResearch Technology, Inc.	—	0.8	(0.6)	0.8
Federal Signal Corporation	—	(0.1)	(2.2)	1.0
Global Geophysical	—	—	—	—
Heartland Automotive, LLC	(0.5)	(0.1)	—	(0.1)
Infogix, Inc.	(0.2)	0.2	0.1	0.2
Intelident Solutions, Inc.	—	—	(0.1)	—
International Equipment Solutions, Inc.	(0.3)	—	(0.1)	—
Jeeves Information Systems AB.	1.4	—	0.6	—
Mandalay Baseball Properties, LLC	(0.2)	0.4	0.6	0.4
Mannington Mills, Inc.	0.2	3.2	2.1	3.4
Mediware Information Systems, Inc.	0.4	—	0.9	—
MSC Software Corporation	(0.1)	—	0.1	0.2
Network Merchants, Inc	—	—	—	—
The Newark Group, Inc.	0.7	—	0.9	—
PAI Group, Inc.	0.2	—	—	—
Rare Restaurant Group, LLC.	—	—	—	0.1
Rogue Wave Holdings, Inc.	0.1	0.1	0.1	0.1
Sage Automotive Interiors, Inc.	(0.1)	—	0.2	—
Soho House Bond Ltd.	0.3	—	0.3	—
Solarsoft, LP (f/k/a CMS-XKO Holding Company, LP)	—	0.5	—	1.0
SRS Software, LLC.	(0.4)	—	(1.3)	—
SumTotal Systems, LLC.	(0.1)	—	—	—
Synagro Technologies, Inc.	0.2	(1.1)	1.2	(1.1)
Teletrac, Inc.	(0.7)	—	(0.1)	—
Vivint, Inc.	—	0.2	—	0.2
Subtotal	2.8	5.0	5.2	6.2
Foreign currency forward contracts	(1.9)	—	(1.2)	—
Net Change in Unrealized Gains	$ 0.9	$ 5.0	$ 4.0	$ 6.2

Net Realized Gains/Losses

During the three and nine months ended September 30, 2013 and 2012, realized gains (losses) consisted of the following (certain gains (losses) have been rounded to zero):

($ in millions)	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Centaur, LLC	$ —	$ —	$ 0.1	$ —
Checkers Drive-In Restaurants, Inc.	0.5	—	0.8	—
El Pollo Loco, Inc.	—	0.7	—	0.7
Embarcadero Technologies, Inc.	—	—	0.1	—

($ in millions)	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Mannington Mills, Inc.	—	—	—	0.4
Rare Restaurant Group, LLC.	—	—	—	2.6
Rogue Wave Holdings, Inc.	—	—	—	0.1
Synagro Technologies, Inc.	—	—	0.1	—
Subtotal	0.5	0.7	1.1	3.8
Foreign currency forward contracts	0.3	—	0.3	—
Net Realized Gains	$ 0.8	$ 0.7	$ 1.4	$ 3.8

Hedging

We may, but are not required to, enter into interest rate, foreign exchange or other derivative agreements to hedge interest rate, currency, credit or other risks, but we do not generally intend to enter into any such derivative agreements for speculative purposes. Any derivative agreements entered into for speculative purposes are not expected to be material to our business or results of operations. These hedging activities, which will be in compliance with applicable legal and regulatory requirements, may include the use of various instruments, including futures, options and forward contracts. We will bear the costs incurred in connection with entering into, administering and settling any such derivative contracts. There can be no assurance any hedging strategy we employ will be successful.

During the three and nine months ended September 30, 2013, we entered into foreign currency forward contracts related to our investments in Jeeves Information Systems AB and Soho House Bond Ltd. Other than these foreign currency forward contracts, we did not enter into any other interest rate or other derivative agreements.

The foreign currency forward contracts are intended to help mitigate the impact that an adverse change in foreign exchange rates would have on the value of the Company’s investments denominated in foreign currencies. A foreign currency forward contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. These contracts are marked-to-market by recognizing the difference between the contract exchange rate and the current market rate as unrealized appreciation or depreciation. Realized gains or losses are recognized when contracts are settled. The Company’s foreign currency forward contracts typically have terms of approximately one month. The volume of open contracts at the end of each reporting period is reflective of the typical volume of transactions during each calendar quarter. Risks may arise as a result of the potential inability of the counterparties to meet the terms of their contracts. The Company attempts to limit this risk by dealing with only creditworthy counterparties.

During the three and nine months ended September 30, 2012, we did not enter into any interest rate, foreign exchange or other derivative agreements.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2013, we had $19.6 million in cash and cash equivalents on hand, a decrease of $142.2 million from December 31, 2012. The decrease was primarily attributable to investments made during the period. The primary uses of our cash and cash equivalents are for (1) investments in portfolio companies and other investments and to comply with certain portfolio diversification requirements; (2) the cost of operations (including paying our Adviser); (3) debt service, repayment, and other financing costs; and, (4) cash distributions to the holders of our shares.

We expect to generate additional cash from (1) operations; (2) future offerings of our common or preferred shares; and, (3) borrowings from banks or other lenders.

Cash and cash equivalents on hand as of September 30, 2013, combined with our uncalled capital commitments of $1.0 billion, is expected to be sufficient for our investing activities and to conduct our operations for the foreseeable future.

Capital Share Activity

During the nine months ended September 30, 2013, we entered into subscription agreements (collectively, the “Subscription Agreements”) with several investors, including our Adviser, providing for the private placement of our Common Stock. The subscription agreements brought our total capital commitments to $1.5 billion ($117.1 million from the Adviser and its affiliates), the maximum agreed to with our investors. Offering costs associated with the private placements were absorbed by the Adviser. Under the terms of the Subscription Agreements, investors are required to fund drawdowns to purchase our Common Stock up to the amount of their respective capital commitments on an as-needed basis, with a minimum of 10 business days’ prior notice.

Table of Contents

As of September 30, 2013 and December 31, 2012, we had $1.5 billion and $1.4 billion, respectively, in total capital commitments from investors ($1.0 billion and $1.0 billion unfunded, respectively), of which $117.1 million and $114.1 million, respectively, is from the Adviser and its affiliates ($76.7 million and $76.6 million unfunded, respectively).

During the nine months ended September 30, 2013, we delivered drawdown notices to our investors relating to the issuance of 55,688 shares of our Common Stock for aggregate offering proceeds of $56.9 million. During the nine months ended September 30, 2012, we delivered drawdown notices to our investors relating to the issuance of 188,790 shares of our Common Stock for aggregate offering proceeds of $187.6 million. See Note 9 to our consolidated financial statements for the dates and amounts of our drawdowns. Proceeds from the issuances were used in our investing activities and for other general corporate purposes.

In addition to the drawdown noted above, during the nine months ended September 30, 2013, we issued 18,755 shares of our Common Stock, respectively, to investors who have not opted out of our dividend reinvestment plan. During the nine months ended September 30, 2012, we issued 5,117 shares of our Common Stock, respectively, to investors who have not opted out of our dividend reinvestment plan.

The number of shares issued through the dividend reinvestment plan was determined by dividing the total dollar amount of the dividend payable to such investor by the net asset value per share of our Common Stock as of the declaration dates of the dividends. The Common Stock issued through the dividend reinvestment plan was rounded down to the nearest whole share to avoid the issuance of fractional shares, and fractional shares were paid in cash.

Debt

Debt obligations consisted of the following as of September 30, 2013 and December 31, 2012:

	September 30, 2013		
($ in millions)	**Total Facility**	**Borrowings Outstanding**	**Amount Available (1)**
Revolving Credit Facility (DBTCA)	$ 100.0	$ 53.0	$ 47.0
Revolving Credit Facility (Natixis)	100.0	67.8	7.1
Revolving Credit Facility (SunTrust)	400.0	217.5	182.5
Total Debt Obligations	$ 600.0	$ 338.3	$ 236.6

	December 31, 2012		
($ in millions)	**Total Facility**	**Borrowings Outstanding**	**Amount Available (1)**
Revolving Credit Facility (DBTCA)	$ 250.0	$ 165.0	$ 85.0
Revolving Credit Facility (Natixis)	100.0	66.8	4.8
Revolving Credit Facility (SunTrust)	200.0	100.0	100.0
Total Debt Obligations	$ 550.0	$ 331.8	$ 189.8

(1) The amount available considers any limitations related to the respective debt facilities' borrowing bases.

As of September 30, 2013 and December 31, 2012, we were in compliance with the terms of our debt arrangements. We intend to continue to utilize our credit facilities to fund investments and for other general corporate purposes.

See *Recent Developments* below for a summary of recent events related to our revolving credit facilities.

OFF BALANCE SHEET ARRANGEMENTS

Portfolio Company Commitments

From time to time, we may enter into commitments to fund investments. As of September 30, 2013 and December 31, 2012, we had the following commitments to fund investments:

($ in millions)	**September 30, 2013**	**December 31, 2012**
Senior secured revolving loan commitments	$ 20.8	$ 17.5
Senior secured term loan commitments	14.1	14.5
Total Portfolio Company Commitments	$ 34.9	$ 32.0

Other Commitments and Contingencies

As of September 30, 2013 and December 31, 2012, we had $1.5 billion and $1.4 billion, respectively, in total capital commitments from investors ($1.0 billion and $1.0 billion unfunded, respectively), of which $117.1 million and $114.1 million, respectively, is from the Adviser and its affiliates ($76.7 million and $76.6 million unfunded, respectively).

CONTRACTUAL OBLIGATIONS

A summary of our contractual payment obligations as of September 30, 2013 is as follows:

	Payments Due by Period				
($ in millions)	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**After 5 years**
Revolving Credit Facility (DBTCA)	$ 53.0	$ 53.0	$ —	$ —	$ —
Revolving Credit Facility (Natixis)	67.8	—	—	—	67.8
Revolving Credit Facility (SunTrust)	217.5	—	—	217.5	—
Total Contractual Obligations	$338.3	$ 53.0	$ —	$ 217.5	$ 67.8

In addition to the contractual payment obligations in the tables above, we also have commitments to fund investments. See the Off Balance Sheet Arrangements section above.

RECENT DEVELOPMENTS

Revolving Credit Facility (DBTCA)

On November 5, 2013, the Company entered into an agreement to amend the Revolving Credit Facility (DBTCA) by extending the stated maturity date from December 22, 2013 to June 30, 2014.

CRITICAL ACCOUNTING POLICIES

The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Changes in the economic environment, financial markets, and any other parameters used in determining such estimates could cause actual results to differ. Our critical accounting policies, including those relating to the valuation of our investment portfolio, are described in the Company's Annual Report on Form 10-K for the year ended December 31, 2012, which was filed with the SEC on March 15, 2013.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to financial market risks, including valuation risk and interest rate risk. We currently do not hedge our exposure to these risks.

Valuation Risk

We have invested, and plan to continue to invest, primarily in illiquid debt and equity securities of private companies. Most of our investments will not have a readily available market price, and we will value these investments at fair value as determined in good faith by our Board in accordance with our valuation policy. There is no single standard for determining fair value in good faith. As a result, determining fair value requires that judgment be applied to the specific facts and circumstances of each portfolio investment while employing a consistently applied valuation process for the types of investments we make. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we may realize amounts that are different from the amounts presented and such differences could be material. See Note 2 to our consolidated financial statements, for more details on estimates and judgments made by us in connection with the valuation of our investments.

Interest Rate Risk

Interest rate sensitivity refers to the change in earnings that may result from changes in the level of interest rates. We also fund portions of our investments with borrowings, and at such time, our net investment income is affected by the difference between the rate at which we invest and the rate at which we borrow. Accordingly, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income.

As of September 30, 2013, the majority of the investments at fair value in our portfolio were at variable rates. Our credit facilities also bear interest at floating rates.

We regularly measure our exposure to interest rate risk. We assess interest rate risk and manage our interest rate exposure on an ongoing basis by comparing our interest rate-sensitive assets to our interest rate-sensitive liabilities. Based on that review, we determine whether or not any hedging transactions are necessary to mitigate exposure to changes in interest rates.

Based on our balance sheet as of September 30, 2013, the following table shows the impact on net income for the three months ended September 30, 2013, of base rate changes in interest rates (considering interest rate floors and ceilings for variable rate instruments) assuming no changes in our investment and borrowing structure:

($ in millions) Basis Point Change	Interest Income	Interest Expense	Net Income
Up 300 basis points	$ 6.1	$ 2.1	$ 4.0
Up 200 basis points	$ 4.0	$ 1.4	$ 2.6
Up 100 basis points	$ 2.0	$ 0.7	$ 1.3
Down 100 basis points	$ (0.2)	$ (0.7)	$ 0.5
Down 200 basis points	$ (0.2)	$ (1.4)	$ 1.2
Down 300 basis points	$ —	$ (2.1)	$ 2.1

Item 4. Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15 under the Securities Exchange Act of 1934). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our current disclosure controls and procedures are effective in timely alerting them to material information relating to us that is required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934.

There have been no changes in our internal control over financial reporting that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of our rights under loans to or other contracts with our portfolio companies. We are not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us.

Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2012, which was filed with the SEC on March 15, 2013.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Sales of unregistered securities

None.

Issuer purchases of equity securities

The following table provides information regarding purchases of our common shares by our Adviser and its affiliates for each month in the three month period ended September 30, 2013:

($ in thousands, except per share amounts) Period	Average Price Paid per Share	Total Number of Shares Purchased	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
July 2013	$ —	—	—	$ —
August 2013	—	—	—	—
September 2013	1,020.24	1,914	1,914	76,706
Total	$ 1,020.24	1,914	1,914	$ 76,706

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits.

(a) Exhibits.

31.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of CEO and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

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

TPG SPECIALTY LENDING, INC.

Date: November 8, 2013	By: /s/ Michael Fishman Michael Fishman Chief Executive Officer
Date: November 8, 2013	By: /s/ Alan Kirshenbaum Alan Kirshenbaum Chief Financial Officer

Exhibit 31.1

CEO CERTIFICATION

I, Michael Fishman, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of TPG Specialty Lending, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2013

By: /s/ Michael Fishman
Michael Fishman
Chief Executive Officer

Exhibit 31.2

CFO CERTIFICATION

I, Alan Kirshenbaum, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of TPG Specialty Lending, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and

c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

(5) The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 8, 2013

By: /s/ Alan Kirshenbaum
Alan Kirshenbaum
Chief Financial Officer

Exhibit 32

Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the quarterly report on Form 10-Q of TPG Specialty Lending, Inc. (the "Company") for the quarterly period ended September 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Michael Fishman, as Chief Executive Officer of the Company, and Alan Kirshenbaum, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael Fishman

Name: Michael Fishman
Title: Chief Executive Officer
Date: November 8, 2013

/s/ Alan Kirshenbaum

Name: Alan Kirshenbaum
Title: Chief Financial Officer
Date: November 8, 2013

The foregoing certification is being furnished solely pursuant to 18 U.S.C. §1350 and is not being filed as part of the Report or as a separate disclosure document.