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Hercules Capital, Inc.  
Form 10-Q  
November 03, 2016

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, 2016

OR

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

Commission File Number: 814-00702

HERCULES CAPITAL, INC.

(Exact Name of Registrant as Specified in its Charter)

Maryland  
(State or Jurisdiction of

Incorporation or Organization)

400 Hamilton Ave., Suite 310

Palo Alto, California

743113410  
(IRS Employer

Identification No.)  
94301

(Zip Code)

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(Address of Principal Executive Offices)

(650) 289-3060

(Registrant's Telephone Number, Including Area Code)

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 periods 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 Smaller reporting company

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

On October 31, 2016, there were 77,189,555 shares outstanding of the Registrant's common stock, \$0.001 par value.

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HERCULES CAPITAL, INC.

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## PART I: FINANCIAL INFORMATION

In this Quarterly Report, the “Company,” “Hercules,” “we,” “us” and “our” refer to Hercules Capital, Inc. and its wholly owned subsidiaries and its affiliated securitization trusts on or after February 25, 2016 and “Hercules Technology Growth Capital, Inc.” and its wholly owned subsidiaries and its affiliated securitization trusts prior to February 25, 2016, unless the context otherwise requires.

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS  
HERCULES CAPITAL, INC.

## CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(unaudited)

(dollars in thousands, except per share data)

	September 30, 2016	December 31, 2015
<b>Assets</b>		
<b>Investments:</b>		
Non-control/Non-affiliate investments (cost of \$1,352,633 and \$1,238,539, respectively)	\$1,309,696	\$1,192,652
Control investments (cost of \$22,285 and \$0, respectively)	4,991	—
Affiliate investments (cost of \$13,326 and \$13,742, respectively)	5,923	7,986
Total investments, at value (cost of \$1,388,244 and \$1,252,281, respectively)	1,320,610	1,200,638
Cash and cash equivalents	69,012	95,196
Restricted cash	8,980	9,191
Interest receivable	10,861	9,239
Other assets	9,961	9,720
<b>Total assets</b>	<b>\$1,419,424</b>	<b>\$1,323,984</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$16,649	\$17,241
Long-Term Liabilities (Convertible Senior Notes), net (principal of \$0 and \$17,604) <sup>(1)</sup>	—	17,478
Wells Facility	—	50,000
2021 Asset-Backed Notes, net (principal of \$117,004 and \$129,300, respectively) <sup>(1)</sup>	115,531	126,995
2019 Notes, net (principal of \$110,364 and \$110,364, respectively) <sup>(1)</sup>	108,659	108,179
2024 Notes, net (principal of \$244,945 and \$103,000, respectively) <sup>(1)</sup>	237,663	100,128
Long-Term SBA Debentures, net (principal of \$190,200 and \$190,200, respectively) <sup>(1)</sup>	187,333	