

BARINGS



**Barings BDC, Inc.
Third Quarter 2020
Earnings Presentation**

November 9, 2020

Disclaimers and Cautionary Notes Regarding Forward-Looking Statements

Cautionary Notice: Certain statements contained in this presentation are "forward-looking" statements. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made and which reflect management's current estimates, projections, expectations or beliefs, and which are subject to risks and uncertainties that may cause actual results to differ materially. Forward-looking statements include, but are not limited to, the ability of Barings LLC to manage Barings BDC, Inc. ("Barings BDC") and identify investment opportunities, and some of these factors are enumerated in the filings Barings BDC makes with the Securities and Exchange Commission (the "SEC"). These statements are subject to change at any time based upon economic, market or other conditions, including with respect to the impact of the COVID-19 pandemic and its effects on Barings BDC's and its portfolio companies' results of operations and financial condition, and may not be relied upon as investment advice or an indication of Barings BDC's investment intent. Important factors that could cause actual results to differ materially from plans, estimates or expectations included in this presentation include, among others, those risk factors detailed in Barings BDC's annual report on Form 10-K for the fiscal year ended December 31, 2019, filed with the SEC on February 27, 2020, in Barings BDC's subsequently filed quarterly reports on Form 10-Q, and as may be included from time to time in Barings BDC's other filings with the SEC, including current reports on Form 8-K and other documents filed with the SEC. In addition, there is no assurance that: (i) Barings BDC's acquisition of MVC Capital, Inc. (the "MVC Transaction") will be consummated on a timely basis or at all; (ii) Barings BDC or any of its affiliates will purchase additional shares of Barings BDC at any specific discount levels or in any specific amounts; or (iii) the market price of Barings BDC's shares, either absolutely or relative to net asset value, will increase as a result of any share repurchases, or that any repurchase plan will enhance stockholder value over the long term. The Company undertakes no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.

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ERIC LLOYD

*Chief Executive Officer
Barings BDC, Inc.*

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*Chief Financial Officer
Barings BDC, Inc.*

3Q 2020 HIGHLIGHTS (Lloyd)

What were the summary points of the quarter?

BBDC MARKET UPDATE & INVESTMENT PORTFOLIO (Fowler)

Update on the portfolio ramp and performance.

BBDC FINANCIALS (Bock)

A walk through the balance sheet, income statement, NAV bridge and liquidity.

4Q 2020 ORIGINATION PIPELINE (Bock)

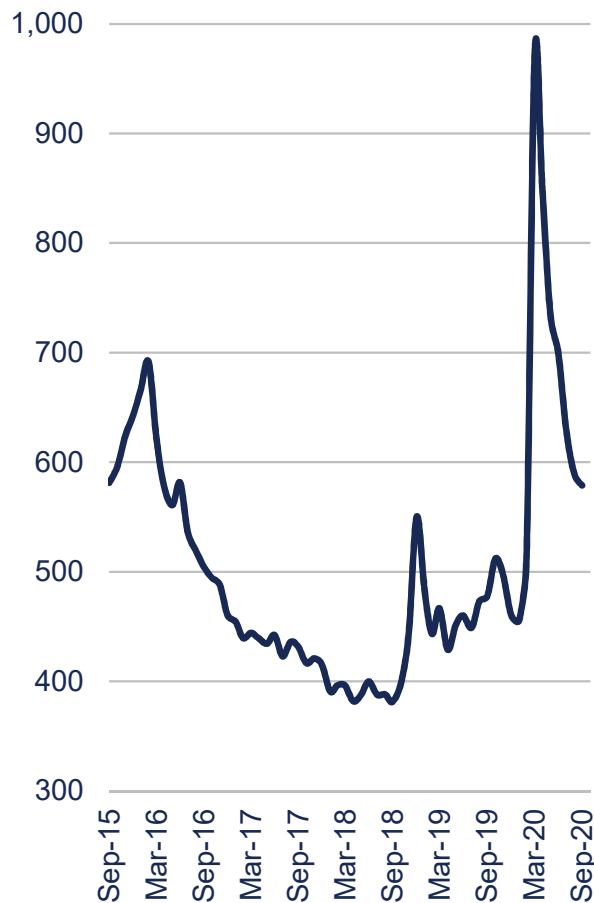
What is the level of investment activity post-quarter end?

3Q 2020 Highlights

Credit Spreads & BDC Equity Prices

BDC prices flatlined in 3Q even as BSL spreads continued to tighten

BROADLY-SYNDICATED LOAN SPREADS



— Credit Suisse Leveraged Loan Index (DM-3)

BROADLY-SYNDICATED LOAN PRICES



— Credit Suisse Leveraged Loan Index (Price)

BDC EQUITY PRICES



— Wells Fargo BDC Index (Price)

Third Quarter 2020 Highlights

NET ASSET VALUE

Net asset value (NAV) as of September 30, 2020 was \$10.97 per share as compared to \$10.23 as of June 30, 2020

ORIGINATIONS

Total originations during the quarter were \$145 million, while sales and repayments totaled \$252 million, predominately from the Initial Broadly-Syndicated Loan (BSL) portfolio

NET INVESTMENT INCOME

Net investment income for the quarter ended September 30, 2020 was \$0.17 per share

PORTFOLIO YIELD

The weighted-average portfolio yield¹ as of September 30, 2020 was 4.3% for Initial BSL, 6.1% for Middle-Market Loans (MML) and 8.2% for Cross-Platform investments²

DIVIDEND

The Board of Directors approved a fourth quarter dividend of \$0.17 per share, up from \$0.16 in the prior quarter

CREDIT PERFORMANCE

There were no investments on non-accrual status as of quarter end; 4.4% of MML were priced below 90% of cost, 9.0% of Initial BSL were priced below 80% of cost, and 2.5% of Cross-Platform investments were priced below 80% of cost

Data as of September 30, 2020. Refer to slide 21 for fully-reconciled income statement including number of shares used to calculate per-share data.

1. Yield is calculated as the weighted average of current coupon rates (USD-equivalent).

2. Excludes short-term investments.

Selected Financial Highlights

Balance Sheet Highlights	3Q 2020	2Q 2020	1Q 2020	4Q 2019	3Q 2019
Investment Portfolio, at Fair Value	\$1,116.3	\$1,034.0	\$1,071.8	\$1,173.6	\$1,158.2
Total Debt Outstanding (Principal)	\$692.0	\$569.3	\$631.1	\$670.7	\$632.5
Total Net Assets (Equity)	\$526.0	\$490.5	\$445.7	\$570.9	\$572.4
Debt-to-Equity Ratio	1.32x	1.16x	1.42x	1.17x	1.10x
Net Debt-to-Equity Ratio ¹	0.74x	1.00x	1.20x	0.90x	0.94x
Income Statement Highlights					
Total Investment Income	\$16.3	\$16.1	\$18.7	\$18.4	\$19.3
Net Investment Income	\$8.0	\$6.5	\$7.3	\$7.2	\$8.0
Net Realized Gains / (Losses)	(\$20.5)	(\$16.5)	(\$0.3)	(\$2.7)	(\$1.0)
Net Unrealized Appreciation / (Depreciation)	\$55.9	\$65.0	(\$119.4)	\$6.6	(\$1.8)
Net Income / (Loss)	\$43.2	\$54.7	(\$112.5)	\$10.6	\$5.2
Per-Share Data					
Net Asset Value per Share	\$10.97	\$10.23	\$9.23	\$11.66	\$11.58
Net Investment Income per Share (Basic and Diluted) ²	\$0.17	\$0.14	\$0.15	\$0.15	\$0.16
Net Income / (Loss) per Share (Basic and Diluted) ²	\$0.90	\$1.14	(\$2.30)	\$0.22	\$0.10
Dividend per share	\$0.16	\$0.16	\$0.16	\$0.15	\$0.14

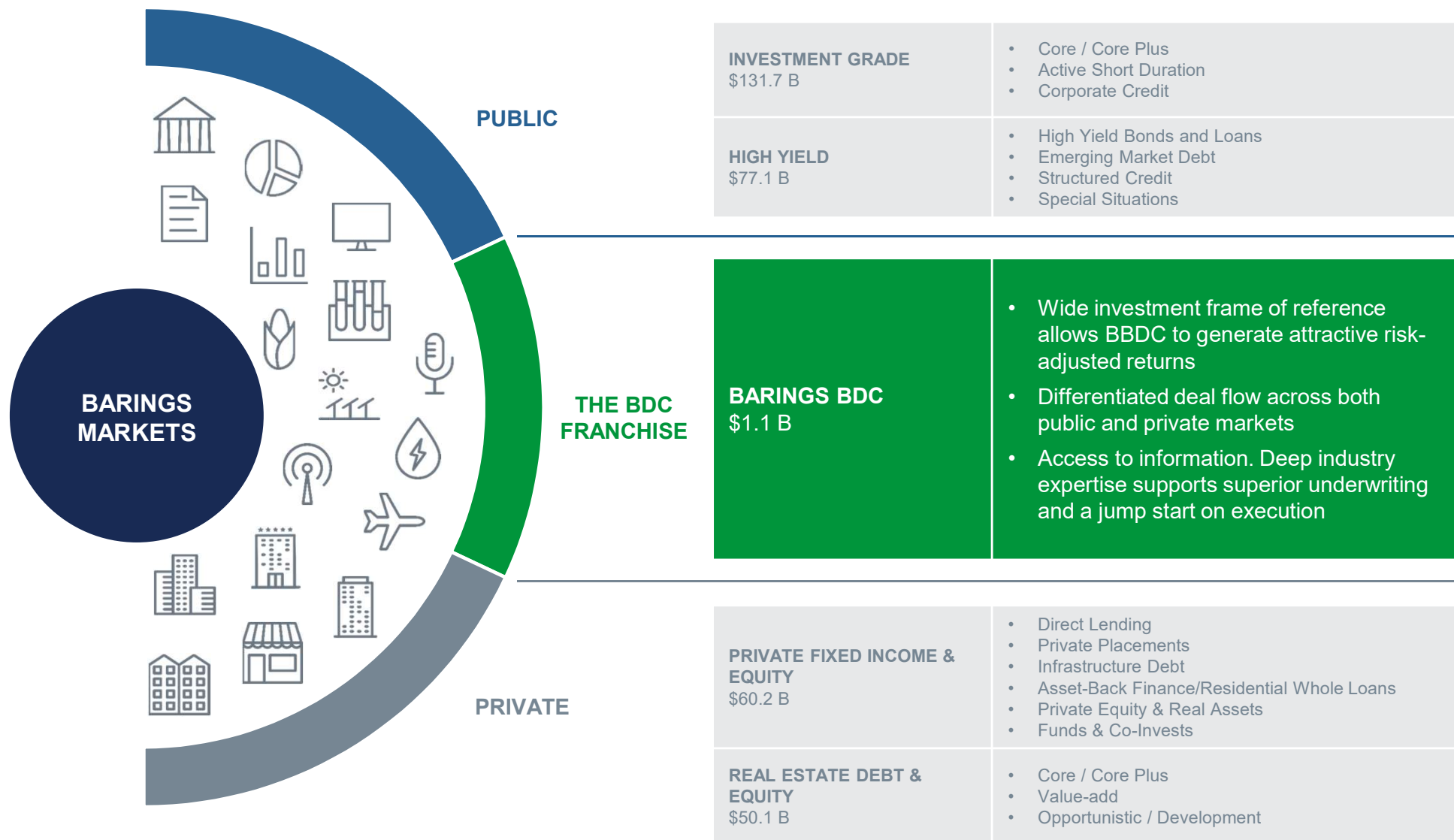
Amounts in millions, except per-share data and ratios.

1. Net of cash and short-term investments and adjusted for unsettled transactions. Refer to slide 30 for reconciliation of Debt-to-Equity Ratio to Net Debt-to-Equity Ratio.

2. Refer to slide 21 for weighted-average shares outstanding for each period.

Barings Platform — A Culture of Credit & Private Assets

Barings BDC is uniquely positioned alongside a full range of investment strategies, public and private, in the Fixed Income and Private markets



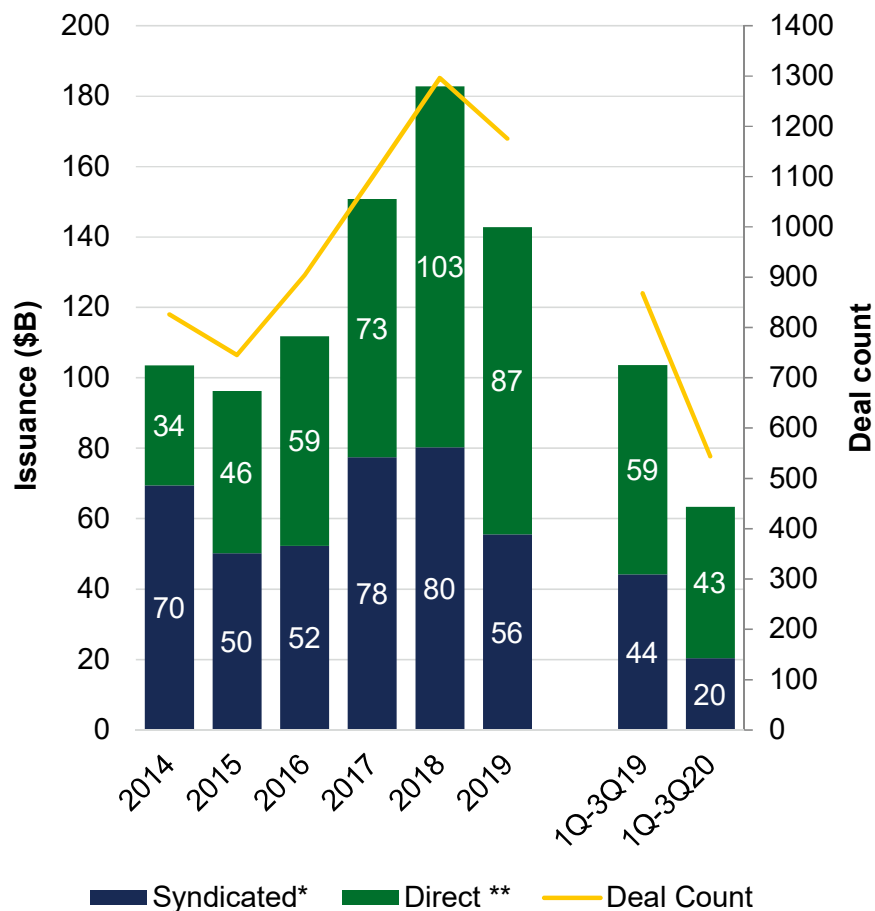
All figures are as of September 30, 2020. Assets shown are denominated in USD.

BBDC Market Update & Investment Portfolio

U.S. Middle Market Activity Down Year-over-Year

Sponsored lending volume was down 39% on a YTD basis compared to 2019, with add-on acquisitions and DDTLs being active

ANNUAL MM SPONSORED LOAN VOLUME (\$BILS.)



MM PE DEAL COUNT: LBOS VS. ADD-ONS



Source: Refinitiv LPC.

Middle market definition: issuers with revenues of \$500 million and below and a total loan package of \$500 million and below.

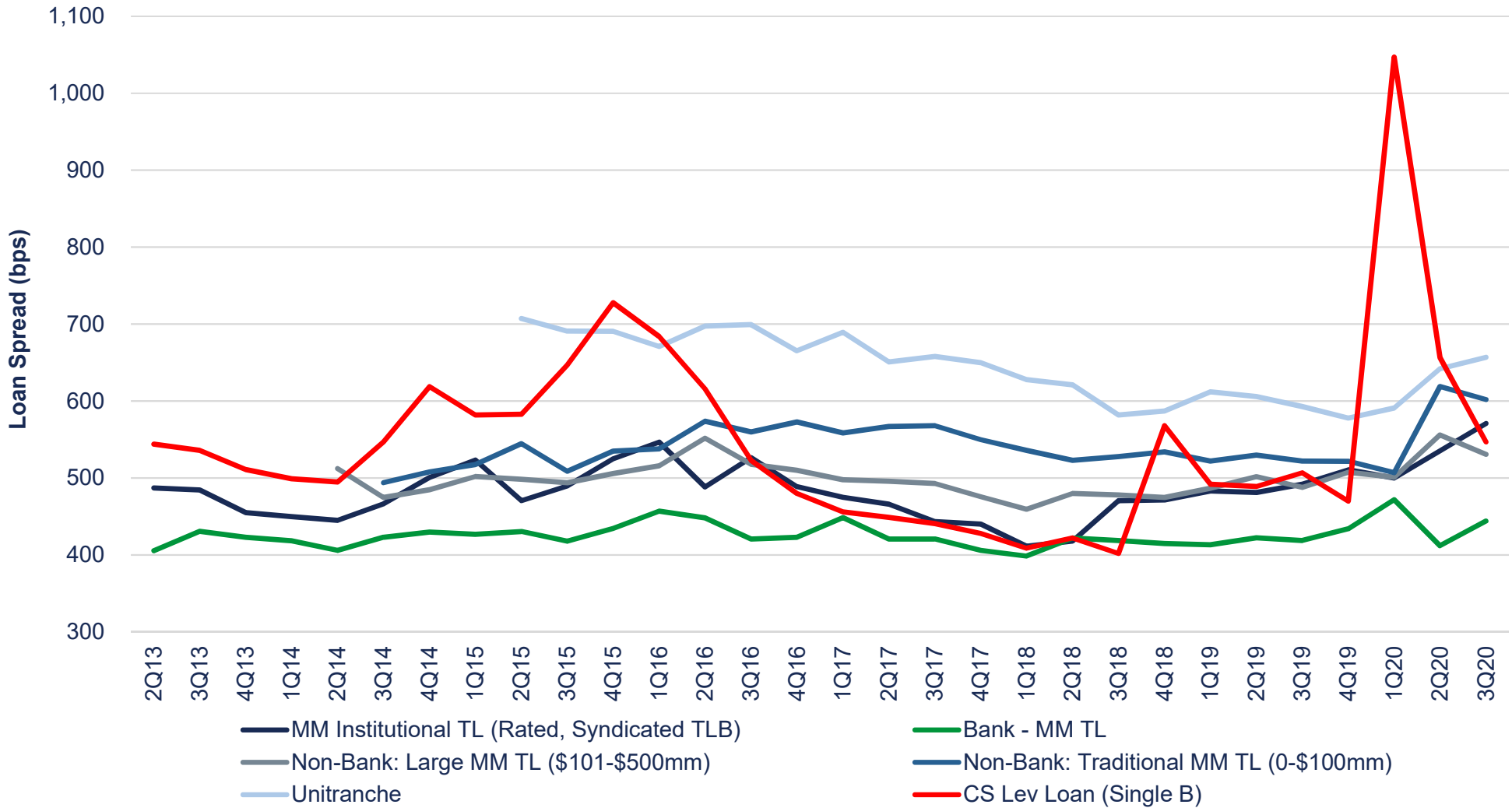
* Syndicated: facilities syndicated to at least one participant up to \$500 million in deal size or clubbed up to \$150 million in deal size

** Direct: non-syndicated facilities, no non-titled lender. Unitranche and bilateral loans, deals clubbed over \$150 million deal size, facilities that go unreported, privately placed second liens, mezzanine and seller notes, etc.

All-In Senior Investment Spreads

Direct lending spreads on new deals were generally ± 25 bps across the various subsectors, as activity continued to pick up. Single-B liquid spreads continued to tighten, and are now back inside of middle-market levels

QUARTERLY MIDDLE-MARKET SPREADS ACROSS THE CAPITAL STRUCTURE



Source: Refinitiv LPC.

Investment Activity

Summary of investment activity during the quarter ended September 30, 2020

- **Middle-Market Loans:**

- Net increase in investments of \$53.1 million
 - Total MML fundings were \$95.7 million
 - Includes \$79.9 million in seven new portfolio companies
 - Includes \$15.8 million in eight existing portfolio companies, including previously-committed Delayed-Draw Term Loans (DDTLs)
 - Sales and repayments totaled \$42.5 million, including \$40.2 million of sales to Jocassee Joint Venture

- **Cross-Platform Investments:**

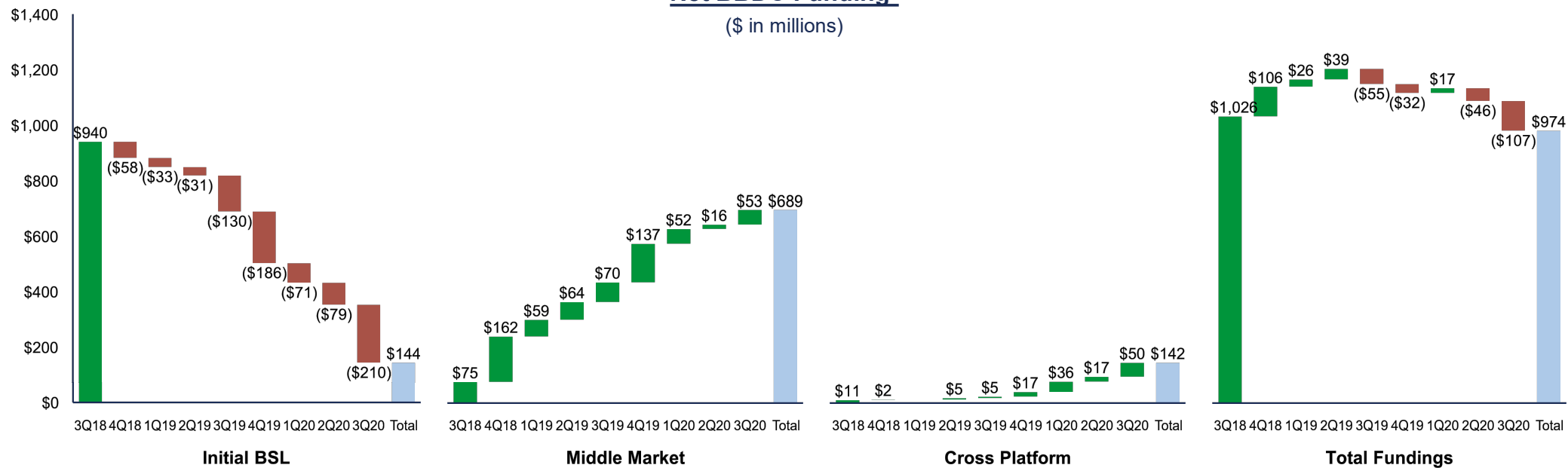
- Net increase in investments of \$49.5 million; no sales

- **Initial BSL Portfolio:**

- Net decrease in investments of \$209.7 million; no purchases
 - Net realized loss on sales of \$20.1 million, predominately driven by exits of Fieldwood and Men's Wearhouse

Net BBDC Funding¹

(\$ in millions)

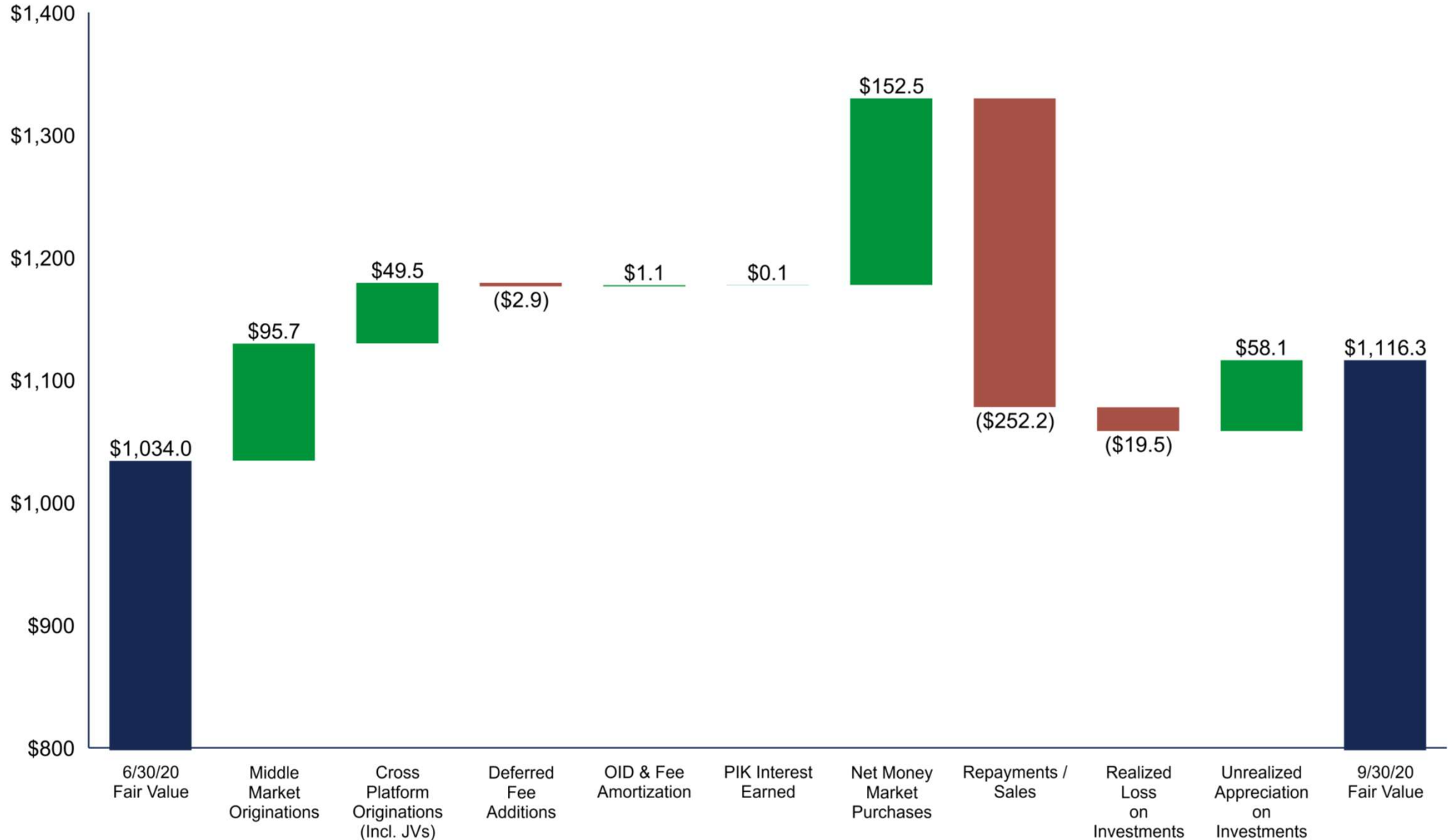


All amounts in millions. 3Q18 amounts are for post-externalization period from August 3, 2018 to September 30, 2018. Excludes short-term investments.

1. Cross Platform includes Jocassee Partners LLC and Thompson Rivers LLC.

Portfolio Bridge – 2Q20 to 3Q20

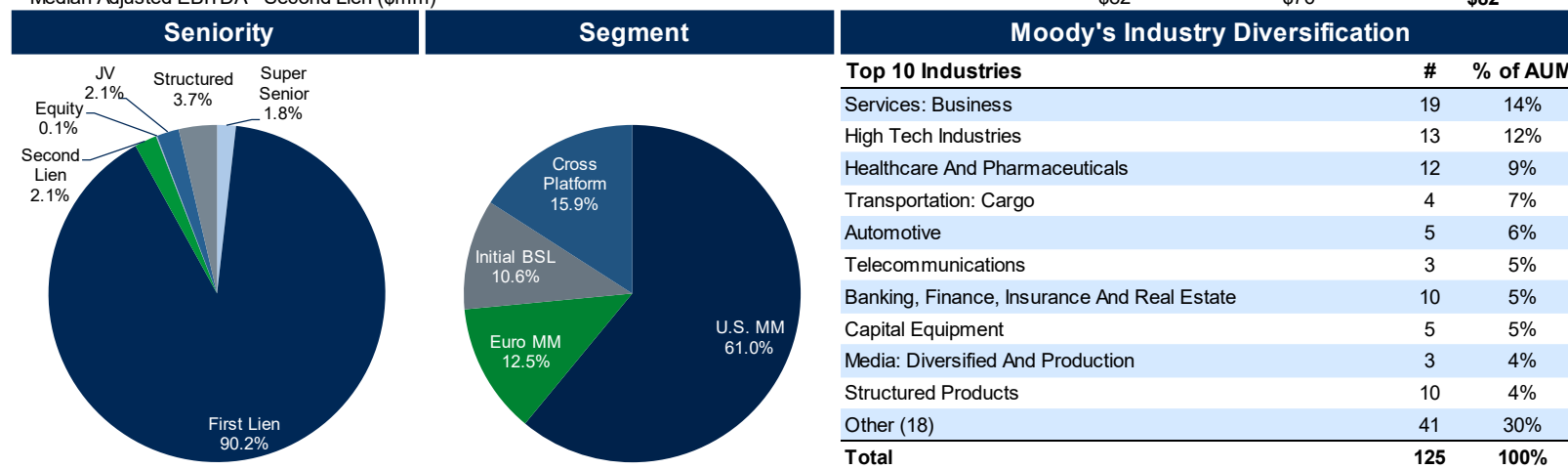
In the third quarter we originated \$96 million of Middle-Market Loans, made \$50 million of Cross-Platform Investments, and had a combined \$252 million of sales/paydowns, mostly from Initial BSLs



\$ in millions; total may not foot due to rounding.

Aggregate Portfolio Characteristics (as of September 30, 2020)

	Initial BSL	Middle Market	Cross Platform	Total
Total Investments and Commitments (\$mm)	\$96	\$758	\$186	\$1,040
Unfunded Commitments (\$mm)	\$0	\$92	\$42	\$134
Total Investments at Fair Value (\$mm)	\$96	\$666	\$144	\$906
Assets on Non-Accrual	\$0	\$0	\$0	\$0
Assets Valued Below 90% of Cost	21.9%	4.4%	12.1%	7.4%
Average Spread	359 bps	536 bps	768 bps	550 bps
Yield at Fair Value of Investments (%) ¹	4.8%	6.2%	8.7%	6.4%
Revenue Contribution (as % of Total Revenue)				
Cash Interest	16.5%	63.2%	11.6%	91.2%
PIK Interest	0.0%	1.1%	1.1%	2.1%
Restructured PIK Interest ²	0.0%	0.0%	0.0%	0.0%
OID/Upfront Fee	0.1%	3.3%	3.2%	6.6%
Total	16.6%	67.6%	15.8%	100.0%
Portfolio Statistics				
Number of Portfolio Companies	20	71	34	125
Percent 1st Lien	100.0%	98.3%	90.0%*	92.0%
Weighted-Average First Lien Leverage (Debt/Adjusted EBITDA)	6.4x	5.2x	-	5.5x
Weighted-Average Total Leverage (Debt/Adjusted EBITDA)	7.6x	5.7x	-	6.2x
Weighted-Average Interest Coverage	2.3x	3.0x	-	2.9x
Median Adjusted EBITDA - First Lien (\$mm)	\$220	\$22	\$727	\$57
Median Adjusted EBITDA - Second Lien (\$mm)	-	\$82	\$76	\$82



Data as of September 30, 2020. Excludes short-term investments. * Excludes Structured Products and Joint Ventures.

1. Yield at Fair Value is calculated as current coupon (USD-equivalent) divided by current price.

2. Restructured PIK refers to a deal amended after closing due to underperformance to increase the PIK portion of interest and reduce the cash portion.

New Investment Illiquidity and Complexity Premiums

Barings BDC seeks to generate excess shareholder return via illiquidity and complexity premiums across its wide investment frame of reference

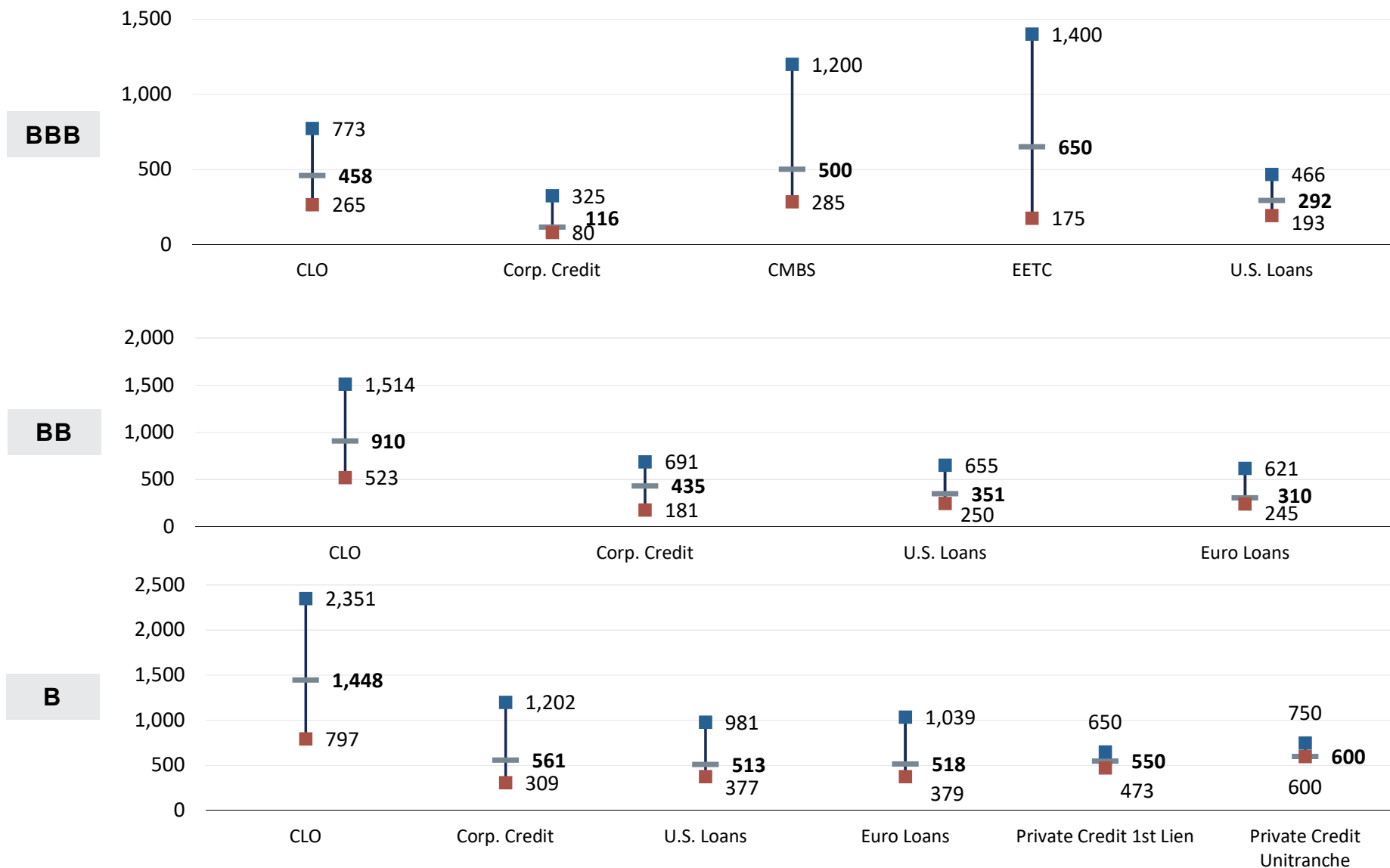
		3Q20			
	Asset Class	Dollars Deployed (\$mm)	All-in Spread (bps) ¹	Premium/ Discount To Market Indices (bps)	
Market Indices	US IG Credit BBB		174		
	US HY Credit BB		381		
	US HY Credit B		544		
	US HY Credit CCC		964		
	US BSLs BB		369		
	US BSLs B		547		
	US BSLs CCC		1371		
	EUR BSLs BB		317		
	EUR BSLs B		513		
	EUR BSLs CCC		1125		
	BBDC Middle-Market & Cross-Platform Originations	Middle Market			
		North America	\$30	765	+218
Europe		\$66	715	+202	
Total		\$96	731	+207	
Cross Platform					
Special Situation		\$24	1,486	+522	
Opportunistic Liquid		\$6	1,740	+1193	
Structured Products		\$20	934	+760	
Total		\$49	1,291	+693	
TOTAL		\$145	921	+372	

- In 3Q20, BBDC deployed \$145 million at an all-in spread¹ (inclusive of upfronts/OID) of 921 bps over LIBOR. This equates to a **372-bp spread premium** to comparable liquid market indices at the same credit risk profile

1. DM(3) for US MM, Euro MM, and BSLs; Swapped spread to LIBOR for Fixed Rate Assets; Structured Products based on market convention. Note: Excludes Joint Ventures.

Relative Value in Credit Asset Classes

3 Year Lookback (Wide/Tight/Current):



CLO spread source: J.P. Morgan CLOIE Index, As of September 30, 2020.

CMBS, and Subprime Auto Spread to Swap Source: Bank of America/Merrill Lynch. As of October 3, 2020.

Corporate Credit Spread to Swap Source: Barclays. As of September 30, 2020.

U.S. and Europeans Loan Spread Source: Credit Suisse. As of September 30, 2020.

Top 10 Investments

Top 10 Holdings (as of September 30, 2020)						
Issuer	Moody's Industry	Segment	Principal Amount	Cost	Fair Value	% of Portfolio
UKFast Leaders Limited	Telecommunications	Middle Market	\$29,160,897	\$28,154,910	\$28,286,070	3.1%
BDP International, Inc. (BDP Buyer, LLC)	Transportation: Cargo	Middle Market	24,562,500	24,197,584	24,562,500	2.7%
Transportation Insight, LLC	Transportation: Cargo	Middle Market	24,589,328	24,418,931	24,343,435	2.7%
Professional Datasolutions, Inc. (PDI)	High Tech Industries	Middle Market	22,983,010	22,955,060	22,946,238	2.5%
Holley Performance Products (Holley Purchaser, Inc.)	Automotive	Middle Market	22,140,638	21,885,536	22,091,928	2.4%
1WorldSync, Inc.	High Tech Industries	Middle Market	22,277,163	21,906,553	21,831,620	2.4%
Accurus Aerospace Corporation	Aerospace and Defense	Middle Market	24,562,500	24,298,740	21,393,938	2.4%
CM Acquisitions Holdings Inc.	Media: Diversified and Production	Middle Market	20,434,481	20,129,562	20,264,435	2.2%
Truck-Lite Co., LLC	Automotive	Middle Market	19,468,270	19,062,504	18,080,155	2.0%
Jocasse Partners LLC	Investment Funds and Vehicles	Cross Platform	-	15,158,270	15,952,545	1.8%
Top 10			210,178,787	222,167,651	219,752,863	24.3%
Rest of Portfolio			719,089,321	699,219,186	686,015,388	75.7%
Total Portfolio			\$929,268,108	\$921,386,837	\$905,768,251	100.0%

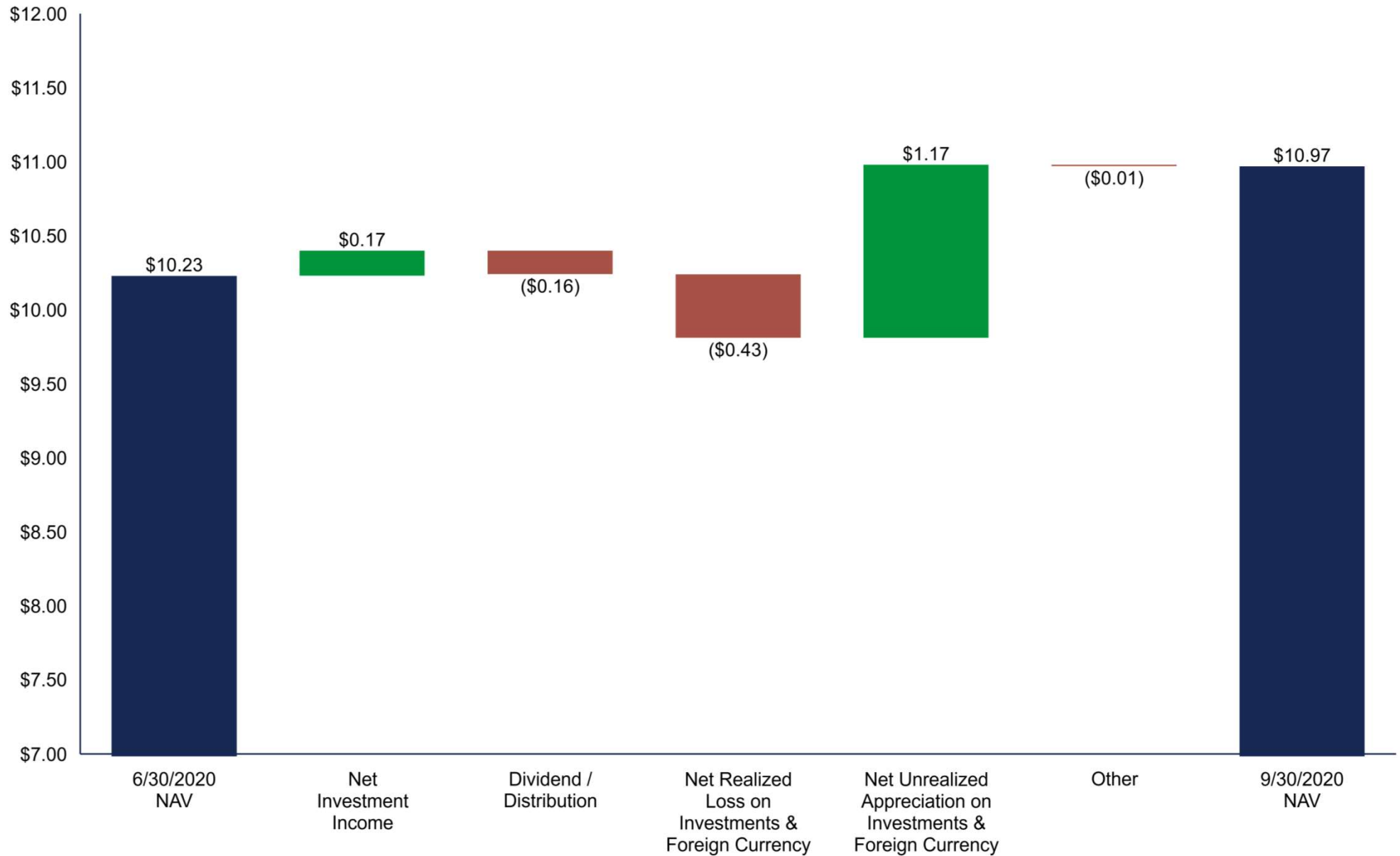
Excludes short-term investments. Totals may not foot due to rounding.

BBDC Financials

BARINGS

Net Asset Value Per Share (NAV) Bridge – 2Q20 to 3Q20

Since June 30, 2020, BBDC's NAV per share increased to \$10.97 from \$10.23 (+7.2%) primarily due to portfolio appreciation on improvements in broad market conditions



Total may not foot due to rounding.

3Q20 Unrealized Appreciation (Depreciation)

3Q 2020 Portfolio Summary

	Par	Cost	Fair Value	3Q Unrealized App (Dep) - Price	3Q Unrealized App (Dep) - Credit	3Q Unrealized App (Dep) - For. Curr.	3Q Unrealized App (Dep) - Total	Per Share
Middle-Market Lending								
North America	\$571,124	\$563,107	\$552,469	\$12,388	\$1,166	\$0	\$13,554	\$0.28
Europe	117,574	111,538	113,387	1,186	(135)	1,906	2,957	0.06
Total Middle-Market Lending	688,698	674,645	665,856	13,573	1,031	1,906	16,510	0.34
Cross-Platform Investments								
Special Situations	61,770	56,132	55,438	3,215	-	-	3,215	0.07
Opportunistic Liquid	40,113	35,490	36,364	881	-	-	881	0.02
Structured Products	33,114	31,518	33,164	902	-	-	902	0.02
Jocassee Joint Venture		15,158	15,953	1,518	-	-	1,518	0.03
Thompson Rivers Joint Venture		3,100	3,206	106	-	-	106	0.00
Total Cross-Platform Investments	134,997	141,399	144,124	6,621	-	-	6,621	0.14
Initial BSL Portfolio	105,573	105,343	95,788	6,566	-	-	6,566	0.14
Total Portfolio as of 9/30/20	\$929,268	\$921,387	\$905,768	\$26,761	\$1,031	\$1,906	\$29,698	\$0.62
Reclass. Adj. - Sales & Repayments				28,578	-	(185)	28,393	0.59
Total Unrealized App (Dep) on Investments				55,339	1,031	1,722	58,091	1.21
Foreign Currency Transactions				-	-	(2,144)	(2,144)	(0.04)
Total Unrealized App (Dep) on Investments and Foreign Currency Transactions				\$55,339	\$1,031	(\$422)	\$55,947	\$1.17

\$ in thousands, except per share amounts; Middle-Market Lending includes equity co-investments; totals may not foot due to rounding.

BBDC Income Statement

	3Q20	2Q20	1Q20	4Q19	3Q19
Investment income:					
Interest income	\$15,217,547	\$15,295,679	\$17,674,402	\$17,913,613	\$18,448,942
Dividend income	—	2,603	—	35,812	4,221
Fee and other income	769,126	650,433	960,993	447,001	848,792
Payment-in-kind interest income	342,469	191,049	43,572	5,413	—
Interest income from cash	—	—	631	953	2,152
Total investment income	16,329,142	16,139,764	18,679,598	18,402,792	19,304,107
Operating expenses:					
Interest and other financing fees	3,738,991	4,624,731	6,004,133	6,501,949	6,727,780
Base management fee	3,375,262	3,616,787	3,912,373	3,266,722	3,263,803
Compensation expenses	—	—	48,410	107,369	107,779
General and administrative expenses	1,254,723	1,369,117	1,420,613	1,332,500	1,217,570
Total operating expenses	8,368,976	9,610,635	11,385,529	11,208,540	11,316,932
Base management fee waived	—	—	—	—	—
Net operating expenses	8,368,976	9,610,635	11,385,529	11,208,540	11,316,932
Net investment income	7,960,166	6,529,129	7,294,069	7,194,252	7,987,175
Realized and unrealized gains (losses) on investments and FX:					
Net realized losses	(20,506,085)	(16,514,997)	(302,372)	(2,747,198)	(983,499)
Net unrealized appreciation (depreciation)	55,947,382	65,043,310	(119,396,053)	6,633,637	(1,794,828)
Net realized and unrealized gains (losses)	35,441,297	48,528,313	(119,698,425)	3,886,439	(2,778,327)
Loss on extinguishment of debt	(216,474)	(306,202)	(137,390)	(154,080)	(13,357)
Income tax benefit (provision)	(7,362)	(2,532)	19,999	(339,831)	—
Net increase (decrease) in net assets resulting from operations	\$43,177,627	\$54,748,708	(\$112,521,747)	\$10,586,780	\$5,195,491
Net investment income per share—basic and diluted	\$0.17	\$0.14	\$0.15	\$0.15	\$0.16
Net increase (decrease) in net assets resulting from operations per share—basic and diluted	\$0.90	\$1.14	(\$2.30)	\$0.22	\$0.10
Weighted average shares outstanding—basic and diluted	47,961,753	47,977,481	48,887,393	49,146,873	49,987,312

BBDC Balance Sheet

Debt-to-equity at September 30, 2020 was 1.32x, or 0.74x⁽¹⁾ after adjusting for cash, short-term investments and unsettled transactions. Pro forma for the full CLO debt repayment in October totaling \$178 million, debt-to-equity was 0.98x⁽¹⁾

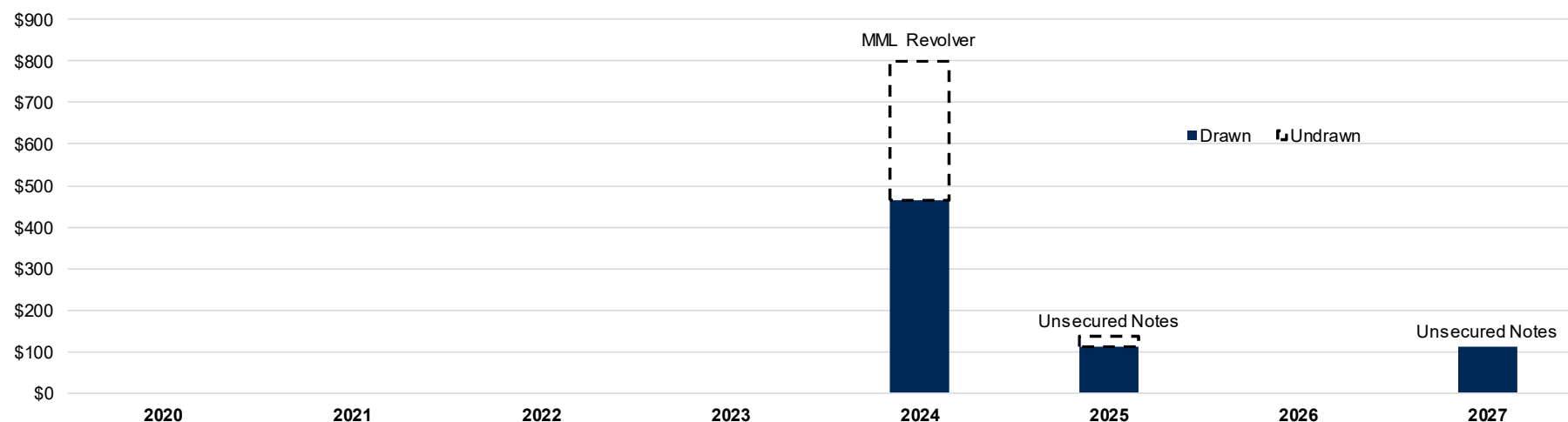
	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
Assets:					
Investments at fair value:					
Non-Control / Non-Affiliate investments	\$886,610,176	\$960,061,063	\$964,896,944	\$1,066,845,054	\$1,096,632,222
Affiliate investments	19,158,075	15,933,845	6,396,590	10,229,813	10,036,300
Short-term investments	210,503,390	58,046,124	100,459,806	96,568,940	51,552,247
Total investments at fair value	1,116,271,641	1,034,041,032	1,071,753,340	1,173,643,807	1,158,220,769
Cash	14,787,358	18,453,504	7,458,729	21,991,565	12,838,103
Receivable from unsettled transactions	75,486,443	575,630	4,138,890	45,254,808	30,322,297
Other assets	16,021,167	12,056,203	13,592,008	11,744,658	12,770,387
Total assets	\$1,222,566,609	\$1,065,126,369	\$1,096,942,967	\$1,252,634,838	\$1,214,151,556
Liabilities:					
Borrowings under credit facilities	\$463,703,208	\$342,921,705	\$339,825,929	\$352,488,419	\$291,767,549
Debt securitization	177,536,048	225,395,485	289,869,491	316,664,474	339,031,226
Notes payable	49,534,479				
Payable from unsettled transactions	—	—	13,862,282	4,924,150	2,621,367
Other liabilities	5,815,933	6,335,985	7,640,357	7,683,086	8,286,434
Total liabilities	696,589,668	574,653,175	651,198,059	681,760,129	641,706,576
Total net assets	525,976,941	490,473,194	445,744,908	570,874,709	572,444,980
Total liabilities and net assets	\$1,222,566,609	\$1,065,126,369	\$1,096,942,967	\$1,252,634,838	\$1,214,151,556
Net asset value per share	\$10.97	\$10.23	\$9.23	\$11.66	\$11.58

1. Refer to slide 30 for reconciliation of Debt-to-Equity Ratio to Net Debt-to-Equity Ratio and Pro Forma Debt-to-Equity Ratio.

Debt Summary and Maturity Profile

BBDC fully repaid the CLO Class A-1 and CLO Class A-2 notes in October, and executed a new \$175 million private placement of unsecured notes in November

	Borrower	Interest Rate	Collateral	Maturity Date	Pro Forma		As of 9/30/2020		As of 6/30/2020	
					Principal Amount Committed	Principal Amount Outstanding	Principal Amount Committed	Principal Amount Outstanding	Principal Amount Committed	Principal Amount Outstanding
Revolving Credit Facility	Barings BDC, Inc.	L + 200	MML and BSL	Feb-2024	\$800.0	\$463.7	\$800.0	\$463.7	\$800.0	\$342.9
CLO Class A-1	Barings BDC Static CLO Ltd. 2019-I	L + 102	BSL	Apr-2027	0.0	0.0	126.8	126.8	174.9	174.9
CLO Class A-2	Barings BDC Static CLO Ltd. 2019-I	L + 165	BSL	Apr-2027	0.0	0.0	51.5	51.5	51.5	51.5
Unsecured Notes	Barings BDC, Inc.	\$50.0 @ 4.66% \$62.5 @ 4.25%	n/a	Aug-2025 Oct-2025	137.5	112.5	100.0	50.0	n/a	n/a
Unsecured Notes	Barings BDC, Inc.	4.75%	n/a	Oct-2027	112.5	112.5	n/a	n/a	n/a	n/a
Total Debt					\$1,050.0	\$688.7	\$1,078.3	\$692.0	\$1,026.4	\$569.3



Dollar amounts in millions. Excludes deferred financing fees.

Pro Forma includes repayment of CLO Class A-1 and A-2 Notes on 10/15/20 and new unsecured note issuance totaling \$175 million in November 2020.



Liquidity Summary

BBDC has available liquidity under its senior secured revolving credit agreement and unsecured debt commitment, with cushion to support its unused capital commitments of \$134 million as well as make new investments

Debt / Net Debt-to-Equity Ratio Scenarios			
	Debt / Net Debt Outstanding	Total Net Assets	Debt / Net Debt-to- Equity Ratio ⁽¹⁾
Debt-to-equity ratio, September 30, 2020	\$692.0	\$526.0	1.32x
Adjust for cash, short-term investments and unsettled transactions	(300.8)	-	
Net debt-to-equity ratio, September 30, 2020	391.2	526.0	0.74x
Fund all unused commitments to extend debt financing	92.4	-	
Pro forma net debt-to-equity ratio	483.6	526.0	0.92x
Fund remaining joint venture commitments	41.9	-	
Pro forma net debt-to-equity ratio	\$525.5	\$526.0	1.00x

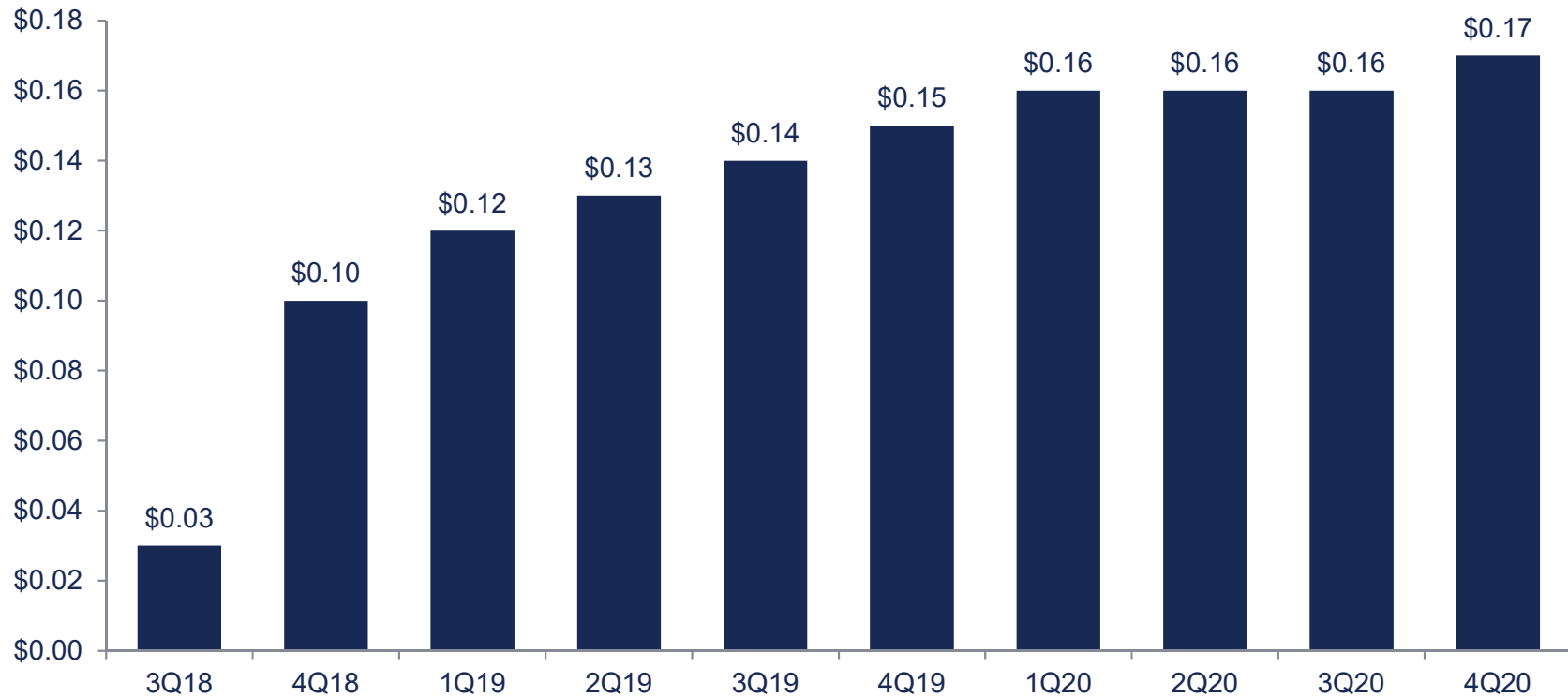
Note: Dollar amounts in millions, except Debt / Net Debt-to-Equity Ratio.

1. Refer to slide 30 for reconciliation of Debt-to-Equity Ratio to Net Debt-to-Equity Ratio.

Quarterly Dividends

BBDC has declared a 4Q20 dividend of \$0.17 per share, up from \$0.16 in 3Q20

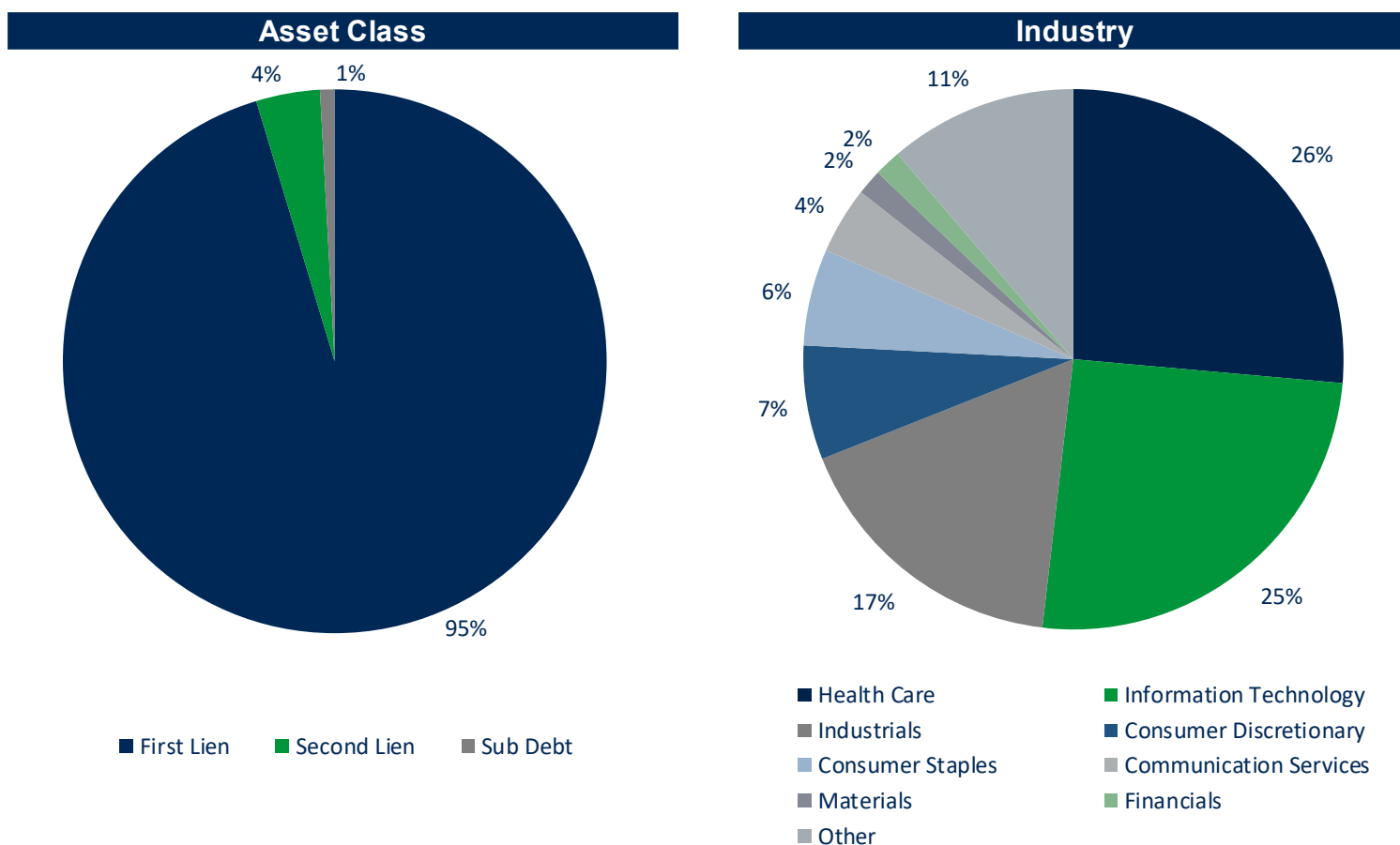
BBDC DIVIDENDS DECLARED PER SHARE



4Q 2020 Origination Pipeline

Investment Activity Since Quarter End and Investment Pipeline

- From October 1, 2020 through November 3, 2020, Barings BDC made approximately \$155.4 million of new commitments, of which approximately \$130.6 million closed and funded. In addition, BBDC funded \$8.7 million of previously-committed delayed draw term loans
- Of the new Q4 investments, the weighted-average origination margin (DM-3) is 8.2%, 98% are in first lien senior secured loans, and 12% are European originations
- As of November 3, 2020, Barings Global Private Finance group had a probability-weighted pipeline of approximately \$2.4 billion¹
- The following is a breakdown of the pipeline by seniority and by industry



1. Represents pipeline applicable to all investment vehicles managed by Barings Global Private Finance. Not all deals may be suitable for Barings BDC. Barings BDC allocations to be determined in accordance with Barings Global Private Finance allocation policy.

Incentive Fee Alignment, “Investment Math”

Pro Forma for the MVC Transaction, Barings will lower its base management fee to 1.25% on gross assets, down from 1.375%. This enhanced alignment allows BBDC to invest at better risk adjusted returns for investors relative to other fee structures

$$\text{Req. ROA (\%)} = \left[\frac{\left[\left(\frac{\text{Expected ROE} + \text{Credit Losses}}{1 - \text{Incentive Fee}} \right) + [(\text{Base Fee} + \text{G\&A} + \text{Int Expense}) \times (1 + \text{Leverage})] \right]}{1 + \text{Leverage}} \right]$$

SPREADS NEEDED TO MEET CURRENT DIVIDEND OBLIGATIONS

	Dividend At NAV	Management Fee	Upfront Fee Skim	Incentive Fee	Hurdle Rate	Required Asset Spread ¹ To Meet Div Yld	Mgmt Fees (% of Fund Equity)
PRO FORMA BBDC	8.0%	1.25%	N	20.0%	8.0%	507	3.9%
Example 1	9.0%	1.50%	N	20.0%	7.0%	674	6.7%
Example 2	10.0%	1.50%	N	20.0%	7.5%	728	7.0%
Example 3	10.5%	1.00%	N	20.0%	7.0%	706	6.0%
Example 4	8.0%	1.50%	N	17.5%	6.0%	606	6.2%
Example 5	8.0%	1.375%	Y	20.0%	8.0%	549	4.8%
Example 6	8.0%	1.75%	N	20.0%	7.0%	643	7.1%
Example 7	10.5%	1.50%	N	17.5%	7.0%	738	6.7%

Barings BDC’s **aligned fee structure** enhances risk profile to focus on high quality assets while delivering an attractive investor return

Source: Barings

1. Assumes 1.25x leverage, LIBOR floors of 1.0% on assets, 50 bps of G&A, and upfront fee skim of 50 bps, where applicable. Spread also assumes 1.5 pts OID.

Appendix

Appendix: Reconciliation of Debt to Net Debt and Calculation of Net Debt-to-Equity and Pro Forma Debt-to-Equity Ratios

	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
Total debt (principal)	\$692,016,256	\$569,341,828	\$631,061,734	\$670,698,595	\$632,548,859
<i>minus: Cash</i>	(14,787,358)	(18,453,504)	(7,458,729)	(21,991,565)	(12,838,103)
<i>minus: Short-term investments</i>	(210,503,390)	(58,046,124)	(100,459,806)	(96,568,940)	(51,552,247)
<i>plus: Payable from unsettled transactions</i>	—	—	13,862,282	4,924,150	2,621,367
<i>minus: Receivable from unsettled transactions</i>	(75,486,443)	(575,630)	(4,138,890)	(45,254,808)	(30,322,297)
Total net debt	391,239,065	492,266,570	532,866,591	511,807,432	540,457,579
Total net assets	525,976,941	490,473,194	445,744,908	570,874,709	572,444,980
Total net debt-to-equity ratio	0.74x	1.00x	1.20x	0.90x	0.94x

	September 30, 2020	June 30, 2020	March 31, 2020
Total debt (principal)	\$692,016,256	\$569,341,828	\$631,061,734
<i>minus: April BSL credit facility repayment</i>	—	—	(19,500,000)
<i>minus: April CLO Class A-1 repayment</i>	—	—	(64,815,681)
<i>minus: July CLO Class A-1 repayment</i>	—	(48,107,075)	—
<i>minus: October CLO Class A-1 repayment</i>	(126,813,048)	—	—
<i>minus: October CLO Class A-2 repayment</i>	(51,500,000)	—	—
Pro forma total debt	513,703,208	521,234,753	546,746,053
Total net assets	525,976,941	490,473,194	445,744,908
Pro forma debt-to-equity ratio	0.98x	1.06x	1.23x

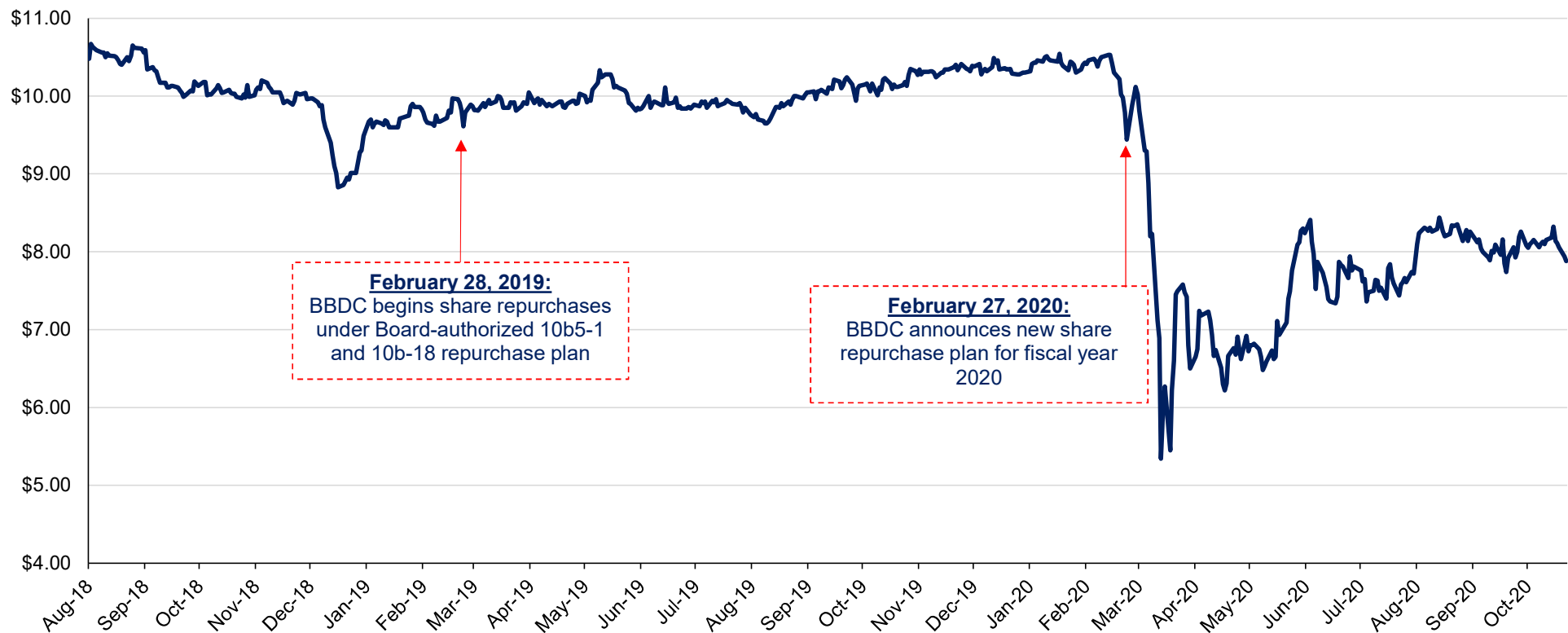
Totals may not foot due to rounding.

Appendix: BBDC Repurchase Program Update

In 1Q20, BBDC began executing on its 2020 share repurchase program, as we believe share repurchases remain an important part of any long-term capital allocation philosophy

- Under the 2020 repurchase program, BBDC aims to repurchase up to a maximum of 5.0% of the amount of shares outstanding as of February 27, 2020 if shares trade below NAV per share, subject to liquidity and regulatory constraints
 - No repurchases in 3Q20
 - Year-do-date, BBDC has repurchased 989,050 shares at an average price of \$7.21/share, or 2.0% of total shares outstanding as of February 27, 2020
- As of November 9, 2020, Barings LLC owns 13,639,681 shares, or 28.4% of shares outstanding

BBDC Equity Price since Externalization



Appendix: Barings BDC Corporate Data

Board of Directors

MICHAEL FRENO
Chairman, CEO, and
President of Barings

TOM FINKE
Strategic Advisor at Barings

ERIC LLOYD
CEO of BBDC, Head of
Private Assets at Barings

TOM OKEL
Former Executive Director of
Catawba Lands Conservancy,
a nonprofit land trust

JILL OLMSTEAD
Chief Human Resources
Officer at LendingTree

MARK MULHERN
Senior Vice President and
CFO at Highwoods Properties

JOHN SWITZER
Retired Managing Partner at
KPMG

Investment Committee

ERIC LLOYD
Chief Executive Officer

IAN FOWLER
President

JONATHAN BOCK
Chief Financial Officer

TOM MCDONNELL
Vice President

Corporate Officers

ERIC LLOYD
Chief Executive Officer

IAN FOWLER
President

JONATHAN BOCK
Chief Financial Officer

MICHAEL COWART
Chief Compliance Officer

JILL DINERMAN
Chief Legal Officer

BRYAN HIGH
Vice President

ELIZABETH MURRAY
Principal Accounting Officer

JONATHAN LANDSBERG
Director of Finance and Head
of Investor Relations

TOM MCDONNELL
Vice President

THOMAS MOSES
Treasurer

ALEXANDRA PACINI
Assistant Secretary

ASHLEE STEINNERD
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