



# **SUPPLEMENTAL DATA FOR THE QUARTER ENDED MARCH 31, 2018**

**NYSE: LADR**

# DISCLAIMERS

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This presentation includes certain non-GAAP financial measures. These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the Company’s March 31, 2018 Form 10-Q filing and earnings press release, which are available on Ladder’s website ([www.laddercapital.com](http://www.laddercapital.com)), as well as the supplemental financial tables included herein, for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP.

Totals may not equal the sum of components due to rounding.

# FIRST QUARTER 2018 HIGHLIGHTS<sup>(1)</sup>

## Earnings and Dividends<sup>(1)</sup>

- ✓ Core Earnings of \$63.8 million and Core EPS of \$0.55, both record highs since Ladder's IPO in 2014
- ✓ After-Tax Core Return on Average Equity (Core ROAE) of 16.3%, also a record high since IPO
- ✓ Q1 2018 dividend of \$0.315 per share, representing a 9.1% annual dividend yield<sup>(2)</sup>

## Investment Activity

### Loans

- ✓ Originated \$968 million of first mortgage loans, comprised of \$435 million of balance sheet loans and \$533 million of conduit loans
- ✓ Contributed \$437 million of loans to 2 securitization transactions, generating \$12 million of Core gains

### Real Estate (Equity)

- ✓ Acquired \$24 million of commercial real estate (~618,000 square feet)
- ✓ Sold \$98 million of real estate, generating \$18 million of Core gains

## Portfolio Composition

- ✓ \$6.2 billion in assets, including \$3.8 billion (61%) in loans, \$981 million (16%) in real estate equity, and \$1.1 billion (18%) in CMBS bonds
- ✓ 78% of assets are senior secured and/or investment grade-rated or cash

## Financing and Liquidity

- ✓ Adjusted Leverage Ratio of 2.6x, or 1.9x excluding investment grade-rated CMBS bond portfolio
- ✓ \$2.3 billion of undrawn committed financing capacity

## Interest Rates

- ✓ 72% of Ladder's loans are floating-rate
- ✓ Core Earnings are positively correlated to changes in U.S. LIBOR; a 1.0% increase would increase net interest income by approximately \$0.15 per share per year

Note: As of 03/31/2018

(1) For a description of these financial and non-GAAP financial measures, see Selected Definitions on page S-14

(2) Based on \$13.89 LADR closing stock price on 05/01/2018



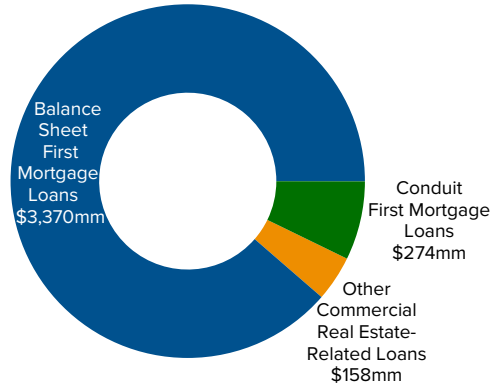
# INVESTMENT PORTFOLIO SUMMARY

(\$ in millions)

| Investment Type                            | Investment Portfolio<br><i>(as of 03/31/2018)</i> |                      | Core Earnings Contribution<br><i>(3 months ended 03/31/2018)</i> |                            |
|--|---|----------------------|--|----------------------------|
|  | Carrying Value<br>of Assets                       | % of Total<br>Assets | Amount of<br>Contribution  | % of Total<br>Contribution |
| Conduit First Mortgage Loans               | \$274   | 4%                   | \$13.9   | 14%                        |
| Balance Sheet First Mortgage Loans         | 3,370   | 54%                  | 46.2   | 46%                        |
| Other (Mezzanine/Subordinate) Loans        | 158   | 3%                   | 4.3  | 4%                         |
| Loan Loss Provision                        | (7)   | (0%)                 | –  | –                          |
| <b>Total Loans</b>                         | <b>\$3,795</b>                                    | <b>61%</b>           | <b>\$64.5</b>  | <b>64%</b>                 |
| Securities (CMBS Bonds)                    | \$1,100   | 18%                  | \$4.6  | 5%                         |
| Net Leased Commercial Real Estate          | \$677   | 11%                  | \$6.6  | 7%                         |
| Diversified Commercial Real Estate         | 289   | 5%                   | 23.2   | 23%                        |
| Condominium Residential Real Estate        | 15  | 0%                   | 1.1  | 1%                         |
| <b>Total Real Estate Equity Properties</b> | <b>\$981</b>                                      | <b>16%</b>           | <b>\$30.9</b>  | <b>31%</b>                 |
| Other Investments                          | \$112   | 2%                   | \$0.0  | 0.0%                       |
| <b>Total Investment Assets</b>             | <b>\$5,988</b>                                    | <b>96%</b>           | <b>\$100.0</b>   | <b>100%</b>                |
| Cash and Cash Equivalents (unrestricted)   | \$68  | 1%                   |  |                            |
| Restricted Cash                            | 45  | 1%                   |  |                            |
| Other Assets                               | 130   | 2%                   |  |                            |
| <b>Total Assets</b>                        | <b>\$6,231</b>                                    | <b>100%</b>          | <b>\$100.0</b>   | <b>100%</b>                |
| Corporate Bond Interest Expense            |   |                      | (16.6)   | (17%)                      |
| Corporate Operating Expenses/Other         |   |                      | (19.6)   | (20%)                      |
| <b>Total Core Earnings</b>                 |   |                      | <b>\$63.8</b>  | <b>64%</b>                 |

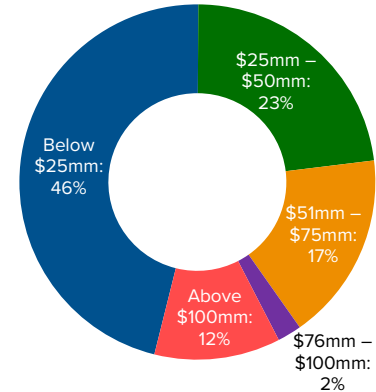
# LOAN PORTFOLIO OVERVIEW

## Loan Type <sup>(1)</sup>



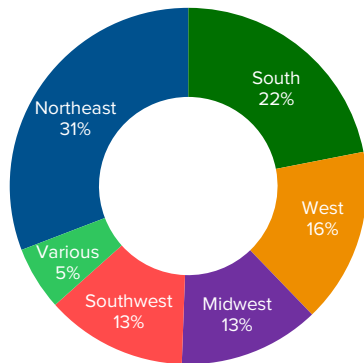
**\$3.8 billion total loan portfolio**  
**72% floating rate/ 28% fixed rate**

## Loan Size

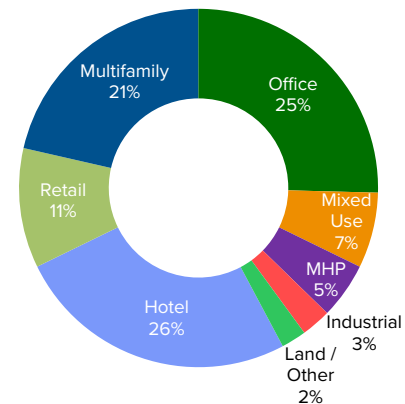


**\$18 million average loan balance**

## Geography



## Property Type



Note: As of 03/31/2018

(1) Amounts in this chart shown before \$7.0 million loan loss provision

(2) Includes mezzanine and subordinate loans

# LOANS SEGMENT SUMMARY

(\$ in millions)

|   | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 | Q1 2017 |
|---|---------|---------|---------|---------|---------|
| <b>Conduit First Mortgage Loans</b>           |         |         |         |         |         |
| Carrying Value of Assets (end of quarter)     | \$274   | \$230   | \$523   | \$201   | \$517   |
| Origination and Purchase Volume               | 533     | 578     | 323     | 285     | 280     |
| Weighted-Average Coupon (end of quarter)      | 5.1%    | 4.9%    | 4.8%    | 5.1%    | 5.0%    |
| Securitization Volume                         | \$437   | \$851   | –       | \$626   | –       |
| Securitization Profit, Net <sup>(1)</sup>     | 12      | 31      | –       | 21      | –       |
| Securitization % Profit Margin <sup>(2)</sup> | 2.7%    | 3.6%    | –       | 3.3%    | –       |
| <b>Balance Sheet First Mortgage Loans</b>     |         |         |         |         |         |
| Carrying Value of Assets (end of quarter)     | \$3,370 | \$3,123 | \$2,689 | \$2,466 | \$2,138 |
| Origination and Purchase Volume               | 435     | 535     | 307     | 408     | 250     |
| Weighted-Average Coupon (end of quarter)      | 6.9%    | 6.7%    | 6.6%    | 6.4%    | 6.4%    |
| Weighted-Average LTV (end of quarter)         | 66%     | 67%     | 66%     | 65%     | 65%     |
| <b>Other (Mezzanine/Subordinate) Loans</b>    |         |         |         |         |         |
| Carrying Value of Assets (end of quarter)     | \$158   | \$159   | \$158   | \$161   | \$166   |
| Origination Volume                            | –       | 3       | –       | –       | –       |
| Mezz./Subordinate Loans % of Total Assets     | 2.5%    | 2.6%    | 2.7%    | 2.8%    | 2.8%    |
| Weighted-Average Coupon (end of quarter)      | 10.8%   | 10.9%   | 10.8%   | 10.9%   | 10.9%   |
| Weighted-Average LTV (end of quarter)         | 70%     | 70%     | 70%     | 70%     | 71%     |
| Loan Loss Provision                           | (\$7)   | (\$4)   | (\$4)   | (\$4)   | (\$4)   |
| <b>Total Loan Portfolio</b>                   |         |         |         |         |         |
| Carrying Value of Assets (end of quarter)     | \$3,795 | \$3,509 | \$3,366 | \$2,823 | \$2,817 |
| Weighted-Average Yield (end of quarter)       | 7.2%    | 7.0%    | 6.7%    | 6.8%    | 6.6%    |

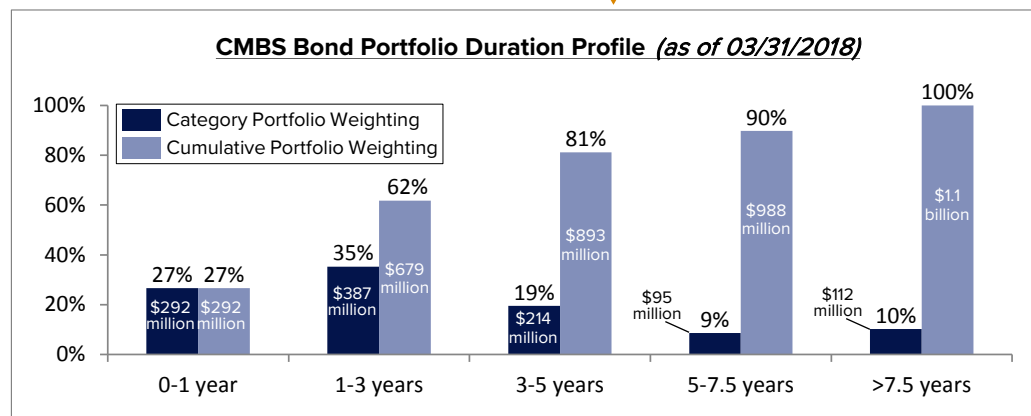
(1) Equivalent to “Core gain on sale of securitized loans” as reported in Company filings. For reconciliation, see page S-11

(2) Based on “Core gain on sale of securitized loans” as reported in Company filings. For reconciliation, see page S-11

# SECURITIES SEGMENT SUMMARY (CMBS BONDS)

(\$ in millions)

|                              | 03/31/2018 | 12/31/2017 | 09/30/2017 | 06/30/2017 | 03/31/2017 |
|------------------------------|------------|------------|------------|------------|------------|
| Carrying Value of Assets     | \$1,100    | \$1,107    | \$1,172    | \$1,482    | \$1,702    |
| Weighted-Average Yield       | 3.0%       | 2.9%       | 2.9%       | 2.9%       | 2.9%       |
| Number of CUSIPs             | 140        | 142        | 156        | 202        | 215        |
| Average CUSIP Size           | \$7.9      | \$7.8      | \$7.5      | \$7.3      | \$7.9      |
| Weighted-Average Duration    | 3.0 Years  | 3.0 Years  | 3.2 Years  | 3.2 Years  | 3.4 Years  |
| % AAA-Rated or Agency-Backed | 79%        | 79%        | 79%        | 81%        | 84%        |
| % Investment Grade-Rated     | 100%       | 100%       | 100%       | 100%       | 100%       |



**Highly-rated, short-duration securities portfolio**



# REAL ESTATE SEGMENT SUMMARY

(\$ in millions)

|  | Q1 2018   | Q4 2017   | Q3 2017   | Q2 2017   | Q1 2017   |
|--|-----------|-----------|-----------|-----------|-----------|
| <b><u>Net Leased Commercial Real Estate (100% Owned)</u></b>     |           |           |           |           |           |
| Acquisitions   | –         | \$6       | \$1       | \$124     | \$4       |
| Sales  | –         | –         | –         | –         | –         |
| Carrying Value of Assets (end of quarter)                        | 677       | 683       | 683       | 688       | 543       |
| Square Feet (end of quarter)                                     | 5,091,472 | 5,091,472 | 5,046,242 | 5,037,142 | 4,151,296 |
| Net Operating Income (Rental Income)                             | \$14.0    | \$12.4    | \$12.3    | \$10.9    | \$10.1    |
| <b><u>Diversified Commercial Real Estate <sup>(1)</sup></u></b>  |           |           |           |           |           |
| Acquisitions   | \$24      | –         | \$47      | \$54      | –         |
| Sales  | 93        | –         | –         | –         | –         |
| Carrying Value of Assets (end of quarter)                        | 289       | 331       | 334       | 288       | 236       |
| Square Feet (end of quarter)                                     | 3,758,984 | 3,141,015 | 3,141,015 | 2,918,519 | 2,918,519 |
| Net Operating Income   | \$6.4     | \$7.5     | \$5.9     | \$6.5     | \$5.7     |
| <b><u>Condominium Residential Real Estate <sup>(1)</sup></u></b> |           |           |           |           |           |
| Sales  | \$4       | \$10      | \$8       | \$6       | \$6       |
| Carrying Value of Assets (end of quarter)                        | 15        | 18        | 25        | 30        | 35        |
| Remaining Condo Units (end of quarter)                           | 51        | 61        | 89        | 110       | 129       |
| Unit Sale Price as % of GAAP Book Value                          | 130%      | 141%      | 149%      | 143%      | 148%      |

(1) All metrics shown on a consolidated basis

# INCOME STATEMENT BY QUARTER

(\$ in millions, except per share values)

|  | Q1 2018       | Q4 2017       | Q3 2017       | Q2 2017       | Q1 2017       |
|--|---------------|---------------|---------------|---------------|---------------|
| <b>Net interest income</b>   |               |               |               |               |               |
| Interest income  | \$78.2        | \$73.4        | \$66.8        | \$66.0        | \$57.5        |
| Interest expense   | 44.7          | 41.6          | 37.5          | 35.7          | 31.4          |
| <b>Net interest income</b>   | <b>\$33.5</b> | <b>\$31.8</b> | <b>\$29.3</b> | <b>\$30.3</b> | <b>\$26.1</b> |
| Provision for loan losses  | 3.0           | –             | –             | –             | –             |
| <b>Net interest income after provision for loan losses</b>                               | <b>\$30.5</b> | <b>\$31.8</b> | <b>\$29.3</b> | <b>\$30.3</b> | <b>\$26.1</b> |
| <b>Other income</b>  |               |               |               |               |               |
| Operating lease income   | 24.6          | 24.8          | 22.9          | 22.2          | 19.6          |
| Tenant recoveries  | 3.6           | 2.1           | 2.4           | 1.2           | 1.6           |
| Sale of loans, net   | 4.9           | 29.9          | (0.8)         | 25.9          | (1.0)         |
| Realized gain (loss) on securities   | (1.1)         | (2.0)         | 6.7           | 7.1           | 5.4           |
| Unrealized gain (loss) on Agency interest-only securities                                | 0.2           | 0.4           | 0.6           | 0.3           | 0.2           |
| Realized gain on sale of real estate, net  | 31.0          | 3.6           | 3.2           | 2.2           | 2.3           |
| Fee and other income   | 6.3           | 5.0           | 4.3           | 4.6           | 4.5           |
| Net result from derivative transactions  | 15.0          | 5.7           | (0.3)         | (16.0)        | (2.0)         |
| Earnings (loss) from investment in unconsolidated joint ventures                         | 0.1           | 0.0           | 0.1           | 0.0           | (0.1)         |
| Gain (loss) on extinguishment of debt  | (0.1)         | (0.0)         | –             | –             | (0.1)         |
| <b>Total other income</b>  | <b>\$84.3</b> | <b>\$69.4</b> | <b>\$39.1</b> | <b>\$47.5</b> | <b>\$30.4</b> |
| <b>Costs and expenses</b>  |               |               |               |               |               |
| Salaries and employee benefits   | 17.1          | 26.7          | 13.3          | 14.5          | 16.0          |
| Operating expenses   | 5.5           | 5.3           | 4.8           | 5.8           | 5.5           |
| Real estate operating expenses   | 8.8           | 8.4           | 9.4           | 8.1           | 7.5           |
| Fee expense  | 0.8           | 1.4           | 1.2           | 1.6           | 0.7           |
| Depreciation and amortization  | 10.8          | 11.0          | 10.6          | 10.1          | 8.6           |
| <b>Total costs and expenses</b>  | <b>\$43.1</b> | <b>\$52.8</b> | <b>\$39.2</b> | <b>\$40.1</b> | <b>\$38.3</b> |
| <b>Income (loss) before taxes</b>  | <b>\$71.7</b> | <b>\$48.4</b> | <b>\$29.2</b> | <b>\$37.7</b> | <b>\$18.3</b> |
| Income tax expense (benefit)   | 3.9           | 3.1           | (0.6)         | 6.6           | (1.4)         |
| <b>Net income (loss)</b>   | <b>\$67.8</b> | <b>\$45.4</b> | <b>\$29.8</b> | <b>\$31.1</b> | <b>\$19.6</b> |
| Net (income) loss attributable to noncontrolling interest in consolidated joint ventures | (8.4)         | (0.1)         | 0.3           | (0.1)         | (0.3)         |
| Net (income) loss attributable to noncontrolling interest in operating partnership       | (8.5)         | (9.2)         | (6.5)         | (8.9)         | (5.8)         |
| <b>Net income (loss) attributable to Class A common shareholders</b>                     | <b>\$50.9</b> | <b>\$36.1</b> | <b>\$23.6</b> | <b>\$22.1</b> | <b>\$13.5</b> |
| <b>Earnings per share:</b>   |               |               |               |               |               |
| Basic  | \$0.53        | \$0.41        | \$0.28        | \$0.28        | \$0.18        |
| Diluted  | 0.53          | 0.40          | 0.28          | 0.26          | 0.18          |
| <b>Weighted average shares outstanding (mm):</b>   |               |               |               |               |               |
| Basic  | 95.2          | 89.1          | 85.1          | 80.1          | 72.9          |
| Diluted  | 95.4          | 89.2          | 85.5          | 110.1         | 109.3         |
| <b>Core Earnings (pre-tax)<sup>(1)</sup></b>   | <b>\$63.8</b> | <b>\$60.4</b> | <b>\$35.7</b> | <b>\$51.2</b> | <b>\$31.6</b> |
| <b>Core EPS (after-tax)<sup>(1)</sup></b>  | <b>\$0.55</b> | <b>\$0.47</b> | <b>\$0.35</b> | <b>\$0.42</b> | <b>\$0.31</b> |

(1) For a description of these non-GAAP financial measures, see Selected Definitions on page S-14

# CORE EARNINGS, CORE EPS & ROAE RECONCILIATION BY QUARTER<sup>(1)</sup>

(\$ in millions, except per share values)

|   | Q1 2018       | Q4 2017       | Q3 2017       | Q2 2017       | Q1 2017       |
|---|---------------|---------------|---------------|---------------|---------------|
| <b>Net income (loss)</b>  | <b>\$67.8</b> | <b>\$45.4</b> | <b>\$29.8</b> | <b>\$31.1</b> | <b>\$19.6</b> |
| Income tax expense (benefit)  | 3.9           | 3.1           | (0.6)         | 6.6           | (1.4)         |
| <b>Income (loss) before taxes</b>   | <b>\$71.7</b> | <b>\$48.4</b> | <b>\$29.2</b> | <b>\$37.7</b> | <b>\$18.3</b> |
| Net (income) loss attributable to noncontrolling interest in consolidated joint ventures and operating partnership  | (8.4)         | (0.1)         | 0.3           | (0.1)         | (0.3)         |
| Our share of real estate depreciation, amortization and gain adjustments  | 6.1           | 9.4           | 9.2           | 9.5           | 7.8           |
| Adjustments for unrecognized derivative results   | (8.1)         | (3.7)         | (4.3)         | (0.3)         | (1.9)         |
| Unrealized (gain) loss on agency IO securities  | (0.2)         | (0.4)         | (0.6)         | (0.3)         | (0.2)         |
| Adjustment for economic gain on securitization transactions not recognized under GAAP for which risk has been substantially transferred, net of reversal/amortization | (0.3)         | (1.9)         | (0.3)         | 3.5           | (0.2)         |
| Non-cash stock-based compensation   | 3.1           | 8.6           | 2.1           | 1.1           | 8.1           |
| One-time transactional adjustment   | –             | –             | –             | –             | –             |
| <b>Core earnings</b>  | <b>\$63.8</b> | <b>\$60.4</b> | <b>\$35.7</b> | <b>\$51.2</b> | <b>\$31.6</b> |
| Core estimated corporate tax benefit (expense)  | (3.5)         | (9.0)         | 2.5           | (4.8)         | 2.1           |
| <b>After-tax core earnings</b>  | <b>\$60.4</b> | <b>\$51.3</b> | <b>\$38.1</b> | <b>\$46.4</b> | <b>\$33.7</b> |
| Adjusted weighted average shares outstanding (diluted) (mm)   | 110.3         | 109.8         | 110.2         | 110.1         | 109.3         |
| <b>Core EPS</b>   | <b>\$0.55</b> | <b>\$0.47</b> | <b>\$0.35</b> | <b>\$0.42</b> | <b>\$0.31</b> |
| Weighted average shares outstanding (diluted) (mm)  | 95.4          | 89.2          | 85.5          | 110.1         | 109.3         |
| Effect of shares issuable to converted Class B shareholders, unvested restricted stock, and unvested stock options (mm)   | 14.9          | 20.5          | 24.7          | –             | –             |
| <b>Adjusted weighted average shares outstanding (diluted) (mm)</b>  | <b>110.3</b>  | <b>109.8</b>  | <b>110.2</b>  | <b>110.1</b>  | <b>109.3</b>  |

|                            | Last Twelve Months (LTM) Ended 03/31/2018 | Q1 2018      | Q4 2017      | Q3 2017      | Q2 2017      | Q1 2017     |
|----------------------------|---|--------------|--------------|--------------|--------------|-------------|
| Core earnings              | \$211.0                                   | \$63.8       | \$60.4       | \$35.7       | \$51.2       | \$31.6      |
| Average book equity        | 1,476.2                                   | 1,484.7      | 1,472.9      | 1,472.0      | 1,475.1      | 1,490.4     |
| <b>Pre-tax Core ROAE</b>   | <b>14.3%</b>                              | <b>17.2%</b> | <b>16.4%</b> | <b>9.7%</b>  | <b>13.9%</b> | <b>8.5%</b> |
| After-tax core earnings    | \$196.2                                   | \$60.4       | \$51.3       | \$38.1       | \$46.4       | \$33.7      |
| Average book equity        | 1,476.2                                   | 1,484.7      | 1,472.9      | 1,472.0      | 1,475.1      | 1,490.4     |
| <b>After-tax Core ROAE</b> | <b>13.3%</b>                              | <b>16.3%</b> | <b>13.9%</b> | <b>10.4%</b> | <b>12.6%</b> | <b>9.0%</b> |

(1) For a description of these non-GAAP financial measures, see Selected Definitions on page S-14

# SECURITIZATION PROFITABILITY & GAAP RECONCILIATION BY QUARTER

(\$ in millions)

|   | Q1 2018       | Q4 2017       | Q3 2017 | Q2 2017       | Q1 2017 |
|---|---------------|---------------|---------|---------------|---------|
| <b>Face amount of loans sold into securitizations</b>   | \$436.5       | \$851.1       | –       | \$625.7       | –       |
| Income from sale of securitized loans, net (see GAAP reconciliation A below)  | \$5.4         | \$29.2        | –       | \$26.1        | –       |
| Hedge gain/(loss) related to loans securitized (see GAAP reconciliation B below)  | 6.6           | 3.1           | –       | (9.1)         | –       |
| <b>Income from sales of securitized loans, net of hedging</b>   | <b>\$11.9</b> | <b>\$32.3</b> | –       | <b>\$17.0</b> | –       |
| Adjustment for economic gain on securitization transactions not recognized under GAAP for which risk has been substantially transferred | (\$0.0)       | (\$1.7)       | –       | \$3.7         | –       |
| <b>Core gain on securitized loans</b>   | <b>\$11.9</b> | <b>\$30.6</b> | –       | <b>\$20.7</b> | –       |
| <b>Securitization profit margin</b>   | <b>2.7%</b>   | <b>3.6%</b>   | –       | <b>3.3%</b>   | –       |

## Reconciliations to closest GAAP measures

### GAAP reconciliation A

|  |              |               |         |               |         |
|--|--------------|---------------|---------|---------------|---------|
| Income/(loss) from sale of loans, net  | \$4.9        | \$29.9        | (\$0.8) | \$25.9        | (\$1.0) |
| Unrealized losses on loans recorded as other than temporary impairments related to lower of cost or market adjustments | 0.5          | –             | 0.8     | –             | 1.0     |
| (Income)/loss from sale of loans (non-securitized), net  | –            | (0.8)         | (0.0)   | 0.2           | –       |
| <b>Income from sale of securitized loans, net</b>  | <b>\$5.4</b> | <b>\$29.2</b> | –       | <b>\$26.1</b> | –       |

### GAAP reconciliation B

|   |              |              |         |                |         |
|---|--------------|--------------|---------|----------------|---------|
| Net results from derivative transactions                      | \$15.0       | \$5.7        | (\$0.3) | (\$16.0)       | (\$2.0) |
| Hedge gain/(loss) related to lending and securities positions | (8.4)        | (2.6)        | 0.7     | 7.0            | 3.1     |
| Hedge gain/(loss) related to loans (non-securitized)          | –            | 0.0          | (0.3)   | –              | (1.1)   |
| <b>Hedge gain/(loss) related to loans securitized</b>         | <b>\$6.6</b> | <b>\$3.1</b> | –       | <b>(\$9.1)</b> | –       |

# BALANCE SHEET BY QUARTER

(\$ in millions, except per share values)

|  | 03/31/2018       | 12/31/2017       | 09/30/2017       | 06/30/2017       | 03/31/2017       |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>Assets</b>  |                  |                  |                  |                  |                  |
| Cash and cash equivalents  | \$68.4           | \$76.7           | \$48.9           | \$58.2           | \$62.6           |
| Restricted cash  | 44.8             | 106.0            | 48.5             | 97.3             | 54.4             |
| Mortgage loan receivables held for investment, net, at amortized cost            |                  |                  |                  |                  |                  |
| Mortgage loans held by consolidated subsidiaries                                 | 3,528.2          | 3,282.5          | 2,846.9          | 2,626.7          | 2,304.1          |
| Mortgage loans transferred but not considered sold                               | –                | –                | 61.3             | 61.5             | –                |
| Provision for loan losses  | (7.0)            | (4.0)            | (4.0)            | (4.0)            | (4.0)            |
| Mortgage loan receivables held for sale  | 273.6            | 230.2            | 523.0            | 200.7            | 516.6            |
| Real estate securities, available for sale                                       | 1,100.1          | 1,106.5          | 1,172.3          | 1,482.4          | 1,702.0          |
| Real estate and related lease intangibles, net                                   | 980.9            | 1,032.0          | 1,041.9          | 1,006.3          | 814.4            |
| Investments in unconsolidated joint ventures                                     | 34.6             | 35.4             | 35.0             | 34.5             | 34.2             |
| FHLB stock   | 77.9             | 77.9             | 77.9             | 77.9             | 77.9             |
| Derivative instruments   | 0.1              | 0.9              | 0.6              | 4.6              | 0.1              |
| Due from brokers   | –                | –                | 12.5             | 26.4             | 0.0              |
| Accrued interest receivable  | 27.2             | 25.9             | 25.1             | 25.3             | 27.3             |
| Other assets   | 102.6            | 55.6             | 51.9             | 52.2             | 352.1            |
| <b>Total assets</b>  | <b>\$6,231.3</b> | <b>\$6,025.6</b> | <b>\$5,941.8</b> | <b>\$5,750.0</b> | <b>\$5,941.6</b> |
| <b>Liabilities</b>   |                  |                  |                  |                  |                  |
| Debt obligations:  |                  |                  |                  |                  |                  |
| Secured and unsecured debt obligations   | \$4,624.6        | \$4,379.8        | \$4,275.3        | \$4,077.6        | \$4,377.7        |
| Liability for transfers not considered sales                                     | –                | –                | 62.9             | 63.2             | –                |
| Due to brokers   | –                | 0.0              | 0.4              | 1.7              | 2.6              |
| Derivative instruments   | –                | 2.6              | 2.7              | 4.3              | 4.2              |
| Amount payable pursuant to tax receivable agreement                              | 1.6              | 1.7              | 2.4              | 2.4              | 2.3              |
| Dividends payable  | 1.2              | 30.5             | 2.0              | 1.3              | 1.0              |
| Accrued expenses   | 38.9             | 59.6             | 55.9             | 59.4             | 43.5             |
| Other liabilities  | 61.7             | 63.2             | 58.2             | 55.6             | 29.0             |
| <b>Total liabilities</b>   | <b>\$4,728.0</b> | <b>\$4,537.5</b> | <b>\$4,460.0</b> | <b>\$4,265.4</b> | <b>\$4,460.3</b> |
| <b>Equity</b>  |                  |                  |                  |                  |                  |
| Class A common stock, par value \$0.001 per share, 600,000,000 shares authorized | \$0.1            | \$0.1            | \$0.1            | \$0.1            | \$0.1            |
| Class B common stock, no par value, 100,000,000 shares authorized                | 0.0              | 0.0              | 0.0              | 0.0              | 0.0              |
| Additional paid-in capital   | 1,368.5          | 1,306.1          | 1,201.8          | 1,200.3          | 1,106.4          |
| Treasury stock   | (32.7)           | (32.0)           | (24.5)           | (24.5)           | (24.5)           |
| Retained earnings  | (18.7)           | (39.1)           | (46.1)           | (43.4)           | (39.7)           |
| Accumulated other comprehensive income/(loss)                                    | (7.9)            | (0.2)            | 3.9              | 5.7              | 4.8              |
| <b>Total shareholders' equity</b>  | <b>\$1,309.4</b> | <b>\$1,235.0</b> | <b>\$1,135.3</b> | <b>\$1,138.2</b> | <b>\$1,047.1</b> |
| Noncontrolling interest in operating partnership                                 | 184.2            | 240.9            | 334.8            | 335.8            | 428.9            |
| Noncontrolling interest in consolidated joint ventures                           | 9.7              | 12.3             | 11.8             | 10.5             | 5.2              |
| <b>Total equity</b>  | <b>\$1,503.3</b> | <b>\$1,488.1</b> | <b>\$1,481.8</b> | <b>\$1,484.6</b> | <b>\$1,481.3</b> |
| <b>Total liabilities and equity</b>  | <b>\$6,231.3</b> | <b>\$6,025.6</b> | <b>\$5,941.8</b> | <b>\$5,750.0</b> | <b>\$5,941.6</b> |
| Adjusted Leverage Ratio <sup>(1)</sup>   | 2.6x             | 2.5x             | 2.9x             | 2.8x             | 2.9x             |
| Total Shares Outstanding (mm)  | 111.3            | 111.3            | 110.7            | 110.7            | 110.7            |
| <b>GAAP Book Value per Share <sup>(2)</sup></b>                                  | <b>\$13.37</b>   | <b>\$13.19</b>   | <b>\$13.19</b>   | <b>\$13.23</b>   | <b>\$13.24</b>   |
| <b>Undepreciated Book Value per Share <sup>(1)</sup></b>                         | <b>\$14.82</b>   | <b>\$14.60</b>   | <b>\$14.54</b>   | <b>\$14.48</b>   | <b>\$14.42</b>   |
| Distributions per LADR Share   | \$0.315          | \$0.315          | \$0.30           | \$0.30           | \$0.30           |

(1) For a description of these non-GAAP financial measures, see Selected Definitions on page S-14

(2) For a description of these financial measures, see Selected Definitions on page S-14

# SUMMARY OF BOOK EQUITY & SHARE COUNT BY QUARTER

(\$ in millions, except per share values)

|  | 03/31/2018       | 12/31/2017       | 09/30/2017       | 06/30/2017       | 03/31/2017       |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>Beginning book equity balance</b>   | <b>\$1,488.1</b> | <b>\$1,481.8</b> | <b>\$1,484.6</b> | <b>\$1,481.3</b> | <b>\$1,509.6</b> |
| Net income (loss)  | 67.8             | 45.4             | 29.8             | 31.1             | 19.6             |
| Dividends/distributions  | (48.4)           | (35.1)           | (33.7)           | (33.9)           | (45.7)           |
| Changes in other comprehensive income (OCI)  | (8.9)            | (5.2)            | (2.2)            | 0.4              | 4.8              |
| Issuance of common stock, net of offering costs  | —                | —                | —                | —                | —                |
| Other  | 4.6              | 1.3              | 3.3              | 5.6              | (6.9)            |
| <b>Ending book equity balance</b>  | <b>\$1,503.3</b> | <b>\$1,488.1</b> | <b>\$1,481.8</b> | <b>\$1,484.6</b> | <b>\$1,481.3</b> |
| Noncontrolling interests in consolidated joint ventures                                      | (9.7)            | (12.3)           | (11.8)           | (10.5)           | (5.2)            |
| <b>Ending book equity balance excluding noncontrolling interests</b>                         | <b>\$1,493.6</b> | <b>\$1,475.8</b> | <b>\$1,470.0</b> | <b>\$1,474.0</b> | <b>\$1,476.1</b> |
| <b>Average book equity balance excluding noncontrolling interests</b>                        | <b>\$1,484.7</b> | <b>\$1,472.9</b> | <b>\$1,472.0</b> | <b>\$1,475.1</b> | <b>\$1,490.4</b> |
| Accumulated depreciation & amortization – net leased commercial real estate                  | 85.4             | 79.2             | 73.0             | 66.9             | 62.5             |
| Accumulated depreciation & amortization – diversified commercial real estate                 | 78.8             | 79.9             | 75.0             | 70.3             | 64.7             |
| Accumulated depreciation & amortization – condominium residential real estate                | 1.7              | 1.9              | 2.6              | 3.0              | 3.2              |
| Less: noncontrolling interests' share of accumulated real estate depreciation & amortization | (10.7)           | (11.6)           | (10.9)           | (10.3)           | (9.8)            |
| <b>Accumulated depreciation &amp; amortization – total</b>                                   | <b>\$155.2</b>   | <b>\$149.5</b>   | <b>\$139.7</b>   | <b>\$130.0</b>   | <b>\$120.6</b>   |
| <b>Ending undepreciated book value</b>   | <b>\$1,648.8</b> | <b>\$1,625.3</b> | <b>\$1,609.7</b> | <b>\$1,604.0</b> | <b>\$1,596.7</b> |
| Class A shares outstanding (mm)  | 98.0             | 93.6             | 86.1             | 86.1             | 79.1             |
| Class B shares outstanding (mm)  | 13.3             | 17.7             | 24.7             | 24.7             | 31.6             |
| <b>Total ending shares outstanding (mm)</b>  | <b>111.3</b>     | <b>111.3</b>     | <b>110.7</b>     | <b>110.7</b>     | <b>110.7</b>     |
| Ending book equity balance excluding noncontrolling interests                                | 1,493.6          | 1,475.8          | 1,470.0          | 1,474.0          | 1,476.1          |
| Less: noncontrolling interest in operating partnership (Class B shareholder book equity)     | (184.2)          | (240.9)          | (334.8)          | (335.8)          | (428.9)          |
| <b>Total shareholders' equity</b>  | <b>\$1,309.4</b> | <b>\$1,235.0</b> | <b>\$1,135.3</b> | <b>\$1,138.2</b> | <b>\$1,047.1</b> |
| <b>GAAP Book Value per Share<sup>(1)</sup></b>   | <b>\$13.37</b>   | <b>\$13.19</b>   | <b>\$13.19</b>   | <b>\$13.23</b>   | <b>\$13.24</b>   |
| <b>Undepreciated Book Value per Share<sup>(2)</sup></b>                                      | <b>14.82</b>     | <b>14.60</b>     | <b>14.54</b>     | <b>14.48</b>     | <b>14.42</b>     |

# SELECTED DEFINITIONS

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- **Adjusted Leverage Ratio (non-GAAP)**
  - Total debt obligations, net of deferred financing costs, adjusted for non-recourse borrowings under collateralized loan obligations, divided by total equity.
- **After-Tax Core Return on Average Equity (After-Tax Core ROAE) (non-GAAP)**
  - After-Tax Core Earnings divided by average book equity balance excluding total noncontrolling interest in consolidated joint ventures.
- **Core Earnings (non-GAAP)**
  - Income before taxes adjusted for (i) real estate depreciation and amortization, (ii) the impact of derivative gains and losses related to the hedging of assets on our balance sheet as of the end of the specified accounting period, (iii) unrealized gains/(losses) related to our investments in Agency interest-only securities, (iv) economic gains on securitization transactions not recognized for GAAP accounting for which risk has substantially transferred during the period and the exclusion of resultant GAAP recognition of the related economics during the subsequent period, (v) non-cash stock-based compensation and (vi) certain one-time transactional items.
- **Core EPS (non-GAAP)**
  - After-Tax Core Earnings divided by adjusted weighted-average shares outstanding.
- **GAAP Book Value per Share**
  - Total shareholders' equity divided by Class A common shares outstanding.
- **Other Assets**
  - Includes cash collateral held by broker, investments in unconsolidated joint ventures, FHLB stock, derivative instrument assets, amount due from brokers, accrued interest receivable and other assets.
- **Other Liabilities**
  - Includes amount due to brokers, derivative instrument liabilities, amount payable pursuant to tax receivable agreement, dividend payable, accrued expenses and other liabilities.
- **Pre-Tax Core Return on Average Equity (Pre-Tax Core ROAE) (non-GAAP)**
  - Core Earnings divided by average book equity balance excluding total noncontrolling interest in consolidated joint ventures.
- **Undepreciated Book Equity and Undepreciated Book Value per Share (non-GAAP)**
  - Total equity, adjusted to exclude total noncontrolling interest in consolidated joint ventures and adjusted to include our share of total real estate accumulated depreciation and amortization. Per share information is derived by dividing the preceding amount by total diluted shares outstanding.