



SUPPLEMENTAL DATA FOR THE QUARTER ENDED SEPTEMBER 30, 2017

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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 September 30, 2017 Form 10-Q filing and earnings press release, which are available on Ladder’s website (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.

THIRD QUARTER 2017 HIGHLIGHTS

Earnings and Dividends⁽¹⁾

- Core Earnings of \$35.6 million, or \$0.35 Core EPS per share⁽¹⁾
- Core Return on Average Equity (Core ROAE) of 10.5% (10.7% on a trailing-twelve-months basis)⁽¹⁾
- Q3 dividend of \$0.30 per share equates to an 8.8% dividend yield⁽²⁾

Investment Activity

- Originated or purchased \$630 million of loans, including \$307 million of balance sheet loans and \$323 million of conduit loans
- Acquired \$49 million of real estate equity

Portfolio Composition

- \$5.9 billion in assets, including \$3.4 billion (57%) in loans, \$1.2 billion (20%) in securities, and \$1.0 billion (18%) in real estate equity
- 76% of assets are senior secured and/or investment grade-rated

Financing and Liquidity

- Issued \$400 million of 8-year, 5.250% senior unsecured corporate bonds due 2025
- Upgraded by S&P to BB corporate family rating and Moody's moved to Positive outlook from Stable
- Adjusted Leverage Ratio of 2.9x⁽¹⁾, or 2.1x excluding investment grade-rated CMBS portfolio
- Over \$1.9 billion of undrawn committed financing capacity

Interest Rates

- 67% 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 \$0.13 per share per year

Note: As of 09/30/2017. All metrics are shown based on Ladder's Core Balance Sheet. For reconciliation from GAAP Balance Sheet to Core Balance Sheet, see page S-13

(1) For a description of these financial and non-GAAP financial measures, see Selected Definitions on page S-15

(2) Based on 11/01/2017 LADR closing stock price of \$13.57

LADDER SNAPSHOT

(\$ in millions, except per share amounts)

Snapshot of Business Lines				Other Assets, Financing, Book Equity and ROE	
Conduit Loans		Net Leased Commercial Real Estate (100% Owned)		Other Assets	
Carrying Value of Assets	\$523	Carrying Value of Assets	\$543	Cash & Cash Equivalents	\$49
Weighted-Average Coupon	4.8%	Undepreciated Book Value of Assets	615	Other Assets ⁽⁴⁾	253
Origination and Purchase Volume (LTM)	1,225	Total Square Feet	4,223,702	Financing	
Securitization Volume (LTM)	1,289	Weighted-Average Occupancy	100%	Secured Debt	\$3,121
Securitization Profit Margin (LTM) ⁽¹⁾	3.0%	In-Place Annual Net Operating Income (NOI)	\$40.6	Unsecured Debt	1,153
Number of Securitizations (LTM)	4	<i>Accounting method: carried at depreciated book value</i>		Total Debt	4,273
Net Revenue Contribution (LTM) ⁽¹⁾	\$49	Other Commercial Real Estate⁽²⁾⁽³⁾		Other Liabilities ⁽⁴⁾	119
<i>Accounting method: carried at lower of cost or FMV</i>		Carrying Value of Assets	\$474	Book Equity Value	
Balance Sheet Loans		Undepreciated Book Value of Assets	550	Book Equity Value (excluding NCI in JVs)	\$1,454
Carrying Value of Assets	\$2,847	Total Square Feet	3,963,555	Total Shares Outstanding (mm)	110.7
% First Mortgage	94%	Weighted-Average Occupancy	92%	GAAP Book Value per Share ⁽⁴⁾	\$13.07
% Other (Mezzanine/Subordinate)	6%	In-Place Annual Net Operating Income (NOI)	\$36.6	Undepreciated Book Value per Share ⁽⁵⁾	\$14.39
Weighted-Average Coupon	6.8%	Weighted-Average % Owned by Ladder	89.3%	Leverage	
<i>Accounting method: carried at lower of cost or FMV</i>		<i>Accounting method: carried at depreciated book value</i>		Adjusted Leverage Ratio ⁽⁵⁾	2.9x
Securities		Condominium Residential Real Estate⁽²⁾		Return on Average Equity (based on Core Earnings)⁽⁵⁾	
Carrying Value of Assets	\$1,172	Carrying Value of Assets	\$25	Core Earnings (LTM)	\$163
% First Mortgage Secured	100%	Undepreciated Book Value of Assets	28	Average Book Equity Value (LTM)	1,478
% AAA-Rated	79%	Total Remaining Units	89	Pre-Tax Core ROAE (LTM)	11.0%
% Investment Grade-Rated	100%	Unit Sale Price as % of GAAP Book Value (LTM)	148%	Core ROAE (After-Tax) (LTM)	10.7%
Weighted-Average Duration	3.2 Years	Weighted-Average % Owned by Ladder	99.6%	<i>Accounting method: carried at depreciated book value</i>	
<i>Accounting method: carried at FMV</i>		<i>Accounting method: carried at depreciated book value</i>			

Note: As of 09/30/2017. All metrics are shown based on Ladder's Core Balance Sheet. For reconciliation from GAAP Balance Sheet to Core Balance Sheet, see page S-13

(1) Includes earnings contribution from mortgage loans transferred but not considered sold in Q2 2017

(2) All metrics shown on a consolidated basis, except Weighted-Average % Owned by Ladder

(3) Excludes two unconsolidated joint venture investments with total book value of \$35.0 million as of 09/30/2017

(4) For a description of these financial measures, see Selected Definitions on page S-15

(5) For a description of these non-GAAP financial measures, see Selected Definitions on page S-15

INVESTMENT PORTFOLIO SUMMARY

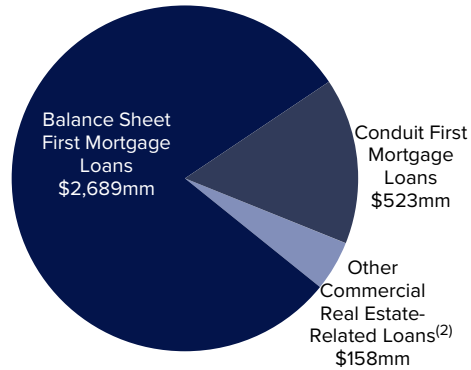
(\$ in millions)

Investment Type	Investment Portfolio (as of 09/30/2017)		Core Earnings Contribution (9 months ended 09/30/2017)	
	Carrying Value of Assets	% of Total Assets	Amount of Contribution	% of Total Contribution
Conduit First Mortgage Loans	\$523	9%	\$25.0	12%
Balance Sheet First Mortgage Loans	2,689	46%	99.1	49%
Other (Mezzanine/Subordinate) Loans	158	3%	16.1	8%
Loan Loss Provision	(4)	(0%)	–	–
Total Loans	\$3,366	57%	\$140.2	69%
Securities	\$1,172	20%	\$27.4	14%
Net Leased Commercial Real Estate	\$543	9%	\$17.5	9%
Other Commercial Real Estate	474	8%	12.3	6%
Condominium Residential Real Estate	25	0%	5.2	3%
Total Real Estate Equity Properties	\$1,042	18%	\$35.1	17%
Other Investments	\$113	2%	–	–
Total Investment Assets	\$5,693	97%	\$202.7	100%
Cash and Cash Equivalents (unrestricted)	\$49	1%		
Restricted Cash	48	1%		
Other Assets	95	2%		
Total Assets	\$5,886	100%	\$202.7	100%
Corporate Bond Interest Expense			(35.7)	(18%)
Corporate Operating Expenses/Other			(48.6)	(24%)
Total Core Earnings			\$118.4	58%

Note: Based on Ladder's Core Balance Sheet. For reconciliation from GAAP Balance Sheet to Core Balance Sheet, see page S-13

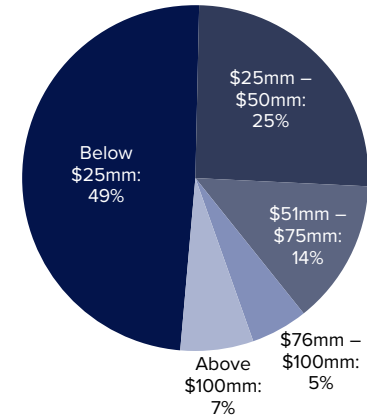
LOAN PORTFOLIO OVERVIEW

Loan Type⁽¹⁾



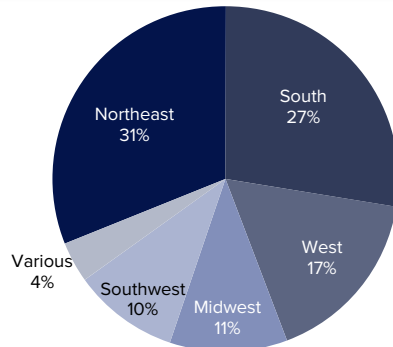
\$3.4 billion total loan portfolio
67% floating rate/33% fixed rate

Loan Size

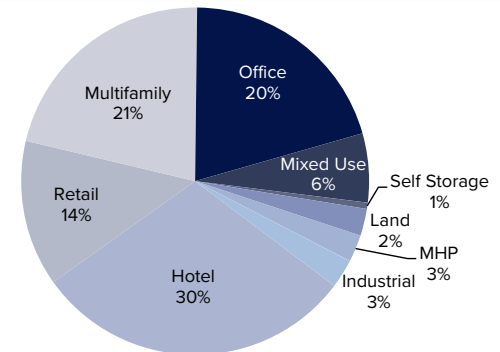


\$17 million average loan balance

Geography



Property Type



Note: As of 09/30/2017. All metrics are shown based on Ladder's Core Balance Sheet. For reconciliation from GAAP Balance Sheet to Core Balance Sheet, see page S-13

(1) Amounts in this chart shown before \$4.0 million loan loss provision

(2) Includes mezzanine and subordinate loans

LOANS SEGMENT SUMMARY

(\$ in millions)

	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Conduit First Mortgage Loans							
Carrying Value of Assets (end of quarter)	\$523	\$201	\$517	\$358	\$784	\$583	\$353
Origination and Purchase Volume	323	285	280	337	526	270	69
Weighted-Average Coupon (end of quarter)	4.8%	5.1%	5.0%	4.2%	4.4%	4.4%	4.3%
Securitization Volume	–	\$626	–	\$664	\$415	–	\$249
Securitization Profit, Net ⁽¹⁾	–	21	–	18	17	–	4
Securitization % Profit Margin ⁽²⁾	–	3.3%	–	2.7%	4.1%	–	1.6%
Balance Sheet First Mortgage Loans							
Carrying Value of Assets (end of quarter)	\$2,689	\$2,466	\$2,138	\$1,833	\$1,414	\$1,385	\$1,382
Origination and Purchase Volume	307	408	250	438	311	162	50
Weighted-Average Coupon (end of quarter)	6.6%	6.4%	6.4%	6.5%	6.4%	6.8%	7.0%
Weighted-Average LTV (end of quarter)	66%	65%	65%	64%	67%	66%	67%
Other (Mezzanine/Subordinate) Loans							
Carrying Value of Assets (end of quarter)	\$158	\$161	\$166	\$167	\$170	\$163	\$195
Origination Volume	–	–	–	–	9	–	–
Mezz./Subordinate Loans % of Total Assets	2.7%	2.8%	2.8%	3.0%	2.7%	2.7%	3.4%
Weighted-Average Coupon (end of quarter)	10.8%	10.9%	10.9%	11.3%	10.9%	10.9%	10.8%
Weighted-Average LTV (end of quarter)	70%	70%	71%	74%	74%	74%	66%
Loan Loss Provision	(\$4)	(\$4)	(\$4)	(\$4)	(\$4)	(\$4)	(\$4)
Total Loan Portfolio							
Carrying Value of Assets (end of quarter)	\$3,366	\$2,823	\$2,817	\$2,354	\$2,364	\$2,127	\$1,926
Weighted-Average Yield (end of quarter)	6.7%	6.8%	6.6%	6.7%	6.2%	6.6%	7.0%

Note: All metrics are shown based on Ladder's Core Balance Sheet. For 09/30/2017 reconciliation from GAAP Balance Sheet to Core Balance Sheet, see page S-13

(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

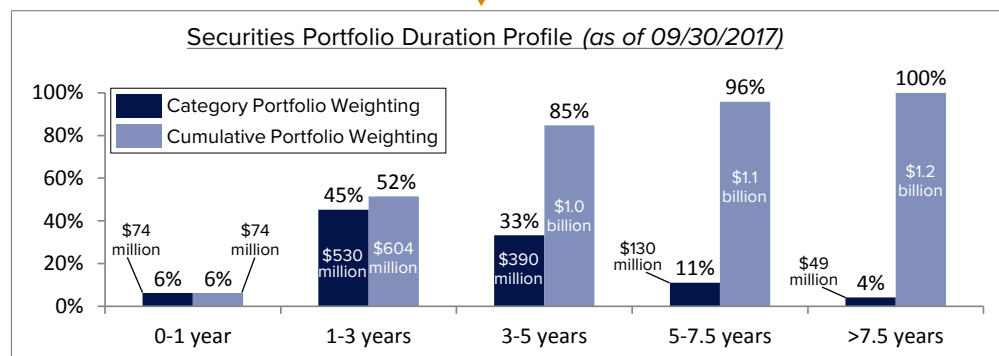
SECURITIES SEGMENT SUMMARY

(\$ in millions)

09/30/2017	06/30/2017	03/31/2017	12/31/2016	09/30/2016	06/30/2016	03/31/2016
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Securities (CMBS & U.S. Agency)

Carrying Value of Assets	\$1,172	\$1,482	\$1,702	\$2,101	\$2,651	\$2,700	\$2,599
Weighted-Average Yield	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	3.0%
Number of CUSIPs	155	202	215	219	230	226	219
Average CUSIP Size	\$7.6	\$7.3	\$7.9	\$9.6	\$11.5	\$11.9	\$11.9
Weighted-Average Duration	3.2 Years	3.2 Years	3.4 Years	3.6 Years	3.2 Years	3.2 Years	3.3 Years
% AAA-Rated or Agency-Backed	79%	81%	84%	83%	84%	86%	85%
% Investment Grade-Rated	100%	100%	100%	100%	98%	98%	98%



Highly-rated, short-duration securities portfolio

Note: All metrics are shown based on Ladder's Core Balance Sheet. For 09/30/2017 reconciliation from GAAP Balance Sheet to Core Balance Sheet, see page S-13

REAL ESTATE SEGMENT SUMMARY

(\$ in millions)

	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
<u>Net Leased Commercial Real Estate (100% Owned)</u>							
Acquisitions	\$1	\$8	\$4	\$9	\$4	\$16	–
Sales	–	–	–	–	6	–	9
Carrying Value of Assets (end of quarter)	543	547	543	544	539	546	533
Square Feet (end of quarter)	4,223,702	4,214,602	4,151,296	4,125,705	4,092,759	4,079,816	3,959,222
Net Operating Income (Rental Income)	\$10.2	\$10.0	\$10.1	\$9.9	\$10.0	\$9.8	\$9.8
<u>Other Commercial Real Estate</u>⁽¹⁾							
Acquisitions	\$47	\$170	–	\$3	\$31	\$0	–
Sales	–	–	–	–	–	–	–
Carrying Value of Assets (end of quarter)	474	429	236	240	241	211	214
Square Feet (end of quarter)	3,963,555	3,741,059	2,918,519	2,918,519	2,665,579	2,554,814	2,554,814
Net Operating Income	\$8.0	\$7.4	\$5.7	\$5.9	\$5.2	\$5.3	\$5.7
<u>Condominium Residential Real Estate</u>⁽¹⁾							
Sales	\$8	\$6	\$6	\$14	\$10	\$14	\$14
Carrying Value of Assets (end of quarter)	25	30	35	39	46	52	62
Remaining Condo Units (end of quarter)	89	110	129	147	178	207	247
Unit Sale Price as % of GAAP Book Value	149%	143%	148%	150%	159%	146%	153%

(1) All metrics shown on a consolidated basis

INCOME STATEMENT BY QUARTER

(\$ in millions, except per share values)

	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income							
Interest income	\$72.8	\$66.1	\$57.5	\$60.7	\$60.3	\$55.8	\$59.6
Interest expense	42.6	35.6	31.4	32.2	30.7	28.4	29.5
Net interest income	\$30.2	\$30.5	\$26.1	\$28.5	\$29.6	\$27.4	\$30.1
Provision for loan losses	–	–	–	–	–	0.2	0.2
Net interest income after provision for loan losses	\$30.2	\$30.5	\$26.1	\$28.5	\$29.6	\$27.2	\$29.9
Other income							
Operating lease income	22.9	22.2	19.6	19.4	19.5	19.1	19.3
Tenant recoveries	2.4	1.2	1.6	2.1	1.2	1.3	1.3
Sale of loans, net	(0.8)	–	(1.0)	(4.3)	19.6	2.8	7.8
Realized gain (loss) on securities	6.7	7.1	5.4	(1.8)	7.1	3.0	(0.6)
Unrealized gain (loss) on Agency interest-only securities	0.6	0.3	0.2	(0.1)	(0.0)	(0.6)	0.7
Realized gain on sale of real estate, net	3.2	2.2	2.3	5.0	4.6	4.9	6.1
Fee and other income	4.3	4.6	4.5	4.1	8.1	6.2	3.0
Net result from derivative transactions	(0.3)	(16.0)	(2.0)	64.7	9.4	(24.6)	(50.9)
Earnings (loss) from investment in unconsolidated joint ventures	0.1	0.0	(0.1)	(0.1)	(0.1)	(0.2)	0.8
Gain (loss) on extinguishment of debt	–	–	(0.1)	–	–	–	5.4
Total other income	\$39.1	\$21.6	\$30.4	\$89.2	\$69.3	\$11.8	(\$7.1)
Costs and expenses							
Salaries and employee benefits	13.3	14.5	16.0	20.9	17.3	13.4	12.6
Operating expenses	4.8	5.8	5.5	5.2	4.4	4.7	6.3
Real estate operating expenses	9.4	8.1	7.5	7.3	8.4	9.1	5.7
Fee expense	1.2	1.6	0.7	1.3	0.8	0.9	0.7
Depreciation and amortization	10.6	10.1	8.6	10.7	9.7	9.3	9.8
Total costs and expenses	\$39.2	\$40.1	\$38.3	\$45.3	\$40.6	\$37.4	\$35.2
Income (loss) before taxes	\$30.1	\$12.0	\$18.3	\$72.4	\$58.3	\$1.6	(\$12.3)
Income tax expense (benefit)	(0.4)	(1.4)	(1.4)	0.8	8.7	(2.3)	(0.9)
Net income (loss)	\$30.5	\$13.4	\$19.6	\$71.6	\$49.6	\$3.9	(\$11.4)
Net (income) loss attributable to noncontrolling interest in consolidated joint ventures	0.3	(0.1)	(0.3)	(0.3)	0.4	(0.2)	0.2
Net (income) loss attributable to noncontrolling interest in operating partnership	(6.7)	(2.7)	(5.8)	(29.5)	(22.4)	(0.9)	5.7
Net income (loss) attributable to Class A common shareholders	\$24.0	\$10.7	\$13.5	\$41.9	\$27.6	\$2.8	(\$5.5)
Earnings per share:							
Basic	\$0.28	\$0.13	\$0.18	\$0.64	\$0.44	\$0.05	(\$0.09)
Diluted	0.28	0.13	0.18	0.63	0.44	0.05	(0.09)
Weighted average shares outstanding (mm):							
Basic	85.1	80.1	72.9	65.0	62.1	61.2	59.6
Diluted	85.5	110.1	109.3	66.0	63.3	62.0	59.6
Core Earnings (pre-tax)⁽¹⁾	\$35.6	\$51.2	\$31.6	\$44.6	\$44.5	\$30.9	\$38.2
Core EPS (after-tax)⁽¹⁾	\$0.35	\$0.42	\$0.31	\$0.37	\$0.40	\$0.32	\$0.38

(1) For a description of these non-GAAP financial measures, see Selected Definitions on page S-15

CORE EARNINGS, CORE EPS & ROAE RECONCILIATION BY QUARTER ⁽¹⁾

(\$ in millions, except per share values)

	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net income (loss)	\$30.5	\$13.4	\$19.6	\$71.6	\$49.6	\$3.9	(\$11.4)
Income tax expense (benefit)	(0.4)	(1.4)	(1.4)	0.8	8.7	(2.3)	(0.9)
Income (loss) before taxes	\$30.1	\$12.0	\$18.3	\$72.4	\$58.3	\$1.6	(\$12.3)
Net (income) loss attributable to noncontrolling interest in consolidated joint ventures and operating partnership	0.3	(0.1)	(0.3)	(0.3)	0.4	(0.2)	0.2
Our share of real estate depreciation, amortization and gain adjustments	9.2	9.5	7.8	9.2	8.3	8.0	8.3
Adjustments for unrecognized derivative results	(3.9)	0.7	(1.9)	(41.7)	(24.9)	16.1	39.3
Unrealized (gain) loss on agency IO securities	(0.6)	(0.3)	(0.2)	0.1	0.0	0.6	(0.7)
Adjustment for economic gain on securitization transactions not recognized under GAAP for which risk has been substantially transferred, net of reversal/amortization	(1.5)	28.2	(0.2)	(0.5)	0.3	(0.2)	(0.0)
Non-cash stock-based compensation	2.1	1.1	8.1	5.5	5.2	5.0	3.3
One-time transactional adjustment	–	–	–	(0.1)	(3.2)	–	–
Core earnings	\$35.6	\$51.2	\$31.6	\$44.6	\$44.5	\$30.9	\$38.2
Core estimated corporate tax benefit (expense)	2.5	(4.8)	2.1	(4.2)	(1.0)	4.1	1.7
After-tax core earnings	\$38.1	\$46.4	\$33.7	\$40.4	\$43.5	\$35.0	\$39.9
Adjusted weighted average shares outstanding (diluted) (mm)	110.2	110.1	109.3	108.6	108.8	108.4	106.1
Core EPS	\$0.35	\$0.42	\$0.31	\$0.37	\$0.40	\$0.32	\$0.38
Weighted average shares outstanding (diluted) (mm)	85.5	110.1	109.3	66.0	63.3	62.0	59.6
Effect of shares issuable to converted Class B shareholders, unvested restricted stock, and unvested stock options (mm)	24.7	–	–	42.6	45.4	46.4	46.5
Adjusted weighted average shares outstanding (diluted) (mm)	110.2	110.1	109.3	108.6	108.8	108.4	106.1

	Last Twelve Months (LTM) Ended 09/30/2017							
Core earnings	\$163.0	\$35.6	\$51.2	\$31.6	\$44.6	\$44.5	\$30.9	\$38.2
Average book equity	1,478.1	1,455.4	1,466.6	1,490.4	1,500.1	1,488.1	1,478.2	1,480.7
Pre-tax Core ROAE	11.0%	9.8%	14.0%	8.5%	11.9%	12.0%	8.4%	10.3%
After-tax core earnings	\$158.6	\$38.1	\$46.4	\$33.7	\$40.4	\$43.5	\$35.0	\$39.9
Average book equity	1,478.1	1,455.4	1,466.6	1,490.4	1,500.1	1,488.1	1,478.2	1,480.7
Core ROAE (after-tax)	10.7%	10.5%	12.6%	9.0%	10.8%	11.7%	9.5%	10.8%

(1) For a description of these non-GAAP financial measures, see Selected Definitions on page S-15

SECURITIZATION PROFITABILITY & GAAP RECONCILIATION BY QUARTER

(\$ in millions)

	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Face amount of loans sold into securitizations	–	\$625.7	–	\$663.8	\$414.9	–	\$249.2
Income from sale of securitized loans, net (see GAAP reconciliation A below)	–	–	–	(\$4.1)	\$19.6	–	\$7.5
Hedge gain/(loss) related to loans securitized (see GAAP reconciliation B below)	–	(7.7)	–	22.1	(3.0)	–	(3.8)
Income from sales of securitized loans, net of hedging	–	(\$7.7)	–	\$18.0	\$16.6	–	\$3.7
Adjustment for economic gain on securitization transactions not recognized under GAAP for which risk has been substantially transferred	–	\$28.5	–	–	\$0.5	–	\$0.2
Core gain on securitized loans	–	\$20.7	–	\$18.0	\$17.1	–	\$3.9
Securitization profit margin	–	3.3%	–	2.7%	4.1%	–	1.6%

Reconciliations to closest GAAP measures

GAAP reconciliation A

Income/(loss) from sale of loans, net	(\$0.8)	–	(\$1.0)	(\$4.3)	\$19.6	\$2.8	\$7.8
Unrealized losses on loans recorded as other than temporary impairments related to lower of cost or market adjustments	0.8	–	1.0	–	–	–	–
(Income)/loss from sale of loans (non-securitized), net	–	–	–	0.2	–	(2.8)	(0.3)
Income from sale of securitized loans, net	–	–	–	(\$4.1)	\$19.6	–	\$7.5

GAAP reconciliation B

Net results from derivative transactions	(\$0.3)	(\$16.0)	(\$2.0)	\$64.7	\$9.4	(\$24.6)	(\$50.9)
Hedge gain/(loss) related to lending and securities positions	0.7	8.3	3.1	(42.3)	(12.4)	23.9	46.8
Hedge gain/(loss) related to loans (non-securitized)	(0.3)	–	(1.1)	(0.3)	–	0.8	0.3
Hedge gain/(loss) related to loans securitized	–	(\$7.7)	–	\$22.1	(\$3.0)	–	(\$3.8)

GAAP BALANCE SHEET BY QUARTER

(\$ in millions, except per share values)

	09/30/2017	06/30/2017	03/31/2017	12/31/2016	09/30/2016	06/30/2016	03/31/2016
Assets							
Cash and cash equivalents	\$48.9	\$58.2	\$62.6	\$44.6	\$59.7	\$81.4	\$82.7
Restricted cash	48.5	97.3	54.4	44.8	63.0	78.2	54.4
Mortgage loan receivables held for investment, net, at amortized cost							
Mortgage loans held by consolidated subsidiaries	2,846.9	2,626.7	2,304.1	2,000.1	1,583.9	1,547.9	1,576.7
Mortgage loans transferred but not considered sold	598.5	599.5	–	–	63.2	–	–
Provision for loan losses	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(3.9)
Mortgage loan receivables held for sale	523.0	200.7	516.6	357.9	784.2	583.5	353.3
Real estate securities, available for sale	1,098.5	1,407.5	1,702.0	2,100.9	2,651.0	2,700.2	2,598.9
Real estate and related lease intangibles, net	1,041.9	1,006.3	814.4	822.3	825.6	808.8	809.2
Investments in unconsolidated joint ventures	35.0	34.5	34.2	34.0	33.9	33.8	34.9
FHLB stock	77.9	77.9	77.9	77.9	77.9	77.9	77.9
Derivative instruments	0.6	4.6	0.1	5.0	0.3	0.2	0.2
Due from brokers	12.5	26.4	0.0	0.0	–	5.6	–
Accrued interest receivable	26.4	26.5	27.3	24.4	23.8	21.2	22.1
Other assets	57.4	55.9	352.1	70.2	53.5	52.8	48.8
Total assets	\$6,412.0	\$6,218.1	\$5,941.6	\$5,578.3	\$6,215.8	\$5,987.4	\$5,655.3
Liabilities							
Debt obligations:							
Secured and unsecured debt obligations	\$4,196.5	\$3,998.8	\$4,377.7	\$3,942.1	\$4,601.0	\$4,395.0	\$4,091.4
Liability for transfers not considered sales	631.5	632.1	–	–	–	–	–
Due to brokers	0.4	1.7	2.6	0.4	16.2	0.0	8.9
Derivative instruments	2.7	4.3	4.2	3.4	9.4	26.5	12.7
Amount payable pursuant to tax receivable agreement	2.4	2.4	2.3	2.5	1.9	1.9	1.9
Dividends payable	2.0	1.3	1.0	24.7	3.1	2.5	1.9
Accrued expenses	52.7	54.2	43.5	66.6	54.9	48.0	33.3
Other liabilities	58.2	55.6	29.0	29.0	28.7	27.4	23.8
Total liabilities	\$4,946.5	\$4,750.4	\$4,460.3	\$4,068.8	\$4,715.1	\$4,501.3	\$4,174.0
Equity							
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	\$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	0.0	0.0
Additional paid-in capital	1,201.4	1,199.9	1,106.4	992.3	900.7	871.4	869.3
Treasury stock	(24.5)	(24.5)	(24.5)	(11.2)	(11.2)	(11.2)	(11.2)
Retained earnings	(57.1)	(54.9)	(39.7)	(11.1)	(31.4)	(41.1)	(26.5)
Accumulated other comprehensive income/(loss)	4.4	6.3	4.8	1.4	27.9	32.0	16.1
Total shareholders' equity	\$1,124.4	\$1,126.9	\$1,047.1	\$971.4	\$886.0	\$851.1	\$847.8
Noncontrolling interest in operating partnership	329.4	330.2	428.9	533.2	609.6	629.4	628.0
Noncontrolling interest in consolidated joint ventures	11.8	10.5	5.2	4.9	5.1	5.6	5.5
Total equity	\$1,465.5	\$1,467.7	\$1,481.3	\$1,509.6	\$1,500.7	\$1,486.1	\$1,481.3
Total liabilities and equity	\$6,412.0	\$6,218.1	\$5,941.6	\$5,578.3	\$6,215.8	\$5,987.4	\$5,655.3
Adjusted Leverage Ratio ⁽¹⁾	2.9x	2.8x	2.9x	2.6x	3.0x	3.0x	2.8x
Total Shares Outstanding (mm)	110.7	110.7	110.7	109.6	109.6	109.6	109.6
GAAP Book Value per Share⁽²⁾	\$13.07	\$13.10	\$13.24	\$13.57	\$13.59	\$13.48	\$13.42
Undepreciated Book Value per Share⁽¹⁾	\$14.39	\$14.33	\$14.42	\$14.76	\$14.58	\$14.36	\$14.24
Distributions per LADR Share	\$0.30	\$0.30	\$0.30	\$0.46	\$0.275	\$0.275	\$0.275

(1) For a description of these non-GAAP financial measures, see Selected Definitions on page S-15

(2) For a description of these financial measures, see Selected Definitions on page S-15

RECONCILIATION OF GAAP BALANCE SHEET TO CORE BALANCE SHEET (AS OF 09/30/2017)

(\$ in millions)

	GAAP Balance Sheet	Core Adjustments for:		Core Balance Sheet
		Ladder-Only Securitization	Other Adjustments	
Assets				
Cash and cash equivalents	\$48.9	–	–	\$48.9
Restricted cash	48.5	–	–	48.5
Mortgage loan receivables held for investment, net, at amortized cost:				
Mortgage loans held by consolidated subsidiaries	2,846.9	–	–	2,846.9
Mortgage loans transferred but not considered sold	598.5	(546.7) ^A	(51.8) ^E	–
Provision for loan losses	(4.0)	–	–	(4.0)
Mortgage loan receivables held for sale	523.0	–	–	523.0
Real estate securities, available-for-sale	1,098.5	73.8 ^D	–	1,172.3
Real estate and related lease intangibles, net	1,041.9	–	–	1,041.9
Investments in unconsolidated joint ventures	35.0	–	–	35.0
FHLB stock	77.9	–	–	77.9
Derivative instruments	0.6	–	–	0.6
Due from brokers	12.5	–	–	12.5
Accrued interest receivable	26.4	(1.3)	(0.2)	24.9
Other assets	57.4	–	–	57.4
Total assets	\$6,412.0	(\$474.1)	(\$52.1)	\$5,885.8
Liabilities and Equity				
Liabilities				
Debt obligations, net:				
Secured and unsecured debt obligations	\$4,196.5	\$76.7 ^B	–	\$4,273.3
Liability for transfers not considered sales	631.5	(579.4) ^C	(52.1) ^F	–
Due to brokers	0.4	–	–	0.4
Derivative instruments	2.7	–	–	2.7
Amount payable pursuant to tax receivable agreement	2.4	–	–	2.4
Dividends payable	2.0	–	–	2.0
Accrued expenses	52.7	0.3	(0.2)	52.7
Other liabilities	58.2	–	–	58.2
Total liabilities	\$4,946.5	(\$502.4)	(\$52.3)	\$4,391.8
Total equity	\$1,465.5	\$28.3	\$0.2	\$1,494.0
Total liabilities and equity	\$6,412.0	(\$474.1)	(\$52.1)	\$5,885.8

Description of Key Adjustments

In Q2 2017, Ladder transferred \$625.7 million of loans to the LCCM 2017-LC26 securitization trust, but did not recognize sales for GAAP due to transfer restrictions placed on the majority owner of the controlling classes pursuant to the risk retention requirements of the Dodd-Frank Act.

In order to back out the effects of this with respect to Ladder's 09/30/2017 balance sheet, the adjustments that have been made to get from the Company's GAAP Balance Sheet to its Core Balance Sheet are described as follows:

- ^A Mortgage loans to third party borrowers transferred to a securitization trust
- ^B Mortgage debt secured by Ladder-owned real estate, payable to a securitization trust
- ^C Net sale proceeds from transfer of loans, less the portion of securities purchased by Ladder
- ^D CMBS securities purchased by Ladder
- ^E B-note transferred to third party but not considered sold under GAAP due to A-note held by the LC26 securitization trust
- ^F Net sale proceeds from transfer of B-note

SUMMARY OF BOOK EQUITY & SHARE COUNT BY QUARTER

(\$ in millions, except per share values)

	09/30/2017	06/30/2017	03/31/2017	12/31/2016	09/30/2016	06/30/2016	03/31/2016
Beginning book equity balance	\$1,467.7	\$1,481.3	\$1,509.6	\$1,500.7	\$1,486.1	\$1,481.3	\$1,491.4
Net income (loss)	30.5	13.4	19.6	71.6	49.6	3.9	(11.4)
Dividends/distributions	(33.7)	(33.9)	(45.7)	(22.8)	(30.4)	(31.3)	(30.5)
Changes in other comprehensive income (OCI)	(2.2)	1.2	4.8	(44.8)	(8.6)	27.5	34.4
Issuance of common stock, net of offering costs	–	–	–	–	–	–	–
Other	3.3	5.6	(6.9)	4.8	3.9	4.7	(2.5)
Ending book equity balance	\$1,465.5	\$1,467.7	\$1,481.3	\$1,509.6	\$1,500.7	\$1,486.1	\$1,481.3
Noncontrolling interests in consolidated joint ventures	(11.8)	(10.5)	(5.2)	(4.9)	(5.1)	(5.6)	(5.5)
Ending book equity balance excluding noncontrolling interests	\$1,453.7	\$1,457.2	\$1,476.1	\$1,504.6	\$1,495.6	\$1,480.5	\$1,475.8
Average book equity balance excluding noncontrolling interests	\$1,455.4	\$1,466.6	\$1,490.4	\$1,500.1	\$1,488.1	\$1,478.2	\$1,480.7
Accumulated depreciation & amortization – net leased commercial real estate	71.4	66.4	62.5	57.5	52.5	47.6	42.6
Accumulated depreciation & amortization – other commercial real estate	76.6	70.8	64.7	61.1	54.3	49.6	45.3
Accumulated depreciation & amortization – condominium residential real estate	2.6	3.0	3.2	3.4	3.8	4.2	4.5
Less: noncontrolling interests' share of accumulated real estate depreciation & amortization	(10.9)	(10.3)	(9.8)	(9.4)	(8.5)	(7.8)	(7.3)
Accumulated depreciation & amortization – total	\$139.7	\$130.0	\$120.6	\$112.6	\$102.2	\$93.4	\$85.1
Ending undepreciated book value	\$1,593.4	\$1,587.1	\$1,596.7	\$1,617.2	\$1,597.8	\$1,573.9	\$1,560.9
Class A shares outstanding (mm)	86.1	86.1	79.1	71.6	65.2	63.1	63.2
Class B shares outstanding (mm)	24.7	24.7	31.6	38.0	44.4	46.4	46.4
Total ending shares outstanding (mm)	110.7	110.7	110.7	109.6	109.6	109.6	109.6
Ending book equity balance excluding noncontrolling interests	1,453.7	1,457.2	1,476.1	1,504.6	1,495.6	1,480.5	1,475.8
Less: noncontrolling interest in operating partnership (Class B shareholder book equity)	(329.4)	(330.2)	(428.9)	(533.2)	(609.6)	(629.4)	(628.0)
Total shareholders' equity	\$1,124.4	\$1,126.9	\$1,047.1	\$971.4	\$886.0	\$851.1	\$847.8
GAAP Book Value per Share⁽¹⁾	\$13.07	\$13.10	\$13.24	\$13.57	\$13.59	\$13.48	\$13.42
Undepreciated Book Value per Share⁽²⁾	14.39	14.33	14.42	14.76	14.58	14.36	14.24

(1) For a description of these financial measures, see Selected Definitions on page S-15

(2) For a description of these non-GAAP financial measures, see Selected Definitions on page S-15

SELECTED DEFINITIONS

- **Adjusted Leverage Ratio (non-GAAP)**
 - Total debt obligations, net of deferred financing costs, adjusted for liabilities for transfers not considered sales under GAAP, divided by total equity.
- **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.
- **Core Return on Average Equity (Core ROAE) (non-GAAP)**
 - After-tax Core Earnings divided by average book equity balance excluding total noncontrolling interest in consolidated joint ventures.
- **GAAP Book Value per Share**
 - Total shareholders' equity divided by Class A common shares outstanding.
- **Other Assets**
 - Includes loan loss provision, 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.