



# **SUPPLEMENTAL DATA FOR THE QUARTER ENDED SEPTEMBER 30, 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 September 30, 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.

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

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

- ✓ Core Earnings of \$63.4 million and Core EPS of \$0.59
- ✓ After-Tax Core Return on Average Equity (Core ROAE) of 17.1%, highest Core ROAE since going public in 2014
- ✓ Declared Q4 2018 dividend of \$0.57 per share, including \$0.34 in cash and \$0.23 in stock, subject to stockholder elections. The \$0.34 cash dividend reflects a 4.6% increase in the quarterly cash dividend rate, represents an 8.1% annual dividend yield<sup>(2)</sup>, and marks the sixth dividend increase in four years

## Investment Activity

### Loans

- ✓ Originated \$677 million of first mortgage loans, comprised of \$326 million of balance sheet loans and \$350 million of conduit loans
- ✓ Contributed \$102 million of loans to 1 securitization transaction, generating \$3 million of Core gains

### Real Estate (Equity)

- ✓ Received \$113 million of net proceeds from sales of real estate, contributing \$29 million to Core Earnings

## Portfolio Composition

- ✓ \$6.4 billion in assets, including \$4.2 billion (65%) in loans, \$1.0 billion (16%) in real estate equity, and \$978 million (15%) in CMBS & corporate bond securities
- ✓ 79% of assets are senior secured and/or investment grade-rated or cash

## Financing and Liquidity

- ✓ Adjusted Leverage Ratio of 2.6x, or 2.0x excluding investment grade-rated CMBS bond portfolio
- ✓ \$2.2 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 \$0.16 per share per year

Note: As of 09/30/2018

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

(2) Based on \$16.70 LADR closing stock price on 11/01/2018



# INVESTMENT PORTFOLIO SUMMARY

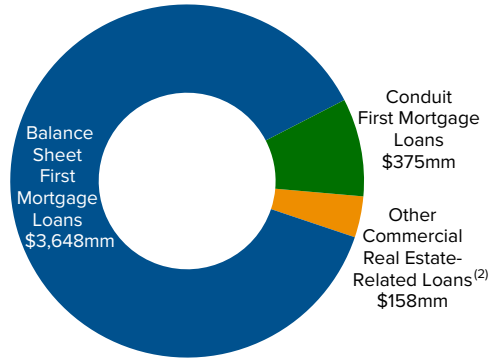
(\$ in millions)

Investment Type	Investment Portfolio (as of 09/30/2018)		Core Earnings Contribution (9 months ended 09/30/2018)	
	Carrying Value of Assets	% of Total Assets	Amount of Contribution	% of Total Contribution
Conduit First Mortgage Loans	\$375	6%	\$27.8	10%
Balance Sheet First Mortgage Loans	3,648	57%	148.2	52%
Other (Mezzanine/Subordinate) Loans	158	2%	12.8	5%
Loan Loss Provision	(18)	(0.3%)	–	–
<b>Total Loans</b>	<b>\$4,163</b>	<b>65%</b>	<b>\$188.8</b>	<b>67%</b>
Securities (CMBS & Corporate Bonds)	\$978	15%	\$13.3	5%
Net Leased Commercial Real Estate	\$671	10%	\$19.2	7%
Diversified Commercial Real Estate	319	5%	58.4	21%
Condominium Residential Real Estate	10	0.2%	2.9	1%
<b>Total Real Estate Equity Properties</b>	<b>\$1,000</b>	<b>16%</b>	<b>\$80.5</b>	<b>28%</b>
Other Investments	\$94	1%	\$0.1	0.04%
<b>Total Investment Assets</b>	<b>\$6,235</b>	<b>97%</b>	<b>\$282.7</b>	<b>100%</b>
Cash and Cash Equivalents (unrestricted)	\$50	1%		
Restricted Cash	35	1%		
Other Assets	106	2%		
<b>Total Assets</b>	<b>\$6,426</b>	<b>100%</b>	<b>\$282.7</b>	<b>100%</b>
Corporate Bond Interest Expense			(49.9)	(18%)
Corporate Operating Expenses/Other			(55.2)	(20%)
<b>Total Core Earnings</b>			<b>\$177.6</b>	<b>63%</b>



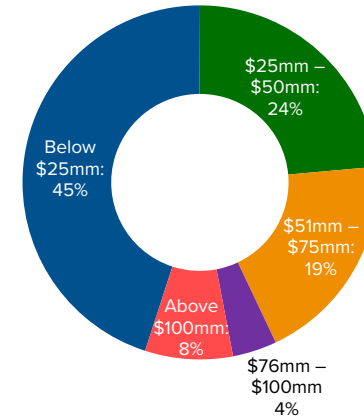
# LOAN PORTFOLIO OVERVIEW

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



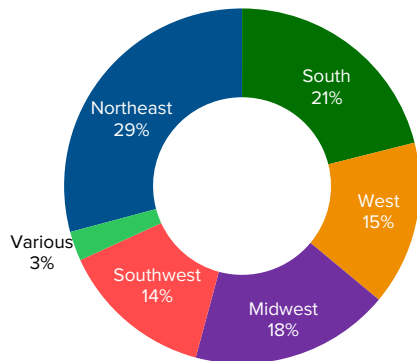
**\$4.2 billion total loan portfolio**  
**72% floating rate/ 28% fixed rate**

## Loan Size

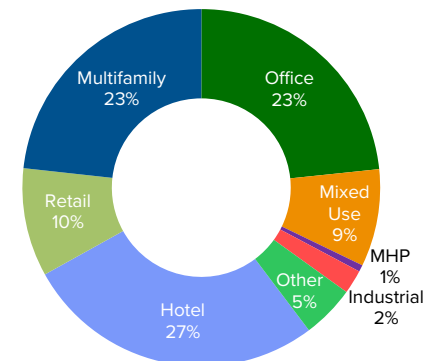


**\$19 million average loan balance**

## Geography



## Property Type



Note: As of 09/30/2018

(1) Amounts in this chart shown before \$17.6 million loan loss provision

(2) Includes mezzanine and subordinate loans

# LOANS SEGMENT SUMMARY

(\$ in millions)

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
<b>Conduit First Mortgage Loans</b>							
Carrying Value of Assets (end of quarter)	\$375	\$108	\$274	\$230	\$523	\$201	\$517
Origination and Purchase Volume	350	232	533	578	323	285	280
Weighted-Average Coupon (end of quarter)	5.2%	5.2%	5.1%	4.9%	4.8%	5.1%	5.0%
Securitization Volume	\$102	\$401	\$437	\$851	–	\$626	–
Securitization Profit, Net <sup>(1)</sup>	3	8	12	31	–	21	–
Securitization % Profit Margin <sup>(2)</sup>	2.5%	2.1%	2.7%	3.6%	–	3.3%	–
<b>Balance Sheet First Mortgage Loans</b>							
Carrying Value of Assets (end of quarter)	\$3,648	\$3,606	\$3,370	\$3,123	\$2,689	\$2,466	\$2,138
Origination and Purchase Volume	326	480	435	535	307	408	250
Weighted-Average Coupon (end of quarter)	7.3%	7.3%	6.9%	6.7%	6.6%	6.4%	6.4%
Weighted-Average LTV (end of quarter)	68%	67%	66%	67%	66%	65%	65%
<b>Other (Mezzanine/Subordinate) Loans</b>							
Carrying Value of Assets (end of quarter)	\$158	\$158	\$158	\$159	\$158	\$161	\$166
Origination Volume	–	–	–	3	–	–	–
Mezz./Subordinate Loans % of Total Assets	2.5%	2.5%	2.5%	2.6%	2.7%	2.8%	2.8%
Weighted-Average Coupon (end of quarter)	10.8%	10.8%	10.8%	10.9%	10.8%	10.9%	10.9%
Weighted-Average LTV (end of quarter)	69%	70%	70%	70%	70%	70%	71%
Loan Loss Provision	(\$18)	(\$7)	(\$7)	(\$4)	(\$4)	(\$4)	(\$4)
<b>Total Loan Portfolio</b>							
Carrying Value of Assets (end of quarter)	\$4,163	\$3,865	\$3,795	\$3,509	\$3,366	\$2,823	\$2,817
Weighted-Average Yield (end of quarter)	7.5%	7.6%	7.2%	7.0%	6.7%	6.8%	6.6%

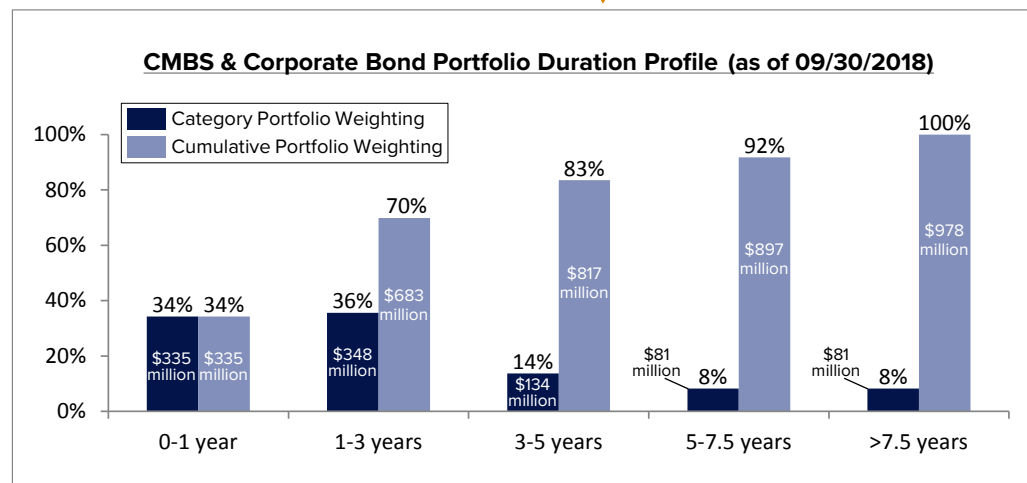
(1) Equivalent to “Core gain on sale of securitized loans” as reported in Company filings. For reconciliation, see page S-11

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

# SECURITIES SEGMENT SUMMARY

(\$ in millions)

	09/30/2018	06/30/2018	03/31/2018	12/31/2017	09/30/2017	06/30/2017	03/31/2017
Carrying Value of Assets	\$978	\$1,106	\$1,100	\$1,107	\$1,172	\$1,482	\$1,702
Weighed-Average Yield	3.0%	3.0%	3.0%	2.9%	2.9%	2.9%	2.9%
Number of CUSIPs	132	142	140	142	156	202	215
Average CUSIP Size	\$7.4	\$7.8	\$7.9	\$7.8	\$7.5	\$7.3	\$7.9
Weighted-Average Duration	2.5 Years	2.9 Years	3.0 Years	3.0 Years	3.2 Years	3.2 Years	3.4 Years
% AAA-Rated or Agency-Backed	80%	80%	79%	79%	79%	81%	84%
% Investment Grade-Rated	99%+	99%+	99%+	99%+	99%+	99%+	100%



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



# REAL ESTATE SEGMENT SUMMARY

(\$ in millions)

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
<b><u>Net Leased Commercial Real Estate (100% Owned)</u></b>							
Acquisitions	–	\$6	–	\$6	\$1	\$124	\$4
Net Sales Proceeds	–	–	–	–	–	–	–
Carrying Value of Assets (end of quarter)	671	677	677	683	683	688	543
Square Feet (end of quarter)	5,135,139	5,135,139	5,091,472	5,091,472	5,046,242	5,037,142	4,151,296
Net Operating Income (Rental Income)	\$13.0	\$12.8	\$14.0	\$12.4	\$12.3	\$10.9	\$10.1
<b><u>Diversified Commercial Real Estate <sup>(1)</sup></u></b>							
Acquisitions	–	\$84	\$24	–	\$47	\$54	–
Net Sales Proceeds	110	–	93	–	–	–	–
Carrying Value of Assets (end of quarter)	319	370	289	331	334	288	236
Square Feet (end of quarter)	3,115,990	3,876,308	3,758,984	3,141,015	3,141,015	2,918,519	2,918,519
Net Operating Income	\$4.8	\$6.9	\$6.4	\$7.5	\$5.9	\$6.5	\$5.7
<b><u>Condominium Residential Real Estate <sup>(1)</sup></u></b>							
Net Sales Proceeds	\$3	\$4	\$4	\$10	\$8	\$6	\$6
Carrying Value of Assets (end of quarter)	10	13	15	18	25	30	35
Remaining Condo Units (end of quarter)	35	43	51	61	89	110	129
Unit Sale Price as % of GAAP Book Value	111%	137%	130%	142%	149%	143%	148%

(1) All metrics shown on a consolidated basis

# INCOME STATEMENT BY QUARTER

(\$ in millions, except per share values)

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
<b>Net interest income</b>							
Interest income	\$90.4	\$85.2	\$78.2	\$73.4	\$66.8	\$66.0	\$57.5
Interest expense	51.5	48.4	44.7	41.6	37.5	35.7	31.4
<b>Net interest income</b>	<b>\$38.9</b>	<b>\$36.8</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	10.3	0.3	3.0	–	–	–	–
<b>Net interest income after provision for loan losses</b>	<b>\$28.6</b>	<b>\$36.5</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	22.7	24.3	24.6	24.8	22.9	22.2	19.6
Tenant recoveries	2.3	1.9	3.6	2.1	2.4	1.2	1.6
Sale of loans, net	1.9	6.1	4.9	29.9	(0.8)	25.9	(1.0)
Realized gain (loss) on securities	(2.6)	(1.2)	(1.1)	(2.0)	6.7	7.1	5.4
Unrealized gain (loss) on Agency interest-only securities	0.1	0.1	0.2	0.4	0.6	0.3	0.2
Realized gain on sale of real estate, net	63.7	1.6	31.0	3.6	3.2	2.2	2.3
Fee and other income	4.9	6.5	6.3	5.0	4.3	4.6	4.5
Net result from derivative transactions	7.1	7.1	15.0	5.7	(0.3)	(16.0)	(2.0)
Earnings (loss) from investment in unconsolidated joint ventures	0.4	0.0	0.1	0.0	0.1	0.0	(0.1)
Gain (loss) on extinguishment of debt/defeasance of debt	(4.3)	–	(0.1)	(0.0)	–	–	(0.1)
<b>Total other income</b>	<b>\$96.2</b>	<b>\$46.4</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	15.8	13.9	17.1	26.7	13.3	14.5	16.0
Operating expenses	5.5	5.6	5.5	5.3	4.8	5.8	5.5
Real estate operating expenses	7.2	7.8	8.8	8.4	9.4	8.1	7.5
Fee expense	1.3	0.8	0.8	1.4	1.2	1.6	0.7
Depreciation and amortization	10.4	10.7	10.8	11.0	10.6	10.1	8.6
<b>Total costs and expenses</b>	<b>\$40.1</b>	<b>\$38.8</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>\$84.7</b>	<b>\$44.1</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)	1.2	0.6	3.9	3.1	(0.6)	6.6	(1.4)
<b>Net income (loss)</b>	<b>\$83.5</b>	<b>\$43.6</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	(7.8)	0.1	(8.4)	(0.1)	0.3	(0.1)	(0.3)
Net (income) loss attributable to noncontrolling interest in operating partnership	(9.0)	(5.3)	(8.5)	(9.2)	(6.5)	(8.9)	(5.8)
<b>Net income (loss) attributable to Class A common shareholders</b>	<b>\$66.6</b>	<b>\$38.4</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	\$0.69	\$0.40	\$0.53	\$0.41	\$0.28	\$0.28	\$0.18
Diluted	0.67	0.40	0.53	0.40	0.28	0.26	0.18
<b>Weighted average shares outstanding (mm):</b>							
Basic	96.9	96.8	95.2	89.1	85.1	80.1	72.9
Diluted	110.7	97.2	95.4	89.2	85.5	110.1	109.3
<b>Core Earnings (pre-tax)<sup>(1)</sup></b>	<b>\$63.4</b>	<b>\$50.4</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>\$0.59</b>	<b>\$0.45</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)

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
<b>Net income (loss)</b>	<b>\$83.5</b>	<b>\$43.6</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)	1.2	0.6	3.9	3.1	(0.6)	6.6	(1.4)
<b>Income (loss) before taxes</b>	<b>\$84.7</b>	<b>\$44.1</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	(7.9)	0.1	(8.4)	(0.1)	0.3	(0.1)	(0.3)
Our share of real estate depreciation, amortization and gain adjustments	(12.4)	8.8	6.1	9.4	9.2	9.5	7.8
Adjustments for unrecognized derivative results	(3.6)	(4.6)	(8.1)	(3.7)	(4.3)	(0.3)	(1.9)
Unrealized (gain) loss on agency IO securities	(0.1)	(0.1)	(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	0.0	(0.2)	(0.3)	(1.9)	(0.3)	3.5	(0.2)
Non-cash stock-based compensation	2.8	2.3	3.1	8.6	2.1	1.1	8.1
One-time transactional adjustment	–	–	–	–	–	–	–
<b>Core earnings</b>	<b>\$63.4</b>	<b>\$50.4</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)	1.7	(0.6)	(3.5)	(9.0)	2.4	(4.8)	2.1
<b>After-tax core earnings</b>	<b>\$65.1</b>	<b>\$49.8</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)	110.7	110.5	110.3	109.8	110.2	110.1	109.3
<b>Core EPS</b>	<b>\$0.59</b>	<b>\$0.45</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)	110.7	97.2	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)	–	13.3	14.9	20.5	24.7	–	–
<b>Adjusted weighted average shares outstanding (diluted) (mm)</b>	<b>110.7</b>	<b>110.5</b>	<b>110.3</b>	<b>109.8</b>	<b>110.2</b>	<b>110.1</b>	<b>109.3</b>

	<b>Last Twelve Months (LTM) Ended 09/30/2018</b>	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Core earnings	\$238.0	\$63.4	\$50.4	\$63.8	\$60.4	\$35.7	\$51.2	\$31.6
Average book equity	1,494.3	1,522.2	1,497.1	1,484.7	1,472.9	1,472.0	1,475.1	1,490.4
<b>Pre-tax Core ROAE</b>	<b>15.9%</b>	<b>16.7%</b>	<b>13.5%</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	\$226.6	\$65.1	\$49.8	\$60.4	\$51.3	\$38.1	\$46.4	\$33.7
Average book equity	1,494.3	1,522.2	1,497.1	1,484.7	1,472.9	1,472.0	1,475.1	1,490.4
<b>After-tax Core ROAE</b>	<b>15.2%</b>	<b>17.1%</b>	<b>13.3%</b>	<b>16.3%</b>	<b>13.9%</b>	<b>10.3%</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)

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
<b>Face amount of loans sold into securitizations</b>	<b>\$102.0</b>	<b>\$400.8</b>	<b>\$436.5</b>	<b>\$851.1</b>	–	<b>\$625.7</b>	–
Income from sale of securitized loans, net (see GAAP reconciliation A below)	\$1.9	\$6.1	\$5.4	\$29.2	–	\$26.1	–
Hedge gain/(loss) related to loans securitized (see GAAP reconciliation B below)	0.5	2.3	6.6	3.1	–	(9.1)	–
<b>Income from sales of securitized loans, net of hedging</b>	<b>\$2.3</b>	<b>\$8.5</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	\$0.3	\$0.0	(\$0.0)	(\$1.7)	–	\$3.7	–
<b>Core gain on securitized loans</b>	<b>\$2.6</b>	<b>\$8.5</b>	<b>\$11.9</b>	<b>\$30.6</b>	–	<b>\$20.7</b>	–
<b>Securitization profit margin</b>	<b>2.5%</b>	<b>2.1%</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	\$1.9	\$6.1	\$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>\$1.9</b>	<b>\$6.1</b>	<b>\$5.4</b>	<b>\$29.2</b>	–	<b>\$26.1</b>	–

### GAAP reconciliation B

Net results from derivative transactions	\$7.1	\$7.1	\$15.0	\$5.7	(\$0.3)	(\$16.0)	(\$2.0)
Hedge gain/(loss) related to lending and securities positions	(6.7)	(4.8)	(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>\$0.5</b>	<b>\$2.3</b>	<b>\$6.6</b>	<b>\$3.1</b>	–	<b>(\$9.1)</b>	–

# BALANCE SHEET BY QUARTER

(\$ in millions, except per share values)

	09/30/2018	06/30/2018	03/31/2018	12/31/2017	09/30/2017	06/30/2017	03/31/2017
<b>Assets</b>							
Cash and cash equivalents	\$49.6	\$51.9	\$68.4	\$76.7	\$48.9	\$58.2	\$62.6
Restricted cash	35.3	42.8	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	3,805.4	3,764.2	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	(17.6)	(7.3)	(7.0)	(4.0)	(4.0)	(4.0)	(4.0)
Mortgage loan receivables held for sale	375.2	107.7	273.6	230.2	523.0	200.7	516.6
Real estate securities, available for sale	978.3	1,106.4	1,100.1	1,106.5	1,172.3	1,482.4	1,702.0
Real estate and related lease intangibles, net	1,000.0	1,060.2	980.9	1,032.0	1,041.9	1,006.3	814.4
Investments in unconsolidated joint ventures	36.1	35.3	34.6	35.4	35.0	34.5	34.2
FHLB stock	57.9	77.9	77.9	77.9	77.9	77.9	77.9
Derivative instruments	0.1	0.7	0.1	0.9	0.6	4.6	0.1
Due from brokers	—	—	—	—	12.5	26.4	0.0
Accrued interest receivable	27.8	27.6	27.2	25.9	25.1	25.3	27.3
Other assets	77.7	121.9	102.6	55.6	51.9	52.2	352.1
<b>Total assets</b>	<b>\$6,425.7</b>	<b>\$6,389.4</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	\$4,757.6	\$4,702.4	\$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	—	44.8	—	0.0	0.4	1.7	2.6
Derivative instruments	0.3	—	—	2.6	2.7	4.3	4.2
Amount payable pursuant to tax receivable agreement	1.6	1.6	1.6	1.7	2.4	2.4	2.3
Dividends payable	2.0	1.6	1.2	30.5	2.0	1.3	1.0
Accrued expenses	57.1	60.3	38.9	59.6	55.9	59.4	43.5
Other liabilities	53.6	66.3	61.7	63.2	58.2	55.6	29.0
<b>Total liabilities</b>	<b>\$4,872.1</b>	<b>\$4,877.0</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	\$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	1,375.0	1,370.1	1,368.5	1,306.1	1,201.8	1,200.3	1,106.4
Treasury stock	(32.8)	(32.8)	(32.7)	(32.0)	(24.5)	(24.5)	(24.5)
Retained earnings	22.6	(12.1)	(18.7)	(39.1)	(46.1)	(43.4)	(39.7)
Accumulated other comprehensive income/(loss)	(8.6)	(9.9)	(7.9)	(0.2)	3.9	5.7	4.8
<b>Total shareholders' equity</b>	<b>\$1,356.3</b>	<b>\$1,315.5</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	187.5	185.2	184.2	240.9	334.8	335.8	428.9
Noncontrolling interest in consolidated joint ventures	9.8	11.9	9.7	12.3	11.8	10.5	5.2
<b>Total equity</b>	<b>\$1,553.6</b>	<b>\$1,512.5</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>\$6,425.7</b>	<b>\$6,389.4</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	2.7x	2.6x	2.5x	2.9x	2.8x	2.9x
Total Shares Outstanding (mm)	111.3	111.3	111.3	111.3	110.7	110.7	110.7
<b>GAAP Book Value per Share<sup>(2)</sup></b>	<b>\$13.82</b>	<b>\$13.43</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>\$15.25</b>	<b>\$14.97</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	\$0.325	\$0.325	\$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)

	09/30/2018	06/30/2018	03/31/2018	12/31/2017	09/30/2017	06/30/2017	03/31/2017
<b>Beginning book equity balance</b>	<b>\$1,512.5</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>\$1,509.6</b>
Net income (loss)	83.5	43.6	67.8	45.4	29.8	31.1	19.6
Dividends/distributions	(46.8)	(36.6)	(48.4)	(35.1)	(33.7)	(33.9)	(45.7)
Changes in other comprehensive income (OCI)	1.4	(2.2)	(8.9)	(5.2)	(2.2)	0.4	4.8
Issuance of common stock, net of offering costs	—	—	—	—	—	—	—
Other	3.1	4.4	4.6	1.3	3.3	5.6	(6.9)
<b>Ending book equity balance</b>	<b>\$1,553.6</b>	<b>\$1,512.5</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	(9.8)	(11.9)	(9.7)	(12.3)	(11.8)	(10.5)	(5.2)
<b>Ending book equity balance excluding noncontrolling interests</b>	<b>\$1,543.8</b>	<b>\$1,500.6</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>\$1,522.2</b>	<b>\$1,497.1</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	97.8	91.6	85.4	79.2	73.0	66.9	62.5
Accumulated depreciation & amortization – diversified commercial real estate	65.2	83.3	78.8	79.9	75.0	70.3	64.7
Accumulated depreciation & amortization – condominium residential real estate	1.2	1.5	1.7	1.9	2.6	3.0	3.2
Less: noncontrolling interests' share of accumulated real estate depreciation & amortization	(11.1)	(11.3)	(10.7)	(11.6)	(10.9)	(10.3)	(9.8)
<b>Accumulated depreciation &amp; amortization – total</b>	<b>\$153.1</b>	<b>\$165.1</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>\$1,697.0</b>	<b>\$1,665.7</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)	98.1	97.9	98.0	93.6	86.1	86.1	79.1
Class B shares outstanding (mm)	13.1	13.3	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>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	1,543.8	1,500.6	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)	(187.5)	(185.2)	(184.2)	(240.9)	(334.8)	(335.8)	(428.9)
<b>Total shareholders' equity</b>	<b>\$1,356.3</b>	<b>\$1,315.5</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>\$13.82</b>	<b>\$13.43</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>15.25</b>	<b>14.97</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, loan loss provision, 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.