



SUPPLEMENTAL DATA FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2018

NYSE: LADR

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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 December 31, 2018 Form 10-K 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.

FOURTH QUARTER & FULL-YEAR 2018 HIGHLIGHTS⁽¹⁾

Earnings and Dividends⁽¹⁾

- ✓ Core Earnings of \$52.5 million, or \$0.45 Core EPS per share in Q4 2018 and Core Earnings of \$230.1 million, or \$2.03 Core EPS per share in FY 2018
- ✓ After-Tax Core Return on Average Equity (Core ROAE) of 12.9% for Q4 2018 and 14.9% for FY 2018
- ✓ Q4 2018 dividend of \$0.57 per share, including \$0.34 in cash, a 4.6% cash dividend increase versus Q3 2018 and the sixth dividend increase in four years. The current cash dividend represents a 7.4% dividend yield⁽²⁾

Investment Activity

Loans

- ✓ Originated \$420 million of loans in Q4 2018 and \$2.8 billion of loans in FY 2018
- ✓ Contributed \$1.3 billion of loans to 9 securitization transactions in FY 2018, generating \$30 million of Core gains

Real Estate (Equity)

- ✓ Acquired \$7 million of commercial real estate equity in Q4 2018 and \$123 million in FY 2018
- ✓ Received net proceeds from real estate sales of \$219 million in FY 2018, contributing \$51 million to Core Earnings

Portfolio Composition

- ✓ \$6.3 billion in assets, including \$3.5 billion (56%) in loans, \$998 million (16%) in real estate equity, and \$1.4 billion (23%) in securities
- ✓ 76% of assets are senior secured and/or investment grade-rated

Financing and Liquidity

- ✓ Adjusted Leverage Ratio of 2.3x, or 1.5x excluding investment grade-rated CMBS portfolio
- ✓ Over \$2.5 billion of undrawn committed financing capacity

Interest Rates

- ✓ 71% 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 12/31/2018

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

(2) Based on \$18.32 LADR closing stock price on 02/26/2019

LADDER SNAPSHOT

(\$ in millions, except per share amounts)

Snapshot of Business Lines			Total Assets & Liabilities, Book Equity, Leverage and ROE		
Balance Sheet Loans		Net Leased Commercial Real Estate (100% Owned)		Total Assets	
Carrying Value of Assets	\$3,318	Carrying Value of Assets	\$673	Cash & Cash Equivalents	\$68
Secured Financing on Assets A	1,468	Undepreciated Book Value of Assets	777	Loans, Securities & Real Estate	6,083
Net Equity Invested (excl. Corporate Debt)	1,851	Secured Financing on Assets D	503	Accumulated Depreciation & Amortization	(174)
% First Mortgage	96%	Net Equity Invested (excl. Corporate Debt)	274	Other Assets ⁽⁵⁾	296
% Other (Mezzanine / Subordinate)	4%	Total Square Feet	5,186,271	Total Assets	6,273
Weighted-Average Coupon	7.6%	Weighted-Average % Leased	100%	Total Liabilities	
<i>Accounting method: carried at lower of cost or FMV</i>		In-Place Annual Net Operating Income (NOI)	\$49.8	Unsecured Corporate Bonds	\$1,155
		<i>Accounting method: carried at depreciated book value</i>		Unsecured Revolving Credit Facility	-
Conduit Loans		Diversified Commercial Real Estate ⁽³⁾⁽⁴⁾		Total Unsecured Debt	1,155
Carrying Value of Assets	\$182	Carrying Value of Assets	\$318	Secured Financing A+B+C+D+E+F	3,298
Secured Financing on Assets B	50	Undepreciated Book Value of Assets	387	Total Debt	4,453
Net Equity Invested (excl. Corporate Debt)	133	Secured Financing on Assets E	241	Other Liabilities ⁽⁵⁾	177
Weighted-Average Coupon	5.5%	Net Equity Invested (excl. Corporate Debt)	146	Total Liabilities	4,629
Origination and Purchase Volume (LTM)	\$1,297	Total Square Feet	3,115,990	Book Equity Value	
Securitization Volume (LTM)	1,304	Weighted-Average Occupancy	83%	GAAP Book Equity Value (excl. NCI in JVs)	\$1,634
Securitization Profit Margin (LTM) ⁽¹⁾	2.3%	In-Place Annual Net Operating Income (NOI)	\$24.7	Total Shares Outstanding (mm)	117.1
Number of Securitizations (LTM)	9	Weighted-Average % Owned by Ladder	81.8%	GAAP Book Value per Share ⁽⁵⁾	\$13.90
Net Revenue Contribution (LTM) ⁽²⁾	\$36	<i>Accounting method: carried at depreciated book value</i>		Undepreciated Book Value per Share ⁽⁶⁾	\$15.34
<i>Accounting method: carried at lower of cost or FMV</i>				Leverage	
Securities (CMBS, Corporate Bonds & Common Stock)		Condominium Residential Real Estate ⁽³⁾		Adjusted Debt (for Adjusted Leverage Ratio) ⁽⁶⁾	\$3,851
Carrying Value of Assets	\$1,410	Carrying Value of Assets	\$7	Total GAAP Book Equity (incl. NCI in JVs)	1,644
Secured Financing on Assets C	1,036	Undepreciated Book Value of Assets	7	Adjusted Leverage Ratio ⁽⁶⁾	2.3x
Net Equity Invested (excl. Corporate Debt)	374	Secured Financing on Assets F	-	Return on Average Equity (based on Core Earnings) ⁽⁶⁾	
% First Mortgage Secured	95%	Net Equity Invested (excl. Corporate Debt)	7	GAAP Net Income (LTM)	\$222
% AAA-Rated	81%	Total Remaining Units	23	Core Earnings (LTM)	230
% Investment Grade-Rated	95%	Unit Sale Price as % of GAAP Book Value (LTM)	124%	Average Book Equity Value (LTM)	1,523
Weighted-Average Duration	2.4 Years	Weighted-Average % Owned by Ladder	99.9%	After-Tax Core ROAE (LTM)	14.9%
<i>Accounting method: carried at FMV</i>		<i>Accounting method: carried at depreciated book value</i>			

Note: As of 12/31/2018

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

(2) Pre-tax and pre-overhead allocation

(3) All metrics shown on a consolidated basis, except Weighted-Average % Owned by Ladder, which excludes the potential effects of partnership/joint venture promote/sharing arrangements

(4) Excludes two unconsolidated joint venture investments with total book value of \$40.4 million as of 12/31/2018

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

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

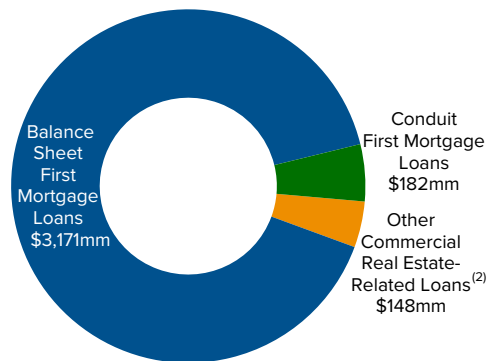
INVESTMENT PORTFOLIO SUMMARY

(\$ in millions)

Investment Type	Investment Portfolio (as of 12/31/2018)		Core Earnings Contribution (Full-Year 2018)	
	Carrying Value of Assets	% of Total Assets	Amount of Contribution	% of Total Contribution
Conduit First Mortgage Loans	\$182	3%	\$36.0	10%
Balance Sheet First Mortgage Loans	3,171	51%	206.8	56%
Other (Mezzanine/Subordinate) Loans	148	2%	19.0	5%
Loan Loss Provision	(18)	(0.3%)	–	–
Total Loans	\$3,483	56%	\$261.9	71%
Securities (CMBS, Corporate Bonds & Stocks)	\$1,410	22%	\$17.0	5%
Net Leased Commercial Real Estate	\$673	11%	\$25.8	7%
Diversified Commercial Real Estate	318	5%	60.5	16%
Condominium Residential Real Estate	7	0.1%	3.7	1%
Total Real Estate Equity Properties	\$998	16%	\$89.9	24%
Other Investments	\$98	2%	\$0.1	0.02%
Total Investment Assets	\$5,989	95%	\$368.9	100%
Cash and Cash Equivalents (unrestricted)	\$68	1%		
Restricted Cash	31	0%		
Other Assets	185	3%		
Total Assets	\$6,273	100%	\$368.9	100%
Corporate Bond Interest Expense			(66.8)	(18%)
Corporate Operating Expenses/Other			(72.0)	(20%)
Total Core Earnings			\$230.1	62%

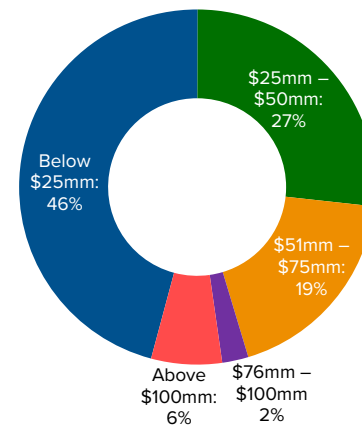
LOAN PORTFOLIO OVERVIEW

Loan Type⁽¹⁾



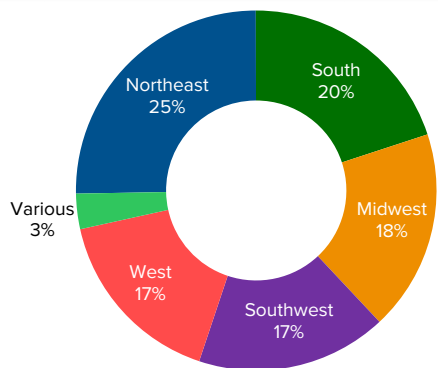
\$3.5 billion total loan portfolio
71% floating rate / 29% fixed rate

Loan Size

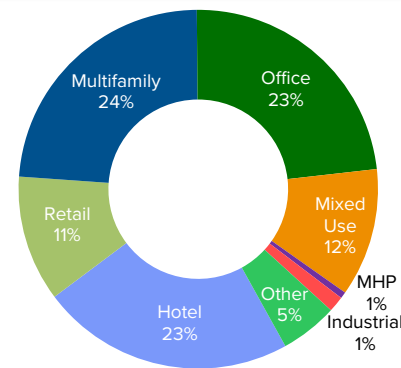


\$18 million average loan balance

Geography



Property Type



Note: As of 12/31/2018

(1) Amounts in this chart shown before \$17.9 million loan loss provision

(2) Includes mezzanine and subordinate loans

LOANS SEGMENT SUMMARY

(\$ in millions)

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Conduit First Mortgage Loans								
Carrying Value of Assets (end of quarter)	\$182	\$375	\$108	\$274	\$230	\$523	\$201	\$517
Origination and Purchase Volume	182	350	232	533	578	323	285	280
Weighted-Average Coupon (end of quarter)	5.5%	5.2%	5.2%	5.1%	4.9%	4.8%	5.1%	5.0%
Securitization Volume	\$365	\$102	\$401	\$437	\$851	–	\$626	–
Securitization Profit, Net ⁽¹⁾	7	3	8	12	31	–	21	–
Securitization % Profit Margin ⁽²⁾	1.9%	2.5%	2.1%	2.7%	3.6%	–	3.3%	–
Balance Sheet First Mortgage Loans								
Carrying Value of Assets (end of quarter)	\$3,171	\$3,648	\$3,606	\$3,370	\$3,123	\$2,689	\$2,466	\$2,138
Origination and Purchase Volume	238	326	480	435	535	307	408	250
Weighted-Average Coupon (end of quarter)	7.4%	7.3%	7.3%	6.9%	6.7%	6.6%	6.4%	6.4%
Weighted-Average LTV (end of quarter)	68%	68%	67%	66%	67%	66%	65%	65%
Other (Mezzanine/Subordinate) Loans								
Carrying Value of Assets (end of quarter)	\$148	\$158	\$158	\$158	\$159	\$158	\$161	\$166
Origination Volume	–	–	–	–	3	–	–	–
Mezz./Subordinate Loans % of Total Assets	2.4%	2.5%	2.5%	2.5%	2.6%	2.7%	2.8%	2.8%
Weighted-Average Coupon (end of quarter)	10.9%	10.8%	10.8%	10.8%	10.9%	10.8%	10.9%	10.9%
Weighted-Average LTV (end of quarter)	68%	69%	70%	70%	70%	70%	70%	71%
Loan Loss Provision	(\$18)	(\$18)	(\$7)	(\$7)	(\$4)	(\$4)	(\$4)	(\$4)
Total Loan Portfolio								
Carrying Value of Assets (end of quarter)	\$3,483	\$4,163	\$3,865	\$3,795	\$3,509	\$3,366	\$2,823	\$2,817
Weighted-Average Yield (end of quarter)	7.8%	7.5%	7.6%	7.2%	7.0%	6.7%	6.8%	6.6%

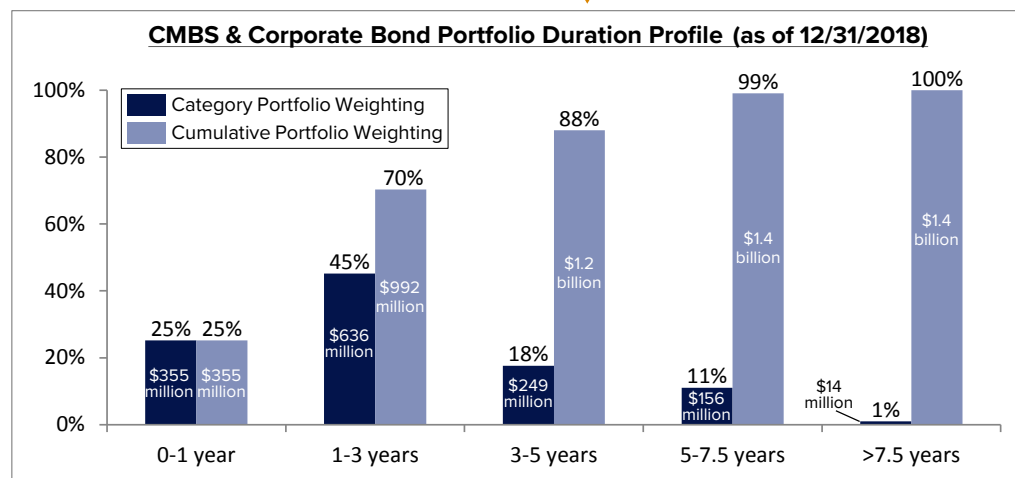
(1) Equivalent to "Core gain on sale of securitized loans" as reported in Company filings. For reconciliation, see page S-11

(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)

	12/31/2018	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	\$1,410	\$978	\$1,106	\$1,100	\$1,107	\$1,172	\$1,482	\$1,702
Weighted-Average Yield	3.2%	3.1%	3.0%	3.0%	2.9%	2.9%	2.9%	2.9%
Number of CUSIPs	182	132	142	140	142	156	202	215
Average CUSIP Size	\$7.7	\$7.4	\$7.8	\$7.9	\$7.8	\$7.5	\$7.3	\$7.9
Weighted-Average Duration	2.4 Years	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	81%	80%	80%	79%	79%	79%	81%	84%
% Investment Grade-Rated	95%	99%+	99%+	99%+	99%+	99%+	99%+	100%



Highly-rated, short-duration securities portfolio

Note: Weighted-average yield and duration in the table above exclude the impact of Ladder's \$12 million of common stock investments as of 12/31/2018

REAL ESTATE SEGMENT SUMMARY

(\$ in millions)

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
<u>Net Leased Commercial Real Estate (100% Owned)</u>								
Acquisitions	\$7	–	\$6	–	\$6	\$1	\$124	\$4
Net Sales Proceeds	–	–	–	–	–	–	–	–
Carrying Value of Assets (end of quarter)	673	671	677	677	683	683	688	543
Square Feet (end of quarter)	5,186,271	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	\$13.0	\$12.8	\$14.0	\$12.4	\$12.3	\$10.9	\$10.1
<u>Diversified Commercial Real Estate ⁽¹⁾</u>								
Acquisitions	–	–	\$85	\$24	–	\$47	\$54	–
Net Sales Proceeds	–	109	–	93	–	–	–	–
Carrying Value of Assets (end of quarter)	318	319	370	289	331	334	288	236
Square Feet (end of quarter)	3,115,990	3,115,990	3,876,308	3,758,984	3,141,015	3,141,015	2,918,519	2,918,519
Net Operating Income	\$7.9	\$4.8	\$6.9	\$6.4	\$7.5	\$5.9	\$6.5	\$5.7
<u>Condominium Residential Real Estate ⁽¹⁾</u>								
Net Sales Proceeds	\$6	\$3	\$4	\$4	\$10	\$8	\$6	\$6
Carrying Value of Assets (end of quarter)	7	10	13	15	18	25	30	35
Remaining Condo Units (end of quarter)	23	35	43	51	61	89	110	129
Unit Sale Price as % of GAAP Book Value	119%	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)

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest income								
Interest income	\$91.0	\$90.4	\$85.2	\$78.2	\$73.4	\$66.8	\$66.0	\$57.5
Interest expense	49.7	51.5	48.4	44.7	41.6	37.5	35.7	31.4
Net interest income	\$41.3	\$38.9	\$36.8	\$33.5	\$31.8	\$29.3	\$30.3	\$26.1
Provision for loan losses	0.3	10.3	0.3	3.0	–	–	–	–
Net interest income after provision for loan losses	\$41.0	\$28.6	\$36.5	\$30.5	\$31.8	\$29.3	\$30.3	\$26.1
Other income								
Operating lease income	25.0	22.7	24.3	24.6	24.8	22.9	22.2	19.6
Tenant recoveries	1.9	2.3	1.9	3.6	2.1	2.4	1.2	1.6
Sale of loans, net	3.6	1.9	6.1	4.9	29.9	(0.8)	25.9	(1.0)
Realized gain (loss) on securities	(0.9)	(2.6)	(1.2)	(1.1)	(2.0)	6.7	7.1	5.4
Unrealized gain (loss) on common stock	(1.6)							
Unrealized gain (loss) on Agency interest-only securities	0.1	0.1	0.1	0.2	0.4	0.6	0.3	0.2
Realized gain on sale of real estate, net	(0.5)	63.7	1.6	31.0	3.6	3.2	2.2	2.3
Fee and other income	8.7	4.9	6.5	6.3	5.0	4.3	4.6	4.5
Net result from derivative transactions	(13.2)	7.1	7.1	15.0	5.7	(0.3)	(16.0)	(2.0)
Earnings (loss) from investment in unconsolidated joint ventures	0.3	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)
Total other income	\$23.4	\$96.2	\$46.4	\$84.3	\$69.4	\$39.1	\$47.5	\$30.4
Costs and expenses								
Salaries and employee benefits	13.4	15.8	13.9	17.1	26.7	13.3	14.5	16.0
Operating expenses	5.1	5.5	5.6	5.5	5.3	4.8	5.8	5.5
Real estate operating expenses	6.0	7.2	7.8	8.8	8.4	9.4	8.1	7.5
Fee expense	2.1	1.3	0.8	0.8	1.4	1.2	1.6	0.7
Depreciation and amortization	10.1	10.4	10.7	10.8	11.0	10.6	10.1	8.6
Total costs and expenses	\$36.6	\$40.1	\$38.8	\$43.1	\$52.8	\$39.2	\$40.1	\$38.3
Income (loss) before taxes	\$27.8	\$84.7	\$44.1	\$71.7	\$48.4	\$29.2	\$37.7	\$18.3
Income tax expense (benefit)	1.0	1.2	0.6	3.9	3.1	(0.6)	6.6	(1.4)
Net income (loss)	\$26.8	\$83.5	\$43.6	\$67.8	\$45.4	\$29.8	\$31.1	\$19.6
Net (income) loss attributable to noncontrolling interest in consolidated joint ventures	0.3	(7.8)	0.1	(8.4)	(0.1)	0.3	(0.1)	(0.3)
Net (income) loss attributable to noncontrolling interest in operating partnership	(3.0)	(9.0)	(5.3)	(8.5)	(9.2)	(6.5)	(8.9)	(5.8)
Net income (loss) attributable to Class A common shareholders	\$24.1	\$66.6	\$38.4	\$50.9	\$36.1	\$23.6	\$22.1	\$13.5
Earnings per share:								
Basic	\$0.24	\$0.69	\$0.40	\$0.53	\$0.41	\$0.28	\$0.28	\$0.18
Diluted	0.24	0.67	0.40	0.53	0.40	0.28	0.26	0.18
Weighted average shares outstanding (mm):								
Basic	99.9	96.9	96.8	95.2	89.1	85.1	80.1	72.9
Diluted	100.6	110.7	97.2	95.4	89.2	85.5	110.1	109.3
Core Earnings (pre-tax)⁽¹⁾	\$52.5	\$63.4	\$50.4	\$63.8	\$60.4	\$35.7	\$51.2	\$31.6
Core EPS (after-tax)⁽¹⁾	\$0.45	\$0.59	\$0.45	\$0.55	\$0.47	\$0.35	\$0.42	\$0.31

(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⁽¹⁾

(\$ in millions, except per share values)

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net income (loss)	\$26.8	\$83.5	\$43.6	\$67.8	\$45.4	\$29.8	\$31.1	\$19.6
Income tax expense (benefit)	1.0	1.2	0.6	3.9	3.1	(0.6)	6.6	(1.4)
Income (loss) before taxes	\$27.8	\$84.7	\$44.1	\$71.7	\$48.4	\$29.2	\$37.7	\$18.3
Net (income) loss attributable to noncontrolling interest in consolidated joint ventures and operating partnership	0.3	(7.9)	0.1	(8.4)	(0.1)	0.3	(0.1)	(0.3)
Our share of real estate depreciation, amortization and gain adjustments	7.5	(12.4)	8.8	6.1	9.4	9.2	9.5	7.8
Adjustments for unrecognized derivative results	16.3	(3.6)	(4.6)	(8.1)	(3.7)	(4.3)	(0.3)	(1.9)
Unrealized (gain) loss on agency IO securities	1.5	(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	(0.3)	0.0	(0.2)	(0.3)	(1.9)	(0.3)	3.5	(0.2)
Non-cash stock-based compensation	1.8	2.8	2.3	3.1	8.6	2.1	1.1	8.1
One-time transactional adjustment	(2.5)	—	—	—	—	—	—	—
Core earnings	\$52.5	\$63.4	\$50.4	\$63.8	\$60.4	\$35.7	\$51.2	\$31.6
Core estimated corporate tax benefit (expense)	(1.3)	1.7	(0.6)	(3.5)	(9.0)	2.4	(4.8)	2.1
After-tax core earnings	\$51.2	\$65.1	\$49.8	\$60.4	\$51.3	\$38.1	\$46.4	\$33.7
Adjusted weighted average shares outstanding (diluted) (mm)	113.7	110.7	110.5	110.3	109.8	110.2	110.1	109.3
Core EPS	\$0.45	\$0.59	\$0.45	\$0.55	\$0.47	\$0.35	\$0.42	\$0.31
Weighted average shares outstanding (diluted) (mm)	100.6	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)	13.1	—	13.3	14.9	20.5	24.7	—	—
Adjusted weighted average shares outstanding (diluted) (mm)	113.7	110.7	110.5	110.3	109.8	110.2	110.1	109.3

	Last Twelve Months (LTM) Ended 12/31/2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Core earnings	\$230.1	\$52.5	\$63.4	\$50.4	\$63.8	\$60.4	\$35.7	\$51.2	\$31.6
Average book equity	1,523.2	1,588.7	1,522.2	1,497.1	1,484.7	1,472.9	1,472.0	1,475.1	1,490.4
Pre-tax Core ROAE	15.1%	13.2%	16.7%	13.5%	17.2%	16.4%	9.7%	13.9%	8.5%
After-tax core earnings	\$226.4	\$51.2	\$65.1	\$49.8	\$60.4	\$51.3	\$38.1	\$46.4	\$33.7
Average book equity	1,523.2	1,588.7	1,522.2	1,497.1	1,484.7	1,472.9	1,472.0	1,475.1	1,490.4
After-tax Core ROAE	14.9%	12.9%	17.1%	13.3%	16.3%	13.9%	10.3%	12.6%	9.0%

(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)

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Face amount of loans sold into securitizations	\$364.8	\$102.0	\$400.8	\$436.5	\$851.1	–	\$625.7	–
Income from sale of securitized loans, net (see GAAP reconciliation A below)	\$3.6	\$1.9	\$6.1	\$5.4	\$29.2	–	\$26.1	–
Hedge gain/(loss) related to loans securitized (see GAAP reconciliation B below)	3.4	0.5	2.3	6.6	3.1	–	(9.1)	–
Income from sales of securitized loans, net of hedging	\$7.0	\$2.3	\$8.5	\$11.9	\$32.3	–	\$17.0	–
Adjustment for economic gain on securitization transactions not recognized under GAAP for which risk has been substantially transferred	\$0.0	\$0.3	\$0.0	(\$0.0)	(\$1.7)	–	\$3.7	–
Core gain on securitized loans	\$7.0	\$2.6	\$8.5	\$11.9	\$30.6	–	\$20.7	–
Securitization profit margin	1.9%	2.5%	2.1%	2.7%	3.6%	–	3.3%	–

Reconciliations to closest GAAP measures

GAAP reconciliation A

Income/(loss) from sale of loans, net	\$3.6	\$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	(0.0)	–	–	–	(0.8)	(0.0)	0.2	–
Income from sale of securitized loans, net	\$3.6	\$1.9	\$6.1	\$5.4	\$29.2	–	\$26.1	–

GAAP reconciliation B

Net results from derivative transactions	(\$13.2)	\$7.1	\$7.1	\$15.0	\$5.7	(\$0.3)	(\$16.0)	(\$2.0)
Hedge gain/(loss) related to lending and securities positions	16.7	(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)
Hedge gain/(loss) related to loans securitized	\$3.4	\$0.5	\$2.3	\$6.6	\$3.1	–	(\$9.1)	–

BALANCE SHEET BY QUARTER

(\$ in millions, except per share values)

	12/31/2018	09/30/2018	06/30/2018	03/31/2018	12/31/2017	09/30/2017	06/30/2017	03/31/2017
Assets								
Cash and cash equivalents	\$67.9	\$49.6	\$51.9	\$68.4	\$76.7	\$48.9	\$58.2	\$62.6
Restricted cash	30.6	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	3,318.4	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	(17.9)	(17.6)	(7.3)	(7.0)	(4.0)	(4.0)	(4.0)	(4.0)
Mortgage loan receivables held for sale	182.4	375.2	107.7	273.6	230.2	523.0	200.7	516.6
Real estate securities, available for sale	1,410.1	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	998.0	1,000.0	1,060.2	980.9	1,032.0	1,041.9	1,006.3	814.4
Investments in unconsolidated joint ventures	40.4	36.1	35.3	34.6	35.4	35.0	34.5	34.2
FHLB stock	57.9	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	27.2	27.8	27.6	27.2	25.9	25.1	25.3	27.3
Other assets	157.9	77.7	121.9	102.6	55.6	51.9	52.2	352.1
Total assets	\$6,272.9	\$6,425.7	\$6,389.4	\$6,231.3	\$6,025.6	\$5,941.8	\$5,750.0	\$5,941.6
Liabilities								
Debt obligations:								
Secured and unsecured debt obligations	\$4,452.6	\$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	1.3	—	44.8	—	0.0	0.4	1.7	2.6
Derivative instruments	1.0	0.3	—	—	2.6	2.7	4.3	4.2
Amount payable pursuant to tax receivable agreement	1.6	1.6	1.6	1.6	1.7	2.4	2.4	2.3
Dividends payable	37.3	2.0	1.6	1.2	30.5	2.0	1.3	1.0
Accrued expenses	82.4	57.1	60.3	38.9	59.6	55.9	59.4	43.5
Other liabilities	53.1	53.6	66.3	61.7	63.2	58.2	55.6	29.0
Total liabilities	\$4,629.2	\$4,872.1	\$4,877.0	\$4,728.0	\$4,537.5	\$4,460.0	\$4,265.4	\$4,460.3
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	\$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	0.0
Additional paid-in capital	1,471.2	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)	(32.8)	(32.7)	(32.0)	(24.5)	(24.5)	(24.5)
Retained earnings	11.3	22.6	(12.1)	(18.7)	(39.1)	(46.1)	(43.4)	(39.7)
Accumulated other comprehensive income/(loss)	(4.6)	(8.6)	(9.9)	(7.9)	(0.2)	3.9	5.7	4.8
Total shareholders' equity	\$1,445.2	\$1,356.3	\$1,315.5	\$1,309.4	\$1,235.0	\$1,135.3	\$1,138.2	\$1,047.1
Noncontrolling interest in operating partnership	188.4	187.5	185.2	184.2	240.9	334.8	335.8	428.9
Noncontrolling interest in consolidated joint ventures	10.1	9.8	11.9	9.7	12.3	11.8	10.5	5.2
Total equity	\$1,643.6	\$1,553.6	\$1,512.5	\$1,503.3	\$1,488.1	\$1,481.8	\$1,484.6	\$1,481.3
Total liabilities and equity	\$6,272.9	\$6,425.7	\$6,389.4	\$6,231.3	\$6,025.6	\$5,941.8	\$5,750.0	\$5,941.6
Adjusted Leverage Ratio ⁽¹⁾	2.3x	2.6x	2.7x	2.6x	2.5x	2.9x	2.8x	2.9x
Total Shares Outstanding (mm)	117.1	111.3	111.3	111.3	111.3	110.7	110.7	110.7
GAAP Book Value per Share⁽²⁾	\$13.90	\$13.82	\$13.43	\$13.37	\$13.19	\$13.19	\$13.23	\$13.24
Undepreciated Book Value per Share⁽¹⁾	\$15.34	\$15.25	\$14.97	\$14.82	\$14.60	\$14.54	\$14.48	\$14.42
Distributions per LADR Share	\$0.570	\$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)

	12/31/2018	09/30/2018	06/30/2018	03/31/2018	12/31/2017	09/30/2017	06/30/2017	03/31/2017
Beginning book equity balance	\$1,553.6	\$1,512.5	\$1,503.3	\$1,488.1	\$1,481.8	\$1,484.6	\$1,481.3	\$1,509.6
Net income (loss)	26.8	83.5	43.6	67.8	45.4	29.8	31.1	19.6
Dividends/distributions	(43.8)	(46.8)	(36.6)	(48.4)	(35.1)	(33.7)	(33.9)	(45.7)
Changes in other comprehensive income (OCI)	4.5	1.4	(2.2)	(8.9)	(5.2)	(2.2)	0.4	4.8
Issuance of common stock, net of offering costs	99.0	–	–	–	–	–	–	–
Other	3.5	3.1	4.4	4.6	1.3	3.3	5.6	(6.9)
Ending book equity balance	\$1,643.6	\$1,553.6	\$1,512.5	\$1,503.3	\$1,488.1	\$1,481.8	\$1,484.6	\$1,481.3
Noncontrolling interests in consolidated joint ventures	(10.1)	(9.8)	(11.9)	(9.7)	(12.3)	(11.8)	(10.5)	(5.2)
Ending book equity balance excluding noncontrolling interests	\$1,633.6	\$1,543.8	\$1,500.6	\$1,493.6	\$1,475.8	\$1,470.0	\$1,474.0	\$1,476.1
Average book equity balance excluding noncontrolling interests	\$1,588.7	\$1,522.2	\$1,497.1	\$1,484.7	\$1,472.9	\$1,472.0	\$1,475.1	\$1,490.4
Accumulated depreciation & amortization – net leased commercial real estate	104.0	97.8	91.6	85.4	79.2	73.0	66.9	62.5
Accumulated depreciation & amortization – diversified commercial real estate	69.1	65.2	83.3	78.8	79.9	75.0	70.3	64.7
Accumulated depreciation & amortization – condominium residential real estate	0.8	1.2	1.5	1.7	1.9	2.6	3.0	3.2
Less: noncontrolling interests' share of accumulated real estate depreciation & amortization	(11.7)	(11.1)	(11.3)	(10.7)	(11.6)	(10.9)	(10.3)	(9.8)
Accumulated depreciation & amortization – total	\$162.2	\$153.1	\$165.1	\$155.2	\$149.5	\$139.7	\$130.0	\$120.6
Ending undepreciated book value	\$1,795.8	\$1,697.0	\$1,665.7	\$1,648.8	\$1,625.3	\$1,609.7	\$1,604.0	\$1,596.7
Class A shares outstanding (mm)	103.9	98.1	97.9	98.0	93.6	86.1	86.1	79.1
Class B shares outstanding (mm)	13.1	13.1	13.3	13.3	17.7	24.7	24.7	31.6
Total ending shares outstanding (mm)	117.1	111.3	111.3	111.3	111.3	110.7	110.7	110.7
Ending book equity balance excluding noncontrolling interests	1,633.6	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)	(188.4)	(187.5)	(185.2)	(184.2)	(240.9)	(334.8)	(335.8)	(428.9)
Total shareholders' equity	\$1,445.2	\$1,356.3	\$1,315.5	\$1,309.4	\$1,235.0	\$1,135.3	\$1,138.2	\$1,047.1
GAAP Book Value per Share⁽¹⁾	\$13.90	\$13.82	\$13.43	\$13.37	\$13.19	\$13.19	\$13.23	\$13.24
Undepreciated Book Value per Share⁽²⁾	15.34	15.25	14.97	14.82	14.60	14.54	14.48	14.42

SELECTED DEFINITIONS

- **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.