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Supplemental Financial Data

Second Quarter 2019

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DISCLAIMER

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This presentation includes certain non-GAAP financial measures, including Core Earnings. These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures in accordance with GAAP. Please refer to Appendix A for the most recent GAAP information.

This presentation also contains market statistics and industry data which are subject to uncertainty and are not necessarily reflective of market conditions. These have been derived from third party sources and have not been independently verified by the Company or its affiliates.

All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. All data is as of June 30, 2019 unless otherwise noted.

Second Quarter 2019 Highlights

Earnings / Dividends	▪ Net income of $11.2 million[(1)], or $0.25 per common share ▪ Core earnings of $16.8 million[(1)], or $0.37 per common share ▪ Declared dividend of $0.40 per share
Returns	▪ Return on Equity[(2)] of 5.9% ▪ Core Return on Equity[(3)] of 8.8% ▪ Dividend Yield[(4)] of 10.7%
Loan Originations[(5)] / Acquisitions	▪ Total SBC loan investment of $835.5 million ▪ SBC loan originations of $419.6 million and $362.2 million of loan acquisitions ▪ SBA loan originations of $53.7 million ▪ Residential mortgage loan originations of $518.2 million
Balance Sheet	▪ Completed the securitization of $306.5 million of acquired SBC loans and issued $246.6 million of senior bonds at a weighted average pass-through rate of 2.9% ▪ Adjusted net book value[(6)] of $16.35 per common share ▪ Loans increased by 19.9% to $3.1 billion[(7)]

(1) Inclusive of non-controlling interest
(2) Return on Equity is an annualized percentage equal to quarterly net income over the average monthly total stockholders' equity for the period
(3) Core Return on Equity is an annualized percentage equal to core earnings over the average monthly total stockholders' equity for the period. Refer to the "Core Earnings Reconciliation" slide for a reconciliation of GAAP Net Income to Core Earnings
(4) Q2 Dividend yield for the period based on the 6/28/2019 closing share price of $14.90
(5) Represents fully committed amounts
(6) Excludes the equity component of our 2017 convertible note issuance
(7) Represents carrying value of loans

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RETURN ON EQUITY

Segment	Levered Yield [1]	Core Levered Yield [1]	Equity Allocation	GAAP ROE [2] Q2'19	GAAP ROE [2] Q1'19	Core ROE [2] Q2'19	Core ROE [2] Q1'19
Loan Acquisitions	14.5 %	14.5 %	29.1 %				
SBC Originations	11.3 %	11.3 %	52.6 %				
SBA Originations, Acquisitions, & Servicing	39.9 %	39.6 %	10.6 %	**13.4 %**	**11.5 %**	**16.2 %**	**15.1 %**
Residential Mortgage Banking [3]	(12.9) %	23.5 %	7.7 %				
Corporate leverage, net of non-earnings assets				(1.0)	(0.3)	(0.5)	1.2
Gross return on equity				**12.4 %**	**11.2 %**	**15.7 %**	**16.3 %**
Realized & unrealized gains, net				2.0	3.8	2.0	3.8
Other income and expenses, net				(7.9)	(10.2)	(7.9)	(10.2)
Non-recurring gains and expenses				(0.4)	16.1	-	(1.4)
Investment advisory fees				(1.3)	(1.4)	(1.3)	(1.4)
Provision for income taxes				1.1	2.1	0.3	0.9
Return on equity[4]				**5.9 %**	**21.6 %**	**8.8 %**	**8.0 %**

1) Levered yield includes interest income, accretion of discount, MSR creation, income from unconsolidated joint ventures, realized gains (losses) on loans held for sale, unrealized gains (losses) on loans held for sale and servicing income net of interest expense and amortization of deferred financing costs on an annualized basis.
2) GAAP ROE is based on GAAP Net Income, while Core ROE is based on Core Earnings, which adjusts GAAP Net Income for certain items detailed on the "Core Earnings Reconciliation" slide.
3) ROE based on net income before tax of the Residential Mortgage Banking business line divided by the business line's average monthly equity.
4) Q1'19 figures excludes the effects of the ORM merger on the Company's equity.

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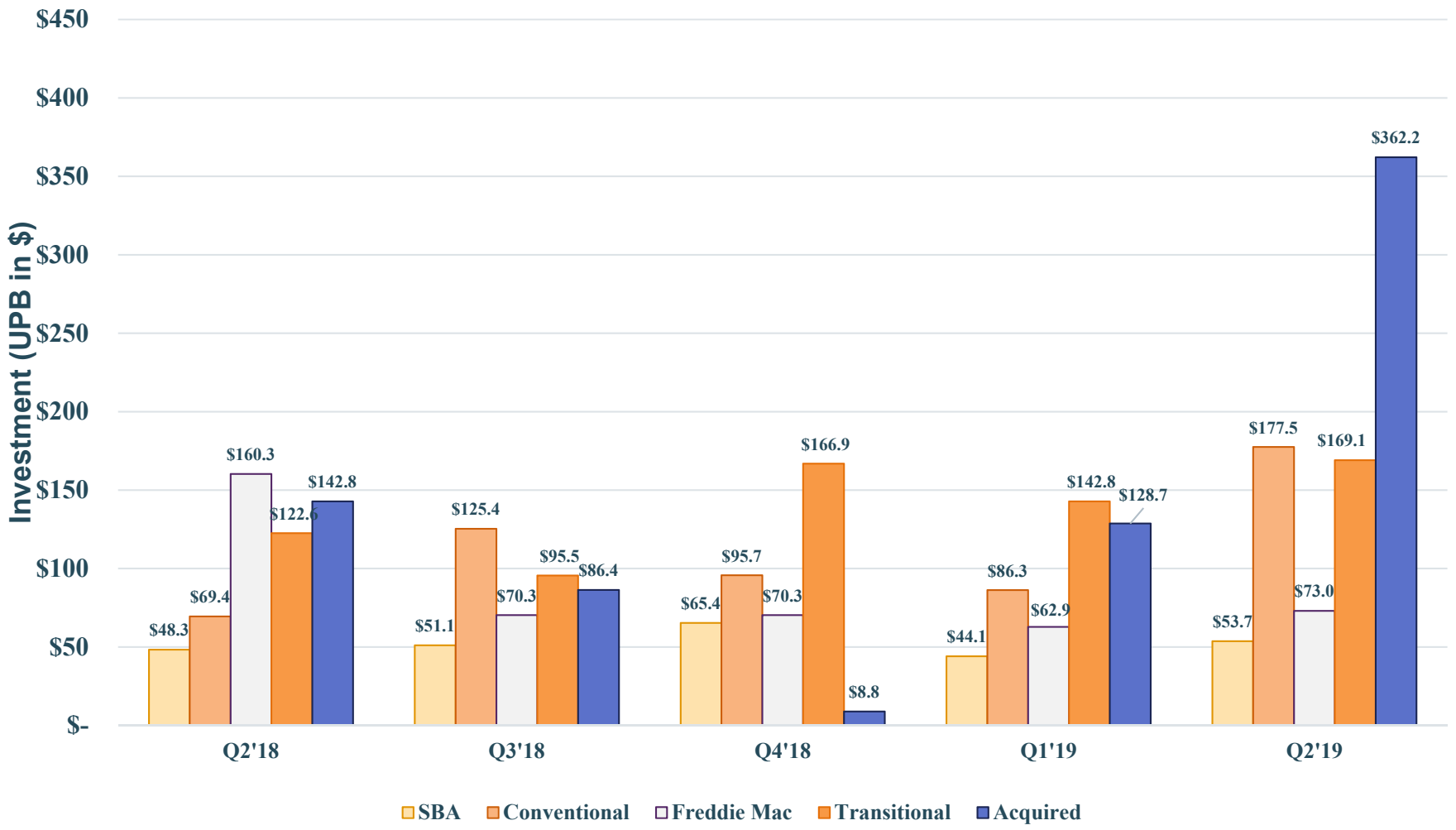
SBC Investment by Product Type(1)



(1) Origination volumes are based on fully committed amounts

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Q2 2019 Quarterly SBC Loan Investment Allocation

- **Total funded investments of $771.3 million added during the quarter.**
  - **Funded $409.1 million(1) of SBC and SBA loan originations.**
  - **Acquired $362.2 million of SBC loans**

(in millions, except loan count information)	Gross Investments(2)	# of Loans	Avg Balance(2)	Gross Yield(4)	Weighted Avg Maturity(3)	FX / ARM	Avg Advance Rate(5)	Debt Cost (6)
Loan Originations								
Held-for-investment								
SBC	$ 173.3	42	$ 4.1	5.4%	7 years	100% / 0%	81%	1M Libor +220
Transitional	110.4	26	4.2	6.4%	3 years	0% / 100%	68%	1M Libor + 225
SBA(7)	13.1	60	0.1	7.6%	20 years	0% / 100%	74%	1M Libor + 250 Prime + 29
Held-for-sale								
SBA(7)	$ 39.3	60	$ 0.3	7.6%	20 years	0% / 100%	74%	1M Libor + 250 Prime + 29
Freddie Mac	73.0	28	2.6	4.6%	14 years	52% / 48%	100%	1M Libor + 150
Total Loan Originations	**$ 409.1**	**216**	**$ 1.9**	**5.8%**	**9 years**	**52% / 48%**	**83%**	**SBC: 1M Libor + 215 SBA: 1M Libor + 250; Prime + 29**
Loan Acquisitions								
SBC	$ 362.2	1,437	$ 0.2	5.7%	7 years	24% / 76%	75%	SBC: 1M Libor + 227 SBA: 1M Libor + 250
Total Loan Acquisitions	**$ 362.2**	**1,437**	**$ 0.2**	**5.7%**	**7 years**	**24% / 76%**	**75%**	**SBC: 1M Libor + 227 SBA: 1M Libor + 250**
Total SBC Investment (Originations + Acquisitions)	**$ 771.3**	**1,653**	**$ 0.5**	**5.7%**	**8 years**	**35% / 65%**	**79%**	**SBC: 1M Libor + 218 SBA: 1M Libor + 250; Prime + 29**

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(1) Represents actual disbursements during the quarter.
(2) $ in millions
(3) Based on fully funded loan amount
(4) Gross yield equals contractual interest rates and accretion of discount based on the Company's estimates of loan performance, where applicable
(5) Weighted average advance rate of all assets of this loan type currently financed on the Company's facilities
(6) Weighted average debt cost of all assets of this loan type currently financed on the Company's facilities
(7) SBA loan counts include the guaranteed and unguaranteed loan portion.

SBC ORIGINATIONS - SEGMENT SNAPSHOT

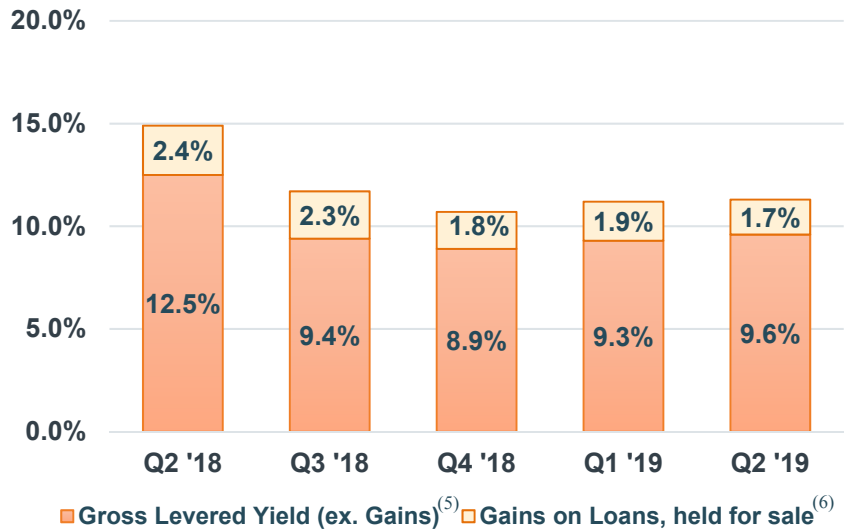
Portfolio Metrics (Balance Sheet)	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Number of loans	397	403	421	429	485
Unpaid Principal Balance [3]	$ 1,202	$ 1,305	$ 1,479	$ 1,582	$ 1,829
Carrying Value [3]	$ 1,213	$ 1,314	$ 1,488	$ 1,589	$ 1,835
Weighted Average LTV	60%	60%	63%	63%	63%
Weighted Average Coupon	6.4%	6.3%	6.3%	6.2%	6.1%
Weighted Average Maturity	5 years	5 years	5 years	5 years	5 years
Weighted Average Principal Balance [3]	$ 3.0	$ 3.2	$ 3.5	$ 3.7	$ 3.7
Percentage of loans fixed / floating	55% / 45%	56% / 44%	55% / 45%	53% / 47%	55% / 45%
Percentage of fixed, match funded [4]	73.9%	62.8%	54.2%	87.3%	69.4%
Percentage of loans 30+ days delinquent	1.7%	1.3%	2.3%	2.7%	2.7%

CURRENT QUARTER HIGHLIGHTS

- **Originations of $419.6 million[1]**
- **Origination pipeline of $498.3 million[2] :**

Product	July 2019	Forward	Total Pipeline
Fixed Rate	$ 53.0	$ 86.4	$ 139.4
Transitional	25.2	140.8	165.9
Freddie Mac	35.1	157.8	192.9
Total	**$ 113.3**	**$ 385.0**	**$ 498.3**

GROSS LEVERED YIELD



1) Represents fully committed amounts.
2) As of July 31, 2019 including July 2019 fundings.
3) $ in millions, as of quarter end.
4) Represents fixed rate loans that have been securitized.
5) Includes interest income, accretion of discount, and servicing income net of interest expense and amortization of deferred financing costs.
6) Includes realized and unrealized gains (losses) on loans held for sale and MSR creation.

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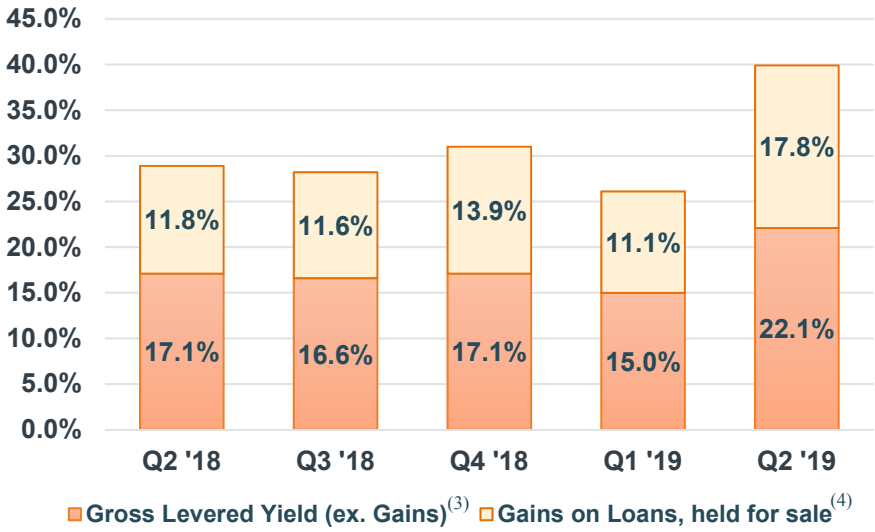
SBA Originations, Acquisitions, & Servicing- Segment Snapshot

Portfolio Metrics (Balance Sheet)	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Number of loans	2,029	1,976	1,931	1,876	1,902
Unpaid Principal Balance [2]	$ 489	$ 481	$ 467	$ 262	$ 270
Carrying Value [2]	$ 438	$ 434	$ 424	$ 221	$ 230
Weighted Average LTV	79%	79%	79%	82%	87%
Weighted Average Coupon	6.4%	6.6%	7.0%	7.4%	7.4%
Weighted Average Maturity	14 years	14 years	14 years	15 years	16 years
Weighted Average Principal Balance [2]	$ 0.2	$ 0.2	$ 0.2	$ 0.1	$ 0.1
Percentage of loans fixed / floating	1% / 99%	1% / 99%	1% / 99%	1% / 99%	1% / 99%
Percentage of loans 30+ days delinquent	3.6%	4.1%	7.0%	9.1%	6.5%

Current Quarter Highlights

- **$45.5 million of SBA secondary market loans sales, with an average sale premium of 10.9%**
- **Originations of $53.7 million[1]**
- **Origination pipeline of $142.2 million SBA loans, including $19.1 million of July 2019 fundings**

Gross Levered Yield



1) Represents fully committed amounts.
2) $ in millions, as of quarter end.
3) Includes interest income, accretion of discount, and servicing income net of interest expense and amortization of deferred
4) Includes realized and unrealized gains (losses) on loans held for sale and MSR creation.

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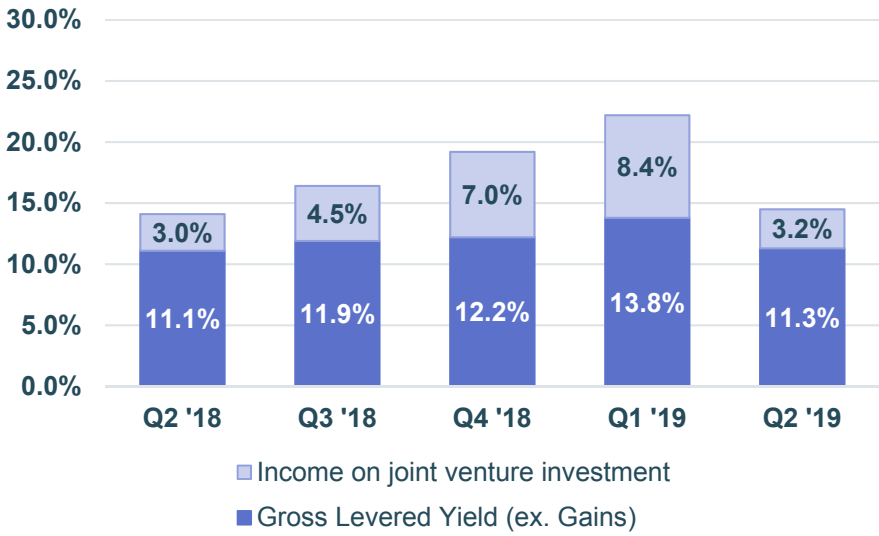
Loan Acquisitions- Segment Snapshot

Portfolio Metrics[1] (Balance Sheet)	Q2 2018	Q3 2018	Q4 2019	Q1 2019	Q2 2019
Number of loans	1,019	949	896	1,018	2,385
Unpaid Principal Balance [2]	$ 602	$ 617	$ 573	$ 798	$ 1,075
Carrying Value [2]	$ 569	$ 588	$ 548	$ 770	$ 1,055
Weighted Average LTV	51%	49%	44%	53%	46%
Weighted Average Coupon	6.6%	6.7%	6.6%	6.7%	6.3%
Weighted Average Maturity	8 years	8 years	7 years	7 years	10 years
Weighted Average Principal Balance [2]	$ 0.6	$ 0.6	$ 0.6	$ 0.8	$ 0.5
Percentage of loans fixed / floating	62% / 38%	65% / 35%	66% / 34%	61% / 39%	48% / 52%
Percentage of fixed, match funded [3]	15.5%	11.4%	51.6%	51.6%	61.0%
Percentage of loans performing / non-performing	97% / 3%	98% / 2%	98% / 2%	95% / 5%	98% / 2%

Current Quarter Highlights

- **Acquired $362.2 million of SBC loans**
- **Acquisition pipeline of $300.3 million SBC loans, including July 2019 acquisitions of $22.6 million**

Gross Levered Yield



1) Excludes joint venture investments.
2) $ in millions, as of quarter end.
3) Represents fixed rate loans that have been securitized.

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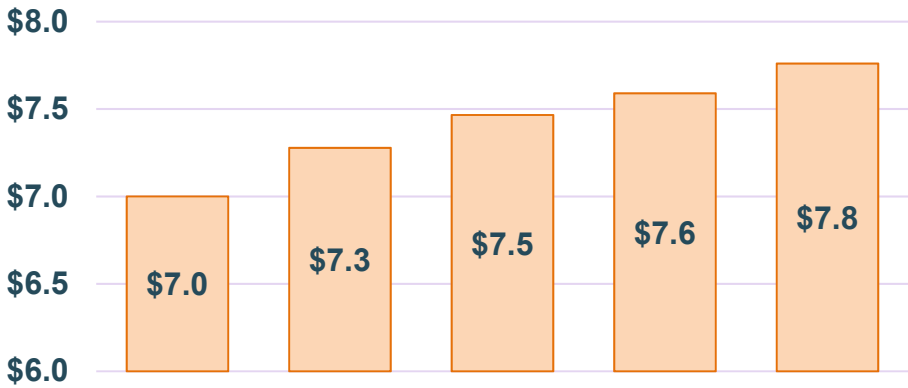
RESIDENTIAL MORTGAGE BANKING – SEGMENT SNAPSHOT

	Portfolio Metrics (quarterly activity)	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Originations	Unpaid principal balance [1]	$ 498.6	$ 472.1	$ 369.1	$ 344.4	$ 518.2
	% of Originations - Purchased	80.6%	79.6%	76.7%	74.3%	74.0%
	% of Originations - Refinanced	19.4%	20.4%	23.3%	25.7%	26.0%
	Channel - % Correspondent	36.7%	37.0%	38.2%	34.5%	36.4%
	Channel - % Retail	41.6%	42.5%	44.0%	47.2%	45.7%
	Channel - % Wholesale	21.7%	20.5%	17.8%	18.2%	17.9%
Sales	Unpaid principal balance [1]	$ 479.9	$ 496.1	$ 382.7	$ 326.5	$ 492.1
	% of UPB - Fannie/ Freddie securitizations	67.6%	65.6%	62.8%	68.4%	69.7%
	% of UPB - Ginnie Mae securitizations	23.0%	24.3%	25.8%	24.6%	22.4%
	% of UPB - Other investors	9.4%	10.1%	11.5%	7.0%	7.9%

CURRENT QUARTER HIGHLIGHTS

- **MSR portfolio of approximately $7.8 billion in UPB, up 2% compared to Q1**
  - **Fair market value of $85.7 million**
- **Originations of $518.2 million[2]**
- **Loan sales of $492.1 million**
- **Origination pipeline of $261.6 million in commitments to originate residential agency loans[2]**

MSR PORTFOLIO (UPB IN $ BILLIONS)



Fair Value ($ mm)	Q2' 18	Q3' 18	Q4' 18	Q1' 19	Q2' 19
	$ 85.6	$ 91.7	$ 93.1	$ 88.2	$ 85.7

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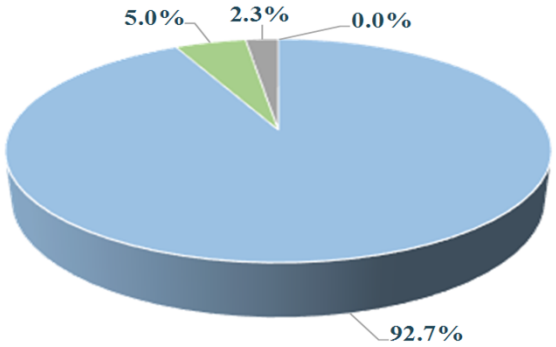
1) $ in millions. Represents activity during the quarter.

2) Represents fully committed amounts

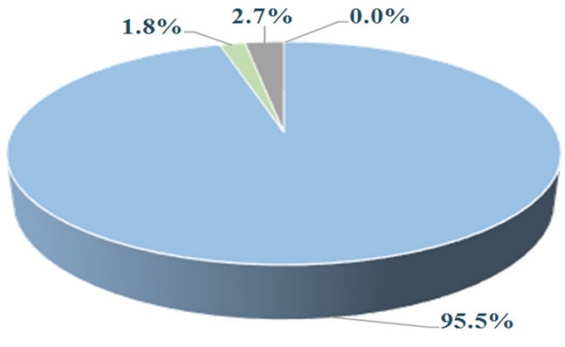
ACTIVE SBC AND SBA LOAN SECURITIZATION PERFORMANCE(1)

Originated Conventional SBC Loans



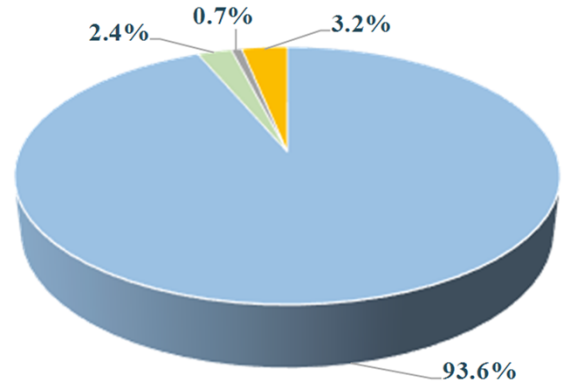
Original Collateral: $1.1 b Remaining collateral: $764 m

Originated Transitional Loans



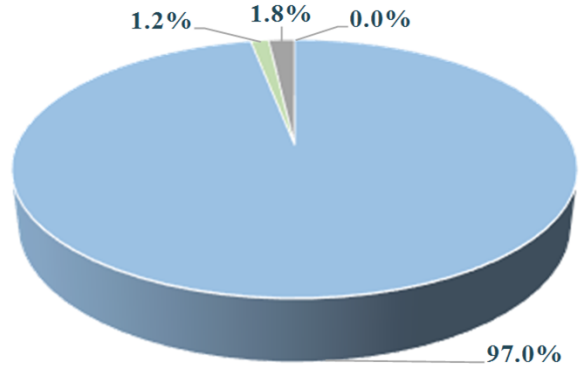
Original Collateral: $842 m Remaining collateral: $610 m

Acquired SBC Loans



Original Collateral: $822 m Remaining collateral: $609 m

Originated Freddie Mac Loans



Original Collateral: $1.9 b Remaining collateral: $1.7 b

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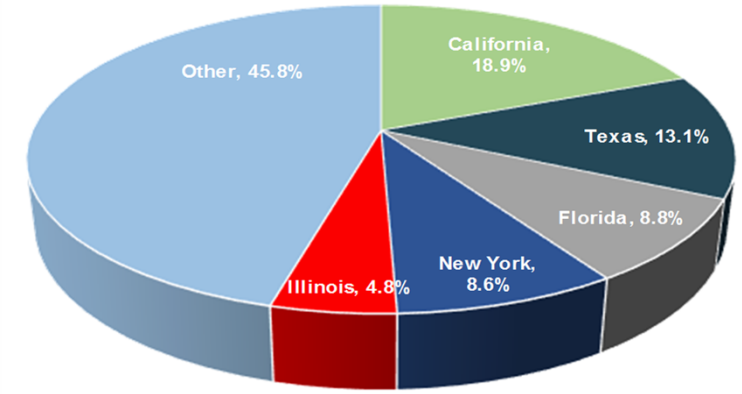
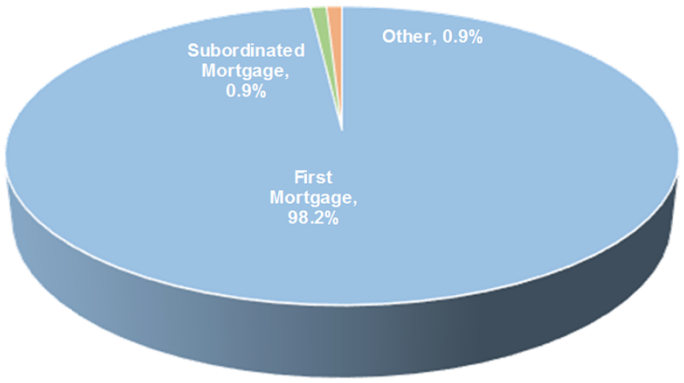
1) Represents remaining collateral in the securitization

Loan Portfolio Composition as of June 30, 2019[(1)(2)]

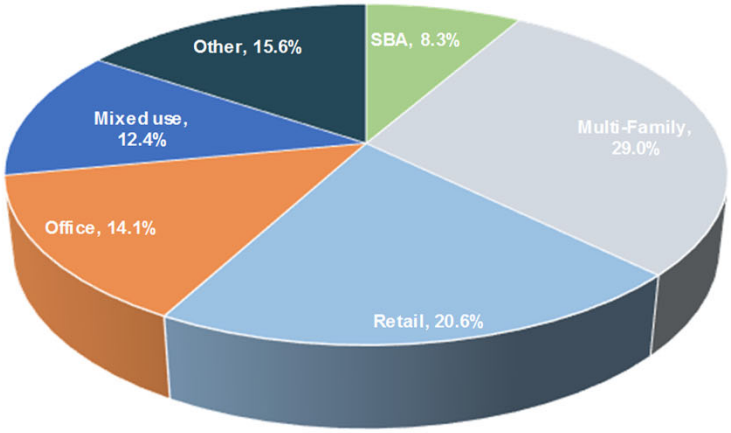
Geographic Location



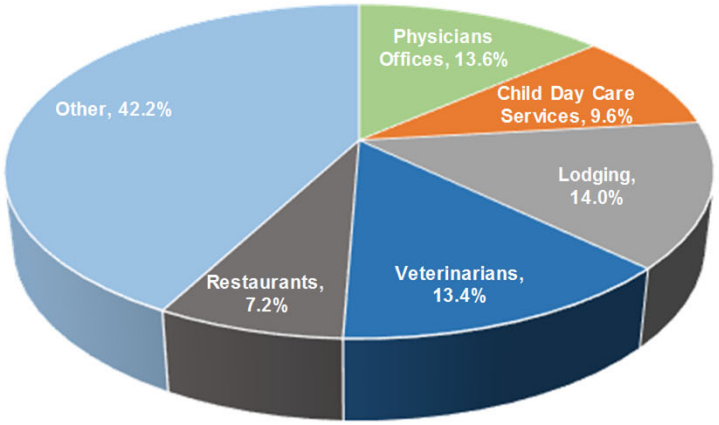
Lien Position



Collateral Type



SBA Collateral Type



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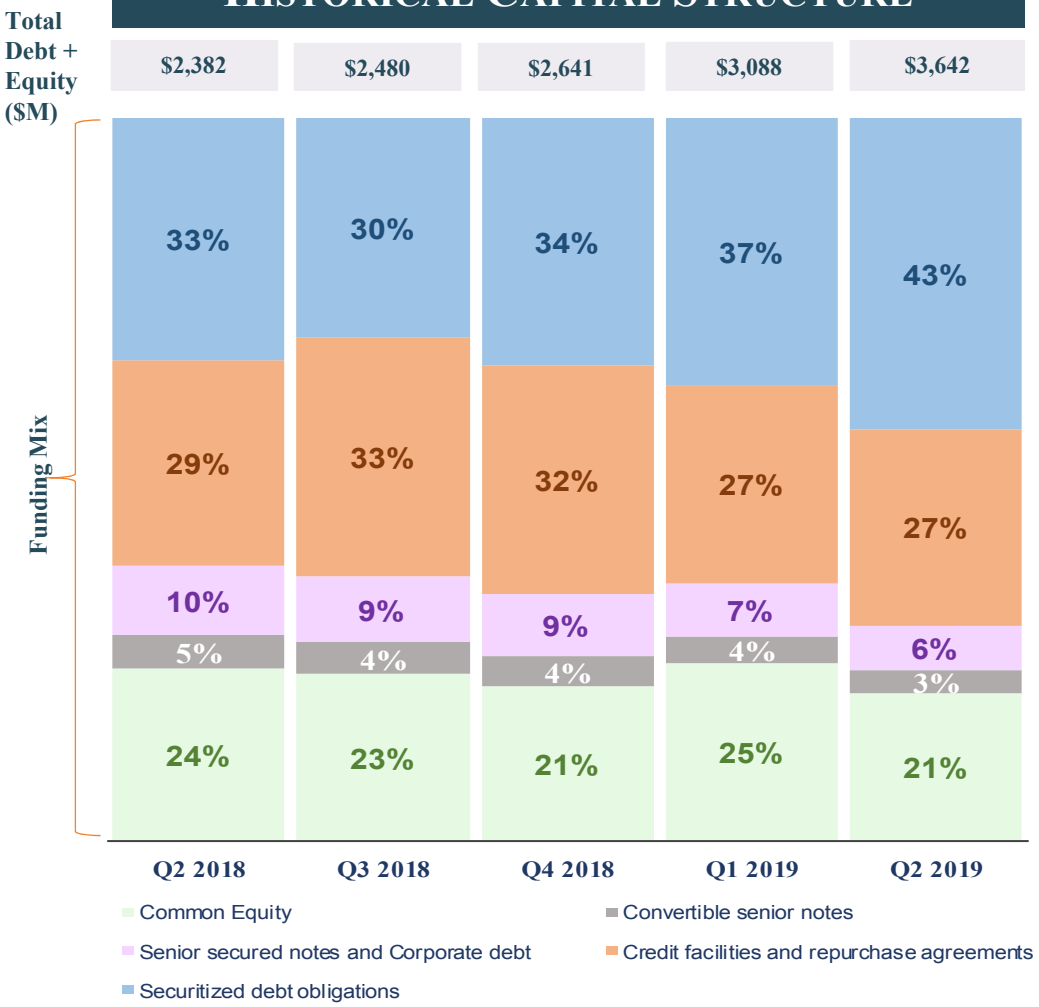
(1) As a percent of unpaid principal balance
(2) Excludes loans held-for-sale, at fair value

CAPITAL STRUCTURE

HISTORICAL CAPITAL STRUCTURE



CURRENT SOURCES OF FUNDING

- Completed $320 million securitization of originated transitional loans in April 2019
- Completed $300 million securitization of acquired SBC loans in June 2019
- Renegotiated warehouse facilities rates
- Completed $57.5 million issuance of 6.2% corporate baby bonds in July 2019

Corporate Financing (in $M)	Principal Balance	Coupon	YTM
Convertible Notes	$ 115.0	7.0%	7.0%
Senior Secured Notes	$ 180.0	7.5%	7.0%
Retail Baby Bonds	$ 50.0	6.5%	6.5%
Corporate Baby Bonds*	$ 57.5	6.2%	6.2%
Total	**$** 402.5	7.0%	6.9%

**Issued in July 2019*

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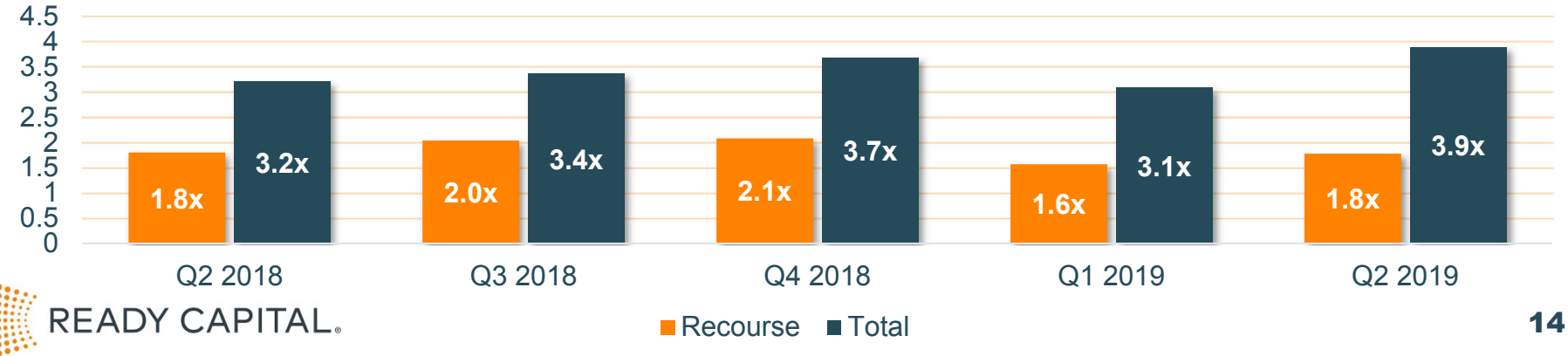
FINANCING AND LEVERAGE

Total Debt-to-Equity Ratio		6/30/2019 (in millions)
Secured borrowings (warehouse credit facilities and borrowings under repo transactions)	$	989
Securitized debt obligations		1,567
Senior secured notes and corporate bonds		228
Convertible notes		111
Total Debt	**$**	**2,894**
Total Stockholders' Equity	**$**	**747**
Total debt-to-equity ratio		**3.9**
Total recourse debt-to-equity ratio		
Total Debt	**$**	**2,894**
Less: Securitized debt obligations		(1,567)
Total recourse debt	**$**	**1,327**
Total Stockholders' Equity	**$**	**747**
Total recourse debt-to-equity ratio		**1.8**

HISTORICAL LEVERAGE



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LOAN WAREHOUSE FACILITIES

Bank	Maturity	Rate	Facility Size [1]	Available Capacity [1]	Description and Uses of Funds
Borrowings under credit facilities					
JPMorgan	May '20	1ML + 2.50%	$ 225	$ 97	Borrowings are used to finance SBC and SBA loan acquisitions, and SBA loan originations.
KeyBank	Feb '20	1ML + 1.50%	125	90	Borrowings are used to finance Freddie Mac SBC loan originations.
East West	July '20	Prime - 0.821 to + 0.29%	50	9	Borrowings are used to finance SBA loan originations and acquisitions.
FCB	June '21	2.75%	2	-	Borrowings are used to finance SBC loan acquisitions.
GMFS facilities	< 1 year	1ML + 1.75 to 2.0%	215	96	Borrowings are used to finance Residential Agency loan originations.
GMFS - MSR	Sept '23	1ML + 2.50%	50	12	Borrowings are used to finance Residential Agency MSRs.
Rabobank	Jan '21	4.22%	15	-	Borrowings are used to finance acquired REO properties.
Total Borrowings under credit facilities			**$ 682**	**$ 304**	
Borrowings under repurchase agreements					
Citibank	Aug '20	1ML + 1.875 to 2.125%	$ 500	$ 283	Borrowings are used to finance SBC loan originations and SBC loan acquisitions.
Deutsche Bank	Feb '20	3ML + 2.30 to 2.80%	300	155	Borrowings are used to finance SBC loan originations and Transitional loan originations.
JPMorgan	Dec '20	1ML + 2.25 to 4.00%	200	139	Borrowings are used to finance SBC and Transitional loan originations, and SBC loan acquisitions.
Total Borrowings under repurchase agreements			**$ 1,000**	**$ 577**	

(1) $ in millions

READY CAPITAL SNAPSHOT ($ amounts in thousands, except per share data)

Investment Type	Average Carrying Value[1]	Gross Yield[2]	Average Debt Balance	Debt Cost [3]	Levered Yield
Loan Acquisitions	$ 894,883	7.9%	$ 632,289	5.2%	14.5%
SBC Originations	$ 1,856,870	6.6%	$ 1,382,539	5.0%	11.3%
SBA Originations, Acquisitions, & Servicing	$ 241,831	19.1%	$ 146,553	5.6%	39.9%
Total	**$ 2,993,584**	**8.0%**	**$ 2,161,381**	**5.1%**	**15.6%**

Book Equity Value Metrics		
Common Stockholders' equity	$	728,027
Common Stockholders' equity (adjusted)[5]	$	726,047
Total Common Shares outstanding		44,415,479
Net Book Value per Common Share	$	16.39
Adjusted Net Book Value per Common Share	$	16.35

Loan Portfolio Metrics [4]	
% Fixed vs Floating Rate	49.1% / 50.9%
% Originated vs Acquired	62.0% / 38.0%
Weighted Average LTV - SBC	63%
Weighted Average LTV - SBA	87%
Weighted Average LTV - Acquired	46%

Q2 2019 Earnings Data Metrics		
Net income | Core earnings	$ 11,245 | $ 16,775	
Earnings per share - Basic and diluted	$	0.25
Core Earnings per Common Share	$	0.37
Return on Equity per Common Share		5.9%
Core Return on Equity per Common Share		8.8%
Dividend Yield		10.7%

Servicing Portfolio Metrics		
SBA servicing rights - UPB	$	565,563
SBA servicing rights- carrying value	$	18,000
Freddie Mac servicing rights - UPB	$	1,051,751
Freddie Mac servicing rights - carrying value	$	11,103
Residential servicing rights - UPB	$	7,776,329
Residential servicing rights - carrying value	$	85,658

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1) Average carrying value includes average quarterly carrying value of loan and servicing asset balances
2) Gross yields include interest income, accretion of discount, MSR creation, income from our unconsolidated joint venture, realized gains (losses) on loans held for sale, unrealized gains (losses) on loans held for sale and servicing income net of interest expense and amortization of deferred financing costs on an annualized basis.
3) The Company finances the assets included in the Investment Type through securitizations, repurchase agreements, warehouse facilities and bank credit facilities. Interest expense is calculated based on interest expense and deferred financing amortization for the quarter ended 6/30/2019 on an annualized basis.
4) Excludes loans, held for sale, at fair value
5) Excludes the equity component of our 2017 convertible note issuance.

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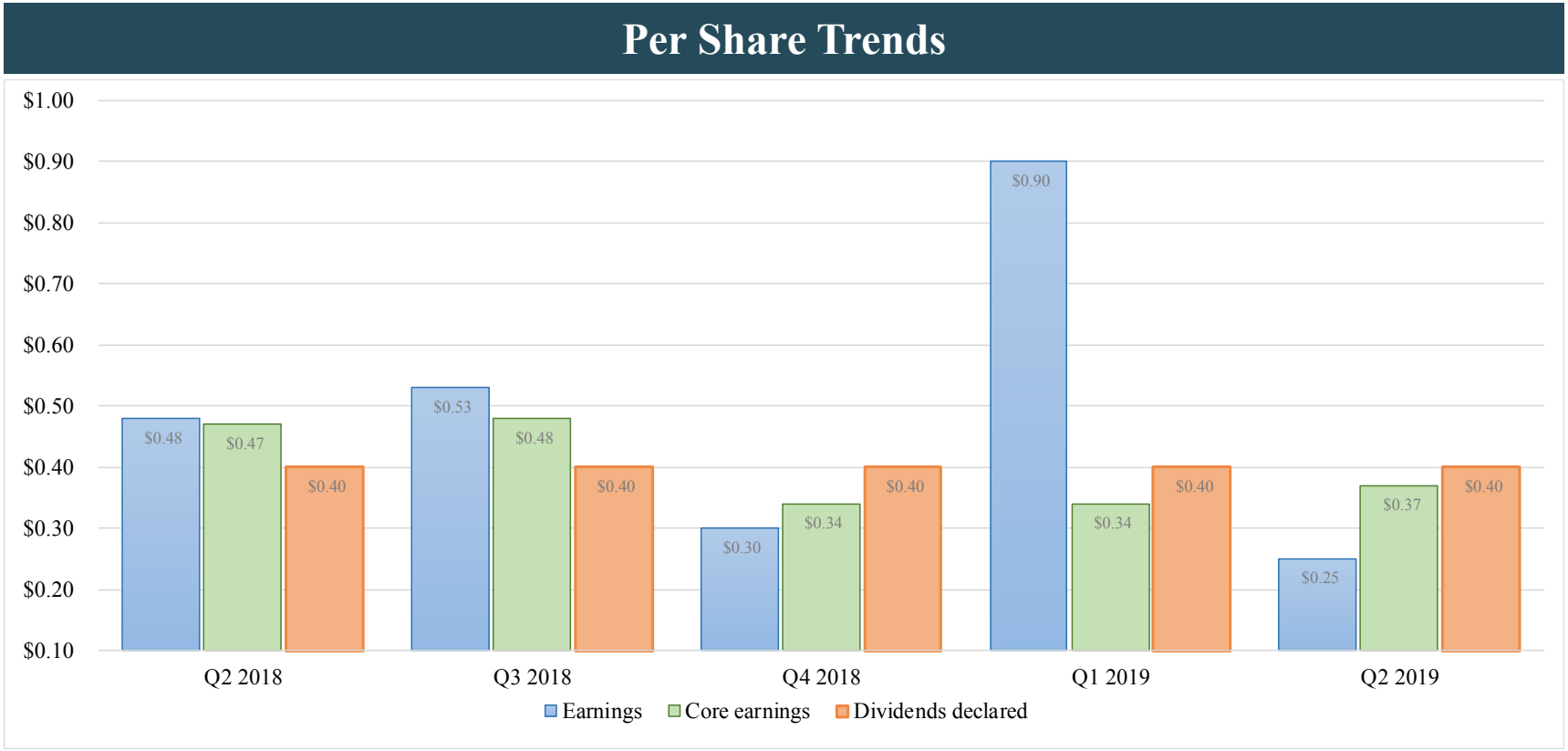
APPENDIX

Per Share Financial Performance



- Adjusted net book value of $16.35 per common share as of June 30, 2019

BALANCE SHEET BY QUARTER

(In Thousands)	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019
Assets					
Cash and cash equivalents	$ 105,833	$ 47,845	$ 54,406	$ 47,597	$ 41,925
Restricted cash	15,108	18,864	28,921	29,979	38,019
Loans, net	1,035,330	1,256,177	1,193,392	1,057,023	1,002,676
Loans, held for sale, at fair value	188,752	124,988	115,258	115,778	177,507
Mortgage backed securities, at fair value	50,070	94,341	91,937	91,435	99,407
Loans eligible for repurchase from Ginnie Mae	79,623	79,600	74,180	73,057	69,101
Investment in unconsolidated joint venture	41,598	40,914	33,438	39,025	47,551
Derivative instruments	4,758	5,846	2,070	2,483	3,670
Servicing rights	111,274	118,221	120,062	115,652	114,761
Receivable from third parties	980	1,529	8,888	718	2,763
Real estate acquired in settlement of loans	4,837	4,045	7,787	75,517	65,834
Other assets	52,111	55,115	55,447	68,886	68,399
Assets of consolidated VIEs	1,122,706	1,053,274	1,251,057	1,561,864	2,108,710
Total Assets	**$ 2,812,980**	**$ 2,900,759**	**$ 3,036,843**	**$ 3,279,014**	**$ 3,840,323**
Liabilities					
Secured borrow ings	684,382	822,414	834,547	848,225	988,868
Securitized debt obligations of consolidated VIEs, net	795,503	752,432	905,367	1,140,919	1,567,113
Convertible notes, net	109,484	109,743	109,979	110,241	110,506
Senior secured notes and Corporate notes, net	226,890	227,058	227,327	227,608	227,881
Guaranteed loan financing	263,920	246,229	229,678	34,047	28,445
Contingent consideration	1,686	1,773	1,207	—	—
Liabilities for loans eligible for repurchase from Ginnie Mae	79,623	79,600	74,180	73,057	69,101
Derivative instruments	935	39	3,625	3,392	9,032
Dividends payable	13,340	13,346	13,346	13,396	18,292
Accounts payable and other accrued liabilities	72,659	79,089	73,512	67,240	73,679
Total Liabilities	**$ 2,248,422**	**$ 2,331,723**	**$ 2,472,768**	**$ 2,518,125**	**$ 3,092,917**
Stockholders' Equity					
Common stock	3	3	3	4	4
Additional paid-in capital	539,457	539,869	540,478	720,680	720,812
Retained earnings	5,870	9,698	5,272	21,790	14,914
Accumulated other comprehensive loss	—	—	(922)	(1,328)	(7,703)
Total Ready Capital Corporation equity	545,330	549,570	544,831	741,146	728,027
Non-controlling interests	19,228	19,466	19,244	19,743	19,379
Total Stockholders' Equity	**$ 564,558**	**$ 569,036**	**$ 564,075**	**$ 760,889**	**$ 747,406**
Total Liabilities and Stockholders' Equity	**$ 2,812,980**	**$ 2,900,759**	**$ 3,036,843**	**$ 3,279,014**	**$ 3,840,323**
Adjusted Book Value per Share	**$ 16.95**	**$ 17.08**	**$ 16.91**	**$ 16.65**	**$ 16.35**

STATEMENT OF INCOME BY QUARTER

(In Thousands, except share data)	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Interest income	$ 41,858	$ 44,287	$ 46,204	$ 48,753	$ 57,034
Interest expense	(26,407)	(28,925)	(31,240)	(35,775)	(35,753)
Net interest income before provision for loan losses	$ 15,451	$ 15,451	$ 14,964	$ 12,978	$ 21,281
Provision for loan losses	397	(800)	(1,131)	(518)	(1,348)
Net interest income after provision for loan losses	$ 15,848	$ 14,651	$ 13,833	$ 12,460	$ 19,933
Non-interest income					
Residential mortgage banking activities	$ 17,255	$ 17,011	$ 11,561	$ 14,587	$ 21,021
Net realized gain on financial instruments	8,620	6,946	10,610	7,282	6,255
Net unrealized gain (loss) on financial instruments	4,457	8,500	(11,112)	(6,912)	(7,006)
Other income	1,826	1,204	1,222	900	2,792
Servicing income, net of amortization and impairment	6,627	6,922	7,116	6,752	7,811
Income on unconsolidated joint venture	1,503	2,178	2,728	2,929	2,083
Gain on bargain purchase	—	—	—	30,728	—
Total non-interest income	$ 40,288	$ 42,761	$ 22,125	$ 56,266	$ 32,956
Non-interest expense					
Employee compensation and benefits	(14,272)	(14,163)	(12,847)	(11,448)	(12,509)
Allocated employee compensation and benefits from related party	(1,200)	(1,200)	(600)	(853)	(1,250)
Variable expenses on residential mortgage banking activities	(7,493)	(8,337)	(4,108)	(9,176)	(13,501)
Professional fees	(2,401)	(2,294)	(420)	(1,829)	(1,586)
Management fees – related party	(2,036)	(2,070)	(2,058)	(1,997)	(2,495)
Incentive fees – related party	(269)	—	(467)	—	—
Loan servicing expense	(3,000)	(4,247)	(3,442)	(3,648)	(4,571)
ORM merger expenses	—	—	—	(5,467)	(603)
Other operating expenses	(8,916)	(6,548)	(5,267)	(6,861)	(8,085)
Total non-interest expense	$ (39,587)	$ (38,859)	$ (29,209)	$ (41,279)	$ (44,600)
Income before provision for income taxes	$ 16,549	$ 18,553	$ 6,749	$ 27,447	$ 8,289
Provision for income (taxes) benefit	(665)	(895)	2,737	3,003	2,956
Net income	$ 15,884	$ 17,658	$ 9,486	$ 30,450	$ 11,245
Less: Net income attributable to non-controlling interest	588	638	309	983	276
Net income attributable to Ready Capital Corporation	$ 15,296	$ 17,854	$ 9,177	$ 29,467	$ 10,969
Earnings per common share - basic	$ 0.48	$ 0.53	$ 0.30	$ 0.90	$ 0.25
Earnings per common share - diluted	$ 0.48	$ 0.53	$ 0.30	$ 0.90	$ 0.25
Weighted-average shares outstanding - Basic	32,073,717	32,109,642	32,122,503	32,556,875	44,425,598
Weighted-average shares outstanding - Diluted	32,092,750	32,130,262	32,138,712	32,563,644	44,431,263
Dividends declared per share of common stock	$ 0.37	$ 0.40	$ 0.40	$ 0.40	$ 0.40

CORE EARNINGS RECONCILIATION

(In Thousands)	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Net Income	$ 15,884	$ 17,569	$ 9,486	$ 30,450	$ 11,245
Reconciling items:					
Gain on bargain purchase	$ —	$ —	$ —	$ (30,728)	$ —
ORM merger expenses	—	—	—	5,467	603
Non-recurring expenses	—	—	—	726	67
Unrealized (gain) loss on mortgage-backed securities	86	(10)	226	14	106
Unrealized (gain) loss on mortgage servicing rights	(253)	(1,969)	2,171	7,128	6,339
Total reconciling items	$ (167)	$ (1,979)	$ 2,397	$ (17,393)	$ 7,115
Core earnings before income taxes	$ 15,717	$ 15,590	$ 11,883	$ 13,057	$ 18,360
Income tax adjustments	64	495	(547)	(1,782)	(1,585)
Core earnings	**$ 15,781**	**$ 16,085**	**$ 11,336**	**$ 11,275**	**$ 16,775**
Less: Core earnings attributable to non-controlling interests	$ 584	$ 584	$ 369	$ 364	$ 412
Core earnings attributable to Common Stockholders	$ 15,197	$ 15,501	$ 10,967	$ 10,911	$ 16,363
Core earnings per share	**$ 0.47**	**$ 0.48**	**$ 0.34**	**$ 0.34**	**$ 0.37**
Weighted average common shares outstanding	32,073,717	32,109,642	32,122,503	32,556,875	44,425,598

We believe that providing investors with Core Earnings, a non-U.S. GAAP financial measure, in addition to the related U.S. GAAP measures, gives investors greater transparency into the information used by management in our financial and operational decision-making. However, because Core Earnings is an incomplete measure of our financial performance and involves differences from net income computed in accordance with U.S. GAAP, it should be considered along with, but not as an alternative to, our net income as a measure of our financial performance. In addition, because not all companies use identical calculations, our presentation of Core Earnings may not be comparable to other similarly-titled measures of other companies.

We calculate Core Earnings as GAAP net income (loss) excluding the following:

i) any unrealized gains or losses on certain MBS
ii) any realized gains or losses on sales of certain MBS
iii) any unrealized gains or losses on Residential MSRs
iv) one-time non-recurring gains or losses, such as gains or losses on discontinued operations, bargain purchase gains, or merger related expenses

In calculating Core Earnings, Net Income (in accordance with GAAP) is adjusted to exclude unrealized gains and losses on MBS acquired by us in the secondary market, but is not adjusted to exclude unrealized gains and losses on MBS retained by us as part of our loan origination businesses, where we transfer originated loans into an MBS securitization and retain an interest in the securitization. In calculating Core Earnings, we do not adjust Net Income (in accordance with GAAP) to take into account unrealized gains and losses on MBS retained by us as part of our loan origination businesses because we consider the unrealized gains and losses that are generated in the loan origination and securitization process to be a fundamental part of this business and an indicator of the ongoing performance and credit quality of our historical loan originations. In calculating Core Earnings, Net Income (in accordance with GAAP) is adjusted to exclude realized gains and losses on certain MBS securities considered to be non-core. Certain MBS positions are considered to be non-core due to a variety of reasons which may include collateral type, duration, and size. In addition, in calculating Core Earnings, Net Income (in accordance with GAAP) is adjusted to exclude unrealized gains or losses on Residential MSRs, held at fair value. We treat our commercial MSRs and Residential MSRs as two separate classes based on the nature of the underlying mortgages and our treatment of these assets as two separate pools for risk management purposes. Servicing rights relating to our small business commercial business are accounted for under ASC 860, *Transfer and Servicing*, while our residential MSRs are accounted for under the fair value option under ASC 825, *Financial Instruments*. In calculating Core Earnings, we do not exclude realized gains or losses on either commercial MSRs or Residential MSRs, held at fair value, as servicing income is a fundamental part of our business and as an indicator of the ongoing performance.



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