READY CAPITAL®

Supplemental Financial Data

Fourth Quarter 2020

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This presentation includes certain non-GAAP financial measures, including Distributable 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 December 31, 2020 unless otherwise noted.

Company Update

2021 Business Activities	▪ Successful re-launch of small balance commercial lending operation with $625.7 million in loans originated year-to-date ▪ Elevated activity in residential mortgage banking operations with $758.0 million in year-to-date originations ▪ The increase in SBA 7a guarantee to 90% from 75% is expected to drive increased volume and profitability
Liquidity	▪ Current cash and available liquidity of $172 million ▪ Executed a 5-year $201 million senior unsecured bond offering pricing at 5 ¾
Book Value Preservation	▪ Stable portfolio of $4.2 billion in loans with a weighted average coupon of 5.4% and duration of 7 years as well as a $11.7 billion servicing asset ▪ 60+ day delinquencies remain low at 2.7% in the commercial real estate portfolio and 1.8% in the SBA 7a portfolio
Other Items	▪ Active participant in second round of Paycheck Protection Program with over $1 billion funded year-to-date ▪ Continued to increase scale with the announcement of the $350 million ANH merger

FOURTH QUARTER 2020 RESULTS

EARNINGS / DIVIDENDS	▪ Net income of $27.6 million[(1)], or $0.49 per common share ▪ Distributable earnings of $28.8 million[(1)], or $0.51 per common share ▪ Declared dividend of $0.35 per share
RETURNS	▪ Return on Equity[(2)] of 13.3% ▪ Distributable Return on Equity[(3)] of 13.9% ▪ Dividend Yield[(4)] of 11.2%
LOAN ORIGINATIONS[(5)] / ACQUISITIONS	▪ CRE originations and acquisitions of $550.3 million ▪ SBA loan originations of $65.0 million ▪ Residential mortgage loan originations of $1.2 billion
BALANCE SHEET	▪ Adjusted net book value[(6)] of $14.98 per common share ▪ Average recourse leverage ratio of 2.1x consisting of 1.0x of warehouse credit facilities and borrowings under repurchase agreements, 0.6x of corporate debt and 0.5x of agency secured borrowings

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) Distributable Return on Equity is an annualized percentage equal to Distributable earnings over the average monthly total stockholders' equity for the period. Refer to the "Distributable Earnings Reconciliation" slide for a reconciliation of GAAP Net Income to Distributable Earnings
4) Q4 Dividend yield for the period based on the 12/31/2020 closing share price of $12.45
5) Represents fully committed amounts
6) Excludes the equity component of our 2017 convertible note issuance

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2020 Results

Earnings / Dividends

- Net income of $46.1 million[1], or $0.81 per common share
- Distributable earnings of $101.4 million[1], or $1.82 per common share
- Declared dividend of $1.30 per share; 13.1% dividend yield over average RC share price

Returns

- Return on Equity[2] of 5.6%
- Distributable Return on Equity[3] of 12.3%
- Dividend Yield[4] of 10.4%

Loan Originations[5] / Acquisitions

- CRE originations and acquisitions of $1.4 billion
- SBA loan originations of $214.3 million
- Residential mortgage loan originations of $4.2 billion

COVID Response

- Successfully met 100% of margin calls totaling $96 million on day of call
- Renewed 6 warehouse facilities at term extensions into 2021 and 2022
- Facilitated the origination of $2.7 billion of Paycheck Protection Program loans

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) Distributable Return on Equity is an annualized percentage equal to Distributable earnings over the average monthly total stockholders' equity for the period. Refer to the "Distributable Earnings Reconciliation" slide for a reconciliation of GAAP Net Income to Distributable Earnings
4) Q4 Dividend yield for the period based on the 12/31/2020 closing share price of $12.45
5) Represents fully committed amounts

Return on Equity

Segment	Levered Yield [1]	Distributable Levered Yield [1]	Equity Allocation
Loan Acquisitions	15.6 %	15.6 %	27.0 %
SBC Originations	14.5 %	14.5 %	60.3 %
SBA Originations, Acquisitions, & Servicing	63.0 %	63.0 %	6.8 %
Residential Mortgage Banking [3]	130.9 %	159.2 %	5.9 %

	Q4'20	Q3'20	FY 2020	Q4'20	Q3'20	FY 2020
	24.9 %	24.0 %	19.7 %	26.6 %	26.0 %	23.6 %
Corporate leverage, net of non-earning assets	0.6	(1.0)	(0.7)	0.9	(0.6)	-
Gross return on equity	**25.5 %**	**23.0 %**	**19.0 %**	**27.5 %**	**25.4 %**	**23.6 %**
Realized & unrealized gains, net	2.2	3.5	(0.1)	2.2	3.5	(0.1)
Loan loss recovery (provision)	0.1	2.1	(4.2)	(1.6)	(1.5)	(1.8)
PPP revenue, net of direct expenses	(1.2)	1.3	2.8	(1.2)	1.3	2.8
Non-recurring gains, losses and expenses	(0.2)	0.1	(0.7)	-	-	-
Operating expenses	(12.1)	(10.5)	(11.3)	(11.5)	(10.0)	(10.9)
Investment advisory fees	(2.0)	(1.9)	(0.5)	(2.0)	(1.9)	(0.5)
Benefit (Provision) for income taxes	1.0	(0.3)	0.6	0.5	(1.1)	(0.8)
Return on equity	**13.3 %**	**17.3 %**	**5.6 %**	**13.9 %**	**15.7 %**	**12.3 %**

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 Distributable ROE is based on Distributable Earnings, which adjusts GAAP Net Income for certain items detailed on the "Distributable 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.

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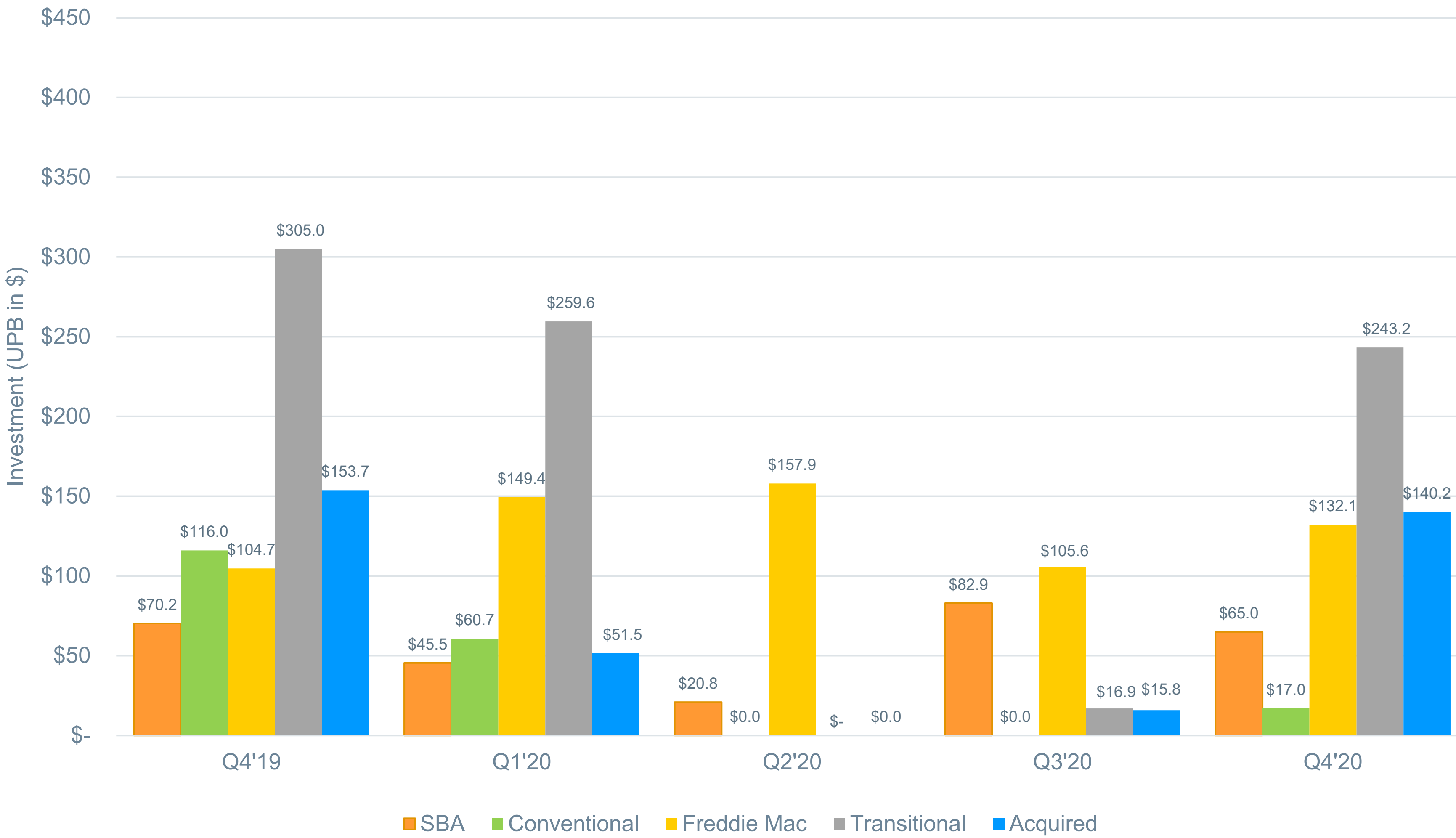
SBC Investment by Product Type[1]



1) Origination volumes are based on fully committed amounts

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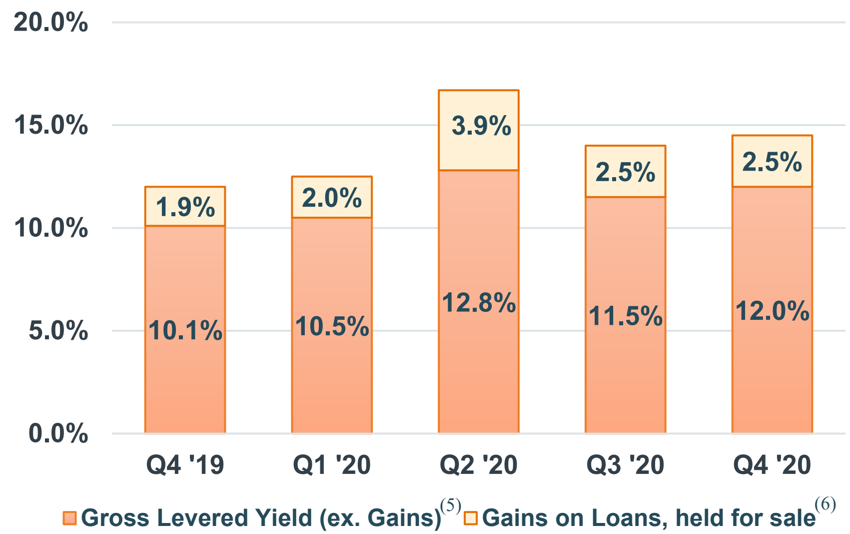
SBC Originations - Segment Snapshot

Portfolio Metrics (Balance Sheet)	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Number of loans	537	593	568	552	561
Unpaid Principal Balance [1]	$ 2,298	$ 2,581	$ 2,479	$ 2,338	$ 2,463
Carrying Value [1]	$ 2,300	$ 2,580	$ 2,478	$ 2,308	$ 2,460
Weighted Average LTV	61%	64%	64%	62%	64%
Weighted Average Coupon	6.2%	5.4%	5.5%	5.6%	5.4%
Weighted Average Maturity	5 years	5 years	4 years	4 years	4 years
Weighted Average Principal Balance [1]	$ 4.3	$ 4.4	$ 4.4	$ 4.2	$ 4.4
Percentage of loans fixed / floating	53% / 47%	58% / 42%	48% / 52%	48% / 52%	45% / 55%
Percentage of fixed, match funded [2]	84.9%	80.9%	80.9%	83.0%	81.2%
Percentage of loans 60+ days delinquent [4]	1.1%	1.3%	2.9%	3.4%	3.0%

Current Quarter Highlights

- Freddie Mac loan originations of $132.1 million[3] driven by continued low rates averaging 3.4%
  - Current money up pipeline of $208.4 million
- Successful relaunch of CRE originations, with $243.2 million closed in the quarter
  - Current money up pipeline of $303.9 million
- CRE originations of $600.1 million as of February 2021

Gross Levered Yield



1) $ in millions, as of quarter end.
2) Represents fixed rate loans that have been securitized.
3) Represents fully committed amounts.
4) Calculated on unpaid principal balance
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.

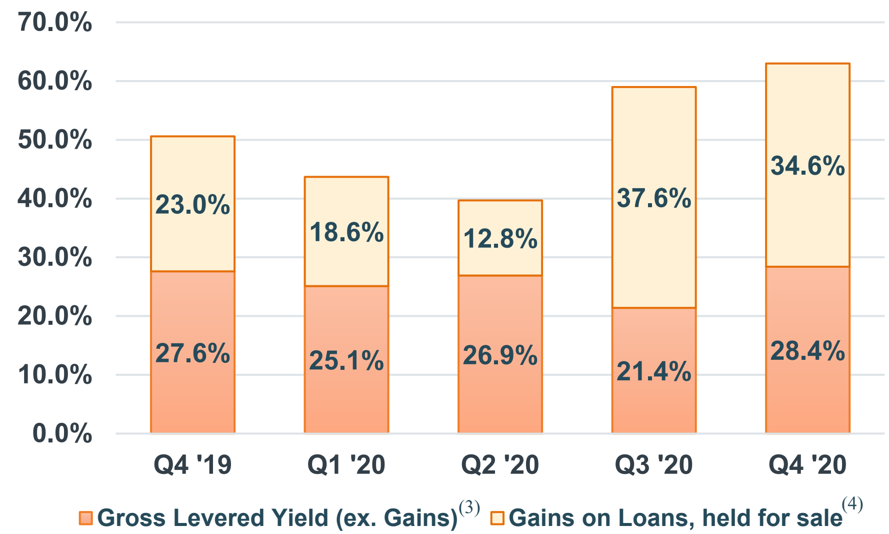
SBA Originations, Acquisitions, & Servicing - Segment Snapshot

Portfolio Metrics (Balance Sheet)	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Number of loans	1,880	1,813	1,804	1,836	1,771
Unpaid Principal Balance (1)	$ 804	$ 701	$ 678	$ 701	$ 659
Carrying Value (1)	$ 770	$ 664	$ 641	$ 668	$ 624
Weighted Average LTV	83%	84%	83%	85%	82%
Weighted Average Coupon	6.9%	6.7%	5.2%	5.5%	5.5%
Weighted Average Maturity	15 years	17 years	17 years	16 years	16 years
Weighted Average Principal Balance (1)	$ 0.4	$ 0.4	$ 0.4	$ 0.4	$ 0.4
Percentage of loans fixed / floating	3.3% / 96.7%	0.3% / 99.7%	0.3% / 99.7%	0.7% / 99.3%	0.7% / 99.3%
Percentage of loans 60+ days delinquent (2)	4.7%	5.7%	5.4%	4.2%	2.7%

Current Quarter Highlights

- SBA 7(a) loans originations of $65.0 million
- SBA net sales premiums peaking at 15.0% and averaging 12.0%, net
- Total SBA originations of $25.6 million as of February 2021
  - current money up pipeline of $103.4 million

Gross Levered Yield



1) $ in millions, as of quarter end.
2) Calculated on unpaid principal balance and excludes assets offset by guaranteed loan financing liabilities
3) Includes interest income, accretion of discount, and servicing income net of interest expense and amortization of deferred financing costs.
4) Includes realized and unrealized gains (losses) on loans held for sale and MSR creation.

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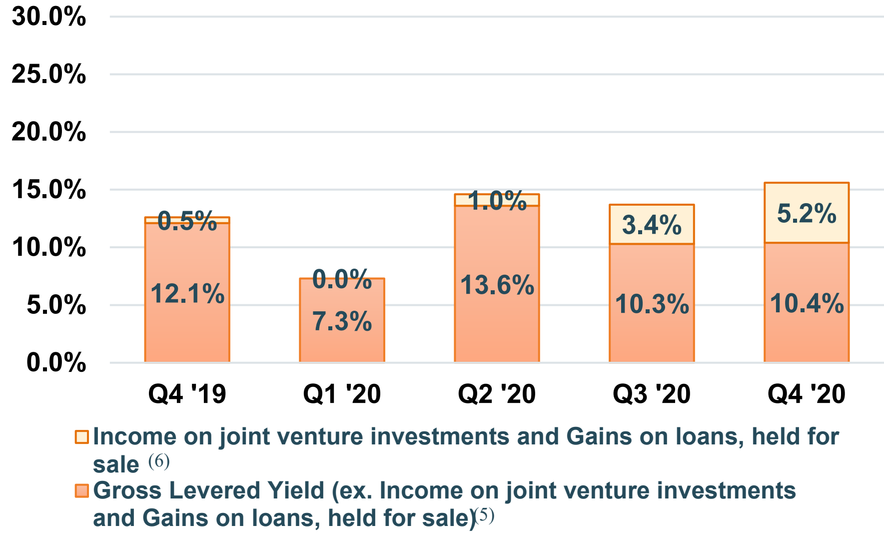
Loan Acquisitions - Segment Snapshot

Portfolio Metrics[1] (Balance Sheet)	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Number of loans	2,231	2,212	2,126	2,065	2,082
Unpaid Principal Balance [2]	$ 1,048	$ 1,073	$ 1,010	$ 1,003	$ 1,054
Carrying Value [2]	$ 1,039	$ 1,066	$ 1,002	$ 985	$ 1,047
Weighted Average LTV	43%	40%	38%	37%	37%
Weighted Average Coupon	6.1%	6.1%	6.0%	6.0%	5.9%
Weighted Average Maturity	9 years	9 years	9 years	8 years	8 years
Weighted Average Principal Balance [2]	$ 0.5	$ 0.5	$ 0.5	$ 0.5	$ 0.5
Percentage of loans fixed / floating	45% / 55%	49% / 51%	49% / 51%	51% / 49%	50% / 50%
Percentage of fixed, match funded [3]	52.3%	43.3%	74.5%	74.7%	55.2%
Percentage of loans 60+ days delinquent [4]	2.3%	4.6%	6.6%	6.1%	6.3%

Current Quarter Highlights

- Continued acquisition flow from CMBS collapse arrangements
- Increased opportunities emerging post year end with $187.2 million pipeline

Gross Levered Yield



1) Excludes joint venture investments.
2) $ in millions, as of quarter end.
3) Represents fixed rate loans that have been securitized.
4) Calculated on unpaid principal balance
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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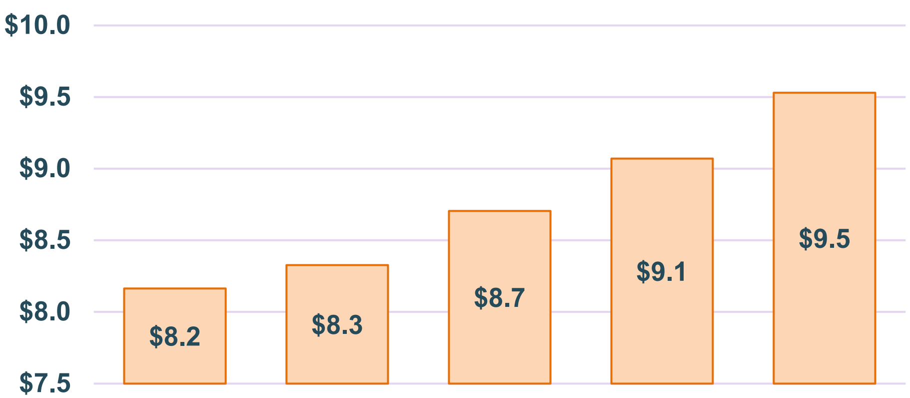
Residential Mortgage Banking – Segment snapshot

	Portfolio Metrics (quarterly activity)	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Originations	Unpaid principal balance [1]	$ 586.3	$ 691.3	$ 1,192.9	$ 1,184.9	$ 1,179.4
	% of Originations - Purchased	54.7%	51.2%	37.4%	44.3%	41.3%
	% of Originations - Refinanced	45.3%	48.8%	62.6%	55.7%	58.7%
	Channel - % Correspondent	37.9%	34.4%	32.6%	38.0%	37.0%
	Channel - % Retail	46.8%	50.3%	49.9%	45.9%	45.3%
	Channel - % Wholesale	15.3%	15.3%	17.5%	16.1%	17.7%
Sales	Unpaid principal balance [1]	$ 601.6	$ 643.9	$ 1,150.6	$ 1,172.9	$ 1,203.1
	% of UPB - Fannie/ Freddie securitizations	66.6%	72.4%	78.8%	77.8%	79.4%
	% of UPB - Ginnie Mae securitizations	26.8%	17.3%	20.2%	22.2%	20.3%
	% of UPB - Other investors	6.6%	10.3%	1.0%	0.0%	0.3%

Current Quarter Highlights

- Elevated originations of $1.2 billion
- Recapture rates of 35%
- Average margin of 275bps for the quarter

MSR Portfolio (UPB in $ Billions)

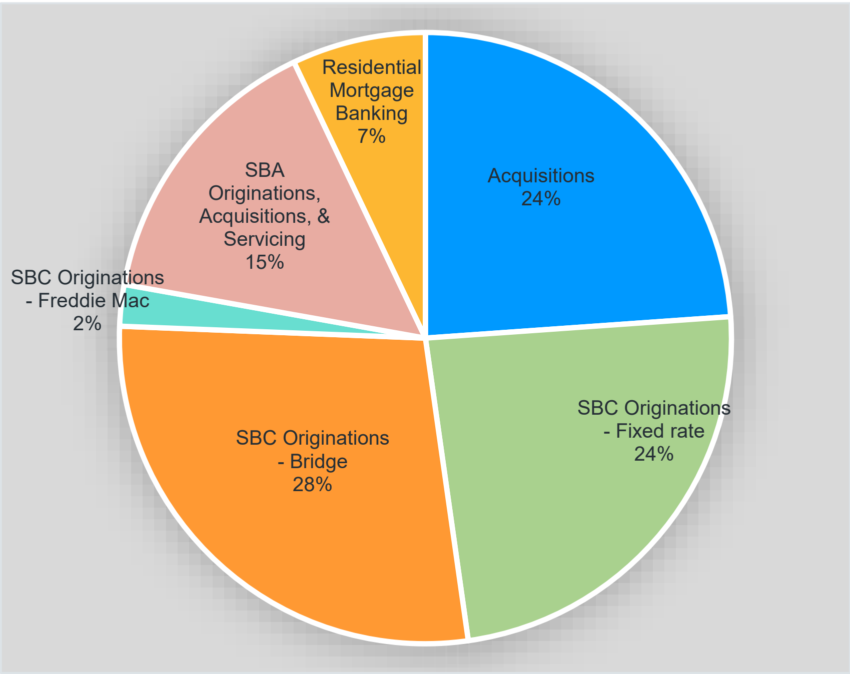


Fair Value ($ mm)	Q4' 19	Q1' 20	Q2' 20	Q3' 20	Q4' 20
	$ 91.2	$ 78.6	$ 73.6	$ 74.4	$ 76.8

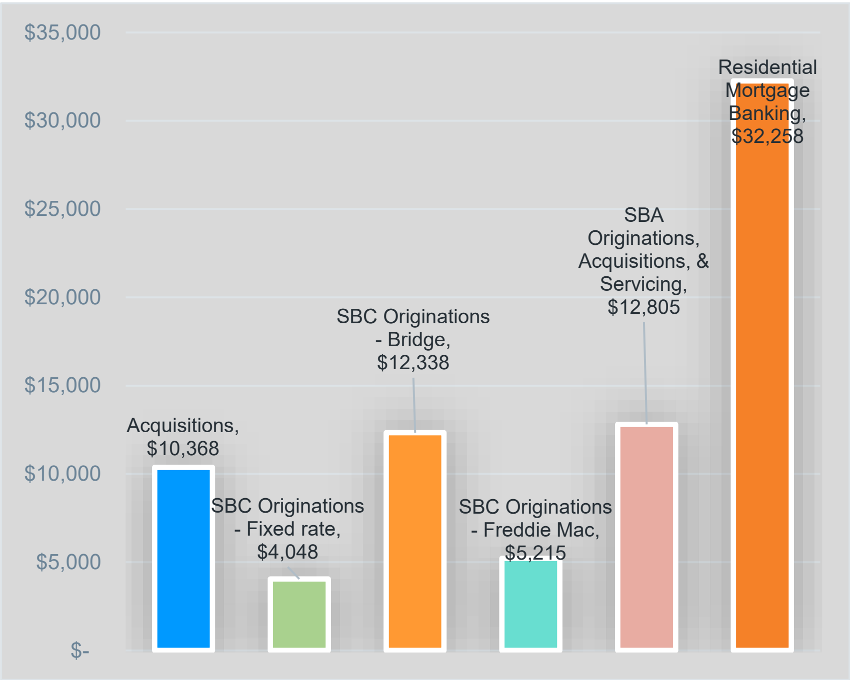
1) $ in millions. Represents activity during the quarter.

Diversified, Complementary, and Scalable Platforms

Portfolio Breakdown(1)



Revenue Breakdown(2)



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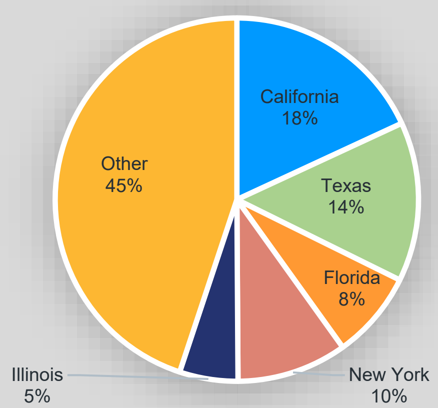
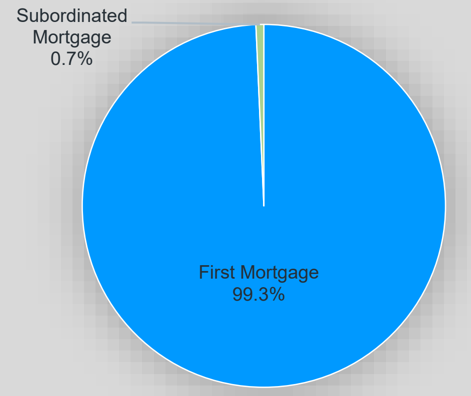
(1) Assets include loans, MBS, servicing assets, JV investments, real estate owned, and purchased future receivables.
(2) Based on QTD Distributable Earnings. Distributable earnings includes interest income, accretion of discount, MSR creation, income from unconsolidated joint ventures, realized gains (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.

LOAN PORTFOLIO COMPOSITION AS OF DECEMBER 31, 2020(1)(2)

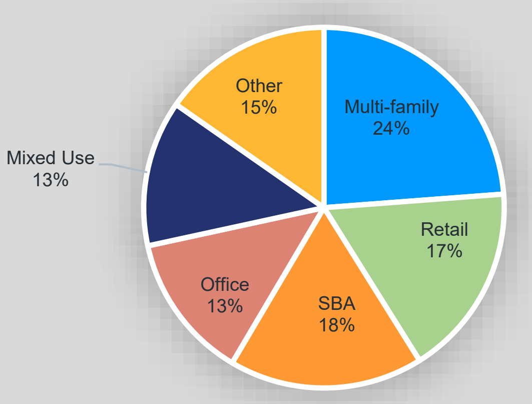
Geographic Location



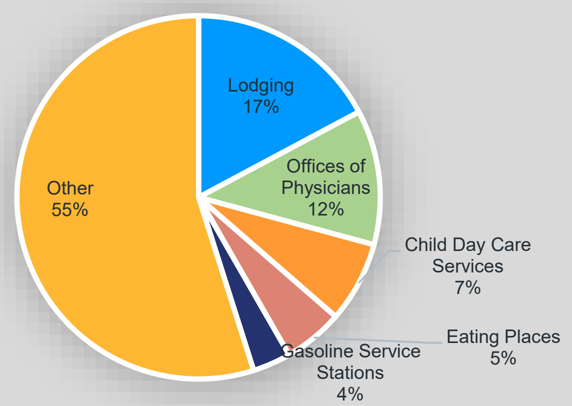
Lien Position



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

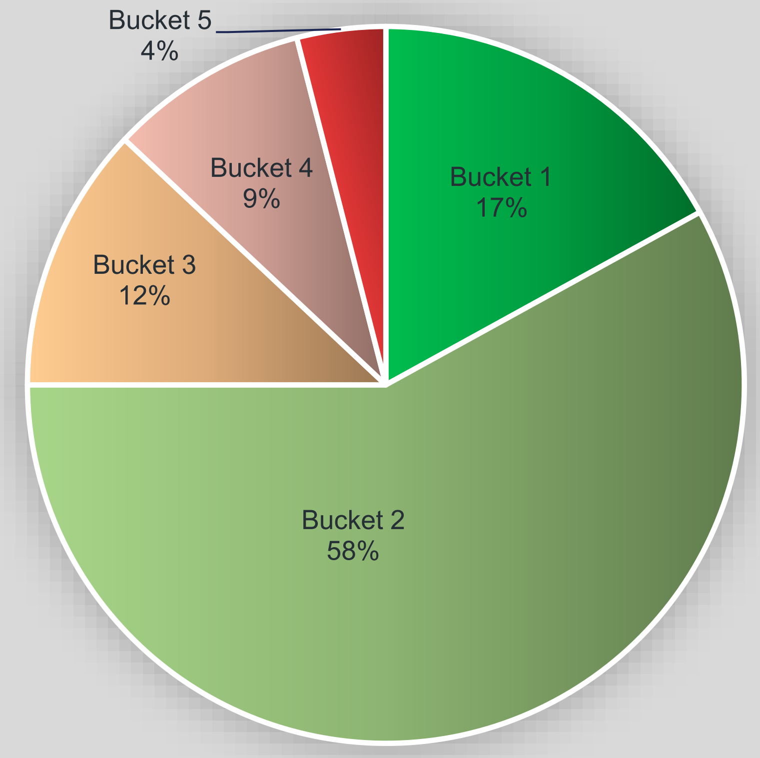
Current Expected Credit Losses

(In Thousands)	Originated SBC loans	Originated Transitional loans	Acquired loans	Acquired SBA 7(a) loans	Originated SBA 7(a) loans	Originated Residential Agency loans	Total held-for-investment loans
Balance as of 9/30/2020	8,793	17,983	9,658	5,363	10,359	500	52,656
Provision for loan losses	246	358	(1,274)	139	(168)	(500)	(1,199)
Charge-offs	(199)	(3,346)	(87)	(965)	(140)	-	(4,737)
Recoveries	-	-	-	12	-	-	12
Ending balance - 12/31/2020	8,840	14,995	8,297	4,549	10,051	-	46,732
Allowance on unfunded commitments	-	848	-	-	93	-	941
Ending balance - 12/31/2020	8,840	15,843	8,297	4,549	10,144	-	47,673
Loan balance - 12/31/2020	1,062,756	1,319,074	1,048,948	243,220	379,162	3,208	4,056,368
% of Loan balance - 12/31/2020	0.8%	1.2%	0.8%	1.9%	2.7%	0.0%	1.2%

- **Total ending Q3 2020 allowance reserves of $52.7 million**
- **Total ending Q4 2020 allowance reserves of $47.7 million representing 1.2% of loan balances**
  - Net recovery of $4.9 million across our loan portfolios during the quarter:
    - Acquired loans: Reduction in pooled reserves due to stabilized assumptions, and a lower weighted average maturity of portfolio.
    - SBA loans: Reduction in net reserves on SBA loans due to improved probability of defaults in certain industries that had previously been more severely impacted by COVID-19.
    - Originated Fixed Rate loans: Reduction in pooled reserves due to stabilized assumptions and increase in certain specific reserves resulting from low offers.
    - Originated Transitional loans: Reduction in pooled reserves due to stabilized assumptions, increase in certain specific reserves, and a write-off of $3.3 million in specific reserves related to a discounted loan sale in Q4.
  - Based on our review of the scenario descriptions and the underlying assumptions, we believe the Baseline scenario represents the most reasonable and supportable outcome of those considered given current macroeconomic conditions.

Loan Portfolio – Risk Ratings as of December 31, 2020[(1)(2)(3)]

Credit Quality Indicators



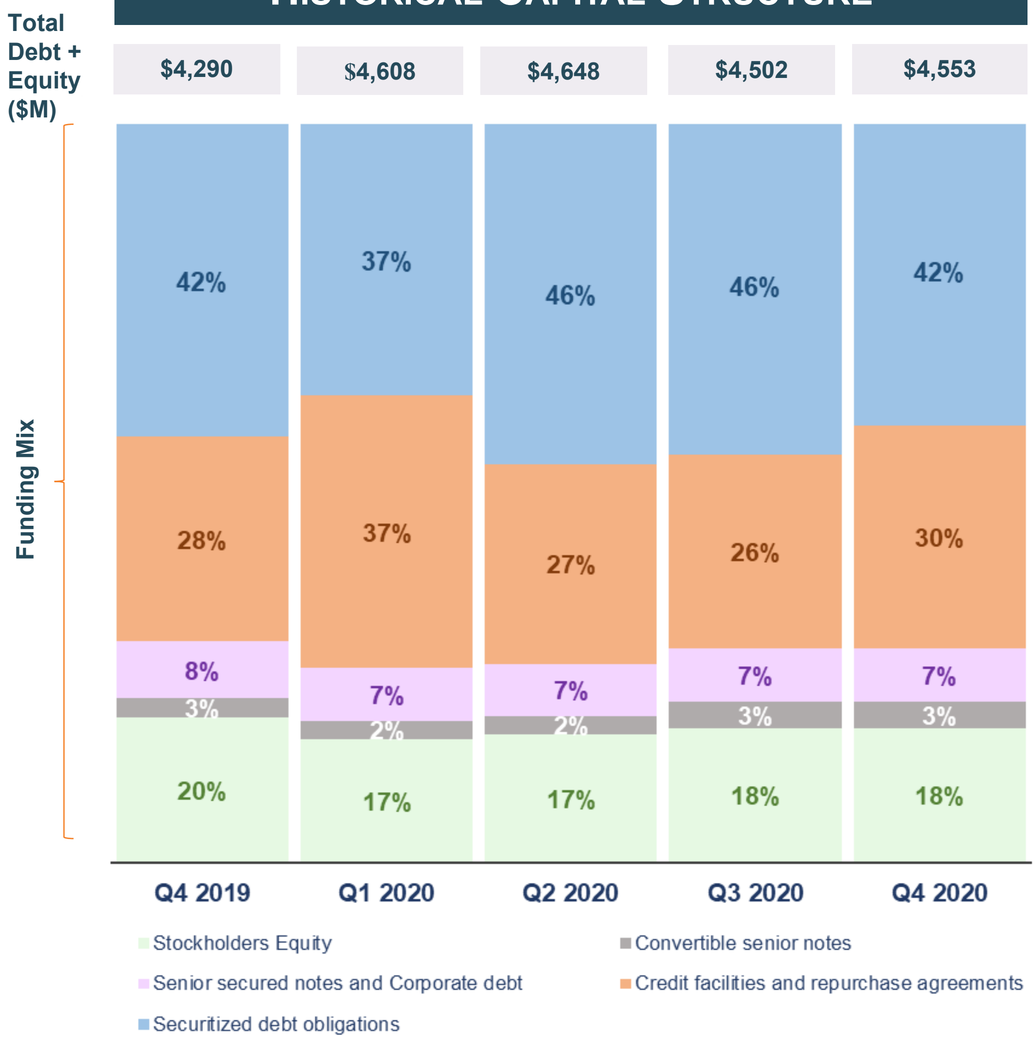
Criteria

- **Bucket 1 – Very Low Risk of Loss: New origination or current with strong credit metrics (LTV/DSCR/DY). No expected losses.**
- **Bucket 2 – Low Risk of Loss: Current with maturity > 6 months. Lower credit metrics with possibility of inclusion on CREFC watchlist. No expected losses.**
- **Bucket 3 – Medium Risk of Loss: Current with near term maturities or in forbearance. Loss unlikely with no specific reserves booked.**
- **Bucket 4 – Higher Risk: Loan delinquent or in maturity default. Potential issues with sponsor or business plans. Minimal losses possible and adequately reserved in current period.**
- **Bucket 5 – Highest risk: Loan in default or special servicing. Specific losses identified and adequately reserved for in current period.**

(1) Commercial real estate portfolio only
(2) As a percent of unpaid principal balance
(3) Excludes loans held-for-sale, at fair value

Capital Structure

Historical Capital Structure



Liquidity Update

- Current cash and available liquidity of $172 million
- Closed $201 million in senior unsecured notes in Q1 with 5-year maturity and 5 ¾ coupon

As of December 31, 2020				
Corporate Financing ($ in millions)		Principal Balance	Coupon	YTM
Convertible Notes	$	115.0	7.0%	7.0%
Senior Secured Notes	$	180.0	7.5%	7.0%
Baby Bonds	$	154.3	6.3%	6.2%
Total	$	449.3	7.0%	6.7%

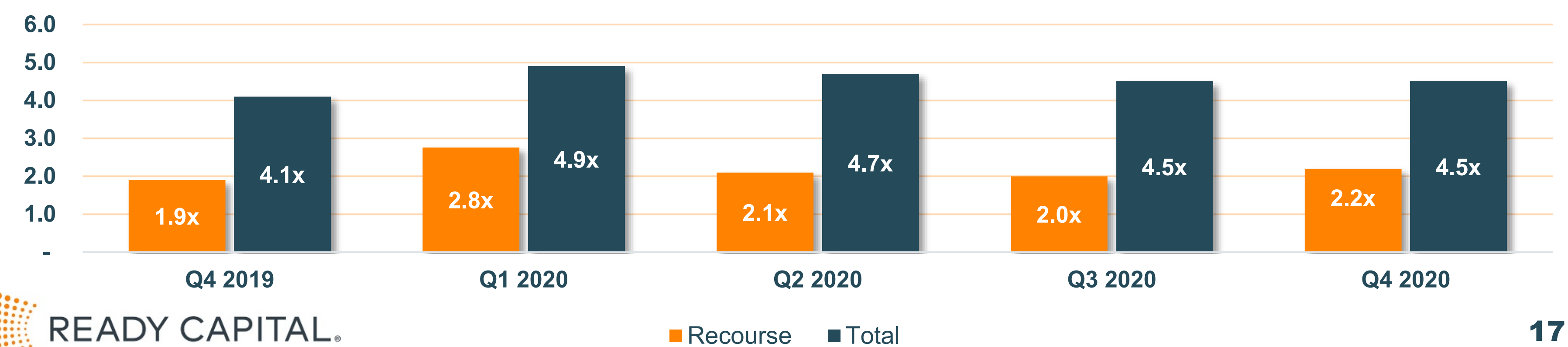
FINANCING AND LEVERAGE

$ in millions

Total debt-to-equity ratio		December 2020
Secured borrowings (warehouse credit facilities and borrowings under repo transactions)	$	1,371
Securitized debt obligations		1,906
Senior secured notes and corporate bonds		331
Convertible notes		112
Total debt	**$**	**3,719**
Total stockholders' equity	**$**	**834**
Total debt-to-equity ratio		**4.5**
Total recourse debt-to-equity ratio		
Total debt	**$**	**3,719**
Less: Securitized debt obligations		(1,906)
Total recourse debt	**$**	**1,813**
Total stockholders' equity	**$**	**834**
Total recourse debt-to-equity ratio		**2.2**

- $372 million of secured debt financing agency production

HISTORICAL LEVERAGE



Credit and Repurchase Facilities

$ in thousands Lender	Asset Class	Maturity	Pricing	Facility Size	Carrying Value	Available Capacity
Borrowings under credit facilities						
JPMorgan	Acquired loans, SBA loans	June 2021	1M L + 2.25 to 2.875%	$ 200,000	$ 36,604	$ 163,396
Keybank	Freddie Mac loans	February 2021	1M L + 1.30%	100,000	50,408	49,592
East West Bank	SBA loans	October 2022	Prime - 0.821 to + 0.29%	50,000	40,542	9,458
Credit Suisse(1)	Acquired loans (non USD)	December 2021	Euribor + 2.50% + 3.00%	244,280	36,840	207,440
GMFS facilities	Residential loans	Mar-2021 - Nov-2021	Various	395,000	245,269	149,731
GMFS - MSR	Residential MSRs	September 2023	1M L + 2.50%	50,000	34,400	15,600
Other - various	Various	Jan-2021 - Aug-2050	Various	292,472	98,887	193,585
Total borrowings under credit facilities				**$ 1,331,752**	**$ 542,950**	**$ 788,802**
Borrowings under repurchase agreements						
Citibank	Fixed rate, Transitional, Acquired loans	October 2021	2.5%, 3%, 3.25%	$ 500,000	$ 210,735	$ 289,265
Deutsche Bank	Fixed rate, Transitional loans	November 2021	3M L + 2.00 to 2.40%	350,000	190,567	159,433
JPMorgan	Transitional loans	November 2022	1M L + 2.25 to 4.00%	400,000	247,616	152,384
Various	MBS	Jan-2021 - Mar-2021	Various	178,651	178,651	-
Total borrowings under repurchase agreements				**$ 1,428,651**	**$ 827,569**	**$ 601,082**
Total Secured Borrowings				**$ 2,760,403**	**$ 1,370,519**	**$ 1,389,884**

1) Commitment size is €200.0 million and has been converted for purposes of this disclosure.

FINANCIAL SNAPSHOT ($ 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	$ 1,041,590	6.8%	$ 775,536	3.8%	15.6%
SBC Originations	$ 2,471,071	6.4%	$ 1,876,240	3.8%	14.5%
SBA Originations, Acquisitions, & Servicing	$ 332,125	14.9%	$ 264,688	2.6%	63.0%
Total	**$ 3,844,786**	**7.2%**	**$ 2,916,464**	**3.7%**	**24.9%**

Book Equity Value Metrics		
Common Stockholders' equity	$	815,396
Common Stockholders' equity (adjusted)[5]	$	814,337
Total Common Shares outstanding		54,368,999
Net Book Value per Common Share	$	15.00
Adjusted Net Book Value per Common Share	$	14.98

Loan Portfolio Metrics [4]	
% Fixed vs Floating Rate	43% / 57%
% Originated vs Acquired	71% / 29%
Weighted Average LTV - SBC	64%
Weighted Average LTV - SBA	82%
Weighted Average LTV - Acquired	37%

Q4 2020 Earnings Data Metrics		
Net income (loss) | Distributable earnings	$27,559 |	$28,804
Earnings per share - Basic and diluted	$	0.49
Distributable Earnings per Common Share	$	0.51
Return on Equity per Common Share		13.3%
Distributable Return on Equity per Common Share		13.9%
Dividend Yield		11.2%

Servicing Portfolio Metrics		
SBA servicing rights - UPB	$	643,135
SBA servicing rights- carrying value	$	18,764
Freddie Mac servicing rights - UPB	$	1,501,998
Freddie Mac servicing rights - carrying value	$	19,059
Residential servicing rights - UPB	$	9,528,886
Residential servicing rights - carrying value	$	76,840

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 12/31/2020 on an annualized basis.
4) Excludes loans, held for sale, at fair value
5) Excludes the equity component of our 2017 convertible note issuance.

Transaction Highlights for Ready Capital Shareholders

Enhanced Scale & Market Presence	▪ $1 billion+ combined equity base allows for greater market presence and further optimization of funding sources ▪ Access to incremental capital will enhance Ready Capital's diversified investment strategy ▪ Augment market positioning, enhance access to funding alternatives and capitalize on the breadth of Waterfall's capabilities ▪ Potential for improved valuation resulting from increased scale and related expense synergies, shareholder liquidity and access to market opportunities
Portfolio Redeployment	▪ Ability to recycle capital into accretive investment opportunities with attractive risk-adjusted returns ▪ More efficient capital utilization as new investments are funded
Improved Cost Structure & Financial Position	▪ Shareholders will benefit from the significant cost and operating efficiencies resulting from increased scale of combined platforms ▪ Further augments Ready Capital's strong liquidity position ▪ Management fee waiver of $4 million by Waterfall further benefits combined shareholders
Enhanced Shareholder Liquidity	▪ Expected pro forma entity market capitalization of over $1 billion at current trading levels ▪ Diversifies investor base and expected to lead to increased trading volume

READY CAPITAL®

APPENDIX

BALANCE SHEET BY QUARTER

(In Thousands)	12/31/2019	3/31/2020	6/30/2020	9/30/2020	12/31/2020
Assets					
Cash and cash equivalents	$ 67,928	$ 122,265	$ 257,017	$ 149,847	$ 138,975
Restricted cash	51,728	93,164	91,539	46,204	47,697
Loans, net	1,727,984	1,969,052	1,432,807	1,393,139	1,625,555
Loans, held for sale, at fair value	188,077	306,328	297,669	348,719	340,288
Mortgage backed securities, at fair value	92,466	78,540	75,411	90,427	88,011
Loans eligible for repurchase from Ginnie Mae	77,953	77,605	186,197	237,542	250,132
Investment in unconsolidated joint ventures	58,850	53,379	53,939	69,204	79,509
Purchased future receivables, net	43,265	49,150	27,190	16,659	17,308
Derivative instruments	2,814	17,756	19,037	20,849	16,363
Servicing rights	121,969	110,111	107,761	110,045	114,663
Real estate, held for sale	58,573	48,292	47,009	45,063	45,348
Other assets	106,925	114,891	103,701	98,614	89,503
Assets of consolidated VIEs	2,378,486	2,229,517	2,761,655	2,691,198	2,518,743
Total Assets	**$ 4,977,018**	**$ 5,270,050**	**$ 5,460,932**	**$ 5,317,510**	**$ 5,372,095**
Liabilities					
Secured borrowings	1,189,392	1,698,937	1,253,895	1,176,621	1,370,519
Securitized debt obligations of consolidated VIEs, net	1,815,154	1,692,074	2,140,009	2,059,114	1,905,749
Convertible notes, net	111,040	111,310	111,581	111,855	112,129
Senior secured notes and Corporate debt, net	329,275	329,461	329,868	330,230	330,648
Guaranteed loan financing	485,461	457,032	436,532	421,183	401,705
Liabilities for loans eligible for repurchase from Ginnie Mae	77,953	77,605	186,197	237,542	250,132
Derivative instruments	5,250	16,585	9,106	7,774	11,604
Dividends payable	21,302	21,747	14,524	16,934	19,746
Accounts payable and other accrued liabilities	97,407	89,740	166,174	132,087	135,655
Total Liabilities	**$ 4,132,234**	**$ 4,494,491**	**$ 4,647,886**	**$ 4,493,340**	**$ 4,537,887**
Stockholders' Equity					
Common stock	5	5	5	5	5
Additional paid-in capital	822,837	837,064	854,222	846,960	849,541
Retained earnings	8,746	(69,605)	(49,755)	(31,779)	(24,203)
Accumulated other comprehensive loss	(6,176)	(9,536)	(9,876)	(9,916)	(9,947)
Total Ready Capital Corporation equity	825,412	757,928	794,596	805,270	815,396
Non-controlling interests	19,372	17,631	18,450	18,900	18,812
Total Stockholders' Equity	**$ 844,784**	**$ 775,559**	**$ 813,046**	**$ 824,170**	**$ 834,208**
Total Liabilities and Stockholders' Equity	**$ 4,977,018**	**$ 5,270,050**	**$ 5,460,932**	**$ 5,317,510**	**$ 5,372,095**
Adjusted Book Value per Share	**$ 16.12**	**$ 14.52**	**$ 14.46**	**$ 14.84**	**$ 14.98**

Statement of Income by Quarter

(In thousands, except share data)	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Interest income	$ 64,406	$ 69,551	$ 63,211	$ 61,074	$ 64,810
Interest expense	(40,962)	(46,930)	(43,408)	(43,823)	(41,319)
Net interest income before provision for loan losses	$ 23,444	$ 22,621	$ 19,803	$ 17,251	$ 23,491
(Provision for) Recovery of loan losses	(1,125)	(39,804)	591	4,231	258
Net interest income after (provision for) recovery of loan losses	$ 22,319	$ (17,183)	$ 20,394	$ 21,482	$ 23,749
Non-interest income					
Residential mortgage banking activities	$ 18,918	$ 36,669	$ 80,564	$ 75,524	$ 59,963
Net realized gain on financial instruments and real estate owned	8,044	7,172	7,438	7,507	9,795
Net unrealized gain (loss) on financial instruments	3,009	(33,434)	(13,744)	3,420	(4,339)
Servicing income, net of amortization and impairment	8,653	8,097	8,982	10,115	11,401
Income on purchased future receivables, net	2,362	3,483	5,586	4,848	1,794
Income (loss) on unconsolidated joint ventures	29	(3,537)	507	1,996	3,439
Other income	4,407	4,073	31,594	4,496	1,353
Total non-interest income	$ 45,422	$ 22,523	$ 120,927	$ 107,906	$ 83,406
Non-interest expense					
Employee compensation and benefits	(13,842)	(18,936)	(27,288)	(27,612)	(18,084)
Allocated employee compensation and benefits from related party	(1,870)	(1,250)	(1,250)	(2,250)	(2,250)
Variable expenses on residential mortgage banking activities	(11,765)	(20,129)	(36,446)	(30,918)	(27,016)
Professional fees	(1,989)	(2,556)	(1,919)	(4,158)	(4,728)
Management fees – related party	(2,591)	(2,561)	(2,666)	(2,714)	(2,741)
Incentive fees – related party	(106)	—	(3,506)	(1,134)	(1,333)
Loan servicing expense	(4,891)	(5,570)	(10,327)	(8,231)	(6,734)
Merger related expenses	(1,629)	(47)	(11)	(6)	—
Other operating expenses	(10,070)	(13,744)	(17,745)	(10,448)	(12,442)
Total non-interest expense	$ (48,753)	$ (64,793)	$ (101,158)	$ (87,471)	$ (75,328)
Income (loss) before provision for income taxes	$ 18,988	$ (59,453)	$ 40,163	$ 41,917	$ 31,827
Income tax (provision) benefit	1,948	7,937	(5,500)	(6,554)	(4,268)
Net income (loss)	$ 20,936	$ (51,516)	$ 34,663	$ 35,363	$ 27,559
Less: Net income (loss) attributable to non-controlling interest	508	(1,064)	810	805	648
Net income (loss) attributable to Ready Capital Corporation	**$ 20,428**	**$ (50,452)**	**$ 33,853**	**$ 34,558**	**$ 26,911**
Earnings (loss) per common share - basic	**$ 0.43**	**$ (0.98)**	**$ 0.62**	**$ 0.63**	**$ 0.49**
Earnings (loss) per common share - diluted	**$ 0.43**	**$ (0.98)**	**$ 0.62**	**$ 0.63**	**$ 0.49**
Weighted-average shares outstanding - Basic	46,446,573	51,984,040	53,980,451	54,626,995	54,338,209
Weighted-average shares outstanding - Diluted	46,482,470	51,990,013	54,013,958	54,704,611	54,420,064
Dividends declared per share of common stock	**$ 0.40**	**$ 0.40**	**$ 0.25**	**$ 0.30**	**$ 0.35**

DISTRIBUTABLE EARNINGS RECONCILIATION BY QUARTER

(In thousands, except share data)	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Net Income	$ 20,936	$ (51,516)	$ 34,663	$ 35,363	$ 27,559
Reconciling items:					
Unrealized (gain) loss on mortgage servicing rights	$ (2,482)	$ 16,437	$ 12,044	$ 4,688	$ 4,087
Change in CECL reserve on accrual loans	—	35,438	(5,076)	(7,248)	(3,587)
Non-recurring REO impairment	—	2,969	106	(114)	445
Merger transaction costs and other non-recurring expenses	1,938	1,255	967	998	1,323
Unrealized loss on mortgage-backed securities	29	230	(45)	—	—
Unrealized loss on de-designated cash flow hedges	—	2,118	—	—	—
Total reconciling items	$ (515)	$ 58,447	$ 7,996	$ (1,676)	$ 2,268
Distributable earnings before income taxes	$ 20,421	$ 6,931	$ 42,659	$ 33,687	$ 29,827
Income tax adjustments	544	(5,706)	(3,436)	(1,561)	(1,023)
Distributable earnings	**$ 20,965**	**$ 1,225**	**$ 39,223**	**$ 32,126**	**$ 28,804**
Less: Distributable earnings attributable to non-controlling interests	$ 509	$ 25	$ 917	$ 731	$ 677
Less: Income attributable to participating shares	413	463	285	339	305
Distributable earnings attributable to Common Stockholders	$ 20,043	$ 736	$ 38,021	$ 31,056	$ 27,822
DIstributable earnings per share	**$ 0.43**	**$ 0.01**	**$ 0.70**	**$ 0.57**	**$ 0.51**
Weighted average common shares outstanding	46,446,573	51,984,040	53,980,451	54,626,995	54,338,209

The Company believes that this non-U.S. GAAP financial information, in addition to the related U.S. GAAP measures, provides investors greater transparency into the information used by management in its financial and operational decision-making, including the determination of dividends. However, because Distributable Earnings is an incomplete measure of the Company's 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, the Company's net income computed in accordance with U.S. GAAP as a measure of the Company's financial performance. In addition, because not all companies use identical calculations, the Company's presentation of Distributable Earnings may not be comparable to other similarly-titled measures of other companies.

We calculate Distributable 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) any unrealized gains or losses resulting from a change in CECL impairment reserves on accrual loans
v) one-time non-recurring gains or losses, such as gains or losses on discontinued operations, bargain purchase gains, or merger related expenses

In calculating Distributable Earnings, Net Income (in accordance with U.S. GAAP) is adjusted to exclude unrealized gains and losses on MBS acquired by the Company in the secondary market but is not adjusted to exclude unrealized gains and losses on MBS retained by Ready Capital as part of its loan origination businesses, where the Company transfers originated loans into an MBS securitization and the Company retains an interest in the securitization. In calculating Distributable Earnings, the Company does not adjust Net Income (in accordance with U.S. GAAP) to take into account unrealized gains and losses on MBS retained by us as part of the loan origination businesses because the unrealized gains and losses that are generated in the loan origination and securitization process are considered to be a fundamental part of this business and an indicator of the ongoing performance and credit quality of the Company's historical loan originations. In calculating Distributable Earnings, Net Income (in accordance with U.S. GAAP) is adjusted to exclude realized gains and losses on certain MBS securities considered to be non-distributable. Certain MBS positions are considered to be non-distributable due to a variety of reasons which may include collateral type, duration, and size. In 2016, the Company liquidated the majority of its MBS portfolio from distributable earnings to fund recurring operating segments.

In addition, in calculating Distributable Earnings, Net Income (in accordance with U.S. GAAP) is adjusted to exclude unrealized gains or losses on residential MSRs, held at fair value. The Company treats its commercial MSRs and residential MSRs as two separate classes based on the nature of the underlying mortgages and the treatment of these assets as two separate pools for risk management purposes. Servicing rights relating to the Company's small business commercial business are accounted for under ASC 860, Transfer and Servicing, while the Company's residential MSRs are accounted for under the fair value option under ASC 825, Financial Instruments. In calculating Distributable Earnings, the Company does 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 Ready Capital's business and is an indicator of the ongoing performance.

To qualify as a REIT, the Company must distribute to its stockholders each calendar year at least 90% of its REIT taxable income (including certain items of non-cash income), determined without regard to the deduction for dividends paid and excluding net capital gain. There are certain items, including net income generated from the creation of MSRs, that are included in distributable earnings but are not included in the calculation of the current year's taxable income. These differences may result in certain items that are recognized in the current period's calculation of distributable earnings not being included in taxable income, and thus not subject to the REIT dividend distribution requirement until future years.

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