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# SUPPLEMENTAL FINANCIAL DATA

Q3 2024

RC LISTED NYSE

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# Third Quarter 2024 Results

**Multi-strategy real estate finance company that originates, acquires and services lower-to-middle-market ("LMM") investor and owner occupied commercial real estate loans**

| | |
|---|---|
| Earnings / Dividends | ▪ Net loss from continuing operations[1] of $(7.5) million, or $(0.07) per common share<br>▪ Distributable earnings[2] of $(42.5) million, or $(0.28) per common share<br>▪ Distributable earnings before realized losses[3] of $46.6 million, or $0.25 per common share<br>▪ Declared dividend of $0.25 per common share |
| Returns | ▪ Return on Equity from continuing operations[4] of (1.8)%<br>▪ Distributable Return on Equity[5] of (8.2)%<br>▪ Distributable Return on Equity from continuing operations before realized losses[6] of 8.4%<br>▪ Dividend Yield[7] of 13.1% |
| Balance Sheet | ▪ Net book value per share of $12.59 per common share<br>▪ Total leverage of 3.3x and recourse leverage ratio[8] of 1.0x |
| Loan Originations[9] / Acquisitions | ▪ Record Small Business Lending loan originations of $440 million, including $355 million of Small Business Administration 7(a) loans<br>▪ Strengthened the Small Business Lending platform with the acquisition of Funding Circle USA, Inc. |

1. Before income attributable to participating shares of $2.2 million and non-controlling interest of $1.8 million
2. Before income attributable to participating shares of $2.2 million and non-controlling interest of $1.8 million. Refer to the "Distributable Earnings Reconciliation by Quarter" slide for a reconciliation of GAAP Net Income to Distributable Earnings
3. Before income attributable to participating shares of $2.2 million, non-controlling interest of $1.8 million and before certain charge-offs and losses on sales of real estate owned assets and LMM loans. Refer to the "Distributable Earnings Reconciliation by Quarter" slide for a reconciliation of GAAP Net Income to Distributable Earnings
4. Return on equity from continuing operations is an annualized percentage equal to quarterly net income from continuing operations over the average monthly total stockholders' equity allocated to continuing operations for the period
5. 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 by Quarter" slide for a reconciliation of GAAP Net Income to Distributable Earnings
6. Distributable return on equity from continuing operations before realized losses is an annualized percentage equal to distributable earnings over the average monthly total stockholders' equity for the period before certain charge-offs and losses on sales of real estate owned assets and LMM loans. Refer to the "Distributable Earnings Reconciliation by Quarter" slide for a reconciliation of GAAP Net Income to Distributable Earnings
7. Q3 dividend yield for the period is based on the 9/30/2024 closing share price of $7.63
8. Recourse leverage ratio excludes $1.1 billion of secured borrowings that are non-recourse to the Company
9. Represents fully committed amounts

# Return on Equity

| Segment | Levered Yield [(1)] | Distributable Levered Yield [(1)] | Equity Allocation |
|---|---|---|---|
| LMM Commercial Real Estate | 10.2 % | 10.5 % | 90.2 % |
| Small Business Lending | 75.1 % | 75.1 % | 8.0 % |

| | GAAP ROE [(2)] | | Distributable ROE [(2)] | |
|---|---|---|---|---|
| | Q3'24 | Q2'24 | Q3'24 | Q2'24 |
| | 15.5 % | 12.2 % | 15.8 % | 12.1 % |
| Corporate leverage, net of non-earning assets | 2.1 | 0.7 | 2.2 | 0.7 |
| **Gross return on equity** | **17.6 %** | **12.9 %** | **18.0 %** | **12.8 %** |
| Realized & unrealized gains, net | 1.0 | 2.3 | 1.0 | 2.3 |
| Provision for loan losses and valuation allowance | (13.3) | (11.3) | (0.1) | (1.0) |
| Non-recurring gains, losses and expenses[(3)] | 5.5 | (4.0) | — | — |
| Operating expenses | (8.5) | (9.2) | (7.9) | (7.3) |
| Investment advisory fees | (1.2) | (1.1) | (1.2) | (1.1) |
| Benefit (provision) for income taxes | 0.8 | 8.4 | (1.0) | 0.5 |
| Dividends on preferred stock | (0.4) | (0.4) | (0.4) | (0.4) |
| **Return on equity (before realized losses on investments, net of valuation allowance and tax)** | **1.5 %** | **(2.4)%** | **8.4 %** | **5.8 %** |
| Realized losses on investments, net of valuation allowance and tax[(4)] | (3.3) | (3.7) | (16.8) | (3.6) |
| **Return on equity from continuing operations** | **(1.8)%** | **(6.1)%** | **(8.4)%** | **2.2 %** |
| Discontinued operations, net of taxes | 0.1 | (0.3) | 0.2 | 0.4 |
| **Return on equity** | **(1.7)%** | **(6.4)%** | **(8.2)%** | **2.6 %** |

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. Non-recurring gains, losses and expenses before applicable tax expenses.
4. Consists of charge-offs and losses on sales of real estate owned assets and LMM loans.

# Diversified, Complementary, & Scalable Platforms

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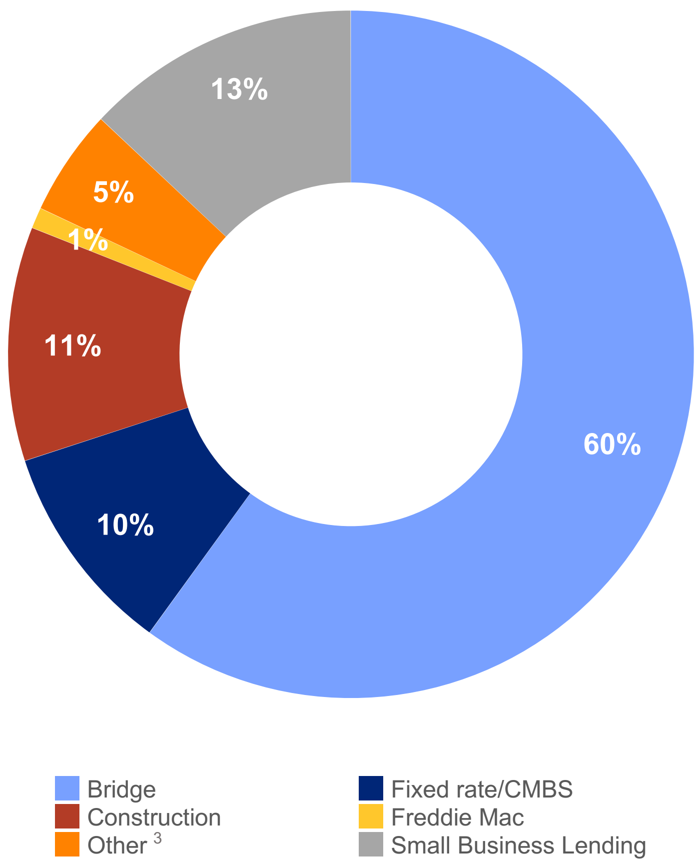
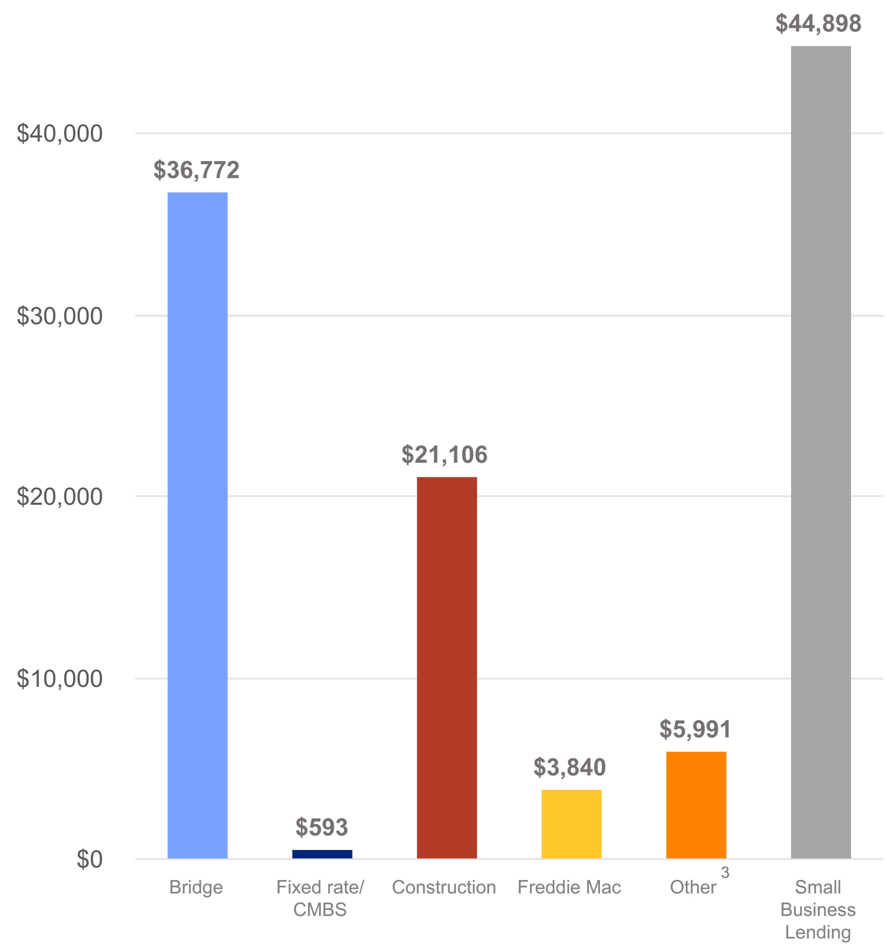
## PORTFOLIO BREAKDOWN[1]




## REVENUE BREAKDOWN[2] *($ in thousands)*




1. Assets include loans, MBS, servicing assets, JV investments, real estate owned, and purchased future receivables.
2. Based on QTD Distributable Earnings including 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.
3. Loans with the "Other" classification are generally LMM acquired loans that have nonconforming characteristics for the Fixed rate, Bridge, or Construction categories.

# Investment Portfolio Originations

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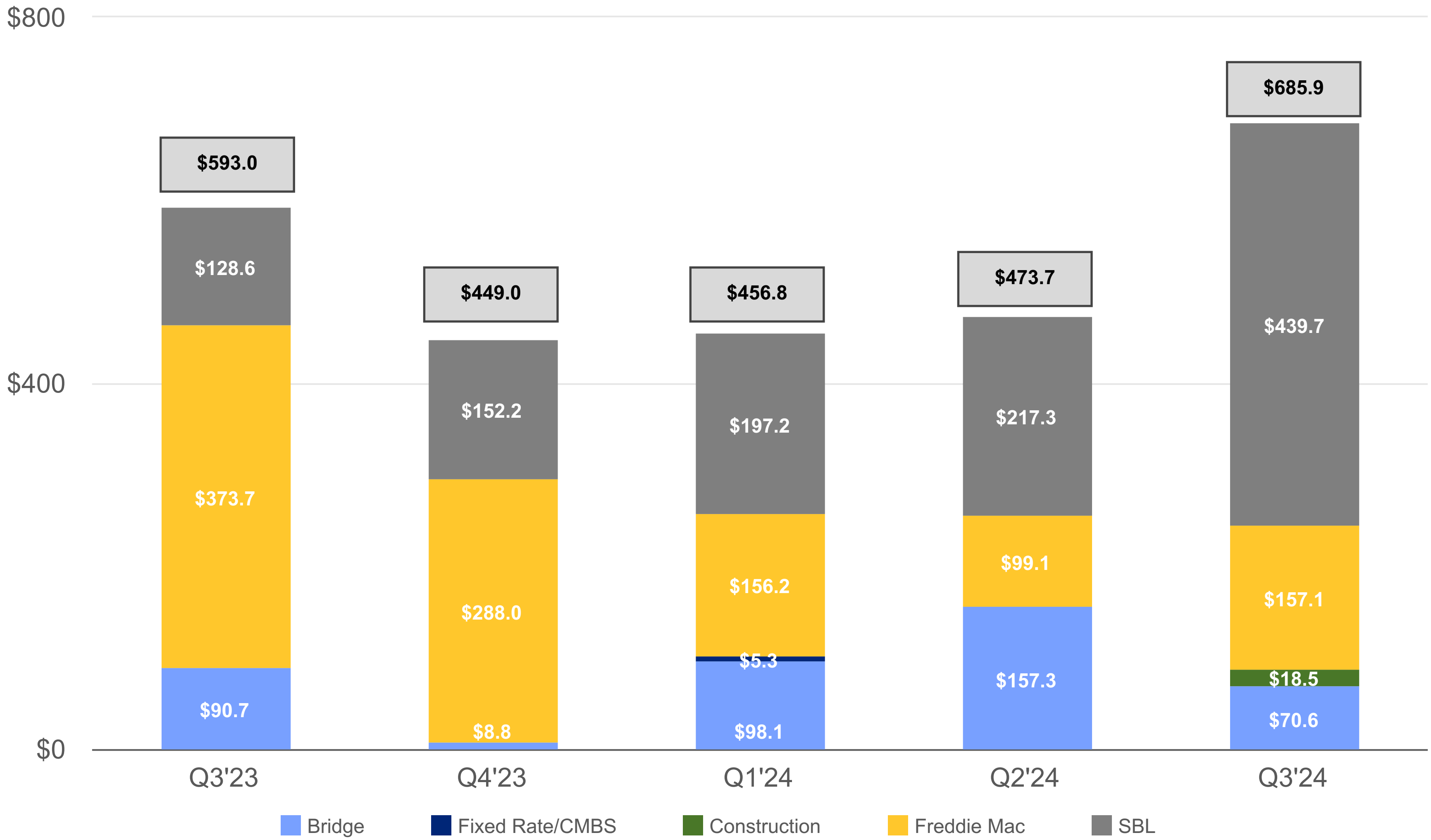
## QUARTERLY INVESTMENT ACTIVITY[1]




1. Origination volumes are based on fully committed amounts in millions

# LMM Commercial Real Estate

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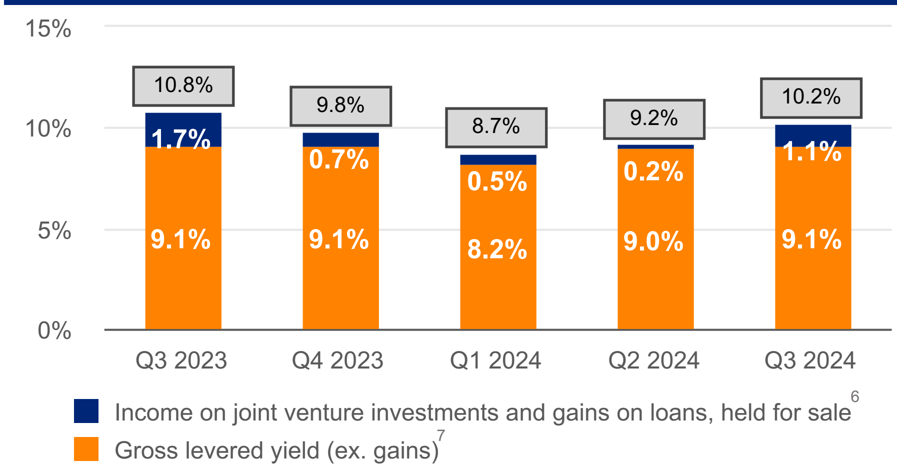
| PRODUCT TYPE | LOAN COUNT[1] | UPB | BOOK VALUE[2] | WA LTV[3] | WA COUPON | FIXED/FLOAT[4] | 60+ DAYS PAST DUE[8] |
|---|---|---|---|---|---|---|---|
| | **1,630** | **$8.3B** | **$8.1B** | **70.5%** | **9.0%** | **20.1 / 79.9%** | **7.2%** |
| *FIXED RATE* | *203* | *$961M* | *$957M* | *60.3%* | *5.1%* | *100.0 / 0.0%* | *4.2%* |
| *BRIDGE* | *290* | *$5.91B* | *$5.78B* | *72.1%* | *9.2%* | *1.4 / 98.6%* | *7.0%* |
| *CONSTRUCTION (RC ORIGINATED)* | *6* | *$100M* | *$100M* | *62.1%* | *11.0%* | *26.9 / 73.1%* | *0.0%* |
| *MOSAIC ACQUIRED ASSETS* | *4* | *$582M* | *$529M* | *81.8%* | *13.7%* | *17.7 / 82.3%* | *4.2%* |
| *BROADMARK ACQUIRED ASSETS* | *47* | *$366M* | *$321M* | *85.1%* | *11.0%* | *94.3 / 5.7%* | *34.5%* |
| *OTHER[5]* | *1,080* | *$430M* | *$412M* | *45.2%* | *7.2%* | *37.1/ 62.9%* | *1.4%* |
| | **1,630** | **$8.3B** | **$8.1B** | **70.5%** | **9.0%** | **20.1 / 79.9%** | **7.2%** |
| *RC ORIGINATED* | *1,579* | *$7.40B* | *$7.25B* | *68.5%* | *8.6%* | *16.7 / 83.3%* | *6.2%* |
| *M&A* | *51* | *$0.95B* | *$0.85B* | *83.1%* | *12.7%* | *47.3 / 52.7%* | *15.6%* |

## CURRENT QUARTER HIGHLIGHTS

- Liquidation and payoffs of $809 million, including $169 million of assets acquired in the Broadmark Merger
- LMM money up pipeline of $730 million, including $67 million funded in October

## GROSS LEVERED YIELD




1. Excludes joint venture investments and preferred equity investments
2. Gross of general reserves and net of valuation allowance
3. Loan-to-value (LTV) is calculated by dividing the current unpaid principal balance by the most recent collateral value received. The most recent value for performing loans is often the third-party as-is valuation utilized during the original underwriting process
4. All fixed rate loans are match funded
5. Loans with the "Other" classification are generally LMM acquired loans that have nonconforming characteristics for the Fixed rate, Bridge, or Construction categories
6. Includes realized and unrealized gains (losses) on loans held for sale and MSR creation
7. Includes interest income, accretion of discount, and servicing income net of interest expense and amortization of deferred financing costs
8. Calculated based on carrying value

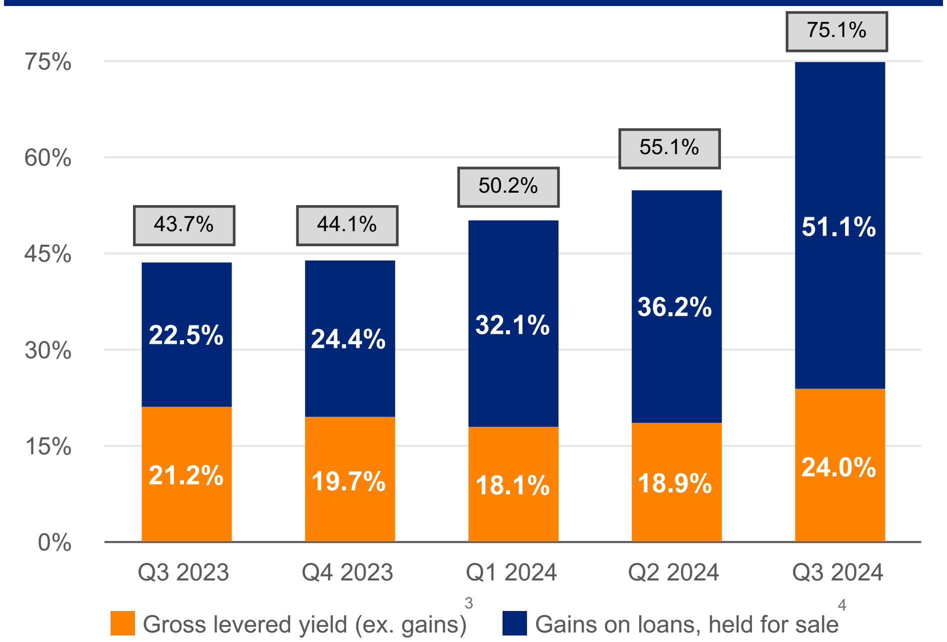
# Small Business Lending

| LOAN COUNT | UPB | BOOK VALUE[1] | WA LTV[2] | WA COUPON | FIXED/FLOAT | 60+ DAYS PAST DUE[5] |
|---|---|---|---|---|---|---|
| 5,903 | $1.34B | $1.32B | 99.5% | 10.5% | 0.7 / 99.3% | 2.9% |

## CURRENT QUARTER HIGHLIGHTS

- SBA net sales premiums peaking at 19.3% and averaging 11.2% net
- $440 million of SBL loan originations, consisting of $355 million of Small Business Administration, or SBA 7(a), loans, $39 million of USDA loans and $46 million of small business working capital loans
- Current money up pipeline of $899 million, including $102 million funded in October

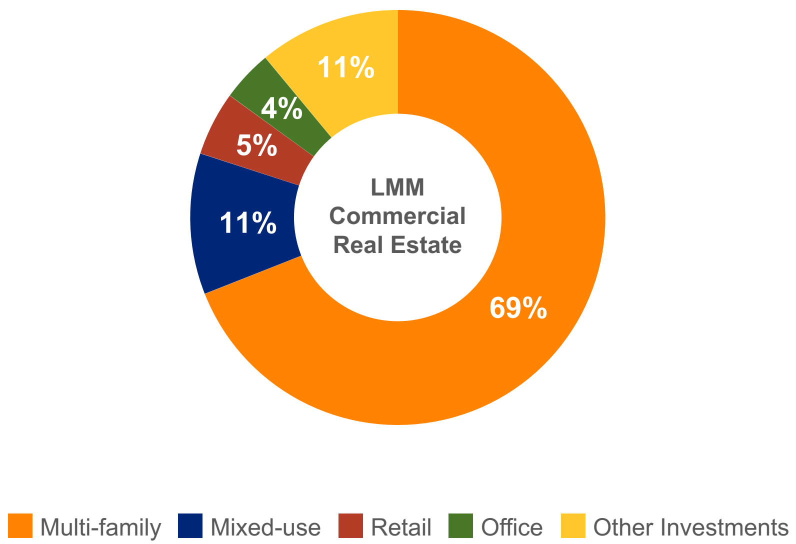
## GROSS LEVERED YIELD

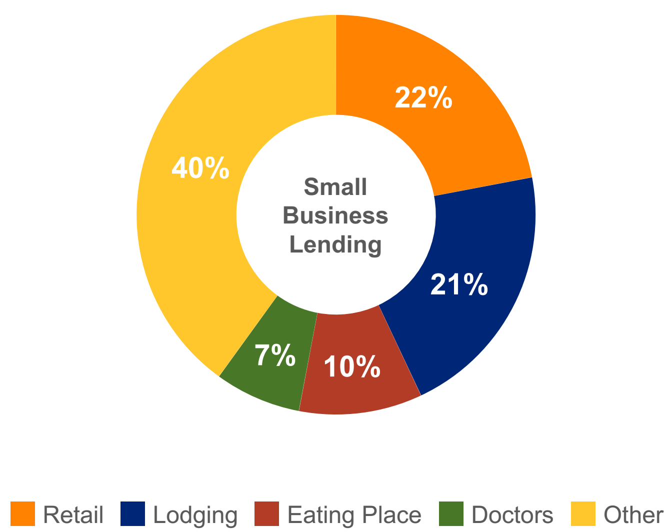



1. Gross of general reserves
2. Loan-to-value (LTV) is calculated by dividing the current unpaid principal balance by the most recent collateral value received. The most recent value for performing loans is often the third-party as-is valuation utilized during the original underwriting process
3. Includes interest income, accretion of discount, and servicing income net of interest expense and amortization of deferred financing costs; excludes impairment
4. Includes realized and unrealized gains (losses) on loans held for sale and MSR creation
5. Calculated based on carrying value

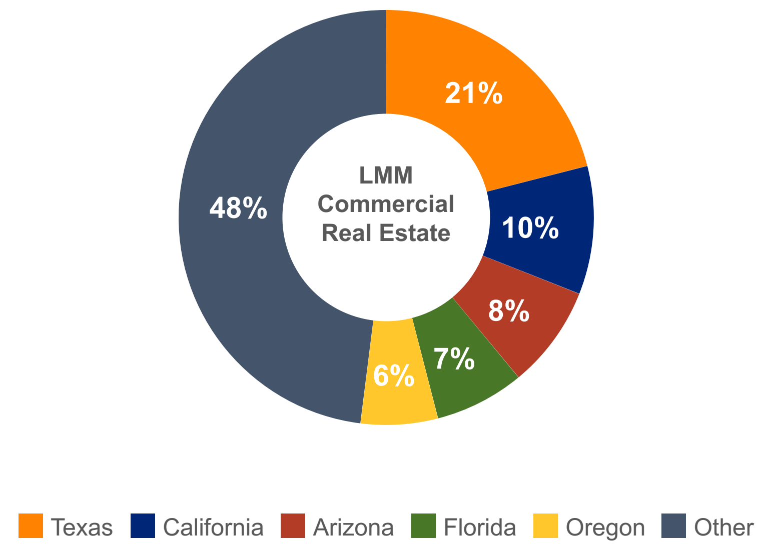
# Loan Portfolio Composition

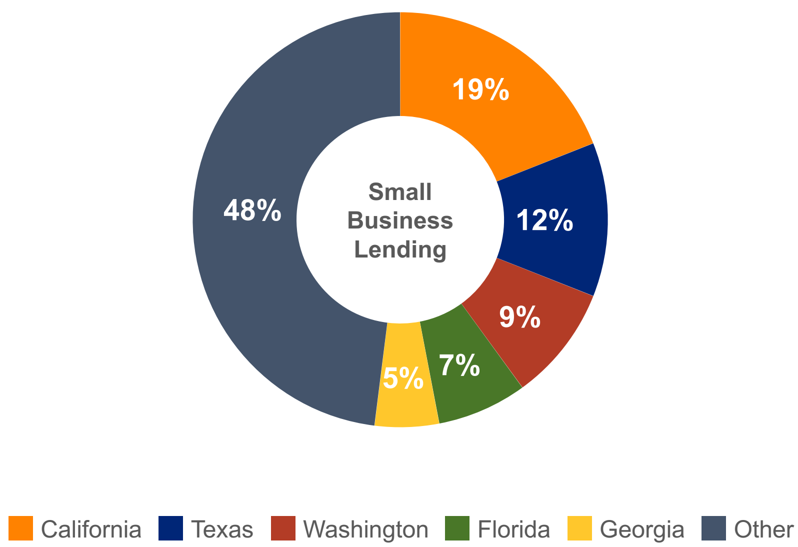
## PROPERTY TYPE[1]




## GEOGRAPHY[1]

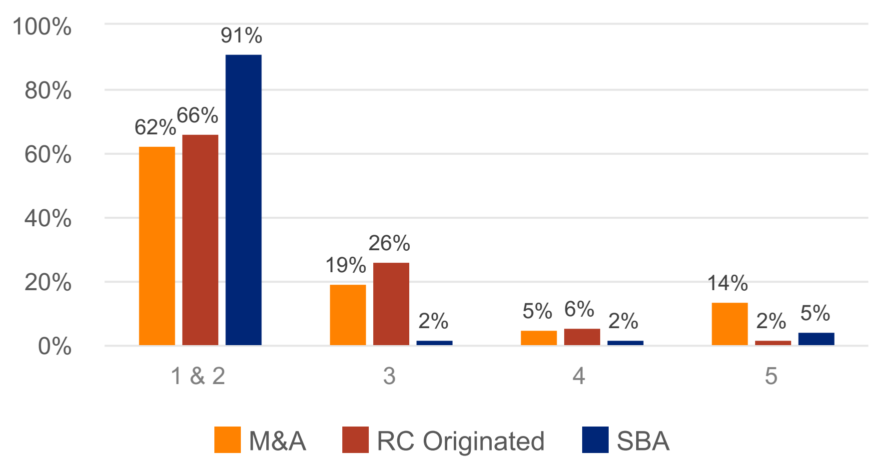


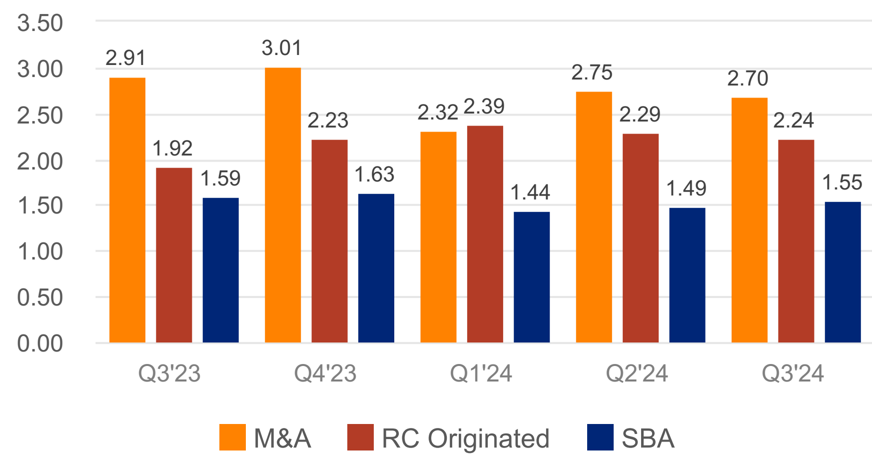

1. Calculated on UPB

# Loan Portfolio – Risk Rating

## LMM RISK RATING DISTRIBUTION




## AVERAGE RISK RATING[1]




## RISK RATING 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. Prior to Q2 2024, the M&A category included all loans acquired by the Company. Beginning in Q2 2024, the M&A category is comprised of loans acquired through mergers and acquisitions only and excludes legacy acquired loans.

# LMM CRE Loan Portfolio - Migration

## CONTRACTUAL STATUS [1]

| TOTAL | Q1'24 | Q2'24 | Q3'24 |
|---|---|---|---|
| *CURRENT* | *87.8%* | *92.8%* | *91.4%* |
| *30+ DAYS PAST DUE* | *2.3%* | *0.9%* | *1.4%* |
| *60+ DAYS PAST DUE* | *9.9%* | *6.3%* | *7.2%* |
| **RC ORIGINATED** | **Q1'24** | **Q2'24** | **Q3'24** |
| *CURRENT* | *89.9%* | *94.4%* | *92.6%* |
| *30+ DAYS PAST DUE* | *2.2%* | *0.4%* | *1.2%* |
| *60+ DAYS PAST DUE* | *7.9%* | *5.2%* | *6.2%* |
| **M&A** | **Q1'24** | **Q2'24** | **Q3'24** |
| *CURRENT* | *72.8%* | *80.7%* | *80.9%* |
| *30+ DAYS PAST DUE* | *3.1%* | *4.3%* | *3.5%* |
| *60+ DAYS PAST DUE* | *24.1%* | *15.0%* | *15.6%* |

## ACCRUAL STATUS [1]

| TOTAL | Q1'24 | Q2'24 | Q3'24 |
|---|---|---|---|
| *ACCRUAL* | *92.8%* | *94.3%* | *95.3%* |
| *NON-ACCRUAL* | *7.2%* | *5.7%* | *4.7%* |
| **RC ORIGINATED** | **Q1'24** | **Q2'24** | **Q3'24** |
| *ACCRUAL* | *94.2%* | *95.4%* | *96.6%* |
| *NON-ACCRUAL* | *5.8%* | *4.6%* | *3.4%* |
| **M&A** | **Q1'24** | **Q2'24** | **Q3'24** |
| *ACCRUAL* | *82.6%* | *86.3%* | *83.9%* |
| *NON-ACCRUAL* | *17.4%* | *13.7%* | *16.1%* |

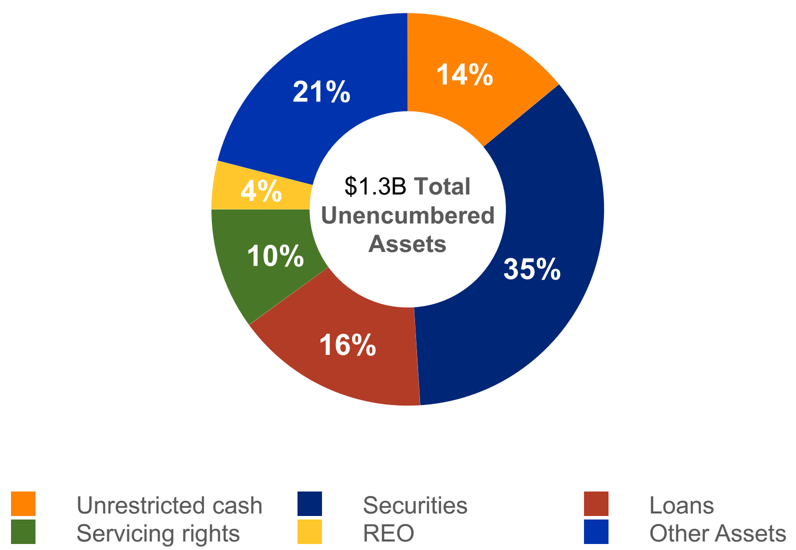
## RISK RATING [1]

| TOTAL | Q1'24 | Q2'24 | Q3'24 |
|---|---|---|---|
| *1 & 2* | *67.2%* | *69.5%* | *66.1%* |
| *3* | *22.1%* | *23.9%* | *25.5%* |
| *4* | *7.6%* | *3.5%* | *5.4%* |
| *5* | *3.1%* | *3.1%* | *3.0%* |
| **RC ORIGINATED** | **Q1'24** | **Q2'24** | **Q3'24** |
| *1 & 2* | *69.7%* | *71.5%* | *66.5%* |
| *3* | *20.7%* | *23.5%* | *26.2%* |
| *4* | *7.9%* | *3.1%* | *5.5%* |
| *5* | *1.7%* | *1.9%* | *1.8%* |
| **M&A** | **Q1'24** | **Q2'24** | **Q3'24** |
| *1 & 2* | *48.2%* | *54.4%* | *62.4%* |
| *3* | *32.4%* | *27.3%* | *19.1%* |
| *4* | *5.6%* | *6.0%* | *5.0%* |
| *5* | *13.8%* | *12.3%* | *13.5%* |

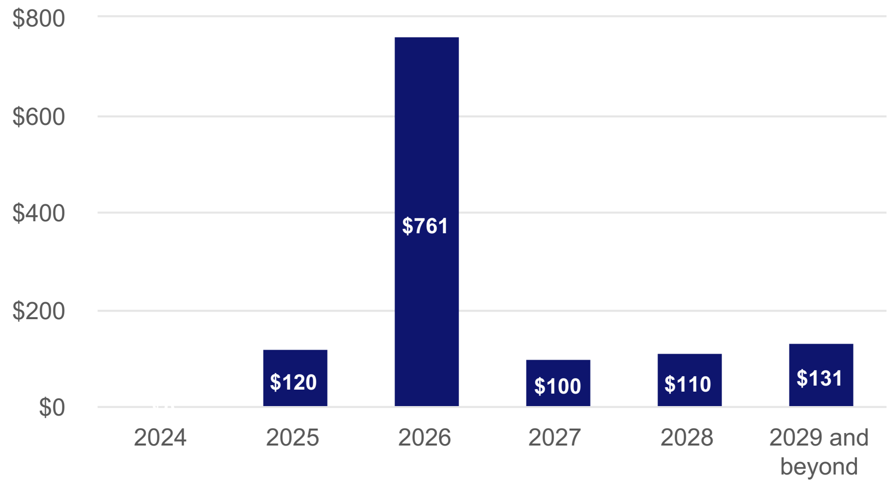
1. Calculated on carrying value

# Financial Flexibility

## UNENCUMBERED ASSET POOL




## CORPORATE DEBT MATURITY PROFILE *($ in millions)*




## HIGHLIGHTS

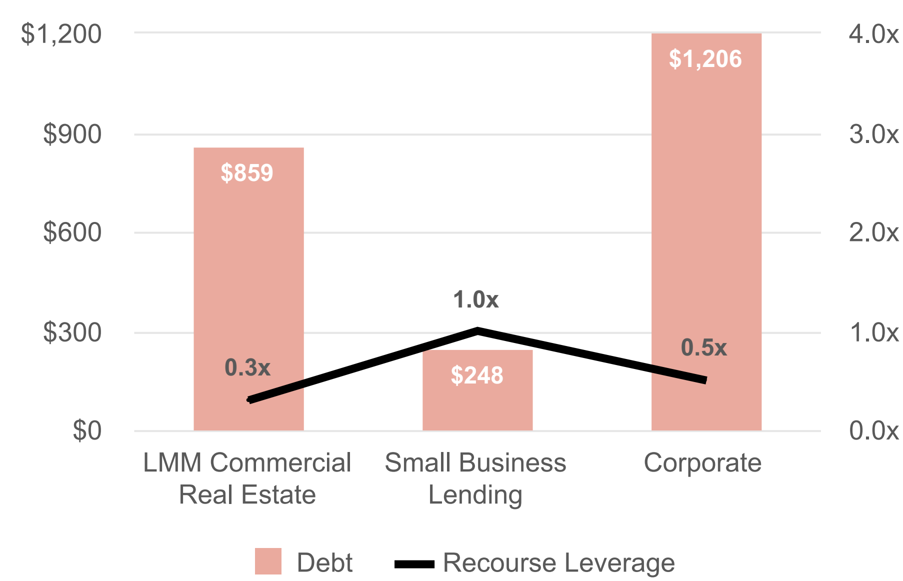
- Diversified unencumbered asset pool of **$1.3 billion**, including **$181 million** of unrestricted cash
- **1.7x** unencumbered assets to unsecured debt
- **$2.7 billion** in available warehouse borrowing capacity across **12** counterparties
- Limited usage of securities repo financing at **3.8%** of total debt
- Full mark-to-market liabilities and credit mark to market liabilities represent **22%** of total debt
- **90%** of corporate debt maturities in 2026 or later

# Debt - Leverage

| | Debt Balance ($ in millions) | Leverage Ratio |
|---|---|---|
| PPPLF | $24 | <0.1x |
| Securitized Debt Obligations | $3,960 | 1.8x |
| Non-Recourse Secured Borrowings | $1,077 | 0.5x |
| Recourse Secured Borrowings | $1,107 | 0.5x |
| Corporate Debt | $1,206 | 0.5x |

- Total leverage of **3.3x**
- Recourse leverage ratio of **1.0x**
- **60%** of secured borrowings subject to non-recourse or limited recourse terms

**Recourse Leverage by Reporting Segment[1]** *($ in millions)*




1. Recourse leverage by reporting segment is based on the segment recourse debt balance over invested equity in the segment and excludes guaranteed loan financings

# Financial Snapshot *($ in thousands, except share data)*

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| Investment Type | Average Carrying Value[1] | Gross Yield[2] | Average Debt Balance | Debt Cost[3] | Levered Yield |
|---|---|---|---|---|---|
| LMM CRE | $ 8,822,789 | 9.0 % | $ 6,136,340 | 8.5 % | 10.2 % |
| SBL | $ 595,743 | 35.5 % | $ 356,922 | 9.0 % | 75.1 % |
| **Total** | **$ 9,418,532** | **10.7 %** | **$ 6,493,262** | **8.5 %** | **15.5 %** |

| Book Equity Value Metrics | |
|---|---|
| Common Stockholders' equity | $ 2,122,011 |
| Total Common Shares outstanding | 168,530,704 |
| Net Book Value per Common Share | $12.59 |

| Loan Portfolio Metrics | |
|---|---|
| % Fixed vs Floating Rate | 17% / 83% |
| % Originated vs Acquired | 89% / 11% |
| Weighted Average LTV [4] - LMM CRE | 71% |
| Weighted Average LTV [4] – SBL | 100% |

| Q3 2024 Earnings Data Metrics | |
|---|---|
| Net loss continuing ops \| Distributable earnings before realized losses I Distributable earnings | $(7,473) \| $46,558 I $(42,514) |
| EPS - continuing operations - Basic and diluted | $(0.07) \| $(0.07) |
| Distributable EPS - Basic and diluted | $(0.28) \| $(0.28) |
| Distributable EPS before realized losses - Basic and diluted | $0.25 \| $0.25 |
| ROE continuing ops per Common Share | (1.8)% |
| Distributable ROE per Common Share | (8.2)% |
| Distributable ROE before realized losses per Common Share | 8.4 % |
| Dividend Yield [5] | 13.1 % |

| Servicing Portfolio Metrics | |
|---|---|
| SBA - UPB | $ 1,699,118 |
| SBA - carrying value | $ 38,717 |
| Multi-family - UPB | $ 6,023,064 |
| Multi-family - carrying value | $ 69,298 |
| USDA - UPB | $ 592,553 |
| USDA - carrying value | $ 14,983 |
| Small business loans - UPB | $ 512,722 |
| Small business loans - carrying value | $ 4,991 |

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 9/30/2024 on an annualized basis.
4. Loan-to-value (LTV) is calculated by dividing the current unpaid principal balance by the most recent collateral value received. The most recent value for performing loans is often the third-party as-is valuation utilized during the original underwriting process.
5. Q3 dividend yield for the period is based on the 9/30/2024 closing share price of $7.63.

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APPENDIX

# Additional Financial Information

# Balance Sheet by Quarter

| (in thousands) | 9/30/2023 | 12/31/2023 | 3/31/2024 | 6/30/2024 | 9/30/2024 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and cash equivalents | $ 165,731 | $ 138,532 | $ 166,004 | $ 226,286 | $ 181,315 |
| Restricted cash | 31,498 | 30,063 | 24,915 | 29,971 | 31,331 |
| Loans, net | 4,150,251 | 4,020,160 | 3,400,481 | 3,444,879 | 3,555,928 |
| Loans, held for sale | 74,655 | 81,599 | 584,072 | 532,511 | 320,082 |
| Mortgage-backed securities | 33,339 | 27,436 | 29,546 | 30,174 | 30,780 |
| Investment in unconsolidated joint ventures | 136,113 | 133,321 | 132,730 | 134,602 | 146,397 |
| Derivative instruments | 7,763 | 2,404 | 15,448 | 14,382 | 11,032 |
| Servicing rights | 100,284 | 102,837 | 103,555 | 119,768 | 127,989 |
| Real estate owned, held for sale | 281,941 | 252,949 | 239,874 | 187,883 | 166,697 |
| Other assets | 304,309 | 300,175 | 315,772 | 379,413 | 412,238 |
| Assets of consolidated VIEs | 7,080,266 | 6,897,145 | 6,591,834 | 6,250,570 | 5,794,720 |
| Assets held for sale | 433,283 | 454,596 | 439,301 | 423,894 | 474,535 |
| **Total Assets** | **$ 12,799,433** | **$ 12,441,217** | **$ 12,043,532** | **$ 11,774,333** | **$ 11,253,044** |
| **Liabilities** | | | | | |
| Secured borrowings | 2,175,345 | 2,102,075 | 2,198,272 | 2,311,969 | 2,184,280 |
| Securitized debt obligations of consolidated VIEs, net | 5,264,037 | 5,068,453 | 4,769,057 | 4,407,241 | 3,960,185 |
| Senior secured notes and Corporate debt, net | 1,108,512 | 1,110,035 | 1,111,654 | 1,184,311 | 1,206,159 |
| Guaranteed loan financing | 886,916 | 844,540 | 814,784 | 782,345 | 742,631 |
| Contingent consideration | 13,408 | 7,628 | — | 3,926 | 2,007 |
| Derivative instruments | — | 212 | 593 | 2,638 | 2,085 |
| Dividends payable | 64,777 | 54,289 | 53,908 | 53,119 | 44,602 |
| Loan participations sold | 57,465 | 62,944 | 73,749 | 89,532 | 99,737 |
| Due to third parties | 2,436 | 3,641 | 3,401 | 1,995 | 1,239 |
| Accounts payable and other accrued liabilities | 233,196 | 207,481 | 193,896 | 204,766 | 279,014 |
| Liabilities held for sale | 293,561 | 333,157 | 315,975 | 332,265 | 392,697 |
| **Total Liabilities** | **$ 10,099,653** | **$ 9,794,455** | **$ 9,535,289** | **$ 9,374,107** | **$ 8,914,636** |
| Preferred stock Series C | 8,361 | 8,361 | 8,361 | 8,361 | 8,361 |
| **Stockholders' Equity** | | | | | |
| Preferred stock | 111,378 | 111,378 | 111,378 | 111,378 | 111,378 |
| Common stock | 17 | 17 | 17 | 17 | 17 |
| Additional paid-in capital | 2,318,109 | 2,321,989 | 2,307,303 | 2,287,684 | 2,292,229 |
| Retained earnings (deficit) | 168,539 | 124,413 | (3,546) | (92,319) | (146,003) |
| Accumulated other comprehensive loss | (5,928) | (17,860) | (12,335) | (13,880) | (24,232) |
| Total Ready Capital Corporation equity | 2,592,115 | 2,539,937 | 2,402,817 | 2,292,880 | 2,233,389 |
| Non-controlling interests | 99,304 | 98,464 | 97,065 | 98,985 | 96,658 |
| **Total Stockholders' Equity** | **$ 2,691,419** | **$ 2,638,401** | **$ 2,499,882** | **$ 2,391,865** | **$ 2,330,047** |
| **Total Liabilities, Redeemable Preferred Stock, and Stockholders' Equity** | **$ 12,799,433** | **$ 12,441,217** | **$ 12,043,532** | **$ 11,774,333** | **$ 11,253,044** |
| **Adjusted Book Value per Share** | **$ 14.42** | **$ 14.10** | **$ 13.44** | **$ 12.97** | **$ 12.59** |

# Statement of Operations by Quarter

READY CAPITAL

| (In thousands, except share data) | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 |
|---|---|---|---|---|---|
| Interest income | $ 248,711 | $ 250,130 | $ 232,354 | $ 234,119 | $ 226,537 |
| Interest expense | (189,788) | (197,591) | (183,805) | (183,167) | (175,572) |
| **Net interest income before (provision for) recovery of loan losses** | **$ 58,923** | **$ 52,539** | **$ 48,549** | **$ 50,952** | **$ 50,965** |
| Recovery of (provision for) loan losses | 12,151 | (6,688) | 26,544 | 18,871 | (53,166) |
| **Net interest income after (provision for) recovery of loan losses** | **$ 71,074** | **$ 45,851** | **$ 75,093** | **$ 69,823** | **$ (2,201)** |
| **Non-interest income** | | | | | |
| Net realized gain (loss) on financial instruments and real estate owned | $ 14,402 | $ 15,153 | $ 18,868 | $ 7,250 | $ (69,184) |
| Net unrealized gain (loss) on financial instruments | 15,121 | 1,643 | 4,632 | (1,357) | (1,241) |
| Valuation allowance, loans held for sale | — | — | (146,180) | (80,987) | 71,060 |
| Servicing income, net of amortization and impairment | 6,867 | 4,613 | 3,758 | 3,271 | 5,415 |
| Income (loss) on unconsolidated joint ventures | 56 | (1,650) | 468 | 1,139 | 3,214 |
| Gain (loss) on bargain purchase | (14,862) | (7,060) | — | (18,306) | 32,165 |
| Other income | 19,176 | 47,315 | 15,826 | 6,597 | 14,823 |
| **Total non-interest income (expense)** | **$ 40,760** | **$ 60,014** | **$ (102,628)** | **$ (82,393)** | **$ 56,252** |
| Non-interest expense | | | | | |
| Employee compensation and benefits | $ (19,979) | $ (19,410) | $ (18,414) | $ (17,799) | $ (22,989) |
| Allocated employee compensation and benefits from related party | (3,001) | (3,010) | (2,500) | (3,000) | (2,537) |
| Professional fees | (7,666) | (15,997) | (7,065) | (6,033) | (6,232) |
| Management fees – related party | (7,229) | (7,035) | (6,648) | (6,198) | (6,498) |
| Loan servicing expense | (12,541) | (9,221) | (12,794) | (11,012) | (10,101) |
| Transaction related expenses | (2,329) | (576) | (650) | (1,592) | (2,998) |
| Other operating expenses | (12,760) | (24,806) | (30,187) | (21,802) | (18,573) |
| **Total non-interest expense** | **$ (65,505)** | **$ (80,055)** | **$ (78,258)** | **$ (67,436)** | **$ (69,928)** |
| Income (loss) from continuing operations before benefit (provision) for income taxes | $ 46,329 | $ 25,810 | $ (105,793) | $ (80,006) | $ (15,877) |
| Income tax benefit (provision) | (2,808) | (1,236) | 30,211 | 48,579 | 8,404 |
| **Net income (loss) from continuing operations** | **$ 43,521** | **$ 24,574** | **$ (75,582)** | **$ (31,427)** | **$ (7,473)** |
| **Discontinued operations** | | | | | |
| Income (loss) from discontinued operations before benefit (provision) for income taxes | $ 4,877 | $ (18,258) | $ 1,887 | $ (3,699) | $ 258 |
| Income tax benefit (provision) | (1,219) | 4,565 | (472) | 925 | (64) |
| **Net income (loss) from discontinued operations** | **$ 3,658** | **$ (13,693)** | **$ 1,415** | **$ (2,774)** | **$ 194** |
| **Net income (loss)** | **$ 47,179** | **$ 10,881** | **$ (74,167)** | **$ (34,201)** | **$ (7,279)** |
| Less: Dividends on preferred stock | 1,999 | 1,999 | 1,999 | 1,999 | 1,999 |
| Less: Net income attributable to non-controlling interest | 1,517 | 1,118 | 117 | 1,820 | 2,031 |
| **Net income (loss) attributable to Ready Capital Corporation** | **$ 43,663** | **$ 7,764** | **$ (76,283)** | **$ (38,020)** | **$ (11,309)** |
| | | | | | |
| **Earnings per common share from continuing operations - basic** | **$ 0.23** | **$ 0.12** | **$ (0.45)** | **$ (0.21)** | **$ (0.07)** |
| **Earnings per common share from discontinued operations - basic** | **$ 0.02** | **$ (0.08)** | **$ 0.01** | **$ (0.02)** | **$ 0.00** |
| | | | | | |
| **Earnings per common share from continuing operations - diluted** | **$ 0.23** | **$ 0.12** | **$ (0.45)** | **$ (0.21)** | **$ (0.07)** |
| **Earnings per common share from discontinued operations - diluted** | **$ 0.02** | **$ (0.08)** | **$ 0.01** | **$ (0.02)** | **$ 0.00** |
| Weighted-average shares outstanding - Basic | 171,973,933 | 172,116,989 | 172,032,866 | 168,653,741 | 168,335,483 |
| Weighted-average shares outstanding - Diluted | 174,440,869 | 173,957,731 | 173,104,415 | 169,863,975 | 169,509,208 |
| **Dividends declared per share of common stock** | **$ 0.36** | **$ 0.30** | **$ 0.30** | **$ 0.30** | **$ 0.25** |

# Distributable Earnings Reconciliation by Quarter

READY CAPITAL

| (In thousands, except share data) | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 |
|---|---|---|---|---|---|
| **Net Income (loss)** | **$ 47,179** | **$ 10,881** | **$ (74,167)** | **$ (34,201)** | **$ (7,279)** |
| **Reconciling items:** | | | | | |
| Unrealized (gain) loss on MSR - discontinued operations | $ (2,563) | $ 20,715 | $ — | $ 7,219 | $ — |
| Unrealized (gain) loss on joint ventures | — | 2,214 | (35) | (626) | 2,173 |
| Unrealized loss on foreign exchange hedges | — | 1,582 | — | — | — |
| Increase (decrease) in CECL reserve | (12,151) | 3,195 | (32,181) | (24,574) | 52,442 |
| Increase (decrease) in valuation allowance | — | — | 146,180 | 80,987 | (71,060) |
| Non-recurring REO impairment | — | — | 15,512 | 8,474 | 525 |
| Non-cash compensation | 2,275 | 1,360 | 1,877 | 1,891 | 1,916 |
| Merger transaction costs and other non-recurring expenses | 2,536 | 7,361 | 1,931 | 4,852 | 4,070 |
| Bargain purchase (gain) loss | 14,862 | 7,060 | — | 18,306 | (32,165) |
| Realized losses on sale of investments | — | — | — | 22,355 | 109,675 |
| Total reconciling items | $ 4,959 | $ 43,397 | $ 133,284 | $ 118,884 | $ 67,576 |
| Income tax adjustments | 26 | $ (5,754) | $ (5,141) | $ (47,799) | $ (13,739) |
| **Distributable earnings before realized losses** | **$ 52,164** | **$ 48,524** | **$ 53,976** | **$ 36,884** | **$ 46,558** |
| Realized losses on sale of investments, net of tax | — | — | — | (20,253) | (89,072) |
| **Distributable earnings** | **$ 52,164** | **$ 48,524** | **$ 53,976** | **$ 16,631** | **$ (42,514)** |
| Less: Distributable earnings attributable to non-controlling interests | $ 1,566 | $ 1,358 | $ 1,108 | $ 2,206 | $ 1,766 |
| Less: Income attributable to participating shares | 335 | 207 | 336 | 302 | 242 |
| Less: Dividends on preferred stock | 1,999 | 1,999 | 1,999 | 1,999 | 1,999 |
| **Distributable earnings attributable to Common Stockholders** | **$ 48,264** | **$ 44,960** | **$ 50,533** | **$ 12,124** | **$ (46,521)** |
| **Distributable earnings before realized losses on investments, net of tax per common share - basic** | **$ 0.28** | **$ 0.26** | **$ 0.29** | **$ 0.19** | **$ 0.25** |
| **DIstributable earnings per common share - basic** | **$ 0.28** | **$ 0.26** | **$ 0.29** | **$ 0.07** | **$ (0.28)** |
| **Weighted average common shares outstanding** | **171,973,933** | **172,116,989** | **172,032,866** | **168,653,741** | **168,335,483** |

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 not retained by us as part of our loan origination businesses
ii) any realized gains or losses on sales of certain MBS
iii) any unrealized gains or losses on Residential MSRs from discontinued operations
iv) any unrealized change in current expected credit loss reserve and valuation allowances
v) any unrealized gains or losses on de-designated cash flow hedges
vi) any unrealized gains or losses on foreign exchange hedges
vii) any unrealized gains or losses on certain unconsolidated joint ventures
viii) any non-cash compensation expense related to stock-based incentive plan
ix) 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 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 from discontinued operations. In calculating Distributable Earnings, the Company does not exclude realized gains or losses on either commercial MSRs 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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