READY CAPITAL®

INVESTOR PRESENTATION

September 2022

RC LISTED NYSE

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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 the Appendix for the most recent GAAP information.

Differentiated Mortgage REIT

- Largest non-bank lender to *both* investors in and owners of small balance commercial ("SBC") properties with current capitalization of approximately $2.0 billion[1]
- All-weather investment strategy as a direct lender and acquiror of bulk portfolios, including distressed
- $10.2 billion[2] portfolio of almost 5,600 loans diversified across 50 states & Europe with 99% senior lien
- Resilient current dividend yield of 11.9%[3]; combination of gain-on-sale income from 3 government sponsored Opco's & NIM from "capital heavy" SBC→ Record year in pandemic
- Imbedded operating companies supported by over 600 employees across the Company's 9 offices
- Integrated with Waterfall Asset Management, LLC, a leading $11 billion global structured products investment manager with a 17-year track record

1. Inclusive of preferred stock
2. Excludes Paycheck Protection Program loans
3. As of September 16, 2022

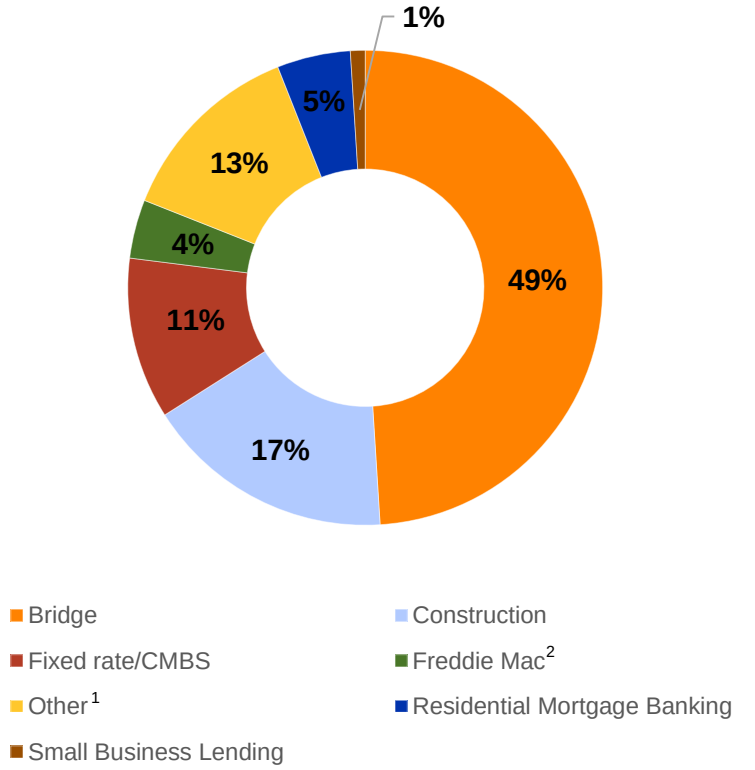
Diversified Investment Strategy

Capital allocated opportunistically to highest ROE Operating Company across economic cycle

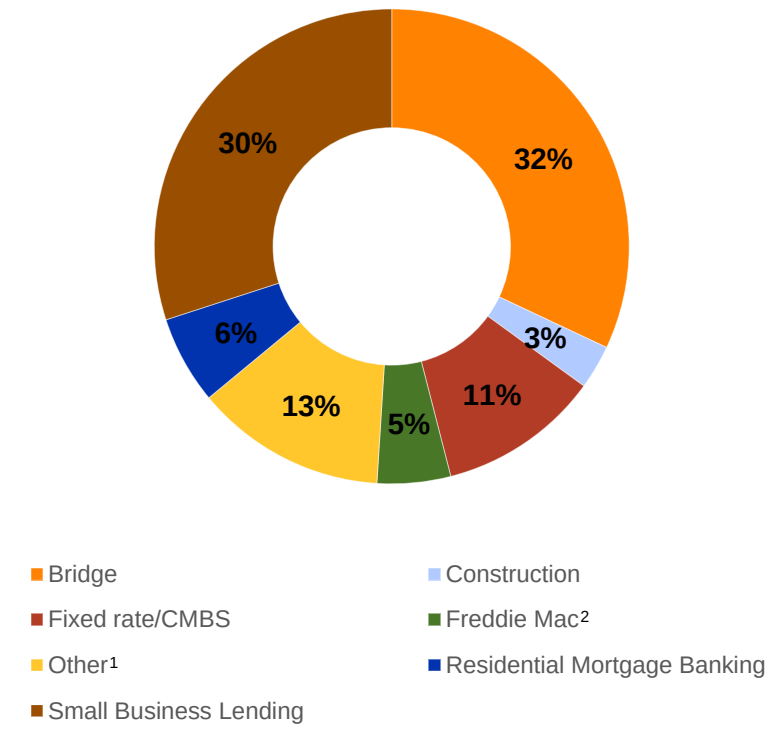
	SBC LENDING AND ACQUISITIONS	SMALL BUSINESS LENDING	RESIDENTIAL MORTGAGE BANKING
Products:	Investor SBC lending across 9 products (ground-up to stabilized properties, including middle-market construction lending and tax-exempt affordable housing) & portfolio acquisitions	Owner occupied SBC lending through SBA 7(a), USDA & unsecured small business. 1 of 14 non-Bank 7(a) SBA lenders	Residential mortgage loan originations and servicing focused on agency market
Strategy:	NIM from retained SBC portfolio supplemented by gain on sale income from Agency production and originations to borrowers	Revenue from gain on secondary market sale, net interest income and servicing fees on retained interest	Revenue from gain on sale of production and servicing fees from retained MSR
Coupon:	4-10%	Prime +200-275bps	100-175bps
History:	Distressed acquisitions (2008), direct lending launch (2013), 1 of 12 Freddie Mac SBL license holders (2014), acquired bank bridge lending team (2015), affordable housing (2021), construction lending (2022)	Acquired in 2014 from CIT with originations beginning in 2015	Acquired in 2016 as part of the Company's acquisition of ZAIS Financial Corp

Complementary Platforms

INVESTED EQUITY ALLOCATION



TTM CORE EARNINGS CONTRIBUTION



1. Loans with the "Other" classification are generally SBC acquired loans that have nonconforming characteristics for the Fixed rate, Bridge, or Construction categories
2. Includes construction and permanent financing activities for the preservation and construction of affordable housing, primarily utilizing tax-exempt bonds, through Red Stone

Company History and Evolution

2011
- Ready Capital, then Sutherland Asset Management was founded

July 2014
- Acquired SBA ownership license, $570mm portfolio, and $1.2bn of SBA servicing rights from CIT Small Business Lending

October 2016
- Became a public company via a merger into a subsidiary of ZAIS Financial Corp (ZFC) and acquired GMFS with the transaction
- ZAIS was the legal surviving entity and changed its name to Sutherland Asset Management Corporation; ticker symbol was changed to (NYSE: SLD)

September 2018
- Sutherland Asset Management changed its name to Ready Capital Corporation
- Changed the ticker symbol to trade under (NYSE: RC)

March 2019
- Completed the $179mm acquisition of Owens Realty Mortgage
- The transaction increased the Company's equity capitalization, supported continued growth of the Company's platform and execution of the Company's strategy, and provided the Company with improved scale, liquidity and capital alternatives, including additional borrowing capacity

October 2019
- Acquired Knight Capital, a technology-driven platform that provides working capital to small and medium businesses across the U.S., for $27.8mm

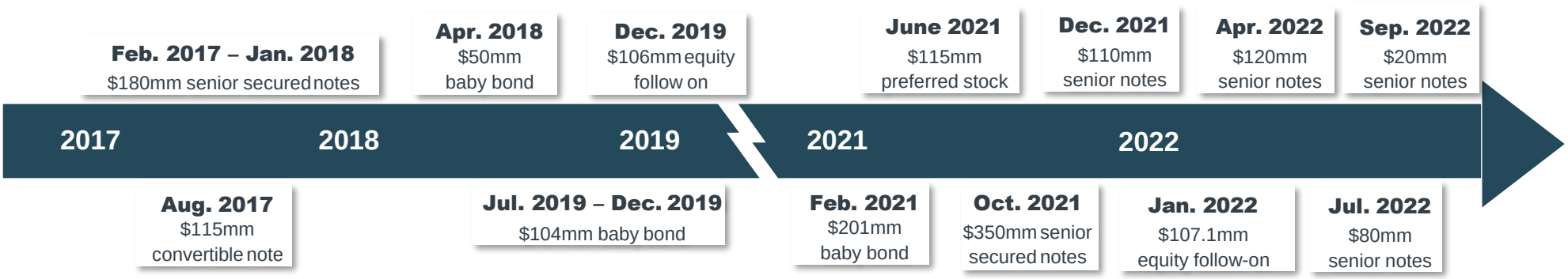
June 2020
- As 1 of 14 non-bank SBA lenders, facilitated the fundings of ~$2.7bn of loans through Paycheck Protection Program

March 2021
- Completed the $338mm acquisition of Anworth Mortgage Asset Corporation (ANH)
- Transaction created a scaled commercial mortgage REIT with a combined capital base in excess of $1bn

July 2021
- Completed the ~$70mm acquisition of Red Stone LLC, a real estate finance and investment company that provides innovative financial products and services to the multifamily affordable housing industry

March 2022
- Completed merger to acquire a series of privately held, real estate structured finance opportunities funds, with a focus on construction lending, managed by MREC Management LLC
- Following the merger Ready Capital increased its capital base to just below $1.9B

Corporate Capital Markets Activity



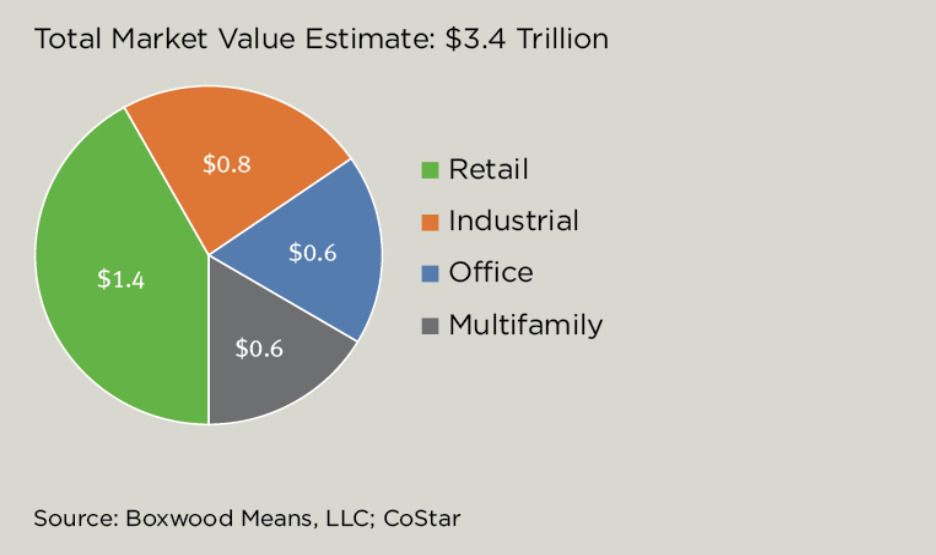
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SBC Lending & Acquisitions

SBC Market

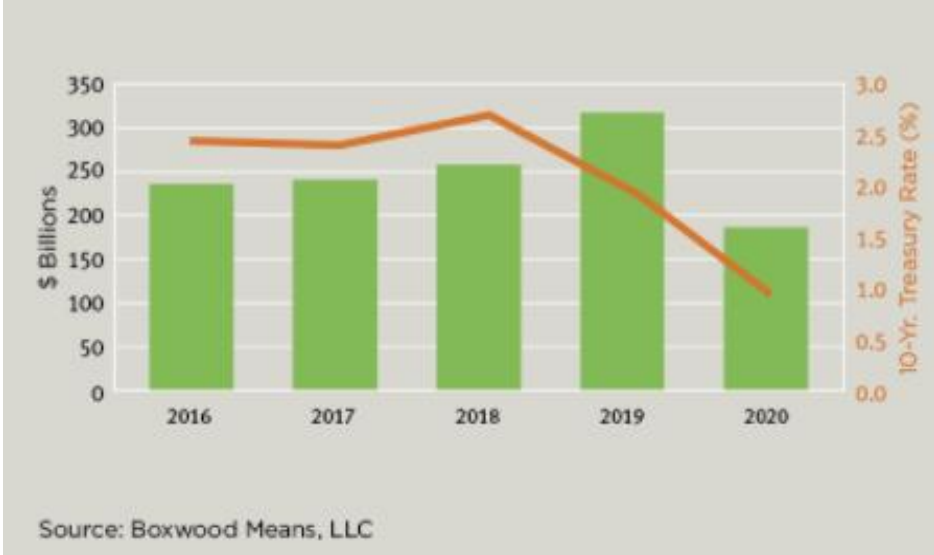
- SBC loans are 1st liens on either investor or owner occupied commercial real estate assets
- Typically, property appraised values of <$10M and <50,000 square feet

TOTAL SMALL-CAP COMMERICAL MARKET VALUE



SMALL-BALANCE LOAN ORIGINATION TREND

SUB $5 Million



SBC Lending & Acquisition Overview

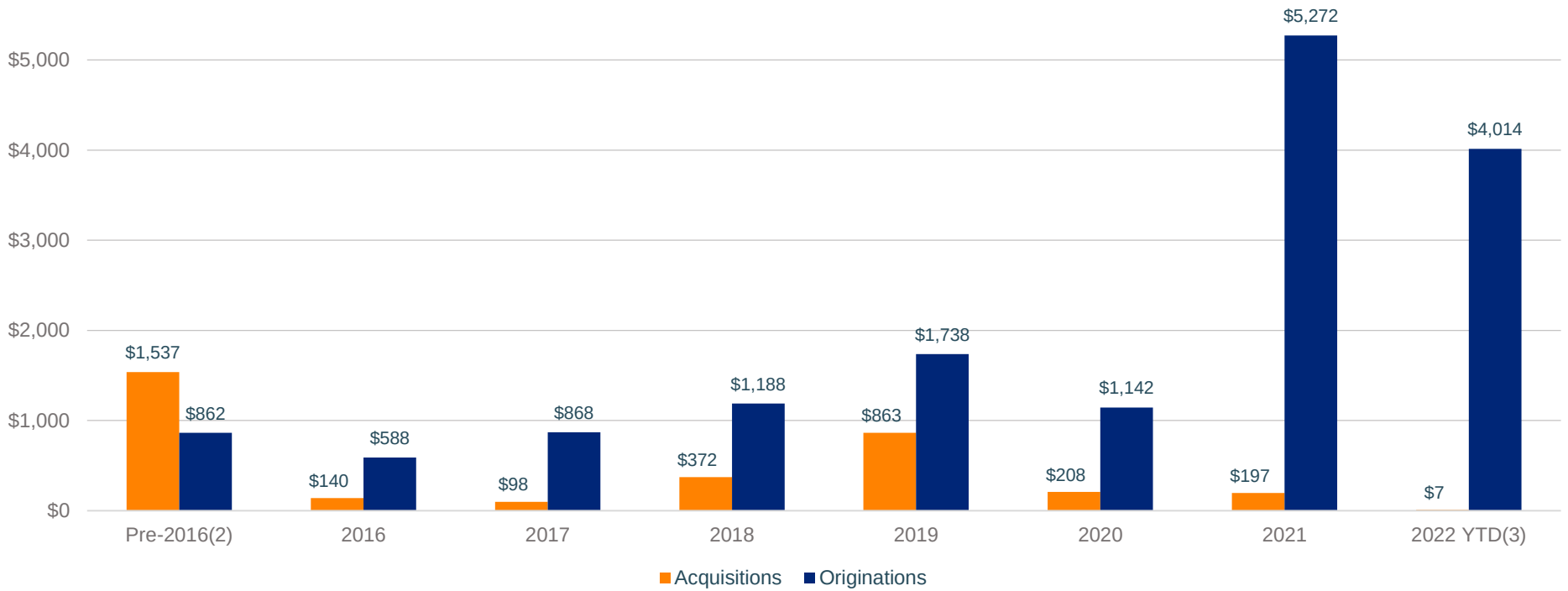
- All-weather origination platform with ability to allocate capital to the best opportunities across 9 products spanning ground-up to stabilized
- 1 of 12 Freddie Mac Small Balance Loan lenders; ranked #5 based on 2021 volume
- Over $15.7 billion[1] in originations since the Company's formation in 2013
- Largest acquiror of small balance commercial loans since the financial crisis with over 5,200 or $3.4 billion[1] of loans acquired
- Conservative approach to credit with focus on high conviction sectors, superior markets and strong sponsors; no realized losses incurred on new originations since the company's start
- Supported by 152 staff, including 25 loan officers, with headquarters in New York & Texas and 3 satellite offices

1. As of August 31, 2022

Platform Growth

- 40.3% 10-year CAGR
- Current 0.9% SBC market share with 1.5% 3-year target

HISTORICAL INVESTMENT ACTIVITY[1]



1. In millions
2. SBC Acquisitions began in 2008; Originations began in 2013
3. As of August 31, 2022

SBC Product Offerings

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	GROUND-UP	HEAVY TRANSITIONAL	LIGHT TRANSITIONAL		STABILIZING	STABILIZED			AFFORDABLE HOUSING
PRODUCT	**CONSTRUCTION**	**BRIDGE**	**BRIDGE-TO-PERM**	**BRIDGE-TO-AGENCY**	**STRUCTURED FIXED RATE**	**CMBS DIRECT**	**CORRESPONDENT AGENCY**	**FREDDIE MAC SBL**	**AFFORDABLE HOUSING**
LOAN PURPOSE	Construction Predevelopment Renovation Acquisition	Vacant Rehabilitation Adaptive Re-Use Renovation Value Add	Renovation Lease Up Rent Optimization Event Driven Bridge to Near Term Refinance		Final Lease Up Seasoning Lease Expiration Prepay Flexibility Mid-Term Refinance	Cash Out Term Refinance Interest Rate Arbitrage Bridge Refinance Permanent Acquisition/Recapitalization			Construction to Perm Private Loan Financing for Eventual LIHTC Takeout
LOAN SIZE	$15-75MM	$5-75MM $75MM+ Portfolios	$2-75MM $75MM+ Portfolios	$1-100MM	$2-45MM		$1-100MM	$1 - $7.5MM	$5MM+
MAX LEVERAGE	80% Loan-to-Cost				80% Loan-to-Value				90% Loan-to-Value
TERM	Typically, 2-3 Years Plus Extensions		Up to 3 Years Plus, Extensions	Up to 2 Years Plus, Extensions	2 – 10 Years	5, 7, 10 Years	Up to 30 Years	5, 7, 10 Years Hybrid: 20 Years	Typically, 7+ Years
PREPAYMENT	Spread maintenance; last 6 months open	Minimum Interest			Customized Declining Yield Maintenance	Defeasance Yield Maintenance	Declining Yield Maintenance		Defeasance Yield Maintenance
RATE TYPE	SOFR + Spread	Floating Rate Hybrid		Floating Rate Hybrid	Fixed Rate		Floating Rate Fixed Rate	Floating Rate Hybrid	Floating Rate Fixed Rate
PROPERTY TYPE	Multifamily Build-to-Rent Future availability to be announced	Multifamily, Industrial, Office, Self-Storage, Essential Retail	Multifamily	All Property Types		Multifamily			Multifamily Affordable

Case Studies – CRE Bridge Transaction

Transaction Overview

Multifamily

Phoenix, AZ

- 1 multifamily property
- 274 units
- Acquisition / Renovation / Stabilization
- $54M loan



Metrics / Loan Details

- $54M loan commitment for the acquisition (82% LTPP)
- 36-month IO loan with two 12-month extension options
- Priced at 1M LIBOR + 3.35%
- Loan is structured with $5.5M in future funding proceeds to renovate the units to provide accretive rents
- Stabilized credit metrics are 67% LTV and 6.9% DY

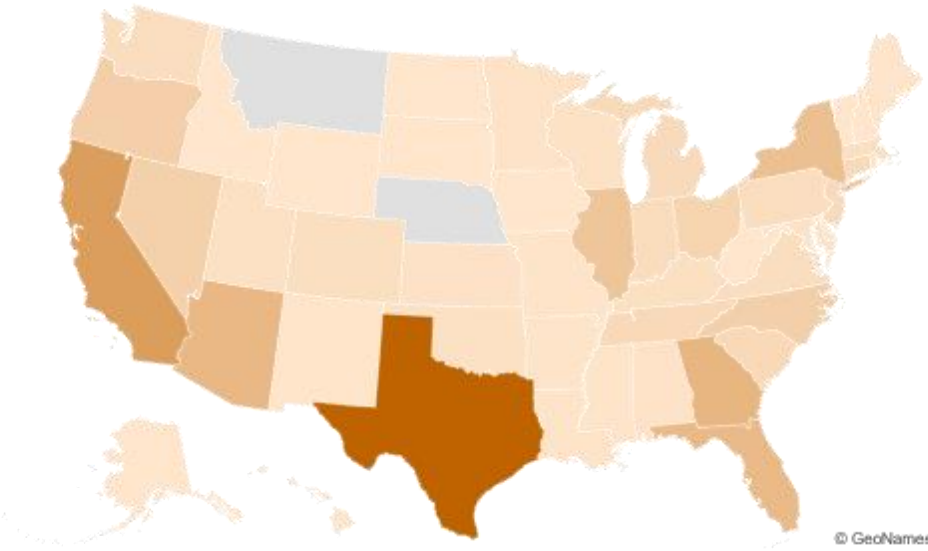
Opportunity Overview

- Renovation and stabilization of a 274-unit multifamily property in Phoenix, AZ
- Property benefits from strong occupancy of 95% at closing with in-place DY of approximately 4.5%
- Sponsor plans on implementing a $12k/unit renovation on average and expects to increase rents by $325/month
- Sponsor is an experienced Phoenix area multifamily investor with a successful track record executing value-add business plans

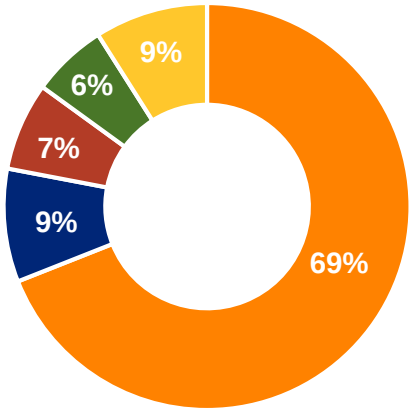
SBC Lending and Acquisitions

PRODUCT TYPE	LOAN COUNT[1]	UPB	BOOK VALUE	WA LTV	WA COUPON	FIXED/FLOAT[2]	60+ DAYS PAST DUE
	2,446	**$9.40B**	**$9.32B**	**64.9%**	**5.2%**	**16.5 / 83.5%**	**2.9%**
FIXED RATE[3]	***274***	***$1.02B***	***$1.02B***	***60.8%***	***5.0%***	***99.3 / 0.7%***	***3.1%***
BRIDGE	***599***	***$7.09B***	***$7.01B***	***69.2%***	***4.7%***	***0.8 / 99.2%***	***1.3%***
CONSTRUCTION	***24***	***$588M***	***$594M***	***56.5%***	***11.4%***	***28.0 / 72.0%***	***18.7%***
OTHER[4]	***1,549***	***$701M***	***$693M***	***33.9%***	***5.5%***	***44.7 / 55.3%***	***5.3%***

GEOGRAPHY



PROPERTY TYPE



1. Excludes joint venture investments
2. 75% of fixed rate loans match funded
3. Includes originated SBC floating rate loans that are included in our RCMT securitization and therefore, categorized as Fixed/CMBS
4. Loans with the “Other” classification are generally SBC acquired loans that have nonconforming characteristics for the Fixed rate, Bridge, or Construction categories

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Small Business Lending

Small Business Lending Overview

- A leading provider of capital to small businesses through 7(a) loans, USDA loans and unsecured small business loans
- 1 of 14 non-bank Small Business Administration 7(a) license holders; acquired from CIT in 2014
- #2 non-bank 7(a) lender and #7 overall lender[1]
- Fully integrated with fintech, Knight Capital, acquired in 2019. Enhanced technology from Knight Capital supports lead generation and underwriting efficiencies
- Result: Leading lender in Paycheck Protection Program with ~$5 billion originated
- Supported by 254 staff, including 24 business development officers, with headquarters in New Jersey & Florida and 5 satellite offices

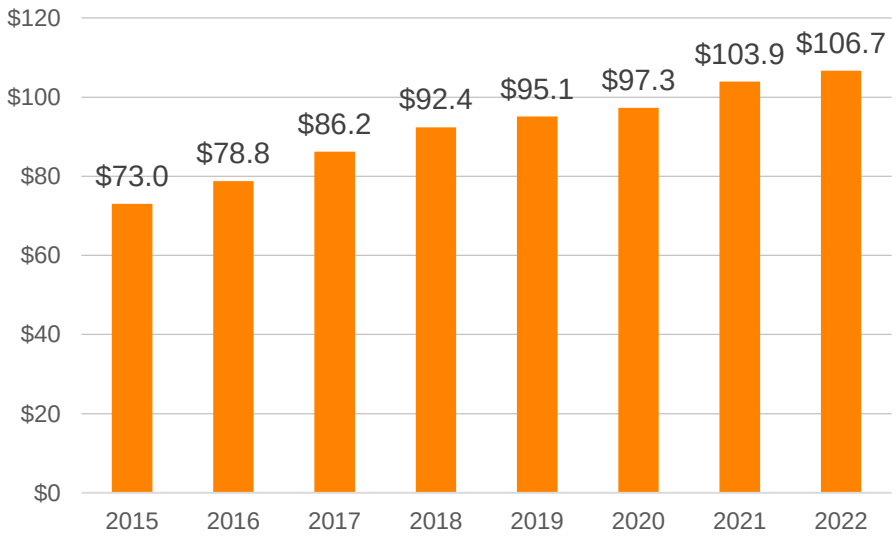
1. Source: SBA.gov.

Small Business Market – 7(a)

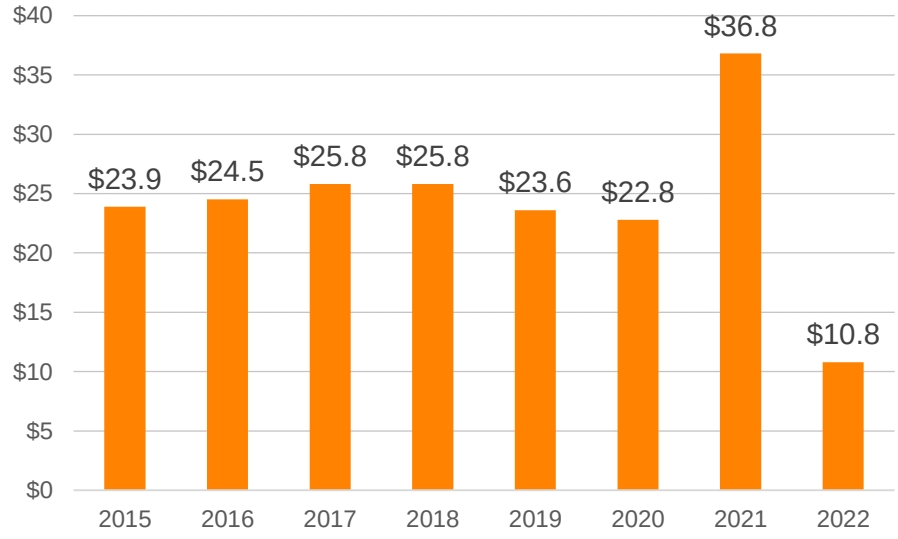
- The SBA (1953) is an independent federal agency that guarantees loans to small businesses
- Eligible participants are banks except for 14 non-bank licenses approved in the 1980s
- Eligible small businesses have under $15M net worth and $5M net profit

- The SBA's lead program is the 7(a) which guarantees 75% of eligible loans up to $5M @ Prime + 275bps maximum rate
- Originator sells 75% pro-rata interest in loan pooled into SBA Certificates & sold at ~9%+ premium retaining 25% and servicing rights

OUTSTANDING 7(a) BALANCE (BILLIONS)[1]



7(a) LOAN APPROVALS (BILLIONS)[1]



1. Source: SBA.gov; as of March 31, 2022

SBA 7(a) Economics

ASSUMPTIONS	
Loan Amount:	$1,000,000
Guaranteed Balance:	$750,000
Unguaranteed Balance:	$250,000
Sale Premium:	$90,000
Securitization Advance Rate:	$187,500

YEAR 1 GROSS RETURN	
Gain on Sale Revenue:	$90,000
Income on Retained Loan:	$20,625
Debt Cost on Retained Loan:	($9,450)
Servicing Fee :	$7,500
Year 1 Return:	$108,675

73.9%
Year 1 Gross Return

ONGOING GROSS RETURN	
Income on Retained Loan:	$20,625
Debt Cost on Retained Loan:	($9,450)
Servicing Fee :	$7,500
Ongoing Return:	$18,675

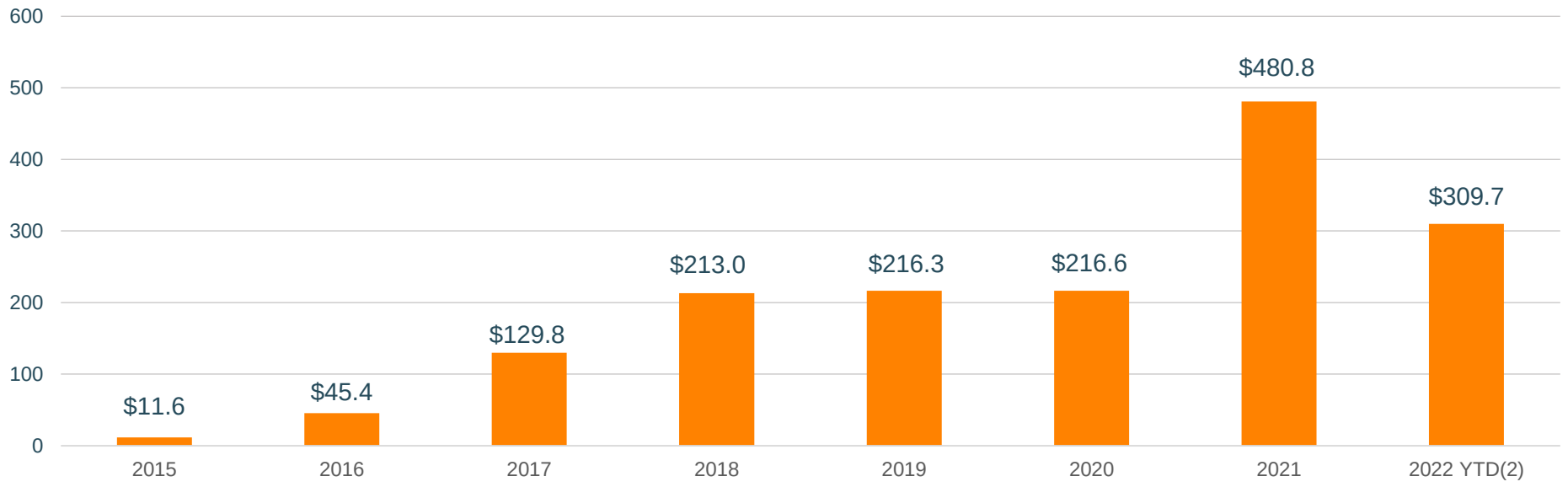
29.9%
Ongoing Gross Return

	Option 1: **Full Premium**	Option 2: **Partial Premium**	Option 3: **Full Servicing**
Upfront Premium	12% (net of SBA Split)	10%	0%
Servicing Strip	1.00%	2.00%	4.635%

Platform Growth

- 69.4% CAGR
- Current 1.5% non-bank market share with 2.0% 3-year target or ~$600 million in volume
- Approximately $5.0 billion of PPP loans originated

ORIGINATIONS[1]



1. In millions
2. As of August 31, 2022

SBA 7(a) Case Study



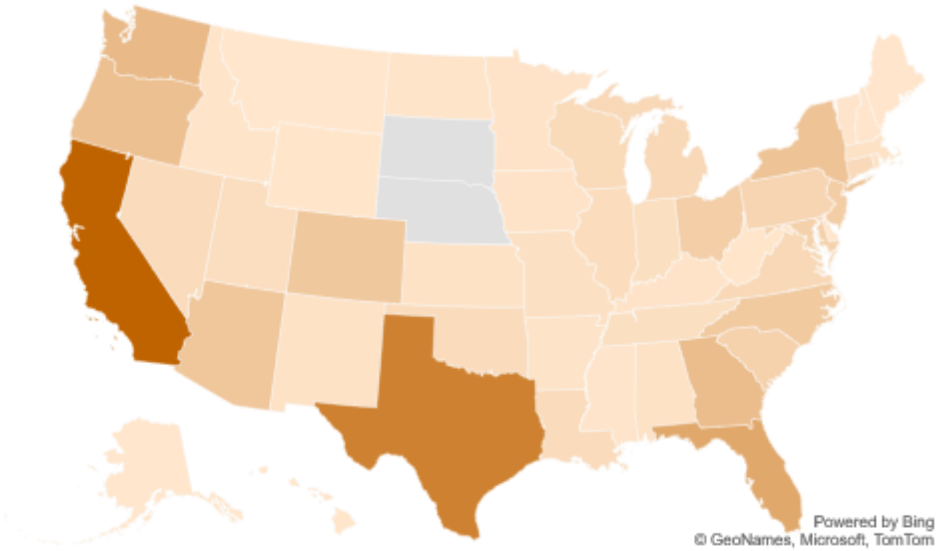
Name:	**Creative JDEA, Inc.**
Location:	**Los Angeles, CA 90020**
Loan Purpose:	**Real Estate Purchase**
Business:	**Office Building**

LOAN AMOUNT:	$3,350,000
PRICING BASIS:	Variable
RATE:	Prime + 125 bps
GUARANTEE:	75%
SALE PREMIUM:	12%
SECURITIZATION ADVANCE RATE:	84%
SERVICING STRIP:	1%
DEBT COST:	3.45%
LIEN:	1st
ORIGINATION DATE:	February 2022
TERM (MONTHS):	300
AMORTIZATION (MONTHS):	300
LOAN-TO-VALUE:	84%
PERSONAL GUARANTEE:	Yes
RETAINED YIELD:	**16.37%**

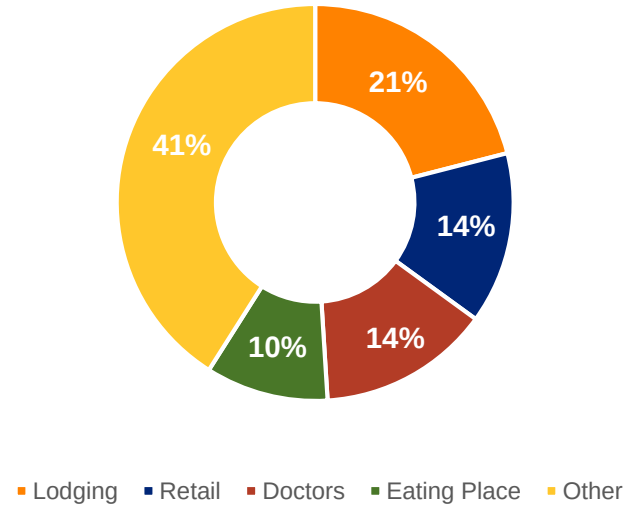
Small Business Lending

LOAN COUNT	UPB	BOOK VALUE	WA LTV	WA COUPON	FIXED/FLOAT	60+ DAYS PAST DUE
2,117	$590M	$551M	89.1%	5.5%	0.3 / 99.7%	1.2%

GEOGRAPHY



PROPERTY TYPE



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Residential Mortgage Banking

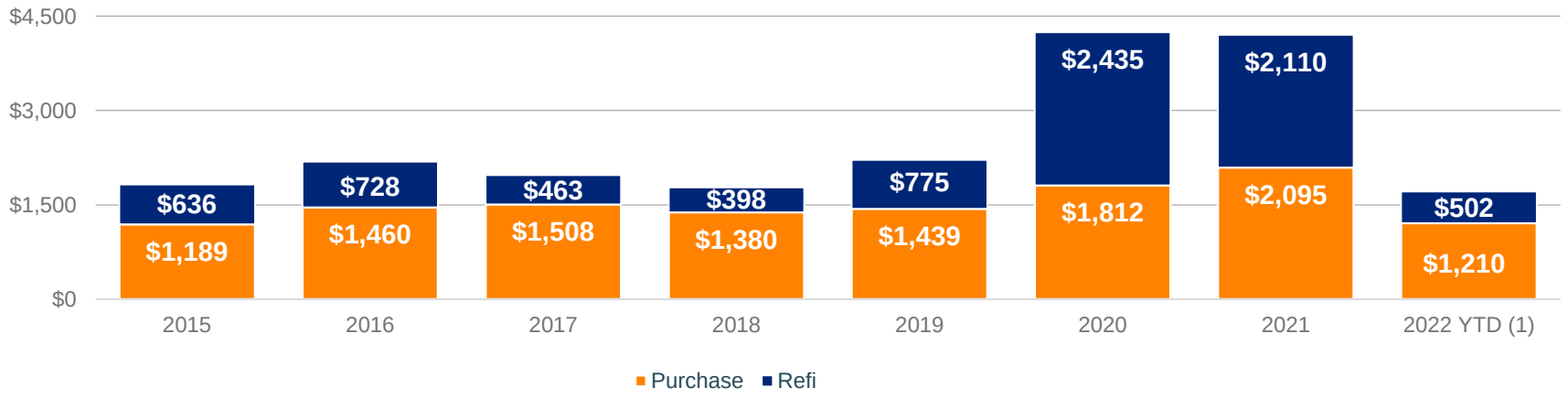
Residential Mortgage Banking Overview

- GMFS, founded in 1999, has a leading Southeast market share and acquired via the ZFC merger in 2016
- Licensed in 18 states, approved FNMA and FHLMC seller-servicer, GNMA issuer, HUD / FHA / USDA originator and VA lender
- GMFS provides a wide range of residential mortgage services, including home purchase financing, refinancing and other mortgage products
- Operates through 12 retail branches located in Louisiana, Georgia, Mississippi, Alabama and Texas
- Servicing retained model provides natural hedge to production
- Year to Date GMFS Originations of $1.9 billion[1]

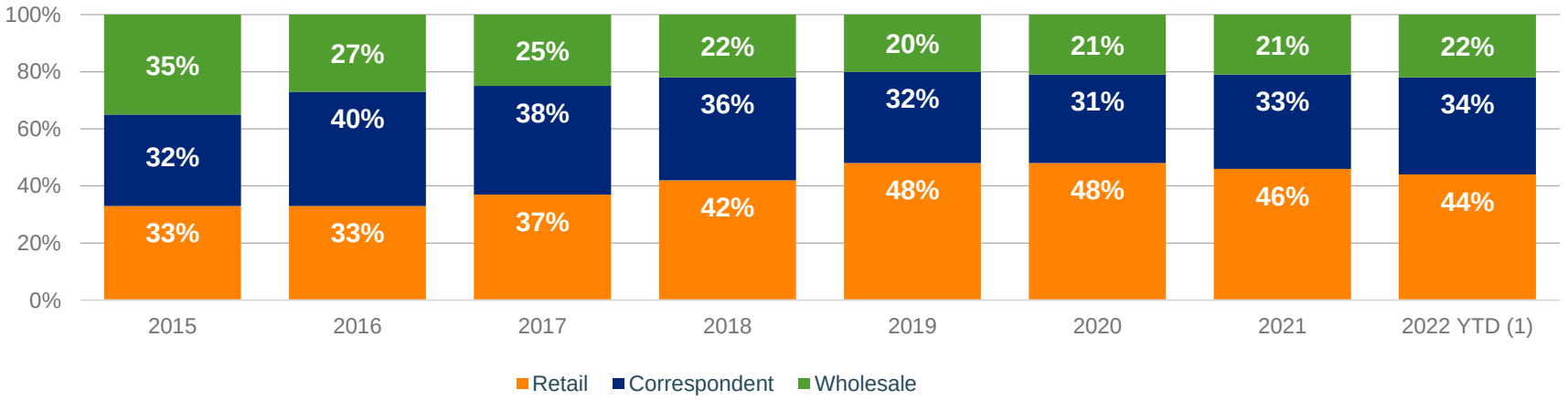
1. As of August 31, 2022

Production Metrics

PURCHASE VOLUME HAS ACCOUNTED FOR ~60% OF HISTORICAL PRODUCTION (IN MILLIONS)



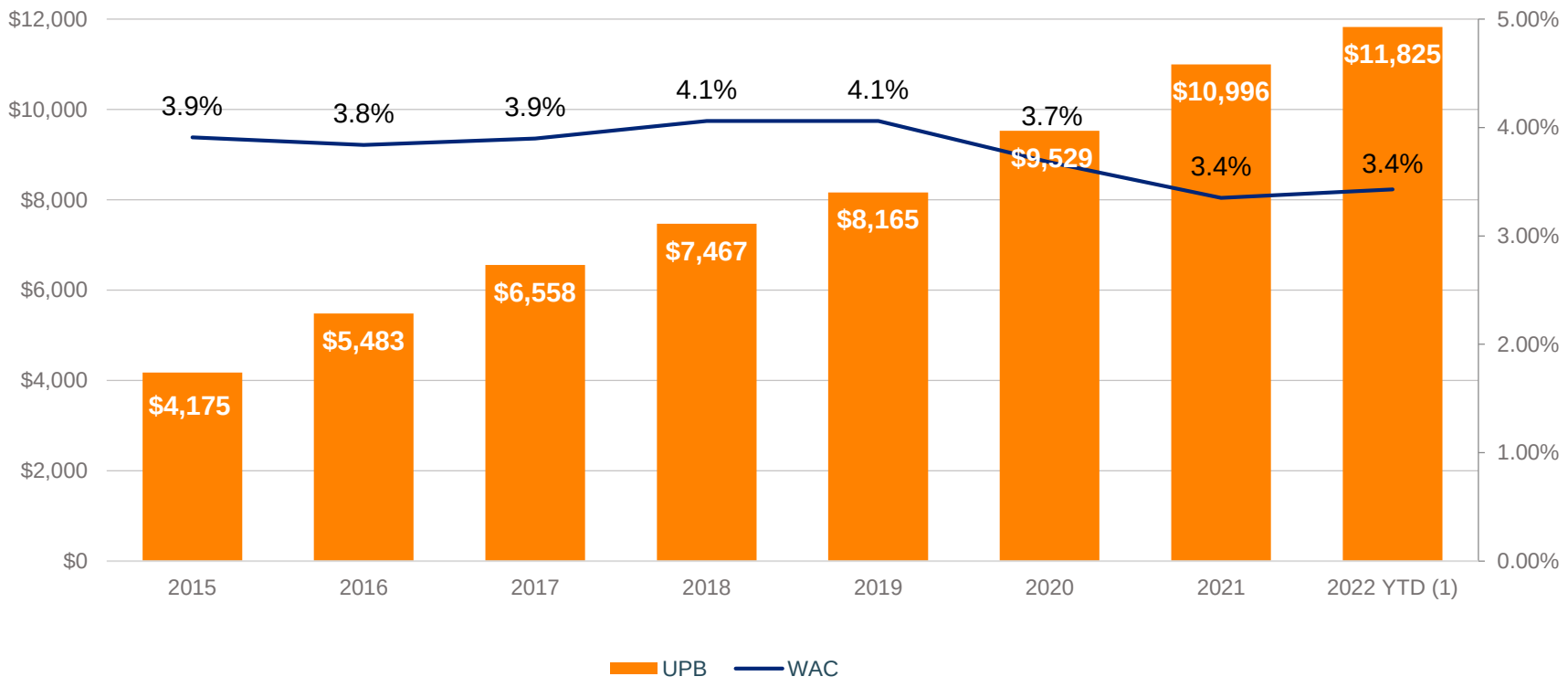
DIVERSIFIED PRODUCTION CHANNELS WITH FOCUS ON RETAIL CHANNEL GROWTH



1. As of July 31, 2022

Servicing Asset

HISTORICAL RETENTION RATES EXCEEDING 30%



1. As of July 31, 2022

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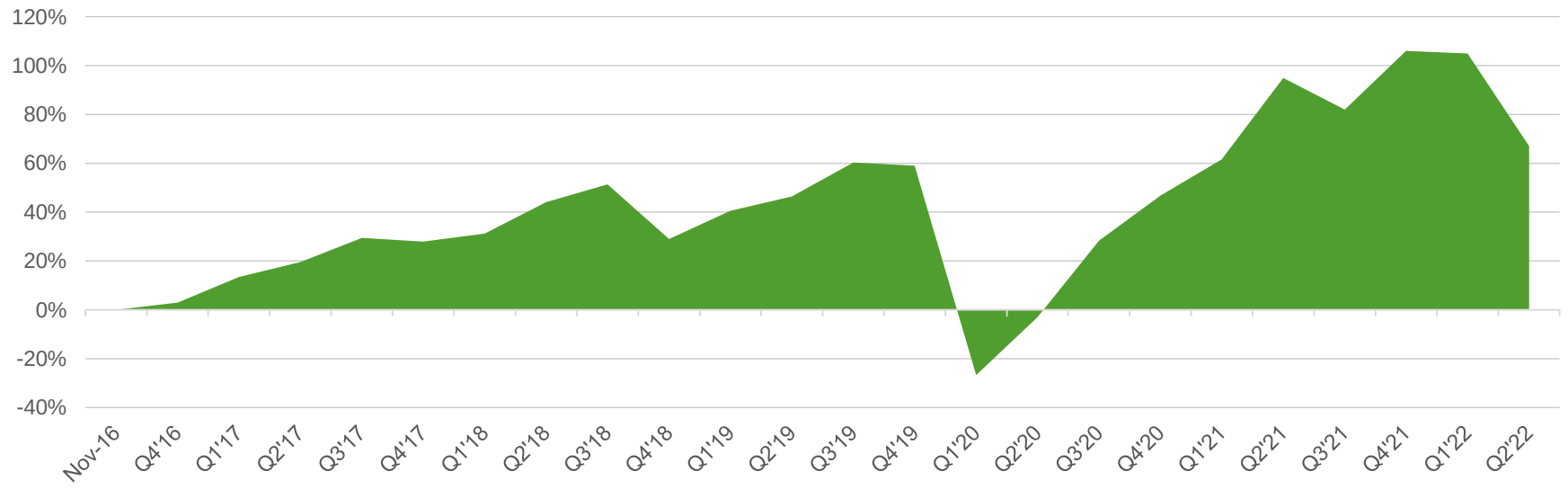
Financial Overview & Performance

Historical Performance

	3Q 2021	4Q 2021	1Q 2022	2Q 2022
Net Income[2]:	$46.5	$53.6	$64.3	$59.0
Distributable Earnings[2]:	$49.4	$52.5	$48.9	$60.1
Distributable Earnings per Share:	$0.64	$0.67	$0.52	$0.48

	3Q 2021	4Q 2021	1Q 2022	2Q 2022
Dividends per Share:	$0.42	$0.42	$0.42	$0.42
Dividend Yield on Market Price[1]:	11.64%	10.75%	11.16%	14.09%
Book Value per Share[3]:	$15.06	$15.35	$15.22	$15.28

TOTAL SHAREHOLDER RETURN



1. As of quarter end market prices
2. In millions
3. Excludes the equity component of our 2017 convertible note issuance

Second Quarter Strategic Highlights

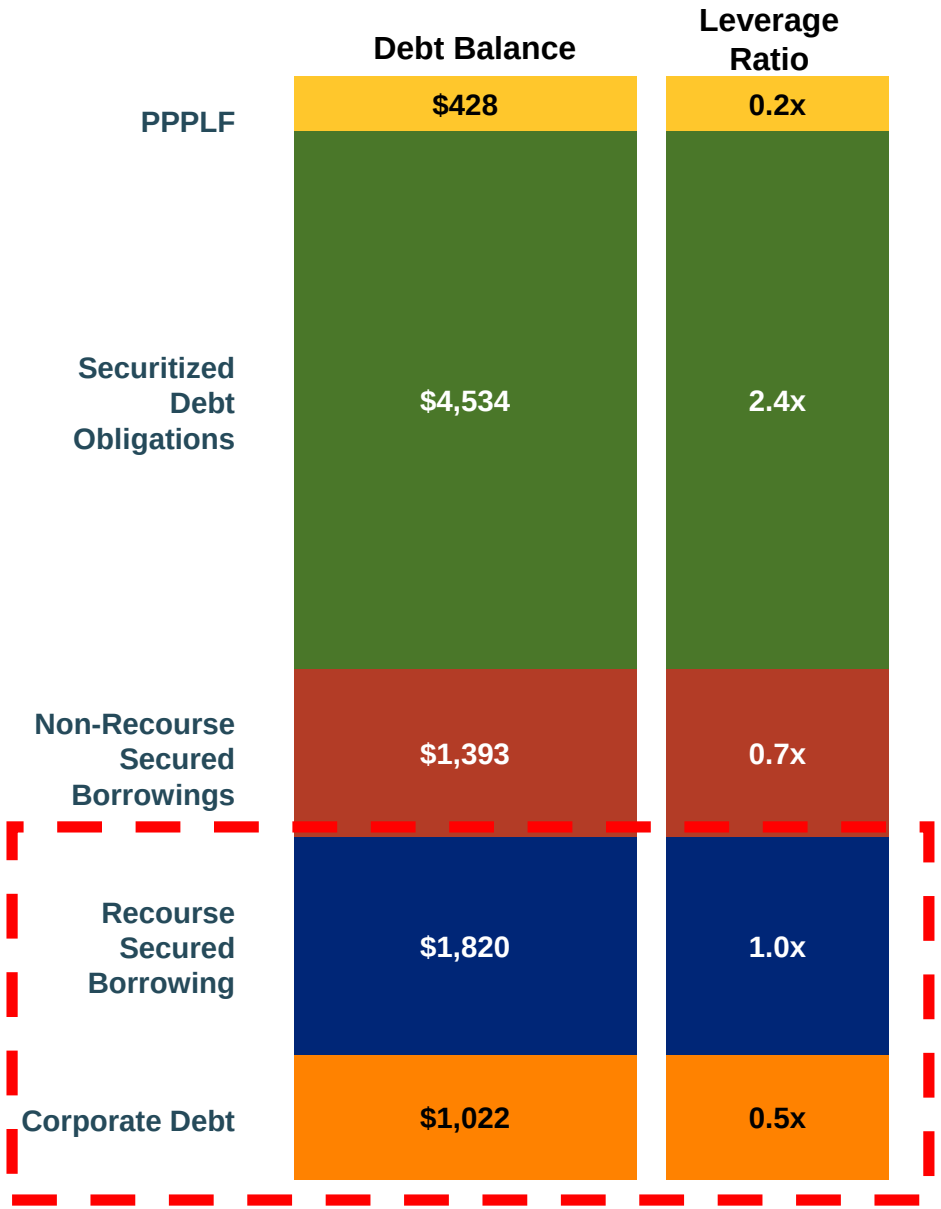
- Closed a $754.2 million commercial mortgage collateralized loan obligation, consisting of 25 first-lien floating rate loans originated by RC
- Closed a $276.8 million fixed rate securitization with a 4.8% weighted average cost of debt
- Closed a $120.0 million offering of 6.125% Senior Unsecured Notes due 2025
- Issued $80.0 million in aggregate principal amount of 7.375% Senior Unsecured Notes due 2027
- Entered into a joint venture with pan-European commercial real estate lending platform Starz Real Estate, with the goal of originating approximately €300 million in senior commercial real estate loans in Europe over the next two years

Return on Equity

Segment	Levered Yield [1]	Distributable Levered Yield [1]	Equity Allocation	GAAP ROE [2] Q2'22	GAAP ROE [2] Q1'22	Distributable ROE [2] Q2'22	Distributable ROE [2] Q1'22
SBC Lending and Acquisitions	12.2 %	12.2 %	90.6 %				
Small Business Lending	35.3 %	35.3 %	4.4 %				
Residential Mortgage Banking [3]	12.5 %	12.5 %	5.0 %				
				13.3 %	**20.4 %**	**13.3 %**	**14.4 %**
Corporate leverage, net of non-earning assets				3.9	7.3	3.9	4.0
Gross return on equity				**17.2 %**	**27.7 %**	**17.2 %**	**18.4 %**
Realized & unrealized gains, net				1.3	4.9	1.3	4.9
Loan loss provision				1.0	(0.4)	0.5	0.1
PPP revenue, net of direct expenses				5.9	5.3	5.9	5.3
Non-recurring gains, losses and expenses [4]				(0.5)	(2.1)	-	-
Operating expenses				(8.1)	(10.7)	(7.6)	(10.5)
Investment advisory fees				(1.2)	(0.9)	(1.2)	(0.9)
Provision for income taxes				(2.3)	(5.2)	(2.5)	(3.1)
Dividends on preferred stock				(0.5)	(0.6)	(0.5)	(0.6)
Return on equity				**12.8 %**	**18.0 %**	**13.1 %**	**13.6 %**

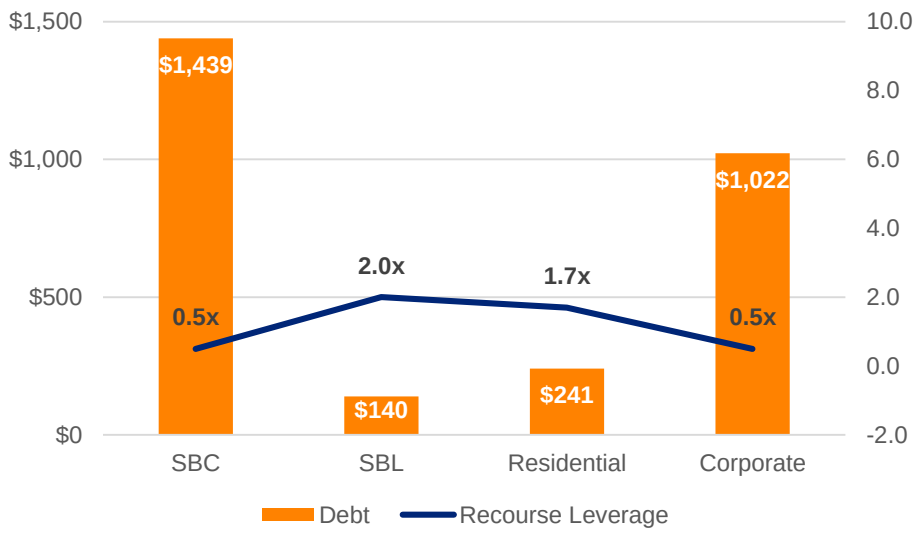
1. Levered yield includes interest income, accretion of discount, MSR creation, income from unconsolidated joint ventures, realized gains (losses) on loans held for sale, unrealized gains (losses) on loans held for sale and servicing income net of interest expense and amortization of deferred financing 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. ROE based on net income before tax of the Residential Mortgage Banking business line divided by the business line's average monthly equity.
4. Non-recurring gains, losses and expenses before applicable tax expenses

Debt - Leverage



- Recourse leverage ratio of 1.5x
- Total leverage of 4.9x
- Full market to market liabilities and credit mark to market liabilities represent 17% and 11% of total debt, respectively

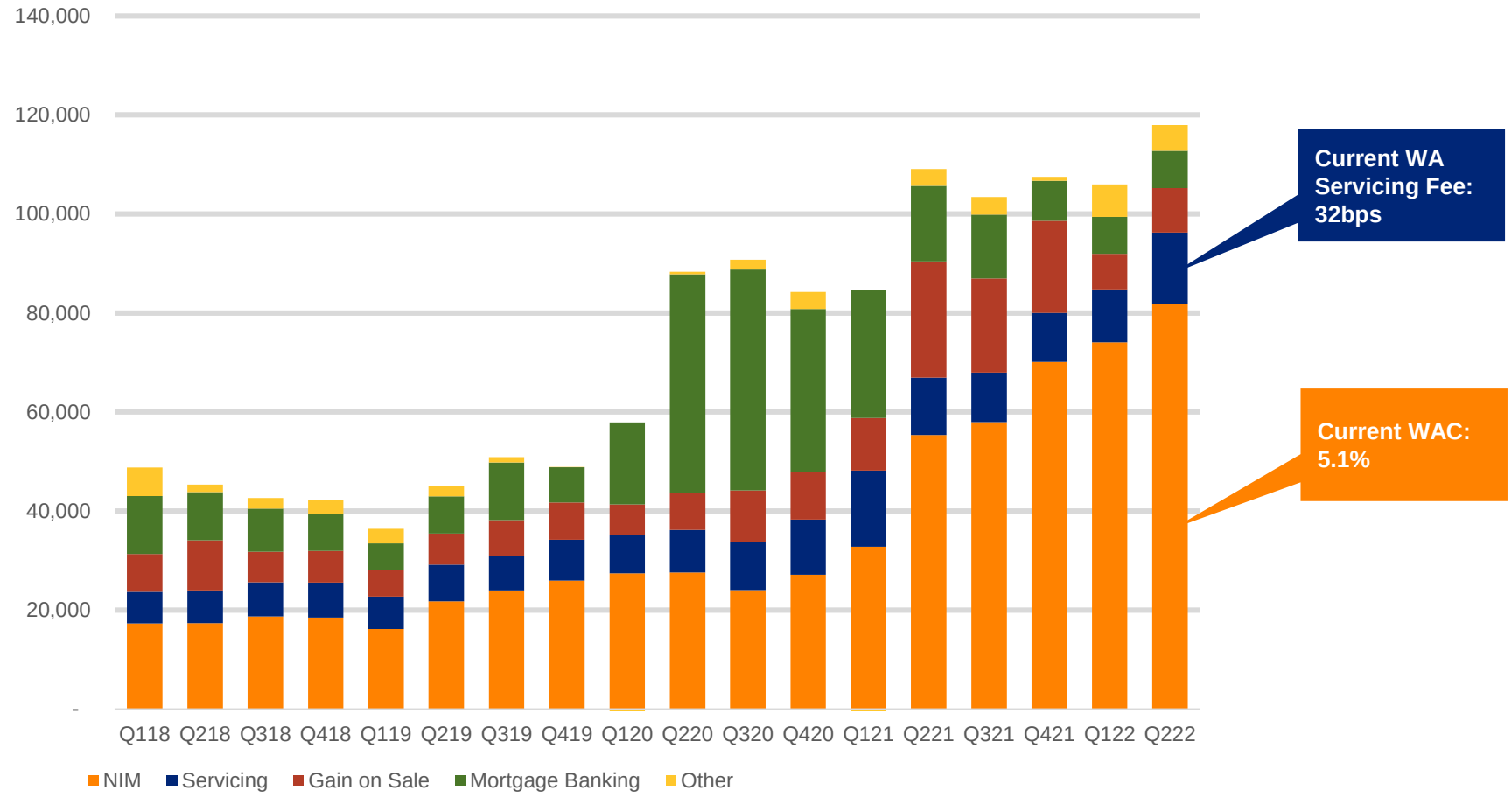
Recourse Leverage by Reporting Segment[1] *($ in millions)*



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

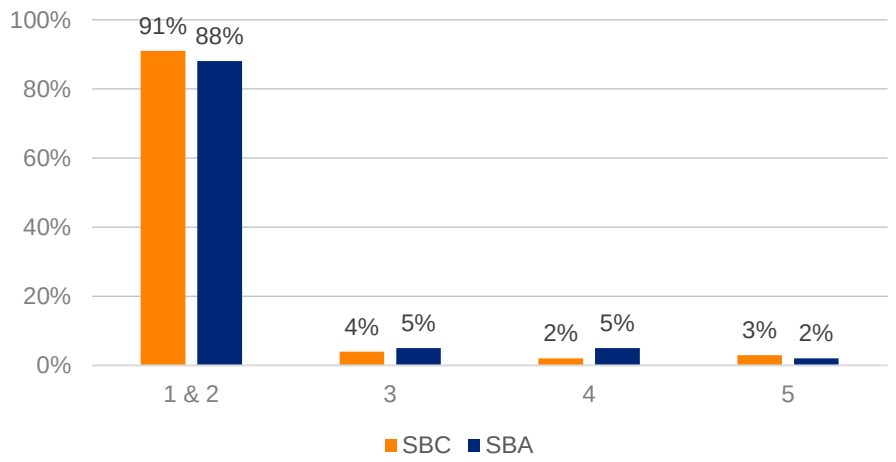
Revenue Trends

Diverse & re-occurring revenue from stabilized net interest and servicing revenue with alpha from gain on sale operations

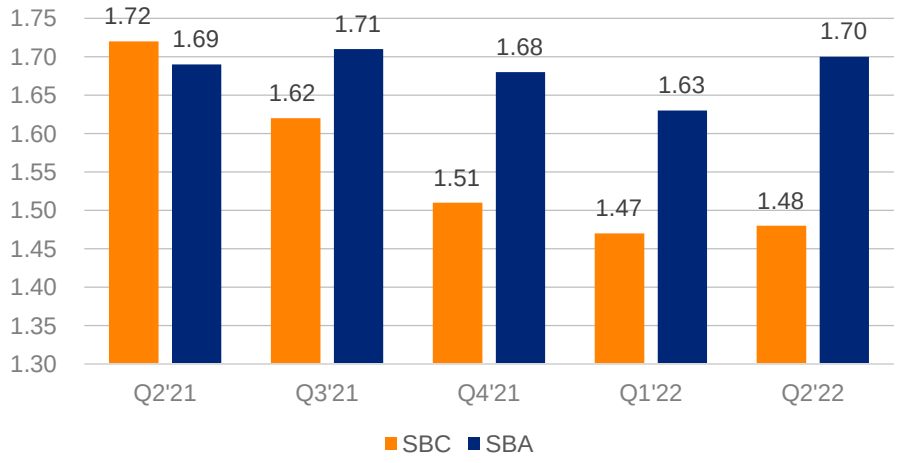


Loan Portfolio – Risk Rating

RISK RATING DISTRIBUTION



AVERAGE 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.

READY CAPITAL®

Waterfall Asset Management

A Successful & Proven Asset Manager

READY CAPITAL

WATERFALL Asset Management

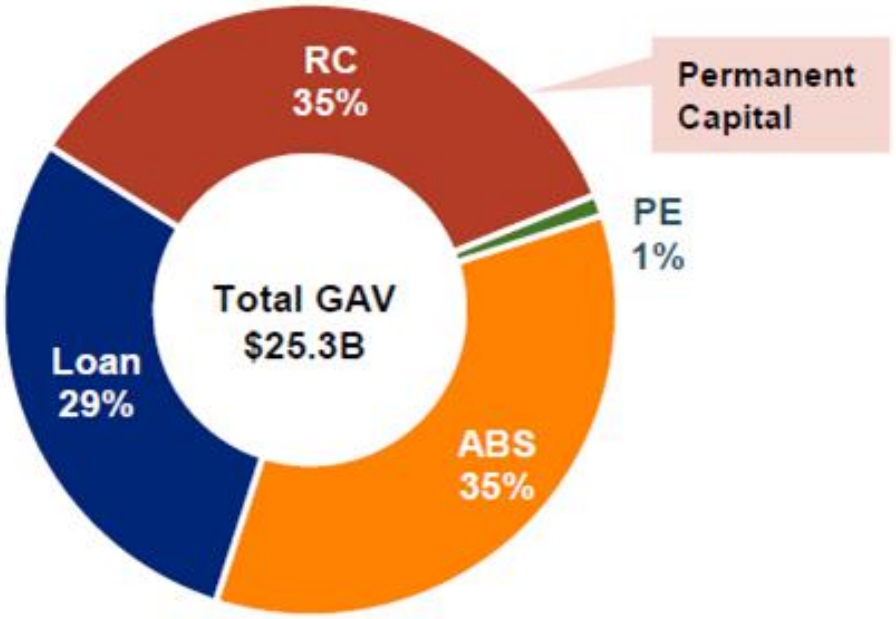
17 yr
Investment record

$11B
AUM

170+
Employees

70+
Investment professionals

60+ yr
Leadership team combined experience



- SEC-registered credit investment advisor founded in 2005
- Top 10 global manager with focus on real estate loans & ABS
- Principals were early pioneers of the ABS industry
- Co-founders started Merrill Lynch ABS business in 1980s and worked together for 20 years
- RC has the right of first refusal on all SBC loans sourced by WAM(1)

1. Waterfall has agreed in the side letter agreement that, for so long as the management agreement is in effect, neither it nor any of its affiliates will (i) sponsor or manage any additional investment vehicle where the Company does not participate as an investor whose primary investment strategy will involve SBC mortgage loans, unless Waterfall obtains the prior approval of a majority of the Company's board of directors (including a majority of its independent directors), or (ii) acquire a portfolio of assets, a majority of which (by value or UPB) are SBC mortgage loans on behalf of another investment vehicle (other than acquisitions of SBC ABS), unless the Company is first offered the investment opportunity and a majority of its board of directors (including a majority of its independent directors) decide not to acquire such assets.

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APPENDIX

Additional Financial Information

Balance Sheet by Quarter

(In Thousands)	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022
Assets					
Cash and cash equivalents	$ 200,723	$ 209,769	$ 229,531	$ 211,369	$ 127,939
Restricted cash	57,118	52,692	51,569	56,963	64,746
Loans, net	2,222,284	2,384,497	2,915,446	4,062,335	3,907,321
Loans, held for sale, at fair value	470,184	549,917	552,935	523,214	469,442
Payment protection program loans, net	2,178,586	1,784,826	870,352	554,656	389,189
Mortgage backed securities, at fair value	260,110	117,681	99,496	93,259	40,648
Loans eligible for repurchase from Ginnie Mae	173,437	149,723	94,111	82,975	54,784
Investment in unconsolidated joint ventures	86,994	125,547	141,148	149,475	224,220
Investments held to maturity	—	—	—	57,285	50,618
Purchased future receivables, net	7,213	6,567	7,872	8,753	8,704
Derivative instruments	6,600	6,180	7,022	36,852	46,530
Servicing rights	145,265	171,106	204,599	244,143	253,511
Real estate owned, held for sale	71,267	70,643	42,288	119,207	119,557
Other assets	120,214	196,827	172,098	186,089	183,887
Assets of consolidated VIEs	2,976,897	3,438,423	4,145,564	5,089,669	5,996,219
Total Assets	**$ 8,976,892**	**$ 9,264,398**	**$ 9,534,031**	**$ 11,476,244**	**$ 11,937,315**
Liabilities					
Secured borrowings	1,703,034	2,044,069	2,517,600	3,274,324	3,212,383
Paycheck Protection Program Liquidity Facility (PPPLF) borrowings	2,286,624	1,945,883	941,505	627,445	427,759
Securitized debt obligations of consolidated VIEs, net	2,309,217	2,676,265	3,214,303	3,864,150	4,533,789
Convertible notes, net	112,684	112,966	113,247	113,531	113,818
Senior secured notes and Corporate debt, net	513,494	513,889	783,852	788,572	907,699
Guaranteed loan financing	363,955	348,774	345,217	332,398	304,158
Contingent consideration	—	12,400	16,400	92,148	92,548
Liabilities for loans eligible for repurchase from Ginnie Mae	173,437	149,723	94,111	82,975	54,784
Derivative instruments	3,717	—	410	2,620	1,303
Dividends payable	33,968	33,564	34,348	51,161	51,185
Loan participations sold	—	—	—	56,386	53,544
Due to third parties	—	—	668	38,846	24,737
Accounts payable and other accrued liabilities	180,018	189,194	183,411	184,592	189,182
Total Liabilities	**$ 7,680,148**	**$ 8,026,727**	**$ 8,245,072**	**$ 9,509,148**	**$ 9,966,889**
Preferred stock Series C	8,361	8,361	8,361	8,361	8,361
Stockholders' Equity					
Preferred stock	209,619	111,378	111,378	111,378	111,378
Common stock	7	7	8	11	11
Additional paid-in capital	1,090,162	1,115,471	1,161,853	1,723,099	1,723,580
Retained earnings	(23,105)	(10,395)	8,598	21,661	27,298
Accumulated other comprehensive income (loss)	(7,157)	(6,276)	(5,733)	(4,704)	(2,815)
Total Ready Capital Corporation equity	1,269,526	1,210,185	1,276,104	1,851,445	1,859,452
Non-controlling interests	18,857	19,125	4,494	107,290	102,613
Total Stockholders' Equity	**$ 1,288,383**	**$ 1,229,310**	**$ 1,280,598**	**$ 1,958,735**	**$ 1,962,065**
Total Liabilities and Stockholders' Equity	**$ 8,976,892**	**$ 9,264,398**	**$ 9,534,031**	**$ 11,476,244**	**$ 11,937,315**
Adjusted Book Value per Share	**$ 14.87**	**$ 15.06**	**$ 15.35**	**$ 15.21**	**$ 15.28**

Statement of Income by Quarter

READY CAPITAL

(In thousands, except share data)	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Interest income	$ 103,047	$ 105,136	$ 121,942	$ 124,405	$ 153,671
Interest expense	(55,415)	(50,136)	(57,249)	(61,017)	(80,827)
Net interest income before provision for loan losses	**$ 47,632**	**$ 55,000**	**$ 64,693**	**$ 63,388**	**$ 72,844**
Recovery of (provision for) loan losses	(5,517)	(1,579)	(961)	(1,542)	4,390
Net interest income after (provision for) recovery of loan losses	**$ 42,115**	**$ 53,421**	**$ 63,732**	**$ 61,846**	**$ 77,234**
Non-interest income					
Residential mortgage banking activities	$ 36,690	$ 37,270	$ 21,928	$ 8,424	$ 2,947
Net realized gain on financial instruments and real estate owned	17,183	23,210	19,642	8,007	21,114
Net unrealized gain (loss) on financial instruments	4,612	5,688	8,081	45,315	(3,253)
Servicing income, net of amortization and impairment	11,928	10,243	10,209	10,528	14,565
Income on purchased future receivables, net	2,779	2,838	2,323	2,469	1,859
Income on unconsolidated joint ventures	3,361	3,548	816	6,563	5,200
Other income (loss)	(688)	5,674	3,452	6,501	8,334
Total non-interest income	**$ 75,865**	**$ 88,471**	**$ 66,451**	**$ 87,807**	**$ 50,766**
Non-interest expense					
Employee compensation and benefits	$ (24,270)	$ (24,537)	$ (18,481)	$ (27,968)	$ (26,089)
Allocated employee compensation and benefits from related party	(3,299)	(3,804)	(2,805)	(3,000)	(1,804)
Variable expenses on residential mortgage banking activities	(21,421)	(24,380)	(13,847)	(979)	4,532
Professional fees	(2,872)	(6,900)	(3,585)	(5,126)	(3,851)
Management fees – related party	(2,626)	(2,742)	(2,867)	(3,196)	(5,465)
Incentive fees – related party	(286)	(2,775)	(2,358)	—	—
Loan servicing expense	(6,851)	(8,124)	(8,904)	(8,920)	(10,296)
Transaction related expenses	(1,266)	(2,629)	(4,080)	(5,699)	(1,372)
Other operating expenses	(17,190)	(12,926)	(12,801)	(12,653)	(14,372)
Total non-interest expense	**$ (80,081)**	**$ (88,817)**	**$ (69,728)**	**$ (67,541)**	**$ (58,717)**
Income before provision for income taxes	$ 37,899	$ 53,075	$ 60,455	$ 82,112	$ 69,283
Income tax provision	(6,995)	(6,540)	(6,867)	(17,849)	(10,318)
Net income	**$ 30,904**	**$ 46,535**	**$ 53,588**	**$ 64,263**	**$ 58,965**
Less: Dividends on preferred stock	3,224	1,999	1,999	1,999	1,999
Less: Net income attributable to non-controlling interest	444	756	371	775	2,874
Net income attributable to Ready Capital Corporation	**$ 27,236**	**$ 43,780**	**$ 51,218**	**$ 61,489**	**$ 54,092**
Earnings per common share - basic	**$ 0.38**	**$ 0.61**	**$ 0.69**	**$ 0.70**	**$ 0.47**
Earnings per common share - diluted	**$ 0.38**	**$ 0.60**	**$ 0.68**	**$ 0.66**	**$ 0.45**
Weighted-average shares outstanding - Basic	71,221,806	71,618,168	74,163,951	87,707,281	114,359,026
Weighted-average shares outstanding - Diluted	71,385,603	71,787,228	74,326,672	95,402,494	125,065,492
Dividends declared per share of common stock	**$ 0.42**	**$ 0.42**	**$ 0.42**	**$ 0.42**	**$ 0.42**

Distributable Earnings Reconciliation by Quarter

(In thousands, except share data)	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Net Income	**$ 30,904**	**$ 46,535**	**$ 53,588**	**$ 64,263**	**$ 58,965**
Reconciling items:					
Unrealized (gain) loss on mortgage servicing rights	$ 4,699	$ (147)	$ (6,119)	$ (32,599)	$ 16
Impact of ASU 2016-13 on accrual loans	4,035	(1,329)	845	1,968	(2,110)
Non-recurring REO impairment	510	(10)	(1,441)	1,567	700
Merger transaction costs and other non-recurring expenses	2,971	5,485	5,036	6,655	3,248
Total reconciling items	$ 12,215	$ 3,999	$ (1,679)	$ (22,409)	$ 1,854
Distributable earnings before income taxes	**$ 43,119**	**$ 50,534**	**$ 51,909**	**$ 41,854**	**$ 60,819**
Income tax adjustments	(1,691)	(1,169)	626	7,009	(717)
Distributable earnings	**$ 41,428**	**$ 49,365**	**$ 52,535**	**$ 48,863**	**$ 60,102**
Less: Distributable earnings attributable to non-controlling interests	$ 595	$ 802	$ 364	$ 589	$ 2,929
Less: Income attributable to participating shares	392	445	377	413	413
Less: Dividends on preferred stock	3,224	1,999	1,999	1,999	1,999
Distributable earnings attributable to Common Stockholders	**$ 37,217**	**$ 46,119**	**$ 49,795**	**$ 45,862**	**$ 54,761**
DIstributable earnings per share- basic	**$ 0.52**	**$ 0.64**	**$ 0.67**	**$ 0.52**	**$ 0.48**
Weighted average common shares outstanding	**71,221,806**	**71,618,168**	**74,163,951**	**87,707,281**	**114,359,026**

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
iv) any unrealized current non-cash provision for credit losses on accrual loans
v) any unrealized gains or losses on de-designated cash flow hedges
vi) 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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