READY CAPITAL®

INVESTOR PRESENTATION

May 2023

RC LISTED NYSE

Disclaimer

These materials and any presentation of which they form a part are neither an offer to sell, nor a solicitation of an offer to purchase, an interest in Ready Capital Corporation (“Ready Capital,” “RC,” or the “Company”).

Neither the Company nor any of its representatives or affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and Company and its representatives disclaim all liability to the Recipient relating to, or resulting from, the use of this information. Nothing contained in this document is or shall be relied upon as a promise or representation as to the past, current or future performance of Company.

There is no guarantee that any of the estimates, targets or projections illustrated in these materials and any presentation of which they form a part will be achieved. Any references herein to any of the Company’s past or present investments or its past or present performance, have been provided for illustrative purposes only. It should not be assumed that these investments were or will be profitable or that any future investments by the Company will be profitable or will equal the performance of these investments.

Past performance is not indicative of future results and there can be no assurance that the Company will achieve comparable results in the future. This presentation contains statements that constitute "forward-looking statements," as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such statements are intended to be covered by the safe harbor provided by the same. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements; the Company can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from the Company's expectations include, but are not limited to, applicable regulatory changes; general volatility of the capital markets; changes in the Company’s investment objectives and business strategy; the availability of financing on acceptable terms or at all; the availability, terms and deployment of capital; the availability of suitable investment opportunities; changes in the interest rates or the general economy; increased rates of default and/or decreased recovery rates on investments; changes in interest rates, interest rate spreads, the yield curve or prepayment rates; changes in prepayments of Company’s assets; the degree and nature of competition, including competition for the Company's target assets; and other factors, including those set forth in the Risk Factors section of the Company's most recent Annual Report on Form 10-K filed with the SEC, and other reports filed by the Company with the SEC, copies of which are available on the SEC's website, www.sec.gov. The Company undertakes no obligation to update these statements for revisions or changes after the date of this release, except as required by law.

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 March 31, 2023, unless otherwise noted.

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 $1.9 billion[1]
- All-weather investment strategy as a direct lender and acquiror of bulk portfolios, including distressed
- $10.1 billion[2] portfolio of more than 5,300 loans diversified across 50 states & Europe with 99% senior lien
- Resilient current dividend yield of 14.3%[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 approximately 600 employees across the Company's 9 offices
- Integrated with Waterfall Asset Management, LLC, a leading $11.8 billion global structured products investment manager with an 18-year track record

1. Inclusive of preferred stock
2. Excludes Paycheck Protection Program loans
3. As of May 22, 2023

Diversified Investment Strategy

READY CAPITAL

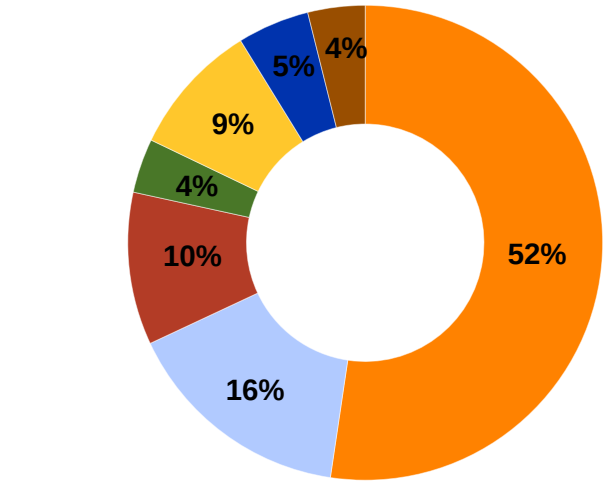
Capital allocated opportunistically to highest ROE Operating Company across economic cycle

	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
Target Return:	6-10%(1)	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

1. Targeted unlevered return

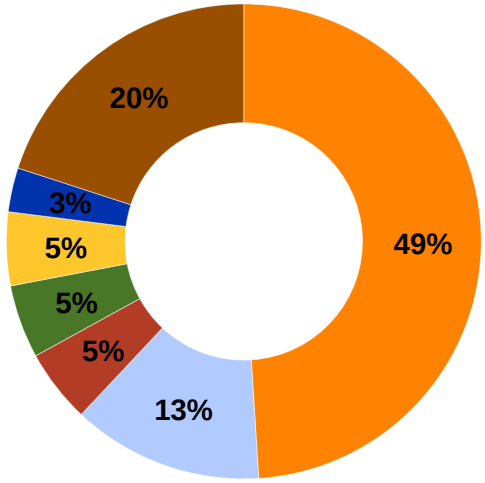
Complementary Platforms

INVESTED EQUITY ALLOCATION



- Bridge
- Construction
- Fixed rate/CMBS
- Freddie Mac[2]
- Other[1]
- Residential Mortgage Banking
- Small Business Lending

TTM CORE EARNINGS CONTRIBUTION



- Bridge
- Construction
- Fixed rate/CMBS
- Freddie Mac[2]
- Other[1]
- Residential Mortgage Banking
- Small Business Lending

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

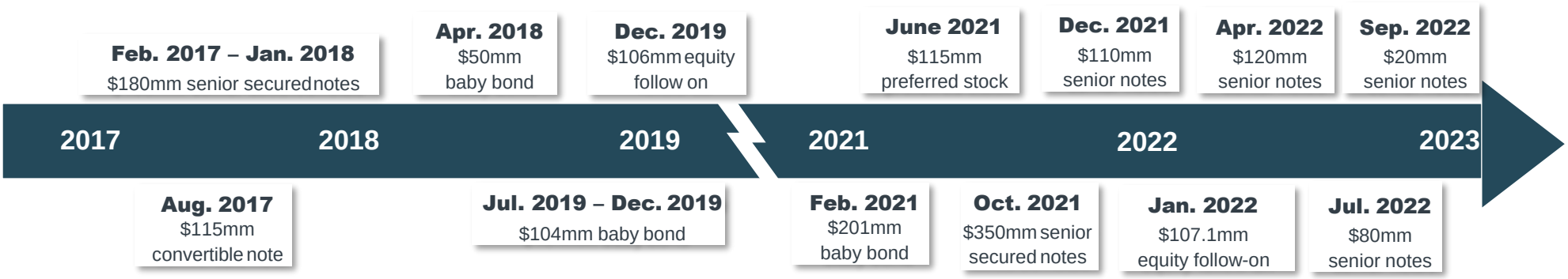
June 2020
- As 1 of 14 non-bank SBA lenders, facilitated the fundings of ~$2.7bn of loans through Paycheck Protection Program

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



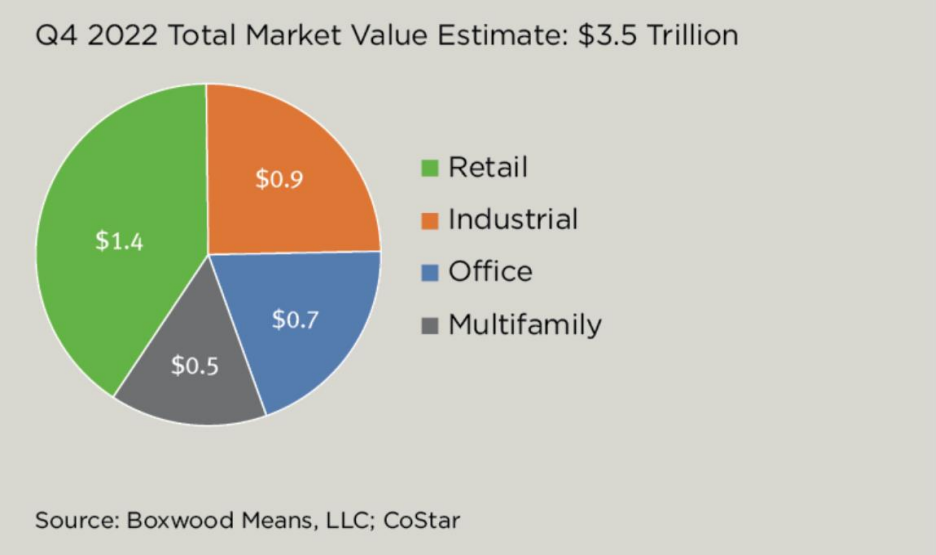
READY CAPITAL®

SBC Lending & Acquisitions

SBC Market

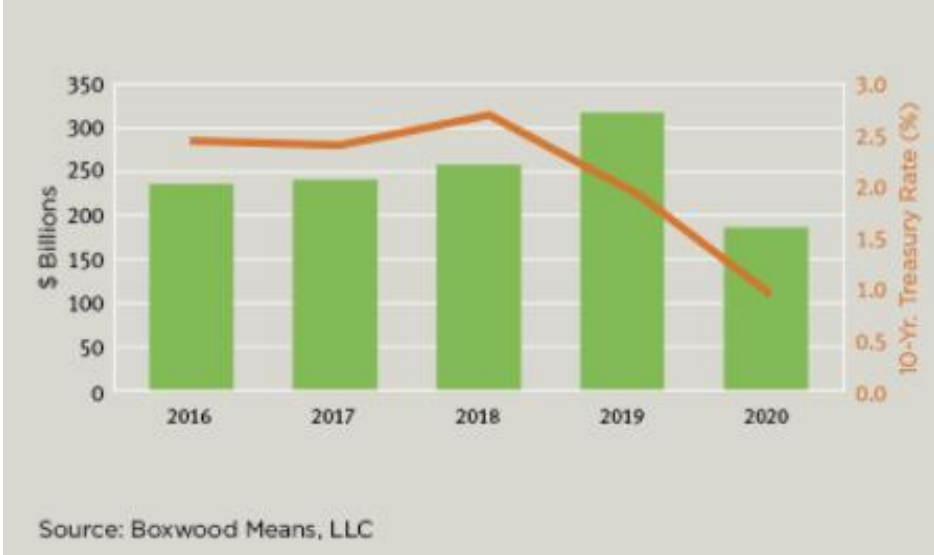
- SBC loans are 1st liens on either investor or owner occupied commercial real estate assets
- Typically, property appraised values of <$10M and <50,000 square feet

TOTAL SMALL-CAP COMMERICAL MARKET VALUE



SMALL-BALANCE LOAN ORIGINATION TREND

SUB $5 Million



SBC Lending & Acquisition Overview

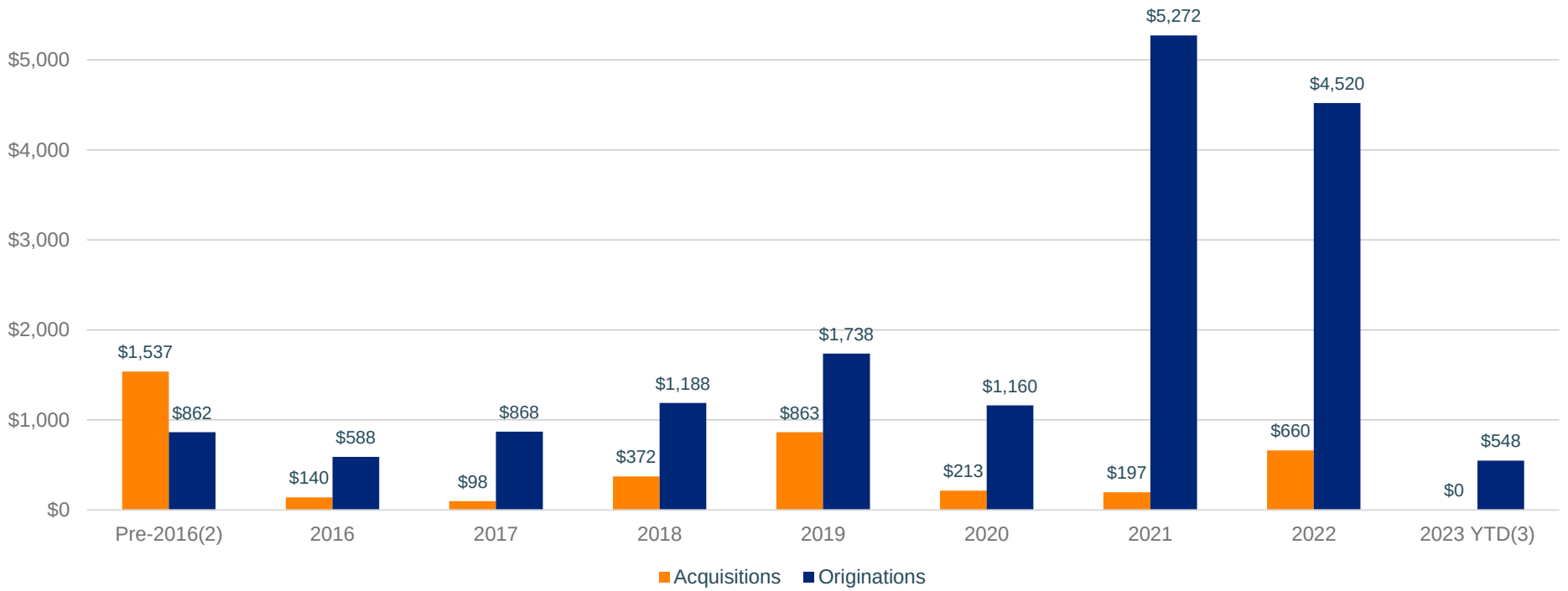
- All-weather origination platform with ability to allocate capital to the best opportunities across 9 products spanning ground-up to stabilized
- 1 of 12 Freddie Mac Small Balance Loan lenders
- $16.8 billion[1] in originations since the Company's formation in 2013
- Largest acquiror of small balance commercial loans since the financial crisis with over 5,200 or $4.1 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 124 staff, including 18 loan officers, with headquarters in New York & Texas and 3 satellite offices

1. As of April 30, 2023

SBC Investment by Platform

- 20.9% 10-year CAGR
- Current 0.7% 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 April 30, 2023

SBC Product Offerings

READY CAPITAL®

	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

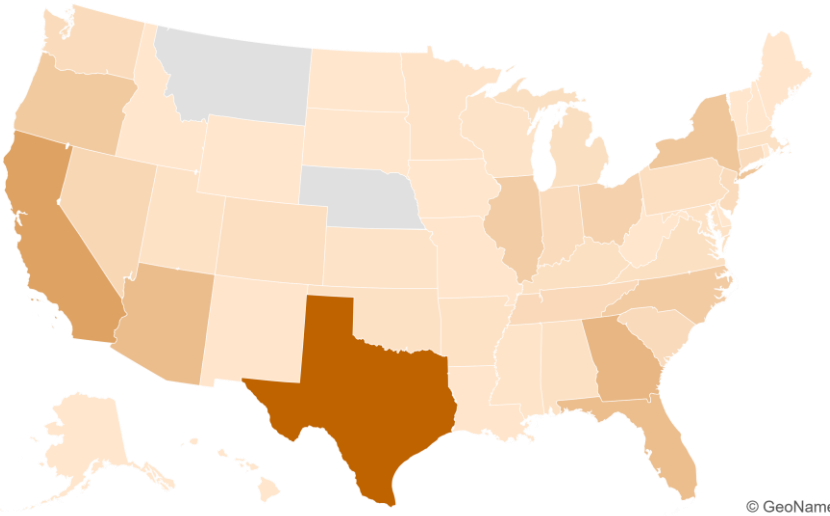
- Renovation and stabilization of a 274-unit multifamily property in Phoenix, AZ
- Property benefits from strong occupancy of 95% at closing with in-place DY of approximately 4.5%
- Sponsor plans on implementing a $12k/unit renovation on average and expects to increase rents by $325/month
- Sponsor is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

SBC Lending and Acquisitions

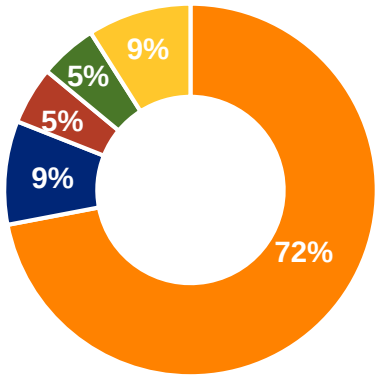
PRODUCT TYPE	LOAN COUNT[1]	UPB	BOOK VALUE[5]	WA LTV	WA COUPON	FIXED/FLOAT[2]	60+ Days Past Due
	2,227	**$9.59B**	**$9.53B**	**65.2%**	**8.3%**	**14.9 / 85.1%**	**4.1%**
FIXED RATE[3]	*240*	*$1.01B*	*$1.01B*	*60.7%*	*5.2%*	*98.7 / 1.3%*	*2.4%*
BRIDGE	*603*	*$7.43B*	*$7.39B*	*68.5%*	*8.5%*	*0.6 / 99.4%*	*2.4%*
CONSTRUCTION (POST MOSAIC)	*9*	*$59M*	*$57M*	*54.4%*	*7.0%*	*100.0 / 0.0%*	*0.0%*
MOSAIC ACQUIRED ASSETS	*18*	*$532M*	*$530M*	*57.7%*	*12.9%*	*22.5 / 77.5%*	*30.3%*
OTHER[4]	*1,357*	*$554M*	*$547M*	*37.7%*	*6.2%*	*38.3 / 61.7%*	*5.9%*

	2,227	**$9.59B**	**$9.53B**	**65.2%**	**8.3%**	**14.9 / 85.1%**	**4.1%**
ORIGINATED	*829*	*$7.88B*	*$7.83B*	*67.4%*	*8.2%*	*12.0 / 88.0%*	*2.7%*
ACQUIRED	*1,398*	*$1.71B*	*$1.70B*	*55.1%*	*8.7%*	*28.3 / 71.7%*	*10.7%*

GEOGRAPHY



PROPERTY TYPE



1. Excludes joint venture investments
2. 72% 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, Construction, or Mosaic acquired categories
5. Gross of general reserves

READY CAPITAL®

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
- #1 non-bank 7(a) lender and #5 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 237 staff, including 21 business development officers, with headquarters in New Jersey & Florida and 5 satellite offices

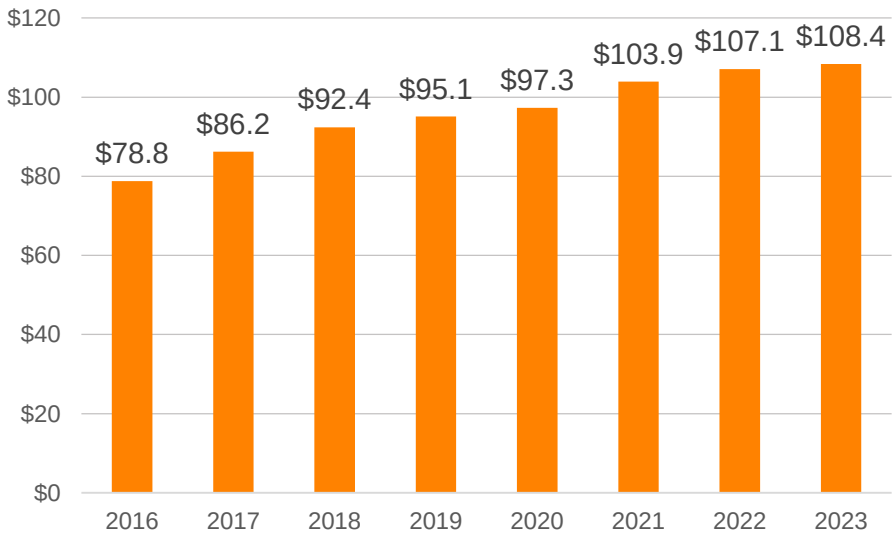
1. Source: SBA.gov.

Small Business Market – 7(a)

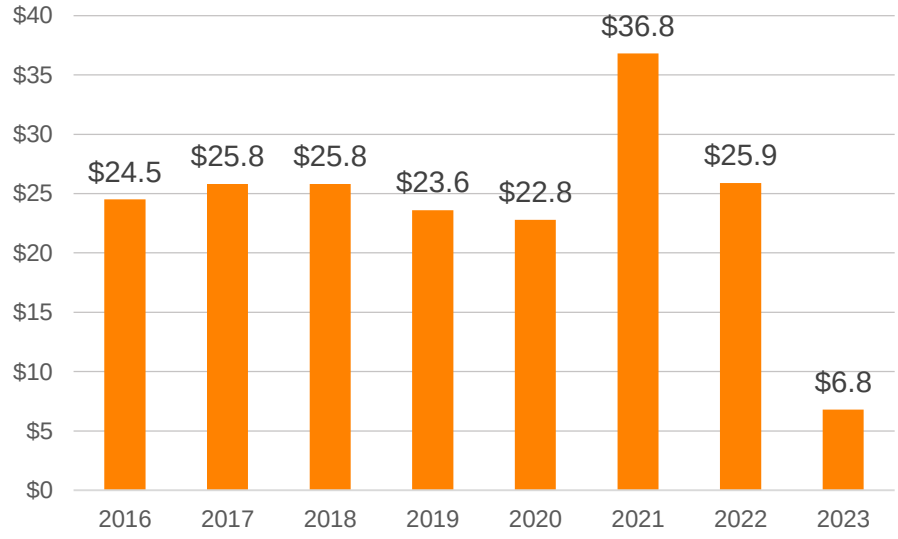
- The SBA (1953) is an independent federal agency that guarantees loans to small businesses
- Eligible participants are banks except for 14 non-bank licenses approved in the 1980s
- Eligible small businesses have under $15M net worth and $5M net profit

- 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)



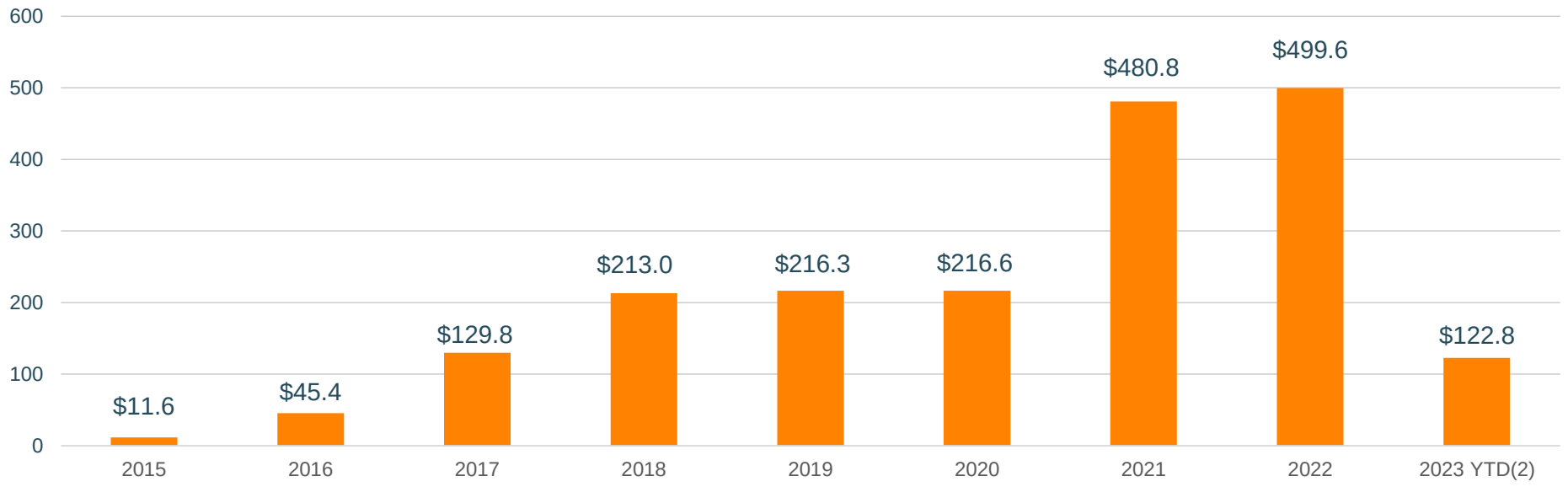
7(a) LOAN APPROVALS (BILLIONS)



SBA Investments

- 54.1% CAGR
- Current 1.2% non-bank market share with 2.5% 3-year target or ~$750 million in volume
- Approximately $5.0 billion of PPP loans originated

ORIGINATIONS[1]



1. In millions
2. As of April 30, 2023

SBA 7(a) Case Study



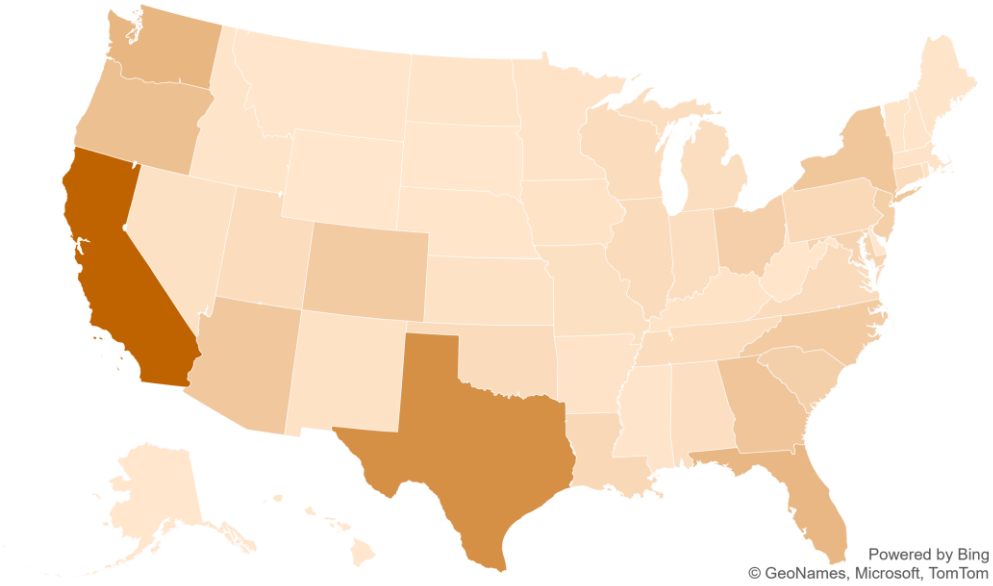
Name:	**Creative JDEA, Inc.**
Location:	**Los Angeles, CA 90020**
Loan Purpose:	**Real Estate Purchase**
Business:	**Office Building**

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%**

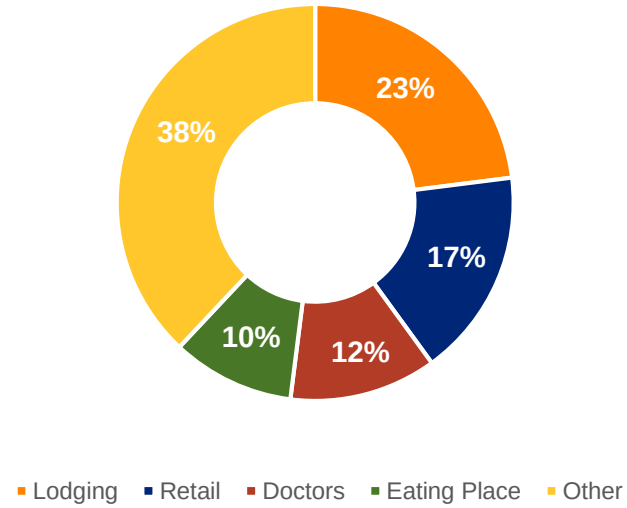
Small Business Lending

LOAN COUNT	UPB	BOOK VALUE	WA LTV	WA COUPON	FIXED/FLOAT	60+ DAYS PAST DUE
2,557	$564M	$536M	90.2%	9.4%	0.2 / 99.8%	1.1%

GEOGRAPHY



PROPERTY TYPE



READY CAPITAL®

Residential Mortgage Banking

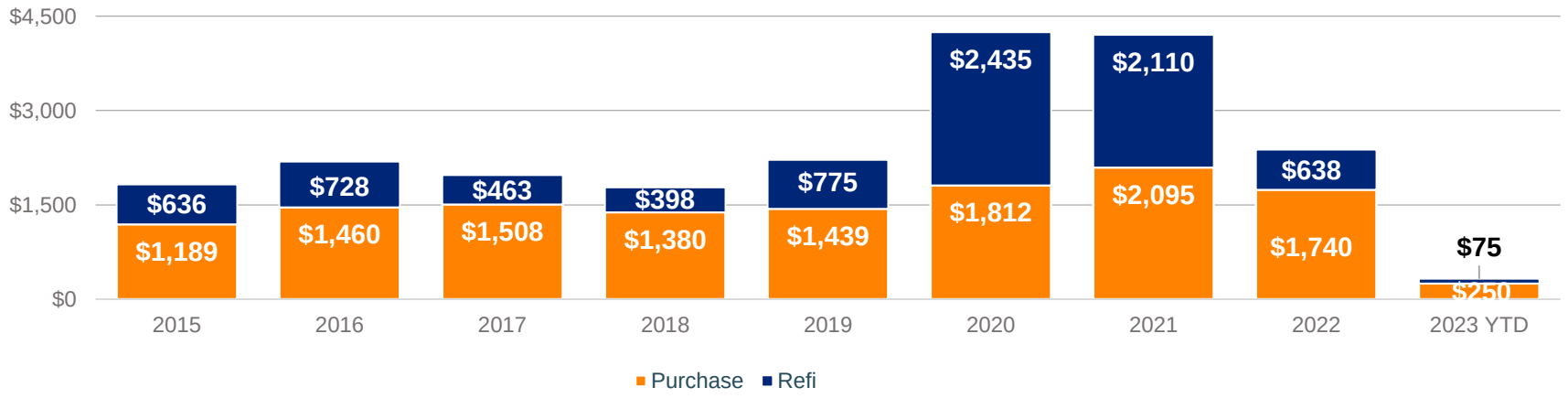
Residential Mortgage Banking Overview

- 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 15 retail branches located in Louisiana, Georgia, Mississippi, Alabama, Florida, and South Carolina
- Servicing retained model provides natural hedge to production
- Year to Date GMFS Originations of $449.7 million[1]

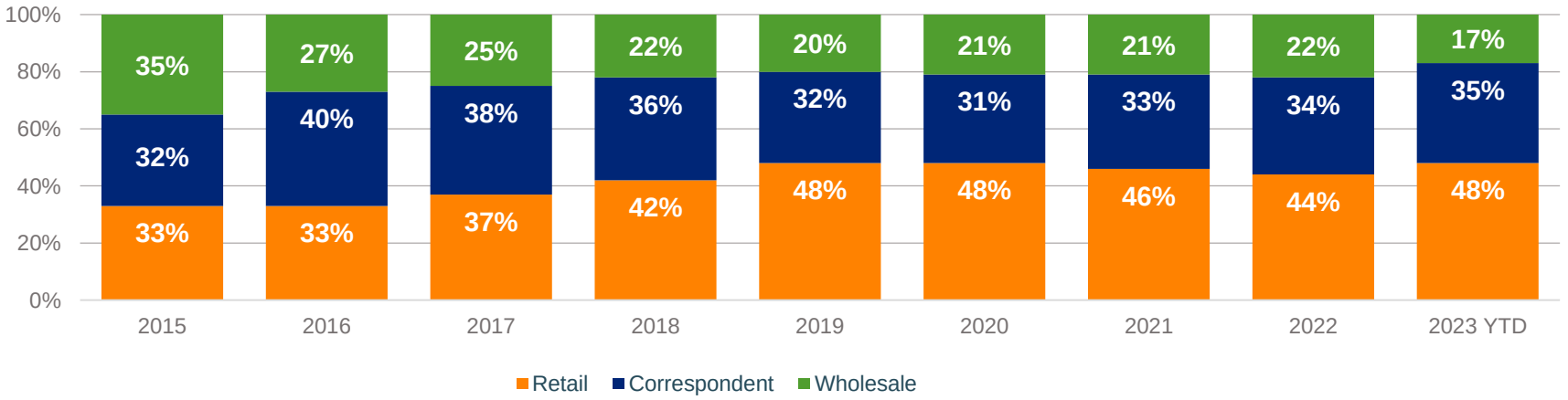
1. As of April 30, 2023

Production Metrics

PURCHASE VOLUME HAS ACCOUNTED FOR ~60% OF HISTORICAL PRODUCTION (*in millions*)

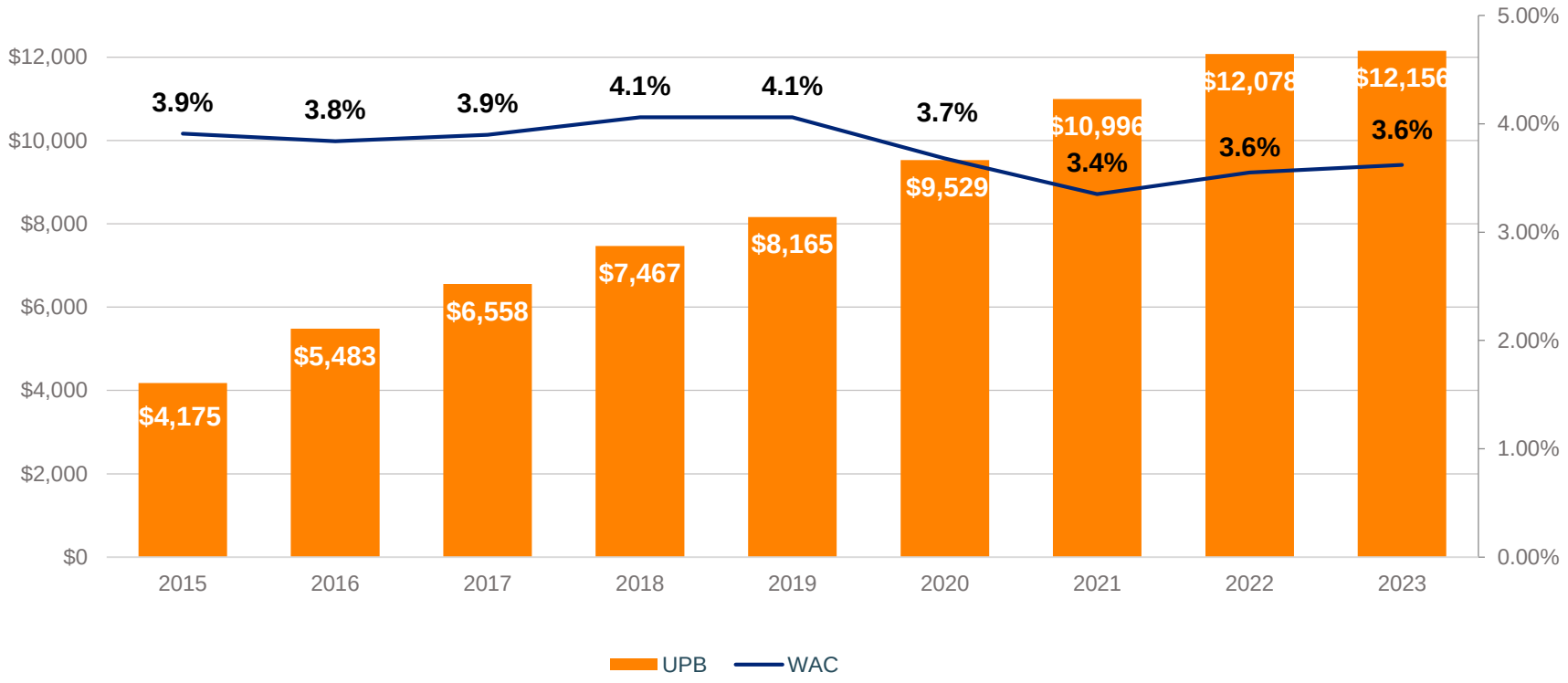


DIVERSIFIED PRODUCTION CHANNELS WITH FOCUS ON RETAIL CHANNEL GROWTH



Servicing Asset

HISTORICAL RETENTION RATES EXCEEDING 15%



READY CAPITAL®

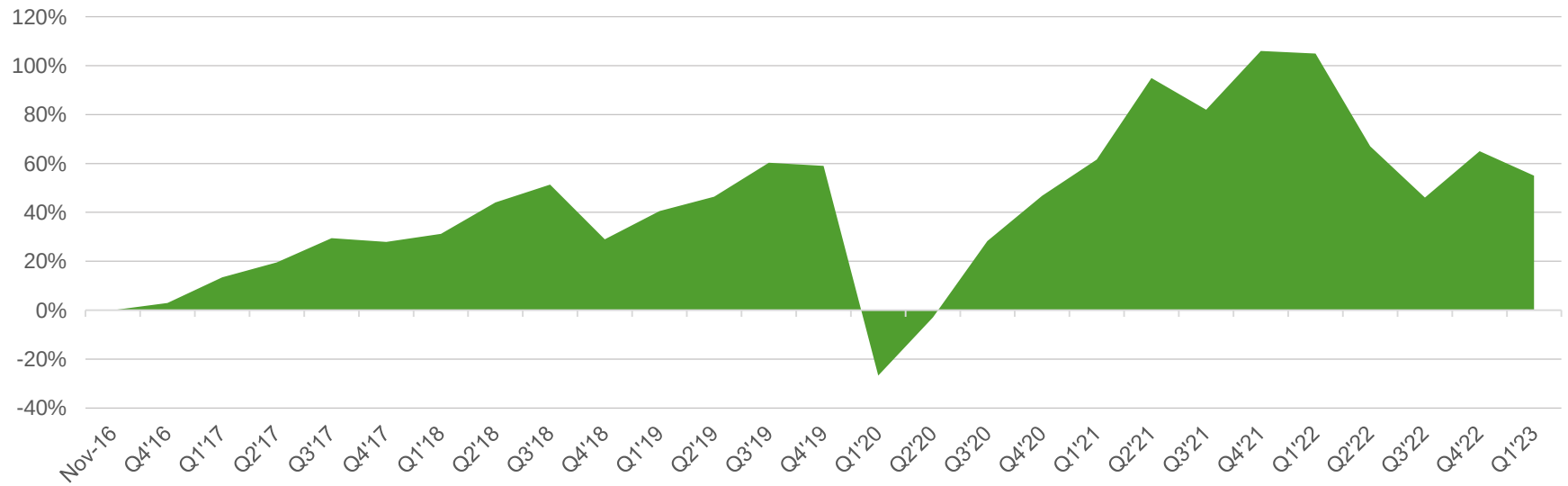
Financial Overview & Performance

Historical Performance

	2Q 2022	3Q 2022	4Q 2022	1Q 2023
Net Income[2]:	$59.0	$66.3	$13.7	$37.0
Distributable Earnings[2]:	$60.1	$58.2	$51.6	$38.1
Distributable Earnings per Share:	$0.48	$0.46	$0.42	$0.31

	2Q 2022	3Q 2022	4Q 2022	1Q 2023
Dividends per Share:	$0.42	$0.42	$0.40	$0.40
Dividend Yield on Market Price[1]:	14.09%	16.57%	14.36%	15.73%
Book Value per Share[3]:	$15.28	$15.40	$15.20	$15.07

TOTAL SHAREHOLDER RETURN



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

First Quarter Strategic Highlights

- Announced a definitive merger agreement with Broadmark Realty Capital which, upon closing, is expected to create the 4th largest commercial mortgage REIT with capitalization of $2.8 billion

- Total investments of $829 million, including $411 million of SBC originations and acquisitions, $326 million of residential mortgage loans, and $92 million of U.S. Small Business Administration 7(a) loans

- Completed a securitization of $586 million of floating rate SBC loans and sold $484 million of senior bonds at a weighted average cost of SOFR + 2.9%

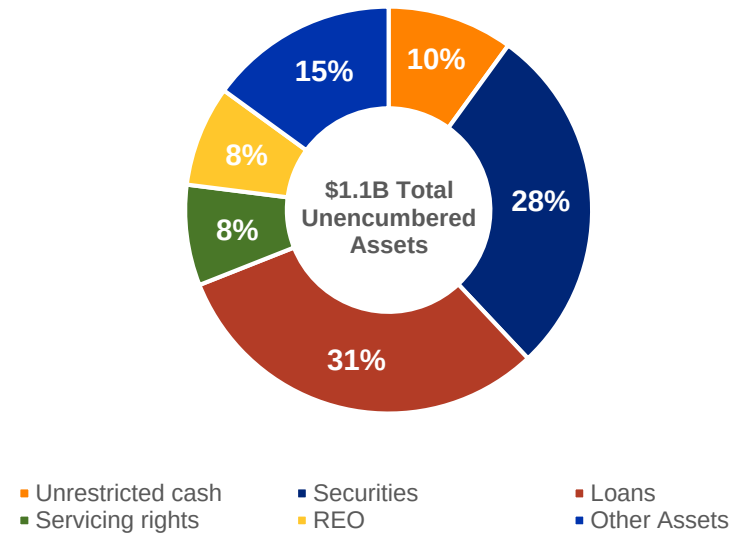
Return on Equity

Segment	Levered Yield [1]	Distributable Levered Yield [1]	Equity Allocation	GAAP ROE [2] Q1'23	GAAP ROE [2] Q4'22	Distributable ROE [2] Q1'23	Distributable ROE [2] Q4'22
SBC Lending and Acquisitions	11.4 %	11.5 %	89.4 %				
Small Business Lending	40.3 %	40.3 %	5.2 %				
Residential Mortgage Banking [3]	(5.6) %	11.2 %	5.4 %				
				12.1 %	**12.3 %**	**13.0 %**	**12.7 %**
Corporate leverage, net of non-earning assets				2.7	2.9	3.3	3.3
Gross return on equity				**14.8 %**	**15.2 %**	**16.3 %**	**16.0 %**
Realized & unrealized gains, net				(0.3)[6]	2.8	(0.3)	2.8
Loan loss provision				1.6	(7.8)	(0.1)	(0.7)
PPP revenue, net of direct expenses[4]				2.4	1.2	2.4	1.2
Non-recurring gains, losses and expenses[5]				(0.4)	(1.2)	-	-
Operating expenses				(7.7)	(6.0)	(7.3)	(5.7)
Investment advisory fees				(1.6)	(1.7)	(1.6)	(1.7)
Provision for income taxes				(0.1)	0.7	(0.4)	-
Dividends on preferred stock				(0.5)	(0.5)	(0.5)	(0.5)
Return on equity				**8.2 %**	**2.7 %**	**8.5 %**	**11.4 %**

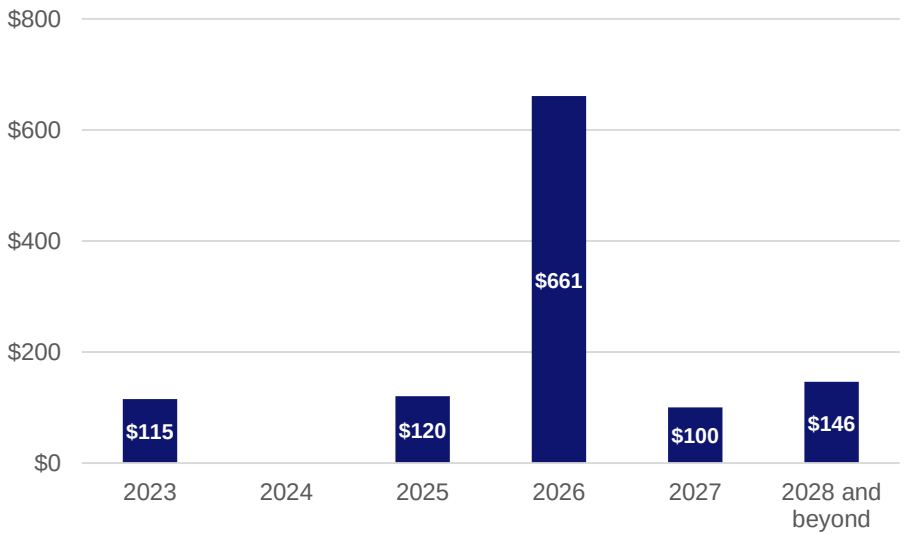
1. Levered yield includes interest income, accretion of discount, MSR creation, income from unconsolidated joint ventures, realized gains (losses) on loans held for sale, unrealized gains (losses) on loans held for sale and servicing income net of interest expense and amortization of deferred financing 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. Includes Employee Retention Credit processing fee income.
5. Non-recurring gains, losses and expenses before applicable tax expenses.
6. Realized & unrealized gains, net, decreased due to unrealized losses on MSRs in the current period.

Financial Flexibility

UNENCUMBERED ASSET POOL



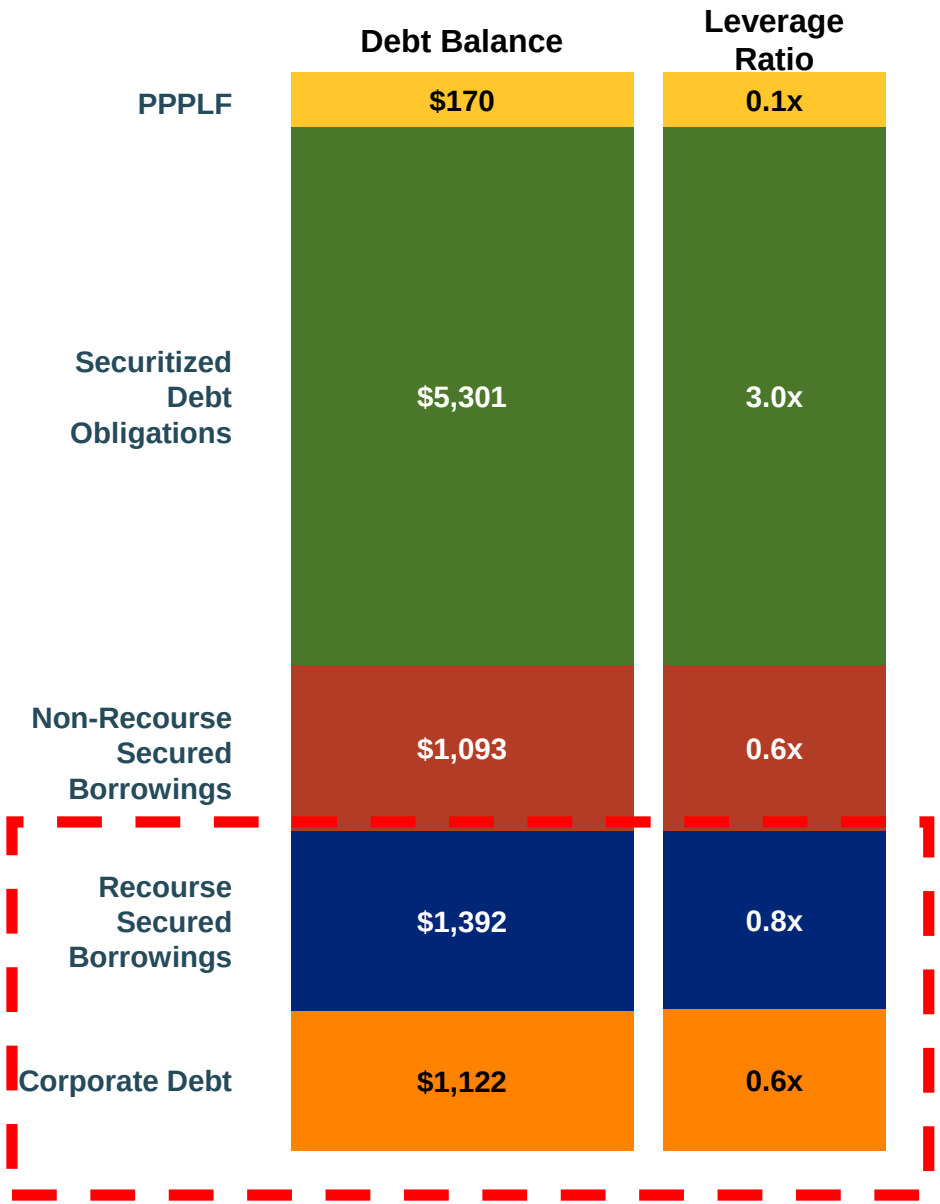
CORPORATE DEBT MATURITY PROFILE *($ in millions)*



HIGHLIGHTS

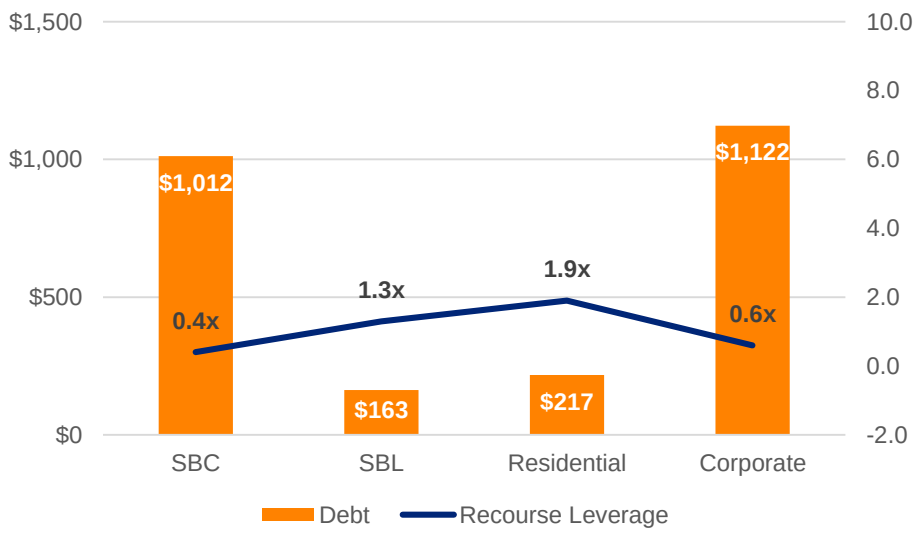
- Diversified unencumbered asset pool of **$1.1 billion**, including $111 million of unrestricted cash
- **1.4x** unencumbered assets to unsecured debt
- **$2.6 billion** in available warehouse borrowing capacity across **19** counterparties
- Limited usage of securities repo financing at **4.3%** of total debt
- Full mark to market liabilities and credit mark to market liabilities represent **21%** of total debt
- **90%** of corporate debt maturities in 2025 or later

Debt - Leverage



- Total leverage of **5.1x**
- Recourse leverage ratio of **1.4x**
- Majority of secured borrowings subject to non-recourse or limited recourse terms

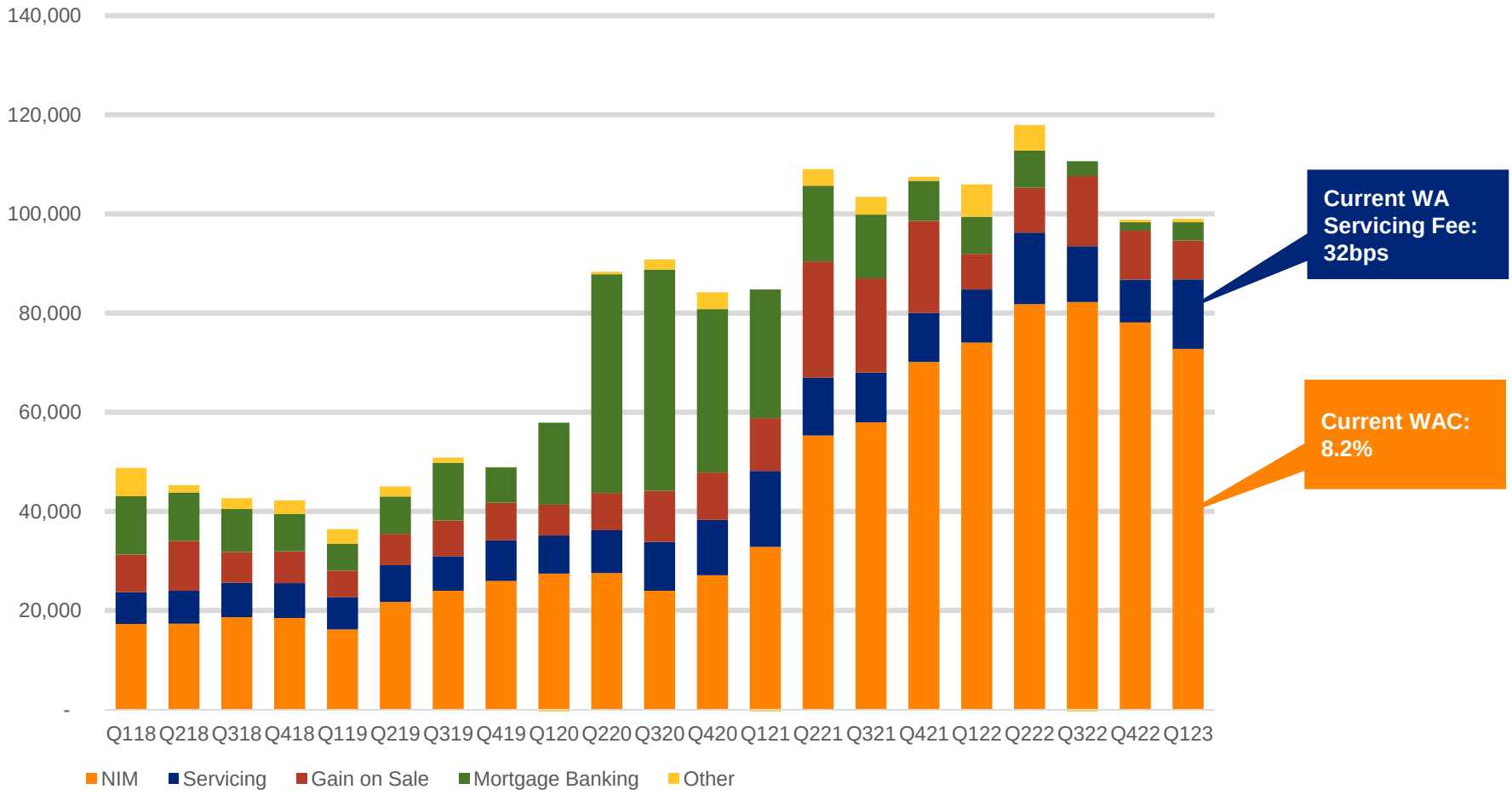
Recourse Leverage by Reporting Segment[1] *($ in millions)*



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

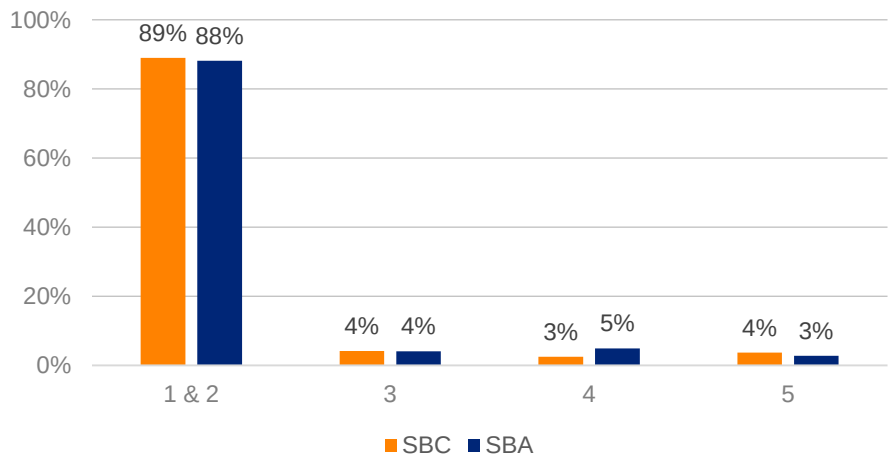
Revenue Trends

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

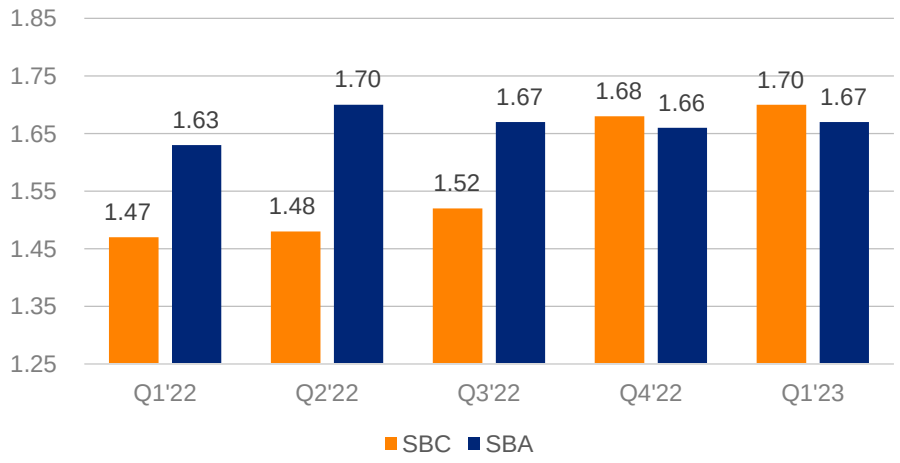


Loan Portfolio – Risk Rating

RISK RATING DISTRIBUTION



AVERAGE RISK RATING



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

WATERFALL Asset Management

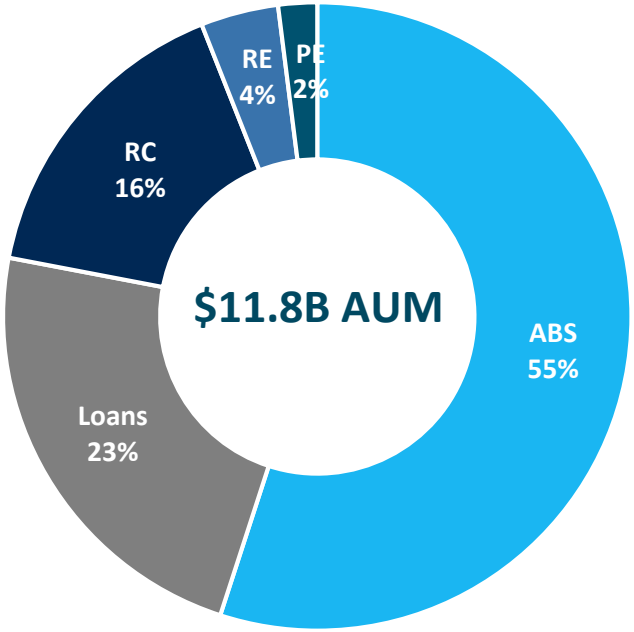
18 yr
Investment record

$11.8B
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.

READY CAPITAL®

APPENDIX

Additional Financial Information

Balance Sheet by Quarter

READY CAPITAL

(in thousands)	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023
Assets					
Cash and cash equivalents	$ 211,369	$ 127,939	$ 208,037	$ 163,041	$ 111,192
Restricted cash	56,963	64,746	57,675	55,927	49,632
Loans, net	4,062,335	3,907,321	4,158,807	3,576,310	3,128,197
Loans, held for sale, at fair value	523,214	469,442	403,609	258,377	236,578
Payment protection program loans, net	554,656	389,189	275,761	186,985	146,557
Mortgage backed securities, at fair value	93,259	40,648	37,895	32,041	32,607
Loans eligible for repurchase from Ginnie Mae	82,975	54,784	65,188	66,193	64,293
Investment in unconsolidated joint ventures	149,475	224,220	119,272	118,641	114,169
Investments held to maturity	57,285	50,618	40,089	3,306	3,306
Purchased future receivables, net	8,753	8,704	8,593	8,246	10,568
Derivative instruments	36,852	46,530	26,212	12,963	13,773
Servicing rights	244,143	253,511	277,692	279,320	278,936
Real estate owned, held for sale	119,207	119,557	82,977	117,098	90,104
Other assets	186,089	183,887	213,030	189,769	202,690
Assets of consolidated VIEs	5,089,669	5,996,219	5,883,374	6,552,760	7,054,861
Total Assets	**$ 11,476,244**	**$ 11,937,315**	**$ 11,858,211**	**$ 11,620,977**	**$ 11,537,463**
Liabilities					
Secured borrowings	3,274,324	3,212,383	3,348,249	2,846,293	2,484,902
Paycheck Protection Program Liquidity Facility (PPPLF) borrowings	627,445	427,759	305,797	201,011	169,596
Securitized debt obligations of consolidated VIEs, net	3,864,150	4,533,789	4,429,846	4,903,350	5,300,967
Convertible notes, net	113,531	113,818	114,108	114,397	114,689
Senior secured notes and Corporate debt, net	788,572	907,699	1,005,159	1,006,020	1,007,421
Guaranteed loan financing	332,398	304,158	283,822	264,889	238,948
Contingent consideration	92,148	92,548	33,200	28,500	16,636
Liabilities for loans eligible for repurchase from Ginnie Mae	82,975	54,784	65,188	66,193	64,293
Derivative instruments	2,620	1,303	4,345	1,586	2,639
Dividends payable	51,161	51,185	51,136	47,177	47,308
Loan participations sold	56,386	53,544	54,104	54,641	55,967
Due to third parties	38,846	24,737	14,881	11,805	12,881
Accounts payable and other accrued liabilities	184,592	189,182	171,152	176,520	132,523
Total Liabilities	**$ 9,509,148**	**$ 9,966,889**	**$ 9,880,987**	**$ 9,722,382**	**$ 9,648,770**
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	11	11	11	11	11
Additional paid-in capital	1,723,099	1,723,580	1,720,019	1,684,074	1,687,631
Retained earnings	21,661	27,298	40,079	4,994	(6,532)
Accumulated other comprehensive income (loss)	(4,704)	(2,815)	(4,505)	(9,369)	(12,353)
Total Ready Capital Corporation equity	1,851,445	1,859,452	1,866,982	1,791,088	1,780,135
Non-controlling interests	107,290	102,613	101,881	99,146	100,197
Total Stockholders' Equity	**$ 1,958,735**	**$ 1,962,065**	**$ 1,968,863**	**$ 1,890,234**	**$ 1,880,332**
Total Liabilities and Stockholders' Equity	**$ 11,476,244**	**$ 11,937,315**	**$ 11,858,211**	**$ 11,620,977**	**$ 11,537,463**
Adjusted Book Value per Share	**$ 15.21**	**$ 15.28**	**$ 15.40**	**$ 15.20**	**$ 15.07**

Statement of Income by Quarter

READY CAPITAL

(In thousands, except share data)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Interest income	$ 124,405	$ 153,671	$ 186,026	$ 207,068	$ 217,573
Interest expense	(61,017)	(80,827)	(115,495)	(143,435)	(160,394)
Net interest income before (provision for) recovery of loan losses	**$ 63,388**	**$ 72,844**	**$ 70,531**	**$ 63,633**	**$ 57,179**
Recovery of (provision for) loan losses	(1,542)	4,390	(3,431)	(33,859)	6,734
Net interest income after (provision for) recovery of loan losses	**$ 61,846**	**$ 77,234**	**$ 67,100**	**$ 29,774**	**$ 63,913**
Non-interest income					
Residential mortgage banking activities	$ 8,424	$ 2,947	$ 12,053	$ 549	$ 9,169
Net realized gain (loss) on financial instruments and real estate owned	8,007	21,114	21,117	3,526	11,575
Net unrealized gain (loss) on financial instruments	45,315	(3,253)	16,460	9,430	(11,728)
Servicing income, net of amortization and impairment	10,528	14,565	12,189	8,643	14,003
Income on purchased future receivables, net	2,469	1,859	1,162	—	540
Income (loss) on unconsolidated joint ventures	6,563	5,200	(603)	501	656
Other income	6,501	8,334	16,150	19,771	19,883
Total non-interest income	**$ 87,807**	**$ 50,766**	**$ 78,528**	**$ 42,420**	**$ 44,098**
Non-interest expense					
Employee compensation and benefits	$ (27,968)	$ (26,089)	$ (25,941)	$ (19,228)	$ (25,139)
Allocated employee compensation and benefits from related party	(3,000)	(1,804)	(1,745)	(3,000)	(2,326)
Variable expenses on residential mortgage banking activities	(979)	4,532	(9,061)	1,168	(5,485)
Professional fees	(5,126)	(3,851)	(3,865)	(5,251)	(5,717)
Management fees – related party	(3,196)	(5,465)	(5,410)	(5,224)	(5,081)
Incentive fees – related party	—	—	(949)	(2,156)	(1,720)
Loan servicing expense	(8,920)	(10,296)	(10,697)	(10,123)	(9,963)
Transaction related expenses	(5,699)	(1,372)	(1,535)	(5,027)	(893)
Other operating expenses	(12,653)	(14,372)	(15,396)	(12,881)	(14,318)
Total non-interest expense	**$ (67,541)**	**$ (58,717)**	**$ (74,599)**	**$ (61,722)**	**$ (70,642)**
Income before provision for income taxes	$ 82,112	$ 69,283	$ 71,029	$ 10,472	$ 37,369
Income tax provision	(17,849)	(10,318)	(4,776)	3,210	(391)
Net income	**$ 64,263**	**$ 58,965**	**$ 66,253**	**$ 13,682**	**$ 36,978**
Less: Dividends on preferred stock	1,999	1,999	1,999	1,999	1,999
Less: Net income attributable to non-controlling interest	775	2,874	3,023	2,228	1,835
Net income attributable to Ready Capital Corporation	**$ 61,489**	**$ 54,092**	**$ 61,231**	**$ 9,455**	**$ 33,144**
Earnings per common share - basic	**$ 0.70**	**$ 0.47**	**$ 0.53**	**$ 0.08**	**$ 0.30**
Earnings per common share - diluted	**$ 0.66**	**$ 0.45**	**$ 0.50**	**$ 0.09**	**$ 0.29**
Weighted-average shares outstanding - Basic	87,707,281	114,359,026	114,371,160	110,739,644	110,672,939
Weighted-average shares outstanding - Diluted	95,402,494	125,065,851	125,666,609	121,062,323	121,025,909
Dividends declared per share of common stock	**$ 0.42**	**$ 0.42**	**$ 0.42**	**$ 0.40**	**$ 0.40**

Distributable Earnings Reconciliation by Quarter

(In thousands, except share data)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Net Income	$ 64,263	$ 58,965	$ 66,253	$ 13,682	$ 36,978
Reconciling items:					
Unrealized (gain) loss on MSR	$ (32,599)	$ 16	$ (16,649)	$ 3,167	$ 6,093
Impact of CECL on accrual loans	1,968	(2,110)	2,462	30,735	(7,321)
Non-recurring REO impairment	1,567	700	—	—	—
Non-cash compensation	956	1,076	1,392	1,345	1,853
Merger transaction costs and other non-recurring expenses	5,699	2,172	1,535	5,827	1,733
Total reconciling items	$ (22,409)	$ 1,854	$ (11,260)	$ 41,074	$ 2,358
Distributable earnings before income taxes	$ 41,854	$ 60,819	$ 54,993	$ 54,756	$ 39,336
Income tax adjustments	7,009	(717)	3,193	(3,175)	(1,187)
Distributable earnings	$ 48,863	$ 60,102	$ 58,186	$ 51,581	$ 38,149
Less: Distributable earnings attributable to non-controlling interests	$ 589	$ 2,929	$ 2,655	$ 2,711	$ 1,863
Less: Income attributable to participating shares	413	413	408	331	372
Less: Dividends on preferred stock	1,999	1,999	1,999	1,999	1,999
Distributable earnings attributable to Common Stockholders	$ 45,862	$ 54,761	$ 53,124	$ 46,540	$ 33,915
DIstributable earnings per share- basic	$ 0.52	$ 0.48	$ 0.46	$ 0.42	$ 0.31
Weighted average common shares outstanding	87,707,281	114,359,026	114,371,160	110,739,644	110,672,939

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.



READY
CAPITAL®

RC
LISTED
NYSE