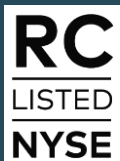




READY
CAPITAL®

INVESTOR PRESENTATION

January 2024





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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.



Executive Summary

- Ready Capital (“RC” or the “Company”) is a non-bank lender to both investors in and owners of lower-to-middle-market commercial real estate (CRE) properties with book value of approximately \$2.7bn¹
 - All-weather investment strategy as a direct lender and acquirer of loan portfolios, including distressed portfolios
 - \$11.1bn² portfolio of more than 5,500 loans diversified across 50 states & Europe with 99% first lien³
 - Operating companies supported by approximately 600 employees across the Company’s 10 offices
 - Externally managed by Waterfall Asset Management, LLC, a leading \$12.6bn⁴ global structured products investment manager with an 18-year track record
 - Structured as a REIT for tax purposes, but with a sizable taxable REIT subsidiary (“TRS”) where employees and operations sit
 - This structure provides incremental optionality around dividend policy and retention of earnings over time, providing a path to build capital base
 - We believe our embedded operating companies have franchise value in excess of GAAP book value

Business Overview



Company Overview

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

Lower-to-Middle-Market (LMM) Commercial Real Estate Lending

- Acquires and originates LMM loans secured by stabilized or transitional investor properties using multiple loan origination channels; generally held-for-investment or placed into securitizations
- Products:** Full project life cycle financing including Construction, Bridge, Fixed Rate/CMBS and Freddie Mac
- Earnings driver:** Net interest and servicing income

83% | \$11bn
Of total assets

83% | \$267mm
Of distributable earnings^{1,2}

71%
Of loan portfolio³

90%
Allocated equity⁴

Government-Backed Small Business Lending

- Acquires, originates and services owner-occupied loans guaranteed by the SBA under its Section 7(a) loan program
- Products:** Government-backed Small Business loans
- Earnings driver:** Net interest and servicing income and gain on sale

11% | \$1bn
Of total assets

14% | \$45mm
Of distributable earnings^{1,2}

24%
Of loan portfolio³

5%
Allocated equity⁴

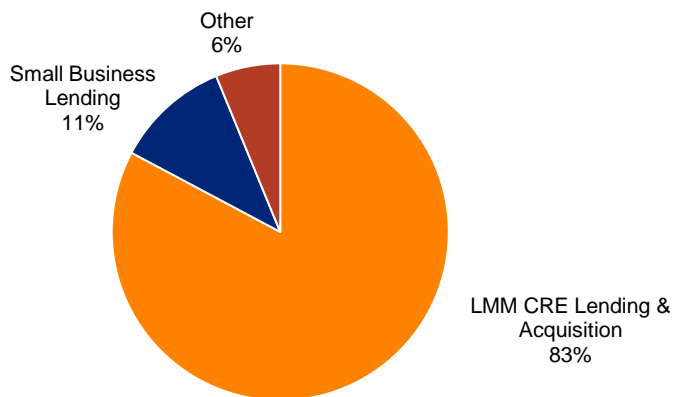
Note: As of September 30, 2023, unless otherwise noted; Ready Capital has announced its intention to strategically exit the residential mortgage business, which comprises of 6% or \$4bn of total assets, 3% or \$9mm of TTM distributable earnings, 5% of loan portfolio by UPB and 5% of allocated equity (as of December 31, 2022); ¹ TTM, does not include the effect of the Broadmark acquisition for any periods prior to May 31, 2023;

² Distributable earnings is a non-GAAP measure, please refer to page 39 for a reconciliation to the nearest GAAP equivalent; ³ By UPB; ⁴ As of December 31, 2022

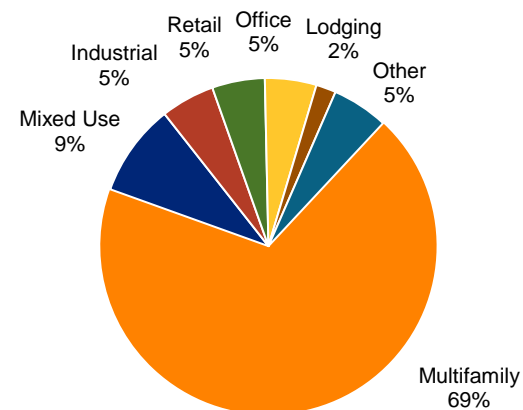


Company Overview (Cont'd)

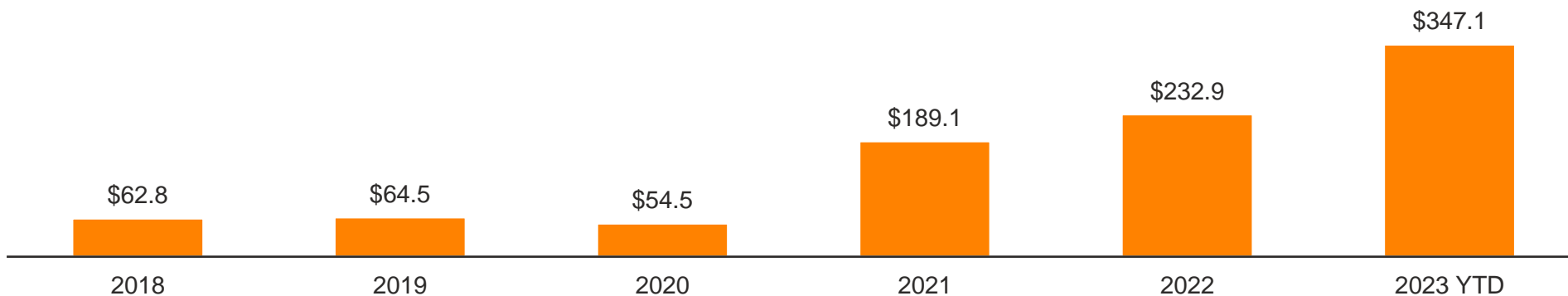
PORTFOLIO BREAKDOWN (BY TOTAL ASSETS)



CRE COLLATERAL TYPE (% UPB)¹



HISTORICAL PRE-TAX INCOME GROWTH (\$MM)



Note: As of September 30, 2023; ¹ Excludes SBA



A Successful and Proven Asset Manager



18 year
Investment record

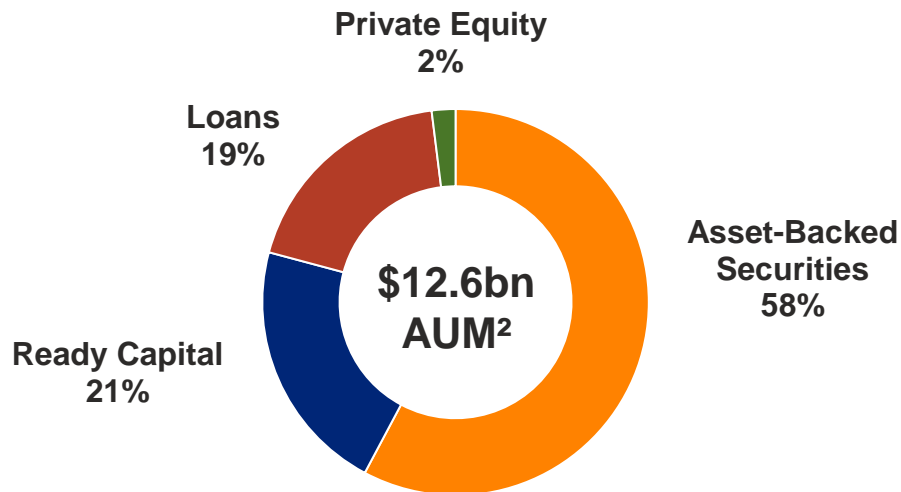
\$12.6bn²
AUM

170+
Employees

70+
Investment professionals

60+ years
Leadership team combined experience

WATERFALL ASSETS UNDER MANAGEMENT BY STRATEGY¹



WATERFALL OVERVIEW

- SEC-registered credit investment advisor founded in 2005
- Top global manager with focus on real estate loans & ABS
- Principals were early pioneers of the ABS industry
- Co-founders (Tom Capasse and Jack Ross) started Merrill Lynch ABS business in 1980s and worked together for 20 years
- Ready Capital has the right of first refusal on all LMM CRE loans sourced by Waterfall³

Note: ¹ Represents internal company breakdown; ² Includes unfunded committed capital; AUM attributable to Ready Capital based on Ready Capital's total stockholders' equity as of September 30, 2023; ³ 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.



Proven Acquisition and Integration Track Record

Ready Capital is an active acquirer in the multi-strategy real estate finance sector, having completed eight transactions since 2014, including four public company mergers¹

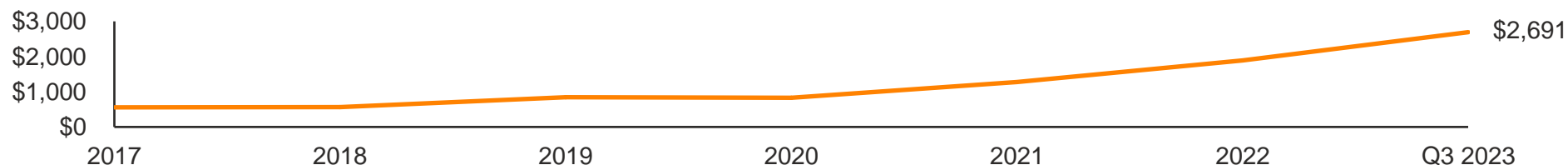


Anworth Mortgage



Announcement Date	July 17, 2014	October 31, 2016	November 8, 2018	October 31, 2019	December 7, 2020	August 3, 2021	November 4, 2021	February 27, 2023
Structure	Acquisition	Reverse Merger	Merger	Acquisition	Merger	Acquisition	Merger	Merger
Industry Subsector	Small Business Lending	Residential Mortgage Banking & Investing	LMM Commercial Lending / Investing	Small Business Lending Technology	Residential Mortgage	Multifamily Affordable Housing	Commercial Mortgage	Commercial Mortgage
Highlights	<ul style="list-style-type: none"> ✓ Provided SBA ownership license ✓ Enabled CRE-secured lending to investors and small businesses 	<ul style="list-style-type: none"> ✓ Provided access to public markets ✓ Created a LMM commercial real estate-focused public specialty finance company 	<ul style="list-style-type: none"> ✓ Accelerated growth in LMM commercial real estate lending ✓ Expanded capital base to over \$750mm² 	<ul style="list-style-type: none"> ✓ Increased efficiency and product offerings ✓ Expanded platform to small businesses and improved lending platform efficiency 	<ul style="list-style-type: none"> ✓ Increased scale and liquidity ✓ Enabled efficiencies to support growth into a diversified, industry-leading real estate finance company 	<ul style="list-style-type: none"> ✓ Increased diversification and growth ✓ Expanded capabilities and demonstrated commitment to affordable housing 	<ul style="list-style-type: none"> ✓ Increased scale and diversification ✓ Expanded capital base to over \$1.8bn^{2,3} and expanding platform into construction finance 	<ul style="list-style-type: none"> ✓ Synergistic transaction that enhances scale, liquidity, and capabilities ✓ Expanded capital base to \$2.7bn²

CONSISTENT GROWTH IN BOOK VALUE OVER TIME (\$MM)



Note: ¹ Ready Capital has been very opportunistic in making tactical acquisitions to expand the capital base and platform. These acquisitions are still running through the portfolio and will runoff over time; ² Pro forma capital base as of the quarter-to-date prior to the acquisition; ³ Includes an equity offering in Q1 2022

Market Segment Overview

Overview of Key Themes by Market Segment

1

LMM CRE Lending

- \$5.7tn¹ is the total commercial real estate market value estimate as of 3/31/2023
- Retrenchment of Banks from LMM CRE market
- Competition for LMM commercial real estate loan asset acquisitions has been limited due to the portfolio management expertise required to manage these loan assets
- Fragmented LMM CRE loan market provides attractive origination and acquisition opportunities

2

Government-Backed Small Business Lending

- Government-backed market with \$108bn in outstanding SBA 7(a) balance as of 12/31/2022
- Only banks and approved non-bank lenders are eligible to originate loans in the program
- Highly fragmented market with approximately 25% of banks participating and a small group of non-bank lenders²
- Only 17 non-bank lenders, including Ready Capital, are licensed under the SBA Section 7(a) program³



Full Project Life Cycle Lender With Diverse Set of Solutions

FULL PROJECT LIFE CYCLE LMM CRE LENDING

GOVERNMENT-BACKED SMALL BUSINESS LENDING

Product	Construction ¹	Bridge	Fixed Rate/CMBS	Freddie Mac	Government-backed Small Business loans
Overview	Construction and pre-construction development loans	Short-term financing for the acquisition of investment properties	Financing for the acquisition or refinancing of stabilized commercial properties	Freddie Mac SBL program and loans for affordable housing development	Owner-occupied loans guaranteed by the Small Business Administration
Maturity	1–2 years	2–4 years	5–20 years	5–20 years	10–25 years
P&L impact	NIM from retained loan portfolio supplemented by gain on sale and servicing income from Agency production				Revenue from gain on secondary market sale, net interest income and servicing fees
LTM originations (\$mm)	\$187	\$514	\$62	\$161	\$347
TTM distributable earnings contribution ^{2,3}	19%	51%	6%	6%	14%

Note: Financials as of September 30, 2023; ¹ Financials shown for Construction lending include impact of Broadmark acquisition, announced Q1 2023; ² Includes 4% "Other" loans; ³ Distributable earnings is a non-GAAP measure, please refer to page 39 for a reconciliation to the nearest GAAP equivalent



Breakdown of Investment Strategy Economics

FULL PROJECT LIFE CYCLE LMM CRE LENDING

GOVERNMENT-BACKED SMALL BUSINESS LENDING

Product	Construction	Bridge	Fixed Rate/CMBS	Freddie Mac	Government-backed Small Business loans
WA coupon	12.00%	9.25%	8.75%	6.50%	11.00%
Fees %	1.00%	1.00%	1.00%	(0.75%)	-
Gain on sale %	-	-	-	1.50%	10.00%
Financing type	Warehouse	Securitization	Warehouse / securitization	Sale	Sale / securitization
Financing mechanism	Finance on warehouse	Finance on warehouse until securitized with CLO	Finance on warehouse until securitized with REMIC	Sell <30 days after origination; used to buy the B piece of securitization	Guaranteed piece sold shortly after origination; remaining financed until securitization
Financing cost	7.75%	7.25%	6.75%	0.88%	7.20%
Max leverage	75% Loan-to-cost	80% Loan-to-cost	75% Loan-to-value	80% Loan-to-value	- ¹
Levered yield	20.0%	15.0%	15.0%	-	25.0%

Note: Financials as of September 30, 2023; ¹ Government-backed Small Business loans do not have a regulatory max leverage but have a minimum debt service coverage of 1.15:1.00



1 LMM CRE Lending & Acquisition Overview

OVERVIEW

- All weather origination platform with ability to allocate capital across 4 products
- \$17.6bn in originations since the Company's formation in 2013 and a 22.2% 10-year CAGR
- Current 0.3% LMM commercial real estate loan market share with 1.5% 3-year target
- Conservative approach to credit with focus on high conviction sectors, superior markets and strong sponsors; < 5bps losses incurred on new originations since the company's start
- Supported by 128 staff, including 19 loan officers, with headquarters in New York & Texas and 4 satellite offices

ORIGINATIONS VS ACQUISITIONS

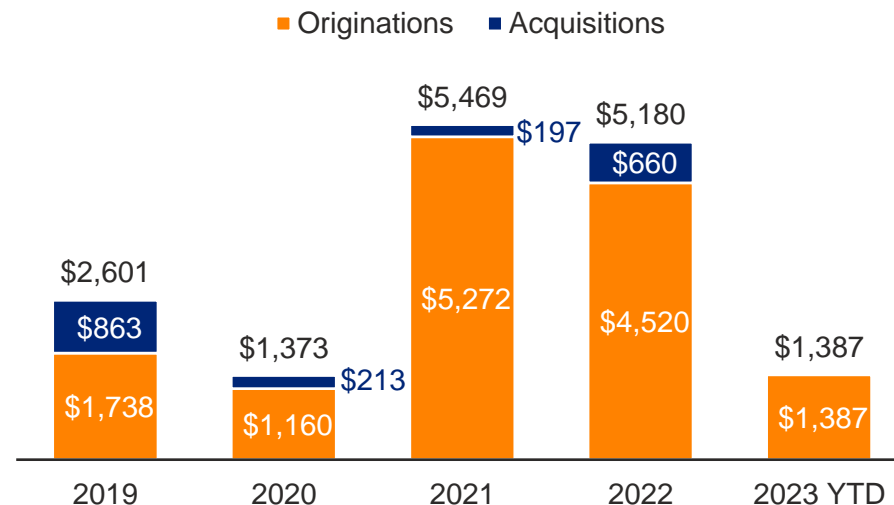
Originations:

- Originate full project life cycle LMM CRE loans
- Sourced through direct / indirect lending relationships with brokers as well as referral programs with servicers

Acquisitions:

- Acquire LMM CRE loans
- Waterfall specializes in acquiring LMM CRE loans sold by banks but also acquires loans from other sources²
- Ready Capital has the right of first refusal on the loans Waterfall sources³

HISTORICAL ORIGINATIONS AND ACQUISITIONS (\$MM)¹



Note: As of September 30, 2023; ¹ Based on fully committed amounts; ² Other sources of LMM CRE loans include special servicers of large balance SBC ABS and CMBS trusts, the FDIC, servicers of non-performing SBA Section 7(a) loans, Community Development Companies originating loans under the SBA 504 program, GSEs and state economic development authorities; ³ 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 LMM commercial real estate 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 LMM commercial real estate loans on behalf of another investment vehicle (other than acquisitions of LMM commercial 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

① LMM Commercial Lending Case Studies



	Construction	Bridge	Non-Agency Fixed Rate	Freddie Mac SBL
Name	Cross-Kire East	159-161 West 54th Street	Myrtle Avenue Portfolio Refinance	The Valencia
Location	Escondido, CA 92025	New York, NY 10019	Ridgeway, NY 11385	Albuquerque, NM 87108
Loan Purpose	Construction	Acquisition & Renovation	Refinance	Refinance
Business	Multifamily	Mixed-Use (Multifamily/Retail)	Mixed-Use (Multifamily/Retail)	Multifamily
Key terms:				
Loan Amount	\$13,850,000	\$37,710,000	\$8,750,000	\$4,308,000
Pricing Basis	Variable	Variable	Fixed	Fixed
Rate	SOFR + 6.00%	SOFR + 4.90%	8.50%	5.76%
Fees	1.00% orig / 1.00% exit	1.00% orig / 0.50% exit	1.00% orig / 1.00% exit	1.25% Buy-Up Premium
Lien	First	First	First	First
Origination Date	March 2024	August 2023	December 2023	June 2023
Term (Months)	36 (+12 mo extensions)	36 (3 x 6 mo extensions)	36 (+12 mo extension)	84
Amortization (Months)	N/A – Interest-Only	36 Month IO / 360 Thereafter	N/A – Interest-Only	36 Month IO / 360 Thereafter
Loan-to-Value (Stabilized)	68%	54%	60%	63%
Estimated Retained Yield / Gross Fees	22.0%	17.7%	15.0%	NAP

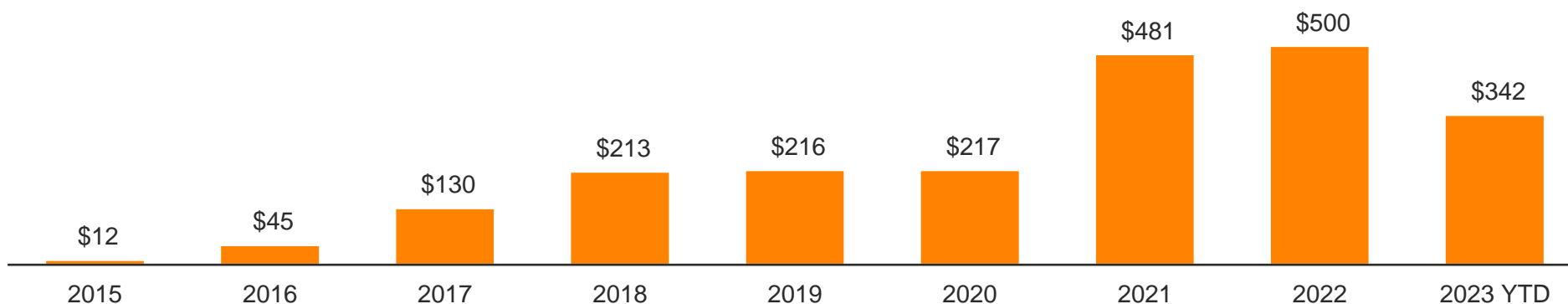


② Small Business Lending Overview

OVERVIEW

- A leading provider of capital to small businesses through 7(a) loans, USDA loans and unsecured small business loans
- #1 non-bank and #4 overall 7(a) lender¹
- 1 of 17 non-bank Small Business Administration 7(a) license holders²; acquired from CIT in 2014
- 1.4% market share with 3% 3-year target
- 58.2% CAGR for originations of small business loans since 2015
- Fully integrated with iBusiness, a technology-driven funding platform, allowing Ready Capital to leverage proprietary technology to further increase the efficiency of the existing lending platform
- Supported by 251 staff, including 25 business development officers, with headquarters in New Jersey & Florida and 5 satellite offices

HISTORICAL ORIGINATIONS SINCE 2015 (\$MM)³



Note: As of September 30, 2023; ¹ SBA.gov; ² As of November 1, 2023; ³ Based on fully committed amounts

② Small Business Lending Case Study



Name: Widow Fletchers, LLC

Location: New Port Richey, FL

Loan Purposes: CRE Purchase, Construction, Working Capital

Business: Restaurant

LOAN AMOUNT:	\$3,750,000
PRICING BASIS:	Variable
RATE:	11.50%
GUARANTEE:	75%
SALE PREMIUM:	11.42%
SECURITIZATION ADVANCE RATE:	71.70%
SERVICING STRIP:	1.00%
DEBT COST:	8.59%
LIEN:	1 st and 2 nd
ORIGINATION DATE:	December 2023
TERM (MONTHS):	300
AMORTIZATION (MONTHS):	300
LOAN-TO-VALUE:	45%
PERSONAL GUARANTEE:	Yes
RETAINED YIELD:	18.07%

Key Credit Highlights



Key Credit Highlights

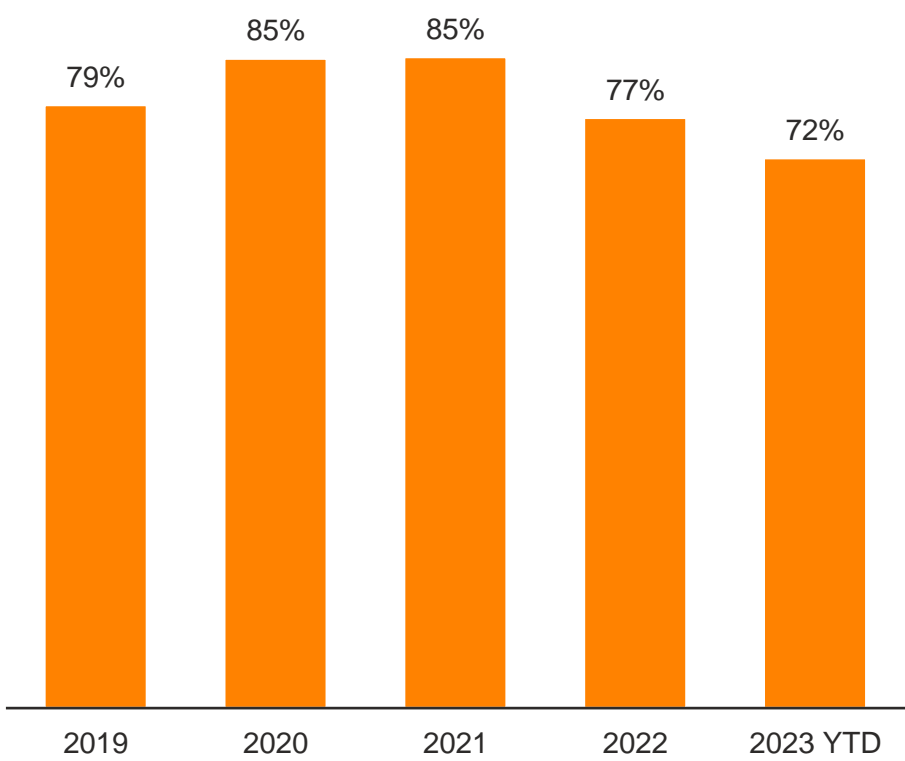
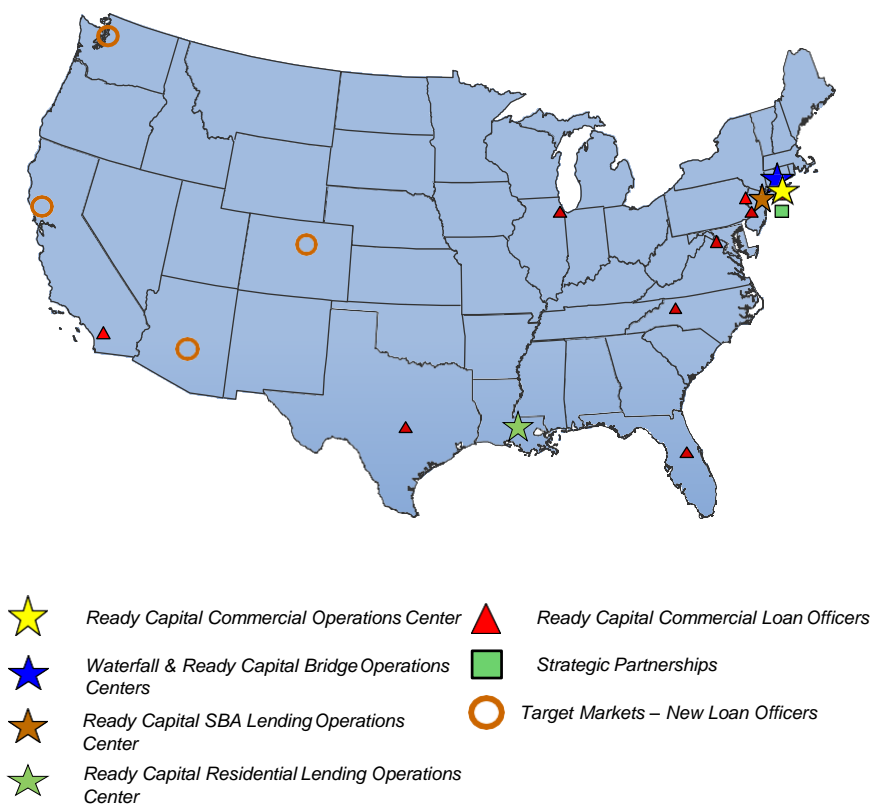
<p>1 Differentiated Business Model with Diversified Sourcing Channels</p>	<ul style="list-style-type: none"> ■ Provides earnings stability through a combination of CRE Net Interest Margin and Gain on Sale from SBA and Freddie Mac businesses ■ Balance sheet stability provided by granular portfolio and focus on LMM portfolio ■ Nationwide origination platform covering both investor and owner-occupied (small business) properties ■ Originates across the full life-cycle of a LMM commercial property, offering a variety of loan origination channels from construction and bridge loans to stabilized and agency loans
<p>2 Strong Asset Quality and Diversified Portfolio</p>	<ul style="list-style-type: none"> ■ Current \$11.1bn² portfolio of more than 5,500 loans with 99% first lien³ ■ Weighted average LTV of 65% for LMM commercial real estate loans and 92% for government-backed small business loans⁴ ■ Collateral is diversified across geography and type
<p>3 Modest Leverage and Proven Access to Liquidity</p>	<ul style="list-style-type: none"> ■ Recourse debt-to-equity ratio of 0.9x ■ Unrestricted cash of over \$182mm ■ Full mark-to-market liabilities and credit mark-to-market liabilities represent only 18% of total debt in Q3 2023
<p>4 Robust Financial Profile</p>	<ul style="list-style-type: none"> ■ Consistent book value growth of nearly 5x since 2017 through peer group leading M&A resulting in the fourth largest Commercial Mortgage REIT by book value ■ Robust distributable earnings growth of 36% CAGR between 2017 and 2022⁵
<p>5 Sophisticated Risk Management and Asset Management Infrastructure</p>	<ul style="list-style-type: none"> ■ Proprietary models evaluate collateral liquidation execution, property economics and market movements by MSA region ■ SBC originated portfolio 60+ day delinquencies of 2.9%
<p>6 Affiliation and Alignment with Asset Manager</p>	<ul style="list-style-type: none"> ■ Waterfall is a leading \$12.6bn⁶ global structured products investment manager with an 18-year track record ■ Dedicated team of 70+ investment professionals, sourcing acquisitions in cyclical markets

Note: As of September 30, 2023; ¹ Total revenue includes net interest income after provision for loan losses and total non-interest income; ² Excludes Paycheck Protection Program loans; ³ Based on UPB; 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 Distributable earnings is a non-GAAP measure, please refer to page 37 for a reconciliation to the nearest GAAP equivalent; ⁶ Includes unfunded committed capital; AUM attributable to Ready Capital based on Ready Capital's total stockholders' equity as of September 30, 2023

1 Diversified Sourcing Channel

NATIONWIDE PRESENCE

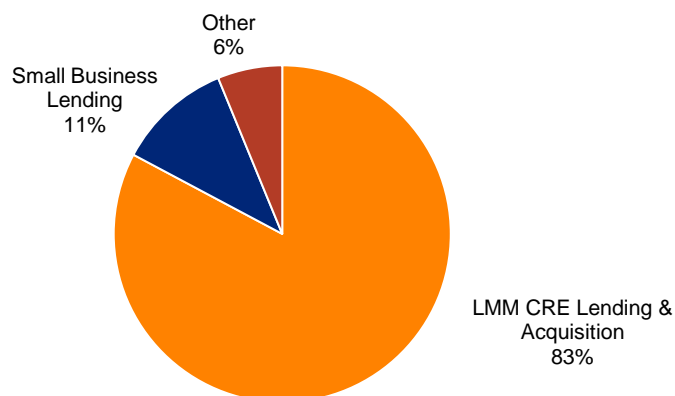
% UPB ALLOCATED TO CRE LENDING RELATIONSHIPS¹



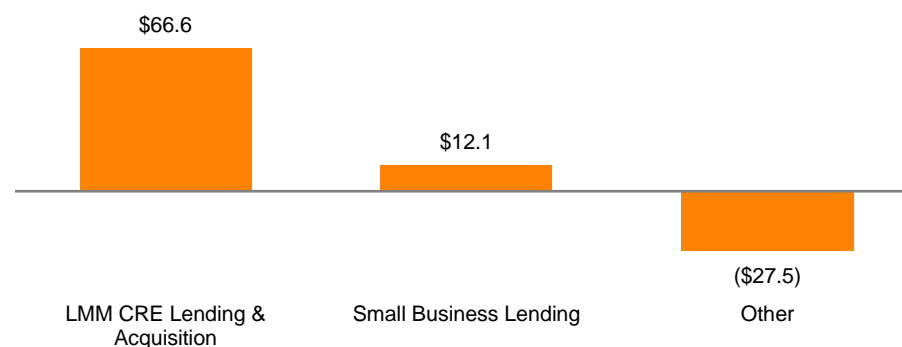
Note: Originations data as of September 30, 2023; ¹ Lending relationships consist of relationships with 3rd party brokers that facilitate origination / acquisition of associated volumes

② Loan Portfolio Composition

PORTFOLIO BREAKDOWN (BY TOTAL ASSETS)



REVENUE BREAKDOWN (\$MM)¹



PORTFOLIO KEY METRICS

LOAN TYPE (\$K)	SEGMENT	WA LTV	UPB ²	% UPB ²	CARRYING AMOUNT ²	% CARRYING AMOUNT ²
Bridge	CRE Lending and Acquisitions	68.1%	\$7,092,776	62.5%	\$7,063,561	62.5%
Fixed Rate	CRE Lending and Acquisitions	60.2%	1,046,785	9.2%	1,051,810	9.3%
Construction	CRE Lending and Acquisitions	62.4%	1,228,654	10.8%	1,224,777	10.8%
Freddie Mac	CRE Lending and Acquisitions	68.6%	34,039	0.3%	34,422	0.3%
SBA – 7(a)	Government-Backed Small Business Lending	91.9%	1,295,862	11.4%	1,276,087	11.3%
Other ³	NA	NA	594,726	5.2%	591,163	5.2%
Subtotal			\$11,292,842	99.5%	\$11,241,820	99.5%
PPP loans ⁴	Government-Backed Small Business Lending	NA	60,224	0.5%	58,145	0.5%
Total			\$11,353,066	100.0%	\$11,299,965	100.0%

Note: As of September 30, 2023; ¹ Based on income (loss) before taxes for three months ended September 30, 2023; ² Includes loans in consolidated VIEs and loans held for sale, at fair value; ³ Includes Residential Mortgage Banking and generally LMM commercial acquired loans that have nonconforming characteristics for the Fixed rate, Bridge, Construction, or Freddie Mac classifications due to loan size, rate type, collateral, or borrower criteria;

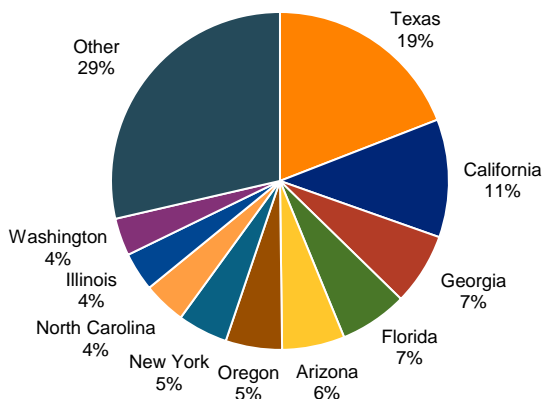
⁴ Includes PPP loans held for investment and held at fair value



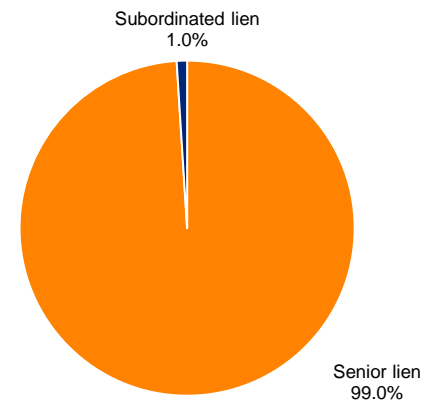
② Loan Portfolio Composition (Cont'd)

As a percentage of UPB

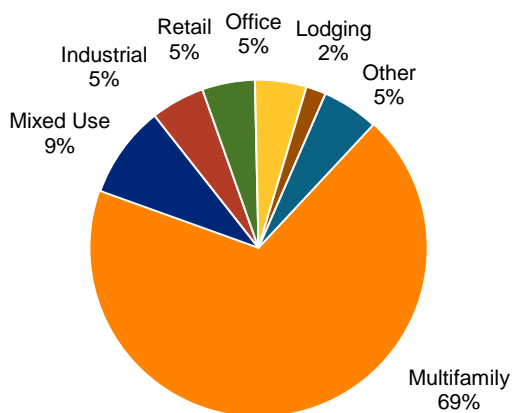
CRE GEOGRAPHIC LOCATION



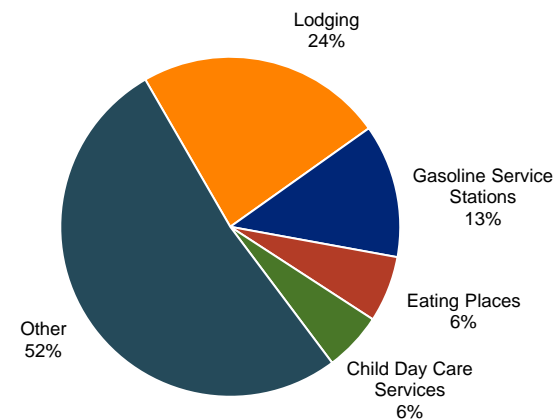
LIEN POSITION OF TOTAL PORTFOLIO



CRE COLLATERAL TYPE¹



SMALL BUSINESS LOAN COLLATERAL TYPE



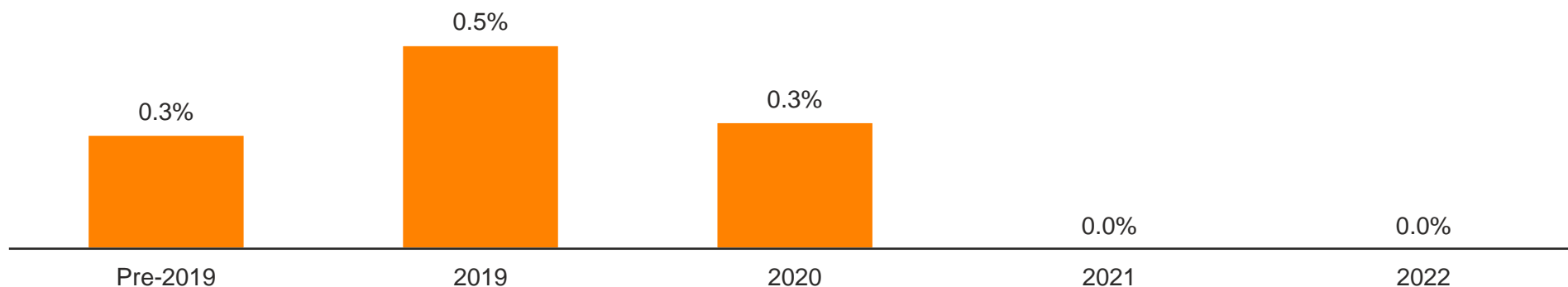
Note: As of September 30, 2023; ¹ Excludes SBA

② Portfolio Performance

HIGHLIGHTS

- Conservative approach to underwriting with goal of low losses even in times of market stress
 - For example, underwriting of bridge loans to 0–3% rental growth to mitigate refinance risks
- Focus on GEO Tier 1 and 2 markets with avoidance of negative absorption markets
- Given historical expertise in non-performing loan management, Ready Capital is able to make acquisitions that are accretive to the overall platform but increase loss rates, such as in the Broadmark acquisition

LOAN LOSSES BY VINTAGE (% CARRYING VALUE)

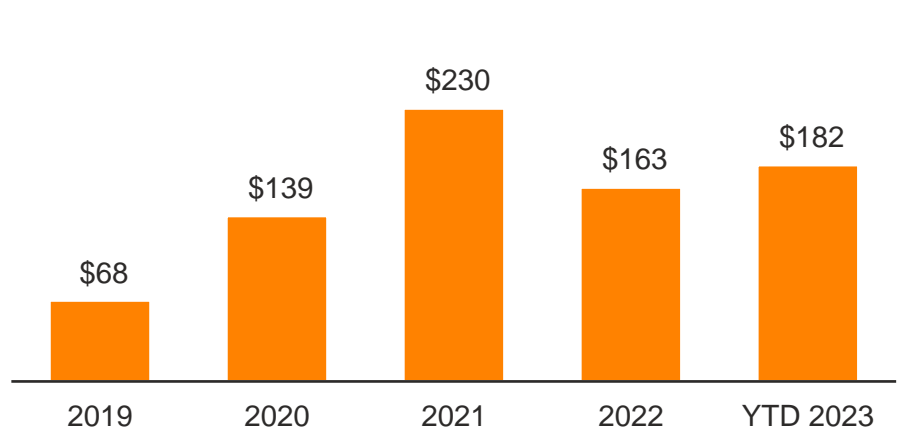


③ Financial Flexibility

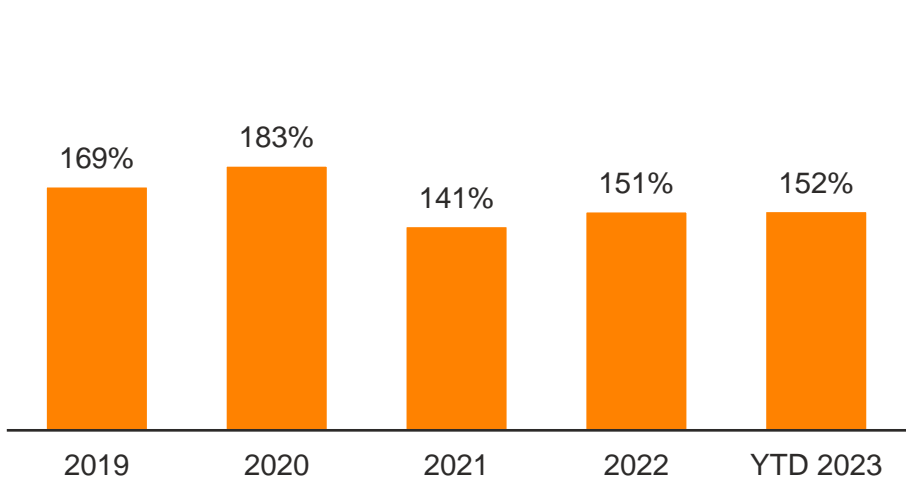
HIGHLIGHTS

- Diversified unencumbered asset pool of \$1.8bn, including \$182mm of unrestricted cash
- 2.3x unencumbered assets to unsecured debt
- \$4bn in available warehouse borrowing capacity across 19 counterparties and \$4.1bn¹ in liquidity
- Full mark to market liabilities and credit mark to market liabilities represent 18% of total debt
- 89% of corporate debt maturities in 2026 or later based on carrying value

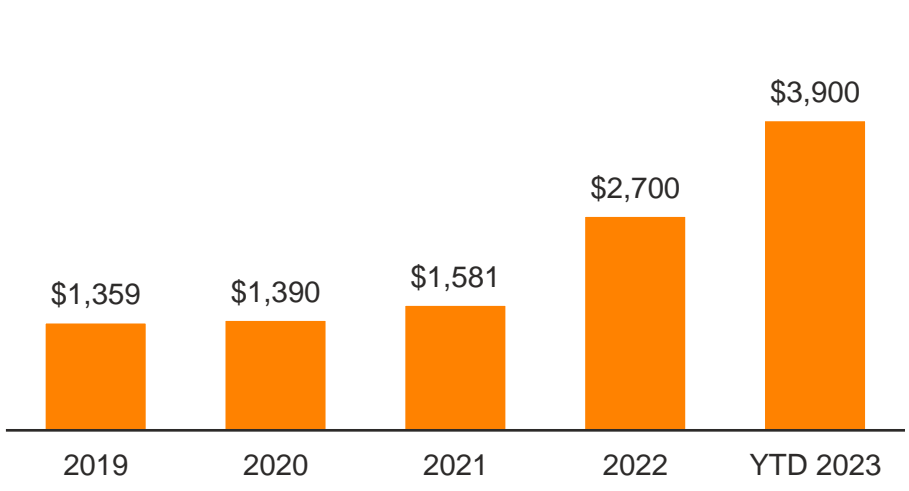
CASH ON BALANCE SHEET (\$MM)



CASH AND LIQUIDITY (% OF BOOK VALUE)



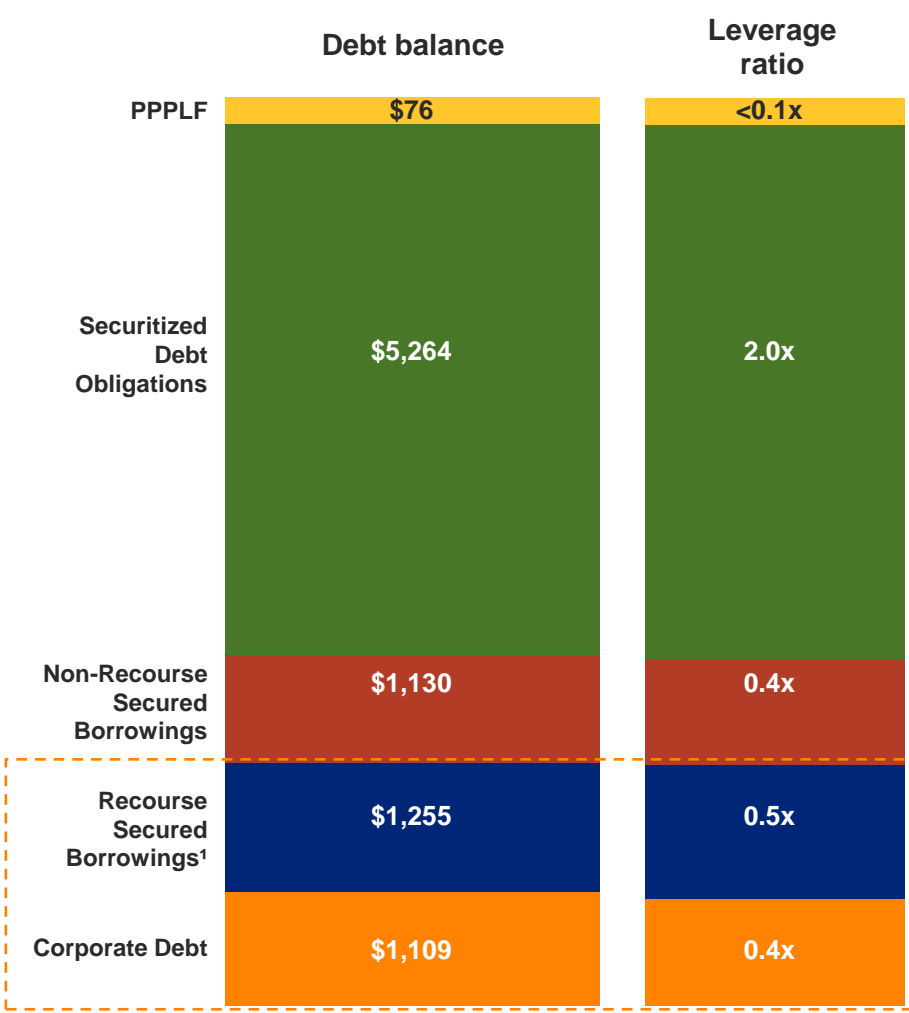
AVAILABLE WAREHOUSE BORROWINGS (\$MM)



Note: As of September 30, 2023; ¹ Total available warehouse facility and cash on balance sheet

③ Financial Flexibility (Cont'd)

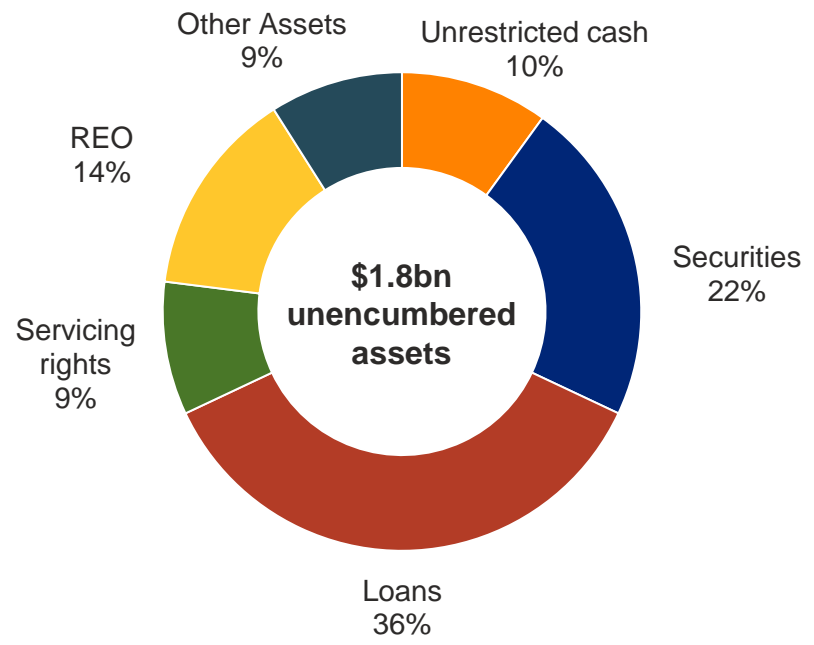
LEVERAGE PROFILE



OVERVIEW

- Total leverage of 3.4x
- Recourse leverage ratio of 0.9x
- Majority of secured borrowings subject to non-recourse or limited recourse terms

UNENCUMBERED ASSET POOL



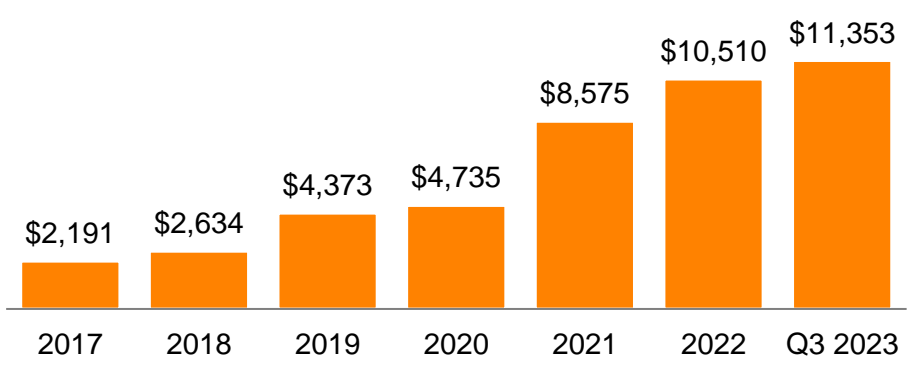
Note: As of September 30, 2023; ¹ For certain recourse borrowings, includes only the portion of the borrowings that are recourse to the Company



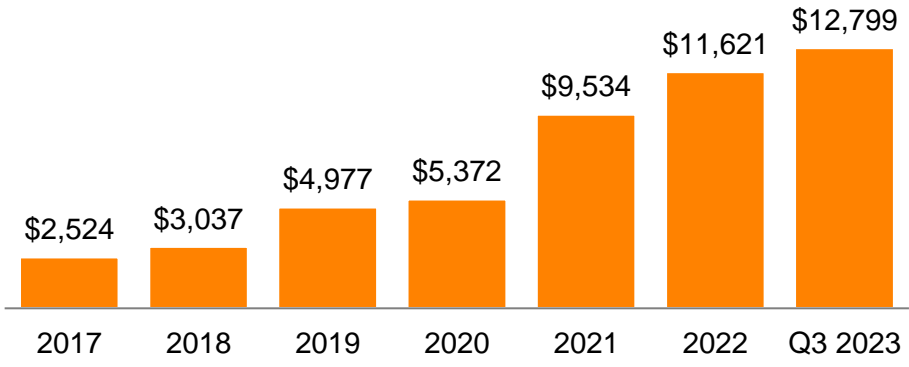
4 Historical Balance Sheet

- Ready Capital has grown its balance sheet over the last five years, with its total assets grown at a 36% CAGR from 2017 to 2022
- Total debt has largely grown in step with the size of the asset base, comprised of a well diversified mix of corporate borrowing and securitizations
- Ready Capital's equity has grown nearly 5x since 2017

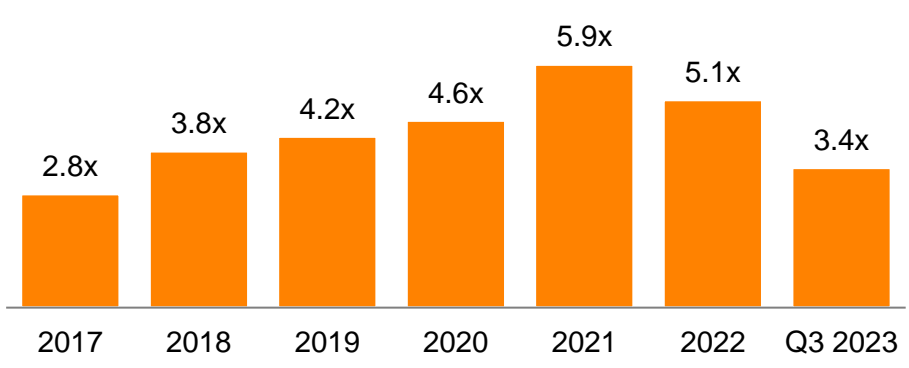
LOANS (\$MM)¹



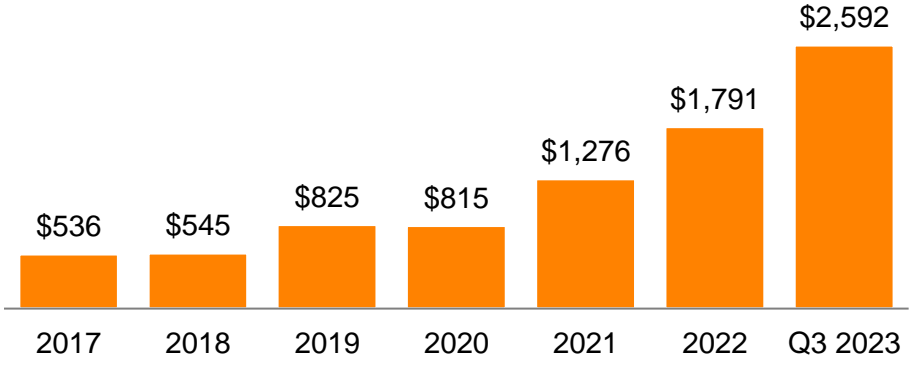
TOTAL ASSETS (\$MM)



LEVERAGE RATIO (DEBT-EQUITY)²



TOTAL STOCKHOLDERS' EQUITY (\$MM)²



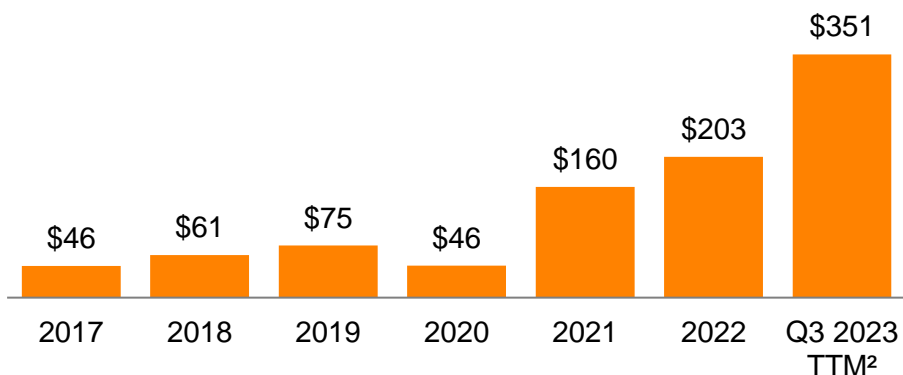
Note: As of September 30, 2023; ¹ Based on UPB; ² Shows total stockholders' equity attributable to Ready Capital shareholders, excluding non-controlling interest



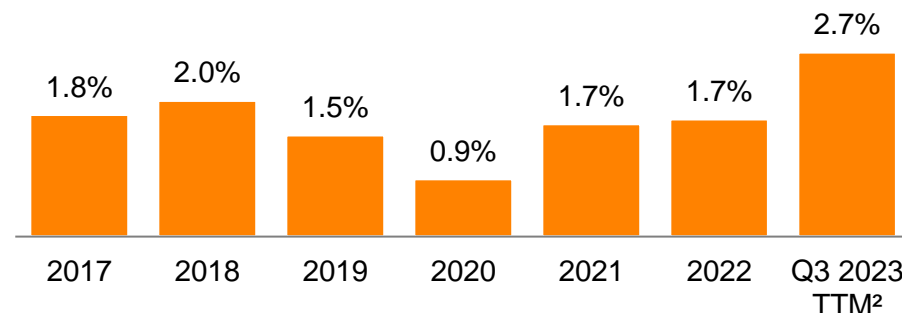
4 Historical Income Statement

- Distributable earnings have grown at a 36% CAGR between 2017 and 2022¹
- The Company has been able to keep both its net income to assets and return on equity stable despite some challenging economic conditions

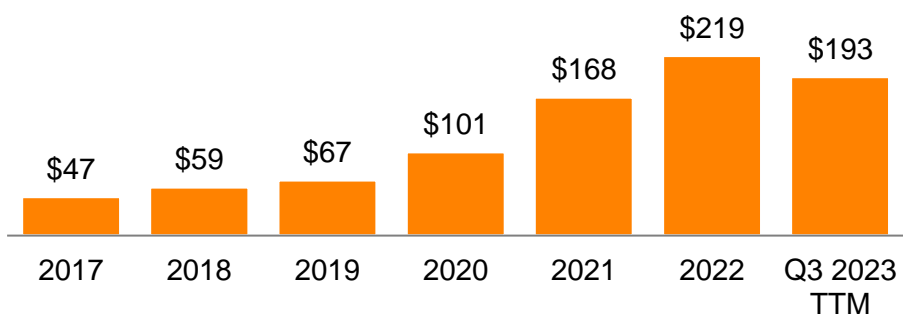
NET INCOME



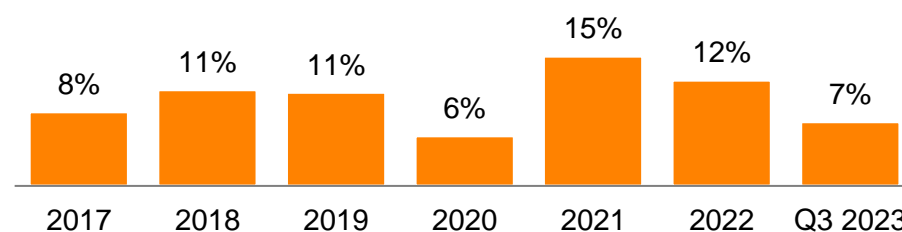
NET INCOME TO ASSETS (%)



DISTRIBUTABLE EARNINGS¹



RETURN ON EQUITY



Note: As of September 30, 2023; ¹ Distributable earnings is a non-GAAP measure, please refer to pages 36–37 for a reconciliation to the nearest GAAP equivalent; ² 2023 includes bargain purchase gain of \$215mm from the Broadmark acquisition

5 Credit Philosophy



GEOtier

- Tiers markets from 1 to 5 based on zip code level; utilized for pricing, leverage, and loan structure, absorption, and cap rates)
- Considers and weights four risk factors including:
 - MSA population rank
 - Market fundamentals (vacancy, rents)
 - Moody's Red-Yellow-Green
- MSA commercial real estate macro fundamentals
- Primarily focused on Tier 1 and strong Tier 2 and 3 markets



Real Estate

- Primarily focused on less volatile property types such as multifamily and industrial
- Transitional assets with value upside through capex/lease-up; loans sized to in-place occupancy, cash-flow, and value-add
- Determine property strengths, market drivers, and supply/demand fundamentals via market call with local experts
- Property inspections with sponsors to understand business plan and quality/condition of property
- Analyze real estate characteristics, operating performance and budget, management, and tenancy



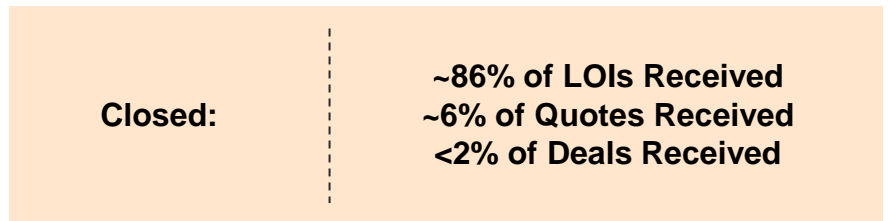
Debt Structure

- Primary metrics considered: At Risk LTV, As-Is LTV, Go-dark LTV (special purpose & single tenant), In-place Debt Yield, and In-place DSCR; low LTV mitigates risks associated with heavy rollover, distressed assets, or less experienced sponsorship
- Create structure that:
 - Aligns with Borrowers' plan for property and allows real estate to operate independently of sponsor
 - Includes performance hurdles and completion dates for release of proceeds from reserves
 - Reserves sufficient funds to stabilize property via capex improvement plan and TIs/LCs (implements a cash sweep if material rollover during loan term)



Sponsor

- Strong sponsorship cannot mitigate weak GEOtier and/or poor real estate
- Focus on local market experience and ownership, particularly important for light rehab/reposition projects
- Ensure appropriate property management even in strong markets
- Require strong sponsor equity basis to guarantee sponsor interest in collateral
- Transitional assets require Sponsors with relevant experience and track record of execution



Note: As of October 12, 2023; Historical averages for FY 2022 and YTD 2023 shown

5 Strong Credit Risk and Asset Management Culture



EARLY INTERVENTION

- Ready Capital communicates directly with sponsors to ascertain status for loans over 30+ days delinquent
- Authorized to work directly with sponsors (and waive exit fees and pre-payment penalties as needed)
- Servicing agreements and staff provide better borrower servicing experience
- Data-focused credit philosophy allows opportunity to identify red flags more easily
- Can immediately get involved, which Ready Capital believes is the best process for loan resolution and repayment of principal
- System of escalation allows firm to rapidly address concerns in the business

COMPREHENSIVE REPORTING



- Asset-level assessments contained in the Watchlist report help drive communication with warehouse counterparties and other interested parties
- Robust reporting tools ensure Ready Capital has accurate and timely information to properly monitor assets
- Reporting infrastructure drives transparency and enables Ready Capital to form "house" credit views and drive consistent credit philosophy across the firm
- Encouraging participation from all teams to build infrastructure and technology to help us work smarter

- Flexibility to tailor loan modifications for prudent sponsors to match evolving business plans so long as such modified loan is one we'd make today
- Ability to obtain fresh sponsor equity injection when necessary to ensure commitment to projects, etc.
- Encourage transparency and communication of lessons learned internally to maintain and foster strong credit culture

- Post-closing disbursements managed by dedicated portfolio management analysts and servicers
- Each loan has specific disbursement conditions that must be met prior to releasing funds
- All funding's are carefully reviewed to ensure that the request is in-line with loan documents and approval









ASSET MANAGEMENT BEST PRACTICES

FUTURE DISBURSEMENT PROCESS AND CONTROLS





6 Experienced Management Team

NAME & POSITION	BACKGROUND
 <p>Thomas Capasse Managing Partner and Co-Founder <i>Waterfall Asset Management</i></p> <p>Chairman of the Board, CEO & Chief Investment Officer <i>Ready Capital Corporation</i></p>	<ul style="list-style-type: none"> ■ Manager and Co-Founder of Waterfall Asset Management ■ 35+ years of structured credit experience globally ■ Co-founded Merrill Lynch's ABS group in the 1980s
 <p>Jack Ross Managing Partner and Co-Founder <i>Waterfall Asset Management</i></p> <p>President and Director <i>Ready Capital Corporation</i></p>	<ul style="list-style-type: none"> ■ Principal and Co-Founder of Waterfall Asset Management ■ Previously founded Licent Capital, a specialty broker/dealer for intellectual property securitization ■ Managed the Real Estate Finance and ABS groups at Merrill Lynch from 1987–1999
 <p>Andrew Ahlborn Managing Director <i>Waterfall Asset Management</i></p> <p>Chief Financial Officer <i>Ready Capital Corporation</i></p>	<ul style="list-style-type: none"> ■ Managing Director of Waterfall Asset Management ■ Previously served as Controller of Ready Capital from 2015–2019 ■ Licensed CPA in New York
 <p>Gary Taylor Chief Operating Officer <i>Ready Capital Corporation</i></p> <p>Chief Operating Officer <i>Ready Capital Corporation</i></p>	<ul style="list-style-type: none"> ■ Chief Operating Officer of Ready Capital Corporation ■ Previously served as President and Chief Operating Officer of Newtek Business Credit from May 2015–March 2019
 <p>Adam Zausmer Managing Director <i>Waterfall Asset Management</i></p> <p>Chief Credit Officer <i>Ready Capital Corporation</i></p>	<ul style="list-style-type: none"> ■ Chief Credit Officer of Ready Capital Corporation ■ 20+ years in commercial real estate lending ■ Previously served as a senior underwriter at J.P. Morgan Chase's Commercial Term Lending business
 <p>Christopher Grimes, CFA Managing Director <i>Waterfall Asset Management</i></p> <p>Treasurer <i>Ready Capital Corporation</i></p>	<ul style="list-style-type: none"> ■ Managing Director of Waterfall Asset Management ■ 20+ years of experience in Treasury ■ Previously served in Treasury at Annaly Capital and Deputy Treasurer of CIT Group

Financial Summary



Balance Sheet—9/30/2023

(In Thousands)	9/30/2023
Assets	
Cash and cash equivalents	\$181,913
Restricted cash	36,576
Loans, net	4,151,923
Loans, held for sale, at fair value	184,989
Payment protection program loans, net	58,145
Mortgage backed securities, at fair value	33,339
Loans eligible for repurchase from Ginnie Mae	72,401
Investment in unconsolidated joint ventures	136,113
Derivative instruments	8,620
Servicing rights	307,779
Real estate owned, held for sale	281,941
Other assets	265,428
Assets of consolidated VIEs	7,080,266
Total Assets	\$12,799,433
Liabilities	
Secured borrowings	2,385,070
Paycheck Protection Program Liquidity Facility (PPPLF) borrowings	76,333
Securitized debt obligations of consolidated VIEs, net	5,264,037
Convertible notes, net	—
Senior secured notes and Corporate debt, net	1,108,512
Guaranteed loan financing	886,916
Contingent consideration	13,408
Liabilities for loans eligible for repurchase from Ginnie Mae	72,401
Derivative instruments	—
Dividends payable	64,777
Loan participations sold	57,465
Due to third parties	2,436
Accounts payable and other accrued liabilities	168,298
Total Liabilities	\$10,099,653
Preferred stock Series C	8,361
Stockholders' Equity	
Preferred stock	111,378
Common stock	17
Additional paid-in capital	2,318,109
Retained earnings	168,539
Accumulated other comprehensive income (loss)	(5,928)
Total Ready Capital Corporation equity	2,592,115
Non-controlling interests	99,304
Total Stockholders' Equity	\$2,691,419
Total Liabilities and Stockholders' Equity	\$12,799,433
Adjusted Net Book Value per Common Share	\$14.42



Balance Sheet—12/31/2022

(In Thousands)	12/31/2022
Assets	
Cash and cash equivalents	\$163,041
Restricted cash	55,927
Loans, net	3,576,310
Loans, held for sale, at fair value	258,377
Payment protection program loans, net	186,985
Mortgage backed securities, at fair value	32,041
Loans eligible for repurchase from Ginnie Mae	66,193
Investment in unconsolidated joint ventures	118,641
Investments held to maturity	3,306
Purchased future receivables, net	8,246
Derivative instruments	12,963
Servicing rights	279,320
Real estate owned, held for sale	117,098
Other assets	189,769
Assets of consolidated VIEs	6,552,760
Total Assets	\$11,620,977
Liabilities	
Secured borrowings	2,846,293
Paycheck Protection Program Liquidity Facility (PPPLF) borrowings	201,011
Securitized debt obligations of consolidated VIEs, net	4,903,350
Convertible notes, net	114,397
Senior secured notes and Corporate debt, net	1,006,020
Guaranteed loan financing	264,889
Contingent consideration	28,500
Liabilities for loans eligible for repurchase from Ginnie Mae	66,193
Derivative instruments	1,586
Dividends payable	47,177
Loan participations sold	54,641
Due to third parties	11,805
Accounts payable and other accrued liabilities	176,520
Total Liabilities	\$9,722,382
Preferred stock Series C	8,361
Stockholders' Equity	
Preferred stock	111,378
Common stock	11
Additional paid-in capital	1,684,074
Retained earnings	4,994
Accumulated other comprehensive income (loss)	(9,369)
Total Ready Capital Corporation equity	1,791,088
Non-controlling interests	99,146
Total Stockholders' Equity	\$1,890,234
Total Liabilities and Stockholders' Equity	\$11,620,977
Adjusted Net Book Value per Common Share	\$15.20



Annual Balance Sheet—FY 2017 to FY 2022

(In Thousands)	2017	2018	2019	2020	2021	2022
Assets						
Cash and cash equivalents	\$63,425	\$54,406	\$67,928	\$138,975	\$229,531	\$163,041
Restricted cash	11,666	28,921	51,728	47,697	51,569	55,927
Loans, net	1,017,920	1,193,392	1,727,984	1,625,555	2,915,446	3,576,310
Loans, held for sale, at fair value	216,022	115,258	188,077	340,288	552,935	258,377
Payment protection program loans, net	—	—	—	—	870,352	186,985
Mortgage backed securities, at fair value	39,922	91,937	92,466	88,011	99,496	32,041
Loans eligible for repurchase from Ginnie Mae	95,158	74,180	77,953	250,132	94,111	66,193
Investment in unconsolidated joint ventures	55,369	33,438	58,850	79,509	141,148	118,641
Investments held to maturity	—	—	—	—	—	3,306
Purchased future receivables, net	—	—	43,265	17,308	7,872	8,246
Derivative instruments	4,725	2,070	2,814	16,363	7,022	12,963
Servicing rights	94,038	120,062	121,969	114,663	204,599	279,320
Real estate owned, held for sale	—	—	58,573	45,348	42,288	117,098
Receivable from third parties	6,756	8,888	—	—	—	—
Other assets	56,840	63,234	106,925	89,503	172,098	189,769
Assets of consolidated VIEs	861,662	1,251,057	2,378,486	2,518,743	4,145,564	6,552,760
Total Assets	\$2,523,503	\$3,036,843	\$4,977,018	\$5,372,095	\$9,534,031	\$11,620,977
Liabilities						
Secured borrowings	637,393	834,547	1,189,392	1,370,519	2,517,600	2,846,293
Paycheck Protection Program Liquidity Facility (PPPLF) borrowings	—	—	—	—	941,505	201,011
Securitized debt obligations of consolidated VIEs, net	598,148	905,367	1,815,154	1,905,749	3,214,303	4,903,350
Convertible notes, net	108,991	109,979	111,040	112,129	113,247	114,397
Senior secured notes and Corporate debt, net	138,078	227,327	329,275	330,648	783,852	1,006,020
Guaranteed loan financing	293,045	229,678	485,461	401,705	345,217	264,889
Contingent consideration	10,016	1,207	—	—	16,400	28,500
Liabilities for loans eligible for repurchase from Ginnie Mae	95,158	74,180	77,953	250,132	94,111	66,193
Derivative instruments	282	3,625	5,250	11,604	410	1,586
Dividends payable	12,289	13,346	21,302	19,746	34,348	47,177
Loan participations sold	—	—	—	—	—	54,641
Due to third parties	—	—	—	—	668	11,805
Accounts payable and other accrued liabilities	74,636	73,512	97,407	135,655	183,411	176,520
Total Liabilities	\$1,968,036	\$2,472,768	\$4,132,234	\$4,537,887	\$8,245,072	\$9,722,382
Preferred stock Series C	—	—	—	—	8,361	8,361
Stockholders' Equity						
Preferred stock	—	—	—	—	111,378	111,378
Common stock	3	3	5	5	8	11
Additional paid-in capital	539,455	540,478	822,837	849,541	1,161,853	1,684,074
Retained earnings	(3,385)	5,272	8,746	(24,203)	8,598	4,994
Accumulated other comprehensive income (loss)	—	(922)	(6,176)	(9,947)	(5,733)	(9,369)
Total Ready Capital Corporation equity	536,073	544,831	825,412	815,396	1,276,104	1,791,088
Non-controlling interests	19,394	19,244	19,372	18,812	4,494	99,146
Total Stockholders' Equity	\$555,467	\$564,075	\$844,784	\$834,208	\$1,280,598	\$1,890,234
Total Liabilities and Stockholders' Equity	\$2,523,503	\$3,036,843	\$4,977,018	\$5,372,095	\$9,534,031	\$11,620,977
Adjusted Net Book Value per Common Share			\$16.12	\$14.98	\$15.35	\$15.20



Income Statement—TTM

(In Thousands, except share data)	4Q2022	1Q2023	2Q2023	3Q2023
Interest income	\$207,068	\$217,573	\$232,884	\$250,590
Interest expense	(143,435)	(160,394)	(172,534)	(191,612)
Net interest income before (provision for) recovery of loan losses	\$63,633	\$57,179	\$60,350	\$58,978
Recovery of (provision for) loan losses	(33,859)	6,734	(19,427)	12,151
Net interest income after (provision for) recovery of loan losses	\$29,774	\$63,913	\$40,923	\$71,129
Non-interest income				
Residential mortgage banking activities	\$549	\$9,169	\$9,884	\$7,059
Net realized gain (loss) on financial instruments and real estate owned	3,529	11,575	23,878	14,402
Net unrealized gain (loss) on financial instruments	9,430	(11,728)	7,407	17,684
Servicing income, net of amortization and impairment	8,643	14,003	14,432	16,033
Income on purchased future receivables, net	–	540	86	904
Income on unconsolidated joint venture	501	656	33	56
Gain (loss) on bargain purchase	–	–	229,894	(14,862)
Other income	19,771	19,883	18,569	18,315
Total non-interest income	\$42,420	\$44,098	\$304,183	\$59,591
Non-interest expense				
Employee compensation and benefits	(\$19,228)	(\$25,139)	(\$27,709)	(\$24,868)
Allocated employee compensation and benefits from related party	(3,000)	(2,326)	(2,500)	(3,001)
Variable income (expenses) on residential mortgage banking activities	1,168	(5,485)	(6,574)	(4,091)
Professional fees	(5,251)	(5,717)	(5,656)	(7,810)
Management fees – related party	(5,224)	(5,081)	(5,760)	(7,229)
Incentive fees – related party	(2,156)	(1,720)	(71)	–
Loan servicing expense	(10,123)	(9,963)	(13,115)	(15,818)
Transaction related expenses	(5,027)	(893)	(13,966)	(2,329)
Other operating expenses	(12,881)	(14,318)	(11,241)	(14,368)
Total non-interest expense	(\$61,722)	(\$70,642)	(\$86,592)	(\$79,514)
Income before provision for income taxes	\$10,472	\$37,369	\$258,514	\$51,206
Income tax provision	3,210	(391)	(5,141)	(4,027)
Net income	\$13,682	\$36,978	\$253,373	\$47,179
Less: Dividends on preferred stock	1,999	1,999	2,000	1,999
Less: Net income attributable to non-controlling interest	2,228	1,835	4,490	1,517
Net income attributable to Ready Capital Corporation	\$9,455	\$33,144	\$246,883	\$43,663
Earnings per common share – basic	\$0.08	\$0.30	\$1.87	\$0.25
Earnings per common share – diluted	\$0.09	\$0.29	\$1.76	\$0.25
Weighted-average shares outstanding – Basic	110,739,644	110,672,939	131,651,125	171,973,933
Weighted-average shares outstanding – Diluted	121,062,323	121,025,909	141,583,837	174,440,867
Dividends declared per share of common stock	\$0.40	\$0.40	\$0.40	\$0.36

Note: Does not include the effect of the Broadmark acquisition for any periods prior to May 31, 2023



Annual Income Statement—FY 2017 to FY 2022

(In Thousands, except share data)	2017	2018	2019	2020	2021	2022
Interest income	\$138,305	\$169,499	\$229,916	\$258,636	\$403,496	\$671,170
Interest expense	(74,646)	(109,238)	(151,880)	(175,481)	(213,561)	(400,774)
Net interest income before (provision for) recovery of loan losses	\$63,659	\$60,261	\$78,036	\$83,155	\$189,935	\$270,396
Recovery of (provision for) loan losses	(2,363)	(1,701)	(3,684)	(34,726)	(8,049)	(34,442)
Net interest income after (provision for) recovery of loan losses	\$61,296	\$58,560	\$74,352	\$48,429	\$181,886	\$235,954
Non-interest income						
Residential mortgage banking activities	\$83,437	\$59,852	\$83,539	\$252,720	\$137,297	\$23,973
Net realized gain (loss) on financial instruments and real estate owned	19,329	38,409	28,958	31,913	68,881	53,764
Net unrealized gain (loss) on financial instruments	7,000	4,853	(18,790)	(48,101)	39,377	67,952
Servicing income, net of amortization and impairment	22,994	27,075	30,665	38,594	48,015	45,925
Income on purchased future receivables, net	–	–	2,362	15,711	10,257	5,490
Income (loss) on unconsolidated joint venture	1,048	12,148	6,088	2,404	6,916	11,661
Other income	7,410	5,586	11,078	41,516	9,009	50,756
Gain on bargain purchase	–	–	30,728	–	–	–
Total non-interest income	\$141,218	\$147,923	\$174,628	\$334,757	\$319,752	\$259,521
Non-interest expense						
Employee compensation and benefits	(\$55,039)	(\$56,602)	(\$51,237)	(\$91,920)	(\$90,065)	(\$99,226)
Allocated employee compensation and benefits from related party	(3,843)	(4,200)	(5,473)	(7,000)	(12,031)	(9,549)
Variable expenses on residential mortgage banking activities	(41,737)	(22,228)	(51,760)	(114,510)	(75,133)	(4,340)
Professional fees	(8,921)	(6,999)	(7,434)	(13,360)	(16,339)	(18,093)
Management fees – related party	(8,059)	(8,176)	(9,578)	(10,682)	(10,928)	(19,295)
Incentive fees – related party	–	(1,143)	(106)	(5,973)	(5,419)	(3,105)
Loan servicing expense	(10,323)	(15,545)	(17,976)	(30,856)	(29,983)	(40,036)
Transaction related expenses	–	–	(7,750)	(63)	(14,282)	(13,633)
Other operating expenses	(26,939)	(28,747)	(33,162)	(54,369)	(58,401)	(55,302)
Total non-interest expense	(\$154,861)	(\$143,640)	(\$184,476)	(\$328,733)	(\$312,581)	(\$262,579)
Income (loss) before provision for income taxes	\$47,653	\$62,843	\$64,504	\$54,453	\$189,057	\$232,896
Income tax (provision) benefit	(1,839)	(1,386)	10,552	(8,384)	(29,083)	(29,733)
Net income	\$45,814	\$61,457	\$75,056	\$46,069	\$159,974	\$203,163
Less: Dividends on preferred stock	–	–	–	–	7,503	7,996
Less: Net income (loss) attributable to non-controlling interest	2,524	2,199	2,088	1,199	2,230	8,900
Net income (loss) attributable to Ready Capital Corporation	\$43,290	\$59,258	\$72,968	\$44,870	\$150,241	\$186,267
Earnings (loss) per common share – basic	\$1.38	\$1.84	\$1.72	\$0.81	\$2.17	\$1.73
Earnings (loss) per common share – diluted	\$1.38	\$1.84	\$1.72	\$0.81	\$2.17	\$1.66
Weighted-average shares outstanding – Basic	31,350,102	32,085,975	42,011,750	53,736,523	68,511,578	106,878,139
Weighted-average shares outstanding – Diluted	31,351,611	32,102,184	42,047,648	53,818,378	68,660,906	117,193,958
Dividends declared per share of common stock	\$1.48	\$1.57	\$1.60	\$1.30	\$1.66	\$1.66

Note: Does not include the effect of the Broadmark acquisition for any periods prior to May 31, 2023



Distributable Earnings Reconciliation—TTM

(In Thousands, except share data)	4Q2022	1Q2023	2Q2023	3Q2023
Net Income	\$13,682	\$36,978	\$253,373	\$47,179
Reconciling items:				
Unrealized (gain) loss on MSR	\$3,167	\$6,093	\$(8,188)	\$(2,563)
Increase (decrease) in CECL reserve	30,735	(7,321)	19,410	(12,151)
Non-cash compensation	1,345	1,853	2,062	2,275
Merger transaction costs and other non-recurring expenses	5,827	1,733	14,177	2,536
Bargain purchase (gain) loss	–	–	(229,894)	14,862
Total reconciling items	\$41,074	\$2,358	(\$203,063)	\$4,959
Distributable earnings before income taxes	\$54,756	\$39,336	\$50,310	\$52,138
Income tax adjustments	(3,175)	(1,187)	973	26
Distributable earnings	\$51,581	\$38,149	\$51,283	\$52,164
Less: Distributable earnings attributable to non-controlling interests	\$2,711	\$1,869	\$2,035	\$1,566
Less: Income attributable to participating shares	331	372	373	335
Less: Dividends on preferred stock	1,999	1,999	2,000	1,999
Distributable earnings attributable to Common Stockholders	\$46,540	\$33,909	\$46,875	\$48,264
Distributable earnings per share – basic	\$0.42	\$0.31	\$0.36	\$0.28
Weighted average common shares outstanding – basic	110,739,644	110,672,939	131,651,125	171,973,933

Note: The Company believes that this non-US GAAP financial information, in addition to the related US 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 US GAAP, it should be considered along with, but not as an alternative to, the Company's net income computed in accordance with US 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 change in current expected credit loss reserve
- v) any unrealized gains or losses on de-designated cash flow hedges
- vi) any non-cash compensation expense related to stock-based incentive plan
- vii) 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 US 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 US 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 US 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 US 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.



Annual Distributable Earnings Reconciliation—FY 2017 to FY 2022

(In Thousands, except share data)	2017	2018	2019	2020	2021	2022
Net Income	\$45,814	\$61,457	\$75,056	\$46,069	\$159,974	\$203,163
Reconciling items:						
Unrealized (gain) loss on mortgage servicing rights (MSRs)	4,000	(4,206)	18,567	37,258	(16,923)	(46,065)
Impact of CECL on accrual loans	–	–	–	19,527	3,522	33,055
Non-recurring REO impairment (recovery)	–	–	–	3,406	(941)	2,267
Non-cash compensation	–	–	–	3,833	3,833	4,769
Merger transaction costs and other non-recurring expenses	70	–	8,852	710	16,922	15,233
Bargain purchase gain	–	–	(30,728)	–	–	–
Unrealized (gain) loss on mortgage-backed securities (MBS)	(1,077)	381	234	185	–	–
Unrealized loss on de-designated cash flow hedges	–	–	–	2,118	–	–
Restricted Stock Unit (RSU) grant to Independent Directors	290	–	–	–	–	–
Total reconciling items	\$3,283	(\$3,825)	(\$3,075)	\$67,037	\$6,413	\$9,259
Income tax adjustments	(2,119)	1,059	(4,720)	(11,727)	1,649	6,310
Distributable earnings	\$46,978	\$58,691	\$67,261	\$101,379	\$168,036	\$218,732
Less: Distributable earnings attributable to non-controlling interests	–	2,100	1,871	2,351	2,324	8,884
Less: Income attributable to participating shares	–	204	653	1,392	9,093	9,561
Distributable earnings attributable to Common Stockholders	\$46,978	\$56,387	\$64,737	\$97,636	\$156,619	\$200,287
Distributable earnings per share – basic	\$1.41	\$1.76	\$1.54	\$1.82	\$2.29	\$1.87
Distributable earnings per common share – diluted	\$1.41	\$1.76	\$1.54	\$1.82	\$2.29	\$1.79

Note: Totals may not sum due to rounding



TTM Income Statement by Segment

Trailing Twelve Months Ended September 30, 2023

(In Thousands)	LMM CRE Lending and Acquisitions	Government-backed Small Business Lending	Residential Mortgage Banking	Corporate-Other	Consolidated
1 Interest income	\$816,737	\$84,220	\$7,158	\$-	\$908,115
Interest expense	(612,011)	(48,540)	(7,424)	-	(667,975)
Net interest income before recovery of (provision for) loan losses	\$204,726	\$35,680	(\$266)	\$-	\$240,140
Recovery of (provision for) loan losses	(27,400)	(7,001)	-	-	(34,401)
Net interest income after recovery of (provision for) loan losses	\$177,326	\$28,679	(\$266)	\$-	\$205,739
Non-interest income					
2 Residential mortgage banking activities	\$-	\$-	\$26,661	\$-	\$26,661
3 Net realized gain (loss) on financial instruments and real estate owned	23,071	30,310	-	-	53,381
4 Net unrealized gain (loss) on financial instruments	20,813	(141)	2,121	-	22,793
Servicing income, net	5,262	11,130	36,719	-	53,111
5 Income on purchased future receivables, net	-	1,530	-	-	1,530
6 Gain on bargain purchase	-	-	-	215,032	215,032
Income on unconsolidated joint ventures	1,246	-	-	-	1,246
7 Other income	40,507	34,310	76	1,645	76,538
Total non-interest income (loss)	\$90,899	\$77,139	\$65,577	\$216,677	\$450,292
Non-interest expense					
Employee compensation and benefits	(\$29,904)	(\$39,878)	(\$20,121)	(\$7,041)	(\$96,944)
Allocated employee compensation and benefits from related party	(881)	-	-	(9,946)	(10,827)
8 Variable expenses on residential mortgage banking activities	-	-	(14,982)	-	(14,982)
Professional fees	(5,282)	(8,711)	(613)	(9,828)	(24,434)
Management fees-related party	-	-	-	(23,294)	(23,294)
Incentive fees-related party	-	-	-	(3,947)	(3,947)
Loan servicing expense	(39,102)	(758)	(9,159)	-	(49,019)
Transaction related expenses	-	-	-	(22,215)	(22,215)
9 Other operating expenses	(21,941)	(18,196)	(6,417)	(6,254)	(52,808)
Total non-interest expense	(\$97,110)	(\$67,543)	(\$51,292)	(\$82,525)	(\$298,470)
Income (loss) before provision for income taxes	\$171,115	\$38,275	\$14,019	\$134,152	\$357,561
Income tax provision	\$69,440	\$1,229	(\$3,505)	(\$73,513)	(\$6,349)
Net Income	\$240,555	\$39,504	\$10,514	\$60,639	\$351,212
Total assets	\$10,595,201	\$1,409,761	\$396,073	\$398,398	\$12,799,433

COMMENTARY

- 1 Interest income from LMM commercial real estate lending and acquisitions, small business lending and residential mortgage banking
- 2 Revenue within Company's residential mortgage banking business directly related to loan origination and sale activity
- 3 Realized gains (losses) on loans, derivatives and MBS; creation of MSRs
- 4 Unrealized gains (losses) on loans, residential MSRs, derivatives and MBS
- 5 Working capital advances provided to small business through purchase of their future revenues
- 6 Gain on bargain purchase from the Broadmark merger in May 2023. Reflects \$229.9mm gain in Q2 2023 and (\$14.9mm) loss in Q3 2023 from the transaction
- 7 Origination income, change in repair and denial reserve, employee retention credit consulting income and other
- 8 Indirect costs related to loan origination activities, such as correspondent fees
- 9 Origination costs, technology expense, impairment on real estate, rent and property tax expense, recruiting, training and travel expense, marketing expense, loan acquisition costs, financing costs on purchased future receivables and other

Note: Does not include the effect of the Broadmark acquisition for any periods prior to May 31, 2023



TTM Distributable Earnings Reconciliation by Segment

(In Thousands)				LMM CRE Lending	Government- Backed Small Business Lending	Residential Mortgage Lending
Net Income¹				\$240,555	\$39,504	\$10,514
Core adjustments:						
Less: Unrealized gain (loss) on mortgage servicing rights (MSRs)				–	–	1,591
Less: Non-recurring expenses on CM/RH stock				(1,509)	(1,552)	–
Less: Non-recurring expenses on Other				(25,015)	(4,102)	–
Distributable earnings				\$267,079	\$45,158	\$8,923

Note: ¹ Excludes Corporate – Other segment, which consists of \$60,639k of TTM net income

Appendix



Recent Developments

■ Dividend

- On December 14, 2023, we declared a dividend of \$0.30 per share of common stock and Operating Partnership unit (“OP unit”) with respect to the quarter ending December 31, 2023
 - This dividend is payable on January 31, 2024 to stockholders of record as of the close of business on December 29, 2023

■ Certain preliminary fourth quarter 2023 results

- Based on available information to date, we expect to report \$746.3 million in loans originated or acquired for the fourth quarter of 2023, primarily consisting of \$296.9 million in SBC loans, \$152.2 million in SBA loans and \$297.2 million in residential mortgage loans
- We expect to report a total debt-to-equity leverage ratio between 3.30x to 3.50x as of December 31, 2023
- Of the loans we held as of December 31, 2023, 1.6% were 30-59 days delinquent and 8.9% were 60+ days delinquent
 - Of the 8.9% 60+ days delinquent loan population, 38.8% relate to loans acquired via the Mosaic Mergers and the Broadmark Merger
 - Post-December 31, 2023, the percentage of 60+ days delinquent loans has declined to 6.7%

Note: The results set forth above are still preliminary and subject to our detailed period-end closing procedures. Our consolidated financial statements as of, and for the year ended December 31, 2023 are not yet available. Accordingly, the information presented above reflects our preliminary estimates subject to the completion of our financial closing procedures and any adjustments that may result from the completion of the annual review of our consolidated financial statements. As a result, these preliminary estimates may differ from the actual results that will be reflected in our consolidated financial statements for the period when they are completed and publicly disclosed. These preliminary estimates may change, and those changes may be material. Our expectations with respect to the unaudited results for the periods discussed above are based on management estimates. Our independent registered public accounting firm has not audited, reviewed or performed any procedures with respect to these preliminary estimates and, accordingly, does not express an opinion or any other form of assurance about them.



LMM Commercial Lending Product Offerings

	CONSTRUCTION		BRIDGE		FIXED RATE / CMBS		FREDDIE
Product	Construction	Bridge	Bridge-to-Term	Bridge-to-Agency	Structured Fixed Rate	CMBS Direct	Freddie Mac SBL
Property type	Multifamily, build-to-rent, future availability to be announced	Multifamily, industrial, office, self-storage, essential retail	Multifamily	All property types	All property types	Multifamily	Multifamily
Loan size	\$15–75mm	\$5–75mm \$75mm+ portfolios	\$2–75mm \$75mm+ portfolios	\$1–100mm	\$2–45mm		\$1–7.5mm
Max leverage	80% Loan-to-Cost		80% Loan-to-Cost		80% Loan-to-Value		80% Loan-to-Value
Term	2–3 years plus extensions	2–3 years plus extensions	Up to 3 years plus Extensions	Up to 2 years plus extensions	2–10 years	5,7,10 years	5,7,10 years Hybrid: 20 years
Rate type	SOFR + spread		Floating rate hybrid		Fixed rate		Floating rate hybrid

Note: Excludes correspondent agency and affordable housing loans



Unencumbered Assets at Select Ready Capital Entities

(In Millions)	Carrying value	Description	Entity	Carrying value	Weighted Avg Coupon
First mortgage loans	\$306.9	Consists of first lien Bridge, Construction and guaranteed loans	BRMK Lending, LLC	\$222.8	11.1%
			Ready Capital Subsidiary REIT II, LLC	84.1	
Subordinated mortgage loans	75.2	Consists of second lien Bridge, Construction and guaranteed loans	MREC Good Asset, LLC	63.8	15.0%
			BRMK Lending, LLC	11.5	
REO	168.8	Purchased real estate and real estate acquired in full or partial settlement of loan obligations	MREC Good Asset, LLC	58.4	-
			BRMK Management, Corp	98.2	
			BRMK Lending, LLC	12.2	
Retained securitized funding	377.2	Securitized debt obligations	Ready Capital Mortgage Depositor VIII, LLC	133.9	12.2% ¹
			Ready Capital Mortgage Depositor VII, LLC	56.4	
			Ready Capital Mortgage Depositor IX, LLC	99.0	
			Ready Capital Mortgage Depositor FL12, LLC	88.0	
VIE equity	49.0	Residual equity tranche of securitized debt obligations	Ready Capital Subsidiary REIT II, LLC	49.0	-
Preferred equity	0.4	Preferred equity	MREC BPPE Holdings, LLC	0.4	12.0%
Unencumbered assets at select Ready Capital entities				\$977.6	

Note: As of September 30, 2023; totals may not sum due to rounding

¹ Excludes \$240M of securitized debt obligations that receive sequential cash flows when available but do not have a stated coupon



Key Entities Structure Chart

External Manager

Issuer of Existing Series of Notes

