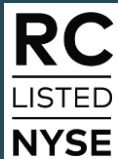




READY
CAPITAL®

INVESTOR PRESENTATION

November 2024



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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 September 30, 2024, 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.

Executive Summary

- Ready Capital (“RC” or the “Company”) is a non-bank lender to both investors in and owners of lower-to-middle-market (LMM) commercial real estate (CRE) properties with book value of approximately \$2.3bn
 - All-weather investment strategy as a direct lender and acquirer of loan portfolios, including distressed portfolios
 - \$9.4bn portfolio of more than 7,500 loans diversified across 50 states & Europe with 98% first lien¹
 - Operating companies supported by 505 employees across the Company’s 9 offices
 - Externally managed by Waterfall Asset Management, LLC, a leading \$13.1bn^{2,3} global structured products investment manager with a 19-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 LMM investor and owner occupied commercial real estate loans

LMM Commercial Real Estate

- 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

80% | \$9.0bn
Of total assets

62% | \$45mm
Of Q3 distributable earnings¹

86%
Of loan portfolio²

90%
Allocated equity

Government-Backed Small Business Lending

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

13% | \$1.5bn
Of total assets

38% | \$28mm
Of Q3 distributable earnings¹

14%
Of loan portfolio²

8%
Allocated equity

Note: Ready Capital has announced its intention to strategically exit the residential mortgage business, which comprises of 4% or \$475M of total assets (the remaining 3% or \$342M of total assets relates to our Corporate segment), and 2% of allocated equity. 1.) Calculated based on distributable earnings before realized losses on investments, net of valuation allowance and tax. Distributable earnings and distributable return on equity are non-GAAP measures; 2.) Calculated based on Carrying Value

A Successful and Proven Asset Manager



19 year
Investment record

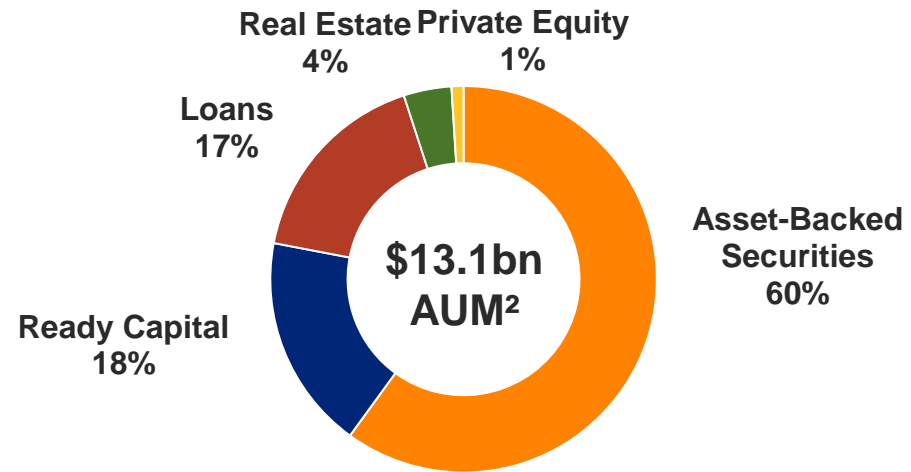
\$13.1bn²
AUM

150+
Employees

60+
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
- Ready Capital has the right of first refusal on all LMM CRE loans sourced by Waterfall³

1.) Represents internal company breakdown; 2.) Includes unfunded committed capital and as of August 31, 2024; 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 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 LMM mortgage loans on behalf of another investment vehicle (other than acquisitions of LMM 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 ten transactions since 2014, including four public company mergers



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	June 5, 2024	July 1, 2024
Structure	Acquisition	Reverse Merger	Merger	Acquisition	Merger	Acquisition	Merger	Merger	Acquisition	Acquisition
Industry Subsector	Small Business Lending	Residential Mortgage Banking & Investing	LMM Commercial Real Estate / Investing	Small Business Lending Technology	Residential Mortgage	Multifamily Affordable Housing	Commercial Mortgage	Commercial Mortgage	Small Business Lending / USDA	Small Business Lending
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 ✓ Expanded capital base to over \$750mm¹ 	<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^{1,2} and expanding platform into construction finance 	<ul style="list-style-type: none"> ✓ Synergistic transaction that enhances scale, liquidity, and capabilities ✓ Expanded capital base to \$2.7bn¹ 	<ul style="list-style-type: none"> ✓ Established presence in USDA lending ✓ Expected to generate over \$300mm of volume annually 	<ul style="list-style-type: none"> ✓ Increased efficiency and funding solutions ✓ Expanded the automated and tech enabled customer experience

1.) Pro forma capital base as of the quarter-to-date prior to the acquisition; 2.) Includes an equity offering in Q1 2022

Market Segment Overview

Overview of Key Themes by Market Segment

LMM Commercial Real Estate

- \$5.9tn¹ total CRE market value estimate as of 3/31/2024
- Retrenchment of banks from LMM CRE market provides increased opportunity
- Competition for LMM CRE 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

Government-Backed Small Business Lending

- Government-backed market with \$113bn² in outstanding SBA 7(a) balance
- Only banks and approved non-bank lenders are eligible to originate loans in the SBA 7(a) program
- Highly fragmented market with approximately 25% of banks participating and a small group of non-bank lenders³
- Only 16 non-bank lenders, including Ready Capital, are licensed under the SBA 7(a) program

Full Project Life Cycle Lender With Diverse Set of Solutions

FULL PROJECT LIFE CYCLE LMM COMMERCIAL REAL ESTATE

SMALL BUSINESS LENDING

Product					Government-backed Small Business Administration loans and USDA loans
Overview	Construction	Bridge	Fixed Rate/CMBS	Freddie Mac	Owner-occupied loans guaranteed by the Small Business Administration and the US Department of Agriculture
Maturity	1–2 years	2–4 years	5–20 years	5–20 years	10–25 years
P&L impact	Net interest margin 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
TTM originations (\$mm)	\$19	\$335	\$5	\$700	\$1,006

Breakdown of Investment Strategy Economics

FULL PROJECT LIFE CYCLE LMM COMMERCIAL REAL ESTATE

SMALL BUSINESS LENDING

Product	Construction	Bridge	Fixed Rate/CMBS	Freddie Mac	Government-backed Small Business Administration loans and USDA loans
WA coupon	SOFR + 7.75%	SOFR + 4.50%	9.25%	6.50%	11.00%
Fees %	1.00%	1.00%	1.00%	(0.75%)	-
Gain on sale %	-	-	-	1.50%	10.00%
Financing type	Warehouse	Warehouse	Warehouse / securitization	Sale	Warehouse
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	SOFR + 3.25%	SOFR + 2.50%	7.25%	N/A	8.00%
Max leverage	75% Loan-to-cost	80% Loan-to-cost	75% Loan-to-value	80% Loan-to-value	- ¹
Levered yield	22.0%	16.0%	16.0%	-	25.0%

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

LMM Commercial Real Estate Overview

OVERVIEW

- All weather origination platform with ability to allocate capital across 4 products
- \$18.7bn in originations since the Company's formation in 2013¹
- Current 0.3% LMM CRE 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 118 staff, including 18 loan officers, with headquarters in New York & Texas and 4 satellite offices

ORIGINATIONS VS ACQUISITIONS

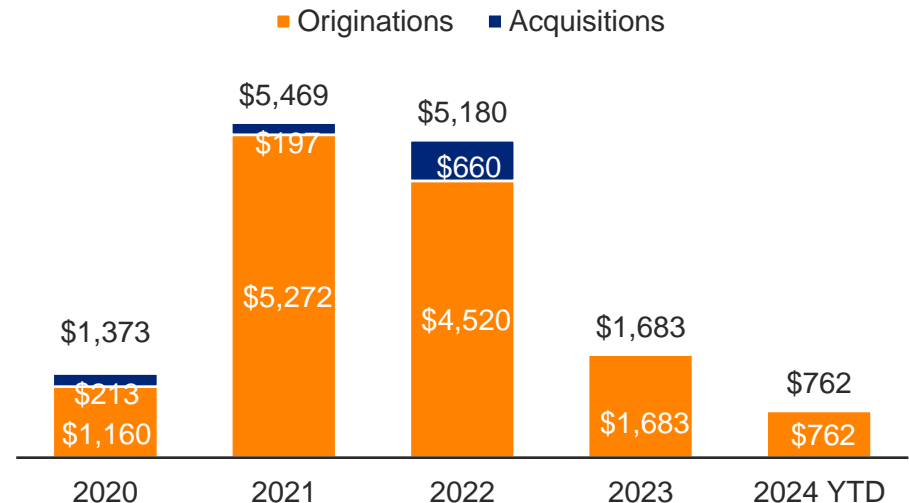
Originations:

- 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



1.) Based on fully committed amounts; 2.) Other sources of LMM CRE loans include special servicers of large balance LMM 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 CRE 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 CRE 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

LMM Commercial Real Estate Case Studies



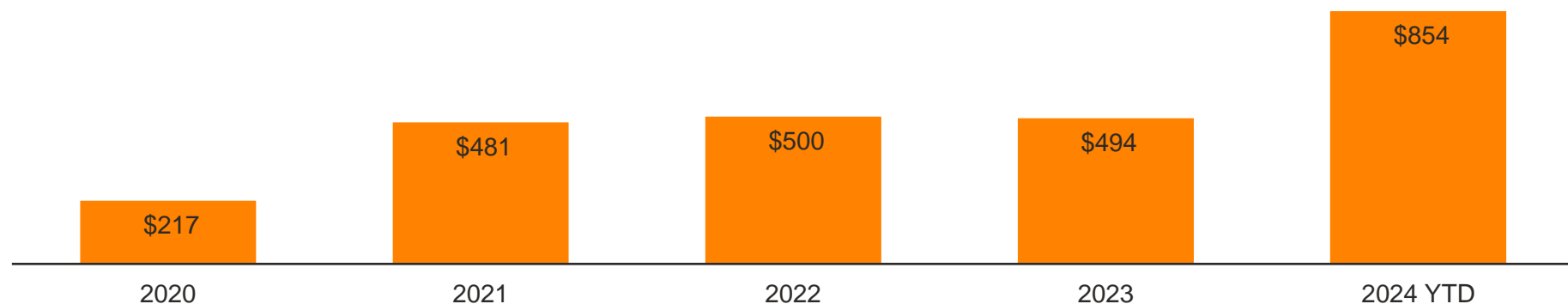
	Construction	Bridge	Non-Agency Fixed Rate	Freddie Mac SBL
Name	The Falls at Crimson Commons	657 Union Blvd	Myrtle Avenue Portfolio Refinance	The Valencia
Location	Mesa, AZ 85209	Totowa, NJ 07512	Ridgeway, NY 11385	Albuquerque, NM 87108
Loan Purpose	Construction	Acquisition & Renovation	Refinance	Refinance
Business	Multifamily	Industrial	Mixed-Use (Multifamily/Retail)	Multifamily
Key terms:				
Loan Amount	\$59,900,000	\$6,700,000	\$8,750,000	\$4,308,000
Pricing Basis	Variable	Variable	Fixed	Fixed
Rate	SOFR + 4.25%	SOFR + 4.75%	8.50%	5.76%
Fees	1.00% orig / 0.25% 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	April 2024	March 2024	December 2023	June 2023
Term (Months)	36 (2 x 12 mo extensions)	24 (2 x 12 mo extensions)	36 (+12 mo extension)	84
Amortization (Months)	36 Month IO / 30yr thereafter	24 Month IO / 30yr Thereafter	N/A – Interest-Only	36 Month IO / 360 Thereafter
Loan-to-Value (Stabilized)	73%	54%	59%	63%
Estimated Retained Yield / Gross Fees	16.2%	14.8%	15.0%	NAP

Small Business Lending Overview

OVERVIEW

- A leading provider of capital to small businesses through 7(a) loans and USDA loans
- #1 non-bank and #4 overall 7(a) lender¹
- 1 of 16 non-bank Small Business Administration 7(a) license holders; acquired from CIT in 2014
- 2.0% market share with 3% 3-year target
- 68.9% CAGR² 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 387 staff, including 48 business development officers, with headquarters in New Jersey & Florida and 5 satellite offices

HISTORICAL ORIGINATIONS (\$MM) ²



1.) SBA.gov; 2.) Based on fully committed amounts

Small Business Lending Case Study



Name: Widow Fletchers, LLC

Location: New Port Richey, FL

Loan Purposes: CRE Purchase, Construction, Working Capital

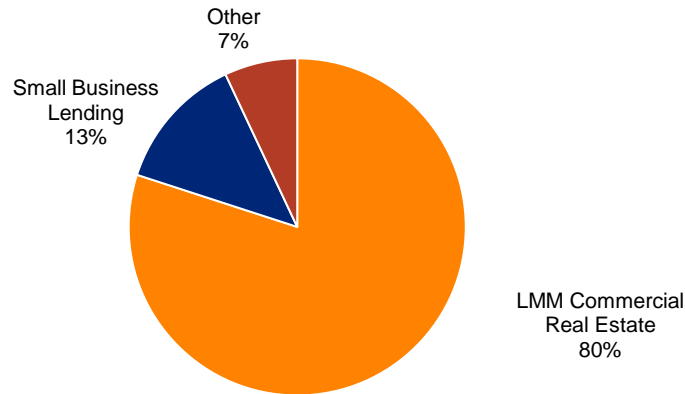
Business: Restaurant

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

Loan Portfolio Composition

PORTFOLIO BREAKDOWN (BY TOTAL ASSETS)¹



Q3 REVENUE BREAKDOWN (\$MM)^{1,2}



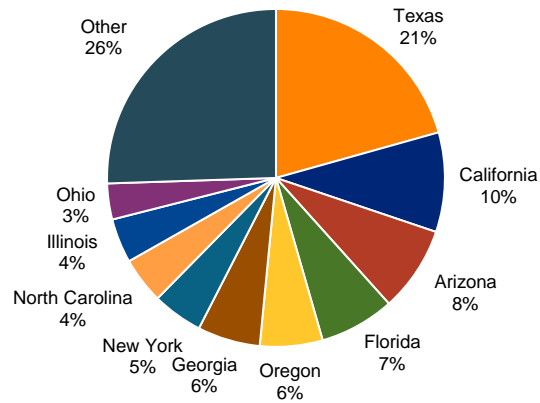
PORTFOLIO KEY METRICS³ (\$ in thousands)

LOAN TYPE	SEGMENT	UPB	CARRYING AMOUNT	WA LTV	WA COUPON	FIXED/FLOAT	60+ DAYS PAST DUE ⁵
Bridge	LMM CRE	\$5,907,314	\$5,782,109	72.1%	9.2%	1.4 / 98.6%	7.0%
Fixed Rate	LMM CRE	\$961,123	\$956,626	60.3%	5.1%	100.0 / 0.0%	4.2%
Construction	LMM CRE	\$1,048,460	\$949,551	81.1%	12.5%	45.3 / 54.7%	14.0% ⁶
SBA – 7(a)	SBL	\$1,337,238	\$1,316,015	99.5%	10.5%	0.7 / 99.3%	2.9%
Other LMM*	LMM CRE	\$430,295	\$411,924	45.2%	7.2%	37.1 / 62.9%	1.4%
Total		\$9,684,430	\$9,416,225⁷	74.5%	9.2%	17.0 / 83.0%	6.6%

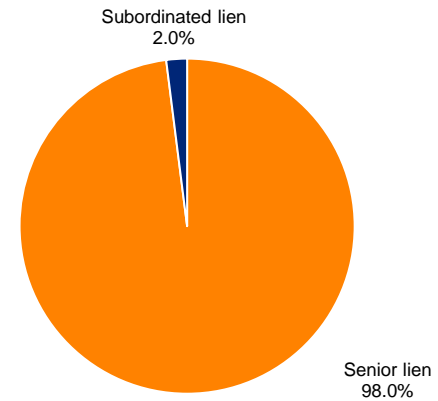
1.) Residential mortgage banking (classified as held for sale) is 4% of total assets and contributed \$13.8M of revenue in Q3 2024; 2.) Based on Distributable Earnings including interest income, accretion of discount, MSR creation, income from unconsolidated joint ventures, realized gains (losses) on loans held for sale, unrealized gains (losses) on loans held for sale and servicing income net of interest expense and amortization of deferred financing costs on an annualized basis; 3.) Includes loans in consolidated VIEs and loans held for sale, at fair value; 4.) Includes Freddie Mac and LMM commercial acquired loans that have nonconforming characteristics for the Fixed rate, Bridge, and Construction classifications due to loan size, rate type, collateral, or borrower criteria; 5.) Calculated based on Carrying Value 6.) RC originated construction portfolio 60+ day delinquencies of 0.0% 7.) Gross of general reserves and net of valuation allowance

Loan Portfolio Composition (Cont'd)

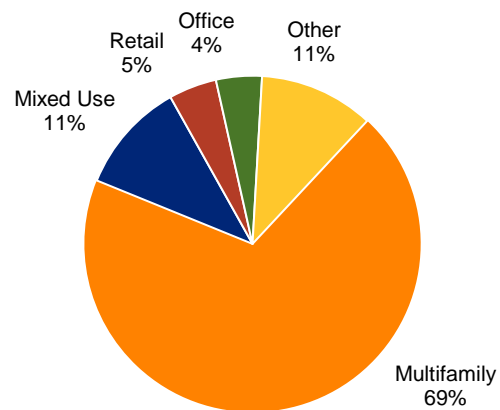
LMM CRE GEOGRAPHIC LOCATION ¹



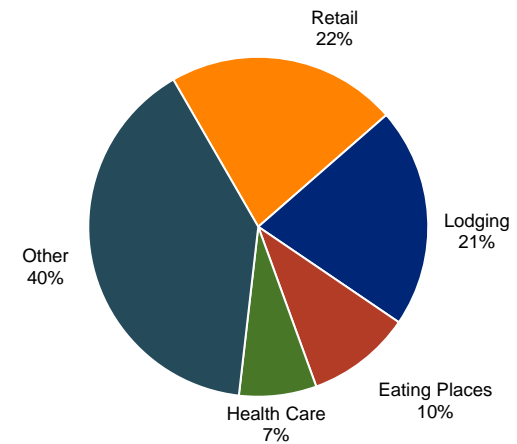
LIEN POSITION OF TOTAL PORTFOLIO ¹



LMM CRE COLLATERAL TYPE ¹



SMALL BUSINESS LENDING LOAN COLLATERAL TYPE ¹



1.) Calculated on UPB

LMM CRE Loan Portfolio - Migration

CONTRACTUAL STATUS ⁽¹⁾			
TOTAL	Q1'24	Q2'24	Q3'24
<i>CURRENT</i>	87.8%	92.8%	91.4%
<i>30+ DAYS PAST DUE</i>	2.3%	0.9%	1.4%
<i>60+ DAYS PAST DUE</i>	9.9%	6.3%	7.2%
RC ORIGINATED	Q1'24	Q2'24	Q3'24
<i>CURRENT</i>	89.9%	94.4%	92.6%
<i>30+ DAYS PAST DUE</i>	2.2%	0.4%	1.2%
<i>60+ DAYS PAST DUE</i>	7.9%	5.2%	6.2%
M&A	Q1'24	Q2'24	Q3'24
<i>CURRENT</i>	72.8%	80.7%	80.9%
<i>30+ DAYS PAST DUE</i>	3.1%	4.3%	3.5%
<i>60+ DAYS PAST DUE</i>	24.1%	15.0%	15.6%
ACCRUAL STATUS ⁽¹⁾			
TOTAL	Q1'24	Q2'24	Q3'24
<i>ACCRUAL</i>	92.8%	94.3%	95.3%
<i>NON-ACCRUAL</i>	7.2%	5.7%	4.7%
RC ORIGINATED	Q1'24	Q2'24	Q3'24
<i>ACCRUAL</i>	94.2%	95.4%	96.6%
<i>NON-ACCRUAL</i>	5.8%	4.6%	3.4%
M&A	Q1'24	Q2'24	Q3'24
<i>ACCRUAL</i>	82.6%	86.3%	83.9%
<i>NON-ACCRUAL</i>	17.4%	13.7%	16.1%

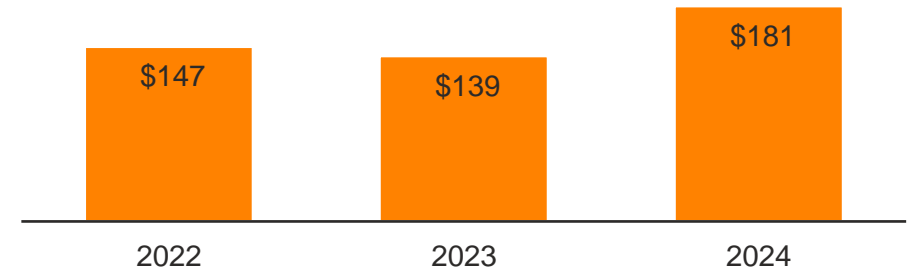
RISK RATING ⁽¹⁾			
TOTAL	Q1'24	Q2'24	Q3'24
1 & 2	67.2%	69.5%	66.1%
3	22.1%	23.9%	25.5%
4	7.6%	3.5%	5.4%
5	3.1%	3.1%	3.0%
RC ORIGINATED	Q1'24	Q2'24	Q3'24
1 & 2	69.7%	71.5%	66.5%
3	20.7%	23.5%	26.2%
4	7.9%	3.1%	5.5%
5	1.7%	1.9%	1.8%
M&A	Q1'24	Q2'24	Q3'24
1 & 2	48.2%	54.4%	62.4%
3	32.4%	27.3%	19.1%
4	5.6%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

Financial Flexibility

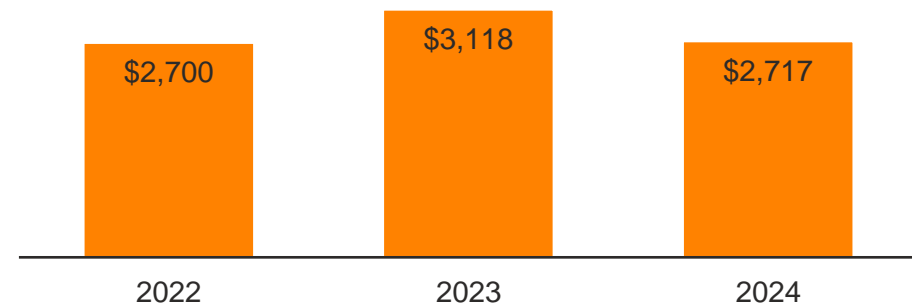
HIGHLIGHTS

- Diversified unencumbered asset pool of \$1.3bn, including \$181mm of unrestricted cash
- 1.7x unencumbered assets to unsecured debt
- \$2.7bn in available warehouse borrowing capacity across 12 counterparties
- Full mark-to-market liabilities and credit mark-to-market liabilities represent 22% of total debt
- 90% of corporate debt maturities in 2026 or later

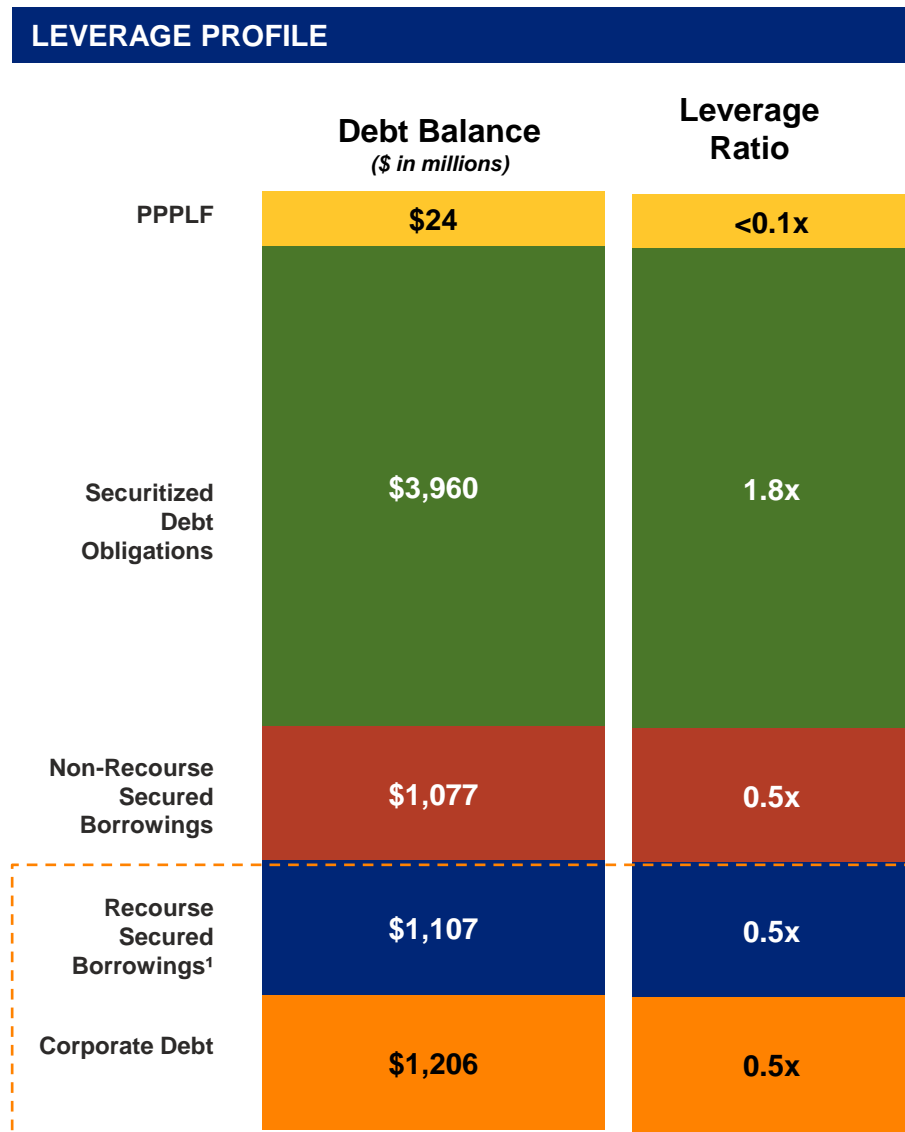
CASH ON BALANCE SHEET (\$MM)



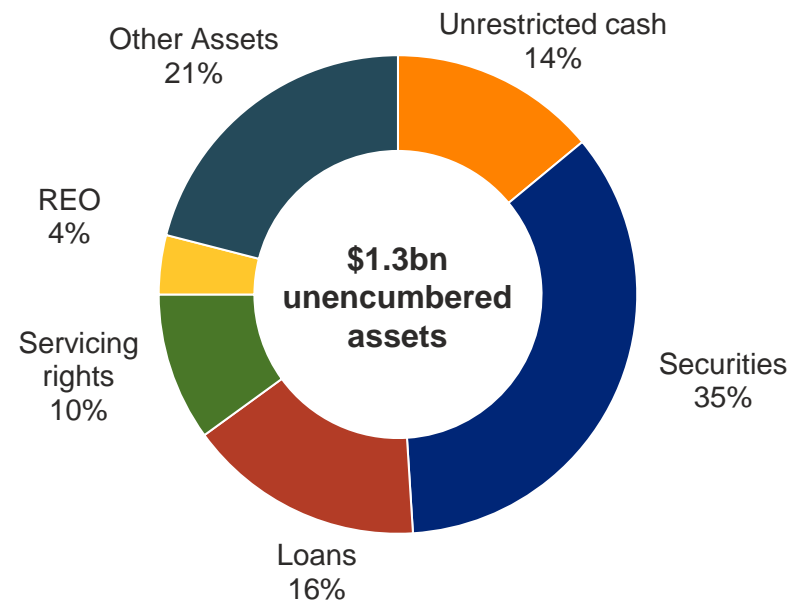
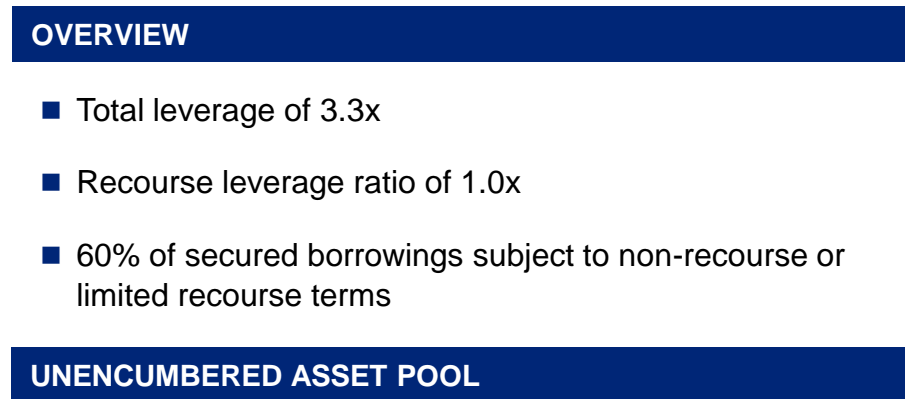
AVAILABLE WAREHOUSE BORROWINGS (\$MM)



Financial Flexibility (Cont'd)



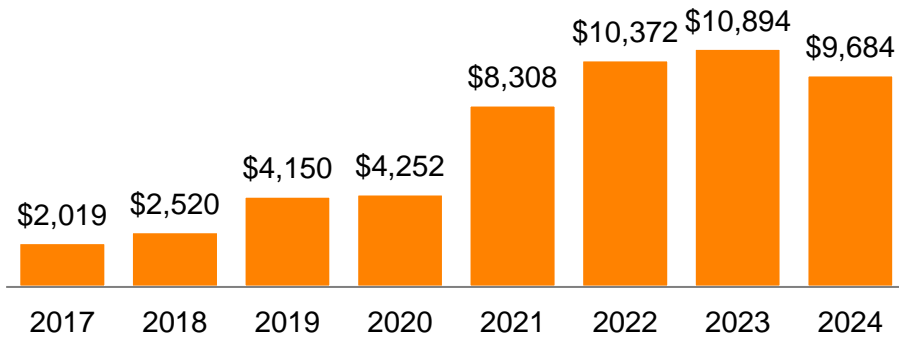
1.) For certain recourse borrowings, includes only the portion of the borrowings that are recourse to the Company



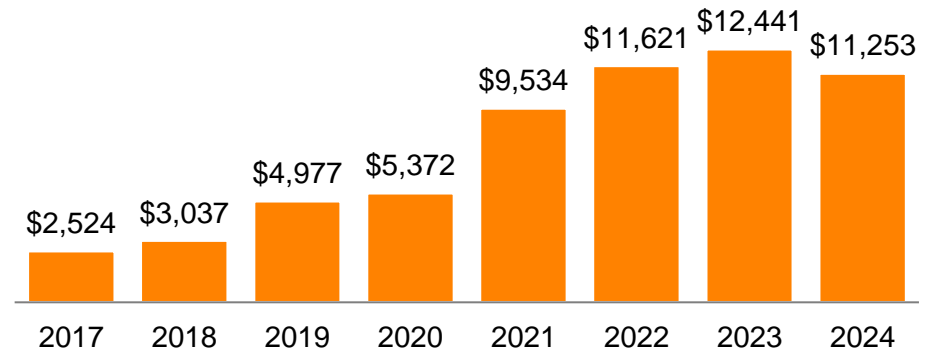
Historical Balance Sheet

- Ready Capital has grown its balance sheet substantially over its history, with its total assets grown at a 25% CAGR from 2017 to Sep. 2024
- Debt is comprised of a well diversified mix of corporate borrowings and securitizations
- Ready Capital's equity has grown over 4x since 2017

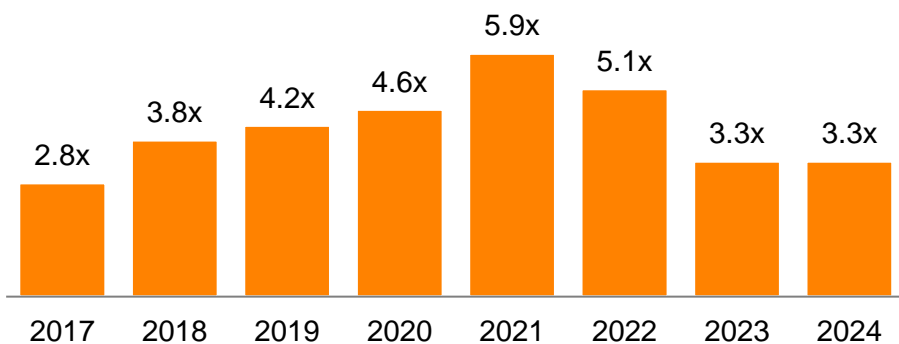
LOANS (\$MM)¹



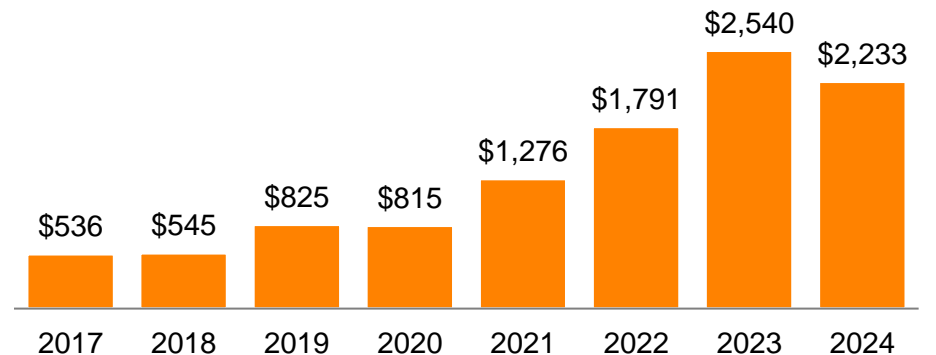
TOTAL ASSETS (\$MM)



LEVERAGE RATIO (DEBT-EQUITY)²



TOTAL STOCKHOLDERS' EQUITY (\$MM)²

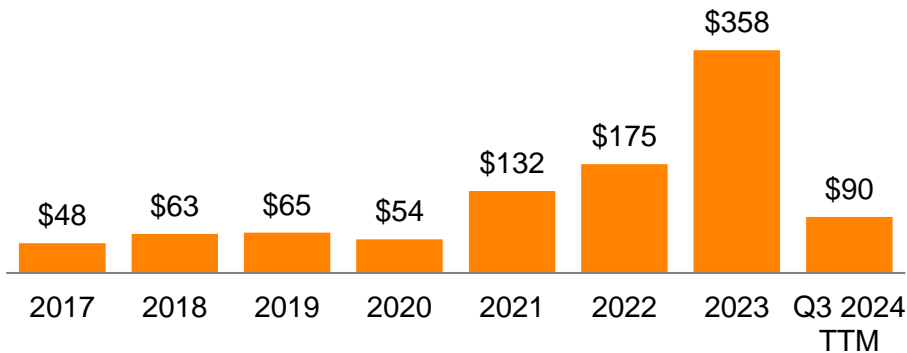


1.) Based on UPB; 2.) Shows total stockholders' equity attributable to Ready Capital shareholders, excluding non-controlling interest

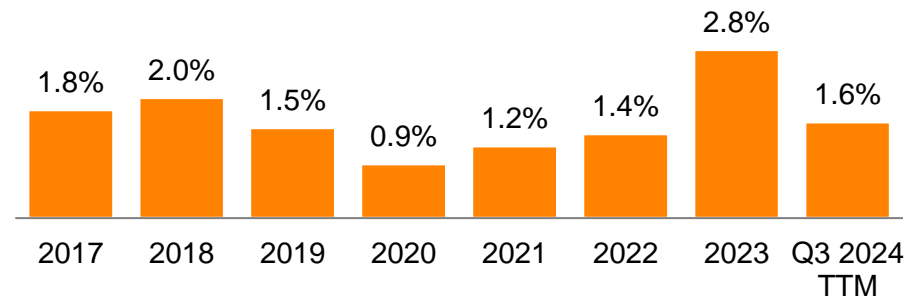
Historical Statement of Operations

- Distributable earnings before realized losses have grown at a 22% CAGR between 2017 and September 2024¹
- The Company has been able to keep both its earnings to assets and return on equity stable despite challenging economic conditions

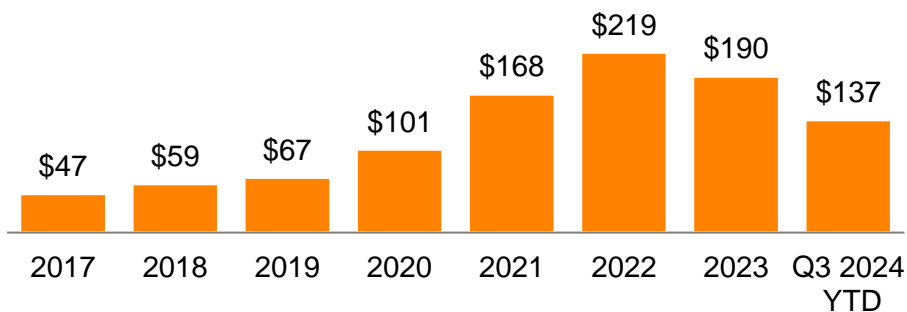
HISTORICAL PRE-TAX INCOME GROWTH ^{2,3} (\$ millions)



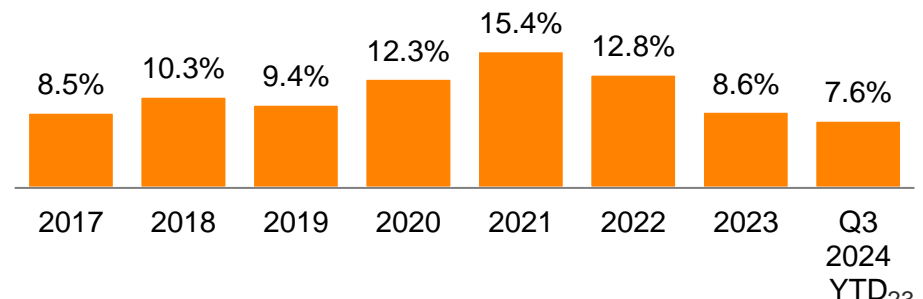
NET INCOME TO ASSETS ^{2,3} (%)



DISTRIBUTABLE EARNINGS ^{1,3} (\$ millions)



DISTRIBUTABLE RETURN ON EQUITY ^{1,3} (%)



1.) Calculated based on distributable earnings before realized losses on investments, net of valuation allowance and tax. Distributable earnings and distributable return on equity are non-GAAP measures; 2.) Calculated based on income before realized losses on investments, gross of valuation allowance and tax.; 3.) Income metrics prior to 2021 include our residential mortgage business;

APPENDIX

Additional Financial Information

Balance Sheet by Quarter

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

Statement of Income by Quarter

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

Distributable Earnings Reconciliation by Quarter

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

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

We calculate Distributable earnings as GAAP net income (loss) excluding the following:

- i) any unrealized gains or losses on certain MBS not retained by us as part of our loan origination businesses
- ii) any realized gains or losses on sales of certain MBS
- iii) any unrealized gains or losses on Residential MSRs from discontinued operations
- iv) any unrealized change in current expected credit loss reserve and valuation allowances
- v) any unrealized gains or losses on de-designated cash flow hedges
- vi) any unrealized gains or losses on foreign exchange hedges
- vii) any unrealized gains or losses on certain unconsolidated joint ventures
- viii) any non-cash compensation expense related to stock-based incentive plan
- ix) one-time non-recurring gains or losses, such as gains or losses on discontinued operations, bargain purchase gains, or merger related expenses

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

In addition, in calculating Distributable Earnings, Net Income (in accordance with U.S. GAAP) is adjusted to exclude unrealized gains or losses on residential MSRs, held at fair value from discontinued operations. In calculating Distributable Earnings, the Company does not exclude realized gains or losses on either commercial MSRs as servicing income is a fundamental part of Ready Capital's business and is an indicator of the ongoing performance.

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