Starwood Property Trust

Supplemental Data for Quarter Ended June 30, 2014

Quarterly Financial Highlights

STARWOOD PROPERTY TRUST

Financial Results & Earnings Per Share

- Core Earnings for the three and six months ended June 30, 2014 of $115.2M and $236.8M or $0.51 and $1.11 per diluted common share, respectively
- GAAP net income for the three and six months ended June 30, 2014 of $117.9M and $238.5M, or $0.52 and $1.11 per diluted common share, respectively
  - Total revenue (1) of $214.0M and $420.2M, respectively
  - Total expenses (1) of $117.5M and $236.2M, respectively

Book Value and Fair Value per diluted share

- GAAP book value per fully diluted share of $16.59 as of June 30, 2014, up from $15.85 in the prior quarter
- The fair value of the Company's net assets at June 30, 2014 was approximately $17.20 per fully diluted share, up 4.9% from $16.39 in the prior quarter (2)
- These amounts reflect share dilution during the quarter of 4.1 million shares resulting from the Company's convertible notes being in-the-money by $97M (for additional details, please see the Company's June 30, 2014 Form 10-Q)

Dividend

- Paid dividend of $0.48 per share of common stock for the quarter ending June 30, 2014
- Declared dividend of $0.48 per share of common stock for the quarter ending September 30, 2014; payable on October 15, 2014 to shareholders of record as of September 30, 2014
  - 8.1% annualized dividend yield based on closing price of $23.60 on August 4, 2014

***NOTE:** For a reconciliation of GAAP net income to Core Earnings, see pages 28 & 29*

(1) Before LNR VIEs

(2) Assumes debt is valued at its par settlement amount

Quarterly Segment Highlights

STARWOOD PROPERTY TRUST

Real Estate Investment Lending Segment (“Lending Segment”)

- The carrying value of the Lending Segment’s total investment portfolio was $5.8B as of June 30, 2014
  - The carrying value of the Lending Segment target portfolio was approximately $5.4B, which is anticipated to generate an annualized leveraged return of 10.2% to 10.8%
- During the second quarter, the Lending Segment contributed GAAP and Core Earnings of $65.4M and $76.2M, respectively
- During the second quarter, the Lending Segment originated and/or acquired $0.6B of new investments. Subsequent to quarter end, an additional $1.1B of loans were originated
  - 99.8% of new investments are made up of LIBOR based floating rate loans, as is approximately 88% of the Lending Segment’s pipeline
- The weighted average LTV of the Lending Segment portfolio was 65.2% (66.4% prior quarter)
- As of June 30, 2014, 77% of the Lending Segment’s existing loan portfolio is indexed to LIBOR, 86% of which benefits from having a LIBOR floor at an average rate of 0.36%; our fixed rate portfolio carries a weighted average coupon of 8.6%

LNR Property LLC Segment (“LNR Segment”)

- The carrying value of the LNR Segment’s principal assets, consisting mainly of CMBS, servicing intangibles and conduit loans, was $1.1B as of June 30, 2014
- During the second quarter, the LNR Segment contributed GAAP and Core Earnings of $52.5M and $39.0M, respectively

Quarterly Financing Highlights

STARWOOD PROPERTY TRUST

As of June 30, 2014

- The Company had an aggregate outstanding balance of $3.6B and a maximum borrowing capacity of $4.4B under its eleven financing facilities and two convertible senior notes.
- The Company continues to take a very conservative view of overall leverage, with a debt to equity ratio of 0.9x(1)
- During the second quarter, the Company:
  - Sold 25.3 million shares of common stock for gross proceeds of $564.7M
  - Amended one of its repurchase facilities to increase borrowings by $42.7M and extend the maturity date for loan collateral to May 2019, including extension options

Subsequent to Quarter End

- In July 2014, the Company amended one of its revolving repurchase facilities to upsize available borrowings from $225M to $325M and reduce pricing 25-50 basis points, depending on collateral type
- In August 2014, the Company also entered into a new $250M warehouse line to finance its more transitional assets

(1) Debt is comprised of secured financing agreements and convertible senior notes ($3.6B). Equity is STWD equity ($3.8B). See page 24

Lending Segment

Investment Portfolio Summary

$ millions

Investment	Asset Carry Value	Asset Specific Financing [1]	Net Investment	Net Investment % of Total	Fully Extended WAL [2]
First mortgage loans held for investment	$ 3,253	$ 1,492	$ 1,761	44%	3.9 Years
Subordinate mortgages held for investment	355	2	353	9%	4.1 Years
Mezzanine loans held for investment	1,273	42	1,231	31%	3.3 Years
Preferred Equity Interest	286	0	286	7%	3.9 Years
CMBS [3]	200	58	142	4%	3.1 Years
Target Portfolio of Lending Segment	5,367	1,594	3,773		
RMBS, available for sale at fair value	231	121	110	3%	7.4 Years
Loans transferred as secured borrowings or held for sale	152	143	9	0%	2.8 Years
Equity security	16	0	16	0%	N/A
Investment in unconsolidated entities	53	0	53	1%	N/A
Total	**$ 5,819**	**$ 1,858**	**$ 3,961**	**100%**	**3.9 Years [4]**

NOTE: *As of June 30, 2014*

(1) $1,858M + $1,004M (convertible debt) + $666M (term loan) + $96M (conduit loans) + $84M (borrowing base) = $3,708M(total STWD debt carrying value)

(2) Maximum maturity date assumes all extension options are exercised

(3) Asset carry value consists of available-for-sale and held-to-maturity CMBS with carrying values of $116M and $84M, respectively

(4) Represents weighted average based on asset carry value

Investment Portfolio Returns

$ millions

Investment	As of June 30, 2014			As of March 31, 2014 [1]			As of December 31, 2013 [1]		
	Return on Asset	Leveraged Return [2]	Optimal Leveraged Return [2]	Return on Asset	Leveraged Return [2]	Optimal Leveraged Return [2]	Return on Asset	Leveraged Return [2]	Optimal Leveraged Return [2]
First mortgage loans held for investment	6.4%	8.9%	9.9%	6.6%	9.5%	9.8%	6.6%	8.7%	9.6%
Subordinate mortgages held for investment	11.4%	11.4%	11.4%	11.8%	11.9%	11.9%	11.7%	12.2%	12.2%
Mezzanine loans held for investment	11.3%	11.6%	11.8%	11.6%	11.7%	11.7%	12.6%	12.6%	12.6%
Preferred Equity Interest	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%
CMBS	9.3%	12.2%	12.2%	9.5%	12.6%	12.6%	9.7%	12.8%	12.8%
Target Portfolio of Lending Segment	**8.2%**	**10.2%**	**10.8%**	**8.6%**	**10.7%**	**10.9%**	**8.9%**	**10.7%**	**11.2%**

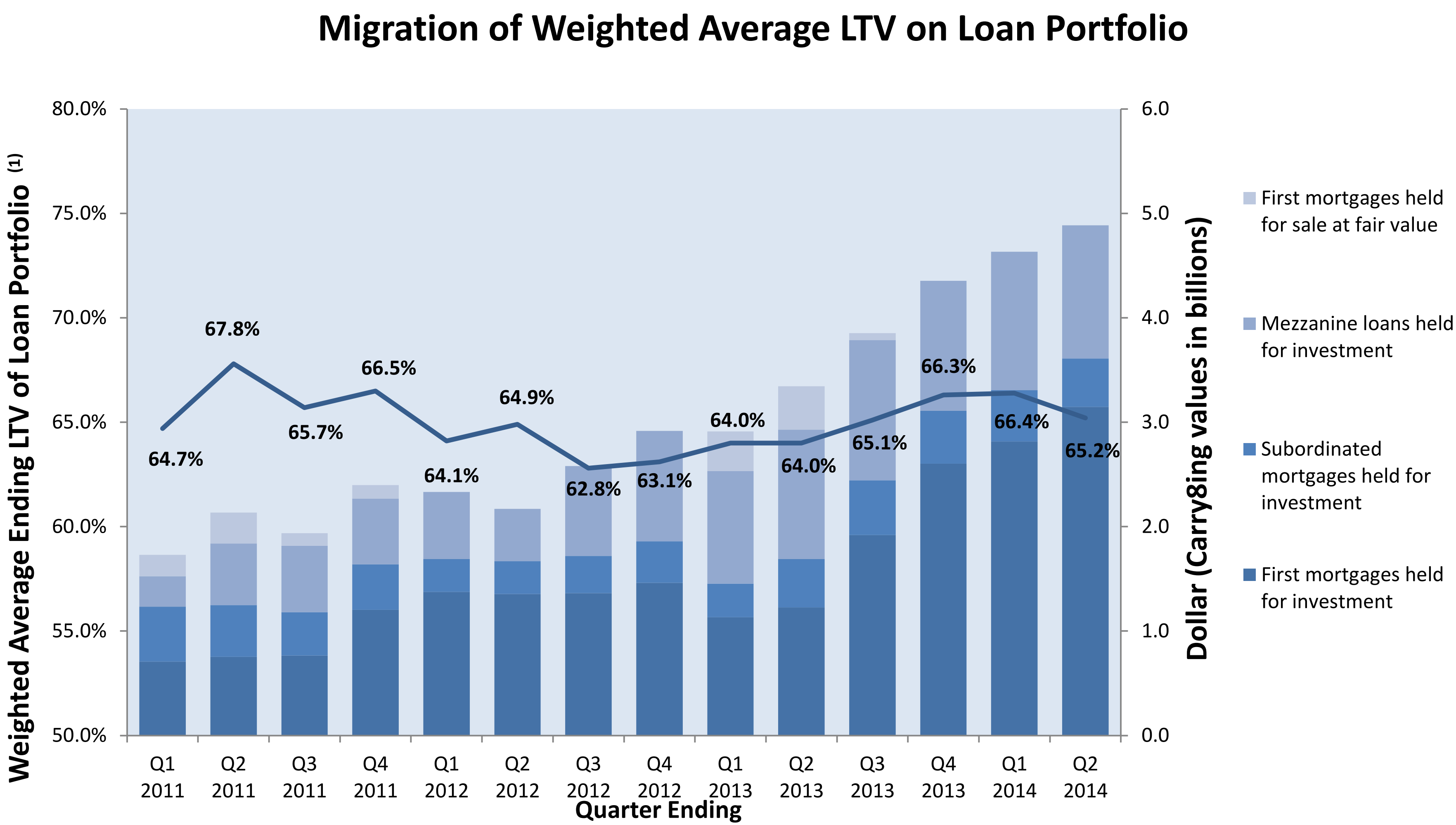
Asset Carry Values	As of June 30, 2014			As of March 31, 2014 [1]			As of December 31, 2013 [1]		
	Carrying Value	Net Investment	Net Optimal Investment	Carrying Value	Net Investment	Net Optimal Investment	Carrying Value	Net Investment	Net Optimal Investment
First mortgage loans held for investment	$ 3,253	$ 1,761	$ 1,443	$ 2,902	$ 1,442	$ 1,362	$ 2,690	$ 1,590	$ 1,281
Subordinate mortgages held for investment	355	353	355	397	377	372	407	403	382
Mezzanine loans held for investment	1,273	1,231	1,210	1,326	1,306	1,307	1,255	1,255	1,235
Preferred Equity Interest	286	286	286	285	285	285	284	284	284
CMBS	200	142	142	198	139	139	199	140	140
Total Asset Carry Values	**$ 5,367**	**$ 3,773**	**$ 3,436**	**$ 5,108**	**$ 3,549**	**$ 3,465**	**$ 4,835**	**$ 3,672**	**$ 3,322**

(1) *Amounts have been reclassified to conform to current presentation, which includes the elimination of the borrowing base debt in March 2014 and December 2013 presentations. Only asset specific financing has been included in determining Net Investment for all periods*

(2) *For calculation methodology, please refer to page 32*

Migration of Weighted Average LTV on Loan Portfolio

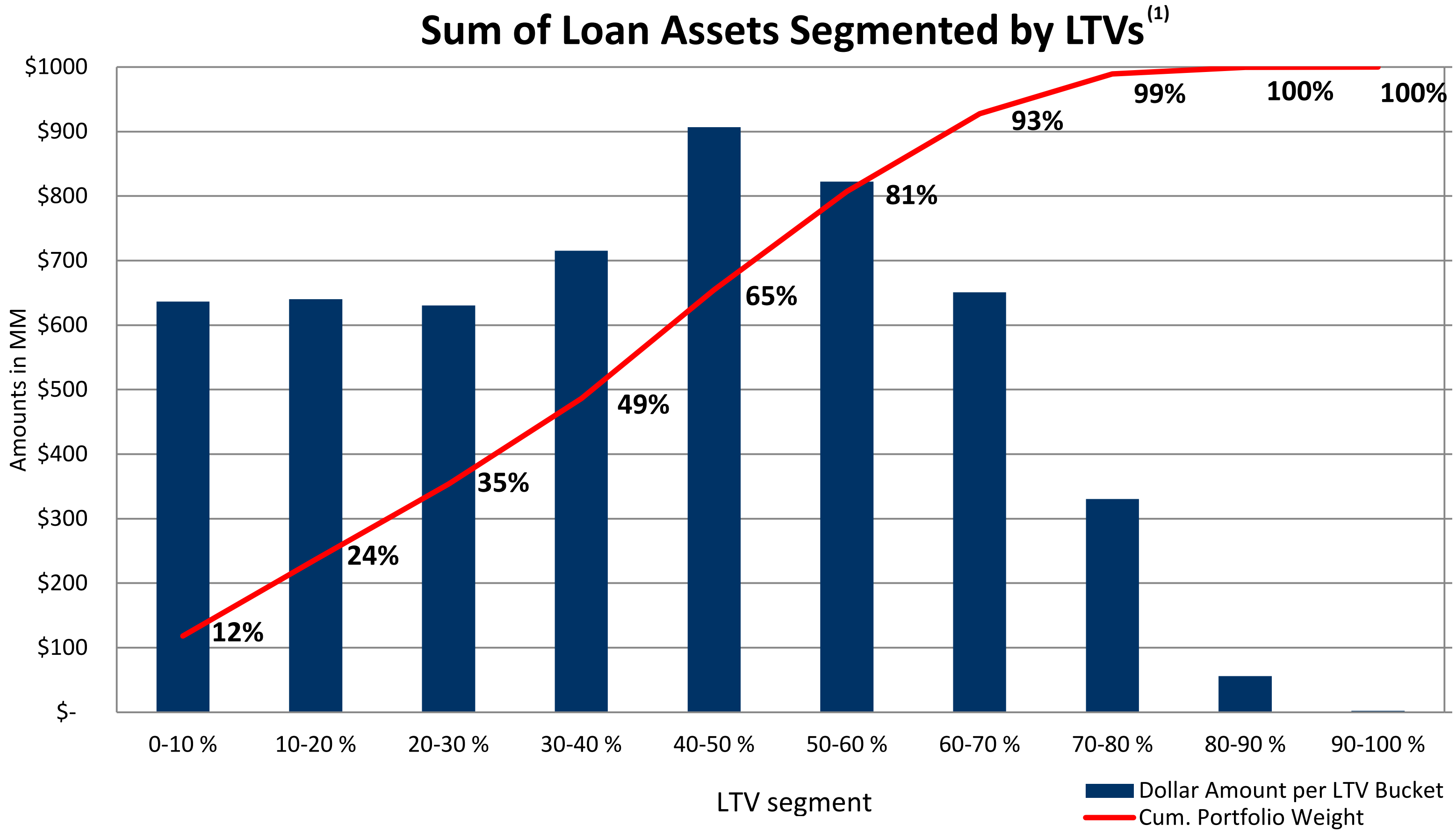
$ billions



(1) *LTVs are calculated using the methodology described on page 31*

Loan Portfolio Balances Segmented by LTV

$ millions



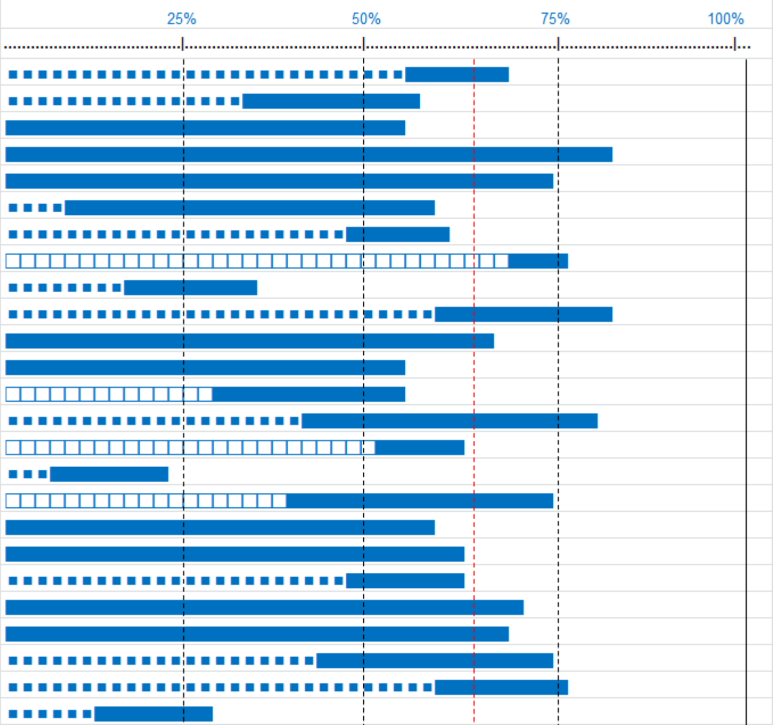
(1) Balances are as of June 30, 2014. LTVs are calculated using the methodology described on page 31. The balances included on this slide reflect the gross loan balance on our balance sheet and do not include leverage for any assets pledged to our financing facilities, including our warehouse facilities, borrowing base, term loan or convertible debt.

Loan Level Risk Attachment Points

Top 25 by Investment Basis

	Property Type	Loan Type	Location	Investment Basis ('000)	Cum. Port. Weights	Ending LTV
1	Office	First Mortgage	UK	461,862	60.94%	69.32%
2	Resort	First mortgage	HI	216,112	51.63%	56.87%
3	Office	First Mortgage	NY	215,054	47.28%	55.70%
4	Hotel	First Mortgage	NY	187,532	42.95%	82.83%
5	Hotel	First Mortgage	LA	174,166	39.17%	75.31%
6	Showroom	First Mortgage	NC	169,583	35.66%	59.38%
7	Apartment	First Mortgage	NV	158,000	32.25%	63.01%
8	Hotel	Mezzanine	MA	123,902	29.07%	77.63%
9	Office	First Mortgage	DC	120,000	26.57%	36.32%
10	Office	First Mortgage	CA	112,000	24.15%	82.96%
11	Office	First Mortgage	CA	106,500	21.90%	66.00%
12	Office	First Mortgage	PA	99,919	19.75%	55.20%
13	Hotel	Mezzanine	CA	88,287	17.74%	54.91%
14	Apartment	First Mortgage	CA	86,000	15.96%	81.37%
15	Retail	C Note	OH	85,000	14.23%	64.00%
16	Development Site	First Mortgage	MA	78,305	12.52%	23.65%
17	Hotel	Mezzanine	CA	70,000	10.94%	75.64%
18	Retail	First Mortgage	Finland	63,941	9.53%	58.47%
19	Condominium	First Mortgage	NY	62,429	8.24%	62.43%
20	Lodging	First Mortgage	CA	59,600	6.98%	62.08%
21	Industrial	First Mortgage	CA	59,000	5.78%	71.00%
22	Office	First Mortgage	NJ	58,940	4.59%	69.34%
23	Office	First Mortgage	CA	58,000	3.41%	76.32%
24	Retail	First Mortgage	PA	56,500	2.24%	78.17%
25	Office	First Mortgage	NY	54,594	1.10%	28.73%

Visual Representation of the LTV



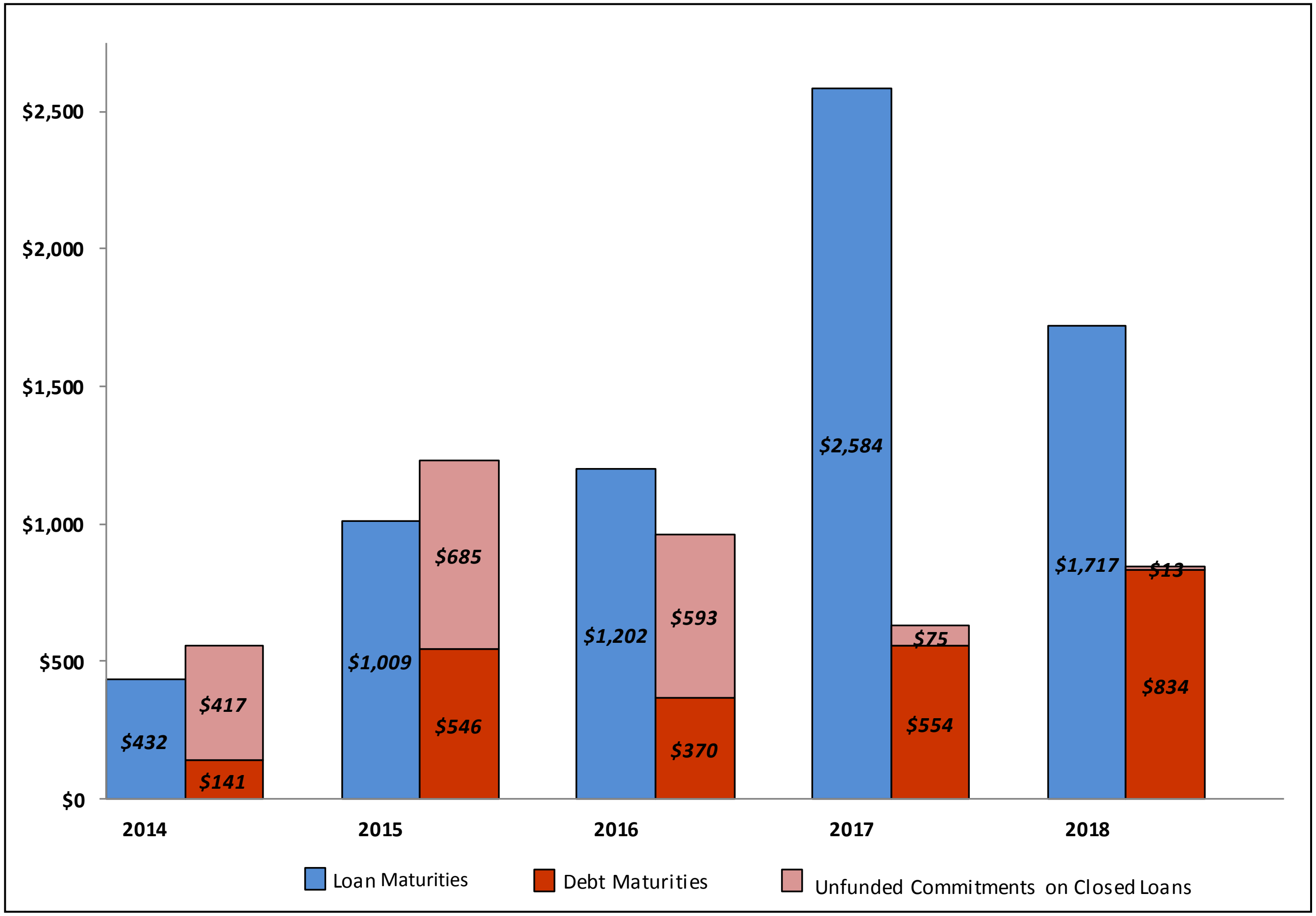
LEGEND:

- On-balance sheet leverage (warehouse financing)
- Portion of Capital Stack not Owned
- STWD Equity

NOTE: *As of June 30, 2014. LTVs are calculated using the methodology described on page 31*

Expected Loan Maturities and Future Fundings

$ millions



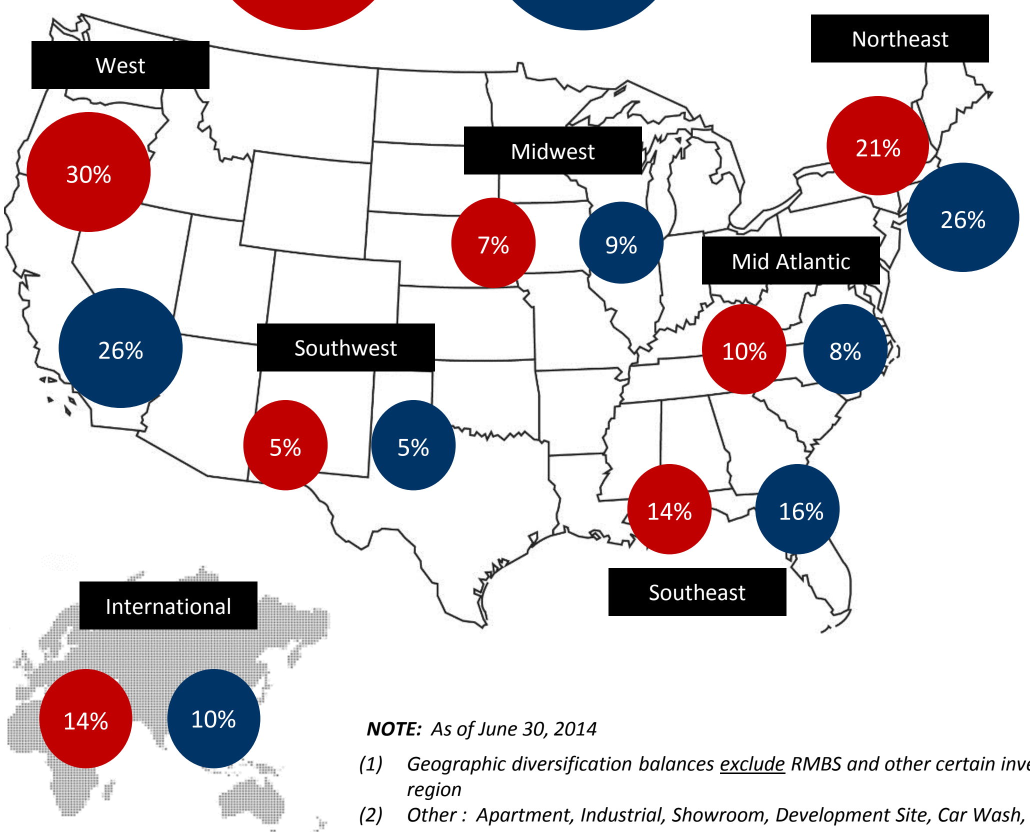
NOTE*: (i) Excludes RMBS and other certain investments in unconsolidated entities; (ii) Debt maturities assume the full advance rate has been applied to the current loan balances and future fundings on asset specific warehouse lines, and include maturities on our borrowing base, term loan and convertible debt*

Portfolio Snapshot

Geographic Diversification

TOTAL LOAN BALANCE [1]
$5.4B

TOTAL NET INVESTMENT [1]
$3.8B



$ millions

Collateral Diversification

PROPERTY TYPE	Loan Balance		Net Investment	
Office	$2,236	39%	$1,372	35%
Hotel	920	16%	807	21%
Retail	378	7%	267	7%
Resort	354	6%	202	5%
Mixed Use	342	6%	332	8%
RMBS	312	5%	111	3%
Condominium	287	5%	174	4%
Other (2)	920	16%	660	17%
Total (3)	**$5,749**	**100%**	**$3,925**	**100%**

INVESTMENT TYPE	Loan Balance		Net Investment	
First Mortgage	$3,177	56%	$1,647	43%
Mezzanine	1,286	22%	1,236	31%
B-Note	523	9%	505	13%
RMBS	312	5%	111	3%
Preferred Equit	288	5%	286	7%
C-Note	118	2%	95	2%
Other (3)	45	1%	45	1%
Total (3)	**$5,749**	**100%**	**$3,925**	**100%**

***NOTE:** As of June 30, 2014*

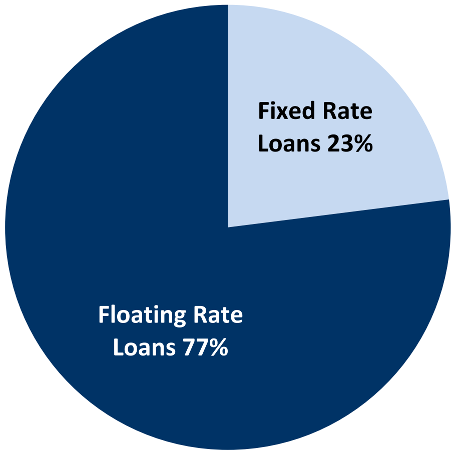
(1) *Geographic diversification balances exclude RMBS and other certain investments in unconsolidated entities as these investments cannot be tied to a particular region*
(2) *Other : Apartment, Industrial, Showroom, Development Site, Car Wash, Media & Entertainment, Loan on Loan, Data Center, Assisted Living, Ground Lease, Non-Real Estate and Medical Office*
(3) *Excludes equity security and certain investments in unconsolidated entities*

Interest Rate Risk Management

The Company remains well positioned to benefit from a rising rate environment as the majority of the portfolio and 88% of the forward investment pipeline consist of floating-rate loans

- 77% of the Lending Segment portfolio and 88% of the Lending Segment pipeline is indexed to LIBOR
- 86% of the floating rate loan portfolio benefits from having a LIBOR floor at an average rate of 0.36%
- The fixed rate loan portfolio carries an attractive weighted average coupon of 8.6%
- For fixed rate assets, which are financed using floating rate liabilities, the Company hedges 100% of the floating rate exposure back to fixed
- The Company estimates that a 100 basis point increase in LIBOR would result in an increase to income of $14M

Lending Segment Portfolio



NOTE: *As of June 30, 2014*

LNR Segment

Q2 2014 Financial Overview

STARWOOD PROPERTY TRUST

LNR contributed $52.5M of Q2 2014 net income [(1)] comprised of the following:

- **Revenues of $95.7M primarily consisting of**:
  - $57.8M of servicing fees generated from the US and Europe servicing businesses
  - $32.6M of interest income from investment securities and loans
- **Other income of $17.7M primarily consisting of:**
  - $16.3M increase in fair value of CMBS investment securities on a GAAP basis, of which $4.5M were crystalized in Core Earnings as realized gains on CMBS sales
  - $9.6M of net securitization profit from the conduit loan business, which includes both realized and unrealized net gains on loans originated, net of the impact of associated hedging
  - $5.2M of earnings from unconsolidated entities driven by our European fund earnings
  - $12.8M net decrease in the fair value of the domestic servicing intangible, resulting from the continued amortization of this deteriorating asset, net of increases in fair value due to the attainment of new servicing contracts
  - Costs and expenses of $57.1M primarily consisting of general and administrative expenses of $35.0M and shared cost allocations of management fees and corporate interest expense of $9.8M
- Income tax provision of $3.8M

(1) Before LNR VIEs

Investment Portfolio

STARWOOD PROPERTY TRUST

$ millions

The carrying amount of the LNR Segment's principal assets, consisting mainly of CMBS, servicing intangibles and conduit loans, was $1.1B:

Investment	Face Amount	Carry Value	Asset Specific Financing	Net Investment	Net Investment % of Total
CMBS	$ 4,049	$ 638	$ -	$ 638	65%
Special Servicing Intangibles	N /A	225	0	225	23%
Conduit Loans	145	145	95	50	5%
Loans held-for-investment	8	4	0	4	0%
Investment in Unconsolidated Entities	N/ A	69	0	69	7%
Total	**$ 4,202**	**$ 1,081**	**$ 95**	**$ 986**	**100%**

NOTE: *As of June 30, 2014*

U.S. Special Servicing

US Special Servicer Market Share

Rank	Company	1H'14 [1] Market Share
1	**LNR Partners**	**25.7%**
2	Midland Loan Services	19.7%
3	Rialto Capital	18.2%
4	KeyCorp Real Estate Capital	9.3%
5	Wells Fargo Bank	8.9%
6	Situs	4.1%
7	Strategic Asset Services	3.6%
8	CWCapital	3.0%
9	Trimont Real Estate	1.9%
10	Torchlight	1.7%

Rank	Company	Total [2] Market Share
1	CW Capital Asset Management	34.9%
2	**LNR Partners**	**33.8%**
3	C-III Asset Management	17.1%
4	Torchlight Loan Services	3.9%
5	Midland Loan Services	2.6%
6	KeyCorp Real Estate Capital	2.2%
7	Situs	1.9%
8	Five Mile Capital	1.1%
9	Berkadia Commercial Mortgage	1%
10	Wells Fargo Bank	1%

- LNR won SS assignments on 25.7% of CMBS issuances in 1H'14, nearly double the 13.6% market share for FY'13; ranked #1 for the first time since 2008[1]

LNR Special Servicer Portfolio[3]

($ billions)

Active CMBS Portfolio	CMBS Trusts	152
	Unpaid Balance	$ 135.5
	Loan Count	10,550
Active Special Servicing Portfolio	SS Loan Count	513
	SS Loan Balance	$ 7.6
	REO Loan Count	477
	REO Loan Balance	$ 8.0

- Since inception, LNR has resolved over 5,150 distressed commercial real estate loans and REO properties representing over ~$55B of original principal loan balance
- Dedicated Asset Services group with 227 professionals

(1) Source: Commercial Mortgage Alert, July 18, 2014. Applies to SS assignments won on CMBS issued in the first half of 2014
(2) Source: Morningstar as of June 30, 2014. Represents market share by balance of specially serviced CMBS loans
(3) As of June 30, 2014

Total Debt and Liquidity

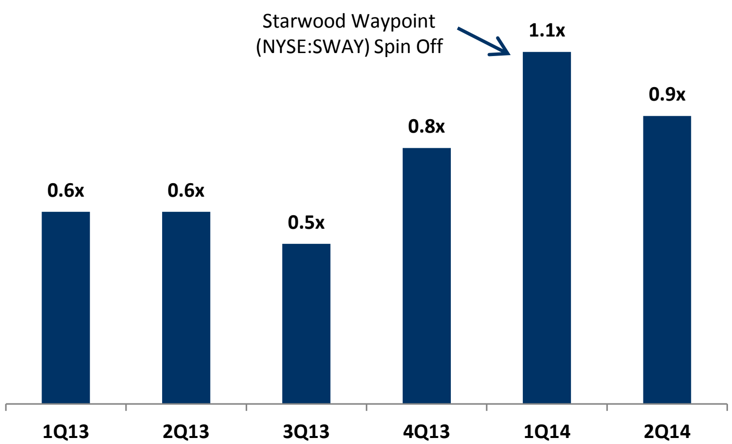
Conservative Capitalization

As part of STWD's approach to risk, the Company has maintained a very conservative balance sheet, consisting of both secured asset-level and corporate-level debt

Capitalization

($ billions)

Historical Debt-to-Equity Ratio (2)



STWD Key Credit Metrics

- Total capitalization of $8.9B
- $3.6B aggregate outstanding balance and a maximum borrowing capacity of $4.4B under 11 financing facilities and two convertible senior notes
- Issued $1.1B of convertible senior notes in 2013 with a weighted average coupon rate of 4.3%
- Interest coverage ratio of 4.23x
- Fixed charge coverage ratio of 4.01x
- Issuer rating of Ba3/BB; Outlook Stable

NOTE: *As of June 30, 2014, unless otherwise indicated*

(1) Based on outstanding shares as of June 30 of 222.6 million and closing stock price on August 4 of $23.60

(2) Debt is comprised of secured financing agreements and convertible senior notes. Equity is STWD equity

Total Debt and Liquidity

$ millions

As of June 30, 2014								
			Debt Obligations					
	Maximum Facility Size		Potential [1]		Drawn		Approved but Undrawn	
Lender 1	$	1,000	$	878	$	753	$	125
Lender 1		175		153		121		32
Lender 1		149		149		149		-
Lender 2		225		181		181		-
Lender 3		94		94		94		-
Conduit I		250		-		-		-
Conduit II		150		96		96		-
Lender 4		359		359		359		-
Lender 5		58		58		58		-
Borrowing Base		250		84		84		-
Term Loan [2]		668		666		666		-
TOTAL SECURED FINANCING AGREEMENTS	**$**	**3,379**	**$**	**2,718**	**$**	**2,561**	**$**	**157**
Convertible Senior Notes [2]						1,004		
Borrowings on transferred loans						143		
TOTAL DEBT					**$**	**3,708**		

- As of August 1, 2014, the Company had approximately $251M of available cash and equivalents, approximately $89M of net equity invested in RMBS that are classified as available-for-sale, $18M of approved but undrawn capacity under existing financing facilities and $474M of unallocated warehouse capacity. The Company expects to receive $545M during the third quarter from loan maturities, prepayments, sales and participations. Accordingly, the Company has the capacity to acquire or originate up to an additional $1.2B of new investments using these liquidity sources

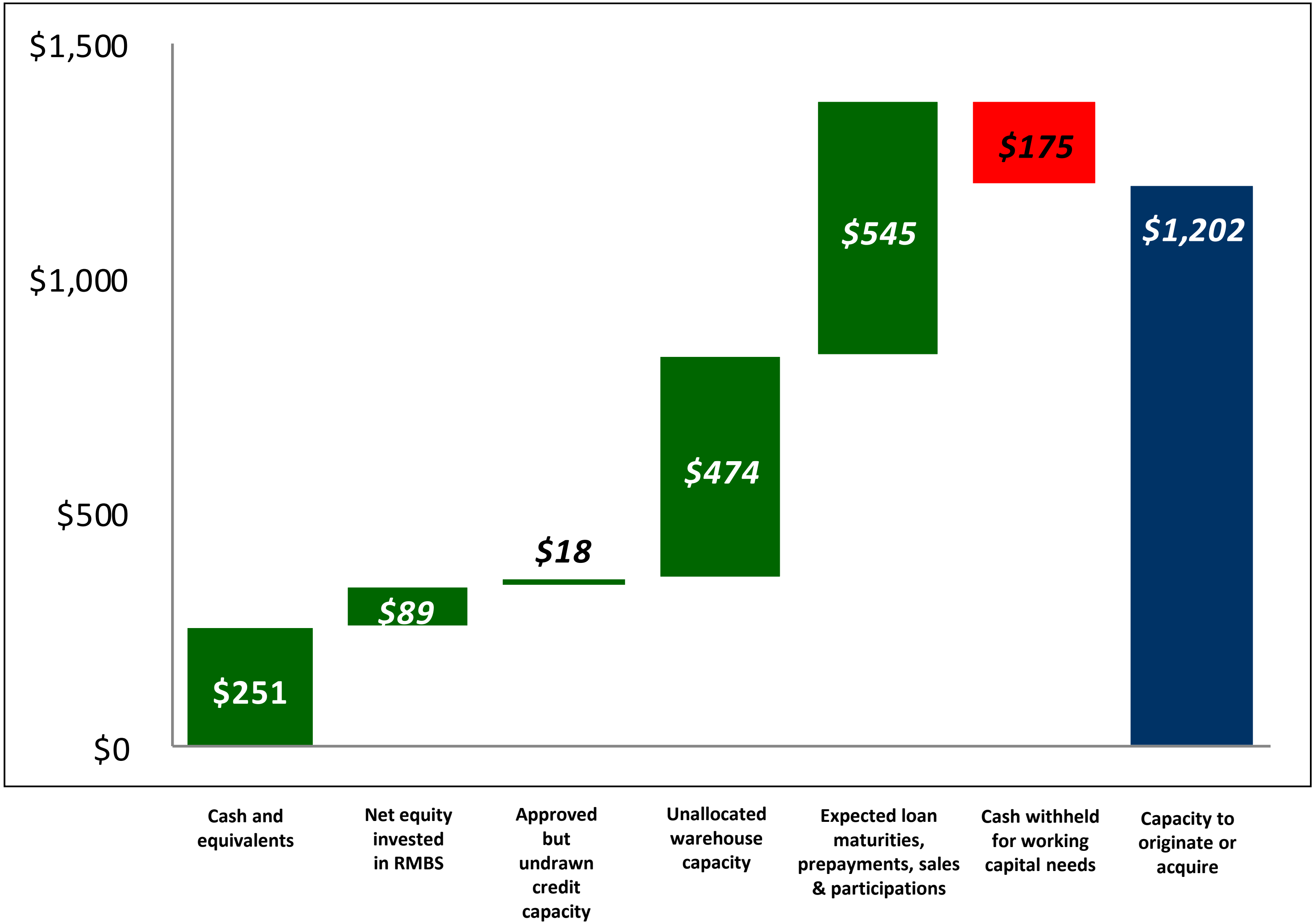
- On July 24, 2014, the Company amended the Lender 2 facility to upsize available borrowings from $225M to $325M. Additionally, on August 1, 2014, the Company also entered into a new $250M repo line to finance its more transitional assets

(1) Potential borrowings represent the total amount that could be drawn under each facility based on collateral already approved and pledged
(2) Term loan and convertible senior notes carrying values are net of $2.3M and $56.1M of unamortized discount, respectively

Total Debt and Liquidity, continued

$ millions

- **As of August 1, 2014, the Company had capacity to originate or acquire up to an additional $1.2B of new investments in the near term**



Financials

Quarterly Migration Tracker

Profitability & Liquidity Metrics

$ millions (except share and per share data)

	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Revenues:						
Interest income from loans	105.5	104.9	108.0	94.0	74.9	67.7
Interest income from investment securities	45.3	41.3	39.1	31.1	25.4	16.2
Servicing fees	58.0	56.2	66.6	59.6	52.9	-
Other revenues	5.3	3.7	2.2	2.3	2.1	0.1
Total revenues (1)	**$ 214.0**	**206.1**	**215.9**	**187.1**	**155.3**	**84.0**
Costs and expenses:						
Management fees	25.0	27.8	24.7	20.9	16.1	15.1
Interest expense	37.7	37.8	37.7	34.0	22.6	17.4
General and administrative	42.9	45.9	53.8	47.3	44.2	4.0
Business Combination costs	-	-	-	0.3	13.4	4.2
Depreciation, Amortization & Other expenses	11.8	7.2	6.1	6.6	4.1	0.1
Total costs and expenses (1)	**$ 117.5**	**118.7**	**122.2**	**109.1**	**100.4**	**40.9**
Income before other income, income taxes and non-controlling interests (1)	**96.6**	**87.4**	**93.6**	**78.0**	**54.8**	**43.1**
Other income:						
Change in fair value of servicing rights	(12.8)	(12.2)	(18.0)	(3.9)	6.1	-
Change in fair value of investment securities	17.2	36.8	6.4	9.7	6.1	0.4
Change in fair value of mortgage loans held-for-sale	11.6	20.9	17.5	25.9	0.5	-
Gain/loss on derivative financial instruments	(9.8)	(7.9)	(11.1)	(22.5)	6.2	16.2
Gain/loss on sale of investments	10.1	1.6	5.4	6.2	-	13.5
Other income (includes FX & Equity in Earnings)	12.3	1.4	8.5	13.0	5.2	(6.9)
Total other income	**28.6**	**40.6**	**8.7**	**28.3**	**24.0**	**23.2**
Income from continuing operations before income taxes	**125.1**	**128.0**	**102.3**	**106.3**	**78.8**	**66.3**
Income tax provision	(4.3)	(5.6)	1.8	(13.7)	(11.3)	(0.6)
Income from continuing operations	**120.9**	**122.4**	**104.2**	**92.6**	**67.5**	**65.7**
Loss from discontinued operations, net of tax	-	(1.6)	(7.8)	(3.7)	(6.1)	(2.3)
Net income attributable to non-controlling interests	(3.0)	(0.2)	(1.5)	(1.5)	(1.0)	(1.2)
Net income attributable to Starwood Property Trust, Inc.	**$ 117.9**	**120.6**	**95.0**	**87.4**	**60.4**	**62.2**
GAAP Diluted EPS	$ 0.52	0.60	0.48	0.51	0.37	0.46
Core Earnings	115.2	121.5	121.2	104.4	69.0	58.1
Core Earnings per weighted average diluted share	0.51	0.60	0.62	0.61	0.42	0.43
Distributions declared per common share	0.48	0.48	0.46	0.46	0.46	0.44
GAAP book value per diluted share	16.59	15.85	21.83	21.78	21.21	20.08
Fair value of net assets per diluted share	17.20	16.39	22.17	22.09	21.77	20.48
Liquidity Metrics:						
Cash	$ 518.6	226.5	317.6	536.8	366.8	173.1
Aggregate approved but undrawn capacity	157.6	1.0	137.1	372.0	4.6	288.6
Near-term liquidity excluding mortgage-backed securities	**676.2**	**227.5**	**454.7**	**908.9**	**371.3**	**461.7**
Equity invested in RMBS	111.0	131.8	170.0	243.5	153.0	247.9
Remaining aggregate undrawn capacity on financing facilities (2)	657.6	727.2	485.8	502.6	644.8	292.1
Total liquidity excluding liquid mortgage-backed securities	**$ 1,444.8**	**1,086.4**	**1,110.6**	**1,655.0**	**1,169.1**	**1,001.7**
Debt-to-Equity Ratio (3)	**0.9x**	**1.1x**	**0.8x**	**0.5x**	**0.6x**	**0.6x**

(1) Before LNR VIEs . 2013 includes reclassification of SFR segment to discontinued operations

(2) Represents the maximum facility size less the total draw capacity that has been approved by the lender

(3) Debt is comprised of secured financing agreements, convertible senior notes and secured borrowings on transferred loans. Equity is GAAP equity

Balance Sheet by Segment

as of June 30, 2014

STARWOOD PROPERTY TRUST

$ millions

	Real Estate Investment Lending	LNR	Subtotal	LNR VIEs	Total
Assets:					
Cash and cash equivalents	$ 382.3	$ 136.1	$ 518.4	$ 0.2	$ 518.6
Restricted cash	34.3	10.2	44.6		44.6
Loans held-for-investment, net	4,881.4	4.4	4,885.9		4,885.9
Loans held-for-sale	8.8	145.7	154.4		154.4
Loans transferred as secured borrowings	142.9	-	142.9		142.9
Investment securities	733.9	638.1	1,371.9	(469.5)	902.4
Intangible assets - servicing rights	-	224.7	224.7	(67.8)	156.9
Investment in unconsolidated entities	52.5	68.6	121.2	(2.6)	118.6
Goodwill	-	140.4	140.4		140.4
Derivative assets	2.3	2.4	4.7		4.7
Accrued interest receivable	36.9	0.6	37.5		37.5
Other assets	80.3	86.4	166.7	(1.2)	165.5
VIE assets, at fair value	-	-	-	114,091.2	114,091.2
Total Assets	**$ 6,355.6**	**$ 1,457.7**	**$ 7,813.2**	**$ 113,550.3**	**$ 121,363.5**
Liabilities & Equity					
Liabilities:					
Accounts payable, accrued expenses & other liabilities	$ 50.5	$ 89.9	$ 140.4	$ 0.4	$ 140.8
Related-party payable	19.8	4.7	24.5		24.5
Dividends payable	108.0	-	108.0		108.0
Derivative liabilities	25.0	1.3	26.3		26.3
Secured financing agreements, net	2,465.7	95.6	2,561.3		2,561.3
Convertible senior notes, net	1,003.8	-	1,003.8		1,003.8
Secured borrowings on transferred loans	142.8	-	142.8		142.8
VIE liabilities, at fair value	-	-	-	113,541.2	113,541.2
Total Liabilities	**3,815.7**	**191.4**	**4,007.2**	**113,541.5**	**117,548.7**
Equity:					
Starwood Property Trust, Inc. Stockholder's Equity:					
Preferred stock	-	-			-
Common stock	2.2	-	2.2		2.2
Additional paid-in capital	2,417.7	1,366.9	3,784.6		3,784.6
Treasury stock	(10.6)	-	(10.6)		(10.6)
Accumulated other comprehensive income	65.7	9.2	75.0		75.0
Retained earnings (deficit)	60.2	(109.9)	(49.7)		(49.7)
Total Starwood Property Trust, Inc. Stockholder's Equity	2,535.2	1,266.2	3,801.4	-	3,801.4
Non-controlling interests in consolidated subsidiaries	4.6	-	4.6	8.7	13.4
Total Equity	2,539.9	1,266.2	3,806.1	8.7	3,814.8
Total Liabilities & Equity	**$ 6,355.6**	**$ 1,457.7**	**$ 7,813.2**	**$ 113,550.3**	**$ 121,363.5**

Results of Operations by Segment
Three Months ended June 30, 2014

$ millions

	Real Estate Investment Lending	LNR	Subtotal	LNR VIEs	Total
Revenues:					
Interest Income from loans	$ 102.9	$ 2.6	$ 105.5		$ 105.5
Interest income from investment securities	15.2	30.1	45.3	(17.6)	27.6
Servicing fees	0.2	57.8	58.0	(25.3)	32.7
Other revenues	0.1	5.2	5.3	(0.4)	5.0
Total revenues	**118.3**	**95.7**	**214.0**	**(43.3)**	**170.8**
Costs and expenses:					
Management fees (1)	20.4	4.6	25.0	0.0	25.1
Interest expense (1)	31.6	6.1	37.7		37.7
General and administrative	7.9	35.0	42.9	0.2	43.1
Acquisition and investment pursuit costs	0.5	0.2	0.8		0.8
Depreciation and amortization	-	5.2	5.2		5.2
Loan loss allowance, net	(0.1)	-	(0.1)		(0.1)
Other expense	0.1	6.0	6.0		6.0
Total costs and expenses	**60.4**	**57.1**	**117.5**	**0.2**	**117.7**
Income before other income, income taxes and non-controlling interests	**58.0**	**38.6**	**96.6**	**(43.5)**	**53.1**
Other Income:					
Income of consolidated VIEs, net	-	-	-	47.0	47.0
Change in fair value of servicing rights	-	(12.8)	(12.8)	7.3	(5.5)
Change in fair value of investment securities, net	0.9	16.3	17.2	(12.2)	5.0
Change in fair value of mortgage loans held-for-sale, net	-	11.6	11.6		11.6
Earnings from unconsolidated entities	3.4	5.2	8.7	0.9	9.6
Gain on sale of investments, net	10.1	-	10.1		10.1
Loss on derivative financial instruments, net	(7.6)	(2.2)	(9.8)		(9.8)
Foreign currency gain (loss), net	4.1	(0.3)	3.8		3.8
OTTI	-	(0.8)	(0.8)		(0.8)
Other income, net	0.0	0.7	0.7		0.7
Total other income	**10.9**	**17.7**	**28.6**	**43.0**	**71.6**
Income from continuing operations before income taxes	**68.9**	**56.3**	**125.1**	**(0.5)**	**124.7**
Income tax provision	(0.4)	(3.8)	(4.3)	-	(4.3)
Income from continuing operations	**68.4**	**52.5**	**120.9**	**(0.5)**	**120.4**
Loss from discontinued operations, net of tax	-	-	-	-	-
Net Income	**68.4**	**52.5**	**120.9**	**(0.5)**	**120.4**
Net income attributable to non-controlling interests	(3.0)	-	(3.0)	0.5	(2.5)
Net income attributable to Starwood Property Trust, Inc.	**$ 65.4**	**$ 52.5**	**$ 117.9**	**$ 0.0**	**$ 117.9**

(1) During the three months ended June 30, 2014, management fees and interest expense of $4.6M and $5.2M, respectively, were allocated to the LNR segment.

Results of Operations by Segment
Six Months ended June 30, 2014

STARWOOD PROPERTY TRUST

$ millions

	Real Estate Investment Lending	LNR	Single Family Residential	Total	LNR VIEs	Total
Revenues:						
Interest Income from loans	$ 205.0	$ 5.4	$ -	$ 210.4		$ 210.4
Interest income from investment securities	33.5	53.1	-	86.6	(29.5)	57.1
Servicing fees	0.2	114.0	-	114.2	(47.3)	66.9
Other revenues	0.2	8.8	-	9.0	(0.6)	8.4
Total revenues	**238.8**	**181.3**	**-**	**420.2**	**(77.4)**	**342.7**
Costs and expenses:						
Management fees (1)	41.8	10.3	0.8	52.8	0.1	52.9
Interest expense (1)	62.8	11.6	1.1	75.5		75.5
General and administrative	15.1	73.8		88.8	0.4	89.2
Acquisition and investment pursuit costs	0.7	0.4	-	1.2		1.2
Depreciation and amortization	-	9.8	-	9.8		9.8
Loan loss allowance, net	0.4	-	-	0.4		0.4
Other expense	0.1	7.7	-	7.7		7.7
Total costs and expenses	**120.8**	**113.5**	**1.9**	**236.2**	**0.4**	**236.7**
Income before other income, income taxes and non-controlling interests	**118.0**	**67.8**	**(1.9)**	**183.9**	**(77.9)**	**106.1**
Other Income:						
Income of consolidated VIEs, net	-	-	-	-	103.0	103.0
Change in fair value of servicing rights	-	(25.0)	-	(25.0)	14.2	(10.8)
Change in fair value of investment securities, net	0.7	53.2	-	54.0	(40.6)	13.3
Change in fair value of mortgage loans held-for-sale, net	-	32.5	-	32.5		32.5
Earnings from unconsolidated entities	5.0	3.8	-	8.8	0.8	9.6
Gain on sale of investments, net	11.6	(0.0)	-	11.6		11.6
Loss on derivative financial instruments, net	(10.4)	(7.3)	-	(17.7)		(17.7)
Foreign currency gain (loss), net	5.6	(0.4)	-	5.3		5.3
OTTI	(0.2)	(0.8)	-	(1.0)		(1.0)
Other income, net	0.1	0.7	-	0.7		0.7
Total other income	**12.4**	**56.8**	**-**	**69.2**	**77.4**	**146.6**
Income from continuing operations before income taxes	**130.4**	**124.6**	**(1.9)**	**253.2**	**(0.4)**	**252.7**
Income tax provision	(0.5)	(9.4)	-	(9.9)	-	(9.9)
Income from continuing operations	**129.9**	**115.2**	**(1.9)**	**243.3**	**(0.4)**	**242.8**
Loss from discontinued operations, net of tax	-	-	(1.6)	(1.6)	-	(1.6)
Net Income	**129.9**	**115.2**	**(3.4)**	**241.7**	**(0.4)**	**241.3**
Net income attributable to non-controlling interests	(3.2)	-	-	(3.2)	0.4	(2.8)
Net income attributable to Starwood Property Trust, Inc.	**$ 126.7**	**$ 115.2**	**$ (3.4)**	**$ 238.5**	**$ 0.0**	**$ 238.5**

(1) During the six months ended June 30, 2014, management fees and interest expense of $10.2M and $9.7M, respectively, were allocated to the LNR segment while $0.8M and $1.1M, respectively, were allocated to the SFR segment

Cash Flow
Six Months ended June 30, 2014

$ millions

	Excluding LNR VIEs	VIE Adjustments	GAAP
Net cash provided by operating activities	**$ 230.5**	**$ (0.1)**	**$ 230.4**
Cash Flows from Investing Activities:			
Spin-off of SWAY	(112.0)	-	(112.0)
Purchase of investment securities	(151.7)	98.3	(53.5)
Proceeds from sales and collections of investment securities	154.5	(85.2)	69.3
Origination and purchase of loans held-for-investment	(1,277.6)	-	(1,277.6)
Proceeds from principal collections and sale of loans	789.5	-	789.5
Acquisition and improvement of single family homes and acquisition of non-performing loans, net of sales proceeds	(59.0)		(59.0)
Net cash flows from other investments and assets	(19.8)	1.5	(18.3)
Increase in restricted cash, net	(5.9)	-	(5.9)
Net cash (used in) provided by investing activities	**(682.0)**	**14.6**	**(667.4)**
Cash Flows from Financing Activities:			
Borrowings under financing agreements	1,807.2	-	1,807.2
Principal repayments on borrowings	(1,510.1)	-	(1,510.1)
Payment of deferred financing costs	(7.9)	-	(7.9)
Proceeds from common stock issuances, net of offering costs	581.4	-	581.4
Payment of dividends	(185.6)	-	(185.6)
Distributions to non-controlling interests	(33.4)	-	(33.4)
Issuance of debt of consolidated VIEs	-	71.8	71.8
Repayment of debt of consolidated VIEs	-	(99.8)	(99.8)
Distributions of cash from consolidated VIEs	-	13.4	13.4
Net cash provided by (used in) financing activities	**651.7**	**(14.6)**	**637.1**
Net increase in cash and cash equivalents	200.3	(0.1)	200.2
Cash and cash equivalents, beginning of period	317.4	0.3	317.6
Effect of exchange rate changes on cash	0.8	-	0.8
Cash and cash equivalents, end of period	**$ 518.4**	**$ 0.2**	**$ 518.6**

Reconciliation of Net Income to Core Earnings
Three Months ended June 30, 2014

$ millions (except per share data)

	Real Estate Investment Lending	LNR	Total
Net income attributable to Starwood Property Trust, Inc.	**$ 65.4**	**$ 52.5**	**$ 117.9**
Add / (Deduct):			
Non-cash equity compensation expense	7.5		7.5
Management incentive fee	2.7	1.4	4.0
Depreciation and amortization		0.8	0.8
Loan loss allowance	(0.1)	(0.0)	(0.1)
Interest income adjustment for securities	(0.9)	0.4	(0.6)
Other non-cash items		0.3	0.3
(Gains) / losses on:			
Loans held-for-sale		(0.5)	(0.5)
Securities	(0.7)	(16.6)	(17.3)
Derivatives	(2.6)	1.4	(1.3)
Foreign currency	5.0		5.0
Earnings from unconsolidated entities		(0.5)	(0.5)
Core Earnings	**$ 76.2**	**$ 39.0**	**$ 115.2**
Core Earnings per Weighted Average Diluted Share	**$ 0.34**	**$ 0.17**	**$ 0.51**

Reconciliation of Net Income to Core Earnings

Six Months ended June 30, 2014

$ millions (except per share data)

	Real Estate Investment Lending	LNR	Single Family Residential	Total
Net income (loss) attributable to Starwood Property Trust, Inc.	**$ 126.7**	**$ 115.2**	**$ (3.4)**	**$ 238.5**
Add / (Deduct):				
Non-cash equity compensation expense	14.7	-	-	14.7
Management incentive fee	7.1	4.1	-	11.2
Change in Control Plan	-	1.3	-	1.3
Depreciation and amortization	-	1.1	1.5	2.6
Loan loss allowance	0.4	(0.0)	-	0.4
Interest income adjustment for securities	(1.4)	5.9	-	4.5
Other non-cash items	-	0.3	-	0.3
(Gains) / losses on:	-	-	-	
Loans held-for-sale	-	(3.1)	-	(3.1)
Securities	(1.1)	(39.1)	-	(40.2)
Derivatives	(0.2)	3.3	-	3.1
Foreign currency	4.1	-	-	4.1
Earnings from unconsolidated entities	-	(0.6)	-	(0.6)
Core Earnings (Loss)	**$ 150.4**	**$ 88.3**	**$ (1.9)**	**$ 236.7**
Core Earnings (Loss) per Weighted Average Diluted Share	**$ 0.70**	**$ 0.42**	**$ (0.01)**	**$ 1.11**

Definitions and Methodologies

Definitions and Methodologies

STARWOOD PROPERTY TRUST

Lending Segment LTV

- Underlying property values are determined by the Company's management based on its ongoing asset assessments, and loan balances that are the face value of a loan regardless of whether the Company has purchased the loan at a discount or premium to par
- For any loans collateralized by ground-up construction projects without significant leasing or units with executed sales contracts, the fully funded loan balance is included in the numerator and the fully budgeted construction cost including costs of acquisition of the property is included in the denominator
- For ground up construction loans which have significant leasing or units under contract for sale the fully funded loan balance is included in the numerator with an estimate of the stabilized value upon completion of construction included in the denominator

Core Earnings Calculation

- We calculate Core Earnings as GAAP net income (loss) excluding non-cash equity compensation expense, the incentive fee due under our Management Agreement, depreciation and amortization of real estate (to the extent that we own properties), any unrealized gains, losses or other non-cash items recorded in net income for the period, regardless of whether such items are included in other comprehensive income or loss, or in net income. The amount is adjusted to exclude one-time events pursuant to changes in GAAP and certain other non-cash charges as determined by our Manager and approved by a majority of our independent directors

Definitions and Methodologies

- **Levered Return Calculations**
  - Leveraged returns for core investments as of June 30, 2014 are the compounded effective rate of return earned over the life of the investment determined after the effects of existing and projected leverage, and calculated on a weighted average basis. Leveraged returns include the loan coupon, amortization of premium or discount, and the effects of costs and fees, all recognized on the effective interest method as disclosed in the Company's filings. Leveraged returns are based upon management's assumptions, which the Company believes are reasonable. Leveraged returns are presented solely for informational purposes and will not equal income recognized in prior or future periods due mainly to the fact that (i) interest earned on the Company's floating rate loans will change in the future when interest rates change, and these leveraged returns assume interest rates remain at current levels and (ii) the leveraged returns assume that the leverage levels existing at June 30, 2014 will be maintained either throughout the remaining term of the applicable credit facilities or the remaining term of the investment, if shorter. However, leverage levels in future periods will likely fluctuate as the Company manages its day-to-day liquidity

- **Optimal Levered Return Calculations**
  - The optimal leveraged return is calculated in the same manner as the leveraged return except (i) the assumed financing on any investments that are less than fully leveraged as of June 30, 2014 is increased to the full advance amount available under the Company's credit facilities that has either been approved or is expected to be approved by the respective lender and (ii) the full syndication of first mortgages is assumed when syndication is deemed probable

Special Note Regarding Forward Looking Financial Statements

This presentation contains certain forward-looking statements, including without limitation, statements concerning our operations, economic performance and financial condition. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are developed by combining currently available information with our beliefs and assumptions and are generally identified by the words "believe," "expect," "anticipate," and other similar expressions. Forward-looking statements do not guarantee future performance, which may be materially different from that expressed in, or implied by, any such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.

These forward-looking statements are based largely on our current beliefs, assumptions and expectations of our future performance taking into account all information currently available to us. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us or within our control, and which could materially affect actual results, performance or achievements. Factors that may cause actual results to vary from our forward-looking statements include, but are not limited to:

- factors described in our Annual Report on Form 10-K for the year ended December 31, 2013, including those set forth under the captions "Risk Factors" and "Business";
- defaults by borrowers in paying debt service on outstanding indebtedness and in our quarterly reports on Form 10-Q for the quarters ended June 30, 2014 and March 31, 2014;
- impairment in the value of real estate property securing our loans;
- availability of mortgage origination and acquisition opportunities acceptable to us;
- our ability to fully integrate LNR Property LLC, a Delaware limited liability company ("LNR"), which was acquired on April 19, 2013, into our business and achieve the benefits that we anticipate from this acquisition;
- potential mismatches in the timing of asset repayments and the maturity of the associated financing agreements;
- national and local economic and business conditions;
- general and local commercial and residential real estate property conditions;
- changes in federal government policies;
- changes in federal, state and local governmental laws and regulations;
- increased competition from entities engaged in mortgage lending;
- changes in interest rates; and
- the availability and costs associated with sources of liquidity.

Additional risk factors are identified in our filings with the U.S. Securities Exchange Commission (the "SEC"), which are available on our website at http://www.starwoodpropertytrust.com and the SEC's website at http://www.sec.gov.

If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. As a result, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the events described by our forward-looking statements might not occur. We qualify any and all of our forward-looking statements by these cautionary factors. Please keep this cautionary note in mind as you assess the information given in this presentation.