



Starwood Property Trust

Supplemental Data for Quarter Ended March 31, 2014

Financial Results & Earnings Per Share

- Core Earnings for the three months ended March 31, 2014 of \$121.5M or \$0.60 per diluted common share
- GAAP net income for the three months ended March 31, 2014 of \$120.6M, or \$0.60 per diluted common share
 - ~ Total revenue ⁽¹⁾ of \$206.1M
 - ~ Total expenses ⁽¹⁾ of \$118.7M

Book Value and Fair Value per diluted share

- GAAP book value per fully diluted share of \$15.85 as of March 31, 2014
- The fair value of the Company's net assets at March 31, 2014 was approximately \$16.39 per fully diluted share ⁽²⁾
- Pro-forma for the Company's April 2014 equity issuance
 - ~ The Company's GAAP book value at March 31, 2014 was \$16.57 per fully diluted share
 - ~ The fair value of the Company's net assets at March 31, 2014 was \$17.05 per fully diluted share

Dividend

- Paid dividend of \$0.48 per share of common stock for the quarter ending March 31, 2014
- Declared dividend of \$0.48 per share of common stock for the quarter ending June 30, 2014
 - ~ 8% annualized dividend yield based on closing price of \$24.05 on May 2, 2014

(1) Before LNR VIEs

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

Real Estate Investment Lending Segment (“Lending Segment”)

- During the first quarter, the Lending Segment originated and/or acquired \$1.7B of new investments, of which \$0.7B was funded
 - ~ 98% of new investments are made up of LIBOR based floating rate loans, as is approximately 94% of the Lending Segment’s pipeline
- The carrying value of the Lending Segment’s total investment portfolio was \$5.6B as of March 31, 2014
 - ~ The carrying value of the target portfolio was approximately \$5.1B, which is anticipated to generate an annualized leveraged return of 10.9% to 11.5%
- The weighted average LTV of the Lending Segment portfolio was 66.4% (66.3% prior quarter)
- As of March 31, 2014, 75% of the Lending Segment’s loan portfolio is indexed to LIBOR, 83% of which benefits from having a LIBOR floor at an average rate of 0.41%; Our fixed rate portfolio carries a weighted average coupon of 9.04%
- During the first quarter, the Lending Segment contributed GAAP and Core Earnings of \$61.2M and \$74.2M, or \$0.31 and \$0.37 per diluted share, respectively

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 March 31, 2014
- During the first quarter, the LNR Segment contributed GAAP and Core Earnings of \$62.8M and \$49.3M, or \$0.31 and \$0.24 per diluted share, respectively

Single Family Residential Segment (“SFR Segment”)

- Spin-off of all STWD single family residential assets into Starwood Waypoint Residential Trust (NYSE: SWAY)
 - ~ As announced on January 31, 2014, the Company completed the spin-off of the SFR segment to its stockholders
 - ~ The Company’s stockholders (as of January 24, 2014) received one common share of SWAY for every five shares of the Company’s common stock
 - ~ In accordance with GAAP, the Company presented the SFR Segment as a discontinued operation in its financial statements
- During the first quarter, the SFR Segment reported a GAAP and a Core Loss of (\$3.4M) and (\$1.9M), or (\$0.02) and (\$0.01) per diluted share, respectively

As of March 31, 2014

- The Company had an aggregate outstanding balance of approximately \$3.7B under eleven financing facilities and two convertible senior notes
- During the first quarter, the Company amended one of its repurchase facilities to:
 - ~ Upsize available borrowings to \$1.0B from \$550M
 - ~ Extend the maturity date for loan collateral to January 2019 and for CMBS collateral to January 2016, with four additional one-year extension options
 - ~ Reduce pricing and debt-yield thresholds for financed assets

Subsequent to Quarter End

- In April 2014, the Company sold 25.3 million shares of common stock for gross proceeds of \$564.7M
- Actively engaging new lenders in securing new financing lines for both the United States and Europe

Lending Segment

Investment Portfolio as of March 31, 2014



\$ 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	\$ 2,799	\$ 1,543	\$ 1,256	35%	4.2 Years
Subordinate mortgages held for investment	501	21	480	13%	4.0 Years
Mezzanine loans held for investment	1,326	44	1,282	35%	3.3 Years
Preferred Equity Interest	285	-	285	8%	5.0 Years
CMBS ⁽³⁾	197	58	139	4%	3.4 Years
Target Portfolio of Lending Segment	5,108	1,666	3,442		
RMBS, available for sale at fair value	291	159	132	4%	7.8 Years
Loans transferred as secured borrowings ⁽⁴⁾	143	143	-	0%	3.0 Years
Equity security	15	-	15	0%	N/A
Investment in unconsolidated entities	46	-	46	1%	N/A
Total	\$ 5,603	\$ 1,968	\$ 3,635	100%	4.1 Years⁽⁵⁾

(1) \$1,968M + \$1,001M (convertible debt) + \$668M (term loan) + \$108.5M (conduit loans) = \$3,745M (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 \$113M and \$84M, respectively

(4) Includes a \$95M participation liability

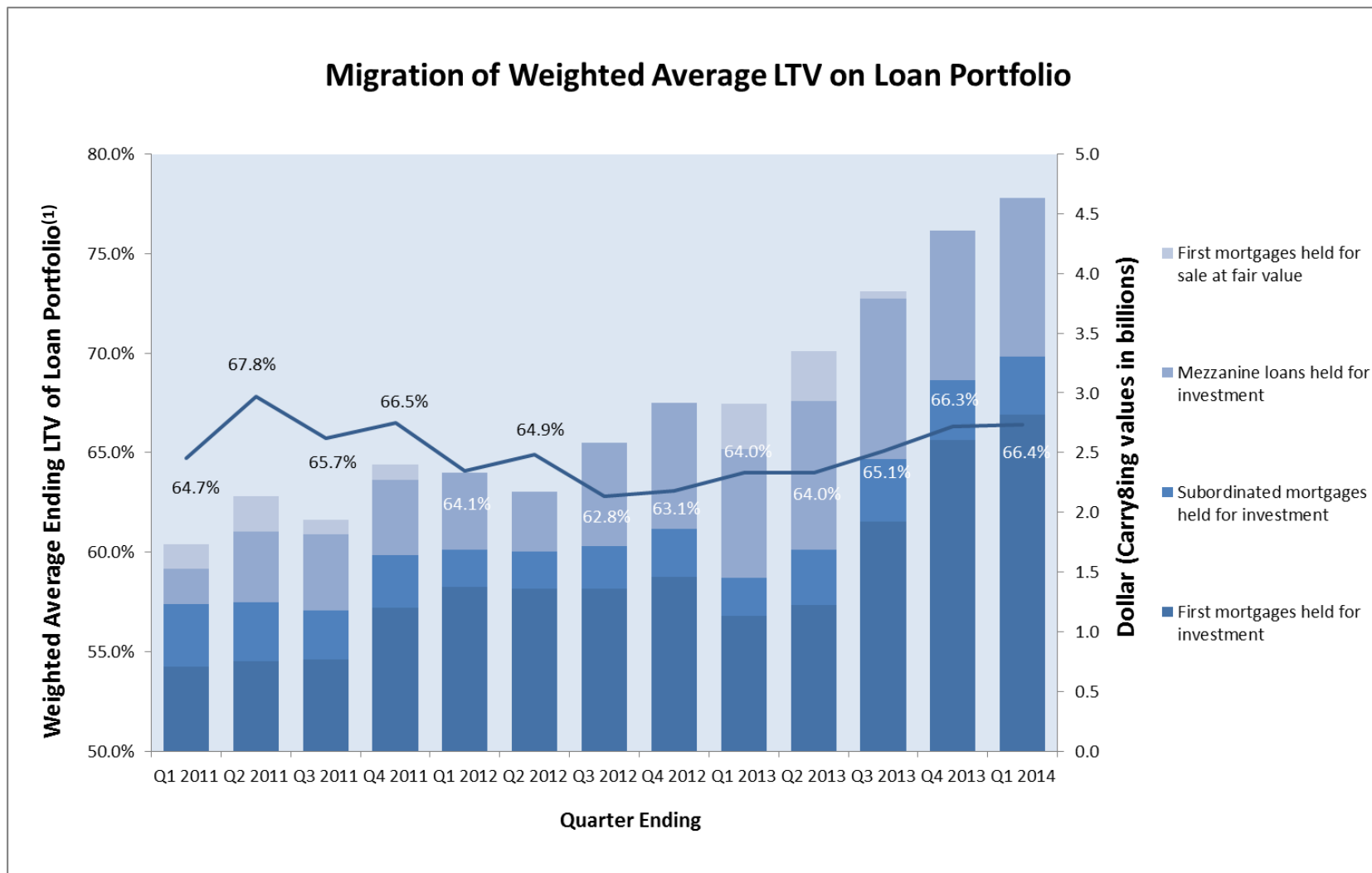
(5) Excludes Equity security and Investment in unconsolidated entities

Lending Segment

Migration of Weighted Average LTV on Loan Portfolio



\$ billions



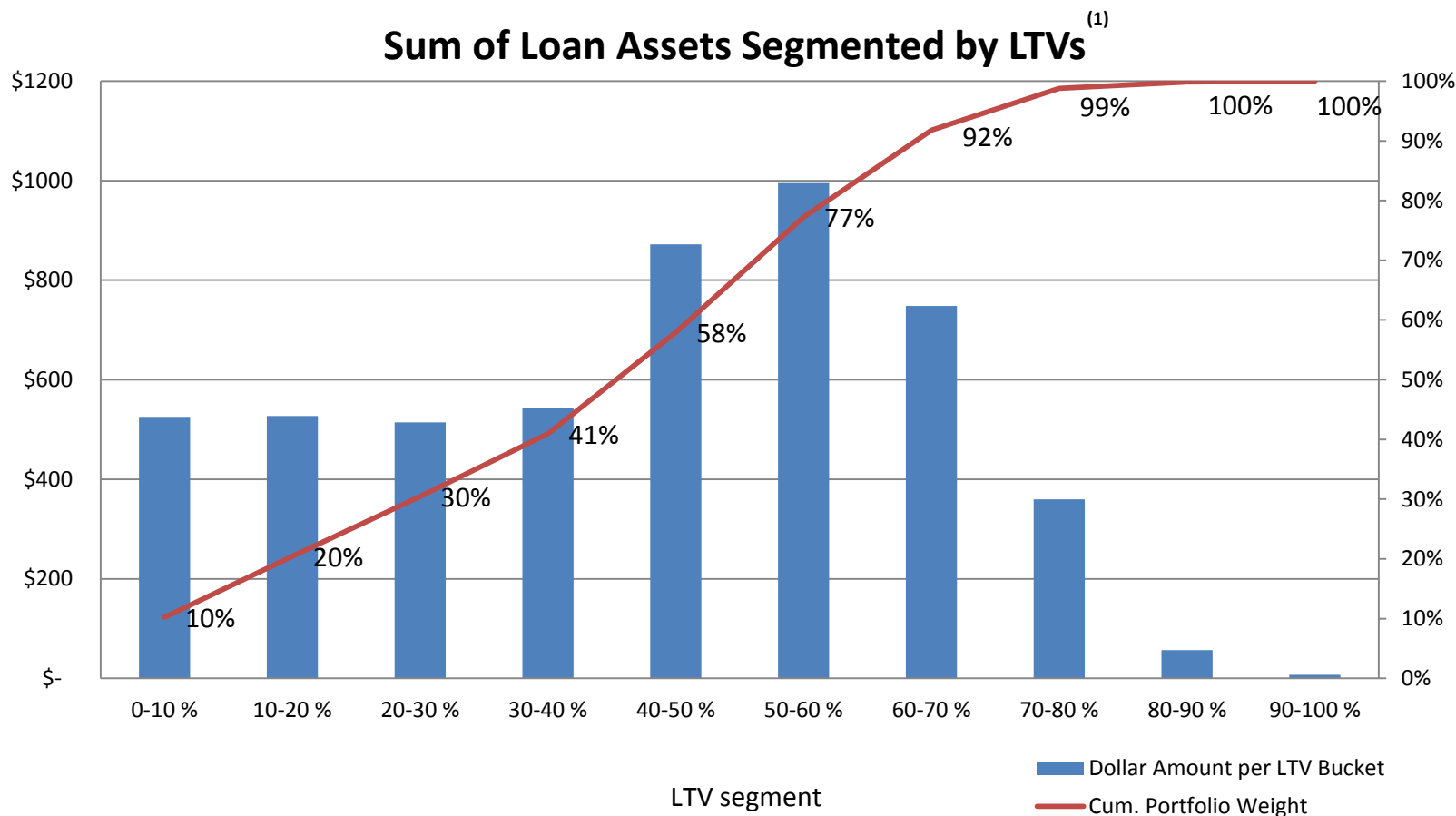
(1) Underlying property values are determined by the Company's management based on its ongoing asset assessments, and loan balances that are the face value of a loan regardless of whether the Company has purchased the loan at a discount or premium to par. For any loans collateralized by ground-up construction 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

Lending Segment

Loan Portfolio Balances Segmented by LTV



\$ millions



Note: As of 3/31/2014. Includes on-balance sheet leverage of \$2,275M

(1) LTVs are calculated using the methodology described on p. 7

Lending Segment

Loan Level Risk Attachment Points



	Property Type	Loan Type	Location	Investment Basis ('000)	Cum. Port. Weights	Ending LTV	Visual Representation of the LTV			
							25%	50%	75%	100%
1	Mixed Use	First mortgage	MA	77,240	100.00%	23.6%	[Bar chart showing LTV distribution]			
2	Office	First mortgage	NY	47,236	98.47%	28.9%	[Bar chart showing LTV distribution]			
3	Car Wash	First mortgage	CA	10,006	97.54%	34.2%	[Bar chart showing LTV distribution]			
4	Hospitality	First mortgage	NY	9,182	97.34%	35.4%	[Bar chart showing LTV distribution]			
5	Mixed Use	First mortgage	NC	11,071	97.16%	37.8%	[Bar chart showing LTV distribution]			
6	Hospitality	First mortgage	NY	9,757	96.94%	38.5%	[Bar chart showing LTV distribution]			
7	Office	First mortgage	FL	29,043	96.75%	41.2%	[Bar chart showing LTV distribution]			
8	Hospitality	First mortgage	LA	66,052	96.17%	42.6%	[Bar chart showing LTV distribution]			
9	Retail	First mortgage	FL	5,468	94.86%	47.6%	[Bar chart showing LTV distribution]			
10	Retail	First mortgage	CA	8,136	94.76%	47.8%	[Bar chart showing LTV distribution]			
11	Mixed Use	First mortgage	NY	18,770	94.60%	48.2%	[Bar chart showing LTV distribution]			
12	Residential	First mortgage	NY	48,520	94.22%	50.3%	[Bar chart showing LTV distribution]			
13	Multi-family	First mortgage	CA	22,742	93.26%	51.2%	[Bar chart showing LTV distribution]			
14	Ground Lease	First mortgage	MD	15,220	92.81%	51.5%	[Bar chart showing LTV distribution]			
15	Hospitality	Mezz	UK	49,795	92.51%	52.1%	[Bar chart showing LTV distribution]			
16	Hospitality	First mortgage	CA	28,739	91.53%	52.7%	[Bar chart showing LTV distribution]			
17	Office	First mortgage	DC	45,805	90.96%	53.8%	[Bar chart showing LTV distribution]			
18	Office	Mezz	VA	49,799	90.05%	54.1%	[Bar chart showing LTV distribution]			
19	Resort	Mezz	CA	34,772	89.07%	55.0%	[Bar chart showing LTV distribution]			
20	Office	Investment in LLC	NY	23,508	88.38%	55.1%	[Bar chart showing LTV distribution]			
21	Hospitality	Mezz	NM	91,087	87.92%	55.2%	[Bar chart showing LTV distribution]			
22	Office	First mortgage	NY	99,080	86.11%	55.2%	[Bar chart showing LTV distribution]			
23	Retail	First mortgage	NM	27,037	84.15%	55.8%	[Bar chart showing LTV distribution]			
24	Hospitality	Mezz	CA	30,909	83.62%	56.0%	[Bar chart showing LTV distribution]			
25	Hospitality	Mezz	CA	11,719	83.01%	56.3%	[Bar chart showing LTV distribution]			
26	Hospitality	Subordinated mortgage	MD	39,752	82.78%	56.7%	[Bar chart showing LTV distribution]			
27	Retail	First mortgage	MI	18,912	81.99%	56.8%	[Bar chart showing LTV distribution]			
28	Hospitality	Mezz	WA	10,378	81.62%	57.2%	[Bar chart showing LTV distribution]			
29	Hospitality	First mortgage	HI	216,948	81.41%	57.4%	[Bar chart showing LTV distribution]			
30	Retail	First mortgage	Finland	65,151	77.12%	58.9%	[Bar chart showing LTV distribution]			
31	Loans w/balance ≤ \$5MM & LTV ≤ 75%	1st & Sub Mtges	Various	30,920	75.83%	59.7%	[Bar chart showing LTV distribution]			
32	Mixed Use	HTM Security	SC	247,431	75.22%	60.9%	[Bar chart showing LTV distribution]			
33	Office	Subordinated mortgage	CA	37,052	70.32%	61.3%	[Bar chart showing LTV distribution]			
34	Hospitality	Mezz	CT	8,449	69.59%	61.3%	[Bar chart showing LTV distribution]			
35	Showroom	First mortgage	NC	169,373	69.42%	61.8%	[Bar chart showing LTV distribution]			
36	Hospitality	First mortgage	FL	29,799	66.07%	62.3%	[Bar chart showing LTV distribution]			
37	Mixed Use	First mortgage	NY	183,075	65.48%	62.4%	[Bar chart showing LTV distribution]			
38	Mixed Use	First mortgage	NY	55,492	61.86%	62.4%	[Bar chart showing LTV distribution]			
39	Retail	First mortgage	NJ	15,229	60.76%	62.8%	[Bar chart showing LTV distribution]			
40	Hospitality	Mezz	CA	6,321	60.46%	63.5%	[Bar chart showing LTV distribution]			
41	Retail	Subordinated mortgage	OH	75,628	60.34%	64.0%	[Bar chart showing LTV distribution]			
42	Office	Subordinated mortgage	NY	40,423	58.84%	64.3%	[Bar chart showing LTV distribution]			
43	Office	Mezz	CA	9,520	58.04%	64.8%	[Bar chart showing LTV distribution]			
44	Mixed Use	First mortgage	MD	50,515	57.85%	66.0%	[Bar chart showing LTV distribution]			
45	Residential	First mortgage	NV	156,573	56.85%	66.2%	[Bar chart showing LTV distribution]			
46	Hospitality	Subordinated mortgage	CA	4,981	53.76%	66.2%	[Bar chart showing LTV distribution]			
47	Retail	Subordinated mortgage	PA	42,043	53.66%	66.4%	[Bar chart showing LTV distribution]			
48	Office	First mortgage	CA	33,027	52.83%	66.6%	[Bar chart showing LTV distribution]			
49	Hospitality	First mortgage	MD	45,948	52.17%	66.9%	[Bar chart showing LTV distribution]			
50	Office	Mezz	CA	15,328	51.26%	67.2%	[Bar chart showing LTV distribution]			
51	Other	First mortgage	NY	42,290	50.96%	67.2%	[Bar chart showing LTV distribution]			
52	Residential	First mortgage	CA	22,821	50.12%	67.3%	[Bar chart showing LTV distribution]			
53	Hospitality	First mortgage	NY	23,117	49.67%	67.4%	[Bar chart showing LTV distribution]			
54	Office	First mortgage	UK	444,793	49.22%	67.5%	[Bar chart showing LTV distribution]			
55	Retail	Mezz	Germany	31,301	40.42%	67.6%	[Bar chart showing LTV distribution]			
56	Office	First mortgage	CA	73,364	39.80%	67.9%	[Bar chart showing LTV distribution]			

Weighted Average Portfolio LTV 66.4%

Loans w/balance ≤ \$5M & LTV ≤ 75% bucket includes 9 loans

Note: As of 3/31/2014. Excludes RMBS, public equity and investments accounted for under the cost method. LTVs are calculated using the methodology described on p.7

Lending Segment

Loan Level Risk Attachment Points (continued)



	Property Type	Loan Type	Location	Investment Basis ('000)	Cum. Port. Weights	Ending LTV	Visual Representation of the LTV			
							25%	50%	75%	100%
57	Other	Mezz	CA	47,923	38.35%	69.0%				
58	Office	First mortgage	PA	30,856	37.40%	69.2%				
59	Office	Mezz	NY	40,163	36.79%	69.8%				
60	Hospitality	First mortgage	PA	22,257	35.99%	69.9%				
61	Office	Mezz	CA	35,330	35.55%	69.9%				
62	Condominium	First mortgage	NY	16,946	34.85%	70.0%				
63	Mixed Use	First mortgage	UK	24,645	34.52%	70.1%				
64	Office	Subordinated mortgage	TX	26,052	34.03%	70.4%				
65	Office	First mortgage	CA	58,512	33.52%	71.0%				
66	Industrial	Subordinated mortgage	FL	13,890	32.36%	71.0%				
67	Hospitality	First mortgage	FL	10,725	32.08%	71.3%				
68	Hospitality	Subordinated mortgage	VA	15,012	31.87%	71.4%				
69	Office	Subordinated mortgage	NY	20,388	31.57%	71.7%				
70	Hospitality	Mezz	France	82,514	31.17%	72.4%				
71	Office	Mezz	PA	15,247	29.54%	72.5%				
72	Multi-family	First mortgage	VA	34,632	29.24%	72.5%				
73	Office	First mortgage	CA	39,723	28.55%	72.7%				
74	Hospitality	CMBS	UK	112,469	27.77%	72.9%				
75	Office	First mortgage	MN	22,751	25.54%	73.1%				
76	Hospitality	First mortgage	NJ	10,700	25.09%	73.3%				
77	Retail	Mezz	CA	48,823	24.88%	73.5%				
78	Office	Mezz	NY	25,236	23.91%	73.5%				
79	Residential	First mortgage	UK	10,073	23.41%	73.8%				
80	Office	First mortgage	FL	17,095	23.22%	73.9%				
81	Hospitality	Mezz	FL	8,755	22.88%	74.0%				
82	Retail	Mezz	MN	7,964	22.70%	74.7%				
83	Loans w/balance ≤ \$5MM & LTV > 75%	Mezz	Various	5,975	22.55%	75.2%				
84	Hospitality	Mezz	LA	105,269	22.43%	75.5%				
85	Hospitality	Mezz	CA	71,529	20.35%	75.6%				
86	Office	First mortgage	TX	25,372	18.93%	76.1%				
87	Hospitality	Mezz	TX	24,838	18.43%	76.4%				
88	Office	Mezz	NY	31,753	17.94%	76.5%				
89	Hospitality	Mezz	MD	119,520	17.31%	76.7%				
90	Retail	First mortgage	PA	57,245	14.94%	78.2%				
91	Retail	First mortgage	AZ	8,243	13.81%	78.2%				
92	Office	First mortgage	TX	45,512	13.65%	78.3%				
93	Mixed Use	HTM Security	NY	37,560	12.75%	79.0%				
94	Hospitality	Subordinated mortgage	CO	12,825	12.01%	80.1%				
95	Mixed Use	First mortgage	IL	40,444	11.75%	80.3%				
96	Mixed Use	First mortgage	CA	85,431	10.95%	81.4%				
97	Industrial	First mortgage	FL	14,251	9.26%	82.0%				
98	Mixed Use	First mortgage	CO	6,506	8.98%	82.5%				
99	Hotel	First mortgage	NY	6,001	8.85%	82.5%				
100	Hospitality	First mortgage	NY	177,943	8.73%	82.8%				
101	Office	First mortgage	CA	110,886	5.21%	83.0%				
102	Office	Subordinated mortgage	TX	20,360	3.02%	83.1%				
103	Office	First mortgage	WI	14,742	2.62%	87.5%				
104	Office	First mortgage	CA	47,221	2.32%	88.2%				
105	Mixed Use	First mortgage	CA	11,640	1.39%	88.5%				
106	Industrial	Subordinated mortgage	LA	16,275	1.16%	91.6%				
107	Industrial	Subordinated mortgage	LA	17,431	0.84%	94.0%				
108	Industrial	First mortgage	FL	10,510	0.49%	98.0%				
109	Industrial	Subordinated mortgage	AL	14,447	0.29%	99.0%				
TOTAL INVESTMENT PORTFOLIO				5,055,039	100.0%	66.4%				

Weighted Average Portfolio LTV: 66.4%

Balance at maturity will be \$74.6M. The full repayment of these notes is guaranteed by Centre Reinsurance: AA-(S&P)

Loans w/balance ≤ \$5M & LTV > 75% bucket includes 2 loans

Note: As of 3/31/2014. Excludes RMBS, public equity and investments accounted for under the cost method. LTVs are calculated using the methodology described on p.7

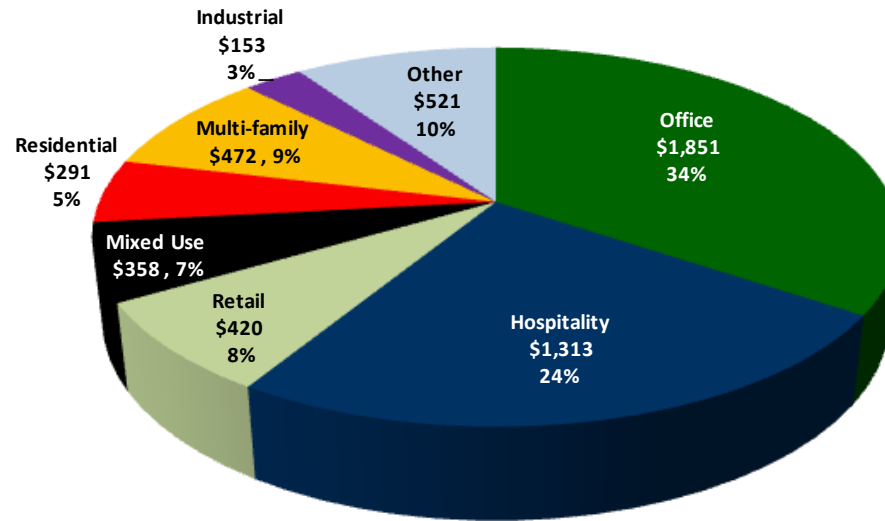
Lending Segment

Loan Balance by Property Type at March 31, 2014

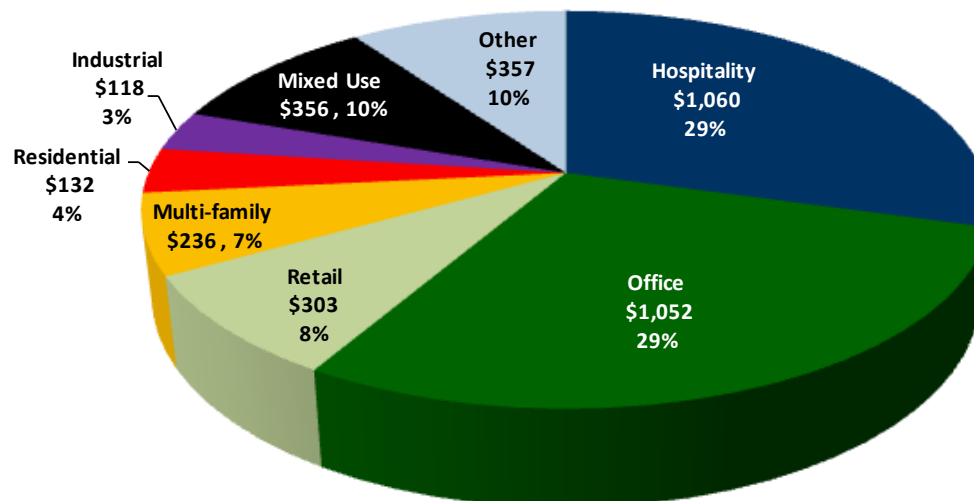


\$ millions

Asset Carry Value



Net Investment



Note: Includes loans held for investment, loans held for sale, CMBS, RMBS and securities held for maturity

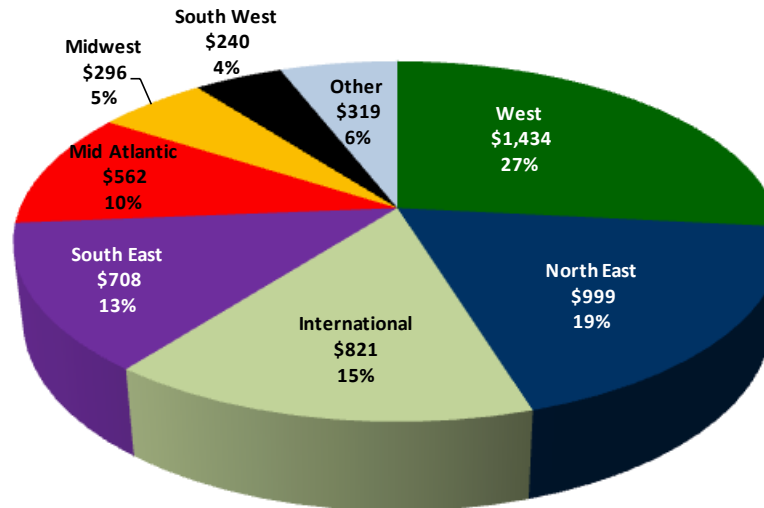
Lending Segment

Loan Balance by Region at March 31, 2014

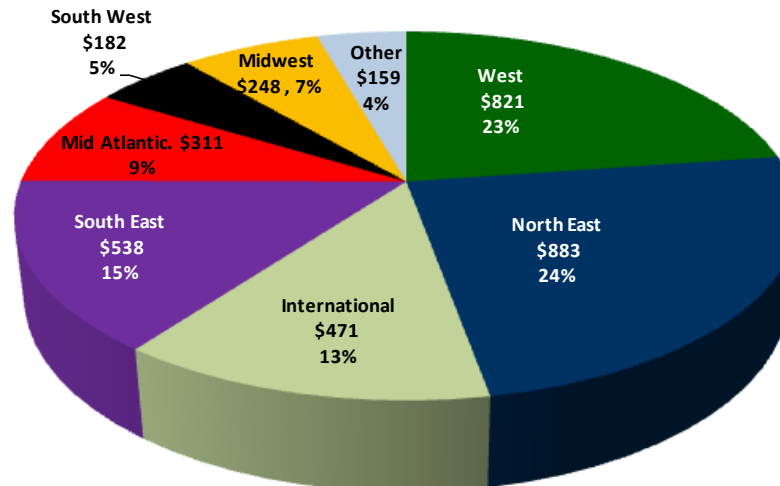


\$ millions

Asset Carry Value



Net Investment



Note: "International" includes Europe, Australia, the Caribbean, Africa, South America, the Middle East and Japan. Includes loans held for investment, loans held for sale, CMBS, RMBS and securities held to maturity

LNR contributed \$62.8M of Q1 2014 net income ⁽¹⁾ comprised of the following:

- **Revenues of \$85.6M primarily consisting of:**
 - ~ \$56.2M of servicing fees generated from the US and Europe servicing businesses
 - ~ \$25.8M of interest income from investment securities and loans
- **Other income of \$39.1M primarily consisting of:**
 - ~ \$37.0M increase in fair value of CMBS investment securities on a GAAP basis, of which \$17.3M were crystallized in Core Earnings as realized gains on CMBS sales
 - ~ \$15.8M 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
 - ~ (\$12.2M) net decrease in the fair value of the domestic servicing intangible, resulting from the expected amortization of this deteriorating asset
- Costs and expenses of (\$56.4M) primarily consisting of general and administrative expenses (\$38.8M) and shared cost allocations of management fees and corporate interest expense (\$10.2M)
- Income tax provision of (\$5.5M)

(1) Before LNR VIEs

LNR Segment

Investment Portfolio as of March 31, 2014



\$ millions

As of March 31, 2014, the carrying amount of the LNR Segment's principal assets, consisting mainly of CMBS, servicing intangibles and conduit loans, was \$1.1B and is summarized below:

Investment	Face Amount	Carry Value	Asset Specific Financing	Net Investment	Net Investment % of Total
CMBS	\$ 3,858	\$ 565	\$ -	\$ 565	59%
Special Servicing Intangibles	N / A	245	-	245	26%
Conduit Loans	181	187	109	78	8%
Loans held-for-investment	14	10	-	10	1%
Investment in Unconsolidated Entities	N/ A	61	-	61	6%
Total	\$ 4,053	\$ 1,068	\$ 109	\$ 959	100%

Named special servicer on 148 CMBS trusts representing a UPB of \$137.7B, with \$15.7B in special servicing or REO ⁽¹⁾

- Largest commercial mortgage special servicer in the U.S.
- Most experienced special servicer with 36% ⁽²⁾ market share of all CMBS loans in active special servicing; 22% ⁽³⁾ market share of all outstanding CMBS loans
- Since inception, LNR has resolved over 5,060 distressed commercial real estate loans and REO properties representing over ~\$53.6B of original principal loan balance

US Special Servicer Market Share ⁽²⁾

Rank	Company	Market Share (%)
1	LNR Partners Inc.	36.00%
2	CWCapital Asset Management	33.79%
3	C-III Asset Management	15.95%
4	Torchlight Loan Services	3.22%
5	Situs	2.32%
6	Midland Loan Services	2.15%
7	Berkadia Commercial Mortgage	2.11%
8	KeyCorp Real Estate Capital	1.23%
9	Five Mile Capital	1.23%
10	Wells Fargo Bank	0.87%

LNR Special Servicer Portfolio ⁽¹⁾

(\$ billions)

Active CMBS Portfolio

CMBS Trusts	148
Unpaid Balance	\$ 137.7
Loan Count	10,663

Active Special Servicing Portfolio

SS Loan Count	556
SS Loan Balance	\$ 7.8
REO Loan Count	468
REO Loan Balance	\$ 7.9

(1) As of March 2014

(2) Source: Morningstar as of March 2014. Represents market share by balance of specially serviced CMBS loans

(3) Source: Fitch CMBS special servicing index of CMBS loans as of December 2013

Total Debt and Liquidity



\$ millions

	As of March 31, 2014				May 2, 2014
	Maximum Facility Size	Debt Obligations			Approved but Undrawn
		Approved ⁽¹⁾	Drawn	Approved but Undrawn	
Lender 1	\$ 1,000	\$ 810	\$ 810	\$ -	\$ 183
Lender 1	175	160	159	1	30
Lender 1	153	153	153	-	-
Lender 2	225	136	136	-	12
Lender 3	50	50	50	-	-
Conduit I	250	81	81	-	-
Conduit II	150	28	28	-	-
Lender 4	350	350	350	-	-
Lender 5	58	58	58	-	-
Borrowing Base	250	108	108	-	-
Term Loan ⁽²⁾	670	668	668	-	-
TOTAL SECURED FINANCING AGREEMENTS	\$ 3,332	\$ 2,602	\$ 2,601	\$ 1	\$ 225
Convertible Senior Notes ⁽²⁾			1,001		
Borrowings on transferred loans			143		
TOTAL DEBT			\$ 3,745		

- In April 2014, the Company sold 25.3 million shares of common stock for gross proceeds of \$564.7M
- As of May 2, 2014, the Company had approximately \$276.7M of available cash and equivalents, approximately \$122.5M of net equity invested in RMBS that are classified as available-for-sale and \$225.3M of approved but undrawn capacity under existing financing facilities. Accordingly, the Company has the capacity to acquire or originate an additional **\$450M to \$725M** of new investments using these liquidity sources
- Other potential sources of liquidity include: (i) sales of CMBS from LNR's \$565M portfolio; (ii) loan sales and participations (\$200M currently in various stages of closing); and (iii) loan maturities and prepayments in the ordinary course

(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 Notes Carrying Value are net of \$2.4M and \$59.2M of unamortized discount, respectively

Quarterly Migration Tracker

Profitability & Liquidity Metrics



\$ millions (except share and per share data)

	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Revenues					
Interest income from loans	104.9	108.0	94.0	74.9	67.7
Interest income from investment securities	41.3	39.1	31.1	25.4	16.2
Servicing fees	56.2	66.6	59.6	52.9	-
Other revenues	3.7	2.2	2.3	2.1	0.1
Total revenues ⁽¹⁾	\$ 206.1	215.9	187.1	155.3	84.0
Costs and expenses:					
Management fees	27.8	26.6	22.5	17.6	15.1
Interest expense	37.8	40.7	36.7	23.9	17.4
General and administrative	45.9	53.8	47.4	44.2	4.0
Business Combination costs	-	-	0.3	13.0	4.2
Acquisition and investment pursuit costs	0.4	1.3	1.0	1.4	0.1
Depreciation and amortization	4.6	4.0	3.5	2.2	-
Loan loss allowance	0.5	0.0	1.2	0.7	0.0
Other expense, net	1.7	0.8	0.3	0.2	0.0
Total costs and expenses ⁽¹⁾	\$ 118.7	127.1	113.0	103.2	40.9
Income before other income (expense), income taxes and non-controlling interests ⁽¹⁾	87.4	88.8	74.1	52.1	43.1
Net income attributable to Starwood Property Trust, Inc.	\$ 120.6	95.0	87.4	60.5	62.2
GAAP Diluted EPS	\$ 0.60	0.48	0.51	0.37	0.46
Core Earnings	\$ 121.5	121.2	104.4	69.0	58.1
Core Earnings per weighted average diluted share	\$ 0.60	0.62	0.61	0.42	0.43
Distributions declared per common share	\$ 0.48	0.46	0.46	0.46	0.44
GAAP book value per diluted share	\$ 15.85	21.83	21.78	21.21	20.08
Fair value of net assets per diluted share	16.39	22.17	22.09	21.77	20.48
Liquidity Metrics					
Cash	\$ 226.5	317.6	536.8	366.8	173.1
Aggregate approved but undrawn capacity	1.0	137.1	372.0	4.6	288.6
Near-term liquidity excluding mortgage-backed securities	227.5	454.7	908.9	371.3	461.7
Equity invested in RMBS	131.8	170.0	243.5	153.0	247.9
Remaining aggregate undrawn capacity on financing facilities ⁽²⁾	727.2	485.8	502.6	644.8	292.1
Total liquidity excluding liquid mortgage-backed securities	\$ 1,086.4	1,110.6	1,655.0	1,169.1	1,001.7

(1) Before LNR VIE's (from Q2 2013 forward). 2013 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

Balance Sheet by Segment

as of March 31, 2014



\$ millions

	Real Estate Investment Lending	LNR	Subtotal	LNR VIEs	Total
Assets:					
Cash & cash equivalents	\$ 174.8	\$ 51.4	\$ 226.2	\$ 0.3	\$ 226.5
Restricted cash	34.0	9.1	43.1	-	43.1
Loans held-for-investment, et	4,625.0	9.9	4,634.9	-	4,634.9
Loans held-for-sale	-	186.8	186.8	-	186.8
Loans transferred as secured borrowings	143.0	-	143.0	-	143.0
Investment securities	789.0	564.8	1,353.8	(430.7)	923.1
Intangible assets - servicing rights	-	245.0	245.0	(77.0)	168.1
Investment in unconsolidated entities	46.4	61.6	108.0	(3.5)	104.5
Goodwill	-	140.4	140.4	-	140.4
Derivative assets	2.7	2.0	4.6	-	4.6
Accrued interest receivable	34.0	0.6	34.5	-	34.5
Other assets	49.9	62.4	112.3	(1.0)	111.2
VIE assets, at fair value	-	-	-	118,451.5	118,451.5
Total Assets	\$ 5,898.7	\$ 1,334.0	\$ 7,232.8	\$ 117,939.6	\$ 125,172.4
Liabilities & Equity					
Liabilities:					
Accounts payable, accrued expenses & other liabilities	\$ 41.1	\$ 96.4	\$ 137.5	\$ 0.3	\$ 137.8
Related-party payable	25.0	4.4	29.5	-	29.5
Dividends payable	95.4	-	95.4	-	95.4
Derivative liabilities	17.9	0.1	18.1	-	18.1
Secured financing agreements, net	2,492.5	108.5	2,601.1	-	2,601.1
Convertible senior notes, net	1,000.8	-	1,000.8	-	1,000.8
Secured borrowings on transferred loans	143.0	-	143.0	-	143.0
VIE liabilities, at fair value	-	-	-	117,931.0	117,931.0
Total Liabilities	3,815.8	209.5	4,025.4	117,931.3	121,956.7
Equity:					
Starwood Property Trust, Inc. Stockholder's Equity:					
Preferred stock	-	-	-	-	-
Common stock	2.0	-	2.0	-	2.0
Additional paid-in capital	1,909.0	1,283.2	3,192.2	-	3,192.2
Treasury stock	(10.6)	-	(10.6)	-	(10.6)
Accumulated other comprehensive income	72.4	7.7	80.1	-	80.1
Retained earnings (deficit)	106.8	(166.4)	(59.5)	-	(59.5)
Total Starwood Property Trust, Inc. Stockholder's Equity	2,079.6	1,124.5	3,204.1	-	3,204.1
Non-controlling interests in consolidated subsidiaries	3.3	-	3.3	8.2	11.5
Total Equity	2,082.9	1,124.5	3,207.4	8.2	3,215.6
Total Liabilities & Equity	\$ 5,898.7	\$ 1,334.0	\$ 7,232.8	\$ 117,939.6	\$ 125,172.4

Results of Operations by Segment

Three Months ended March 31, 2014



\$ millions

	Real Estate Investment Lending	LNR	Single Family Residential	Subtotal	LNR VIEs	Total
Revenues:						
Interest Income from loans	\$ 102.1	\$ 2.8	\$ -	\$ 104.9	\$ -	\$ 104.9
Interest income from investment securities	18.3	23.0	-	41.3	(11.8)	29.5
Servicing fees	0.0	56.2	-	56.2	(22.0)	34.2
Other revenues	0.1	3.6	-	3.7	(0.3)	3.4
Total revenues	120.5	85.6	-	206.1	(34.1)	172.0
Costs & expenses:						
Management fees	27.8	0.0	-	27.8	0.0	27.8
Interest expense	36.9	1.0	-	37.8	-	37.8
General & administrative	7.1	38.8	-	45.9	0.2	46.1
Acquisition & investment pursuit costs	0.2	0.2	-	0.4	-	0.4
Depreciation & amortization	-	4.6	-	4.6	-	4.6
Loan loss allowance	0.5	-	-	0.5	-	0.5
Other expense	(0.0)	1.7	-	1.7	-	1.7
Segment allocations	(12.0)	10.2	1.9	-	-	-
Total costs and expenses	60.4	56.4	1.9	118.7	0.2	119.0
Income before other income, income taxes and non-controlling interests	60.1	29.2	(1.9)	87.4	(34.4)	53.0
Other Income:						
Income of consolidated VIEs, net	-	-	-	-	56.0	56.0
Change in fair value of servicing rights	-	(12.2)	-	(12.2)	6.9	(5.3)
Change in fair value of investment securities, net	(0.2)	37.0	-	36.8	(28.4)	8.4
Change in fair value of mortgage loans held-for-sale, net	-	20.9	-	20.9	-	20.9
Earnings from unconsolidated entities	1.5	(1.4)	-	0.2	(0.1)	0.1
Gain on sale of investments, net	1.6	-	-	1.6	-	1.6
Loss on derivative financial instruments, net	(2.8)	(5.1)	-	(7.9)	-	(7.9)
Foreign currency gain (loss), net	1.6	(0.1)	-	1.5	-	1.5
Other-than-temporary-impairment, net	(0.2)	-	-	(0.2)	-	(0.2)
Other income, net	-	-	-	-	-	-
Total other income	1.5	39.1	-	40.6	34.4	75.0
Income from continuing operations before income taxes	61.6	68.3	(1.9)	128.0	0.0	128.0
Income tax provision	(0.1)	(5.5)	-	(5.6)	-	(5.6)
Income from continuing operations	61.5	62.8	(1.9)	122.4	0.0	122.4
Loss from discontinued operations, net of tax	-	-	(1.6)	(1.6)	-	(1.6)
Net Income	61.5	62.8	(3.4)	120.8	0.0	120.9
Net income attributable to non-controlling interests	(0.2)	-	-	(0.2)	(0.0)	(0.3)
Net income attributable to Starwood Property Trust, Inc.	\$ 61.2	\$ 62.8	\$ (3.4)	\$ 120.6	\$ (0.0)	\$ 120.6

Cash Flow

Three Months ended March 31, 2014



\$ millions

	<u>2014</u>
Net cash provided by operating activities	\$ 91.0
<u>Cash Flows from Investing Activities:</u>	
Spin-off of Starwood Waypoint Residential Trust	\$ (98.6)
Purchase of investment securities	(9.9)
Proceeds from sales of investment securities	27.9
Proceeds from principal collections on investment securities	8.2
Origination and purchase of loans held-for-investment	(728.6)
Proceeds from principal collections on loans	316.4
Proceeds from loans sold	146.4
Acquisition and improvement of single family homes	(61.9)
Proceeds from sale of single family homes	1.8
Proceeds from sale of non-performing loans	1.2
Distribution of capital from unconsolidated entities	17.8
Payments for purchase or termination of derivatives	(11.3)
Other	1.4
Net cash used in investing activities	<u>(389.1)</u>
<u>Cash Flows from Financing Activities:</u>	
Borrowings under financing agreements	\$ 997.8
Principal repayments on borrowings	(656.6)
Payment of deferred financing costs	(7.4)
Payment of dividends	(90.2)
Distributions to non-controlling interests	(31.8)
Issuance of debt of consolidated VIEs	45.8
Repayment of debt of consolidated VIEs	(53.4)
Distributions of cash from consolidated VIEs	2.7
Net cash provided by financing activities	<u>206.9</u>
Net decrease in cash and cash equivalents	(91.2)
Cash and cash equivalents, beginning of period	317.6
Effect of exchange rate changes on cash	0.1
Cash and cash equivalents, end of period	<u><u>\$ 226.5</u></u>

Reconciliation of Net Income to Core Earnings

Three Months ended March 31, 2014



\$ millions (except share and per share data)

	Real Estate Investment Lending	LNR	Single Family Residential	Total
Net income (loss) attributable to Starwood Property Trust, Inc.	\$ 61.2	\$ 62.8	\$ (3.4)	\$ 120.6
Add / (Deduct):				
Non-cash equity compensation expense	7.2	-	-	7.2
Management incentive fee	4.5	2.7	-	7.2
Change in Control Plan	-	1.3	-	1.3
Depreciation & amortization	-	0.3	1.5	1.8
Loan loss allowance	0.5	-	-	0.5
Interest income adjustment for securities	(0.4)	5.5	-	5.1
(Gains) / losses on:				
Loans held-for-sale	-	(2.6)	-	(2.6)
Securities	(0.4)	(22.5)	-	(22.9)
Derivatives	2.4	2.0	-	4.4
Foreign currency	(0.9)	-	-	(0.9)
Earnings from unconsolidated entities	-	(0.1)	-	(0.1)
Core Earnings (Loss)	\$ 74.2	\$ 49.3	\$ (1.9)	\$ 121.5
Core Earnings (Loss) per Weighted Average Diluted Share	\$ 0.37	\$ 0.24	\$ (0.01)	\$ 0.60

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 and in our form 10-Q for the quarter ended March 31, 2014, including those set forth under the captions “Risk Factors” and “Business”;
- defaults by borrowers in paying debt service on outstanding indebtedness;
- 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”), including Form 10-Q for the quarter ended March 31, 2014, which is 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.