STARWOOD PROPERTY TRUST

Supplemental Data for Quarter ended June 30, 2015

Second Quarter Highlights

- Core Earnings of $125.9M or $0.53 per diluted share
- Deployed $1.9B of capital across our business segments
- Acquired 12 assets in Dublin, Ireland for a gross purchase price of $383.0M; assets were levered at 65% LTV
  - Final asset in the portfolio was acquired in July for a gross purchase price of $121.9M
- Dividend of $0.48 per share, representing an 8.8% annualized dividend yield on closing stock price of $21.76 as of July 31, 2015
- Book value per share increased by 4.3% to $17.39, and fair value per share increased to $17.91
- Debt-to-equity ratio of 1.2x (1) versus 1.3x at the end of the first quarter
- Subsequent to quarter end, we upsized certain of our financing facilities by $550M

NOTE: Amounts are as of and for the period ended June 30, 2015 unless otherwise indicated.

(1) Debt represents $5.0B of secured financing agreements and convertible senior notes at June 30, 2015. Equity represents $4.2B of GAAP equity at June 30, 2015.

Segment Highlights

Lending

- Contributed Core Earnings of $108.1M, or $0.46 per diluted share
- Originations and acquisitions totaled $0.8B, with an optimal asset-level return of 12.8%
- Received gross cash of $0.9B from sales, partial paydowns, prepayments, refinancings and maturities
- Weighted average LTV of 61.3% versus 62.4% in the prior quarter
- Carrying amount of target investment portfolio was $6.4B (1) and is anticipated to generate an optimal asset-level return of 11.0%

Investing and Servicing

- Contributed Core Earnings of $61.1M, or $0.25 per diluted share
- Ranked #1 in named special servicer market share (2)
- Carrying amount of investment portfolio was $1.4B (3)

Property

- Contributed Core Earnings of $4.6M, or $0.02 per diluted share (excluding the impact of one-time acquisition and pursuit costs of $4.2M)
- Acquired a portfolio of 13 assets in Dublin, Ireland
  - 12 assets closed in the quarter for a gross purchase price of $383.0M, levered at 65%
  - The final asset closed on July 24th for a gross purchase price of $121.9M
- Carrying amount of investment portfolio was $0.5B (4)

NOTE: Amounts are as of June 30, 2015 unless otherwise indicated.

(1) See table on p. 5 *(2) Please refer to p. 13 for source* *(3) See table on p. 12* *(4) See table on p. 15*

Lending Segment

Investment Portfolio: As of June 30, 2015

$ millions

Investment	Asset Carry Value	Asset Specific Financing [1]	Net Investment	Net Investment % of Total	Weighted Average Life ("WAL") per 10-Q [4]
First mortgage loans held for investment [2]	$ 4,715	$ 2,172	$ 2,543	59%	3.3 Years
Subordinate mortgages held for investment	291	2	289	7%	3.6 Years
Mezzanine loans held for investment [2]	908	-	908	21%	3.2 Years
Preferred equity investment	81	-	81	2%	4.4 Years
CMBS [3]	373	98	275	6%	1.5 Years
Target Portfolio of Lending Segment	**6,368**	**2,272**	**4,096**		
RMBS, available for sale at fair value	193	66	127	3%	6.4 Years
Loans transferred as secured borrowings	136	137	(1)	0%	2.4 Years
Loans held for sale	88	42	46	1%	N/A
Investment in unconsolidated entities	35	-	35	1%	N/A
Equity security	15	-	15	0%	N/A
Total	**$ 6,835**	**$ 2,517**	**$ 4,318**	**100%**	**3.3 Years**

(1) Reconciliation to total STWD debt carrying value of $5,032M = $2,517M above + $1,315M (convertible debt) + $659M (term loan) + Property Segment debt of $246M and REIS debt of $295M.

(2) During the second quarter of 2015, the Company reclassified certain loans previously included in the mezzanine loan category to the first mortgage category. Previously, first mortgage loans which contained a related contiguous mezzanine loan component were classified by their respective components as first mortgages and mezzanine loans. These loans are now classified as first mortgage loans in their entirety because as a whole, the credit quality of these loans is more similar to that of a first mortgage loan. As of June 30, 2015, the application of this methodology resulted in mezzanine loans with an aggregate carrying value of $793M being classified as first mortgages.

(3) Asset carry value consists of available-for-sale and held-to-maturity CMBS with carrying values of $100M and $273M, respectively.

(4) Represents the WAL of each respective group as of the balance sheet date.

Investment Portfolio Returns

$ millions

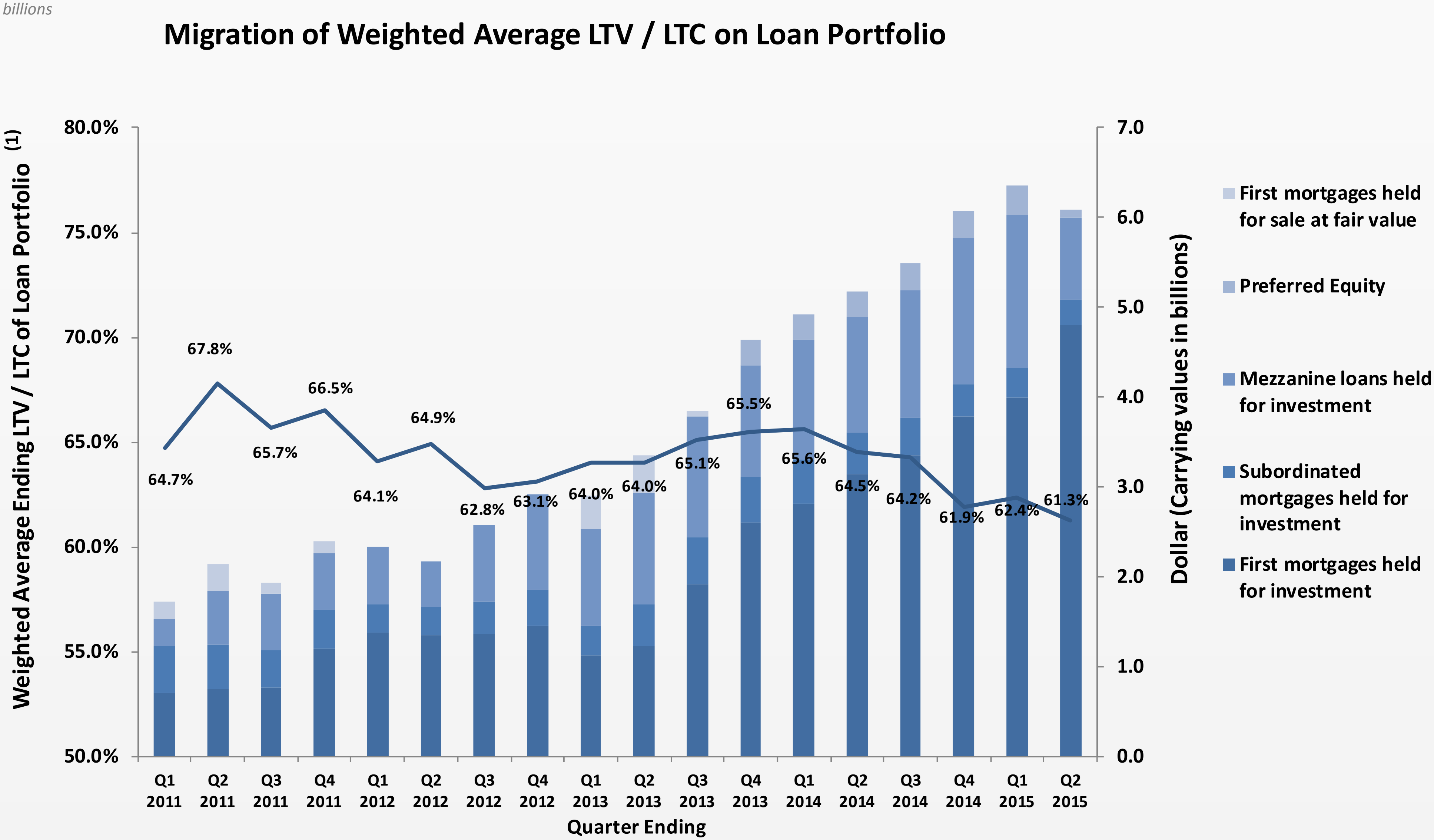
Asset Returns	As of June 30, 2015 Return on Asset	As of June 30, 2015 Optimal Asset-Level Return (1)	As of March 31, 2015 Return on Asset	As of March 31, 2015 Optimal Asset-Level Return (1),(2)	As of December 31, 2014 Return on Asset	As of December 31, 2014 Optimal Asset-Level Return (1),(2)	As of September 30, 2014 Return on Asset	As of September 30, 2014 Optimal Asset-Level Return (1)
First mortgage loans held for investment(4)	7.0%	10.9%	6.8%	10.6%	6.9%	10.8%	7.0%	10.5%
Subordinate mortgages held for investment	11.3%	11.3%	10.9%	10.9%	11.0%	11.0%	11.1%	11.2%
Mezzanine loans held for investment(4)	10.9%	10.9%	11.1%	11.1%	11.4%	11.4%	11.7%	11.7%
Preferred equity investment	10.7%	10.7%	10.1%	10.1%	10.2%	10.2%	10.0%	10.0%
CMBS	7.7%	11.7%	8.4%	11.7%	8.1%	12.1%	9.0%	12.0%
Target Portfolio of Lending Segment	**7.8%**	**11.0%**	**7.8%**	**10.7%**	**8.0%**	**10.9%**	**8.2%**	**10.9%**

Asset Carry Values	As of June 30, 2015 Carrying Value	As of June 30, 2015 Net Investment (3)	As of March 31, 2015 Carrying Value	As of March 31, 2015 Net Investment (3)	As of December 31, 2014 Carrying Value	As of December 31, 2014 Net Investment (3)	As of September 30, 2014 Carrying Value	As of September 30, 2014 Net Investment (3)
First mortgage loans held for investment(4)	$ 4,715	$ 2,543	$ 4,820	$ 2,390	$ 4,527	$ 2,665	$ 3,967	$ 2,409
Subordinate mortgages held for investment	291	289	325	305	345	343	387	385
Mezzanine loans held for investment(4)	908	908	893	893	900	900	841	841
Preferred equity investment	81	81	309	309	307	307	287	287
CMBS	373	275	288	190	235	138	190	132
Total Asset Carry Values	**$ 6,368**	**$ 4,096**	**$ 6,635**	**$ 4,087**	**$ 6,314**	**$ 4,353**	**$ 5,672**	**$ 4,054**

(1) For calculation methodology, please refer to the Definitions and Methodologies section.
(2) Excludes investment in unconsolidated entity, which was reclassified to the Property Segment.
(3) Only asset-specific financing has been included in determining Net Investment for all periods.
(4) See footnote 2 on page 5. Mezzanine loans of $793.0M, $818.5M, $704.3M and $590.5M are included in the first mortgage balance as of June 30, 2015, March 31, 2015, December 31, 2014 and September 30, 2014, respectively.

Migration of Weighted Average LTV or LTC

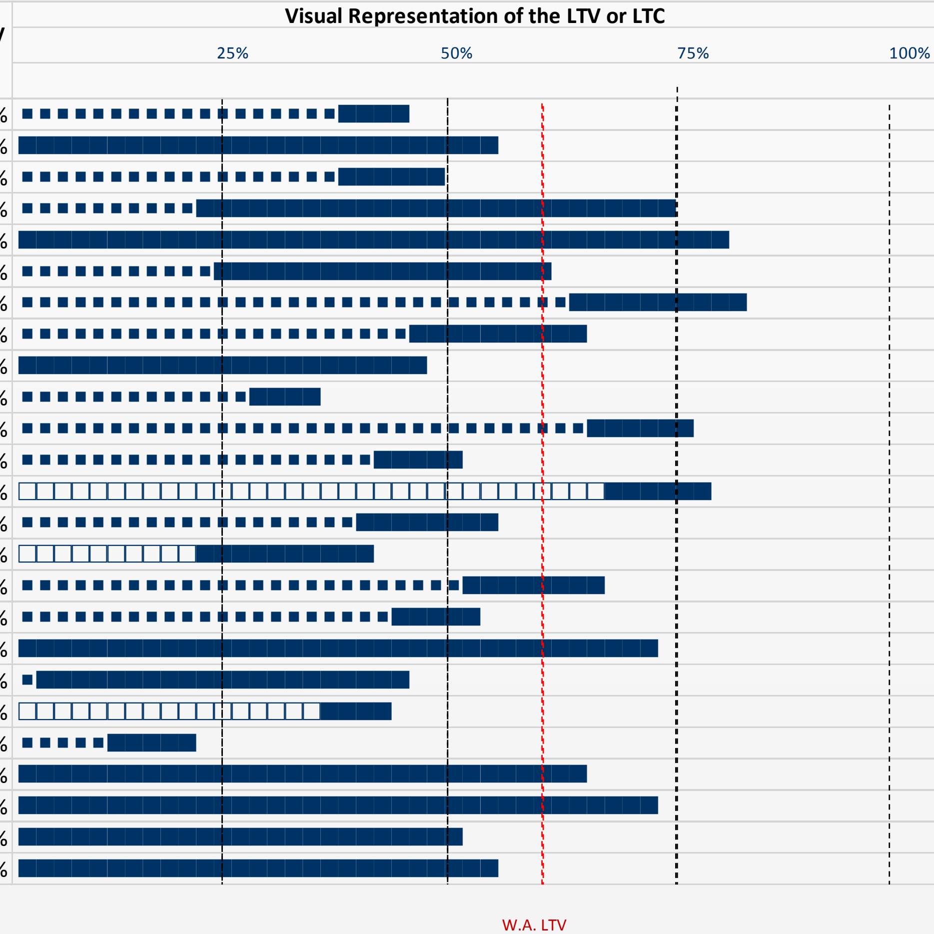
$ billions



(1) *LTVs and LTCs are calculated using the methodology described in the Definitions and Methodologies section*

Loan Level Risk Attachment Points: Top 25 by Investment Basis

Property Type	Loan Type	Location	Investment Basis ('000)	Cum. Port. Weights	Ending LTV or LTC
Office	First mortgage	UK	420,581	6.92%	46.23%
Office	First mortgage	NY	347,752	12.64%	55.69%
Resort	First mortgage	HI	209,750	16.09%	48.56%
Office	First mortgage	UK	187,560	19.17%	75.47%
Mixed Use	First mortgage	NY	176,757	22.08%	81.42%
Hotel	First mortgage	LA	173,604	24.93%	63.43%
Hotel	First mortgage	CA	168,420	27.70%	83.33%
Condominium	First mortgage	NV	150,755	30.18%	65.76%
Condominium	First mortgage	HI	148,974	32.63%	47.38%
Office	First mortgage	VA	119,123	34.59%	37.01%
Office	First mortgage	LA	117,607	36.52%	77.46%
Mixed Use	First mortgage	TX	110,804	38.35%	52.91%
Hotel	Mezzanine	Various	104,559	40.07%	80.00%
Office	First mortgage	PA	98,866	41.69%	55.20%
Hotel	Mezzanine	Various	89,612	43.17%	41.81%
Office	First mortgage	FL	84,089	44.55%	68.00%
Hotel	First mortgage	FL	79,649	45.86%	54.79%
Mixed Use	First mortgage	NY	79,623	47.17%	73.51%
Office	First mortgage	NY	79,607	48.48%	45.55%
Retail	Subordinated mortgage	OH	78,723	49.77%	44.99%
Development Site	First mortgage	MA	77,584	51.05%	23.65%
Residential	First mortgage	CA	74,248	52.27%	64.80%
Mixed Use	First mortgage	NY	73,378	53.48%	73.94%
Residential	First mortgage	CA	69,701	54.62%	51.58%
Condominium	First mortgage	NY	63,352	55.66%	55.22%



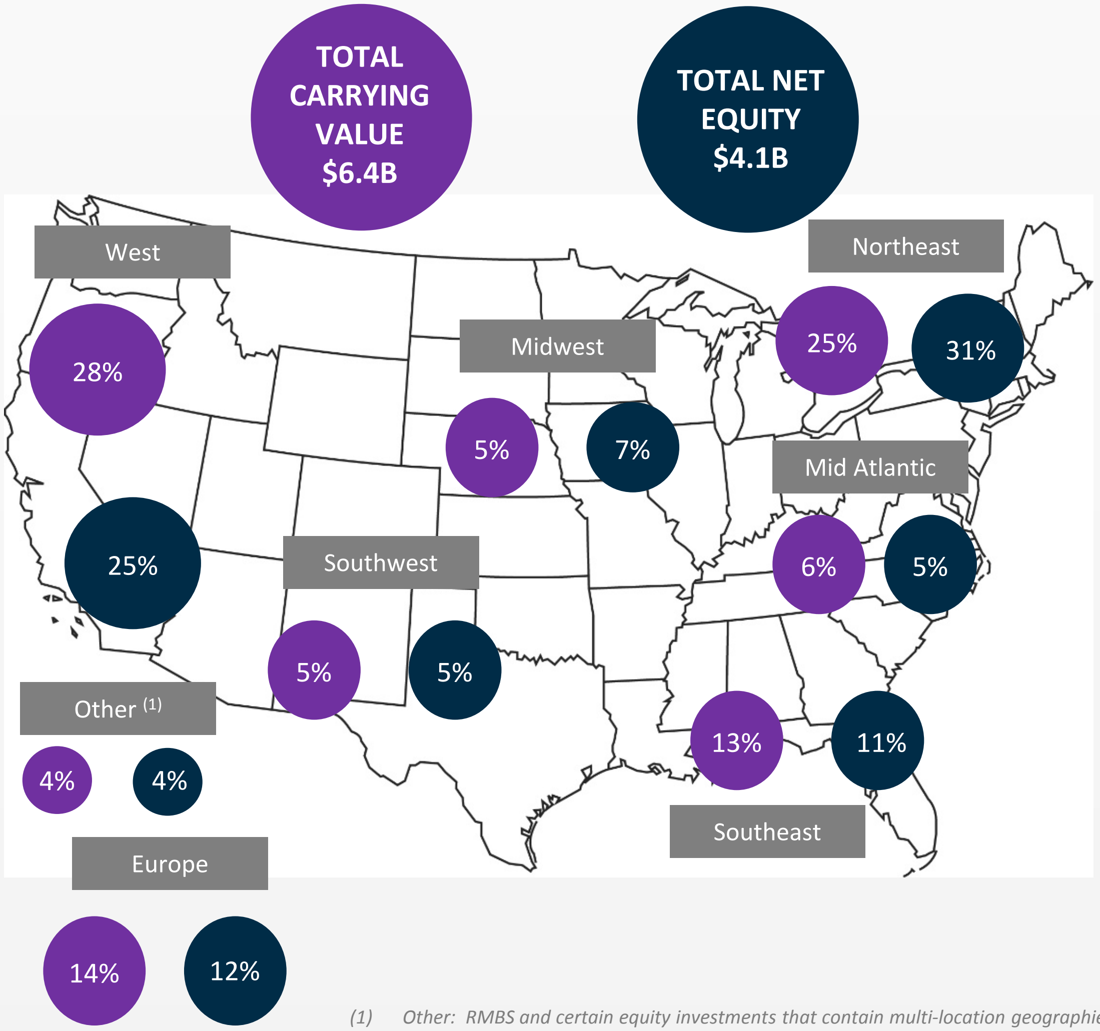
LEGEND:

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

NOTE: *LTVs and LTCs are calculated using the methodology described in the Definitions and Methodologies section*

Loan Portfolio: Snapshot as of June 30, 2015

Geographic Diversification



$ millions

Collateral Diversification (2)

PROPERTY TYPE				
$ millions	**Carrying Value**		**Net Equity**	
Office	$2,314	36%	$1,325	32%
Hotel	1,302	21%	804	19%
Mixed Use	530	8%	481	12%
Condominium	511	8%	362	9%
Resort	390	6%	232	6%
Retail	375	6%	248	6%
Apartment	241	4%	117	3%
Other (3)	705	11%	527	13%
Total	**$6,368**	**100%**	**4,096**	**100%**

INVESTMENT TYPE				
	Carrying Value		**Net Equity**	
First Mortgages	$4,715	74%	$2,543	62%
Subordinate Mortgages	291	5%	289	7%
Mezzanine Loans	908	14%	908	22%
Preferred Equity	81	1%	81	2%
CMBS	373	6%	275	7%
Total	**$6,368**	**100%**	**$4,096**	**100%**

(1) Other: RMBS and certain equity investments that contain multi-location geographies
(2) Excludes CMBS and loans transferred as secured borrowings
(3) Includes other property types not specifically identified above, including Apartment, Industrial, Showroom, Development Site, Car Wash, Media & Entertainment, Data Center, Assisted Living, Ground Lease, Non-Real Estate and Medical Office

Interest Rate Risk Management

$ millions

- **The Company should benefit from a rising interest rate environment given its high volume of LIBOR-based floating rate loans**
  - 82% of the Lending Segment loan portfolio is indexed to LIBOR
  - The Company estimates that a 100 basis point increase in LIBOR would result in an increase to income of $19M, or $0.08 per share
  - The following table summarizes the impact to annual net income from a specified hypothetical change in LIBOR:

Income / (Expense):	Variable Rate Investments & Indebtedness	3.0% Increase	2.0% Increase	1.0% Increase
Investment income from variable-rate investments	5,209	170	111	52
Interest expense from variable-rate debt	(3,567)	(104)	(68)	(33)
Net investment Income	**$ 1,642**	**$ 66**	**$ 43**	**$ 19**
Per Share		**$0.28**	**$0.18**	**$0.08**

- The table above does not reflect any incremental benefit that would be realized by the Investing and Servicing Segment, whose special servicing revenues would likely benefit from a rising rate environment due to an expected increase in the number of loans that would enter special servicing

NOTE: *As of June 30, 2015*

Investing and Servicing Segment

Investment Portfolio: As of June 30, 2015

$ millions

Investment	Carry Value	Asset Specific Financing	Net Investment	Net Investment % of Total
CMBS, fair value option	$ 830	$ 137	$ 693	63%
Special Servicing Intangibles	170	-	170	16%
Conduit Loans	279	126	153	14%
Loans held-for-investment	2	-	2	0%
Investment in Unconsolidated Entities	55	-	55	5%
Properties, net	58	32	26	2%
Total	**$ 1,394**	**$ 295**	**$ 1,099**	**100%**

Special Servicer Portfolio: As of June 30, 2015

Named SS (1)		
Rank	Company	%
1	**LNR Partners**	**25.2%**
2	CW Capital	18.5%
3	C-III	17.6%
4	Midland	15.0%
5	Rialto	11.6%
6	Torchlight	5.0%
7	Situs	3.5%
8	Key Bank	1.4%
9	Wells Fargo	0.9%

Active SS (1)		
Rank	Company	%
1	CW Capital	35.0%
2	**LNR Partners**	**32.2%**
3	C-III	18.8%
4	Torchlight	4.6%
5	Midland	2.7%
6	Situs	1.6%
7	Wells Fargo	0.5%
8	Rialto	0.0%
9	Key Bank	0.0%

Activity Subsequent to Quarter End:

- To date, awarded three new deals in Q3 totaling $3.9B of collateral
- Additionally, secured a third party special servicing assignment in Q3

LNR Special Servicer Portfolio(2)

$ billions

Active CMBS Portfolio	**CMBS Trusts**		**153**
	Unpaid Balance	**$**	**124.9**
	Loan Count		**9,320**
Active Special Servicing Portfolio	**SS Loan Count**		**404**
	SS Loan Balance	**$**	**5.5**
	REO Loan Count		**462**
	REO Loan Balance	**$**	**7.1**

(1) Source: Internal and Trepp
(2) As of June 30, 2015

Property Segment

Investment Portfolio: As of June 30, 2015

Investment	Net Carrying Value	Asset Specific Financing	Net Investment	Net Operating Income (1)		Occupancy Rate	Weighted Average Lease Term
Office (2)	$ 364	$ 236	$ 128	$ 3.1		99.8%	6.8 years
Multi-family residential (2)	18	10	8	0		100%	0.4 years
Investment in unconsolidated entity - retail	121	-	121	3	(3)	95.2%	9.5 years
Total	**$ 503**	**$ 246**	**$ 257**	**$ 5.8**			

(1) Includes net operating income for the current quarter, which includes net operating income subsequent to the May 8, 2015 and May 18, 2015 acquisition dates for those Ireland Portfolio properties acquired during the quarter

(2) Net carrying value includes all components related to the asset, including properties and intangibles

(3) Represents the Company's earnings from unconsolidated entities attributable to the Company's investment in the mall portfolio acquired in Q4'14

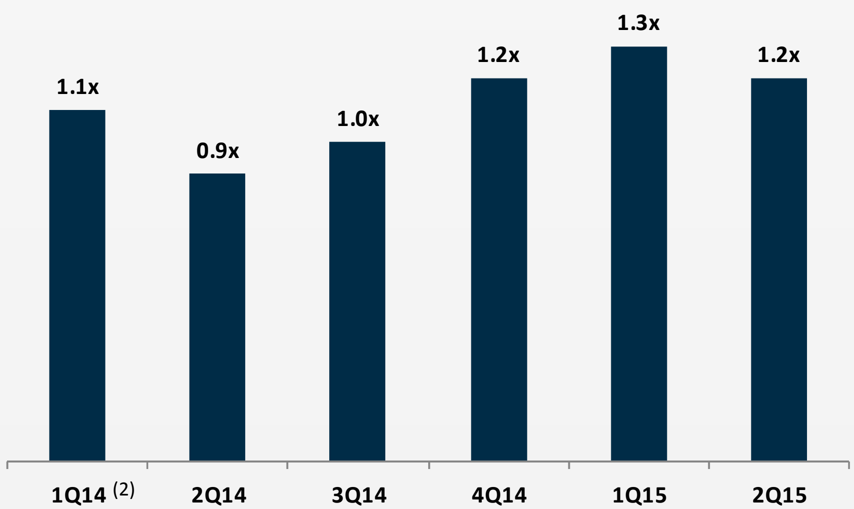
Capitalization

Conservative Balance Sheet

Capitalization

($ billions)

Historical Debt-to-Equity Ratio



STWD Key Credit Metrics

- Total capitalization of $10.1B
- Maximum borrowing capacity of $6.0B under 17 separate financing facilities and three convertible senior notes
- Interest coverage ratio of 3.9x
- Fixed charge coverage ratio of 3.7x
- Issuer rating of Ba3/BB; Outlook Stable
- Debt-to-equity ratio of 1.2x

Activity Subsequent to Q2

- In July 2015, permanently upsized available borrowings from the Borrowing Base facility from $250M to $450M
- In August 2015, upsized available borrowings under our largest repo facility from $1.25B to $1.6B

***NOTE:** As of June 30, 2015, unless otherwise indicated*

(1) Based on outstanding shares as of June 30, 2015 of 238.6 million and closing stock price on June 30th of $21.57

(2) Starwood Waypoint (NYSE: SWAY) spin off

Share Count

(shares in thousands)

	2015 Q1	2015 Q2	2015 6 Months	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2014 Full Year
Number of Shares, GAAP:								
Basic — Average shares outstanding	223,541	235,087	229,346	195,524	218,751	222,481	222,641	214,945
Effect of dilutive securities — Convertible Notes Conversion Spread	5,353	649	644	3,196	4,056	966	3,577	3,432
Effect of dilutive securities — Contingently Issuable Shares	138	95	95	156	85	96	404	404
Diluted — Average shares outstanding	229,032	235,831	230,085	198,876	222,892	223,543	226,622	218,781
Number of Shares, Core:								
Basic — Average shares outstanding	223,541	235,087	229,346	195,524	218,751	222,481	222,641	214,945
Effect of Wtd Average participating	2,014	2,295	2,155	2,881	2,875	2,577	2,278	2,650
Effect of dilutive securities — Contingently Issuable Shares	138	95	95	156	85	96	404	404
Diluted — Average shares outstanding	225,693	237,477	231,596	198,561	221,711	225,154	225,323	217,999

- During the quarter, the Company:
  - Sold 13.8 million shares of common stock for gross proceeds of $326.1M
  - Repurchased 400,000 shares of common stock for $8.8M

Financing Facilities

$ millions

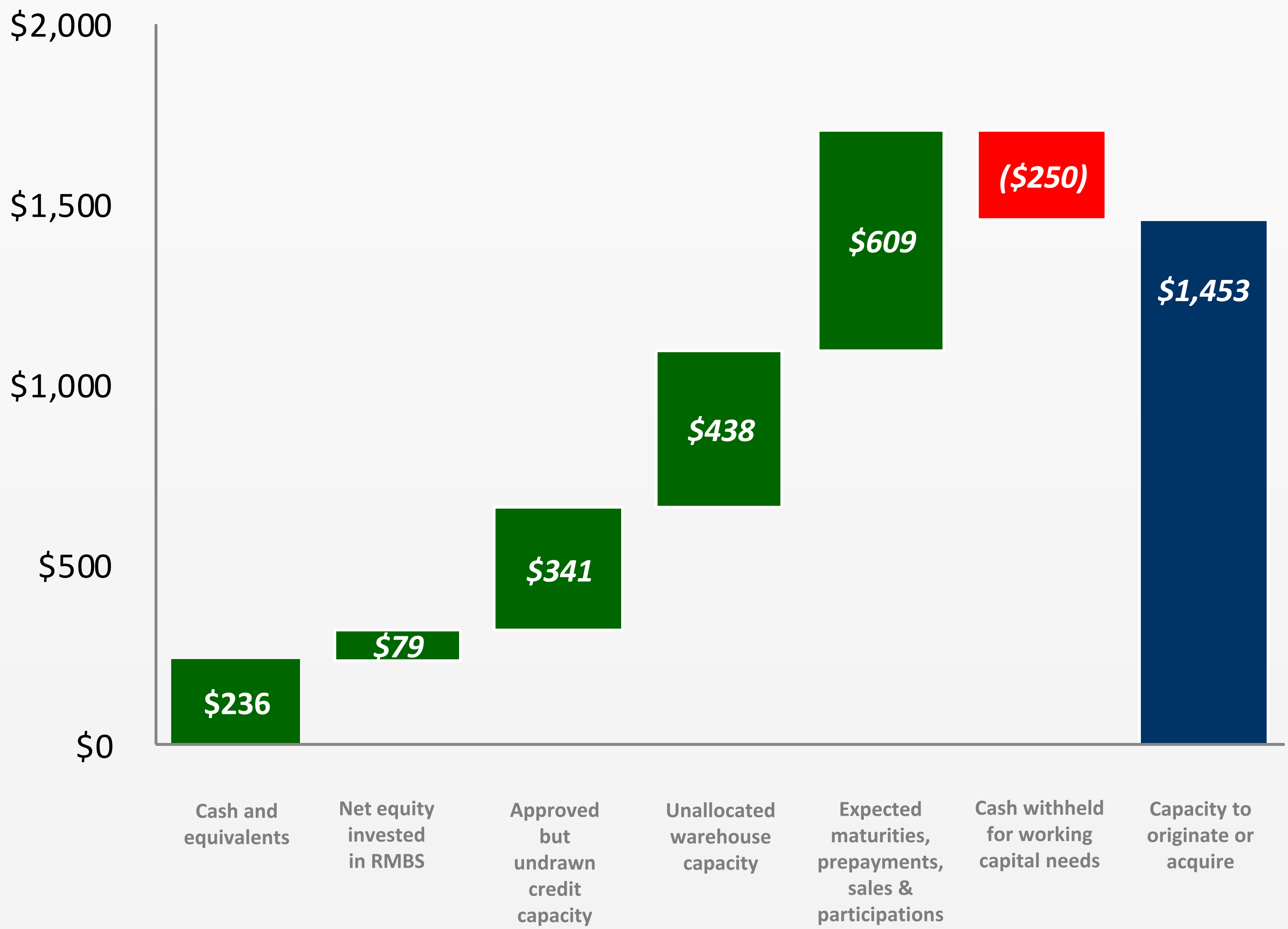
As of June 30, 2015			
		Debt Obligations	
	Maximum Facility Size	Drawn	Available Capacity
Lender 1, Repo 1	$ 1,250	$ 1,086	$ 164
Lender 1, Repo 2	125	66	59
Lender 2	325	295	30
Lender 3	122	122	-
Conduit 1	150	25	125
Conduit 2	150	78	72
Conduit 3	150	23	127
Lender 4	330	330	-
Lender 6	500	377	123
Lender 6, Mortgage	328	245	83
Lender 7	39	39	-
Investing and Servicing Segment Property Mortgages	39	32	7
Lender 9	196	196	-
Borrowing Base	250	6	244
Term Loan (1)	662	660	-
TOTAL SECURED FINANCING AGREEMENTS	**$ 4,616**	**$ 3,580**	**$ 1,034**
Convertible Senior Notes (1)		1,315	
Borrowings on transferred loans		137	
TOTAL DEBT		**$ 5,032**	

(1) Term loan and convertible senior notes carrying values are net of $1.9M and $57.3M of unamortized discount, respectively

Financial Capacity

As of July 30, 2015, the Company had capacity to originate or acquire up to an additional $1.5B of new investments

($ millions)



Financials

Quarterly Migration Tracker

$ millions

	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Revenues:						
Interest income from loans	118.3	118.4	113.6	110.7	105.5	104.9
Interest income from investment securities	64.3	47.0	45.7	45.9	45.3	41.3
Servicing fees	54.4	51.0	54.4	58.9	58.0	56.2
Rental income	5.0	2.7	3.3	3.4	2.6	0.6
Other revenues	1.6	2.0	1.8	4.3	2.7	3.1
Total revenues	**$ 243.7**	**$ 221.1**	**$ 218.9**	**$ 223.2**	**214.0**	**206.1**
Costs and expenses:						
Management fees	26.8	27.9	39.8	24.9	25.0	27.8
Interest expense	49.8	50.5	45.8	39.7	37.7	37.8
General and administrative	41.2	35.1	32.6	47.5	42.9	45.9
Acquisition and investment pursuit costs	4.9	1.2	1.8	0.8	0.8	0.4
Cost of rental operations	1.2	1.7	2.0	1.8	1.7	0.4
Depreciation, amortization & other expenses	8.5	4.8	4.7	5.5	9.4	6.4
Total costs and expenses	**$ 132.4**	**$ 121.2**	**$ 126.8**	**$ 120.2**	**$ 117.5**	**$ 118.7**
Income before other income, income taxes and non-controlling interest	**111.3**	**99.9**	**92.1**	**103.0**	**96.6**	**87.4**
Other income:						
Change in fair value of servicing rights	(8.4)	(4.8)	(9.8)	(18.3)	(12.8)	(12.2)
Change in fair value of investment securities	(2.7)	8.0	(7.3)	51.9	17.2	36.8
Change in fair value of mortgage loans held-for-sale	10.8	21.1	22.4	15.5	11.6	20.9
Gain/loss on derivative financial instruments	(19.5)	24.6	8.8	29.3	(9.8)	(7.9)
Gain/loss on sale of investments and other assets	0.2	17.2	(0.1)	1.3	10.1	1.6
Other income (includes FX & equity in earnings)	29.5	(29.4)	(4.0)	(13.7)	12.3	1.4
Total other income	**9.9**	**36.7**	**10.0**	**66.0**	**28.6**	**40.6**
Income from continuing operations before income taxes	**121.3**	**136.6**	**102.1**	**169.0**	**125.1**	**128.0**
Income tax provision	(3.8)	(15.9)	(10.4)	(3.8)	(4.3)	(5.6)
Income from continuing operations	**117.4**	**120.7**	**91.8**	**165.2**	**120.9**	**122.4**
Loss from discontinued operations, net of tax	-	-	-	-	-	(1.6)
Net income attributable to non-controlling interests	(0.3)	(0.3)	(0.3)	(0.2)	(3.0)	(0.2)
Net income attributable to Starwood Property Trust, Inc.	**$ 117.1**	**$ 120.4**	**$ 91.5**	**$ 165.0**	**117.9**	**120.6**
GAAP Diluted EPS	**$ 0.49**	**0.52**	**0.40**	**0.73**	**0.52**	**0.60**
Core Earnings	**125.9**	**123.7**	**112.1**	**124.8**	**115.2**	**121.5**
Core Earnings per weighted average diluted share	**0.53**	**0.55**	**0.50**	**0.55**	**0.52**	**0.61**

Balance Sheet by Segment: As of June 30, 2015

$ millions

	Lending	Investing and Servicing	Property	Corporate	Total
Assets:					
Cash & cash equivalents	$ 158.8	$ 47.7	$ 1.2	$ 238.1	$ 445.7
Restricted cash	11.0	15.8	-	-	26.8
Loans held-for-investment, net	5,913.2	2.2	-	-	5,915.4
Loans held-for-sale	88.1	279.4	-	-	367.4
Loans transferred as secured borrowings	135.9	-	-	-	135.9
Investment securities	663.0	829.7	-	-	1,492.7
Properties, net	-	57.8	339.2	-	397.0
Intangible assets	-	170.1	42.5	-	212.6
Investment in unconsolidated entities	35.3	55.2	120.9	-	211.4
Goodwill	-	140.4	-	-	140.4
Derivative assets	16.6	4.5	4.0	-	25.0
Accrued interest receivable	38.1	0.3	-	-	38.4
Other assets	20.1	65.5	19.5	12.9	117.9
Total Assets	**$ 7,080.0**	**$ 1,668.5**	**$ 527.3**	**$ 251.0**	**$ 9,526.7**
Liabilities & Equity					
Liabilities:					
Accounts payable, accrued expenses & other liabilities	$ 16.3	$ 80.5	$ 15.3	$ 28.5	$ 140.5
Related-party payable	-	3.5	-	21.1	24.6
Dividends payable	-	-	-	115.6	115.6
Derivative liabilities	5.7	0.6	-	-	6.3
Secured financing agreements, net	2,379.4	294.8	245.6	659.8	3,579.5
Convertible senior notes, net	-	-	-	1,315.2	1,315.2
Secured borrowings on transferred loans	137.3	-	-	-	137.3
Total Liabilities	**2,538.7**	**379.3**	**260.9**	**2,140.1**	**5,319.0**
Equity:					
Starwood Property Trust, Inc. Stockholder's Equity:					
Common stock	-	-	-	2.4	2.4
Additional paid-in capital	2,918.5	1,174.9	262.5	(182.0)	4,173.9
Treasury stock	-	-	-	(32.5)	(32.5)
Accumulated other comprehensive income / (loss)	46.7	(1.1)	0.3	-	45.9
Retained earnings (accumulated deficit)	1,564.3	113.3	3.6	(1,677.1)	4.1
Total Starwood Property Trust, Inc. Stockholder's Equity	4,529.5	1,287.1	266.4	(1,889.1)	4,193.8
Non-controlling interests in consolidated subsidiaries	11.8	2.1	-	-	13.9
Total Equity	4,541.3	1,289.2	266.4	(1,889.1)	4,207.7
Total Liabilities & Equity	**$ 7,080.0**	**$ 1,668.5**	**$ 527.3**	**$ 251.0**	**$ 9,526.7**

Results of Operations by Segment: Three Months ended June 30, 2015

$ millions

	Lending	Investing and Servicing	Property	Corporate	Total
Revenues:					
Interest income from loans	$ 113.9	$ 4.4	$ -	$ -	$ 118.3
Interest income from investment securities	17.1	47.3	-	-	64.3
Servicing fees	0.1	54.3	-	-	54.4
Rental revenue	-	1.5	3.5	-	5.0
Other revenues	0.3	1.3	-	-	1.6
Total revenues	**131.4**	**108.8**	**3.5**	**-**	**243.7**
Costs & expenses:					
Management fees	0.4	0.0	-	26.4	26.8
Interest expense	20.2	2.8	0.9	26.0	49.8
General and administrative	6.1	32.6	0.2	2.3	41.2
Acquisition and investment pursuit costs	0.2	0.5	4.3	(0.1)	4.9
Cost of rental operations	-	0.9	0.3	-	1.2
Depreciation and amortization	-	4.2	1.6	-	5.8
Loan loss allowance, net	2.7	-	-	-	2.7
Total costs and expenses	**29.5**	**41.0**	**7.3**	**54.6**	**132.4**
Income (loss) before other income, income taxes and non-controlling interests	**101.9**	**67.8**	**(3.7)**	**(54.6)**	**111.3**
Other Income:					
Change in fair value of servicing rights	-	(8.4)	-	-	(8.4)
Change in fair value of investment securities, net	0.5	(3.2)	-	-	(2.7)
Change in fair value of mortgage loans held-for-sale, net	-	10.8	-	-	10.8
Earnings (loss) from unconsolidated entities	1.4	5.3	2.6	-	9.2
Gain on sale of investments and other assets, net	0.2	-	-	-	0.2
(Loss) gain on derivative financial instruments, net	(24.0)	4.3	0.2	-	(19.5)
Foreign currency gain (loss), net	21.2	(0.1)	(0.2)	-	20.9
Loss on extinguishment of debt	-	-	-	(0.6)	(0.6)
Total other income (loss)	**(0.7)**	**8.8**	**2.5**	**(0.6)**	**9.9**
Income (loss) before income taxes	**101.2**	**76.5**	**(1.2)**	**(55.2)**	**121.3**
Income tax provision	-	(3.8)	-	-	(3.8)
Net Income (loss)	**101.2**	**72.7**	**(1.2)**	**(55.2)**	**117.4**
Net income attributable to non-controlling interests	(0.3)	-	-	-	(0.3)
Net income (loss) attributable to Starwood Property Trust, Inc.	**$ 100.9**	**$ 72.7**	**$ (1.2)**	**$ (55.2)**	**$ 117.1**

Reconciliation of Net Income to Core Earnings:

Three Months ended June 30, 2015

$ millions (except share and per share data)

	Lending	Investing and Servicing	Property	Corporate	Total
Net income attributable to Starwood Property Trust, Inc.	**$ 100.9**	**$ 72.7**	**$ (1.2)**	**$ (55.2)**	**$ 117.1**
Add / (Deduct):					
Non-cash equity compensation expense	1.1	2.3	-	7.5	10.9
Management incentive fee	-	-	-	4.1	4.1
Depreciation and amortization	-	0.4	1.5	-	2.0
Loan loss allowance, net	2.7	-	-	-	2.7
Interest income adjustment for securities	(0.3)	(7.2)	-	-	(7.5)
Reversal of unrealized (gains) / losses on:					
Loans held-for-sale	-	(10.8)	-	-	(10.8)
Securities	(0.5)	3.2	-	-	2.7
Derivatives	23.2	(5.1)	(0.2)	-	17.9
Foreign currency	(21.2)	0.1	0.2	-	(20.9)
Earnings from unconsolidated entities	-	(5.3)	-	-	(5.3)
Recognition of realized gains / (losses) on:					
Loans held-for-sale	-	18.2	-	-	18.2
Securities	-	(11.5)	-	-	(11.5)
Derivatives	8.6	(0.1)	-	-	8.5
Foreign currency	(6.3)	(0.1)	(0.0)	-	(6.4)
Earnings from unconsolidated entities	-	4.3	-	-	4.3
Core Earnings (Loss)	**$ 108.1**	**$ 61.1**	**$ 0.4**	**$ (43.6)**	**$ 125.9**
Core Earnings (Loss) per Weighted Average Diluted Share	**$ 0.46**	**$ 0.25**	**$ -**	**$ (0.18)**	**$ 0.53**

Definitions and Methodologies

Calculation Methodologies

- **Lending Segment LTV & LTC**
  - For loans which utilize property value as the denominator, value is determined by reference to either appraisals, desk underwriting, discussions with brokers and other experts, or any combination thereof. To the extent that a loan has been newly originated, we use the original appraisal. To the extent that conditions in either the overall real estate market or at the property or borrower level have changed in a meaningful way since origination, we either obtain updated appraisals, or conduct desk underwriting if we believe our knowledge of the asset and related market would provide a more accurate assessment of value. For loans which utilize cost as the denominator, cost is determined by reference to the borrower's original development budget
  - 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, 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 adjustments as determined by our Manager and approved by a majority of our independent directors
- **Optimal Asset-Level Return Calculations**
  - The optimal asset-level return assumes (i) maximum available leverage in place or in negotiation for each asset, notwithstanding the amount actually borrowed, and (ii) full syndication of first mortgage 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, 2014, and in our quarterly report on Form 10-Q for the quarters ended June 30, 2015 and March 31, 2015, 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 or in which we invest;
- availability of mortgage origination and acquisition opportunities acceptable to us;
- our ability to fully integrate LNR Property LLC, a Delaware limited liability company, 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 and securities investing activities;
- 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.