

Q4
2019

SUPPLEMENTAL REPORTING INFORMATION



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Cover photo: California Market Center, Los Angeles, CA. - First Mortgage and Mezzanine Loan



PRESS RELEASE



For Immediate Release

Starwood Property Trust Reports Results for the Quarter and Year Ended December 31, 2019

- Originated or Acquired a Record \$4.2 Billion of Assets (\$10.8 Billion in 2019), Including a Record \$2.2 Billion in Commercial Lending (\$5.5 Billion in 2019) –**
- Completed Sale of Owned Ireland Property Portfolio –**
- Enhanced Capital Structure with \$1.8 Billion of New and Expanded Credit Facilities –**
- Completed Refinancings of two Property Portfolios –**
- Declares Dividend of \$0.48 per share for the First Quarter of 2020 –**

GREENWICH, Conn., February 25, 2020 /PRNewswire/ -- Starwood Property Trust, Inc. (NYSE: STWD) today announced operating results for the fiscal quarter and year ended December 31, 2019. The Company's fourth quarter 2019 GAAP net income was \$171.9 million, or \$0.60 per diluted share, and Core Earnings (a non-GAAP financial measure) was \$139.5 million, or \$0.47 per diluted share. These amounts include a gain on sale of the Company's Ireland property portfolio of \$119.7 million and \$60.1 million for GAAP and Core Earnings, respectively, or \$0.41 and \$0.20 per diluted share, respectively, and a GAAP and Core loss of \$71.9 million and \$70.6 million, respectively, resulting from the impairment of the Company's interest in a regional mall portfolio, or \$0.25 and \$0.24 per diluted share, respectively.

The Company's full year 2019 GAAP net income was \$509.7 million, or \$1.79 per diluted share, and Core Earnings was \$528.9 million, or \$1.80 per diluted share. These amounts include the fourth quarter gain on sale of the Company's Ireland property portfolio discussed above and a full year GAAP and Core write down of \$116.8 million and \$139.5 million, respectively, relating to the Company's interest in the regional mall portfolio, or \$0.40 and \$0.48 per diluted share, respectively.

"Our fourth quarter results were highlighted by contributions throughout our multi-cylinder platform, which brought our investment portfolio to a record size of over \$17 billion. In our primary business line, commercial lending, we originated \$2.2 billion this quarter, bringing our on balance sheet portfolio to a record \$9.1 billion. We also added over \$600 million of new loans to our infrastructure portfolio. Our residential lending platform continues to perform well, with over \$1.4 billion of assets and the completion of our fifth securitization. We continue to execute strategic joint ventures in our CMBS portfolio, the largest of which closed in the fourth quarter. This has allowed us to expand our named special servicing footprint.

We successfully completed the sale of our Ireland portfolio this quarter, realizing a Core gain of \$83 million before a tax withholding adjustment. We believe we still have over \$800 million in unrealized gains remaining in our book, over \$700 million of which relates to the four portfolios remaining in our property segment. Following the successful refinancings of our medical office and first multifamily portfolios, we expect the yields on our stabilized property portfolio to be approximately 15%," commented Jeffrey DiModica, President of Starwood Property Trust.

"Our balance sheet activity continues to create a very strong liquidity position headed into 2020," added Barry Sternlicht, Chairman and CEO of Starwood Property Trust. "We have a strong pipeline of investment opportunities across our business cylinders and will remain highly selective as to where we deploy capital. We intend

to stay disciplined with the right side of our balance sheet but are in a prime position to take advantage of any future dislocations across our target asset classes.”

Dividend

On February 25, 2020, the Company’s Board of Directors declared a dividend of \$0.48 per share of common stock for the quarter ending March 31, 2020. The dividend is payable on April 15, 2020 to common stockholders of record as of March 31, 2020.

Supplemental Schedules

The Company has published supplemental earnings schedules on its website in order to provide additional disclosure and financial information for the benefit of the Company’s stakeholders. Specifically, these materials can be found on the Company’s website in the Investor Relations section under “Quarterly Results” at www.starwoodpropertytrust.com.

Conference Call and Webcast Information

The Company will host a live webcast and conference call on Tuesday, February 25, 2020, at 10:00 a.m. Eastern Time. To listen to a live broadcast, access the site at least 15 minutes prior to the scheduled start time in order to register and download and install any necessary audio software. The webcast is available at www.starwoodpropertytrust.com in the investor relations section of the website.

To Participate via Telephone:

Dial in at least five minutes prior to start time.

Domestic: 1-877-407-9039

International: 1-201-689-8470

Conference Call Playback:

Domestic: 1-844-512-2921

International: 1-412-317-6671

Passcode: 13698502

The playback can be accessed through March 3, 2020.

About Starwood Property Trust, Inc.

Starwood Property Trust (NYSE: STWD), is a leading diversified finance company with a core focus on the real estate and infrastructure sectors. An affiliate of global private investment firm Starwood Capital Group, the Company has successfully deployed over \$61 billion of capital since inception and manages a portfolio of over \$17 billion across debt and equity investments. Starwood Property Trust’s investment objective is to generate attractive and stable returns for shareholders, primarily through dividends, by leveraging a premiere global organization to identify and execute on the best risk adjusted returning investments across its target assets. Additional information can be found at www.starwoodpropertytrust.com.

Forward-Looking Statements

Statements in this press release which are not historical fact may be deemed forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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. Although Starwood Property Trust, Inc. believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectations will

be attained. Factors that could cause actual results to differ materially from the Company's expectations include, but are not limited to, completion of pending investments and financings, continued ability to acquire additional investments, competition within the finance and real estate industries, economic conditions, availability of financing and other risks detailed under the heading "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, as well as other risks and uncertainties set forth from time to time in the Company's reports filed with the SEC.

In light of these risks and uncertainties, there can be no assurances that the results referred to in the forward-looking statements contained herein will in fact occur. Except to the extent required by applicable law or regulation, we undertake no obligation to, and expressly disclaim any such obligation to, update or revise any forward-looking statements to reflect changed assumptions, the occurrence of anticipated or unanticipated events, changes to future results over time or otherwise.

Additional information can be found on the Company's website at www.starwoodpropertytrust.com.

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Starwood Property Trust, Inc. and Subsidiaries
Condensed Consolidated Statement of Operations by Segment
For the three months ended December 31, 2019
(Amounts in thousands)

	Commercial and Residential Lending Segment	Infrastructure Lending Segment	Property Segment	Investing and Servicing Segment	Corporate	Subtotal	Securitization VIEs	Total
Revenues:								
Interest income from loans	\$ 147,360	\$ 24,611	\$ —	\$ 5,130	\$ —	\$ 177,101	\$ —	\$ 177,101
Interest income from investment securities	18,817	3,755	—	29,651	—	52,223	(32,447)	19,776
Servicing fees	113	—	—	8,596	—	8,709	(2,187)	6,522
Rental income	—	—	71,996	10,186	—	82,182	—	82,182
Other revenues	324	19	118	388	—	849	(2)	847
Total revenues	166,614	28,385	72,114	53,951	—	321,064	(34,636)	286,428
Costs and expenses:								
Management fees	368	—	—	18	42,480	42,866	39	42,905
Interest expense	50,106	13,579	19,696	8,469	29,086	120,936	(161)	120,775
General and administrative	8,855	4,636	838	25,172	3,252	42,753	85	42,838
Acquisition and investment pursuit costs	436	24	217	(200)	—	477	—	477
Costs of rental operations	1,166	—	24,524	5,418	—	31,108	—	31,108
Depreciation and amortization	396	68	22,483	4,300	—	27,247	—	27,247
Loan loss provision, net	570	3,314	—	—	—	3,884	—	3,884
Other expense	77	—	340	171	—	588	—	588
Total costs and expenses	61,974	21,621	68,098	43,348	74,818	269,859	(37)	269,822
Other income (loss):								
Change in net assets related to consolidated VIEs	—	—	—	—	—	—	71,548	71,548
Change in fair value of servicing rights	—	—	—	149	—	149	(1,481)	(1,332)
Change in fair value of investment securities, net	1,861	—	—	32,775	—	34,636	(34,798)	(162)
Change in fair value of mortgage loans held-for-sale, net	(6,375)	—	—	12,298	—	5,923	—	5,923
Earnings (loss) from unconsolidated entities	2,073	—	(71,824)	565	—	(69,186)	(532)	(69,718)
Gain on sale of investments and other assets, net	1,143	—	119,746	38,982	—	159,871	—	159,871
(Loss) gain on derivative financial instruments, net	(32,349)	(12)	2,673	9,347	(5,663)	(26,004)	—	(26,004)
Foreign currency gain (loss), net	34,367	307	44	(2)	—	34,716	—	34,716
Loss on extinguishment of debt	—	(3,136)	(4,745)	(651)	—	(8,532)	—	(8,532)
Other (loss) income, net	—	—	(100)	16	—	(84)	—	(84)
Total other income (loss)	720	(2,841)	45,794	93,479	(5,663)	131,489	34,737	166,226
Income (loss) before income taxes	105,360	3,923	49,810	104,082	(80,481)	182,694	138	182,832
Income tax provision	(40)	(657)	(135)	(4,020)	—	(4,852)	—	(4,852)
Net income (loss)	105,320	3,266	49,675	100,062	(80,481)	177,842	138	177,980
Net income attributable to non-controlling interests	—	—	(5,308)	(665)	—	(5,973)	(138)	(6,111)
Net income (loss) attributable to Starwood Property Trust, Inc.	\$ 105,320	\$ 3,266	\$ 44,367	\$ 99,397	\$ (80,481)	\$ 171,869	\$ —	\$ 171,869

Definition of Core Earnings

Core Earnings, a non-GAAP financial measure, is used to compute the Company's incentive fees to its external manager and is an appropriate supplemental disclosure for a mortgage REIT. For the Company's purposes, Core Earnings is defined as GAAP net income (loss) excluding non-cash equity compensation expense, the incentive fee due to the Company's external manager, acquisition costs from successful acquisitions, depreciation and amortization of real estate and associated intangibles and 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 and, to the extent deducted from net income (loss), distributions payable with respect to equity securities of subsidiaries issued in exchange for properties or interests therein. The amount is adjusted to exclude one-time events pursuant to changes in GAAP and certain other non-cash adjustments as determined by the Company's external manager and approved by a majority of the Company's independent directors.

Reconciliation of Net Income to Core Earnings For the three months ended December 31, 2019 (Amounts in thousands except per share data)

	Commercial and Residential Lending Segment	Infrastructure Lending Segment	Property Segment	Investing and Servicing Segment	Corporate	Total
Net income (loss) attributable to Starwood Property Trust, Inc.	\$ 105,320	3,266	44,367	99,397	(80,481)	171,869
Add / (Deduct):						
Non-controlling interests attributable to Woodstar II Class A Units	—	—	5,308	—	—	5,308
Non-cash equity compensation expense	1,161	992	83	1,765	5,788	9,789
Management incentive fee	—	—	—	—	18,117	18,117
Acquisition and investment pursuit costs	(826)	—	(89)	(329)	—	(1,244)
Depreciation and amortization	396	68	22,797	3,975	—	27,236
Loan loss provision, net	570	3,314	—	—	—	3,884
Interest income adjustment for securities	(32)	—	—	1,235	—	1,203
Extinguishment of debt, net	—	—	—	—	(246)	(246)
Other non-cash items	—	—	(1,233)	(1,766)	153	(2,846)
Reversal of GAAP unrealized (gains) / losses on:						
Loans held-for-sale	6,375	—	—	(12,298)	—	(5,923)
Securities	(1,861)	—	—	(32,775)	—	(34,636)
Derivatives	32,443	16	(2,189)	(9,305)	6,519	27,484
Foreign currency	(34,367)	(307)	(44)	2	—	(34,716)
(Earnings) loss from unconsolidated entities	(2,073)	—	71,824	(565)	—	69,186
Recognition of Core realized gains / (losses) on:						
Loans held-for-sale	1,848	1	—	14,189	—	16,038
Securities	—	—	—	2,906	—	2,906
Derivatives	(7,300)	210	14,981	6,961	—	14,852
Foreign currency	5,347	(83)	44	(2)	—	5,306
Earnings (loss) from unconsolidated entities	1,773	—	(70,557)	1,618	—	(67,166)
Sales of properties	—	—	(74,878)	(12,062)	—	(86,940)
Core Earnings (Loss)	\$ 108,774	\$ 7,477	\$ 10,414	\$ 62,946	\$ (50,150)	\$ 139,461
Core Earnings (Loss) per Weighted Average Diluted Share	\$ 0.37	\$ 0.02	\$ 0.04	\$ 0.21	\$ (0.17)	\$ 0.47

Starwood Property Trust, Inc. and Subsidiaries
Condensed Consolidated Statement of Operations by Segment
For the year ended December 31, 2019
(Amounts in thousands)

	Commercial and Residential Lending Segment	Infrastructure Lending Segment	Property Segment	Investing and Servicing Segment	Corporate	Subtotal	Securitization VIEs	Total
Revenues:								
Interest income from loans	\$ 610,316	\$ 99,580	\$ —	\$ 14,117	\$ —	\$ 724,013	\$ —	\$ 724,013
Interest income from investment securities	81,255	6,318	—	117,663	—	205,236	(128,607)	76,629
Servicing fees	423	—	—	69,962	—	70,385	(16,089)	54,296
Rental income	—	—	287,094	50,872	—	337,966	—	337,966
Other revenues	1,038	751	409	1,317	26	3,541	(26)	3,515
Total revenues	693,032	106,649	287,503	253,931	26	1,341,141	(144,722)	1,196,419
Costs and expenses:								
Management fees	1,495	—	—	72	117,404	118,971	161	119,132
Interest expense	222,118	62,836	76,838	33,621	113,964	509,377	(648)	508,729
General and administrative	29,481	18,260	6,232	87,115	13,681	154,769	343	155,112
Acquisition and investment pursuit costs	1,351	75	217	(587)	—	1,056	—	1,056
Costs of rental operations	2,691	—	95,370	24,921	—	122,982	—	122,982
Depreciation and amortization	1,091	83	92,561	19,587	—	113,322	—	113,322
Loan loss provision, net	2,616	4,510	—	—	—	7,126	—	7,126
Other expense	307	—	1,693	365	—	2,365	—	2,365
Total costs and expenses	261,150	85,764	272,911	165,094	245,049	1,029,968	(144)	1,029,824
Other income (loss):								
Change in net assets related to consolidated VIEs	—	—	—	—	—	—	236,309	236,309
Change in fair value of servicing rights	—	—	—	(1,468)	—	(1,468)	(2,172)	(3,640)
Change in fair value of investment securities, net	(1,084)	—	—	89,206	—	88,122	(87,289)	833
Change in fair value of mortgage loans held-for-sale, net	10,462	—	—	61,139	—	71,601	—	71,601
Earnings (loss) from unconsolidated entities	10,649	—	(114,362)	4,166	—	(99,547)	(1,807)	(101,354)
Gain on sale of investments and other assets, net	4,619	3,041	119,746	60,622	—	188,028	—	188,028
(Loss) gain on derivative financial instruments, net	(20,325)	(3,349)	(1,284)	(7,414)	26,062	(6,310)	—	(6,310)
Foreign currency gain (loss), net	17,342	205	37	(2)	—	17,582	—	17,582
Loss on extinguishment of debt	(857)	(11,357)	(4,745)	(845)	(1,466)	(19,270)	—	(19,270)
Other (loss) income, net	—	(50)	(100)	16	(73)	(207)	—	(207)
Total other income (loss)	20,806	(11,510)	(708)	205,420	24,523	238,531	145,041	383,572
Income (loss) before income taxes	452,688	9,375	13,884	294,257	(220,500)	549,704	463	550,167
Income tax (provision) benefit	(4,818)	89	(393)	(8,110)	—	(13,232)	—	(13,232)
Net income (loss)	447,870	9,464	13,491	286,147	(220,500)	536,472	463	536,935
Net income attributable to non-controlling interests	(392)	—	(21,630)	(4,786)	—	(26,808)	(463)	(27,271)
Net income (loss) attributable to Starwood Property Trust, Inc.	\$ 447,478	\$ 9,464	\$ (8,139)	\$ 281,361	\$ (220,500)	\$ 509,664	\$ —	\$ 509,664

Reconciliation of Net Income to Core Earnings
For the year ended December 31, 2019
(Amounts in thousands except per share data)

	Commercial and Residential Lending Segment	Infrastructure Lending Segment	Property Segment	Investing and Servicing Segment	Corporate	Total
Net income (loss) attributable to Starwood Property Trust, Inc.	\$ 447,478	9,464	(8,139)	281,361	(220,500)	509,664
Add / (Deduct):						
Non-controlling interests attributable to Woodstar II Class A Units	—	—	21,630	—	—	21,630
Non-cash equity compensation expense	3,918	2,683	312	6,582	22,697	36,192
Management incentive fee	—	—	—	—	20,165	20,165
Acquisition and investment pursuit costs	(882)	2	(355)	(780)	(356)	(2,371)
Depreciation and amortization	1,091	83	93,864	18,156	—	113,194
Loan loss provision, net	2,616	4,510	—	—	—	7,126
Interest income adjustment for securities	(617)	—	—	15,933	—	15,316
Extinguishment of debt, net	—	—	—	—	(1,950)	(1,950)
Other non-cash items	—	—	(1,798)	(1,067)	623	(2,242)
Reversal of GAAP unrealized (gains) / losses on:						
Loans held-for-sale	(10,462)	—	—	(61,139)	—	(71,601)
Securities	1,084	—	—	(89,206)	—	(88,122)
Derivatives	20,680	3,353	6,268	7,536	(26,396)	11,441
Foreign currency	(17,342)	(205)	(37)	2	—	(17,582)
(Earnings) loss from unconsolidated entities	(10,649)	—	114,362	(4,166)	—	99,547
Recognition of Core realized gains / (losses) on:						
Loans held-for-sale	9,028	(984)	—	63,908	—	71,952
Securities	970	—	—	14,608	—	15,578
Derivatives	(5,500)	(1,186)	17,238	(10,153)	—	399
Foreign currency	622	(1,081)	37	7	—	(415)
Earnings (loss) from unconsolidated entities	8,851	—	(139,462)	15,812	—	(114,799)
Sales of properties	—	—	(74,878)	(19,359)	—	(94,237)
Core Earnings (Loss)	\$ 450,886	\$ 16,639	\$ 29,042	\$ 238,035	\$ (205,717)	\$ 528,885
Core Earnings (Loss) per Weighted Average Diluted Share	\$ 1.54	\$ 0.05	\$ 0.10	\$ 0.81	\$ (0.70)	\$ 1.80

Starwood Property Trust, Inc. and Subsidiaries
Condensed Consolidated Balance Sheet by Segment
As of December 31, 2019
(Amounts in thousands)

	Commercial and Residential Lending Segment	Infrastructure Lending Segment	Property Segment	Investing and Servicing Segment	Corporate	Subtotal	Securitization VIEs	Total
Assets:								
Cash and cash equivalents	\$ 26,278	\$ 2,209	\$ 30,123	\$ 61,693	\$ 356,864	\$ 477,167	\$ 1,221	\$ 478,388
Restricted cash	36,135	41,967	7,171	10,370	—	95,643	—	95,643
Loans held-for-investment, net	9,187,332	1,397,448	—	1,294	—	10,586,074	—	10,586,074
Loans held-for-sale	605,384	119,528	—	159,238	—	884,150	—	884,150
Investment securities	992,974	45,153	—	1,177,148	—	2,215,275	(1,405,037)	810,238
Properties, net	26,834	—	2,029,024	210,582	—	2,266,440	—	2,266,440
Intangible assets	—	—	47,303	64,644	—	111,947	(26,247)	85,700
Investment in unconsolidated entities	46,921	25,862	—	32,183	—	104,966	(20,637)	84,329
Goodwill	—	119,409	—	140,437	—	259,846	—	259,846
Derivative assets	14,718	7	3	7	14,208	28,943	—	28,943
Accrued interest receivable	45,996	3,134	133	2,388	13,242	64,893	(806)	64,087
Other assets	59,170	6,101	82,910	54,238	8,911	211,330	(7)	211,323
VIE assets, at fair value	—	—	—	—	—	—	62,187,175	62,187,175
Total Assets	\$ 11,041,742	\$ 1,760,818	\$ 2,196,667	\$ 1,914,222	\$ 393,225	\$ 17,306,674	\$ 60,735,662	\$ 78,042,336
Liabilities and Equity								
Liabilities:								
Accounts payable, accrued expenses and other liabilities	\$ 30,594	\$ 6,443	\$ 48,370	\$ 73,021	\$ 53,494	\$ 211,922	\$ 84	\$ 212,006
Related-party payable	—	—	—	5	40,920	40,925	—	40,925
Dividends payable	—	—	—	—	137,427	137,427	—	137,427
Derivative liabilities	7,698	750	—	292	—	8,740	—	8,740
Secured financing agreements, net	5,038,876	1,217,066	1,698,334	574,507	391,215	8,919,998	(13,950)	8,906,048
Collateralized loan obligations, net	928,060	—	—	—	—	928,060	—	928,060
Unsecured senior notes, net	—	—	—	—	1,928,622	1,928,622	—	1,928,622
VIE liabilities, at fair value	—	—	—	—	—	—	60,743,494	60,743,494
Total Liabilities	6,005,228	1,224,259	1,746,704	647,825	2,551,678	12,175,694	60,729,628	72,905,322
Equity:								
Starwood Property Trust, Inc. Stockholders' Equity:								
Common stock	—	—	—	—	2,874	2,874	—	2,874
Additional paid-in capital	1,522,360	529,668	208,650	(123,210)	2,995,064	5,132,532	—	5,132,532
Treasury stock	—	—	—	—	(104,194)	(104,194)	—	(104,194)
Accumulated other comprehensive income (loss)	50,996	—	—	(64)	—	50,932	—	50,932
Retained earnings (accumulated deficit)	3,463,158	6,891	5,431	1,194,998	(5,052,197)	(381,719)	—	(381,719)
Total Starwood Property Trust, Inc. Stockholders' Equity	5,036,514	536,559	214,081	1,071,724	(2,158,453)	4,700,425	—	4,700,425
Non-controlling interests in consolidated subsidiaries	—	—	235,882	194,673	—	430,555	6,034	436,589
Total Equity	5,036,514	536,559	449,963	1,266,397	(2,158,453)	5,130,980	6,034	5,137,014
Total Liabilities and Equity	\$ 11,041,742	\$ 1,760,818	\$ 2,196,667	\$ 1,914,222	\$ 393,225	\$ 17,306,674	\$ 60,735,662	\$ 78,042,336



HIGHLIGHTS

Business Highlights

Fourth Quarter:

- Core earnings of \$0.47 and GAAP earnings of \$0.60 per diluted share
 - Completed the sale of our Ireland Portfolio for a Core gain of \$60M (\$0.20 per diluted share) / GAAP gain of \$120M (\$0.41 per diluted share)
 - Recognized a \$72M impairment related to our investment in the Retail Fund (\$0.24 Core loss per diluted share/ \$0.25 GAAP loss per diluted share)
- Achieved record capital deployment of \$4.2B across all businesses, including \$2.2B in Commercial Lending
- Entered into a strategic joint venture for a portion of our CMBS portfolio
 - Received \$163M for the issuance of a 49% non-controlling interest
- Completed \$2.5B of capital transactions, including:
 - \$500M financing facility for our Infrastructure Lending segment, bringing total financing capacity to \$2.3B
 - \$600M refinancing of our Medical Office Portfolio
 - \$85M supplemental financing of our Woodstar I multifamily portfolio
- Undepreciated book value per outstanding share of \$17.76

Full Year:

- Deployed capital of \$10.8B across all businesses, including \$5.5B in Commercial Lending
- Core earnings of \$1.80 and GAAP earnings of \$1.79 per diluted share
 - Includes Core gain of \$60M (\$0.20 per diluted share) related to Ireland Portfolio sale
 - Includes Core write-down of \$140M (\$0.48 per diluted share) related to our Retail Fund investment

NOTE: Amounts are as of December 31, 2019, unless otherwise indicated; please refer to the Calculation Methodologies section herein for the definition of Core earnings

Segment Highlights – Fourth Quarter 2019

Commercial & Residential Lending

- Commercial:
 - Originated or acquired \$2.2B of loans
 - Funded \$1.9B of loans, including \$536M under pre-existing loan commitments
 - Repayments of \$551M and sales of \$197M
 - Portfolio carrying amount of \$9.1B with weighted average LTV of 64.1%
- Non-agency Residential:
 - Purchased \$541M of non-agency loans
 - Completed fifth non-agency residential securitization, selling \$370M of loans
 - Total portfolio carrying amount of \$1.4B, including \$1.3B of loans with a weighted average LTV of 69.2%

Infrastructure Lending

- Originated or acquired \$640M of loans
- Received \$347M from repayments
- Portfolio carrying amount of \$1.6B
- Entered into \$500M financing facility

Property

- Sold Ireland Portfolio for a Core gain of \$60M / GAAP gain of \$120M
- Recognized \$72M impairment related to our interest in the Retail Fund
- Completed refinancings of our Medical Office and Woodstar I portfolios

Investing and Servicing

- Entered into a strategic joint venture for \$333M of our CMBS portfolio
- Priced and securitized \$794M of loans in four transactions
- Obtained eight new special servicing assignments (\$5.7B UPB)

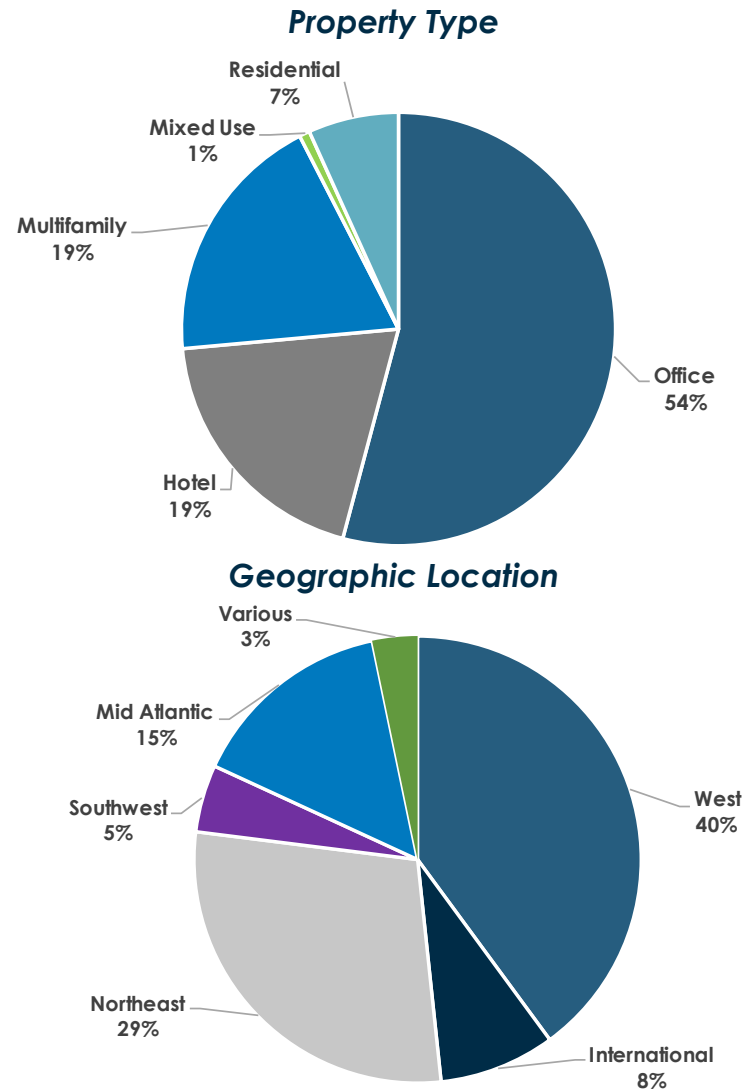
NOTE: Amounts are as of December 31, 2019, unless otherwise indicated; please refer to the Calculation Methodologies section herein for the definition of Core earnings



COMMERCIAL AND RESIDENTIAL LENDING SEGMENT

Commercial Lending Activity During the Quarter

- Originations and acquisitions of **\$2.2B**
 - **\$1.4B** funded
 - Weighted average LTV of **61.8%**
 - **\$155M** average loan size
 - **100%** of domestic loans contain LIBOR floors
- Fundings under previously originated commitments of **\$536M**
- Loan repayments of **\$551M**
- First mortgage (A-note) loan sales of **\$197M**



NOTE: Amounts are as of December 31, 2019, unless otherwise indicated.

Significant Activity During the Quarter

➤ Commercial lending investment activity of \$2.2B, including:

- \$525M first mortgage and mezzanine loan to one of the largest real estate managers in the world for the renovation of a 1.8 million square foot mixed-use property located in Los Angeles, CA
- \$324M first mortgage and mezzanine loan to refinance the existing debt on two connected 12-story office buildings located in Washington, D.C
- \$287M first mortgage, mezzanine loan and preferred equity investment to finance the construction of a mixed-used development located in Philadelphia, PA
- \$150M first mortgage loan for the acquisition and repositioning of a 201-key five star hotel located in Beverly Hills, CA
- \$147M first mortgage for the refinancing of an in-place construction loan used to convert a vacant office building into a condominium building located in Manhattan, NY

NOTE: Amounts are as of and for the period ended December 31, 2019, unless otherwise indicated.

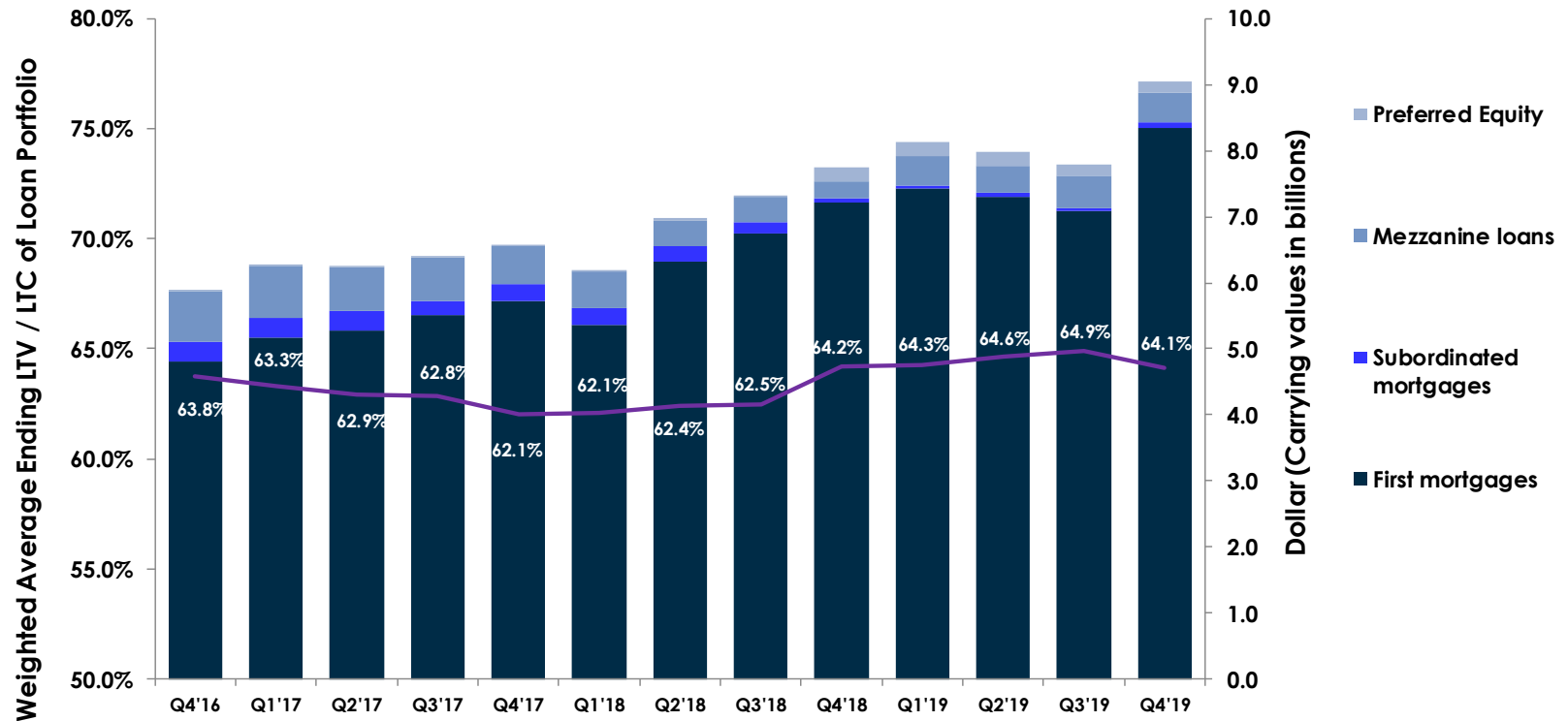
Commercial Portfolio Metrics

\$ millions

Asset Carrying Values	Dec 31, 2019	Sept 30, 2019	June 30, 2019	March 31, 2019	Dec 31, 2018
First mortgage loans held-for-investment ^{(1), (2)}	\$ 7,902	\$ 6,506	\$ 6,853	\$ 6,828	\$ 6,572
Subordinated mortgages ⁽²⁾	67	45	45	45	45
Mezzanine loans ⁽¹⁾	484	545	446	579	394
CMBS	502	479	507	560	567
Preferred equity investments	173	173	206	206	206
First mortgage loans held-for-sale	-	108	-	-	47
Commercial Portfolio Carrying Values	\$ 9,128	\$ 7,856	\$ 8,057	\$ 8,218	\$ 7,831
Unlevered Returns					
First mortgage loans held-for-investment ⁽¹⁾	6.4%	6.7%	6.8%	6.9%	7.0%
Subordinated mortgages	9.5%	9.2%	9.4%	9.4%	9.4%
Mezzanine loans ⁽¹⁾	12.2%	12.3%	12.1%	12.8%	11.6%
CMBS	6.5%	6.7%	6.9%	7.1%	7.2%
Preferred equity investments	7.7%	7.7%	7.8%	7.8%	7.8%

Commercial Portfolio LTV or LTC (3)

\$ billions



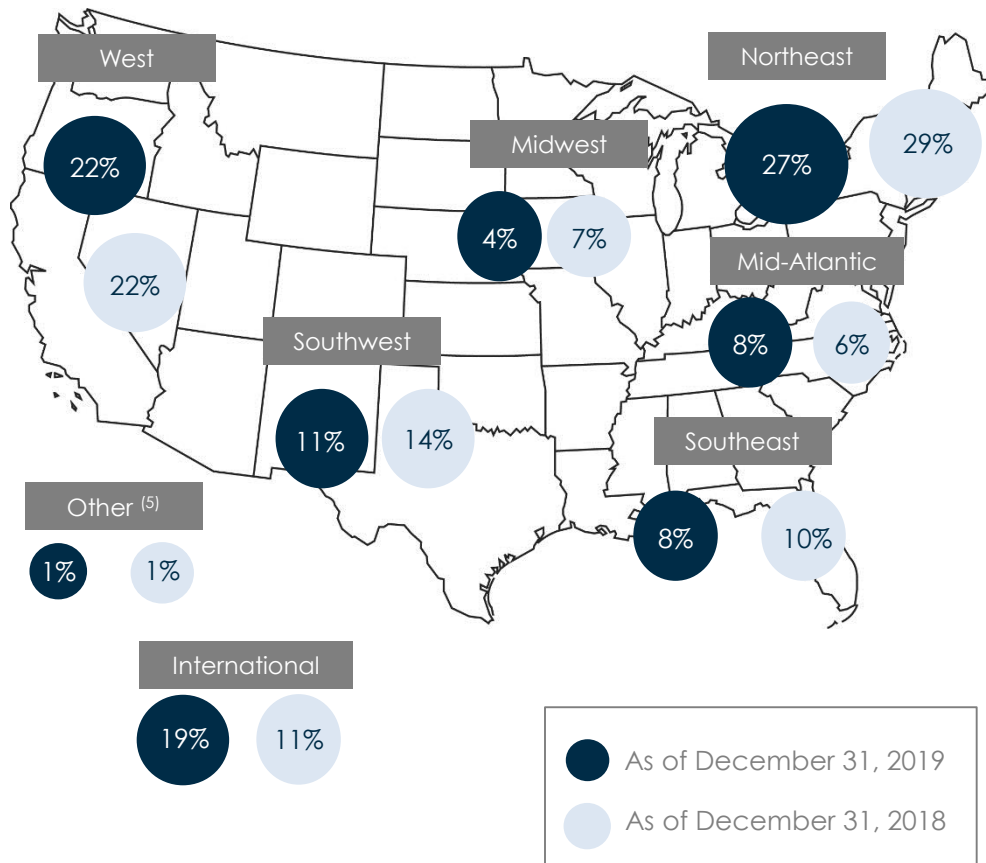
Weighted Average LTV of Loan Portfolio ⁽³⁾

	First Mortgages	Subordinated Mortgages	Mezzanine Mortgages	Preferred Equity	Total ⁽⁴⁾
Beginning LTV	0.0%	48.3%	41.5%	52.8%	3.5%
Ending LTV	64.0%	70.7%	65.5%	65.5%	64.1%

Commercial Portfolio Snapshot

\$ millions

Geographic Diversification



Collateral Diversification

PROPERTY TYPE	Carrying Value as of:			
	December 31, 2019		December 31, 2018	
Office	\$	3,449 38%	\$	2,720 35%
Hotel		1,907 21%		1,822 23%
Mixed-Use		1,187 13%		921 12%
Multifamily		1,148 13%		1,269 16%
Residential		772 8%		377 5%
Retail		308 3%		185 2%
Industrial		62 1%		131 2%
Other ⁽⁶⁾		295 3%		406 5%
Total	\$	9,128 100%	\$	7,831 100%

Residential Portfolio Metrics

\$ millions

➤ **Non-agency residential lending investment activity:**

- Purchased loans of **\$541M** and securitized **\$370M UPB**, bringing the total loan portfolio to **\$1.3B**
 - Average **FICO of 732 and LTV of 69.2%**
- In connection with our fifth securitization, retained **\$41M** of RMBS

Asset Carrying Values	Dec 31, 2019	Sept 30, 2019	June 30, 2019	March 31, 2019	Dec 31, 2018
Loans, held for sale	\$ 605	\$ 702	\$ 1,157	\$ 688	\$ 624
Loans, held for investment	672	479	-	-	-
Non-agency RMBS	147	111	63	109	88
Residential Portfolio Carrying Values	\$ 1,424	\$ 1,292	\$ 1,220	\$ 797	\$ 712
Unlevered Returns					
Loans, held for sale	5.9%	6.1%	6.1%	6.0%	6.1%
Loans, held for investment	5.9%	5.9%	N/A	N/A	N/A

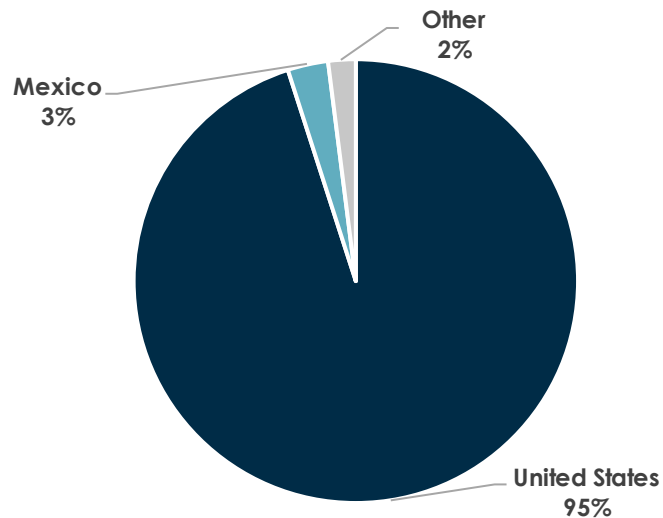


INFRASTRUCTURE LENDING

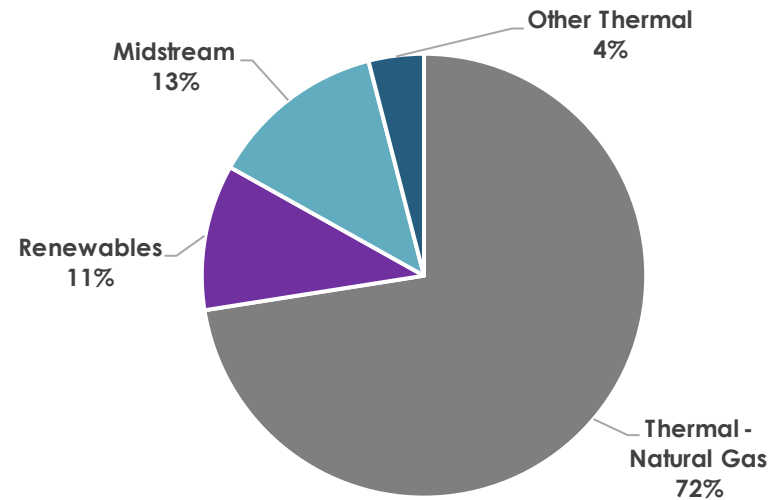
Portfolio Metrics and Activity During the Quarter

- Originated or acquired **\$640M** of loans, **100%** of which were floating rate
- Received **\$347M** from maturities and principal repayments
- Total portfolio carrying amount of **\$1.6B**

Portfolio by Geographic Location



Portfolio by Sector ⁽⁷⁾



NOTE: Amounts are as of December 31, 2019



PROPERTY SEGMENT

Investment Portfolio

\$ millions

Significant Activity During the Quarter:

- Sold Ireland Portfolio for a Core gain of **\$60M** / GAAP gain of **\$120M**
- Recognized a **\$72M** impairment related to our investment in the Retail Fund, bringing our carrying value of this investment to zero
- Completed refinancings of our Medical Office and Woodstar I portfolios

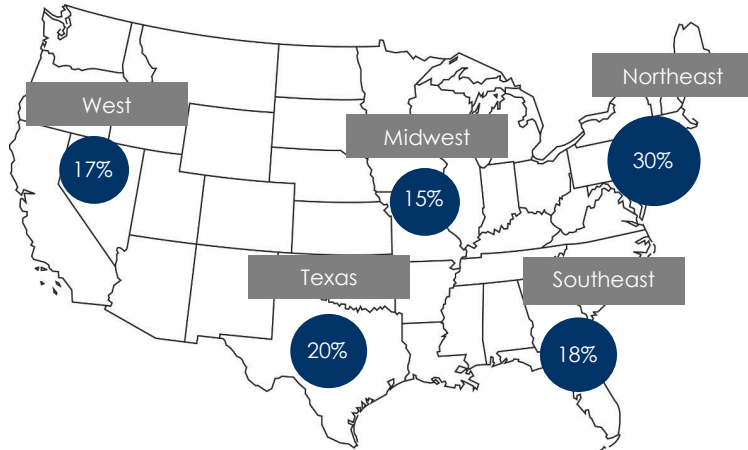
Investment	Net Carrying Value ⁽⁸⁾	Asset Specific Financing	Net Investment	Q4 2019 Net Operating Income	Occupancy Rate
Wholly-Owned:					
Medical Office Portfolio	\$ 760	\$ 591	\$ 169	\$ 11.6	91.6%
Woodstar I Portfolio	629	478	151	11.5	98.3%
Woodstar II Portfolio	607	437	170	10.4	99.2%
Master Lease Portfolio	344	192	152	6.6	100.0%
Subtotal - Undepreciated Carrying Value	\$ 2,340	\$ 1,698	\$ 642	\$ 40.1 ⁽⁹⁾	
Accumulated Depreciation and Amortization	(265)	-	(265)		
Net Carrying Value	\$ 2,075	\$ 1,698	\$ 377		

NOTE: Amounts are as of and for the period ended December 31, 2019, unless otherwise indicated

Portfolio Snapshot

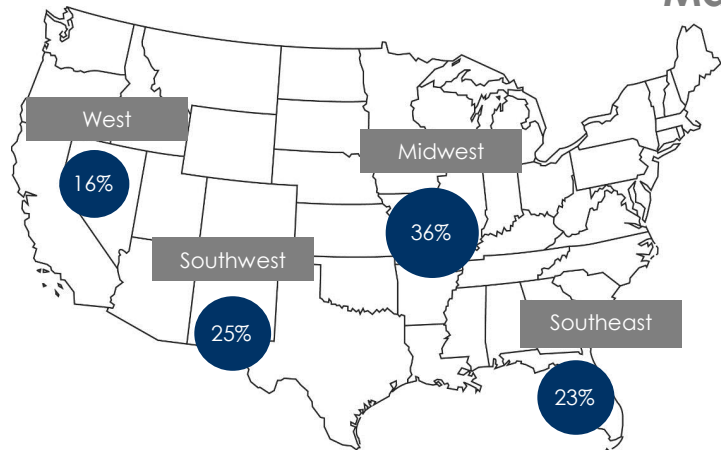
\$ millions, square footage in thousands

Medical Office Portfolio



	Gross Investment	Occupancy	Sq. Ft.
Midwest	\$ 109	87%	325
Northeast	228	100%	430
Southeast	139	93%	366
Texas	154	90%	457
West	130	88%	372
Total	\$ 760	92%	1,950

Master Lease Portfolio



	Gross Investment	Occupancy	Sq. Ft.
Midwest	\$ 123	100%	757
Southeast	80	100%	393
Southwest	86	100%	451
West	55	100%	278
Total	\$ 344	100%	1,879

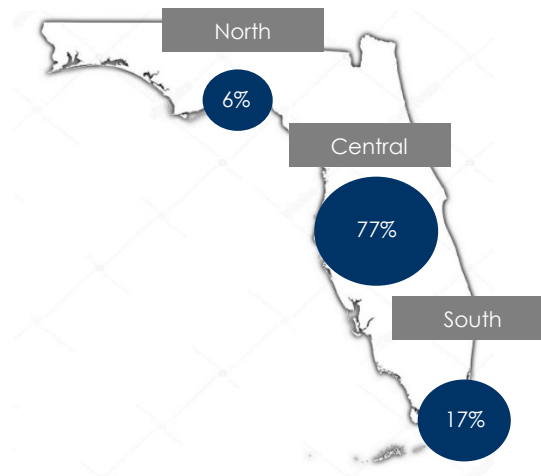
NOTE: Amounts are as of and for the period ended December 31, 2019, unless otherwise indicated.

Portfolio Snapshot

\$ millions, square footage in thousands

Woodstar I and II Multifamily Portfolios

Florida	Gross Investment	Occupancy	Units
North	\$ 77	95%	1,230
Central	952	99%	11,879
South	207	99%	1,948
Total	\$ 1,236	99%	15,057



NOTE: Amounts are as of and for the period ended December 31, 2019, unless otherwise indicated.



INVESTING AND SERVICING SEGMENT

Investment Portfolio

\$ millions

Significant Activity During the Quarter:

- Entered into a strategic CMBS joint venture issuing a **49%** non-controlling interest to a third party in exchange for cash consideration of **\$163M**, while retaining special servicing rights for the CMBS in the venture
- Priced and securitized **\$794M** of conduit loans in **four** transactions
- Obtained **eight** new servicing assignments for CMBS trusts with a total unpaid principal balance of **\$5.7B**

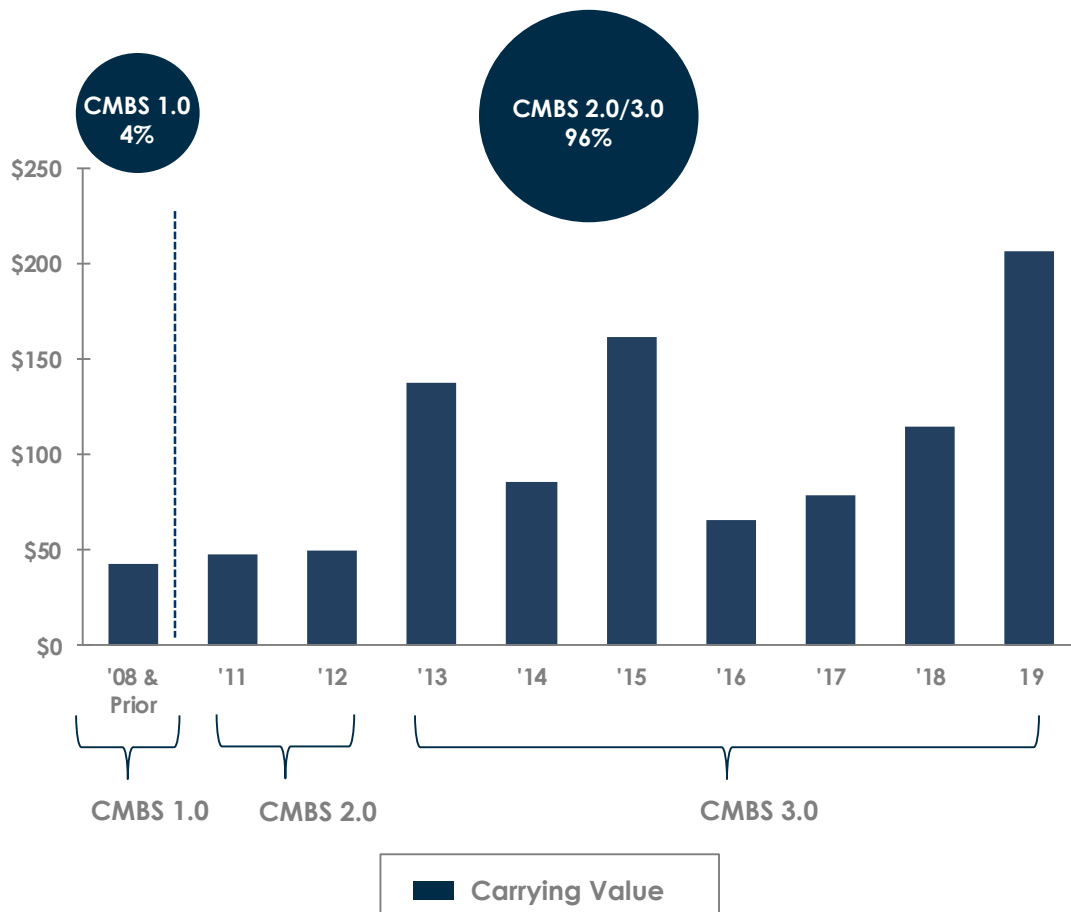
Asset Carrying Values	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018
Owned CMBS, non-VRR	\$ 557	\$ 850	\$ 855	\$ 867	\$ 872
Owned CMBS, VRR	234	124	124	97	97
Total Wholly Owned CMBS	791	974	979	964	969
CMBS, JVs (net of non-controlling interests)	202	27	28	24	11
Total CMBS	\$ 993	\$ 1,001	\$ 1,007	\$ 988	\$ 980
Properties and lease intangibles, net	231	284	295	301	301
Conduit loans	159	469	216	153	48
Special servicing intangible	43	43	43	44	45
Other	30	31	32	52	57
Total	\$ 1,456	\$ 1,828	\$ 1,593	\$ 1,538	\$ 1,431

NOTE: VRR refers to vertical risk retention

CMBS and Special Servicing

\$ millions

Owned CMBS by Vintage ⁽¹⁰⁾



NOTE: Amounts as of December 31, 2019; carrying value represents estimated fair value

LNR Special Servicer

Portfolio Statistics

Named SS:

of CMBS Trusts 185

Unpaid Balance \$ 92,800

Active SS:

SS Loan Balance 1,750

REO Loan Balance 3,335

Total Active SS Balance 5,085

- In 2019, obtained 22 new servicing assignments for CMBS trusts with a UPB of \$16.3B, bringing our named portfolio to \$92.8B

Starwood Property Trust



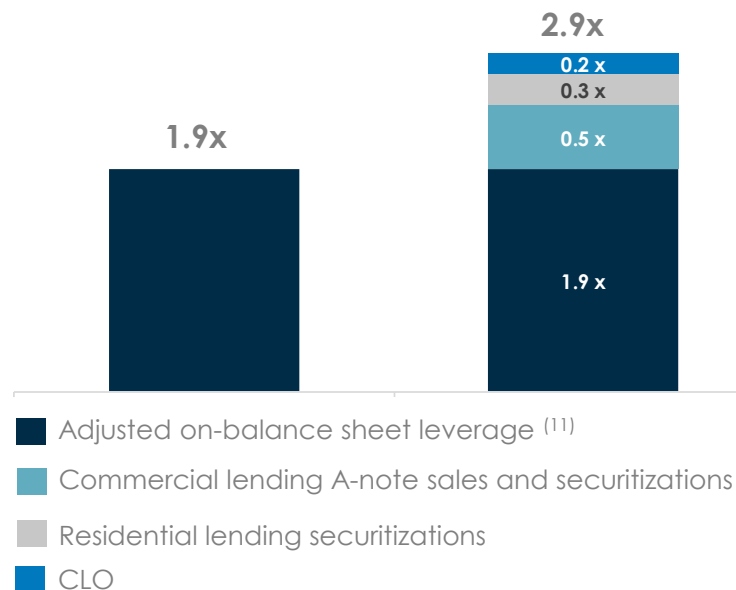
CAPITALIZATION

Capitalization Overview

Credit Metrics

- Total capitalization of \$18.8B
- Interest coverage ratio of 2.2x
- Current corporate issuer rating of Ba2/BB
- Total unencumbered assets of \$3.2B
- Unencumbered assets to unsecured debt ratio of 1.7x

Adjusted Debt-to-Equity Ratios



Book Value per Share Metrics

	Dec 31, 2019	Sept 30, 2019	June 30, 2019	Mar 31, 2019	Dec 31, 2018
Book Value per Share	\$ 16.66	\$ 16.51	\$ 16.49	\$ 16.49	\$ 16.70
Add: Accumulated depreciation & amortization	1.10	1.30	1.24	1.13	1.06
Undepreciated book value per outstanding share	\$ 17.76	\$ 17.81	\$ 17.73	\$ 17.62	\$ 17.76

NOTE: Amounts are as of December 31, 2019, unless otherwise indicated

Financing Facilities

\$ millions

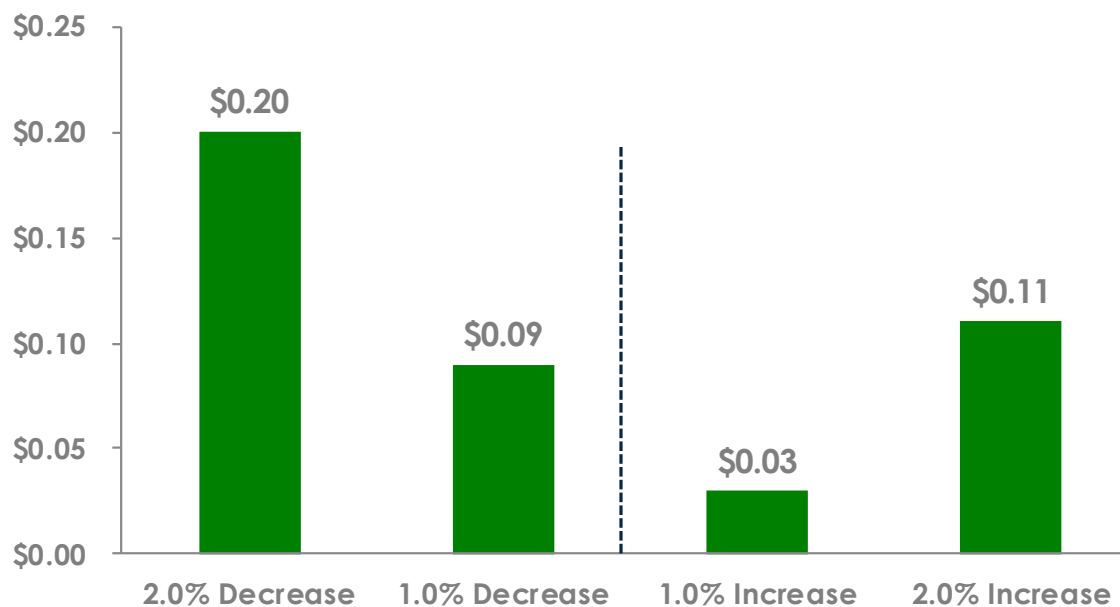
Type	Maximum Facility Size ⁽¹²⁾	Debt Obligations		
		Drawn ⁽¹²⁾	Available Capacity	
Asset Specific Financing:				
Large Loans, Commercial	\$ 9,717	\$ 3,840	\$ 5,877	
Infrastructure Lending Segment	2,272	1,220	1,052	
Property Segment	1,718	1,718	-	
Residential Loans	2,400	880	1,520	
Conduit Loans, Commercial	350	87	263	
MBS	838	682	156	
REO Portfolio	194	175	19	
Subtotal - Asset Specific Financing	\$ 17,489	\$ 8,602	\$ 8,887	
Corporate Debt:				
Convertible Senior Notes	\$ 250	\$ 250	\$ -	
Senior Unsecured Notes	1,700	1,700	-	
Term Loan	399	399	-	
Revolving Secured Financing	120	-	120	
Subtotal - Corporate Debt	\$ 2,469	\$ 2,349	\$ 120	
TOTAL DEBT:	\$ 19,958	\$ 10,951	\$ 9,007	

NOTE: As of December 31, 2019

Interest Rate Sensitivity

- 94% of the commercial loan portfolio is variable rate
- 100% of the infrastructure loan portfolio is variable rate

Annual Net Interest Income Per Share Sensitivity to Variable Rates

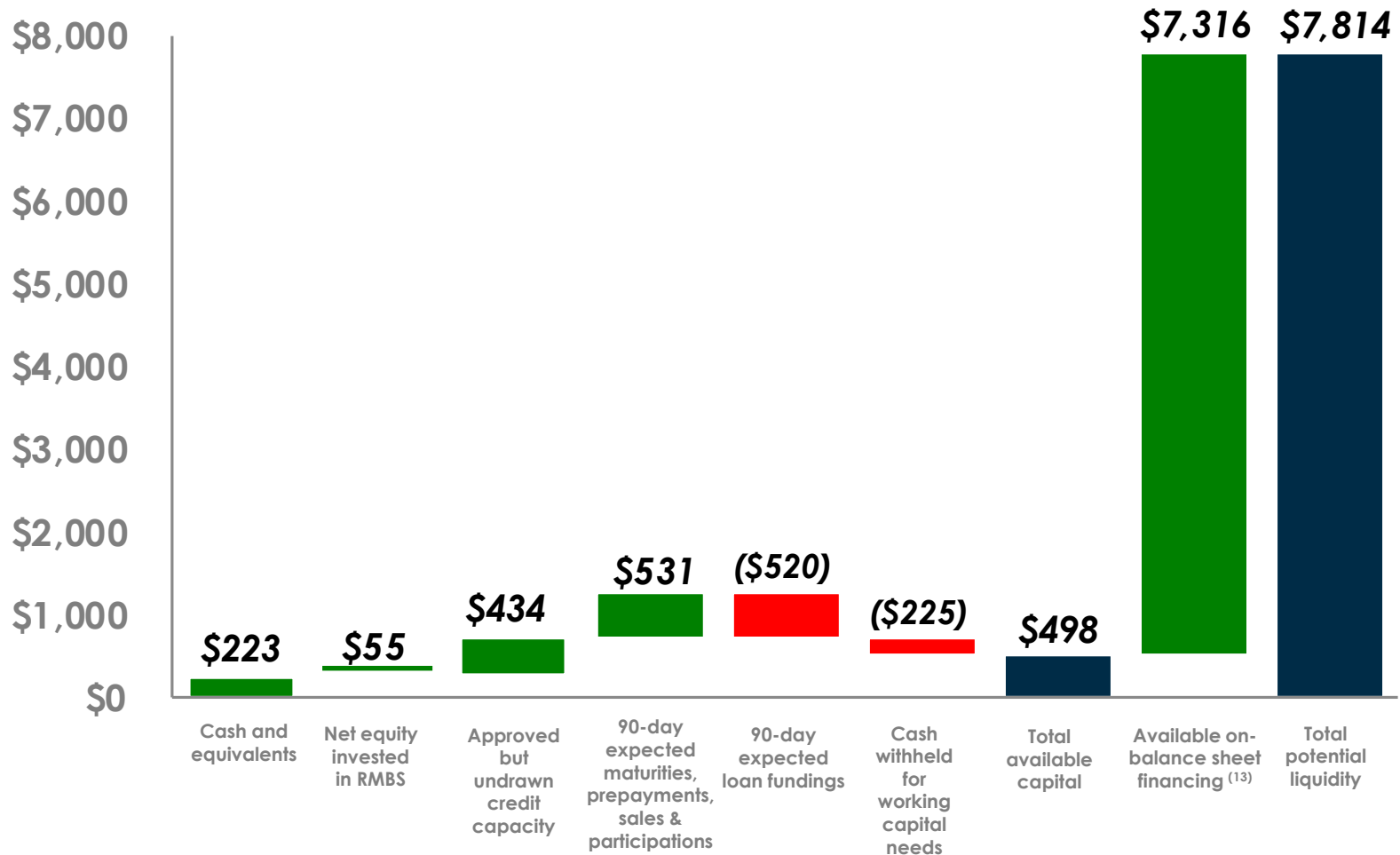


NOTE: Based on assets and liabilities as of December 31, 2019

Financial Capacity

(\$ millions)

- Capacity to originate or acquire up to an additional \$7.8B of new investments



NOTE: As of February 18, 2020

Share Count

(shares in thousands)

	2019				2019	2018
	Q4	Q3	Q2	Q1	Full Year	Full Year
Number of Shares, GAAP:						
Basic — Average shares outstanding	280,533	279,992	279,239	277,544	279,337	265,279
Effect of dilutive securities — Convertible Notes	9,649	9,649	9,649	-	9,805	22,659
Effect of dilutive securities — Other	578	271	184	154	570	546
Diluted — Average shares outstanding	290,760	289,912	289,072	277,698	289,712	288,484
Shares Outstanding	282,201	281,937	281,271	280,301	282,201	275,660
Number of Shares, Core:						
Basic — Average shares outstanding	280,533	279,992	279,239	277,544	279,337	265,279
Effect of Weighted Average Unvested Stock Awards	2,955	2,276	2,276	2,409	2,481	2,285
Effect of dilutive securities — Woodstar II OP units	10,993	11,001	11,571	11,911	11,365	8,971
Effect of dilutive securities — Other	360	38	-	-	360	546
Diluted — Average shares outstanding	294,841	293,307	293,086	291,864	293,543	277,081



APPENDIX

Company Information

Starwood Property Trust, an affiliate of global private investment firm Starwood Capital Group, is the largest commercial mortgage real estate investment trust in the United States. Additional information may be found on the Company's website, www.starwoodpropertytrust.com

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Symbol: STWD

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Robert Young, 212.553.1653

Rating

Ba2
Stable Outlook

Standard & Poor's Rating Services

Matthew T. Carroll, 212.438.3112
Brendan Browne, 212.438.7399

Rating

BB
Stable Outlook

Footnotes

1. *First mortgages include first mortgage loans and any contiguous subordinated mortgage and/or mezzanine loan components because as a whole, the expected credit quality of these loans is more similar to that of a first mortgage loan. The application of this methodology resulted in mezzanine loans with carrying values of \$967M, \$810M, \$890M, \$913M, and \$1.0B being classified as first mortgages as of December 31, 2019, September 30, 2019, June 30, 2019, March 31, 2019, and December 31, 2018, respectively.*
2. *First mortgage loans and subordinated mortgage loans are net of \$25M and \$8M of allowances for loan losses, respectively, as of December 31, 2019.*
3. *LTVs and LTCs are calculated using the methodology described in the Calculation Methodologies section of this Appendix on the following page. Single property CMBS of \$346M are included in first mortgages.*
4. *Represents the Company's entire investment, which includes all components of the capital stack that it owns (i.e., first mortgages, subordinated mortgages, mezzanine loans and preferred equity).*
5. *Includes traditional CMBS and certain other investments in unconsolidated entities as these investments are not associated with a particular region.*
6. *Includes other property types not specifically identified in the applicable table, including power plants, development site, land and car wash.*
7. *Sectors are defined as follows: Thermal – Natural Gas: power plants fueled with natural gas; Renewables: solar, wind and hydro power projects; Midstream: pipelines and storage; Other Thermal: power plants fueled with coal and pet coke.*
8. *Carrying value includes all components of the related asset, including properties, intangibles, capitalized acquisition costs and contingent consideration.*

Footnotes, continued

9. *Net operating income represents rental income less costs of rental operations and excludes interest, depreciation and amortization. It also excludes an allowance for recurring capital expenditures at multifamily properties and any other adjustments that would be made in the calculation of a cash-on-cash return.*
10. *Excludes non-controlling JV interests. CMBS 1.0 deals were originated prior to 2008. CMBS 2.0 / 3.0 deals were originated from 2009 forward. Different credit underwriting and regulatory requirements are applied to CMBS 2.0 / 3.0.*
11. *Represents (i) total outstanding secured and unsecured financing arrangements (excluding the non-recourse CLO), less cash and restricted cash; divided by (ii) undepreciated equity (ie: GAAP equity plus accumulated depreciation and amortization of \$310.8M as of December 31, 2019).*
12. *Excludes non-recourse CLO, residential lending securitizations and commercial lending A-note sales and securitizations. Drawn amounts also exclude discounts / premiums and unamortized deferred financing costs.*
13. *Does not include potential proceeds from future A-note sales or CLO securitizations.*

Calculation Methodologies

➤ Commercial and Residential 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, the Company uses 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, the Company either obtains updated appraisals, or conducts desk underwriting if the Company believes its 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 development budget. Face value of the loan is used as the numerator 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

- Core earnings is defined as GAAP net income (loss) excluding non-cash equity compensation expense, the incentive fee due to the Company's external manager, acquisition costs from successful acquisitions, depreciation and amortization of real estate and associated intangibles and 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 and, to the extent deducted from net income (loss), distributions payable with respect to equity securities of subsidiaries issued in exchange for properties or interests therein. The amount is adjusted to exclude one-time events pursuant to changes in GAAP and certain other non-cash adjustments as determined by the Company's external manager and approved by a majority of the Company's independent directors.

Special Note Regarding Forward-Looking Statements

This presentation contains certain forward-looking statements, including without limitation, statements concerning the Company's 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 the Company's 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 respective dates.

These forward-looking statements are based largely on the Company's current beliefs, assumptions and expectations of the Company's future performance taking into account all information currently available to the Company. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to the Company or within the Company's control, and which could materially affect actual results, performance or achievements. Factors that may cause actual results to vary from the Company's forward-looking statements are set forth under the caption, "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 and include, but are not limited to:

- defaults by borrowers in paying debt service on outstanding indebtedness;
- impairment in the value of real estate property securing the Company's loans or in which the Company invests;
- availability of mortgage origination and acquisition opportunities acceptable to the Company;
- potential mismatches in the timing of asset repayments and the maturity of the associated financing agreements;
- the Company's ability to integrate its prior acquisition of the project finance origination, underwriting and capital markets business of GE Capital Global Holdings, LLC into its business and to achieve the benefits that the Company anticipates from the acquisition;
- 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 of, and costs associated with, sources of liquidity.

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

In light of these risks and uncertainties, there can be no assurances that the results referred to in the forward-looking statements contained herein will in fact occur. Except to the extent required by applicable law or regulation, we undertake no obligation to, and expressly disclaim any such obligation to, update or revise any forward-looking statements to reflect changed assumptions, the occurrence of anticipated or unanticipated events, changes to future results over time or otherwise. Please keep this cautionary note in mind as you assess the information given in this presentation.



STARWOOD
PROPERTY TRUST
NYSE: STWD