

Q2
2018

SUPPLEMENTAL REPORTING INFORMATION



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Cover photo: Museum Building, Los Angeles, CA - \$214M mortgage loan



PRESS RELEASE



For Immediate Release

Starwood Property Trust Reports Results for the Quarter Ended June 30, 2018

- Quarterly GAAP Earnings of \$0.40 and Core Earnings of \$0.54 per Diluted Common Share –
 - Deploys a Record \$2.8 Billion of Capital, including \$2.2 Billion in Lending Segment –
 - Year-to-Date Capital Deployed of \$4.7 Billion, Up 63% Versus 2017 –
 - Declares Dividend of \$0.48 per share for the Third Quarter of 2018 –
- Subsequent to Quarter End, Commits to Acquire \$2.6 Billion Platform and Loan Portfolio from GE Capital –

GREENWICH, Conn., August 8, 2018 /PRNewswire/ -- Starwood Property Trust, Inc. (NYSE: STWD) today announced operating results for the fiscal quarter ended June 30, 2018. The Company's second quarter 2018 GAAP net income was \$109.2 million, or \$0.40 per diluted share, and Core Earnings (a non-GAAP financial measure) was \$148.4 million, or \$0.54 per diluted share.

"I am very pleased with the performance of our Company this quarter, with every business line continuing to perform at or above our expectations. The majority of our earnings are still derived from our primary line of business, real estate lending, where the \$2.0 billion of loan originations this quarter were the largest in our Company's history. Our property investments, residential lending platform, CMBS and conduit operations continue to enhance our enterprise, along with our special servicer, where we added 13 new special servicing assignments, the highest since we acquired LNR in 2013. With the acquisition of GE Capital's Energy Project Finance platform, we have further diversified our lending opportunity set outside of traditional real estate and have never been more excited about our Company's future," commented Barry Sternlicht, Chairman and CEO of Starwood Property Trust.

Dividend

On August 8, 2018, the Company's Board of Directors declared a dividend of \$0.48 per share of common stock for the quarter ending September 30, 2018. The dividend is payable on October 15, 2018 to common stockholders of record as of September 28, 2018.

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 webcast and conference call on Wednesday, August 8, 2018, at 10:00 a.m. Eastern Time to discuss the quarter's financial results and recent events. A webcast will be available on the Company's website at www.starwoodpropertytrust.com. 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.

To Participate in the Telephone Conference Call:

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: 13681522

The playback can be accessed through August 22, 2018.

About Starwood Property Trust, Inc.

Starwood Property Trust (NYSE: STWD), an affiliate of global private investment firm Starwood Capital Group, is the largest commercial mortgage real estate investment trust in the United States. The Company's core business focuses on originating, acquiring, financing and managing commercial mortgage loans and other commercial real estate debt and equity investments. With total capital deployed since inception of over \$44 billion, Starwood Property Trust continues to solidify its position as one of the premier real estate finance companies in the country.

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. 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 completion of pending investments, continued ability to acquire additional investments, competition within the finance and real estate industries, economic conditions, availability of financing and other risks detailed from time to time in the Company's reports filed with the SEC.

Starwood Property Trust, Inc. and Subsidiaries
Condensed Consolidated Statement of Operations by Segment
For the three months ended June 30, 2018
(Amounts in thousands)

	Lending Segment	Property Segment	Investing and Servicing Segment	Corporate	Subtotal	Investing and Servicing VIEs	Total
Revenues:							
Interest income from loans	\$ 148,268	\$ —	\$ 3,436	\$ —	\$ 151,704	\$ —	\$ 151,704
Interest income from investment securities	8,930	—	30,472	—	39,402	(28,612)	10,790
Servicing fees	50	—	24,687	—	24,737	(7,422)	17,315
Rental income	—	74,401	14,490	—	88,891	—	88,891
Other revenues	224	81	516	86	907	(51)	856
Total revenues	157,472	74,482	73,601	86	305,641	(36,085)	269,556
Costs and expenses:							
Management fees	463	—	18	26,907	27,388	106	27,494
Interest expense	34,826	19,380	5,807	31,854	91,867	(275)	91,592
General and administrative	6,251	1,971	23,855	3,367	35,444	84	35,528
Acquisition and investment pursuit costs	1,692	(52)	(79)	—	1,561	—	1,561
Costs of rental operations	—	25,991	6,906	—	32,897	—	32,897
Depreciation and amortization	16	31,738	5,396	—	37,150	—	37,150
Loan loss allowance, net	25,259	—	—	—	25,259	—	25,259
Other expense	77	—	420	—	497	—	497
Total costs and expenses	68,584	79,028	42,323	62,128	252,063	(85)	251,978
Income (loss) before other income (loss), income taxes and non-controlling interests	88,888	(4,546)	31,278	(62,042)	53,578	(36,000)	17,578
Other income (loss):							
Change in net assets related to consolidated VIEs	—	—	—	—	—	43,946	43,946
Change in fair value of servicing rights	—	—	(3,255)	—	(3,255)	1,052	(2,203)
Change in fair value of investment securities, net	482	—	15,110	—	15,592	(7,890)	7,702
Change in fair value of mortgage loans held-for-sale, net	184	—	14,649	—	14,833	—	14,833
Earnings (loss) from unconsolidated entities	1,803	2,933	1,454	—	6,190	(720)	5,470
Gain on sale of investments and other assets, net	135	2,941	10,361	—	13,437	—	13,437
Gain (loss) on derivative financial instruments, net	19,467	19,920	(398)	(6,367)	32,622	—	32,622
Foreign currency (loss) gain, net	(13,264)	(1)	1	—	(13,264)	—	(13,264)
Loss on extinguishment of debt	—	—	(186)	—	(186)	—	(186)
Other income, net	—	489	9	—	498	—	498
Total other income (loss)	8,807	26,282	37,745	(6,367)	66,467	36,388	102,855
Income (loss) before income taxes	97,695	21,736	69,023	(68,409)	120,045	388	120,433
Income tax provision	(1,720)	(611)	(1,012)	—	(3,343)	—	(3,343)
Net income (loss)	95,975	21,125	68,011	(68,409)	116,702	388	117,090
Net income attributable to non-controlling interests	(361)	(4,684)	(2,427)	—	(7,472)	(388)	(7,860)
Net income (loss) attributable to Starwood Property Trust, Inc.	\$ 95,614	\$ 16,441	\$ 65,584	\$ (68,409)	\$ 109,230	\$ —	\$ 109,230

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 June 30, 2018

(Amounts in thousands except per share data)

	Lending Segment	Property Segment	Investing and Servicing Segment	Corporate	Total
Net income (loss) attributable to Starwood Property Trust, Inc.	\$ 95,614	\$ 16,441	\$ 65,584	\$ (68,409)	\$ 109,230
Add / (Deduct):					
Non-controlling interests attributable to Woodstar II Class A Units	—	4,684	—	—	4,684
Non-cash equity compensation expense	766	87	1,317	3,667	5,837
Management incentive fee	—	—	—	5,687	5,687
Acquisition and investment pursuit costs	1,266	(67)	(57)	—	1,142
Depreciation and amortization	16	32,063	4,885	—	36,964
Loan loss allowance, net	25,259	—	—	—	25,259
Interest income adjustment for securities	(197)	—	2,695	—	2,498
Extinguishment of debt, net	—	—	—	(247)	(247)
Other non-cash items	—	(1,212)	448	895	131
Reversal of unrealized (gains) / losses on:					
Loans held-for-sale	(184)	—	(14,649)	—	(14,833)
Securities	(625)	—	(15,110)	—	(15,735)
Derivatives	(19,697)	(19,013)	58	7,151	(31,501)
Foreign currency	13,264	1	(1)	—	13,264
Earnings from unconsolidated entities	(1,803)	(2,933)	(1,454)	—	(6,190)
Recognition of realized gains / (losses) on:					
Loans held-for-sale	(1,196)	—	14,227	—	13,031
Securities	142	—	(1,978)	—	(1,836)
Derivatives	(129)	(229)	618	—	260
Foreign currency	(140)	(2)	(1)	—	(143)
Earnings from unconsolidated entities	1,558	—	1,218	—	2,776
Sales of properties	—	(155)	(1,681)	—	(1,836)
Core Earnings (Loss)	\$ 113,914	\$ 29,665	\$ 56,119	\$ (51,256)	\$ 148,442
Core Earnings (Loss) per Weighted Average Diluted Share	\$ 0.42	\$ 0.11	\$ 0.20	\$ (0.19)	\$ 0.54

Starwood Property Trust, Inc. and Subsidiaries
Condensed Consolidated Statement of Operations by Segment
For the six months ended June 30, 2018
(Amounts in thousands)

	Lending Segment	Property Segment	Investing and Servicing Segment	Corporate	Subtotal	Investing and Servicing VIEs	Total
Revenues:							
Interest income from loans	\$ 283,240	\$ —	\$ 6,084	\$ —	\$ 289,324	\$ —	\$ 289,324
Interest income from investment securities	23,369	—	64,871	—	88,240	(62,181)	26,059
Servicing fees	215	—	58,121	—	58,336	(14,954)	43,382
Rental income	—	141,111	28,890	—	170,001	—	170,001
Other revenues	418	182	744	138	1,482	(105)	1,377
Total revenues	307,242	141,293	158,710	138	607,383	(77,240)	530,143
Costs and expenses:							
Management fees	943	—	36	56,958	57,937	199	58,136
Interest expense	66,847	35,914	10,902	65,657	179,320	(545)	178,775
General and administrative	12,946	3,830	44,875	5,849	67,500	170	67,670
Acquisition and investment pursuit costs	1,912	(46)	72	—	1,938	—	1,938
Costs of rental operations	—	49,479	13,111	—	62,590	—	62,590
Depreciation and amortization	33	58,207	10,654	—	68,894	—	68,894
Loan loss allowance, net	26,797	—	—	—	26,797	—	26,797
Other expense	154	—	447	—	601	—	601
Total costs and expenses	109,632	147,384	80,097	128,464	465,577	(176)	465,401
Income (loss) before other income (loss), income taxes and non-controlling interests	197,610	(6,091)	78,613	(128,326)	141,806	(77,064)	64,742
Other income (loss):							
Change in net assets related to consolidated VIEs	—	—	—	—	—	96,599	96,599
Change in fair value of servicing rights	—	—	(12,423)	—	(12,423)	4,406	(8,017)
Change in fair value of investment securities, net	(222)	—	29,089	—	28,867	(21,314)	7,553
Change in fair value of mortgage loans held-for-sale, net	(1,508)	—	24,141	—	22,633	—	22,633
Earnings (loss) from unconsolidated entities	3,247	(582)	3,050	—	5,715	(1,707)	4,008
Gain on sale of investments and other assets, net	414	6,883	16,800	—	24,097	—	24,097
Gain (loss) on derivative financial instruments, net	8,649	21,839	4,644	(19,369)	15,763	—	15,763
Foreign currency gain (loss), net	286	1	(2)	—	285	—	285
Loss on extinguishment of debt	—	—	(186)	—	(186)	—	(186)
Other income, net	43	506	57	—	606	—	606
Total other income (loss)	10,909	28,647	65,170	(19,369)	85,357	77,984	163,341
Income (loss) before income taxes	208,519	22,556	143,783	(147,695)	227,163	920	228,083
Income tax provision	(2,667)	(1,872)	(1,660)	—	(6,199)	—	(6,199)
Net income (loss)	205,852	20,684	142,123	(147,695)	220,964	920	221,884
Net income attributable to non-controlling interests	(722)	(7,137)	(3,943)	—	(11,802)	(920)	(12,722)
Net income (loss) attributable to Starwood Property Trust, Inc.	\$ 205,130	\$ 13,547	\$ 138,180	\$ (147,695)	\$ 209,162	\$ —	\$ 209,162

Reconciliation of Net Income to Core Earnings
For the six months ended June 30, 2018
(Amounts in thousands except per share data)

	Lending Segment	Property Segment	Investing and Servicing Segment	Corporate	Total
Net income (loss) attributable to Starwood Property Trust, Inc.	\$ 205,130	\$ 13,547	\$ 138,180	\$ (147,695)	\$ 209,162
Add / (Deduct):					
Non-controlling interests attributable to Woodstar II Class A Units	—	7,137	—	—	7,137
Non-cash equity compensation expense	1,329	130	2,292	6,866	10,617
Management incentive fee	—	—	—	15,321	15,321
Acquisition and investment pursuit costs	1,385	(160)	(86)	—	1,139
Depreciation and amortization	33	58,868	9,797	—	68,698
Loan loss allowance, net	26,797	—	—	—	26,797
Interest income adjustment for securities	(394)	—	1,633	—	1,239
Extinguishment of debt, net	—	—	—	9,508	9,508
Other non-cash items	—	(1,774)	572	1,776	574
Reversal of unrealized (gains) / losses on:					
Loans held-for-sale	1,508	—	(24,141)	—	(22,633)
Securities	79	—	(29,089)	—	(29,010)
Derivatives	(9,168)	(20,449)	(5,364)	21,549	(13,432)
Foreign currency	(286)	(1)	2	—	(285)
Earnings from unconsolidated entities	(3,247)	582	(3,050)	—	(5,715)
Recognition of realized gains / (losses) on:					
Loans held-for-sale	(2,071)	—	23,870	—	21,799
Securities	142	—	(6,092)	—	(5,950)
Derivatives	(5,854)	(708)	6,149	—	(413)
Foreign currency	7,911	—	(42)	—	7,869
Earnings from unconsolidated entities	3,405	—	2,262	—	5,667
Sales of properties	—	(365)	(3,446)	—	(3,811)
Core Earnings (Loss)	\$ 226,699	\$ 56,807	\$ 113,447	\$ (92,675)	\$ 304,278
Core Earnings (Loss) per Weighted Average Diluted Share	\$ 0.84	\$ 0.21	\$ 0.41	\$ (0.34)	\$ 1.12

Starwood Property Trust, Inc. and Subsidiaries
Condensed Consolidated Balance Sheet by Segment
As of June 30, 2018
(Amounts in thousands)

	Lending Segment	Property Segment	Investing and Servicing Segment	Corporate	Subtotal	Investing and Servicing VIEs	Total
Assets:							
Cash and cash equivalents	\$ 10,303	\$ 25,141	\$ 68,853	\$ 130,211	\$ 234,508	\$ 911	\$ 235,419
Restricted cash	51,942	15,493	9,639	12,720	89,794	—	89,794
Loans held-for-investment, net	6,924,600	—	3,576	—	6,928,176	—	6,928,176
Loans held-for-sale	792,664	—	300,105	—	1,092,769	—	1,092,769
Loans transferred as secured borrowings	74,217	—	—	—	74,217	—	74,217
Investment securities	389,509	—	1,076,411	—	1,465,920	(1,023,985)	441,935
Properties, net	—	2,642,076	294,608	—	2,936,684	—	2,936,684
Intangible assets	—	104,425	86,101	—	190,526	(23,840)	166,686
Investment in unconsolidated entities	33,876	110,122	44,435	—	188,433	(21,717)	166,716
Goodwill	—	—	140,437	—	140,437	—	140,437
Derivative assets	10,748	39,184	883	—	50,815	—	50,815
Accrued interest receivable	40,180	244	1,042	13,194	54,660	—	54,660
Other assets	31,146	92,785	51,794	1,878	177,603	(25)	177,578
VIE assets, at fair value	—	—	—	—	—	48,044,873	48,044,873
Total Assets	\$ 8,359,185	\$ 3,029,470	\$ 2,077,884	\$ 158,003	\$ 13,624,542	\$ 46,976,217	\$ 60,600,759
Liabilities and Equity							
Liabilities:							
Accounts payable, accrued expenses and other liabilities	\$ 21,461	\$ 70,113	\$ 69,129	\$ 28,875	\$ 189,578	\$ 95	\$ 189,673
Related-party payable	65	—	39	25,220	25,324	—	25,324
Dividends payable	—	—	—	126,857	126,857	—	126,857
Derivative liabilities	6,321	4,736	862	24,216	36,135	—	36,135
Secured financing agreements, net	3,466,334	1,912,368	564,226	297,389	6,240,317	(23,700)	6,216,617
Unsecured senior notes, net	—	—	—	2,255,976	2,255,976	—	2,255,976
Secured borrowings on transferred loans, net	74,058	—	—	—	74,058	—	74,058
VIE liabilities, at fair value	—	—	—	—	—	46,976,428	46,976,428
Total Liabilities	3,568,239	1,987,217	634,256	2,758,533	8,948,245	46,952,823	55,901,068
Equity:							
Starwood Property Trust, Inc. Stockholders' Equity:							
Common stock	—	—	—	2,675	2,675	—	2,675
Additional paid-in capital	1,905,265	826,782	606,583	1,400,339	4,738,969	—	4,738,969
Treasury stock	—	—	—	(104,194)	(104,194)	—	(104,194)
Accumulated other comprehensive income (loss)	60,082	8,115	(63)	—	68,134	—	68,134
Retained earnings (accumulated deficit)	2,815,109	(788)	824,267	(3,899,350)	(260,762)	—	(260,762)
Total Starwood Property Trust, Inc. Stockholders' Equity	4,780,456	834,109	1,430,787	(2,600,530)	4,444,822	—	4,444,822
Non-controlling interests in consolidated subsidiaries	10,490	208,144	12,841	—	231,475	23,394	254,869
Total Equity	4,790,946	1,042,253	1,443,628	(2,600,530)	4,676,297	23,394	4,699,691
Total Liabilities and Equity	\$ 8,359,185	\$ 3,029,470	\$ 2,077,884	\$ 158,003	\$ 13,624,542	\$ 46,976,217	\$ 60,600,759

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

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HIGHLIGHTS

Business Highlights

➤ **Second Quarter:**

- Core Earnings of \$0.54 and GAAP Earnings of \$0.40 per diluted share
- Deployed \$2.8B of capital, including \$2.2B in Lending Segment
- Obtained 13 new special servicing assignments for CMBS trusts with a total unpaid principal balance of \$9.2B
- Undepreciated book value per outstanding share of \$17.85

➤ **Subsequent to Quarter End:**

- Commits to acquire \$2.6B platform and loan portfolio from GE Capital
- Received redemptions on the 2019 convertible notes with a total value of \$300M, of which the Company intends to settle \$272M in shares
- Total investment capacity of \$4.6B as of August 3, 2018
- Declares dividend of \$0.48 for the quarter ending September 30, 2018, representing an 8.6% annualized dividend yield ⁽¹⁾

NOTE: Amounts are as of and for the period ended June 30, 2018, unless otherwise indicated.

Segment Highlights

Lending

- Core and GAAP Earnings of \$114M and \$96M, respectively
- Commercial lending originations of \$2.0B, of which \$1.4B was funded
- Commercial lending repayments of \$818M
- Target portfolio carrying amount of \$7.0B, of which over 90% are first mortgages
- Target portfolio weighted average LTV of 62.4%

Property

- Core and GAAP Earnings of \$30M and \$16M, respectively
- Sold one property from the Master Lease Portfolio for a Core and GAAP gain of \$3M
- Undepreciated carrying amount of investment portfolio of \$3.1B

Investing and Servicing

- Core and GAAP Earnings of \$56M and \$66M, respectively
- Securitized or priced \$396M of conduit loans in two transactions
- Obtained 13 new special servicing assignments for CMBS trusts with a total unpaid principal balance of \$9.2B

NOTE: Amounts are as of June 30, 2018, unless otherwise indicated.

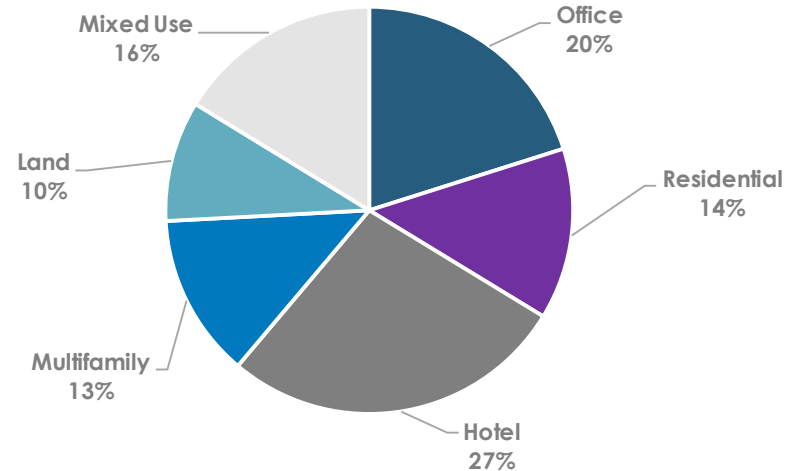


LENDING SEGMENT

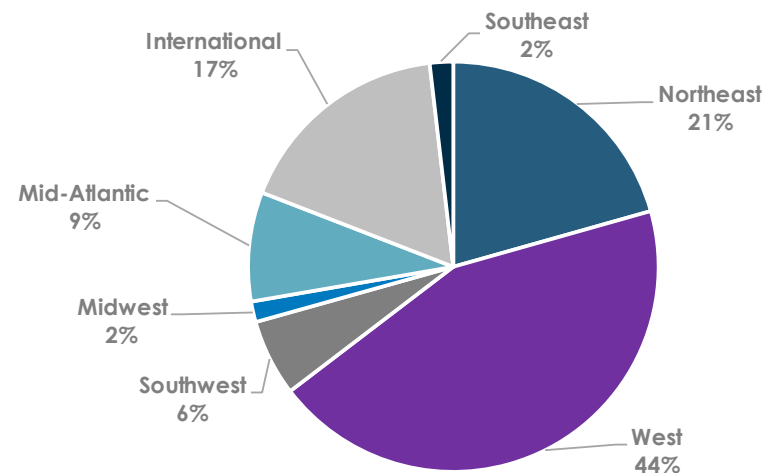
Commercial Loan Originations During the Quarter

- Originated **\$2.0B** of new loans
- Funded **\$1.4B** of new loans
 - **100%** first mortgages ⁽²⁾
 - **88%** floating rate
 - Weighted average LTV of **67.0%**
 - Average loan size: **\$113M**
- Fundings under previously originated commitments totaled **\$87M**

Property Type



Geographic Location



NOTE: Amounts are as of June 30, 2018, unless otherwise indicated.

Significant Activity During the Quarter

➤ Commercial lending investment activity of \$2.0B, including:

- \$375M first mortgage and mezzanine loan on a 10-property hotel portfolio located in California, Colorado and Florida
- \$277M first mortgage and mezzanine loan for the development of a 66-story condominium tower located in Long Island City, NY
- \$214M first mortgage bridge loan on a downtown Los Angeles department store to be converted into a mixed-use property
- £179M first mortgage for the development of a 324K square foot Class A office building located in London, England
- \$175M first mortgage and mezzanine loan for the refinancing of a loan originated by the Company in 2017 on a portfolio of four office buildings located in Tysons Corner, Virginia
- \$160M first mortgage and mezzanine loan on a 49-acre development site located in Santa Clara, California
- \$112M first mortgage, mezzanine loan and preferred equity investment for the acquisition and renovation of two hotels located in Denver, Colorado
- €101M first mortgage loan on a portfolio of six hotel and office properties primarily located in Dublin, Ireland

➤ Residential lending investment activity:

- Purchased non-agency loans of \$193M, bringing the total portfolio to \$793M with an average FICO of 724 and LTV of 63.1%
- Commits to acquire up to \$600M of non-agency loans over the next 12 months through a strategic relationship with Impac Mortgage Holdings, Inc.

NOTE: Amounts are as of and for the period ended June 30, 2018, unless otherwise indicated.

Target Portfolio Metrics

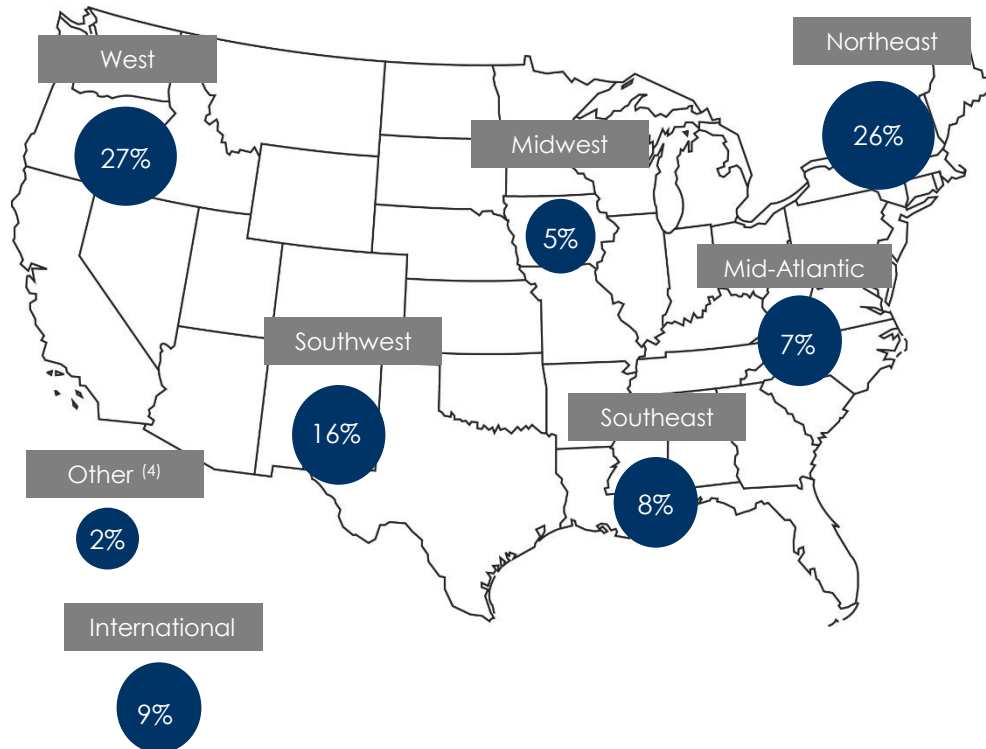
\$ millions

Asset Carrying Values	June 30, 2018	March 31, 2018	Dec 31, 2017	Sept 30, 2017	June 30, 2017
First mortgage loans held for investment ^{(2), (3)}	\$ 6,363	\$ 5,429	\$ 5,811	\$ 5,518	\$ 5,303
Subordinated mortgages held for investment ⁽³⁾	149	177	177	223	273
Mezzanine loans held for investment ⁽²⁾	386	547	545	615	629
CMBS	120	216	413	391	446
Preferred equity investments	21	20	20	20	20
Target Portfolio Carrying Values	\$ 7,039	\$ 6,389	\$ 6,966	\$ 6,767	\$ 6,671
Unlevered Returns					
First mortgage loans held for investment ⁽²⁾	6.9%	6.9%	6.7%	6.7%	6.8%
Subordinated mortgages held for investment	12.2%	11.9%	11.8%	11.4%	11.7%
Mezzanine loans held for investment ⁽²⁾	11.5%	11.4%	11.5%	11.2%	11.0%
CMBS	7.0%	6.4%	5.4%	5.0%	5.1%
Preferred equity investments	13.3%	13.3%	13.3%	13.3%	13.3%

Target Portfolio Snapshot

\$ millions

Geographic Diversification



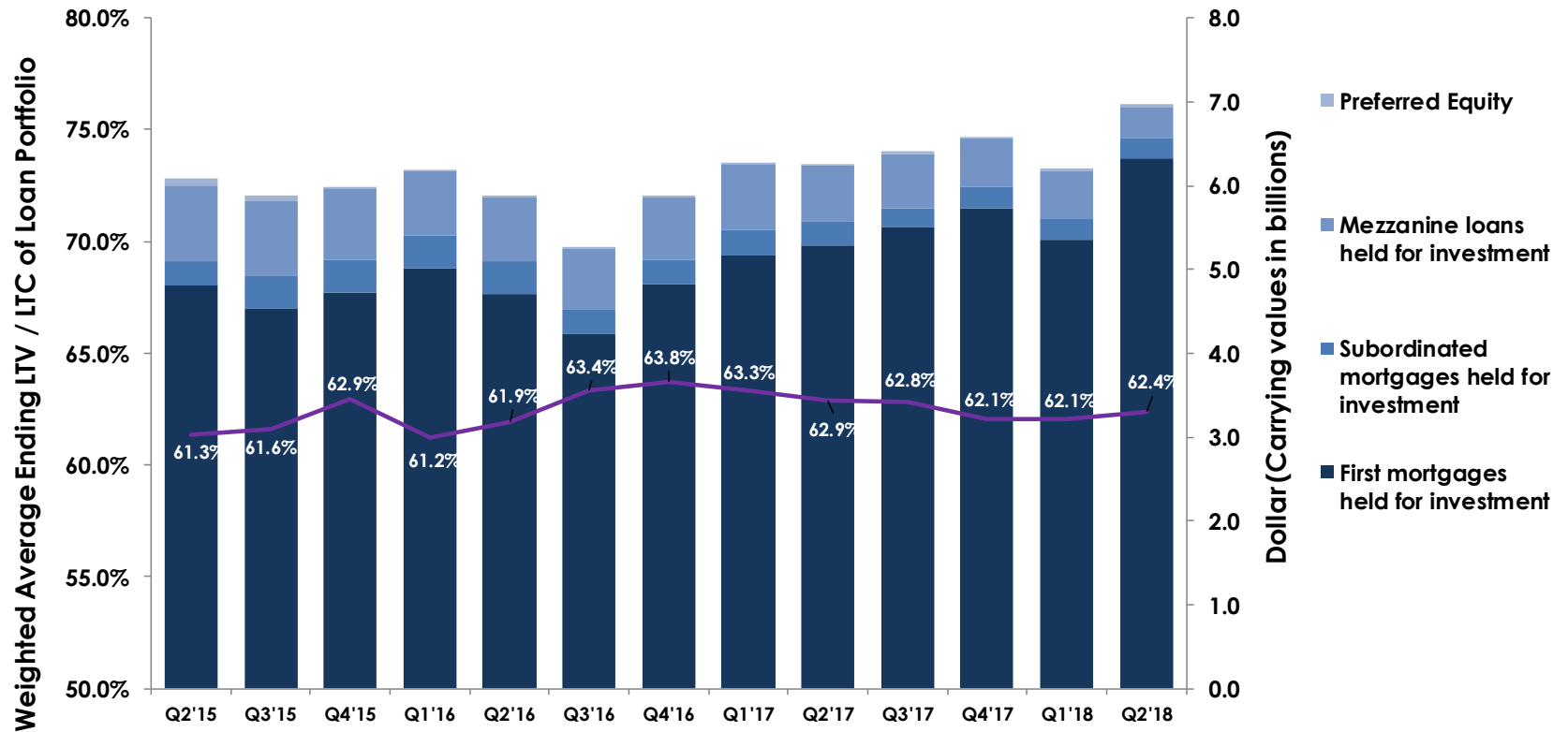
Collateral Diversification

PROPERTY TYPE						
	Carrying Value as of:					
	June 30, 2018			June 30, 2017		
Office	\$	2,274	32%	\$	1,955	29%
Hotel		1,541	22%		1,472	22%
Mixed-Use		838	12%		1,135	17%
Multifamily		882	13%		303	5%
Residential		529	8%		554	8%
Retail		191	3%		500	7%
Parking		147	2%		193	3%
Industrial		160	2%		117	2%
Other ⁽⁵⁾		477	6%		442	7%
Total	\$	7,039	100%	\$	6,671	100%

NOTE: As of June 30, 2018

Migration of Weighted Average LTV or LTC ⁽⁶⁾

\$ billions



Weighted Average LTV of Loan Portfolio ⁽⁶⁾

	First Mortgages	Subordinated Mortgages	Mezzanine Mortgages	Preferred Equity	Total ⁽⁷⁾
Beginning LTV	0.0%	8.5%	40.9%	64.9%	3.0%
Ending LTV	63.3%	44.2%	58.0%	77.9%	62.4%



PROPERTY SEGMENT

Investment Portfolio

\$ millions

- Sold one property from the Master Lease Portfolio with an aggregate carrying value of \$16M for Core and GAAP gains of \$3M

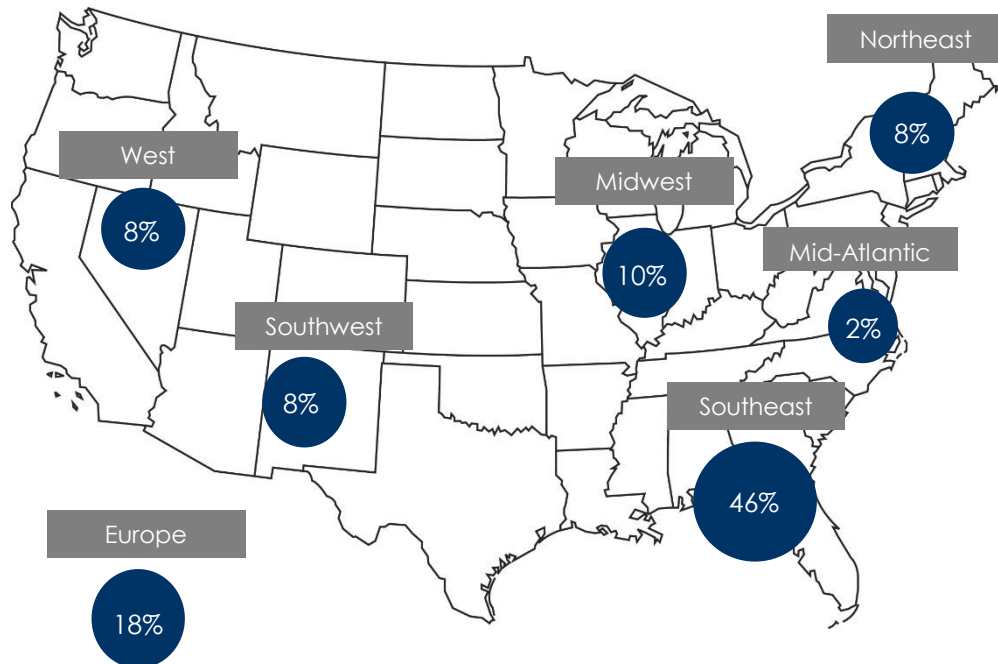
Investment	Net Carrying Value ⁽⁸⁾	Asset Specific Financing	Net Investment	Q2 2018 Net Operating Income	Occupancy Rate
Wholly-Owned:					
Medical Office Portfolio	\$ 760	\$ 484	\$ 276	\$ 12.1	92.7%
Ireland Portfolio	529	339	190	8.1	99.7%
Woodstar I Portfolio	620	408	212	10.3	98.6%
Woodstar II Portfolio	566	420	146	8.6	99.3%
Master Lease Portfolio	505	262	243	9.7	100.0%
Subtotal - Undepreciated Carrying Value	\$ 2,980	\$ 1,913	\$ 1,067	\$ 48.8 ⁽⁹⁾	
Accumulated Depreciation and Amortization	(200)	-	(200)		
Net Carrying Value	\$ 2,780	\$ 1,913	\$ 867		
Joint Venture:					
Regional Mall Portfolio	110	-	110		
Total	\$ 2,890	\$ 1,913	\$ 977		

NOTE: Amounts are as of and for the period ended June 30, 2018, unless otherwise indicated.

Portfolio Snapshot

\$ millions

Geographic Diversification ⁽¹⁰⁾



Collateral Diversification

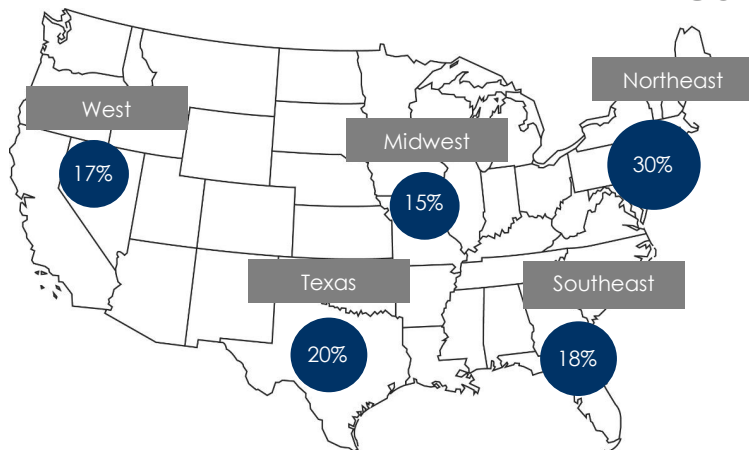
Property Type				
Undepreciated Carrying Value as of:				
	June 30, 2018		June 30, 2017	
Wholly Owned:				
Office	\$ 1,271	43%	\$ 1,263	67%
Multifamily	1,204	40%	630	33%
Retail	377	13%	-	-
Industrial	128	4%	-	-
Subtotal	\$ 2,980	100%	\$ 1,893	100%
Joint Venture:				
Retail	110	-	128	-
Total	\$ 3,090	100%	\$ 2,021	100%

NOTE: Amounts are as of and for the period ended June 30, 2018, unless otherwise indicated.

Portfolio Snapshot

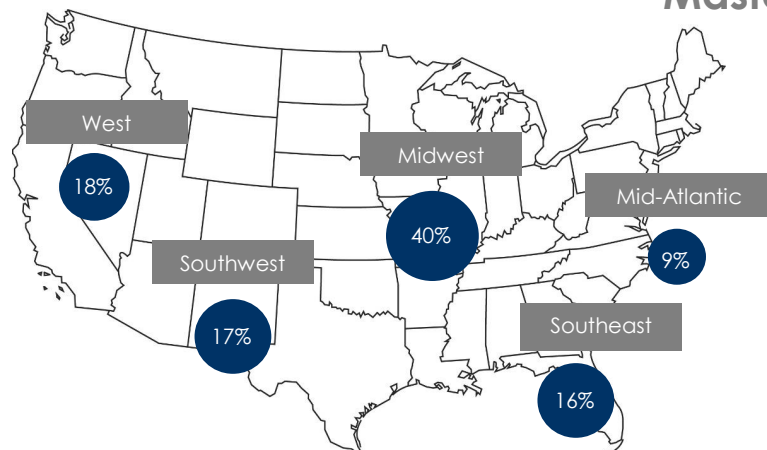
\$ millions, square footage in thousands

Medical Office Portfolio



	Gross Investment	Occupancy	Sq. Ft.
Midwest	108	91%	325
Northeast	228	100%	430
Southeast	139	94%	366
Texas	155	91%	457
West	130	87%	372
Total	\$ 760	93%	1,950

Master Lease Portfolio



	Gross Investment	Occupancy	Sq. Ft.
Midwest	\$ 201	100%	2,115
Southeast	80	100%	393
Southwest	85	100%	451
West	92	100%	878
Mid-Atlantic	47	100%	1,165
Total	\$ 505	100%	5,002

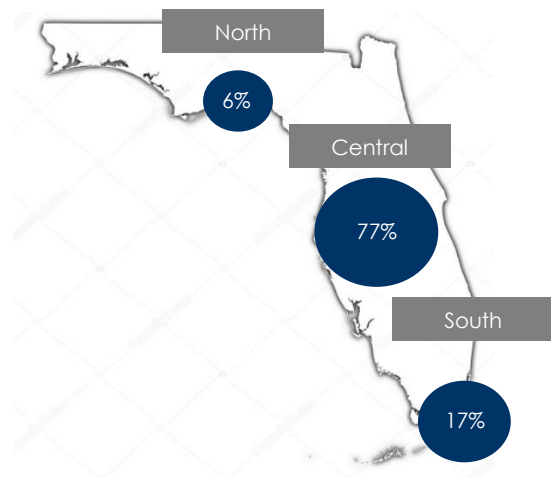
NOTE: Amounts are as of and for the period ended June 30, 2018, unless otherwise indicated.

Portfolio Snapshot

\$ millions, square footage in thousands

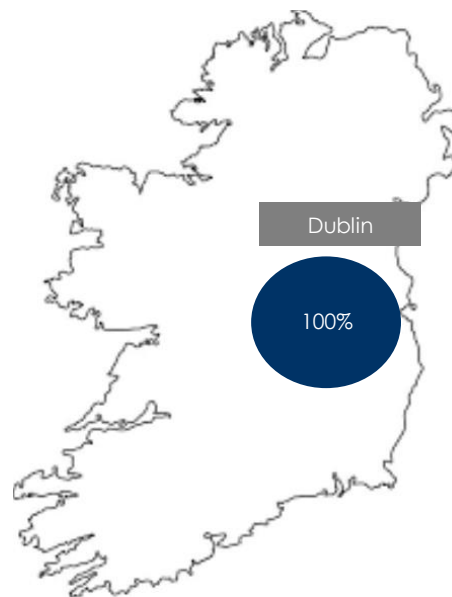
Woodstar

Florida	Gross Investment	Occupancy	Units
North	\$ 75	96%	1,230
Central	906	99%	11,567
South	205	99%	1,948
Total	\$ 1,186	99%	14,745



Ireland Portfolio

	Gross Investment	Occupancy	Sq. Ft.
Total	\$ 529	99.7%	601



NOTE: Amounts are as of and for the period ended June 30, 2018, unless otherwise indicated.



INVESTING AND SERVICING SEGMENT

Investment Portfolio

\$ millions

Significant Activity During the Quarter:

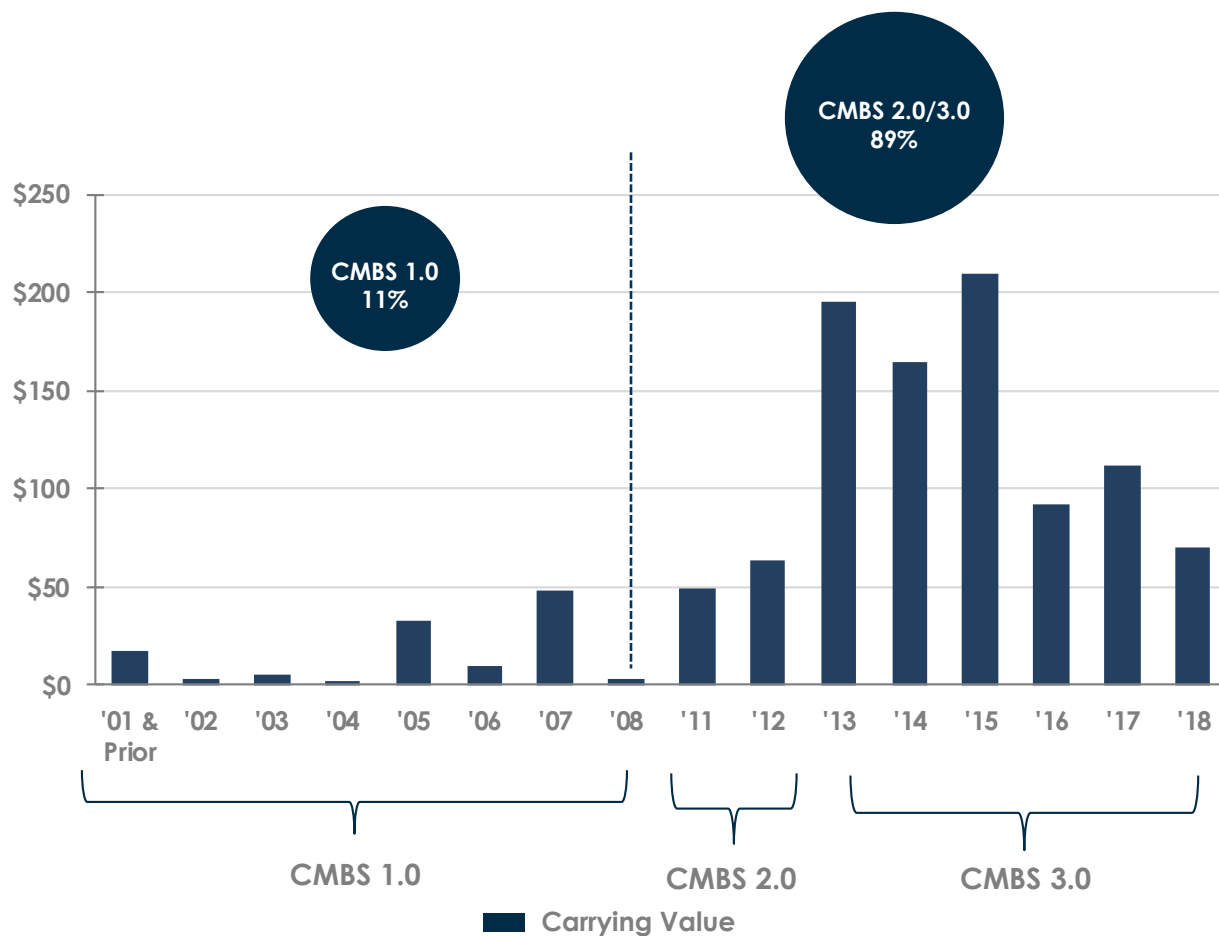
- Securitized or priced \$396M of conduit loans in two transactions
- Obtained 13 new servicing assignments for CMBS trusts with a total unpaid principal balance of \$9.2B, six of which are in the process of being transitioned to the Company
- Acquired CMBS of \$57M, net of non-controlling interest
- Sold two properties with an aggregate GAAP carrying value of \$14M for Core and GAAP gains of \$6M and \$8M, respectively

Asset Carrying Values	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017
CMBS, fair value option ⁽¹¹⁾	\$ 1,076	\$ 1,045	\$ 1,024	\$ 1,027	\$ 1,009
Properties and lease intangibles, net	329	320	314	312	312
Conduit loans	300	61	132	190	291
Investment in unconsolidated entities	44	45	51	118	89
Special servicing intangible	47	50	59	60	66
Loans held for investment	4	4	4	4	4
Total	\$ 1,800	\$ 1,525	\$ 1,584	\$ 1,711	\$ 1,771

CMBS and Special Servicing

\$ millions

Owned CMBS by Vintage (12)



NOTE: Amounts as of June 30, 2018; carrying value represents estimated fair value

LNR Special Servicer

Portfolio Stats

Named SS: (13)

of CMBS Trusts 164

Unpaid Balance \$ 73,864

Active SS:

SS Loan Balance \$ 4,011

REO Loan Balance 4,907

Total Active SS Balance \$ 8,918



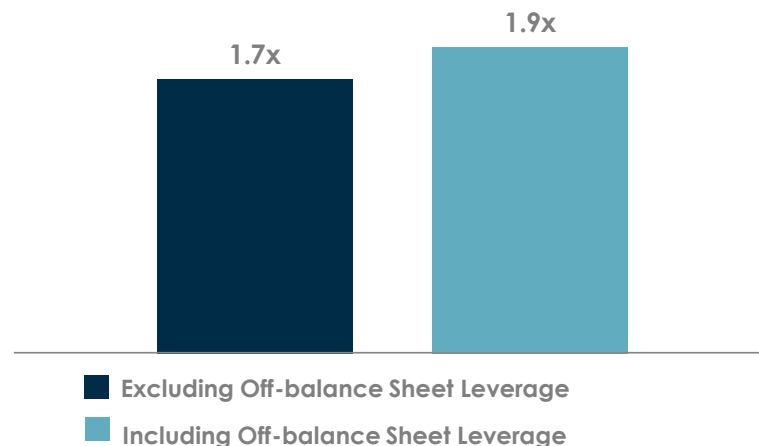
CAPITALIZATION

Capitalization Overview

Credit Metrics

- Total capitalization of \$14.2B
- Interest coverage ratio of 2.6x
- Current corporate issuer rating of Ba2/BB; Outlook Stable
- Total unencumbered assets of \$3.9B
- Unencumbered assets to unsecured debt ratio of 1.7x

Net Debt-to-Equity Ratios ⁽¹⁴⁾



Book Value per Share Metrics

	June 30, 2018	Mar 31, 2018	Dec 31, 2017	Sept 30, 2017	Jun 30, 2017
Book Value per Share	\$ 16.94	\$ 17.02	\$ 17.13	\$ 17.24	\$ 17.34
Add: Accumulated depreciation & amortization	0.91	0.78	0.67	0.57	0.48
Undepreciated book value per outstanding share	\$ 17.85	\$ 17.80	\$ 17.80	\$ 17.81	\$ 17.82

NOTE: Amounts are as of June 30, 2018, unless otherwise indicated.

Financing Facilities

\$ millions

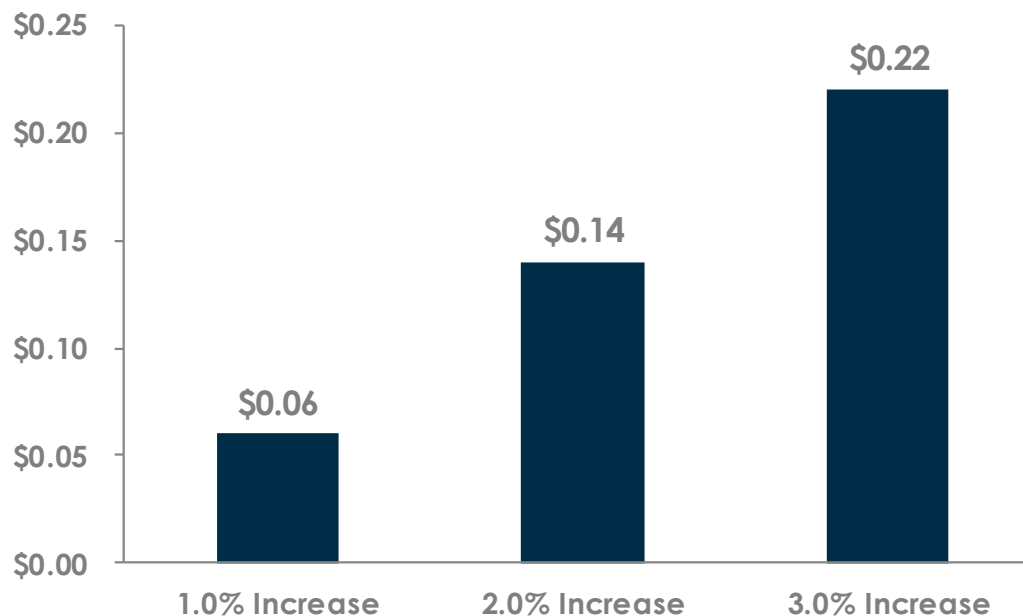
Type	Maximum Facility Size ⁽¹⁵⁾	Debt Obligations		
		Drawn ⁽¹⁶⁾	Available Capacity	
Asset Specific Financing:				
Large Loans	\$ 6,126	\$ 2,873	\$ 3,253	
Property Segment	1,965	1,932	33	
Conduit Loans, Residential	698	498	200	
Conduit Loans, Commercial	350	168	182	
MBS	493	295	198	
REO Portfolio	218	197	21	
Subtotal - Asset Specific Financing	\$ 9,850	\$ 5,963	\$ 3,887	
Corporate Debt:				
Convertible Senior Notes	\$ 591	\$ 591	\$ -	
Senior Unsecured Notes	1,700	1,700	-	
Term Loan	300	300	-	
Revolving Secured Financing	100	-	100	
Subtotal - Corporate Debt	\$ 2,691	\$ 2,591	\$ 100	
TOTAL DEBT:	\$ 12,541	\$ 8,554	\$ 3,987	

NOTE: As of June 30, 2018

Interest Rate Sensitivity

- **The Company will continue to benefit from a rising interest rate environment**
 - 94.6% of the Lending Segment's commercial loan portfolio is indexed to LIBOR

Net Interest Income Per Share Sensitivity to LIBOR

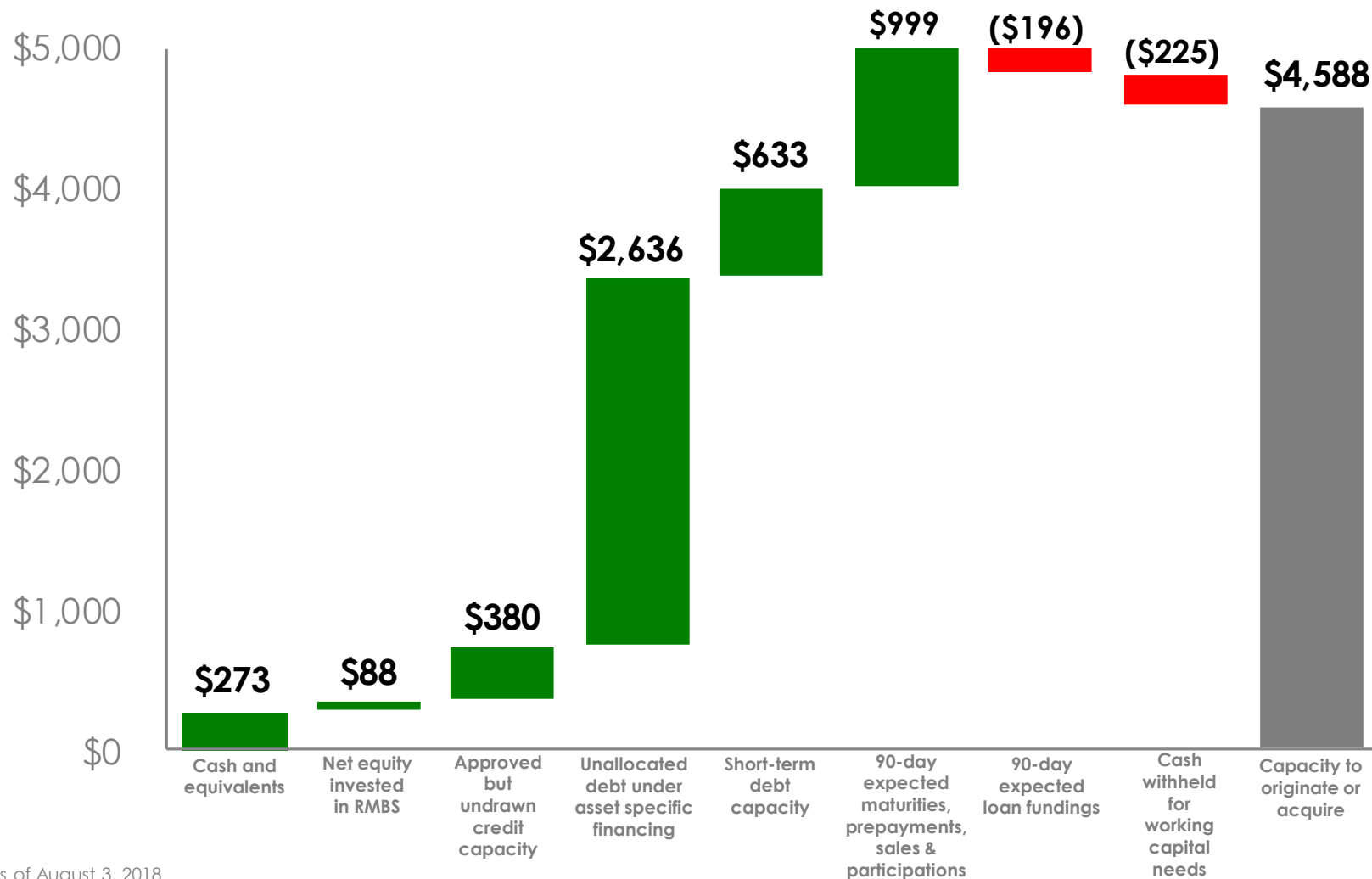


NOTE: Based on assets and liabilities as of June 30, 2018

Financial Capacity

(\$ millions)

- Capacity to originate or acquire up to an additional \$4.6B of new investments



NOTE: As of August 3, 2018

Share Count

(shares in thousands)

	2018		2018	2017				2017
	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year
Number of Shares, GAAP:								
Basic — Average shares outstanding	260,998	260,664	260,832	260,236	259,759	259,472	258,997	259,620
Effect of dilutive securities — Convertible Notes	27,134	1,209	27,044	1,942	2,313	3,142	3,220	1,899
Effect of dilutive securities — Other	178	251	164	579	365	237	224	560
Diluted — Average shares outstanding	288,310	262,124	288,040	262,757	262,437	262,851	262,441	262,079
Shares Outstanding	<u>262,362</u>	<u>261,955</u>	<u>262,362</u>	<u>261,376</u>	<u>260,800</u>	<u>260,554</u>	<u>260,227</u>	<u>261,376</u>
Number of Shares, Core:								
Basic — Average shares outstanding	260,998	260,664	260,832	260,236	259,759	259,472	258,997	259,620
Effect of Weighted Average Unvested Stock Awards	2,518	1,656	2,089	1,801	1,936	2,081	1,016	1,711
Effect of dilutive securities — Woodstar II OP units	9,759	5,143	7,463	-	N/A	N/A	N/A	-
Effect of dilutive securities — Other	128	229	128	508	236	96	121	508
Diluted — Average shares outstanding	273,403	267,692	270,512	262,545	261,931	261,649	260,134	261,839



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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Rating Agencies:

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Robert Young, 212.553.1653

Rating

Ba2
Stable Outlook

Standard & Poor's Rating Services

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Brendan Browne, 212.438.7399

Rating

BB
Stable Outlook

Footnotes

1. Based on a closing stock price of \$22.45 as of August 7, 2018.
2. 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 \$983M, \$689M, \$851M, \$1.1B and \$1.1B being classified as first mortgages as of June 30, 2018, March 31, 2018, December 31, 2017, September 30, 2017 and June 30, 2017, respectively.
3. First mortgage loans and subordinated mortgage loans are net of \$23M and \$8M of allowances for loan losses, respectively.
4. Includes traditional CMBS and certain other investments in unconsolidated entities as these investments are not associated with a particular region.
5. Includes other property types not specifically identified in the applicable table, including power plants, development site, land and car wash.
6. LTVs and LTCs are calculated using the methodology described in the Calculation Methodologies section of this Appendix on the following page.
7. 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).
8. Carrying value includes all components of the related asset, including properties, intangibles, capitalized acquisition costs and contingent consideration.
9. Net operating income represents rental income less costs of rental operations and excludes interest, depreciation and amortization.
10. Excludes interest in joint venture.

Footnotes, continued

11. Differences between face amount and carrying value are principally attributable to purchase discounts and changes in fair value. Face amounts of \$4,168M, \$4,142M, \$4,132M, \$4,075M and \$4,131M as of June 30, 2018, March 31, 2018, December 31, 2017, September 30, 2017 and June 30, 2017, respectively.
12. 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.
13. Excludes six new servicing assignments totaling \$6.1B which are in the process of being transitioned to the Company.
14. Debt represents \$8.5B of secured and unsecured financing agreements at June 30, 2018. Equity represents undepreciated equity, which equals \$4.7B of GAAP equity including non-controlling interests and increased for \$237.4M of accumulated depreciation and amortization at June 30, 2018. Debt reduced for cash of \$234.5M at June 30, 2018. Off-balance sheet leverage is created from the sale of A-notes on the commercial loan business.
15. Excludes borrowings on transferred loans.
16. Drawn amounts exclude discounts / premiums and unamortized deferred financing costs.

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, 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

- The Company calculates Core Earnings as GAAP net income (loss) excluding non-cash equity compensation expense, the incentive fee due under the Company's Management Agreement, acquisition costs for 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, 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 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 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 include, but are not limited to:

- factors described in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 and its quarterly reports on Form 10-Q for the quarters ended March 31, 2018 and June 30, 2018, 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 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;
- 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>.

If a change occurs, the Company's business, financial condition, liquidity and results of operations may vary materially from those expressed in the Company's forward-looking statements. As a result, the Company's business, financial condition, liquidity and results of operations may vary materially from those expressed in the Company's forward-looking statements. The Company undertakes 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 the Company's forward-looking statements might not occur. The Company qualifies any and all of the Company's forward-looking statements by these cautionary factors. Please keep this cautionary note in mind as you assess the information given in this presentation.



STARWOOD
PROPERTY TRUST
NYSE : STWD

