



Q2
2019

SUPPLEMENTAL REPORTING INFORMATION

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Cover photo: Scape Franklin, Melbourne, Australia - \$153M First Mortgage



PRESS RELEASE



For Immediate Release

Starwood Property Trust Reports Results for the Quarter Ended June 30, 2019

- Quarterly GAAP Earnings of \$0.45 and Core Earnings of \$0.52 per Diluted Common Share –**
- Deploys \$2.1 Billion of Capital, Including \$1.1 Billion in Commercial Lending –**
- Declares Dividend of \$0.48 per share for the Third Quarter of 2019 –**
- Subsequent to Quarter End, Executes \$2.1 Billion of Capital Transactions, Including \$1.1 Billion CRE CLO, \$500 Million Infrastructure Financing Facility, \$400 Million Term Loan B and \$100 Million Revolver –**

GREENWICH, Conn., August 7, 2019 /PRNewswire/ -- Starwood Property Trust, Inc. (NYSE: STWD) today announced operating results for the fiscal quarter ended June 30, 2019. The Company's second quarter 2019 GAAP net income was \$127.0 million, or \$0.45 per diluted share, and Core Earnings (a non-GAAP financial measure) was \$153.9 million, or \$0.52 per diluted share.

"Our strong second quarter results included positive contributions from across our business segments, led by commercial lending with \$1.1 billion of capital deployed. The performance of our Property Segment continues to strengthen as we realized over 6% rent increases across our affordable multifamily portfolio, well above our underwriting. We are also pleased with the growth of our non-agency residential lending business. We remain disciplined and focused and are well positioned to continue to deploy capital across our various cylinders with a robust pipeline of global opportunities," commented Barry Sternlicht, Chairman and CEO of Starwood Property Trust.

"This year has been the year of balance sheet restructuring. Subsequent to quarter end, we diversified and strengthened our liability structure, executing over \$2.1 billion of capital transactions and dramatically reducing our reliance on on-balance sheet bank financing. We priced the largest post-crisis CRE CLO, which we expect to close in mid-August and will provide us with a highly flexible structure and competitive expected cost of funds. We also closed a \$400 million Term Loan B facility which was attractively priced, unprecedented in structure and significantly grew our unencumbered asset base. Finally, we successfully increased financing capacity for our Infrastructure Lending platform. With this meaningful expansion of our financial capacity, we have further improved our competitive positioning as we seek to continue creating shareholder value over the long term."

Dividend

On August 7, 2019, the Company's Board of Directors declared a dividend of \$0.48 per share of common stock for the quarter ending September 30, 2019. The dividend is payable on October 15, 2019 to common stockholders of record as of September 30, 2019.

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 Wednesday, August 7, 2019, 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: 13692433

The playback can be accessed through August 14, 2019.

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 \$55 billion of capital since inception and manages a portfolio in excess of \$16 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, 2018, 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 June 30, 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	\$ 163,071	\$ 25,291	\$ —	\$ 3,104	\$ —	\$ 191,466	\$ —	\$ 191,466
Interest income from investment securities	24,367	868	—	31,163	—	56,398	(33,853)	22,545
Servicing fees	90	—	—	15,880	—	15,970	(6,962)	9,008
Rental income	—	—	72,326	14,971	—	87,297	—	87,297
Other revenues	252	7	88	515	6	868	(3)	865
Total revenues	187,780	26,166	72,414	65,633	6	351,999	(40,818)	311,181
Costs and expenses:								
Management fees	353	—	—	18	22,107	22,478	45	22,523
Interest expense	58,564	16,258	19,132	8,515	27,821	130,290	(164)	130,126
General and administrative	6,754	4,830	1,706	20,177	4,019	37,486	92	37,578
Acquisition and investment pursuit costs	160	14	—	(100)	—	74	—	74
Costs of rental operations	741	—	23,125	6,789	—	30,655	—	30,655
Depreciation and amortization	285	—	23,076	5,191	—	28,552	—	28,552
Loan loss provision, net	2,096	422	—	—	—	2,518	—	2,518
Other expense	76	—	1,173	194	—	1,443	—	1,443
Total costs and expenses	69,029	21,524	68,212	40,784	53,947	253,496	(27)	253,469
Other income (loss):								
Change in net assets related to consolidated VIEs	—	—	—	—	—	—	55,158	55,158
Change in fair value of servicing rights	—	—	—	(1,159)	—	(1,159)	243	(916)
Change in fair value of investment securities, net	(948)	—	—	15,815	—	14,867	(14,200)	667
Change in fair value of mortgage loans held-for-sale, net	5,363	—	—	16,528	—	21,891	—	21,891
Earnings from unconsolidated entities	5,492	—	1,044	2,754	—	9,290	(473)	8,817
Gain on sale of investments and other assets, net	239	2,276	—	—	—	2,515	—	2,515
Gain (loss) on derivative financial instruments, net	5,592	(2,833)	(11,147)	(6,953)	15,309	(32)	—	(32)
Foreign currency (loss) gain, net	(6,927)	(83)	(8)	1	—	(7,017)	—	(7,017)
Loss on extinguishment of debt	—	(2,816)	—	—	—	(2,816)	—	(2,816)
Total other income (loss)	8,811	(3,456)	(10,111)	26,986	15,309	37,539	40,728	78,267
Income (loss) before income taxes	127,562	1,186	(5,909)	51,835	(38,632)	136,042	(63)	135,979
Income tax (provision) benefit	(1,832)	186	—	(1,887)	—	(3,533)	—	(3,533)
Net income (loss)	125,730	1,372	(5,909)	49,948	(38,632)	132,509	(63)	132,446
Net income attributable to non-controlling interests	(21)	—	(5,355)	(117)	—	(5,493)	63	(5,430)
Net income (loss) attributable to Starwood Property Trust, Inc.	\$ 125,709	\$ 1,372	\$ (11,264)	\$ 49,831	\$ (38,632)	\$ 127,016	\$ —	\$ 127,016

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, 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.	\$ 125,709	\$ 1,372	\$ (11,264)	\$ 49,831	\$ (38,632)	\$ 127,016
Add / (Deduct):						
Non-controlling interests attributable to Woodstar II Class A Units	—	—	5,355	—	—	5,355
Non-cash equity compensation expense	911	563	77	1,702	3,811	7,064
Acquisition and investment pursuit costs	(24)	—	(88)	(305)	(356)	(773)
Depreciation and amortization	285	—	23,416	4,822	—	28,523
Loan loss provision, net	2,096	422	—	—	—	2,518
Interest income adjustment for securities	(194)	—	—	3,381	—	3,187
Extinguishment of debt, net	—	—	—	—	(246)	(246)
Other non-cash items	—	—	(452)	371	150	69
Reversal of GAAP unrealized (gains) / losses on:						
Loans held-for-sale	(5,363)	—	—	(16,528)	—	(21,891)
Securities	948	—	—	(15,815)	—	(14,867)
Derivatives	(5,519)	2,833	12,717	6,927	(15,858)	1,100
Foreign currency	6,927	83	8	(1)	—	7,017
Earnings from unconsolidated entities	(5,492)	—	(1,044)	(2,754)	—	(9,290)
Recognition of Core realized gains / (losses) on:						
Loans held-for-sale	(550)	(755)	—	20,155	—	18,850
Securities	597	—	—	(423)	—	174
Derivatives	736	(2,228)	1,484	(7,614)	—	(7,622)
Foreign currency	(1,205)	64	(8)	1	—	(1,148)
Earnings from unconsolidated entities	4,682	—	—	4,137	—	8,819
Core Earnings (Loss)	\$ 124,544	\$ 2,354	\$ 30,201	\$ 47,887	\$ (51,131)	\$ 153,855
Core Earnings (Loss) per Weighted Average Diluted Share	\$ 0.42	\$ 0.01	\$ 0.10	\$ 0.16	\$ (0.17)	\$ 0.52

Starwood Property Trust, Inc. and Subsidiaries
Condensed Consolidated Statement of Operations by Segment
For the six months ended June 30, 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	\$ 317,666	\$ 52,206	\$ —	\$ 5,010	\$ —	\$ 374,882	\$ —	\$ 374,882
Interest income from investment securities	44,275	1,753	—	55,456	—	101,484	(61,307)	40,177
Servicing fees	213	—	—	43,123	—	43,336	(9,895)	33,441
Rental income	—	—	142,847	28,283	—	171,130	—	171,130
Other revenues	456	693	166	711	26	2,052	(21)	2,031
Total revenues	362,610	54,652	143,013	132,583	26	692,884	(71,223)	621,661
Costs and expenses:								
Management fees	764	—	—	36	45,095	45,895	94	45,989
Interest expense	120,168	34,835	38,122	16,261	55,736	265,122	(324)	264,798
General and administrative	13,522	9,309	3,224	39,028	7,245	72,328	180	72,508
Acquisition and investment pursuit costs	409	30	—	(23)	—	416	—	416
Costs of rental operations	760	—	46,062	13,484	—	60,306	—	60,306
Depreciation and amortization	356	—	46,972	10,478	—	57,806	—	57,806
Loan loss provision, net	2,085	1,196	—	—	—	3,281	—	3,281
Other expense	153	—	1,307	194	—	1,654	—	1,654
Total costs and expenses	138,217	45,370	135,687	79,458	108,076	506,808	(50)	506,758
Other income (loss):								
Change in net assets related to consolidated VIEs	—	—	—	—	—	—	102,994	102,994
Change in fair value of servicing rights	—	—	—	(1,674)	—	(1,674)	(9)	(1,683)
Change in fair value of investment securities, net	(2,642)	—	—	33,955	—	31,313	(30,584)	729
Change in fair value of mortgage loans held-for-sale, net	6,749	—	—	26,408	—	33,157	—	33,157
Earnings (loss) from unconsolidated entities	6,069	—	(42,761)	3,348	—	(33,344)	(1,039)	(34,383)
Gain on sale of investments and other assets, net	2,994	3,066	—	940	—	7,000	—	7,000
(Loss) gain on derivative financial instruments, net	(3,705)	(3,228)	(9,857)	(10,385)	24,936	(2,239)	—	(2,239)
Foreign currency (loss) gain, net	(1,688)	217	1	—	—	(1,470)	—	(1,470)
(Loss) gain on extinguishment of debt	—	(6,120)	—	—	6	(6,114)	—	(6,114)
Other loss, net	—	—	—	—	(73)	(73)	—	(73)
Total other income (loss)	7,777	(6,065)	(52,617)	52,592	24,869	26,556	71,362	97,918
Income (loss) before income taxes	232,170	3,217	(45,291)	105,717	(83,181)	212,632	189	212,821
Income tax (provision) benefit	(1,584)	271	(258)	(2,296)	—	(3,867)	—	(3,867)
Net income (loss)	230,586	3,488	(45,549)	103,421	(83,181)	208,765	189	208,954
Net (income) loss attributable to non-controlling interests	(392)	—	(11,072)	98	—	(11,366)	(189)	(11,555)
Net income (loss) attributable to Starwood Property Trust, Inc.	\$ 230,194	\$ 3,488	\$ (56,621)	\$ 103,519	\$ (83,181)	\$ 197,399	\$ —	\$ 197,399

Reconciliation of Net Income to Core Earnings
For the six months ended June 30, 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.	\$ 230,194	\$ 3,488	\$ (56,621)	\$ 103,519	\$ (83,181)	\$ 197,399
Add / (Deduct):						
Non-controlling interests attributable to Woodstar II Class A Units	—	—	11,072	—	—	11,072
Non-cash equity compensation expense	1,617	1,114	146	3,052	7,498	13,427
Management incentive fee	—	—	—	—	173	173
Acquisition and investment pursuit costs	(62)	2	(177)	(305)	(356)	(898)
Depreciation and amortization	356	—	47,627	9,737	—	57,720
Loan loss provision, net	2,085	1,196	—	—	—	3,281
Interest income adjustment for securities	(391)	—	—	9,353	—	8,962
Extinguishment of debt, net	—	—	—	—	(1,457)	(1,457)
Other non-cash items	—	—	(886)	508	318	(60)
Reversal of GAAP unrealized (gains) / losses on:					—	
Loans held-for-sale	(6,749)	—	—	(26,408)	—	(33,157)
Securities	2,642	—	—	(33,955)	—	(31,313)
Derivatives	3,986	3,228	13,033	10,251	(26,002)	4,496
Foreign currency	1,688	(217)	(1)	—	—	1,470
(Earnings) loss from unconsolidated entities	(6,069)	—	42,761	(3,348)	—	33,344
Recognition of Core realized gains / (losses) on:					—	
Loans held-for-sale	(1,203)	(755)	—	27,585	—	25,627
Securities	597	—	—	7,109	—	7,706
Derivatives	823	(1,460)	1,851	(9,239)	—	(8,025)
Foreign currency	(814)	(827)	1	9	—	(1,631)
Earnings (loss) from unconsolidated entities	4,780	—	(68,905)	12,870	—	(51,255)
Sales of properties	—	—	—	(76)	—	(76)
Core Earnings (Loss)	\$ 233,480	\$ 5,769	\$ (10,099)	\$ 110,662	\$ (103,007)	\$ 236,805
Core Earnings (Loss) per Weighted Average Diluted Share	\$ 0.80	\$ 0.02	\$ (0.04)	\$ 0.38	\$ (0.35)	\$ 0.81

Starwood Property Trust, Inc. and Subsidiaries
Condensed Consolidated Balance Sheet by Segment
As of June 30, 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	\$ 21,709	\$ 126	\$ 30,493	\$ 27,082	\$ 253,779	\$ 333,189	\$ 1,099	\$ 334,288
Restricted cash	34,070	111,076	21,598	15,166	—	181,910	—	181,910
Loans held-for-investment, net	7,406,274	1,356,511	—	1,431	—	8,764,216	—	8,764,216
Loans held-for-sale	1,156,778	214,501	—	215,620	—	1,586,899	—	1,586,899
Investment securities	957,783	55,332	—	1,015,379	—	2,028,494	(1,178,922)	849,572
Properties, net	27,150	—	2,476,175	268,635	—	2,771,960	—	2,771,960
Intangible assets	—	—	80,840	72,720	—	153,560	(24,083)	129,477
Investment in unconsolidated entities	36,336	—	71,601	34,536	—	142,473	(22,597)	119,876
Goodwill	—	119,409	—	140,437	—	259,846	—	259,846
Derivative assets	21,604	357	17,857	44	13,814	53,676	—	53,676
Accrued interest receivable	42,644	5,512	350	366	13,277	62,149	(769)	61,380
Other assets	15,048	4,645	71,166	66,564	9,222	166,645	10	166,655
VIE assets, at fair value	—	—	—	—	—	—	57,667,606	57,667,606
Total Assets	\$ 9,719,396	\$ 1,867,469	\$ 2,770,080	\$ 1,857,980	\$ 290,092	\$ 16,505,017	\$ 56,442,344	\$ 72,947,361
Liabilities and Equity								
Liabilities:								
Accounts payable, accrued expenses and other liabilities	\$ 33,625	\$ 4,099	\$ 61,947	\$ 68,021	\$ 53,666	\$ 221,358	\$ 76	\$ 221,434
Related-party payable	—	—	—	11	21,133	21,144	—	21,144
Dividends payable	—	—	—	—	136,424	136,424	—	136,424
Derivative liabilities	5,966	435	—	2,490	—	8,891	—	8,891
Secured financing agreements, net	5,177,123	1,237,526	1,882,956	702,781	298,451	9,298,837	(13,950)	9,284,887
Unsecured senior notes, net	—	—	—	—	1,924,711	1,924,711	—	1,924,711
VIE liabilities, at fair value	—	—	—	—	—	—	56,446,619	56,446,619
Total Liabilities	5,216,714	1,242,060	1,944,903	773,303	2,434,385	11,611,365	56,432,745	68,044,110
Equity:								
Starwood Property Trust, Inc. Stockholders' Equity:								
Common stock	—	—	—	—	2,864	2,864	—	2,864
Additional paid-in capital	1,203,757	624,494	625,962	49,768	2,599,790	5,103,771	—	5,103,771
Treasury stock	—	—	—	—	(104,194)	(104,194)	—	(104,194)
Accumulated other comprehensive income (loss)	53,050	—	4,139	(65)	—	57,124	—	57,124
Retained earnings (accumulated deficit)	3,245,875	915	(43,051)	1,017,156	(4,642,753)	(421,858)	—	(421,858)
Total Starwood Property Trust, Inc. Stockholders' Equity	4,502,682	625,409	587,050	1,066,859	(2,144,293)	4,637,707	—	4,637,707
Non-controlling interests in consolidated subsidiaries	—	—	238,127	17,818	—	255,945	9,599	265,544
Total Equity	4,502,682	625,409	825,177	1,084,677	(2,144,293)	4,893,652	9,599	4,903,251
Total Liabilities and Equity	\$ 9,719,396	\$ 1,867,469	\$ 2,770,080	\$ 1,857,980	\$ 290,092	\$ 16,505,017	\$ 56,442,344	\$ 72,947,361



HIGHLIGHTS

Business Highlights

➤ **Second Quarter:**

- Core earnings of \$0.52 and GAAP earnings of \$0.45 per diluted share
- Capital deployed of \$2.1B across all segments, including \$1.1B in Commercial Lending
- Undepreciated book value per outstanding share of \$17.73

➤ **Subsequent to Quarter End:**

- Priced inaugural CRE CLO
 - At \$1.1B, represents the largest transaction completed in the CRE sector post-crisis
 - 24-month reinvestment period and the ability to reinvest an incremental \$110M thereafter
- Closed on a \$400M Term Loan B facility
 - Replaced existing December 2021 Term Loan A
 - 7-year term; priced at L+250; unencumbered over \$400M of assets
- Closed on a \$100M Revolver
 - Replaced existing December 2021 revolver
 - 5-year term
- Closed on a \$500M financing facility for our Infrastructure Lending segment
 - 3-year revolving period with two one-year extensions, plus 5 years of match term
- Completed fourth non-agency residential securitization, selling \$546M of loans

NOTE: Amounts are as of June 30, 2019, unless otherwise indicated; please refer to the Calculation Methodologies section herein for the definition of Core earnings

Segment Highlights – Second Quarter 2019

Commercial & Residential Lending

- Commercial:
 - Originated \$1.1B of loans, 19% of which were international
 - Repayments of \$763M and A-note sales of \$103M
 - Portfolio carrying amount of \$8.1B with weighted average LTV of 64.6%
- Non-agency Residential:
 - Purchased \$501M of non-agency loans
 - Loan portfolio carrying amount of \$1.2B with weighted average LTV of 66.4%

Infrastructure Lending

- Received \$174M of proceeds from loan sales and \$77M from loan and bond maturities and principal repayments
- Portfolio carrying amount of \$1.6B

Property

- Undepreciated carrying amount of investment portfolio of \$2.9B
- Achieved Woodstar I and II multifamily rent increases in excess of 6% effective June 1, 2019

Investing and Servicing

- Securitized \$345M of loans in three transactions
- Obtained five new special servicing assignments (\$4.3B UPB)

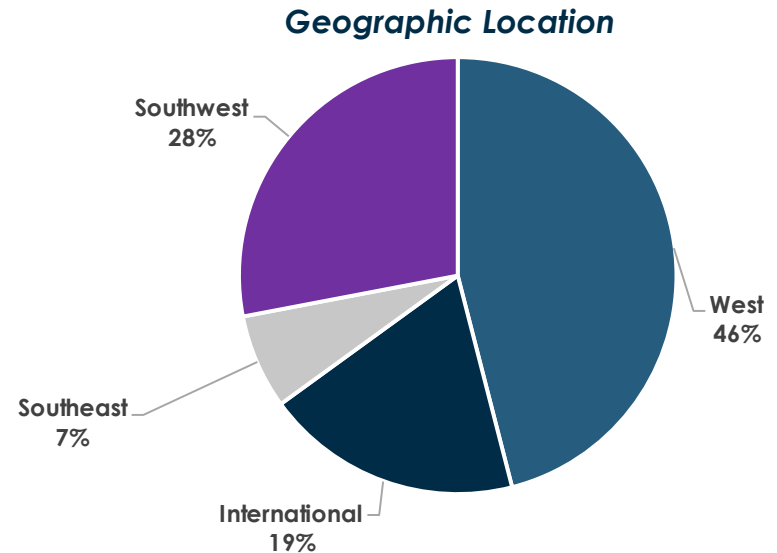
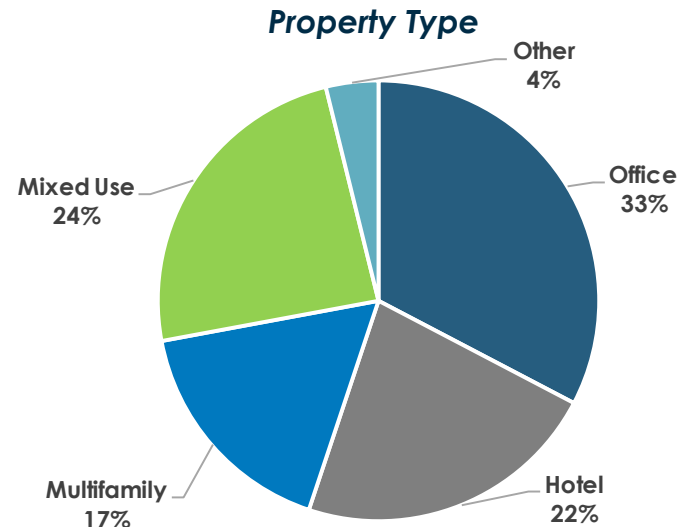
NOTE: Amounts are as of June 30, 2019, unless otherwise indicated; please refer to the Calculation Methodologies section herein for the definition of Core earnings



COMMERCIAL AND RESIDENTIAL LENDING SEGMENT

Commercial Lending Activity During the Quarter

- Originations of **\$1.1B**
 - **\$496M** funded
 - Weighted average LTV of **63.8%**
 - **\$109M** average loan size
 - **100%** of domestic loans contain LIBOR floors
- Fundings under previously originated commitments of **\$216M**
- Loan repayments of **\$763M**
- First mortgage (A-note) loan sales of **\$103M**



NOTE: Amounts are as of June 30, 2019, unless otherwise indicated.

Significant Activity During the Quarter

➤ **Commercial lending investment activity of \$1.1B, including:**

- \$258M first mortgage loan for the construction of an 800,000 square foot office campus on 18.1 acres located in California that is pre-leased to an investment grade tenant
- \$205M first mortgage loan for the development and conversion of an office tower into a mixed-use property located in Texas
- AU\$222M (\$153M) first mortgage loan for the development of a mixed-use residential tower located in Australia
- \$105M first mortgage and mezzanine loan for the acquisition and renovation of a 34-story full-service hotel located in Texas
- \$99M first mortgage and mezzanine loan for the refinancing of a 23-story Class A office building located in Hawaii

NOTE: Amounts are as of and for the period ended June 30, 2019, unless otherwise indicated.

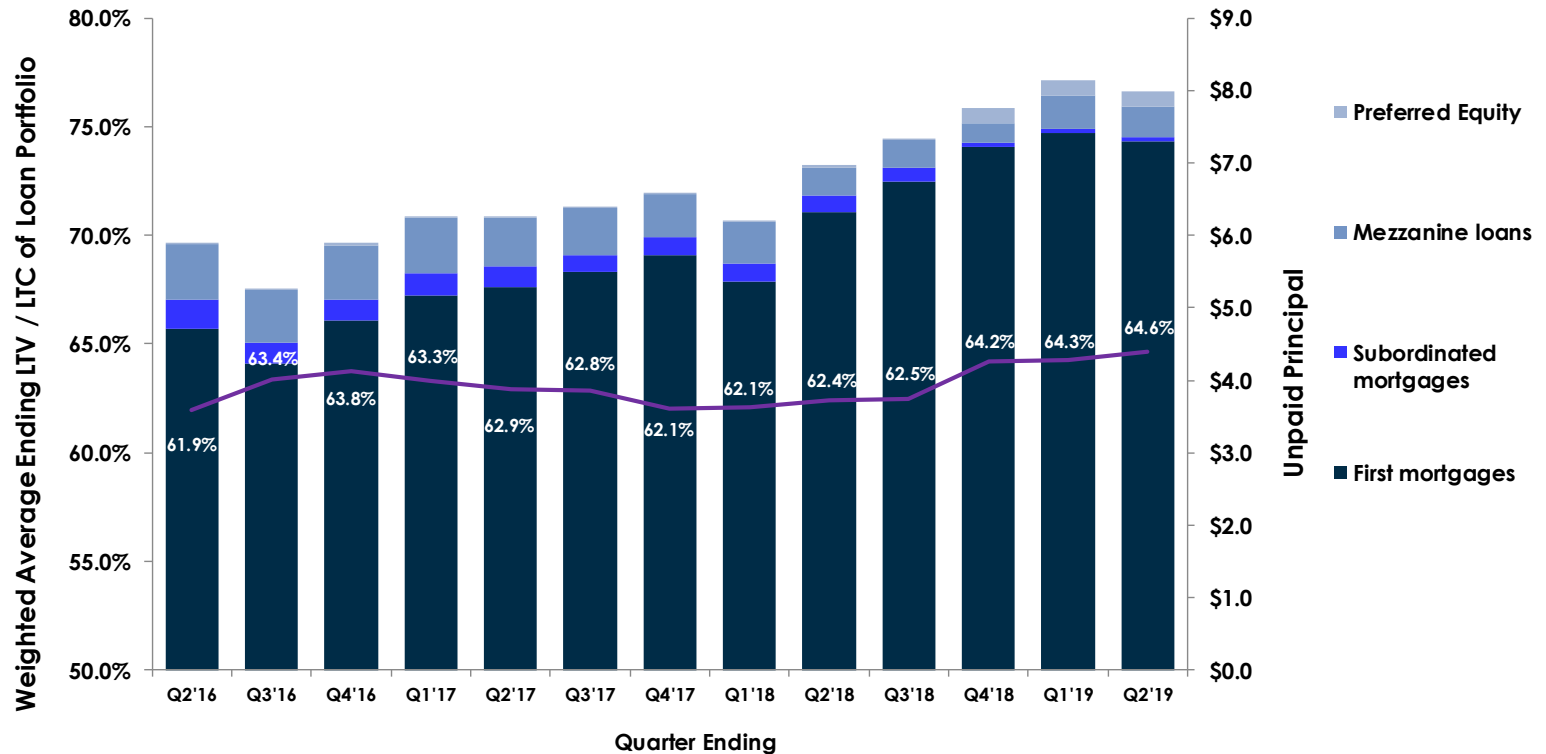
Commercial Portfolio Metrics

\$ millions

Asset Carrying Values	June 30, 2019	March 31, 2019	Dec 31, 2018	Sept 30, 2018	June 30, 2018
First mortgage loans ^{(1), (2)}	\$ 6,853	\$ 6,828	\$ 6,619	\$ 6,540	\$ 6,363
Subordinated mortgages ⁽²⁾	45	45	45	180	149
Mezzanine loans ⁽¹⁾	446	579	394	352	386
CMBS	507	560	567	433	120
Preferred equity investments	206	206	175	-	21
Commercial Portfolio Carrying Values	\$ 8,057	\$ 8,218	\$ 7,800	\$ 7,505	\$ 7,039
Unlevered Returns					
First mortgage loans ⁽¹⁾	6.8%	6.9%	7.0%	6.9%	6.9%
Subordinated mortgages	9.4%	9.4%	9.4%	11.8%	12.2%
Mezzanine loans ⁽¹⁾	12.1%	12.8%	11.6%	11.7%	11.5%
CMBS	6.9%	7.1%	7.2%	7.1%	7.0%
Preferred equity investments	7.8%	7.8%	7.8%	N/A	13.3%

Commercial Weighted Average LTV or LTC ⁽³⁾

\$ billions



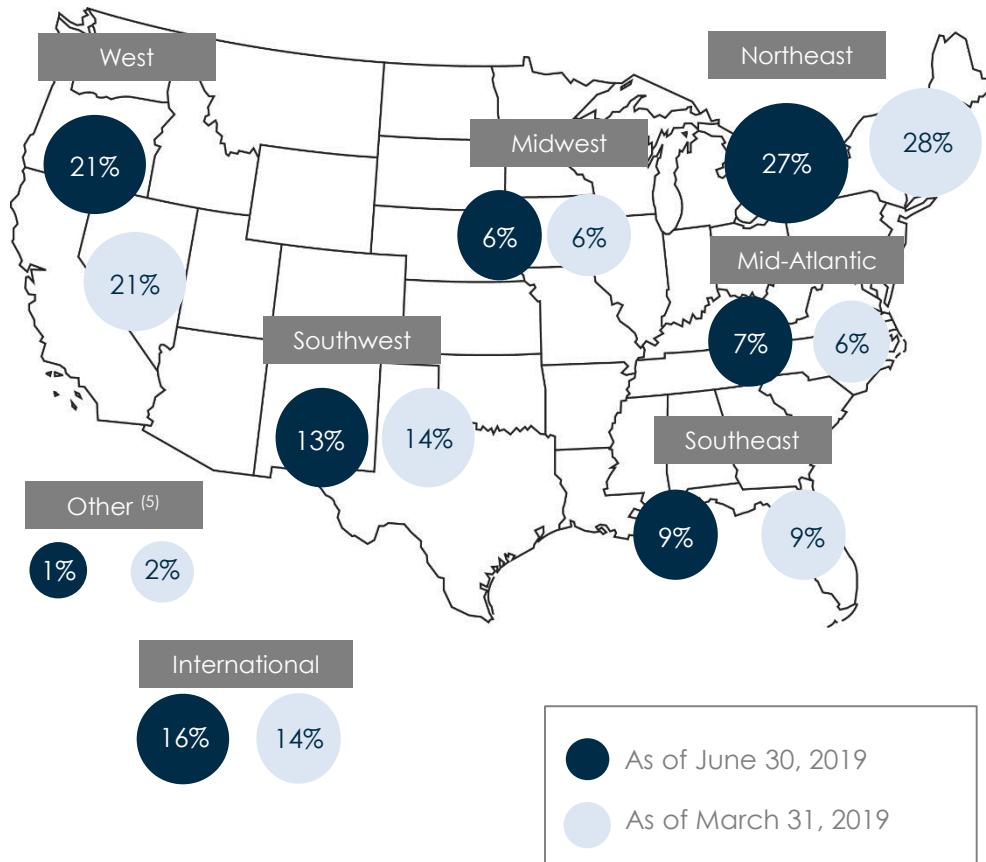
Weighted Average LTV of Loan Portfolio ⁽³⁾

	First Mortgages	Subordinated Mortgages	Mezzanine Mortgages	Preferred Equity	Total ⁽⁴⁾
Beginning LTV	0.0%	49.0%	46.5%	52.1%	4.1%
Ending LTV	64.6%	74.1%	64.7%	65.0%	64.6%

Commercial Portfolio Snapshot

\$ millions

Geographic Diversification



Collateral Diversification

PROPERTY TYPE	Carrying Value as of:			
	June 30, 2019		March 31, 2019	
Office	\$	2,982 37%	\$	3,050 37%
Hotel		1,820 22%		1,785 22%
Mixed-Use		1,123 14%		1,219 15%
Multifamily		1,020 13%		1,055 13%
Residential		484 6%		426 5%
Retail		230 3%		202 2%
Industrial		63 1%		122 2%
Other ⁽⁶⁾		335 4%		358 4%
Total	\$	8,057 100%	\$	8,218 100%

Residential Portfolio Metrics

\$ millions

➤ **Residential lending investment activity:**

- Purchased non-agency loans of **\$501M**, bringing the total loan portfolio to **\$1,157M** with an average **FICO of 730** and **LTV of 66.4%**

Asset Carrying Values	June 30, 2019	March 31, 2019	Dec 31, 2018	Sept 30, 2018	June 30, 2018
Loans	\$ 1,157	\$ 688	\$ 624	\$ 627	\$ 793
Non-agency RMBS	63	109	88	45	-
RMBS, available for sale	201	205	209	228	236
Residential Portfolio Carrying Values	\$ 1,421	\$ 1,002	\$ 921	\$ 900	\$ 1,029
Unlevered Returns					
Loans	6.1%	6.0%	6.1%	6.1%	6.0%
Non-agency RMBS	10.7%	8.4%	8.0%	8.4%	N/A
RMBS, available for sale	11.4%	11.8%	11.7%	12.1%	10.5%

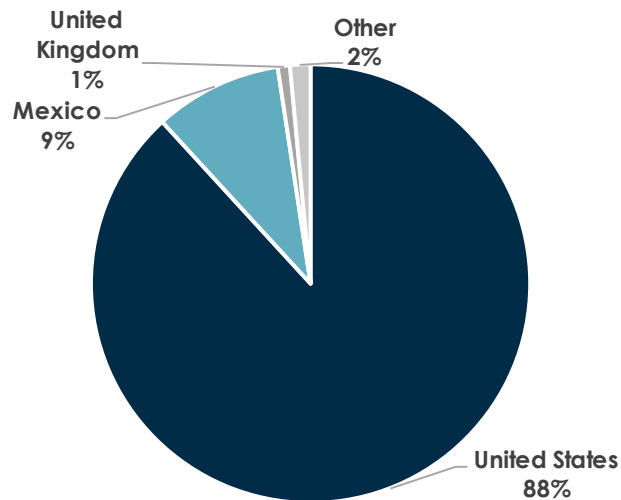


INFRASTRUCTURE LENDING

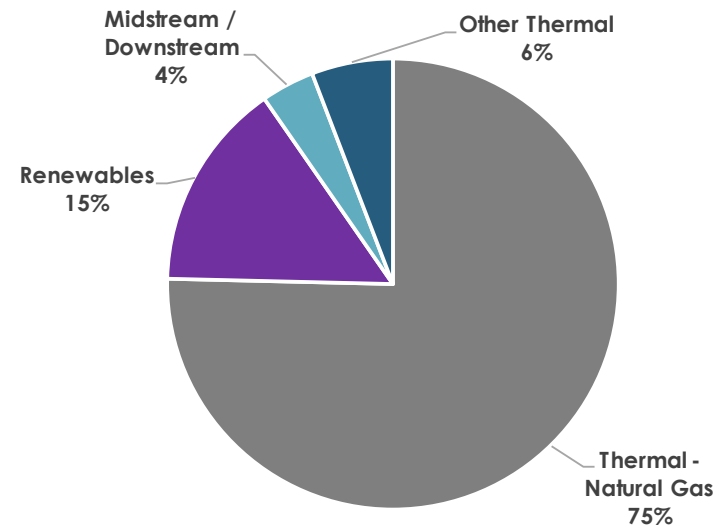
Portfolio Metrics and Activity During the Quarter

- Received **\$251M** from sales (**\$174M**) and maturities / principal repayments (**\$77M**)
- Funded **\$39M** under existing loan commitments
- Purchased **\$25M** of loans, **100%** of which were floating rate, bringing the total loans acquired after the 2018 GE acquisition to **\$358M**
- Total portfolio carrying amount of **\$1.6B**

Portfolio by Geographic Location



Portfolio by Sector ⁽⁷⁾



NOTE: Amounts are as of June 30, 2019



PROPERTY SEGMENT

Investment Portfolio

\$ millions

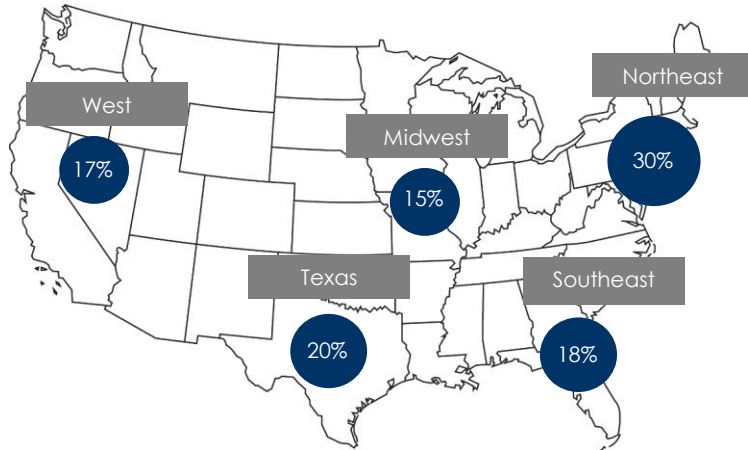
Investment	Net Carrying Value ⁽⁸⁾	Asset Specific Financing	Net Investment	Q2 2019 Net Operating Income	Occupancy Rate
Wholly-Owned:					
Medical Office Portfolio	\$ 759	\$ 489	\$ 270	13.2	92.4%
Ireland Portfolio	520	358	162	7.5	97.7%
Woodstar I Portfolio	626	406	220	11.8	98.5%
Woodstar II Portfolio	604	438	166	10.0	99.4%
Master Lease Portfolio	344	192	152	6.6	100.0%
Subtotal - Undepreciated Carrying Value	\$ 2,853	\$ 1,883	\$ 970	49.1 ⁽⁹⁾	
Accumulated Depreciation and Amortization	(295)	-	(295)		
Net Carrying Value	\$ 2,558	\$ 1,883	\$ 675		
Joint Venture:					
Regional Mall Portfolio	72	-	72		
Total	\$ 2,630	\$ 1,883	\$ 747		

NOTE: Amounts are as of and for the period ended June 30, 2019, unless otherwise indicated

Portfolio Snapshot

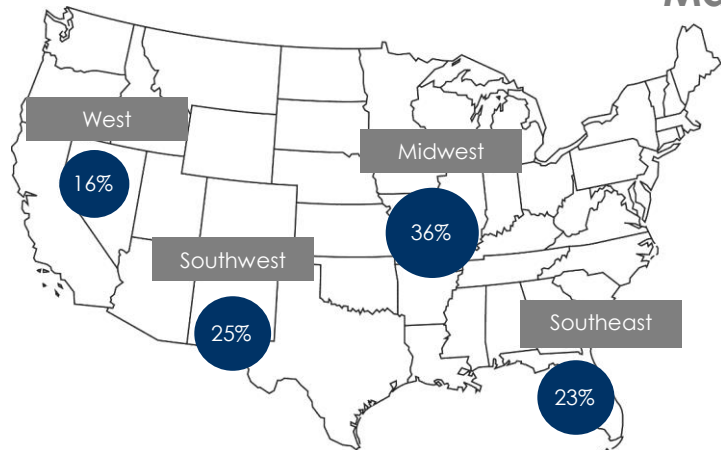
\$ millions, square footage in thousands

Medical Office Portfolio



	Gross Investment	Occupancy	Sq. Ft.
Midwest	\$ 108	88%	325
Northeast	228	100%	430
Southeast	139	93%	366
Texas	153	92%	457
West	130	88%	372
Total	\$ 759	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

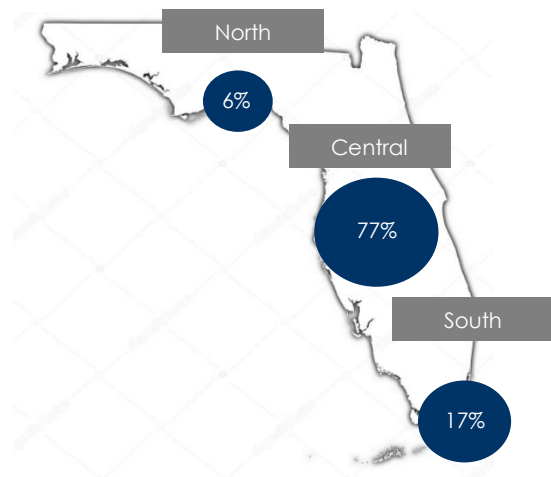
NOTE: Amounts are as of and for the period ended June 30, 2019, unless otherwise indicated.

Portfolio Snapshot

\$ millions, square footage in thousands

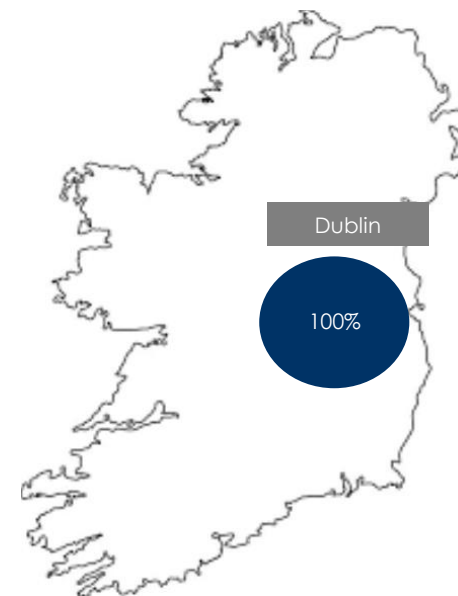
Woodstar I and II

Florida	Gross Investment	Occupancy	Units
North	\$ 76	95%	1,230
Central	947	99%	11,879
South	207	99%	1,948
Total	\$ 1,230	99%	15,057



Ireland Portfolio

	Gross Investment	Occupancy	Sq. Ft.
Total	\$ 520	97.7%	608



NOTE: Amounts are as of and for the period ended June 30, 2019, unless otherwise indicated.



INVESTING AND SERVICING SEGMENT

Investment Portfolio

\$ millions

Significant Activity During the Quarter:

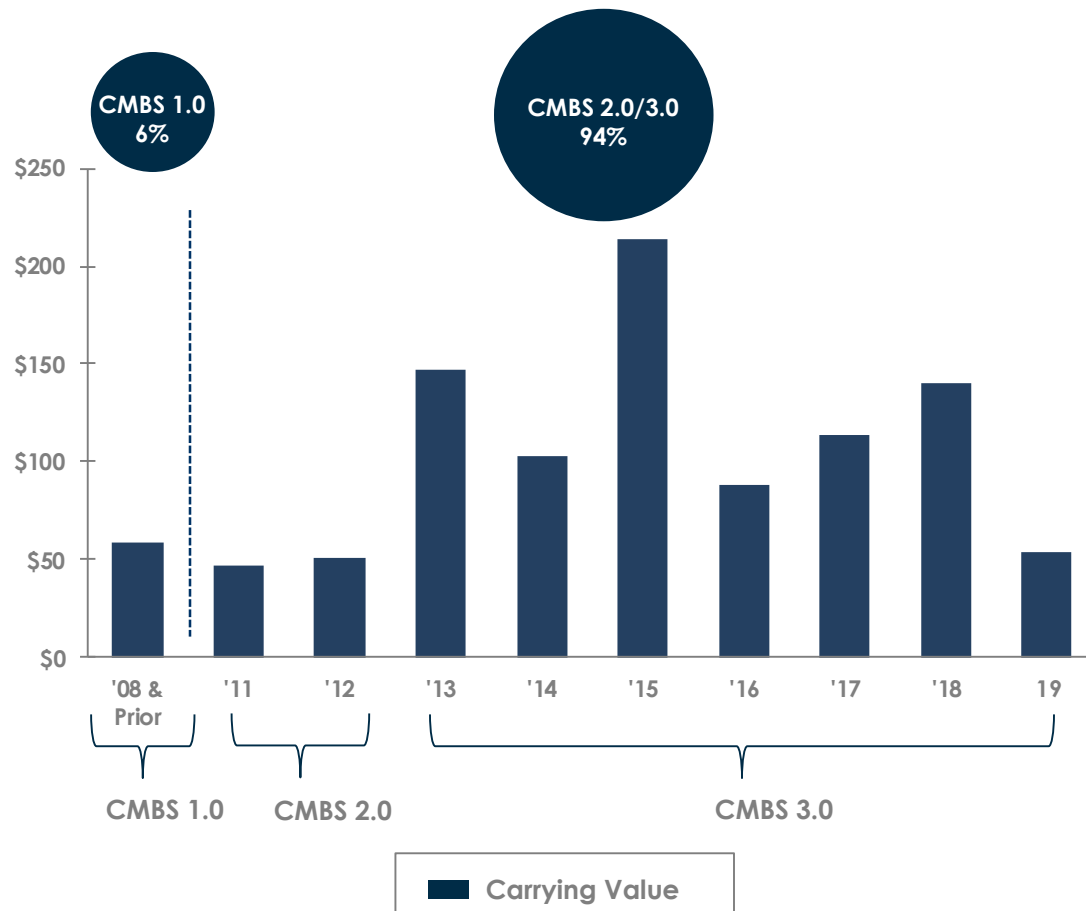
- Securitized **\$345M** of conduit loans in **three** transactions
- Obtained **five** new servicing assignments for CMBS trusts with a total unpaid principal balance of **\$4.3B**

Asset Carrying Values	June 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018
CMBS, fair value option ⁽¹⁰⁾	\$ 1,015	\$ 993	\$ 999	\$ 1,027	\$ 1,076
Properties and lease intangibles, net	295	301	301	320	329
Conduit loans	216	153	48	287	300
Investment in unconsolidated entities	35	54	44	44	44
Special servicing intangible	43	44	45	45	47
Loans held for investment	1	1	3	3	4
Total	\$ 1,605	\$ 1,546	\$ 1,440	\$ 1,726	\$ 1,800

CMBS and Special Servicing

\$ millions

Owned CMBS by Vintage ⁽¹⁾



NOTE: Amounts as of June 30, 2019; carrying value represents estimated fair value

LNR Special Servicer

Portfolio Statistics

Named SS:

of CMBS Trusts 177

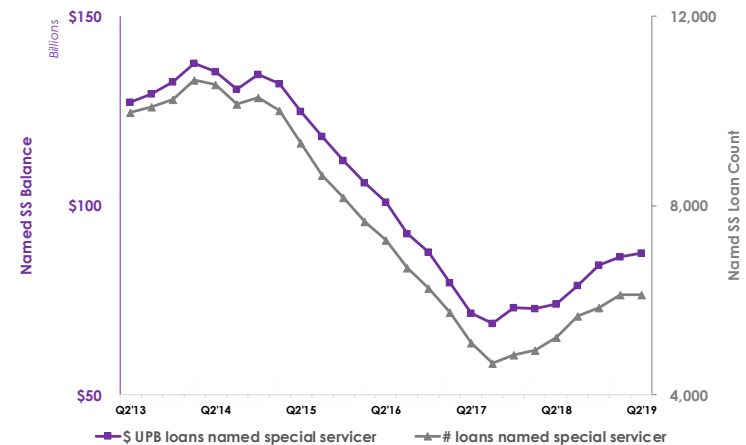
Unpaid Balance 87,500

Active SS:

SS Loan Balance 2,120

REO Loan Balance 3,450

Total Active SS Balance 5,570





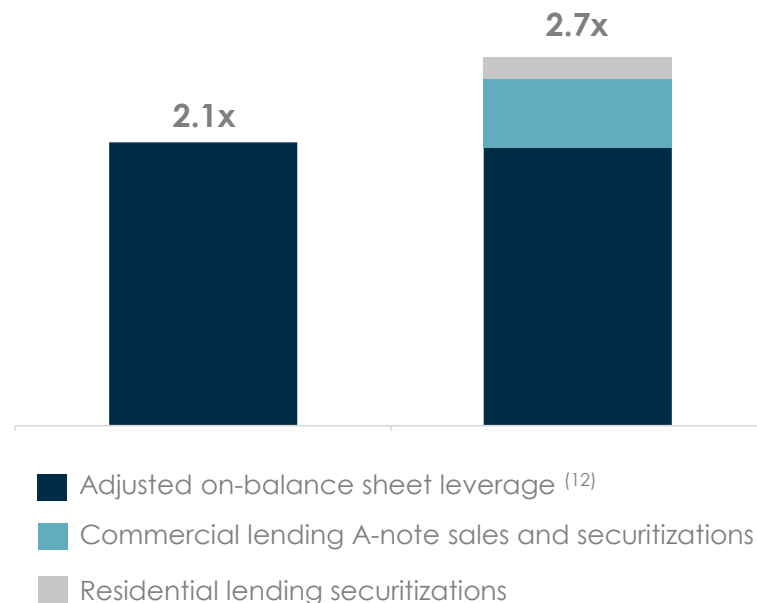
CAPITALIZATION

Capitalization Overview

Credit Metrics

- Total capitalization of \$17.6B
- Interest coverage ratio of 2.2x
- Current corporate issuer rating of Ba2/BB
- Total unencumbered assets of \$3.0B
- Unencumbered assets to unsecured debt ratio of 1.3x

Adjusted Debt-to-Equity Ratios



Book Value per Share Metrics

	June 30, 2019	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	June 30, 2018
Book Value per Share	\$ 16.49	\$ 16.49	\$ 16.70	\$ 16.86	\$ 16.94
Add: Accumulated depreciation & amortization	1.24	1.13	1.06	0.98	0.91
Undepreciated book value per outstanding share	\$ 17.73	\$ 17.62	\$ 17.76	\$ 17.84	\$ 17.85

NOTE: Amounts are as of June 30, 2019, unless otherwise indicated

Financing Facilities

\$ millions

Type	Maximum Facility Size	Debt Obligations		
		Drawn ⁽¹³⁾	Available Capacity	
Asset Specific Financing:				
Large Loans, Commercial	\$ 8,010	\$ 4,191	\$ 3,819	
Infrastructure Lending Segment	1,765	1,256	509	
Property Segment	1,929	1,898	31	
Residential Loans	2,400	675	1,725	
Conduit Loans, Commercial	350	154	196	
MBS	773	661	112	
REO Portfolio	242	225	17	
Subtotal - Asset Specific Financing	\$ 15,469	\$ 9,060	\$ 6,409	
Corporate Debt:				
Convertible Senior Notes	\$ 250	\$ 250	\$ -	
Senior Unsecured Notes	1,700	1,700	-	
Term Loan	300	300	-	
Revolving Secured Financing	100	-	100	
Subtotal - Corporate Debt	\$ 2,350	\$ 2,250	\$ 100	
TOTAL DEBT:	\$ 17,819	\$ 11,310	\$ 6,509	

NOTE: As of June 30, 2019

Interest Rate Sensitivity

- 94% of the commercial loan portfolio is indexed to LIBOR
- 100% of the infrastructure loan portfolio is indexed to LIBOR

Annual Net Interest Income Per Share Sensitivity to LIBOR

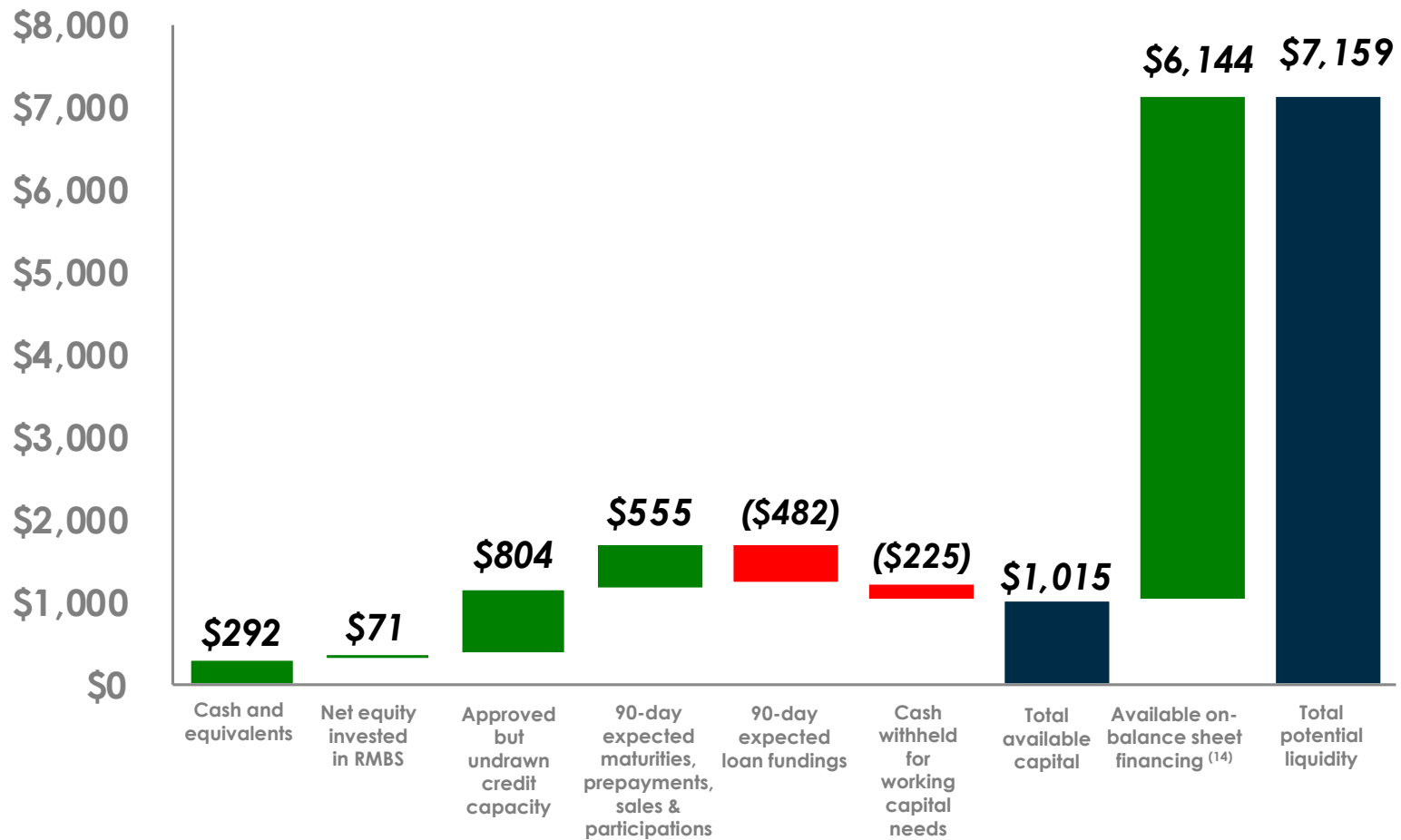


NOTE: Based on assets and liabilities as of June 30, 2019

Financial Capacity

(\$ millions)

- Capacity to originate or acquire up to an additional \$7.2B of new investments



NOTE: As of August 1, 2019

Share Count

(shares in thousands)

	2019		2019	2018				2018
	Q2	Q1	YTD	Q4	Q3	Q2	Q1	Full Year
Number of Shares, GAAP:								
Basic — Average shares outstanding	279,239	277,544	278,396	273,949	265,355	260,998	260,664	265,279
Effect of dilutive securities — Convertible Notes	9,649	-	9,963	13,772	-	27,134	1,209	22,659
Effect of dilutive securities — Other	184	154	170	629	101	178	251	546
Diluted — Average shares outstanding	<u>289,072</u>	<u>277,698</u>	<u>288,529</u>	<u>288,350</u>	<u>265,456</u>	<u>288,310</u>	<u>262,124</u>	<u>288,484</u>
Shares Outstanding	<u>281,271</u>	<u>280,301</u>	<u>281,271</u>	<u>275,660</u>	<u>274,122</u>	<u>262,362</u>	<u>261,955</u>	<u>275,660</u>
Number of Shares, Core:								
Basic — Average shares outstanding	279,239	277,544	278,396	273,949	265,355	260,998	260,664	265,279
Effect of Weighted Average Unvested Stock Awards	2,276	2,409	2,342	2,530	2,447	2,518	1,656	2,285
Effect of dilutive securities — Woodstar II OP units	11,571	11,911	11,740	10,972	9,939	9,759	5,143	8,971
Effect of dilutive securities — Other	-	-	-	546	101	138	229	546
Diluted — Average shares outstanding	<u>293,086</u>	<u>291,864</u>	<u>292,478</u>	<u>287,997</u>	<u>277,842</u>	<u>273,403</u>	<u>267,692</u>	<u>277,081</u>



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

Ba2
Stable Outlook

Standard & Poor's Rating Services

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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 \$890M, \$913M, \$1.0B, \$1.0B, and \$983M being classified as first mortgages as of June 30, 2019, March 31, 2019, December 31, 2018, September 30, 2018, and June 30, 2018 respectively.*
2. *First mortgage loans and subordinated mortgage loans are net of \$25M and \$8M of allowances for loan losses, respectively, as of June 30, 2019.*
3. *LTVs and LTCs are calculated using the methodology described in the Calculation Methodologies section of this Appendix on the following page.*
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 / Downstream: pipelines and gas distribution / refineries; Other Thermal: power plants fueled with coal and pet coke; Upstream: oil and gas reserve based deals*
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. *Differences between face amount and carrying value are principally attributable to purchase discounts and changes in fair value. Face amounts of \$2,792, \$2,822, \$2,872, \$2,984, \$4,168M and \$4,142M as of June 30, 2019, March 31, 2019, December 31, 2018, September 30, 2018 and June 30, 2018 respectively.*
11. *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.*
12. *Represents (i) total outstanding secured and unsecured financing arrangements, less cash and restricted cash; divided by (ii) undepreciated equity (ie: GAAP equity plus accumulated depreciation and amortization of \$348.2M as of June 30, 2019).*
13. *Drawn amounts exclude discounts / premiums and unamortized deferred financing costs.*
14. *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, 2018 and its quarterly reports on Form 10-Q for the quarters ended March 31, 2019 and June 30, 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 recently completed 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