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gaap:FairValueInputsLevel3Memberladr:CommercialMortgageBackedSecuritiesInterestOnlyMember2023-12-310001577670us-gaap:InvestmentInFederalHomeLoanBankStockMember2023-12-310001577670us-gaap:FairValueInputsLevel1Memberus-gaap:InvestmentInFederalHomeLoanBankStockMember2023-12-310001577670us-gaap:FairValueInputsLevel2Memberus-gaap:InvestmentInFederalHomeLoanBankStockMember2023-12-310001577670us-gaap:FairValueInputsLevel3Memberus-gaap:InvestmentInFederalHomeLoanBankStockMember2023-12-310001577670us-gaap:FairValueInputsLevel1Member2023-12-310001577670us-gaap:FairValueInputsLevel2Member2023-12-310001577670us-gaap:FairValueInputsLevel3Member2023-12-310001577670ladr:RepurchaseAgreementsShortTermMember2023-12-310001577670us-gaap:FairValueInputsLevel1Memberladr:RepurchaseAgreementsShortTermMember2023-12-310001577670us-gaap:FairValueInputsLevel2Memberladr:RepurchaseAgreementsShortTermMember2023-12-310001577670us-gaap:FairValueInputsLevel3Memberladr:RepurchaseAgreementsShortTermMember2023-12-310001577670ladr:RepurchaseAgreementsLongTermMember2023-12-310001577670us-gaap:FairValueInputsLevel1Memberladr:RepurchaseAgreementsLongTermMember2023-12-310001577670us-gaap:FairValueInputsLevel2Memberladr:RepurchaseAgreementsLongTermMember2023-12-310001577670us-gaap:FairValueInputsLevel3Memberladr:RepurchaseAgreementsLongTermMember2023-12-310001577670us-gaap:MortgagesMember2023-12-310001577670us-gaap:FairValueInputsLevel1Memberus-gaap:MortgagesMember2023-12-310001577670us-gaap:FairValueInputsLevel2Memberus-gaap:MortgagesMember2023-12-310001577670us-gaap:FairValueInputsLevel3Memberus-gaap:MortgagesMember2023-12-310001577670us-gaap:CollateralizedDebtObligationsMember2023-12-310001577670us-gaap:FairValueInputsLevel1Memberus-gaap:CollateralizedDebtObligationsMember2023-12-310001577670us-gaap:FairValueInputsLevel2Memberus-gaap:CollateralizedDebtObligationsMember2023-12-310001577670us-gaap:FairValueInputsLevel3Memberus-gaap:CollateralizedDebtObligationsMember2023-12-310001577670us-gaap:FederalHomeLoanBankAdvancesMember2023-12-310001577670us-gaap:FairValueInputsLevel1Memberus-gaap:FederalHomeLoanBankAdvancesMember2023-12-310001577670us-gaap:FairValueInputsLevel2Memberus-gaap:FederalHomeLoanBankAdvancesMember2023-12-310001577670us-gaap:FairValueInputsLevel3Memberus-gaap:FederalHomeLoanBankAdvancesMember2023-12-310001577670us-gaap:SeniorNotesMember2023-12-310001577670us-gaap:FairValueInputsLevel1Memberus-gaap:SeniorNotesMember2023-12-310001577670us-gaap:FairValueInputsLevel2Memberus-gaap:SeniorNotesMember2023-12-310001577670us-gaap:FairValueInputsLevel3Memberus-gaap:SeniorNotesMember2023-12-3100015776702023-04-300001577670ladr:MortgageLoanReceivablesHeldForInvestmentMember2024-09-300001577670ladr:MortgageLoanReceivablesHeldForInvestmentMember2023-12-310001577670ladr:USTreasurySecuritiesTradedNotYetSettledMember2024-09-300001577670ladr:USTreasurySecuritiesTradedNotYetSettledMember2023-12-310001577670us-gaap:OperatingSegmentsMemberladr:LoansSegmentMember2024-07-012024-09-300001577670us-gaap:OperatingSegmentsMemberladr:AvailableForSaleSecuritiesSegmentMember2024-07-012024-09-300001577670us-gaap:OperatingSegmentsMemberladr:RealEstateSegmentMember2024-07-012024-09-300001577670us-gaap:CorporateNonSegmentMember2024-07-012024-09-300001577670us-gaap:OperatingSegmentsMemberladr:LoansSegmentMember2024-09-300001577670us-gaap:OperatingSegmentsMemberladr:AvailableForSaleSecuritiesSegmentMember2024-09-300001577670us-gaap:OperatingSegmentsMemberladr:RealEstateSegmentMember2024-09-300001577670us-gaap:CorporateNonSegmentMember2024-09-300001577670us-gaap:OperatingSegmentsMemberladr:LoansSegmentMember2023-07-012023-09-300001577670us-gaap:OperatingSegmentsMemberladr:AvailableForSaleSecuritiesSegmentMember2023-07-012023-09-300001577670us-gaap:OperatingSegmentsMemberladr:RealEstateSegmentMember2023-07-012023-09-300001577670us-gaap:CorporateNonSegmentMember2023-07-012023-09-300001577670us-gaap:OperatingSegmentsMemberladr:LoansSegmentMember2023-12-310001577670us-gaap:OperatingSegmentsMemberladr:AvailableForSaleSecuritiesSegmentMember2023-12-310001577670us-gaap:OperatingSegmentsMemberladr:RealEstateSegmentMember2023-12-310001577670us-gaap:CorporateNonSegmentMember2023-12-310001577670us-gaap:OperatingSegmentsMemberladr:LoansSegmentMember2024-01-012024-09-300001577670us-gaap:OperatingSegmentsMemberladr:AvailableForSaleSecuritiesSegmentMember2024-01-012024-09-300001577670us-gaap:OperatingSegmentsMemberladr:RealEstateSegmentMember2024-01-012024-09-300001577670us-gaap:CorporateNonSegmentMember2024-01-012024-09-300001577670us-gaap:OperatingSegmentsMemberladr:LoansSegmentMember2023-01-012023-09-300001577670us-gaap:OperatingSegmentsMemberladr:AvailableForSaleSecuritiesSegmentMember2023-01-012023-09-300001577670us-gaap:OperatingSegmentsMemberladr:RealEstateSegmentMember2023-01-012023-09-300001577670us-gaap:CorporateNonSegmentMember2023-01-012023-09-300001577670us-gaap:OperatingSegmentsMember2024-09-300001577670us-gaap:OperatingSegmentsMember2023-12-310001577670ladr:SeniorUnsecuredNotesMemberus-gaap:CorporateNonSegmentMember2024-09-300001577670ladr:SeniorUnsecuredNotesMemberus-gaap:CorporateNonSegmentMember2023-12-31Table of Contents UNITED STATESSECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549Â  FormÂ 10-QÂ (Mark One)Â â˜’Â Â Â Â  QUARTERLY REPORT PURSUANT TO SECTIONÂ 13 OR 15(d)Â OF THE SECURITIES EXCHANGE ACT OF 1934Â For the quarterly period ended SeptemberÂ 30, 2024Â OrÂ â˜Â Â Â Â Â Â Â Â  TRANSITION REPORT PURSUANT TO SECTIONÂ 13 OR 15(d)Â OF THE SECURITIES EXCHANGE ACT OF 1934Â For the transition period fromÂ Â Â Â Â Â toÂ Â Â Â Â Â Â Commission file number:001-36299Â Ladder Capital Corp (Exact name of registrant as specified in its charter)Â Delaware80-0925494(State or other jurisdiction ofincorporation or organization)(IRS EmployerIdentification No.)320 Park Avenue,New York,NY10022(Address of principal executive offices)(Zip Code)(212) 715-3170 (Registrantâ€™s telephone number, including area code)Â Securities registered pursuant to Section 12(b) of the Act:Title of Each ClassTrading Symbol(s)Name of Each Exchange on Which RegisteredClass A common stock, $0.001 par valueLADRNew York Stock ExchangeTable of ContentsIndicate by check mark whether the registrant (1)Â has filed all reports required to be filed by SectionÂ 13 or 15(d)Â of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2)Â has been subject to such filing requirements for the past 90 days.Â  YesÂ Â â˜’Â Â NoÂ Â â˜Â Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to RuleÂ 405 of Regulation S-T (Â§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).Â  YesÂ Â â˜’Â Â NoÂ Â â˜ Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of â€œlarge accelerated filer,â€ â€œaccelerated filer,â€ â€œsmaller reporting companyâ€ and â€œemerging growth companyâ€ in RuleÂ 12b-2 of the Exchange Act:Â Large accelerated filerâ˜’Accelerated filerâ˜Â Â Â Â Non-accelerated filerâ˜Smaller reporting companyâ˜Emerging growth companyâ˜If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.Â â˜Indicate by check mark whether the registrant is a shell company (as defined in RuleÂ 12b-2 of the Exchange Act):Â  Yes â˜Â  No â˜’Â Indicate the number of shares outstanding of each of the registrantâ€™s classes of common stock, as of the latest practicable date.Â ClassÂ Outstanding at October 18, 2024ClassÂ A common stock, $0.001 par valueÂ 127,637,981ClassÂ B common stock, $0.001 par valueÂ â€”Table of ContentsLADDER CAPITAL CORPÂ FORMÂ 10-QSeptemberÂ 30, 2024IndexPageÂ 1Table of ContentsCAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTSÂ This Quarterly Report on FormÂ 10-Q (this â€œQuarterly Reportâ€) includes forward-looking statements within the meaning of SectionÂ 27A of the Securities Act of 1933, as amended (the â€œSecurities Actâ€), and SectionÂ 21E of the Securities Exchange Act of 1934, as amended (the â€œExchange Actâ€). All statements other than statements of historical fact contained in this Quarterly Report, including statements regarding our future results of operations and financial position, strategy and plans, and our expectations for future operations, are forward-looking statements. The words â€œanticipate,â€ â€œestimate,â€ â€œexpect,â€ â€œproject,â€ â€œplan,â€ â€œintend,â€ â€œbelieve,â€ â€œmay,â€ â€œmight,â€ â€œwill,â€ â€œshould,â€ â€œcan have,â€ â€œlikely,â€ â€œcontinue,â€ â€œdesign,â€ and other words and terms of similar expressions are intended to identify forward-looking statements.Â We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, strategy, short-term and long-term business operations and objectives and financial needs. Although we believe that the expectations reflected in our forward-looking statements are reasonable, actual results could differ from those expressed in our forward-looking statements. Our future financial position and results of operations, as well as any forward-looking statements are subject to change and inherent risks and uncertainties. You should consider our forward-looking statements in light of a number of factors that may cause actual results to vary from our forward-looking statements including, but not limited to:Â â€¢risks discussed under the heading â€œRisk Factorsâ€ herein and in our Annual Report on Form 10-K for the year ended December 31, 2023 (â€œthe Annual Reportâ€), as well as our consolidated financial statements, related notes, and the other financial information appearing elsewhere in this Quarterly Report and our other filings with the United States Securities and Exchange Commission (the â€œSECâ€);â€¢labor shortages, supply chain imbalances, inflation, and the potential for a global economic recession or further downgrades to the credit ratings of the U.S.;â€¢the impact of the upcoming U.S. elections on the regulatory landscape and capital markets;â€¢increasing geopolitical uncertainty, including the broader impacts of the Ukraine-Russia and Hamas-Israel conflicts and escalating tension between the U.S. and China;â€¢changes or volatility in general economic conditions and in the commercial finance and the real estate markets;â€¢changes in credit spreads;â€¢changes to our business and investment strategy and increased operating costs;â€¢our ability to obtain and maintain financing arrangements;â€¢the financing and advance rates for our assets, including the potential need for additional collateral;â€¢our actual and expected leverage and liquidity;â€¢the availability of investment opportunities in mortgage-related and real estate-related instruments and other securities;â€¢the adequacy and performance of collateral securing our loan portfolio and a decline in the fair value of our assets;â€¢interest rate and duration mismatches between our assets and our borrowings used to fund such investments;â€¢changes in interest rates affecting the market value of our assets and the related impacts on our borrowers, including any unforeseen impacts of the transition to Term Secured Overnight Financing Rate (â€œSOFRâ€);â€¢changes in prepayment rates on our mortgages and the loans underlying our commercial mortgage-backed and other asset-backed securities;â€¢the effects of hedging instruments and the degree to which our hedging strategies may or may not protect us from interest rate and credit risk volatility;â€¢the increased rate of default and non-accrual or decreased recovery rates on our assets and the potential insufficiency of our provision for loan loss reserves;â€¢the adequacy of our policies, procedures and systems for managing risk effectively;â€¢a potential downgrade in the credit ratings assigned to subsidiaries of Ladder Capital Corp (â€œLadder,â€ â€œLadder Capital,â€ and the â€œCompanyâ€) or our investments or corporate debt;â€¢our compliance with, and the impact of, and changes in laws, governmental regulations, tax laws and rates, accounting guidance and similar matters;â€¢our ability to maintain our qualification as a real estate investment trust (â€œREITâ€) for U.S. federal income tax purposes and our ability and the ability of our subsidiaries to operate in compliance with REIT requirements; â€¢our ability and the ability of our subsidiaries to maintain our and their exemptions from registration under the Investment Company Act of 1940, as amended (the â€œInvestment Company Actâ€);2Table of Contentsâ€¢the effects of climate change or the potential liability relating to environmental matters that impact the value of properties we may acquire or the properties underlying our investments;â€¢the inability of insurance covering real estate underlying our loans and investments to cover all losses;â€¢fraud by potential borrowers or their inability to complete their business plans;â€¢our ability to attract and retain qualified originators;â€¢cybersecurity risks, including the possibility of system outages resulting from cyber incidents;â€¢our ability to maintain strategic business alliances;â€¢the impact of any tax legislation or IRS guidance;â€¢volatility in the equity capital markets and the impact on our Class A common stock;â€¢the degree and nature of our competition; andâ€¢the market trends in our industry, interest rates, real estate values and the debt securities markets.Â You should not rely upon forward-looking statements as predictions of future events. In addition, neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. The forward-looking statements contained in this Quarterly Report are made as of the date hereof, and the Company assumes no obligation to update or supplement any forward-looking statements. New risks and uncertainties arise over time and it is not possible to predict those events or how they may affect us in the future.PartÂ I - Financial InformationItem 1. Financial Statements (Unaudited)The consolidated financial statements of Ladder Capital Corp and the notes related to the foregoing consolidated financial statements are included in this Item.Â Index to Consolidated Financial Statements (Unaudited)3Table of ContentsLadder Capital CorpConsolidated Balance Sheets(Dollars in Thousands)Â September 30,2024(1)December 31,2023(1)(Unaudited)AssetsÂ Â Cash and cash equivalents$1,607,204Â $1,015,678Â Restricted cash12,301Â 15,450Â Mortgage loan receivables held for investment, net, at amortized cost:Mortgage loans receivable2,039,545Â 3,155,089Â Allowance for credit losses(52,276)(43,165)Mortgage loan receivables held for sale27,506Â 26,868Â Securities852,783Â 485,533Â Real estate and related lease intangibles, net691,391Â 726,442Â Real estate held for sale18,078Â â€”Â Investments in and advances to unconsolidated ventures19,991Â 6,877Â Derivative instruments818Â 1,454Â Accrued interest receivable16,704Â 24,233Â Other assets145,094Â 98,218Â Total assets$5,379,139Â $5,512,677Â Liabilities and EquityÂ Â LiabilitiesÂ Â Debt obligations, net$3,585,332Â $3,783,946Â Dividends payable31,673Â 32,294Â Accrued expenses67,065Â 65,144Â Other liabilities164,377Â 99,095Â Total liabilities3,848,447Â 3,980,479Â Commitments and contingencies (refer to Note 17)â€”Â â€”Â EquityÂ Â Class A common stock, par value $0.001 per share, 600,000,000 shares authorized; 129,883,019 and 128,027,478 shares issued and 127,765,243 and 126,911,689 shares outstanding as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, respectively. 128Â 127Â Additional paid-in capital1,773,452Â 1,756,750Â Treasury stock, 2,117,776 and 1,115,789 shares, at cost(23,053)(12,001)Retained earnings (dividends in excess of earnings)(209,197)(197,875)Accumulated other comprehensive income (loss)(8,711)(13,853)Total shareholdersâ€™ equity1,532,619Â 1,533,148Â Noncontrolling interests in consolidated ventures(1,927)(950)Total equity1,530,692Â 1,532,198Â Total liabilities and equity$5,379,139Â $5,512,677Â (1)Includes amounts relating to consolidated variable interest entities. Refer to Note 2 and Note 9.Refer to the accompanying notes to consolidated financial statements.4Table of ContentsLadder Capital CorpConsolidated Statements of Income(Dollars in Thousands, Except Per Share Data)(Unaudited)Â Three Months Ended September 30,Nine Months Ended September 30,Â 2024202320242023Net interest incomeÂ Â Â Â Interest income$96,092Â $101,090Â $280,520Â $306,715Â Interest expense57,676Â 62,259Â 170,647Â 184,350Â Net interest income (expense)38,416Â 38,831Â 109,873Â 122,365Â Provision for (release of) loan loss reserves, net3,063Â 7,473Â 13,886Â 19,090Â Net interest income (expense) after provision for (release of) loan loss reserves35,353Â 31,358Â 95,987Â 103,275Â Other income (loss)Â Â Â Â Real estate operating income25,294Â 24,761Â 75,314Â 73,847Â Net result from mortgage loan receivables held for sale1,092Â (629)638Â (1,119)Gain (loss) on real estate, net315Â 8,808Â 12,858Â 8,808Â Fee and other income6,609Â 1,810Â 13,947Â 6,691Â Net result from derivative transactions(766)4,773Â 3,871Â 6,680Â Earnings (loss) from investment in unconsolidated ventures(14)479Â (11)913Â Gain on extinguishment of debt20Â 921Â 197Â 10,600Â Total other income (loss)32,550Â 40,923Â 106,814Â 106,420Â Costs and expensesÂ Â Â Â Compensation and employee benefits14,407Â 14,285Â 48,917Â 50,612Â Operating expenses4,508Â 4,775Â 14,331Â 15,018Â Real estate operating expenses10,751Â 9,456Â 30,930Â 29,071Â Investment related expenses1,628Â 2,279Â 5,909Â 6,460Â Depreciation and amortization8,146Â 7,144Â 24,861Â 22,144Â Total costs and expenses39,440Â 37,939Â 124,948Â 123,305Â Income (loss) before taxes28,463Â 34,342Â 77,853Â 86,390Â Income tax expense (benefit)901Â 3,147Â 1,737Â 4,913Â Net income (loss)27,562Â 31,195Â 76,116Â 81,477Â Net (income) loss attributable to noncontrolling interests in consolidated ventures351Â 124Â 753Â 412Â Net income (loss) attributable to ClassÂ A common shareholders$27,913Â $31,319Â $76,869Â $81,889Â Earnings per share:Â Â Â Â Basic$0.22Â $0.25Â $0.61Â $0.66Â Diluted$0.22Â $0.25Â $0.61Â $0.66Â Weighted average shares outstanding:Â Â Â Â Basic125,705,754Â 124,730,343Â 125,586,075Â 124,652,426Â Diluted 125,905,528Â 124,968,545Â 125,757,114Â 124,817,335Â Refer to the accompanying notes to consolidated financial statements.5Table of Contents Ladder Capital CorpConsolidated Statements of Comprehensive Income(Dollars in Thousands)(Unaudited)Â Three Months Ended September 30,Nine Months Ended September 30,Â 2024202320242023Net income (loss)$27,562Â $31,195Â $76,116Â $81,477Â Other comprehensive income (loss)Â Â Â Â Gain (loss) on available for sale securities, net of tax:Â Â Â Â Unrealized gain (loss) on securities, available for sale2,041Â 1,355Â 5,165Â 5,537Â Reclassification adjustment for (gain) loss included in net income (loss)â€"Â 290Â (23)593Â Total other comprehensive income (loss)2,041Â 1,645Â 5,142Â 6,130Â Comprehensive income (loss)29,603Â 32,840Â 81,258Â 87,607Â Comprehensive (income) loss attributable to noncontrolling interest in consolidated ventures351Â 124Â 753Â 412Â Comprehensive income (loss) attributable to ClassÂ A common shareholders$29,954Â $32,964Â $82,011Â $88,019Â Refer to the accompanying notes to consolidated financial statements. 6Table of ContentsLadder Capital CorpConsolidated Statements of Changes in Equity(Dollars and Shares in Thousands)(Unaudited)Â Shareholdersâ€™Â EquityÂ Â Â Â ClassÂ AÂ CommonÂ StockÂ AdditionalÂ Paid-in-CapitalÂ Treasury StockRetained Earnings (Dividends in Excess of Earnings)Â AccumulatedOtherComprehensiveIncome (Loss)Â Noncontrolling InterestsÂ TotalÂ EquitySharesÂ ParÂ Â Â ConsolidatedVenturesÂ Balance, June 30, 2024127,866Â $128Â $1,770,275Â $(21,852)$(207,728)$(10,752)$(1,576)$1,528,495Â Amortization of equity based compensationâ€"Â â€"Â 3,177Â â€"Â â€"Â â€"Â â€"Â 3,177Â Purchase of treasury stock(100)â€"Â â€"Â (1,191)â€"Â â€"Â â€"Â (1,191)Shares acquired to satisfy minimum required federal and state tax withholding on vesting restricted stock(1)â€"Â â€"Â (10)â€"Â â€"Â â€"Â (10)Dividends declaredâ€"Â â€"Â â€"Â â€"Â (29,382)â€"Â â€"Â (29,382)Net income (loss)â€"Â â€"Â â€"Â â€"Â 27,913Â â€"Â (351)27,562Â Other comprehensive income (loss)â€"Â â€"Â â€"Â â€"Â â€"Â 2,041Â â€"Â 2,041Â Balance, September 30, 2024127,765Â $128Â $1,773,452Â $(23,053)$(209,197)$(8,711)$(1,927)$1,530,692Â Refer to the accompanying notes to consolidated financial statements.7Table of ContentsLadder Capital CorpConsolidated Statements of Changes in Equity(Dollars and Shares in Thousands)(Unaudited)Â Shareholdersâ€™Â EquityÂ Â Â Â ClassÂ AÂ CommonÂ StockÂ AdditionalÂ Paid-in-CapitalÂ Treasury StockRetained Earnings (Dividends in Excess of Earnings)Â AccumulatedOtherComprehensiveIncome (Loss)Â Noncontrolling InterestsÂ TotalÂ EquitySharesÂ ParÂ Â Â ConsolidatedVenturesÂ Balance, June 30, 2023126,932Â $127Â $1,839,003Â $(105,738)$(184,769)$(16,524)$(599)$1,531,500Â Amortization of equity based compensationâ€"Â â€"Â 3,205Â â€"Â â€"Â â€"Â â€"Â 3,205Â Purchase of treasury stock(19)â€"Â â€"Â (197)â€"Â â€"Â â€"Â (197)Shares acquired to satisfy minimum required federal and state tax withholding on vesting restricted stock (1)â€"Â â€"Â (8)â€"Â â€"Â â€"Â (8)Dividends declaredâ€"Â â€"Â â€"Â â€"Â (29,187)â€"Â â€"Â (29,187)Net income (loss)â€"Â â€"Â â€"Â â€"Â 31,319Â â€"Â (124)31,195Â Other comprehensive income (loss)â€"Â â€"Â â€"Â â€"Â â€"Â 1,645Â â€"Â 1,645Â Balance, September 30, 2023126,912Â $127Â $1,842,208Â $(105,943)$(182,637)$(14,879)$(723)$1,538,153Â Refer to the accompanying notes to consolidated financial statements.8Table of ContentsLadder Capital CorpConsolidated Statements of Changes in Equity(Dollars and Shares in Thousands)(Unaudited)Â Shareholdersâ€™Â EquityÂ Â Â Â ClassÂ AÂ CommonÂ StockAdditionalÂ Paid-in-CapitalTreasury StockRetained Earnings (Dividends in Excess of Earnings)AccumulatedOtherComprehensiveIncome (Loss)NoncontrollingÂ  InterestsTotal EquitySharesParConsolidatedVenturesBalance, December 31, 2023126,912Â $127Â $1,756,750Â $(12,001)$(197,875)$(13,853)$(950)$1,532,198Â Distributionsâ€"Â â€"Â â€"Â â€"Â â€"Â â€"Â (224)(224)Amortization of equity based compensationâ€"Â â€"Â 16,592Â â€"Â â€"Â â€"Â â€"Â 16,592Â Grants of restricted stock1,856Â 2Â â€"Â â€"Â â€"Â â€"Â â€"Â 2Â Purchase of treasury stock(180)â€"Â â€"Â (2,049)â€"Â â€"Â â€"Â (2,049)Shares acquired to satisfy minimum required federal and state tax withholding on vesting restricted stock(812) (1)â€"Â (8,893)â€"Â â€"Â â€"Â (8,894)Forfeitures(11)â€"Â 110Â (110)â€"Â â€"Â â€"Â â€"Â Dividends declaredâ€"Â â€"Â â€"Â â€"Â (88,191)â€"Â â€"Â (88,191)Net income (loss)â€"Â â€"Â â€"Â â€"Â 76,869Â â€"Â (753)76,116Â Other comprehensive income (loss)â€"Â â€"Â â€"Â â€"Â â€"Â 5,142Â â€"Â 5,142Â Balance, September 30, 2024127,765Â $128Â $1,773,452Â $(23,053)$(209,197)$(8,711)$(1,927)$1,530,692Â Refer to the accompanying notes to consolidated financial statements.9Table of ContentsLadder Capital CorpConsolidated Statements of Changes in Equity(Dollars and Shares in Thousands)(Unaudited)Â Shareholdersâ€™Â EquityÂ Â ClassÂ AÂ CommonÂ StockAdditionalÂ Paid-in-CapitalTreasury StockRetained Earnings (Dividends in Excess of Earnings)AccumulatedOtherComprehensiveIncome (Loss)Noncontrolling InterestsTotal EquitySharesParConsolidatedVenturesBalance, December 31, 2022126,502Â $127Â $1,826,833Â $(95,600)$(177,005)$(21,009)$215Â $1,533,561Â Distributionsâ€"Â â€"Â â€"Â â€"Â â€"Â â€"Â (526)(526)Amortization of equity based compensationâ€"Â â€"Â 15,375Â â€"Â â€"Â â€"Â â€"Â 15,375Â Grants of restricted stock1,008Â 1Â â€"Â (1)â€"Â â€"Â â€"Â â€"Â Purchase of treasury stock(269)â€"Â â€"Â (2,481)â€"Â â€"Â â€"Â (2,481)Re-issuance of treasury stock410Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â Shares acquired to satisfy minimum required federal and state tax withholding on vesting restricted stock (689)(1)â€"Â (7,861)â€"Â â€"Â â€"Â (7,862)Forfeitures(50)â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â â€"Â Dividends declaredâ€"Â â€"Â â€"Â â€"Â (87,521)â€"Â â€"Â (87,521)Net income (loss)â€"Â â€"Â â€"Â â€"Â 81,889Â â€"Â (412)81,477Â Other comprehensive income (loss)â€"Â â€"Â â€"Â â€"Â â€"Â 6,130Â â€"Â 6,130Â Balance, September 30, 2023126,912Â $127Â $1,842,208Â $(105,943)$(182,637)$(14,879)$(723)$1,538,153Â Refer to the accompanying notes to consolidated financial statements.10Table of ContentsLadder Capital CorpConsolidated Statements of Cash Flows(Dollars in Thousands)(Unaudited)Â Nine Months Ended September 30,Â 20242023Cash flows from operating activities:Â Â Net income (loss)$76,116Â $81,477Â Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:Â (Gain) loss on extinguishment of debt(197)(10,600)Depreciation and amortization24,861Â 22,144Â Non-cash operating lease expense2Â 1,457Â Unrealized (gain) loss on derivative instruments1,552Â 175Â Provision for (release of) loan loss reserves, net13,886Â 19,090Â Amortization of equity based compensation16,592Â 15,375Â Amortization of deferred financing costs included in interest expense8,203Â 9,662Â Amortization of premium/discount on mortgage loan financing included in interest expense(558)(452)Amortization of above- and below-market lease intangibles(1,287)(1,360)(Accretion)/amortization of discount, premium and other fees on loans(10,935)(14,971)(Accretion)/amortization of discount and premium on securities(724)(796)Net result from mortgage loan receivables held for sale(638)1,119Â Realized (gain) loss on securities(75)276Â (Gain) loss on real estate, net(12,858)(8,808)Realized (gain) loss on sale of derivative instruments(290)269Â Â Â Â Â Â Â Â (Earnings) loss from investments in unconsolidated ventures in excess of distributions received11Â (813)Â Â Â Â Â Â Change in deferred tax asset (liability)565Â 2,929Â Changes in operating assets and liabilities:Â Â Accrued interest receivable7,530Â 1,883Â Other assets2,926Â 6,941Â Accrued expenses and other liabilities69,360Â (2,792)Net cash provided by (used in) operating activities194,042Â 122,205Â Cash flows from investing activities:Â Â Origination and funding of mortgage loan receivables held for investment(71,810)(61,412)Repayment of mortgage loan receivables held for investment1,122,690Â 531,797Â Purchases of securities(583,018)(76,557)Repayment of securities208,414Â 172,992Â Basis recovery of interest-only securities2,589Â 3,066Â Proceeds from sales of securities10,581Â 17,838Â Capital improvements of real estate(4,846) (2,640)Proceeds from sale of real estate57,645Â 13,391Â Capital contributions and advances to investment in unconsolidated joint ventures(13,125)â€"Â Proceeds from FHLB stock5,175Â 4,410Â Purchase of derivative instruments(1,164)(223)Sale of derivative instruments539Â â€"Â Net cash provided by (used in) investing activities733,670Â 602,662Â 11Table of ContentsÂ Nine Months Ended September 30,Â 20242023Cash flows from financing activities:Â Â Deferred financing costs paid(9,567)(2,384)Proceeds from borrowings under debt obligations654,705Â 744,339Â Repayment and repurchase of borrowings under debt obligations(849,600)(1,159,993)Cash dividends paid to Class A common shareholders(88,813)(87,732)Capital distributed to noncontrolling interests in consolidated ventures(223)(526)Payment of liability assumed in exchange for shares for the minimum withholding taxes on vesting restricted stock(8,894)(7,862)Purchase of treasury stock(2,049)(2,481)Net cash provided by (used in) financing activities(304,441)(516,639)Net increase (decrease) in cash, cash equivalents and restricted cash623,271Â 208,228Â Cash, cash equivalents and restricted cash at beginning of period1,075,942Â 659,602Â Cash, cash equivalents and restricted cash at end of period$1,699,213Â $867,830Â Non-cash investing and financing activities:Â Â Repayment in transit of mortgage loans receivable held for investment (other assets)(27,519)47,070Â Non-cash disposition of loans via foreclosure(55,946)(30,497)Real estate and real estate held for sale acquired in settlement of mortgage loans receivable held for investment, net48,796Â 30,400Â Net settlement of sale of real estate, subject to debt - real estateâ€"Â (31,292)Net settlement of sale of real estate, subject to debt - debt obligationsâ€"Â 31,292Â Transfer of real estate, net into real estate held for sale18,078Â â€"Â Dividends declared, not paid31,673Â 31,788Â The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statement of cash flows ($ in thousands):September 30, 2024September 30, 2023Cash and cash equivalents$1,607,204Â $798,391Â Restricted cash12,301Â 59,523Â Short-term unsettled U.S. Treasury securities classified in other assets on the consolidated balance sheet79,708Â 9,916Â Total cash, cash equivalents and restricted cash shown in the consolidated statement of cash flows$1,699,213Â $867,830Â Refer to the accompanying notes to consolidated financial statements.12Table of ContentsLadder Capital CorpNotes to Consolidated Financial Statements(Unaudited)Â 1. ORGANIZATION AND OPERATIONS Â Ladder Capital Corp (â€œLadder,â€ â€œLadder Capital,â€ and the â€œCompanyâ€) is an internally-managed real estate investment trust (â€œREITâ€) that is a leader in commercial real estate finance. The Company originates and invests in a diverse portfolio of commercial real estate and real estate-related assets, focusing on senior secured assets. The Companyâ€™s investment activities include: (i) the Companyâ€™s primary business of originating senior first mortgage fixed and floating rate loans collateralized by commercial real estate with flexible loan structures; (ii) owning and operating commercial real estate, including net leased commercial properties; and (iii) investing in investment grade securities secured by first mortgage loans on commercial real estate. Ladder Capital Corp, as the general partner of Ladder Capital Finance Holdings LLLP (â€œLCFHâ€ or the â€œOperating Partnershipâ€), operates the Ladder Capital business through LCFH and its subsidiaries. As of SeptemberÂ 30, 2024, Ladder Capital Corp has a 100% economic interest in LCFH and controls the management of LCFH as a result of its ability to appoint its board members. Accordingly, Ladder Capital Corp consolidates the financial results of LCFH and its subsidiaries. In addition, Ladder Capital Corp, through certain subsidiaries, which are treated as taxable REIT subsidiaries (each a â€œTRSâ€), is indirectly subject to U.S. federal, state and local income taxes. Other than such indirect U.S. federal, state and local income taxes, there are no material differences between Ladder Capital Corpâ€™s consolidated financial statements and LCFHâ€™s consolidated financial statements.Ladder Capital Corp was formed as a Delaware corporation on MayÂ 21, 2013. The Company conducted its initial public offering (â€œIPOâ€) which closed on FebruaryÂ 11, 2014. The Company used the net proceeds from the IPO to purchase newly-issuedÂ limited partnership units (â€œLP Unitsâ€) from LCFH.Â In connection with the IPO, Ladder Capital Corp also became a holding corporation and the general partner of, and obtained a controlling interest in, LCFH. Ladder Capital Corpâ€™s only business is to act as the general partner of LCFH, and, as such, Ladder Capital Corp indirectly operates and controls all of the business and affairs of LCFH and its subsidiaries.Â The IPO transactions described herein are referred to as the â€œIPO Transactions.â€2. SIGNIFICANT ACCOUNTING POLICIESBasis of Accounting and Principles of ConsolidationÂ The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States (â€œGAAPâ€). In the opinion of management, the unaudited financial information for the interim periods presented in this report reflects all normal and recurring adjustments necessary for a fair statement of results of operations, financial position and cash flows. The interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended DecemberÂ 31, 2023, which are included in the Annual Report, as certain disclosures that would substantially duplicate those contained in the audited consolidated financial statements have not been included in this interim report. Operating results for interim periods are not necessarily indicative of operating results for an entire fiscal year.The consolidated financial statements include the Companyâ€™s accounts and those of its subsidiaries that are majority-owned and/or controlled by the Company and variable interest entities for which the Company has determined itself to be the primary beneficiary, if any.Â All significant intercompany transactions and balances have been eliminated.Â Financial Accounting Standards Board (â€œFASBâ€) Accounting Standards Codification (â€œASCâ€) Topic 810 â€" Consolidation (â€œASC 810â€), provides guidance on the identification of entities for which control is achieved through means other than voting rights (â€œvariable interest entitiesâ€ or â€œVIEsâ€) and the determination of which business enterprise, if any, should consolidate the VIEs. Generally, the consideration of whether an entity is a VIE applies when either: (1) the equity investors (if any) lack one or more of the essential characteristics of a controlling financial interest; (2) the equity investment at risk is insufficient to finance that entityâ€™s activities without additional subordinated financial support; or (3) the equity investors have voting rights that are not proportionate to their economic interests and the activities of the entity involve or are conducted on behalf of an investor with a disproportionately small voting interest. The Company consolidates VIEs in which it is considered to be the primary beneficiary. The primary beneficiary is the entity that has both of the following characteristics: (1) the power to direct the activities that, when taken together, most significantly impact the VIEâ€™s performance; and (2) the obligation to absorb losses and right to receive the returns from the VIE that would be significant to the VIE. Refer to Note 9, Consolidated Variable Interest Entities, for further information on the Companyâ€™s consolidated variable interest entities. 13Table of ContentsThe Company has investments in two unconsolidated ventures which, were determined to be VIEs. The Company determined that it was not the primary beneficiary of these VIEs because the Company is a passive investor in, and has no control of, these entities and therefore does not have a controlling financial interests in these VIEs. These investments are recorded on the consolidated balance sheets within investments in and advances to unconsolidated ventures. The Companyâ€™s maximum exposure to loss is limited to its investments in these VIEs. The Company has not provided financial support to these unconsolidated VIEs that it was not previously contractually required to provide.Allowance for Loan LossesThe Company uses a current expected credit loss model (â€œCECLâ€) for estimating the provision for loan losses on its loan portfolio. The CECL model requires the consideration of possible credit losses over the life of an instrument and includes a portfolio-based component and an asset-specific component. In compliance with the CECL reporting requirements, the Company supplements its existing credit monitoring and management processes with additional processes to support the calculation of the CECL reserves. The Company engages a third-party service provider to provide market data and a credit loss model. The credit loss model is a forward-looking, econometric, commercial real estate (â€œCREâ€) loss forecasting tool. It is comprised of a probability of default (â€œPDâ€) model and a loss given default (â€œLGDâ€) model that, layered together with the Companyâ€™s loan-level data, fair value of collateral, net operating income of collateral, selected forward-looking macroeconomic variables, and pool-level mean loss rates, produces life of loan expected losses (â€œELâ€) at the loan and portfolio level. Where management has determined that the credit loss model does not fully capture certain external factors, including portfolio trends or loan-specific factors, a qualitative adjustment to the reserve is recorded. In addition, interest receivable on loans is not included in the Companyâ€™s CECL calculations as the Company performs timely write offs of aged interest receivable. The Company has made a policy election to write off aged receivables through interest income as opposed to through the CECL provision on its statements of income. Loans for which the borrower or sponsor is experiencing financial difficulty, and where repayment of the loan is expected substantially through the operation or sale of the underlying collateral, are considered collateral dependent loans. For collateral dependent loans, the Company may elect a practical expedient that allows the Company to measure expected losses based on the difference between the collateralâ€™s fair value and the amortized cost basis of the loan. When the repayment or satisfaction of the loan is dependent on a sale, rather than operations of the collateral, the fair value is adjusted for the estimated costs to sell the collateral. If foreclosure is probable, the Company is required to measure for expected losses using this methodology. The Company generally will use the direct capitalization rate valuation methodology or the sales comparison approach to estimate the fair value of the collateral for loans and in certain cases will obtain external appraisals. Determining fair value of the collateral may take into account a number of assumptions including, but not limited to, cash flow projections, market capitalization rates, discount rates and data regarding recent comparable sales of similar properties.Â Such assumptions are generally based on current market conditions and are subject to economic and market uncertainties.The Companyâ€™s loans are typically collateralized by real estate directly or indirectly. As a result, the Company regularly evaluates the extent and impact of any credit deterioration associated with the performance and/or value of the underlying collateral property as well as the financial and operating capability of the borrower/sponsor on a loan-by-loan basis. Specifically, a propertyâ€™s operating results and any cash reserves are analyzed and used to assess: (i)Â whether cash flow from operations is sufficient to cover the debt service requirements currently and into the future; (ii)Â the ability of the borrower to refinance the loan at maturity; and/or (iii)Â the propertyâ€™s liquidation value. The Company also evaluates the financial wherewithal of any loan guarantors as well as the borrowerâ€™s competency in managing and operating the properties.Â In addition, the Company considers the overall economic environment, real estate sector, and geographic submarket in which the collateral property is located.Â Such impairment analyses are completed and reviewed by asset management and underwriting personnel, who utilize various data sources, including: (i)Â periodic financial data such as property occupancy, tenant profile, rental rates, operating expenses, the borrowersâ€™ business plan, and capitalization and discount rates; (ii)Â site inspections; and (iii)Â current credit spreads and other market data and ultimately presented to management for approval. When a debtor is experiencing financial difficulties and a loan is modified, the effect of the modification will be included in the Companyâ€™s assessment of the CECL allowance for loan losses. If the Company provides principal forgiveness, the amortized cost basis of the loan is written off against the allowance for loan losses. Generally, when modifying loans, the Company will seek to protect its position by requiring incremental pay downs, additional collateral or guarantees and, in some cases, lookback features or equity interests to offset concessions granted should conditions impacting the loan improve. The Company designates a loan as a non-accrual loan generally when: (i) the principal or coupon interest components of loan payments become 90-days past due; or (ii) in the opinion of the Company, recovery of principal and coupon interest is doubtful. Interest income on non-accrual loans in which the Company reasonably expects a recovery of the loanâ€™s outstanding principal 14Table of Contentsbalance is recognized when received in cash. Otherwise, income recognition will be suspended and any cash received will be applied as a reduction to the amortized cost basis. A non-accrual loan is returned to accrual status at such time as the loan becomes contractually current and future principal and coupon interest are reasonably assured to be received. A loan will be charged-off when management has determined principal and coupon interest is no longer realizable and deemed non-recoverable.Transfers of Financial AssetsFor a transfer of financial assets to be considered a sale, the transfer must meet the sale criteria of ASC 860, which, at the time of the transfer, require that the transferred assets qualify as recognized financial assets and the Company surrender control over the assets. Such surrender requires that the assets be isolated from the Company, even in bankruptcy or other receivership, the purchaser have the right to pledge or sell the assets transferred and the Company not have an option or obligation to reacquire the assets. If the sale criteria are not met, the transfer is considered to be a secured borrowing, the assets remain on the Companyâ€™s consolidated balance sheets and the sale proceeds are recognized as a liability. In November 2017, the SEC staff indicated that, despite transfer restrictions placed on qualified Third Party Purchasers by the risk retention rules of the Dodd-Frank Act, they would not take exception to a registrant treating transfers of financial instruments in a securitization as sales if the transfers otherwise met all the criteria for sale accounting. The Company believes treatment of such transfers as sales is consistent with the substance of such transactions and, accordingly, reflects such transfers as sales. The Company recognizes gains on sale of loans net of any costs related to that sale.Debt IssuedFrom time to time, a subsidiary of the Company will originate a loan (each, an â€œinter-segment loan,â€ and collectively, â€œinter-segment loansâ€) to another subsidiary of the Company to finance the purchase of real estate. The mortgage loan receivable and the related obligation do not appear in the Companyâ€™s consolidated balance sheets as they are eliminated upon consolidation. Once the Company issues (sells) an inter-segment loan to a third-party securitization trust (for cash), the related mortgage note is recognized as a financing transaction and accounted for under ASC 470. The accounting for the securitization of an inter-segment loanâ€”a financial instrument that has never been recognized in the consolidated financial statements as an assetâ€”is considered a financing transaction under ASC 470, and ASC 835.The periodic securitization of the Companyâ€™s mortgage loans involves both inter-segment loans and mortgage loans made to third parties with the latter recognized as financial assets in the Companyâ€™s consolidated financial statements as part of an integrated transaction. The Company receives aggregate proceeds equal to the transactionâ€™s all-in securitization value and sales price. In accordance with the guidance under ASC 835, when initially measuring the obligation arising from an inter-segment loanâ€™s securitization, the Company allocates the proceeds from each securitization transaction between the third-party loans and each inter-segment loan securitized on a relative fair value basis determined in accordance with the guidance in ASC 820. The difference between the amount allocated to each inter-segment loan and the loanâ€™s face amount is recorded as a premium or discount, and is amortized, using the effective interest method, as a reduction or increase in reported interest expense, respectively. ReclassificationThe Company recognized unrealized and realized gain (loss) on securities into fee and other income for the three and nine months ended SeptemberÂ 30, 2024. As such, the unrealized (loss) of $(42)Â thousand and $(20)Â thousand and realized gain (loss) of $23Â thousand and $(276)Â thousand for the three and nine months ended SeptemberÂ 30, 2023, respectively, were reclassified into fee and other income on the consolidated statements of income. Refer to Note 4, Securities for realized and unrealized gain/loss details. Certain other prior period amounts have been reclassified to conform to the current period's presentation.Recently Adopted Accounting PronouncementsNone.15Table of ContentsRecent Accounting Pronouncements Pending AdoptionIn November 2023, the FASB issued ASU 2023-07â€”Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (â€œASU 2023-07â€). ASU 2023-07 improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024, early adoption is permitted. The amendments should be applied retrospectively to all prior periods presented in the financial statements. Upon transition, the segment expense categories and amounts disclosed in the prior periods should be based on the significant segment expense categories identified and disclosed in the period of adoption. The Company is currently evaluating the impact of the update on the Companyâ€™s consolidated financial statements.In December 2023, the FASB issued ASU 2023-09â€”Income Taxes (Topic 740): Improvements to Income Tax Disclosures (â€œASU 2023-09â€). ASU 2023-09 improves the transparency of income tax disclosures related to rate reconciliation and income taxes. ASU 2023-07 is effective for annual periods beginning after December 15, 2024. For entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2025. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The amendments should be applied prospectively, however retrospective application is permitted. The Company is currently evaluating the impact of the update on the Companyâ€™s consolidated financial statements.Any new accounting standards not disclosed above that have been issued or proposed by FASB and that do not require adoption until a future date are being evaluated or are not expected to have a material impact on the consolidated financial statements upon adoption.16Table of Contents3. MORTGAGE LOAN RECEIVABLES Â SeptemberÂ 30, 2024 ($ in thousands)OutstandingFaceÂ AmountCarryingValueWeightedAverageYieldÂ (1)(2)RemainingMaturity(years)(2)(3)Mortgage loan receivables held for investment, net, at amortized cost:First mortgage loans$2,029,102Â $2,025,754Â 9.32Â %0.6Mezzanine loans13,815Â 13,791Â 11.25Â %1.1Total mortgage loans receivable2,042,917Â 2,039,545Â 9.33Â %0.6Allowance for credit lossesÂ N/A (52,276)Total mortgage loan receivables held for investment, net, at amortized cost2,042,917Â 1,987,269Â Mortgage loan receivables held for sale:First mortgage loans31,350Â 27,506Â (4)4.57Â %7.4Total$2,074,267Â $2,014,775Â (5)9.27Â %0.7(1)Includes the impact of interest rate floors. Term SOFR rates in effect as of SeptemberÂ 30, 2024 are used to calculate weighted average yield for floating rate loans.(2)Excludes one non-accrual loan with an amortized cost basis of $60.8 million. Refer to â€œNon-Accrual Statusâ€ below for further details.(3)The remaining maturity is calculated based on the initial maturity. The weighted average extended maturity for all loans is 1.3 years.(4)As a result of decreases in prevailing rates, the Company recorded a reversal of lower of cost or market adjustment as of SeptemberÂ 30, 2024. The adjustment was calculated using a 4.75% discount rate.(5)Net of $3.4 million of deferred origination fees and other items as of SeptemberÂ 30, 2024.As of SeptemberÂ 30, 2024, $1.8 billion, or 85.8%, of the outstanding face amount of the mortgage loan receivables held for investment, net, at amortized cost, were at variable interest rates linked to Term SOFR. Of this $1.8 billion, 100% of these variable interest rate mortgage loan receivables were subject to interest rate floors. As of SeptemberÂ 30, 2024, $31.4 million, or 100%, of the outstanding face amount of the mortgage loan receivables held for sale were at fixed interest rates. DecemberÂ 31, 2023 ($ in thousands)OutstandingFaceÂ AmountCarryingValueWeightedAverageYieldÂ (1)(2)RemainingMaturity(years)(2)(3)Mortgage loan receivables held for investment, net, at amortized cost:First mortgage loans$3,131,803Â $3,122,707Â 9.63Â %0.7Mezzanine loans32,423Â 32,382Â 11.46Â %0.9Total mortgage loans receivable3,164,226Â 3,155,089Â 9.65Â %0.7Allowance for credit lossesâ€”Â (43,165)Total mortgage loan receivables held for investment, net, at amortized cost3,164,226Â 3,111,924Â Mortgage loan receivables held for sale:First mortgage loans31,350Â 26,868Â (4)4.57Â %8.2Total$3,195,576Â $3,138,792Â (5)9.61Â %0.7(1)Includes the impact from interest rate floors. Term SOFR rates in effect as of DecemberÂ 31, 2023 are used to calculate weighted average yield for floating rate loans.(2)Excludes one non-accrual loan with an amortized cost basis of $14.5 million. Refer to â€œNon-Accrual Statusâ€ below for further details.(3)The remaining maturity is calculated based on the initial maturity. The weighted average extended maturity for all loans is 1.8 years.(4)As a result of rising prevailing rates, the Company recorded a lower of cost or market adjustment as of DecemberÂ 31, 2023. The adjustment was calculated using a 5.18% discount rate. (5)Net of $9.1 million of deferred origination fees and other items as of DecemberÂ 31, 2023.17Table of ContentsÂ As of DecemberÂ 31, 2023, $2.8Â billion, or 87.8%, of the outstanding face amount of the mortgage loan receivables held for investment, net, at amortized cost, were at variable interest rates linked to Term SOFR. Of this $2.8Â billion, 100.0% of these variable interest rate mortgage loan receivables were subject to interest rate floors. As of DecemberÂ 31, 2023, $31.4Â million, or 100%, of the outstanding face amount of the mortgage loan receivables held for sale were at fixed interest rates.For the nine months ended September 30, 2024 and 2023, loan portfolio activity was as follows ($ in thousands):Mortgage loan receivables held for investment, net, at amortized cost:Â Mortgage loans receivableAllowance for credit lossesMortgageÂ loanÂ receivablesÂ heldforÂ saleBalance, December 31, 2023$3,155,089Â $(43,165)$26,868Â Origination of mortgage loan receivables (1)71,810Â â€”Â â€”Â Repayment of mortgage loan receivables (2)(1,142,343)â€”Â â€”Â Non-cash disposition of loans via foreclosure (4)(55,946)â€”Â â€”Â Net result from mortgage loan receivables held for sale (5)â€”Â â€”Â 638Â Accretion/amortization of discount, premium and other fees10,935Â â€”Â â€”Â Charge-offs (6)â€”Â 5,023Â â€”Â Release (addition) of provision for current expected credit loss, net (7)â€”Â (14,134)â€”Â Balance, September 30, 2024$2,039,545Â $(52,276)$27,506Â (1)Includes funding of commitments on existing mortgage loans.(2)Includes $19.7Â million of repayments in transit. (3)Excludes $82.5 million of proceeds received from the sale of conduit mortgage loans collateralized by net leased properties in the Companyâ€™s real estate segment to a third-party securitization trust. The mortgage loan receivables, which were originated during the current period, and the related obligation do not appear in the Companyâ€™s consolidated balance sheets as they are eliminated upon consolidation. Upon the sale of the mortgage loan receivable to a third-party securitization trust (for cash), the related mortgage note is recognized as a financing transaction. (4)Refer to Note 5, Real Estate and Related Lease Intangibles, Net, for further detail on foreclosures or deeds in lieu of foreclosure (collectively, â€œforeclosuresâ€) of real estate.(5)Includes unrealized lower of cost or market adjustment and realized gain/loss on loans held for sale.(6)The charge-off related to one loan that was resolved via foreclosure during the three months ended September 30, 2024. The loan was collateralized by an office asset in Oakland, California. (7)Refer to â€œAllowance for Credit Lossesâ€ table below for further detail.Mortgage loan receivables held for investment, net, at amortized cost:Â Mortgage loans receivableAllowance for credit lossesMortgageÂ loanÂ receivablesÂ heldforÂ saleBalance, December 31, 2022$3,885,746Â $(20,755)$27,391Â Origination of mortgage loan receivables (1)61,412Â â€”Â â€”Â Repayment of mortgage loan receivables(559,947)â€”Â â€”Â Non-cash disposition of loans via foreclosure (2)(30,497)â€”Â â€”Â Net result from mortgage loan receivables held for sale (2)â€”Â â€”Â (1,119)Accretion/amortization of discount, premium and other fees14,971Â â€”Â â€”Â Release (addition) of provision for current expected credit loss, net (3)â€”Â (18,820)â€”Â Balance, September 30, 2023$3,371,685Â $(39,575)$26,272Â (1)Includes funding of commitments on existing mortgage loans.(2)Includes unrealized lower of cost or market adjustment and realized gain/loss on loans held for sale.(3)Refer to â€œAllowance for Credit Lossesâ€ table below for further detail.18Table of ContentsAllowance for Credit Losses and Non-Accrual Status ($ in thousands)Three Months Ended September 30,Nine Months Ended September 30,Allowance for Credit Losses2024202320242023Allowance for credit losses at beginning of period$54,107Â $32,248Â $43,165Â $20,755Â Provision for (release of) current expected credit loss, net (1)3,192Â 7,327Â 14,134Â 18,820Â Charge-offs (2)(5,023)â€”Â (5,023)â€”Â Allowance for credit losses at end of period$52,276Â $39,575Â $52,276Â $39,575Â (1)As of September 30, 2024 and 2023, there were no asset-specific reserves.(2)The charge-off related to one loan that was resolved via foreclosure during the three months ended September 30, 2024. The loan was collateralized by an office property in Oakland, California. Non-Accrual Status (1)September 30, 2024(2)December 31, 2023(3)Amortized cost basis of loans on non-accrual status$60,847Â $14,541Â (1)As of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, the loans on non-accrual status were greater than 90 days past due and are considered collateral dependent.(2)Comprised of one multi-family loan with an amortized cost basis of $60.8Â million, for which the Company determined no asset-specific reserve was necessary.(3)Comprised of one multi-family loan with an amortized cost basis of $14.5Â million, for which the Company determined no asset-specific reserve was necessary.During the year ended December 31, 2023, the Company modified one first mortgage loan with an amortized cost basis of $58.5Â million as of December 31, 2023, or 1.9% of the Companyâ€™s mortgage loan receivable portfolio. This modification resulted in an initial extension through June 2024, in exchange for terms that included a $2.5Â million payment that reduced the amortized cost basis of the loan, with subsequent contractual extensions available with additional payments. The loan was extended in June 2024 through October 2024 in exchange for an additional $2.5Â million payment. No principal or interest was forgiven, and the Company also received a 15% non-controlling common equity interest in the property. The payment structure of the loan was modified to defer a portion of the contractual interest until maturity and the Company only accrued the current pay component. During the three months ended SeptemberÂ 30, 2024, the loan principal was repaid in full, and the Company received $7.5Â million of deferred interest. During the three and nine months ended SeptemberÂ 30, 2024, the Company recognized $7.6Â million and $7.9Â million of interest income related to this loan, respectively.Current Expected Credit Loss (â€œCECLâ€)As of SeptemberÂ 30, 2024, the Company has a $52.8 million allowance for current expected credit losses, of which $52.3 million pertains to mortgage loan receivables and $0.5 million relates to unfunded commitments included in other liabilities in the consolidated balance sheets. As of DecemberÂ 31, 2023, the Company had a $43.9 million allowance for current expected credit losses, of which $43.2Â million pertained to mortgage loan receivables and $0.7 million related to unfunded commitments included in other liabilities in the consolidated balance sheets. The provision for loan loss reserves for the three and nine months ended SeptemberÂ 30, 2024 was $3.1Â million and $13.9Â million of expense, respectfully. The provision recorded during the three and nine months ended SeptemberÂ 30, 2024 is primarily due to continued uncertainty in macroeconomic market conditions affecting commercial real estate, partially offset by a decrease in the size of the Companyâ€™s balance sheet first mortgage loan portfolio as a result of repayments. During the three and nine months ended SeptemberÂ 30, 2024, the Company charged-off $5.0Â million of the existing allowance for credit losses related to a loan that was resolved via foreclosure. The provision for loan loss reserves for the three and nine months ended SeptemberÂ 30, 2023 was an increase of the provision of $7.5Â million and $19.1Â million, respectively. The net increase for the three and nine months ended SeptemberÂ 30, 2023 represents an increase in the general reserve of loans held for investment of $7.3Â million and $18.8Â million, respectively, and an increase related to unfunded commitments of $146Â thousand and $270Â thousand, respectively. The increase in provision associated with the general reserve during the three and nine months ended SeptemberÂ 30, 2023 was primarily due to adverse changes in macroeconomic market conditions affecting commercial real estate, partially offset by a decrease in the size of the Companyâ€™s balance sheet first mortgage loan portfolio as a result of repayments.19Table of ContentsManagementâ€™s method for monitoring credit is the performance of a loan. The primary credit quality indicator management utilizes to assess its current expected credit loss reserve is by viewing the Companyâ€™s mortgage loan portfolio by collateral type. The primary credit quality indicator is reviewed by management on a quarterly basis. The following tables summarize the amortized cost of the mortgage loan portfolio by collateral type as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, respectively ($ in thousands):Amortized Cost Basis by Origination Year as of SeptemberÂ 30, 2024Collateral Type20242023202220212020 and EarlierTotal (2)Office $â€”Â $â€”Â $59,921Â $578,230Â $193,469Â $831,620Â Multifamily37,670Â 14,592Â 237,240Â 401,361Â â€”Â 690,863Â Mixed Useâ€”Â â€”Â 161,714Â 176,742Â â€”Â 338,456Â Retailâ€”Â â€”Â â€”Â 79,223Â 2,196Â 81,419Â Hospitalityâ€”Â â€”Â â€”Â 13,056Â 55,273Â 68,329Â Industrial14,752Â â€”Â â€”Â â€”Â â€”Â 14 Housingâ€”Â â€”Â â€”Â â€”Â â€”Â â€”Â Subtotal mortgage loans receivable52,422Â 14,592Â 472,981Â 1,248,612Â 250,938Â 2,039,545Â Individually Impaired loansâ€”Â â€”Â â€”Â â€”Â â€”Â â€”Â Total mortgage loans receivable (1)$52,422Â $14,592Â $472,981Â $1,248,612Â $250,938Â $2,039,545Â Amortized Cost Basis by Origination Year as of December 31, 2023Collateral Type20232022202120202019 and EarlierTotal (2)Multifamily$14,461Â $547,532Â $612,489Â $â€”Â $â€”Â $1,174,482Â Officeâ€”Â 79,148Â 614,743Â â€”Â 211,674Â 905,565Â Mixed Useâ€”Â 193,470Â 321,514Â â€”Â 41,403Â 556,387Â Industrialâ€”Â 22,636Â 34,746Â â€”Â 119,344Â 176,726Â Manufactured Housingâ€”Â 32,655Â 82,895Â â€”Â â€”Â 115,550Â Retailâ€”Â 12,934Â 87,052Â â€”Â 9,083Â 109,069Â Hospitalityâ€”Â â€”Â 18,589Â â€”Â 55,380Â 73,969Â Otherâ€”Â 31,363Â 11,978Â â€”Â â mortgage loans receivable14,461Â 919,738Â 1,784,006Â â€”Â 436,884Â 3,155,089Â Individually Impaired loansâ€”Â â€”Â â€”Â â€”Â â€”Â â€”Â Total mortgage loans receivable (3)$14,461Â $919,738Â $1,784,006Â $â€”Â $436,884Â $3,155,089Â (1)Not included above is $13.5 million of accrued interest receivable on all loans at SeptemberÂ 30, 2024.(2)For the three months ended SeptemberÂ 30, 2024, there was a $5.0Â million charge-off of an allowance in connection with a foreclosure of one office property in Oakland, California. For the year ended December 31, 2023, there was a $2.7Â million charge-off of an asset-specific allowance in connection with a foreclosure of one retail property in New York, NY.(3)Not included above is $22.4

million of accrued interest receivable on all loans at DecemberÂ 31, 2023.4. SECURITIESÂ The Company invests in primarily AAA-rated real estate securities, typically front pay securities, with relatively short duration and significant credit subordination. Commercial mortgage-backed securities (â€œCMBSâ€), CMBS interest-only securities, U.S. Agency securities, corporate bonds and U.S. Treasury securities are classified as available-for-sale and reported at fair value with changes in fair value recorded in the current period in other comprehensive income. As of SeptemberÂ 30, 2024, the Company does not intend to sell these investments and it is not more likely than not that the Company will be required to sell the investments before recovery of their amortized cost bases.20Table of ContentsGovernment National Mortgage Association (â€œGNMAâ€) interest-only, Federal Home Loan Mortgage Corp (â€œFHLMCâ€) and equity securities are recorded at fair value with changes in fair value recognized in earnings in the consolidated statements of income. The following is a summary of the Companyâ€™s securities at SeptemberÂ 30, 2024 and DecemberÂ 31, 2023 ($Â in thousands):SeptemberÂ 30, 2024Â Â Â GrossÂ UnrealizedÂ Â WeightedÂ AverageAssetÂ TypeOutstandingFaceÂ AmountÂ Amortized CostÂ BasisGainsLosses (1)CarryingValue#Â ofSecuritiesRatingÂ (2)CouponÂ %YieldÂ %RemainingDuration(years)CMBS$850,491Â Â $848,394Â $1,376Â $(10,446)$839,324Â (3)88Â AAA6.62 %6.80 %2.33CMBS interest-only(4)773,268Â (4)3,913Â 128Â (9)4,032Â (5)7Â AAA0.38 %7.40 %0.92GNMA interest-only(6)33,337Â (4)165Â 71Â (56)180Â 13Â AAA0.34 %9.46 %2.51Agency securities14Â Â 14Â â€”Â â€”Â 14Â 1Â AAA4.00 %2.60 %0.78Corporate bonds9,190Â 9,135Â 10Â â€”Â 9,145Â 1Â BB-3.75 %6.14 %0.25Total debt securities$1,666,300Â $861,621Â $1,585Â $(10,511)$852,695Â (7)110Â 3.58Â %6.80Â %2.30Equity securitiesN/AÂ 160Â â€”Â (52)108Â 1Â N/AN/AN/AN/AAllowance for current expected credit lossesN/Aâ€”Â â€”Â (20)(20)Total securities$1,666,300Â Â $861,781Â $1,585Â $(10,583)$852,783Â 111Â DecemberÂ 31, 2023 Â Â Â Â GrossÂ UnrealizedÂ Â WeightedÂ AverageAssetÂ TypeOutstandingFaceÂ AmountÂ AmortizedCostÂ BasisGainsLosses (1)CarryingValue#Â ofSecuritiesRatingÂ (2)CouponÂ %YieldÂ %RemainingDuration(years)CMBS$439,679Â Â $439,052Â $277Â $(14,439)$424,890Â (3)64Â AAA6.67 %6.83 %2.00CMBS interest-only(4)876,555Â (4)6,453Â 169Â (53)6,569Â (5)9Â AAA0.57 %6.61 %1.07GNMA interest-only(6)37,053Â (4)214Â 51Â (52)213Â 14Â AAA0.36 %6.12 %3.60Agency securities22Â Â 22Â â€”Â (1)21Â 1Â AAA4.00 %2.70 %1.05U.S. Treasury securities54,031Â 53,648Â 68Â â€”Â 53,716Â 7Â AAAN/A5.41 %0.07Total debt securities$1,407,340Â $499,389Â $565Â $(14,545)$485,409Â (7)95Â 2.55Â %6.82Â %1.98Equity securitiesN/AÂ 160Â â€”Â (16)144Â 1Â N/AN/AN/AN/AAllowance for current expected credit lossesN/Aâ€”Â â€”Â (20)(20)Total securities$1,407,340Â Â $499,549Â Â $565Â Â $(14,581)Â $485,533Â 96Â Â Â (1)Based on the Companyâ€™s analysis, including review of interest rate changes and current levels of subordination, among other factors, the unrealized loss positions are determined to be due to market factors other than credit. (2)Represents the weighted average of the ratings of all securities in each asset type, expressed as an S&P equivalent rating.Â For each security rated by multiple rating agencies, the highest rating is used. The ratings provided were determined by third-party rating agencies. The rates may not be current and are subject to change (including the assignment of a â€œnegative outlookâ€ or â€œcredit watchâ€) at any time.(3)As of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, includes $8.9 million and $9.0 million of restricted securities which are designated as risk retention securities under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended (â€œDodd-Frank Actâ€) and are therefore subject to transfer restrictions over the term of the securitization trust and are classified as held-to-maturity and reported at amortized cost. (4)The amounts presented represent the principal amount of the mortgage loans outstanding in the pool in which the interest-only securities participate.(5)As of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, includes $0.2 million and $0.3 million of restricted securities which are designated as risk retention securities under the Dodd-Frank Act and are therefore subject to transfer restrictions over the term of the securitization trust and are classified as held-to-maturity and reported at amortized cost.(6)GNMA interest-only securities are recorded at fair value with changes in fair value recorded in current period earnings. The Companyâ€™s GNMA interest-only securities are considered to be hybrid financial instruments that contain embedded derivatives. As a result, the Company has elected to account for them as hybrid instruments in their entirety at fair value with changes in fair value recognized in unrealized gain (loss) on securities in the consolidated statements of income.(7)The Companyâ€™s investments in debt securities represent an ownership interest in unconsolidated VIEs. The Companyâ€™s maximum exposure to loss from these unconsolidated VIEs is the amortized cost basis of the securities which represents the purchase price of the investment adjusted by any unamortized premiums or discounts as of the reporting date.Â 21Table of ContentsThe following summarizes the carrying value of the Companyâ€™s debt securities by remaining maturity based upon expected cash flows at SeptemberÂ 30, 2024 and DecemberÂ 31, 2023 ($Â in thousands):Â SeptemberÂ 30, 2024 AssetÂ TypeWithinÂ 1Â year1-5Â years5-10Â yearsTotalCMBS$90,844Â $748,480Â $â€”Â $839,324Â CMBS interest-only1,193Â 2,839Â â€”Â 4,032Â GNMA interest-only52Â 128Â â€”Â 180Â Agency securities14Â â€”Â â€”Â 14Â Corporate bonds9,145Â â€”Â â€”Â 9,145Â Total securities (1)$101,248Â $751,447Â $â€”Â $852,695Â (1)Excluded from the table above are $0.1Â million of equity securities and $(20.0)Â thousand of allowance for current expected credit losses.Â DecemberÂ 31, 2023 AssetÂ TypeWithinÂ 1Â year1-5Â years5-10Â yearsTotalCMBS$81,343Â $343,547Â $â€”Â $424,890Â CMBS interest-only2,121Â 4,448Â â€”Â 6,569Â GNMA interest-only86Â 22Â 105Â 213Â Agency securitiesâ€”Â 21Â â€”Â 21Â U.S. Treasury securities53,716Â â€”Â 53,716Â Total securities (1)$137,266Â $348,038Â $105Â $485,409Â (1)Excluded from the table above are $0.1Â million of equity securities and $(20.0)Â thousand of allowance for current expected credit losses.During the three months ended SeptemberÂ 30, 2024, the Company did not sell any equity securities. During the nine months ended SeptemberÂ 30, 2024, the Company sold $1.8Â million of equity securities. During the three and nine months ended SeptemberÂ 30, 2023 the Company did not sell any equity securities.The following summarizes the Companyâ€™s realized and unrealized gain (loss) on securities, included within â€œFee and Other Incomeâ€ on the Companyâ€™s consolidated statements of income for the three and nine months ended SeptemberÂ 30, 2024 and SeptemberÂ 30, 2023 ($Â in thousands):Three Months Ended September 30,Nine Months Ended September 30,Â 2024202320242023Realized gain (loss) on securities$â€”Â $23Â $75Â $(276)Unrealized gain (loss) on securities5Â (42)(22)(20)Total realized and unrealized gain (loss) on securities$5Â $(19)$53Â $(296)United States Treasury Securities The Company invests in short-term and long-term U.S. Treasury securities. Short-term U.S. Treasury securities are classified as cash and cash equivalents on our consolidated balance sheets and long-term U.S. Treasury securities are classified as securities on the consolidated balance sheets. As of SeptemberÂ 30, 2024, the Company held $1.3 billion of U.S. Treasury securities classified as cash and cash equivalents on the consolidated balance sheet.22Table of Contents5. REAL ESTATE AND RELATED LEASE INTANGIBLES, NET The Companyâ€™s real estate assets were comprised of the following ($ in thousands):September 30, 2024December 31, 2023Land$177,368Â $183,194Â Building635,741Â 647,201Â In-place leases and other intangibles110,676Â 116,831Â Undepreciated real estate and related lease intangibles923,785Â 947,226Â Less: Accumulated depreciation and amortization(232,394)(220,784)Real estate and related lease intangibles, net(1)$691,391Â $726,442Â Below market lease intangibles, net (other liabilities)(2)$(26,994)$(28,860)(1)There was unencumbered real estate of $179.3 million and $160.8 million as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, respectively. (2)Below market lease intangibles is net of $16.8 million and $15.8 million of accumulated amortization as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, respectively.As of SeptemberÂ 30, 2024, the Company held $18.1 million of undepreciated real estate and lease intangibles held for sale. The following table presents depreciation and amortization expense on real estate recorded by the Company ($ in thousands):Â Three Months Ended September 30,Nine Months Ended September 30,Â 2024202320242023Depreciation expense(1)$6,323Â $5,803Â $19,058Â $18,146Â Amortization expense1,823Â 1,341Â 5,803Â 3,998Â Total real estate depreciation and amortization expense$8,146Â $7,144Â $24,861Â $22,144Â (1)Depreciation expense on the consolidated statements of income also includes $0.1 million of depreciation on corporate fixed assets for both the three months ended SeptemberÂ 30, 2024 and SeptemberÂ 30, 2023 and $0.3 million of depreciation on corporate fixed assets for the nine months ended SeptemberÂ 30, 2024 and SeptemberÂ 30, 2023.The Companyâ€™s intangible assets are comprised of in-place leases, above market leases and other intangibles.Â The following tables present additional detail related to the intangible assets ($ in thousands):Â September 30, 2024December 31, 2023Gross intangible assets(1)$113,392Â $116,831Â Accumulated amortization59,121Â 55,782Â Net intangible assets$54,271Â $61,049Â (1)Includes $2.4 million and $2.8 million of unamortized above market lease intangibles, which are included in real estate and related lease intangibles, net on the consolidated balance sheets as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023.The following table presents increases/reductions in operating lease income related to the amortization of above or below market leases recorded by the Company ($ in thousands):Â Three Months Ended September 30,Nine Months Ended September 30,Â 2024202320242023Reduction in operating lease income for amortization of above market lease intangibles acquired$(93)$(73)$(285)$(216)Increase in operating lease income for amortization of below market lease intangibles acquired518Â 526Â 1,572Â 1,576Â Total$425Â $453Â $1,287Â $1,360Â 23Table of ContentsThe following table presents expected adjustment to operating lease income and expected amortization expense during the next five years and thereafter related to the above and below market leases and acquired in-place lease and other intangibles for property owned as of SeptemberÂ 30, 2024 ($ in thousands):Period Ending December 31,Increase/(Decrease) to Operating Lease IncomeAmortization Expense2024 (last three months)$425Â $1,633Â 20251,703Â 5,250Â 20261,717Â 4,276Â 20271,681Â 4,128Â 20281,607Â 3,992Â Thereafter17,432Â 34,118Â Total$24,565Â $53,397Â Rent ReceivablesThere were $2.9 million and $1.1 million of rent receivables included in other assets on the consolidated balance sheets as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, respectively. Operating Lease Income & Tenant ReimbursementsThe following is a schedule of non-cancellable, contractual, future minimum rent under leases (excluding property operating expenses paid directly by tenant under net leases) at SeptemberÂ 30, 2024 ($ in thousands):Period Ending December 31,Amount2024 (last three months)$16,012Â 202559,300Â 202650,335Â 202747,703Â 202845,436Â Thereafter163,472Â Total$382,258Â Tenant reimbursements, which consist of real estate taxes and utilities paid by the Company, which were reimbursable by the Companyâ€™s tenants pursuant to the terms of the lease agreements, were $1.8 million and $5.1 million for the three and nine months ended SeptemberÂ 30, 2024, respectively and $1.4 million and $3.5 million for the three and nine months ended SeptemberÂ 30, 2023, respectively. Tenant reimbursements are included in operating lease income on the Companyâ€™s consolidated statements of income. AcquisitionsThe Company acquired the following properties during the nine months ended SeptemberÂ 30, 2024 ($ in thousands):Acquisition DateTypePrimary Location(s)Purchase Price/Fair Value on the Date of ForeclosureOwnership Interest (1)February 2024(2)MultifamilyLos Angeles, CA$14,110Â 100%April 2024(3)MultifamilyLongview, TX6,080Â 100%April 2024(4)MultifamilyAmarillo, TX9,651Â 100%June 2024(5)MultifamilyLos Angeles, CA11,455Â 100%September 2024(6)OfficeOakland, CA7,500Â 100%Total real estate acquisitions$48,796Â (1)Properties were consolidated as of acquisition date.24Table of Contents(2)In February 2024, the Company acquired a multifamily portfolio consisting of three properties in Los Angeles, CA via foreclosure. The portfolio served as collateral for a mortgage loan receivable held for investment. The Company obtained a third-party appraisal of the property. The $14.1Â million fair value was determined by using the sales comparison and income approach. The appraiser utilized a terminal capitalization rate of 5.5%. There was no gain or loss resulting from the foreclosure of the loan. The key inputs used to determine fair value were determined to be Level 3 inputs. The portfolio was sold in June 2024. (3)In April 2024, the Company acquired a multifamily portfolio consisting of two properties in Longview, TX via foreclosure. The portfolio served as collateral for a mortgage loan receivable held for investment. There was a $0.4Â million gain recognized in connection with the foreclosure of the loan. During June 2024, the Company sold the portfolio for $6.1Â million. The fair value at foreclosure was based on the the sales price.(4)In April 2024, the Company acquired a multifamily property in Amarillo, TX via foreclosure. The property served as collateral for a mortgage loan receivable held for investment. The Company determined the fair value of $9.7Â million by using the sales comparison approach utilizing a terminal capitalization rate of 8.3%. There was no gain or loss resulting from the foreclosure of the loan. The key inputs used to determine fair value were determined to be Level 3 inputs.(5)In June 2024, the Company acquired a multifamily portfolio consisting of three properties in Los Angeles, CA via foreclosure. The portfolio served as collateral for a mortgage loan receivable held for investment. The $11.5Â million fair value was determined by using the sales comparison approach. There was no gain or loss resulting from the foreclosure of the loan.(6)In September 2024, the Company acquired an office property in Oakland, CA via foreclosure. The property served as collateral for a mortgage loan receivable held for investment. The $7.5Â million fair value was determined by using the sales comparison approach and direct capitalization approach. There was a $5Â million charge-off of allowance for credit loss resulting from the acquisition of the property. The Company used a terminal capitalization rate of 7.5%. The key inputs used to determine fair value were determined to be Level 3 inputs. Refer to Note 3, Mortgage Loan Receivables for further details.The Company allocates purchase consideration based on relative fair values, and real estate acquisition costs are capitalized as a component of the cost of the assets acquired for asset acquisitions. During the nine months ended September 30, 2024, all acquisitions were determined to be asset acquisitions.The Company acquired the following properties during the nine months ended SeptemberÂ 30, 2023 ($ in thousands):Acquisition DateTypePrimary Location(s)Purchase Price/Fair Value on the Date of ForeclosureOwnership Interest (1)September 2023(2)Mixed useNew York, NY$30,400Â 100.0%Total real estate acquisitions$30,400Â (1)Properties were consolidated as of acquisition date.(2)In September 2023, the Company acquired a mixed use portfolio consisting of four properties in New York, NY via foreclosure. The portfolio served as collateral for a mortgage loan receivable held for investment. The Company obtained a third-party appraisal of the property. The $30.4Â million fair value was determined by using the sales comparison and income approaches. The appraiser utilized a terminal capitalization rate of 5.5%. There was no gain or loss resulting from the foreclosure of the loan. The key inputs used to determine fair value were determined to be Level 3 inputs.SalesThe Company sold the following properties during the nine months ended SeptemberÂ 30, 2024 ($ in thousands):Sales DateTypePrimary Location(s)Sales ProceedsNet Book ValueRealized Gain/(Loss)PropertiesMay 2024OfficePeoria, IL$1,227Â $2,320Â $(1,093)1Â June 2024MultifamilyLos Angeles, CA14,834Â 13,911Â 923Â 3Â June 2024RetailWaldorf, MD23,734Â 11,424Â 12,310Â 1Â June 2024MultifamilyLongview, TX(1)6,080Â 6,080Â 403Â 2Â July 2024MultifamilyLos Angeles, CA11,770Â 11,455Â 315Â 1Â Totals$57,645Â $45,190Â $12,858Â 25Table of Contents(1)The Company recognized a $0.4Â million gain on foreclosure which is recognized in gain (loss) on real estate, net on the consolidated statement of income. The Company sold the following properties during the nine months ended SeptemberÂ 30, 2023 ($ in thousands):Sales DateTypePrimary Location(s)Sales ProceedsNet Book ValueRealized Gain/(Loss)PropertiesAugust 2023HotelSan Diego, CA(1)$43,335Â $34,526Â $8,808Â 1Â Totals$43,335Â $34,526Â $8,808Â (1)Included within sales proceeds is $31.3 million of mortgage financing that was assumed by the buyer. 26Table of Contents6. DEBT OBLIGATIONS, NET The details of the Companyâ€™s debt obligations at SeptemberÂ 30, 2024 and DecemberÂ 31, 2023 are as follows ($Â in thousands):Â SeptemberÂ 30, 2024 Debt ObligationsCommitted /Principal AmountCarrying Value of Debt Obligations Committed but UnfundedInterest Rate at September 30, 2024(1)Current Term MaturityRemaining Extension OptionsEligible CollateralCarrying Amount of CollateralFair Value of CollateralCommitted Loan Repurchase Facility$500,000Â $200,874Â $299,126Â 7.14%â€"7.49%9/27/2025(2)(3)$300,127Â $300,127Â Committed Loan Repurchase Facility300,000Â 43,651Â 256,349Â 7.44%â€"8.19%12/19/2024(4)(5)62,333Â 62,333Â Committed Loan Repurchase Facility56,000Â â€”Â 56,000Â â€"%â€"â€"%4/30/2026(6)(3)â€"Â â€"Â Committed Loan Repurchase Facility200,000Â â€"Â 200,000Â 7.60%â€"7.60%10/3/2025(7)(3)14,592Â 14,730Â Committed Loan Repurchase Facility100,000Â â€"Â 100,000Â â€"%â€"%1/22/2025(8)(5)â€"Â â€"Â Total Committed Loan Repurchase Facilities1,156,000Â 244,525Â 911,475Â 377,052Â 377,190Â Uncommitted Securities Repurchase FacilityÂ N/A (9) â€"Â Â N/A (9) â€"%â€"%N/AÂ N/A (10)â€"Â â€"Â Total Repurchase Facilities1,156,000Â 244,525Â 911,475Â 377,052Â 377,190Â Revolving Credit Facility323,850Â â€"Â 323,850Â â€"%â€"%1/25/2025(11)Â N/A (12) N/A (12)N/A (12)Mortgage Loan Financing511,046Â 513,781Â â€"Â 4.39%â€"8.78%2024-2034 (13)Â N/A (14)530,177Â 735,875Â (15)CLO Debt776,336Â 776,096Â (16)â€"Â 6.41%â€"8.86%2024-2026 (17)N/A(3)1,020,694Â 1,020,694Â Senior Unsecured Notes2,067,811Â 2,050,930Â (18)â€"Â 4.25%â€"7.00%2025-2031Â N/A Â N/A (19)N/A (19)N/A (19)Total Debt Obligations, Net$4,835,043Â $3,585,332Â $1,235,325Â $1,927,923Â $2,133,759Â (1)Interest rates on floating rate debt reflect the applicable index in effect as of SeptemberÂ 30, 2024.(2)Two 12-month extension periods at Companyâ€™s option. No new advances are permitted after the initial maturity date.(3)First mortgage commercial real estate loans and senior and pari passu interests therein. Eligible collateral does not include the real estate collateralizing such loans.(4)One additional 364-day period at Companyâ€™s option.(5)First mortgage and mezzanine commercial real estate loans and senior and pari passu interests therein. Eligible collateral does not include the real estate collateralizing such loans.(6)Three additional 12-month extension periods at Companyâ€™s option.(7)Two additional 12-month extension periods at Companyâ€™s option. No new advances permitted past 30 days prior to initial maturity.(8)One additional 12-month extension period at Company's option. No new advances permitted during the final 12-month period.(9)Represents uncommitted securities repurchase facilities for which there is no committed amount subject to future advances.(10)Commercial real estate securities. Eligible collateral does not include the first mortgage commercial real estate loans collateralizing such securities.(11)Four additional 12-month periods at Companyâ€™s option. (12)The obligations under the Revolving Credit Facility are guaranteed by the Company and certain of its subsidiaries and secured by equity pledges in certain Company subsidiaries.(13)Anticipated repayment dates.(14)Certain of the Companyâ€™s real estate investments serve as collateral for the Companyâ€™s mortgage loan financing.(15)Represents undepreciated carrying value of commercial real estate collateral. (16)Presented net of unamortized debt issuance costs of $0.2 million at SeptemberÂ 30, 2024. (17)Represents the estimated maturity date based on the underlying loan maturities.(18)Presented net of unamortized debt issuance costs of $16.9 million at SeptemberÂ 30, 2024. (19)The obligations under the senior unsecured notes are guaranteed by the Company and certain of its subsidiaries.27Table of ContentsDecember 31, 2023Debt ObligationsCommitted /Principal AmountCarrying Value of Debt Obligations Committed but UnfundedInterest Rate at December 31, 2022(1)Current Term MaturityRemaining Extension OptionsEligible CollateralCarrying Amount of CollateralFair Value of CollateralCommitted Loan Repurchase Facility$500,000Â $235,594Â $264,406Â 7.08%â€"7.48%9/27/2025(2)(3)$342,467Â $342,467Â Committed Loan Repurchase Facility300,000Â 118,903Â 181,097Â 7.46%â€"8.36%12/19/2024(4)(5)174,938Â 174,938Â Committed Loan Repurchase Facility141,997Â 139,162Â 2,835Â 7.06%â€"7.60%4/30/2024(6)(3)65,110Â 65,110Â (7)Committed Loan Repurchase Facility200,000Â 111,340Â 88,660Â 7.22%â€"8.29%10/3/2025(8)(3)150,280Â 150,559Â Committed Loan Repurchase Facility100,000Â â€"Â 100,000Â â€"%â€"â€"%1/22/2024(9)(5)â€"Â â€"Â Total Committed Loan Repurchase Facilities1,241,997Â 604,999Â 636,998Â 733,074Â Committed Securities Repurchase Facility100,000Â â€"Â 100,000Â â€"%â€"â€"%5/27/2024N/A(10)â€"Â â€"Â Uncommitted Securities Repurchase FacilityN/A (11)1,608Â N/A (11)6.61%â€"7.56%1/17/2024N/A(10)2,511Â 2,511Â (12)Total Repurchase Facilities1,341,997Â 606,607Â 736,998Â 735,306Â 735,585Â Revolving Credit Facility323,850Â â€"Â 323,850Â â€"%â€"â€"%7/27/2024(13)N/A (14)N/A (14)N/A (14)Mortgage Loan Financing437,384Â 437,759Â â€"Â 4.39%â€"9.03%2024-2031 (15)N/A(16)474,740Â 625,454Â (17)CLO Debt1,062,777Â 1,060,719Â (18)â€"Â 6.68%â€"9.13%2024-2026 (19)N/A(3)1,327,722Â 1,327,722Â Borrowings from the FHLB115,000Â 115,000Â â€"Â 5.76%â€"5.88%2024N/A(20)140,276Â 140,276Â Senior Unsecured Notes1,575,614Â 1,563,861Â (21)â€"Â 4.25%â€"5.25%2025-2029N/AN/A (22)N/A (22)N/A (22)Total Debt Obligations, Net$4,856,622Â $3,783,946Â $1,060,848Â $2,678,044Â $2,829,037Â (1)Interest rates on floating rate debt reflect the applicable index in effect as of December 31, 2023.(2)Two 12-month extension periods at Companyâ€™s option. No new advances are permitted after the initial maturity date.(3)First mortgage commercial real estate loans and senior and pari passu interests therein. Eligible collateral does not include the real estate collateralizing such loans.(4)One additional 364-day period at Companyâ€™s option.(5)First mortgage and mezzanine commercial real estate loans and senior and pari passu interests therein. Eligible collateral does not include the real estate collateralizing such loans.(6)Three additional 12-month extension periods at Companyâ€™s option.(7)The Company has pledged mortgage loans receivable with a value of $114.7Â million that eliminates in consolidation and is thus not included in the carrying amount of collateral or fair value of collateral.(8)Two additional 12-month extension periods at Companyâ€™s option. No new advances permitted past 30 days prior to initial maturity.(9)Two additional 12-month extension periods at Company's option. No new advances permitted during the final 12-month period.(10)Commercial real estate securities. Eligible collateral does not include the first mortgage commercial real estate loans collateralizing such securities.(11)Represents uncommitted securities repurchase facilities for which there is no committed amount subject to future advances.(12)Includes $1.9Â million of restricted securities under the risk retention rules of the Dodd-Frank Act. These securities are accounted for as held-to-maturity and recorded at amortized cost basis.(13)Three additional 12-month periods at Companyâ€™s option. (14)The obligations under the Revolving Credit Facility are guaranteed by the Company and certain of its subsidiaries and secured by equity pledges in certain Company subsidiaries.(15)Anticipated repayment dates.(16)Certain of the Companyâ€™s real estate investments serve as collateral for the Companyâ€™s mortgage loan financing.(17)Represents undepreciated carrying value of commercial real estate collateral. (18)Presented net of unamortized debt issuance costs of $2.1Â million at December 31, 2023. (19)Represents the estimated maturity date based on the remaining reinvestment period and underlying loan maturities.(20)Investment grade commercial real estate securities. It does not include the first mortgage commercial real estate loans collateralizing such securities.(21)Presented net of unamortized debt issuance costs of $11.8Â million at December 31, 2023. (22)The obligations under the senior unsecured notes are guaranteed by the Company and certain of its subsidiaries.Committed Loan and Securities Repurchase FacilitiesThe Company has entered into five committed master repurchase agreements, as outlined in the SeptemberÂ 30, 2024 table above, totaling $1.2Â billion of credit capacity in order to finance its lending activities. Assets pledged as collateral under these facilities are limited to whole mortgage loans or participation interests in mortgage loans collateralized by first liens on commercial properties and 28Table of Contentsmezzanine debt. The Company also had a term master repurchase agreement with a major U.S. bank to finance CMBS totaling $100Â million that was undrawn and matured during the three months ended June 30, 2024. The Companyâ€™s repurchase facilities include covenants covering net worth requirements, minimum liquidity levels, maximum leverage ratios, and minimum fixed charge coverage ratios. The Company was in compliance with all covenants as of SeptemberÂ 30, 2024 and December 31, 2023.The Company has the option to extend some of the current facilities subject to a number of conditions, including satisfaction of certain notice requirements, the absence of an event of default, and the absence of a margin deficit, all as defined in the repurchase facility agreements. The lenders have sole discretion with respect to the inclusion of collateral in these facilities and the determination of the market value of the collateral on a daily basis, to be exercised on a good faith basis, and have the right in certain cases to require additional collateral, a full and/or partial repayment of the facilities (margin call), or a reduction in unused availability under the facilities, sufficient to rebalance the facilities if the estimated market value of the included collateral declines.As of SeptemberÂ 30, 2024, the Company had total debt obligations of $244.5Â million outstanding pursuant to repurchase agreements with two counterparties. One loan repurchase facility was due within 90 days of SeptemberÂ 30, 2024 and was amended subsequent to quarter end to extend the maturity date. As of SeptemberÂ 30, 2024, no counterparties held collateral that exceeded the amounts borrowed under the related repurchase agreements by more than $153.1Â million, or 10% of the Companyâ€™s total equity. As of SeptemberÂ 30, 2024, the weighted average haircut, or the percent of collateral value in excess of the loan amount, under the Companyâ€™s repurchase agreements was 35%. There have been no significant fluctuations in haircuts across asset classes on the repurchase facilities.Revolving Credit FacilityThe Companyâ€™s Revolving Credit Facility provides for an aggregate maximum borrowing amount of $323.9Â million, including a $25.0Â million sublimit for the issuance of letters of credit. The Revolving Credit Facility is available on a revolving basis to finance the Companyâ€™s working capital needs and for general corporate purposes. Borrowings under the Revolving Credit Facility incur interest at a fixed margin of 2.50% over the index rate, with reductions in the fixed margin upon the achievement of investment grade credit ratings. As of SeptemberÂ 30, 2024, the Company had no outstanding borrowings on the Revolving Credit Facility, and continues to maintain the ability to draw $323.9Â million. The obligations under the Revolving Credit Facility are guaranteed by the Company and certain of its subsidiaries. The Revolving Credit Facility is secured by a pledge of the shares of (or other ownership or equity interests in) certain subsidiaries to the extent the pledge is not restricted under existing regulations, law or contractual obligations.Â The Company is subject to customary affirmative covenants and negative covenants, including limitations on the incurrence of additional debt, liens, restricted payments, sales of assets and affiliate transactions. In addition, the Company is required to comply with financial covenants relating to minimum net worth, maximum leverage, minimum liquidity, and minimum fixed charge coverage, consistent with the Companyâ€™s other credit facilities. The Companyâ€™s ability to borrow is dependent on, among other things, compliance with the financial covenants. The Revolving Credit Facility contains customary events of default, including non-payment of principal or interest, fees or other amounts, failure to perform or observe covenants, cross-default to other indebtedness, the rendering of judgments against the Company or certain of its subsidiaries to pay certain amounts of money and certain events of bankruptcy or insolvency.Debt Issuance CostsAs of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, the amounts of unamortized costs relating to the Companyâ€™s master repurchase facilities and Revolving Credit Facility were $2.4 million and $4.0 million, respectively, are included in other assets in the consolidated balance sheets. Uncommitted Securities Repurchase FacilitiesThe Company has also entered into multiple uncommitted master repurchase agreements collateralized by real estate securities with several counterparties. The borrowings under these agreements have typical advance rates between 75% and 95% of the fair value of collateral, which is primarily AAA-rated securities. As of SeptemberÂ 30, 2024, the Company has no outstanding borrowings on any of the uncommitted securities repurchase facilities. 29Table of ContentsMortgage Loan FinancingThe Company typically finances its real estate investments with long-term, non-recourse mortgage financing. These mortgage loans have carrying amounts of $513.8 million and $437.8 million, net of unamortized premiums of $3.9 million and $1.8 million as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, respectively, representing proceeds received upon financing greater than the contractual amounts due under these agreements. The premiums are being amortized over the remaining life of the respective debt instruments using the effective interest method. Interest expense decreased due to the Company recording $0.2 million and $0.6 million of premium amortization for the three and nine months ended SeptemberÂ 30, 2024, respectively, and $0.2 million and $0.5 million of premium amortization for the three and nine months ended SeptemberÂ 30, 2023, respectively. These non-recourse debt agreements provide for secured financing at rates ranging from 4.39% to 8.78%, and, as of SeptemberÂ 30, 2024, have anticipated maturity dates between 2024 and 2034, with an average term of 3.5 years. The mortgage loans are collateralized by real estate and related lease intangibles, net, of $530.2 million and $474.7 million as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, respectively. During the three and nine months ended SeptemberÂ 30, 2024, the Company executed six and 16 new term debt agreements, respectively, to finance properties in its real estate portfolio with carrying amounts of $13.0 million and $81.9 million, respectively. During the three and nine months ended SeptemberÂ 30, 2023, the Company did not execute any term debt agreements.Collateralized Loan Obligations (â€œCLOâ€) DebtAs of SeptemberÂ 30, 2024, the Company had $776.1 million of matched term, non-mark-to-market and non-recourse CLO debt included in debt obligations on its consolidated balance sheets, which includes unamortized debt issuance costs of $0.2 million.On JulyÂ 13, 2021, a consolidated subsidiary of the Company completed a privately-marketed CLO transaction, which generated $498.2Â million of gross proceeds to Ladder, financing $607.5Â million of loans (â€œContributed July 2021 CLO Loansâ€) at an 82% advance rate on a matched term, non-mark-to-market and non-recourse basis. A consolidated subsidiary of the Company retained an 18% subordinate and controlling interest in the CLO. The Company retained consent rights over major decisions with respect to the servicing of the Contributed July 2021 CLO Loans, including the right to appoint and replace the special servicer under the CLO. The CLO is a VIE and the Company is the primary beneficiary and, therefore, consolidated the VIE. Refer to Note 9, Consolidated Variable Interest Entities for further detail.On DecemberÂ 2, 2021, a consolidated subsidiary of the Company completed a privately-marketed CLO transaction, which generated $566.2 million of gross proceeds to Ladder, financing $729.4 million of loans (â€œContributed December 2021 CLO Loansâ€) at a maximum 77.6% advance rate on a matched term, non-mark-to-market and non-recourse basis. A consolidated subsidiary of the Company retained an 15.6% subordinate and controlling interest in the CLO. The Company also held two additional tranches as investments totaling 6.8% interest in the CLO. The Company retained consent rights over major decisions with respect to the servicing of the Contributed December 2021 CLO Loans, including the right to appoint and replace the special servicer under the CLO. The CLO is a VIE and the Company is the primary beneficiary and, therefore, consolidated the VIE. Refer to Note 9, Consolidated Variable Interest Entities for further detail.Borrowings from the Federal Home Loan Bank (â€œFHLBâ€)As of SeptemberÂ 30, 2024, the Company had no debt outstanding with the FHLB. Tuebor Captive Insurance Company LLC (â€œTueborâ€) is licensed in Michigan as a captive insurance company and was formerly a member of the FHLB. Tuebor is subject to state regulations which require that dividends (including dividends to the Company as its parent) may only be made with regulatory approval. However, there can be no assurance that the Company would obtain such approval if sought. Largely as a result of this restriction, approximately $879.0 million of Tueborâ€™s memberâ€™s capital was restricted from transfer via dividend to Tueborâ€™s parent without prior approval of state insurance regulators at SeptemberÂ 30, 2024. To facilitate intercompany cash funding of operations and investments, Tuebor and its parent maintain regulator-approved intercompany borrowing/lending agreements.Senior Unsecured NotesAs of SeptemberÂ 30, 2024, the Company had $2.1 billion of unsecured corporate bonds outstanding. These unsecured financings were comprised of $322.0 million in aggregate principal amount of 5.25% senior notes due 2025 (the â€œ2025 Notesâ€), $611.9 million in aggregate principal amount of 4.25% senior notes due 2027 (the â€œ2027 Notesâ€), $633.9 million in aggregate principal amount of 4.75% senior notes due 2029 (the â€œ2029 Notesâ€) and $500.0 million in aggregate principal amount of 7.00% senior notes due 2031 (the â€œ2031 Notesâ€, collectively with the 2025 Notes, the 2027 Notes and the 2029 Notes, the 30Table of Contentsâ€œNotesâ€). The 2031 Notes were issued during the three months ended SeptemberÂ 30, 2024 with an aggregate principal balance of $500.0 million.During the nine months ended SeptemberÂ 30, 2024, the Company repurchased $5.8 million of the 2025 Notes and $2.0 million of the 2029 Notes recognizing a net gain on extinguishment of debt of $20 thousand and $0.2 million, respectively.LCFH issued the Notes with Ladder Capital Finance Corporation (â€œLCFCâ€), as co-issuers on a joint and several basis. LCFC is a 100% owned finance subsidiary of LCFH with no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the Notes. The Company and certain subsidiaries of LCFH currently guarantee the obligations under the Notes and the indenture. The Company was in compliance with all covenants of the Notes as of SeptemberÂ 30, 2024 and 2023.The Notes require interest payments semi-annually in cash in arrears, are unsecured, and are subject to an unencumbered assets to unsecured debt covenant. The Company may redeem the Notes prior to their stated maturity, in whole or in part, at any time or from time to time, with required notice and at a redemption price as specified in the indenture governing the Notes, plus accrued and unpaid interest, if any, to the redemption date. The board of directors has authorized the Company to repurchase any or all of the Notes from time to time without further approval. Financial CovenantsThe Companyâ€™s debt facilities are subject to covenants that require the Company to maintain a minimum level of total equity. Largely as a result of this restriction, approximately $871.4 million of the total equity is restricted from payment as a dividend by the Company at SeptemberÂ 30, 2024.The Company was in compliance with all covenants as of SeptemberÂ 30, 2024. 31Table of ContentsCombined Maturity of Debt ObligationsThe following schedule reflects the Companyâ€™s contractual payments under borrowings by maturity ($ in thousands):Â PeriodÂ endingÂ DecemberÂ 31,BorrowingsÂ byMaturity(1)2024 (last three months)$221,458Â 2025498,380Â 202689,147Â 2027727,825Â 202824,598Â Thereafter1,261,974Â Subtotal2,823,382Â Debt issuance costs included in senior unsecured notes(16,881)Debt issuance costs included in mortgage loan financings(1,193)Premiums included in mortgage loan financings (2)3,928Â Total (3)$2,809,236Â (1)The allocation of repayments under the Companyâ€™s committed loan repurchase facilities is based on the earlier of: (i) the maturity date of each agreement; or (ii) the maximum maturity date of the collateral loans, assuming all extension options are exercised by the borrower.(2)Represents sales proceeds received in excess of loan amounts sold into securitizations that are amortized as a reduction to interest expense using the effective interest method over the life of the underlying loan.(3)Total does not include $776.3 million of consolidated CLO debt obligations and the related debt issuance costs of $0.2 million, as the satisfaction of these liabilities will be paid through cash flow from loan collateral including amortization and will not require cash outlays from us. 32Table of Contents7. DERIVATIVE INSTRUMENTS Â The Company primarily uses derivative instruments to economically manage the fair value variability of fixed rate assets caused by interest rate fluctuations and overall portfolio market risk.Â The following is a breakdown of the derivatives outstanding as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023 ($ in thousands):Â SeptemberÂ 30, 2024 Â Â FairÂ ValueRemainingMaturity(years)ContractÂ TypeNotionalAsset(1)Liability(1)CapsÂ Â Â Â 1 Month Term SOFR$90,000Â $527Â $â€"Â 0.87FuturesÂ Â Â 10-year Treasury-Note Futures28,000Â 169Â â€"Â 0.25Total futures28,000Â 169Â â€"Â OptionsÂ Â Â OptionsN/A(2)122Â â€"Â 0.30Total credit derivativesâ€"Â 122Â â€"Â Â Total derivatives$118,000Â $818Â $â€"Â Â (1)Shown as derivative instruments in the accompanying consolidated balance sheet.(2)The Company held 345 options contracts as of SeptemberÂ 30, 2024.DecemberÂ 31, 2023Â Â FairÂ ValueRemainingMaturity(years)ContractÂ TypeNotionalAsset(1)Liability(1)CapsÂ Â Â Â 1 Month Term SOFR$90,000Â $908Â $â€"Â 0.62FuturesÂ Â Â Â 5-year Treasury-Note Futures18,800Â 98Â â€"Â 0.2510-year Treasury-Note Futures86,100Â 447Â â€"Â 0.25Total futures104,900Â 545Â â€"Â Â OptionsÂ Â Â OptionsN/A(2)1Â â€"Â 0.05Total derivatives$194,900Â $1,454Â $â€"Â Â (1)Shown as derivative instruments in the accompanying consolidated balance sheet.(2)The Company held 104 options contracts as of DecemberÂ 31, 2023.Â The following table summarizes the net realized gains (losses) and unrealized gains (losses) on derivatives, by primary underlying risk exposure, as included in net result from derivatives transactions in the consolidated statements of income for the three and nine months ended September 30, 2024 and 2023 ($ in thousands):Â Three Months Ended September 30, 2024Nine Months Ended September 30, 2024Contract TypeUnrealizedGain/(Loss)RealizedGain/(Loss)NetÂ ResultfromDerivativeTransactionsUnrealizedGain/(Loss)RealizedGain/(Loss)NetÂ ResultfromDerivativeTransactionsCaps$(589)$421Â $(168)$(282)(593)(376)4,215Â 3,839Â Optionsâ€"Â (5)(5)â€"Â (6)(6)Total$(900)$134Â $(766)$(1,596)$5,467Â $3,871Â Â 33Table of ContentsÂ Three Months Ended September 30, 2023Nine Months Ended September 30, 2023Contract TypeUnrealizedGain/(Loss)RealizedGain/(Loss)NetÂ ResultfromDerivativeTransactionsUnrealizedGain/(Loss)RealizedGain/(Loss)NetÂ ResultfromDerivativeTransactionsCaps$(294)$378Â $84Â $(

(152)Total$(184)$4,957Â $4,773Â $(175)$6,855Â $6,680Â FuturesCollateral posted with the Companyâ€™s futures counterparties is segregated in the Companyâ€™s books and records. Interest rate futures are centrally cleared by the Chicago Mercantile Exchange (â€œCMEâ€) through a futures commission merchant. Interest rate futures that are governed by an International Swaps and Derivatives Association (â€œISDAâ€) agreement provide for bilateral collateral pledging based on the counterpartiesâ€™ market value. The counterparties have the right to re-pledge the collateral posted but have the obligation to return the pledged collateral, or substantially the same collateral, if agreed to by us, as the market value of the interest rate futures change.The Company is required to post initial margin and daily variation margin for its interest rate futures that are centrally cleared by CME. CME determines the fair value of the Companyâ€™s centrally cleared futures, including daily variation margin. Variation margin pledged on the Companyâ€™s centrally cleared interest rate futures is settled against the realized results of these futures. The Companyâ€™s counterparties held $0.7 million and $2.8 million of cash margin as collateral for derivatives as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, respectively, which is included in restricted cash in the consolidated balance sheets.34Table of Contents8. OFFSETTING ASSETS AND LIABILITIES Â The following tables present both gross information and net information about derivatives and other instruments eligible for offset in the statement of financial position as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023. The Companyâ€™s accounting policy is to record derivative asset and liability positions on a gross basis; therefore, the following tables present the gross derivative asset and liability positions recorded on the balance sheets, while also disclosing the eligible amounts of financial instruments and cash collateral to the extent those amounts could offset the gross amount of derivative asset and liability positions. The actual amounts of collateral posted by or received from counterparties may be in excess of the amounts disclosed in the following tables as the following only disclose amounts eligible to be offset to the extent of the recorded gross derivative positions.The following table represents offsetting of financial assets and derivative assets as of SeptemberÂ 30, 2024 ($ in
thousands):Â DescriptionGrossÂ amountsÂ ofrecognizedÂ assetsGrossÂ amountsoffsetÂ inÂ thebalanceÂ sheetNetÂ amountsÂ ofassetsÂ presentedinÂ theÂ balancesheetGrossÂ amountsÂ notÂ of
(1)Derivatives$818Â $â€”Â $818Â $â€”Â $(728)$90Â Total$818Â $â€”Â $818Â $â€”Â $(728)$90Â (1)Included in restricted cash on consolidated balance sheet.The following table represents offsetting of financial liabilities and derivative liabilities as of SeptemberÂ 30, 2024 ($ in
thousands):Â DescriptionGrossÂ amountsÂ ofrecognizedliabilitiesGrossÂ amountsoffsetÂ inÂ thebalanceÂ sheetNetÂ amountsÂ ofliabilitiespresentedÂ inÂ thebalanceÂ sheetGrossÂ amountsÂ not
(1)Repurchase agreements$244,525Â $â€”Â $244,525Â $244,525Â $1,463Â $243,062Â Total$244,525Â $â€”Â $244,525Â $244,525Â $1,463Â $243,062Â (1)Included in restricted cash on consolidated balance sheet.The following table represents offsetting of financial assets and derivative assets as of DecemberÂ 31, 2023 ($ in
thousands):DescriptionGrossÂ amountsÂ ofrecognizedÂ assetsGrossÂ amountsoffsetÂ inÂ thebalanceÂ sheetNetÂ amountsÂ ofassetsÂ presentedinÂ theÂ balancesheetGrossÂ amountsÂ notÂ offs
(1)Derivatives$1,454Â $â€”Â $1,454Â $â€”Â $(2,846)$(1,392)Total$1,454Â $â€”Â $1,454Â $â€”Â $(2,846)$(1,392)(1)Included in restricted cash on consolidated balance sheet.The following table represents offsetting of financial liabilities and derivative liabilities as of DecemberÂ 31, 2023 ($ in
thousands):DescriptionGrossÂ amountsÂ ofrecognizedliabilitiesGrossÂ amountsoffsetÂ inÂ thebalanceÂ sheetNetÂ amountsÂ ofliabilitiespresentedÂ inÂ thebalanceÂ sheetGrossÂ amountsÂ notÂ
(1)Repurchase agreements$606,607Â $â€”Â $606,607Â $606,607Â $â€”Â $606,607Â Total$606,607Â $â€”Â $606,607Â $606,607Â $â€”Â $606,607Â (1)Included in restricted cash on consolidated balance sheet.Master netting agreements that the Company has entered into with its derivative and repurchase agreement counterparties allow for netting of the same transaction, in the same currency, on the same date.Â Assets, liabilities, and collateral subject to master netting agreements as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023 are disclosed in the tables above. The Company does not present its derivative and repurchase agreements net on the consolidated financial statements as it has elected gross presentation.Â 35Table of Contents9. CONSOLIDATED VARIABLE INTEREST ENTITIESThe Company consolidates on its balance sheet two CLOs that are considered VIEs as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023 ($ in thousands):September 30, 2024December 31, 2023Mortgage loan receivables held for investment, net, at amortized cost$1,020,694Â $1,327,722Â Accrued interest receivable7,169Â 9,394Â Other assets27,648Â 4,469Â Total assets$1,055,511Â $1,341,585Â Debt obligations, net$776,096Â $1,060,719Â Accrued expenses2,393Â 3,555Â Total liabilities778,489Â 1,064,274Â Net equity in VIEs (eliminated in consolidation)277,022Â 277,311Â Total equity277,022Â 277,311Â Total liabilities and equity$1,055,511Â $1,341,585Â Refer to Note 6, Debt Obligations, Net - Collateralized Loan Obligations (â€œCLOâ€) Debt for further details.10. EQUITY STRUCTURE AND ACCOUNTSStock RepurchasesOn April 24, 2024, the board of directors authorized the repurchase of $75.0 million of the Companyâ€™s Class A common stock from time to time without further approval. This authorization increased the remaining outstanding authorization per the July 27, 2022 authorization from $43.6Â million to $75.0Â million. Stock repurchases by the Company are generally made for cash in open market transactions at prevailing market prices but may also be made in privately negotiated transactions or otherwise. The timing and amount of purchases are determined based upon prevailing market conditions, the Companyâ€™s liquidity requirements, contractual restrictions and other factors. As of SeptemberÂ 30, 2024, the Company has a remaining amount available for repurchase of $73.6 million, which represents 5.0% in the aggregate of its outstanding Class A common stock, based on the closing price of $11.60 per share on such date.The following tables summarize the Companyâ€™s repurchase activity of its Class A common stock during the nine months ended SeptemberÂ 30, 2024 and 2023 ($ in thousands):SharesAmount(1)Authorizations remaining as of December 31, 2023$44,256Â Additional authorizations (2)31,391Â Repurchases paid:January 1, 2024 - January 31, 2024â€”Â â€”Â February 1, 2024 - February 29, 2024â€”Â â€”Â March 1, 2024 - March 31, 202460,000Â (647)April 1, 2024 - April 30, 2024â€”Â â€”Â May 1, 2024 - May 31, 20242,100Â (23)June 1, 2024 - June 30, 202417,590Â (189)July 1, 2024 - July 31, 2024â€”Â â€”Â August 1, 2024 - August 31, 2024â€”Â â€”Â September 1, 2024 - September 30, 2024100,001Â (1,190)Authorizations remaining as of September 30, 2024$73,598Â (1)Amount excludes commissions paid associated with share repurchases. (2)On April 24, 2024, the Board authorized repurchases up to $75.0Â million in aggregate.36Table of ContentsSharesAmount(1)Authorizations remaining as of December 31, 2022$46,737Â Repurchases paid:March 1 - March 31, 2023250,000Â (2,285)September 1 - September 30, 202319,000Â (196)Authorizations remaining as of September 30, 2023$44,256Â (1)Amount excludes commissions paid associated with share repurchases.DividendsThe following table presents dividends declared (on a per share basis) of Class A common stock for the nine months ended SeptemberÂ 30, 2024 and 2023:Declaration DateDividend per ShareMarch 15, 2024$0.23Â June 14, 20240.23Â September 13, 20240.23Â Total$0.69Â March 15, 2023$0.23Â June 15, 20230.23Â September 15, 20230.23Â Total$0.69Â Changes in Accumulated Other Comprehensive Income (Loss)The following table presents changes in accumulated other comprehensive income related to the cumulative difference between the fair market value and the amortized cost basis of securities classified as available for sale for the nine months ended SeptemberÂ 30, 2024 and 2023 ($ in thousands):Three Months Ended September 30,Nine Months Ended September 30,2024202320242023Accumulated Other Comprehensive Income (Loss) beginning of period$(10,752)$(16,524)$(13,853)$(21,009)Gain (loss) on available for sale securities, net of tax2,041Â 1,645Â 5,142Â 6,130Â Accumulated Other Comprehensive Income (Loss) end of period$(8,711)$(14,879)$(8,711)$(14,879)11. NONCONTROLLING INTERESTS Noncontrolling Interests in Consolidated VenturesAs of SeptemberÂ 30, 2024, the Company consolidates two ventures and in each, there are different noncontrolling investors, which own between 10.0% - 25.0% of such ventures. These ventures hold investments in a 40-building student housing portfolio in Isla Vista, CA with a book value of $78.0 million, and a single-tenant office building in Oakland County, MI with a book value of $8.8 million. The Company makes distributions and allocates income from these ventures to the noncontrolling interests in accordance with the terms of the respective governing agreements.37Table of ContentsSalesDuring the three and nine months ended SeptemberÂ 30, 2024 and SeptemberÂ 30, 2023, there were no sales of assets with noncontrolling interests. 38Table of Contents12. EARNINGS PER SHARE Â The Companyâ€™s net income (loss) and weighted average shares outstanding for the three and nine months ended September 30, 2024 and 2023 consist of the following:Three Months Ended September 30,Nine Months Ended September 30,($
inÂ thousandsÂ exceptÂ shareÂ amounts)2024202320242023Basic and Diluted Net income (loss) available for ClassÂ A common shareholders$27,913Â $31,319Â $76,869Â $81,889Â Weighted average shares outstanding:Â Â Â Â Basic125,705,754Â 124,730,343Â 125,586,075Â 124,652,426Â Diluted125,905,528Â 124,968,545Â 125,757,114Â 124,817,335Â Â The calculation of basic and diluted net income (loss) per share amounts for the three and nine months ended September 30, 2024 and 2023 consist of the following:Three Months Ended September 30,Nine Months Ended September 30,(InÂ thousandsÂ exceptÂ shareÂ and per share amounts) (1)2024202320242023Basic Net Income (Loss) Per Share of ClassÂ A Common StockÂ Â Â Â Numerator:Â Â Â Â Net income (loss) attributable to ClassÂ A common shareholders$27,913Â $31,319Â $76,869Â $81,889Â Denominator:Â Â Â Â Weighted average number of shares of ClassÂ A common stock outstanding125,705,754Â 124,730,343Â 125,586,075Â 124,652,426Â Basic net income (loss) per share of ClassÂ A common stock$0.22Â $0.25Â $0.61Â $0.66Â Diluted Net Income (Loss) Per Share of ClassÂ A Common StockÂ Numerator:Â Â Net income (loss) attributable to ClassÂ A common shareholders$27,913Â $31,319Â $76,869Â $81,889Â Diluted net income (loss) attributable to ClassÂ A common shareholders27,913Â 31,319Â 76,869Â 81,889Â Denominator:Â Â Basic weighted average number of shares of ClassÂ A common stock outstanding125,705,754Â 124,730,343Â 125,586,075Â 124,652,426Â Add - dilutive effect of:Â Â Â Â Incremental shares of unvested ClassÂ A restricted stock(1)199,774Â 238,202Â 171,039Â 164,909Â Diluted weighted average number of shares of ClassÂ A common stock outstanding (2)(3)125,905,528Â 124,968,545Â 125,757,114Â 124,817,335Â Diluted net income (loss) per share of ClassÂ A common stock$0.22Â $0.25Â $0.61Â $0.66Â (1)The Company applies the treasury stock method.(2)There were 166,571 and 335,482 anti-dilutive shares for the three and nine months ended SeptemberÂ 30, 2024, respectively.(3)There were 299,641 and 440,573 anti-dilutive shares for the three and nine months ended SeptemberÂ 30, 2023, respectively.39Table of Contents13. STOCK-BASED AND OTHER COMPENSATION PLANS Â Summary of Stock and Shares Unvested/OutstandingThe following table summarizes the impact on the consolidated statements of income of the various stock-based compensation plans and other compensation plans ($ in thousands):Three Months Ended September 30,Nine Months Ended September 30,2024202320242023Stock-based compensation expense$3,177Â $3,205Â $16,592Â $15,375Â Total Stock-Based Compensation Expense$3,177Â $3,205Â $16,592Â $15,375Â A summary of the grants is presented below:Â Three Months Ended September 30,Nine Months Ended September 30,Â 2024202320242023Numberof Shares/OptionsWeightedAverageFairÂ ValuePer ShareNumberof SharesWeightedAverageFairÂ ValuePer ShareNumberof SharesWeightedAverageFairÂ ValuePer ShareNumberof SharesWeightedAverageFairÂ ValuePer ShareGrants - ClassÂ A Common Stockâ€”Â $â€”Â â€”Â $â€”Â 1,855,541Â $10.70Â 1,417,561Â $11.58Â The table below presents the number of unvested shares of Class A common stock and outstanding stock options at SeptemberÂ 30, 2024 and changes during 2024 of theÂ ClassÂ A common stock and stock options of Ladder Capital Corp: Restricted StockWeighted Average Grant Date Fair ValueStock OptionsNonvested/Outstanding at December 31,
20232,197,963Â $12.37Â 623,788Â Granted1,855,541Â 10.70Â â€”Â Vested(1,895,530)10.91Â â€”Â Forfeited(9,960)10.94Â â€”Â Nonvested/Outstanding at September 30, 20242,148,014Â $12.22Â 623,788Â Exercisable at September 30, 2024 (1)623,788Â (1)The weighted average exercise price of outstanding options is $14.84 at SeptemberÂ 30, 2024.At SeptemberÂ 30, 2024, there was $12.6 million of total unrecognized compensation cost related to certain share-based compensation awards that is expected to be recognized over a period of up to 29.0 months, with a weighted average remaining vesting period of 22.9 months.2014 Omnibus Incentive PlanIn connection with the IPO Transactions, the 2014 Ladder Capital Corp Omnibus Incentive Equity Plan (the â€œ2014 Omnibus Incentive Planâ€) was adopted by the board of directors on FebruaryÂ 11, 2014, and provided certain members of management, employees and directors of the Company or its affiliates with additional incentives including grants of stock options, stock appreciation rights, restricted stock, other stock-based awards and other cash-based awards. 2023 Omnibus Incentive PlanAt the Companyâ€™s Annual Meeting held on June 6, 2023, the stockholders of the Company approved the Ladder Capital Corp 2023 Omnibus Incentive Plan (the â€œ2023 Omnibus Incentive Planâ€), effective as of the date of the Annual Meeting (the â€œEffective Dateâ€). The 2023 Omnibus Incentive Plan superseded and replaced the 2014 Omnibus Incentive Plan in its entirety as of the Effective Date.The aggregate number of shares of the Companyâ€™s Class A common stock that will be available for issuance to employees, non-employee directors and consultants of the Company and its affiliates under the 2023 Omnibus Incentive Plan will not exceed 40Table of Contents3,000,000 shares of Class A common stock, plus an additional amount, not to exceed 10,253,867 shares of Class A common stock, remaining available for new awards under the 2014 Omnibus Incentive Plan as of the Effective Date, subject to the terms and conditions set forth in the 2023 Omnibus Incentive Plan.Annual Incentive Awards Granted in 2024 with respect to 2023 PerformanceFor 2023 performance, certain employees received stock-based incentive equity in February 2024. Restricted stock subject to time-based vesting criteria will vest in three installments on February 18 of each of 2025, 2026 and 2027, subject to continued employment on the applicable vesting dates. The Company has elected to recognize the compensation expense related to the time-based vesting of the annual restricted stock awards for the entire award on a straight-line basis over the requisite service period for the entire award. Restricted stock subject to performance criteria is eligible to vest in three equal installments upon the compensation committeeâ€™s confirmation that the Company achieves a pre-tax return on average equity, based on distributable earnings divided by the Companyâ€™s average shareholdersâ€™ equity, equal to or greater than 8% for such year (the â€œPerformance Targetâ€) for the years ended December 31, 2024, 2025 and 2026, respectively. If the Company misses the Performance Target during either the first or second calendar year but meets the Performance Target for a subsequent year during the three-year performance period and the Companyâ€™s return on equity for such subsequent year and any years for which it missed its Performance Target equals or exceeds the compounded pre-tax return on average equity of 8% based on distributable earnings divided by the Companyâ€™s average shareholdersâ€™ equity, the performance-vesting restricted stock which failed to vest because the Company previously missed its Performance Target will vest subject to continued employment on the applicable vesting date (the â€œCatch-Up Provisionâ€). Approximately 2/3 of all the shares subject to attainment of the Performance Target are also subject to the Catch-Up Provision, as the Catch-Up Provision is not available for the missed performance during the third performance year and has the effect of requiring the Company to achieve an average 8% return over the full three-year performance plan in order to be effective. Accruals of compensation cost for an award with a performance condition shall be based on the probable outcome of that performance condition. Therefore, compensation cost shall be accrued if it is probable that the performance condition will be achieved and shall not be accrued if it is not probable that the performance condition will be achieved. The probability of meeting the performance outcome is assessed quarterly. On February 18, 2024, in connection with 2023 performance, annual stock awards were granted to management employees (each, a â€œManagement Granteeâ€), with an aggregate grant date fair value of $10Â million, which represents 937,560 shares of Class A common stock. The grant to Mr. Harris and approximately half of the grants to each of Ms. McCormack and Mr. Perelman were unrestricted. The other half of incentive equity granted to each of Ms. McCormack and Mr. Perelman is restricted stock subject to attainment of the Performance Target for the applicable years and is also subject to the Catch-Up Provision described above. For the grants to Mr. Miceli and Ms. Porcella (a total of 127,275 shares with an aggregate fair value of $1.4Â million), approximately half of the awards are subject to time-based vesting criteria and the remaining half are subject to attainment of the Performance Target for the applicable years.On February 18, 2024, in connection with 2023 performance, annual stock awards were granted to certain non-management employees (â€œNon-Management Granteesâ€) with an aggregate grant date fair value of $9.4Â million, which represents 882,436 shares of Class A common stock. Of these awards, 22,939 shares were unrestricted, 418,285 shares are subject to time-based vesting criteria and the remaining 441,212 shares are subject to the attainment of the Performance Target, including the Catch-Up Provision, for the applicable years. Other 2024 Restricted Stock AwardsOn February 18, 2024, certain members of the board of directors received annual restricted stock awards with a grant date fair value of $0.4Â million, representing 35,545 shares of restricted Class A common stock, which will vest in full on the first anniversary of the date of grant, subject to continued service on the board of directors. Compensation expense related to the time-based vesting criteria of the award shall be recognized on a straight-line basis over the one-year vesting period.Annual Incentive Awards Granted in 2023 with respect to 2022 PerformanceFor 2022 performance, certain employees received stock-based incentive equity in February 2023. Restricted stock subject to time-based vesting criteria will vest in three installments on February 18 of each of 2024, 2025 and 2026, subject to continued employment on the applicable vesting dates. The Company has elected to recognize the compensation expense related to the time-based vesting of the annual restricted stock awards for the entire award on a straight-line basis over the requisite service period for the entire award. Restricted stock subject to performance criteria is eligible to vest in three equal installments upon the compensation committeeâ€™s confirmation that the Company achieves a pre-tax return on average equity, based on distributable earnings divided by the Companyâ€™s average shareholdersâ€™ equity, equal to or greater than 8% for such year (the 41Table of Contentsâ€œPerformance Targetâ€) for the years ended December 31, 2023, 2024 and 2025, respectively. If the Company misses the Performance Target during either the first or second calendar year but meets the Performance Target for a subsequent year

during the three-year performance period and the Companyâ€™s return on equity for such subsequent year and any years for which it missed its Performance Target equals or exceeds the compounded pre-tax return on average equity of 8% based on distributable earnings divided by the Companyâ€™s average shareholdersâ€™ equity, the performance-vesting restricted stock which failed to vest because the Company previously missed its Performance Target will vest subject to continued employment on the applicable vesting date (the â€œCatch-Up Provisionâ€). Approximately 2/3 of all the shares subject to attainment of the Performance Target are also subject to the Catch-Up Provision, as the Catch-Up Provision is not available for the missed performance during the third performance year and has the effect of requiring the Company to achieve an average 8% return over the full three-year performance plan in order to be effective. Accruals of compensation cost for an award with a performance condition shall be based on the probable outcome of that performance condition. Therefore, compensation cost shall be accrued if it is probable that the performance condition will be achieved and shall not be accrued if it is not probable that the performance condition will be achieved. The probability of meeting the performance outcome is assessed quarterly. On February 18, 2023, in connection with 2022 performance, annual stock awards were granted to management employees (each, a â€œManagement Granteeâ€), with an aggregate grant date fair value of $8.5Â million, which represents 733,607 shares of Class A common stock. The grant to Mr. Harris and approximately half of the grants to each of Ms. McCormack and Mr. Perelman were unrestricted. The other half of incentive equity granted to each of Ms. McCormack and Mr. Perelman is restricted stock subject to attainment of the Performance Target for the applicable years and is also subject to the Catch-Up Provision described above. For the grants to Mr. Miceli and Ms. Porcella (a total of 101,344 shares with an aggregate fair value of $1.2Â million), approximately half of the awards are subject to time-based vesting criteria and the remaining half are subject to attainment of the Performance Target for the applicable years.On February 18, 2023, in connection with 2022 performance, annual stock awards were granted to certain non-management employees (â€œNon-Management Granteesâ€) with an aggregate grant date fair value of $7.5Â million, which represents 651,429 shares of Class A common stock. Of these awards, 19,558 shares were unrestricted, 306,162 shares are subject to time-based vesting criteria and the remaining 325,709 shares are subject to the attainment of the Performance Target, including the Catch-Up Provision, for the applicable years. Other 2023 Restricted Stock AwardsOn February 18, 2023, certain members of the board of directors received annual restricted stock awards with a grant date fair value of $0.4Â million, representing 32,525 shares of restricted Class A common stock, which will vest in full on the first anniversary of the date of grant, subject to continued service on the board of directors. Compensation expense related to the time-based vesting criteria of the award shall be recognized on a straight-line basis over the one-year vesting period.Change in ControlUpon a change in control (as defined in the respective award agreements), restricted stock awards to Mr. Miceli, Ms. McCormack, Mr. Perelman, Ms. Porcella (for her February 18, 2024 award), and one Non-Management Grantee will become fully vested if: (1) such Grantee continues to be employed through the closing of the change in control; or (2) after the signing of definitive documentation related to the change in control, but prior to its closing, such Granteeâ€™s employment is terminated without cause or due to death or disability or the Grantee resigns for Good Reason, as defined in each Granteeâ€™s employment agreement. The compensation committee retains the right, in its sole discretion, to provide for the accelerated vesting (in whole or in part) of the restricted stock awards granted. In the event a Non-Management Grantee (except for the one grantee mentioned above and including Ms. Porcella, in regards to her awards granted prior to February 18, 2024), is terminated by the Company without cause within six months of certain changes in control, all unvested time shares shall vest on the termination date and all unvested performance shares shall remain outstanding and be eligible to vest (or be forfeited) in accordance with the performance conditions.42Table of Contents 14. FAIR VALUE OF FINANCIAL INSTRUMENTS Â Fair value is based upon internal models, using market quotations, broker quotations, counterparty quotations or pricing services quotations, which provide valuation estimates based upon reasonable market order indications and are subject to significant variability based on market conditions, such as interest rates, credit spreads and market liquidity.Â The fair value of the mortgage loan receivables held for sale is based upon a securitization model utilizing market data from recent securitization spreads and pricing.Â Fair Value Summary TableÂ The carrying values and estimated fair values of the Companyâ€™s financial instruments, which are both reported at fair value on a recurring basis (as indicated) or amortized cost/par, at SeptemberÂ 30, 2024 and DecemberÂ 31, 2023 are as follows ($Â in thousands):Â SeptemberÂ 30, 2024 Â Â Â Â Â Â WeightedÂ AverageÂ Principal AmountÂ Amortized CostÂ Basis/Purchase PriceFairÂ ValueFairÂ Value MethodYield%RemainingMaturity/DurationÂ (years)Assets:Â Â Â Â Â Â CMBS(1)$850,491Â Â $848,394Â $839,324Â Internal model6.80Â %2.33CMBS interest-only(1)773,268Â (2)3,913Â 4,032Â Internal model7.40Â %0.92GNMA interest-only(3)33,337Â (2)165Â 180Â Internal model9.46Â %2.51Agency securities(1)14Â Â 14Â 14Â Internal model2.60Â %0.78Corporate bonds(1)9,190Â 9,135Â 9,145Â Internal model6.14Â %0.25Equity securities(3)Â N/A 160Â 108Â Observable market pricesN/AÂ N/A Mortgage loan receivables held for investment, net, at amortized cost(4)2,042,917Â Â 2,039,545Â 2,024,699Â Discounted Cash Flow(5)9.33Â %Â 0.58 Mortgage loan receivables held for sale31,350Â Â 27,506Â 27,506Â Internal model, third-party inputs(6)4.57Â %Â 7.44 Nonhedge derivatives(1)(10)118,000Â Â 818Â 818Â Counterparty quotationsN/AÂ 0.61 Liabilities:Â Â Â Â Â Â Repurchase agreements - short-term244,525Â Â 244,525Â 244,525Â Cost plus Accrued Interest (7)7.36Â %Â 0.85 Mortgage loan financing511,046Â Â 513,781Â 515,597Â Discounted Cash Flow6.04Â %Â 3.17 CLO debt776,336Â 776,096Â 776,096Â Discounted Cash Flow(8)4.16Â %Â 1.19 Senior unsecured notes2,067,811Â Â 2,050,930Â 1,539,637Â Internal model, third-party inputs5.22Â %Â 3.93 (1)Measured at fair value on a recurring basis with the net unrealized gains or losses recorded as a component of other comprehensive income (loss) in equity.(2)Represents notional outstanding balance of underlying collateral.(3)Measured at fair value on a recurring basis with the net unrealized gains or losses recorded in current period earnings.(4)Balance does not include impact of allowance for current expected credit losses of $52.3Â million at SeptemberÂ 30, 2024.(5)Fair value for floating rate mortgage loan receivables, held for investment is estimated to approximate the outstanding face amount given the short interest rate reset risk (30 days) and no significant change in credit spreads since origination. Fair value for fixed rate mortgage loan receivables, held for investment is measured using a discounted cash flow model.(6)Fair value for mortgage loan receivables, held for sale is measured using a hypothetical securitization model utilizing market data from recent securitization spreads and pricing.(7)For repurchase agreements - short term, the value approximates the cost plus accrued interest.(8)For repurchase agreements - long term and CLO debt, the carrying value approximates the fair value discounting the expected cash flows at current market rates.Â If the collateral is determined to be impaired, the related financing would be revalued accordingly.Â There are no impairments on any positions.(9)The outstanding face amount of the nonhedge derivatives represents the notional amount of the underlying contracts.43Table of ContentsDecemberÂ 31, 2023 Â Â Â Â Â Â WeightedÂ AverageÂ Principal AmountÂ Amortized CostÂ Basis/Purchase PriceFairÂ ValueFairÂ Value MethodYield%RemainingMaturity/DurationÂ (years)Assets:Â Â Â Â Â Â CMBS(1)$439,679Â Â $439,052Â $424,890Â Internal model6.83Â %2.00CMBS interest-only(1)876,555Â (2)6,453Â 6,569Â Internal model6.61Â %1.07GNMA interest-only(3)37,053Â (2)214Â 213Â Internal model6.12Â %3.60Agency securities(1)22Â Â 22Â 21Â Internal model2.70Â %1.05U.S. Treasury securities(1)54,031Â 53,648Â 53,716Â Internal model5.41 Â %0.07Equity securities(3)Â N/A 160Â 144Â Observable market pricesN/AÂ N/A Mortgage loan receivables held for investment, net, at amortized cost(4)3,164,226Â Â 3,155,089Â 3,150,843Â Discounted Cash Flow(5)9.65Â %0.68Mortgage loan receivables held for sale31,350Â Â 26,868Â 26,868Â Internal model, third-party inputs(6)4.57Â %8.19FHLB stock(7)5,175Â Â 5,175Â 5,175Â (7)8.25Â %Â N/A Nonhedge derivatives(1)(10)194,900Â Â 1,454Â 1,454Â Counterparty quotationsN/A0.48Liabilities:Â Â Â Â Â Â Repurchase agreements - short-term337,631Â Â 337,631Â 337,631Â Cost plus Accrued Interest (8)7.57Â %0.48Repurchase agreements - long-term268,976Â Â 268,976Â 268,976Â Discounted Cash Flow(9)7.35Â %1.74Mortgage loan financing437,384Â Â 437,759Â 425,992Â Discounted Cash Flow5.87Â %2.64CLO debt1,062,777Â 1,060,719Â 1,060,719Â Discounted Cash Flow(9)7.08Â %1.89Borrowings from the FHLB115,000Â Â 115,000Â 115,000Â Discounted Cash Flow5.82Â %0.57Senior unsecured notes1,575,614Â Â 1,563,861Â 1,475,303Â Internal model, third-party inputs4.66Â %3.77(1)Measured at fair value on a recurring basis with the net unrealized gains or losses recorded as a component of other comprehensive income (loss) in equity.(2)Represents notional outstanding balance of underlying collateral.(3)Measured at fair value on a recurring basis with the net unrealized gains or losses recorded in current period earnings.(4)Balance does not include impact of allowance for current expected credit losses of $43.2Â million at December 31, 2023.(5)Fair value for floating rate mortgage loan receivables, held for investment is estimated to approximate the outstanding face amount given the short interest rate reset risk (30 days) and no significant change in credit spreads since origination. Fair value for fixed rate mortgage loan receivables, held for investment is measured using a discounted cash flow model.(6)Fair value for mortgage loan receivables, held for sale is measured using a hypothetical securitization model utilizing market data from recent securitization spreads and pricing.(7)Fair value of the FHLB stock approximates outstanding face amount as the Companyâ€™s captive insurance subsidiary is restricted from trading the stock and can only put the stock back to the FHLB, at the FHLBâ€™s discretion, at par.(8)For repurchase agreements - short term, the value approximates the cost plus accrued interest.(9)For repurchase agreements - long term and CLO debt, the carrying value approximates the fair value discounting the expected cash flows at current market rates.Â If the collateral is determined to be impaired, the related financing would be revalued accordingly.Â There are no impairments on any positions.(10)The outstanding face amount of the nonhedge derivatives represents the notional amount of the underlying contracts.44Table of ContentsThe following table summarizes the Companyâ€™s financial assets and liabilities, which are both reported at fair value on a recurring basis (as indicated) or amortized cost/par, at SeptemberÂ 30, 2024 and DecemberÂ 31, 2023 ($Â in thousands):Â SeptemberÂ 30, 2024 Â Financial Instruments Reported at Fair Value on Consolidated Statements of Financial ConditionPrincipalAmountÂ FairÂ ValueÂ LevelÂ 1LevelÂ 2LevelÂ 3TotalAssets:Â Â Â Â Â Â CMBS(1)$841,314Â Â $â€”Â $830,420Â $â€”Â $830,420Â CMBS interest-only(1)765,045Â (2)â€”Â 3,799Â â€”Â 3,799Â GNMA interest-only(3)33,337Â (2)â€”Â 180Â â€”Â 180Â Agency securities(1)14Â Â â€”Â 14Â â€”Â 14Â Corporate bonds(1)9,190Â â€”Â 9,145Â â€”Â 9,145Â Equity securitiesÂ N/A 108Â â€”Â â€”Â 108Â Nonhedge derivatives(4)118,000Â â€”Â 818Â â€”Â 818Â $108Â $844,376Â $â€”Â $844,484Â Financial Instruments Not Reported at Fair Value on Consolidated Statements of Financial ConditionPrincipal AmountÂ FairÂ ValueÂ LevelÂ 1LevelÂ 2LevelÂ 3TotalAssets:Mortgage loan receivable held for investment, net, at amortized cost:Mortgage loan receivables held for investment, net, at amortized cost(5)$2,042,917Â Â $â€”Â $â€”Â $2,024,699Â $2,024,699Â Mortgage loan receivable held for sale(6)31,350Â Â â€”Â â€”Â 27,506Â 27,506Â CMBS(7)9,178Â â€”Â 8,904Â â€”Â 8,904Â CMBS interest-only(7)8,223Â â€”Â 233Â â€”Â 233Â $â€”Â $9,137Â $2,052,205Â $2,061,342Â Liabilities:Â Â Â Â Â Repurchase agreements - short-term$244,525Â Â $â€”Â $244,525Â $â€”Â $244,525Â Mortgage loan financing511,046Â Â â€”Â â€”Â 515,597Â 515,597Â CLO debt776,336Â â€”Â 776,096Â â€”Â 776,096Â Senior unsecured notes2,067,811Â Â â€”Â â€”Â 1,539,637Â 1,539,637Â $â€”Â $1,020,621Â $2,055,234Â $3,075,855Â (1)Measured at fair value on a recurring basis with the net unrealized gains or losses recorded as a component of other comprehensive income (loss) in equity.Â (2)Represents notional outstanding balance of underlying collateral.Â (3)Measured at fair value on a recurring basis with the net unrealized gains or losses recorded in current period earnings.Â (4)Measured at fair value on a recurring basis with the net unrealized gains or losses recorded in current period earnings.Â The outstanding face amount of the nonhedge derivatives represents the notional amount of the underlying contracts.(5)Balance does not include impact of allowance for current expected credit losses of $52.3Â million at SeptemberÂ 30, 2024.(6)A lower of cost or market adjustment was recorded as of SeptemberÂ 30, 2024.(7)Restricted securities which are designated as risk retention securities under the Dodd-Frank Act and are therefore subject to transfer restrictions over the term of the securitization trust, are classified as held-to-maturity and reported at amortized cost.45Table of ContentsDecemberÂ 31, 2023 Financial Instruments Reported at Fair Value on Consolidated Statements of Financial ConditionPrincipalAmountÂ FairÂ ValueÂ LevelÂ 1LevelÂ 2LevelÂ 3TotalAssets:Â Â Â Â Â Â CMBS(1)$430,398Â Â $â€”Â $415,935Â $â€”Â $415,935Â CMBS interest-only(1)868,228Â (2)â€”Â 6,260Â â€”Â 6,260Â GNMA interest-only(3)37,053Â (2)â€”Â 213Â â€”Â 213Â Agency securities(1)22Â Â â€”Â 21Â â€”Â 21Â U.S. Treasury securities54,031Â 53,716Â â€”Â â€”Â 53,716Â Equity securitiesÂ N/A 144Â â€”Â â€”Â 144Â Nonhedge derivatives(4)194,900Â â€”Â 1,454Â â€”Â 1,454Â $53,860Â $423,883Â $â€”Â $477,743Â Financial Instruments Not Reported at Fair Value on Consolidated Statements of Financial ConditionPrincipal AmountÂ FairÂ ValueÂ LevelÂ 1LevelÂ 2LevelÂ 3TotalAssets:Mortgage loan receivable held for investment, net, at amortized cost:Mortgage loan receivables held for investment, net, at amortized cost(5)$3,164,226Â Â $â€”Â $â€”Â $3,150,843Â $3,150,843Â Mortgage loan receivable held for sale(6)31,350Â Â â€”Â â€”Â 26,868Â 26,868Â CMBS(7)9,281Â â€”Â 8,955Â â€”Â 8,955Â CMBS interest-only(7)8,327Â â€”Â 309Â â€”Â 309Â FHLB stock5,175Â Â â€”Â â€”Â 5,175Â 5,175Â $â€”Â $9,264Â $3,182,886Â $3,192,150Â Liabilities:Â Â Â Â Â Repurchase agreements - short-term$337,631Â Â $â€”Â $337,631Â $â€”Â $337,631Â Repurchase agreements - long-term268,976Â Â â€”Â 268,976Â â€”Â 268,976Â Mortgage loan financing437,384Â Â â€”Â â€”Â 425,992Â 425,992Â CLO debt1,062,777Â â€”Â 1,060,719Â â€”Â 1,060,719Â Borrowings from the FHLB115,000Â Â â€”Â â€”Â 115,000Â 115,000Â Senior unsecured notes1,575,614Â Â â€”Â â€”Â 1,475,303Â 1,475,303Â $â€”Â $1,667,326Â $2,016,295Â $3,683,621Â (1)Measured at fair value on a recurring basis with the net unrealized gains or losses recorded as a component of other comprehensive income (loss) in equity.Â (2)Represents notional outstanding balance of underlying collateral.Â (3)Measured at fair value on a recurring basis with the net unrealized gains or losses recorded in current period earnings.Â (4)Measured at fair value on a recurring basis with the net unrealized gains or losses recorded in current period earnings.Â The outstanding face amount of the nonhedge derivatives represents the notional amount of the underlying contracts.(5)Balance does not include impact of allowance for current expected credit losses of $43.2Â million at December 31, 2023.(6)A lower of cost or market adjustment was recorded as of December 31, 2023.(7)Restricted securities which are designated as risk retention securities under the Dodd-Frank Act and are therefore subject to transfer restrictions over the term of the securitization trust, are classified as held-to-maturity and reported at amortized cost.The Company did not have any Level 3 financial instruments as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023. Nonrecurring Fair ValuesThe Company measures fair value of certain assets on a nonrecurring basis when events or changes in circumstances indicate that the carrying value of the assets may be impaired. Adjustments to fair value generally result from the application of lower of amortized cost or fair value accounting for assets held for sale or write-down of assets value due to impairment. Refer to Note 3, Mortgage Loan Receivables and Note 5, Real Estate and Related Lease Intangibles, Net, for disclosure of Level 3 inputs for certain assets measured on a nonrecurring basis.46Table of Contents15. INCOME TAXESThe Company elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the â€œCodeâ€), commencing with the taxable year ended December 31, 2015 (the REIT Electionâ€). As such, the Companyâ€™s income is generally not subject to U.S. federal, state and local corporate income taxes other than as described below.Certain of the Companyâ€™s subsidiaries have elected to be treated as TRSs. TRSs permit the Company to participate in certain activities from which REITs are generally precluded, as long as these activities meet specific criteria, are conducted within the parameters of certain limitations established by the Code, and are conducted in entities which elect to be treated as taxable subsidiaries under the Code. To the extent these criteria are met, the Company will continue to maintain its qualification as a REIT. The Companyâ€™s TRSs are not consolidated for U.S. federal income tax purposes, but are instead taxed as corporations. For financial reporting purposes, a provision for current and deferred taxes is established for the portion of earnings recognized by the Company with respect to its interest in TRSs. Current income tax expense (benefit) was $0.4 million and $1.2 million for the three and nine months ended SeptemberÂ 30, 2024 and $1.2 million and $2.0 million for the three and nine months ended SeptemberÂ 30, 2023. As of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, the Companyâ€™s net deferred tax assets (liabilities) were $(3.5) million and $(3.0) million, respectively, and are included in other assets (other liabilities) in the Companyâ€™s consolidated balance sheets. Deferred income tax expense (benefit) included within the provision for income taxes was $0.5 million and $2.0 million for the three months ended SeptemberÂ 30, 2024 and SeptemberÂ 30, 2023, respectively. Deferred income tax expense (benefit) included within the provision for income taxes was $0.6 million and $2.9 million for the nine months ended SeptemberÂ 30, 2024 and SeptemberÂ 30, 2023, respectively. The Companyâ€™s net deferred tax liability is comprised of deferred tax assets and deferred tax liabilities. The Company believes it is more likely than not that the deferred tax assets (aside from the exception noted below) will be realized in the future. Realization of the deferred tax assets is dependent upon our generation of sufficient taxable income in future years in appropriate tax jurisdictions to obtain benefit from the reversal of temporary differences. The amount of deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change. Â As of SeptemberÂ 30, 2024, the Company had a deferred tax asset of $3.0 million relating to capital losses which it may only use to offset capital gains. These tax attributes will begin to expire if unused by December 31, 2024. As the realization of these assets are not more likely than not to be realized before their expiration, the Company provided a full valuation allowance against this deferred tax asset. Additionally, as of SeptemberÂ 30, 2024, the Company had $1.9 million of deferred tax assets related to Code

Section 163(j) interest expense limitation. As the Company is uncertain if this asset will be realized in the future, the Company provided a full valuation allowance against this deferred tax asset.The Companyâ€™s tax returns are subject to audit by taxing authorities. Generally, as of SeptemberÂ 30, 2024,Â the tax years 2020-2023 remain open to examination by the major taxing jurisdictions in which the Company is subject to taxes. One of the Companyâ€™s subsidiary entities is currently under an IRS audit for tax year 2020 and also under audit in New York City for tax years 2014-2020. The Company does not expect these audits to result in any material changes to the Companyâ€™s financial position or performance. In April 2023, a settlement was reached for $2.6Â million with New York City pertaining to an audit of the Company for the years 2012-2013 resulting in an incremental income tax expense of $0.2Â million for the nine months ended SeptemberÂ 30, 2023. The Company does not expect tax expense to have an impact on either short, or long-term liquidity or capital needs.Under U.S. GAAP, a tax benefit related to an income tax position may be recognized when it is more likely than not that the position will be sustained upon examination by the tax authorities based on the technical merits of the position. As of SeptemberÂ 30, 2024 and December 31, 2023, the Company did not have any unrecognized tax benefits. As of SeptemberÂ 30, 2024, the Company has not recognized interest or penalties related to uncertain tax positions. In addition, the Company does not believe that it has any tax positions for which it is reasonably possible that it will be required to record a significant liability for unrecognized tax benefits within the next twelve months.Â 16. RELATED PARTY TRANSACTIONS The Company has no material related party relationships to disclose.17. COMMITMENTS AND CONTINGENCIES 47Table of ContentsLeasesAs of SeptemberÂ 30, 2024, the Company had a $15.4 million lease liability and a $13.9 million right-of-use asset on its consolidated balance sheet recorded within other liabilities and other assets, respectively. The right-of-use lease asset relates to the Companyâ€™s operating lease of office space. Right-of-use lease assets initially equal the lease liability. The Company recognized $0.5 million and $1.6 million in operating expenses in its consolidated statements of income relating to operating leases for each of the three and nine months ended SeptemberÂ 30, 2024 and SeptemberÂ 30, 2023.Future minimum lease payments under non-cancelable operating leases as of SeptemberÂ 30, 2024 are as follows ($ in thousands): 2024 (last three months)$558Â 20252,207Â 20262,219Â 20272,232Â 20282,306Â Thereafter11,038Â Total undiscounted cash flows20,560Â Present value discount (1)(5,122)Lease liabilities (2)$15,438Â (1)Lease liabilities were discounted at the Company's weighted average incremental borrowing rate for similar collateral, which was estimated to be 6.62%. The remaining lease term is 8.8 years.(2)The Company has a five-year extension option, which is not reflected in the total lease liability. Unfunded Loan CommitmentsAs of SeptemberÂ 30, 2024, the Companyâ€™s off-balance sheet arrangements consisted of $58.4 million of unfunded commitments on mortgage loan receivables held for investment to provide additional first mortgage loan financing over the next three years at rates to be determined at the time of funding. 74% of these unfunded commitments would only be funded upon the occurrence of certain â€œgood newsâ€ events, such as the owner concluding a lease agreement with a major tenant in the building or reaching some pre-determined net operating income. As of DecemberÂ 31, 2023, the Companyâ€™s off-balance sheet arrangements consisted of $204.0 million of unfunded commitments on mortgage loan receivables held for investment to provide additional first mortgage loan financing.Commitments are subject to the Companyâ€™s loan borrowersâ€™ satisfaction of certain financial and nonfinancial covenants and may or may not be funded depending on a variety of circumstances including timing, credit metric hurdles, and other nonfinancial events occurring. The Company carefully monitors the progress of work at properties that serve as collateral underlying its commercial mortgage loans, including the progress of capital expenditures, construction, leasing and business plans in light of current market conditions. These commitments are not reflected on the consolidated balance sheets.Â Unsettled TradesAs of SeptemberÂ 30, 2024, the Company had $79.7Â million of U.S. Treasury securities traded and not yet settled on its consolidated balance sheets. As of December 31, 2023, the Company had $44.8Â million of U.S. Treasury securities traded and not yet settled on its consolidated balance sheet. The U.S. Treasury securities are recorded within other assets, and the related payable is recorded within other liabilities. These balances relate to the Companyâ€™s purchase of U.S. Treasury securities with maturities of less than three months, which will be recorded within cash and cash equivalents upon settlement. The payable within other liabilities at December 31, 2023 was paid during the nine months ended SeptemberÂ 30, 2024.48Table of Contents18. SEGMENT REPORTINGThe Company has determined that it has three reportable segments based on how the chief operating decision makers review and manage the business. These reportable segments include loans, securities, and real estate. The loans segment includes mortgage loan receivables held for investment (balance sheet loans) and mortgage loan receivables held for sale (conduit loans). The securities segment is composed of all of the Companyâ€™s activities related to securities, which include investments in CMBS, U.S. Agency securities, corporate bonds, equity securities and U.S. Treasury securities not classified as cash and cash equivalents. The real estate segment includes net leased properties, other diversified real estate and investments in unconsolidated ventures. Corporate/other includes cash and cash equivalents, senior unsecured notes, operating expenses, and unallocated items including any inter-segment eliminations necessary to reconcile to consolidated Company totals.The Company evaluates performance based on the following financial measures for each segment ($Â in thousands):Three months ended September 30, 2024LoansSecuritiesRealÂ Estate (1)Corporate/Other(2)CompanyÂ TotalNet interest incomeInterest income$63,799Â $11,727Â $86Â $20,480Â $96,092Â Interest expense(21,718)(4)(7,945)(28,009)(57,676)Net interest income (expense)42,081Â 11,723Â (7,859)(7,529)38,416Â (Provision for) release of loan loss reserves(3,063)â€"Â â€"Â â€"Â (3,063)Net interest income (expense) after provision for (release of) loan reserves39,018Â 11,723Â (7,859)(7,529)35,353Â Other income (loss)Real estate operating incomeâ€"Â â€"Â 25,294Â â€"Â 25,294Â Net result from mortgage loan receivables held for sale (3)1,143Â â€"Â â€"Â (51)1,092Â Gain (loss) on real estate, netâ€"Â â€"Â 315Â â€"Â 315Â Fee and other income6,499Â 17Â 25Â 68Â 6,609Â Net result from derivative transactions(249)â€"Â (168)(349)(766)Earnings (loss) from investment in unconsolidated venturesâ€"Â â€"Â (14)â€"Â (14)Gain (loss) on extinguishment of debtâ€"Â â€"Â â€"Â 20Â 20Â Total other income (loss)7,393Â 17Â 25,452Â (312)32,550Â Costs and expensesCompensation and employee benefitsâ€"Â â€"Â â€"Â (14,407)(14,407)Operating expensesâ€"Â â€"Â â€"Â (4,508)(4,508)Real estate operating expensesâ€"Â â€"Â (10,751)â€"Â (10,751)Investment related expenses(691)(45)(97)(795)(1,628)Depreciation and amortizationâ€"Â â€"Â (8,036)(110)(8,146)Total costs and expenses(691)(45)(18,884)(19,820)(39,440)Income tax (expense) benefitâ€"Â â€"Â â€"Â (901)(901)Segment profit (loss)$45,720Â $11,695Â $(1,291)$(28,562)$27,562Â Total assets as of September 30, 2024$2,014,775Â $852,783Â $729,460Â $1,782,121Â $5,379,139Â 49Table of ContentsThree months ended September 30, 2023LoansSecuritiesRealÂ Estate (1)Corporate/Other(2)CompanyÂ TotalNet interest incomeInterest income$82,814Â $7,810Â $1Â $10,465Â $101,090Â Interest expense(32,601)(52)(7,677)(21,929)(62,259)Net interest income (expense)50,213Â 7,758Â (7,676)(11,464)38,831Â (Provision for) release of loan loss reserves(7,473)â€"Â â€"Â â€"Â (7,473)Net interest income (expense) after provision for (release of) loan reserves42,740Â 7,758Â (7,676)(11,464)31,358Â Other income (loss)Real estate operating incomeâ€"Â â€"Â 24,761Â â€"Â 24,761Â Net result from mortgage loan receivables held for sale(629)â€"Â â€"Â â€"Â (629)Gain (loss) on real estate, netâ€"Â â€"Â 8,808Â â€"Â 8,808Â Fee and other income1,518Â (15)134Â 173Â 1,810Â Net result from derivative transactions4,449Â 241Â 83Â â€"Â 4,773Â Earnings (loss) from investment in unconsolidated venturesâ€"Â â€"Â 479Â â€"Â 479Â Gain (loss) on extinguishment of debtâ€"Â â€"Â â€"Â 921Â 921Â Total other income (loss)5,338Â 226Â 34,265Â 1,094Â 40,923Â Costs and expensesCompensation and employee benefitsâ€"Â â€"Â â€"Â (14,285)(14,285)Operating expensesâ€"Â â€"Â â€"Â (4,775)(4,775)Real estate operating expensesâ€"Â â€"Â (9,456)â€"Â (9,456)Investment related expenses(1,704)(48)(190)(337)(2,279)Depreciation and amortizationâ€"Â â€"Â (7,034)(110)(7,144)Total costs and expenses(1,704)(48)(16,680)(19,507)(37,939)Income tax (expense) benefitâ€"Â â€"Â â€"Â (3,147)(3,147)Segment profit (loss)$46,374Â $7,936Â $9,909Â $(33,024)$31,195Â Total assets as of December 31, 2023$3,138,794Â $485,533Â $733,319Â $1,155,031Â $5,512,677Â 50Table of ContentsNine months ended September 30, 2024LoansSecuritiesRealÂ Estate (1)Corporate/Other(2)CompanyÂ TotalNet interest incomeInterest income$201,233Â $27,670Â $268Â $51,349Â $280,520Â Interest expense(77,159)(61)(24,567)(68,860)(170,647)Net interest income (expense)124,074Â 27,609Â (24,299)(17,511)109,873Â (Provision for) release of loan loss reserves(13,886)â€"Â â€"Â â€"Â (13,886)Net interest income (expense) after provision for (release of) loan reserves110,188Â 27,609Â (24,299)(17,511)95,987Â Other income (loss)Real estate operating incomeâ€"Â â€"Â 75,314Â â€"Â 75,314Â Net result from mortgage loan receivables held for sale (3)3,308Â â€"Â â€"Â (2,670)638Â Gain (loss) on real estate, netâ€"Â â€"Â 12,858Â â€"Â 12,858Â Fee and other income12,195Â 100Â 1,352Â 300Â 13,947Â Net result from derivative transactions185Â 80Â 38Â 3,568Â 3,871Â Earnings (loss) from investment in unconsolidated venturesâ€"Â â€"Â (11)â€"Â (11)Gain (loss) on extinguishment of debtâ€"Â â€"Â â€"Â 197Â 197Â Total other income (loss)15,688Â 180Â 89,551Â 1,395Â 106,814Â Costs and expensesCompensation and employee benefitsâ€"Â â€"Â â€"Â (48,917)(48,917)Operating expensesâ€"Â â€"Â â€"Â (14,331)(14,331)Real estate operating expensesâ€"Â â€"Â (30,930)â€"Â (30,930)Investment related expenses(3,910)(138)(449)(1,412)(5,909)Depreciation and amortizationâ€"Â â€"Â (24,532)(329)(24,861)Total costs and expenses(3,910)(138)(55,911)(64,989)(124,948)Income tax (expense) benefitâ€"Â â€"Â â€"Â (1,737)(1,737)Segment profit (loss)$121,966Â $27,651Â $9,341Â $(82,842)$76,116Â Total assets as of September 30, 2024$2,014,775Â $852,783Â $729,460Â $1,782,121Â $5,379,139Â 51Table of ContentsNine months ended September 30, 2023LoansSecuritiesRealÂ Estate (1)Corporate/Other(2)CompanyÂ TotalNet interest incomeInterest income$261,822Â $23,964Â $5Â $20,924Â $306,715Â Interest expense(92,236)(3,149)(22,053)(66,912)(184,350)Net interest income (expense)169,586Â 20,815Â (22,048)(45,988)122,365Â (Provision for) release of loan loss reserves(19,090)â€"Â â€"Â â€"Â (19,090)Net interest income (expense) after provision for (release of) loan reserves150,496Â 20,815Â (22,048)(45,988)103,275Â Other income (loss)Real estate operating incomeâ€"Â â€"Â 73,847Â â€"Â 73,847Â Net result from mortgage loan receivables held for sale(1,119)â€"Â â€"Â â€"Â (1,119)Gain (loss) on real estate, netâ€"Â â€"Â 8,808Â â€"Â 8,808Â Fee and other income6,363Â (284)135Â 477Â 6,691Â Net result from derivative transactions5,390Â 612Â 678Â â€"Â 6,680Â Earnings (loss) from investment in unconsolidated venturesâ€"Â â€"Â 913Â â€"Â 913Â Gain (loss) on extinguishment of debtâ€"Â â€"Â â€"Â 10,600Â 10,600Â Total other income (loss)10,634Â 328Â 84,381Â 11,077Â 106,420Â Costs and expensesCompensation and employee benefitsâ€"Â â€"Â â€"Â (50,612)(50,612)Operating expensesâ€"Â â€"Â â€"Â (15,018)(15,018)Real estate operating expensesâ€"Â â€"Â (29,071)â€"Â (29,071)Investment related expenses(4,459)(144)(765)(1,092)(6,460)Depreciation and amortizationâ€"Â â€"Â (21,822)(322)(22,144)Total costs and expenses(4,459)(144)(51,658)(67,044)(123,305)Income tax (expense) benefitâ€"Â â€"Â â€"Â (4,913)(4,913)Segment profit (loss)$156,671Â $20,999Â $10,675Â $(106,868)$81,477Â Total assets as of December 31, 2023$3,138,794Â $485,533Â $733,319Â $1,155,031Â $5,512,677Â (1)Includes the Companyâ€™s investment in unconsolidated ventures that held real estate of $20.0 million and $6.9 million as of SeptemberÂ 30, 2024 and December 31, 2023, respectively.(2)Corporate/Other represents all corporate level and unallocated items including any inter-segment eliminations necessary to reconcile to consolidated Company totals.Â This segment also includes the Companyâ€™s investment in FHLB stock of $5.2Â million as of December 31, 2023, and the Companyâ€™s senior unsecured notes of $2.1Â billion and $1.6Â billion at SeptemberÂ 30, 2024 and December 31, 2023, respectively.(3)Includes $0.1Â million and $2.7Â million of realized gains from sales of conduit mortgage loans collateralized by net leased properties in the Companyâ€™s real estate segment that eliminate in consolidation for the three and nine months ended SeptemberÂ 30, 2024, respectively.19. SUBSEQUENT EVENTS The Company has evaluated subsequent events through the issuance date of the financial statements and determined that no additional disclosure is necessary.52Table of ContentsItem 2. Managementâ€™s Discussion and Analysis of Financial Condition and Results of OperationsÂ The following discussion and analysis of financial condition and results of operations should be read in conjunction with the consolidated financial statements and the related notes of Ladder Capital Corp included within this Quarterly Report and the Annual Report. This Managementâ€™s Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements. See â€œCautionary Statement Regarding Forward-Looking Statementsâ€ within this Quarterly Report and â€œRisk Factorsâ€ within the Annual Report for a discussion of the uncertainties, risks and assumptions associated with these statements. Actual results may differ materially from those contained in any forward-looking statements as a result of various factors, including but not limited to, those in â€œRisk Factorsâ€ set forth within the Annual Report. References to â€œLadder,â€ the â€œCompany,â€ and â€œwe,â€ â€œourâ€ and â€œusâ€ refer to Ladder Capital Corp, a Delaware corporation incorporated in 2013, and its consolidated subsidiaries.Â  OverviewLadder is an internally-managed real estate investment trust (â€œREITâ€) that is a leader in commercial real estate finance. We originate and invest in a diverse portfolio of commercial real estate and real estate-related assets, focusing on senior secured assets. Our investment activities include: (i) our primary business of originating senior first mortgage fixed and floating rate loans collateralized by commercial real estate with flexible loan structures; (ii) owning and operating commercial real estate, including net leased commercial properties; and (iii) investing in investment grade securities secured by first mortgage loans on commercial real estate. We believe that our in-house origination platform, ability to flexibly allocate capital among complementary product lines, credit-centric underwriting approach, access to diversified financing sources, and experienced management team position us well to deliver attractive returns on equity to our shareholders through economic and credit cycles.Our businesses, including balance sheet lending, conduit lending, securities investments, and real estate investments, provide for a stable base of net interest and rental income. We have originated $29.8 billion of commercial real estate loans from our inception in October 2008 through SeptemberÂ 30, 2024. During this timeframe, we also acquired $13.8 billion of predominantly investment grade-rated securities secured by first mortgage loans on commercial real estate and $2.1 billion of selected net leased and other real estate assets. As part of our commercial mortgage lending operations, we originate conduit loans, which are first mortgage loans on stabilized, income producing commercial real estate properties that we intend to make available for sale in commercial mortgage-backed securities (â€œCMBSâ€) securitizations. From our inception in OctoberÂ 2008 through SeptemberÂ 30, 2024, we originated $16.9 billion of conduit loans, of which $16.9 billion were sold into 74Â CMBS securitizations, making us, by volume, we have been one of the largest non-bank contributors of loans to CMBS securitizations in the United States in such period. Our sales of loans into securitizations are generally accounted for as true sales, not financings, and we generally retain no ongoing interest in loans which we securitize unless we are required to do so as issuer pursuant to the risk retention requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended, (the â€œDodd-Frank Actâ€). The securitization of conduit loans enables us to reinvest our equity capital into new loan originations or allocate it to other investments. We maintain a diversified and flexible financing strategy supporting our investment strategy and overall business operations, including the use of unsecured corporate bonds, non-recourse, non-mark-to-market Collateralized Loan Obligations (â€œCLOâ€) debt issuances and committed term financing from leading financial institutions. Refer to â€œOur Financing Strategiesâ€ and â€œLiquidity and Capital Resourcesâ€ for further information.Ladder was founded in OctoberÂ 2008 and we completed our IPO in February 2014. We are led by a disciplined and highly aligned management team. As of SeptemberÂ 30, 2024, our management team and directors held interests in our Company comprising over 11% of our total equity. On average, our management team members have 28Â years of experience in the industry. Our management team includes Brian Harris, Chief Executive Officer; Pamela McCormack, President; Paul J. Miceli, Chief Financial Officer; Robert Perelman, Head of Asset Management; and Kelly Porcella, Chief Administrative Officer & General Counsel. Anthony V. Esposito, Chief Accounting Officer, and Stephanie Lin, Assistant Secretary, are additional officers of Ladder.We continue to actively manage the liquidity and operations of the Company in light of market conditions, including the current interest rate environment, and potential recessionary conditions.Â The Company has disclosed the impact of current market conditions on our business throughout this Quarterly Report.53Table of ContentsOur BusinessesWe invest primarily in loans, securities and other interests in U.S. commercial real estate, with a focus on senior secured assets.Â Our complementary business segments are designed to provide us with the flexibility to opportunistically allocate capital in order to generate attractive risk-adjusted returns under varying market conditions. The following chart summarizes our investment portfolio as of SeptemberÂ 30, 2024 ($ in thousands):(1)CRE equity asset amounts represent undepreciated asset values.There are a number of factors that influence our operating results. Some of these factors include: (1)Â our competition; (2)Â market and economic conditions, including inflation; (3)Â loan origination and repayment volume; (4)Â profitability of securitizations; (5)Â avoidance of credit losses; (6)Â availability of debt and equity funding and the costs of that funding; (7)Â the net interest margin on our investments; (8)Â effectiveness of our hedging and other risk management practices; (9) real estate transaction volumes; (10) occupancy rates; and (11) expense management. Refer the heading â€œResults of Operations.â€LoansÂ Balance Sheet First Mortgage Loans. We originate and invest in balance sheet first mortgage loans secured by commercial real estate properties that are typically undergoing transition, including lease-up, sell-out, and renovation or repositioning. These mortgage loans are structured to fit the needs and business plans of the property owners, and generally have Term SOFR-based floating rates and terms (including extension options) ranging from one to five years. Our loans are directly originated by an internal team that has longstanding and strong relationships with borrowers and mortgage brokers throughout the United States. We follow a rigorous investment process, which begins with an initial due diligence review; continues through a comprehensive legal and underwriting process incorporating multiple internal and external checks and balances; and culminates in approval or disapproval of each prospective investment by our Investment Committee. Balance sheet first mortgage loans in excess of $50.0Â million also require the approval of our board of directorsâ€™ Risk and Underwriting Committee.We generally seek to hold our balance sheet first mortgage loans for investment although we also maintain the flexibility to contribute such loans into a CLO or similar structure, sell participation interests or â€œb-notesâ€ in our mortgage loans or sell such mortgage loans as whole loans. Our balance sheet first mortgage loans may be refinanced by us into a new conduit first mortgage loan upon property stabilization. As of SeptemberÂ 30, 2024, we held a portfolio of 57 balance sheet first mortgage loans with an aggregate book value of $2.0 billion. Based on the loan balances and the â€œas-isâ€ third-party Financial Institutions Reform, Recovery and Enforcement Act of 1989 (â€œFIRREAâ€) appraised values at origination, the weighted average loan-to-value ratio of this portfolio was 66.4% at SeptemberÂ 30, 2024.Â 54Table of ContentsOther Commercial Real Estate-Related Loans. We selectively invest in note purchase financings, subordinated debt, mezzanine debt and other structured finance products related to commercial real estate that are generally held for investment. As of SeptemberÂ 30, 2024, we held a portfolio of 5 mezzanine loans with an aggregate book value of $13.8 million. Based on the loan balance and the â€œas-isâ€ third-party FIRREA appraised values at origination, the weighted average loan-to-value ratio of the portfolio was 73.6% at SeptemberÂ 30, 2024.Conduit First Mortgage Loans.Â We also originate conduit loans, which are first mortgage loans that are secured by cash-flowing commercial real estate and are available for sale to securitizations. These first mortgage loans are typically structured with fixed interest rates and generally have five- to ten-year terms. Conduit first mortgage loans are originated, underwritten, approved and funded using the same comprehensive legal and underwriting approach, process and personnel used to originate our balance sheet first mortgage loans. Conduit first mortgage loans in excess of $50.0Â million also require approval of our board of directorsâ€™ Risk and Underwriting Committee. We held one conduit loan with an aggregate carrying value of $27.5 million at SeptemberÂ 30, 2024.Although our primary intent is to sell our conduit first mortgage loans to CMBS trusts, we generally seek to maintain the flexibility to keep them on our balance sheet, sell participation interests or â€œB-notesâ€ in such loans or sell the loans as whole loans. The Company holds these conduit loans in its taxable REIT subsidiary (â€œTRSâ€) upon origination.Â As of SeptemberÂ 30, 2024, we held one conduit first mortgage loan that was available for contribution into securitizations. Based on the loan balance and the â€œas-isâ€ third-party FIRREA appraised values at origination, loan-to-value ratio of this loan was 59.4% at SeptemberÂ 30, 2024. The following charts set forth our total outstanding balance sheet first mortgage loans, other commercial real estate-related loans, and conduit first mortgage loans as of SeptemberÂ 30, 2024, and a breakdown of our loan portfolio by loan size and geographic location and asset type of the underlying real estate by loan balance.55Table of ContentsReal EstateNet Leased Commercial Real Estate Properties.Â As of SeptemberÂ 30, 2024, we owned 155 single tenant net leased properties with an undepreciated book value of $637.3 million. These properties are fully leased on a net basis where the tenant is generally responsible for payment of real estate taxes, property, building and general liability insurance and property and building maintenance expenses. As of SeptemberÂ 30, 2024, our net leased properties comprised a total of 3.7 million square feet, 100% leased with an average age since construction of 19.5Â years and a weighted average remaining lease term of 7.9Â years. Commercial real estate investments in excess of $20.0Â million require the approval of our board of directorsâ€™ Risk and Underwriting Committee. The majority of the tenants in our net leased properties are necessity-based businesses. During the three months ended SeptemberÂ 30, 2024, we collected 100% of rent on these properties.Â Diversified Commercial Real Estate Properties. As of SeptemberÂ 30, 2024, we owned 54 diversified commercial real estate properties throughout the U.S with an undepreciated book value of $308.3 million. During the three months ended SeptemberÂ 30, 2024, we collected 99% of rent on these properties. The following charts summarize the composition of our real estate investments as of SeptemberÂ 30, 2024 ($ in millions):SecuritiesÂ We invest in primarily AAA-rated real estate securities, typically front pay securities, with relatively short duration and significant subordination. We invest primarily in CMBS, including CLOs, secured by first mortgage loans on commercial real estate. These investments provide a stable and attractive base of net interest income and help us manage our liquidity and hyper-amortization features included in many of these securities positions help mitigate potential credit losses in the event of adverse market conditions. We have significant in-house expertise in the evaluation and trading of these securities, due in part to our experience in originating and underwriting mortgage loans that comprise assets within CMBS trusts, as well as our experience in structuring CMBS transactions. 56Table of ContentsAs of SeptemberÂ 30, 2024, the estimated fair value of our portfolio of CMBS investments totaled $843.4 million in 95 CUSIPs ($8.9 million average investment per CUSIP). Included in the $843.4 million of CMBS securities are $9.1 million of CMBS securities designated as risk retention securities under the Dodd-Frank Act, which are subject to transfer restrictions over the term of the securitization trust. The following chart summarizes our securities investments by market value, 98% of which were rated investment grade by StandardÂ & Poorâ€™s Ratings Group, Moodyâ€™s Investors Service, Inc. or Fitch Ratings Inc. as of SeptemberÂ 30, 2024:In the future, we may invest in CMBS securities or other securities that are unrated. As of SeptemberÂ 30, 2024, our CMBS investments had a weighted average duration of 2.4Â years. The commercial real estate collateral underlying our CMBS investment portfolio is located throughout the United States. As of SeptemberÂ 30, 2024, by property count and market value, respectively, 59.9% and 65.5% of the collateral underlying our CMBS investment portfolio was distributed throughout the top 25 metropolitan statistical areas (â€œMSAsâ€) in the United States, with 4.8% and 11.9%, by property count and market value, respectively, of the collateral located in the New York-Newark-Jersey City MSA, and the concentrations in each of the remaining top 24Â MSAs ranging from 0.2% to 5.8% by property count and 0.1% to 8.2% by market value.AAA-rated CMBS or U.S. Agency securities investments in excess of $76.0 million and all other investment grade CMBS or U.S. Agency securities investments in excess of $51.0Â million, each in any single class of any single issuance, require the approval of our board of directorsâ€™ Risk and Underwriting Committee. The Risk and Underwriting Committee also must approve any investments in non-rated or sub-investment grade CMBS or U.S. Agency securities in any single class of any single issuance in excess of the lesser of (x) $21.0 million and (y) 10% of the total net asset value of the respective Ladder subsidiary or other entity for which Ladder has authority to make investment decisions. Other InvestmentsUnconsolidated Ventures. From time to time we invest in real estate related ventures. As of SeptemberÂ 30, 2024, the carrying value of our unconsolidated ventures was $20.0 million. United States Treasury Securities. We invest in short-term and long-term U.S. Treasury securities. Short-term U.S. Treasury securities are classified as cash and cash equivalents on our consolidated balance sheet. As of SeptemberÂ 30, 2024, we held $1.3 billion of U.S. Treasury securities classified as cash and cash equivalents on our consolidated balance sheet.Our Financing StrategiesOur financing strategies are critical to the success and growth of our business. We manage our financing to complement our asset composition and to diversify our exposure across multiple capital markets and counterparties. In addition to cash flow from operations, we fund our operations and investment strategy through a diverse array of funding sources, including:â€¢Unsecured corporate bonds â€¢CLO transactionsâ€¢Secured loan and securities repurchase facilitiesâ€¢Non-recourse mortgage debtâ€¢Revolving credit facility57Table of Contentsâ€¢Loan sales and securitizationsâ€¢Unencumbered assets available for financingâ€¢Equity Â From time to time, we may add financing counterparties that we believe will complement our business, although the agreements governing our indebtedness may limit our ability and the ability of our present and future subsidiaries to incur additional indebtedness. Our amended and restated charter and by-laws do not impose any threshold limits on our ability to use leverage.Â Refer to our discussion below and â€œManagementâ€™s Discussion and Analysis of Financial Condition and Results of Operations." under the heading â€œLiquidity and Capital Resourcesâ€ and Note 6, Debt Obligations, Net, to our consolidated financial statements included elsewhere in this Quarterly Report, for additional information about our financing arrangements. Unsecured Corporate BondsAs of SeptemberÂ 30, 2024, we had $2.1 billion of unsecured corporate bonds outstanding. These unsecured financings were comprised of $322.0 million in aggregate principal amount of 5.25% senior notes due 2025 (the â€œ2025 Notesâ€), $611.9 million in aggregate principal amount of 4.25% senior notes due 2027 (the â€œ2027 Notesâ€), $633.9 million in aggregate principal amount of 4.75% senior notes due 2029 (the â€œ2029 Notesâ€) and $500.0 million in aggregate principal amount of 7.00% senior notes due 2031 (the â€œ2031 Notes,â€ and collectively with the 2025 Notes, the 2027 Notes and the 2029 Notes, the â€œNotesâ€). The 2031 Notes were issued during the three months ended SeptemberÂ 30, 2024 with an aggregate principal balance of $500.0 million.Due in large part to devoting such a large portion of the Companyâ€™s capital structure to equity and unsecured corporate bond debt, Ladder maintains a $3.6 billion pool of unencumbered assets, comprised primarily of first mortgage loans and unrestricted cash as of SeptemberÂ 30, 2024.CLO DebtAs of SeptemberÂ 30, 2024, the Company had $776.1 million of matched term, non-mark-to-market and non-recourse CLO debt included in debt obligations on its consolidated balance sheets.On JulyÂ 13, 2021, a consolidated subsidiary of the Company completed a privately-marketed CLO transaction, which generated $498.2Â million of gross proceeds to Ladder, financing $607.5Â million of loans (â€œContributed July 2021 Loansâ€) at an 82% advance rate on a matched term, non-mark-to-market and non-recourse basis. A consolidated subsidiary of the Company retained an 18% subordinate and controlling interest in the CLO. The Company retained control over major decisions made with respect to the administration of the Contributed July 2021 Loans, including broad discretion in managing these loans, and has the ability to appoint the special servicer under the CLO. On DecemberÂ 2, 2021, a consolidated subsidiary of the Company completed a privately-marketed CLO transaction, which generated $566.2 million of gross proceeds to Ladder, financing $729.4 million of loans (â€œContributed December 2021 Loansâ€) at a 77.6% advance rate on a matched term, non-mark-to-market and non-recourse basis. A consolidated subsidiary of the Company retained an 15.6% subordinate and controlling interest in the CLO. The Company also held two additional tranches as investments totaling 6.8% interest in the CLO. The Company retained control over major decisions made with respect to the administration of the Contributed December 2021 Loans, including broad discretion in managing these loans, and has the ability to appoint the special servicer under the CLO. Committed Loan Financing FacilitiesÂ We are parties to multiple committed loan repurchase agreement facilities, totaling $1.2 billion of credit capacity. As of SeptemberÂ 30, 2024, the Company had $244.5 million of borrowings outstanding, with an additional $911.5 million of committed financing available. Assets pledged as collateral under these facilities are generally limited to first mortgage whole mortgage loans, mezzanine loans and certain interests in such first mortgage and mezzanine loans. Our repurchase facilities include covenants covering net worth requirements, minimum liquidity levels, and maximum debt/equity ratios. We have the option to extend some of our existing facilities subject to a number of customary conditions. The lenders have sole discretion to include collateral in these facilities and to determine the market value of the collateral on a daily basis, and, if the estimated market value of the included collateral declines, the lenders have the right to require additional collateral or a full and/or partial repayment of the facilities (margin call) sufficient to rebalance the facilities. Typically, the lender establishes a maximum percentage of the collateral assetâ€™s market value that can be borrowed. We often borrow at a lower percentage of the 58Table of Contentscollateral assetâ€™s value than the maximum, leaving us with excess borrowing capacity that can be drawn upon at a later date and/or applied against future margin calls so that they can be satisfied on a cashless basis.Securities Repurchase FacilitiesWe are a party to multiple uncommitted master repurchase agreements with several counterparties to finance our investments in CMBS and U.S. Agency securities. The securities that serve as collateral for these borrowings are typically AAA-rated CMBS with relatively short duration and significant subordination. The lenders have sole discretion to determine the market value of the collateral on a daily basis, and, if the estimated market value of the collateral declines, the lenders have the right to require additional cash collateral. If the estimated market value of the collateral subsequently increases, we have the right to call back excess cash collateral.Mortgage Loan FinancingWe generally finance our real estate using long-term non-recourse mortgage financing. During the nine months ended SeptemberÂ 30, 2024, the Company executed 16 new term debt agreements to finance properties in its real estate portfolio with a carrying amount of $81.9 million. Our mortgage loan financings have primarily fixed rates ranging from 4.39% to 8.78%, mature between 2024 and 2034 and total $513.8 million as of SeptemberÂ 30, 2024.Â These long-term non-recourse mortgages include net unamortized premiums of $3.9 million at SeptemberÂ 30, 2024, representing proceeds received upon financing greater than the contractual amounts due under the agreements.Â The premiums are being amortized over the remaining life of the respective debt instruments using the effective interest method.Â We recorded $0.6 million of premium amortization, which decreased interest expense, for the nine months ended SeptemberÂ 30, 2024. The loans are collateralized by real estate and related lease intangibles, net, of $530.2 million as of SeptemberÂ 30, 2024.Revolving Credit FacilityThe Companyâ€™s revolving credit facility (the â€œRevolving Credit Facilityâ€) provides for an aggregate maximum borrowing amount of $323.9Â million, including a $25.0Â million sublimit for the issuance of letters of credit. The Revolving Credit Facility is available on a revolving basis to finance the Companyâ€™s working capital needs and for general corporate purposes. Borrowings under the Revolving Credit Facility incur interest at a fixed margin of 2.50% over the index rate, with reductions in the fixed margin upon the achievement of investment grade credit ratings. As of SeptemberÂ 30, 2024, the Company had no outstanding borrowings on the Revolving Credit Facility, but still maintains the ability to draw $323.9Â million. Â The obligations under the Revolving Credit Facility are guaranteed by the Company and certain of its subsidiaries. The Revolving Credit Facility is secured by a pledge of the shares of (or other ownership or equity interests in) certain subsidiaries to the extent the pledge is not restricted under existing regulations, law or contractual obligations.Â LCFH is subject to customary affirmative covenants and negative covenants, including limitations on the incurrence of additional debt, liens, restricted payments, sales of assets and affiliate transactions under the Revolving Credit Facility. In addition, under the Revolving Credit Facility, LCFH is required to comply with financial covenants relating to minimum net worth, maximum leverage, minimum liquidity, and minimum fixed charge coverage, consistent with our other credit facilities. Hedging StrategiesWe may enter into interest rate and credit spread derivative contracts to mitigate our exposure to changes in interest rates and credit spreads. We generally seek to hedge the interest rate risk on the financing of assets that have a duration longer than five years, including newly-originated conduit first mortgage loans, securities in our CMBS portfolio if long enough in duration, and most of our U.S. Agency securities portfolio. We monitor our asset profile and our hedge positions to manage our interest rate and credit spread exposures, and we seek to match fund our assets according to the liquidity characteristics and expected holding periods of our assets.Financial CovenantsWe generally seek to maintain a debt-to-equity ratio of approximately 3.0:1.0 or below. We expect this ratio to fluctuate during the course of a fiscal year due to the normal course of business. This ratio may also fluctuate as a result of our conduit lending operations, in which we generally securitize our inventory of conduit loans at intervals, and also because of changes in our asset mix, due in part to such securitizations. We generally seek to match fund our assets according to their liquidity characteristics and expected hold period. We believe that the defensive positioning of our predominantly senior secured assets and our 59Table of Contentsfinancing strategy has allowed us to maintain financial flexibility to capitalize on an attractive range of market opportunities as they have arisen.We and our subsidiaries may incur substantial additional debt in the future. However, we are subject to certain restrictions on our ability to incur additional debt in the indentures governing the Notes (the â€œIndenturesâ€) and our other debt agreements. Under the Indentures, we may not incur certain types of indebtedness unless our consolidated non-funding debt to equity ratio (as defined in the Indentures) is less than or equal to 1.75:1.00 or if the unencumbered assets of the Company and its subsidiaries is less than 120% of their unsecured indebtedness, although our subsidiaries are permitted to incur indebtedness where recourse is limited to the assets and/or the general credit of such subsidiary. Our borrowings under certain financing agreements and our committed repurchase facilities are subject to maximum consolidated leverage ratio limits (either a fixed ratio ranging from 3.5:1.0 to 4.0:1.0, or a maximum ratio based on our asset composition at the time of determination), minimum net worth requirements (ranging from $400.0 million to $871.4 million), maximum reductions in net worth over stated time periods, minimum liquidity levels (typically $30.0 million of cash or a higher standard that often allows for the inclusion of different percentages of liquid securities in the determination of compliance with the requirement), and a fixed charge coverage ratio of 1.25x, and, in the instance of one lender, an interest coverage ratio of 1.50x, in each case, if certain liquidity thresholds are not satisfied. Leverage ratio limits exclude CLO financing for purposes of this covenant calculation. These restrictions, which would permit us to incur substantial additional debt, are subject to significant qualifications and exceptions.Further, certain of our financing arrangements and loans on our real property are secured by the assets of the Company, including pledges of the equity of certain subsidiaries or the assets of certain subsidiaries. From time to time, certain of these financing arrangements and loans may prohibit certain of our subsidiaries from paying dividends to the Company, from making distributions on such subsidiaryâ€™s capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiaryâ€™s property or other assets to the Company or other subsidiaries of the Company.We are in compliance with all covenants as described in this Quarterly Report as of SeptemberÂ 30, 2024.60Table of ContentsResults of OperationsA discussion regarding our results of operations for the three months ended SeptemberÂ 30, 2024 compared to the three months ended JuneÂ 30, 2024 is presented below. Three months ended SeptemberÂ 30, 2024 compared to the three months ended JuneÂ 30, 2024The following table sets forth information regarding our consolidated results of operations ($ in thousands):Â Three Months EndedÂ September 30, 2024June 30, 2024DifferenceNet interest incomeÂ Interest income$96,092Â $88,516Â $7,576Â Interest expense57,676Â 54,199Â 3,477Â Net interest income (expense)38,416Â 34,317Â 4,099Â Provision for (release of) loan loss reserves, net3,063Â 5,055Â (1,992)Net interest income (expense) after provision for (release of) loan loss reserves35,353Â 29,262Â 6,091Â Other income (loss)Â Real estate operating income25,294Â 26,133Â (839)Net result from mortgage loan receivables held for sale1,092Â (541)1,633Â Gain (loss) on real estate, net315Â 12,543Â (12,228)Fee and other income6,609Â 3,638Â 2,971Â Net result from derivative transactions(766)617Â (1,383)Earnings (loss) from investment in unconsolidated ventures(14)18Â (32)Gain on extinguishment of debt20Â â€”Â 20Â Total other income (loss)32,550Â 42,408Â (9,858)Costs and expensesÂ Compensation and employee benefits14,407Â 13,721Â 686Â Operating expenses4,508Â 5,178Â (670)Real estate operating expenses10,751Â 11,034Â (283)Investment related expenses1,628Â 2,288Â (660)Depreciation and amortization8,146Â 8,413Â (267)Total costs and expenses39,440Â 40,634Â (1,194)Income (loss) before taxes28,463Â 31,036Â (2,573)Income tax expense (benefit)901Â (1,089)1,990Â Net income (loss)$27,562Â $32,125Â $(4,563)Investment OverviewActivity for the three months ended SeptemberÂ 30, 2024 included fundings of $2.2 million, paydowns of $491.7 million, and disposition of a loan via foreclosure of $13.3 million, which contributed to a $499.8 million decrease of commercial mortgage loans. Activity for the three months ended SeptemberÂ 30, 2024 included securities purchases of $430.9 million and $60.3 million of amortization and paydowns, which contributed to a net increase in our securities portfolio of $371.9 million. We acquired $7.5 million in real estate via foreclosure. In addition, we purchased $2.9 billion of short-term U.S. Treasury securities during the three months ended SeptemberÂ 30, 2024, of which $2.7 billion matured during the three months ended SeptemberÂ 30, 2024.Â Activity for the three months ended JuneÂ 30, 2024 included fundings of $20.9 million and paydowns of $255.2 million, contributing to a $258.6 million decrease of commercial mortgage loans. Activity for the three months ended JuneÂ 30, 2024 included securities purchases of $81.7 million, sales of $5.8 million and $60.0 million of amortization and paydowns, which contributed to a net increase in our securities portfolio of $14.3 million. We acquired $27.2 million in real estate via foreclosure. In addition, we purchased $1.8 billion of short-term U.S. Treasury securities during the three months ended JuneÂ 30, 2024, of which $1.8 billion matured during the three months ended JuneÂ 30, 2024.61Table of ContentsNet Interest Income Â The $7.6 million increase in interest income was primarily attributable to collection of deferred interest from the resolution of a previously modified loan, and an increase in interest earned from CMBS and short-term U.S. Treasury securities due to purchases. There was a $229.1 million increase in average securities investments from $452.3 million for the three months ended JuneÂ 30, 2024 to $681.4 million for the three months ended SeptemberÂ 30, 2024. There was a $0.3 billion decrease in average loan investments from $2.6 billion for the three months ended JuneÂ 30, 2024 to $2.3 billion for the three months ended SeptemberÂ 30, 2024.The $3.5 million increase in interest expense was primarily attributable to the issuance of our 2031 Notes, partially offset by a reduction in our loan repurchase facilities utilization and repurchases of our 2025 Notes.The increase in net interest income before provision for loan losses of $4.1 million as explained above.As of SeptemberÂ 30, 2024 and JuneÂ 30, 2024, the weighted average yield on our mortgage loan receivables was 9.2% and 9.4%, respectively. As of SeptemberÂ 30, 2024 and JuneÂ 30, 2024, the weighted average interest rate on borrowings against our mortgage loan receivables was 7.0% and 7.2%, respectively. The decrease in the rate on borrowings against our mortgage loan receivables from SeptemberÂ 30, 2024 to JuneÂ 30, 2024 was primarily due to decreases in prevailing interest rates. As of SeptemberÂ 30, 2024, we had outstanding borrowings secured by our mortgage loan receivables equal to 50.7% of the carrying value of our mortgage loan receivables, compared to 51.9% as of JuneÂ 30, 2024.As of SeptemberÂ 30, 2024 and JuneÂ 30, 2024, the weighted average yield on our securities was 6.8% and 6.9%, respectively. As of SeptemberÂ 30, 2024, we did not have any borrowings against our securities. As JuneÂ 30, 2024, the weighted average interest rate on borrowings against our securities was 6.7%. As of JuneÂ 30, 2024, we had outstanding borrowings secured by our securities equal to 0.3% of the carrying value of our securities.Â Our real estate is comprised of non-interest bearing assets; however, interest incurred on mortgage financing collateralized by such real estate is included in interest expense. As of SeptemberÂ 30, 2024 and JuneÂ 30, 2024, the weighted average interest rate on mortgage borrowings against our real estate was 6.0%, respectively. As of SeptemberÂ 30, 2024, we had outstanding borrowings secured by our real estate equal to 72.4% of the carrying value of our real estate, compared to 70.9% as of JuneÂ 30, 2024.Provision for (release of) Loan Loss ReservesThe provision for the three months ended SeptemberÂ 30, 2024 of $3.1Â million was primarily due to continued uncertainty in macroeconomic market conditions affecting commercial real estate, partially offset by a decrease in the size of our balance sheet first mortgage loan portfolio as a result of repayments. During the three months ended SeptemberÂ 30, 2024, we charged-off $5.0 million of an existing allowance related to an office property in Oakland, California. For additional information, refer to Note 3, Mortgage Loan Receivables,Â in the consolidated financial statements. The provision for the three months ended JuneÂ 30, 2024 of $5.1Â million was primarily due to adverse changes in macroeconomic conditions affecting commercial real estate, partially offset by a decrease in the size of our balance sheet first mortgage loan portfolio as a result of repayments.Real Estate Operating IncomeThe decrease of $0.8Â million in real estate operating income was primarily attributable to the sale of two multifamily portfolios, one retail portfolio and one office property during the three months ended JuneÂ 30, 2024, for which there was no operating income during the three months ended SeptemberÂ 30, 2024.Net Result from Mortgage Loan Receivables Held for SaleNet result from mortgage loan receivables held for sale, includes all loan sales, whether by securitization, whole loan sales or other means. Net result from mortgage loan receivables held for sale also includes unrealized losses on loans related to lower of cost or market adjustments.Â During the three months ended SeptemberÂ 30, 2024, we recorded $1.1 million of unrealized gains on loans related to lower of cost or market adjustments on our conduit loans. During the three months ended JuneÂ 30, 2024, recorded a lower of cost or market adjustment of $(0.5) million. Income from sales of loans, net is subject to market conditions impacting timing, size and pricing and as such may vary significantly quarter to quarter.62Table of Contents Gain (Loss) on Real Estate, netThe decrease of $12.2 million of gain on real estate, net during the three months ended SeptemberÂ 30, 2024 compared to the three months ended JuneÂ 30, 2024 was primarily the result of the sale of one multifamily property during the three months ended SeptemberÂ 30, 2024 compared to sales of two multifamily portfolios, one retail portfolio and one office property during the three months ended JuneÂ 30, 2024.Fee and Other IncomeWe generate fee income on the loans we originate and in which we invest, and dividend income on our FHLB stock. The $3.0 million increase in fee and other income was primarily due to the timing of loan payoffs and late fees received for the three months ended SeptemberÂ 30, 2024 as compared to the three months ended JuneÂ 30, 2024.Net Result from Derivative TransactionsNet result from derivative transactions of $0.8 million was comprised of a realized gain of $0.1 million and an unrealized loss of $0.9 million for the three months ended SeptemberÂ 30, 2024. Net result from derivative transactions of $0.6 million was comprised of a realized gain of $0.5 million and an unrealized gain of $0.1 million for the three months ended JuneÂ 30, 2024. The hedge positions primarily relate to fixed rate conduit loans and securities investments. The derivative positions that generated these results were a combination of five and ten year U.S. treasury rate futures that we employed in an effort to hedge the interest rate risk primarily on the financing of our fixed rate assets and the net interest income we earn against the impact of changes in interest rates. The gain during three months ended SeptemberÂ 30, 2024 was primarily related to movement in interest rates during the three months ended SeptemberÂ 30, 2024. The total net result from derivative transactions is comprised of hedging interest expense, realized gains/losses related to hedge terminations and unrealized gains/losses related to changes in the fair value of asset hedges. Gain (Loss) on Extinguishment of DebtDuring the three months ended SeptemberÂ 30, 2024, there was $20Â thousand of gain on extinguishment of debt as the Company retired: $5.8 million of principal of the 2025 Notes for a repurchase price of $5.8 million, recognizing a $20 thousand net gain on extinguishment of debt after recognizing $11Â thousand of unamortized debt issuance costs associated with the retired debt.During the three months ended JuneÂ 30, 2024, there was no gain or loss on extinguishment of debt.Compensation and Employee BenefitsCompensation and employee benefits are comprised primarily of salaries, bonuses, stock-based compensation and other employee benefits. The increase of $0.7 million in compensation expense was primarily attributable to an increase in bonus accrual for the three months ended SeptemberÂ 30, 2024 as compared to the three months ended JuneÂ 30, 2024. Operating ExpensesOperating expenses are primarily composed of professional fees, lease expense and technology expenses. The decrease of $0.7 million during the three months ended SeptemberÂ 30, 2024 compared to the three months ended JuneÂ 30, 2024 was primarily related to a decrease in professional fees and franchise taxes, partially offset by an increase in occupancy costs.Real Estate Operating ExpensesThe decrease of $0.3 million in real estate operating expenses during the three months ended SeptemberÂ 30, 2024 compared to the three months ended JuneÂ 30, 2024 was primarily attributable to the sale of two multifamily portfolios, one office property and one retail property during the three months ended JuneÂ 30, 2024, for which there was no operating expense during the three months ended SeptemberÂ 30, 2024.63Table of ContentsInvestment Related ExpensesInvestment related expenses are comprised primarily of custodian fees, financing costs, servicing fees related to loans, and other deal related expenses. The decrease of $0.7 million during the three months ended SeptemberÂ 30, 2024 compared to the three months ended JuneÂ 30, 2024 was primarily attributable to a decrease in deal related expenses.Depreciation and AmortizationThe $0.3 million decrease in depreciation and amortization during the three months ended SeptemberÂ 30, 2024 compared to the three months ended JuneÂ 30, 2024 was primarily attributable to the sale of two multifamily portfolios, one retail portfolio and one office property during the three months ended JuneÂ 30, 2024, for which there was no depreciation and amortization during the three months ended SeptemberÂ 30, 2024.Income Tax (Benefit) ExpenseMost of our consolidated income tax provision related to the business units held in our TRSs. The increase in expense during the three months ended SeptemberÂ 30, 2024 compared to the three months ended JuneÂ 30, 2024 is primarily a result of changes in our income in our TRSs. 64Table of ContentsResults of OperationsA discussion regarding our results of operations for the nine months ended SeptemberÂ 30, 2024 compared to the nine months ended SeptemberÂ 30, 2023 is presented below. Nine months ended SeptemberÂ 30, 2024 compared to the nine months ended SeptemberÂ 30, 2023The following table sets forth information regarding our consolidated results of operations ($ in thousands):Nine Months Ended September 30,20242023DifferenceNet interest incomeInterest income$280,520Â $306,715Â $(26,195)Interest expense170,647Â 184,350Â (13,703)Net interest income (expense)109,873Â 122,365Â (12,492)Provision for (release of) loan loss reserves, net13,886Â 19,090Â (5,204)Net interest income (expense) after provision for (release of) loan loss reserves95,987Â 103,275Â (7,288)Other income (loss)Real estate operating income75,314Â 73,847Â 1,467Â Net result from mortgage loan receivables held for sale638Â (1,119)1,757Â Gain (loss) on real estate, net12,858Â 8,808Â 4,050Â Fee and other income13,947Â 6,691Â 7,256Â Net result from derivative transactions3,871Â 6,680Â (2,809)Earnings (loss) from investment in unconsolidated ventures(11)913Â (924)Gain on extinguishment of debt197Â 10,600Â (10,403)Total other income (loss)106,814Â 106,420Â 394Â Costs and expensesCompensation and employee benefits48,917Â 50,612Â (1,695)Operating expenses14,331Â 15,018Â (687)Real estate operating expenses30,930Â 29,071Â 1,859Â Investment related expenses5,909Â 6,460Â (551)Depreciation and amortization24,861Â 22,144Â 2,717Â Total costs and expenses124,948Â 123,305Â 1,643Â Income (loss) before taxes77,853Â 86,390Â (8,537)Income tax expense (benefit)1,737Â 4,913Â (3,176)Net income (loss)$76,116Â $81,477Â $(5,361)Investment OverviewActivity for the nine months ended SeptemberÂ 30, 2024 included fundings of $71.8 million and paydowns of $1.1 billion, which contributed to a $1.1 billion decrease of commercial mortgage loans. Activity for the nine months ended SeptemberÂ 30, 2024 included securities purchases of $583.2 million, sales of $10.6 million and $208.6 million of amortization and paydowns, which contributed to a net increase in our securities portfolio of $367.3 million. We acquired $48.8 million in real estate via foreclosure. In addition, we purchased $6.7 billion of short-term U.S. Treasury securities during the nine months ended SeptemberÂ 30, 2024, of which $6.4 billion matured during the nine months ended SeptemberÂ 30, 2024.Activity for the nine months ended SeptemberÂ 30, 2023 included originating and funding $61.4 million and paydowns of $559.9 million, which contributed to a $514.1 million decrease of commercial mortgage loans. Activity for the nine months ended SeptemberÂ 30, 2023 included securities purchases of $76.6 million, sales of $17.8 million and $173.0 million of amortization and paydowns, which contributed to a net decrease in our securities portfolio of $110.8 million. In addition, we purchased $3.5 billion of short-term U.S. Treasury securities during the nine months ended SeptemberÂ 30, 2023, of which $2.8 billion matured during the nine months ended SeptemberÂ 30, 2023.65Table of ContentsNet Interest Income The $26.2 million decrease in interest income was primarily attributable net payoffs within our loan portfolio, partially offset by an increase in income from collection of deferred interest from the resolution of a previously modified loan, and an increase in interest on short-term U.S. Treasury securities due to purchases. There was a $1.0Â billion decrease in average loan investments from $3.7Â billion for the nine months ended SeptemberÂ 30, 2023 to $2.7Â billion for the nine months ended SeptemberÂ 30, 2024. There was a $29.9Â million increase in average securities investments from $502.0 million for the nine months ended SeptemberÂ 30, 2023 to $531.9Â million for the nine months ended SeptemberÂ 30, 2024.The $13.7 million decrease in interest expense is primarily related to lower outstanding balances on our securities and loan repurchase facilities and the payoff of our FHLB borrowings as well as a reduction in expense as a result of redemptions of our Notes, partially offset by the issuance of our 2031 Notes.As of SeptemberÂ 30, 2024, the weighted average yield on our mortgage loan receivables was 9.2%, compared to 9.7% as of SeptemberÂ 30, 2023. As of SeptemberÂ 30, 2024, the weighted average interest rate on borrowings against our mortgage loan receivables was 7.0%, compared to 7.2% as of SeptemberÂ 30, 2023. The decrease in the rate on borrowings against our mortgage loan receivables from SeptemberÂ 30, 2023 to SeptemberÂ 30, 2024 was primarily due to decreases in prevailing interest rates. As of SeptemberÂ 30, 2024, we had outstanding borrowings secured by our mortgage loan receivables equal to 50.7% of the carrying value of our mortgage loan receivables, compared to 49.9% as of SeptemberÂ 30, 2023.As of SeptemberÂ 30, 2024 and SeptemberÂ 30, 2023, the weighted average yield on our securities was 6.8%. As of SeptemberÂ 30, 2024, we did not have any borrowings against our securities. As of SeptemberÂ 30, 2023, the weighted average interest rate on borrowings against our securities was 5.8%. As of SeptemberÂ 30, 2023, we had outstanding borrowings secured by our securities equal to 24.5% of the carrying value of our real estate securities.Our real estate is comprised of non-interest bearing assets; however, interest incurred on mortgage financing collateralized by such real estate is included in interest expense. As of SeptemberÂ 30, 2024, the weighted average interest rate on mortgage borrowings against our real estate assets was 6.0%, compared to 5.9% as of SeptemberÂ 30, 2023. As of SeptemberÂ 30, 2024, we had outstanding borrowings secured by our real estate equal to 72.4% of the carrying value of our real estate, compared to 64.8% as of SeptemberÂ 30, 2023.Provision for (release of) Loan Loss ReservesThe provision for the nine months ended SeptemberÂ 30, 2024 of $13.9Â million was primarily due to continued uncertainty in macroeconomic market conditions affecting commercial real estate, partially offset by a decrease in the size of our balance sheet first mortgage loans as a result of repayments. During the nine months ended SeptemberÂ 30, 2024, we charged-off $5.0 million of an existing allowance related to an office property in Oakland, California. For additional information, refer to Note 3, Mortgage Loan Receivables,Â in the consolidated financial statements. The provision for the nine months ended SeptemberÂ 30, 2023 was $19.1Â million. The increase in provision associated with the general reserve during the nine months ended SeptemberÂ 30, 2023 was primarily due to adverse changes in macroeconomic conditions affecting commercial real estate partially offset by a decrease in the size of our balance sheet first mortgage loan portfolio as a result of repayments.For additional information, refer to â€œAllowance for Credit Losses and Non-Accrual Statusâ€ in Note 3, Mortgage Loan Receivables, to the consolidated financial statements. Real Estate Operating IncomeThe increase of $1.5 million in real estate operating income was primarily attributable to operating income earned on seven properties acquired via foreclosure between SeptemberÂ 30, 2023 and SeptemberÂ 30, 2024 for which there was no operating income during the nine months ended SeptemberÂ 30, 2023, offset by the sale of five properties. Net Result from Mortgage Loan Receivables Held for SaleNet result from mortgage loan receivables held for sale includes unrealized losses on loans held for sale related to lower of cost or market adjustments and realized gains and losses from the sale of loans.Â During the nine months ended SeptemberÂ 30, 2024, we recorded $0.6 million of unrealized gains on loans related to lower of cost or market adjustments on our conduit loans. During the nine months ended SeptemberÂ 30, 2023, we did not sell any conduit loans and recorded $1.1 million of unrealized 66Table of Contentslosses on loans related to lower of cost or market adjustments on our conduit loans. Income from sales of loans, net is subject to market conditions impacting timing, size and pricing and as such may vary significantly quarter to quarter. Â Gain (Loss) on Real Estate, netThe increase of $4.1 million of gain on real estate, net during the nine months ended SeptemberÂ 30, 2024 compared to the nine months ended SeptemberÂ 30, 2023 was primarily the result of the sales of three multifamily portfolios, one retail portfolio and one office property during the nine months ended SeptemberÂ 30, 2024 compared to one sale of a hotel property during the nine months ended SeptemberÂ 30, 2023.Fee and Other IncomeWe generate fee income on the loans we originate and in which we invest, and dividend income on our FHLB stock. The $7.3 million increase in fee and other income was primarily due to the timing of loan payoffs and late fees received for the nine months ended SeptemberÂ 30, 2024 as compared to the nine months ended SeptemberÂ 30, 2023. Net Result from Derivative TransactionsÂ Net result from derivative transactions of $3.9 million was comprised of a realized gain of $5.5 million and an unrealized loss of $1.6 million for the nine months ended SeptemberÂ 30, 2024. Net result from derivative transactions of $6.7 million was comprised of a realized gain of $6.9 million and an unrealized loss of $0.2 million for the nine months ended SeptemberÂ 30, 2023. The hedge positions primarily relate to fixed rate conduit loans and securities investments. The derivative positions that generated these results were a combination of five and ten year U.S. treasury rate futures that we employed in an effort to hedge the interest rate risk primarily on the financing of our fixed rate assets and the net interest income we earn against the impact of changes in interest rates. The net gain in 2024 was primarily related to changes in interest rates during the nine months ended SeptemberÂ 30, 2024. The total net result from derivative transactions is comprised of hedging interest expense, realized gains/losses related to hedge terminations and unrealized gains/losses related to changes in the fair value of asset hedges. Gain on Extinguishment of DebtGain on extinguishment of debt totaled $0.2 million for the nine months ended SeptemberÂ 30, 2024. During the nine months ended SeptemberÂ 30, 2024, the Company retired: (1) $5.8 million of principal of the 2025 Notes for a repurchase price of $5.8 million, recognizing a $20Â thousand net gain on extinguishment of debt after recognizing $11Â thousand of unamortized debt issuance costs associated with the retired debt; and (2) $2.0 million of principal of the 2029 Notes for a repurchase price of $1.8 million, recognizing a $0.2 million net gain on extinguishment of debt after recognizing $21Â thousand of unamortized debt issuance costs associated with the retired debt.Gain on extinguishment of debt totaled $10.6 million for the nine months ended SeptemberÂ 30, 2023. During the nine months ended SeptemberÂ 30, 2023, the Company retired: (1) $16.2 million of principal of the 2025 Notes for a repurchase price of $14.8 million, recognizing a $1.3 million net gain on extinguishment of debt after recognizing $(72)Â thousand of unamortized debt issuance costs associated with the retired debt; (2) $38.9 million of principal of the 2027 Notes for a repurchase price of $31.8 million, recognizing a $6.8 million net gain on extinguishment of debt after recognizing $0.3 million of unamortized debt issuance costs associated with the retired debt; and (3) $12.1 million of principal of the 2029 Notes for a repurchase price of $9.4 million, recognizing a $2.5 million net gain on extinguishment of debt after recognizing $0.1 million of unamortized debt issuance costs associated with the retired debt. Compensation and Employee BenefitsCompensation and employee benefits are comprised primarily of salaries, bonuses, stock-based compensation and other employee benefits. The decrease of $1.7 million in compensation expense is primarily due to a decrease in bonus compensation expense for the nine months ended SeptemberÂ 30, 2024 as compared nine months ended SeptemberÂ 30, 2023. Operating ExpensesOperating expenses are primarily comprised of professional fees, lease expense and technology expenses. The decrease during the nine months ended SeptemberÂ 30, 2024 as compared to SeptemberÂ 30, 2023 of $0.7 million was primarily related to a decrease in professional fees.Â 67Table of ContentsReal Estate Operating ExpensesThe increase of $1.9 million from the nine months ended SeptemberÂ 30, 2024 to SeptemberÂ 30, 2023 was primarily due to operating expenses from seven properties that were acquired via foreclosure between SeptemberÂ 30, 2023 and SeptemberÂ 30, 2024, for which there was no operating expense during the nine months ended SeptemberÂ 30, 2023, partially offset by the sale of one hotel property during the nine months ended SeptemberÂ 30, 2023.Investment Related ExpensesInvestment related expenses are comprised primarily of custodian fees, financing costs, servicing fees related to loans and other loan related expenses. The decrease during the nine months ended SeptemberÂ 30, 2024 as compared to SeptemberÂ 30, 2023 of $0.6 million was primarily attributable to a decrease in loan related expenses as a result of a smaller loan portfolio.Â Depreciation and AmortizationÂ The $2.7 million increase in depreciation and amortization during the nine months ended SeptemberÂ 30, 2024 compared to the nine months ended SeptemberÂ 30, 2023 was primarily attributable to the timing of acquisitions of property via foreclosure that occurred after SeptemberÂ 30, 2023, partially offset by the sale of one hotel property during the nine months ended SeptemberÂ 30, 2023.Â Income Tax (Benefit) ExpenseÂ Most of our consolidated income tax provision related to the business units held in our TRSs. The decrease in expense of $3.2 million during the nine months ended SeptemberÂ 30, 2024 as compared to SeptemberÂ 30, 2023 is primarily a result of changes in income generated by our TRSs. Liquidity and Capital ResourcesÂ The management of our liquidity and capital diversity and allocation strategies is critical to the success and growth of our business. We manage our sources of liquidity to complement our asset composition and to diversify our exposure across multiple capital markets and counterparties.We require substantial amounts of capital to support our business. The management team, in consultation with our board of directors, establishes our overall liquidity and capital allocation strategies. A key objective of those strategies is to support the execution of our business strategy while maintaining sufficient ongoing liquidity throughout the business cycle to service our financial obligations as they become due. When making funding and capital allocation decisions, members of our senior management consider: business performance; the availability of, and costs and benefits associated with, different funding sources; current and expected capital markets and general economic conditions; our asset composition and capital structure; and our targeted liquidity profile and risks relating to our funding needs.To ensure that Ladder can effectively address the funding needs of the Company on a timely basis, we maintain a diverse array of liquidity sources including: (1)Â cash and cash equivalents; (2)Â cash generated from operations; (3)Â proceeds from the issuance of the unsecured bonds; (4) borrowings under repurchase agreements; (5)Â principal repayments on investments including mortgage loans and securities; (6)Â borrowings under our Revolving Credit Facility; (7)Â proceeds from securitizations and sales of loans; (8)Â proceeds from the sale of securities; (9)Â proceeds from the sale of real estate; (10) proceeds from the issuance of CLO debt and other non-mark-to-market loan financing; and (11)Â proceeds from the issuance of equity capital. We use these funding sources to meet our obligations on a timely basis and have the ability to use our significant unencumbered asset base to further finance our business.Our primary uses of liquidity are for: (1)Â the funding of loan, real estate-related and securities investments; (2)Â the repayment of short-term and long-term borrowings and related interest; (3)Â the funding of our operating expenses; and (4)Â distributions to our equity investors to comply with the REIT distribution requirements. We require short-term liquidity to fund loans that we originate and hold on our consolidated balance sheet pending sale, including through whole loan sale, participation, or securitization. We generally require longer-term funding to finance the loans and real estate-related investments that we hold for investment. We have historically used the aforementioned funding sources to meet the operating and investment needs as they have arisen and have been able to do so by applying a rigorous approach to long and short-term cash and debt forecasting.68Table of ContentsIn addition, as a REIT, we are also required to make sufficient dividend payments to our shareholders in amounts at least sufficient to maintain our REIT status. Under IRS guidance, we may elect to pay a portion of our dividends in stock, subject to a cash/stock election by our shareholders, to optimize our level of capital retention. Accordingly, our cash requirement to pay dividends to maintain REIT status could be substantially reduced at the discretion of the board of directors.Â Our principal debt financing sources include: (1)Â long-term senior unsecured notes in the form of corporate bonds; (2) CLO issuances; (3) committed secured funding provided by banks and other lenders; (4) long term non-recourse mortgage financing; (5) uncommitted secured funding sources, including asset repurchase agreements with a number of banks; and (6) unsecured Revolving Credit Facility.Â In the future, we may also use other sources of financing to fund the acquisition of our assets, including credit facilities, warehouse facilities, repurchase facilities and other secured and unsecured forms of borrowing. These financings may be collateralized or non-collateralized, may involve one or more lenders and may accrue interest at either fixed or floating rates. We may also seek to raise further equity capital or issue debt securities in order to fund our future investments.Refer to â€œFinancial Covenantsâ€ and â€œOur Financing Strategiesâ€ for further disclosure of our diverse financing sources and, for a summary of our financial obligations, refer to the Contractual Obligations table below. All of our existing financial obligations due within the following year can be extended for one or more additional years at our discretion, refinanced or repaid at maturity or are incurred in the normal course of business (i.e., interest payments/loan funding obligations).Cash, Cash Equivalents and Restricted CashÂ We held cash and cash equivalents of $1.6 billion and restricted cash of $12.3 million as of SeptemberÂ 30, 2024. We held cash and cash equivalents of $1.0 billion and restricted cash of $15.4 million as of DecemberÂ 31, 2023.Cash FlowsThe following table provides a breakdown of the net change in our cash, cash equivalents, and restricted cash ($ in thousands):Â Nine Months Ended September 30,Â 20242023Net cash provided by (used in) operating activities$194,042Â $122,205Â Net cash provided by (used in) investing activities733,670Â 602,662Â Net cash provided by (used in) financing activities(304,441) (516,639)Net increase (decrease) in cash, cash equivalents and restricted cash$623,271Â $208,228Â Nine months ended SeptemberÂ 30, 2024We experienced a net increase in cash, cash equivalents and restricted cash of $623.3 million for the nine months ended SeptemberÂ 30, 2024, reflecting cash provided by operating activities of $194.0 million, cash provided by investing activities of $733.7 million and cash used in financing activities of $(304.4) million. Net cash provided by operating activities of $194.0 million was primarily driven by net interest income and net increases in operating income on our real estate portfolio and related to the timing of purchases of $79.7Â million of U.S. Treasury securities purchased and not yet settled on its consolidated balance sheet. Net cash provided by investing activities of $733.7 million was driven by $1.1 billion of repayment from mortgage loan receivables, $208.4 million in repayments on securities, $57.6 million in proceeds from sale of real estate and $10.6 million of proceeds from sale of securities, partially offset by $(583.0) million in purchases of securities and $(71.8) million of origination of mortgage loans held for investment.Net cash used in financing activities of $(304.4) million was primarily as a result of net repayments of borrowings of $(194.9) million, $(88.8) million of dividend payments, $(8.9) million of shares acquired to satisfy minimum federal and state tax withholdings on restricted stock, $(2.0) million purchase of treasury stock, and $(9.6) million in deferred financing cost.Nine months ended SeptemberÂ 30, 202369Table of ContentsWe experienced a net increase in cash, cash equivalents and restricted cash of $208.2 million for the nine months ended SeptemberÂ 30, 2023, reflecting cash provided by operating activities of $122.2 million, cash provided by investing activities of $602.7 million and cash used in financing activities of $(516.6) million. Net cash provided by operating activities of $122.2 million was primarily driven by net interest income and increases in net operating income on our real estate portfolio. Net cash provided by investing activities of $602.7 million was driven by $531.8 million of repayment from mortgage loan receivables, $173.0 million in repayments on securities, and $17.8 million of proceeds from sale of securities, partially offset by $(76.6) million in purchases of securities and $(61.4) million of origination of mortgage loans held for investment.Net cash used in financing activities of $(516.6) million was primarily as a result of net repayments of borrowings of $(415.7) million, $(87.7) million of dividend payments, $(7.9) million of shares acquired to satisfy minimum federal and state tax withholdings on restricted stock, $(2.5) million purchase of treasury stock, and $(2.4) million in deferred financing cost.Unencumbered AssetsAs of SeptemberÂ 30, 2024, we held unencumbered cash of $1.6 billion, unencumbered loans of $683.9 million, unencumbered securities of $819.8 million, unencumbered real estate of $179.3 million and $345.1 million of other assets not encumbered by any portion of secured indebtedness. As of DecemberÂ 31, 2023, we held unencumbered cash and cash equivalents of $1.0 billion, unencumbered loans of $1.1 billion, unencumbered securities of $342.8 million, unencumbered real estate of $160.8 million and $394.2 million of other assets not encumbered by any portion of secured indebtedness.Borrowings under various financing arrangementsOur financing strategies are critical to the success and growth of our business. We manage our leverage policies to complement our asset composition and to diversify our exposure across multiple counterparties. Our borrowings under various financing arrangements as of SeptemberÂ 30, 2024 are set forth in the table below ($ in thousands):September 30, 2024Committed loan repurchase facilities$244,525Â Uncommitted securities repurchase facilitiesâ€"Â Total repurchase facilities244,525Â Mortgage loan financing(1)513,781Â CLO debt(2)776,096Â Senior unsecured notes(3)2,050,930Â Total debt obligations, net$3,585,332Â (1)Presented net of unamortized debt issuance costs of $1.2 million and net of premiums of $3.9 million as of SeptemberÂ 30, 2024.(2)Presented net of unamortized debt issuance costs of $0.2 million as of SeptemberÂ 30, 2024.(3)Presented net of unamortized debt issuance costs of $16.9 million as of SeptemberÂ 30, 2024.The Companyâ€™s repurchase facilities include covenants covering minimum net worth requirements (ranging from $400.0 million to $871.4 million), maximum reductions in net worth over stated time periods, minimum liquidity levels (typically $30.0 million of cash or a higher standard that often allows for the inclusion of different percentages of liquid securities in the determination of compliance with the requirement), maximum leverage ratios (calculated in various ways based on specified definitions of indebtedness and net worth) and a fixed charge coverage ratio of 1.25x, and, in the instance of one lender, an interest coverage ratio of 1.50x, in each case, if certain liquidity thresholds are not satisfied. We were in compliance with all covenants as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023. Further, certain of our financing arrangements and loans on our real property are secured by the assets of the Company, including pledges of the equity of certain subsidiaries or the assets of certain subsidiaries. From time to time, certain of these financing arrangements and loans may prohibit certain of our subsidiaries from paying dividends to the Company, from making distributions on such subsidiaryâ€™s capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiaryâ€™s property or other assets to the Company or other subsidiaries of the Company.70Table of ContentsCommitted Loan FacilitiesWe are a party to multiple committed loan repurchase agreement facilities, totaling $1.2 billion of credit capacity as of SeptemberÂ 30, 2024. As of SeptemberÂ 30, 2024, the Company had $244.5 million of borrowings outstanding, with an additional $911.5 million of committed financing available. As of DecemberÂ 31, 2023, the Company had $605.0 million of borrowings outstanding, with an additional $637.0 million of committed financing available. Assets pledged as collateral under these facilities are generally limited to whole mortgage loans collateralized by first liens on commercial real estate, mezzanine loans collateralized by equity interests in entities that own commercial real estate, and certain interests in such first mortgage and mezzanine loans. Our repurchase facilities include covenants covering net worth requirements, minimum liquidity levels, and maximum debt/equity ratios. We believe we were in compliance with all covenants as of SeptemberÂ 30, 2024. We have the option to extend some of our existing facilities subject to a number of customary conditions. The lenders have sole discretion with respect to the inclusion of collateral in these facilities, to determine the market value of the collateral on a daily basis, and, if the estimated market value of the included collateral declines, the lenders have the right to require additional collateral or a full and/or partial repayment of the facilities (margin call), sufficient to rebalance the facilities. Typically, the facilities are established with stated guidelines regarding the maximum percentage of the collateral assetâ€™s market value that can be borrowed. We often borrow at a lower percentage of the collateral assetâ€™s value than the maximum leaving us with excess borrowing capacity that can be drawn upon at a later date and/or applied against future margin calls so that they can be satisfied on a cashless basis.Uncommitted Securities FacilitiesWe are a party to multiple master repurchase agreements with several counterparties to finance our investments in CMBS and U.S. Agency securities. The securities that served as collateral for these borrowings are highly liquid and marketable assets that are typically of relatively short duration. Revolving Credit Facility The Companyâ€™s revolving credit facility (â€œRevolving Credit Facilityâ€) provides for an aggregate maximum borrowing amount of $323.9Â million, including a $25.0Â million sublimit for the issuance of letters of credit. The Revolving Credit Facility is available on a revolving basis to finance the Companyâ€™s working capital needs and for general corporate purposes. Borrowings under the Revolving Credit Facility incur interest at a fixed margin of 2.50% over the index rate, with reductions in the fixed margin upon the achievement of investment grade credit ratings. On January 25, 2024, the Company amended its Revolving Credit Facility to extend the final maturity date to January 25, 2029. As of SeptemberÂ 30, 2024, the Company had no outstanding borrowings on the Revolving Credit Facility, but still maintains the ability to draw $323.9Â million. The obligations under the Revolving Credit Facility are guaranteed by the Company and certain of its subsidiaries. The Revolving Credit Facility is secured by a pledge of the shares of (or other ownership or equity interests in) certain subsidiaries to the extent the pledge is not restricted under existing regulations, law or contractual obligations.The Company is subject to customary affirmative covenants and negative covenants, including limitations on the incurrence of additional debt, liens, restricted payments, sales of assets and affiliate transactions. In addition, the Company is required to comply with financial covenants relating to minimum net worth, maximum leverage, minimum liquidity, and minimum fixed charge coverage, consistent with our other credit facilities. The Companyâ€™s ability to borrow is dependent on, among other things, compliance with the financial covenants. The Revolving Credit Facility contains customary events of default, including non-payment of principal or interest, fees or other amounts, failure to perform or observe covenants, cross-default to other indebtedness, the rendering of judgments against the Company or certain of our subsidiaries to pay certain amounts of money and certain events of bankruptcy or insolvency.Mortgage Loan FinancingÂ The Company typically finances its real estate investments with long-term, non-recourse mortgage financing. These mortgage loans have carrying amounts of $513.8 million and $437.8 million, net of unamortized premiums of $3.9 million and $1.8 million as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, respectively, representing proceeds received upon financing greater than the contractual amounts due under these agreements. The premiums are being amortized over the remaining life of the respective debt instruments using the effective interest method. The Company recorded $0.6 million of premium amortization, which decreased interest expense for the nine months ended SeptemberÂ 30, 2024 and 2023. These non-recourse debt agreements provide for secured financing at rates ranging from 4.39% to 8.78%, and, as of SeptemberÂ 30, 2024, have anticipated maturity dates between 2024 and 2034, with an average term of 3.5 years. The mortgage loans are collateralized by 71Table of Contentsreal estate and related lease intangibles, net, of $530.2 million and $474.7 million as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, respectively. During the three and nine months ended SeptemberÂ 30, 2024, the Company executed six and 16 new term debt agreements, respectively, to finance properties in its real estate portfolio with carrying amounts of $13.0 million and $81.9 million, respectively. During the three and nine months ended SeptemberÂ 30, 2023, the Company did not execute any term debt agreements. Collateralized Loan Obligations (â€œCLOâ€) DebtOn JulyÂ 13, 2021, a consolidated subsidiary of the Company completed a privately-marketed CLO transaction, which generated $498.2Â million of gross proceeds to Ladder, financing $607.5Â million of loans (â€œContributed July 2021 Loansâ€) at an 82% advance rate on a matched term, non-mark-to-market and non-recourse basis. A consolidated subsidiary of the Company retained an 18% subordinate and controlling interest in the CLO. The Company retained consent rights over major decisions with respect to the servicing of the Contributed July 2021 Loans, including the right to appoint and replace the special servicer under the CLO. The CLO is a VIE and the Company was the primary beneficiary and, therefore, consolidated the VIE. Refer to Note 9, Consolidated Variable Interest Entities for additional information.On DecemberÂ 2, 2021, a consolidated subsidiary of the Company completed a privately-marketed CLO transaction, which generated $566.2 million of gross proceeds to Ladder, financing $729.4 million of loans (â€œContributed December 2021 Loansâ€) at a maximum 77.6% advance rate on a matched term, non-mark-to-market and non-recourse basis. A consolidated subsidiary of the Company retained an 15.6% subordinate and controlling interest in the CLO. The Company also held two additional tranches as investments totaling 6.8% interest in the CLO. The Company retained consent rights over major decisions with respect to the servicing of the Contributed December 2021 Loans, including the right to appoint and replace the special servicer under the CLO. The CLO is a VIE and the Company was the primary beneficiary and, therefore, consolidated the VIE. Refer to Note 9, Consolidated Variable Interest Entities for additional information.As of

SeptemberÂ 30, 2024, the Company had $776.1 million of matched term, non-mark-to-market and non-recourse CLO debt included in debt obligations on its consolidated balance sheets. Unamortized debt issuance costs of $0.2 million were included in CLO debt as of SeptemberÂ 30, 2024.As of DecemberÂ 31, 2023, the Company had $1.1 billion of matched term, non-mark-to-market and non-recourse CLO debt included in debt obligations on its consolidated balance sheets. Unamortized debt issuance costs of $2.1 million were included in CLO debt as of DecemberÂ 31, 2023.Borrowings from the Federal Home Loan Bank (â€œFHLBâ€)As of SeptemberÂ 30, 2024, the Company had no debt outstanding with the FHLB. As of December 31, 2023, Tuebor had $115.0 million of borrowings outstanding, with terms of 0.3 years to 0.75 years (with a weighted average of 0.57 years), interest rates of 5.76% to 5.88% (with a weighted average of 5.82%), and advance rates of 71.7% to 95.7% on eligible collateral. As of December 31, 2023, collateral for the borrowings was comprised primarily of $140.3 million of CMBS.Tuebor is subject to state regulations which require that dividends (including dividends to the Company as its parent) may only be made with regulatory approval. However, there can be no assurance that we would obtain such approval if sought. Largely as a result of this restriction, approximately $879.0 million of Tueborâ€™s memberâ€™s capital was restricted from transfer via dividend to Tueborâ€™s parent without prior approval of state insurance regulators at SeptemberÂ 30, 2024. To facilitate intercompany cash funding of operations and investments, Tuebor and its parent maintain regulator-approved intercompany borrowing/lending agreements.Senior Unsecured NotesAs of SeptemberÂ 30, 2024, the Company had $2.1 billion of unsecured corporate bonds outstanding. These unsecured financings were comprised of $322.0 million in aggregate principal amount of 5.25% senior notes due 2025 (the â€œ2025 Notesâ€), $611.9 million in aggregate principal amount of 4.25% senior notes due 2027 (the â€œ2027 Notesâ€) and $633.9 million in aggregate principal amount of 4.75% senior notes due 2029 and $500.0 million in aggregate principal amount of 7.00% senior notes due 2031 (the â€œ2031 Notesâ€, collectively with the 2025 Notes, the 2027 Notes and the 2029 Notes, the â€œNotesâ€). The 2031 Notes were issued during the three months ended SeptemberÂ 30, 2024 with an aggregate principal balance of $500.0Â million.72Table of ContentsAs of DecemberÂ 31, 2023, the Company had $1.6 billion of unsecured corporate bonds outstanding. These unsecured financings were comprised of $327.8 million of the 2025 Notes, $611.9 million of the 2027 Notes and $635.9 million of the 2029 Notes. LCFH issued the Notes with Ladder Capital Finance Corporation (â€œLCFCâ€), as co-issuers on a joint and several basis. LCFC is a 100% owned finance subsidiary of LCFH with no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the Notes. The Company and certain subsidiaries of LCFH currently guarantee the obligations under the Notes and the indenture. The Company believes it was in compliance with all covenants of the Notes as of SeptemberÂ 30, 2024 and 2023. The Notes are presented net of unamortized debt issuance costs of $16.9 million and $11.8 million as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, respectively.The Notes require interest payments semi-annually in cash in arrears, are unsecured, and are subject to an unencumbered assets to unsecured debt covenant. The Company may redeem the Notes, in whole or in part, at any time, or from time to time, prior to their stated maturity upon not less than 10 nor more than 60 daysâ€™ notice, at a redemption price as specified in each respective indenture governing the Notes, plus accrued and unpaid interest, if any, to the redemption date. The board of directors has authorized the Company to repurchase any or all of the Notes from time to time without further approval. During the nine months ended SeptemberÂ 30, 2024, the Company repurchased $5.8 million of the 2025 Notes and $2.0 million of the 2029 Notes, recognizing a net gain on extinguishment of debt of $20 thousand and $0.2 million, respectively.Stock RepurchasesOn April 24, 2024, the board of directors authorized the repurchase of $75.0 million of the Companyâ€™s Class A common stock from time to time without further approval. This authorization increased the remaining outstanding authorization per the July 27, 2022 authorization from $43.6Â million to $75.0Â million. Stock repurchases by the Company are generally made for cash in open market transactions at prevailing market prices but may also be made in privately negotiated transactions or otherwise. The timing and amount of purchases are determined based upon prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. As of SeptemberÂ 30, 2024, the Company has a remaining amount available for repurchase of $73.6 million, which represents 5.0% in the aggregate of its outstanding Class A common stock, based on the closing price of $11.60 per share on such date. Refer to Note 10, Equity Structure and Accounts, to our consolidated financial statements included elsewhere in this Quarterly Report, for disclosure of the Companyâ€™s repurchase activity.The following table is a summary of the Companyâ€™s repurchase activity of its Class A common stock during the nine months ended SeptemberÂ 30, 2024 ($ in thousands):SharesAmount(1)Authorizations remaining as of December 31, 2023$44,256Â Additional authorizations (2)31,391Â Repurchases paid:March 1, 2024 - March 31, 202460,000Â (647)May 1, 2024 - May 31, 20242,100Â (23)June 1, 2024 - June 30, 202417,590Â (189)September 1, 2024 - September 30, 2024100,001Â (1,190)Authorizations remaining as of September 30, 2024$73,598Â (1)Amount excludes commissions paid associated with share repurchases.(2)On April 24, 2024 the Board authorized repurchases up to $75.0 million in aggregate.DividendsIn order for the Company to maintain its qualification as a REIT under the Code, it must annually distribute at least 90% of its taxable income. The Company has paid and in the future intends to declare regular quarterly distributions to its shareholders in aggregating to an amount approximating at least 90% of the REITâ€™s annual net taxable income.All distributions are made at the discretion of our board of directors and depend on our earnings, our financial condition, any debt covenants, maintenance of our REIT qualification, restrictions on making distributions under Delaware law and other factors as our board of directors may deem relevant from time to time.73Table of ContentsRefer to Note 10, Equity Structure and Accounts, to our consolidated financial statements included elsewhere in this Quarterly Report, for disclosure of dividends declared.Principal Repayments on InvestmentsWe receive principal amortization on our loans and securities as part of the normal course of our business. Repayment of mortgage loan receivables provided net cash of $1.1 billion for the nine months ended SeptemberÂ 30, 2024 and $531.8 million for the nine months ended SeptemberÂ 30, 2023. Repayment of real estate securities provided net cash of $208.4 million for the nine months ended SeptemberÂ 30, 2024, and $173.0 million for the nine months ended SeptemberÂ 30, 2023. Proceeds from Securitizations and Sales of LoansWe sell our conduit mortgage loans to securitization trusts and to other third parties as part of our normal course of business and from time to time will sell balance sheet mortgage loans. There were $82.5 million of conduit mortgage loans collateralized by net leased properties in the Companyâ€™s real estate segment, which were sold into securitizations that are treated as financings under GAAP, for the nine months ended SeptemberÂ 30, 2024. There were no proceeds from sales of mortgage loans for the nine months ended SeptemberÂ 30, 2023.Proceeds from the Sale of SecuritiesWe sell our investments in CMBS, U.S. Agency securities, corporate bonds, U.S. Treasury securities, and equity securities as a part of our normal course of business. Proceeds from sales of securities provided net cash of $10.6 million for the nine months ended SeptemberÂ 30, 2024, and $17.8 million for the nine months ended SeptemberÂ 30, 2023.Proceeds from the Sale of Real EstateÂ There were $57.6 million of proceeds from sales of real estate for the nine months ended SeptemberÂ 30, 2024. There were $13.6 million of proceeds from sales of real estate for the nine months ended SeptemberÂ 30, 2023.Other Potential Sources of FinancingÂ In the future, we may also use other sources of financing to fund the acquisition of our assets, including credit facilities, warehouse facilities, repurchase facilities and other secured and unsecured forms of borrowing. These financings may be collateralized or non-collateralized, may involve one or more lenders and may accrue interest at either fixed or floating rates. We may also seek to raise further equity capital or issue debt securities in order to fund our future investments.74Table of ContentsContractual Obligations Â Contractual obligations as of SeptemberÂ 30, 2024 were as follows ($Â in thousands):Contractual Obligations (1)Less than 1 Year1-3 Years3-5 YearsMore than 5 YearsTotalSecured financings(2)$397,886Â $205,033Â $24,598Â $128,055Â $755,572Â Senior unsecured notesâ€”Â 321,953Â 611,939Â 1,133,919Â 2,067,811Â Interest payable(3)109,625Â 139,498Â 77,674Â 28,168Â 354,965Â Other funding obligations(4)14,444Â â€”Â â€”Â 14,444Â Operating lease obligations558Â 4,426Â 4,537Â 11,039Â 20,560Â Total$522,513Â $670,910Â $718,748Â $1,301,181Â $3,213,352Â (1)As more fully disclosed in Note 6, Debt Obligations, Net, to our consolidated financial statements included elsewhere in this Quarterly Report, the allocation of repayments under our committed loan repurchase facilities is based on the earlier of: (i) the maturity date of each agreement; or (ii) the maximum maturity date of the collateral loans, assuming all extension options are exercised by the borrower.(2)Total does not include $776.3 million of consolidated CLO debt obligations and the related debt issuance costs of $0.2 million, as the satisfaction of these liabilities will not require cash outlays from us.(3)Comprised of interest on secured financings and on senior unsecured notes. For borrowings with variable interest rates, we used the rates in effect as of SeptemberÂ 30, 2024 to determine the future interest payment obligations.(4)Comprised primarily of our off-balance sheet unfunded commitment to provide additional first mortgage loan financing as of SeptemberÂ 30, 2024. The allocation of our unfunded loan commitments is based on the earlier of the commitment expiration date or the final maturity date, however, we may be obligated to fund these commitments earlier than such date. This amount excludes $43.4 million of future funding commitments that require the occurrence of certain â€œgood newsâ€ events, such as the owner concluding a lease agreement with a major tenant in the building or reaching a pre-determined net operating income which may or may not be achieved. The table above does not include amounts due under our derivative agreements as those contracts do not have fixed and determinable payments.Â Our contractual obligations will be refinanced and/or repaid from earnings as well as amortization and sales of our liquid collateral. We have made investments in various unconsolidated ventures of which our maximum exposure to loss from these investments is limited to the carrying value of our investments.Future Liquidity NeedsIn addition to the future contractual obligations above, the Company, in the coming year and beyond, as a part of its normal course of business will require cash to fund unfunded loan commitments and new investments in a combination of balance sheet mortgage loans, conduit loans, real estate investments and securities as it deems appropriate as well as necessary expenses as a part of general corporate purposes. These new investments and general corporate expenses may be funded with existing cash, proceeds from loan and securities payoffs, through financing using our Revolving Credit Facility or loan and security financing facilities, or through additional debt or equity raises. The Company has no known material cash requirements other than its contractual obligations in the above table, unfunded commitments and future general corporate expenses.Unfunded Loan CommitmentsWe may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our borrowers. These commitments are not reflected on the consolidated balance sheets. As of SeptemberÂ 30, 2024, our off-balance sheet arrangements consisted of $58.4 million of unfunded commitments of mortgage loan receivables held for investment. 74% of these unfunded commitments would only be funded upon the occurrence of certain â€œgood newsâ€ events, such as the owner concluding a lease agreement with a major tenant in the building or reaching some pre-determined net operating income. As of DecemberÂ 31, 2023, our off-balance sheet arrangements consisted of $204.0 million of unfunded commitments of mortgage loan receivables held for investment to provide additional first mortgage loan financing. Such commitments are subject to our borrowersâ€™ satisfaction of certain financial and nonfinancial covenants and involve, to varying degrees, elements of credit risk in excess of the amount recognized in the consolidated balance sheets. Commitments are subject to our loan borrowersâ€™ satisfaction of certain financial and nonfinancial covenants and may or may not be funded depending on a variety of circumstances including timing, credit metric hurdles, and other nonfinancial events occurring. 75Table of ContentsInterest Rate EnvironmentÂ The nature of the Companyâ€™s business exposes it to market risk arising from changes in interest rates. Changes, both increases and decreases, in the rates the Company is able to charge its borrowers, the yields the Company is able to achieve in its securities investments, and the Companyâ€™s cost of borrowing directly impacts its net income. The Companyâ€™s net interest income includes interest from both fixed and floating rate debt. The percentage of the Companyâ€™s assets and liabilities bearing interest at fixed and floating rates may change over time, and asset composition may differ materially from debt composition. Refer to Item 3 â€œQuantitative and Qualitative Disclosures about Market Riskâ€ for further disclosures surrounding the impact of rising or falling interest rate on our earnings.Critical Accounting Policies and Estimates The preparation of financial statements in accordance with GAAP requires management to make estimates and judgments in certain circumstances that affect amounts reported as assets, liabilities, revenues and expenses. We have established detailed policies and control procedures intended to ensure that valuation methods, including any judgments made as part of such methods, are well controlled, reviewed and applied consistently from period to period. We base our estimates on historical corporate and industry experience and various other assumptions that we believe to be appropriate under the circumstances. The Companyâ€™s critical accounting policies are those which require assumptions to be made about matters that are highly uncertain.Â Different estimates could have a material effect on the Companyâ€™s financial results.Â For all of these estimates, we caution that future events rarely develop exactly as forecasted and, therefore, routinely require adjustment.During 2024, management reviewed and evaluated these critical accounting policies and estimates and believes they are appropriate. Our significant accounting policies are described in Note 2, Significant Accounting Policies, to our consolidated financial statements included elsewhere in this Quarterly Report. The following is a list of accounting policies that require more significant estimates and judgments:â€¢Allowance for loan lossesâ€¢Acquisition of real estateâ€¢Identified intangible assets and liabilitiesâ€¢Impairment or disposal of long lived assetsâ€¢Variable interest entitiesâ€¢Fair value of assets and liabilities The following is a summary of accounting policies that require more significant management estimates and judgments:Allowance for Loan LossesThe Company uses a current expected credit loss model (â€œCECLâ€) for estimating the provision for loan losses on its loan portfolio. The CECL model requires the consideration of possible credit losses over the life of an instrument and includes a portfolio-based component and an asset-specific component. In compliance with the CECL reporting requirements, the Company supplements its existing credit monitoring and management processes with additional processes to support the calculation of the CECL reserves. The Company engages a third-party service provider to provide market data and a credit loss model. The credit loss model is a forward-looking, econometric, commercial real estate (â€œCREâ€) loss forecasting tool. It is comprised of a probability of default (â€œPDâ€) model and a loss given default (â€œLGDâ€) model that, layered together with the Companyâ€™s loan-level data, fair value of collateral, net operating income of collateral, selected forward-looking macroeconomic variables, and pool-level mean loss rates, produces life of loan expected losses (â€œELâ€) at the loan and portfolio level. Where management has determined that the credit loss model does not fully capture certain external factors, including portfolio trends or loan-specific factors, a qualitative adjustment to the reserve is recorded. In addition, interest receivable on loans is not included in the Companyâ€™s CECL calculations as the Company performs timely write offs of aged interest receivable. The Company has made a policy election to write off aged receivables through interest income as opposed to through the CECL provision on its statements of income. Loans for which the borrower or sponsor is experiencing financial difficulty, and where repayment of the loan is expected substantially through the operation or sale of the underlying collateral, are considered collateral dependent loans. For collateral dependent loans, the Company may elect a practical expedient that allows the Company to measure expected losses based on the difference between the collateralâ€™s fair value and the amortized cost basis of the loan. When the repayment or satisfaction of the loan is dependent on a sale, rather than operations of the collateral, the fair value is adjusted for the estimated costs to sell the collateral. If foreclosure is probable, the Company is required to measure for expected losses using this methodology. 76Table of ContentsThe Company generally will use the direct capitalization rate valuation methodology or the sales comparison approach to estimate the fair value of the collateral for loans and in certain cases will obtain external appraisals. Determining fair value of the collateral may take into account a number of assumptions including, but not limited to, cash flow projections, market capitalization rates, discount rates and data regarding recent comparable sales of similar properties.Â Such assumptions are generally based on current market conditions and are subject to economic and market uncertainties.The Companyâ€™s loans are typically collateralized by real estate directly or indirectly. As a result, the Company regularly evaluates the extent and impact of any credit deterioration associated with the performance and/or value of the underlying collateral property as well as the financial and operating capability of the borrower/sponsor on a loan-by-loan basis. Specifically, a propertyâ€™s operating results and any cash reserves are analyzed and used to assess: (i)Â whether cash flow from operations is sufficient to cover the debt service requirements currently and into the future; (ii)Â the ability of the borrower to refinance the loan at maturity; and/or (iii)Â the propertyâ€™s liquidation value. The Company also evaluates the financial wherewithal of any loan guarantors as well as the borrowerâ€™s competency in managing and operating the properties.Â In addition, the Company considers the overall economic environment, real estate sector, and geographic submarket in which the collateral property is located.Â Such impairment analyses are completed and reviewed by asset management and underwriting personnel, who utilize various data sources, including: (i)Â periodic financial data such as property occupancy, tenant profile, rental rates, operating expenses, the borrowersâ€™ business plan, and capitalization and discount rates; (ii)Â site inspections; and (iii)Â current credit spreads and other market data and ultimately presented to management for approval. When a debtor is experiencing financial difficulties and a loan is modified, the effect of the modification will be included in the Companyâ€™s assessment of the CECL allowance for loan losses. If the Company provides principal forgiveness, the amortized cost basis of the loan is written off against the allowance for loan losses. Generally, when modifying loans, the Company will seek to protect its position by requiring incremental pay downs, additional collateral or guarantees and, in some cases, lookback features or equity interests to offset concessions granted should conditions impacting the loan improve. The Company designates a loan as a non-accrual loan generally when: (i) the principal or coupon interest components of loan payments become 90-days past due; or (ii) in the opinion of the Company, recovery of principal and coupon interest is doubtful. Interest income on non-accrual loans in which the Company reasonably expects a recovery of the loanâ€™s outstanding principal balance is recognized when received in cash. Otherwise, income recognition will be suspended and any cash received will be applied as a reduction to the amortized cost basis. A non-accrual loan is returned to accrual status at such time as the loan becomes contractually current and future principal and coupon interest are reasonably assured to be received. A loan will be charged-off when management has determined principal and coupon interest is no longer realizable and deemed non-recoverable.The CECL accounting estimate is subject to uncertainty as a result of changing macro-economic market conditions, as well as the vintage and location of the underlying assets as disclosed in Note 3, Mortgage Loan Receivables, to our consolidated financial statements included elsewhere in this Quarterly Report. The provision for loan losses for the three months ended SeptemberÂ 30, 2024 and SeptemberÂ 30, 2023 was $3.1 million and $7.5 million, respectively, and $13.9 million and $19.1 million for the nine months endedÂ SeptemberÂ 30, 2024 and SeptemberÂ 30, 2023, respectively.The allowance for loan losses at SeptemberÂ 30, 2024 and DecemberÂ 31, 2023 was $52.8 million and $43.9 million, respectively. The allowance includes $0.5 million and $0.7 million of reserves for unfunded commitments at SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, respectively. The estimate is sensitive to the assumptions used to represent future expected economic conditions.Acquisition of Real EstateWe generally acquire real estate assets or land and development assets through purchases and may also acquire such assets through foreclosure or deed-in-lieu of foreclosure in full or partial satisfaction of defaulted loans. Purchased properties are classified as real estate, net or land and development, net on our consolidated balance sheets. When we intend to hold, operate or develop the property for a period of at least 12Â months, the asset is classified as real estate, net, and if the asset meets the held-for-sale criteria, the asset is classified as real estate held for sale. Upon purchase, the properties are recorded at cost. Foreclosed assets classified as real estate and land and development are initially recorded at their estimated fair value and assets classified as held for sale are recorded at their estimated fair value less costs to sell. The excess of the carrying value of the loan over these amounts is charged-off against the reserve for loan losses. In both cases, upon acquisition, tangible and intangible assets and liabilities acquired are recorded at their relative fair values.Identified Intangible Assets and Liabilities77Table of ContentsWe record intangible assets and liabilities acquired at their relative fair values, and determine whether such intangible assets and liabilities have finite or indefinite lives. As ofÂ SeptemberÂ 30, 2024 and DecemberÂ 31, 2023, all such acquired intangible assets and liabilities have finite lives. We review finite lived intangible assets for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. If we determine the carrying value of an intangible asset is not recoverable, we will record an impairment charge to the extent its carrying value exceeds its estimated fair value. Impairments of intangibles are recorded in impairment of assets in our consolidated statements of income.Impairment or Disposal of Long-lived AssetsReal estate assets to be disposed of are reported at the lower of their carrying amount or estimated fair value less costs to sell and are included in real estate held for sale on our consolidated balance sheets. The difference between the estimated fair value less costs to sell and the carrying value will be recorded as an impairment charge. Impairment for real estate assets are included in impairment of assets in our consolidated statements of operations. Once the asset is classified as held for sale, depreciation expense is no longer recorded.We periodically review real estate to be held and used, and land and development assets for impairment in value, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The assetâ€™s value is impaired only if managementâ€™s estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the asset (taking into account the anticipated holding period of the asset) is less than the carrying value. Such estimate of cash flows considers factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other economic factors. To the extent impairment has occurred, the loss will be measured as the excess of the carrying amount of the property over the fair value of the asset and reflected as an adjustment to the basis of the asset. Impairments of real estate and land and development assets are recorded in impairment of assets in our consolidated statements of operations.There were two properties classified as held for sale as of SeptemberÂ 30, 2024. There were no properties classified as held for sale as of December 31, 2023. We did not record any impairments of real estate for the nine months ended SeptemberÂ 30, 2024 or SeptemberÂ 30, 2023.Variable Interest EntitiesWe evaluate our investments and other contractual arrangements to determine if our interests constitute variable interests in a variable interest entity (â€œVIEâ€) and if we are the primary beneficiary. There is a significant amount of judgment required to determine if an entity is considered a VIE and if we are the primary beneficiary. We first perform a qualitative analysis, which requires certain subjective decisions regarding our assessment, including, but not limited to, which interests create or absorb variability, the contractual terms, the key decision-making powers, impact on the VIEâ€™s economic performance and related party relationships. An iterative quantitative analysis is required if our qualitative analysis proves inconclusive as to whether the entity is a VIE or we are the primary beneficiary and consolidation is required.Fair Value of Assets and LiabilitiesThe degree of management judgment involved in determining the fair value of assets and liabilities is dependent upon the availability of quoted market prices or observable market parameters. For financial and nonfinancial assets and liabilities that trade actively and have quoted market prices or observable market parameters, there is minimal subjectivity involved in measuring fair value. When observable market prices and parameters are not fully available, management judgment is necessary to estimate fair value. In addition, changes in market conditions may reduce the availability of quoted prices or observable data. For example, reduced liquidity in the capital markets or changes in secondary market activities could result in observable market inputs becoming unavailable. Therefore, when market data is not available, we would use valuation techniques requiring more management judgment to estimate the appropriate fair value measurement.Recently Adopted Accounting Pronouncements and Recent Accounting Pronouncements Pending AdoptionOur recently adopted accounting pronouncements and recent accounting pronouncements pending adoption are described in Note 2, Significant Accounting Policies, to our consolidated financial statements included elsewhere in this Quarterly Report.78Table of ContentsReconciliation of Non-GAAP Financial MeasuresDistributable EarningsDuring the first quarter of 2024, the Company refined its definition of distributable earnings and its descriptions of the adjustments to GAAP income. The refined definition and descriptions do not change how distributable earnings or adjustments to GAAP income are calculated for prior, current or future periods. The Company utilizes distributable earnings, a non-GAAP financial measure, as a supplemental measure of our operating performance. We believe distributable earnings assists investors in comparing our operating performance and our ability to pay dividends across reporting periods on a more relevant and consistent basis by excluding from GAAP measures certain non-cash expenses and unrealized results as well as eliminating timing differences related to conduit securitization gains and changes in the values of assets and derivatives. In addition, we use distributable earnings: (i) to evaluate our earnings from operations because management believes that it may be a useful performance measure; and (ii) because our board of directors considers distributable earnings in determining the amount of quarterly dividends. In addition, we believe it is useful to present distributable earnings prior to charge-offs of allowance for credit losses to reflect our direct operating results and help existing and potential future holders of our Class A common stock assess the performance of our business excluding such charge-offs. Distributable earnings prior to charge-offs of allowance for credit losses is used as an additional performance metric to consider when declaring our dividends. We define distributable earnings as income before taxes adjusted for: (i) net (income) loss attributable to noncontrolling interests in consolidated ventures; (ii) our share of real estate depreciation, amortization and gain adjustments and (earnings) loss from investments in unconsolidated ventures in excess of distributions received; (iii) the impact of derivative gains and losses related to hedging fair value variability of fixed rate assets caused by interest rate fluctuations and overall portfolio market risk as of the end of the specified accounting period; (iv) economic gains or losses on loan sales, certain of which may not be recognized under GAAP accounting in consolidation for which risk has substantially transferred during the period, as well as the exclusion of the related GAAP economics in subsequent periods; (v) unrealized gains or losses related to our investments in securities recorded at fair value in current period earnings; (vi) unrealized and realized provision for loan losses and real estate impairment; (vii) non-cash stock-based compensation; and (viii) certain non-recurring transactional items. We exclude the effects of our share of real estate depreciation and amortization. Given GAAP gains and losses on sales of real estate include the effects of previously-recognized real estate depreciation and amortization, our adjustment eliminates the portion of the GAAP gain or loss that is derived from depreciation and amortization.As discussed in Note 2, Significant Accounting Policies, to our consolidated financial statements included elsewhere in this Quarterly Report, our derivative instruments do not qualify for hedge accounting under GAAP and, therefore, any net payments under, or fluctuations in the fair value of derivatives are recognized currently in our income statement. The Company utilizes derivative instruments to hedge exposure to interest rate risk associated with fixed rate mortgage loans, fixed rate securities, and/or overall portfolio market risks. Distributable earnings excludes the GAAP results from derivative activity until the associated mortgage loan or security for which the derivative position is hedging is sold or paid off, or the hedge position for overall portfolio market risk is closed, at which point any gain or loss is recognized in distributable earnings in that period. For derivative activity associated with securities or mortgage loans held for investment, any hedging gain or loss is amortized over the expected life of the underlying asset for distributable earnings. We believe that adjusting for these specifically identified gains and losses associated with hedging positions adjusts for timing differences between when we recognize the gains or losses associated with our assets and the gains and losses associated with derivatives used to hedge such assets.We originate conduit loans, which are first mortgage loans on stabilized, income producing commercial real estate properties that we intend to sell into third-party CMBS securitizations. Mortgage loans receivable held for sale are recorded at the lower of cost or market under GAAP. For purposes of distributable earnings, we exclude the impact of unrealized lower of cost or market adjustments on conduit loans held for sale and include the realized gains or losses in distributable earnings in the period when the loan is sold. Our conduit business includes mortgage loans made to third parties and may also include mortgage loans secured by real estate owned in our real estate segment. Such mortgage loans receivable secured by real estate owned in our real estate segment are eliminated in consolidation within our GAAP financial statements until the loans are sold in a third-party securitization. Upon the sale of a loan to a third-party securitization trust (for cash), the related mortgage note payable is recognized on our GAAP financial statements. For purposes of distributable earnings, we include adjustments for economic gains and losses related to the sale of these inter-segment loans for which risk has substantially transferred during the period and exclude the resultant GAAP recognition of amortization of any related premium/discount on such mortgage loans payable recognized in interest expense during the subsequent periods. This adjustment is reflected in distributable earnings when there is a true risk transfer on the mortgage loan sale and settlement. Conversely, if the economic risk was not substantially transferred, no adjustments to net income would be made relating to those transactions for distributable earnings purposes. Management believes recognizing these amounts for distributable earnings purposes in the period of transfer of economic risk is a useful supplemental measure of our performance. 79Table of ContentsAs more fully discussed in Note 2, Significant Accounting Policies, to our consolidated financial statements included elsewhere in this Quarterly Report, we invest in certain securities that are recorded at fair value with changes in fair value recorded in current period earnings. For purposes of distributable earnings, we exclude the impact of unrealized gains and losses associated with these securities and include realized gains or losses in connection with any disposition of securities. Distributable earnings includes declines in fair value deemed to be an impairment for GAAP purposes if the decline is determined to be non-recoverable and the loss to be nearly certain to be eventually realized. In those cases, an impairment is included in distributable earnings for the period in which such determination was made.We include adjustments for unrealized and realized provision for loan losses and real estate impairment. For purposes of distributable earnings, management recognizes loan and real estate losses as being realized generally in the period in which the asset is sold or the Company determines a decline in value to be non-recoverable and the loss to be nearly certain.Set forth below is an unaudited reconciliation of income (loss) before taxes to distributable earnings (in thousands): Three Months EndedSeptember 30,June 30,20242024Income (loss) before taxes$28,463Â $31,036Â Net (income) loss attributable to noncontrolling interests in consolidated ventures351Â 224Â Our share of real estate depreciation, amortization and gain adjustments (1)7,514Â (1,398)Adjustments for derivative results and loan sale activity (2)128Â 2,345Â Unrealized (gain) loss on fair value securities(5)19Â Adjustment for impairment (3)3,063Â 5,055Â Non-cash stock-based compensation3,177Â 3,117Â Distributable earnings prior to charge-off of allowance for credit losses$42,691Â $40,398Â Charge-off of allowance for credit losses (3)(5,023)â€”Â Distributable earnings$37,668Â $40,398Â (1)The following is a reconciliation of GAAP depreciation and amortization to our share of real estate depreciation, amortization and gain adjustments and (earnings) loss from investments in unconsolidated ventures in excess of distributions received ($ in thousands):Three Months EndedSeptember 30,June 30,20242024Total GAAP depreciation and amortization$8,146Â $8,413Â Depreciation and amortization related to non-rental property fixed assets(110)(109)Non-controlling interests in consolidated venturesâ€™ share of depreciation and amortization(111)(108)Our share of operating lease income from above/below market lease intangible amortization(425)(430)Our share of real estate depreciation and amortization7,500Â 7,766Â Accumulated depreciation and amortization on real estate sold (a)â€”Â (9,146)Adjustment for (earnings) loss from investments in unconsolidated ventures in excess of distributions received14Â (18)Our share of real estate depreciation, amortization and gain adjustments$7,514Â $(1,398)(a) GAAP gains/losses on sales of real estate include the effects of previously-recognized real estate depreciation and amortization. For purposes of distributable earnings, our share of real estate depreciation and amortization is eliminated and, accordingly, the resultant gains/losses also must be adjusted. The following is a reconciliation of the related consolidated GAAP amounts to the amounts reflected in distributable earnings ($ in thousands):80Table of ContentsThree Months EndedSeptember 30,June 30,20242024GAAP realized gain/loss on sale of real estate, net$315Â $12,543Â Adjusted gain/loss on sale of real estate for purposes of distributable earnings(315)(3,397)Accumulated depreciation and amortization on real estate soldâ€”Â $9,146Â (2)The following is a reconciliation of GAAP net results from derivative transactions to our adjustments for derivative results and loan sale activity within distributable earnings ($ in thousands):Three Months EndedSeptember 30,June 30,20242024GAAP net results from derivative transactions$766Â $(617)Realized results of loan sales, net (a) (b)(198)1,558Â Unrealized lower of cost or market adjustments related to loans held for sale (1,092)541Â Amortization of premium on mortgage loan financing included in interest expense (b)(216)(190)Recognized derivative results868Â 1,053Â Adjustments for derivative results and loan sale activity$128Â $2,345Â (a) Includes realized gains from sales of conduit mortgage loans collateralized by net lease properties in our real estate segment of $0.1 million and $1.8 million and net hedge related gain (loss) on such mortgage loan sales of $(0.3) million and $(0.2) million, for the three months ended September 30, 2024 and June 30, 2024, respectively.(b) Prior to the first quarter of 2024, the Company presented these adjustments within â€œAdjustment for economic gain on loan sales not recognized under GAAP for which risk has been substantially transferred, net of reversal/amortization.â€ (3)During the three months ended September 30, 2024, the Company recorded a provision for loan loss of $3.1 million. In addition, the Company determined a portion of the allowance for loan loss to be non-recoverable and charged-off $5.0 million. Â Â Â Â Distributable earnings has limitations as an analytical tool. Some of these limitations are: Â â€¢Distributable earnings does not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations and is not necessarily indicative of cash necessary to fund cash needs; andÂ â€¢Other companies in our industry may calculate distributable earnings differently than we do, limiting its usefulness as a comparative measure. Because of these limitations, distributable earnings should not be considered in isolation or as a substitute for net income (loss) attributable to shareholders or any other performance measures calculated in accordance with GAAP. Our non-GAAP financial measures should not be considered an alternative to cash flows from operations as a measure of our liquidity.In addition, distributable earnings should not be considered to be the equivalent to REIT taxable income calculated to determine the minimum amount of dividends the Company is required to distribute to shareholders to maintain REIT status. In order for the Company to maintain its qualification as a REIT under the Internal Revenue Code of 1986, as amended, we must annually distribute at least 90% of our REIT taxable income. The Company has declared, and intends to continue declaring, regular quarterly distributions to its shareholders in an amount approximating the REITâ€™s net taxable income.Â In the future, we may incur gains and losses that are the same as or similar to some of the adjustments in this presentation. Our presentation of distributable earnings should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.81Table of ContentsItem 3. Quantitative and Qualitative Disclosures about Market RiskÂ For a discussion of current market conditions, refer to â€œManagementâ€™s Discussion and Analysis of Financial Condition and Results of Operations." Interest Rate RiskÂ The nature of the Companyâ€™s business exposes it to market risk arising from changes in interest rates. Changes, both increases and decreases, in the rates the Company is able to charge its borrowers, the yields the Company is able to achieve in its securities investments, and the Companyâ€™s cost of borrowing directly impacts its net income. The Companyâ€™s net interest income includes interest from both fixed and floating rate debt. The percentage of the Companyâ€™s assets and liabilities bearing interest at fixed and floating rates may change over time, and asset composition may differ materially from debt composition. Another component of interest rate risk is the effect changes in interest rates will have on the market value of the assets the Company acquires. The Company faces the risk that the market value of its assets will increase or decrease at different rates than that of its liabilities, including its hedging instruments. The Company mitigates interest rate risk through utilization of hedging instruments, primarily interest rate futures agreements. Interest rate futures agreements are utilized to hedge against future interest rate increases on the Companyâ€™s borrowings and potential adverse changes in the value of certain assets that result from interest rate changes. The Company generally seeks to hedge assets that have a duration longer than five years, including newly originated conduit first mortgage loans, securities in the Companyâ€™s CMBS portfolio if long enough in duration, and most of its U.S. Agency securities portfolio.The following table summarizes the change in net income for a 12-month period commencing SeptemberÂ 30, 2024 and the change in fair value of our investments and indebtedness assuming an increase or decrease of 100 basis points in the relevant benchmark interest rates on SeptemberÂ 30, 2024, both adjusted for the effects of our interest rate hedging activities ($Â in thousands):ProjectedÂ changeinÂ netÂ income(1)ProjectedÂ changeinÂ portfoliovalueChange in interest rate:Decrease by 1.00%$(31,661)$2,897Â Increase by 1.00%32,140Â (2,682) (1)Â Â Â Â Subject to limits for floors on our floating rate investments and indebtedness.Â Market RiskÂ As market volatility increases or liquidity decreases, the market value of the Companyâ€™s assets may be adversely impacted. The Companyâ€™s securities investments are reflected at their estimated fair value. The change in estimated fair value of securities available-for-sale is reflected in accumulated other comprehensive income. The change in estimated fair value of Agency interest-only securities is recorded in current period earnings. The estimated fair value of these securities fluctuates primarily due to changes in interest rates and other factors. Generally, in a rising interest rate environment, the estimated fair value of these securities would be expected to decrease; conversely, in a decreasing interest rate environment, the estimated fair value of these securities would be expected to increase. The Companyâ€™s fixed rate mortgage loan portfolio is subject to the same risks. However, to the extent those loans are classified as held for sale, they are reflected at the lower of cost or market. Otherwise, held for investment mortgage loans are reflected at values equal to the unpaid principal balances net of certain fees, costs and loan loss allowances.Concentrations of market risk may exist with respect to the Companyâ€™s investments. Market risk is a potential loss the Company may incur as a result of change in the fair values of its investments. The Company may also be subject to risk associated with concentrations of investments in geographic regions and industries.Â Liquidity RiskMarket disruptions may lead to a significant decline in transaction activity in all or a significant portion of the asset classes in which the Company invests and may at the same time lead to a significant contraction in short-term and long-term debt and equity funding sources. A decline in liquidity of real estate and real estate-related investments, as well as a lack of availability 82Table of Contentsof observable transaction data and inputs, may make it more difficult to sell the Companyâ€™s investments or determine their fair values. As a result, the Company may be unable to sell its investments, or only be able to sell its investments at a price that may be materially different from the fair values presented. Also, in such conditions, there is no guarantee that the Companyâ€™s borrowing arrangements or other arrangements for obtaining leverage will continue to be available or, if available, will be available on terms and conditions acceptable to the Company. In addition, a decline in market value of the Companyâ€™s assets may have particular adverse consequences in instances where it borrowed money based on the fair value of its assets. A decrease in the market value of the Companyâ€™s assets may result in the lender requiring it to post additional collateral or otherwise sell assets at a time when it may not be in the Companyâ€™s best interest to do so. The Companyâ€™s captive insurance company subsidiary, Tuebor, is subject to state regulations which require that dividends may only be made with regulatory approval, limiting the Companyâ€™s ability to utilize cash held by Tuebor.Â Credit RiskThe Company is subject to varying degrees of credit risk in connection with its investments. The Company seeks to manage credit risk by performing deep credit fundamental analyses of potential assets and through ongoing asset management. The Companyâ€™s investment guidelines do not limit the amount of its equity that may be invested in any type of its assets; however, investments greater than a certain size are subject to approval by the Risk and Underwriting Committee of the board of directors.Our portfolioâ€™s low weighted average loan-to-value, based on the loan balances and the â€œas-isâ€ third-party Financial Institutions Reform, Recovery and Enforcement Act of 1989 (â€œFIRREAâ€) appraised values at origination, of 66.4% as of SeptemberÂ 30, 2024 reflects significant equity value that our sponsors are motivated to protect through periods of cyclical disruption. While we believe the principal amounts of our loans are generally adequately protected by underlying collateral value, there is a risk that we will not realize the entire principal value of certain investments.Credit Spread RiskCredit spread risk is the risk that interest rate spreads between two different financial instruments will change. In general, fixed-rate commercial mortgages and CMBS are priced based on a spread to Treasury or interest rate swaps. The Company generally benefits if credit spreads narrow during the time that it holds a portfolio of mortgage loans or CMBS investments, and the Company may experience losses if credit spreads widen during the time that it holds a portfolio of mortgage loans or CMBS investments. The Company actively monitors its exposure to changes in credit spreads and the Company may enter into credit total return swaps or take positions in other credit-related derivative instruments to moderate its exposure against losses associated with a widening of credit spreads.Risks Related to Real EstateReal estate and real estate-related assets, including loans and commercial real estate-related securities, are subject to volatility and may be affected adversely by a number of factors, including, but not limited to, national, regional and local economic conditions (which may be adversely affected by industry slowdowns and other factors); local real estate conditions; changes or continued weakness in specific industry segments; construction quality, age and design; demographic factors; environmental conditions; competition from comparable property types or properties; changes in tenant mix or performance and retroactive changes to building or similar codes and rent regulations. In addition, decreases in property values reduce the value of the collateral and the potential proceeds available to a borrower to repay the underlying loans, which could also cause the Company to suffer losses.Covenant RiskIn the normal course of business, the Company enters into loan and securities repurchase agreements and credit facilities with certain lenders to finance its real estate investment transactions. These agreements contain, among other conditions, events of default and various covenants and representations. If such events are not cured by the Company or waived by the lenders, the lenders may decide to curtail or limit extension of credit, and the Company may be forced to repay its advances or loans. In addition, the Companyâ€™s Notes are subject to covenants, including maintenance of unencumbered assets, limitations on the incurrence of additional debt, restricted payments, liens, sales of assets, affiliate transactions and other covenants typical for financings of this type. The Companyâ€™s failure to comply with these covenants could result in an event of default, which could result in the Company being required to repay these borrowings before their due date. We were in compliance with all covenants as described in this Quarterly Report as of SeptemberÂ 30, 2024.83Table of ContentsDiversification RiskThe Companyâ€™s investments include mortgage loan receivables collateralized by commercial real estate, owned real estate and real estate backed securities. The Companyâ€™s real estate investments are primarily middle market focused, spread across geographically diverse regions within the United States, and granular in nature with an average loan balance of approximately $25 million to $30 million. The primary assets of the Company are therefore concentrated in the commercial real estate sector, and accordingly, the investment portfolio of the Company may be subject to more rapid change in value than would be the case if the Company were to maintain a wide diversification among investments or industry sectors. Furthermore, even within the commercial real estate sector, the investment portfolio may be relatively concentrated in terms of geography and type of real estate investment. This lack of diversification may subject the investments of the Company to more rapid change in value than would be the case if the assets of the Company were more widely diversified.Â Regulatory RiskÂ Tuebor is subject to state regulation as a captive insurance company. If Tuebor fails to comply with regulatory requirements, it could be subject to loss of its licenses and registration and/or economic penalties.Â Effective as of July 16, 2021, LCAM is a registered investment adviser under the Investment Advisors Act of 1940, as amended and currently provides investment advisory services solely to Ladder-sponsored collateralized loan obligation trusts (â€œCLO Issuersâ€). The CLO Issuers invest primarily in first mortgage loans secured by commercial real estate originated or acquired by Ladder and in participation interests in such loans. LCAM is entitled to receive a management fee connection with the advisory, administrative and monitoring services it performs for the CLO Issuer as the collateral manager; however, LCAM has waived this fee for so long as it or any of its affiliates serves as collateral manager for the CLO Issuers. A registered investment adviser is subject to U.S. federal and state laws and regulations primarily intended to benefit its clients. These laws and regulations include requirements relating to, among other things, fiduciary duties to clients, maintaining an effective compliance program, solicitation agreements, conflicts of interest, record keeping and reporting requirements, disclosure requirements, custody arrangements, limitations on agency cross and principal transactions between an investment adviser and its advisory clients and general anti-fraud prohibitions. In addition, these laws and regulations generally grant supervisory agencies and bodies broad administrative powers, including the power to limit or restrict us from conducting our advisory activities in the event we fail to comply with those laws and regulations. Sanctions that may be imposed for a failure to comply with applicable legal requirements include the suspension of individual employees, limitations on our engaging in various advisory activities for specified periods of time, disgorgement, the revocation of registrations, and other censures and fines. Â We may become subject to additional regulatory and compliance burdens if our investment adviser subsidiary expands its product offerings and investment platform.84Table of ContentsItem 4. Controls and ProceduresÂ Disclosure Controls and Procedures The Companyâ€™s management, with the participation of the Chief Executive Officer and the Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as required by Rules 13a-15 and 15d-15 under the Exchange Act as of SeptemberÂ 30, 2024. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective, as of SeptemberÂ 30, 2024, to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.Changes in Internal Control Over Financial ReportingThere were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the quarter ended SeptemberÂ 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.85Table of ContentsPart IIItem 1. Legal ProceedingsFrom time to time, we may be involved in litigation and claims incidental to the conduct of our business in the ordinary course. Further, certain of our subsidiaries, such as our registered investment adviser and captive insurance company, are subject to scrutiny by government regulators, which could result in enforcement proceedings or litigation related to regulatory compliance matters. We are not presently a party to any material enforcement proceedings, litigation related to regulatory compliance matters or any other type of material litigation matters. We maintain insurance policies in amounts and with the coverage and deductibles we believe are adequate, based on the nature and risks of our business, historical experience and industry standards.Item 1A. Risk FactorsThere have been no material changes during the three months ended SeptemberÂ 30, 2024 to the risk factors in Item 1A in our Annual Report.Item 2. Unregistered Sales of Equity Securities and Use of Proceedsa) Sales of Unregistered SecuritiesNone.c) Issuer Purchases of Equity SecuritiesThe following table summarizes the share repurchase activity for the three months ended SeptemberÂ 30, 2024 ($ in thousands, except per share data and average price paid per share):PeriodTotal Number of Shares Purchased Average Price Paid per ShareTotal Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1)July 1, 2024 - July 31, 2024â€”Â â€”Â â€”Â 74,788Â August 1, 2024 - August 31, 2024â€”Â â€”Â â€”Â 74,788Â September 1, 2024 - September 30, 2024100,001Â 11.90Â 100,001Â 73,598Â Total100,001Â $10.75Â 100,001Â $73,598Â (1)On July 27, 2022 the Board authorized repurchases up to $50.0 million in aggregate. On April 24, 2024, the board of directors authorized the repurchase of $75.0 million of the Companyâ€™s Class A common stock from time to time without further approval. This authorization increased the remaining outstanding authorization per the July 27, 2022 authorization from $43.6 million to $75.0 million.Item 3. Defaults Upon Senior SecuritiesNone.Item 4. Mine Safety DisclosuresNot applicable.Item 5. Other InformationDuring the three months ended SeptemberÂ 30, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.On October 22, 2024, the Board of Directors (the â€œBoardâ€) of Ladder Capital Corp (the â€œCompanyâ€) adopted and approved, effective immediately, amended and restated bylaws of the Company (as amended and restated, the â€œAmended and Restated Bylawsâ€). 86Table of ContentsThe Amended and Restated Bylaws, among other things, revise and clarify the scope of certain procedures and disclosure requirements set forth in the bylaw provisions for stockholders to provide advance notice of director nominations and business proposals to be brought at a meeting of stockholders (other than proposals submitted pursuant to Rule 14a-8 under the Exchange Act); and make certain administrative, modernizing, clarifying and conforming changes.The foregoing summary of the Amended and Restated Bylaws does not purport to be complete and is qualified in its entirety by reference to the full text of the Amended and Restated Bylaws, which is attached as Exhibit 3.1 and incorporated herein by reference.87Table of ContentsItem 6. ExhibitsEXHIBITÂ INDEXEXHIBITNO.Â DESCRIPTION3.1Amended and Restated By-Laws of Ladder Capital Corp, dated October 22, 2024.31.1Â Certification of Brian Harris pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 200231.2Â Certification of Paul J. Miceli pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 200232.1*Â Certification of Brian Harris pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 200232.2*Â Certification of Paul J. Miceli pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002101101.SCH* iXBRL Schema Document. 101.CAL* iXBRL Calculation Linkbase Document. 101.DEF* iXBRL Definition Linkbase Document. 101.LAB* iXBRL Label Linkbase Document. 101.PRE* iXBRL Presentation Linkbase Document.104Cover Page Interactive Data File (formatted in inline XBRL and contained in Exhibit 101)*Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â The certifications attached hereto as Exhibits 32.1 and 32.2 are furnished to the SEC pursuant to SectionÂ 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed â€œfiledâ€ for purposes of SectionÂ 18 of the Exchange Act, nor shall they be deemed incorporated by reference in any filing under the Securities Act, except as shall be expressly set forth by specific reference in such filing.88Table of ContentsSIGNATURESÂ Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.Â Â LADDER CAPITAL CORPÂ (Registrant)Date: October 25, 2024By:/s/ BRIAN HARRISÂ Â Brian HarrisÂ Â Chief Executive OfficerDate: October 25, 2024By:/s/ PAUL J. MICELIÂ Â Paul J. MiceliÂ Â Chief Financial Officer89DocumentÂ Â Â AMENDED AND RESTATEDBY-LAWSOFLADDER CAPITAL CORPArticle ISTOCKHOLDERSArticle IAnnual Meetings. The annual meeting of stockholders of Ladder Capital Corp (the â€œCorporationâ€) for the purpose of electing directors and for the transaction of such other business as may properly be brought before the meeting shall be held on such date, and at such time and place, if any, within or without the State of Delaware as may be designated from time to time by the Board of Directors of the Corporation (the â€œBoardâ€). The Board may, in its sole discretion, determine that the meeting shall, in addition to or instead of a physical meeting, be held by means of remote communication (including virtually) as provided under the General Corporation Law of the State of Delaware (the â€œDGCLâ€). The Board may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled.Section 1.Special Meetings. Subject to the rights of the holders of any class or series of Preferred Stock (as defined in the certificate of incorporation of the Corporation), special meetings of stockholders of the Corporation may be called only by or at the direction of the Board or the Chief Executive Officer of the Corporation, and shall be held on such date, and at such time and place, if any, within or without the State of Delaware as may be designated from time to time by the person calling such meeting. The Board may, in its sole discretion, determine that any special meeting of stockholders shall, in addition to or instead of a physical meeting, be held by means of remote communication (including virtually) as provided under the DGCL. The Board may postpone, reschedule or cancel any special meeting of stockholders previously scheduled.Section 2.Notice of Meetings. Except as otherwise provided by law, the certificate of incorporation of the Corporation or these Amended and Restated By-Laws (â€œBy-Lawsâ€), notice of the date, time, place, if any, the means of remote communications (including virtually), if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of meeting) and, in the case of a special meeting, the purpose or purposes of the meeting of stockholders shall be given not more than sixty (60), nor less than ten (10), days prior thereto, to each stockholder entitled to vote at the meeting as of the record date for determining stockholders entitled to notice of the meeting at such address as appears on the books and records of the Corporation.Section 3.Quorum. The holders of a majority in voting power of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of stockholders for the transaction of business, except as otherwise provided herein, by statute or by the certificate of incorporation of the Corporation. When a quorum is once present to organize a meeting of stockholders, it is not broken by the subsequent withdrawal of any stockholders. If at any meeting of stockholders there shall be less than a quorum present, the chair of the meeting or, by a majority in voting power thereof, the stockholders present thereat may, to the extent permitted by law, adjourn the meeting from time to time without further notice until a quorum shall be present or represented if the date, time, place, if any, and the means of remote communications (including virtually), if any, of the adjourned meeting is announced at the meeting at which the adjournment is taken, displayed, during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxy holders to participate in the meeting by means of remote communication or set forth in the notice of meeting given in accordance with Section 3 of this Article I. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the original meeting. If the adjournment is for more than thirty (30)Â days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix a new record date for notice of such adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date for notice of such adjourned meeting. Notwithstanding the foregoing, where a separate vote by a class or series or classes or series is required, a majority in voting power of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter.Section 4.Chair of Meetings. The Chair of the Board, or in the Chairâ€™s absence or at the Chairâ€™s direction, the Chief Executive Officer or any other director or officer of the Corporation shall call all meetings of stockholders to order and shall act as chair of any such meetings. The Secretary of the Corporation or, in such officerâ€™s absence, an Assistant Secretary shall act as secretary of the meeting. If neither the Secretary nor an Assistant Secretary is present, the chair of the meeting shall appoint a secretary of the meeting. The Board may adopt such rules and regulations for the conduct of each meeting of stockholders as it shall deem appropriate. Unless otherwise determined by the Board prior to the meeting, the chair of the meeting shall determine the order of business and shall have the authority in the chairâ€™s full discretion to establish rules and procedures to regulate the conduct of any such meeting, including, without limitation, convening the meeting and adjourning the meeting (whether or not a quorum is present), establishing an agenda or order of business for the meeting, announcing the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote, imposing restrictions on the persons (other than stockholders of record of the Corporation or their duly appointed proxies) who may attend and participate in any such meeting, establishing procedures for the dismissal of business not properly presented, maintaining order at the meeting and safety of those present (including regulation of the manner of voting and the conduct of discussion), restricting entry to the meeting after the time fixed for commencement thereof, limiting the circumstances in which any person may make a statement or ask questions at any meeting of stockholders, limiting the time allotted to any such statements or questions and restricting the use of cell phones, audio or video recording devices and similar devices at the meeting. The chair of the meeting, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a nomination or matter or business was not properly brought before the meeting and if such chair should so determine, such chair shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the chair of the meeting, meetings of the stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. The chair of the meeting shall announce at the meeting when the polls for each matter to be voted upon at the meeting will be opened and closed. After the polls close, no ballots, proxies or votes or any revocations or changes thereto may be accepted. Section 5.Proxies. At all meetings of stockholders, any stockholder entitled to vote thereat shall be entitled to vote in person or by proxy, but no proxy shall be voted after three years from its date, unless such proxy provides for a longer period. Without limiting the manner in which a stockholder may authorize another person or persons to act for the stockholder as proxy pursuant to the DGCL, the following shall constitute a valid means by which a stockholder may grant such authority: (1)Â a stockholder may execute a writing authorizing another person or persons to act for the stockholder as proxy, and execution of the writing may be accomplished by the stockholder or the stockholderâ€™s authorized officer, director, employee or agent signing such writing or causing such personâ€™s signature to be affixed to such writing by any reasonable means including, but not limited to, by facsimile signature; or (2)Â a stockholder may authorize another person or persons to act for the stockholder as proxy by transmitting or authorizing the transmission of a facsimile or other means of electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such facsimile or other means of electronic transmission must either set forth or be submitted with information from which it can be determined that the facsimile or other electronic transmission was authorized by the stockholder. If it is determined that such transmissions are valid, the inspector or inspectors of stockholder votes or, if there are no such inspectors, such other persons making that determination shall specify the information upon which they relied.A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not Â Â Â Â 2irrevocable by attending the meeting to which the proxy relates and voting in person or by timely delivering to the Secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date.Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to the preceding paragraphs of this SectionÂ 6 may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.Proxies shall be filed with the secretary of the meeting prior to or at the commencement of the meeting to which they relate.Section 6.Voting. When a quorum is present at any meeting of stockholders, the vote of the holders of a majority of the votes cast shall decide any question brought before such meeting, unless the question is one upon which by express provision of the certificate of incorporation of the Corporation, these By-Laws or the DGCL a different vote is required, in which case such express provision shall govern and control the decision of such question. Notwithstanding the foregoing, where a separate vote by a class or series or classes or series is required and a quorum is present, the affirmative vote of a majority of the votes cast by shares of such class or series or classes or series shall be the act of such class or series or classes or series, unless the question is one upon which by express provision of the certificate of incorporation of the Corporation, these By-Laws or the DGCL a different vote is required, in which case such express provision shall govern and control the decision of such question.Section 7.Record Date.(A)In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than sixty (60)Â nor less than ten (10)Â days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of such meeting; provided, however, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.(B)In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which shall not be more than sixty (60)Â days prior to such other action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.Section 8.Consent of Stockholders in Lieu of Meeting. At any time when the certificate of incorporation of the Corporation permits action by one or more classes of stockholders of the Corporation to be taken by written consent, the provisions of this section shall apply. All consents properly delivered in accordance with the certificate of incorporation of the Corporation, this section and the DGCL shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within sixty (60)Â days of the earliest dated consent delivered to the Corporation as required by this section, written consents signed by the holders of a sufficient number of shares to take such corporate action are so recorded. Â Â Â Â 3Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation. Any action taken pursuant to such written consent or consents of stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof. In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which date shall not be more than ten (10)Â days after the date upon which the resolution fixing the record date is adopted by the Board. If no record date has been fixed by the Board, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board is required by statute, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. If no record date has been fixed by the Board and prior action by the Board is required by statute, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.Section 9.List of Stockholders Entitled to Vote. The officer who has charge of the stock ledger of the Corporation shall prepare no later than the tenth day before each meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10)Â days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date) showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of ten (10)Â days ending on the day before the meeting date: (i)Â on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii)Â during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. Section 10.Inspectors. The Board, in advance of all meetings of stockholders, may appoint one or more inspectors of stockholder votes, who may be employees or agents of the Corporation or stockholders or their proxies, but not directors of the Corporation or candidates for election as directors. In the event that the Board fails to so appoint one or more inspectors of stockholder votes or, in the event that one or more inspectors of stockholder votes previously designated by the Board fails to appear or act at the meeting of stockholders, the chair of the meeting may appoint one or more inspectors of stockholder votes to fill such vacancy or vacancies. Inspectors of stockholder votes appointed to act at any meeting of stockholders, before entering upon the discharge of their duties, shall take and sign an oath to faithfully execute the duties of inspector of stockholder votes with strict impartiality and according to the best of their ability. Inspectors of stockholder votes shall, subject to the power of the chair of the meeting to open and close the polls, take charge of the polls, and, after the voting, shall make a certificate of the result of the vote taken.Section 11.Notice of Stockholder Business and Nominations.(A)Annual Meetings of Stockholders.(1)Nominations of persons for election to the Board and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only (a)Â pursuant to the Corporationâ€™s notice of meeting (or any supplement thereto) delivered pursuant to SectionÂ 3 of this Article I, (b)Â by or at the direction of the Board or any committee thereof or (c)Â by any stockholder of the Corporation who is entitled to vote on such election or such other business at the meeting, who complied with the notice procedures set forth in subparagraphs (2)Â and (3)Â of this paragraph (A)Â of this By-Law and who was a stockholder of record at the Â Â Â Â 4time such notice is delivered to the Secretary of the Corporation and at the time of the annual meeting of stockholders.(2)For nominations or other business to be properly brought before an annual meeting by a stockholder of record, the stockholder of record giving the notice (the â€œNoticing Stockholderâ€) must have given timely notice thereof in proper form to the Secretary of the Corporation and, in the case of business other than nominations of persons for election to the Board, such other business must be a proper matter for stockholder action. To be timely, a Noticing Stockholderâ€™s notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the Close of Business (as defined below) on the 90thÂ day nor earlier than the Close of Business on the 120thÂ day prior to the first anniversary of the preceding yearâ€™s annual meeting; provided, however, that in the event that no annual meeting was held in the previous year or the date of the annual meeting is changed by more than thirty (30)Â days from such anniversary date, notice by the Noticing Stockholder to be timely must be so delivered not earlier than the Close of Business on the 120th day prior to such annual meeting and not later than the Close of Business on the later of the 90th day prior to such annual meeting or the tenth day following the day on which Public Announcement (as defined below) of the date of such meeting is first made by the Corporation. In no event shall any adjournment, recess, rescheduling or postponement of an annual meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a Noticing Stockholderâ€™s notice as described above. For the avoidance of doubt, a Noticing Stockholder shall not be entitled to make additional or substitute nominations following the expiration of the time periods set forth in these By-Laws. To be in proper form, a Noticing Stockholderâ€™s notice shall set forth:(a)Â Â Â Â as to each person, if any, whom the Noticing Stockholder proposes to nominate for election or re-election to the Board as a director: (i) the name, age, business address and residence address of such proposed nominee, (ii) the principal occupation or employment of such proposed nominee (at present and for the past five (5) years), (iii)Â the Stockholder Information (as defined below) for such person and any member of the immediate family of such person sharing the same household, (iv) all information relating to such proposed nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the election of directors in a contested election pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the â€œExchange Actâ€), and the rules and regulations promulgated thereunder (including such personâ€™s written consent to being named in proxy statements as a proposed nominee of the Noticing Stockholder and to serving as a director if elected), (v) a complete and accurate description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings (whether written or oral) offered (whether accepted or declined) during the past three (3) years, and any other material relationships, between or among the Holders and/or any Stockholder Associated Person of such Holder, on the one hand, and each proposed nominee, on the other hand, and all related party transactions and other information that would be required to be disclosed pursuant to the federal and state securities laws, including Rule 404 promulgated under Regulation S-K under the Securities Act of 1933, as amended (the â€œSecurities Actâ€) (or any successor provision), if any Holder and/or any Stockholder Associated Person of such Holder were the â€œregistrantâ€ for purposes of such rule and the nominee were a director or executive officer of such registrant,Â  and (vi) a completed and signed questionnaire, representation and agreement and any and all other information required by (A)(2)(f) of this By-Law; Â Â Â Â 5(b)Â Â Â Â as to any other business that the Noticing Stockholder proposes to bring before the meeting: (i) a brief description of the business desired to be brought before the meeting, (ii) the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend these By-Laws, the language of the proposed amendment), (iii) the reasons for conducting such business at the meeting, (iv) any material interest in such business of each Holder and each Stockholder Associated Person of such Holder, and(v) a description of all agreements, arrangements and understandings between each Holder and any Stockholder Associated Person, on the one hand, and any other person or persons (including their names), on the other hand, in connection with the proposal of such business by the Noticing Stockholder;(c)Â Â Â Â Â as to the Noticing Stockholder and the beneficial owners, if any, on whose behalf the nomination or proposal is made (collectively with the Noticing Stockholder, the â€œHoldersâ€ and each a â€œHolderâ€): (i)Â the name and address, as they appear on the Corporationâ€™s books and records, of each Holder and the name and address of any Stockholder Associated Person of such Holder, (ii)Â (A)a description of all agreements, arrangements or understandings between such Holder and each Stockholder Associated Person of such Holder, on the one hand, and any other person or persons (including any person whom the Noticing Stockholder proposes to nominate for election or re-election to the Board as a director and naming any such persons), on the other hand, in connection with such nomination and/or other proposal of business; provided, however, that the foregoing shall not apply with respect to any agreement, arrangement or understanding with respect to such proposal of business and/or nomination between any Holder or Stockholder Associated Person, on the one hand, and such personâ€™s financial, legal, strategic or other advisors, on the other hand, made in the ordinary course of business;(B)the class or series and number of shares of stock of the Corporation which are directly or indirectly held of record or owned beneficially by each Holder and any Stockholder Associated Person of such Holder (provided that, for the purposes of this By-Law, any such person shall in all events be deemed to beneficially own any shares of stock of the Corporation as to which such person has a right to acquire beneficial ownership at any time in the future), (C)any Derivative Instrument (as defined below) directly or indirectly held or beneficially held by each Holder and any

Stockholder Associated Person of such Holder, and any other direct or indirect Â Â Â Â 6opportunity to profit or share in any profit derived from any increase or decrease in the value of any security of the Corporation, (D)a description of any proxy, contract, arrangement, understanding or relationship pursuant to which each Holder and any Stockholder Associated Person of such Holder has a right to vote or has granted a right to vote any security of the Corporation, (E)any Short Interest (as defined below) held by each Holder and any Stockholder Associated Person of such Holder presently or within the last twelve (12) months in any security of the Corporation, (F)any direct or indirect legal, economic or financial interest (including Short Interest) of each Holder and any Stockholder Associated Person in the outcome of any (I) vote to be taken at any annual or special meeting of stockholders of the Corporation or (II) any meeting of stockholders of any other entity with respect to any matter that is related, directly or indirectly, to any nomination or other business proposed by any Holder under this By-Law, (G)any rights to dividends on any security of the Corporation owned beneficially by each Holder and any Stockholder Associated Person that are separated or separable from the underlying security of the Corporation, and(H)any material pending or threatened action, suit, investigation or proceeding (whether civil, criminal, investigative, administrative or otherwise) in which any Holder or any Stockholder Associated Person of such Holder is, or is reasonably expected to be made, a party or material participant involving the Corporation or any of its officers, directors or employees, or any Affiliate of the Corporation, or any officer, director or employee of such Affiliate (sub-clauses (A) through (H) of this paragraph (A)(2)(c)(ii) shall be referred to as the â€œStockholder Informationâ€), (iii)Â a representation by the Noticing Stockholder that such stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting, will continue to be a stockholder of record of the Corporation entitled to vote at such meeting through the date of such meeting and intends to appear in person or by proxy at the meeting to propose such nomination or other business, (iv)Â any other information relating to each Holder and each Stockholder Associated Person of such Holder, if any, that would be required to be disclosed in a proxy statement and form of proxy or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (v) a representation by the Noticing Stockholder as to whether any Holder and/or any Stockholder Associated Person of such Holder intends or is part of a group that intends (A)Â to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporationâ€™s outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (B)Â otherwise to solicit proxies or votes from stockholders in support of such nomination or proposal, Â Â Â Â 7(vi)Â a certification by the Noticing Stockholder that each Holder and any Stockholder Associated Person of such Holder has complied with all applicable federal, state and other legal requirements in connection with its acquisition of shares of stock or other securities of the Corporation and/or such personâ€™s acts or omissions as a stockholder of the Corporation, (vii) the statement required by Rule 14a-19(b)(3) of the Exchange Act (or any successor provision), (viii) the names and addresses of other stockholders (including beneficial owners) known by any of the Holder or Stockholder Associated Person to provide financial or otherwise material support such proposal or nomination or nominations, and, to the extent known, the class and number of all shares of the Corporationâ€™s stock owned beneficially or of record by such other stockholder(s) or other beneficial owner(s), and (ix) a representation by the Noticing Stockholder as to the accuracy of the information set forth in the notice.(d)Â Â Â Â Â A Noticing Stockholder shall further update and supplement its notice of any proposed nomination for election to the Board or other business proposed to be brought before a meeting (whether given pursuant to this paragraph (A)(2) or paragraph (B)Â of this By-Law) from time to time to the extent necessary so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting and as of the date that is fifteen (15)Â days prior to the meeting or any adjournment, recess, rescheduling or postponement thereof. Such update and supplement shall be delivered in writing to the Secretary at the principal executive offices of the Corporation not later than five (5)Â days after the later of the record date for the meeting or the date a Public Announcement of the notice of the record date is first made (in the case of any update and supplement required to be made as of the record date), and not later than ten (10)Â days prior to the date for the meeting or any adjournment, recess, rescheduling or postponement thereof (in the case of any update and supplement required to be made as of fifteen (15)Â days prior to the meeting or any adjournment or postponement thereof). In addition, if the Noticing Stockholder has delivered to the Corporation a notice relating to the nomination of directors, the Noticing Stockholder shall deliver to the Corporation no later than ten (10) days prior to the date of the meeting or any adjournment, recess, rescheduling or postponement thereof, if practicable (or, if not practicable, on the first practicable date prior to the date of the meeting or such adjournment, recess, rescheduling or postponement thereof) reasonable evidence that it has complied with the requirements of Rule 14a-19 of the Exchange Act (or any successor provision).(e)Â Â Â Â Â The Corporation may also, as a condition to any such nomination or other business being deemed properly brought before a meeting of stockholders, require any Holder or any proposed nominee to deliver to the Secretary, within five (5) Business Days of any such request, such other information as may reasonably requested by the Corporation, including (A) such other information as may be reasonably required by the Board, in its sole discretion, to determine (x) the eligibility of such proposed nominee to serve as a director of the Corporation, and (y)Â whether such proposed nominee qualifies as an â€œindependent directorâ€ or â€œaudit committee financial expertâ€ under applicable law, securities exchange rule or regulation, or any generally applicable corporate governance guideline or committee charter of the Corporation and (B) such other information that the Board determines, in its sole discretion, could be material to a reasonable stockholderâ€™s understanding of the independence, or lack thereof, of such nominee.(f)Â Â Â Â Â In addition to the other requirements of this By-Law, each person who a Noticing Stockholder proposes to nominate for election or re-election as a director of the Corporation must deliver in writing (in accordance with the time periods prescribed for delivery of notice under this By-Law) to the Secretary at the principal executive offices of the Corporation:(i) a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which Â Â Â Â 8questionnaire shall be provided by the Secretary upon written request of any stockholder of record identified by name within five (5) Business Days of such written request) and (ii) a written representation and agreement (in the form provided by the Secretary upon written request of any stockholder of record identified by name within five Business Days of such written request) that such person:(A) is not and will not become a party to (x) any agreement, arrangement or understanding (whether written or oral) with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a â€œVoting Commitmentâ€) that has not been disclosed to the Corporation or (y) any Voting Commitment that could limit or interfere with such personâ€™s ability to comply, if elected as a director of the Corporation, with such personâ€™s fiduciary duties under applicable law, (B) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the Corporation, (C) would be in compliance, if elected as a director of the Corporation, and will comply with all applicable rules of the exchanges upon which the securities of the Corporation are listed and all generally applicable corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation that are publicly available, and (D) intends to serve a full term if elected as a director of the Corporation. (3)Notwithstanding anything in paragraph (A)(2) of this By-Law to the contrary, in the event that the number of directors to be elected to the Board is increased and there is no Public Announcement by the Corporation naming all of the nominees for director proposed by the Board or specifying the size of the increased Board at least ten (10)Â days prior to the last day a Noticing Stockholder may deliver a notice of nominations in accordance with paragraph (A)(2) of this By-Law, a Noticing Stockholderâ€™s notice required by this By-Law shall also be considered timely, but only with respect to proposed nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the Close of Business on the tenth day following the day on which a Public Announcement of such increase is first made by the Corporation; provided that, if no such Public Announcement is made at least ten (10)Â days before the meeting, then no such notice shall be required.(B)Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporationâ€™s notice of meeting pursuant to Article I, SectionÂ 3 of these By-Laws. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporationâ€™s notice of meeting (a)Â by or at the direction of the Board or a committee thereof or (b) provided that the Board has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is entitled to vote on such election at the meeting who complies with the notice procedures set forth in this By-Law (including, for the avoidance of doubt, the notice procedures provided in paragraph (A)(2) of this By-Law) and who is a stockholder of record at the time such notice is delivered to the Secretary and at the time of the special meeting of stockholders. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any Noticing Stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporationâ€™s notice of meeting and such notice shall be considered timely if the Noticing Stockholderâ€™s notice as required by paragraph (A)(2) of this By-Law shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the Close of Business on the 120th day prior to such special meeting and not later than the Close of Business on the later of the 90th day prior to such special meeting or the tenth day following the day on which Public Announcement is first Â Â Â Â 9made by the Corporation of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall the Public Announcement of an adjournment, recess, rescheduling or postponement of a special meeting commence a new time period (or extend any time period) for the timely giving of a Noticing Stockholderâ€™s notice as described above. For the avoidance of doubt, a Noticing Stockholder shall not be entitled to make additional or substitute nominations at a special meeting following the expiration of the time periods set forth in these By-Laws.(C)General.(1)Only persons who are nominated in accordance with the procedures set forth in this By-Law shall be eligible to be elected at an annual or special meeting of stockholders of the Corporation to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this By-Law. Except as otherwise provided by law, the chair of the meeting shall have the power and duty (a) to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this By-Law (including whether the Holder, if any, on whose behalf the nomination or proposal is made, solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such Noticing Stockholderâ€™s nominee or proposal in compliance with such Holderâ€™s representation as required by subclause (A)(2)(c)(v) of this By-Law) and (b) if any proposed nomination or other business was not made or proposed in compliance with this By-Law, to declare that such nomination shall be disregarded or that such proposed business shall not be transacted. In addition, nominations of persons by a Noticing Stockholder for election to the Board and other business proposed to be brought by a Noticing Stockholder may not be brought before the meeting if any Holder, Stockholder Associated Person or any proposed nominee of such Noticing Stockholder, as applicable, takes action contrary to the representations made in the notice referred to in subclauses (A)(2)(c) and (f) of this By-Law applicable to such nomination or other business or if such notice applicable to such nomination or other business contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading.(2)Notwithstanding the foregoing provisions of this By-Law, if the Noticing Stockholder (or a Qualified Representative (as defined below) of the Noticing Stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or other business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. (3)For purposes of this By-Law, delivery of any notice or materials by a Noticing Stockholder as required under this By-Law shall be made by both (a) hand delivery, overnight courier service, or by certified or registered mail, return receipt requested, in each case to the Secretary at the principal executive offices of the Corporation and (b) electronic mail to the Secretary.(4)Definitions. For purposes of this By-Law, the term:(a)â€œAffiliateâ€ shall have the meaning attributed to such term in RuleÂ 12b-2 under the Exchange Act and the rules and regulations promulgated thereunder;(b)â€œAssociateâ€ shall have the meaning attributed to such term in Rule 12b-2 under the Exchange Act and the rules and regulations promulgated thereunder;(c)â€œBusiness Dayâ€ shall mean each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close;(d)â€œClose of Businessâ€ shall mean 5:00 p.m. local time at the principal executive offices of the Corporation, and if an applicable deadline falls on the Close of Â Â Â Â 10Business on a day that is not a Business Day, then the applicable deadline shall be deemed to be the Close of Business on the immediately preceding Business Day;(e)â€œDerivative Instrumentâ€ means any short position, profits interest, option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, or any derivative or synthetic arrangement having the characteristics of a long position in any class or series of shares of the Corporation, or any contract, derivative, swap or other transaction or series of transactions designed to produce economic benefits and risks that correspond substantially to the ownership of any class or series of shares of the Corporation, including due to the fact that the value of such contract, derivative, swap or other transaction or series of transactions is determined by reference to the price, value or volatility of any class or series of shares of the Corporation, whether or not such instrument, contract or right shall be subject to settlement in the underlying class or series of shares of the Corporation, through the delivery of cash or other property, or otherwise, and without regard to whether the Holder and any Stockholder Associated Person of such Holder may have entered into transactions that hedge or mitigate the economic effect of such instrument, contract or right, or any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation;(f)â€œPublic Announcementâ€ means any method (or combination of methods) of disclosure that is reasonably designed to provide broad, non-exclusionary distribution of the information to the public or the furnishing or filing of any document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder; (g)â€œQualified Representativeâ€ of any stockholder means a duly authorized officer, manager or partner of such stockholder or authorized by a writing executed by such stockholder (or a reliable reproduction or electronic transmission of the writing) delivered to the Corporation prior to the presentation of any matters at any meeting of stockholders stating that such person is authorized to act for such stockholder as proxy at such meeting of stockholders;(h)â€œStockholder Associated Personâ€ means, with respect to any Holder:(i) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A, or any successor instructions) with such Holder in a solicitation of proxies in respect of any business or director nomination proposed by such Holder;(ii) any Affiliate or Associate of such Holder; and(iii) any person who is a member of a â€œgroupâ€ (as such term is used in Rule 13d-5 under the Exchange Act (or any successor provision)) with such Holder; and(i)â€œShort Interestâ€ means any agreement, arrangement, understanding relationship or otherwise, including any repurchase or similar so-called â€œstock borrowingâ€ agreement or arrangement, involving any Holder or any Stockholder Associated Person, the purpose or effect of which is to mitigate loss to, reduce the Â Â Â Â 11economic risk (of ownership or otherwise) or any class or series of the shares of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such Holder or any Stockholder Associated Person with respect to any class or series of the shares or other securities of the Corporation, or which provides, directly or indirectly, the opportunity to profit or share in any profit derived from any decrease in the price or value of any class or series of the shares or other securities of the Corporation.(5)Notwithstanding the foregoing provisions of this By-Law, a Noticing Stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this By-Law; provided, however, that to the fullest extent permitted by law, any references in these By-Laws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this By-Law (including paragraphs (A)(1)(c) and (B)Â hereof), and compliance with paragraphs (A)(1)(c) and (B)Â of this By-Law shall be the exclusive means for a stockholder to make nominations or submit other business (other than, as provided in the last sentence of this paragraph (C)(5), matters properly brought under and in compliance with Rule 14a-8 of the Exchange Act as amended from time to time). Nothing in these By-Laws shall be deemed to affect any rights (a)Â of stockholders to request inclusion of proposals in the Corporationâ€™s proxy statement pursuant to Rule 14a-8 under the Exchange Act, or (b)Â of the holders of any class or series of stock having a preference over the Common Stock (as defined in the certificate of incorporation of the Corporation) as to dividends or upon liquidation to elect directors under specified circumstances (including in any certificate of designation relating to any series of Preferred Stock).Section 12.Shares.(A)The shares of stock of the Corporation shall be represented by certificates, provided that the Board may provide by resolution or resolutions that some or all of any or all classes or series of the Corporationâ€™s stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock in the Corporation represented by certificates shall be entitled to have a certificate signed by, or in the name of, the Corporation by the Chair of the Board or the Chief Executive Officer, the President or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary, representing the number and class of shares of stock in the Corporation owned by such holder. Any or all of the signatures on the certificate may be a facsimile. Whenever the Corporation shall be authorized to issue more than one class of stock or more than one series of any class of stock, and whenever the Corporation shall issue any shares of its stock as partly paid stock, the certificates representing shares of any such class or series or of any such partly paid stock shall set forth thereon the statements prescribed by the DGCL. Any restrictions on the transfer or registration of transfer of any shares of stock of any class or series shall be noted conspicuously on the certificate representing such shares. The Board shall have the power to appoint one or more transfer agents and/or registrars for the transfer or registration of certificates of stock of any class, and may require stock certificates to be countersigned or registered by one or more of such transfer agents and/or registrars.(B)If the Board chooses to issue shares of stock without certificates, the Corporation, if required by the DGCL, shall, within a reasonable time after the issue or transfer of shares without certificates, send the stockholder a written statement of the information required on certificates by paragraph (A)Â of this SectionÂ 13 and any other information required by the DGCL. The Corporation may adopt a system of issuance, recordation and transfer of its shares of stock by electronic or other means not involving the issuance of certificates, provided the use of such system by the Corporation is permitted in accordance with applicable law.(C)Shares of stock of the Corporation shall be transferable upon its books by the holders thereof, in person or by their duly authorized attorneys or legal representatives, upon surrender of the certificate or certificates for such shares to the Corporation by delivery thereof to the person in charge of the stock and transfer books and ledgers, and the payment of all taxes due thereon. Certificates representing such shares, if any, shall be cancelled and new certificates, if the shares are to be certificated, shall thereupon be issued. Shares of capital stock Â Â Â Â 12of the Corporation that are not represented by a certificate shall be transferred in accordance with applicable law. A record shall be made of each transfer. Whenever any transfer of shares shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer if, when the certificates are presented, both the transferor and transferee request the Corporation to do so. The Board shall have power and authority to make such rules and regulations as it may deem necessary or proper concerning the issue, transfer and registration of certificates for shares of stock of the Corporation.(D)A new certificate of stock may be issued in the place of any certificate previously issued by the Corporation alleged to have been lost, stolen or destroyed, and the Board may, in its discretion, require the owner of such lost, stolen or destroyed certificate, or such ownerâ€™s legal representative, to give the Corporation a bond, in such sum as the Board may direct, in order to indemnify the Corporation against any claims that may be made against it in connection therewith. A new certificate of stock may be issued in the place of any certificate previously issued by the Corporation that has become mutilated without the posting by the owner of any bond upon the surrender by such owner of such mutilated certificate.(E)Prior to the surrender to the Corporation of the certificate or certificates for a share or shares of stock or notification to the Corporation of the transfer of uncertificated shares with a request to record the transfer of such share or shares, the Corporation may treat the registered owner as the person entitled to receive dividends, to vote, to receive notifications and otherwise to exercise all the rights and powers of an owner. To the fullest extent permitted by law, the Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof.(F)The Corporation may, but shall not be required to, issue fractions of a share.Article IIBOARD OF DIRECTORSSection 1.Powers. The business and affairs of the Corporation shall be managed by or under the direction of its Board. The Board may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not by the DGCL or the certificate of incorporation of the Corporation directed or required to be exercised or done by the stockholders.Section 2.Number; Quorum. The Board shall consist, subject to the certificate of incorporation of the Corporation, of such number of directors as shall from time to time be fixed exclusively by resolution adopted by the affirmative vote of a majority of the directors then in office. Directors shall (except as hereinafter provided for the filling of vacancies and newly created directorships) be elected by the holders of a plurality of the votes cast by the holders of shares present in person or represented by proxy at the meeting and entitled to vote on the election of such directors. A majority of the directors then in office (but not less than one-third of the number of directors constituting the entire Board) shall constitute a quorum for the transaction of business. Except as otherwise provided by law, these By-Laws or by the certificate of incorporation of the Corporation, the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board. Directors need not be stockholders.Section 3.Resignation; Vacancies and Newly Created Directorships. Any director may resign at any time upon written notice to the Corporation, and may be removed only in the manner provided in the certificate of incorporation of the Corporation. Subject to the certificate of incorporation of the Corporation, unless otherwise required by law, any newly created directorship on the Board that results from an increase in the number of directors and any vacancy occurring in the Board shall be filled only by a majority of the directors then in office, although less than a quorum, or by a sole remaining director.Section 4.Meetings. Meetings of the Board shall be held at such place, if any, within or without the State of Delaware as may from time to time be fixed by resolution of the Board or as may be specified in the notice of any meeting. Regular meetings of the Board shall be held at such times as may from time to time be fixed by Â Â Â Â 13resolution of the Board and special meetings may be held at any time upon the call of the Chair of the Board, the Chief Executive Officer, the Secretary or a majority of the directors, by oral or written notice, including facsimile, e-mail or other means of electronic transmission, duly served on or sent to each director to such directorâ€™s address, e-mail address or telephone or facsimile number as shown on the books and records of the Corporation not less than twenty-four (24)Â hours before the meeting. The notice of any meeting need not specify the purposes thereof. A meeting of the Board may be held without notice immediately after the annual meeting of stockholders at the same place, if any, at which such meeting is held. Notice need not be given of regular meetings of the Board held at times fixed by resolution of the Board. Notice of any meeting need not be given to any director who shall attend such meeting (except when the director attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened), or who shall waive notice thereof, before or after such meeting, in writing (including by electronic transmission).Section 5.Preferred Stock. Notwithstanding the foregoing, whenever the holders of any one or more series of Preferred Stock issued by the Corporation shall have the right, voting separately as a series or separately as a class with one or more such other series, to elect directors at an annual or special meeting of stockholders, the election, term of office, removal and other features of such directorships shall be governed by the terms of the certificate of incorporation of the Corporation (including any certificate of designation relating to any series of Preferred Stock) applicable thereto. The number of directors that may be elected by the holders of any such series of Preferred Stock shall be in addition to the number fixed pursuant to the certificate of incorporation of the Corporation and these By-Laws. Except as otherwise expressly provided in the terms of such series, the number of directors that may be so elected by the holders of any such series of stock shall be elected for terms expiring at the next annual meeting of stockholders, and vacancies among directors so elected by the separate vote of the holders of any such series of Preferred Stock shall be filled by the affirmative vote of a majority of the remaining directors elected by such series, or, if there are no such remaining directors, by the holders of such series in the same manner in which such series initially elected a director.Section 6.Absence of Quorum of Class or Series of Stock. If at any meeting for the election of directors, the Corporation has outstanding more than one class of stock, and one or more such classes or series thereof are entitled to vote separately as a class to elect directors, and there shall be a quorum of only one such class or series of stock, that class or series of stock shall be entitled to elect its quota of directors notwithstanding absence of a quorum of the other class or series of stock.Section 7.Committees. The Board may designate, by resolution passed by the Board, one or more committees, each such committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee to replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the Board establishing such committee, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation, if any, to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters of: (a)Â approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval or (b)Â adopting, amending or repealing any By-Law of the Corporation. All committees of the Board shall keep minutes of their meetings and shall report their proceedings to the Board when requested or required by the Board. Each committee of the Board may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the Board designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum. Unless otherwise provided in such a resolution, in the event that a member and that memberâ€™s alternate, if alternates are designated by the Board, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of any such absent or disqualified member.Section 8.Action Without a Meeting. Unless otherwise restricted by the certificate of incorporation of the Corporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board or of Â Â Â Â 14any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing (including by electronic transmission), and the writing or writings (including any electronic transmissions) are filed with the minutes of proceedings of the Board.Section 9.Remote Meeting. The members of the Board or any committee thereof may participate in a meeting of such Board or committee, as the case may be, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this subsection shall constitute presence in person at such a meeting.Section 10.Compensation. The Board may establish policies for the compensation of directors and for the reimbursement of the expenses of directors, in each case, in connection with services provided by directors to the Corporation.Section 11.Reliance on Books and Records. A member of the Board, or a member of any committee designated by the Board shall, in the performance of such personâ€™s duties, be fully protected in relying in good faith upon the books and records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporationâ€™s officers or employees, or committees of the Board, or by any other person as to matters the member reasonably believes are within such other personâ€™s professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.Article IIIOFFICERSSection 1.Number. The Board, at its next meeting following each annual meeting of stockholders, shall elect officers of the Corporation, including a Chief Executive Officer and a Secretary. The Board may also from time to time elect such other officers (including, without limitation, a President, a Chief Financial Officer, a Chief Operating Officer, a Chief Commercial Officer, a Chief Accounting Officer, a Chief Legal Officer and/or General Counsel, one or more Vice Presidents, a Treasurer, one or more Assistant Vice Presidents, one or more Assistant Secretaries and one or more Assistant Treasurers) as it may deem proper or may delegate to any elected officer of the Corporation the power to appoint and remove any such other officers and to prescribe their respective terms of office, authorities and duties. Any Vice President may be designated Executive, Senior or Corporate, or may be given such other designation or combination of designations as the Board or the Chief Executive Officer may determine. Any two or more offices may be held by the same person. The Board may also elect or appoint a Chair of the Board, who may or may not also be an officer of the Corporation. The Board may elect or appoint co-Chairs of the Board, co-Presidents or co-Chief Executive Officers and, in such case, references in these By-Laws to the Chair of the Board, the President or the Chief Executive Officer shall refer to either such co-Chair of the Board, co-President or co-Chief Executive Officer, as the case may be.Section 2.Term; Removal. All officers of the Corporation elected by the Board shall hold office for such terms as may be determined by the Board or, except with respect to the Chief Executive Officerâ€™s own office, as may be determined by the Chief Executive Officer, or until their respective successors are chosen and qualified or until such officerâ€™s earlier resignation or removal. Any officer may be removed from office at any time either with or without cause by the affirmative vote of a majority of the directors then in office, or, in the case of appointed officers, by any elected officer upon whom such power of removal shall have been conferred by the Board.Section 3.Powers. Each of the officers of the Corporation elected by the Board or appointed by an officer in accordance with these By-Laws shall have the powers and duties prescribed by law, by these By-Laws or by the Board and, in the case of appointed officers, the powers and duties prescribed by the appointing officer, and, unless otherwise prescribed by these By-Laws or by the Board or such appointing officer, shall have such further powers and duties as ordinarily pertain to that office. The Chief Executive Officer shall have authority over the general direction of the affairs of the Corporation. Â Â Â Â 15Section 4.Delegation of Powers and Duties. Unless otherwise provided in these By-Laws, in the absence or disability of any officer of the Corporation, the Board or the Chief Executive Officer may, during such period, delegate such officerâ€™s powers and duties to any other officer or to any director and the person to whom such powers and duties are delegated shall, for the time being, hold such office.Article IVCORPORATE BOOKSThe books of the Corporation may be kept inside or outside of the State of Delaware at such place or places as the Board may from time to time determine. The Board shall have power to determine to what extent and at what times and places and under what conditions and regulations the accounts and books of the Corporation, or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account or book or document of the Corporation, except as conferred by the laws of the State of Delaware, unless and until authorized so to by resolution of the Board or of the stockholders of the Corporation.Article VCHECKS, NOTES, PROXIES, ETC.All checks and drafts on the Corporationâ€™s bank accounts and all bills of exchange and promissory notes, and all acceptances, obligations and other instruments for the payment of money, shall be signed by such officer or officers or agent or agents as shall be authorized from time to time by the Board or such officer or officers who may be delegated such authority. Proxies to vote and consents with respect to securities of other corporations owned by or standing in the name of the Corporation may be executed and delivered from time to time on behalf of the Corporation by the Chair of the Board, the Chief Executive Officer, or by such officers as the Chair of the Board, the Chief Executive Officer or the Board may from time to time determine.Article VIFISCAL YEARThe fiscal year of the Corporation shall be fixed, and shall be subject to change, by the Board.Article VIIINDEMNIFICATIONSection 1.Indemnification Respecting Third Party Claims.(A)Indemnification of Directors and Officers. The Corporation, to the fullest extent and in the manner permitted by the laws of the State of Delaware as in effect from time to time, shall indemnify in accordance with the following provisions of this Article VII any person (a â€œCovered Personâ€) who was or is made a party to, is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding (including any appeal thereof), whether civil, criminal, administrative, regulatory or investigative in nature (other than an action by or in the right of the Corporation), by reason of the fact that such Covered Person is or was a director or officer of the Corporation, or, at a time when such Covered Person was a director or officer of the Corporation, is or was serving at the request of, or to represent the interests of, the Corporation as a director, officer, partner, member, trustee, fiduciary, employee or agent (a â€œSubsidiary Officerâ€) of another corporation, partnership, joint venture, limited liability company, trust, employee benefit plan or other enterprise, including any charitable or not-for-profit public service organization or trade association (an â€œAffiliated Entityâ€), against expenses (including attorneysâ€™ fees and disbursements), costs, judgments, fines, penalties and amounts paid in settlement actually and reasonably incurred by such Covered Person in connection with such action, suit or proceeding if such Covered Person acted in good faith and in a manner such Covered Person reasonably believed to be in or not Â Â Â Â 16opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such Covered Personâ€™s conduct was unlawful; provided, however, that the Corporation shall not be obligated to indemnify against any amount paid in settlement unless the Corporation has consented to such settlement. The termination of any action, suit or proceeding by judgment, order, settlement or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the Covered Person did not act in good faith and in a manner which such Covered Person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, that such Covered Person had reasonable cause to believe that such Covered Personâ€™s conduct was unlawful. Notwithstanding anything to the contrary in the foregoing provisions of this paragraph, a Covered Person shall not be entitled, as a matter of right, to indemnification pursuant to this paragraph against costs or expenses incurred in connection with any action, suit or proceeding commenced by such Covered Person against the Corporation or any Affiliated Entity or any person who is or was a director, officer, partner, member, trustee, fiduciary, employee or agent of the Corporation or a Subsidiary Officer of any Affiliated Entity in their capacity as such unless such action, suit or proceeding (or part thereof) was authorized or consented to by the Board, but such indemnification may be provided by the Corporation in a specific case as permitted by SectionÂ 6 of this Article VII; provided that such Covered Person shall, to the fullest extent permitted by law, be entitled to indemnification in connection with any action, suit or proceeding commenced by such Covered Person to enforce such Covered Personâ€™s rights under this Article VII.(B)Indemnification of Employees and Agents. The Corporation may indemnify any employee or agent of the Corporation in the manner and to the same or a lesser extent that it shall indemnify any director or officer under paragraph (A)Â above in this SectionÂ 1.Section 2.Indemnification Respecting Derivative Claims.(A)Indemnification of Directors and Officers. The Corporation, to the fullest extent and in the manner permitted by the laws of the State of Delaware as in effect from time to time, shall indemnify in accordance with the following provisions of this Article VII any Covered Person who was or is made a party to, is threatened to be made a party to or is involved in any threatened, pending or completed action or suit (including any appeal thereof) brought by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such Covered Person is or was a director or officer of the Corporation, or, at a time when such Covered Person was a director or officer of the Corporation, is or was serving at the request of, or to represent the interests of, the Corporation as a Subsidiary Officer of an Affiliated Entity against expenses (including attorneysâ€™ fees and disbursements) and costs actually and reasonably incurred by such Covered Person in connection with such action or suit if such Covered Person acted in good faith and in a manner such Covered Person reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such Covered Person shall have been adjudged to be liable to the Corporation unless, and only to the extent that, the Court of Chancery of the State of Delaware or the court in which such judgment was rendered shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such Covered Person is fairly and reasonably entitled to indemnity for such expenses and costs as the Court of Chancery of the State of Delaware or such other court shall deem proper. Notwithstanding anything to the contrary in the foregoing provisions of this paragraph, a Covered Person shall not be entitled, as a matter of right, to indemnification pursuant to this paragraph against costs and expenses incurred in connection with any action or suit in the right of the Corporation commenced by such Covered Person unless such action, suit or proceeding (or part thereof) was authorized or consented to by the Board, but such indemnification may be provided by the Corporation in any specific case as permitted by SectionÂ 6 of this Article VII; provided that such Covered Person shall, to the fullest extent permitted by law, be entitled to indemnification in connection with any action, suit or proceeding commenced by such Covered Person to enforce such Covered Personâ€™s rights under this Article VII.(B)Indemnification of Employees and Agents. The Corporation may indemnify any employee or agent of the Corporation in the manner and to the same or a lesser extent that it shall indemnify any director or officer under paragraph (A)Â above in this SectionÂ 2.Section 3.Determination of Entitlement to Indemnification; Claims. Any indemnification to be provided under SectionÂ 1 or 2 of this Article VII (unless ordered by a court of competent jurisdiction) shall be made Â Â Â Â 17by the Corporation only as authorized in the specific case upon a determination that indemnification is proper under the circumstances because such Covered Person has met the applicable standard of conduct set forth in such paragraph. Such determination shall be made in accordance with any applicable procedures authorized by the Board and in accordance with the DGCL. If a claim for indemnification (following the final disposition of such action, suit or proceeding) or advancement of expenses under this Article VII is not paid in full within ninety (90)Â days after a written claim therefor by a Covered Person has been received by the Corporation, such person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall, to the fullest extent permitted by law, have the burden of proving that such person is not entitled to the requested indemnification or advancement of expenses under applicable law.Section 4.Right to Indemnification in Certain Circumstances.(A)Indemnification Upon Successful Defense. Notwithstanding the other provisions of this Article VII, to the extent that a director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in any of paragraphs (A)Â or (B)Â of SectionÂ 1 or 2 of this Article VII, or in defense of any claim, issue or matter therein, or in any action, suit or proceeding brought by the director or officer to enforce rights to indemnification or advancement of expenses and costs granted pursuant to this Article VII, such Covered Person shall, to the fullest extent permitted by law, be indemnified against expenses (including attorneysâ€™ fees and disbursements) and costs actually and reasonably incurred by such Covered Person in connection therewith.(B)Indemnification for Service As a Witness. To the extent any Covered Person who is or was a director or officer of the Corporation has served or prepared to serve as a witness in any action, suit or proceeding (whether civil, criminal, administrative, regulatory or investigative in nature), including any investigation by any legislative body or any regulatory or self-regulatory body by which the Corporationâ€™s business is regulated, by reason of such Covered Personâ€™s service as a director or officer of the Corporation or such Covered Personâ€™s service as a Subsidiary Officer of an Affiliated Entity at a time when such Covered Person was a director or officer of the Corporation (assuming such Covered Person is or was serving at the request of, or to represent the interests of, the Corporation as a Subsidiary Officer of such Affiliated Entity), but excluding service as a witness in an action or suit commenced by such person (unless such expenses were incurred with the approval of the Board, a committee thereof or the Chair of the Board or the Chief Executive Officer of the Corporation), the Corporation shall, to the fullest extent permitted by law, indemnify such Covered Person against out-of-pocket costs and expenses (including attorneysâ€™ fees and disbursements) actually and reasonably incurred by such Covered Person in connection therewith and shall use its best efforts to provide such indemnity within forty-five (45)Â days after receipt by the Corporation from such Covered Person of a statement requesting such indemnification, averring such service and reasonably evidencing such expenses and costs; it being understood, however, that the Corporation shall have no obligation under this Article VII to compensate such Covered Person for such Covered Personâ€™s time or efforts so expended. The Corporation may indemnify any employee or agent of the Corporation to the same or a lesser extent as it may indemnify any director or officer of the Corporation pursuant to the foregoing sentence of this paragraph.Section 5.Advances of Expenses.(A)Advances to Directors and Officers. To the fullest extent not prohibited by applicable law, expenses (including attorneysâ€™ fees and disbursements and court costs) and costs incurred by any Covered Person referred to in paragraph (A)Â of SectionÂ 1 or 2 of this Article VII in defending a civil, criminal, administrative, regulatory or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding; provided, however, that to the extent required by law, such payment of expenses and costs in advance shall be made only upon receipt of an undertaking in writing by or on behalf of such Covered Person to repay such amount if it shall ultimately be determined that such Covered Person is not entitled to be indemnified in respect of such costs and expenses by the Corporation as authorized by this Article VII.(B)Advances to Employees and Agents. To the fullest extent not prohibited by applicable law, expenses and costs incurred by any person referred to in paragraph (B)Â of SectionÂ 1 or 2 of this Article VII in Â Â Â Â 18defending a civil, criminal, administrative, regulatory or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board, a committee thereof or an officer of the Corporation authorized to so act by the Board upon receipt of an undertaking in writing by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation in respect of such costs and expenses as authorized by this Article VII.Section 6.Indemnification Not Exclusive.(A)The provision of indemnification to or the advancement of expenses and costs to any Covered Person under this Article VII, or the entitlement of any Covered Person to indemnification or advancement of expenses and costs under this Article VII, shall not limit or restrict in any way the power of the Corporation to indemnify or advance expenses and costs to such Covered Person in any other way permitted by law or be deemed exclusive of, or invalidate, any right to which any Covered Person seeking indemnification or advancement of expenses and costs may be entitled under any law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such Covered Personâ€™s capacity as an officer, director, employee or agent of the Corporation and as to action in any other capacity.(B)Given that certain jointly indemnifiable claims (as defined below) may arise due to the service of the Covered Person as a director of the Corporation at the request of the indemnitee-related entities (as defined below), the Corporation shall be fully and primarily responsible for the payment to the Covered Person in respect of indemnification or advancement of expenses in connection with any such jointly indemnifiable claims, pursuant to and in accordance with the terms of this Article VII, irrespective of any right of recovery the Covered Person may have from the indemnitee-related entities. Under no circumstance shall the Corporation be entitled to any right of subrogation or contribution by the indemnitee-related entities and no right of advancement or recovery the Covered Person may have from the indemnitee-related entities shall reduce or otherwise alter the rights of the Covered Person or the obligations of the Corporation hereunder. In the event that any of the indemnitee-related entities shall make any payment to the Covered Person in respect of indemnification or advancement of expenses with respect to any jointly indemnifiable claim, the indemnitee-related entity making such payment shall be subrogated to the extent of such payment to all of the rights of recovery of the Covered Person against the Corporation, and the Covered Person shall execute all papers reasonably required and shall do all things that may be reasonably necessary to secure such rights, including the execution of such documents as may be necessary to enable the indemnitee-related entities effectively to bring suit to enforce such rights. Each of the indemnitee-related entities shall be third-party beneficiaries with respect to this SectionÂ 6(B) of Article VII, entitled to enforce this SectionÂ 6(B) of Article VII.For purposes of this SectionÂ 6(B) of Article VII, the following terms shall have the following meanings:(1)The term â€œindemnitee-related entitiesâ€ means any corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise (other than the Corporation or any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise for which the Covered Person has agreed, on behalf of the Corporation or at the Corporationâ€™s request, to serve as a director, officer, employee or agent and which service is covered by the indemnity described herein) from whom a Covered Person may be entitled to indemnification or advancement of expenses with respect to which, in whole or in part, the Corporation may also have an indemnification or advancement obligation.(2)The term â€œjointly indemnifiable claimsâ€ shall be broadly construed and shall include, without limitation, any action, suit or proceeding for which the Covered Person shall be entitled to indemnification or advancement of expenses from both the indemnitee-related entities and the Corporation pursuant to Delaware law, any agreement or certificate of incorporation, by-laws, partnership agreement, operating agreement, certificate of formation, certificate of limited partnership or comparable organizational documents of the Corporation or the indemnitee-related entities, as applicable.Section 7.Corporate Obligations; Reliance. Â Â Â Â 19(A)The rights granted pursuant to the provisions of this Article VII shall vest at the time a person becomes a director or officer of the Corporation and shall be deemed to create a binding contractual obligation on the part of the Corporation to the persons who from time to time are elected as officers or directors of the Corporation, and such persons in acting in their capacities as officers or directors of the Corporation or Subsidiary Officers of any Affiliated Entity shall be entitled to rely on such provisions of this Article VII without giving notice thereof to the Corporation.(B)Without the consent of any affected Covered Person, the Corporation shall not, in connection with the settlement or resolution of any claim alleged against it in any action, suit or proceeding, seek or consent to entry of an order that releases, bars or otherwise affects the rights of indemnification and advancement of expenses provided in this Article VII.Section 8.Amendment or Repeal. Any repeal or modification of the provisions of this Article VII shall not adversely affect any right or protection hereunder of any Covered Person in respect of any proceeding (regardless of when such proceeding is first threatened, commenced or completed) arising out of, or related to, any act or omissions occurring prior to the time of such repeal or modification.Section 9.Accrual of Claims; Successors. The indemnification provided or permitted under the foregoing provisions of this Article VII shall or may, as the case may be, apply in respect of any expense, cost, judgment, fine, penalty or amount paid in settlement, whether or not the claim or cause of action in respect thereof accrued or arose before or after the effective date of such provisions of this Article VII. The right of any Covered Person who is or was a director, officer, employee or agent of the Corporation to indemnification or advancement of expenses as provided under the foregoing provisions of this Article VII shall continue after such Covered Person shall have ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, distributees, executors, administrators and other legal representatives of such Covered Person.Section 10.Insurance. The Corporation is authorized to purchase and shall maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of, or to represent the interests of, the Corporation as a Subsidiary Officer of any Affiliated Entity, against any expense, liability or loss asserted against such person and incurred by such person in any such capacity, or arising out of such personâ€™s status as such, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the provisions of this Article VII or applicable law.Section 11.Definitions of Certain Terms. For purposes of this Article VII, (a)Â references to â€œthe Corporationâ€ shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed into the Corporation in a consolidation or merger if such corporation would have been permitted (if its corporate existence had continued) under applicable law to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request, or to represent the interests of, such constituent corporation as a Subsidiary Officer of any Affiliated Entity shall stand in the same position under the provisions of this Article VII with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued; (b)Â references to â€œfinesâ€ shall include any excise taxes assessed on a person with respect to an employee benefit plan; (c)Â references to â€œserving at the request of the Corporationâ€ shall include any service as a director, officer, partner, member, trustee, fiduciary, employee or agent of the Corporation or as a Subsidiary Officer of any Affiliated Entity which service imposes duties on, or involves services by, such director, officer, partner, member, trustee, fiduciary, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and (d)Â a Covered Person who acted in good faith and in a manner such Covered Person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner â€œnot opposed to the best interest of the Corporationâ€ as referred to in this Article VII. Â Â Â Â 20Article VIIICORPORATE SEALThe Corporation shall be authorized, but shall not be required, to obtain a corporate seal in such form as the Board shall prescribe.Article IXGENERAL PROVISIONSSection 1.Waiver of Notice. Whenever notice is required to be given by law or under any provision of the certificate of incorporation of the Corporation or these By-Laws, notice of any meeting need not be given to any person who shall attend such meeting (except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened), or who shall waive notice thereof, before or after such meeting, in writing (including by electronic transmission).Section 2.Section Headings. Section headings in these By-Laws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.Section 3.Inconsistent Provisions. In the event that any provision of these By-Laws is or becomes inconsistent with any provision of the certificate of incorporation of the Corporation or the DGCL, such provision of these By-Laws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.Section 4.Severability. If any provision or provisions of these By-Laws shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i)Â the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of these By-Laws (including, without limitation, each portion of any paragraph of these By-Laws containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii)Â to the fullest extent possible, the provisions of these By-Laws (including, without limitation, each such portion of any paragraph of these By-Laws containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law.Article XAMENDMENTSThese By-Laws may be made, amended, altered, changed, added to or repealed as set forth in the certificate of incorporation of the Corporation.Article XIFORUM SELECTIONUnless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.The foregoing Amended and Restated By-Laws were adopted by the Board on the 22nd of October, 2024 and are effective as of such date. Â Â Â Â 21DocumentExhibitÂ 31.1Â CERTIFICATION OF CHIEF EXECUTIVE OFFICERPURSUANT TO RULE 13a-14(a)Â AND 15d-14(a), AS AMENDEDÂ I, Brian Harris, certify that:Â 1.Â Â Â Â Â Â Â Â Â Â Â Â Â Â I have reviewed this Quarterly Report on FormÂ 10-Q of Ladder Capital Corp;Â 2.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;Â 3.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;Â 4.Â Â Â Â Â Â Â Â Â Â Â Â Â Â The Registrantâ€™s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act RulesÂ 13a-15(e)Â and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:Â a.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;Â b.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;Â c.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Evaluated the effectiveness of the Registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andÂ d.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Disclosed in this report any change in the Registrantâ€™s internal control over financial reporting that occurred during the Registrantâ€™s most recent fiscal quarter (the Registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrantâ€™s internal control over financial reporting; andÂ 5.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â The Registrantâ€™s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrantâ€™s auditors and the audit committee of the Registrantâ€™s Board of Directors (or persons performing the equivalent functions):Â a.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrantâ€™s ability to record, process, summarize and report financial information; andÂ b.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrantâ€™s internal control over financial reporting.Â Date: October 25, 2024/s/ Â BrianÂ HarrisÂ Brian HarrisÂ Chief Executive Officer (Principal Executive Officer)DocumentExhibitÂ 31.2Â CERTIFICATION OF CHIEF FINANCIAL OFFICERPURSUANT TO RULE 13a-14(a)Â AND 15d-14(a), AS AMENDEDÂ I, Paul J. Miceli, certify that:Â 1.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â I have reviewed this Quarterly Report on FormÂ 10-Q of Ladder Capital Corp;Â 2.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;Â 3.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;Â 4.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â The Registrantâ€™s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act RulesÂ 13a-15(e)Â and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:Â a.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;Â b.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;Â c.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Evaluated the effectiveness of the Registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andÂ d.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Disclosed in this report any change in the Registrantâ€™s internal control over financial reporting that occurred during the Registrantâ€™s most recent fiscal quarter (the Registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrantâ€™s internal control over financial reporting; andÂ 5.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â The Registrantâ€™s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrantâ€™s auditors and the audit committee of the Registrantâ€™s Board of Directors (or persons performing the equivalent functions):Â a.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrantâ€™s ability to record, process, summarize and report financial information; andÂ b.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrantâ€™s internal control over financial reporting.Â Date: October 25, 2024/s/ Paul J. MiceliÂ Paul J. MiceliÂ Chief Financial Officer (Principal Financial Officer)DocumentExhibitÂ 32.1Â CERTIFICATION FURNISHED PURSUANT TO18 U.S.C. SECTIONÂ 1350, AS ADOPTED PURSUANT TOSECTIONÂ 906 OF THE SARBANES-OXLEY ACT OF 2002Â In connection with the filing of the Quarterly Report on FormÂ 10-Q for the period ended SeptemberÂ 30, 2024 (the â€œReportâ€) by Ladder Capital Corp (the â€œCompanyâ€),Â I, Brian Harris, as Chief Executive Officer of the Company hereby certify pursuant to 18 U.S.C. SectionÂ 1350, as adopted pursuant to SectionÂ 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:Â 1.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â The Report fully complies with the requirements of SectionÂ 13(a)Â or SectionÂ 15(d)Â of the Securities Exchange Act of 1934; andÂ 2.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.Â Date: October 25, 2024/s/ Brian HarrisÂ Brian HarrisÂ Chief Executive Officer (Principal Executive Officer)Â A signed original of this written statement required by SectionÂ 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.DocumentExhibitÂ 32.2Â CERTIFICATION FURNISHED PURSUANT TO18 U.S.C. SECTIONÂ 1350, AS ADOPTED PURSUANT TOSECTIONÂ 906 OF THE SARBANES-OXLEY ACT OF 2002Â In connection with the filing of the Quarterly Report on FormÂ 10-Q for the period ended SeptemberÂ 30, 2024 (the â€œReportâ€) by Ladder Capital Corp (the â€œCompanyâ€),Â I, Paul J. Miceli, as Chief Financial Officer of the Company hereby certify pursuant to 18 U.S.C. SectionÂ 1350, as adopted pursuant to SectionÂ 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:Â 1.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â The Report fully complies with the requirements of SectionÂ 13(a)Â or SectionÂ 15(d)Â of the Securities Exchange Act of 1934; andÂ 2.Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.Â Date: October 25, 2024/s/ Paul J. MiceliÂ Paul J. MiceliÂ Chief Financial Officer (Principal Financial Officer)Â A signed original of this written statement required by SectionÂ 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.