
Supplemental Financial Data First Quarter 2018



DISCLAIMER

This presentation contains statements that constitute "forward-looking statements," as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such statements are intended to be covered by the safe harbor provided by the same. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements; Sutherland Asset Management Corporation (the "Company") can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from the Company's expectations include those set forth in the Risk Factors section of the most recent Annual Report on Form 10-K filed with the SEC and other reports filed by the Company with the SEC, copies of which are available on the SEC's website, www.sec.gov. The Company undertakes no obligation to update these statements for revisions or changes after the date of this release, except as required by law.

This presentation includes certain non-GAAP financial measures, including Core Earnings. These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures in accordance with GAAP. Please refer to Appendix A for the most recent GAAP information.

This presentation also contains market statistics and industry data which are subject to uncertainty and are not necessarily reflective of market conditions. These have been derived from third party sources and have not been independently verified by the Company or its affiliates.

All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. All data is as of March 31, 2018, unless otherwise noted.

FIRST QUARTER 2018 HIGHLIGHTS

EARNINGS / DIVIDENDS

- Net income of \$18.5 million⁽¹⁾, or \$0.56 per common share
- Core earnings of \$15.5 million⁽¹⁾, or \$0.47 per common share
- Declared dividend of \$0.37 per share

RETURNS

- Q1 Return on Equity⁽²⁾ of 13.1%
- Q1 Core Return on Equity⁽³⁾ of 11.0%
- Q1 Dividend Yield⁽⁴⁾ of 9.8%

LOAN ORIGINATIONS⁽⁵⁾ / ACQUISITIONS

- SBC loan originations of \$211.6 million
- SBA loan originations of \$48.3 million
- Residential mortgage loan originations of \$439.0 million
- Acquired \$142.2 million of SBC loans

BALANCE SHEET

- Completed the securitization of \$165.0 million SBC loans and sold \$148.5 million of senior bonds at a weighted average pass-through rate of 3.8%
- Adjusted net book value⁽⁶⁾ of \$16.88 per common share as of March 31, 2018
- Loans increased by 4.4% to \$2.2 billion⁽⁷⁾
- Servicing portfolio increased by 5.1% to \$7.9 billion⁽⁸⁾

(1) Inclusive of non-controlling interest

(2) Return on Equity is an annualized percentage equal to quarterly net income over the average monthly total stockholders' equity for the period

(3) Core Return on Equity is an annualized percentage equal to core earnings over the average monthly total stockholders' equity for the period. Refer to slide 20 for a reconciliation of GAAP Net Income to Core Earnings

(4) Q1 Dividend yield for the period based on the 3/31/2018 closing share price of \$15.15

(5) Represents fully committed amounts

(6) Excludes the equity component of our 2017 convertible note issuance

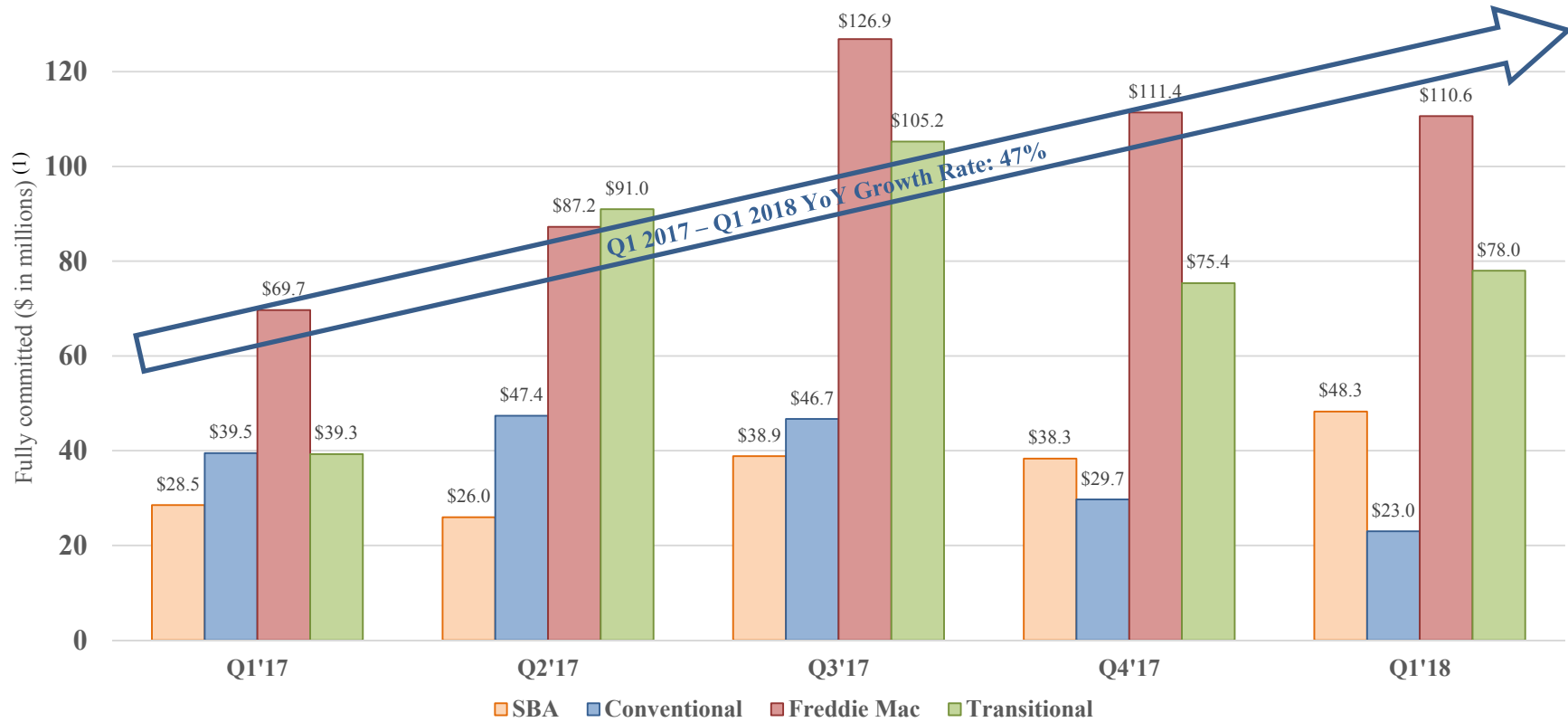
(7) Represents carrying value of loans

(8) Represents unpaid principal balance of loans

RETURN ON EQUITY

Segment	Levered Yield ⁽¹⁾	Core Levered Yield ⁽¹⁾	Equity Allocation	GAAP ROE ⁽²⁾		Core ROE ⁽²⁾	
				Q1'18	Q4'17 ⁽⁴⁾	Q1'18	Q4'17 ⁽⁴⁾
Loan Acquisitions	56.1 %	56.1 %	13.9 %	30.2 %	18.5 %	27.4 %	18.5 %
SBC Originations	20.1 %	20.1 %	40.6 %				
SBA Originations, Acquisitions, & Servicing	30.4 %	30.4 %	26.0 %				
Residential Mortgage Banking ⁽³⁾	32.4 %	18.2 %	19.5 %				
Corporate finance and non-earning assets, net				(6.4)	(2.0)	(5.7)	(2.0)
Gross return on equity				23.8 %	16.5 %	21.7 %	16.5 %
Realized & unrealized gains, net				3.7	4.3	3.7	4.3
Other income and expenses, net				(10.9)	(10.0)	(10.9)	(10.0)
Investment advisory fees				(1.7)	(1.5)	(1.7)	(1.5)
Provision for income taxes				(1.8)	(0.2)	(1.8)	(0.4)
Return on equity				13.1 %	9.1 %	11.0 %	8.9 %

SBC ORIGINATION VOLUME BY PRODUCT TYPE



Highlights

- Total SBC loan originations of \$211.6 million for the quarter
- SBA loan originations increased by \$10.0 million, or 26%, for the quarter
- Strong Q2 2018 origination pipeline

Q1 2018 QUARTERLY SBC INVESTMENT ALLOCATION

- ▶ Total funded investments of \$392.7 million added during the quarter.
- ▶ Acquired \$142.2 million of SBC loans, comprised of primarily performing loans.
- ▶ Funded \$250.5 million⁽¹⁾ of SBC and SBA loan originations.

	LOANS ACQUISITIONS ⁽²⁾		ORIGINATIONS ⁽²⁾				TOTAL	
			HELD FOR INVESTMENT		HELD FOR SALE			
			SBC	TRANSITIONAL	SBA ⁽⁷⁾	SBA ⁽⁷⁾		FREDDIE MAC
Gross investments ⁽²⁾	\$142.2		\$23.1	\$68.0	\$12.2	\$36.6	\$110.6	\$250.5
Number of loans	179		7	18	66	66	45	136
Average balance ⁽³⁾	\$0.8		\$3.3	\$3.8	\$0.2	\$0.5	\$2.5	\$1.2
Gross Yield ⁽⁴⁾	6.7%		5.8%	6.7%	6.5%	6.5%	4.3%	5.5%
Weighted average duration ⁽³⁾	6 years		10 years	3 years	19 years	19 years	14 years	11 years
FX / ARM	81% / 19%		100% / 0%	0% / 100%	0% / 100%	0% / 100%	56% / 44%	29% / 71%
Avg. Advance Rate ⁽⁵⁾	77%		60%	63%	55%	55%	100%	76%
Debt Cost ⁽⁶⁾	3M Libor + 273		3M Libor + 254	3M Libor + 277	3M Libor + 350	3M Libor + 350	1M Libor + 175	1M / 3M Libor + 285

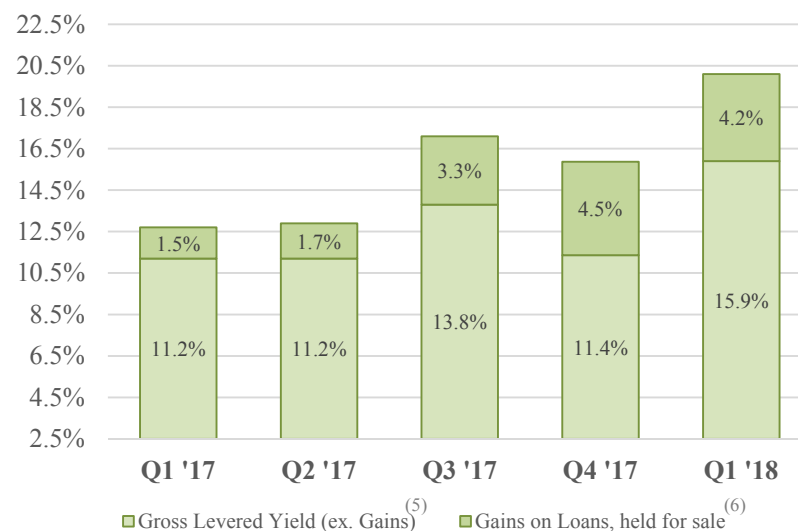
SBC ORIGINATIONS - SEGMENT SNAPSHOT

Portfolio Metrics (Balance Sheet)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Number of loans	297	326	368	365	357
Unpaid Principal Balance ⁽³⁾	\$ 785	\$ 971	\$ 1,068	\$ 1,094	\$ 1,120
Carrying Value ⁽³⁾	\$ 801	\$ 989	\$ 1,088	\$ 1,108	\$ 1,132
Weighted Average LTV	62%	63%	60%	61%	61%
Weighted Average Coupon	6.1%	6.2%	6.3%	6.2%	6.4%
Weighted Average Maturity	5 years	5 years	5 years	5 years	5 years
Weighted Average Principal Balance ⁽³⁾	\$ 2.6	\$ 3.0	\$ 2.9	\$ 3.0	\$ 3.1
Percentage of loans fixed / floating	73% / 27%	62% / 38%	64% / 36%	58% / 42%	56% / 44%
Percentage of fixed, match funded ⁽⁴⁾	76.8%	70.5%	60.2%	60.4%	82.2%
Percentage of loans 30+ days delinquent	1.2%	0.9%	0.2%	1.4%	1.3%

CURRENT QUARTER HIGHLIGHTS

- ▶ **Originations of \$211.6 million⁽¹⁾, 60% of loans held-for-investment are floating rate**
- ▶ **Gains on sales of Freddie Mac loans of \$2.1 million**
- ▶ **Origination pipeline of \$477.9 million⁽²⁾**
 - ▶ **\$223.0 million of Freddie Mac loans**
 - ▶ **\$163.1 million of transitional loans**
 - ▶ **\$91.8 million of conventional SBC loans**

GROSS LEVERED YIELD



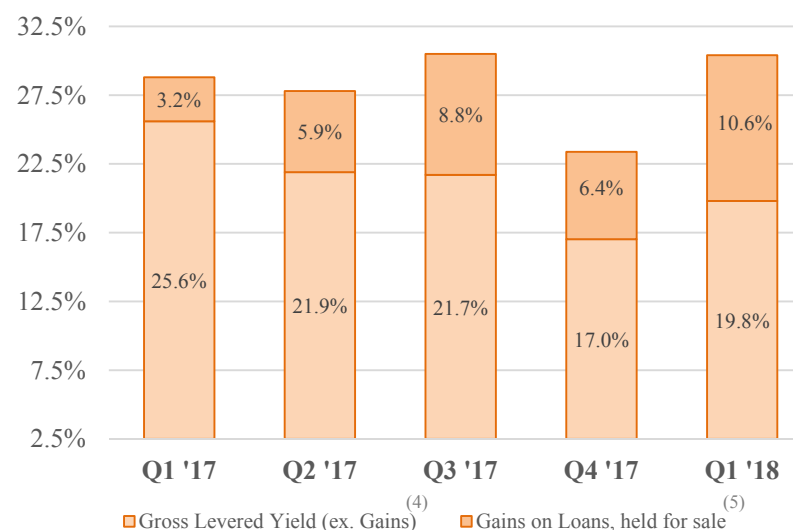
SBA ORIGINATIONS, ACQUISITIONS & SERVICING – SEGMENT SNAPSHOT

Portfolio Metrics (Balance Sheet)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Number of loans	2,398	2,280	2,194	2,106	2,062
Unpaid Principal Balance ⁽³⁾	\$ 588	\$ 549	\$ 530	\$ 508	\$ 502
Carrying Value ⁽³⁾	\$ 521	\$ 486	\$ 471	\$ 455	\$ 452
Weighted Average LTV	80%	78%	78%	78%	78%
Weighted Average Coupon	5.4%	5.7%	5.9%	5.9%	6.2%
Weighted Average Maturity	14 years	14 years	14 years	14 years	14 years
Weighted Average Principal Balance ⁽³⁾	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
Percentage of loans fixed / floating	1% / 99%	1% / 99%	1% / 99%	1% / 99%	1% / 99%
Percentage of loans 30+ days delinquent	7.8%	5.9%	5.7%	6.9%	6.0%

CURRENT QUARTER HIGHLIGHTS

- ▶ **\$33.6 million of SBA secondary market loans sales, with an average sale premium of 11.6%**
- ▶ **Originations of \$48.3 million⁽¹⁾**
- ▶ **Origination pipeline in excess of \$120 million SBA loans⁽²⁾ and an acquisition pipeline of \$16.0 million in SBA loans**

GROSS LEVERED YIELD



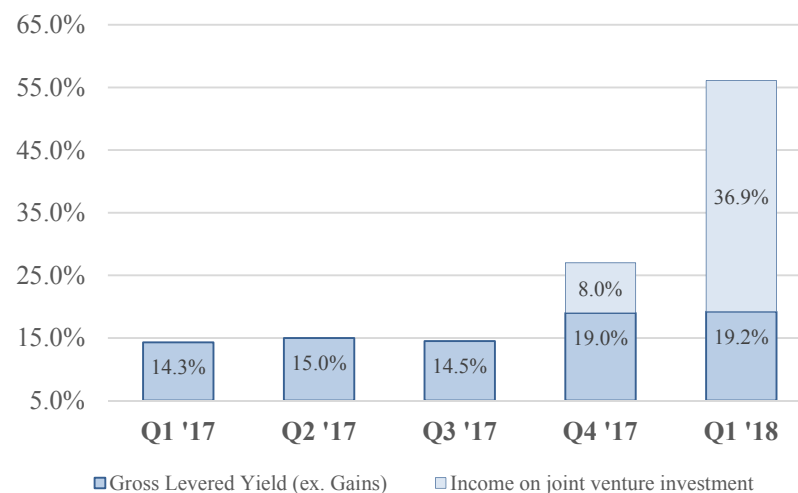
LOAN ACQUISITIONS – SEGMENT SNAPSHOT

Portfolio Metrics ⁽¹⁾ (Balance Sheet)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Number of loans	885	882	766	858	976
Unpaid Principal Balance ⁽²⁾	\$ 467	\$ 411	\$ 378	\$ 417	\$ 525
Carrying Value ⁽²⁾	\$ 408	\$ 368	\$ 335	\$ 376	\$ 488
Weighted Average LTV	55%	53%	52%	49%	50%
Weighted Average Coupon	6.0%	6.1%	6.3%	6.3%	6.5%
Weighted Average Maturity	10 years	11 years	9 years	10 years	8 years
Weighted Average Principal Balance ⁽²⁾	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5
Percentage of loans fixed / floating	46% / 54%	47% / 53%	46% / 54%	49% / 51%	58% / 42%
Percentage of fixed, match funded ⁽³⁾	14.9%	14.3%	55.1%	43.7%	27.0%
Percentage of loans performing / non-performing	94% / 6%	95% / 5%	93% / 7%	96% / 4%	97% / 3%

CURRENT QUARTER HIGHLIGHTS

- ▶ At this stage of the credit cycle, ample inventory of opportunistic performing SBC loans
- ▶ Acquired \$142.2 million of SBC loans
- ▶ Acquisition pipeline of \$259.6 million SBC loans⁽⁴⁾

GROSS LEVERED YIELD



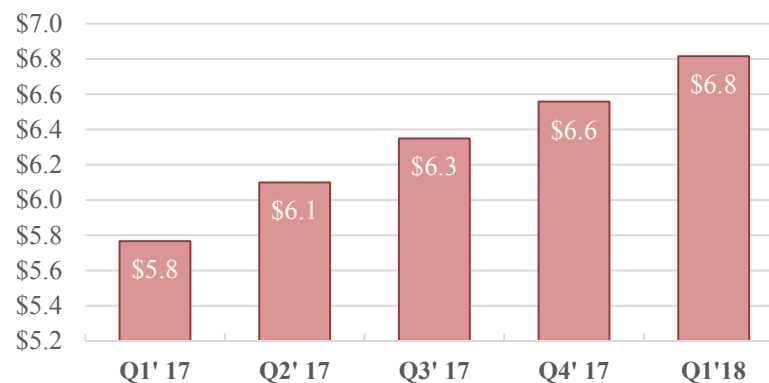
RESIDENTIAL MORTGAGE BANKING – SEGMENT SNAPSHOT

Portfolio Metrics (quarterly activity)		Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Originations	Unpaid principal balance ⁽¹⁾	\$ 461.0	\$ 560.0	\$ 490.9	\$ 458.7	\$ 438.9
	% of Originations Purchased	74.4%	80.1%	78.8%	71.9%	72.8%
	% of Originations Refinanced	25.6%	19.9%	21.2%	28.1%	27.2%
	Channel - % Correspondent	43.2%	40.1%	37.7%	38.6%	41.0%
	Channel - % Retail	33.4%	35.9%	37.6%	41.1%	39.3%
	Channel - % Wholesale	23.4%	24.0%	24.7%	20.3%	19.7%
Sales	Unpaid principal balance ⁽¹⁾	\$ 481.7	\$ 547.0	\$ 503.9	\$ 429.1	\$ 475.5
	% of UPB - Fannie/ Freddie securitizations	62.0%	62.7%	62.0%	60.6%	68.8%
	% of UPB - Ginnie Mae securitizations	25.5%	27.3%	26.4%	28.8%	20.4%
	% of UPB - Other investors	12.5%	10.0%	11.6%	10.6%	10.8%

CURRENT QUARTER HIGHLIGHTS

- ▶ **MSR portfolio of approximately \$6.8 billion in UPB, up 4% compared to Q4**
 - ▶ **Fair market value of \$81.6 million, up 13% compared to Q4**
- ▶ **Originations of \$438.9 million⁽²⁾, down 4% compared to Q4**
- ▶ **Loan sales of \$475.5 million, up 11% compared to Q4**
- ▶ **Origination pipeline of \$224.1 million in commitments to originate residential agency loans⁽²⁾**

MSR SERVICING PORTFOLIO (UPB IN \$BILLIONS)



Fair Value (\$ mm)	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
	\$ 64.6	\$ 66.8	\$ 68.8	\$ 72.3	\$ 81.6

SBC AND SBA LOAN SECURITIZATION PERFORMANCE

Securitization	Date	Original Collateral Balance	Pool - Factor ⁽¹⁾	Delinquency 30+	Delinquency 60+	Delinquency 90+	Cumulative Loss
Fixed Rate		\$ 727,754					
RCMT 2014-1	September 2014	181,922	0.37	0.0%	0.0%	0.0%	0.0%
RCMT 2015-2	November 2015	218,757	0.82	0.0%	0.0%	0.0%	0.0%
RCMT 2016-3	November 2016	162,075	0.71	1.8%	0.0%	0.0%	0.0%
RCMT 2018-4	March 2018	165,000	1.00	0.0%	0.0%	0.0%	0.0%
Floating Rate		\$ 243,797					
RCMF 2017-FL1	August 2017	243,797	0.69	0.0%	0.0%	0.0%	0.0%
Freddie Mac		\$ 809,872					
FRESB 2016-SB11	January 2016	109,965	0.74	0.0%	0.0%	0.0%	0.0%
FRESB 2016-SB18	July 2016	118,037	0.90	0.0%	0.0%	0.0%	0.0%
FRESB 2017-SB33	June 2017	219,852	0.96	0.0%	0.0%	0.0%	0.0%
FRESB 2018-SB45	January 2018	362,018	1.00	0.0%	0.0%	0.0%	0.0%
SBA		\$ 189,492					
RCLT2015-1	June 2015	189,492	0.49	4.2%	2.9%	2.6%	0.7%
Acquired - Non-performing		\$ 270,060					
WVMT 2011-SBC1	February 2011	130,710	0.02	76.9%	7.4%	7.4%	N/A
SCML 2015-SBC4	August 2015	139,350	0.31	17.2%	13.8%	11.9%	N/A
Acquired - Performing		\$ 252,486					
WVMT 2011-SBC2	March 2011	97,557	0.28	3.4%	3.4%	2.9%	3.6%
SCMT 2017-SBC6	August 2017	154,929	0.80	0.7%	0.2%	0.0%	0.0%
Total loan securitizations		\$ 2,493,461					

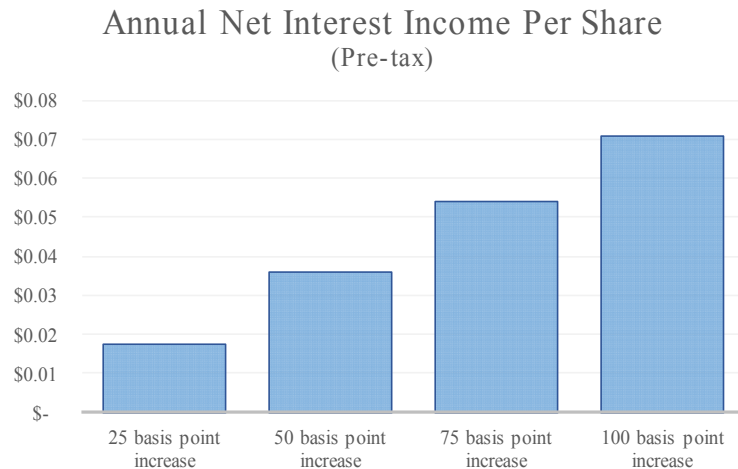
Recent transactions:

- ▶ In March, priced a \$165.0 million securitization of fixed-rate SBC loans, at 6 basis points tighter than AAA-rated large balance CMBS.
- ▶ \$148.5 million of bonds issued, collateralized by \$165.0 million of originated fixed-rate SBC loans.

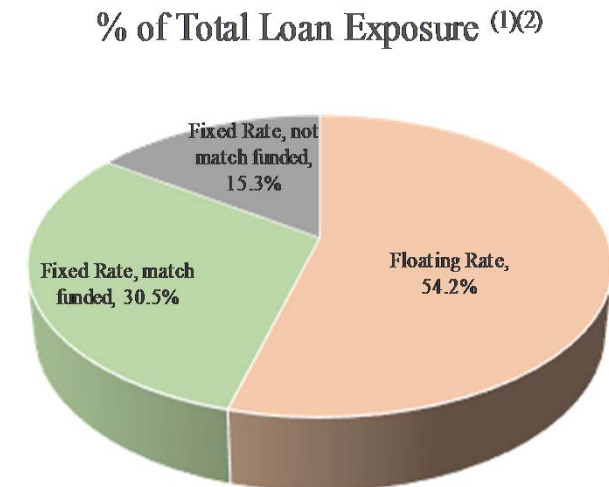
INTEREST RATE RISK SENSITIVITY

- ▶ 54% of our held-for-investment loan portfolio is floating rate
- ▶ 67% of our fixed rate loan portfolio is match funded
- ▶ a 100 basis point increase in LIBOR would increase annual pre-tax net interest income by approximately \$0.07 per share⁽³⁾

INTEREST RATE SENSITIVITY

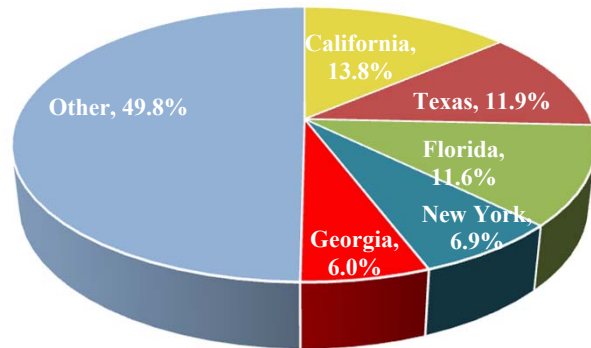


PORTFOLIO - FIXED VS FLOATING

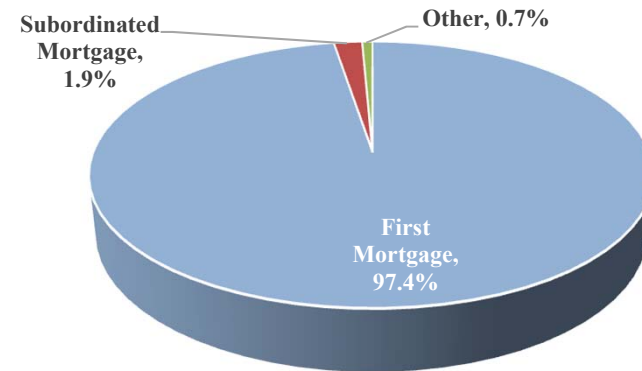


LOAN PORTFOLIO COMPOSITION AS OF MARCH 31, 2018

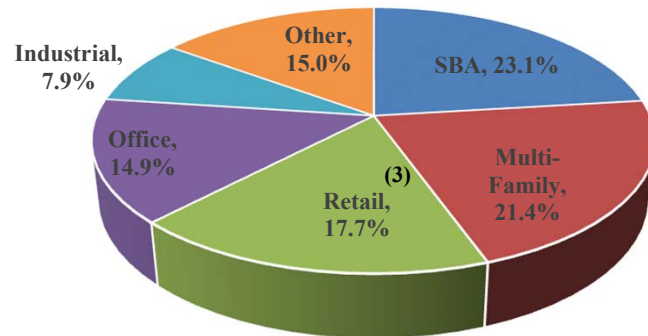
GEOGRAPHIC LOCATION (1)(2)



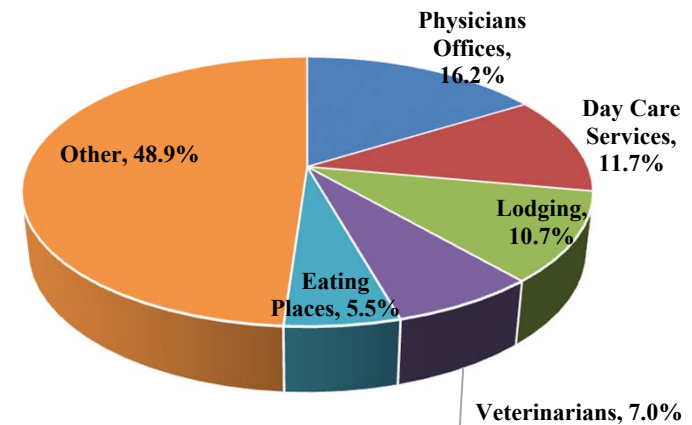
LIEN POSITION (1)(2)



COLLATERAL TYPE (1)(2)

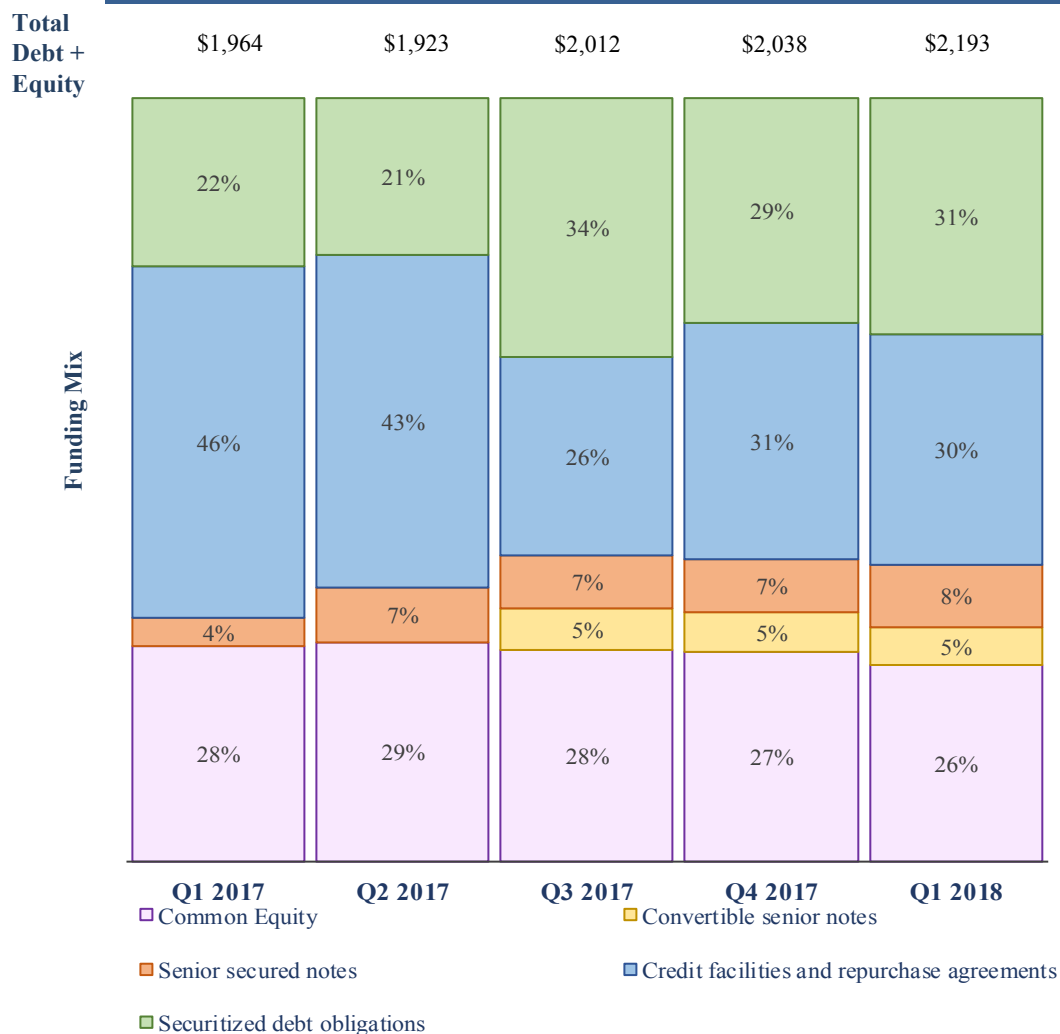


SBA COLLATERAL TYPE (1)(2)



CAPITAL STRUCTURE

HISTORICAL CAPITAL STRUCTURE



CURRENT SOURCES OF FUNDING

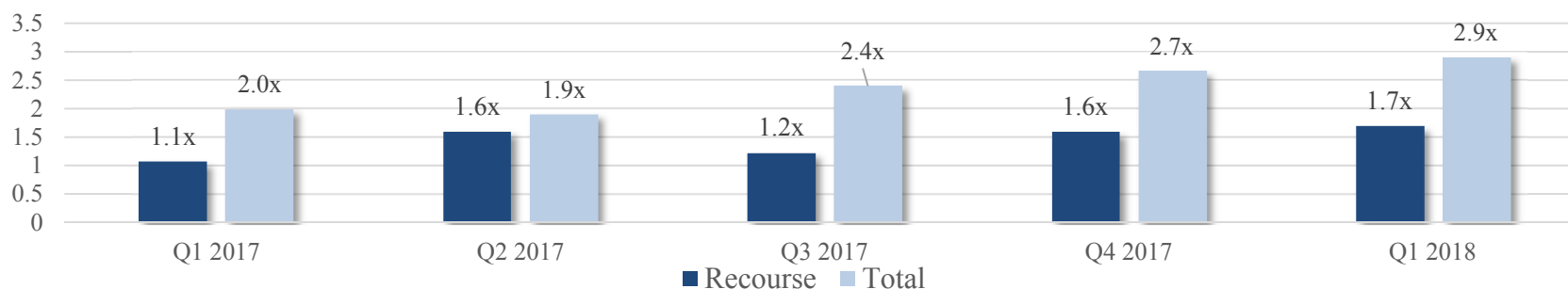
► Since going public in Q4 2016, we continue to optimize our capital structure:

- Issued \$295 million in non-recourse debt through 3/31/18 and an additional \$50 million in April 2018:
 - Convertible notes: 6 year notes, 7.0% coupon, \$115 million
 - Senior secured notes: 5 year notes, 7.5% coupon
 - \$75 million in February 2017; YTM of 7.5%
 - \$65 million in June 2017; YTM of 6.75%
 - \$40 million in January 2018, YTM of 6.5%
 - Senior notes: 3 year notes, 6.5% coupon, \$50 million
- Sponsored two securitizations in 2017 and one in Q1 2018
 - \$198.8 million of bonds issued, collateralized by \$243.8 million of originated transitional loans
 - \$139.4 million of bonds issued, collateralized by \$154.9 million of acquired SBC owner-occupied loans
 - \$148.5 million of bonds issued, collateralized by \$165.0 million of originated fixed-rate SBC loans
- Paid down recourse debt of approximately \$300 million

FINANCING AND LEVERAGE

	3/31/2018
	(in millions)
Total debt-to-equity ratio	
Secured borrowings (warehouse credit facilities and borrowings under repo transactions)	\$ 657.2
Promissory note	5.9
Securitized debt obligations	679.9
Senior secured note	178.7
Convertible note	109.2
Total Debt	\$ 1,630.9
Total Stockholders' Equity	\$ 561.8
Total debt-to-equity ratio	2.90
Total recourse debt-to-equity ratio	
Total Debt	\$ 1,630.9
Less: Securitized debt obligations	(679.9)
Total recourse debt	\$ 951.0
Total Stockholders' Equity	\$ 561.8
Total recourse debt-to-equity ratio	1.69

HISTORICAL LEVERAGE



LOAN WAREHOUSE FACILITIES

Bank	Maturity	Rate	Facility Size ⁽¹⁾	Available Capacity ⁽¹⁾	Description
Borrowings under credit facilities					
JPMorgan	June '18	3M L + 3.25 to 3.50%	\$ 250	\$ 179	Borrowings are used to finance SBC and SBA loan acquisitions, and SBA loan originations.
Keybank	Feb '19	1M L + 1.75%	125	76	Borrowings are used to finance Freddie Mac SBC loan originations.
GMFS Credit Facilities	< 1 year	1M L + 2.13 to 2.50%	230	139	Borrowings are used to finance Residential Agency loan originations.
Total borrowings under credit facilities			\$ 605	\$ 394	
Borrowings under repurchase agreements					
Deutsche Bank	Feb '20	3M L + 2.30 to 2.80%	\$ 275	\$ 137	Borrowings are used to finance SBC loan originations and Transitional loan originations.
JPMorgan	Dec '20	3M L + 2.50 to 4.50%	200	152	Borrowings are used to finance SBC loan originations, Transitional loan originations, and SBC loan acquisitions.
Citibank	June '18	3M L + 2.50%	200	19	Borrowings are used to finance SBC loan originations and SBC loan acquisitions.
Total borrowings under repurchase agreements			\$ 675	\$ 308	
Total secured borrowings			\$ 1,280	\$ 702	
Senior Secured Notes	Feb '22	7.5%	\$ 180	N/A	Long term financing used primarily to finance newly originated and acquired SBC and SBA loans
Convertible Notes	Aug '23	7.0%	115	N/A	Long term financing used primarily to finance newly originated and acquired SBC and SBA loans
Total			\$ 1,575	\$ 702	

SUTHERLAND SNAPSHOT

(\$ AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

INVESTMENT TYPE	AVG. CARRYING VALUE ⁽¹⁾	GROSS YIELD ⁽²⁾	AVG. DEBT BALANCE	DEBT COST ⁽³⁾	LEVERED YIELD
Loan Acquisitions	\$463,492	12.5%	\$401,383	5.8%	56.1%
SBC origination portfolio	\$1,166,280	7.4%	\$985,011	5.1%	20.1%
SBA Originations, Acquisitions & Servicing	\$470,318	10.6%	\$354,118	4.1%	30.4%
Total	\$2,100,090	9.2%	\$1,740,512	5.0%	29.6%

Book Equity Value Metrics

Common Stockholders' equity	\$542,019
Common Stockholders' equity (adjusted) ⁽⁵⁾	\$539,961
Total Common Shares outstanding	31,996,440
Net Book value per Common Share	\$16.94
Adjusted Net Book value per Common Share	\$16.88

(5) Excludes the equity component of our 2017 convertible note issuance

Q1 2018 Earnings Data Metrics

Net income attributable to Sutherland Asset Management Corporation	\$17,854
Earnings per share – Basic and diluted	\$0.56
Core Earnings per Common Share	\$0.47
Return on Equity per Common Share	13.1%
Core Return on Equity per Common Share	11.0%
Dividend yield	9.8%

Loan Portfolio Metrics ⁽⁴⁾

% Fixed vs Floating Rate	45.8% / 54.2%
% Originated vs Acquired	56.8% / 43.2%
Weighted Average LTV- SBC	61%
Weighted Average LTV- SBA	78%
Weighted Average LTV- Acquired	50%

Servicing Portfolio Metrics

SBA servicing rights - UPB	\$437,177
SBA servicing rights - carrying value	\$16,318
Freddie Mac servicing rights - UPB	\$676,928
Freddie Mac servicing rights - carrying value	\$6,704
Residential servicing rights - UPB	\$6,817,646
Residential servicing rights - carrying value	\$81,591



(1) Average carrying value includes average quarterly carrying value of loan and servicing asset balances

(2) Gross yields include interest income, accretion of discount, MSR creation, income from our unconsolidated joint venture, realized gains (losses) on loans held for sale, 16 unrealized gains (losses) on loans held for sale and servicing income net of interest expense and amortization of deferred financing costs on an annualized basis.

(3) Sutherland finances the assets included in the Investment Type through securitizations, repurchase agreements, warehouse facilities and bank credit facilities. Interest expense is calculated based on interest expense and deferred financing amortization for the quarter ended 3/31/2018 on an annualized basis.

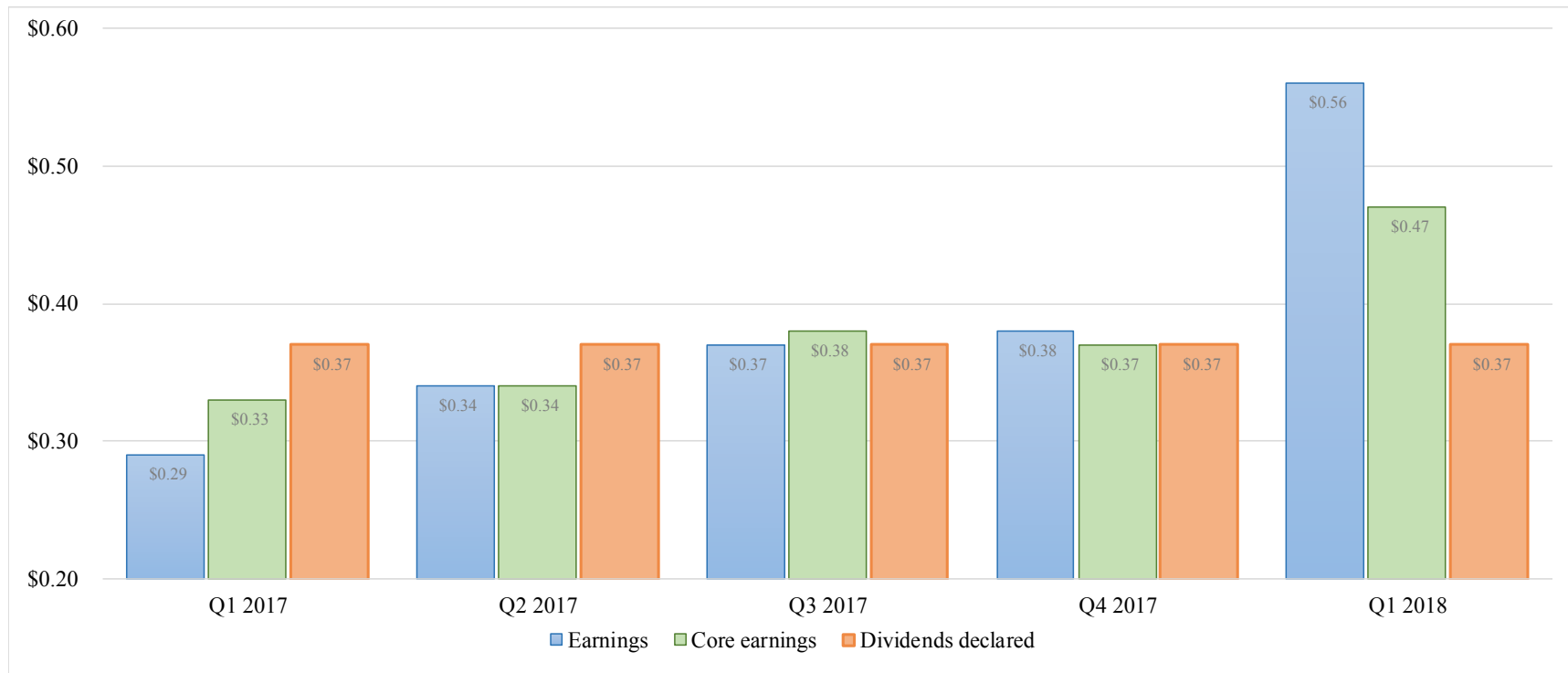
(4) Excludes loans, held for sale, at fair value

APPENDIX



PER SHARE FINANCIAL PERFORMANCE

Per Share Trends



- Q1'18 earnings per share up \$0.18, or 47%, compared to the previous quarter
- Adjusted net book value of \$16.88 per common share as of March 31, 2018

BALANCE SHEET BY QUARTER

(In Thousands)	3/31/2017 ⁽¹⁾	6/30/2017 ⁽¹⁾	9/30/2017	12/31/2017	3/31/2018
Assets					
Cash and cash equivalents	\$ 40,000	\$ 63,931	\$ 70,590	\$ 63,425	\$ 86,773
Restricted cash	19,772	17,563	16,057	11,666	13,964
Short-term investments	239,856	—	99,994	—	—
Loans, net	1,033,797	1,175,370	892,896	1,017,920	1,057,034
Loans, held for sale, at fair value	152,231	206,706	200,318	216,022	160,999
Mortgage backed securities, at fair value	31,365	43,877	41,371	39,922	47,181
Loans eligible for repurchase from Ginnie Mae	117,229	105,244	101,408	95,158	81,484
Investment in unconsolidated joint venture	—	—	—	55,369	50,229
Derivative instruments	4,351	4,187	4,131	4,725	5,022
Servicing rights	84,997	86,751	89,372	94,038	104,613
Receivable from third parties	111,221	106,562	6,756	6,756	11,064
Other assets	60,938	39,452	35,356	56,840	53,592
Assets of consolidated VIEs	631,765	597,277	944,894	861,662	968,999
Total Assets	\$ 2,527,522	\$ 2,446,920	\$ 2,503,143	\$ 2,523,503	\$ 2,640,954
Liabilities					
Secured borrowings	899,274	837,131	522,767	631,286	657,233
Promissory note, net	7,046	6,773	6,494	6,107	5,883
Securitized debt obligations of consolidated VIEs, net	434,055	397,911	680,282	598,148	679,871
Convertible note, net	—	—	109,414	108,991	109,226
Senior secured note, net	73,390	138,311	138,074	138,078	178,688
Guaranteed loan financing	361,916	332,812	313,388	293,045	278,500
Contingent consideration	8,841	8,939	9,037	10,016	10,732
Liabilities for loans eligible for repurchase from Ginnie Mae	117,229	105,244	101,408	95,158	81,484
Derivative instruments	619	931	358	282	756
Dividends payable	12,162	12,289	12,289	12,289	12,335
Accounts payable and other accrued liabilities	63,130	53,768	54,579	74,636	64,490
Total Liabilities	\$ 1,977,662	\$ 1,894,109	\$ 1,948,090	\$ 1,968,036	\$ 2,079,198
Stockholders' Equity					
Common stock	3	4	3	3	3
Additional paid-in capital	513,658	537,443	539,664	539,455	539,457
Retained earnings (Deficit)	(2,648)	(4,030)	(3,952)	(3,385)	2,559
Total Sutherland Asset Management Corporation equity	511,013	533,417	535,715	536,073	542,019
Non-controlling interests	38,847	19,394	19,338	19,394	19,737
Total Stockholders' Equity	\$ 549,860	\$ 552,811	\$ 555,053	\$ 555,467	\$ 561,756
Total Liabilities and Stockholders' Equity	\$ 2,527,522	\$ 2,446,920	\$ 2,503,143	\$ 2,523,503	\$ 2,640,954
Adjusted Book Value per Share ⁽²⁾	\$ 16.73	\$ 16.67	\$ 16.68	\$ 16.69	\$ 16.88

STATEMENT OF INCOME BY QUARTER

(In Thousands, except share data)	Q1 2017 ⁽¹⁾		Q2 2017 ⁽¹⁾		Q3 2017		Q4 2017		Q1 2018	
Interest income	\$	33,884	\$	33,248	\$	35,038	\$	36,135	\$	37,150
Interest expense		(16,441)		(17,230)		(19,908)		(21,067)		(22,666)
Net interest income before provision for loan losses	\$	17,443	\$	16,018	\$	15,130	\$	15,068	\$	14,484
Provision for loan losses		(1,232)		(159)		(466)		(506)		(167)
Net interest income after provision for loan losses	\$	16,211	\$	15,859	\$	14,664	\$	14,562	\$	14,317
Non-interest income										
Gains on residential mortgage banking activities, net of variable loan expenses	\$	10,510	\$	10,985	\$	10,735	\$	9,470	\$	11,734
Other income		839		1,588		1,853		3,130		1,334
Income on unconsolidated joint venture		—		—		—		1,048		5,739
Servicing income, net of amortization and impairment		4,442		5,631		6,134		6,787		6,410
Total non-interest income	\$	15,791	\$	18,204	\$	18,722	\$	20,435	\$	25,217
Non-interest expense										
Employee compensation and benefits		(13,464)		(13,451)		(13,715)		(14,409)		(15,320)
Allocated employee compensation and benefits from related party		(1,012)		(1,008)		(990)		(833)		(1,200)
Professional fees		(2,159)		(2,023)		(2,151)		(2,588)		(2,648)
Management fees – related party		(1,977)		(2,007)		(2,034)		(2,041)		(2,013)
Incentive fees – related party		—		—		—		—		(408)
Loan servicing expense		(1,513)		(2,611)		(3,388)		(2,811)		(4,093)
Other operating expenses		(5,534)		(6,206)		(7,447)		(7,752)		(8,011)
Total non-interest expense	\$	(25,659)	\$	(27,306)	\$	(29,725)	\$	(30,434)	\$	(33,693)
Net realized gain on financial instruments		2,966		4,491		5,695		6,177		12,232
Net unrealized gain on financial instruments		1,282		974		2,678		2,066		3,008
Income before provision for income taxes (benefit)	\$	10,591	\$	12,222	\$	12,034	\$	12,806	\$	21,081
Provision for income taxes		(1,034)		(1,069)		340		(76)		(2,563)
Net income	\$	9,557	\$	11,153	\$	12,374	\$	12,730	\$	18,518
Less: Net income attributable to non-controlling interest		701		657		533		633		664
Net income attributable to Sutherland Asset Management Corporation	\$	8,856	\$	10,496	\$	11,841	\$	12,097	\$	17,854
Earnings per common share - basic										
Earnings per common share - diluted	\$	0.29	\$	0.34	\$	0.37	\$	0.38	\$	0.56
Weighted-average shares outstanding - Basic		30,549,806		30,768,900		32,026,494		32,031,494		32,036,504
Weighted-average shares outstanding - Diluted		30,549,806		30,769,332		32,028,980		32,034,610		32,045,844
Dividends declared per share of common stock	\$	0.37	\$	0.37	\$	0.37	\$	0.37	\$	0.37

CORE EARNINGS RECONCILIATION

(In Thousands)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Net Income	\$ 9,557	\$ 11,153	\$ 12,374	\$ 12,730	\$ 18,518
Reconciling items:					
Unrealized (gain) loss on mortgage-backed securities	\$ 45	\$ (1,162)	\$ (194)	\$ 24	\$ 79
Unrealized (gain) loss on mortgage servicing rights	1,120	1,671	1,728	47	(4,155)
Merger transaction costs	70	—	—	—	—
Restricted stock unit grant to independent directors	290	—	—	—	—
Total reconciling items	\$ 1,525	\$ 509	\$ 1,534	\$ 71	\$ (4,076)
Core earnings before income taxes	\$ 11,082	\$ 11,662	\$ 13,908	\$ 12,801	\$ 14,442
Income tax adjustments	(222)	(501)	(1,037)	(359)	1,047
Core earnings	\$ 10,860	\$ 11,161	\$ 12,871	\$ 12,442	\$ 15,489
Less: Core earnings attributable to non-controlling interests	\$ 797	\$ 657	\$ 554	\$ 619	\$ 555
Core earnings attributable to Common Stockholders	\$ 10,063	\$ 10,503	\$ 12,317	\$ 11,824	\$ 14,934
Core earnings per share	\$ 0.33	\$ 0.34	\$ 0.38	\$ 0.37	\$ 0.47
Weighted average common shares outstanding	30,549,806	30,768,900	32,026,494	32,031,494	32,036,504