

Resource Capital Corp. Reports Results for Three Months Ended March 31, 2017

NEW YORK, NY -- (Marketwired) -- 05/09/17 -- Resource Capital Corp. (NYSE: RSO)

Significant Items and Highlights

- GAAP net income allocable to common shares of \$0.09 per share-diluted and core earnings, a non-GAAP measure, of \$(0.11) per share-diluted (see Schedule I).
- Common stock cash dividend of \$0.05 per share.
- Book value of \$14.16 per common share at March 31, 2017, as compared to \$14.17 per common share at December 31, 2016.
- GAAP net income for the three months ended March 31, 2017 includes a realized gain of \$7.0 million related to a \$21.3 million monetization of one legacy commercial real estate ("CRE") loan previously classified as held for sale. Legacy CRE loans are loans originated prior to 2010.
- Through March 31, 2017, Resource Capital Corp. ("RSO") has monetized \$100.3 million of the investments that were included in management's previously communicated strategic plan (the "Plan"), which includes \$55.6 million during the three months ended March 31, 2017.

Resource Capital Corp. (NYSE: RSO) reported results for the three months ended March 31, 2017.

First Quarter 2017 Results

- GAAP net income allocable to common shares for the three months ended March 31, 2017 was \$2.7 million, or \$0.09 per share-diluted, as compared to \$9.7 million, or \$0.31 per share-diluted, for the three months ended March 31, 2016.
- Core earnings for the three months ended March 31, 2017 of \$(3.3) million, or \$(0.11) per share-diluted. A reconciliation of GAAP net income (loss) to core earnings is set forth in Schedule I of this release.

Additional Items

- RSO declared and paid a common stock cash dividend of \$0.05 per share for the first quarter of 2017.

Commercial Real Estate

- Substantially all of the \$1.3 billion CRE loan portfolio comprises floating rate senior whole loans at March 31, 2017.
- The CRE whole loan portfolio had a weighted average spread of 4.91% and a weighted average London Interbank Offered Rate ("LIBOR") floor of 0.33% at March 31, 2017.

The following table summarizes RSO's CRE loan activities and fundings of previous commitments, at par, for the three and 12 months ended March 31, 2017 (in millions, except percentages):

	<i>Three Months Ended</i> <i>March 31, 2017</i>	<i>12 Months Ended</i> <i>March 31, 2017</i>
New whole loans funded	\$ 114.0	\$ 248.1
New unfunded loan commitments	14.9	28.4
Total whole loan fundings and commitments	128.9	276.5
Payoffs ⁽¹⁾	(110.7	) (441.9
Previous commitments funded	6.3	56.3
Principal paydowns	--	(1.0
Unfunded loan commitments	(14.9	) (28.4

Loans, net funded/(repaid)(2)	\$ 9.6		\$ (138.5)
Weighted average LIBOR floor on new originations	0.61	%	0.53	%
Weighted average spread above one-month LIBOR	4.59	%	4.91	%
Weighted average unlevered yield, including amortization of origination fees	5.80	%	6.10	%

(1) **CRE loan payoffs and extensions resulted in \$573,000 of exit and extension fees during the three months ended March 31, 2017.**

(2) Activity does not include legacy CRE loans classified as assets held for sale.

Commercial Finance

- Proceeds of \$13.6 million related to the partial liquidation of Pelium Capital Partners.
- Proceeds of \$9.4 million from the sale of RSO's investment in ZAIS CLO 4, Limited.
- Proceeds of \$4.1 million from the redemption of one investment security held in RSO's trading portfolio, substantially completing the liquidation of RSO's investments in trading securities.
- Proceeds of \$2.3 million from the liquidation of assets in Apidos Cinco CDO, Ltd.

Discontinued Operations

- Pursuant to the Plan, the assets and liabilities of RSO's residential mortgage lending business, Primary Capital Mortgage, LLC ("PCM"), and RSO's middle market syndicated loan portfolio were reclassified to held for sale during the fourth quarter of 2016 and are reported as discontinued operations at March 31, 2017 in the consolidated statements of operations.
- PCM recognized a net loss of approximately \$1.4 million for the three months ended March 31, 2017.
- In January 2017, RSO received \$4.9 million of proceeds from the sale of a middle market syndicated loan. At March 31, 2017, the remaining six middle market syndicated loans, with an aggregate carrying value of \$38.5 million, were current with respect to contractual payments due. At March 31, 2017, the one remaining directly originated middle market loan, with a carrying value of \$1.9 million, was in default.
- The middle market portfolio generated net income of \$878,000 for the three months ended March 31, 2017.

Assets Held for Sale

- Proceeds of \$21.3 million as a result of a discounted payoff of a legacy CRE loan. The loan, with a par value of \$32.5 million, was held on the balance sheet at its appraised value of \$14.3 million, resulting in a realized gain of \$7.0 million.

Liquidity

At April 30, 2017, RSO's liquidity consisted of two primary sources:

- unrestricted cash and cash equivalents of \$157.3 million; and
- \$121.7 million and \$85.7 million available under two term financing facilities to finance originations of CRE loans and \$79.1 million available under a term financing facility to finance purchases of commercial mortgage-backed securities ("CMBS").

Common Stock Book Value and Total Stockholders' Equity

At March 31, 2017, RSO's book value per common share was \$14.16, a decrease from \$14.17 per common share at December 31, 2016. The decrease in book value over the three month period was attributable to the following: dividends paid of \$0.05 per common share (decrease); \$0.05 per common share of expense

attributable to the vesting of restricted stock (decrease); and net income of \$0.09 per common share (increase).

Total stockholders' equity at March 31, 2017, which measures equity before accounting for non-controlling interests, was \$706.4 million, of which \$270.1 million was attributable to preferred stock. Total stockholders' equity at December 31, 2016 was \$704.3 million, of which \$270.1 million was attributable to preferred stock.

Investment Portfolio

The following table summarizes the amortized cost and net carrying amount of RSO's investment portfolio at March 31, 2017, classified by asset type (in thousands, except percentages):

	<i>Amortized Cost</i>	<i>Net Carrying Amount</i>	<i>Percent of Portfolio</i>	<i>Weighted Average Coupon</i>
<i>Loans Held for Investment:</i>				
CRE whole loans(1)	\$ 1,299,843	\$ 1,295,154	73.08%	5.77%
<i>Loans Held for Sale:</i>				
Syndicated corporate loans(2)	2	2	--%	4.89%
<i>Investment Securities Available-for-Sale:</i>				
CMBS	91,990	91,590	5.17%	5.35%
RMBS	1,436	1,496	0.08%	5.44%
ABS	21,374	25,445	1.44%	N/A(4)
	114,800	118,531	6.69%	
<i>Investment Securities, Trading:</i>				
Structured notes	1,758	221	0.01%	N/A(4)
<i>Other Investments:</i>				
Investments in unconsolidated entities	74,271	74,271	4.19%	N/A(4)
Direct financing leases(3)	953	349	0.02%	5.66%
	75,224	74,620	4.21%	
<i>Other Assets Held for Sale:</i>				
Residential mortgage loans	99,475	99,475	5.61%	4.09%
Middle market loans	52,382	40,441	2.28%	6.40%
Legacy CRE loans	143,922	143,907	8.12%	2.58%
	\$ 295,779	\$ 283,823	16.01%	
<i>Total Investment Portfolio</i>	<i>\$ 1,787,406</i>	<i>\$ 1,772,351</i>	<i>100.00%</i>	

(1) Net carrying amount includes an allowance for loan losses of \$4.7 million at March 31, 2017.

(2) The fair value option was elected for syndicated corporate loans held for sale.

(3) Net carrying amount includes allowance for lease losses of \$604,000 at March 31, 2017.

(4) There are no stated rates associated with these investments.

Supplemental Information

The following schedules of reconciliations and supplemental information at March 31, 2017 are included at the

end of this release:

- Schedule I - Reconciliation of GAAP Net Income (Loss) to Core Earnings;
- Schedule II - Summary of Securitization Performance Statistics;
- Schedule III - Strategic Plan Update; and
- Supplemental Information.

About Resource Capital Corp.

RSO is a real estate investment trust that is primarily focused on originating, holding and managing commercial mortgage loans and other commercial real estate-related debt investments. RSO has historically made other commercial finance investments.

RSO is externally managed by Resource Capital Manager, Inc., an indirect wholly-owned subsidiary of Resource America, Inc. In September 2016, Resource America was acquired by C-III Capital Partners LLC, a leading commercial real estate investment management and services company engaged in a broad range of activities.

For more information, please visit RSO's website at www.resourcecapitalcorp.com or contact investor relations at pkamdar@resourcecapitalcorp.com.

Safe Harbor Statement

Statements made in this release may include forward-looking statements, which involve substantial risks and uncertainties. RSO's actual results, performance or achievements could differ materially from those expressed or implied in this release. The risks and uncertainties associated with forward-looking statements contained in this release include those related to:

- fluctuations in interest rates and related hedging activities;
- the availability of debt and equity capital to acquire and finance investments;
- defaults or bankruptcies by borrowers on RSO's loans or on loans underlying its investments;
- adverse market trends that have affected and may continue to affect the value of real estate and other assets underlying RSO's investments;
- increases in financing or administrative costs; and
- general business and economic conditions that have impaired and may continue to impair the credit quality of borrowers and RSO's ability to originate loans.

For further information concerning these and other risks pertaining to the forward-looking statements contained in this release, and to the general risks to which RSO is subject, see Item 1A, "Risk Factors" included in its Annual Report on Form 10-K and the risks expressed in other of its public filings with the Securities and Exchange Commission.

RSO cautions you not to place undue reliance on any forward-looking statements contained in this release, which speak only as of the date of this release. All subsequent written and oral forward-looking statements attributable to RSO or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this release. Except to the extent required by applicable law or regulation, RSO

undertakes no obligation to update these forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events.

Furthermore, certain non-GAAP financial measures are discussed in this release. RSO's presentation of this information is not intended to be considered in isolation of or as a substitute for the financial information presented in accordance with GAAP. Reconciliations of these non-GAAP financial measures to the most comparable measures prepared in accordance with GAAP are set forth in Schedule I of this release and can be accessed through RSO's filings with the SEC at www.sec.gov.

The remainder of this release contains RSO's unaudited consolidated balance sheets, unaudited consolidated statements of operations, a reconciliation of GAAP net income (loss) to core earnings, a summary of securitization performance statistics, RSO's strategic plan update and supplemental information regarding RSO's CRE loan portfolio and loans held for sale.

RESOURCE CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)

	<i>March 31, 2017</i>	<i>December 31, 2016</i>
	<i>(unaudited)</i>	
ASSETS (1)		
Cash and cash equivalents	\$ 157,760	\$ 116,026
Restricted cash	4,871	3,399
Interest receivable	6,139	6,404
CRE loans, pledged as collateral and net of allowances of \$4.7 million and \$3.8 million	1,295,154	1,286,278
Loans held for sale	2	1,007
Principal paydowns receivable	13,900	19,280
Investment securities, trading	221	4,492
Investment securities available-for-sale, including securities pledged as collateral of \$91.1 million and \$97.5 million	118,531	124,968
Investments in unconsolidated entities	74,271	87,919
Derivatives, at fair value	136	647
Direct financing leases, net of allowances of \$0.6 million and \$0.5 million	349	527
Intangible assets	--	213
Other assets	3,469	14,673
Deferred tax asset, net	3,899	4,255
Assets held for sale (amount includes \$143.9 million and \$158.2 million of legacy CRE loans held for sale in continuing operations)	317,118	383,455
Total assets	\$ 1,995,820	\$ 2,053,543
LIABILITIES (2)		
Accounts payable and other liabilities	\$ 2,417	\$ 4,480
Management fee payable - related party	1,418	1,318
Accrued interest expense	4,629	4,979
Borrowings	1,177,195	1,191,456
Distributions payable	5,577	5,560
Derivatives, at fair value	--	97
Liabilities held for sale	99,539	142,563
Total liabilities	1,290,775	1,350,453
EQUITY		

Preferred stock, par value \$0.001: 10,000,000 shares authorized 8.50% Series A cumulative redeemable preferred shares, liquidation preference \$25.00 per share; 1,069,016 and 1,069,016 shares issued and outstanding	1	1
Preferred stock, par value \$0.001: 10,000,000 shares authorized 8.25% Series B cumulative redeemable preferred shares, liquidation preference \$25.00 per share; 5,544,579 and 5,544,579 shares issued and outstanding	6	6
Preferred stock, par value \$0.001: 10,000,000 shares authorized 8.625% Series C cumulative redeemable preferred shares, liquidation preference \$25.00 per share; 4,800,000 and 4,800,000 shares issued and outstanding	5	5
Common stock, par value \$0.001: 125,000,000 shares authorized; 31,393,013 and 31,050,020 shares issued and outstanding (including 592,422 and 400,050 unvested restricted shares)	31	31
Additional paid-in capital	1,219,125	1,218,352
Accumulated other comprehensive income (loss)	3,232	3,081
Distributions in excess of earnings	(516,045)	(517,177)
Total Resource Capital Corp. stockholders' equity	706,355	704,299
Non-controlling interests	(1,310)	(1,209)
Total equity	705,045	703,090
TOTAL LIABILITIES AND EQUITY	\$ 1,995,820	\$ 2,053,543

RESOURCE CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS - (Continued)

(in thousands, except share and per share data)

	<i>March 31, 2017</i>	<i>December 31, 2016</i>
	(unaudited)	
<i>(1) Assets of consolidated variable interest entities ("VIEs") included in total assets above:</i>		
Restricted cash	\$ 4,841	\$ 3,308
Interest receivable	2,700	3,153
CRE loans, pledged as collateral and net of allowances of \$0.8 million and \$0.8 million	638,930	747,726
Loans held for sale	2	1,007
Principal paydowns receivable	13,900	5,820
Investment securities available-for-sale, including securities pledged as collateral	--	369
Other assets	186	58
Total assets of consolidated VIEs	\$ 660,559	\$ 761,441
<i>(2) Liabilities of consolidated VIEs included in total liabilities above:</i>		
Accounts payable and other liabilities	\$ 71	\$ 133
Accrued interest expense	444	519
Borrowings	381,168	480,103
Total liabilities of consolidated VIEs	\$ 381,683	\$ 480,755

RESOURCE CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share data)

(unaudited)

For the Three Months Ended

March 31,

2017

2016

REVENUES

Interest income:		
CRE loans	\$ 21,533	\$ 20,981
Securities	2,308	4,798
Interest income - other	1,630	1,237
Total interest income	25,471	27,016
Interest expense	14,254	13,302
Net interest income	11,217	13,714
Dividend income	19	17
Fee income	909	572
Total revenues	12,145	14,303
<i>OPERATING EXPENSES</i>		
Management fees - related party	2,680	4,037
Equity compensation - related party	788	489
General and administrative	3,863	3,642
Depreciation and amortization	68	509
Impairment losses	177	--
Provision (recovery) for loan and lease losses	999	(70)
Total operating expenses	8,575	8,607
	3,570	5,696
<i>OTHER INCOME (EXPENSE)</i>		
Equity in earnings of unconsolidated entities	361	2,222
Net realized and unrealized gain (loss) on sales of investment securities available-for-sale and loans and derivatives	7,606	853
Net realized and unrealized gain (loss) on investment securities, trading	(911)	) 145
Fair value adjustments on financial assets held for sale	(21)) --
Other income (expense)	68	(60)
Total other income (expense)	7,103	3,160
<i>INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXES</i>	10,673	8,856
Income tax (expense) benefit	(1,499)	) (4)
<i>NET INCOME (LOSS) FROM CONTINUING OPERATIONS</i>	9,174	8,852
<i>NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX</i>	(561)	) 5,168
<i>NET INCOME (LOSS)</i>	8,613	14,020
Net (income) loss allocated to preferred shares	(6,014)	) (6,048)
Carrying value in excess of consideration paid for preferred shares	--	1,611
Net (income) loss allocable to non-controlling interests, net of taxes	101	90
<i>NET INCOME (LOSS) ALLOCABLE TO COMMON SHARES</i>	\$ 2,700	\$ 9,673
<i>NET INCOME (LOSS) PER COMMON SHARE - BASIC</i>		
CONTINUING OPERATIONS	\$ 0.11	\$ 0.12
DISCONTINUED OPERATIONS	\$ (0.02)	) \$ 0.20
<i>TOTAL NET INCOME (LOSS) PER COMMON SHARE - BASIC</i>	\$ 0.09	\$ 0.32
<i>NET INCOME (LOSS) PER COMMON SHARE - DILUTED</i>		
CONTINUING OPERATIONS	\$ 0.11	\$ 0.12
DISCONTINUED OPERATIONS	\$ (0.02)	) \$ 0.19
<i>TOTAL NET INCOME (LOSS) PER COMMON SHARE - DILUTED</i>	\$ 0.09	\$ 0.31
<i>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC</i>	30,752,006	30,600,407
<i>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - DILUTED</i>	30,914,148	31,038,095

SCHEDULE I

RESOURCE CAPITAL CORP. AND SUBSIDIARIES

RECONCILIATION OF GAAP NET INCOME (LOSS) TO CORE EARNINGS

(in thousands, except per share data)

(unaudited)

Beginning with the three months and year ended December 31, 2016, RSO uses Core Earnings as a non-GAAP financial measure to evaluate its operating performance. RSO previously used Adjusted Funds from Operations as a non-GAAP measure of operating performance.

Core Earnings exclude the effects of certain transactions and GAAP adjustments that RSO believes are not indicative of its current CRE loan portfolio and other CRE related investments and operations. Core Earnings exclude income (loss) from all non-core assets, such as Commercial Finance, Middle Market Lending, Residential Mortgage Lending, legacy CRE loans and other non-CRE assets designated as assets held for sale at the initial measurement date.(1)

Core Earnings is defined as GAAP net income (loss) allocable to common shareholders, excluding (i) non-cash equity compensation expense, (ii) incentive fees payable to our external manager, (iii) unrealized gains and losses, (iv) non-cash provisions for loan losses, (v) non-cash impairments on securities, (vi) non-cash amortization of discounts or premiums associated with borrowings, (vii) net income or loss from a limited partnership interest owned at the initial measurement date, (viii) net income or loss from non-core assets,(2) (ix) real estate depreciation and amortization and (x) foreign currency gains or losses. Core Earnings may also be adjusted periodically to exclude certain one-time events pursuant to changes in GAAP and certain non-cash items.

Core Earnings does not represent net income or cash generated from operating activities and should not be considered as an alternative to GAAP net income or as a measure of liquidity under GAAP. RSO's methodology for calculating Core Earnings may differ from methodologies used by other companies to calculate similar supplemental performance measures, and, accordingly, its reported Core Earnings may not be comparable to similar performance measures used by other companies.

The following table provides a reconciliation from GAAP net income allocable to common shares to Core Earnings for the periods presented (in thousands, except per share data):

	<i>For the Three Months Ended</i>	
	<i>March 31,</i>	
	<i>2017</i>	<i>2016</i>
<i>Net income (loss) allocable to common shares - GAAP</i>	\$ 2,700	\$ 9,673
<i>Adjustment for realized (gain) loss on CRE assets</i>	--	3
<i>Net income (loss) allocable to common shares - GAAP, adjusted</i>	2,700	9,676
<i>Reconciling items from continuing operations:</i>		
Non-cash equity compensation expense	788	489
Non-cash provision for CRE loan losses	860	68
Non-cash amortization of discounts or premiums associated with borrowings	414	418
Income tax expense from non-core investment	1,499	--

Net income (loss) from limited partnership interest owned at the initial measurement date(1)	(358	)	(273)
Net (income) loss from non-core assets(2)	(1,429	)	(5,405)
<i>Reconciling items from discontinued operations and CRE assets:</i>				
Net interest income on legacy CRE loans held for sale	(1,324)	--)
Realized gain on liquidation of CRE loan	(6,954)	--)
Net (income) loss from other non-CRE investments held for sale	(25)	--)
(Income) loss from discontinued operations, net of taxes	561		(5,168)
Core Earnings before realized (gain) loss on CRE assets	(3,268	)	(195)
Adjustment for realized gain (loss) on CRE assets	--		(3)
Core Earnings allocable to common shares	\$ (3,268	)	\$ (198)
Weighted average common shares - diluted	30,914		31,038	
Core Earnings per common share - diluted	\$ (0.11	)	\$ (0.01)

(1) **Initial measurement date is December 31, 2016.**

- (2) Non-core assets are investments and securities owned by RSO at the initial measurement date in (i) Commercial Finance, (ii) Middle Market Lending, (iii) Residential Mortgage Lending, (iv) legacy CRE loans designated as held for sale and (v) other non-CRE assets included in assets held for sale.

We have five operating segments: Commercial Real Estate Debt Investments; Commercial Finance; Middle Market Lending; Residential Mortgage Lending; and Corporate & Other. The Commercial Real Estate Debt Investments operating segment includes our activities and operations related to commercial real estate loans and commercial real estate-related securities. The Commercial Finance operating segment includes our activities and operations related to syndicated corporate loans, syndicated corporate loan-related securities and direct financing leases. The Middle Market Lending operating segment includes our activities and operations related to the origination and purchase of middle market corporate loans. The Residential Mortgage Lending operating segment includes our activities and operations related to originating and servicing residential mortgage loans and investments in residential mortgage-backed securities. The Corporate & Other segment includes corporate level interest income, interest expense, inter-segment eliminations not allocable to any particular operating segment and general and administrative expense.

As part of our plan to exit non-CRE businesses, the entire Middle Market Lending and substantially all of the Residential Mortgage Lending segments are reported as discontinued operations. The following table presents a reconciliation of GAAP net income (loss) to Core Earnings for the three months ended March 31, 2017 presented by operating segment (in thousands, except per share data):

	<i>Commercial Real Estate Debt Investments</i>	<i>Corporate & Other</i>	<i>Core Subtotal</i>	<i>Commercial Finance</i>	<i>Middle Market Lending</i>	<i>Residential Mortgage Lending</i>	<i>Total</i>
Net income (loss) allocable to common shares - GAAP	\$ 19,968	\$ (16,123)	\$ 3,845	\$ (463)	\$ 878	\$ (1,560)	\$ 2,700

Reconciling items from continuing operations:

Non-cash equity compensation expense	--	788	788	--	--	--	788
Non-cash provision for CRE loan losses	860	--	860	--	--	--	860
Non-cash amortization of discounts or premiums associated with borrowings	--	414	414	--	--	--	414
Income tax expense from non-core investment	--	--	--	1,499	--	--	1,499
Net income (loss) from limited partnership interest owned at the initial measurement date ⁽¹⁾	(358)	)	--	(358)	)	--	(358)
Net (income) loss from non-core assets ⁽²⁾	--	--	--	(1,427)	)	--	(2)
Reclassification of allocated expenses to non-CRE activities	--	(514)	)	(514)	)	391	--
						123	--

Reconciling items from discontinued operations and CRE assets:

Net interest income on legacy CRE loans held for sale	(1,324)	)	--	(1,324)	)	--	--	(1,324)
Realized gain on liquidation of CRE loan	(6,954)	)	--	(6,954)	)	--	--	(6,954)
Net (income) loss from other non-CRE investments held for sale	--	(25)	)	(25)	)	--	--	(25)
(Income) loss from discontinued operations, net of taxes	--	--	--	--	--	(878)	)	1,439
Core Earnings allocable to common shares	\$ 12,192		\$ (15,460)	)	\$ (3,268))	\$ --	\$ --
Weighted average common shares - diluted	30,914		30,914		30,914		30,914	30,914
Core Earnings per common share - diluted	\$ 0.39		\$ (0.50)	)	\$ (0.11))	\$ --	\$ --
								\$ (0.11)

(1) Initial measurement date is December 31, 2016.

(2) Non-core assets are investments and securities owned by RSO at the initial measurement date in (i) Commercial Finance, (ii) Middle Market Lending, (iii) Residential Mortgage Lending, (iv) legacy CRE loans designated as held for sale and (v) other non-CRE assets included in assets held for sale.

RESOURCE CAPITAL CORP. AND SUBSIDIARIES
SUMMARY OF SECURITIZATION PERFORMANCE STATISTICS
(unaudited)

Securitizations - Distributions and Coverage Test Summaries

The following table sets forth the distributions made by and coverage test summaries for RSO's securitizations for the periods presented (in thousands):

Name	Cash Distributions		Overcollateralization Cushion	
	Three Months Ended March 31, 2017	Year Ended December 31, 2016	At March 31, 2017 (1)	At the Initial Measurement Date
Apidos Cinco CDO (8)	\$ 815	\$ 22,627	N/A	\$ 17,774
RREF CDO 2006-1 (6)	\$ --	\$ 1,394	N/A	\$ 24,941
RREF CDO 2007-1 (7)	\$ --	\$ 1,890	N/A	\$ 26,032
RCC CRE Notes 2013 (9)	\$ --	\$ 37,759	N/A	N/A
RCC 2014-CRE2 (2)	\$ 3,086	\$ 12,961	\$ 77,451	\$ 20,663
RCC 2015-CRE3 (3)	\$ 2,222	\$ 10,907	\$ 35,266	\$ 20,313
RCC 2015-CRE4 (4)	\$ 2,357	\$ 11,784	\$ 38,293	\$ 9,397
Moselle CLO S.A. (5)	\$ --	\$ 183	N/A	N/A

(1) **Overcollateralization cushion represents the amount by which the collateral held by the securitization issuer exceeds the maximum amount required.**

(2) Resource Capital Corp. 2014-CRE2 has no reinvestment period; however, principal repayments, for a period which ended in July 2016, may be designated to purchase loans held outside of the securitization that represent the funded commitments of existing collateral in the securitization that were not funded as of the date the securitization was closed. Additionally, the securitization does not contain any interest coverage test provisions.

(3) Resource Capital Corp. 2015-CRE3 closed on February 24, 2015; the first distribution was in March 2015. There is no reinvestment period; however, principal repayments, for a period ending in February 2017, may be designated to purchase loans held outside of the securitization that represent the funded commitments of existing collateral in the securitization that were not funded as of the date the securitization was closed. Additionally, the indenture does not contain any interest coverage test provisions.

(4) Resource Capital Corp. 2015-CRE4 closed on August 18, 2015; the first distribution was in September 2015. There is no reinvestment period; however, principal repayments, for a period ending in September 2017, may be designated to purchase loans held outside of the securitization that represent the funded commitments of existing collateral in the securitization that were not funded as of the date the securitization was closed. Additionally, the indenture does not contain any interest coverage test provisions.

(5) Moselle CLO S.A. was acquired on February 24, 2014, and the reinvestment period for this securitization expired prior to the acquisition. In the fourth quarter of 2014 we began to liquidate Moselle CLO S.A., and by January 2015 all of the assets were sold.

(6) RREF CDO 2006-1 was liquidated on April 25, 2016, and, as a result, all \$65.7 million of the remaining assets, at fair value at the date of liquidation, were returned to RSO in exchange for RSO's preference shares and equity notes in the securitization.

(7) RREF CDO 2007-1 was liquidated on November 25, 2016, and, as a result, all \$130.9 million of the remaining assets, at fair value at the date of liquidation, were returned to RSO in exchange for RSO's preference shares and equity notes in the securitization.

(8) Apidos Cinco was substantially liquidated on November 14, 2016. As a result of the liquidation, RSO received \$20.4 million of cash and consolidated the remaining assets.

(9) RCC CRE Notes 2013 was liquidated in December 2016, and, as a result, all \$13.5 million of the remaining assets were returned to RSO in exchange for RSO's preference share and equity notes in the securitization. RSO also received \$33.4 million in principal on its preference share and equity notes.

SCHEDULE III

(in millions) (unaudited)

In November 2016 the board of directors approved the Plan, pursuant to which RSO is focused on making CRE debt investments going forward. The Plan includes disposing of certain non-core businesses and investments and underperforming legacy CRE loans ("Identified Assets"), as well as maintaining a dividend policy based on sustainable earnings. As part of the Plan, the Identified Assets were reclassified as discontinued operations ("Discops") and/or assets held for sale ("AHFS") during the fourth quarter of 2016. The following table delineates these disposable investments by business segment and details the current net book value of the businesses and investments included in the Plan.

	<i>Identified Assets at Plan Inception</i>	<i>Impairments/ Adjustments on Non- Monetized Assets(1) (2)</i>	<i>Impairments/ Adjustments on Monetized Assets (3)</i>	<i>Monetized through March 31, 2017</i>	<i>Net Book Value at March 31, 2017</i>
<i>Discops and AHFS</i>					
Legacy CRE Loans (4)	\$ 194.7	\$ (18.2)	\$ (11.3)	\$ (21.3)	\$ 143.9
Middle Market Loans	73.8	(18.6)	0.3	(15.1)	40.4
Residential Mortgage Lending Segment (5)	56.6	(1.6)	(0.6)	(12.5)	41.9
Other AHFS	5.9	0.5	--	--	6.4
<i>Subtotal - Discops and AHFS</i>	<i>\$ 331.0</i>	<i>\$ (37.9)</i>	<i>\$ (11.6)</i>	<i>\$ (48.9)</i>	<i>\$ 232.6</i>
<i>Investments in Unconsolidated Entities</i>	<i>86.6</i>	<i>(1.5)</i>	<i>1.2</i>	<i>(13.6)</i>	<i>72.7</i>
<i>Commercial Finance Assets</i>	<i>62.5</i>	<i>(1.7)</i>	<i>2.7</i>	<i>(37.8)</i>	<i>25.7</i>
<i>Total</i>	<i>\$ 480.1</i>	<i>\$ (41.1)</i>	<i>\$ (7.7)</i>	<i>\$ (100.3)</i>	<i>\$ 331.0</i>

(1) Reflects adjustments as a result of the designation as AHFS or Discops, which occurred during the third and fourth quarters of 2016 except as noted in (2) below.

(2) The impairment adjustment to middle market loans includes \$5.4 million of fair value adjustments that occurred prior to the inception of the Plan.

(3) Reflects adjustments as a result of the designation as AHFS or Discops, which occurred during the third and fourth quarters of 2016 except as noted in (2) above.

(4) Legacy CRE Loans includes \$118.2 million par value of loans at the inception of the Plan that were not reflected on the consolidated balance sheets until RSO's investment in RREF CDO 2007-1 was liquidated on November 25, 2016.

(5) Includes \$15.0 million of cash and cash equivalents not classified as AHFS in the Residential Mortgage Lending Segment at March 31, 2017.

RESOURCE CAPITAL CORP. AND SUBSIDIARIES

SUPPLEMENTAL INFORMATION

(in thousands, except percentages)

Loan Investment Statistics

The following table presents information on RSO's allowances for loan losses and its loans held for sale portfolio for the periods indicated (based on amortized cost):

	March 31, 2017	December 31, 2016	
<i>Allowance for loan losses:</i>	(unaudited)		
Specific allowance:			
CRE loans	\$ 2,500	\$ 2,500	
Total specific allowance	2,500	2,500	
General allowance:			
CRE loans	2,189	1,329	
Total general allowance	2,189	1,329	
Total allowance for loans	\$ 4,689	\$ 3,829	
Allowance as a percentage of total loans	0.4	%	0.3
			%
<i>Loans held for sale:</i>			
Syndicated corporate loans(1)	\$ 2	\$ 1,007	
Total loans held for sale	\$ 2	\$ 1,007	

(1) The fair value option was elected for syndicated corporate loans held for sale.

RESOURCE CAPITAL CORP. AND SUBSIDIARIES

SUPPLEMENTAL INFORMATION

(unaudited)

The following table presents CRE loan portfolio statistics at March 31, 2017 (based on carrying value):

<i>Loan type:</i>		
Whole loans (1)		100.0%
Total		100.0%
<i>Collateral type:</i>		
Multifamily		48.5%
Office		19.3%
Retail		17.2%
Hotel		14.4%
Industrial		0.6%
Total		100.0%
<i>Collateral location:</i>		
Texas		30.3%
Southern California		12.3%
Northern California		9.1%
Florida		8.7%
Georgia		7.4%
Nevada		5.7%
Arizona		4.7%
Colorado		3.5%
Pennsylvania		2.7%
Washington		2.5%
Maryland		2.4%
North Carolina		1.7%
Other		9.0%

Total

100.0%

(1) Excludes legacy CRE loans classified as assets held for sale at March 31, 2017.

Contact:

David J. Bryant

Chief Financial Officer

Resource Capital Corp.

712 Fifth Avenue, 12th Floor

New York, NY 10019

212-506-3870

Source: Resource Capital Corp.

<https://www.acresreit.com/2017-05-09-Resource-Capital-Corp-Reports-Results-for-Three-Months-Ended-March-31-2017>