

TiptreeInc.

NASDAQ: TIPT

INVESTOR PRESENTATION - SECOND QUARTER 2018

August 2018

Financial information for six months ended June 30, 2018

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LIMITATIONS ON THE USE OF INFORMATION

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This document contains "forward-looking statements" which involve risks, uncertainties and contingencies, many of which are beyond Tiptree's control, which may cause actual results, performance, or achievements to differ materially from anticipated results, performance, or achievements. All statements contained herein that are not clearly historical in nature are forward-looking, and the words "anticipate," "believe," "estimate," "expect," "intend," "may," "might," "plan," "project," "should," "target," "will," or similar expressions are intended to identify forward-looking statements. Such forward-looking statements include, but are not limited to, statements about Tiptree's plans, objectives, expectations and intentions. The forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, many of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecast in the forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to those described in the section entitled "Risk Factors" in Tiptree's Annual Report on Form 10-K, and as described in the Tiptree's other filings with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as to the date of this release. The factors described therein are not necessarily all of the important factors that could cause actual results or developments to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could affect our forward-looking statements. Consequently, our actual performance could be materially different from the results described or anticipated by our forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Except as required by the federal securities laws, we undertake no obligation to update any forward-looking statements.

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Certain market data and industry data used in this presentation were obtained from reports of governmental agencies and industry publications and surveys. We believe the data from third-party sources to be reliable based upon our management's knowledge of the industry, but have not independently verified such data and as such, make no guarantees as to its accuracy, completeness or timeliness.

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NON-GAAP MEASURES

In this document, we sometimes use financial measures derived from consolidated financial data but not presented in our financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP). Certain of these data are considered "non-GAAP financial measures" under the SEC rules. These non-GAAP financial measures supplement our GAAP disclosures and should not be considered an alternative to the GAAP measure. Management's reasons for using these non-GAAP financial measures and the reconciliations to their most directly comparable GAAP financial measures are posted in the Appendix.

OVERVIEW & FINANCIAL RESULTS

Key Highlights

OVERVIEW

First Half Financials

Revenue

\$300.8 million

5.4% vs. prior year

Net income¹

\$29.9 million

vs. prior year loss of \$4.0 million

Operating EBITDA²

\$24.0 million

vs. prior year of \$26.7 million

Book Value per share²

\$10.74

8.8% vs. 6/30/17

Key highlights

Specialty Insurance:

- ☑ Specialty Insurance executing on strategic initiatives
 - Gross written premiums year-to-date were \$393.7 million, up 12.0%, driven by growth in credit and other specialty programs
 - Net written premiums were \$205.0 million, up 11.8%, driven by growth in credit and warranty products

Tiptree Capital:

- ☑ Sold our senior living operations to Invesque for consideration of 16.4m shares, which was \$0.91 accretive to our Q4'17 BVPS, or a \$46.2m pre-tax gain

Corporate:

- ☑ Eliminated dual class stock structure
- ☑ Amended our existing credit facility
 - Increased borrowing capacity to \$75m and reduced interest expense by 100bps
 - Well positioned to use recent liquidity for acquisitions and investments
- ☑ Repurchased 1,372,739 shares for \$8.86 million, or \$6.45 per share, in the first half of 2018
- ☑ Increased the quarterly dividend by 16.7% to \$0.035 per share

FINANCIAL RESULTS

(\$ in millions, except per share information)

Consolidated financial metrics

	Q2'17	Q2'18	Q2'17 YTD	Q2'18 YTD
Total Revenues	\$ 139.2	\$ 152.7	\$ 285.4	\$ 300.8
Net income (loss) before NCI	(5.3)	0.9	(4.0)	29.9
Diluted EPS	(0.15)	0.02	(0.12)	0.73
Operating EBITDA ¹	14.3	15.1	26.7	24.0
Adjusted EBITDA ¹	6.8	10.2	18.6	15.5
Book Value per share ¹			\$ 9.87	\$ 10.74

Key drivers

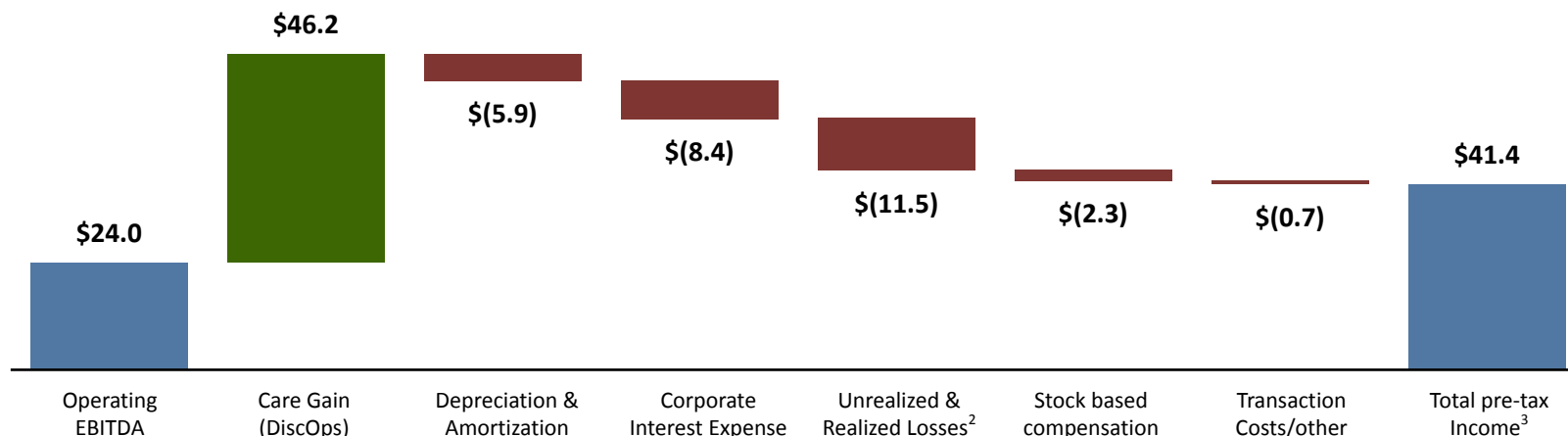
Positives:

- Accounting pre-tax gain of \$46.2 million from sale of Care
- Growth in insurance underwriting profitability
- Dividend income from investments (primarily Invesque)

Negatives:

- Year-to-date unrealized investment losses (incl. Invesque)
- Reduced earnings in asset management segment as a result of decreased investments in credit related assets

Year-to-date 2018 Operating EBITDA to Pre-tax Income Bridge



¹ See the appendix for a reconciliation of Non-GAAP metrics including Invested Capital, Total Capital, Operating EBITDA, Adjusted EBITDA and Book Value per share.

² Excludes Care Gain, and excludes Mortgage realized and unrealized gains and losses - Performing and NPLs.

³ Includes continuing and discontinued operations.

TIPTREE CAPITAL ALLOCATION

(\$ in millions, except per share information)

Business Lines	Q2'18	Operating EBITDA	
	Total Capital ¹	Q2'17 LTM	Q2'18 LTM
Specialty Insurance	\$ 448.4	\$ 50.1	\$ 57.8
- Underwriting		34.1	42.6
- Investments		16.0	15.2
		Adds-back \$160m Corporate Debt w/LTM interest expense of \$11.2m	
Tiptree Capital	\$ 163.7	\$ 40.2	\$ 21.7
- Asset mgmt fees, net (\$1.6B AUM)	1.3	4.7	2.4
- Invesque / Seniors Housing	103.0	10.0	9.1
- Other investments	59.4	25.5	10.2
Corporate²	\$ 59.2	\$ (28.0)	\$ (21.3)
- Corporate expenses		(20.9)	(15.7)
- Corporate incentive comp expense		(7.1)	(5.6)
		Adds-back \$75m Corporate Debt w/LTM interest expense of \$4.1m	
Total Tiptree	\$ 671.3	\$ 62.3	\$ 58.2
- Total shares outstanding		37.1	36.6

Key drivers

Operating EBITDA return on total capital of 8.9%, down from prior year primarily driven by:

- Insurance Operating EBITDA of \$57.8m, up 15.4% from growth across all product lines
- Continued efforts to reduce corporate expenses, down 23.9%

More than offset by:

- Reduced distributions in asset management from decreased investments in credit related assets
- Declines in mortgage origination and margins as interest rates rise
- Delayed reinvestment of ~\$60m of cash available for investments and acquisitions

SPECIALTY INSURANCE

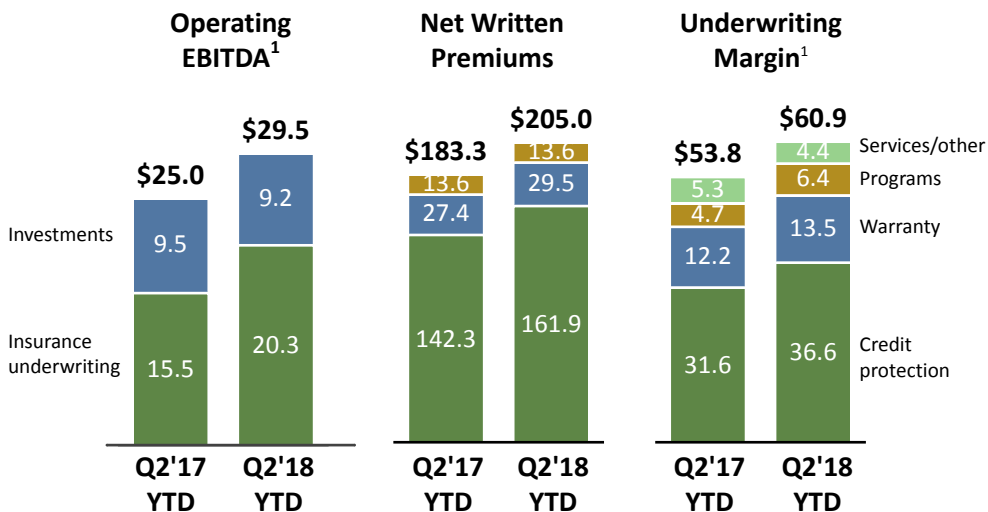
PERFORMANCE HIGHLIGHTS

(\$ in millions)

Financial metrics

	Q2'17	Q2'18	Q2'17 YTD	Q2'18 YTD
Gross Written Premiums	\$186.0	\$193.5	\$351.4	\$393.7
Pre-tax income	\$(0.7)	\$8.7	\$4.1	\$10.1
Operating EBITDA ¹	\$12.8	\$16.2	\$25.0	\$29.5
Net portfolio income ¹	\$(4.1)	\$5.2	\$(0.3)	\$4.8
Combined ratio ¹	92.4%	92.3%	93.6%	93.1%
Unearned premiums & Deferred revenue			\$495.4	\$590.1

Insurance products



Q2'18 highlights & outlook

- Continuing to expand product offerings and geographic markets with a focus on growth in written premiums

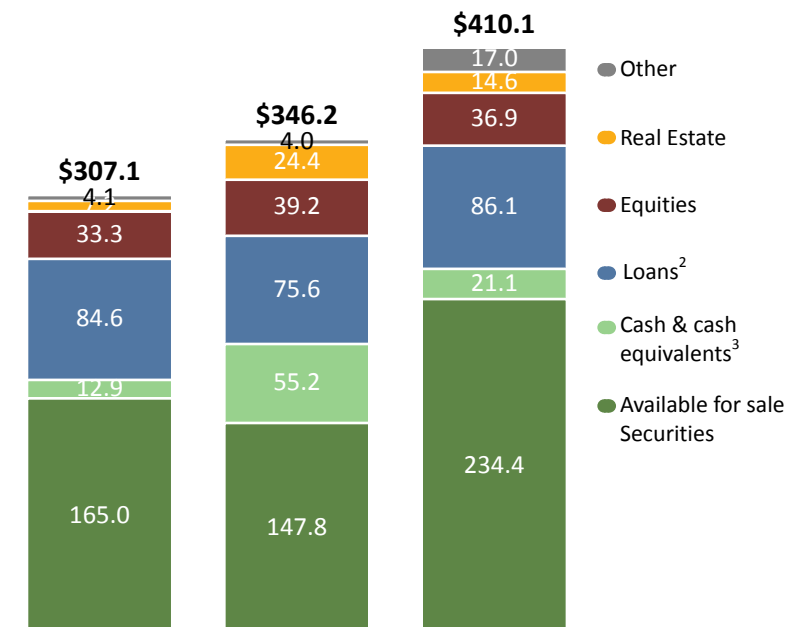
 - \$590m of unearned premiums and deferred revenue, representing 19.1% year-over-year growth
 - Net written premiums grew year-to-date by \$21.7m, or 11.8% driven by premium growth in credit and warranty products
- Produced stable underwriting results which were partially offset by investments in growth initiatives

 - Underwriting margin of \$60.9m, up \$7.1m driven by strong performance in our credit protection products
 - Other expenses increased by \$2.9m (transaction expenses & premium taxes) as we make additional investments in our warranty and specialty programs products
- Year-to-date investment income of 9.2 million partially offset by \$7.6 million of unrealized losses on equity investments and consolidated loan funds

INVESTMENT PORTFOLIO

(\$ in millions)

Net Investments¹



Investment approach

We actively manage our investment portfolio to achieve a balance of:

- Cash and liquid securities to cover near-term claims obligations
- Enhanced risk-adjusted returns through selective alternative investments with a focus on longer-term higher yielding assets

Highlights

- Net investment portfolio grew \$63.9 million, or 18.4% from Q2'17
- Floating rate investments performed well in rising interest rate environment
- Under-performing equity investments led to both a decrease in our dividend income and an unrealized loss year-to-date

	Q2'16	Q2'17	Q2'18	Year-to-date financials
	\$ 5.9	\$ (10.0)	\$ (7.6)	Unrealized gains (losses)
	3.1	5.0	5.6	Realized gains (losses)
	5.1	8.2	9.1	Net investment income
	(1.0)	(3.5)	(2.4)	Interest expense
	\$ 13.1	\$ (0.3)	\$ 4.7	Net Portfolio Income
	8.9%	(0.2)%	2.4%	Average Annualized Yield ⁴
	\$5.0	\$(10.1)	\$(3.2)	Equity realized and unrealized gains (losses)

¹ See the appendix for a reconciliation of Non-GAAP measures Net Investments and Net Portfolio Income to GAAP financials.

² Net of non-recourse asset based financing.

³ Cash and cash equivalents, plus restricted cash, net of due to/due from brokers. See appendix for reconciliation to GAAP financials.

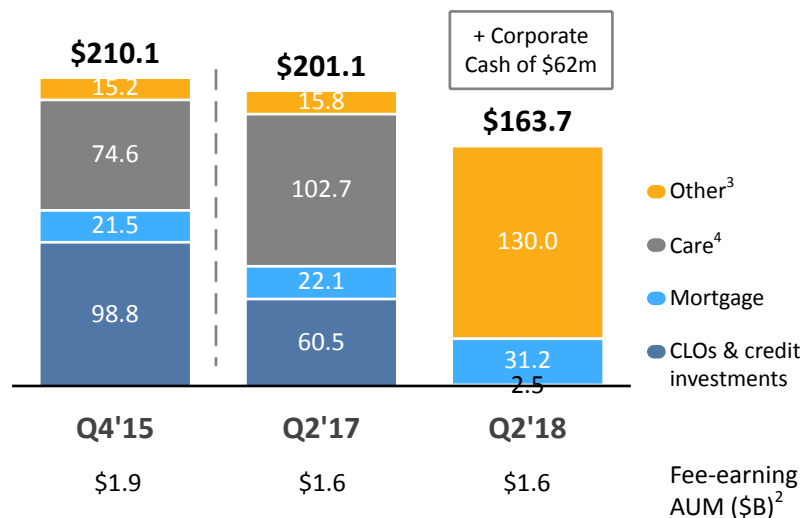
⁴ Average Annualized Yield % represents the ratio of annualized net investment income, realized and unrealized gains (losses) less investment portfolio interest expense to the average of the prior five quarters total investments less investment portfolio debt plus cash.

TIPTREE CAPITAL

PERFORMANCE HIGHLIGHTS

(\$ in millions)

Invested Capital¹



Return on Invested Capital¹

	Pre-tax income		Operating EBITDA	
	Q2'17 YTD	Q2'18 YTD	Q2'17 YTD	Q2'18 YTD
Asset mgmt fees, net	\$2.3	\$1.1	\$2.3	\$1.1
Credit investments	7.8	(0.8)	4.4	0.4
Mortgage	(1.0)	0.5	3.0	0.6
Other	1.3	(3.0)	0.7	4.2
Care/DiscOps ⁴	(3.8)	46.8	4.7	0.6
Total	\$6.6	\$44.6	\$15.1	\$6.9

Recent developments & outlook

- Completed sale of Care in Q1 to Invesque for 16.4m shares³
- Liquidity from recent sales available for growth opportunities

Q2'18 financial highlights

Asset Management: AUM remains stable at \$1.6B

- In late 2017 and Q1'18, we extended and re-priced three CLOs
- Declines in pre-tax income driven by reduced incentive fees on older vintage CLOs

Credit Investments: Distributions and investment gains decreased as we actively reduced our exposure to certain credit investments

Mortgage: Margin compression from recent interest rate increases had a negative impact on year-over-year Operating EBITDA

Other: increase in Operating EBITDA driven by five months of Invesque dividends

- Unrealized losses on shares drove pre-tax losses

¹ See the appendix for a reconciliation of Operating EBITDA and Invested Capital to GAAP financials.

² AUM is estimated and unaudited. Consists of NOPCB for CLOs, excludes Credit Opportunities Fund as it was not earning third party fees as of 6/30/2018.

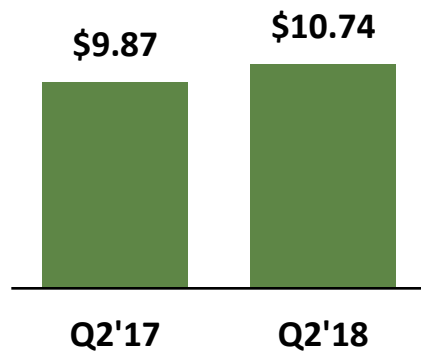
³ 16.4m of Invesque common shares, 2.9m shares held in the insurance company investment portfolio. On balance sheet at fair value less restriction discount - \$125.2 million, \$103.2 million in Tiptree Capital.

⁴ Includes discontinued operations related to Care. For more information, see "—FN 4 Dispositions, Assets Held for Sale and Discontinued Operations."

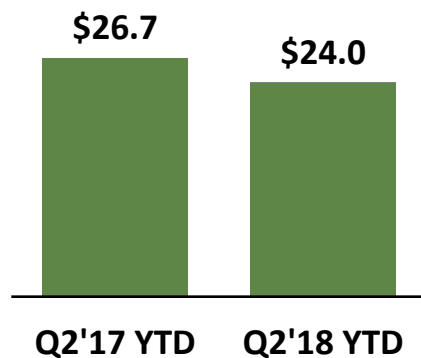
OUTLOOK

(\$ in millions)

Book value per share¹



Operating EBITDA¹



First Half Highlights

- ✓ Insurance company continues to execute on its growth initiatives
- ✓ Finalized sale of Care to Invesque
- ✓ Simplified corporate structure

Looking ahead

- Continue to focus on growth in specialty insurance operations
 - Growth in gross and net written premiums
 - Actively seeking acquisition opportunities
- Expect growth and improvements in long-term, net investment income
- Intend to use increased liquidity to improve financial performance and shareholder returns

APPENDIX

NON-GAAP RECONCILIATIONS

Operating EBITDA and Adjusted EBITDA

Management uses Operating EBITDA, Adjusted EBITDA and book value per share as measurements of operating performance which are non-GAAP measures. Management believes the use of Operating EBITDA and Adjusted EBITDA provides supplemental information useful to investors as it is frequently used by the financial community to analyze financial performance, and to analyze a company's ability to service its debt and to facilitate comparison among companies. Management uses Operating EBITDA as part of its capital allocation process and to assess comparative returns on invested capital amongst our businesses and investments. Adjusted EBITDA is also used in determining incentive compensation for the Company's executive officers. The Company defines EBITDA as GAAP net income of the Company adjusted to add consolidated interest expense, consolidated income taxes and consolidated depreciation and amortization expense as presented in its financial statements. Adjusted EBITDA represents EBITDA adjusted to (i) subtract interest expense on asset-specific debt incurred in the ordinary course of its subsidiaries' business operations, (ii) adjust for the effect of purchase accounting, (iii) adjust for certain non-cash fair value adjustments, and (iv) any significant non-recurring expenses. Operating EBITDA represents Adjusted EBITDA plus stock based compensation expense, less realized and unrealized gains and losses and less third party non-controlling interests. Operating EBITDA and Adjusted EBITDA are not measurements of financial performance or liquidity under GAAP and should not be considered as an alternative or substitute for GAAP net income.

Book value per share

Management believes the use of book value per share provides supplemental information useful to investors as it is frequently used by the financial community to analyze company growth on a relative per share basis.

Invested Capital and Total Capital

Management evaluates the return on Invested Capital and Total Capital, which are non-GAAP financial measures, when making capital investment decisions. Invested Capital represents its total equity investment, including any re-investment of earnings, and acquisition costs, net of tax. Total Capital represents Invested Capital plus Corporate Debt. Management believes the use of these financial measures provide supplemental information useful to investors as they are frequently used by the financial community to analyze how the Company has allocated capital over-time and provide a basis for determining the return on capital to shareholders. Management uses both of these measures when making capital investment decisions, including reinvesting cash, and evaluating the relative performance of its businesses and investments.

Insurance - Underwriting Margin

We generally limit the underwriting risk we assume through the use of both reinsurance (e.g., quota share and excess of loss) and retrospective commission agreements with our partners (e.g., commissions paid adjust based on the actual underlying losses incurred), which manage and mitigate our risk. Period-over-period comparisons of revenues are often impacted by the PORCs and clients' choice as to whether to retain risk, specifically with respect to the relationship between service and administration expenses and ceding commissions, both components of revenue, and the offsetting policy and contract benefits and commissions paid to our partners and reinsurers. Generally, when losses are incurred, the risk which is retained by our partners and reinsurers is reflected in a reduction in commissions paid. In order to better explain to investors the net financial impact of the risk retained by the Company of the insurance contracts written and the impact on profitability, we use the Non-GAAP metric - Underwriting Margin.

Insurance - Combined Ratio

Expressed as a percentage, the combined ratio represents the relationship of policy and contract benefits, commission expense (net of ceding commissions), employee compensation and benefits, and other expenses to net earned premiums, service and administrative fees, and other income. Investors use this ratio to evaluate our ability to profitably underwrite the risks we assume over time and manage our operating costs. As such, we believe that presenting underwriting margin and the combined ratio provides useful information to investors and aligns more closely to how management measures the underwriting performance of the business.

Insurance Investment Portfolio - Net Investments and Net Portfolio Income

In managing our investment portfolio we analyze net investments and net portfolio income, which are non-GAAP measures. Our presentation of net investments equals total investments plus cash and cash equivalents minus asset based financing of investments. Our presentation of net portfolio income equals net investment income plus realized and unrealized gains and losses and minus interest expense associated with asset based financing of investments. Net investments and net portfolio income are used to calculate average annualized yield, which management uses to analyze the profitability of our investment portfolio. Management believes this information is useful since it allows investors to evaluate the performance of our investment portfolio based on the capital at risk and on a non-consolidated basis. Our calculation of net investments and net portfolio income may differ from similarly titled non-GAAP financial measures used by other companies. Net investments and net portfolio income are not measures of financial performance or liquidity under GAAP and should not be considered a substitute for total investments or net investment income.

NON-GAAP RECONCILIATIONS - ADJUSTED AND OPERATING EBITDA

(\$ in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net income (loss) attributable to Common Stockholders	\$ 826	\$ (4,443)	\$ 24,386	\$ (3,343)
Add: net (loss) income attributable to noncontrolling interests	50	(881)	5,496	(639)
Less: net income from discontinued operations	—	(1,724)	34,481	(2,852)
Income (loss) from continuing operations	\$ 876	\$ (3,600)	\$ (4,599)	\$ (1,130)
Corporate Debt related interest expense ⁽¹⁾	4,538	2,998	8,390	5,913
Consolidated income tax expense (benefit)	701	(1,305)	(867)	263
Depreciation and amortization expense ⁽²⁾	2,751	3,035	5,460	6,125
Non-cash fair value adjustments ⁽³⁾	—	3,174	66	3,687
Non-recurring expenses ⁽⁴⁾	1,301	—	925	(1,736)
Adjusted EBITDA from continuing operations	\$ 10,167	\$ 4,303	\$ 9,375	\$ 13,122
Add: Stock-based compensation expense	1,051	1,342	2,284	3,140
Less: Realized and unrealized gain (loss)	(3,829)	(6,866)	(11,534)	(6,166)
Less: Third party non-controlling interests	(6)	357	(134)	486
Operating EBITDA from continuing operations	\$ 15,053	\$ 12,154	\$ 23,327	\$ 21,942
Income (loss) from discontinued operations	\$ —	\$ (1,724)	\$ 34,481	\$ (2,852)
Consolidated income tax expense (benefit)	—	(570)	12,327	(972)
Consolidated depreciation and amortization expense	—	4,726	—	8,981
Non-cash fair value adjustments ⁽³⁾	—	—	(40,672)	—
Non-recurring expenses ⁽⁴⁾	—	36	—	277
Adjusted EBITDA from discontinued operations	\$ —	\$ 2,468	\$ 6,136	\$ 5,434
Less: Realized and unrealized gain (loss) ⁽⁵⁾	—	—	5,512	—
Less: Third party non-controlling interests	—	321	—	706
Operating EBITDA from discontinued operations	\$ —	\$ 2,147	\$ 624	\$ 4,728
Total Adjusted EBITDA	\$ 10,167	\$ 6,771	\$ 15,511	\$ 18,556
Total Operating EBITDA	\$ 15,053	\$ 14,301	\$ 23,951	\$ 26,670

- (1) Corporate Debt interest expense includes Secured corporate credit agreements, junior subordinated notes and preferred trust securities. Interest expense associated with asset-specific debt in specialty insurance, asset management, mortgage and other operations is not added-back for Adjusted EBITDA and Operating EBITDA.
- (2) Represents total depreciation and amortization expense less purchase accounting amortization related adjustments at the Insurance Company. Following the purchase accounting adjustments, current period expenses associated with deferred costs were more favorably stated and current period income associated with deferred revenues were less favorably stated. Thus, the purchase accounting effect related to our Insurance company increased EBITDA above what the historical basis of accounting would have generated.
- (3) For Reliance, within our mortgage operations, Adjusted EBITDA excludes the impact of changes in contingent earn-outs. For our specialty insurance operations, depreciation and amortization on senior living real estate that is within net investment income is added back to Adjusted EBITDA. For Care (Discontinued Operations), the reduction in EBITDA is related to accumulated depreciation and amortization, and certain operating expenses, which were previously included in Adjusted EBITDA in prior periods.
- (4) Acquisition, start-up and disposition costs including legal, taxes, banker fees and other costs. Includes payments pursuant to a separation agreement, dated November 10, 2015.
- (5) Adjustment excludes Mortgage realized and unrealized gains and losses - Performing and NPLs as those are recurring in nature and align with those business models.

NON-GAAP RECONCILIATIONS - ADJUSTED AND OPERATING EBITDA

Three Months Ended June 30, 2018

(\$ in thousands)	Tiptree Capital							Corporate Expenses	Total
	Specialty Insurance	Asset Management	Mortgage	Other	Discontinued Operations ⁽¹⁾	Tiptree Capital			
Pre-tax income/(loss) from continuing ops	\$ 8,731	\$ (614)	\$ 354	\$ (245)	\$ —	\$ (505)	\$ (6,649)	\$ 1,577	
Pre-tax income/(loss) from discontinued ops	—	—	—	—	—	—	—	—	
Adjustments:									
Corporate Debt related interest expense ⁽¹⁾	3,357	—	—	—	—	—	1,181	4,538	
Depreciation and amortization expenses ⁽²⁾	2,495	—	136	58	—	194	62	2,751	
Non-cash fair value adjustments ⁽³⁾	—	—	—	—	—	—	—	—	
Non-recurring expenses ⁽⁴⁾	1,074	—	—	227	—	227	—	1,301	
Adjusted EBITDA	\$ 15,657	\$ (614)	\$ 490	\$ 40	\$ —	\$ (84)	\$ (5,406)	\$ 10,167	
Add: Stock-based compensation expense	\$ 627	\$ —	\$ (196)	\$ —	\$ —	\$ (196)	\$ 620	\$ 1,051	
Less: Realized and unrealized gain (loss) ⁽⁵⁾	104	(1,266)	—	(2,667)	—	(3,933)	—	(3,829)	
Less: Third party non-controlling interests	—	—	—	(6)	—	(6)	—	(6)	
Operating EBITDA	\$ 16,180	\$ 652	\$ 294	\$ 2,713	\$ —	\$ 3,659	\$ (4,786)	\$ 15,053	

Three Months Ended June 30, 2017

(\$ in thousands)	Tiptree Capital							Corporate Expenses	Total
	Specialty Insurance	Asset Management	Mortgage	Other	Discontinued Operations ⁽¹⁾	Tiptree Capital			
Pre-tax income/(loss) from continuing ops	\$ (732)	\$ 4,529	\$ (1,300)	\$ 1,226	\$ —	\$ 4,455	\$ (8,628)	\$ (4,905)	
Pre-tax income/(loss) from discontinued ops	—	—	—	—	(2,294)	(2,294)	—	(2,294)	
Adjustments:									
Corporate Debt related interest expense ⁽¹⁾	1,726	—	—	—	—	—	1,272	2,998	
Depreciation and amortization expenses ⁽²⁾	2,762	—	136	76	—	4,938	62	7,762	
Non-cash fair value adjustments ⁽³⁾	113	—	3,061	—	—	3,061	—	3,174	
Non-recurring expenses ⁽⁴⁾	—	—	—	—	36	36	—	36	
Adjusted EBITDA	\$ 3,869	\$ 4,529	\$ 1,897	\$ 1,302	\$ 2,468	\$ 10,196	\$ (7,294)	\$ 6,771	
Add: Stock-based compensation expense	586	—	179	—	—	179	577	1,342	
Less: Realized and unrealized gain (loss) ⁽⁵⁾	(8,307)	1,199	—	242	—	1,441	—	(6,866)	
Less: Third party non-controlling interests	—	—	—	357	321	678	—	678	
Operating EBITDA	\$ 12,762	\$ 3,330	\$ 2,076	\$ 703	\$ 2,147	\$ 8,256	\$ (6,717)	\$ 14,301	

NON-GAAP RECONCILIATIONS - ADJUSTED AND OPERATING EBITDA

Six Months Ended June 30, 2018

(\$ in thousands)	Tiptree Capital							Corporate Expenses	Total
	Specialty Insurance	Asset Management	Mortgage	Other	Discontinued Operations ⁽¹⁾	Tiptree Capital			
Pre-tax income/(loss) from continuing ops	\$ 10,074	\$ 278	\$ 507	\$ (2,962)	\$ —	\$ (2,177)	\$ (13,363)	\$ (5,466)	
Pre-tax income/(loss) from discontinued ops	—	—	—	—	46,808	46,808	—	46,808	
Adjustments:									
Corporate Debt related interest expense ⁽¹⁾	6,580	—	—	—	—	—	1,810	8,390	
Depreciation and amortization expenses ⁽²⁾	4,969	—	272	95	—	367	124	5,460	
Non-cash fair value adjustments ⁽³⁾	66	—	—	—	(40,672)	(40,672)	—	(40,606)	
Non-recurring expenses ⁽⁴⁾	2,161	—	—	1,095	—	1,095	(2,331)	925	
Adjusted EBITDA	\$ 23,850	\$ 278	\$ 779	\$ (1,772)	\$ 6,136	\$ 5,421	\$ (13,760)	\$ 15,511	
Add: Stock-based compensation expense	1,255	—	(175)	—	—	(175)	1,204	2,284	
Less: Realized and unrealized gain (loss) ⁽⁵⁾	(4,395)	(1,294)	—	(5,845)	5,512	(1,627)	—	(6,022)	
Less: Third party non-controlling interests	—	—	—	(134)	—	(134)	—	(134)	
Operating EBITDA	\$ 29,500	\$ 1,572	\$ 604	\$ 4,207	\$ 624	\$ 7,007	\$ (12,556)	\$ 23,951	

Six Months Ended June 30, 2017

(\$ in thousands)	Tiptree Capital							Corporate Expenses	Total
	Specialty Insurance	Asset Management	Mortgage	Other	Discontinued Operations ⁽¹⁾	Tiptree Capital			
Pre-tax income/(loss) from continuing ops	\$ 4,069	\$ 10,110	\$ (999)	\$ 1,310	\$ —	\$ 10,421	\$ (15,357)	\$ (867)	
Pre-tax income/(loss) from discontinued ops	—	—	—	—	(3,824)	(3,824)	—	(3,824)	
Adjustments:									
Corporate Debt related interest expense ⁽¹⁾	3,361	—	—	—	—	—	2,552	5,913	
Depreciation and amortization expenses ⁽²⁾	5,591	—	274	136	8,981	9,391	124	15,106	
Non-cash fair value adjustments ⁽³⁾	226	—	3,461	—	—	3,461	—	3,687	
Non-recurring expenses ⁽⁴⁾	—	—	—	—	277	277	(1,736)	(1,459)	
Adjusted EBITDA	\$ 13,247	\$ 10,110	\$ 2,736	\$ 1,446	\$ 5,434	\$ 19,726	\$ (14,417)	\$ 18,556	
Add: Stock-based compensation expense	1,937	—	227	—	—	227	976	3,140	
Less: Realized and unrealized gain (loss) ⁽⁵⁾	(9,836)	3,432	—	238	—	3,670	—	(6,166)	
Less: Third party non-controlling interests	—	—	—	486	706	1,192	—	1,192	
Operating EBITDA	\$ 25,020	\$ 6,678	\$ 2,963	\$ 722	\$ 4,728	\$ 15,091	\$ (13,441)	\$ 26,670	

NON-GAAP RECONCILIATIONS - ADJUSTED AND OPERATING EBITDA

Last Twelve Months Ended June 30, 2018

Tiptree Capital

(\$ in thousands)	Tiptree Capital					Tiptree Capital	Corporate Expenses	Total
	Specialty insurance	Asset Management	Mortgage	Other	Discontinued Operations ⁽¹⁾			
Pre-tax income/(loss) from continuing ops	\$ 11,409	\$ 4,414	\$ 3,596	\$ (271)	\$ —	\$ 7,739	\$ (27,076)	\$ (7,928)
Pre-tax income/(loss) from discontinued ops	—	—	—	—	44,410	44,410	—	44,410
Adjustments:								
Corporate Debt related interest expense ⁽¹⁾	11,245	—	—	—	—	—	4,069	15,314
Depreciation and amortization expenses ⁽²⁾	10,745	—	546	205	6,664	7,415	248	18,408
Non-cash fair value adjustments ⁽³⁾	348	—	(422)	—	(40,672)	(41,094)	—	(40,746)
Non-recurring expenses ⁽⁴⁾	3,818	—	—	1,774	881	2,655	(986)	5,487
Adjusted EBITDA	\$ 37,565	\$ 4,414	\$ 3,720	\$ 1,708	\$ 11,283	\$ 21,125	\$ (23,745)	\$ 34,945
Add: Stock-based compensation expense	3,251	—	51	—	—	51	2,400	5,702
Less: Realized and unrealized gain (loss) ⁽⁵⁾	(16,975)	(859)	—	(6,126)	5,512	(1,473)	—	(18,448)
Less: Third party non-controlling interests	—	—	—	230	709	939	—	939
Operating EBITDA	\$ 57,791	\$ 5,273	\$ 3,771	\$ 7,604	\$ 5,062	\$ 21,710	\$ (21,345)	\$ 58,156

Last Twelve Months Ended June 30, 2017

Tiptree Capital

(\$ in thousands)	Tiptree Capital					Tiptree Capital	Corporate Expenses	Total
	Specialty insurance	Asset Management	Mortgage	Other	Discontinued Operations ⁽¹⁾			
Pre-tax income/(loss) from continuing ops	\$ 25,905	\$ 27,177	\$ 3,363	\$ 4,005	\$ —	\$ 34,545	\$ (33,212)	\$ 27,238
Pre-tax income/(loss) from discontinued ops	—	—	—	—	(4,634)	(4,634)	—	(4,634)
Adjustments:								
Corporate Debt related interest expense ⁽¹⁾	6,477	—	—	95	—	95	5,162	11,734
Depreciation and amortization expenses ⁽²⁾	9,829	—	542	321	15,607	16,470	248	26,547
Non-cash fair value adjustments ⁽³⁾	226	—	4,738	—	—	4,738	—	4,964
Non-recurring expenses ⁽⁴⁾	—	—	—	—	605	605	(1,736)	(1,131)
Adjusted EBITDA	\$ 42,437	\$ 27,177	\$ 8,643	\$ 4,421	\$ 11,578	\$ 51,819	\$ (29,538)	\$ 64,718
Add: Stock-based compensation expense	2,798	—	346	—	—	346	1,552	4,696
Less: Realized and unrealized gain (loss) ⁽⁵⁾	(4,831)	8,493	—	309	51	8,853	—	4,022
Less: Third party non-controlling interests	—	—	—	1,567	1,544	3,111	—	3,111
Operating EBITDA	\$ 50,066	\$ 18,684	\$ 8,989	\$ 2,545	\$ 9,983	\$ 40,201	\$ (27,986)	\$ 62,281

NON-GAAP RECONCILIATIONS - BVPS, INVESTED AND TOTAL CAPITAL

Management uses Book value per share, which is a non-GAAP financial measure. Prior to April 10, 2018, book value per share assumes full exchange of the limited partners units of TFP for Common Stock. Management believes the use of this financial measure provides supplemental information useful to investors as it is frequently used by the financial community to analyze company growth on a relative per share basis. Tiptree's book value per share was \$10.74 as of June 30, 2018 compared with book value per share, as exchanged, of \$9.87 as of June 30, 2017. Total stockholders' equity, net of other non-controlling interests for the Company was \$393.7 million as of June 30, 2018, which comprised total stockholders' equity of \$400.8 million adjusted for \$19.2 million attributable to non-controlling interest at certain operating subsidiaries that are not wholly owned by the Company, such as Luxury and management interests in subsidiaries. Total stockholders' equity, net of other non-controlling interests for the Company was \$365.8 million as of June 30, 2017, which comprised total stockholders' equity of \$390.7 million adjusted for \$24.9 million attributable to non-controlling interest at subsidiaries that are not wholly owned by the Company.

(\$ in thousands, except per share information)

	As of June 30,	
	2018	2017
Total stockholders' equity	\$ 400,816	\$ 390,672
Less non-controlling interest - other	7,164	24,867
Total stockholders' equity, net of non-controlling interests - other	\$ 393,652	\$ 365,805
Total Common shares outstanding	36,643	29,017
Total Class B shares outstanding	—	8,049
Total shares outstanding	36,643	37,066
Book value per share ⁽¹⁾	\$ 10.74	\$ 9.87

(1) For periods prior to April 10, 2018, book value per share assumes full exchange of the limited partners units of TFP for Common Stock.

Management evaluates the return on Invested Capital and Total Capital, which are non-GAAP financial measures, when making capital investment decisions. Invested capital represents its total cash investment, including any re-investment of earnings, and acquisition costs, net of tax. Total Capital represents Invested Capital plus Corporate Debt. Management believes the use of these financial measures provide supplemental information useful to investors as they are frequently used by the financial community to analyze how the Company has allocated capital over-time and provide a basis for determining the return on capital to shareholders. Management uses both of these measures when making capital investment decisions, including reinvesting distributable cash flow, and evaluating the relative performance of its businesses and investments.

(\$ in thousands)

	As of June 30,	
	2018	2017
Total stockholders' equity	\$ 400,816	\$ 390,672
Less non-controlling interest - other	7,164	24,867
Total stockholders' equity, net of non-controlling interests - other	\$ 393,652	\$ 365,805
Plus Specialty Insurance accumulated depreciation and amortization, net of tax ⁽¹⁾	39,491	32,262
Plus Care accumulated depreciation and amortization - discontinued operations, net of tax and NCI ⁽¹⁾	—	26,538
Plus acquisition costs ⁽²⁾	4,161	8,552
Invested Capital	\$ 437,304	\$ 433,157
Plus corporate debt ⁽³⁾	\$ 234,030	\$ 202,760
Total Capital	\$ 671,334	\$ 635,917

(1) As of June 30, 2018, add-back of \$59.8 million of accumulated intangible amortization at Fortegra. On as exchanged basis, assumes 35% tax rate on total accumulated amortization before 2018 and 21% post 2018.

(2) Add-back acquisition costs associated with acquiring Fortegra, Care senior living properties and Reliance net of Care NCI (86.6% ownership) and 35% tax rate.

(3) Corporate debt consists of Secured Corporate Credit Agreements, plus preferred trust securities.

NON-GAAP RECONCILIATIONS - SPECIALTY INSURANCE

The following table provides a reconciliation between underwriting margin and pre-tax income. We generally limit the underwriting risk we assume through the use of both reinsurance (e.g., quota share and excess of loss) and retrospective commission agreements with our partners (e.g., commissions paid adjust based on the actual underlying losses incurred), which manage and mitigate our risk. Period-over-period comparisons of revenues are often impacted by the PORCs and clients' choice as to whether to retain risk, specifically with respect to the relationship between service and administration expenses and ceding commissions, both components of revenue, and the offsetting policy and contract benefits and commissions paid to our partners and reinsurers. Generally, when losses are incurred, the risk which is retained by our partners and reinsurers is reflected in a reduction in commissions paid. In order to better explain to investors the net financial impact of the risk retained by the Company of the insurance contracts written and the impact on profitability, we use the Non-GAAP metric - Underwriting Margin.

Expressed as a percentage, the combined ratio represents the relationship of policy and contract benefits, commission expense (net of ceding commissions), employee compensation and benefits, and other expenses to net earned premiums, service and administrative fees, and other income. Investors use this ratio to evaluate our ability to profitably underwrite the risks we assume over time and manage our operating costs. As such, we believe that presenting underwriting margin and the combined ratio provides useful information to investors and aligns more closely to how management measures the underwriting performance of the business.

(\$ in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenues:				
Net earned premiums	\$ 100,044	\$ 87,477	\$ 201,689	\$ 176,708
Service and administrative fees	24,891	23,067	49,467	46,843
Ceding commissions	2,242	2,017	4,525	4,288
Other income	590	985	1,286	2,050
Underwriting Revenues - Non-GAAP	\$ 127,767	\$ 113,546	\$ 256,967	\$ 229,889
Less underwriting expenses:				
Policy and contract benefits	34,174	29,802	70,800	62,794
Commission expense	62,562	56,546	125,195	113,339
Underwriting Margin - Non-GAAP	\$ 31,031	\$ 27,198	\$ 60,972	\$ 53,756
Less operating expenses:				
Employee compensation and benefits	11,055	9,718	22,004	20,727
Other expenses	10,292	9,050	21,484	18,562
Combined Ratio	92.3%	92.4%	93.1%	93.6%
Plus investment revenues:				
Net investment income	4,927	3,687	9,132	8,192
Net realized and unrealized gains	1,417	(6,062)	(1,990)	(5,064)
Less other expenses:				
Interest expense	4,600	3,590	9,133	7,035
Depreciation and amortization expenses	2,697	3,197	5,419	6,491
Pre-tax income (loss)	\$ 8,731	\$ (732)	\$ 10,074	\$ 4,069

NON-GAAP RECONCILIATIONS - SPECIALTY INSURANCE

The investment portfolio consists of assets contributed by Tiptree, cash generated from operations, and from insurance premiums written. The investment portfolio of our regulated insurance companies, captive reinsurance company and warranty business are subject to different regulatory considerations, including with respect to types of assets, concentration limits, affiliate transactions and the use of leverage. Our investment strategy is designed to achieve attractive risk-adjusted returns across select asset classes, sectors and geographies while maintaining adequate liquidity to meet our claims payment obligations.

In managing our investment portfolio we analyze net investments and net portfolio income, which are non-GAAP measures. Our presentation of net investments equals total investments plus cash and cash equivalents minus asset based financing of investments. Our presentation of net portfolio income equals net investment income plus realized and unrealized gains and losses and minus interest expense associated with asset based financing of investments. Net investments and net portfolio income are used to calculate average annualized yield, which management uses to analyze the profitability of our investment portfolio. Management believes this information is useful since it allows investors to evaluate the performance of our investment portfolio based on the capital at risk and on a non-consolidated basis. Our calculation of net investments and net portfolio income may differ from similarly titled non-GAAP financial measures used by other companies. Net investments and net portfolio income are not measures of financial performance or liquidity under GAAP and should not be considered a substitute for total investments or net investment income.

(\$ in thousands)

	Six Months Ended June 30,		
	2018	2017	2016
Total Investments	\$ 482,492	\$ 431,416	\$ 359,338
Investment portfolio debt ⁽¹⁾	(93,471)	(140,430)	(65,119)
Cash and cash equivalents	19,472	38,279	9,922
Restricted cash ⁽²⁾	8,420	24,425	5,976
Receivable due from brokers ⁽³⁾	—	4,544	—
Liability due to brokers ⁽³⁾	(6,840)	(12,070)	(3,042)
Net investments - Non-GAAP	\$ 410,073	\$ 346,164	\$ 307,075

(\$ in thousands)

	Six Months Ended June 30,		
	2018	2017	2016
Net investment income	\$ 9,132	\$ 8,192	\$ 5,102
Realized gains (losses)	5,617	4,963	3,131
Unrealized gains (losses)	(7,607)	(10,027)	5,891
Interest expense	(2,376)	(3,465)	(1,011)
Net portfolio income (loss)	\$ 4,766	\$ (337)	\$ 13,113
Average Annualized Yield % ⁽⁴⁾	2.4%	(0.2)%	8.9%

(1) Consists of asset-based financing on loans, at fair value including certain credit investments and NPLs, net of deferred financing costs, see Note 11 - Debt, net for further details.

(2) Restricted cash available to invest within certain credit investment funds which are consolidated under GAAP.

(3) Receivable due from and Liability due to brokers for unsettled trades within certain credit investment funds which are consolidated under GAAP.

(4) Average Annualized Yield % represents the ratio of annualized net investment income, realized and unrealized gains (losses) less investment portfolio interest expense to the average of the prior two quarters (five quarters for trailing twelve months) total investments less investment portfolio debt plus cash.