
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20459

FORM 8-K

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report: **November 8, 2017**
(Date of earliest event reported)

LTC PROPERTIES, INC.
(Exact name of Registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

1-11314
(Commission file number)

71-0720518
(I.R.S. Employer
Identification No)

2829 Townsgate Road, Suite 350
Westlake Village, CA 91361
(Address of principal executive offices)

(805) 981-8655
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. — Results of Operations and Financial Condition

On November 8, 2017, LTC Properties, Inc. announced the operating results for the three months ended September 30, 2017. The text of the press release and the supplemental information package are furnished herewith as Exhibits 99.1 and 99.2, respectively, and are specifically incorporated by reference herein.

The information in this Form 8-K and the related information in the exhibits attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section and shall not be incorporated by reference into any filing of LTC under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01. — Financial Statements and Exhibits

- 99.1 [Press Release issued November 8, 2017.](#)
- 99.2 [LTC Properties, Inc. Supplemental Information Package for the period ending September 30, 2017.](#)

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

LTC PROPERTIES, INC.

Dated: November 8, 2017

By: /s/ WENDY L. SIMPSON
Wendy L. Simpson
Chairman, CEO & President

**FOR IMMEDIATE RELEASE**

For more information contact:
 Wendy L. Simpson
 Pam Kessler
 (805) 981-8655

**LTC REPORTS 2017 THIRD QUARTER RESULTS;
 ANNOUNCES NEW INVESTMENT**

WESTLAKE VILLAGE, CALIFORNIA, November 8, 2017— LTC Properties, Inc. (NYSE: LTC), a real estate investment trust that primarily invests in seniors housing and health care properties, today announced operating results for its third quarter ended September 30, 2017

Net income available to common stockholders was \$20.5 million, or \$0.52 per diluted share, for the 2017 third quarter, compared with \$22.3 million, or \$0.57 per diluted share, for the same period in 2016. Funds from Operations (“FFO”) increased to \$30.1 million for the 2017 third quarter, up from \$29.7 million for the comparable 2016 period. FFO per diluted common share was \$0.76 for the quarters ended September 30, 2017 and 2016.

The decrease in net income available to common stockholders was primarily due to higher interest expense resulting from the sale of \$100.0 million of senior unsecured notes in 2017, a decrease in revenue primarily related to a master lease that was placed on cash basis and the reduction of rent related to properties sold in the second quarter of 2017, and a net gain on sale of \$1.8 million in the 2016 third quarter, partially offset by higher income from unconsolidated joint ventures in 2017.

Subsequent to September 31, 2017, LTC acquired a newly constructed 73-unit assisted living and memory care community in Missouri for \$16.6 million. The property was added to an existing master lease agreement at an initial cash yield of 7%.

Conference Call Information

LTC will conduct a conference call on Thursday, November 9, 2017, at 8:00 a.m. Pacific Time (11:00 a.m. Eastern Time), to provide commentary on its performance and operating results for the quarter ended September 30, 2017. The conference call is accessible by telephone and the internet. Telephone access will be available by dialing 877-510-2862 (domestically) or 412-902-4134 (internationally). To participate in the webcast, go to LTC’s website at www.LTCreit.com 15 minutes before the call to download the necessary software.

An audio replay of the conference call will be available from November 9 through November 23, 2017 and may be accessed by dialing 877-344-7529 (domestically) or 412-317-0088 (internationally) and entering conference number 10113608. Additionally, an audio archive will be available on LTC’s website on the “Presentations” page of the “Investor Information” section, which is under the “Investors” tab. LTC’s earnings release and supplemental information package for the current period will be available on its website on the “Press Releases” and “Presentations” pages, respectively, of the “Investor Information” section which is under the “Investors” tab.

About LTC

LTC is a self-administered real estate investment trust that primarily invests in seniors housing and health care properties primarily through sale-leaseback transactions, mortgage financing and structured finance solutions including mezzanine lending. At September 30, 2017, LTC had 201 investments located in 28 states comprising 103 assisted living communities, 97 skilled nursing centers and 1 behavioral health care hospital. Assisted living communities, independent living communities, memory care communities and combinations thereof are included in the assisted living property type. For more information on LTC Properties, Inc., visit the Company’s website at www.LTCreit.com, or connect with us on Twitter @LTCreit and LinkedIn.

Forward Looking Statements

This press release includes statements that are not purely historical and are “forward looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding the Company’s expectations, beliefs, intentions or strategies regarding the future. All statements other than historical facts contained in this press release are forward looking statements. These forward looking statements involve a number of risks and uncertainties. Please see LTC’s most recent Annual Report on Form 10-K, its subsequent Quarterly Reports on Form 10-Q, and its other publicly available filings with the Securities and Exchange Commission for a discussion of these and other risks and uncertainties. All forward looking statements included in this press release are based on information available to the Company on the date hereof, and LTC assumes no obligation to update such forward looking statements. Although the Company’s management believes that the assumptions and expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. The actual results achieved by the Company may differ materially from any forward looking statements due to the risks and uncertainties of such statements.

(financial tables follow)

**LTC PROPERTIES, INC.
 CONSOLIDATED STATEMENTS OF INCOME**
(amounts in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(unaudited)		(unaudited)	
Revenues:				
Rental income	\$ 33,233	\$ 33,753	\$ 103,533	\$ 98,705
Interest income from mortgage loans	6,677	6,958	20,050	20,347

Interest and other income	1,336	131	2,753	390
Total revenues	41,246	40,842	126,336	119,442
Expenses:				
Interest expense	7,644	6,836	22,266	19,586
Depreciation and amortization	9,519	9,155	28,186	26,623
Impairment charges	—	—	1,880	—
(Recovery) provision for doubtful accounts	(96)	43	(139)	245
Transaction costs	34	2	56	96
General and administrative expenses	4,144	4,464	13,270	12,864
Total expenses	21,245	20,500	65,519	59,414
Operating income	20,001	20,342	60,817	60,028
Income from unconsolidated joint ventures	615	289	1,635	839
Gain on sale of real estate, net	—	1,780	5,054	3,582
Net income	20,616	22,411	67,506	64,449
Income allocated to participating securities	(80)	(90)	(281)	(296)
Net income available to common stockholders	\$ 20,536	\$ 22,321	\$ 67,225	\$ 64,153
Earnings per common share:				
Basic	\$ 0.52	\$ 0.57	\$ 1.71	\$ 1.68
Diluted	\$ 0.52	\$ 0.57	\$ 1.70	\$ 1.68
Weighted average shares used to calculate earnings per common share:				
Basic	39,428	39,057	39,403	38,161
Diluted	39,748	39,335	39,738	38,455
Dividends declared and paid per common share	\$ 0.57	\$ 0.54	\$ 1.71	\$ 1.62

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Supplemental Reporting Measures

FFO, adjusted FFO (“AFFO”), and Funds Available for Distribution (“FAD”) are supplemental measures of a real estate investment trust’s (“REIT”) financial performance that are not defined by U.S. generally accepted accounting principles (“GAAP”). Investors, analysts and the Company use FFO, AFFO and FAD as supplemental measures of operating performance. The Company believes FFO, AFFO and FAD are helpful in evaluating the operating performance of a REIT. Real estate values historically rise and fall with market conditions, but cost accounting for real estate assets in accordance with GAAP assumes that the value of real estate assets diminishes predictably over time. We believe that by excluding the effect of historical cost depreciation, which may be of limited relevance in evaluating current performance, FFO, AFFO and FAD facilitate like comparisons of operating performance between periods. Additionally the Company believes that normalized FFO, normalized AFFO and normalized FAD provide useful information because they allow investors, analysts and our management to compare the Company’s operating performance on a consistent basis without having to account for differences caused by unanticipated items.

FFO, as defined by the National Association of Real Estate Investment Trusts (“NAREIT”), means net income available to common stockholders (computed in accordance with GAAP) excluding gains or losses on the sale of real estate and impairment write-downs of depreciable real estate, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Normalized FFO represents FFO adjusted for certain items detailed in the reconciliations. The Company’s computation of FFO may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or have a different interpretation of the current NAREIT definition from that of the Company; therefore, caution should be exercised when comparing our Company’s FFO to that of other REITs.

We define AFFO as FFO excluding the effects of straight-line rent, amortization of lease inducement, effective interest income and deferred income from unconsolidated joint ventures. GAAP requires rental revenues related to non-contingent leases that contain specified rental increases over the life of the lease to be recognized evenly over the life of the lease. This method results in rental income in the early years of a lease that is higher than actual cash received, creating a straight-line rent receivable asset included in our consolidated balance sheet. At some point during the lease, depending on its terms, cash rent payments exceed the straight-line rent which results in the straight-line rent receivable asset decreasing to zero over the remainder of the lease term. Effective interest method, as required by GAAP, is a technique for calculating the actual interest rate for the term of a mortgage loan based on the initial origination value. Similar to the accounting methodology of straight-line rent, the actual interest rate is higher than the stated interest rate in the early years of the mortgage loan thus creating an effective interest receivable asset included in the interest receivable line item in our consolidated balance sheet and reduces down to zero when, at some point during the mortgage loan, the stated interest rate is higher than the actual interest rate. By excluding the non-cash portion of rental income, interest income from mortgage loans and income from unconsolidated joint ventures, investors, analysts and our management can compare AFFO between periods. Normalized AFFO represents AFFO adjusted for certain items detailed in the reconciliations.

We define FAD as AFFO excluding the effects of non-cash compensation charges, capitalized interest and non-cash interest charges. FAD is useful in analyzing the portion of cash flow that is available for distribution to stockholders. Investors, analysts and the Company utilize FAD as an indicator of common dividend potential. The FAD payout ratio, which represents annual distributions to common shareholders expressed as a percentage of FAD, facilitates the comparison of dividend coverage between REITs. Normalized FAD represents FAD adjusted for certain items detailed in the reconciliations.

While the Company uses FFO, Normalized FFO, AFFO, Normalized AFFO, FAD and Normalized FAD as supplemental performance measures of our cash flow generated by operations and cash available for distribution to stockholders, such measures are not representative of cash generated from operating activities in accordance with GAAP, and are not necessarily indicative of cash available to fund cash needs and should not be considered an alternative to net income available to common stockholders.

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Reconciliation of FFO, AFFO and FAD

The following table reconciles GAAP net income available to common stockholders to each of NAREIT FFO attributable to common stockholders and normalized FFO attributable to common stockholders, as well as normalized AFFO and normalized FAD (*unaudited, amounts in thousands, except per share amounts*):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
GAAP net income available to common stockholders	\$ 20,536	\$ 22,321	\$ 67,225	\$ 64,153
Add: Depreciation and amortization	9,519	9,155	28,186	26,623
Add: Impairment charges	—	—	1,880	—
Less: Gain on sale of real estate, net	—	(1,780)	(5,054)	(3,582)
NAREIT FFO attributable to common stockholders	30,055	29,696	92,237	87,194
Less: Non-cash rental income	(1,485)	(2,278)	(5,681)	(6,755)
Less: Non-cash other income	(842)	—	(842)	—
Less: Effective interest income from mortgage loans	(1,394)	(1,352)	(4,102)	(3,907)
Less: Deferred income from unconsolidated joint ventures	(47)	—	(141)	—
Adjusted FFO (AFFO)	26,287	26,066	81,471	76,532
Add: Non-cash compensation charges	1,283	1,130	3,967	3,149
Add: Non-cash interest related to earn-out liabilities	125	223	476	538
Less: Capitalized interest	(256)	(251)	(627)	(1,193)
Funds available for distribution (FAD)	\$ 27,439	\$ 27,168	\$ 85,287	\$ 79,026
NAREIT Basic FFO attributable to common stockholders per share	\$ 0.76	\$ 0.76	\$ 2.34	\$ 2.28
NAREIT Diluted FFO attributable to common stockholders per share	\$ 0.76	\$ 0.76	\$ 2.33	\$ 2.28
NAREIT Diluted FFO attributable to common stockholders	\$ 30,135	\$ 29,786	\$ 92,518	\$ 87,490
Weighted average shares used to calculate NAREIT diluted FFO per share attributable to common stockholders	39,748	39,335	39,738	38,455
Diluted AFFO	\$ 26,367	\$ 26,156	\$ 81,752	\$ 76,828
Weighted average shares used to calculate diluted AFFO per share	39,748	39,335	39,738	38,455
Diluted FAD	\$ 27,519	\$ 27,258	\$ 85,568	\$ 79,322
Weighted average shares used to calculate diluted FAD per share	39,748	39,335	39,738	38,455

LTC PROPERTIES, INC.
CONSOLIDATED BALANCE SHEETS
(amounts in thousands, except per share)

	September 30, 2017 (unaudited)	December 31, 2016 (audited)
ASSETS		
Investments:		
Land	\$ 121,897	\$ 116,096
Buildings and improvements	1,227,044	1,185,467
Accumulated depreciation and amortization	(294,725)	(275,861)
Operating real estate property, net	1,054,216	1,025,702
Properties held-for-sale, net of accumulated depreciation: 2017—\$4,264; 2016—\$0	6,381	—
Real property investments, net	1,060,597	1,025,702
Mortgage loans receivable, net of loan loss reserve: 2017—\$2,234; 2016—\$2,315	221,861	229,801
Real estate investments, net	1,282,458	1,255,503
Notes receivable, net of loan loss reserve: 2017—\$166; 2016—\$166	16,402	16,427
Investments in unconsolidated joint ventures	29,862	25,221
Investments, net	1,328,722	1,297,151
Other assets:		
Cash and cash equivalents	3,842	7,991
Debt issue costs related to bank borrowings	1,080	1,847
Interest receivable	13,650	9,683
Straight-line rent receivable, net of allowance for doubtful accounts: 2017—\$901; 2016—\$960	61,070	55,276
Prepaid expenses and other assets	22,829	22,948
Total assets	\$ 1,431,193	\$ 1,394,896
LIABILITIES		
Bank borrowings	\$ 55,000	\$ 107,100
Senior unsecured notes, net of debt issue costs: 2017—\$1,183; 2016—\$1,009	582,950	502,291
Accrued interest	4,108	4,675
Accrued incentives and earn-outs	8,790	12,229
Accrued expenses and other liabilities	23,710	28,553
Total liabilities	674,558	654,848
EQUITY		
Stockholders' equity:		

Common stock: \$0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2017—39,571; 2016—39,221	396	392
Capital in excess of par value	855,746	839,005
Cumulative net income	1,080,949	1,013,443
Cumulative distributions	(1,180,456)	(1,112,792)
Total equity	<u>756,635</u>	<u>740,048</u>
Total liabilities and equity	<u>\$ 1,431,193</u>	<u>\$ 1,394,896</u>



Supplemental Operating & Financial Data

September 2017



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Leadership



WENDY SIMPSON
Chairman, Chief Executive
Officer and President



PAM KESSLER
Executive Vice President,
CFO and Secretary



CLINT MALIN
Executive Vice President and
Chief Investment Officer



CECE CHIKHALE
Senior Vice President,
Controller and Treasurer



DOUG KOREY
Senior Vice President of
Business Development



PETER LYEW
Vice President and
Director of Taxes



GIBSON SATTERWHITE
Vice President,
Asset Management

Board of Directors

WENDY SIMPSON
Chairman

BOYD HENDRICKSON
Lead Independent Director

JAMES PIECZYNSKI
Nominating & Corporate
Governance Committee
Chairman

DEVRA SHAPIRO
Audit Committee Chairman

TIMOTHY TRICHE, MD
Compensation Committee Chairman

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Analyst Coverage



BMO Capital Markets Corp	John Kim
Cantor Fitzgerald	Joseph France
Capital One Securities, Inc.	Daniel Bernstein
D.A.Davidson	Doug Christopher
J.J.B. Hilliard, W.L. Lyons, Inc.	John Roberts
JMP Securities	Peter Martin
KeyBanc Capital Markets, Inc.	Jordan Sadler
Mitsubishi - MUFG	Karin Ford
Mizuho Securities USA Inc.	Rich Anderson
RBC Capital Markets Corporation.	Chad Vanacore
Wells Fargo Securities, LLC.	Todd Stender

Any opinions, estimates, or forecasts regarding LTC's performance made by the analysts listed above do not represent the opinions, estimates, and forecasts of LTC or its management.



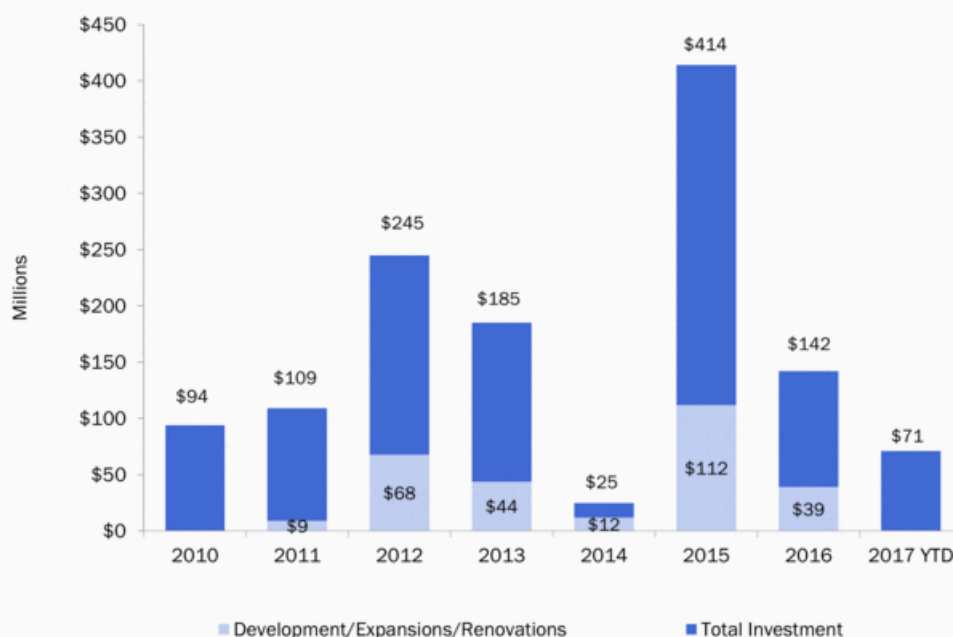
Thrive at Athens
Athens, GA

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Execution of Growth Strategy



\$1.3 Billion in Total Investments Underwritten



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Portfolio Overview

(dollar amounts in thousands)



Type of Property	# of Properties	Gross Investments	% of Investments	Trailing Twelve Months Ended September 30, 2017		
				Rental Income ⁽¹⁾	Interest Income ⁽¹⁾	% of Revenues
Skilled Nursing	97	\$ 803,853	50.8%	\$ 68,435	\$ 26,300	57.8%
Assisted Living	103	743,015	46.9%	68,273	-	41.7%
Under Development ⁽²⁾	-	26,597	1.7%	-	-	-
Other ⁽³⁾	1	10,216	0.6%	866	-	0.5%
Total	201	\$ 1,583,681	100.0%	\$ 137,574	\$ 26,300	100.0%

(1) Includes contractual rental income and interest income from mortgage loans and excludes rental income from properties sold and interest income from loans that paid off during the twelve months ended September 30, 2017.

(2) Includes three development projects consisting of two memory care communities with a total of 132 units and a skilled nursing center with 143 beds.

(3) Includes one behavioral health care hospital and three parcels of land.



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Real Estate Activities – Acquisitions and Loan Originations

(dollar amounts in thousands)



Acquisitions

		# of Properties	Property Type	# Beds/Units	Location	Operator	Date of Construction	Initial Cash Yield	Purchase Price	Additional Commitment ⁽¹⁾
2016	2/1	1	SNF	126 beds	Mansfield, TX	Fundamental	2015	8.50%	\$ 16,000	\$ -
	4/21	1	MC	60 units	Louisville, KY	Clarity Pointe	2016	- ⁽⁴⁾	14,250	-
	4/29	2	MC	120 units	Wichita & Overland Park, KS	Anthem Memory Care	2011/2013	8.00%	25,000	750
	6/14	1	ALF/MC	70 units	Athens, GA	Thrive Senior Living	2016	- ⁽⁴⁾	14,300	-
	9/30	1	UD ⁽²⁾⁽³⁾	143 beds	Union, KY	Carespring	2016-2018	8.50%	5,300	19,025
	10/28	1	UD ⁽²⁾	66 units	Oak Lawn, IL	Anthem Memory Care	2016-2018	9.00%	1,591	12,878
		<u>7</u>		<u>316 units/269 beds</u>					<u>\$ 76,441</u>	<u>\$ 32,653</u>
2017	6/16	2	ALF/MC/ILF	180 units	Clovis, CA	Frontier	2014/2016	7.00%	\$ 38,813	\$ -
	6/23	1	MC	60 units	West Chester, OH	Thrive Senior Living	2017	- ⁽⁴⁾	15,650	-
	10/31	1	ALF/MC	73 units	Kansas City, MO	Oxford Senior Living	2017	7.00%	16,555	-
		<u>4</u>		<u>313 units</u>					<u>\$ 71,018</u>	<u>\$ -</u>

(1) Commitments may include capital improvement or development allowances for approved projects but excludes incentive payments and contingent payments. For a comprehensive list of our commitments, see our Quarterly Report on Form 10-Q.

(2) See page 10 for development activities.

(3) Represents purchase of land and initial improvements.

(4) Transitioned two memory care communities in our portfolio from Clarity Pointe to Thrive. The Thrive master lease was amended and restated to include these two memory care communities, along with the property in West Chester, OH. The GAAP rent under the Thrive amended and restated master lease on six properties (five in lease-up and one stabilized) is approximately \$6,400 which represents a lease rate of 7.35% which excludes future annual variable rent escalators.

Loan Originations

Date	# of Properties	Property Type	# Beds/ Units	Location	Loan Type	Maturity Date	Operator	Origination	Total Funded to Date	2017 YTD Revenue ⁽¹⁾	Stated Interest Rate	
2016	4/29	2	SNF	216 beds	East Lansing, MI	Mortgage	Apr-20	Prestige Healthcare	\$ 12,250 ⁽²⁾	\$ 8,702	\$ 590	9.41%
	8/31	2	SNF	146 beds	Albany & Florence, OR	Mezzanine	Sep-21	Regency Pacific	1,400 ⁽³⁾	1,200	137	15.00%
	12/22	64	SNF	7,786 beds	Various states	Mezzanine	Nov-21	Genesis	12,500 ⁽⁴⁾	12,500	1,162	LIBOR +11.75%
		68		8,148 beds					\$ 26,150	\$ 22,402	\$ 1,889	

(1) Represents year-to-date GAAP interest income.

(2) Represents the origination of a 4-year first mortgage loan for \$12,250, funding \$7,750 at closing with the remaining commitment of \$4,500 available for approved capital improvement projects. Additionally, we committed \$8,000 to be funded upon the properties achieving certain predetermined coverage thresholds.

(3) Represents a mezzanine loan secured by a second mortgage on two skilled nursing centers in Oregon.

(4) Represents a mezzanine loan on a portfolio of 64 skilled nursing centers located in eight states.

Real Estate Activities – Unconsolidated Joint Ventures

(dollar amounts in thousands)



“We're focused on building mutually beneficial partnerships based on trust, transparency and shared success.”

Wendy Simpson | Chairman, CEO & President | LTC Properties



Commitment Year	Location	# of Projects	Operator	Property Type	Investment Type	Return	# Beds/ Units	Investment Commitment	3Q17 Funding	Total Funded to Date	Remaining Commitment
2015	Peoria & Yuma, AZ	4	Senior Lifestyle	ALF/MC/ILF	Preferred Equity	15.00% ⁽¹⁾	585 units	\$ 25,650	\$ 113	\$ 23,014	\$ 2,636
2015	Ocala, FL	1	Canterfield	UDP-ALF/IL/MC	Mezzanine	15.00% ⁽²⁾	99 units	2,900	-	2,900	-
2016	Fort Myers, FL	1	Canterfield	UDP-ALF/MC	Mezzanine	15.00% ⁽³⁾	127 units	3,400	-	3,400	-
							811 units	\$ 31,950	\$ 113	\$ 29,314	\$ 2,636

(1) Currently, 6% is paid in cash and 9% is deferred.

(2) Currently, 10% is paid in cash and 5% is deferred.

(3) In the 2nd quarter of 2017, we funded \$2,747 and withheld \$653 which will be applied to interest. Currently, 10% is paid in cash and 5% is deferred.

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Real Estate Activities – De Novo Development

(dollar amounts in thousands)



Estimated Rent/Interest Inception Date	Commitment Year	Location	Operator	# of Projects	Property Type	Approximate Initial Cash Yield	# Beds/ Units	Investment Commitment ⁽¹⁾	3Q17 Funding	Total Capitalized Interest/Other	Total Project Basis to Date	Remaining Commitment ⁽²⁾
- ⁽³⁾	2015	Glenview, IL	Anthem	1	MC	9.00%	66 units	\$ 15,814	\$ 1,723	\$ 522	\$ 11,913	\$ 4,423
- ⁽³⁾	2016	Oak Lawn, IL	Anthem	1	MC	9.00%	66 units	14,469	1,123	125	4,969	9,625
4Q18	2016	Union, KY	Carespring	1	SNF	8.50%	143 beds	24,325	1,616	300	9,715	14,910
	Total			3		8.78%	132 units/143 beds	\$ 54,608	\$ 4,462	\$ 947	\$ 26,597	\$ 28,958

(1) Includes purchase of land and initial improvement funding, if applicable, and development commitment.

(2) Remaining Commitment is calculated as follows: "Investment Commitment" less "Total Project Basis" plus "Total Capitalized Interest/Other."

(3) During the nine months ended September 30, 2017, we issued a notice of default on the master lease covering these two properties under development and nine additional operational memory care communities resulting from lessee's partial payment of minimum rent. Subsequent to September 30, 2017, we entered into a forbearance agreement with our lessee whereby we have agreed to not pursue enforcement of our rights and remedies pertaining to known events of default under the master lease and guarantees through December 31, 2017, with the stipulation, among other conditions, that the lessee pay \$400 per month toward their obligations of the master lease through December 31, 2017.



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Real Estate Activities – Expansions & Renovations

(dollar amounts in thousands)



Mortgage Loans

Estimated Interest Inception Date	Commitment Year	Project Type	Location	Operator	# of Projects	Property Type	Approximate Initial Cash Yield	Investment Commitment	3Q17 Funding	Total Funded to Date	Remaining Commitment
- (1)	2015	Expansion	Richmond, MI	Prestige Healthcare	1	SNF	9.41%	\$ 10,000	\$ 210	\$ 9,378	\$ 622
- (1)	2015	Expansion	Rochester Hills, MI	Prestige Healthcare	1	SNF	9.41%	10,000	1	930	9,070
- (2)	2015	Renovation	Farmington & Howell, MI	Prestige Healthcare	2	SNF	9.41%	5,000	220	1,580	3,420
- (2)	2016	Expansion	Grand Blanc, MI	Prestige Healthcare	1	SNF	9.41%	5,500	889	1,832	3,668
- (2)	2016	Renovation	East Lansing, MI	Prestige Healthcare	2	SNF	9.41%	4,500	185	952	3,548
					Total	7		\$ 35,000	\$ 1,505	\$ 14,672	\$ 20,328

- (1) Commitments are part of the total loan commitment secured by 15 properties in Michigan operated by Prestige Healthcare. Interest payment increases upon each funding.
 (2) Interest payment increases upon each funding.



Medilodge of Richmond
Richmond, MI

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Real Estate Activities – Lease-Up

(dollar amounts in thousands)



Lease-Up

Date Acquired	Date Opened (1)	Occupancy at 9/30/17	Development Commitment Year	Project Type	Location	Operator	# of Projects	Property Type	Approximate Initial Cash Yield	# of Units	Total Investment (2)
Oct-14	Feb-16	56%	2014	Development	Burr Ridge, IL	Anthem (3)	1	MC	9.30%	66 units	\$ 12,248
Sep-15	Aug-16	52%	2015	Development	Murrieta, CA	Anthem (3)	1	MC	9.00%	66 units	12,904
May-15	Jul-16	35%	2015	Development	Tinley Park, IL	Anthem (3)	1	MC	9.25%	66 units	11,962
							3			198 units	\$ 37,114
Jun-17	Sep-16	73%	N/A	Acquisition	Clovis, CA	Frontier	1	MC/ILF	7.00%	73 units	\$ 17,226
Jun-17	Nov-14	77%	N/A	Acquisition	Clovis, CA	Frontier	1	ALF	7.00%	107 units	21,669
							2			180 units	\$ 38,895
May-15	Nov-16	38%	2015	Development	Wichita, KS	Oxford Senior Living	1	ILF	7.43%	108 units	\$ 14,172
Apr-16	Mar-16	73%	N/A	Acquisition	Louisville, KY	Thrive Senior Living (3)	1	MC		60 units	\$ 14,178
Jun-16	May-16	84%	N/A	Acquisition (4)	Athens, GA	Thrive Senior Living (3)	1	ALF/MC		70 units	14,382
Feb-15	May-16	65%	2015	Development	Corpus Christi, TX	Thrive Senior Living (3)	1	MC		56 units	11,847
Feb-15	Sep-16	61%	2015	Development	Murrells Inlet, SC	Thrive Senior Living (3)	1	ALF/MC		89 units	15,935
Jun-17	Apr-17	45%	2017	Acquisition (4)	West Chester, OH	Thrive Senior Living (3)	1	MC		60 units	15,909
							5		7.35% (5)	335 units	\$ 72,251
							Total	11		821 units	\$ 162,432

- (1) Represents date of Certificate of Occupancy.
 (2) Total Investment for acquisitions include closing costs.
 (3) During the nine months ended September 30, 2017, we issued a notice of default on the master lease covering two properties under development and nine additional operational memory care communities resulting from lessee's partial payment of minimum rent. Subsequent to September 30, 2017, we entered into a forbearance agreement with our lessee whereby we have agreed to not pursue enforcement of our rights and remedies pertaining to known events of default under the master lease and guarantees through December 31, 2017, with the stipulation, among other conditions, that the lessee pay \$400 per month toward their obligations of the master lease through December 31, 2017.
 (4) Property was newly constructed and purchased following issuance of final certificate of occupancy and licensure.
 (5) Transitioned two memory care communities in our portfolio from Clarity Pointe to Thrive. The Thrive master lease was amended and restated to include these two memory care communities, along with the property in West Chester, OH. The GAAP rent under the Thrive amended and restated master lease on six properties (five in lease-up and one stabilized) is approximately \$6,400 which represents a lease rate of 7.35% which excludes future annual variable rent escalators.

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Real Estate Activities – Lease-Up History



Lease-Up History

Property	Location	Operator	Property Type	Project Type	# Beds/Units	Date Acquired	Date Opened ⁽¹⁾	Date Stabilized	# of months to Stabilization
Highline Place	Littleton, CO	Anthem	MC	Development	60 units	May 2012	Jul 2013	Sep 2013	2
Willowbrook Place - Kipling	Littleton, CO	Anthem	MC	Development	60 units	Sep 2013	Aug 2014	Dec 2015	16
Chelsea Place	Aurora, CO	Anthem	MC	Development	48 units	Sep 2013	Dec 2014	Mar 2016	15
Greenridge Place	Westminster, CO	Anthem	MC	Development	60 units	Dec 2013	Feb 2015	Feb 2017	24
Coldspring Transitional Care Center	Cold Spring, KY	Carespring	SNF	Development	143 beds	Dec 2012	Nov 2014	Jun 2016	19
Hillside Heights Rehabilitation Suites	Amarillo, TX	Fundamental	SNF	Redevelopment	120 beds	Oct 2011	Jul 2013	Aug 2013	1
Pavilion at Glacier Valley	Slinger, WI	Fundamental	SNF	Redevelopment	106 beds	Feb 2015	Feb 2014	Feb 2016	24
Pavilion at Creekwood ⁽²⁾	Mansfield, TX	Fundamental	SNF	Acquisition	126 beds	Feb 2016	Jul 2015	Feb 2017	12
Mustang Creek Estates	Frisco, TX	Mustang Creek Mgmt	ALF/MC	Development	80 units	Dec 2012	Oct 2014	Dec 2015	14
The Oxford Grand	Wichita, KS	Oxford Senior Living	ALF/MC	Development	77 units	Oct 2012	Oct 2013	Sep 2014	11
Thrive at Deerwood ⁽²⁾	Jacksonville, FL	Thrive Senior Living	MC	Acquisition	60 units	Sep 2015	Jul 2015	Jul 2017	24

(1) Represents date of Certificate of Occupancy.

(2) Property meets the definition of stabilized but has not yet achieved the applicable occupancy threshold. The occupancy for the Mansfield, TX and Jacksonville, FL properties at September 30, 2017 are 71% and 58%, respectively.

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Portfolio Metrics



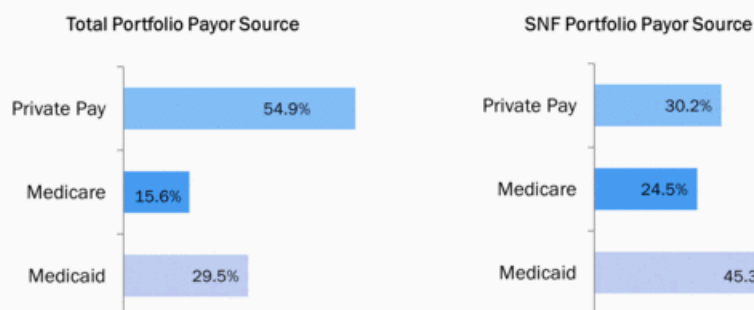
Same Property Portfolio Statistics ⁽¹⁾

	Occupancy		Normalized EBITDARM Coverage		Normalized EBITDAR Coverage	
	2Q17	1Q17	2Q17	1Q17	2Q17	1Q17
Owned Properties						
Assisted Living	85.8%	84.8%	1.43	1.46	1.22	1.23
Skilled Nursing	77.9%	78.3%	1.93	2.03	1.41	1.47

(1) Information is for the trailing twelve months through June 30, 2017 and March 31, 2017 and is from property level operator financial statements which are unaudited and have not been independently verified by LTC.

Stabilized Property Portfolio

TTM Ended June 30, 2017



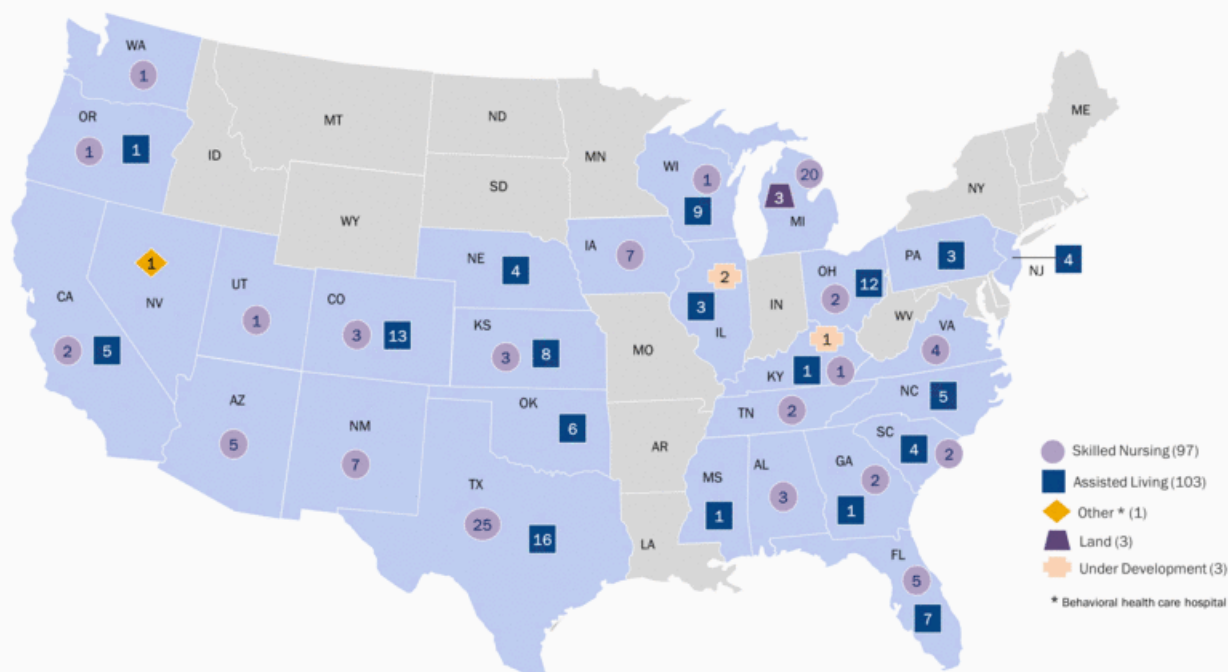
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Portfolio Diversification – Geography

(as of September 30, 2017)



201 Properties | 3 Development Projects | 3 Land Parcels | 28 States | 28 Operators



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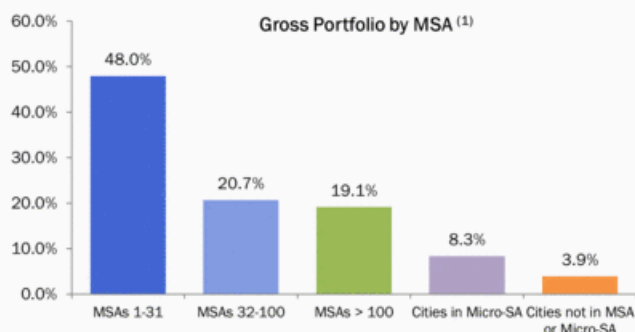
Portfolio Diversification – Geography

(as of September 30, 2017, dollar amounts in thousands)



State ⁽¹⁾	# of Props	SNF	%	ALF	%	UDP	%	OTH ⁽²⁾	%	Gross Investment	%
Texas	41	\$ 218,475	27.2%	\$ 50,804	6.8%	\$ -	-	\$ -	-	\$ 269,279	17.0%
Michigan	20	222,973	27.7%	-	-	-	-	943	9.2%	223,916	14.1%
Wisconsin	10	13,946	1.7%	112,367	15.1%	-	-	-	-	126,313	8.0%
Ohio	14	54,000	6.7%	61,258	8.2%	-	-	-	-	115,258	7.3%
Colorado	16	8,044	1.0%	106,879	14.4%	-	-	-	-	114,923	7.3%
California	7	22,130	2.8%	80,124	10.8%	-	-	-	-	102,254	6.5%
Florida	12	35,362	4.4%	39,247	5.3%	-	-	-	-	74,609	4.7%
Illinois	3	-	-	55,001	7.4%	16,881	63.5%	-	-	71,882	4.5%
Kansas	11	14,112	1.8%	57,577	7.8%	-	-	-	-	71,689	4.5%
New Jersey	4	-	-	62,064	8.4%	-	-	-	-	62,064	3.9%
All Others	63	214,811	26.7%	117,694	15.8%	9,716	36.5%	9,273	90.8%	351,494	22.2%
Total	201	\$ 803,853	100.0%	\$ 743,015	100.0%	\$ 26,597	100.0%	\$ 10,216	100.0%	\$ 1,583,681	100.0%

(1) Due to master leases with properties in multiple states, revenue by state is not available.
 (2) Includes one behavioral health care hospital and three parcels of land.



(1) The MSA rank by population as of July 1, 2016, as estimated by the United States Census Bureau.

Approximately 69% of our properties are in the Top 100 MSAs

MSAs 1 - 31 • Population 20.2M – 2.1M

MSAs 32 - 100 • Population 2.1M – 0.6M

MSAs > 100 • Population 0.5M – 55K

Cities in a Micro-SA • Population 216K – 13K

Cities not in MSA • Population less than 100K

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Portfolio Diversification – Operators

(as of September 30, 2017, dollar amounts in thousands)

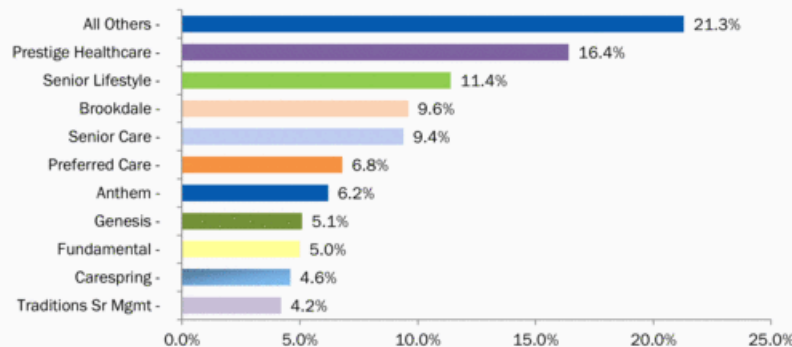


Operators	# of Properties	Annual Income ⁽¹⁾	%	Gross Investment	%
Prestige Healthcare	22	\$ 27,410	16.4%	\$ 236,105	14.9%
Senior Lifestyle Corporation	23	18,970	11.4%	189,025	11.9%
Brookdale Senior Living	37	16,034	9.6%	126,991	8.0%
Senior Care Centers	11	15,756	9.4%	138,109	8.7%
Preferred Care	26	11,278	6.8%	86,998	5.5%
Anthem Memory Care ⁽²⁾	9	10,379	6.2%	121,138	7.7%
Genesis Healthcare	8	8,434	5.1%	54,864	3.5%
Fundamental	7	8,306	5.0%	74,652	4.7%
Carespring Health Care Management	3	7,635	4.6%	87,261	5.5%
Traditions Senior Management	5	7,056	4.2%	62,877	4.0%
All Others	50	35,557	21.3%	405,661	25.6%
	201	\$ 166,815	100.0%	\$ 1,583,681	100.0%

(1) Includes annualized GAAP rent for leased properties except for Anthem as described below, and trailing twelve months of interest income from mortgage loans excluding the interest income from loans that paid off during the twelve months ended September 30, 2017.

(2) During the nine months ended September 30, 2017, we issued a notice of default on the master lease covering two properties under development and nine additional operational memory care communities resulting from lessee's partial payment of minimum rent. Subsequent to September 30, 2017, we entered into a forbearance agreement with our lessee whereby we have agreed to not pursue enforcement of our rights and remedies pertaining to known events of default under the master lease and guarantees through December 31, 2017, with the stipulation, among other conditions, that the lessee pay \$400 per month toward their obligations of the master lease through December 31, 2017. Accordingly, this lease is being accounted for on a cash basis.

Annual Income by Operator



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Portfolio Diversification - Top Ten Operator Profiles

(as of September 30, 2017)



Privately Held

SNF/ALF/ILF
Other Rehab

68 Properties

7 States



Privately Held

ALF/ILF/MC/SNF
Short Term Stays

176 Properties

25 States



NYSE: BKD

ALF/ILF/MC
Continuing Care

Approx 1,039 Properties

46 States



Privately Held

SNF/ALF/ILF/MC
Transitional Care & Rehab

107 Properties

2 States



Privately Held

SNF/ALF/ILF
Specialty Care

109 Properties

12 States



Privately Held

Exclusively MC

10 Properties

4 States



NYSE: GEN

SNF/ALF
Senior Living

More than 450 Properties

30 States



Privately Held

SNF/MC
Hospitals & Other Rehab

96 Properties

10 States



Privately Held

SNF/ALF/ILF
Transitional Care

11 Properties

2 States



Privately Held

SNF/ALF/ILF

34 Properties

6 States

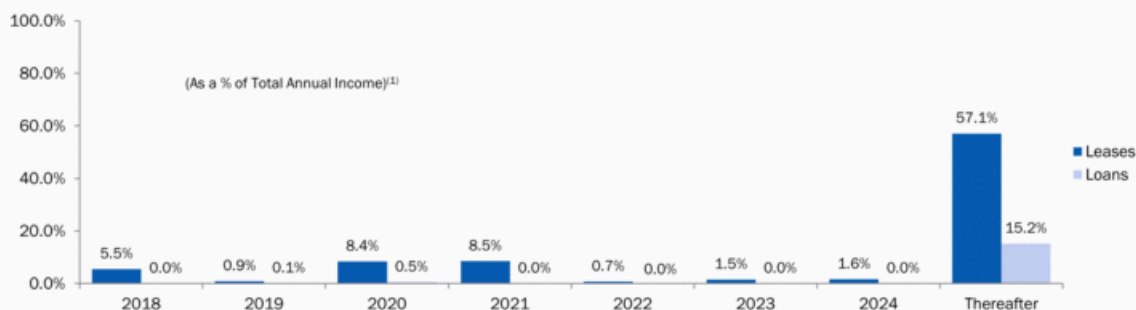
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Portfolio Maturity

(as of September 30, 2017, dollar amounts in thousands)



Year	Rental Income ⁽¹⁾	% of Total	Interest Income ⁽¹⁾	% of Total	Annual Income ⁽¹⁾	% of Total
2018	\$ 9,101	6.5%	-	-	\$ 9,101	5.5%
2019	1,571	1.1%	125	0.5%	1,696	1.0%
2020	14,058	10.0%	775	2.9%	14,833	8.9%
2021	14,218	10.1%	-	-	14,218	8.5%
2022	1,175	0.8%	-	-	1,175	0.7%
2023	2,539	1.8%	-	-	2,539	1.5%
2024	2,630	1.9%	-	-	2,630	1.6%
Thereafter ⁽²⁾	95,223	67.8%	25,400	96.6%	120,623	72.3%
Total	\$ 140,515	100.0%	\$ 26,300	100.0%	\$ 166,815	100.0%



(1) Includes annualized GAAP rent for leased properties except for Anthem as described below, and trailing twelve months of interest income from mortgage loans excluding the interest income from loans that paid off during the twelve months ended September 30, 2017.

(2) During the nine months ended September 30, 2017, we issued a notice of default on the Anthem master lease covering two properties under development and nine additional operational memory care communities resulting from lessee's partial payment of minimum rent. Subsequent to September 30, 2017, we entered into a forbearance agreement with our lessee whereby we have agreed to not pursue enforcement of our rights and remedies pertaining to known events of default under the master lease and guarantees through December 31, 2017, with the stipulation, among other conditions, that the lessee pay \$400 per month toward their obligations of the master lease through December 31, 2017. Accordingly, this lease is being accounted for on a cash basis.

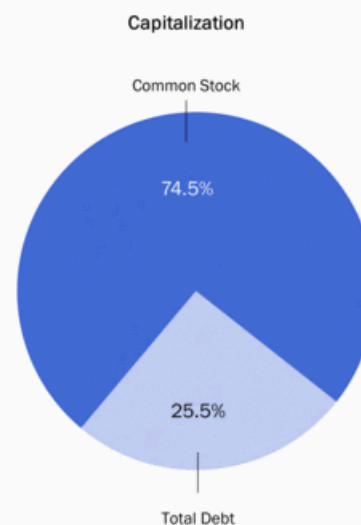
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Enterprise Value

(amounts in thousands, except per share amounts and number of shares)



	At September 30, 2017		Capitalization
Debt			
Bank borrowings - weighted average rate 3.0% ⁽¹⁾		\$ 55,000	
Senior unsecured notes - weighted average rate 4.5% ⁽²⁾		582,950	
Total debt - weighted average rate 4.4%		637,950	25.5%
Equity			
	No. of shares	9/30/17 Closing Price	
Common stock	39,570,769	\$ 46.98 ⁽³⁾	1,859,035
			74.5%
Total Market Value		\$ 2,496,985	100%
Less: Cash and cash equivalents			(3,842)
Enterprise Value		\$ 2,493,143	
Debt to Enterprise Value			25.6%
Debt to Annualized Normalized EBITDA ⁽⁴⁾			4.2x



(1) Subsequent to September 30, 2017, we paid down \$5,000 and borrowed an additional \$20,000 under our unsecured revolving line of credit.

Accordingly, we have \$70,000 outstanding under our unsecured revolving line of credit with \$530,000 available for borrowing.

(2) Represents outstanding balance of \$584,133, net of debt issue costs of \$1,183. Rate includes amortization of debt issue cost.

(3) Closing price of our common stock as reported by the NYSE on September 30, 2017.

(4) See page 23 for reconciliation of annualized normalized EBITDA.

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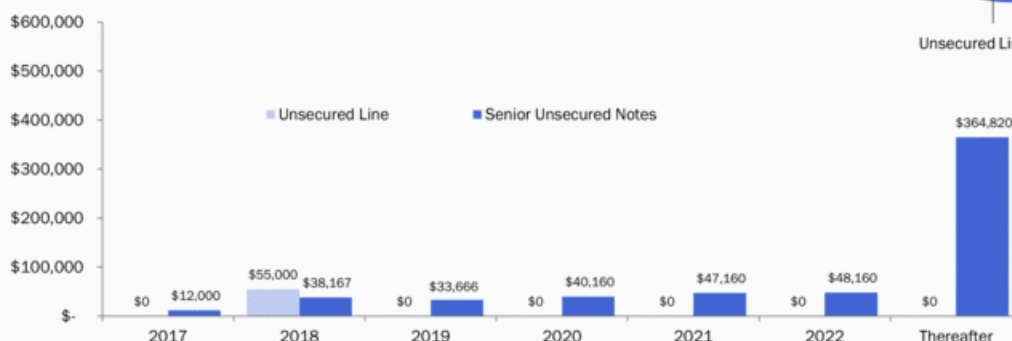
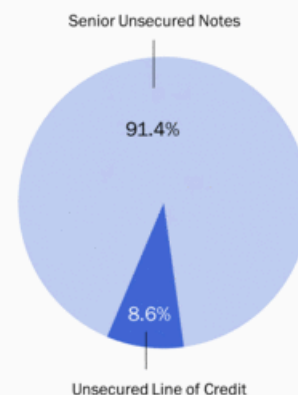
Debt Maturity

(as of September 30, 2017, dollar amounts in thousands)



Year	Unsecured Line of Credit ⁽¹⁾	Senior Unsecured Notes ⁽²⁾	Total	% of Total
2017	\$ -	\$ 12,000	\$ 12,000	1.9%
2018	55,000	38,167	93,167	14.6%
2019	-	33,666	33,666	5.3%
2020	-	40,160	40,160	6.3%
2021	-	47,160	47,160	7.4%
2022	-	48,160	48,160	7.5%
Thereafter	-	364,820	364,820	57.0%
Total	\$ 55,000	\$ 584,133	\$ 639,133 ⁽³⁾	100.0%

Debt Structure



- (1) Total commitment under our unsecured revolving line of credit is \$600,000 which matures in October 2018, with a one-year extension option. Subsequent to September 30, 2017, we paid down \$5,000 and borrowed an additional \$20,000 under our unsecured revolving line of credit. Accordingly, we have \$70,000 outstanding under our unsecured revolving line of credit with \$530,000 available for borrowing.
- (2) Reflects scheduled principal payments.
- (3) Excludes debt issue costs which are included in the senior unsecured notes balance shown on page 20.

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Financial Data Summary

(dollar amounts in thousands)



Balance Sheet, Leverage Ratios and Coverage Ratios

	9/30/17	12/31/16	12/31/15	12/31/14
Balance Sheet				
Gross real estate assets	\$1,583,681	\$1,533,679	\$1,418,405	\$1,117,167
Net real estate assets	1,282,458	1,255,503	1,164,950	892,179
Gross asset value	1,732,582	1,673,238	1,528,879	1,189,758
Total debt ⁽¹⁾	637,950	609,391	571,872	280,584
Total liabilities	674,558	654,848	616,222	304,649
Preferred stock	-	-	-	38,500
Total equity	756,635	740,048	659,202	660,121
Leverage Ratios				
Debt to gross asset value	36.8%	36.4%	37.4%	23.6%
Debt to total enterprise value	25.6%	24.9%	26.2%	15.4%

(1) Represents outstanding balance of gross bank borrowings and senior unsecured notes, net of debt issue costs.

	3Q17 Annualized	For the Year Ended		
		12/31/16	12/31/15	12/31/14
Coverage Ratios				
Debt to normalized EBITDA	4.2x	4.2x	4.7x	2.6x
Normalized EBITDA / interest incurred	4.8x	5.2x	6.7x	7.3x
Normalized EBITDA / fixed charges	4.8x	5.2x	5.9x	6.0x

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Financial Data Summary

(dollar amounts in thousands)



Reconciliation of Annualized Normalized EBITDA and Fixed Charges

	3Q17 Annualized ⁽¹⁾	For the Year Ended		
		12/31/16	12/31/15	12/31/14
Net income	\$ 82,464	\$ 85,115	\$ 73,081	\$ 73,399
Less: Gain on sale of real estate, net	-	(3,582)	(586)	(4,959)
Add: Impairment charges	-	766 ⁽²⁾	2,250 ⁽³⁾	-
Add: Interest expense	30,576	26,442	17,497	13,128
Add: Depreciation and amortization	38,076	35,932	29,431	25,529
Adjusted EBITDA	151,116	144,673	121,673	107,097
Add back/(deduct):				
Non-recurring one-time items	-	-	937	-
Normalized EBITDA	\$ 151,116	\$ 144,673	\$ 122,610	\$ 107,097
Interest expense:	\$ 30,576	\$ 26,442	\$ 17,497	\$ 13,128
Add: Capitalized interest	1,024	1,408	827	1,506
Interest incurred	\$ 31,600	\$ 27,850	\$ 18,324	\$ 14,634
Interest incurred	\$ 31,600	\$ 27,850	\$ 18,324	\$ 14,634
Preferred stock dividend	-	-	2,454	3,273
Fixed Charges	\$ 31,600	\$ 27,850	\$ 20,778	\$ 17,907

(1) Gain on sale of real assets, Impairment charges and non-recurring one-time items were not annualized.

(2) Impairment charge related to an asset held for sale.

(3) Impairment charge related to an asset sold in 2015.

Non-Cash Revenue Components

	3Q17	4Q17 ⁽¹⁾	1Q18 ⁽¹⁾	2Q18 ⁽¹⁾	3Q18 ⁽¹⁾
Straight-line rent	\$ 2,055	\$ 2,522	\$ 2,012	\$ 1,724	\$ 881
Amort of lease inducement	(570)	(529)	(530)	(530)	(530)
Effective Interest	1,394	1,397	1,391	1,393	1,387
Net	\$ 2,879	\$ 3,390	\$ 2,873	\$ 2,587	\$ 1,738

(1) For leases and loans in place at September 30, 2017, assuming no renewals, modification or replacement, and no new investments are added to our portfolio and excludes straight-line rent under the Anthem master lease which is in default. Subsequent to September 30, 2017, we entered into a forbearance agreement with Anthem whereby we have agreed to not pursue enforcement of our rights and remedies pertaining to known events of default under the master lease and guarantees through December 31, 2017, with the stipulation, among other conditions, that the lessee pay \$400 per month toward their obligations of the master lease through December 31, 2017.

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Income Statement Data

(amounts in thousands, except per share amounts)



	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(unaudited)		(unaudited)	
Revenues				
Rental income	\$ 33,233	\$ 33,753	\$ 103,533	\$ 98,705
Interest income from mortgage loans	6,677	6,958	20,050	20,347
Interest and other income	1,336	131	2,753	390
Total revenues	41,246	40,842	126,336	119,442
Expenses				
Interest expense	7,644	6,836	22,266	19,586
Depreciation and amortization	9,519	9,155	28,186	26,623
Impairment charges	-	-	1,880	-
(Recovery) provision for doubtful accounts	(96)	43	(139)	245
Transaction costs	34	2	56	96
General and administrative expenses	4,144	4,464	13,270	12,864
Total expenses	21,245	20,500	65,519	59,414
Operating Income	20,001	20,342	60,817	60,028
Income from unconsolidated joint ventures	615	289	1,635	839
Gain on sale of real estate, net	-	1,780	5,054	3,582
Net Income	20,616	22,411	67,506	64,449
Income allocated to participating securities	(80)	(90)	(281)	(296)
Net income available to common stockholders	\$ 20,536	\$ 22,321	\$ 67,225	\$ 64,153
Earnings per common share:				
Basic	\$0.52	\$0.57	\$1.71	\$1.68
Diluted	\$0.52	\$0.57	\$1.70	\$1.68
Weighted average shares used to calculate earnings per common share:				
Basic	39,428	39,057	39,403	38,161
Diluted	39,748	39,335	39,738	38,455
Dividends declared and paid per common share	\$0.57	\$0.54	\$1.71	\$1.62

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Consolidated Balance Sheets

(amounts in thousands, except per share amounts)



	September 30, 2017 (unaudited)	December 31, 2016 (audited)		September 30, 2017 (unaudited)	December 31, 2016 (audited)
ASSETS			LIABILITIES		
Investments:			Bank borrowings		
Land	\$ 121,897	\$ 116,096		\$ 55,000	\$ 107,100
Buildings and improvements	1,227,044	1,185,467	Senior unsecured notes, net of debt issue costs: 2017 - \$1,183; 2016 - \$1,009		
Accumulated depreciation and amortization	(294,725)	(275,861)		582,950	502,291
Operating real estate property, net	1,054,216	1,025,702	Total Debt		
Properties held-for-sale, net of accumulated depreciation:				637,950	609,391
2017 - \$4,264; 2016 - \$0	6,381	-	Accrued interest		
Real property investments, net	1,060,597	1,025,702		4,108	4,675
Mortgage loans receivable, net of loan loss reserve: 2017 - \$2,234; 2016 - \$2,315	221,861	229,801	Accrued incentives and earn-outs		
Real estate investments, net	1,282,458	1,255,503		8,790	12,229
Notes receivable, net of loan loss reserve: 2017 - \$166; 2016 - \$166	16,402	16,427	Accrued expenses and other liabilities		
Investments in unconsolidated joint ventures	29,862	25,221		23,710	28,553
Investments, net	1,328,722	1,297,151	Total liabilities		
				674,558	654,848
Other assets:			EQUITY		
Cash and cash equivalents	3,842	7,991	Stockholders' equity:		
Debt issue costs related to bank borrowings	1,080	1,847	Common stock⁽¹⁾		
Interest receivable	13,650	9,683		396	392
Straight-line rent receivable, net of allowance for doubtful accounts: 2017 - \$901; 2016 - \$960	61,070	55,276	Capital in excess of par value		
Prepaid expenses and other assets	22,829	22,948		855,746	839,005
			Cumulative net income		
Total assets	\$ 1,431,193	\$ 1,394,896		1,080,949	1,013,443
			Cumulative distributions		
				(1,180,456)	(1,112,792)
			Total equity		
				756,635	740,048
			Total liabilities and equity		
				\$ 1,431,193	\$ 1,394,896

(1) Common stock of \$0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2017 - 39,571; 2016 - 39,221

Funds from Operations

(unaudited, amounts in thousands, except per share amounts)



Reconciliation of FFO, AFFO, and FAD

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
GAAP net income available to common stockholders	\$ 20,536	\$ 22,321	\$ 67,225	\$ 64,153
Add: Depreciation and amortization	9,519	9,155	28,186	26,623
Add: Impairment charges	-	-	1,880	-
Less: Gain on sale of real estate, net	-	(1,780)	(5,054)	(3,582)
NAREIT FFO attributable to common stockholders	30,055	29,696	92,237	87,194
Less: Non-cash rental income	(1,485)	(2,278)	(5,681)	(6,755)
Less: Non-cash other income	(842)	-	(842)	-
Less: Effective interest income from mortgage loans	(1,394)	(1,352)	(4,102)	(3,907)
Less: Deferred income from unconsolidated joint ventures	(47)	-	(141)	-
Adjusted FFO (AFFO)	26,287	26,066	81,471	76,532
Add: Non-cash compensation charges	1,283	1,130	3,967	3,149
Add: Non-cash interest related to earn-out liabilities	125	223	476	538
Less: Capitalized interest	(256)	(251)	(627)	(1,193)
Funds available for distribution (FAD)	\$ 27,439	\$ 27,168	\$ 85,287	\$ 79,026
NAREIT Diluted FFO attributable to common stockholders per share	\$0.76	\$0.76	\$2.33	\$2.28

Funds from Operations

(unaudited, amounts in thousands, except per share amounts)



Reconciliation of FFO Per Share

For the three months ended September 30,

Normalized FFO/AFFO/FAD attributable to common stockholders

Effect of dilutive securities:

Participating securities

Diluted normalized FFO/AFFO/FAD assuming conversion

Shares for basic FFO/AFFO/FAD per share

Effect of dilutive securities:

Stock options

Performance based stock units (MSU)

Participating securities

Shares for diluted normalized FFO/AFFO/FAD per share

FFO		AFFO		FAD	
2017	2016	2017	2016	2017	2016
\$ 30,055	\$ 29,696	\$ 26,287	\$ 26,066	\$ 27,439	\$ 27,168
80	90	80	90	80	90
\$ 30,135	\$ 29,786	\$ 26,367	\$ 26,156	\$ 27,519	\$ 27,258
39,428	39,057	39,428	39,057	39,428	39,057
9	13	9	13	9	13
170	108	170	108	170	108
141	157	141	157	141	157
39,748	39,335	39,748	39,335	39,748	39,335

For the nine months ended September 30,

Normalized FFO/AFFO/FAD attributable to common stockholders

Effect of dilutive securities:

Participating securities

Diluted normalized FFO/AFFO/FAD assuming conversion

Shares for basic FFO/AFFO/FAD per share

Effect of dilutive securities:

Stock options

Performance based stock units (MSU)

Participating securities

Shares for diluted normalized FFO/AFFO/FAD per share

FFO		AFFO		FAD	
2017	2016	2017	2016	2017	2016
\$ 92,237	\$ 87,194	\$ 81,471	\$ 76,532	\$ 85,287	\$ 79,026
281	296	281	296	281	296
\$ 92,518	\$ 87,490	\$ 81,752	\$ 76,828	\$ 85,568	\$ 79,322
39,403	38,161	39,403	38,161	39,403	38,161
11	13	11	13	11	13
170	108	170	108	170	108
154	173	154	173	154	173
39,738	38,455	39,738	38,455	39,738	38,455

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Glossary



Adjusted Funds from Operations ("AFFO"): FFO excluding the effects of straight-line rent, amortization of lease inducement, effective interest income and deferred income from unconsolidated joint ventures.

Assisted Living Properties ("ALF"): The ALF portfolio consists of assisted living, independent living, and/or memory care properties. (See Independent Living and Memory Care) Assisted living properties are seniors housing properties serving elderly persons who require assistance with activities of daily living, but do not require the constant supervision skilled nursing properties provide. Services are usually available 24 hours a day and include personal supervision and assistance with eating, bathing, grooming and administering medication. The facilities provide a combination of housing, supportive services, personalized assistance and health care designed to respond to individual needs.

Contractual Lease Rent: Rental revenue as defined by the lease agreement between us and the operator for the lease year.

EBITDA: Earnings before interest, taxes, depreciation and amortization.

Funds Available for Distribution ("FAD"): AFFO excluding the effects of non-cash compensation charges, capitalized interest and non-cash interest charges.

Funds From Operations ("FFO"): As defined by the National Association of Real Estate Investment Trusts ("NAREIT"), net income available to common stockholders (computed in accordance with U.S. GAAP) excluding gains or losses on the sale of real estate and impairment write-downs of depreciable real estate plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

GAAP Lease Yield: GAAP rent divided by the sum of the purchase price and transaction costs.

GAAP Rent: Total rent we will receive as a fixed amount over the initial term of the lease and recognized evenly over that term. GAAP rent recorded in the early years of a lease is higher than the cash rent received and during the later years of the lease, the cash rent received is higher than GAAP rent recognized. GAAP rent is commonly referred to as straight-line rental income.

Gross Asset Value: The carrying amount of total assets after adding back accumulated depreciation and loan loss reserves, as reported in the company's consolidated financial statements.

Gross Investment: Original price paid for an asset plus capital improvements funded by LTC, without any depreciation deductions. Gross Investment is commonly referred to as undepreciated book value.

Independent Living Properties ("ILF"): Seniors housing properties offering a sense of community and numerous levels of service, such as laundry, housekeeping, dining options/meal plans, exercise and wellness programs, transportation, social, cultural and recreational activities, on-site security and emergency response programs. Many offer on-site conveniences like beauty/barber shops, fitness facilities, game rooms, libraries and activity centers. ILFs are also known as retirement communities or seniors apartments.

Interest Income: Represents interest income from mortgage loans and other notes.

Licensed Beds/Units: The number of beds and/or units that an operator is authorized to operate at seniors housing and long-term care properties. Licensed beds and/or units may differ from the number of beds and/or units in service at any given time.

Memory Care Properties ("MC"): Seniors housing properties offering specialized options for seniors with Alzheimer's disease and other forms of dementia. These facilities offer dedicated care and specialized programming for various conditions relating to memory loss in a secured environment that is typically smaller in scale and more residential in nature than traditional assisted living facilities. These facilities have staff available 24 hours a day to respond to the unique needs of their residents.

Metropolitan Statistical Areas ("MSA"): Based on the U.S. Census Bureau, MSA is a geographic entity defined by the Office of Management and Budget (OMB) for use by Federal statistical agencies in collecting, tabulating, and publishing Federal statistics. A metro area contains a core urban area of 50,000 or more population.

Mezzanine: In 2015 the Company strategically decided to allocate a portion of its capital deployment toward mezzanine loans to grow relationships with operating companies that have not typically utilized sale leaseback financing as a component of their capital structure. Mezzanine financing sits between senior debt and common equity in the capital structure, and typically is used to finance development projects or value-add opportunities on existing operational properties. We seek market-based, risk-adjusted rates of return typically between 12-18% with the loan term typically between four to eight years. Security for mezzanine loans can include all or a portion of the following credit enhancements; secured second mortgage, pledge of equity interests and personal/corporate guarantees. Mezzanine loans can be recorded for GAAP purposes as either a loan or joint venture depending upon specifics of the loan terms and related credit enhancements.

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Glossary



Metropolitan Statistical Areas ("Micro-SA"): Based on the U.S. Census Bureau, Micro-SA is a geographic entity defined by the Office of Management and Budget (OMB) for use by Federal statistical agencies in collecting, tabulating, and publishing Federal statistics. A micro area contains an urban core of at least 10,000 population.

Mortgage Loan: Mortgage financing is provided on properties based on our established investment underwriting criteria and secured by a first mortgage. Subject to underwriting, additional credit enhancements may be required including, but not limited to, personal/corporate guarantees and debt service reserves. When possible, LTC attempts to negotiate a purchase option to acquire the property at a future time and lease the property back to the borrower.

Net Real Estate Assets: Gross real estate investment less accumulated depreciation. Net Real Estate Asset is commonly referred to as Net Book Value ("NBV").

Non-cash Rental Income: Straight-line rental income and amortization of lease inducement.

Non-cash Compensation Charges: Vesting expense relating to stock options and restricted stock.

Normalized AFFO: AFFO adjusted for non-recurring, infrequent or unusual items.

Normalized EBITDAR Coverage: The trailing twelve month's earnings from the operator financial statements adjusted for non-recurring, infrequent, or unusual items and before interest, taxes, depreciation, amortization, and rent divided by the operator's contractual lease rent. Management fees are imputed at 5% of revenues.

Normalized EBITDARM Coverage: The trailing twelve month's earnings from the operator financial statements adjusted for non-recurring, infrequent, or unusual items and before interest, taxes, depreciation, amortization, rent, and management fees divided by the operator's contractual lease rent.

Normalized FAD: FAD adjusted for non-recurring, infrequent or unusual items.

Normalized FFO: FFO adjusted for non-recurring, infrequent or unusual items.

Occupancy: The weighted average percentage of all beds and/or units that are occupied at a given time. The calculation uses the trailing twelve months and is based on licensed beds and/or units which may differ from the number of beds and/or units in service at any given time.

Operator Financial Statements: Property level operator financial statements which are unaudited and have not been independently verified by us.

Payor Source: LTC revenue by operator underlying payor source for the period presented. LTC is not a Medicaid or a Medicare recipient. Statistics represent LTC's rental revenues times operators' underlying payor source revenue percentage. Underlying payor source revenue percentage is calculated from property level operator financial statements which are unaudited and have not been independently verified by us.

Private Pay: Private pay includes private insurance, HMO, VA, and other payors.

Purchase Price: Represents the fair value price of an asset that is exchanged in an orderly transaction between market participants at the measurement date. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets; it is not a forced transaction (for example, a forced liquidation or distress sale).

Rental Income: Represents GAAP rent net of amortized lease inducement cost.

Same Property Portfolio ("SPP"): Same property statistics allow for the comparative evaluation of performance across a consistent population of LTC's leased property portfolio and the Prestige Healthcare mortgage loan portfolio. Our SPP is comprised of stabilized properties occupied and operated throughout the duration of the quarter-over-quarter comparison periods presented (excluding assets sold and assets held-for-sale). Accordingly, a property must be occupied and stabilized for a minimum of 15 months to be included in our SPP.

Skilled Nursing Properties ("SNF"): Seniors housing properties providing restorative, rehabilitative and nursing care for people not requiring the more extensive and sophisticated treatment available at acute care hospitals. Many SNFs provide ancillary services that include occupational, speech, physical, respiratory and IV therapies, as well as sub-acute care services which are paid either by the patient, the patient's family, private health insurance, or through the federal Medicare or state Medicaid programs.

Stabilized: Properties are generally considered stabilized upon the earlier of achieving certain occupancy thresholds (e.g. 80% for SNFs and 90% for ALFs) and, as applicable, 12 months from the date of acquisition or, in the event of a de novo development, redevelopment, major renovations or addition, 24 months from the date the property is first placed in or returned to service, or issuance of certificate of occupancy for properties acquired in lease-up.

Under Development Properties ("UDP"): Development projects to construct seniors housing properties.

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LTC Properties, Inc.



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Company

Founded in 1992, LTC Properties, Inc. (LTC) is a self-administered real estate investment trust (REIT) investing in seniors housing and health care properties primarily through sale-leaseback transactions, mortgage financing and structured finance solutions including preferred equity and mezzanine lending. LTC's portfolio encompasses Skilled Nursing Facilities (SNF), Assisted Living Communities (ALF), Independent Living Communities (ILF), Memory Care Communities (MC) and combinations thereof. Our main objective is to build and grow a diversified portfolio that creates and sustains shareholder value while providing our stockholders current distribution income. To meet this objective, we seek properties operated by regional operators, ideally offering upside and portfolio diversification (geographic, operator, property type and investment vehicle). For more information, visit www.LTCreit.com.

Forward-Looking Statements

This supplemental information contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, adopted pursuant to the Private Securities Litigation Reform Act of 1995. Statements that are not purely historical may be forward-looking. You can identify some of the forward-looking statements by their use of forward-looking words, such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates" or "anticipates," or the negative of those words or similar words. Forward-looking statements involve inherent risks and uncertainties regarding events, conditions and financial trends that may affect our future plans of operation, business strategy, results of operations and financial position. A number of important factors could cause actual results to differ materially from those included within or contemplated by such forward-looking statements, including, but not limited to, the status of the economy, the status of capital markets (including prevailing interest rates), and our access to capital; the income and returns available from investments in health care related real estate, the ability of our borrowers and lessees to meet their obligations to us, our reliance on a few major operators; competition faced by our borrowers and lessees within the health care industry, regulation of the health care industry by federal, state and local governments, changes in Medicare and Medicaid reimbursement amounts (including due to federal and state budget constraints), compliance with and changes to regulations and payment policies within the health care industry, debt that we may incur and changes in financing terms, our ability to continue to qualify as a real estate investment trust, the relative illiquidity of our real estate investments, potential limitations on our remedies when mortgage loans default, and risks and liabilities in connection with properties owned through limited liability companies and partnerships. For a discussion of these and other factors that could cause actual results to differ from those contemplated in the forward-looking statements, please see the discussion under "Risk Factors" and other information contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and in our publicly available filings with the Securities and Exchange Commission. We do not undertake any responsibility to update or revise any of these factors or to announce publicly any revisions to forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Information

This supplemental information contains certain non-GAAP information including adjusted EBITDA, normalized EBITDA, FFO, normalized FFO, normalized AFFO, normalized FAD, normalized interest coverage ratio, and normalized fixed charges coverage ratio. A reconciliation of this non-GAAP information is provided on pages 23, 26 and 27 of this supplemental information, and additional information is available under the "Non-GAAP Financial Measures" subsection under the "Selected Financial Data" section of our website at www.LTCreit.com.

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