

VENTAS INC
Form 10-Q/A
September 04, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A
(Amendment No. 1)

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission file number: 1-10989

Ventas, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)
353 N. Clark Street, Suite 3300
Chicago, Illinois
(Address of Principal Executive Offices)
60654
(Zip Code)
(877) 483-6827
(Registrant's Telephone Number, Including Area Code)

61-1055020
(I.R.S. Employer
Identification No.)

Not Applicable

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Non-accelerated filer

Large accelerated filer Accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

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Class of Common Stock:
Common Stock, \$0.25 par value

Outstanding at August 29, 2014:
294,335,008

Explanatory Note

This Amendment No. 1 to Ventas, Inc.'s (the "Company's") Quarterly Report on Form 10-Q (the "Amendment") for the quarterly period ended March 31, 2014, as filed with the Securities and Exchange Commission (the "SEC") on April 29, 2014 (the "Original Filing"), is being filed to amend Part I, Item 1 and Part II, Item 6 of the Original Filing following the re-review of the Company's unaudited interim financial information for the quarterly period ended March 31, 2014 (the "Re-review") by its current independent registered public accounting firm, KPMG LLP ("KPMG").

This Amendment is being filed to disclose that KPMG completed its Statement of Auditing Standards No. 100, or SAS 100, review of the unaudited interim financial information presented in the Original Filing. In addition, "Note 2—Accounting Policies" of the Notes to Consolidated Financial Statements included in Part I, Item 1 of the Original Filing has been amended to reflect the re-audit of the Company's financial statements for the fiscal year ended December 31, 2013 by KPMG. Part II, Item 6 of the Original Filing has been amended to include new certifications, as reflected in Exhibits 31.1, 31.2, 32.1, and 32.2, and an acknowledgment from KPMG regarding the unaudited interim financial statements, as reflected in Exhibit 15.1. No other changes have been made to the Original Filing. This Amendment does not reflect events or transactions occurring after the date of the Original Filing or modify or update those disclosures that may have been affected by events or transactions occurring subsequent to such filing date, and, except as described above, all information and exhibits included in the Original Filing remain unchanged.

Background

As previously disclosed, on July 3, 2014, after the close of business, Ernst & Young LLP ("EY"), notified the Company that, in each case, due solely to a determination that EY was not independent of the Company for the referenced periods: (i) it was withdrawing its audit reports on the Company's financial statements for the fiscal years ended December 31, 2012 and 2013 and its reports on the effectiveness of the Company's internal control over financial reporting as of December 31, 2012 and 2013, and that such reports should no longer be relied upon, and (ii) its quarterly review procedures with respect to the Company's financial statements for the quarterly period ended March 31, 2014 should no longer be relied upon. EY stated that it had concluded it was not independent of the Company due solely to an inappropriate personal relationship between an EY partner, who, until June 30, 2014, was the EY lead audit partner on the Company's 2014 audit and quarterly review and was previously an audit engagement partner on the Company's 2013 and 2012 audits, and an individual in a financial reporting oversight role at the Company. EY did not bring any other matters to the Company's attention that would affect the Company's financial statements or internal control over financial reporting, and the Company continues to believe that the Company's financial statements covering the referenced periods present fairly, in all material respects, the financial condition, results of operations and cash flows of the Company as of the end of and for the referenced periods and that the Company's internal control over financial reporting was effective during these periods.

On July 5, 2014, the Company terminated EY as the Company's registered public accounting firm, effective immediately, due to EY's determination that it was not independent of the Company with respect to the above referenced periods, and not for any reason related to the Company's financial reporting or accounting operations, policies or practices.

Effective on July 9, 2014, the Company's Audit Committee engaged KPMG as the Company's new independent registered public accounting firm: (i) to perform independent audit services for the fiscal year ending December 31, 2014, (ii) to re-audit the Company's financial statements for the fiscal years ended December 31, 2012 and 2013 and the effectiveness of the Company's internal controls over financial reporting as of December 31, 2013 and (iii) to perform quarterly review procedures for the Quarterly Reports on Form 10-Q filed in 2014. The Company's unaudited interim financial statements for the quarter ended March 31, 2014 that are presented in this quarterly report have been prepared in accordance with U.S. Securities and Exchange Commission ("SEC") rules.

VENTAS, INC.
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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders

Ventas, Inc.:

We have reviewed the consolidated balance sheet of Ventas, Inc. and subsidiaries (the Company) as of March 31, 2014, the related consolidated statements of income, comprehensive income and cash flows for the three-month periods ended March 31, 2014 and 2013, and the consolidated statement of equity for the three-month period ended March 31, 2014. These consolidated financial statements are the responsibility of the Company's management. We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Ventas, Inc. and subsidiaries as of December 31, 2013, and the related consolidated statements of income, comprehensive income, equity, and cash flows for the year then ended (not presented herein); and in our report dated September 4, 2014 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2013 and the consolidated statement of equity for the year ended December 31, 2013, is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

/s/ KPMG LLP
Chicago, Illinois
September 4, 2014

VENTAS, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except per share amounts)

| | March 31, 2014 | December 31, 2013 |
|--|-------------------|----------------------|
| Assets | | |
| Real estate investments: | | |
| Land and improvements | \$1,867,146 | \$1,855,968 |
| Buildings and improvements | 18,658,616 | 18,457,028 |
| Construction in progress | 71,862 | 80,415 |
| Acquired lease intangibles | 1,014,711 | 1,010,181 |
| | 21,612,335 | 21,403,592 |
| Accumulated depreciation and amortization | (3,515,868) | (3,328,006) |
| Net real estate property | 18,096,467 | 18,075,586 |
| Secured loans receivable and investments, net | 376,074 | 376,229 |
| Investments in unconsolidated entities | 90,929 | 91,656 |
| Net real estate investments | 18,563,470 | 18,543,471 |
| Cash and cash equivalents | 59,791 | 94,816 |
| Escrow deposits and restricted cash | 76,110 | 84,657 |
| Deferred financing costs, net | 59,726 | 62,215 |
| Other assets | 943,671 | 946,335 |
| Total assets | \$19,702,768 | \$19,731,494 |
| Liabilities and equity | | |
| Liabilities: | | |
| Senior notes payable and other debt | \$9,481,051 | \$9,364,992 |
| Accrued interest | 61,083 | 54,349 |
| Accounts payable and other liabilities | 938,098 | 1,001,515 |
| Deferred income taxes | 252,499 | 250,167 |
| Total liabilities | 10,732,731 | 10,671,023 |
| Redeemable OP unitholder and noncontrolling interests | 160,115 | 156,660 |
| Commitments and contingencies | | |
| Equity: | | |
| Ventas stockholders' equity: | | |
| Preferred stock, \$1.00 par value; 10,000 shares authorized, unissued | — | — |
| Common stock, \$0.25 par value; 600,000 shares authorized, 294,346 and 297,901 shares issued at March 31, 2014 and December 31, 2013, respectively | 73,599 | 74,488 |
| Capital in excess of par value | 9,858,733 | 10,078,592 |
| Accumulated other comprehensive income | 18,464 | 19,659 |
| Retained earnings (deficit) | (1,218,967) | (1,126,541) |
| Treasury stock, 3 and 3,712 shares at March 31, 2014 and December 31, 2013, respectively | (162) | (221,917) |
| Total Ventas stockholders' equity | 8,731,667 | 8,824,281 |
| Noncontrolling interest | 78,255 | 79,530 |
| Total equity | 8,809,922 | 8,903,811 |
| Total liabilities and equity | \$19,702,768 | \$19,731,494 |
| See accompanying notes. | | |

VENTAS, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share amounts)

| | For the Three Months Ended March 31, | |
|--|---|-----------|
| | 2014 | 2013 |
| Revenues: | | |
| Rental income: | | |
| Triple-net leased | \$237,846 | \$212,534 |
| Medical office buildings | 115,223 | 110,416 |
| | 353,069 | 322,950 |
| Resident fees and services | 371,061 | 339,170 |
| Medical office building and other services revenue | 6,300 | 3,648 |
| Income from loans and investments | 10,767 | 16,103 |
| Interest and other income | 273 | 1,038 |
| Total revenues | 741,470 | 682,909 |
| Expenses: | | |
| Interest | 87,841 | 78,634 |
| Depreciation and amortization | 193,594 | 175,468 |
| Property-level operating expenses: | | |
| Senior living | 248,295 | 230,908 |
| Medical office buildings | 39,345 | 36,293 |
| | 287,640 | 267,201 |
| Medical office building services costs | 3,371 | 1,639 |
| General, administrative and professional fees | 32,866 | 28,774 |
| Gain on extinguishment of debt, net | (259) |) — |
| Merger-related expenses and deal costs | 10,760 | 4,262 |
| Other | 5,229 | 4,587 |
| Total expenses | 621,042 | 560,565 |
| Income before income from unconsolidated entities, income taxes, discontinued operations, real estate dispositions and noncontrolling interest | 120,428 | 122,344 |
| Income from unconsolidated entities | 248 | 929 |
| Income tax expense | (3,433) |) (1,744) |
| Income from continuing operations | 117,243 | 121,529 |
| Discontinued operations | 3,031 | (8,431) |
| Gain on real estate dispositions, net | 1,000 | — |
| Net income | 121,274 | 113,098 |
| Net income attributable to noncontrolling interest | 227 | 905 |
| Net income attributable to common stockholders | \$121,047 | \$112,193 |
| Earnings per common share: | | |
| Basic: | | |
| Income from continuing operations attributable to common stockholders, including real estate dispositions | \$0.40 | \$0.41 |
| Discontinued operations | 0.01 | (0.03) |
| Net income attributable to common stockholders | \$0.41 | \$0.38 |
| Diluted: | | |
| Income from continuing operations attributable to common stockholders, including real estate dispositions | \$0.40 | \$0.41 |
| Discontinued operations | 0.01 | (0.03) |

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| | | |
|--|---------|---------|
| Net income attributable to common stockholders | \$0.41 | \$0.38 |
| Weighted average shares used in computing earnings per common share: | | |
| Basic | 293,875 | 291,455 |
| Diluted | 296,245 | 293,924 |
| Dividends declared per common share | \$0.725 | \$0.67 |
| See accompanying notes. | | |

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VENTAS, INC.
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (Unaudited)
 (In thousands)

| | For the Three Months Ended March 31, | |
|--|---|-----------|
| | 2014 | 2013 |
| Net income | \$121,274 | \$113,098 |
| Other comprehensive loss: | | |
| Foreign currency translation | (3,334 |) (2,091 |
| Change in unrealized gain on intra-entity currency loan | 594 | — |
| Change in unrealized gain on marketable debt securities | 1,306 | 61 |
| Other | 239 | 504 |
| Total other comprehensive loss | (1,195 |) (1,526 |
| Comprehensive income | 120,079 | 111,572 |
| Comprehensive income attributable to noncontrolling interest | 227 | 905 |
| Comprehensive income attributable to common stockholders | \$119,852 | \$110,667 |

See accompanying notes.

VENTAS, INC.

CONSOLIDATED STATEMENTS OF EQUITY

For the Three Months Ended March 31, 2014 and the Year Ended December 31, 2013

(Unaudited)

(In thousands, except per share amounts)

| | Common Stock Par Value | Capital in Excess of Par Value | Accumulated Other Comprehensive Income | Retained Earnings (Deficit) | Treasury Stock | Total Ventas Stockholders' Equity | Noncontrolling Interest | Total Equity |
|---|---------------------------------|--------------------------------------|---|-----------------------------------|-------------------|--|----------------------------|--------------|
| Balance at January 1, 2013 | \$73,904 | \$9,920,962 | \$23,354 | \$(777,927) | \$(221,165) | \$9,019,128 | \$70,235 | \$9,089,363 |
| Net income | — | — | — | 453,509 | — | 453,509 | 1,380 | 454,889 |
| Other comprehensive loss | — | — | (3,695) | — | — | (3,695) | — | (3,695) |
| Acquisition-related activity | — | (762) | — | — | — | (762) | 12,717 | 11,955 |
| Net change in noncontrolling interest | — | — | — | — | — | — | (8,202) | (8,202) |
| Dividends to common stockholders—\$2.735 per share | — | — | — | (802,123) | — | (802,123) | — | (802,123) |
| Issuance of common stock | 517 | 140,826 | — | — | — | 141,343 | — | 141,343 |
| Issuance of common stock for stock plans | 19 | 5,983 | — | — | 6,638 | 12,640 | — | 12,640 |
| Change in redeemable noncontrolling interest | — | (13,751) | — | — | — | (13,751) | 3,400 | (10,351) |
| Adjust redeemable OP unitholder interests to current fair value | — | 8,683 | — | — | — | 8,683 | — | 8,683 |
| Purchase of OP units | — | (579) | — | — | 502 | (77) | — | (77) |
| Grant of restricted stock, net of forfeitures | 48 | 17,230 | — | — | (7,892) | 9,386 | — | 9,386 |
| Balance at December 31, 2013 | 74,488 | 10,078,592 | 19,659 | (1,126,541) | (221,917) | 8,824,281 | 79,530 | 8,903,811 |
| Net income | — | — | — | 121,047 | — | 121,047 | 227 | 121,274 |
| Other comprehensive loss | — | — | (1,195) | — | — | (1,195) | — | (1,195) |
| Retirement of stock | (924) | (220,152) | — | — | 221,076 | — | — | — |
| Net change in noncontrolling interest | — | — | — | — | — | — | (2,237) | (2,237) |

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| | | | | | | | | |
|---|----------|-------------|------------|---------------|------------|-------------|------------|-------------|
| Dividends to common stockholders—\$0.725 per share | — | — | (213,473) | — | (213,473) | — | (213,473) | |
| Issuance of common stock for stock plans | 2 | 1,760 | — | — | 1,417 | 3,179 | — | 3,179 |
| Change in redeemable noncontrolling interest | — | 1,463 | — | — | — | 1,463 | 735 | 2,198 |
| Adjust redeemable OP unitholder interests to current fair value | — | (6,982) | — | — | — | (6,982) | — | (6,982) |
| Grant of restricted stock, net of forfeitures | 33 | 4,052 | — | — | (738) | 3,347 | — | 3,347 |
| Balance at March 31, 2014 | \$73,599 | \$9,858,733 | \$18,464 | \$(1,218,967) | \$(162) | \$8,731,667 | \$78,255 | \$8,809,922 |

See accompanying notes.

VENTAS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

| | For the Three Months Ended March 31, | |
|--|---|------------|
| | 2014 | 2013 |
| Cash flows from operating activities: | | |
| Net income | \$ 121,274 | \$ 113,098 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization (including amounts in discontinued operations) | 193,876 | 186,943 |
| Amortization of deferred revenue and lease intangibles, net | (5,383) | (3,310) |
| Other non-cash amortization | (1,965) | (5,329) |
| Stock-based compensation | 6,044 | 5,662 |
| Straight-lining of rental income, net | (7,914) | (7,865) |
| Gain on extinguishment of debt, net | (259) | — |
| Gain on real estate dispositions, net (including amounts in discontinued operations) | (2,437) | (477) |
| Gain on real estate loan investments | — | (340) |
| Income tax expense (including amounts in discontinued operations) | 3,433 | 1,744 |
| (Income) loss from unconsolidated entities | (248) | 312 |
| Gain on re-measurement of equity interest upon acquisition, net | — | (1,241) |
| Other | 3,076 | 2,905 |
| Changes in operating assets and liabilities: | | |
| Decrease (increase) in other assets | 6,241 | (10,459) |
| Increase in accrued interest | 6,753 | 10,530 |
| Decrease in accounts payable and other liabilities | (38,070) | (61,868) |
| Net cash provided by operating activities | 284,421 | 230,305 |
| Cash flows from investing activities: | | |
| Net investment in real estate property | (181,866) | (56,175) |
| Purchase of noncontrolling interest | — | (3,186) |
| Investment in loans receivable and other | (1,192) | (2,789) |
| Proceeds from real estate disposals | 26,150 | 11,250 |
| Proceeds from loans receivable | 1,163 | 146,394 |
| Purchase of marketable debt securities | (25,000) | — |
| Funds held in escrow for future development expenditures | 2,602 | 5,440 |
| Development project expenditures | (23,948) | (21,588) |
| Capital expenditures | (16,134) | (19,795) |
| Other | (125) | (78) |
| Net cash (used in) provided by investing activities | (218,350) | 59,473 |
| Cash flows from financing activities: | | |
| Net change in borrowings under credit facilities | 181,754 | (375,916) |
| Proceeds from debt | — | 916,871 |
| Repayment of debt | (67,773) | (635,793) |
| Payment of deferred financing costs | (167) | (13,808) |
| Issuance of common stock, net | — | 5,050 |
| Cash distribution to common stockholders | (213,473) | (195,700) |
| Cash distribution to redeemable OP unitholders | (1,402) | (1,151) |
| Purchases of redeemable OP units | — | (108) |
| Distributions to noncontrolling interest | (2,237) | (1,450) |
| Other | 1,641 | 2,058 |

| | | |
|---|------------|------------|
| Net cash used in financing activities | (101,657) | (299,947) |
| Net decrease in cash and cash equivalents | (35,586) | (10,169) |
| Effect of foreign currency translation on cash and cash equivalents | 561 | (49) |
| Cash and cash equivalents at beginning of period | 94,816 | 67,908 |
| Cash and cash equivalents at end of period | \$59,791 | \$57,690 |
| See accompanying notes. | | |

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VENTAS, INC.
 CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
 (Unaudited)
 (In thousands)

| | For the Three Months Ended March 31, | |
|---|---|---------|
| | 2014 | 2013 |
| Supplemental schedule of non-cash activities: | | |
| Assets and liabilities assumed from acquisitions: | | |
| Real estate investments | \$2,952 | \$8,839 |
| Other assets acquired | — | 668 |
| Other liabilities | 2,952 | 6,422 |
| Deferred income tax liability | — | 1,532 |
| Noncontrolling interests | — | 1,553 |
| See accompanying notes. | | |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

NOTE 1—DESCRIPTION OF BUSINESS

Ventas, Inc. (together with its subsidiaries, unless otherwise indicated or except where the context otherwise requires, “we,” “us” or “our”), an S&P 500 company, is a real estate investment trust (“REIT”) with a highly diversified portfolio of seniors housing and healthcare properties located throughout the United States, Canada and the United Kingdom. As of March 31, 2014, we owned nearly 1,500 properties, including seniors housing communities, medical office buildings (“MOBs”), skilled nursing and other facilities, and hospitals, and we had two new properties under development. Our company is currently headquartered in Chicago, Illinois.

We primarily acquire and own seniors housing and healthcare properties and lease them to unaffiliated tenants or operate them through independent third-party managers. As of March 31, 2014, we leased a total of 912 properties (excluding MOBs and properties classified as held for sale) to various healthcare operating companies under “triple-net” or “absolute-net” leases that obligate the tenants to pay all property-related expenses, including maintenance, utilities, repairs, taxes, insurance and capital expenditures, and we engaged independent operators, such as Atria Senior Living, Inc. (“Atria”) and Sunrise Senior Living, LLC (together with its subsidiaries, “Sunrise”), to manage a total of 239 of our seniors housing communities pursuant to long-term management agreements. Our two largest tenants, Brookdale Senior Living Inc. (together with its subsidiaries, “Brookdale Senior Living”) and Kindred Healthcare, Inc. (together with its subsidiaries, “Kindred”) leased from us 145 properties (excluding six properties included in investments in unconsolidated entities) and 136 properties, respectively, as of March 31, 2014.

Through our Lillibridge Healthcare Services, Inc. (“Lillibridge”) subsidiary and our ownership interest in PMB Real Estate Services LLC (“PMBRES”), we also provide MOB management, leasing, marketing, facility development and advisory services to highly rated hospitals and health systems throughout the United States. In addition, from time to time, we make secured and unsecured loans and other investments relating to seniors housing and healthcare operators or properties.

NOTE 2—ACCOUNTING POLICIES

The accompanying Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information set forth in the Accounting Standards Codification (“ASC”), as published by the Financial Accounting Standards Board (“FASB”), and with the Securities and Exchange Commission (“SEC”) instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of results for the interim period have been included. Operating results for the three months ended March 31, 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014. The accompanying Consolidated Financial Statements and related notes should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on February 18, 2014, as amended by Amendment No. 1 to our Annual Report on Form 10-K/A, filed with the SEC on September 4, 2014. Certain prior period amounts have been reclassified to conform to the current period presentation.

The Consolidated Balance Sheet as of December 31, 2013 was derived from our financial statements for the fiscal year then ended previously audited by Ernst & Young LLP (“EY”), who was terminated as our registered public accounting firm, effective July 5, 2014, due to EY’s determination that it was not independent of us for the referenced period, and re-audited by our new independent registered public accounting firm, KPMG LLP, as reflected in Amendment No. 1 to our Annual Report on Form 10-K/A, filed with the SEC on September 4, 2014.

Principles of Consolidation

The accompanying Consolidated Financial Statements include our accounts and the accounts of our wholly owned subsidiaries and the joint venture entities over which we exercise control. All intercompany transactions and balances have been eliminated in consolidation, and our net earnings are reduced by the portion of net earnings attributable to noncontrolling interests.

GAAP requires us to identify entities for which control is achieved through means other than voting rights and to determine which business enterprise is the primary beneficiary of variable interest entities (“VIEs”). A VIE is broadly

defined as an entity with one or more of the following characteristics: (a) the total equity investment at risk is insufficient to finance the entity's activities without additional subordinated financial support; (b) as a group, the holders of the equity investment at risk lack (i) the ability to make decisions about the entity's activities through voting or similar rights, (ii) the obligation to absorb

the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; or (c) the equity investors have voting rights that are not proportional to their economic interests, and substantially all of the entity's activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights. We consolidate our investment in a VIE when we determine that we are its primary beneficiary. We may change our original assessment of a VIE upon subsequent events such as the modification of contractual arrangements that affects the characteristics or adequacy of the entity's equity investments at risk and the disposition of all or a portion of an interest held by the primary beneficiary.

We identify the primary beneficiary of a VIE as the enterprise that has both: (i) the power to direct the activities of the VIE that most significantly impact the entity's economic performance; and (ii) the obligation to absorb losses or the right to receive benefits of the VIE that could be significant to the entity. We perform this analysis on an ongoing basis.

As it relates to investments in joint ventures, GAAP may preclude consolidation by the sole general partner in certain circumstances based on the type of rights held by the limited partner(s). We assess limited partners' rights and their impact on the presumption of control of the limited partnership by the sole general partner when an investor becomes the sole general partner, and we reassess if there is a change to the terms or in the exercisability of the rights of the limited partners, the sole general partner increases or decreases its ownership of limited partnership interests, or there is an increase or decrease in the number of outstanding limited partnership interests. We also apply this guidance to managing member interests in limited liability companies.

Redeemable OP Unitholder and Noncontrolling Interests

We own a majority interest in NHP/PMB L.P. ("NHP/PMB"), a limited partnership formed in 2008 to acquire properties from entities affiliated with Pacific Medical Buildings LLC. We consolidate NHP/PMB, as our wholly owned subsidiary is the general partner and exercises control of the partnership. As of March 31, 2014, third party investors owned 2,451,878 Class A limited partnership units in NHP/PMB ("OP Units"), which represented 27.9% of the total units then outstanding, and we owned 6,326,112 Class B limited partnership units in NHP/PMB, representing the remaining 72.1%. At any time following the first anniversary of the date of their issuance, the OP Units may be redeemed at the election of the holder for cash or, at our option, 0.7866 shares of our common stock per unit, subject to adjustment in certain circumstances. We are party by assumption to a registration rights agreement with the holders of the OP Units that requires us, subject to the terms and conditions set forth therein, to file and maintain a registration statement relating to the issuance of shares of our common stock upon redemption of OP Units.

As redemption rights are outside of our control, the redeemable OP unitholder interests are classified outside of permanent equity on our Consolidated Balance Sheets. We reflect the redeemable OP unitholder interests at the greater of cost or fair value. As of March 31, 2014 and December 31, 2013, the fair value of the redeemable OP unitholder interests was \$117.3 million and \$111.6 million, respectively. We recognize changes in fair value through capital in excess of par value, net of cash distributions paid and purchases by us of any OP Units. Our diluted earnings per share ("EPS") includes the effect of any potential shares outstanding from redemption of the OP Units.

Certain noncontrolling interests of other consolidated joint ventures were also classified as redeemable at March 31, 2014 and December 31, 2013. Accordingly, we record the carrying amount of these noncontrolling interests at the greater of their initial carrying amount (increased or decreased for the noncontrolling interest's share of net income or loss and distributions) or the redemption value. Our joint venture partners have certain redemption rights with respect to their noncontrolling interest in these joint ventures that are outside our control, and the redeemable noncontrolling interests are classified outside of permanent equity on our Consolidated Balance Sheets. We recognize changes in the carrying value of redeemable noncontrolling interests through capital in excess of par value.

Noncontrolling Interests

Excluding the redeemable noncontrolling interests described above, we present the portion of any equity that we do not own in entities that we control (and thus consolidate) as noncontrolling interests and classify those interests as a component of consolidated equity, separate from total Ventas stockholders' equity, on our Consolidated Balance Sheets. For earnings of consolidated joint ventures with pro rata distribution allocations, net income or loss is allocated between the joint venture partners based on their respective stated ownership percentages. In other instances, net income or loss is allocated between the joint venture partners based on the hypothetical liquidation at book value method (the "HLBV method"). We account for purchases or sales of equity interests that do not result in a change of

control as equity transactions, through capital in excess of par value. In addition, we include net income attributable to the noncontrolling interests in net income in our Consolidated Statements of Income.

Fair Values of Financial Instruments

Fair value is a market-based measurement, not an entity-specific measurement, and we determine fair value based on the assumptions that we expect market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, GAAP establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within levels one and two of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within level three of the hierarchy).

Level one inputs utilize unadjusted quoted prices for identical assets or liabilities in active markets that we have the ability to access. Level two inputs consist of inputs other than quoted prices included in level one that are directly or indirectly observable for the asset or liability. Level two inputs may include quoted prices for similar assets and liabilities in active markets and other inputs for the asset or liability that are observable at commonly quoted intervals, such as interest rates, foreign exchange rates and yield curves. Level three inputs are unobservable inputs for the asset or liability, which typically are based on our own assumptions, because there is little, if any, related market activity. If the determination of the fair value measurement is based on inputs from different levels of the hierarchy, the level within which the entire fair value measurement falls is the lowest level input that is significant to the fair value measurement in its entirety. If the volume and level of market activity for an asset or liability has decreased significantly relative to the normal market activity for that asset or liability (or similar assets or liabilities), then transactions or quoted prices may not accurately reflect fair value. In addition, if there is evidence that a transaction for an asset or liability is not orderly, little, if any, weight is placed on that transaction price as an indicator of fair value. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

We use the following methods and assumptions in estimating the fair value of our financial instruments.

Cash and cash equivalents - The carrying amount of unrestricted cash and cash equivalents reported on our Consolidated Balance Sheets approximates fair value due to the short maturity of these instruments.

Loans receivable - We estimate the fair value of loans receivable using level two and level three inputs: we discount the future cash flows using current interest rates at which similar loans on the same terms and having the same maturities would be made to borrowers with similar credit ratings. Additionally, we determine the valuation allowance for losses, if any, on loans receivable using level three inputs.

Marketable debt securities - We estimate the fair value of corporate bonds using level two inputs: we observe quoted prices for similar assets or liabilities in active markets that we have the ability to access. We estimate the fair value of certain government-sponsored pooled loan investments using level three inputs: we consider credit spreads, underlying asset performance and credit quality, default rates and any other applicable criteria.

Derivative instruments - With the assistance of a third party, we estimate the fair value of derivative instruments, including interest rate caps and interest rate swaps, using level two inputs: for interest rate caps, we observe forward yield curves and other relevant information; for interest rate swaps, we observe alternative financing rates derived from market-based financing rates, forward yield curves and discount rates.

Senior notes payable and other debt - We estimate the fair value of senior notes payable and other debt using level two inputs: we discount the future cash flows using current interest rates at which we could obtain similar borrowings.

Redeemable OP unitholder interests - We estimate the fair value of our redeemable OP unitholder interests using level two inputs: we base fair value on the closing price of our common stock, as units may be redeemed at the election of the holder for cash or, at our option, 0.7866 shares of our common stock per unit, subject to adjustment in certain circumstances.

Revenue Recognition

Triple-Net Leased Properties and MOB Operations

Certain of our triple-net leases and most of our MOB leases provide for periodic and determinable increases in base rent. We recognize base rental revenues under these leases on a straight-line basis over the applicable lease term when collectability is reasonably assured. Recognizing rental income on a straight-line basis generally results in recognized revenues during the first half of a lease term exceeding the cash amounts contractually due from our tenants, creating a straight-line rent receivable that is included in other assets on our Consolidated Balance Sheets. At March 31, 2014

and December 31, 2013, this cumulative excess totaled \$158.7 million (net of allowances of \$115.3 million) and \$150.8 million (net of allowances of \$101.4 million), respectively.

Certain of our leases provide for periodic increases in base rent only if certain revenue parameters or other substantive contingencies are met. We recognize the increased rental revenue under these leases as the related parameters or contingencies are met, rather than on a straight-line basis over the applicable lease term.

Senior Living Operations

We recognize resident fees and services, other than move-in fees, monthly as services are provided. We recognize move-in fees on a straight-line basis over the average resident stay. Our lease agreements with residents generally have a term of 12 to 18 months and are cancelable by the resident upon 30 days' notice.

Other

We recognize interest income from loans and investments, including discounts and premiums, using the effective interest method when collectibility is reasonably assured. We apply the effective interest method on a loan-by-loan basis and recognize discounts and premiums as yield adjustments over the related loan term. We recognize interest income on an impaired loan to the extent our estimate of the fair value of the collateral is sufficient to support the balance of the loan, other receivables and all related accrued interest. When the balance of the loan, other receivables and all related accrued interest is equal to our estimate of the fair value of the collateral, we recognize interest income on a cash basis. We provide a reserve against an impaired loan to the extent our total investment in the loan exceeds our estimate of the fair value of the loan collateral.

We recognize income from rent, lease termination fees, development services, management advisory services and all other income when all of the following criteria are met in accordance with SEC Staff Accounting Bulletin 104: (i) the applicable agreement has been fully executed and delivered; (ii) services have been rendered; (iii) the amount is fixed or determinable; and (iv) collectibility is reasonably assured.

Allowances

We assess the collectibility of our rent receivables, including straight-line rent receivables, and defer recognition of revenue if collectibility is not reasonably assured. We base our assessment of the collectibility of rent receivables (other than straight-line rent receivables) on several factors, including, among other things, payment history, the financial strength of the tenant and any guarantors, the value of the underlying collateral, if any, and current economic conditions. If our evaluation of these factors indicates it is probable that we will be unable to recover the full value of the receivable, we provide a reserve against the portion of the receivable that we estimate may not be recovered. We also base our assessment of the collectibility of straight-line rent receivables on several factors, including, among other things, the financial strength of the tenant and any guarantors, the historical operations and operating trends of the property, the historical payment pattern of the tenant and the type of property. If our evaluation of these factors indicates it is probable that we will be unable to receive the rent payments due in the future, we defer recognition of the straight-line rental revenue and, in certain circumstances, provide a reserve against the previously recognized straight-line rent receivable asset for the portion, up to its full value, that we estimate may not be recovered. If we change our assumptions or estimates regarding the collectibility of future rent payments required by a lease, we may adjust our reserve to increase or reduce the rental revenue recognized and/or to increase or reduce the reserve against the previously recognized straight-line rent receivable asset.

Assets Held for Sale and Discontinued Operations

We sell properties from time to time for various reasons, including favorable market conditions or the exercise of purchase options by tenants. We classify certain long-lived assets as held for sale once the criteria, as defined by GAAP, has been met. Long-lived assets meeting this criteria are reported at the lower of their carrying amount or fair value minus cost to sell and are no longer depreciated.

In 2014, the FASB issued Accounting Standards Update 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity ("ASU 2014-08"), which raises the threshold for disposals to qualify as discontinued operations. A discontinued operation is defined as: (1) a component of an entity or group of components that has been disposed of or classified as held for sale and represents a strategic shift that has or will have a major effect on an entity's operations and financial results; or (2) an acquired business that is classified as held for sale on the acquisition date. ASU 2014-08 also requires additional disclosures regarding discontinued operations, as well as material disposals that do not meet the definition of discontinued operations. The application of this guidance is prospective from the date of adoption and applies only to disposals (or new classifications to held for sale) that have not been reported as discontinued operations in our previously issued financial statements. We adopted ASU 2014-08

for the quarter ended March 31, 2014.

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The results of operations for assets meeting the definition of discontinued operations are reflected in our Consolidated Statements of Income as discontinued operations for all periods presented. We allocate estimated interest expense to discontinued operations based on property values and our weighted average interest rate or the property's actual mortgage interest.

NOTE 3—CONCENTRATION OF CREDIT RISK

As of March 31, 2014, Atria, Sunrise, Brookdale Senior Living and Kindred managed or operated approximately 19.8%, 13.7%, 9.6% and 3.0%, respectively, of our real estate investments based on gross book value (excluding properties classified as held for sale as of March 31, 2014). Seniors housing communities constituted approximately 63.7% of our real estate investments based on gross book value (excluding properties classified as held for sale as of March 31, 2014), while MOB, skilled nursing and other facilities, and hospitals collectively comprised the remaining 36.3%. Our properties were located in 46 states, the District of Columbia, two Canadian provinces and the United Kingdom as of March 31, 2014, with properties in one state (California) accounting for more than 10% of our total revenues and total net operating income ("NOI," which is defined as total revenues, excluding interest and other income, less property-level operating expenses and medical office building services costs) (in each case excluding amounts in discontinued operations) for the three months then ended.

Triple-Net Leased Properties

For the three months ended March 31, 2014 and 2013, approximately 5.5% and 5.7%, respectively, of our total revenues and 9.0% and 9.5%, respectively, of our total NOI (in each case excluding amounts in discontinued operations) were derived from our lease agreements with Brookdale Senior Living. For the same periods, approximately 7.4% and 9.3%, respectively, of our total revenues and 12.2% and 15.4%, respectively, of our total NOI (in each case excluding amounts in discontinued operations) were derived from our lease agreements with Kindred. Each of our leases with Brookdale Senior Living and Kindred is a triple-net lease that obligates the tenant to pay all property-related expenses, including maintenance, utilities, repairs, taxes, insurance and capital expenditures, and to comply with the terms of the mortgage financing documents, if any, affecting the properties. In addition, each of these leases has guaranty and cross-default provisions tied to other leases with the same tenant or its affiliates, as well as bundled lease renewals.

The properties we lease to Brookdale Senior Living and Kindred currently account for a significant portion of our triple-net leased properties segment revenues and NOI and have a meaningful impact on our total revenues and NOI. If either Brookdale Senior Living or Kindred becomes unable or unwilling to satisfy its obligations to us or to renew its leases with us upon expiration of the terms thereof, our financial condition and results of operations could decline and our ability to service our indebtedness and to make distributions to our stockholders could be limited. We cannot assure you that Brookdale Senior Living and Kindred will have sufficient assets, income and access to financing to enable them to satisfy their respective obligations to us, and any failure, inability or unwillingness by Brookdale Senior Living or Kindred to do so could have a material adverse effect on our business, financial condition, results of operations and liquidity, our ability to service our indebtedness and other obligations and our ability to make distributions to our stockholders, as required for us to continue to qualify as a REIT (a "Material Adverse Effect"). We also cannot assure you that Brookdale Senior Living and Kindred will elect to renew their respective leases with us upon expiration of the leases or that we will be able to reposition any non-renewed properties on a timely basis or on the same or better economic terms, if at all.

In February 2014, Brookdale Senior Living announced that it had entered into a definitive agreement to acquire Emeritus Corporation, another operator of our triple-net leased properties. We do not expect the transaction, when completed, to have a material impact on our financial condition or results of operations.

In September 2013, we entered into favorable agreements with Kindred to extend the leases with respect to 48 of the 108 licensed healthcare assets whose lease terms were originally scheduled to expire on April 30, 2015 (the "2015 Renewal Assets"). The 48 re-leased properties consist of 26 skilled nursing facilities and 22 long-term acute care hospitals. New annual base rent, commencing October 1, 2014, for the 48 re-leased properties will be \$95.9 million, an increase of \$15 million over then current annual base rent. On October 1, 2013, Kindred also paid us \$20 million, which is being amortized over the new lease terms. As part of our agreements, we and Kindred agreed to accelerate the expiration of the lease terms for the 60 non-renewed assets to September 30, 2014.

We currently have signed leases for 55 of the 60 skilled nursing facilities that were not re-leased by Kindred, six of which have already been transitioned to the replacement tenant. We intend to sell the remaining five skilled nursing facilities, four of which are under contract for sale. Although we expect to successfully complete all of these transactions by the fourth quarter of 2014, they remain subject to regulatory approval and other conditions, and we cannot assure you that we will be able to do so on a timely basis, if at all, or that expected financial results will be achieved.

Kindred is required to continue to perform all of its obligations, including without limitation, payment of all rental amounts, under the applicable master lease for the non-renewed assets until expiration of the current lease term. Subject to the terms of our agreements, we have the flexibility to transition the non-renewed assets either before or after the September 30, 2014 lease expiration date. Moreover, we own or have the rights to all licenses and certificates of need at the properties, and Kindred has extensive and detailed obligations to cooperate and ensure an orderly transition of the properties to another operator.

Senior Living Operations

As of March 31, 2014, Atria and Sunrise, collectively, provided comprehensive property management and accounting services with respect to 237 of our seniors housing communities, for which we pay annual management fees pursuant to long-term management agreements.

As managers, Atria and Sunrise do not lease our properties, and, therefore, we are not directly exposed to their credit risk in the same manner or to the same extent as our triple-net tenants. However, we rely on our managers' personnel, expertise, technical resources and information systems, proprietary information, good faith and judgment to manage our senior living operations efficiently and effectively. We also rely on our managers to set appropriate resident fees and otherwise operate our seniors housing communities in compliance with the terms of our management agreements and all applicable laws and regulations. Although we have various rights as the property owner under our management agreements, including various rights to terminate and exercise remedies under the agreements as provided therein, Atria's or Sunrise's failure, inability or unwillingness to satisfy its respective obligations under those agreements, to efficiently and effectively manage our properties or to provide timely and accurate accounting information with respect thereto could have a Material Adverse Effect on us. In addition, significant changes in Atria's or Sunrise's senior management or equity ownership or any adverse developments in their businesses and affairs or financial condition could have a Material Adverse Effect on us.

Our 34% ownership interest in Atria entitles us to certain rights and minority protections, as well as the right to appoint two directors to the Atria Board of Directors.

As a result of the recapitalization of Sunrise in April 2014, Health Care REIT, Inc. now owns a 24% interest in Sunrise, and Revera Inc. owns the remainder. We are currently evaluating the impact, if any, this transaction may have on Sunrise or us.

Brookdale Senior Living, Kindred, Atria and Sunrise Information

Each of Brookdale Senior Living and Kindred is subject to the reporting requirements of the SEC and is required to file with the SEC annual reports containing audited financial information and quarterly reports containing unaudited financial information. The information related to Brookdale Senior Living and Kindred contained or referred to in this Quarterly Report on Form 10-Q/A has been derived from SEC filings made by Brookdale Senior Living or Kindred, as the case may be, or other publicly available information, or was provided to us by Brookdale Senior Living or Kindred, and we have not verified this information through an independent investigation or otherwise. We have no reason to believe that this information is inaccurate in any material respect, but we cannot assure you of its accuracy. We are providing this data for informational purposes only, and you are encouraged to obtain Brookdale Senior Living's and Kindred's publicly available filings, which can be found on the SEC's website at www.sec.gov.

Neither Atria nor Sunrise is currently subject to the reporting requirements of the SEC. The information related to Atria and Sunrise contained or referred to within this Quarterly Report on Form 10-Q/A has been derived from publicly available information or was provided to us by Atria or Sunrise, as the case may be, and we have not verified this information through an independent investigation or otherwise. We have no reason to believe that this information is inaccurate in any material respect, but we cannot assure you of its accuracy.

NOTE 4—DISPOSITIONS

2014 Activity

During the three months ended March 31, 2014, we sold two seniors housing communities, one skilled nursing facility (all part of our triple-net leased properties reportable business segment), and three MOB's for aggregate consideration of \$26.2 million and recognized a net gain on the sales of these assets of \$2.9 million, of which \$1.7 million is reported within discontinued operations in our Consolidated Statements of Income.

2013 Activity

During the three months ended March 31, 2013, we sold four seniors housing communities, two skilled nursing facilities (all part of our triple-net leased properties reportable business segment), and one MOB for aggregate consideration of \$11.5

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| | | | |
|--|---------|----------|---|
| | 1,356 | 13,558 | |
| Income (loss) before gain on real estate dispositions, net | 1,594 | (8,908 |) |
| Gain on real estate dispositions, net | 1,437 | 477 | |
| Discontinued operations | \$3,031 | \$(8,431 |) |

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NOTE 5—LOANS RECEIVABLE AND INVESTMENTS

As of March 31, 2014 and December 31, 2013, we had \$442.1 million and \$414.7 million, respectively, of net loans receivable and investments relating to seniors housing and healthcare operators or properties.

In January 2014, we purchased \$25.0 million principal amount of senior unsecured corporate bonds maturing in 2022. The investment is a marketable debt security classified as available-for-sale and included within other assets on our Consolidated Balance Sheets. As of March 31, 2014, the investment had a cost basis and fair value of \$25.0 million and \$26.2 million, respectively.

We own an interest in a government-sponsored pooled loan investment that matures in 2023. The investment is a marketable debt security classified as available-for-sale and included within secured loans receivable and investments, net on our Consolidated Balance Sheets. As of March 31, 2014, the investment had an amortized cost basis and fair value of \$22.0 million and \$21.9 million, respectively.

In 2013, we sold portions of a \$375.0 million secured loan receivable to third parties in separate transactions, as evidenced by separate notes. As of March 31, 2014, we have a \$179.5 million remaining investment in this loan receivable, which bears interest at a fixed rate of 9.4% per annum. Under the terms of the loan agreement, we act as the administrative agent and will continue to receive the stated interest rate on our remaining loan receivable balance.

NOTE 6—INVESTMENTS IN UNCONSOLIDATED ENTITIES

We report investments in unconsolidated entities over whose operating and financial policies we have the ability to exercise significant influence under the equity method of accounting. We are not required to consolidate these entities because our joint venture partners have significant participating rights, nor are these entities considered VIEs, as they are controlled by equity holders with sufficient capital. At March 31, 2014 and December 31, 2013, we had ownership interests (ranging from 5% to 25%) in joint ventures that owned 52 properties. We account for our interests in these joint ventures, as well as our 34% interest in Atria, under the equity method of accounting.

With the exception of our interest in Atria, we serve as the managing member of each unconsolidated entity and provide various services in exchange for fees and reimbursements. Total management fees earned in connection with these entities were \$2.2 million and \$1.5 million for the three months ended March 31, 2014 and 2013, respectively.

In March 2013, we acquired two MOBs for aggregate consideration of approximately \$55.6 million from a joint venture entity in which we have a 5% interest and that we account for as an equity method investment. In connection with this acquisition, we re-measured our previously held equity interest (associated with the acquired MOBs) and recognized a gain of \$1.3 million, which is included in income from unconsolidated entities in our Consolidated Statements of Income for the three months ended March 31, 2013. Operations relating to these properties are now consolidated in our Consolidated Statements of Income.

NOTE 7—INTANGIBLES

The following is a summary of our intangibles as of March 31, 2014 and December 31, 2013:

| | March 31, 2014 | | December 31, 2013 | |
|--------------------------------------|----------------|---|-------------------|---|
| | Balance | Remaining Weighted Average Amortization Period in Years | Balance | Remaining Weighted Average Amortization Period in Years |
| (Dollars in thousands) | | | | |
| Intangible assets: | | | | |
| Above market lease intangibles | \$214,152 | 8.3 | \$214,353 | 8.4 |
| In-place and other lease intangibles | 800,559 | 24.8 | 795,829 | 24.1 |
| Goodwill and other intangibles | 488,551 | 8.6 | 489,346 | 8.6 |
| Accumulated amortization | (484,791) | N/A | (458,919) | N/A |
| Net intangible assets | \$1,018,471 | 20.3 | \$1,040,609 | 19.8 |
| Intangible liabilities: | | | | |
| Below market lease intangibles | \$429,106 | 14.7 | \$429,199 | 14.7 |
| Other lease intangibles | 32,103 | 25.1 | 32,103 | 24.8 |
| Accumulated amortization | (131,659) | N/A | (119,549) | N/A |
| Purchase option intangibles | 29,294 | N/A | 29,294 | N/A |
| Net intangible liabilities | \$358,844 | 15.2 | \$371,047 | 15.1 |

N/A—Not Applicable.

Above market lease intangibles and in-place and other lease intangibles are included in acquired lease intangibles within real estate investments on our Consolidated Balance Sheets. Goodwill and other intangibles (including non-compete agreements, trade names and trademarks) are included in other assets on our Consolidated Balance Sheets. Below market lease intangibles, other lease intangibles and purchase option intangibles are included in accounts payable and other liabilities on our Consolidated Balance Sheets.

NOTE 8—OTHER ASSETS

The following is a summary of our other assets as of March 31, 2014 and December 31, 2013:

| | March 31, 2014 | December 31, 2013 |
|---|-------------------|----------------------|
| (In thousands) | | |
| Straight-line rent receivables, net | \$158,721 | \$150,829 |
| Unsecured loans receivable and investments, net | 66,003 | 38,512 |
| Goodwill and other intangibles, net | 474,635 | 476,483 |
| Assets held for sale | 123,515 | 155,340 |
| Other | 120,797 | 125,171 |
| Total other assets | \$943,671 | \$946,335 |

NOTE 9—SENIOR NOTES PAYABLE AND OTHER DEBT

The following is a summary of our senior notes payable and other debt as of March 31, 2014 and December 31, 2013:

| | March 31, 2014 | December 31, 2013 |
|---|-------------------|----------------------|
| | (In thousands) | |
| Unsecured revolving credit facility (1) | \$559,299 | \$376,343 |
| 3.125% Senior Notes due 2015 | 400,000 | 400,000 |
| 6% Senior Notes due 2015 | 234,420 | 234,420 |
| 1.55% Senior Notes due 2016 | 550,000 | 550,000 |
| 2.00% Senior Notes due 2018 | 700,000 | 700,000 |
| Unsecured term loan due 2018 (2) | 200,000 | 200,000 |
| Unsecured term loan due 2019 (2) | 796,165 | 800,702 |
| 4.00% Senior Notes due 2019 | 600,000 | 600,000 |
| 2.700% Senior Notes due 2020 | 500,000 | 500,000 |
| 4.750% Senior Notes due 2021 | 700,000 | 700,000 |
| 4.25% Senior Notes due 2022 | 600,000 | 600,000 |
| 3.25% Senior Notes due 2022 | 500,000 | 500,000 |
| 6.90% Senior Notes due 2037 | 52,400 | 52,400 |
| 6.59% Senior Notes due 2038 | 22,973 | 22,973 |
| 5.45% Senior Notes due 2043 | 258,750 | 258,750 |
| 5.70% Senior Notes due 2043 | 300,000 | 300,000 |
| Mortgage loans and other (3) | 2,468,629 | 2,524,889 |
| Total | 9,442,636 | 9,320,477 |
| Unamortized fair value adjustment | 62,578 | 69,611 |
| Unamortized discounts | (24,163 |) (25,096 |
| Senior notes payable and other debt | \$9,481,051 | \$9,364,992 |

\$192.3 million of aggregate borrowings were in the form of Canadian dollars or pounds sterling as of March 31, (1)2014. Subsequent to March 31, 2014, we repaid substantially all amounts outstanding under our unsecured revolving credit facility.

These amounts represent in aggregate the approximate \$1.0 billion of unsecured term loan borrowings under our (2)unsecured credit facility. \$112.6 million of borrowings included in the 2019 tranche are in the form of Canadian dollars.

Excludes debt related to a real estate asset classified as held for sale as of December 31, 2013 and sold in March (3)2014. The total mortgage debt for this property as of December 31, 2013 was \$13.1 million and was included in accounts payable and other liabilities on our Consolidated Balance Sheets.

As of March 31, 2014, our indebtedness had the following maturities:

| | Principal Amount Due at Maturity | Unsecured Revolving Credit Facility (1) | Scheduled Periodic Amortization | Total Maturities |
|------------------|--|--|---------------------------------------|------------------|
| | (In thousands) | | | |
| 2014 | \$62,634 | \$— | \$34,197 | \$96,831 |
| 2015 | 918,459 | — | 40,730 | 959,189 |
| 2016 | 960,917 | — | 33,708 | 994,625 |
| 2017 | 540,072 | — | 21,964 | 562,036 |
| 2018 | 1,082,497 | 559,299 | 15,446 | 1,657,242 |
| Thereafter (2) | 5,025,751 | — | 146,962 | 5,172,713 |
| Total maturities | \$8,590,330 | \$559,299 | \$293,007 | \$9,442,636 |

As of March 31, 2014, we had \$59.8 million of unrestricted cash and cash equivalents, for \$499.5 million of net (1) borrowings outstanding under our unsecured revolving credit facility. Subsequent to March 31, 2014, we repaid substantially all amounts outstanding under our unsecured revolving credit facility.

Includes \$52.4 million aggregate principal amount of our 6.90% senior notes due 2037 that is subject to (2) repurchase, at the option of the holders, on October 1 in each of 2017 and 2027, and \$23.0 million aggregate principal amount of 6.59% senior notes due 2038 that is subject to repurchase, at the option of the holders, on July 7 in each of 2018, 2023 and 2028.

Unsecured Revolving Credit Facility and Unsecured Term Loans

Our unsecured credit facility is comprised of a \$2.0 billion revolving credit facility priced at LIBOR plus 1.0% as of March 31, 2014, and a \$200.0 million four-year term loan and an \$800.0 million five-year term loan, each priced at LIBOR plus 1.05% as of March 31, 2014. The revolving credit facility matures in January 2018, but may be extended, at our option subject to the satisfaction of certain conditions, for an additional period of one year. The \$200.0 million and \$800.0 million term loans mature in January 2018 and January 2019, respectively. The unsecured credit facility also includes an accordion feature that permits us to increase our aggregate borrowing capacity thereunder to up to \$3.5 billion.

As of March 31, 2014, we had \$559.3 million of borrowings outstanding, \$14.9 million of letters of credit outstanding and \$1.4 billion of unused borrowing capacity available under our unsecured revolving credit facility. Subsequent to March 31, 2014, we repaid substantially all amounts outstanding under our unsecured revolving credit facility.

Senior Notes

In April 2014, we issued and sold \$300.0 million aggregate principal amount of 1.250% senior notes due 2017 at a public offering price equal to 99.815% of par, for total proceeds of \$299.4 million before the underwriting discount and expenses, and \$400.0 million aggregate principal amount of 3.750% senior notes due 2024 at a public offering price equal to 99.304% of par, for total proceeds of \$397.2 million before the underwriting discount and expenses. We used a portion of these proceeds to repay substantially all amounts outstanding under our unsecured revolving credit facility.

NOTE 10—FAIR VALUES OF FINANCIAL INSTRUMENTS

As of March 31, 2014 and December 31, 2013, the carrying amounts and fair values of our financial instruments were as follows:

| | March 31, 2014 | | December 31, 2013 | |
|--|-----------------|------------|-------------------|------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| | (In thousands) | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$59,791 | \$59,791 | \$94,816 | \$94,816 |
| Secured loans receivable, net | 354,219 | 353,117 | 354,775 | 355,223 |
| Unsecured loans receivable, net | 39,805 | 41,939 | 38,512 | 40,473 |
| Marketable debt securities | 48,053 | 48,053 | 21,454 | 21,454 |
| Liabilities: | | | | |
| Senior notes payable and other debt, gross | 9,442,636 | 9,655,319 | 9,320,477 | 9,405,259 |
| Derivative instruments and other liabilities | 10,744 | 10,744 | 11,105 | 11,105 |
| Redeemable OP unitholder interests | 117,261 | 117,261 | 111,607 | 111,607 |

Fair value estimates are subjective in nature and based upon several important assumptions, including estimates of future cash flows, risks, discount rates and relevant comparable market information associated with each financial instrument. The use of different market assumptions and estimation methodologies may have a material effect on the reported estimated fair value amounts. Accordingly, the estimates presented above are not necessarily indicative of the amounts we would realize in a current market exchange.

NOTE 11—LITIGATION

Proceedings against Tenants, Operators and Managers

From time to time, Brookdale Senior Living, Kindred, Atria, Sunrise and our other tenants, operators and managers are parties to certain legal actions, regulatory investigations and claims arising in the conduct of their business and operations. Even though we generally are not party to these proceedings, the unfavorable resolution of any such actions, investigations or claims could, individually or in the aggregate, materially adversely affect such tenants', operators' or managers' liquidity, financial condition or results of operations and their ability to satisfy their respective obligations to us, which, in turn, could have a Material Adverse Effect on us.

Proceedings Indemnified and Defended by Third Parties

From time to time, we are party to certain legal actions, regulatory investigations and claims for which third parties are contractually obligated to indemnify, defend and hold us harmless. The tenants of our triple-net leased properties and, in some cases, their affiliates are required by the terms of their leases and other agreements with us to indemnify, defend and hold us harmless against certain actions, investigations and claims arising in the course of their business and related to the operations of our triple-net leased properties. In addition, third parties from whom we acquired certain of our assets and, in some cases, their affiliates are required by the terms of the related conveyance documents to indemnify, defend and hold us harmless against certain actions, investigations and claims related to the acquired assets and arising prior to our ownership or related to excluded assets and liabilities. In some cases, a portion of the purchase price consideration is held in escrow for a specified period of time as collateral for these indemnification obligations. We are presently being defended by certain tenants and other obligated third parties in these types of matters. We cannot assure you that our tenants, their affiliates or other obligated third parties will continue to defend us in these matters, that our tenants, their affiliates or other obligated third parties will have sufficient assets, income and access to financing to enable them to satisfy their defense and indemnification obligations to us or that any purchase price consideration held in escrow will be sufficient to satisfy claims for which we are entitled to indemnification. The unfavorable resolution of any such actions, investigations or claims could, individually or in the aggregate, materially adversely affect our tenants' or other obligated third parties' liquidity, financial condition or results of operations and their ability to satisfy their respective obligations to us, which, in turn, could have a Material Adverse Effect on us.

Proceedings Arising in Connection with Senior Living and MOB Operations; Other Litigation

From time to time, we are party to various legal actions, regulatory investigations and claims (some of which may not be insured and some of which may allege large damage amounts) arising in connection with our senior living and MOB operations

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or otherwise in the course of our business. In limited circumstances, the manager of the applicable seniors housing community or MOB may be contractually obligated to indemnify, defend and hold us harmless against such actions, investigations and claims. It is the opinion of management that, except as otherwise set forth in this Note 11, the disposition of any such actions, investigations and claims that are currently pending will not, individually or in the aggregate, have a Material Adverse Effect on us. However, regardless of their merits, we may be forced to expend significant financial resources to defend and resolve these matters. We are unable to predict the ultimate outcome of these actions, investigations and claims, and if management's assessment of our liability with respect thereto is incorrect, such actions, investigations and claims could have a Material Adverse Effect on us.

NOTE 12—INCOME TAXES

We have elected to be taxed as a REIT under the applicable provisions of the Code for every year beginning with the year ended December 31, 1999. We have also elected for certain of our subsidiaries to be treated as taxable REIT subsidiaries ("TRS" or "TRS entities"), which are subject to federal and state income taxes. All entities other than the TRS entities are collectively referred to as "the REIT" within this Note 12.

Although the TRS entities have paid minimal cash federal income taxes for the three months ended March 31, 2014, their federal income tax liabilities may increase in future periods as we exhaust net operating loss ("NOL") carryforwards and as our senior living operations reportable business segment grows. Such increases could be significant.

Our consolidated provision for income taxes for the three months ended March 31, 2014 and 2013 was an expense of \$3.4 million and \$1.7 million, respectively. The income tax expense for the three months ended March 31, 2014 is due primarily to operating income at our TRS entities. The income tax expense for the three months ended March 31, 2013 was due primarily to additions to income tax contingency reserves.

Realization of a deferred tax benefit related to NOLs depends in part upon generating sufficient taxable income in future periods. Our NOL carryforwards begin to expire in 2024 with respect to our TRS entities and in 2016 for the REIT.

Each TRS is a tax paying component for purposes of classifying deferred tax assets and liabilities. Net deferred tax liabilities with respect to our TRS entities totaled \$252.5 million and \$250.2 million as of March 31, 2014 and December 31, 2013, respectively, and related primarily to differences between the financial reporting and tax bases of fixed and intangible assets and to NOLs.

Generally, we are subject to audit under the statute of limitations by the Internal Revenue Service for the year ended December 31, 2010 and subsequent years and are subject to audit by state taxing authorities for the year ended December 31, 2009 and subsequent years. We are also subject to audit by the Canada Revenue Agency and provincial authorities generally for periods subsequent to 2008 related to entities acquired or formed in connection with our 2007 acquisition of Sunrise Senior Living Real Estate Investment Trust.

NOTE 13—STOCKHOLDERS' EQUITY

Accumulated Other Comprehensive Income

The following is a summary of our accumulated other comprehensive income as of March 31, 2014 and December 31, 2013:

| | March 31, 2014 | December 31, 2013 |
|---|----------------|----------------------|
| | (In thousands) | |
| Foreign currency translation | \$14,685 | \$18,019 |
| Unrealized gain on intra-entity foreign currency loan | 594 | — |
| Unrealized gain (loss) on marketable debt securities | 1,090 | (216) |
| Other | 2,095 | 1,856 |
| Total accumulated other comprehensive income | \$18,464 | \$19,659 |

NOTE 14—EARNINGS PER COMMON SHARE

The following table shows the amounts used in computing our basic and diluted earnings per common share:

| | For the Three Months Ended March 31, | |
|---|--|------------|
| | 2014 | 2013 |
| | (In thousands, except per share amounts) | |
| Numerator for basic and diluted earnings per share: | | |
| Income from continuing operations attributable to common stockholders, including real estate dispositions | \$ 118,016 | \$ 120,624 |
| Discontinued operations | 3,031 | (8,431) |
| Net income attributable to common stockholders | \$ 121,047 | \$ 112,193 |
| Denominator: | | |
| Denominator for basic earnings per share—weighted average shares | 293,875 | 291,455 |
| Effect of dilutive securities: | | |
| Stock options | 394 | 573 |
| Restricted stock awards | 47 | 120 |
| OP units | 1,929 | 1,776 |
| Denominator for diluted earnings per share—adjusted weighted average shares | 296,245 | 293,924 |
| Basic earnings per share: | | |
| Income from continuing operations attributable to common stockholders, including real estate dispositions | \$ 0.40 | \$ 0.41 |
| Discontinued operations | 0.01 | (0.03) |
| Net income attributable to common stockholders | \$ 0.41 | \$ 0.38 |
| Diluted earnings per share: | | |
| Income from continuing operations attributable to common stockholders, including real estate dispositions | \$ 0.40 | \$ 0.41 |
| Discontinued operations | 0.01 | (0.03) |
| Net income attributable to common stockholders | \$ 0.41 | \$ 0.38 |

NOTE 15—SEGMENT INFORMATION

As of March 31, 2014, we operated through three reportable business segments: triple-net leased properties, senior living operations and MOB operations. Under our triple-net leased properties segment, we acquire and own seniors housing and healthcare properties throughout the United States and the United Kingdom and lease those properties to healthcare operating companies under “triple-net” or “absolute-net” leases that obligate the tenants to pay all property-related expenses. In our senior living operations segment, we invest in seniors housing communities throughout the United States and Canada and engage independent operators, such as Atria and Sunrise, to manage those communities. In our MOB operations segment, we primarily acquire, own, develop, lease and manage MOBs. Information provided for “all other” includes income from loans and investments and other miscellaneous income and various corporate-level expenses not directly attributable to any of our three reportable business segments. Assets included in “all other” consist primarily of corporate assets, including cash, restricted cash, deferred financing costs, loans receivable and investments, and miscellaneous accounts receivable.

We evaluate performance of the combined properties in each reportable business segment based on segment profit, which we define as NOI adjusted for income/loss from unconsolidated entities. We define NOI as total revenues, less interest and other income, property-level operating expenses and medical office building services costs. Although we believe that net income, as defined by GAAP, is the most appropriate earnings measurement, we consider segment profit a useful supplement to net income because it allows investors, analysts and our management to measure unlevered property-level operating results and to compare our operating results to the operating results of other real estate companies and between periods on a consistent basis. Segment profit should not be considered as an alternative to net income (determined in accordance with GAAP) as an indicator of our financial performance. In order to

facilitate a clear understanding of our historical consolidated operating

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results, segment profit should be examined in conjunction with net income as presented in our Consolidated Financial Statements and other financial data included elsewhere in this Quarterly Report on Form 10-Q/A.

Interest expense, depreciation and amortization, general, administrative and professional fees, income tax expense, discontinued operations and other non-property specific revenues and expenses are not allocated to individual reportable business segments for purposes of assessing segment performance. There are no intersegment sales or transfers.

Summary information by reportable business segment is as follows:

For the three months ended March 31, 2014:

| | Triple-Net Leased Properties (In thousands) | Senior Living Operations | MOB Operations | All Other | Total |
|--|--|--------------------------------|-------------------|--------------|------------|
| Revenues: | | | | | |
| Rental income | \$237,846 | \$— | \$115,223 | \$— | \$353,069 |
| Resident fees and services | — | 371,061 | — | — | 371,061 |
| Medical office building and other services revenue | 1,148 | — | 4,652 | 500 | 6,300 |
| Income from loans and investments | — | — | — | 10,767 | 10,767 |
| Interest and other income | — | — | — | 273 | 273 |
| Total revenues | \$238,994 | \$371,061 | \$119,875 | \$11,540 | \$741,470 |
| Total revenues | \$238,994 | \$371,061 | \$119,875 | \$11,540 | \$741,470 |
| Less: | | | | | |
| Interest and other income | — | — | — | 273 | 273 |
| Property-level operating expenses | — | 248,295 | 39,345 | — | 287,640 |
| Medical office building services costs | — | — | 3,371 | — | 3,371 |
| Segment NOI | 238,994 | 122,766 | 77,159 | 11,267 | 450,186 |
| Income (loss) from unconsolidated entities | 569 | (144 |) (47 |) (130 |) 248 |
| Segment profit | \$239,563 | \$122,622 | \$77,112 | \$11,137 | 450,434 |
| Interest and other income | | | | | 273 |
| Interest expense | | | | | (87,841) |
| Depreciation and amortization | | | | | (193,594) |
| General, administrative and professional fees | | | | | (32,866) |
| Gain on extinguishment of debt, net | | | | | 259 |
| Merger-related expenses and deal costs | | | | | (10,760) |
| Other | | | | | (5,229) |
| Income tax expense | | | | | (3,433) |
| Discontinued operations | | | | | 3,031 |
| Gain on real estate dispositions, net | | | | | 1,000 |
| Net income | | | | | \$121,274 |

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For the three months ended March 31, 2013:

| | Triple-Net Leased Properties (In thousands) | Senior Living Operations | MOB Operations | All Other | Total |
|--|--|--------------------------------|-------------------|--------------|------------|
| Revenues: | | | | | |
| Rental income | \$212,534 | \$— | \$110,416 | \$— | \$322,950 |
| Resident fees and services | — | 339,170 | — | — | 339,170 |
| Medical office building and other services revenue | 1,111 | — | 2,537 | — | 3,648 |
| Income from loans and investments | — | — | — | 16,103 | 16,103 |
| Interest and other income | — | — | — | 1,038 | 1,038 |
| Total revenues | \$213,645 | \$339,170 | \$112,953 | \$17,141 | \$682,909 |
| Total revenues | \$213,645 | \$339,170 | \$112,953 | \$17,141 | \$682,909 |
| Less: | | | | | |
| Interest and other income | — | — | — | 1,038 | 1,038 |
| Property-level operating expenses | — | 230,908 | 36,293 | — | 267,201 |
| Medical office building services costs | — | — | 1,639 | — | 1,639 |
| Segment NOI | 213,645 | 108,262 | 75,021 | 16,103 | 413,031 |
| Income (loss) from unconsolidated entities | 187 | (600 |) 1,342 | — | 929 |
| Segment profit | \$213,832 | \$107,662 | \$76,363 | \$16,103 | 413,960 |
| Interest and other income | | | | | 1,038 |
| Interest expense | | | | | (78,634) |
| Depreciation and amortization | | | | | (175,468) |
| General, administrative and professional fees | | | | | (28,774) |
| Merger-related expenses and deal costs | | | | | (4,262) |
| Other | | | | | (4,587) |
| Income tax expense | | | | | (1,744) |
| Discontinued operations | | | | | (8,431) |
| Net income | | | | | \$113,098 |

Capital expenditures, including investments in real estate property and development project expenditures, by reportable business segment are as follows:

| | For the Three Months Ended March 31, | |
|------------------------------|---|----------|
| | 2014 | 2013 |
| | (In thousands) | |
| Capital expenditures: | | |
| Triple-net leased properties | \$192,052 | \$13,180 |
| Senior living operations | 16,863 | 20,168 |
| MOB operations | 13,033 | 64,210 |
| Total capital expenditures | \$221,948 | \$97,558 |

Our portfolio of properties and mortgage loan and other investments are located in the United States, Canada and the United Kingdom. Revenues are attributed to an individual country based on the location of each property.

Geographic information regarding our operations is as follows:

| | For the Three Months Ended March 31, | |
|----------------|---|-----------|
| | 2014 | 2013 |
| | (In thousands) | |
| Revenues: | | |
| United States | \$720,107 | \$659,529 |
| Canada | 21,218 | 23,380 |
| United Kingdom | 145 | — |
| Total revenues | \$741,470 | \$682,909 |

| | As of March 31, 2014 | As of December 31, 2013 |
|--------------------------------|-------------------------|-------------------------------|
| | (In thousands) | |
| Net real estate property: | | |
| United States | \$17,556,584 | \$17,705,962 |
| Canada | 356,580 | 369,624 |
| United Kingdom | 183,303 | — |
| Total net real estate property | \$18,096,467 | \$18,075,586 |

NOTE 16—CONDENSED CONSOLIDATING INFORMATION

Ventas, Inc. has fully and unconditionally guaranteed the obligation to pay principal and interest with respect to the outstanding senior notes issued by our 100% owned subsidiary, Ventas Realty, Limited Partnership (“Ventas Realty”), including the senior notes that were jointly issued with Ventas Capital Corporation. Ventas Capital Corporation is a direct 100% owned subsidiary of Ventas Realty that has no assets or operations, but was formed in 2002 solely to facilitate offerings of senior notes by a limited partnership. None of our other subsidiaries (excluding Ventas Realty and Ventas Capital Corporation, the “Ventas Subsidiaries”) is obligated with respect to Ventas Realty’s outstanding senior notes.

In connection with the acquisition of Nationwide Health Properties, Inc. (“NHP”), our 100% owned subsidiary, Nationwide Health Properties, LLC (“NHP LLC”), as successor to NHP, assumed the obligation to pay principal and interest with respect to the outstanding senior notes issued by NHP. Neither we nor any of our subsidiaries (other than NHP LLC) is obligated with respect to any of NHP LLC’s outstanding senior notes.

Under certain circumstances, contractual and legal restrictions, including those contained in the instruments governing our subsidiaries’ outstanding mortgage indebtedness, may restrict our ability to obtain cash from our subsidiaries for the purpose of meeting our debt service obligations, including our payment guarantee with respect to Ventas Realty’s senior notes. Certain of our real estate assets are also subject to mortgages.

The following summarizes our condensed consolidating information as of March 31, 2014 and December 31, 2013 and for the three months ended March 31, 2014 and 2013:

CONDENSED CONSOLIDATING BALANCE SHEET

As of March 31, 2014

| | Ventas, Inc. (In thousands) | Ventas Realty (1) | Ventas Subsidiaries | Consolidated Elimination | Consolidated |
|---|--------------------------------|----------------------|------------------------|-----------------------------|---------------------|
| Assets | | | | | |
| Net real estate investments | \$6,858 | \$369,528 | \$18,187,084 | \$— | \$18,563,470 |
| Cash and cash equivalents | 20,912 | — | 38,879 | — | 59,791 |
| Escrow deposits and restricted cash | 2,104 | 1,268 | 72,738 | — | 76,110 |
| Deferred financing costs, net | 758 | 51,945 | 7,023 | — | 59,726 |
| Investment in and advances to affiliates | 10,232,196 | 3,201,998 | — | (13,434,194) | — |
| Other assets | 57,552 | 14,495 | 871,624 | — | 943,671 |
| Total assets | \$10,320,380 | \$3,639,234 | \$19,177,348 | \$(13,434,194) | \$19,702,768 |
| Liabilities and equity | | | | | |
| Liabilities: | | | | | |
| Senior notes payable and other debt | \$— | \$6,520,142 | \$2,960,909 | \$— | \$9,481,051 |
| Intercompany loans | 4,475,259 | (4,887,411) | 412,152 | — | — |
| Accrued interest | — | 40,032 | 21,051 | — | 61,083 |
| Accounts payable and other liabilities | 94,841 | 29,488 | 813,769 | — | 938,098 |
| Deferred income taxes | 252,499 | — | — | — | 252,499 |
| Total liabilities | 4,822,599 | 1,702,251 | 4,207,881 | — | 10,732,731 |
| Redeemable OP unitholder and noncontrolling interests | — | — | 160,115 | — | 160,115 |
| Total equity | 5,497,781 | 1,936,983 | 14,809,352 | (13,434,194) | 8,809,922 |
| Total liabilities and equity | \$10,320,380 | \$3,639,234 | \$19,177,348 | \$(13,434,194) | \$19,702,768 |

(1) Certain of Ventas Realty's outstanding senior notes were issued jointly with our 100% owned subsidiary, Ventas Capital Corporation, which has no assets or operations.

CONDENSED CONSOLIDATING BALANCE SHEET

As of December 31, 2013

| | Ventas, Inc. (In thousands) | Ventas Realty (1) | Ventas Subsidiaries | Consolidated Elimination | Consolidated |
|---|--------------------------------|----------------------|------------------------|-----------------------------|---------------------|
| Assets | | | | | |
| Net real estate investments | \$7,009 | \$374,590 | \$18,161,872 | \$— | \$18,543,471 |
| Cash and cash equivalents | 28,169 | — | 66,647 | — | 94,816 |
| Escrow deposits and restricted cash | 2,104 | 1,211 | 81,342 | — | 84,657 |
| Deferred financing costs, net | 758 | 54,022 | 7,435 | — | 62,215 |
| Investment in and advances to affiliates | 10,481,466 | 3,201,998 | — | (13,683,464) | — |
| Other assets | 29,450 | 14,102 | 902,783 | — | 946,335 |
| Total assets | \$10,548,956 | \$3,645,923 | \$19,220,079 | \$(13,683,464) | \$19,731,494 |
| Liabilities and equity | | | | | |
| Liabilities: | | | | | |
| Senior notes payable and other debt | \$— | \$6,336,240 | \$3,028,752 | \$— | \$9,364,992 |
| Intercompany loans | 4,247,853 | (4,682,119) | 434,266 | — | — |
| Accrued interest | — | 39,561 | 14,788 | — | 54,349 |
| Accounts payable and other liabilities | 94,495 | 28,152 | 878,868 | — | 1,001,515 |
| Deferred income taxes | 250,167 | — | — | — | 250,167 |
| Total liabilities | 4,592,515 | 1,721,834 | 4,356,674 | — | 10,671,023 |
| Redeemable OP unitholder and noncontrolling interests | — | — | 156,660 | — | 156,660 |
| Total equity | 5,956,441 | 1,924,089 | 14,706,745 | (13,683,464) | 8,903,811 |
| Total liabilities and equity | \$10,548,956 | \$3,645,923 | \$19,220,079 | \$(13,683,464) | \$19,731,494 |

(1) Certain of Ventas Realty's outstanding senior notes were issued jointly with our 100% owned subsidiary, Ventas Capital Corporation, which has no assets or operations.

CONDENSED CONSOLIDATING STATEMENT OF INCOME

For the Three Months Ended March 31, 2014

| | Ventas, Inc. (In thousands) | Ventas Realty (1) | Ventas Subsidiaries | Consolidated Elimination | Consolidated |
|---|--------------------------------|----------------------|------------------------|-----------------------------|--------------|
| Revenues: | | | | | |
| Rental income | \$618 | \$69,755 | \$282,696 | \$— | \$353,069 |
| Resident fees and services | — | — | 371,061 | — | 371,061 |
| Medical office building and other services revenue | — | — | 6,300 | — | 6,300 |
| Income from loans and investments | 306 | — | 10,461 | — | 10,767 |
| Equity earnings in affiliates | 126,085 | — | 140 | (126,225) | — |
| Interest and other income | 152 | 5 | 116 | — | 273 |
| Total revenues | 127,161 | 69,760 | 670,774 | (126,225) | 741,470 |
| Expenses: | | | | | |
| Interest | (647) | 43,094 | 45,394 | — | 87,841 |
| Depreciation and amortization | 1,422 | 7,653 | 184,519 | — | 193,594 |
| Property-level operating expenses | — | 150 | 287,490 | — | 287,640 |
| Medical office building services costs | — | — | 3,371 | — | 3,371 |
| General, administrative and professional fees | 1,887 | 5,613 | 25,366 | — | 32,866 |
| (Gain) loss on extinguishment of debt, net | (3) | 3) | (259) | — | (259) |
| Merger-related expenses and deal costs | 1,753 | — | 9,007 | — | 10,760 |
| Other | 707 | 319 | 4,203 | — | 5,229 |
| Total expenses | 5,119 | 56,832 | 559,091 | — | 621,042 |
| Income from continuing operations before income (loss) from unconsolidated entities, income taxes, real estate dispositions and noncontrolling interest | 122,042 | 12,928 | 111,683 | (126,225) | 120,428 |
| Income (loss) from unconsolidated entities | — | 522 | (274) | — | 248 |
| Income tax expense | (3,433) | — | — | — | (3,433) |
| Income from continuing operations | 118,609 | 13,450 | 111,409 | (126,225) | 117,243 |
| Discontinued operations | 1,438 | 556 | 1,037 | — | 3,031 |
| Gain on real estate dispositions, net | 1,000 | — | — | — | 1,000 |
| Net income | 121,047 | 14,006 | 112,446 | (126,225) | 121,274 |
| Net income attributable to noncontrolling interest | — | — | 227 | — | 227 |
| Net income attributable to common stockholders | \$121,047 | \$14,006 | \$112,219 | \$(126,225) | \$121,047 |

(1) Certain of Ventas Realty's outstanding senior notes were issued jointly with our 100% owned subsidiary, Ventas Capital Corporation, which has no assets or operations.

CONDENSED CONSOLIDATING STATEMENT OF INCOME

For the Three Months Ended March 31, 2013

| | Ventas, Inc. | Ventas Realty (1) | Ventas Subsidiaries | Consolidated Elimination | Consolidated |
|---|----------------|----------------------|------------------------|-----------------------------|--------------|
| | (In thousands) | | | | |
| Revenues: | | | | | |
| Rental income | \$ 640 | \$ 69,287 | \$ 253,023 | \$ — | \$ 322,950 |
| Resident fees and services | — | — | 339,170 | — | 339,170 |
| Medical office building and other services revenue | — | — | 3,648 | — | 3,648 |
| Income from loans and investments | 103 | 294 | 15,706 | — | 16,103 |
| Equity earnings in affiliates | 116,077 | — | 250 | (116,327) | — |
| Interest and other income | 37 | 5 | 996 | — | 1,038 |
| Total revenues | 116,857 | 69,586 | 612,793 | (116,327) | 682,909 |
| Expenses: | | | | | |
| Interest | (467) | 32,331 | 46,770 | — | 78,634 |
| Depreciation and amortization | 1,077 | 7,216 | 167,175 | — | 175,468 |
| Property-level operating expenses | — | 102 | 267,099 | — | 267,201 |
| Medical office building services costs | — | — | 1,639 | — | 1,639 |
| General, administrative and professional fees | (13) | 5,622 | 23,165 | — | 28,774 |
| Merger-related expenses and deal costs | 2,749 | — | 1,513 | — | 4,262 |
| Other | 40 | 21 | 4,526 | — | 4,587 |
| Total expenses | 3,386 | 45,292 | 511,887 | — | 560,565 |
| Income from continuing operations before income from unconsolidated entities, income taxes and noncontrolling interest | 113,471 | 24,294 | 100,906 | (116,327) | 122,344 |
| Income from unconsolidated entities | — | 288 | 641 | — | 929 |
| Income tax (expense) benefit | (1,745) | — | 1 | — | (1,744) |
| Income from continuing operations | 111,726 | 24,582 | 101,548 | (116,327) | 121,529 |
| Discontinued operations | 467 | 428 | (9,326) | — | (8,431) |
| Net income | 112,193 | 25,010 | 92,222 | (116,327) | 113,098 |
| Net income attributable to noncontrolling interest | — | — | 905 | — | 905 |
| Net income attributable to common stockholders | \$ 112,193 | \$ 25,010 | \$ 91,317 | \$ (116,327) | \$ 112,193 |

(1) Certain of Ventas Realty's outstanding senior notes were issued jointly with our 100% owned subsidiary, Ventas Capital Corporation, which has no assets or operations.

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME

For the Three Months Ended March 31, 2014

| | Ventas, Inc. | Ventas Realty (1) | Ventas Subsidiaries | Consolidated Elimination | Consolidated |
|--|----------------|-------------------|---------------------|--------------------------|--------------|
| | (In thousands) | | | | |
| Net income | \$121,047 | \$14,006 | \$112,446 | \$(126,225) | \$121,274 |
| Other comprehensive income (loss): | | | | | |
| Foreign currency translation | — | — | (3,334) | — | (3,334) |
| Change in unrealized gain on intra-entity currency loan | 594 | — | — | — | 594 |
| Change in unrealized gain on marketable debt securities | 1,306 | — | — | — | 1,306 |
| Other | — | — | 239 | — | 239 |
| Total other comprehensive income (loss) | 1,900 | — | (3,095) | — | (1,195) |
| Comprehensive income | 122,947 | 14,006 | 109,351 | (126,225) | 120,079 |
| Comprehensive income attributable to noncontrolling interest | — | — | 227 | — | 227 |
| Comprehensive income attributable to common stockholders | \$122,947 | \$14,006 | \$109,124 | \$(126,225) | \$119,852 |

(1) Certain of Ventas Realty's outstanding senior notes were issued jointly with our 100% owned subsidiary, Ventas Capital Corporation, which has no assets or operations.

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME

For the Three Months Ended March 31, 2013

| | Ventas, Inc. | Ventas Realty (1) | Ventas Subsidiaries | Consolidated Elimination | Consolidated |
|--|----------------|-------------------|---------------------|--------------------------|--------------|
| | (In thousands) | | | | |
| Net income | \$112,193 | \$25,010 | \$92,222 | \$(116,327) | \$113,098 |
| Other comprehensive income (loss): | | | | | |
| Foreign currency translation | — | — | (2,091) | — | (2,091) |
| Change in unrealized gain on marketable debt securities | 61 | — | — | — | 61 |
| Other | — | — | 504 | — | 504 |
| Total other comprehensive income (loss) | 61 | — | (1,587) | — | (1,526) |
| Comprehensive income | 112,254 | 25,010 | 90,635 | (116,327) | 111,572 |
| Comprehensive income attributable to noncontrolling interest | — | — | 905 | — | 905 |
| Comprehensive income attributable to common stockholders | \$112,254 | \$25,010 | \$89,730 | \$(116,327) | \$110,667 |

(1) Certain of Ventas Realty's outstanding senior notes were issued jointly with our 100% owned subsidiary, Ventas Capital Corporation, which has no assets or operations.

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

For the Three Months Ended March 31, 2014

| | Ventas, Inc. | Ventas Realty (1) | Ventas Subsidiaries | Consolidated Elimination | Consolidated |
|---|----------------|-------------------|---------------------|--------------------------|--------------|
| | (In thousands) | | | | |
| Net cash (used in) provided by operating activities | \$(46,025) | \$20,487 | \$309,959 | \$— | \$284,421 |
| Net cash (used in) provided by investing activities | (155,716) | 5,190 | (67,824) | — | (218,350) |
| Cash flows from financing activities: | | | | | |
| Net change in borrowings under revolving credit facility | — | 182,969 | (1,215) | — | 181,754 |
| Repayment of debt | — | — | (67,773) | — | (67,773) |
| Net change in intercompany debt | 227,406 | (205,292) | (22,114) | — | — |
| Payment of deferred financing costs | — | (154) | (13) | — | (167) |
| Cash distribution from (to) affiliates | 179,724 | (2,618) | (177,106) | — | — |
| Cash distribution to common stockholders | (213,473) | — | — | — | (213,473) |
| Cash distribution to redeemable OP unitholders | (1,402) | — | — | — | (1,402) |
| Distributions to noncontrolling interest | — | — | (2,237) | — | (2,237) |
| Other | 1,636 | 5 | — | — | 1,641 |
| Net cash provided by (used in) financing activities | 193,891 | (25,090) | (270,458) | — | (101,657) |
| Net (decrease) increase in cash and cash equivalents | (7,850) | 587 | (28,323) | — | (35,586) |
| Effect of foreign currency translation on cash and cash equivalents | 593 | (587) | 555 | — | 561 |
| Cash and cash equivalents at beginning of period | 28,169 | — | 66,647 | — | 94,816 |
| Cash and cash equivalents at end of period | \$20,912 | \$— | \$38,879 | \$— | \$59,791 |

(1) Certain of Ventas Realty's outstanding senior notes were issued jointly with our 100% owned subsidiary, Ventas Capital Corporation, which has no assets or operations.

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

For the Three Months Ended March 31, 2013

| | Ventas, Inc. | Ventas Realty (1) | Ventas Subsidiaries | Consolidated Elimination | Consolidated |
|---|----------------|-------------------|---------------------|--------------------------|--------------|
| | (In thousands) | | | | |
| Net cash (used in) provided by operating activities | \$(26,368) | \$51,309 | \$205,364 | \$— | \$230,305 |
| Net cash (used in) provided by investing activities | (47,169) | (5,835) | 112,477 | — | 59,473 |
| Cash flows from financing activities: | | | | | |
| Net change in borrowings under revolving credit facility | — | (376,000) | 84 | — | (375,916) |
| Proceeds from debt | — | 758,460 | 158,411 | — | 916,871 |
| Repayment of debt | (11,420) | — | (624,373) | — | (635,793) |
| Net change in intercompany debt | 279,196 | (415,487) | 136,291 | — | — |
| Payment of deferred financing costs | — | (12,160) | (1,648) | — | (13,808) |
| Cash distribution (to) from affiliates | (17,903) | (238) | 18,141 | — | — |
| Issuance of common stock, net | 5,050 | — | — | — | 5,050 |
| Cash distribution to common stockholders | (195,700) | — | — | — | (195,700) |
| Cash distribution to redeemable OP unitholders | (1,151) | — | — | — | (1,151) |
| Purchases of redeemable OP units | (108) | — | — | — | (108) |
| Distributions to noncontrolling interest | — | — | (1,450) | — | (1,450) |
| Other | 2,058 | — | — | — | 2,058 |
| Net cash provided by (used in) financing activities | 60,022 | (45,425) | (314,544) | — | (299,947) |
| Net (decrease) increase in cash and cash equivalents | (13,515) | 49 | 3,297 | — | (10,169) |
| Effect of foreign currency translation on cash and cash equivalents | — | (49) | — | — | (49) |
| Cash and cash equivalents at beginning of period | 16,734 | — | 51,174 | — | 67,908 |
| Cash and cash equivalents at end of period | \$3,219 | \$— | \$54,471 | \$— | \$57,690 |

(1) Certain of Ventas Realty's outstanding senior notes were issued jointly with our 100% owned subsidiary, Ventas Capital Corporation, which has no assets or operations.

PART II—OTHER INFORMATION

ITEM 6. EXHIBITS

| Exhibit Number | Description of Document | Location of Document |
|----------------|--|--|
| 4.1 | Third Supplemental Indenture dated as of April 17, 2014 by and among Ventas Realty, Limited Partnership, as Issuer, Ventas, Inc., as Guarantor, and U.S. Bank National Association, as Trustee. | Incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K, filed on April 17, 2014. |
| 4.2 | Fourth Supplemental Indenture dated as of April 17, 2014 by and among Ventas Realty, Limited Partnership, as Issuer, Ventas, Inc., as Guarantor, and U.S. Bank National Association, as Trustee. | Incorporated by reference to Exhibit 4.3 to our Current Report on Form 8-K, filed on April 17, 2014. |
| 12.1 | Statement Regarding Computation of Ratios of Earnings to Fixed Charges. | Incorporated by reference to Exhibit 12.1 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014. |
| 15.1 | Letter from KPMG LLP regarding unaudited interim financial information. | Filed herewith. |
| 31.1 | Certification of Debra A. Cafaro, Chairman and Chief Executive Officer, pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended. | Filed herewith. |
| 31.2 | Certification of Richard A. Schweinhart, Executive Vice President and Chief Financial Officer, pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended. | Filed herewith. |
| 32.1 | Certification of Debra A. Cafaro, Chairman and Chief Executive Officer, pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended, and 18 U.S.C. § 1350. | Filed herewith. |
| 32.2 | Certification of Richard A. Schweinhart, Executive Vice President and Chief Financial Officer, pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended, and 18 U.S.C. § 1350. | Filed herewith. |
| 101 | Interactive Data File. | Filed herewith. |

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: September 4, 2014

VENTAS, INC.

By: /s/ Richard A. Schweinhart
Richard A. Schweinhart
Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

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| 34 | | |