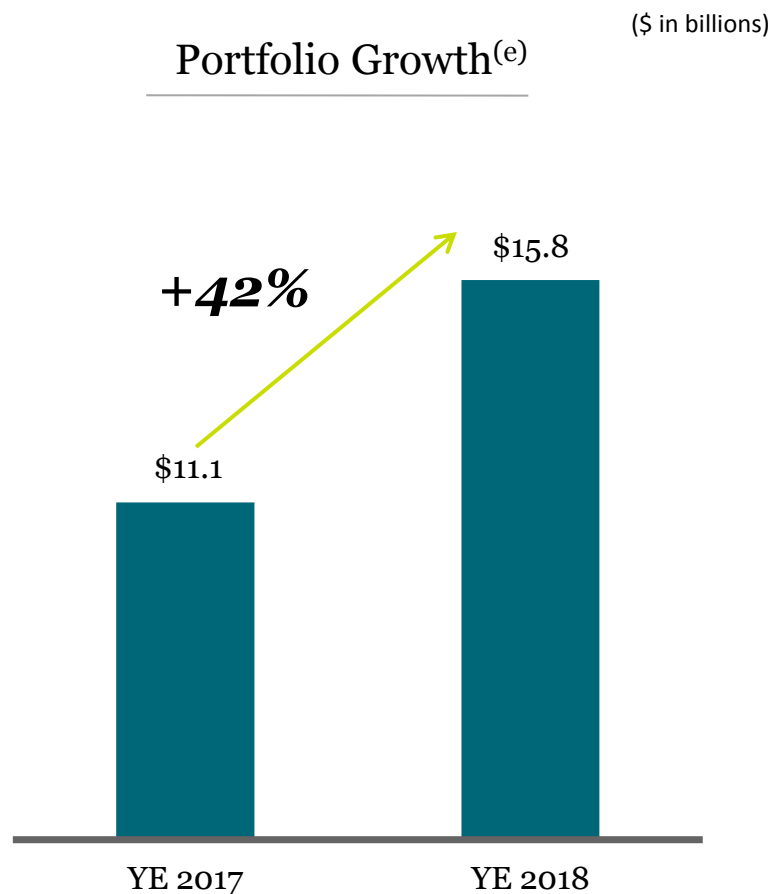
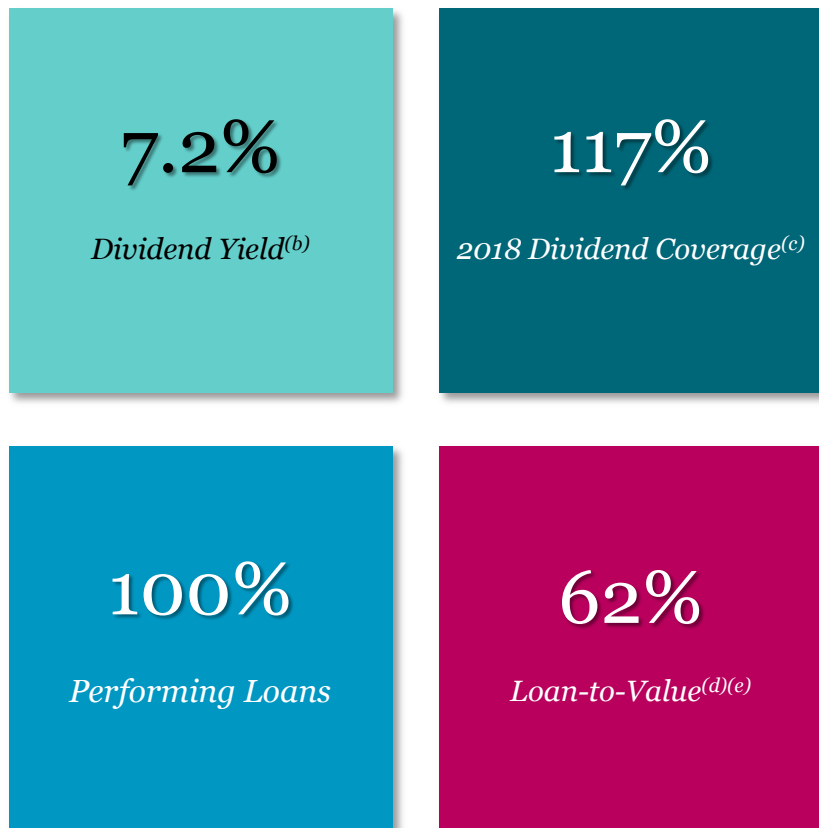


# Blackstone Mortgage Trust, Inc. Fourth Quarter and Full Year 2018 Results

February 12, 2019

## BXMT Highlights

- ▶ BXMT generated 4Q EPS of \$0.61 and Core EPS<sup>(a)</sup> of \$0.69 through continued growth in its first mortgage origination business; 2018 full year EPS of \$2.50, Core EPS of \$2.90 and dividends paid of \$2.48 per share



Information included in this presentation is as of or for the period ended December 31, 2018, unless otherwise indicated.

(a) See Appendix for a definition and reconciliation to GAAP net income.

(b) Based on annualized dividend and BXMT closing price as of February 11, 2019.

(c) Reflects ratio of Core Earnings to dividends declared.

(d) Reflects weighted average LTV as of the date investments were originated or acquired by BXMT.

(e) Includes \$447 million of Non-Consolidated Senior Interests and investment exposure to the \$1.0 billion 2018 Single Asset Securitization through a \$99 million subordinate risk retention interest.

## Fourth Quarter and Full Year 2018 Results

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### Earnings & Dividends

- ▶ 4Q EPS of \$0.61 and Core Earnings<sup>(a)</sup> per share of \$0.69 (\$2.50 and \$2.90, respectively for full year 2018)
- ▶ Book value per share of \$27.20, up \$0.27 in 2018; paid \$0.62 per share dividend

### Originations

- ▶ 4Q originations of \$3.5 billion across 21 transactions<sup>(b)</sup>
- ▶ Originated 52 loans<sup>(b)</sup> in 2018 resulting in record volume of \$10.7 billion, with a weighted average origination LTV<sup>(c)</sup> of 61%

### Portfolio Composition

- ▶ Portfolio grew 42% in 2018 to \$15.8 billion<sup>(d)</sup>
- ▶ 100% performing portfolio with a weighted average origination LTV<sup>(c)(d)</sup> of 62%

### Capitalization

- ▶ Sourced new credit capacity of \$3.0 billion in the quarter and \$6.5 billion in 2018
- ▶ Issued 14.6 million shares at an average 1.22x P/B in 2018, generating \$483 million of gross proceeds

### Interest Rates

- ▶ 96% of the portfolio<sup>(d)</sup> is floating rate
- ▶ Floating rate assets and matched liabilities support book value and earnings stability

(a) See Appendix for a definition and reconciliation to GAAP net income.

(b) Excluding upsizes.

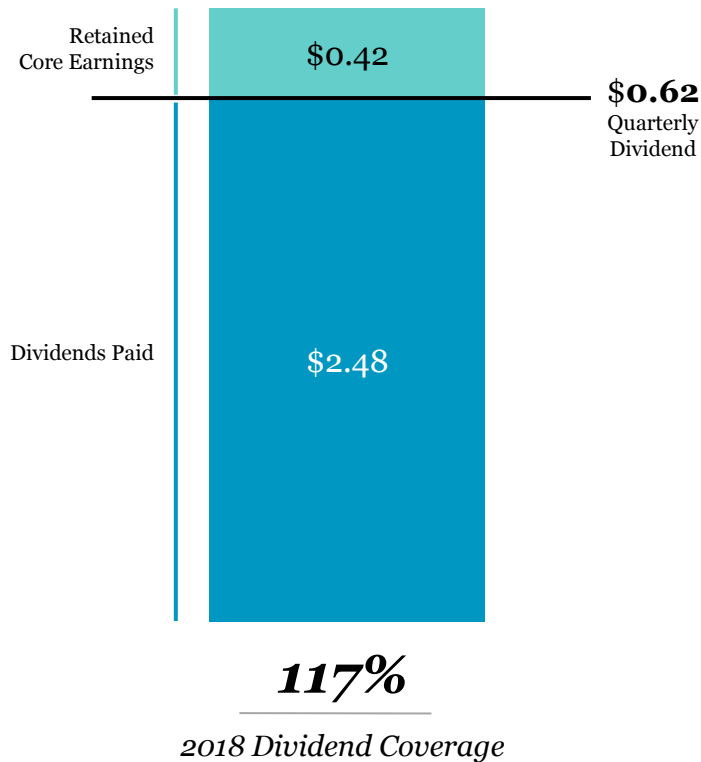
(c) Reflects weighted average LTV as of the date investments were originated or acquired by BXMT.

(d) Includes \$447 million of Non-Consolidated Senior Interests and investment exposure to the \$1.0 billion 2018 Single Asset Securitization through a \$99 million subordinate risk retention interest.

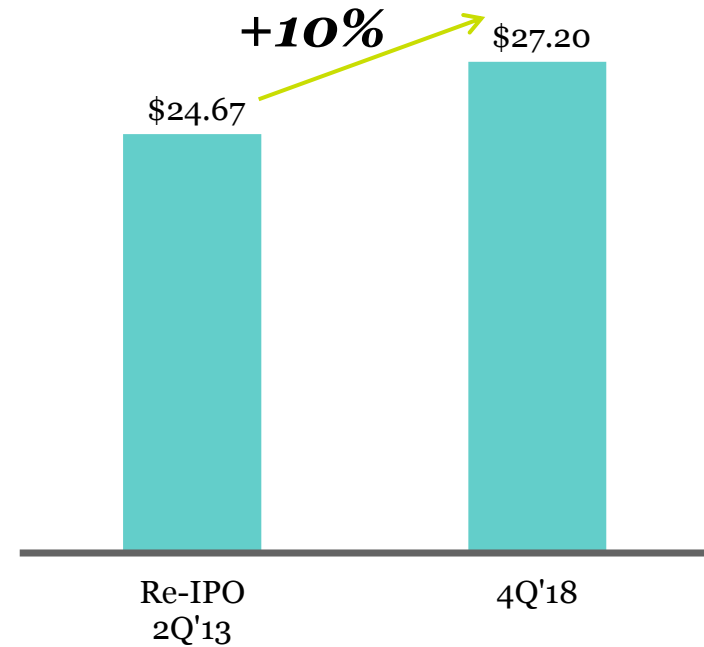
## Earnings & Dividends

- ▶ 4Q GAAP EPS of \$0.61 and Core Earnings<sup>(a)</sup> of \$0.69 per share, \$0.62 per share dividend equates to a 7.2% dividend yield<sup>(b)</sup>
- ▶ Earnings in excess of quarterly dividends enhanced book value per share, which has grown 10% since 2013 re-IPO

### 2018 Core Earnings Per Share<sup>(c)</sup>



### Book Value Per Share Growth



(a) See Appendix for a definition and reconciliation to GAAP net income.

(b) Based on annualized dividend and BXMT closing price as of February 11, 2019.

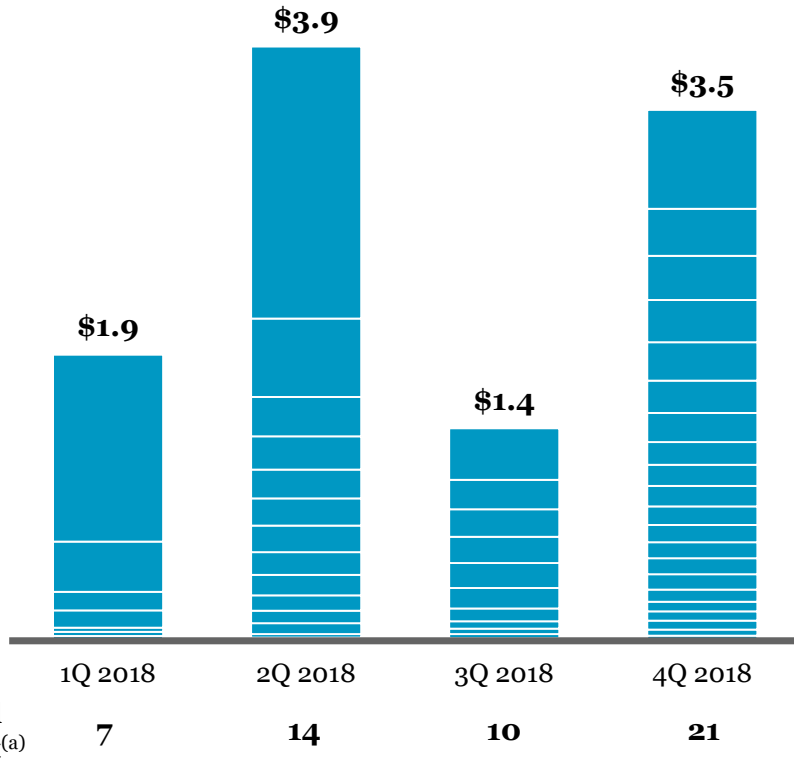
(c) 2018 GAAP EPS was \$2.50; retained Core Earnings refers to the amount of Core Earnings in excess of dividends paid for the periods presented.

# Originations

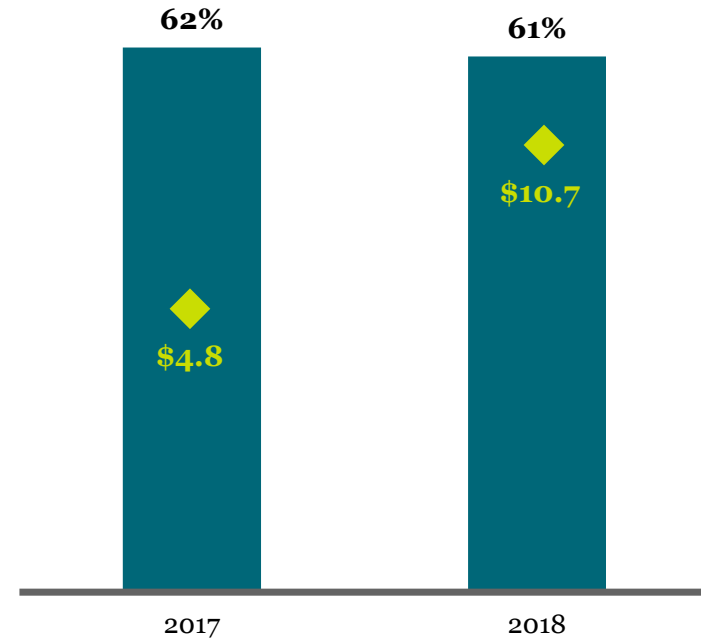
- ▶ Origination volume grew to \$3.5 billion in 4Q and \$10.7 billion in 2018 while maintaining a consistent credit profile
- ▶ Originations were driven by an increase in both large loans and more granular deal flow

(\$ in billions)

## Origination Volume and Deal Count



## Origination LTV and Volume<sup>(b)</sup>



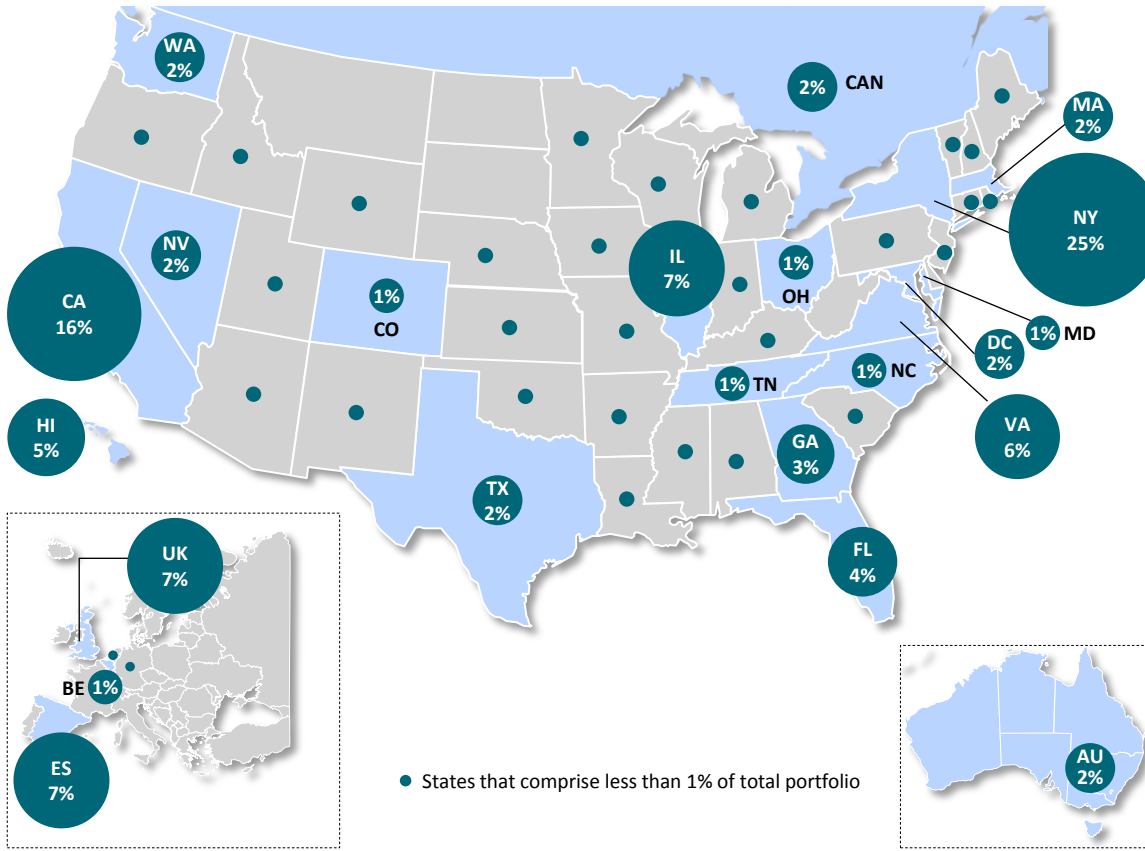
(a) Excluding upsizes.

(b) Reflects weighted average LTV as of the date investments were originated or acquired by BXMT.

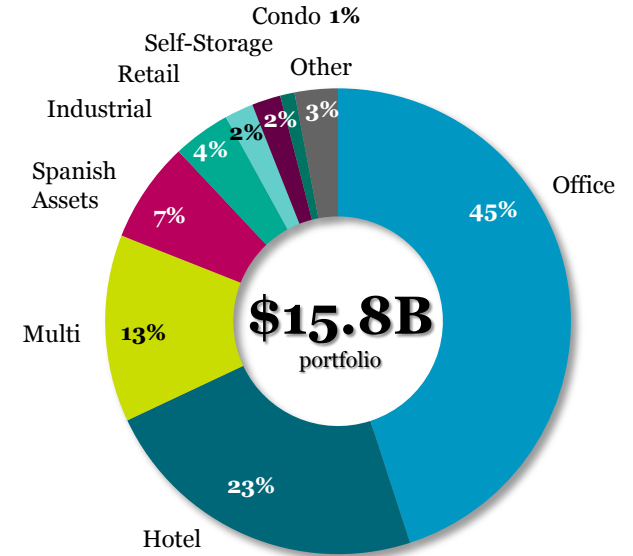
# Portfolio Composition

- ▶ \$15.8 billion portfolio<sup>(a)</sup> comprising 126 assets secured by institutional quality real estate, with 71% in gateway markets
- ▶ High quality 100% performing portfolio with low weighted average LTV<sup>(a)(b)</sup> of 62%

## Major Market Focus<sup>(a)</sup>



## Collateral Diversification<sup>(a)</sup>



## Weighted Average LTV<sup>(a)(b)</sup>

62%

(a) Includes \$447 million of Non-Consolidated Senior Interests and investment exposure to the \$1.0 billion 2018 Single Asset Securitization through a \$99 million subordinate risk retention interest. Blackstone Mortgage Trust 5  
 (b) Reflects weighted average LTV as of the date investments were originated or acquired by BXMT.

## Capitalization

- ▶ \$2.9 billion of net credit capacity growth across 6 credit facilities during the quarter
- ▶ Asset-level financing increased in step with net portfolio growth totaling \$5.1 billion of net capacity growth in 2018
- ▶ Total asset-level financing capacity of \$16.4 billion was 72% utilized at quarter-end

### Financing (Outstanding Balance)

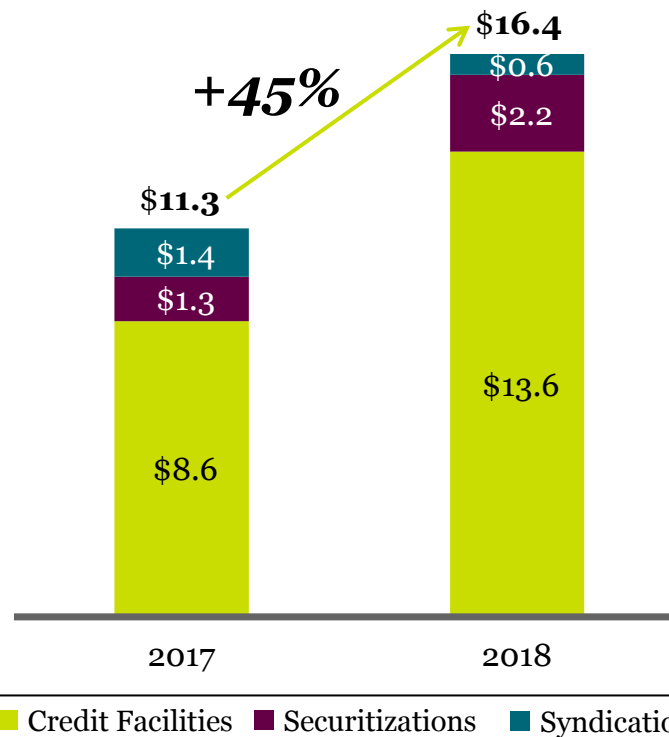
<b>Credit Facilities</b>	11 Credit Providers	\$9.0
<b>Corporate Debt</b>	Convertible Notes and Secured Facility	\$0.6
<b>Corporate Obligations</b>		\$9.6
<b>Securitized Debt<sup>(a)</sup></b>	CLO and Single Asset Securitizations	\$2.2
<b>Senior Loan Interests<sup>(b)</sup></b>	Senior Syndications	\$0.5

**2.8x**

Debt-to-Equity Ratio<sup>(c)</sup>

### Credit Capacity Growth

(\$ in billions)



(a) Includes \$1.3 billion of consolidated securitized debt obligations as well as \$0.9 billion of securitized debt held by third-parties in the \$1.0 billion 2018 Single Asset Securitization, which is not consolidated on BXMT's balance sheet. Refer to our consolidated financial statements for further discussion of the subordinated risk retention interest related to the 2018 Single Asset Securitization.

(b) Includes \$95 million of loan participations sold and \$447 million of Non-Consolidated Senior Interests, which result from non-recourse sales of senior loan interests in loans BXMT originates. BXMT's net investments in these loans are reflected in the form of mezzanine or other subordinate loans on BXMT's balance sheet.

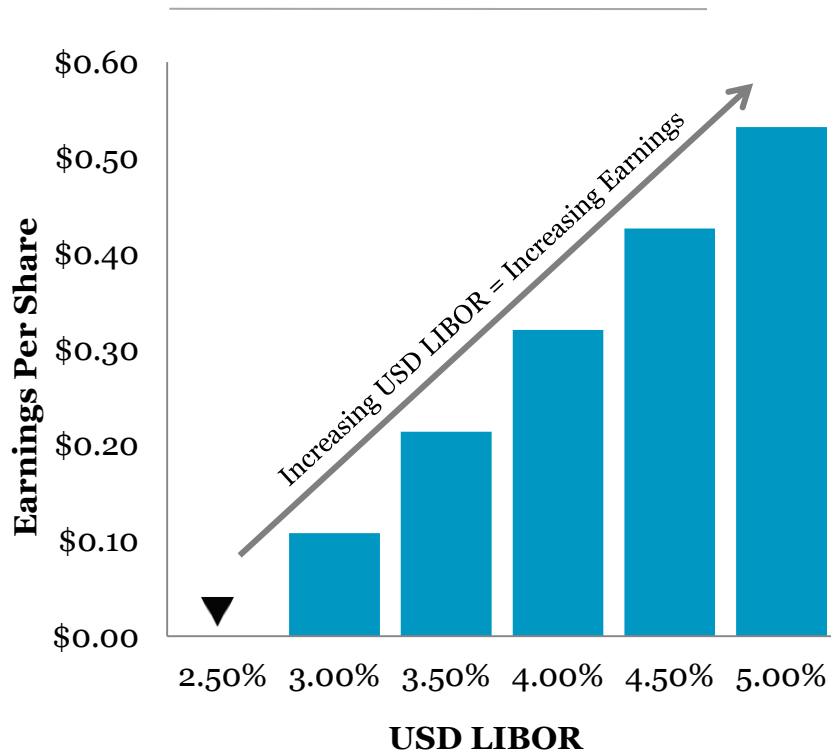
(c) Represents (i) total outstanding secured debt agreements and convertible notes, less cash, to (ii) total equity.

## Interest Rates

- ▶ 96% of the portfolio<sup>(a)</sup> is floating rate
- ▶ A 1.0% increase in USD LIBOR would increase earnings per share by \$0.21 per annum<sup>(b)</sup>

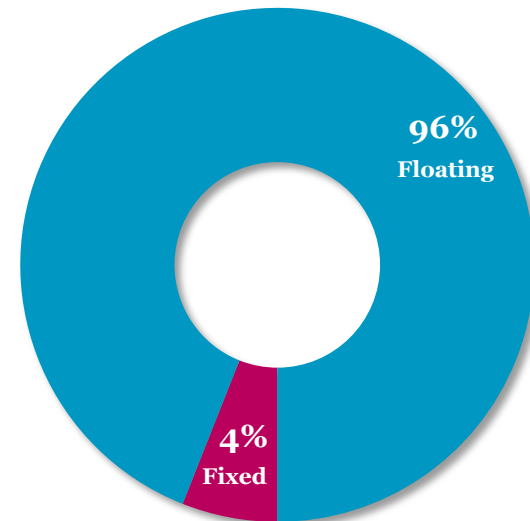
### Earnings Sensitivity to USD LIBOR<sup>(b)</sup>

(Annual Dollars of Earnings per Share)



### Portfolio Fixed vs. Floating<sup>(a)</sup>

(% of Total Portfolio Exposure)



(a) Includes \$447 million of Non-Consolidated Senior Interests and investment exposure to the \$1.0 billion 2018 Single Asset Securitization through a \$99 million subordinate risk retention interest.  
(b) Changes in interest rates and credit spreads may affect our net interest income from loans and other investments. Reflects impact on net income, net of incentive fees. See Appendix for important disclosures.



# Appendix

## Appendix – Fourth Quarter and Full Year 2018 Operating Results & Net Fundings

### Operating Results

(\$ in millions)

	GAAP Net Income	Adjustments	Core Earnings
Interest Income	\$ 206.1	\$—	\$ 206.1
Interest Expense	(103.9)	0.4	(103.5)
Management and Incentive Fees	(18.6)	—	(18.6)
General and Administrative Expenses	(2.0)	—	(2.0)
Non-Cash Compensation	(7.7)	7.7	—
Realized Foreign Currency Gain, net <sup>(a)</sup>	—	1.9	1.9
Net Income Attributable to Non-controlling Interests	(0.3)	—	(0.3)
<b>Total</b>	<b>\$ 73.6</b>	<b>\$ 10.0</b>	<b>\$ 83.6</b>

**\$0.61**

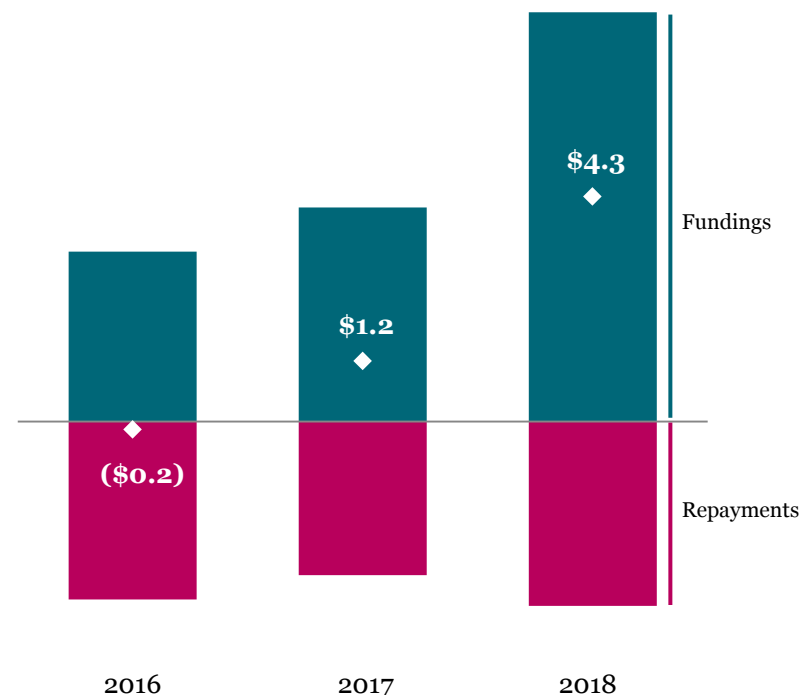
Net Income per Share

**\$0.69**

Core Earnings per Share

### Net Fundings<sup>(b)</sup>

(\$ in billions)



**\$4.3 billion**

2018 Net Fundings

**\$2.1 billion**

4Q'18 Net Fundings

(a) Primarily represents the forward points earned on our foreign currency forward contracts, which reflect the interest rate differentials between the applicable base rate for our foreign currency investments and USD LIBOR. These forward contracts effectively convert the rate exposure to USD LIBOR, resulting in additional interest income earned in U.S. dollar terms. These amounts are not included in GAAP net income, but rather as a component of Other Comprehensive Income in our consolidated financial statements.

(b) Excludes the impact of changes in foreign currency rates and related hedges for non-USD investments.

# Portfolio Details

(\$ in millions)

	Loan Type	Origination Date <sup>(a)</sup>	Total Loan <sup>(b)(c)</sup>	Principal Balance <sup>(b)(c)</sup>	Net Book Value	Cash Coupon	All-in Yield	Maximum Maturity <sup>(d)</sup>	Location	Property Type	Loan Per SQFT / Unit / Key	Origination LTV <sup>(a)</sup>
Loan 1	Senior loan	3/22/2018	\$ 1,131	\$ 1,131	\$ 1,124	L + 3.15 %	L + 3.40 %	3/15/2023	Diversified - Spain	Spanish Assets	n/a	71 %
Loan 2	Senior loan	5/11/2017	753	682	679	L + 3.40 %	L + 3.60 %	6/10/2023	Washington DC	Office	334 / sqft	62 %
Loan 3	Senior loan <sup>(b)</sup>	8/6/2015	471	471	86	5.75 %	5.82 %	10/29/2022	Diversified - EUR	Other	n/a	71 %
Loan 4	Senior loan	5/1/2015	355	342	342	L + 2.85 %	L + 3.02 %	5/1/2023	New York	Office	434 / sqft	68 %
Loan 5	Senior loan	2/13/2018	330	322	322	L + 3.42 %	L + 3.52 %	3/9/2023	New York	Multi	780,386 / unit	62 %
Loan 6	Senior loan	1/7/2015	350	317	316	L + 2.50 %	L + 2.76 %	1/9/2021	New York	Office	272 / sqft	53 %
Loan 7	Senior loan	10/23/2018	352	313	310	L + 3.40 %	L + 3.72 %	10/23/2021	New York	Mixed-Use	284 / sqft	65 %
Loan 8	Senior loan	3/31/2017	339	286	283	L + 3.50 %	L + 3.88 %	8/9/2023	Maui	Hotel	377,099 / key	61 %
Loan 9	Senior loan	11/30/2018	291	274	272	L + 2.83 %	L + 3.20 %	12/9/2023	New York	Hotel	224,555 / key	73 %
Loan 10	Senior loan	11/30/2018	254	247	245	L + 2.80 %	L + 3.17 %	12/9/2023	San Francisco	Hotel	363,291 / key	73 %
Loan 11	Senior loan	12/11/2018	310	241	238	L + 2.55 %	L + 2.96 %	12/9/2023	Chicago	Office	203 / sqft	78 %
Loan 12	Senior loan	8/3/2016	276	233	233	L + 4.66 %	L + 5.29 %	8/9/2021	New York	Office	321 / sqft	57 %
Loan 13	Senior loan	12/22/2017	225	225	224	L + 2.80 %	L + 3.16 %	1/9/2023	Chicago	Multi	326,087 / unit	65 %
Loan 14	Senior loan	5/9/2018	219	219	218	L + 3.00 %	L + 3.24 %	5/9/2023	New York	Industrial	62 / sqft	70 %
Loan 15	Senior loan	6/23/2015	220	213	213	L + 3.65 %	L + 3.78 %	5/8/2022	Washington DC	Office	239 / sqft	72 %
Loans 16 - 125	Senior loans	Various	12,340	9,222	9,088	5.91 % <sup>(e)</sup>	6.26 % <sup>(e)</sup>	Various	Various	Various	Various	62 %
<b>Total/Wtd. avg.</b>			<b>\$ 18,217</b>	<b>\$ 14,741</b>	<b>\$ 14,191</b>	<b>5.64 %</b>	<b>5.96 %</b>	<b>3.9 yrs</b>				<b>64 %</b>

(a) Date loan was originated or acquired by BXMT, and the LTV as of such date.

(b) In certain instances, loans are financed through the non-recourse sale of a senior loan interest that is not included in the consolidated financial statements. As of December 31, 2018, three loans in the portfolio have been financed with an aggregate \$447 million of Non-Consolidated Senior Interests, which are included in the table above.

(c) Portfolio excludes our \$99 million subordinate risk retention interest in the \$1.0 billion 2018 Single Asset Securitization.

(d) Maximum maturity assumes all extension options are exercised; however, floating rate loans generally may be repaid prior to their final maturity without penalty.

(e) Consists of both floating and fixed rates. Coupon and all-in yield assume applicable floating benchmark rates for weighted-average calculation.

## Consolidated Balance Sheets

(\$ in thousands, except per share data)

	December 31, 2018	December 31, 2017
<b>Assets</b>		
Cash and cash equivalents	\$ 105,662	\$ 69,654
Restricted cash	—	32,864
Loans receivable, net	14,191,200	10,056,732
Other assets	170,513	99,575
<b>Total assets</b>	<b>\$ 14,467,375</b>	<b>\$ 10,258,825</b>
<b>Liabilities and equity</b>		
Secured debt agreements, net	\$ 8,974,756	\$ 5,273,855
Loan participations sold, net	94,418	80,415
Securitized debt obligations, net	1,285,471	1,282,412
Convertible notes, net	609,911	563,911
Other liabilities	128,212	140,826
<b>Total liabilities</b>	<b>11,092,768</b>	<b>7,341,419</b>
Commitments and contingencies	—	—
<b>Equity</b>		
Class A common stock, \$0.01 par value	1,234	1,079
Additional paid-in capital	3,966,540	3,506,861
Accumulated other comprehensive loss	(34,222)	(29,706)
Accumulated deficit	(569,428)	(567,168)
<b>Total Blackstone Mortgage Trust, Inc. stockholders' equity</b>	<b>3,364,124</b>	<b>2,911,066</b>
Non-controlling interests	10,483	6,340
<b>Total equity</b>	<b>3,374,607</b>	<b>2,917,406</b>
<b>Total liabilities and equity</b>	<b>\$ 14,467,375</b>	<b>\$ 10,258,825</b>

## Consolidated Statements of Operations

(\$ in thousands, except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Income from loans and other investments				
Interest and related income	\$ 206,098	\$ 146,127	\$ 756,109	\$ 537,915
Less: Interest and related expenses	103,948	65,953	359,625	234,870
Income from loans and other investments, net	102,150	80,174	396,484	303,045
Other expenses				
Management and incentive fees	18,586	14,284	74,834	54,841
General and administrative expenses	9,632	7,702	35,529	29,922
Total other expenses	28,218	21,986	110,363	84,763
Income before income taxes	73,932	58,188	286,121	218,282
Income tax provision	36	48	308	314
<b>Net income</b>	<b>\$ 73,896</b>	<b>\$ 58,140</b>	<b>\$ 285,813</b>	<b>\$ 217,968</b>
Net income attributable to non-controlling interests	(253)	(249)	(735)	(337)
<b>Net income attributable to Blackstone Mortgage Trust, Inc.</b>	<b>\$ 73,643</b>	<b>\$ 57,891</b>	<b>\$ 285,078</b>	<b>\$ 217,631</b>
<b>Per share information (basic and diluted)</b>				
Weighted-average shares of common stock outstanding	121,588,404	98,810,617	113,857,238	95,963,616
<b>Net income per share of common stock</b>	<b>\$ 0.61</b>	<b>\$ 0.59</b>	<b>\$ 2.50</b>	<b>\$ 2.27</b>

## Per Share Calculations

(Amounts in thousands, except per share data)

### Core Earnings Reconciliation

	Three Months Ended	
	December 31, 2018	September 30, 2018
Net income <sup>(a)</sup>	\$ 73,643	\$ 78,165
Non-cash compensation expense	7,666	6,734
Realized foreign currency gain, net <sup>(b)</sup>	1,942	1,930
Other items	394	590
<b>Core Earnings</b>	<b>\$ 83,645</b>	<b>\$ 87,419</b>
Weighted-average shares outstanding, basic and diluted	121,588	116,203
<b>Core Earnings per share, basic and diluted</b>	<b>\$ 0.69</b>	<b>\$ 0.75</b>

### Book Value per Share

	Three Months Ended	
	December 31, 2018	September 30, 2018
Stockholders' equity	\$ 3,364,124	\$ 3,300,772
Shares		
Class A common stock	123,436	119,669
Deferred stock units	229	221
Total outstanding	123,665	119,890
<b>Book value per share</b>	<b>\$ 27.20</b>	<b>\$ 27.53</b>

### Earnings per Share

	Three Months Ended	
	December 31, 2018	September 30, 2018
Net income <sup>(a)</sup>	\$ 73,643	\$ 78,165
Weighted-average shares outstanding, basic and diluted	121,588	116,203
<b>Earnings per share, basic and diluted</b>	<b>\$ 0.61</b>	<b>\$ 0.67</b>

(a) Represents net income attributable to Blackstone Mortgage Trust, Inc.

(b) Primarily represents the forward points earned on our foreign currency forward contracts, which reflect the interest rate differentials between the applicable base rate for our foreign currency investments and USD LIBOR. These forward contracts effectively convert the rate exposure to USD LIBOR, resulting in additional interest income earned in U.S. dollar terms. These amounts are not included in GAAP net income, but rather as a component of Other Comprehensive Income in our consolidated financial statements.

## Reconciliation of Net Income to Core Earnings

(Amounts in thousands, except per share data)

	Year Ended	Three Months Ended			
	Dec 31, 2018	Dec 31, 2018	Sept 30, 2018	June 30, 2018	Mar 31, 2018
Net income <sup>(a)</sup>	\$ 285,078	\$ 73,643	\$ 78,165	\$ 72,312	\$ 60,958
Non-cash compensation expense	28,154	7,666	6,734	6,778	6,976
GE purchase discount accretion adjustment <sup>(b)</sup>	8,706	—	—	8,723	(17)
Realized foreign currency gain, net <sup>(c)</sup>	6,723	1,942	1,930	1,998	854
Other items	2,084	394	590	565	534
<b>Core Earnings</b>	<b>\$ 330,745</b>	<b>\$ 83,645</b>	<b>\$ 87,419</b>	<b>\$ 90,376</b>	<b>\$ 69,305</b>
Weighted-average shares outstanding, basic and diluted	113,857	121,588	116,203	109,069	108,398
<b>Net income per share, basic and diluted</b>	<b>\$ 2.50</b>	<b>\$ 0.61</b>	<b>\$ 0.67</b>	<b>\$ 0.66</b>	<b>\$ 0.56</b>
<b>Core Earnings per share, basic and diluted</b>	<b>\$ 2.90</b>	<b>\$ 0.69</b>	<b>\$ 0.75</b>	<b>\$ 0.83</b>	<b>\$ 0.64</b>

(a) Represents net income attributable to Blackstone Mortgage Trust, Inc.

(b) Historically, we have deferred in Core Earnings the accretion of purchase discount attributable to a certain pool of GE portfolio investments acquired in May 2015, until repayment in full of the remaining investments in the pool was substantially assured. During the three months ended June 30, 2018, it was determined that repayment of the remaining loans in the deferral pool was substantially assured. As such, the \$8.7 million of deferred purchase discount, which has been previously recognized in GAAP net income, was realized in Core Earnings during the three months ended June 30, 2018.

(c) Primarily represents the forward points earned on our foreign currency forward contracts, which reflect the interest rate differentials between the applicable base rate for our foreign currency investments and USD LIBOR. These forward contracts effectively convert the rate exposure to USD LIBOR, resulting in additional interest income earned in U.S. dollar terms. These amounts are not included in GAAP net income, but rather as a component of Other Comprehensive Income in our consolidated financial statements.

## Definitions

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**Core Earnings:** Blackstone Mortgage Trust, Inc. (“BXMT”) discloses Core Earnings in this presentation. Core Earnings is a financial measure that is calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles in the United States of America (“GAAP”).

Core Earnings is an adjusted measure that helps BXMT evaluate its performance excluding the effects of certain transactions and GAAP adjustments that it believes are not necessarily indicative of its current loan origination portfolio and operations. Although according to its management agreement BXMT calculates the incentive and base management fees due to its Manager using Core Earnings before incentive fees expense, BXMT reports Core Earnings after incentive fees expense, as BXMT believes this is a more meaningful presentation of the economic performance of its class A common stock.

Core Earnings is defined as GAAP net income (loss), including realized gains and losses not otherwise included in GAAP net income (loss), and excluding (i) net income (loss) attributable to the CT Legacy Portfolio, (ii) non-cash equity compensation expense, (iii) depreciation and amortization, (iv) unrealized gains (losses), and (v) certain non-cash items. Core Earnings may also be adjusted from time to time to exclude one-time events pursuant to changes in GAAP and certain other non-cash charges as determined by BXMT’s manager, subject to approval by a majority of its independent directors.

Core Earnings does not represent net income or cash generated from operating activities and should not be considered as an alternative to GAAP net income, or an indication of BXMT’s GAAP cash flows from operations, a measure of BXMT’s liquidity, or an indication of funds available for its cash needs. In addition, BXMT’s methodology for calculating Core Earnings may differ from the methodologies employed by other companies to calculate the same or similar supplemental performance measures, and accordingly, its reported Core Earnings may not be comparable to the Core Earnings reported by other companies.

**Non-Consolidated Senior Interests:** Senior interests in loans originated and syndicated to third parties. These non-recourse loan participations, which are excluded from the GAAP balance sheet, constitute additional financing capacity and are included in discussions of the loan portfolio.

**Earnings Sensitivity to LIBOR:** Reflects the impact on net income, net of incentive fees, assuming no changes in credit spreads, portfolio composition, or asset performance. Assumes no change in general and administrative expenses, management fees, or other non-interest expenses relative to those incurred for the quarter ended December 31, 2018.



## Forward-Looking Statements

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This presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which reflect BXMT's current views with respect to, among other things, its operations and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "indicator," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. BXMT believes these factors include but are not limited to those described under the section entitled "Risk Factors" in its Annual Report on Form 10-K for the fiscal year ended December 31, 2018, as such factors may be updated from time to time in its periodic filings with the Securities and Exchange Commission ("SEC") which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov). These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this presentation and in the filings. BXMT assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events or circumstances.