

The Blackstone logo consists of the word "Blackstone" in a white, serif font, centered within a solid black rectangular background.

Mortgage Trust

## **Blackstone Mortgage Trust Reports Fourth Quarter and Full Year 2020 Results**

**New York, February 10, 2021:** Blackstone Mortgage Trust, Inc. (NYSE:BXMT) today reported its fourth quarter and full year 2020 results. Full year EPS, Distributable EPS, and dividends paid per share were \$0.97, \$2.48, and \$2.48, respectively.

Stephen D. Plavin, Chief Executive Officer, said, “BXMT’s strong 2020 results reflect the power and stability of our senior lending business. We generated consistent earnings in an environment of declining rates, while simultaneously maintaining strong credit performance and further fortifying our balance sheet. Our performance showcases the importance of careful sector and asset selection, disciplined underwriting, and deep relationships with our borrowers and lenders, all of which benefit tremendously from our affiliation with Blackstone.”

Blackstone Mortgage Trust issued a full detailed presentation of its fourth quarter and full year 2020 results, which can be viewed at [www.bxmt.com](http://www.bxmt.com).

### **Quarterly Investor Call Details**

Blackstone Mortgage Trust will host a conference call today at 9:00 a.m. ET to discuss fourth quarter and full year 2020 results. To register for the webcast, please use the following link: [https://event.webcasts.com/starthere.jsp?ei=1417560&tp\\_key=c9976f38d2](https://event.webcasts.com/starthere.jsp?ei=1417560&tp_key=c9976f38d2). For those unable to listen to the live broadcast, a recorded replay will be available on the company's website at [www.bxmt.com](http://www.bxmt.com) beginning approximately two hours after the event.

### **About Blackstone Mortgage Trust**

Blackstone Mortgage Trust (NYSE:BXMT) is a real estate finance company that originates senior loans collateralized by commercial real estate in North America, Europe, and Australia. Our investment objective is to preserve and protect shareholder capital while producing attractive risk-adjusted returns primarily through dividends generated from current income from our loan portfolio. Our portfolio is composed primarily of loans secured by high-quality, institutional assets in major markets, sponsored by experienced, well-capitalized real estate investment owners and operators. These senior loans are capitalized by accessing a variety of financing options, depending on our view of the most prudent strategy available for each of our investments. We are externally managed by BXMT Advisors L.L.C., a subsidiary of Blackstone. Further information is available at [www.bxmt.com](http://www.bxmt.com).

## About Blackstone

Blackstone (NYSE: BX) is one of the world's leading investment firms. Blackstone seeks to create positive economic impact and long-term value for its investors, the companies it invests in, and the communities in which it works. Blackstone does this by using extraordinary people and flexible capital to help companies solve problems. Blackstone's asset management businesses, with \$619 billion in assets under management, include investment vehicles focused on private equity, real estate, public debt and equity, life sciences, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis. Further information is available at [www.blackstone.com](http://www.blackstone.com). Follow Blackstone on Twitter [@Blackstone](https://twitter.com/Blackstone).

## Forward-Looking Statements and Other Matters

This release 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 Blackstone Mortgage Trust's current views with respect to, among other things, Blackstone Mortgage Trust's operations and financial performance and the impact of the COVID-19 pandemic. You can identify these forward-looking statements by the use of words such as "outlook," "objective," "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. Blackstone Mortgage Trust 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, 2020, as such factors may be further 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 release and in the filings. Blackstone Mortgage Trust assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events or circumstances.

We refer to "Distributable Earnings," which is a non-GAAP financial measure, in this release. A reconciliation to net income attributable to Blackstone Mortgage Trust, the most directly comparable GAAP measure, is included in our full detailed presentation of fourth quarter and full year 2020 results and is available on our website at [www.bxmt.com](http://www.bxmt.com).

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Fourth Quarter and Full Year 2020 Results

FEBRUARY 10, 2021

## BXMT HIGHLIGHTS

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- GAAP EPS of \$0.57 and Distributable EPS<sup>(1)</sup> of \$0.60 reflect the stability of our \$18.2 billion<sup>(2)</sup> senior loan portfolio backed by high-quality assets and well-capitalized sponsors
- BXMT delivered strong earnings amidst a volatile environment, generating 2020 full year GAAP EPS of \$0.97 and Distributable EPS<sup>(1)</sup> of \$2.48

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### Consistent Earnings

**100%**

2020 coverage of dividends per share<sup>(3)</sup>

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Maintained steady earnings through a challenging period

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### Strong Credit Performance

**99.7%**

2020 interest collection

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Senior mortgage loan portfolio continues to outperform

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### Solid Balance Sheet

**+52%**

2020 increase in total liquidity

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Grew and maintained liquidity at over \$1 billion<sup>(4)</sup> despite market conditions

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

(2) Includes \$802 million of Non-Consolidated Senior Interests and investment exposure to the \$736 million 2018 Single Asset Securitization through a \$79 million subordinate interest.

(3) Reflects ratio of Distributable Earnings per share to dividends declared for the year ended December 31, 2020.

(4) Total liquidity of \$1.1 billion primarily includes \$290 million of cash and \$829 million of available borrowings under credit facilities.

### Earnings

- 4Q GAAP earnings per share of \$0.57 and Distributable Earnings<sup>(1)</sup> per share of \$0.60 (\$0.97 and \$2.48, respectively, for full year 2020); 100% dividend coverage in 2020
- Generated strong earnings while maintaining elevated liquidity levels during the year; total liquidity at year end of \$1.1 billion,<sup>(2)</sup> up 52% from 2019
- 4Q GAAP EPS includes a \$0.04 release of prior CECL reserves; book value per share of \$26.42 is net of a \$1.26 CECL reserve recorded in 2020

### Portfolio

- 99.7% interest collection in 2020 (100% in 4Q) with virtually no interest deferral reflects the quality of our portfolio and sponsor commitment to our collateral
- \$18.2 billion<sup>(3)</sup> senior loan portfolio secured by institutional quality real estate in major markets, with a weighted average origination LTV<sup>(3)(4)</sup> of 64%
- Loan fundings of \$2.1 billion stayed in step with loan repayments of \$2.0 billion during 2020

### Capitalization

- Issued \$2.5 billion of CRE CLOs in 2020, increasing the non-recourse, non-mark-to-market component of our balance sheet and reducing our debt-to-equity ratio<sup>(5)</sup> to 2.5x from 3.0x
- Strong capital markets access enabled equity raise and new Term Loan B tranche, generating \$607 million of gross proceeds during the year
- Match-funded portfolio financing with no capital markets mark-to-market and an array of bilateral credit facilities, securitizations, and syndications

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

(2) Total liquidity primarily includes \$290 million of cash and \$829 million of available borrowings under credit facilities.

(3) Includes \$802 million of Non-Consolidated Senior Interests and investment exposure to the \$736 million 2018 Single Asset Securitization through a \$79 million subordinate interest.

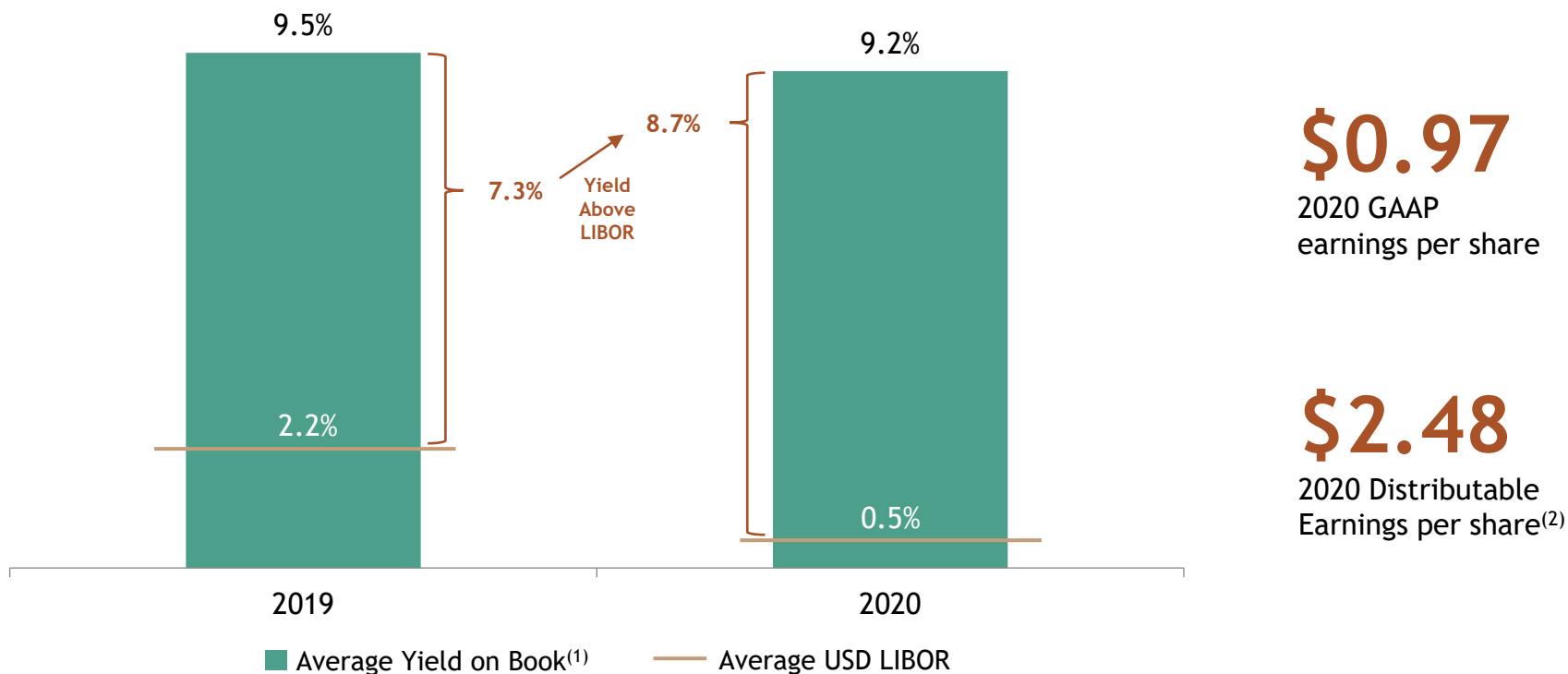
(4) Reflects weighted average LTV as of the date investments were originated or acquired by BXMT.

(5) Represents (i) total outstanding secured debt agreements, asset-specific debt agreements, secured term loans, and convertible notes, less cash, to (ii) total equity.

## EARNINGS

- Returns relative to base rates increased through a period of economic dislocation
- 2020 results driven by continued strong credit performance and stable earnings power of the loan portfolio

### Attractive Relative Value



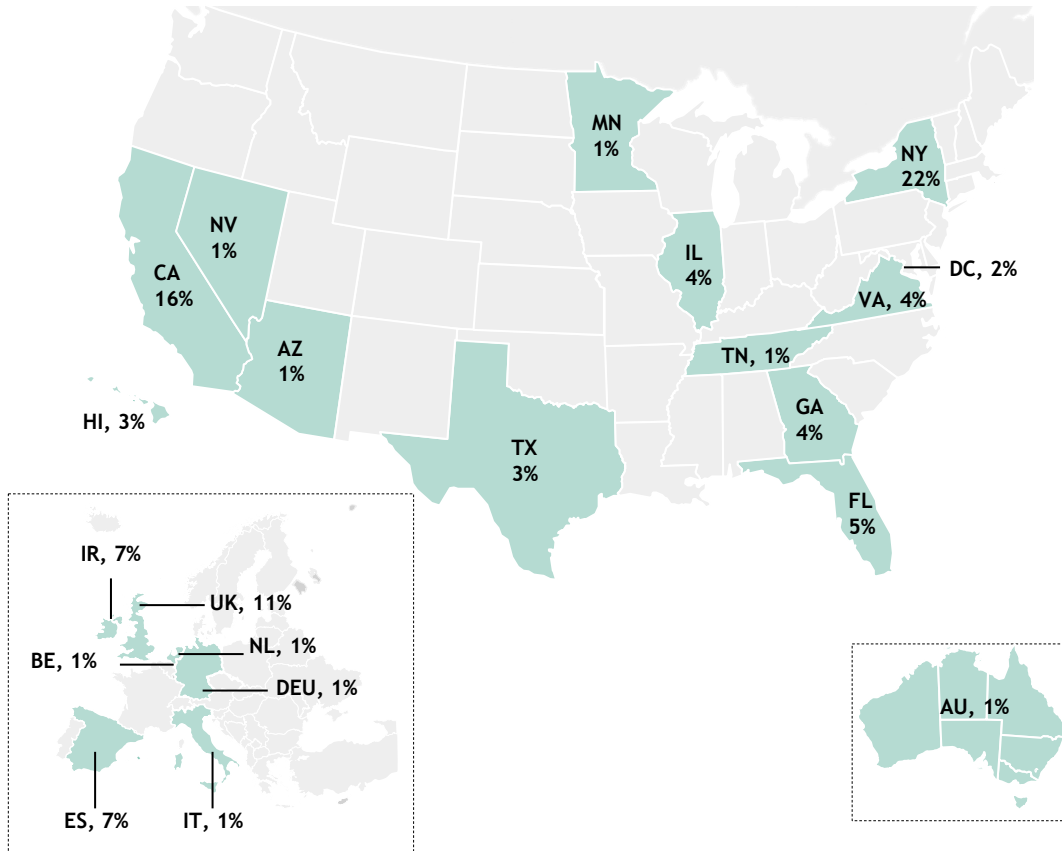
(1) Reflects ratio of Distributable Earnings to a quarterly average BXMT book value. GAAP Yield on Book was 8.3% and 3.6% for years ending December 31, 2019 and 2020, respectively. GAAP Yield on Book above LIBOR was 6.1% and 3.1% for years ended December 31, 2019 and 2020, respectively. See Appendix for a definition and reconciliation of Distributable Earnings to GAAP net income.

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

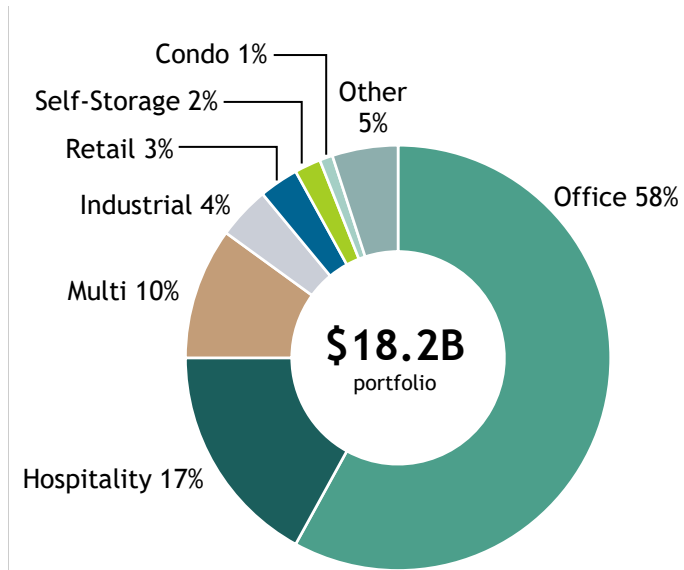
# PORTFOLIO

- \$18.2 billion<sup>(1)</sup> senior loan portfolio comprising 121 investments
- Since the beginning of the crisis, sponsors have contributed over \$500 million of new equity to support their assets

## Major Market Focus<sup>(1)(2)</sup>



## Collateral Diversification<sup>(1)</sup>

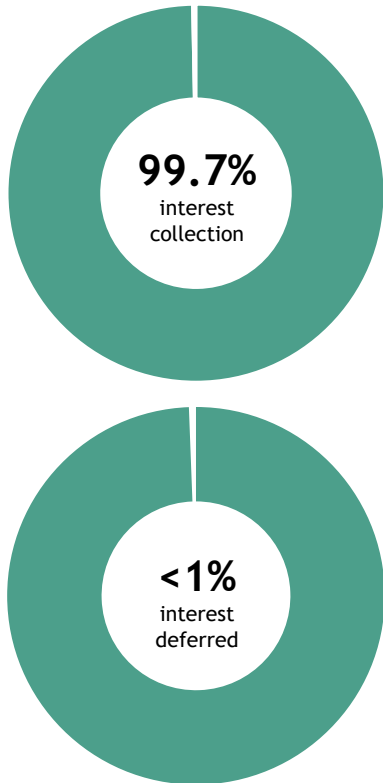


(1) Includes \$802 million of Non-Consolidated Senior Interests and investment exposure to the \$736 million 2018 Single Asset Securitization through a \$79 million subordinate interest.

(2) States comprising less than 1% of total loan portfolio are excluded.

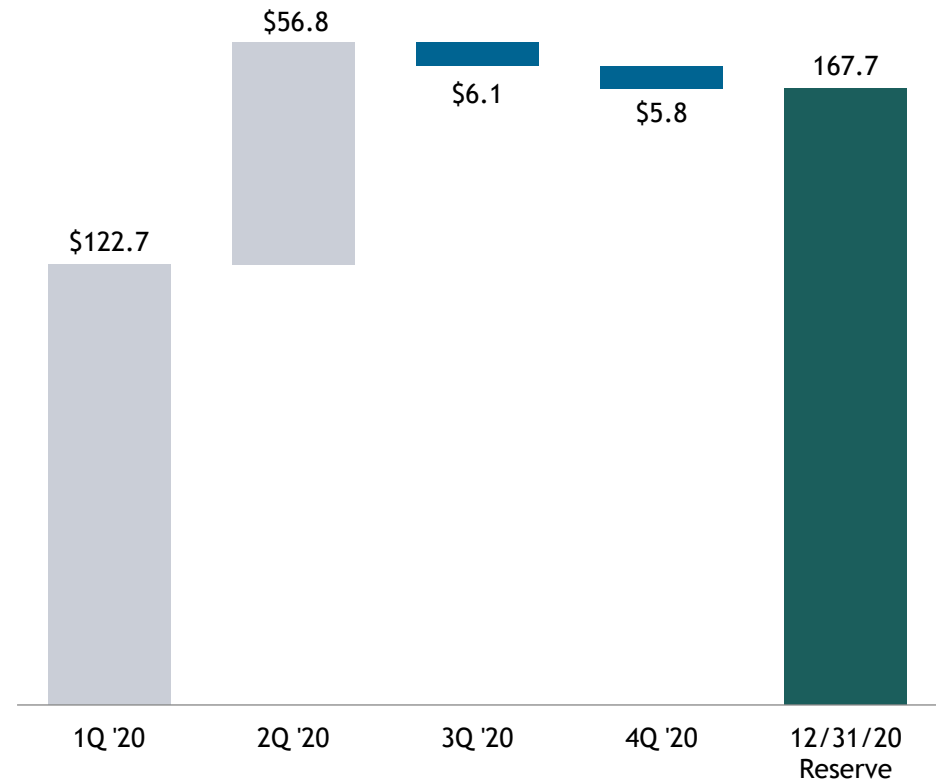
- Loan portfolio continued to perform through a challenging credit environment with virtually no missed payments or interest deferrals during 2020
- Stable CECL reserve since the initial impact of COVID-19 in the first half of 2020

### Loan Portfolio Performance



### CECL Reserves<sup>(1)</sup>

(\$ in millions)



(1) Represents the change in the CECL reserve recognized through net income on our consolidated statement of operations for each respective quarter. Excludes \$17.7 million of CECL reserve recorded upon adoption on January 1, 2020, which is reflected as a direct charge to retained earnings on our consolidated balance sheet.

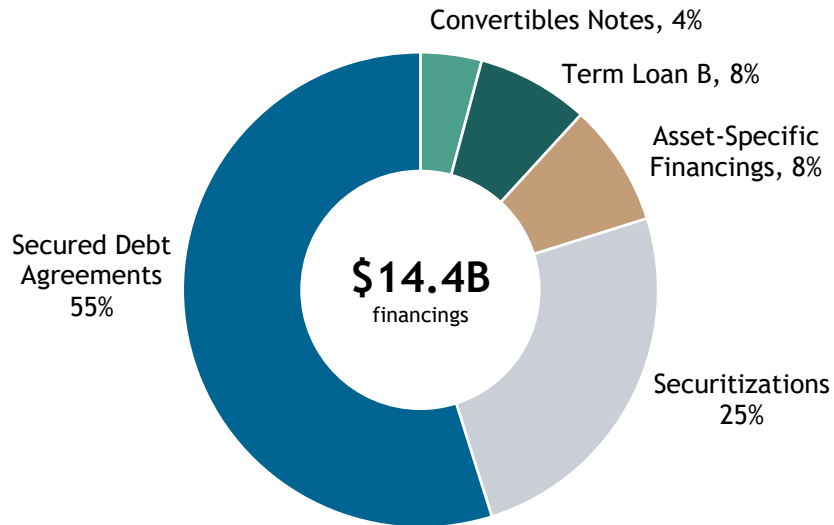


## CAPITALIZATION

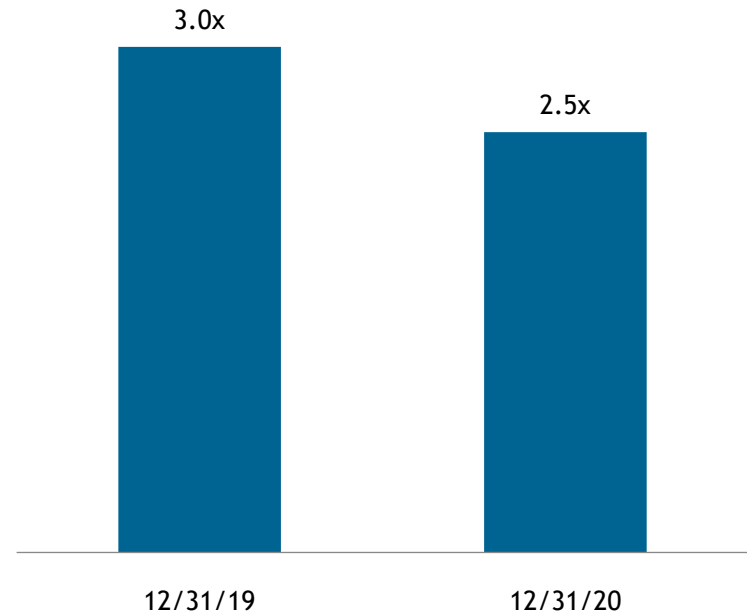
- BXMT diversified its financing sources during 2020, with \$2.5 billion of CLO issuances across two securitizations and \$325 million of incremental Term Loan B corporate financing
- Decreased debt-to-equity to 2.5x from 3.0x during 2020, with no near-term corporate debt maturities

### Diversified Financing Sources

(outstanding balance)



### Debt-to-Equity Ratio<sup>(1)</sup>



(1) Represents (i) total outstanding secured debt agreements, asset-specific debt agreements, secured term loans, and convertible notes, less cash, to (ii) total equity.

# Appendix

## 4Q 2020 Operating Results

(\$ in millions)

	GAAP Net Income	Adjustments	Distributable Earnings
Interest income	\$188.9	\$ -	\$188.9
Interest expense	(79.4)	0.8	(78.6)
Management and incentive fees	(19.2)	-	(19.2)
General and administrative expenses and taxes	(3.1)	-	(3.1)
Decrease in current expected credit loss reserve	5.8	(5.8)	-
Non-cash compensation	(8.6)	8.6	-
Realized hedging and foreign currency income, net <sup>(1)</sup>	-	0.6	0.6
Net income attributable to non-controlling interests	(0.8)	0.1	(0.7)
<b>Total</b>	<b>\$83.6</b>	<b>\$4.3</b>	<b>\$87.9</b>

**\$0.57**

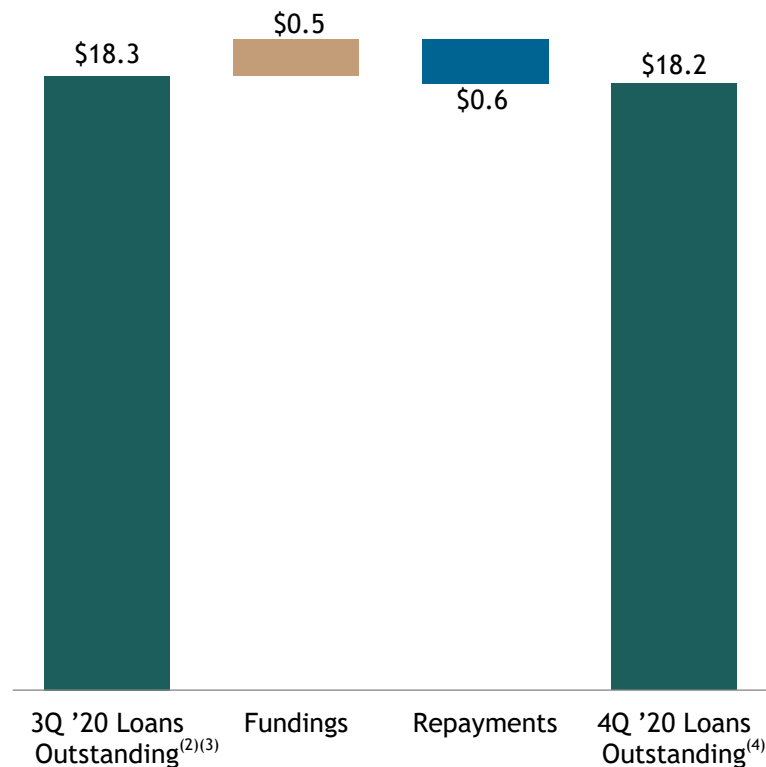
net income per share

**\$0.60**

distributable earnings per share

## Net Fundings

(\$ in billions)



(1) Primarily represents the repatriation of net interest income earned during the quarter from non-USD investments. The difference between the value of such income on the date of conversion to USD and our cumulative basis in such income is not included in GAAP net income, but rather as a component of Other Comprehensive Income on our consolidated balance sheet.

(2) Adjusted to reflect \$0.2 billion of non-cash fluctuations in foreign currency rates during the period for comparability to our total loan portfolio as of December 31, 2020.

(3) Includes \$716 million of Non-Consolidated Senior Interests and investment exposure to the \$808 million 2018 Single Asset Securitization through a \$79 million subordinate interest.

(4) Includes \$802 million of Non-Consolidated Senior Interests and investment exposure to the \$736 million 2018 Single Asset Securitization through a \$79 million subordinate interest.

## Portfolio Details<sup>(1)</sup>

(\$ in millions)

	Loan Type	Origination Date <sup>(2)</sup>	Total Loan <sup>(3)</sup>	Principal Balance <sup>(3)</sup>	Net Book Value	Cash Coupon	All-in Yield	Maximum Maturity <sup>(4)</sup>	Location	Property Type	Loan Per SQFT / Unit / Key	Origination LTV <sup>(2)</sup>
Loan 1	Senior loan	8/14/2019	\$ 1,318	\$ 1,318	\$ 1,309	L + 2.50 %	L + 2.84 %	12/23/2024	Dublin - IE	Office	\$479 / sqft	74 %
Loan 2	Senior loan	3/22/2018	993	993	991	L + 3.15 %	L + 3.37 %	3/15/2023	Diversified - Spain	Mixed-Use	n/a	71 %
Loan 3	Senior loan	11/25/2019	724	653	654	L + 2.30 %	L + 2.79 %	12/9/2024	New York	Office	\$936 / sqft	65 %
Loan 4	Senior loan	5/11/2017	647	619	619	L + 3.40 %	L + 3.57 %	6/10/2023	Washington DC	Office	\$304 / sqft	62 %
Loan 5	Senior loan	8/22/2018	363	360	359	L + 3.15 %	L + 3.49 %	8/9/2023	Maui	Hospitality	\$467,454 / key	61 %
Loan 6	Senior loan	10/23/2018	352	348	348	L + 3.40 %	L + 3.67 %	1/23/2022	New York	Mixed-Use	\$589 / sqft	65 %
Loan 7	Senior loan	4/11/2018	355	345	344	L + 2.85 %	L + 3.10 %	5/1/2023	New York	Office	\$437 / sqft	71 %
Loan 8	Senior loan <sup>(3)</sup>	8/6/2015	333	333	61	5.75 %	5.81 %	10/29/2022	Diversified - EUR	Other	n/a	71 %
Loan 9	Senior loan	1/11/2019	328	328	325	L + 4.35 %	L + 4.70 %	1/11/2026	Diversified - UK	Other	\$324 / sqft	74 %
Loan 10	Senior loan <sup>(3)</sup>	8/7/2019	746	306	59	L + 3.12 %	L + 3.56 %	9/9/2025	Los Angeles	Office	\$207 / sqft	59 %
Loan 11	Senior loan	11/30/2018	286	286	285	n/m <sup>(5)</sup>	n/m <sup>(5)</sup>	8/9/2025	New York	Hospitality	\$306,870 / key	73 %
Loan 12	Senior loan	2/27/2020	300	282	280	L + 2.70 %	L + 3.03 %	3/9/2025	New York	Mixed-Use	\$884 / sqft	59 %
Loan 13	Senior loan	7/31/2018	280	278	277	L + 3.10 %	L + 3.52 %	8/9/2022	San Francisco	Office	\$701 / sqft	50 %
Loan 14	Senior loan	9/30/2019	306	267	268	L + 3.66 %	L + 3.75 %	9/9/2024	Chicago	Office	\$232 / sqft	58 %
Loan 15	Senior loan	12/11/2018	310	259	258	L + 2.55 %	L + 2.96 %	12/9/2023	Chicago	Office	\$218 / sqft	78 %
Loans 16 - 120	Senior loans <sup>(3)</sup>	Various	13,778	10,480	10,136	L + 3.31 % <sup>(6)</sup>	L + 3.66 % <sup>(6)</sup>	Various	Various	Various	Various	63 %
CECL reserve					(174)							
<b>Total/Wtd. avg.</b>			<b>\$ 21,418</b>	<b>\$ 17,455</b>	<b>\$ 16,399</b>	<b>L + 3.24 %<sup>(6)</sup></b>	<b>L + 3.58 %<sup>(6)</sup></b>	<b>3.1 yrs</b>				<b>65 %</b>

(1) Portfolio excludes our \$79 million subordinate interest in the \$736 million 2018 Single Asset Securitization.

(2) Date loan was originated or acquired by us, and the LTV as of such date. Origination dates are subsequently updated to reflect material loan modifications.

(3) 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, 2020, five loans in the portfolio have been financed with an aggregate \$802 million of Non-Consolidated Senior Interests, which are included in the table above.

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

(5) This loan is accounted for under the cost recovery method.

(6) Consists of both floating and fixed rates. Coupon and all-in yield assume applicable floating benchmark rates for weighted-average calculation. Excludes loans under the cost-recovery method.

## Consolidated Balance Sheets

(\$ in thousands, except per share data)

	December 31, 2020	December 31, 2019
<b>Assets</b>		
Cash and cash equivalents	\$289,970	\$150,090
Loans receivable	16,572,715	16,164,801
Current expected credit loss reserve	(173,549)	—
<b>Loans receivable, net</b>	<b>\$16,399,166</b>	<b>\$16,164,801</b>
Other assets	269,819	236,980
<b>Total assets</b>	<b>\$16,958,955</b>	<b>\$16,551,871</b>
<b>Liabilities and equity</b>		
Secured debt agreements, net	\$7,880,536	\$9,731,426
Securitized debt obligations, net	2,922,499	1,187,084
Asset-specific debt agreements, net	391,269	323,504
Secured term loans, net	1,041,704	736,142
Convertible notes, net	616,389	613,071
Other liabilities	202,327	175,963
<b>Total liabilities</b>	<b>\$13,054,724</b>	<b>\$12,767,190</b>
Commitments and contingencies	—	—
<b>Equity</b>		
Class A common stock, \$0.01 par value	1,468	1,350
Additional paid-in capital	4,702,713	4,370,014
Accumulated other comprehensive income (loss)	11,170	(16,233)
Accumulated deficit	(829,284)	(592,548)
<b>Total Blackstone Mortgage Trust, Inc. stockholders' equity</b>	<b>\$3,886,067</b>	<b>\$3,762,583</b>
Non-controlling interests	18,164	22,098
<b>Total equity</b>	<b>\$3,904,231</b>	<b>\$3,784,681</b>
<b>Total liabilities and equity</b>	<b>\$16,958,955</b>	<b>\$16,551,871</b>

## Consolidated Statements of Operations

(\$ in thousands, except per share data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Income from loans and other investments				
Interest and related income	\$188,851	\$220,678	\$779,648	\$882,679
Less: Interest and related expenses	79,401	110,967	347,471	458,503
<b>Income from loans and other investments, net</b>	<b>\$109,450</b>	<b>\$109,711</b>	<b>\$432,177</b>	<b>\$424,176</b>
Other expenses				
Management and incentive fees	19,158	20,159	77,916	78,435
General and administrative expenses	11,551	9,904	45,871	38,854
<b>Total other expenses</b>	<b>\$30,709</b>	<b>\$30,063</b>	<b>\$123,787</b>	<b>\$117,289</b>
Decrease (increase) in current expected credit loss reserve	5,813	-	(167,653)	-
<b>Income before income taxes</b>	<b>\$84,554</b>	<b>\$79,648</b>	<b>\$140,737</b>	<b>\$306,887</b>
Income tax provision (benefit)	131	67	323	(506)
<b>Net income</b>	<b>\$84,423</b>	<b>\$79,581</b>	<b>\$140,414</b>	<b>\$307,393</b>
Net income attributable to non-controlling interests	(807)	(650)	(2,744)	(1,826)
<b>Net income attributable to Blackstone Mortgage Trust, Inc.</b>	<b>\$83,616</b>	<b>\$78,931</b>	<b>\$137,670</b>	<b>\$305,567</b>
<b>Per share information (basic and diluted)</b>				
Weighted-average shares of common stock outstanding	146,675,431	134,832,323	141,795,977	130,085,398
<b>Net income per share of common stock</b>	<b>\$0.57</b>	<b>\$0.59</b>	<b>\$0.97</b>	<b>\$2.35</b>

## Per Share Calculations

(in thousands, except per share data)

	Three Months Ended		
	December 31, 2020	September 30, 2020	
Distributable Earnings Reconciliation	Net income <sup>(1)</sup>	\$83,616	\$89,860
	Decrease in current expected credit loss reserve	(5,813)	(6,055)
	Non-cash compensation expense	8,554	8,649
	Realized hedging and foreign currency income (loss), net <sup>(2)</sup>	582	(7)
	Other items	921	(240)
	Adjustments attributable to non-controlling interests, net	74	143
	<b>Distributable Earnings</b>	<b>\$87,934</b>	<b>\$92,350</b>
	Weighted-average shares outstanding, basic and diluted	146,675	146,485
	<b>Distributable Earnings per share, basic and diluted</b>	<b>\$0.60</b>	<b>\$0.63</b>
Book Value per Share	Three Months Ended		
	December 31, 2020		September 30, 2020
	Stockholders' equity	\$3,886,067	\$3,883,364
	Shares		
	Class A common stock	146,780	146,197
	Deferred stock units	307	294
<b>Total outstanding</b>	<b>147,087</b>	<b>146,491</b>	
<b>Book value per share</b>	<b>\$26.42</b>	<b>\$26.51</b>	
Earnings per Share	Three Months Ended		
	December 31, 2020		September 30, 2020
	Net income <sup>(1)</sup>	\$83,616	\$89,860
Weighted-average shares outstanding, basic and diluted	146,675	146,485	
<b>Earnings per share, basic and diluted</b>	<b>\$0.57</b>	<b>\$0.61</b>	

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

(2) Primarily represents the repatriation of net interest income earned during the quarter from non-USD investments. The difference between the value of such income on the date of conversion to USD and our cumulative basis in such income is not included in GAAP net income, but rather as a component of Other Comprehensive Income on our consolidated balance sheet.

## Reconciliation of Net Income to Distributable Earnings

(in thousands, except per share data)

	Years Ended December 31,	
	2020	2019
Net income <sup>(1)</sup>	\$137,670	\$305,567
Increase in current expected credit loss reserve	167,653	-
Non-cash compensation expense	34,532	30,656
Realized hedging and foreign currency income, net <sup>(2)</sup>	10,852	14,172
Other items	1,487	300
Adjustments attributable to non-controlling interests, net	(204)	-
<b>Distributable Earnings</b>	<b>\$351,990</b>	<b>\$350,695</b>
Weighted-average shares outstanding, basic and diluted	141,796	130,085
<b>Net income per share, basic and diluted</b>	<b>\$0.97</b>	<b>\$2.35</b>
<b>Distributable Earnings per share, basic and diluted</b>	<b>\$2.48</b>	<b>\$2.70</b>

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

(2) For the years ended December 31, 2020 and 2019, 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 were 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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**Distributable Earnings:** Blackstone Mortgage Trust, Inc. (“BXMT”) discloses Distributable Earnings in this presentation. Distributable 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”).

Distributable Earnings is a non-GAAP measure, which we define as GAAP net income (loss), including realized gains and losses not otherwise included in GAAP net income (loss), and excluding (i) non-cash equity compensation expense, (ii) depreciation and amortization, (iii) unrealized gains (losses), (iv) net income (loss) attributable to our legacy portfolio, and (v) certain non-cash items. Distributable 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 our Manager, subject to approval by a majority of our independent directors. During the twelve months ended December 31, 2020, we recorded a \$167.7 million increase in current expected credit loss reserve, or CECL reserve, which has been excluded from Distributable Earnings consistent with other unrealized gains (losses) pursuant to our existing policy for reporting Distributable Earnings and the terms of the management agreement between our Manager and us.

We believe that Distributable Earnings provides meaningful information to consider in addition to our net income and cash flow from operating activities determined in accordance with GAAP. This adjusted measure helps us to evaluate our performance excluding the effects of certain transactions and GAAP adjustments that we believe are not necessarily indicative of our current loan portfolio and operations. We believe Distributable Earnings is a useful financial metric for existing and potential future holders of our class A common stock as historically, over time, Distributable Earnings has been a strong indicator of our dividends per share. Distributable Earnings mirrors the terms of our management agreement between our Manager and us, or our Management Agreement, for purposes of calculating our incentive fee expense.

Distributable 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 our GAAP cash flows from operations, a measure of our liquidity, or an indication of funds available for our cash needs. In addition, our methodology for calculating Distributable Earnings may differ from the methodologies employed by other companies to calculate the same or similar supplemental performance measures, and accordingly, our reported Distributable Earnings may not be comparable to the Distributable 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.

**Non-Consolidated Securitized Debt Obligations:** Senior securitized debt held by third-parties in the 2018 Single Asset Securitization. These non-recourse securitized debt obligations, which are excluded from the GAAP balance sheet, constitute additional financing capacity and are included in discussions of the loan portfolio.

## 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 and the impact of the COVID-19 pandemic. You can identify these forward-looking statements by the use of words such as "outlook," "objective," "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, 2020, as such factors may be further 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.