

Blackstone

Mortgage Trust

Blackstone

Mortgage Trust, Inc.

3Q 2023 Earnings Release & Company
Supplemental

OCTOBER 2023

- Blackstone Mortgage Trust is a publicly-traded commercial mortgage REIT focused on senior lending in North America, Europe, and Australia

Preeminent Sponsorship

- BXMT is managed by Blackstone, the largest real estate private equity business in the world, with access to all the resources of the Blackstone Real Estate platform

Senior Lending

- BXMT originates senior loans with conservative leverage, backed by institutional-quality real estate with growth-oriented business plans well positioned for today's environment

Secure Balance Sheet

- Diversified balance sheet structured to withstand volatility with term-matched financings, substantial liquidity, and no capital markets mark-to-market provisions


Note: The information in this deck is as of September 30, 2023, unless otherwise stated. Opinions expressed reflect the current opinions of BXMT as of the date appearing in the materials only and are based on BXMT's opinions of the current market environment, which is subject to change. BXMT's manager is a subsidiary of Blackstone.

What You Want

 Interest rate protection


 Current income


 Downside protection


 High-quality collateral


 Consistent results


What BXMT Has Delivered

 Floating-rate loan portfolio with term-matched financings

 12.3% dividend yield⁽¹⁾

 64% loan-to-value⁽²⁾

 Institutional assets well-positioned within their markets

 Paid \$0.62 per share dividend for the past 33 consecutive quarters

(1) Based on share price of \$20.10 as of October 24, 2023 and an annualized dividend of \$0.62 per share per quarter.

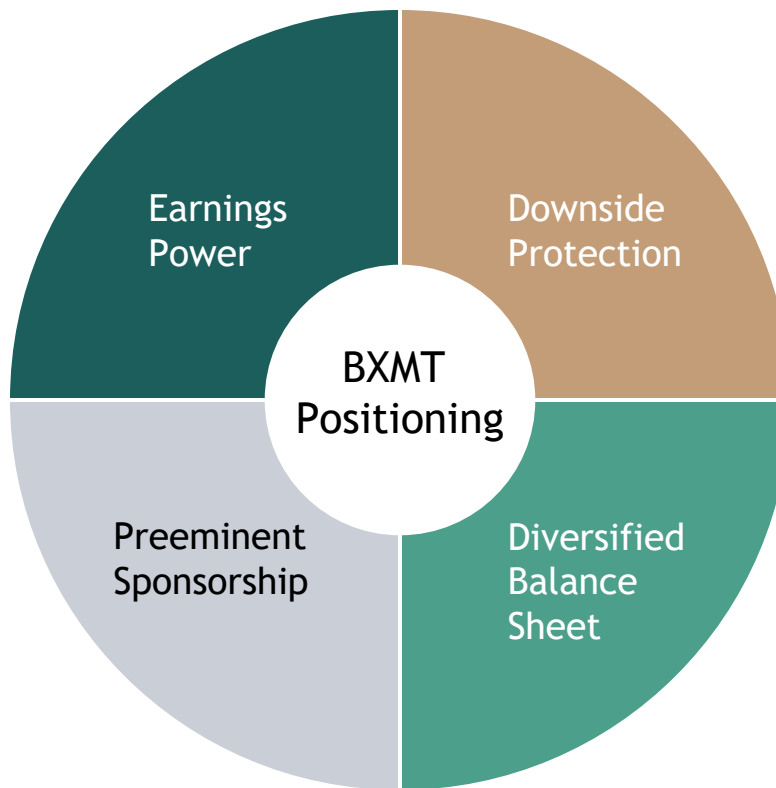
(2) Reflects weighted average loan-to-value ("LTV") as of the date investments were originated or acquired by BXMT.

BXMT MARKET POSITIONING

- BXMT's business is well-positioned in the current environment with a stable balance sheet, strong, consistent cash flow, and credit performance well-insulated from volatility

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- Predictable cash flow from large, floating-rate loan portfolio providing robust dividend coverage

-
- Blackstone sponsorship provides unique access to attractive investments globally, and a breadth of resources to inform risk management decisions



-
- Low-leverage loans protect basis; retained excess earnings provide additional credit insulation

-
- Diversified funding sources, match-funded financing structures, and substantial liquidity

- Blackstone is the largest global alternative asset manager⁽¹⁾

38 yr
investment
record

\$1T
assets under
management

60+
investing
strategies

Real Estate \$332B

- Opportunistic
- Core+
- Debt

Credit & Insurance \$297B

- Private Credit
- Liquid Credit
- Other Credit and Insurance



Private Equity \$299B

- Corporate Private Equity
- Secondaries
- Tactical Opportunities
- Infrastructure
- Life Sciences
- Growth

Hedge Fund Solutions \$80B

- Portfolio Solutions
- Special Situations
- GP Participation

Note: Assets under management ("AUM") are estimated and unaudited. "AUM" includes co-investments and Blackstone's GP and side-by-side commitments, as applicable. **Past performance is not necessarily indicative of future results.** There can be no assurance that any Blackstone fund or investment will achieve its objectives or avoid substantial losses. Credit & Insurance AUM is a combined figure that includes Blackstone Credit ("BXC"), Asset Based Finance, Harvest Fund Advisors ("Harvest"), and Blackstone Insurance Solutions ("BIS") businesses. For more information, please see "Important Disclosure Information".

(1) Based on Blackstone analysis of company earnings presentations and calls, as of June 30, 2023 or latest publicly available data.

BREDS OVERVIEW

- BXMT is the senior floating-rate lending vehicle within BREDS, and benefits from the cross-market knowledge and relationships generated across the BREDS business

Blackstone Mortgage Trust ("BXMT")

- Originates senior loans on core assets to well-capitalized sponsors
- Downside protection and income orientation
- Dividends generated from interest income

\$22.1B
loan portfolio⁽¹⁾

BREDS Drawdown Strategy

- Investments across real estate debt including mezzanine loans, real estate securities, residential and commercial mortgages and corporate credit
- Traditional closed-end fund structure

\$17.2B
investor capital⁽²⁾

Insurance

- Direct originations and sourcing solutions across high-quality real estate for insurance companies
- Liquid securities and residential / commercial mortgages; primarily fixed rate

\$45.6B
investor capital

Note: Investor capital includes co-investments and Blackstone's GP and side-by-side commitments, as applicable.

(1) Based on Net Loan Exposure. See Appendix for definition.

(2) Investor capital also includes Real Estate Securities (\$2.2 billion) and other funds (\$237 million).

- Nearly 900 people in 12 offices, across one fully integrated real estate platform

Blackstone Advantage

Global Business

- 889 professionals
- 12 global offices

Scale Capital

- \$333 billion RE AUM
- \$49.2 billion raised in LTM

Long View

- Long term capital commitments

Constant Communication

Weekly

- Partners' Meeting
- Global ICMs
- Investment Review Committees

Quarterly

- Board Meetings
- Portfolio Asset Review

Annual

- Regional Strategy Session

Integrated Perspective

1

global real estate
platform

1

investment process—
same people,
same process

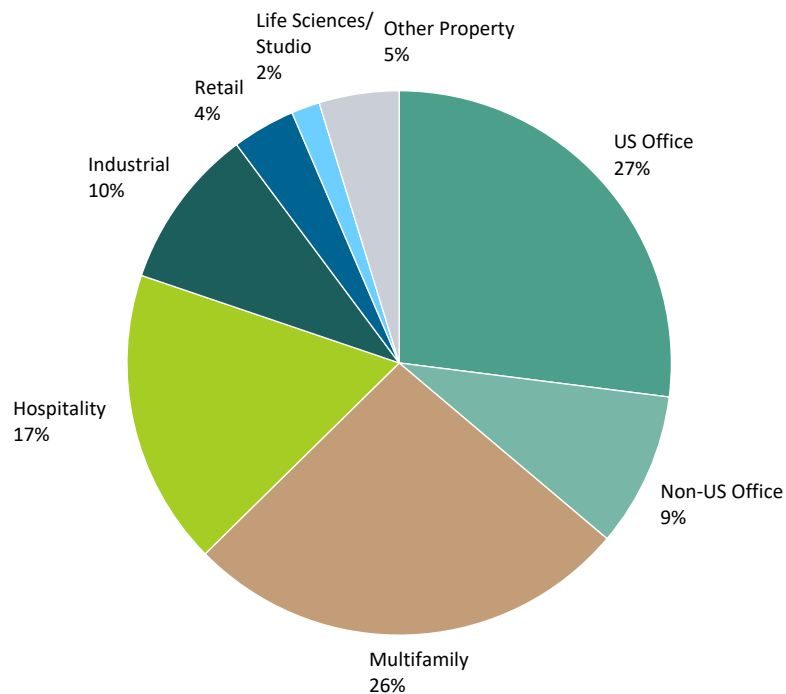
BXMT TARGET INVESTMENTS

Loan Size	\$50 million to \$500+ million
Collateral	First mortgages on stabilized or value-add assets
Property Type	All commercial property types
Geographies	North America, Western Europe and Australia
Loan to Value	Last dollar 50% to 75%
Rate	SOFR + 3.25% and higher, scaled to risk
Term	3 to 5 years
Amortization	Typically interest only
Fees	Typically 1.0% origination fee and 0.25% to 0.50% extension fees
Prepayment	12 to 24 months of spread maintenance

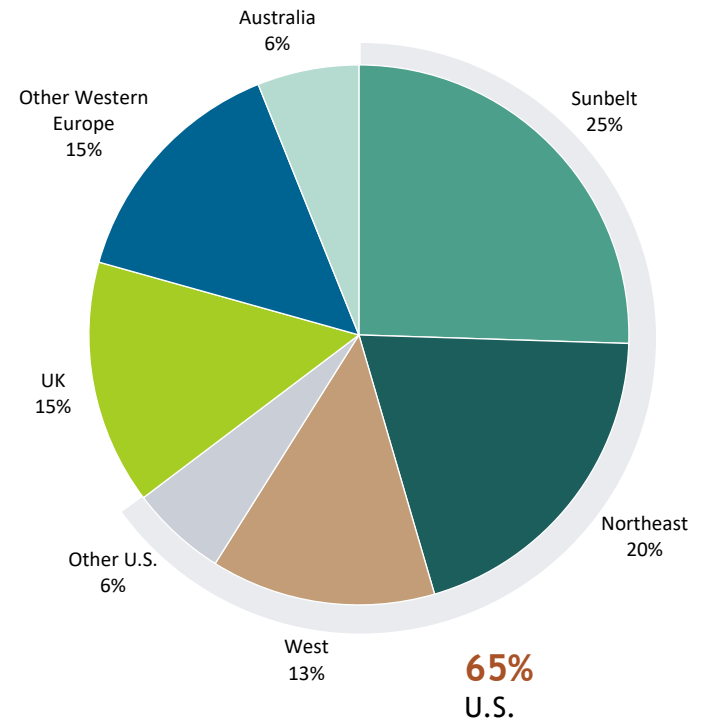
PORTFOLIO OVERVIEW

- Fully-scaled \$22.1 billion portfolio⁽¹⁾ is well-diversified by collateral and geography, and secured by institutional assets with growth-oriented business plans well-positioned for the current environment

Collateral Diversification⁽¹⁾



Geographic Distribution⁽¹⁾

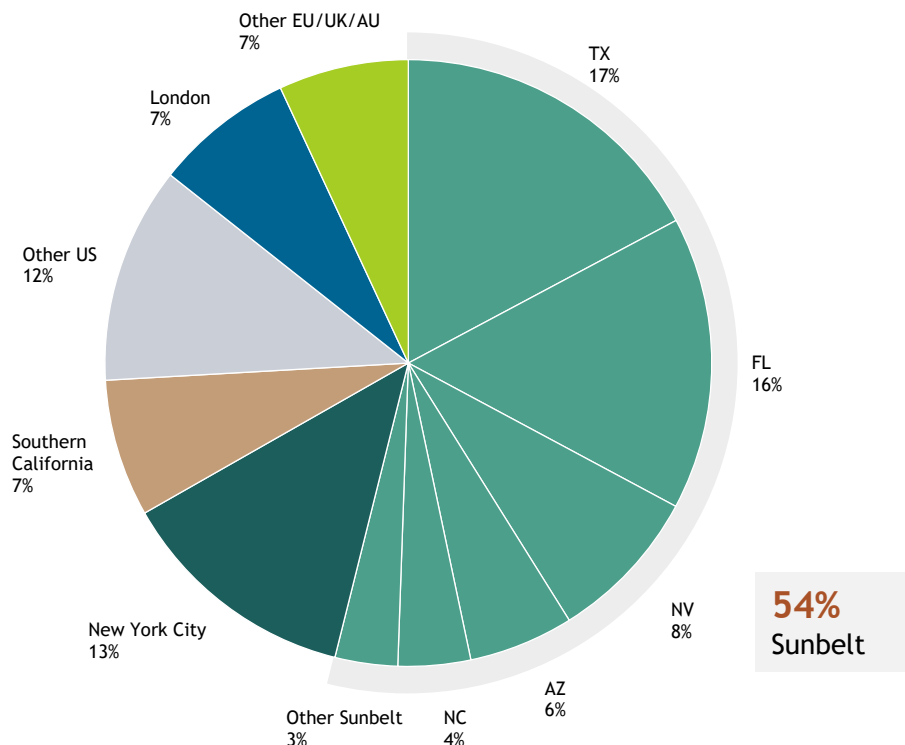


(1) Based on Net Loan Exposure. See Appendix for definition.

MULTIFAMILY PORTFOLIO

- 74% of the multifamily portfolio is located in the Sunbelt, New York City, and Southern California
- BXMT's multifamily assets are located in markets exhibiting higher rental growth relative to the U.S. average, with less competitive new supply under construction than their respective markets

Geographic Diversification⁽¹⁾



Strong Fundamentals in BXMT U.S. Markets

20%

higher annual market rent growth⁽²⁾

21%

less submarket supply⁽³⁾

(1) Based on Net Loan Exposure. See Appendix for definition.

(2) Source: Axiometrics. Represents the average annualized compounded market rent growth over a 2-year period for BXMT's U.S. traditional multifamily portfolio markets, weighted by net loan exposure, compared to the overall U.S. market rent growth over the same period. Based on 3-month trailing market rent data as of July 2023.

(3) Source: Axiometrics. Reflects average annual new supply expected to deliver over the next 24 months as a % of total existing supply within a 3-mile radius of BXMT's U.S. traditional multifamily portfolio assets, weighted by net loan exposure, compared with new supply expected to deliver in the same time period within their respective MSA. Market data as of July 2023.

- The four largest multifamily loans typify the BXMT portfolio, with a concentration in Sunbelt markets and New York City, where rent growth has shown strong momentum

Largest Multifamily Loans⁽¹⁾



Greenpoint Landing
Brooklyn, NY
\$456mm

- Highly-amenitized, waterfront location
- 58% LTV⁽²⁾
- 30% affordable units



New Construction
Core Market



Hollingsworth
Manhattan, NY
\$302mm

- Highly-amenitized core asset
- 59% LTV⁽²⁾
- Comprehensive renovation completed



Newly Renovated
Core Market



Provident Portfolio
Various, TX
\$275mm

- Fully leased, strong rent growth
- 74% LTV⁽²⁾
- Proximity to employment and retail centers



Crossed Portfolio
Growth Markets



Branch Portfolio
Dallas, TX
\$255mm

- Fully leased, well-located assets
- 72% LTV⁽²⁾
- Sponsor to complete interior and technology upgrades



Recently Built
Fully Leased

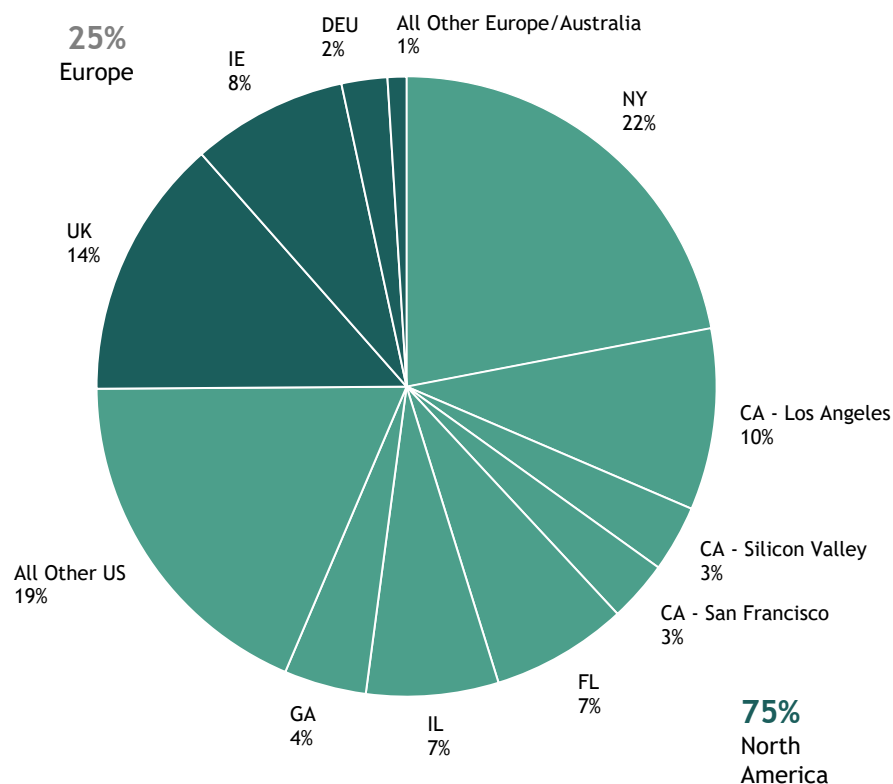
(1) Largest multifamily loans by Gross Loan Exposure; loan amounts reflect total outstanding principal balance of each loan, which may include portions of loans allocated to non-multifamily components.

(2) Reflects weighted average loan-to-value ("LTV") as of the date investments were originated or acquired by BXMT.

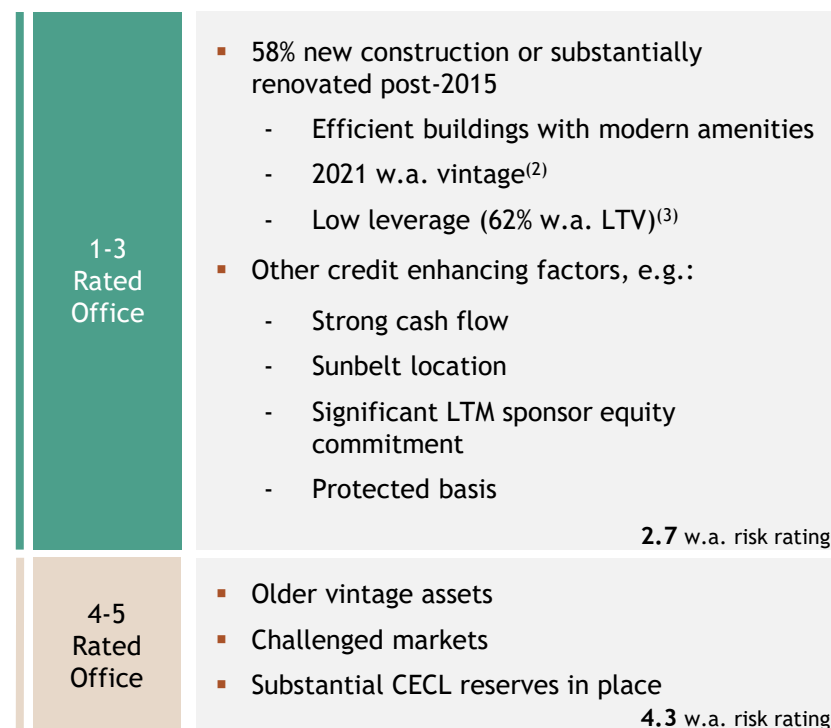
OFFICE PORTFOLIO

- BXMT's office portfolio largely consists of loans on newly constructed or substantially renovated assets and/or those that benefit from other credit enhancing qualities
- US Office represents 27% of overall portfolio; 4- & 5- risk rated office represents 11% of overall portfolio

Geographic Diversification⁽¹⁾



Office Portfolio Segmentation



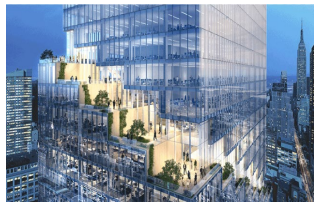
(1) Based on Net Loan Exposure. See Appendix for definition.

(2) Based on year of completion for new assets or year of renovation for substantially renovated assets; weighting based on gross loan exposure of portfolio.

(3) Reflects weighted average loan-to-value ("LTV") as of the date investments were originated or acquired by BXMT; weighting based on gross loan exposure of portfolio.

- BXMT's four largest office loans exemplify its targeted credit profile: low-leverage loans backed by highly-amenitized, well-located assets and best-in-class sponsors

Largest Office Loans⁽¹⁾



The Spiral
New York, NY
\$1.1B

- HQ of Pfizer in Hudson Yards
- 48% LTV⁽²⁾
- LEED Gold; Bjarke Ingels designed



Trophy Quality
New Construction



Dublin Portfolio
Dublin, IE
\$954mm

- Crossed portfolio of office & logistics assets
- 74% LTV⁽²⁾
- Certain assets LEED Platinum or Gold



Fully Leased
Growth Market



Burbank Studios
Los Angeles, CA
\$571mm

- 802k SF office campus; regional HQ of Warner Brothers
- 59% LTV⁽²⁾
- Pursuing LEED Gold; Frank Gehry designed



New Construction
Strong Market



Lumen
Los Angeles, CA
\$383mm

- 568k SF office in West LA
- 69% LTV⁽²⁾
- New-build property offering market-leading amenities



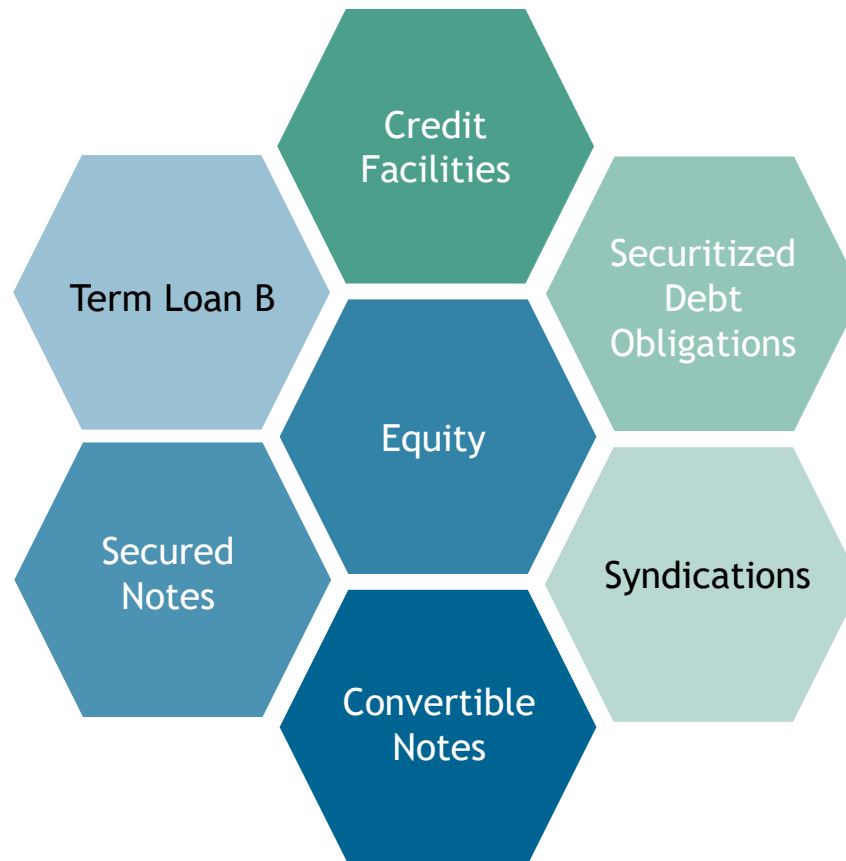
New Construction
Highly Amenitized

(1) Largest office loans by Gross Loan Exposure; loan amounts reflect total outstanding principal balance of each loan, which may include portions of loans allocated to non-office components.

(2) Reflects weighted average loan-to-value ("LTV") as of the date investments were originated or acquired by BXMT.

ROBUST CAPITALIZATION

- BXMT's large-scale business and strong track record afford it consistent access to a wide variety of asset-level and corporate capital options, supporting efficient execution and balance sheet stability throughout market environments



- Core tenets of BXMT's capital structure prioritize risk management and stability
 - ✓ Term-matched: debt maturities correspond to asset repayments
 - ✓ Index-matched: eliminate interest rate risk
 - ✓ Currency-matched: hedge foreign currency exposure
 - ✓ Prioritize lower cost over incremental leverage to optimize current income
 - ✓ No capital markets and limited credit MTM provisions protect liquidity

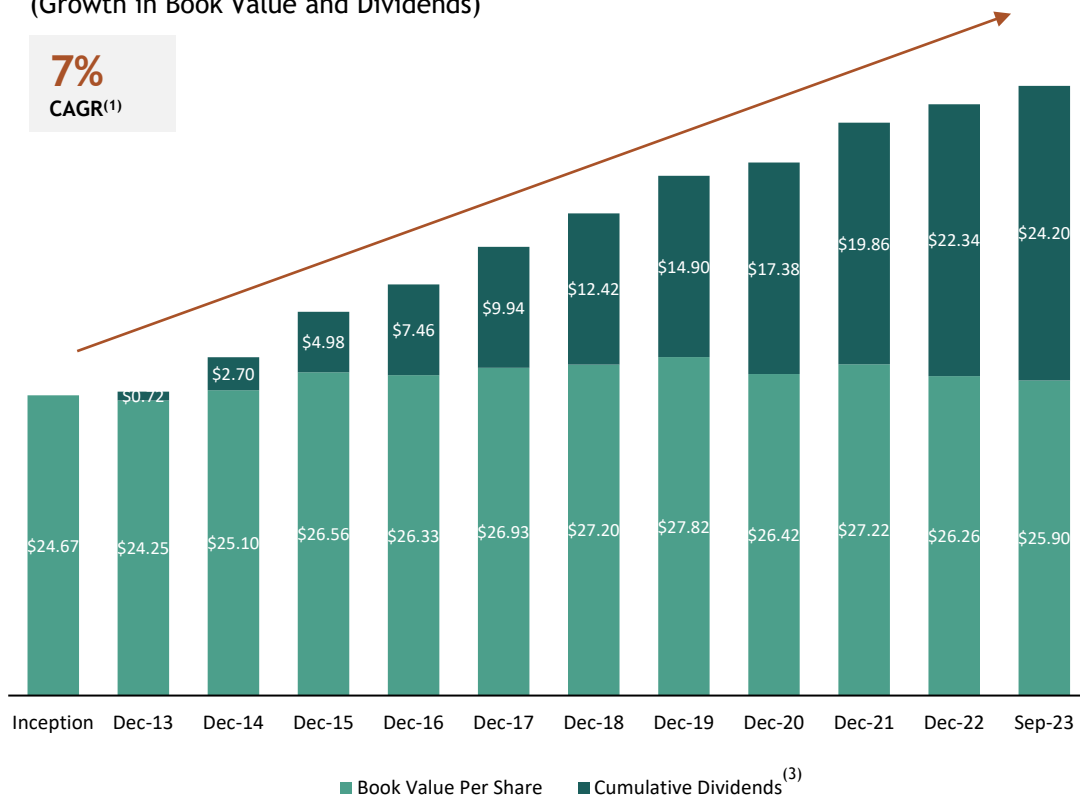
SHAREHOLDER RETURN

- BXMT has a long track record of delivering strong returns to shareholders, achieving a compounded annual return on book value of 7%⁽¹⁾⁽²⁾ since inception in May 2013 and over the past two years
- BXMT has paid a quarterly dividend per share of \$0.62 for the past 33 quarters; tailwinds from rising rates are generating excess earnings, which support book value stability and shareholder return

Return on Book Since Inception

(Growth in Book Value and Dividends)

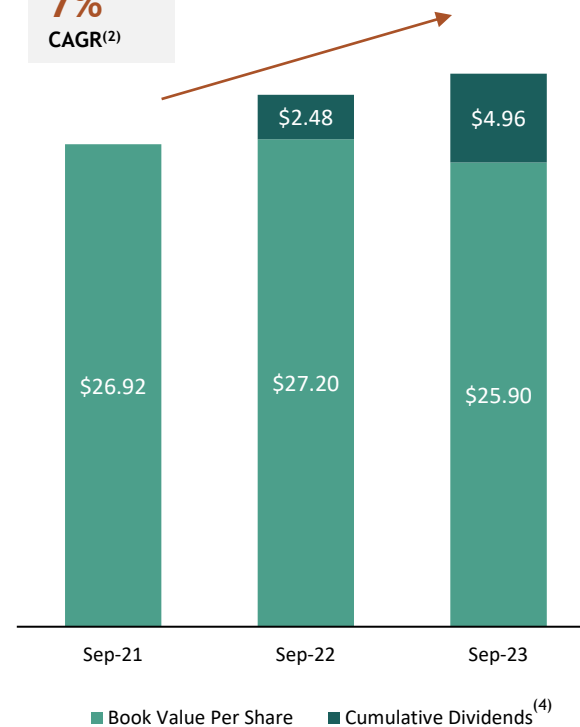
7%
CAGR⁽¹⁾



2- Year Return on Book

(Growth in Book Value and Dividends)

7%
CAGR⁽²⁾



(1) Represents compounded annual return based on the change in book value per share and dividends paid per share, since inception.

(2) Represents compounded annual return based on the change in book value per share and dividends paid per share, since September 30, 2021.

(3) Reflects cumulative dividends since inception.

(4) Reflects cumulative dividends since September 30, 2021.

BXMT 3Q 2023 Earnings Release

- Reported 3Q GAAP EPS of \$0.17 and Distributable EPS⁽¹⁾ of \$0.78; strong Distributable Earnings provide robust dividend coverage and support book value
- Well positioned to navigate volatility with a diversified capital base, substantial liquidity, and term-matched financings

Earnings Power

Strong Distributable Earnings generated by senior, floating-rate portfolio

\$0.78

3Q Distributable EPS⁽¹⁾

126%

3Q dividend coverage⁽²⁾

Balance Sheet Strength

Well-structured, match-funded liabilities with substantial liquidity

\$1.8B

liquidity

\$0

corporate debt maturities until 2026

Credit Performance

High-quality collateral supports continued loan performance and repayment activity

\$1.0B

3Q repayments

95%

performing loans⁽³⁾

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(1) Represents Distributable Earnings per share. See Appendix for definition and reconciliation to GAAP net income.

(2) Reflects ratio of Distributable Earnings per share to dividends declared per share for the three months ended September 30, 2023. See Appendix for a reconciliation to GAAP net income, which covered 27% of the dividend in the same period.

(3) Based on Net Loan Exposure. See Appendix for definition.

THIRD QUARTER RESULTS

Earnings

- 3Q GAAP basic earnings per share of \$0.17 and Distributable Earnings⁽¹⁾ per share of \$0.78
- Increased CECL reserve by \$0.56 per share in 3Q; book value of \$25.90 per share down just 1% year-to-date
- Paid 3Q dividend of \$0.62 per share, equating to a 12.3% annualized dividend yield;⁽²⁾ substantial dividend coverage⁽²⁾ of 126%

Portfolio

- \$22.1 billion loan portfolio⁽³⁾ secured by institutional quality real estate, with a weighted-average origination LTV⁽⁴⁾ of 64%
- Collected \$1.0 billion of repayments, reflecting liquidity for high-quality assets
- Well-diversified portfolio of 185 senior loans, distributed across sectors and markets

Credit

- 95% performing portfolio⁽³⁾ continues to generate robust cash flow; \$27 million of excess Distributable Earnings⁽⁵⁾ added to book value in 3Q
- Upgraded 7 loans and downgraded 5 loans in 3Q; stable weighted-average risk rating of 2.9
- CECL reserve of \$477 million is over 3x prior year level; significant reserves established on 5-risk rated loans, averaging 23% of loan cost basis

Capitalization & Liquidity

- Stable, match-funded financing structures with no capital markets mark-to-market provisions
- Maintained record liquidity of \$1.8 billion with no corporate debt maturities until 2026
- Repurchased \$33 million of Senior Secured Notes at 85% of par, contributing to a 0.1x reduction in leverage quarter-over-quarter

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

(2) Dividend yield based on share price of \$20.10 as of October 24, 2023. Dividend coverage reflects ratio of Distributable Earnings per share to dividends declared per share for the three months ended September 30, 2023. See Appendix for definition and reconciliation to GAAP net income, which covered 27% of the dividend in the same period.

(3) Based on Net Loan Exposure. See Appendix for definition.

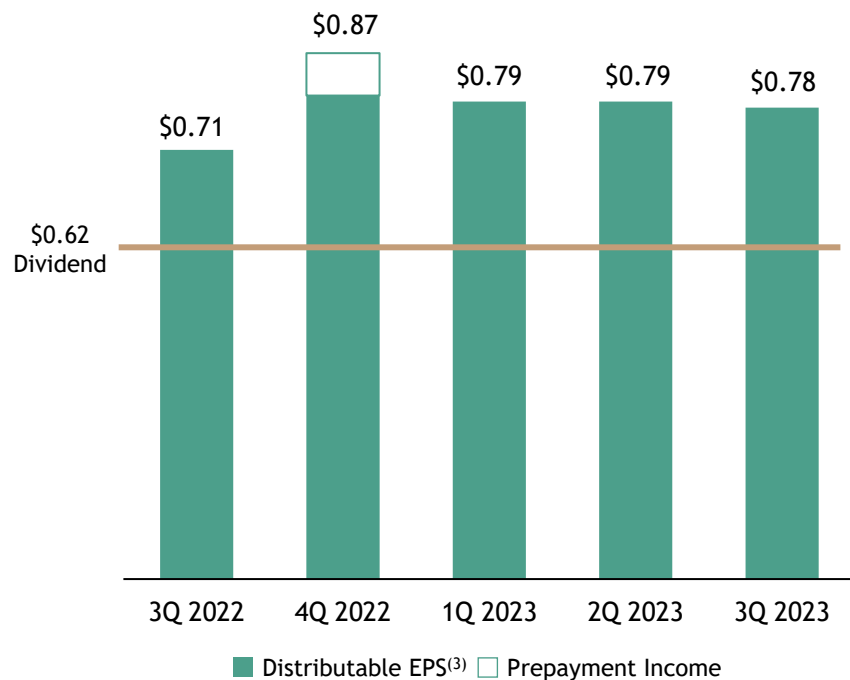
(4) Reflects weighted-average loan-to-value ("LTV") as of the date investments were originated or acquired by BXMT.

(5) Represents Distributable Earnings in excess of dividends declared for the three months ending September 30, 2023. See Appendix for reconciliation to GAAP net income, which was \$78 million less than dividends declared.

EARNINGS

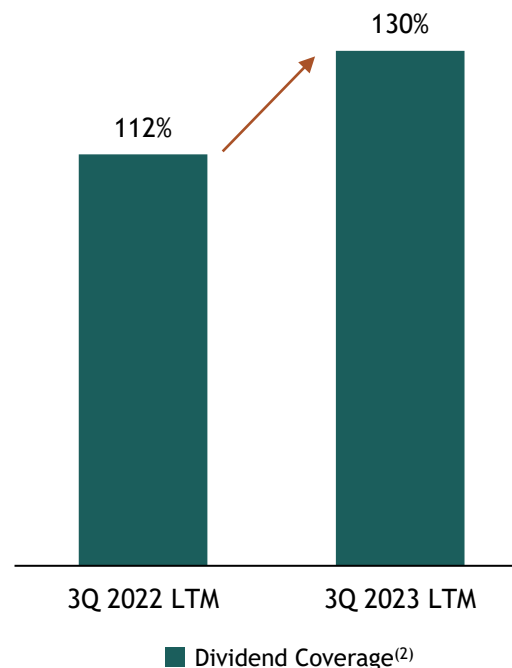
- 3Q Distributable Earnings grew 10% year-over-year,⁽¹⁾ as higher rates continued to benefit floating rate portfolio
- Dividend well covered⁽²⁾ at 126% in 3Q and 130% over the last 12 months

Earnings Per Share



GAAP EPS	\$0.60	\$(0.28)	\$0.68	\$0.59	\$0.17
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Dividend Coverage



GAAP Coverage	101%	47%
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(1) Reflects change in Distributable Earnings per share in the three months ending September 30, 2023 compared to the prior period. See Appendix for reconciliation to GAAP net income, which declined by 72%.

(2) Reflects ratio of Distributable Earnings per share to dividends declared per share for the respective periods. See Appendix for definition and reconciliation to GAAP net income. GAAP coverage of 27% and 47% for the three months and twelve months ending September 30, 2023, respectively.

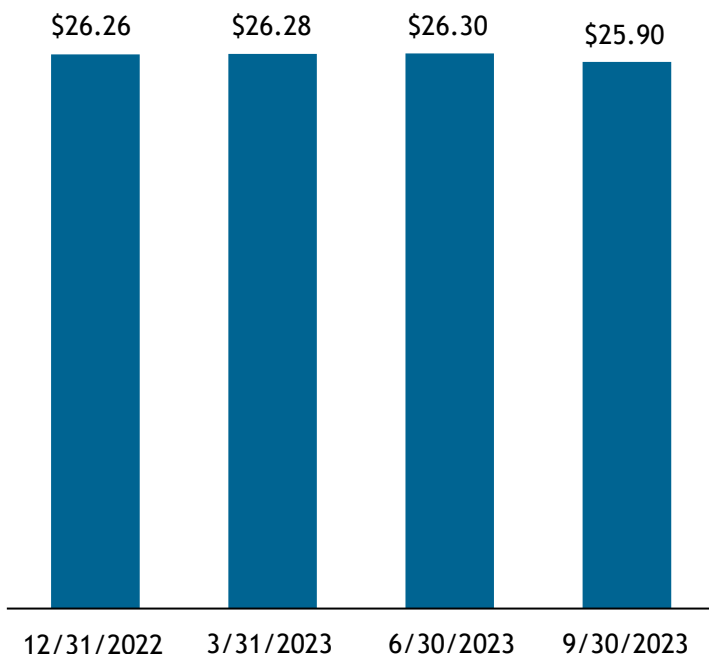
(3) See Appendix for definition and reconciliation to GAAP net income.

EARNINGS

- Excess earnings add to equity base and cushion the impact of credit migration; book value per share down only 1% year-to-date notwithstanding a 39% increase in CECL reserves over the period
- Asset-specific CECL amount represents 23% of impaired loan cost basis, reserving against implied value decline of over 50% for the most challenged collateral

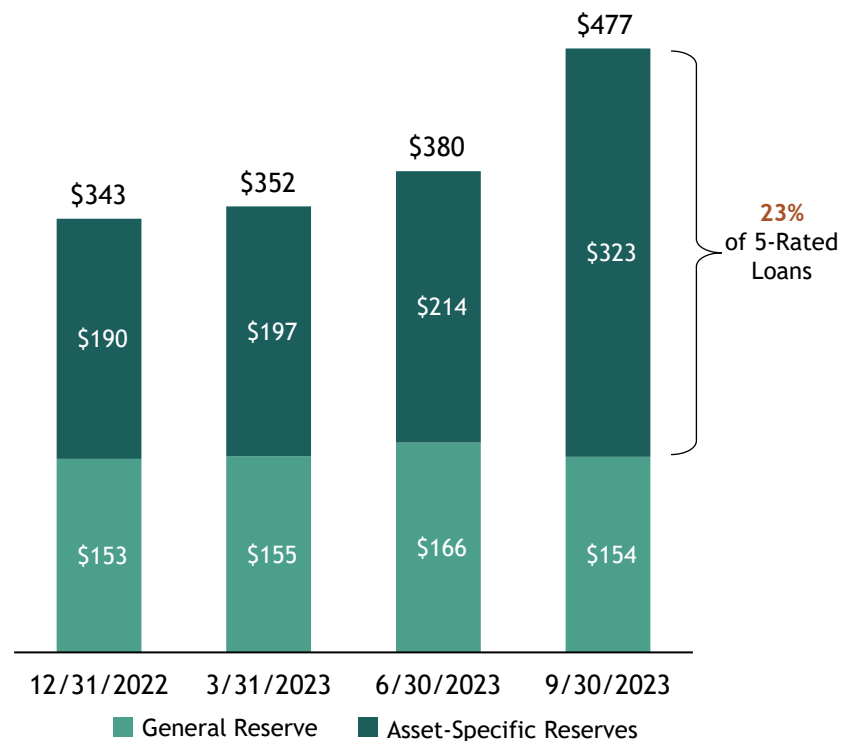
Stable Book Value

(\$ per share)



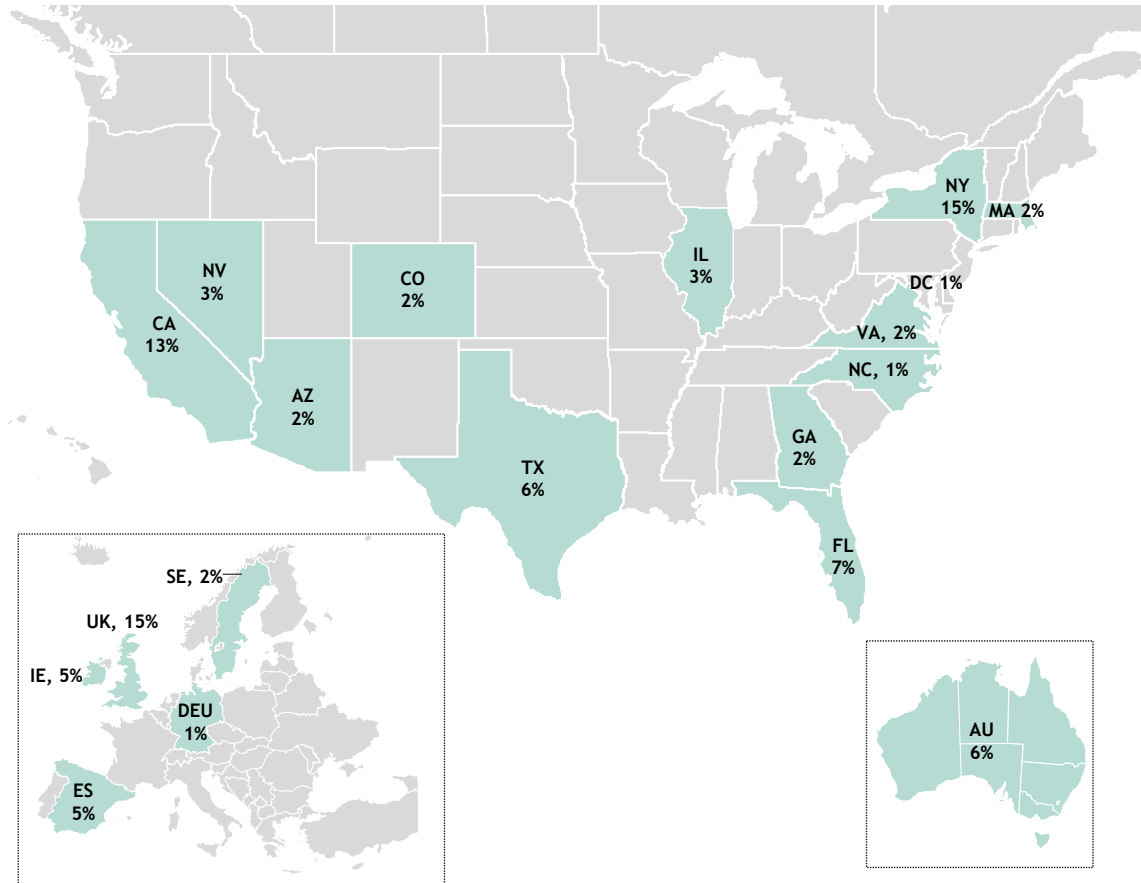
CECL Reserve

(\$ in millions)

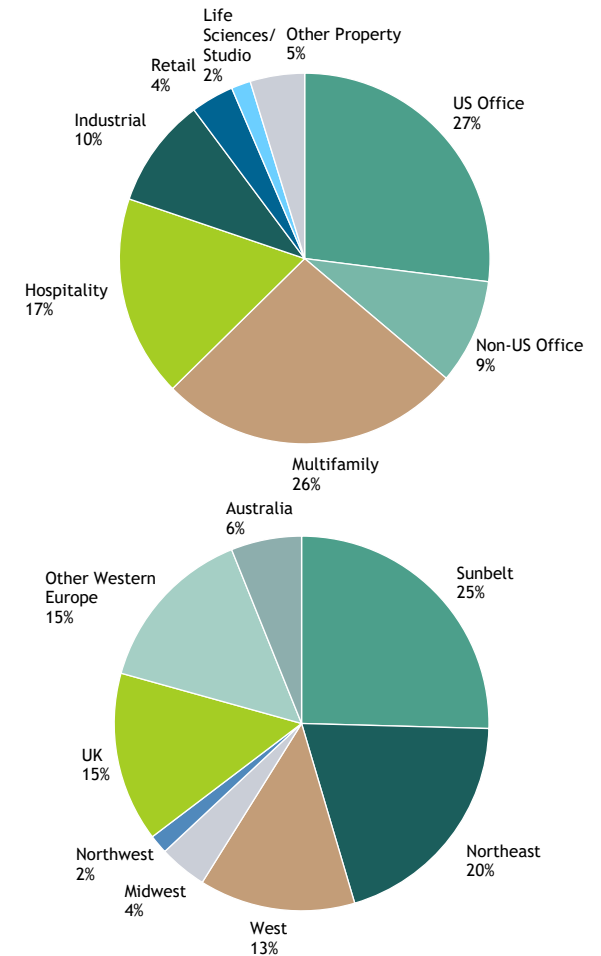


- Well-diversified portfolio of 185 senior loans, secured by institutional assets across sectors and markets

Geographic Footprint⁽¹⁾⁽²⁾



Collateral Diversification⁽²⁾



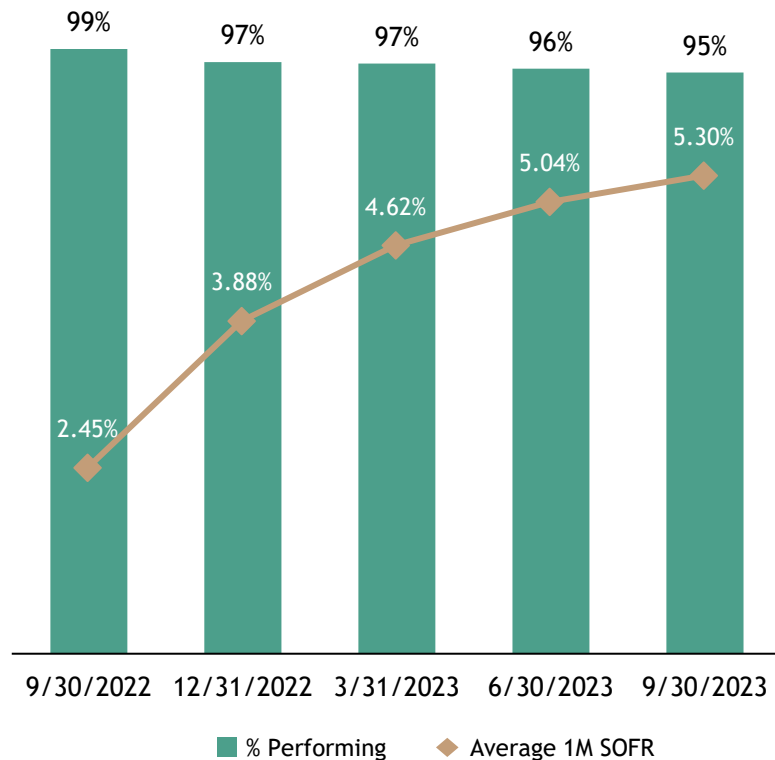
(1) States and countries comprising less than 1% of total loan portfolio are excluded.

(2) Based on Net Loan Exposure. See Appendix for definition.

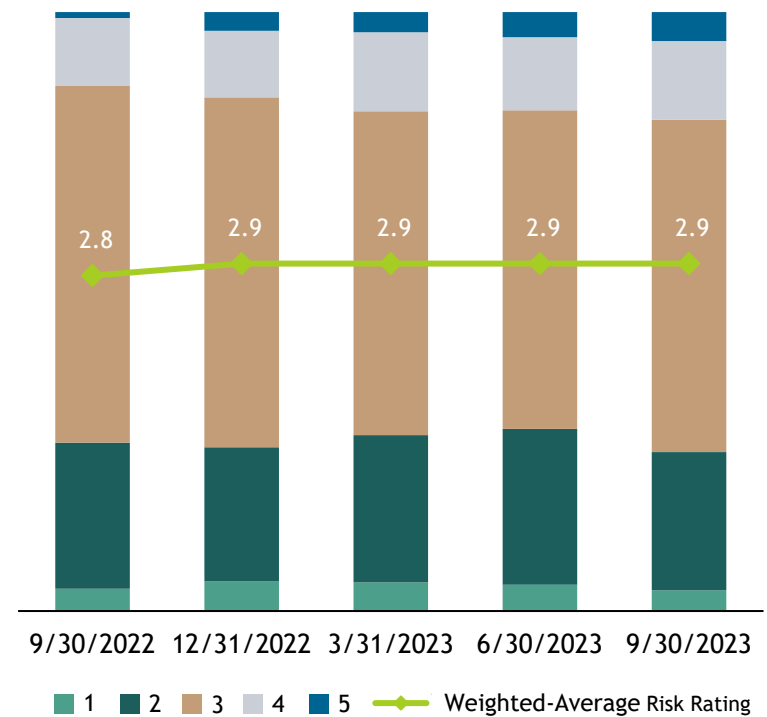
CREDIT

- BXMT's loan portfolio has demonstrated resilience through market volatility and rapidly increasing interest rates; 95% performance⁽¹⁾ reflects strong overall credit quality and underwriting standards
- Stable weighted-average risk rating of 2.9 as most assets continue to demonstrate positive business plan performance, offsetting limited universe of more challenged assets

Performing Portfolio⁽¹⁾



Weighted-Average Risk Rating⁽¹⁾



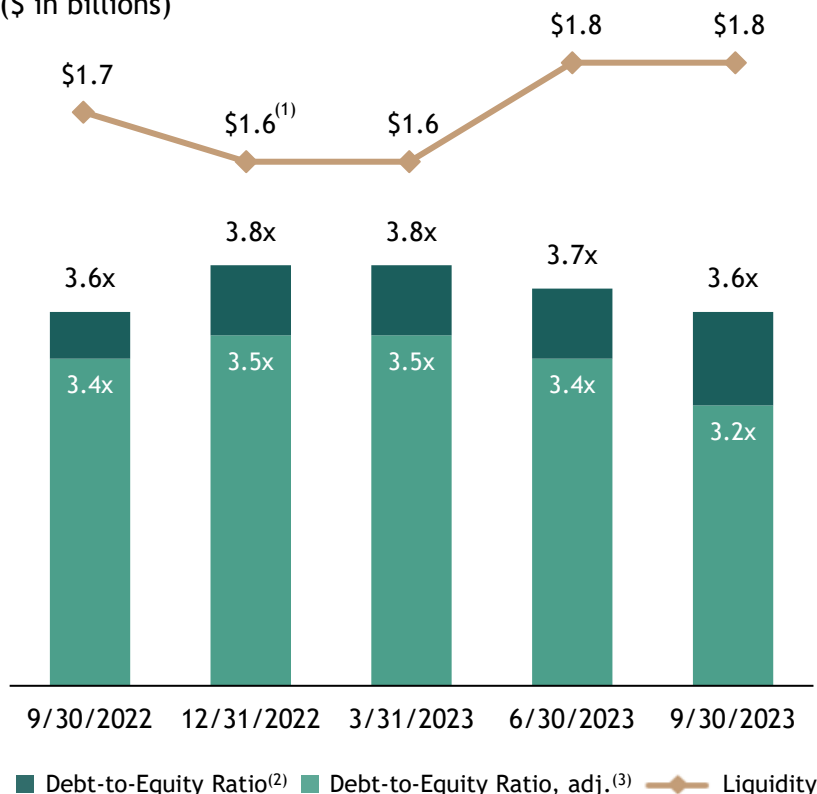
(1) Based on Net Loan Exposure. See Appendix for definition.

CAPITALIZATION

- Maintained record liquidity of \$1.8 billion; leverage declined by 0.1x quarter-over-quarter
- Well-structured balance sheet positioned to withstand volatility, with no capital markets mark-to-market provisions, limited credit mark-to-market, and no corporate debt maturities until 2026

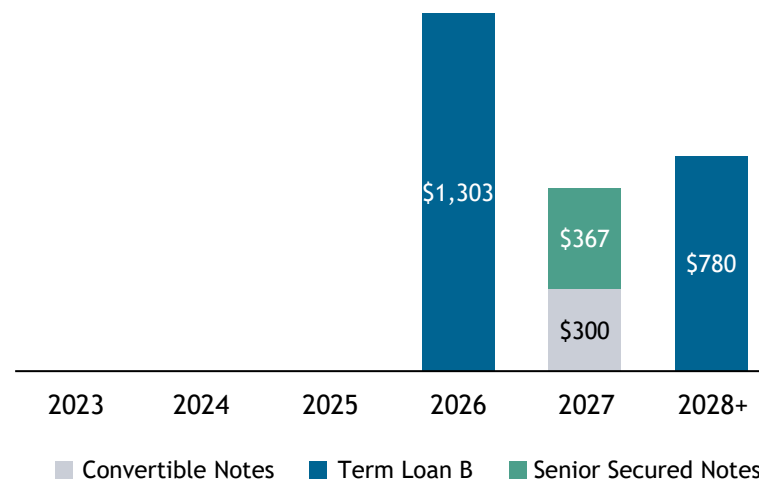
Debt to Equity and Liquidity

(\$ in billions)



Corporate Debt Maturities⁽⁴⁾

(\$ in millions)



(1) Liquidity as of December 31, 2022, net of \$220 million for convertible notes that matured in March 2023.

(2) Represents gross principal amounts for (i) total outstanding secured debt, asset-specific debt, term loans, senior secured notes, and convertible notes, in each case excluding unamortized deferred financing costs and discounts, less cash, to (ii) total equity.

(3) Represents gross principal amounts for (i) total outstanding secured debt, asset-specific debt, term loans, senior secured notes, and convertible notes, in each case excluding unamortized deferred financing costs and discounts, less cash, to (ii) Adjusted Equity. See Appendix for definition and reconciliation to GAAP total equity.

(4) Excludes \$22 million per annum of scheduled amortization payments under the Term Loan B.

Appendix

Portfolio Details

(\$ in millions)

	Loan Type	Origination Date ⁽¹⁾	Total Loan ⁽²⁾	Principal Balance ⁽²⁾	Net Book Value	Cash Coupon ⁽³⁾	All-in Yield ⁽³⁾	Maximum Maturity ⁽⁴⁾	Location	Property Type	Loan Per SQFT / Unit / Key	Origination LTV ⁽¹⁾
Loan 1	Senior Loan	4/9/2018	\$ 1,487	\$ 1,111	\$ 1,108	+ 4.32 %	+ 4.64 %	6/9/2025	New York	Office	\$392 / sqft	48 %
Loan 2	Senior Loan	8/14/2019	1,043	954	952	+ 3.02 %	+ 3.78 %	12/23/2024	Dublin - IE	Mixed-Use	\$316 / sqft	74 %
Loan 3	Senior Loan	6/24/2022	851	851	845	+ 4.75 %	+ 5.07 %	6/21/2029	Diversified - AU	Hospitality	\$387 / sqft	59 %
Loan 4	Senior Loan	3/22/2018	600	600	600	+ 3.25 %	+ 3.31 %	3/15/2026	Diversified - Spain	Mixed-Use	n / a	71 %
Loan 5	Senior Loan ⁽²⁾	8/7/2019	571	571	116	+ 3.22 %	+ 3.46 %	9/9/2025	Los Angeles	Office	\$712 / sqft	59 %
Loan 6	Senior Loan	7/23/2021	480	456	452	+ 4.10 %	+ 4.55 %	8/9/2027	New York	Multi	\$611,846 / unit	58 %
Loan 7	Senior Loan	3/30/2021	454	454	452	+ 3.20 %	+ 3.41 %	5/15/2026	Diversified - SE	Industrial	\$84 / sqft	76 %
Loan 8	Senior Loan ⁽²⁾	11/22/2019	470	383	76	+ 3.78 %	+ 4.25 %	12/9/2025	Los Angeles	Office	\$701 / sqft	69 %
Loan 9	Senior Loan	12/9/2021	385	366	366	+ 2.76 %	+ 2.89 %	12/9/2026	New York	Mixed-Use	\$126 / sqft	50 %
Loan 10	Senior Loan	9/23/2019	370	345	344	+ 3.00 %	+ 3.27 %	8/16/2024	Diversified - Spain	Hospitality	\$123,028 / key	62 %
Loan 11	Senior Loan	4/11/2018	345	336	336	+ 2.25 %	+ 2.28 %	5/1/2025	New York	Office	\$426 / sqft	71 %
Loan 12	Senior Loan	2/27/2020	303	302	302	+ 2.70 %	+ 2.94 %	3/9/2025	New York	Multi	\$795,074 / unit	59 %
Loan 13	Senior Loan	5/6/2022	293	293	291	+ 3.50 %	+ 3.79 %	5/6/2027	Diversified - UK	Industrial	\$93 / sqft	53 %
Loan 14	Senior Loan	9/29/2021	312	292	291	+ 2.81 %	+ 3.03 %	10/9/2026	Washington, DC	Office	\$381 / sqft	66 %
Loan 15	Senior Loan	10/25/2021	290	290	288	+ 4.00 %	+ 4.32 %	10/25/2024	Diversified - AU	Hospitality	\$142,718 / key	56 %
Loans 16 - 185	Senior Loans ⁽²⁾	Various	19,748	17,309	16,896	+ 3.30 %	+ 3.63 %	Various	Various	Various	Various	65 %
CECL reserve					(463)							
Total/Wtd. avg.			\$ 28,002	\$ 24,913	\$ 23,252	+ 3.38 %	+ 3.73 %	2.6 yrs	64 %			

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

(2) Certain loans include an aggregate \$1.1 billion of Non-Consolidated Senior Interests and excludes \$48.8 million of junior loan interests that we have sold as of September 30, 2023. Total loan includes unfunded commitments.

(3) The weighted-average cash coupon and all-in yield are expressed as a spread over the relevant floating benchmark rates. Excludes loans accounted for under the cost-recovery method.

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

Consolidated Balance Sheets

(\$ in thousands, except per share data)

	September 30, 2023	December 31, 2022
Assets		
Cash and cash equivalents	\$421,495	\$291,340
Loans receivable	23,715,901	25,017,880
Current expected credit loss reserve	(463,423)	(326,137)
Loans receivable, net	\$23,252,478	\$24,691,743
Other assets	369,446	370,902
Total assets	\$24,043,419	\$25,353,985
Liabilities and equity		
Secured debt, net	\$12,793,344	\$13,528,164
Securitized debt obligations, net	2,509,254	2,664,010
Asset-specific debt, net	930,757	942,503
Loan participations sold, net	275,184	224,232
Term loans, net	2,104,824	2,114,549
Senior secured notes, net	362,981	395,166
Convertible notes, net	295,527	514,257
Other liabilities	278,027	426,904
Total liabilities	\$19,549,898	\$20,809,785
Commitments and contingencies	—	—
Equity		
Class A common stock, \$0.01 par value	\$1,723	\$1,717
Additional paid-in capital	5,499,491	5,475,804
Accumulated other comprehensive income	10,606	10,022
Accumulated deficit	(1,040,950)	(968,749)
Total Blackstone Mortgage Trust, Inc. stockholders' equity	\$4,470,870	\$4,518,794
Non-controlling interests	22,651	25,406
Total equity	\$4,493,521	\$4,544,200
Total liabilities and equity	\$24,043,419	\$25,353,985

Consolidated Statements of Operations

(\$ in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Income from loans and other investments				
Interest and related income	\$519,342	\$358,557	\$1,532,618	\$876,676
Less: Interest and related expenses	353,972	202,375	1,015,718	439,708
Income from loans and other investments, net	\$165,370	\$156,182	\$516,900	\$436,968
Other expenses				
Management and incentive fees	\$28,882	\$25,911	\$92,747	\$76,462
General and administrative expenses	12,001	12,932	37,888	37,701
Total other expenses	\$40,883	\$38,843	\$130,635	\$114,163
Increase in current expected credit loss reserve	(96,900)	(12,248)	(134,530)	(22,694)
Gain on extinguishment of debt	4,541	—	4,541	—
Income before income taxes	\$32,128	\$105,091	\$256,276	\$300,111
Income tax provision	1,568	1,172	4,663	2,064
Net income	\$30,560	\$103,919	\$251,613	\$298,047
Net income attributable to non-controlling interests	(1,036)	(673)	(2,681)	(1,864)
Net income attributable to Blackstone Mortgage Trust, Inc.	\$29,524	\$103,246	\$248,932	\$296,183
Per share information (basic)				
Net income per share of common stock, basic	\$0.17	\$0.60	\$1.44	\$1.74
Weighted-average shares of common stock outstanding, basic	172,648,118	170,971,874	172,620,799	170,303,470
Per share information (diluted)				
Net income per share of common stock, diluted	\$0.17	\$0.59	\$1.44	\$1.71
Weighted-average shares of common stock outstanding, diluted	172,648,118	185,316,078	180,891,859	182,011,842

Quarterly Per Share Calculations

(in thousands, except per share data)

Distributable Earnings Reconciliation

	Three Months Ended	
	September 30, 2023	June 30, 2023
Net income ⁽¹⁾	\$29,524	\$101,651
Increase in current expected credit loss reserve	96,900	27,807
Non-cash compensation expense	7,610	7,665
Realized hedging and foreign currency gain (loss), net ⁽²⁾	32	(130)
Other items	—	43
Adjustments attributable to non-controlling interests, net	118	(42)
Distributable Earnings	\$134,184	\$136,994
Weighted-average shares outstanding, basic	172,648	172,615
Distributable Earnings per share, basic	\$0.78	\$0.79

Book Value per Share

	September 30, 2023	June 30, 2023
Stockholders' equity	\$4,470,870	\$4,540,662
Shares		
Class A common stock	172,296	172,310
Deferred stock units	349	340
Total outstanding	172,645	172,650
Book value per share	\$25.90	\$26.30

Earnings per Share

	Three Months Ended	
	September 30, 2023	June 30, 2023
Net income ⁽¹⁾	\$29,524	\$101,651
Weighted-average shares outstanding, basic	172,648	172,615
Per share amount, basic	\$0.17	\$0.59
Diluted earnings	\$29,524	\$105,207
Weighted-average shares outstanding, diluted	172,648	180,886
Per share amount, diluted	\$0.17	\$0.58

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

(2) Represents realized gains and losses on the repatriation of unhedged foreign currency. The difference between the value of such foreign currency on the date of conversion to USD and our cumulative basis in such foreign currency is not included in GAAP net income, but rather as a component of other comprehensive income on our consolidated financial statements.

Reconciliation of Net Income to Distributable Earnings

(in thousands, except per share data)

	Three Months Ended,			
	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022
Net income (loss) ⁽¹⁾	\$29,524	\$101,651	\$117,757	(\$47,540)
Increase in current expected credit loss reserve	96,900	27,807	9,823	188,811
Non-cash compensation expense	7,610	7,665	7,655	8,128
Realized hedging and foreign currency gain (loss), net ⁽²⁾	32	(130)	889	(511)
Other items	—	43	18	(25)
Adjustments attributable to non-controlling interests, net	118	(42)	(29)	(268)
Distributable Earnings	\$134,184	\$136,994	\$136,113	\$148,595
Weighted-average shares outstanding, basic	172,648	172,615	172,598	171,605
Net income (loss) per share, basic	\$0.17	\$0.59	\$0.68	(\$0.28)
Distributable Earnings per share, basic	\$0.78	\$0.79	\$0.79	\$0.87

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

(2) Represents realized gains and losses on the repatriation of unhedged foreign currency. The difference between the value of such foreign currency on the date of conversion to USD and our cumulative basis in such foreign currency is not included in GAAP net income, but rather as a component of other comprehensive income on our consolidated financial statements.

Reconciliation of Net Income to Distributable Earnings (cont.)

(in thousands, except per share data)

	Three Months Ended,			
	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021
Net income ⁽¹⁾	\$103,246	\$93,250	\$99,687	\$123,940
Charge-offs of current expected credit loss reserve ⁽²⁾	—	—	—	(14,427)
Increase (decrease) in current expected credit loss reserve	12,248	12,983	(2,537)	9,568
Non-cash compensation expense	8,219	8,418	8,650	7,463
Realized hedging and foreign currency loss, net ⁽³⁾	(1,698)	(829)	(200)	(668)
Other items	(10)	(65)	(30)	120
Adjustments attributable to non-controlling interests, net	(43)	(46)	(4)	(30)
Distributable Earnings	\$121,962	\$113,711	\$105,566	\$125,966
Weighted-average shares outstanding, basic	170,972	170,666	169,254	162,057
Net income per share, basic	\$0.60	\$0.55	\$0.59	\$0.76
Distributable Earnings per share, basic	\$0.71	\$0.67	\$0.62	\$0.78

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

(2) Represents a realized loss related to loan principal amounts deemed nonrecoverable following a realization event during the three months ended December 31, 2021. This amount was previously recognized as a component of GAAP net income as an increase in our current expected credit loss reserve.

(3) Represents realized gains and losses on the repatriation of unhedged foreign currency. The difference between the value of such foreign currency on the date of conversion to USD and our cumulative basis in such foreign currency is not included in GAAP net income, but rather as a component of other comprehensive income on our consolidated financial statements.

Reconciliation of Adjusted Equity

(\$ in thousands)

	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022
Total equity	\$4,493,521	\$4,566,189	\$4,560,699	\$4,544,200	\$4,683,907
Add back: aggregate CECL reserve	477,047	380,147	352,340	342,517	153,706
Adjusted Equity	\$4,970,568	\$4,946,336	\$4,913,039	\$4,886,717	\$4,837,613

DEFINITIONS

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 is defined 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), and (iv) 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 BXMT’s Manager, subject to approval by a majority of its independent directors.

BXMT believes that Distributable Earnings provides meaningful information to consider in addition to net income and cash flow from operating activities determined in accordance with GAAP. This adjusted measure helps BXMT to evaluate its performance excluding the effects of certain transactions and GAAP adjustments that BXMT believes are not necessarily indicative of its current loan portfolio and operations. BXMT believes Distributable Earnings is a useful financial metric for existing and potential future holders of its class A common stock as historically, over time, Distributable Earnings has been a strong indicator of its dividends per share. Distributable Earnings mirrors the terms of the management agreement between BXMT and its Manager and for purposes of calculating the 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 GAAP cash flows from operations, a measure of BXMT’s liquidity, or an indication of funds available for its cash needs. In addition, the 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, BXMT’s reported Distributable Earnings may not be comparable to the Distributable Earnings reported by other companies.

Adjusted Equity: BXMT discloses Adjusted Equity in this presentation. Adjusted Equity is a financial measure that is calculated and presented on the basis of methodologies other than in accordance with GAAP. Adjusted Equity reflects BXMT’s total equity, excluding the aggregate CECL reserve on loans receivable and unfunded commitments.

BXMT believes that Adjusted Equity provides meaningful information to consider in addition to its total equity determined in accordance with GAAP in the context of assessing its debt-to-equity and total leverage ratios. The adjusted debt-to-equity and total leverage ratios are metrics used, in addition to unadjusted debt-to-equity and total leverage ratios, when evaluating BXMT’s capitalization structure, as Adjusted Equity excludes the unrealized impact of BXMT’s CECL reserve, which may vary from quarter-to-quarter as its loan portfolio changes and market and economic conditions evolve. BXMT believes these ratios, and therefore Adjusted Equity, are useful financial metrics for existing and potential future holders of its class A common stock to consider when evaluating how BXMT’s business is capitalized and the relative amount of leverage in its business.

Adjusted Equity does not represent BXMT’s total equity and should not be considered as an alternate to GAAP total equity. In addition, BXMT’s methodology for calculating Adjusted Equity may differ from methodologies employed by other companies to calculate the same or similar supplemental measures, and accordingly, BXMT’s reported Adjusted Equity may not be comparable to the Adjusted Equity 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.

Net Loan Exposure: Represents loans that are included in BXMT’s consolidated financial statements, net of (i) participations sold, (ii) cost-recovery proceeds, and (iii) CECL reserves on its loans receivable.

1M SOFR: Represents 1-Month Term SOFR, which is an interest rate based on the Secured Overnight Financing Rate (SOFR), calculated and published for a 1-month tenor.

FORWARD-LOOKING STATEMENTS AND IMPORTANT DISCLOSURE INFORMATION

References herein to “Blackstone Mortgage Trust,” “Company,” “we,” “us,” or “our” refer to Blackstone Mortgage Trust, Inc. and its subsidiaries unless the context specifically requires otherwise. Opinions expressed reflect the current opinions of BXMT as of the date appearing in this document only and are based on the BXMT’s opinions of the current market environment, which is subject to change. There can be no assurances that any of the trends described herein will continue or will not reverse. Past events and trends do not imply, predict or guarantee, and are not necessarily indicative of, future events or results.

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, its business plans and the impact of the current macroeconomic environment, including interest rate changes. 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, 2022, 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. 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.