

# Fact Sheet

**\$22B**

loan portfolio<sup>1</sup>

**93%**

performing loans<sup>1</sup>

**\$3.8B**

2023 repayments

**\$1.7B**

liquidity

## Portfolio Performance

- 93% of BXMT's loans are performing.<sup>1</sup> 99.7% of interest income recognized by BXMT in 4Q 2023 was paid current (just 0.3% representing deferred/PIK income).<sup>2</sup> All interest (PIK or cash) on non-performing loans is excluded from BXMT's earnings<sup>3</sup>
- In 2023, BXMT received \$3.8B of repayments at an average of 99.99% of par, including \$1.0B of office loans, and \$0.6B of repayments in 4Q 2023
- BXMT borrowers continue to invest in their assets, committing \$1.6B of incremental equity in 2023<sup>4</sup> subordinate to \$16.6B of BXMT loans, representing 66% of the BXMT portfolio,<sup>5</sup> and reflecting borrower confidence in asset values

## Interest Rate Caps

- In 2023, rate caps on \$14.7B of loans expired and 93% were replaced with new rate caps or interest guarantees. New rate caps have a 3.7% weighted-average strike price vs. 3.1% weighted-average strike price at expiration<sup>6</sup>
- There are virtually no interest rate swaps used by borrowers in BXMT's loans. Borrowers in 82% of BXMT's performing loans pay interest based on rate caps with an average base rate of 3.3%;<sup>6</sup> the remainder pay based on current base rates

## Extensions and Modifications

- Approximately 89% of the \$9.8B<sup>7</sup> of loans that reached maturity or an extension test in 2023 were repaid, satisfied extension performance tests, or extended with new equity commitments
  - \$7.0B were repaid or satisfied extension performance tests; \$4.7B, or 67%, in office loans
  - \$1.7B were extended with over \$160M of aggregate new equity commitments; 100% of these loans are performing
  - \$1.1B were classified as non-performing; BXMT's non-performing loans are impaired by 22% on average and BXMT does not recognize income from these loans in its earnings<sup>5</sup>

## Liquidity Position

- BXMT maintained strong liquidity throughout 2023, with \$1.7B at year-end, higher than a year ago
- BXMT's net future funding obligations<sup>8</sup> are \$1.2B spread over a weighted-average term of 2.6 years and are typically contingent upon borrowers making progress on their business plans; approximately 90% are tied to leasing costs or capital expenditures

## Dividend

- BXMT distributed \$428M of dividends in 2023 and maintained its \$0.62 per share dividend for the 34<sup>th</sup> consecutive quarter
- Fourth quarter Distributable Earnings of \$0.69 per share covered the dividend by 111%<sup>9</sup>

## Reserves and Risk Ratings

- In light of the current environment, BXMT has increased its reserves each quarter over the past year. As of December 31, 2023, BXMT has \$592M of total reserves, which are reflected in book value
- Reserves are established following a quarterly loan-by-loan asset review and risk rating process and are determined in accordance with GAAP



## Non-GAAP Measures

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 recognized in current period 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. Distributable Earnings mirrors the terms of BXMT's management agreement between BXMT's Manager and BXMT, for purposes of calculating its incentive fee expense.

BXMT's CECL reserves have been excluded from Distributable Earnings consistent with other unrealized gains (losses) pursuant to its existing policy for reporting Distributable Earnings. BXMT expects to only recognize such potential credit losses in Distributable Earnings if and when such amounts are realized and deemed non-recoverable upon a realization event. This is generally at the time a loan is repaid, or in the case of foreclosure, when the underlying asset is sold, but realization and non-recoverability may also be concluded if, in BXMT's determination, it is nearly certain that all amounts due will not be collected. The timing of any such credit loss realization in BXMT's Distributable Earnings may differ materially from the timing of CECL reserves or charge-offs in BXMT's consolidated financial statements prepared in accordance with GAAP. The realized loss amount reflected in Distributable Earnings will equal the difference between the cash received, or expected to be received, and the book value of the asset, and is reflective of its economic experience as it relates to the ultimate realization of the loan.

BXMT believes that Distributable Earnings provides meaningful information to consider in addition to net income (loss) and cash flow from operating activities determined in accordance with GAAP. 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. As a REIT, BXMT generally must distribute annually at least 90% of its net taxable income, subject to certain adjustments, and therefore BXMT believes its dividends are one of the principal reasons stockholders may invest in BXMT's class A common stock. Distributable Earnings helps BXMT to evaluate its performance excluding the effects of certain transactions and GAAP adjustments that BXMT believes are not necessarily indicative of BXMT's current loan portfolio and operations and is a performance metric BXMT considers when declaring its dividends.

Distributable Earnings does not represent net income (loss) or cash generated from operating activities and should not be considered as an alternative to GAAP net income (loss), 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.

The following table provides a reconciliation of Distributable Earnings to GAAP net income:

(in thousands, except per share data)

	Three Months Ended December 31, 2023
Net (loss) <sup>10</sup>	(\$2,376)
Increase in current expected credit loss reserve	115,261
Non-cash compensation expense	7,729
Realized hedging and foreign currency gain (loss), net <sup>11</sup>	(1,557)
Adjustments attributable to non-controlling interests, net	(83)
Other items	8
<b>Distributable Earnings</b>	<b>\$118,982</b>
Weighted-average shares outstanding, basic <sup>12</sup>	172,824
<b>Net income per share, basic</b>	<b>(\$0.01)</b>
<b>Distributable Earnings per share, basic</b>	<b>\$0.69</b>

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## Endnotes

Note: All data contained in this fact sheet is as of and for the period ended December 31, 2023. Except as otherwise indicated, events subsequent to December 31, 2023 have not been reflected in such data, which is subject to change.

1. Based on net loan exposure, which reflects loans that are included in BXMT's consolidated financial statements, net of (i) asset-specific debt, (ii) participations sold, (iii) cost-recovery proceeds, and (iv) CECL reserves on its loans receivable.
2. GAAP interest income includes amortization of fees, primarily origination and extension fees that are received in advanced and amortized over the applicable loan term.
3. These loans are accounted for using the cost-recovery method under GAAP and any cash interest received is applied as a reduction of BXMT's basis in the loan rather than included in net income.
4. Includes incremental equity commitments that were agreed to with borrowers as of December 31, 2023, but closed subsequent to quarter-end.
5. Based on gross loan exposure as of December 31, 2023,
6. Strike price weighted by BXMT's gross loan exposure to each loan with an underlying interest rate cap.
7. Based on gross loan exposure as of December 31, 2023, or if repaid, based on gross loan exposure as of the date of repayment.
8. Reflects \$2.4B of gross unfunded loan commitments, net of \$1.3B of committed or identified financing for those commitments.
9. Reflects ratio of Distributable Earnings per share to dividends declared per share for the three months ended December 31, 2023. See Appendix for definition and reconciliation to GAAP net loss for the period, which was less than the dividend in the same period.
10. Represents net income attributable to Blackstone Mortgage Trust, Inc.
11. Represents realized gains (losses) on the repatriation of unhedged foreign currency. These amounts were not included in GAAP net income, but rather as a component of other comprehensive income in BXMT's consolidated financial statements.
12. The weighted-average shares outstanding, basic, exclude shares issuable from a potential conversion of its convertible notes. Consistent with the treatment of other unrealized adjustments to Distributable Earnings, these potentially issuable shares are excluded until a conversion occurs.

## Forward-Looking Statements

This fact sheet contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, 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, 2023, 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 release and in the filings. BXMT assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events or circumstances.