



# Franklin BSP Realty Trust

Supplemental Information

Fourth Quarter 2023

**The information herein relates to the Company's business and financial information as of December 31, 2023 and does not reflect subsequent developments.**

## **Risk Factors**

Investing in and owning our common stock involves a high degree of risk. See the section entitled "Risk Factors" in our Annual Report on Form 10-K filed with the SEC on March 16, 2023, and the risk disclosure in our subsequent SEC-filed periodic reports, for a discussion of these risks.

## **Forward-Looking Statements**

Certain statements included in this presentation are forward-looking statements. Those statements include statements regarding the intent, belief or current expectations of Franklin BSP Realty Trust, Inc. ("FBRT" or the "Company") and may include the assumptions on which such statements are based, and generally are identified by the use of words such as "may," "will," "seeks," "anticipates," "believes," "estimates," "expects," "plans," "intends," "should" or similar expressions. Actual results may differ materially from those contemplated by such forward-looking statements. Factors that could cause actual outcomes to differ materially from our forward-looking statements include, macroeconomic factors in the United States including inflation, changing interest rates and economic contraction, the extent of any recoveries on delinquent loans, and the financial stability of our borrowers, and the other factors set forth in the risk factors section of our most recent Form 10-K and Form 10-Q. The extent to which these factors impact us and our borrowers will depend on future developments, which are highly uncertain and cannot be predicted with confidence. Further, forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, except as required by law.

## **Additional Important Information**

The summary information provided in this presentation does not purport to be complete and no obligation to update or otherwise revise such information is being assumed. Nothing shall be relied upon as a promise or representation as to the future performance of the Company. This summary is not an offer to sell securities and is not soliciting an offer to buy securities in any jurisdiction where the offer or sale is not permitted. This summary is not advice, a recommendation or an offer to enter into any transaction with us or any of our affiliated funds. There is no guarantee that any of the goals, targets or objectives described in this summary will be achieved.

The information contained herein is not intended to provide, and should not be relied upon for, accounting, legal, ERISA or tax advice or investment recommendations. Investors should also seek advice from their own independent tax, accounting, financial, ERISA, investment and legal advisors to properly assess the merits and risks associated with their investment in light of their own financial condition and other circumstances. The information contained herein is qualified in its entirety by reference to our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. You may obtain a copy of the most recent Annual Report or Quarterly Report by calling (844) 785-4393 and/or visiting [www.fbrtreit.com](http://www.fbrtreit.com).

This presentation contains information regarding FBRT's financial results that is calculated and presented on the basis of methodologies other than in accordance with accounting principles generally accepted in the United States ("GAAP"), including Distributable Earnings and Run-Rate Distributable Earnings. Please refer to the appendix for the reconciliation of the applicable GAAP financial measures to non-GAAP financial measures.

**PAST PERFORMANCE IS NOT A GUARANTEE OR INDICATIVE OF FUTURE RESULTS. INVESTMENTS INVOLVE SIGNIFICANT RISKS, INCLUDING LOSS OF THE ENTIRE INVESTMENT.** There is no guarantee that any of the estimates, targets or projections illustrated in this summary will be achieved. Any references herein to any of the Company's past or present investments, portfolio characteristics, or performance, have been provided for illustrative purposes only. It should not be assumed that these investments were or will be profitable or that any future investments will be profitable or will equal the performance of these investments. There can be no guarantee that the investment objective of the Company will be achieved. Any investment entails a risk of loss. An investor could lose all or substantially all of his or her investment. Please refer to our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q for a more complete list of risk factors. The following slides contain summaries of certain financial information about the Company. The information contained in this presentation is summary information that is intended to be considered in the context of our filings with the Securities and Exchange Commission and other public announcements that we may make, by press release or otherwise, from time to time.

# FBRT 4Q 2023 Financial Update

# FBRT 4Q 2023 Financial Update:

## Fourth Quarter 2023 Highlights

- Earnings**
- GAAP Net Income of \$30.0 million and \$0.28 per diluted common share and \$0.29 per fully converted share <sup>(1)</sup>
  - Distributable Earnings <sup>(2)</sup> of \$39.3 million and \$0.39 per fully converted share <sup>(1)</sup>
  - Declared a cash dividend of \$0.355 per share, representing a yield of 9.0% on book value per share, fully converted <sup>(1)</sup>. GAAP and Distributable Earnings <sup>(2)</sup> dividend coverage of 80% and 109%, respectively
- Capitalization**
- Book value per share, fully converted is \$15.77 vs. \$15.82 last quarter <sup>(1)</sup>. Undepreciated book value per share, fully converted is \$15.88 vs. \$15.91 last quarter <sup>(1), (3)</sup>
  - Net debt to equity is 2.3x; recourse net debt to equity is 0.2x
  - 89% of financing sources are non-mark-to-market on our core book
  - \$1.5 billion of liquidity of which \$338 million is cash and \$55 million is CLO reinvest available <sup>(4)</sup>
- Investments**
- Core portfolio: Principal balance increased by \$84 million in quarter. Closed \$231 million of new loan commitments and funded \$270 million of principal balance including future funding on existing loans. Received loan repayments of \$174 million
- Portfolio**
- Core portfolio of 144 CRE loans and \$5.0 billion of principal balance, average size of \$35 million and 77% multifamily. During the quarter, one asset was removed from the watch list. Six assets remain on the watch list at quarter-end

1. Fully converted per share information assumes applicable conversion of our outstanding series of convertible preferred stock into common stock and the full vesting of our outstanding equity compensation awards.

2. Please see appendix for GAAP net income to Distributable Earnings and Run-Rate Distributable Earnings calculation.

3. Adjusted for accumulated depreciation and amortization of real property of \$9.4 million and \$8.4 million at 12/31/23 and 9/30/23, respectively.

4. Cash excludes restricted cash. Total liquidity amount includes the cash available we can invest at a market advance rate utilizing our available capacity on financing lines.

# FBRT 4Q 2023 Financial Update: QTD Highlights

## Income Statement

Net interest income / other income	\$54.0
Operating expenses <sup>(1)</sup>	(18.7)
Provision for credit loss	(5.4)
Other income/(loss)	0.1
<b>GAAP net income (loss)</b>	<b>\$30.0</b>
Adjustments to GAAP net income (loss) <sup>(2)</sup>	9.2
<b>Distributable Earnings <sup>(2)</sup></b>	<b>\$39.3</b>
Realized trading and derivatives (gain)/loss on ARMs / Realized Cash Loss Adjustment on REO	-
<b>Run-Rate Distributable Earnings <sup>(2)</sup></b>	<b>\$39.3</b>
Run-Rate Distributable Earnings per share, fully converted <sup>(2),(3)</sup>	\$0.39
Run-Rate Distributable Earnings return on common equity <sup>(2)</sup>	9.8%
GAAP net income (loss) per share, fully converted <sup>(3)</sup>	\$0.29
GAAP return on common equity	7.2%
GAAP dividend coverage, fully converted <sup>(2),(3)</sup>	80.4%
<b>Distributable Earnings per share, fully converted <sup>(2),(3)</sup></b>	<b>\$0.39</b>
<b>Distributable Earnings return on common equity <sup>(2)</sup></b>	<b>9.8%</b>
<b>Distributable Earnings dividend coverage, fully converted <sup>(2),(3)</sup></b>	<b>109.0%</b>
Dividend per share	\$0.355
Dividend per share yield on book value	9.0%

## Balance Sheet - Assets (End of Quarter)

Total core portfolio	\$4,989.8
Total real estate securities	\$242.6
Cash and restricted cash	\$343.7
CLO reinvestment available	\$54.5
Other assets	\$324.6
<b>Total assets</b>	<b>\$5,955.2</b>

## Balance Sheet - Debt & Equity

Collateralized loan obligations	3,567.2
Warehouse	299.7
Repo - securities	174.1
Asset specific financings	60.5
Unsecured debt	81.3
<b>Total Debt</b>	<b>\$4,182.8</b>
Preferred equity <sup>(4)</sup>	348.5
Common stock/retained earnings <sup>(5)</sup>	1,327.5
Total equity <sup>(4),(5)</sup>	1,676.0
<b>Book value per share, fully converted <sup>(3)</sup></b>	<b>\$15.77</b>

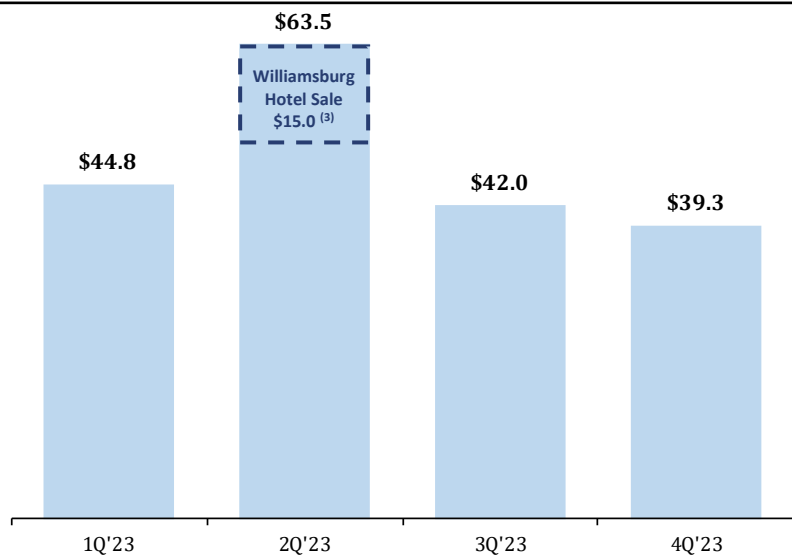
<b>Net debt/total equity</b>	<b>2.29x</b>
<b>Recourse net debt/total equity</b>	<b>0.16x</b>

Note: All numbers in millions except per share and share data.

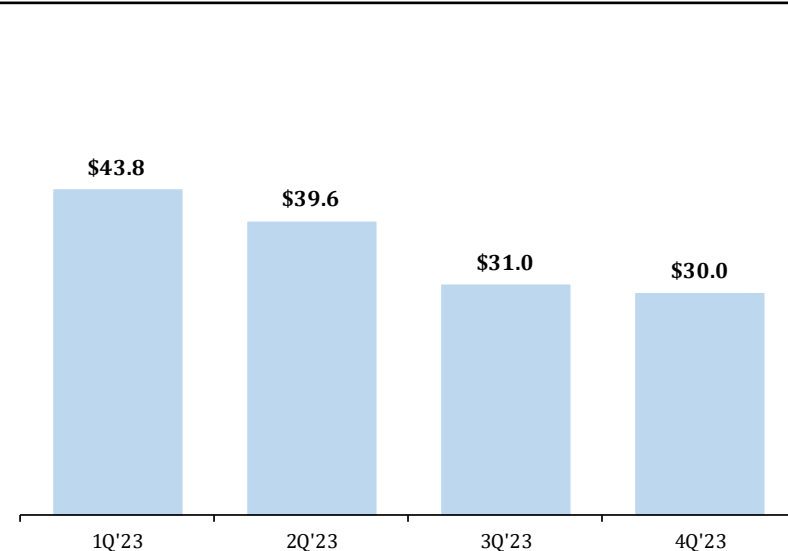
- Does not include conduit operating expenses which are reported under Other income / (loss).
- Please see appendix for the detail on the adjustments from GAAP net income to Distributable Earnings and Run Rate Distributable Earnings.
- Fully converted per share information assumes applicable conversion of our outstanding series of convertible preferred stock into common stock and the full vesting of our outstanding equity compensation awards.
- Includes \$90 million of preferred equity that converts to common equity on 1/21/25, subject to the holder's right to accelerate the conversion. These amounts are reflected as temporary equity on the consolidated balance sheets. The remaining \$259 million of preferred equity represents the E class, which does not convert to common equity.
- Includes non-controlling interest.

# FBRT 4Q 2023 Financial Update: Earnings and Distributions

## Distributable Earnings (\$M) <sup>(1)</sup>



## GAAP Net Income (Loss) (\$M)



Quarter	Dividend per share
1Q'23	\$0.355
2Q'23	\$0.355
3Q'23	\$0.355
4Q'23	\$0.355

Quarter	Distributable earnings per share, fully converted <sup>(1), (2)</sup>
1Q'23	\$0.44
2Q'23	\$0.66
3Q'23	\$0.43
4Q'23	\$0.39

Quarter	Distributable dividend coverage, fully converted <sup>(1), (2)</sup>
1Q'23	125%
2Q'23	185%
3Q'23	120%
4Q'23	109%

Note: All numbers in millions except per share data.

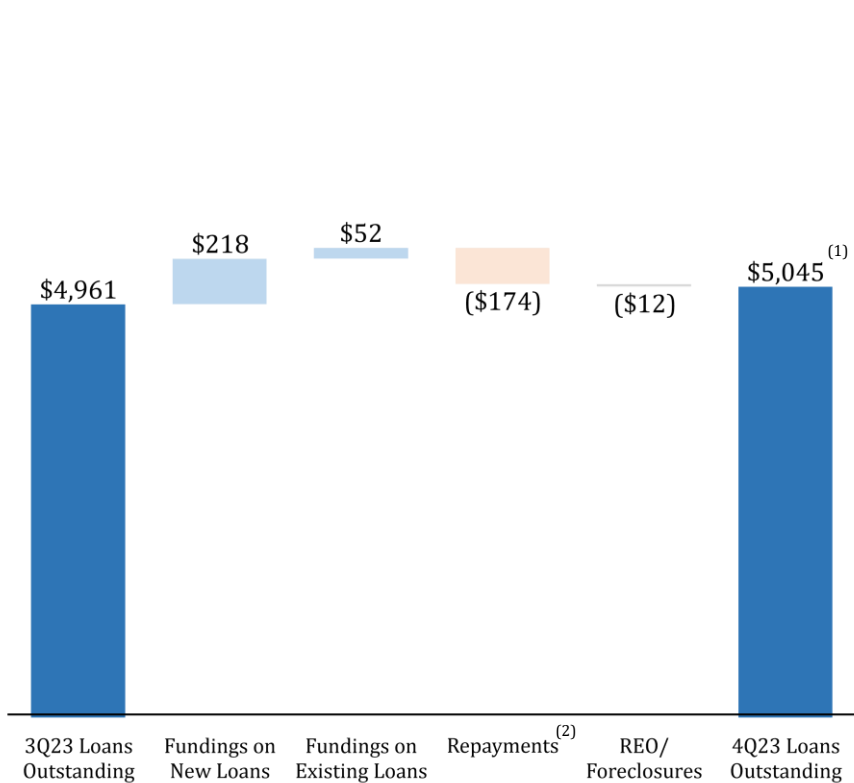
1. Please see appendix for GAAP net income to Distributable Earnings calculation.

2. Fully converted per share information assumes applicable conversion of our outstanding series of convertible preferred stock into common stock and the full vesting of our outstanding equity compensation awards.

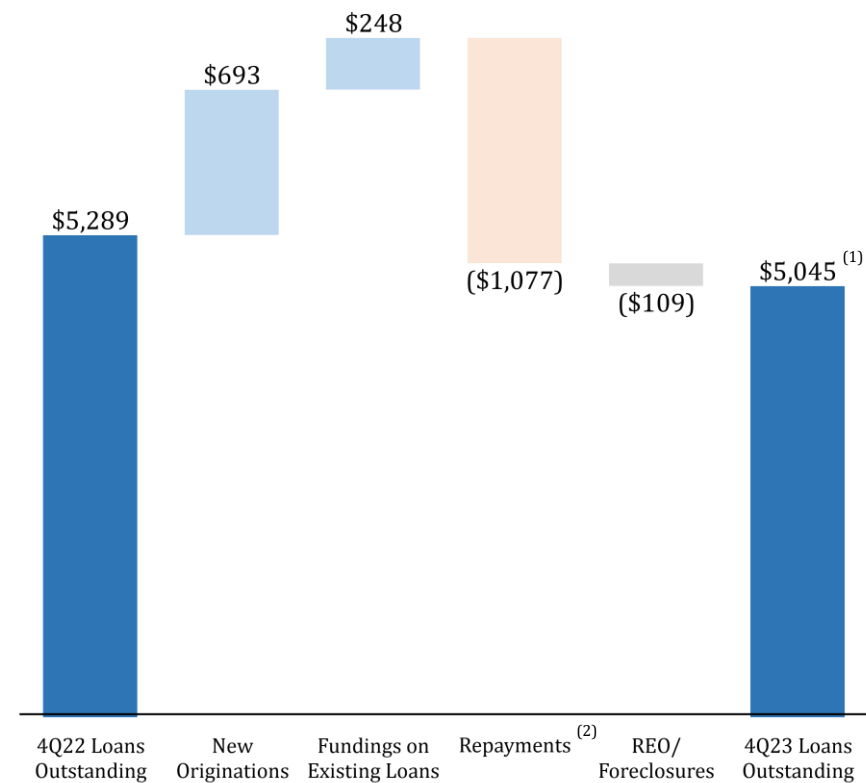
3. In Q2 2023, the sale of the Williamsburg Hotel loan accounted for approximately \$15.0 million of Distributable Earnings.

# FBRT 4Q 2023 Financial Update: Core Loan Originations

## 4Q 2023 (\$M)



## FY 2023 (\$M)



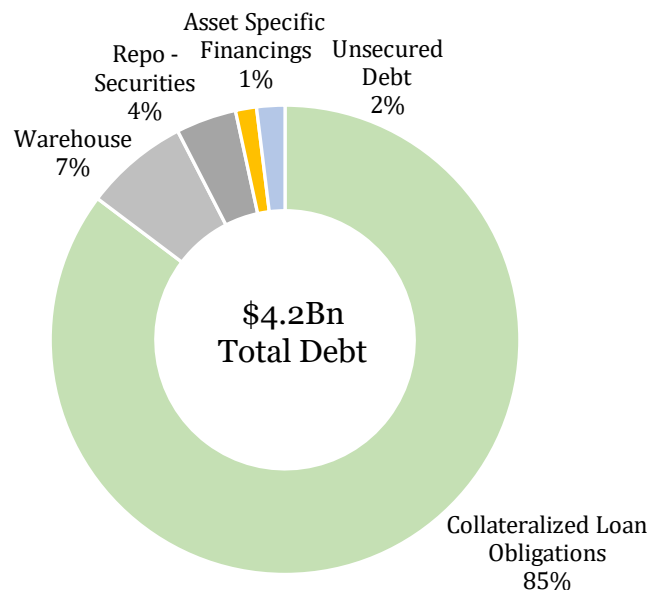
Note: All numbers in millions. Numbers in charts above represent principal balance.

1. As of December 31, 2023, future funding remaining on the loans outstanding was \$288 million.

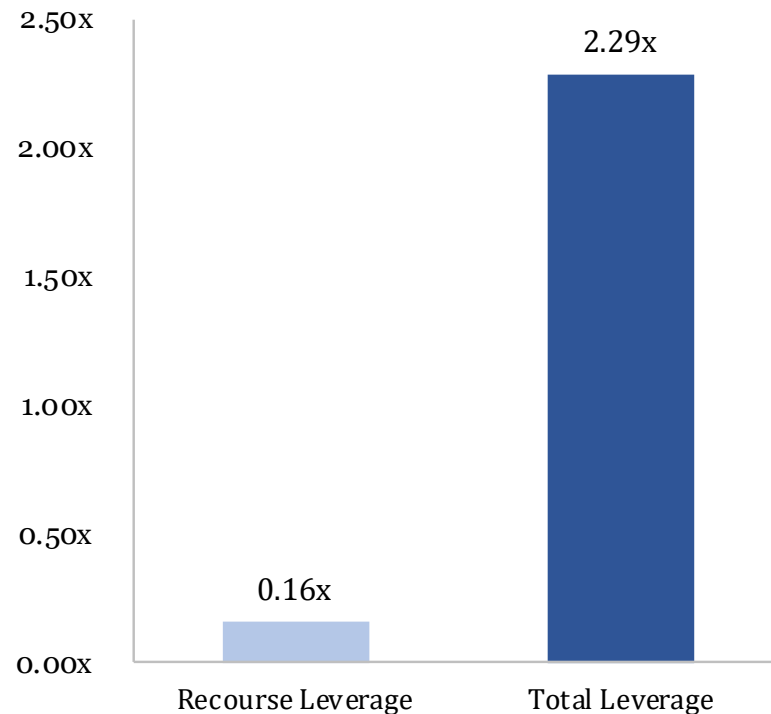
2. Includes full paydowns, dispositions, partial paydowns and amortization.

## Financing Sources <sup>(1)</sup>

FBRT average debt cost including financing costs was 7.9% in 4Q23 vs. 7.7% last quarter



## Net Leverage



1. On our core book (excluding repo-securities), 89% of financings are non-mark-to-market.

# FBRT 4Q 2023 Financial Update: Financing Detail

## CLOs

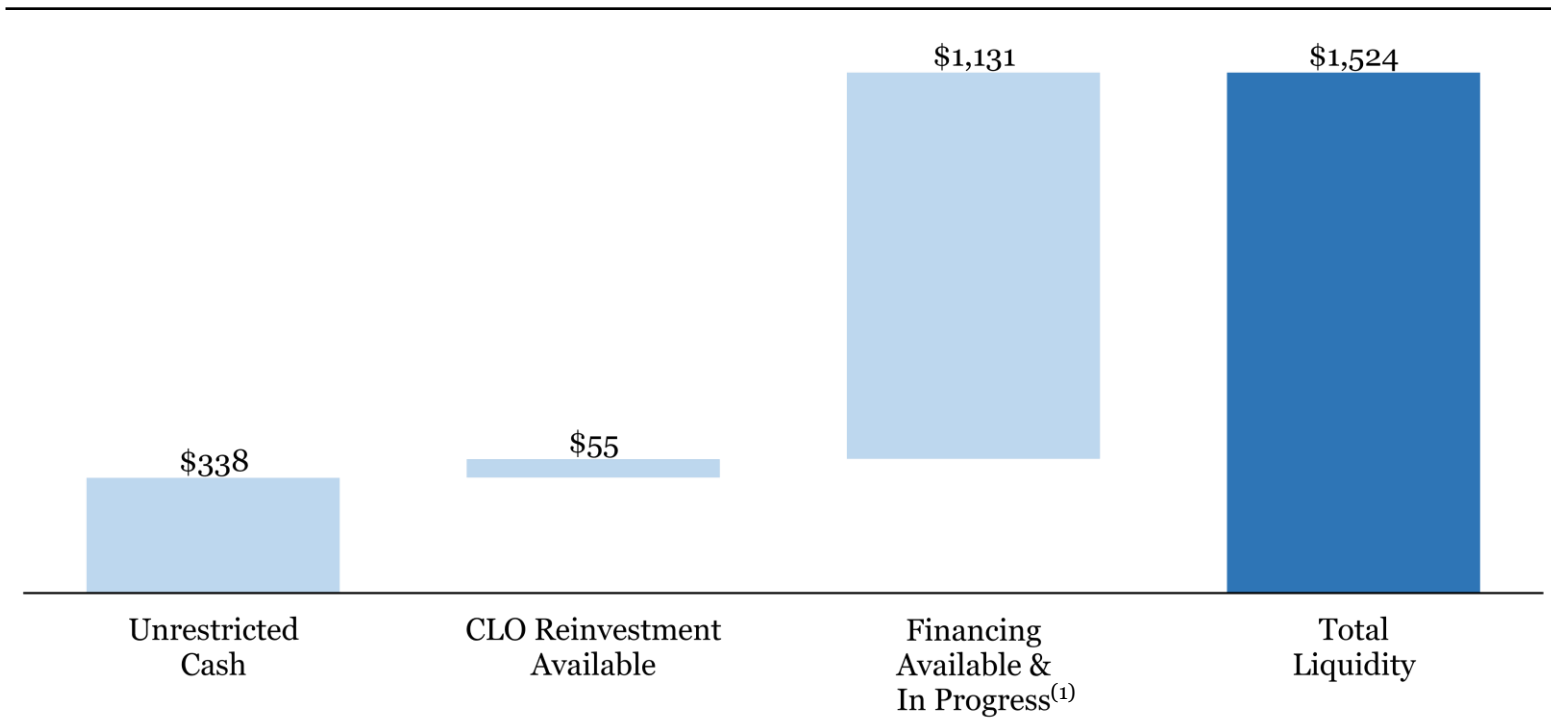
CLO Name	Debt Amount <sup>(1)</sup>	Reinvest End Date	Cost of Debt <sup>(2)</sup>
BSPRT 2021-FL6	\$558 million	Ended	S + 1.43%
BSPRT 2021-FL7	\$720 million	1/8/24	S + 1.64%
BSPRT 2022-FL8	\$960 million	3/8/24	S + 1.72%
BSPRT 2022-FL9	\$671 million	7/8/24	S + 2.80%
BSPRT 2023-FL10	\$689 million	4/8/25	S + 2.57%
<b>Total</b>	<b>\$3,598 million</b>		
CLO reinvestment available	\$55 million		
Repo – Securities (outstanding)	\$174 million		

## Warehouse/Revolver/Other

Name	Commitment <sup>(3)</sup>
Barclays (Warehouse)	\$500 million
Wells Fargo	\$400 million
JP Morgan	\$500 million
Atlas SP Partners	\$600 million
Churchill	\$225 million
Barclays (Secured Revolver)	\$250 million
Webster Bank loan participation	\$37 million
<b>Total</b>	<b>\$2,512 million</b>

1. Outstanding balance at December 31, 2023 and net of tranches held by FBRT.
2. Cost of debt is shown before discount and transaction costs.
3. Commitment for loans. Excludes bond repurchase agreements.

## Liquidity (\$M)



Note: All numbers in millions.

1. Represents cash available we can invest at a market advance rate utilizing our available capacity on financing lines.

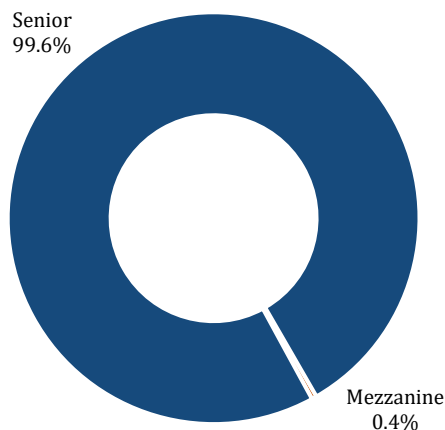
# Portfolio

# Portfolio: Core Loan Portfolio Composition

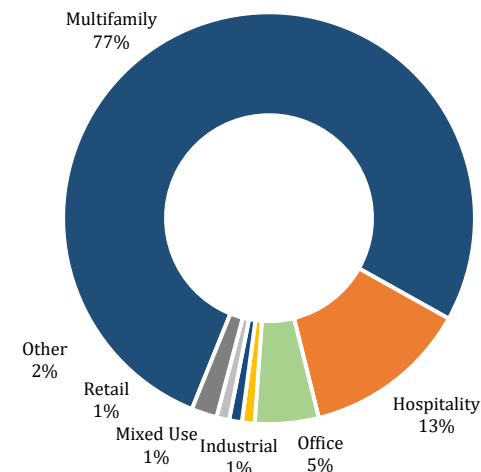
## Portfolio Overview

- \$5.0 billion total portfolio
- 138 senior loans; average size of ~\$36 million
- 6 mezzanine loans; average size of ~\$3 million
- Two non-performing loans

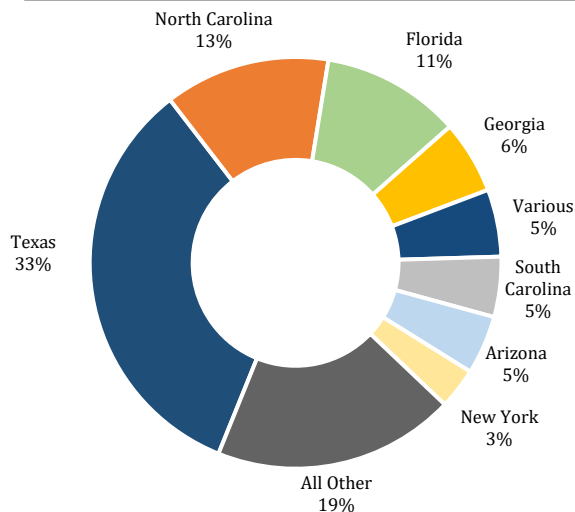
## Portfolio Summary



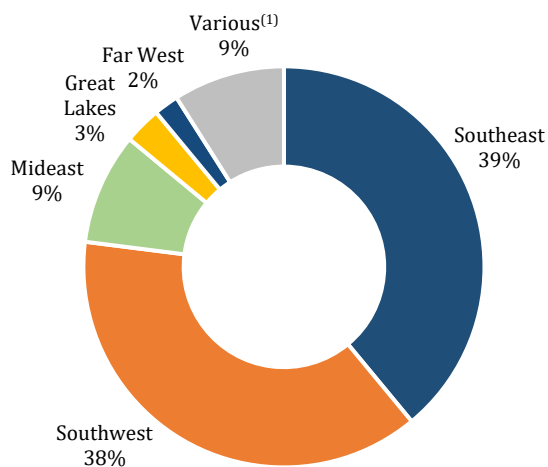
## Collateral Summary



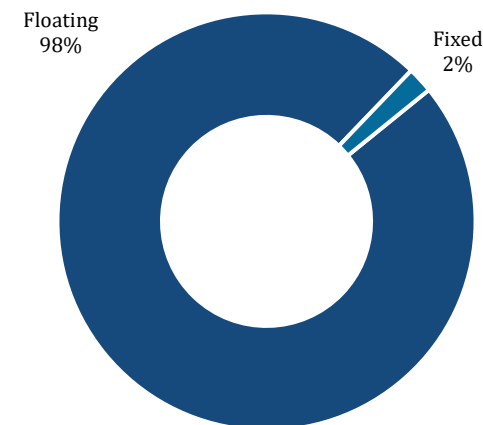
## Collateral by State



## Collateral by Region



## Rate Type



1. Regions included: New England, Plains, Rocky Mountain.

# Portfolio: Core Originations in the Quarter

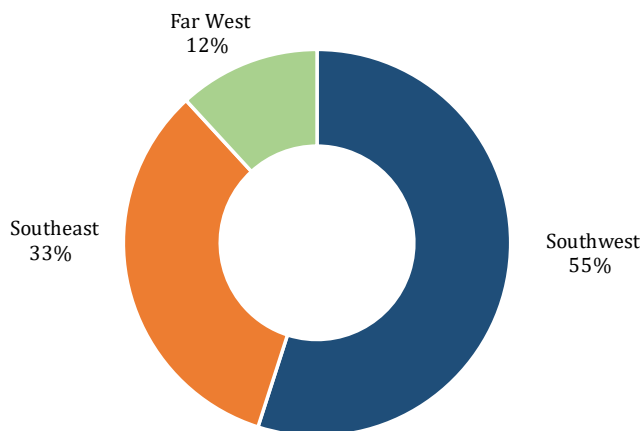
## Overview

- 7 loans; \$231 million total commitment (\$218 million of initial funding / \$14 million of future funding)
- 3.91% weighted average spread; 9.26% all-in coupon<sup>(1)</sup>. 1.0% and 0.5% weighted average origination and exit fees, respectively

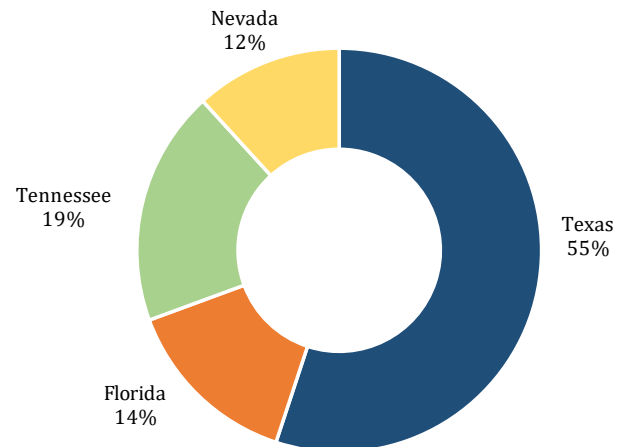
## By Collateral



## By Region



## By State



Note: All numbers in millions. Charts shown above are based on the initial funding/unpaid principal balance of the newly originated loans.

1. All-in coupon based on the 1- month SOFR index as of 12/31/23.

# Portfolio:

## Core Portfolio - Case Studies: Watch List Loans (Risk Rating 4&5)

<b>Investment</b>	<b>CBD Office Building</b>	<b>Suburban Office Park</b>	<b>Full Service Hotel</b>	<b>352-Unit Apartment Community</b>	<b>471-Unit Apartment Community</b>	<b>Two Property Portfolio Apartment Communities</b>
Loan Type	Floating Rate Senior Loan	Floating Rate Senior Loan	Floating Rate Senior Loan	Floating Rate Senior Loan	Floating Rate Senior Loan	Floating Rate Senior Loan
Investment Date	Q1 2021	Q4 2019	Q3 2019	Q4 2021	Q2 2022	Q2 2022
Default Date	None	None	None	Q4 2023	None	None
Non-Accrual	No	No	No	Yes	No	No
Collateral	31-Story, 299k Square Foot Office Building	Two, 6-Story Office Buildings	279-Key, Full-Service Hotel	352-Unit, Garden Style Apartment Community	471-Unit, Garden Style Apartment Community	Two Property, Garden-Style Apartment Communities
Loan Purpose	Refinance	Acquisition	Acquisition	Acquisition	Acquisition	Acquisition
Location	Denver, Colorado	Alpharetta, Georgia	Dallas, Texas	San Antonio, Texas	Raleigh, North Carolina	Mooreville & Chapel Hill, North Carolina
Loan Risk Rating	4	4	4	4	4	4

# Portfolio:

## Foreclosure Real Estate Owned (“REO”)

<b>Investment</b>	<b>Single Tenant Retail Portfolio</b>	<b>CBD Office Complex</b>	<b>16-Building Apartment Complex</b>
Loan Investment Date	Q2 2022	Q1 2020	Q1 2021
Foreclosure / Deed-In-Lieu Date	Q4 2022 - Q2 2023	Q3 2023	Q4 2023
Collateral Type	Retail	Office	Multifamily
Collateral Detail	23 Freestanding Retail Properties	124k Square Foot Office Complex	236-Unit Apartment Complex with 16 Buildings
Location	Various	Portland, Oregon	Lubbock, Texas

Note: Foreclosure REO is \$122 million of net book value. In addition, FBRT owns an investment REO with a total net book value of \$128 million, which is not presented above.

# Appendix

# Appendix:

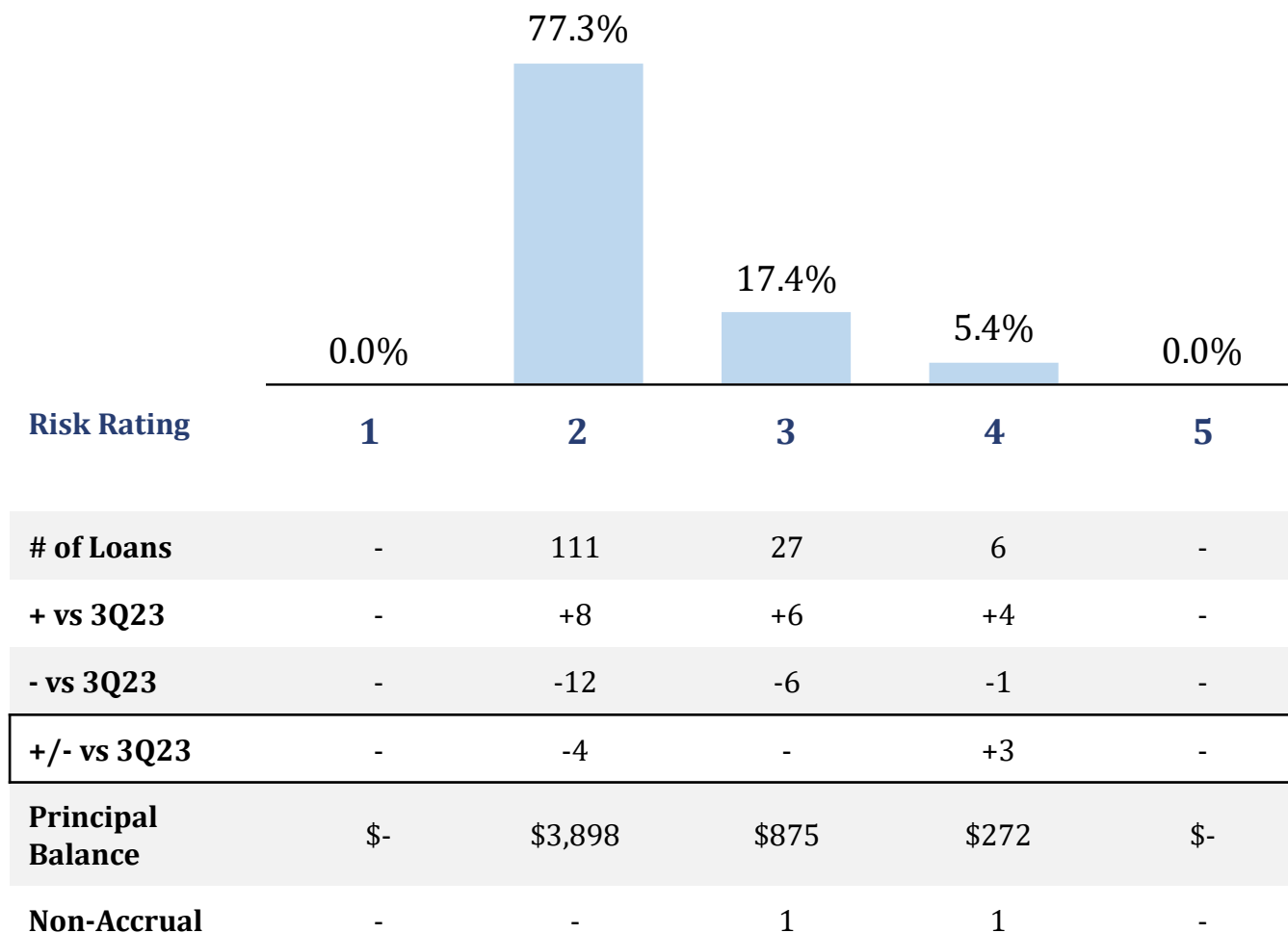
## Core Portfolio - FBRT Portfolio Details – Top 15 Loans

	Loan Type	Origination Date	Current Total Commitment	Principal Balance	Carrying Value	Spread	All-in Yield <sup>(1)</sup>	Fully Extended Maturity	State	Collateral Type	As-is LTV <sup>(2)</sup>
Loan 1	Senior Loan	5/26/21	\$155	\$152	\$152	+ 4.55%	10.36%	6/9/26	Florida	Multifamily	47.8%
Loan 2	Senior Loan	6/1/22	152	147	147	+ 3.95%	9.80%	6/9/27	Various	Multifamily	67.8%
Loan 3	Senior Loan	2/9/23	120	120	120	+ 4.90%	10.92%	2/9/28	Various	Hospitality	53.6%
Loan 4	Senior Loan	2/25/22	86	86	86	+ 3.24%	9.08%	3/9/26	New Jersey	Multifamily	60.0%
Loan 5	Senior Loan	2/24/22	86	86	85	+ 3.15%	9.24%	3/9/27	North Carolina	Multifamily	69.6%
Loan 6	Senior Loan	6/1/22	86	84	84	+ 3.95%	9.80%	6/9/27	North Carolina	Multifamily	71.8%
Loan 7	Senior Loan	2/10/22	82	82	82	+ 3.20%	8.93%	2/9/27	Florida	Multifamily	74.5%
Loan 8	Senior Loan	12/15/21	84	81	81	+ 3.21%	8.81%	1/9/27	North Carolina	Multifamily	76.1%
Loan 9	Senior Loan	8/1/23	80	79	79	+ 3.20%	9.05%	8/9/28	Texas	Multifamily	58.7%
Loan 10	Senior Loan	12/21/21	79	78	78	+ 3.45%	9.00%	1/9/27	Florida	Multifamily	78.8%
Loan 11	Senior Loan	3/31/21	79	76	76	+ 2.95%	8.62%	4/9/26	Texas	Multifamily	72.6%
Loan 12	Senior Loan	5/18/22	71	71	71	+ 3.80%	9.64%	6/9/27	Georgia	Multifamily	77.9%
Loan 13	Senior Loan	6/14/22	71	71	71	+ 3.45%	9.61%	6/9/27	Georgia	Multifamily	71.6%
Loan 14	Senior Loan	9/20/21	70	70	69	+ 3.25%	9.21%	10/9/26	South Carolina	Multifamily	77.1%
Loan 15	Senior Loan	11/30/21	69	69	69	+ 2.88%	8.84%	12/9/26	Texas	Multifamily	74.8%
Loans 16 - 144	Senior & Mezz Loans	Various	3,965	3,694	3,688	+ 3.84%	9.71%	Various	Various	Various	64.8%
CECL Reserve					(48)						
<b>Total/Wtd. avg.</b>			<b>\$5,333</b>	<b>\$5,045</b>	<b>\$4,989</b>	<b>+ 3.79%</b>	<b>9.66%</b>	<b>2.9 years</b>			<b>65.4%</b>
<b>Average Loan Size</b>			<b>\$37</b>	<b>\$35</b>	<b>\$35</b>						

Note: All numbers in millions.

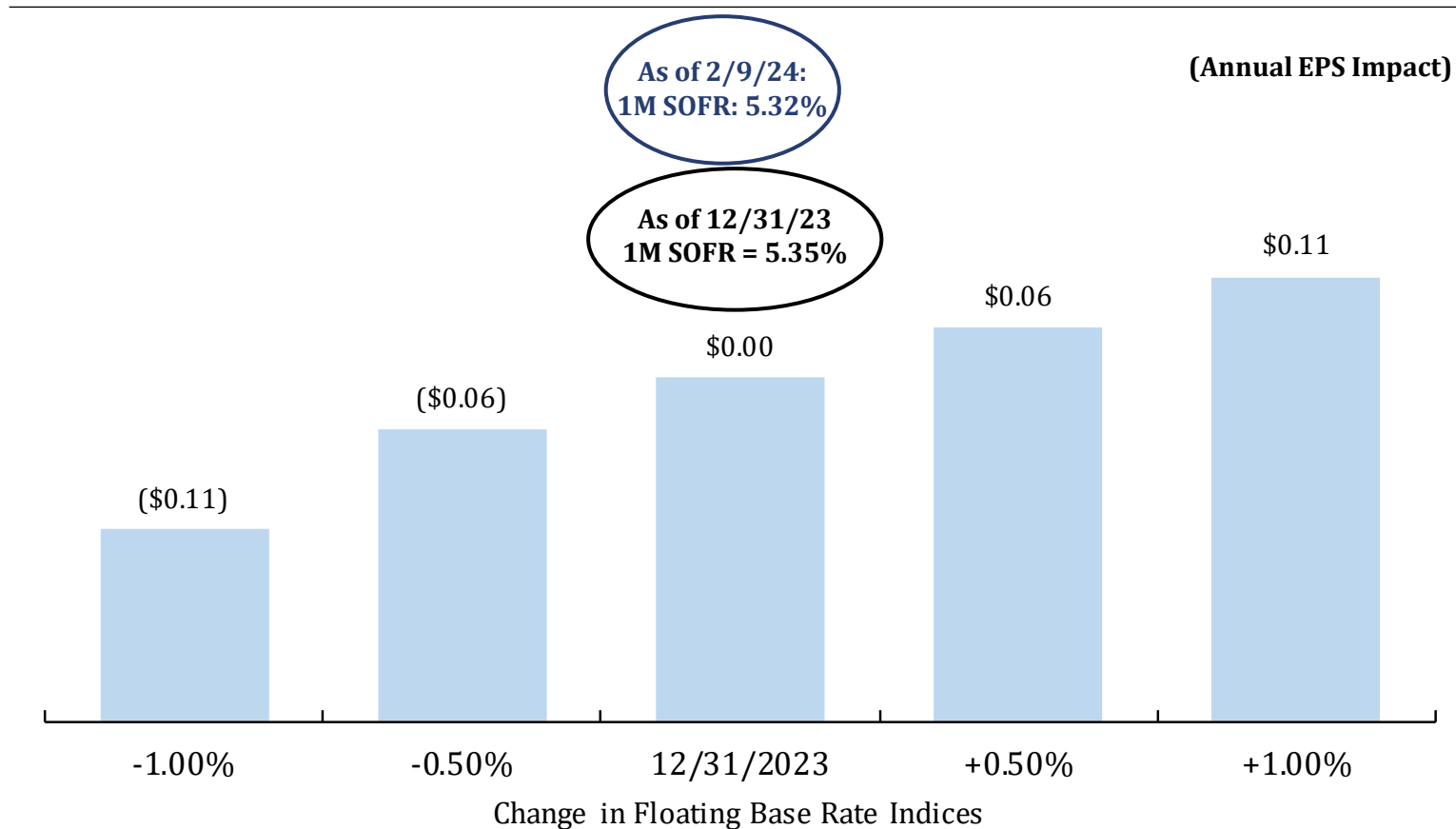
1. All-in Yield defined as: (1) current spread of the loan plus (2) any applicable index or index floor plus (3) origination and exit fees amortized over the initial maturity date of the loan.
2. As-is loan to value percentage is from metrics at origination. Predevelopment construction loans at origination will not have an LTV and therefore is nil.

**Average risk rating was 2.3 for the quarter vs. 2.2 last quarter**



**Positive earnings correlation to rising rates**

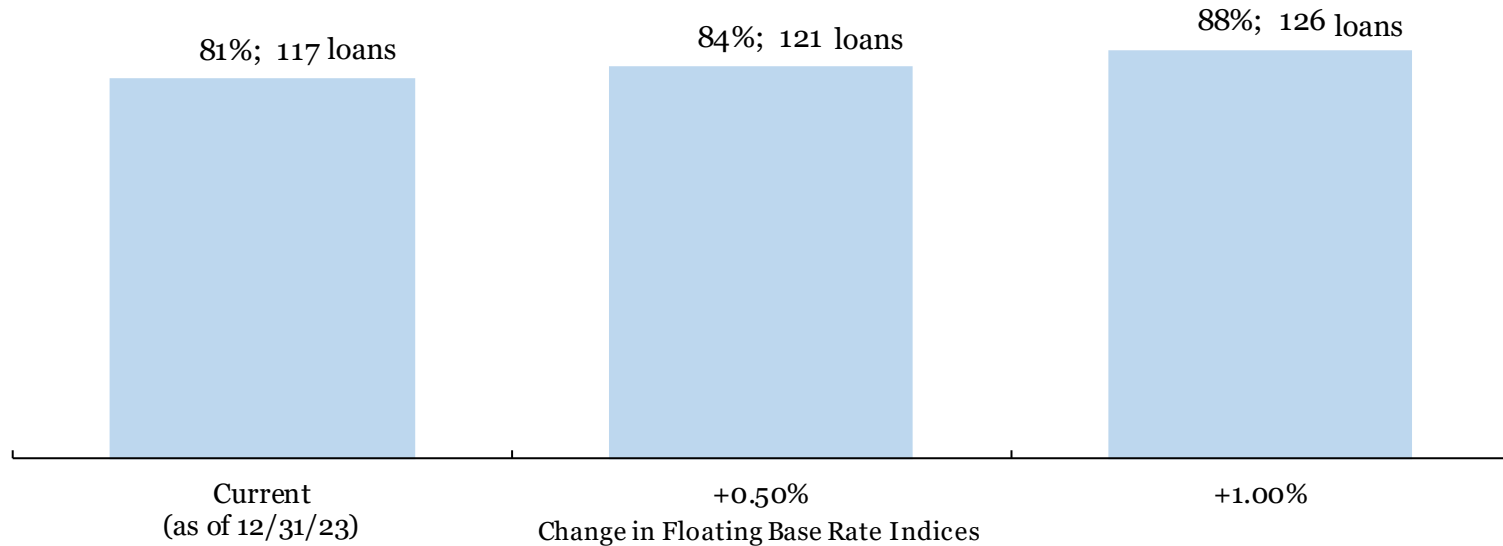
**Sensitivity on Index Rates**



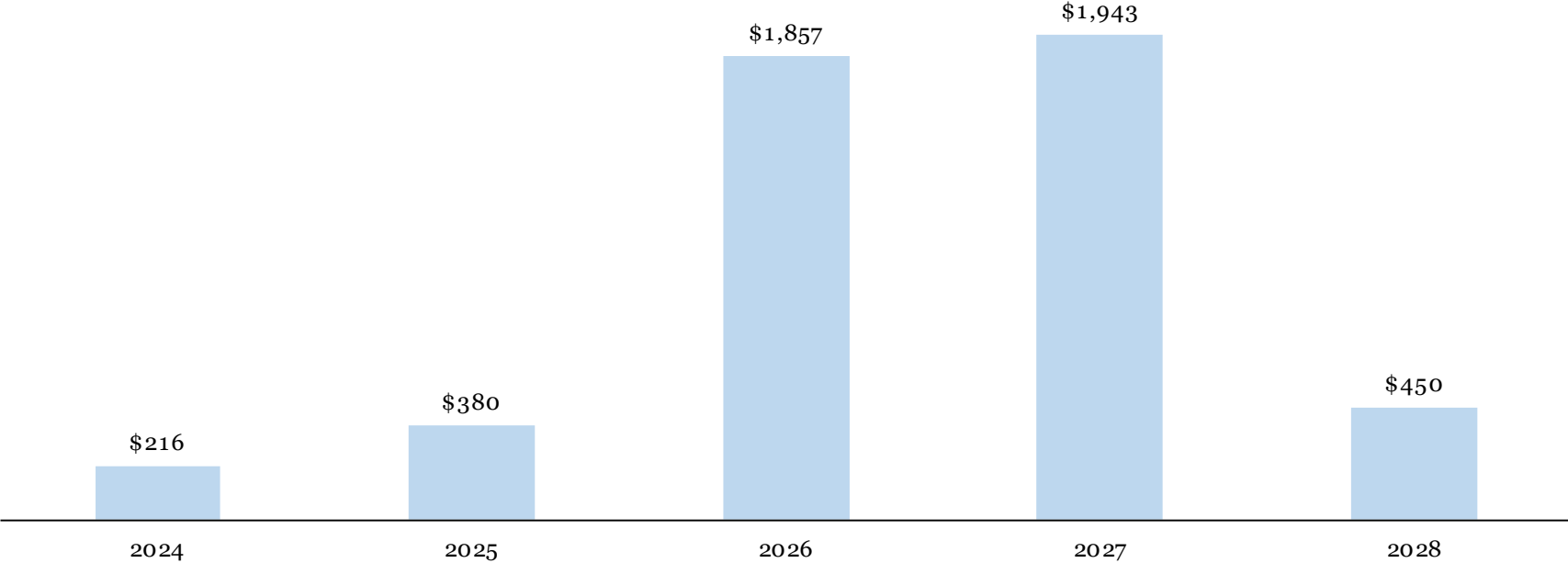
**88% of our loans have a rate cap (average of 2.8% rate cap) and 81% were activated as of 12/31/23**

## Percentage and Number of Loans with Rate Caps Activated

All loans with rate caps are activated at +1.00% and above

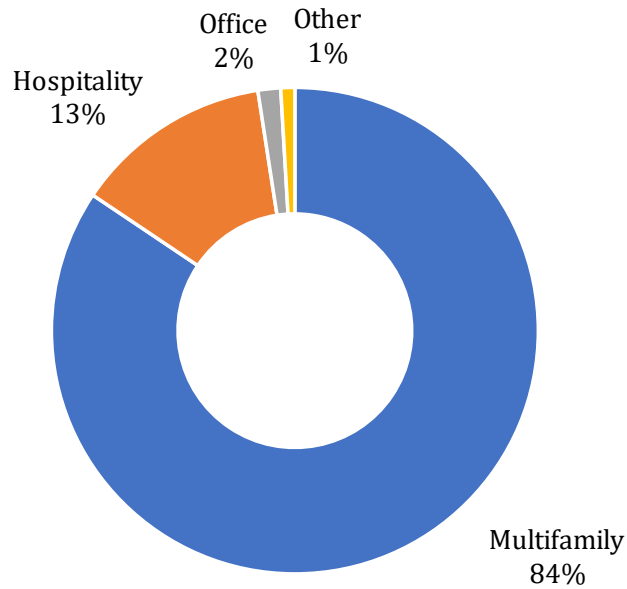


### Fully Extended Maturity by Year



Note: All numbers in millions. Excludes loans on non-accrual and loans in maturity default at 12/31/23.

### Allowance for Loan Loss by Collateral Type



*\$ millions*

Allowance for Loan Loss Balance at 9/30/23 - General Reserve	\$42.9
Provision for Credit Loss - General Reserve	5.4
<b>Allowance for Loan Loss Balance at 12/31/23 - Before Asset-Specific Reserve</b>	<b>\$48.3</b>
Asset-Specific Reserve at 9/30/23	-
Provision / (Benefit) for Credit Loss - Asset-Specific	-
<b>Allowance for Loan Loss Balance at 12/31/23 - Including Asset-Specific Reserve</b>	<b>\$48.3</b>
Portfolio Principal Balance	\$5,045
<b>Total Allowance for Loan Loss % of Portfolio</b>	<b>1.0%</b>

# Appendix:

## Segment Reporting Summary

	Nominal (\$000s)	Weighted Average Shares Outstanding, Fully Converted <sup>(3)</sup>	Earnings Per Share, Fully Converted <sup>(3)</sup>	Daily Average Common Equity (\$000s)	Return on Common Equity
GAAP Net Income (Loss)	\$30,031	88,182,810	\$0.29	\$1,394,883	7.2%
Run-Rate Distributable Earnings <sup>(1)</sup>	\$39,263	88,182,810	\$0.39	\$1,394,883	9.8%
Distributable Earnings <sup>(1)</sup>	\$39,263	88,182,810	\$0.39	\$1,394,883	9.8%
<b>GAAP Net Income (Loss):</b>					
Core <sup>(2)</sup>	29,268	82,255,399	\$0.30	1,301,123	7.5%
Securities	763	5,927,411	\$0.13	93,760	3.3%
<b>Total</b>	<b>\$30,031</b>	<b>88,182,810</b>	<b>\$0.29</b>	<b>\$1,394,883</b>	<b>7.2%</b>
<b>Run-Rate Distributable Earnings: <sup>(1)</sup></b>					
Core <sup>(2)</sup>	38,499	82,255,399	\$0.41	1,301,123	10.3%
Securities	763	5,927,411	\$0.13	93,760	3.3%
<b>Total</b>	<b>\$39,263</b>	<b>88,182,810</b>	<b>\$0.39</b>	<b>\$1,394,883</b>	<b>9.8%</b>
<b>Distributable Earnings: <sup>(1)</sup></b>					
Core <sup>(2)</sup>	38,499	82,255,399	\$0.41	1,301,123	10.3%
Securities	763	5,927,411	\$0.13	93,760	3.3%
<b>Total</b>	<b>\$39,263</b>	<b>88,182,810</b>	<b>\$0.39</b>	<b>\$1,394,883</b>	<b>9.8%</b>

Note: All numbers in thousands except share and per share data. "nm" represents not meaningful.

1. Please see appendix for the detail on the adjustments from GAAP net income to Distributable Earnings and Run Rate Distributable Earnings.
2. Includes the real estate debt and other real estate investments segment, TRS segment and real estate owned segment. The preferred E dividend is subtracted from the earnings for the earnings per share and return on common equity calculations.
3. Fully converted per share information assumes applicable conversion of our outstanding series of convertible preferred stock into common stock and the full vesting of our outstanding equity compensation awards.

# Appendix:

## GAAP Net Income to Distributable Earnings Reconciliation

	1Q'23	2Q'23	3Q'23	4Q'23
<b>GAAP Net Income (Loss)</b>	<b>43.8</b>	<b>39.6</b>	<b>31.0</b>	<b>30.0</b>
<b>Adjustments:</b>				
CLO Amortization Acceleration <sup>(1)</sup>	(1.5)	(1.2)	(1.3)	(1.6)
Unrealized (Gain) / Loss <sup>(2)</sup>	0.6	2.7	4.3	(0.0)
Subordinated Performance Fee <sup>(3)</sup>	(0.6)	2.6	1.6	2.6
Non-Cash Compensation Expense	1.0	1.2	1.3	1.3
Depreciation & Amortization	1.8	2.2	1.5	1.6
(Reversal of) / Provision for Credit Loss	4.4	21.6	2.4	5.4
Loan Workout Charges / (Loan Workout Recoveries) <sup>(4)</sup>	-	(5.1)	-	-
Realized (Gain) / Loss on Debt Extinguishment / CLO Call	(4.8)	(0.3)	2.8	-
Realized Trading and Derivatives (Gain) / Loss on ARMs	(2.2)	(0.2)	3.1	-
<b>Run-Rate Distributable Earnings <sup>(5)</sup></b>	<b>42.5</b>	<b>63.3</b>	<b>46.7</b>	<b>39.3</b>
Realized Cash Gain/(Loss) Adjustment on REO <sup>(6)</sup>	-	-	(1.6)	-
Realized Trading and Derivatives Gain / (Loss) on ARMs	2.2	0.2	(3.1)	-
<b>Distributable Earnings</b>	<b>44.8</b>	<b>63.5</b>	<b>42.0</b>	<b>39.3</b>
Preferred Equity E Class Dividend	(4.8)	(4.8)	(4.8)	(4.8)
Depreciation and Amortization Attributed to Noncontrolling Interests of Joint Ventures	(0.4)	(0.4)	0.8	(0.0)
Noncontrolling Interests in Joint Ventures Net (Income) / Loss	(0.0)	(0.0)	(0.3)	(0.3)
<b>Distributable Earnings to Common <sup>(7)</sup></b>	<b>39.6</b>	<b>58.2</b>	<b>37.6</b>	<b>34.1</b>
Average Common Stock & Common Stock Equivalents <sup>(8)</sup>	1,422.6	1,413.5	1,402.4	1,394.9
GAAP Net Income (Loss) ROE	11.0%	9.8%	7.7%	7.2%
Run-Rate Distributable Earnings ROE	10.5%	16.4%	12.1%	9.8%
Distributable Earnings ROE	11.1%	16.5%	10.7%	9.8%
GAAP Net Income / (Loss) Earnings Per Share, Diluted	\$0.44	\$0.39	\$0.30	\$0.28
Fully Converted Weighted Average Shares Outstanding <sup>(9)</sup>	88,916,252	88,421,116	88,390,522	88,182,810
GAAP Net Income / (Loss) Earnings Per Share, Fully Converted <sup>(10)</sup>	\$0.44	\$0.39	\$0.30	\$0.29
Run-Rate Distributable Earnings Per Share, Fully Converted <sup>(10)</sup>	\$0.42	\$0.66	\$0.48	\$0.39
Distributable Earnings Per Share, Fully Converted <sup>(10)</sup>	\$0.44	\$0.66	\$0.43	\$0.39

Note: All numbers in millions except share and per share data.

- Adjusted for non-cash CLO amortization acceleration to effectively amortize issuance costs of our CLOs over the expected lifetime of the CLOs. We assume our CLOs will be outstanding for four years and amortized the financing costs over four years in our distributable earnings as compared to effective yield methodology in our GAAP earnings.
- Represents unrealized gains and losses on (i) commercial mortgage loans, held for sale, measured at fair value, (ii) other real estate investments, measured at fair value, (iii) derivatives, and (iv) ARMs.
- Represents accrued and unpaid subordinated performance fee. In addition, reversal of subordinated performance fee represents cash payments of the subordinated performance fee made during the period.
- Represents loan workout charges the Company incurred, which the Company deemed likely to be recovered. Reversal of loan workout charges represent recoveries received. During the second quarter of 2023, the Company recovered \$5.1 million of loan workout charges, in aggregate, related to the loan workout charges incurred in the first, second, and third quarters of 2022 amounting to \$1.9 million, \$3.0 million, and \$0.2 million, respectively.
- Equal to Distributable Earnings excluding the realized trading and derivatives gain/loss on ARMs and realized cash gain/loss adjustment on REO.
- Represents the actual realized cash loss on a specific REO investment.
- Distributable Earnings to common is net of preferred equity E class dividend payment and non-controlling interests in joint ventures.
- Represents the average of all equity except the preferred equity E class.
- Fully converted per share information assumes applicable conversion of our outstanding series of convertible preferred stock into common stock and the full vesting of our outstanding equity compensation awards.
- Calculated as GAAP net income less preferred dividend on preferred equity E class and non-controlling interests in joint ventures or Distributable Earnings to Common divided by fully converted weighted average shares outstanding.

# Appendix:

## Book Value Per Share & Shares Outstanding

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Stockholders' equity applicable to convertible common stock	\$ 1,390,120	\$ 1,398,986
Shares:		
Common stock	81,942,656	82,479,743
Restricted stock and restricted stock units	809,257	513,041
Series H convertible preferred stock	5,370,498	5,370,640
Series I convertible preferred stock	—	299,200
<b>Total outstanding shares</b>	<b>88,122,411</b>	<b>88,662,624</b>
Fully-converted book value per share <sup>(1) (2)</sup>	<b>\$ 15.77</b>	<b>\$ 15.78</b>

Note: All numbers in thousands except per share and share data. Preferred stock values expressed in common stock equivalents.

1. Fully-converted book value per share reflects full conversion of our outstanding series of convertible preferred stock and vesting of our outstanding equity compensation awards.
2. Excluding the amounts for accumulated depreciation and amortization of real property of \$9.4 million and \$5.2 million as of December 31, 2023 and 2022, respectively, would result in a fully-converted book value per share of \$15.88 and \$15.84 as of December 31, 2023 and 2022, respectively.

# Appendix:

## FBRT Income Statement

	Year Ended December 31,		
	2023	2022	2021
<b>Income</b>			
Interest income	\$ 552,506	\$ 357,705	\$ 216,890
Less: Interest expense	305,577	160,526	56,193
Net interest income	246,929	197,179	160,697
Revenue from real estate owned	17,021	9,655	4,759
<b>Total income</b>	<b>\$ 263,950</b>	<b>\$ 206,834</b>	<b>\$ 165,456</b>
<b>Expenses</b>			
Asset management and subordinated performance fee	\$ 33,847	\$ 26,157	\$ 28,110
Acquisition expenses	1,241	1,360	1,203
Administrative services expenses	14,440	12,928	7,658
Impairment of acquired assets	—	—	88,282
Professional fees	15,270	22,566	11,650
Share-based compensation	4,761	2,519	—
Depreciation and amortization	7,128	5,408	2,107
Other expenses	11,135	6,572	3,946
<b>Total expenses</b>	<b>\$ 87,822</b>	<b>\$ 77,510</b>	<b>\$ 142,956</b>
<b>Other income/(loss)</b>			
(Provision)/benefit for credit losses	\$ (33,738)	\$ (36,115)	\$ 5,192
Realized gain/(loss) on extinguishment of debt	2,201	(5,167)	(4,642)
Realized gain/(loss) on sale of available for sale trading securities	80	—	—
Realized gain/(loss) on sale of commercial mortgage loans, held for sale	—	(354)	26
Realized gain/(loss) on sale of commercial mortgage loans, held for sale, measured at fair value	3,873	2,358	24,208
Gain/(loss) on other real estate investments	(7,089)	(692)	9,790
Unrealized gain/(loss) on commercial mortgage loans, held for sale, measured at fair value	44	(511)	469
Trading gain/(loss)	(605)	(119,220)	(36,128)
Unrealized gain/(loss) on derivatives	(140)	(15,840)	7,402
Realized gain/(loss) on derivatives	998	60,033	484
<b>Total other income/(loss)</b>	<b>\$ (34,376)</b>	<b>\$ (115,508)</b>	<b>\$ 6,801</b>
Income/(loss) before taxes	141,752	13,816	29,301
(Provision)/benefit for income tax	2,757	399	(3,599)
<b>Net income/(loss)</b>	<b>\$ 144,509</b>	<b>\$ 14,215</b>	<b>\$ 25,702</b>
<b>Net (income)/loss attributable to non-controlling interest</b>	<b>706</b>	<b>216</b>	<b>—</b>
<b>Net income/(loss) attributable to Franklin BSP Realty Trust, Inc.</b>	<b>\$ 145,215</b>	<b>\$ 14,431</b>	<b>\$ 25,702</b>
Less: Preferred stock dividends	26,993	41,741	33,587
<b>Net income/(loss) applicable to common stock</b>	<b>\$ 118,222</b>	<b>\$ (27,310)</b>	<b>\$ (7,885)</b>
Basic earnings per share	\$ 1.42	\$ (0.38)	\$ (0.18)
Diluted earnings per share	\$ 1.42	\$ (0.38)	\$ (0.18)
Basic weighted average shares outstanding	82,307,970	71,628,365	43,419,209
Diluted weighted average shares outstanding	82,307,970	71,628,365	43,434,731

# Appendix:

## FBRT Balance Sheet

	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 337,595	\$ 179,314
Restricted cash	6,092	11,173
Commercial mortgage loans, held for investment, net of allowance for credit losses of \$47,175 and 40,848 as of December 31, 2023 and December 31, 2022, respectively	4,989,767	5,228,928
Commercial mortgage loans, held for sale, measured at fair value	—	15,559
Real estate securities, trading, measured at fair value (includes pledged assets of \$227,610 as of December 31, 2022)	—	235,728
Real estate securities, available for sale, measured at fair value, amortized cost of \$243,272 and \$220,635 as of December 31, 2023 and December 31, 2022, respectively (includes pledged assets of \$167,948 and \$198,429 as of December 31, 2023 and December 31, 2022, respectively)	242,569	221,025
Derivative instruments, measured at fair value	—	415
Receivable for loan repayment	55,174	42,557
Accrued interest receivable	42,490	34,007
Prepaid expenses and other assets	19,213	15,795
Intangible lease asset, net of amortization	42,793	54,831
Real estate owned, net of depreciation	115,830	127,772
Real estate owned, held for sale	103,657	36,497
<b>Total assets</b>	<b>\$ 5,955,180</b>	<b>\$ 6,203,601</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Collateralized loan obligations	\$ 3,567,166	\$ 3,121,983
Repurchase agreements and revolving credit facilities - commercial mortgage loans	299,707	680,859
Repurchase agreements - real estate securities	174,055	440,008
Mortgage note payable	23,998	23,998
Other financings	36,534	76,301
Unsecured debt	81,295	98,695
Derivative instruments, measured at fair value	—	64
Interest payable	15,383	12,715
Distributions payable	36,133	36,317
Accounts payable and accrued expenses	13,339	17,668
Due to affiliates	19,316	15,429
Intangible lease liability, held for sale	12,297	—
Intangible lease liability, net of depreciation	—	6,428
<b>Total liabilities</b>	<b>\$ 4,279,223</b>	<b>\$ 4,530,465</b>
<b>Commitments and Contingencies</b>		
<b>Redeemable convertible preferred stock:</b>		
Redeemable convertible preferred stock Series H, \$0.01 par value, 20,000 authorized and 17,950 issued and outstanding as of December 31, 2023 and 2022, respectively	\$ 89,748	\$ 89,748
Redeemable convertible preferred stock Series I, \$0.01 par value, none issued and outstanding as of December 31, 2023, 1,000 authorized and 1,000 issued and outstanding as of December 31, 2022	—	5,000
<b>Total redeemable convertible preferred stock</b>	<b>\$ 89,748</b>	<b>\$ 94,748</b>
<b>Equity:</b>		
Preferred stock, \$0.01 par value; 100,000,000 shares authorized, 7.5% Cumulative Redeemable Preferred Stock, Series E, 10,329,039 shares issued and outstanding as of December 31, 2023 and 2022	\$ 258,742	\$ 258,742
Common stock, \$0.01 par value, 900,000,000 shares authorized, 82,751,913 and 82,992,784 issued and outstanding as of December 31, 2023 and 2022, respectively	820	826
Additional paid-in capital	1,599,197	1,602,247
Accumulated other comprehensive income (loss)	(703)	390
Accumulated deficit	(298,942)	(299,225)
<b>Total stockholders' equity</b>	<b>\$ 1,559,114</b>	<b>\$ 1,562,980</b>
Non-controlling interest	27,095	15,408
<b>Total equity</b>	<b>\$ 1,586,209</b>	<b>\$ 1,578,388</b>
<b>Total liabilities, redeemable convertible preferred stock and equity</b>	<b>\$ 5,955,180</b>	<b>\$ 6,203,601</b>

## **Distributable Earnings and Run-Rate Distributable Earnings**

Distributable Earnings is a non-GAAP measure, which the Company defines as GAAP net income (loss), adjusted for (i) non-cash CLO amortization acceleration and amortization over the expected useful life of the Company's CLOs, (ii) unrealized gains and losses on loans, derivatives and ARMs, including CECL reserves and impairments, (iii) non-cash equity compensation expense, (iv) depreciation and amortization, (v) subordinated performance fee accruals/(reversal), (vi) loan workout charges, (vii) realized gains and losses on debt extinguishment and CLO calls, (viii) realized cash loss on a specific real estate owned ("REO") investment, (ix) impairments of acquisition assets related to the Capstead merger and (x) certain other non-cash items. Further, Run-Rate Distributable Earnings, a non-GAAP measure, presents Distributable Earnings before (i) trading and derivative gain/loss on ARMs and (ii) realized cash gain/loss adjustments on REO.

The Company believes that Distributable Earnings and Run-Rate Distributable Earnings provide meaningful information to consider in addition to the disclosed GAAP results. The Company believes Distributable Earnings is a useful financial metric for existing and potential future holders of its common stock as historically, over time, Distributable Earnings has been an indicator of dividends per share. As a REIT, the Company generally must distribute annually at least 90% of its taxable income, subject to certain adjustments, and therefore believes dividends are one of the principal reasons stockholders may invest in its common stock. Further, Distributable Earnings helps investors evaluate performance excluding the effects of certain transactions and GAAP adjustments that the Company does not believe are necessarily indicative of current loan portfolio performance and the Company's operations and is one of the performance metrics the Company's board of directors considers when dividends are declared. The Company believes Run-Rate Distributable Earnings is a useful financial metric because it presents the Distributable Earnings of its core businesses, net of the impacts of the realized trading and derivative gain/loss on the residential adjustable-rate mortgage securities acquired from Capstead Mortgage Corporation, which the Company has liquidated from its portfolio.

Distributable Earnings and Run-Rate Distributable Earnings do not represent net income (loss) and should not be considered as an alternative to GAAP net income (loss). The methodology for calculating Distributable Earnings and Run-Rate Distributable Earnings may differ from the methodologies employed by other companies and thus may not be comparable to the Distributable Earnings reported by other companies.