Franklin BSP Realty Trust

Investor Presentation

June 2022

Important Information

Unless otherwise specified, the information herein relates to the Company's business and financial information as of March 31, 2022 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 February 25, 2022 and in our Quarterly Report on Form 10-Q filed May 4, 2022 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 material changes in the value of the securities we acquired in our merger with Capstead Mortgage Corporation, continuing adverse effects from the COVID-19 pandemic on our financial condition, operating results and cash flows, 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.

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.

Presenters

Richard J. Byrne



Chairman, President and CEO of FBRT

Jerome Baglien



COO / CFO and Treasurer of FBRT

Michael Comparato



Head of Real Estate

BSP (FBRT's External Manager) Overview

Franklin BSP Realty Trust, Inc. ("FBRT") is externally managed by Benefit Street Partners, L.L.C ("BSP"), a leading $39 billion credit focused alternative asset management and subsidiary of Franklin Templeton

Benefit Street Partners:

$39 billion	236	6
Total Assets Under Management (1)	*Employees (2)*	*Offices*

BSP is a Franklin Templeton ("FT") company:

$1.45 trillion	10,000	30+
Total Assets Under Management (2)	*Employees*	*Countries with Offices*

(1) AUM refers to the assets under management for all credit funds and separately managed accounts managed by BSP. AUM amounts are approximations as of March 31, 2022 and are unaudited. Certain amounts are preliminary and remain subject to change
(2) As of April 30, 2022

BSP Overview
CRE Platform History

BSP Real Estate ("BSP RE") is a middle-market focused real estate team within BSP's platform



$9.0 BN

Assets under management[1,2]



76

Employees[3]



7

Offices



56

Investment Professionals[3]

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013 Inception of BSP RE	***2014*** BSP RE launches K-series funds with $125 million of commitment BSP RE launches conduit fund with $310 million of commitment		***2016*** BSP RE purchases management contract of non-traded public mortgage REIT ("BSPRT") with ~$600 million of equity and ~$1.2 billion of assets ***2017*** BSP RE closes the conduit fund. Conduit activity begins in the REIT		***2018*** BSP RE begins management of a NNN real estate fund ($65 million equity, $130 million assets) ***2019*** BSP raised ~$400 million of institutional capital for BSPRT, exceeding $1 billion of equity and $3 billion of assets. BSPRT obtained a BBB rating from Egan Jones for the preferred share class. ***2020*** BSP RE acquires management contract of Benefit Street Partners Multifamily Trust			***2021*** Launches a private real estate fund with a total of $578 million equity closed.[4] BSPRT merges with CMO, creating FBRT	

1. Assets under management ("AUM") as of March 31, 2022. AUM is unaudited, preliminary and subject to change.
2. Includes pro forma amounts for the merging of BSPRT and Capstead Mortgage Corporation ("CMO") and anticipated deleveraging of the post-combination portfolio.
3. As of March 31, 2022.
4. BSP's private real estate debt fund is a privately offered investment fund and information herein is being provided for informational purposes only. Nothing herein shall constitute an offer, or solicitation of an offer, to purchase interest in the private real estate fund."

FBRT Overview:
Merger with Capstead

- In October 2021, Benefit Street Partners Realty Trust ("BSPRT") and Capstead Mortgage Corporation ("CMO") merged creating Franklin BSP Realty Trust, Inc. ("FBRT")

- The merger significantly increased FBRT's scale. The current book value is approximately $1.75 billion consisting of common and preferred equity capital as of March 31 2022

- Provided a liquidity event for legacy FBRT stockholders via a public listing on the New York Stock Exchange

- Merger allowed FBRT to accelerate capital deployment into attractive origination opportunities in commercial real estate loans

- **Since merger, in less than three quarters, we transitioned nearly all of $7 billion+** of Capstead's lower-yielding residential adjustable-rate mortgage assets into an asset class of higher-yielding commercial mortgage loans with less volatility



FBRT Overview

FBRT Overview:
Highlights

Commercial Mortgage REIT	**99% Senior Secured Mortgage Loans**
$7.1bn Total Assets	**$1.75bn Total Equity Value**
2.95x Debt / Equity Leverage Ratio	**8.6% dividend yield on book value**

Note: All financial metrics as of March 31, 2022

FBRT Overview:
Key Differentiators

1. **Strong Team/Sponsorship**
2. **Diversified Portfolio of Senior, Floating Rate Loans**
3. **Differentiated Strategy is Intended to Produce Best Risk/Reward**
4. **Attractive NIM Spread & Leverage**
5. **Conservative and Flexible Balance Sheet**
6. **Credit Focused Culture**

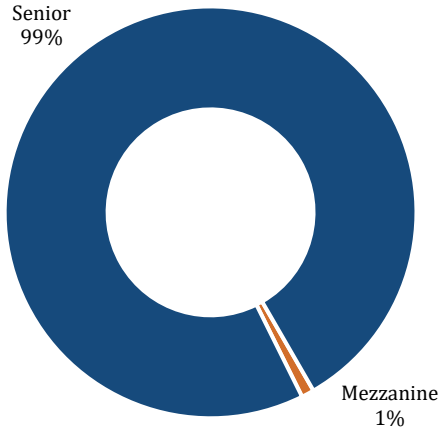
FBRT Portfolio

FBRT Portfolio:
1Q2021 - Core Loan Portfolio Composition

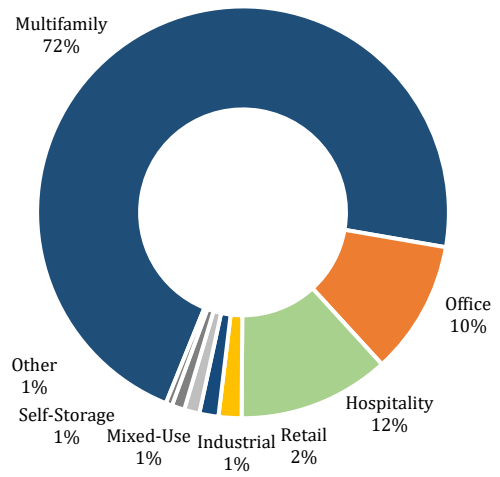
Portfolio Overview

- Total portfolio of $4.6 billion, 166 loans with average size of ~$27 million
- 160 senior loans with average size of ~$28 million
- 6 mezzanine loans with average size of ~$5 million
- One non-performing loan

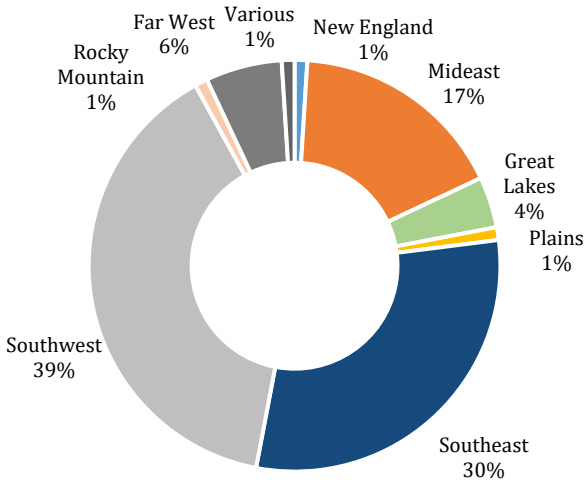
Portfolio Summary



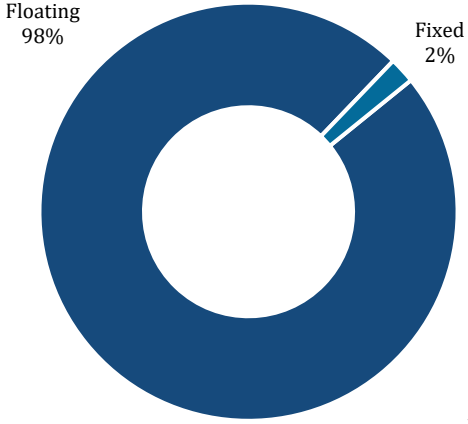
Collateral Summary



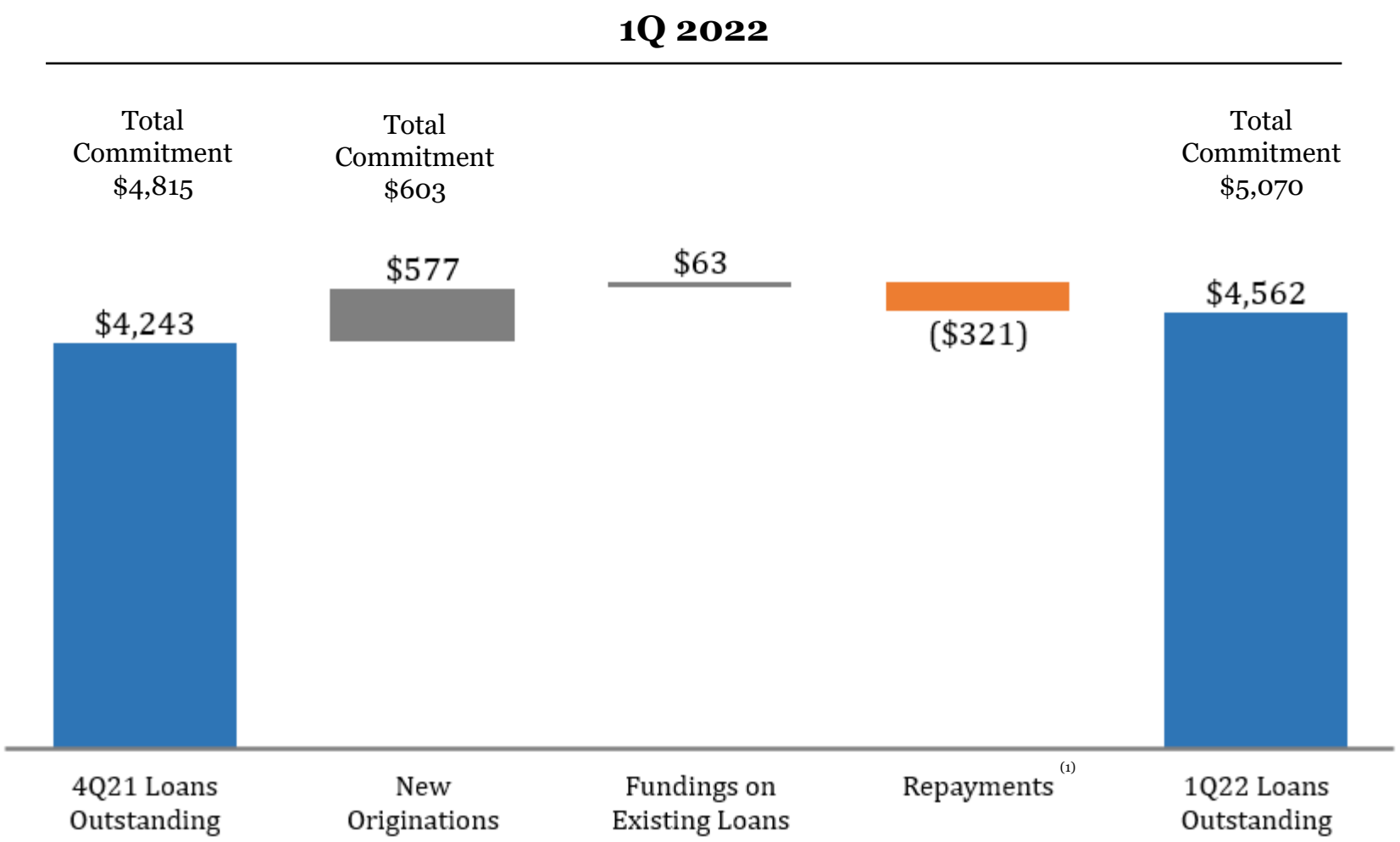
Collateral by Region



Rate Type



FBRT Portfolio:
1Q 2021 - Core Loan Originations



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

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

FBRT Portfolio:
Differentiated Strategy

FBRT's Differentiated Strategy is Intended to Produce Attractive, Risk Adjusted Returns for Stockholders

Middle Market

- Focused on light touch, value add transitional opportunities in the middle market
  - Represents a significant market opportunity of several billion in annual estimated loan demand
- Less competitive and more fragmented than the large loan market
- Opportunity for additional structural protections compared to large, broadly syndicated loans
- Generally offers higher yields with attractive LTVs and better documents/documentation

Direct Origination

- Middle market lending driven by proprietary, direct origination capabilities
  - BSP's origination team has demonstrated strong origination capabilities in the middle market space and is built to support a much larger volume of loans. This will allow FBRT to efficiently redeploy capital generated from the transaction
- Established relationships with brokers and borrowers sourcing repeat business with "first" and "last look" advantage
  - Over half of FBRT portfolio sourced from repeat borrowers

Multifamily focus

- Very attractive segment of the middle market due to:
  - Strong loan demand
  - Attractive risk adjusted yields
  - Excellent credit performance
- 72% of core portfolio is multifamily

Conduit business

- Offers competitive advantage in deal sourcing and ability to offer multiple solutions to borrowers to accommodate their business plan
- Gain on sale model enhances overall FBRT return on equity with limited credit exposure

Note: Target strategies are subject to change with or without notice

FBRT 1Q 2022 Financial Update

FBRT 1Q 2022 Financial Update:
First Quarter 2022 Highlights

Earnings	– GAAP Net Income (Loss) of ($22.5) million or ($0.30) per fully converted share [1] – Distributable Earnings before trading and derivatives gain/loss on ARMs [2] ("Run-Rate Distributable Earnings") of $40.1M or $0.39 per fully converted share [1] – Distributable Earnings [2] of $12.1 million or $0.08 per fully converted share [1] – Declared a cash dividend of $0.355 per share, representing a yield of 8.6% on book value per share, fully converted[1] or a yield of 10.1% on share price of $14.01 as of 5/3/22
Capitalization	– Book value per share, fully converted is $16.50 [1] – Net debt to equity is 2.9x; recourse net debt to equity is 1.3x – Closed BSPRT 2022-FL8 in February 2022, a $1.2 billion managed CLO with an advance rate of 80%, weighted average interest rate of S+172 and a 2-year reinvestment period – 81% of financings sourced are non-mark-to-market on our core book (excludes repo-securities)
Investments	– Core portfolio: closed $603 million of loan commitments and funded $577 million of principal balance. Received loan repayments of $321 million for a net core portfolio growth of $319 million in the quarter – Conduit: sold $76 million of conduit loans in the quarter – Approximately $2.6 billion principal reduction in our Adjustable-Rate Mortgage Securities ("ARMs") portfolio in the first quarter. $1.3 billion principal reduction of ARMs in the second quarter through 5/3/22
Portfolio	– Core portfolio of 166 CRE loans and $4.6 billion of principal balance and an average size of $27 million. One investment on non-accrual – Fair market value of ARMs is $1.9 billion at 3/31/22 vs. $4.6 billion at 12/31/21, vs. $7.1 billion at 9/30/21

1. Assumes conversion of our RSUs and Series C, Series D and Series F preferred shares to common shares.
2. Please see appendix for GAAP net income to Distributable Earnings and Run-Rate Distributable Earnings calculation.

FBRT 1Q 2022 Financial Update:
QTD Highlights

Income Statement	
Net interest income / other income	$54.6
Operating expenses [1]	(20.0)
Trading and derivatives gain/loss on ARMs	(58.0)
Other income / (loss)	0.8
GAAP net income (loss)	**(22.5)**
Adjustments to GAAP net income [2]	34.6
Distributable Earnings [2]	**$12.1**
Realized trading and derivatives gain/loss on ARMs	28.0
Run-Rate Distributable Earnings [2]	**$40.1**
Run-Rate Distributable Earnings per share, fully converted [2],[3]	**$0.39**
Run-Rate Distributable Earnings return on common equity [2]	**9.3%**
GAAP net income (loss) per share, fully converted [3]	($0.30)
GAAP return on common equity	(7.2%)
Distributable Earnings per share, fully converted [2], [3]	$0.08
Distributable Earnings return on common equity [2]	1.9%
Dividend per share	$0.355
Dividend per share yield on book value	8.6%

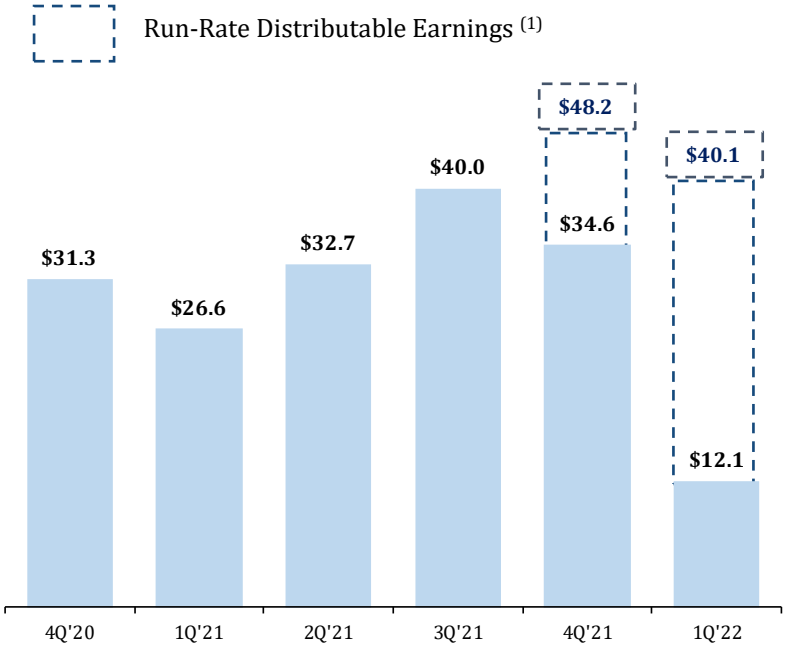
Balance Sheet	
Core loan total commitment in the quarter	$602.8
Total core portfolio - end of quarter	$4,530.5
Total ARMs - end of quarter	$1,949.3
Total assets - end of quarter	$7,112.2
Debt	
Collateralized loan obligations	2,883.9
Warehouse	522.9
Repo - Securities	1,714.5
Asset specific financings	64.2
Unsecured Debt	98.6
Total Debt	**$5,284.1**
Cash	129.5
Preferred Equity [4]	1,065.8
Common Stock/Retained Earnings [5]	683.7
Total equity	1,749.5
Net debt/total equity	**2.95x**
Recourse net debt/total equity	**1.30x**
Book value per share, fully converted [3]	**$16.50**

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

1. Does not include conduit operating expenses which are reported under Other income / (loss).
2. Please see appendix for the detail on the adjustments from GAAP net income to Distributable Earnings and Run-Rate Distributable Earnings.
3. Assumes conversion of our RSUs and Series C, Series D and Series F preferred shares to common shares.
4. Includes $710 million of preferred equity that converted to common equity on 4/19/22 and $97 million of preferred equity that converts to common equity on 10/19/22, subject to the holder's right to accelerate the conversion. The remaining $259 million of preferred equity represents the E class, which does not convert to common equity.
5. Includes non-controlling interest.

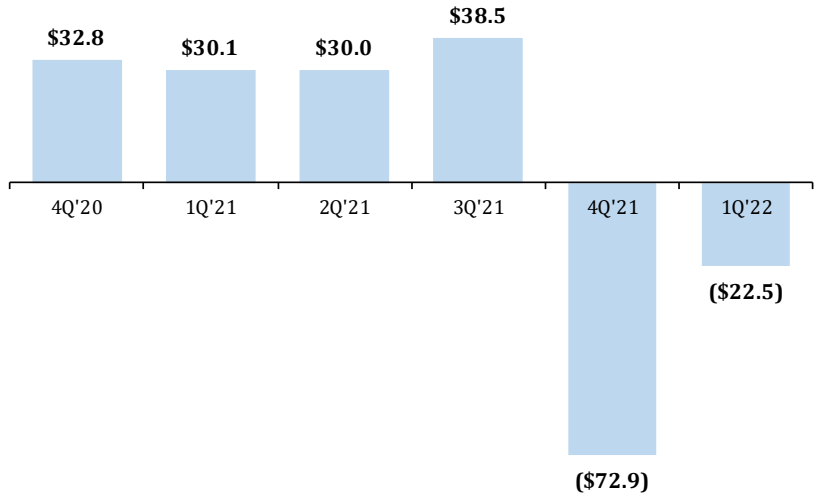
FBRT 1Q 2022 Financial Update:
Earnings and Distributions

Distributable Earnings ($M) [1]



4Q'20	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	
$0.275	$0.275	$0.275	$0.355	$0.355	$0.355	Dividend per share
$0.55	$0.47	$0.57	$0.69	$0.52	$0.39	Run-Rate Distributable Earnings per share, fully converted [1], [2]
200%	170%	206%	195%	147%	111%	Run-Rate Distributable Earnings dividend coverage, fully converted [1],[2]

GAAP Net Income (Loss) ($M)



Note: All numbers in millions except per share data.

1. Please see appendix for GAAP net income to Distributable Earnings and Run-Rate Distributable Earnings calculation.
2. Assumes conversion of our RSUs and Series C, Series D and Series F preferred shares to common shares.

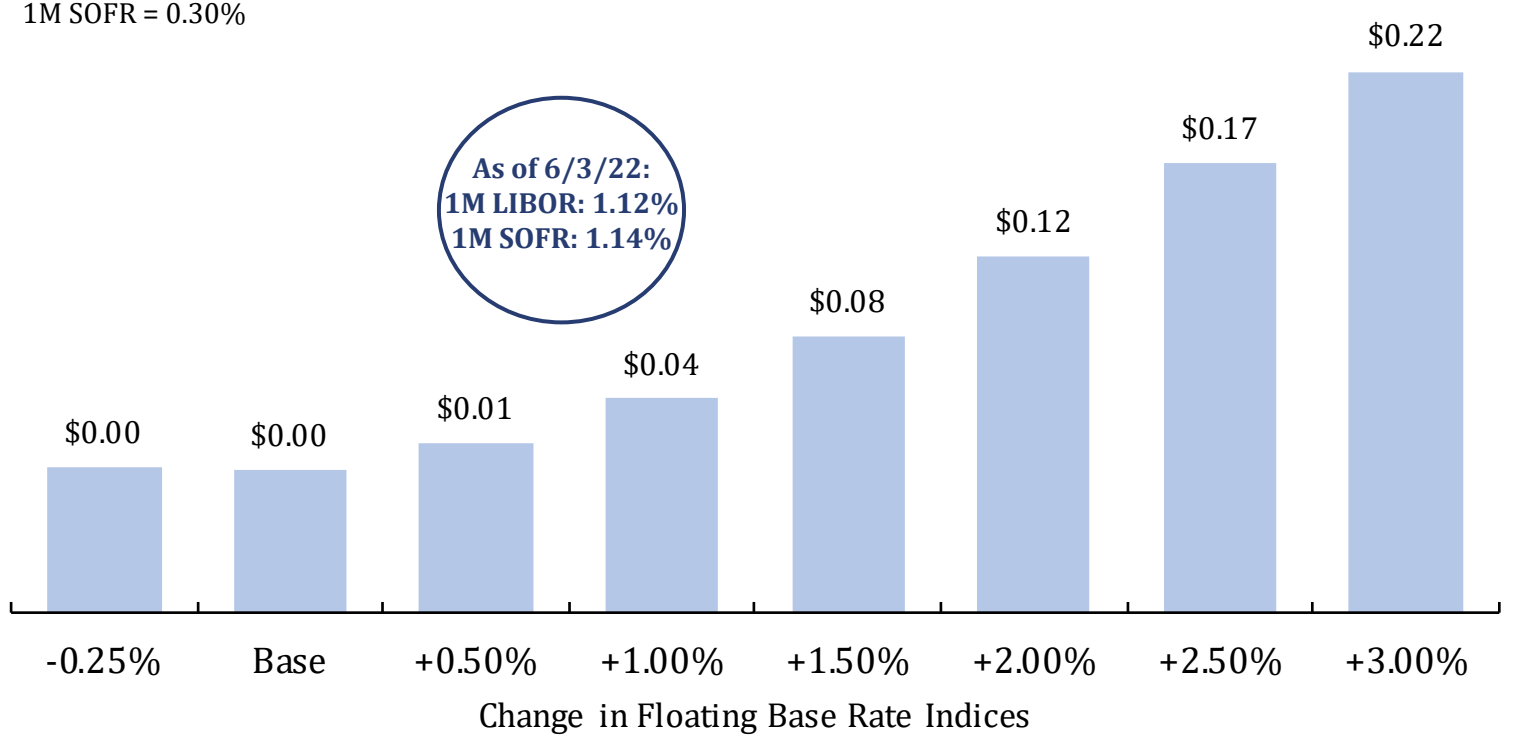
FBRT 1Q 2022 Financial Update:
Earnings Sensitivity

– Positive earnings correlation to rising rates

Sensitivity on Index Rates

Base (as of 3/31/22):
1M LIBOR = 0.46%
1M SOFR = 0.30%

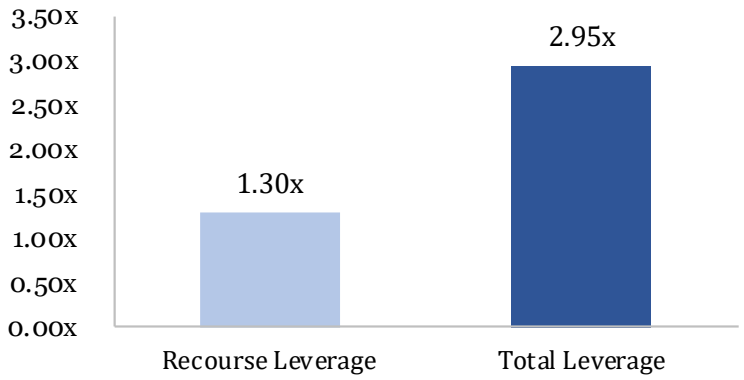
(Annual EPS Impact)



Note: Reflects earnings impact of an increase in the floating-rate indices referenced by our portfolio, assuming no change in credit spreads, portfolio composition or asset performance.

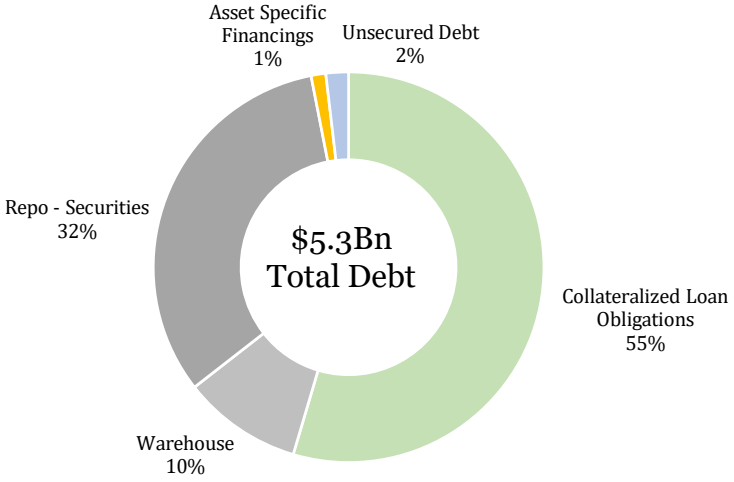
FBRT 1Q 2022 Financial Update:
Capitalization Overview

Net Leverage



Financing Sources (3)

FBRT average debt cost including financing costs was 1.4% in 1Q22 vs. 1.6% last quarter



1. Commitment for loans. Excludes bond repurchase agreements.
2. Outstanding balance at March 31, 2022 and net of tranches held by FBRT.
3. On our core book (excluding repo-securities), 81% of financings are non-mark-to-market.

Financing Lines Commitment (1)

Warehouse/Revolver/Other	
JP Morgan	$400 million
Wells Fargo	$450 million
Credit Suisse	$300 million
Barclays (Warehouse)	$500 million
Barclays (Secured Revolver)	$250 million
Security Benefit Life Insurance Company (Unsecured Revolver)	$100 million
Sterling National Bank loan participation	$38 million
Total	**$2,038 million**
Warehouse availability	$1,128 million
CLOs (2)	
BSPRT 2018-FL4	$254 million
BSPRT 2019-FL5	$384 million
BSPRT 2021-FL6	$585 million
BSPRT 2021-FL7	$722 million
BSPRT 2022-FL8	$960 million
Total	**$2,904 million**
CLO reinvestment available	$64 million
Repo – Securities (outstanding)	$1,715 million

FBRT 1Q 2022 Financial Update:
Credit Overview

Superior Historical Credit Performance

- Senior members of the BSP RE team have significant asset management and loan workout experience
- Asset management team with additional support from Situs (a third-party vendor)
- Proactive asset management approach seeks to identify potential issues early and performs quarterly asset reviews on a loan-by-loan basis

No Historical Credit Loss (1)

FBRT has not realized any loss on over $10 billion of loans originated

Senior Bridge Debt
Investment: $9.0 billion

Senior Conduit Debt
Investment: $2.6 billion

Junior Debt
Investment: $195 million

Strong Performance Current Portfolio (2)

Total Number of Loans	166
Average Risk Rating (3)	2.2
Loans in Non-Accrual Status	1

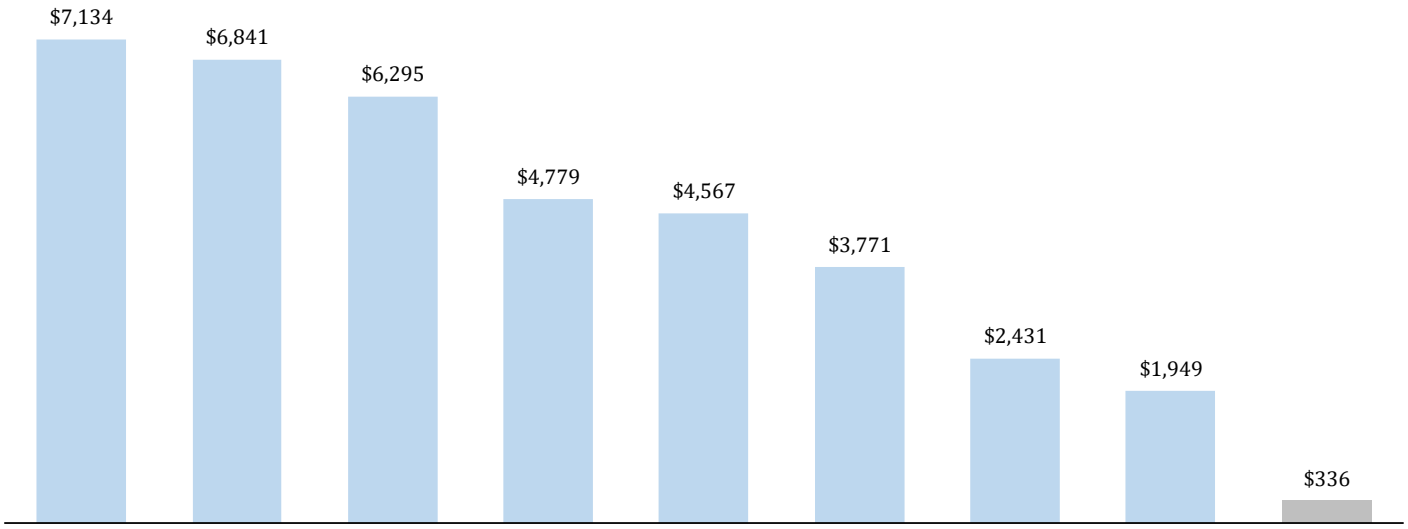
Note: Financial data as of March 31, 2022
(1) As of March 31, 2022. Represents FBRT loans
(2) As of March 31, 2022. Includes only loans in the hold portfolio and excludes loans held for conduit securitization
(3) The average risk rating does not include ratings of loans held for sale

FBRT 1Q 2022 Financial Update:
2Q 2022 ARMs Update

Update on ARMs portfolio:

- As of May 16, 2022, value of the ARMs portfolio was **$336 million** compared to $7.1 billion at September 30, 2021, which represents a **95% reduction** of the portfolio
- From April 1, 2022 to May 16, 2022, FBRT experienced losses of **$10.3 million** related to the ARMs portfolio as a result of net trading losses totaling $18.0 million related to principal paydowns, changes in market price and losses on sales of securities, net of portfolio related derivative gains of $7.7 million

ARMs Portfolio Balances ($M)



										Total
Change in portfolio	-	(293)	(547)	(1,515)	(212)	(796)	(1,340)	(482)	(1,613)	**(6,798)**
Portfolio size vs. 9/30	-	95.9%	88.2%	67.0%	64.0%	52.9%	34.1%	27.3%	4.7%	**4.7%**

Appendix

Appendix:
FBRT Income Statement

	Three Months Ended March 31,	
	2022	2021
Income:		
Interest income	$ 75,258	$ 42,237
Less: Interest expense	22,480	11,369
Net interest income	52,778	30,868
Revenue from real estate owned	2,312	716
Total income	**$ 55,090**	**$ 31,584**
Expenses:		
Asset management and subordinated performance fee	6,745	5,416
Acquisition expenses	315	153
Administrative services expenses	3,353	3,474
Professional fees	6,659	1,997
Depreciation and amortization	1,295	406
Other expenses	1,762	495
Total expenses	**$ 20,129**	**$ 11,941**
Other (income)/loss:		
Provision/(benefit) for credit losses	(955)	(2,331)
Realized (gain)/loss on sale of real estate securities	—	1,060
Realized (gain)/loss on sale of commercial mortgage loans, held for sale, measured at fair value	(1,889)	(6,630)
Realized (gain)/loss on other real estate investments, measured at fair value	33	—
Unrealized (gain)/loss on commercial mortgage loans, held for sale, measured at fair value	939	(479)
Unrealized (gain)/loss on other real estate investments, measured at fair value	(4)	(6)
Trading (gain)/loss	88,435	—
Unrealized (gain)/loss on derivatives	4,963	(2,109)
Realized (gain)/loss on derivatives	(34,030)	(1,978)
Total other (income)/loss	**$ 57,492**	**$ (12,473)**
Income before taxes	(22,531)	32,116
Provision/(benefit) for income tax	(24)	1,970
Net income/(loss)	**$ (22,507)**	**$ 30,146**
Net income/(loss) applicable to common stock	**$ (43,518)**	**$ 23,408**
Basic earnings per share	$ (0.99)	$ 0.53
Diluted earnings per share	$ (0.99)	$ 0.53
Basic weighted average shares outstanding	43,956,965	44,290,177
Diluted weighted average shares outstanding	43,956,965	44,306,065

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

Appendix:
FBRT Balance Sheet

	March 31, 2022	December 31, 2021
ASSETS	(Unaudited)	
Cash and cash equivalents	$ 117,064	$ 154,929
Restricted cash	12,467	13,270
Commercial mortgage loans, held for investment, net of allowance of $14,933 and $15,827 as of March 31, 2022 and December 31, 2021, respectively	4,530,451	4,211,061
Commercial mortgage loans, held for sale, measured at fair value	107,978	34,718
Real estate securities, trading, measured at fair value	1,949,336	4,566,871
Derivative instruments, measured at fair value	478	436
Other real estate investments, measured at fair value	—	2,074
Receivable for loan repayment [1]	204,833	252,351
Accrued interest receivable	24,787	30,109
Prepaid expenses and other assets	18,430	13,595
Intangible lease asset, net of amortization	47,752	48,472
Real estate owned, net of depreciation	89,473	90,048
Cash collateral receivable from derivative counterparties	9,106	56,767
Total assets	**$ 7,112,155**	**$ 9,474,701**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Collateralized loan obligations	$ 2,883,887	$ 2,162,190
Repurchase agreements - commercial mortgage loans	522,890	1,019,600
Repurchase agreements - real estate securities	1,714,541	4,178,784
Mortgage note payable	23,998	23,998
Other financing and loan participation - commercial mortgage loans	40,199	37,903
Unsecured debt	98,620	148,594
Derivative instruments, measured at fair value	3,753	32,295
Interest payable	3,309	2,692
Distributions payable	36,735	30,346
Accounts payable and accrued expenses	12,857	12,705
Due to affiliates	21,898	17,538
Total liabilities	**$ 5,362,687**	**$ 7,666,645**
Commitment and contingencies (See Note 10)		
Redeemable convertible preferred stock Series C, $0.01 par value, 20,000 authorized and 1,400 issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	6,973	6,971
Redeemable convertible preferred stock Series D, $0.01 par value, 20,000 authorized and 17,950 issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	89,691	89,684
Equity:		
Preferred stock, $0.01 par value, 10,000,000 authorized and none issued or outstanding as of March 31, 2022 and December 31, 2021, respectively		—
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 March 31, 2022 and December 31, 2021, respectively	258,742	258,742
Series F Preferred stock, $0.01 par value, 40,000,000 authorized and 39,733,299 issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	710,431	710,431
Common stock, $0.01 par value, 900,000,000 shares authorized, 44,471,127 and 43,965,928 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	441	441
Additional paid-in capital	903,855	903,264
Accumulated other comprehensive income (loss)	—	(62)
Accumulated deficit	(226,429)	(167,179)
Total stockholders' equity	**$ 1,647,040**	**$ 1,705,637**
Non-controlling interest	5,764	5,764
Total equity	**$ 1,652,804**	**$ 1,711,401**
Total liabilities, redeemable convertible preferred stock and equity	**$ 7,112,155**	**$ 9,474,701**

1. Includes $177.4 million and $187.0 million of cash held by servicer related to the CLOs as of March 31, 2022 and December 31, 2021, as well as $27.4 million and $65.3 million of RMBS principal paydowns receivable as of March 31, 2022 and December 31, 2021.

Appendix:
GAAP Net Income to Distributable Earnings Reconciliation

	2Q'21	3Q'21	4Q'21	1Q'22
GAAP Net Income (Loss)	**30.0**	**38.5**	**(72.9)**	**(22.5)**
Adjustments:				
Impairment of Acquired Assets [1]	-	-	88.3	-
CLO Amortization Acceleration/CLO Call [2]	(0.8)	(0.9)	2.7	(1.0)
Unrealized (Gain)/Loss Reversal [3]	2.5	(0.3)	13.2	33.4
Incentive Fees	2.1	4.3	1.8	-
Depreciation & Amortization	0.4	-	1.3	1.3
(Reversal of) / Provision for Credit Loss	(1.5)	(1.6)	0.3	(1.0)
Loan Workout Charges [4]	-	-	-	1.9
Realized trading and derivatives gain/loss on ARMs	-	-	13.6	28.0
Run-Rate Distributable Earnings [5]	**32.7**	**40.0**	**48.2**	**40.1**
Realized trading and derivatives gain/loss on ARMs	-	-	(13.6)	(28.0)
Distributable Earnings	**32.7**	**40.0**	**34.6**	**12.1**
Preferred Equity E Class Dividend	-	-	(4.8)	(4.8)
Distributable Earnings to Common [6]	**32.7**	**40.0**	**29.7**	**7.3**
Average Equity [7]	1,047.1	1,063.4	1,451.2	1,519.6
GAAP Net Income (Loss) ROE	11.5%	14.5%	(21.4%)	(7.2%)
Run-Rate Distributable Earnings ROE	12.5%	15.0%	11.9%	9.3%
Distributable Earnings ROE	12.5%	15.0%	8.2%	1.9%
Fully Converted Weighted Average Shares Outstanding [8]	57,703,655	57,625,192	83,251,034	89,850,478
GAAP Earnings Per Share, Fully Converted [9]	$0.52	$0.67	($0.93)	($0.30)
Run-Rate Distributable Earnings Per Share, Fully Converted [9]	$0.57	$0.69	$0.52	$0.39
Distributable Earnings Per Share, Fully Converted [9]	$0.57	$0.69	$0.36	$0.08

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

1. Represents transaction costs associated with the merger with CMO on October 19, 2021.
2. 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
3. Adjusted for unrealized gain and loss on loans, derivatives and ARMs securities.
4. Represents costs related to loan workouts where they are either viewed as one-time and non-recurring or we expect such costs may be recuperated in the future.
5. Equal to Distributable Earnings excluding the realized trading and derivatives gain/loss on ARMs.
6. Distributable Earnings to common is net of preferred equity E class dividend payment.
7. Represents the average of all equity except the preferred equity E class.
8. Assumes conversion of our RSUs and Series C, Series D and Series F preferred shares to common shares.
9. Calculated as GAAP net income less preferred dividend on preferred equity E class or Distributable Earnings to Common divided by fully converted weighted average shares outstanding.