Franklin BSP Realty Trust

Supplemental Information
Fourth Quarter 2022

Important Information

The information herein relates to the Company's business and financial information as of December 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 with the SEC on February 25, 2022, 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, 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.

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 2022 Financial Update

FBRT 4Q 2022 Financial Update:
Fourth Quarter 2022 Highlights

Earnings	– GAAP Net Income of $27.2 million and $0.25 per diluted common share and $0.25 per fully converted share [1] – Distributable Earnings [2] of $38.8 million and $0.37 per fully converted share [1] – Declared a cash dividend of $0.355 per share, representing a yield of 9.0% on book value per share, fully converted [1]. GAAP and Distributable Earnings [2] dividend coverage of 72% and 104%, respectively
Capitalization	– Book value per share, fully converted is $15.78 vs. $15.84 last quarter [1]. Undepreciated book value per share, fully converted is $15.84 [1], [3] – Net debt to equity is 2.5x; recourse net debt to equity is 0.7x – 78% of financing sources are non-mark-to-market on our core book – $1.0 billion of liquidity of which $179 million is cash and $16 million is CLO reinvest available [4] – In Q4 2022, FBRT repurchased 485k shares for $5.5 million. Year to date, FBRT has repurchased 1.4 million shares for $16.6 million. Benefit Street Partners L.L.C., our external advisor, has completed its $35 million share purchase program bringing total purchases and repurchases to $51.6 million. $48.4 million remains available under the company's repurchase program
Investments	– Core portfolio: closed $209 million of new loan commitments and funded $267 million of principal balance including future funding on existing loans. Received loan repayments of $247 million for a net growth in our loan portfolio of $21 million in the quarter – Conduit: sold $52 million of conduit loans in the quarter
Portfolio	– Core portfolio of 161 CRE loans and $5.3 billion of principal balance, average size of $33 million. During the quarter, two loans were added to the watch list, and three positions were added to foreclosure REO, two of which were previously on watch list. As of year-end, we had two non-performing loans

1. Fully converted per share information assumes applicable conversion of our outstanding series of convertible preferred stock into common stock and the 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 $5.2 million.
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 2022 Financial Update:
QTD Highlights

Income Statement	
Net interest income / other income	$54.7
Operating expenses [1]	(16.6)
Trading and derivatives gain/(loss) on ARMs	(5.5)
Provision for credit loss	(5.1)
Other income/(loss)	(0.3)
GAAP net income (loss)	**$27.2**
Adjustments to GAAP net income (loss) [2]	11.6
Distributable Earnings [2]	**$38.8**
Realized trading and derivatives (gain)/loss on ARMs	(0.2)
Run-Rate Distributable Earnings [2]	**$38.6**
Run-Rate Distributable Earnings per share, fully converted [2],[3]	$0.37
Run-Rate Distributable Earnings return on common equity [2]	9.2%
GAAP net income (loss) per share, fully converted [3]	$0.25
GAAP return on common equity	6.4%
Distributable Earnings per share, fully converted [2], [3]	**$0.37**
Distributable Earnings return on common equity [2]	**9.2%**
Dividend per share	$0.355
Dividend per share yield on book value	9.0%

Balance Sheet - Assets (End of Quarter)	
Total core portfolio	$5,228.9
Total real estate securities	$456.8
Cash and restricted cash	$190.5
CLO reinvestment available	$16.3
Other assets	$311.2
Total assets	**$6,203.6**

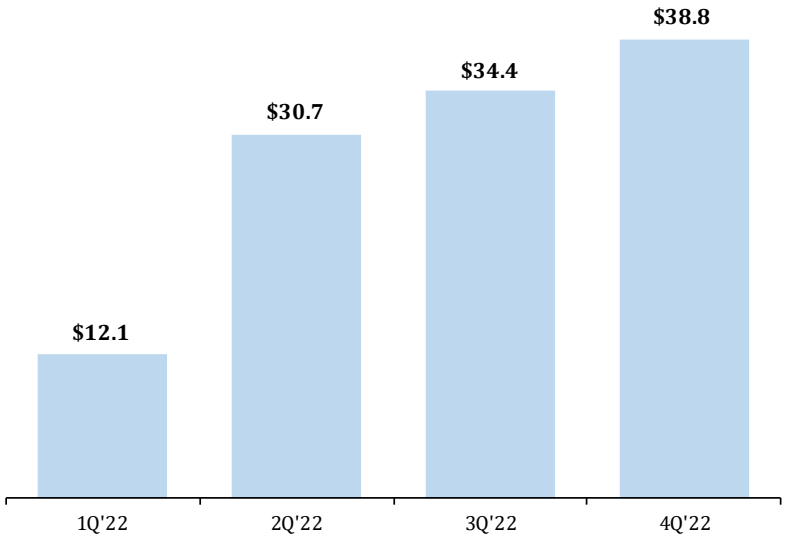
Balance Sheet - Debt & Equity	
Collateralized loan obligations	3,122.0
Warehouse	680.9
Repo - securities	440.0
Asset specific financings	100.3
Unsecured debt	98.7
Total Debt	**$4,441.8**
Preferred equity [4]	353.5
Common stock/retained earnings [5]	1,319.6
Total equity [4]	1,673.1
Book value per share, fully converted [3]	**$15.78**
Net debt/total equity	**2.54x**
Recourse net debt/total equity	**0.68x**

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

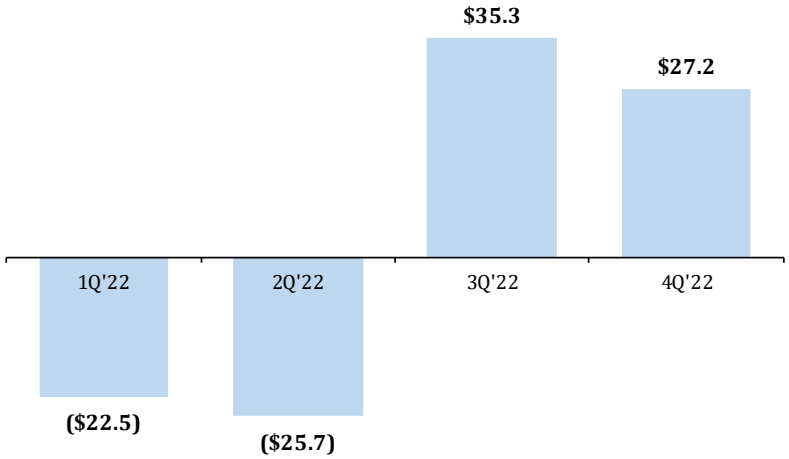
1. Does not include conduit operating expenses which are reported under Other income / (loss).
2. Please see appendix for the detail on the adjustments from GAAP net income to Distributable Earnings and Run Rate Distributable Earnings.
3. Fully converted per share information assumes applicable conversion of our outstanding series of convertible preferred stock into common stock and the vesting of our outstanding equity compensation awards.
4. Includes $5 million of preferred equity that converted to common equity on 1/19/23, and $90 million of preferred equity that converts to common equity on 1/19/24, 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.
5. Includes non-controlling interest.

FBRT 4Q 2022 Financial Update:
Earnings and Distributions

Distributable Earnings ($M) (1)



GAAP Net Income (Loss) ($M)



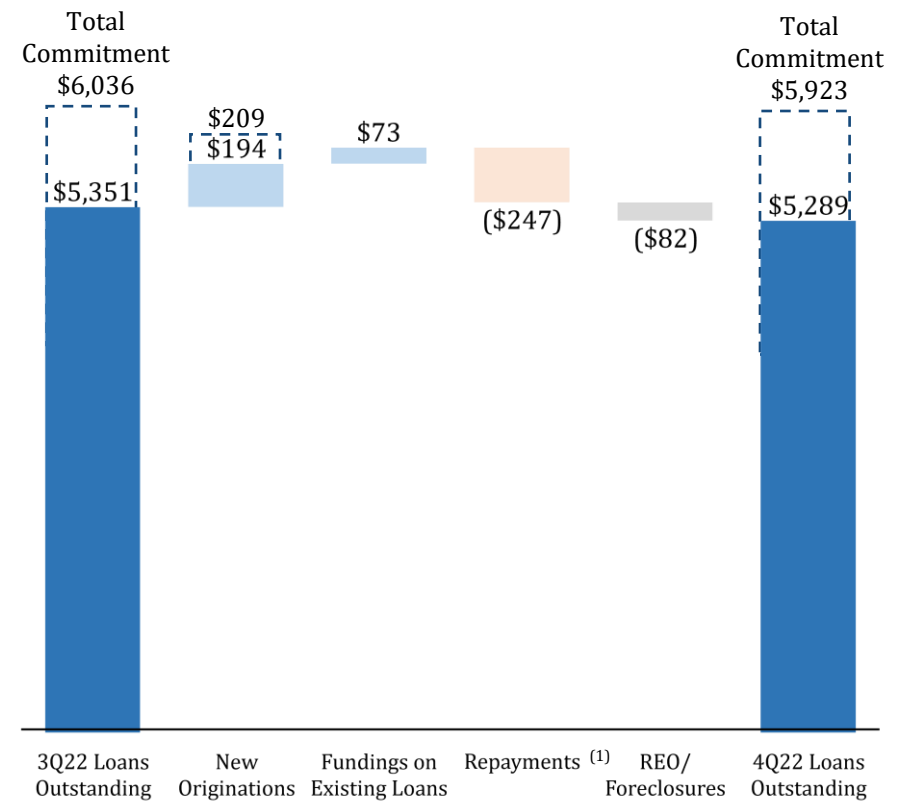
$0.355	$0.355	$0.355	$0.355	Dividend per share
$0.08	$0.29	$0.33	$0.37	Distributable earnings per share, fully converted (1), (2)
23%	81%	93%	104%	Distributable dividend coverage, fully converted (1), (2)

Note: All numbers in millions except per share data.

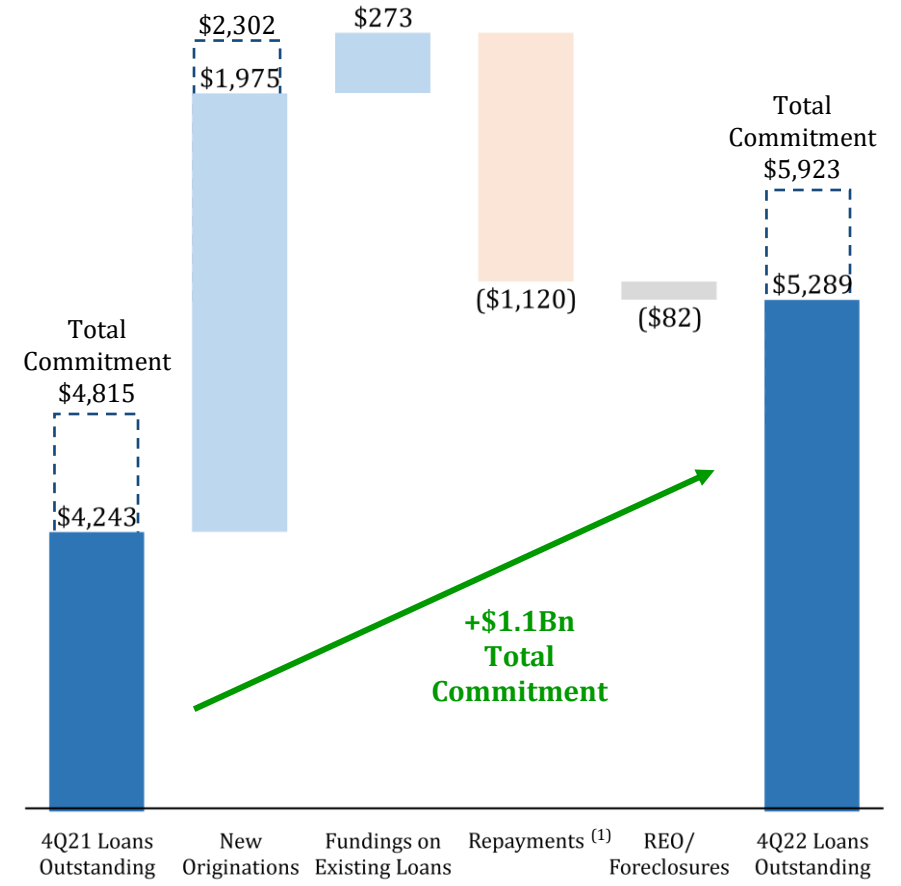
1. Please see appendix for GAAP net income to Distributable Earnings calculation.
2. Fully converted per share information assumes applicable conversion of our outstanding series of convertible preferred stock into common stock and the vesting of our outstanding equity compensation awards.

FBRT 4Q 2022 Financial Update:
Core Loan Originations

4Q 2022 ($M)



FY 2022 ($M)

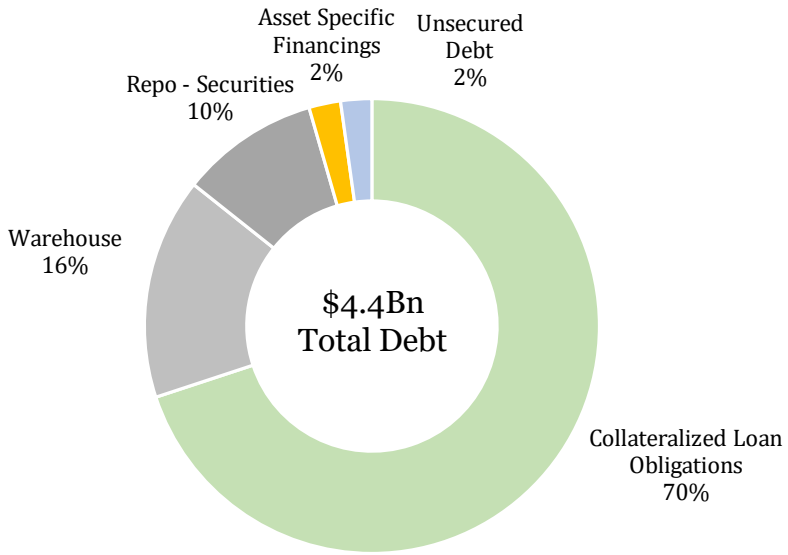


Note: All numbers in millions. Numbers in charts above represent principal balance.
1. Includes full paydowns, dispositions, partial paydowns and amortization.

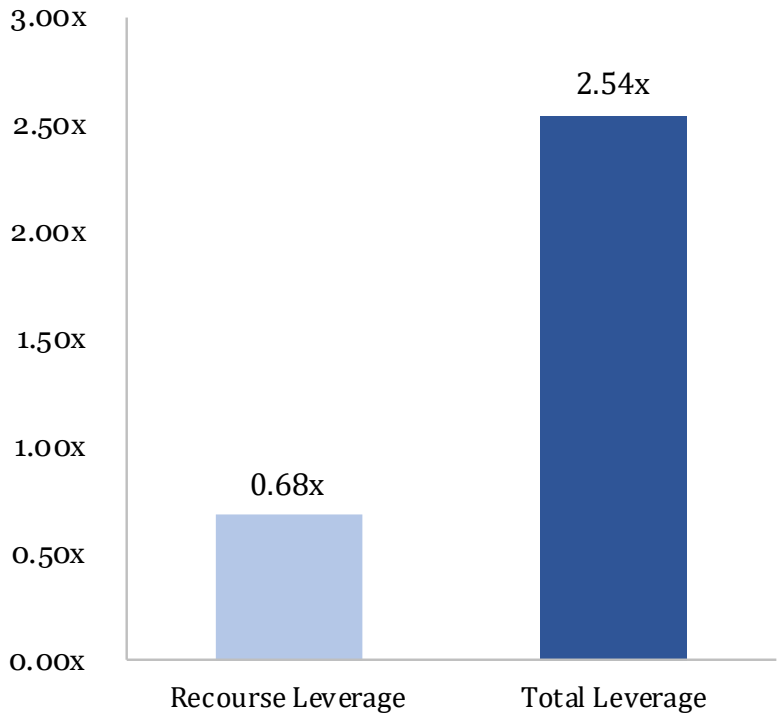
FBRT 4Q 2022 Financial Update:
Capitalization Overview

Financing Sources (1)

FBRT average debt cost including financing costs was 5.8% in 4Q22 vs. 4.2% last quarter



Net Leverage



1. On our core book (excluding repo-securities), 78% of financings are non-mark-to-market.

FBRT 4Q 2022 Financial Update:
Financing Detail

CLOs

CLO Name	Debt Amount [1]	Reinvest End Date	Cost of Debt
BSPRT 2019-FL5	$210 million	Ended	L + 1.77%
BSPRT 2021-FL6	$585 million	9/15/23	L + 1.42%
BSPRT 2021-FL7	$722 million	12/15/23	L + 1.64%
BSPRT 2022-FL8	$960 million	2/15/24	S + 1.72%
BSPRT 2022-FL9 [2]	$671 million	7/15/24	S + 2.80%
Total	**$3,148 million**		
CLO reinvestment available	$16 million		
Repo – Securities (outstanding)	$440 million		

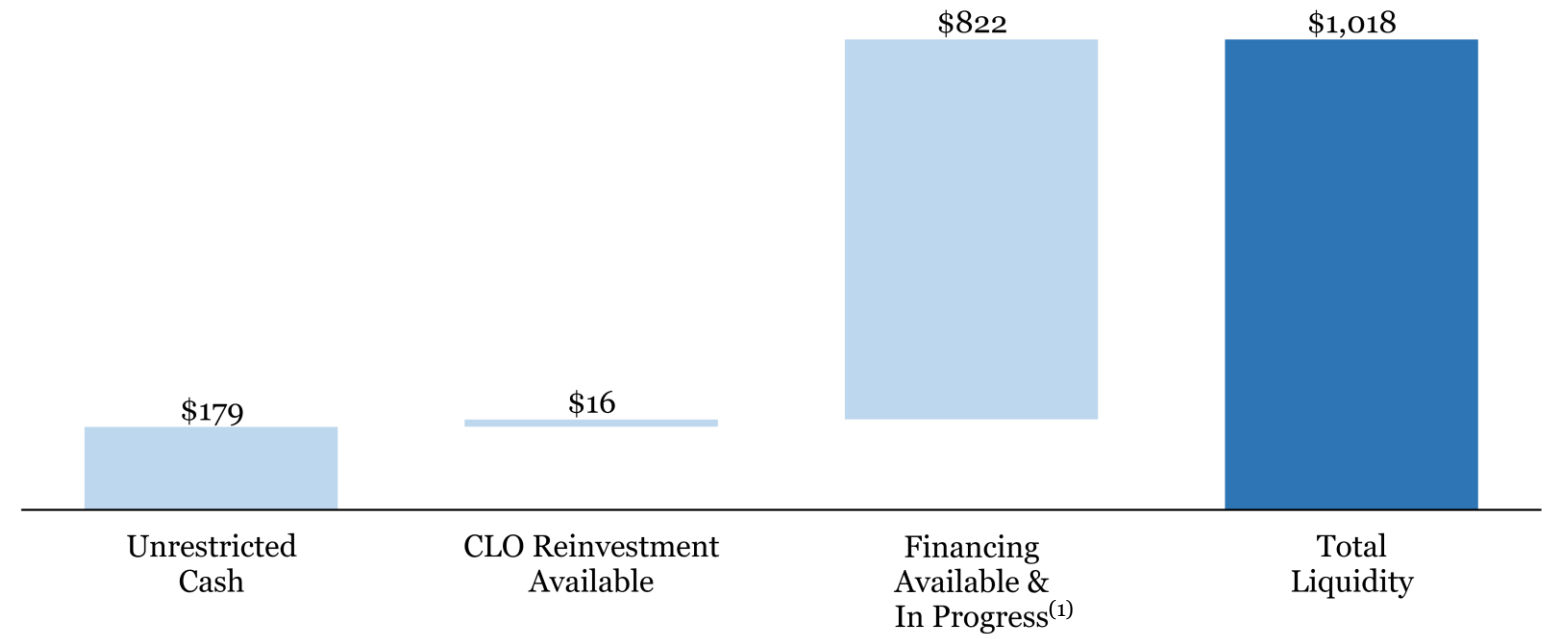
Warehouse/Revolver/Other

Name	Commitment [3]
Barclays (Warehouse)	$500 million
Wells Fargo	$500 million
JP Morgan	$500 million
Credit Suisse	$600 million
Barclays (Secured Revolver)	$250 million
Webster Bank loan participation	$59 million
Customers Bank loan participation	$17 million
Total	**$2,426 million**

1. Outstanding balance at December 31, 2022 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 and unsecured debt of $98.7 million.

FBRT 4Q 2022 Financial Update:
Liquidity

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.

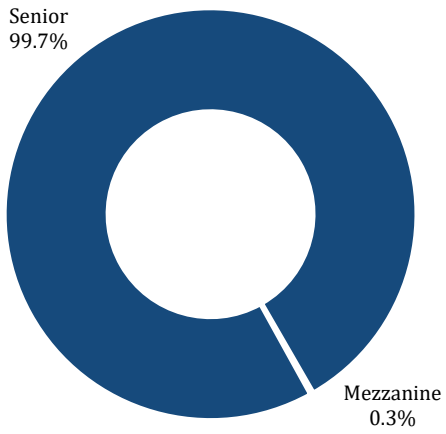
Portfolio

Portfolio:
Core Loan Portfolio Composition

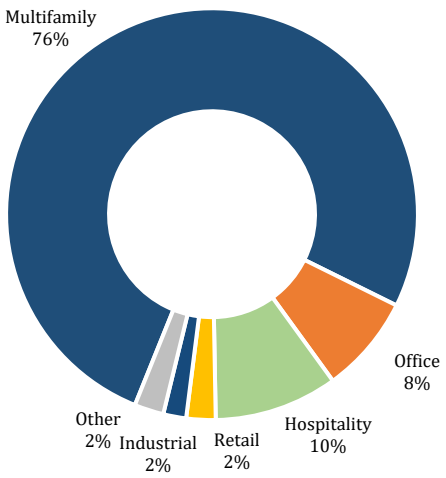
Portfolio Overview

- $5.3 billion total portfolio
- 156 senior loans; average size of ~$34 million
- 5 mezzanine loans; average size of ~$4 million
- Two non-performing loans

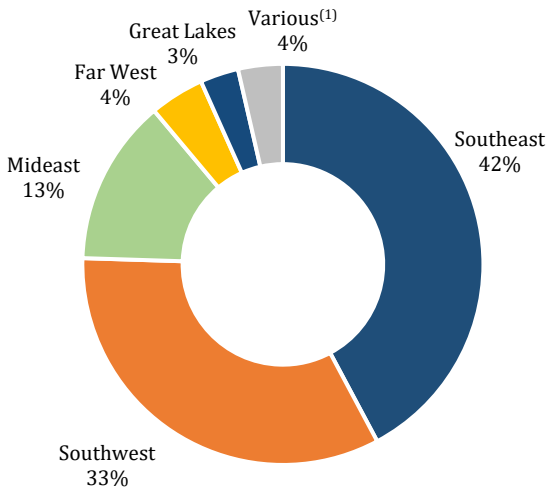
Portfolio Summary



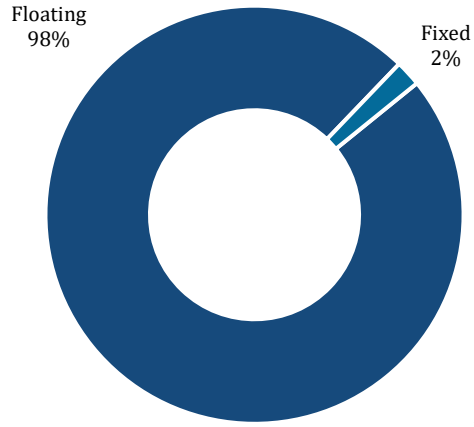
Collateral Summary



Collateral by Region



Rate Type



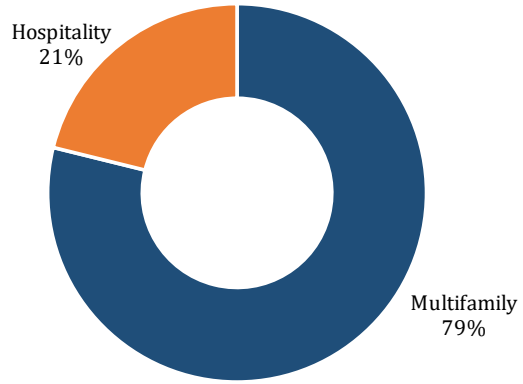
1. Regions included: New England, Plains, Rocky Mountain.

Portfolio:
Core Originations in the Quarter

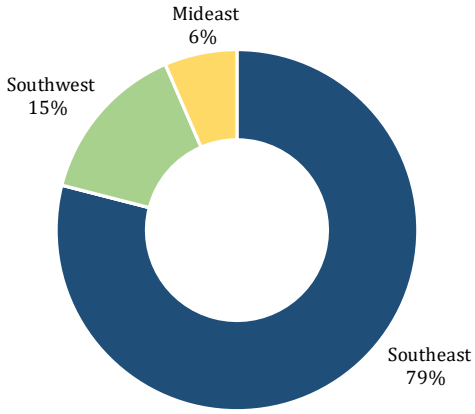
Overview

- 8 loans; $209 million total commitment ($194 million of initial funding / $15 million of future funding)
- 4.33% weighted average spread; 8.69% all-in coupon[1]. 1.0% and 0.5% weighted average origination and exit fees, respectively

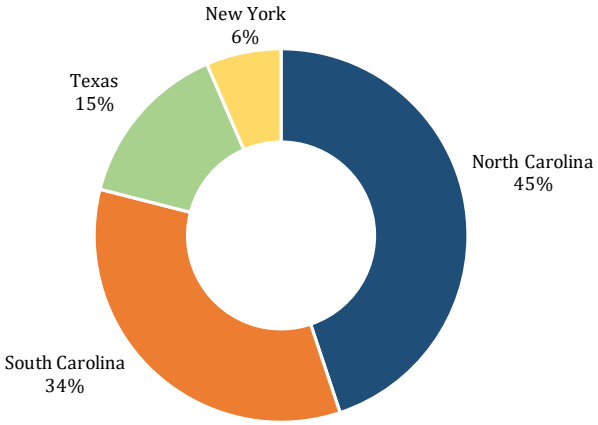
By Collateral



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 12/31/22.

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

Investment	Brooklyn Hotel	Single Tenant Retail Portfolio	High-Rise Apartment Complex	CBD Office Complex [1]	Limited Service Hotel [1]
Loan Type	Floating Rate Senior Loan	Floating Rate Senior Loan	Floating Rate Senior Loan	Floating Rate Senior Loan	Floating Rate Senior Loan
Investment Date	Q4 2017	Q2 2022	Q2 2018	Q1 2020	Q1 2022
Default Date	Q2 2019	Q2 2022	None	None	Q4 2022
Non-Accrual	Yes	Yes	No	No	No
Collateral	147-Key Hotel	14 Freestanding Retail Properties	426-Unit Apartment Complex	124k Square Foot Office Complex	213-Key Hotel
Loan Purpose	Refinance	Refinance	Acquisition	Acquisition	Acquisition
Location	Brooklyn, New York	Various	Cleveland, Ohio	Portland, Oregon	New York, New York
Loan Risk Rating	4	5	4	4	4

1. Added to the watch list in Q4 2022.

Portfolio:
Foreclosure Real Estate Owned ("REO")

Investment	Single Tenant Retail Portfolio [1], [2]	Class A Multifamily Property [1]	Office Tower [1], [2]
Loan Investment Date	Q2 2022	Q4 2019	Q3 2018
Foreclosure / Deed-In-Lieu Date	Q4 2022	Q4 2022	Q4 2022
Collateral Type	Retail	Multifamily	Office
Collateral Detail	10 Freestanding Retail Properties	71-Unit Mid-Rise Apartment Building	21-Story Office Tower
Location	Various	New Rochelle, New York	St. Louis, Missouri

Note: Foreclosure REO is $79 million of book value. In addition, FBRT owns an investment REO with a total net book value of $133 million, which is not presented above.

1. Added to foreclosure REO in Q4 2022.
2. Was previously on watchlist in Q3 2022.

Appendix

Appendix:
Core Portfolio - FBRT Portfolio Details – Top 15 Loans

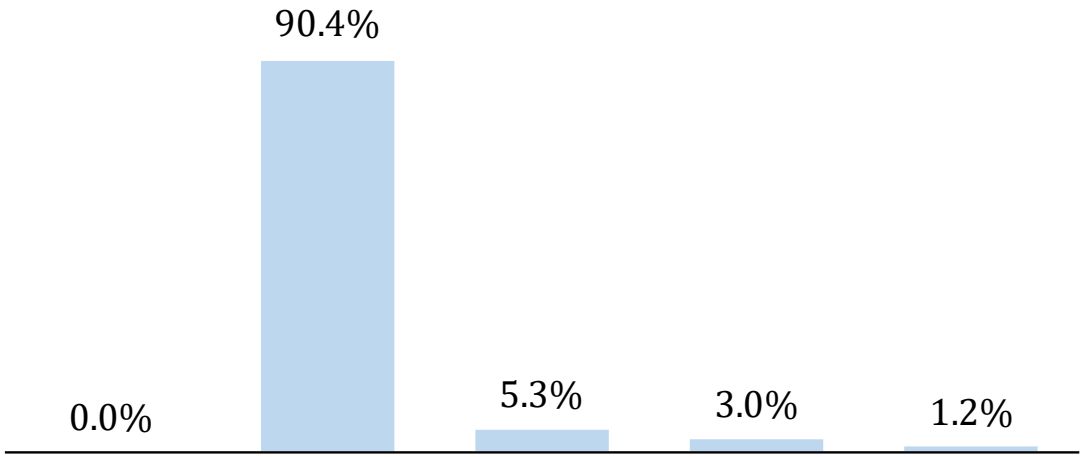
	Loan Type	Origination Date	Total Commitment	Principal Balance	Carrying Value	Spread	All-in Yield [1]	Fully Extended Maturity	State	Collateral Type	As-is LTV [2]
Loan 1	Senior Loan	9/19/22	$235	$173	$173	+ 6.52%	13.07%	4/16/24	Florida	Multifamily	50.1%
Loan 2	Senior Loan	6/1/22	153	128	128	+ 3.95%	8.80%	6/9/27	Various	Multifamily	67.8%
Loan 3	Senior Loan	5/26/21	129	111	110	+ 6.50%	11.55%	6/9/26	Florida	Multifamily	—%
Loan 4	Senior Loan	10/8/21	89	89	88	+ 2.75%	7.31%	10/9/26	District of Columbia	Multifamily	50.3%
Loan 5	Senior Loan	2/25/22	86	86	86	+ 3.24%	8.08%	3/9/26	New Jersey	Multifamily	60.0%
Loan 6	Senior Loan	2/24/22	86	86	85	+ 3.15%	8.24%	3/9/27	North Carolina	Multifamily	69.6%
Loan 7	Senior Loan	2/10/22	82	82	82	+ 3.20%	7.93%	2/9/27	Florida	Multifamily	74.5%
Loan 8	Senior Loan	6/1/22	86	81	81	+ 3.95%	8.80%	6/9/27	North Carolina	Multifamily	71.8%
Loan 9	Senior Loan	12/15/21	84	81	81	+ 3.21%	7.81%	1/9/27	North Carolina	Multifamily	76.1%
Loan 10	Senior Loan	12/21/21	79	78	78	+ 3.45%	8.01%	1/9/27	Florida	Multifamily	78.8%
Loan 11	Senior Loan	3/31/21	79	76	76	+ 2.95%	7.54%	4/9/26	Texas	Multifamily	72.6%
Loan 12	Senior Loan	5/18/22	71	71	71	+ 3.80%	8.64%	6/9/27	Georgia	Multifamily	77.9%
Loan 13	Senior Loan	6/14/22	71	69	69	+ 3.45%	8.61%	6/9/27	Georgia	Multifamily	71.6%
Loan 14	Senior Loan	9/20/21	70	67	67	+ 3.25%	8.13%	10/9/26	South Carolina	Multifamily	77.1%
Loan 15	Senior Loan	11/30/21	69	66	66	+ 2.88%	7.77%	12/9/26	Texas	Multifamily	74.8%
Loans 16 - 161	Senior & Mezz Loans	Various	4,456	3,945	3,931	+ 3.95%	8.88%	Various	Various	Various	66.6%
CECL Reserve					(41)						
Total/Wtd. avg.			**$5,923**	**$5,289**	**$5,229**	**+ 3.97%**	**8.93%**	**3.4 years**			**66.2%**
Average Loan Size			**$37**	**$33**	**$32**						

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.

Appendix:
Core Portfolio - Risk Ratings

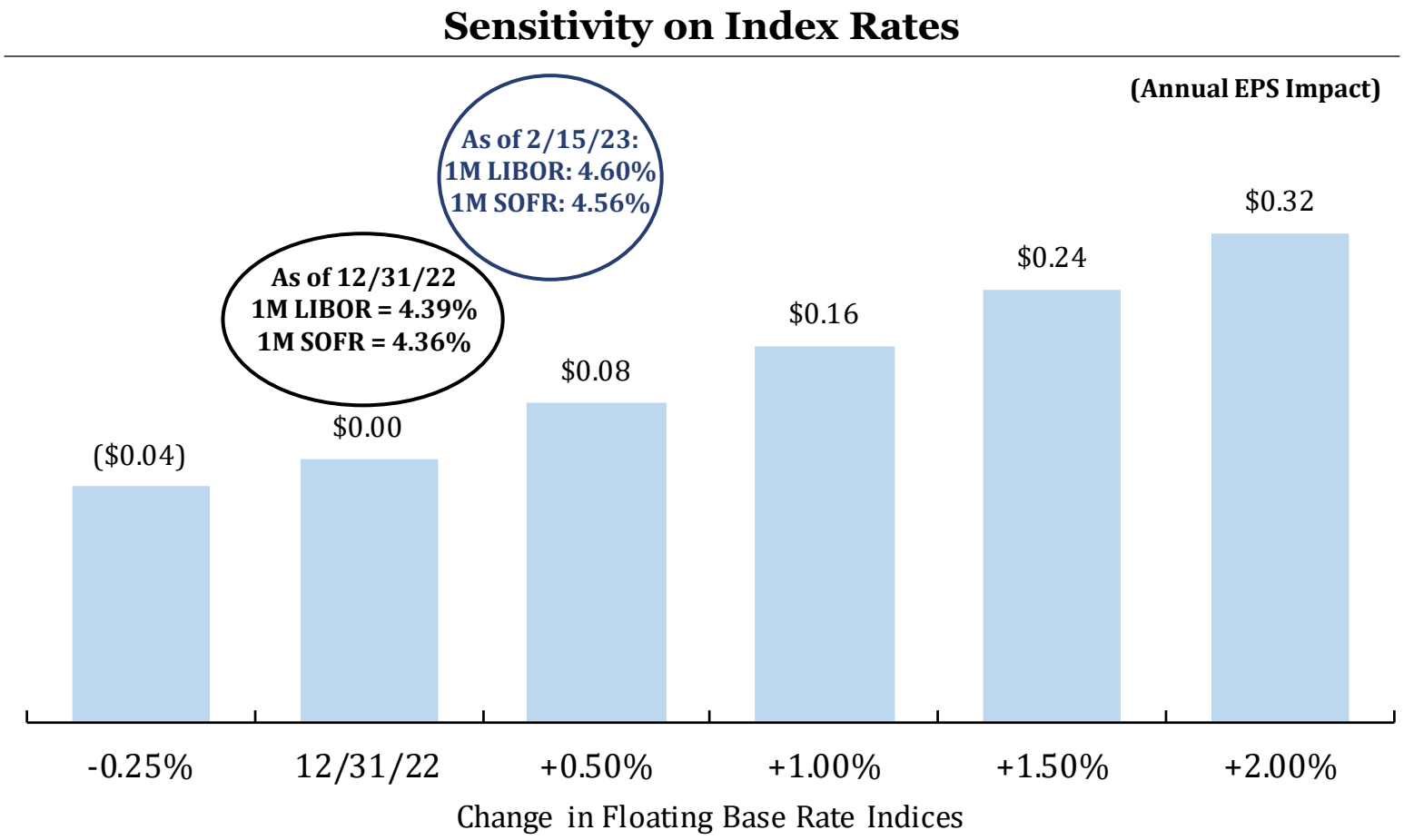
Average risk rating was 2.2 for the quarter vs. 2.1 last quarter



Risk Rating	1	2	3	4	5
# of Loans	-	141	15	4	1
+ vs 3Q22	-	+8	+4	+2	-
- vs 3Q22	-	-15	-3	-1	-
+/- vs 3Q22	-	-7	+1	+1	-
Principal Balance	$-	$4,784	$281	$161	$64
Non-Accrual	-	-	-	1	1

Note: Principal balance in millions.

Positive earnings correlation to rising rates

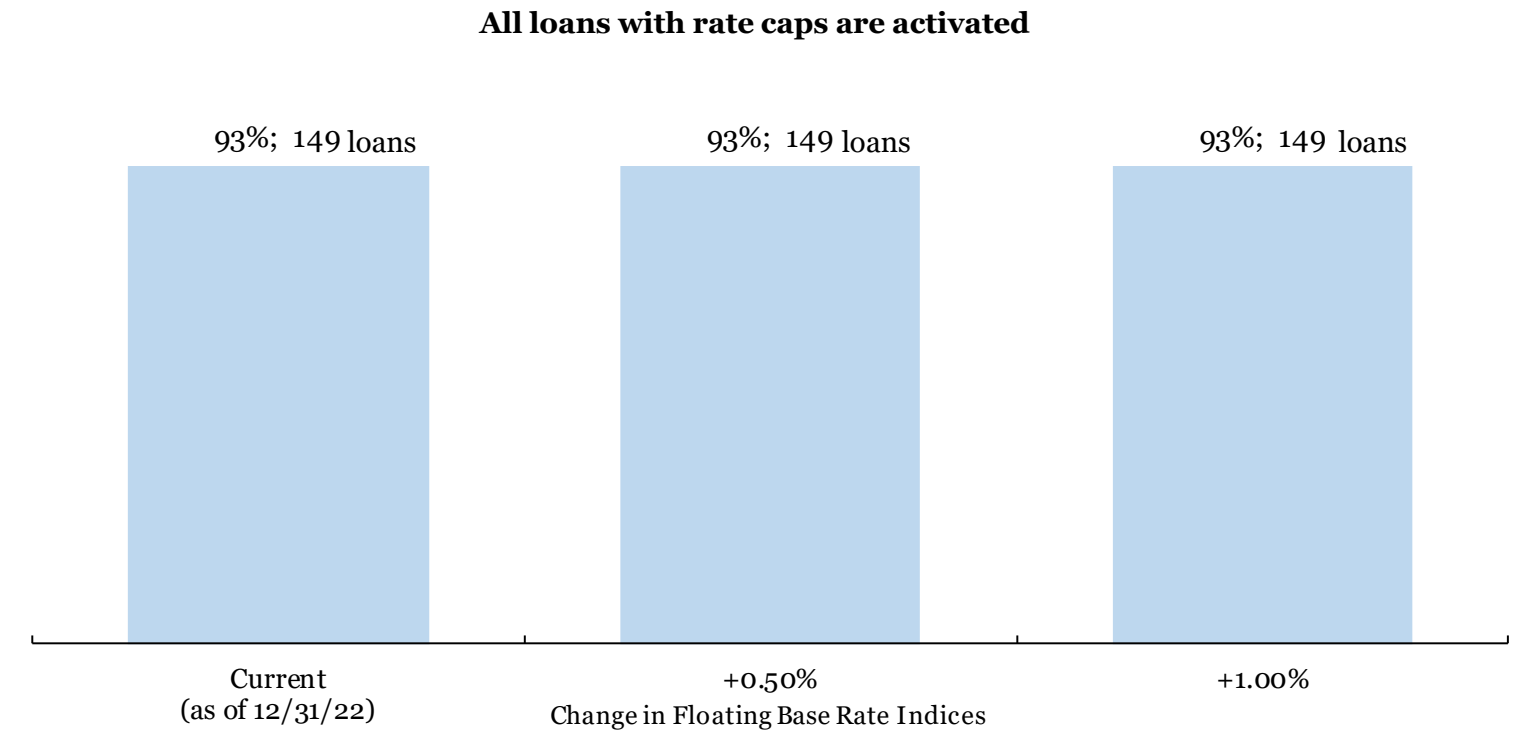


Note: Reflects illustrative earnings impact of an increase in the floating-rate indices referenced by our portfolio, assuming no change in credit spreads, portfolio composition or asset performance.

Appendix:
Rate Cap Sensitivity

93% of our loans have a rate cap (average of 2.3% rate cap) and all were activated as of 12/31/22

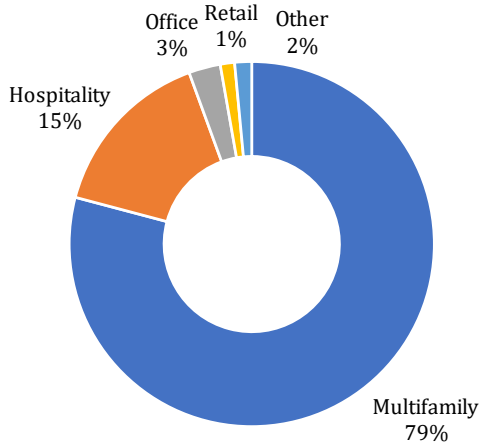
Percentage and Number of Loans with Rate Caps Activated



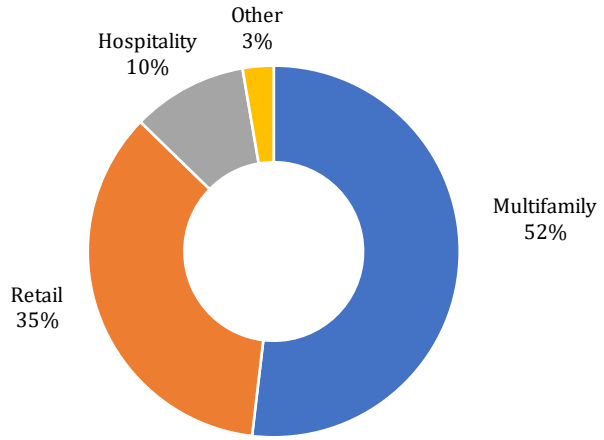
Note: The above analysis assumes fixed rates loan have rate caps that are always active and do not expire.
1. Loans without rate caps includes loans that previously had rate caps, but have expired as of 12/31/22.

Appendix:
Core Portfolio – Allowance For Loan Loss

Allowance for Loan Loss by Collateral Type – Before Asset-Specific Reserve



Allowance for Loan Loss by Collateral Type – Including Asset-Specific Reserve



$ millions	
Allowance for Loan Loss Balance at 9/30/22 - General Reserve	$19.4
Provision for Credit Loss - General Reserve	7.5
Allowance for Loan Loss Balance at 12/31/22 - Before Asset-Specific Reserve	**$26.9**
Asset-Specific Reserve at 9/30/22	27.6
Reversal of Provision for Credit Loss - Asset-Specific	(2.3)
Charge-Off	(11.1)
Allowance for Loan Loss Balance at 12/31/22 - Including Asset-Specific Reserve	**$41.1**
Portfolio Principal Balance	$5,289
Total Allowance for Loan Loss % of Portfolio	**0.8%**

Note: All numbers in millions. Allowance for loan loss above includes future funding.

Appendix:
Segment Reporting Summary

	Nominal ($000s)	Weighted Average Shares Outstanding, Fully Converted [3]	Earnings Per Share, Fully Converted [3]	Daily Average Common Equity ($000s)	Return on Common Equity
GAAP Net Income (Loss)	$27,174	88,704,093	$0.25	$1,416,744	6.4%
Run-Rate Distributable Earnings [1]	$38,594	88,704,093	$0.37	$1,416,744	9.2%
Distributable Earnings [1]	$38,795	88,704,093	$0.37	$1,416,744	9.2%
GAAP Net Income (Loss):					
Core [2]	32,795	84,351,700	$0.33	1,347,229	8.4%
Securities	(5,621)	4,352,393	nm	69,515	nm
Total	**$27,174**	**88,704,093**	**$0.25**	**$1,416,744**	**6.4%**
Run-Rate Distributable Earnings: [1]					
Core [2]	38,721	84,351,700	$0.39	1,347,229	9.7%
Securities	(128)	4,352,393	nm	69,515	nm
Total	**$38,594**	**88,704,093**	**$0.37**	**$1,416,744**	**9.2%**
Distributable Earnings: [1]					
Core [2]	38,721	84,351,700	$0.39	1,347,229	9.7%
Securities	74	4,352,393	nm	69,515	nm
Total	**$38,795**	**88,704,093**	**$0.37**	**$1,416,744**	**9.2%**

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 vesting of our outstanding equity compensation awards.

Appendix:
GAAP Net Income to Distributable Earnings Reconciliation

	1Q'22	2Q'22	3Q'22	4Q'22
GAAP Net Income (Loss)	**(22.5)**	**(25.7)**	**35.3**	**27.2**
Adjustments:				
CLO Amortization Acceleration/CLO Call [1]	(1.0)	3.2	(1.2)	(1.4)
Unrealized (Gain)/Loss [2]	33.4	19.9	1.1	6.2
Subordinated Performance Fee [3]	-	(3.5)	(2.5)	(2.5)
Non-Cash Compensation Expense	-	-	0.8	2.7
Depreciation & Amortization	1.3	1.3	1.3	1.5
(Reversal of) / Provision for Credit Loss	(1.0)	32.5	(0.6)	5.1
Loan Workout Charges [4]	1.9	3.0	0.2	-
Realized trading and derivatives (gain)/loss on ARMs	28.0	(5.9)	(0.2)	(0.2)
Run-Rate Distributable Earnings [5]	**40.1**	**24.8**	**34.3**	**38.6**
Realized trading and derivatives gain/(loss) on ARMs	(28.0)	5.9	0.2	0.2
Distributable Earnings	**12.1**	**30.7**	**34.4**	**38.8**
Preferred Equity E Class Dividend	(4.8)	(4.8)	(4.8)	(4.8)
Depreciation and amortization attributed to noncontrolling interests of joint ventures	-	-	-	(1.4)
Noncontrolling interests in joint ventures net (income)/loss	-	-	-	0.2
Distributable Earnings to Common [6]	**7.3**	**25.9**	**29.6**	**32.8**
Average Equity [7]	1,519.6	1,470.6	1,422.0	1,416.7
GAAP Net Income (Loss) ROE	(7.2%)	(8.3%)	8.6%	6.4%
Run-Rate Distributable Earnings ROE	9.3%	5.4%	8.3%	9.2%
Distributable Earnings ROE	1.9%	7.0%	8.3%	9.2%
GAAP Net Income / (Loss) Earnings Per Share, Diluted	($0.99)	($0.43)	$0.34	$0.25
Fully Converted Weighted Average Shares Outstanding [8]	89,850,478	89,995,323	89,971,458	88,704,093
GAAP Net Income / (Loss) Earnings Per Share, Fully Converted [9]	($0.30)	($0.34)	$0.34	$0.25
Run-Rate Distributable Earnings Per Share, Fully Converted [9]	$0.39	$0.22	$0.33	$0.37
Distributable Earnings Per Share, Fully Converted [9]	$0.08	$0.29	$0.33	$0.37

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

1. 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
2. Represents unrealized gain 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 securities.
3. Subordinated performance fees that are positive represents subordinated performance fees that were accrued during the quarter, but not paid in cash. Subordinated performance fees that are negative represents subordinated performance fees that were paid in cash in the quarter related to accruals from prior quarters.
4. Represents loan workout expenses the Company incurred, which the Company deems likely to be recovered.
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 and noncontrolling interests in joint ventures.
7. Represents the average of all equity except the preferred equity E class.
8. Fully converted per share information assumes applicable conversion of our outstanding series of convertible preferred stock into common stock and the vesting of our outstanding equity compensation awards.
9. Calculated as GAAP net income less preferred dividend on preferred equity E class plus 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

	December 31, 2022	
Stockholders' equity applicable to convertible common stock	$	1,398,986
Shares:		
Common stock		82,479,743
Restricted stock and restricted stock units		513,041
Series H convertible preferred stock		5,370,640
Series I convertible preferred stock		299,200
Total outstanding shares		**88,662,624**
Fully-converted book value per share [1] [2]	**$**	**15.78**

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 Series H and Series I convertible preferred stock and vesting of our outstanding equity compensation awards.
2. Excluding the amounts for accumulated depreciation and amortization of real property of $5.2 million and $1.0 million as of December 31, 2022 and 2021, respectively, would result in a fully-converted book value per share of $15.84 and $17.26 as of December 31, 2022 and 2021, respectively.

Appendix:
FBRT Income Statement

	Year Ended December 31,		
	2022	2021	2020
Interest Income:			
Interest income	$ 357,705	$ 216,890	$ 179,872
Less: Interest expense	165,708	60,835	66,556
Net interest income	191,997	156,055	113,316
Revenue from real estate owned	9,655	4,759	4,299
Total Income	**$ 201,652**	**$ 160,814**	**$ 117,615**
Expenses:			
Asset management and subordinated performance fee	26,157	28,110	15,178
Acquisition expenses	1,360	1,203	696
Administrative services expenses	12,928	7,658	13,120
Impairment of acquired assets	—	88,282	—
Professional fees	22,566	11,650	10,964
Share-based compensation expense	2,519	—	—
Real estate owned operating expenses	—	—	3,653
Depreciation and amortization	5,408	2,107	2,233
Other expenses	6,572	3,946	3,312
Total expenses	**$ 77,510**	**$ 142,956**	**$ 49,156**
Other (income)/loss:			
Provision/(benefit) for credit losses	36,115	(5,192)	13,296
Impairment losses on real estate owned assets	—	—	398
Realized (gain)/loss on extinguishment of debt	(15)	—	(3,678)
Realized (gain)/loss on sale of commercial mortgage loans, held for sale	354	(26)	(184)
Realized (gain)/loss on sale of real estate owned assets, held for sale	—	(9,809)	(1,851)
Realized (gain)/loss on sale of other real estate investments, measured at fair value	33	—	—
Realized (gain)/loss on sale of commercial mortgage loans, held for sale, measured at fair value	(2,358)	(24,208)	(15,931)
Unrealized (gain)/loss on commercial mortgage loans, held for sale, measured at fair value	511	(469)	75
Unrealized (gain)/loss on other real estate investments, measured at fair value	659	19	32
Trading (gain)/loss	119,220	36,128	10,137
Unrealized (gain)/loss on derivatives	15,840	(7,402)	995
Realized (gain)/loss on derivatives	(60,033)	(484)	12,486
Total other (income)/loss	**$ 110,326**	**$ (11,443)**	**$ 15,775**
Income/(loss) before taxes	13,816	29,301	52,684
Provision/(benefit) for income tax	(399)	3,599	$ (2,062)
Net income/(loss)	**$ 14,215**	**$ 25,702**	**$ 54,746**
Net (income)/loss attributable to noncontrolling interest	**216**	**—**	**—**
Net income/(loss) attributable to Franklin BSP Realty Trust, Inc.	**$ 14,431**	**$ 25,702**	**$ 54,746**
Net income/(loss) attributable to common shareholders	**$ (27,310)**	**$ (7,885)**	**$ 39,826**
Basic net income per share	$ (0.38)	$ (0.18)	$ 0.90
Diluted net income per share	$ (0.38)	$ (0.18)	$ 0.90
Basic weighted average shares outstanding	71,628,365	43,419,209	44,384,813
Diluted weighted average shares outstanding	71,628,365	43,434,731	44,398,879

Appendix:
FBRT Balance Sheet

	December 31, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents	$ 179,314	$ 154,929
Restricted cash	11,173	13,270
Commercial mortgage loans, held for investment, net of allowance for credit losses of $40,848 and $15,827 as of December 31, 2022 and December 31, 2021, respectively	5,228,928	4,211,061
Commercial mortgage loans, held for sale, measured at fair value	15,559	34,718
Real estate securities, trading, measured at fair value	235,728	4,566,871
Real estate securities, available for sale, measured at fair value, amortized cost of $220,635 as of December 31, 2022	221,025	—
Derivative instruments, measured at fair value	415	436
Other real estate investments, measured at fair value	—	2,074
Receivable for loan repayment	42,557	252,351
Accrued interest receivable	34,007	30,109
Prepaid expenses and other assets	15,795	13,595
Intangible lease asset, net of amortization	54,831	48,472
Real estate owned, net of depreciation	127,772	90,048
Real estate owned, held for sale	36,497	—
Cash collateral receivable from derivative counterparties	—	56,767
Total assets	**$ 6,203,601**	**$ 9,474,701**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Collateralized loan obligations	$ 3,121,983	$ 2,162,190
Repurchase agreements - commercial mortgage loans	680,859	1,019,600
Repurchase agreements - real estate securities	440,008	4,178,784
Mortgage note payable	23,998	23,998
Other financing and loan participation - commercial mortgage loans	76,301	37,903
Unsecured debt	98,695	148,594
Derivative instruments, measured at fair value	64	32,295
Interest payable	12,715	2,692
Distributions payable	36,317	30,346
Accounts payable and accrued expenses	17,668	12,705
Due to affiliates	15,429	17,538
Intangible lease liability, net of depreciation	6,428	—
Total liabilities	**$ 4,530,465**	**$ 7,666,645**
Redeemable convertible preferred stock:		
Redeemable convertible preferred stock Series C, $0.01 par value, 20,000 authorized and 1,400 issued and outstanding as of December 31, 2021	$ —	$ 6,971
Redeemable convertible preferred stock Series D, $0.01 par value, 20,000 authorized and 17,950 issued and outstanding as of December 31, 2021	—	89,684
Redeemable convertible preferred stock Series H, $0.01 par value, 20,000 authorized and 17,950 issued and outstanding as of December 31, 2022	89,748	—
Redeemable convertible preferred stock Series I, $0.01 par value, 1,000 authorized and 1,000 issued and outstanding as of December 31, 2022	5,000	—
Total redeemable convertible preferred stock	**$ 94,748**	**$ 96,655**
Equity:		
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, 2022 and 2021	$ 258,742	$ 258,742
Series F Preferred stock, $0.01 par value, 40,000,000 authorized, 39,733,299 issued and outstanding as of December 31, 2021	—	710,431
Common stock, $0.01 par value, 900,000,000 shares authorized, 82,992,784 and 43,965,928 issued and outstanding as of December 31, 2022 and 2021, respectively	826	441
Additional paid-in capital	1,602,247	903,264
Accumulated other comprehensive income (loss)	390	(62)
Accumulated deficit	(299,225)	(167,179)
Total stockholders' equity	**$ 1,562,980**	**$ 1,705,637**
Noncontrolling interest	15,408	5,764
Total equity	**1,578,388**	**1,711,401**
Total liabilities, redeemable convertible preferred stock and equity	**$ 6,203,601**	**$ 9,474,701**

Definitions

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 residential adjustable-rate mortgage pass-through securities ("ARM Agency Securities" or "ARMs"), including CECL reserves and impairments, (iii) non-cash equity compensation expense, (iv) depreciation and amortization, (v) non-cash subordinated performance fee accruals, (vi) loan workout charges, (vii) certain other non-cash items, and (viii) impairments of acquisition assets related to the Capstead merger. Further, Run-Rate Distributable Earnings, a non-GAAP measure, presents Distributable Earnings before trading and derivative gain/loss on ARMs.

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, which the Company is actively in the process of liquidating 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.