



**FRANKLIN  
TEMPLETON**



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**FOR IMMEDIATE RELEASE**

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### **Franklin BSP Realty Trust, Inc. Announces Third Quarter 2026 Results**

**New York City, NY** – October 28, 2026 – Franklin BSP Realty Trust, Inc. (NYSE: FBRT) ("FBRT" or the "Company") today announced financial results for the quarter ended September 30, 2026.

During the third quarter, FBRT increased fully converted book value<sup>(1)</sup> per share and continued to execute on its key priorities, including accretive share repurchases, resolving legacy assets and growing the contribution from its Agency Business.

#### **Third Quarter 2026 Summary**

- GAAP net loss of \$(27.0) million or \$(0.41) per diluted common share
- Distributable Earnings (a non-GAAP financial measure) of \$3.3 million, or \$(0.02) per diluted common share on a fully converted basis<sup>(1)</sup>
- Distributable Earnings before realized losses (a non-GAAP financial measure) of \$25.8 million, or \$0.24 per diluted common share on a fully converted basis<sup>(1)</sup>
- Repurchased 7,433,748 shares of common stock at an average price of \$8.14 per share for an aggregate of \$60.5 million, resulting in \$0.55 per diluted common share of book value accretion on a fully converted basis<sup>(1)</sup>
- Book value of \$14.26 per diluted common share on a fully converted basis<sup>(1)</sup>, an increase of \$0.02 from the prior quarter
- Adjusted<sup>(2)</sup> fully converted<sup>(1)</sup> book value per share of \$15.13, an increase of \$0.39 from the prior quarter
- Core portfolio:
  - Principal balance of \$4.1 billion across 175 loans, with an average loan size of \$23.2 million, and 83% collateralized by multifamily properties
  - Closed \$249.3 million of new loan commitments and funded \$284.8 million on new and existing loans
  - Received loan repayments of \$405.5 million
  - Average portfolio risk rating of 2.4, unchanged from prior quarter
- Agency Business segment:
  - Servicing portfolio grew by \$1.4 billion to \$61.3 billion<sup>(3)</sup>
  - Originated \$670.4 million of new loan commitments under programs with Fannie Mae, Freddie Mac, and HUD
  - Mortgage Servicing Rights ("MSRs") book value at \$201.2 million, with another \$8.1 million in MSR book value related to loan commitments and funded agency loans
- Declared a third quarter common stock cash dividend of \$0.20, representing an annualized 5.6% yield on fully converted book value<sup>(1)</sup>, or 12.8% yield on current trading price<sup>(4)</sup>
- Total liquidity of \$407.2 million, including \$100.8 million of cash and cash equivalents

#### **Portfolio and Investment Activity**

**Core portfolio:** For the quarter ended September 30, 2026, the Company closed \$249.3 million of new loan commitments, funded \$284.8 million of principal balance on new and existing loans, and received loan repayments of \$405.5 million. FBRT's average portfolio risk rating was 2.4, unchanged from the prior quarter. At quarter end, the Company had 13 loans with a principal balance of \$333.6 million on its watch list, six of which are risk rated a four and seven of which are risk rated a five.

<sup>1</sup> Fully Converted assumes conversion of our series of convertible preferred stock and OP Units along with full vesting of our outstanding equity compensation awards.

<sup>2</sup> Excludes the impact of accumulated depreciation and amortization of real property and includes the impact of the fair value of our MSRs over their carrying value, resulting in a total adjustment of \$72.0 million.

<sup>3</sup> Includes \$4.4 billion of principal serviced for a wholly owned subsidiary of the Company; related revenue is eliminated in consolidation.

<sup>4</sup> Current trading price as of October 23, 2026.

*Conduit:* For the quarter ended September 30, 2026, the Company originated \$61.5 million of fixed rate conduit loans and sold \$54.5 million of conduit loans for a gain of \$1.0 million, gross of related derivatives.

*Agency Business segment:* For the quarter ended September 30, 2026, the Company originated \$670.4 million of new commitments under programs with Fannie Mae, Freddie Mac, and HUD and managed a servicing portfolio of \$61.3 billion.

*Real estate owned and equity method investments:* For the quarter ended September 30, 2026, the Company had ten foreclosure real estate owned positions totaling \$339.5 million, one investment real estate owned position of \$113.9 million, and six equity method investment positions of \$88.7 million.

*Allowance for credit losses:* During the quarter, the Company recognized a net provision for credit losses of \$43.1 million. Provision for our core portfolio was \$37.7 million, comprised of a specific allowance provision of \$38.7 million, partially offset by a general benefit of \$1.0 million. Provision for our Agency Business was \$5.4 million, comprised of a general provision of \$5.0 million and a provision for specific allowance of \$0.4 million.

### **Book Value**

As of September 30, 2026, book value was \$14.26 per diluted common share on a fully converted basis<sup>(1)</sup>.

### **Share Repurchase Program**

During the quarter ended September 30, 2026, the Company repurchased 7,433,748 shares of common stock at an average price of \$8.14 per share for an aggregate of \$60.5 million, which represents a \$0.55 per share increase to book value on a fully converted basis<sup>(1)</sup>. On October 27, 2026, the Company's board of directors extended the program to December 31, 2027.

### **Subsequent Events**

On October 15, 2026, the Company called all of the outstanding notes issued by BSPRT 2023-FL10 Issuer, Ltd., a wholly owned indirect subsidiary of the Company. The notes had an outstanding principal balance of \$267.2 million at the time of redemption.

### **Distributable Earnings and Distributable Earnings to Common**

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 and derivatives, including CECL reserves and impairments, net of realized gains and losses, as described further below, (iii) non-cash equity compensation expense, (iv) depreciation and amortization, (v) subordinated performance fee accruals/(reversal), (vi) realized gains and losses on debt extinguishment and CLO calls, (vii) non-cash income from mortgage servicing rights, and (viii) certain other non-cash items. Distributable Earnings before realized losses, a non-GAAP measure, presents Distributable Earnings gross of realized gain (loss) on debt extinguishment and realized gain (loss) on loans and real estate owned. Further, Distributable Earnings to Common, a non-GAAP measure, presents Distributable Earnings net of (x) perpetual preferred stock dividend payments and (y) non-controlling interests in joint ventures.

As noted above, we exclude unrealized gains and losses on loans and other investments, including CECL reserves and impairments, from our calculation of Distributable Earnings and include realized gains and losses. The nature of these adjustments is described more fully in the footnotes to our reconciliation tables. GAAP loan loss reserves and any property impairment losses have been excluded from Distributable Earnings consistent with other unrealized losses pursuant to our existing definition of Distributable Earnings. We expect to only recognize such potential credit or property impairment losses in Distributable Earnings if and when such amounts are deemed nonrecoverable upon a realization event. This is generally at the time a loan is repaid, or in the case of a foreclosure or other property, when the underlying asset is sold. Amounts may also be deemed non-recoverable if, in our determination, it is nearly certain the carrying amounts will not be collected or realized. The realized loss amount reflected in Distributable Earnings will generally equal the difference between the cash received and the Distributable Earnings basis of the asset. The timing of any such loss realization in our Distributable Earnings may differ materially from the timing of the corresponding loss reserves, charge-offs or impairments in our consolidated financial statements prepared in accordance with GAAP.

The Company believes that Distributable Earnings, Distributable Earnings before realized losses and Distributable Earnings to Common provide meaningful information to consider in addition to the disclosed GAAP results. The Company believes Distributable Earnings, Distributable Earnings before realized losses and Distributable Earnings to Common are useful financial metrics for existing and potential future holders of its common stock as historically, over time, Distributable Earnings to Common has been an indicator of common dividends per share. As a REIT, the

<sup>1</sup> Fully Converted assumes conversion of our series of convertible preferred stock and OP Units along with full vesting of our outstanding equity compensation awards.

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 to Common 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.

Distributable Earnings, Distributable Earnings before realized losses and Distributable Earnings to Common 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, Distributable Earnings before realized losses and Distributable Earnings to Common may differ from the methodologies employed by other companies and thus may not be comparable to the Distributable Earnings reported by other companies.

Please refer to the financial statements and reconciliation of GAAP Net Income to Distributable Earnings, Distributable Earnings before Realized Losses and Distributable Earnings to Common included at the end of this release for further information.

## **Supplemental Information**

The Company published a supplemental earnings presentation for the quarter ended September 30, 2026 on its website to provide additional disclosure and financial information. These materials can be found on the Company's website at <https://www.fbrtreit.com> under the Presentations tab.

## **Conference Call and Webcast**

The Company will host a conference call and live audio webcast to discuss its financial results on Thursday, October 29, 2026 at 9:00 a.m. ET. Participants are encouraged to pre-register for the call and webcast at <https://dpreregister.com/sreg/10212374/104fe7efcee>. If you are unable to pre-register, the conference call may be accessed by dialing (844) 701-1166 (Domestic) or (412) 317-5795 (International). Ask to join the Franklin BSP Realty Trust conference call. Participants should call in at least five minutes prior to the start of the call.

The call will also be accessible via live webcast at <https://ccmediaframe.com/?id=qqnAxQmO>. Please allow extra time prior to the call to download and install audio software, if needed. A slide presentation containing supplemental information may also be accessed through the Company's website in advance of the call.

An audio replay of the live broadcast will be available approximately one hour after the end of the conference call on FBRT's website. The replay will be available for 90 days on the Company's website.

## **About Franklin BSP Realty Trust, Inc.**

Franklin BSP Realty Trust, Inc. (NYSE: FBRT) is a real estate investment trust that originates, acquires and manages a diversified portfolio of commercial real estate debt secured by properties located in the United States. As of September 30, 2026, FBRT had approximately \$6.0 billion of assets. FBRT is externally managed by Benefit Street Partners L.L.C., a wholly owned subsidiary of Franklin Templeton, Inc. For further information, please visit [www.fbrtreit.com](http://www.fbrtreit.com).

## **About Benefit Street Partners**

Benefit Street Partners is an alternative credit pioneer with \$97 billion in assets under management as of August 31, 2026 (including Apera). It seeks to deliver attractive, risk-adjusted returns through its deep specialism, long-term relationships and global reach. A wholly owned subsidiary of Franklin Templeton, BSP is focused on credit. Through its disciplined, solutions-oriented approach, BSP unlocks opportunities across market cycles and geographies. The firm manages strategies spanning private debt, real estate debt, structured credit, and liquid loans. For more information, visit [www.bspcredit.com](http://www.bspcredit.com).

## **About Franklin Templeton**

Franklin Templeton is a trusted investment partner, delivering tailored solutions that align with clients' strategic goals. With deep portfolio management expertise across public and private markets, we combine investment excellence with cutting-edge technology. Since our founding in 1947, we have empowered clients through strategic partnership, forward-looking insights, and continuous innovation – providing the tools and resources to navigate change and capture opportunity.

With more than \$1.8 trillion in assets under management as of September 30, 2026, Franklin Templeton operates globally in more than 35 countries.

To learn more, visit [www.franklintempleton.com](http://www.franklintempleton.com) and follow us on [LinkedIn](#).

## **Forward-Looking Statements**

Certain statements included in this press release are forward-looking statements. Those statements include statements regarding the intent, belief or current expectations of the Company and members of our management team, as well as 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. 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, unless required by law.

The Company's forward-looking statements are subject to various risks and uncertainties. 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, the financial stability of our borrowers and the other risks and important factors contained and identified in the Company's filings with the Securities and Exchange Commission ("SEC"), including its Annual Report

on Form 10-K for the fiscal year ended December 31, 2025 and its subsequent filings with the SEC, any of which could cause actual results to differ materially from the forward-looking statements. The forward-looking statements included in this communication are made only as of the date hereof.

**FRANKLIN BSP REALTY TRUST, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share and per share data)

|                                                                                                                                                                                                                 | September 30, 2026  | December 31, 2025   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                                                                                                                                                                                                   |                     |                     |
| Cash and cash equivalents                                                                                                                                                                                       | \$ 100,821          | \$ 167,292          |
| Restricted cash                                                                                                                                                                                                 | 18,787              | 17,889              |
| Investment securities, held to maturity <sup>(1)</sup>                                                                                                                                                          | 24,781              | 20,483              |
| Commercial mortgage loans, held for investment, net of allowance for credit losses of \$71,932 and \$38,302 as of September 30, 2026 and December 31, 2025, respectively <sup>(2)</sup>                         | 3,967,590           | 4,383,134           |
| Commercial mortgage loans, held for sale, measured at fair value <sup>(3)</sup>                                                                                                                                 | 373,181             | 360,718             |
| Real estate securities, available for sale, measured at fair value, amortized cost of \$0 and \$151,946 as of September 30, 2026 and December 31, 2025, respectively <sup>(4)</sup>                             | —                   | 151,662             |
| Mortgage servicing rights, net                                                                                                                                                                                  | 201,178             | 212,216             |
| Accrued interest receivable                                                                                                                                                                                     | 29,907              | 41,468              |
| Receivable for loan repayment <sup>(5)</sup>                                                                                                                                                                    | 12,070              | 50,619              |
| Prepaid expenses and other assets                                                                                                                                                                               | 45,264              | 45,112              |
| Real estate owned, net of depreciation                                                                                                                                                                          | 259,713             | 99,265              |
| Real estate owned, held for sale                                                                                                                                                                                | 160,047             | 198,883             |
| Equity method investments                                                                                                                                                                                       | 88,656              | 71,682              |
| Intangible assets, net of amortization                                                                                                                                                                          | 112,134             | 115,553             |
| Goodwill                                                                                                                                                                                                        | 92,048              | 92,048              |
| Derivative instruments, measured at fair value                                                                                                                                                                  | 17,702              | 11,315              |
| Loans eligible for repurchase                                                                                                                                                                                   | —                   | 17,911              |
| Variable interest entity ("VIE") assets, measured at fair value                                                                                                                                                 | 521,259             | —                   |
| <b>Total assets</b>                                                                                                                                                                                             | <b>\$ 6,025,138</b> | <b>\$ 6,057,250</b> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                                                                                                                                                     |                     |                     |
| Collateralized loan obligations                                                                                                                                                                                 | \$ 2,856,873        | \$ 2,735,582        |
| Repurchase agreements and revolving credit facilities - commercial mortgage loans                                                                                                                               | 837,901             | 1,087,087           |
| Repurchase agreements - real estate securities                                                                                                                                                                  | 39,489              | 187,371             |
| Other financings                                                                                                                                                                                                | 12,865              | 12,865              |
| Unsecured debt                                                                                                                                                                                                  | 161,392             | 185,466             |
| Mortgage note payable                                                                                                                                                                                           | 24,186              | 23,998              |
| Allowance for loss sharing                                                                                                                                                                                      | 24,602              | 19,484              |
| Accrued compensation                                                                                                                                                                                            | 42,006              | 43,662              |
| Liability for loans eligible for repurchase                                                                                                                                                                     | —                   | 17,911              |
| Interest payable                                                                                                                                                                                                | 14,837              | 16,110              |
| Distributions payable                                                                                                                                                                                           | 21,431              | 38,935              |
| Accounts payable and accrued expenses                                                                                                                                                                           | 20,398              | 18,892              |
| Due to affiliates                                                                                                                                                                                               | 12,561              | 12,054              |
| Derivative instruments, measured at fair value                                                                                                                                                                  | 16                  | 6,951               |
| Other liabilities                                                                                                                                                                                               | 21,053              | 29,657              |
| VIE liabilities, measured at fair value                                                                                                                                                                         | 493,393             | —                   |
| <b>Total liabilities</b>                                                                                                                                                                                        | <b>\$ 4,583,003</b> | <b>\$ 4,436,025</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 September 30, 2026 and December 31, 2025                                           | \$ 89,748           | \$ 89,748           |
| <b>Total redeemable convertible preferred stock</b>                                                                                                                                                             | <b>\$ 89,748</b>    | <b>\$ 89,748</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 September 30, 2026 and December 31, 2025 | \$ 258,742          | \$ 258,742          |
| Common stock, \$0.01 par value, 900,000,000 shares authorized, 75,881,209 and 81,553,982 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively                             | 755                 | 808                 |
| Additional paid-in capital                                                                                                                                                                                      | 1,561,187           | 1,593,365           |
| Accumulated other comprehensive income/(loss)                                                                                                                                                                   | —                   | (284)               |
| Accumulated deficit                                                                                                                                                                                             | (474,452)           | (411,101)           |
| <b>Total stockholders' equity</b>                                                                                                                                                                               | <b>\$ 1,346,232</b> | <b>\$ 1,441,530</b> |
| Non-controlling interest                                                                                                                                                                                        | 6,155               | 89,947              |
| <b>Total equity</b>                                                                                                                                                                                             | <b>\$ 1,352,387</b> | <b>\$ 1,531,477</b> |
| <b>Total liabilities, redeemable convertible preferred stock and equity</b>                                                                                                                                     | <b>\$ 6,025,138</b> | <b>\$ 6,057,250</b> |

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- <sup>(1)</sup> Includes pledged assets of \$24.5 million and \$20.2 million as of September 30, 2026 and December 31, 2025, respectively.
  - <sup>(2)</sup> Includes pledged assets of \$647.9 million and \$855.2 million as of September 30, 2026 and December 31, 2025, respectively.
  - <sup>(3)</sup> Includes pledged assets of \$364.1 million and \$329.2 million as of September 30, 2026 and December 31, 2025, respectively.
  - <sup>(4)</sup> Includes pledged assets of \$0.0 million and \$151.7 million as of September 30, 2026 and December 31, 2025, respectively.
  - <sup>(5)</sup> Includes \$11.8 million and \$50.5 million of cash held by servicer related to the CLOs as of September 30, 2026 and December 31, 2025, respectively.

*The accompanying notes are an integral part of these unaudited consolidated financial statements.*

**FRANKLIN BSP REALTY TRUST, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except share and per share data)

|                                                                          | Three Months Ended<br>September 30, |                   | Nine Months Ended<br>September 30, |                   |
|--------------------------------------------------------------------------|-------------------------------------|-------------------|------------------------------------|-------------------|
|                                                                          | 2026                                | 2025              | 2026                               | 2025              |
| <b>Income</b>                                                            |                                     |                   |                                    |                   |
| Interest income                                                          | \$ 84,218                           | \$ 106,167        | \$ 273,654                         | \$ 331,246        |
| Less: Interest expense                                                   | 59,845                              | 76,492            | 192,336                            | 217,298           |
| Net interest income                                                      | 24,373                              | 29,675            | 81,318                             | 113,948           |
| Gain/(loss) on sales, including fee-based services, net                  | 20,717                              | 29,423            | 57,822                             | 34,726            |
| Mortgage servicing rights                                                | 8,654                               | 19,745            | 19,313                             | 19,745            |
| Servicing revenue, net                                                   | 12,276                              | 3,606             | 32,484                             | 3,606             |
| Gain/(loss) on derivatives                                               | 984                                 | (122)             | 3,318                              | (456)             |
| Revenue from real estate owned                                           | 7,933                               | 7,222             | 20,353                             | 22,355            |
| <b>Total income</b>                                                      | <b>\$ 74,937</b>                    | <b>\$ 89,549</b>  | <b>\$ 214,608</b>                  | <b>\$ 193,924</b> |
| <b>Expenses</b>                                                          |                                     |                   |                                    |                   |
| Compensation and benefits                                                | \$ 27,532                           | \$ 34,434         | \$ 71,325                          | \$ 34,434         |
| Asset management and subordinated performance fee                        | 5,865                               | 6,082             | 17,888                             | 18,174            |
| Acquisition expenses                                                     | 186                                 | 265               | 772                                | 739               |
| Administrative services expenses                                         | 2,912                               | 3,455             | 7,274                              | 10,687            |
| Professional fees                                                        | 4,742                               | 9,334             | 21,268                             | 20,609            |
| Other expenses                                                           | 11,367                              | 14,052            | 34,602                             | 35,557            |
| Depreciation and amortization                                            | 2,238                               | 3,432             | 7,641                              | 6,193             |
| Share-based compensation                                                 | 1,208                               | 2,237             | 6,068                              | 6,799             |
| <b>Total expenses</b>                                                    | <b>\$ 56,050</b>                    | <b>\$ 73,291</b>  | <b>\$ 166,838</b>                  | <b>\$ 133,192</b> |
| <b>Other income/(loss)</b>                                               |                                     |                   |                                    |                   |
| (Provision)/benefit for credit losses                                    | \$ (43,105)                         | \$ 569            | \$ (61,731)                        | \$ 3,954          |
| Realized gain/(loss) on real estate securities, available for sale       | (888)                               | —                 | (888)                              | 113               |
| Realized gain/(loss) on extinguishment of debt                           | 1,699                               | —                 | 766                                | —                 |
| Gain/(loss) on other real estate investments                             | (12,826)                            | (2,116)           | (9,597)                            | (1,664)           |
| Income/(loss) from equity method investments                             | 45                                  | 6                 | 13,797                             | 187               |
| Change in net assets of consolidated VIE, CMBS trust                     | 1,124                               | —                 | 1,420                              | —                 |
| <b>Total other income/(loss)</b>                                         | <b>\$ (53,951)</b>                  | <b>\$ (1,541)</b> | <b>\$ (56,233)</b>                 | <b>\$ 2,590</b>   |
| Income/(loss) before taxes                                               | (35,064)                            | 14,717            | (8,463)                            | 63,322            |
| (Provision)/benefit for income tax                                       | 8,022                               | 2,899             | 9,988                              | 2,383             |
| <b>Net income/(loss)</b>                                                 | <b>\$ (27,042)</b>                  | <b>\$ 17,616</b>  | <b>\$ 1,525</b>                    | <b>\$ 65,705</b>  |
| Net (income)/loss attributable to non-controlling interest               | 358                                 | (302)             | (660)                              | (1,132)           |
| <b>Net income/(loss) attributable to Franklin BSP Realty Trust, Inc.</b> | <b>\$ (26,684)</b>                  | <b>\$ 17,314</b>  | <b>\$ 865</b>                      | <b>\$ 64,573</b>  |
| Less: Preferred stock dividends                                          | 5,915                               | 6,749             | 17,747                             | 20,245            |
| <b>Net income/(loss) applicable to common stock</b>                      | <b>\$ (32,599)</b>                  | <b>\$ 10,565</b>  | <b>\$ (16,882)</b>                 | <b>\$ 44,328</b>  |
| Basic earnings per share                                                 | \$ (0.41)                           | \$ 0.12           | \$ (0.23)                          | \$ 0.52           |
| Diluted earnings per share                                               | \$ (0.41)                           | \$ 0.12           | \$ (0.23)                          | \$ 0.51           |
| Basic weighted average shares outstanding                                | 80,287,854                          | 82,214,630        | 78,861,945                         | 82,150,496        |
| Diluted weighted average shares outstanding                              | 80,756,562                          | 90,600,581        | 78,861,945                         | 84,976,530        |

**FRANKLIN BSP REALTY TRUST, INC.**  
**RECONCILIATION OF GAAP NET INCOME TO DISTRIBUTABLE EARNINGS**  
(In thousands, except share and per share data)  
(Unaudited)

The following table provides a reconciliation of GAAP net income to Distributable Earnings, Distributable Earnings before Realized Losses and Distributable Earnings to Common for the three and nine months ended September 30, 2026 and 2025 (amounts in thousands, except share and per share data):

|                                                                                              | Three Months Ended September 30, |                  | Nine Months Ended September 30, |                  |
|----------------------------------------------------------------------------------------------|----------------------------------|------------------|---------------------------------|------------------|
|                                                                                              | 2026                             | 2025             | 2026                            | 2025             |
| <b>GAAP Net Income (Loss)</b>                                                                | \$ (27,042)                      | \$ 17,616        | \$ 1,525                        | \$ 65,705        |
| <b>Adjustments:</b>                                                                          |                                  |                  |                                 |                  |
| Unrealized (gain)/loss on financial instruments <sup>(1)</sup>                               | 12,490                           | 1,888            | 9,207                           | 2,645            |
| Subordinated performance fee <sup>(2)</sup>                                                  | —                                | (270)            | —                               | (810)            |
| Non-cash compensation expense                                                                | 1,469                            | 5,185            | 7,965                           | 9,747            |
| Depreciation and amortization, net                                                           | 2,189                            | 3,427            | 7,502                           | 6,188            |
| Transaction-related and non-recurring items <sup>(3)</sup>                                   | —                                | 3,997            | —                               | 8,818            |
| (Reversal of)/provision for credit losses                                                    | 43,105                           | (569)            | 61,731                          | (3,954)          |
| (Gain) / loss on debt extinguishment reversal                                                | (1,699)                          | —                | (766)                           | —                |
| Income from mortgage servicing rights                                                        | (8,654)                          | (19,745)         | (19,313)                        | (19,745)         |
| Amortization and write-offs of MSRs                                                          | 9,693                            | 15,924           | 29,962                          | 15,924           |
| Deferred tax adjustment                                                                      | (6,409)                          | —                | (6,017)                         | —                |
| Change in net assets of consolidated VIE due to unrealized (gain)/loss                       | (269)                            | —                | (269)                           | —                |
| Fair value adjustments on equity investments <sup>(4)</sup>                                  | 906                              | 904              | (9,701)                         | 904              |
| <b>Distributable Earnings before realized gain/(loss)</b>                                    | <b>\$ 25,779</b>                 | <b>\$ 28,357</b> | <b>\$ 81,826</b>                | <b>\$ 85,422</b> |
| Realized gain / (loss) on debt extinguishment                                                | 1,699                            | —                | 766                             | —                |
| Realized gain/(loss) adjustment on loans and REO <sup>(5)</sup>                              | (24,214)                         | (1,656)          | (37,483)                        | (35,950)         |
| <b>Distributable Earnings</b>                                                                | <b>\$ 3,264</b>                  | <b>\$ 26,701</b> | <b>\$ 45,109</b>                | <b>\$ 49,472</b> |
| 7.5% series E cumulative redeemable preferred stock dividend                                 | (4,842)                          | (4,842)          | (14,526)                        | (14,526)         |
| Noncontrolling interests net (income) / loss                                                 | 358                              | (302)            | (660)                           | (1,132)          |
| Noncontrolling interests net (income) / loss DE adjustments                                  | (468)                            | (509)            | 380                             | 235              |
| <b>Distributable Earnings to Common</b>                                                      | <b>\$ (1,688)</b>                | <b>\$ 21,048</b> | <b>\$ 30,303</b>                | <b>\$ 34,049</b> |
| Average common stock & common stock equivalents <sup>(6)</sup>                               | 1,253,042                        | 1,385,374        | 1,296,900                       | 1,349,740        |
| GAAP net income/(loss) ROE                                                                   | (10.1)%                          | 3.6 %            | (1.4)%                          | 4.9 %            |
| Distributable earnings ROE to common                                                         | (0.5)%                           | 6.1 %            | 3.1 %                           | 3.4 %            |
| GAAP net income/(loss) per share, diluted                                                    | \$ (0.41)                        | \$ 0.12          | \$ (0.23)                       | \$ 0.51          |
| GAAP net income/(loss) per share, fully converted <sup>(7)</sup>                             | \$ (0.36)                        | \$ 0.13          | \$ (0.13)                       | \$ 0.55          |
| Distributable earnings per share, fully converted <sup>(7)</sup>                             | \$ (0.02)                        | \$ 0.22          | \$ 0.33                         | \$ 0.37          |
| Distributable earnings per share before realized gain/(loss), fully converted <sup>(7)</sup> | \$ 0.24                          | \$ 0.23          | \$ 0.73                         | \$ 0.76          |

<sup>(1)</sup> 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 and (iii) derivatives.

<sup>(2)</sup> Represents accrued and unpaid subordinated performance fee. In addition, reversal of subordinated performance fee represents cash payment obligations in the quarter.

<sup>(3)</sup> Represents transaction-related and non-recurring costs associated with the acquisition of NewPoint.

<sup>(4)</sup> Represents non-cash (income) loss from equity method investments, net of cash received as return on capital for the quarter.

<sup>(5)</sup> Represents amounts deemed nonrecoverable upon a realization event, which is generally at the time a loan is repaid, or in the case of a foreclosure or other property, when the underlying asset is sold. Amounts may also be deemed non-recoverable if, in our determination, it is nearly certain the carrying amounts will not be collected or realized upon sale. Amount may be different than the GAAP basis. As of September 30, 2026, the Company has \$9.9 million of GAAP gain adjustments and \$13.8 million of GAAP loss adjustments that would run through distributable earnings if and when cash gains or losses are realized.

<sup>(6)</sup> Represents the average of all classes of equity except the Series E Preferred Stock.

<sup>(7)</sup> Fully Converted assumes conversion of our series of convertible preferred stock and OP units along with full vesting of our outstanding equity compensation awards.