

APOLLO

Q3 2023 Financial Results

Apollo Commercial Real Estate Finance, Inc.

October 2023

Unless otherwise noted, information as of September 30, 2023

It should not be assumed that investments made in the future will be profitable or will equal the performance of the investments shown in this document.

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This presentation contains information regarding ARI'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 Distributable Earnings per share. Please refer to page 21 for a definition of "Distributable Earnings" and the reconciliation of the applicable GAAP financial measures to non-GAAP financial measures set forth on page 20.

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ARI Highlights

Strong Distributable Earnings^{1,a}

\$0.37

Distributable Earnings¹ per Diluted Share of Common Stock

Dividend Coverage

1.1x

Coverage Ratio² for Dividend per Share of Common Stock

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Commercial Real Estate Finance

Quarter-End Liquidity

\$480 Million^c

Cash^b and Available Leverage on Secured Debt Arrangements

**Well-Positioned for Continued Tailwinds
from Rising Interest Rates**

99%

Percentage of Portfolio Consisting of Floating Rate Loans

a) Amount reflects Distributable Earnings prior to net realized loss on investments and realized gain on extinguishment of debt
 b) Includes loan proceeds held by servicer as of September 30, 2023
 c) \$176 million of cash was utilized to pay off our Convertible Notes at maturity in October 2023
 See footnotes on page 21

Summary Results

Q3 Financial Results

- Net income available to common stockholders of **\$43 million**, or **\$0.30** per diluted share of common stock
- Distributable Earnings^{1,a} of **\$53 million**, or **\$0.37** per diluted share of common stock
- Declared common stock dividends of **\$0.35** per share for Q3 2023, which implies a dividend yield⁴ of **15.0%**

Loan Portfolio

- Total loan portfolio of **\$8.0 billion** with w/a unlevered all-in yield^{6,b} of **8.9%**
 - **95%** first mortgages and **99%** floating rate
- Weighted-average risk rating of **3.1**
- No Specific CECL Allowance recorded during Q3
- Funded **\$174 million** year-to-date in connection with the refinancing of two floating rate first mortgage loans
- Gross add-on fundings⁵ of **\$342 million** year-to-date, **\$97 million** in Q3
- Received **\$1.0 billion** from loan repayments year-to-date, **\$286 million** in Q3
 - Includes **\$210 million** year-to-date of proceeds from loans secured by office properties
 - Includes **\$140 million** of proceeds from loan sales year-to-date

Capitalization

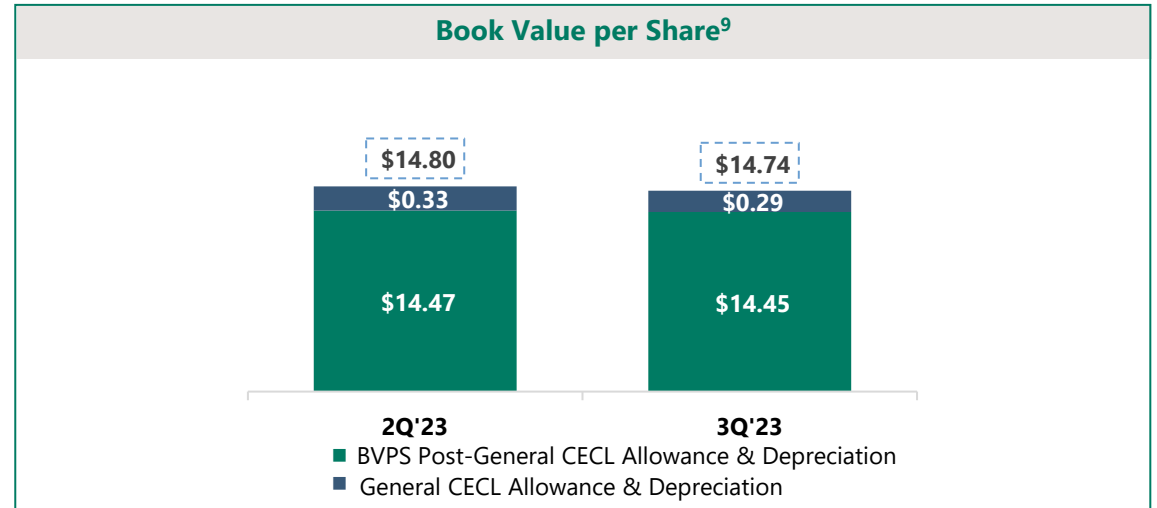
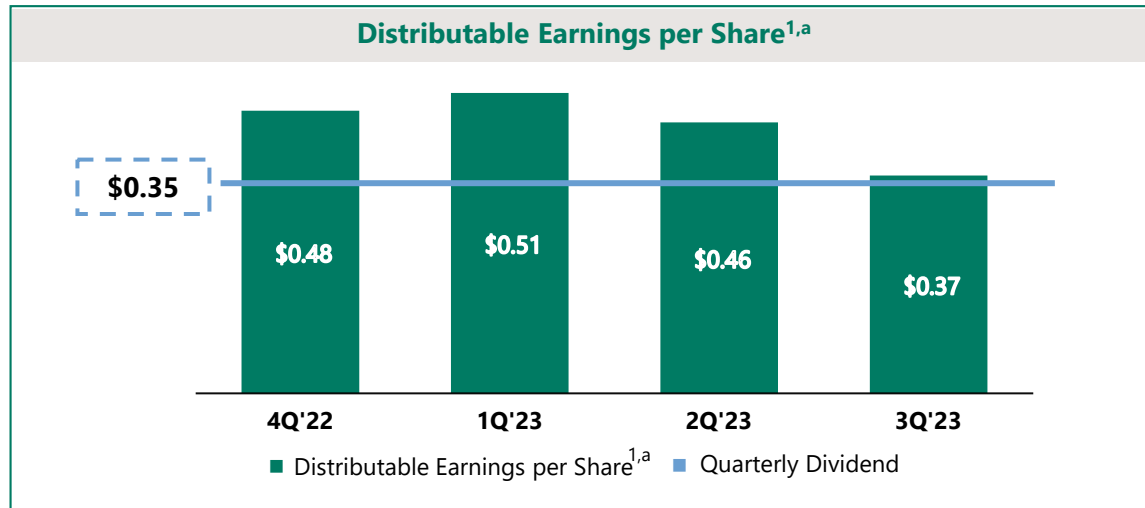
- Ended quarter with total common equity book value of **\$2.1 billion^c**
- Ended quarter with **\$480 million^{d,e}** of total liquidity
- Repurchased **\$10 million** of our Convertible Notes at a price of 99.7%.

Subsequent Events

- In October 2023, we repaid the remaining principal of our Convertible Notes of **\$176 million** at par

a) Amount reflects Distributable Earnings prior to net realized loss on investments and realized gain on extinguishment of debt
 b) Excludes benefit of forward points on currency hedges related to loans denominated in currencies other than USD
 c) Reflects book value per share (excluding General CECL Allowance and depreciation) of \$14.74 multiplied by shares of common stock outstanding
 d) Includes cash, loan proceeds held by servicer, and available leverage on our secured debt arrangements
 e) \$176 million of cash was utilized to pay off our Convertible Notes at maturity in October 2023

Per Share Overview



Book Value per Share ⁹ Roll Forward			
	BVPS	General CECL Allowance & Depreciation	BVPS excl. General CECL Allowance & Depreciation
December 31, 2022	\$15.54	(\$0.24)	\$15.78
(+) Diluted Distributable Earnings per share ^a	\$1.33	-	\$1.33
(-) Common dividends declared	(\$1.05)	-	(\$1.05)
(-) Net realized loss on investments	(\$0.61)	-	(\$0.61)
(-) Net loss on currency and interest hedges ^b	(\$0.16)	-	(\$0.16)
(-) Change in General CECL Allowance & Depreciation	(\$0.05)	(\$0.05)	-
(-) Change in Specific CECL Allowance	(\$0.42)	-	(\$0.42)
(-) Vesting and delivery of RSUs	(\$0.14)	-	(\$0.14)
(+) Other ^c	\$0.01	-	\$0.01
Change during period⁸	(\$1.09)	(\$0.05)	(\$1.04)
September 30, 2023	\$14.45	(\$0.29)	\$14.74

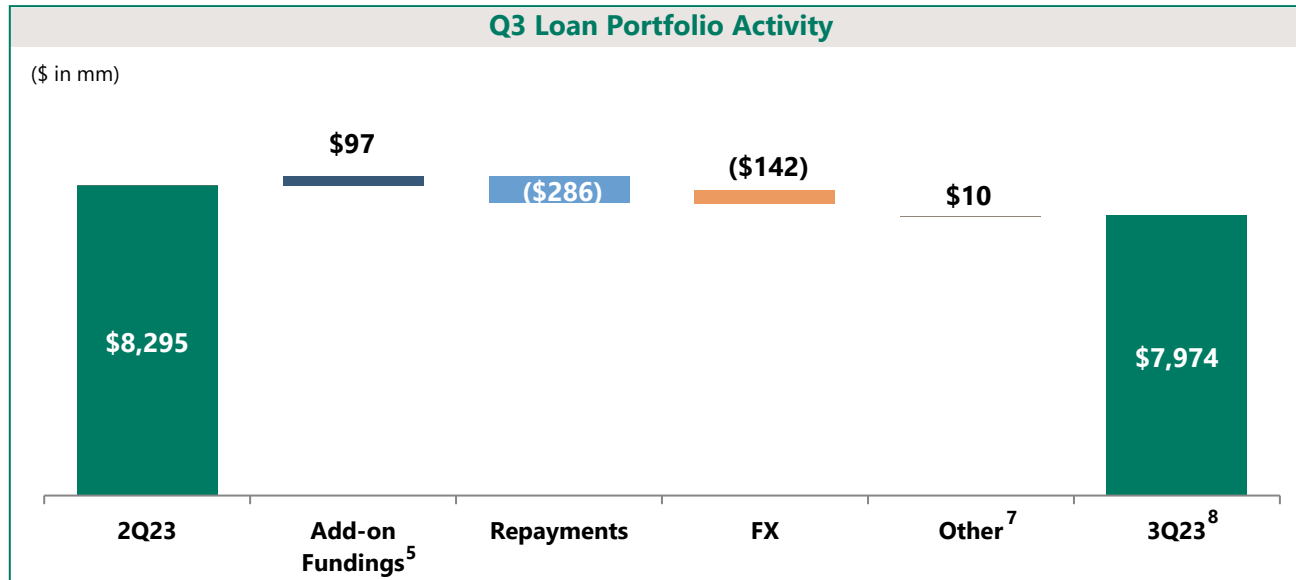
a) Amount reflects Distributable Earnings prior to net realized loss on investments and realized gain on extinguishment of debt

b) Includes net unrealized loss on forward currency contracts and interest hedges, and realized gain on forward currency contracts related to principal outside impact of forward points

c) Includes realized gain on extinguishment of convertible notes

See footnotes on page 21

Portfolio Activity & REO Overview



Fundings

- **\$97 million** in add-on fundings⁵

Repayments

- Total proceeds from Q3 repayments of **\$286 million**
- **\$170 million** of full repayments across 4 deals
- **\$116 million** of partial repayments including:
 - **\$45 million** from condo sales related to our loans secured by an ultra-luxury residential-for-sale property in Manhattan, NY
 - **\$35 million** in proceeds from loans secured by office properties

REO Overview

(\$ in mm)

As of September 30, 2023	Net Assets	Debt ^a	Net Equity	YTD Net Income ^b
<i>REO Held-for-Investment</i>				
Brooklyn Development	\$351	(\$161)	\$189	-
D.C. Hotel	153	-	153	4
Subtotal: REO Held-for-Investment	\$504	(\$161)	\$343	\$4
<i>REO Held-for-Sale</i>				
Atlanta Hotel	\$75	-	\$75	\$2
Subtotal: REO Held-for-Sale	\$75	-	\$75	\$2
Total REO	\$579	(\$161)	\$418	\$6

Washington D.C. Hotel

- Hotel continues to benefit from strong leisure and group demand; performance remains above pre-COVID levels based on net cash flows.

Brooklyn Development

- Continue to develop multifamily tower with retail component in Brooklyn, NY. Above-grade work commenced in September 2023.

Atlanta Hotel

- Continue to negotiate purchase and sales agreement. Property sale expected to close in the fourth quarter of 2023.

a) Debt related to real estate owned is net of \$4 million in deferred financing costs; Maximum financing commitment of \$388 million related to Brooklyn Development

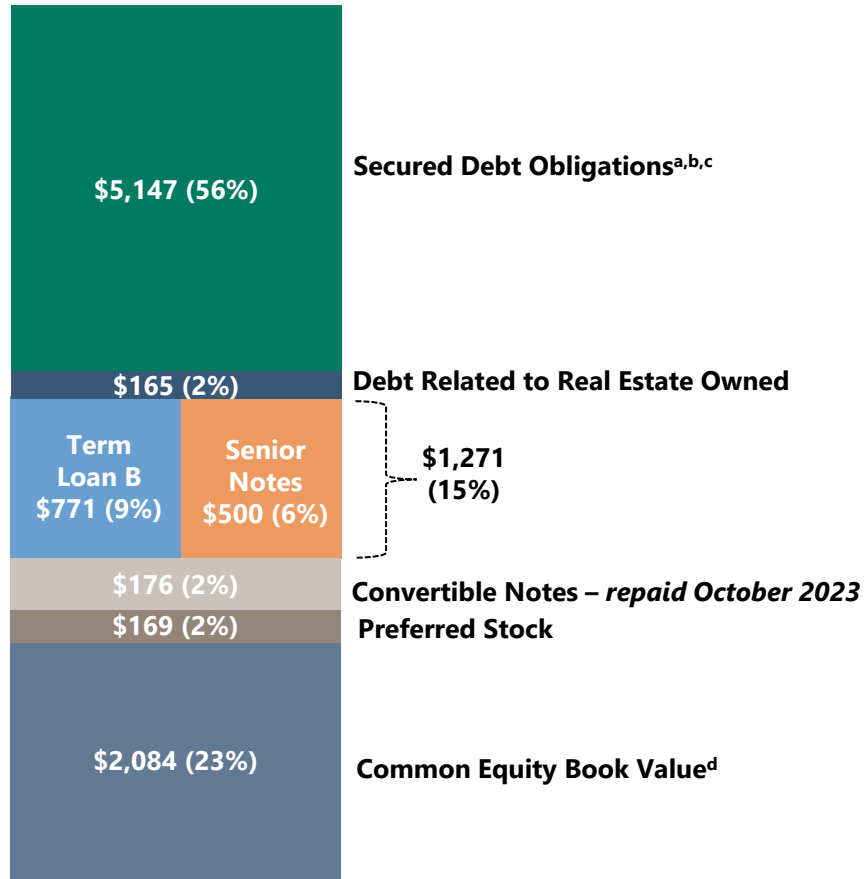
b) Includes depreciation expense of \$6.0 million and \$1.2 million related to the D.C. Hotel and Atlanta Hotel, respectively

See footnotes on page 21

Capital Structure Overview

Capital Structure Composition

(\$ in mm)



Conservative Capital Management Strategy

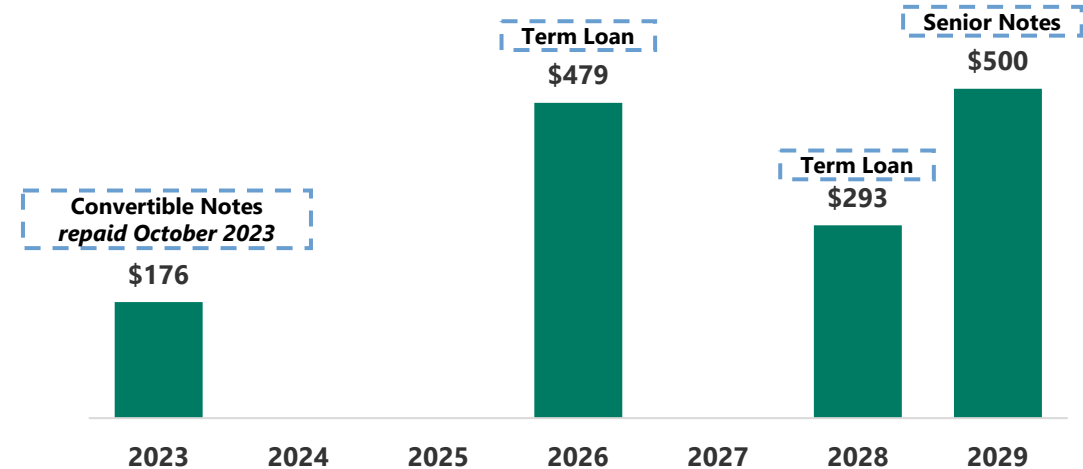
\$805 Million of Unencumbered Real Estate Assets³

~71% Weighted Average Available Advance Rate^e

2.8x Debt to Equity Ratio¹⁰

1.4x Fixed Charge Coverage¹¹

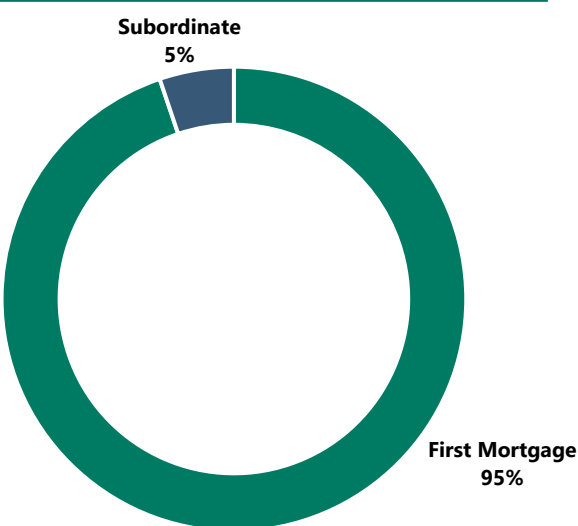
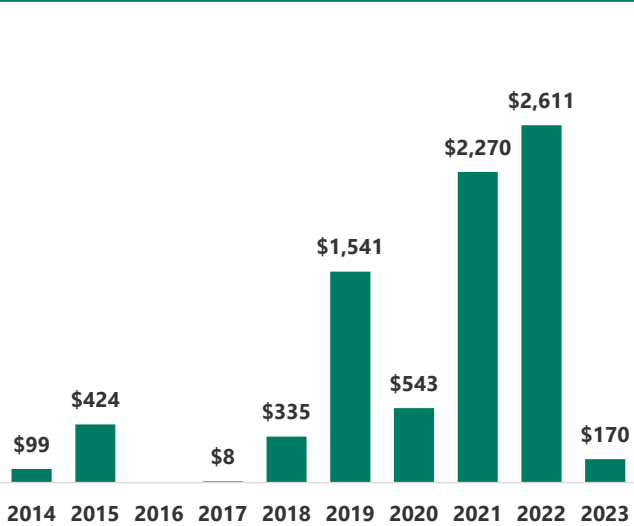
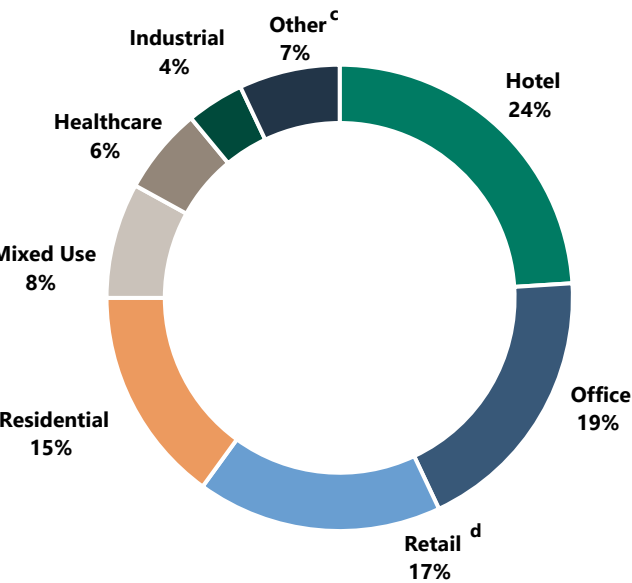
Corporate Debt Maturities



- a) Weighted-average rates of applicable benchmark rates and credit spread adjustments plus spreads of USD: +2.45% / GBP: +1.99% / EUR: +1.65% / SEK: +1.50%
- b) Our secured credit facilities do not contain capital markets-based mark-to-market provisions
- c) Consists of nine secured credit facility counterparties, one revolving credit facility and one private securitization
- d) Reflects book value per share (excluding General CECL Allowance and depreciation) of \$14.74 multiplied by shares of common stock outstanding
- e) Based on maximum available advance rates across secured debt counterparties
- See footnotes on page 21

Loan Portfolio Overview

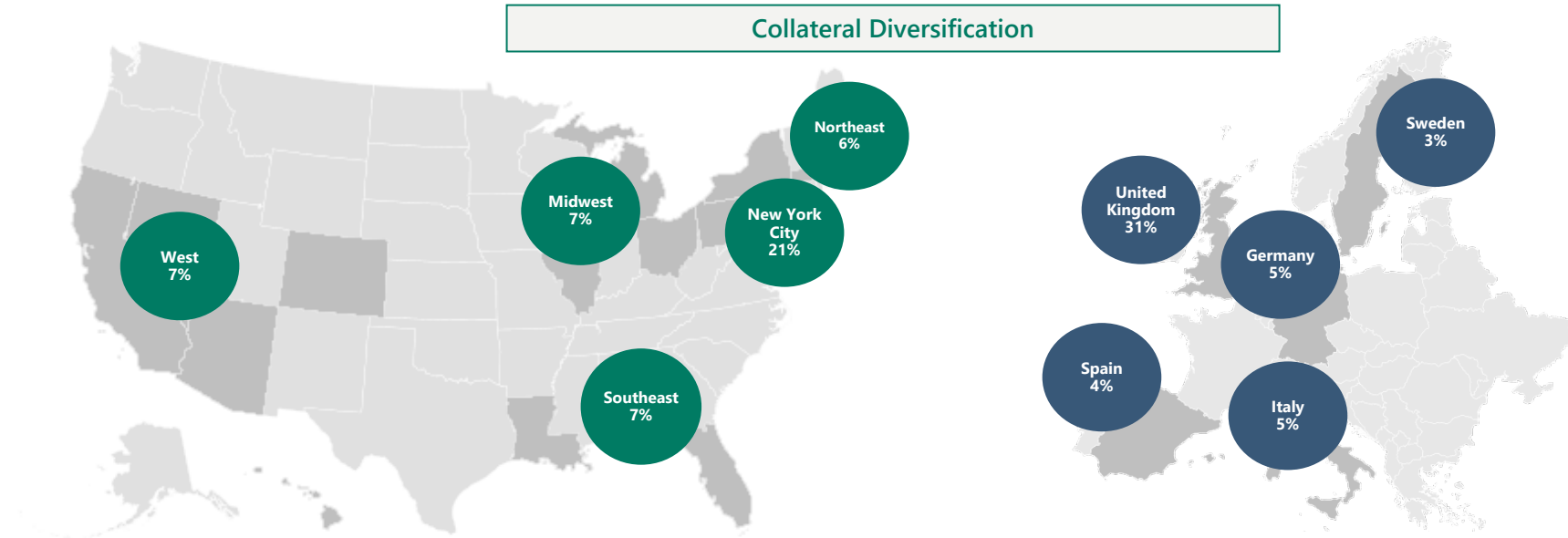
<div>Number of Loans</div> <div>49</div>	<div>Carrying Value</div> <div>\$8.0 billion</div>	<div>W/A Unlevered All-in Yield on Loan Portfolio^{6,12,a}</div> <div>8.9%</div>
<div>W/A Remaining Fully-Extended Term^{12,14}</div> <div>2.4 Years</div>	<div>W/A Portfolio Risk Rating¹²</div> <div>3.1</div>	<div>W/A Portfolio Loan-to-Value^{12,b}</div> <div>57%</div>
<div>Collateral Diversification¹²</div>	<div>Origination Vintage¹²</div>	<div>Loan Position¹²</div>



a) Excludes benefit of forward points on currency hedges related to loans denominated in currencies other than USD
b) Weighted average loan-to-value (“LTV”) reflects the LTV at the time the loan was originated; excludes risk-rated 5 loans
c) Other property types include Parking Garages (3%), Caravan Parks (3%) and Urban Predevelopment (1%)
d) Retail property types include: Outlet Center (6%), Retail Distribution Warehouse (5%), Urban Retail (3%), and Lifestyle Center (3%)
See footnotes on page 21

Loan Portfolio Overview (cont'd)

(\$ in mm)	United	New	Other						
Property Type	Kingdom	York City	Europe	West	Southeast	Midwest	Northeast	Other ^a	Total ⁸
Hotel	\$175 / 2%	\$146 / 2%	\$595 / 7%	\$422 / 5%	\$367 / 5%	\$57 / 1%	\$9 / 0%	\$132 / 2%	\$1,903 / 24%
Office	383 / 5%	442 / 6%	481 / 6%	-	-	188 / 2%	-	-	1,494 / 19%
Retail	853 / 11%	250 / 3%	37 / 0%	85 / 1%	15 / 0%	99 / 1%	-	37 / 0%	1,375 / 17%
Residential	216 / 3%	750 / 9%	-	71 / 1%	15 / 0%	83 / 1%	36 / 0%	75 / 1%	1,245 / 15%
Mixed Use	502 / 6%	136 / 2%	-	-	-	-	-	-	637 / 8%
Healthcare	154 / 2%	-	-	-	-	-	366 / 5%	-	520 / 6%
Industrial	-	-	283 / 4%	-	-	-	-	-	283 / 4%
Other ^b	200 / 2%	-	-	-	137 / 2%	107 / 1%	32 / 0%	67 / 1%	543 / 7%
Total^{8,13}	\$2,482 / 31%	\$1,724 / 21%	\$1,396 / 17%	\$577 / 7%	\$534 / 7%	\$534 / 7%	\$443 / 6%	\$311 / 4%	\$8,001 / 100%
General CECL Reserve									(\$27)
Carrying value, net⁸									\$7,974



a) Other geographies include Southwest (2%), Mid-Atlantic (1%), and Other (1%)

b) Other property types include Parking Garages (3%), Caravan Parks (3%) and Urban Predevelopment (1%)

Note: Map does not show locations where percentages are 2% or lower

See footnotes on page 21

Office Loan Portfolio Overview

Number of Loans^a
9 Loans

First Mortgage
99%

Origination Vintage¹²

Carrying Value^c
\$1.4 Billion

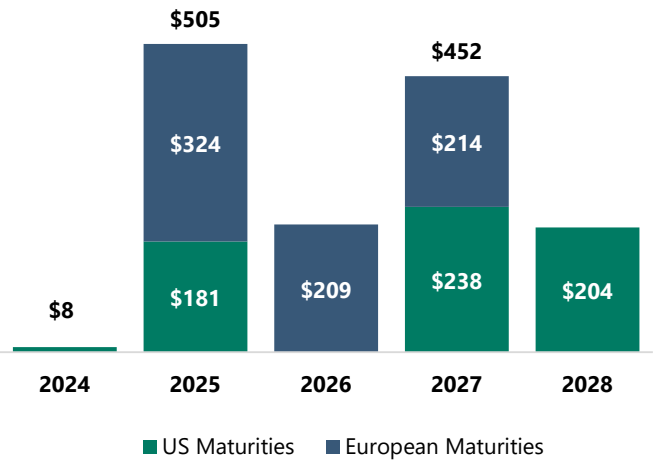
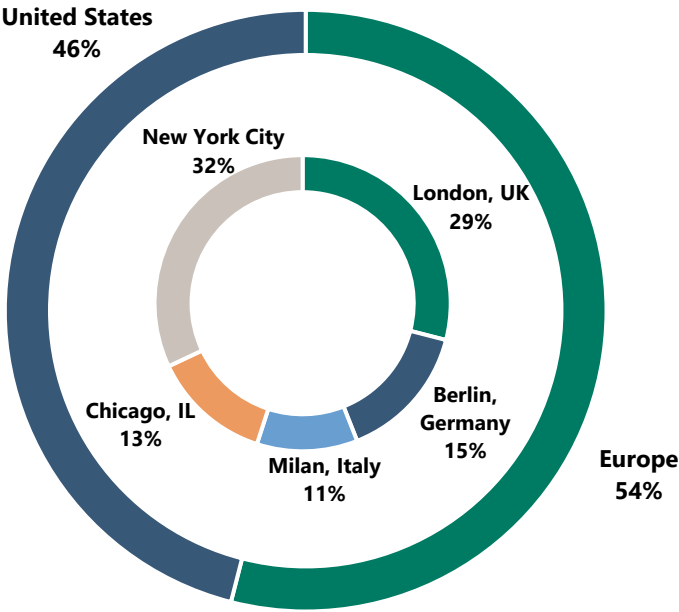
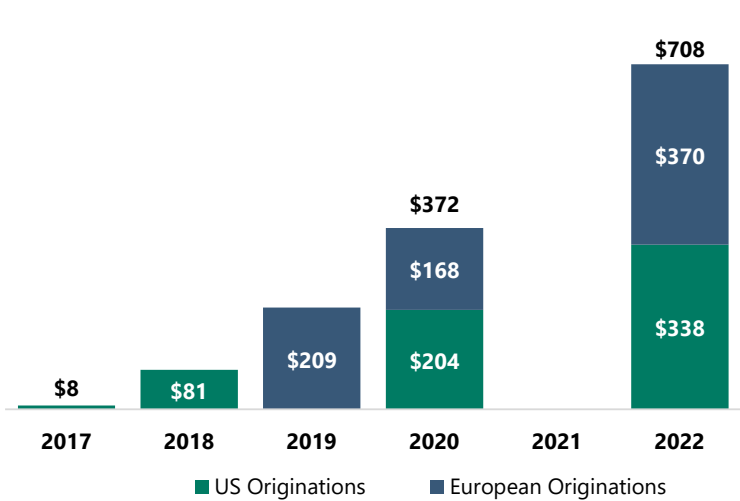
Loans with 3rd Party Subordinate Debt
3 Loans

Location

W/A Risk Rating¹²
3.1

W/A Loan-to-Value^{12,b}
50%

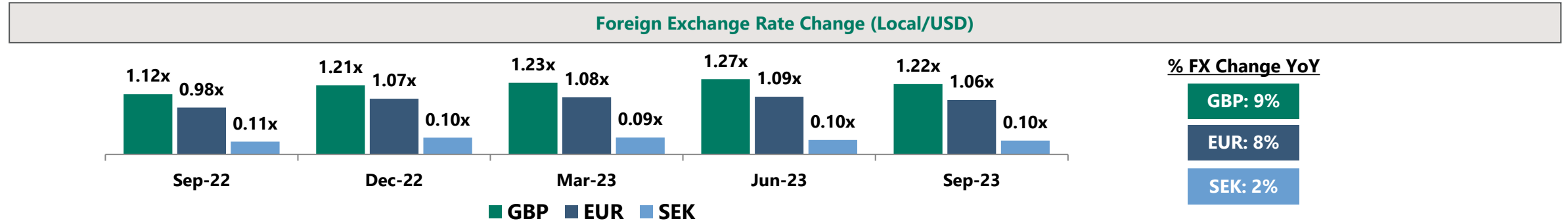
Fully Extended Maturities^{12,14}



a) Excludes one loan which consists of office, industrial and retail property types located in various cities across Germany
b) Weighted average loan-to-value ("LTV") reflects the LTV at the time the loan was originated
c) Gross of General CECL Allowance
See footnotes on page 21

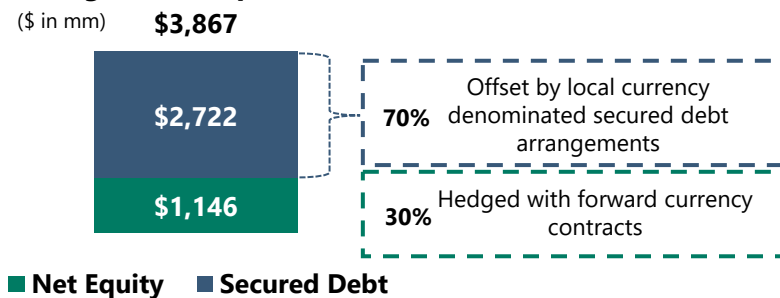
Mitigating Foreign Exchange Risk

ARI is well-positioned for fluctuating foreign exchange rates due to several risk mitigating steps we have taken to structure and fund our non-US loan portfolio and associated secured financing facilities



- Mitigating Foreign Exchange Risk**
- Secured debt arrangements are structured in local currency thereby reducing FX exposure to our net equity on foreign loans. As of September 30, 2023 the percentage of net equity to total foreign denominated carrying value was 29%, or \$1.1 billion
 - 70% weighted average advance on total foreign loan portfolio
 - 72%^a weighted average advance on foreign loans with secured debt financing
 - Net equity and net interest income of foreign loans are economically hedged through forward currency contracts
 - Forward point impact on forward currency contracts resulted in a \$2.7 million realized gain in Q3 2023

Foreign Loan Capital Stack



Q3 Change in Unrealized Gain (Loss) on Net Equity					
(\$ in mm)	As of September 30, 2023			Q3 2023 Net	
	Currency	Carrying Value ^b	Secured Debt	Net Equity	Unrealized Gain (Loss) ^c
	GBP	\$2,476	(\$1,695)	\$780	(\$32)
	EUR	\$1,157	(\$837)	\$320	(\$10)
	SEK	\$234	(\$189)	\$45	(\$0)
	Total	\$3,867	(\$2,722)	\$1,146	(\$43)
	Change in unrealized gain (loss) on forward contracts^d				\$36
					\$6

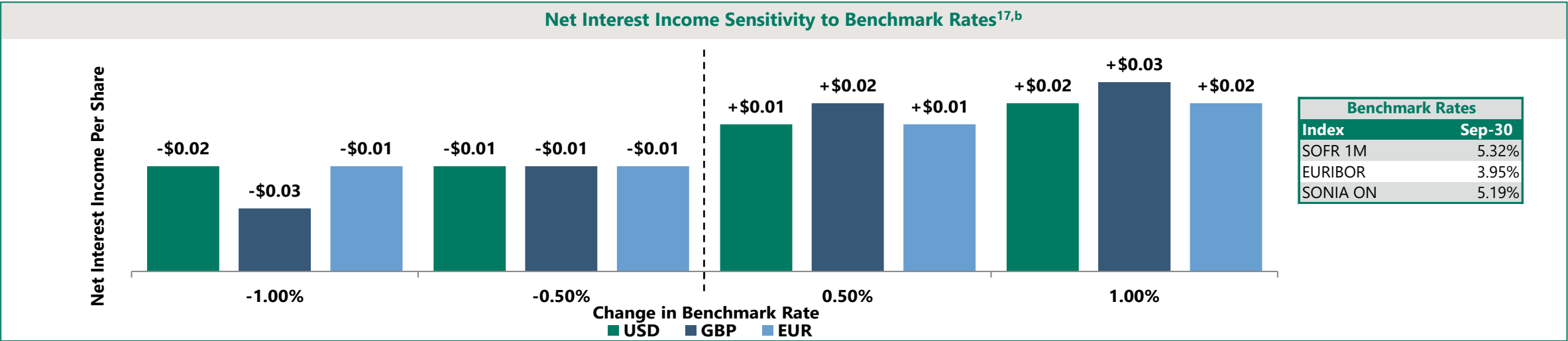
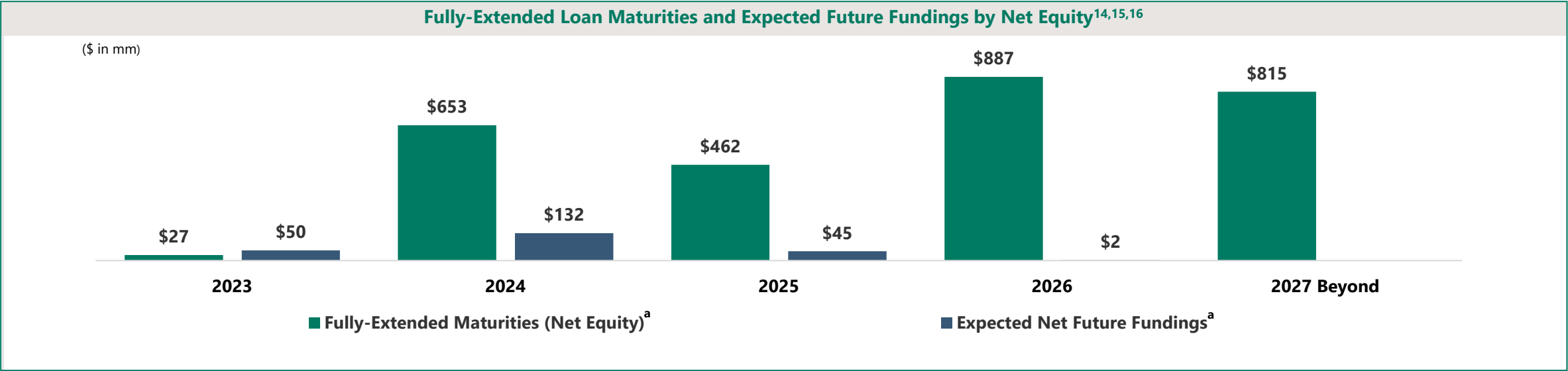
a) Weighted average advance based on carrying value of first mortgage loans with secured debt financing

b) Carrying value includes all commercial mortgage and subordinate loans denominated in foreign currencies with or without secured debt financing

c) Represents the net change in unrealized gains (losses) on foreign loans of (\$142) million and respective foreign secured debt arrangements of \$99 million for the quarter ended September 30, 2023. Represents the net change in unrealized gains (losses) on foreign loans of (\$5) million and respective foreign secured debt arrangements of \$1 million for the year ended September 30, 2023.

d) Represents net change in unrealized gain (loss) on forward contracts for the quarter and year ended September 30, 2023, respectively, excluding gains (losses) on forward currency contracts economically hedging foreign currency interest

Loan Maturities and Future Funding Profile



Note: Assumes future financing, in certain cases, against mortgages that are not currently financed. There is no assurance such future financing against mortgages that are not currently financed will occur

a) Net of expected secured credit facility advances

b) Reflects incremental increases in respective benchmark rates as of September 30, 2023 (SOFR 1 month: 5.32%, EURIBOR 3.95% and SONIA ON: 5.20% adjusted for compounding)

See footnotes on page 21

Senior Loan Portfolio (1 of 3)

(\$ in mm)	Origination	Amortized	Unfunded	Construction	3rd Party	Fully-extended	
Hotel	Date	Cost	Commitments	Loan	Subordinate Debt	Maturity ¹⁴	Location
Loan 1	10/2019	\$333	\$24		Y	08/2024	Various, Spain
Loan 2	11/2021	214	15		Y	11/2026	Various, UK/Ireland
Loan 3	05/2022	183	21		Y	06/2027	Napa Valley, CA
Loan 4	07/2021	175	5			08/2026	Various, US
Loan 5	11/2021	164	-			12/2026	St. Thomas, USVI
Loan 6	09/2015	146	-			06/2024	Manhattan, NY
Loan 7	04/2018	137	-			04/2024	Honolulu, HI
Loan 8	08/2019	127	-			08/2024	Puglia, Italy
Loan 9	10/2021	100	-			11/2026	New Orleans, LA
Loan 10	06/2022	95	-			06/2025	Rome, Italy
Loan 11	11/2018	90	-			12/2023	Vail, CO
Loan 12	05/2019	46	-			12/2025	Chicago, IL
Loan 13	12/2015	42	-			08/2024	St. Thomas, USVI
Loan 14	02/2018	27	-			11/2024	Pittsburgh, PA
Subtotal - Hotel		\$1,879	\$65				
Office							
Loan 15	03/2022	\$238	\$27		Y	04/2027	Manhattan, NY
Loan 16	02/2022	214	345	Y		02/2027	London, UK
Loan 17	06/2019	209	1			08/2026	Berlin, Germany
Loan 18	01/2020	204	47		Y	03/2028	Long Island City, NY
Loan 19	02/2020	169	5			02/2025	London, UK
Loan 20	02/2022	156	-			06/2025	Milan, Italy
Loan 21	11/2022	100	-			01/2025	Chicago, IL
Loan 22	03/2018	81	-		Y	07/2025	Chicago, IL
Subtotal - Office		\$1,371	\$425				

Senior Loan Portfolio (2 of 3)

(\$ in mm)	Origination	Amortized	Unfunded	Construction	3rd Party	Fully-extended	
Retail	Date	Cost	Commitments	Loan	Subordinate Debt	Maturity ¹⁴	Location
Loan 23	04/2022	\$457	\$36			04/2027	Various, UK
Loan 24	10/2021	396	-			10/2026	Various, UK
Loan 25	08/2019	250	-		Y	09/2025	Manhattan, NY
Loan 26	05/2022	136	-			06/2027	Various, US
Loan 27 ¹⁸	11/2014	99	-			09/2024	Cincinnati, OH
Subtotal - Retail		\$1,338	\$36				
Residential							
Loan 28	12/2021	\$215	\$15			12/2026	Various, UK
Loan 29 ¹⁹	08/2022	199	-			09/2024	Manhattan, NY
Loan 30	03/2023	170	-			03/2026	Various, US
Loan 31	05/2022	91	3			06/2027	Manhattan, NY
Loan 32	05/2021	81	-			05/2026	Cleveland, OH
Loan 33	12/2021	70	7			01/2027	Manhattan, NY
Loan 34	12/2019	36	3			11/2025	Boston, MA
Subtotal - Residential		\$862	\$28				
Mixed Use							
Loan 35	12/2019	\$343	\$45	Y	Y	06/2025	London, UK
Loan 36	03/2022	136	41		Y	03/2027	Brooklyn, NY
Loan 37	06/2022	116	18	Y	Y	06/2026	London, UK
Loan 38	12/2019	43	-			03/2024	London, UK
Subtotal - Mixed Use		\$638	\$104				

Senior Loan Portfolio (3 of 3)

(\$ in mm)	Origination	Amortized	Unfunded	Construction	3rd Party	Fully-extended	
Healthcare	Date	Cost	Commitments	Loan	Subordinate Debt	Maturity ¹⁴	Location
Loan 39	03/2022	\$366	-			03/2027	Various, MA
Loan 40	10/2019	154	-		Y	10/2024	Various, UK
Subtotal - Healthcare		\$520	-				
Other							
Loan 41 - Industrial	03/2021	\$235	-			05/2026	Various, Sweden
Loan 42 - Parking Garages	05/2021	219	5			05/2026	Various, US
Loan 43 - Portfolio ^a	06/2021	201	21			06/2026	Various, Germany
Loan 44 - Caravan Parks	02/2021	200	-			02/2028	Various, UK
Loan 45 - Urban Predevelopment	12/2022	124	9			01/2026	Miami, FL
Subtotal - Other		\$979	\$35				
Subtotal/W.A. - First Mortgage ^{8,12}		\$7,587	\$693			2.5 Years	

a) Includes portfolio of office, industrial, and retail property types
See footnotes on page 21

Subordinate Loan Portfolio

(\$ in mm)	Origination Date	Amortized Cost	Unfunded Commitments	Construction Loan	3rd Party Subordinate Debt	Fully-extended Maturity ¹⁴	Location
Loan 46 - Residential ¹⁹	06/2015	\$213	-			09/2024	Manhattan, NY
Loan 47 - Residential ^{18,19}	05/2020	170	-			09/2024	Manhattan, NY
Loan 48 - Hotel	06/2015	23	-			07/2025	Phoenix, AZ
Loan 49 - Office	08/2017	8	-			09/2024	Troy, MI
Total		\$414	-				
Total/W.A. - Subordinate		\$414	-			1.0 Years	
Total/W.A. - Portfolio		\$8,001	\$693			2.4 Years	
General CECL Reserve		(\$27)					
Total Carrying Value, Net^{8,12}		\$7,974					

Appendix

- Consolidated Balance Sheets
- Consolidated Statement of Operations
- Reconciliation of GAAP Net Income to Distributable Earnings

Consolidated Balance Sheets

(\$ in thousands - except share data)

	September 30, 2023	December 31, 2022
Assets:		
Cash and cash equivalents	\$307,845	\$222,030
Commercial mortgage loans, net ^{a,c}	7,561,254	8,121,109
Subordinate loans and other lending assets, net ^{b,c}	412,777	560,881
Real estate owned, held for investment, net (net of \$9,363 accumulated depreciation in 2023)	495,299	302,688
Other assets	206,578	70,607
Assets related to real estate owned, held for sale	79,188	162,397
Derivative assets, net	94,037	128,640
Total Assets	\$9,156,978	\$9,568,352
Liabilities and Stockholders' Equity		
Liabilities:		
Secured debt arrangements, net	\$5,135,855	\$5,296,825
Senior secured term loans, net	760,381	763,813
Senior secured notes, net	495,437	494,844
Convertible senior notes, net	176,018	229,361
Accounts payable, accrued expenses and other liabilities ^d	202,901	227,360
Debt related to real estate owned, held for investment, net	161,245	160,294
Participations sold	-	25,130
Payable to related party	9,515	9,728
Liabilities related to real estate owned, held for sale	3,844	6,493
Total Liabilities	\$6,945,196	\$7,213,848
Stockholders' Equity:		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized, Series B-1, 6,770,393 shares issued and outstanding (\$169,260 liquidation preference) in 2023 and 2022	\$68	\$68
Common stock, \$0.01 par value, 450,000,000 shares authorized, 141,353,133 and 140,595,995 shares issued and outstanding in 2023 and 2022, respectively	1,414	1,406
Additional paid-in-capital	2,723,170	2,716,907
Accumulated deficit	(512,870)	(363,877)
Total Stockholders' Equity	\$2,211,782	\$2,354,504
Total Liabilities and Stockholders' Equity	\$9,156,978	\$9,568,352

a) Includes \$7,203,350 and \$7,482,658 pledged as collateral under secured debt arrangements in 2023 and 2022, respectively.

b) Includes \$213,139 and \$191,608 pledged as collateral under secured debt arrangements in 2023 and 2022, respectively.

c) Net of \$220,305 and \$159,724 CECL Allowance in 2023 and 2022, respectively, comprised of \$193,000 and \$133,500 Specific CECL Allowance and \$27,305 and \$26,224 General CECL Allowance, respectively.

d) Includes \$3,972 and \$4,347 of General CECL Allowance related to unfunded commitments on commercial mortgage loans, subordinate loans and other lending assets, net in 2023 and 2022, respectively.

Consolidated Statement of Operations

(\$ in thousands - except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net interest income:				
Interest income from commercial mortgage loans	\$180,441	\$120,821	\$520,712	\$304,631
Interest income from subordinate loans and other lending assets	1,599	13,354	16,416	43,719
Interest expense	(121,817)	(72,302)	(342,963)	(173,949)
Net interest income	\$60,223	\$61,873	\$194,165	\$174,401
Revenue from real estate owned operations	20,934	14,428	66,273	42,098
Total net revenue	\$81,157	\$76,301	\$260,438	\$216,499
Operating expenses:				
General and administrative expenses (includes equity-based compensation of \$4,356 and \$13,091 in 2023 and \$4,518 and \$13,734 in 2022, respectively)	(7,664)	(7,184)	(22,150)	(21,501)
Management fees to related party	(9,518)	(9,719)	(28,425)	(28,705)
Operating expenses related to real estate owned	(18,950)	(13,308)	(52,917)	(36,094)
Depreciation and amortization on real estate owned	(1,020)	-	(7,208)	(704)
Total operating expenses	(\$37,152)	(\$30,211)	(\$110,700)	(\$87,004)
Other income, net	\$1,465	\$285	\$4,537	\$353
Net realized gain (loss) on investments	-	43,577	(86,604)	43,577
Realized gain on extinguishment of debt	30	-	495	-
Decrease (increase) in current expected credit loss allowance, net	5,833	55,564	(60,205)	37,897
Foreign currency translation loss	(44,165)	(92,782)	(3,974)	(210,138)
Gain (loss) on foreign currency forward contracts (includes unrealized gains (losses) of \$28,244 and \$(27,709) in 2023 and \$108,428 and \$221,623 in 2022, respectively)	39,490	129,252	8,239	257,227
Gain (loss) on interest rate hedging instruments (includes unrealized gains (losses) of \$(70) and \$(9,211) in 2023 and \$1,044 and \$10,808 in 2022, respectively)	(70)	1,044	(122)	10,808
Net Income before taxes	\$46,588	\$183,030	\$12,104	\$269,219
Income Tax Provision	(517)	-	(517)	-
Net income	\$46,071	\$183,030	\$11,587	\$269,219
Preferred dividends	(3,068)	(3,068)	(9,204)	(9,204)
Net income available to common stockholders	\$43,003	\$179,962	\$2,383	\$260,015
Net income per basic share of common stock	\$0.30	\$1.27	-	\$1.83
Net income per diluted share of common stock	\$0.30	\$1.13	-	\$1.66
Basic weighted-average shares of common stock outstanding	141,350,428	140,594,987	141,255,730	140,513,957
Diluted weighted-average shares of common stock outstanding	141,350,428	164,350,132	141,255,730	169,252,602
Dividend declared per share of common stock	\$0.35	\$0.35	\$1.05	\$1.05

Reconciliation of GAAP Net Income to Distributable Earnings¹

(\$ in thousands - except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Distributable Earnings¹:				
Net income available to common stockholders:	43,003	179,962	2,383	260,015
Adjustments:				
Equity-based compensation expense	4,356	4,518	13,091	13,734
Gain on foreign currency forwards	(39,490)	(129,252)	(8,239)	(257,227)
Foreign currency loss, net	44,165	92,782	3,974	210,138
Unrealized loss (gain) on interest rate cap	70	(1,044)	9,211	(10,808)
Realized gains relating to interest income on foreign currency hedges, net	2,594	2,908	9,668	8,020
Realized gains relating to forward points on foreign currency hedges, net	2,784	1,545	8,461	8,168
Depreciation and amortization on real estate owned	1,020	-	7,208	704
Increase (decrease) in current expected credit loss allowance, net	(5,833)	(55,564)	60,205	(37,897)
Realized gain on extinguishment of debt	(30)	-	(495)	-
Net realized (gain) loss on investments	-	(43,577)	86,604	(43,577)
Total adjustments	9,636	(127,684)	189,688	(108,745)
Distributable Earnings¹ prior to net realized loss on investments and realized gain on extinguishment of debt	\$52,639	\$52,278	\$192,071	\$151,270
Realized gain on extinguishment of debt	30	-	495	-
Net realized gain (loss) on investments	-	43,577	(86,604)	43,577
Distributable Earnings¹	\$52,669	\$95,855	\$105,962	\$194,847
Weighted-average diluted shares – Distributable Earnings¹				
Weighted-average diluted shares – GAAP	141,350,428	164,350,132	141,255,730	169,252,602
Potential shares issued under conversion of the Convertible Notes	-	(21,187,719)	-	(26,057,847)
Weighted-average unvested RSUs	2,832,265	-	2,966,277	-
Weighted-average diluted shares – Distributable Earnings¹	144,182,693	143,162,413	144,222,007	143,194,755
Diluted Distributable Earnings¹ per share prior to net realized loss on investments and realized gain on extinguishment of debt	\$0.37	\$0.37	\$1.33	\$1.06
Diluted Distributable Earnings¹ per share of common stock	\$0.37	\$0.67	\$0.73	\$1.36

Footnotes

1. Distributable Earnings is a non-GAAP financial measure that we define as net income available to common stockholders, computed in accordance with GAAP, adjusted for (i) equity-based compensation expense (a portion of which may become cash-based upon final vesting and settlement of awards should the holder elect net share settlement to satisfy income tax withholding), (ii) any unrealized gains or losses or other non-cash items (including depreciation and amortization on real estate owned) included in net income available to common stockholders, (iii) unrealized income from unconsolidated joint ventures, (iv) foreign currency gains (losses), other than (a) realized gains/(losses) related to interest income, and (b) forward point gains/(losses) realized on our foreign currency hedges, (v) the non-cash amortization expense related to the reclassification of a portion of our convertible senior notes to stockholders' equity in accordance with GAAP, and (vi) provision for loan losses and impairments. Please see page 20 for a reconciliation of GAAP net income to Distributable Earnings.
2. Distributable Earnings prior to net realized loss on investments and realized gain on extinguishment of debt per share to dividend per share for the quarter ended September 30, 2023. We believe it is useful to our investors to present Distributable Earnings prior to net realized losses on investments and realized gain on extinguishment of debt to reflect our operating results because (i) our operating results are primarily comprised of earning interest income on our investments net of borrowing and administrative costs, which comprise our ongoing operations and (ii) it has been a useful factor related to our dividend per share because it is one of the considerations when a dividend is determined. We believe that our investors use Distributable Earnings and Distributable Earnings prior to net realized loss on investments and realized gain on extinguishment of debt, or a comparable supplemental performance measure, to evaluate and compare the performance of our company and our peers.
3. Represents loan and real estate owned assets with no asset-specific financing. Pursuant to our Term Loan B agreement, we are required to maintain a ratio of total unencumbered assets to total pari-passu indebtedness of at least 2.50:1. Unencumbered assets are comprised of unencumbered loan assets, cash, other assets and residual equity interests in entities where we hold assets financed under repurchase obligations.
4. Reflects closing share price on October 27, 2023.
5. Quarterly add-on fundings represent fundings committed prior to the quarter ended September 30, 2023.
6. Weighted Average Unlevered All-in Yield on the loan portfolio is based on the applicable benchmark rates as of period end on the floating rate loans and includes accrual of origination, extension, and exit fees. For non-US deals, yield excludes incremental forward points impact from currency hedging.
7. Other includes changes in General CECL Allowance, cost recovery interests, and the accretion of loan costs and fees.
8. Amounts and percentages may not foot due to rounding.
9. Book value per share of common stock is common stockholders' equity divided by shares of common stock outstanding.
10. Represents total debt, less cash and loan proceeds held by servicer divided by total stockholders' equity, adjusted to add back the General CECL Allowance in line with our covenants.
11. Fixed charge coverage is EBITDA divided by interest expense and preferred stock dividends.
12. Based on loan amortized cost.
13. Gross of \$27 million of General CECL Allowance.
14. Assumes exercise of all extension options. There is no assurance that all or any extension options will be exercised.
15. Future funding dates and amounts are based upon the Manager's estimates, which are derived from the best information available to the Manager at the time. There is no assurance that the payments will occur in accordance with these estimates or at all, which could affect our operating results.
16. Excludes risk-rated 5 loans.
17. Any such hypothetical impact on interest rates on our variable rate borrowings does not consider the effect of any change in overall economic activity that could occur in a rising interest rate environment. Further, in the event of a change in interest rates of that magnitude, we may take actions to further mitigate our exposure to such a change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, this analysis assumes no changes in our financial structure. There is no assurance that there will be no changes in our financial structure. The analysis incorporates movements in USD and GBP benchmark rates only.
18. Amortized cost for these loans is net of the recorded Specific CECL Allowances.
19. Loans are secured by the same property.