UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM ______ TO ______

Commission File Number: 001-14788

Blackstone

Blackstone Mortgage Trust, Inc.

(Exact name of Registrant as specified in its charter)

Maryland	**94-6181186**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

345 Park Avenue
New York, New York 10154
(Address of principal executive offices)(Zip Code)
(212) 655-0220
(Registrant's telephone number, including area code)
N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A common stock, par value $0.01 per share	**BXMT**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of the registrant's shares of class A common stock, par value $0.01 per share, outstanding as of July 23, 2026 was 168,543,591

TABLE OF CONTENTS

Website Disclosure

We use our website (*www.blackstonemortgagetrust.com*) as a channel of distribution of company information. The information we post through this channel may be deemed material. Accordingly, investors should monitor this channel, in addition to following our press releases, Securities and Exchange Commission, or SEC, filings and public conference calls, and webcasts. In addition, you may automatically receive email alerts and other information about Blackstone Mortgage Trust when you enroll your email address by visiting the “Contact Us and Email Alerts” section of our website at *http://ir.blackstonemortgagetrust.com*. The contents of our website and any alerts are not, however, a part of this report.

PART I.

ITEM 1. FINANCIAL STATEMENTS

Blackstone Mortgage Trust, Inc.
Consolidated Balance Sheets (Unaudited)
(in thousands, except share data)

	June 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents	$ 432,833	$ 452,526
Loans receivable	17,334,730	18,069,134
Current expected credit loss reserve	(397,835)	(284,440)
Loans receivable, net	16,936,895	17,784,694
Owned real estate, net	1,296,989	1,134,975
Investments in unconsolidated entities (includes $136,158 and $111,010 at fair value as of June 30, 2026 and December 31, 2025, respectively)	322,060	217,488
Other assets	415,265	413,263
Total Assets	$ 19,404,042	$ 20,002,946
Liabilities and Equity		
Secured debt, net	$ 8,708,944	$ 10,117,292
Securitized debt obligations, net	2,732,964	2,139,719
Asset-specific debt, net	971,305	997,746
Term loans, net	1,878,562	1,808,000
Senior secured notes, net	1,217,499	784,876
Convertible notes, net	265,310	264,745
Other liabilities	364,871	386,178
Total Liabilities	16,139,455	16,498,556
Commitments and contingencies (Note 21)		
Equity		
Class A common stock, $0.01 par value, 400,000,000 shares authorized, 168,543,591 and 168,259,023 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	1,685	1,683
Additional paid-in capital	5,440,390	5,430,542
Accumulated other comprehensive income	11,234	12,113
Accumulated deficit	(2,191,769)	(1,945,428)
Total Blackstone Mortgage Trust, Inc. stockholders' equity	3,261,540	3,498,910
Non-controlling interests	3,047	5,480
Total Equity	3,264,587	3,504,390
Total Liabilities and Equity	$ 19,404,042	$ 20,002,946

Note: The consolidated balance sheets as of June 30, 2026 and December 31, 2025 include assets of consolidated variable interest entities, or VIEs, that can only be used to settle obligations of each respective VIE, and liabilities of consolidated VIEs for which creditors do not have recourse to Blackstone Mortgage Trust, Inc. As of June 30, 2026 and December 31, 2025, assets of the consolidated VIEs totaled $3.9 billion and $3.3 billion, respectively, and liabilities of the consolidated VIEs totaled $2.8 billion and $2.2 billion, respectively. Refer to Note 19 for further discussion of the VIEs.

See accompanying notes to consolidated financial statements.

Blackstone Mortgage Trust, Inc.
Consolidated Statements of Operations (Unaudited)
(in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Income from loans and other investments				
Interest and related income	$ 309,748	$ 359,537	$ 615,305	$ 691,594
Less: Interest and related expenses	227,182	264,727	447,918	506,960
Income from loans and other investments, net	82,566	94,810	167,387	184,634
Revenue from owned real estate	75,497	38,812	150,091	75,845
Total net revenue	158,063	133,622	317,478	260,479
Expenses				
Management and incentive fees	14,641	17,036	29,454	34,271
General and administrative expenses	14,918	13,526	28,899	26,190
Expenses from owned real estate	81,440	47,796	163,415	94,098
Total expenses	110,999	78,358	221,768	154,559
Increase in current expected credit loss reserve	(134,403)	(45,593)	(189,458)	(95,098)
Income (loss) from unconsolidated entities	8,570	(2,015)	9,953	(2,889)
Net loss on disposition of owned real estate	—	—	(160)	—
Other income, net	3	231	7	321
(Loss) income before income taxes	(78,766)	7,887	(83,948)	8,254
Income tax provision	2,501	903	3,659	1,621
Net (loss) income	(81,267)	6,984	(87,607)	6,633
Net loss (income) attributable to non-controlling interests	45	(15)	88	(21)
Net (loss) income attributable to Blackstone Mortgage Trust, Inc.	$ (81,222)	$ 6,969	$ (87,519)	$ 6,612
Net (loss) income per share of common stock, basic and diluted	$ (0.48)	$ 0.04	$ (0.52)	$ 0.04
Weighted-average shares of common stock outstanding, basic and diluted	168,964,515	171,893,905	169,021,130	171,949,090

See accompanying notes to consolidated financial statements.

Blackstone Mortgage Trust, Inc.
Consolidated Statements of Comprehensive Income (Unaudited)
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net (loss) income	$ (81,267)	$ 6,984	$ (87,607)	$ 6,633
Other comprehensive income (loss)				
Unrealized (loss) gain on foreign currency translation	(8,755)	145,481	(37,156)	206,382
Realized and unrealized gain (loss) on derivative financial instruments	10,615	(143,268)	35,087	(203,663)
Unrealized gain (loss) on derivative financial instruments from unconsolidated entities	1,517	(1,006)	1,190	(1,189)
Other comprehensive income (loss)	3,377	1,207	(879)	1,530
Comprehensive (loss) income	(77,890)	8,191	(88,486)	8,163
Comprehensive loss (income) attributable to non-controlling interests	45	(15)	88	(21)
Comprehensive (loss) income attributable to Blackstone Mortgage Trust, Inc.	$ (77,845)	$ 8,176	$ (88,398)	$ 8,142

See accompanying notes to consolidated financial statements.

Blackstone Mortgage Trust, Inc.
Consolidated Statements of Changes in Equity (Unaudited)
(in thousands)

	Blackstone Mortgage Trust, Inc.						
	Class A Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Stockholders' Equity	Non-Controlling Interests	Total Equity
Balance at December 31, 2025	$ 1,683	$5,430,542	$ 12,113	$ (1,945,428)	$ 3,498,910	$ 5,480	$3,504,390
Repurchases of class A common stock	(1)	(801)	—	—	(802)	—	(802)
Restricted class A common stock earned	5	6,484	—	—	6,489	—	6,489
Dividends reinvested	—	160	—	—	160	—	160
Deferred directors' compensation	—	198	—	—	198	—	198
Net (loss) income	—	—	—	(6,297)	(6,297)	(43)	(6,340)
Other comprehensive income	—	—	(4,256)	—	(4,256)	—	(4,256)
Dividends declared on common stock and deferred stock units, $0.47 per share	—	—	—	(79,442)	(79,442)	—	(79,442)
Distributions to non-controlling interests	—	—	—	—	—	(2,345)	(2,345)
Balance at March 31, 2026	$ 1,687	$5,436,583	$ 7,857	$ (2,031,167)	$ 3,414,960	$ 3,092	$3,418,052
Repurchases of class A common stock	(2)	(3,032)	—	—	(3,034)	—	(3,034)
Restricted class A common stock earned	—	6,476	—	—	6,476	—	6,476
Dividends reinvested	—	164	—	—	164	—	164
Deferred directors' compensation	—	199	—	—	199	—	199
Net loss	—	—	—	(81,222)	(81,222)	(45)	(81,267)
Other comprehensive income	—	—	3,377	—	3,377	—	3,377
Dividends declared on common stock and deferred stock units, $0.47 per share	—	—	—	(79,380)	(79,380)	—	(79,380)
Balance at June 30, 2026	$ 1,685	$5,440,390	$ 11,234	$ (2,191,769)	$ 3,261,540	$ 3,047	$3,264,587

Blackstone Mortgage Trust, Inc.
Consolidated Statements of Changes in Equity (Unaudited)
(in thousands)

	Blackstone Mortgage Trust, Inc.						
	Class A Common Stock	**Additional Paid-In Capital**	**Accumulated Other Comprehensive Income (Loss)**	**Accumulated Deficit**	**Stockholders’ Equity**	**Non-Controlling Interests**	**Total Equity**
Balance at December 31, 2024	$ 1,728	$5,511,053	$ 8,268	$ (1,733,741)	$ 3,787,308	$ 6,881	$3,794,189
Shares of class A common stock issued, net	1	(1)	—	—	—	—	—
Repurchases of class A common stock	(18)	(31,629)	—	—	(31,647)	—	(31,647)
Restricted class A common stock earned	5	6,787	—	—	6,792	—	6,792
Dividends reinvested	—	213	—	—	213	—	213
Deferred directors’	—	173	—	—	173	—	173
Net (loss) income	—	—	—	(357)	(357)	6	(351)
Other comprehensive income	—	—	323	—	323	—	323
Dividends declared on common stock and deferred stock units, $0.47 per share	—	—	—	(80,837)	(80,837)	—	(80,837)
Distributions to non-controlling interests	—	—	—	—	—	(137)	(137)
Balance at March 31, 2025	$ 1,716	$5,486,596	$ 8,591	$ (1,814,935)	$ 3,681,968	$ 6,750	$3,688,718
Repurchases of class A common stock	—	(39)	—	—	(39)	—	(39)
Restricted class A common stock earned	—	7,131	—	—	7,131	—	7,131
Dividends reinvested	—	160	—	—	160	—	160
Deferred directors’ compensation	—	172	—	—	172	—	172
Net income	—	—	—	6,969	6,969	15	6,984
Other comprehensive income	—	—	1,207	—	1,207	—	1,207
Dividends declared on common stock and deferred stock units, $0.47 per share	—	—	—	(80,796)	(80,796)	—	(80,796)
Balance at June 30, 2025	$ 1,716	$5,494,020	$ 9,798	$ (1,888,762)	$ 3,616,772	$ 6,765	$3,623,537

See accompanying notes to consolidated financial statements.

Blackstone Mortgage Trust, Inc.
Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

	Six Months Ended June 30,	
	2026	**2025**
Cash flows from operating activities		
Net (loss) income	$ (87,607)	$ 6,633
Adjustments to reconcile net (loss) income to net cash provided by operating activities		
Non-cash compensation expense	13,362	14,268
Amortization of deferred fees on loans	(34,353)	(26,838)
Amortization of deferred financing costs and premiums/discounts on debt obligations	18,347	18,962
Payment-in-kind interest, net of interest received	(9,049)	(8,450)
Increase in current expected credit loss reserve	189,458	95,098
Straight-line rental income	(4,036)	(1,716)
Depreciation and amortization of owned real estate	41,197	32,918
Net loss on disposition of owned real estate	160	—
(Income) loss from unconsolidated entities	(9,953)	2,889
Distributions of earnings from unconsolidated entities	16,078	—
Unrealized loss on derivative financial instruments, net	3,288	3,024
Realized gain on derivative financial instruments, net	(10,764)	(10,634)
Changes in assets and liabilities, net		
Other assets	112,315	27,313
Other liabilities	(3,503)	4,282
Net cash provided by operating activities	234,940	157,749
Cash flows from investing activities		
Principal fundings of loans receivable	(1,449,551)	(3,440,030)
Principal collections, sales proceeds, and cost-recovery proceeds from loans receivable	1,794,016	3,408,253
Origination and other fees received on loans receivable	22,058	30,475
Investment in debt securities	(66,650)	—
Payments under derivative financial instruments	(48,412)	(127,982)
Receipts under derivative financial instruments	25,859	94,364
Collateral deposited under derivative agreements	(135,830)	(343,500)
Return of collateral deposited under derivative agreements	157,850	261,890
Investment in unconsolidated entities	(136,041)	(107,712)
Return of capital from unconsolidated entities	26,534	—
Proceeds from disposition of owned real estate	15,148	—
Capital expenditures on owned real estate	(18,958)	(6,846)
Net cash provided by (used in) investing activities	186,023	(231,088)

continued…

See accompanying notes to consolidated financial statements.

Blackstone Mortgage Trust, Inc.
Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

	Six Months Ended June 30,	
	2026	2025
Cash flows from financing activities		
Borrowings under secured debt	$ 1,434,395	$ 2,525,536
Repayments under secured debt	(2,781,133)	(2,072,147)
Proceeds from issuance of securitized debt obligations	880,000	831,250
Repayments of securitized debt obligations	(275,561)	(169,926)
Borrowings under asset-specific debt	26,322	230,699
Repayments under asset-specific debt	(48,000)	(936,274)
Repayments of loan participations	—	(54,028)
Net proceeds from term loan borrowings	72,117	—
Repayments and repurchases of term loans	(4,810)	(3,690)
Proceeds from issuance of senior secured notes	450,000	—
Payment of deferred financing costs	(27,416)	(28,541)
Distributions to non-controlling interests	(2,345)	(137)
Dividends paid on class A common stock	(158,363)	(161,856)
Repurchases of class A common stock	(3,836)	(31,686)
Net cash (used in) provided by financing activities	(438,630)	129,200
Net (decrease) increase in cash and cash equivalents	(17,667)	55,861
Cash and cash equivalents at beginning of period	452,526	323,483
Effects of currency translation on cash and cash equivalents	(2,026)	8,705
Cash and cash equivalents at end of period	$ 432,833	$ 388,049
Supplemental disclosure of cash flows information		
Payments of interest	$ (426,789)	$ (483,544)
Payments of income taxes	$ (5,308)	$ (1,748)
Supplemental disclosure of non-cash investing and financing activities		
Dividends declared, not paid	$ (79,215)	$ (80,649)
Loan principal payments held by servicer, net	$ 3,874	$ 91,996
Transfer of senior loans to owned real estate	$ 180,416	$ 34,721
Assumption of other assets and liabilities related to owned real estate	$ 10,572	$ 10,323
Accrued capital expenditures on owned real estate	$ 312	$ —

See accompanying notes to consolidated financial statements.

1. ORGANIZATION

References herein to “Blackstone Mortgage Trust,” “Company,” “we,” “us” or “our” refer to Blackstone Mortgage Trust, Inc., a Maryland corporation, and its subsidiaries unless the context specifically requires otherwise.

Blackstone Mortgage Trust is a real estate finance company that originates, acquires, and manages senior loans and other debt or credit-oriented investments collateralized by or relating to commercial real estate in North America, Europe, and Australia. Our portfolio is composed primarily of senior loans secured by high-quality, institutional assets located in major markets, and sponsored by experienced, well-capitalized real estate investment owners and operators. We finance our investments in a variety of ways, including borrowing under secured credit facilities, issuing collateralized loan obligations, or CLOs, other securitization transactions, syndicating senior loans and/or participations, and other forms of asset-level financing, depending on our view of the most prudent financing option available for each of our investments. We are externally managed by BXMT Advisors L.L.C., or our Manager, a subsidiary of Blackstone Inc., or Blackstone, and are a real estate investment trust, or REIT, traded on the New York Stock Exchange, or NYSE, under the symbol “BXMT.” Our principal executive offices are located at 345 Park Avenue, New York, New York 10154.

We conduct our operations as a REIT for U.S. federal income tax purposes. We generally will not be subject to U.S. federal income taxes on our taxable income to the extent that we annually distribute all of our net taxable income to stockholders and maintain our qualification as a REIT. We also operate our business in a manner that permits us to maintain an exclusion from registration under the Investment Company Act of 1940, as amended. We are organized as a holding company and conduct our business primarily through our various subsidiaries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP, for interim financial information and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. The consolidated financial statements, including the notes thereto, are unaudited and exclude some of the disclosures required in audited financial statements. We believe we have made all necessary adjustments, consisting of only normal recurring items, so that the consolidated financial statements are presented fairly and that estimates made in preparing our consolidated financial statements are reasonable and prudent. The operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year. The accompanying unaudited consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 filed with the Securities and Exchange Commission, or the SEC.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with GAAP, and include, on a consolidated basis, our accounts, the accounts of our wholly-owned subsidiaries, majority-owned subsidiaries, and variable interest entities, or VIEs, of which we are the primary beneficiary. All intercompany balances and transactions have been eliminated in consolidation.

Certain prior period amounts have been reclassified to conform to the current period presentation, including changes to the presentation of certain income and expense captions and loans receivable disclosures.

Principles of Consolidation

We consolidate all entities that we control through either majority ownership or voting rights. In addition, we consolidate all VIEs of which we are considered the primary beneficiary. VIEs are defined as entities in which equity investors (i) do not have an interest with the characteristics of a controlling financial interest and/or (ii) do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The entity that consolidates a VIE is known as its primary beneficiary and is generally the entity with (i) the power to direct the activities that most significantly affect the VIE’s economic performance and (ii) the right to receive benefits from the VIE or the obligation to absorb losses of the VIE that could be significant to the VIE. Entities that do not qualify as VIEs are generally considered voting interest entities, or VOEs, and are evaluated for consolidation under the voting interest model. VOEs are consolidated when we control the entity through a majority voting interest or other means.

For consolidated entities, the non-controlling partner's share of the assets, liabilities, and operations of each joint venture is included in non-controlling interests as a component of total equity. The non-controlling partner's interest is generally computed as the joint venture partner's ownership percentage.

When the requirements for consolidation are not met and we have significant influence over the operations of the entity, the investment is accounted for under the equity method of accounting. Investments in unconsolidated entities for which we have not elected the fair value option, or FVO, are initially recorded at cost and subsequently adjusted for our pro rata share of net income, contributions and distributions. When we elect the FVO, we record our share of the net asset value of the entity and any related unrealized gains and losses.

We review our investments in unconsolidated entities for impairment each quarter or when there is an event or change in circumstances that indicates a decrease in value. If there is a decrease in value due to a series of operating losses or other factors, the investment is evaluated to determine if the loss in value is considered other than temporary. Although a current fair value below the carrying value of the investment is an indicator of impairment, we will only recognize an impairment if the loss in value is determined to be an other than temporary impairment. If an impairment is determined to be other than temporary, we will record an impairment charge sufficient to reduce the investment's carrying value to its fair value, which would result in a new cost basis. This new cost basis will be used for future periods when recording subsequent income or loss and cannot be written up to a higher value as a result of increases in fair value.

In 2017, we entered into a joint venture with Walker & Dunlop Inc., or Walker & Dunlop, to originate, hold, and finance multifamily bridge loans, which we refer to as our Multifamily Joint Venture. Pursuant to the terms of the agreements governing the joint venture, Walker & Dunlop contributed 15% of the venture's equity capital and we contributed 85%. We consolidate our Multifamily Joint Venture as we have a controlling financial interest. The non-controlling interests included on our consolidated balance sheets represent the equity interests in our Multifamily Joint Venture that are owned by Walker & Dunlop. A portion of our Multifamily Joint Venture's consolidated equity and results of operations are allocated to these non-controlling interests based on Walker & Dunlop's pro rata ownership of our Multifamily Joint Venture.

In 2024, we entered into a joint venture with a Blackstone-advised investment vehicle to invest in triple net lease properties, which we refer to as our Net Lease Joint Venture. Our aggregate ownership interest in our Net Lease Joint Venture was 75% as of June 30, 2026. We do not consolidate our Net Lease Joint Venture as we do not have a controlling financial interest. Our investment in our Net Lease Joint Venture is accounted for under the equity method, and is recorded in investments in unconsolidated entities on our consolidated balance sheets, and our pro rata share of income (loss) is recorded in income (loss) from unconsolidated entities on our consolidated statements of operations.

In 2025, we entered into a joint venture with a Blackstone-advised investment vehicle to acquire portfolios of performing commercial mortgage loans, which we refer to as our Bank Loan Portfolio Joint Venture. During 2025, our Bank Loan Portfolio Joint Venture acquired two portfolios of performing commercial mortgage loans. Our aggregate ownership interest in our Bank Loan Portfolio Joint Venture was 35% as of June 30, 2026. We do not consolidate our Bank Loan Portfolio Joint Venture as we do not have a controlling financial interest. Our investment in our Bank Loan Portfolio Joint Venture is accounted for using the FVO, and is recorded in investments in unconsolidated entities on our consolidated balance sheets, and our pro rata share of any unrealized gains and losses is recorded in income (loss) from unconsolidated entities on our consolidated statements of operations.

In the second quarter of 2026, we entered into a joint venture with an unaffiliated third-party, alongside a Blackstone-advised investment vehicle, to acquire an initial $286.7 million portfolio of construction loans collateralized by single family homes, and to continue to acquire and fund such loans in the future, which we refer to as our Homebuilder Finance Joint Venture. Our aggregate ownership interest in our Homebuilder Finance Joint Venture was 45% as of June 30, 2026. We do not consolidate our Homebuilder Finance Joint Venture as we do not have a controlling financial interest. Our investment in our Homebuilder Finance Joint Venture is accounted for using the FVO, and is recorded in investments in unconsolidated entities on our consolidated balance sheets, and our pro rata share of any unrealized gains and losses is recorded in income (loss) from unconsolidated entities on our consolidated statements of operations.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may ultimately differ materially from those estimates.

Revenue Recognition

Interest income from our loans receivable portfolio is recognized over the life of each loan using the effective interest method and is recorded on the accrual basis. Recognition of fees, premiums, and discounts associated with these investments is deferred and recorded over the term of the loan as an adjustment to yield. Income accrual is generally suspended for loans at the earlier of the date at which payments become 90 days past due or when, in our opinion, recovery of income and principal becomes doubtful. Interest received is then recorded as income or as a reduction in the amortized cost basis, based on the specific facts and circumstances, until accrual is resumed when the loan becomes contractually current and performance is demonstrated to be resumed. In addition, for loans we originate, the related origination expenses are deferred and recognized as a reduction to interest income; however, expenses related to loans we acquire are included in general and administrative expenses as incurred.

The sources of revenue from our owned real estate assets, which is included in revenue from owned real estate on our consolidated statements of operations, and the related revenue recognition policies are as follows:

Rental income primarily consists of base rent income arising from tenant leases at our office and multifamily properties. We determine if an arrangement is a lease at contract inception, which is subject to the provisions of Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 842 “Leases.” Base rent is recognized on a straight-line basis over the life of the lease, including any rent steps or abatement provisions. We begin to recognize revenue upon the acquisition of the related property or when a tenant takes possession of the leased space.

Other operating income primarily consists of income from our hospitality properties and tenant reimbursement income. Revenue from our hospitality properties consists primarily of room revenue and food and beverage revenue. Room revenue is recognized when the related room is occupied and other hospitality revenue is recognized when the service is rendered. Tenant reimbursement income primarily consists of amounts due from tenants for costs related to common area maintenance, real estate taxes, and other recoverable costs included in lease agreements.

We evaluate the collectability of receivables related to rental revenue on an individual lease basis and exercise judgment in assessing collectability considering the length of time a receivable has been outstanding, tenant credit-worthiness, payment history, available information about the financial condition of the tenant, and current economic trends, among other factors. Tenant receivables that are deemed uncollectible are recognized as a reduction to rental revenue.

Cash and Cash Equivalents

Cash and cash equivalents represent cash held in banks and liquid investments with original maturities of three months or less. We may have bank balances in excess of federally insured amounts; however, we deposit our cash and cash equivalents with high credit-quality institutions to minimize credit risk exposure. We have not experienced, and do not expect, any losses on our cash or cash equivalents. As of both June 30, 2026 and December 31, 2025, we had no restricted cash on our consolidated balance sheets.

Loans Receivable

We originate and purchase commercial real estate debt and related instruments generally to be held as long-term investments at amortized cost.

Current Expected Credit Losses Reserve

The current expected credit loss, or CECL, reserve required under the ASC Topic 326 “Financial Instruments – Credit Losses,” or ASC 326, reflects our current estimate of potential credit losses related to our loans and notes receivable included in our consolidated balance sheets. Changes to the CECL reserves are recognized through net income on our consolidated statements of operations. While ASC 326 does not require any particular method for determining the CECL reserves, it does specify the reserves should be based on relevant information about past events, including historical loss experience, current portfolio and market conditions, and reasonable and supportable forecasts for the duration of each respective loan. In addition, other than a few narrow exceptions, ASC 326 requires that all financial instruments subject to the CECL model have some amount of loss reserve to reflect the principle underlying the CECL model that all loans and similar assets have some inherent risk of loss, regardless of credit quality, subordinate capital, or other mitigating factors.

We estimate our CECL reserves primarily using the Weighted-Average Remaining Maturity, or WARM method, which has been identified as an acceptable loss-rate method for estimating CECL reserves in FASB Staff Q&A Topic 326, No. 1. The WARM method requires us to reference historic loan loss data across a comparable data set and apply such loss rate to each of our loans over their expected remaining term, taking into consideration expected economic conditions over the relevant time frame. We apply the WARM method for the majority of our loan portfolio, which consists of loans that share similar risk characteristics. In certain instances, for loans with unique risk characteristics, we may instead use a probability-weighted model that considers the likelihood of default and expected loss given default for each such individual loan.

Application of the WARM method to estimate CECL reserves requires judgment, including (i) the appropriate historical loan loss reference data, (ii) the expected timing and amount of future loan fundings and repayments, and (iii) the current credit quality of our portfolio and our expectations of performance and market conditions over the relevant time period. To estimate the historic loan losses relevant to our portfolio, we have augmented our historical loan performance, with market loan loss data licensed from Trepp LLC. This database includes commercial mortgage-backed securities, or CMBS, issued since January 1, 1999 through May 31, 2026. Within this database, we focused our historical loss reference calculations on the most relevant subset of available CMBS data, which we determined based on loan metrics that are most comparable to our loan portfolio including asset type, geography, and origination loan-to-value, or LTV. We believe this CMBS data, which includes month-over-month loan and property performance, is the most relevant, available, and comparable dataset to our portfolio.

Our loans typically include commitments to fund incremental proceeds to our borrowers over the life of the loan. These future funding commitments are also subject to the CECL model. The CECL reserve related to future loan fundings is recorded as a component of other liabilities on our consolidated balance sheets. This CECL reserve is estimated using the same process outlined above for our outstanding loan balances, and changes in this component of the CECL reserve will similarly impact our consolidated net income. For both the funded and unfunded portions of our loans, we consider our internal risk rating of each loan as the primary credit quality indicator underlying our assessment.

The CECL reserves are measured on a collective basis wherever similar risk characteristics exist within a pool of similar assets. We have identified the following pools and measure the reserve for credit losses using the following methods:

- **U.S. Loans**: WARM method that incorporates a subset of historical loss data, expected weighted-average remaining maturity of our loan pool, and an economic view.
- **Non-U.S. Loans:** WARM method that incorporates a subset of historical loss data, expected weighted-average remaining maturity of our loan pool, and an economic view.
- **Unique Loans:** a probability of default and loss given default model, assessed on an individual basis. During the three months ended June 30, 2026, we reassessed the pooling of certain loans previously classified within our Unique Loans pool. Based on our reassessment, we determined that these loans share risk characteristics materially similar to loans in our U.S. Loans and Non-U.S. Loans pools, as evaluated under our internal risk rating framework. Accordingly, consistent with ASC 326, which requires assets with similar risk characteristics to be evaluated on a collective basis wherever similar risk characteristics exist within a pool of similar assets, we have reclassified these loans into our U.S. Loans and Non-U.S. Loans pools, as applicable based on the geographic location of the underlying collateral. This reclassification did not have a material impact on our total CECL reserves as of June 30, 2026.
- **Impaired Loans:** impairment is indicated when it is deemed probable that we will not be able to collect all amounts due to us pursuant to the contractual terms of the loan. Determining that a loan is impaired requires significant judgment from management and is based on several factors including (i) the underlying collateral performance, (ii) discussions with the borrower, (iii) borrower events of default, and (iv) other facts that impact the borrower's ability to pay the contractual amounts due under the terms of the loan. If a loan is determined to be impaired, we record the impairment as a component of our CECL reserves by applying the practical expedient for collateral dependent loans. The CECL reserves are assessed on an individual basis for these loans by comparing the estimated fair value of the underlying collateral to the book value of the respective loan. These valuations require significant judgments, which include assumptions regarding capitalization rates, discount rates, leasing, creditworthiness of major tenants, occupancy rates, availability and cost of financing, exit plan, loan sponsorship, actions of other lenders, and other factors deemed relevant by us. Actual losses, if any, could ultimately differ materially from these estimates. We only expect to charge off the impairment losses in our consolidated financial statements prepared in accordance with GAAP if and when such amounts are deemed non-recoverable. This is generally at the time a loan is repaid or foreclosed, or the underlying collateral assets are otherwise consolidated. However, non-recoverability may also be concluded if, in our determination, it is nearly certain that all amounts due will not be collected.

Contractual Term and Unfunded Loan Commitments

Expected credit losses are estimated over the contractual term of each loan, adjusted for expected repayments. As part of our quarterly review of our loan portfolio, we assess the expected repayment date of each loan, which is used to determine the contractual term for purposes of computing our CECL reserves.

Additionally, the expected credit losses over the contractual period of our loans are subject to the obligation to extend credit through our unfunded loan commitments. The CECL reserve for unfunded loan commitments is adjusted quarterly, as we consider the expected timing of future funding obligations over the estimated life of the loan. The considerations in estimating our CECL reserve for unfunded loan commitments are similar to those used for the related outstanding loans receivable.

Credit Quality Indicator

Our risk rating is our primary credit quality indicator in assessing our current expected credit loss reserve. We perform a quarterly risk review of our portfolio of loans, and assign each loan a risk rating based on a variety of factors, including, without limitation, origination LTV, debt yield, property type, geographic and local market dynamics, physical condition, cash flow volatility, leasing and tenant profile, loan structure and exit plan, and project sponsorship. Based on a 5-point scale, our loans are rated "1" through "5," from less risk to greater risk, relative to our loan portfolio in the aggregate, which ratings are defined as follows:

1 - **Very Low Risk**

2 - **Low Risk**

3 - **Medium Risk**

4 - **High Risk/Potential for Loss:** A loan that has a risk of realizing a principal loss.

5 - **Impaired/Loss Likely:** A loan that has a very high risk of realizing a principal loss or has otherwise incurred a principal loss.

Estimation of Economic Conditions

In addition to the WARM method computations and probability-weighted models described above, our CECL reserves are also adjusted to reflect our estimation of the current and future economic conditions that impact the performance of the commercial real estate assets securing our loans. These estimations include unemployment rates, interest rates, expectations of inflation and/or recession, and other macroeconomic factors impacting the likelihood and magnitude of potential credit losses for our loans during their anticipated term. In addition to the CMBS data we have licensed from Trepp LLC, we have also licensed certain macroeconomic financial forecasts to inform our view of the potential future impact that broader economic conditions may have on our loan portfolio's performance. We generally also incorporate information from other sources, including information and opinions available to our Manager, to further inform these estimations. This process requires significant judgments about future events that, while based on the information available to us as of the balance sheet date, are ultimately indeterminate and the actual economic condition impacting our portfolio could vary significantly from the estimates we made as of June 30, 2026.

Owned Real Estate

We may assume legal title, physical possession, or control of the collateral underlying a loan through a foreclosure, a deed-in-lieu of foreclosure transaction, or a loan modification in which we receive an equity interest in and/or control over decision-making at the property, resulting in us consolidating the real estate assets as VIEs. These real estate acquisitions are classified as owned real estate, on our consolidated balance sheet and are initially recognized at fair value on the acquisition date in accordance with the ASC Topic 805, "Business Combinations," or ASC 805.

Upon acquisition of owned real estate assets, we assess the fair value of acquired tangible and intangible assets, which may include land, buildings, tenant improvements, "above-market" and "below-market" leases, acquired in-place leases, other identified intangible assets and assumed liabilities, as applicable, and allocate the fair value to the acquired assets and assumed liabilities. We assess and consider fair value based on estimated cash flow projections that utilize discount and/or capitalization rates that we deem appropriate, as well as other available market information. Estimates of future cash flows are based on a number of factors, including the historical operating results, known and anticipated trends, and market and economic conditions. We capitalize acquisition-related costs associated with asset acquisitions.

Real estate assets held for investment, except for land, are depreciated using the straight-line method over the assets' estimated useful lives of up to 40 years for buildings, 15 years for land improvements, and 10 years for building and tenant improvements. Renovations and/or replacements that improve or extend the life of the asset are capitalized and depreciated over their estimated useful lives. Lease intangibles are amortized over the remaining term of applicable leases on a straight-line basis. The cost of ordinary repairs and maintenance are expensed as incurred.

Real estate assets held for investment are assessed for impairment on a quarterly basis. If the depreciated cost basis of the asset exceeds the undiscounted cash flows over the remaining holding period, the asset is considered for impairment. The impairment loss is recognized when the carrying value of the real estate assets exceed their fair value. The evaluation of anticipated future cash flows is highly subjective and is based in part on assumptions regarding future occupancy, rental rates, capital requirements and anticipated holding periods that could differ materially from actual results. Refer to Note 4 for further information.

Real estate assets are classified as held for sale in the period when they meet the criteria under the ASC Topic 360 "Property, Plant, and Equipment." Once a real estate asset is classified as held for sale, depreciation is suspended and the asset is reported at the lower of its carrying value or fair value less cost to sell. If circumstances arise and we decide not to sell a real estate asset previously classified as held for sale, the real estate asset is reclassified as held for investment. Upon reclassification, the real estate asset is measured at the lower of (i) its carrying amount prior to classification as held for sale, adjusted for depreciation expense that would have been recognized had the real estate been classified as held for investment, and (ii) its estimated fair value at the time of reclassification.

As of June 30, 2026 and December 31, 2025, we had 14 and 12 owned real estate assets, respectively, that were all classified as held for investment.

Agency Multifamily Lending Partnership

In 2024, we entered into an agreement with M&T Realty Capital Corporation, or MTRCC, a subsidiary of M&T Bank, that allows our borrowers to access multifamily agency financing through MTRCC's Fannie Mae DUS and Freddie Mac Optigo lending platforms, or our Agency Multifamily Lending Partnership. We will receive a portion of origination, servicing, and other fees for loans that we refer to MTRCC for origination under both the Fannie Mae and Freddie Mac programs. Additionally, we will share in losses with MTRCC and Fannie Mae on loans that we refer to MTRCC for origination under the Fannie Mae program.

Revenue Recognition

For loans that we refer to MTRCC for origination under both the Fannie Mae and Freddie Mac programs, we recognize our allocable portion of origination, servicing, and other fees in other income when we have satisfied our performance obligations in accordance with the ASC Topic 606, "Revenue from Contracts with Customers," or ASC 606. Our performance obligations are generally satisfied when the loan is referred by us to MTRCC and subsequently originated and sold under the Fannie Mae and Freddie Mac programs. A portion of the fees recognized, such as servicing fees, are variable and are reevaluated for collectibility on a recurring basis.

Loss-sharing Obligation

Pursuant to our agreement with MTRCC, we are subject to a loss-sharing obligation with respect to MTRCC's obligation to partially guarantee the performance of loans that they originate and sell under the Fannie Mae program. This loss-sharing agreement requires us to fund a fixed amount of cash into a segregated account based on the amount MTRCC is required to fund under the Fannie Mae program, with respect to loans we referred to MTRCC.

In addition, we will recognize a liability for these loss-sharing obligations. This liability will be initially recognized at fair value with a corresponding expense at inception, and it will subsequently be amortized on a straight-line basis over the life of the loss-sharing obligation. This liability is included within other liabilities in our consolidated balance sheets. As of June 30, 2026, our maximum loss-sharing obligation associated with the loans referred by us to MTRCC under the Fannie Mae program was $5.5 million, and we have recorded related liabilities of $32 thousand. There have been no losses incurred as a result of the loss-sharing obligations.

Derivative Financial Instruments

We classify all derivative financial instruments as either other assets or other liabilities on our consolidated balance sheets at fair value.

On the date we enter into a derivative contract, we designate each contract as (i) a hedge of a net investment in a foreign operation, or net investment hedge, (ii) a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability, or cash flow hedge, (iii) a hedge of a recognized asset or liability, or fair value hedge, or (iv) a derivative instrument not to be designated as a hedging derivative, or non-designated hedge. For all derivatives other than those designated as non-designated hedges, we formally document our hedge relationships and designation at the contract's inception. This documentation includes the identification of the hedging instruments and the hedged items, its risk management objectives, strategy for undertaking the hedge transaction and our evaluation of the effectiveness of its hedged transaction.

On a quarterly basis, we also formally assess whether the derivative we designated in each hedging relationship is expected to be, and has been, highly effective in offsetting changes in the value or cash flows of the hedged items. If it is determined that a derivative is not highly effective at hedging the designated exposure, hedge accounting is discontinued and the changes in fair value of the instrument are included in net income prospectively. Our net investment hedges are assessed using a method based on changes in spot exchange rates. Gains and losses, representing hedge components excluded from the assessment of effectiveness, are recognized in interest and related income on our consolidated statements of operations over the contractual term of our net investment hedges on a systematic and rational basis, as documented at hedge inception in accordance with our accounting policy election. All other changes in the fair value of our derivative instruments that qualify as hedges are reported as a component of accumulated other comprehensive income (loss) on our consolidated financial statements. Deferred gains and losses are reclassified out of accumulated other comprehensive income (loss) and into net income in the same period or periods during which the hedged transaction affects earnings, and are presented in the same line item as the earnings effect of the hedged item. For cash flow hedges, this is typically when the periodic swap settlements are made, while for net investment hedges, this occurs when the hedged item is sold or substantially liquidated. To the extent a derivative does not qualify for hedge accounting and is deemed a non-designated hedge, the changes in its fair value are included in net income concurrently.

Proceeds or payments from periodic settlements of derivative instruments are classified on our consolidated statement of cash flows in the same section as the underlying hedged item.

Debt Securities

We have elected the FVO for our debt securities, which are included in other assets on our consolidated balance sheets. Refer to Note 6 for further information.

Secured Debt and Asset-Specific Debt

We record investments financed with secured debt or asset-specific debt as separate assets and the related borrowings under any secured debt or asset-specific debt are recorded as separate liabilities on our consolidated balance sheets. Interest income earned on the investments and interest expense incurred on the secured debt or asset-specific debt are reported separately on our consolidated statements of operations.

Term Loans

We record our term loans as liabilities on our consolidated balance sheets. Where applicable, any issue discount or transaction expenses are deferred and amortized through the maturity date of the term loans as additional non-cash interest expense.

Senior Secured Notes

We record our senior secured notes as liabilities on our consolidated balance sheets. Where applicable, any issue discount or transaction expenses are deferred and amortized through the maturity date of the senior secured notes as additional non-cash interest expense.

Convertible Notes

Convertible note proceeds, unless issued with a substantial premium or an embedded conversion feature, are classified as debt. Additionally, shares issuable under our convertible notes are included in diluted earnings per share in our consolidated financial statements, if the effect is dilutive, using the if-converted method, regardless of settlement intent. Where applicable, any issue discount or transaction expenses are deferred and amortized through the maturity date of the convertible notes as additional non-cash interest expense.

Deferred Financing Costs

The deferred financing costs that are included as a reduction in the net book value of the related liability on our consolidated balance sheets include issuance and other costs related to our debt obligations. These costs are amortized as interest expense using the effective interest method over the life of the related obligations.

Underwriting Commissions and Offering Costs

Underwriting commissions and offering costs incurred in connection with common stock offerings are reflected as a reduction of additional paid-in capital. Costs incurred that are not directly associated with the completion of a common stock offering are expensed when incurred.

Fair Value Measurements

The ASC Topic 820, “Fair Value Measurements and Disclosures,” or ASC 820, defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements under GAAP. Specifically, this guidance defines fair value based on exit price, or the price that would be received upon the sale of an asset or the transfer of a liability in an orderly transaction between market participants at the measurement date.

ASC 820 also establishes a fair value hierarchy that prioritizes and ranks the level of market price observability used in measuring financial instruments. Market price observability is affected by a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument, and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily available quoted prices in active markets generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured and reported at fair value are classified and disclosed based on the observability of inputs used in the determination, as follows:

- Level 1: Generally includes only unadjusted quoted prices that are available in active markets for identical financial instruments as of the reporting date.
- Level 2: Pricing inputs include quoted prices in active markets for similar instruments, quoted prices in less active or inactive markets for identical or similar instruments where multiple price quotes can be obtained, and other observable inputs, such as interest rates, yield curves, credit risks, and default rates.
- Level 3: Pricing inputs are unobservable for the financial instruments and include situations where there is little, if any, market activity for the financial instrument. These inputs require significant judgment or estimation by management of third parties when determining fair value and generally represent anything that does not meet the criteria of Levels 1 and 2.

Certain of our other assets are reported at fair value, as of quarter-end, either (i) on a recurring basis or (ii) on a nonrecurring basis, as a result of impairment or other events. Our assets that are recorded at fair value are discussed further in Note 18. We generally value our assets recorded at fair value by either (i) discounting expected cash flows based on assumptions regarding the collection of principal and interest and estimated market rates, or (ii) obtaining assessments from third parties. For collateral-dependent loans that are identified as impaired, we measure impairment by comparing our estimation of the fair value of the underlying collateral, less costs to sell, to the book value of the respective loan. These valuations require significant judgments, which include assumptions regarding capitalization rates, discount rates, leasing, creditworthiness of major tenants, occupancy rates, availability and cost of financing, exit plan, loan sponsorship, actions of other lenders, and other factors.

We have elected the FVO for two of our investments in unconsolidated entities, our Bank Loan Portfolio Joint Venture and Homebuilder Finance Joint Venture, and therefore report these investments at fair value. Given the fair value of these investments are not readily determinable, the net asset value of the entities are used as a practical expedient.

As of June 30, 2026, we had an aggregate $219.5 million asset-specific CECL reserve related to nine of our loans receivable with an aggregate amortized cost basis of $695.2 million, net of cost-recovery proceeds. The CECL reserve was recorded based on our estimation of the fair value of the loans' aggregate underlying collateral as of June 30, 2026. These loans receivable are therefore measured at fair value on a nonrecurring basis using significant unobservable inputs, and are classified as Level 3 assets in the fair value hierarchy. We estimated the fair value of the collateral underlying the loans receivable by considering a variety of inputs including property performance, market data, and comparable sales, as applicable. The significant unobservable inputs employed include the exit capitalization rate assumption used to forecast the future sale price of the underlying real estate collateral, which ranged from 4.9% to 8.5%, and the unlevered discount rate assumption, which ranged from 9.3% to 15.0%.

During the six months ended June 30, 2026, we acquired legal title to two owned real estate assets through foreclosure transactions. At the time of each acquisition, we determined the fair value of the real estate assets based on a variety of inputs, as applicable, including, but not limited to, estimated cash flow projections, leasing assumptions, required capital expenditures, market data, and comparable sales. The owned real estate assets were measured at fair value on a nonrecurring basis using significant unobservable inputs and are classified as Level 3 assets in the fair value hierarchy. The significant unobservable inputs employed include (i) the exit capitalization rate assumption used to forecast the future sale price of the assets, which ranged from 5.8% to 6.5%, and (ii) the unlevered discount rate assumption, which ranged from 8.0% to 11.0%. Refer to Notes 4 and 18 for further information.

We are also required by GAAP to disclose fair value information about financial instruments, which are not otherwise reported at fair value in our consolidated balance sheet, to the extent it is practicable to estimate a fair value for those instruments. These disclosure requirements exclude certain financial instruments and all non-financial instruments.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments, for which it is practicable to estimate that value:

- Cash and cash equivalents: The carrying amount of cash and cash equivalents approximates fair value.
- Loans receivable, net: The fair values of these loans were estimated using a discounted cash flow methodology, taking into consideration various factors including capitalization rates, discount rates, leasing, credit worthiness of major tenants, occupancy rates, availability and cost of financing, exit plan, loan sponsorship, actions of other lenders, and other factors.
- Derivative financial instruments: The fair value of our foreign currency and interest rate contracts was estimated using advice from a third-party derivative specialist, based on contractual cash flows and observable inputs comprising foreign currency rates and credit spreads.
- Secured debt, net and other secured debt: The fair value of these instruments was estimated based on the rate at which a similar credit facility would currently be priced. Other secured debt is included in other liabilities in our consolidated balance sheets.
- Securitized debt obligations, net: The fair value of these instruments was estimated by utilizing third-party pricing service providers. In determining the value of a particular investment, pricing service providers may use broker-dealer quotations, reported trades, or valuation estimates from their internal pricing models to determine the reported price.
- Asset-specific debt, net: The fair value of these instruments was estimated based on the rate at which a similar agreement would currently be priced.
- Loan participations sold, net: The fair value of these instruments was estimated based on the value of the related loan receivable asset.
- Term loans, net: The fair value of these instruments was estimated by utilizing third-party pricing service providers. In determining the value of a particular investment, pricing service providers may use broker-dealer quotations, reported trades, or valuation estimates from their internal pricing models to determine the reported price.
- Senior secured notes, net: The fair value of these instruments was estimated by utilizing third-party pricing service providers. In determining the value of a particular investment, pricing service providers may use broker-dealer

quotations, reported trades, or valuation estimates from their internal pricing models to determine the reported price.

- Convertible notes, net: Each series of the convertible notes is actively traded and their fair values were obtained using quoted market prices.

Income Taxes

Our financial results generally do not reflect provisions for current or deferred income taxes on our REIT taxable income. We believe that we operate in a manner that will continue to allow us to be taxed as a REIT and, as a result, we generally do not expect to pay substantial corporate level taxes other than those payable by our taxable REIT subsidiaries. If we were to fail to meet these requirements, we may be subject to federal, state, and local income tax on current and past income, and penalties. Refer to Note 16 for further information.

Stock-Based Compensation

Our stock-based compensation consists of awards issued to our Manager, certain individuals employed by an affiliate of our Manager, and certain members of our board of directors that vest over the life of the awards, as well as deferred stock units issued to certain members of our board of directors. Stock-based compensation expense is recognized for these awards in net income on a variable basis over the applicable vesting period of the awards, based on the value of our class A common stock. Refer to Note 17 for further information.

Earnings per Share

Basic earnings per share, or Basic EPS, is computed in accordance with the two-class method and is based on (i) the net earnings allocable to our class A common stock, including restricted class A common stock and deferred stock units, divided by (ii) the weighted-average number of shares of our class A common stock, including restricted class A common stock and deferred stock units outstanding during the period. Our restricted class A common stock is considered a participating security, as defined by GAAP, and has been included in our Basic EPS under the two-class method as these restricted shares have the same rights as our other shares of class A common stock, including participating in any gains or losses.

Diluted earnings per share, or Diluted EPS, is determined using the if-converted method, and is based on (i) the net earnings, adjusted for interest expense incurred on our convertible notes during the relevant period, net of incentive fees, allocable to our class A common stock, including restricted class A common stock and deferred stock units, divided by (ii) the weighted-average number of shares of our class A common stock, including restricted class A common stock, deferred stock units, and shares of class A common stock issuable under our convertible notes. Refer to Note 14 for further discussion of earnings per share.

Foreign Currency

In the normal course of business, we enter into transactions not denominated in United States, or U.S., dollars. Foreign exchange gains and losses arising on such transactions are recorded as a gain or loss in our consolidated statements of operations. In addition, we consolidate entities that have a non-U.S. dollar functional currency. Non-U.S. dollar-denominated assets and liabilities are translated to U.S. dollars at the exchange rate prevailing at the reporting date and income, expenses, gains, and losses are translated at the average exchange rate over the applicable period. Cumulative translation adjustments arising from the translation of non-U.S. dollar-denominated subsidiaries are recorded in other comprehensive income (loss).

Recent Accounting Pronouncements

In December 2025, the FASB issued Accounting Standards Update, or ASU, 2025-11, “Interim Reporting (Topic 270): Narrow Scope Improvements,” which amends the guidance in ASC 270, Interim Reporting. The update enhances interim disclosure requirements by clarifying the information that must be presented in quarterly periods, including improved transparency regarding significant events, accounting policy updates, and material developments that occur between annual reporting dates. ASU 2025-11 also aligns certain interim reporting requirements more closely with annual disclosure objectives to promote consistency and comparability. The amendments are effective for interim periods beginning after December 15, 2027, and early adoption is permitted. We have not early adopted ASU 2025-11 and do not expect the adoption of ASU 2025-11 to have a material impact on our consolidated financial statements.

In December 2025, the FASB issued ASU 2025-09, "Derivatives and Hedging (Topic 815): Hedge Accounting Improvements," which amends the guidance in ASC 815, Derivatives and Hedging. The update refines certain hedge accounting requirements, including clarifications to the designation and documentation criteria for hedge relationships, improvements to the assessment of hedge effectiveness, and enhanced disclosures intended to provide greater transparency into an entity's risk management activities involving derivatives. ASU 2025-09 is effective for annual periods beginning after December 15, 2026, including interim periods within those annual periods, and early adoption is permitted. We have not early adopted ASU 2025-09 and do not expect the adoption of ASU 2025-09 to have a material impact on our consolidated financial statements.

In December 2025, the FASB issued ASU 2025-08, "Financial Instruments—Credit Losses (Topic 326): Purchased Loans," which clarifies the application of the CECL model to purchased loans, including purchased credit-deteriorated loans, and enhances related disclosure requirements. ASU 2025-08 is effective for annual reporting periods beginning after December 15, 2026, including interim periods within those annual periods. Early adoption is permitted. We have not early adopted ASU 2025-08 and do not expect the adoption of ASU 2025-08 to have a material impact on our consolidated financial statements.

In July 2025, the FASB issued ASU 2025-05, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets," which amends the guidance in ASC 326. This update provides a practical expedient related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606. The amendment notes that in developing reasonable and supportable forecasts as part of estimating expected credit losses, all entities may elect a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. ASU 2025-05 is effective for annual periods beginning after December 15, 2025, including interim periods within those annual periods, and early adoption is permitted. We recognize revenue from our Agency Multifamily Lending Partnership and income from our hospitality owned real estate assets pursuant to ASC 606. The adoption of ASU 2025-05 in 2026 did not have a material impact on our consolidated financial statements.

In May 2025, the FASB issued ASU 2025-03, "Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity," which amends the guidance in ASC 805. This update clarifies the determination of the accounting acquirer in business combinations that are primarily effected through the exchange of equity interests and involve the acquisition of a VIE. Specifically, entities are now required to consider the factors outlined in ASC 805-10-55-12 through 55-15 when determining the accounting acquirer, rather than defaulting to the primary beneficiary of the VIE as the accounting acquirer. ASU 2025-03 is effective for annual periods beginning after December 15, 2026, including interim periods within those annual periods, and early adoption is permitted. We have not early adopted ASU 2025-03 and do not expect the adoption of ASU 2025-03 to have a material impact on our consolidated financial statements.

In November 2024, the FASB issued ASU 2024-04 "Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments," or ASU 2024-04. ASU 2024-04 clarifies the accounting treatment for settlement of a convertible debt instrument as an induced conversion. ASU 2024-04 is effective on a prospective basis, with the option for retrospective application, for fiscal years beginning after December 15, 2025. The adoption of ASU 2024-04 in 2026 did not have a material impact on our consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03 "Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses," or ASU 2024-03. ASU 2024-03 requires disclosures in the notes to the financial statements on specified information about certain costs and expenses for each interim and annual reporting period. ASU 2024-03 is effective on either a prospective basis, with the option for retrospective application, for annual periods beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027, and early adoption is permitted. We have not early adopted ASU 2024-03 and do not expect the adoption of ASU 2024-03 to have a material impact on our consolidated financial statements.

3. LOANS RECEIVABLE, NET

The following table details overall statistics for our loans receivable portfolio ($ in thousands):

	June 30, 2026	December 31, 2025
Number of loans	133	131
Principal balance	$ 17,409,208	$ 18,154,768
Net book value	$ 16,936,895	$ 17,784,694
Unfunded loan commitments(1)	$ 1,107,729	$ 1,185,004
Weighted-average cash coupon(2)	+ 3.13 %	+ 3.19 %
Weighted-average all-in yield(2)	+ 3.35 %	+ 3.39 %
Weighted-average maximum maturity (years)(3)	2.8	2.5

(1) Unfunded commitments will primarily be funded to finance our borrowers' construction or development of real estate-related assets, capital improvements of existing assets, or lease-related expenditures. These commitments will generally be funded over the term of each loan, subject in certain cases to an expiration date.

(2) The weighted-average cash coupon and all-in yield are expressed as a spread over the relevant floating benchmark rates, which include SOFR, SONIA, EURIBOR, CORRA, and other indices, as applicable to each loan. As of both June 30, 2026 and December 31, 2025, 97% of our loans by principal balance earned a floating rate of interest, primarily indexed to SOFR. The remaining 3% of our loans by principal balance earned a fixed rate of interest. In addition to cash coupon, all-in yield includes the amortization of deferred origination and extension fees, loan origination costs, and purchase discounts, as well as the accrual of exit fees. Excludes loans accounted for under the cost-recovery and nonaccrual methods, if any.

(3) Maximum maturity assumes all extension options are exercised by the borrower, however our loans may be repaid prior to such date. Excludes loans accounted for under the cost-recovery and nonaccrual methods, if any. As of June 30, 2026, 47% of our loans by principal balance were subject to yield maintenance or other prepayment restrictions and 53% were open to repayment by the borrower without penalty. As of December 31, 2025, 40% of our loans by principal balance were subject to yield maintenance or other prepayment restrictions and 60% were open to repayment by the borrower without penalty.

The following table details the index rate floors for our loans receivable portfolio as of June 30, 2026 ($ in thousands):

	Loans Receivable Principal Balance		
Index Rate Floors	USD	Non-USD(1)	Total
Fixed Rate	$ 398,405	$ 135,273	$ 533,678
0.00% or no floor(2)	1,060,787	3,701,597	4,762,384
0.01% to 1.00% floor	1,314,333	1,286,448	2,600,781
1.01% to 2.00% floor	856,529	1,651,960	2,508,489
2.01% to 3.00% floor	5,754,709	366,401	6,121,110
3.01% or more floor	608,673	274,093	882,766
Total(3)	$ 9,993,436	$ 7,415,772	$ 17,409,208

(1) Includes Euro, British Pound Sterling, Swedish Krona, Australian Dollar, and Canadian Dollar currencies.

(2) Includes all impaired loans.

(3) As of June 30, 2026, the weighted-average index rate floor of our floating-rate loans receivable principal balance was 1.53%. Excluding 0.0% index rate floors and loans with no floor, the weighted-average index rate floor was 2.11%.

Activity relating to our loans receivable portfolio was as follows ($ in thousands):

	Net Book Value
Loans Receivable, as of December 31, 2025	$ 18,069,134
Loan fundings	1,451,838
Loan repayments, sales, and cost-recovery proceeds	(1,820,897)
Charge-offs	(75,071)
Transfer to owned real estate	(180,416)
Transfer to other assets, net[(1)]	(10,572)
Payment-in-kind interest, net of interest received	9,049
Unrealized loss on foreign currency translation	(121,642)
Deferred fees and other items[(2)]	(21,046)
Amortization of fees and other items[(2)]	34,353
Loans Receivable, as of June 30, 2026	$ 17,334,730
CECL reserve	(397,835)
Loans Receivable, net, as of June 30, 2026	$ 16,936,895

(1) This amount relates to intangible and other assets recorded in connection with a loan that was transferred to owned real estate, net of any liabilities recorded upon acquisition. See Note 6 for further information.

(2) Other items primarily consist of purchase and sale discounts or premiums, exit fees, and deferred origination expenses.

The tables below detail the property type and geographic distribution of the properties securing the loans in our loans receivable portfolio ($ in thousands):

June 30, 2026

Property Type	Number of Loans	Net Book Value	Net Loan Exposure(1)	Net Loan Exposure Percentage of Portfolio
Industrial	24	$ 4,503,186	$ 4,195,901	26%
Multifamily	46	4,161,897	3,994,054	25
Office	34	4,461,290	3,967,961	25
Hospitality	10	1,743,045	1,656,740	10
Retail	8	822,936	744,291	5
Self-storage	3	642,244	479,964	3
Life Sciences / Studio	4	284,772	266,408	2
Other	4	715,360	713,113	4
Total loans receivable	133	$ 17,334,730	$ 16,018,432	100%
CECL reserve		(397,835)		
Loans receivable, net		$ 16,936,895		

Geographic Location	Number of Loans	Net Book Value	Net Loan Exposure(1)	Net Loan Exposure Percentage of Portfolio
United States				
Sunbelt	47	$ 4,771,723	$ 3,980,482	25%
Northeast	19	2,132,423	2,028,575	13
West	23	1,858,650	1,774,545	11
Midwest	6	637,152	506,250	3
Northwest	3	476,987	472,722	3
Subtotal	98	9,876,935	8,762,574	55
International				
United Kingdom	16	2,680,430	2,667,644	17
Australia	4	1,181,561	1,175,243	7
Ireland	3	1,000,931	990,480	6
Spain	2	657,798	654,260	4
Sweden	1	477,022	475,327	3
Canada	1	440,265	278,678	2
Other Europe	7	958,513	953,482	6
Other International	1	61,275	60,744	—
Subtotal	35	7,457,795	7,255,858	45
Total loans receivable	133	$ 17,334,730	$ 16,018,432	100%
CECL reserve		(397,835)		
Loans receivable, net		$ 16,936,895		

(1) Net loan exposure reflects the amount of each loan that is subject to risk of credit loss to us as of June 30, 2026, which is our principal balance net of (i) $972.6 million of asset-specific debt, (ii) $20.3 million of cost-recovery proceeds, and (iii) our total loans receivable CECL reserve of $397.8 million. Our asset-specific debt is structurally non-recourse and term-matched to the corresponding collateral loans.

December 31, 2025				
Property Type	**Number of Loans**	**Net Book Value**	**Net Loan Exposure[1]**	**Net Loan Exposure Percentage of Portfolio**
Office	37	$ 4,879,422	$ 4,556,980	27%
Multifamily	46	4,457,767	4,305,534	26
Industrial	21	4,458,487	4,114,141	24
Hospitality	12	1,940,693	1,827,133	11
Retail	6	674,612	596,204	3
Self-storage	3	659,515	492,376	3
Life Sciences/Studio	4	284,079	277,373	2
Other	2	714,559	676,293	4
Total loans receivable	131	$ 18,069,134	$ 16,846,034	100%
CECL reserve		(284,440)		
Loans receivable, net		$ 17,784,694		

Geographic Location	**Number of Loans**	**Net Book Value**	**Net Loan Exposure[1]**	**Net Loan Exposure Percentage of Portfolio**
United States				
Sunbelt	45	$ 4,715,039	$ 3,918,928	23%
West	23	1,963,032	1,872,531	11
Northeast	17	1,893,877	1,800,387	11
Midwest	6	619,726	609,433	4
Northwest	3	457,215	454,507	3
Subtotal	94	9,648,889	8,655,786	52
International				
United Kingdom	19	3,595,424	3,582,983	21
Ireland	3	1,141,770	1,135,749	7
Australia	4	1,104,765	1,110,648	7
Spain	2	684,109	638,112	4
Sweden	1	502,124	500,917	3
Canada	1	455,407	288,504	2
Other Europe	6	875,579	872,527	4
Other International	1	61,067	60,808	—
Subtotal	37	8,420,245	8,190,248	48
Total loans receivable	131	$ 18,069,134	$ 16,846,034	100%
CECL reserve		(284,440)		
Loans receivable, net		$ 17,784,694		

(1) Net loan exposure reflects the amount of each loan that is subject to risk of credit loss to us as of December 31, 2025, which is our principal balance net of (i) $999.8 million of asset-specific debt, (ii) $24.5 million of cost-recovery proceeds, and (iii) our total loans receivable CECL reserve of $284.4 million. See Note 2 for further discussion of loan participations sold. Our asset-specific debt is structurally non-recourse and term-matched to the corresponding collateral loans.

Loan Risk Ratings

As further described in Note 2, we evaluate our loan portfolio on a quarterly basis. In conjunction with our quarterly loan portfolio review, we assess the risk factors of each loan, and assign a risk rating based on several factors. Factors considered in the assessment include, but are not limited to, risk of loss, origination LTV, debt yield, collateral performance, structure, exit plan, and sponsorship. Loans are rated "1" (less risk) through "5" (greater risk), which ratings are defined in Note 2.

The following tables allocate the net book value and net loan exposure balances based on our internal risk ratings ($ in thousands):

	June 30, 2026		
Risk Rating	Number of Loans	Net Book Value	Net Loan Exposure[1]
1	1	$ 60,896	$ 61,025
2	21	2,884,735	2,715,318
3	85	11,667,474	10,798,610
4	17	2,026,473	1,969,169
5	9	695,152	474,310
Total loans receivable	133	$ 17,334,730	$ 16,018,432
CECL reserve		(397,835)	
Loans receivable, net		$ 16,936,895	

	December 31, 2025		
Risk Rating	Number of Loans	Net Book Value	Net Loan Exposure[1]
1	3	$ 303,971	$ 302,564
2	20	2,875,870	2,704,222
3	85	11,907,947	11,045,913
4	17	2,806,758	2,705,706
5	6	174,588	87,629
Total loans receivable	131	$ 18,069,134	$ 16,846,034
CECL reserve		(284,440)	
Loans receivable, net		$ 17,784,694	

(1) Net loan exposure reflects the amount of each loan that is subject to risk of credit loss to us as of June 30, 2026, which is our principal balance net of (i) $972.6 million of asset-specific debt, (ii) $20.3 million of cost-recovery proceeds, and (iii) our total loans receivable CECL reserve of $397.8 million. Our net loan exposure as of December 31, 2025 is our principal balance net of (i) $999.8 million of asset-specific debt, (ii) $24.5 million of cost-recovery proceeds, and (iii) our total loans receivable CECL reserve of $284.4 million. Our asset-specific debt is structurally non-recourse and term-matched to the corresponding collateral loans.

Our loan portfolio had a weighted-average risk rating of 3.0, based on net loan exposure, as of both June 30, 2026 and December 31, 2025.

Current Expected Credit Loss Reserve

The CECL reserves required under GAAP reflect our current estimate of potential credit losses related to the loans included in our consolidated balance sheets. Refer to Note 2 for further discussion of our CECL reserves. The following table presents the activity in our loans receivable CECL reserve by investment pool for the three months ended June 30, 2026 and 2025 ($ in thousands):

	U.S. Loans[(1)]	Non-U.S. Loans	Unique Loans	Impaired Loans	Total
Loans Receivable, Net					
CECL reserves as of December 31, 2025	$ 101,180	$ 45,470	$ 50,465	$ 87,325	$ 284,440
Increase (decrease) in CECL reserves	15,673	(6,305)	182	44,051	53,601
Charge-offs of CECL reserves	—	—	—	(46,451)	(46,451)
CECL reserves as of March 31, 2026	$ 116,853	$ 39,165	$ 50,647	$ 84,925	$ 291,590
Increase (decrease) in CECL reserves	980	21,358	(50,647)	163,174	134,865
Charge-offs of CECL reserves	—	—	—	(28,620)	(28,620)
CECL reserves as of June 30, 2026	$ 117,833	$ 60,523	$ —	$ 219,479	$ 397,835
CECL reserves as of December 31, 2024	$ 80,057	$ 26,141	$ 47,087	$ 580,651	$ 733,936
Increase in CECL reserves	17,604	13,796	1,477	16,552	49,429
Charge-offs of CECL reserves	—	—	—	(41,824)	(41,824)
CECL reserves as of March 31, 2025	$ 97,661	$ 39,937	$ 48,564	$ 555,379	$ 741,541
(Decrease) increase in CECL reserves	(6,759)	(1,568)	4,249	48,445	44,367
Charge-offs of CECL reserves	—	—	—	(45,057)	(45,057)
CECL reserves as of June 30, 2025	$ 90,902	$ 38,369	$ 52,813	$ 558,767	$ 740,851

(1) Includes one U.S. dollar-denominated loan that is located in Bermuda.

During the three months ended June 30, 2026, we recorded a net increase of $106.2 million in the CECL reserves against our loans receivable portfolio, primarily driven by a $134.6 million increase in our asset-specific CECL reserve, partially offset by a $28.3 million decrease in our general CECL reserve, bringing our total loans receivable CECL reserves to $397.8 million as of June 30, 2026. The increase in our asset-specific reserve was driven by three additional loans with an aggregate amortized cost basis of $502.0 million that were impaired during the three months ended June 30, 2026, of which two are secured by office properties, and the other is secured by an office/mixed-use asset. The office sector recovery in certain markets has continued to lag other commercial real estate sectors, which has, in certain cases, extended business plans on transitional properties and impacted their performance, affecting some borrowers' willingness and ability to continue to support their assets. Impairments are determined individually as a result of changes in specific credit quality factors for such loans. These factors include, among others, (i) the performance of the underlying property collateral, (ii) discussions with the borrower, (iii) borrower events of default, and (iv) other facts and circumstances affecting the borrower's willingness and ability to satisfy its contractual obligations under the terms of the loan. During the three months ended June 30, 2026, we recorded $7.1 million of interest income on these loans. Upon determining that the three loans were impaired, the income accrual was suspended, as the recovery of interest income and principal was doubtful. The increase in our asset-specific reserve was partially offset by charge-offs of $28.6 million primarily related to the resolution of one previously impaired loan as a result of our acquisition of title through a foreclosure of a multifamily collateral property located in Dallas, TX, which is now included on our consolidated balance sheet as an owned real estate asset. The decrease in our general CECL reserve was primarily driven by changes in risk ratings, and a decrease in our loans receivable balance, partially offset by new loan originations and an increase in the historical loss rate used in reserve calculations related to the additional CECL reserve charge-offs.

As of June 30, 2026, we had an aggregate $219.5 million asset-specific CECL reserve related to nine of our loans receivable, with a total amortized cost basis of $695.2 million, net of cost-recovery proceeds. Impairments are each determined individually as a result of changes in the specific credit quality factors for each such loan. These factors included, among others, (i) the underlying collateral performance, (ii) discussions with the borrower, (iii) borrower events of default, and (iv) other facts that impact the borrower's ability to pay the contractual amounts due under the terms of the loan. This asset-specific CECL reserve was recorded based on our estimation of the fair value of each loan's underlying collateral as of June 30, 2026.

No income was recorded on our impaired loans subsequent to determining that such loans were impaired. During the three months ended June 30, 2026, we did not receive any cash proceeds from such loans that would have been applied as a reduction to the amortized cost basis of each respective loan.

As of June 30, 2026, one of our performing loans with an amortized cost basis of $148.8 million was in payment default, was less than 90 days past due on its interest payment, and had a risk rating of “4.” This loan was not impaired as of June 30, 2026 as we expect to fully recover all contractual principal and interest amounts due under the loan agreement. All other borrowers under performing loans were in compliance with the applicable contractual terms of each respective loan, including any required payment of interest. Refer to Note 2 for further discussion of our policies on revenue recognition and our CECL reserves.

Our primary credit quality indicator is our risk ratings, which are further discussed above. The following tables present the net book value of our loan portfolio as of June 30, 2026 and December 31, 2025, respectively, by year of origination and risk rating ($ in thousands):

	Net Book Value of Loans Receivable by Year of Origination(1)						
	As of June 30, 2026						
Risk Rating	2026	2025	2024	2023	2022	Prior	Total
1	$ —	$ 60,896	$ —	$ —	$ —	$ —	$ 60,896
2	—	909,370	61,275	—	238,535	1,675,555	2,884,735
3	1,241,733	4,058,785	276,302	—	2,452,411	3,638,243	11,667,474
4	—	148,775	—	—	151,863	1,725,835	2,026,473
5	—	—	—	—	92,116	603,036	695,152
Total loans receivable	$ 1,241,733	$ 5,177,826	$ 337,577	$ —	$ 2,934,925	$ 7,642,669	$ 17,334,730
CECL reserve							(397,835)
Loans receivable, net							$ 16,936,895
Gross charge-offs(2)	—	—	—	—	(29,380)	(45,691)	$ (75,071)

	Net Book Value of Loans Receivable by Year of Origination(1)						
	As of December 31, 2025						
Risk Rating	2025	2024	2023	2022	2021	Prior	Total
1	$ —	$ —	$ —	$ 151,674	$ 98,329	$ 53,968	$ 303,971
2	792,802	61,068	—	586,066	1,265,922	170,012	2,875,870
3	4,335,677	$ 274,866	—	2,592,446	2,869,787	1,835,171	11,907,947
4	—	—	—	367,804	582,317	1,856,637	2,806,758
5	—	—	—	—	31,700	142,888	174,588
Total loans receivable	$ 5,128,479	$ 335,934	$ —	$ 3,697,990	$ 4,848,055	$ 4,058,676	$ 18,069,134
CECL reserve							(284,440)
Loans receivable, net							$ 17,784,694
Gross charge-offs(2)	—	—	—	(54,404)	(214,796)	(286,916)	$ (556,116)

(1) Date loan was originated or acquired by us. Origination dates are subsequently updated to reflect material loan modifications.
(2) Represents charge-offs by year of origination during the six months ended June 30, 2026 and year ended December 31, 2025, respectively.

Loan Modifications Pursuant to ASC 326

During the twelve months ended June 30, 2026, we entered into one loan modification that requires disclosure pursuant to ASC 326. This loan was collateralized by a life sciences/studio asset.

The loan modification included a term extension of 4.3 years, the interest rate decreased by 3.56%, and the loan was bifurcated into a separate senior loan and subordinate loan. We are accruing all of the interest on the senior loan that is paying current, and deferring interest on the subordinate loan, which is paid-in-kind. As of June 30, 2026, the aggregate amortized cost basis of these loans was $122.3 million, or 0.7% of our aggregate loans receivable portfolio, with an aggregate $34.7 million of unfunded commitments. These loans were in compliance with their modified contractual terms as of June 30, 2026.

This loan had a risk rating of “5” at the time of modification. The modification resulted in the bifurcation of the loan into separate senior and subordinate loans, or two loans in aggregate. As of June 30, 2026, the newly bifurcated senior loan had a risk rating of “4,” and the newly bifurcated subordinate loan had a risk rating of “5,” as collection of amounts due under the loan terms was doubtful.

Loans with a risk rating of “3” and “4” are included in the determination of our general CECL reserve and loans with a risk rating of “5” are evaluated individually for an asset-specific CECL reserve. Loan modifications that allow the option to pay interest in-kind increase our potential economics and the size of our secured claim, as interest is capitalized and added to the outstanding principal balance for applicable loans. As of June 30, 2026, no income was recorded on our loans subsequent to determining that such loans were impaired and risk rated “5.”

4. OWNED REAL ESTATE, NET

As of June 30, 2026 and December 31, 2025, we had 14 and 12 owned real estate assets, respectively. During the six months ended June 30, 2026, we acquired two owned real estate assets through foreclosure transactions with an aggregate acquisition price of $191.0 million. We allocated $128.8 million to building and building improvements, $51.6 million to land and land improvements, $4.8 million to acquired intangible assets, and $5.8 million to other components of the purchase price, including cash held in reserves at the time of acquisition. In aggregate, we charged off $76.2 million of CECL reserves relating to the loans that had previously been secured by these assets, as the loans’ aggregate carrying value of $267.2 million at the time of the acquisitions exceeded the acquisition date fair value noted above. See Note 2 for further discussion of owned real estate assets.

Acquisitions

The acquisition of two owned real estate assets during the six months ended June 30, 2026 were accounted for as asset acquisitions under ASC 805, and we recognized the properties as owned real estate assets held for investment. The following table presents the owned real estate assets that were acquired during the six months ended June 30, 2026 ($ in thousands):

Acquisition Date	Location	Property Type	Acquisition Date Fair Value
March 2026	San Francisco, CA	Hospitality	$ 41,082
June 2026	Dallas, TX	Multifamily	149,906
			$ 190,988

Dispositions

During the six months ended June 30, 2026, we completed a partial sale of one owned real estate asset, a multifamily property located in San Antonio, TX. The carrying value of the asset at the time of disposition was $15.3 million, and we received net cash proceeds of $15.1 million, resulting in a net loss of $0.2 million, which is included in net loss on disposition of owned real estate on our consolidated statements of operations.

The following table presents the assets and liabilities related to owned real estate held for investment included in our consolidated balance sheets ($ in thousands):

	June 30, 2026	December 31, 2025
Assets		
Building and building improvements	$ 844,474	$ 708,097
Land and land improvements	507,719	461,585
Total	$ 1,352,193	$ 1,169,682
Less: accumulated depreciation	(55,204)	(34,707)
Owned real estate, net	$ 1,296,989	$ 1,134,975
Intangible real estate assets	$ 163,108	$ 161,690
Less: accumulated amortization	(62,191)	(44,601)
Intangible real estate assets, net(1)	$ 100,917	$ 117,089
Liabilities		
Intangible real estate liabilities	$ 3,985	$ 3,985
Less: accumulated amortization	(1,072)	(570)
Intangible real estate liabilities, net(2)	$ 2,913	$ 3,415

(1) Included within other assets on our consolidated balance sheets. Refer to Note 6 for further information.
(2) Included within other liabilities on our consolidated balance sheets. Refer to Note 6 for further information.

Revenue and expenses from owned real estate consisted of the following ($ in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Rental revenue	$ 24,024	$ 16,207	$ 48,198	$ 30,541
Hospitality revenue	42,802	16,643	87,263	33,679
Other operating revenue	8,671	5,962	14,630	11,625
Revenue from owned real estate	$ 75,497	$ 38,812	$ 150,091	$ 75,845
Operating expense	$ 61,128	$ 31,089	$ 122,218	$ 61,177
Depreciation and amortization expense	20,312	16,707	41,197	32,921
Total expenses from owned real estate	$ 81,440	$ 47,796	$ 163,415	$ 94,098
Loss from owned real estate	$ (5,943)	$ (8,984)	$ (13,324)	$ (18,253)

The following table presents the undiscounted future minimum rents we expect to receive for our office properties as of June 30, 2026. Leases at our multifamily assets are short term, generally 12 months or less, and are therefore not included ($ in thousands):

	Future Minimum Rents
2026 (remaining)	$ 63,269
2027	76,254
2028	65,912
2029	52,556
2030	45,884
Thereafter	132,503
Total	$ 436,378

The following table presents the estimated future amortization of lease intangibles for each of the next five years and thereafter as June 30, 2026 ($ in thousands):

	In-place lease intangibles	Above-market lease intangibles	Below-market lease intangibles
2026 (remaining)	$ 17,367	$ 2,991	$ (461)
2027	18,406	4,248	(769)
2028	13,119	3,408	(644)
2029	9,861	2,518	(491)
2030	7,382	2,165	(304)
Thereafter	14,363	5,089	(244)
Total	$ 80,498	$ 20,419	$ (2,913)

5. INVESTMENTS IN UNCONSOLIDATED ENTITIES

As of June 30, 2026, we hold certain investments in unconsolidated entities that are accounted for under the equity method of accounting or the FVO, as our ownership interest in each entity does not meet the requirements for consolidation. Refer to Note 2 for further details.

The following tables detail our investments in unconsolidated entities ($ in thousands):

	June 30, 2026		
Investments in Unconsolidated Entities	**Number of Assets**	**Ownership Interest**	**Book Value**
Unconsolidated entities carried at historical cost			
Net Lease Joint Venture	306[1]	75%	$ 185,902
Total unconsolidated entities carried at historical cost	306		185,902
Unconsolidated entities carried at fair value			
Bank Loan Portfolio Joint Venture	457[2]	35%[3]	99,834
Homebuilder Finance Joint Venture	33[2]	45%	36,324
Total unconsolidated entities carried at fair value	490		136,158
Total	796		$ 322,060

	December 31, 2025		
Investments in Unconsolidated Entities	**Number of Assets**	**Ownership Interest**	**Book Value**
Unconsolidated entities carried at historical cost			
Net Lease Joint Venture	178[1]	75%	$ 106,478
Total unconsolidated entities carried at historical cost	178		106,478
Unconsolidated entities carried at fair value:			
Bank Loan Portfolio Joint Venture	533[2]	35%[3]	111,010
Total unconsolidated entities carried at fair value:	533		111,010
Total	711		$ 217,488

(1) The number of assets represents the number of commercial real estate properties.
(2) The number of assets represents the number of commercial mortgage loans held by each entity.
(3) Represents our aggregate ownership interest in our Bank Loan Portfolio Joint Venture, which owns an initial portfolio of commercial mortgage loans acquired during the three months ended June 30, 2025, in which we hold a 29% interest, and an additional portfolio acquired during the three months ended September 30, 2025, in which we hold a 50% interest.

The following table details the activity related to our investments in unconsolidated entities during the six months ended June 30, 2026 ($ in thousands):

	Net Lease Joint Venture	**Bank Loan Portfolio Joint Venture**	**Homebuilder Finance Joint Venture**	**Total**
Balance as of December 31, 2025	$ 106,478	$ 111,010	$ —	$ 217,488
Contributions	99,998	—	36,043	136,041
Distributions	(22,413)	(20,199)	—	(42,612)
Income from unconsolidated entities[1]	649	9,023	281	9,953
Accumulated other comprehensive income	1,190	—	—	1,190
Balance as of June 30, 2026	$ 185,902	$ 99,834	$ 36,324	$ 322,060

(1) Includes our share of non-cash items such as (i) depreciation and amortization, and (ii) unrealized gains or losses recorded by unconsolidated entities.

Our Net Lease Joint Venture and Bank Loan Portfolio Joint Venture have each entered into and may continue to enter into derivative agreements where we would be required to make payment for periodic or final settlement of derivative contracts if either our Net Lease Joint Venture or Bank Loan Portfolio Joint Venture, as applicable, is unable to fulfill its respective obligations.

6. OTHER ASSETS AND LIABILITIES

Other Assets

The following table details the components of our other assets ($ in thousands):

	June 30, 2026	December 31, 2025
Accrued interest receivable	$ 136,161	$ 132,975
Real estate intangible assets, net	100,917	117,089
Debt securities, at fair value(1)	66,310	—
Other real estate assets	51,890	42,153
Derivative assets	47,908	10,492
Accounts receivable and other assets(2)	5,883	56,848
Collateral deposited under derivative agreements	3,280	25,300
Loan portfolio payments held by servicer(3)	2,288	27,374
Prepaid expenses	628	1,032
Total	$ 415,265	$ 413,263

(1) Represents an investment in a significant risk transfer, or SRT, transaction with a UK financial institution structured as a credit-linked note, or the UK Bank Loan Portfolio SRT. The investment constitutes the first-loss tranche of a reference portfolio comprising a diversified, granular portfolio of low-leverage commercial real estate loans held by the UK financial institution. The SRT investment earns a floating-rate cash coupon of SONIA + 7.00%, which is recognized in interest and related income in our consolidated statements of operations. The investment is recorded at fair value, with changes in fair value recognized in other income, net in our consolidated statements of operations. As of June 30, 2026, no realized credit losses have been incurred with respect to the underlying reference loan portfolio.

(2) Includes $3.6 million and $55.5 million as of June 30, 2026 and December 31, 2025, respectively, of cash collateral held by our CLOs that was subsequently remitted by the trustee to repay a portion of the outstanding senior CLO securities, or that was subsequently reinvested by purchasing additional collateral into our CLOs.

(3) Primarily represents loan principal repayments held by our third-party loan servicers as of the balance sheet date that were remitted to us during the subsequent remittance cycle.

Other Liabilities

The following table details the components of our other liabilities ($ in thousands):

	June 30, 2026	December 31, 2025
Other real estate liabilities	$ 133,697	$ 127,703
Accrued dividends payable	79,215	79,081
Accrued interest payable	60,100	58,871
Other secured debt(1)	38,386	39,475
Accrued management fees payable	14,641	16,434
Accounts payable and other liabilities	13,889	14,653
Current expected credit loss reserves for unfunded loan commitments(2)	12,610	11,617
Derivative liabilities	10,351	26,596
Debt repayments pending servicer remittance(3)	1,982	11,748
Total	$ 364,871	$ 386,178

(1) Represents financing on our retained investment in the European Loan Securitization. Refer to Note 8 for further information.
(2) Represents the CECL reserve related to our unfunded loan commitments.
(3) Represents pending transfers from our third-party loan servicer that were remitted to our banking counterparties during the subsequent remittance cycle.

Current Expected Credit Loss Reserves for Unfunded Loan Commitments

As of June 30, 2026, we had aggregate unfunded commitments of $1.1 billion related to 53 loans. The expected credit losses over the contractual period of our loans are impacted by our obligations to extend further credit through our unfunded loan commitments. See Note 2 for further discussion of the CECL reserves related to our unfunded loan commitments, and Note 21 for further discussion of our unfunded loan commitments. During the three months ended June 30, 2026, we recorded a decrease in the CECL reserves related to our unfunded loan commitments of $0.5 million, and during the six months ended June 30, 2026, we recorded an increase in the CECL reserves related to our unfunded loan commitments of $1.0 million, bringing our total unfunded loan commitments CECL reserve to $12.6 million as of June 30, 2026. During the three and six months ended June 30, 2025, we recorded increases in the CECL reserves related to our unfunded loan commitments of $1.2 million and $1.3 million, respectively, bringing our total unfunded loan commitments CECL reserve to $11.7 million as of June 30, 2025.

7. SECURED DEBT, NET

Our secured debt represents borrowings under our secured credit facilities. During the six months ended June 30, 2026, we closed $1.0 billion of new borrowings against $1.5 billion of collateral assets.

The following table details our secured debt ($ in thousands):

	Secured Debt Borrowings Outstanding	
	June 30, 2026	December 31, 2025
Secured credit facilities	$ 8,717,351	$ 10,125,839
Deferred financing costs(1)	(8,407)	(8,547)
Net book value of secured debt	$ 8,708,944	$ 10,117,292

(1) Costs incurred in connection with our secured debt are recorded on our consolidated balance sheets when incurred and recognized as a component of interest expense over the life of each related facility.

Secured Credit Facilities

Our secured credit facilities are bilateral agreements we use to finance diversified pools of senior loan collateral with sufficient flexibility to accommodate our investment and asset management strategy. The facilities are generally structured to provide currency, index, and term-matched financing without capital markets-based mark-to-market provisions. Our credit facilities are diversified across 16 counterparties, primarily consisting of top global financial institutions to minimize our counterparty risk exposure.

The following table details our secured credit facilities as of June 30, 2026 ($ in thousands):

								Recourse Limitation	
Currency	Lenders(1)	Borrowings	Wtd. Avg. Maturity(2)	Wtd. Avg. All-in Cost(3)(4)(5)	Loan Count	Collateral(6)	Wtd. Avg. All-in Yield(3)(4)	Wtd. Avg.	Range
USD	14	$ 3,668,157	May 2028	+1.74 %	78	$ 6,042,859	+2.76 %	36%	25% - 100%
GBP	6	1,906,500	Mar 2029	+1.68 %	14	2,647,180	+3.17 %	25%	25%
EUR	6	1,618,548	Feb 2030	+1.64 %	13	2,380,828	+2.99 %	37%	15% - 100%
Others(7)	4	1,524,146	May 2029	+2.21 %	6	1,910,983	+4.34 %	25%	25%
Total	16	$ 8,717,351	Jan 2029	+1.79 %	111	$ 12,981,850	+3.16 %	32%	25% - 100%

(1) Represents the number of lenders with fundings advanced in each respective currency, as well as the total number of facility lenders.
(2) Our secured debt agreements are generally term-matched to their underlying collateral. Therefore, the weighted-average maturity is generally allocated based on the maximum maturity date of the collateral loans, assuming all extension options are exercised by the borrower. In limited instances, the maturity date of the respective secured credit facility is used.
(3) The spread, all-in cost, and all-in yield are expressed over the relevant floating benchmark rates, which include SOFR, SONIA, EURIBOR, CORRA, and other indices as applicable.
(4) In addition to spread, the cost includes the associated deferred fees and expenses related to the respective borrowings. In addition to cash coupon, all-in yield includes the amortization of deferred origination and extension fees, loan origination costs, and purchase discounts, as well as the accrual of exit fees. All-in yield excludes loans accounted for under the cost-recovery and nonaccrual methods, if any, and owned real estate assets.
(5) Represents the weighted-average all-in cost as of June 30, 2026 and is not necessarily indicative of the spread applicable to recent or future borrowings.
(6) Represents the principal balance of the collateral loan assets and the carrying value of the collateral owned real estate assets.
(7) Includes Australian Dollar, Canadian Dollar, and Swedish Krona currencies.

The availability of funding under our secured credit facilities is based on the amount of approved collateral, which collateral is proposed by us in our discretion and approved by the respective counterparty in its discretion, resulting in a mutually agreed collateral portfolio construction. Certain structural elements of our secured credit facilities, including the limitation on recourse to us and facility economics, are influenced by the specific collateral portfolio construction of each facility, and therefore vary within and among the facilities.

Our secured credit facilities generally permit us to increase or decrease the amount advanced against the pledged collateral in our discretion within certain maximum/minimum amounts and frequency limitations. As of June 30, 2026, there was an aggregate $807.5 million available to be drawn at our discretion under our credit facilities.

Financial Covenants

As of June 30, 2026, we are subject to the following financial covenants related to our secured debt and secured debt of our unconsolidated entities: (i) our ratio of earnings before interest, taxes, depreciation, and amortization, or EBITDA, to fixed charges, as defined in the agreements, shall be not less than 1.3 to 1.0; (ii) our tangible net worth, as defined in the agreements, shall not be less than $2.8 billion as of each measurement date plus 75% to 85% of the net cash proceeds of future equity issuances subsequent to June 30, 2026; (iii) cash liquidity shall not be less than the greater of (x) $10.0 million or (y) no more than 5% of our recourse indebtedness; and (iv) our indebtedness shall not exceed 83.33% of our total assets. As of June 30, 2026 and December 31, 2025, we were in compliance with these covenants.

8. SECURITIZED DEBT OBLIGATIONS, NET

We have financed certain pools of our loans through CLOs and have also financed one of our loans through a securitization vehicle, or the European Loan Securitization. The CLOs and the European Loan Securitization are consolidated in our financial statements and have issued securitized debt obligations that are non-recourse to us. Refer to Note 19 for further discussion of our CLOs and the European Loan Securitization. The following tables detail our securitized debt obligations and the underlying collateral assets that are financed by our CLOs and the European Loan Securitization ($ in thousands):

	June 30, 2026				
Securitized Debt Obligations	Count	Principal Balance	Book Value(1)	Wtd. Avg. Yield/Cost(2)	Term(3)
CLOs					
2026 FL6 Collateralized Loan Obligation					
Senior CLO Securities Outstanding	1	$ 880,000	$ 872,474	+ 1.84 %	August 2043
Underlying Collateral Assets	19	998,448	998,448	+ 3.04 %	September 2029
2025 FL5 Collateralized Loan Obligation					
Senior CLO Securities Outstanding	1	831,250	823,296	+ 2.15 %	October 2042
Underlying Collateral Assets	19	997,984	997,984	+ 3.44 %	February 2029
2021 FL4 Collateralized Loan Obligation					
Senior CLO Securities Outstanding	1	421,346	421,346	+ 1.83 %	May 2038
Underlying Collateral Assets	13	551,661	551,661	+ 4.17 %	July 2027
2020 FL2 Collateralized Loan Obligation					
Senior CLO Securities Outstanding	1	428,673	428,673	+ 1.93 %	February 2038
Underlying Collateral Assets	9	595,239	595,239	+ 3.04 %	February 2027
Total CLOs					
Senior CLO Securities Outstanding	4	$ 2,561,269	$ 2,545,789	+ 1.95 %	
Underlying Collateral Assets	60	3,143,332	3,143,332	+ 3.35 %	
European Loan Securitization					
Financing Provided	1	$ 189,541	$ 187,175	+ 1.71 %	July 2030
Underlying Collateral Assets(4)	1	244,367	241,995	+ 2.97 %	July 2030
Total					
Senior CLO Securities Outstanding / Financing Provided(5)	5	$ 2,750,810	$ 2,732,964	+ 1.93 %	
Underlying Collateral Assets	61	3,387,699	3,385,327	+ 3.35 %	

(1) The book value of underlying collateral assets excludes any applicable CECL reserves.

(2) In addition to cash coupon, all-in yield includes the amortization of deferred origination and extension fees, loan origination costs, purchase discounts, and accrual of exit fees, while all-in cost includes the amortization of deferred origination fees and financing costs. The weighted-average all-in yield and cost are expressed as a spread over the relevant floating benchmark rates, which is SOFR for the CLOs and EURIBOR for the European Loan Securitization. All-in yield excludes loans accounted for under the cost-recovery and nonaccrual methods, if any, owned real estate assets, and cash from repayment proceeds held in certain of our CLOs that may be used to add new eligible collateral assets.

(3) Underlying collateral assets term represents the weighted-average final maturity of such loans, assuming all extension options are exercised by the borrower, and excludes owned real estate assets. Repayments of securitized debt obligations are tied to timing of the related collateral loan asset repayments. The term of these obligations represents the rated final distribution date of the securitizations.

(4) We financed our $55.8 million retained interests in the securitization under a repurchase agreement structured without capital markets-based mark-to-market provisions. The amount of the financing is included in other liabilities on our consolidated balance sheets.

(5) During the three and six months ended June 30, 2026, we recorded $40.1 million and $74.8 million, respectively, of interest expense related to our securitized debt obligations.

	December 31, 2025				
Securitized Debt Obligations	**Count**	**Principal Balance**	**Book Value[(1)]**	**Wtd. Avg. Yield/Cost[(2)(3)]**	**Term[(4)]**
CLOs					
2025 FL5 Collateralized Loan Obligation					
Senior CLO Securities Outstanding	1	$ 831,250	$ 822,243	+ 2.15 %	October 2042
Underlying Collateral Assets	18	944,537	944,537	+ 3.49 %	October 2028
2021 FL4 Collateralized Loan Obligation					
Senior CLO Securities Outstanding	1	605,613	605,613	+ 1.45 %	May 2038
Underlying Collateral Assets	16	736,360	736,360	+ 3.18 %	February 2027
2020 FL2 Collateralized Loan Obligation					
Senior CLO Securities Outstanding	1	519,967	519,967	+ 1.82 %	February 2038
Underlying Collateral Assets	11	691,964	691,964	+ 2.84 %	January 2027
Total CLOs					
Senior CLO Securities Outstanding	3	$ 1,956,830	$ 1,947,823	+ 1.84 %	
Underlying Collateral Assets	45	2,372,861	2,372,861	+ 3.22 %	
European Loan Securitization					
Financing Provided	1	$ 192,666	$ 191,896	+ 1.53 %	July 2030
Underlying Collateral Assets[(5)]	1	249,160	246,421	+ 2.97 %	July 2030
Total					
Senior CLO Securities Outstanding / Financing Provided[(6)]	4	$ 2,149,496	$ 2,139,719	+ 1.82 %	
Underlying Collateral Assets	46	2,622,021	2,619,282	+ 3.22 %	

(1) The book value of underlying collateral assets excludes any applicable CECL reserves.

(2) In addition to cash coupon, all-in yield includes the amortization of deferred origination and extension fees, loan origination costs, purchase discounts, and accrual of exit fees.

(3) The weighted-average all-in yield and cost are expressed as a spread over the relevant floating benchmark rates, which is SOFR for the CLOs and EURIBOR for the European Loan Securitization. All-in yield excludes loans accounted for under the cost-recovery and nonaccrual methods, if any, owned real estate assets, and cash from repayment proceeds held in certain of our CLOs that may be used to add new eligible collateral assets.

(4) Underlying collateral assets term represents the weighted-average final maturity of such loans, assuming all extension options are exercised by the borrower. Repayments of securitized debt obligations are tied to timing of the related collateral loan asset repayments. The term of these obligations represents the rated final distribution date of the securitizations.

(5) We financed our $55.8 million retained interests in the securitization under a repurchase agreement structured without capital markets-based mark-to-market provisions. The amount of the financing is included in other liabilities on our consolidated balance sheets.

(6) During the year ended December 31, 2025, we recorded $140.0 million of interest expense related to our securitized debt obligations.

9. ASSET-SPECIFIC DEBT, NET

The following tables detail our asset-specific debt ($ in thousands):

	June 30, 2026				
Asset-Specific Debt	Count	Principal Balance	Book Value(1)	Wtd. Avg. Yield/Cost(2)	Wtd. Avg. Term(3)
Financing provided	4	$ 972,635	$ 971,305	+ 2.73 %	February 2030
Collateral assets	4	$ 1,209,740	$ 1,202,445	+ 4.10 %	February 2030

	December 31, 2025				
Asset-Specific Debt	Count	Principal Balance	Book Value(1)	Wtd. Avg. Yield/Cost(2)	Wtd. Avg. Term(3)
Financing provided	4	$ 999,810	$ 997,746	+ 2.66 %	February 2030
Collateral assets	4	$ 1,243,500	$ 1,234,205	+ 4.02 %	February 2030

(1) The book value of underlying collateral assets excludes any applicable CECL reserves.
(2) The weighted-average all-in yield and cost are expressed as a spread over the relevant floating benchmark rates, which include SOFR and CORRA, as applicable. These floating rate loans and related liabilities are currency and index-matched to the applicable benchmark rate relevant in each arrangement. In addition to cash coupon, yield/cost includes the amortization of deferred origination fees and financing costs.
(3) The weighted-average term is determined based on the maximum maturity of the corresponding loans, assuming all extension options are exercised by the borrower. Our non-recourse, asset-specific debt is term-matched in each case to the corresponding collateral loans.

10. TERM LOANS, NET

During the six months ended June 30, 2026, we borrowed an additional $770.8 million under a B-9 Term Loan, the proceeds of which were used, among other things, to repay all $695.8 million in principal outstanding under the B-6 Term Loan.

The following table details the net book value of each of our senior term loan facilities, or Term Loans, on our consolidated balance sheets ($ in thousands):

	Face Value				
Term Loans	June 30, 2026	December 31, 2025	Interest Rate(1)	All-in Cost(1)(2)	Maturity
B-6 Term Loan	—	695,754	+ 3.00 %	+ 3.61 %	December 10, 2030
B-7 Term Loan	449,706	451,972	+ 2.50 %	+ 3.11 %	May 9, 2029
B-8 Term Loan	696,500	700,000	+ 2.50 %	+ 2.95 %	December 19, 2032
B-9 Term Loan	768,827	—	+ 2.50 %	+ 2.95 %	December 10, 2030
Total face value	$ 1,915,033	$ 1,847,726			
Deferred financing costs and unamortized discounts	(36,471)	(39,726)			
Net book value	$ 1,878,562	$ 1,808,000			

(1) The B-7 Term Loan and B-9 Term Loan borrowings are subject to a benchmark interest rate floor of 0.50%. The Term loans are indexed to one-month SOFR.
(2) Includes issue discount and transaction expenses that are amortized through interest expense over the life of the applicable Term Loans.

The Term Loans are partially amortizing, with an amount equal to 1.0% per annum of the aggregate initial principal balance due in quarterly installments.

The following table details our interest expense related to the Term Loans ($ in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cash coupon	$ 29,825	$ 34,096	$ 59,506	$ 68,144
Discount and issuance cost amortization	2,023	1,886	4,472	4,068
Total interest expense	$ 31,848	$ 35,982	$ 63,978	$ 72,212

The Term Loans contain the financial covenant that our indebtedness shall not exceed 83.33% of our total assets. As of June 30, 2026 and December 31, 2025, we were in compliance with this covenant. Refer to Note 2 for further discussion of our accounting policies for the Term Loans.

11. SENIOR SECURED NOTES, NET

During the six months ended June 30, 2026, we issued an additional $450.0 million principal amount of senior secured notes, or Senior Secured Notes, the proceeds of which were used, among other things, to repay existing secured debt.

The following table details the net book value of our Senior Secured Notes on our consolidated balance sheets ($ in thousands):

	Face Value					
Senior Secured Notes Issuance	June 30, 2026	December 31, 2025	Interest Rate	Swapped Rate(1)	All-in Cost(2)	Maturity
October 2021	$ 335,316	$ 335,316	3.75 %	n/a	4.06 %	January 15, 2027
December 2024	450,000	450,000	7.75 %	+ 3.95 %	8.14 %	December 1, 2029
May 2026	450,000	—	6.25 %	+ 2.50 %	6.68 %	June 1, 2031
Total face value	$ 1,235,316	$ 785,316				
Deferred financing costs and unamortized discounts	(13,111)	(7,280)				
Hedging adjustments(3)	(4,706)	6,840				
Net book value	$ 1,217,499	$ 784,876				

(1) For certain of the Senior Secured Notes, we have entered into interest rate swaps that effectively convert our fixed rate exposure to floating rate exposure. The interest rate swaps are indexed to one-month SOFR. Refer to Note 13 for further discussion.

(2) Includes transaction expenses that are amortized through interest expense over the life of the Senior Secured Notes.

(3) Represents the aggregate fair value of interest rate swaps that we entered into to convert the fixed rate exposure of both the December 2024 and May 2026 Senior Secured Notes into floating rate. Refer to Note 13 for further discussion.

The following table details our interest expense related to the Senior Secured Notes ($ in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cash coupon	$ 15,222	$ 11,862	$ 27,084	$ 23,725
Discount and issuance cost amortization	818	651	1,459	1,349
Total interest expense	$ 16,040	$ 12,513	$ 28,543	$ 25,074

The Senior Secured Notes contain the financial covenant that our indebtedness shall not exceed 83.33% of our total assets. As of June 30, 2026 and December 31, 2025, we were in compliance with this covenant. Under certain circumstances, we may, at our option, release all of the collateral securing our Senior Secured Notes, in which case we would also be required to maintain a total unencumbered assets to total unsecured indebtedness ratio of 1.20 or greater. This covenant is not currently in effect as the collateral securing our Senior Secured Notes has not been released.

12. CONVERTIBLE NOTES, NET

The following table details the net book value of our convertible senior notes, or Convertible Notes, on our consolidated balance sheets ($ in thousands):

	Face Value					
Convertible Notes	June 30, 2026	December 31, 2025	Interest Rate	All-in Cost(1)	Conversion Price(2)	Maturity
Face value	$ 266,157	$ 266,157	5.50%	5.79%	$36.27	March 15, 2027
Deferred financing costs and unamortized discount	(847)	(1,412)				
Net book value	$ 265,310	$ 264,745				

(1) Includes issuance costs that are amortized through interest expense over the life of the Convertible Notes using the effective interest method.

(2) Represents the price of class A common stock per share based on a conversion rate of 27.5702 for the Convertible Notes. The conversion rate represents the number of shares of class A common stock issuable per $1,000 principal amount of Convertible Notes. The cumulative dividend threshold has not been exceeded as of June 30, 2026.

Other than as provided by the optional redemption provisions with respect to our Convertible Notes, we may not redeem the Convertible Notes prior to maturity. The Convertible Notes are convertible at the holders' option into shares of our class A common stock, only under specific circumstances, prior to the close of business on December 14, 2026 at the applicable conversion rate in effect on the conversion date. Thereafter, the Convertible Notes are convertible at the option of the holder at any time until the second scheduled trading day immediately preceding the maturity date. The last reported sale price of our class A common stock of $16.95 on June 30, 2026, the last trading day in the six months ended June 30, 2026, was less than the per share conversion price of the Convertible Notes.

The following table details our interest expense related to the Convertible Notes ($ in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cash coupon	$ 3,660	$ 3,660	$ 7,319	$ 7,319
Discount and issuance cost amortization	282	282	565	565
Total interest expense	$ 3,942	$ 3,942	$ 7,884	$ 7,884

Accrued interest payable for the Convertible Notes was $4.3 million as of both June 30, 2026 and December 31, 2025. Refer to Note 2 for further discussion of our accounting policies for the Convertible Notes.

13. DERIVATIVE FINANCIAL INSTRUMENTS

The objective of our use of derivative financial instruments is to minimize the risks and/or costs associated with our investments and/or financing transactions. These derivatives may or may not qualify as net investment, cash flow, or fair value hedges under the hedge accounting requirements of the ASC Topic 815, "Derivatives and Hedging." Derivatives not designated as hedges are not speculative and are used to manage our exposure to interest rate movements and other identified risks. Refer to Note 2 for further discussion of the accounting for designated and non-designated hedges.

The use of derivative financial instruments involves certain risks, including the risk that the counterparties to these contractual arrangements do not perform as agreed. To mitigate this risk, we only enter into derivative financial instruments with counterparties that have appropriate credit ratings and are major financial institutions with which we and our affiliates also have other financial relationships.

Net Investment Hedges of Foreign Currency Risk

Certain of our international investments expose us to fluctuations in foreign interest rates and currency exchange rates. These fluctuations may impact the value of our cash receipts and payments in terms of our functional currency, the U.S. dollar. We use foreign currency forward contracts to protect the value or fix the amount of certain investments or cash flows in terms of the U.S. dollar.

Designated Hedges of Foreign Currency Risk

The following table details our outstanding foreign exchange derivatives that were designated as net investment hedges of foreign currency risk (notional amounts in thousands):

June 30, 2026			December 31, 2025		
Foreign Currency Derivatives	**Number of Instruments**	**Notional Amount**	**Foreign Currency Derivatives**	**Number of Instruments**	**Notional Amount**
Buy USD / Sell SEK Forward	3	kr 940,679	Buy USD / Sell SEK Forward	2	kr 970,417
Buy USD / Sell EUR Forward	12	€ 695,360	Buy USD / Sell GBP Forward	6	£ 739,956
Buy USD / Sell GBP Forward	5	£ 684,764	Buy USD / Sell EUR Forward	10	€ 689,868
Buy USD / Sell AUD Forward	9	A$ 389,995	Buy USD / Sell AUD Forward	7	A$ 371,141
Buy USD / Sell CAD Forward	3	C$ 120,799	Buy USD / Sell CAD Forward	3	C$ 120,557
Buy USD / Sell CHF Forward	1	CHF 52	Buy USD / Sell CHF Forward	1	CHF 52

Non-designated Hedges of Foreign Currency Risk

The following table details our outstanding foreign exchange derivatives that were non-designated hedges of foreign currency risk (notional amounts in thousands):

June 30, 2026			December 31, 2025		
Non-designated Hedges	**Number of Instruments**	**Notional Amount**	**Non-designated Hedges**	**Number of Instruments**	**Notional Amount**
Buy EUR / Sell USD Forward	2	€ 119,100	Buy GBP / Sell USD Forward	2	£ 86,800
Buy USD / Sell EUR Forward	2	€ 119,100	Buy USD / Sell GBP Forward	2	£ 86,800
Buy GBP / Sell USD Forward	4	£ 111,100	Buy EUR / Sell USD Forward	3	€ 44,700
Buy USD / Sell GBP Forward	4	£ 111,100	Buy USD / Sell EUR Forward	3	€ 44,700
Buy AUD / Sell USD Forward	2	A$ 15,500	Buy AUD / Sell USD Forward	2	A$ 10,200
Buy USD / Sell AUD Forward	2	A$ 15,500	Buy USD / Sell AUD Forward	2	A$ 10,200

Cash Flow Hedges of Interest Rate Risk

Certain of our financing transactions expose us to a fixed versus floating rate mismatch between our assets and liabilities. We use derivative financial instruments, which include interest rate swaps (and may also include interest rate caps, interest rate options, floors, and other interest rate derivative contracts) to hedge interest rate risk associated with our borrowings where there is potential for an index mismatch.

The following table details our outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk (notional amounts in thousands):

June 30, 2026

Interest Rate Derivatives	Number of Instruments	Notional Amount	Fixed Rate	Index	Maturity (Years)
Interest Rate Swaps	1	$ 35,600	3.51%	SOFR	4.5

December 31, 2025

Interest Rate Derivatives	Number of Instruments	Notional Amount	Fixed Rate	Index	Maturity (Years)
Interest Rate Swaps	1	$ 35,600	3.51%	SOFR	5.0

Fair Value Hedges of Interest Rate Risk

Certain of our corporate financings expose us to fluctuations in the fair value of our outstanding fixed rate debt. We use derivative financial instruments, which include interest rate swaps, to hedge interest rate risk associated with changes in the fair value of our fixed rate debt. The changes in the value of the interest rate swap is recognized in earnings and offset the corresponding changes in the fair value of the debt.

Designated Hedges of Interest Rate Risk

The following tables detail our outstanding interest rate derivatives that were designated as fair value hedges of interest rate risk (notional amount in thousands):

June 30, 2026

Interest Rate Derivatives	Number of Instruments	Aggregate Notional Amount	Fixed Rate	Index	Maturity (Years)
Interest Rate Swaps	2	$ 900,000	3.75% - 3.81%	SOFR	3.4 - 4.9

December 31, 2025

Interest Rate Derivatives	Number of Instruments	Notional Amount	Fixed Rate	Index	Maturity (Years)
Interest Rate Swaps	1	$ 450,000	3.81%	SOFR	3.9

The following tables detail the carrying amount and cumulative basis adjustments on hedged items designated as fair value hedges ($ in thousands):

June 30, 2026

Line Item in the Consolidated Balance Sheets in which the Hedged Item is Included	Carrying Amount of the Hedged Assets/ Liabilities	Cumulative Amount of Fair Value Hedging Adjustment Included in Carrying Amount
Senior secured notes, net	$ 882,722	$ (4,706)

December 31, 2025

Line Item in the Consolidated Balance Sheets in which the Hedged Item is Included	Carrying Amount of the Hedged Assets/ Liabilities	Cumulative Amount of Fair Value Hedging Adjustment Included in Carrying Amount
Senior secured notes, net	$ 450,597	$ 6,840

Financial Statement Impact of Hedges of Foreign Currency and Interest Rate Risks

The following table presents the effect of our derivative financial instruments on our consolidated statements of operations ($ in thousands):

		Increase (Decrease) to Net Interest Income Recognized from Derivatives			
		Three Months Ended June 30,		Six Months Ended June 30,	
Derivatives in Hedging Relationships	**Location of Income (Expense) Recognized**	**2026**	**2025**	**2026**	**2025**
Designated Hedges	Interest Income[1]	$ 3,504	$ 4,694	$ 7,464	$ 7,645
Designated Hedges	Interest Expense[2]	260	(625)	421	(1,210)
Non-Designated Hedges	Interest Income[1]	(7)	(50)	(12)	(50)
Non-Designated Hedges	Interest Expense[3]	17	(1,931)	24	(1,928)
Total		$ 3,774	$ 2,088	$ 7,897	$ 4,457

(1) Represents the forward points earned on our foreign currency forward contracts, which reflect the interest rate differentials between the applicable base rate for our foreign currency investments and prevailing U.S. interest rates. These forward contracts effectively convert the foreign currency rate exposure for such investments to USD-equivalent interest rates.
(2) Represents the financial statement impact of proceeds (payments) from periodic settlements related to our interest rate swap.
(3) Represents the spot rate movement in our non-designated foreign currency hedges, which are marked-to-market and recognized in interest and related expenses in our consolidated statements of operations. The amounts in the three and six months ended June 30, 2025 also include a realized loss on an interest rate swap related to our Bank Loan Portfolio Joint Venture that was entered into during the three months ended June 30, 2025 and subsequently terminated.

Fair Value Hedges

The following table presents the net gains (losses) on derivatives and the related hedged items in fair value hedging relationships ($ in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Total interest and related expenses presented in the consolidated statements of operations	$ 227,182	$ 264,727	$ 447,918	$ 506,960
Gains (losses) on fair value hedging relationships				
Total (loss) gain on derivative instruments	$ (8,159)	$ 9,124	$ (11,453)	$ 12,288
Fair value basis adjustment on hedged items	8,245	(4,231)	11,546	(7,340)
Derivative settlements and accruals	175	624	328	1,442
Net gain on fair value hedging relationships[1]	$ 261	$ 5,517	$ 421	$ 6,390

(1) Included within interest and related expenses presented in the consolidated statements of operations.

Valuation and Other Comprehensive Income

The following table summarizes the fair value of our derivative financial instruments ($ in thousands):

	Fair Value of Derivatives in an Asset Position[1] as of		Fair Value of Derivatives in a Liability Position[2] as of	
	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025
Derivatives designated as hedging instruments				
Foreign exchange contracts	$ 41,178	$ 22	$ 6	$ 24,994
Interest rate derivatives	580	6,877	4,576	76
Total derivatives designated as hedging instruments	$ 41,758	$ 6,899	$ 4,582	$ 25,070
Derivatives not designated as hedging instruments				
Foreign exchange contracts	$ 6,150	$ 3,593	$ 5,769	$ 1,526
Total derivatives not designated as hedging instruments	$ 6,150	$ 3,593	$ 5,769	$ 1,526
Total derivatives	$ 47,908	$ 10,492	$ 10,351	$ 26,596

(1) Included in other assets in our consolidated balance sheets.
(2) Included in other liabilities in our consolidated balance sheets.

The following table presents the effect of our derivative financial instruments on our consolidated statements of comprehensive income and operations ($ in thousands):

	Amount of Gain (Loss) Recognized in OCI on Derivatives		Location of Gain (Loss) Reclassified from Accumulated OCI into Income	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income	
Derivatives in Hedging Relationships	**Three Months Ended June 30, 2026**	**Six Months Ended June 30, 2026**		**Three Months Ended June 30, 2026**	**Six Months Ended June 30, 2026**
Net Investment Hedges					
Foreign exchange contracts[1]	$ 13,705	$ 41,895	Interest Expense	$ 3,504	$ 7,464
Cash Flow Hedges					
Interest rate derivatives[2]	427	684	Interest Expense[3]	13	28
Total	$ 14,132	$ 42,579		$ 3,517	$ 7,492

(1) During the three and six months ended June 30, 2026, we paid net cash settlements of $4.6 million and $22.6 million, respectively, on our foreign currency forward contracts. Those amounts are included as a component of accumulated other comprehensive income on our consolidated balance sheets.
(2) During the three and six months ended June 30, 2026, we received net cash settlements of $0.1 million and $0.2 million, respectively, on our interest rate swaps. Those amounts are included within interest and related expenses in the consolidated statements of operations.
(3) During the three and six months ended June 30, 2026, we recorded total interest and related expenses of $227.2 million and $447.9 million, which was reduced by $13 thousand and $28 thousand, respectively, related to income generated by our cash flow hedges.

There were no cash flow hedges outstanding during the three and six months ended June 30, 2025.

Credit–Risk Related Contingent Features

We have entered into agreements with certain of our derivative counterparties that contain provisions where if we were to default on any of our indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, we may also be declared in default on our derivative obligations. In addition, certain of our agreements with our derivative counterparties require that we post collateral to secure net liability positions. As of June 30, 2026, we were in a net asset position with our two counterparties related to our foreign exchange hedges and had no collateral posted with such counterparties. As of June 30, 2026, we were in a net liability position with our two counterparties related to our interest rate swaps and had $3.3 million collateral posted with such counterparties. As of December 31, 2025, we were in a net asset position with one of our counterparties and in a net liability position with our other two counterparties related to our foreign exchange hedges and had $25.3 million of collateral posted with such counterparties.

14. EQUITY

Stock and Stock Equivalents

Authorized Capital

As of June 30, 2026 we had the authority to issue up to 500,000,000 shares of stock, consisting of 400,000,000 shares of class A common stock and 100,000,000 shares of preferred stock. Subject to applicable NYSE listing requirements, our board of directors is authorized to cause us to issue additional shares of authorized stock without stockholder approval. In addition, to the extent not issued, currently authorized stock may be reclassified between class A common stock and preferred stock. As of both June 30, 2026 and December 31, 2025, we did not have any shares of preferred stock issued and outstanding.

Share Repurchase Program

In October 2025, our board of directors authorized the repurchase of up to $150.0 million of shares of our class A common stock under our repurchase program. Repurchases may be made from time to time in open market transactions, in privately negotiated transactions, in agreements and arrangements structured in a manner consistent with Rules 10b-18 and 10b5-1 under the Exchange Act or otherwise. The timing and the actual amounts repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. The repurchase program may be changed, suspended or discontinued at any time and does not have a specified expiration date.

During the six months ended June 30, 2026, we repurchased 212,875 shares of class A common stock at a weighted-average price per share of $17.99, for a total cost of $3.8 million. During the six months ended June 30, 2025, we repurchased 1,794,936 shares of class A common stock at a weighted-average price per share of $17.63, for a total cost of $31.6 million. As of June 30, 2026, the amount remaining available for repurchases under the program was $145.8 million.

Class A Common Stock and Deferred Stock Units

Holders of shares of our class A common stock are entitled to vote on all matters submitted to a vote of stockholders and are entitled to receive dividends authorized by our board of directors and declared by us, in all cases subject to the rights of the holders of shares of outstanding preferred stock, if any.

We also issue restricted class A common stock under our stock-based incentive plans. Refer to Note 17 for further discussion of these long-term incentive plans. In addition to our class A common stock, we also issue deferred stock units to certain members of our board of directors for services rendered. These deferred stock units are non-voting, but carry the right to receive dividends in the form of additional deferred stock units in an amount equivalent to the cash dividends paid to holders of shares of class A common stock. Each vested deferred stock unit is settled by delivery of one share of class A common stock upon the non-employee director's separation from service.

The following table details the movement in our outstanding shares of class A common stock, including restricted class A common stock and deferred stock units:

	Six Months Ended June 30,	
Common Stock Outstanding(1)	**2026**	**2025**
Beginning balance	168,599,052	173,204,190
Issuance of class A common stock(2)	—	1,778
Repurchase of class A common stock	(212,875)	(1,794,936)
Issuance of restricted class A common stock, net(3)(4)	497,443	482,004
Issuance of deferred stock units	29,519	24,431
Ending balance	168,913,139	171,917,467

(1) Includes 369,548 and 323,877 deferred stock units held by members of our board of directors as of June 30, 2026 and 2025, respectively.
(2) Represents shares issued under our dividend reinvestment program during the six months ended June 30, 2025.
(3) Includes 32,985 and 29,140 shares of restricted class A common stock issued to our board of directors during the six months ended June 30, 2026 and 2025, respectively.
(4) Net of 26,145 and 29,008 shares of restricted class A common stock forfeited under our stock-based incentive plans during the six months ended June 30, 2026 and 2025, respectively.

Dividend Reinvestment and Direct Stock Purchase Plan

We have adopted a dividend reinvestment and direct stock purchase plan under which an aggregate of 10,000,000 shares of class A common stock are available for sale. Under the dividend reinvestment component of the plan, our class A common stockholders can designate all or a portion of their cash dividends to be reinvested in additional shares of class A common stock. Such shares may, at our option, be newly issued shares from us, shares purchased by the plan administrator on the open market, or a combination thereof. The direct stock purchase component of the plan allows stockholders and new investors, subject to our approval, to purchase shares of class A common stock directly from us. During the six months ended June 30, 2026, 16,497 shares of class A common stock were purchased on the open market by the plan administrator under the dividend reinvestment component of the plan. During the six months ended June 30, 2025, we issued 1,778 shares of class A common stock under the dividend reinvestment component of the plan. As of June 30, 2026, a total of 9,948,628 shares of class A common stock remained available under the dividend reinvestment and direct stock purchase plan.

At the Market Stock Offering Program

As of June 30, 2026, we are party to seven equity distribution agreements, or ATM Agreements, pursuant to which we may sell, from time to time, up to an aggregate sales price of $699.1 million of our class A common stock. Sales of class A common stock made pursuant to our ATM Agreements may be made in negotiated transactions or transactions that are deemed to be "at the market" offerings as defined in Rule 415 under the Securities Act of 1933, as amended. Actual sales depend on a variety of factors including market conditions, the trading price of our class A common stock, our capital needs, and our determination of the appropriate sources of funding to meet such needs. During the six months ended June 30, 2026 or June 30, 2025, we did not issue any shares of our class A common stock under ATM Agreements. As of June 30, 2026, shares of our class A common stock with an aggregate sales price of $480.9 million remained available for issuance and sale under our ATM Agreements.

Dividends

We generally intend to distribute substantially all of our taxable income, which does not necessarily equal net income as calculated in accordance with GAAP, to our stockholders each year to comply with the REIT provisions of the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code. Our dividend policy remains subject to revision at the discretion of our board of directors. All distributions will be made at the discretion of our board of directors and will depend upon our taxable income, our financial condition, our maintenance of REIT status, applicable law, and other factors as our board of directors deems relevant.

On June 15, 2026, we declared a dividend of $0.47 per share, or $79.2 million in aggregate, that was paid on July 15, 2026 to stockholders of record as of June 30, 2026.

The following table details our dividend activity ($ in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Dividends declared per share of common stock	$ 0.47	$ 0.47	$ 0.94	$ 0.94
Class A common stock dividends declared	$ 79,215	$ 80,649	$ 158,498	$ 161,293
Deferred stock unit dividends declared	165	147	324	340
Total dividends declared	$ 79,380	$ 80,796	$ 158,822	$ 161,633

Earnings Per Share

We calculate our basic and diluted earnings per share using the two-class method for all periods presented as the unvested shares of our restricted class A common stock qualify as participating securities, as defined by GAAP. These restricted shares have the same rights as our other shares of class A common stock, including participating in any dividends, and therefore have been included in our basic and diluted net income per share calculation. The shares issuable under our Convertible Notes are included in dilutive earnings per share using the if-converted method when the effect is not antidilutive.

The following table sets forth the calculation of basic and diluted net income per share of class A common stock based on the weighted-average of both restricted and unrestricted class A common stock outstanding ($ in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Basic and Diluted Earnings				
Net (loss) income[(1)]	$ (81,222)	$ 6,969	$ (87,519)	$ 6,612
Weighted-average shares outstanding, basic and diluted[(2)]	168,964,515	171,893,905	169,021,130	171,949,090
Per share amount, basic and diluted	$ (0.48)	$ 0.04	$ (0.52)	$ 0.04

(1) Represents net (loss) income attributable to Blackstone Mortgage Trust, Inc.
(2) For both the three and six months ended June 30, 2026 and 2025, our Convertible Notes were not included in the calculation of diluted earnings per share, as the impact is antidilutive. Refer to Note 12 for further discussion of our convertible notes.

Other Balance Sheet Items

Accumulated Other Comprehensive Income

As of June 30, 2026, total accumulated other comprehensive income was $11.2 million, representing $121.6 million of net realized and unrealized gains related to changes in the fair value of derivative instruments and $0.3 million of unrealized gains related to the changes in the fair value of derivative instruments held by unconsolidated entities, offset by $110.7 million of cumulative unrealized currency translation adjustments on assets and liabilities denominated in foreign currencies. As of December 31, 2025, total accumulated other comprehensive income was $12.1 million, primarily representing $86.6 million of net realized and unrealized gains related to changes in the fair value of derivative instruments offset by $73.6 million of cumulative unrealized currency translation adjustments on assets and liabilities denominated in foreign currencies and $0.8 million of unrealized losses related to the changes in the fair value of derivative instruments held by unconsolidated entities.

Non-Controlling Interests

The non-controlling interests included on our consolidated balance sheets represent the equity interests in our Multifamily Joint Venture that are not owned by us. A portion of our Multifamily Joint Venture's consolidated equity and results of operations are allocated to these non-controlling interests based on their pro rata ownership of our Multifamily Joint Venture. As of June 30, 2026, our Multifamily Joint Venture's total equity was $20.3 million, of which $17.3 million was owned by us, and $3.0 million was allocated to non-controlling interests. As of December 31, 2025, our Multifamily Joint Venture's total equity was $36.5 million, of which $31.0 million was owned by us, and $5.5 million was allocated to non-controlling interests.

15. OTHER EXPENSES

Our other expenses consist of the management and incentive fees we pay to our Manager and our general and administrative expenses.

Management and Incentive Fees

Pursuant to a management agreement between our Manager and us, or our Management Agreement, our Manager earns a base management fee in an amount equal to 1.50% per annum multiplied by our Equity, as defined in the Management Agreement. In addition, our Manager is entitled to an incentive fee in an amount equal to the product of (i) 20% and (ii) the excess of (a) our Core Earnings (as defined in our Management Agreement) for the previous 12-month period over (b) an amount equal to 7.00% per annum multiplied by our Equity, provided that our Core Earnings over the prior three-year period is greater than zero. Core Earnings, as defined in our Management Agreement, is generally equal to our GAAP net income (loss), including realized gains and losses not otherwise recognized in current period GAAP net income (loss), and excluding (i) non-cash equity compensation expense, (ii) depreciation and amortization, (iii) unrealized gains (losses), (iv) net income (loss) attributable to our legacy portfolio, (v) certain non-cash items, and (vi) incentive management fees.

During the three and six months ended June 30, 2026, we incurred $14.6 million and $29.5 million, respectively, of management fees payable to our Manager compared with $17.0 million and $34.3 million, respectively, during the same periods in 2025. During the three and six months ended June 30, 2026 and 2025, we did not incur any incentive fees payable to our Manager.

As of June 30, 2026 and December 31, 2025, we had accrued management fees payable to our Manager of $14.6 million and $16.4 million, respectively.

General and Administrative Expenses

General and administrative expenses consisted of the following ($ in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Professional services	$ 4,861	$ 4,281	$ 9,992	$ 8,192
Operating and other costs	3,382	1,942	5,545	3,730
Subtotal	8,243	6,223	15,537	11,922
Non-cash compensation expenses				
Restricted class A common stock earned	6,476	7,131	12,965	13,923
Director stock-based compensation	199	172	397	345
Subtotal	6,675	7,303	13,362	14,268
Total general and administrative expenses	$ 14,918	$ 13,526	$ 28,899	$ 26,190

16. INCOME TAXES

We have elected to be taxed as a REIT under the Internal Revenue Code for U.S. federal income tax purposes. We generally must distribute annually at least 90% of our net taxable income, subject to certain adjustments and excluding any net capital gain, in order for U.S. federal income tax not to apply to our earnings. To the extent that we satisfy this distribution requirement, but distribute less than 100% of our net taxable income, we will be subject to U.S. federal income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws.

Our qualification as a REIT also depends on our ability to meet various other requirements imposed by the Internal Revenue Code, which relate to organizational structure, diversity of stock ownership, and certain restrictions with regard to the nature of our assets and the sources of our income. Even if we qualify as a REIT, we may be subject to certain U.S. federal income and excise taxes and state and local taxes on our income and assets. If we fail to maintain our qualification as a REIT for any taxable year, we may be subject to material penalties as well as federal, state, and local income tax on our taxable income at regular corporate rates and we would not be able to qualify as a REIT for the subsequent four full taxable years. As of June 30, 2026 and December 31, 2025, we were in compliance with all REIT requirements.

Securitization transactions could result in the creation of taxable mortgage pools for federal income tax purposes. As a REIT, so long as we own 100% of the equity interests in a taxable mortgage pool, we generally would not be adversely affected by the characterization of the securitization as a taxable mortgage pool. Certain categories of stockholders, however, such as foreign stockholders eligible for treaty or other benefits, stockholders with net operating losses, and certain tax-exempt stockholders that are subject to unrelated business income tax, or UBTI, could be subject to increased taxes on a portion of their dividend income from us that is attributable to the taxable mortgage pool. We have not made UBTI distributions to our common stockholders and do not intend to make such UBTI distributions in the future.

During the three and six months ended June 30, 2026, we recorded a current income tax provision of $2.5 million and $3.7 million, respectively, compared with $0.9 million and $1.6 million, respectively, during the same periods of 2025, all of which primarily related to activities of our U.S. and foreign taxable subsidiaries and various state and local taxes. We did not have any deferred tax assets or liabilities as of June 30, 2026 or December 31, 2025.

We have net operating losses, or NOLs, generated by our predecessor business that may be carried forward and utilized in current or future periods. As a result of our issuance of 25,875,000 shares of class A common stock in May 2013, the availability of our NOLs is generally limited to $2.0 million per annum by change of control provisions promulgated by the

Internal Revenue Service with respect to the ownership of Blackstone Mortgage Trust. As of June 30, 2026, we had estimated NOLs of $159.0 million that will expire in 2029, unless they are utilized by us prior to expiration. Previously, we recorded a full valuation allowance against such NOLs as we expected that they would expire unutilized. However, although uncertain, we may utilize a portion of NOLs prior to expiration. We do not expect the utilization of NOLs to have a material impact on our consolidated financial statements. We have recorded a full valuation allowance against such NOLs as it is probable that they will expire unutilized.

As of June 30, 2026, tax years 2022 through 2025 remain subject to examination by taxing authorities.

17. STOCK-BASED INCENTIVE PLANS

We are externally managed by our Manager and do not currently have any employees. However, as of June 30, 2026, our Manager, certain individuals employed by an affiliate of our Manager, and certain members of our board of directors were compensated, in part, through our issuance of stock-based instruments.

Under our two current stock incentive plans, a maximum of 10,400,000 shares of our class A common stock may be issued to our Manager, our directors and officers, and certain employees of affiliates of our Manager. As of June 30, 2026, there were 4,548,925 shares available under our current stock incentive plans.

The following table details the movement in our outstanding shares of restricted class A common stock and the weighted-average grant date fair value per share:

	Restricted Class A Common Stock	Weighted-Average Grant Date Fair Value Per Share
Balance as of December 31, 2025	2,174,931	$ 20.14
Granted	523,588	19.35
Vested	(670,742)	20.31
Forfeited	(26,145)	19.47
Balance as of June 30, 2026	2,001,632	$ 19.89

These shares generally vest in installments over a period of three years, pursuant to the terms of the respective award agreements and the terms of our current stock incentive plans. The 2,001,632 shares of restricted class A common stock outstanding as of June 30, 2026 will vest as follows: 670,126 shares will vest in 2026; 869,012 shares will vest in 2027; and 462,494 shares will vest in 2028. As of June 30, 2026, total unrecognized compensation cost relating to unvested share-based compensation arrangements was $38.3 million based on the grant date fair value of shares granted. This cost is expected to be recognized over a weighted-average period of 1.1 years from June 30, 2026.

18. FAIR VALUES

Assets and Liabilities Measured at Fair Value

The following table summarizes our assets and liabilities measured at fair value on a recurring basis ($ in thousands):

	June 30, 2026				December 31, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Derivatives	$ —	$ 47,908	$ —	$ 47,908	$ —	$ 10,492	$ —	$ 10,492
Debt securities	—	—	66,310	66,310	—	—	—	—
Total	$ —	$ 47,908	$ 66,310	$ 114,218	$ —	$ 10,492	$ —	$ 10,492
Liabilities								
Derivatives	$ —	$ 10,351	$ —	$ 10,351	$ —	$ 26,596	$ —	$ 26,596

This table excludes $136.2 million and $111.0 million of investments in unconsolidated entities that are measured at fair value using net asset value as a practical expedient and not classified in the fair value hierarchy as of June 30, 2026 and December 31, 2025, respectively. Refer to Note 5 for further information.

Refer to Note 2 for further discussion regarding fair value measurement.

Fair Value of Financial Instruments

As discussed in Note 2, GAAP requires disclosure of fair value information about financial instruments, whether or not recognized at fair value in the statement of financial position, for which it is practicable to estimate that value.

The following table details the book value, face amount, and fair value of the financial instruments described in Note 2 ($ in thousands):

	June 30, 2026			December 31, 2025		
	Book Value	Face Amount	Fair Value	Book Value	Face Amount	Fair Value
Financial assets						
Cash and cash equivalents	$ 432,833	$ 432,833	$ 432,833	$ 452,526	$ 452,526	$ 452,526
Loans receivable, net	16,936,895	17,409,208	16,912,904	17,784,694	18,154,768	17,856,303
Financial liabilities						
Secured debt, net	8,708,944	8,717,351	8,648,332	10,117,292	10,125,839	10,029,890
Other secured debt[(1)]	38,386	38,386	38,386	39,475	39,475	39,475
Securitized debt obligations, net	2,732,964	2,750,810	2,743,355	2,139,719	2,149,496	2,132,667
Asset-specific debt, net	971,305	972,635	972,635	997,746	999,810	996,308
Secured term loans, net	1,878,562	1,915,033	1,906,096	1,808,000	1,847,726	1,850,327
Senior secured notes, net	1,217,499	1,235,316	1,232,033	784,876	785,316	810,608
Convertible notes, net	265,310	266,157	265,508	264,745	266,157	264,286

(1) Included within other liabilities on our consolidated balance sheets. See Note 6 for further information.

Estimates of fair value for cash and cash equivalents and convertible notes are measured using observable, quoted market prices, or Level 1 inputs. Estimates of fair value for securitized debt obligations, the Term Loans, and the Senior Secured Notes are measured using observable, quoted market prices, in inactive markets, or Level 2 inputs. All other fair value significant estimates are measured using unobservable inputs, or Level 3 inputs. See Note 2 for further discussion regarding fair value measurement of certain of our assets and liabilities.

19. VARIABLE INTEREST ENTITIES

We have financed a portion of our loans through the CLOs and the European Loan Securitization, all of which are VIEs. We are the primary beneficiary of, and therefore consolidate, the CLOs and the European Loan Securitization on our balance sheet as we (i) control the relevant interests of the CLOs and the European Loan Securitization that give us power to direct the activities that most significantly affect the CLOs and the European Loan Securitization, and (ii) have the right to receive benefits and obligation to absorb losses of the CLOs and the European Loan Securitization through the subordinate interests we own.

During 2025, we modified three loans that included, among other changes, control over decision making at the respective properties. Similarly, during 2024, we modified two other loans that included, among other changes, an equity interest in and/or control over decision-making at the property. As a result of these modifications, our investments in these loans are VIEs. As of June 30, 2026, we are the primary beneficiary of, and therefore consolidated the assets of these VIEs on our balance sheet as we (i) have the power to direct the activities that most significantly affect the property, and (ii) have the right to receive excess sale proceeds upon exit.

The following table details the assets and liabilities of our consolidated VIEs ($ in thousands):

	June 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents	$ 48,974	$ 58,663
Loans receivable	3,194,645	2,422,505
Current expected credit loss reserve	(92,867)	(23,609)
Loans receivable, net	3,101,778	2,398,896
Owned real estate, net	602,877	603,130
Other assets	140,395	196,840
Total assets	$ 3,894,024	$ 3,257,529
Liabilities		
Securitized debt obligations, net	$ 2,732,964	$ 2,139,719
Other liabilities	54,697	47,645
Total liabilities	$ 2,787,661	$ 2,187,364

Assets held by these VIEs are restricted and can be used only to settle obligations of the VIEs, including the subordinate interests of the securitized debt obligations owned by us. The liabilities of these VIEs are non-recourse to us and can only be satisfied from the assets of the VIEs. The consolidation of these VIEs results in an increase in our gross assets, liabilities, revenues and expenses; however, it does not affect our stockholders' equity or net income. We are not obligated to provide, have not provided, and do not intend to provide material financial support to these consolidated VIEs.

20. TRANSACTIONS WITH RELATED PARTIES

Our Manager

We are managed by our Manager pursuant to the Management Agreement. The current term of the Management Agreement expires on December 19, 2026, and it will be automatically renewed for a one-year term upon such date and each anniversary thereafter unless earlier terminated.

As of June 30, 2026 and December 31, 2025, our consolidated balance sheets included $14.6 million and $16.4 million, respectively, of accrued management fees payable to our Manager. During the three and six months ended June 30, 2026, we paid management fees of $14.8 million and $31.2 million, respectively, to our Manager, compared to $17.2 million and $35.8 million, respectively, during the same periods in 2025. We did not pay any incentive fees to our Manager during the three and six months ended June 30, 2026 and 2025. In addition, during the three and six months ended June 30, 2026, we incurred expenses of $0.4 million and $0.8 million, respectively, that were paid by our Manager and have been or will be reimbursed by us, compared to $0.2 million and $0.4 million, respectively, of such expenses during the same periods in 2025.

As of June 30, 2026, our Manager held 1,008,941 shares of unvested restricted class A common stock, which had an aggregate grant date fair value of $20.5 million. These shares vest in installments over three years from the date of issuance. During the three and six months ended June 30, 2026, we recorded non-cash expenses related to shares held by our Manager of $3.5 million and $7.0 million, respectively, compared to $3.6 million and $7.2 million, respectively, during the same periods in 2025. Refer to Note 17 for further details on our restricted class A common stock.

As of June 30, 2026, our Manager, its affiliates (including Blackstone and Blackstone-advised investment vehicles), Blackstone employees, and our directors held an aggregate 13,764,005 shares, or 8.2%, of our class A common stock, of which 8,916,412 shares, or 5.3%, were held by Blackstone and its subsidiaries. Additionally, our directors held 369,548 of deferred stock units as of June 30, 2026. Certain of the parties listed above have in the past purchased or sold shares of our class A common stock in open market transactions, and such parties may in the future purchase or sell additional shares of our class A common stock and/or engage in derivatives transactions related to our class A common stock. Any such transactions would be made in the sole discretion of the relevant party based on market conditions and other considerations relevant to such parties.

Affiliate Services

We have engaged certain portfolio companies owned by Blackstone-advised investment vehicles to provide, as applicable, management, corporate support, and transaction support services. The following table details the costs incurred (refunded) for these services ($ in thousands):

		Three Months Ended June 30,		Six Months Ended June 30,	
	Primary Asset Class	2026	2025	2026	2025
Perform Properties, LLC	Office	$ 1,466	$ 319	$ 3,432	$ 894
Brio Real Estate Services, LLC, Brio Real Estate (UK) Ltd., and Brio Real Estate (AUS) Pty Ltd.	n/a	1,672	1,101	3,377	1,101
BRE Hotels & Resorts, LLC	Hospitality	282	380	793	869
Revantage Corporate Services, LLC and Revantage Global Services Europe S.à r.l.	n/a	337	381	664	343
LivCor, LLC	Multifamily	45	117	140	276
LendingOne, LLC[1]	Multifamily	—	158	—	158
Total		$ 3,802	$ 2,456	$ 8,406	$ 3,641

(1) Provides loan origination services related to certain of our investments.

During the six months ended June 30, 2026, we entered into an agreement with another Blackstone-advised investment vehicle to fund our pro rata share of any payments required under a guaranty agreement with a lending institution. The guaranty relates to a revolving credit facility with a portfolio company owned by Blackstone-advised investment vehicles that provides services to us, and our participation reflects our share of the associated costs based on services rendered. As of June 30, 2026, our maximum potential obligation under the arrangement was $0.9 million. No events through the date of these consolidated financial statements required performance under the guaranty, and no liability was recorded as of June 30, 2026.

We have engaged other affiliates of our Manager to provide various services. The following table details the costs incurred for these services ($ in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Gryphon Mutual Property Americas IC[(1)]	$ 916	$ 601	$ 1,699	$ 1,148
Blackstone Securities Partners L.P.[(2)]	422	79	422	79
Lexington National Land Services[(3)]	37	46	134	46
Blackstone internal audit services	—	(111)	—	—
Total	$ 1,375	$ 615	$ 2,255	$ 1,273

(1) In order to provide insurance for our owned real estate assets, we became a member of Gryphon Mutual Property Americas IC, or Gryphon, a captive insurance company owned by us and other Blackstone-advised investment vehicles. A Blackstone affiliate provides oversight and management services to Gryphon and receives fees based on a percentage of premiums paid for such policies. The fees and expenses of Gryphon, including insurance premiums and fees paid to its manager, are borne by us and the other Blackstone-advised investment vehicles that are members of Gryphon pro rata based on insurance premiums paid for each member's respective properties. During the six months ended June 30, 2026 and June 30, 2025, we paid $0.3 million and $0.8 million, respectively, to Gryphon for insurance costs, inclusive of premiums, capital surplus contributions, taxes, and our pro rata share of other expenses. Of these amounts, $5 thousand and $31 thousand, respectively, were attributable to the fees paid to a Blackstone affiliate to provide oversight and management services to Gryphon. The amounts included in the table above reflect the amortization of the insurance expense over the relevant periods of the respective policies.

(2) During the six months ended June 30, 2026, Blackstone Securities Partners L.P., or BSP, an affiliate of our Manager, was engaged as a member of the syndicate for our May 2026 Senior Secured Notes. During the six months ended June 30, 2025, BSP was also engaged as a member of the syndicate for our B-6 Term Loan. These engagements were on terms equivalent to those of unaffiliated third parties.

(3) Lexington National Land Services, or LNLS, is a Blackstone affiliate that (i) acts as a title agent in facilitating and issuing title insurance, (ii) provides title support services for title insurance underwriters, (iii) in certain circumstances, provides courtesy title settlement services and (iv) acts as escrow agent in connection with certain investments by Blackstone-advised vehicles, including us, Blackstone-advised investment vehicles and portfolio companies owned by Blackstone-advised investment vehicles, affiliates and related parties, and third parties, including, in certain cases, Blackstone's borrowers. In exchange for such services, LNLS earns fees which would have otherwise been paid to third parties. Blackstone receives distributions from LNLS in connection with investments made by us based on its equity interest in LNLS. In each case, there will be no related expense offset to us.

CT Investment Management Co., LLC, or CTIMCO, serves as the special servicer of all of our CLOs, and the Manager serves as the collateral manager and benchmark agent for our FL6 and FL5 CLOs issued in the first quarter of 2026 and 2025, respectively. As of June 30, 2026, three of our assets were in special servicing under CLOs. CTIMCO and our Manager have waived any fees that would be payable to a third party serving in such roles pursuant to the applicable agreements, and no such fees have been paid or will become payable to CTIMCO or our Manager.

Other Transactions

During the six months ended June 30, 2026, we invested $494.2 million in four senior loans, $32.3 million in two mezzanine loans to unaffiliated third parties, and $66.7 million in a new issuance of a debt security (see Note 6 for further discussion) in which Blackstone-advised investment vehicles also invested at the same level of the capital structure on a pari passu basis.

In the first quarter of 2026, Blackstone-advised investment vehicles acquired an aggregate $71.4 million participation in our $770.8 million B-9 Term Loan. In the fourth quarter of 2025, Blackstone-advised investment vehicles acquired an aggregate $63.0 million participation in our $700.0 million B-8 Term Loan. In the third quarter of 2025, Blackstone-advised investment vehicles acquired an aggregate $33.0 million participation in our $453.1 million B-7 Term Loan. In the second quarter of 2025, Blackstone-advised investment vehicles acquired an aggregate $83.9 million participation in our $1.0 billion B-6 Term Loan, which has subsequently been repaid in full. All of these transactions were part of broad syndications led by third-party banks, and were on terms equivalent to those of unaffiliated third parties. BSP was engaged as a member of the syndicate for these transactions. Our engagements of BSP are on terms equivalent to those of unaffiliated third parties. See "—Affiliate Services" for further information.

As part of broad syndications led by third-party banks, Blackstone-advised investment vehicles acquired an aggregate $11.0 million of notes in our $1.0 billion FL6 CLO offering in the first quarter of 2026, and $75.0 million of notes in our $1.0 billion FL5 CLO offering in the first quarter of 2025. Both of these transactions were on terms equivalent to those of unaffiliated third parties.

In the second quarter of 2026, we entered into our Homebuilder Finance Joint Venture with an unaffiliated third-party, alongside a Blackstone-advised investment vehicle, that concurrently acquired a $286.7 million portfolio of single family construction loans in which we made an equity investment of $28.5 million representing our aggregate ownership interest of 45%.

In the fourth quarter of 2025, we made a $75.0 million capital commitment at the initial closing of a fund managed by Blackstone Real Estate Debt Strategies, or BREDS, the BREDS-advised private fund, formed to invest in Core+ real estate debt investments in the U.S. and Canada. Blackstone affiliates, including us, do not pay management fees or carried interest with respect to their investments in the BREDS-advised private fund. Our capital commitment represented a minority of the total capital commitments the BREDS-advised private fund had received as of June 30, 2026. As of June 30, 2026, the BREDS-advised private fund had not called any capital. To fund its investments, the BREDS-advised private fund will draw down on capital commitments made by its investors, including us, on a pro rata basis.

In the second quarter of 2025, we entered into our Bank Loan Portfolio Joint Venture with a Blackstone-advised investment vehicle that concurrently acquired a $1.4 billion portfolio of performing commercial mortgage loans in which we made an equity investment of $57.6 million and our ownership interest was 29%. In the third quarter of 2025, our Bank Loan Portfolio Joint Venture acquired a $606.0 million portfolio of performing commercial mortgage loans in which we made an equity investment of $44.7 million and our ownership interest was 50%. In the fourth quarter of 2024, we entered into our Net Lease Joint Venture with a Blackstone-advised investment vehicle to invest in triple net lease properties.

We do not consolidate our Bank Loan Portfolio Joint Venture, our Net Lease Joint Venture, or the BREDS-advised private fund, as we do not have a controlling financial interest. As of June 30, 2026, the aggregate value of our equity investment in our Bank Loan Portfolio Joint Venture was $99.8 million and our ownership interest was 35%, and the aggregate value of our equity investment in our Net Lease Joint Venture was $185.9 million and our ownership interest was 75%. As of June 30, 2026, we had not made an equity investment in the BREDS-advised private fund. We, these joint ventures, these Blackstone-advised investment vehicles, and other Blackstone affiliates have engaged and may in the future engage in certain investment, financing, derivative and/or hedging arrangements related to these unconsolidated entities.

In the second quarter of 2026, one of our senior loans to a borrower controlled by Blackstone-advised investment vehicles was modified. The terms of the modification (including, among other changes, an extension of the maturity date, a reduction in the contractual interest rate, and a meaningful additional commitment and credit support from the borrower) were negotiated by our third-party co-lenders. We continue to forgo all non-economic rights under the loan, including voting rights, so long as the Blackstone-advised investment vehicles control the borrower.

21. COMMITMENTS AND CONTINGENCIES

Unfunded Commitments Under Loans Receivable

As of June 30, 2026, we had aggregate unfunded commitments of $1.1 billion across 53 loans receivable, and $680.3 million of committed or identified financings for those commitments, resulting in net unfunded commitments of $427.4 million. The unfunded loan commitments comprise funding for capital expenditures and construction, leasing costs, and interest and carry costs. Loan funding commitments are generally subject to certain conditions, including, without limitation, the progress of capital projects, leasing, and cash flows at the properties securing our loans. Therefore, the exact timing and amounts of such future loan fundings are uncertain and will depend on the current and future performance of the underlying collateral assets. We expect to fund our loan commitments over the remaining term of the related loans, which have a weighted-average future funding period of 1.7 years.

Principal Debt Repayments

Our contractual principal debt repayments as of June 30, 2026 were as follows ($ in thousands):

Year	Secured Debt(1)	Asset-Specific Debt(1)	Term Loans(2)	Senior Secured Notes	Convertible Notes(3)	Other Secured Debt(4)	Total(5)
2026 (remaining)	$ 1,168,763	$ —	$ 9,619	$ —	$ —	$ —	$ 1,178,382
2027	2,235,081	367,814	19,239	335,316	266,157	—	3,223,607
2028	1,337,203	—	19,239	—	—	—	1,356,442
2029	993,380	445,005	453,085	450,000	—	—	2,341,470
2030	2,062,897	159,816	748,851	—	—	38,386	3,009,950
Thereafter	920,027	—	665,000	450,000	—	—	2,035,027
Total obligation	$ 8,717,351	$ 972,635	$ 1,915,033	$ 1,235,316	$ 266,157	$ 38,386	$ 13,144,878

(1) Our secured debt and asset-specific debt agreements are generally term-matched to their underlying collateral. Therefore, the allocation of payments under such agreements is generally allocated based on the maximum maturity date of the collateral loans, assuming all extension options are exercised by the borrower. In limited instances, the maturity date of the respective debt agreement is used.

(2) The Term Loans are partially amortizing, with an amount equal to 1.0% per annum of the initial principal balance due in quarterly installments. Refer to Note 10 for further details on our Term Loans.

(3) Reflects the outstanding principal balance of Convertible Notes, excluding any potential conversion premium. Refer to Note 12 for further details on our Convertible Notes.

(4) Amounts are included in other liabilities on our consolidated balance sheets.

(5) Total does not include $2.7 billion of consolidated securitized debt obligations, as the satisfaction of these liabilities will not require cash outlays from us.

Board of Directors' Compensation

As of June 30, 2026, our seven non-employee directors are entitled to annual compensation of $210,000 each, of which $95,000 is paid in cash and $115,000 is paid in the form of deferred stock units or, at their election, shares of restricted common stock. As of June 30, 2026, the other two board members are employees of affiliates of our Manager who also serve as executive officers and they are not compensated by us for their service as directors. In addition, (i) the lead independent director receives additional annual cash compensation of $30,000, (ii) the chairs of our audit, compensation, and corporate governance committees receive additional annual cash compensation of $20,000, $15,000, and $10,000, respectively, and (iii) the members of our audit and investment risk management committees receive additional annual cash compensation of $10,000 and $7,500, respectively.

Litigation

From time to time, we may be involved in various claims and legal actions arising in the ordinary course of business. As of June 30, 2026, we were not involved in any material legal proceedings.

22. SEGMENT REPORTING

Operating segments are defined as components of a business that can earn revenues and incur expenses for which discrete financial information is available that is evaluated on a regular basis by the chief operating decision maker, or CODM. Our CODM is, collectively, our Chief Executive Officer and Chief Financial Officer, who decide how to allocate resources and assess performance. A single management team reports to the CODM, who manages the entire business.

We have determined that we have one reportable segment based on how the CODM reviews and manages the business, which originates and acquires commercial mortgage loans and related investments.

Our CODM reviews, among other things, consolidated net income (loss) that is reported on the Consolidated Statements of Operations to make decisions, allocate resources and assess performance and does not evaluate the net income (loss) from any separate geography or product line. The measure of segment assets is reported on the Consolidated Balance Sheets as total consolidated assets.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

References herein to "Blackstone Mortgage Trust," "Company," "we," "us," or "our" refer to Blackstone Mortgage Trust, Inc. and its subsidiaries unless the context specifically requires otherwise.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited consolidated financial statements and notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q and with our Annual Report on Form 10-K for the year ended December 31, 2025. In addition to historical data, this discussion and analysis contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which reflect our current views with respect to, among other things, our business, operations and financial performance. You can identify these forward-looking statements by the use of words such as "intend," "goal," "estimate," "expect," "project," "projections," "plans," "seeks," "anticipates," "should," "could," "may," "designed to," "foreseeable future," "believe," "scheduled," and similar expressions. Such forward-looking statements are subject to various risks, uncertainties and assumptions. Our actual results or outcomes may differ materially from those in this discussion and analysis as a result of various factors, including but not limited to those discussed in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2025 and elsewhere in this Quarterly Report on Form 10-Q.

Introduction

Blackstone Mortgage Trust is a real estate finance company that originates, acquires, and manages senior loans and other debt or credit-oriented investments collateralized by or relating to commercial real estate in North America, Europe, and Australia. Our portfolio is composed primarily of senior loans secured by high-quality, institutional assets located in major markets, and sponsored by experienced, well-capitalized real estate investment owners and operators. We finance our investments in a variety of ways, including borrowing under secured credit facilities, issuing collateralized loan obligations, or CLOs, other securitization transactions, syndicating senior loans and/or participations, and other forms of asset-level financing, depending on our view of the most prudent financing option available for each of our investments. We are externally managed by BXMT Advisors L.L.C., or our Manager, a subsidiary of Blackstone Inc., or Blackstone, and are a real estate investment trust, or REIT, traded on the New York Stock Exchange, or NYSE, under the symbol "BXMT."

We benefit from the deep knowledge, experience and information advantages of our Manager, which is a part of Blackstone Real Estate. Blackstone Real Estate was founded in 1991 and is the world's largest owner of commercial real estate. Blackstone Real Estate operates as one globally integrated business with investments in North America, Europe, Asia and Latin America. In the United States, Blackstone Real Estate is one of the largest owners of rental housing, industrial, office, hospitality and retail assets. The market-leading real estate expertise derived from the strength of the Blackstone platform deeply informs our credit and underwriting process, and we believe it gives us the tools to manage the assets in our portfolio and work with our borrowers throughout periods of economic stress and uncertainty.

We conduct our operations as a REIT for U.S. federal income tax purposes. We generally will not be subject to U.S. federal income taxes on our taxable income to the extent that we annually distribute all of our net taxable income to stockholders and maintain our qualification as a REIT. We also operate our business in a manner that permits us to maintain an exclusion from registration under the Investment Company Act of 1940, as amended. We are organized as a holding company and conduct our business primarily through our various subsidiaries.

I. Key Financial Measures and Indicators

As a real estate finance company, we believe the key financial measures and indicators for our business are earnings per share, dividends declared, Distributable Earnings, Distributable Earnings prior to realized gains and losses, and book value per share. For the three months ended June 30, 2026, we recorded basic net loss per share of $0.48, declared a dividend of $0.47 per share, reported $0.31 per share of Distributable Earnings, and reported $0.48 per share of Distributable Earnings prior to realized gains and losses. In addition, our book value as of June 30, 2026 was $19.31 per share, which is net of cumulative CECL reserves of $2.43 per share, and accumulated depreciation and amortization of owned real estate assets, including our share related to unconsolidated entities, of $0.76 per share.

As further described below, Distributable Earnings and Distributable Earnings prior to realized gains and losses are measures that are not prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. Distributable Earnings and Distributable Earnings prior to realized gains and losses help us to evaluate our performance, excluding the effects of certain transactions and GAAP adjustments that we believe are not necessarily indicative of our current investments and operations. In addition, Distributable Earnings and Distributable Earnings prior to realized gains and losses are performance metrics we consider when declaring our dividends.

Earnings Per Share and Dividends Declared

The following table sets forth the calculation of basic net loss per share and dividends declared per share ($ in thousands, except per share data):

	Three Months Ended	
	June 30, 2026	March 31, 2026
Net loss[(1)]	$ (81,222)	$ (6,297)
Weighted-average shares outstanding, basic	168,964,515	169,078,373
Net loss per share, basic	$ (0.48)	$ (0.04)
Dividends declared per share	$ 0.47	$ 0.47

(1) Represents net loss attributable to Blackstone Mortgage Trust, Inc. Refer to Note 14 to our consolidated financial statements for the calculation of diluted net loss per share.

Distributable Earnings and Distributable Earnings Prior to Realized Gains and Losses

Distributable Earnings and Distributable Earnings prior to realized gains and losses are non-GAAP measures. We define Distributable Earnings as GAAP net income (loss), including realized gains and losses not otherwise recognized in current period GAAP net income (loss), and excluding (i) non-cash equity compensation expense, (ii) depreciation and amortization, (iii) unrealized gains (losses), and (iv) certain non-cash items. Distributable Earnings may also be adjusted from time to time to exclude one-time events pursuant to changes in GAAP and certain other non-cash charges as determined by our Manager, subject to approval by a majority of our independent directors. Distributable Earnings mirrors the terms of our management agreement between our Manager and us, or our Management Agreement, for purposes of calculating our incentive fee expense. Therefore, Distributable Earnings prior to realized gains and losses is calculated net of the incentive fee expense that would have been recognized if such realized gains or losses had not occurred.

Our CECL reserves have been excluded from Distributable Earnings consistent with other unrealized gains (losses) pursuant to our existing policy for reporting Distributable Earnings. We expect to only recognize such potential credit losses in Distributable Earnings if and when such amounts are realized and deemed non-recoverable upon a realization event. This is generally at the time a loan is repaid, or in the case of foreclosure, when the underlying asset is sold, but realization and non-recoverability may also be concluded if, in our determination, it is nearly certain that all amounts due will not be collected. The timing of any such credit loss realization in our Distributable Earnings may differ materially from the timing of CECL reserves or charge-offs in our consolidated financial statements prepared in accordance with GAAP. The realized loss amount reflected in Distributable Earnings will equal the difference between the cash received, or expected to be received, and the book value of the asset, and is reflective of our economic experience as it relates to the ultimate realization of the loan.

We believe that Distributable Earnings provides meaningful information to consider in addition to our net income (loss) and cash flow from operating activities determined in accordance with GAAP. We believe Distributable Earnings is a useful financial metric for existing and potential future holders of our class A common stock as historically, over time, Distributable Earnings has been a strong indicator of our dividends per share. As a REIT, we generally must distribute annually at least 90% of our net taxable income, subject to certain adjustments, and therefore we believe our dividends are one of the principal reasons stockholders may invest in our class A common stock. Refer to Note 16 to our consolidated financial statements for further discussion of our distribution requirements as a REIT. Further, Distributable Earnings helps us to evaluate our performance, excluding the effects of certain transactions and GAAP adjustments that we believe are not necessarily indicative of our current investment portfolio and operations, and is a performance metric we consider when declaring our dividends.

Furthermore, we believe it is useful to present Distributable Earnings prior to realized gains and losses, which include but are not limited to charge-offs of CECL reserves, to reflect our direct operating results and help existing and potential future holders of our class A common stock assess the performance of our business excluding such realized gains or losses. We may make similar adjustments with respect to other types of investments, if and when applicable transactions occur. During the period from the first quarter of 2024 to the fourth quarter of 2025, we reported this metric as Distributable Earnings prior to charge-offs of CECL reserves, as the only applicable realized gains or losses during such period were charge-offs of CECL reserves. We utilize Distributable Earnings prior to realized gains and losses as an additional performance metric to consider when declaring our dividends. Distributable Earnings mirrors the terms of our Management Agreement for purposes of calculating our incentive fee expense. Therefore, Distributable Earnings prior to realized gains and losses is calculated net of the incentive fee expense that would have been recognized if such realized gains or losses had not occurred.

Distributable Earnings and Distributable Earnings prior to realized gains and losses do not represent net income (loss) or cash generated from operating activities and should not be considered as alternatives to GAAP net income (loss), or indicators of our GAAP cash flows from operations, measures of our liquidity, or indicators of funds available for our cash needs. In addition, our methodology for calculating Distributable Earnings and Distributable Earnings prior to realized gains and losses may differ from the methodologies employed by other companies to calculate the same or similar supplemental performance measures, and accordingly, our reported Distributable Earnings and Distributable Earnings prior to realized gains and losses may not be comparable to similar metrics reported by other companies.

The following table provides a reconciliation of Distributable Earnings and Distributable Earnings prior to realized gains and losses to GAAP net income (loss) ($ in thousands, except per share data):

	Three Months Ended	
	June 30, 2026	March 31, 2026
Net loss[(1)]	$ (81,222)	$ (6,297)
Charge-offs of CECL reserves[(2)]	(28,620)	(46,451)
Increase in CECL reserves	134,403	55,055
Depreciation and amortization of owned real estate[(3)]	21,104	21,717
Adjustment to realized loss on disposition of owned real estate[(4)]	—	(1,497)
Non-cash compensation expense	6,675	6,687
Realized hedging and foreign currency (loss) gain, net[(5)]	(1,098)	4
Allocable share of adjustments related to unconsolidated entities[(6)]	508	6,380
Cash income from Agency Multifamily Lending Partnership, net[(7)]	30	29
Adjustments attributable to non-controlling interests, net	(26)	191
Other items	(18)	(8)
Distributable Earnings	$ 51,736	$ 35,810
Charge-offs of CECL reserves[(2)]	28,620	46,451
GAAP realized loss on disposition of owned real estate[(8)]	—	160
Adjustment to realized loss on disposition of owned real estate[(4)]	—	1,497
Adjustments attributable to non-controlling interests	—	(249)
Allocable share of adjustments related to unconsolidated entities[(6)]	51	—
Distributable Earnings prior to realized gains and losses	$ 80,407	$ 83,669
Weighted-average shares outstanding, basic[(9)]	168,964,515	169,078,373
Distributable Earnings per share, basic	$ 0.31	$ 0.21
Distributable Earnings prior to realized gains and losses per share, basic	$ 0.48	$ 0.49

(1) Represents net loss attributable to Blackstone Mortgage Trust, Inc.
(2) Represents realized losses related to loan principal amounts deemed non-recoverable.
(3) Represents depreciation of owned real estate assets and amortization of intangible real estate assets and liabilities.
(4) Represents an adjustment to the realized loss on the sale of a property held at depreciated cost. Because depreciation and amortization is a non-cash expense that is excluded from Distributable Earnings, GAAP gains upon sale of a property are higher, and GAAP losses are lower, than the respective realized amounts reflected in Distributable Earnings. For Distributable Earnings, the amount is calculated as net sales proceeds less the property's carrying value prior to depreciation and amortization.
(5) Represents realized (losses) gains on the repatriation of unhedged foreign currency. These amounts were not included in GAAP net loss, but rather as a component of other comprehensive income in our consolidated financial statements.
(6) Allocable share of adjustments related to unconsolidated entities for the three months ended June 30, 2026 reflects our share of non-cash items such as (i) $(3.8) million of unrealized gains recorded by such unconsolidated entities, (ii) $4.3 million of depreciation and amortization, and (iii) related adjustments for realized gains, if any. For the three months ended March 31, 2026, reflects our share of non-cash items such as (i) $3.2 million of unrealized losses recorded by such unconsolidated entities, (ii) $3.1 million of depreciation and amortization, and (iii) related adjustments for realized gains, if any.
(7) Represents (i) the non-cash income recognized under GAAP related to our Agency Multifamily Lending Partnership, in which we receive a portion of origination, servicing, and other fees for loans we refer to MTRCC for origination, offset by the related loss-sharing obligation accruals, and (ii) the cash received related to such income previously recognized under GAAP. Refer to Note 2 to our consolidated financial statements for further information on our Agency Multifamily Lending Partnership.
(8) Represents the amount included on our consolidated statements of operations.
(9) The weighted-average shares outstanding, basic, exclude shares issuable from a potential conversion of our Convertible Notes then outstanding. Consistent with the treatment of other unrealized adjustments to Distributable Earnings, these potentially issuable shares are excluded until a conversion occurs. Refer to Note 14 to our consolidated financial statements for the calculation of diluted net income per share.

Book Value Per Share

The following table calculates our book value per share ($ in thousands, except per share data):

	June 30, 2026	March 31, 2026
Stockholders’ equity	$ 3,261,540	$ 3,414,960
Shares		
Class A common stock	168,543,591	168,683,520
Deferred stock units	369,548	348,222
Total outstanding	168,913,139	169,031,742
Book value per share[(1)]	$ 19.31	$ 20.20

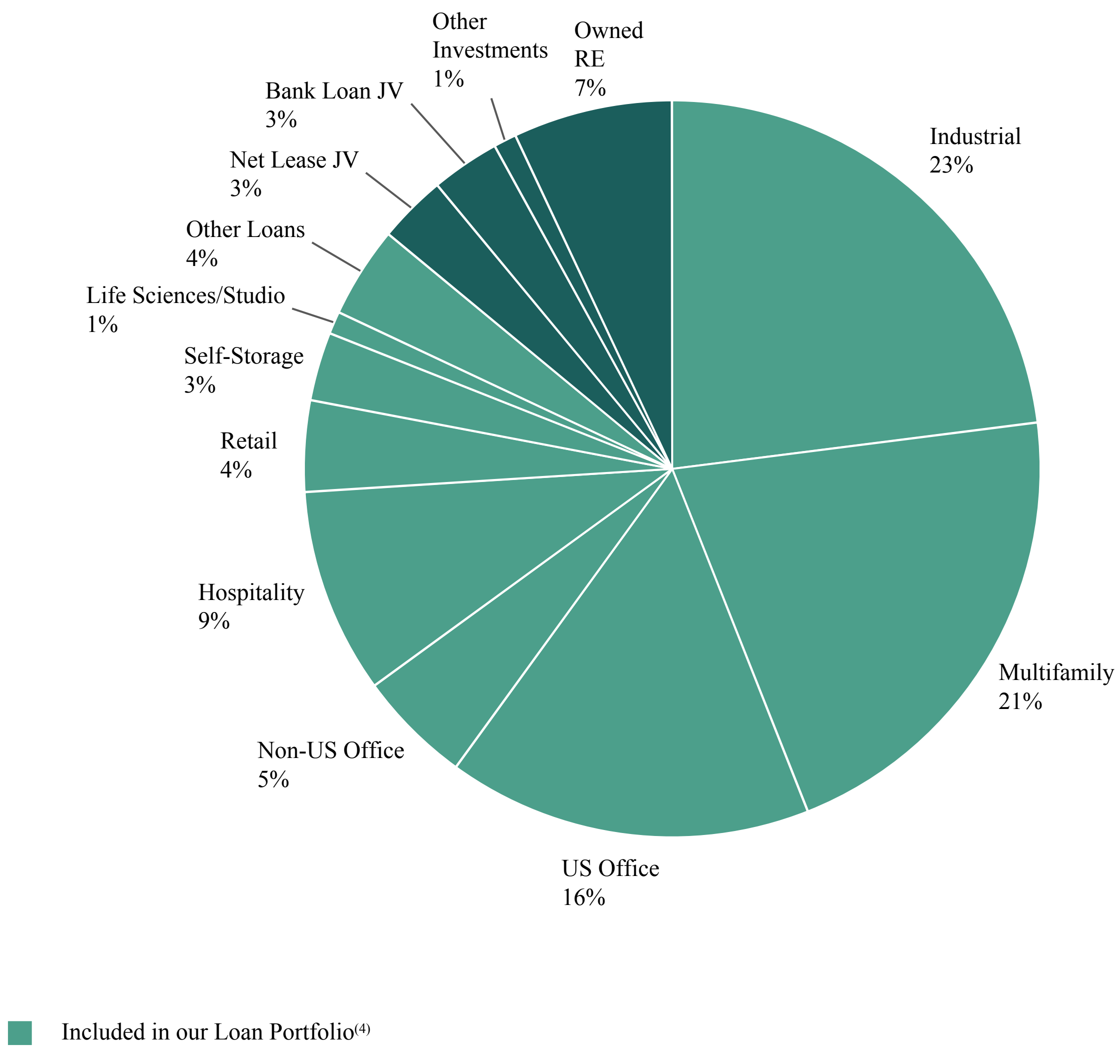
(1) The book value per share excludes shares issuable from a potential conversion of our Convertible Notes then outstanding. Refer to Note 14 to our consolidated financial statements for the calculation of diluted net income per share.

II. Investments

Investment Portfolio

Our Investment Portfolio consists of our Loan Portfolio, our investments in our Bank Loan Portfolio Joint Venture, Net Lease Joint Venture and Homebuilder Finance Joint Venture, our owned real estate assets, and our investment in debt securities. The chart below details the composition of our Investment Portfolio as of June 30, 2026:

Investment Portfolio(1)(2)(3)



---

(1) Our Investment Portfolio reflects the gross amount of our investments as of June 30, 2026, which consists of (i) our Loan Portfolio, which represents net book value less total loans receivable CECL reserves, (ii) our share of the carrying value of investments held by our Net Lease Joint Venture, (iii) our share of the fair value of the loans held by both our Bank Loan Portfolio Joint Venture and Homebuilder Finance Joint Venture, (iv) the aggregate carrying value of our owned real estate assets, and (v) the fair value of our investments in debt securities.

(2) Assets in our Loan Portfolio with multiple components are proportioned into the relevant property types based on the allocated value of each property type.

(3) Investment types that represent less than 1% of our Investment Portfolio are included in Other Investments in the chart, which includes our Homebuilder Finance Joint Venture and investment in debt securities.

(4) Represents the types of properties securing the loans in our Loan Portfolio.

Refer to section VII of this Item 2 for details of our Loan Portfolio, on a loan-by-loan basis.

Loan Portfolio

Loan Originations

During the three months ended June 30, 2026, we originated or acquired $1.2 billion of loans, inclusive of additional commitments made under existing loans.

Loan Portfolio Activity

During the three months ended June 30, 2026, loan fundings totaled $1.2 billion and loan repayments and sales totaled $1.2 billion.

The following table details our Loan Portfolio activity ($ in thousands):

	Three Months Ended June 30, 2026	Six Months Ended June 30, 2026
Loan fundings[(1)]	$ 1,164,772	$ 1,460,704
Loan repayments and sales[(1)]	(1,188,345)	(1,819,277)
Total net repayments	$ (23,573)	$ (358,573)

(1) Excludes amounts for loans held by our Bank Loan Portfolio Joint Venture and Homebuilder Finance Joint Venture, which are included in investments in unconsolidated entities on our consolidated balance sheets.

The following table details overall statistics for our Loan Portfolio as of June 30, 2026 ($ in thousands):

	June 30, 2026
Number of loans	133
Principal balance	$ 17,409,208
Net book value	$ 16,936,895
Unfunded loan commitments[(1)]	$ 1,107,729
Weighted-average cash coupon[(2)]	+ 3.13 %
Weighted-average all-in yield[(2)]	+ 3.35 %
Weighted-average maximum maturity (years)[(3)]	2.8
Origination loan-to-value (LTV)[(4)]	65 %

(1) Unfunded commitments will primarily be funded to finance our borrowers' construction or development of real estate-related assets, capital improvements of existing assets, or lease-related expenditures. These commitments will generally be funded over the term of each loan, subject in certain cases to an expiration date.

(2) The weighted-average cash coupon and all-in yield are expressed as a spread over the relevant floating benchmark rates, which include SOFR, SONIA, EURIBOR, CORRA, and other indices as applicable to each loan. As of June 30, 2026, 97% of our loans by principal balance earned a floating rate of interest, primarily indexed to SOFR. The remaining 3% of our loans by principal balance earned a fixed rate of interest.

(3) Maximum maturity assumes all extension options are exercised by the borrower; however, our loans and other investments may be repaid prior to such date. Excludes loans accounted for under the cost-recovery and nonaccrual methods, if any. As of June 30, 2026, 47% of our loans by principal balance were subject to yield maintenance or other prepayment restrictions and 53% were open to repayment by the borrower without penalty.

(4) Based on LTV as of the dates loans were originated or acquired by us, excluding any loans that are impaired.

The following table details the index rate floors for our Loan Portfolio as of June 30, 2026 ($ in thousands):

	Loan Portfolio Principal Balance		
Index Rate Floors	USD	Non-USD[(1)]	Total
Fixed Rate	$ 398,405	$ 135,273	$ 533,678
0.00% or no floor[(2)]	1,060,787	3,701,597	4,762,384
0.01% to 1.00% floor	1,314,333	1,286,448	2,600,781
1.01% to 2.00% floor	856,529	1,651,960	2,508,489
2.01% to 3.00% floor	5,754,709	366,401	6,121,110
3.01% or more floor	608,673	274,093	882,766
Total[(3)]	$ 9,993,436	$ 7,415,772	$ 17,409,208

(1) Includes Euro, British Pound Sterling, Swedish Krona, Australian Dollar, and Canadian Dollar currencies.
(2) Includes all impaired loans.
(3) As of June 30, 2026, the weighted-average index rate floor of our floating-rate Loan Portfolio principal balance was 1.53%. Excluding 0.0% index rate floors and loans with no floor, the weighted-average index rate floor was 2.11%.

The following table details the floating benchmark rates for our Loan Portfolio as of June 30, 2026 (Loan Portfolio principal balance amounts in thousands):

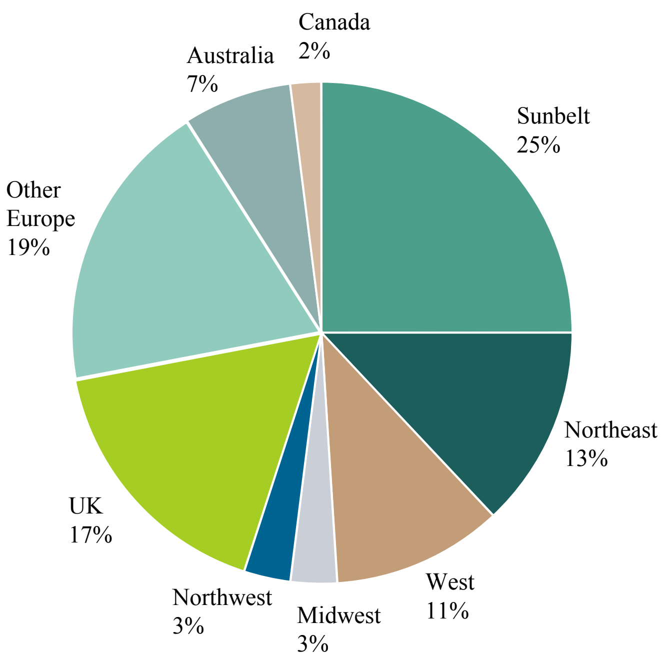
Loan Count	Currency	Loan Portfolio Principal Balance	Floating Rate Index[(1)]	Cash Coupon[(2)]	All-in Yield[(2)]
97	$	$ 9,993,436	SOFR	+ 3.05%	+ 3.28%
16	£	£ 2,028,310	SONIA	+ 3.20%	+ 3.24%
14	€	€ 2,294,807	EURIBOR	+ 2.60%	+ 2.99%
6	Various	$ 2,104,700	Other[(3)]	+ 4.06%	+ 4.26%
133		$ 17,409,208		+ 3.13%	+ 3.35%

(1) We use foreign currency forward contracts to protect the value or fix the amount of certain investments or cash flows in terms of the U.S. dollar. We earn forward points on our forward contracts that reflect the interest rate differentials between the applicable base rate for our foreign currency investments and prevailing U.S. interest rates. These forward contracts effectively convert the foreign currency rate exposure for such investments to USD-equivalent interest rates.
(2) In addition to cash coupon, all-in yield includes the amortization of deferred origination and extension fees, loan origination costs, and purchase discounts, as well as the accrual of exit fees. Excludes loans accounted for under the cost-recovery and nonaccrual methods, if any.
(3) Includes floating rate loans indexed to STIBOR, CORRA, and BBSY indices.

The charts below detail the geographic distribution and types of properties securing our Loan Portfolio, as of June 30, 2026:

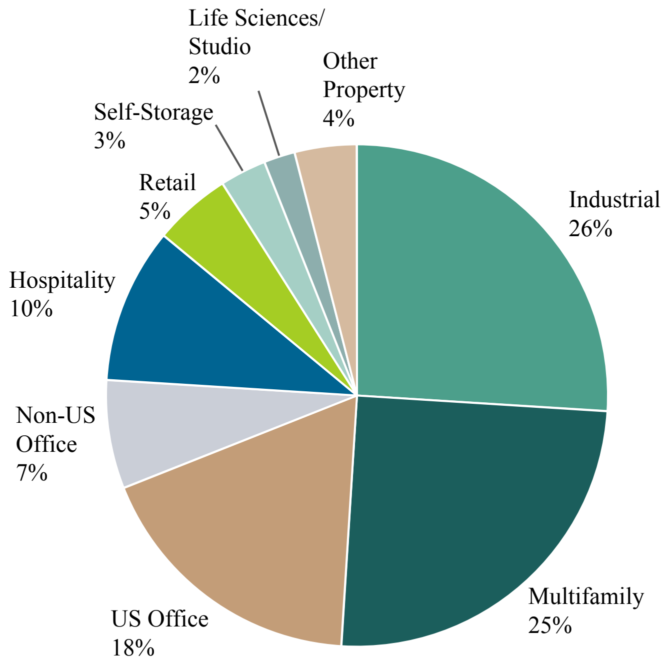
Geographic Diversification

(Net Loan Exposure)[1]



Collateral Diversification

(Net Loan Exposure)[1][2]



---

(1) Net loan exposure reflects the amount of each loan that is subject to risk of credit loss to us as of June 30, 2026, which is our principal balance net of (i) $972.6 million of asset-specific debt, (ii) $20.3 million of cost-recovery proceeds, and (iii) our total loans receivable CECL reserve of $397.8 million. Our asset-specific debt is structurally non-recourse and term-matched to the corresponding collateral loans. Geographic locations that represent less than 1% of net loan exposure are excluded from the chart.

(2) Assets with multiple components are proportioned into the relevant property types based on the allocated value of each property type.

Refer to section VII of this Item 2 for details of our loan portfolio, on a loan-by-loan basis.

Portfolio Management

As of June 30, 2026, 97% of our loans, based on net loan exposure, were performing with risk ratings of “1” through “4,” and the remaining 3% were impaired with a risk rating of “5.” As of June 30, 2026, one of our performing loans with an amortized cost basis of $148.8 million was in payment default, was less than 90 days past due on its interest payment, and had a risk rating of “4.” This loan was not impaired as of June 30, 2026 as we expect to fully recover all contractual principal and interest amounts due under the loan agreement. All other borrowers under performing loans were in compliance with the applicable contractual terms of each respective loan, including any required payment of interest. We believe this demonstrates the overall strength of our loan portfolio and the commitment and financial wherewithal of our borrowers generally, which are primarily affiliated with large real estate private equity funds and other strong, well-capitalized, and experienced sponsors.

We maintain a robust asset management relationship with our borrowers and utilize these relationships to maximize the performance of our portfolio, including during periods of volatility. We believe that we benefit from these relationships and from our long-standing core business model of originating senior loans collateralized by large assets in major markets with experienced, well-capitalized institutional sponsors. While we believe the principal amounts of our loans are generally adequately protected by underlying collateral value, there is a risk that we will not realize the entire principal value of certain investments. As of June 30, 2026, we had an aggregate $219.5 million asset-specific CECL reserve related to nine of our loans receivable, with an aggregate amortized cost basis of $695.2 million, net of cost-recovery proceeds. This CECL reserve was recorded based on our estimation of the fair value of each of the loan's underlying collateral as of June 30, 2026.

We benefit from the deep knowledge, experience and information advantages of our Manager, which is a part of Blackstone Real Estate. Blackstone Real Estate was founded in 1991 and is the world’s largest owner of commercial real estate with investments in North America, Europe, Asia and Latin America. In the United States, Blackstone Real Estate is one of the largest owners of rental housing, industrial, office, hospitality and retail assets.

As discussed in Note 2 to our consolidated financial statements, we perform a quarterly review of our loan portfolio, assess the performance of each loan, and assign it a risk rating between “1” and “5”, from less risk to greater risk. As of June 30, 2026, our loan portfolio had a weighted-average risk rating of 3.0, based on net loan exposure.

The following table allocates the net book value and net loan exposure balances based on our internal risk ratings as of June 30, 2026 ($ in thousands):

	June 30, 2026		
Risk Rating	Number of Loans	Net Book Value	Net Loan Exposure[(1)]
1	1	$ 60,896	$ 61,025
2	21	2,884,735	2,715,318
3	85	11,667,474	10,798,610
4	17	2,026,473	1,969,169
5	9	695,152	474,310
Loans receivable	133	$ 17,334,730	$ 16,018,432
CECL reserve		(397,835)	
Loans receivable, net		$ 16,936,895	

(1) Net loan exposure reflects the amount of each loan that is subject to risk of credit loss to us as of June 30, 2026, which is our principal balance net of (i) $972.6 million of asset-specific debt, (ii) $20.3 million of cost-recovery proceeds, and (iii) our total loans receivable CECL reserve of $397.8 million. Our asset-specific debt is structurally non-recourse and term-matched to the corresponding collateral loans.

Current Expected Credit Loss Reserve

The CECL reserves required by GAAP reflect our current estimate of potential credit losses related to our loans included in our consolidated balance sheets. Other than a few narrow exceptions, GAAP requires that all financial instruments subject to the CECL model have some amount of loss reserve to reflect the principle underlying the CECL model that all loans and similar assets have some inherent risk of loss, regardless of credit quality, subordinate capital, or other mitigating factors.

During the three months ended June 30, 2026, we recorded a net increase of $106.2 million in the CECL reserves against our loans receivable portfolio, primarily driven by a $134.6 million increase in our asset-specific CECL reserve, partially offset by a $28.3 million decrease in our general CECL reserve, bringing our total loans receivable CECL reserves to $397.8 million as of June 30, 2026. The increase in our asset-specific reserve was driven by three additional loans with an aggregate amortized cost basis of $502.0 million that were impaired during the three months ended June 30, 2026, of which two are secured by office properties, and the other is secured by an office/mixed-use asset. The office sector recovery in certain markets has continued to lag other commercial real estate sectors, which has, in certain cases, extended business plans on transitional properties and impacted their performance, affecting some borrowers' willingness and ability to continue to support their assets. Impairments are determined individually as a result of changes in specific credit quality factors for such loans. These factors include, among others, (i) the performance of the underlying property collateral, (ii) discussions with the borrower, (iii) borrower events of default, and (iv) other facts and circumstances affecting the borrower's willingness and ability to satisfy its contractual obligations under the terms of the loan. During the three months ended June 30, 2026, we recorded $7.1 million of interest income on these loans. Upon determining that the three loans were impaired, the income accrual was suspended, as the recovery of interest income and principal was doubtful. The increase in our asset-specific reserve was partially offset by charge-offs of $28.6 million primarily related to the resolution of one previously impaired loan as a result of our acquisition of title through a foreclosure of a multifamily collateral property located in Dallas, TX, which is now included on our consolidated balance sheet as an owned real estate asset. The decrease in our general CECL reserve was primarily driven by changes in risk ratings, and a decrease in our loans receivable balance, partially offset by new loan originations and an increase in the historical loss rate used in reserve calculations related to the additional CECL reserve charge-offs.

As of June 30, 2026, we had an aggregate $219.5 million asset-specific CECL reserve related to nine of our loans receivable, with a total amortized cost basis of $695.2 million, net of cost-recovery proceeds. Impairments are each determined individually as a result of changes in the specific credit quality factors for each such loan. These factors included, among others, (i) the underlying collateral performance, (ii) discussions with the borrower, (iii) borrower events of default, and (iv) other facts that impact the borrower's ability to pay the contractual amounts due under the terms of the loan. This asset-specific CECL reserve was recorded based on our estimation of the fair value of each loan's underlying collateral as of June 30, 2026.

No income was recorded on our impaired loans subsequent to determining that such loans were impaired. During the three months ended June 30, 2026, we did not receive any cash proceeds from such loans that would have been applied as a reduction to the amortized cost basis of each respective loan.

Refer to Note 2 to our consolidated financial statements for further discussion of our policies on revenue recognition and our CECL reserves.

Owned Real Estate

As part of our portfolio management strategy to maximize economic outcomes, we may hold certain owned real estate assets, resulting from transactions in which we assume legal title, physical possession, or control of the collateral underlying a loan through a foreclosure, a deed-in-lieu of foreclosure transaction, or a loan modification in which we receive an equity interest in and/or control over decision-making at the property. As of June 30, 2026, we had 14 owned real estate assets with an aggregate carrying value of $1.4 billion.

The following table provides details of our owned real estate assets as of June 30, 2026 ($ in thousands):

	Acquisition Date	Location	Property Type	Acquisition Date Fair Value		SQFT / Units / Keys
1	September 2025	New York, NY	Hospitality	$	228,253	933 keys
2	December 2024	San Francisco, CA	Hospitality		201,530	686 keys
3	June 2026	Dallas, TX	Multifamily		149,906	1,530 units
4	December 2024	El Segundo, CA	Office		145,363	494,532 sqft
5	December 2025	New York, NY	Office		133,313	709,204 sqft
6	September 2025	Atlanta, GA	Office		132,974	1,184,916 sqft
7	November 2025	Denver, CO	Office		114,748	538,179 sqft
8	October 2024	Washington, DC	Office		107,016	892,480 sqft
9	September 2024	Burlington, MA	Office		64,628	379,018 sqft
10	March 2024	Mountain View, CA	Office		60,203	150,507 sqft
11	February 2025	Chicago, IL	Office		45,045	517,115 sqft
12	March 2026	San Francisco, CA	Hospitality		41,082	459 keys
13	December 2024	Denver, CO	Office		33,337	170,304 sqft
14	July 2024	San Antonio, TX	Multifamily		17,491	198 units
				$	1,474,889	

Bank Loan Portfolio Joint Venture

In the second quarter of 2025, we entered into a joint venture with a Blackstone-advised investment vehicle to acquire portfolios of performing commercial mortgage loans, or our Bank Loan Portfolio Joint Venture. In the second quarter of 2025, the Bank Loan Portfolio Joint Venture acquired a $1.4 billion portfolio of 171 performing senior commercial real estate loans from a regional bank. The loans are secured primarily by retail and multifamily properties located across various markets in the Mid-Atlantic region, are primarily fixed rate, and were acquired at a discount to par. In the third quarter of 2025, the Bank Loan Portfolio Joint Venture acquired a $606.0 million portfolio of 425 performing senior commercial real estate loans from a regional bank. The loans are secured primarily by net lease retail assets located throughout the United States, are fixed rate, and were acquired at a discount to par. We have an aggregate 35% ownership interest in the joint venture as of June 30, 2026. As of June 30, 2026, our share of the fair value of the loans held by our Bank Loan Portfolio Joint Venture was $502.2 million.

Our Bank Loan Portfolio Joint Venture is recorded on our consolidated balance sheets in investments in unconsolidated entities. As of June 30, 2026, our investment in the joint venture totaled $99.8 million. During the six months ended June 30, 2026, we did not make any contributions to the joint venture, received $20.2 million of distributions, and recorded $9.0 million of income from unconsolidated entities in our consolidated statements of operations.

Net Lease Joint Venture

In the fourth quarter of 2024, we entered into a joint venture with a Blackstone-advised investment vehicle to invest in triple net lease properties, or our Net Lease Joint Venture. Our investment in the joint venture is recorded on our consolidated balance sheets in investments in unconsolidated entities. As of June 30, 2026, our investment in the joint venture totaled $185.9 million. During the six months ended June 30, 2026, we contributed $100.0 million to the joint venture, received $22.4 million of distributions, and recorded $0.7 million of income from unconsolidated entities in our consolidated statements of operations, inclusive of $7.4 million of depreciation and amortization expense. We have an aggregate 75% ownership interest in the joint venture as of June 30, 2026. As of June 30, 2026, our share of the carrying value of investments held by our Net Lease Joint Venture was $661.3 million.

The following table details the tenant industries and the geographic location of the assets held by our Net Lease Joint Venture as of June 30, 2026:

Tenant Industry	Number of Properties	% of Annualized Base Rent
Early Childhood Education	42	18%
Car Washes	31	18
Restaurants - Quick Service	72	15
Automotive Service	49	14
Medical / Dental	29	12
Pet Care	47	11
Home Improvement	9	3
Convenience Stores	14	2
Industrial	3	1
Wholesale Trade	1	1
Grocery	3	1
Other	6	4
Total	306	100%

State	Number of Properties	% of Annualized Base Rent
Texas	41	15%
Florida	28	14
Georgia	20	9
Illinois	28	8
California	9	6
Missouri	16	5
Minnesota	18	5
Indiana	15	5
Alabama	14	3
Arizona	7	3
Other (25 states)	110	27
Total	306	100%

As of June 30, 2026, our Net Lease Joint Venture's leases had a weighted average remaining lease term of over 15 years (based on annualized base rent), with weighted average annual rent increases of approximately 2%, and a rent coverage ratio of approximately 3x.

Homebuilder Finance Joint Venture

In the second quarter of 2026, we entered into a joint venture with an unaffiliated third-party, alongside a Blackstone-advised investment vehicle, to acquire an initial $286.7 million portfolio of construction loans collateralized by single family homes, and to continue to acquire and fund such loans in the future, or our Homebuilder Finance Joint Venture. The loans are secured by single family homes under construction that are located throughout various markets in the United States. We have an aggregate 45% ownership interest in the joint venture as of June 30, 2026. As of June 30, 2026, our share of the fair value of the loans held by our Homebuilder Finance Joint Venture was $149.1 million.

Our Homebuilder Finance Joint Venture is recorded on our consolidated balance sheets in investments in unconsolidated entities. As of June 30, 2026, our investment in the joint venture totaled $36.3 million. During the three and six months ended June 30, 2026, we made $36.0 million of contributions to the joint venture, did not receive any distributions, and recorded $0.3 million of income from unconsolidated entities in our consolidated statements of operations.

Core+ Real Estate Debt Fund Investment

In the fourth quarter of 2025, we made a $75.0 million capital commitment at the initial closing of a new BREDS-advised private fund formed to invest in Core+ real estate debt investments in the U.S. and Canada. Blackstone affiliates, including us, do not pay management fees or carried interest with respect to their investments in the BREDS-advised private fund. Our capital commitment represented a minority of the total capital commitments the BREDS-advised private fund had received as of June 30, 2026. As of June 30, 2026, the BREDS-advised private fund had not called any capital. To fund its investments, the BREDS-advised private fund will draw down on capital commitments made by its investors, including us, on a pro rata basis.

Debt Securities Investment

In the first quarter of 2026, we invested $66.7 million in a significant risk transfer, or SRT, transaction with a UK financial institution structured as a credit-linked note, or the UK Bank Loan Portfolio SRT. The investment constitutes the first-loss tranche of a reference portfolio comprising a diversified, granular portfolio of low-leverage commercial real estate loans held by the UK financial institution. The SRT investment earns a floating-rate cash coupon of SONIA + 7.00%. As of June 30, 2026, no realized credit losses have been incurred with respect to the underlying reference loan portfolio.

Agency Multifamily Lending Partnership

In the second quarter of 2024, we entered into an agreement with M&T Realty Capital Corporation, or MTRCC, a subsidiary of M&T Bank, that allows our borrowers to access multifamily agency financing through MTRCC's Fannie Mae DUS and Freddie Mac Optigo lending platforms, or our Agency Multifamily Lending Partnership. We will receive a portion of origination, servicing, and other fees for loans that we refer to MTRCC for origination under both the Fannie Mae and Freddie Mac programs. Additionally, we will share in losses with MTRCC and Fannie Mae on loans that we refer to MTRCC for origination under the Fannie Mae program. During the six months ended June 30, 2026, we did not refer any loans to MTRCC.

III. Financings

Loan Portfolio Financings

Our loan portfolio financing consists of secured debt, securitizations, and asset-specific debt. The following table details our portfolio financing ($ in thousands):

	Portfolio Financing Outstanding Principal Balance	
	June 30, 2026	December 31, 2025
Secured debt	$ 8,717,351	$ 10,125,839
Securitizations	2,750,810	2,149,496
Asset-specific debt	972,635	999,810
Total loan portfolio financing	$ 12,440,796	$ 13,275,145

Secured Debt

The following table details our secured credit facilities by currency as of June 30, 2026 ($ in thousands):

								Recourse Limitation	
Currency	Lenders[(1)]	Borrowings	Wtd. Avg. Maturity[(2)]	Wtd. Avg. All-in Cost[(3)(4)(5)]	Loan Count	Collateral[(6)]	Wtd. Avg. All-in Yield[(3)(4)]	Wtd. Avg.	Range
USD	14	$ 3,668,157	May 2028	+1.74 %	78	$ 6,042,859	+2.76 %	36%	25% - 100%
GBP	6	1,906,500	Mar 2029	+1.68 %	14	2,647,180	+3.17 %	25%	25%
EUR	6	1,618,548	Feb 2030	+1.64 %	13	2,380,828	+2.99 %	37%	15% - 100%
Others[(7)]	4	1,524,146	May 2029	+2.21 %	6	1,910,983	+4.34 %	25%	25%
Total	16	$ 8,717,351	Jan 2029	+1.79 %	111	$ 12,981,850	+3.16 %	32%	25% - 100%

(1) Represents the number of lenders with fundings advanced in each respective currency, as well as the total number of facility lenders.

(2) Our secured debt agreements are generally term-matched to their underlying collateral. Therefore, the weighted-average maturity is generally allocated based on the maximum maturity date of the collateral loans, assuming all extension options are exercised by the borrower. In limited instances, the maturity date of the respective secured credit facility is used.

(3) The spread, all-in cost, and all-in yield are expressed over the relevant floating benchmark rates, which include SOFR, SONIA, EURIBOR, CORRA, and other indices as applicable.

(4) In addition to spread, the cost includes the associated deferred fees and expenses related to the respective borrowings. In addition to cash coupon, all-in yield includes the amortization of deferred origination and extension fees, loan origination costs, and purchase discounts, as well as the accrual of exit fees. All-in yield excludes loans accounted for under the cost-recovery and nonaccrual methods, if any, and owned real estate assets.

(5) Represents the weighted-average all-in cost as of June 30, 2026 and is not necessarily indicative of the spread applicable to recent or future borrowings.

(6) Represents the principal balance of the collateral loan assets and the carrying value of the collateral owned real estate assets.

(7) Includes Australian Dollar, Canadian Dollar, and Swedish Krona currencies.

Securitizations

We have financed certain pools of our loans through CLOs and have also financed one of our loans through a securitization vehicle, or the European Loan Securitization. The following table details our securitized debt obligations and the underlying collateral assets that are financed by our CLOs and the European Loan Securitization ($ in thousands):

	June 30, 2026				
Securitized Debt Obligations	**Count**	**Principal Balance**	**Book Value[(1)]**	**Wtd. Avg. Yield/Cost[(2)]**	**Term[(3)]**
CLOs					
2026 FL6 Collateralized Loan Obligation					
Senior CLO Securities Outstanding	1	$ 880,000	$ 872,474	+ 1.84 %	August 2043
Underlying Collateral Assets	19	998,448	998,448	+ 3.04 %	September 2029
2025 FL5 Collateralized Loan Obligation					
Senior CLO Securities Outstanding	1	831,250	823,296	+ 2.15 %	October 2042
Underlying Collateral Assets	19	997,984	997,984	+ 3.44 %	February 2029
2021 FL4 Collateralized Loan Obligation					
Senior CLO Securities Outstanding	1	421,346	421,346	+ 1.83 %	May 2038
Underlying Collateral Assets	13	551,661	551,661	+ 4.17 %	July 2027
2020 FL2 Collateralized Loan Obligation					
Senior CLO Securities Outstanding	1	428,673	428,673	+ 1.93 %	February 2038
Underlying Collateral Assets	9	595,239	595,239	+ 3.04 %	February 2027
Total					
Senior CLO Securities Outstanding	4	$ 2,561,269	$ 2,545,789	+ 1.95 %	
Underlying Collateral Assets	60	3,143,332	3,143,332	+ 3.35 %	
Securitizations					
European Loan Securitization					
Financing Provided	1	$ 189,541	$ 187,175	+ 1.71 %	July 2030
Underlying Collateral Assets[(4)]	1	244,367	241,995	+ 2.97 %	July 2030
Total					
Senior CLO Securities Outstanding / Financing Provided[(5)]	5	$ 2,750,810	$ 2,732,964	+ 1.93 %	
Underlying Collateral Assets	61	3,387,699	3,385,327	+ 3.35 %	

(1) The book value of underlying collateral assets excludes any applicable CECL reserves.

(2) In addition to cash coupon, all-in yield includes the amortization of deferred origination and extension fees, loan origination costs, purchase discounts, and accrual of exit fees, while all-in cost includes the amortization of deferred origination fees and financing costs. The weighted-average all-in yield and cost are expressed as a spread over the relevant floating benchmark rates, which is SOFR for the CLOs and EURIBOR for the European Loan Securitization. All-in yield excludes loans accounted for under the cost-recovery and nonaccrual methods, if any, owned real estate assets, and cash from repayment proceeds held in certain of our CLOs that may be used to add new eligible collateral assets.

(3) Underlying collateral assets term represents the weighted-average final maturity of such loans, assuming all extension options are exercised by the borrower, and excludes owned real estate assets. Repayments of securitized debt obligations are tied to timing of the related collateral loan asset repayments. The term of these obligations represents the rated final distribution date of the securitizations.

(4) We financed our $55.8 million retained interests in the securitization under a repurchase agreement structured without capital markets-based mark-to-market provisions. The amount of the financing is included in other liabilities on our consolidated balance sheets.

(5) During the six months ended June 30, 2026, we recorded $74.8 million of interest expense related to our securitized debt obligations.

Refer to Note 8 and Note 19 to our consolidated financial statements for additional details of our securitized debt obligations.

Asset-Specific Debt

The following table details our asset-specific debt ($ in thousands):

	June 30, 2026				
Asset-Specific Debt	**Count**	**Principal Balance**	**Book Value[(1)]**	**Wtd. Avg. Yield/Cost[(2)]**	**Wtd. Avg. Term[(3)]**
Financing provided	4	$ 972,635	$ 971,305	+ 2.73 %	February 2030
Collateral assets	4	$ 1,209,740	$ 1,202,445	+ 4.10 %	February 2030

(1) The book value of underlying collateral assets excludes any applicable CECL reserves.

(2) The weighted-average all-in yield and cost are expressed as a spread over the relevant floating benchmark rates, which include SOFR and CORRA, as applicable. These floating rate loans and related liabilities are currency and index-matched to the applicable benchmark rate relevant in each arrangement. In addition to cash coupon, yield/cost includes the amortization of deferred origination fees and financing costs.

(3) The weighted-average term is determined based on the maximum maturity of the corresponding loans, assuming all extension options are exercised by the borrower. Our non-recourse, asset-specific debt is term-matched in each case to the corresponding collateral loans.

Corporate Financing

The following table details our outstanding corporate financing ($ in thousands):

	Corporate Financing Outstanding Principal Balance	
	June 30, 2026	**December 31, 2025**
Term loans	$ 1,915,033	$ 1,847,726
Senior secured notes	1,235,316	785,316
Convertible notes	266,157	266,157
Total corporate financing	$ 3,416,506	$ 2,899,199

The following table details our outstanding senior term loan facilities, or Term Loans, our outstanding senior secured notes, or Senior Secured Notes, and convertible senior notes, or Convertible Notes, as of June 30, 2026 ($ in thousands):

Corporate Financing	Face Value	Interest Rate[1]	Swapped Rate[2]	All-in Cost[1][3]	Maturity
Term Loans					
B-7 Term Loan	$ 449,706	+ 2.50 %	n/a	+ 3.11 %	May 9, 2029
B-8 Term Loan	696,500	+ 2.50 %	n/a	+ 2.95 %	December 19, 2032
B-9 Term Loan	768,827	+ 2.50 %	n/a	+ 2.95 %	December 10, 2030
Total term loans	$ 1,915,033				
Senior Secured Notes					
October 2021	$ 335,316	3.75 %	n/a	4.06 %	January 15, 2027
December 2024	450,000	7.75 %	+ 3.95 %	8.14 %	December 1, 2029
May 2026	450,000	6.25 %	+ 2.50 %	6.68 %	June 1, 2031
Total senior secured notes	$ 1,235,316				
Convertible Notes					
Convertible Notes[4]	$ 266,157	5.50 %	n/a	5.79 %	March 15, 2027
Total corporate financings	$ 3,416,506				

(1) The B-7 Term Loan and B-9 Term Loan borrowings are subject to a benchmark interest rate floor of 0.50%.

(2) For certain of the Senior Secured Notes, we have entered into interest rate swaps that effectively convert our fixed rate exposure to floating rate exposure. Refer to Note 11 and Note 13 to our consolidated financial statements for further information.

(3) Includes issue discounts, transaction expenses, and/or issuance costs, as applicable, that are amortized through interest expense over the life of each respective financing.

(4) The conversion price of the Convertible Notes is $36.27, which represents the price of class A common stock per share based on a conversion rate of 27.5702. The conversion rate represents the number of shares of class A common stock issuable per $1,000 principal amount of Convertible Notes. The cumulative dividend threshold has not been exceeded as of June 30, 2026.

Refer to Notes 2, 10, 11, and 12 to our consolidated financial statements for further discussion of our Term Loans, Senior Secured Notes, and Convertible Notes.

Floating Rate Loan Portfolio

Generally, our business model is such that rising interest rates will increase our net income, while declining interest rates will decrease net income. As of June 30, 2026, 97% of our loans by principal balance earned a floating rate of interest, primarily indexed to SOFR, and were financed with liabilities that pay interest at floating rates, which resulted in an amount of net equity that is positively correlated to rising interest rates, subject to the impact of interest rate floors on certain of our floating rate loans.

Our liabilities are generally currency and index-matched to each collateral asset, resulting in a net exposure to movements in benchmark rates that varies by currency silo based on the relative proportion of floating rate assets and liabilities.

The following table details our investment portfolio's exposure to interest rates by currency as of June 30, 2026 (amounts in thousands):

	USD	GBP	EUR	All Other[1]
Floating rate loans[2][3][4][5]	$ 8,894,661	£ 1,915,960	€ 2,294,807	$ 2,104,700
Floating rate portfolio financings[2][5][6][7]	(7,006,645)	(1,437,566)	(1,616,595)	(1,683,962)
Floating rate corporate financings[8]	(2,815,033)	—	—	—
Net floating rate exposure	$ (927,017)	£ 478,394	€ 678,212	$ 420,738
Net floating rate exposure in USD[9]	$ (927,017)	$ 634,446	$ 774,653	$ 420,738

(1) Includes Australian Dollar, Canadian Dollar, and Swedish Krona currencies.

(2) Our floating rate loans and related liabilities are currency and index-matched to the applicable benchmark rate relevant in each arrangement.

(3) Excludes $699.7 million of principal balance on floating rate impaired loans.

(4) Our loan agreements generally require our borrowers to purchase interest rate caps, which mitigates our borrowers' exposure to an increase in interest rates.

(5) Excludes amounts related to our investments in unconsolidated entities.

(6) Includes amounts outstanding under secured debt, securitizations, and asset-specific debt. Excludes amounts related to the indebtedness of unconsolidated entities.

(7) Excludes an interest rate swap with a $35.6 million notional amount that effectively converts our floating rate liability to a fixed rate liability to align with the financed fixed rate loan exposure.

(8) Includes amounts outstanding under Term Loans, the Senior Secured Notes due 2029, and the Senior Secured Notes due 2031. In connection with the issuance of the Senior Secured Notes due 2029 and Senior Secured Notes due 2031, we entered into interest rate swaps with an aggregate notional amount of $900.0 million to effectively convert our fixed rate exposure to floating rate exposure for such notes.

(9) Represents the U.S. dollar equivalent as of June 30, 2026.

In addition to the risks related to fluctuations in cash flows and asset values associated with movements in interest rates, there is also the risk of non-performance on floating rate assets. In the case of a significant increase in interest rates, the cash flows of the collateral real estate assets may not be sufficient to pay debt service due under our loans, which may contribute to non-performance or, in severe cases, default. This risk is partially mitigated by our consideration of rising rate stress-testing during our underwriting process, which generally includes a requirement for our borrower to purchase an interest rate cap contract with an unaffiliated third party, provide an interest reserve deposit, and/or provide interest guarantees or other structural protections.

IV. Our Results of Operations

Operating Results

The following table sets forth information regarding our consolidated results of operations for the three months ended June 30, 2026 and March 31, 2026 ($ in thousands, except per share data):

	Three Months Ended		Change
	June 30, 2026	March 31, 2026	$
Income from loans and other investments			
Interest and related income	$ 309,748	$ 305,557	$ 4,191
Less: Interest and related expenses	227,182	220,736	6,446
Income from loans and other investments, net	82,566	84,821	(2,255)
Revenue from owned real estate	75,497	74,594	903
Total net revenues	158,063	159,415	(1,352)
Expenses			
Management and incentive fees	14,641	14,813	(172)
General and administrative expenses	14,918	13,981	937
Expenses from owned real estate	81,440	81,975	(535)
Total expenses	110,999	110,769	230
Increase in current expected credit loss reserve	(134,403)	(55,055)	(79,348)
Income from unconsolidated entities	8,570	1,383	7,187
Net loss on disposition of owned real estate	—	(160)	160
Other income, net	3	4	(1)
Loss before income taxes	(78,766)	(5,182)	(73,584)
Income tax provision	2,501	1,158	1,343
Net loss	(81,267)	(6,340)	(74,927)
Net loss attributable to non-controlling interests	45	43	2
Net loss attributable to Blackstone Mortgage Trust, Inc.	$ (81,222)	$ (6,297)	$ (74,925)
Net loss per share of common stock, basic and diluted	$ (0.48)	$ (0.04)	$ (0.44)
Weighted-average shares of common stock outstanding, basic and diluted	168,964,515	169,078,373	(114)
Dividends declared per share	$ 0.47	$ 0.47	$ —

Income from loans and other investments, net

Income from loans and other investments, net decreased $2.3 million during the three months ended June 30, 2026 compared to the three months ended March 31, 2026. The decrease was primarily driven by (i) an increase in interest expense due to a $173.9 million increase in the weighted-average principal balance of our outstanding financing arrangements, and (ii) a decline in interest income related to additional loans accounted for under the cost-recovery method during the three months ended June 30, 2026. These decreases were partially offset by an increase in interest income primarily due to new originations during the three months ended June 30, 2026.

Revenue from owned real estate

Revenue from owned real estate increased by $0.9 million during the three months ended June 30, 2026 compared to the three months ended March 31, 2026. The increase was primarily due to the acquisition of one additional owned real estate asset during the three months ended June 30, 2026. This increase was partially offset by the seasonality of the operations at our hospitality assets.

Expenses

Expenses include management and incentive fees payable to our Manager, general and administrative expenses, and expenses from owned real estate. Expenses increased by $0.2 million during the three months ended June 30, 2026 compared to the three months ended March 31, 2026, primarily due to a $0.9 million increase in general and administrative expenses driven by costs incurred in connection with the formation of our Homebuilder Finance Joint Venture. This was partially offset by (i) a $0.5 million decrease in expenses from owned real estate, primarily due to the benefit from a $3.3 million property tax refund received by one of our owned real estate assets during the three months ended March 31, 2026, partially offset by the acquisition of one additional owned real estate asset during the three months ended June 30, 2026, and (ii) a $0.2 million decrease in management fees payable to our Manager, due to lower Equity, as defined in our Management Agreement, primarily resulting from charge-offs of CECL reserves.

Changes in current expected credit loss reserve

During the three months ended June 30, 2026, we recorded a $134.4 million increase in our CECL reserves, as compared to a $55.1 million increase during the three months ended March 31, 2026. The increase during the three months ended June 30, 2026 was primarily due to an increase in our asset-specific CECL reserves, driven by three additional loans that were impaired during the three months ended June 30, 2026. This was partially offset by a decrease in our general CECL reserves driven by changes in risk ratings, and a decrease in our loans receivable balance, partially offset by new loan originations and an increase in the historical loss rate used in reserve calculations related to the additional CECL reserve charge-offs.

We may be required to record further increases to our CECL reserves in the future, depending on the performance of our loan portfolio and changes in broader market conditions, and there may be volatility in the level of our CECL reserves. Any such reserve increases are difficult to predict, but are expected to be primarily the result of incremental loan impairments resulting from changes in the specific credit quality factors of such loans and to be concentrated in our loans receivable with a risk rating of “4” as of June 30, 2026.

Income from unconsolidated entities

During the three months ended June 30, 2026, we recorded income from unconsolidated entities of $8.6 million compared to $1.4 million during the three months ended March 31, 2026. This increase was primarily due to higher income from our Bank Loan Portfolio Joint Venture as a result of unrealized gains on the fair value adjustment of the portfolio during the three months ended June 30, 2026, compared to unrealized losses during the three months ended March 31, 2026.

Income tax provision

The income tax provision increased by $1.3 million during the three months ended June 30, 2026 compared to the three months ended March 31, 2026, primarily due to an increase in the income tax provisions related to our taxable REIT subsidiaries.

Dividends per share

During the three months ended June 30, 2026, we declared dividends of $0.47 per share, or $79.2 million in aggregate.
During the three months ended March 31, 2026, we declared dividends of $0.47 per share, or $79.3 million in aggregate.

The following table sets forth information regarding our consolidated results of operations for the six months ended June 30, 2026 and 2025 ($ in thousands, except per share data):

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change $
Income from loans and other investments			
Interest and related income	$ 615,305	$ 691,594	$ (76,289)
Less: Interest and related expenses	447,918	506,960	(59,042)
Income from loans and other investments, net	167,387	184,634	(17,247)
Revenue from owned real estate	150,091	75,845	74,246
Total net revenues	317,478	260,479	56,999
Expenses			
Management and incentive fees	29,454	34,271	(4,817)
General and administrative expenses	28,899	26,190	2,709
Expenses from owned real estate	163,415	94,098	69,317
Total expenses	221,768	154,559	67,209
Increase in current expected credit loss reserve	(189,458)	(95,098)	(94,360)
Income (loss) from unconsolidated entities	9,953	(2,889)	12,842
Net loss on disposition of owned real estate	(160)	—	(160)
Other income, net	7	321	(314)
(Loss) income before income taxes	(83,948)	8,254	(92,202)
Income tax provision	3,659	1,621	2,038
Net (loss) income	(87,607)	6,633	(94,240)
Net loss (income) attributable to non-controlling interests	88	(21)	109
Net (loss) income attributable to Blackstone Mortgage Trust, Inc.	$ (87,519)	$ 6,612	$ (94,131)
Net loss per share of common stock, basic and diluted	$ (0.52)	$ 0.04	$ (0.56)
Weighted-average shares of common stock outstanding, basic and diluted	169,021,130	171,949,090	(2,927,960)
Dividends declared per share	$ 0.94	$ 0.94	$ —

Income from loans and other investments, net

Income from loans and other investments, net decreased $17.2 million during the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The decrease was primarily due to (i) a $1.1 billion decrease in the weighted-average principal balance of our loan portfolio, and (ii) a decline in interest income related to additional loans accounted for under the cost-recovery method or loans that are now accounted for as owned real estate assets during the six months ended June 30, 2026. These decreases were partially offset by a decrease in interest expense resulting from declines in floating-rate indices.

Revenue from owned real estate

Revenue from owned real estate increased by $74.2 million during the six months ended June 30, 2026 compared to the six months ended June 30, 2025, primarily due to the acquisition or consolidation of six additional owned real estate assets.

Expenses

Expenses include management and incentive fees payable to our Manager, general and administrative expenses, and expenses from owned real estate. Expenses increased by $67.2 million during the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to (i) a $69.3 million increase in expenses from owned real estate due to the acquisition or consolidation of six additional owned real estate assets, and (ii) a $2.7 million increase in general and administrative expenses due to an increase in professional service fees. These increases were partially offset by a $4.8 million decrease in management fees payable to our Manager, due to lower Equity, as defined in our Management Agreement, primarily resulting from charge-offs of CECL reserves and repurchases of class A common shares.

Changes in current expected credit loss reserve

During the six months ended June 30, 2026, we recorded a $189.5 million increase in our CECL reserves, as compared to a $95.1 million increase during the six months ended June 30, 2025. The increase during the six months ended June 30, 2026 was primarily due to (i) an increase in our asset-specific CECL reserves, driven by five additional loans that were impaired during the six months ended June 30, 2026, and (ii) a decrease in our general CECL reserves driven by changes in risk ratings, including the impact of the five newly impaired loans moving out of the general CECL reserve, partially offset by new loan originations and an increase in the historical loss rate used in reserve calculations related to the additional CECL charge-offs.

We may be required to record further increases to our CECL reserves in the future, depending on the performance of our loan portfolio and changes in broader market conditions, and there may be volatility in the level of our CECL reserves. Any such reserve increases are difficult to predict, but are expected to be primarily the result of incremental loan impairments resulting from changes in the specific credit quality factors of such loans and to be concentrated in our loans receivable with a risk rating of "4" as of June 30, 2026.

Income (loss) from unconsolidated entities

During the six months ended June 30, 2026, we recorded income from unconsolidated entities of $10.0 million compared to a loss of $2.9 million during the six months ended June 30, 2025. The increase was primarily driven by higher earnings from both our Bank Loan Portfolio Joint Venture and Net Lease Joint Venture, reflecting additional assets acquired by each joint venture.

Income tax provision

The income tax provision increased by $2.0 million during the six months ended June 30, 2026 as compared to the six months ended June 30, 2025, due to an increase in the income tax provisions related to our taxable REIT subsidiaries.

Dividends per share

During the six months ended June 30, 2026, we declared dividends of $0.94 per share, or $158.5 million in aggregate. During the six months ended June 30, 2025, we declared dividends of $0.94 per share, or $161.3 million in aggregate.

V. Liquidity and Capital Resources

Capitalization

We have capitalized our business to date primarily through the issuance and sale of shares of our class A common stock, corporate debt, and asset-level financings. As of June 30, 2026, our capitalization structure included $3.3 billion of common equity, $3.4 billion of corporate debt, and $12.4 billion of asset-level financings. Our $3.4 billion of corporate debt includes $1.9 billion of Term Loan borrowings, $1.2 billion of Senior Secured Notes, and $266.2 million of Convertible Notes. Our $12.4 billion of asset-level financings includes $8.7 billion of secured debt, $2.8 billion of securitizations, and $972.6 million of asset-specific debt. Our asset-level financings are generally structured to provide currency, index and term-matched financing without capital markets-based mark-to-market provisions.

As of June 30, 2026, we had $1.2 billion of liquidity that can be used to satisfy our short-term cash requirements and as working capital for our business.

Refer to Notes 6, 7, 8, 9, 10, 11, and 12 to our consolidated financial statements for additional details regarding our other secured debt, secured debt, securitized debt obligations, asset-specific debt, Term Loans, Senior Secured Notes, and Convertible Notes, respectively.

Debt-to-Equity Ratio and Total Leverage Ratio

The following table presents our debt-to-equity ratio and total leverage ratio:

	June 30, 2026	December 31, 2025
Debt-to-equity ratio(1)(2)	3.9x	3.9x
Total leverage ratio(1)(3)	4.7x	4.5x

---

(1) The debt and leverage amounts included in the calculations above use gross outstanding principal balances, excluding any unamortized deferred financing costs and discounts.

(2) Represents, in each case at period end, the ratio of (i) total outstanding secured debt, asset-specific debt, Term Loans, Senior Secured Notes, and convertible notes, less cash, to (ii) total equity.

(3) Represents, in each case at period end, the ratio of (i) total outstanding secured debt, securitizations, asset-specific debt, Term Loans, Senior Secured Notes, and convertible notes, less cash, to (ii) total equity.

Sources of Liquidity

Our primary sources of liquidity include cash and cash equivalents, available borrowings under our secured debt facilities, and net receivables from servicers related to loan repayments, which are set forth in the following table ($ in thousands):

	June 30, 2026	December 31, 2025
Cash and cash equivalents	$ 432,833	$ 452,526
Available borrowings under secured debt	807,533	551,552
Loan principal payments held by servicer, net(1)	306	15,626
	$ 1,240,672	$ 1,019,704

---

(1) Represents loan principal payments held by our third-party servicer as of the balance sheet date, which were remitted to us during the subsequent remittance cycle, net of the related secured debt balance.

During the six months ended June 30, 2026, we generated cash flow from operating activities of $234.9 million and received $1.8 billion from loan principal collections, sales proceeds, and cost-recovery proceeds. Furthermore, we are able to generate incremental liquidity through provisions of certain of our CLOs, which allow us to effectively replace, for a period of time, a repaid loan in the CLO with additional eligible CLO collateral to maintain the aggregate amount of collateral assets in the CLO, and the related financing outstanding.

We have access to further liquidity through public and private offerings of equity and debt securities, syndicated term loans, asset sales, and similar transactions. To facilitate public offerings of securities, in July 2025, we filed a shelf registration statement with the SEC that is effective for a term of three years and expires in July 2028. The amount of securities to be issued pursuant to this shelf registration statement was not specified when it was filed and there is no specific dollar limit on the amount of securities we may issue. The securities covered by this registration statement include: (i) class A common stock; (ii) preferred stock; (iii) depositary shares representing preferred stock; (iv) debt securities; (v) warrants; (vi) subscription rights; (vii) purchase contracts; and (viii) units consisting of one or more of such securities or any combination of these securities. The specifics of any future offerings, along with the use of proceeds of any securities offered, will be described in detail in a prospectus supplement, or other offering materials, at the time of any offering.

We may also access liquidity through our dividend reinvestment plan and direct stock purchase plan, under which 9,948,628 shares of class A common stock were available for issuance as of June 30, 2026, and our "at the market" common stock offering program, pursuant to which we may sell, from time to time, up to $480.9 million of additional shares of our class A common stock as of June 30, 2026. Refer to Note 14 to our consolidated financial statements for additional details.

Uses of Liquidity

In addition to funding our lending and other investment activity and our general operating expenses, our primary uses of liquidity include interest and principal payments with respect to our outstanding borrowings under secured debt, our asset-specific debt, our Term Loans, our Senior Secured Notes, and our Convertible Notes. From time to time, we have repurchased and may continue to repurchase our outstanding debt or shares of our class A common stock. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions, and other factors. The amounts involved in any such purchase transactions, individually or in the aggregate, may be material.

In October 2025, our board of directors authorized the repurchase of up to $150.0 million of shares of our class A common stock under our repurchase program. Repurchases may be made from time to time in open market transactions, in privately negotiated transactions, in agreements and arrangements structured in a manner consistent with Rules 10b-18 and 10b5-1 under the Exchange Act or otherwise. The timing and the actual amounts repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. The repurchase program may be changed, suspended or discontinued at any time and does not have a specified expiration date.

During the six months ended June 30, 2026, we repurchased 212,875 shares of class A common stock at a weighted-average price per share of $17.99, for a total cost of $3.8 million. As of June 30, 2026, the amount remaining available for repurchases under the program was $145.8 million.

As of June 30, 2026, we had unfunded commitments of $1.1 billion related to 53 loans receivable and $680.3 million of committed or identified financing for those commitments resulting in net unfunded commitments of $427.4 million. The unfunded loan commitments comprise funding for capital expenditures and construction, leasing costs, and interest and carry costs. Loan funding commitments are generally subject to certain conditions, including, without limitation, the progress of capital projects, leasing, and cash flows at the properties securing our loans. Therefore, the exact timing and amounts of such future loan fundings are uncertain and will depend on the current and future performance of the underlying collateral assets. We expect to fund our loan commitments over the remaining term of the related loans, which have a weighted-average future funding period of 1.7 years.

Contractual Obligations and Commitments

Our contractual obligations and commitments as of June 30, 2026 were as follows ($ in thousands):

		Payment Timing			
	Total Obligation	Less Than 1 Year[(1)]	1 to 3 Years	3 to 5 Years	More Than 5 Years
Unfunded loan commitments[(2)]	$ 1,107,729	$ 232,959	$ 801,100	$ 73,670	$ —
Principal repayments under secured debt[(3)]	8,717,351	3,090,021	1,911,815	3,565,733	149,782
Principal repayments under asset-specific debt[(3)]	972,635	—	367,814	604,821	—
Principal repayments of term loans[(4)]	1,915,033	19,239	474,590	759,705	661,499
Principal repayments of senior secured notes	1,235,316	335,316	—	900,000	—
Principal repayments of convertible notes[(5)]	266,157	266,157	—	—	—
Principal repayments of other secured debt[(6)]	38,386	—	—	38,386	—
Interest payments[(3)(7)]	2,096,570	668,218	912,645	428,775	86,932
Total[(8)]	$ 16,349,177	$ 4,611,910	$ 4,467,964	$ 6,371,090	$ 898,213

(1) Represents known and estimated short-term cash requirements related to our contractual obligations and commitments. Refer to "Sources of Liquidity" above for information about our sources of funds to satisfy our short-term cash requirements.
(2) The allocation of our unfunded loan commitments is based on the earlier of the commitment expiration date or the final loan maturity date; however, we may be obligated to fund these commitments earlier than such date.
(3) Our secured debt and asset-specific debt agreements are generally term-matched to their underlying collateral. Therefore, the allocation of both principal and interest payments under such agreements is generally allocated based on the maximum maturity date of the collateral loans, assuming all extension options are exercised by the borrower. In limited instances, the maturity date of the respective debt agreement is used.
(4) The Term Loans are partially amortizing, with an amount equal to 1.0% per annum of the initial principal balance due in quarterly installments. Refer to Note 10 to our consolidated financial statements for further details on our Term Loans.
(5) Reflects the outstanding principal balance of Convertible Notes, excluding any potential conversion premium. Refer to Note 12 to our consolidated financial statements for further details on our Convertible Notes.
(6) Amounts are included in other liabilities on our consolidated balance sheets.
(7) Represents interest payments on our secured debt, asset-specific debt, Term Loans, Senior Secured Notes, Convertible Notes, and other secured debt. Future interest payment obligations are estimated assuming the interest rates in effect as of June 30, 2026 will remain constant into the future. This is only an estimate as actual amounts borrowed and interest rates will vary over time.
(8) Total does not include $2.8 billion of consolidated securitized debt obligations, as the satisfaction of these liabilities will not require cash outlays from us.

We are also required to settle our foreign exchange and interest rate derivatives with our derivative counterparties upon maturity which, depending on foreign currency exchange and interest rate movements, may result in cash received from or due to such counterparties. The table above does not include these amounts as they are not fixed and determinable. Refer to Note 13 to our consolidated financial statements for details regarding our derivative contracts.

We are required to pay our Manager a base management fee, an incentive fee, and reimbursements for certain expenses pursuant to our Management Agreement. The table above does not include the amounts payable to our Manager under our Management Agreement as they are not fixed and determinable. Refer to Note 15 to our consolidated financial statements for additional terms and details of the fees payable under our Management Agreement.

As a REIT, we generally must distribute substantially all of our net taxable income to stockholders in the form of dividends to comply with the REIT provisions of the Internal Revenue Code. Our taxable income does not necessarily equal our net income as calculated in accordance with GAAP, or our Distributable Earnings as described above.

Cash Flows

The following table provides a breakdown of the net change in our cash and cash equivalents ($ in thousands):

	Six Months Ended June 30,	
	2026	2025
Cash flows provided by operating activities	$ 234,940	$ 157,749
Cash flows provided by (used in) investing activities	186,023	(231,088)
Cash flows (used in) provided by financing activities	(438,630)	129,200
Net (decrease) increase in cash and cash equivalents	$ (17,667)	$ 55,861

We experienced a net decrease in cash and cash equivalents of $17.7 million for the six months ended June 30, 2026, compared to a net increase of $55.9 million for the six months ended June 30, 2025. During the six months ended June 30, 2026, we (i) received $1.8 billion from loan principal collections, sales proceeds, and cost-recovery proceeds, (ii) received $880.0 million of net proceeds from the issuance of a securitized debt obligation, (iii) received $450.0 million of net proceeds from the issuance of Senior Secured Notes, (iv) received a net $72.1 million under our secured term loan borrowings, and (v) received aggregate distributions of $42.6 million from unconsolidated entities, primarily as a result of our Net Lease Joint Venture refinancing its portfolio through an asset-backed securitization transaction. Also, during the six months ended June 30, 2026, we (i) funded $1.4 billion of loans, (ii) repaid a net $1.4 billion of secured debt borrowings and asset-specific financings, (iii) repaid $275.6 million of securitized debt obligations, (iv) paid $158.4 million of dividends on our class A common stock, and (v) invested $136.0 million in unconsolidated entities.

Refer to Note 3 to our consolidated financial statements for further discussion of our loan activity. Refer to Notes 5, 7, 8, and 14 to our consolidated financial statements for further discussion of our investments in unconsolidated entities, secured debt, securitized debt obligations, and equity, respectively.

VI. Other Items

Income Taxes

We have elected to be taxed as a REIT under the Internal Revenue Code for U.S. federal income tax purposes. We generally must distribute annually at least 90% of our net taxable income, subject to certain adjustments and excluding any net capital gain, in order for U.S. federal income tax not to apply to our earnings. To the extent that we satisfy this distribution requirement, but distribute less than 100% of our net taxable income, we will be subject to U.S. federal income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws.

Our qualification as a REIT also depends on our ability to meet various other requirements imposed by the Internal Revenue Code, which relate to organizational structure, diversity of stock ownership, and certain restrictions with regard to the nature of our assets and the sources of our income. Even if we qualify as a REIT, we may be subject to certain U.S. federal income and excise taxes and state and local taxes on our income and assets. If we fail to maintain our qualification as a REIT for any taxable year, we may be subject to material penalties as well as federal, state, and local income tax on our taxable income at regular corporate rates and we would not be able to qualify as a REIT for the subsequent four full taxable years. As of June 30, 2026 and December 31, 2025, we were in compliance with all REIT requirements.

Furthermore, our taxable REIT subsidiaries are subject to federal, state, and local income tax on their net taxable income. Refer to Note 16 to our consolidated financial statements for further discussion of our income taxes.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. Actual results could differ from these estimates. We evaluated our critical accounting policies and believe them to be appropriate. The following is a summary of our significant accounting policies that we believe are the most affected by our judgments, estimates, and assumptions:

Current Expected Credit Losses

The current expected credit loss, or CECL, reserve required under the FASB Accounting Standards Codification, or ASC, Topic 326 “Financial Instruments – Credit Losses,” or ASC 326, reflects our current estimate of potential credit losses related to our portfolio. We estimate our CECL reserves primarily using the Weighted-Average Remaining Maturity, or WARM method, which has been identified as an acceptable loss-rate method for estimating CECL reserves in the Financial Accounting Standards Board Staff Q&A Topic 326, No. 1. Estimating the CECL reserve requires judgment, including the following assumptions:

- Historical loan loss reference data: To estimate the historic loan losses relevant to our portfolio, we have augmented our historical loan performance with market loan loss data licensed from Trepp LLC. This database includes commercial mortgage-backed securities, or CMBS, issued since January 1, 1999 through May 31, 2026. Within this database, we focused our historical loss reference calculations on the most relevant subset of available CMBS data, which we determined based on loan metrics that are most comparable to our loan portfolio, including asset type, geography, and origination loan-to-value, or LTV. We believe this CMBS data, which includes month-over-month loan and property performance, is the most relevant, available, and comparable dataset to our portfolio.

- Expected timing and amount of future loan fundings and repayments: Expected credit losses are estimated over the contractual term of each loan, adjusted for expected repayments. As part of our quarterly review of our loan portfolio, we assess the expected repayment date of each loan, which is used to determine the contractual term for purposes of computing our CECL reserves. Additionally, the expected credit losses over the contractual period of our loans are subject to the obligation to extend credit through our unfunded loan commitments. The CECL reserve for unfunded loan commitments is adjusted quarterly, as we consider the expected timing of future funding obligations over the estimated life of the loan. The considerations in estimating our CECL reserve for unfunded loan commitments are similar to those used for the related outstanding loans receivable.

- Current credit quality of our portfolio: Our risk rating is our primary credit quality indicator in assessing our CECL reserves. We perform a quarterly risk review of our portfolio of loans and assign each loan a risk rating based on a variety of factors, including, without limitation, origination LTV, debt yield, property type, geographic and local market dynamics, physical condition, cash flow volatility, leasing and tenant profile, loan structure and exit plan, and project sponsorship.

- Expectations of performance and market conditions: Our CECL reserves are adjusted to reflect our estimation of the current and future economic conditions that impact the performance of the commercial real estate assets securing our loans. These estimations include unemployment rates, interest rates, expectations of inflation and/or recession, and other macroeconomic factors impacting the likelihood and magnitude of potential credit losses for our loans during their anticipated term. In addition to the CMBS data we have licensed from Trepp LLC, we have also licensed certain macroeconomic financial forecasts to inform our view of the potential future impact that broader economic conditions may have on our loan portfolio’s performance. We generally also incorporate information from other sources, including information and opinions available to our Manager, to further inform these estimations. This process requires significant judgments about future events that, while based on the information available to us as of the balance sheet date, are ultimately indeterminate and the actual economic condition impacting our portfolio could vary significantly from the estimates we made as of June 30, 2026.

- Impairment: impairment is indicated when it is deemed probable that we will not be able to collect all amounts due to us pursuant to the contractual terms of the loan. Determining that a loan is impaired requires significant judgment from management and is based on several factors including (i) the underlying collateral performance, (ii) discussions with the borrower, (iii) borrower events of default, and (iv) other facts that impact the borrower’s ability to pay the contractual amounts due under the terms of the loan. If a loan is determined to be impaired, we record the impairment as a component of our CECL reserves by applying the practical expedient for collateral dependent loans. The CECL reserves are assessed on an individual basis for these loans by comparing the estimated fair value of the underlying collateral to the book value of the respective loan. These valuations require significant judgments, which include assumptions regarding capitalization rates, discount rates, leasing, creditworthiness of major tenants, occupancy rates, availability and cost of financing, exit plan, loan sponsorship, actions of other lenders, and other factors deemed relevant by us. Actual losses, if any, could ultimately differ materially from these estimates. We only expect to charge off the impairment losses in our consolidated financial statements prepared in accordance with GAAP if and when such amounts are deemed non-recoverable. This is generally at the time a loan is repaid or foreclosed, or the underlying collateral assets are otherwise consolidated. However, non-recoverability may also be concluded if, in our determination, it is nearly certain that all amounts due will not be collected.

These assumptions vary from quarter-to-quarter as our loan portfolio changes and market and economic conditions evolve. The sensitivity of each assumption and its impact on the CECL reserves may change over time and from period to period. During the six months ended June 30, 2026, our CECL reserves increased by $114.4 million, bringing our total reserves to $410.4 million as of June 30, 2026. Refer to Notes 2 and 3 to our consolidated financial statements for further discussion of our CECL reserves.

Revenue Recognition

Interest income from our loans receivable portfolio is recognized over the life of each loan using the effective interest method and is recorded on the accrual basis. Recognition of fees, premiums, and discounts associated with these investments is deferred and recorded over the term of the loan as an adjustment to yield. Income accrual is generally suspended for loans at the earlier of the date at which payments become 90 days past due or when, in our opinion, recovery of income and principal becomes doubtful. Interest received is then recorded as income or as a reduction in the amortized cost basis, based on the specific facts and circumstances, until accrual is resumed when the loan becomes contractually current and performance is demonstrated to be resumed. In addition, for loans we originate, the related origination expenses are deferred and recognized as a reduction to interest income; however, expenses related to loans we acquire are included in general and administrative expenses as incurred.

The sources of revenue from our owned real estate assets, which is included in revenue from owned real estate on our consolidated statements of operations, and the related revenue recognition policies are as follows:

Rental income primarily consists of base rent income arising from tenant leases at our office and multifamily properties. We determine if an arrangement is a lease at contract inception, which is subject to the provisions of Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 842 “Leases.” Base rent is recognized on a straight-line basis over the life of the lease, including any rent steps or abatement provisions. We begin to recognize revenue upon the acquisition of the related property or when a tenant takes possession of the leased space.

Other operating income primarily consists of income from our hospitality properties and tenant reimbursement income. Revenue from our hospitality properties consists primarily of room revenue and food and beverage revenue. Room revenue is recognized when the related room is occupied and other hospitality revenue is recognized when the service is rendered. Tenant reimbursement income primarily consists of amounts due from tenants for costs related to common area maintenance, real estate taxes, and other recoverable costs included in lease agreements.

We evaluate the collectability of receivables related to rental revenue on an individual lease basis and exercise judgment in assessing collectability considering the length of time a receivable has been outstanding, tenant credit-worthiness, payment history, available information about the financial condition of the tenant, and current economic trends, among other factors. Tenant receivables that are deemed uncollectible are recognized as a reduction to rental revenue.

Owned Real Estate

We may assume legal title, physical possession, or control of the collateral underlying a loan through a foreclosure, a deed-in-lieu of foreclosure transaction, or a loan modification in which we receive an equity interest in and/or control over decision-making at the property, resulting in us consolidating the real estate assets as VIEs. These real estate acquisitions are classified as owned real estate, on our consolidated balance sheet and are initially recognized at fair value on the acquisition date in accordance with the ASC Topic 805, “Business Combinations,” or ASC 805.

Upon acquisition of owned real estate assets, we assess the fair value of acquired tangible and intangible assets, which may include land, buildings, tenant improvements, “above-market” and “below-market” leases, acquired in-place leases, other identified intangible assets and assumed liabilities, as applicable, and allocate the fair value to the acquired assets and assumed liabilities. We assess and consider fair value based on estimated cash flow projections that utilize discount and/or capitalization rates that we deem appropriate, as well as other available market information. Estimates of future cash flows are based on a number of factors, including the historical operating results, known and anticipated trends, and market and economic conditions. We capitalize acquisition-related costs associated with asset acquisitions.

Real estate assets held for investment, except for land, are depreciated using the straight-line method over the assets’ estimated useful lives of up to 40 years for buildings, 15 years for land improvements, and 10 years for building and tenant improvements. Renovations and/or replacements that improve or extend the life of the asset are capitalized and depreciated over their estimated useful lives. Lease intangibles are amortized over the remaining term of applicable leases on a straight-line basis. The cost of ordinary repairs and maintenance are expensed as incurred.

Real estate assets held for investment are assessed for impairment on a quarterly basis. If the depreciated cost basis of the asset exceeds the undiscounted cash flows over the remaining holding period, the asset is considered for impairment. The impairment loss is recognized when the carrying value of the real estate assets exceed their fair value. The evaluation of anticipated future cash flows is highly subjective and is based in part on assumptions regarding future occupancy, rental rates, capital requirements and anticipated holding periods that could differ materially from actual results.

Real estate assets are classified as held for sale in the period when they meet the criteria under the ASC Topic 360 “Property, Plant, and Equipment.” Once a real estate asset is classified as held for sale, depreciation is suspended and the asset is reported at the lower of its carrying value or fair value less cost to sell. If circumstances arise and we decide not to sell a real estate asset previously classified as held for sale, the real estate asset is reclassified as held for investment. Upon reclassification, the real estate asset is measured at the lower of (i) its carrying amount prior to classification as held for sale, adjusted for depreciation expense that would have been recognized had the real estate been classified as held for investment, and (ii) its estimated fair value at the time of reclassification.

As of June 30, 2026, we had 14 owned real estate assets that were all classified as held for investment.

VII. Loan Portfolio Details

The following table provides details of our loan portfolio, on a loan-by-loan basis, as of June 30, 2026 ($ in millions):

Senior Loan Portfolio[1]

	Property Type	Location	Origination Date[2]	Total Commitment[3]	Principal Balance	Net Book Value[4]	Cash Coupon[5]	All-in Yield[5]	Maximum Maturity[6]	Loan Per SQFT / Unit / Key / Acre / MW	Origination LTV[2]	Risk Rating
1	Hospitality	Diversified, AU	6/24/2022	$ 913	$ 913	$ 909	+4.75 %	+4.93 %	6/21/2030	$415 / sqft	59 %	3
2	Mixed-Use	Dublin, IE	8/14/2019	858	817	820	+3.20 %	+3.99 %	1/29/2027	$242 / sqft	74 %	3
3	Mixed-Use	Austin	6/28/2022	675	556	553	+4.60 %	+5.08 %	7/9/2029	$462 / sqft	53 %	3
4	Industrial	Diversified, SE	3/30/2021	477	477	477	+3.20 %	+3.31 %	5/18/2027	$87 / sqft	76 %	2
5	Mixed-Use	Diversified, Spain	3/22/2018	470	470	470	+2.00 %	+2.00 %	3/15/2036	n / a	71 %	3
6	Self-Storage	Diversified, CAN	2/20/2025	440	440	440	+3.50 %	+3.50 %	2/9/2030	$151 / sqft	58 %	2
7	Industrial	Diversified, US	10/28/2025	419	419	416	+2.65 %	+3.01 %	11/9/2030	$100 / sqft	78 %	3
8	Mixed-Use	New York	12/9/2021	385	385	384	+2.76 %	+3.00 %	12/9/2026	$132 / sqft	50 %	3
9	Office	Chicago	12/11/2018	356	345	347	+1.75 %	+1.75 %	12/9/2026	$289 / sqft	n/m	5
10	Industrial	Diversified, UK	4/7/2025	345	345	345	+2.55 %	+2.88 %	4/7/2030	$342 / sqft	67 %	3
11	Office	Seattle	1/26/2022	338	305	305	+4.10 %	+4.46 %	2/9/2027	$621 / sqft	56 %	3
12	Industrial	Diversified, UK	5/15/2025	300	300	300	+2.70 %	+2.89 %	5/15/2028	$142 / sqft	69 %	3
13	Office	Washington, DC	9/29/2021	293	293	293	+2.81 %	+3.05 %	10/9/2026	$382 / sqft	66 %	2
14	Other	Diversified, UK	1/11/2019	292	292	292	+5.21 %	+5.06 %	6/14/2028	$231 / sqft	74 %	2
15	Industrial	Diversified, EUR	6/5/2025	244	244	242	+2.70 %	+2.97 %	7/19/2030	$66 / sqft	70 %	3
16	Office	New York	4/11/2018	243	243	243	+2.25 %	+2.62 %	3/7/2028	$307 / sqft	52 %	4
17	Multifamily	Reno	2/23/2022	240	231	231	+2.60 %	+2.83 %	3/9/2027	$214,898 / unit	74 %	3
18	Industrial	Diversified, UK	8/15/2025	272	229	227	+2.65 %	+3.13 %	10/1/2030	$202 / sqft	70 %	3
19	Office	Berlin, DEU	6/27/2019	253	227	227	+1.00 %	+1.13 %	6/6/2030	$471 / sqft	62 %	4
20	Industrial	Diversified, US	2/13/2025	225	225	224	+3.10 %	+3.44 %	3/9/2030	$787,881 / acre	62 %	3
21	Industrial	Diversified, UK	3/28/2025	203	203	202	+2.45 %	+2.74 %	3/28/2030	$127 / sqft	69 %	3
22	Multifamily	New York	5/4/2026	212	202	200	+2.05 %	+2.32 %	5/9/2031	$423,214 / unit	57 %	3
23	Industrial	Diversified, UK	4/11/2025	199	199	198	+2.40 %	+2.77 %	4/11/2030	$115 / sqft	69 %	3
24	Office	New York	7/23/2021	244	187	187	-1.30 % [7]	-1.03 %	8/9/2028	$594 / sqft	53 %	4
25	Retail	Diversified, UK	3/9/2022	179	179	179	+2.75 %	+2.88 %	8/15/2028	$152 / sqft	55 %	2
26	Industrial	Diversified, EUR	12/17/2025	171	171	169	+3.25 %	+3.61 %	12/17/2030	$87 / sqft	66 %	3
27	Hospitality	Los Angeles	6/22/2026	159	159	158	+3.00 %	+3.35 %	6/9/2031	$634,640 / key	58 %	3
28	Self-Storage	London, UK	11/18/2021	150	150	150	+3.25 %	+3.51 %	11/18/2026	$190 / sqft	65 %	2
29	Multifamily	San Jose	4/2/2025	182	149	148	+2.35 %	+2.76 %	4/9/2030	$318,692 / unit	67 %	3
30	Multifamily	Melbourne, AU	1/10/2025	149	149	149	+3.85 %	+4.52 %	1/10/2028	$448,068 / unit	76 %	4

Senior Loan Portfolio[1]

	Property Type	Location	Origination Date[2]	Total Commitment[3]	Principal Balance	Net Book Value[4]	Cash Coupon[5]	All-in Yield[5]	Maximum Maturity[6]	Loan Per SQFT / Unit / Key / Acre / MW	Origination LTV[2]	Risk Rating
31	Industrial	Diversified, US	4/9/2026	$ 174	$ 147	$ 146	+2.55 %	+2.97 %	4/9/2031	$983,496 / acre	52 %	3
32	Industrial	Diversified, UK	11/12/2025	151	145	143	+2.80 %	+3.21 %	11/7/2029	$126 / sqft	72 %	3
33	Multifamily	Dublin, IE	12/15/2021	143	141	141	+2.75 %	+3.05 %	12/9/2026	$354,202 / unit	79 %	3
34	Mixed-Use	New York	1/17/2020	183	141	141	+3.12 %	+3.44 %	2/9/2028	$111 / sqft	43 %	3
35	Multifamily	Manchester, UK	6/30/2025	138	138	137	+2.30 %	+2.65 %	6/30/2029	$295,976 / unit	63 %	3
36	Office	London, UK	12/20/2019	135	135	135	4.00 %	4.00 %	3/31/2029	$686 / sqft	68 %	4
37	Industrial	Diversified, US	2/2/2026	134	134	133	+2.32 %	+2.68 %	2/9/2031	$126 / sqft	70 %	3
38	Retail	Diversified, Spain	4/8/2026	146	134	132	+2.55 %	+2.78 %	4/8/2031	$140 / sqft	71 %	3
39	Office	San Jose	8/24/2021	156	130	128	+2.75 %	+8.31 %	9/9/2028	$304 / sqft	65 %	4
40	Office	Diversified, UK	11/23/2018	128	128	127	+3.50 %	+3.74 %	11/15/2029	$1,065 / sqft	50 %	3
41	Multifamily	Los Angeles	9/14/2021	128	127	127	+2.81 %	+3.05 %	10/9/2026	$256,954 / unit	75 %	3
42	Industrial	Diversified, US	5/19/2026	140	126	125	+2.50 %	+2.88 %	6/9/2031	$1,061,500 / acre	54 %	3
43	Office	Houston	7/15/2019	136	126	125	+3.01 %	+3.22 %	8/9/2028	$227 / sqft	58 %	3
44	Multifamily	Miami	11/27/2024	125	125	124	+2.80 %	+3.17 %	12/9/2029	$260,417 / unit	71 %	3
45	Multifamily	Dallas	6/4/2026	125	125	123	+2.35 %	+2.86 %	6/9/2031	$137,280 / unit	71 %	3
46	Retail	San Diego	8/27/2021	122	122	122	+3.11 %	+3.36 %	9/9/2026	$464 / sqft	58 %	2
47	Life Sciences/ Studio	Boston	5/13/2021	143	122	122	3.25 %	3.25 %	9/9/2030	$608 / sqft	80 %	4
48	Multifamily	Denver	11/26/2025	120	120	119	+2.35 %	+2.71 %	12/9/2030	$469,762 / unit	65 %	2
49	Multifamily	Miami	6/1/2021	120	120	120	+2.65 %	+2.95 %	6/9/2029	$298,507 / unit	61 %	3
50	Office	Miami	3/28/2022	120	120	119	+2.55 %	+2.79 %	4/9/2027	$316 / sqft	69 %	3
51	Multifamily	Diversified, UK	3/29/2021	115	115	115	+4.52 %	+4.52 %	12/17/2026	$50,257 / unit	61 %	3
52	Multifamily	Phoenix	12/29/2021	110	110	110	+2.85 %	+3.11 %	7/9/2027	$189,003 / unit	64 %	3
53	Multifamily	Tampa	2/15/2022	106	106	105	+2.85 %	+3.09 %	3/9/2027	$241,972 / unit	73 %	3
54	Life Sciences/ Studio	Los Angeles	6/28/2019	106	106	106	+8.75 %	+8.75 %	2/1/2026	$531 / sqft	n/m	5
55	Office	Chicago	9/30/2021	105	105	105	5.00 %	5.00 %	10/9/2029	$116 / sqft	43 %	3
56	Office	Orange County	8/31/2017	105	105	105	+2.62 %	+2.62 %	9/9/2026	$162 / sqft	58 %	4
57	Multifamily	Washington, DC	11/17/2025	105	105	104	+2.50 %	+2.83 %	12/9/2030	$294,755 / unit	72 %	3
58	Industrial	Diversified, US	5/22/2025	115	104	104	+3.00 %	+3.36 %	6/9/2030	$883,541 / acre	56 %	3
59	Industrial	Diversified, FR	12/11/2025	104	104	103	+2.65 %	+3.00 %	12/11/2030	$69 / sqft	68 %	3
60	Mixed-Use	New York	3/10/2020	103	103	103	+3.00 %	+3.01 %	7/11/2029	$629 / sqft	48 %	2

Senior Loan Portfolio[1]

	Property Type	Location	Origination Date[2]	Total Commitment[3]	Principal Balance	Net Book Value[4]	Cash Coupon[5]	All-in Yield[5]	Maximum Maturity[6]	Loan Per SQFT / Unit / Key / Acre / MW	Origination LTV[2]	Risk Rating
61	Multifamily	Various, TX	10/15/2025	$ 105	$ 103	$ 102	+2.60 %	+2.93 %	11/9/2030	$229,211 / unit	73 %	3
62	Retail	New York	9/24/2025	121	101	100	+3.35 %	+3.76 %	10/9/2030	$135 / sqft	56 %	3
63	Hospitality	Honolulu	1/30/2020	99	99	99	+3.50 %	+4.09 %	2/9/2027	$270,109 / key	63 %	4
64	Hospitality	Honolulu	3/13/2018	98	98	98	+3.11 %	+3.29 %	4/9/2027	$152,536 / key	50 %	3
65	Office	Washington, DC	12/21/2021	103	98	98	+2.70 %	+2.93 %	1/9/2027	$336 / sqft	68 %	4
66	Multifamily	Diversified, NL	3/27/2025	98	98	98	+2.70 %	+2.97 %	3/31/2028	$115,572 / unit	62 %	2
67	Multifamily	San Antonio	3/20/2025	97	97	96	+2.80 %	+3.16 %	4/9/2030	$449,074 / unit	72 %	3
68	Industrial	Diversified, BE	3/7/2025	108	97	96	+2.75 %	+3.32 %	3/7/2030	$40 / sqft	57 %	2
69	Multifamily	Miami	3/29/2022	97	97	98	+2.01 %	+2.08 %	5/9/2030	$269,388 / unit	75 %	4
70	Multifamily	Phoenix	10/1/2021	96	96	97	+2.13 %	+2.66 %	1/9/2029	$221,682 / unit	77 %	4
71	Multifamily	Philadelphia	10/28/2021	96	96	95	+3.00 %	+3.24 %	11/9/2026	$353,704 / unit	79 %	3
72	Multifamily	Seattle	9/13/2024	94	94	94	+3.25 %	+3.49 %	11/9/2027	$509,389 / unit	68 %	3
73	Multifamily	Orlando	10/27/2021	93	93	93	+2.61 %	+2.85 %	11/9/2026	$155,612 / unit	75 %	3
74	Mixed-Use	San Francisco	6/14/2022	106	92	92	+2.95 %	+2.95 %	7/9/2027	$190 / sqft	n/m	5
75	Hospitality	Boston	3/3/2022	89	89	89	+2.75 %	+3.09 %	3/9/2027	$404,364 / key	64 %	3
76	Multifamily	Melbourne, AU	6/13/2025	253	89	87	+4.75 %	+5.98 %	8/8/2029	$186,341 / unit	76 %	3
77	Multifamily	Charlotte	7/29/2021	82	82	82	+2.76 %	+3.59 %	8/9/2027	$223,735 / unit	78 %	3
78	Hospitality	Diversified, US	8/27/2021	79	79	78	+4.60 %	+4.84 %	9/9/2026	$116,598 / key	67 %	3
79	Multifamily	Miami	4/10/2026	78	78	78	+2.05 %	+2.35 %	5/9/2031	$433,180 / unit	73 %	3
80	Multifamily	Tampa	12/21/2021	74	74	74	+2.70 %	+2.94 %	1/9/2027	$217,353 / unit	77 %	3
81	Retail	Utrecht, NL	5/30/2025	71	71	71	+2.80 %	+3.16 %	5/30/2030	$168 / sqft	62 %	2
82	Multifamily	Miami	7/31/2025	68	68	68	+2.60 %	+2.96 %	8/9/2030	$229,730 / unit	72 %	3
83	Multifamily	Las Vegas	3/31/2022	67	67	67	+2.90 %	+3.26 %	4/9/2027	$147,616 / unit	71 %	3
84	Industrial	Berlin, DEU	4/21/2026	65	65	65	+2.65 %	+2.99 %	4/9/2031	$137 / sqft	65 %	3
85	Mixed-Use	New York	6/25/2025	221	63	62	+3.75 %	+4.32 %	12/25/2028	$113,016 / unit	44 %	3
86	Office	Nashville	6/30/2021	65	63	63	+2.95 %	+2.95 %	7/9/2026	$259 / sqft	n/m	5
87	Office	Los Angeles	4/6/2021	62	62	62	6.00 %	6.00 %	1/9/2030	$254 / sqft	65 %	2
88	Office	New York	5/28/2025	68	61	61	+3.25 %	+3.66 %	6/9/2030	$399 / sqft	60 %	1
89	Hospitality	Bermuda	4/26/2024	69	61	61	+4.95 %	+5.62 %	5/9/2029	$693,780 / key	39 %	2
90	Hospitality	Napa Valley	4/29/2022	60	60	59	+2.65 %	+2.93 %	4/9/2028	$626,382 / key	66 %	2

Senior Loan Portfolio[1]

	Property Type	Location	Origination Date[2]	Total Commitment[3]	Principal Balance	Net Book Value[4]	Cash Coupon[5]	All-in Yield[5]	Maximum Maturity[6]	Loan Per SQFT / Unit / Key / Acre / MW	Origination LTV[2]	Risk Rating
91	Multifamily	Seattle	10/28/2021	$ 59	$ 59	$ 59	+2.95 %	+3.18 %	11/9/2027	$178,810 / unit	70 %	3
92	Industrial	Minneapolis	12/12/2024	61	58	58	+2.85 %	+3.23 %	1/9/2030	$82 / sqft	59 %	3
93	Multifamily	Phoenix	12/17/2021	58	58	58	+2.70 %	+2.97 %	1/9/2028	$209,601 / unit	69 %	3
94	Office	Miami	6/14/2021	58	58	58	+2.30 %	+2.30 %	3/9/2027	$122 / sqft	65 %	2
95	Multifamily	Salt Lake City	7/30/2021	57	57	57	+2.95 %	+3.22 %	8/9/2027	$206,345 / unit	73 %	3
96	Multifamily	Atlanta	10/17/2025	57	56	56	+2.30 %	+2.57 %	11/9/2030	$212,121 / unit	64 %	3
97	Office	Denver	8/5/2021	56	55	55	+2.96 %	+3.21 %	8/9/2026	$206 / sqft	70 %	4
98	Office	Denver	4/7/2022	57	55	54	+3.25 %	+3.49 %	4/9/2027	$161 / sqft	59 %	4
99	Industrial	Diversified, US	12/14/2018	54	54	54	+3.01 %	+3.41 %	1/9/2027	$40 / sqft	57 %	2
100	Multifamily	Los Angeles	7/28/2021	53	53	53	+2.75 %	+3.12 %	8/9/2026	$300,178 / unit	71 %	3
101	Self-Storage	Diversified, US	2/18/2025	53	53	52	+3.10 %	+3.47 %	3/9/2030	$90 / sqft	67 %	3
102	Multifamily	Denver	3/19/2025	51	51	51	+2.60 %	+2.92 %	5/9/2030	$221,739 / unit	64 %	3
103	Hospitality	Waimea	2/27/2025	50	50	50	+2.80 %	+2.92 %	2/9/2030	$823,353 / key	52 %	2
104	Office	Los Angeles	8/22/2019	50	50	50	+2.66 %	+2.90 %	3/9/2027	$290 / sqft	63 %	4
105	Multifamily	Los Angeles	7/20/2021	48	48	48	+2.86 %	+3.11 %	8/9/2026	$366,412 / unit	60 %	3
106	Multifamily	Dallas	12/23/2025	45	45	44	5.74 %	6.45 %	1/1/2031	$148,333 / unit	77 %	3
107	Multifamily	Columbus	12/8/2021	44	44	44	+2.75 %	+2.99 %	12/9/2026	$144,479 / unit	69 %	2
108	Multifamily	Dublin, IE	12/8/2025	40	40	40	+2.65 %	+2.83 %	12/2/2030	$347,626 / unit	73 %	3
109	Multifamily	Las Vegas	3/31/2022	39	39	39	+2.90 %	+3.26 %	4/9/2027	$153,158 / unit	72 %	3
110	Multifamily	Savannah	10/10/2025	40	38	37	+2.85 %	+2.94 %	11/9/2030	$241,935 / unit	69 %	3
111	Office	Canberra, AU	5/8/2025	37	37	36	+3.80 %	+3.98 %	5/8/2028	$409 / sqft	75 %	3
112	Office	Atlanta	5/27/2025	51	36	35	+3.65 %	+4.03 %	6/9/2030	$122 / sqft	39 %	2
113	Multifamily	Los Angeles	3/1/2022	35	35	35	+3.00 %	+3.17 %	3/9/2027	$372,340 / unit	72 %	3
114	Retail	Hamburg, DEU	3/19/2026	42	33	33	+2.90 %	+3.20 %	3/4/2030	$107 / sqft	65 %	3
115	Mixed-Use	New York	2/21/2025	24	24	24	+3.25 %	+3.52 %	3/9/2030	$775 / sqft	59 %	3
116	Office	Austin	4/15/2021	24	22	22	+3.06 %	+3.13 %	12/9/2029	$155 / sqft	40 %	2
117	Multifamily	Las Vegas	8/4/2021	22	22	22	+2.86 %	+3.11 %	8/9/2026	$180,000 / unit	73 %	3
118	Multifamily	Atlanta	5/9/2025	21	21	21	+2.85 %	+2.94 %	5/9/2030	$205,882 / unit	65 %	3
Subtotal: senior loan portfolio				$ 17,888	$ 16,904	$ 16,856	+2.94 %	+3.28 %	2.8 yrs		65 %	3.0

Subordinate Loan Portfolio[8]

	Property Type	Location	Origination Date[2]	Total Commitment[3]	Principal Balance	Net Book Value[4]	Cash Coupon[5]	All-in Yield[5]	Maximum Maturity[6]	Loan Per SQFT / Unit / Key / Acre / MW	Origination LTV[2]	Risk Rating
119	Office	Los Angeles	11/22/2019	$ 131	$ 124	$ 124	+2.50 %	+2.50 %	12/9/2027	$822 / sqft	69 %	4
120	Office	Orange County	8/31/2017	64	59	42	n/m [9]	n/m	9/9/2026	$338 / sqft	n/m	5
121	Life Sciences/ Studio	San Francisco	11/10/2021	72	57	57	+8.71 %	+8.95 %	12/9/2026	$425 / sqft	66 %	4
122	Industrial	Diversified, US	3/10/2025	56	56	56	+5.00 %	+5.12 %	3/9/2030	$111 / sqft	70 %	3
123	Multifamily	Los Angeles	12/30/2021	42	38	38	+8.80 %	+9.11 %	1/9/2030	$542,220 / unit	50 %	3
124	Multifamily	London, UK	7/18/2025	29	29	29	+8.98 %	+9.38 %	7/5/2030	$741,723 / unit	69 %	3
125	Other	Manassas, VA	1/9/2026	26	26	25	12.98 %	14.23 %	1/9/2031	$9,840,909 / MW	64 %	3
126	Office	Austin	4/15/2021	24	24	20	n/m [9]	n/m	12/9/2029	$385 / sqft	n/m	5
127	Industrial	New York	1/8/2026	23	23	20	5.79 %	9.67 %	1/9/2031	$12 / sqft	63 %	3
128	Hospitality	Miami	5/2/2025	23	21	21	+9.50 %	+10.15 %	5/9/2030	$946,478 / key	53 %	3
129	Mixed-Use	New York	5/20/2025	28	17	17	10.00 %	10.06 %	10/1/2034	$1,038 / sqft	59 %	3
130	Office	London, UK	12/20/2019	14	14	14	n/m [9]	n/m	3/31/2029	$830 / sqft	n/m	5
131	Office	Chicago	9/30/2021	44	11	11	n/m [9]	n/m	10/9/2029	$160 / sqft	n/m	5
132	Other	Honolulu	3/2/2026	41	7	6	+9.72 %	+11.17 %	3/9/2032	$82 / sqft	69 %	3
133	Life Sciences/ Studio	Boston	5/13/2021	15	1	1	n/m [9]	n/m	9/9/2030	$645 / sqft	n/m	5
Subtotal: subordinate loan portfolio				$ 629	$ 505	$ 479	+3.61 %	+5.07 %	2.9 yrs		65 %	3.7
Subtotal: loans receivable portfolio				$ 18,517	$ 17,409	$ 17,335						
Total CECL reserve						(398)						
Total loans receivable portfolio				$ 18,517	$ 17,409	$ 16,937	+3.13 %	+3.35 %	2.8 yrs		65 %	3.0

(1) Senior loans include senior mortgages and similar credit quality loans, including related contiguous subordinate loans and pari passu participations in senior mortgage loans.

(2) Date loan was originated or acquired by us, and the LTV as of such date, excluding any loans that are impaired.

(3) Total commitment reflects outstanding principal balance as well as any related unfunded loan commitment.

(4) Net book value represents outstanding principal balance, net of purchase and sale discounts or premiums, exit fees, deferred origination expenses, and cost-recovery proceeds.

(5) The weighted-average cash coupon and all-in yield are expressed as a spread over the relevant floating benchmark rates, which include SOFR, SONIA, EURIBOR, CORRA, and other indices as applicable to each loan. As of June 30, 2026, 97% of our loans by principal balance earned a floating rate of interest, primarily indexed to SOFR. The remaining 3% of our loans by principal balance earned a fixed rate of interest. In addition to cash coupon, all-in yield includes the amortization of deferred origination and extension fees, loan origination costs, and purchase discounts, as well as the accrual of exit fees. Excludes loans accounted for under the cost-recovery and nonaccrual methods, if any.

(6) Maximum maturity assumes all extension options are exercised; however, our loans may be repaid prior to such date. Excludes loans accounted for under the cost-recovery and nonaccrual methods, if any.

(7) This loan has an interest rate of SOFR minus 1.30% with a SOFR floor of 3.50%, for an all-in rate of 2.35% as of June 30, 2026.

(8) Subordinate loans include: (i) loans in which we have previously originated a whole loan and sold a senior mortgage interest to a third party, resulting in these subordinate interests in mortgages, (ii) mezzanine loans, and (iii) the subordinate portion of loans that have been modified that have resulted in a restructured senior loan and a subordinate loan.

(9) These subordinate loans are the result of a loan modification which resulted in a restructured senior loan and a subordinate loan. Each of the subordinate loans are accounted for under the cost-recovery method.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Loan Portfolio Net Interest Income

Generally, our business model is such that rising interest rates will increase our net income, while declining interest rates will decrease net income. As of June 30, 2026, 97% of our loans by principal balance earned a floating rate of interest, primarily indexed to SOFR, and were financed with liabilities that pay interest at floating rates, which resulted in an amount of net equity that is positively correlated to changing interest rates, subject to the impact of interest rate floors on certain of our floating rate loans.

The following table projects the impact on our net interest income, presented net of implied changes in incentive fees, for the twelve-month period following June 30, 2026, of an increase in the various floating-rate indices referenced by our portfolio, assuming no change in credit spreads, portfolio composition, or asset performance, relative to the average indices during the three months ended June 30, 2026 ($ in thousands):

	Assets (Liabilities) Sensitive to Changes in Interest Rates(1)	Interest Rate Sensitivity as of June 30, 2026(2)(3)			
		Increase in Rates		Decrease in Rates	
		50 Basis Points	100 Basis Points	50 Basis Points	100 Basis Points
Floating rate assets(4)(5)(6)	$ 16,161,435	$ 64,197	$ 128,517	$ (62,959)	$ (112,812)
Floating rate liabilities(5)(6)(7)	(15,258,615)	(61,034)	(122,069)	61,034	122,069
Net exposure	$ 902,820	$ 3,163	$ 6,448	$ (1,925)	$ 9,257

(1) Reflects the USD equivalent value of floating rate assets and liabilities denominated in foreign currencies.
(2) Increases (decreases) in interest income and expense are presented net of theoretical impact of incentive fees. Refer to Note 15 to our consolidated financial statements for additional details of our incentive fee calculation.
(3) Excludes income from loans accounted for under the cost-recovery method.
(4) Excludes $699.7 million of principal balance on floating rate impaired loans.
(5) Our loan agreements generally require our borrowers to purchase interest rate caps, which mitigates our borrowers' exposure to an increase in interest rates.
(6) Excludes amounts related to our investments in unconsolidated entities.
(7) Includes amounts outstanding under our secured debt, securitizations, asset-specific debt, Term Loans, Senior Secured Notes due 2029, and Senior Secured Notes due 2031. We entered into interest rate swaps with an aggregate notional amount of $900.0 million that effectively converts our fixed rate exposure to floating rate exposure for the Senior Secured Notes due 2029 and Senior Secured Notes due 2031. Excludes amounts related to the indebtedness of our unconsolidated entities.

Loan Portfolio Value

As of June 30, 2026, 97% of our loans by principal balance earned a floating rate of interest, so the value of such investments is generally not impacted by changes in market interest rates. Additionally, we generally hold all of our loans to maturity and so do not expect to realize gains or losses resulting from any mark to market valuation adjustments on our loan portfolio.

Risk of Non-Performance

In addition to the risks related to fluctuations in cash flows and asset values associated with movements in interest rates, there is also the risk of non-performance on floating rate assets. In the case of a significant increase in interest rates, the cash flows of the collateral real estate assets may not be sufficient to pay debt service due under our loans, which may contribute to non-performance or, in severe cases, default. This risk is partially mitigated by our consideration of rising rate stress-testing during our underwriting process, which generally includes a requirement for our borrower to purchase an interest rate cap contract with an unaffiliated third party, provide an interest reserve deposit, and/or provide interest guarantees or other structural protections.

Credit Risks

Our loans are subject to credit risk, including the risk of default. The performance and value of our loans depend upon the borrowers' ability to operate the properties that serve as our collateral so that they produce cash flows adequate to pay interest and principal due to us. To monitor this risk, our asset management team reviews our loan portfolios and, in certain instances, is in regular contact with our borrowers, monitoring performance of the collateral and enforcing our rights as necessary.

In addition, we are exposed to the risks generally associated with the commercial real estate market, including changes in occupancy rates, capitalization rates, absorption rates, and other macroeconomic factors beyond our control. We seek to manage these risks through our underwriting and asset management processes.

We maintain a robust asset management relationship with our borrowers and utilize these relationships to maximize the performance of our portfolio, including during periods of volatility. We believe that we benefit from these relationships and from our long-standing core business model of originating senior loans collateralized by large assets in major markets with experienced, well-capitalized institutional sponsors. While we believe the principal amounts of our loans are generally adequately protected by underlying collateral value, there is a risk that we will not realize the entire principal value of certain loans. As of June 30, 2026, we had an aggregate $219.5 million asset-specific CECL reserve related to nine of our loans receivable, with an aggregate amortized cost basis of $695.2 million, net of cost-recovery proceeds. This CECL reserve was recorded based on our estimation of the fair value of each of the loan's underlying collateral as of June 30, 2026.

Our portfolio monitoring and asset management operations benefit from the deep knowledge, experience, and information advantages derived from our position as part of Blackstone's real estate platform. Blackstone has built the world's preeminent global real estate business, with a proven track record of successfully navigating market cycles and emerging stronger through periods of volatility. The market-leading real estate expertise derived from the strength of the Blackstone platform deeply informs our credit and underwriting process, and we believe gives us the tools to expertly asset manage our portfolio and work with our borrowers throughout periods of economic stress and uncertainty.

Capital Market Risks

We are exposed to risks related to the equity capital markets, and our related ability to raise capital through the issuance of our class A common stock or other equity instruments. We are also exposed to risks related to the debt capital markets, and our related ability to finance our business through borrowings under credit facilities or other debt instruments. As a REIT, we are required to distribute a significant portion of our taxable income annually, which constrains our ability to accumulate operating cash flow and therefore requires us to utilize debt or equity capital to finance our business. We seek to mitigate these risks by monitoring the debt and equity capital markets to inform our decisions on the amount, timing, and terms of capital we raise.

Our master repurchase agreements and secured credit facilities are generally structured without capital markets-based mark-to-market provisions, which means the margin call provisions do not permit valuation adjustments based on capital markets events. The majority of our master repurchase agreements and secured credit facilities are non-mark-to-market, which means the margin call provisions only permit valuation adjustments if the loan or collateral pledged or sold by us becomes defaulted, and the margin call provisions for the remainder are limited to collateral-specific credit marks generally determined on a commercially reasonable basis. There can be no assurance we will not experience margin calls under any asset-level financing that contains margin call provisions.

Counterparty Risk

The nature of our business requires us to hold our cash and cash equivalents and obtain financing from various financial institutions. This exposes us to the risk that these financial institutions may not fulfill their obligations to us under these various contractual arrangements. We mitigate this exposure by depositing our cash and cash equivalents and entering into financing agreements with high credit-quality institutions.

The nature of our loans also exposes us to the risk that our counterparties do not make required interest and principal payments on scheduled due dates. We seek to manage this risk through a comprehensive credit analysis prior to making a loan and active monitoring of the asset portfolios that serve as our collateral, as further discussed above.

Currency Risk

Our loans that are denominated in a foreign currency are also subject to risks related to fluctuations in currency rates. We generally mitigate this exposure by matching the currency of our assets to the currency of the financing for our assets. As a result, we substantially reduce our exposure to changes in portfolio value related to changes in foreign currency rates. In addition, substantially all of our net asset exposure to foreign currencies has been hedged with foreign currency forward contracts as of June 30, 2026.

The following tables outline our assets and liabilities that are denominated in a foreign currency (amounts in thousands):

	June 30, 2026		
	GBP	EUR	All Other[1]
Foreign currency assets	£ 2,135,200	€ 2,324,702	$ 2,155,172
Foreign currency liabilities	(1,444,826)	(1,622,249)	(1,695,115)
Foreign currency contracts – notional	(684,764)	(695,360)	(451,958)
Net exposure to exchange rate fluctuations	£ 5,610	€ 7,093	$ 8,099
Net exposure to exchange rate fluctuations in USD[2]	$ 7,440	$ 8,101	$ 8,099

(1) Includes Swedish Krona, Australian Dollar, and Canadian Dollar currencies.
(2) Represents the U.S. Dollar equivalent as of June 30, 2026.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The company maintains disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in the company's reports under the Exchange Act is recorded, processed, and summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q was made under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (a) are effective to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by SEC rules and forms and (b) include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There have been no changes in our "internal control over financial reporting" (as defined in Rule 13a–15(f) of the Exchange Act) that occurred during our most recent quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may be involved in various claims and legal actions arising in the ordinary course of business. As of June 30, 2026, we were not involved in any material legal proceedings.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors previously disclosed under “Part I, Item 1A. Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2025.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table sets forth information regarding repurchases of shares of our class A common stock during the three months ended June 30, 2026:

Period	Total Number of Shares Purchased	Average Price Paid per Share(1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(2)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program ($ in thousands)(2)
April 1 - April 30, 2026	—	$ —	—	$ 148,822
May 1 - May 31, 2026	169,110	17.92	169,110	145,792
June 1 - June 30, 2026	—	—	—	145,792
Total	169,110	$ 17.92	169,110	$ 145,792

(1) The average price paid per share is calculated on a trade date basis and excludes associated commissions.

(2) In October 2025, our board of directors authorized the repurchase of up to $150.0 million of shares of our class A common stock under our repurchase program. Repurchases may be made from time to time in open market transactions, in privately negotiated transactions, in agreements and arrangements structured in a manner consistent with Rules 10b-18 and 10b5-1 under the Exchange Act or otherwise. The timing and the actual amounts repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. The repurchase program may be changed, suspended or discontinued at any time and does not have a specified expiration date. See Note 14 to our consolidated financial statements and “Part I. Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Uses of Liquidity” for further information regarding this repurchase program.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

4.1		Indenture, dated May 19, 2026, among the Company, the Guarantors and The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 1-14788) filed on May 19, 2026 and incorporated herein by reference)
4.2		Form of 6.250% Senior Secured Notes due 2031 (included as Exhibit A to Exhibit 4.1).
4.3		Pledge and Security Agreement, dated as of May 19, 2026, by and among Blackstone Mortgage Trust, Inc., the other grantors from time to time party thereto and The Bank of New York Mellon Trust Company, N.A., as collateral agent (filed as Exhibit 4.3 to the Registrant's Current Report on Form 8-K (File No. 1-14788) filed on May 19, 2026 and incorporated herein by reference).
4.4		First Lien Intercreditor Agreement, dated as of October 5, 2021, by and among Blackstone Mortgage Trust, Inc., JPMorgan Chase Bank, N.A., as agent under the Term Loan Credit Agreement, and The Bank of New York Mellon Trust Company, N.A., as trustee and notes collateral agent (filed as Exhibit 4.4 to the Current Report on Form 8-K (File No. 1-14788) filed on October 5, 2021 and incorporated herein by reference).
4.5		Joinder No. 2 to First Lien Intercreditor Agreement, dated as of May 19, 2026, by and among Blackstone Mortgage Trust, Inc., the grantors party thereto and the other parties thereto (filed as Exhibit 4.5 to the Registrant's Current Report on Form 8-K (File No. 1-14788) filed on May 19, 2026 and incorporated herein by reference).
10.1	*	Eighth Amendment to Master Repurchase Agreement, dated as of May 28, 2026, by and among Parlex 3A USD IE Issuer Designated Activity Company, Parlex 3A GBP IE Issuer Designated Activity Company, Parlex 3A EUR IE Issuer Designated Activity Company, Parlex 3A SEK IE Issuer Designated Activity Company, Perpetual Corporate Trust Limited as Trustee of the Parlex 2022-1 Issuer Trust, Parlex 3A FINCO, LLC, Barclays Bank PLC, Parlex 3A Finco, LLC, Parlex 3A UK Finco, LLC, Parlex 3A EUR Finco, LLC, Parlex 3A SEK Finco, LLC, Silver Fin Sub TC PTY LTD, and Gloss Finco 1, LLC, and Parlex 3A CAD Finco, LLC
10.2	*	Amendment No. 3 to Guarantee Agreement, dated as of April 13, 2026, between Blackstone Mortgage Trust, Inc. and Wells Fargo Bank, National Association and acknowledged and agreed by Parlex 5 Finco, LLC and 42-16 Partners, LLC
31.1	*	Certification of Chief Executive Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	*	Certification of Chief Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1 +		Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2 +		Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS		XBRL Instance Document – the instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document
101.SCH		Inline XBRL Taxonomy Extension Schema Document With Embedded Linkbase Documents
101.CAL		Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF		Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB		Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE		Inline XBRL Taxonomy Extension Presentation Linkbase Document
104		Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

---

* Filed herewith.

\+ This exhibit shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. Such exhibit shall not be deemed incorporated into any filing under the Securities Act or the Exchange Act.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	BLACKSTONE MORTGAGE TRUST, INC.
July 30, 2026	/s/ Timothy S. Johnson
Date	Timothy S. Johnson Chief Executive Officer (Principal Executive Officer)
July 30, 2026	/s/ Marcin Urbaszek
Date	Marcin Urbaszek Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)