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 SEPTEMBER 30, 2021**

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 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, 24th Floor
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 October 20, 2021 was 157,080,951.

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 & E-mail 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. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	September 30, 2021	December 31, 2020
Assets		
Cash and cash equivalents	$ 211,180	$ 289,970
Loans receivable	20,406,466	16,572,715
Current expected credit loss reserve	(130,388)	(173,549)
Loans receivable, net	20,276,078	16,399,166
Other assets	218,614	269,819
Total Assets	$20,705,872	$16,958,955
Liabilities and Equity		
Secured debt, net	$11,170,330	$ 7,880,536
Securitized debt obligations, net	2,836,049	2,922,499
Asset-specific debt, net	320,895	391,269
Term loans, net	1,329,637	1,041,704
Convertible notes, net	618,985	616,389
Other liabilities	159,424	202,327
Total Liabilities	16,435,320	13,054,724
Commitments and contingencies	—	—
Equity		
Class A common stock, $0.01 par value, 400,000,000 shares authorized, 157,015,689 and 146,780,031 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively	1,570	1,468
Additional paid-in capital	5,039,384	4,702,713
Accumulated other comprehensive income	9,874	11,170
Accumulated deficit	(814,278)	(829,284)
Total Blackstone Mortgage Trust, Inc. stockholders' equity	4,236,550	3,886,067
Non-controlling interests	34,002	18,164
Total Equity	4,270,552	3,904,231
Total Liabilities and Equity	$20,705,872	$16,958,955

Note: The consolidated balance sheets as of September 30, 2021 and December 31, 2020 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 September 30, 2021 and December 31, 2020, assets of the consolidated VIEs totaled $3.5 billion and $3.6 billion, respectively, and liabilities of the consolidated VIEs totaled $2.8 billion and $2.9 billion, respectively. Refer to Note 16 for additional 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 September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Income from loans and other investments				
Interest and related income	$ 200,114	$ 193,939	$ 583,941	$ 590,797
Less: Interest and related expenses	82,690	78,978	243,413	268,070
Income from loans and other investments, net	117,424	114,961	340,528	322,727
Other expenses				
Management and incentive fees	19,342	18,985	60,094	58,758
General and administrative expenses	10,841	11,242	32,108	34,320
Total other expenses	30,183	30,227	92,202	93,078
(Increase) decrease in current expected credit loss reserve	(2,767)	6,055	49,432	(173,466)
Income before income taxes	84,474	90,789	297,758	56,183
Income tax provision	70	20	346	192
Net income	84,404	90,769	297,412	55,991
Net income attributable to non-controlling interests	(647)	(909)	(2,158)	(1,937)
Net income attributable to Blackstone Mortgage Trust, Inc.	$ 83,757	$ 89,860	$ 295,254	$ 54,054
Net income per share of common stock basic and diluted	$ 0.56	$ 0.61	$ 2.00	$ 0.39
Weighted-average shares of common stock outstanding, basic and diluted	149,214,819	146,484,651	147,971,737	140,157,620

See accompanying notes to consolidated financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Net income	$ 84,404	$ 90,769	$297,412	$55,991
Other comprehensive income				
Unrealized (loss) gain on foreign currency translation	(46,952)	62,656	(66,356)	14,488
Realized and unrealized gain (loss) on derivative financial instruments	46,083	(61,936)	65,059	11,390
Other comprehensive (loss) income	(869)	720	(1,297)	25,878
Comprehensive income	83,535	91,489	296,115	81,869
Comprehensive income attributable to non-controlling interests	(647)	(909)	(2,158)	(1,937)
Comprehensive income attributable to Blackstone Mortgage Trust, Inc.	$ 82,888	$ 90,580	$293,957	$79,932

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	Accumulated Deficit	Stockholders' Equity	Non-controlling Interests	Total Equity
Balance at December 31, 2020	$ 1,468	$4,702,713	$ 11,170	$ (829,284)	$ 3,886,067	$ 18,164	$3,904,231
Shares of class A common stock issued, net	2	—	—	—	2	—	2
Restricted class A common stock earned	—	7,958	—	—	7,958	—	7,958
Dividends reinvested	—	204	—	—	204	—	204
Deferred directors' compensation	—	125	—	—	125	—	125
Other comprehensive income	—	—	114	—	114	—	114
Net income	—	—	—	79,902	79,902	638	80,540
Dividends declared on common stock and deferred stock units, $0.62 per share	—	—	—	(91,349)	(91,349)	—	(91,349)
Contributions from non-controlling interests	—	—	—	—	—	13,448	13,448
Distributions to non-controlling interests	—	—	—	—	—	(11,180)	(11,180)
Balance at March 31, 2021	$ 1,470	$4,711,000	$ 11,284	$ (840,731)	$ 3,883,023	$ 21,070	$3,904,093
Restricted class A common stock earned	—	7,895	—	—	7,895	—	7,895
Dividends reinvested	—	211	—	—	211	—	211
Deferred directors' compensation	—	125	—	—	125	—	125
Other comprehensive loss	—	—	(541)	—	(541)	—	(541)
Net income	—	—	—	131,595	131,595	873	132,468
Dividends declared on common stock and deferred stock units, $0.62 per share	—	—	—	(91,347)	(91,347)	—	(91,347)
Contributions from non-controlling interests	—	—	—	—	—	14,745	14,745
Distributions to non-controlling interests	—	—	—	—	—	(10,694)	(10,694)
Balance at June 30, 2021	$ 1,470	$4,719,231	$ 10,743	$ (800,483)	$ 3,930,961	$ 25,994	$3,956,955
Shares of class A common stock issued, net	100	311,855	—	—	311,955	—	311,955
Restricted class A common stock earned	—	7,907	—	—	7,907	—	7,907
Dividends reinvested	—	218	—	—	218	—	218
Deferred directors' compensation	—	173	—	—	173	—	173
Other comprehensive loss	—	—	(869)	—	(869)	—	(869)
Net income	—	—	—	83,757	83,757	647	84,404
Dividends declared on common stock and deferred stock units, $0.62 per share	—	—	—	(97,552)	(97,552)	—	(97,552)
Contributions from non-controlling interests	—	—	—	—	—	19,068	19,068
Distributions to non-controlling interests	—	—	—	—	—	(11,707)	(11,707)
Balance at September 30, 2021	$ 1,570	$5,039,384	$ 9,874	$ (814,278)	$ 4,236,550	$ 34,002	$4,270,552

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 (Loss) Income	Accumulated Deficit	Stockholders' Equity	Non-controlling Interests	Total Equity
Balance at December 31, 2019	$ 1,350	$4,370,014	$ (16,233)	$ (592,548)	$ 3,762,583	$ 22,098	$3,784,681
Adoption of ASU 2016-13, see Note 2	—	—	—	(17,565)	(17,565)	(85)	(17,650)
Shares of class A common stock issued, net	4	—	—	—	4	—	4
Restricted class A common stock earned	—	8,550	—	—	8,550	—	8,550
Dividends reinvested	—	162	—	12	174	—	174
Deferred directors' compensation	—	125	—	—	125	—	125
Other comprehensive income	—	—	34,481	—	34,481	—	34,481
Net loss	—	—	—	(53,350)	(53,350)	67	(53,283)
Dividends declared on common stock and deferred stock units, $0.62 per share	—	—	—	(84,082)	(84,082)	—	(84,082)
Contributions from non-controlling interests	—	—	—	—	—	8,108	8,108
Distributions to non-controlling interests	—	—	—	—	—	(6,681)	(6,681)
Balance at March 31, 2020	$ 1,354	$4,378,851	$ 18,248	$ (747,533)	$ 3,650,920	$ 23,507	$3,674,427
Shares of class A common stock issued, net	108	297,491	—	—	297,599	—	297,599
Restricted class A common stock earned	—	8,527	—	—	8,527	—	8,527
Dividends reinvested	—	165	—	13	178	—	178
Deferred directors' compensation	—	125	—	—	125	—	125
Other comprehensive loss	—	—	(9,323)	—	(9,323)	—	(9,323)
Net income	—	—	—	17,544	17,544	961	18,505
Dividends declared on common stock and deferred stock units, $0.62 per share	—	—	—	(90,807)	(90,807)	—	(90,807)
Distributions to non-controlling interests	—	—	—	—	—	(3,447)	(3,447)
Balance at June 30, 2020	$ 1,462	$4,685,159	$ 8,925	$ (820,783)	$ 3,874,763	$ 21,021	$3,895,784
Restricted class A common stock earned	—	8,524	—	—	8,524	—	8,524
Dividends reinvested	—	174	—	14	188	—	188
Deferred directors' compensation	—	125	—	—	125	—	125
Other comprehensive loss	—	—	720	—	720	—	720
Net income	—	—	—	89,860	89,860	909	90,769
Dividends declared on common stock and deferred stock units, $0.62 per share	—	—	—	(90,816)	(90,816)	—	(90,816)
Contributions from non-controlling interests	—	—	—	—	—	323	323
Distributions to non-controlling interests	—	—	—	—	—	(1,665)	(1,665)
Balance at September 30, 2020	$ 1,462	$4,693,982	$ 9,645	$ (821,725)	$ 3,883,364	$ 20,588	$3,903,952

See accompanying notes to consolidated financial statements.

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

	Nine Months Ended September 30,	
	2021	**2020**
Cash flows from operating activities		
Net income	$ 297,412	$ 55,991
Adjustments to reconcile net income to net cash provided by operating activities		
Satisfaction of management and incentive fees in stock	—	19,277
Non-cash compensation expense	24,184	25,978
Amortization of deferred fees on loans and debt securities	(43,299)	(43,516)
Amortization of deferred financing costs and premiums/discounts on debt obligations	29,698	28,122
(Decrease) increase in current expected credit loss reserve	(49,432)	173,466
Unrealized gain on assets denominated in foreign currencies, net	(7,088)	(648)
Unrealized gain on derivative financial instruments, net	(3,298)	(754)
Realized loss (gain) on derivative financial instruments, net	5,483	(481)
Changes in assets and liabilities, net		
Other assets	(12,106)	8,713
Other liabilities	13,468	(4,852)
Net cash provided by operating activities	255,022	261,296
Cash flows from investing activities		
Origination and fundings of loans receivable	(7,449,491)	(1,489,101)
Principal collections and sales proceeds from loans receivable and debt securities	3,423,460	1,358,640
Origination and exit fees received on loans receivable	79,971	14,215
Receipts under derivative financial instruments	44,428	87,286
Payments under derivative financial instruments	(75,458)	(98,216)
Collateral deposited under derivative agreements	(94,060)	(255,830)
Return of collateral deposited under derivative agreements	145,110	277,280
Net cash used in investing activities	(3,926,040)	(105,726)

continued…

See accompanying notes to consolidated financial statements.

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

	Nine Months Ended September 30,	
	2021	2020
Cash flows from financing activities		
Borrowings under secured debt	$ 7,701,481	$ 2,317,616
Repayments under secured debt	(4,239,614)	(3,506,154)
Proceeds from issuance of securitized debt obligations	803,750	1,243,125
Repayment of securitized debt obligations	(888,763)	(253,260)
Borrowings under asset-specific debt	106,443	111,225
Repayments under asset-specific debt	(178,073)	(82,754)
Net proceeds from issuance of term loans	298,500	315,438
Repayments of term loans	(10,060)	(6,428)
Payment of deferred financing costs	(29,339)	(34,726)
Contributions from non-controlling interests	47,261	8,431
Distributions to non-controlling interests	(33,581)	(11,793)
Net proceeds from issuance of class A common stock	311,955	278,322
Dividends paid on class A common stock	(273,311)	(258,264)
Net cash provided by financing activities	3,616,649	120,778
Net (decrease) increase in cash, cash equivalents, and restricted cash	(54,369)	276,348
Cash, cash equivalents, and restricted cash at beginning of period	289,970	150,090
Effects of currency translation on cash, cash equivalents, and restricted cash	579	590
Cash, cash equivalents , and restricted cash at end of period	$ 236,180	$ 427,028
Supplemental disclosure of cash flows information		
Payments of interest	$ (207,293)	$ (242,564)
Receipts (payments) of income taxes	$ 107	$ (146)
Supplemental disclosure of non-cash investing and financing activities		
Dividends declared, not paid	$ (97,552)	$ (90,642)
Satisfaction of management and incentive fees in stock	$ —	$ 19,277
Loan principal payments held by servicer, net	$ 299	$ 3,235

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. and its subsidiaries unless the context specifically requires otherwise.

Blackstone Mortgage Trust is a real estate finance company that originates senior loans collateralized by commercial real estate in North America, Europe, and Australia. Our portfolio is composed primarily of loans secured by high-quality, institutional assets in major markets, sponsored by experienced, well-capitalized real estate investment owners and operators. These senior loans are capitalized by accessing a variety of financing options, including borrowing under our credit facilities, issuing CLOs or single-asset securitizations, and syndicating senior loan participations, depending on our view of the most prudent financing option available for each of our investments. We are not in the business of buying or trading securities, and the only securities we own are the retained interests from our securitization financing transactions, which we have not financed. 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, 24th Floor, New York, New York 10154. We were incorporated in Maryland in 1998, when we reorganized from a California common law business trust into a Maryland corporation.

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, 2020 filed with the Securities and Exchange Commission, or the SEC.

Basis of Presentation

The accompanying consolidated financial statements 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 reclassifications have been made in the presentation of the prior period statements of changes in equity, statements of cash flows, and loans receivable in Note 3 to conform to the current period presentation.

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 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.

In the third quarter of 2018, we contributed a loan to a single asset securitization vehicle, or the 2018 Single Asset Securitization, which is a VIE, and invested in the related subordinate position. We are not the primary beneficiary of the VIE because we do not have the power to direct the activities that most significantly affect the VIE's economic performance and, therefore, do not consolidate the 2018 Single Asset Securitization on our balance sheet. We have classified the subordinate position we own as a held-to-maturity debt security that is included in other assets on our consolidated balance sheets. Refer to Note 16 for additional discussion of our VIEs.

In April 2017, we entered into a joint venture, or our Multifamily Joint Venture, with Walker & Dunlop Inc. to originate, hold, and finance multifamily bridge loans. 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 the 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.

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. The novel coronavirus, or COVID-19 has significantly impacted the global economy since the beginning of 2020 and has, among other things, created disruption in global supply chains, increased rates of unemployment and adversely impacted many industries, including industries related to the collateral underlying certain of our loans. During the nine months ended September 30, 2021, the global economy has, with certain setbacks, begun reopening and wider distribution of vaccines and easing of travel and other restrictions appear to be encouraging greater economic activity. Nonetheless, the recovery could remain uneven, particularly given uncertainty with respect to the distribution and acceptance of the vaccines and their effectiveness with respect to new variants of the virus. As a result, we are still unable to predict when normal economic activity and business operations will fully resume. We believe the estimates and assumptions underlying our consolidated financial statements are reasonable and supportable based on the information available as of September 30, 2021, however uncertainty over the ultimate impact COVID-19 will have on the global economy generally, and our business in particular, makes any estimates and assumptions as of September 30, 2021 inherently less certain than they would be absent the current and potential impacts of COVID-19. Actual results may ultimately differ materially from those estimates.

Revenue Recognition

Interest income from our loans receivable portfolio and debt securities is recognized over the life of each investment 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 or debt security 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 the opinion of our Manager, recovery of income and principal becomes doubtful. Interest received is then recorded as a reduction in the outstanding principal balance 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 component of interest income, however expenses related to loans we acquire are included in general and administrative expenses as incurred.

Cash, Cash Equivalents, and Restricted Cash

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.

Restricted cash represents cash collateral held within our 2021 FL4 collateralized loan obligation and is included in Other Assets on our consolidated balance sheets. See Note 6 for further discussion of the 2021 FL4 collateralized loan obligation.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash on our consolidated balance sheets to the total amount shown on our consolidated statements of cash flows ($ in thousands):

	September 30, 2021	September 30, 2020
Cash and cash equivalents	$ 211,180	$ 427,028
2021 FL4 CLO restricted cash	25,000	—
Total cash, cash equivalents, and restricted cash shown in our consolidated statements of cash flows	$ 236,180	$ 427,028

Through our subsidiaries, we have oversight of certain servicing accounts held with third-party servicers, or Servicing Accounts, which relate to borrower escrows and other cash balances aggregating $426.6 million and $384.6 million as of September 30, 2021 and December 31, 2020, respectively. This cash is maintained in segregated bank accounts, and these amounts are not included in the assets and liabilities presented in our consolidated balance sheets. Cash in these Servicing Accounts will be transferred by the respective third-party servicer to the borrower or us under the terms of the applicable loan agreement upon occurrence of certain future events. We do not generate any revenue or incur any expenses as a result of these Servicing Accounts.

Loans Receivable

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

Debt Securities Held-to-Maturity

We classify our debt securities as held-to-maturity, as we have the intent and ability to hold these securities until maturity. We include our debt securities in other assets on our consolidated balance sheets at amortized cost.

Current Expected Credit Losses Reserve

The current expected credit loss, or CECL, reserve required under Accounting Standard Update, or ASU, 2016-13 "Financial Instruments – Credit Losses – Measurement of Credit Losses on Financial Instruments (Topic 326)," or ASU 2016-13, reflects our current estimate of potential credit losses related to our loans and debt securities included in our consolidated balance sheets. The initial CECL reserve recorded on January 1, 2020 is reflected as a direct charge to retained earnings on our consolidated statements of changes in equity; however subsequent changes to the CECL reserve are recognized through net income on our consolidated statements of operations. While ASU 2016-13 does not require any particular method for determining the CECL reserve, it does specify the reserve 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, ASU 2016-13 requires that all financial instruments subject to the CECL model have some amount of loss reserve to reflect the GAAP principal underlying the CECL model that all loans, debt securities, and similar assets have some inherent risk of loss, regardless of credit quality, subordinate capital, or other mitigating factors.

We estimate our CECL reserve 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. 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 timeframe. We apply the WARM method for the majority of our loan portfolio, which loans 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 a CECL reserve 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 (iv) market conditions over the relevant time period. To estimate the historic loan losses relevant to our portfolio, we have augmented our historical loan performance, which includes zero realized loan losses since the launch of our senior loan origination business in 2013, with market loan loss data licensed from Trepp LLC. This database includes commercial mortgage-backed securities, or CMBS, issued since January 1, 1999 through August 31, 2021. 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, which 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 reserve is 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.
- **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 reserve by applying the practical expedient for collateral dependent loans. The CECL reserve is assessed on an individual basis for these loans by comparing the estimated 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 deemed relevant by our Manager. Actual losses, if any, could ultimately differ materially from these estimates. We only expect to realize the impairment losses if and when such amounts are deemed nonrecoverable upon a realization event. This is generally at the time a loan is repaid, or in the case of foreclosure, when the underlying asset is sold, but non-recoverability may also be concluded if, in our determination, it is nearly certain that all amounts due will not be collected.

We adopted ASU 2016-13 using the modified-retrospective method for all financial assets measured at amortized cost. Prior to our adoption, we had no loan loss provisions on our consolidated balance sheets. We recorded a cumulative-effective adjustment to the opening retained earnings in our consolidated statement of equity as of January 1, 2020. The following table details the impact of this adoption ($ in thousands):

	Impact of ASU 2016-13 Adoption
Assets:	
Loans	
U.S. Loans	$ 8,955
Non-U.S. Loans	3,631
Unique Loans	1,356
CECL reserve on loans	$ 13,942
CECL reserve on held-to-maturity debt securities	445
Liabilities:	
CECL reserve on unfunded loan commitments	3,263
Total impact of ASU 2016-13 adoption on retained earnings	$ 17,650

Contractual Term and Unfunded Loan Commitments

Expected credit losses are estimated over the contractual term of each loan, adjusted for expected prepayments. 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 reserve.

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 loan receivables.

Credit Quality Indicator

Our risk rating is our primary credit quality indicator in assessing our current expected credit loss reserve. Our Manager performs a quarterly risk review of our portfolio of loans, and assigns each loan a risk rating based on a variety of factors, including, without limitation, 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 “l” 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 reserve is 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, 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. These estimations require 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 September 30, 2021.

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. Effective April 1, 2020, 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 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.

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.

Senior Loan Participations

In certain instances, we finance our loans through the non-recourse syndication of a senior loan interest to a third-party. Depending on the particular structure of the syndication, the senior loan interest may remain on our GAAP balance sheet or, in other cases, the sale will be recognized and the senior loan interest will no longer be included in our consolidated financial statements. When these sales are not recognized under GAAP we reflect the transaction by recording a loan participations sold liability on our consolidated balance sheet, however this gross presentation does not impact stockholders' equity or net income. When the sales are recognized, our balance sheet only includes our remaining subordinate loan and not the non-consolidated senior interest we sold.

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.

Convertible Notes

The “Debt with Conversion and Other Options” Topic of the Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, requires the liability and equity components of convertible debt instruments that may be settled in cash upon conversion, including partial cash settlement, to be separately accounted for in a manner that reflects the issuer’s nonconvertible debt borrowing rate. The initial proceeds from the sale of convertible notes are allocated between a liability component and an equity component in a manner that reflects interest expense at the rate of similar nonconvertible debt that could have been issued at such time. The equity component represents the excess initial proceeds received over the fair value of the liability component of the notes as of the date of issuance. We measured the estimated fair value of the debt component of our convertible notes as of the respective issuance dates based on our nonconvertible debt borrowing rate. The equity component of each series of our convertible notes is reflected within additional paid-in capital on our consolidated balance sheet, and the resulting issue discount is amortized over the period during which such convertible notes are expected to be outstanding (through the maturity date) as additional non-cash interest expense. The additional non-cash interest expense attributable to such convertible notes will increase in subsequent periods through the maturity date as the notes accrete to their par value over the same period.

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.

Fair Value of Financial Instruments

The “Fair Value Measurements and Disclosures” Topic of the FASB, 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.

The estimated value of each asset reported at fair value using Level 3 inputs is determined by an internal committee composed of members of senior management of our Manager, including our Chief Executive Officer, Chief Financial Officer, and other senior officers.

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 15. 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-party dealers. For collateral-dependent loans that are identified as impaired, we measure impairment by comparing our Manager's 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 deemed relevant by our Manager.

During the three months ended June 30, 2020, we recorded an aggregate $69.7 million CECL reserve specifically related to two of our loans receivable, which was unchanged as of September 30, 2021. These two loans have an aggregate outstanding principal balance of $338.7 million, net of cost-recovery proceeds, as of September 30, 2021. The CECL reserve was recorded based on our Manager's estimation of the fair value of the loan's underlying collateral as of September 30, 2021. 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. The significant unobservable inputs used to estimate the fair value of these loans receivable include the exit capitalization rate assumption used to forecast the future sale price of the underlying real estate collateral, which ranged from 4.25% to 4.80%.

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 by our Manager based on 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 deemed relevant by our Manager.
- Debt securities held-to-maturity: The fair value of these instruments was estimated by utilizing third-party pricing service providers assuming the securities are not sold prior to maturity. 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.
- 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: The fair value of these instruments was estimated based on the rate at which a similar credit facility would currently be priced.
- 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.

- 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.
- 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 13 for additional information.

Stock-Based Compensation

Our stock-based compensation consists of awards issued to our Manager and certain individuals employed by an affiliate of our Manager 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 14 for additional information.

Earnings per Share

Basic earnings per share, or Basic EPS, is computed in accordance with the two-class method and is based on the net earnings allocable to our class A common stock, including restricted class A common stock and deferred stock units, divided by 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 treasury stock method, and is based on the net earnings allocable to our class A common stock, including restricted class A common stock and deferred stock units, divided by the weighted-average number of shares of our class A common stock, including restricted class A common stock and deferred stock units. Refer to Note 11 for additional 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).

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.

Recent Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04 “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting,” or ASU 2020-04. ASU 2020-04 provides optional expedients and exceptions to GAAP requirements for modifications on debt instruments, leases, derivatives, and other contracts, related to the expected market transition from LIBOR, and certain other floating rate benchmark indices, or collectively, IBORs, to alternative reference rates. ASU 2020-04 generally considers contract modifications related to reference rate reform to be an event that does not require contract remeasurement at the modification date nor a reassessment of a previous accounting determination. In January 2021, the FASB issued ASU 2021-01 "Reference Rate Reform (Topic 848): Scope," or ASU 2021-01. ASU 2021-01 clarifies that the practical expedients in ASU 2020-04 apply to derivatives impacted by changes in the interest rate used for margining, discounting, or contract price alignment. The guidance in ASU 2020-04 is optional and may be elected over time, through December 31, 2022, as reference rate reform activities occur. Once ASU 2020-04 is elected, the guidance must be applied prospectively for all eligible contract modifications. In the first quarter of 2020, we have elected to apply the hedge accounting expedients, related to probability and the assessments of effectiveness, for future IBOR-indexed cash flows, to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives. Application of these expedients preserves the presentation of derivatives consistent with our past presentation. We continue to evaluate the impact of ASU 2020-04 and may apply other elections, as applicable, as the expected market transition from IBORs to alternative reference rates continues to develop.

In August 2020, the FASB issued ASU 2020-06 "Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity," or ASU 2020-06. ASU 2020-06 simplifies the accounting for convertible debt by eliminating the beneficial conversion and cash conversion accounting models. ASU 2020-06 also updates the earnings per share calculation and requires entities to assume share settlement when the convertible debt can be settled in cash or shares. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021 and is to be adopted through a cumulative-effect adjustment to the opening balance of retained earnings either at the date of adoption or in the first comparative period presented. Upon adoption of ASU 2020-06, convertible debt proceeds, unless issued with a substantial premium or an embedded conversion feature, will no longer be allocated between debt and equity components. This will reduce the issue discount and result in less non-cash interest expense in our consolidated financial statements. Additionally, ASU 2020-06 will result in the reporting of a diluted earnings per share, if the effect is dilutive, in our consolidated financial statements, regardless of our settlement intent. We expect to adopt ASU 2020-06 using the modified retrospective method of transition, which we expect will result in an aggregate decrease to our additional paid-in capital of $2.4 million and an aggregate decrease to our accumulated deficit of $2.0 million, as of January 1, 2022.

Reference Rate Reform

LIBOR and certain other floating rate benchmark indices to which our floating rate loans and other loan agreements are tied, including, without limitation, the Euro Interbank Offered Rate, or EURIBOR, the Stockholm Interbank Offered Rate, or STIBOR, the Canadian Dollar Offered Rate, or CDOR, and the Australian Bank Bill Swap Reference Rate, or BBSY, or collectively, IBORs, are the subject of recent national, international and regulatory guidance and proposals for reform. On March 5, 2021, the Financial Conduct Authority of the U.K., or FCA, which has statutory powers to require panel banks to contribute to LIBOR where necessary, announced it would cease publication of certain IBORs, including one-week and two-month USD LIBOR and all tenors of GBP LIBOR, immediately after December 31, 2021 and cease the publication of the remaining tenors of USD LIBOR immediately after June 30, 2023. Additionally, the Federal Reserve Board, Federal Deposit Insurance Corporation, Office of the Comptroller of Currency, and other interagency regulatory bodies have advised U.S. banks to stop entering into new USD LIBOR based contracts by December 31, 2021.

The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, has identified the Secured Overnight Financing Rate, or SOFR, a new index calculated using short-term repurchase agreements backed by Treasury securities, as its preferred alternative rate for USD LIBOR. In the U.K., the Bank of England's working group on Sterling risk free rates set March 31, 2021 as the target date under which GBP LIBOR may no longer be used as the reference rate for new loan products with maturities after December 31, 2021. Market participants have started to transition to the Sterling Overnight Index Average, or SONIA, in line with guidance from the U.K. regulators. As of September 30, 2021, the floating benchmark rate for the financing provided on the 2020 FL3 and 2020 FL2 CLOs is the 30-day average compounded SOFR, plus a credit spread adjustment of 0.11%. As of September 30, 2021, the 30-day average compounded SOFR was 0.05% and one-month USD LIBOR was 0.08%. Additionally, as of September 30, 2021, daily compounded SONIA is utilized as the floating benchmark rate on five of our loans and two of our credit facilities. As of September 30, 2021, SONIA was 0.05% and three-month GBP LIBOR was 0.08%.

At this time, it is not possible to predict how markets will respond to SOFR, SONIA, or other alternative reference rates as the transition away from USD LIBOR and GBP LIBOR proceeds. Despite the LIBOR transition in other markets, benchmark rate methodologies in Europe, Canada, and Australia have been reformed and rates such as EURIBOR, STIBOR, CDOR, and BBSY may persist as International Organization of Securities Commissions, or IOSCO, compliant reference rates moving forward. However, multi-rate environments may persist in these markets as regulators and working groups have suggested market participants adopt alternative reference rates.

Refer to “Part I. Item 1A. Risk Factors—Risks Related to Our Lending and Investment Activities—The expected discontinuation of currently used financial reference rates and use of alternative replacement reference rates may adversely affect net interest income related to our loans and investments or otherwise adversely affect our results of operations, cash flows and the market value of our investments.” of our Annual Report on Form 10-K filed with the SEC on February 10, 2021.

3. LOANS RECEIVABLE, NET

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

	September 30, 2021	December 31, 2020
Number of loans	156	120
Principal balance	$ 20,522,560	$ 16,652,824
Net book value	$ 20,276,078	$ 16,399,166
Unfunded loan commitments(1)	$ 4,220,214	$ 3,160,084
Weighted-average spread(2)	+ 3.18%	+ 3.18%
Weighted-average all-in yield(2)	+ 3.51%	+ 3.53%
Weighted-average maximum maturity (years)(3)	3.3	3.1

(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 spread and all-in yield are expressed as a spread over the relevant floating benchmark rates, which include USD LIBOR, GBP LIBOR, SONIA, EURIBOR, STIBOR, BBSY, and CDOR, as applicable to each loan. As of September 30, 2021, 99.6% of our loans by principal balance earned a floating rate of interest, primarily indexed to USD LIBOR. The other 0.4% of our loans earned a fixed rate of interest. We reflect our fixed rate loans as a spread over the relevant floating benchmark rates, as of September 30, 2021 and December 31, 2020, for purposes of the weighted-averages. As of December 31, 2020, 99.4% of our loans by principal balance earned a floating rate of interest, primarily indexed to USD LIBOR. In addition to spread, 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 method.

(3) Maximum maturity assumes all extension options are exercised by the borrower, however our loans may be repaid prior to such date. As of September 30, 2021, 44% of our loans by principal balance were subject to yield maintenance or other prepayment restrictions and 56% were open to repayment by the borrower without penalty. As of December 31, 2020, 31% of our loans by principal balance were subject to yield maintenance or other prepayment restrictions and 69% were open to repayment by the borrower without penalty.

The following table details the index rate floors for our loans receivable portfolio as of September 30, 2021 ($ in thousands):

	Loans Receivable Principal Balance		
Index rate floors	USD	Non-USD(1)	Total
Fixed rate	$ —	$ 78,511	$ 78,511
0.00% or no floor(2)	3,265,850	4,912,695	8,178,545
0.01% to 0.24% floor	3,910,133	112,026	4,022,159
0.25% to 0.99% floor	1,363,685	271,616	1,635,301
1.00% or more floor	6,062,597	545,447	6,608,044
Total(3)(4)	$14,602,265	$5,920,295	$20,522,560

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

(2) Includes $338.7 million of loans accounted for under the cost-recovery method.

(3) Excludes investment exposure to $79.2 million subordinate position we own in the $493.3 million 2018 Single Asset Securitization. Refer to Notes 4 and 16 to our consolidated financial statements for further discussion of the 2018 Single Asset Securitization.

(4) As of September 30, 2021, the weighted-average index rate floor of our loan portfolio was 0.55%. Excluding 0.0% index rate floors, the weighted-average index rate floor was 0.89%.

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

	Principal Balance	Deferred Fees / Other Items(1)	Net Book Value
Loans receivable, as of December 31, 2020	$16,652,824	$ (80,109)	$16,572,715
Loan fundings	7,449,491	—	7,449,491
Loan repayments and sales	(3,351,118)	—	(3,351,118)
Unrealized (loss) gain on foreign currency translation	(228,637)	1,157	(227,480)
Deferred fees and other items	—	(79,971)	(79,971)
Amortization of fees and other items	—	42,829	42,829
Loans receivable, as of September 30, 2021	$20,522,560	$ (116,094)	$20,406,466
CECL reserve			(130,388)
Loans receivable, net, as of September 30, 2021			$20,276,078

(1) 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 portfolio ($ in thousands):

	September 30, 2021			
Property Type	**Number of Loans**	**Net Book Value**	**Total Loan Exposure(1)(2)**	**Percentage of Portfolio**
Office	65	$10,239,432	$10,940,778	50%
Multifamily	56	4,465,938	4,494,065	21
Hospitality	18	2,777,827	2,879,888	13
Industrial	5	894,865	901,211	4
Retail	6	770,045	773,491	4
Life Sciences	2	407,595	413,209	2
Other	4	850,764	1,117,525	6
Total loans receivable	156	$20,406,466	$21,520,167	100%
CECL reserve		(130,388)		
Loans receivable, net		$20,276,078		

Geographic Location	**Number of Loans**	**Net Book Value**	**Total Loan Exposure(1)(2)**	**Percentage of Portfolio**
United States				
Northeast	26	$ 4,463,202	$ 4,491,804	21%
West	32	3,548,756	4,126,256	19
Southeast	33	3,425,624	3,618,296	17
Southwest	24	1,786,470	1,796,817	8
Midwest	10	1,201,663	1,205,877	6
Northwest	2	94,670	94,963	—
Subtotal	127	14,520,385	15,334,013	71
International				
United Kingdom	14	1,754,872	1,999,180	9
Spain	4	1,448,355	1,455,967	7
Ireland	1	1,233,286	1,237,547	6
Sweden	1	564,277	569,529	3
Australia	2	175,786	176,144	1
Canada	2	66,881	66,864	—
Other Europe	5	642,624	680,923	3
Subtotal	29	5,886,081	6,186,154	29
Total loans receivable	156	$20,406,466	$21,520,167	100%
CECL reserve		(130,388)		
Loans receivable, net		$20,276,078		

(1) In certain instances, we finance our loans through the non-recourse sale of a senior loan interest that is not included in our consolidated financial statements. See Note 2 for further discussion. Total loan exposure encompasses the entire loan we originated and financed, including $997.6 million of such non-consolidated senior interests as of September 30, 2021.

(2) Excludes investment exposure to the $493.3 million 2018 Single Asset Securitization. See Note 4 for details of the subordinate position we own in the 2018 Single Asset Securitization.

	December 31, 2020			
Property Type	**Number of Loans**	**Net Book Value**	**Total Loan Exposure(1)(2)**	**Percentage of Portfolio**
Office	58	$ 9,834,509	$10,303,895	58%
Hospitality	14	2,295,255	2,369,454	14
Multifamily	31	1,788,149	1,862,667	11
Industrial	6	673,912	675,344	4
Retail	4	538,702	551,243	3
Life Sciences	1	146,290	147,763	1
Other	6	1,295,898	1,544,255	9
Total loans receivable	120	$16,572,715	$17,454,621	100%
CECL reserve		(173,549)		
Loans receivable, net		$16,399,166		

Geographic Location	**Number of Loans**	**Net Book Value**	**Total Loan Exposure(1)(2)**	**Percentage of Portfolio**
United States				
Northeast	24	$ 4,050,732	$ 4,069,712	23%
West	27	2,942,126	3,413,089	20
Southeast	25	2,624,701	2,707,080	16
Midwest	8	973,702	976,693	6
Southwest	9	597,100	598,813	3
Northwest	1	15,404	15,413	—
Subtotal	94	11,203,765	11,780,800	68
International				
United Kingdom	13	1,816,901	2,066,390	12
Ireland	1	1,309,443	1,317,846	8
Spain	2	1,247,162	1,252,080	7
Australia	2	259,126	259,788	1
Canada	3	82,185	82,262	—
Other Europe	5	654,133	695,455	4
Subtotal	26	5,368,950	5,673,821	32
Total loans receivable	120	$16,572,715	$17,454,621	100%
CECL reserve		(173,549)		
Loans receivable, net		$16,399,166		

(1) In certain instances, we finance our loans through the non-recourse sale of a senior loan interest that is not included in our consolidated financial statements. See Note 2 for further discussion. Total loan exposure encompasses the entire loan we originated and financed, including $801.8 million of such non-consolidated senior interests as of December 31, 2020.

(2) Excludes investment exposure to the $735.5 million 2018 Single Asset Securitization. See Note 4 for details of the subordinate position we own in the 2018 Single Asset Securitization.

Loan Risk Ratings

As further described in Note 2, our Manager evaluates our loan portfolio on a quarterly basis. In conjunction with our quarterly loan portfolio review, our Manager assesses the risk factors of each loan, and assigns a risk rating based on several factors. Factors considered in the assessment include, but are not limited to, risk of loss, current 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 table allocates the principal balance and net book value of our loans receivable based on our internal risk ratings ($ in thousands):

	September 30, 2021			December 31, 2020		
Risk Rating	**Number of Loans**	**Net Book Value**	**Total Loan Exposure(1)(2)**	**Number of Loans**	**Net Book Value**	**Total Loan Exposure(1)(2)**
1	8	$ 931,330	$ 931,831	8	$ 777,163	$ 778,283
2	27	4,800,884	4,836,029	17	2,513,848	2,528,835
3	110	12,060,623	13,129,870	79	9,911,914	10,763,496
4	9	2,276,394	2,283,701	14	3,032,593	3,045,309
5	2	337,235	338,736	2	337,197	338,698
Total loans receivable	156	$ 20,406,466	$ 21,520,167	120	$ 16,572,715	$ 17,454,621
CECL reserve		(130,388)			(173,549)	
Loans receivable, net		$ 20,276,078			$ 16,399,166	

(1) In certain instances, we finance our loans through the non-recourse sale of a senior loan interest that is not included in our consolidated financial statements. See Note 2 for further discussion. Total loan exposure encompasses the entire loan we originated and financed, including $997.6 million and $801.8 million of such non-consolidated senior interests as of September 30, 2021 and December 31, 2020, respectively.

(2) Excludes investment exposure to the 2018 Single Asset Securitization of $493.3 million and $735.5 million as of September 30, 2021 and December 31, 2020, respectively. See Note 4 for details of the subordinate position we own in the 2018 Single Asset Securitization.

The weighted-average risk rating of our total loan exposure was 2.8 and 3.0 as of September 30, 2021 and December 31, 2020, respectively. The decrease in risk rating reflects the ongoing market recovery from COVID-19 and the resulting improvement in the performance of the collateral assets underlying our portfolio, which resulted in several risk rating upgrades in our portfolio during the nine months ended September 30, 2021.

Current Expected Credit Loss Reserve

The CECL reserve required under GAAP reflects our current estimate of potential credit losses related to the loans and debt securities included in our consolidated balance sheets. Refer to Note 2 for further discussion of our CECL reserve. The following table presents the activity in our loans receivable CECL reserve by investment pool for the three and nine months ended September 30, 2021 and 2020 ($ in thousands):

	U.S. Loans	Non-U.S. Loans	Unique Loans	Impaired Loans	Total
Loans Receivable, Net					
CECL reserve as of December 31, 2020	$ 42,995	$ 27,734	$ 33,159	$ 69,661	$173,549
Increase (decrease) in CECL reserve	1,539	(3,134)	146	—	(1,449)
CECL reserve as of March 31, 2021	$ 44,534	$ 24,600	$ 33,305	$ 69,661	$172,100
Decrease in CECL reserve	(26,861)	(15,771)	(523)	—	(43,155)
CECL reserve as of June 30, 2021	$ 17,673	$ 8,829	$ 32,782	$ 69,661	$128,945
Increase (decrease) in CECL reserve	3,253	(283)	(1,527)	—	1,443
CECL reserve as of September 30, 2021	$ 20,926	$ 8,546	$ 31,255	$ 69,661	$130,388
CECL reserve as of December 31, 2019	$ —	$ —	$ —	$ —	$ —
Initial CECL reserve on January 1, 2020	8,955	3,631	1,356	—	13,942
Increase in CECL reserve	55,906	18,194	24,652	—	98,752
CECL reserve as of March 31, 2020	$ 64,861	$ 21,825	$ 26,008	$ —	$112,694
(Decrease) increase in CECL reserve	(3,457)	(2,080)	1,232	69,661	65,356
CECL reserve as of June 30, 2020	$ 61,404	$ 19,745	$ 27,240	$ 69,661	$178,050
(Decrease) increase in CECL reserve	(10,762)	7,035	2,703	—	(1,024)
CECL reserve as of September 30, 2020	$ 50,642	$ 26,780	$ 29,943	$ 69,661	$177,026

Our initial CECL reserve of $13.9 million against our loans receivable portfolio, recorded on January 1, 2020, is reflected as a direct charge to retained earnings on our consolidated statements of changes in equity; however subsequent changes to the CECL reserve are recognized through net income on our consolidated statements of operations. During the three and nine months ended September 30, 2021, we recorded an increase of $1.4 million and a decrease of $43.2 million, respectively, in the CECL reserve against our loans receivable portfolio, bringing our total reserve to $130.4 million as of September 30, 2021. The increase in the CECL reserve during the three months ended September 30, 2021 is primarily due to an increase in the size of our loans receivable portfolio during the three months ended September 30, 2021. The decrease in the CECL reserve during the nine months ended September 30, 2021 reflects the ongoing market recovery from COVID-19 and the resulting improvement in the performance of the collateral assets underlying our portfolio. During the three and nine months ended September 30, 2020, we recorded a decrease of $1.0 million and an increase of $163.1 million, respectively, in the CECL reserve against our loans receivable portfolio, bringing our total reserve to $177.0 million as of September 30, 2020. See Note 2 for further discussion of COVID-19.

During 2020 and 2021, we entered into loan modifications related to a multifamily asset in New York City, which are classified as troubled debt restructurings under GAAP. These modifications included, among other changes, a reduction in the loan's contractual interest payments and an extension of the loan's maturity date. During the three months ended June 30, 2020, we recorded a $14.8 million CECL reserve on this loan, which was unchanged as of September 30, 2021. This loan has an outstanding principal balance of $52.4 million, net of cost-recovery proceeds, as of September 30, 2021. The CECL reserve was recorded based on our Manager's estimation of the fair value of the loan's underlying collateral as of September 30, 2021.

During 2020, we entered into a loan modification related to a hospitality asset in New York City, which is classified as a troubled debt restructuring under GAAP. This modification included, among other changes, a reduction in the loan's contractual interest payments and an extension of the loan's maturity date. During the three months ended June 30, 2020, we recorded a $54.9 million CECL reserve on this loan, which was unchanged as of September 30, 2021. This loan has an outstanding principal balance of $286.3 million, net of cost-recovery proceeds, as of September 30, 2021. The CECL reserve was recorded based on our Manager's estimation of the fair value of the loan's underlying collateral as of September 30, 2021.

As of July 1, 2020, the income accrual was suspended on the two loans detailed above, which had an aggregate outstanding principal balance of $338.7 million, as of September 30, 2021. No income was recorded on these loans subsequent to July 1, 2020.

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 September 30, 2021 and December 31, 2020, respectively, by year of origination, investment pool, and risk rating ($ in thousands):

	Net Book Value of Loans Receivable by Year of Origination(1)(2) As of September 30, 2021						
Risk Rating	**2021**	**2020**	**2019**	**2018**	**2017**	**Prior**	**Total**
U.S. loans							
1	$ —	$ 43,745	$ 696,764	$ —	$ 66,188	$ —	$ 806,697
2	694,114	—	586,976	887,935	391,740	81,256	2,642,021
3	4,979,207	830,399	1,844,466	1,522,591	602,976	269,127	10,048,766
4	—	—	96,494	540,766	63,365	51,923	752,548
5	—	—	—	—	—	—	—
Total U.S. loans	$5,673,321	$874,144	$3,224,700	$2,951,292	$1,124,269	$402,306	$14,250,032
Non-U.S. loans							
1	$ —	$ —	$ 34,877	$ —	$ 89,756	$ —	$ 124,633
2	564,277	100,126	1,383,692	—	—	110,768	2,158,863
3	455,534	—	907,728	393,573	—	—	1,756,835
4	—	—	346,071	—	—	—	346,071
5	—	—	—	—	—	—	—
Total Non-U.S. loans	$1,019,811	$100,126	$2,672,368	$ 393,573	$ 89,756	$110,768	$ 4,386,402
Unique loans							
1	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2	—	—	—	—	—	—	—
3	—	—	—	196,073	—	58,949	255,022
4	—	—	321,156	856,619	—	—	1,177,775
5	—	—	—	—	—	—	—
Total unique loans	$ —	$ —	$ 321,156	$1,052,692	$ —	$ 58,949	$ 1,432,797
Impaired loans							
1	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2	—	—	—	—	—	—	—
3	—	—	—	—	—	—	—
4	—	—	—	—	—	—	—
5	—	—	—	284,808	—	52,427	337,235
Total impaired loans	$ —	$ —	$ —	$ 284,808	$ —	$ 52,427	$ 337,235
Total loans receivable							
1	$ —	$ 43,745	$ 731,641	$ —	$ 155,944	$ —	$ 931,330
2	1,258,391	100,126	1,970,668	887,935	391,740	192,024	4,800,884
3	5,434,741	830,399	2,752,194	2,112,237	602,976	328,076	12,060,623
4	—	—	763,721	1,397,385	63,365	51,923	2,276,394
5	—	—	—	284,808	—	52,427	337,235
Total loans receivable	$6,693,132	$974,270	$6,218,224	$4,682,365	$1,214,025	$624,450	$20,406,466
CECL reserve							(130,388)
Loans receivable, net							$20,276,078

(1) Date loan was originated or acquired by us. Origination dates are subsequently updated to reflect material loan modifications.
(2) Excludes the $77.6 million net book value of our held-to-maturity debt securities which represents our subordinate position we own in the 2018 Single Asset Securitization, and is included in other assets on our consolidated balance sheets. See Note 4 for details of the subordinate position we own in the 2018 Single Asset Securitization.

Risk Rating	Net Book Value of Loans Receivable by Year of Origination(1)(2) As of December 31, 2020						
	2020	2019	2018	2017	2016	Prior	Total
U.S. loans							
1	$ —	$ 231,796	$ 253,674	$ 43,906	$ 17,009	$ —	$ 546,385
2	—	282,017	1,172,168	757,138	79,848	222,677	2,513,848
3	781,595	2,391,297	1,672,897	1,134,288	227,466	220,644	6,428,187
4	65,978	170,541	1,055,142	63,293	105,380	—	1,460,334
5	—	—	—	—	—	—	—
Total U.S. loans	$847,573	$3,075,651	$4,153,881	$1,998,625	$429,703	$443,321	$10,948,754
Non-U.S. loans							
1	$ —	$ —	$ 136,021	$ 94,757	$ —	$ —	$ 230,778
2	—	—	—	—	—	—	—
3	105,300	2,526,225	479,512	—	113,653	—	3,224,690
4	—	256,494	—	—	—	—	256,494
5	—	—	—	—	—	—	—
Total Non-U.S. loans	$105,300	$2,782,719	$ 615,533	$ 94,757	$113,653	$ —	$ 3,711,962
Unique loans							
1	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2	—	—	—	—	—	—	—
3	—	—	198,433	—	—	60,604	259,037
4	—	325,097	990,668	—	—	—	1,315,765
5	—	—	—	—	—	—	—
Total unique loans	$ —	$ 325,097	$1,189,101	$ —	$ —	$ 60,604	$ 1,574,802
Impaired loans							
1	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2	—	—	—	—	—	—	—
3	—	—	—	—	—	—	—
4	—	—	—	—	—	—	—
5	—	—	284,809	—	—	52,388	337,197
Total impaired loans	$ —	$ —	$ 284,809	$ —	$ —	$ 52,388	$ 337,197
Total loans receivable							
1	$ —	$ 231,796	$ 389,695	$ 138,663	$ 17,009	$ —	$ 777,163
2	—	282,017	1,172,168	757,138	79,848	222,677	2,513,848
3	886,895	4,917,522	2,350,842	1,134,288	341,119	281,248	9,911,914
4	65,978	752,132	2,045,810	63,293	105,380	—	3,032,593
5	—	—	284,809	—	—	52,388	337,197
Total loans receivable	$952,873	$6,183,467	$6,243,324	$2,093,382	$543,356	$556,313	$16,572,715
CECL reserve							(173,549)
Loans receivable, net							$16,399,166

(1) Date loan was originated or acquired by us. Origination dates are subsequently updated to reflect material loan modifications.

(2) Excludes the $75.7 million net book value of our held-to-maturity debt securities which represents our subordinate position we own in the 2018 Single Asset Securitization, and is included in other assets on our consolidated balance sheets. See Note 4 for details of the subordinate position we own in the 2018 Single Asset Securitization.

Multifamily Joint Venture

As discussed in Note 2, we entered into a Multifamily Joint Venture in April 2017. As of September 30, 2021 and December 31, 2020, our Multifamily Joint Venture held $817.9 million and $484.8 million of loans, respectively, which are included in the loan disclosures above. Refer to Note 2 for additional discussion of our Multifamily Joint Venture.

4. OTHER ASSETS AND LIABILITIES

Other Assets

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

	September 30, 2021	December 31, 2020
Accrued interest receivable	$ 78,689	$ 66,757
Debt securities held-to-maturity(1)	77,916	77,445
CECL reserve	(280)	(1,723)
Debt securities held-to-maturity, net	77,636	75,722
Derivative assets	35,858	522
2021 FL4 CLO restricted cash(2)	25,000	—
Loan portfolio payments held by servicer(3)	766	73,224
Prepaid expenses	43	973
Collateral deposited under derivative agreements	—	51,050
Prepaid taxes	—	376
Other	622	1,195
Total	$ 218,614	$ 269,819

(1) Represents the subordinate position we own in the 2018 Single Asset Securitization, which held aggregate loan assets of $493.3 million and $735.5 million as of September 30, 2021 and December 31, 2020, respectively, with a yield to full maturity of L+10.0% and a maximum maturity date of June 9, 2025, assuming all extension options are exercised by the borrower. Refer to Note 16 for additional discussion.

(2) Represents $25.0 million of restricted cash held by our 2021 FL4 collateralized loan obligation that can be used to acquire and finance additional assets for up to six months from the date of closing.

(3) Represents loan principal and interest payments held by our third-party loan servicer as of the balance sheet date which were remitted to us during the subsequent remittance cycle.

Current Expected Credit Loss Reserve

The CECL reserve required under GAAP reflects our current estimate of potential credit losses related to the loans and debt securities included in our consolidated balance sheets. Refer to Note 2 for further discussion of our CECL reserve. The following table presents the activity in our debt securities CECL reserve by investment pool for the three and nine months ended September 30, 2021 and 2020 ($ in thousands):

	Debt Securities Held-To-Maturity
CECL reserve as of December 31, 2020	$ 1,723
Decrease in CECL reserve	(834)
CECL reserve as of March 31, 2021	$ 889
Decrease in CECL reserve	(767)
CECL reserve as of June 30, 2021	$ 122
Increase in CECL reserve	158
CECL reserve as of September 30, 2021	$ 280
CECL reserve as of December 31, 2019	$ —
Initial CECL reserve on January 1, 2020	445
Increase in CECL reserve	4,677
CECL reserve as of March 31, 2020	$ 5,122
Decrease in CECL reserve	(1,003)
CECL reserve as of June 30, 2020	$ 4,119
Decrease in CECL reserve	(2,086)
CECL reserve as of September 30, 2020	$ 2,033

Our initial CECL reserve of $445,000 against our debt securities held-to-maturity, recorded on January 1, 2020, is reflected as a direct charge to retained earnings on our consolidated statements of changes in equity; however subsequent changes to the CECL reserve are recognized through net income on our consolidated statements of operations. During the three and nine months ended September 30, 2021, we recorded an increase of $158,000 and a decrease of $1.4 million, respectively, in the CECL reserve against our debt securities held-to-maturity, bringing our total reserve to $280,000 as of September 30, 2021. During the three and nine months ended September 30, 2020, we recorded a decrease of $2.1 million and an increase of $1.6 million, respectively, in the CECL reserve against our debt securities held-to-maturity, bringing our total reserve to $2.0 million as of September 30, 2020. See Note 2 for further discussion of COVID-19.

Other Liabilities

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

	September 30, 2021	December 31, 2020
Accrued dividends payable	$ 97,350	$ 91,004
Accrued interest payable	25,772	20,548
Accrued management and incentive fees payable	19,342	19,158
Accounts payable and other liabilities	11,080	2,671
Current expected credit loss reserve for unfunded loan commitments(1)	5,203	10,031
Derivative liabilities	355	58,915
Secured debt repayments pending servicer remittance(2)	322	—
Total	$ 159,424	$ 202,327

(1) Represents the CECL reserve related to our unfunded loan commitments. See Note 2 for further discussion of the CECL reserve.

(2) 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 Reserve for Unfunded Loan Commitments

As of September 30, 2021, we had aggregate unfunded loan commitments of $4.2 billion across 108 loans receivable. The expected credit losses over the contractual period of our loans are subject to the obligation to extend credit through our unfunded loan commitments. See Note 2 for further discussion of the CECL reserve related to our unfunded loan commitments, and Note 18 for further discussion of our unfunded loan commitments. The following table presents the activity in the CECL reserve related to our unfunded loan commitments by investment pool for the three and nine months ended September 30, 2021 and 2020 ($ in thousands):

	U.S. Loans	Non-U.S. Loans	Unique Loans	Impaired Loans	Total
Unfunded Loan Commitments					
CECL reserve as of December 31, 2020	$ 6,953	$ 2,994	$ 84	$ —	$10,031
Increase (decrease) in CECL reserve	216	778	(4)	—	990
CECL reserve as of March 31, 2021	$ 7,169	$ 3,772	$ 80	$ —	$11,021
Decrease in CECL reserve	(4,315)	(2,632)	(37)	—	(6,984)
CECL reserve as of June 30, 2021	$ 2,854	$ 1,140	$ 43	$ —	$ 4,037
Increase (decrease) in CECL reserve	566	643	(43)	—	1,166
CECL reserve as of September 30, 2021	$ 3,420	$ 1,783	$ —	$ —	$ 5,203
CECL reserve as of December 31, 2019	$ —	$ —	$ —	$ —	$ —
Initial CECL reserve on January 1, 2020	2,801	453	9	—	3,263
Increase in CECL reserve	16,992	2,219	62	—	19,273
CECL reserve as of March 31, 2020	$ 19,793	$ 2,672	$ 71	$ —	$22,536
(Decrease) increase in CECL reserve	(6,957)	(594)	17	—	(7,534)
CECL reserve as of June 30, 2020	$ 12,836	$ 2,078	$ 88	$ —	$15,002
(Decrease) increase in CECL reserve	(3,657)	732	(20)	—	(2,945)
CECL reserve as of September 30, 2020	$ 9,179	$ 2,810	$ 68	$ —	$12,057

Our initial CECL reserve of $3.3 million against our unfunded loan commitments, recorded on January 1, 2020, is reflected as a direct charge to retained earnings on our consolidated statements of changes in equity; however subsequent changes to the CECL reserve are recognized through net income on our consolidated statements of operations. During the three and nine months ended September 30, 2021, we recorded an increase of $1.2 million and a decrease of $4.8 million, respectively, in the CECL reserve against our unfunded loan commitments, bringing our total reserve to $5.2 million as of September 30, 2021. The increase in the CECL reserve against our unfunded loan commitments during the three months ended September 30, 2021 is primarily due to an increase in the size of our loans receivable portfolio during the three months ended September 30, 2021. The decrease in the CECL reserve during the nine months ended September 30, 2021 reflects the ongoing market recovery from COVID-19 and the resulting improvement in the performance of the collateral assets underlying our portfolio. During the three and nine months ended September 30, 2020, we recorded a decrease of $2.9 million and an increase of $8.8 million, respectively, in the CECL reserve against our unfunded loan commitments, bringing our total reserve to $12.1 million as of September 30, 2020. See Note 2 for further discussion of COVID-19.

5. SECURED DEBT, NET

Our secured debt includes our secured credit facilities and acquisition facility. During the three months ended September 30, 2021, we obtained approval for $2.8 billion of new borrowings against $3.5 billion of collateral assets from nine facility lenders. Additionally, during the three months ended September 30, 2021, we increased the size of one of our secured credit facilities by $150.0 million and extended the term on four of our secured credit facilities, which represent an aggregate credit capacity of $2.3 billion as of September 30, 2021. The following table details our secured debt ($ in thousands):

	Secured Debt Borrowings Outstanding	
	September 30, 2021	December 31, 2020
Secured credit facilities	$ 11,188,855	$ 7,896,863
Acquisition facility	—	—
Total secured debt	$ 11,188,855	$ 7,896,863
Deferred financing costs(1)	(18,525)	(16,327)
Net book value of secured debt	$ 11,170,330	$ 7,880,536

(1) Costs incurred in connection with our secured debt are recorded on our consolidated balance sheet 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 uniformly structured to provide currency, index, and term-matched financing without capital markets based mark-to-market provisions.

The following table details our secured credit facilities as of September 30, 2021 ($ in thousands):

September 30, 2021							Recourse Limitation	
Currency	Lenders(1)	Borrowings	Wtd Avg. Maturity(2)	Loan Count	Collateral(3)	Wtd Avg. Maturity(4)	Wtd. Avg.	Range
USD	12	$ 7,022,125	5/5/2025	114	$ 9,557,168	5/1/2025	29%	25% - 100%
EUR	6	2,369,013	7/26/2024	10	3,150,165	7/4/2024	48%	25% - 100%
GBP	6	1,163,414	10/22/2024	12	1,739,121	11/9/2024	26%	25% - 50%
Others(5)	4	634,303	6/17/2025	5	812,537	5/28/2025	27%	25% - 100%
Total	12	$11,188,855	2/17/2025	141	$15,258,991	2/10/2025	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) Based on the earlier of (i) the maximum maturity date of each secured credit facility, or (ii) the maximum maturity date of the collateral loans.
(3) Represents the principal balance of the collateral assets.
(4) Maximum maturity assumes all extension options are exercised by the borrower, however our loans may be repaid prior to such date.
(5) Includes Swedish Krona, Australian Dollar, and Canadian Dollar 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.

The following tables detail the spread of our secured credit facilities as of September 30, 2021 and December 31, 2020 ($ in thousands):

	Nine Months Ended September 30, 2021	September 30, 2021				
Spread(1)	New Financings(2)	Total Borrowings	Wtd. Avg. All-in Cost(1)(3)(4)	Collateral(5)	Wtd. Avg. All-in Yield(1)(6)	Net Interest Margin(7)
+ 1.50% or less	$ 3,065,115	$ 6,288,807	+ 1.54%	$ 8,176,251	+ 3.09%	+ 1.55%
+ 1.51% to + 1.75%	1,268,796	2,780,867	+ 1.88%	3,851,597	+ 3.40%	+ 1.52%
+ 1.76% to + 2.00%	479,767	897,258	+ 2.08%	1,253,906	+ 3.95%	+ 1.87%
+ 2.01% or more	465,872	1,221,923	+ 2.42%	1,977,237	+ 4.42%	+ 2.00%
Total	$ 5,279,550	$11,188,855	+ 1.77%	$15,258,991	+ 3.41%	+ 1.64%

	Year Ended December 31, 2020	December 31, 2020				
Spread(1)	New Financings(2)	Total Borrowings	Wtd. Avg. All-in Cost(1)(3)(4)	Collateral(5)	Wtd. Avg. All-in Yield(1)(6)	Net Interest Margin(7)
+ 1.50% or less	$ 376,085	$ 4,192,280	+ 1.59%	$ 6,338,626	+ 3.09%	+ 1.50%
+ 1.51% to + 1.75%	172,447	1,945,692	+ 1.95%	2,975,581	+ 3.43%	+ 1.48%
+ 1.76% to + 2.00%	215,056	926,666	+ 2.06%	1,212,546	+ 3.83%	+ 1.77%
+ 2.01% or more	134,928	832,225	+ 2.49%	1,514,154	+ 4.34%	+ 1.85%
Total	$ 898,516	$ 7,896,863	+ 1.83%	$12,040,907	+ 3.40%	+ 1.57%

(1) The spread, all-in cost, and all-in yield are expressed over the relevant floating benchmark rates, which include USD LIBOR, GBP LIBOR, SONIA, EURIBOR, STIBOR, BBSY, and CDOR, as applicable.
(2) Represents borrowings outstanding as of September 30, 2021 and December 31, 2020, respectively, for new financings during the nine months ended September 30, 2021 and year ended December 31, 2020, respectively, based on the date collateral was initially pledged to each credit facility.
(3) In addition to spread, the cost includes the associated deferred fees and expenses related to the respective borrowings.
(4) Represents the weighted-average all-in cost as of September 30, 2021 and December 31, 2020, respectively, and is not necessarily indicative of the spread applicable to recent or future borrowings.
(5) Represents the principal balance of the collateral assets.
(6) 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.
(7) Represents the difference between the weighted-average all-in yield and weighted-average all-in cost.

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 amount and frequency limitations. As of September 30, 2021, there was an aggregate $306.2 million available to be drawn at our discretion under our credit facilities.

Acquisition Facility

We have a $250.0 million full recourse secured credit facility that is designed to finance eligible first mortgage originations for up to nine months as a bridge to term financing without obtaining discretionary lender approval. The cost of borrowing under the facility is variable, dependent on the type of loan collateral, and its maturity date is April 4, 2023.

During the nine months ended September 30, 2021, we had no borrowings under the acquisition facility and we recorded interest expense of $925,000, including $262,000 of amortization of deferred fees and expenses. As of September 30, 2021, we had one asset pledged to our acquisition facility and there was an aggregate $146.3 million available to be drawn at our discretion.

During the nine months ended December 31, 2020, we had no borrowings under the acquisition facility and we recorded interest expense of $1.1 million, including $411,000 of amortization of deferred fees and expenses.

Financial Covenants

We are subject to the following financial covenants related to our secured debt: (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 1.4 to 1.0; (ii) our tangible net worth, as defined in the agreements, shall not be less than $3.2 billion as of each measurement date plus 75% of the net cash proceeds of future equity issuances subsequent to September 30, 2021; (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 September 30, 2021 and December 31, 2020, we were in compliance with these covenants.

6. SECURITIZED DEBT OBLIGATIONS, NET

We have financed certain pools of our loans through collateralized loan obligations, which include the 2021 FL4 CLO, 2020 FL3 CLO, 2020 FL2 CLO, and 2017 FL1 CLO or collectively, the CLOs. We have also financed one of our loans through a single asset securitization vehicle, or the 2017 Single Asset Securitization. The CLOs and the 2017 Single Asset Securitization are consolidated in our financial statements and have issued securitized debt obligations that are non-recourse to us. Refer to Note 16 for further discussion of our CLOs and 2017 Single Asset Securitization.

The following tables detail our securitized debt obligations ($ in thousands):

	September 30, 2021				
Securitized Debt Obligations	Count	Principal Balance	Book Value	Wtd. Avg. Yield/Cost(1)(2)	Term(3)
2021 FL4 Collateralized Loan Obligation					
Collateral assets	35	$1,000,000	$1,000,000	+ 3.41%	July 2024
Financing provided	1	803,750	796,864	+ 1.65%	May 2038
2020 FL3 Collateralized Loan Obligation					
Collateral assets	21	1,000,000	1,000,000	+ 3.02%	April 2024
Financing provided(2)	1	808,750	803,378	+ 2.10%	November 2037
2020 FL2 Collateralized Loan Obligation					
Collateral assets	24	1,500,000	1,500,000	+ 3.10%	March 2024
Financing provided(2)	1	1,243,125	1,235,807	+ 1.45%	February 2038
Total					
Collateral assets	80	$3,500,000	$3,500,000	+ 3.17%	
Financing provided(4)	3	$2,855,625	$2,836,049	+ 1.69%	

(1) 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.

(2) The weighted-average all-in yield and cost are expressed as a spread over the relevant floating benchmark rates, which include USD LIBOR and SOFR, as applicable to each securitized debt obligation. As of September 30, 2021, the floating benchmark rate for the financing provided on the 2020 FL3 and 2020 FL2 CLOs is the 30-day average compounded SOFR, plus a credit spread adjustment of 0.11%. As of September 30, 2021, the 30-day average compounded SOFR was 0.05% and one-month USD LIBOR was 0.08%.

(3) Loan term represents weighted-average final maturity, 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.

(4) During the three and nine months ended September 30, 2021, we recorded $10.7 million and $35.2 million, respectively, of interest expense related to our securitized debt obligations.

	December 31, 2020				
Securitized Debt Obligations	**Count**	**Principal Balance**	**Book Value**	**Wtd. Avg. Yield/Cost(1)(2)**	**Term(3)**
2020 FL3 Collateralized Loan Obligation					
Collateral assets	25	$1,000,000	$1,000,000	+ 3.09%	February 2024
Financing provided	1	808,750	800,993	+ 2.08%	November 2037
2020 FL2 Collateralized Loan Obligation					
Collateral assets	31	1,500,000	1,500,000	+ 3.17%	January 2024
Financing provided	1	1,243,125	1,233,464	+ 1.44%	February 2038
2017 FL1 Collateralized Loan Obligation					
Collateral assets	15	666,334	666,334	+ 3.39%	January 2023
Financing provided	1	483,834	483,113	+ 1.83%	June 2035
2017 Single Asset Securitization					
Collateral assets(4)	1	619,194	618,766	+ 3.57%	June 2023
Financing provided	1	404,929	404,929	+ 1.63%	June 2033
Total					
Collateral assets	72	$3,785,528	$3,785,100	+ 3.25%	
Financing provided(5)	4	$2,940,638	$2,922,499	+ 1.70%	

(1) 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.
(2) The weighted-average all-in yield and cost are expressed as a spread over USD LIBOR.
(3) Loan term represents weighted-average final maturity, 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.
(4) The collateral assets for the 2017 Single Asset Securitization include the total loan amount, of which we securitized $500.0 million.
(5) During the three and nine months ended September 30, 2020, we recorded $9.1 million and $31.8 million, respectively, of interest expense related to our securitized debt obligations.

7. ASSET-SPECIFIC DEBT, NET

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

	September 30, 2021				
Asset-Specific Debt	Count	Principal Balance	Book Value	Wtd. Avg. Yield/Cost(1)	Wtd. Avg. Term(2)
Collateral assets	3	$436,562	$424,650	+ 4.34%	Dec. 2024
Financing provided	3	$328,068	$320,895	+ 3.13%	Dec. 2024

	December 31, 2020				
Asset-Specific Debt	Count	Principal Balance	Book Value	Wtd. Avg. Yield/Cost(1)	Wtd. Avg. Term(2)
Collateral assets	4	$512,794	$499,085	+ 4.65%	Oct. 2023
Financing provided	4	$399,699	$391,269	+ 3.48%	Oct. 2023

(1) These floating rate loans and related liabilities are indexed to the various benchmark rates relevant in each arrangement in terms of currency and payment frequency. Therefore the net exposure to each benchmark rate is in direct proportion to our net assets indexed to that rate. In addition to cash coupon, yield/cost includes the amortization of deferred origination fees / financing costs.

(2) The weighted-average term is determined based on the maximum maturity of the corresponding loans, assuming all extension options are exercised by the borrower. Each of our asset-specific debt is term-matched to the corresponding collateral loans.

8. TERM LOANS, NET

During the nine months ended September 30, 2021, we (i) increased our borrowings under our B-2 senior term loan facility by $100.0 million and decreased the interest rate by 2.50% to USD LIBOR plus 2.75%, and (ii) we increased our borrowings under our B-1 senior term loan facility by $200.0 million.

As of September 30, 2021, the following senior term loan facilities, or Term Loans, were outstanding ($ in thousands):

Term Loans	Face Value	Interest Rate(1)	All-in Cost(1)(2)	Maturity
B-1 Term Loan	$932,256	+ 2.25%	+ 2.53%	April 23, 2026
B-2 Term Loan	$420,450	+ 2.75%	+ 3.42%	April 23, 2026

(1) The B-2 Term Loan borrowing is subject to a LIBOR floor of 0.50%.

(2) Includes issue discount and transaction expenses that are amortized through interest expense over the life of the Term Loans.

The Term Loans are partially amortizing, with an amount equal to 1.0% per annum of the aggregate principal balance due in quarterly installments. The issue discount and transaction expenses on the B-1 Term Loan were $3.1 million and $12.6 million, respectively, which will be amortized into interest expense over the life of the B-1 Term Loan. The issue discount and transaction expenses of the B-2 Term Loan were $9.6 million and $5.4 million, respectively, which will be amortized into interest expense over the life of the B-2 Term Loan.

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

	September 30, 2021	December 31, 2020
Face value	$ 1,352,706	$ 1,062,766
Unamortized discount	(9,748)	(9,807)
Deferred financing costs	(13,321)	(11,255)
Net book value	$ 1,329,637	$ 1,041,704

The guarantee under our Term Loans contains the financial covenant that our indebtedness shall not exceed 83.33% of our total assets. As of September 30, 2021 and December 31, 2020, we were in compliance with this covenant. Refer to Note 2 for additional discussion of our accounting policies for the Term Loans.

9. CONVERTIBLE NOTES, NET

As of September 30, 2021, the following convertible senior notes, or Convertible Notes, were outstanding ($ in thousands):

Convertible Notes Issuance	Face Value	Interest Rate	All-in Cost(1)	Conversion Rate(2)	Maturity
May 2017	$402,500	4.38%	4.85%	28.0324	May 5, 2022
March 2018	$220,000	4.75%	5.33%	27.6052	March 15, 2023

(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 shares of class A common stock per $1,000 principal amount of Convertible Notes, which is equivalent to a conversion price of $35.67 and $36.23 per share of class A common stock, respectively, for the May 2017 and March 2018 convertible notes. The cumulative dividend threshold as defined in the respective May 2017 and March 2018 convertible notes supplemental indentures have not been exceeded as of September 30, 2021.

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 January 31, 2022 and December 14, 2022 for the May 2017 and March 2018 convertible notes, respectively, 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. We may not redeem the Convertible Notes prior to maturity. The last reported sale price of our class A common stock of $30.32 on September 30, 2021 was less than the per share conversion price of the May 2017 and March 2018 convertible notes. We have the intent and ability to settle each series of the Convertible Notes in cash and, as a result, the potential conversion of the Convertible Notes did not have any impact on our diluted earnings per share.

Upon our issuance of the May 2017 convertible notes, we recorded a $979,000 discount based on the implied value of the conversion option and an assumed effective interest rate of 4.57%, as well as $8.4 million of issue discount and issuance costs. Including the amortization of the discount and issuance costs, our total cost of the May 2017 convertible notes issuance is 4.91% per annum.

Upon our issuance of the March 2018 convertible notes, we recorded a $1.5 million discount based on the implied value of the conversion option and an assumed effective interest rate of 5.25%, as well as $5.2 million of issue discount and issuance costs. Including the amortization of the discount and issuance costs, our total cost of the March 2018 convertible notes issuance is 5.49% per annum.

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

	September 30, 2021	December 31, 2020
Face value	$ 622,500	$ 622,500
Unamortized discount	(3,301)	(5,715)
Deferred financing costs	(214)	(396)
Net book value	$ 618,985	$ 616,389

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Cash coupon	$ 7,015	$ 7,015	$21,045	$21,045
Discount and issuance cost amortization	873	831	2,595	2,470
Total interest expense	$ 7,888	$ 7,846	$23,640	$23,515

Accrued interest payable for the Convertible Notes was $7.8 million and $6.0 million as of September 30, 2021 and December 31, 2020, respectively. Refer to Note 2 for additional discussion of our accounting policies for the Convertible Notes.

10. DERIVATIVE FINANCIAL INSTRUMENTS

The sole 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 ASC 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 additional 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 may also have other financial relationships.

Cash Flow Hedges of Interest Rate Risk

Certain of our transactions expose us to interest rate risks, which include a fixed versus floating rate mismatch between our assets and liabilities. We use derivative financial instruments, which includes interest rate caps, and may also include interest rate swaps, options, floors, and other interest rate derivative contracts, to hedge interest rate risk.

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

September 30, 2021

Interest Rate Derivatives	Number of Instruments	Notional Amount	Strike	Index	Wtd.-Avg. Maturity (Years)
Interest Rate Caps	1	C$ 21,020	1.0%	CDOR	0.2

December 31, 2020

Interest Rate Derivatives	Number of Instruments	Notional Amount	Strike	Index	Wtd.-Avg. Maturity (Years)
Interest Rate Caps	2	C$ 38,293	1.0%	CDOR	0.8

Amounts reported in accumulated other comprehensive income (loss) related to derivatives will be reclassified to interest expense as interest payments are made on our floating rate debt. During the twelve months following September 30, 2021, we estimate that an additional $3,000 will be reclassified from accumulated other comprehensive income (loss) as an increase to interest expense.

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 amount in thousands):

September 30, 2021			December 31, 2020		
Foreign Currency Derivatives	**Number of Instruments**	**Notional Amount**	**Foreign Currency Derivatives**	**Number of Instruments**	**Notional Amount**
Buy USD / Sell SEK Forward	1	kr 999,500	Buy USD / Sell EUR Forward	8	€ 754,722
Buy USD / Sell EUR Forward	6	€ 817,642	Buy USD / Sell GBP Forward	4	€ 372,487
Buy USD / Sell GBP Forward	1	£ 542,551	Buy USD / Sell AUD Forward	1	A$ 92,800
Buy USD / Sell AUD Forward	1	A$ 89,500	Buy USD / Sell CAD Forward	1	C$ 26,200
Buy USD / Sell CAD Forward	1	C$ 21,000			

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 amount in thousands):

September 30, 2021			December 31, 2020		
Non-designated Hedges	**Number of Instruments**	**Notional Amount**	**Non-designated Hedges**	**Number of Instruments**	**Notional Amount**
Buy GBP / Sell EUR Forward	1	€ 8,410	Buy EUR / Sell GBP Forward	2	£146,207
Buy EUR / Sell USD Forward	1	€ 13,900	Buy USD / Sell EUR Forward	1	€ 8,410
Buy USD / Sell EUR Forward	1	€ 13,900			

Financial Statement Impact of Hedges of Foreign Currency Risk

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 Foreign Exchange Contracts			
Foreign Exchange Contracts in Hedging Relationships	**Location of Income (Expense) Recognized**	**Three Months Ended September 30, 2021**	**Three Months Ended September 30, 2020**	**Nine Months Ended September 30, 2021**	**Nine Months Ended September 30, 2020**
Designated Hedges	Interest Income(1)	$ 1,542	$ 1,794	$ 5,294	$ 2,303
Non-Designated Hedges	Interest Income(1)	34	(227)	(340)	(222)
Non-Designated Hedges	Interest Expense(2)	(8)	669	(7,139)	(846)
Total		$ 1,568	$ 2,236	$ (2,185)	$ 1,235

(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 USD LIBOR. These forward contracts effectively convert the rate exposure to USD LIBOR, resulting in additional interest income earned in U.S. dollar terms.

(2) Represents the spot rate movement in our non-designated hedges, which are marked-to-market and recognized in interest expense.

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	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Derivatives designated as hedging instruments:				
Foreign exchange contracts	$ 35,460	$ 521	$ —	$ 55,758
Interest rate derivatives	—	1	—	—
Total	$ 35,460	$ 522	$ —	$ 55,758
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	$ 398	$ —	$ 355	$ 3,157
Interest rate derivatives	—	—	—	—
Total	$ 398	$ —	$ 355	$ 3,157
Total Derivatives	$ 35,858	$ 522	$ 355	$ 58,915

(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 operations ($ in thousands):

Derivatives in Hedging Relationships	Amount of Gain Recognized in OCI on Derivatives		Location of Gain (Loss) Reclassified from Accumulated OCI into Income	Amount of Loss Reclassified from Accumulated OCI into Income	
	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2021		Three Months Ended September 30, 2021	Nine Months Ended September 30, 2021
Net Investment Hedges					
Foreign exchange contracts(1)	$ 46,078	$ 65,052	Interest Expense	$ —	$ —
Cash Flow Hedges					
Interest rate derivatives	—	—	Interest Expense(2)	(5)	(7)
Total	$ 46,078	$ 65,052		$ (5)	$ (7)

(1) During the three and nine months ended September 30, 2021, we received net cash settlements of $18.3 million and paid net cash settlements of $31.0 million, respectively, on our foreign currency forward contracts. Those amounts are included as a component of accumulated other comprehensive income (loss) on our consolidated balance sheets.
(2) During the three months ended September 30, 2021, we recorded total interest and related expenses of $82.7 million, which included interest expense of $5,000 related to our cash flow hedges. During the nine months ended September 30, 2021, we recorded total interest and related expenses of $243.4 million, which included interest expense of $7,000.

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 September 30, 2021, we were in a net asset position with both of our derivative counterparties and did not have any collateral posted under these derivative contracts. As of December 31, 2020, we were in a net liability position with each such derivative counterparty and posted collateral of $51.1 million under these derivative contracts.

11. EQUITY

Stock and Stock Equivalents

Authorized Capital

As of September 30, 2021, 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. We did not have any shares of preferred stock issued and outstanding as of September 30, 2021 and December 31, 2020.

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 such dividends as may be 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.

The following table details our issuances of class A common stock during the nine months ended September 30, 2021 ($ in thousands, except share and per share data):

	Class A Common Stock Offerings September 2021
Shares issued	10,000,000
Gross / net issue price per share(1)	$31.45 / $31.24
Net proceeds(2)	$311,955

(1) Represents the gross price per share issued, as well as the net proceeds per share after underwriting or sales discounts and commissions.

(2) Net proceeds represents proceeds received from the underwriters less applicable transaction costs.

We also issue restricted class A common stock under our stock-based incentive plans. Refer to Note 14 for additional 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 in lieu of cash compensation 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.

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:

Common Stock Outstanding(1)	Nine Months Ended September 30, 2021	2020
Beginning balance	147,086,722	135,263,728
Issuance of class A common stock(2)	10,001,429	10,842,295
Issuance of restricted class A common stock, net(3)	234,229	351,333
Issuance of deferred stock units	50,009	33,790
Ending balance	157,372,389	146,491,146

(1) Includes 356,700 and 293,856 deferred stock units held by members of our board of directors as of September 30, 2021 and 2020, respectively.

(2) Includes 1,429 and 1,599 shares issued under our dividend reinvestment program during the nine months ended September 30, 2021 and 2020, respectively.

(3) The amounts are net of 29,580 and 249 shares of restricted class A common stock forfeited under our stock-based incentive plans during the nine months ended September 30, 2021 and 2020, respectively. See Note 14 for further discussion of our stock-based incentive plans.

Dividend Reinvestment and Direct Stock Purchase Plan

On March 25, 2014, we adopted a dividend reinvestment and direct stock purchase plan, under which we registered and reserved for issuance, in the aggregate, 10,000,000 shares of class A common stock. Under the dividend reinvestment component of this 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. The direct stock purchase component allows stockholders and new investors, subject to our approval, to purchase shares of class A common stock directly from us. During the three and nine months ended September 30, 2021, we issued 480 shares and 1,429 shares, respectively, of class A common stock under the dividend reinvestment component of the plan compared to 628 shares and 1,599 shares, respectively, for the same periods in 2020. As of September 30, 2021, a total of 9,990,545 shares of class A common stock remained available for issuance under the dividend reinvestment and direct stock purchase plan.

At the Market Stock Offering Program

On November 14, 2018, we entered into six equity distribution agreements, or ATM Agreements, pursuant to which we may sell, from time to time, up to an aggregate sales price of $500.0 million of our class A common stock. On July 26, 2019, we amended our existing ATM Agreements and entered into one additional ATM Agreement. 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 nine months ended September 30, 2021 and 2020, we did not sell any shares of our class A common stock under ATM Agreements. As of September 30, 2021, sales of our class A common stock with an aggregate sales price of $363.8 million remained available for issuance 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 September 15, 2021, we declared a dividend of $0.62 per share, or $97.3 million in aggregate, that was paid on October 15, 2021, to stockholders of record as of September 30, 2021. The following table details our dividend activity ($ in thousands, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Dividends declared per share of common stock	$ 0.62	$ 0.62	$ 1.86	$ 1.86
Class A common stock dividends declared	$ 97,350	$ 90,642	$ 279,659	$ 265,205
Deferred stock unit dividends declared	202	174	591	502
Total dividends declared	$ 97,552	$ 90,816	$ 280,250	$ 265,707

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 (loss) per share calculation. Our Convertible Notes are excluded from dilutive earnings per share as we have the intent and ability to settle these instruments in cash.

The following table sets forth the calculation of basic and diluted net income (loss) 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 September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income(1)	$ 83,757	$ 89,860	$ 295,254	$ 54,054
Weighted-average shares outstanding, basic and diluted	149,214,819	146,484,651	147,971,737	140,157,620
Per share amount, basic and diluted	$ 0.56	$ 0.61	$ 2.00	$ 0.39

(1) Represents net income attributable to Blackstone Mortgage Trust.

Other Balance Sheet Items

Accumulated Other Comprehensive Income

As of September 30, 2021, total accumulated other comprehensive income was $9.9 million, primarily including $69.9 million of net realized and unrealized gains related to changes in the fair value of derivative instruments, offset by $60.0 million of cumulative unrealized currency translation adjustments on assets and liabilities denominated in foreign currencies. As of December 31, 2020, total accumulated other comprehensive income was $11.2 million, primarily representing (i) $6.4 million of cumulative unrealized currency translation adjustments on assets and liabilities denominated in foreign currencies, and (ii) $4.8 million of net realized and unrealized gains related to changes in the fair value of derivative instruments.

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 September 30, 2021, our Multifamily Joint Venture's total equity was $226.7 million, of which $192.7 million was owned by us, and $34.0 million was allocated to non-controlling interests. As of December 31, 2020, our Multifamily Joint Venture's total equity was $121.1 million, of which $102.9 million was owned by us, and $18.2 million was allocated to non-controlling interests.

12. 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 outstanding equity balance, 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 outstanding 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) certain non-cash items, and (v) incentive management fees.

During the three and nine months ended September 30, 2021, we incurred $15.8 million and $46.9 million, respectively, of management fees payable to our Manager, compared to $15.6 million and $44.8 million during the same period in 2020. In addition, during the three and nine months ended September 30, 2021, we incurred $3.6 million and $13.2 million, respectively, of incentive fees payable to our Manager, compared to $3.4 million and $13.9 million during the same period in 2020. During the nine months ended September 30, 2021, we paid $59.9 million of aggregate management and incentive fees in cash. During the nine months ended September 30, 2020, we issued 840,696 shares of class A common stock to our Manager in satisfaction of our aggregate $19.3 million of management and incentive fees accrued in the first quarter of 2020, and paid the remaining $40.7 million in cash.

As of September 30, 2021 and December 31, 2020 we had accrued management and incentive fees payable to our Manager of $19.3 million and $19.2 million, respectively, which are included in Other Liabilities on our consolidated balance sheets.

General and Administrative Expenses

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Professional services(1)	$ 1,969	$ 1,715	$ 5,831	$ 5,130
Operating and other costs(1)	792	878	2,093	3,212
Subtotal	2,761	2,593	7,924	8,342
Non-cash compensation expenses				
Restricted class A common stock earned	7,907	8,524	23,762	25,603
Director stock-based compensation	173	125	422	375
Subtotal	8,080	8,649	24,184	25,978
Total general and administrative expenses	$ 10,841	$ 11,242	$ 32,108	$ 34,320

(1) During the three and nine months ended September 30, 2021, we recognized an aggregate $110,000 and $543,000, respectively, of expenses related to our Multifamily Joint Venture. During the three and nine months ended September 30, 2020, we recognized an aggregate $293,000 and $869,000, respectively, of expenses related to our Multifamily Joint Venture.

13. 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 that we distribute. 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 September 30, 2021 and December 31, 2020, 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 nine months ended September 30, 2021, we recorded a current income tax provision of $70,000 and $346,000, respectively, primarily related to activities of our taxable REIT subsidiaries and various state and local taxes. During the three and nine months ended September 30, 2020, we recorded a current income tax provision of $20,000 and $192,000, respectively. We did not have any deferred tax assets or liabilities as of September 30, 2021 or December 31, 2020.

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 December 31, 2020, we had estimated NOLs of $159.0 million that will expire in 2029, unless they are utilized by us prior to expiration.

As of September 30, 2021, tax years 2017 through 2020 remain subject to examination by taxing authorities.

14. STOCK-BASED INCENTIVE PLANS

We are externally managed by our Manager and do not currently have any employees. However, as of September 30, 2021, 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.

We had stock-based incentive awards outstanding under nine benefit plans as of September 30, 2021. Seven of such benefit plans have expired and no new awards may be issued under them. Under our two current benefit plans, a maximum of 5,000,000 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 September 30, 2021, there were 1,978,860 shares available under our current benefit 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, 2020	1,627,890	$ 33.14
Granted	263,809	26.16
Vested	(718,799)	33.08
Forfeited	(29,580)	31.52
Balance as of September 30, 2021	1,143,320	$ 31.60

These shares generally vest in installments over a three-year period, pursuant to the terms of the respective award agreements and the terms of our current benefit plans. The 1,143,320 shares of restricted class A common stock outstanding as of September 30, 2021 will vest as follows: 239,145 shares will vest in 2021; 626,395 shares will vest in 2022; and 277,780 shares will vest in 2023. As of September 30, 2021, total unrecognized compensation cost relating to unvested share-based compensation arrangements was $33.6 million based on the grant date fair value of shares granted. This cost is expected to be recognized over a weighted-average period of 1.0 years from September 30, 2021.

15. 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):

	September 30, 2021				December 31, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Derivatives	$ —	$35,858	$ —	$35,858	$ —	$ 522	$ —	$ 522
Liabilities								
Derivatives	$ —	$ 355	$ —	$ 355	$ —	$58,915	$ —	$58,915

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):

	September 30, 2021			December 31, 2020		
	Book Value	Face Amount	Fair Value	Book Value	Face Amount	Fair Value
Financial assets						
Cash and cash equivalents	$ 211,180	$ 211,180	$ 211,180	$ 289,970	$ 289,970	$ 289,970
Loans receivable, net	20,276,078	20,522,560	20,358,824	16,399,166	16,652,824	16,447,192
Debt securities held-to-maturity(1)	77,636	79,200	78,633	75,722	79,200	70,127
Financial liabilities						
Secured debt, net	11,170,330	11,188,855	11,188,855	7,880,536	7,896,863	7,896,863
Securitized debt obligations, net	2,836,049	2,855,625	2,855,589	2,922,499	2,940,638	2,923,489
Asset-specific debt, net	320,895	328,068	328,068	391,269	399,699	399,699
Term loans, net	1,329,637	1,352,706	1,343,771	1,041,704	1,062,766	1,053,060
Convertible notes, net	618,985	622,500	633,845	616,389	622,500	621,568

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

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 debt securities held to maturity, securitized debt obligations, and the term loans 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.

16. VARIABLE INTEREST ENTITIES

Consolidated Variable Interest Entities

We have financed a portion of our loans through the CLOs and the 2017 Single Asset Securitization, all of which are VIEs. During the nine months ended September 30, 2021, the 2017 Single Asset Securitization was liquidated upon full repayment of its collateral assets and all senior securities outstanding. Previously, the 2017 Single Asset Securitization was consolidated by us. We are the primary beneficiary of, and therefore consolidate, the CLOs on our balance sheet as we (i) control the relevant interests of the CLOs that give us power to direct the activities that most significantly affect the CLOs, and (ii) have the right to receive benefits and obligation to absorb losses of the CLOs through the subordinate interests we own.

The following table details the assets and liabilities of our consolidated CLOs and 2017 Single Asset Securitization VIEs ($ in thousands):

	September 30, 2021	December 31, 2020
Assets:		
Loans receivable	$ 3,475,000	$ 3,520,130
Current expected credit loss reserve	(4,044)	(13,454)
Loans receivable, net	3,470,956	3,506,676
Other assets	32,406	81,274
Total assets	$ 3,503,362	$ 3,587,950
Liabilities:		
Securitized debt obligations, net	$ 2,836,049	$ 2,922,499
Other liabilities	1,631	2,104
Total liabilities	$ 2,837,680	$ 2,924,603

Assets held by these VIEs are restricted and can be used only to settle obligations of the VIEs, including the subordinate interests 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, interest income and interest expense, however it does not affect our stockholders' equity or net income (loss).

Non-Consolidated Variable Interest Entities

In the third quarter of 2018, we contributed a $517.5 million loan to the $1.0 billion 2018 Single Asset Securitization, which is a VIE, and invested in the related $99.0 million subordinate position. We are not the primary beneficiary of the VIE because we do not have the power to direct the activities that most significantly affect the VIE's economic performance and, therefore, do not consolidate the 2018 Single Asset Securitization on our balance sheet. We have classified the subordinate position we own as a held-to-maturity debt security that is included in other assets on our consolidated balance sheets. Our maximum exposure to loss from the 2018 Single Asset Securitization is limited to our book value of $77.6 million as of September 30, 2021.

We are not obligated to provide, have not provided, and do not intend to provide financial support to these consolidated and non-consolidated VIEs.

17. TRANSACTIONS WITH RELATED PARTIES

We are managed by our Manager pursuant to the Management Agreement, the current term of which expires on December 19, 2021, and will be automatically renewed for a one-year term upon such date and each anniversary thereafter unless earlier terminated.

As of September 30, 2021 and December 31, 2020, our consolidated balance sheets included $19.3 million and $19.2 million of accrued management and incentive fees payable to our Manager, respectively. During the three and nine months ended September 30, 2021, we paid aggregate management and incentive fees of $21.5 million and $59.9 million, respectively, to our Manager, compared to $20.5 million and $59.9 million during the same periods of 2020. During the nine months ended September 30, 2020, we issued 840,696 shares of class A common stock to our Manager in satisfaction of our aggregate $19.3 million of management and incentive fees accrued in the first quarter of 2020. The per share price with respect to such issuance was calculated based on the volume-weighted average price on the NYSE of our class A common stock over the five trading days following our April 29, 2020 first quarter 2020 earnings conference call. In addition, during the three and nine months ended September 30, 2021, we reimbursed our Manager for expenses incurred on our behalf of $141,000 and $325,000, respectively, compared to $416,000 and $839,000 during the same periods of 2020.

As of September 30, 2021, our Manager held 578,914 shares of unvested restricted class A common stock, which had an aggregate grant date fair value of $18.5 million, and vest in installments over three years from the date of issuance. During the three and nine months ended September 30, 2021, we recorded non-cash expenses related to shares held by our Manager of $4.1 million and $12.2 million, respectively, compared to $4.3 million and $12.8 million during the same period of 2020. Refer to Note 14 for further details on our restricted class A common stock.

An affiliate of our Manager is the special servicer of the CLOs. This affiliate did not earn any special servicing fees related to the CLOs during the nine months ended September 30, 2021 or 2020.

During the nine month periods ended September 30, 2021 and 2020, we originated three loans and two loans, respectively, whereby the respective borrowers engaged an affiliate of our Manager to act as title insurance agent in connection with these transactions. We did not incur any expenses or receive any revenues as a result of these transactions.

During the three and nine months ended September 30, 2021, we incurred $100,000 and $291,000, respectively, of expenses for various administrative, compliance, and capital market data services to third-party service providers that are affiliates of our Manager, compared to $98,000 and $369,000 during the same periods of 2020.

In the third quarter of 2021, we originated $246.6 million of a total $503.3 million senior loan to an unaffiliated third-party, which was part of a total financing that included a mezzanine loan originated by a Blackstone-advised investment vehicle. We will forgo all non-economic rights under our loan, including voting rights, so long as any Blackstone-advised investment vehicle controls the mezzanine loan. The senior loan terms, with respect to the mezzanine lender, were negotiated by a third party without our involvement and our 49% interest in the senior loan was made on such market terms.

In the third quarter of 2021, we acquired an aggregate £186.0 million of a total £379.6 million senior loan to a borrower that is majority owned by a Blackstone-advised investment vehicle. We will forgo all non-economic rights under the loan, including voting rights, so long as the Blackstone-advised investment vehicle controls the borrower. The senior loan terms were negotiated by the original lender prior to our acquisition of the loan without our involvement, and we acquired the loan on such market terms.

In the third quarter of 2021, we co-originated $243.6 million of an aggregate $974.5 million senior loan as part of a broadly marketed process. A Blackstone-advised investment vehicle co-originated an additional $243.6 million of the loan and unaffiliated third-parties co-originated the remaining $487.3 million of the loan. The loan proceeds were used by the borrower to repay an existing loan previously owned by us.

In the third and fourth quarter of 2019, we acquired an aggregate €250.0 million of a total €1.6 billion senior loan to a borrower that is partially owned by a Blackstone-advised investment vehicle. We will forgo all non-economic rights under the loan, including voting rights, so long as the Blackstone-advised investment vehicle controls the borrower. The senior loan terms were negotiated by third parties without our involvement and our 16% interest in the senior loan was made on such market terms. In the second quarter of 2021, we acquired an additional €100.0 million interest in the senior loan from an unaffiliated lender, bringing our total interest to 22% of the aggregate senior loan.

In the second quarter of 2021, we acquired an aggregate €50.0 million of a total €491.0 million senior loan to a borrower that is majority owned by a Blackstone-advised investment vehicle. We will forgo all non-economic rights under the loan, including voting rights, so long as the Blackstone-advised investment vehicle controls the borrower. The senior loan terms were negotiated by the original lenders prior to our acquisition of the loan without our involvement and our 10% interest in the senior loan was made on such market terms.

In the second quarter of 2021 and 2020, certain Blackstone-advised investment vehicles acquired an aggregate $20.0 million participation, or 5%, of the initial aggregate B-2 Term Loan as a part of a broad syndication lead-arranged by JP Morgan. Blackstone Securities Partners L.P., an affiliate of our Manager, was engaged as a book-runner for the transaction and received aggregate fees of $350,000 in such capacity. Both of these transactions were on terms equivalent to those of unaffiliated parties.

In the first quarter of 2021 and second quarter and fourth quarter of 2019, certain Blackstone-advised investment vehicles acquired an aggregate $65.5 million participation, or 7%, of the initial aggregate B-1 Term Loan as a part of a broad syndication lead-arranged by JP Morgan. Blackstone Securities Partners L.P., an affiliate of our Manager, was engaged as a book-runner for the transactions and received aggregate fees of $950,000 in such capacity. Both of these transactions were on terms equivalent to those of unaffiliated parties.

In the first quarter of 2021, we acquired an SEK 5.0 billion interest in a total SEK 10.2 billion senior loan to a borrower that is wholly owned by a Blackstone-advised investment vehicle. We will forgo all non-economic rights under the loan, including voting rights, so long as we are an affiliate of the borrower. The senior loan terms were negotiated by a third party without our involvement and our 49% interest in the senior loan was made on such market terms.

In the first quarter of 2020, we acquired a $140.0 million interest in a total $421.5 million senior loan to a borrower that is partially owned by a Blackstone-advised investment vehicle. We will forgo all non-economic rights under the loan, including voting rights, so long as we are an affiliate of the borrower. The senior loan terms were negotiated by third parties without our involvement and our 33% interest in the senior loan was made on such market terms.

18. COMMITMENTS AND CONTINGENCIES

Impact of COVID-19

As further discussed in Note 2, the full extent of the impact of COVID-19 on the global economy generally, and our business in particular, is uncertain. As of September 30, 2021, no contingencies have been recorded on our consolidated balance sheet as a result of COVID-19, however as the global pandemic continues and if the economic implications worsen, it may have long-term impacts on our financial condition, results of operations, and cash flows. Refer to Note 2 for further discussion of COVID-19.

Unfunded Commitments Under Loans Receivable

As of September 30, 2021, we had aggregate unfunded loan commitments of $4.2 billion across 108 loans receivable, and $2.6 billion of committed or identified financings for those commitments, resulting in net unfunded commitments of $1.6 billion. The unfunded loan commitments comprise funding for capital expenditures and construction, leasing costs, and interest and carry costs, and their funding will vary depending on 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 3.2 years.

Principal Debt Repayments

Our contractual principal debt repayments as of September 30, 2021 were as follows ($ in thousands):

Year	Secured Debt(1)	Asset-Specific Debt(1)	Term Loans(2)	Convertible Notes(3)	Total(4)
2021 (remainder of the year)	$ 130,668	$ —	$ 3,436	$ —	$ 134,104
2022	228,030	—	13,738	402,500	644,268
2023	1,834,836	149,896	13,738	220,000	2,218,470
2024	3,937,001	—	13,738	—	3,950,739
2025	1,231,023	178,172	13,738	—	1,422,933
2026	3,725,205	—	1,294,318	—	5,019,523
Thereafter	102,092	—	—	—	102,092
Total obligation	$11,188,855	$ 328,068	$1,352,706	$ 622,500	$13,492,129

(1) The allocation of repayments under our secured debt and asset-specific debt is based on the earlier of (i) the maturity date of each agreement, or (ii) the maximum maturity date of the collateral loans, assuming all extension options are exercised by the borrower.

(2) The Term Loans are partially amortizing, with an amount equal to 1.0% per annum of the principal balance due in quarterly installments. Refer to Note 8 for further details on our term loans.

(3) Reflects the outstanding principal balance of Convertible Notes, excluding any potential conversion premium. Refer to Note 9 for further details on our Convertible Notes.

(4) Total does not include $2.9 billion of consolidated securitized debt obligations, $997.6 million of non-consolidated senior interests, and $414.1 million of non-consolidated securitized debt obligations, as the satisfaction of these liabilities will not require cash outlays from us.

Board of Directors' Compensation

As of September 30, 2021, of the nine members of our board of directors, our six independent directors are entitled to annual compensation of $210,000 each, of which $95,000 will be paid in the form of cash and $115,000 will be paid in the form of deferred stock units or, beginning in 2022, at their election, shares of restricted common stock. The other three board members, including our chairman and our chief executive officer, are not compensated by us for their service as directors. In addition, (i) 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 (ii) 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 September 30, 2021, we were not involved in any material legal proceedings.

19. SUBSEQUENT EVENTS

On October 5, 2021, we issued $400.0 million aggregate principal amount of 3.75% senior secured notes due 2027, or Secured Notes. The Secured Notes were issued at par and have a maturity date of January 15, 2027. Blackstone Securities Partners L.P., an affiliate of our Manager, served as an initial purchaser for the Secured Notes offering and received compensation of $400,000 in connection therewith.

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 should be read in conjunction with the unaudited consolidated financial statements and notes thereto appearing elsewhere in this quarterly report on Form 10-Q. In addition to historical data, this discussion contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, 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 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, 2020 and elsewhere in this quarterly report on Form 10-Q.

Introduction

Blackstone Mortgage Trust is a real estate finance company that originates senior loans collateralized by commercial real estate in North America, Europe, and Australia. Our portfolio is composed primarily of loans secured by high-quality, institutional assets in major markets, sponsored by experienced, well-capitalized real estate investment owners and operators. These senior loans are capitalized by accessing a variety of financing options, including borrowing under our credit facilities, issuing CLOs or single-asset securitizations, and syndicating senior loan participations, depending on our view of the most prudent financing option available for each of our investments. We are not in the business of buying or trading securities, and the only securities we own are the retained interests from our securitization financing transactions, which we have not financed. 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's real estate platform. Blackstone Real Estate is one of the largest owners and operators of real estate in the world, 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 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.

Recent Developments

COVID-19

The novel coronavirus, or COVID-19 has significantly impacted the global economy since the beginning of 2020 and has, among other things, created disruption in global supply chains, impacted the job market and adversely impacted many industries, including industries related to the collateral underlying certain of our loans. During the nine months ended September 30, 2021, the global economy has, with certain setbacks, begun reopening and wider distribution of vaccines and easing of travel and other restrictions appear to be encouraging greater economic activity. Nonetheless, the recovery could remain uneven, particularly given uncertainty with respect to the distribution and acceptance of the vaccines and their effectiveness with respect to new variants of the virus. As a result, we are still unable to predict when normal economic activity and business operations will fully resume.

The outbreak of COVID-19 and its impact on the current financial, economic and capital markets environment, and future developments in these and other areas present uncertainty and risk with respect to our financial condition, results of operations, liquidity, and ability to pay distributions. Countries around the world continue to grapple with the economic impacts of the COVID-19 pandemic and its aftereffects. Although a recovery is partially underway, it continues to be gradual, uneven and characterized by meaningful dispersion across sectors and regions, and could be hindered by persistent or resurgent infection rates and by related travel and other restrictions. The most recent round of U.S. fiscal stimulus could provide meaningful support, along with continued accommodative monetary policy and wider distribution of vaccines. Issues with respect to the distribution and acceptance of vaccines or the spread of new variants of the virus could adversely impact the recovery. Overall, there remains significant uncertainty regarding the timing and duration of the economic recovery, which precludes any prediction as to the ultimate adverse impact of COVID-19 on economic and market conditions.

Reference Rate Reform

LIBOR and certain other floating rate benchmark indices to which our floating rate loans and other loan agreements are tied, including, without limitation, the Euro Interbank Offered Rate, or EURIBOR, the Stockholm Interbank Offered Rate, or STIBOR, the Canadian Dollar Offered Rate, or CDOR, and the Australian Bank Bill Swap Reference Rate, or BBSY, or collectively, IBORs, are the subject of recent national, international and regulatory guidance and proposals for reform. On March 5, 2021, the Financial Conduct Authority of the U.K., or FCA, which has statutory powers to require panel banks to contribute to LIBOR where necessary, announced it would cease publication of certain IBORs, including one-week and two-month USD LIBOR and all tenors of GBP LIBOR, immediately after December 31, 2021 and cease the publication of the remaining tenors of USD LIBOR immediately after June 30, 2023. Additionally, the Federal Reserve Board, Federal Deposit Insurance Corporation, Office of the Comptroller of Currency, and other interagency regulatory bodies have advised U.S. banks to stop entering into new USD LIBOR based contracts by December 31, 2021.

The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, has identified the Secured Overnight Financing Rate, or SOFR, a new index calculated using short-term repurchase agreements backed by Treasury securities, as its preferred alternative rate for USD LIBOR. In the U.K., the Bank of England's working group on Sterling risk free rates set March 31, 2021 as the target date under which GBP LIBOR may no longer be used as the reference rate for new loan products with maturities after December 31, 2021. Market participants have started to transition to the Sterling Overnight Index Average, or SONIA, in line with guidance from the U.K. regulators. As of September 30, 2021, the floating benchmark rate for the financing provided on the 2020 FL3 and 2020 FL2 CLOs is the 30-day average compounded SOFR, plus a credit spread adjustment. Additionally, as of September 30, 2021, daily compounded SONIA is utilized as the floating benchmark rate on five of our loans and two of our credit facilities.

At this time, it is not possible to predict how markets will respond to SOFR, SONIA, or other alternative reference rates as the transition away from USD LIBOR and GBP LIBOR proceeds. Despite the LIBOR transition in other markets, benchmark rate methodologies in Europe, Canada, and Australia have been reformed and rates such as EURIBOR, STIBOR, CDOR, and BBSY may persist as International Organization of Securities Commissions, or IOSCO, compliant reference rates moving forward. However, multi-rate environments may persist in these markets as regulators and working groups have suggested market participants adopt alternative reference rates.

Refer to "Part I. Item 1A. Risk Factors—Risks Related to Our Lending and Investment Activities—The expected discontinuation of currently used financial reference rates and use of alternative replacement reference rates may adversely affect net interest income related to our loans and investments or otherwise adversely affect our results of operations, cash flows and the market value of our investments." of our Annual Report on Form 10-K filed with the SEC on February 10, 2021.

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, and book value per share. For the three months ended September 30, 2021 we recorded earnings per share of $0.56, declared a dividend of $0.62 per share, and reported $0.63 per share of Distributable Earnings. In addition, our book value as of September 30, 2021 was $26.92 per share, which is net of a $0.86 cumulative CECL reserve.

As further described below, Distributable Earnings is a measure that is not prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP, which 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 loan portfolio and operations. In addition, Distributable Earnings is a performance metric we consider when declaring our dividends.

Earnings Per Share and Dividends Declared

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

	Three Months Ended	
	September 30, 2021	June 30, 2021
Net income(1)	$ 83,757	$ 131,595
Weighted-average shares outstanding, basic and diluted	149,214,819	147,342,822
Net income per share, basic and diluted	$ 0.56	$ 0.89
Dividends declared per share	$ 0.62	$ 0.62

(1) Represents net income attributable to Blackstone Mortgage Trust.

Distributable Earnings

Distributable Earnings is a non-GAAP measure, which we define 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.

During the nine months ended September 30, 2021, we recorded a $49.4 million decrease in the CECL reserve, which has 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 deemed nonrecoverable 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 non-recoverability may also be concluded if, in our determination, it is nearly certain that all amounts due will not be collected. 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 13 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 loan portfolio and operations, and is a performance metric we consider when declaring our dividends.

Distributable Earnings does not represent net income (loss) or cash generated from operating activities and should not be considered as an alternative to GAAP net income (loss), or an indication of our GAAP cash flows from operations, a measure of our liquidity, or an indication of funds available for our cash needs. In addition, our methodology for calculating Distributable Earnings may differ from the methodologies employed by other companies to calculate the same or similar supplemental performance measures, and accordingly, our reported Distributable Earnings may not be comparable to the Distributable Earnings reported by other companies.

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

	Three Months Ended	
	September 30, 2021	June 30, 2021
Net income(1)	$ 83,757	$ 131,595
Increase (decrease) in current expected credit loss reserve	2,767	(50,906)
Non-cash compensation expense	8,080	8,020
Realized hedging and foreign currency (loss) income, net(2)	(768)	744
Other items	116	194
Adjustments attributable to non-controlling interests, net	(39)	248
Distributable Earnings	$ 93,913	$ 89,895
Weighted-average shares outstanding, basic and diluted	149,214,819	147,342,822
Distributable Earnings per share, basic and diluted	$ 0.63	$ 0.61

(1) Represents net income attributable to Blackstone Mortgage Trust.

(2) Represents realized gains and losses on the repatriation of unhedged foreign currency. These amounts are not included in GAAP net income, but rather as a component of Other Comprehensive Income in our consolidated financial statements.

Book Value Per Share

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

	September 30, 2021	June 30, 2021
Stockholders' equity	$ 4,236,550	$ 3,930,961
Shares		
Class A common stock	157,015,689	147,015,818
Deferred stock units	356,700	328,065
Total outstanding	157,372,389	147,343,883
Book value per share	$ 26.92	$ 26.68

II. Loan Portfolio

During the quarter ended September 30, 2021, we originated or acquired $4.7 billion of loans. Loan fundings during the quarter totaled $3.9 billion, including $89.0 million of non-consolidated senior interests. Loan repayments and sales during the quarter totaled $886.2 million, including $213.4 million of loans held by our non-consolidated securitized debt obligations and our non-consolidated senior interests. We generated interest income of $200.1 million and incurred interest expense of $82.7 million during the quarter, which resulted in $117.4 million of net interest income during the three months ended September 30, 2021.

Portfolio Overview

The following table details our loan origination activity ($ in thousands):

	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2021
Loan originations(1)	$ 4,704,489	$ 8,604,600
Loan fundings(2)	$ 3,902,460	$ 7,734,135
Loan repayments and sales(3)	(886,180)	(3,678,372)
Total net (repayments) fundings	$ 3,016,280	$ 4,055,763

(1) Includes new loan originations and additional commitments made under existing loans.

(2) Loan fundings during the three and nine months ended September 30, 2021 include $89.0 million and $284.6 million, respectively, of additional fundings under related non-consolidated senior interests.

(3) Loan repayments and sales during the three and nine months ended September 30, 2021 include $213.4 million and $327.3 million, respectively, of additional repayments or reduction of loan exposure of loans held by our non-consolidated securitized debt obligations and our non-consolidated senior interests.

The following table details overall statistics for our investment portfolio as of September 30, 2021 ($ in thousands):

		Total Investment Exposure		
	Balance Sheet Portfolio(1)	Loan Exposure(1)(2)	Other Investments(3)	Total Investment Portfolio
Number of investments	156	156	1	157
Principal balance	$ 20,522,560	$ 21,520,167	$ 493,283	$ 22,013,450
Net book value	$ 20,276,078	$ 20,276,078	$ 77,636	$ 20,353,714
Unfunded loan commitments(4)	$ 4,220,214	$ 4,737,564	$ —	$ 4,737,564
Weighted-average spread(5)	+ 3.18%	+ 3.22%	+ 2.75%	+ 3.22%
Weighted-average all-in yield(5)	+ 3.51%	+ 3.55%	+ 2.98%	+ 3.54%
Weighted-average maximum maturity (years)(6)	3.3	3.3	3.7	3.3
Origination loan to value (LTV)(7)	65.5%	65.6%	42.6%	65.1%

(1) Excludes investment exposure to the $79.2 million subordinate position we own in the $493.3 million 2018 Single Asset Securitization. Refer to Notes 4 and 16 to our consolidated financial statements for further discussion of the 2018 Single Asset Securitization.

(2) In certain instances, we finance our loans through the non-recourse sale of a senior loan interest that is not included in our consolidated financial statements. Total loan exposure encompasses the entire loan we originated and financed, including $997.6 million of such non-consolidated senior interests that are not included in our balance sheet portfolio.

(3) Includes investment exposure to the $493.3 million 2018 Single Asset Securitization. We do not consolidate the 2018 Single Asset Securitization on our consolidated financial statements, and instead reflect our $79.2 million subordinate position as a component of other assets on our consolidated balance sheet. Refer to Notes 4 and 16 to our consolidated financial statements for further discussion of the 2018 Single Asset Securitization.

(4) 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.

(5) The weighted-average spread and all-in yield are expressed as a spread over the relevant floating benchmark rates, which include USD LIBOR, GBP LIBOR, SONIA, EURIBOR, STIBOR, BBSY, and CDOR, as applicable to each investment. As of September 30, 2021, 98% of our investments by total investment exposure earned a floating rate of interest, primarily indexed to USD LIBOR. The other 2% of our investments earned a fixed rate of interest, which we reflect as a spread over the relevant floating benchmark rates, as of September 30, 2021, for purposes of the weighted-averages. In addition to spread, 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 method.

(6) Maximum maturity assumes all extension options are exercised by the borrower, however our loans and other investments may be repaid prior to such date. As of September 30, 2021, 45% of our loans and other investments by total investment exposure were subject to yield maintenance or other prepayment restrictions and 55% were open to repayment by the borrower without penalty.

(7) Based on LTV as of the dates loans and other investments were originated or acquired by us.

The following table details the index rate floors for our loans receivable portfolio as of September 30, 2021 ($ in thousands):

Index rate floors	Loans Receivable Principal Balance		
	USD	Non-USD(1)	Total
Fixed rate	$ —	$ 344,370	$ 344,370
0.00% or no floor(2)	3,265,850	4,912,696	8,178,546
0.01% to 0.24% floor	3,910,133	112,026	4,022,159
0.25% to 0.99% floor	1,363,685	271,616	1,635,301
1.00% or more floor	6,794,344	545,447	7,339,791
Total(3)(4)(5)	$ 15,334,012	$ 6,186,155	$ 21,520,167

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

(2) Includes $338.7 million of loans accounted for under the cost-recovery method.

(3) Excludes investment exposure to the $79.2 million subordinate position we own in the $493.3 million 2018 Single Asset Securitization. Refer to Notes 4 and 16 to our consolidated financial statements for further discussion of the 2018 Single Asset Securitization.

(4) In certain instances, we finance our loans through the non-recourse sale of a senior loan interest that is not included in our consolidated financial statements. Total loan exposure encompasses the entire loan we originated and financed, including $997.6 million of such non-consolidated senior interests that are not included in our balance sheet portfolio.

(5) As of September 30, 2021, the weighted-average index rate floor of our loan portfolio was 0.58%. Excluding 0.0% index rate floors, the weighted-average index rate floor was 0.94%.

The following table details the floating benchmark rates for our investment portfolio as of September 30, 2021 (total investment portfolio amounts in thousands):

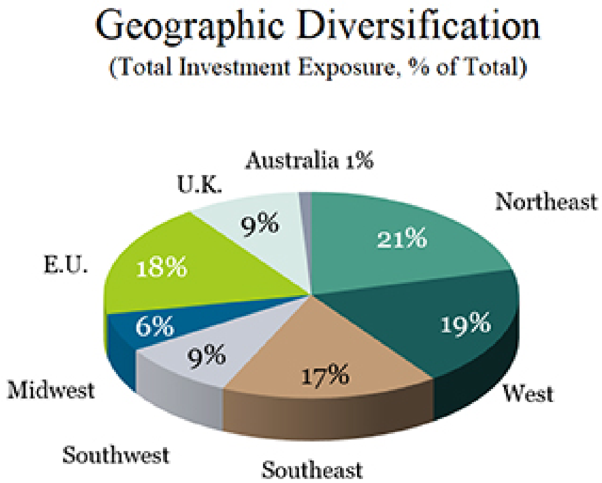
Investment Count	Currency	Total Investment Portfolio	Floating Rate Index(1)	Cash Coupon(2)	All-in Yield(2)
128	$	$ 15,827,294	USD LIBOR	+ 3.14%	+ 3.45%
10	€	€ 2,866,354	EURIBOR	+ 3.02%	+ 3.39%
14	£	£ 1,524,699	GBP LIBOR / SONIA(3)	+ 4.01%	+ 4.35%
1	kr	kr 4,990,212	STIBOR	+ 3.20%	+ 3.41%
2	A$	A$ 243,731	BBSY	+ 4.21%	+ 4.48%
2	C$	C$ 84,784	CDOR	+ 3.78%	+ 4.18%
157		$ 22,013,450	Applicable Index	+ 3.22%	+ 3.54%

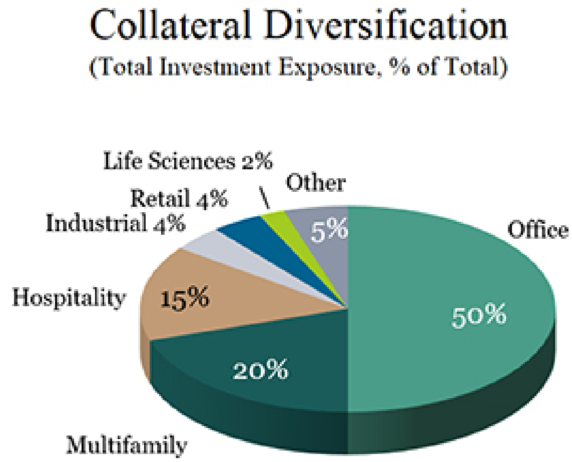
(1) We use foreign currency forward contracts to protect the value or fix the amount of certain investments or cash flows in terms of the U.S. dollar. We earn forward points on our forward contracts that reflect the interest rate differentials between the applicable base rate for our foreign currency investments and USD LIBOR. These forward contracts effectively convert the foreign currency rate exposure for such investments to USD LIBOR.

(2) The cash coupon and all-in yield of our fixed rate loans are reflected as a spread over USD LIBOR for purposes of the weighted-averages. 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 method.

(3) As of September 30, 2021, £917.6 million and £373.1 million of loans were indexed to GBP LIBOR and SONIA, respectively. The remaining £234.0 million of our British Pound Sterling loans are fixed rate. As of September 30, 2021, three-month GBP LIBOR was 0.08% and SONIA was 0.05%.

The charts below detail the geographic distribution and types of properties securing our investment portfolio, as of September 30, 2021:





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

Portfolio Management

During the three months ended September 30, 2021, we collected 100% of the contractual interest payments that were due under our loans, with virtually no interest deferrals, including with respect to loans collateralized by hospitality assets, which we believe 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, experienced sponsors.

We maintain a robust asset management relationship with our borrowers and have utilized these relationships to address the potential impacts of the COVID-19 pandemic on our loans secured by properties experiencing cash flow pressure, most significantly hospitality assets. We are generally encouraged by our borrowers' response to the COVID-19 pandemic's impacts on their properties. With limited exceptions, we believe our loan sponsors are committed to supporting assets collateralizing our loans through additional equity investments, and that we will benefit from our long-standing core business model of originating senior loans collateralized by large assets in major markets with experienced, well-capitalized institutional sponsors. Our investment portfolio's low origination weighted-average LTV of 65.1% as of September 30, 2021 reflects significant equity value that our sponsors are motivated to protect through periods of cyclical disruption. 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.

Our Manager's portfolio monitoring and asset management operations benefit from the deep knowledge, experience, and information advantages derived from its position as part of Blackstone's real estate platform. Blackstone Real Estate is one of the largest owners and operators of real estate in the world, 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 gives us the tools to expertly asset manage our portfolio and work with our borrowers throughout periods of economic stress and uncertainty.

As discussed in Note 2 to our consolidated financial statements, our Manager performs a quarterly review of our loan portfolio, assesses the performance of each loan, and assigns it a risk rating between "1" and "5," from less risk to greater risk. The weighted-average risk rating of our total loan exposure was 2.8 and 3.0 as of September 30, 2021 and December 31, 2020, respectively. The decrease in risk rating reflects the ongoing recovery from COVID-19 and the improvement of our portfolio's credit.

The following table allocates the principal balance and total loan exposure balances based on our internal risk ratings ($ in thousands):

	September 30, 2021		
Risk Rating	Number of Loans	Net Book Value	Total Loan Exposure(1)(2)
1	8	$ 931,330	$ 931,831
2	27	4,800,884	4,836,029
3	110	12,060,623	13,129,870
4	9	2,276,394	2,283,701
5	2	337,235	338,736
Loans receivable	156	$20,406,466	$21,520,167
CECL reserve		(130,388)	
Loans receivable, net		$20,276,078	

(1) In certain instances, we finance our loans through the non-recourse sale of a senior loan interest that is not included in our consolidated financial statements. See Note 2 to our consolidated financial statements for further discussion. Total loan exposure encompasses the entire loan we originated and financed, including $997.6 million of such non-consolidated senior interests as of September 30, 2021.

(2) Excludes investment exposure to the $493.3 million 2018 Single Asset Securitization. Refer to Notes 4 and 16 to our consolidated financial statements for details of the subordinate position we own in the 2018 Single Asset Securitization.

Current Expected Credit Loss Reserve

The CECL reserve required by GAAP reflects our current estimate of potential credit losses related to our loans and debt securities 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 GAAP principal underlying the CECL model that all loans, debt securities, and similar assets have some inherent risk of loss, regardless of credit quality, subordinate capital, or other mitigating factors.

During the nine months ended September 30, 2021, we recorded an aggregate $49.4 million decrease in the CECL reserve related to loans receivable, debt securities, and unfunded loan commitments, bringing our total reserve to $135.9 million as of September 30, 2021. This CECL reserve reflects the macroeconomic impact of the COVID-19 pandemic on commercial real estate markets generally, as well as certain loans assessed for impairment in our portfolio. The decrease in the CECL reserve during the nine months ended September 30, 2021 reflects the ongoing market recovery from COVID-19 and the resulting improvement in the performance of the collateral assets underlying our portfolio. Further, this reserve is not reflective of what we expect our CECL reserve would be absent the current and potential future impacts of the COVID-19 pandemic. See Notes 2 and 3 to our consolidated financial statements for further discussion of our CECL reserve.

During 2020 and 2021, we entered into loan modifications related to a multifamily asset in New York City, which are classified as troubled debt restructurings under GAAP. During the three months ended June 30, 2020, we recorded a $14.8 million CECL reserve on this loan, which was unchanged as of September 30, 2021. This loan has an outstanding principal balance of $52.4 million, net of cost-recovery proceeds, as of September 30, 2021. The CECL reserve was recorded based on our estimation of the fair value of the loan's underlying collateral as of September 30, 2021.

During 2020, we entered into a loan modification related to a hospitality asset in New York City, which is classified as a troubled debt restructuring under GAAP. During the three months ended June 30, 2020, we recorded a $54.9 million CECL reserve on this loan, which was unchanged as of September 30, 2021. This loan has an outstanding principal balance of $286.3 million, net of cost-recovery proceeds, as of September 30, 2021. The CECL reserve was recorded based on our estimation of the fair value of the loan's underlying collateral as of September 30, 2021.

As of July 1, 2020, the income accrual was suspended on the two loans detailed above, which had an aggregate outstanding principal balance of $338.7 million, as of September 30, 2021. No income was recorded on these loans during the three months ended September 30, 2021.

Multifamily Joint Venture

As of September 30, 2021, our Multifamily Joint Venture held $817.9 million of loans, which are included in the loan disclosures above. Refer to Note 2 to our consolidated financial statements for additional discussion of our Multifamily Joint Venture.

Portfolio Financing

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

	Portfolio Financing Outstanding Principal Balance	
	September 30, 2021	December 31, 2020
Secured debt	$ 11,188,855	$ 7,896,863
Securitizations(1)	3,269,708	3,596,980
Asset-specific financings(2)	1,325,674	1,201,495
Total portfolio financing	$ 15,784,237	$ 12,695,338

(1) Includes our consolidated securitized debt obligations of $2.9 billion and our non-consolidated securitized debt obligations of $414.1 million as of September 30, 2021, and our consolidated securitized debt obligations of $2.9 billion and our non-consolidated securitized debt obligations of $656.3 million as of December 31, 2020. The non-consolidated securitized debt obligation represents the senior non-consolidated investment exposure to the 2018 Single Asset Securitization. We own the related subordinate position, which is classified as a held-to-maturity debt security on our balance sheet. Refer to Notes 4 and 16 to our consolidated financial statements for details of the 2018 Single Asset Securitization.

(2) Includes our consolidated asset-specific debt of $328.1 million and our non-consolidated senior interests of $997.6 million as of September 30, 2021, and our consolidated asset-specific debt of $399.7 million and our non-consolidated senior interests of $801.8 million as of December 31, 2020. The non-consolidated senior interests provide structural leverage for our net investments which are reflected in the form of mezzanine loans or other subordinate interests on our balance sheet and in our results of operations.

Secured Debt

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

	Secured Debt Borrowings Outstanding	
	September 30, 2021	December 31, 2020
Secured credit facilities	$ 11,188,855	$ 7,896,863
Acquisition facility	—	—
Total secured debt	$ 11,188,855	$ 7,896,863

Secured Credit Facilities

The following table details the spread of our secured credit facilities as of September 30, 2021 ($ in thousands):

	Nine Months Ended September 30, 2021	September 30, 2021				
Spread(1)	New Financings(2)	Total Borrowings	Wtd. Avg. All-in Cost(1)(3)(4)	Collateral(5)	Wtd. Avg. All-in Yield(1)(6)	Net Interest Margin(7)
+ 1.50% or less	$ 3,065,115	$ 6,288,807	+ 1.54%	$ 8,176,251	+ 3.09%	+ 1.55%
+ 1.51% to + 1.75%	1,268,796	2,780,867	+ 1.88%	3,851,597	+ 3.40%	+ 1.52%
+ 1.76% to + 2.00%	479,767	897,258	+ 2.08%	1,253,906	+ 3.95%	+ 1.87%
+ 2.01% or more	465,872	1,221,923	+ 2.42%	1,977,237	+ 4.42%	+ 2.00%
Total	$ 5,279,550	$11,188,855	+ 1.77%	$15,258,991	+ 3.41%	+ 1.64%

(1) The spread, all-in cost, and all-in yield are expressed over the relevant floating benchmark rates, which include USD LIBOR, GBP LIBOR, SONIA, EURIBOR, STIBOR, BBSY, and CDOR, as applicable.

(2) Represents borrowings outstanding as of September 30, 2021, for new financings during the nine months ended September 30, 2021, based on the date collateral was initially pledged to each credit facility.

(3) In addition to spread, the cost includes the associated deferred fees and expenses related to the respective borrowings.

(4) Represents the weighted-average all-in cost as of September 30, 2021 and is not necessarily indicative of the spread applicable to recent or future borrowings.

(5) Represents the principal balance of the collateral assets.

(6) 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.

(7) Represents the difference between the weighted-average all-in yield and weighted average all in cost.

Acquisition Facility

We have a $250.0 million full recourse secured credit facility that is designed to finance eligible first mortgage originations for up to nine months as a bridge to term financing without obtaining discretionary lender approval. The maturity date of the facility is April 4, 2023.

Securitizations

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

	Securitizations Outstanding	
	September 30, 2021	December 31, 2020
Securitized debt obligations	$ 2,855,625	$ 2,940,638
Non-consolidated securitized debt obligation(1)	414,083	656,342
Total securitizations	$ 3,269,708	$ 3,596,980

(1) These non-consolidated securitized debt obligations represent the senior non-consolidated investment exposure to the 2018 Single Asset Securitization. We own the related subordinate position, which is classified as a held-to-maturity debt security on our balance sheet. Refer to Notes 4 and 16 to our consolidated financial statements for details of the 2018 Single Asset Securitization.

Securitized Debt Obligations

We have financed certain pools of our loans through collateralized loan obligations, which include the 2021 FL4 CLO, 2020 FL3 CLO, and 2020 FL2 CLO, or collectively, the CLOs. The following table details our securitized debt obligations ($ in thousands):

	September 30, 2021				
Securitized Debt Obligations	**Count**	**Principal Balance**	**Book Value**	**Wtd. Avg. Yield/Cost(1)(2)**	**Term(3)**
2021 FL4 Collateralized Loan Obligation					
Collateral assets	35	$1,000,000	$1,000,000	+ 3.41%	July 2024
Financing provided	1	803,750	796,864	+ 1.65%	May 2038
2020 FL3 Collateralized Loan Obligation					
Collateral assets	21	1,000,000	1,000,000	+ 3.02%	April 2024
Financing provided	1	808,750	803,378	+ 2.10%	November 2037
2020 FL2 Collateralized Loan Obligation					
Collateral assets	24	1,500,000	1,500,000	+ 3.10%	March 2024
Financing provided	1	1,243,125	1,235,807	+ 1.45%	February 2038
Total					
Collateral assets	80	$3,500,000	$3,500,000	+ 3.17%	
Financing provided(4)	3	$2,855,625	$2,836,049	+ 1.69%	

(1) 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.

(2) The weighted-average all-in yield and cost are expressed as a spread over the relevant floating benchmark rates, which include USD LIBOR and SOFR, as applicable to each securitized debt obligation. As of September 30, 2021, the floating benchmark rate for the financing provided on the 2020 FL3 and 2020 FL2 CLOs is the 30-day average compounded SOFR, plus a credit spread adjustment of 0.11%. As of September 30, 2021, the 30-day average compounded SOFR was 0.05% and one-month USD LIBOR was 0.08%.

(3) Loan term represents weighted-average final maturity, 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.

(4) During the three and nine months ended September 30, 2021, we recorded $10.7 million and $35.2 million, respectively, of interest expense related to our securitized debt obligations.

Refer to Notes 6 and 16 to our consolidated financial statements for additional details of our securitized debt obligations.

Non-Consolidated Securitized Debt Obligation

In the third quarter of 2018, we contributed a senior loan to the 2018 Single Asset Securitization, and invested in the related subordinate position. We do not consolidate the 2018 Single Asset Securitization on our balance sheet. The non-consolidated securitized debt obligation provides structural leverage for our net investment which is reflected as a held-to-maturity debt security and is included in other assets on our consolidated balance sheets. The following table details our non-consolidated securitized debt obligations ($ in thousands):

	September 30, 2021				
Non-Consolidated Securitized Debt Obligation	**Count**	**Principal Balance**	**Book Value**	**Wtd. Avg. Yield/Cost(1)**	**Wtd. Avg. Term(2)**
Collateral assets	1	$493,283	n / a	+ 2.98%	June 2025
Financing provided	1	$414,083	n / a	+ 2.45%	June 2035

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

(2) Loan term represents weighted-average final maturity, assuming all extension options are exercised by the borrower. Repayments of non-consolidated 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.

Asset-Specific Financings

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

	Asset-Specific Financings Outstanding Principal Balance	
	September 30, 2021	**December 31, 2020**
Asset-specific debt	$ 328,068	$ 399,699
Non-consolidated senior interests(1)	997,606	801,796
Total asset-specific financings	$ 1,325,674	$ 1,201,495

(1) These non-consolidated senior interests provide structural leverage for our net investments which are reflected in the form of mezzanine loans or other subordinate interests on our balance sheet and in our results of operations.

Asset-Specific Debt

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

	September 30, 2021				
Asset-Specific Debt	**Count**	**Principal Balance**	**Book Value**	**Wtd. Avg. Yield/Cost(1)**	**Wtd. Avg. Term(2)**
Collateral assets	3	$436,562	$424,650	+ 4.34%	Dec. 2024
Financing provided	3	$328,068	$320,895	+ 3.13%	Dec. 2024

(1) These floating rate loans and related liabilities are indexed to the various benchmark rates relevant in each arrangement in terms of currency and payment frequency. Therefore the net exposure to each benchmark rate is in direct proportion to our net assets indexed to that rate. In addition to cash coupon, yield/cost includes the amortization of deferred origination fees / financing costs.

(2) The weighted-average term is determined based on the maximum maturity of the corresponding loans, assuming all extension options are exercised by the borrower. Each of our asset-specific financings is term-matched to the corresponding collateral loans.

Non-Consolidated Senior Interests

In certain instances, we finance our loans through the non-recourse sale of a senior loan interest that is not included in our consolidated financial statements. These non-consolidated senior interests provide structural leverage for our net investments which are reflected in the form of mezzanine loans or other subordinate interests on our balance sheet and in our results of operations.

The following table details the subordinate interests retained on our balance sheet and the related non-consolidated senior interests ($ in thousands):

	September 30, 2021				
Non-Consolidated Senior Interests	Count	Principal Balance	Book Value	Wtd. Avg. Yield/Cost(1)	Wtd. Avg. Term
Total loan	4	$1,241,327	n / a	+ 4.43%	Nov. 2024
Senior participation	4	$ 997,606	n / a	+ 3.19%	Nov. 2024

(1) The weighted-average spread and all-in yield are expressed as a spread over the relevant floating benchmark rates, which include USD LIBOR and GBP LIBOR, as applicable to each investment. As of September 30, 2021, 73% of these loans' total investment exposure earned a floating rate of interest indexed to USD LIBOR. The other 27% of our investments earned a fixed rate of interest, which we reflect as a spread over GBP LIBOR, as of September 30, 2021, for purposes of the weighted-averages. In addition to spread, 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.

Corporate Financing

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

	Corporate Financing Outstanding Principal Balance	
	September 30, 2021	December 31, 2020
Term loans	$ 1,352,706	$ 1,062,766
Convertible notes	622,500	622,500
Total corporate financing	$ 1,975,206	$ 1,685,266

Term Loans

As of September 30, 2021, the following senior term loan facilities, or Term Loans, were outstanding ($ in thousands):

Term Loans	Face Value	Interest Rate(1)	All-in Cost(1)(2)	Maturity
B-1 Term Loan	$932,256	+ 2.25%	+ 2.53%	April 23, 2026
B-2 Term Loan	$420,450	+ 2.75%	+ 3.42%	April 23, 2026

(1) The B-2 Term Loan borrowing is subject to a LIBOR floor of 0.50%.

(2) Includes issue discount and transaction expenses that are amortized through interest expense over the life of the Term Loans.

Refer to Notes 2 and 8 to our consolidated financial statements for additional discussion of our Term Loans.

Convertible Notes

As of September 30, 2021, the following convertible senior notes, or Convertible Notes, were outstanding ($ in thousands):

Convertible Notes Issuance	Face Value	Interest Rate	All-in Cost(1)	Maturity
May 2017	$402,500	4.38%	4.85%	May 5, 2022
March 2018	$220,000	4.75%	5.33%	March 15, 2023

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

Refer to Notes 2 and 9 to our consolidated financial statements for additional discussion of our Convertible Notes.

Floating Rate 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 September 30, 2021, 98% of our investments by total investment exposure earned a floating rate of interest 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 investments. As of September 30, 2021, the remaining 2% of our investments by total investment exposure earned a fixed rate of interest, but are financed with liabilities that pay interest at floating rates, which resulted in a negative correlation to rising interest rates to the extent of our financing. In certain instances where we have financed fixed rate assets with floating rate liabilities, we have purchased interest rate caps to limit our exposure to increases in interest rates on such liabilities.

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 net exposure to interest rates by currency as of September 30, 2021 (amounts in thousands):

	USD	EUR	GBP	SEK	AUD	CAD
Floating rate loans(1)(2)(3)	$ 15,827,294	€ 2,858,050	£ 1,290,724	kr 4,990,212	A$ 243,731	C$ 60,064
Floating rate debt(1)(2)(3)(4)(5)	(12,704,353)	(2,045,780)	(863,451)	(3,992,169)	(177,127)	(64,250)
Net floating rate exposure(6)	$ 3,122,941	€ 812,270	£ 427,273	kr 998,043	A$ 66,604	C$ (4,186)
Net floating rate exposure in USD(6)(7)	$ 3,122,941	$ 940,609	$ 575,707	$ 113,906	$ 48,134	$ (3,301)

(1) Our floating rate investments and related liabilities are indexed to the various benchmark rates relevant in each case in terms of currency and payment frequency. Therefore the net exposure to each benchmark rate is in direct proportion to our net assets indexed to that rate.

(2) Includes investment exposure and related financing of the 2018 Single Asset Securitization. Refer to Notes 4 and 16 to our consolidated financial statements for details of the subordinate position we own in the 2018 Single Asset Securitization.

(3) As of September 30, 2021, £917.6 million and £373.1 million of floating rate loans were indexed to GBP LIBOR and SONIA, respectively. As of September 30, 2021, £472.6 million and £390.8 million of floating rate debt was indexed to GBP LIBOR and SONIA, respectively. As of September 30, 2021, three-month GBP LIBOR was 0.08% and SONIA was 0.05%.

(4) Includes borrowings under secured debt, securitizations, asset-specific financings, and term loans.

(5) As of September 30, 2021, $10.7 billion and $2.1 billion of floating rate debt was indexed to USD LIBOR and SOFR, respectively. As of September 30, 2021, the floating benchmark rate for the financing provided on the 2020 FL3 and 2020 FL2 CLOs is the 30-day average compounded SOFR, plus a credit spread adjustment of 0.11%. As of September 30, 2021, the 30-day average compounded SOFR was 0.05% and one-month USD LIBOR was 0.08%.

(6) In addition, we have one interest rate cap of C$21.0 million ($16.6 million as of September 30, 2021) to limit our exposure to increases in interest rates.

(7) Represents the U.S. Dollar equivalent as of September 30, 2021.

III. Our Results of Operations

Operating Results

The following table sets forth information regarding our consolidated results of operations ($ in thousands, except per share data):

	Three Months Ended		Change
	September 30, 2021	June 30, 2021	$
Income from loans and other investments			
Interest and related income	$ 200,114	$ 196,303	$ 3,811
Less: Interest and related expenses	82,690	82,352	338
Income from loans and other investments, net	117,424	113,951	3,473
Other expenses			
Management and incentive fees	19,342	21,545	(2,203)
General and administrative expenses	10,841	10,669	172
Total other expenses	30,183	32,214	(2,031)
(Increase) decrease in current expected credit loss reserve	(2,767)	50,906	(53,673)
Income before income taxes	84,474	132,643	(48,169)
Income tax provision	70	175	(105)
Net income	84,404	132,468	(48,064)
Net income attributable to non-controlling interests	(647)	(873)	226
Net income attributable to Blackstone Mortgage Trust, Inc.	$ 83,757	$ 131,595	$ (47,838)
Net income per share - basic and diluted	$ 0.56	$ 0.89	$ (0.33)
Dividends declared per share	$ 0.62	$ 0.62	$ —

Income from loans and other investments, net

Income from loans and other investments, net increased $3.5 million during the three months ended September 30, 2021 as compared to the three months ended June 30, 2021. The increase was primarily due to (i) an increase in the weighted-average principal balance of our loan portfolio by $957.3 million during the three months ended September 30, 2021, as compared to the three months ended June 30, 2021 and (ii) one additional day of net interest income accrued during the three months ended September 30, 2021, as compared to the three months ended June 30, 2021. This was offset by an increase in the weighted-average principal balance of our outstanding financing arrangements by $864.7 million during the three months ended September 30, 2021, as compared to the three months ended June 30, 2021.

Other expenses

Other expenses include management and incentive fees payable to our Manager and general and administrative expenses. Other expenses decreased by $2.0 million during the three months ended September 30, 2021 compared to the three months ended June 30, 2021 primarily due to a $2.4 million decrease of incentive fees payable to our Manager. This was offset by (i) a $213,000 increase in management fees payable to our Manager, primarily as a result of net proceeds received from the sale of shares of our class A common stock during the three months ended September 30, 2021 and (ii) an increase of $111,000 of general operating expenses.

Changes in current expected credit loss reserve

During the three months ended September 30, 2021, we recorded a $2.8 million increase in the current expected credit loss reserve, as compared to a $50.9 million decrease during the three months ended June 30, 2021. The increase in the CECL reserve during the three months ended September 30, 2021 is primarily due to an increase in our loans receivable portfolio during the three months ended September 30, 2021. This CECL reserve reflects the macroeconomic impact of the COVID-19 pandemic on commercial real estate markets generally, as well as certain loans assessed for impairment in our portfolio. This reserve is not reflective of what we expect our CECL reserve would be absent the current and potential future impacts of the COVID-19 pandemic. See Notes 2 and 3 to our consolidated financial statements for further discussion of our CECL reserve.

Net income attributable to non-controlling interests

During the three months ended September 30, 2021 and June 30, 2021, we recorded $647,000 and $873,000, respectively, of net income attributable to non-controlling interests related to our Multifamily Joint Venture.

Dividends per share

During the three months ended September 30, 2021, we declared a dividend of $0.62 per share, or $97.3 million in aggregate, which was paid on October 15, 2021 to common stockholders of record as of September 30, 2021. During the three months ended June 30, 2021, we declared a dividend of $0.62 per share, or $91.1 million in aggregate.

The following table sets forth information regarding our consolidated results of operations for the nine months ended September 30, 2021 and 2020 ($ in thousands, except per share data):

	Nine Months Ended		Change
	September 30, 2021	September 30, 2020	$
Income from loans and other investments			
Interest and related income	$ 583,941	$ 590,797	$ (6,856)
Less: Interest and related expenses	243,414	268,070	(24,656)
Income from loans and other investments, net	340,527	322,727	17,800
Other expenses			
Management and incentive fees	60,094	58,758	1,336
General and administrative expenses	32,107	34,320	(2,213)
Total other expenses	92,201	93,078	(877)
Decrease (increase) in current expected credit loss reserve	49,432	(173,466)	222,898
Income before income taxes	297,758	56,183	241,575
Income tax provision	346	192	154
Net income	297,412	55,991	241,421
Net income attributable to non-controlling interests	(2,158)	(1,937)	(221)
Net income attributable to Blackstone Mortgage Trust, Inc.	$ 295,254	$ 54,054	$241,200
Net income per share - basic and diluted	$ 2.00	$ 0.39	$ 1.61
Dividends declared per share	$ 1.86	$ 1.86	$ —

Income from loans and other investments, net

Income from loans and other investments, net increased $17.8 million during the nine months ended September 30, 2021 as compared to the corresponding period in 2020. The increase was primarily due to (i) the impact of declining LIBOR and other floating rate indices, which had a larger impact on interest expense than interest income as a result of certain of our loans earning interest based on floors that were above the applicable floating rate index during the period, and (ii) an increase in the weighted-average principal balance of our loan portfolio by $1.1 billion for the nine months ended September 30, 2021, as compared to the corresponding period in 2020. This was offset by an increase in the weighted-average principal balance of our outstanding financing arrangements by $936.9 million for the nine months ended September 30, 2021, as compared to the corresponding period in 2020.

Other expenses

Other expenses include management and incentive fees payable to our Manager and general and administrative expenses. Other expenses decreased by $877,000 during the nine months ended September 30, 2021 compared to the corresponding period in 2020 due to a decrease of (i) $1.8 million in non-cash restricted stock amortization, due to a decrease in the weighted-average grant date share price of the awards, (ii) $761,000 of incentive fees payable to our Manager, and (iii) $419,000 of general operating expenses. This was offset by an increase of $2.1 million of management fees payable to our Manager, primarily as a result of net proceeds received from the sale of shares of our class A common stock during 2020 and 2021.

Changes in current expected credit loss reserve

During the nine months ended September 30, 2021, we recorded a $49.4 million decrease in the current expected credit loss reserve as compared to a $173.5 million increase during the nine months ended September 30, 2020. The decrease in the CECL reserve during the nine months ended September 30, 2021 reflects the ongoing market recovery from COVID-19 and the resulting improvement in the performance of the collateral assets underlying our portfolio. This CECL reserve reflects the macroeconomic impact of the COVID-19 pandemic on commercial real estate markets generally, as well as certain loans assessed for impairment in our portfolio. This reserve is not reflective of what we expect our CECL reserve would be absent the current and potential future impacts of the COVID-19 pandemic. See Notes 2 and 3 to our consolidated financial statements for further discussion of our CECL reserve.

Net income attributable to non-controlling interests

During the nine months ended September 30, 2021 and 2020, we recorded $2.2 million and $1.9 million, respectively, of net income attributable to non-controlling interests related to our Multifamily Joint Venture.

Dividends per share

During the nine months ended September 30, 2021, we declared aggregate dividends of $1.86 per share, or $279.7 million. During the nine months ended September 30, 2020, we declared aggregate dividends of $1.86 per share, or $265.2 million.

IV. 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 financing. As of September 30, 2021, our capitalization structure included $4.2 billion of common equity, $2.0 billion of corporate debt, and $15.8 billion of asset-level financing. Our $2.0 billion of corporate debt includes $1.4 billion of term loan borrowings and $622.5 million of convertible notes, of which $402.5 million matures prior to September 30, 2022. Our $15.8 billion of asset-level financing includes $11.2 billion of secured debt, $3.3 billion of securitizations, and $1.3 billion of asset-specific financings all of which are structured to produce term, currency and index matched funding with no margin call provisions based upon capital markets events. Additionally, on September 24, 2021 we priced $400.0 million aggregate principal amount of 3.75% senior secured notes due 2027, which were issued on October 5, 2021.

As of September 30, 2021, we have $1.1 billion of liquidity that can be used to satisfy our short-term cash requirements and as working capital for our business.

See Notes 5, 6, 7, 8, and 9 to our consolidated financial statements for additional details regarding our secured debt, securitized debt obligations, asset-specific debt, Term Loans, 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:

	September 30, 2021	December 31, 2020
Debt-to-equity ratio(1)	3.1x	2.5x
Total leverage ratio(2)	4.1x	3.6x

(1) Represents (i) total outstanding secured debt, asset-specific debt, term loans, and convertible notes, less cash, to (ii) total equity, in each case at period end.

(2) Represents (i) total outstanding secured debt, securitizations, asset-specific financings, term loans, and convertible notes, less cash, to (ii) total equity, in each case at period end.

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):

	September 30, 2021	December 31, 2020
Cash and cash equivalents	$ 211,180	$ 289,970
Senior secured notes, net(1)	395,000	—
Available borrowings under secured debt	452,438	829,165
Loan principal payments held by servicer, net(2)	299	19,460
	$ 1,058,917	$ 1,138,595

(1) On September 24, 2021 we priced $400.0 million aggregate principal amount of 3.75% senior secured notes due 2027, which were issued on October 5, 2021.

(2) 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 nine months ended September 30, 2021, we generated cash flow from operating activities of $255.0 million, received repayments of $3.4 billion, received $312.0 million of net proceeds from the issuance of shares of class A common stock, and received $298.5 million of net proceeds from borrowings under term loans. Furthermore, we are able to generate incremental liquidity through the replenishment provisions of our 2021 FL4, 2020 FL3, and 2020 FL2 CLOs, which allow us to replace a repaid loan in the CLO by increasing the principal amount of existing CLO collateral assets to maintain the aggregate amount of collateral assets in the CLO, and the related financing outstanding.

We have access to liquidity through public offerings of debt and equity securities. To facilitate such offerings, in July 2019, we filed a shelf registration statement with the SEC that is effective for a term of three years and expires at the end of July 2022. 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) debt securities; (iv) depositary shares representing preferred stock; (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 a dividend reinvestment plan and direct stock purchase plan, under which 9,990,545 shares of class A common stock were available for issuance as of September 30, 2021, and our at-the-market stock offering program, pursuant to which we may sell, from time to time, up to $363.8 million of additional shares of our class A common stock as of September 30, 2021. Refer to Note 11 to our consolidated financial statements for additional details.

Liquidity Needs

In addition to our loan origination activity and general operating expenses, our primary liquidity needs include interest and principal payments under our $11.2 billion of outstanding borrowings under secured debt facilities, our asset-specific debt facilities, our Term Loans, and our Convertible Notes.

As of September 30, 2021, we had aggregate unfunded loan commitments of $4.2 billion across 108 loans receivable, and $2.6 billion of committed or identified financings for those commitments, resulting in net unfunded commitments of $1.6 billion. The unfunded loan commitments comprise funding for capital expenditures and construction, leasing costs, and interest and carry costs, and their funding will vary depending on 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 3.2 years.

Contractual Obligations and Commitments

Our contractual obligations and commitments as of September 30, 2021 were as follows ($ in thousands):

	Total Obligation	Payment Timing			
		Less Than 1 Year(1)	1 to 3 Years	3 to 5 Years	More Than 5 Years
Unfunded loan commitments(2)	$ 4,220,214	$ 449,885	$1,798,514	$1,441,808	$ 530,007
Principal repayments under secured debt(3)	11,188,855	270,865	3,877,134	6,265,773	775,083
Principal repayments under asset-specific debt(3)	328,068	—	149,897	178,171	—
Principal repayments of term loans(4)	1,352,706	13,738	27,477	1,311,491	—
Principal repayments of convertible notes(5)	622,500	402,500	220,000	—	—
Interest payments(3)(6)	882,878	282,365	405,211	193,045	2,257
Total(7)	$18,595,221	$1,419,353	$6,478,233	$9,390,288	$1,307,347

(1) Represents our known, estimated short-term cash requirements related to our contractual obligations and commitments. Refer to the sources of liquidity section above for 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) The allocation of repayments under our secured debt and asset-specific debt for both principal and interest payments is based on the earlier of (i) the maturity date of each agreement, or (ii) the maximum maturity date of the collateral loans, assuming all extension options are exercised by the borrower.

(4) The Term Loans are partially amortizing, with an amount equal to 1.0% per annum of the principal balance due in quarterly installments. Refer to Note 8 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 9 to our consolidated financial statements for further details on our convertible notes.

(6) Represents interest payments on our secured debt, asset-specific debt, Term Loans, and convertible notes. Future interest payment obligations are estimated assuming the interest rates in effect as of September 30, 2021 will remain constant into the future. This is only an estimate as actual amounts borrowed and interest rates will vary over time.

(7) Total does not include $2.9 billion of consolidated securitized debt obligations, $997.6 million of non-consolidated senior interests, and $414.1 million of non-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 derivatives with our derivative counterparties upon maturity which, depending on exchange rate movements, may result in cash received from or due to the respective counterparty. The table above does not include these amounts as they are not fixed and determinable. Refer to Note 10 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 12 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):

	Nine Months Ended September 30,	
	2021	2020
Cash flows provided by operating activities	$ 255,022	$ 261,296
Cash flows used in investing activities	(3,926,040)	(105,726)
Cash flows provided by financing activities	3,616,649	120,778
Net (decrease) increase in cash, cash equivalents, and restricted cash	$ (54,369)	$ 276,348

We experienced a net decrease in cash, cash equivalents, and restricted cash of $54.4 million for the nine months ended September 30, 2021, compared to a net increase of $276.3 million for the nine months ended September 30, 2020. During the nine months ended September 30, 2021, we funded $7.4 billion of new loans, and we received (i) a net $3.5 billion from borrowings under our secured debt, (ii) $3.4 billion from loan principal collections, (iii) $312.0 million of net proceeds from the issuance of shares of class A common stock, and (iv) $298.5 million of net proceeds from term loan borrowings.

Refer to Note 3 to our consolidated financial statements for further discussion of our loan activity. Refer to Notes 5 and 8 to our consolidated financial statements for further discussion of our secured debt and term loans.

V. 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 that we distribute. 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 September 30, 2021 and December 31, 2020, we were in compliance with all REIT requirements.

Refer to Note 13 to our consolidated financial statements for additional 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. There have been no material changes to our Critical Accounting Policies described in our annual report on Form 10-K filed with the SEC on February 10, 2021.

Refer to Note 2 to our consolidated financial statements for the description of our significant accounting policies.

Critical Accounting Estimates

The preparation of these financial statements requires our Manager 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 materially from these estimates.

Current Expected Credit Losses

The current expected credit loss, or CECL, reserve required under Accounting Standard Update, or ASU, 2016-13 “Financial Instruments – Credit Losses – Measurement of Credit Losses on Financial Instruments (Topic 326),” or ASU 2016-13, reflects our current estimate of potential credit losses related to our loans and debt securities included in our consolidated balance sheets. We estimate our CECL reserve 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, which includes zero realized loan losses since the launch of our senior loan origination business in 2013, with market loan loss data licensed from Trepp LLC. This database includes commercial mortgage-backed securities, or CMBS, issued since January 1, 1999 through August 31, 2021. 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 prepayments. 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 reserve. 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 loan receivables.
- **Current credit quality of our portfolio:** Our risk rating is our primary credit quality indicator in assessing our current expected credit loss reserve. Our Manager performs a quarterly risk review of our portfolio of loans, and assigns each loan a risk rating based on a variety of factors, including, without limitation, 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 reserve is 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, 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. These estimations require 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 September 30, 2021.
- **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 reserve by applying the practical expedient for collateral dependent loans. The CECL reserve is assessed on an individual basis for these loans by comparing the estimated 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

deemed relevant by our Manager. Actual losses, if any, could ultimately differ materially from these estimates. We only expect to realize the impairment losses if and when such amounts are deemed nonrecoverable upon a realization event. This is generally at the time a loan is repaid, or in the case of foreclosure, when the underlying asset is sold, but 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 reserve may change over time and from period to period. During the nine months ended September 30, 2021, we recorded an aggregate $49.4 million decrease in the CECL reserve related to loans receivable, debt securities, and unfunded loan commitments, bringing our total reserve to $135.9 million as of September 30, 2021. The decrease in the CECL reserve during the nine months ended September 30, 2021 reflects the ongoing market recovery from COVID-19 and the improvement in the performance of the collateral assets underlying our portfolio. This CECL reserve reflects the macroeconomic impact of the COVID-19 pandemic on commercial real estate markets generally, as well as certain loans assessed for impairment in our portfolio. Further, this reserve is not reflective of what we expect our CECL reserve would be absent the current and potential future impacts of the COVID-19 pandemic. See Notes 2 and 3 to our consolidated financial statements for further discussion of our CECL reserve.

VI. Loan Portfolio Details

The following table provides details of our loan portfolio, on a loan-by-loan basis, as of September 30, 2021 ($ in millions):

	Loan Type(1)	Origination Date(2)	Total Loan(3)(4)	Principal Balance(4)	Net Book Value	Cash Coupon(5)	All-in Yield(5)	Maximum Maturity(6)	Location	Property Type	Loan Per SQFT / Unit / Key	Origination LTV(2)	Risk Rating
1	Senior loan	8/14/2019	$ 1,274.8	$ 1,237.5	$1,233.3	+ 2.53%	+ 2.99%	12/23/2024	Dublin - IE	Office	$450 / sqft	74%	2
2	Senior loan	3/22/2018	858.0	858.0	856.6	+ 3.25%	+ 3.42%	3/15/2023	Diversified - Spain	Mixed-Use	n / a	71%	4
3	Senior loan	11/25/2019	724.2	689.8	691.8	+ 2.30%	+ 2.59%	12/9/2024	New York	Office	$988 / sqft	65%	3
4	Senior loan	3/30/2021	569.5	569.5	564.3	+ 3.20%	+ 3.41%	5/15/2026	Diversified - SE	Industrial	$104 / sqft	76%	2
5	Senior loan(4)	8/7/2019	745.8	440.5	87.1	+ 3.12%	+ 3.60%	9/9/2025	Los Angeles	Office	$298 / sqft	59%	3
6	Senior loan	8/22/2018	362.5	362.5	362.1	+ 3.15%	+ 3.28%	8/9/2023	Maui	Hospitality	$471,391 / key	61%	3
7	Senior loan	9/23/2019	405.3	348.8	346.1	+ 3.00%	+ 3.22%	11/15/2024	Diversified - Spain	Hospitality	$190,703 / key	62%	4
8	Senior loan	4/11/2018	355.0	344.5	344.0	+ 2.85%	+ 3.10%	5/1/2023	New York	Office	$437 / sqft	71%	3
9	Senior loan(4)	8/6/2015	324.9	324.9	58.9	5.75%	5.85%	10/29/2022	Diversified - EUR	Other	n / a	71%	3
10	Senior loan	1/11/2019	323.5	323.5	321.2	+ 4.35%	+ 4.70%	1/11/2026	Diversified - UK	Other	$320 / sqft	74%	4
11	Senior loan	3/16/2021	490.8	309.9	305.9	+ 3.85%	+ 4.15%	4/9/2026	Boston	Life Sciences	$765 / sqft	66%	2
12	Senior loan	2/27/2020	300.0	297.3	295.9	+ 2.70%	+ 3.04%	3/9/2025	New York	Mixed-Use	$933 / sqft	59%	3
13	Senior loan	9/30/2019	305.5	296.6	297.1	+ 3.66%	+ 3.75%	9/9/2024	Chicago	Office	$257 / sqft	58%	1
14	Senior loan	11/30/2018	286.3	286.3	284.8	n/m(7)	n/m(7)	8/9/2025	New York	Hospitality	$306,870 / key	73%	5
15	Senior loan	10/23/2018	290.4	273.9	273.2	+ 2.80%	+ 3.04%	11/9/2024	Atlanta	Office	$255 / sqft	64%	2
16	Senior loan	12/11/2018	310.0	265.0	264.6	+ 2.55%	+ 2.96%	12/9/2023	Chicago	Office	$223 / sqft	78%	3
17	Senior loan	9/30/2021	280.0	264.8	262.7	+ 2.50%	+ 2.77%	9/30/2026	Dallas	Multi	$139,884 / unit	74%	3
18	Senior loan	4/26/2021	263.5	263.5	261.7	+ 2.45%	+ 2.63%	5/9/2026	Diversified - US	Multi	$156,393 / unit	75%	3
19	Senior loan(4)	11/22/2019	470.0	260.4	51.3	+ 3.70%	+ 4.15%	12/9/2025	Los Angeles	Office	$243 / sqft	69%	3
20	Senior loan	9/14/2021	257.9	251.0	249.9	+ 2.50%	+ 2.76%	9/14/2026	Dallas	Multi	$203,644 / unit	72%	3
21	Senior loan	10/1/2019	354.1	249.2	246.3	+ 3.75%	+ 4.26%	10/9/2025	Atlanta	Mixed-Use	$365 / sqft	70%	2
22	Senior loan	11/30/2018	263.9	248.9	248.6	+ 2.80%	+ 3.34%	12/9/2024	San Francisco	Hospitality	$365,544 / key	73%	4
23	Senior loan	9/29/2021	312.2	248.6	246.2	+ 2.70%	+ 2.92%	10/9/2026	Washington DC	Office	$324 / unit	66%	3
24	Senior loan	7/23/2021	500.0	245.6	240.6	+ 4.00%	+ 4.34%	8/9/2027	New York	Multi	$329,600 / unit	58%	3
25	Senior loan	7/20/2017	250.0	222.6	221.6	+ 3.70%	+ 4.16%	8/9/2023	San Francisco	Office	$369 / sqft	58%	2
26	Senior loan	12/12/2019	260.5	220.9	220.7	+ 2.40%	+ 2.69%	12/9/2024	New York	Office	$105 / sqft	42%	1
27	Senior loan(4)	3/23/2020	348.6	215.6	42.2	+ 3.75%	+ 4.41%	1/9/2025	Nashville	Mixed-Use	$298 / sqft	78%	3
28	Senior loan	4/23/2021	219.0	209.0	208.6	+ 3.65%	+ 3.77%	5/8/2024	Washington DC	Office	$234 / sqft	57%	3
29	Senior loan	9/16/2021	246.6	208.2	205.8	+ 3.80%	+ 4.49%	4/9/2024	San Francisco	Office	$262 / unit	53%	3
30	Senior loan	8/31/2017	203.0	201.7	201.3	+ 2.50%	+ 2.85%	9/9/2023	Orange County	Office	$235 / sqft	64%	3

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	Loan Type(1)	Origination Date(2)	Total Loan(3)(4)	Principal Balance(4)	Net Book Value	Cash Coupon(5)	All-in Yield(5)	Maximum Maturity(6)	Location	Property Type	Loan Per SQFT / Unit / Key	Origination LTV(2)	Risk Rating
31	Senior loan	6/27/2019	222.1	201.3	200.6	+ 2.80%	+ 3.16%	8/15/2026	Berlin - DEU	Office	$432 / sqft	62%	3
32	Senior loan	11/5/2019	213.7	200.7	200.1	+ 3.85%	+ 4.45%	2/21/2025	Diversified - IT	Office	$396 / sqft	66%	3
33	Senior loan	9/25/2019	198.3	198.3	197.3	+ 4.35%	+ 4.93%	9/26/2023	London - UK	Office	$904 / sqft	72%	3
34	Senior loan	11/23/2018	197.2	197.2	196.1	+ 2.62%	+ 2.87%	2/15/2024	Diversified - UK	Office	$1,196 / sqft	50%	3
35	Senior loan	9/30/2021	195.0	195.0	193.1	+ 3.75%	+ 4.10%	10/9/2026	Boca Raton	Multi	$532,787 / unit	77%	3
36	Senior loan	12/22/2016	204.5	192.1	192.0	+ 2.90%	+ 3.13%	12/9/2022	New York	Office	$270 / sqft	64%	3
37	Senior loan	6/4/2018	187.8	187.8	187.4	+ 3.50%	+ 3.76%	6/9/2024	New York	Hospitality	$309,308 / key	52%	4
38	Senior loan	11/16/2018	211.9	187.4	187.0	+ 4.10%	+ 4.73%	12/9/2023	Fort Lauderdale	Mixed-Use	$527 / sqft	59%	2
39	Senior loan	4/9/2018	1,486.5	185.0	173.6	+ 8.50%	+ 10.64%	6/9/2025	New York	Office	$525 / sqft	48%	2
40	Senior loan	2/18/2021	184.0	184.0	182.5	+ 3.20%	+ 3.54%	3/9/2026	Durham	Multi	$314 / sqft	72%	3
41	Senior loan	4/25/2019	210.0	179.4	179.0	+ 3.50%	+ 3.75%	9/1/2025	Los Angeles	Office	$806 / sqft	73%	1
42	Senior loan	4/3/2018	178.6	177.5	177.2	+ 2.75%	+ 2.99%	4/9/2024	Dallas	Mixed-Use	$502 / sqft	64%	3
43	Senior loan	9/26/2019	175.0	175.0	175.2	+ 3.10%	+ 3.54%	1/9/2023	New York	Office	$256 / sqft	65%	3
44	Senior loan	9/30/2021	256.0	171.6	169.4	+ 3.00%	+ 3.35%	10/9/2028	Chicago	Office	$190 / unit	74%	3
45	Senior loan	12/21/2017	197.5	170.3	170.2	+ 2.65%	+ 2.87%	1/9/2023	Atlanta	Office	$127 / sqft	51%	2
46	Senior loan	9/5/2019	198.4	165.6	164.7	+ 2.75%	+ 3.26%	9/9/2024	New York	Life Sciences	$1,033 / sqft	62%	3
47	Senior loan	6/28/2019	220.6	164.8	162.7	+ 3.70%	+ 4.01%	6/27/2024	London - UK	Office	$538 / sqft	71%	3
48	Senior loan	9/30/2021	212.6	159.5	157.3	+ 4.00%	+ 4.52%	9/30/2026	Diversified - Spain	Hospitality	$143,571 / unit	60%	3
49	Senior loan	9/4/2018	172.7	158.0	157.6	+ 3.00%	+ 3.39%	9/9/2023	Las Vegas	Hospitality	$191,321 / key	70%	3
50	Senior loan	8/23/2017	165.0	157.9	157.9	+ 3.25%	+ 3.48%	10/9/2022	Los Angeles	Office	$320 / sqft	74%	3
51	Senior loan	5/27/2021	205.4	153.8	152.4	+ 2.70%	+ 2.99%	6/9/2026	Atlanta	Office	$130 / sqft	66%	3
52	Senior loan	8/24/2021	179.3	153.0	151.5	+ 3.10%	+ 3.41%	9/9/2026	San Jose	Office	$365 / unit	65%	3
53	Senior loan	12/20/2019	151.4	151.4	150.4	+ 3.10%	+ 3.32%	12/18/2026	London - UK	Office	$753 / sqft	75%	2
54	Senior loan	1/17/2020	203.0	136.4	135.5	+ 2.75%	+ 3.07%	2/9/2025	New York	Mixed-Use	$113 / sqft	43%	3
55	Senior loan	7/23/2021	243.6	135.4	133.1	+ 5.00%	+ 5.33%	8/9/2027	New York	Mixed-Use	$438 / unit	53%	3
56	Senior loan	11/14/2017	133.0	133.0	132.9	+ 2.75%	+ 2.86%	6/9/2023	Los Angeles	Hospitality	$532,000 / key	56%	3
57	Senior loan	7/15/2021	213.9	132.5	130.9	+ 4.25%	+ 4.49%	7/15/2026	Diversified - EUR	Hospitality	$154,254 / unit	53%	3
58	Senior loan	11/30/2018	151.1	129.9	129.4	+ 2.55%	+ 2.82%	12/9/2024	Washington DC	Office	$364 / sqft	60%	2
59	Senior loan	9/14/2021	131.5	127.4	126.4	+ 2.70%	+ 2.95%	10/9/2026	San Bernardino	Multi	$256,774 / unit	75%	3
60	Senior loan(4)	11/27/2019	146.3	123.8	123.1	+ 2.75%	+ 3.13%	12/9/2024	Minneapolis	Office	$124 / sqft	64%	3

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	Loan Type(1)	Origination Date(2)	Total Loan(3)(4)	Principal Balance(4)	Net Book Value	Cash Coupon(5)	All-in Yield(5)	Maximum Maturity(6)	Location	Property Type	Loan Per SQFT / Unit / Key	Origination LTV(2)	Risk Rating
61	Senior loan	4/30/2018	172.7	122.3	121.7	+ 3.25%	+ 3.51%	4/30/2023	London - UK	Office	$550 / sqft	60%	3
62	Senior loan	3/10/2020	140.0	118.9	118.9	+ 2.50%	+ 2.67%	1/9/2025	New York	Mixed-Use	$77 / sqft	53%	3
63	Senior loan	6/28/2019	125.0	117.2	117.0	+ 2.75%	+ 2.91%	2/1/2024	Los Angeles	Office	$591 / sqft	48%	3
64	Senior loan	4/6/2021	122.7	116.6	115.7	+ 3.20%	+ 3.52%	4/9/2026	Los Angeles	Office	$492 / sqft	65%	3
65	Senior loan	7/15/2019	144.6	116.5	116.0	+ 2.90%	+ 3.25%	8/9/2024	Houston	Office	$211 / sqft	58%	3
66	Senior loan	9/14/2018	114.0	114.0	113.6	+ 3.50%	+ 3.84%	9/14/2023	Canberra - AU	Mixed-Use	$335 / sqft	68%	3
67	Senior loan	8/27/2021	122.4	114.0	113.0	+ 3.00%	+ 3.29%	9/9/2026	San Diego	Retail	$430 / unit	58%	3
68	Senior loan	12/21/2018	123.1	113.7	113.6	+ 2.60%	+ 2.99%	1/9/2024	Chicago	Office	$222 / key	72%	3
69	Senior loan	3/29/2021	137.6	112.0	110.4	+ 3.90%	+ 4.55%	3/29/2026	Diversified - UK	Multi	$49,113 / unit	61%	3
70	Senior loan	10/17/2016	110.8	110.8	110.8	+ 3.95%	+ 3.96%	10/21/2021	Diversified - UK	Self-Storage	$152 / sqft	73%	2
71	Senior loan	5/20/2021	148.2	106.4	105.1	+ 3.60%	+ 4.00%	6/9/2026	San Jose	Office	$273 / sqft	65%	3
72	Senior loan	10/16/2018	113.7	104.8	104.8	+ 3.25%	+ 3.57%	11/9/2023	San Francisco	Hospitality	$228,299 / key	72%	4
73	Senior loan	3/13/2018	123.0	103.6	103.4	+ 3.00%	+ 3.27%	4/9/2027	Honolulu	Hospitality	$160,580 / key	50%	3
74	Senior loan	5/13/2021	199.1	103.3	101.6	+ 3.55%	+ 3.96%	6/9/2026	Boston	Life Sciences	$524 / sqft	64%	3
75	Senior loan	3/25/2020	123.4	100.7	100.1	+ 2.40%	+ 2.78%	3/31/2025	Diversified - NL	Multi	$123,005 / unit	65%	2
76	Senior loan	7/1/2021	104.0	99.0	98.3	+ 3.10%	+ 3.35%	7/9/2026	Diversified - US	Retail	$281 / sqft	61%	3
77	Senior loan	6/18/2021	98.5	98.5	97.6	+ 2.60%	+ 2.83%	7/9/2026	New York	Industrial	$52 / sqft	55%	2
78	Senior loan	12/23/2019	109.7	97.9	97.5	+ 2.70%	+ 3.03%	1/9/2025	Miami	Multi	$338,713 / unit	68%	2
79	Senior loan	12/10/2018	119.7	97.1	96.1	+ 2.95%	+ 3.95%	12/3/2024	London - UK	Office	$464 / sqft	72%	3
80	Senior loan	3/28/2019	98.4	96.5	96.5	+ 3.25%	+ 3.40%	1/9/2024	New York	Hospitality	$249,435 / key	63%	4
81	Senior loan	2/20/2019	181.9	94.9	93.0	+ 3.95%	+ 4.43%	2/19/2024	London - UK	Office	$466 / sqft	61%	3
82	Senior loan	6/14/2021	100.0	92.4	91.8	+ 3.70%	+ 4.04%	7/9/2024	Miami	Office	$195 / sqft	65%	3
83	Senior loan	6/1/2021	95.0	91.3	90.9	+ 2.85%	+ 3.05%	6/9/2026	Miami	Multi	$226,673 / unit	61%	3
84	Senior loan	3/31/2017	96.9	90.6	90.9	+ 4.30%	+ 4.24%	4/9/2023	New York	Office	$444 / sqft	64%	3
85	Senior loan	8/18/2017	90.0	90.0	89.8	+ 4.10%	+ 4.41%	8/18/2022	Brussels - BE	Office	$140 / sqft	59%	1
86	Senior loan	2/3/2021	110.5	89.6	88.7	+ 3.20%	+ 3.57%	2/9/2026	Austin	Office	$371 / sqft	56%	2
87	Senior loan	6/25/2021	85.4	85.4	84.8	+ 2.75%	+ 3.10%	7/1/2026	St. Louis	Multi	$80,339 / unit	70%	3
88	Senior loan	11/22/2019	85.0	85.0	85.0	+ 2.99%	+ 3.27%	12/1/2024	San Jose	Multi	$317,164 / unit	62%	2
89	Senior loan	2/1/2021	82.5	82.5	82.4	+ 4.05%	+ 4.18%	8/1/2022	Washington DC	Multi	$214,844 / unit	67%	2
90	Senior loan	6/29/2016	83.4	81.4	81.3	+ 2.80%	+ 3.04%	7/8/2022	Miami	Office	$314 / sqft	64%	2

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	Loan Type(1)	Origination Date(2)	Total Loan(3)(4)	Principal Balance(4)	Net Book Value	Cash Coupon(5)	All-in Yield(5)	Maximum Maturity(6)	Location	Property Type	Loan Per SQFT / Unit / Key	Origination LTV(2)	Risk Rating
91	Senior loan	7/30/2021	86.9	79.5	79.1	+ 2.50%	+ 2.84%	8/9/2026	Los Angeles	Multi	$157,772 / unit	70%	3
92	Senior loan	7/29/2021	81.9	77.7	76.9	+ 2.65%	+ 3.02%	6/9/2026	Charlotte	Multi	$212,295 / unit	78%	3
93	Senior loan	6/27/2019	84.0	75.2	75.0	+ 2.50%	+ 2.77%	7/9/2024	West Palm Beach	Office	$258 / sqft	70%	2
94	Senior loan	6/18/2019	75.0	75.0	74.8	+ 2.75%	+ 3.15%	7/9/2024	Napa Valley	Hospitality	$785,340 / key	74%	3
95	Senior loan	4/1/2021	102.1	73.9	73.0	+ 3.30%	+ 3.71%	4/9/2026	San Jose	Office	$493 / sqft	67%	3
96	Senior loan	3/21/2018	74.3	72.3	72.2	+ 3.10%	+ 3.33%	3/21/2024	Jacksonville	Office	$94 / sqft	72%	2
97	Senior loan	7/23/2021	72.7	70.7	70.7	+ 3.00%	+ 3.02%	7/9/2024	New York	Multi	$399 / unit	62%	3
98	Senior loan	9/22/2021	67.0	67.0	66.8	+ 3.00%	+ 3.16%	4/1/2024	Jacksonville	Multi	$181,081 / unit	62%	3
99	Senior loan	1/30/2020	104.4	66.7	66.2	+ 2.85%	+ 3.22%	2/9/2026	Honolulu	Hospitality	$214,341 / key	63%	3
100	Senior loan	8/22/2019	74.3	65.0	64.8	+ 2.55%	+ 2.93%	9/9/2024	Los Angeles	Office	$389 / sqft	63%	3
101	Senior loan	6/29/2017	63.4	63.4	63.4	+ 3.40%	+ 4.16%	7/9/2023	New York	Multi	$184,768 / unit	69%	4
102	Senior loan	10/5/2018	62.2	62.2	62.1	+ 5.50%	+ 5.65%	10/5/2021	Sydney - AU	Office	$660 / sqft	78%	3
103	Senior loan	3/31/2021	62.0	62.0	61.9	+ 3.73%	+ 3.86%	4/1/2024	Boston	Multi	$316,327 / unit	75%	2
104	Senior loan	7/30/2021	61.9	61.9	61.4	+ 2.75%	+ 2.94%	8/9/2026	Salt Lake City	Multi	$224,185 / unit	73%	3
105	Senior loan	9/29/2021	61.5	58.0	57.8	+ 2.85%	+ 3.02%	10/1/2025	Houston	Multi	$52,968 / unit	61%	3
106	Senior loan	7/16/2021	57.9	57.9	57.5	+ 2.75%	+ 3.03%	8/1/2025	Orlando	Multi	$195,750 / unit	74%	2
107	Senior loan	6/28/2021	57.9	57.9	56.9	+ 3.60%	+ 4.86%	2/15/2023	Diversified - Spain	Hospitality	$135,660 / key	56%	3
108	Senior loan	6/30/2021	64.6	57.2	56.7	+ 2.90%	+ 3.19%	7/9/2026	Nashville	Office	$235 / sqft	71%	3
109	Senior loan	4/15/2021	66.3	56.7	56.2	+ 3.00%	+ 3.30%	5/9/2026	Austin	Office	$275 / sqft	73%	3
110	Senior loan	8/14/2019	70.3	56.3	56.0	+ 2.45%	+ 2.87%	9/9/2024	Los Angeles	Office	$645 / sqft	57%	3
111	Senior loan	12/10/2020	61.2	54.3	53.9	+ 3.25%	+ 3.54%	1/9/2026	Fort Lauderdale	Office	$187 / sqft	68%	3
112	Senior loan	6/26/2019	69.8	54.3	54.0	+ 3.35%	+ 3.66%	6/20/2024	London - UK	Office	$614 / sqft	61%	3
113	Senior loan	3/11/2014	52.4	52.4	52.4	n/m(7)	n/m(7)	10/9/2021	New York	Multi	$589,065 / unit	65%	5
114	Senior loan	12/14/2018	60.2	52.2	52.4	+ 2.90%	+ 3.33%	1/9/2024	Diversified - US	Industrial	$39 / sqft	57%	2
115	Senior loan	11/30/2016	60.5	52.0	51.9	+ 3.10%	+ 3.22%	12/9/2023	Chicago	Retail	$1,014 / sqft	54%	4
116	Senior loan	2/17/2021	53.0	50.9	50.6	+ 3.55%	+ 3.75%	3/9/2026	Miami	Multi	$290,985 / unit	64%	3
117	Senior loan	7/30/2021	58.8	50.7	50.3	+ 2.75%	+ 2.96%	8/9/2026	Tampa Bay	Multi	$128,134 / unit	71%	3
118	Senior loan	9/23/2021	49.2	49.2	49.0	+ 2.75%	+ 2.86%	10/1/2026	Portland	Multi	$232,938 / unit	65%	3
119	Senior loan	8/31/2021	84.1	49.2	48.8	+ 3.05%	+ 3.31%	9/9/2026	Diversified - US	Retail	$186 / sqft	65%	3
120	Senior loan	8/5/2021	56.6	49.1	48.6	+ 2.90%	+ 3.04%	8/9/2026	Denver	Office	$186 / sqft	70%	3

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	Loan Type(1)	Origination Date(2)	Total Loan(3)(4)	Principal Balance(4)	Net Book Value	Cash Coupon(5)	All-in Yield(5)	Maximum Maturity(6)	Location	Property Type	Loan Per SQFT / Unit / Key	Origination LTV(2)	Risk Rating
121	Senior loan	7/20/2021	48.0	48.0	47.6	+ 2.75%	+ 3.09%	8/9/2026	Los Angeles	Multi	$366,412 / unit	60%	3
122	Senior loan	2/20/2019	52.8	45.8	45.7	+ 3.50%	+ 3.92%	3/9/2024	Calgary - CAN	Office	$126 / sqft	52%	2
123	Senior loan	11/3/2017	45.0	45.0	45.0	+ 3.00%	+ 3.26%	11/1/2022	Los Angeles	Office	$209 / sqft	50%	1
124	Senior loan	7/30/2021	44.9	44.9	44.7	+ 2.75%	+ 2.86%	8/1/2026	Portland	Multi	$62,378 / unit	64%	3
125	Senior loan	2/21/2020	43.8	43.8	43.7	+ 2.95%	+ 3.27%	3/1/2025	Atlanta	Multi	$137,304 / unit	68%	1
126	Senior loan	7/29/2021	42.1	42.1	41.8	+ 2.75%	+ 2.95%	8/9/2026	Las Vegas	Multi	$167,113 / unit	72%	3
127	Senior loan	6/26/2015	41.3	41.3	41.2	+ 5.50%	+ 5.63%	10/8/2021	San Diego	Office	$188 / sqft	73%	3
128	Senior loan	8/27/2021	39.8	37.4	37.0	+ 3.75%	+ 4.29%	9/9/2026	Diversified - US	Hospitality	$109,762 / unit	67%	3
129	Senior loan	2/26/2021	37.0	36.1	35.8	+ 3.50%	+ 3.85%	3/9/2026	Austin	Multi	$196,228 / unit	64%	3
130	Senior loan	6/9/2021	36.0	36.0	35.9	+ 3.25%	+ 3.40%	7/1/2024	Washington DC	Multi	$230,769 / unit	65%	3
131	Senior loan	12/27/2016	36.0	36.0	35.9	+ 3.10%	+ 3.26%	7/9/2023	New York	Multi	$617,619 / unit	64%	3
132	Senior loan	7/20/2021	35.0	35.0	34.7	+ 2.75%	+ 3.09%	8/9/2026	Los Angeles	Multi	$357,143 / unit	58%	3
133	Senior loan	12/13/2019	37.1	35.0	34.9	+ 3.55%	+ 4.49%	6/12/2024	Diversified - FR	Industrial	$25 / sqft	55%	1
134	Senior loan	11/19/2020	34.7	34.7	34.5	+ 3.50%	+ 3.85%	12/9/2025	Scottsdale	Multi	$204,248 / unit	59%	3
135	Senior loan	10/31/2019	33.9	33.8	33.8	+ 3.25%	+ 3.34%	11/1/2024	Raleigh	Multi	$166,624 / unit	52%	3
136	Senior loan	5/12/2021	36.1	33.6	33.4	+ 2.85%	+ 3.19%	6/9/2026	San Bernardino	Multi	$156,804 / unit	66%	3
137	Senior loan	8/24/2021	34.5	33.0	32.9	+ 3.35%	+ 3.68%	3/1/2023	Dallas	Multi	$138,655 / unit	75%	3
138	Senior loan	7/28/2021	39.8	32.6	32.2	+ 2.70%	+ 3.08%	8/9/2026	Los Angeles	Multi	$235,870 / unit	71%	3
139	Senior loan	5/4/2021	33.9	32.0	31.9	+ 3.25%	+ 3.35%	6/1/2026	San Antonio	Multi	$82,421 / unit	69%	3
140	Senior loan	10/31/2019	31.5	31.5	31.5	+ 3.25%	+ 3.33%	11/1/2024	Atlanta	Multi	$165,789 / unit	60%	3
141	Senior loan	9/1/2021	35.6	31.2	31.0	+ 2.75%	+ 3.10%	9/9/2026	Phoenix	Multi	$113,043 / unit	70%	3
142	Senior loan	10/31/2019	30.2	30.2	30.2	+ 3.25%	+ 3.33%	11/1/2024	Austin	Multi	$159,788 / unit	52%	3
143	Senior loan	6/29/2021	39.5	29.1	29.0	+ 3.45%	+ 3.63%	7/1/2025	Memphis	Multi	$79,076 / unit	54%	3
144	Senior loan	11/19/2020	37.8	28.3	28.0	+ 3.50%	+ 3.90%	12/9/2025	Chicago	Multi	$161,685 / unit	53%	3
145	Senior loan	11/19/2020	28.2	28.1	27.9	+ 3.50%	+ 3.85%	12/9/2025	Charlotte	Multi	$178,019 / unit	61%	3
146	Senior loan	11/19/2020	33.7	27.7	27.4	+ 3.50%	+ 3.88%	12/9/2025	Virginia Beach	Multi	$160,839 / unit	61%	3
147	Senior loan	8/12/2021	31.6	27.3	27.1	+ 2.75%	+ 3.10%	9/9/2026	Phoenix	Multi	$117,466 / unit	71%	3
148	Senior loan	10/31/2019	27.2	27.2	27.2	+ 3.25%	+ 3.32%	11/1/2024	Austin	Multi	$135,323 / unit	53%	3
149	Senior loan	12/23/2019	26.2	22.8	22.7	+ 2.85%	+ 3.23%	1/9/2025	Miami	Office	$383 / sqft	68%	2
150	Senior loan	8/4/2021	21.6	21.6	21.4	+ 2.75%	+ 3.01%	8/9/2026	Las Vegas	Multi	$180,000 / unit	73%	3

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	Loan Type(1)	Origination Date(2)	Total Loan(3)(4)	Principal Balance(4)	Net Book Value	Cash Coupon(5)	All-in Yield(5)	Maximum Maturity(6)	Location	Property Type	Loan Per SQFT / Unit / Key	Origination LTV(2)	Risk Rating
151	Senior loan	3/8/2017	21.1	21.1	21.2	4.79%(8)	5.12%(8)	12/23/2021	Montreal - CAN	Office	$58 / sqft	45%	1
152	Senior loan	7/23/2021	24.8	20.1	20.2	+ 4.60%	+ 4.61%	7/9/2024	New York	Condo	$451,859 / unit	51%	3
153	Senior loan	12/15/2017	20.1	20.1	20.1	+ 4.88%	+ 5.24%	12/9/2021	Diversified - US	Hospitality	$303,882 / key	50%	3
154	Senior loan	2/28/2019	15.3	14.9	14.9	+ 3.25%	+ 3.29%	3/1/2024	San Antonio	Multi	$64,660 / unit	75%	2
155	Senior loan	6/25/2021	11.7	11.7	11.6	+ 2.75%	+ 3.10%	7/1/2026	St. Louis	Multi	$21,273 / unit	63%	3
156	Senior loan	7/16/2021	250.6	—	—	+ 3.25%	+ 3.55%	2/15/2026	London - UK	Multi	$258,701 / unit	72%	3
	CECL reserve				(130.4)								
	Loans receivable, net		$26,257.7	$21,520.2	$20,276.1	+ 3.22%	+ 3.55%	3.3 yrs				66%	2.8

(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. Origination dates are subsequently updated to reflect material loan modifications.

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

(4) In certain instances, we finance our loans through the non-recourse sale of a senior loan interest that is not included in our consolidated financial statements. As of September 30, 2021, four loans in our portfolio have been financed with an aggregate $997.6 million of non-consolidated senior interest, which are included in the table above. Portfolio excludes our $79.2 million subordinate position in the $493.3 million 2018 Single Asset Securitization. Refer to Notes 4 and 16 to our consolidated financial statements for details of the 2018 Single Asset Securitization.

(5) The weighted-average spread and all-in yield are expressed as a spread over the relevant floating benchmark rates, which include USD LIBOR, GBP LIBOR, SONIA, EURIBOR, STIBOR, BBSY, and CDOR, as applicable to each loan. As of September 30, 2021, 98% of our loans by total loan exposure earned a floating rate of interest, primarily indexed to USD LIBOR. The other 2% of our loans earned a fixed rate of interest, which we reflect as a spread over the relevant floating benchmark rates, as of September 30, 2021, for purposes of the weighted-averages. In addition to spread, 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 method.

(6) Maximum maturity assumes all extension options are exercised, however our loans may be repaid prior to such date.

(7) Loans are accounted for under the cost-recovery method.

(8) Loan consists of one or more floating and fixed rate tranches. Coupon and all-in yield assume applicable floating benchmark rates for weighted-average calculation.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Investment 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 September 30, 2021, 98% of our investments by total investment exposure earned a floating rate of interest 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. As of September 30, 2021, the remaining 2% of our investments by total investment exposure earned a fixed rate of interest, but are financed with liabilities that pay interest at floating rates, which resulted in a negative correlation to rising interest rates to the extent of our financing. In certain instances where we have financed fixed rate assets with floating rate liabilities, we have purchased interest rate caps to limit our exposure to increases in interest rates on such liabilities.

LIBOR and certain other floating rate benchmark indices to which our floating rate loans and other loan agreements are tied, including, without limitation, the Euro Interbank Offered Rate, or EURIBOR, the Stockholm Interbank Offered Rate, or STIBOR, the Canadian Dollar Offered Rate, or CDOR, and the Australian Bank Bill Swap Reference Rate, or BBSY, or collectively, IBORs, are the subject of recent national, international and regulatory guidance and proposals for reform. On March 5, 2021, the Financial Conduct Authority of the U.K., or FCA, which has statutory powers to require panel banks to contribute to LIBOR where necessary, announced it would cease publication of certain IBORs, including one-week and two-month USD LIBOR and all tenors of GBP LIBOR, immediately after December 31, 2021 and cease the publication of the remaining tenors of USD LIBOR immediately after June 30, 2023. Additionally, the Federal Reserve Board, Federal Deposit Insurance Corporation, Office of the Comptroller of Currency, and other interagency regulatory bodies have advised U.S. banks to stop entering into new USD LIBOR based contracts by December 31, 2021.

The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, has identified the Secured Overnight Financing Rate, or SOFR, a new index calculated using short-term repurchase agreements backed by Treasury securities, as its preferred alternative rate for USD LIBOR. In the U.K., the Bank of England's working group on Sterling risk free rates set March 31, 2021 as the target date under which GBP LIBOR may no longer be used as the reference rate for new loan products with maturities after December 31, 2021. Market participants have started to transition to the Sterling Overnight Index Average, or SONIA, in line with guidance from the U.K. regulators. As of September 30, 2021, the floating benchmark rate for the financing provided on the 2020 FL3 and 2020 FL2 CLOs is the 30-day average compounded SOFR, plus a credit spread adjustment. Additionally, as of September 30, 2021, daily compounded SONIA is utilized as the floating benchmark rate on five of our loans and two of our credit facilities.

At this time, it is not possible to predict how markets will respond to SOFR, SONIA, or other alternative reference rates as the transition away from USD LIBOR and GBP LIBOR proceeds. Despite the LIBOR transition in other markets, benchmark rate methodologies in Europe, Canada, and Australia have been reformed and rates such as EURIBOR, STIBOR, CDOR, and BBSY may persist as International Organization of Securities Commissions, or IOSCO, compliant reference rates moving forward. However, multi-rate environments may persist in these markets as regulators and working groups have suggested market participants adopt alternative reference rates.

Refer to "Part I. Item 1A. Risk Factors—Risks Related to Our Lending and Investment Activities—The expected discontinuation of currently used financial reference rates and use of alternative replacement reference rates may adversely affect net interest income related to our loans and investments or otherwise adversely affect our results of operations, cash flows and the market value of our investments." of our Annual Report on Form 10-K filed with the SEC on February 10, 2021.

The following table projects the impact on our interest income and expense, net of incentive fees, for the twelve-month period following September 30, 2021, assuming an immediate increase or decrease of both 25 and 50 basis points in the applicable interest rate benchmark by currency ($ in thousands):

			Interest Rate Sensitivity as of September 30, 2021			
			Increase in Rates		Decrease in Rates(4)	
Currency	Assets (Liabilities) Sensitive to Changes in Interest Rates(1)(2)(3)		25 Basis Points	50 Basis Points	25 Basis Points	50 Basis Points
USD	$ 15,827,294	Income	$ 13,422	$ 29,892	$ (2,196)	$ (2,196)
	(12,704,353)	Expense	(21,950)	(44,144)	8,417	8,417
	$ 3,122,941	Net interest	$ (8,528)	$ (14,252)	$ 6,221	$ 6,221
EUR	$ 3,309,622	Income	$ —	$ —	$ —	$ —
	(2,369,013)	Expense	—	—	—	—
	$ 940,609	Net interest	$ —	$ —	$ —	$ —
GBP	$ 1,739,121	Income	$ 2,308	$ 4,786	$ (619)	$ (619)
	(1,163,414)	Expense	(2,327)	(4,654)	619	619
	$ 575,707	Net interest	$ (19)	$ 132	$ —	$ —
SEK	$ 569,529	Income	$ 688	$ 1,827	$ —	$ —
	(455,623)	Expense	(550)	(1,462)	—	—
	$ 113,906	Net interest	$ 138	$ 365	$ —	$ —
AUD	$ 176,144	Income	$ —	$ —	$ —	$ —
	(128,010)	Expense	(256)	(512)	68	68
	$ 48,134	Net interest	$ (256)	$ (512)	$ 68	$ 68
CAD	$ 47,369	Income	$ 3	$ 6	$ (3)	$ (5)
	(50,670)	Expense	(101)	(203)	101	173
	$ (3,301)	Net interest	$ (98)	$ (197)	$ 98	$ 168
		Total net interest	$ (8,763)	$ (14,464)	$ 6,387	$ 6,457

(1) Our floating rate loans and related liabilities are indexed to the various benchmark rates relevant in each case in terms of currency and payment frequency. Therefore the net exposure to each benchmark rate is in direct proportion to our net assets indexed to that rate. Increases (decreases) in interest income and expense are presented net of incentive fees. Refer to Note 12 to our consolidated financial statements for additional details of our incentive fee calculation.

(2) Includes investment exposure to the 2018 Single Asset Securitization. Refer to Notes 4 and 16 to our consolidated financial statements for details of the subordinate position we own in the 2018 Single Asset Securitization.

(3) Includes amounts outstanding under secured debt, securitizations, asset-specific financings, and term loans.

(4) Decrease in rates assumes the applicable benchmark rate for each currency does not decrease below 0%.

Investment Portfolio Value

As of September 30, 2021, 2% of our investments by total investment exposure earned a fixed rate of interest and as such, the values of such investments are sensitive to changes in interest rates. We generally hold all of our investments to maturity and so do not expect to realize gains or losses on our fixed rate investment portfolio as a result of movements in market interest rates.

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 additional debt service payments due from our borrowers may strain the operating cash flows of the collateral real estate assets and, potentially, contribute to non-performance or, in severe cases, default. This risk is partially mitigated by various facts we consider during our underwriting process, which in certain cases include a requirement for our borrower to purchase an interest rate cap contract.

Credit Risks

Our loans and investments are also subject to credit risk. The performance and value of our loans and investments depend upon the sponsors' 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 Manager's asset management team reviews our investment 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 variances 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.

The COVID-19 pandemic significantly impacted the commercial real estate markets, causing reduced occupancy, requests from tenants for rent deferral or abatement, and delays in construction and development projects currently planned or underway. While the economy has improved significantly, negative conditions from COVID-19 could continue to persist and impair our borrowers' ability to pay principal and interest due to us under our loan agreements. We maintain a robust asset management relationship with our borrowers and have utilized these relationships to address the potential impacts of the COVID-19 pandemic on our loans secured by properties experiencing cash flow pressure, most significantly hospitality assets.

We are generally encouraged by our borrowers' response to the COVID-19 pandemic's impacts on their properties. With limited exceptions, we believe our loan sponsors are committed to supporting assets collateralizing our loans through additional equity investments, and that we will benefit from our long-standing core business model of originating senior loans collateralized by large assets in major markets with experienced, well-capitalized institutional sponsors. Our investment portfolio's low origination weighted-average LTV of 65.1% as of September 30, 2021, reflects significant equity value that our sponsors are motivated to protect through periods of cyclical disruption. 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.

Our Manager's portfolio monitoring and asset management operations benefit from the deep knowledge, experience, and information advantages derived from its position as part of Blackstone's real estate platform. Blackstone Real Estate is one of the largest owners and operators of real estate in the world, 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 manage our asset 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.

Margin call provisions under our credit facilities do not permit valuation adjustments based on capital markets events, and are limited to collateral-specific credit marks generally determined on a commercially reasonable basis.

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 and investments 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 an investment and active monitoring of the asset portfolios that serve as our collateral.

Currency Risk

Our loans and investments 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 foreign currency assets to the currency of the borrowings that finance those assets. As a result, we substantially reduce our exposure to changes in portfolio value related to changes in foreign currency rates.

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

	September 30, 2021									
Foreign currency assets(1)(2)	€	2,882,412	£	1,616,393	kr	5,012,396	C$	87,450	A$	269,428
Foreign currency liabilities(1)		(2,049,226)		(1,065,464)		(3,996,277)		(64,315)		(177,684)
Foreign currency contracts - notional		(817,642)		(542,551)		(999,500)		(21,000)		(89,500)
Net exposure to exchange rate fluctuations	€	15,544	£	8,378	kr	16,619	C$	2,135	A$	2,244
Net exposure to exchange rate fluctuations in USD(3)	$	18,000	$	11,287	$	1,897	$	1,684	$	1,622

(1) Balances include non-consolidated senior interests of £197.3 million.

(2) British Pound Sterling balance includes a loan tranche denominated in Euro, with an outstanding principal balance of €8.3 million as of September 30, 2021, that is hedged to British Pound Sterling exposure through a foreign currency forward contract. Refer to Note 10 to our consolidated financial statements for additional discussion of our foreign currency derivatives.

(3) Represents the U.S. Dollar equivalent as of September 30, 2021.

Substantially all of our net asset exposure to the Euro, the British Pound Sterling, the Australian Dollar, the Canadian Dollar, and the Swedish Krona has been hedged with foreign currency forward contracts.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

An evaluation of the effectiveness of the design and operation of our “disclosure controls and procedures” (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), 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 the period covered by this quarterly report on Form 10-Q 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 September 30, 2021, 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 of our Annual Report on Form 10-K for the year ended December 31, 2020.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

10.1	First Amendment to Fifth Amended and Restated Master Repurchase Agreement, dated as of August 26, 2021, among Parlex 2 Finance, LLC, Parlex 2A Finco, LLC, Parlex 2 UK Finco, LLC, Parlex 2 EUR Finco, LLC, Parlex 2 AU Finco, LLC, Parlex 2 CAD Finco, LLC, Wispar 5 Finco, LLC and Citibank, N.A.
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
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

+ This exhibit shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (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 of 1933, as amended (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.
October 27, 2021	/s/ Katharine A. Keenan
Date	Katharine A. Keenan Chief Executive Officer (Principal Executive Officer)
October 27, 2021	/s/ Anthony F. Marone, Jr.
Date	Anthony F. Marone, Jr. Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 10.1

FIRST AMENDMENT TO FIFTH AMENDED AND RESTATED MASTER REPURCHASE AGREEMENT

THIS FIRST AMENDMENT TO FIFTH AMENDED AND RESTATED MASTER REPURCHASE AGREEMENT (this "Amendment"), dated as of August 26, 2021 (the "Effective Date"), is made by and among PARLEX 2 FINANCE, LLC, a Delaware limited liability company ("Parlex 2"), PARLEX 2A FINCO, LLC, a Delaware limited liability company ("Parlex 2A"), PARLEX 2 UK FINCO, LLC, a Delaware limited liability company ("Parlex 2 UK"), PARLEX 2 EUR FINCO, LLC, a Delaware limited liability company ("Parlex 2 EUR"), PARLEX 2 AU FINCO, LLC, a Delaware limited liability company ("Parlex 2 AU"), PARLEX 2 CAD FINCO, LLC, a Delaware limited liability company ("Parlex 2 CAD", and together with Parlex 2, Parlex 2A, Parlex 2 UK, Parlex 2 EUR and Parlex 2 AU, "Existing Sellers"), WISPAR 5 FINCO, LLC, a Delaware limited liability company ("New Seller", and together with Existing Sellers and any other Person when such Person joins as a Seller hereunder from time to time, individually and/or collectively as the context may require, "Seller"), and CITIBANK, N.A., a national banking association ("Buyer").

W I T N E S S E T H:

WHEREAS, Existing Sellers and Buyer have entered into that certain Fifth Amended and Restated Master Repurchase Agreement, dated as of April 16, 2021 (as the same may be amended, supplemented, extended, restated, replaced or otherwise modified from time to time, the "Repurchase Agreement");

WHEREAS, all capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Repurchase Agreement;

WHEREAS, Seller and Buyer entered into a Joinder Agreement, dated as of the date hereof (the "New Seller Joinder"), pursuant to which New Seller has been admitted to the Repurchase Agreement and the other Transaction Documents as a Seller (as such term is defined in the Repurchase Agreement) in accordance with the New Seller Joinder;

WHEREAS, in connection with the New Seller Joinder, Seller and Buyer desire to modify certain terms and provisions of the Repurchase Agreement as set forth herein.

NOW, THEREFORE, in consideration of ten dollars ($10) and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Seller and Buyer covenant and agree as follows as of the Effective Date:

1. Modification of Repurchase Agreement. The Repurchase Agreement is hereby modified as of the Effective Date as follows:

(a) The following definitions in Section 2 of the Repurchase Agreement are hereby deleted in their entirety and the following corresponding definitions are substituted therefor:

"Blocked Account Agreement" shall mean, individually or collectively, as the context may require, (i) that certain Deposit Account Control Agreement, dated as of June 12, 2013, among Buyer, Parlex 2, Servicer and the Depository, relating to the Cash

Management Account established by Parlex 2, as the same may be amended, modified and/or restated from time to time, (ii) that certain Deposit Account Control Agreement, dated as of January 31, 2014, among Buyer, Parlex 2A, Servicer and the Depository, relating to the Cash Management Account established by Parlex 2A, as the same may be amended, modified and/or restated from time to time, (iii) that certain Deposit Account Control Agreement, dated as of the Second Amendment and Restatement Date, among Buyer, Parlex 2 UK, Servicer and the Depository, relating to the Cash Management Account established by Parlex 2 UK, as the same may be amended, modified and/or restated from time to time, (iv) that certain Deposit Account Control Agreement, dated as of the Second Amendment and Restatement Date, among Buyer, Parlex 2 EUR, Servicer and the Depository, relating to the Cash Management Account established by Parlex 2 EUR, as the same may be amended, modified and/or restated from time to time, (v) that certain Deposit Account Control Agreement, dated as of the Third Amendment and Restatement Date, among Buyer, Parlex 2 AU, Servicer and the Depository, relating to the Cash Management Account established by Parlex 2 AU, as the same may be amended, modified and/or restated from time to time, (vi) that certain Deposit Account Control Agreement, dated as of the Fourth Amendment and Restatement Date, among Buyer, Parlex 2 CAD, Servicer and the Depository, relating to the Cash Management Account established by Parlex 2 CAD, as the same may be amended, modified and/or restated from time to time, (vii) that certain Deposit Account Control Agreement, dated as of August 26, 2021, among Buyer, Wispar 5, Midland Loan Services, a division of PNC Bank, National Association and the Depository, relating to the Cash Management Account established by Wispar 5, as the same may be amended, modified and/or restated from time to time, and (viii) each additional Deposit Account Control Agreement entered into among a new Seller admitted to this Agreement pursuant to a Joinder Agreement, Buyer, Servicer and the Depository and relating to a Cash Management Account established pursuant to this Agreement by such new Seller, as the same may be amended, modified and/or restated from time to time.

"Change of Control" shall mean any of the following events shall have occurred without the prior approval of Buyer:

(i) with respect to each Seller other than Wispar 5, Guarantor shall no longer own, directly or indirectly, 100% of the ownership interest in such Seller and Control, directly or indirectly, such Seller;

(ii) with respect to Wispar 5, Guarantor shall no longer own, directly or indirectly, 80% of the ownership interest in Wispar 5 and Control, directly or indirectly, Wispar 5;

(iii) any merger, reorganization or consolidation of Guarantor where Guarantor is not the surviving entity; or

(iv) any conveyance, transfer, lease or disposal of all or substantially all assets of any Seller or Guarantor to any Person or entity other than an Affiliate of such entity.

“Seller” shall mean, collectively, Parlex 2, Parlex 2A, Parlex 2 UK, Parlex 2 EUR, Parlex 2 AU, Parlex 2 CAD, Wispar 5 and each other Person as and when same may be approved by Buyer in its sole discretion from time to time and admitted to this Agreement as a Seller by a joinder agreement executed and delivered by Buyer, Seller and such approved other Seller in the form of Exhibit XI to this Agreement (a “Joinder Agreement”).

“Servicer” shall mean: (x) Midland Loan Services, a division of PNC Bank, National Association, (y) with respect to the Purchased Loans sold to Buyer by Wispar Seller, (a) Walker & Dunlop, LLC, a Delaware limited liability company, as Servicer for such Purchased Loan, and (b) Midland Loan Services, a division of PNC Bank, National Association, as sub-servicer for such Purchased Loan, or (z) any other third party servicer selected by Seller and approved by Buyer in its sole discretion; provided, that notwithstanding the foregoing, such other third party servicer selected by Seller shall be approved by Buyer in its reasonable discretion, so long as such Person’s primary servicer rating shall be at least “above average” by Standard & Poor’s Ratings Service.

“Servicing Agreement” shall mean, individually or collectively, as the context may require (a) other than with respect to each CLO Participation issued pursuant to a CLO Participation Agreement, (i) that certain Servicing Agreement, dated as of June 12, 2013, among Parlex 2, Buyer and Servicer, as the same may be amended, modified and/or restated from time to time, (ii) that certain Servicing Agreement, dated as of January 31, 2014, among Parlex 2A, Buyer, and Servicer, as the same may be amended, modified and/or restated from time to time, (iii) that certain Servicing Agreement, dated as of the Second Amendment and Restatement Date, among Parlex 2 UK, Buyer, and Servicer, as the same may be amended, modified and/or restated from time to time, (iv) that certain Servicing Agreement, dated as of the Second Amendment and Restatement Date, among Parlex 2 EUR, Buyer, and Servicer, as the same may be amended, modified and/or restated from time to time, (v) that certain Servicing Agreement, dated as of the Third Amendment and Restatement Date, among Parlex 2 AU, Buyer, and Servicer, as the same may be amended, modified and/or restated from time to time, (vi) that certain Servicing Agreement, dated as of the Fourth Amendment and Restatement Date, among Parlex 2 CAD, Buyer, and Servicer, as the same may be amended, modified and/or restated from time to time, (vii) with respect to the Purchased Loans sold to Buyer by Wispar Seller, (A) for the servicing of such Purchased Loans, that certain Origination and Loan Administration Agreement, dated as of April 24, 2017, between WD-BXMT Lending LLC and Walker & Dunlop, LLC, as the same may be amended, modified and/or restated from time to time, and (B) for the sub-servicing of such Purchased Loans, that certain Servicing Agreement, dated as of August 26, 2021, among Wispar 5, Buyer and Midland Loan Services, a division of PNC Bank, National Association, as the same may be amended, modified and/or restated from time to time, and (viii) any other servicing agreement entered into by a Seller, Buyer and any Servicer approved by Buyer for the servicing of Purchased Loans, as the same may be amended, modified and/or restated from time to time, and (b) with respect to each CLO Participation issued pursuant to a CLO Participation Agreement, (x) for so long as the corresponding CLO Non-Controlling Participation is an asset of the applicable CLO, the corresponding CLO Servicing Agreement and (y) at any time such corresponding CLO Non-Controlling Participation is not an asset of such CLO, the servicing agreement entered into in accordance with the applicable CLO Participation Agreement.

(b) The following defined term is hereby added to Section 2 of the Repurchase Agreement in its appropriate alphabetical location as follows:

"Wispar 5" shall mean Wispar 5 Finco, LLC, a Delaware limited liability company.

(c) Section 5(a) of the Repurchase Agreement is hereby deleted in its entirety and replaced with the following:

"(a) Each Cash Management Account shall be established at the Depository, which (i) in the case of the Cash Management Account established by Parlex 2, shall have been established on June 12, 2013, (ii) in the case of the Cash Management Account established by Parlex 2A, shall have been established on January 31, 2014, (iii) in the case of the Cash Management Account established by Parlex 2 UK, shall have been established on the Second Amendment and Restatement Date, (iv) in the case of the Cash Management Account established by Parlex 2 EUR, shall have been established on the Second Amendment and Restatement Date, (v) in the case of the Cash Management Account established by Parlex 2 AU, shall have been established on the Third Amendment and Restatement Date, (vi) in the case of the Cash Management Account established by Parlex 2 CAD, shall have been established on the Fourth Amendment and Restatement Date, (vi) in the case of the Cash Management Account established by Wispar 5, shall have been established on August 26, 2021, and (viii) in the case of any Cash Management Account established by any Person that joins as a Seller under this Agreement from time to time, shall be established concurrently with the execution and delivery of the Joinder Agreement by which such Person joins as a Seller under this Agreement. Buyer shall have sole dominion and control over each Cash Management Account. All Income in respect of the Purchased Loans and any payments in respect of associated Hedging Transactions, as well as any interest received from the reinvestment of such Income, shall be deposited directly into the applicable Cash Management Account and shall be remitted by the Depository in accordance with the provisions of the applicable Blocked Account Agreement and Servicing Agreement (which remittances shall be in conformity to the applicable provisions of Sections 5(d), 5(e), 5(f) and 14(b)(iii) of this Agreement)."

(d) Section 29(a) of the Repurchase Agreement is hereby modified by the addition of the following after the final sentence of such section:

"With respect to the Purchased Loans sold to Buyer by Wispar Seller, Buyer consents to the appointment of Walker & Dunlop, LLC, as Servicer, and Midland Loan Services, a division of PNC Bank, National Association, as sub-servicer, for purposes of servicing such Purchased Loans and, with respect to Wispar Seller, the initial Servicing Agreement with Walker & Dunlop, LLC, as initial Servicer."

(e) Section 29(d) of the Repurchase Agreement is hereby deleted in its entirety and replaced with the following:

"(d) Seller shall not employ or permit Servicer to employ sub-servicers to service the Purchased Loans without (x) in the case of U.S. Purchased Loans only, the prior written approval of Buyer in its sole discretion, except to the extent permitted in the applicable Servicing Agreement so long as, such employment of a sub-servicer constitutes a delegation of duties by Servicer which does not relieve Servicer of its primary obligation to perform such duties or (y) in the case of Foreign Purchased Loans, prior to consummating any such appointment, a consultation with Buyer. With respect to the Purchased Loans sold to Buyer by Wispar Seller, Buyer consents to the appointment of Walker & Dunlop, LLC, as Servicer, and Midland Loan Services, a division of PNC Bank, National Association, as sub-servicer, for purposes of servicing such Purchased Loan."

2. <u>Seller's Representations.</u> Seller has taken all necessary action to authorize the execution, delivery and performance of this Amendment. This Amendment has been duly executed and delivered by or on behalf of Seller and constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms subject to bankruptcy, insolvency, and other limitations on creditors' rights generally and to equitable principles. No Event of Default has occurred and is continuing, and no Event of Default will occur as a result of the execution, delivery and performance by Seller of this Amendment. Any consent, approval, authorization, order, registration or qualification of or with any Governmental Authority required for the execution, delivery and performance by Seller of this Amendment has been obtained and is in full force and effect (other than consents, approvals, authorizations, orders, registrations or qualifications that if not obtained, are not reasonably likely to have a Material Adverse Effect).

3. <u>Full Force and Effect</u>. Except as expressly modified hereby, all of the terms, covenants and conditions of the Repurchase Agreement and the other Transaction Documents remain unmodified and in full force and effect and are hereby ratified and confirmed by Seller. Any inconsistency between this Amendment and the Repurchase Agreement (as it existed before this Amendment) shall be resolved in favor of this Amendment, whether or not this Amendment specifically modifies the particular provision(s) in the Repurchase Agreement inconsistent with this Amendment. All references to the "Agreement" in the Repurchase Agreement or to the "Repurchase Agreement" in any of the other Transaction Documents shall mean and refer to the Repurchase Agreement as modified and amended hereby.

4. <u>No Waiver</u>. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of Buyer under the Repurchase Agreement, any of the other Transaction Documents or any other document, instrument or agreement executed and/or delivered in connection therewith.

5. <u>Headings</u>. Each of the captions contained in this Amendment are for the convenience of reference only and shall not define or limit the provisions hereof.

6. <u>Counterparts.</u> This Amendment may be executed in any number of counterparts, and all such counterparts shall together constitute the same agreement. Signatures delivered by email (in PDF format) shall be considered binding with the same force and effect as original signatures

7. <u>Governing Law</u>. This Amendment shall be governed in accordance with the terms and provisions of Section 20 of the Repurchase Agreement.

[No Further Text on this Page; Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized representatives as of the day and year first above written and effective as of the Effective Date.

BUYER:

CITIBANK, N.A.

By: /s/ Richard B. Schlenger
Name: Richard B. Schlenger
Title: Authorized Signatory

[SIGNATURES CONTINUE ON NEXT PAGE]

[*Signature Page to First Amendment to Fifth Amended and Restated Master Repurchase Agreement*]

<u>SELLER</u>:

PARLEX 2 FINANCE, LLC,
a Delaware limited liability company

By: /s/ Douglas N. Armer
Name: Douglas N. Armer
Title: Executive Vice President, Capital Markets and Treasurer

PARLEX 2A FINCO, LLC,
a Delaware limited liability company

By: /s/ Douglas N. Armer
Name: Douglas N. Armer
Title: Executive Vice President, Capital Markets and Treasurer

PARLEX 2 UK FINCO, LLC,
a Delaware limited liability company

By: /s/ Douglas N. Armer
Name: Douglas N. Armer
Title: Executive Vice President, Capital Markets and Treasurer

PARLEX 2 EUR FINCO, LLC,
a Delaware limited liability company

By: /s/ Douglas N. Armer
Name: Douglas N. Armer
Title: Executive Vice President, Capital Markets and Treasurer

[SIGNATURES CONTINUE ON NEXT PAGE]

PARLEX 2 AU FINCO, LLC,
a Delaware limited liability company

By: /s/ Douglas N. Armer
Name: Douglas N. Armer
Title: Executive Vice President, Capital Markets and Treasurer

PARLEX 2 CAD FINCO, LLC,
a Delaware limited liability company

By: /s/ Douglas N. Armer
Name: Douglas N. Armer
Title: Executive Vice President, Capital Markets and Treasurer

WISPAR 5 FINCO, LLC,
a Delaware limited liability company

By: /s/ Douglas N. Armer
Name: Douglas N. Armer
Title: Executive Vice President, Capital Markets and Treasurer

[*Signature Page to First Amendment to Fifth Amended and Restated Master Repurchase Agreement*]

Exhibit 31.1

CERTIFICATION
PURSUANT TO 17 CFR 240.13a-14
PROMULGATED UNDER
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Katharine A. Keenan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Blackstone Mortgage Trust, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 27, 2021

/s/ Katharine A. Keenan
Katharine A. Keenan
Chief Executive Officer

Exhibit 31.2

CERTIFICATION
PURSUANT TO 17 CFR 240.13a-14
PROMULGATED UNDER
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Anthony F. Marone, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Blackstone Mortgage Trust, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 27, 2021

/s/ Anthony F. Marone
Anthony F. Marone, Jr.
Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Blackstone Mortgage Trust, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Katharine A. Keenan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Katharine A. Keenan
Katharine A. Keenan
Chief Executive Officer
October 27, 2021

This certification accompanies each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided by the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Blackstone Mortgage Trust, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Anthony F. Marone, Jr., Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Anthony F. Marone

Anthony F. Marone, Jr.
Chief Financial Officer
October 27, 2021

This certification accompanies each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided by the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.