

APOLLO

Q2 2024 Financial Results

Apollo Commercial Real Estate Finance, Inc.

August 6, 2024

Unless otherwise noted, information as of June 30, 2024

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

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This presentation contains information regarding ARI's financial results that is calculated and presented on the basis of methodologies other than in accordance with accounting principles generally accepted in the United States ("GAAP"), including Distributable Earnings and Distributable Earnings per share. Please refer to page 21 for a definition of "Distributable Earnings" and the reconciliation of the applicable GAAP financial measures to non-GAAP financial measures set forth on page 20.

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Q2 Summary Results

Financial Results

- Net income available to common stockholders of **\$33 million**, or **\$0.23** per diluted share of common stock
 - Includes an increase of **\$8 million** in Specific CECL Allowance recorded on a subordinate loan secured by our interest in a Class A office building in Troy, MI
- Distributable Earnings^{1,(a)} of **\$50 million**, or **\$0.35** per diluted share of common stock
- Declared common stock dividends of **\$0.35** per share, which implies a dividend yield² of **13.9%**

Loan Portfolio

- Total loan portfolio of **\$8.3 billion** with w/a unlevered all-in yield³ of **8.9%**
 - **95%** first mortgages
 - **96%** floating rate
- Weighted-average risk rating of **3.0**
- Committed **\$505 million** (\$495 million funded at close) to new loans year-to-date and in Q2
- Loan repayments of **\$759 million^(b)** year-to-date, **\$583 million^(b)** in Q2
- Gross add-on fundings⁴ of **\$438 million** year-to-date, **\$116 million** in Q2

Capitalization

- Ended the quarter with total common equity book value of **\$1.9 billion^(c)**
- Repurchased **\$38 million** of our common stock at a weighted-average price of **\$10.16**
- Obtained **\$74 million** of financing secured by our D.C. Hotel
- Upsized our secured credit facility with Barclays, providing **\$300 million** in additional capacity
- No corporate debt maturities until May 2026

Subsequent Events

- Committed **£268 million** (\$342 million^(d) in USD) to two new loans:
 - **£150 million** (\$192 million^(d) in USD) in connection with a refinance of a first mortgage secured by a portfolio of care homes across the UK
 - **£118 million** (\$150 million^(d) in USD) to a first mortgage secured by a portfolio of luxury care homes in Greater London, UK
- Received **\$464 million** of loan proceeds, including **\$421 million** full repayments across three first mortgages, and one subordinate loan
- Repurchased **\$2 million** of our common stock at a weighted-average price of **\$9.92**

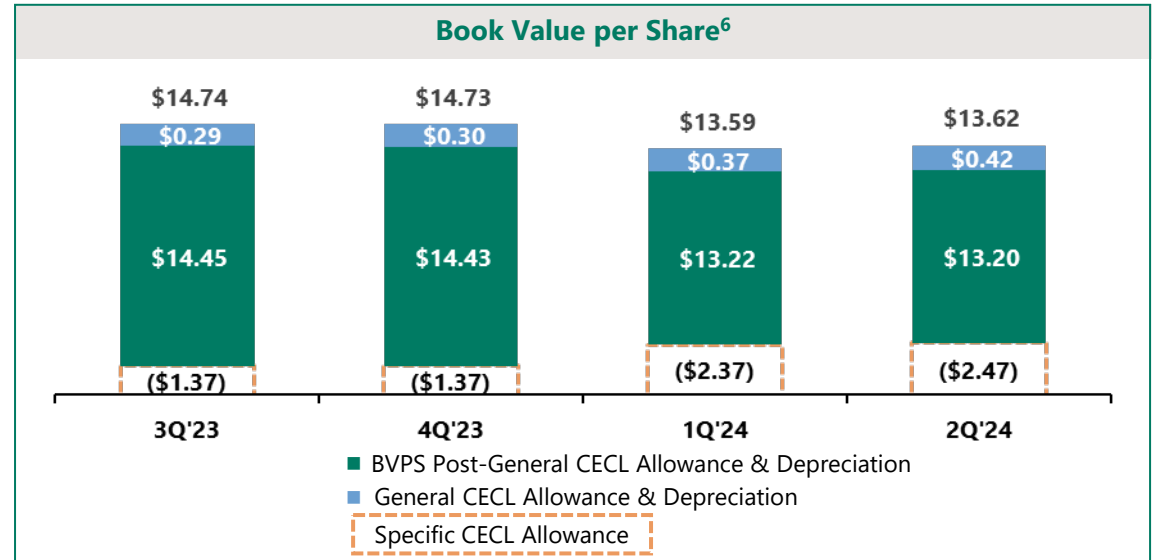
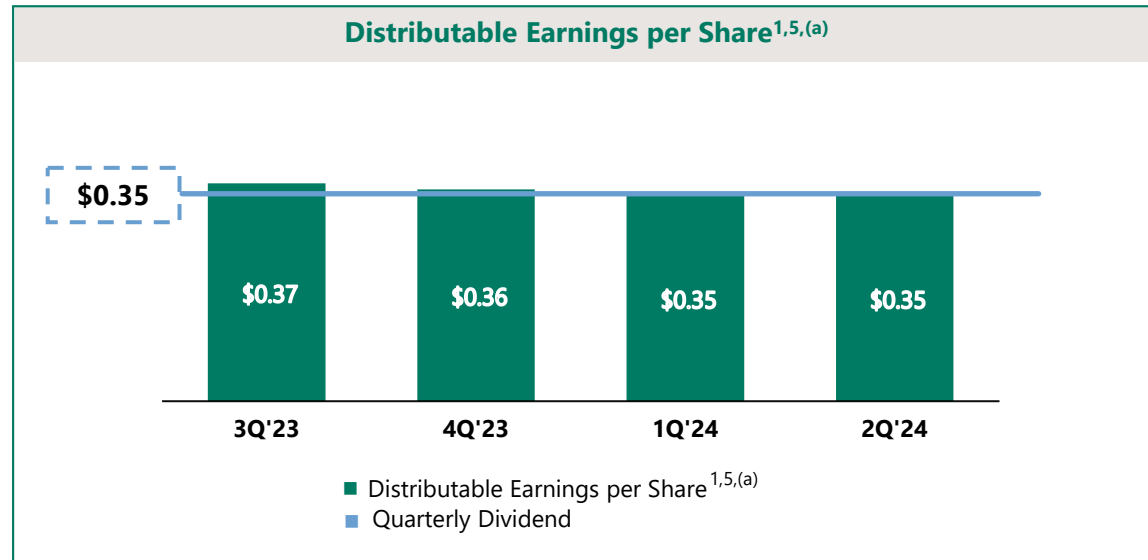
a) Amount reflects Distributable Earnings prior to net realized loss on investments

b) Includes the sale of a \$135 million commercial mortgage in April 2024

c) Reflects book value per share (excluding General CECL Allowance and depreciation) of \$13.62 multiplied by shares of common stock outstanding

d) Represents USD equivalent based on foreign exchange rates as of date funded or commitment closed

Per Share Overview



	BVPS	General CECL Allowance & Depreciation	BVPS excl. General CECL Allowance & Depreciation
December 31, 2023	\$14.43	(\$0.30)	\$14.73
(+) Diluted Distributable Earnings ^{1,(a)} per share	\$0.70	-	\$0.70
(+) Impact of share repurchases	\$0.11	-	\$0.11
(-) Common dividends declared	(\$0.70)	-	(\$0.70)
(-) Net increase in Specific CECL Allowance	(\$1.06)	-	(\$1.06)
(-) Vesting and delivery of RSUs	(\$0.13)	-	(\$0.13)
(-) Change in General CECL Allowance & Depreciation	(\$0.12)	(\$0.12)	-
(-) Net loss on currency and interest hedges ^(b)	(\$0.01)	-	(\$0.01)
(-) Other ^(c)	(\$0.02)	-	(\$0.02)
Change during period⁷	(\$1.23)	(\$0.12)	(\$1.11)
June 30, 2024	\$13.20	(\$0.42)	\$13.62

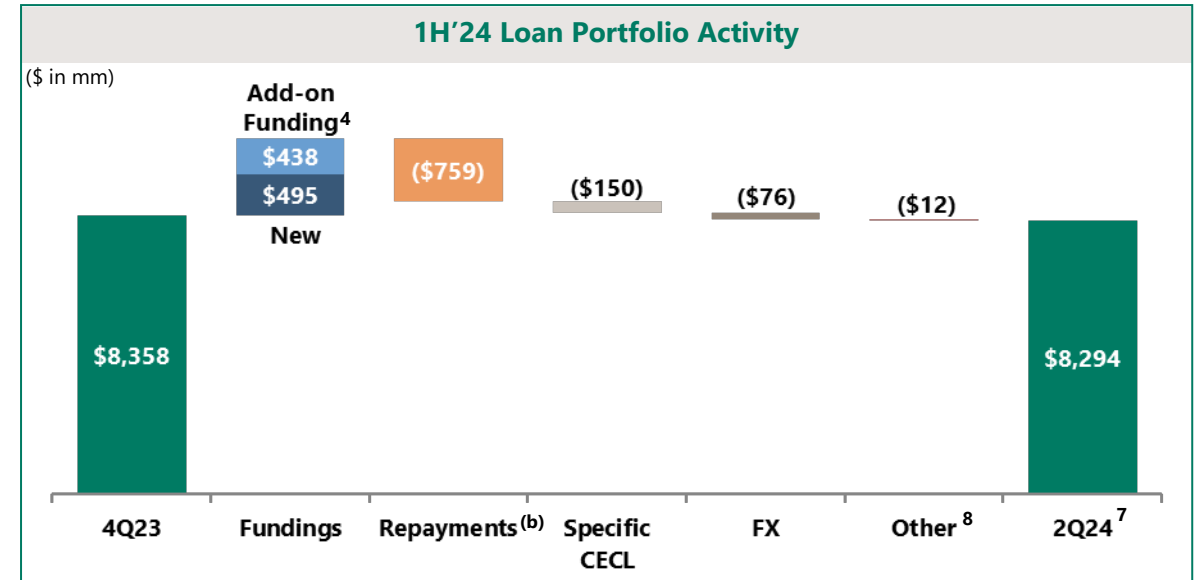
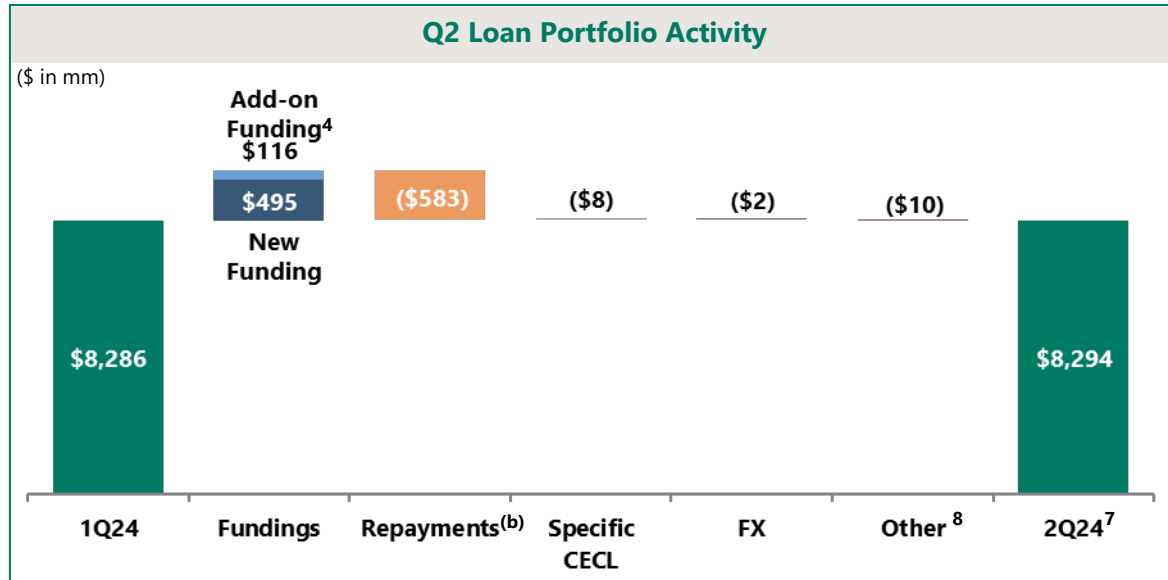
a) Amount reflects Distributable Earnings prior to net realized loss on investments and gain on extinguishment of debt

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

c) Includes realized loss on sale of a commercial mortgage

See footnotes on page 21

Portfolio Activity & REO Overview



Q2 Loan Portfolio Activity

- **\$495 million** of new loan originations, across four first mortgages
- **\$583 million^(b)** of loan repayments including **\$286 million^(b)** of full repayments of three first mortgages
- **Manhattan ultra-luxury:**
 - **\$108 million** paydown of our senior loan in connection with a refinance by a 3rd-party lender
 - Six units closed during Q2, resulting in **\$74 million** gross sales proceeds, which reduced the 3rd-party senior loan

REO Highlights

- **Brooklyn Development:** Above-grade construction of 51-story multifamily tower component progressed through Q2, and topped out in July 2024
- **D.C. Hotel:** Closed a three-year, **\$74 million** mortgage secured by the hotel

REO Overview

(\$ in mm)

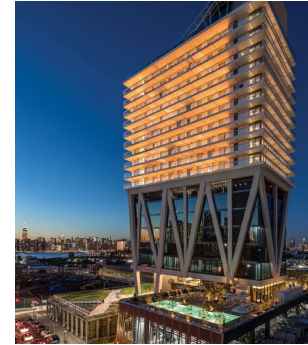
	Net Assets	Debt ^(a)	Net Equity
As of June 30, 2024			
Brooklyn Development	\$452	(\$163)	\$289
D.C. Hotel	158	(72)	86
Atlanta Hotel	70	-	70
Total REO Held for Investment⁷	\$680	(\$235)	\$445

a) Debt related to real estate owned represents construction financing on our Brooklyn Development (maximum commitment of \$388 million and presented net of \$3 million in deferred financing costs) and mortgage on our D.C. Hotel (maximum commitment of \$74 million and presented net of \$1 million in deferred financing costs)

b) Includes the sale of a \$135 million commercial mortgage in April 2024

Q2'24 Loan Originations

Asset Photos



Loan Type	Floating-Rate Senior Loan	Floating-Rate Senior Loan	Floating-Rate Senior Loan	Floating-Rate Senior Loan
Loan Size^(a)	\$158 million	\$132 million	\$115 million	\$100 million
Location	Emeryville, CA	St. Petersburg, FL	Brooklyn, NY	Washington, DC
Collateral	500-Unit Class A Multifamily Rental Property	354-Key Four Star Full Service Resort	183-Key Luxury Lifestyle Hotel ^(b)	582-Unit Class A Multifamily Rental Property
Loan Purpose	Refinance	Refinance	Acquisition	Refinance
LTV^(c)	59%	50%	54%	62%
Investment Date	April 2024	June 2024	June 2024	June 2024

a) Total commitment
 b) Property includes 80 thousand square feet of commercial space and 228 parking spaces
 c) Reflects loan-to-value ("LTV") at the time the loan was originated
 d) See footnotes on page 21

Loan Portfolio Overview

**Carrying Value/
Number of Loans**
\$8.3 billion/50 Loans

Loan Position⁹
95% First Mortgage

**W/A Unlevered All-in Yield
on Loan Portfolio^{3,9,(a)}**
8.9%

**W/A Remaining Fully-Extended
Term^{9,10}**
2.3 Years

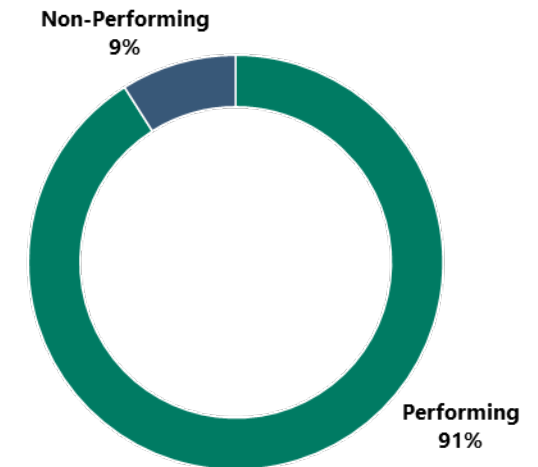
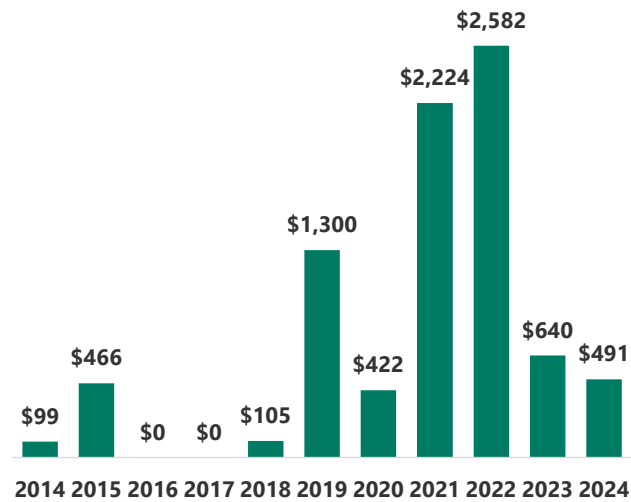
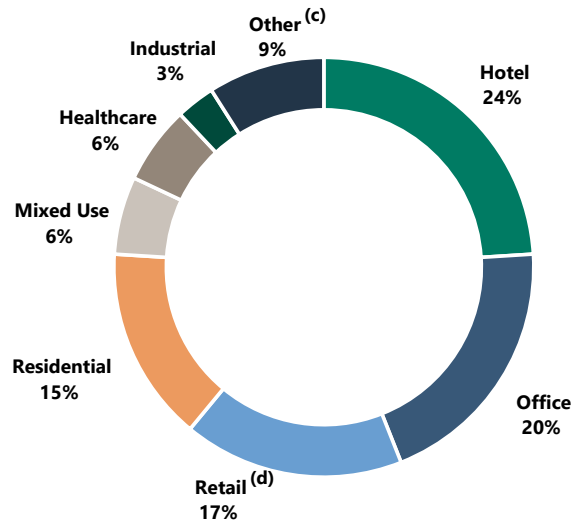
W/A Portfolio Risk Rating⁹
3.0

W/A Portfolio Loan-to-Value^(b)
58%

Collateral Diversification⁹

Origination Vintage⁹

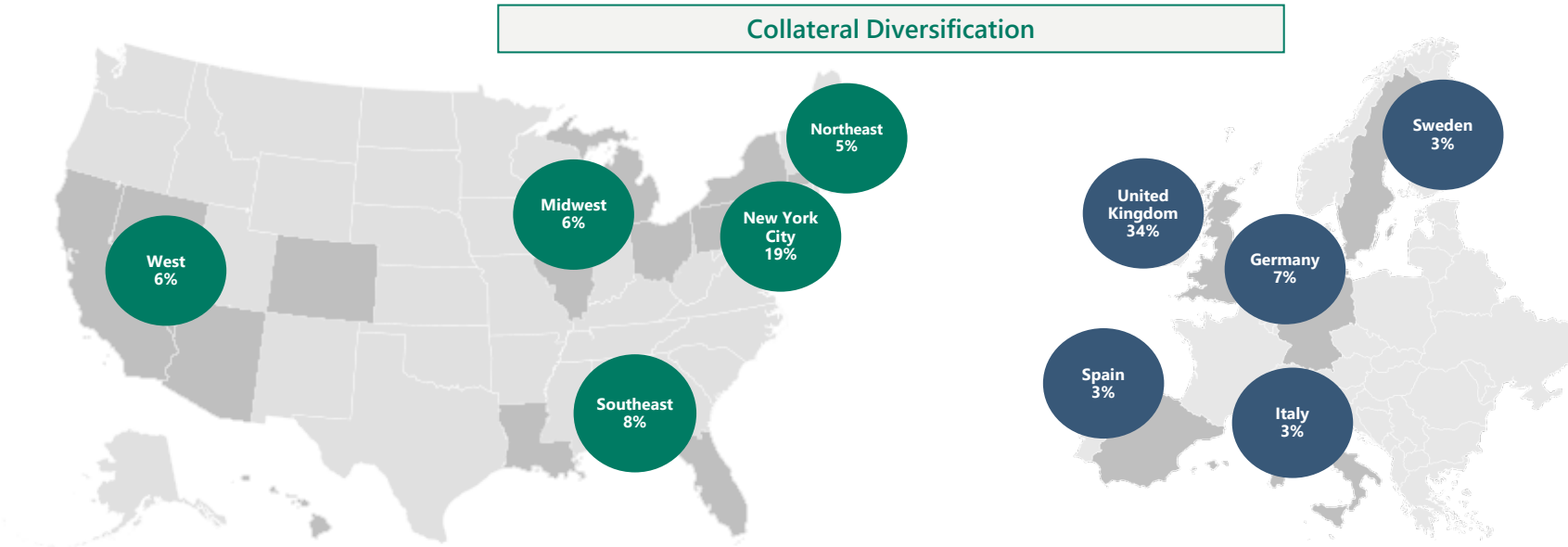
Loan Performance^(e)



a) Excludes benefit of forward points on currency hedges related to loans denominated in currencies other than USD
 b) Weighted average loan-to-value ("LTV") reflects the LTV at the time the loan was originated; based on amortized cost and excludes risk-rated 5 loans
 c) Other property types include Pubs (3%), Parking Garages (2%), Caravan Parks (2%) and Urban Predevelopment (2%)
 d) Retail property types include: Outlet Center (6%), Retail Distribution Warehouse (5%), Urban Retail (3%), and Lifestyle Center (3%)
 e) Based on amortized cost, gross of Specific CECL Allowance. Non-performing loans represent loans placed on non-accrual status
 See footnotes on page 21

Loan Portfolio Overview (cont'd)

(\$ in mm)	United Kingdom	New York City	Other Europe	Southeast	Midwest	West	Northeast	Other ^(b)	Total ⁷
Hotel	\$195 / 2%	\$245 / 3%	\$637 / 8%	\$492 / 6%	\$57 / 1%	\$207 / 2%	\$9 / 0%	\$159 / 2%	\$2,001 / 24%
Office	564 / 7%	469 / 6%	482 / 6%	-	178 / 2%	-	-	-	1,693 / 20%
Retail	892 / 11%	250 / 3%	35 / 0%	14 / 0%	99 / 1%	77 / 1%	-	34 / 0%	1,400 / 17%
Residential	228 / 3%	488 / 6%	-	15 / 0%	78 / 1%	226 / 3%	-	172 / 2%	1,206 / 15%
Mixed Use	367 / 4%	146 / 2%	-	-	-	-	-	-	513 / 6%
Healthcare	159 / 2%	-	-	-	-	-	342 / 4%	-	501 / 6%
Industrial	-	-	278 / 3%	-	-	-	-	-	278 / 3%
Other ^(a)	413 / 5%	-	-	143 / 2%	94 / 1%	-	29 / 0%	58 / 1%	737 / 9%
Total^{7,11}	\$2,818 / 34%	\$1,597 / 19%	\$1,432 / 17%	\$663 / 8%	\$506 / 6%	\$510 / 6%	\$380 / 5%	\$423 / 5%	\$8,329 / 100%
General CECL Reserve									(\$35)
Carrying value, net⁷									\$8,294



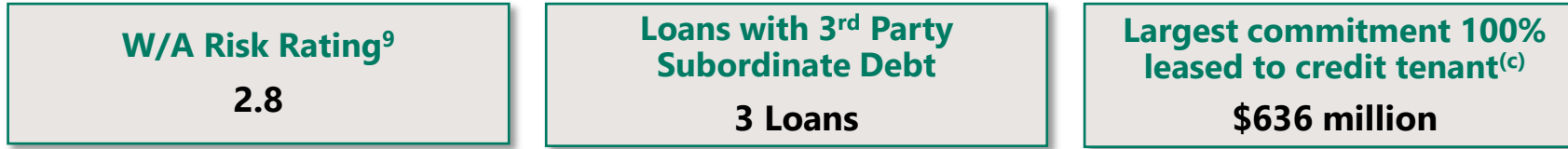
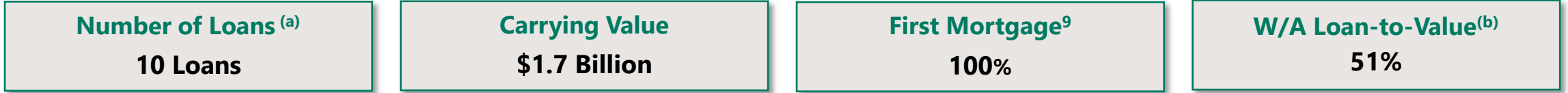
a) Other property types include Pubs (3%), Parking Garages (2%), Caravan Parks (2%) and Urban Predevelopment (2%)

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

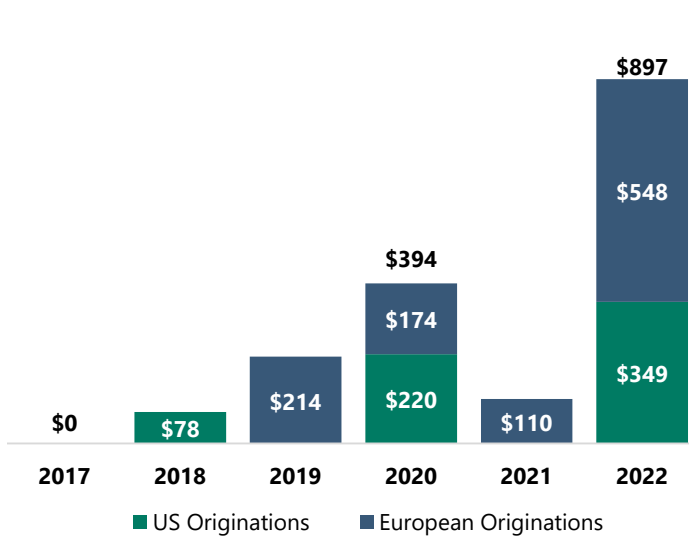
Note: Map does not show locations where percentages are 2% or lower

See footnotes on page 21

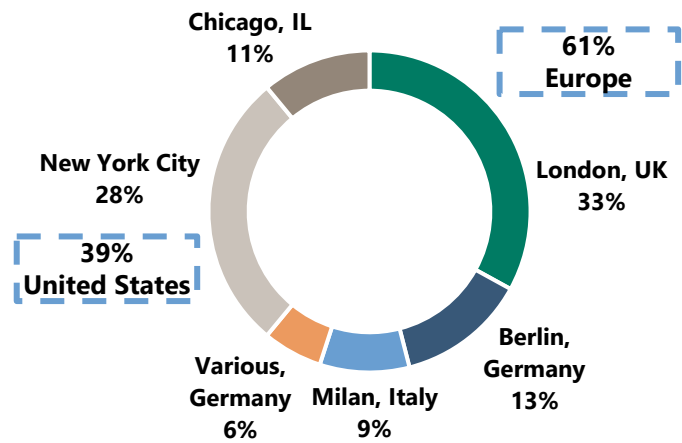
Office Loan Portfolio Overview



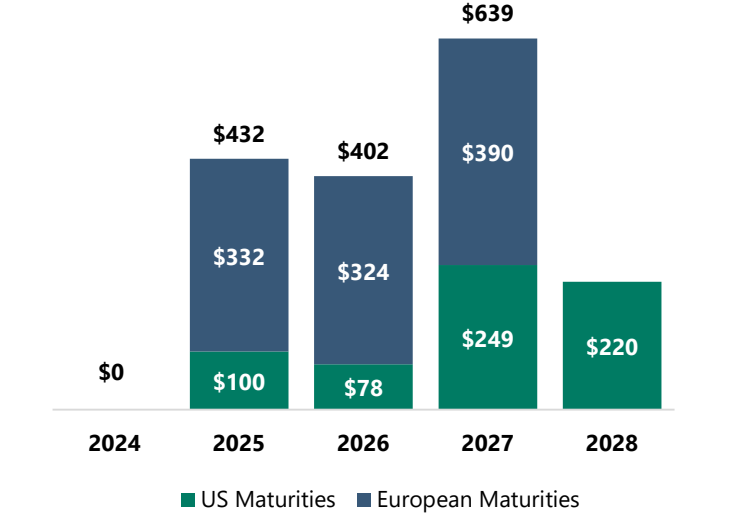
Origination Vintage⁹



Location⁹



Fully Extended Maturities^{9,10}



a) Includes one loan secured by a portfolio which includes office, industrial, and retail property types located in various cities across Germany
 b) Weighted average loan-to-value ("LTV") reflects the LTV at the time the loan was originated; based on amortized cost and excludes risk-rated 5 loans
 c) Portfolio includes a £308 million (\$390 million in USD), based on amortized cost, first mortgage secured by an office redevelopment property in London which is 100% leased by a credit tenant for a 20-year term
 Note: Location chart does not show locations where percentages are 2% or lower
 See footnotes on page 21

Senior Loan Portfolio (1 of 3)

(\$ in mm)		Origination	Amortized	Unfunded	Construction	3rd Party	Fully-extended	
Hotel	Property Type	Date	Cost	Commitments	Loan	Subordinate Debt	Maturity ¹⁰	Location
Loan 1	Hotel	10/2019	\$266	\$17		Y	08/2024 ^(a)	Various, Spain
Loan 2	Hotel	12/2023	265	-			12/2028	Various, Europe
Loan 3	Hotel	11/2021	229	9		Y	11/2026	Various, UK/Ireland
Loan 4	Hotel	05/2022	195	10		Y	06/2027	Napa Valley, CA
Loan 5	Hotel	07/2021	179	1			08/2026	Various, US
Loan 6	Hotel	11/2021	165	-			12/2026	St. Thomas, USVI
Loan 7	Hotel	09/2015	140	-			12/2026	Manhattan, NY
Loan 8	Hotel	06/2024	131	-			06/2029	St. Petersburg, FL
Loan 9	Hotel	06/2024	105	9			07/2029	Brooklyn, NY
Loan 10	Hotel	06/2022	98	-			06/2025	Rome, Italy
Loan 11	Hotel	10/2021	92	-			11/2026	New Orleans, LA
Loan 12	Hotel	05/2019	46	-			12/2025	Chicago, IL
Loan 13	Hotel	12/2015	42	-			08/2026	St. Thomas, USVI
Loan 14	Hotel	02/2018	27	-			11/2024	Pittsburgh, PA
Subtotal - Hotel			\$1,980	\$46				
Office								
Loan 15 ^(b)	Office	02/2022	\$390	\$242	Y		02/2027	London, UK
Loan 16	Office	03/2022	249	17		Y	04/2027	Manhattan, NY
Loan 17	Office	01/2020	220	32		Y	03/2028	Long Island City, NY
Loan 18	Office	06/2019	214	-			08/2026	Berlin, Germany
Loan 19	Office	02/2020	174	5			02/2025	London, UK
Loan 20	Office	02/2022	158	-			06/2025	Milan, Italy
Loan 21	Office	11/2022	100	-			01/2025	Chicago, IL
Loan 22	Office	03/2018	78	-		Y	01/2026	Chicago, IL
Subtotal - Office			\$1,583	\$296				

a) Extended to August 2027 subsequent to quarter end

b) Loan is secured by an office redevelopment property which is 100% leased by a credit tenant for a 20-year term

See footnotes on page 21

Senior Loan Portfolio (2 of 3)

Retail	Property Type	Origination Date	Amortized Cost	Unfunded Commitments	Construction Loan	3rd Party Subordinate Debt	Fully-extended Maturity ¹⁰	Location
Loan 23	Retail	04/2022	\$480	\$24			04/2027	Various, UK
Loan 24	Retail	10/2021	411	-			10/2026	Various, UK
Loan 25	Retail	08/2019	250	-		Y	09/2025	Manhattan, NY
Loan 26	Retail	05/2022	124	-			06/2027	Various, US
Loan 27 ¹²	Retail	11/2014	99	-			09/2025	Cincinnati, OH
Subtotal - Retail			\$1,364	\$24				
Residential								
Loan 28	Residential	12/2021	\$228	\$11			12/2026	Various, UK
Loan 29	Residential	03/2023	165	-			04/2026	Various, US
Loan 30	Residential	04/2024	156	-			05/2029	Emeryville, CA
Loan 31	Residential	06/2024	99	-			07/2029	Various, UK
Loan 32	Residential	05/2022	94	-			06/2027	Manhattan, NY
Loan 33	Residential	05/2021	76	-			05/2027	Cleveland, OH
Loan 34	Residential	12/2021	24	-			01/2027	Manhattan, NY
Subtotal - Residential			\$842	\$11				
Mixed Use								
Loan 35	Mixed Use	12/2019	\$322	\$8	Y	Y	08/2025	London, UK
Loan 36	Mixed Use	03/2022	146	31		Y	03/2027	Brooklyn, NY
Loan 37 ^(a)	Mixed Use	12/2019	44	-			07/2024	London, UK
Subtotal - Mixed Use			\$512	\$39				

a) Repaid in July 2024
See footnotes on page 21

Senior Loan Portfolio (3 of 3)

(\$ in mm)		Origination	Amortized	Unfunded	Construction	3rd Party	Fully-extended	
Healthcare	Property Type	Date	Cost	Commitments	Loan	Subordinate Debt	Maturity ¹⁰	Location
Loan 38	Healthcare	03/2022	\$342	-			03/2027	Various, MA
Loan 39 ^(a)	Healthcare	10/2019	159	-			10/2024	Various, UK
Subtotal - Healthcare			\$501	-				
Other								
Loan 40	Industrial	03/2021	\$233	-			05/2026	Various, Sweden
Loan 41	Pubs	12/2023	210	-		Y	01/2029	Various, UK
Loan 42	Caravan Parks	02/2021	203	-			02/2028	Various, UK
Loan 43 ^(a)	Parking Garages	05/2021	193	-			05/2026	Various, US
Loan 44 ^(b)	Portfolio	06/2021	190	19			06/2026	Various, Germany
Loan 45	Urban Predevelopment	12/2022	132	2			01/2026	Miami, FL
Subtotal - Other			\$1,161	\$21				
Subtotal/W.A. - First Mortgage			\$7,943	\$437			2.4 Years	

a) Repaid in July 2024

b) Includes portfolio of office, industrial, and retail property types

See footnotes on page 21

Subordinate Loan Portfolio

(\$ in mm)	Property Type	Origination Date	Amortized Cost	Unfunded Commitments	Construction Loan	3rd Party Subordinate Debt	Fully-extended Maturity ¹⁰	Location
Loan 46 - Residential ¹³	Residential	06/2015	\$261	-			11/2025	Manhattan, NY
Loan 47 - Residential ¹³	Residential	08/2022	74	-			11/2025	Manhattan, NY
Loan 48 - Residential ^{12,13}	Residential	05/2020	28	-			11/2025	Manhattan, NY
Loan 49 - Hotel ^(a)	Hotel	06/2015	23	-			07/2025	Phoenix, AZ
Loan 50 - Office ¹²	Office	08/2017	-	-			09/2024	Troy, MI
Total			\$386	-				
Total/W.A. - Subordinate^{7,9}			\$386	-			1.3 Years	
Total/W.A. - Portfolio^{7,9}			\$8,329	\$437			2.3 Years	
General CECL Reserve			(\$35)					
Total Carrying Value, Net⁷			\$8,294					

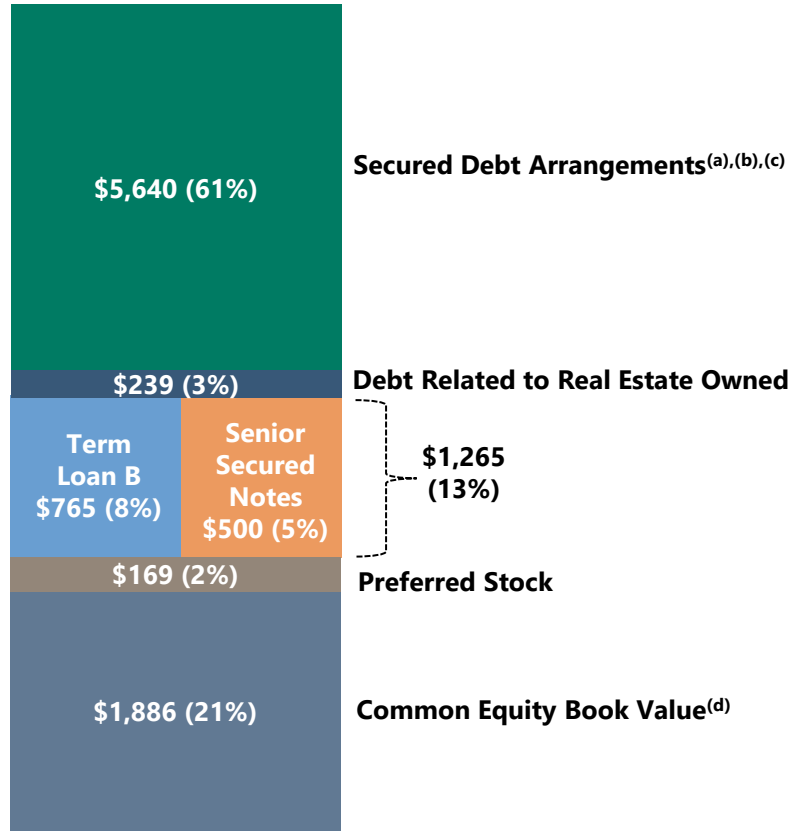
a) Repaid in July 2024

See footnotes on page 21

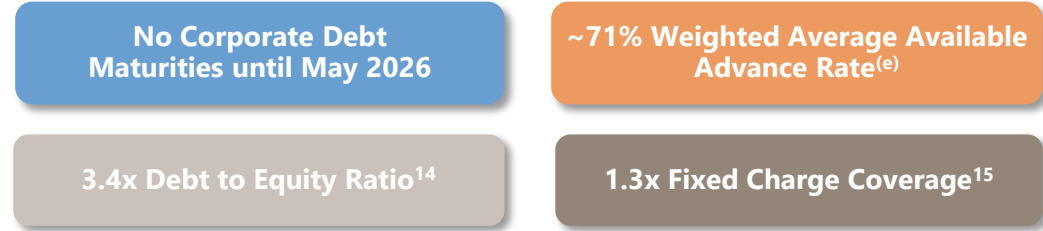
Capital Structure Overview

Capital Structure Composition

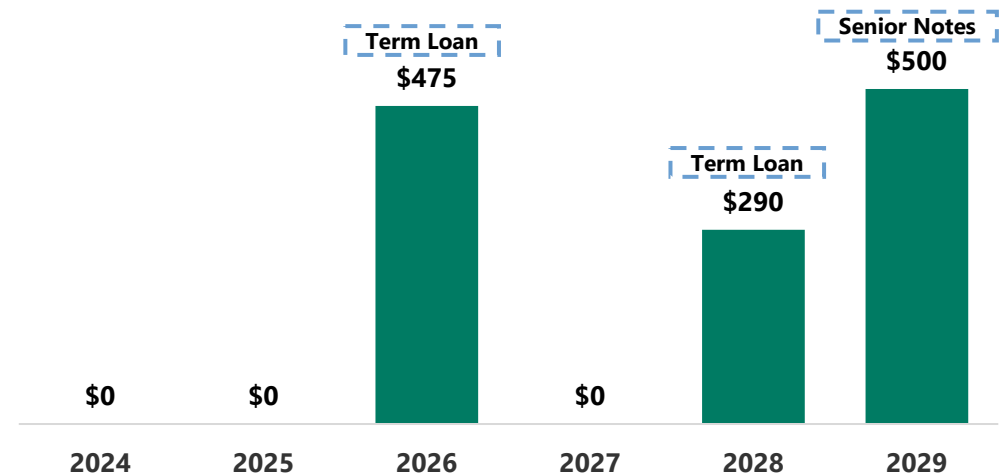
(\$ in mm)



Conservative Capital Management Strategy



Corporate Debt Maturities

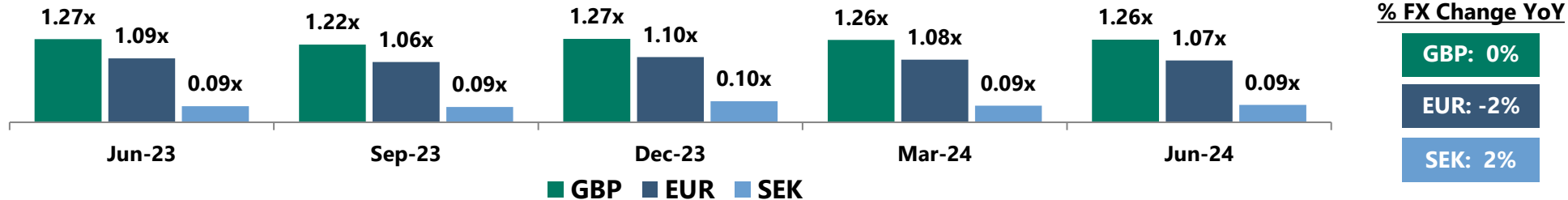


a) Weighted-average rates of applicable benchmark rates and credit spread adjustments plus spreads of USD: +2.51% / GBP: +2.23% / EUR: +1.89% / SEK: +1.50%
 b) Our secured credit facilities do not contain capital markets-based mark-to-market provisions
 c) Consists of nine secured credit facility counterparties, one revolving credit facility and one private securitization
 d) Reflects book value per share (excluding General CECL Allowance and depreciation) of \$13.62 multiplied by shares of common stock outstanding June 30, 2024
 e) Based on maximum available advance rates across secured debt counterparties
 See footnotes on page 21

Mitigating Foreign Exchange Risk

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

Foreign Exchange Rate Change (Local/USD)

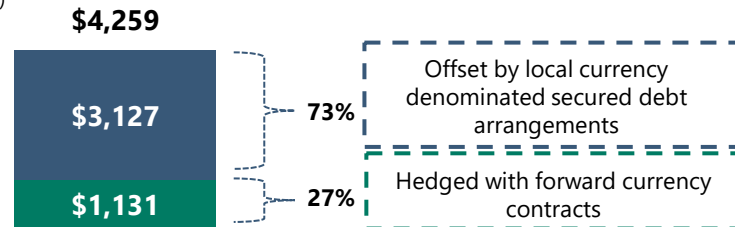


Mitigating Foreign Exchange Risk

- As of June 30, 2024 the percentage of net equity to total foreign denominated carrying value was 27%, or \$1.1 billion
 - 73% weighted average advance on total foreign loan portfolio
- Net equity and net interest income of foreign loans are economically hedged through forward currency contracts
 - Forward point impact on forward currency contracts resulted in an \$3.9 million realized gain in Q2 2024

Foreign Loan Capital Stack

(\$ in mm)



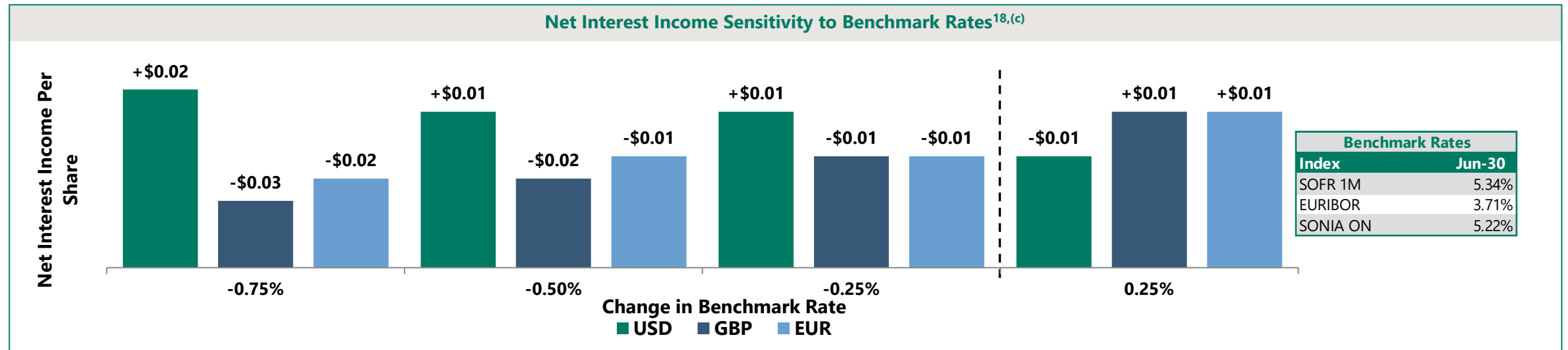
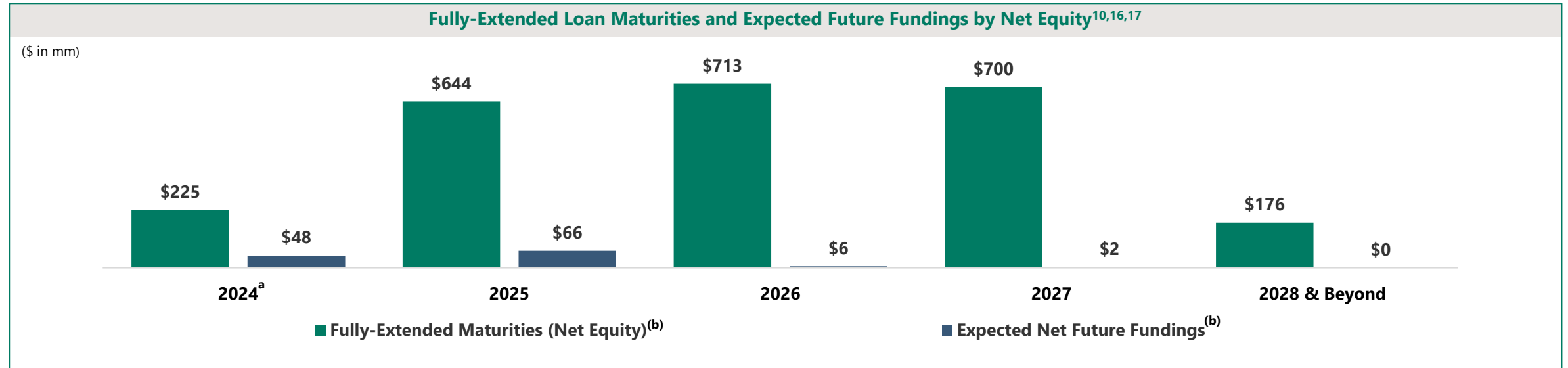
■ Net Equity ■ Secured Debt

Change in Unrealized Gain (Loss) on Net Equity

Currency	As of June 30, 2024			Q2 2024 Net	YTD 2024 Net
	Carrying Value ^(a)	Secured Debt	Net Equity	Unrealized Gain ^(b)	Unrealized Gain (Loss) ^(b)
GBP	\$2,802	(\$2,064)	\$739	(\$1)	(\$8)
EUR	\$1,223	(\$876)	\$347	(\$3)	(\$7)
SEK	\$233	(\$187)	\$45	\$0	(\$2)
Total⁷	\$4,259	(\$3,127)	\$1,131	(\$3)	(\$18)
Change in unrealized gain (loss) on forward contracts^{7,(c)}				\$6	\$26

a) Carrying value includes all commercial mortgage and subordinate loans denominated in foreign currencies with or without secured debt financing
 b) Represents the net change in unrealized gains (losses) on foreign loans of (\$4) million and respective foreign secured debt arrangements of \$1 million for the quarter ended June 30, 2024. The net change in unrealized gains (losses) on foreign loans of (\$70) million and respective foreign secured debt arrangements of \$52 million for the six months ended June 30, 2024
 c) Represents net change in unrealized gain (loss) on forward contracts for the quarter ended June 30, 2024, excluding gains (losses) on forward currency contracts economically hedging foreign currency interest
 See footnotes on page 21

Loan Maturities and Future Funding Profile



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

a) Represents the period of July 1, 2024 through December 31, 2024

b) Net of expected secured credit facility advances

c) Reflects incremental increases in respective benchmark rates as of June 30, 2024 (SOFR 1 month: 5.34%, EURIBOR 3.71% and SONIA ON: 5.22% adjusted for compounding)

See footnotes on page 21

Appendix

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

Consolidated Balance Sheets

(\$ in thousands - except share data)

	June 30, 2024	December 31, 2023
Assets:		
Cash and cash equivalents	\$174,703	\$225,438
Commercial mortgage loans, net ^{(a)(c)}	7,909,125	7,925,359
Subordinate loans, net ^{(b)(c)}	384,777	432,734
Real estate owned, held for investment, net ^(d) (net of \$18,541 and \$10,404 accumulated depreciation in 2024 and 2023, respectively)	665,568	519,498
Other assets	90,467	85,623
Derivative assets, net	47,749	29,425
Assets related to real estate owned, held for sale	-	78,653
Total Assets	\$9,272,389	\$9,296,730
Liabilities and Stockholders' Equity		
Liabilities:		
Secured debt arrangements, net	\$5,628,925	\$5,538,476
Senior secured term loans, net	756,673	759,150
Senior secured notes, net	496,033	495,637
Debt related to real estate owned, held for investment, net	235,418	161,562
Accounts payable, accrued expenses and other liabilities ^(e)	149,113	120,334
Payable to related party	9,179	9,553
Liabilities related to real estate owned, held for sale	-	3,285
Total Liabilities	\$7,275,341	\$7,087,997
Stockholders' Equity:		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized, Series B-1, 6,770,393 shares issued and outstanding (\$169,260 liquidation preference) in 2024 and 2023	\$68	\$68
Common stock, \$0.01 par value, 450,000,000 shares authorized, 138,438,433 and 141,358,605 shares issued and outstanding in 2024 and 2023, respectively	1,385	1,414
Additional paid-in-capital	2,690,660	2,727,488
Accumulated deficit	(695,065)	(520,237)
Total Stockholders' Equity	\$1,997,048	\$2,208,733
Total Liabilities and Stockholders' Equity	\$9,272,389	\$9,296,730

a) Includes \$7,897,660 and \$7,705,491 pledged as collateral under secured debt arrangements in 2024 and 2023, respectively

b) Includes \$232,991 pledged as collateral under secured debt arrangements in 2023

c) Net of \$377,819 and \$219,482 CECL Allowances comprised of \$342,500 and \$193,000 Specific CECL Allowance and \$35,319 and \$26,482 General CECL Allowance in 2024 and 2023, respectively

d) Includes \$154,048 pledged as collateral under secured debt arrangements in 2024 and 2023

e) Includes \$3,622 and \$4,017 of General CECL Allowance related to unfunded commitments on commercial mortgage loans and subordinate loans, net in 2024 and 2023, respectively

See footnotes on page 21

Consolidated Statement of Operations

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net interest income:				
Interest income from commercial mortgage loans	\$179,388	\$174,124	\$363,104	\$340,271
Interest income from subordinate loans and other lending assets	842	5,110	1,691	14,817
Interest expense	(128,472)	(116,278)	(256,359)	(221,146)
Net interest income	\$51,758	\$62,956	\$108,436	\$133,942
Revenue from real estate owned operations	29,350	29,208	53,207	45,339
Total net revenue	\$81,108	\$92,164	\$161,643	\$179,281
Operating expenses:				
General and administrative expenses (includes equity-based compensation of \$4,157 and \$8,345 in 2024 and \$4,377 and \$8,735 in 2023, respectively)	(7,488)	(7,471)	(14,861)	(14,486)
Management fees to related party	(9,173)	(9,390)	(18,594)	(18,907)
Operating expenses related to real estate owned	(21,767)	(19,961)	(41,660)	(33,967)
Depreciation and amortization on real estate owned	(2,287)	(2,202)	(6,943)	(6,188)
Total operating expenses	(\$40,715)	(\$39,024)	(\$82,058)	(\$73,548)
Other income, net	\$641	\$2,340	\$1,211	\$3,072
Increase in current expected credit loss allowance, net	(10,258)	(61,648)	(157,942)	(66,038)
Foreign currency translation gain (loss)	(1,362)	21,557	(20,925)	40,191
Gain (loss) on foreign currency forward contracts (includes unrealized gains (losses) of \$911 and \$18,964 in 2024 and (\$20,102) and (\$55,953) in 2023, respectively)	6,377	(17,116)	29,775	(31,251)
Gain (loss) on interest rate hedging instruments (includes unrealized gains (losses) of (\$457) and (\$651) in 2024 and (\$4,328) and (\$9,141) in 2023, respectively)	94	55	450	(52)
Reversal of valuation allowance, commercial mortgage loan held for sale	679	-	-	-
Net realized loss on investments	(679)	(81,980)	(679)	(86,604)
Gain on extinguishment of debt	-	252	-	465
Net income (loss) before taxes	\$35,885	(\$83,400)	(\$68,525)	(\$34,484)
Income tax provision	(100)	-	(214)	-
Net income (loss)	\$35,785	(\$83,400)	(\$68,739)	(\$34,484)
Preferred dividends	(3,068)	(3,068)	(6,136)	(6,136)
Net income (loss) available to common stockholders	\$32,717	(\$86,468)	(\$74,875)	(\$40,620)
Net income (loss) per basic share of common stock	\$0.23	(\$0.62)	(\$0.54)	(\$0.30)
Net income (loss) per diluted share of common stock	\$0.23	(\$0.62)	(\$0.54)	(\$0.30)
Basic weighted-average shares of common stock outstanding	140,438,676	141,341,238	141,154,140	141,207,597
Diluted weighted-average shares of common stock outstanding	140,611,532	141,341,238	141,154,140	141,207,597
Dividend declared per share of common stock	\$0.35	\$0.35	\$0.70	\$0.70

Reconciliation of GAAP Net Income to Distributable Earnings¹

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Distributable Earnings¹:				
Net income (loss) available to common stockholders:	\$32,717	(\$86,468)	(\$74,875)	(\$40,620)
Adjustments:				
Equity-based compensation expense	4,157	4,377	8,345	8,735
Loss (gain) on foreign currency forwards	(6,377)	17,116	(29,775)	31,251
Foreign currency loss (gain), net	1,362	(21,557)	20,925	(40,191)
Unrealized loss on interest rate cap	457	4,328	651	9,141
Realized gains relating to interest income on foreign currency hedges, net	1,314	2,341	2,410	7,074
Realized gains relating to forward points on foreign currency hedges, net	3,855	76	7,236	5,677
Depreciation and amortization on real estate owned	2,287	2,202	6,943	6,188
Increase in current expected credit loss allowance, net	10,258	61,648	157,942	66,038
(Reversal of) valuation allowance, loan held for sale	(679)	-	-	-
Gain on extinguishment of debt	-	(252)	-	(465)
Net realized loss on investments	679	81,980	679	86,604
Total adjustments	17,313	152,259	175,356	180,052
Distributable Earnings prior to net realized loss on investments and gain on extinguishment of debt^{1,5}	\$50,030	\$65,791	\$100,481	\$139,432
Net realized loss on investments	(679)	(81,980)	(679)	(86,604)
Gain on extinguishment of debt	-	252	-	465
Distributable Earnings¹	\$49,351	(\$15,937)	\$99,802	\$53,293
Weighted-average diluted shares – Distributable Earnings¹				
Weighted-average diluted shares – GAAP	140,611,532	141,341,238	141,154,140	141,207,597
Potential shares issued under conversion of the Convertible Notes	-	-	-	-
Weighted-average unvested RSUs	2,342,992	2,849,286	2,733,740	3,034,394
Weighted-average diluted shares – Distributable Earnings¹	142,954,524	144,190,524	143,887,880	144,241,991
Diluted Distributable Earnings per share prior to net realized loss on investments and gain on extinguishment of debt^{1,5}	\$0.35	\$0.46	\$0.70	\$0.97
Diluted Distributable Earnings¹ per share of common stock	\$0.35	(\$0.11)	\$0.69	\$0.37

Footnotes

1. Distributable Earnings is a non-GAAP financial measure that we define as net income available to common stockholders, computed in accordance with GAAP, adjusted for (i) equity-based compensation expense (a portion of which may become cash-based upon final vesting and settlement of awards should the holder elect net share settlement to satisfy income tax withholding), (ii) any unrealized gains or losses or other non-cash items (including depreciation and amortization on real estate owned) included in net income available to common stockholders, (iii) unrealized income from unconsolidated joint ventures, (iv) foreign currency gains (losses), other than (a) realized gains/(losses) related to interest income, and (b) forward point gains/(losses) realized on our foreign currency hedges, (v) the non-cash amortization expense related to the reclassification of a portion of our convertible senior notes to stockholders' equity in accordance with GAAP, and (vi) provision for loan losses and impairments. Please see page 20 for a reconciliation of GAAP net income to Distributable Earnings.
2. Reflects closing share price on August 5, 2024.
3. Weighted Average Unlevered All-in Yield on the loan portfolio is based on the applicable benchmark rates as of period end on the floating rate loans and includes accrual of origination, extension, and exit fees. For non-US deals, yield excludes incremental forward points impact from currency hedging.
4. Add-on fundings represent fundings subsequent to loan closing.
5. We believe it is useful to our investors to present Distributable Earnings prior to net realized losses on investments and gain on extinguishment of debt to reflect our operating results because (i) our operating results are primarily comprised of earning interest income on our investments net of borrowing and administrative costs, which comprise our ongoing operations and (ii) it has been a useful factor related to our dividend per share because it is one of the considerations when a dividend is determined. We believe that our investors use Distributable Earnings and Distributable Earnings prior to net realized loss on investments and gain on extinguishment of debt, or a comparable supplemental performance measure, to evaluate and compare the performance of our company and our peers.
6. Book value per share of common stock is common stockholders' equity divided by shares of common stock outstanding.
7. Amounts and percentages may not foot due to rounding.
8. Other includes changes in General CECL Allowance, cost recovery interests, valuation allowances/reversals of valuation allowances on held for sale loans, realized loss on sale of a commercial mortgage and the accretion of loan costs and fees.
9. Based on loan amortized cost, net of Specific CECL Allowance.
10. Assumes exercise of all extension options. There is no assurance that all or any extension options will be exercised.
11. Gross of \$35 million of General CECL Allowance.
12. Amortized cost for these loans is net of the recorded Specific CECL Allowances.
13. Loans are secured by the same property.
14. Represents total debt, less cash and loan proceeds held by servicer divided by total stockholders' equity, adjusted to add back the General CECL Allowance in line with our covenants.
15. Fixed charge coverage is EBITDA divided by interest expense and preferred stock dividends for the quarter ended June 30, 2024.
16. Future funding dates and amounts are based upon the Manager's estimates, which are derived from the best information available to the Manager at the time. There is no assurance that the payments will occur in accordance with these estimates or at all, which could affect our operating results.
17. Excludes risk-rated 5 loans.
18. Any such hypothetical impact on interest rates on our variable rate borrowings does not consider the effect of any change in overall economic activity that could occur in a rising interest rate environment. Further, in the event of a change in interest rates of that magnitude, we may take actions to further mitigate our exposure to such a change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, this analysis assumes no changes in our financial structure. There is no assurance that there will be no changes in our financial structure. The analysis incorporates movements in USD, GBP and EUR benchmark rates only.