



GRANITE POINT
MORTGAGE TRUST

A Pine River Capital Managed Company

First Quarter 2019
Earnings Presentation | May 07, 2019

Safe Harbor Statement



This presentation contains, in addition to historical information, certain forward-looking statements that are based on our current assumptions, expectations and projections about future performance and events. In particular, statements regarding future economic performance, finances, and expectations and objectives of management constitute forward-looking statements. Forward-looking statements are not historical in nature and can be identified by words such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates," "anticipates," "targets," "goals," "future," "likely" and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters.

Although the forward-looking statements contained in this presentation are based upon information available at the time the statements are made and reflect the best judgment of our senior management, forward-looking statements inherently involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements to differ materially from anticipated future results. Important factors that could cause actual results to differ materially from expected results, including, among other things, those described in our filings with the Securities and Exchange Commission ("SEC"), including our annual report on form 10-K for the year ended December 31, 2018, and any subsequent Quarterly Reports on Form 10-Q under the caption "Risk Factors." Factors that could cause actual results to differ include, but are not limited to: the state of the U.S. economy generally or in specific geographic regions; the general political, economic, and competitive conditions in the markets in which we invest; defaults by borrowers in paying debt service on outstanding indebtedness and borrowers' abilities to manage and stabilize properties; our ability to obtain financing arrangements on terms favorable to us or at all; the level and volatility of prevailing interest rates and credit spreads; reductions in the yield on our investments and an increase in the cost of our financing; general volatility of the securities markets in which we participate; the return or impact of current or future investments; allocation of investment opportunities to us by our Manager; increased competition from entities investing in our target assets; effects of hedging instruments on our target investments; changes in governmental regulations, tax law and rates, and similar matters; our ability to maintain our qualification as a REIT for U.S. federal income tax purposes and our exclusion from registration under the Investment Company Act; availability of desirable investment opportunities; availability of qualified personnel and our relationship with our Manager; estimates relating to our ability to make distributions to our stockholders in the future; hurricanes, earthquakes, and other natural disasters, acts of war and/or terrorism and other events that may cause unanticipated and uninsured performance declines and/or losses to us or the owners and operators of the real estate securing our investments; deterioration in the performance of the properties securing our investments that may cause deterioration in the performance of our investments and, potentially, principal losses to us; and difficulty or delays in redeploying the proceeds from repayments of our existing investments. These forward-looking statements apply only as of the date of this press release. We are under no duty to update any of these forward-looking statements after the date of this presentation to conform these statements to actual results or revised expectations. You should, therefore, not rely on these forward-looking statements as predictions of future events.

This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

Company Overview⁽¹⁾



LEADING COMMERCIAL REAL ESTATE FINANCE COMPANY FOCUSED ON DIRECTLY ORIGINATING AND MANAGING SENIOR FLOATING RATE COMMERCIAL MORTGAGE LOANS

EXPERIENCED AND CYCLE-TESTED SENIOR CRE TEAM

- Over 20 years of experience each in the commercial real estate debt markets
- Extensive experience in investment management and structured finance
- Broad and longstanding direct relationships within the commercial real estate lending industry

ATTRACTIVE AND SUSTAINABLE MARKET OPPORTUNITY

- Structural changes create an enduring, sectoral shift in flows of debt capital into U.S. commercial real estate
- Borrower demand for debt capital for both acquisition and refinancing activity remains strong
- Senior floating rate loans remain an attractive value proposition within the commercial real estate debt markets

DIFFERENTIATED DIRECT ORIENTATION PLATFORM

- Direct origination of senior floating rate commercial real estate loans
- Target top 25 and (generally) up to the top 50 MSAs in the U.S.
- Fundamental value-driven investing combined with credit intensive underwriting
- Focus on cash flow as one of our key underwriting criteria
- Prioritize income-producing, institutional-quality properties and sponsors

HIGH CREDIT QUALITY INVESTMENT PORTFOLIO

- Principal balance of \$3.4 billion and well diversified across property types and geographies
- Senior loans comprise over 98% of the portfolio
- Over 98% of portfolio is floating rate and well positioned for rising short term interest rates
- Diversified financing profile with a mix of non-recourse, non-mark-to-market, term-matched CLO debt; secured credit facilities; and unsecured convertible bonds

(1) Except as otherwise indicated in this presentation, reported data is as of or for the period ended March 31, 2019.

First Quarter 2019 Highlights



FINANCIAL SUMMARY	<ul style="list-style-type: none"> GAAP EPS of \$0.35 and Core Earnings⁽¹⁾ of \$0.37 per basic share Book value of \$18.81 per common share; declared and paid a dividend of \$0.42 per common share
PORTFOLIO ACTIVITY	<ul style="list-style-type: none"> Closed on \$276.1 million of senior floating rate loan commitments and funded \$279.7 million in UPB Received prepayments and principal amortization of \$156.2 million
PORTFOLIO OVERVIEW	<ul style="list-style-type: none"> Principal balance of \$3.4 billion (plus an additional \$624.2 million of future funding commitments) Over 98% floating rate and comprised of over 98% senior loans Weighted average stabilized LTV of 63% and weighted average yield at origination of LIBOR + 4.71%⁽²⁾
CAPITALIZATION	<ul style="list-style-type: none"> 5 secured repurchase agreements with a total outstanding balance of \$993.6 million and an aggregate borrowing capacity of up to \$2.3 billion⁽³⁾ A secured revolving facility with borrowing capacity of up to \$75 million⁽⁴⁾ Closed a second commercial real estate CLO of \$825 million with an initial advance rate of approximately 79.25% and a weighted average interest rate at issuance of LIBOR plus 1.64%⁽⁵⁾ Total principal balance of non-recourse, non-mark-to-market, term-matched CLO debt of \$1.2 billion financing \$1.5 billion of senior loans Raised approximately \$150 million of common equity capital in an underwritten public offering
SECOND QUARTER ACTIVITY	<ul style="list-style-type: none"> Closed a new term-matched, non-mark-to-market credit facility with an initial borrowing capacity of up to \$150.0 million Generated a pipeline of senior CRE loans with total commitments of over \$230 million and initial fundings of over \$210 million, which have either closed or are in the closing process, subject to fallout

(1) Core Earnings is a non-GAAP measure. Please see slide 8 for a definition of Core Earnings and a reconciliation of GAAP to non-GAAP financial information.

(2) See footnote (3) on p. 12.

(3) See footnote (2) on p. 9.

(4) See footnote (3) on p. 9.

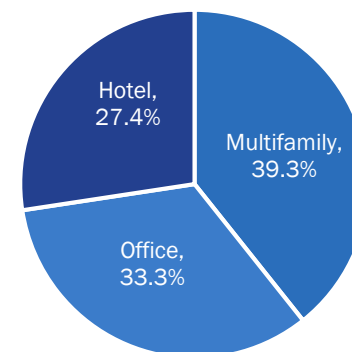
(5) See footnote (1) on p. 9.

First Quarter 2019 Portfolio Activity

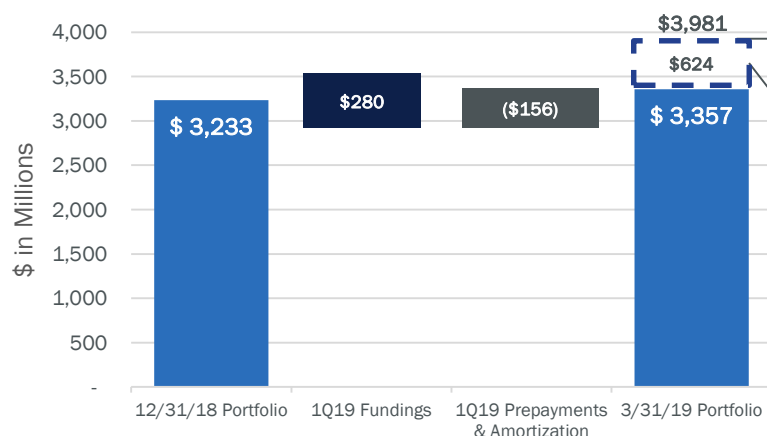


- Total funding activity of \$279.7 million:
 - Closed 9 newly originated loans with total commitments of \$276.1 million and initial fundings of \$235.0 million
 - Weighted average stabilized LTV of 65%
 - Weighted average yield of LIBOR + 3.76%⁽²⁾
 - Funded \$38.9 million of existing loan commitments
 - Upsized 1 existing loan by \$9.5 million and funded \$5.7 million of the additional commitment
- Received prepayments and principal amortization of \$156.2 million

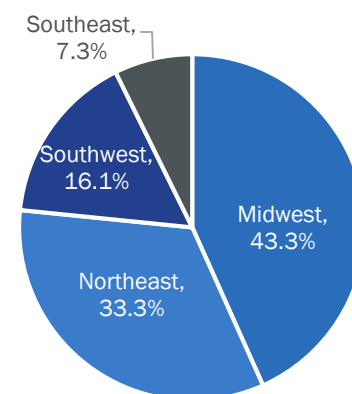
ORIGINATIONS BY PROPERTY TYPE⁽¹⁾



PORTFOLIO NET FUNDING⁽³⁾



ORIGINATIONS BY GEOGRAPHY



(1) Includes mixed-use properties.

(2) See footnote (3) on p. 12.

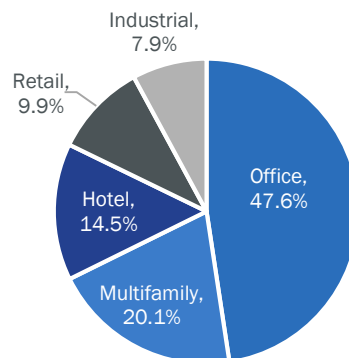
(3) Data based on principal balance of investments.

Investment Portfolio as of March 31, 2019

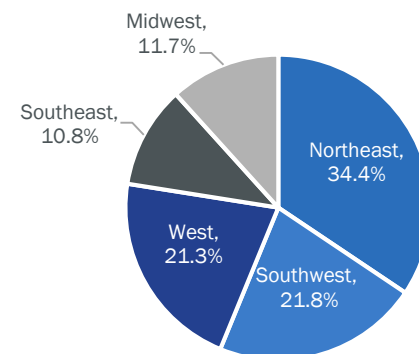


KEY PORTFOLIO STATISTICS	
Outstanding Principal Balance	\$3.4b
Total Loan Commitments	\$4.0b
Number of Investments	100
Average UPB	~\$34m
Weighted Average Yield at Origination ⁽²⁾	L + 4.71%
Weighted Average stabilized LTV ⁽³⁾	63.4%
Weighted Average Original Maturity	3.3 years

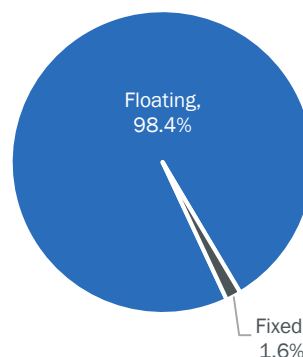
PROPERTY TYPE⁽¹⁾



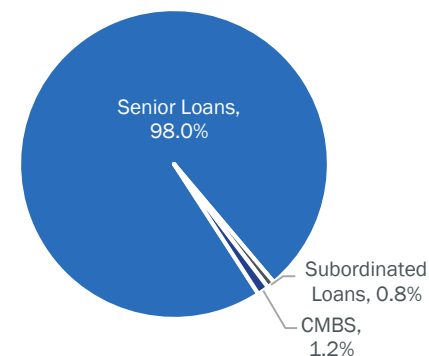
GEOGRAPHY



COUPON STRUCTURE



INVESTMENT TYPE



(1) Includes mixed-use properties.

(2) See footnote (3) and (4) on p. 12.

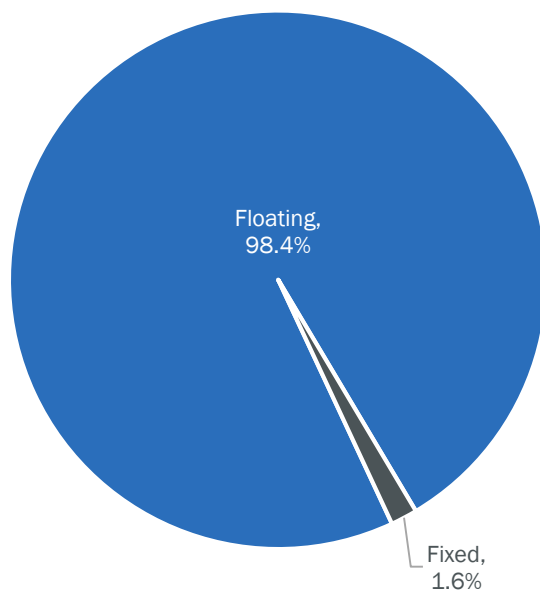
(3) See footnote (6) on p. 12.

Interest Rate Sensitivity

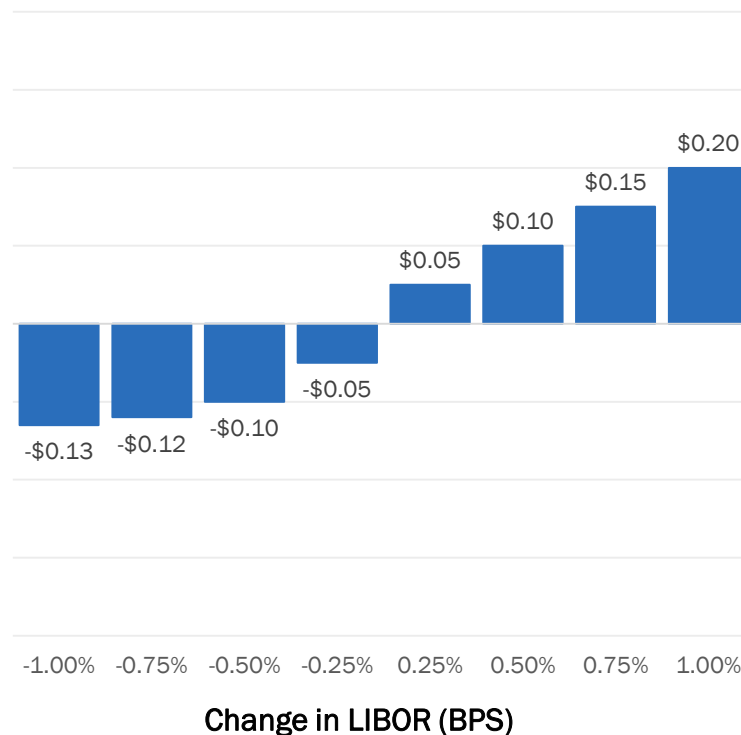


- A 100 basis point increase in U.S. LIBOR would increase our annual net interest income per share by approximately \$0.20

PORTFOLIO FLOATING VS FIXED



NET INTEREST INCOME PER SHARE SENSIVITY TO CHANGES IN US LIBOR⁽¹⁾



(1) Represents estimated change in net interest income for theoretical +25 basis points parallel shifts in LIBOR. All projected changes in annualized net interest income are measured as the change from our projected annualized net interest income based off of current performance returns on portfolio as it existed on March 31, 2019.

First Quarter 2019 Earnings Summary



SUMMARY INCOME STATEMENT (\$ IN MILLIONS, EXCEPT PER SHARE DATA)	
Net Interest Income	\$26.1
Other Income	\$0.9
Operating Expenses	(\$10.1)
GAAP Net Income	\$16.9
Wtd. Avg. Basic Common Shares	48,601,431
Net Income Per Basic Share	\$0.35
Dividend Per Share	\$0.42

GAAP NET INCOME TO CORE EARNINGS RECONCILIATION ⁽¹⁾ (\$ IN MILLIONS, EXCEPT PER SHARE DATA)	
GAAP Net Income	\$16.9
<u>Adjustments:</u>	
Non-Cash Equity Compensation	\$1.1
Core Earnings	\$18.0
Wtd. Avg. Basic Common Shares	48,601,431
Core Earnings Per Basic Share	\$0.37

(1) Core Earnings is a non-U.S. GAAP measure that we define as comprehensive income attributable to common stockholders, excluding "realized and unrealized gains and losses" (impairment losses, realized and unrealized gains or losses on the aggregate portfolio and non-cash compensation expense related to restricted common stock). We believe the presentation of Core Earnings provides investors greater transparency into our period-over-period financial performance and facilitates comparisons to peer REITs.

Financing & Liquidity as of March 31, 2019



SUMMARY BALANCE SHEET (\$ IN MILLIONS, EXCEPT PER SHARE DATA)	
Cash	\$65.4
Investment Portfolio	\$3,331.6
Repurchase Agreements	\$993.6
Securitized (CLO) Debt	\$1,197.8
Convertible Debt	\$268.5
Stockholders' Equity	\$981.1
Common Stock Outstanding	52,171,921
Book Value Per Common Share	\$18.81

FINANCING SUMMARY (\$ IN MILLIONS)			
	Total Capacity	Outstanding Balance	Wtd. Avg Coupon
Repurchase Agreements	\$2,325.0 ⁽²⁾	\$993.6	L+2.21% ⁽¹⁾
Revolving Facility	\$75.0	\$-	L+2.75% ⁽¹⁾
Securitized (CLO) Debt		\$1,197.8	L+1.51% ⁽¹⁾
Convertible Debt		\$268.5	5.98% ⁽¹⁾
Total Leverage		\$2,459.9	
Stockholders' Equity		\$981.1	
Total Leverage⁽³⁾		2.4x	
Adjusted Leverage⁽⁴⁾		1.2x	

(1) Does not include fees and other transaction related expenses.

(2) Includes an option to be exercised at the company's discretion to increase the maximum facility amount of the Wells Fargo repurchase facility from \$200 million to up to \$475 million, subject to customary terms and conditions.

(3) Defined as total borrowings, less cash, divided by total equity.

(4) Defined as repurchase agreements and convertible debt, less cash, divided by total equity.



Appendix



Summary of Investment Portfolio⁽¹⁾



(\$ in millions)	Maximum Loan Commitment	Principal Balance	Carrying Value	Cash Coupon ⁽²⁾	All-in Yield at Origination ⁽³⁾	Original Maturity (Years)	Initial LTV ⁽⁵⁾	Stabilized LTV ⁽⁶⁾
Senior Loans	\$3,913.3	\$3,289.0	\$3,264.0	L + 3.92%	L + 4.66%	3.2	66.6%	63.4%
Subordinated Loans	\$29.0	\$29.0	\$29.0	L + 9.50%	L + 9.84%	8.3	56.5%	50.1%
CMBS	\$38.6	\$38.6	\$38.6	L + 7.14%	L + 7.69%	2.8	73.7%	73.6%
Total Weighted/Average	\$3,980.9	\$3,356.6	\$3,331.6	L + 3.97%	L + 4.71%⁽⁴⁾	3.3	66.6%	63.4%

(1) As of March 31, 2019.

(2) See footnote (2) on p. 12.

(3) See footnote (3) on p. 12.

(4) See footnote (4) on p. 12.

(5) See footnote (5) on p. 12.

(6) See footnote (6) on p. 12.

Investment Portfolio Detail⁽¹⁾



(\$ in millions)	Type	Origination Date	Maximum Loan Commitment	Principal Balance	Carrying Value	Cash Coupon ⁽²⁾	All-in Yield at Origination ⁽³⁾	Original Maturity (Years)	State	Property Type	Initial LTV ⁽⁵⁾	Stabilized LTV ⁽⁶⁾
Asset 1	Senior	07/18	144.3	113.7	112.6	L + 3.34%	L + 4.27%	2.0	CA	Retail	50.7%	55.9%
Asset 2	Senior	09/17	125.0	108.1	107.4	L + 4.45%	L + 5.03%	3.0	CT	Office	62.9%	58.9%
Asset 3	Senior	07/16	120.4	109.1	108.6	L + 4.45%	L + 4.99%	4.0	Various	Office	62.8%	61.5%
Asset 4	Senior	12/15	120.0	120.0	119.9	L + 3.65%	L + 4.43%	4.0	LA	Mixed-Use	65.5%	60.0%
Asset 5	Senior	12/18	92.0	30.7	29.7	L+3.75%	L+5.21%	3.0	NY	Mixed-Use	26.2%	47.6%
Asset 6	Senior	05/17	86.8	79.1	78.5	L + 3.50%	L + 4.82%	4.0	MA	Office	71.3%	71.5%
Asset 7	Senior	11/16	82.3	60.6	60.4	L + 3.25%	L + 5.78%	3.0	OR	Office	66.5%	51.1%
Asset 8	Senior	10/17	74.8	44.7	44.3	L + 4.07%	L + 4.47%	4.0	DC	Office	67.0%	66.0%
Asset 9	Senior	11/17	73.3	68.8	68.3	L + 4.45%	L + 5.20%	3.0	TX	Hotel	68.2%	61.6%
Asset 10	Senior	12/16	71.7	68.0	67.0	L + 3.75%	L + 4.87%	4.0	FL	Office	73.3%	63.2%
Asset 11	Senior	06/16	68.3	60.6	60.4	L + 3.87%	L + 4.93%	4.0	HI	Retail	76.2%	57.4%
Asset 12	Senior	11/17	68.3	61.2	60.8	L + 4.10%	L + 4.73%	3.0	CA	Office	66.8%	67.0%
Asset 13	Senior	08/16	65.0	63.7	63.3	L + 3.95%	L + 5.54%	4.0	NJ	Office	60.8%	63.0%
Asset 14	Senior	01/19	64.5	64.5	63.8	L + 3.85%	L + 4.38%	3.0	MN	Hotel	67.2%	64.5%
Asset 15	Senior	04/18	64.0	64.0	63.5	L + 3.78%	L + 4.23%	3.0	GA	Hotel	68.8%	59.8%
Assets 16-100	Various	Various	2,660.2	2,239.8	2,223.1	L + 4.01%	L + 4.65%	3.2	Various	Various	67.8%	64.6%
Total/Weighted Average			\$3,980.9	\$3,356.6	\$3,331.6	L + 3.97%	L + 4.71%⁽⁴⁾	3.3			66.6%	63.4%

(1) As of March 31, 2019.

(2) Cash coupon does not include origination or exit fees.

(3) Provided for illustrative purposes only. Calculations of all-in yield at origination are based on a number of assumptions (some or all of which may not occur) and are expressed as monthly equivalent yields that include net origination fees and exit fees and exclude future fundings and any potential or completed loan amendments or modifications.

(4) Calculations of all-in weighted average yield at origination exclude fixed rate loans.

(5) Initial LTV is calculated as the initial loan amount (plus any financing that is pari passu with or senior to such loan) divided by the as is appraised value (as determined in conformance with USPAP) as of the date the loan was originated set forth in the original appraisal.

(6) Stabilized loan-to-value ratio (LTV) is calculated as the fully funded loan amount (plus any financing that is pari passu with or senior to such loan), including all contractually provided for future fundings, divided by the as stabilized value (as determined in conformance with USPAP) set forth in the original appraisal. As stabilized value may be based on certain assumptions, such as future construction completion, projected re-tenanting, payment of tenant improvement or leasing commissions allowances or free or abated rent periods, or increased tenant occupancies.

Average Balances and Yields/Cost of Funds



	Quarter Ended March 31, 2019		
(\$ in thousands)	Average Balance ⁽¹⁾	Interest Income/Expense	Net Yield/Cost of Funds
Interest-earning assets			
Loans held-for-investment			
Senior loans	\$3,163,419	\$55,743	7.0%
Subordinated loans	35,735	922	10.3%
CMBS	39,328	969	9.9%
Total interest income/net asset yield	\$3,238,482	\$57,634	7.1%
Interest-bearing liabilities ⁽²⁾			
Loans held-for-investment			
Senior loans	\$2,141,379	\$27,115	5.1%
Subordinated loans	9,519	131	5.5%
CMBS	25,009	297	4.7%
Other ⁽³⁾	268,369	4,465	6.7%
Total interest expense/cost of funds	\$2,444,276	\$32,008	5.1%
Net interest income/spread		\$25,626	2.0%

(1) Average balance represents average amortized cost on loans held-for-investment, AFS securities and HTM securities.

(2) Includes repurchase agreements.

(3) Includes unsecured convertible senior notes.

Consolidated Balance Sheets



GRANITE POINT MORTGAGE TRUST INC. CONDENSED CONSOLIDATED BALANCE SHEETS (in thousands, except share data)		March 31, 2019	December 31, 2018
ASSETS		(unaudited)	
Loans held-for-investment	\$	3,292,989	\$ 3,167,913
Available-for-sale securities, at fair value		12,798	12,606
Held-to-maturity securities		25,815	26,696
Cash and cash equivalents		65,384	91,700
Restricted cash		55,051	31,723
Accrued interest receivable		10,595	10,268
Deferred debt issuance costs		2,333	3,924
Prepaid expenses		764	1,055
Other assets		21,659	15,996
Total Assets	\$	3,487,388	\$ 3,361,881
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities			
Repurchase agreements	\$	993,634	\$ 1,500,543
Securitized debt obligations		1,197,814	654,263
Revolving Credit Facilities		—	75,000
Convertible senior notes		268,484	268,138
Accrued interest payable		10,117	6,394
Unearned interest income		197	510
Dividends payable		21,938	18,346
Other liabilities		13,073	10,156
Total Liabilities		2,505,257	2,533,350
10% cumulative redeemable preferred stock, par value \$0.01 per share; 50,000,000 shares authorized and 1,000 and 1,000 shares issued and outstanding, respectively		1,000	1,000
Stockholders' Equity			
Common stock, par value \$0.01 per share; 450,000,000 shares authorized and 52,171,921 and 43,621,174 shares issued and outstanding, respectively		522	436
Additional paid-in capital		994,592	836,288
Accumulated other comprehensive income loss		—	(192)
Cumulative earnings		108,831	91,875
Cumulative distributions to stockholders		(122,814)	(100,876)
Total Stockholders' Equity		981,131	827,531
Total Liabilities and Stockholders' Equity	\$	3,487,388	\$ 3,361,881

Consolidated Statements of Comprehensive Income



GRANITE POINT MORTGAGE TRUST INC. CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (in thousands, except share data)		Three Months Ended March 31,	
		2019	2018
Interest income:		(unaudited)	
Loans held-for-investment	\$	56,665	\$ 38,793
Available-for-sale securities		308	272
Held-to-maturity securities		661	885
Cash and cash equivalents		511	27
Total interest income		58,145	39,977
Interest expense:			
Repurchase agreements		16,989	16,194
Securitized debt obligations		9,859	—
Convertible senior notes		4,465	2,179
Revolving credit facilities		695	—
Total Interest Expense		32,008	18,373
Net interest income		26,137	21,604
Other income:			
Fee income		913	882
Total other income		913	882
Expenses:			
Management fees		3,449	3,209
Incentive fees		244	—
Servicing expenses		773	458
General and administrative expenses		5,616	4,232
Total expenses		10,082	7,899
Income before income taxes		16,968	14,587
(Benefit from) provision for income taxes		(1)	1
Net income attributable to common stockholders		16,969	14,586
Dividends on preferred stock		25	25
Net income attributable to common stockholders	\$	16,944	\$ 14,561
Basic earnings per weighted average common share	\$	0.35	\$ 0.34
Diluted earnings per weighted average common share	\$	0.34	\$ 0.33
Dividends declared per common share	\$	0.42	\$ 0.38
Weighted average number of shares of common stock outstanding:			
Basic		48,601,431	43,374,228
Diluted		62,256,595	50,467,978
Comprehensive income:			
Net income attributable to common stockholders	\$	16,944	\$ 14,561
Other comprehensive (loss) income, net of tax:			
Unrealized gain on available-for-sale securities		192	16
Other comprehensive (loss) income		192	16
Comprehensive income attributable to common stockholders	\$	17,136	\$ 14,577



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