



KKR

REAL ESTATE
FINANCE TRUST

SECOND QUARTER 2022 SUPPLEMENTAL INFORMATION

JULY 25, 2022

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Inc. have significant influence over the Company and KKR's interests may conflict with those of the Company's stockholders in the future; the cost of operating the Company's platform, including, but not limited to, the cost of operating a real estate investment platform; adverse legislative or regulatory developments; the Company's qualification as a real estate investment trust ("REIT") for U.S. federal income tax purposes and the Company's exclusion from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act"); authoritative accounting principles generally accepted in the United States of America ("GAAP") or policy changes from such standard-setting bodies such as the Financial Accounting Standards Board (the "FASB"), the Securities and Exchange Commission (the "SEC"), the Internal Revenue Service, the New York Stock Exchange and other authorities that the Company is subject to, as well as their counterparts in any foreign jurisdictions where the Company might do business; and other risks and uncertainties, including those described under Part I—Item 1A. "Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, as such factors may be updated from time to time in the Company's periodic filings with the SEC, which are accessible on the SEC's website at www.sec.gov. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in this presentation. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements and information included in this presentation and in the Company's filings with the SEC.

All forward looking statements in this presentation speak only as of July 25, 2022. KREF undertakes no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by law.

All financial information in this presentation is as of June 30, 2022 unless otherwise indicated.

This presentation also includes non-GAAP financial measures, including Distributable Earnings and Distributable Earnings per Diluted Share. Such non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with U.S. GAAP. Please refer to the Appendix of this presentation for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with U.S. GAAP.

KKR Real Estate Finance Trust Inc. Overview

Best In Class Portfolio		Conservative Balance Sheet	KREF's Manager Fully Integrated with KKR	
\$7.9 B Investment Portfolio		\$8.5 B Financing Capacity	14% KKR Ownership in KREF	
99% Senior Loans	58% Multifamily & Industrial	77% Fully Non-Mark-to-Market ⁽²⁾	\$479 B Global AUM ⁽⁴⁾	\$25 B Balance Sheet ⁽⁴⁾
\$121 M Average Loan Size ⁽¹⁾	100% Performing	\$790 M Current Liquidity ⁽³⁾	\$59 B Real Estate AUM ^{(4) (5)}	150+ Real Estate Professionals ⁽⁴⁾
<p><i>Senior loans</i> secured primarily by <i>transitional, institutional multifamily and office properties</i> owned by <i>high quality sponsors</i></p>		<p><i>Conservative</i> liability management focused on <i>diversified non-mark-to-market</i> financing</p>	<p><i>One firm culture</i> that rewards <i>investment discipline, creativity and determination</i> and emphasizes the <i>sharing of information, resources, expertise and best practices</i></p>	

(1) Average loan size is inclusive of the unfunded KREF commitment

(2) Based on outstanding face amount of secured financing, including non-consolidated senior interests, and excludes convertible notes and the corporate revolving credit facility

(3) Includes \$118 million in cash, \$610 million undrawn corporate revolver capacity, and \$62 million of available borrowings based on existing collateral

(4) As of March 31, 2022

(5) Figures represent AUM across all KKR real estate transactions. On April 28, 2022, KKR acquired a Japanese REIT manager named KJR Management ("KJRM"). Real estate AUM presented is pro forma this acquisition based on publicly announced AUM figures by KJRM.

Second Quarter 2022 Highlights

Financials

- 2Q Net income⁽¹⁾ of \$0.28 per diluted share and Distributable Earnings⁽²⁾ of \$0.48 per diluted share
- Book Value per Common Share (“BVPS”) of \$19.36 per share, compared to \$19.46 per share as of 1Q’22
 - Book Value inclusive of a \$34 million, or (\$0.49) per share, CECL credit loss allowance

Originations

- 2Q originations of 11 floating-rate senior loans totaling \$1,034 million with \$948 million of initial fundings

Portfolio

- \$7.9 billion predominantly senior loan portfolio
 - Multifamily and industrial assets represent 58% of loan portfolio
 - Weighted average risk rating of 3.0; 100% performing
 - Received \$444 million in loan repayments and collected 100% of interest payments due in 2Q

Liquidity & Capitalization

- Completed an underwritten public offering of 2,750,000 shares of common stock at \$19.51 per share, resulting in \$54 million of net proceeds before transaction costs
- Repurchased 1.0 million shares at an average price per share of \$17.28 for a total of \$18 million; year-to-date as of July 25, 2022, KREF repurchased 1.4 million shares of common stock at an average price of \$17.32 for a total of \$25 million
- Entered into a new \$350 million term lending agreement and a new \$100 million asset specific financing facility, which provide match-term asset-based financing on a non-mark-to-market basis
- Increased the borrowing capacity on our corporate revolving credit facility by \$90 million to \$610 million
- 77% of financing is fully non-mark-to-market and the remaining balance is mark-to-credit only
- \$790 million of available liquidity, including \$118 million of cash, \$62 million of available borrowings based on existing collateral, and \$610 million undrawn capacity on the corporate revolver

(1) Represents Net Income attributable to common stockholders

(2) See Appendix for definition and reconciliation to financial results prepared in accordance with GAAP

2Q'22 Financial Summary

Income Statement	
(\$ in Millions)	2Q'22
Net Interest Income	\$45.9
Other Income	4.1
Operating Expenses	(13.2)
Provision for Credit Losses	(11.8)
Preferred Stock Dividends	(5.3)
Other	(0.3)
Net Income Attributable to Common Stockholders	\$19.4
Diluted Weighted Average Shares Outstanding	68,549,049
Net Income per Share, Diluted	\$0.28
Distributable Earnings ⁽¹⁾	\$33.1
Diluted Weighted Average Shares Outstanding	68,549,049
Distributable Earnings per Share, Diluted⁽¹⁾	\$0.48
Dividend per Share	\$0.43

Balance Sheet	
(\$ in Millions)	2Q'22
Total Portfolio⁽²⁾	\$7,887.8
Term Credit Facilities	1,387.2
Term Lending Agreements	1,358.8
Asset Specific Financing	96.3
Secured Term Loan	348.3
Convertible Notes	143.8
Total Debt	\$3,334.4
Term Loan Facility	741.6
Collateralized Loan Obligations	1,942.8
Total Leverage	\$6,018.8
Cash	118.0
Total Permanent Equity	1,676.4
Common Shareholders' Equity	1,348.6
Debt-to-Equity Ratio⁽³⁾	1.9x
Total Leverage Ratio⁽⁴⁾	3.5x
Shares Outstanding	69,654,532
Book Value per Share⁽⁵⁾	\$19.36

(1) See Appendix for definition and reconciliation to financial results prepared in accordance with GAAP

(2) Represents the principal amount on senior and mezzanine/other loans, one real estate owned asset, and net equity in RECOP I and real estate owned

(3) Represents (i) total outstanding debt agreements (excluding non-recourse facilities), secured term loan and convertible notes, less cash to (ii) total permanent equity, in each case, at period end

(4) Represents (i) total outstanding debt agreements, secured term loan, convertible notes, and collateralized loan obligation, less cash to (ii) total permanent equity, in each case, at period end

(5) Book value per share includes CECL credit loss allowance of \$34.3 million or (\$0.49) per common share

Recent Operating Performance

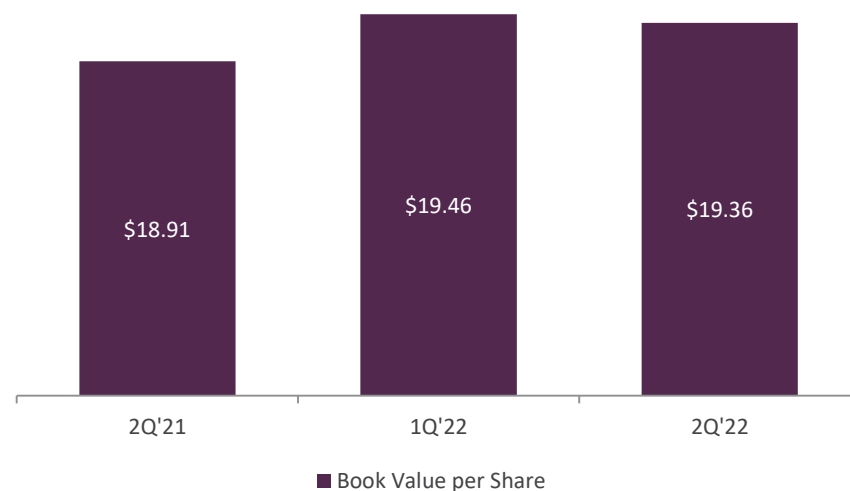
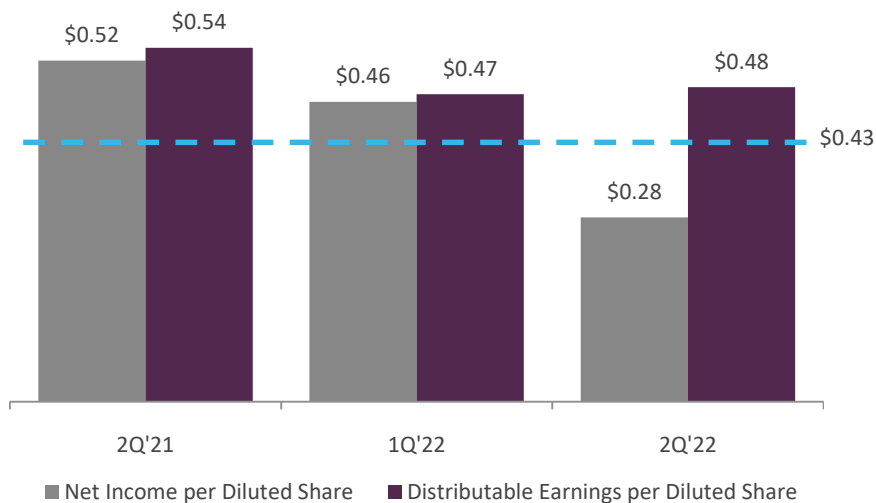
Net Income and Distributable Earnings

(\$ in Millions)

	2Q'21	1Q'22	2Q'22
Net income ⁽¹⁾ :	\$29.3	\$29.8	\$19.4
Distributable earnings ⁽²⁾ :	\$30.4	\$29.8	\$33.1

Dividends and Book Value Per Share

	2Q'21	1Q'22	2Q'22
Dividend per share:	\$0.43	\$0.43	\$0.43
Dividend yield on book value per share:	9.1%	8.8%	8.9%



(1) Represents Net Income attributable to common stockholders

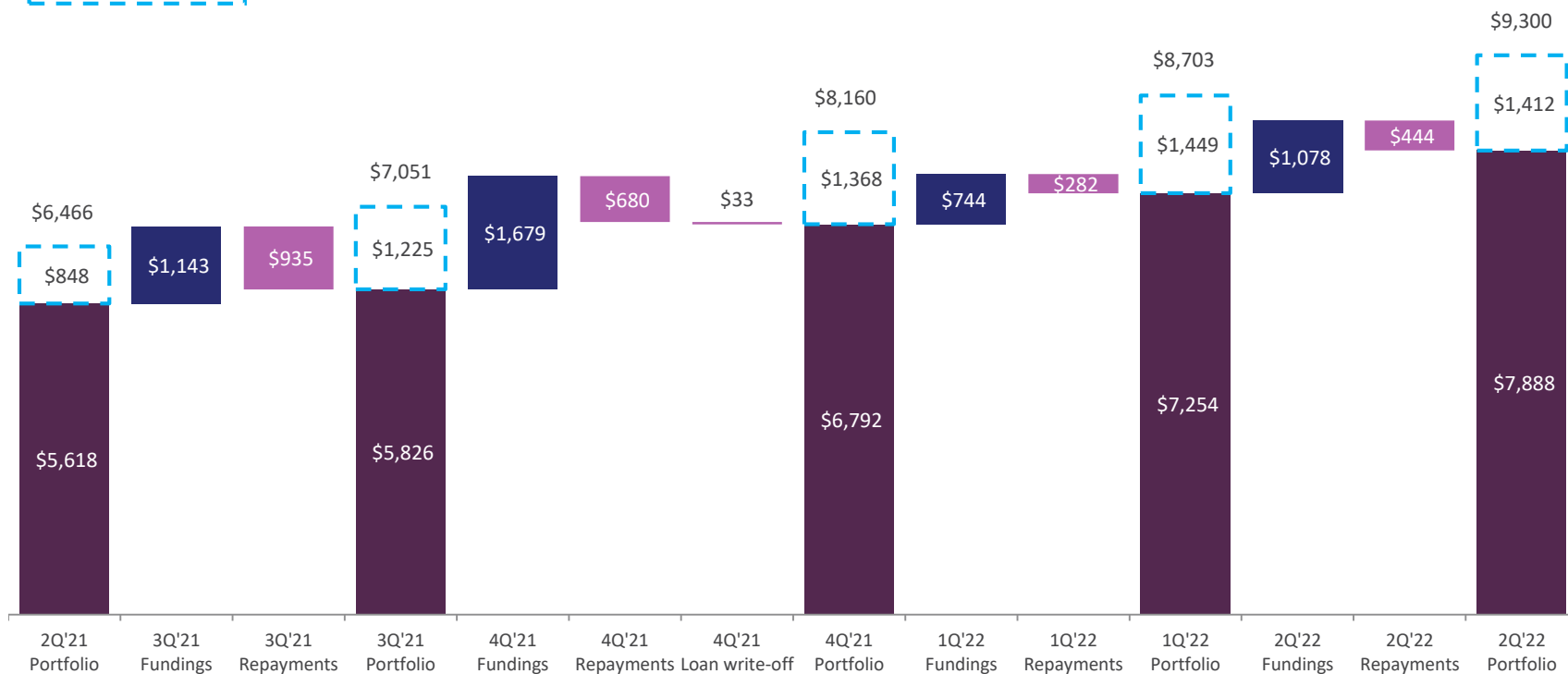
(2) See Appendix for definition and reconciliation to financial results prepared in accordance with GAAP

Last Twelve Months Loan Activity

Portfolio Funding Activity – Outstanding Principal⁽¹⁾

(\$ in Millions)

Future Funding Obligations⁽²⁾



(1) Includes one real estate owned asset and capital committed to our investment in an aggregator vehicle that invests in CMBS

(2) Future funding obligations are generally contingent upon certain events and may not result in investment by us

2Q'22 Loan Originations – Select Case Studies

Investment	Western U.S. Industrial	National Industrial	San Antonio Multifamily
Loan Type	Floating-Rate Senior Loan	Floating-Rate Senior Loan	Floating-Rate Senior Loan
Loan Size	\$252.3 million ⁽¹⁾	\$187.8 million ⁽²⁾	\$86.3 million ⁽³⁾
Location	Western U.S.	National	San Antonio, TX
Collateral	Class A/B Industrial Portfolio totaling 5.2 million SF	Class A/B Industrial Portfolio totaling 2.8 million SF	2,228-Unit Class B/B+ Multifamily Portfolio
Loan Purpose	Refinance	Refinance	Acquisition
LTV ⁽⁴⁾	64%	50%	68%
Investment Date	April 2022	June 2022	June 2022

Asset Photos



- (1) The total whole loan is \$505 million, co-originated and co-funded by KREF and a KKR affiliate. KREF's interest was 50% of the loan, or \$252 million
- (2) The total whole loan is \$376 million, co-originated and co-funded by KREF and a KKR affiliate. KREF's interest was 50% of the loan, or \$188 million
- (3) The total whole loan is \$247 million, co-originated and co-funded by KREF and a KKR affiliate. KREF's interest was 35% of the loan, or \$86 million
- (4) LTV based on initial loan amount divided by the as-is appraised value as of the date the loan was originated

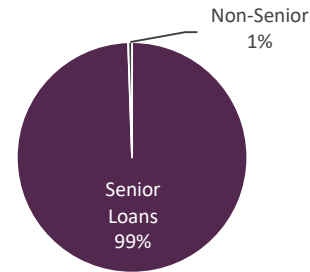
KREF Loan Portfolio by the Numbers

Total Portfolio Growth

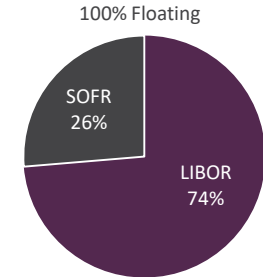
(\$ in Millions)



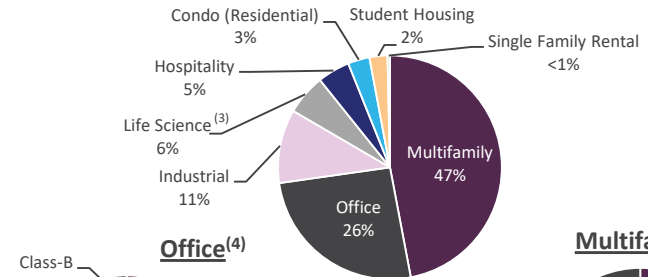
Investment Type⁽²⁾



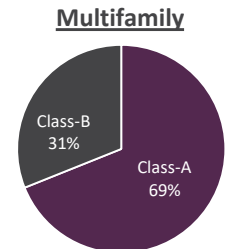
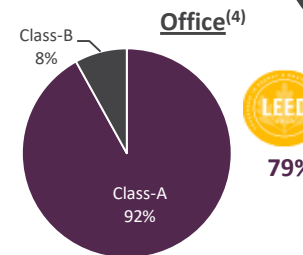
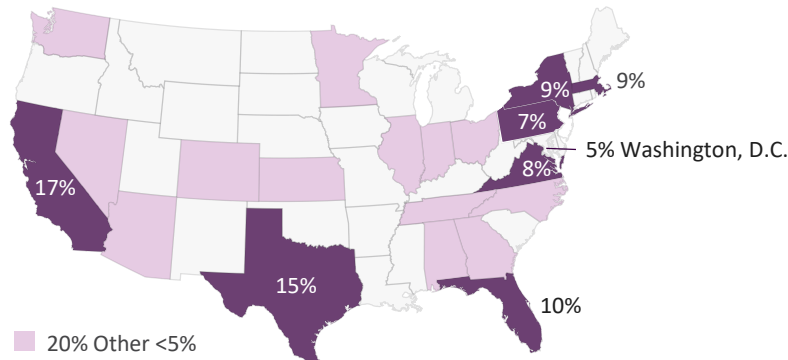
Interest Rate Type



Property Type



Geography⁽¹⁾



Note: The charts above are based on total assets. Total assets reflect the principal amount of our senior and mezzanine loans.

(1) Map excludes a \$42 million real estate corporate loan and one real estate owned asset with a net carrying value of \$79 million

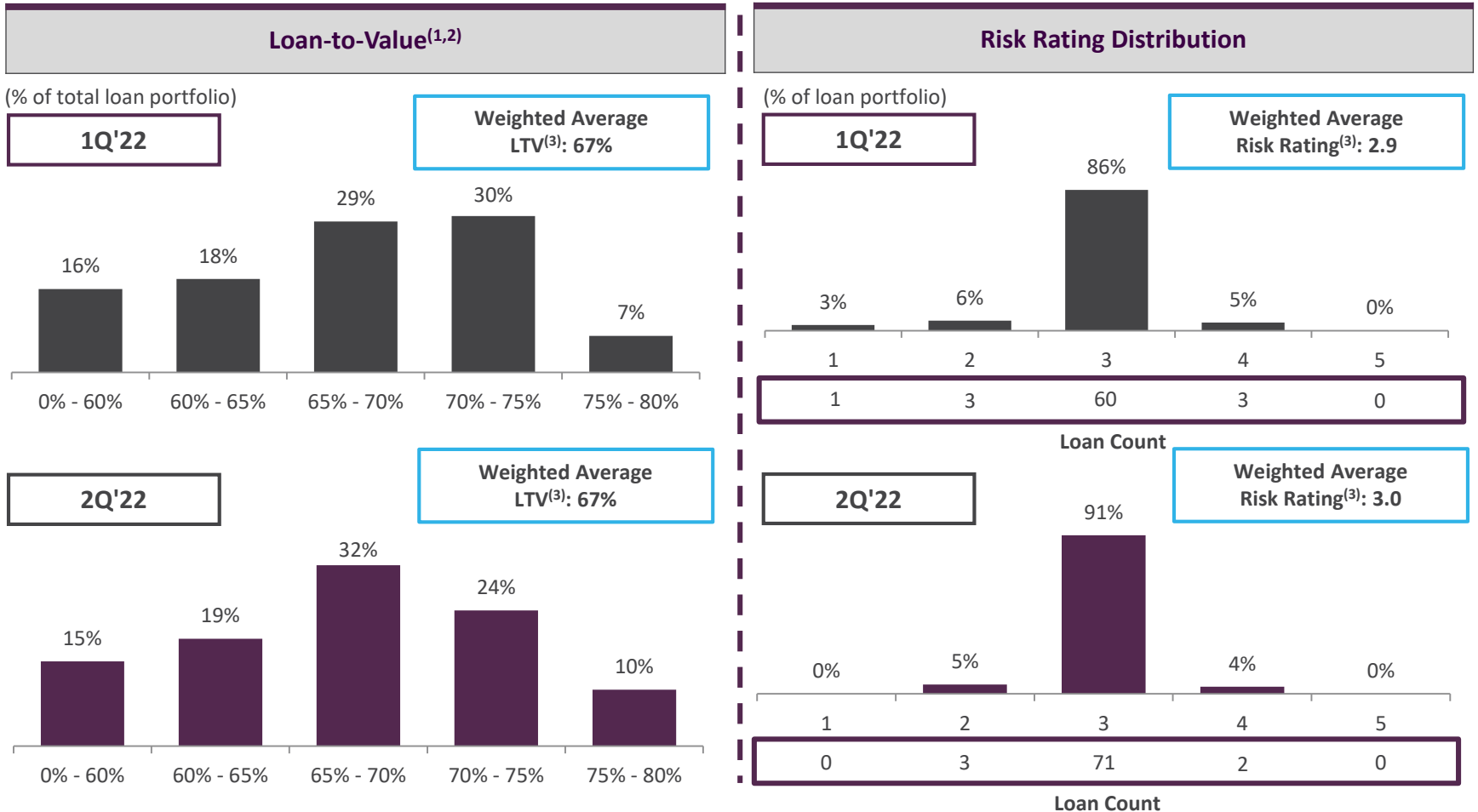
(2) Senior loans include senior mortgages and similar credit quality loans, including related contiguous junior participations in senior loans where KREF has financed a loan with structural leverage through the non-recourse sale of a corresponding first mortgage

(3) KREF classifies a loan as life science if more than 50% of the gross leasable area is leased to, or will be converted to, life science-related space

(4) Office property certification % is based on current principal loan balance; see description for LEED certification in the appendix

Portfolio Credit Quality Remains Strong

Collected 100% of interest payments due on loan portfolio



- (1) LTV is generally based on the initial loan amount divided by the as-is appraised value as of the date the loan was originated or by the current principal amount as of the date of the most recent as-is appraised value, except as noted on page 19
- (2) Includes non-consolidated senior interests and excludes a real estate corporate loan
- (3) Weighted average is weighted by current principal amount

Case Studies: Watch List Loans (Risk Rating 4 or 5)

Investment	Philadelphia Office	Philadelphia Office
Loan Type	Floating-Rate Senior Loan	Floating-Rate Senior Loan
Investment Date	April 2019	June 2018
Collateral	4-Building, 711k RSF Office Portfolio	2-Building, 978k RSF Office Portfolio
Loan Purpose	Acquisition	Acquisition
Location	Philadelphia, PA	Philadelphia, PA
Committed Amount	\$183 million	\$161 million
Current Principal Amount	\$157 million	\$161 million
Loan Basis	\$220 / SF	\$165 / SF
Coupon	LIBOR + 2.6% (4.9% Coupon Floor)	SOFR + 3.45% (4.2% Coupon Floor)
LTV ⁽¹⁾	68%	71%
Max Remaining Term (Yrs.)	1.9	1.0
Loan Risk Rating	4	4

(1) LTV is based on the initial loan amount divided by the as-is appraised value as of the date the loan was originated or by the current principal amount as of the date of the most recent as-is appraised value

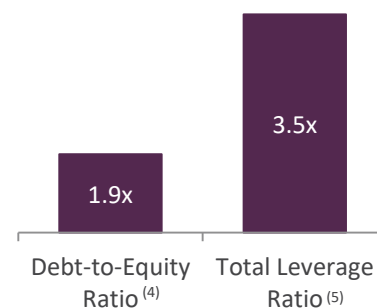
Financing Overview: 77% Non-Mark-To-Market

Diversified financing sources totaling \$8.5 billion with \$2.5 billion of undrawn capacity

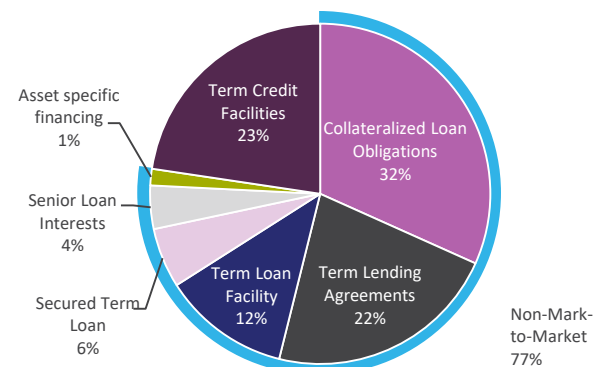
Summary of Outstanding Financing

(\$ in Millions)	Maximum Capacity	Outstanding Face Amount	Weighted Avg. Coupon ⁽¹⁾	Advance Rate	Non-MTM
Term Credit Facilities	\$1,840	\$1,387	+1.7%	71.8%	(2)
Term Lending Agreements	\$1,683	\$1,359	+1.7%	78.0%	✓
Warehouse Facility	\$500	\$0	n/a	n/a	✓
Asset Specific Financing	\$400	\$96	+2.65%	77.7%	✓
Secured Term Loan	\$348	\$348	+3.5% ⁽³⁾	-	✓
Convertible Notes	\$144	\$144	6.1%	-	✓
Corporate Revolving Credit Facility	\$610	\$0	+2.0%	-	✓
Total Debt	\$5,525	\$3,334			
Term Loan Facility	\$1,000	\$742	+1.7%	81.7%	✓
Collateralized Loan Obligations	\$1,943	\$1,943	+1.5%	84.5%	✓
Total Leverage	\$8,468	\$6,019			

Leverage Ratios





Outstanding Secured Financing⁽⁶⁾

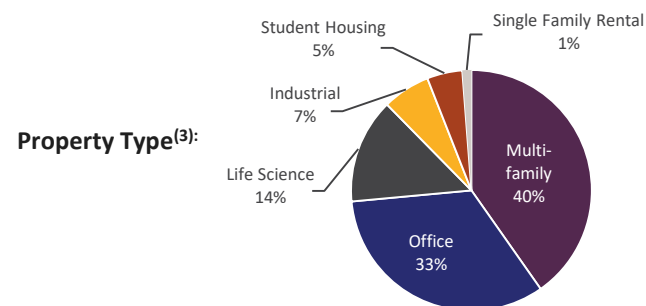


- (1) Weighted average coupon expressed as spread over the relevant floating benchmark rates, which include one-month LIBOR and Term SOFR, as applicable to each financing
- (2) Term credit facilities are marked to credit only and not subject to capital markets mark-to-market provisions
- (3) Loan bears interest at L +3.5% and is subject to a LIBOR floor of 0.5%
- (4) Represents (i) total outstanding debt agreements (excluding non-recourse facilities), secured term loan and convertible notes, less cash to (ii) total permanent equity, in each case, at period end
- (5) Represents (i) total outstanding debt agreements, secured term loan, convertible notes, and collateralized loan obligation, less cash to (ii) total permanent equity, in each case, at period end
- (6) Based on outstanding face amount of secured financing, including non-consolidated senior interests, which result from non-recourse sales of senior loan interest in loans KREF originated, and excludes convertible notes and the corporate revolving credit facility

Financing Overview: Term Credit Facilities

(\$ in Millions)

Counterparty		Morgan Stanley		Total / Weighted Average
Drawn	\$690	\$573	\$124	\$1,387
Capacity	\$1,000	\$600	\$240	\$1,840
Collateral: Loans / Principal Balance	11 Loans / \$936	11 Loans / \$778	7 Loans / \$219	29 Loans / \$1,932
Final Stated Maturity ⁽¹⁾	September 2026	December 2023	October 2023	-
Weighted Average Pricing ⁽²⁾	+ 1.4%	+ 2.0%	+ 2.2%	+ 1.7%
Weighted Average Advance	73.7%	73.7%	56.5%	71.8%
Mark-to-market	Credit Only	Credit Only	Credit Only	-



(1) Based on extended maturity date

(2) Weighted average pricing expressed as spread over the relevant floating benchmark rates, which include one-month LIBOR and Term SOFR, as applicable to each financing

(3) Based on principal balance of financing

Liquidity Overview

In addition to the available liquidity below, KREF had \$416 million of unencumbered senior loans that can be pledged to financing facilities subject to lender approval as of June 30, 2022

Sources of Available Liquidity

(\$ in Millions)



(1) Represents under-levered amounts under financing facilities. While these amounts were previously contractually approved and/or drawn, in certain cases, the lender's consent is required for us to (re)borrow these amounts

Portfolio Positioned for Higher Rate Environment

Portfolio rotated out of higher rate-floor loans positioning KREF to benefit from a rising rate environment

100% floating-rate loan portfolio; 74% indexed to one-month LIBOR and 26% to Term SOFR

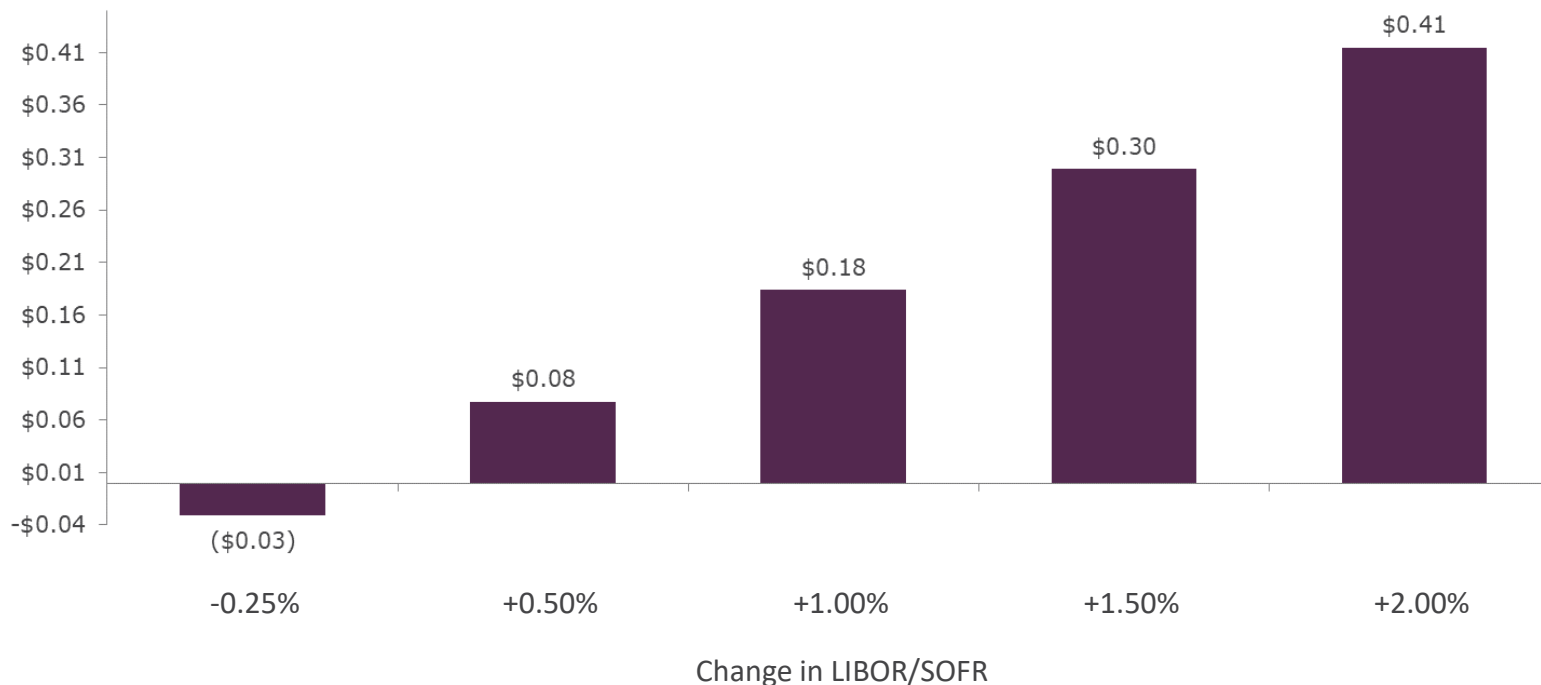
Annual Net Interest Income Per Share Sensitivity to Change in Market Rates

One-month LIBOR = 1.79%

Term SOFR = 1.69%

As of June 30, 2022

(\$ Impact Per Share)



Note: Based on portfolio as of June 30, 2022

Appendix

Portfolio Details

(\$ in Millions)

#	Investment	Location	Property Type	Investment Date	Total Whole Loan ⁽²⁾	Committed Principal Amount ⁽²⁾	Current Principal Amount	Net Equity ⁽³⁾	Future Funding ⁽⁴⁾	Coupon ⁽⁵⁾⁽⁶⁾	Max Remaining Term (Yrs) ⁽⁵⁾⁽⁷⁾	Loan Per SF / Unit / Key ⁽⁸⁾	LTV ⁽⁵⁾⁽⁹⁾	Risk Rating
Senior Loans⁽⁴⁾														
1	Senior Loan	Arlington, VA	Multifamily	9/30/2021	\$381.0	\$381.0	\$353.9	\$71.2	\$27.1	+ 3.2%	4.3	\$ 318,784 / unit	69%	3
2	Senior Loan	Bellevue, WA	Office	9/13/2021	520.8	260.4	75.4	19.7	185.0	+ 3.6%	4.8	\$ 855 / SF	63%	3
3	Senior Loan	Los Angeles, CA	Multifamily	2/19/2021	260.0	260.0	250.0	38.1	10.0	+ 3.6%	3.7	\$ 466,400 / unit	68%	3
4	Senior Loan	Various	Industrial	4/28/2022	504.5	252.3	252.3	48.7	-	+ 2.7%	4.9	\$ 98 / SF	64%	3
5	Senior Loan	Mountain View, CA	Office	7/14/2021	362.8	250.0	189.3	47.5	60.7	+ 3.3%	4.1	\$ 616 / SF	73%	3
6	Senior Loan	New York, NY	Condo (Resi)	12/20/2018	234.5	234.5	218.1	62.6	16.4	+ 3.6%	1.5	\$ 1,362 / SF	69%	3
7	Senior Loan	Bronx, NY	Industrial	8/27/2021	381.2	228.7	124.8	26.9	103.9	+ 4.1%	4.2	\$ 277 / SF	52%	3
8	Senior Loan	Various	Multifamily	5/31/2019	216.5	216.5	216.3	39.0	0.2	+ 4.0%	1.9	\$ 202,104 / unit	74%	3
9	Senior Loan ⁽¹⁰⁾	Various	Industrial	6/30/2021	425.0	212.5	30.2	28.5	182.3	+ 5.5%	4.0	\$ 163 / SF	67%	3
10	Senior Loan	Minneapolis, MN	Office	11/13/2017	194.4	194.4	194.4	33.1	-	+ 3.8%	0.4	\$ 179 / SF	77%	2
11	Senior Loan	Various	Industrial	6/15/2022	375.5	187.8	132.6	25.3	55.2	+ 2.9%	5.0	\$ 95 / SF	50%	3
12	Senior Loan	Washington, D.C.	Office	11/9/2021	187.7	187.7	145.1	38.5	42.6	+ 3.3%	4.4	\$ 417 / SF	55%	3
13	Senior Loan	Boston, MA	Office	2/4/2021	375.0	187.5	187.5	37.4	-	+ 3.3%	3.6	\$ 506 / SF	71%	3
14	Senior Loan	The Woodlands, TX	Hospitality	9/15/2021	183.3	183.3	169.3	31.0	14.0	+ 4.2%	4.3	\$ 186,198 / key	64%	3
15	Senior Loan	Philadelphia, PA	Office	4/11/2019	182.6	182.6	157.0	25.0	25.6	+ 2.6%	1.9	\$ 220 / SF	68%	4
16	Senior Loan	Washington, D.C.	Office	12/20/2019	175.5	175.5	134.6	36.8	40.9	+ 3.4%	2.5	\$ 659 / SF	58%	3
17	Senior Loan	West Palm Beach, FL	Multifamily	12/29/2021	171.5	171.5	169.6	25.3	1.9	+ 2.7%	4.5	\$ 208,857 / unit	73%	3
18	Senior Loan	Chicago, IL	Office	7/15/2019	170.0	170.0	137.6	40.5	32.4	+ 3.3%	2.1	\$ 132 / SF	57%	3
19	Senior Loan	Boston, MA	Life Science	4/27/2021	332.3	166.2	130.7	22.5	35.5	+ 3.6%	3.9	\$ 543 / SF	66%	3
20	Senior Loan	New York, NY	Multifamily	12/5/2018	163.0	163.0	148.5	22.9	14.5	+ 4.0%	1.4	\$ 558,300 / unit	77%	3
21	Senior Loan	Philadelphia, PA	Office	6/19/2018	161.0	161.0	161.0	161.4	-	+ 3.5%	1.0	\$ 165 / SF	71%	4
22	Senior Loan	Oakland, CA	Office	10/23/2020	509.9	159.7	121.5	19.1	6.0	+ 4.3%	3.4	\$ 373 / SF	65%	3
23	Senior Loan	Plano, TX	Office	2/6/2020	153.7	153.7	135.7	21.4	18.0	+ 2.7%	2.6	\$ 188 / SF	63%	2
24	Senior Loan	Seattle, WA	Life Science	10/1/2021	188.0	140.3	96.2	25.3	44.1	+ 3.1%	4.3	\$ 614 / SF	69%	3
25	Senior Loan	Dallas, TX	Office	12/10/2021	138.0	138.0	135.8	25.1	2.2	+ 3.6%	4.4	\$ 432 / SF	68%	3
26	Senior Loan	Boston, MA	Multifamily	3/29/2019	137.0	137.0	137.0	30.7	-	+ 2.7%	1.8	\$ 351,282 / unit	59%	3
27	Senior Loan	Arlington, VA	Multifamily	1/20/2022	135.3	135.3	130.9	31.6	4.4	+ 2.9%	4.6	\$ 436,300 / unit	65%	3
28	Senior Loan	Fort Lauderdale, FL	Hospitality	11/9/2018	130.0	130.0	130.0	24.2	-	+ 3.4%	1.4	\$ 375,723 / key	66%	3
29	Senior Loan	San Carlos, CA	Life Science	2/1/2022	195.9	125.0	82.0	21.1	43.0	+ 3.6%	4.6	\$ 560 / SF	68%	3
30	Senior Loan	Fontana, CA	Industrial	5/11/2021	119.9	119.9	57.0	28.0	62.9	+ 4.6%	3.9	\$ 102 / SF	64%	3
31	Senior Loan	Irving, TX	Multifamily	4/22/2021	117.6	117.6	112.0	19.1	5.6	+ 3.3%	3.9	\$ 123,317 / unit	70%	3
32	Senior Loan	Cambridge, MA	Life Science	12/22/2021	401.3	115.7	57.1	14.8	58.6	+ 3.9%	4.5	\$ 1,072 / SF	51%	3
33	Senior Loan	Pittsburgh, PA	Student Housing	6/8/2021	112.5	112.5	112.5	17.0	-	+ 2.9%	3.9	\$ 155,602 / unit	74%	3
34	Senior Loan	Las Vegas, NV	Multifamily	12/28/2021	106.3	106.3	102.0	19.8	4.3	+ 2.7%	4.5	\$ 193,182 / unit	61%	3
35	Senior Loan	Doral, FL	Multifamily	12/10/2021	212.0	106.0	106.0	20.9	-	+ 2.8%	4.4	\$ 335,975 / unit	77%	3
36	Senior Loan	San Diego, CA	Multifamily	10/20/2021	103.5	103.5	103.5	18.4	-	+ 2.8%	4.4	\$ 448,052 / unit	71%	3
37	Senior Loan	Orlando, FL	Multifamily	12/14/2021	102.4	102.4	88.9	21.4	13.5	+ 3.0%	4.5	\$ 234,565 / unit	74%	3
38	Senior Loan	West Hollywood, CA	Multifamily	1/26/2022	102.0	102.0	102.0	15.2	-	+ 3.0%	4.6	\$ 2,756,757 / unit	65%	3
39	Senior Loan	Boston, MA	Industrial	6/28/2022	285.5	100.0	98.2	97.4	1.8	+ 3.0%	5.0	\$ 196 / SF	52%	3
40	Senior Loan	Washington, D.C.	Office	1/13/2022	228.5	100.0	57.7	9.2	42.3	+ 3.2%	5.6	\$ 211 / SF	55%	3
41	Senior Loan	Phoenix, AZ	Industrial	1/13/2022	195.3	100.0	14.2	2.9	85.8	+ 4.0%	4.6	\$ 57 / SF	57%	3
42	Senior Loan	Brisbane, CA	Life Science	7/22/2021	95.0	95.0	88.4	19.9	6.6	+ 3.0%	4.1	\$ 763 / SF	71%	3
43	Senior Loan	State College, PA	Student Housing	10/15/2019	93.4	93.4	89.1	23.1	4.3	+ 2.7%	2.4	\$ 74,659 / unit	64%	3
44	Senior Loan	Brandon, FL	Multifamily	1/13/2022	90.3	90.3	63.4	9.9	26.9	+ 3.1%	4.6	\$ 192,590 / unit	75%	3
45	Senior Loan	Dallas, TX	Multifamily	12/23/2021	90.0	90.0	77.5	14.9	12.5	+ 2.8%	4.5	\$ 238,488 / unit	67%	3
46	Senior Loan	Miami, FL	Multifamily	10/14/2021	89.5	89.5	89.5	17.1	-	+ 2.8%	4.4	\$ 304,422 / unit	76%	3
47	Senior Loan	Denver, CO	Multifamily	6/24/2021	88.5	88.5	88.5	15.4	-	+ 3.0%	4.0	\$ 295,000 / unit	77%	3
48	Senior Loan	Dallas, TX	Office	1/22/2021	87.0	87.0	87.0	21.2	-	+ 3.3%	3.6	\$ 288 / SF	65%	3
49	Senior Loan	Charlotte, NC	Multifamily	12/14/2021	86.8	86.8	76.0	10.9	10.8	+ 3.0%	4.5	\$ 206,522 / unit	74%	3
50	Senior Loan	San Antonio, TX	Multifamily	6/1/2022	246.5	86.3	80.3	79.9	6.0	+ 2.8%	4.9	\$ 88,134 / unit	68%	3

*See footnotes on subsequent page

Portfolio Details

(\$ in Millions)

#	Investment	Location	Property Type	Investment Date	Total Whole Loan ⁽²⁾	Committed Principal Amount ⁽²⁾	Current Principal Amount	Net Equity ⁽³⁾	Future Funding ⁽⁴⁾	Coupon ⁽⁵⁾⁽⁶⁾	Max Remaining Term (Yrs) ⁽⁵⁾⁽⁷⁾	Loan Per SF / Unit / Key ⁽⁸⁾	LTV ⁽⁵⁾⁽⁹⁾	Risk Rating
Senior Loans⁽¹⁾														
51	Senior Loan	New York, NY	Multifamily	3/29/2018	\$86.0	\$86.0	\$86.0	\$13.3		\$0.0 + 4.0%	0.8	\$ 462,366 / unit	63%	2
52	Senior Loan	Scottsdale, AZ	Multifamily	5/9/2022	169.0	84.5	84.5	12.7		- + 2.9%	4.9	\$ 457,995 / unit	64%	3
53	Senior Loan	Raleigh, NC	Multifamily	4/27/2022	82.9	82.9	76.5	14.7		6.4 + 3.0%	4.9	\$ 239,063 / unit	68%	3
54	Senior Loan	Hollywood, FL	Multifamily	12/20/2021	81.0	81.0	81.0	14.7		- + 3.0%	4.5	\$ 327,935 / unit	74%	3
55	Senior Loan	Seattle, WA	Office	3/20/2018	80.7	80.7	80.7	46.9		- + 4.1%	0.8	\$ 468 / SF	56%	3
56	Senior Loan	Phoenix, AZ	Single Family Rental	4/22/2021	72.1	72.1	27.2	9.8		44.9 + 4.8%	3.9	\$ 157,092 / unit	50%	3
57	Senior Loan	Arlington, VA	Multifamily	10/23/2020	141.8	70.9	70.9	11.6		- + 3.8%	3.3	\$ 393,858 / unit	73%	3
58	Senior Loan	Denver, CO	Multifamily	9/14/2021	70.3	70.3	69.3	11.0		1.0 + 2.7%	4.3	\$ 286,157 / unit	78%	3
59	Senior Loan	Washington, D.C.	Multifamily	12/4/2020	69.0	69.0	66.4	10.5		2.6 + 3.5%	3.4	\$ 265,617 / unit	63%	3
60	Senior Loan	Dallas, TX	Multifamily	8/18/2021	68.2	68.2	68.2	9.8		- + 3.8%	4.2	\$ 189,444 / unit	70%	3
61	Senior Loan	Manassas Park, VA	Multifamily	2/25/2022	68.0	68.0	68.0	13.1		- + 2.7%	4.7	\$ 223,684 / unit	73%	3
62	Senior Loan	Plano, TX	Multifamily	3/31/2022	67.8	67.8	64.2	17.0		3.6 + 2.8%	4.8	\$ 241,165 / unit	75%	3
63	Senior Loan	Nashville, TN	Hospitality	12/9/2021	66.0	66.0	64.3	9.8		1.7 + 3.6%	4.5	\$ 279,498 / key	68%	3
64	Senior Loan	Atlanta, GA	Multifamily	12/10/2021	61.5	61.5	56.7	14.6		4.8 + 2.9%	4.5	\$ 187,771 / unit	67%	3
65	Senior Loan	Durham, NC	Multifamily	12/15/2021	60.0	60.0	51.0	9.1		9.0 + 2.9%	4.5	\$ 147,758 / unit	67%	3
66	Senior Loan	San Antonio, TX	Multifamily	4/20/2022	57.6	57.6	55.2	9.9		2.4 + 2.7%	4.9	\$ 161,404 / unit	79%	3
67	Senior Loan	Sharon, MA	Multifamily	12/1/2021	56.9	56.9	56.9	8.3		- + 2.8%	4.4	\$ 296,484 / unit	70%	3
68	Senior Loan	Queens, NY	Industrial	2/22/2022	55.3	55.3	52.0	12.8		3.3 + 4.0%	1.7	\$ 84 / SF	68%	3
69	Senior Loan	Reno, NV	Industrial	4/28/2022	140.4	50.5	50.5	11.0		- + 2.7%	4.9	\$ 117 / SF	74%	3
70	Senior Loan	Carrollton, TX	Multifamily	4/1/2022	48.5	48.5	43.4	11.6		5.1 + 2.9%	4.8	\$ 135,778 / unit	74%	3
71	Senior Loan	Dallas, TX	Multifamily	4/1/2022	43.9	43.9	38.3	9.2		5.6 + 2.9%	4.8	\$ 107,607 / unit	73%	3
72	Senior Loan	Georgetown, TX	Multifamily	12/16/2021	41.8	41.8	41.8	10.1		- + 3.3%	4.5	\$ 199,048 / unit	68%	3
73	Senior Loan	San Diego, CA	Multifamily	4/29/2022	203.0	40.0	38.5	6.1		1.5 + 2.6%	4.9	\$ 441,379 / unit	63%	3
74	Senior Loan	Denver, CO	Industrial	12/11/2020	28.8	28.8	16.2	5.6		12.6 + 3.8%	3.5	\$ 58 / SF	61%	3
75	Senior Loan ⁽¹¹⁾	New York, NY	Condo (Resi)	8/4/2017	25.2	25.2	25.2	25.2		- + 4.2%	0.3	\$ 1,120 / SF	73%	3
Total / Weighted Average					\$12,545.6	\$9,175.3	\$7,730.9	\$1,905.3	\$1,412.3	+ 3.3%	3.6		67%	3.0
Non-Senior Loans														
1	Real Estate Corporate Loan ⁽¹²⁾	n.a.	Multifamily	12/11/2020	105.0	42.0	42.0	41.6		- + 12.0%	3.5	n/a	n.a.	3
Total / Weighted Average					\$105.0	\$42.0	\$42.0	\$41.6	\$0.0	+ 12.0%	3.5		n.a.	3.0
CMBS B-Pieces														
1	RECOP I ⁽¹³⁾	Various	Various	2/13/2017	n.a.	40.0	35.7	35.7		4.3 4.8%	6.9	n.a.	58%	n.a.
Total / Weighted Average						\$40.0	\$35.7	\$35.7	\$4.3	4.8%	6.9		58%	
Real Estate Owned														
1	Real Estate Asset	Portland, OR	Retail	12/16/2021	n.a.	n.a.	79.2	79.2		n.a. n.a.	n.a.	n.a.	n.a.	n.a.
Total / Weighted Average							\$79.2	\$79.2						
Portfolio Total / Weighted Average						\$9,257.3	\$7,887.8	\$2,061.8	\$1,416.6	5.1%	3.6		67%	3.0

*See footnotes on subsequent page

KREF

Portfolio Details

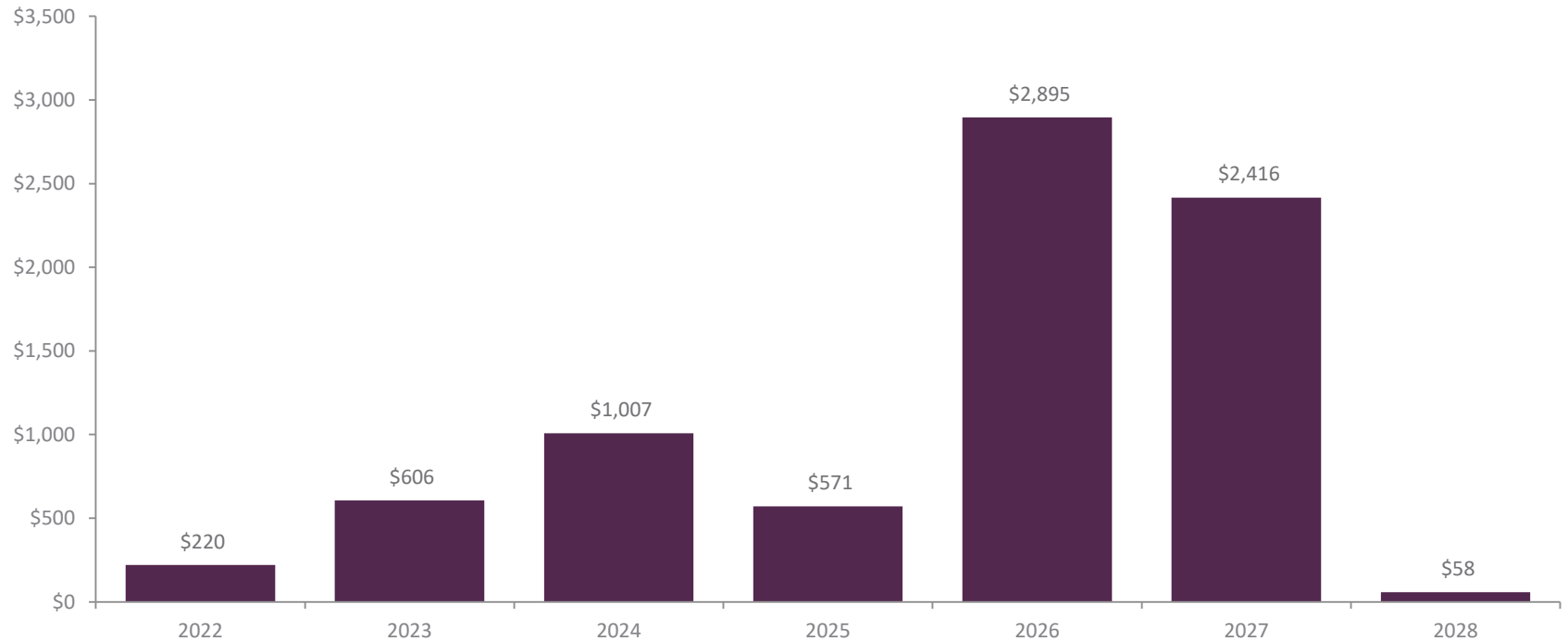
- (1) Senior loans include senior mortgages and similar credit quality investments, including junior participations in our originated senior loans for which we have syndicated the senior participations and retained the junior participations for our portfolio and excludes vertical loan syndications.
 - For Senior Loan 13, the total whole loan is \$375.0 million, co-originated and co-funded by KREF and a KKR affiliate. KREF's interest was 50% of the loan or \$187.5 million, of which a \$150.0 million senior note was syndicated to a third party lender. Post syndication, KREF retained a mezzanine loan with a total commitment of \$37.5 million, fully funded as of June 30, 2022, at an interest rate of L + 7.9%.
 - For Senior Loan 22, the total whole loan is \$509.9 million, co-originated and co-funded by KREF and a KKR affiliate. KREF's interest was 31% of the loan or \$159.7 million, of which \$134.7 million in senior notes were syndicated to third party lenders. Post syndication, KREF retained a mezzanine loan with a total commitment of \$25.0 million, of which \$19.0 million was funded as of June 30, 2022, at an interest rate of L + 12.9%.
- (2) Total Whole Loan represents total commitment of the entire whole loan originated. Committed Principal Amount includes participations by KKR affiliated entities and third parties that are syndicated/sold.
- (3) Net equity reflects (i) the amortized cost basis of our loans, net of borrowings and (ii) the cost basis of our investment in RECOP I.
- (4) Represents Committed Principal Amount less Current Principal Amount on Senior Loans and \$4.3 million of unfunded commitment to RECOP I.
- (5) Weighted averages are weighted by current principal amount for senior loans and non-senior loans and by net equity for our RECOP I CMBS B-Piece investment. Non-Senior Loan 1 is excluded from the weighted average LTV.
- (6) Coupon expressed as spread over the relevant floating benchmark rates, which include one-month LIBOR and Term SOFR, as applicable for each loan. As of June 30, 2022, 73.7% and 26.3% of floating rate loans by principal amount were indexed to one-month LIBOR and Term SOFR, respectively.
- (7) Max remaining term (years) assumes all extension options are exercised, if applicable.
- (8) Loan Per SF / Unit / Key is based on the current principal amount divided by the current SF / Unit / Key. For Senior Loans 2, 7, 9, 30, 32, 41, 56, and 74, Loan Per SF / Unit / Key is calculated as the total commitment amount of the loan divided by the proposed SF / Unit / Key.
- (9) For senior loans, loan-to-value ratio ("LTV") LTV is generally based on the initial loan amount divided by the as-is appraised value as of the date the loan was originated or by the current principal amount as of the date of the most recent as-is appraised value; for Senior Loan 6, LTV is based on the initial loan amount divided by the appraised bulk sale value assuming a condo-conversion and no renovation; for Senior Loan 75, LTV is based on the current principal amount divided by the adjusted appraised gross sellout value net of sales cost; for mezzanine loans, LTV is based on the current balance of the whole loan dividend by the as-is appraised value as of the date the loan was originated; for RECOP I CMBS B-Pieces, LTV is based on the weighted average LTV of the underlying loan pool at issuance; for Senior Loans 2, 7, 9, 30, 32, 41, 56, and 74, LTV is calculated as the total commitment amount of the loan divided by the as-stabilized value as of the date the loan was originated.
- (10) For Senior Loan 9, the total whole loan facility is \$425.0 million, co-originated and co-funded by KREF and a KKR affiliate. KREF's interest was 50% of the facility or \$212.5 million. The facility is comprised of individual cross-collateralized whole loans. As of June 30, 2022, there were seven underlying senior loans in the facility with a commitment of \$83.0 million and outstanding principal of \$30.2 million.
- (11) For Senior Loan 75, Loan per SF of \$1,120 is based on the allocated loan amount of the residential units. Excluding the value of the retail and parking components of the collateral, the Loan per SF is \$1,987 based on allocating the full amount of the loan to only the residential units.
- (12) Non-Senior Loan 1 is a real estate corporate loan to a multifamily operator.
- (13) Represents our investment in an aggregator vehicle alongside RECOP I that invests in CMBS B-Pieces. Committed principal represents our total commitment to the aggregator vehicle whereas current principal represents the current funded amount.

Fully Extended Loan Maturities

Fully extended weighted average loan maturity of 3.6 years⁽¹⁾

Fully Extended Loan Maturities⁽¹⁾

(\$ in Millions)



(1) Excludes RECOP I CMBS B-Piece investment

Consolidated Balance Sheets

(in thousands - except share and per share data)	June 30, 2022	December 31, 2021
Assets		
Cash and cash equivalents ⁽¹⁾	\$ 118,020	\$ 271,487
Commercial real estate loans, held-for-investment	7,473,101	6,316,733
Less: Allowance for credit losses	(31,529)	(22,244)
Commercial real estate loans, held-for-investment, net	7,441,572	6,294,489
Real estate owned, net	79,168	78,569
Equity method investments	36,782	35,537
Accrued interest receivable	22,498	15,241
Other assets ⁽²⁾⁽³⁾	15,569	7,916
Total Assets	\$ 7,713,609	\$ 6,703,239
Liabilities and Equity		
Liabilities		
Secured financing agreements, net	\$ 3,569,581	\$ 3,726,593
Collateralized loan obligations, net	1,931,605	1,087,976
Secured term loan, net	337,609	338,549
Convertible notes, net	142,538	141,851
Dividends payable	29,915	26,589
Accrued interest payable	9,837	6,627
Accounts payable, accrued expenses and other liabilities ⁽⁴⁾	7,782	7,521
Due to affiliates	8,298	5,952
Total Liabilities	6,037,165	5,341,658
Commitments and Contingencies		
	-	-
Permanent Equity		
Preferred Stock, 50,000,000 shares authorized		
Series A cumulative redeemable preferred stock, \$0.01 par value, (13,110,000 and 6,900,000 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively; liquidation preference of \$25.00 per share)	131	69
Common stock, \$0.01 par value, 300,000,000 authorized (74,599,550 and 65,271,058 shares issued; 69,654,532 and 61,370,732 shares outstanding as of June 30, 2022 and December 31, 2021, respectively)	697	613
Additional paid-in capital	1,802,725	1,459,959
Accumulated deficit	(48,158)	(38,208)
Repurchased stock (4,945,018 and 3,900,326 shares repurchased as of June 30, 2022 and December 31, 2021, respectively)	(79,070)	(60,999)
Total KKR Real Estate Finance Trust Inc. stockholders' equity	1,676,325	1,361,434
Noncontrolling interests in equity of consolidated joint venture	119	147
Total Permanent Equity	1,676,444	1,361,581
Total Liabilities and Equity	\$ 7,713,609	\$ 6,703,239

(1) Includes \$0.5 million and \$54.0 million held in collateralized loan obligation as of June 30, 2022 and December 31, 2021, respectively

(2) Includes \$7.7 million and \$2.3 million of restricted cash as of June 30, 2022 and December 31, 2021, respectively

(3) Includes \$2.8 million and \$1.5 million of expected loss reserve for unfunded loan commitments as of June 30, 2022 and December 31, 2021, respectively

Consolidated Statements of Income

(in thousands - except share and per share data)	Three Months Ended			Six Months Ended	
	June 30, 2022	March 31, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net Interest Income					
Interest income	\$ 90,603	\$ 73,230	\$ 67,149	\$ 163,833	\$ 131,915
Interest expense	44,733	32,459	26,958	77,192	54,341
Total net interest income	45,870	40,771	40,191	86,641	77,574
Other Income					
Revenue from real estate owned operations	1,833	2,629	-	4,462	-
Income (loss) from equity method investments	1,035	1,886	1,256	2,921	2,346
Other income	1,237	1,915	100	3,152	166
Total other income (loss)	4,105	6,430	1,356	10,535	2,512
Operating Expenses					
General and administrative	4,308	4,446	3,688	8,754	7,193
Provision for (reversal of) credit losses, net	11,798	(1,218)	(559)	10,580	(2,147)
Management fees to affiliate	6,506	6,007	4,835	12,513	9,125
Incentive compensation to affiliate	-	-	2,403	-	4,595
Expenses from real estate owned operations	2,368	2,554	-	4,922	-
Total operating expenses	24,980	11,789	10,367	36,769	18,766
Income (Loss) Before Income Taxes, Noncontrolling Interests, Preferred Dividends, Redemption Value Adjustment and Participating Securities' Share in Earnings	24,995	35,412	31,180	60,407	61,320
Income tax expense	-	-	103	-	151
Net Income (Loss)	24,995	35,412	31,077	60,407	61,169
Noncontrolling interests in (income) loss of consolidated joint venture	66	56	-	122	-
Net Income (Loss) Attributable to KREF Trust Inc. and Subsidiaries	25,061	35,468	31,077	60,529	61,169
Preferred Stock dividends and redemption value adjustment	5,326	5,326	1,813	10,652	2,721
Participating securities' share in earnings	341	346	-	687	-
Net Income (Loss) Attributable to Common Stockholders	\$ 19,394	\$ 29,796	\$ 29,264	\$ 49,190	\$ 58,448
Net Income (Loss) Per Share of Common Stock, Basic	\$ 0.28	\$ 0.47	\$ 0.53	\$ 0.75	\$ 1.05
Net Income (Loss) Per Share of Common Stock, Diluted	\$ 0.28	\$ 0.46	\$ 0.52	\$ 0.74	\$ 1.05
Weighted Average Number of Shares of Common Stock Outstanding, Basic	68,549,049	63,086,452	55,632,322	65,832,841	55,625,911
Weighted Average Number of Shares of Common Stock Outstanding, Diluted	68,549,049	69,402,626	55,907,086	72,149,015	55,819,110
Dividends Declared per Share of Common Stock	\$ 0.43	\$ 0.43	\$ 0.43	\$ 0.86	\$ 0.86

Reconciliation of GAAP Net Income to Distributable Earnings

	Three Months Ended					
	June 30, 2022	Per Diluted Share ⁽³⁾	March 31, 2022	Per Diluted Share ⁽³⁾	June 30, 2021	Per Diluted Share ⁽³⁾
Net Income (Loss) Attributable to Common Stockholders	\$ 19,394	\$ 0.28	\$ 29,796	\$ 0.46	\$ 29,264	\$ 0.52
Per share impact from exclusion of potentially issuable shares under assumed conversion of the Convertible Notes ⁽¹⁾	-	-	-	0.01	-	-
Adjustments						
Non-cash equity compensation expense	2,040	0.03	2,126	0.03	1,994	0.04
Unrealized (gains) or losses ⁽²⁾	(190)	-	(1,032)	(0.02)	(364)	(0.01)
Provision for (reversal of) credit losses, net	11,798	0.17	(1,218)	(0.02)	(559)	(0.01)
Non-cash convertible notes discount amortization	90	-	89	-	90	-
Distributable Earnings	\$ 33,132	\$ 0.48	\$ 29,761	\$ 0.47	\$ 30,425	\$ 0.54
Weighted average number of shares of common stock outstanding, diluted⁽¹⁾	68,549,049		63,086,452		55,907,086	

(1) Diluted weighted average common shares outstanding for Distributable Earnings excludes 6,316,174 potentially issuable shares under assumed conversion of the Convertible Notes

(2) Includes (\$0.2) million, (\$1.0) million, and (\$0.1) million of unrealized mark-to-market adjustment to RECOPI's underlying CMBS investments during 2Q'22, 1Q'22, and 2Q'21, respectively. Includes (\$0.2) million non-cash redemption value adjustment of the Special Non-Voting Preferred Stock (SNVPS) during 2Q'21

(3) Numbers presented may not foot due to rounding

Key Definitions

“Distributable Earnings”: Commencing for all periods ending on or after December 31, 2020, the Company has elected to present Distributable Earnings, a measure that is not prepared in accordance with GAAP, as a supplemental basis to KREF’s net income as determined in accordance with GAAP as the Company believes it would be useful to investors in evaluating the Company’s operating performance and its ability to pay its dividends. Distributable Earnings replaces the Company’s prior presentation of Core Earnings, and Core Earnings presentations from prior reporting periods have been recast as Distributable Earnings.

The Company defines Distributable Earnings as net income (loss) attributable to stockholders or, without duplication, owners of the Company's subsidiaries, computed in accordance with GAAP, including realized losses not otherwise included in GAAP net income (loss) and excluding (i) non-cash equity compensation expense, (ii) depreciation and amortization, (iii) any unrealized gains or losses or other similar non-cash items that are included in net income for the applicable reporting period, regardless of whether such items are included in other comprehensive income or loss, or in net income, and (iv) one-time events pursuant to changes in GAAP and certain material non-cash income or expense items agreed upon after discussions between the Company’s Manager and board of directors and after approval by a majority of the independent directors. The exclusion of depreciation and amortization from the calculation of Distributable Earnings only applies to debt investments related to real estate to the extent the Company forecloses upon the property or properties underlying such debt investments.

While Distributable Earnings excludes the impact of the unrealized current provision for credit losses, any loan losses are charged off and realized through Distributable Earnings when deemed non-recoverable. Non-recoverability is determined (i) upon the resolution of a loan (i.e. when the loan is repaid, fully or partially, or in the case of foreclosure, when the underlying asset is sold), or (ii) with respect to any amounts due under any loan, when such amount is determined to be non-collectible.

Distributable Earnings should not be considered as a substitute for GAAP net income. The Company cautions readers that its methodology for calculating Distributable Earnings may differ from the methodologies employed by other REITs to calculate the same or similar supplemental performance measures, and as a result, the Company’s reported Distributable Earnings may not be comparable to similar measures presented by other REITs.

The weighted average diluted shares outstanding used for purposes of calculating Distributable Earnings per diluted weighted average share has been adjusted from the weighted average diluted shares outstanding under GAAP to exclude potential shares that may be issued upon the conversion of the Convertible Notes. Consistent with the treatment of other unrealized adjustments to Distributable Earnings, these potentially issuable shares are excluded until a conversion occurs, which we believe is a useful presentation for investors. We believe that excluding shares issued in connection with a potential conversion of the Convertible Notes from our computation of Distributable Earnings per diluted weighted average share is useful to investors for various reasons, including: (i) conversion of Convertible Notes to shares would require the holder of a note to elect to convert the Convertible Note and for us to elect to settle the conversion in the form of shares, and we currently intend to settle the Convertible Notes in cash; (ii) future conversion decisions by note holders will be based on our stock price in the future, which is presently not determinable; and (iii) we believe that when evaluating our operating performance, investors and potential investors consider our Distributable Earnings relative to our actual distributions, which are based on shares outstanding and not shares that might be issued in the future.

LEED: LEED is the most widely used green building rating system in the world. LEED certification provides independent verification of a building or neighborhood’s green features, allowing for the design, construction, operations and maintenance of resource-efficient, high-performing, healthy, cost-effective buildings.