Exhibit 99.2

ARES COMMERCIAL REAL ESTATE CORPORATION

Second Quarter 2024 Earnings Presentation

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Company Highlights

Loan Portfolio

$2.0 billion outstanding principal balance

99% senior loans

Earnings and Dividends

$(0.11) 2Q GAAP net income (loss) per diluted common share

$(0.12) 2Q Distributable Earnings (Loss) per diluted common share(1)

$0.18 2Q Distributable Earnings per diluted common share excluding realized losses of $0.30 per diluted common share(1,2)

$0.25 declared 3Q 2024 regular cash dividend per common share

Balance Sheet Positioning

10% YTD reduction in outstanding borrowings totaling $1.5 billion

1.9x net debt to equity ratio excluding CECL reserves(3)

$121 million of available capital(4)

No spread based mark to market provisions

Ares Sponsorship

$447.2 billion ARES AUM(5)

$51.5 billion ARES real estate platform AUM

Benefits from market intelligence and deep relationships

Note: As of June 30, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. Distributable Earnings (Loss) and Distributable Earnings excluding realized losses are non-GAAP financial measures. See page 22 for Distributable Earnings (Loss) and Distributable Earnings excluding realized losses definitions and page 20 for the Reconciliation of Net Income (Loss) to Non-GAAP Distributable Earnings (Loss) and Distributable Earnings excluding realized losses.
2. Distributable Earnings excluding realized losses per diluted common share is calculated as Distributable Earnings (Loss) of $(7) million or $(0.12) per diluted common share plus realized losses of $16 million or $0.30 per diluted common share.
3. Net debt to equity ratio (excluding CECL reserves) is calculated as (i) $1.5 billion of outstanding principal of borrowings less $71 million of cash, (ii) divided by the sum of total stockholders' equity of $582 million plus CECL reserve of $139 million at June 30, 2024. Net debt to equity ratio including CECL reserve is 2.4x. Total debt to equity ratio excluding CECL reserve is 2.0x and including CECL reserve is 2.5x.
4. As of June 30, 2024, includes $71 million of cash and approximately $50 million of available financing proceeds under the secured revolving funding agreement with City National Bank ("CNB Facility"). Amount immediately available under the CNB Facility at any given time can fluctuate based on the fair value of the collateral in the borrowing base that secures the CNB Facility. As of June 30, 2024, there was approximately $50 million immediately available under the CNB Facility based on the fair value of the collateral in the borrowing base at such time. The amount immediately available under the CNB Facility may be increased to up to $75 million by the pledge of additional collateral into the borrowing base in accordance with the CNB Facility agreement.
5. Ares AUM includes funds managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of Ares Capital Corporation and registered investment adviser.

Summary of 2Q 2024 Results and Activity

Earnings Results	• 2Q 2024 GAAP net income (loss) of $(0.11) per diluted common share • 2Q 2024 Distributable Earnings (Loss) of $(0.12) per diluted common share[1] • 2Q 2024 Distributable Earnings of $0.18 per diluted common share excluding realized losses of $0.30 per diluted common share[1,2] • Book value per common share of $10.68 (or $13.22 excluding CECL reserve) as of June 30, 2024[3]
2Q 2024 Update	• One risk rated 5 multifamily loan with $98 million in outstanding principal balance was placed on non-accrual in 2Q 2024 • Converted a risk rated 5 office loan with $33 million in outstanding principal balance to real estate owned ("REO") held for sale resulting in a realized loss of $16 million • $139 million CECL reserve at 2Q 2024 or 7% of outstanding principal balance for loans held for investment
Balance Sheet Positioning	• Further reduced outstanding borrowings to less than $1.5 billion, resulting in a net debt to equity ratio excluding CECL reserve of 1.9x[4] • Available capital of $121 million[5] plus additional unlevered assets that may be financed to further increase available capital and earnings potential[6]
Dividends	• Declared cash dividend of $0.25 per common share for shareholders for 3Q 2024

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2. Distributable Earnings excluding realized losses per diluted common share is calculated as Distributable Earnings (Loss) of $(7) million or $(0.12) per diluted common share plus realized losses of $16 million or $0.30 per diluted common share.
3. Book value per common share excluding CECL reserve is calculated as (i) total stockholders' equity of $582 million plus CECL reserve of $139 million divided by (ii) total outstanding common shares of 54,518,727 as of June 30, 2024.
4. Net debt to equity ratio (excluding CECL reserves) is calculated as (i) $1.5 billion of outstanding principal of borrowings less $71 million of cash, (ii) divided by the sum of total stockholders' equity of $582 million plus CECL reserve of $139 million at June 30, 2024. Net debt to equity ratio including CECL reserve is 2.4x. Total debt to equity ratio excluding CECL reserve is 2.0x and including CECL reserve is 2.5x.
5. As of June 30, 2024, includes $71 million of cash and approximately $50 million of available financing proceeds under the CNB Facility. Amount immediately available under the CNB Facility at any given time can fluctuate based on the fair value of the collateral in the borrowing base that secures the CNB Facility. As of June 30, 2024, there was approximately $50 million immediately available under the CNB Facility based on the fair value of the collateral in the borrowing base at such time. The amount immediately available under the CNB Facility may be increased to up to $75 million by the pledge of additional collateral into the borrowing base in accordance with the CNB Facility agreement.
6. Additional unlevered assets that may be financed in the future include $82 million of total real estate owned held for investment net of depreciation and amortization, $28 million floating rate investment grade debt securities and other assets that are not levered.

Portfolio Overview

» Focused on maximizing outcomes for our risk rated 4 and 5 loans

Risk Rated 1-3 Loan Portfolio

$1.5 billion Portfolio Size[2]

35 Loans

- Majority Collateralized by Multifamily, Industrial, Self-Storage and Mixed Use[2,4]
- CECL Reserve is Approximately 1% of Loan Balance[2,5]
- Approximately $140 Million of Additional Borrower Capital Contributions in the LTM[7]
- All Borrowers Renewed Expiring Interest Rate Caps in the LTM[9]

Risk Rated 4 & 5 Loan Portfolio

$0.5 billion Portfolio Size[3]

7 Loans

- 75% is Collateralized by Office and Residential / Condo Properties[3]
- 90% of Total CECL Reserve Relates to Risk Rated 4 and 5 Loans[6]
- CECL Reserve is 26% of Loan Balance[8]
- CECL Reserve is 29% of Loan Balance for Office Loans[10]

Note: As of June 30, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. Based on outstanding principal balance of loans held for investment.
2. Based on outstanding principal balance of loans with risk ratings of 1, 2 or 3.
3. Based on outstanding principal balance of loans with risk ratings of 4 or 5.
4. Student housing is included in multifamily.
5. CECL reserve of $14 million on risk rated 1, 2 and 3 loans.
6. $125 million of the $139 million total CECL reserve related to loans risk rated 4 and 5.
7. Includes borrower capital contributions relating to the purchase of interest rate caps, current interest payments, debt paydowns, tenant improvements and leasing commissions, interest and carry reserves and other items.
8. $125 million of CECL reserve for risk rated 4 and 5 loans as a percentage of the $477 million in outstanding principal balance of risk rated 4 and 5 loans.
9. Interest rate caps relating to risk rated 1-3 loans that expired in the last twelve months ("LTM") were renewed at their prior strike or economically equivalent amounts were contributed as additional reserves.
10. Based on outstanding principal balance of loans backed by office properties with risk ratings of 4 or 5.

Ares Management

» With approximately $447 billion in assets under management, Ares Management Corporation is a global alternative investment manager operating an integrated platform across five business groups

Profile

Founded	1997
AUM	$447bn
Employees	2,950+
Investment Professionals	1,000+
Global Offices	35+
Direct Institutional Relationships	2,500+
Listing: NYSE – Market Capitalization	$45.5bn[1]

Global Footprint[2]

The Ares Differentiators

Power of a broad and scaled platform enhancing investment capabilities

Deep management team with integrated and collaborative approach

20+ year track record of attractive risk adjusted returns through market cycles

A pioneer and leader in leveraged finance, private credit and secondaries

	Credit	Real Assets	Private Equity	Secondaries	Other Businesses
AUM	$323.1bn	$67.7bn	$24.6bn	$26.3bn	$5.5bn
Strategies	Direct Lending	Real Estate Equity	Corporate Private Equity	Private Equity Secondaries	Ares Insurance Solutions[4]
	Liquid Credit	Real Estate Debt	APAC Private Equity	Real Estate Secondaries	Ares Acquisition Corporation[5]
	Alternative Credit	Infrastructure Opportunities		Infrastructure Secondaries	
	Opportunistic Credit[3]	Infrastructure Debt		Credit Secondaries	
	APAC Credit				

Note: As of June 30, 2024. AUM amounts include funds managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of Ares Capital Corporation and registered investment adviser.
Past performance is not indicative of future results.

1. As of July 25, 2024.
2. New Delhi office is operated by a third party with whom Ares Asia maintains an ongoing relationship relating to the sourcing, acquisition and/or management of investments.
3. In Q1 2024, we moved our Special Opportunities strategy from our Private Equity Group into our Credit Group as Opportunistic Credit. The fund name remains Special Opportunities. Opportunistic Credit has been reclassified and presented within the Credit Group and reflected on a historical basis.
4. AUM managed by Ares Insurance Solutions excludes assets which are sub-advised by other Ares' investment groups or invested in Ares funds and investment vehicles.
5. AUM includes Ares Acquisition Corporation II ("AACT").

Ares Real Estate Group Capabilities

» Global real estate investment manager with vertically integrated operating platform that seeks to generate compelling risk-adjusted performance[1] through market cycles

$51.5 billion
Real Estate AUM

270+
Investment Professionals

19
Offices and Market Coverage Locations

500+
Real Estate Investments Globally

Core/Core-Plus | Value-Add | Opportunistic

Private Debt

Private Equity Real Estate

Key Advantages

- Scaled Real Estate Platform Experienced Across All Sectors
- Cycle-Tested & Collaborative Team with Local Networks
- In-House Sector Expertise and Vertical Integration
- Real Time Corporate & Market Insights

Note: As of June 30, 2024, unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

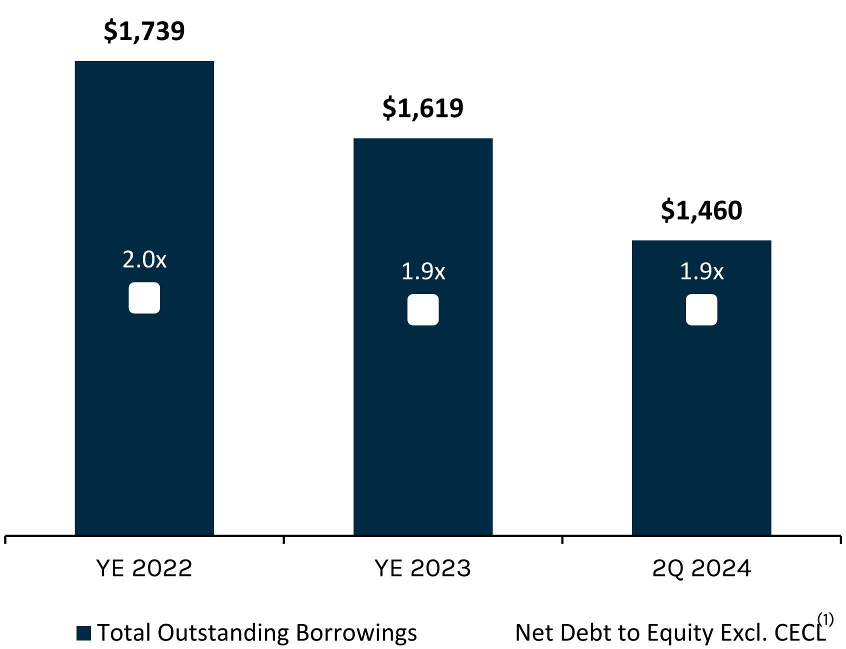
1. All investments involve risk, including loss of principal. References to "risk-adjusted performance" or similar phrases are not guarantees against loss of investment capital or value.

Balance Sheet and Capital Position Provides Flexibility

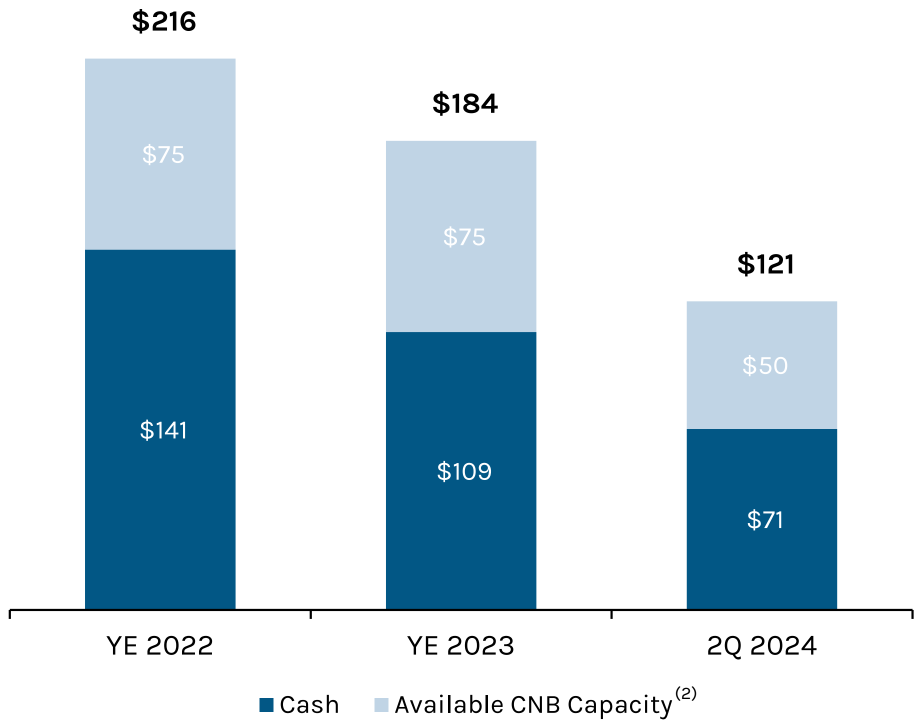
» We are focused on de-levering the balance sheet and maintaining higher levels of available liquidity to support positive outcomes on underperforming loans

Further De-Leveraged & Maintained Higher Levels of Available Liquidity

Total Outstanding Borrowings ($ in millions)



Available Liquidity ($ in millions)



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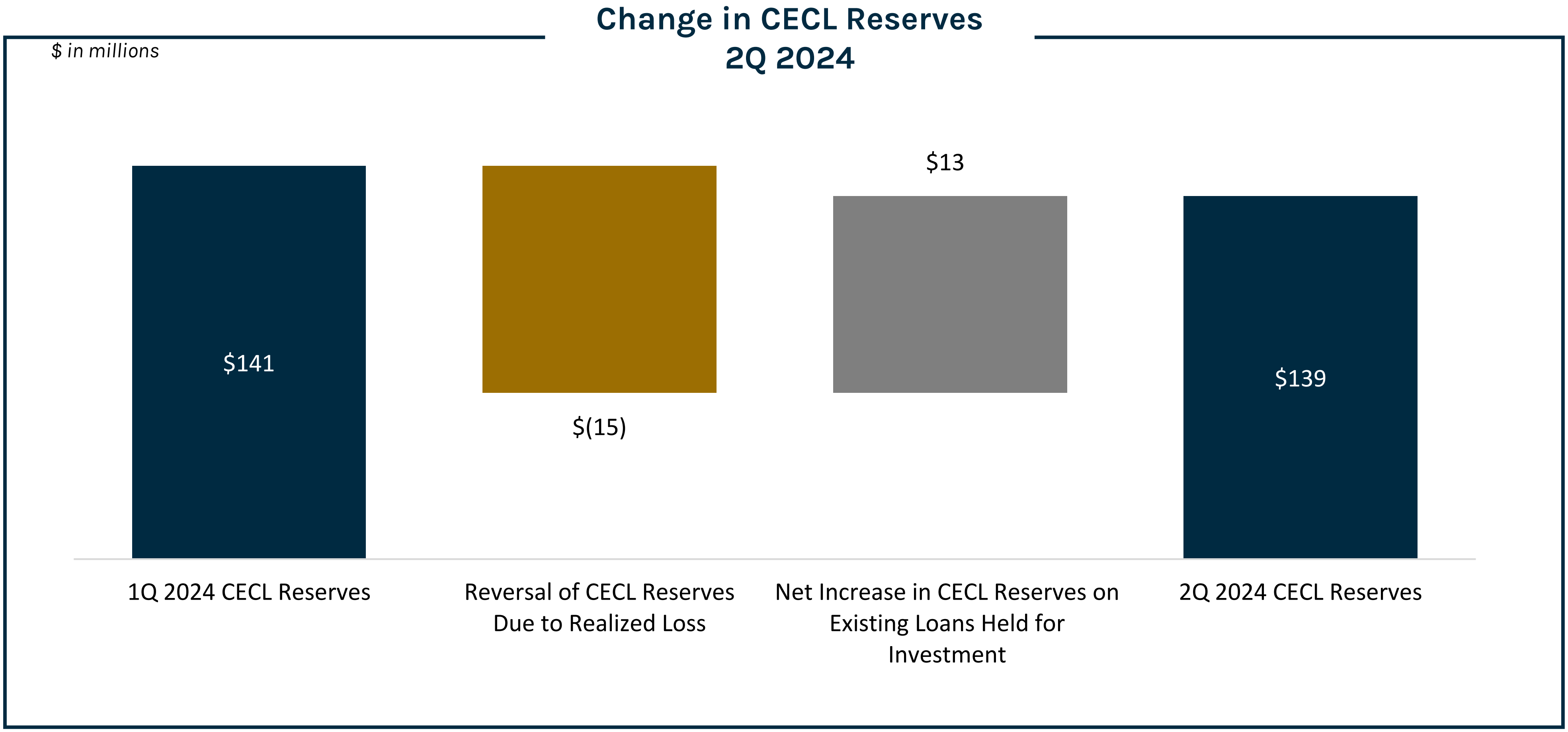
Trends in CECL Reserves

- Net reduction in CECL reserves primarily reflects the reversal of a previous reserve associated with the realization of loss on a loan converted to REO partially offset by net increases in reserves on existing loans held for investment



Note: As of June 30, 2024 unless otherwise noted. Past performance is not indicative of future results. Numbers may not sum due to rounding.

Current Expected Credit Loss Reserves

- CECL reserves are approximately 7% of total loans held for investment[1]

$139 million

Total CECL Reserves

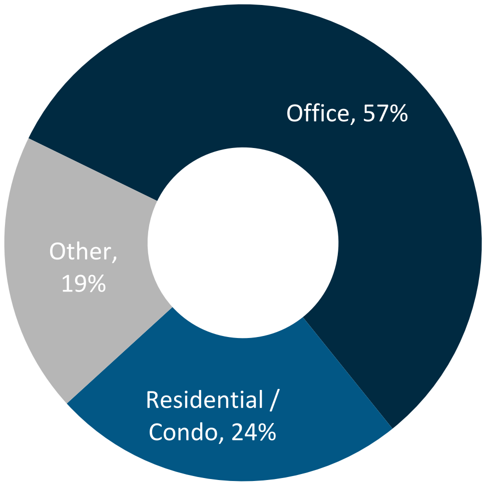
7%

CECL Reserves as a Percent of Loans Held for Investment[1]

CECL Reserves by Risk Rating

90%
CECL reserves relates to risk rated 4 and 5 loans

CECL Reserves by Property Type



81%
CECL reserves relates to office and residential / condo loans

Note: As of June 30, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. Percentage of loans held for investment based on outstanding principal balance.

ARES COMMERCIAL REAL ESTATE CORPORATION

CECL Reserves for Risk Rated 4 and 5 Loans

» Majority of CECL reserves on risk rated 4 and 5 loans relate to office and residential / condo loans

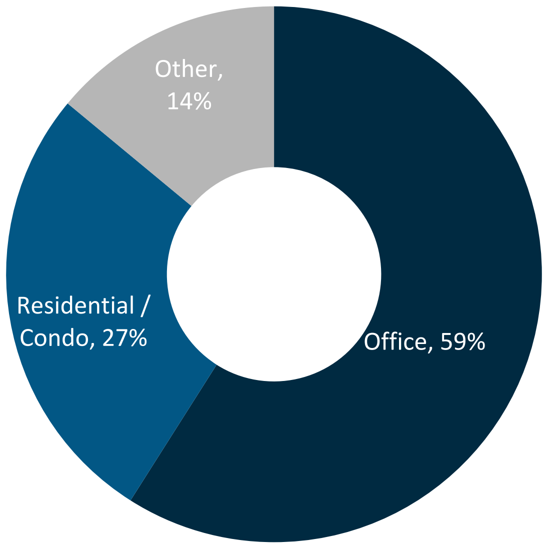
$125 million

CECL Reserves for Risk Rated 4 and 5 Loans

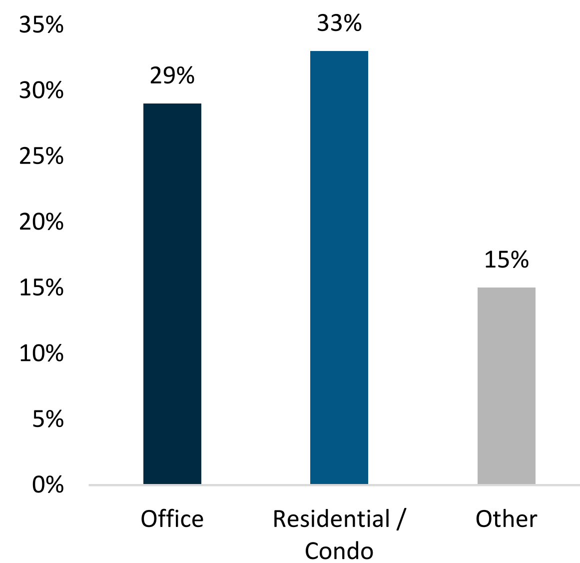
26%

CECL Reserves as a Percent of Risk Rated 4 and 5 Loan Balance(1)

Risk Rated 4 and 5 Loans CECL Reserves by Property Type



Risk Rated 4 and 5 Loans CECL Reserves as a Percent of Loan Balance(2)



Note: As of June 30, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. Based on outstanding principal balance of loans with risk ratings of 4 or 5.
2. Based on outstanding principal balance of loans with risk ratings of 4 or 5 by property type.

Summary of Real Estate Owned

	Mixed-Use ($ in millions)	Office ($ in millions)
Quarter Converted to REO:	Q3-23	Q2-24
Location:	Florida	California
Carrying Value[1]:	$82	$15
Debt Outstanding:	--	--
Net Equity[2]:	$82	$15
Held for Sale:	No	Yes

Note: As of June 30, 2024 unless otherwise noted. Past performance is not indicative of future results. Numbers may not sum due to rounding.
1. Carrying value is net of accumulated depreciation and amortization of $2.6 million for the Florida mixed-use property. There was no accumulated depreciation and amortization for the California office property as it was classified as held for sale.
2. Net Equity is calculated as the Carrying Value less debt outstanding.

Appendix

Loans Held for Investment Portfolio Details

($ in millions)

#	Loan Type	Location	Origination Date	Current Loan Commitment	Outstanding Principal	Carrying Value	Interest Rate	SOFR Floor	Unleveraged Effective Yield	Maturity Date	Payment Terms[1]
Office Loans:											
1	Senior	IL	Nov 2020	$161.4	$161.4	$154.0	(2)	1.5%	7.6%[2]	Mar 2025	I/O
2	Senior	Diversified	Jan 2020	109.0	108.9	108.7	S+3.75%	1.6%	9.3%	Jan 2025	P/I
3	Senior	AZ	Sep 2021	100.7	73.2	73.1	S+3.61%	0.1%	9.4%	Oct 2024	I/O
4	Senior	NC	Aug 2021	85.0	70.6	70.5	S+3.65%	0.2%	9.0%	Aug 2028[3]	I/O
5	Senior	NC	Mar 2019	68.6	68.6	64.9	S+4.35%	2.3%	—%[4]	May 2024[4]	P/I
6	Senior	NY	Jul 2021	59.0	59.0	59.0	S+2.65%	3.0%	8.0%[5]	Jul 2027[5]	I/O
7	Senior	IL	Dec 2022	56.0	56.0	55.9	S+4.25%	3.0%	10.1%	Jan 2025	I/O
8	Senior	MA	Apr 2022	82.2	51.4	51.0	S+3.75%	—%	9.7%	Apr 2026[6]	I/O
9	Senior	GA	Nov 2019	48.3	48.3	48.2	S+3.15%	1.9%	8.8%	Dec 2024	P/I
10	Senior	CA	Nov 2018	20.3	20.3	20.3	S+3.50%	2.3%	9.1%	Nov 2025	P/I
11	Subordinated	NJ	Mar 2016	18.5	18.5	15.7	12.00%	—%	—%[7]	Jan 2026	I/O
12	Subordinated	NY	Jul 2021	9.9	9.9	7.6	5.50%	—%	—%[5]	Jul 2027	I/O
Total Office				**$818.9**	**$746.1**	**$728.9**					

Note: As of June 30, 2024.

1. I/O = interest only, P/I = principal and interest.
2. The Illinois loan is structured as both a senior and mezzanine loan with the Company holding both positions. The senior position has a per annum interest rate of S + 2.25% and the mezzanine position has a fixed per annum interest rate of 10.00%. The mezzanine position of this loan, which had an outstanding principal balance of $47.4 million as of June 30, 2024, was on non-accrual status as of June 30, 2024 and therefore, the Unleveraged Effective Yield presented is for the senior position only as the mezzanine position is non-interest accruing.
3. In June 2024, the Company and the borrower entered into a modification and extension agreement to, among other things, extend the maturity date on the senior North Carolina loan from August 2024 to August 2028.
4. Loan was on non-accrual status as of June 30, 2024 and the Unleveraged Effective Yield is not applicable. As of June 30, 2024, the senior North Carolina loan, which is collateralized by an office property, is in maturity default due to the failure of the borrower to repay the outstanding principal balance of the loan by the May 2024 maturity date. The Company is in the process of acquiring legal title to the property. Once legal title of the property is acquired, the Company will derecognize the senior North Carolina loan and recognize the office property as real estate owned.
5. In March 2024, the Company and the borrower entered into a modification and extension agreement to, among other things, split the existing senior New York loan, which was on non-accrual status and had an outstanding principal balance of $73.8 million at the time of the modification, into a senior A-Note with an outstanding principal balance of $60.0 million and a subordinated B-Note with an outstanding principal balance of $13.8 million. In conjunction with the modification, the borrower repaid the outstanding principal of the senior A-Note down to $59.0 million and the subordinated B-Note down to $9.8 million. The subordinated B-Note is subordinate to new sponsor equity related to the loan paydown and additional capital contributions. In addition, the maturity date of the senior A-Note and the subordinated B-Note was extended from August 2025 to July 2027. The senior A-Note has a per annum interest rate of S + 2.65% and the subordinated B-Note has a fixed per annum interest rate of 5.50%. During the six months ended June 30, 2024, the senior A-Note, which had an outstanding principal balance of $59.0 million as of June 30, 2024, was restored to accrual status. As of June 30, 2024, the subordinated B-Note, which had an outstanding principal balance of $9.9 million, was on non-accrual status and therefore, the Unleveraged Effective Yield is not applicable. As of June 30, 2024, the borrower is current on all contractual interest payments for the senior A-Note and the subordinated B-Note.
6. In June 2024, the Company and the borrower entered into a modification and extension agreement to, among other things, extend the maturity date on the senior Massachusetts loan from April 2025 to April 2026.
7. Loan was on non-accrual status as of June 30, 2024 and the Unleveraged Effective Yield is not applicable. The mezzanine New Jersey loan is currently in default due to the borrower not making its contractual interest payments due subsequent to the December 2023 interest payment date.

Loans Held for Investment Portfolio Details

($ in millions)

#	Loan Type	Location	Origination Date	Current Loan Commitment	Outstanding Principal	Carrying Value	Interest Rate	SOFR Floor	Unleveraged Effective Yield	Maturity Date	Payment Terms[1]
Multifamily Loans:											
13	Senior	NY	May 2022	$133.0	$132.2	$131.6	S+3.90%	0.2%	9.7%	Jun 2025	I/O
14	Senior	TX	Jun 2022	97.5	97.5	95.4	S+3.00%	1.5%	—%[2]	Jul 2025	I/O
15	Senior	TX	Nov 2021	68.8	68.4	68.3	S+2.95%	—%	8.7%	Dec 2024	I/O
16	Senior[3]	SC	Dec 2021	67.0	67.0	67.0	S+3.00%	—%	8.6%	Nov 2024	I/O
17	Senior	OH	Sep 2023	57.8	57.0	56.6	S+3.05%	2.5%	8.8%	Oct 2026	I/O
18	Senior	CA	Nov 2021	31.7	31.7	31.6	S+3.00%	—%	8.6%	Dec 2025	I/O
19	Senior	PA	Dec 2018	28.2	28.2	28.2	S+2.50%	2.8%	7.8%	Dec 2025	I/O
20	Senior	WA	Dec 2021	23.1	23.1	23.0	S+3.00%	—%	8.5%	Nov 2025	I/O
21	Senior	TX	Oct 2021	23.1	23.1	23.1	S+2.60%	—%	8.3%	Oct 2024	I/O
Total Multifamily				**$530.2**	**$528.2**	**$524.8**					
Industrial Loans:											
22	Senior	IL	May 2021	$100.7	$100.7	$100.7	S+4.65%	0.1%	11.6%	Nov 2024	I/O
23	Senior	MA	Jun 2023	49.0	47.4	47.2	S+2.90%	—%	8.4%	Jun 2028	I/O
24	Senior	NJ	Jun 2021	28.3	27.8	27.7	S+3.85%	0.2%	11.3%	Aug 2024	I/O
25	Senior	FL	Dec 2021	25.5	25.5	25.4	S+3.00%	—%	8.6%	Dec 2025	I/O
26	Senior	CA	Aug 2019	19.6	19.6	18.2	S+3.85%	2.0%	—%[4]	Sep 2024	I/O
27	Senior	TX	Nov 2021	10.0	10.0	10.0	S+5.35%	0.2%	11.1%	Dec 2024	I/O
28	Senior	TN	Oct 2021	6.4	6.4	6.4	S+5.60%	0.2%	11.3%	Nov 2024	I/O
Total Industrial				**$239.5**	**$237.4**	**$235.6**					

Note: As of June 30, 2024
1. I/O = interest only, P/I = principal and interest.
2. Loan was on non-accrual status as of June 30, 2024 and the Unleveraged Effective Yield is not applicable.
3. Loan commitment is allocated between a multifamily property ($61 million) and an office property ($6 million).
4. Loan was on non-accrual status as of June 30, 2024 and the Unleveraged Effective Yield is not applicable.

Loans Held for Investment Portfolio Details

($ in millions)

#	Loan Type	Location	Origination Date	Current Loan Commitment	Outstanding Principal	Carrying Value	Interest Rate	SOFR Floor	Unleveraged Effective Yield	Maturity Date	Payment Terms[(1)]
Residential/Condominium Loans:											
29	Senior	NY	Mar 2022	$101.7	$101.7	$90.2	S+8.95%	0.4%	—%[(2)]	Dec 2025	I/O
30	Senior	FL	Jul 2021	75.0	75.0	75.0	S+5.35%	—%	10.7%	Jul 2024	I/O
Total Residential/Condominium				**$176.7**	**$176.7**	**$165.2**					
Mixed-Use Loans:											
31	Senior	NY	Jul 2021	$78.3	$77.2	$77.2	S+3.75%	—%	9.5%	Jul 2024	I/O
32	Senior	TX	Sep 2019	35.3	35.3	35.3	S+3.85%	0.7%	9.5%	Sep 2024	I/O
Total Mixed-Use				**$113.6**	**$112.5**	**$112.5**					
Hotel Loans:											
33	Senior	CA	Mar 2022	$60.8	$55.0	$54.8	S+4.20%	—%	10.0%	Mar 2025	I/O
34	Senior	NY	Mar 2022	55.7	53.6	53.3	S+4.40%	0.1%	10.1%	Mar 2026	I/O
Total Hotel				**$116.5**	**$108.6**	**$108.1**					

Note: As of June 30, 2024.

1. I/O = interest only, P/I = principal and interest.
2. The New York loan is structured as both a senior and mezzanine loan with the Company holding both positions. The senior and mezzanine positions each have a per annum interest rate of S + 8.95%. The senior and mezzanine loans were both on non-accrual status as of June 30, 2024 and the Unleveraged Effective Yield is not applicable.

Loans Held for Investment Portfolio Details

($ in millions)

#	Loan Type	Location	Origination Date	Current Loan Commitment	Outstanding Principal	Carrying Value	Interest Rate	SOFR Floor	Unleveraged Effective Yield	Maturity Date	Payment Terms[1]
Self Storage Loans:											
35	Senior	PA	Mar 2022	$18.2	$18.2	$18.1	S+3.00%	1.0%	8.6%	Dec 2025	I/O
36	Senior	NJ	Aug 2022	17.6	17.6	17.5	S+2.90%	1.0%	9.0%	Apr 2025	I/O
37	Senior	WA	Aug 2022	11.5	11.5	11.5	S+2.90%	1.0%	9.0%	Mar 2025	I/O
38	Senior	IN	Sep 2023	11.4	10.7	10.7	S+3.60%	0.9%	9.1%	Jun 2026	I/O
39	Senior	MA	Apr 2022	7.7	7.7	7.7	S+3.00%	0.8%	8.5%	Nov 2024	I/O
40	Senior	MA	Apr 2022	6.8	6.8	6.7	S+3.00%	0.8%	8.5%	Oct 2024	I/O
41	Senior	NJ	Mar 2022	5.9	5.9	5.9	S+3.00%	0.8%	8.8%	Jul 2025[2]	I/O
Total Self Storage				**$79.1**	**$78.4**	**$78.1**					
Student Housing Loans:											
42	Senior	AL	Apr 2021	$19.5	$19.5	$19.4	S+3.95%	2.0%	10.6%	Dec 2024[3]	P/I
Total Student Housing				**$19.5**	**$19.5**	**$19.4**					
Loan Portfolio Total/Weighted Average				**$2,094.0**	**$2,007.4**	**$1,972.6**		**1.2%[4]**	**7.6%**		

Note: As of June 30, 2024.
1. I/O = interest only, P/I = principal and interest.
2. In May 2024, the borrower exercised a 12-month extension option in accordance with the loan agreement, which extended the maturity date on the senior New Jersey loan to July 2025.
3. In May 2024, the Company and the borrower entered into a modification and extension agreement to, among other things, extend the maturity date on the senior Alabama loan from May 2024 to December 2024.
4. The weighted average floor is calculated based on loans with SOFR floors.

Consolidated Balance Sheets

($ in thousands, except share and per share data)	As of 6/30/2024		As of 12/31/2023	
ASSETS				
Cash and cash equivalents	$	70,649	$	110,459
Loans held for investment ($741,218 and $892,166 related to consolidated VIEs, respectively)		1,972,551		2,126,524
Current expected credit loss reserve		(137,403)		(159,885)
Loans held for investment, net of current expected credit loss reserve		1,835,148		1,966,639
Loans held for sale ($38,981 related to consolidated VIEs as of December 31, 2023)		20,534		38,981
Investment in available-for-sale debt securities, at fair value		28,113		28,060
Real estate owned held for investment, net		81,728		83,284
Real estate owned held for sale ($14,509 related to consolidated VIEs as of June 30, 2024)		14,509		—
Other assets ($2,484 and $3,690 of interest receivable related to consolidated VIEs, respectively; $32,002 of other receivables related to consolidated VIEs as of December 31, 2023)		19,074		52,354
Total assets	$	2,069,755	$	2,279,777
LIABILITIES AND STOCKHOLDERS' EQUITY				
LIABILITIES				
Secured funding agreements	$	625,936	$	639,817
Notes payable		104,751		104,662
Secured term loan		137,409		149,393
Collateralized loan obligation securitization debt (consolidated VIEs)		588,421		723,117
Due to affiliate		4,526		4,135
Dividends payable		13,812		18,220
Other liabilities ($1,779 and $2,263 of interest payable related to consolidated VIEs, respectively)		12,637		14,584
Total liabilities		1,487,492		1,653,928
Commitments and contingencies				
STOCKHOLDERS' EQUITY				
Common stock, par value $0.01 per share, 450,000,000 shares authorized at June 30, 2024 and December 31, 2023 and 54,518,727 and 54,149,225 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively		532		532
Additional paid-in capital		814,620		812,184
Accumulated other comprehensive income		193		153
Accumulated earnings (deficit)		(233,082)		(187,020)
Total stockholders' equity		582,263		625,849
Total liabilities and stockholders' equity	$	2,069,755	$	2,279,777

ARES COMMERCIAL REAL ESTATE CORPORATION

Consolidated Statements of Operations

($ in thousands, except share and per share data)	For the Three Months Ended 6/30/2024	3/31/2024	12/31/2023	9/30/2023	6/30/2023
Revenue:					
Interest income	$ 40,847	$ 44,033	$ 44,348	$ 52,819	$ 51,941
Interest expense	(27,483)	(28,819)	(29,957)	(29,745)	(26,951)
Net interest margin	13,364	15,214	14,391	23,074	24,990
Revenue from real estate owned	3,433	3,478	3,161	809	—
Total revenue	16,797	18,692	17,552	23,883	24,990
Expenses:					
Management and incentive fees to affiliate	2,692	2,768	2,946	2,974	3,334
Professional fees	757	533	974	682	626
General and administrative expenses	1,957	2,081	1,830	1,691	2,038
General and administrative expenses reimbursed to affiliate	1,277	1,132	818	775	1,109
Expenses from real estate owned	2,226	2,037	2,038	480	—
Total expenses	8,909	8,551	8,606	6,602	7,107
Provision for current expected credit losses	(2,374)	(22,269)	47,452	3,227	20,127
Realized losses on loans	16,387	45,726	—	4,886	—
Unrealized losses on loans held for sale	—	(995)	995	—	—
Income (loss) before income taxes	(6,125)	(12,321)	(39,501)	9,168	(2,244)
Income tax expense (benefit), including excise tax	—	2	(87)	(16)	(46)
Net income (loss) attributable to common stockholders	$ (6,125)	$ (12,323)	$ (39,414)	$ 9,184	$ (2,198)
Earnings (loss) per common share:					
Basic earnings (loss) per common share	$ (0.11)	$ (0.23)	$ (0.73)	$ 0.17	$ (0.04)
Diluted earnings (loss) per common share	$ (0.11)	$ (0.23)	$ (0.73)	$ 0.17	$ (0.04)
Weighted average number of common shares outstanding:					
Basic weighted average shares of common stock outstanding	54,426,112	54,396,397	54,111,544	54,085,035	54,347,204
Diluted weighted average shares of common stock outstanding	54,426,112	54,396,397	54,111,544	54,796,413	54,347,204
Dividends declared per share of common stock[(1)]	$ 0.25	$ 0.25	$ 0.33	$ 0.33	$ 0.35

1. There is no assurance dividends will continue at these levels or at all.

Reconciliation of Net Income (Loss) to Non-GAAP Distributable Earnings (Loss)

	For the Three Months Ended				
($ in thousands, except per share data)	6/30/2024	3/31/2024	12/31/2023	9/30/2023	6/30/2023
Net income (loss) attributable to common stockholders	$ (6,125)	$ (12,323)	$ (39,414)	$ 9,184	$ (2,198)
Stock-based compensation	1,152	1,284	1,041	986	1,004
Incentive fees to affiliate	—	—	—	—	334
Depreciation and amortization of real estate owned	770	786	809	206	—
Provision for current expected credit losses	(2,374)	(22,269)	47,452	3,227	20,127
Realized gain on termination of interest rate cap derivative[1]	—	—	(105)	(93)	(266)
Unrealized losses on loans held for sale	—	(995)	995	—	—
Distributable Earnings (Loss)	**$ (6,577)**	**$ (33,517)**	**$ 10,778**	**$ 13,510**	**$ 19,001**
Realized losses on loans	16,387	45,726	—	4,886	—
Distributable Earnings excluding realized losses	**$ 9,810**	**$ 12,209**	**$ 10,778**	**$ 18,396**	**$ 19,001**
Net income (loss) attributable to common stockholders	(0.11)	(0.23)	(0.73)	0.17	(0.04)
Stock-based compensation	0.02	0.02	0.02	0.02	0.02
Incentive fees to affiliate	—	—	—	—	0.01
Depreciation and amortization of real estate owned	0.01	0.01	0.01	—	—
Provision for current expected credit losses	(0.04)	(0.41)	0.88	0.06	0.37
Realized gain on termination of interest rate cap derivative[1]	—	—	—	—	—
Unrealized losses on loans held for sale	—	(0.02)	0.02	—	—
Basic Distributable Earnings (Loss) per common share	**$ (0.12)**	**$ (0.62)**	**$ 0.20**	**$ 0.25**	**$ 0.35**
Realized losses on loans	0.30	0.84	—	0.09	—
Basic Distributable Earnings excluding realized losses per common share	**$ 0.18**	**$ 0.22**	**$ 0.20**	**$ 0.34**	**$ 0.35**
Net income (loss) attributable to common stockholders	(0.11)	(0.23)	(0.72)	0.17	(0.04)
Stock-based compensation	0.02	0.02	0.02	0.02	0.02
Incentive fees to affiliate	—	—	—	—	0.01
Depreciation and amortization of real estate owned	0.01	0.01	0.01	—	—
Provision for current expected credit losses	(0.04)	(0.41)	0.87	0.06	0.37
Realized gain on termination of interest rate cap derivative[1]	—	—	—	—	—
Unrealized losses on loans held for sale	—	(0.02)	0.02	—	—
Diluted Distributable Earnings (Loss) per common share	**$ (0.12)**	**$ (0.62)**	**$ 0.20**	**$ 0.25**	**$ 0.35**
Realized losses on loans	0.30	0.84	—	0.09	—
Diluted Distributable Earnings excluding realized losses per common share	**$ 0.18**	**$ 0.22**	**$ 0.20**	**$ 0.34**	**$ 0.35**

1. For the three months ended December 31, 2023, September 30, 2023, and June 30, 2023, Distributable Earnings includes $0.1 million, $0.1 million, and $0.3 million, respectively, adjustment to reverse the impact of the $2.0 million realized gain from the termination of the interest rate cap derivative that was amortized into GAAP net income.

Diverse Sources of Financing Supports Portfolio

» Diversified financing sources totaling $1.9 billion with $474 million of undrawn capacity[1,2]

($ in millions) Financing Sources	Total Commitments	Outstanding Principal	Pricing Range	Mark to Credit	Non Spread Based Mark to Market
Secured Funding Agreements					
Wells Fargo Facility	$450.0[1]	$216.5	SOFR+1.50 to 3.75%	✓	✓
Citibank Facility	325.0[1]	204.1	SOFR+1.50 to 2.10%	✓	✓
CNB Facility	75.0[2]	–	SOFR+3.25%	✓	✓
Morgan Stanley Facility	250.0[1]	205.3	SOFR+1.60 to 3.10%	✓	✓
Subtotal	**$1,100.0**	**$625.9**			
Asset Level Financing					
Notes Payable	$105.0	$105.0	SOFR + 2.00%	✓	✓
Capital Markets					
Secured Term Loan	$140.0	$140.0	4.50% (Fixed)	✓	✓
2017-FL3 Securitization	407.7	407.7	SOFR + 1.87%	✓	✓
2021-FL4 Securitization	181.1	181.1	SOFR + 1.94%	✓	✓
Subtotal	**$728.8**	**$728.8**			
Total Debt	$1,933.8	$1,459.7			

Note: As of June 30, 2024.

1. For the Wells Fargo, Citibank and Morgan Stanley facilities, total commitments are available subject to the pledge of additional collateral.
2. Amount immediately available under the CNB Facility at any given time can fluctuate based on the fair value of the collateral in the borrowing base that secures the CNB Facility. As of June 30, 2024, there was approximately $50.0 million immediately available under the CNB Facility based on the fair value of the collateral in the borrowing base at such time. The amount immediately available under the CNB Facility may be increased to up to $75.0 million by the pledge of additional collateral into the borrowing base in accordance with the CNB Facility agreement.

Glossary

Distributable Earnings (Loss)	Distributable Earnings (Loss) is a non-GAAP financial measure that helps the Company evaluate its financial performance excluding the effects of certain transactions and GAAP adjustments that it believes are not necessarily indicative of its current loan origination portfolio and operations. To maintain the Company’s REIT status, the Company is generally required to annually distribute to its stockholders substantially all of its taxable income. The Company believes the disclosure of Distributable Earnings (Loss) provides useful information to investors regarding the Company's ability to pay dividends, which the Company believes is one of the principal reasons investors invest in the Company. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. Distributable Earnings (Loss) is defined as net income (loss) computed in accordance with GAAP, excluding non-cash equity compensation expense, the incentive fees the Company pays to its Manager, depreciation and amortization (to the extent that any of the Company’s target investments are structured as debt and the Company forecloses on any properties underlying such debt), any unrealized gains, losses or other non-cash items recorded in net income (loss) for the period, regardless of whether such items are included in other comprehensive income or loss, or in net income (loss), one-time events pursuant to changes in GAAP and certain non-cash charges after discussions between the Company’s manager and the Company’s independent directors and after approval by a majority of the Company’s independent directors. Loan balances that are deemed to be uncollectible are written off as a realized loss and are included in Distributable Earnings (Loss). Distributable Earnings (Loss) is aligned with the calculation of “Core Earnings,” which is defined in the Management Agreement and is used to calculate the incentive fees the Company pays to its Manager. Distributable Earnings excluding realized losses is Distributable Earnings (Loss) further adjusted to exclude realized losses.

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COMMERCIAL REAL ESTATE CORPORATION