



KKR

REAL ESTATE
FINANCE TRUST

FIRST QUARTER 2022 SUPPLEMENTAL INFORMATION

APRIL 25, 2022

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"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 April 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 March 31, 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 | |
| \$7.3 B Investment Portfolio | | \$8.0 B Financing Capacity | | 21% KKR Ownership in KREF | |
| 99% Senior Loans | 75% Multifamily & Office | 79% Fully Non-Mark-to-Market ⁽²⁾ | | \$471 B Global AUM ⁽⁴⁾ | \$25 B Balance Sheet ⁽⁴⁾ |
| \$129 M Average Loan Size ⁽¹⁾ | 100% Performing | \$759 M Current Liquidity ⁽³⁾ | | \$41 B Real Estate AUM ^{(4) (5)} | 135+ Real Estate Professionals ⁽⁴⁾ |
| <i>Senior loans</i> secured primarily by <i>transitional, institutional multifamily and office properties</i> owned by <i>high quality sponsors</i> | | <i>Conservative</i> liability management focused on <i>diversified non-mark-to-market</i> financing | | <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> | |

(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 \$173 million in cash, \$520 million undrawn corporate revolver capacity, and \$66 million of available borrowings based on existing collateral

(4) As of December 31, 2021

(5) Figures represent AUM across all KKR real estate transactions

First Quarter 2022 Highlights

Financials

- 1Q Net income⁽¹⁾ of \$0.46 per diluted share and Distributable Earnings⁽²⁾ of \$0.47 per diluted share
- Book Value per Common Share (“BVPS”) of \$19.46 per share, compared to \$19.37 per share in 4Q'21, representing eight consecutive quarters of book value per share accretion

Originations

- 1Q originations of nine floating-rate senior loans totaling \$844 million with \$618 million of initial fundings
- Subsequent to quarter-end, originated three floating-rate senior loans totaling \$150 million with \$137 million of initial fundings

Portfolio

- \$7.3 billion predominantly senior loan portfolio
 - Multifamily and office assets represent 75% of loan portfolio
 - Weighted average risk rating of 2.9; 100% performing
 - Received \$282 million in loan repayments and collected 100% of interest payments due in 1Q

Liquidity & Capitalization

- Completed an accretive underwritten public offering of 6,494,155 shares of common stock at \$20.83 per share, resulting in \$134 million of net proceeds before transaction costs. The offering was \$0.11 per share accretive to BVPS
- Completed an offering of an additional 6,210,000 shares of 6.5% Series A Cumulative Redeemable Preferred Stock at a liquidation price of \$25.00 per share, resulting in net proceeds of \$151 million
- Closed a \$1.0 billion managed multifamily CLO with two-year reinvestment period providing \$847.5 million of non-mark-to-market and non-recourse financing equating to an 84.75% advance rate at a weighted average running cost of capital of Term SOFR + 1.71%, before transaction costs
- Increased the borrowing capacity on our corporate revolving credit facility by \$185 million to \$520 million and extended the maturity date through March 2027
- Upsized our \$500 million term lending agreement to \$750 million, which provides matched-term asset-based financing on a non-mark-to-market basis
- 79% of financing is fully non-mark-to-market and the remaining balance is only mark-to-credit
- \$759 million of available liquidity, including \$173 million of cash, \$66 million of available borrowings based on existing collateral, and \$520 million undrawn 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

1Q'22 Financial Summary

| Income Statement | |
|---------------------------------------------------------------------|---------------|
| (\$ in Millions) | 1Q22 |
| Net Interest Income | \$40.8 |
| Other Income | 6.4 |
| Operating Expenses and Other | (13.3) |
| Preferred stock dividends | (5.3) |
| Provision for credit losses | 1.2 |
| Net Income Attributable to Common Stockholders | \$29.8 |
| Diluted Weighted Average Shares Outstanding | 69,402,626 |
| Net Income per Share, Diluted | \$0.46 |
| Distributable Earnings ⁽¹⁾ | \$29.8 |
| Diluted Weighted Average Shares Outstanding, Distributable Earnings | 63,086,452 |
| Distributable Earnings per Share, Diluted⁽¹⁾ | \$0.47 |
| Dividend per Share | \$0.43 |

| Balance Sheet | |
|-------------------------------------------|------------------|
| (\$ in Millions) | 1Q22 |
| Total Portfolio⁽²⁾ | \$7,253.7 |
| Term Credit Facilities | 1,204.3 |
| Term Lending Agreements | 942.6 |
| Secured Term Loan | 349.1 |
| Convertible Notes | 143.8 |
| Total Debt | \$2,639.8 |
| Term Loan Facility | 899.0 |
| Collateralized Loan Obligations | 1,942.8 |
| Total Leverage | \$5,481.6 |
| Cash | 173.2 |
| Total Permanent Equity | 1,649.7 |
| Common Stockholders' Equity | 1,321.8 |
| Debt-to-Equity Ratio⁽³⁾ | 1.5x |
| Total Leverage Ratio⁽⁴⁾ | 3.2x |
| Shares Outstanding | 67,933,704 |
| Book Value per Share⁽⁵⁾ | \$19.46 |

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

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

(3) Represents (i) total debt less cash to (ii) total permanent equity

(4) Represents (i) total leverage less cash to (ii) total permanent equity

(5) Book value per share includes (i) CECL credit loss allowance of (\$22.5) million or (\$0.33) per common share

Recent Operating Performance

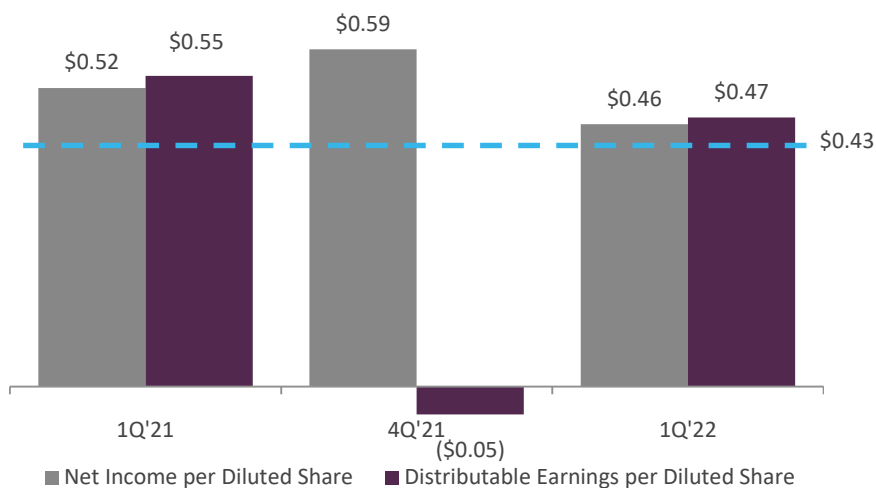
Net Income⁽¹⁾ and Distributable Earnings⁽²⁾

(\$ in Millions)

| | 1Q'21 | 4Q'21 | 1Q'22 |
|-------------------------|--------|---------|--------|
| Net income: | \$29.2 | \$35.2 | \$29.8 |
| Distributable earnings: | \$30.4 | (\$2.9) | \$29.8 |

Dividends and Book Value Per Share

| | 1Q'21 | 4Q'21 | 1Q'22 |
|-----------------------------------------|--------|--------|--------|
| Dividend per share: | \$0.43 | \$0.43 | \$0.43 |
| Dividend yield on book value per share: | 9.1% | 8.9% | 8.8% |



(1) Represents Net Income attributable to common stockholders

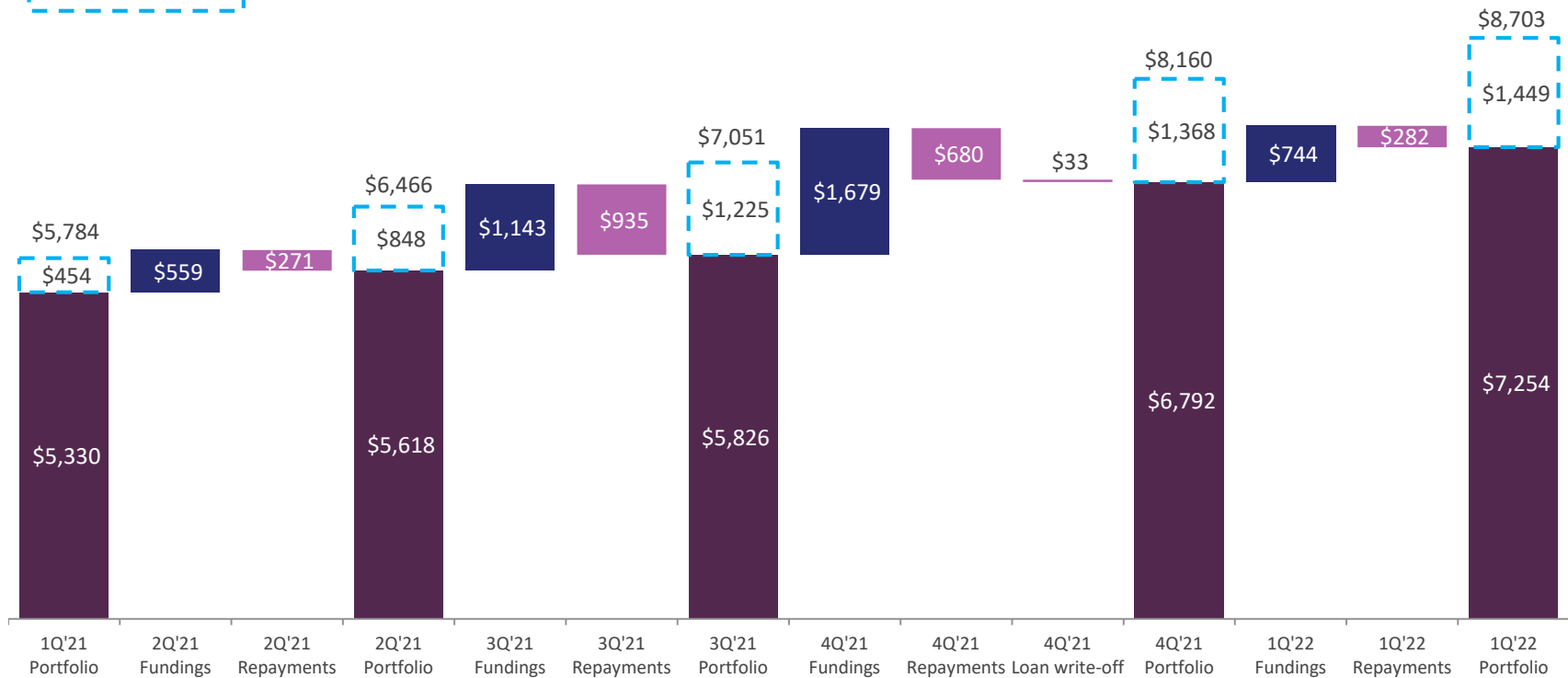
(2) See Appendix for definition and reconciliation to financial results prepared in accordance with GAAP

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

1Q'22 Loan Originations – Select Case Studies

| Investment | Arlington Multifamily | San Carlos Life Science | West Hollywood Multifamily |
|--------------------|------------------------------|---------------------------------------|-----------------------------|
| Loan Type | Floating-Rate Senior Loan | Floating-Rate Senior Loan | Floating-Rate Senior Loan |
| Loan Size | \$135.3 million | \$125.0 million ⁽¹⁾ | \$102.0 million |
| Location | Arlington, VA | San Carlos, CA | West Hollywood, CA |
| Collateral | 300-unit Class-A Multifamily | Class-A Life Science totaling 230k SF | 37-unit Class-A Multifamily |
| Loan Purpose | Acquisition | Acquisition | Refinance |
| LTV ⁽²⁾ | 65% | 68% | 65% |
| Investment Date | January 2022 | February 2022 | January 2022 |

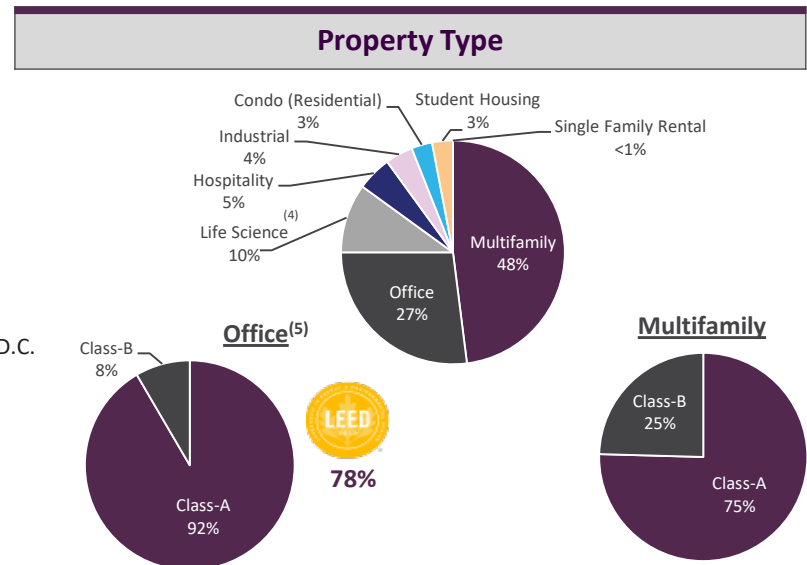
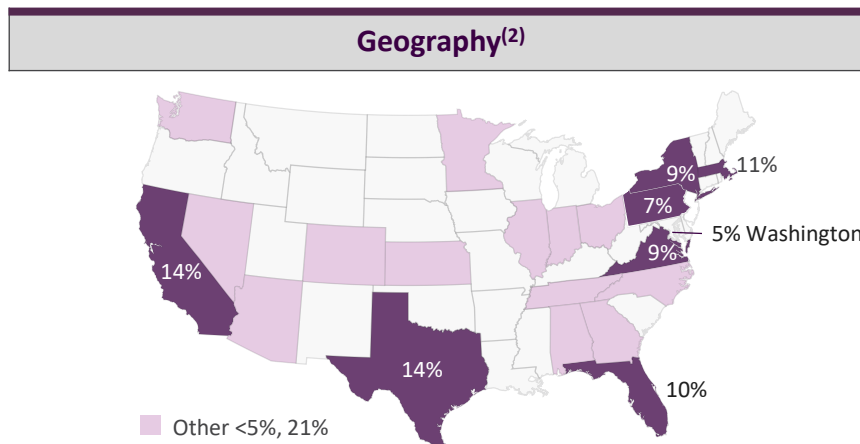
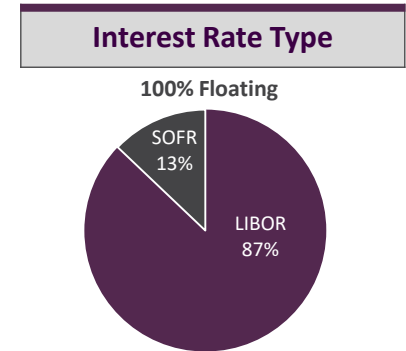
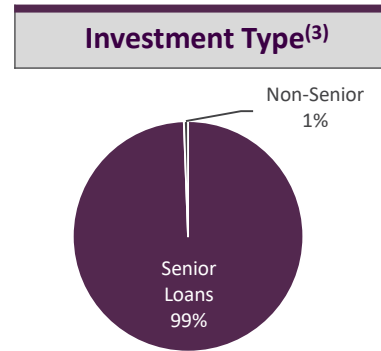
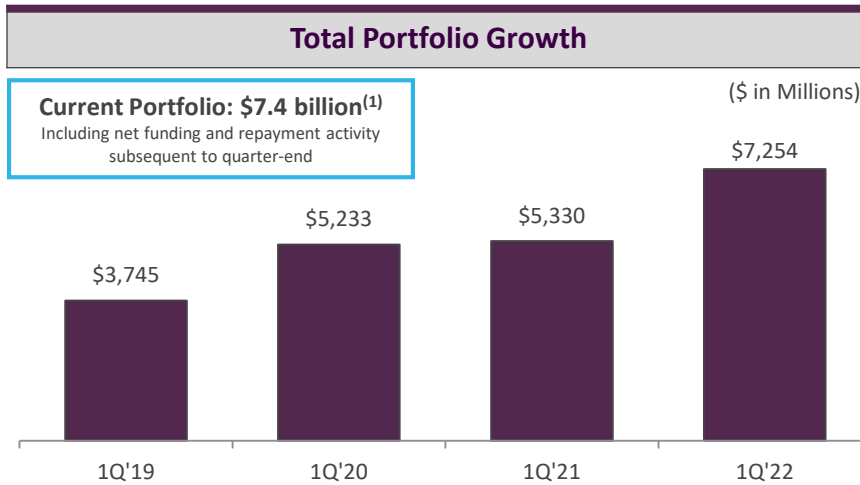
Asset Photos



(1) The total whole loan is \$196 million, co-originated and co-funded by KREF and a KKR affiliate. KREF's interest was 64% of the loan or \$125 million

(2) 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



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

(1) As of April 22, 2022

(2) Map excludes a \$42 million real estate corporate loan and one real estate owned asset with a net carrying value of \$78.6 million

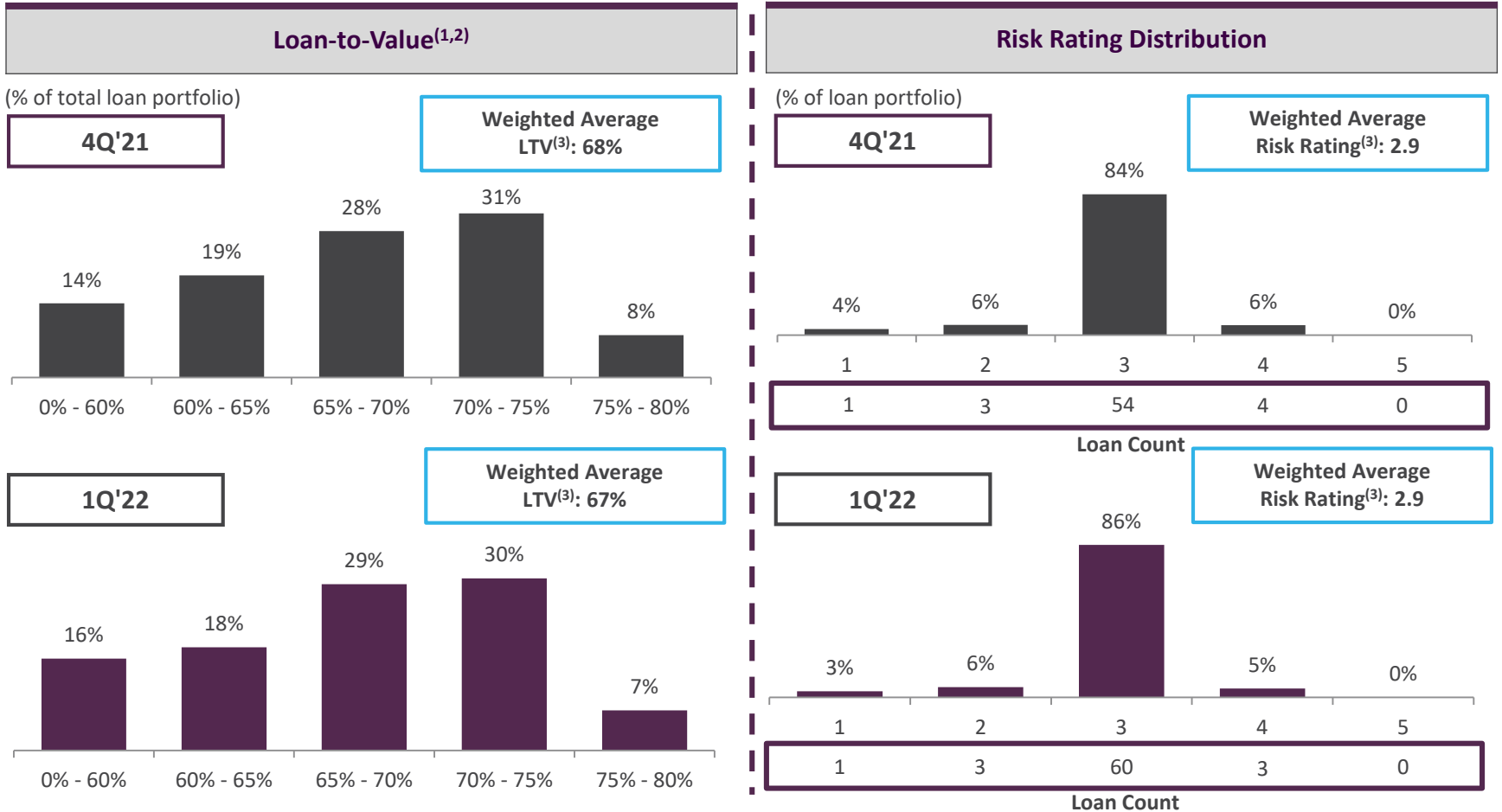
(3) Senior loans include senior mortgages and similar credit quality loans, including related contiguous junior participations in senior loans where KREF has financed a loan with structural leverage through the non-recourse sale of a corresponding first mortgage and excludes vertical loan syndications

(4) 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

(5) 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 vertical loan syndications and a real estate corporate loan
- (3) Weighted average is weighted by current principal amount

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

| Investment | Philadelphia Office | Philadelphia Office | New York Condo |
|---------------------------|---------------------------------------|---------------------------------------|-----------------------------------|
| Loan Type | Floating-Rate Senior Loan | Floating-Rate Senior Loan | Floating-Rate Senior Loan |
| Investment Date | April 2019 | June 2018 | August 2017 |
| Collateral | 4-Building, 711k RSF Office Portfolio | 2-Building, 978k RSF Office Portfolio | 4 Luxury Residential Condominiums |
| Loan Purpose | Acquisition | Acquisition | Refinance |
| Location | Philadelphia, PA | Philadelphia, PA | New York, NY |
| Committed Amount | \$183 million | \$165 million | \$33 million |
| Current Principal Amount | \$157 million | \$165 million | \$33 million |
| Loan Basis | \$220 / SF | \$169 / SF | \$1,244 / SF |
| Coupon | L + 2.6% (4.9% Coupon Floor) | L + 2.5% (4.2% Coupon Floor) | L + 4.2% (5.1% Coupon Floor) |
| LTV ⁽¹⁾ | 68% | 71% | 73% |
| Max Remaining Term (Yrs.) | 2.1 | 1.3 | 0.5 ⁽²⁾ |
| Loan Risk Rating | 4 | 4 | 4 |

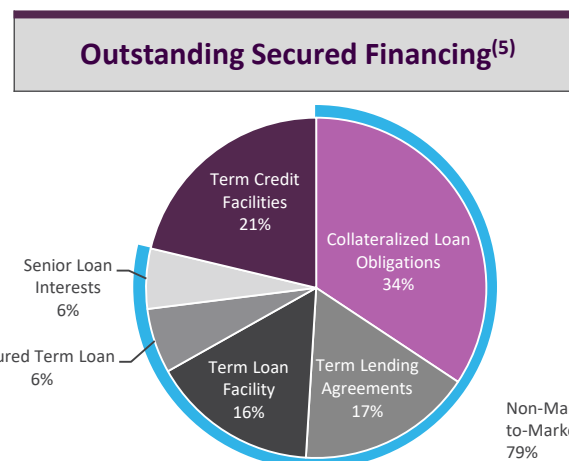
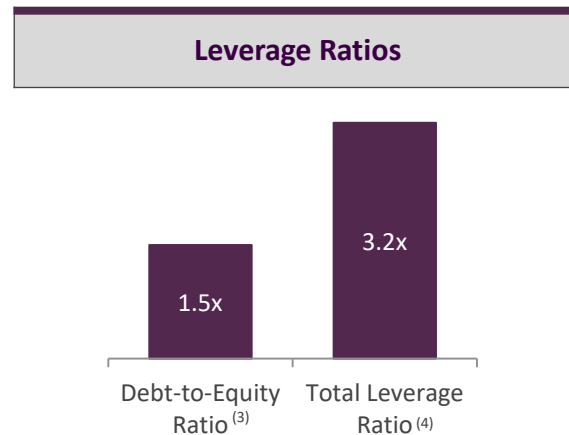
(1) LTV is based on the initial loan amount divided by the as-is appraised value as of the date the loan was originated or by the current principal amount as of the date of the most recent as-is appraised value

(2) Calculated based on the anticipated maturity date

Financing Overview: 79% Non-Mark-To-Market

Diversified financing sources totaling \$8.0 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 | \$1,204 | +1.7% | 71.0% | ⁽²⁾ |
| Term Lending Agreements | \$1,383 | \$943 | +1.8% | 79.6% | ✓ |
| Warehouse Facility | \$500 | \$0 | n/a | n/a | ✓ |
| Asset Specific Financing | \$300 | \$0 | n/a | n/a | ✓ |
| Secured Term Loan | \$349 | \$349 | +3.5% ⁽⁶⁾ | - | ✓ |
| Convertible Notes | \$144 | \$144 | 6.1% | - | ✓ |
| Corporate Revolving Credit Facility | \$520 | \$0 | +2.0% | - | ✓ |
| Total Corporate Obligations | \$5,036 | \$2,640 | | | |
| Collateralized Loan Obligations | \$1,943 | \$1,943 | +1.5% | 84.5% | ✓ |
| Term Loan Facility | \$1,000 | \$899 | +1.6% | 78.7% | ✓ |
| Total Leverage | \$7,979 | \$5,482 | | | |

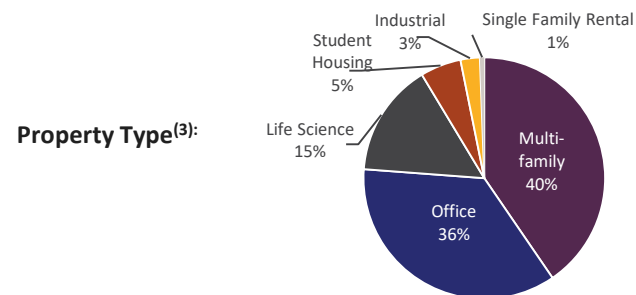


- (1) Weighted average coupon expressed as spread over the relevant floating benchmark rates, which include one-month LIBOR and Term SOFR, as applicable to each financing
- (2) Term credit facilities are marked to credit only and not subject to capital markets mark-to-market provisions
- (3) Represents (i) total outstanding debt agreements (excluding non-recourse term loan facility), 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) 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
- (6) Loan bears interest at L +3.5% and is subject to a LIBOR floor of 0.5%

Financing Overview: Term Credit Facilities

(\$ in Millions)

| Counterparty |  | Morgan Stanley |  | Total / Weighted Average |
|-----------------------------------------|-----------------------------------------------------------------------------------|-----------------|-------------------------------------------------------------------------------------|--------------------------|
| Drawn | \$666 | \$433 | \$105 | \$1,204 |
| Capacity | \$1,000 | \$600 | \$240 | \$1,840 |
| Collateral: Loans / Principal Balance | 11 Loans / \$895 | 9 Loans / \$613 | 6 Loans / \$189 | 26 Loans / \$1,697 |
| Final Stated Maturity ⁽¹⁾ | September 2026 | December 2023 | October 2023 | - |
| Weighted Average Pricing ⁽²⁾ | + 1.4% | + 1.9% | + 2.2% | + 1.7% |
| Weighted Average Advance | 74.4% | 70.8% | 55.7% | 71.0% |
| 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

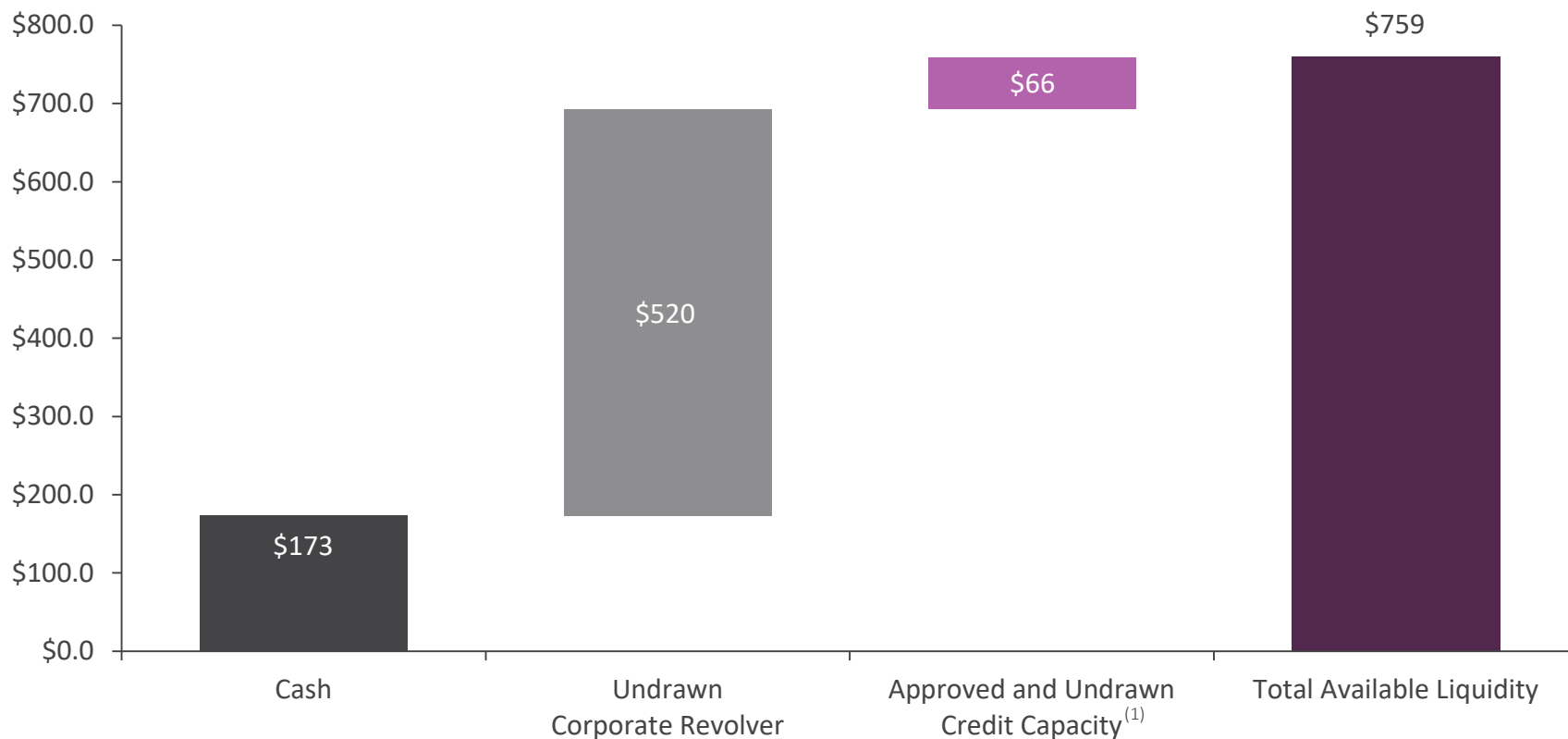
(3) Based on principal balance of financing

Liquidity Overview

In addition to the available liquidity below, KREF had \$377 million of unencumbered senior loans that can be pledged to financing facilities subject to lender approval, as of March 31, 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 Repositioning for Higher Rate Environment

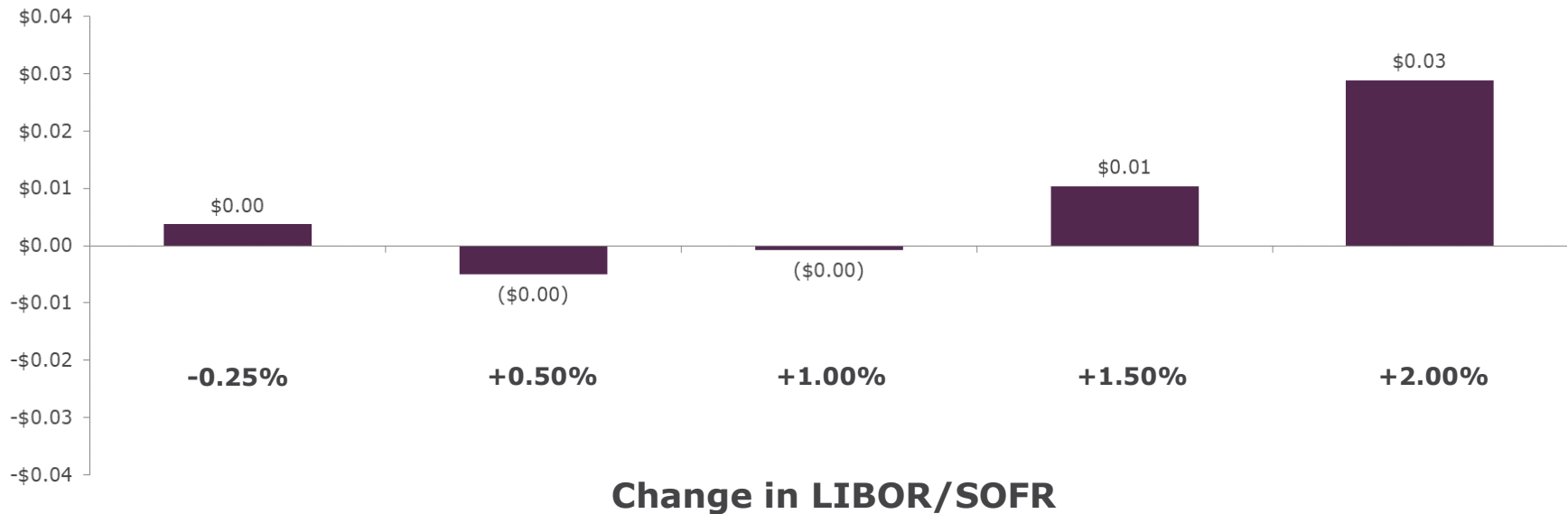
Ongoing portfolio rotation out of higher rate-floor loans is positioning KREF to benefit from a rising rate environment

100% floating-rate loan portfolio; 87% indexed to one-month LIBOR and 13% to Term SOFR

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

LIBOR = 0.45%
SOFR = 0.30%
As of 3/31/2022

(\$ Impact Per Share / Q)



Note: Based on portfolio as of March 31, 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 | \$352.9 | \$70.2 | \$28.1 | + 3.2% | 4.5 | \$ 317,965 / unit | 69% | 3 |
| 2 | Senior Loan | Bellevue, WA | Office | 9/13/2021 | 520.8 | 260.4 | 68.2 | 16.3 | 192.2 | + 3.6% | 5.0 | \$ 855 / SF | 63% | 3 |
| 3 | Senior Loan | Los Angeles, CA | Multifamily | 2/19/2021 | 260.0 | 260.0 | 250.0 | 38.0 | 10.0 | + 3.6% | 3.9 | \$ 466,400 / unit | 68% | 3 |
| 4 | Senior Loan | Boston, MA | Life Science | 5/24/2018 | 250.5 | 250.5 | 249.0 | 60.7 | 1.5 | + 3.2% | 1.8 | \$ 533 / SF | 53% | 1 |
| 5 | Senior Loan | Mountain View, CA | Office | 7/14/2021 | 362.8 | 250.0 | 186.7 | 44.8 | 63.3 | + 3.3% | 4.4 | \$ 607 / SF | 73% | 3 |
| 6 | Senior Loan | New York, NY | Condo (Resi) | 12/20/2018 | 234.5 | 234.5 | 214.8 | 59.2 | 19.7 | + 3.6% | 1.8 | \$ 1,341 / SF | 71% | 3 |
| 7 | Senior Loan | Bronx, NY | Industrial | 8/27/2021 | 381.2 | 228.7 | 111.3 | 109.8 | 117.4 | + 4.1% | 4.4 | \$ 277 / SF | 52% | 3 |
| 8 | Senior Loan | Various | Multifamily | 5/31/2019 | 216.5 | 216.5 | 216.3 | 38.9 | 0.2 | + 4.0% | 2.2 | \$ 202,104 / unit | 74% | 3 |
| 9 | Senior Loan ⁽¹⁰⁾ | Various | Industrial | 6/30/2021 | 425.0 | 212.5 | 26.5 | 24.0 | 186.0 | + 5.4% | 4.3 | \$ 210 / SF | 68% | 3 |
| 10 | Senior Loan | Minneapolis, MN | Office | 11/13/2017 | 194.4 | 194.4 | 194.4 | 33.0 | - | + 3.8% | 0.7 | \$ 179 / SF | 65% | 2 |
| 11 | Senior Loan | Washington, D.C. | Office | 11/9/2021 | 187.7 | 187.7 | 125.9 | 31.6 | 61.8 | + 3.3% | 4.7 | \$ 362 / SF | 55% | 3 |
| 12 | Senior Loan | Boston, MA | Office | 2/4/2021 | 375.0 | 187.5 | 187.5 | 37.4 | - | + 3.3% | 3.9 | \$ 506 / SF | 71% | 3 |
| 13 | Senior Loan | Chicago, IL | Multifamily | 6/6/2019 | 186.0 | 186.0 | 179.5 | 32.4 | 3.6 | + 3.6% | 2.2 | \$ 364,837 / unit | 72% | 3 |
| 14 | Senior Loan | The Woodlands, TX | Hospitality | 9/15/2021 | 183.3 | 183.3 | 168.9 | 30.5 | 14.4 | + 4.2% | 4.5 | \$ 185,810 / key | 64% | 3 |
| 15 | Senior Loan | Philadelphia, PA | Office | 4/11/2019 | 182.6 | 182.6 | 157.0 | 24.9 | 25.6 | + 2.6% | 2.1 | \$ 220 / SF | 68% | 4 |
| 16 | Senior Loan | Washington, D.C. | Office | 12/20/2019 | 175.5 | 175.5 | 127.1 | 43.9 | 48.4 | + 3.4% | 2.8 | \$ 622 / SF | 58% | 3 |
| 17 | Senior Loan | West Palm Beach, FL | Multifamily | 12/29/2021 | 171.5 | 171.5 | 169.6 | 25.2 | 1.9 | + 2.7% | 4.8 | \$ 208,857 / unit | 73% | 3 |
| 18 | Senior Loan | Chicago, IL | Office | 7/15/2019 | 170.0 | 170.0 | 137.6 | 27.1 | 32.4 | + 3.3% | 2.4 | \$ 132 / SF | 59% | 3 |
| 19 | Senior Loan | Boston, MA | Life Science | 4/27/2021 | 332.3 | 166.2 | 124.3 | 20.8 | 41.9 | + 3.6% | 4.1 | \$ 516 / SF | 66% | 3 |
| 20 | Senior Loan | Philadelphia, PA | Office | 6/19/2018 | 165.0 | 165.0 | 165.0 | 92.2 | - | + 2.5% | 1.3 | \$ 169 / SF | 71% | 4 |
| 21 | Senior Loan | New York, NY | Multifamily | 12/5/2018 | 163.0 | 163.0 | 148.0 | 22.3 | 15.0 | + 4.0% | 1.7 | \$ 556,391 / unit | 77% | 3 |
| 22 | Senior Loan | Oakland, CA | Office | 10/23/2020 | 509.9 | 159.7 | 112.3 | 17.7 | 7.4 | + 4.3% | 3.6 | \$ 306 / SF | 65% | 3 |
| 23 | Senior Loan | Plano, TX | Office | 2/6/2020 | 153.7 | 153.7 | 135.7 | 21.2 | 18.0 | + 2.7% | 2.9 | \$ 188 / SF | 63% | 2 |
| 24 | Senior Loan | Seattle, WA | Life Science | 10/1/2021 | 188.0 | 140.3 | 90.0 | 23.9 | 50.3 | + 3.1% | 4.5 | \$ 575 / SF | 69% | 3 |
| 25 | Senior Loan | Boston, MA | Multifamily | 3/29/2019 | 138.0 | 138.0 | 137.0 | 21.3 | 1.0 | + 2.7% | 2.0 | \$ 351,282 / unit | 59% | 3 |
| 26 | Senior Loan | Dallas, TX | Office | 12/10/2021 | 138.0 | 138.0 | 135.8 | 25.0 | 2.2 | + 3.6% | 4.7 | \$ 432 / SF | 68% | 3 |
| 27 | Senior Loan | Arlington, VA | Multifamily | 1/20/2022 | 135.3 | 135.3 | 130.9 | 31.5 | 4.4 | + 2.9% | 4.9 | \$ 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% | 1.7 | \$ 375,723 / key | 66% | 3 |
| 29 | Senior Loan | San Carlos, CA | Life Science | 2/1/2022 | 195.9 | 125.0 | 80.8 | 19.7 | 44.2 | + 3.6% | 4.9 | \$ 551 / SF | 68% | 3 |
| 30 | Senior Loan | Fontana, CA | Industrial | 5/11/2021 | 119.9 | 119.9 | 48.7 | 19.5 | 71.2 | + 4.6% | 4.2 | \$ 102 / SF | 64% | 3 |
| 31 | Senior Loan | Irving, TX | Multifamily | 4/22/2021 | 117.6 | 117.6 | 110.5 | 17.6 | 7.1 | + 3.3% | 4.1 | \$ 121,745 / unit | 70% | 3 |
| 32 | Senior Loan | Cambridge, MA | Life Science | 12/22/2021 | 401.3 | 115.7 | 53.4 | 14.3 | 62.3 | + 3.9% | 4.8 | \$ 1072 / SF | 51% | 3 |
| 33 | Senior Loan | Pittsburgh, PA | Student Housing | 6/8/2021 | 112.5 | 112.5 | 112.5 | 16.9 | - | + 2.9% | 4.2 | \$ 155,602 / bed | 74% | 3 |
| 34 | Senior Loan | Las Vegas, NV | Multifamily | 12/28/2021 | 106.3 | 106.3 | 102.0 | 19.7 | 4.3 | + 2.7% | 4.8 | \$ 193,182 / unit | 61% | 3 |
| 35 | Senior Loan | Doral, FL | Multifamily | 12/10/2021 | 212.0 | 106.0 | 106.0 | 20.8 | - | + 2.8% | 4.7 | \$ 335,975 / unit | 77% | 3 |
| 36 | Senior Loan | San Diego, CA | Multifamily | 10/20/2021 | 103.5 | 103.5 | 103.5 | 18.3 | - | + 2.8% | 4.6 | \$ 448,052 / unit | 71% | 3 |
| 37 | Senior Loan | Orlando, FL | Multifamily | 12/14/2021 | 102.4 | 102.4 | 88.9 | 21.3 | 13.5 | + 3.0% | 4.8 | \$ 234,565 / unit | 74% | 3 |
| 38 | Senior Loan | West Hollywood, CA | Multifamily | 1/26/2022 | 102.0 | 102.0 | 102.0 | 15.1 | - | + 3.0% | 4.9 | \$ 2,756,757 / unit | 65% | 3 |
| 39 | Senior Loan | Washington, D.C. | Office | 1/13/2022 | 228.5 | 100.0 | 57.4 | 8.9 | 42.6 | + 3.2% | 5.9 | \$ 210 / SF | 55% | 3 |
| 40 | Senior Loan | Phoenix, AZ | Industrial | 1/13/2022 | 195.3 | 100.0 | 5.6 | 3.2 | 94.4 | + 4.0% | 4.9 | \$ 57 / SF | 57% | 3 |
| 41 | Senior Loan | Brisbane, CA | Life Science | 7/22/2021 | 95.0 | 95.0 | 85.6 | 17.0 | 9.4 | + 3.0% | 4.4 | \$ 739 / SF | 71% | 3 |
| 42 | Senior Loan | State College, PA | Student Housing | 10/15/2019 | 93.4 | 93.4 | 87.8 | 21.7 | 5.6 | + 2.7% | 2.6 | \$ 73,507 / bed | 64% | 3 |
| 43 | Senior Loan | Brandon, FL | Multifamily | 1/13/2022 | 90.3 | 90.3 | 61.9 | 8.4 | 28.4 | + 3.1% | 4.9 | \$ 189,939 / unit | 75% | 3 |
| 44 | Senior Loan | Dallas, TX | Multifamily | 12/23/2021 | 90.0 | 90.0 | 77.5 | 14.9 | 12.5 | + 2.8% | 4.8 | \$ 238,488 / unit | 67% | 3 |
| 45 | Senior Loan | Miami, FL | Multifamily | 10/14/2021 | 89.5 | 89.5 | 89.5 | 17.0 | - | + 2.8% | 4.6 | \$ 304,422 / unit | 76% | 3 |
| 46 | Senior Loan | Denver, CO | Multifamily | 6/24/2021 | 88.5 | 88.5 | 88.5 | 15.4 | - | + 3.0% | 4.3 | \$ 295,000 / unit | 77% | 3 |
| 47 | Senior Loan | Dallas, TX | Office | 1/22/2021 | 87.0 | 87.0 | 87.0 | 21.1 | - | + 3.3% | 3.9 | \$ 288 / SF | 65% | 3 |
| 48 | Senior Loan | Charlotte, NC | Multifamily | 12/14/2021 | 86.8 | 86.8 | 76.0 | 10.8 | 10.8 | + 3.0% | 4.8 | \$ 206,522 / unit | 74% | 3 |
| 49 | Senior Loan | New York, NY | Multifamily | 3/29/2018 | 86.0 | 86.0 | 86.0 | 13.2 | - | + 4.0% | 1.0 | \$ 462,366 / unit | 63% | 2 |
| 50 | Senior Loan | Hollywood, FL | Multifamily | 12/20/2021 | 81.0 | 81.0 | 81.0 | 14.6 | - | + 3.0% | 4.8 | \$ 327,935 / unit | 74% | 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 | Seattle, WA | Office | 3/20/2018 | 80.7 | 80.7 | 80.7 | 13.2 | - | + 4.1% | 1.0 | \$ 468 / SF | 56% | 3 |
| 52 | Senior Loan | Phoenix, AZ | Single Family Rental | 4/22/2021 | 72.1 | 72.1 | 18.8 | 11.2 | 53.3 | + 4.8% | 4.1 | \$ 157,092 / unit | 50% | 3 |
| 53 | Senior Loan | Arlington, VA | Multifamily | 10/23/2020 | 141.8 | 70.9 | 70.9 | 11.5 | - | + 3.8% | 3.5 | \$ 393,858 / unit | 73% | 3 |
| 54 | Senior Loan | Denver, CO | Multifamily | 9/14/2021 | 70.3 | 70.3 | 69.3 | 11.0 | 1.0 | + 2.7% | 4.5 | \$ 286,157 / unit | 78% | 3 |
| 55 | Senior Loan | Washington, D.C. | Multifamily | 12/4/2020 | 69.0 | 69.0 | 66.3 | 10.3 | 2.7 | + 3.5% | 3.7 | \$ 265,132 / unit | 63% | 3 |
| 56 | Senior Loan | Dallas, TX | Multifamily | 8/18/2021 | 68.2 | 68.2 | 68.2 | 9.8 | - | + 3.8% | 4.4 | \$ 189,444 / unit | 70% | 3 |
| 57 | Senior Loan | Manassas Park, VA | Multifamily | 2/25/2022 | 68.0 | 68.0 | 68.0 | 67.5 | - | + 2.7% | 4.9 | \$ 223,684 / unit | 73% | 3 |
| 58 | Senior Loan | Plano, TX | Multifamily | 3/31/2022 | 67.8 | 67.8 | 64.2 | 63.5 | 3.6 | + 2.8% | 5.0 | \$ 241,165 / unit | 75% | 3 |
| 59 | Senior Loan | Nashville, TN | Hospitality | 12/9/2021 | 66.0 | 66.0 | 64.3 | 9.8 | 1.7 | + 3.6% | 4.8 | \$ 279,498 / key | 68% | 3 |
| 60 | Senior Loan | Atlanta, GA | Multifamily | 12/10/2021 | 61.5 | 61.5 | 55.8 | 13.7 | 5.7 | + 2.9% | 4.8 | \$ 184,763 / unit | 67% | 3 |
| 61 | Senior Loan | Durham, NC | Multifamily | 12/15/2021 | 60.0 | 60.0 | 50.3 | 8.4 | 9.7 | + 2.9% | 4.8 | \$ 145,740 / unit | 67% | 3 |
| 62 | Senior Loan | Sharon, MA | Multifamily | 12/1/2021 | 56.9 | 56.9 | 56.9 | 8.3 | - | + 2.8% | 4.7 | \$ 296,484 / unit | 70% | 3 |
| 63 | Senior Loan | Queens, NY | Industrial | 2/22/2022 | 55.3 | 55.3 | 52.0 | 51.7 | 3.3 | + 4.0% | 1.9 | \$ 84 / SF | 68% | 3 |
| 64 | Senior Loan | Georgetown, TX | Multifamily | 12/16/2021 | 41.8 | 41.8 | 41.8 | 10.1 | - | + 3.3% | 4.8 | \$ 199,048 / unit | 68% | 3 |
| 65 | Senior Loan | New York, NY | Condo (Resi) | 8/4/2017 | 32.6 | 32.6 | 32.6 | 32.6 | - | + 4.2% | 0.0 | \$ 1,244 / SF | 73% | 4 |
| 66 | Senior Loan ⁽¹¹⁾ | Denver, CO | Industrial | 12/11/2020 | 28.8 | 28.8 | 13.7 | 13.3 | 15.1 | + 3.8% | 3.8 | \$ 58 / SF | 61% | 3 |
| Total / Weighted Average | | | | | \$10,837.0 | \$8,590.1 | \$7,098.1 | \$1,743.3 | \$1,449.1 | + 3.3% | 3.5 | | 67% | 2.9 |
| Non-Senior Loans | | | | | | | | | | | | | | |
| 1 | Real Estate Corporate Loan ⁽¹²⁾ | n.a. | Multifamily | 12/11/2020 | 103.8 | 41.5 | 41.5 | 41.0 | - | + 12.0% | 3.7 | n/a | n.a. | 3 |
| Total / Weighted Average | | | | | \$103.8 | \$41.5 | \$41.5 | \$41.0 | \$0.0 | + 12.0% | 3.7 | | 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 | 4.6% | 7.2 | n.a. | 58% | n.a. |
| Total / Weighted Average | | | | | | \$40.0 | \$35.7 | \$35.7 | \$4.3 | 4.6% | 7.2 | | 58% | |
| Real Estate Owned | | | | | | | | | | | | | | |
| 1 | Real Estate Asset | Portland, OR | Retail | 12/16/2021 | n.a. | n.a. | 78.6 | 78.4 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Total / Weighted Average | | | | | | | \$78.6 | \$78.4 | | | | | | |
| Portfolio Total / Weighted Average | | | | | | \$8,671.6 | \$7,253.9 | \$1,898.4 | \$1,453.4 | 4.1% | 3.6 | | 67% | 2.9 |

*See footnotes on subsequent page

Portfolio Details

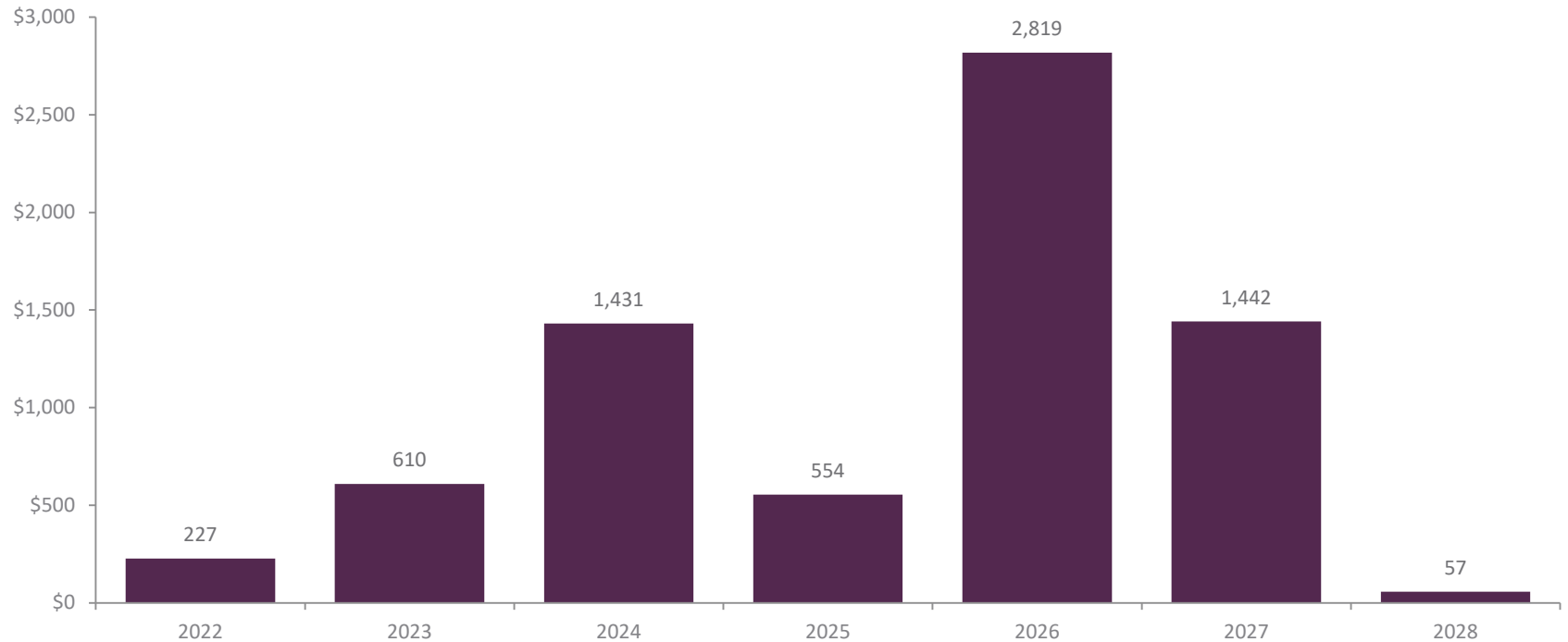
- (1) Senior loans include senior mortgages and similar credit quality investments, including junior participations in our originated senior loans for which we have syndicated the senior participations and retained the junior participations for our portfolio and excludes vertical loan syndications.
 - For Senior Loan 12, 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 March 31, 2022, at an interest rate of L + 7.9%.
 - For Senior Loan 13, the total whole loan is \$186.0 million, of which an \$81.6 million senior note was syndicated to a third party lender. Post syndication, KREF retained the mezzanine loan and a 45% interest in the senior loan which both totaled \$104.4 million commitment, of which \$100.7 million was funded as of March 31, 2022, at a blended interest rate of L + 4.7%.
 - 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 \$17.6 million was funded as of March 31, 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 March 31, 2022, 87.1% and 12.9% 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, 40, 52, and 66 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 65, 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, 40, 52, and 66 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 March 31, 2022, there were six underlying senior loans in the facility with a commitment of \$65.9 million and outstanding principal of \$26.5 million.
- (11) For Senior Loan 65, Loan per SF of \$1,244 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 \$1,928 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 3.5 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) | March 31, 2022 | December 31, 2021 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents ⁽¹⁾ | \$ 173,178 | \$ 271,487 |
| Commercial real estate loans, held-for-investment | 6,772,884 | 6,316,733 |
| Less: Allowance for credit losses | (20,676) | (22,244) |
| Commercial real estate loans, held-for-investment, net | 6,752,208 | 6,294,489 |
| Real estate owned, net | 78,569 | 78,569 |
| Equity method investments | 36,595 | 35,537 |
| Accrued interest receivable | 19,091 | 15,241 |
| Other assets ⁽²⁾⁽³⁾ | 90,122 | 7,916 |
| Total Assets | \$ 7,149,763 | \$ 6,703,239 |
| Liabilities and Equity | | |
| Liabilities | | |
| Secured financing agreements, net | \$ 3,035,230 | \$ 3,726,593 |
| Collateralized loan obligations, net | 1,929,616 | 1,087,976 |
| Secured term loan, net | 337,971 | 338,549 |
| Convertible notes, net | 142,193 | 141,851 |
| Dividends payable | 29,411 | 26,589 |
| Accrued interest payable | 9,528 | 6,627 |
| Accounts payable, accrued expenses and other liabilities ⁽⁴⁾ | 7,426 | 7,521 |
| Due to affiliates | 8,668 | 5,952 |
| Total Liabilities | 5,500,043 | 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 March 31, 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 (71,834,030 and 65,271,058 shares issued; 67,933,704 and 61,370,732 shares outstanding as of March 31, 2022 and December 31, 2021, respectively) | 679 | 613 |
| Additional paid-in capital | 1,747,340 | 1,459,959 |
| Accumulated deficit | (37,616) | (38,208) |
| Repurchased stock (3,900,326 shares repurchased as of March 31, 2022 and December 31, 2021) | (60,999) | (60,999) |
| Total KKR Real Estate Finance Trust Inc. stockholders' equity | 1,649,535 | 1,361,434 |
| Noncontrolling interests in equity of consolidated joint venture | 185 | 147 |
| Total Permanent Equity | 1,649,720 | 1,361,581 |
| Total Liabilities and Equity | \$ 7,149,763 | \$ 6,703,239 |

(1) Includes \$54.0 million held in collateralized loan obligation as of December 31, 2021

(2) Includes \$1.7 million and \$2.3 million of restricted cash as of March 31, 2022 and December 31, 2021, respectively

(3) Includes \$80.9 million of pre-close loan fundings into escrow as of March 31, 2022

(4) Includes \$1.8 million and \$1.5 million of expected loss reserve for unfunded loan commitments as of March 31, 2022 and December 31, 2021, respectively

Consolidated Statements of Income

| (in thousands - except share and per share data) | Three Months Ended | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|------------------|
| | March 31, 2022 | December 31, 2021 | March 31, 2021 |
| Net Interest Income | | | |
| Interest income | \$ 73,230 | \$ 72,715 | \$ 64,766 |
| Interest expense | 32,459 | 30,266 | 27,383 |
| Total net interest income | 40,771 | 42,449 | 37,383 |
| Other Income | | | |
| Income (loss) from equity method investments | - | 5,126 | - |
| Revenue from real estate owned operations | 2,629 | - | - |
| Income (loss) from equity method investments | 1,886 | 1,863 | 1,090 |
| Other income | 1,915 | 390 | 66 |
| Total other income (loss) | 6,430 | 7,379 | 1,156 |
| Operating Expenses | | | |
| General and administrative | 4,446 | 3,383 | 3,505 |
| Provision for (reversal of) credit losses, net | (1,218) | (3,077) | (1,588) |
| Management fees to affiliate | 6,007 | 5,289 | 4,290 |
| Incentive compensation to affiliate | - | 3,463 | 2,192 |
| Expenses from real estate owned operations | 2,554 | - | - |
| Total operating expenses | 11,789 | 9,058 | 8,399 |
| Income (Loss) Before Income Taxes, Noncontrolling Interests, Preferred Dividends, Redemption Value Adjustment and Participating Securities' Share in Earnings | 35,412 | 40,770 | 30,140 |
| Income tax expense | - | 427 | 48 |
| Net Income (Loss) | 35,412 | 40,343 | 30,092 |
| Noncontrolling interests in (income) loss of consolidated joint venture | 56 | - | - |
| Net Income (Loss) Attributable to KREF Trust Inc. and Subsidiaries | 35,468 | 40,343 | 30,092 |
| Preferred Stock dividends and redemption value adjustment | 5,326 | 4,966 | 908 |
| Participating securities' share in earnings | 346 | 179 | - |
| Net Income (Loss) Attributable to Common Stockholders | \$ 29,796 | \$ 35,198 | \$ 29,184 |
| Net Income (Loss) Per Share of Common Stock, Basic | \$ 0.47 | \$ 0.59 | \$ 0.52 |
| Net Income (Loss) Per Share of Common Stock, Diluted | \$ 0.46 | \$ 0.59 | \$ 0.52 |
| Weighted Average Number of Shares of Common Stock Outstanding, Basic | 63,086,452 | 59,364,672 | 55,619,428 |
| Weighted Average Number of Shares of Common Stock Outstanding, Diluted | 69,402,626 | 59,453,264 | 55,731,061 |
| Dividends Declared per Share of Common Stock | \$ 0.43 | \$ 0.43 | \$ 0.43 |

Reconciliation of GAAP Net Income to Distributable Earnings

| | Three Months Ended | | | | | |
|---------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------------|-------------------|----------------------------------|----------------|----------------------------------|
| | March 31, 2022 | Per Diluted Share ⁽⁴⁾ | December 31, 2021 | Per Diluted Share ⁽⁴⁾ | March 31, 2021 | Per Diluted Share ⁽⁴⁾ |
| Net Income (Loss) Attributable to Common Stockholders | \$ 29,796 | \$ 0.46 | \$ 35,198 | \$ 0.59 | \$ 29,184 | \$ 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 | 2,126 | 0.03 | 1,413 | 0.02 | 1,994 | 0.04 |
| Unrealized (gains) or losses ⁽²⁾ | (1,032) | (0.02) | 1,463 | 0.02 | 708 | 0.01 |
| Provision for (reversal of) credit losses, net | (1,218) | (0.02) | (3,077) | (0.05) | (1,588) | (0.03) |
| Gain on redemption of non-voting manager units | - | - | (5,126) | (0.09) | - | - |
| Non-cash convertible notes discount amortization | 89 | 0.00 | 91 | 0.00 | 89 | 0.00 |
| Distributable Earnings before realized losses on loan write-offs | \$ 29,761 | \$ 0.47 | \$ 29,962 | \$ 0.50 | \$ 30,387 | \$ 0.55 |
| Realized losses on loan write-offs ⁽³⁾ | - | - | (32,905) | (0.55) | - | - |
| Distributable Earnings | \$ 29,761 | \$ 0.47 | \$ (2,943) | \$ (0.05) | \$ 30,387 | \$ 0.55 |
| Weighted average number of shares of common stock outstanding, diluted⁽¹⁾ | 63,086,452 | | 59,364,672 | | 55,731,061 | |

(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 (\$1.0) million, (\$1.1) million, and \$0.0 million of unrealized mark-to-market adjustment to RECOP I's underlying CMBS investments during 1Q'22, 4Q'21, and 1Q'21, respectively. Includes \$2.5 million and \$0.7 million non-cash redemption value adjustment of the Special Non-Voting Preferred Stock (SNVPS) during 4Q'21 and 1Q'21, respectively

(3) Includes \$32.1 million write-off on a defaulted senior retail loan which we took title of the underlying property and \$0.9 million write-off of the remaining balance on an impaired mezzanine retail loan during 4Q'21

(4) 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.