



## KKR REAL ESTATE FINANCE TRUST INC. REPORTS THIRD QUARTER 2021 FINANCIAL RESULTS

New York, NY, October 25, 2021 - KKR Real Estate Finance Trust Inc. (the “Company” or “KREF”) (NYSE: KREF) today reported its financial results for the quarter ended September 30, 2021.

Reported net income attributable to common stockholders of \$32.0 million, or \$0.57 per diluted share of common stock, for the three months ended September 30, 2021, compared to \$29.3 million, or \$0.52 per diluted share of common stock, for the three months ended June 30, 2021.

Reported Distributable Earnings of \$34.5 million, or \$0.62 per diluted share of common stock, for the three months ended September 30, 2021, compared to \$30.4 million, or \$0.54 per diluted share of common stock, for the three months ended June 30, 2021.

### Third Quarter 2021 Highlights

- Originated eight senior loans totaling \$1,537.0 million, with a weighted average appraised loan-to-value ratio (“LTV”)<sup>(1)</sup> and coupon of 66% and L+3.5%, respectively. Received loan repayments of \$934.9 million.
- Closed a \$1.3 billion managed CLO with two-year reinvestment period providing \$1.1 billion of non-mark financing equating to an 84.25% advance rate and a weighted average cost of capital of L+1.3% before transaction costs. Concurrently, repaid \$767.0 million of outstanding notes under our 2018 CLO.
- Entered into a new \$500.0 million term lending agreement, which provides asset-based financing on a non-mark-to-market basis with matched-term up to five years.
- \$516.2 million liquidity position, including \$307.7 million of cash and \$185.0 million of undrawn capacity on the corporate revolving credit facility (“Revolver”), in addition to \$528.0 million of unencumbered investments.
- Current loan portfolio:
  - A record \$5.8 billion funded portfolio that is 98.0% performing with a weighted average risk rating of 3.0.
  - Multifamily and office loans comprise 71% of the portfolio, while hospitality and retail loans comprise 8%.
  - 99.9% floating-rate with a weighted average LTV of 67%.
- Book value per common share (“BVPS”) accretion for six consecutive quarters. BVPS was \$19.09 as of September 30, 2021, compared to \$18.91 as of June 30, 2021.

Matt Salem, Chief Executive Officer of KREF, said: “KREF delivered another exceptional quarter with record distributable earnings and our sixth consecutive quarter of book value accretion. The scale of our platform, connectivity with KKR and deep relationships with institutional sponsors delivered strong investment activity with \$1.5 billion originations for the third quarter.”

Patrick Mattson, President and Chief Operating Officer of KREF, added: “KREF’s affiliation with KKR continues to create market-leading financing solutions. During the quarter, KREF further diversified its financing through the addition of a new \$500 million non-mark-to-market term facility and closing of a \$1.3 billion managed CRE CLO.”

(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.

## Portfolio Performance

Collected 97.4% of interest payments due on loan portfolio for the three months ended September 30, 2021. As of September 30, 2021, the average risk rating of the Company's portfolio was 3.0 (Average Risk), weighted by outstanding principal amount, as compared to 3.1 (Average Risk) as of June 30, 2021. As of September 30, 2021, 91.2% of the Company's loans was risk-rated 3 or better.

## Third Quarter 2021 Investment Activity

### Loan Originations

The Company committed capital and funded to the following floating-rate loans (\$ in thousands):

Description/ Location	Property Type	Month Originated	Committed Principal Amount	Initial Principal Funded	Interest Rate <sup>(A)</sup>	Maturity Date <sup>(B)</sup>	LTV
Senior Loan, Mountain View, CA <sup>(D)</sup>	Office	July 2021	\$ 250,000	\$ 181,571	L + 3.3%	August 2026	73%
Senior Loan, Brisbane, CA	Life Science	July 2021	95,000	84,875	L + 3.0	August 2026	71
Senior Loan, Dallas, TX	Multifamily	August 2021	68,200	68,200	L + 3.8	September 2026	70
Senior Loan, Bronx, NY <sup>(E)</sup>	Industrial	August 2021	228,746	93,940	L + 4.1	September 2026	52
Senior Loan, Bellevue, WA <sup>(F)</sup>	Office	September 2021	260,416	43,157	L + 3.6	April 2027	63
Senior Loan, Denver, CO	Multifamily	September 2021	70,300	69,250	L + 2.7	October 2026	78
Senior Loan, The Woodlands, TX	Hospitality	September 2021	183,331	168,090	L + 4.2	October 2026	64
Senior Loan, Arlington, VA	Multifamily	September 2021	381,000	352,941	L + 3.2	October 2026	69
Total/ Weighted Average <sup>(C)</sup>			<u>\$ 1,536,993</u>	<u>\$ 1,062,024</u>	<u>L + 3.5%</u>		<u>66%</u>

(A) Floating rate based on one-month USD LIBOR. The weighted average coupon is 3.6%, based on outstanding principal and inclusive of in-place LIBOR floors, as of September 30, 2021.

(B) Maturity date assumes all extension options are exercised, if applicable.

(C) Weighted average interest rate and LTV are based on committed principal amount of underlying loans.

(D) The total whole loan is \$362.8 million, co-originated by the Company and a KKR affiliate. The Company's interest is 68.9% of the loan.

(E) The total whole loan is \$381.2 million, co-originated by the Company and a KKR affiliate. The Company's interest is 60.0% of the loan.

(F) The total whole loan is \$520.8 million, co-originated by the Company and KKR affiliates. The Company's interest is 50.0% of the loan.

## Quarter End Portfolio Summary

The following table sets forth certain information regarding the Company's portfolio as of September 30, 2021 (\$ in millions):

Investment	Committed Principal Amount <sup>(A)</sup>	Outstanding Principal Amount <sup>(A)</sup>	Amortized Cost <sup>(A)(B)</sup>	Carrying Value <sup>(A)(C)</sup>	Max Remaining Term (Years) <sup>(D)(E)</sup>	Weighted Average LTV <sup>(D)</sup>
Senior Loans	\$ 7,014.8	\$ 5,736.6	\$ 5,706.7	\$ 5,648.6	3.3	67%
Non-Senior Loans <sup>(F)</sup>	54.1	54.1	48.8	48.0	3.7	n.a.
CMBS B-Pieces <sup>(G)</sup>	40.0	35.7	35.7	34.5	7.7	58
Total/Weighted Average	<u>\$ 7,108.9</u>	<u>\$ 5,826.4</u>	<u>\$ 5,791.2</u>	<u>\$ 5,731.1</u>	<u>3.3</u>	<u>67%</u>

(A) Senior loans include senior mortgages and similar credit quality investments, including junior participations in the Company's originated senior loans for which it has syndicated the senior participations and retained the junior participations for its portfolio and excludes vertical loan syndications.

(B) Amortized cost represents the outstanding face amount of loan, net of applicable unamortized discounts, loan origination fees and write-offs.

(C) Carrying value represents the amortized cost of loan, net of applicable allowance for credit losses. Carrying value for CMBS B-Pieces, held through an equity method investment, is measured at fair value.

(D) Weighted by outstanding principal amount for the Company's senior, mezzanine and real estate corporate loans and by net equity for its CMBS B-Piece investments through an aggregator vehicle. Weighted average LTV does not include (i) one fully funded corporate loan to a multifamily operator with an outstanding principal amount of \$31.6 million and (ii) two non-performing 5-rated loans on non-accrual status; with a total outstanding principal of \$115.1 million as of September 30, 2021.

(E) Max remaining term (years) assumes all extension options are exercised, if applicable.

(F) Includes two fully funded mezzanine loans with an aggregate outstanding principal amount of \$22.5 million and one fully funded corporate loan to a multifamily operator with an outstanding principal amount of \$31.6 million as of September 30, 2021.

(G) Represents an equity method investment in RECOP I, an aggregator vehicle that invests in CMBS B-Pieces.

## Non-GAAP Financial Measures

### Reconciliation of Distributable Earnings to Net Income Attributable to Common Stockholders

The table below reconciles Distributable Earnings and related diluted per share amounts to net income attributable to common stockholders and related diluted per share amounts, respectively, for the three months ended September 30, 2021 and June 30, 2021 and the three months ended September 30, 2021 and 2020, respectively (\$ in thousands, except per share data):

	Three Months Ended September 30, 2021	Per Diluted Share <sup>(C)</sup>	Three Months Ended June 30, 2021	Per Diluted Share <sup>(C)</sup>
<b>Net Income (Loss) Attributable to Common Stockholders</b>	\$ 31,989	\$ 0.57	\$ 29,264	\$ 0.52
<b>Adjustments</b>				
Non-cash equity compensation expense	2,027	0.04	1,994	0.04
Unrealized (gains) or losses <sup>(A)</sup>	(748)	(0.01)	(364)	(0.01)
Provision for (reversal of) credit losses, net	1,165	0.02	(559)	(0.01)
Non-cash convertible notes discount amortization	91	—	90	—
<b>Distributable Earnings<sup>(B)</sup></b>	<b>\$ 34,524</b>	<b>\$ 0.62</b>	<b>\$ 30,425</b>	<b>\$ 0.54</b>
<b>Weighted average number of shares of common stock outstanding, diluted</b>	<b>56,011,243</b>		<b>55,907,086</b>	

- (A) Includes \$0.3 million and (\$0.2) million non-cash redemption value adjustment of our Special Non-Voting Preferred Stock and (\$1.0) million and (\$0.1) million of unrealized mark-to-market adjustment to our RECOP I's underlying CMBS investments for the three months ended September 30, 2021 and June 30, 2021, respectively.
- (B) The Company has a \$40.3 million, or \$0.72 per share, allowance for credit losses against one 5-rated retail loan with an outstanding principal balance of \$109.6 million as of September 30, 2021. Such unrealized allowance has not been reflected in distributable earnings.
- (C) Numbers presented may not foot due to rounding.

	Three Months Ended September 30, 2021	Per Diluted Share <sup>(C)</sup>	Three Months Ended September 30, 2020	Per Diluted Share <sup>(C)</sup>
<b>Net Income (Loss) Attributable to Common Stockholders</b>	\$ 31,989	\$ 0.57	\$ 31,351	\$ 0.56
<b>Adjustments</b>				
Non-cash equity compensation expense	2,027	0.04	1,390	0.02
Unrealized (gains) or losses <sup>(A)</sup>	(748)	(0.01)	(178)	—
Provision for (reversal of) credit losses, net	1,165	0.02	(126)	—
Non-cash convertible notes discount amortization	91	—	91	—
<b>Distributable Earnings<sup>(B)</sup></b>	<b>\$ 34,524</b>	<b>\$ 0.62</b>	<b>\$ 32,528</b>	<b>\$ 0.58</b>
<b>Weighted average number of shares of common stock outstanding, diluted</b>	<b>56,011,243</b>		<b>55,632,170</b>	

- (A) Includes \$0.3 million and (\$0.3) million non-cash redemption value adjustment of our Special Non-Voting Preferred Stock, and (\$1.0) million and \$0.1 million of unrealized mark-to-market adjustment to our RECOP I's underlying CMBS investments for the three months ended September 30, 2021 and 2020, respectively.
- (B) The Company has a \$40.3 million, or \$0.72 per share, allowance for credit losses against one 5-rated retail loan with an outstanding principal balance of \$109.6 million as of September 30, 2021. Such unrealized allowance has not been reflected in distributable earnings.
- (C) Numbers presented may not foot due to rounding.

### Book Value

The Company's book value per share of common stock was \$19.09 as of September 30, 2021, as compared to book value per share of common stock of \$18.91 as of June 30, 2021.

Book value per share as of September 30, 2021 includes the impact of CECL allowance of \$59.7 million, or (\$1.07) per common share, and is net of \$6.2 million, or (\$0.11) per common share, Series A Cumulative Redeemable Preferred Stock offering costs. See Note 2 — Summary of Significant Accounting Policies, to the Company's condensed consolidated financial statements included in the Form 10-Q for the period ended September 30, 2021 for detailed discussion of allowance for credit losses.

In addition, book value per share includes the impact of a \$0.3 million, or (\$0.00) per common share, non-cash redemption value adjustment to the redeemable Special Non-Voting Preferred Stock ("SNVPS") for the three months ended September 30, 2021, resulting in a cumulative (since issuance of the SNVPS) decrease of \$2.6 million, or (\$0.05) per common share to the book value ("SNVPS Cumulative Impact") as of September 30, 2021.

See Note 10 — Equity, to the Company's condensed consolidated financial statements included in the Form 10-Q for the period ended September 30, 2021 for detailed discussion of the SNVPS.

## Subsequent Events

The following events occurred subsequent to September 30, 2021:

### *Investing Activities*

The Company originated the following senior loans:

Description/ Location	Property Type	Month Originated	Committed Principal Amount	Initial Principal Funded	Interest Rate <sup>(A)</sup>	Maturity Date <sup>(B)</sup>	LTV
Senior Loan, Seattle, WA <sup>(C)</sup>	Life Science	October 2021	\$ 140,262	\$ 87,000	L + 3.1%	October 2026	69%
Senior Loan, Miami, FL	Multifamily	October 2021	89,500	89,500	L + 2.8	November 2026	76
Senior Loan, San Diego, CA	Multifamily	October 2021	103,500	103,500	L + 2.8	November 2026	71
Total/ Weighted Average			<u>\$ 333,262</u>	<u>\$ 280,000</u>	<u>L + 2.9%</u>		<u>72%</u>

(A) Floating rate based on one-month USD LIBOR.

(B) Maturity date assumes all extension options are exercised, if applicable.

(C) The total whole loan is \$188.0 million, co-originated by the Company and a KKR affiliate. The Company's interest is 74.6% of the loan.

### *Loan Repayments*

The Company received approximately \$102.3 million from loan repayments.

### *Corporate Activities*

#### *Dividends*

In October 2021, the Company paid \$23.9 million in dividends on its common stock, or \$0.43 per share, with respect to the third quarter of 2021, to stockholders of record on September 30, 2021.

#### *Redemption of Special Non-Voting Preferred Stock*

On October 1, 2021, the KKR Member exercised its Call Option to redeem the Non-Voting Manager Units, including the Non-Voting Manager Units held by KREF TRS, a wholly-owned subsidiary of the Company. Accordingly, KREF TRS received a cash call amount of \$5.1 million and the Company concurrently redeemed the SNVPS which will result in book value accretion in the fourth quarter of \$2.6 million, or \$0.05 per common share, thus eliminating the cumulative negative impact of the SNVPS on book value.

**Teleconference Details:**

The Company will host a conference call to discuss its financial results on Tuesday, October 26, 2021 at 9:00 a.m. Eastern Time. Members of the public who are interested in participating in the Company's third quarter 2021 earnings teleconference call should dial from the U.S., (844) 784-1730, or from outside the U.S., +1 (412) 380-7410, shortly before 9:00 a.m. and reference the KKR Real Estate Finance Trust Inc. Teleconference Call; a pass code is not required. Please note the teleconference call will be available for replay beginning approximately two hours after the broadcast. To access the replay, callers from the U.S. should dial (877) 344-7529 and callers from outside the U.S. should dial +1 (412) 317-0088, and enter conference identification number 10160160.

**Webcast:**

The conference call will also be available on the Company's website at [www.kkrreit.com](http://www.kkrreit.com). To listen to a live broadcast, please go to the site at least 15 minutes prior to the scheduled start time in order to register, download and install any necessary audio software. A replay of the webcast will also be available for 30 days on the Company's website.

**Supplemental Information**

The slide presentation accompanying this release and containing supplemental information about the Company's financial results for the fiscal quarter ended September 30, 2021 may also be accessed through the investor relations section of the Company's website at [www.kkrreit.com](http://www.kkrreit.com).

**About KKR Real Estate Finance Trust Inc.**

KKR Real Estate Finance Trust Inc. (NYSE: KREF) is a real estate investment trust that primarily originates or acquires transitional senior loans collateralized by institutional-quality commercial real estate assets that are owned and operated by experienced and well-capitalized sponsors and located in liquid markets with strong underlying fundamentals. The Company's target assets also include mezzanine loans, preferred equity and other debt-oriented instruments with these characteristics. The Company is externally managed and advised by KKR Real Estate Finance Manager LLC, a registered investment adviser and an indirect subsidiary of KKR & Co. Inc., a leading global alternative investment firm with 45-year history of leadership, innovation and investment excellence and \$429.0 billion of assets under management as of June 30, 2021.

Additional information can be found on the Company's website at [www.kkrreit.com](http://www.kkrreit.com).

**Forward-Looking Statements**

This release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which reflect the Company's current views with respect to, among other things, its future operations and financial performance. You can identify these forward looking statements by the use of words such as "outlook," "believe," "expect," "potential," "continue," "may," "should," "seek," "approximately," "predict," "intend," "will," "plan," "estimate," "anticipate," the negative version of these words, other comparable words or other statements that do not relate strictly to historical or factual matters. By their nature, forward-looking statements speak only as of the date they are made, are not statements of historical fact or guarantees of future performance and are subject to risks, uncertainties, assumptions or changes in circumstances that are difficult to predict or quantify, in particular due to the uncertainties created by the COVID-19 pandemic, including the projected impact of COVID-19 on the Company's business, financial performance and operating results. The forward-looking statements are based on the Company's beliefs, assumptions and expectations, taking into account all information currently available to it. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to the Company or are within its control. Such forward-looking statements are subject to various risks and uncertainties, including, among other things: the severity and duration of the COVID-19 pandemic; potential risks and uncertainties relating to the ultimate geographic spread of COVID-19; actions that may be taken by governmental authorities to contain the COVID-19 outbreak or to treat its impact; the potential negative impacts of COVID-19 on the global economy and the impacts of COVID-19 on the Company's financial condition and business operations; adverse developments in the availability of desirable investment opportunities whether they are due to competition, regulation or otherwise; the general political, economic and competitive conditions in the United States and in any foreign jurisdictions in which the Company invests; the level and volatility of prevailing interest rates and credit spreads; adverse changes in the real estate and real estate capital markets; difficulty or delays in redeploying the proceeds from repayments of existing investments; general volatility of the securities markets in which the Company participates; changes in the Company's business, investment strategies or target assets; deterioration in the performance of the properties securing the Company's investments that may cause deterioration in the performance of the Company's investments and, potentially, principal losses to the Company; acts of God such as hurricanes, earthquakes and other natural disasters, pandemics such as COVID-19, acts of war and/or terrorism and other events that may cause unanticipated and uninsured performance declines and/or losses to the Company or the owners and operators of the real estate securing the Company's investments; the adequacy

of collateral securing the Company's investments and declines in the fair value of the Company's investments; difficulty in obtaining financing or raising capital; difficulty in successfully managing the Company's growth, including integrating new assets into the Company's existing systems; reductions in the yield on the Company's investments and increases in the cost of the Company's financing; defaults by borrowers in paying debt service on outstanding indebtedness; the availability of qualified personnel and the Company's relationship with its manager, KKR Real Estate Finance Manager LLC; subsidiaries of KKR & Co. Inc. control 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 its exclusion from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act"); and 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, 2020, 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](http://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 release. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements and information included in this release and in the Company's filings with the SEC. All forward-looking statements in this release speak only as of the date of this release. The Company 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.

## CONTACT INFORMATION

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### Definitions:

"Loan-to-value ratio": 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 the CMBS B-Pieces, LTV is based on the weighted average LTV of the underlying loan pool.

"Distributable Earnings": Distributable Earnings, a measure that is not prepared in accordance with GAAP, is a key indicator of its ability to generate sufficient income to pay its quarterly dividends and in determining the amount of such dividends, which is the primary focus of yield/income investors who comprise a significant portion of the Company's investor base. Accordingly, the Company believes providing Distributable Earnings on a supplemental basis to its net income as determined in accordance with GAAP is helpful to its stockholders in assessing the overall performance of the Company's business.

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 Company's 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 Company's 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 amount 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.

**KKR Real Estate Finance Trust Inc. and Subsidiaries**

**Condensed Consolidated Balance Sheets (Unaudited)**

(Amounts in thousands, except share and per share data)

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 307,731	\$ 110,832
Commercial mortgage loans, held-for-investment	5,442,734	4,844,534
Less: Allowance for credit losses	(58,807)	(59,801)
Commercial mortgage loans, held-for-investment, net	5,383,927	4,784,733
Equity method investments	34,809	33,651
Accrued interest receivable	13,924	15,412
Other assets <sup>(A)</sup>	13,107	20,984
<b>Total Assets</b>	<b><u>\$ 5,753,498</u></b>	<b><u>\$ 4,965,612</u></b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Secured financing agreements, net	\$ 2,960,833	\$ 2,574,747
Collateralized loan obligations, net	1,086,900	810,000
Secured term loan, net	287,051	288,028
Convertible notes, net	141,502	140,465
Loan participations sold, net	—	66,232
Dividends payable	24,285	24,287
Accrued interest payable	7,495	5,381
Due to affiliates	5,190	6,243
Accounts payable, accrued expenses and other liabilities <sup>(B)</sup>	3,065	4,823
<b>Total Liabilities</b>	<b><u>4,516,321</u></b>	<b><u>3,920,206</u></b>
<b>Commitments and Contingencies</b>	—	—
<b>Temporary Equity</b>		
Redeemable preferred stock	2,589	1,852
<b>Permanent Equity</b>		
Preferred Stock, 50,000,000 shares authorized		
Preferred stock, \$0.01 par value (1 share issued and outstanding as of September 30, 2021 and December 31, 2020)	—	—
Series A cumulative redeemable preferred stock, \$0.01 par value (6,900,000 and zero shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively; liquidation preference of \$25.00 per share)	69	—
Common stock, \$0.01 par value, 300,000,000 authorized (59,537,806 and 59,519,754 shares issued; 55,637,480 and 55,619,428 shares outstanding as of September 30, 2021 and December 31, 2020, respectively)	556	556
Additional paid-in capital	1,341,986	1,169,695
Accumulated deficit	(47,024)	(65,698)
Repurchased stock (3,900,326 shares repurchased as of September 30, 2021 and December 31, 2020)	(60,999)	(60,999)
<b>Total KKR Real Estate Finance Trust Inc. stockholders' equity</b>	<b><u>1,234,588</u></b>	<b><u>1,043,554</u></b>
<b>Total Permanent Equity</b>	<b><u>1,234,588</u></b>	<b><u>1,043,554</u></b>
<b>Total Liabilities and Equity</b>	<b><u>\$ 5,753,498</u></b>	<b><u>\$ 4,965,612</u></b>

(A) Includes \$8.2 million and \$15.9 million of loan repayment proceeds held by servicer and receivable by KREF as of September 30, 2021 and December 31, 2020, respectively.

(B) Includes \$0.9 million of expected loss reserve for unfunded loan commitments as of September 30, 2021 and December 31, 2020.



**KKR Real Estate Finance Trust Inc. and Subsidiaries**

**Condensed Consolidated Statements of Income (Unaudited)**

(Amounts in thousands, except share and per share data)

	Three Months Ended			Nine Months Ended	
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
<b>Net Interest Income</b>					
Interest income	\$ 75,320	\$ 67,149	\$ 67,689	\$ 207,235	\$ 205,987
Interest expense	29,832	26,958	28,832	84,173	98,477
Total net interest income	45,488	40,191	38,857	123,062	107,510
<b>Other Income</b>					
Income (loss) from equity method investments	2,162	1,256	973	4,508	(631)
Other income	130	100	102	296	658
Total other income (loss)	2,292	1,356	1,075	4,804	27
<b>Operating Expenses</b>					
General and administrative	3,659	3,688	3,563	10,852	11,376
Provision for (reversal of) credit losses, net	1,165	(559)	(126)	(982)	53,782
Management fees to affiliate	4,964	4,835	4,223	14,089	12,740
Incentive compensation to affiliate	2,215	2,403	990	6,810	3,845
Total operating expenses	12,003	10,367	8,650	30,769	81,743
<b>Income (Loss) Before Income Taxes, Preferred Dividends and Redemption Value Adjustment</b>	<b>35,777</b>	<b>31,180</b>	<b>31,282</b>	<b>97,097</b>	<b>25,794</b>
Income tax expense	106	103	96	257	255
<b>Net Income (Loss)</b>	<b>35,671</b>	<b>31,077</b>	<b>31,186</b>	<b>96,840</b>	<b>25,539</b>
Preferred stock dividends and redemption value adjustment	3,682	1,813	(165)	6,403	762
<b>Net Income (Loss) Attributable to Common Stockholders</b>	<b>\$ 31,989</b>	<b>\$ 29,264</b>	<b>\$ 31,351</b>	<b>\$ 90,437</b>	<b>\$ 24,777</b>
<b>Net Income (Loss) Per Share of Common Stock</b>					
Basic	\$ 0.57	\$ 0.53	\$ 0.56	\$ 1.63	\$ 0.44
Diluted	\$ 0.57	\$ 0.52	\$ 0.56	\$ 1.62	\$ 0.44
<b>Weighted Average Number of Shares of Common Stock Outstanding</b>					
Basic	55,637,480	55,632,322	55,491,405	55,629,810	56,107,765
Diluted	56,011,243	55,907,086	55,632,170	55,883,197	56,187,461
<b>Dividends Declared per Share of Common Stock</b>	<b>\$ 0.43</b>	<b>\$ 0.43</b>	<b>\$ 0.43</b>	<b>\$ 1.29</b>	<b>\$ 1.29</b>