



KKR
REAL ESTATE
FINANCE TRUST



Investor Presentation | February 2021

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This presentation 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 our 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. 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Inc. control us and KKR's interests may conflict with those of our stockholders in the future; the cost of operating our platform, including, but not limited to, the cost of operating a real estate investment platform; adverse legislative or regulatory developments; our qualification as a real estate investment trust for U.S. federal income tax purposes and our exclusion from registration under the Investment Company Act of 1940, as amended; and authoritative accounting principles generally accepted in the United States of America or policy changes from such standard-setting bodies such as the Financial Accounting Standards Board, the Securities and Exchange Commission (the "SEC"), the Internal Revenue Service, the New York Stock Exchange and other authorities that we are subject to, as well as their counterparts in any foreign jurisdictions where we 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. 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 February 26, 2021. 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 December 31, 2020 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

\$5.0 Billion
Investment Portfolio

98.5%
Senior Loans

81%
Multifamily & Office

\$118 Million
Average Loan Size

8.6%
Unfunded

Purpose built portfolio of *senior loans* secured primarily by *lighter transitional, institutional multifamily and office properties* owned by *high quality sponsors*.

Conservative Balance Sheet

\$6.1 Billion
Financing Capacity

83%
Fully Non-Mark-to-Market⁽¹⁾

\$482 Million
Current Liquidity⁽²⁾

Conservative liability management focused on *diversified non-mark-to-market* financing capacity

Fully Integrated with KKR

36%
KKR Ownership in KREF

\$252 Billion
Global AUM

\$20 Billion
Balance Sheet

\$16 Billion
Real Estate AUM⁽³⁾

~100
Real Estate Professionals

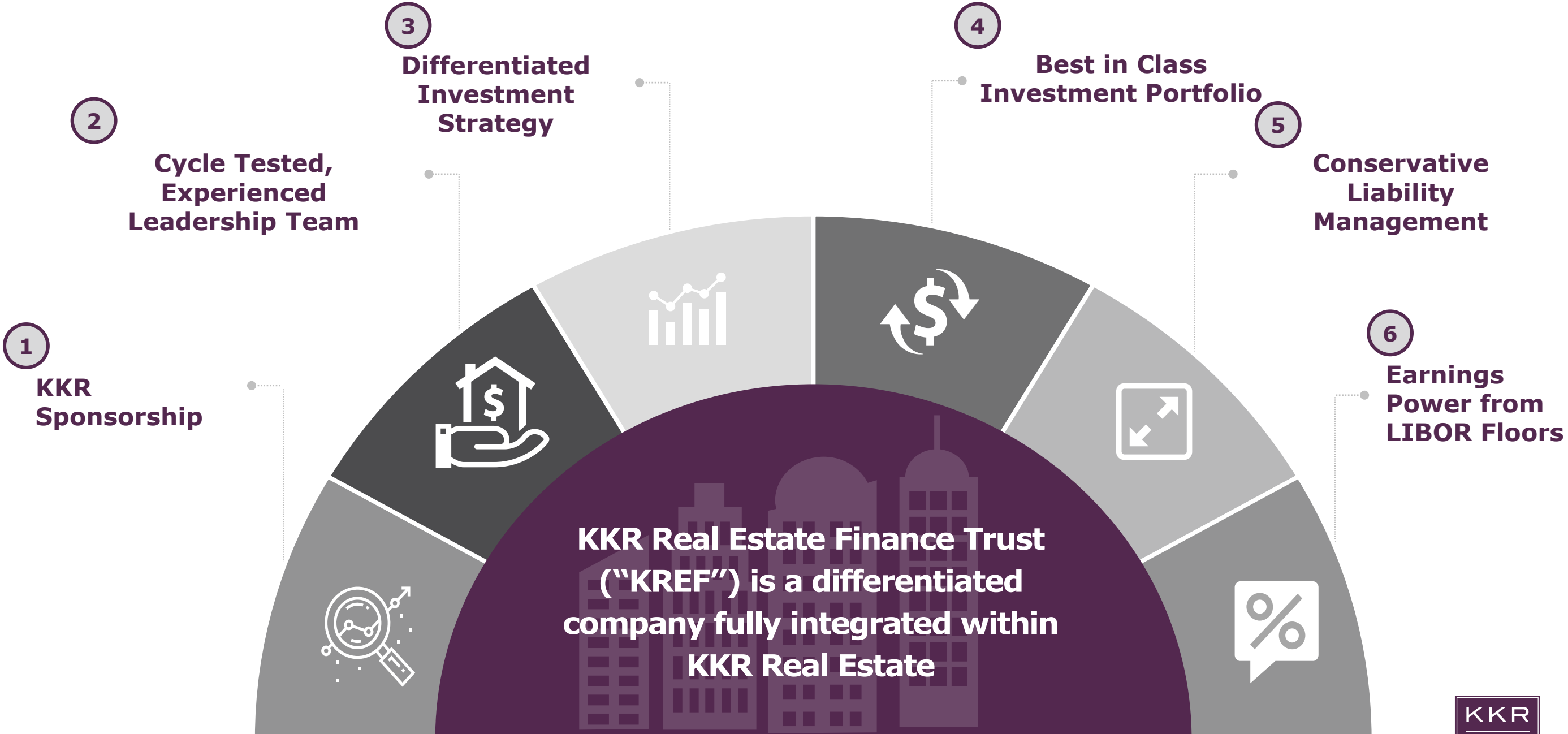
One firm culture that rewards *investment discipline, creativity, determination and patience* and emphasizes the *sharing of information, resources, expertise and best practices*

(1) Based on outstanding face amount of secured financing, including non-consolidated senior interests, and excludes convertible notes and the corporate revolving credit facility. 100% of financings are non-mark-to-capital markets marks.

(2) Includes \$110.8 million in cash and \$335.0 million undrawn corporate revolver capacity.

(3) Figures represent AUM across all KKR real estate transactions since 2011; strategies include Real Estate Partners Americas, Real Estate Partners Europe, Asia Real Estate Partners, Property Partners Americas, Real Estate Credit, Real Estate NBFC, Private Equity funds, Special Situations, trophy single tenant investments in KKR Credit accounts, Balance Sheet investments and a pro rata portion of DRM's AUM (\$495 million). KKR does not act as an investment adviser to Drawbridge or any of its portfolio investments. Please see the Important Information at the beginning of this presentation for additional information regarding KKR's investment in DRM and Drawbridge and the calculation of AUM.

Investment Highlights



KKR Sponsorship

KKR Platform - A Leading Global Asset Manager

KKR
Founded 1976

\$252bn

Assets Under Management

\$20bn

Internal Balance Sheet

~480

Investment Professionals

20 / 15

Cities / Countries

KKR operates with a single culture that rewards investment discipline, creativity, determination and patience and emphasizes the sharing of information, resources, expertise and best practices across offices and asset classes.

KKR Real Estate Attributes



~\$16 billion in AUM in Real Estate strategies globally⁽¹⁾



~100 dedicated Real Estate investment and asset management professionals⁽²⁾ across **11** cities in **8** countries



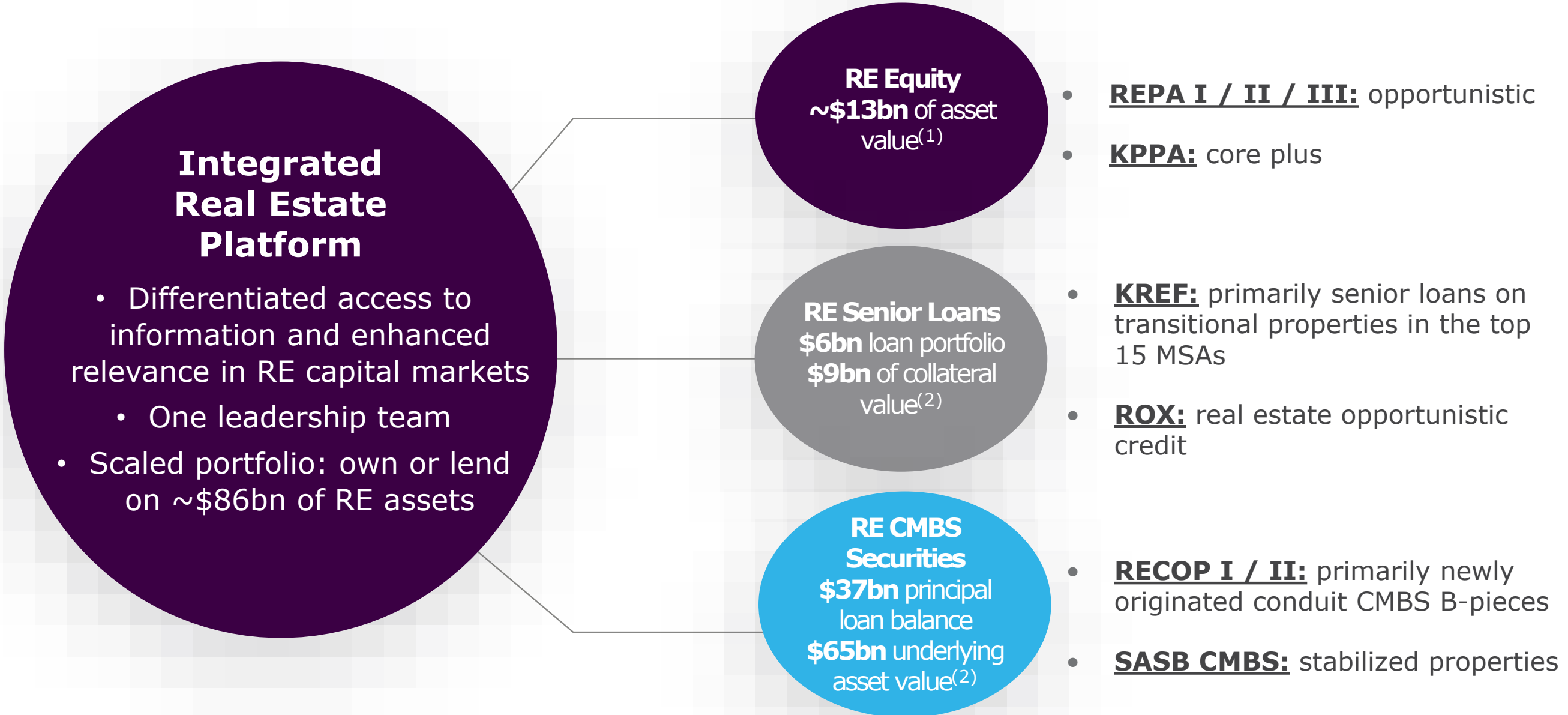
Strategic Growth Vertical: \$3.2 billion of KKR balance sheet and employee capital committed across KKR real estate strategies⁽³⁾

(1) Figures represent AUM across all KKR real estate transactions since 2011; strategies include Real Estate Partners Americas, Real Estate Partners Europe, Asia Real Estate Partners, Property Partners Americas, Real Estate Credit, Real Estate NBFC, Private Equity funds, Special Situations, trophy single tenant investments in KKR Credit accounts, Balance Sheet investments and a pro rata portion of DRM's AUM (\$495 million). KKR does not act as an investment adviser to Drawbridge or any of its portfolio investments. Please see the Important Information at the beginning of this presentation for additional information regarding KKR's investment in DRM and Drawbridge and the calculation of AUM.

(2) As of December 2020. Includes investment and asset management professionals.

(3) Inception to date Balance Sheet commitments include Balance Sheet, KKR Financial Holdings LLC ("KFN") and KKR Employee Commitments to all RE transactions since inception of dedicated RE business in March 2011 including transactions in Special Situations and Asian Private Equity funds.

Integrated Americas Real Estate Platform

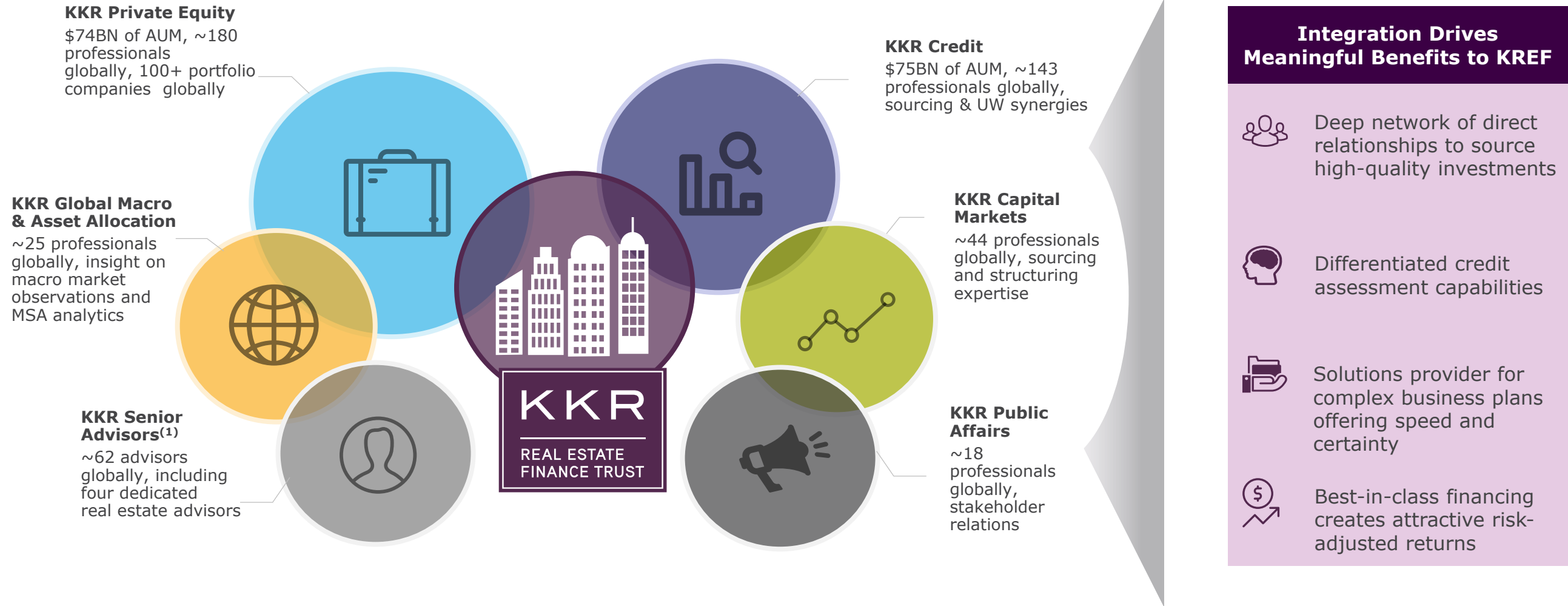


(1) Represents current portfolio in REPA I, REPA II, KPPA, KFN, separately managed accounts, KKR-managed co-investment vehicles, third party co-investment capital, KKR employees, and trophy single tenant investments in KKR Credit accounts as of December 31, 2020. Figures include all closed transactions and transactions that have been committed to and are under contract as of December 31, 2020. Any transactions that have not closed are subject to customary closing conditions. Asset value represents total purchase price at closing. There can be no assurance that commitment amounts will be fully deployed and there can be no assurance that these transactions will be consummated, and if consummated, will be consummated on the terms and price herein.

(2) Represents implied value based on weighted average LTV of respective strategies.

KREF Integration with KKR

KREF differentiates itself by seeking opportunities where it has sourcing, underwriting and execution advantages through KKR's brand, industry knowledge, relationships and deep bench of investment professionals



(1) Senior Advisors, Industry Advisors and KKR Advisors are engaged as consultants and are not employees of KKR.

Experienced Leadership Team

KKR Real Estate Credit Investment Committee

KREF Management Team



MATT SALEM
CEO KREF
Partner & Head of
Real Estate Credit

- Joined KKR in 2015
- Formerly at Rialto Capital Management and Goldman Sachs



PATRICK MATTSO
President & COO KREF
Managing Director & COO of
Real Estate Credit

- Joined KKR in 2015
- Formerly at Rialto Capital Management and Morgan Stanley

KREF Directors



RALPH ROSENBERG
Chairman of KREF Board
Partner & Global Head
of Real Estate

- Joined KKR in 2011
- Formerly at Eton Park and Goldman Sachs



CHRIS LEE
Vice Chairman of KREF Board
Partner & Head of
Real Estate Americas

- Joined KKR in 2012
- Formerly at Apollo Global Management and Goldman Sachs

**Diversity of
Manager's
Investment
Committee
creates a
thorough
vetting
process**



JENNY BOX
Partner &
Co-Head of Special Situations
Americas

- Joined KKR in 2019
- Formerly at Oaktree and Blackstone



BILLY BUTCHER
Partner &
Chief Operating Officer
of Global Real Estate

- Joined KKR in 2004
- Formerly at Goldman Sachs



ROGER MORALES
Partner &
Head of Real Estate
Acquisitions Americas

- Joined KKR in 2011
- Formerly at Eton Park and Vornado Realty Trust



JUSTIN PATTNER
Partner &
Head of Real Estate
Equity Americas

- Joined KKR in 2011
- Formerly at Eton Park and Lubert Adler

KKR Real Estate Finance Trust Team

Leadership Team



RALPH ROSENBERG
Chairman of the Board



CHRIS LEE
Vice Chairman of the Board



MATT SALEM
Chief Executive Officer



PATRICK MATTSON
President & Chief Operating Officer



MOSTAFA NAGATY
Chief Financial Officer & Treasurer

Senior Investment Team



JOEL TRAUT
Managing Director
Head of Originations

Joined KKR in 2015
Formerly a Director at GE
Capital Real Estate with over 18
years industry experience



JULIA BUTLER
Managing Director
Northeast & Midwest Regions

Joined KKR in 2017
Formerly an Executive VP at
iStar with over 18 years
industry experience



PAUL FINE
Director
Northeast & Northwest Regions

Joined KKR in 2015
Formerly a Director at CCRE
with over 14 years industry
experience



IAN MCCONNELL
Director
West Coast Region

Joined KKR in 2020
Formerly a Senior VP at
Starwood Property Trust with
over 15 years industry
experience



ADAM SIMON
Director
Northeast & Southwest Regions

Joined KKR in 2015
Formerly a VP at Rialto Capital
Management with over 14
years industry experience



JULIAN HODGEMAN
Principal
Southeast & Southwest Regions

Joined KKR in 2015
Formerly an associate at Rialto
Capital Management with over
11 years industry experience

Asset Management



CHRISTINE PATTERSON
Director
Head of Asset Management

Joined KKR in 2018
Formerly a Principal at
Blackstone with over 20 years
industry experience

Legal



VINCENT NAPOLITANO
Director
Corporate Counsel & Secretary

Joined KKR in 2020
Formerly an Associate at
Skadden, Arps with over 10
years industry experience

Capital Markets



AMANDA MAGLIARO
Managing Director

Joined KKR in 2019
Formerly the head of global
structured finance distribution
at Citigroup with over 19 years
industry experience



JIN FU
Director

Joined KKR in 2021
Formerly a Senior VP, Portfolio
Manager at PIMCO with over
14 years industry experience



BRADLY TUKEL
Principal

Joined KKR in 2018
Formerly an Associate at Wells
Fargo Securities with 6 years
industry experience

38 Investment
Professionals

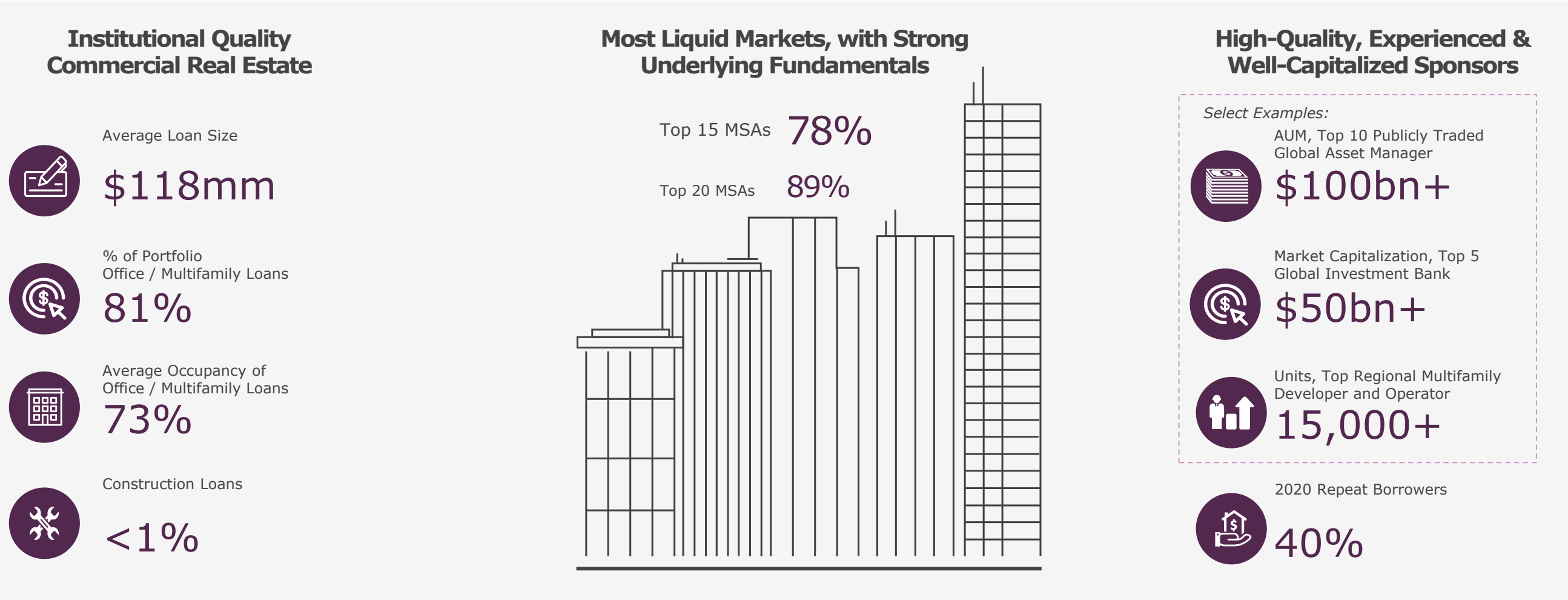
+ Finance &
Investor Relations
Professionals



Differentiated Investment Strategy

Differentiated, Conservative Investment Strategy

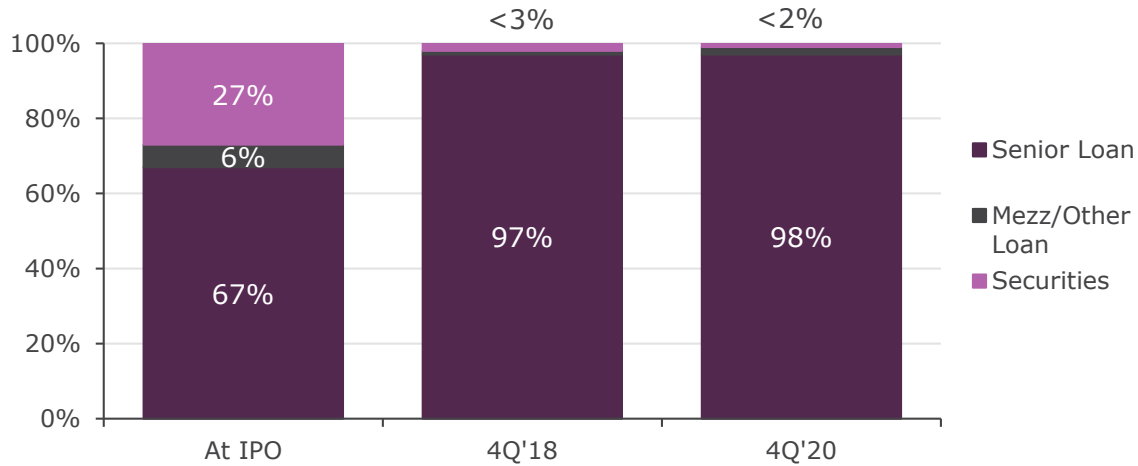
Lending on *institutional quality real estate* owned by *high-quality sponsors* in the *most liquid markets*



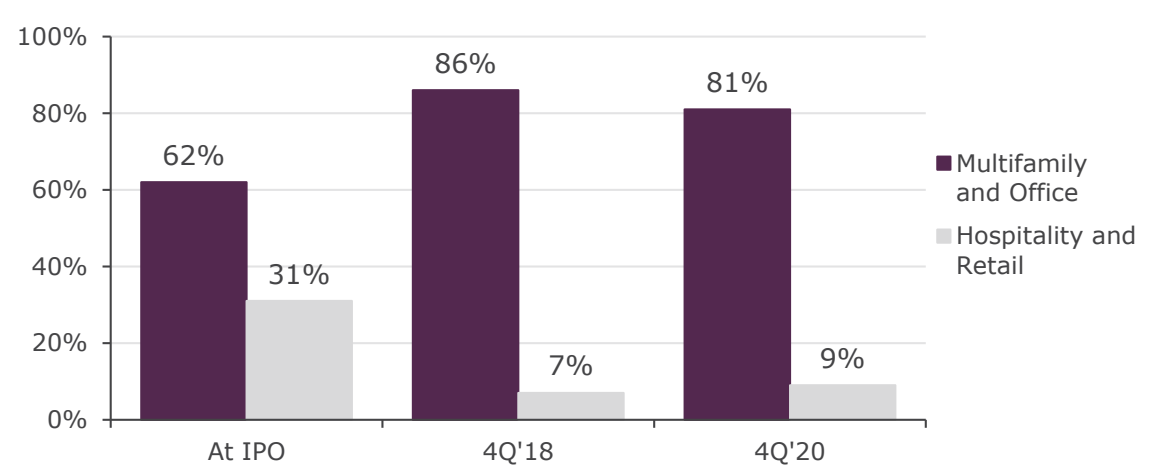
Note: The data above are based on total assets. Total assets reflect the principal amount of our senior and mezzanine loans.

Conservative Portfolio Construction

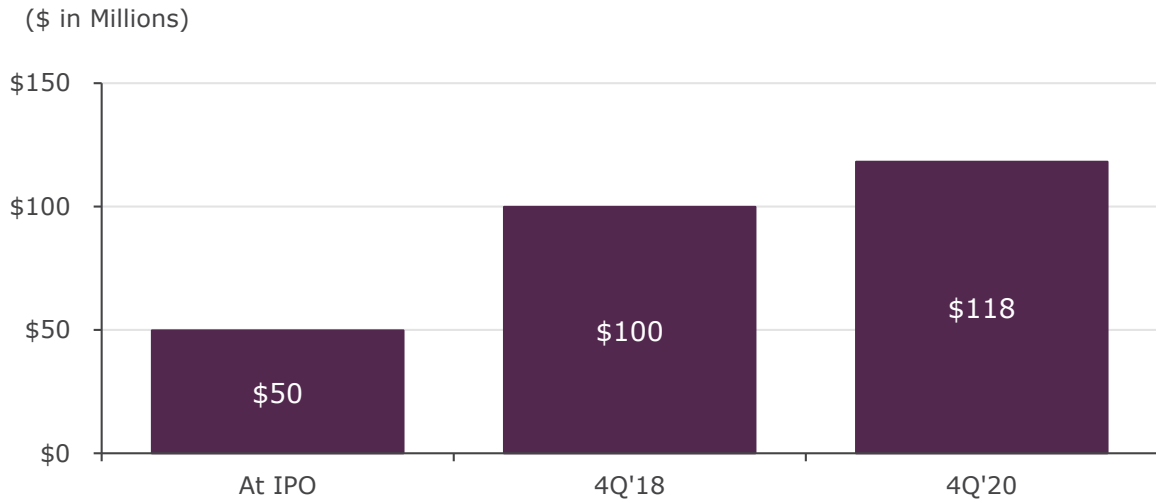
Investment Portfolio Evolution



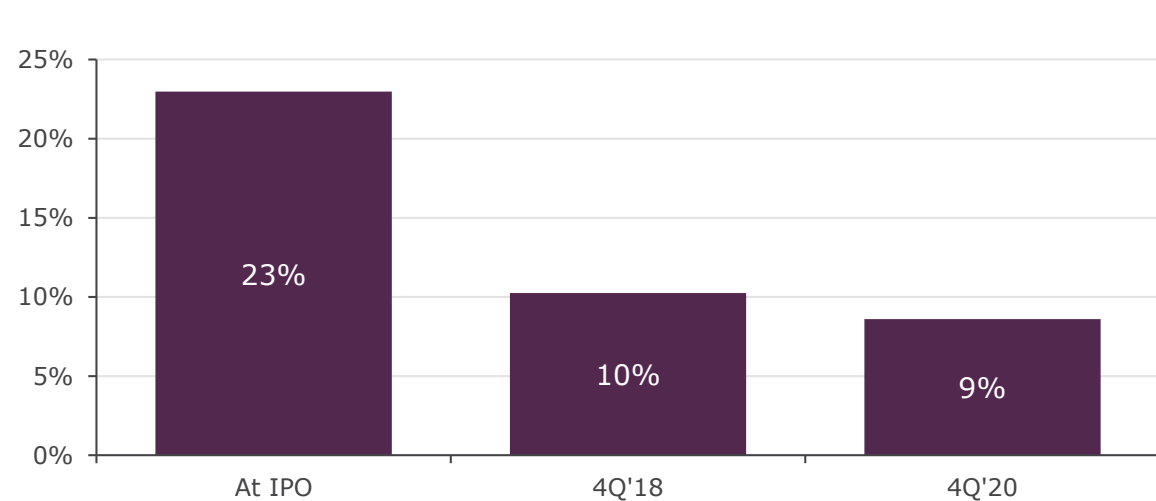
Property Type Evolution



Average Funded Loan Size



Future Funding as a Percentage of Total Commitments



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

Targeted Strike Zone

Representative Terms on Newly-Originated Senior Loans

Loan Size

\$50-\$400 million

Collateral

Primarily Light Transitional CRE Properties

Sponsorship

Well-Established, Capitalized & Experienced

Geographies

Top 30 U.S. Markets

Property Types

Multifamily, Office, Industrial, Hospitality, Retail, and Other Commercial Property Types

Loan-to-Value

Typically 75% or less

Maturity

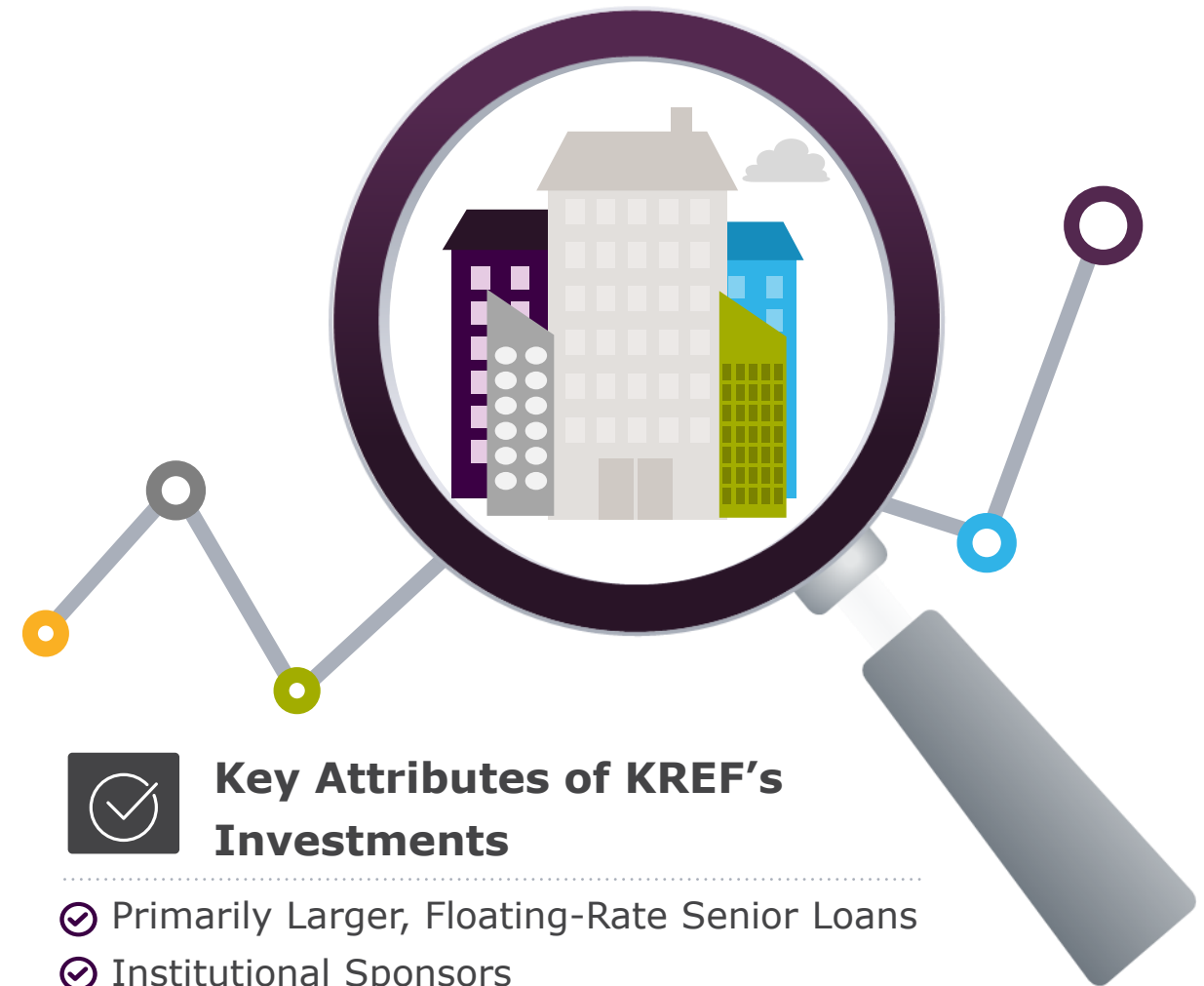
2-3 years with Extension Options

Representative Pricing

~L + 3.50% with LIBOR Floors

Fees

Typically 1.00% Upfront Discount + Extension Fees

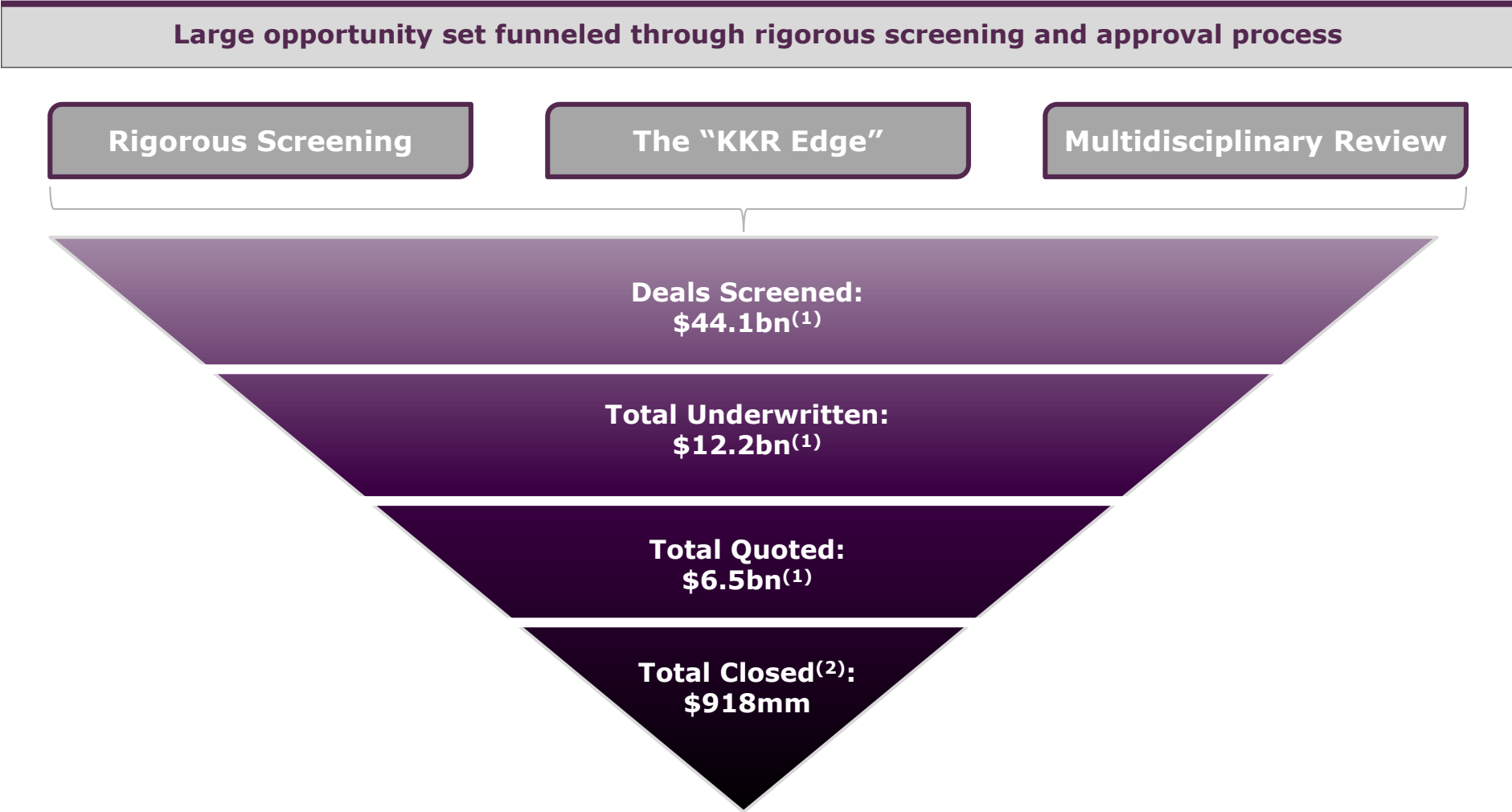


Key Attributes of KREF's Investments

- ✓ Primarily Larger, Floating-Rate Senior Loans
- ✓ Institutional Sponsors
- ✓ Major Markets
- ✓ High-Quality Real Estate

Rigorous Investment Screening and Selection Process

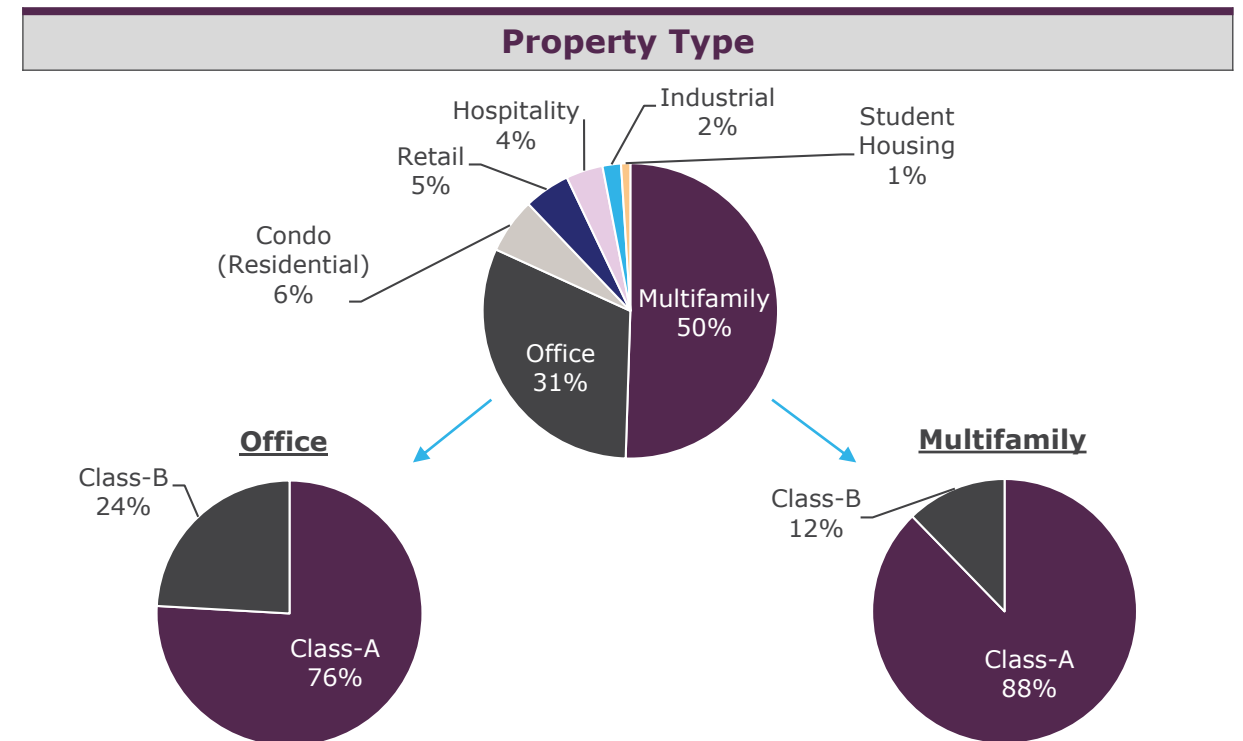
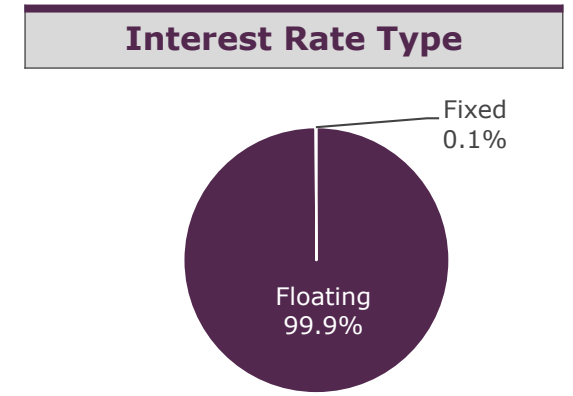
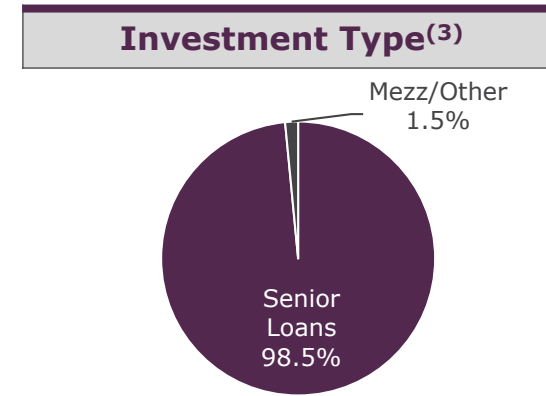
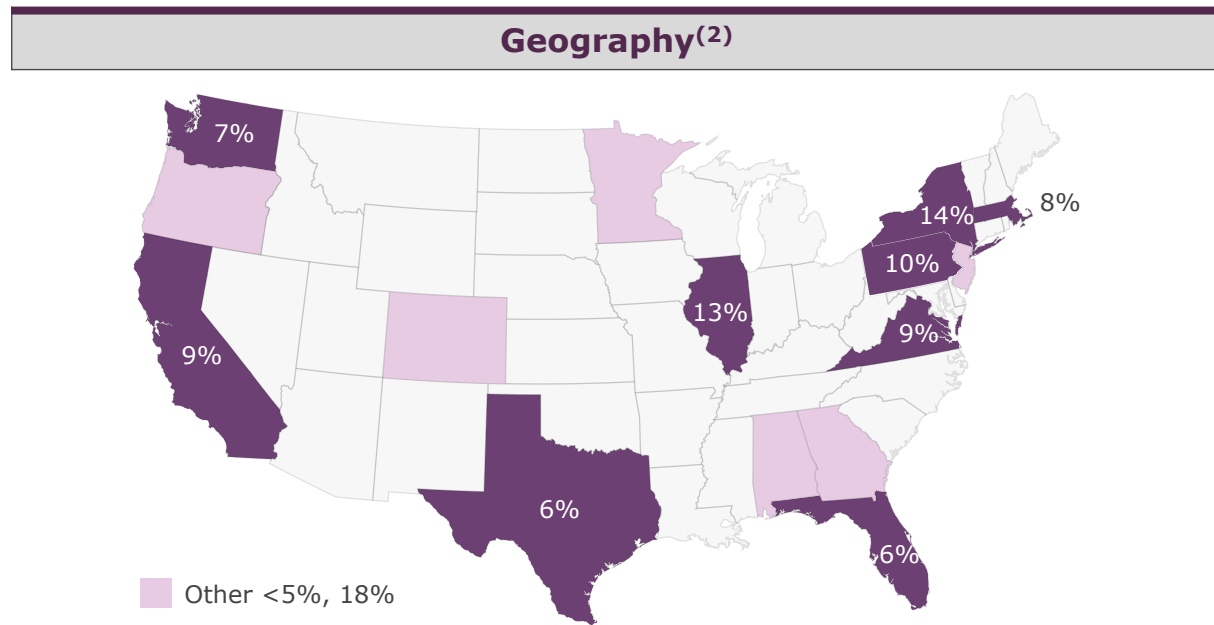
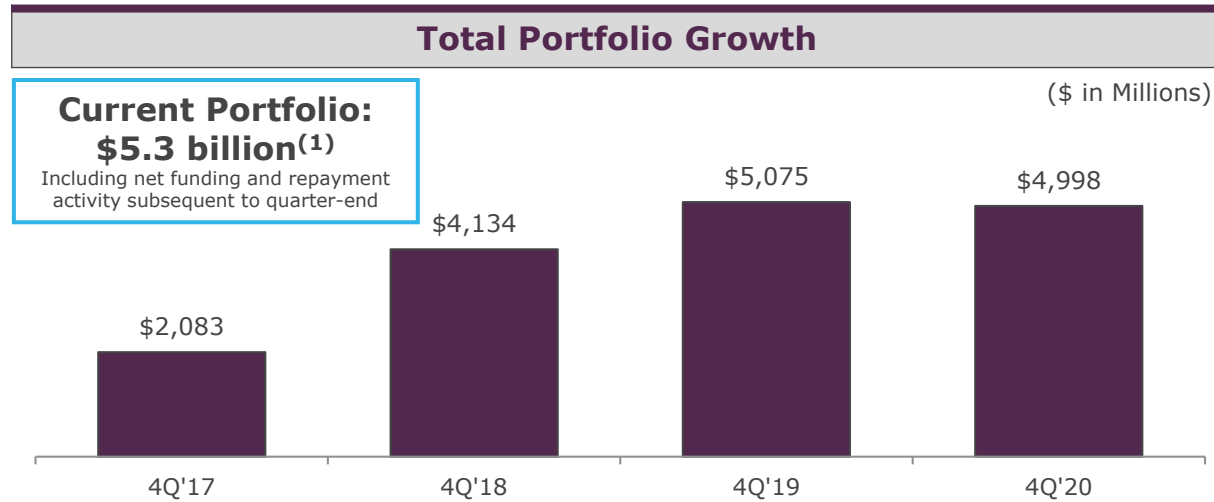
Over the last twelve months, KREF screened \$44.1 billion of financing opportunities and originated \$918 million (1%) of senior loans



(1) YTD as of 12/31/20, values represent approximations.
(2) Total Closed represents YTD as of 12/31/20.

Best In Class Investment Portfolio

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 February 12, 2021.

(2) Map excludes \$5.5 million Midwest Mezzanine portfolio and \$50.0 million real estate corporate loan.

(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.

4Q'20 Loan Originations – Select Case Studies

Investment	Denver Multifamily	Arlington Multifamily	Oakland Office
Loan Type	Floating-Rate Senior Loan	Floating-Rate Senior Loan	Floating-Rate Senior Loan
Loan Size	\$40.0 million ⁽¹⁾	\$70.9 million ⁽²⁾	\$159.7 million ⁽³⁾
Location	Denver, CO	Arlington, VA	Oakland, CA
Collateral	168-unit Class-A Multifamily	360-unit Class-A Multifamily	Class-A Office Portfolio totaling 1.0mm SF
Loan Purpose	Refinance	Refinance	Acquisition
LTV ⁽⁴⁾	49%	73%	65%
Investment Date	October 2020	October 2020	October 2020

Asset Photos

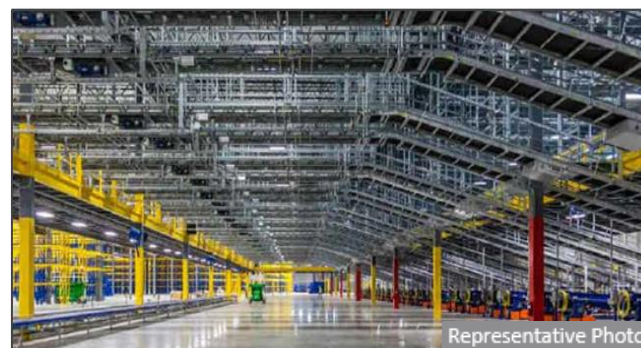


- (1) The total whole loan is \$80.0 million, co-originated and co-funded by KREF and a KKR affiliate on a pari passu basis. KREF's interest is 50% of the loan.
- (2) The total whole loan is \$141.8 million, co-originated and co-funded by KREF and a KKR affiliate on a pari passu basis. KREF's interest is 50% of the loan.
- (3) 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, 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 \$14.8 million was funded as of December 31, 2020, at an interest rate of L + 12.9%.
- (4) LTV based on initial loan amount divided by the as-is appraised value as of the date the loan was originated.

4Q'20 Loan Originations – Select Case Studies

Investment	Denver Industrial	Austin Multifamily	Washington D.C. Multifamily
Loan Type	Floating-Rate Senior Loan	Floating-Rate Senior Loan	Floating-Rate Senior Loan
Loan Size	\$95.8 million	\$80.0 million	\$69.0 million
Location	Denver, CO	Austin, TX	Washington, D.C.
Collateral	Three Class-A Buildings totaling 1.5mm RSF	390-unit Class-A Multifamily	250-unit Class-A Multifamily
Loan Purpose	Construction	Refinance	Refinance
LTV ⁽¹⁾	76%	77%	63%
Investment Date	December 2020	December 2020	December 2020

Asset Photos



(1) LTV based on initial loan amount divided by the as-is appraised value as of the date the loan was originated.

Multifamily and Office Loan Overview

Multifamily: 50% of Loan Portfolio

\$122 mm
Average Loan Size

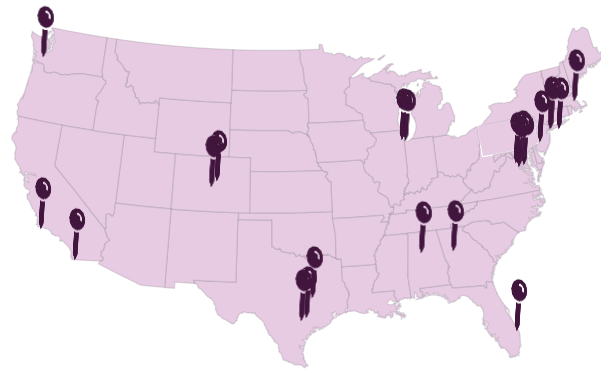
70%
W.A. LTV

<1%
Construction

54%
W.A. Occupancy
at Closing

73%
W.A. Occupancy
Current

2005
W.A. Year Built



Property Locations



Office: 31% of Loan Portfolio

\$141 mm
Average Loan Size

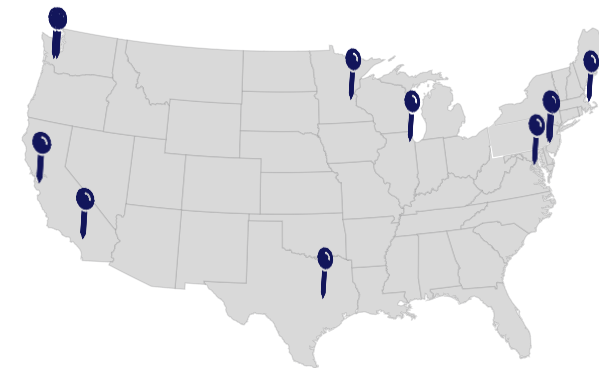
62%
W.A. LTV

<1%
Co-Working Exposure

71%
W.A. Occupancy
at Closing

72%
W.A. Occupancy
Current

6.7 years
W.A. Remaining
Lease Term



Property Locations



Note: Data as of December 31, 2020.

Case Studies: Largest Three Multifamily Loans

Investment	Chicago Multifamily	Arlington Multifamily	Sunbelt Multifamily Portfolio
Loan Type	Floating-Rate Senior Loan	Floating-Rate Senior Loan	Floating-Rate Senior Loan
Investment Date	June 2019	June 2019	May 2019
Collateral	800-Unit Class-A Luxury Multifamily	1,100-Unit Class-A Multifamily	3-Property, 1,070-Unit, Class-A Multifamily
Location	Chicago, IL	Arlington, VA	Various
Committed Amount	\$340 million	\$279 million	\$217 million
Current Principal Amount	\$335 million	\$271 million	\$211 million
Basis	\$418k / unit	\$244k / unit	\$197k / unit
Coupon	L + 2.8%	L + 2.6%	L + 3.5%
LTV ⁽¹⁾	75%	70%	74%
Max Remaining Term (Yrs.)	5.5	3.5	3.4

Asset Photos



(1) LTV based on initial loan amount divided by the as-is appraised value as of the date the loan was originated.

Case Studies: Largest Three Office Loans

Investment	Boston Office	Minneapolis Office	Irvine Office
Loan Type	Floating-Rate Senior Loan	Floating-Rate Senior Loan	Floating-Rate Senior Loan
Investment Date	May 2018	November 2017	November 2019
Collateral	Class-B+ Office Totaling 474k SF	Two Class-A Office Buildings Totaling 1.1mm SF	Two Class-A Office Buildings Totaling 596k SF
Location	Boston, MA	Minneapolis, MN	Irvine, CA
Committed Amount	\$227 million	\$194 million	\$183 million
Current Principal Amount	\$209 million	\$194 million	\$162 million
Basis	\$444 / SF	\$178 / SF	\$255 / SF
Coupon	L + 2.4%	L + 3.8%	L + 2.9%
LTV ⁽¹⁾	53%	63%	66%
Max Remaining Term (Yrs.)	2.4	1.9	3.9

Asset Photos



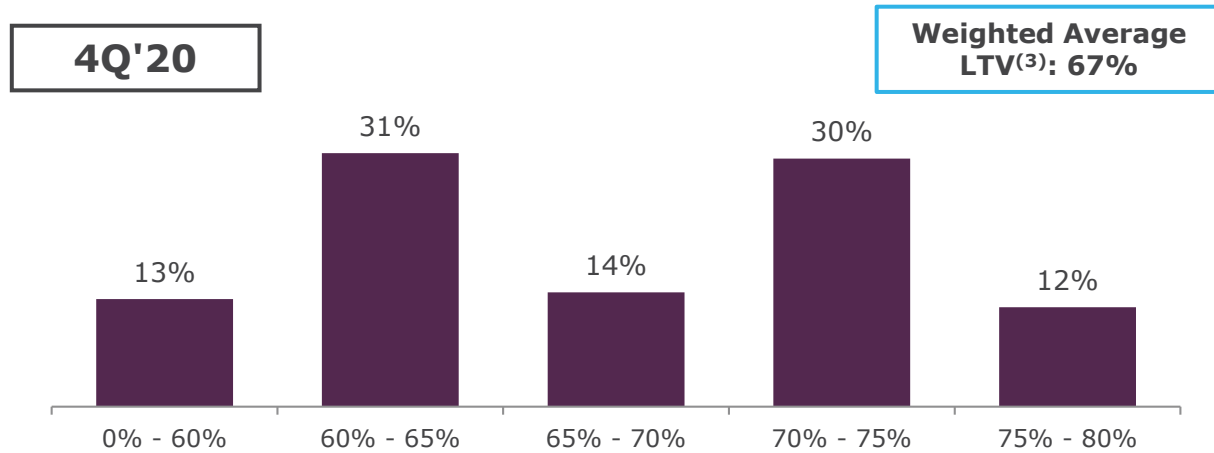
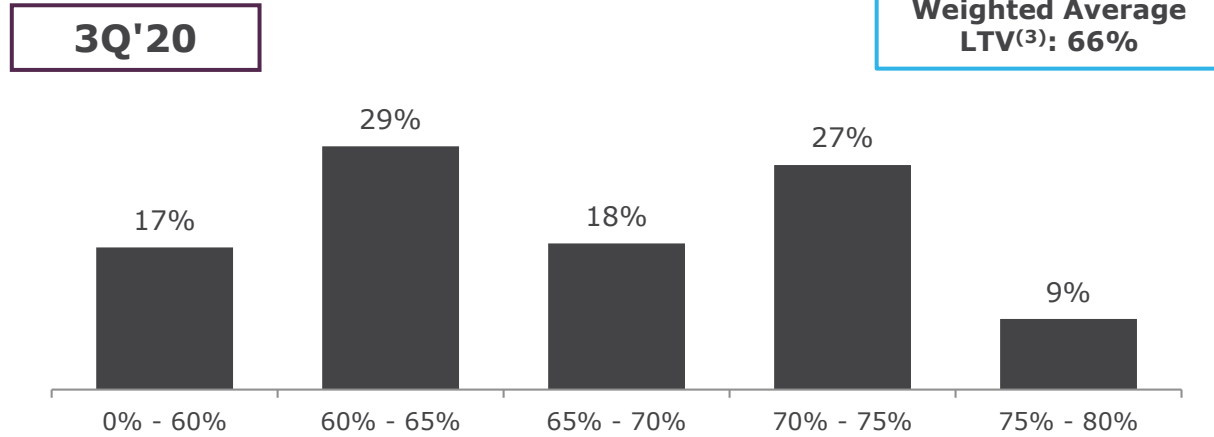
(1) LTV based on initial loan amount divided by the as-is appraised value as of the date the loan was originated.

Portfolio Credit Quality Remains Strong

- Loan portfolio is 97.7% performing

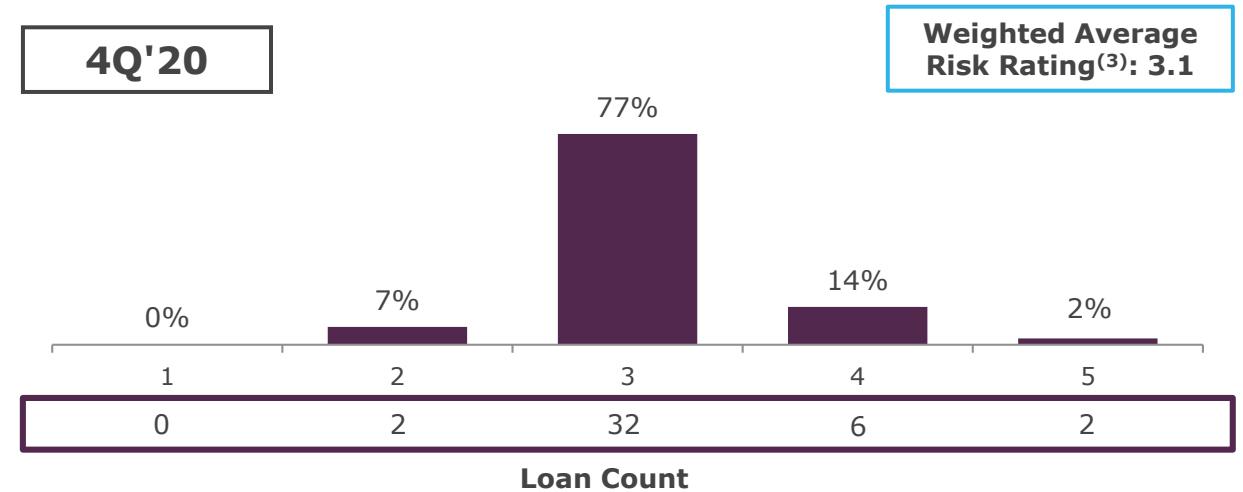
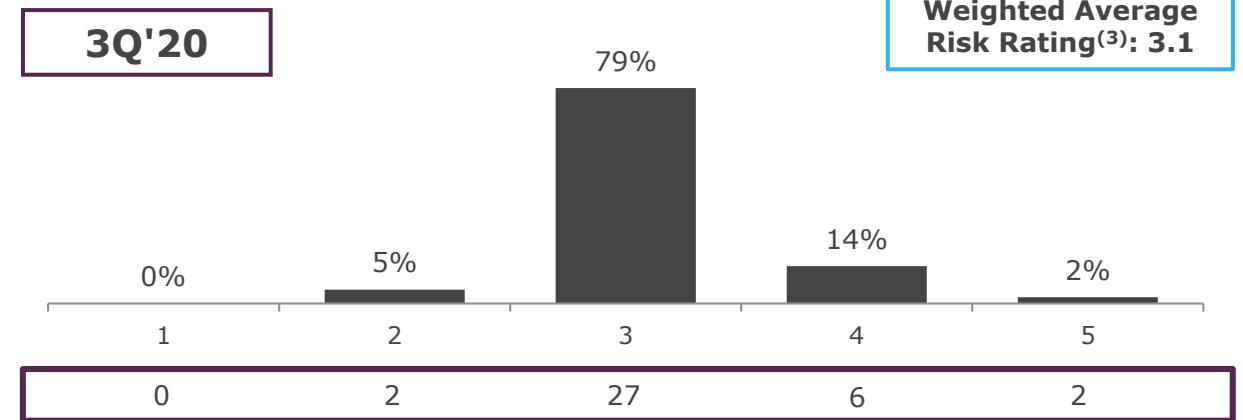
Loan-to-Value^(1,2)

(% of total portfolio)



Risk Rating Distribution⁽²⁾

(% of 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.
 (2) Includes non-consolidated senior interests and excludes vertical loan syndications and real estate corporate loan.
 (3) Weighted average is weighted by current principal amount.

Case Studies: Watch List Loans⁽¹⁾ (Risk Rating 4 & 5)

Investment	Portland Retail ⁽²⁾	New York Condo	Ft. Lauderdale Hotel	San Diego Multifamily	New York Condo	Brooklyn Hotel	Queens Industrial
Loan Type	Floating-Rate Senior Loan	Floating-Rate Senior Loan	Floating-Rate Senior Loan	Floating-Rate Senior Loan	Floating-Rate Senior Loan	Floating-Rate Senior Loan	Floating-Rate Senior Loan
Investment Date	October 2015	December 2018	November 2018	February 2020	August 2017	January 2019	July 2017
Collateral	1.1M Square Foot Retail Center	126-Unit Class-A Residential Condominium	346-Key Full-Service Hotel	231-Unit Class-A Multifamily	14 Luxury Residential Condominiums	196-Key Hotel	Two Class-B Buildings Totaling 595k RSF
Loan Purpose	Refinance	Acquisition	Refinance	Acquisition	Refinance	Refinance	Acquisition
Location	Portland, OR	New York, NY	Ft. Lauderdale, FL	San Diego, CA	New York, NY	Brooklyn, NY	Queens, NY
Committed Amount	\$110 million	\$235 million	\$152 million	\$102 million	\$99 million	\$77 million	\$70 million
Current Principal Amount	\$110 million	\$200 million	\$142 million	\$102 million	\$99 million	\$77 million	\$67 million
Loan Basis	\$101 / SF	\$1,250 / SF	\$409k / key	\$443k / unit	\$1,712 / SF	\$392k / key	\$111 / SF
Spread	L + 5.5%	L + 3.6%	L + 2.9%	L + 3.3%	L + 4.7%	L + 2.9%	L + 3.0%
LTV⁽³⁾	61%	71%	62%	71%	73%	69%	77%
Max Remaining Term (Yrs.)	0.3	3.0	2.9	4.1	0.8	3.1	1.6
Loan Risk Rating	5	4	4	4	4	4	4

(1) Excludes \$5.5 million mezzanine loan risk-rated 5.

(2) Loan was placed on non-accrual status in October 2020.

(3) 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.

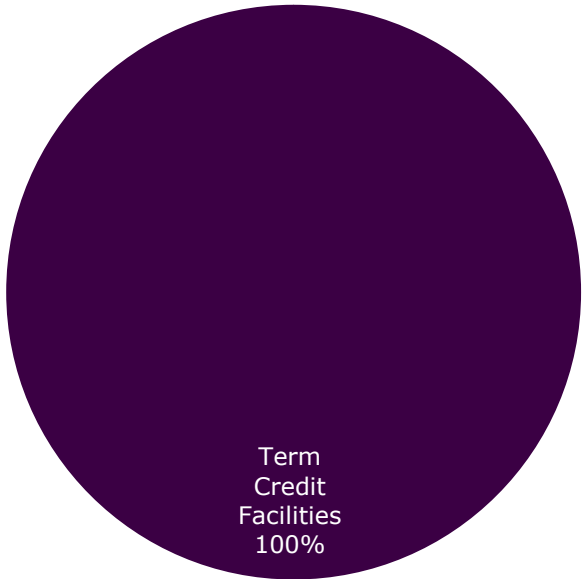
Conservative Liability Management

Liability Management: 83% Non-Mark-To-Market

Conservative liability management focused on growing diversified non-mark-to-market financing capacity

Outstanding Secured Financing⁽¹⁾

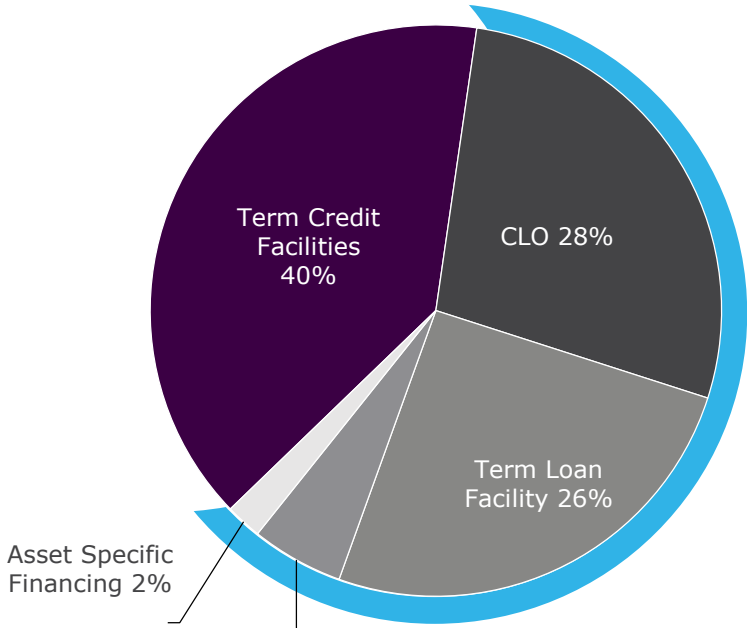
IPO



0%

Non-MTM

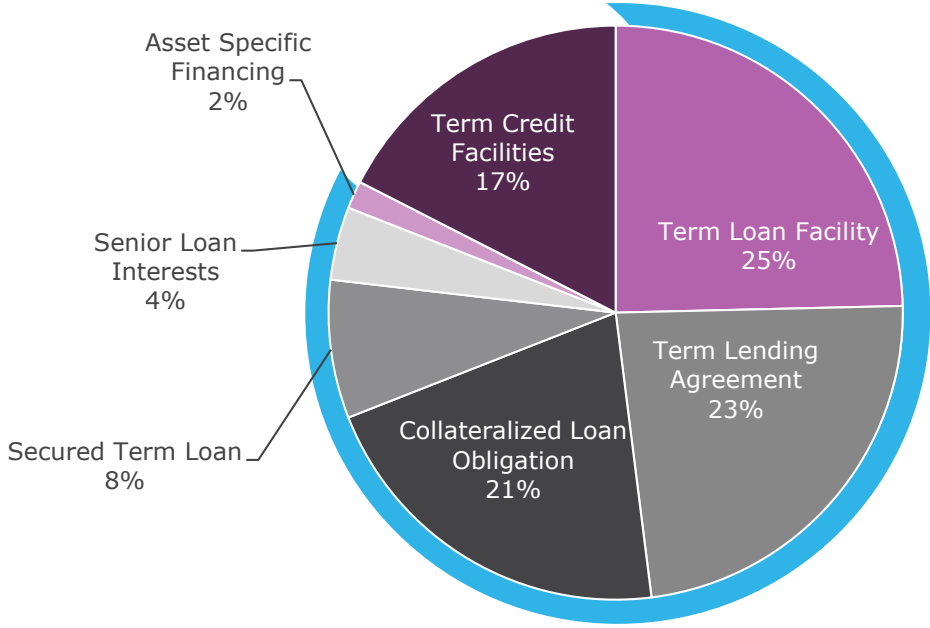
4Q'18



60%

Non-MTM

4Q'20



83%

Non-MTM

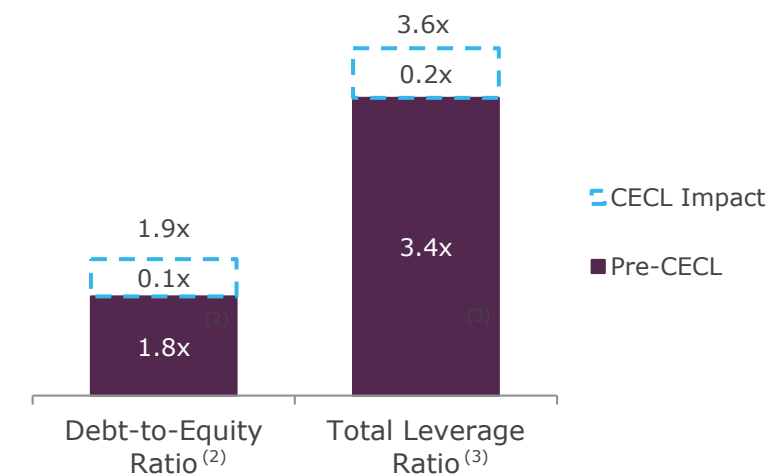
(1) Based on outstanding face amount of asset level secured financing, including non-consolidated senior interests, and excludes convertible notes and the corporate revolving credit facility.
 (2) Term credit facilities are marked to credit only and not subject to capital markets mark-to-market provisions.

Diversified Financing Sources Totaling \$6.1 Billion

Summary of Outstanding Financing

(\$ in Millions)	Maximum Capacity	Outstanding Face Amount	Weighted Avg. Coupon	Advance Rate	Non-MTM
Term Credit Facilities	\$1,840	\$673	L+1.6%	63.3%	- (1)
Term Lending Agreement	\$900	\$900	L+1.9%	80.3%	✓
Warehouse Facility	\$500	\$0	n/a	n/a	✓
Asset Specific Financing	\$300	\$60	L+1.7%	78.9%	✓
Secured Term Loan	\$300	\$300	L+4.8%	-	✓
Convertible Notes	\$144	\$144	6.1%	-	✓
Corporate Revolving Credit Facility	\$335	\$0	L+2.0%	-	✓
Total Corporate Obligations	\$4,319	\$2,077			
Term Loan Facility	\$1,000	\$948	L+1.6%	82.1%	✓
Collateralized Loan Obligation	\$810	\$810	L+1.4%	81.0%	✓
Total Leverage	\$6,129	\$3,835			

Leverage Ratios





(1) Term credit facilities are marked to credit only and not subject to capital markets mark-to-market provisions.

(2) 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.

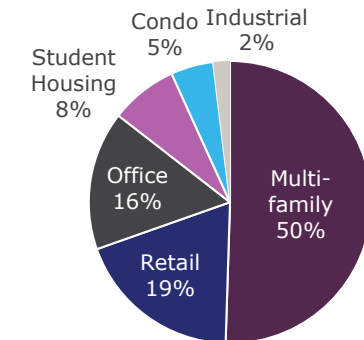
(3) Represents (i) total outstanding debt agreements, secured term loan, convertible notes, and collateralized loan obligation, less cash to (ii) total permanent equity, in each case, at period end.

Financing Overview: Term Credit Facilities

(\$ in Millions)

Counterparty		Morgan Stanley		Total / Weighted Average
Drawn	\$446	\$150	\$77	\$673
Capacity	\$1,000	\$600	\$240	\$1,840
Collateral: Loans / Principal Balance	5 Loans / \$684	3 Loans / \$221	2 Loans / \$158	10 Loans / \$1,063
Final Stated Maturity⁽¹⁾	November 2023	December 2022	October 2023	-
Weighted Average Pricing	L + 1.4%	L + 1.8%	L + 1.9%	L + 1.6%
Weighted Average Advance	65.3%	67.8%	48.7%	63.3%
Mark-to-market	Credit Only	Credit Only	Credit Only	-

Property Type⁽²⁾:

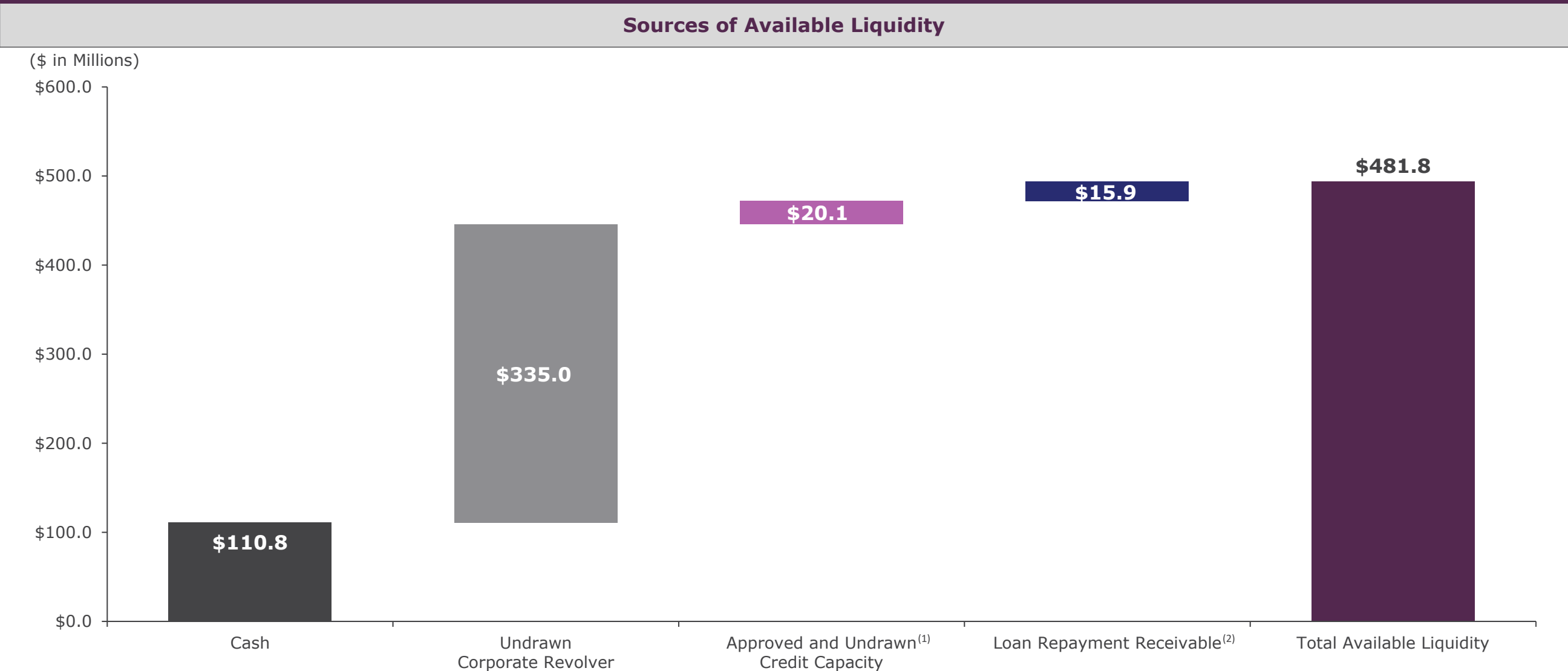


(1) Based on extended maturity date.

(2) Based on principal balance of financing.

Liquidity Overview

- In addition to the available sources of liquidity noted below, KREF had \$274.7 million of unencumbered senior loans that can be pledged to financing facilities subject to lender approval, as of December 31, 2020.



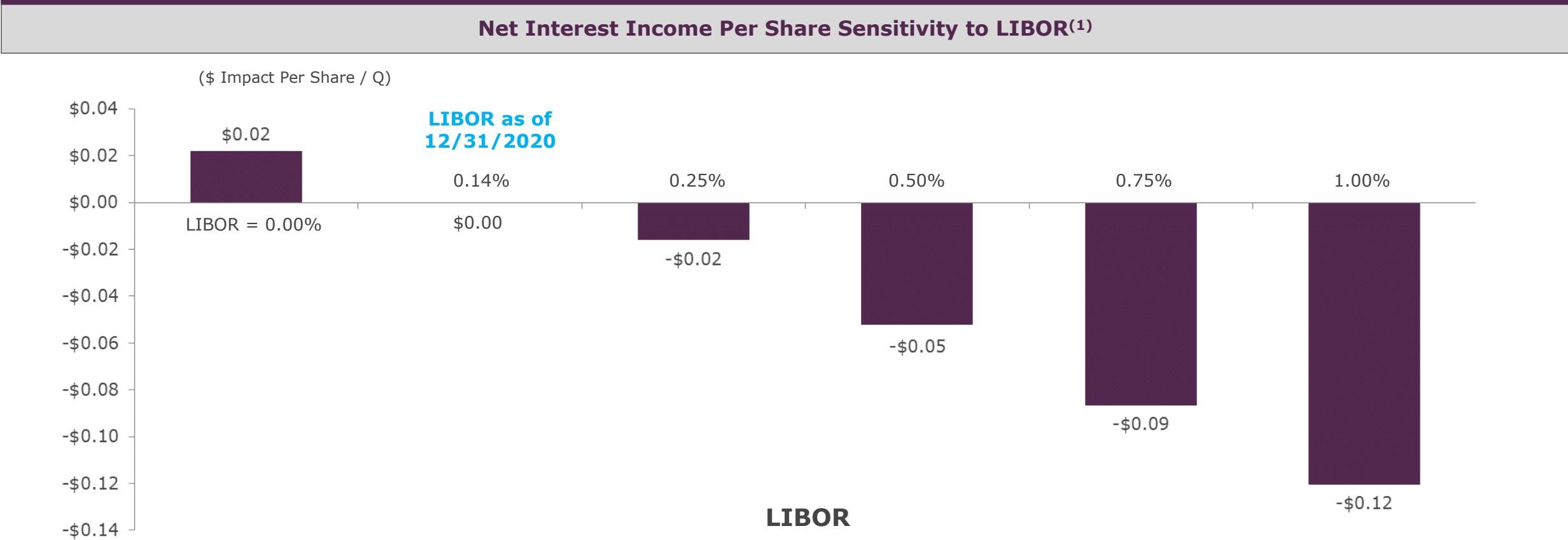
(1) Represents under-levered amounts under financing facilities. While these amounts were previously contractually approved and/or drawn, in certain cases, the lender’s consent is required for us to (re)borrow these amounts.

(2) Represents proceeds from loan repayment held by the servicer as of December 31, 2020.

Earnings Power from LIBOR Floors

Portfolio Benefits from Attractive in the Money LIBOR Floors

- 99.9% of the loan portfolio is indexed to one-month USD LIBOR
- Portfolio benefits from current low rate environment given in-place LIBOR floors
 - ✓ 85% of the portfolio is subject to a LIBOR floor of at least 1.0%
 - ✓ Portfolio weighted average LIBOR floor of 1.64%
 - ✓ 10% of total outstanding financing including the Secured Term Loan is subject to a LIBOR floor greater than 0.0%

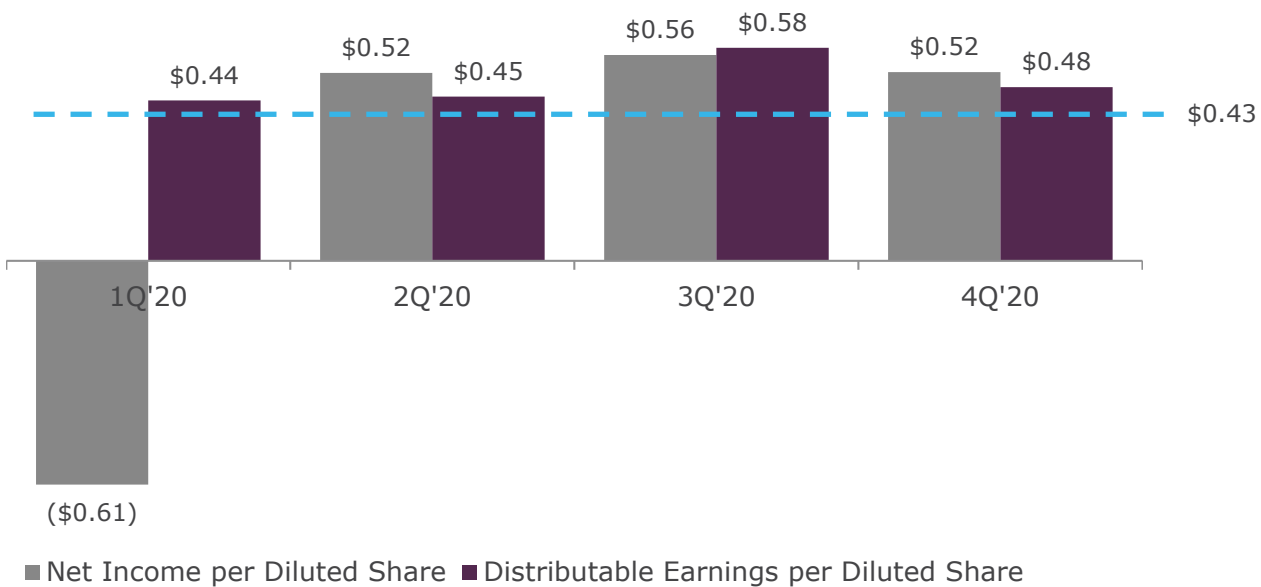


(1) Portfolio as of December 31, 2020.

Recent Operating Performance

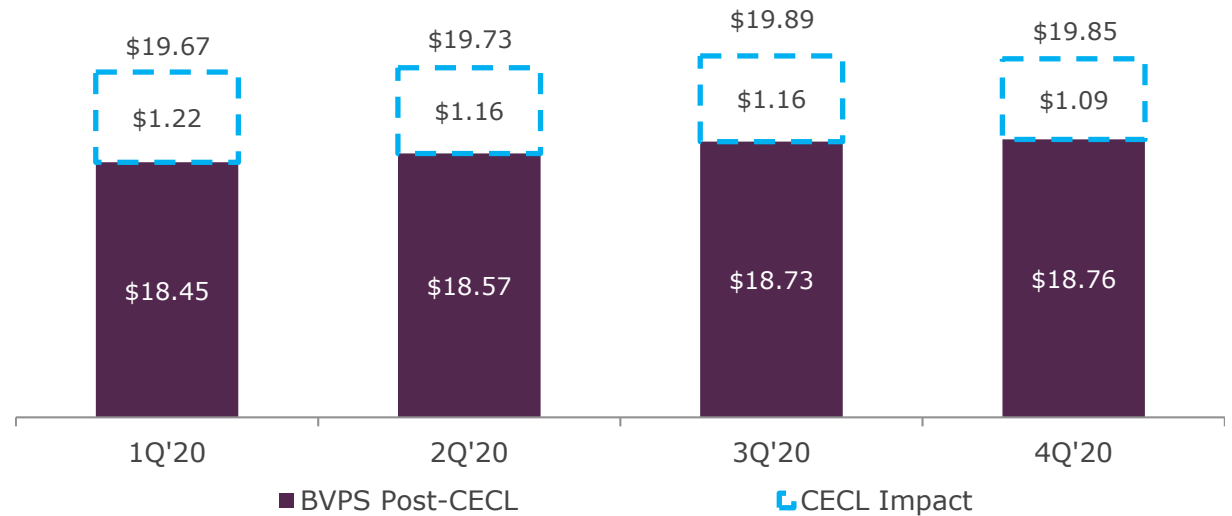
Net Income⁽¹⁾ and Distributable Earnings⁽²⁾

	1Q'20	2Q'20	3Q'20	4Q'20 (\$ in Millions)
Net income:				
	(\$35.2)	\$28.6	\$31.4	\$28.8
Distributable earnings:				
	\$25.3	\$25.0	\$32.5	\$26.5



Dividends and Book Value Per Share

	1Q'20	2Q'20	3Q'20	4Q'20
Dividend per share:				
	\$0.43	\$0.43	\$0.43	\$0.43
Dividend yield on book value per share:				
	9.3%	9.3%	9.2%	9.2%



(1) Represents Net Income attributable to common stockholders.

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

Key Highlights

Best in class investment portfolio - 81%
multifamily and office; only 9% hospitality and retail

Conservative liability management - 83%
diversified non-mark-to-market secured financing

Strong liquidity position - Over \$480 million of
liquidity as of 12/31/20

***Fully integrated with KKR; aligned with
shareholders*** - 36% ownership; ~\$16bn of real
estate AUM

***Experienced leadership & asset management
team*** - 75+ years of experience; portfolio of >40
loans

Record 2020 Distributable Earnings - 1.13x
dividend coverage over last four quarters

Appendix

4Q'20 Financial Summary

Income Statement

(\$ in Millions)	4Q20
Net Interest Income	\$34.4
Other Income	1.3
Operating Expenses and Other	(10.3)
Benefit From Credit Loss Provision	3.4
Net Income Attributable to Common Stockholders	\$28.8
Weighted Average Shares Outstanding, Diluted	55,669,230
Net Income per Share, Diluted	\$0.52
Distributable Earnings ⁽¹⁾	\$26.5
Distributable Earnings per Share, Diluted⁽¹⁾	\$0.48
Dividend per Share	\$0.43

Balance Sheet

(\$ in Millions)	4Q20
Total Portfolio	\$4,905.4
Term Credit Facilities	673.1
Term Lending Agreement	900.0
Asset Specific Financing	60.0
Secured Term Loan	300.0
Convertible Notes	143.8
Total Debt	\$2,076.9
Term Loan Facility	948.2
Collateralized Loan Obligation	810.0
Total Leverage	\$3,835.1
Cash	110.8
Total Permanent Equity	1,043.6
Debt-to-Equity Ratio⁽²⁾	1.9x
Total Leverage Ratio⁽³⁾	3.6x
Shares Outstanding	55,619,428
Book Value per Share⁽⁴⁾	\$18.76

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

(2) Represents (i) total debt less cash to (ii) total permanent equity. The debt-to-equity ratio, adjusted for the impact of CECL allowance for credit losses, is 1.8x at 4Q'20.

(3) Represents (i) total leverage less cash to (ii) total permanent equity. The total leverage ratio, adjusted for the impact of CECL allowance for credit losses, is 3.4x at 4Q'20.

(4) Book value per share includes (i) CECL credit loss allowance of (\$60.7) million or (\$1.09) per common share, (ii) write-off of (\$4.7) million or (\$0.08) per common share on the Company's \$5.5 million mezzanine loan, and (iii) the YTD impact of (\$0.2) million, or \$0.00 per common share, non-cash redemption value adjustment to our redeemable SNVPS, resulting in a cumulative (since issuance of the SNVPS) decrease of \$1.9 million to our book value as of December 31, 2020.

Portfolio Details

#	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	LTV ⁽⁵⁾⁽⁸⁾	Risk Rating
Senior Loans⁽¹⁾														
1	Senior Loan	Chicago, IL	Multifamily	6/28/2019	340.0	340.0	334.6	73.6	5.4	L + 2.8%	5.5	\$ 418,289 / unit	75%	3
2	Senior Loan	Arlington, VA	Multifamily	6/28/2019	345.0	278.8	271.1	71.6	7.7	L + 2.6%	3.5	\$ 244,215 / unit	70%	3
3	Senior Loan	New York, NY	Condo (Resi)	12/20/2018	234.5	234.5	200.1	43.2	34.4	L + 3.6%	3.0	\$ 1,250 / SF	71%	4
4	Senior Loan	Boston, MA	Office	5/23/2018	227.3	227.3	208.6	38.6	18.7	L + 2.4%	2.4	\$ 444 / SF	53%	3
5	Senior Loan	Various	Multifamily	5/31/2019	216.5	216.5	210.6	37.6	5.9	L + 3.5%	3.4	\$ 196,862 / unit	74%	3
6	Senior Loan	Minneapolis, MN	Office	11/13/2017	194.4	194.4	194.1	37.1	0.3	L + 3.8%	1.9	\$ 178 / SF	63%	2
7	Senior Loan	Chicago, IL	Multifamily	6/6/2019	186.0	186.0	179.5	100.3	3.6	L + 3.6%	3.4	\$ 364,837 / unit	72%	3
8	Senior Loan	Denver, CO	Multifamily	8/13/2019	185.0	185.0	171.6	50.4	13.4	L + 2.8%	3.7	\$ 288,834 / unit	64%	3
9	Senior Loan	Irvine, CA	Office	11/15/2019	183.3	183.3	162.3	46.0	21.0	L + 2.9%	3.9	\$ 255 / SF	66%	3
10	Senior Loan	Philadelphia, PA	Office	4/11/2019	182.6	182.6	155.0	25.6	27.6	L + 2.6%	3.4	\$ 220 / SF	65%	3
11	Senior Loan	Washington, D.C.	Office	12/20/2019	175.5	175.5	72.9	32.0	102.6	L + 3.4%	4.0	\$ 357 / SF	58%	3
12	Senior Loan	Seattle, WA	Office	9/13/2018	172.0	172.0	172.0	33.7	-	L + 3.9%	2.8	\$ 502 / SF	62%	3
13	Senior Loan	Chicago, IL	Office	7/15/2019	170.0	170.0	131.8	22.7	38.2	L + 3.3%	3.6	\$ 127 / SF	59%	3
14	Senior Loan	Philadelphia, PA	Office	6/19/2018	165.0	165.0	164.9	37.2	0.1	L + 2.5%	2.5	\$ 169 / SF	71%	3
15	Senior Loan	New York, NY	Multifamily	12/5/2018	163.0	163.0	148.0	23.4	15.0	L + 2.6%	2.9	\$ 556,391 / unit	67%	3
16	Senior Loan	Oakland, CA	Office	10/23/2020	509.9	159.7	94.7	15.0	10.2	L + 4.3%	4.9	\$ 291 / SF	65%	3
17	Senior Loan	Plano, TX	Office	2/6/2020	153.7	153.7	112.8	18.3	40.9	L + 2.7%	4.1	\$ 157 / SF	64%	3
18	Senior Loan	Fort Lauderdale, FL	Hospitality	11/9/2018	151.6	151.6	141.6	29.0	10.0	L + 2.9%	2.9	\$ 409,275 / key	62%	4
19	Senior Loan	Boston, MA	Multifamily	3/29/2019	138.0	138.0	137.0	22.3	1.0	L + 2.7%	3.3	\$ 351,282 / unit	63%	3
20	Senior Loan	West Palm Beach, FL	Multifamily	11/7/2018	135.0	135.0	132.1	21.5	2.9	L + 2.9%	2.9	\$ 162,669 / unit	73%	3
21	Senior Loan	Various	Retail	12/19/2019	128.9	128.9	128.9	19.9	-	L + 2.6%	4.6	\$ 95 / SF	55%	2
22	Senior Loan ⁽⁹⁾	Portland, OR	Retail	10/26/2015	109.6	109.6	109.6	89.6	-	L + 5.5%	0.3	\$ 101 / SF	61%	5
23	Senior Loan	San Diego, CA	Multifamily	2/3/2020	102.3	102.3	102.3	20.9	-	L + 3.3%	4.1	\$ 442,965 / unit	71%	4
24	Senior Loan	New York, NY	Condo (Resi)	8/4/2017	99.1	99.1	99.1	66.2	-	L + 4.7%	0.8	\$ 1,712 / SF ⁽¹⁰⁾	73%	4
25	Senior Loan	Denver, CO	Industrial	12/11/2020	95.8	95.8	18.4	4.8	77.4	L + 3.8%	5.0	\$ 12 / SF	76%	3
26	Senior Loan	State College, PA	Student Housing	10/15/2019	93.4	93.4	71.2	18.8	22.2	L + 2.7%	3.9	\$ 59,603 / bed	64%	3
27	Senior Loan	Seattle, WA	Multifamily	9/7/2018	92.3	92.3	92.3	16.8	-	L + 2.6%	2.7	\$ 515,571 / unit	76%	3
28	Senior Loan	Los Angeles, CA	Multifamily	12/11/2019	91.0	91.0	91.0	19.1	-	L + 2.8%	2.0	\$ 421,296 / unit	72%	3
29	Senior Loan	New York, NY	Multifamily	3/29/2018	86.0	86.0	86.0	14.5	-	L + 2.6%	2.3	\$ 462,366 / unit	48%	3
30	Senior Loan	Seattle, WA	Office	3/20/2018	80.7	80.7	80.7	14.7	-	L + 3.6%	2.3	\$ 466 / SF	61%	3
31	Senior Loan	Austin, TX	Multifamily	12/4/2020	80.0	80.0	78.0	47.4	2.0	L + 3.7%	3.9	\$ 200,000 / unit	77%	3
32	Senior Loan	Philadelphia, PA	Multifamily	10/30/2018	77.0	77.0	77.0	13.0	-	L + 2.7%	2.9	\$ 150,391 / unit	73%	3
33	Senior Loan	Brooklyn, NY	Hospitality	1/18/2019	76.9	76.9	76.9	16.7	-	L + 2.9%	3.1	\$ 392,450 / key	69%	4
34	Senior Loan	Herndon, VA	Multifamily	12/23/2019	73.9	73.9	73.1	12.1	0.8	L + 2.5%	4.0	\$ 248,787 / unit	72%	3
35	Senior Loan	Arlington, VA	Multifamily	10/23/2020	141.8	70.9	68.5	12.8	2.4	L + 3.8%	4.8	\$ 380,726 / unit	73%	3
36	Senior Loan	Queens, NY	Industrial	7/21/2017	70.1	70.1	66.9	66.8	3.2	L + 3.0%	1.6	\$ 111 / SF	77%	4
37	Senior Loan	Washington, D.C.	Multifamily	12/4/2020	69.0	69.0	65.0	64.4	4.0	L + 3.5%	4.9	\$ 259,815 / unit	63%	3
38	Senior Loan	Austin, TX	Multifamily	9/12/2019	67.5	67.5	67.5	12.4	-	L + 2.5%	3.7	\$ 191,218 / unit	75%	3
39	Senior Loan	Denver, CO	Multifamily	10/14/2020	80.0	40.0	38.7	7.1	1.3	L + 3.6%	3.9	\$ 460,566 / unit	49%	3
Total / Weighted Average					\$5,943.6	\$5,416.3	\$4,886.4	\$1,317.1	\$472.2	L + 3.1%	3.3		67%	3.1
Non-Senior Loans														
1	Floating Rate Mezzanine	Westbury, NY	Multifamily	1/27/2020	20.0	20.0	20.0	19.9	-	L + 9.0%	3.6	\$ 464,135 / unit	66%	3
2	Fixed Rate Mezzanine ⁽¹¹⁾	Various	Retail	6/19/2015	5.5	5.5	5.5	0.9	-	11.0%	4.5	\$ 45 / SF	71%	5
3	Real Estate Corporate Loan ⁽¹²⁾	n/a	Multifamily	12/11/2020	125.0	50.0	50.0	49.1	-	L + 12.0%	5.0	n/a	n/a	3
Total / Weighted Average					\$150.5	\$75.5	\$75.5	\$69.9	\$0.0	12.3%	4.6		67%	3.1
CMBS														
Total / Weighted Average						\$40.0	\$35.7	\$35.7	\$4.3	4.7%	8.5		58%	
Portfolio Total / Weighted Average						\$5,531.8	\$4,997.6	\$1,422.7	\$476.5	4.8%	3.4		67%	3.1
4Q20 Outstanding Portfolio⁽¹³⁾													\$4,997.6	

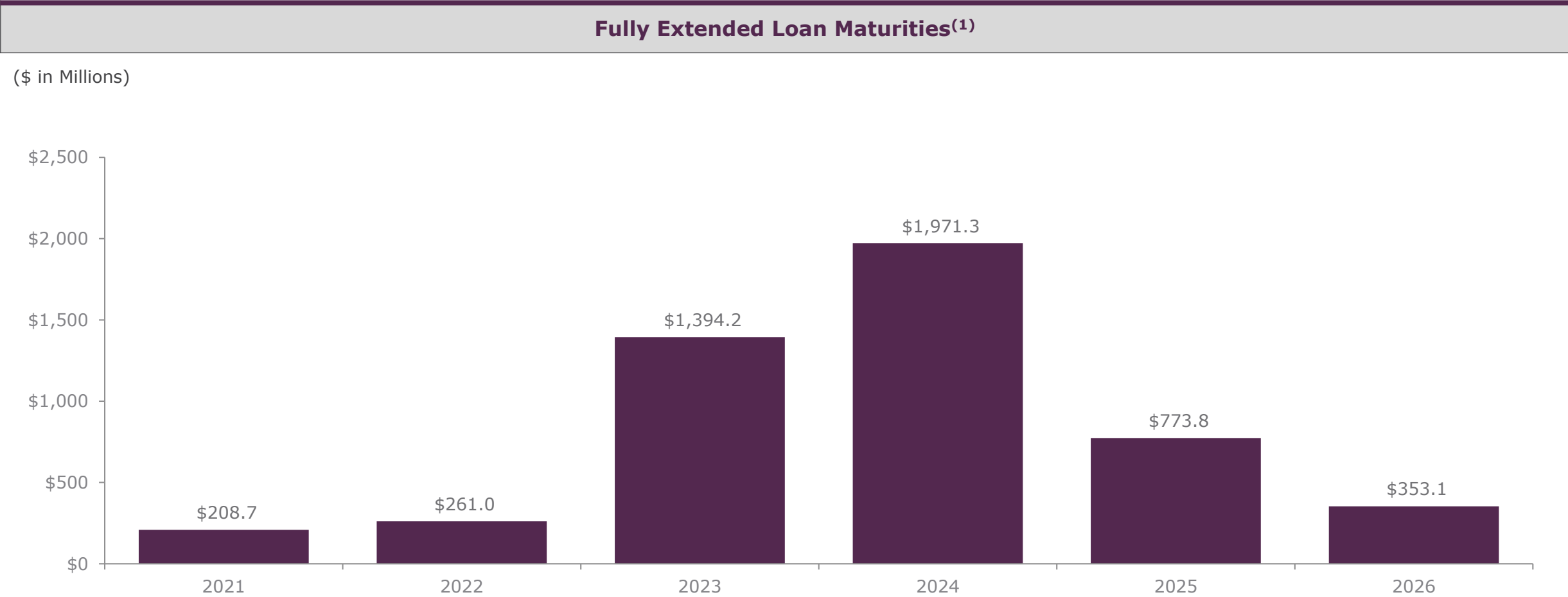
*See footnotes on subsequent page

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 7, 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 December 31, 2020, at a blended interest rate of L + 4.7%.
 - For Senior Loan 16, 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 \$14.8 million was funded as of December 31, 2020, 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 3 is excluded from the weighted average LTV.
- (6) L = one-month USD LIBOR rate; greater of (i) spot one-month USD LIBOR rate of 0.14% and (ii) LIBOR floor, where applicable, included in portfolio-wide averages represented as fixed rates.
- (7) Max remaining term (years) assumes all extension options are exercised, if applicable.
- (8) For senior loans, loan-to-value ratio ("LTV") 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; for Senior Loan 3, 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 24, 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.
- (9) Senior Loan 22 was placed on non-accrual status in October 2020.
- (10) For Senior Loan 24, Loan per SF of \$1,712 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 \$2,035 based on allocating the full amount of the loan to only the residential units.
- (11) For Non-Senior Loan 1, Current Principal Amount is gross of \$4.7 million written-off (of amortized cost).
- (12) Non-Senior Loan 3 is a real estate corporate loan to a multifamily operator.
- (13) Represents Current Principal Amount of Senior Loans and Non-Senior Loans and Net Equity for our RECOP I CMBS B-Piece investment.

Fully Extended Loan Maturities

- Fully extended weighted average loan maturity of 3.3 years⁽¹⁾



(1) Excludes RECOP I CMBS B-Piece investment.

Consolidated Balance Sheets

(in thousands - except share and per share data)	December 31, 2020	December 31, 2019
Assets		
Cash and cash equivalents	\$ 110,832	\$ 67,619
Commercial mortgage loans, held-for-investment	4,844,534	4,931,042
Less: Allowance for credit losses	(59,801)	-
Commercial mortgage loans, held-for-investment, net	4,784,733	4,931,042
Equity method investments	33,651	37,469
Accrued interest receivable	15,412	16,305
Other assets ⁽¹⁾	20,984	4,583
Total Assets	\$ 4,965,612	\$ 5,057,018
Liabilities and Equity		
Liabilities		
Secured financing agreements, net	\$ 2,574,747	\$ 2,884,887
Collateralized loan obligation, net	810,000	803,376
Secured term loan, net	288,028	-
Convertible notes, net	140,465	139,075
Loan participations sold, net	66,232	64,966
Dividends payable	24,287	25,036
Accrued interest payable	5,381	6,686
Accounts payable, accrued expenses and other liabilities ⁽²⁾	4,823	3,363
Due to affiliates	6,243	5,917
Total Liabilities	3,920,206	3,933,306
Commitments and Contingencies		
Temporary Equity		
Redeemable preferred stock	1,852	1,694
Permanent Equity		
Preferred stock, 50,000,000 authorized (1 share with par value of \$0.01 issued and outstanding as of December 31, 2020 and December 31, 2019)	-	-
Common stock, 300,000,000 authorized (55,619,428 and 57,486,583 shares with par value of \$0.01 issued and outstanding as of December 31, 2020 and December 31, 2019, respectively)	556	575
Additional paid-in capital	1,169,695	1,165,995
Accumulated deficit	(65,698)	(8,594)
Repurchased stock, 3,900,326 and 1,862,689 shares repurchased as of December 31, 2020 and December 31, 2019, respectively	(60,999)	(35,958)
Total KKR Real Estate Finance Trust Inc. stockholders' equity	1,043,554	1,122,018
Total Permanent Equity	1,043,554	1,122,018
Total Liabilities and Equity	\$ 4,965,612	\$ 5,057,018

(1) Includes \$15.9 million and \$0.0 million of loan repayment proceeds held by the servicer and receivable by KREF as of December 31, 2020 and December 31, 2019, respectively.

(2) Includes \$0.9 million and \$0.0 million of reserve for unfunded loan commitments as of December 31, 2020 and December 31, 2019, respectively.

Consolidated Statements of Income

(in thousands - except share and per share data)	Three Months Ended			Year Ended		
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2018
Net Interest Income						
Interest income	\$ 63,201	\$ 67,689	\$ 72,417	\$ 269,188	\$ 274,335	\$ 183,575
Interest expense	28,835	28,832	41,333	127,312	158,860	85,017
Total net interest income	34,366	38,857	31,084	141,876	115,475	98,558
Other Income						
Gain (loss) on sale of investments	-	-	71	-	(2,688)	13,000
Income (loss) from equity method investments	1,168	973	1,254	537	4,568	3,065
Change in net assets related to CMBS consolidated variable interest entities	-	-	-	-	1,665	2,588
Other income	86	102	447	744	2,453	1,440
Total other income (loss)	1,254	1,075	1,772	1,281	5,998	20,093
Operating Expenses						
General and administrative	2,862	3,563	2,676	14,238	10,522	7,812
Provision for (Reversal of) credit losses, net	(3,438)	(126)	-	50,344	-	-
Management fees to affiliate	4,252	4,223	4,280	16,992	17,135	16,346
Incentive compensation to affiliate	2,929	990	1,174	6,774	3,272	4,756
Total operating expenses	6,605	8,650	8,130	88,348	30,929	28,914
Income (Loss) Before Income Taxes, Preferred Dividends and Redemption Value Adjustment	29,015	31,282	24,726	54,809	90,544	89,737
Income tax expense (benefit)	157	96	213	412	579	(70)
Net Income (Loss)	28,858	31,186	24,513	54,397	89,965	89,807
Redeemable Noncontrolling Interests in Income (Loss) of Consolidated Joint Venture	-	-	-	-	-	63
Net Income (Loss) Attributable to KKR Real Estate Finance Trust Inc. and Subsidiaries	28,858	31,186	24,513	54,397	89,965	89,744
Preferred Stock Dividends and Redemption Value Adjustment	82	(165)	(276)	844	(527)	2,451
Net Income (Loss) Attributable to Common Stockholders	\$ 28,776	\$ 31,351	\$ 24,789	\$ 53,553	\$ 90,492	\$ 87,293
Net Income (Loss) Per Share of Common Stock, Basic	\$ 0.52	\$ 0.56	\$ 0.43	\$ 0.96	\$ 1.58	\$ 1.58
Net Income (Loss) Per Share of Common Stock, Diluted	\$ 0.52	\$ 0.56	\$ 0.43	\$ 0.96	\$ 1.57	\$ 1.58
Weighted Average Number of Shares of Common Stock Outstanding, Basic	55,619,428	55,491,405	57,486,583	55,985,014	57,426,912	55,136,548
Weighted Average Number of Shares of Common Stock Outstanding, Diluted	55,669,230	55,632,170	57,595,424	56,057,237	57,532,490	55,171,061
Dividends Declared per Share of Common Stock	\$ 0.43	\$ 0.43	\$ 0.43	\$ 1.72	\$ 1.72	\$ 1.69

Reconciliation of GAAP Net Income to Distributable Earnings

- Commencing for all periods ending on or after December 31, 2020, we have elected to present Distributable Earnings, a measure that is not prepared in accordance with GAAP, as a supplemental method of evaluating our operating performance. Such measure replaces our prior presentation of Core Earnings. See Appendix for definition.

(in thousands - except share and per share data)	Year Ended		Three Months Ended		
	December 31, 2020	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Net Income (Loss) Attributable to Common Stockholders	\$ 53,553	\$ 28,776	\$ 31,351	\$ 28,590	\$ (35,164)
Adjustments					
Non-cash equity compensation expense	5,676	1,305	1,390	1,374	1,607
Unrealized (gains) or losses ⁽¹⁾⁽²⁾	4,036	(203)	(178)	973	3,444
Provision for (Reversal of) credit losses, net	50,344	(3,438)	(126)	(1,366)	55,274
Non-cash convertible notes discount amortization	362	91	91	90	90
Loan write-off	(4,650)	-	-	(4,650)	-
Distributable Earnings	\$ 109,321	\$ 26,531	\$ 32,528	\$ 25,011	\$ 25,251
Weighted Average Shares Outstanding					
Basic	55,985,014	55,619,428	55,491,405	55,491,937	57,346,726
Diluted	56,057,237	55,669,230	55,632,170	55,504,077	57,432,611
Distributable Earnings per Weighted Average Share, Basic	\$ 1.95	\$ 0.48	\$ 0.59	\$ 0.45	\$ 0.44
Distributable Earnings per Weighted Average Share, Diluted	\$ 1.95	\$ 0.48	\$ 0.58	\$ 0.45	\$ 0.44

(1) Includes (\$0.1) million, (\$0.3) million, \$0.2 million, and \$0.4 million non-cash redemption value adjustment of our SNVPS during 4Q'20, 3Q'20, 2Q'20 and 1Q'20, respectively.

(2) Includes (\$0.1) million, \$0.1 million, \$0.8 million, and \$3.0 million of unrealized loss (gain) on RECOP I, an equity method investment, during 4Q'20, 3Q'20, 2Q'20 and 1Q'20, respectively.

Reconciliation of GAAP Net Income to Distributable Earnings

(in thousands - except share and per share data)	Year Ended		
	December 31, 2020	December 31, 2019	December 31, 2018
Net Income (Loss) Attributable to Common Stockholders	\$ 53,553	\$ 90,492	\$ 87,293
Adjustments			
Non-cash equity compensation expense	5,676	4,091	1,973
Unrealized (gains) or losses ⁽¹⁾⁽²⁾	4,036	1,179	(1,370)
Provision for credit losses, net	50,344	-	-
Non-cash convertible notes discount amortization	362	360	224
Loan write-off	(4,650)	-	-
Reversal of previously unrealized loss now realized ⁽³⁾	-	191	11,900
Distributable Earnings	\$ 109,321	\$ 96,313	\$ 100,020
Weighted Average Shares Outstanding			
Basic	55,985,014	57,426,912	55,136,548
Diluted	56,057,237	57,532,490	55,171,061
Distributable Earnings per Weighted Average Share, Basic	\$ 1.95	\$ 1.68	\$ 1.81
Distributable Earnings per Weighted Average Share, Diluted	\$ 1.95	\$ 1.67	\$ 1.81

(1) Includes \$0.2 million, (\$1.2) million and \$1.6 million non-cash redemption value adjustment of our SNVPS during the years ended December 31, 2020, 2019 and 2018, respectively.

(2) Includes \$3.9 million of unrealized loss on RECOP I, an equity method investment, during year ended December 31, 2020.

(3) Includes \$5.5 million and \$6.4 million of unrealized gains related to the first quarter of 2018 and to prior periods, respectively, that were realized during the year ended December 31, 2018.

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.