Exhibit 99.2

ARES
COMMERCIAL REAL ESTATE CORPORATION

Fourth Quarter and Full Year 2024 Earnings Presentation

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4Q 2024 and Full Year 2024 Company Results and Highlights

Earnings and Results	• 4Q 2024 and FY 2024 GAAP EPS (loss) of $(0.20) and $(0.64), respectively • 4Q 2024 and FY 2024 Distributable EPS (loss) of $(0.15) and $(0.82), respectively[1] • 4Q 2024 and FY 2024 Distributable EPS of $0.18 and $0.75 excluding realized losses of $0.33 and $1.58, respectively[1,2] • Book value per common share of $9.90 (or $12.56 excluding the CECL reserve) as of December 31, 2024[3] • $145 million CECL reserve at 4Q 2024 or 8.5% of outstanding principal balance for loans held for investment
Objectives	• Resolve risk rated 4 and 5 loans while seeking the highest net benefit balancing recovery of capital, impact on earnings (including loans on non-accrual status) and liquidity, and timing • Further reduce debt and increase liquidity to support our objectives of resolving risk rated 4 and 5 loans and actively managing the portfolio • Continue to actively manage existing loan portfolio to identify and minimize risks and generate additional liquidity

Progress and Achievements	**Reduced Financial Leverage and Achieved Higher Levels of Liquidity to Support Loan Resolutions**
	• Reduced debt by $444 million from YE 2023 to $1.2 billion at YE 2024, a decrease of 13% since 3Q 2024 and 27% since YE 2023
	• Reduced net debt to equity ratio excluding CECL reserve to 1.6x at 4Q 2024 vs. 1.8x at 3Q 2024 and 1.9x at YE 2023[4]
	• Reduced loan portfolio by $460 million from YE 2023 to $1.7 billion at YE 2024, a decrease of 8% since 3Q 2024 and 21% since YE 2023
	• Increased available capital by $80 million from 3Q 2024 to $201 million, an increase of 66% since 3Q 2024[5]
	Further Addressed Risk Rated 4 and 5 Loans and REOs
	• Reduced outstanding principal balance of risk rated 4 and 5 loans by $182 million in FY 2024, a 34% decrease since YE 2023, but an increase of $37 million or 12% since 3Q 2024, due to the following in 4Q 2024:
	    • A $51 million senior loan collateralized by a life science/ office property in Massachusetts migrated to a risk rating of 4 (previously risk rated 3)
	    • A $20 million senior loan collateralized by an industrial property in California (previously risk rated 5) was modified and restructured, splitting the loan into (i) a $7 million senior note with a risk rating of 3 and (ii) a $13 million subordinate note with a risk rating of 4
	    • An $18 million subordinated loan collateralized by an office property in New Jersey (previously risk rated 5) was written off
	• Sold a $15 million REO office property in California resulting in a realized loss of $2 million
	Actively Managed Existing Loan Portfolio
	• Borrowers contributed approximately $119 million in FY 2024, including $38 million in 4Q 2024, as partial repayment of loans or funding of reserves, capital expenditures, purchase of interest rate caps, or other purposes

Dividends	• Declared cash dividend of $0.15 per common share for shareholders for 1Q 2025, which equates to an annualized implied dividend yield of 10.1% to our current stock price[6]

Note: As of December 31, 2024, unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided. **See relevant endnotes on page 23.**

Ares Management

» With approximately $484 billion in assets under management, Ares Management Corporation is a global alternative investment manager operating an integrated platform across five business groups

Profile

Founded	1997
AUM	$484 billion
Employees	3,200+
Investment Professionals	1,100+
Global Offices	40+
Direct Institutional Relationships	2,680+
Listing: NYSE – Market Capitalization	$61 billion[1]

Global Footprint[2]

	Credit	Real Assets	Private Equity	Secondaries	Other Businesses
AUM	$349 billion	$75 billion	$24 billion	$29 billion	$7 billion
Strategies	Direct Lending	Real Estate Equity	Corporate Private Equity	Private Equity Secondaries	Ares Insurance Solutions[3]
	Liquid Credit	Real Estate Debt	APAC Private Equity	Real Estate Secondaries	Ares Acquisition Corporation[4]
	Alternative Credit	Infrastructure Opportunities		Infrastructure Secondaries	
	Opportunistic Credit	Infrastructure Debt		Credit Secondaries	
	APAC Credit				

The Ares Differentiators

Power of a broad and scaled platform enhancing investment capabilities

Deep management team with integrated and collaborative approach

20+ year track record of attractive risk adjusted returns through market cycles[5]

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

Note: As of December 31, 2024. AUM amounts include funds managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of Ares Capital Corporation and registered investment adviser. Past performance is not indicative of future results.

1. As of January 23, 2025.
2. New Delhi office is operated by a third party with whom Ares Asia maintains an ongoing relationship relating to the sourcing, acquisition and/or management of investments.
3. AUM managed by Ares Insurance Solutions excludes assets which are sub-advised by other Ares' investment groups or invested in Ares funds and investment vehicles.
4. AUM includes Ares Acquisition Corporation II ("AACT").
5. Risk adjusted returns do not guarantee against loss of capital.

Ares Real Estate

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

$58 billion Real Estate AUM	**295+** Investment Professionals
18 Offices and Market Coverage Locations	**575+** Real Estate Investments Globally

Core/Core-Plus | Value-Add | Opportunistic

- **Global Debt**
- **North American Private Equity Real Estate**
- **European Private Equity Real Estate**

Key Differentiators

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

Note: As of December 31, 2024, unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided. All investments involve risk, including loss of principal. References to "risk-adjusted performance" or similar phrases are not guarantees against loss of investment capital or value. Returns may increase or decrease as a result of currency fluctuations.

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Portfolio Overview

Progress in identifying and addressing our risk rated 4 and 5 loans

Risk Rated 1-3 Loan Portfolio

$1.3 billion Portfolio Size[2]

31 Loans

- Majority Collateralized by Multifamily, Industrial, Mixed-Use, Self-Storage and Student Housing[2]
- CECL Reserve is Approximately 1% of Loan Balance[2,4]
- Approximately $118 million of Additional Borrower Capital Contributions in the LTM[6]
- $44 million of Future Funding Commitments[8]

Risk Rated 4 and 5 Loan Portfolio

$0.4 billion Portfolio Size[3]

5 Loans

- 96% is Collateralized by Office and Residential / Condo Properties[3]
- 91% of Total CECL Reserve Relates to Risk Rated 4 and 5 Loans[5]
- CECL Reserve is 37% of Loan Balance[7]
- CECL Reserve is 39% of Loan Balance for Office Loans[9]

Note: As of December 31, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

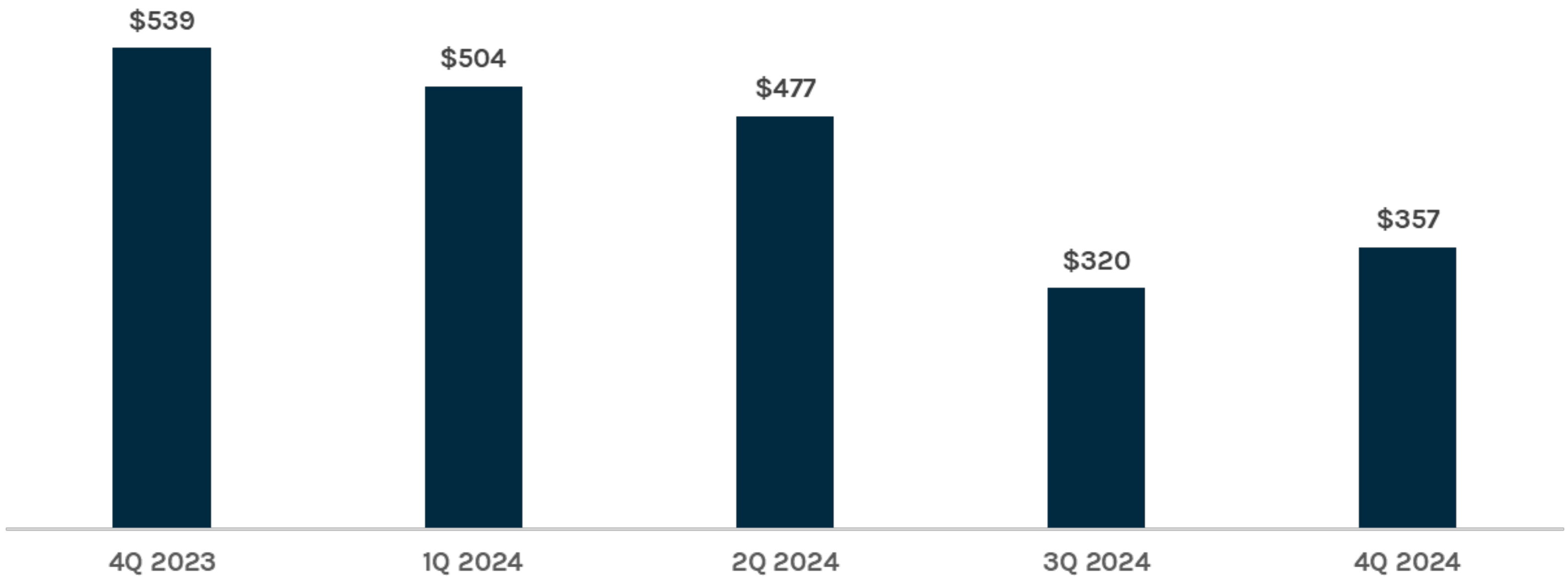
1. Based on outstanding principal balance of loans held for investment.
2. Based on outstanding principal balance of loans with risk ratings of 1, 2 or 3.
3. Based on outstanding principal balance of loans with risk ratings of 4 or 5.
4. $13 million of the $145 million total CECL reserve related to loans risk rated 1, 2 and 3.
5. $132 million of the $145 million total CECL reserve related to loans risk rated 4 and 5.
6. Includes borrower capital contributions relating to repayment of loans or funding of reserves, capital expenditures, purchase of interest rate caps, or other purposes.
7. $132 million of CECL reserve for risk rated 4 and 5 loans as a percentage of the $357 million in outstanding principal balance of risk rated 4 and 5 loans.
8. Primarily represents ACRE's commitment to fund future tenant improvement costs for risk rated 1-3 loans.
9. Based on outstanding principal balance of loans backed by office properties with risk ratings of 4 or 5.

Risk Rated 4 and 5 Loans Progress in 2024

- Total outstanding principal balance of risk rated 4 and 5 loans decreased 34% since YE 2023

Reduced Risk Rated 4 and 5 Loans YoY as Measured by Outstanding Principal Balance

($ in millions)



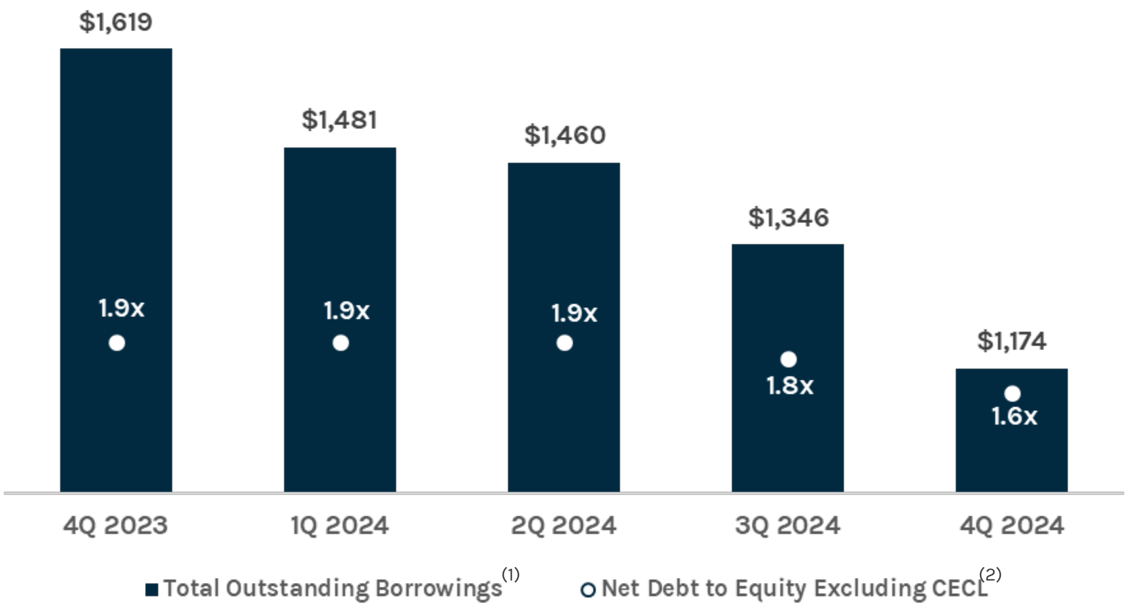
Note: As of December 31, 2024 unless otherwise noted. Past performance is not indicative of future results.

Balance Sheet and Capital Position Provides Flexibility

» Focused on further de-levering the balance sheet and maintaining higher levels of available liquidity to support positive outcomes on risk rated 4 and 5 loans

Reduction in Financial Leverage

($ in millions)



Repayments on Loans Held for Investment

$147 million in 4Q-24

$350 million in FY-24

Available Capital[3]

$201 million

Note: Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. Total outstanding borrowings is based on total outstanding principal balance.
2. Net debt to equity ratio (excluding CECL reserves) is calculated as (i) $1.2 billion of outstanding principal of borrowings less $66 million of cash (inclusive of restricted amounts), (ii) divided by the sum of total stockholders' equity of $540 million plus CECL reserve of $145 million at December 31, 2024. Net debt to equity ratio including CECL reserve is 2.1x. Total debt to equity ratio excluding CECL reserve is 1.7x and including CECL reserve is 2.2x.
3. As of February 10, 2025, includes $139 million of cash and approximately $62 million of available financing proceeds under the CNB Facility and Morgan Stanley Facility. The amount immediately available under the CNB Facility at any given time can fluctuate based on the fair value of the collateral in the borrowing base that secures the CNB Facility. As of February 10, 2025, there was approximately $42 million immediately available under the CNB Facility based on the fair value of the collateral in the borrowing base at such time. The amount immediately available under the CNB Facility may be increased to up to $75 million by the pledge of additional collateral into the borrowing base in accordance with the CNB Facility agreement.

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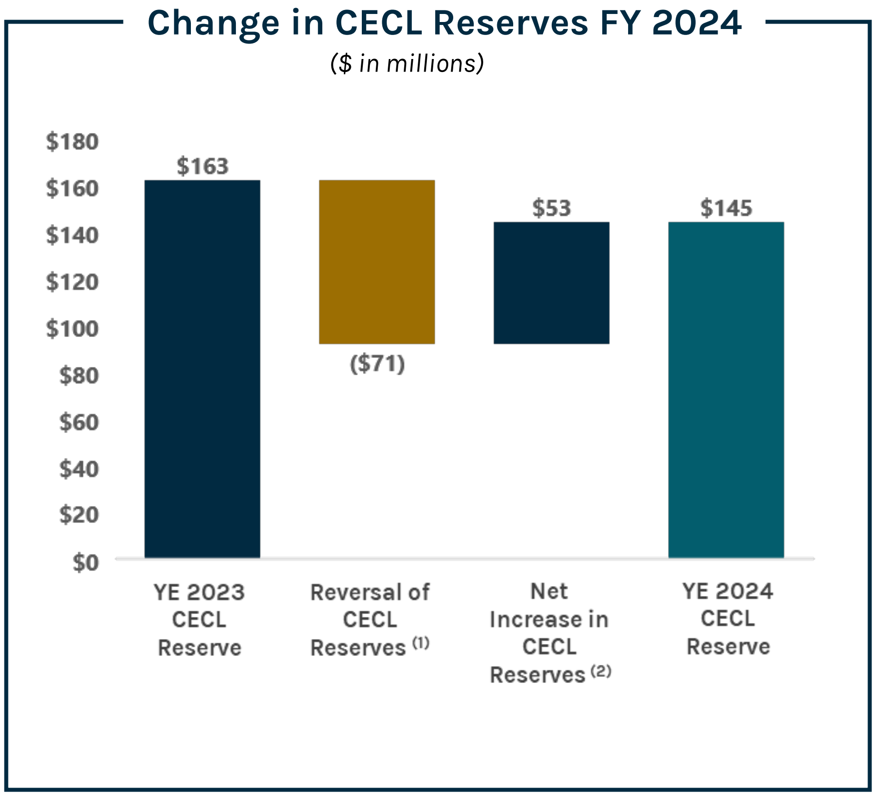
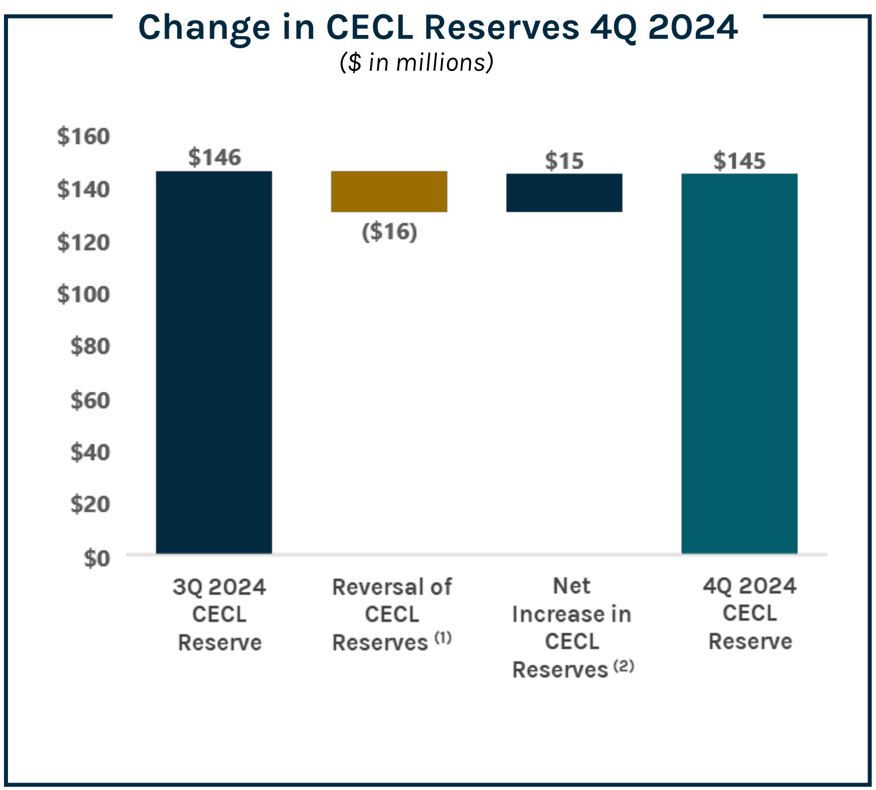
Trends in CECL Reserves





Note: As of December 31, 2024 unless otherwise noted. Past performance is not indicative of future results. Numbers may not sum due to rounding.

1. The reversal of CECL reserves relates primarily to loan exits and repayments, including realizations resulting from loans that were transferred to real estate owned or loans written off.
2. The net increase in CECL reserves relates to the net change in CECL reserves on existing loans in the portfolio.

CECL Reserves

$145 million

Total CECL Reserves

8.5%

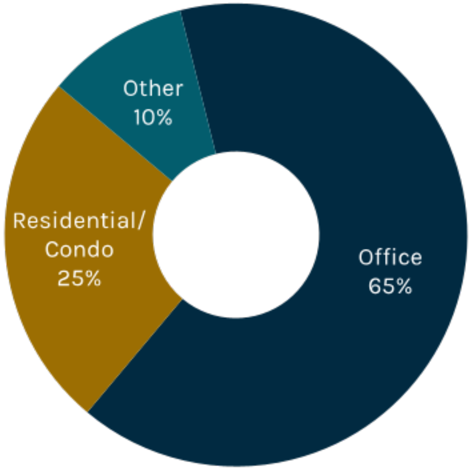
CECL Reserves as a Percent of Loans Held for Investment [(1)]

CECL Reserves by Risk Rating [(1)]

91%

CECL reserves related to risk rated 4 and 5 loans

CECL Reserves by Property Type [(1)]



90%

CECL reserves related to office and residential / condo loans

Note: As of December 31, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

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

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CECL Reserves for Risk Rated 4 and 5 Loans

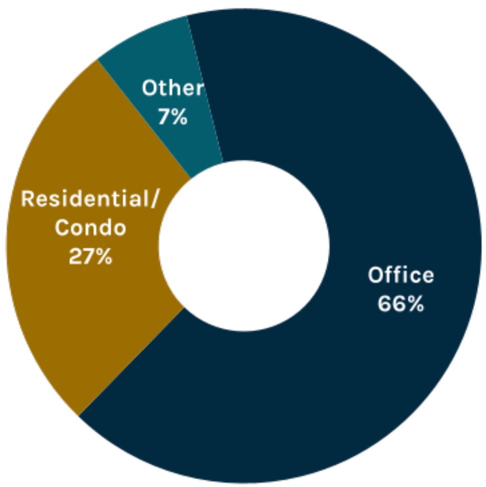
$132 million

CECL Reserves for Risk Rated 4 and 5 Loans

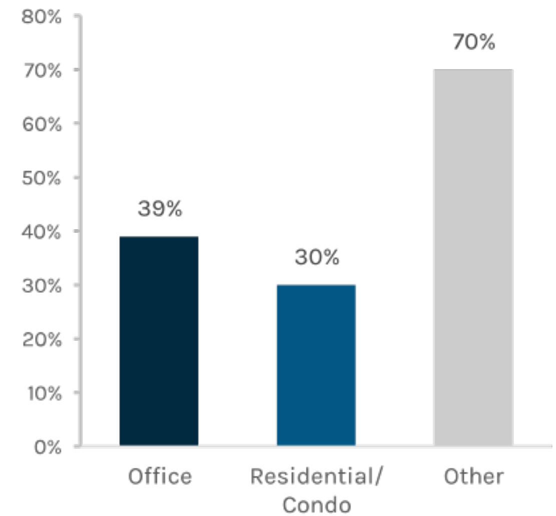
37%

CECL Reserves as a Percent of Risk Rated 4 and 5 Loan Balance[1]

Risk Rated 4 and 5 Loans CECL Reserves by Property Type



Risk Rated 4 and 5 Loans CECL Reserves as a Percent of Loan Balance[2]



Note: As of December 31, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. Percentage is based on outstanding principal balance of loans with risk ratings of 4 or 5.
2. Percentages are based on outstanding principal balance of loans with risk ratings of 4 or 5 by property type.

Summary of Real Estate Owned ("REO")

	Mixed-Use	Office
Quarter Converted to REO:	3Q 2023	3Q 2024
Location:	Florida	North Carolina
Square Footage:	816	607
Carrying Value:[(1)]	$80	$59
Income Yield:[(2)]	9%	8%

Note: As of December 31, 2024 unless otherwise noted. Past performance may not be indicative of future results. Numbers may not sum due to rounding. All dollars in millions and square feet in thousands.

1. Carrying value is net of accumulated depreciation and amortization of $4 million for the Florida mixed-use property and $2 million for the North Carolina office property.
2. Income yield is calculated as the annualized property level net operating income for the three months ended December 31, 2024 divided by the carrying value.

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Appendix

Loans Held for Investment Portfolio Details

($ in millions)

#	Loan Type	Location	Origination Date	Current Loan Commitment	Outstanding Principal	Carrying Value	Interest Rate	SOFR Floor	Unleveraged Effective Yield	Maturity Date	Payment Terms[1]
Office Loans:											
1	Senior	IL	Nov 2020	$163.8	$163.8	$150.1	(2)	1.5%	—%[2]	Mar 2025	I/O
2	Senior	Diversified	Jan 2020	83.9	83.9	83.3	S+3.75%	1.6%	8.6%	Jul 2026[3]	P/I
3	Senior	AZ	Sep 2021	100.7	77.1	76.9	S+3.61%	0.1%	8.3%	Oct 2025[4]	I/O
4	Senior	NC	Aug 2021	85.0	70.6	70.5	S+3.65%	0.2%	8.0%	Aug 2028	I/O
5	Senior	NY	Jul 2021	59.0	59.0	59.0	S+2.65%[5]	0.4%	7.0%	Jul 2027	I/O
6	Senior	IL	Dec 2022	55.7	55.7	55.7	S+4.25%	3.0%	9.1%	Jan 2025	P/I
7	Senior[6]	MA	Apr 2022	82.2	51.5	50.1	S+3.75%	—%	—%[6]	Apr 2026	I/O
8	Senior	GA	Nov 2019	48.1	48.1	48.1	S+3.15%	1.9%	12.5%	Mar 2025[7]	P/I
9	Senior	CA	Nov 2018	20.2	20.2	20.1	S+3.50%	2.3%	8.1%	Nov 2025	P/I
10	Subordinated	NY	Jul 2021	10.2	10.2	7.6	5.50%[5]	—%	—%[5]	Jul 2027	I/O
Total Office				**$708.8**	**$640.1**	**$621.4**					

Note: As of December 31, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. I/O = interest only, P/I = principal and interest.
2. The Illinois loan is structured as both a senior and mezzanine loan with the Company holding both positions. The senior position has a per annum interest rate of S + 2.25% and the mezzanine position has a fixed per annum interest rate of 10.00%. The senior and mezzanine loans were both on non-accrual status as of December 31, 2024 and the Unleveraged Effective Yield is not applicable.
3. In November 2024, the Company and the borrower entered into a modification and extension agreement to, among other things, extend the maturity date on the senior diversified loan from January 2025 to July 2026.
4. In October 2024, the borrower exercised a 12-month extension option in accordance with the loan agreement, which extended the maturity date on the senior Arizona loan to October 2025.
5. The New York loan is structured as both a senior A-Note with an outstanding principal balance of $59.0 million and a subordinated B-Note with an outstanding principal balance of $10.2 million. The subordinated B-Note is subordinate to new sponsor equity contributed in March 2024 and additional capital contributions. The senior A-Note has a per annum interest rate of S + 2.65% and the subordinated B-Note has a fixed per annum interest rate of 5.50%. As of December 31, 2024, the subordinated B-Note, which had an outstanding principal balance of $10.2 million, was on non-accrual status and therefore, the Unleveraged Effective Yield is not applicable.
6. The senior Massachusetts loan is collateralized by a life sciences property. The senior Massachusetts loan was on non-accrual status as of December 31, 2024 and the Unleveraged Effective Yield is not applicable.
7. The Company and the borrower entered into a modification and extension agreement that was effective in December 2024 to, among other things, extend the maturity date on the senior Georgia loan from December 2024 to March 2025.

Loans Held for Investment Portfolio Details

($ in millions)											
#	Loan Type	Location	Origination Date	Current Loan Commitment	Outstanding Principal	Carrying Value	Interest Rate	SOFR Floor	Unleveraged Effective Yield	Maturity Date	Payment Terms[(1)]
Multifamily Loans:											
11	Senior	NY	May 2022	$133.0	$132.2	$131.9	S+3.90%	0.2%	8.7%	Jun 2025	I/O
12	Senior	TX	Nov 2021	68.8	68.5	68.3	S+2.95%	—%	7.6%	Dec 2025[(2)]	I/O
13	Senior	SC	Dec 2021	59.2	59.2	58.9	S+3.00%	—%	9.2%	Mar 2025[(3)]	I/O
14	Senior	OH	Sep 2023	57.8	57.3	56.9	S+3.05%	2.5%	7.8%	Oct 2026	I/O
15	Senior	CA	Nov 2021	31.7	31.7	31.7	S+3.00%	—%	7.6%	Dec 2025	I/O
16	Senior	PA	Dec 2018	28.2	28.2	28.2	S+2.50%	2.8%	6.8%	Dec 2025	I/O
17	Senior	WA	Dec 2021	23.1	23.1	23.1	S+3.00%	—%	7.5%	Nov 2025	I/O
18	Senior	TX	Oct 2021	23.1	23.1	23.0	S+2.60%	—%	7.5%	Oct 2025[(4)]	I/O
19	Subordinated	SC	Aug 2022	20.6	20.6	20.4	S+9.53%	1.5%	15.7%	Sep 2025	I/O
Total Multifamily				**$445.5**	**$443.9**	**$442.4**					
Industrial Loans:											
20	Senior	MA	Jun 2023	$49.0	$47.4	$47.3	S+2.90%	—%	7.4%	Jun 2028	I/O
21	Senior	NJ	Jun 2021	27.8	27.8	27.8	S+8.85%	0.2%	13.2%	Nov 2024[(5)]	I/O
22	Senior	FL	Dec 2021	25.5	25.5	25.5	S+3.00%	—%	7.6%	Dec 2025	I/O
23	Subordinated	CA	Aug 2019	13.1	12.6	10.9	S+3.85%	2.0%	—%[(6)]	Jan 2027[(6)]	I/O
24	Senior	CA	Aug 2019	7.0	7.0	7.0	S+3.85%	2.0%	8.2%	Jan 2027[(6)]	I/O
Total Industrial				**$122.4**	**$120.3**	**$118.5**					

Note: As of December 31, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. I/O = interest only, P/I = principal and interest.
2. In December 2024, the borrower exercised a 12-month extension option in accordance with the loan agreement, which extended the maturity date on the senior Texas loan to December 2025.
3. In November 2024, the Company and the borrower entered into a modification and extension agreement to, among other things, extend the maturity date on the senior South Carolina loan from November 2024 to March 2025.
4. In October 2024, the Company and the borrower entered into a modification and extension agreement to, among other things, extend the maturity date on the senior Texas loan from October 2024 to October 2025.
5. As of December 31, 2024, the senior New Jersey loan, which is collateralized by an industrial property, is in maturity default due to the failure of the borrower to repay the outstanding principal balance of the loan by the November 2024 maturity date and the borrower is current on all contractual interest payments.
6. In December 2024, the Company and the borrower entered into a modification and extension agreement to, among other things, split the existing senior California loan, which was on non-accrual status and had an outstanding principal balance of $19.6 million at the time of the modification, into a senior A-Note with an outstanding principal balance of $7.0 million, a subordinated B-Note with no outstanding principal balance and an unfunded commitment of $500 thousand for certain lender approved leasing costs and a subordinated C-Note with an outstanding principal balance of $12.6 million. The subordinated B-Note and C-Note are subordinate to new sponsor equity related to additional capital contributions. In addition, the maturity date of the senior A-Note, the subordinated B-Note and the subordinated C-Note were extended from November 2024 to January 2027. In December 2024, the senior A-Note, which had an outstanding principal balance of $7.0 million as of December 31, 2024, was restored to accrual status. As of December 31, 2024, the subordinated B-Note had no outstanding principal balance and the subordinated C-Note, which had an outstanding principal balance of $12.6 million, was on non-accrual status and therefore, the Unleveraged Effective Yield is not applicable.

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Loans Held for Investment Portfolio Details

($ in millions)

#	Loan Type	Location	Origination Date	Current Loan Commitment	Outstanding Principal	Carrying Value	Interest Rate	SOFR Floor	Unleveraged Effective Yield	Maturity Date	Payment Terms[1]
Residential/Condominium Loans:											
25	Senior	NY	Mar 2022	$119.0	$119.0	$99.7	S+8.95%	0.4%	—%[2]	Dec 2025	I/O
26	Senior	FL	Jul 2021	75.0	75.0	75.0	S+5.35%	—%	9.7%	Jul 2025	I/O
Total Residential/Condominium				**$194.0**	**$194.0**	**$174.7**					
Hotel Loans:											
27	Senior	CA	Mar 2022	$60.8	$60.2	$60.2	S+4.20%	—%	9.0%	Mar 2025	I/O
28	Senior	NY	Mar 2022	55.7	55.5	55.3	S+4.40%	0.1%	9.1%	Mar 2026	I/O
Total Hotel				**$116.5**	**$115.7**	**$115.5**					
Mixed-Use Loans:											
29	Senior	NY	Jul 2021	$78.3	$77.2	$77.1	S+3.75%	—%	8.3%	Jul 2025	I/O
30	Senior	TX	Sep 2019	34.3	34.3	34.3	S+3.85%	0.7%	9.0%	Dec 2024[3]	I/O
Total Mixed-Use				**$112.6**	**$111.5**	**$111.4**					

Note: As of December 31, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. I/O = interest only, P/I = principal and interest.
2. The New York loan is structured as both a senior and mezzanine loan with the Company holding both positions. The senior and mezzanine positions each have a per annum interest rate of S + 8.95%. The senior and mezzanine loans were both on non-accrual status as of December 31, 2024 and the Unleveraged Effective Yield is not applicable.
3. As of December 31, 2024, the senior Texas loan, which was collateralized by a mixed-use property, was in maturity default due to the failure of the borrower to repay the outstanding principal balance of the loan by the December 2024 maturity date and the borrower was current on all contractual interest payments. On January 6, 2025, the senior Texas loan was fully repaid.

Loans Held for Investment Portfolio Details

($ in millions)

#	Loan Type	Location	Origination Date	Current Loan Commitment	Outstanding Principal	Carrying Value	Interest Rate	SOFR Floor	Unleveraged Effective Yield	Maturity Date	Payment Terms[1]
Self Storage Loans:											
31	Senior	PA	Mar 2022	$18.2	$18.2	$18.1	S+3.00%	1.0%	7.6%	Dec 2025	I/O
32	Senior	NJ	Aug 2022	17.6	17.6	17.6	S+2.90%	1.0%	8.0%	Apr 2025	I/O
33	Senior	WA	Aug 2022	11.5	11.5	11.5	S+2.90%	1.0%	8.0%	Mar 2025	I/O
34	Senior	IN	Sep 2023	11.5	11.2	11.2	S+3.60%	0.9%	8.0%	Jun 2026	I/O
35	Senior	MA	Apr 2022	7.7	7.7	7.7	S+3.00%	0.8%	7.6%	Nov 2025[2]	I/O
36	Senior	MA	Apr 2022	6.8	6.8	6.7	S+3.00%	0.8%	7.6%	Oct 2025[3]	I/O
Total Self Storage				**$73.3**	**$73.0**	**$72.8**					

Loan Portfolio Total/Weighted Average				**$1,773.1**	**$1,698.5**	**$1,656.7**		**1.0%[4]**	**6.9%**		

Note: As of December 31, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. I/O = interest only, P/I = principal and interest.
2. In November 2024, the borrower exercised a 12-month extension option in accordance with the loan agreement, which extended the maturity date on the senior Massachusetts loan to November 2025.
3. In October 2024, the borrower exercised a 12-month extension option in accordance with the loan agreement, which extended the maturity date on the senior Massachusetts loan to October 2025.
4. The weighted average floor is calculated based on loans with SOFR floors.

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Consolidated Balance Sheets

($ in thousands, except share and per share data)	As of 12/31/2024	12/31/2023
ASSETS		
Cash and cash equivalents	$ 63,799	$ 110,459
Restricted cash ($2,495 related to consolidated VIEs as of December 31, 2024)	2,495	—
Loans held for investment ($551,955 and $892,166 related to consolidated VIEs, respectively)	1,656,688	2,126,524
Current expected credit loss reserve	(136,224)	(159,885)
Loans held for investment, net of current expected credit loss reserve	1,520,464	1,966,639
Loans held for sale ($38,981 related to consolidated VIEs as of December 31, 2023)	—	38,981
Investment in available-for-sale debt securities, at fair value	8,684	28,060
Real estate owned held for investment, net ($58,844 related to consolidated VIEs as of December 31, 2024)	139,032	83,284
Other assets ($1,991 and $3,690 of interest receivable related to consolidated VIEs, respectively; $32,002 of other receivables related to consolidated VIEs as of December 31, 2023)	16,732	52,354
Total assets	$ 1,751,206	$ 2,279,777
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Secured funding agreements	$ 588,468	$ 639,817
Notes payable	—	104,662
Secured term loan	128,062	149,393
Collateralized loan obligation securitization debt (consolidated VIEs)	455,839	723,117
Due to affiliate	3,790	4,135
Dividends payable	13,924	18,220
Other liabilities ($1,309 and $2,263 of interest payable related to consolidated VIEs, respectively)	20,991	14,584
Total liabilities	1,211,074	1,653,928
Commitments and contingencies		
STOCKHOLDERS' EQUITY		
Common stock, par value $0.01 per share, 450,000,000 shares authorized at December 31, 2024 and 2023 and 54,542,178 and 54,149,225 shares issued and outstanding at December 31, 2024 and 2023, respectively	532	532
Additional paid-in capital	816,923	812,184
Accumulated other comprehensive income (loss)	37	153
Accumulated earnings (deficit)	(277,360)	(187,020)
Total stockholders' equity	540,132	625,849
Total liabilities and stockholders' equity	$ 1,751,206	$ 2,279,777

ARES
COMMERCIAL REAL ESTATE CORPORATION

Consolidated Statements of Operations

($ in thousands, except share and per share data)	For the Three Months Ended 12/31/2024	9/30/2024	6/30/2024	3/31/2024	12/31/2023
Revenue:					
Interest income	$ 33,492	$ 39,345	$ 40,847	$ 44,033	$ 44,348
Interest expense	(22,282)	(27,401)	(27,483)	(28,819)	(29,957)
Net interest margin	11,210	11,944	13,364	15,214	14,391
Revenue from real estate owned	6,299	4,709	3,433	3,478	3,161
Total revenue	17,509	16,653	16,797	18,692	17,552
Expenses:					
Management and incentive fees to affiliate	2,571	2,654	2,692	2,768	2,946
Professional fees	663	681	757	533	974
General and administrative expenses	1,844	1,939	1,957	2,081	1,830
General and administrative expenses reimbursed to affiliate	545	871	1,277	1,132	818
Expenses from real estate owned	5,538	3,164	2,226	2,037	2,038
Total expenses	11,161	9,309	8,909	8,551	8,606
Provision for (reversal of) current expected credit losses, net	(970)	7,461	(2,374)	(22,269)	47,452
Realized losses on loans	15,712	5,766	16,387	45,726	—
Change in unrealized losses on loans held for sale	—	—	—	(995)	995
Realized loss on sale of real estate owned	2,287	—	—	—	—
Income (loss) before income taxes	(10,681)	(5,883)	(6,125)	(12,321)	(39,501)
Income tax expense (benefit), including excise tax	(17)	(3)	—	2	(87)
Net income (loss) attributable to common stockholders	$ (10,664)	$ (5,880)	$ (6,125)	$ (12,323)	(39,414)
Earnings (loss) per common share:					
Basic earnings (loss) per common share	$ (0.20)	$ (0.11)	$ (0.11)	$ (0.23)	$ (0.73)
Diluted earnings (loss) per common share	$ (0.20)	$ (0.11)	$ (0.11)	$ (0.23)	$ (0.73)
Weighted average number of common shares outstanding:					
Basic weighted average shares of common stock outstanding	54,498,051	54,464,147	54,426,112	54,396,397	54,111,544
Diluted weighted average shares of common stock outstanding	54,498,051	54,464,147	54,426,112	54,396,397	54,111,544
Dividends declared per share of common stock[1]	$ 0.25	$ 0.25	$ 0.25	$ 0.25	$ 0.33

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

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

	For the Three Months Ended				
($ in thousands, except per share data)	12/31/2024	9/30/2024	6/30/2024	3/31/2024	12/31/2023
Net income (loss) attributable to common stockholders	$ (10,664)	$ (5,880)	$ (6,125)	$ (12,323)	$ (39,414)
Stock-based compensation	1,122	1,182	1,152	1,284	1,041
Incentive fees to affiliate	—	—	—	—	—
Depreciation and amortization of real estate owned	2,238	967	770	786	809
Provision for (reversal of) current expected credit losses, net	(970)	7,461	(2,374)	(22,269)	47,452
Realized gain on termination of interest rate cap derivative[1]	—	—	—	—	(105)
Change in unrealized losses on loans held for sale	—	—	—	(995)	995
Distributable Earnings (Loss)	$ (8,274)	$ 3,730	$ (6,577)	$ (33,517)	$ 10,778
Realized losses	17,999	5,766	16,387	45,726	—
Distributable Earnings excluding realized losses	$ 9,725	$ 9,496	$ 9,810	$ 12,209	$ 10,778
Net income (loss) attributable to common stockholders	(0.20)	(0.11)	(0.11)	(0.23)	(0.73)
Stock-based compensation	0.02	0.02	0.02	0.02	0.02
Incentive fees to affiliate	—	—	—	—	—
Depreciation and amortization of real estate owned	0.04	0.02	0.01	0.01	0.01
Provision for (reversal of) current expected credit losses, net	(0.02)	0.14	(0.04)	(0.41)	0.88
Realized gain on termination of interest rate cap derivative[1]	—	—	—	—	—
Unrealized losses on loans held for sale	—	—	—	(0.02)	0.02
Basic Distributable Earnings (Loss) per common share	$ (0.15)	$ 0.07	$ (0.12)	$ (0.62)	$ 0.20
Realized losses	0.33	0.10	0.30	0.84	—
Basic Distributable Earnings excluding realized losses per common share	$ 0.18	$ 0.17	$ 0.18	$ 0.22	$ 0.20
Net income (loss) attributable to common stockholders	(0.20)	(0.11)	(0.11)	(0.23)	(0.72)
Stock-based compensation	0.02	0.02	0.02	0.02	0.02
Incentive fees to affiliate	—	—	—	—	—
Depreciation and amortization of real estate owned	0.04	0.02	0.01	0.01	0.01
Provision for (reversal of) current expected credit losses, net	(0.02)	0.14	(0.04)	(0.41)	0.87
Realized gain on termination of interest rate cap derivative[1]	—	—	—	—	—
Unrealized losses on loans held for sale	—	—	—	(0.02)	0.02
Diluted Distributable Earnings (Loss) per common share	$ (0.15)	$ 0.07	$ (0.12)	$ (0.62)	$ 0.20
Realized losses	0.33	0.10	0.30	0.84	—
Diluted Distributable Earnings excluding realized losses per common share	$ 0.18	$ 0.17	$ 0.18	$ 0.22	$ 0.20

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

ARES COMMERCIAL REAL ESTATE CORPORATION

Diverse Sources of Financing Supports Portfolio

- Diversified financing sources totaling $1.7 billion with $512 million of undrawn capacity[1,2]

($ in millions) Financing Sources	Total Commitments	Outstanding Principal	Pricing Range	Mark to Credit	Non Spread Based Mark to Market
Secured Funding Agreements					
Wells Fargo Facility	$450.0[1]	$210.2	SOFR+1.50 to 3.75%	✓	✓
Citibank Facility	325.0[1]	228.7	SOFR+1.50 to 2.60%	✓	✓
Morgan Stanley Facility	250.0[1]	149.5	SOFR+1.60 to 3.50%	✓	✓
CNB Facility	75.0[2]	–	SOFR+3.25%	✓	✓
Subtotal	**$1,100.0**	**$588.5**			
Capital Markets					
2017-FL3 Securitization	$303.9	$303.9	SOFR + 2.06%	N/A	✓
2021-FL4 Securitization	152.1	152.1	SOFR + 2.09%	N/A	✓
Secured Term Loan	130.0	130.0	4.50% (Fixed)[3]	✓	✓
Subtotal	**$586.0**	**$586.0**			
Total Debt	$1,686.0	$1,174.5			

Note: As of December 31, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. For the Wells Fargo, Citibank and Morgan Stanley facilities, total commitments are available subject to the pledge of additional collateral.
2. Amount immediately available under the CNB Facility at any given time can fluctuate based on the fair value of the collateral in the borrowing base that secures the CNB Facility. As of December 31, 2024, there was approximately $42.0 million immediately available under the CNB Facility based on the fair value of the collateral in the borrowing base at such time. The amount immediately available under the CNB Facility may be increased to up to $75 million by the pledge of additional collateral into the borrowing base in accordance with the CNB Facility agreement.
3. The Secured Term Loan includes interest rate increases on advances to the following fixed rates: (i) 4.50% per annum until May 1, 2025 and (ii) after May 1, 2025 through November 12, 2026, the interest rate increases 0.25% every three months. Additionally, there is a contingent interest rate increase of 4.00% if the outstanding principal amount of the Secured Term Loan is not paid down to the following amounts on specific dates as follows: (i) $135.0 million as of August 1, 2024, (ii) $130.0 million as of November 1, 2024, (iii) $120.0 million as of February 1, 2025, (iv) $110.0 million as of May 1, 2025, (v) $100.0 million as of August 1, 2025 and (vi) $90.0 million as of November 1, 2025.

Glossary

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

Endnotes

4Q 2024 and Full Year 2024 Company Results and Highlights

Note: As of December 31, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers may not add up to the totals provided.

1. Distributable Earnings (Loss) and Distributable Earnings excluding realized losses are non-GAAP financial measures. See page 22 for Distributable Earnings (Loss) and Distributable Earnings excluding realized losses definitions and page 20 for the Reconciliation of Net Income (Loss) to Non-GAAP Distributable Earnings (Loss) and Distributable Earnings excluding realized losses.
2. Distributable Earnings excluding realized losses per diluted common share is calculated as Distributable Earnings (Loss) for 4Q 2024 of $(8) million or $(0.15) per diluted common share plus realized losses of $18 million or $0.33 per diluted common share.
3. Book value per common share excluding CECL reserve is calculated as (i) total stockholders' equity of $540 million plus CECL reserve of $145 million divided by (ii) total outstanding common shares of 54,542,178 as of December 31, 2024.
4. Net debt to equity ratio excluding CECL reserve is calculated as (i) $1.2 billion of outstanding principal of borrowings less $66 million of cash (inclusive of restricted amounts), (ii) divided by the sum of total stockholders' equity of $540 million plus CECL reserve of $145 million at December 31, 2024. Net debt to equity ratio including CECL reserve is 2.1x. Total debt to equity ratio excluding CECL reserve is 1.7x and including CECL reserve is 2.2x.
5. As of February 10, 2025, includes $139 million of cash and approximately $62 million of available financing proceeds under the CNB Facility and Morgan Stanley Facility. The amount immediately available under the CNB Facility at any given time can fluctuate based on the fair value of the collateral in the borrowing base that secures the CNB Facility. As of February 10, 2025, there was approximately $42 million immediately available under the CNB Facility based on the fair value of the collateral in the borrowing base at such time. The amount immediately available under the CNB Facility may be increased to up to $75 million by the pledge of additional collateral into the borrowing base in accordance with the CNB Facility agreement.
6. Source: Bloomberg stock price for ACRE as of February 10, 2025.

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