



## KKR & Co. Inc. Reports Second Quarter 2020 Results

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**NEW YORK, August 4, 2020** - KKR & Co. Inc. (NYSE: KKR) today reported its second quarter 2020 results.

**GAAP Net Income (Loss) Attributable to KKR & Co. Inc. Common Stockholders<sup>(1)</sup>** was \$698.6 million and \$(590.2) million, respectively, for the quarter and six months ended June 30, 2020. On a diluted basis, Net Income (Loss) Attributable to KKR & Co. Inc. Per Share of Common Stock was \$1.24 and \$(1.06), respectively, for the quarter and six months ended June 30, 2020. KKR & Co. Inc. Stockholders' Equity - Common Stockholders<sup>(1)</sup> was \$9.5 billion as of June 30, 2020, or \$16.94 Per Outstanding Share of Common Stock.

**After-tax Distributable Earnings and After-tax Distributable Earnings Per Adjusted Share** were \$325.6 million and \$0.39, respectively, for the quarter ended June 30, 2020 and were \$680.9 million and \$0.80, respectively, for the six months ended June 30, 2020.

- Despite volatility experienced across global markets year-to-date, After-tax Distributable Earnings Per Adjusted Share of \$0.80 for the first six months of 2020 are 5% higher compared to the first six months of 2019. After-tax Distributable Earnings per Adjusted Share of \$0.39 for the second quarter of 2020 are flat compared to the second quarter of 2019.
- Assets Under Management and Fee Paying Assets Under Management were \$222 billion and \$160 billion, up 8% and 6%, respectively, over the last 12 months. Uncalled commitments were \$67 billion, up 18% year-over-year, of which \$28 billion will contribute to Fee Paying Assets Under Management as that capital is either invested or enters its investment period.
- New capital raised in the quarter was \$16 billion, a record quarterly figure for KKR, driven by fundraising across our Asia Private Equity, Asia Infrastructure, Core Plus Real Estate and Dislocation strategies.
- Book Value was \$15 billion or \$17.73 per adjusted share as of June 30, 2020.
- KKR's regular dividend of \$0.135 per common share was declared for the quarter ended June 30, 2020.
- On July 8, 2020, KKR announced the acquisition of Global Atlantic Financial Group Limited ("Global Atlantic"), a leading retirement and life insurance company. The acquisition, which is expected to close in early 2021, is subject to required regulatory approvals and certain other customary closing conditions.

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"Our year-to-date results demonstrate the resiliency of KKR's model with growth seen across our key financial metrics despite broad market volatility," said Henry R. Kravis and George R. Roberts, Co-Chairmen and Co-Chief Executive Officers of KKR. "We continued to scale our businesses organically, raising a record amount of capital in the second quarter, while finding opportunities to invest globally on behalf of our limited partners. These strong fundamentals, coupled with our recently announced agreement to acquire Global Atlantic, position us well for future growth."

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Note: KKR discloses in this earnings release certain financial measures, including after-tax distributable earnings, distributable revenues, distributable expenses, book value, book assets, and book liabilities, that are not calculated and presented in accordance with accounting principles generally accepted in the United States of America ("non-GAAP"). Such non-GAAP measures should be considered in addition to, and not a substitute for or superior to, financial measures calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are presented in Exhibit A.

- (1) Represents only that portion of the business held by KKR & Co. Inc. and does not include the economic interests that are held by KKR Holdings L.P. Our non-GAAP financial results are presented prior to giving effect to the allocation of ownership interests between KKR & Co. Inc. and KKR Holdings L.P. and as such represents the business in total.

## **GAAP RESULTS**

Net Income (Loss) Attributable to KKR & Co. Inc. Common Stockholders was \$698.6 million for the quarter ended June 30, 2020, compared to \$514.4 million for the quarter ended June 30, 2019. Net Income (Loss) Attributable to KKR & Co. Inc. Common Stockholders was \$(590.2) million for the six months ended June 30, 2020, compared to \$1,215.4 million for the six months ended June 30, 2019.

Revenues for the quarter ended June 30, 2020 were \$1,332.0 million compared to \$1,179.9 million for the quarter ended June 30, 2019. The increase is primarily driven by a higher level of carried interest due to the recovery in the financial markets in the quarter ended June 30, 2020, partially offset by the decrease in transaction fees. Revenues for the six months ended June 30, 2020 were \$330.5 million compared to \$2,367.3 million for the six months ended June 30, 2019. The decrease is primarily driven by mark-to-market net carried interest losses in the current period due to economic and market impacts of COVID-19 and a decrease in transaction fees.

Expenses for the quarter ended June 30, 2020 were \$757.1 million compared to \$808.8 million for the quarter ended June 30, 2019. The decrease is primarily driven by lower cash compensation and other operating expenses. Expenses for the six months ended June 30, 2020 were \$660.4 million compared to \$1,537.6 million for the six months ended June 30, 2019. The decrease is primarily due to the reversal of previously recognized accrued carried interest compensation resulting from net carried interest losses in the current period.

Total investment income (loss) for the quarter ended June 30, 2020 was \$1,582.5 million compared to \$1,156.1 million for the quarter ended June 30, 2019. The increase is primarily due to a higher level of investment portfolio appreciation due to the recovery in the financial markets in the second quarter of 2020. Total investment income (loss) for the six months ended June 30, 2020 was \$(2,101.3) million compared to \$2,492.0 million for the six months ended June 30, 2019. The decrease is attributable to net unrealized investment losses in the current period from our investment portfolio driven by the impact of COVID-19 on the economic outlook and overall market environment.

KKR & Co. Inc. Stockholders' Equity - Common Stockholders per Outstanding Share of common stock was \$16.94 as of June 30, 2020, down from \$18.44 as of December 31, 2019. The decrease was primarily attributable to net depreciation in the value of our investment portfolio that is attributable to KKR & Co. Inc. during the first six months of 2020 and to a lesser extent dividends to common stockholders.

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## **NON-GAAP RESULTS**

### **AFTER-TAX DISTRIBUTABLE EARNINGS**

After-tax distributable earnings were \$325.6 million for the quarter ended June 30, 2020, compared with \$327.3 million in the comparable prior period. After-tax distributable earnings were \$680.9 million for the six months ended June 30, 2020, compared with \$641.4 million in the comparable prior period.

After-tax distributable earnings were relatively flat in the quarterly period resulting from decreases in transaction fees and realized investment income, partially offset by an increase in realized performance income and management fees. The increase in the six months ended June 30, 2020 is primarily attributable to increases in realized performance income and management fees, partially offset by a decrease in transaction fees. Management fees were \$332.9 million for the quarter ended June 30, 2020 and \$664.6 million for the six months ended June 30, 2020, compared with \$303.0 million and \$595.3 million in the comparable prior periods. The increase in management fees for both periods reflects an overall higher level of FPAUM in each of the Private Markets and Public Markets business lines.

### **BOOK VALUE PER ADJUSTED SHARE**

Book value per adjusted share was \$17.73 as of June 30, 2020, down 8%, compared with \$19.24 as of December 31, 2019. The decrease was primarily attributable to net depreciation in the value of our investment portfolio for the first six months of 2020 primarily due to the market and economic impacts of COVID-19 and to a lesser extent dividends to our shareholders, net of after-tax distributable earnings. Our private equity portfolio appreciated 5% over the last twelve months.

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## **OPERATING METRICS**

### **ASSETS UNDER MANAGEMENT**

AUM was \$221.8 billion as of June 30, 2020 compared to \$207.1 billion as of March 31, 2020. The increase was primarily attributable to (i) new capital raised primarily in our Asia private equity strategy, our private credit and leveraged credit strategies and certain of our infrastructure and real estate strategies and (ii) appreciation in the value of our Private and Public Markets portfolios. The increase was partially offset by distributions to limited partners in our infrastructure and private equity portfolios and redemptions in funds managed by our strategic partners.

### **FEE PAYING ASSETS UNDER MANAGEMENT**

FPAUM was \$160.3 billion as of June 30, 2020 compared to \$159.1 billion as of March 31, 2020. FPAUM was relatively flat resulting from new capital raised across multiple strategies including infrastructure, leveraged and private credit, private equity, real estate and in funds managed by our strategic partners, partially offset by distributions to limited partners in our infrastructure portfolio and distributions across various Public Markets strategies.

## **DIVIDENDS AND OTHER**

A dividend of \$0.135 per share of common stock has been declared for the second quarter of 2020, which will be paid on September 1, 2020 to holders of record of common stock as of the close of business on August 17, 2020.

A dividend of \$0.421875 per share of Series A Preferred Stock has been declared and set aside for payment on September 15, 2020 to holders of record of Series A Preferred Stock as of the close of business on September 1, 2020. A dividend of \$0.406250 per share of Series B Preferred Stock has been declared and set aside for payment on September 15, 2020 to holders of record of Series B Preferred Stock as of the close of business on September 1, 2020.

The declaration and payment of any future dividends on preferred or common stock will be subject to the discretion of the board of directors of KKR & Co. Inc. based on a number of factors, including KKR's future financial performance and other considerations that the board deems relevant, the terms of KKR & Co. Inc.'s certificate of incorporation and applicable law. There can be no assurance that future dividends will be made as intended or at all or that any particular dividend policy for common stock will be maintained.

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## **SHARE REPURCHASE ACTIVITY** <sup>(1)</sup>

Effective May 6, 2020, KKR increased the total available amount under its repurchase program to \$500 million, which may be used to repurchase shares in the open market as well as to reduce shares issuable to participants in its equity incentive plans. In total, as can be seen in the table below, KKR has used approximately \$1.3 billion to either repurchase shares or retire equity awards since the inception of KKR's share repurchase plan on October 27, 2015 through July 31, 2020.

### **Share Repurchase Activity -- October 27, 2015 through July 31, 2020** <sup>(2)</sup>

| <b>(Amounts in millions, except per share amounts)</b>       | <b>Inception to Date</b> |
|--|--------------------------|
| Open Market Share Repurchases                                | 52.3                     |
| Reduction of Shares for Retired Equity Awards <sup>(3)</sup> | 18.0                     |
| Total Repurchased Shares and Retired Equity Awards           | 70.3                     |
| Total Capital Used   | \$ 1,318                 |
| Average Price Paid Per Share <sup>(4)</sup>                  | \$ 18.75                 |
| Remaining Availability under Current Share Repurchase Plan   | \$ 500                   |

From December 31, 2019 through July 31, 2020, KKR used a total of approximately \$286 million to repurchase 10.2 million shares in the open market and to retire equity awards representing 1.7 million shares that otherwise would have been issued to participants under the Equity Incentive Plans. During this period, open market purchases were made at an average cost of \$24.14 per share. The timing, manner, price and amount of any common stock repurchases will be determined by KKR in its discretion and will depend on a variety of factors, including legal requirements, price and economic and market conditions. The program does not require KKR to repurchase any specific number of shares of common stock, and the program may be suspended, extended, modified or discontinued at any time.

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(1) References to the repurchase and reduction of shares relate to shares of KKR common stock.

(2) KKR & Co. Inc.'s initial repurchase authorization was announced on October 27, 2015.

(3) Refers to the retirement of equity awards issued pursuant to the Amended and Restated KKR & Co. Inc. 2010 Equity Incentive Plan and the KKR & Co. Inc. 2019 Equity Incentive Plan (collectively the "Equity Incentive Plans").

(4) Average price paid per share reflects total capital used to repurchase shares and to retire equity awards from inception to July 31, 2020 divided by the total number of repurchased shares and retired equity awards.

## **CONFERENCE CALL**

A conference call to discuss KKR's financial results will be held on Tuesday, August 4, 2020 at 10:00 a.m. ET. The conference call may be accessed by dialing (877) 407-0312 (U.S. callers) or +1 (201) 389-0899 (non-U.S. callers); a pass code is not required. Additionally, the conference call will be broadcast live over the Internet and may be accessed through the Investor Center section of KKR's website at <https://ir.kkr.com/events-presentations/>. A replay of the live broadcast will be available on KKR's website beginning approximately one hour after the live broadcast ends.

A slide presentation containing supplemental commentary about KKR's financial results for the fiscal quarter ended June 30, 2020 may be accessed through the Investor Center of the KKR website at <https://ir.kkr.com/events-presentations/>. The presentation will be referenced on the conference call discussed above.

From time to time, KKR may use its website as a channel of distribution of material company information. Financial and other important information regarding KKR is routinely posted and accessible on the Investor Center for KKR & Co. Inc. at <https://ir.kkr.com/>. In addition, you may automatically receive email alerts and other information about KKR by enrolling your email address at the "Email Alerts" area of the Investor Center on the website.

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## **ABOUT KKR**

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, credit and real assets, with strategic partners that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at [www.kkr.com](http://www.kkr.com) and on Twitter @KKR\_Co.

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## **FORWARD-LOOKING STATEMENTS**

This release contains certain forward-looking statements. Forward-looking statements relate to expectations, estimates, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts, including but not limited to the statements with respect to: the declaration and payment of dividends in future quarters; the timing, manner and volume of repurchase of common stock pursuant to its repurchase program; the transaction to acquire all outstanding shares of Global Atlantic and expected timing of closing of the acquisition. The forward-looking statements are based on KKR'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 KKR or are within its control. If a change occurs, KKR's business, financial condition, liquidity and results of operations, including but not limited to dividends, tax assets, tax liabilities, AUM, FPAUM, after-tax distributable earnings, capital invested, syndicated capital, uncalled commitments, cash and short-term investments, fee related earnings, adjusted EBITDA, core interest expense and book value, debt levels, outstanding shares of common stock and capital structure may vary materially from those expressed in the forward-looking statements. The following factors, among others, could cause actual results to vary from the forward-looking statements: failure to realize the anticipated benefits within the expected timeframes from the planned acquisition of Global Atlantic; unforeseen liabilities or integration and other costs of the Global Atlantic acquisition and timing related thereto; availability and cost of financing to fund the acquisition; ability to syndicate to potential co-investors; changes in Global Atlantic's business; any delays or difficulties in receiving regulatory approvals; failure to complete the Global Atlantic transaction; distraction of management or other diversion of resources within each company caused by the Global Atlantic transaction; retention of key Global Atlantic employees; Global Atlantic's ability to maintain business relationships during the pendency of and following the acquisition; the severity and duration of the COVID-19 pandemic; the pandemic's impact on the U.S. and global economies; federal, state and local governmental responses to the pandemic; whether KKR realizes all or any of the anticipated benefits from converting to a corporation (the "Conversion") and the timing of realizing such benefits; whether there are increased or unforeseen costs associated with the Conversion, including any adverse change in tax law; the volatility of the capital markets; failure to realize the benefits of or changes in KKR's or Global Atlantic's business strategies including the ability to realize the anticipated synergies from acquisitions, strategic partnerships or other transactions; availability, terms and deployment of capital; availability of qualified personnel and expense of recruiting and retaining such personnel; changes in the asset management or insurance industry, interest rates, credit spreads, currency exchange rates or the general economy; underperformance of KKR's or Global Atlantic's investments and decreased ability to raise funds; changes in Global Atlantic policyholders' behavior; any disruption in servicing Global Atlantic's insurance policies; the use of estimates and risk management in Global Atlantic's business; outcome of Global Atlantic's litigation and regulatory matters; and the degree and nature of KKR's and Global Atlantic's competition. All forward-looking statements speak only as of the date hereof. KKR does not undertake any obligation to update any forward-looking statements to reflect circumstances or events that occur after the date on which such statements were made except as required by law. In addition, KKR's business strategy is focused on the long term and financial results are subject to significant volatility. Additional information about factors affecting KKR is available in KKR & Co. Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed with the SEC on February 18, 2020, quarterly reports on Form 10-Q for subsequent quarters and other filings with the SEC, which are available at [www.sec.gov](http://www.sec.gov).

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**GAAP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**

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

|  | Quarter Ended     |                   | Six Months Ended    |                     |
|--|-------------------|-------------------|---------------------|---------------------|
|  | June 30, 2020     | June 30, 2019     | June 30, 2020       | June 30, 2019       |
| <b>Revenues</b>  |                   |                   |                     |                     |
| Fees and Other   | \$ 393,473        | \$ 519,441        | \$ 774,045          | \$ 891,989          |
| Capital Allocation-Based Income (Loss)   | 938,521           | 660,423           | (443,556)           | 1,475,355           |
| <b>Total Revenues</b>  | <b>1,331,994</b>  | <b>1,179,864</b>  | <b>330,489</b>      | <b>2,367,344</b>    |
| <b>Expenses</b>  |                   |                   |                     |                     |
| Compensation and Benefits  | 591,324           | 608,967           | 329,187             | 1,153,529           |
| Occupancy and Related Charges  | 17,579            | 17,193            | 33,901              | 31,883              |
| General, Administrative and Other  | 148,165           | 182,651           | 297,288             | 352,166             |
| <b>Total Expenses</b>  | <b>757,068</b>    | <b>808,811</b>    | <b>660,376</b>      | <b>1,537,578</b>    |
| <b>Investment Income (Loss)</b>  |                   |                   |                     |                     |
| Net Gains (Losses) from Investment Activities  | 1,480,869         | 1,037,985         | (2,463,635)         | 2,241,863           |
| Dividend Income  | 9,969             | 17,130            | 178,668             | 39,755              |
| Interest Income  | 331,732           | 365,727           | 685,187             | 724,238             |
| Interest Expense   | (240,067)         | (264,766)         | (501,536)           | (513,854)           |
| <b>Total Investment Income (Loss)</b>  | <b>1,582,503</b>  | <b>1,156,076</b>  | <b>(2,101,316)</b>  | <b>2,492,002</b>    |
| Income Tax Expense (Benefit)   | 206,264           | 165,399           | (154,415)           | 332,992             |
| Net Income (Loss) Attributable to Noncontrolling Interests   | 1,244,196         | 838,996           | (1,703,233)         | 1,756,723           |
| Preferred Stock Dividends  | 8,341             | 8,341             | 16,682              | 16,682              |
| <b>Net Income (Loss) Attributable to KKR &amp; Co. Inc. Common Stockholders <sup>(1)</sup></b>       | <b>\$ 698,628</b> | <b>\$ 514,393</b> | <b>\$ (590,237)</b> | <b>\$ 1,215,371</b> |
| <b>Net Income (Loss) Attributable to KKR &amp; Co. Inc. Per Share of Common Stock <sup>(1)</sup></b> |                   |                   |                     |                     |
| Basic  | \$ 1.25           | \$ 0.94           | \$ (1.06)           | \$ 2.25             |
| Diluted <sup>(2)</sup>   | \$ 1.24           | \$ 0.93           | \$ (1.06)           | \$ 2.20             |
| <b>Weighted Average Shares of Common Stock Outstanding <sup>(1)</sup></b>                            |                   |                   |                     |                     |
| Basic  | 558,774,162       | 544,528,863       | 558,961,992         | 539,240,051         |
| Diluted <sup>(2)</sup>   | 565,611,138       | 554,643,810       | 558,961,992         | 552,374,508         |

**GAAP CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (UNAUDITED)**

(Amounts in thousands, except per share amounts)

|   | As of                |                      |
|---|----------------------|----------------------|
|   | June 30, 2020        | December 31, 2019    |
| <b>Assets</b>   |                      |                      |
| Cash and Cash Equivalents   | \$ 2,454,541         | \$ 2,346,713         |
| Investments   | 54,425,153           | 54,936,268           |
| Other Assets  | 5,230,688            | 3,616,338            |
| <b>Total Assets</b>   | <b>\$ 62,110,382</b> | <b>\$ 60,899,319</b> |
| <b>Liabilities and Equity</b>   |                      |                      |
| Debt Obligations  | \$ 28,676,899        | \$ 27,013,284        |
| Other Liabilities   | 4,038,821            | 3,383,661            |
| <b>Total Liabilities</b>  | <b>32,715,720</b>    | <b>30,396,945</b>    |
| <b>Stockholders' Equity</b>   |                      |                      |
| KKR & Co. Inc. Stockholders' Equity - Series A and B Preferred Stock                                | 482,554              | 482,554              |
| KKR & Co. Inc. Stockholders' Equity - Series I and II Preferred Stock, Common Stock <sup>(1)</sup>  | 9,472,314            | 10,324,936           |
| Noncontrolling Interests  | 19,439,794           | 19,694,884           |
| <b>Total Equity</b>   | <b>29,394,662</b>    | <b>30,502,374</b>    |
| <b>Total Liabilities and Equity</b>   | <b>\$ 62,110,382</b> | <b>\$ 60,899,319</b> |
| <b>KKR &amp; Co. Inc. Stockholders' Equity Per Outstanding Share of Common Stock <sup>(1)</sup></b> | <b>\$ 16.94</b>      | <b>\$ 18.44</b>      |

(1) As used in this press release, references to common stock for prior periods mean Class A common stock of KKR & Co. Inc. and references to Series I Preferred Stock and Series II Preferred Stock for prior periods mean Class B common stock and Class C common stock of KKR & Co. Inc., respectively.

(2) Consistent with prior quarters, KKR Holdings L.P. units have been excluded from the calculation of diluted earnings per share of common stock since the exchange of these units would not dilute KKR's respective ownership interests in the KKR Group Partnership L.P. As required under GAAP, for the six months ended June 30, 2020, unvested shares of common stock are excluded from the calculation of diluted earnings per share of common stock because inclusion of such unvested shares of common stock would be anti-dilutive having the effect of decreasing the loss per share of common stock.

**DISTRIBUTABLE REVENUES, DISTRIBUTABLE EXPENSES AND AFTER-TAX DISTRIBUTABLE EARNINGS (UNAUDITED)**

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

| <b>DISTRIBUTABLE REVENUES</b>                              |                      |                       |                      |                         |                      |
|--|----------------------|-----------------------|----------------------|-------------------------|----------------------|
|  | <b>Quarter Ended</b> |                       |                      | <b>Six Months Ended</b> |                      |
|  | <b>June 30, 2020</b> | <b>March 31, 2020</b> | <b>June 30, 2019</b> | <b>June 30, 2020</b>    | <b>June 30, 2019</b> |
| <b>Distributable Revenues</b>                              |                      |                       |                      |                         |                      |
| <b>Fees and Other, Net</b>                                 |                      |                       |                      |                         |                      |
| Management Fees  | \$ 332,861           | \$ 331,758            | \$ 303,016           | \$ 664,619              | \$ 595,312           |
| Transaction Fees   | 161,339              | 98,420                | 303,802              | 259,759                 | 490,529              |
| Monitoring Fees  | 26,902               | 31,149                | 26,424               | 58,051                  | 52,075               |
| Fee Credits  | (75,111)             | (35,614)              | (105,554)            | (110,725)               | (212,970)            |
| <b>Total Fees and Other, Net</b>                           | <b>445,991</b>       | <b>425,713</b>        | <b>527,688</b>       | <b>871,704</b>          | <b>924,946</b>       |
| <b>Realized Performance Income (Loss)</b>                  |                      |                       |                      |                         |                      |
| Carried Interest   | 345,665              | 361,331               | 211,919              | 706,996                 | 542,264              |
| Incentive Fees   | 9,733                | 10,957                | 21,764               | 20,690                  | 41,301               |
| <b>Total Realized Performance Income (Loss)</b>            | <b>355,398</b>       | <b>372,288</b>        | <b>233,683</b>       | <b>727,686</b>          | <b>583,565</b>       |
| <b>Realized Investment Income (Loss)</b>                   |                      |                       |                      |                         |                      |
| Net Realized Gains (Losses)                                | 36,536               | 6,670                 | 75,093               | 43,206                  | 119,805              |
| Interest Income and Dividends                              | 53,789               | 138,494               | 71,057               | 192,283                 | 129,264              |
| <b>Total Realized Investment Income (Loss)</b>             | <b>90,325</b>        | <b>145,164</b>        | <b>146,150</b>       | <b>235,489</b>          | <b>249,069</b>       |
| <b>Total Distributable Revenues</b>                        | <b>\$ 891,714</b>    | <b>\$ 943,165</b>     | <b>\$ 907,521</b>    | <b>\$ 1,834,879</b>     | <b>\$ 1,757,580</b>  |
| <b>DISTRIBUTABLE EXPENSES</b>                              |                      |                       |                      |                         |                      |
|  | <b>Quarter Ended</b> |                       |                      | <b>Six Months Ended</b> |                      |
|  | <b>June 30, 2020</b> | <b>March 31, 2020</b> | <b>June 30, 2019</b> | <b>June 30, 2020</b>    | <b>June 30, 2019</b> |
| <b>Distributable Expenses</b>                              |                      |                       |                      |                         |                      |
| Compensation and Benefits <sup>(1)</sup>                   | \$ 356,614           | \$ 377,230            | \$ 363,029           | \$ 733,844              | \$ 703,315           |
| Occupancy and Related Charges                              | 13,964               | 14,114                | 16,488               | 28,078                  | 30,445               |
| Other Operating Expenses                                   | 72,051               | 79,628                | 82,843               | 151,679                 | 157,753              |
| <b>Total Distributable Expenses</b>                        | <b>\$ 442,629</b>    | <b>\$ 470,972</b>     | <b>\$ 462,360</b>    | <b>\$ 913,601</b>       | <b>\$ 891,513</b>    |
| <b>AFTER-TAX DISTRIBUTABLE EARNINGS</b>                    |                      |                       |                      |                         |                      |
|  | <b>Quarter Ended</b> |                       |                      | <b>Six Months Ended</b> |                      |
|  | <b>June 30, 2020</b> | <b>March 31, 2020</b> | <b>June 30, 2019</b> | <b>June 30, 2020</b>    | <b>June 30, 2019</b> |
| <b>After-tax Distributable Earnings</b>                    |                      |                       |                      |                         |                      |
| (+) Total Distributable Revenues                           | \$ 891,714           | \$ 943,165            | \$ 907,521           | \$ 1,834,879            | \$ 1,757,580         |
| (-) Total Distributable Expenses                           | 442,629              | 470,972               | 462,360              | 913,601                 | 891,513              |
| <b>(=) Total Distributable Operating Earnings</b>          | <b>449,085</b>       | <b>472,193</b>        | <b>445,161</b>       | <b>921,278</b>          | <b>866,067</b>       |
| (-) Interest Expense                                       | 50,784               | 47,434                | 46,859               | 98,218                  | 90,989               |
| (-) Preferred Dividends                                    | 8,341                | 8,341                 | 8,341                | 16,682                  | 16,682               |
| (-) Income (Loss) Attributable to Noncontrolling Interests | 1,002                | 1,089                 | 1,864                | 2,091                   | 2,223                |
| (-) Income Taxes Paid                                      | 63,315               | 60,035                | 60,815               | 123,350                 | 114,808              |
| <b>After-tax Distributable Earnings</b>                    | <b>\$ 325,643</b>    | <b>\$ 355,294</b>     | <b>\$ 327,282</b>    | <b>\$ 680,937</b>       | <b>\$ 641,365</b>    |
| <b>After-tax Distributable Earnings Per Adjusted Share</b> | <b>\$ 0.39</b>       | <b>\$ 0.42</b>        | <b>\$ 0.39</b>       | <b>\$ 0.80</b>          | <b>\$ 0.77</b>       |
| <b>Weighted Average Adjusted Shares</b>                    | <b>845,065,077</b>   | <b>847,471,874</b>    | <b>842,323,052</b>   | <b>846,268,476</b>      | <b>837,563,415</b>   |
| <b>Assets Under Management</b>                             | \$ 221,756,700       | \$ 207,076,900        | \$ 205,659,100       | \$ 221,756,700          | \$ 205,659,100       |
| <b>Fee Paying Assets Under Management</b>                  | \$ 160,329,800       | \$ 159,056,200        | \$ 151,523,600       | \$ 160,329,800          | \$ 151,523,600       |
| <b>Capital Invested and Syndicated Capital</b>             | \$ 6,877,800         | \$ 5,162,100          | \$ 7,354,100         | \$ 12,039,900           | \$ 13,179,100        |
| <b>Uncalled Commitments</b>                                | \$ 66,818,800        | \$ 58,194,100         | \$ 56,478,700        | \$ 66,818,800           | \$ 56,478,700        |
| <b>Fee Related Earnings</b>                                | \$ 244,582           | \$ 236,153            | \$ 287,109           | \$ 480,735              | \$ 509,460           |

(1) Includes equity-based compensation of \$39.9 million, \$51.0 million, and \$48.6 million for the quarters ended June 30, 2020, March 31, 2020, and June 30, 2019, respectively, and \$90.9 million and \$103.5 million for the six months ended June 30, 2020 and 2019, respectively.

**SCHEDULE OF SELECTED SUPPLEMENTAL FINANCIAL INFORMATION (UNAUDITED)**  
(Amounts in thousands)

**PRIVATE MARKETS BUSINESS LINE REVENUES & OPERATING METRICS**

|   | Quarter Ended     |                   |                   | Six Months Ended  |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | June 30, 2020     | March 31, 2020    | June 30, 2019     | June 30, 2020     | June 30, 2019     |
| <b>Fees and Other, Net</b>                      |                   |                   |                   |                   |                   |
| Management Fees                                 | \$ 223,221        | \$ 217,260        | \$ 192,641        | \$ 440,481        | \$ 375,862        |
| Transaction Fees                                | 85,478            | 16,868            | 136,296           | 102,346           | 235,313           |
| Monitoring Fees                                 | 26,902            | 31,149            | 26,424            | 58,051            | 52,075            |
| Fee Credits                                     | (69,273)          | (15,479)          | (97,579)          | (84,752)          | (179,921)         |
| <b>Total Fees and Other, Net</b>                | <b>\$ 266,328</b> | <b>\$ 249,798</b> | <b>\$ 257,782</b> | <b>\$ 516,126</b> | <b>\$ 483,329</b> |
| <b>Realized Performance Income (Loss)</b>       |                   |                   |                   |                   |                   |
| Carried Interest                                | \$ 345,665        | \$ 325,691        | \$ 202,019        | \$ 671,356        | \$ 532,364        |
| Incentive Fees                                  | 885               | 1,137             | 810               | 2,022             | 1,485             |
| <b>Total Realized Performance Income (Loss)</b> | <b>\$ 346,550</b> | <b>\$ 326,828</b> | <b>\$ 202,829</b> | <b>\$ 673,378</b> | <b>\$ 533,849</b> |
| <b>Assets Under Management</b>                  | \$ 124,828,200    | \$ 114,112,000    | \$ 112,039,300    | \$ 124,828,200    | \$ 112,039,300    |
| <b>Fee Paying Assets Under Management</b>       | \$ 77,356,100     | \$ 77,566,400     | \$ 73,347,400     | \$ 77,356,100     | \$ 73,347,400     |
| <b>Capital Invested</b>                         | \$ 5,506,000      | \$ 1,434,000      | \$ 3,993,100      | \$ 6,940,000      | \$ 7,252,300      |
| <b>Uncalled Commitments</b>                     | \$ 55,427,200     | \$ 48,918,100     | \$ 46,258,800     | \$ 55,427,200     | \$ 46,258,800     |

**PUBLIC MARKETS BUSINESS LINE REVENUES & OPERATING METRICS**

|   | Quarter Ended     |                   |                   | Six Months Ended  |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | June 30, 2020     | March 31, 2020    | June 30, 2019     | June 30, 2020     | June 30, 2019     |
| <b>Fees and Other, Net</b>                      |                   |                   |                   |                   |                   |
| Management Fees                                 | \$ 109,640        | \$ 114,498        | \$ 110,375        | \$ 224,138        | \$ 219,450        |
| Transaction Fees                                | 6,423             | 21,369            | 8,472             | 27,792            | 35,928            |
| Fee Credits                                     | (5,838)           | (20,135)          | (7,975)           | (25,973)          | (33,049)          |
| <b>Total Fees and Other, Net</b>                | <b>\$ 110,225</b> | <b>\$ 115,732</b> | <b>\$ 110,872</b> | <b>\$ 225,957</b> | <b>\$ 222,329</b> |
| <b>Realized Performance Income (Loss)</b>       |                   |                   |                   |                   |                   |
| Carried Interest                                | \$ —              | \$ 35,640         | \$ 9,900          | \$ 35,640         | \$ 9,900          |
| Incentive Fees                                  | 8,848             | 9,820             | 20,954            | 18,668            | 39,816            |
| <b>Total Realized Performance Income (Loss)</b> | <b>\$ 8,848</b>   | <b>\$ 45,460</b>  | <b>\$ 30,854</b>  | <b>\$ 54,308</b>  | <b>\$ 49,716</b>  |
| <b>Assets Under Management</b>                  | \$ 96,928,500     | \$ 92,964,900     | \$ 93,619,800     | \$ 96,928,500     | \$ 93,619,800     |
| <b>Fee Paying Assets Under Management</b>       | \$ 82,973,700     | \$ 81,489,800     | \$ 78,176,200     | \$ 82,973,700     | \$ 78,176,200     |
| <b>Capital Invested</b>                         | \$ 1,158,900      | \$ 3,642,100      | \$ 1,793,100      | \$ 4,801,000      | \$ 4,020,200      |
| <b>Uncalled Commitments</b>                     | \$ 11,391,600     | \$ 9,276,000      | \$ 10,219,900     | \$ 11,391,600     | \$ 10,219,900     |

**CAPITAL MARKETS BUSINESS LINE REVENUES & OPERATING METRICS**

|                           | Quarter Ended |                |               | Six Months Ended |               |
|---------------------------|---------------|----------------|---------------|------------------|---------------|
|                           | June 30, 2020 | March 31, 2020 | June 30, 2019 | June 30, 2020    | June 30, 2019 |
| <b>Transaction Fees</b>   | \$ 69,438     | \$ 60,183      | \$ 159,034    | \$ 129,621       | \$ 219,288    |
| <b>Syndicated Capital</b> | \$ 212,900    | \$ 86,000      | \$ 1,567,900  | \$ 298,900       | \$ 1,906,600  |

**PRINCIPAL ACTIVITIES BUSINESS LINE REVENUES**

|  | Quarter Ended    |                   |                   | Six Months Ended  |                   |
|--|------------------|-------------------|-------------------|-------------------|-------------------|
|  | June 30, 2020    | March 31, 2020    | June 30, 2019     | June 30, 2020     | June 30, 2019     |
| <b>Realized Investment Income (Loss)</b>       |                  |                   |                   |                   |                   |
| Net Realized Gains (Losses)                    | \$ 36,536        | \$ 6,670          | \$ 75,093         | \$ 43,206         | \$ 119,805        |
| Interest Income and Dividends                  | 53,789           | 138,494           | 71,057            | 192,283           | 129,264           |
| <b>Total Realized Investment Income (Loss)</b> | <b>\$ 90,325</b> | <b>\$ 145,164</b> | <b>\$ 146,150</b> | <b>\$ 235,489</b> | <b>\$ 249,069</b> |



**BOOK ASSETS, BOOK LIABILITIES AND BOOK VALUE (UNAUDITED)**

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

| <b>BOOK ASSETS</b>              |                           |           |                          |
|---------------------------------|---------------------------|-----------|--------------------------|
|                                 | As of                     |           |                          |
|                                 | June 30, 2020             |           | December 31, 2019        |
|                                 | June 30, 2020             |           |                          |
| <b>Book Assets</b>              |                           |           |                          |
| Cash and Short-term Investments | \$ 3,022,903              | \$        | 2,783,905                |
| Investments                     | 12,492,986 <sup>(1)</sup> |           | 13,026,387               |
| Net Unrealized Carried Interest | 1,305,013 <sup>(2)</sup>  |           | 1,982,251 <sup>(2)</sup> |
| Tax Assets                      | 364,689                   |           | 111,719                  |
| Other Assets                    | 4,101,168                 |           | 3,716,189                |
| <b>Total Book Assets</b>        | <b>\$ 21,286,759</b>      | <b>\$</b> | <b>21,620,451</b>        |

| <b>BOOK LIABILITIES</b>         |                     |           |                   |
|---------------------------------|---------------------|-----------|-------------------|
|                                 | As of               |           |                   |
|                                 | June 30, 2020       |           | December 31, 2019 |
|                                 | June 30, 2020       |           |                   |
| <b>Book Liabilities</b>         |                     |           |                   |
| Debt Obligations - KKR (ex-KFN) | \$ 3,856,261        | \$        | 3,097,460         |
| Debt Obligations - KFN          | 948,517             |           | 948,517           |
| Tax Liabilities                 | 250,513             |           | 169,997           |
| Other Liabilities               | 715,153             |           | 514,236           |
| <b>Total Book Liabilities</b>   | <b>\$ 5,770,444</b> | <b>\$</b> | <b>4,730,210</b>  |

| <b>BOOK VALUE</b>                    |                      |           |                    |
|--------------------------------------|----------------------|-----------|--------------------|
|                                      | As of                |           |                    |
|                                      | June 30, 2020        |           | December 31, 2019  |
|                                      | June 30, 2020        |           |                    |
| <b>Book Value</b>                    |                      |           |                    |
| (+) Total Book Assets                | \$ 21,286,759        | \$        | 21,620,451         |
| (-) Total Book Liabilities           | 5,770,444            |           | 4,730,210          |
| (-) Noncontrolling Interests         | 28,222               |           | 26,291             |
| (-) Preferred Stock                  | 500,000              |           | 500,000            |
| <b>Book Value</b>                    | <b>\$ 14,988,093</b> | <b>\$</b> | <b>16,363,950</b>  |
| <b>Book Value Per Adjusted Share</b> | <b>\$ 17.73</b>      | <b>\$</b> | <b>19.24</b>       |
| <b>Adjusted Shares</b>               | <b>845,119,364</b>   |           | <b>850,388,924</b> |

Note: As of June 30, 2020, KKR had a (i) \$1.0 billion revolving credit facility, which was undrawn, and (ii) \$1.3 billion in revolving credit facilities for use in its capital markets business, which were also undrawn.

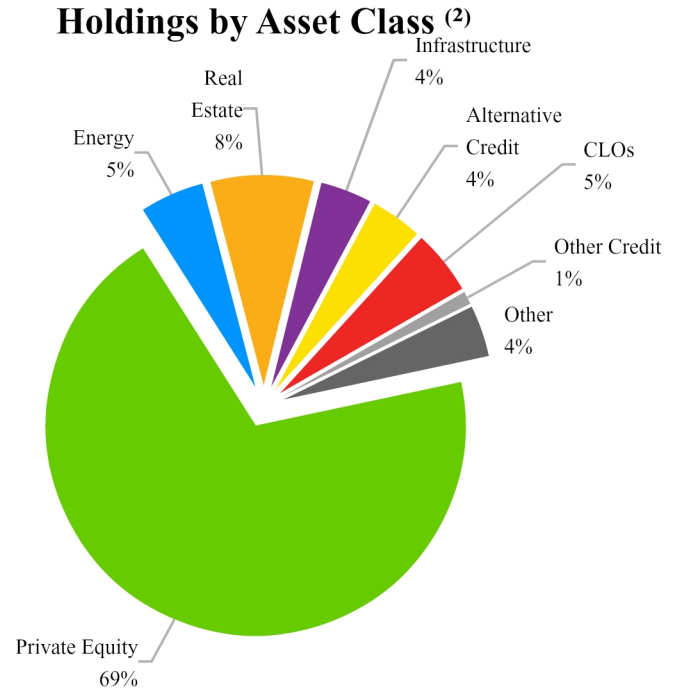
- (1) See schedule of investments that follows on the next page.  
(2) The following table provides net unrealized carried interest by business line:

|                               | As of               |           |                   |
|-------------------------------|---------------------|-----------|-------------------|
|                               | June 30, 2020       |           | December 31, 2019 |
|                               | June 30, 2020       |           |                   |
| Private Markets Business Line | \$ 1,299,877        | \$        | 1,832,581         |
| Public Markets Business Line  | 5,136               |           | 149,670           |
| <b>Total</b>                  | <b>\$ 1,305,013</b> | <b>\$</b> | <b>1,982,251</b>  |

**SCHEDULE OF INVESTMENTS (UNAUDITED) <sup>(1)</sup>**  
**(Amounts in thousands, except percentage amounts)**

As of June 30, 2020

| Investments                                    | Fair Value           |
|--|----------------------|
| Private Equity Funds / SMAs                    | \$ 5,113,700         |
| Private Equity Co-Investments and Other Equity | 3,590,582            |
| <b>Private Equity Total</b>                    | <b>8,704,282</b>     |
| Energy   | 576,421              |
| Real Estate                                    | 961,624              |
| Infrastructure                                 | 538,936              |
| <b>Real Assets Total</b>                       | <b>2,076,981</b>     |
| Special Situations                             | 363,775              |
| Private Credit                                 | 142,654              |
| <b>Alternative Credit Total</b>                | <b>506,429</b>       |
| CLOs   | 573,763              |
| Other Credit                                   | 149,867              |
| <b>Credit Total</b>                            | <b>1,230,059</b>     |
| Other  | 481,664              |
| <b>Total Investments</b>                       | <b>\$ 12,492,986</b> |



As of June 30, 2020

**Significant Investments: <sup>(3)</sup>**

|                                      | Fair Value           | Fair Value as a % of Total Investments |
|--------------------------------------|----------------------|--|
| Fiserv, Inc.                         | \$ 1,458,471         | 11.7%                                  |
| USI, Inc.                            | 831,492              | 6.7%                                   |
| BridgeBio Pharma Inc.                | 446,807              | 3.6%                                   |
| PetVet Care Centers, LLC             | 437,739              | 3.5%                                   |
| Heartland Dental, LLC                | 423,157              | 3.4%                                   |
| <b>Total Significant Investments</b> | <b>3,597,666</b>     | <b>28.9%</b>                           |
| Other Investments                    | 8,895,320            | 71.1%                                  |
| <b>Total Investments</b>             | <b>\$ 12,492,986</b> | <b>100.0%</b>                          |

- (1) Investments is a term used solely for purposes of financial presentation of a portion of KKR's balance sheet and includes majority ownership of subsidiaries that operate KKR's asset management and other businesses, including the general partner interests of KKR's investment funds.
- (2) Private Equity includes KKR private equity funds, co-investments alongside such KKR sponsored private equity funds, core private equity funds and other opportunistic investments. Equity investments in other asset classes, such as energy, real estate, and alternative credit appear in these other asset classes.
- (3) Significant Investments include the top five investments (other than investments expected to be syndicated or transferred in connection with a new fundraising) based on their fair values as of June 30, 2020. The fair value figures include the co-investment and the limited partner and/or general partner interests held by KKR in the underlying investment, if applicable.

**ASSETS UNDER MANAGEMENT (UNAUDITED)**  
(Amounts in thousands)

|  | Private Markets<br>Business Line | Public Markets<br>Business Line | Total                 |
|--|----------------------------------|---------------------------------|-----------------------|
| <b><u>Quarter Ended June 30, 2020</u></b>                |                                  |                                 |                       |
| <b>March 31, 2020</b>                                    | <b>\$ 114,112,000</b>            | <b>\$ 92,964,900</b>            | <b>\$ 207,076,900</b> |
| New Capital Raised                                       | 10,257,000                       | 6,173,500                       | 16,430,500            |
| Distributions and Other                                  | (4,911,100)                      | (4,202,200) <sup>(1)</sup>      | (9,113,300)           |
| Change in Value  | 5,370,300                        | 1,992,300                       | 7,362,600             |
| <b>June 30, 2020</b>                                     | <b>\$ 124,828,200</b>            | <b>\$ 96,928,500</b>            | <b>\$ 221,756,700</b> |
| <b><u>Six Months Ended June 30, 2020</u></b>             |                                  |                                 |                       |
| <b>December 31, 2019</b>                                 | <b>\$ 119,274,700</b>            | <b>\$ 99,080,400</b>            | <b>\$ 218,355,100</b> |
| New Capital Raised                                       | 14,439,000                       | 9,082,700                       | 23,521,700            |
| Distributions and Other                                  | (7,806,800)                      | (6,167,100) <sup>(2)</sup>      | (13,973,900)          |
| Change in Value  | (1,078,700)                      | (5,067,500)                     | (6,146,200)           |
| <b>June 30, 2020</b>                                     | <b>\$ 124,828,200</b>            | <b>\$ 96,928,500</b>            | <b>\$ 221,756,700</b> |
| <b><u>Trailing Twelve Months Ended June 30, 2020</u></b> |                                  |                                 |                       |
| <b>June 30, 2019</b>                                     | <b>\$ 112,039,300</b>            | <b>\$ 93,619,800</b>            | <b>\$ 205,659,100</b> |
| New Capital Raised                                       | 21,485,500                       | 14,747,800                      | 36,233,300            |
| Impact of Other Transactions                             | —                                | 2,172,900 <sup>(3)</sup>        | 2,172,900             |
| Distributions and Other                                  | (12,975,500)                     | (9,387,500) <sup>(4)</sup>      | (22,363,000)          |
| Change in Value  | 4,278,900                        | (4,224,500)                     | 54,400                |
| <b>June 30, 2020</b>                                     | <b>\$ 124,828,200</b>            | <b>\$ 96,928,500</b>            | <b>\$ 221,756,700</b> |

(1) Includes \$3,052.3 million of redemptions by fund investors.

(2) Includes \$4,546.6 million of redemptions by fund investors.

(3) Includes KKR's incremental pro rata portion of AUM of \$2,172.9 million managed by Marshall Wace LLP due to an additional 5% interest acquired by KKR on November 22, 2019.

(4) Includes \$7,065.3 million of redemptions by fund investors.

**FEE PAYING ASSETS UNDER MANAGEMENT (UNAUDITED)**  
(Amounts in thousands)

|  | Private Markets<br>Business Line | Public Markets<br>Business Line | Total                 |
|--|----------------------------------|---------------------------------|-----------------------|
| <b><u>Quarter Ended June 30, 2020</u></b>                |                                  |                                 |                       |
| <b>March 31, 2020</b>                                    | <b>\$ 77,566,400</b>             | <b>\$ 81,489,800</b>            | <b>\$ 159,056,200</b> |
| New Capital Raised                                       | 2,102,900                        | 4,219,300                       | 6,322,200             |
| Distributions and Other                                  | (2,892,100)                      | (4,714,200) <sup>(1)</sup>      | (7,606,300)           |
| Change in Value  | 578,900                          | 1,978,800                       | 2,557,700             |
| <b>June 30, 2020</b>                                     | <b>\$ 77,356,100</b>             | <b>\$ 82,973,700</b>            | <b>\$ 160,329,800</b> |
| <b><u>Six Months Ended June 30, 2020</u></b>             |                                  |                                 |                       |
| <b>December 31, 2019</b>                                 | <b>\$ 76,918,100</b>             | <b>\$ 84,291,700</b>            | <b>\$ 161,209,800</b> |
| New Capital Raised                                       | 3,403,100                        | 8,190,700                       | 11,593,800            |
| Distributions and Other                                  | (3,975,600)                      | (6,582,200) <sup>(2)</sup>      | (10,557,800)          |
| Change in Value  | 1,010,500                        | (2,926,500)                     | (1,916,000)           |
| <b>June 30, 2020</b>                                     | <b>\$ 77,356,100</b>             | <b>\$ 82,973,700</b>            | <b>\$ 160,329,800</b> |
| <b><u>Trailing Twelve Months Ended June 30, 2020</u></b> |                                  |                                 |                       |
| <b>June 30, 2019</b>                                     | <b>\$ 73,347,400</b>             | <b>\$ 78,176,200</b>            | <b>\$ 151,523,600</b> |
| New Capital Raised                                       | 8,885,400                        | 14,168,800                      | 23,054,200            |
| Impact of Other Transactions                             | —                                | 2,172,900 <sup>(3)</sup>        | 2,172,900             |
| Distributions and Other                                  | (5,785,100)                      | (9,237,800) <sup>(4)</sup>      | (15,022,900)          |
| Net Changes in Fee Base of Certain Funds <sup>(5)</sup>  | (240,500)                        | —                               | (240,500)             |
| Change in Value  | 1,148,900                        | (2,306,400)                     | (1,157,500)           |
| <b>June 30, 2020</b>                                     | <b>\$ 77,356,100</b>             | <b>\$ 82,973,700</b>            | <b>\$ 160,329,800</b> |

(1) Includes \$2,409.2 million of redemptions by fund investors.

(2) Includes \$3,787.5 million of redemptions by fund investors.

(3) Includes KKR's incremental pro rata portion of FPAUM of \$2,172.9 million managed by Marshall Wace LLP due to an additional 5% interest acquired by KKR on November 22, 2019.

(4) Includes \$6,122.2 million of redemptions by fund investors.

(5) Represents the impact of certain funds entering their post-investment period.

**INVESTMENT VEHICLE SUMMARY (UNAUDITED)**

As of June 30, 2020

(Amounts in millions, except percentages)

|  | Investment Period |                | Amount              |                      |   |                     |                     |                    |                      |
|--|-------------------|----------------|---------------------|----------------------|---|---------------------|---------------------|--------------------|----------------------|
|  | Start Date        | End Date       | Commitment          | Uncalled Commitments | Percentage Committed by General Partner | Invested            | Realized            | Remaining Cost     | Remaining Fair Value |
|  |                   |                |                     |                      |   |                     |                     |                    |                      |
| <b>Private Markets Business Line</b>               |                   |                |                     |                      |   |                     |                     |                    |                      |
| <b>Private Equity and Growth Funds</b>             |                   |                |                     |                      |   |                     |                     |                    |                      |
| Americas Fund XII                                  | 1/2017            | 1/2023         | \$ 13,500.0         | \$ 6,593.7           | 5.8%                                    | \$ 6,910.2          | \$ 89.0             | \$ 6,817.5         | \$ 8,794.3           |
| North America Fund XI                              | 9/2012            | 1/2017         | 8,718.4             | 576.3                | 2.9%                                    | 9,579.6             | 11,501.4            | 5,101.5            | 8,217.1              |
| 2006 Fund <sup>(1)</sup>                           | 9/2006            | 9/2012         | 17,642.2            | 247.4                | 2.1%                                    | 17,309.3            | 31,033.0            | 3,283.1            | 4,849.7              |
| Millennium Fund <sup>(1)</sup>                     | 12/2002           | 12/2008        | 6,000.0             | —                    | 2.5%                                    | 6,000.0             | 14,123.1            | —                  | 6.1                  |
| European Fund V                                    | 3/2019            | 7/2025         | 6,320.2             | 4,891.2              | 1.8%                                    | 1,429.0             | —                   | 1,429.0            | 1,449.2              |
| European Fund IV                                   | 12/2014           | 3/2019         | 3,509.9             | 259.5                | 5.7%                                    | 3,372.9             | 2,840.4             | 2,208.3            | 3,211.3              |
| European Fund III <sup>(1)</sup>                   | 3/2008            | 3/2014         | 5,508.8             | 149.0                | 5.2%                                    | 5,359.8             | 10,463.6            | 396.9              | 296.8                |
| European Fund II <sup>(1)</sup>                    | 11/2005           | 10/2008        | 5,750.8             | —                    | 2.1%                                    | 5,750.8             | 8,507.4             | —                  | 34.3                 |
| Asian Fund IV                                      | 7/2020            | 7/2026         | 10,695.6            | 10,695.6             | 9.3%                                    | —                   | —                   | —                  | —                    |
| Asian Fund III                                     | 4/2017            | 7/2020         | 9,000.0             | 4,213.2              | 5.6%                                    | 5,146.2             | 1,233.5             | 4,774.1            | 6,042.5              |
| Asian Fund II                                      | 4/2013            | 4/2017         | 5,825.0             | 36.5                 | 1.3%                                    | 6,802.5             | 4,577.3             | 4,309.4            | 5,456.3              |
| Asian Fund <sup>(1)</sup>                          | 7/2007            | 4/2013         | 3,983.3             | —                    | 2.5%                                    | 3,974.3             | 8,687.9             | 93.2               | 68.3                 |
| China Growth Fund <sup>(1)</sup>                   | 11/2010           | 11/2016        | 1,010.0             | —                    | 1.0%                                    | 1,010.0             | 815.4               | 541.9              | 449.8                |
| Next Generation Technology Growth Fund II          | 12/2019           | 12/2025        | 2,088.3             | 1,810.3              | 7.2%                                    | 278.0               | —                   | 278.0              | 322.3                |
| Next Generation Technology Growth Fund             | 3/2016            | 12/2019        | 658.9               | 4.9                  | 22.5%                                   | 658.3               | 45.9                | 630.9              | 1,125.8              |
| Health Care Strategic Growth Fund                  | 12/2016           | 12/2021        | 1,331.0             | 917.9                | 11.3%                                   | 503.9               | 95.9                | 410.7              | 719.0                |
| Global Impact Fund                                 | 2/2019            | 2/2025         | 1,242.2             | 1,081.9              | 8.1%                                    | 160.3               | —                   | 160.3              | 174.4                |
| <b>Total Private Equity and Growth Funds</b>       |                   |                | <b>102,784.6</b>    | <b>31,477.4</b>      |   | <b>74,245.1</b>     | <b>94,013.8</b>     | <b>30,434.8</b>    | <b>41,217.2</b>      |
| <b>Co-Investment Vehicles and Other</b>            | <b>Various</b>    | <b>Various</b> | <b>9,834.3</b>      | <b>2,915.7</b>       | <b>Various</b>                          | <b>7,180.0</b>      | <b>4,966.8</b>      | <b>4,722.9</b>     | <b>5,742.1</b>       |
| <b>Total Private Equity</b>                        |                   |                | <b>112,618.9</b>    | <b>34,393.1</b>      |   | <b>81,425.1</b>     | <b>98,980.6</b>     | <b>35,157.7</b>    | <b>46,959.3</b>      |
| <b>Core Investment Vehicles</b>                    | <b>Various</b>    | <b>Various</b> | <b>9,868.5</b>      | <b>4,944.9</b>       | <b>35.8%</b>                            | <b>4,923.6</b>      | <b>—</b>            | <b>4,923.6</b>     | <b>6,829.8</b>       |
| <b>Real Assets</b>                                 |                   |                |                     |                      |   |                     |                     |                    |                      |
| Energy Income and Growth Fund II                   | 6/2018            | 6/2021         | 994.2               | 587.6                | 20.1%                                   | 416.3               | 9.6                 | 407.1              | 407.0                |
| Energy Income and Growth Fund                      | 9/2013            | 6/2018         | 1,974.2             | 59.3                 | 12.9%                                   | 1,963.4             | 785.9               | 1,283.8            | 870.5                |
| Natural Resources Fund <sup>(1)</sup>              | Various           | Various        | 887.4               | 0.9                  | Various                                 | 886.5               | 123.2               | 194.2              | 71.3                 |
| Global Energy Opportunities                        | Various           | Various        | 914.1               | 170.3                | Various                                 | 517.9               | 136.4               | 348.6              | 212.8                |
| Global Infrastructure Investors III                | 6/2018            | 6/2024         | 7,156.3             | 4,681.3              | 3.8%                                    | 2,623.4             | 148.3               | 2,584.8            | 2,427.3              |
| Global Infrastructure Investors II                 | 10/2014           | 6/2018         | 3,040.0             | 162.2                | 4.1%                                    | 3,117.7             | 2,639.1             | 2,067.1            | 2,448.9              |
| Global Infrastructure Investors                    | 9/2011            | 10/2014        | 1,040.2             | 25.1                 | 4.8%                                    | 1,046.7             | 2,093.1             | 129.3              | 117.8                |
| Asia Pacific Infrastructure Investors              | 1/2020            | 1/2026         | 2,515.6             | 2,515.6              | 9.9%                                    | —                   | —                   | —                  | —                    |
| Real Estate Partners Americas II                   | 5/2017            | 12/2020        | 1,921.2             | 885.5                | 7.8%                                    | 1,211.1             | 373.7               | 1,013.7            | 1,144.2              |
| Real Estate Partners Americas                      | 5/2013            | 5/2017         | 1,229.1             | 148.2                | 16.3%                                   | 1,010.7             | 1,354.5             | 222.2              | 109.1                |
| Real Estate Partners Europe                        | 9/2015            | 12/2019        | 708.7               | 211.5                | 9.5%                                    | 568.9               | 154.0               | 492.1              | 566.0                |
| Real Estate Credit Opportunity Partners II         | 4/2019            | 6/2022         | 950.0               | 728.9                | 5.3%                                    | 221.1               | —                   | 221.1              | 202.2                |
| Real Estate Credit Opportunity Partners            | 2/2017            | 4/2019         | 1,130.0             | 122.2                | 4.4%                                    | 1,007.8             | 186.5               | 1,007.8            | 942.5                |
| Property Partners Americas                         | 12/2019           | (2)            | 2,012.5             | 1,817.2              | 24.8%                                   | 195.3               | —                   | 195.3              | 207.6                |
| Co-Investment Vehicles and Other                   | Various           | Various        | 4,033.2             | 2,023.3              | Various                                 | 2,009.9             | 870.9               | 2,006.2            | 2,275.6              |
| <b>Total Real Assets</b>                           |                   |                | <b>30,506.7</b>     | <b>14,139.1</b>      |   | <b>16,796.7</b>     | <b>8,875.2</b>      | <b>12,173.3</b>    | <b>12,002.8</b>      |
| <b>Unallocated Commitments <sup>(3)</sup></b>      |                   |                | <b>1,449.6</b>      | <b>1,449.6</b>       | <b>Various</b>                          | <b>—</b>            | <b>—</b>            | <b>—</b>           | <b>—</b>             |
| <b>Private Markets Total</b>                       |                   |                | <b>154,443.7</b>    | <b>54,926.7</b>      |   | <b>103,145.4</b>    | <b>107,855.8</b>    | <b>52,254.6</b>    | <b>65,791.9</b>      |
| <b>Public Markets Business Line <sup>(4)</sup></b> |                   |                |                     |                      |   |                     |                     |                    |                      |
| <b>Alternative Credit</b>                          |                   |                |                     |                      |   |                     |                     |                    |                      |
| Dislocation Opportunities Fund                     | 5/2020            | 11/2021        | 2,790.1             | 2,580.8              | 14.3%                                   | 209.3               | —                   | 209.3              | 264.8                |
| Special Situations Fund II                         | 12/2014           | 3/2019         | 3,524.7             | 528.4                | 9.0%                                    | 2,996.3             | 671.3               | 2,670.3            | 2,080.0              |
| Special Situations Fund                            | 12/2012           | 1/2016         | 2,274.3             | 1.3                  | 11.6%                                   | 2,273.0             | 1,552.4             | 1,431.8            | 510.0                |
| Mezzanine Partners                                 | 3/2010            | 3/2015         | 1,022.8             | 102.7                | 4.4%                                    | 920.1               | 1,081.8             | 261.5              | 154.6                |
| Private Credit Opportunities Partners II           | 12/2015           | 12/2020        | 2,245.1             | 657.7                | 2.2%                                    | 1,587.4             | 123.8               | 1,555.2            | 1,536.0              |
| Lending Partners III                               | 4/2017            | 11/2021        | 1,497.8             | 790.8                | 1.7%                                    | 707.0               | 133.4               | 707.0              | 701.6                |
| Lending Partners II                                | 6/2014            | 6/2017         | 1,335.9             | 156.8                | 3.7%                                    | 1,179.1             | 1,100.7             | 529.9              | 210.0                |
| Lending Partners                                   | 12/2011           | 12/2014        | 460.2               | 54.9                 | 15.2%                                   | 405.3               | 450.7               | 116.6              | 15.4                 |
| Lending Partners Europe                            | 3/2015            | 3/2019         | 847.6               | 242.7                | 5.0%                                    | 604.9               | 178.6               | 548.7              | 369.5                |
| <b>Total Alternative Credit</b>                    |                   |                | <b>15,998.5</b>     | <b>5,116.1</b>       |   | <b>10,882.4</b>     | <b>5,292.7</b>      | <b>8,030.3</b>     | <b>5,841.9</b>       |
| <b>Other Alternative Credit Vehicles</b>           | <b>Various</b>    | <b>Various</b> | <b>11,046.6</b>     | <b>5,242.2</b>       | <b>Various</b>                          | <b>5,804.4</b>      | <b>3,415.0</b>      | <b>4,079.5</b>     | <b>3,598.7</b>       |
| <b>Unallocated Commitments <sup>(3)</sup></b>      |                   |                | <b>174.3</b>        | <b>174.3</b>         | <b>Various</b>                          | <b>—</b>            | <b>—</b>            | <b>—</b>           | <b>—</b>             |
| <b>Public Markets Total</b>                        |                   |                | <b>27,219.4</b>     | <b>10,532.6</b>      |   | <b>16,686.8</b>     | <b>8,707.7</b>      | <b>12,109.8</b>    | <b>9,440.6</b>       |
| <b>Total Eligible To Receive Carried Interest</b>  |                   |                | <b>\$ 181,663.1</b> | <b>\$ 65,459.3</b>   |   | <b>\$ 119,832.2</b> | <b>\$ 116,563.5</b> | <b>\$ 64,364.4</b> | <b>\$ 75,232.5</b>   |

(1) The "Invested" and "Realized" columns do not include the amounts of any realized investments that restored the unused capital commitments of the fund investors, if any.

(2) Open ended fund.

(3) Represents unallocated commitments from our strategic investor partnerships.

(4) The "Commitment" and "Uncalled Commitments" columns include income that is eligible to be reinvested if permitted under the terms of the investment vehicle agreements.

**INVESTMENT VEHICLE SUMMARY (UNAUDITED) (CONTINUED)**

As of June 30, 2020

(Amounts in millions)

|  | <u>Uncalled<br/>Commitments</u> | <u>Remaining<br/>Fair Value</u> | <u>Total</u>        |
|--|---------------------------------|---------------------------------|---------------------|
| <b>Carried Interest Eligible</b>   | \$ 65,459.3                     | \$ 75,232.5                     | \$ 140,691.8        |
| <b>Incentive Fee Eligible</b>  |                                 |                                 |                     |
| Hedge Fund Partnerships <sup>(1)</sup>                                   | —                               | 18,435.7                        | 18,435.7            |
| Business Development Companies (BDCs)                                    | —                               | 14,127.0                        | 14,127.0            |
| KKR Real Estate Finance Trust Inc.                                       | —                               | 1,128.7                         | 1,128.7             |
| Other  | —                               | 4,799.0                         | 4,799.0             |
| <b>Total Carried Interest and Incentive Fee Eligible</b>                 | <b>65,459.3</b>                 | <b>113,722.9</b>                | <b>179,182.2</b>    |
| <b>Collateralized Loan Obligations (CLOs)</b>                            | <b>—</b>                        | <b>16,603.4</b>                 | <b>16,603.4</b>     |
| <b>Leveraged Credit / Hedge Fund Partnerships <sup>(1)</sup> / Other</b> | <b>1,359.5</b>                  | <b>24,611.6</b>                 | <b>25,971.1</b>     |
| <b>Total Assets Under Management</b>                                     | <b>\$ 66,818.8</b>              | <b>\$ 154,937.9</b>             | <b>\$ 221,756.7</b> |

(1) Represents KKR's pro rata portion of AUM of hedge fund managers in which KKR holds a minority ownership interest. Total AUM for Hedge Fund Partnerships is \$24,610.6 million, of which \$18,435.7 million is incentive fee eligible.

**KKR'S PORTION OF TOTAL UNCALLED COMMITMENTS TO ITS INVESTMENT FUNDS**

(Amounts in thousands)

|                               | As of                |                          |
|-------------------------------|----------------------|--------------------------|
|                               | <u>June 30, 2020</u> | <u>December 31, 2019</u> |
| Private Markets Business Line | \$ 5,533,900         | \$ 4,551,500             |
| Public Markets Business Line  | 621,100              | 689,700                  |
| <b>Total</b>                  | <b>\$ 6,155,000</b>  | <b>\$ 5,241,200</b>      |

## INFORMATION ON NON-GAAP AND OTHER MEASURES & DEFINITIONS (UNAUDITED)

KKR operates through one operating and reportable segment. Management makes operating decisions and assesses performance of our business prior to giving effect to the (i) allocation of income (loss) between KKR & Co. Inc. and KKR Holdings L.P.; (ii) consolidation of the investment funds and collateralized financing entities that KKR manages; and (iii) other consolidated entities that are not subsidiaries of KKR & Co. Inc.

KKR discloses the following financial measures in this earnings release that are calculated and presented using methodologies other than in accordance with GAAP: after-tax distributable earnings, after-tax distributable earnings per adjusted share, book value, book value per adjusted share, book assets, book liabilities, distributable revenues, distributable expenses and fee related earnings. We believe that providing these performance measures on a supplemental basis to our GAAP results is helpful to stockholders in assessing the overall performance of KKR's businesses. These financial measures should not be considered as a substitute for similar financial measures calculated in accordance with GAAP, if available. In addition, we caution readers that these non-GAAP financial measures may differ from the calculations of other investment managers, and as a result, may not be comparable to similarly titled measures presented by other investment managers. These non-GAAP measures are presented in this earnings release as KKR's operating results, which were previously referred to as segment results. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP, where applicable, are included in Exhibit A.

**Adjusted shares** represents shares of common stock of KKR & Co. Inc. outstanding under GAAP adjusted to include shares issuable upon exchange of all units of KKR Holdings L.P. We believe providing adjusted shares is useful to stockholders as it provides insight into the calculation of amounts available for distribution as dividends on a per adjusted share basis. Weighted average adjusted shares is used in the calculation of after-tax distributable earnings per adjusted share and adjusted shares is used in the calculation of book value per adjusted share.

**After-tax distributable earnings** is a non-GAAP performance measure of KKR's earnings excluding mark-to-market gains (losses) after interest expense, preferred dividends, noncontrolling interests and income taxes paid. It is used by management to assess the net realized earnings of KKR for a given reporting period, after deducting equity-based compensation under the Equity Incentive Plans and adjusting to exclude the impact of non-recurring items, if any. KKR believes that after-tax distributable earnings is useful to stockholders as it aligns KKR's net realization performance with the manner in which KKR receives its revenues and determines the compensation of its employees. After-tax distributable earnings does not represent and is not used to calculate actual dividends under KKR's dividend policy. Equity-based compensation expense is included in after-tax distributable earnings as a component of compensation expense in order to reflect the dilutive nature of these non-cash equity-based awards. Income taxes paid represents the implied amount of income taxes that would be paid assuming that all pre-tax distributable earnings were allocated to KKR & Co. Inc., which would occur following an exchange of all KKR Holdings units for common stock of KKR & Co. Inc. Income taxes paid also includes amounts paid pursuant to the tax receivable agreement.

**Assets under management ("AUM")** represent the assets managed or advised by KKR from which KKR is entitled to receive fees or a carried interest (either currently or upon deployment of capital), general partner capital, and assets managed or advised by our strategic BDC partnership and the hedge fund and other managers in which KKR holds an ownership interest. We believe this measure is useful to stockholders as it provides additional insight into the capital raising activities of KKR and its hedge fund and other managers and the overall activity in their investment funds and other managed capital. KKR calculates the amount of AUM as of any date as the sum of: (i) the fair value of the investments of KKR's investment funds; (ii) uncalled capital commitments from these funds, including uncalled capital commitments from which KKR is currently not earning management fees or carried interest; (iii) the fair value of investments in KKR's co-investment vehicles; (iv) the par value of outstanding CLOs (excluding CLOs wholly-owned by KKR); (v) KKR's pro rata portion of the AUM of hedge fund and other managers in which KKR holds an ownership interest; (vi) all AUM of the strategic BDC partnership with FS Investments; and (vii) the fair value of other assets managed by KKR. The pro rata portion of the AUM of hedge fund and other managers is calculated based on KKR's percentage ownership interest in such entities multiplied by such entity's respective AUM. KKR's definition of AUM is not based on any definition of AUM that may be set forth in the agreements governing the investment funds, vehicles or accounts that it manages or calculated pursuant to any regulatory definitions.

**Book assets** is a non-GAAP performance measure that represents cash and short-term investments, investments, net unrealized carried interest, tax assets, and other assets of KKR presented on a basis that deconsolidates (i) KKR's investment funds and collateralized financing entities that KKR manages and (ii) other consolidated entities that are not subsidiaries of KKR & Co. Inc. We believe this measure is useful to stockholders as it provides additional insight into the assets of KKR that are used to operate its business lines. As used in this definition, cash and short-term investments represent cash and liquid short-term investments in high-grade, short-duration cash management strategies used by KKR to generate additional yield.

**Book liabilities** is a non-GAAP performance measure that represents the debt obligations of KKR (including KFN), tax liabilities, and other liabilities of KKR presented on a basis that deconsolidates (i) KKR's investment funds and collateralized financing entities that KKR manages and (ii) other consolidated entities that are not subsidiaries of KKR & Co. Inc. We believe this measure is useful to stockholders as it provides additional insight into the liabilities of KKR excluding the liabilities that are allocated to noncontrolling interest holders and to the holders of the Series A and Series B Preferred Stock.

**Book value** is a non-GAAP performance measure of the net assets of KKR and is used by management primarily in assessing the unrealized value of KKR's book assets after deducting for book liabilities, noncontrolling interests and preferred stock. We believe this measure is useful to stockholders as it provides additional insight into the net assets of KKR excluding those net assets that are allocated to noncontrolling interest holders and to the holders of the Series A and Series B Preferred Stock. KKR's book value includes the net impact of KKR's tax assets and liabilities as prepared under GAAP.

**Capital invested** is the aggregate amount of capital invested by (i) KKR's investment funds, (ii) KKR's Principal Activities business line as a co-investment, if any, alongside KKR's investment funds, and (iii) KKR's Principal Activities business line in connection with a syndication transaction conducted by KKR's Capital Markets business line, if any. Capital invested is used as a measure of investment activity at KKR during a given period. We believe this measure is useful to stockholders as it provides a measure of capital deployment across KKR's business lines. Capital invested includes investments made using investment financing arrangements like credit facilities, as applicable. Capital invested excludes (i) investments in certain leveraged credit strategies, (ii) capital invested by KKR's Principal Activities business line that is not a co-investment alongside KKR's investment funds, and (iii) capital invested by KKR's Principal Activities business line that is not invested in connection with a syndication transaction by KKR's Capital Markets business line. Capital syndicated by KKR's Capital Markets business line to third parties other than KKR's investment funds or Principal Activities business line is not included in capital invested. See also syndicated capital.

**Distributable revenues** is a non-GAAP performance measure that represents the realized revenues (which excludes unrealized carried interest and unrealized net gains (losses)) generated by KKR and is the sum of (i) fees and other, net, (ii) realized performance income (loss) and (iii) realized investment income (loss). KKR believes that distributable revenues is useful to stockholders as it provides insight into the realized revenue generated by KKR's business lines.

**Distributable expenses** is a non-GAAP performance measure that represents the expenses of KKR and is the sum of (i) compensation and benefits (excluding unrealized performance income compensation), (ii) occupancy and related charges and (iii) other operating expenses. KKR believes that distributable expenses is useful to stockholders as it provides insight into the costs expended in connection with generating KKR's distributable revenues.

**Distributable operating earnings** is a non-GAAP performance measure that represents after-tax distributable earnings before interest expense, preferred dividends, income (loss) attributable to noncontrolling interests and income taxes paid. We believe distributable operating earnings is useful to stockholders as it provides a supplemental measure of our operating performance without taking into account items that we do not believe relate directly to KKR's operations.

**Fee paying AUM ("FPAUM")** represents only the AUM from which KKR is entitled to receive management fees. We believe this measure is useful to stockholders as it provides additional insight into the capital base upon which KKR earns management fees. FPAUM is the sum of all of the individual fee bases that are used to calculate KKR's and its hedge fund and BDC partnership management fees and differs from AUM in the following respects: (i) assets and commitments from which KKR is not entitled to receive a management fee are excluded (e.g., assets and commitments with respect to which it is entitled to receive only carried interest or is otherwise not currently entitled to receive a management fee) and (ii) certain assets, primarily in its private equity funds, are reflected based on capital commitments and invested capital as opposed to fair value because fees are not impacted by changes in the fair value of underlying investments.

**Fee related earnings** is a non-GAAP supplemental performance measure of earnings of KKR before performance income and investment income. KKR believes this measure may be useful to stockholders as it may provide additional insight into the profitability of KKR's fee generating management companies and capital markets businesses. Fee related earnings is calculated as KKR's total Fees and Other, Net, multiplied by KKR's distributable operating margin. For purposes of the fee related earnings calculation, distributable operating margin is calculated as distributable operating earnings, before equity-based compensation, divided by total distributable revenues.

**Syndicated capital** is the aggregate amount of capital in transactions originated by KKR and its investment funds and carry-yielding co-investment vehicles, which has been distributed to third parties, generally in exchange for a fee. It does not include (i) capital invested in such transactions by KKR investment funds and carry-yielding co-investment vehicles, which is instead reported in capital invested, (ii) debt capital that is arranged as part of the acquisition financing of transactions originated by KKR investment funds, and (iii) debt capital that is either underwritten or arranged on a best efforts basis. Syndicated capital is used as a measure of investment activity for KKR during a given period, and we believe that this measure is useful to stockholders as it provides additional insight into levels of syndication activity in KKR's Capital Markets business line and across KKR's investment platform.

**Uncalled commitments** is the aggregate amount of unfunded capital commitments that KKR's investment funds and carry-paying co-investment vehicles have received from partners to contribute capital to fund future investments. We believe this measure is useful to stockholders as it provides additional insight into the amount of capital that is available to KKR's investment funds to make future investments. Uncalled commitments are not reduced for investments completed using fund-level investment financing arrangements.



EXHIBIT A

**GAAP COMMON STOCK OUTSTANDING AND ADJUSTED SHARES**

The following table provides a reconciliation of KKR's Weighted Average GAAP Shares of Common Stock Outstanding to Weighted Average Adjusted Shares:

|   | Quarter Ended      |                    |                    |
|---|--------------------|--------------------|--------------------|
|   | June 30, 2020      | March 31, 2020     | June 30, 2019      |
| <b>Weighted Average GAAP Shares of Common Stock Outstanding - Basic</b> | <b>558,774,162</b> | <b>559,149,821</b> | <b>544,528,863</b> |
| Adjustments:  |                    |                    |                    |
| Weighted Average KKR Holdings Units <sup>(1)</sup>                      | 286,290,915        | 288,322,053        | 297,794,189        |
| <b>Weighted Average Adjusted Shares <sup>(2)</sup></b>                  | <b>845,065,077</b> | <b>847,471,874</b> | <b>842,323,052</b> |
|   |                    |                    |                    |
|   | Six Months Ended   |                    |                    |
|   | June 30, 2020      | June 30, 2019      |                    |
| <b>Weighted Average GAAP Shares of Common Stock Outstanding - Basic</b> | <b>558,961,992</b> | <b>539,240,051</b> |                    |
| Adjustments:  |                    |                    |                    |
| Weighted Average KKR Holdings Units <sup>(1)</sup>                      | 287,306,484        | 298,323,364        |                    |
| <b>Weighted Average Adjusted Shares <sup>(2)</sup></b>                  | <b>846,268,476</b> | <b>837,563,415</b> |                    |

The following table provides a reconciliation of KKR's GAAP Shares of Common Stock Outstanding to Adjusted Shares:

|  | As of              |                    |
|--|--------------------|--------------------|
|  | June 30, 2020      | December 31, 2019  |
| <b>GAAP Shares of Common Stock Outstanding</b> | <b>559,140,869</b> | <b>560,007,579</b> |
| Adjustments:                                   |                    |                    |
| KKR Holdings Units <sup>(1)</sup>              | 285,978,495        | 290,381,345        |
| <b>Adjusted Shares <sup>(2)</sup></b>          | <b>845,119,364</b> | <b>850,388,924</b> |
|  |                    |                    |
| <b>Unvested Shares of Common Stock</b>         | <b>15,739,887</b>  | <b>22,712,604</b>  |

(1) Shares that may be issued by KKR & Co. Inc. upon exchange of units in KKR Holdings L.P. for KKR common stock.

(2) Amounts exclude unvested shares granted under the Equity Incentive Plans.

**EXHIBIT A (CONTINUED)**

**RECONCILIATION OF NET INCOME (LOSS) ATTRIBUTABLE TO KKR & CO. INC. PER SHARE OF COMMON STOCK - BASIC (GAAP BASIS)  
TO AFTER-TAX DISTRIBUTABLE EARNINGS PER ADJUSTED SHARE AND ADJUSTED EBITDA (UNAUDITED)  
(Amounts in thousands, except share and per share amounts)**

|   | Quarter Ended     |                       |                   |
|---|-------------------|-----------------------|-------------------|
|   | June 30, 2020     | March 31, 2020        | June 30, 2019     |
| <b>Net Income (Loss) Attributable to KKR &amp; Co. Inc. Per Share of Common Stock - Basic</b> | \$ <b>1.25</b>    | \$ <b>(2.31)</b>      | \$ <b>0.94</b>    |
| Weighted Average Shares of Common Stock Outstanding - Basic                                   | 558,774,162       | 559,149,821           | 544,528,863       |
| <b>Net Income (Loss) Attributable to KKR &amp; Co. Inc. Common Stockholders</b>               | \$ <b>698,628</b> | \$ <b>(1,288,865)</b> | \$ <b>514,393</b> |
| (+) Net Income (Loss) Attributable to Noncontrolling Interests held by KKR Holdings L.P.      | 462,410           | (852,194)             | 361,228           |
| (+) Equity-based and Other Compensation - KKR Holdings L.P.                                   | 21,098            | 20,696                | 22,803            |
| (+) Amortization of Intangibles and Other, net <sup>(1)</sup>                                 | 146,791           | (62,226)              | 25,380            |
| (-) Net Unrealized Carried Interest   | 478,027           | (1,659,940)           | 509,319           |
| (-) Net Unrealized Gains (Losses)   | 867,581           | (1,974,531)           | 401,807           |
| (+) Unrealized Performance Income Compensation  | 199,375           | (675,874)             | 210,020           |
| (+) Income Tax Expense (Benefit)  | 206,264           | (360,679)             | 165,399           |
| (-) Income Taxes Paid   | 63,315            | 60,035                | 60,815            |
| <b>After-tax Distributable Earnings</b>   | \$ <b>325,643</b> | \$ <b>355,294</b>     | \$ <b>327,282</b> |
| Weighted Average Adjusted Shares  | 845,065,077       | 847,471,874           | 842,323,052       |
| <b>After-tax Distributable Earnings Per Adjusted Share</b>                                    | \$ <b>0.39</b>    | \$ <b>0.42</b>        | \$ <b>0.39</b>    |
| <b>After-tax Distributable Earnings</b>   | \$ <b>325,643</b> | \$ <b>355,294</b>     | \$ <b>327,282</b> |
| (+) Equity-based Compensation (Equity Incentive Plans)  | 39,933            | 51,003                | 48,611            |
| (+) Income (Loss) Attributable to Noncontrolling Interests                                    | 1,002             | 1,089                 | 1,864             |
| (+) Income Taxes Paid   | 63,315            | 60,035                | 60,815            |
| (+) Preferred Dividends   | 8,341             | 8,341                 | 8,341             |
| (+) Core Interest Expense <sup>(2)</sup>  | 37,511            | 33,864                | 32,963            |
| (+) Depreciation and Amortization   | 4,817             | 4,804                 | 4,333             |
| <b>Adjusted EBITDA <sup>(3)</sup></b>   | \$ <b>480,562</b> | \$ <b>514,430</b>     | \$ <b>484,209</b> |

<sup>(1)</sup> Includes a \$88.3 million non-recurring impairment charge taken on one of our equity method investments during the three months ended June 30, 2020.

<sup>(2)</sup> Core interest expense may be used by certain debt investors as an alternative measurement of interest expense incurred by KKR and excludes interest expense related to debt obligations from investment financing arrangements related to certain of KKR's investment funds, investment vehicles and principal investments and also excludes interest expense incurred by KFN. The financing arrangements excluded from core interest expense are not direct obligations of the general partners of KKR's private equity funds or its management companies, and in the case of debt obligations of KFN, are non-recourse to KKR beyond the assets of KFN. KKR believes this measure is useful to debt investors as it provides an indication of the amount of interest expense borne by KKR excluding interest expense that is allocated to KKR's investment funds, other noncontrolling interest holders and KFN. Additionally, we believe this measure is useful for analyzing KKR's ability to service its debt obligations other than the debt obligations of KFN.

<sup>(3)</sup> Adjusted EBITDA may be useful to debt investors in evaluating KKR's ability to service its debt and provides insight into the amount of KKR's distributable earnings before the impact of interest expense, taxes, depreciation and amortization, equity-based compensation, preferred dividends and noncontrolling interests.

**EXHIBIT A (CONTINUED)**

**RECONCILIATION OF NET INCOME (LOSS) ATTRIBUTABLE TO KKR & CO. INC. PER SHARE OF COMMON STOCK - BASIC (GAAP BASIS)  
TO AFTER-TAX DISTRIBUTABLE EARNINGS PER ADJUSTED SHARE AND ADJUSTED EBITDA (UNAUDITED)  
(Amounts in thousands, except share and per share amounts)**

|   | Six Months Ended    |                     |
|---|---------------------|---------------------|
|   | June 30, 2020       | June 30, 2019       |
| <b>Net Income (Loss) Attributable to KKR &amp; Co. Inc. Per Share of Common Stock - Basic</b> | <b>\$ (1.06)</b>    | <b>\$ 2.25</b>      |
| Weighted Average Shares of Common Stock Outstanding - Basic                                   | 558,961,992         | 539,240,051         |
| <b>Net Income (Loss) Attributable to KKR &amp; Co. Inc. Common Stockholders</b>               | <b>\$ (590,237)</b> | <b>\$ 1,215,371</b> |
| (+) Net Income (Loss) Attributable to Noncontrolling Interests held by KKR Holdings L.P.      | (389,784)           | 842,596             |
| (+) Equity-based and Other Compensation - KKR Holdings L.P.                                   | 41,794              | 45,921              |
| (+) Amortization of Intangibles and Other, net <sup>(1)</sup>                                 | 84,565              | 81,533              |
| (-) Net Unrealized Carried Interest   | (1,181,913)         | 910,931             |
| (-) Net Unrealized Gains (Losses)   | (1,106,950)         | 1,221,209           |
| (+) Unrealized Performance Income Compensation  | (476,499)           | 369,900             |
| (+) Income Tax Expense (Benefit)  | (154,415)           | 332,992             |
| (-) Income Taxes Paid   | 123,350             | 114,808             |
| <b>After-tax Distributable Earnings</b>   | <b>\$ 680,937</b>   | <b>\$ 641,365</b>   |
| Weighted Average Adjusted Shares  | 846,268,476         | 837,563,415         |
| <b>After-tax Distributable Earnings Per Adjusted Share</b>                                    | <b>\$ 0.80</b>      | <b>\$ 0.77</b>      |
| <b>After-tax Distributable Earnings</b>   | <b>\$ 680,937</b>   | <b>\$ 641,365</b>   |
| (+) Equity-based Compensation (Equity Incentive Plans)  | 90,936              | 103,496             |
| (+) Income (Loss) Attributable to Noncontrolling Interests                                    | 2,091               | 2,223               |
| (+) Income Taxes Paid   | 123,350             | 114,808             |
| (+) Preferred Dividends   | 16,682              | 16,682              |
| (+) Core Interest Expense <sup>(2)</sup>  | 71,375              | 63,233              |
| (+) Depreciation and Amortization   | 9,621               | 8,704               |
| <b>Adjusted EBITDA <sup>(3)</sup></b>   | <b>\$ 994,992</b>   | <b>\$ 950,511</b>   |

<sup>(1)</sup> Includes a \$88.3 million non-recurring impairment charge taken on one of our equity method investments during the six months ended June 30, 2020.

<sup>(2)</sup> Core interest expense may be used by certain debt investors as an alternative measurement of interest expense incurred by KKR and excludes interest expense related to debt obligations from investment financing arrangements related to certain of KKR's investment funds, investment vehicles and principal investments and also excludes interest expense incurred by KFN. The financing arrangements excluded from core interest expense are not direct obligations of the general partners of KKR's private equity funds or its management companies, and in the case of debt obligations of KFN, are non-recourse to KKR beyond the assets of KFN. KKR believes this measure is useful to debt investors as it provides an indication of the amount of interest expense borne by KKR excluding interest expense that is allocated to KKR's investment funds, other noncontrolling interest holders and KFN. Additionally, we believe this measure is useful for analyzing KKR's ability to service its debt obligations other than the debt obligations of KFN.

<sup>(3)</sup> Adjusted EBITDA may be useful to debt investors in evaluating KKR's ability to service its debt and provides insight into the amount of KKR's distributable earnings before the impact of interest expense, taxes, depreciation and amortization, equity-based compensation, preferred dividends and noncontrolling interests.

**EXHIBIT A (CONTINUED)**

**RECONCILIATION OF TOTAL GAAP REVENUES TO TOTAL DISTRIBUTABLE REVENUES (UNAUDITED)**

(Amounts in thousands)

|  | Quarter Ended           |                       |                     |
|--|-------------------------|-----------------------|---------------------|
|  | June 30, 2020           | March 31, 2020        | June 30, 2019       |
|  |                         |                       |                     |
| <b>Total GAAP Revenues</b>                         | <b>\$ 1,331,994</b>     | <b>\$ (1,001,505)</b> | <b>\$ 1,179,864</b> |
| (+) Management Fees - Consolidated Funds and Other | 122,740                 | 118,782               | 117,596             |
| (-) Fee Credits - Consolidated Funds               | 14,240                  | 227                   | 13,692              |
| (-) Capital Allocation-Based Income (Loss) (GAAP)  | 938,521                 | (1,382,077)           | 660,423             |
| (+) Realized Carried Interest                      | 345,665                 | 361,331               | 211,919             |
| (+) Realized Investment Income (Loss)              | 90,325                  | 145,164               | 146,150             |
| (-) Revenue Earned by Other Consolidated Entities  | 1,052                   | 13,315                | 31,152              |
| (-) Capstone Fees                                  | 17,195                  | 20,918                | —                   |
| (-) Expense Reimbursements                         | 28,002                  | 28,224                | 42,741              |
| <b>Total Distributable Revenues</b>                | <b>\$ 891,714</b>       | <b>\$ 943,165</b>     | <b>\$ 907,521</b>   |
|  | <b>Six Months Ended</b> |                       |                     |
|  | June 30, 2020           | June 30, 2019         |                     |
| <b>Total GAAP Revenues</b>                         | <b>\$ 330,489</b>       | <b>\$ 2,367,344</b>   |                     |
| (+) Management Fees - Consolidated Funds and Other | 241,522                 | 239,545               |                     |
| (-) Fee Credits - Consolidated Funds               | 14,467                  | 17,631                |                     |
| (-) Capital Allocation-Based Income (GAAP)         | (443,556)               | 1,475,355             |                     |
| (+) Realized Carried Interest                      | 706,996                 | 542,264               |                     |
| (+) Realized Investment Income (Loss)              | 235,489                 | 249,069               |                     |
| (-) Revenue Earned by Other Consolidated Entities  | 14,367                  | 60,855                |                     |
| (-) Capstone Fees                                  | 38,113                  | —                     |                     |
| (-) Expense Reimbursements                         | 56,226                  | 86,801                |                     |
| <b>Total Distributable Revenues</b>                | <b>\$ 1,834,879</b>     | <b>\$ 1,757,580</b>   |                     |

**RECONCILIATION OF TOTAL GAAP EXPENSES TO TOTAL DISTRIBUTABLE EXPENSES (UNAUDITED)**

(Amounts in thousands)

|   | Quarter Ended           |                     |                   |
|---|-------------------------|---------------------|-------------------|
|   | June 30, 2020           | March 31, 2020      | June 30, 2019     |
|   |                         |                     |                   |
| <b>Total GAAP Expenses</b>                                  | <b>\$ 757,068</b>       | <b>\$ (96,692)</b>  | <b>\$ 808,811</b> |
| (-) Equity-based and Other Compensation - KKR Holdings L.P. | 21,098                  | 20,696              | 22,803            |
| (-) Unrealized Performance Income Compensation              | 199,375                 | (675,874)           | 210,020           |
| (-) Amortization of Intangibles                             | 379                     | 380                 | 383               |
| (-) Reimbursable Expenses                                   | 38,020                  | 34,962              | 49,694            |
| (-) Expenses relating to Other Consolidated Entities        | 35,457                  | 20,001              | 49,197            |
| (-) Capstone Expenses                                       | 14,048                  | 17,797              | —                 |
| (+) Other   | (6,062)                 | (14,374)            | (14,354)          |
| <b>Total Distributable Expenses</b>                         | <b>\$ 442,629</b>       | <b>\$ 470,972</b>   | <b>\$ 462,360</b> |
|   | <b>Six Months Ended</b> |                     |                   |
|   | June 30, 2020           | June 30, 2019       |                   |
| <b>Total GAAP Expenses</b>                                  | <b>\$ 660,376</b>       | <b>\$ 1,537,578</b> |                   |
| (-) Equity-based and Other Compensation - KKR Holdings L.P. | 41,794                  | 46,546              |                   |
| (-) Unrealized Performance Income Compensation              | (476,499)               | 369,900             |                   |
| (-) Amortization of Intangibles                             | 759                     | 918                 |                   |
| (-) Reimbursable Expenses                                   | 72,982                  | 101,726             |                   |
| (-) Expenses relating to Other Consolidated Entities        | 55,458                  | 101,015             |                   |
| (-) Capstone Expenses                                       | 31,845                  | —                   |                   |
| (+) Other   | (20,436)                | (25,960)            |                   |
| <b>Total Distributable Expenses</b>                         | <b>\$ 913,601</b>       | <b>\$ 891,513</b>   |                   |

**EXHIBIT A (CONTINUED)**

**RECONCILIATION OF CERTAIN GAAP TO NON-GAAP BALANCE SHEET MEASURES**

(Amounts in thousands)

|  | As of                |                      |
|--|----------------------|----------------------|
|  | June 30, 2020        | December 31, 2019    |
| <b>Total GAAP Assets</b>   | <b>\$ 62,110,382</b> | <b>\$ 60,899,319</b> |
| (-) Impact of Consolidation of Funds and Other Entities  | 39,268,849           | 37,453,629           |
| (-) Carry Pool Reclassification  | 974,567              | 1,448,879            |
| (-) Other Reclassifications  | 580,207              | 376,360              |
| <b>Total Book Assets</b>   | <b>\$ 21,286,759</b> | <b>\$ 21,620,451</b> |
|  |                      |                      |
|  | As of                |                      |
|  | June 30, 2020        | December 31, 2019    |
| <b>Total GAAP Liabilities</b>  | <b>\$ 32,715,720</b> | <b>\$ 30,396,945</b> |
| (-) Impact of Consolidation of Funds and Other Entities  | 25,390,502           | 23,841,496           |
| (-) Carry Pool Reclassification  | 974,567              | 1,448,879            |
| (-) Other Reclassifications  | 580,207              | 376,360              |
| <b>Total Book Liabilities</b>  | <b>\$ 5,770,444</b>  | <b>\$ 4,730,210</b>  |
|  |                      |                      |
|  | As of                |                      |
|  | June 30, 2020        | December 31, 2019    |
| <b>KKR &amp; Co. Inc. Stockholders' Equity - Series I and II Preferred Stock, Common Stock</b> | <b>\$ 9,472,314</b>  | <b>\$ 10,324,936</b> |
| (+) Impact of Consolidation of Funds and Other Entities  | 311,381              | 327,826              |
| (-) Other Reclassifications  | 17,446               | 17,446               |
| (+) Noncontrolling Interests Held by KKR Holdings L.P.   | 5,221,844            | 5,728,634            |
| <b>Book Value</b>  | <b>\$ 14,988,093</b> | <b>\$ 16,363,950</b> |