



JUL 01, 2019

NEW YORK--(BUSINESS WIRE)-- KKR Real Estate Finance Trust Inc. (the "Company" or "KREF") (NYSE:KREF) today announced the Company closed three floating-rate senior loans totaling \$864.5 million in June 2019, resulting in total second quarter 2019 originations of \$1.6 billion across six senior loans. Year-to-date, KREF has originated eight senior loans totaling \$1.9 billion resulting in an approximately \$5.0 billion funded portfolio as of the end of the second quarter, a 21% increase since December 31, 2018.

In addition, the Company today announced it entered into a Master Repurchase and Securities Contract Agreement (the "Term Lending Agreement") with a third party lender which provides for current and future asset financings of up to \$900 million (the "Facility"). The Facility is non-mark-to-market and has an initial maturity date of June 25, 2021, subject to five one-year extension options, which may be exercised by KREF upon the satisfaction of certain customary conditions. With the addition of the Facility, as of June 30, 2019, KREF had total financing capacity of approximately \$5.3 billion.

Commenting on the second quarter activity, Chris Lee and Matt Salem, Co-Chief Executive Officers of KREF, stated: "The second quarter was the largest origination quarter in KREF's history, with six new loan originations totaling \$1.6 billion. In the first six months of 2019, we have originated \$1.9 billion of loans, bringing our total originations for the last twelve months ended June 30, 2019 to \$3.5 billion, a 64% increase over the corresponding period in 2018. We also continued to improve the cost and structure of our liabilities. As of quarter-end, more than 70% of our outstanding portfolio borrowings are non-mark-to-market compared to 33% as of June 30, 2018. We continue to focus on capital preservation, improving our liability structure and lending to experienced sponsors on institutional-quality real estate located in the most liquid markets. This focus led to an increase in our average loan size in the last twelve months to \$182 million, up 30% compared to the same period 2018."

Recent Investing Activity

In June 2019, KREF closed on the following floating rate senior loans:

- \$340.0 million loan secured by a newly constructed 800-unit luxury multifamily property located in Chicago, IL. The loan has a five-year initial term with two one-year extension options, carries a coupon of LIBOR+2.8% and has an appraised LTV of approximately 75%.
- \$338.5 million loan secured by 1,110-units, across two multifamily properties located in Arlington, VA. The loan has a three-year initial term with two one-year extension options, carries a coupon of LIBOR+2.5% and has an appraised LTV of approximately 70%.
- \$186.0 million loan secured by a newly constructed 492-unit luxury multifamily property located in Chicago, IL. The loan has a three-year initial term with two one-year extension options, carries a coupon of LIBOR+2.7% and has an appraised loan-to-value ("LTV") of approximately 74%.

Second Quarter 2019 Activity Summary

- KREF closed six floating-rate senior loans totaling \$1.6 billion. The loans have a weighted average appraised LTV and coupon of 67% and L+2.7%, respectively.

Description/Location	Property Type	Month	Maximum	Initial Face	Interest	Maturity Date
		Originated	Face Amount	Amount Funded	Rate ^(A)	
Senior Loan, Chicago, IL	Multifamily	June 2019	\$ 340,000	\$ 291,242	L + 2.8%	July 2021
Senior Loan, Arlington, VA	Multifamily	June 2019	338,500	328,500	L + 2.5	July 2021
Senior Loan, Chicago, IL	Multifamily	June 2019	186,000	178,500	L + 2.7	June 2021
Senior Loan, Various	Multifamily	May 2019	216,500	171,850	L + 3.5	June 2021
Senior Loan, Brooklyn, NY	Multifamily	May 2019	386,000	324,400	L + 2.7	June 2021
Senior Loan, Philadelphia, PA	Office	April 2019	182,600	136,500	L + 2.6	May 2021
Total/Weighted Average			\$ 1,649,600	\$ 1,430,992	L + 2.7%	

- Floating rate based on one-month USD LIBOR
- Maturity date assumes all extension options are exercised.

About KREF

KKR Real Estate Finance Trust Inc. (NYSE:KREF) is a real estate finance company that focuses primarily on originating and acquiring senior loans secured by commercial real estate properties. KREF is externally managed and advised by an affiliate of KKR & Co. Inc. For additional information about KREF, please visit its website at www.kkrreit.com.

Forward-Looking Statements

This release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which reflect the Company's current views with respect to, among other things, its future operations and financial performance. The forward-looking statements are based on the Company's beliefs, assumptions and expectations, taking into account all information currently available to it. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to the Company or are within its control, including those described under Part I—Item 1A. "Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, filed with the Securities and Exchange Commission ("SEC"), as such factors may be updated from time to time in the Company's periodic filings with the SEC. Accordingly, actual outcomes or results may differ materially from those indicated in this release. All forward looking statements in this release speak only as of the date of this release. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by law.

Definitions

"Loan-to-value": Generally based on the initial loan amount divided by the as-is appraised value as of the date the loan was originated.

Media Contact

Kristi Huller or Cara Major

(212) 750-8300

media@kkv.com

Investor Relations Contact

Michael Shapiro

(646) 901-5920

michael.shapiro@kkv.com

Source: KKR Real Estate Finance Trust Inc.

 Follow Us on LinkedIn

[LEARN MORE >](#)