



JAN 09, 2020

NEW YORK--(BUSINESS WIRE)-- KKR Real Estate Finance Trust Inc. (the "Company" or "KREF") (NYSE:KREF) today announced 2019 originations of 18 floating-rate senior loans totaling approximately \$3.1 billion of commitments, a 15% increase over 2018 loan originations. As of year-end, the outstanding funded portfolio was approximately \$5.0 billion, representing a 23% increase since December 31, 2018.

Commenting on the 2019 activity, Chris Lee and Matt Salem, Co-Chief Executive Officers of KREF, stated: "2019 was a record origination year for KREF. We continued to improve our brand awareness and expand our client base through creativity, flexibility and certainty of execution. Since inception, we have now originated over \$8.2 billion of loans. Our continued focus on institutional real estate and sponsors led to an average loan size of \$173.0 million in 2019, an increase of 20% compared to 2018. In addition, we continue to improve the cost and structure of our liabilities. As of year-end, more than 70% of our outstanding portfolio borrowings are non-mark-to-market compared to 60% as of December 31, 2018. With a focus on capital preservation, we have constructed a high quality and defensive portfolio. We are pleased with the Company's progress in 2019 and are confident in our ability to build on the momentum in 2020."

Fourth Quarter 2019 Activity Summary

- Closed six floating-rate senior loans totaling \$764.1 million. The loans have a weighted average appraised loan-to-value ("LTV") and coupon of 63.3% and L+2.8%, respectively.

Description/Location	Property Type	Month	Maximum	Initial Face	Interest	Maturity Date ^(B)	LTV
		Originated	Face Amount	Amount Funded	Rate ^(A)		
Senior Loan, Herndon, VA	Multifamily	December 2019	\$ 73,900	\$ 71,900	L + 2.5%	January 2025	72%
Senior Loan, Washington, DC	Office	December 2019	175,500	44,700	L + 3.4	January 2025	58
Senior Loan, Various	Retail	December 2019	147,035	102,200	L + 2.6	August 2025	55
Senior Loan, Los Angeles, CA	Multifamily	December 2019	91,000	90,000	L + 2.8	January 2023	72
Senior Loan, Irvine, CA	Office	November 2019	183,300	149,000	L + 2.9	December 2024	66
Senior Loan, State College, PA Student Housing		October 2019	93,400	69,200	L + 2.7	November 2024	64
Total/Weighted Average			<u>\$ 764,135</u>	<u>\$ 527,000</u>	<u>L + 2.8%</u>		<u>63%</u>

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

(B) Maturity date assumes exercise of all extension options.

- Funded approximately \$92.8 million for loans closed prior to the quarter-end.
- Received \$765.4 million from loan repayments.

2019 Activity Summary

- Closed 18 floating-rate senior loans totaling \$3.1 billion in 2019. The loans have a weighted average LTV and coupon of 65.3% and L+3.0%, respectively.
- Current funded portfolio as of December 31 of \$5.0 billion is 100% performing, 99.9% floating-rate and 84.3% invested in multifamily and office property types.

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.

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