



JAN 03, 2022

NEW YORK--(BUSINESS WIRE)-- KKR Real Estate Finance Trust Inc. (the "Company" or "KREF") (NYSE: KREF) today announced that it closed 18 floating-rate loans totaling approximately \$1.8 billion of commitments in the fourth quarter of 2021, resulting in record annual originations activity of 37 loans totaling approximately \$4.8 billion of commitments for 2021. As of year-end, the outstanding funded loan portfolio was approximately \$6.7 billion.

Commenting on the fourth quarter and 2021 activity, Matt Salem, Chief Executive Officer, said "KREF's record fourth quarter closings of 18 loans totaling over \$1.8 billion capped a record origination year of \$4.8 billion. Our franchise has never been stronger and we are grateful for our deep client relationships that made this year possible. KREF's access to the broader KKR platform and integrated approach has led to success beyond originations, including our inaugural preferred equity issuance, an accretive common stock issuance and the repricing and upsize of our Term Loan B which reduced our running costs by 175 bps. As we enter 2022, KREF remains well positioned for additional growth."

Fourth Quarter 2021 Activity Summary

- Originated and funded record \$1.8 billion and \$1.5 billion, respectively, relating to 18 floating-rate loans.
 - The 18 senior loans have a weighted average appraised loan-to-value ("LTV") and coupon of 68% and L+3.0%, respectively.
 - 64% of fourth quarter originations were multifamily, and 18%, 14% and 4% were office, life science and hospitality, respectively.
- Funded approximately \$134.3 million relating to loans closed prior to the fourth quarter.
- Received \$679.6 million from loan repayments.
- Completed an accretive underwritten public offering of 5,547,361 million common shares at \$21.76 per share, less applicable transaction costs, resulting in \$120.4 million of net proceeds.
- Completed repricing of \$297.8 million existing Term Loan B and a \$52.2 million add-on, for an aggregate principal amount of \$350.0 million due September 2027 ("New Term Loan B"), which was issued at par. The New Term Loan B bears interest at LIBOR plus 350 basis points ("bps") and is subject to a LIBOR floor of 50 bps, which is an aggregate improvement of 175 bps.
- Took title to one defaulted senior retail loan with an outstanding principal balance and net carrying value of \$109.6 million and \$69.3 million, respectively. The property was recognized on KREF's balance sheet at its estimated fair value of \$75.5 million. Accordingly, in the fourth quarter KREF will recognize a \$6.2 million GAAP gain from the reversal of the allowance for credit losses and will recognize a \$34.1 million write-off through distributable earnings.

2021 Portfolio Activity Summary

- Originated and funded a record \$4.8 billion and \$3.6 billion, respectively, relating to 37 floating-rate loans. Total originations for 2021 represented a 428% and 56% increase over 2020 and 2019

originations, respectively.

- Current funded loan portfolio as of December 31 of \$6.7 billion is 99.9% performing, 99.9% floating rate with a weighted average LTV of 68% and 74% invested in multifamily and office properties.

About KKR Real Estate Finance Trust Inc.

KKR Real Estate Finance Trust Inc. 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 press release contains forward-looking statements within the meaning of the “safe harbor” provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements are based on the Company’s beliefs, assumptions and expectations of its future performance, 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. The forward-looking statements speak only as of the date of this press release or as of the date they are made, and the Company does not undertake any obligation to update any forward-looking statements except as required by law. Information about factors affecting the Company and the forward-looking statements is available in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020, and other filings with the Securities and Exchange Commission, which are available at www.sec.gov.

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