



KKR Real Estate Finance Trust Inc. Announces Fourth Quarter 2020 Originations of \$565.4 Million

NEW YORK — KKR Real Estate Finance Trust Inc. (the “Company” or “KREF”) (NYSE:KREF) today announced that it closed seven floating-rate loans totaling approximately \$565.4 million of commitments in the fourth quarter of 2020. As of year-end, the outstanding funded portfolio was approximately \$5.0 billion.

Commenting on the fourth quarter activity, Matt Salem, Chief Executive Officer, said: “2020 was an unprecedented period. We began the year with a high quality and defensive portfolio combined with conservative liabilities. This positioning, along with active management during the year, contributed to our quick return to offense during the fourth quarter with seven new originations.”

Fourth Quarter 2020 Activity Summary

- Closed six senior loans and one corporate loan to a multifamily operator, together totaling \$565.4 million. The six senior loans have a weighted average appraised loan-to-value (“LTV”) and coupon of 68% and L+3.9%, respectively.

Description/Location	Property Type	Month Originated	Maximum Face Amount	Initial Face Amount Funded	Interest Rate ^(A)	Maturity Date ^(B)	LTV
Senior Loan, Arlington, VA ^(C)	Multifamily	October 2020	\$ 70,895	\$ 68,000	L + 3.8%	October 2025	73%
Senior Loan, Denver, CO ^(D)	Multifamily	October 2020	40,000	38,500	L + 3.6	November 2024	49
Senior Loan, Oakland, CA ^(E)	Office	October 2020	159,690	94,720	L + 4.3	November 2025	65
Senior Loan, Austin, TX	Multifamily	December 2020	80,000	78,000	L + 3.7	December 2024	77
Senior Loan, Washington D.C.	Multifamily	December 2020	69,000	64,954	L + 3.5	December 2025	63
Senior Loan, Denver, CO	Industrial	December 2020	95,766	18,430	L + 3.8	January 2026	76
Real Estate Corporate Loan ^(F)	Multifamily	December 2020	50,000	50,000	L + 12.0	December 2025	n/a
Total/Weighted Average			\$ 565,351	\$ 412,604	L + 4.6%		68%

(A) Floating rate based on one-month USD LIBOR. The Weighted Average Interest Rate Floor for the six senior loans is 4.5%.

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

(C) The total whole loan maximum face amount is \$141.8 million, co-originated and co-funded by the Company and a KKR fund on a pari passu basis. The Company’s interest is 50% of the loan.

(D) The total whole loan maximum face amount is \$80.0 million, co-originated and co-funded by the Company and a KKR fund on a pari passu basis. The Company’s interest is 50% of the loan.

(E) The total whole loan maximum face amount is \$509.9 million, co-originated and co-funded by the Company and a KKR fund, of which \$430.0 million senior notes were syndicated to third party lenders in the fourth quarter. Post syndication, the Company retained a 31% interest in the mezzanine loan with a total commitment of \$25.0 million, of which \$14.8 million is currently funded, at an interest rate of L + 12.9%.

(F) The total loan amount is \$125.0 million, co-originated and co-funded fully by the Company and KKR funds. The Company’s interest is 40% of the loan. The borrower is a full service, vertically-integrated multifamily real estate acquisition, development, and operating company. The loan is partially secured by equity interests in the borrower’s underlying real estate portfolio.

- Funded approximately \$83.4 million for loans closed prior to the quarter-end.
- Received \$534.6 million from loan repayments.

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.kkreit.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, 2019, as supplemented by the Company’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2020, and other filings with the Securities and Exchange Commission, which are available at www.sec.gov.

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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.