TPG RE Finance Trust, Inc. Reports Operating Results for the Quarter Ended June 30, 2021

August 3, 2021

NEW YORK--(BUSINESS WIRE)-- TPG RE Finance Trust, Inc. (NYSE: TRTX) ("TRTX" or the "Company") reported its operating results for the quarter ended June 30, 2021.

SECOND QUARTER 2021 ACTIVITY

- GAAP net income was $32.4 million during the three months ending June 30, 2021, compared to $32.0 million for the preceding quarter, an increase of $0.4 million, or 1.3%.
- Net interest margin was $39.9 million during the three months ending June 30, 2021, compared to $37.9 million for the preceding quarter, an increase of $2.0 million, or 5.3%.
- GAAP net loss attributable to common stockholders was $21.0 million, or $(0.27) per diluted common share, and book value per common share on June 30, 2021 was $16.03.
- Issued 8.05 million shares of 6.25% Series C Cumulative Redeemable Preferred Stock, generating net proceeds of $194.4 million.
- Redeemed 9.0 million shares of 11.0% Series B Cumulative Redeemable Preferred Stock at an aggregate redemption price of $247.5 million, including a $225.0 million par redemption price and a $22.5 million make-whole payment equal to the present value of all remaining dividend payments due after the redemption date through the second anniversary of the original issue date.
- Closed nine new loans with total commitments of $752.5 million, an aggregate initial unpaid principal balance of $597.0 million, a weighted average credit spread of 3.48%, a weighted average LIBOR floor of 0.22% and a weighted average loan-to-value ratio of 67.3%.
- Funded $43.9 million of future funding obligations associated with existing loans.
- Received loan repayments of $334.0 million, including four full loan repayments totaling $330.7 million, of which 90.3% measured by unpaid principal balance was office loans.
- Weighted average risk rating of the Company's loan portfolio remains unchanged from the preceding quarter at 3.1 as of June 30, 2021.
- Reduced CECL reserve by $3.5 million to $55.3 million at quarter-end, equating to 104 basis points of total loan commitments, down from $58.8 million and 118 basis points at March 31, 2021.
- Sold one performing hotel loan with an unpaid principal balance of $60.7 million for $59.5 million, a $0.98 dollar price based on par value. The loss on sale of $1.6 million does not include the beneficial impact to the Company's general CECL reserve resulting from the sale of the loan, which exceeded the loss on sale.
- Ended the quarter with $393.0 million of total liquidity comprised of: cash and cash equivalents of $239.7 million, of which $224.7 million was available for investment, net of $15.0 million held to satisfy a cash liquidity covenant under the Company's secured credit agreements; undrawn capacity (liquidity available to the Company without the need to pledge additional collateral) under secured borrowing arrangements of $99.5 million (of which $68.8 million was immediately available); and $53.8 million of reinvestment capacity in the CLOs available for investment in eligible collateral. Additionally, the Company held unencumbered loan assets with an unpaid principal balance of $69.7 million as of June 30, 2021.
- Non-mark-to-market debt represented 81.9% of total loan portfolio borrowings at June 30, 2021.
- Benefited from weighted average LIBOR floors in the loan portfolio of 1.44%, or approximately 134 basis points higher than one-month LIBOR as of June 30, 2021.
- Declared on June 14, 2021 a dividend of $0.20 per common share, which was paid on July 23, 2021 to shareholders of record as of June 28, 2021. Paid on June 16, 2021 a final quarterly dividend on the Company's 11.0% Series B Cumulative Redeemable Preferred Stock of $6.2 million, or $0.69 per Series B preferred share.

SUBSEQUENT EVENTS

- Closed or are in the process of closing five first mortgage loans with commitments totaling $372.5 million and initial fundings of $363.1 million.
- Received repayments in full of $212.8 million relating to one multifamily loan and one office loan.
- Extended the initial maturity date of an existing $250.0 million secured credit facility from August 19, 2021 to August 19, 2022, with two additional one-year extensions at our option, provided the secured credit facility is not in default.

Matt Coleman, President of TRTX, said: "TRTX delivered a very strong quarter, significantly advancing our strategic goals. The redemption of our 11% Series B preferred stock and the issuance of our 6.25% Series C preferred stock were critical steps in optimizing our capital structure. Additionally, our origination engine remains active, with approximately $1.1 billion of first mortgage

loans originated year-to-date. We believe we are well-positioned to build on these achievements for a successful second half of the year."

The Company issued a supplemental presentation detailing its second quarter 2021 operating results, which can be viewed at **http://investors.tpgrefinance.com/.**

CONFERENCE CALL AND WEBCAST INFORMATION

The Company will host a conference call and webcast to review its financial results with investors and other interested parties at 10:00 a.m. ET on Wednesday, August 4th, 2021. To participate in the conference call, callers from the United States and Canada should dial +1 (866) 248-8441, and international callers should dial +1 (929) 477-0591, ten minutes prior to the scheduled call time. The webcast may also be accessed live by visiting the Company's investor relations website at **http://investors.tpgrefinance.com/event**.

REPLAY INFORMATION

A replay of the conference call will be available after 1:00 p.m. ET on Wednesday, August 4th, 2021 through 11:59 p.m. ET on Wednesday, August 18th, 2021. To access the replay, listeners may use +1 (844) 512-2921 (domestic) or +1 (412) 317-6671 (international). The passcode for the replay is 9626733. The recorded replay will be available on the Company's website for one year after the call date.

ABOUT TRTX

TPG RE Finance Trust, Inc. is a commercial real estate finance company that originates, acquires, and manages primarily first mortgage loans secured by institutional properties located in primary and select secondary markets in the United States. The Company is externally managed by TPG RE Finance Trust Management, L.P., a part of TPG Real Estate, which is the real estate investment platform of global alternative asset firm TPG. For more information regarding TRTX, visit **https://www.tpgrefinance.com/.**

FORWARD-LOOKING STATEMENTS

The information contained in this earnings release contains "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. These forward-looking statements are subject to various risks and uncertainties, including, without limitation, statements relating to the performance of the investments of TPG RE Finance Trust, Inc. (the "Company" or "TRTX"); the ultimate geographic spread, severity and duration of pandemics such as the novel coronavirus ("COVID-19"), actions that may be taken by governmental authorities to contain or address the impact of such pandemics, and the potential negative impacts of such pandemics on the global economy and the Company's financial condition and results of operations; the Company's ability to originate loans that are in the pipeline and under evaluation by the Company; financing needs and arrangements; and the risks, uncertainties and factors set forth under the heading "Risk Factors" in the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021 and in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, as such risk factors may be updated from time to time in the Company's periodic filings with the Securities and Exchange Commission (the "SEC"), which are accessible on the SEC's website at www.sec.gov. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may," "will," "should," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "believe," "could," "project," "predict," "continue" or other similar words or expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe existing or future plans and strategies, contain projections of results of operations, liquidity and/or financial condition or state other forward-looking information. Statements, among others, relating to the continuing impact of COVID-19 on the Company's business, financial condition and results of operations and the Company's ability to generate future growth and deliver returns are forward-looking statements, and the Company cannot assure you that TRTX will achieve such results. The ability of TRTX to predict future events or conditions or their impact or the actual effect of existing or future plans or strategies is inherently uncertain. Although the Company believes that such forward-looking statements are based on reasonable assumptions, actual results and performance in the future could differ materially from those set forth in or implied by such forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company's views only as of the date of this earnings release. Except as required by law, neither the Company nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements appearing in this earnings release. The Company does not undertake any obligation to update any forward-looking statements contained in this earnings release as a result of new information, future events or otherwise. Past performance is not indicative nor a guarantee of future returns. Yield data are shown for illustrative purposes only and have limitations when used for comparison or for other purposes due to, among other matters, volatility, credit or other factors.

View source version on businesswire.com: https://www.businesswire.com/news/home/20210803006124/en/

INVESTOR RELATIONS
+1 (212) 405-8500
IR@tpgrefinance.com

MEDIA
TPG RE Finance Trust, Inc.
Courtney Power
+1 (415) 743-1550
media@tpg.com

Source: TPG RE Finance Trust, Inc.