UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM __ TO __

Commission File Number 001-38156



TPG RE Finance Trust, Inc.

(Exact name of Registrant as specified in its Charter)

Maryland	**36-4796967**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
888 Seventh Avenue, 35th Floor New York, New York	**10106**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (212) 601-4700

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.001 per share	TRTX	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☒ NO ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). YES ☒ NO ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

As of June 30, 2020, the last business day of the Registrant's most recently completed second fiscal quarter, the aggregate market value of the Registrant's common stock held by non-affiliates of the Registrant was $740.4 million based on the closing sales price of the Registrant's common stock as reported on the New York Stock Exchange. For purposes of this computation, all officers, directors and 10% beneficial owners of the Registrant's common stock of which the Registrant is aware are deemed to be affiliates. Such determination should not be deemed to be an admission that such officers, directors or 10% beneficial owners are, in fact, affiliates of the Registrant.

As of February 22, 2021, there were 76,895,509 shares of the Registrant's common stock, $0.001 par value per share, and 0 shares of the Registrant's Class A common stock, $0.001 par value per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Annual Report on Form 10-K incorporates information by reference from the Registrant's definitive proxy statement with respect to its 2021 annual meeting of stockholders to be filed with the Securities and Exchange Commission within 120 days after the end of the Registrant's fiscal year.

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Certain Terms

Except where the context requires otherwise, the terms "Company," "we," "us," and "our" refer to TPG RE Finance Trust, Inc., a Maryland corporation, and its subsidiaries; the term "Manager" refers to our external manager, TPG RE Finance Trust Management, L.P., a Delaware limited partnership; the term "TPG" refers to TPG Global, LLC, a Delaware limited liability company, and its affiliates; and the term "TPG Fund" refers to any partnership or other pooled investment vehicle, separate account, fund-of-one or any similar arrangement or investment program sponsored, advised or managed (including on a subadvisory basis) by TPG, whether currently in existence or subsequently established (in each case, including any related alternative investment vehicle, parallel or feeder investment vehicle, co-investment vehicle and any entity formed in connection therewith, including any entity formed for investments by TPG and its affiliates in any such vehicle, whether invested as a limited partner or through general partner investments).

PART I

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which reflect our current views with respect to, among other things, our operations and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "believe," "expect," "potential," "continue," "may," "should," "seek," "approximately," "predict," "intend," "will," "plan," "estimate," "anticipate," the negative version of these words, other comparable words or other statements that do not relate strictly to historical or factual matters. By their nature, forward-looking statements speak only as of the date they are made, are not statements of historical fact or guarantees of future performance and are subject to risks, uncertainties, assumptions or changes in circumstances that are difficult to predict or quantify. Our expectations, beliefs and projections are expressed in good faith, and we believe there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs and projections will occur or be achieved, and actual results may vary materially from what is expressed in or indicated by the forward-looking statements.

There are a number of risks, uncertainties and other important factors that could cause our actual results to differ materially from the forward-looking statements contained in this Form 10-K. Such risks and uncertainties include, but are not limited to, the following:

- the general political, economic and competitive conditions in the markets in which we invest;
- the level and volatility of prevailing interest rates and credit spreads;
- adverse changes in the real estate and real estate capital markets;
- general volatility of the securities markets in which we participate;
- changes in our business, investment strategies or target assets;
- difficulty in obtaining financing or raising capital;
- reductions in the yield on our investments and increases in the cost of our financing;
- adverse legislative or regulatory developments, including with respect to tax laws;
- acts of God such as hurricanes, floods, earthquakes, wildfires, mudslides, volcanic eruptions, and other natural disasters, acts of war and/or terrorism and other events that may cause unanticipated and uninsured performance declines and/or losses to us or the owners and operators of the real estate securing our investments;
- the ultimate geographic spread, severity and duration of pandemics such as the 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 our financial condition and results of operations;
- changes in the availability of attractive loan and other investment opportunities, whether they are due to competition, regulation or otherwise;
- deterioration in the performance of properties securing our investments that may cause deterioration in the performance of our investments, adversely impact certain of our financing arrangements and our liquidity, and potentially expose us to principal losses on our investments;
- defaults by borrowers in paying debt service on outstanding indebtedness;
- the adequacy of collateral securing our investments and declines in the fair value of our investments;
- adverse developments in the availability of desirable investment opportunities;
- difficulty in successfully managing our growth, including integrating new assets into our existing systems;

- the cost of operating our platform, including, but not limited to, the cost of operating a real estate investment platform and the cost of operating as a publicly traded company;
- the availability of qualified personnel and our relationship with our Manager;
- the potential unavailability of the London Interbank Offered Rate ("LIBOR") after December 31, 2021;
- conflicts with TPG and its affiliates, including our Manager, the personnel of TPG providing services to us, including our officers, and certain funds managed by TPG;
- our qualification as a real estate investment trust ("REIT") for U.S. federal income tax purposes and our ability to maintain our exemption or exclusion from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act"); and
- authoritative U.S. generally accepted accounting principles (or "GAAP") or policy changes from such standard-setting bodies such as the Financial Accounting Standards Board (the "FASB"), the Securities and Exchange Commission (the "SEC"), the Internal Revenue Service (the "IRS"), the New York Stock Exchange (the "NYSE) and other authorities that we are subject to, as well as their counterparts in any foreign jurisdictions where we might do business.

There may be other risks, uncertainties or factors that may cause our actual results to differ materially from the forward-looking statements contained in this Form 10-K, including risks, uncertainties, and factors disclosed in Item 1A – "Risk Factors" and in Item 7 – "Management's Discussion and Analysis of Financial Condition and Results of Operations." You should evaluate all forward-looking statements made in this Form 10-K in the context of these risks, uncertainties and other factors.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. We caution you that the risks, uncertainties and other factors referenced above may not contain all of the risks, uncertainties and other factors that are important to you. In addition, we cannot assure you that we will realize the results, benefits or developments that we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our business in the way expected. All forward-looking statements in this Form 10-K apply only as of the date made and are expressly qualified in their entirety by the cautionary statements included in this Form 10-K and in other filings we make with the SEC. We undertake no obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances, except as required by law.

Item 1. Business.

Company and Organization

TPG RE Finance Trust, Inc. is a commercial real estate finance company externally managed by TPG RE Finance Trust Management, L.P., an affiliate of TPG. Our principal executive offices are located at 888 Seventh Avenue, 35th Floor, New York, New York 10106. We are organized as a holding company and conduct our operations primarily through our various subsidiaries. As of December 31, 2020, the Company conducted substantially all of its operations through a Delaware limited liability company, TPG RE Finance Trust Holdco, LLC ("Holdco"), and the Company's other wholly-owned subsidiaries.

We conduct our operations as a REIT for U.S. federal income tax purposes. We generally will not be subject to U.S. federal income taxes on our taxable income to the extent that we annually distribute all of our net taxable income to stockholders and maintain our qualification as a REIT. We also operate our business in a manner that permits us to maintain an exemption or exclusion from registration under the Investment Company Act. We operate our business as one segment, which directly originates and acquires a diversified portfolio of commercial real estate-related assets consisting primarily of first mortgage loans and senior participation interests in first mortgage loans secured by institutional-quality properties in primary and select secondary markets in the United States. The Company has also in the past, invested in commercial real estate debt securities ("CRE debt securities") (primarily investment-grade commercial mortgage-backed securities ("CMBS")) and commercial real estate collateralized loan obligation securities ("CRE CLOs").

Manager

We are externally managed and advised by our Manager, which is responsible for administering our business activities, day-to-day operations, and providing us the services of our executive management team, investment team, and appropriate support personnel. TPG Real Estate, TPG's real estate platform, includes TPG Real Estate Partners, TPG's real estate equity investment platform, and us, TPG's dedicated real estate debt investment platform. Collectively, TPG Real Estate managed more than $10.8 billion in real estate and real estate-related assets at September 30, 2020. TPG Real Estate's teams work across TPG offices in New York, San Francisco and London, and representative offices in Atlanta and Chicago, and have 22 and 37 employees, respectively, between TPG's real estate debt investment platform and TPG's real estate equity platform.

Our president, chief financial officer, and other executive officers are senior TPG Real Estate professionals. None of our executive officers, our Manager, or other personnel supplied to us by our Manager is obligated to dedicate any specific amount of time to our business. Our Manager is subject to the supervision and oversight of our board of directors and has only such functions and authority as our board of directors delegates to it. Pursuant to a management agreement between our Manager and us (our "Management Agreement"), our Manager is entitled to receive a base management fee, an incentive fee, and certain expense reimbursements.

See Note 11 to our Consolidated Financial Statements included in this Form 10-K for more detail on the terms of the Management Agreement.

Investment Strategy

We invest primarily in commercial mortgage loans and other commercial real estate-related debt instruments, including, but not limited to, the following:

- ***Commercial Mortgage Loans***. We focus on directly originating and selectively acquiring first mortgage loans. These loans are secured by a first mortgage lien on a commercial property or properties, may vary in duration, predominantly bear interest at a floating rate, may provide for regularly scheduled principal amortization and typically require a balloon payment of principal at maturity. These investments may encompass a whole commercial mortgage loan or may include a *pari passu* participation within a commercial mortgage loan.
- ***Other Commercial Real Estate-Related Debt Instruments***. From time to time we may selectively acquire or invest in other commercial real estate-related debt instruments, subject to maintaining our qualification as a REIT for U.S. federal income tax purposes and exclusion or exemption from regulation under the Investment Company Act, including, but not limited to, subordinate mortgage interests, mezzanine loans, secured real estate securities, note financing, preferred equity and miscellaneous debt instruments. We have in the past invested in short-term, primarily investment grade CRE CLOs and CMBS (CMBS together with CRE CLOs, "CRE debt securities").

The loans we target for origination and investment typically have the following characteristics:

- Unpaid principal balance greater than $50.0 million;
- As-is loan-to value ("LTV") of less than 80% with respect to individual properties;
- Floating rate loans tied to the one-month U.S. dollar-denominated LIBOR and spreads of 300 to 700 basis points over LIBOR;
- Secured by properties that are: (1) primarily in the office, multifamily, mixed-use, hospitality, industrial, and retail real estate sectors; (2) expected to reach stabilization within 24 months of the origination or acquisition date; and (3) located in primary and select secondary markets in the U.S. with multiple demand drivers, such as growth in employment and household formation, medical infrastructure, universities, convention centers and attractive cultural and lifestyle amenities; and
- Well-capitalized sponsors with substantial experience in particular real estate sectors and geographic markets.

We believe that our current investment strategy provides significant opportunities to our stockholders for attractive risk-adjusted returns over time. However, to capitalize on investment opportunities and returns at different points in the economic and real estate investment cycle, we may modify, expand or change our investment strategy by targeting assets with debt characteristics, such as subordinate mortgage loans, mezzanine loans, preferred equity, real estate securities and note financings. We may also target assets with equity-linked characteristics, or forms of direct equity ownership of commercial real estate properties, in either case subject to any duties to offer to other funds managed by TPG. We believe that the flexibility of our strategy, supported by our Manager's significant commercial real estate experience and the extensive resources of TPG and TPG Real Estate, will allow us to take advantage of continued changing market conditions to maximize risk-adjusted returns to our stockholders.

We believe that the diversification of our investment portfolio, our ability to actively manage those investments, and the flexibility of our strategy positions us to generate attractive returns for our stockholders in a variety of market conditions over the long term.

Investment Portfolio

As of December 31, 2020, our mortgage loan investment portfolio consisted of 56 first mortgage loans (or interests therein) and one mezzanine loan with total commitments of $4.9 billion, an aggregate unpaid principal balance of $4.5 billion, collectively having a weighted average credit spread of 3.2%, a weighted average all-in yield of 5.3%, a weighted average term to extended maturity (assuming all extension options are exercised by borrowers) of 3.1 years, and a weighted average LTV of 65.9%. As of December 31, 2020, 100.0% of the loan commitments in our portfolio consisted of floating rate loans, of which 99.3% were first mortgage loans or, in one instance a first mortgage loan and contiguous mezzanine loan both owned by us, and 0.7% was a mezzanine loan. We had $423.5 million of unfunded loan commitments as of December 31, 2020, our funding of which is subject to satisfaction of borrower milestones.

As of December 31, 2020, we had $99.2 million of real estate owned comprising 27 acres across two undeveloped commercially-zoned land parcels on the Las Vegas Strip (the "Property") acquired pursuant to a negotiated deed-in-lieu of foreclosure. This Property is held for investment and reflected on our consolidated balance sheets at its estimate of fair value at the time of acquisition.

As of December 31, 2020, we did not own any CRE debt securities.

Loan Portfolio

The following table details overall statistics for our loan portfolio as of December 31, 2020 (dollars in thousands):

	Balance Sheet Portfolio	Total Loan Portfolio
Number of loans	57	58
Floating rate loans	100.00%	100.00%
Total loan commitment(1)	$ 4,943,511	$ 5,075,511
Unpaid principal balance(2)	$ 4,524,725	$ 4,524,725
Unfunded loan commitments(3)	$ 423,487	$ 423,487
Amortized cost	$ 4,516,400	$ 4,516,400
Weighted average credit spread(4)	3.2%	3.2%
Weighted average all-in yield(4)	5.3%	5.3%
Weighted average term to extended maturity (in years)(5)	3.1	3.1
Weighted average LTV(6)	65.9%	65.9%

(1) In certain instances, we create structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third-party. In either case, the senior mortgage loan (i.e., the non-consolidated senior interest) is not included on our balance sheet. When we create structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third-party, we retain on our balance sheet a mezzanine loan. Total loan commitment encompasses the entire loan portfolio we originated, acquired and financed. At December 31, 2020, we had non-consolidated senior interests outstanding of $132.0 million. See Item 7 – "Management's Discussion and

Analysis of Financial Condition and Results of Operations–Investment Portfolio Financing–Non-Consolidated Senior Interests" in this Form 10-K for additional information.

(2) Unpaid principal balance includes PIK interest of $4.7 million as of December 31, 2020.

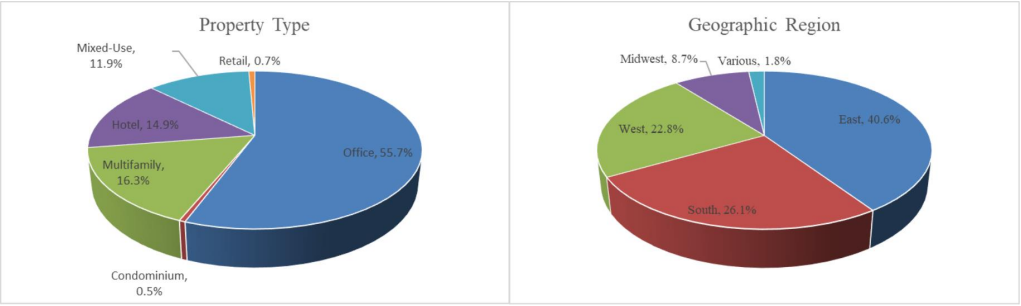
(3) Unfunded loan commitments may be funded over the term of each loan, subject in certain cases to an expiration date or a force-funding date, primarily to finance property improvements or lease-related expenditures by our borrowers, to finance operating deficits during renovation and lease-up, and in limited instances to finance construction.

(4) As of December 31, 2020, our floating rate loans were indexed to LIBOR. In addition to credit spread, all-in yield includes the amortization of deferred origination fees, purchase price premium and discount, loan origination costs and accrual of both extension and exit fees. Credit spread and all-in yield for the total portfolio assumes the applicable floating benchmark rate, inclusive of LIBOR floors, as of December 31, 2020 for weighted average calculations.

(5) Extended maturity assumes all extension options are exercised by the borrower; provided, however, that our loans may be repaid prior to such date. As of December 31, 2020, based on the unpaid principal balance of our total loan exposure, 31.7% of our loans were subject to yield maintenance or other prepayment restrictions and 68.3% were open to repayment by the borrower without penalty.

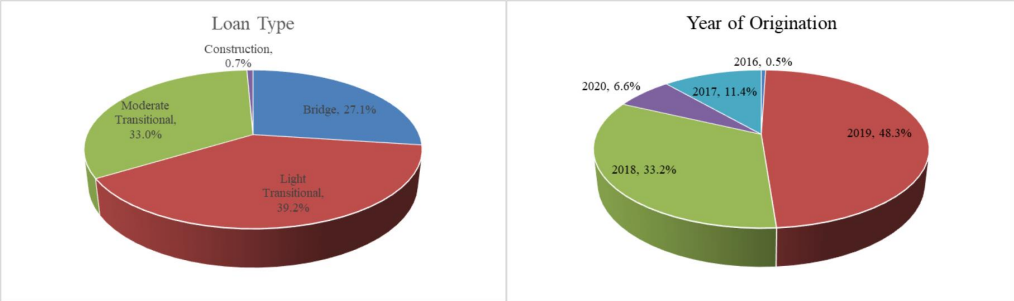
(6) Except for construction loans, LTV is calculated for loan originations and existing loans as the total outstanding principal balance of the loan or participation interest in a loan (plus any financing that is pari passu with or senior to such loan or participation interest) as of December 31, 2020, divided by the as-is appraised value of our collateral at the time of origination or acquisition of such loan or participation interest. For construction loans only, LTV is calculated as the total commitment amount of the loan divided by the as-stabilized value of the real estate securing the loan. The as-is or as-stabilized (as applicable) value reflects the Manager's estimates, at the time of origination or acquisition of the loan or participation interest in a loan, of the real estate value underlying such loan or participation interest determined in accordance with the Manager's underwriting standards and consistent with third-party appraisals obtained by the Manager.

The following presents, by loan commitment, the property types securing our balance sheet loan portfolio and the geographic distribution of our loan portfolio, each as of December 31, 2020:



Our loan portfolio consists of Bridge, Light Transitional, Moderate Transitional and Construction floating rate loans. These loan categories are utilized by us to classify, define, and assess our loan investments. Generally, loans are classified based on a percentage of deferred fundings of the total loan commitment. Bridge loans limit deferred fundings to less than 10%, while Light and Moderate Transitional loans limit deferred fundings to 10% to 20%, and over 20%, respectively. Construction loans involve ground-up construction and deferred fundings often represent the majority of the loan commitment amount. Deferred fundings are commonly conditioned on the borrower's satisfaction of certain collateral performance tests, the completion of specified property improvements, or both.

The following presents, by loan commitment, our loan portfolio by loan category and year of origination, as of December 31, 2020:



As of December 31, 2020, one loan secured by a retail property was placed on non-accrual status due to a borrower default in December 2020. The amortized cost of the loan was $31.1 million as of December 31, 2020. No loans were placed on non-accrual status as of December 31, 2019. Allowance for credit losses as of December 31, 2020 was $62.8 million.

The table below details our loan commitments and unpaid principal balance across the top 25 Metropolitan Statistical Areas ("MSA") in descending order, as of December 31, 2020.

MSA Rank(1)	MSA Name (1)	Commitment	Unpaid Principal Balance	Number of Loans
1	New York City	$ 1,023,776	$ 959,318	11
2	Los Angeles	364,400	335,418	5
7	Philadelphia	363,250	352,536	2
17	San Diego	280,100	233,929	2
5	Houston	279,800	267,780	3
6	Washington DC	276,285	203,913	3
9	Atlanta	273,000	215,595	2
11	San Francisco	247,222	215,100	4
14	Detroit	210,000	184,045	1
23	Orlando	206,500	204,085	1
22	Charlotte	165,000	165,000	1
10	Boston	141,468	136,525	2
4	Dallas	132,591	127,501	2
8	Miami	91,900	85,453	2
3	Chicago	88,151	88,451	1
18	Tampa/St. Petersburg	84,950	84,950	1
20	St. Louis	70,000	70,000	1
13	Riverside/San Bernardino	34,740	32,000	1
Other		610,378	563,126	12
Total		$ 4,943,511	$ 4,524,725	57

(1) Based on rankings of MSA for 2010 according to the United States Census Bureau.

Real Estate Owned

As of December 31, 2020, we had $99.2 million of real estate owned comprising 27 acres across two undeveloped commercially-zoned land parcels on the Las Vegas Strip acquired pursuant to a negotiated deed-in-lieu of foreclosure. This Property is held for investment and reflected on our consolidated balance sheets at its estimate of fair value at the time of acquisition.

CRE Debt Securities Portfolio

We have, in the past, invested in CRE debt securities (primarily investment-grade CMBS) and CRE CLOs. As of December 31, 2020, we did not own any CRE debt securities.

For additional information regarding our investment portfolio as of December 31, 2020, see Item 7 – "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-K.

Financing Strategy

In addition to raising capital through public offerings of our equity and debt securities, our financing strategy includes a combination of secured credit facilities (formerly called secured revolving repurchase agreements, and including one mortgage warehouse facility), a mortgage loan payable, asset-specific financing arrangements, and collateralized loan obligations ("CLOs"). In certain instances, we may create structural leverage and obtain matched-term financing through the co-origination or non-recourse syndication of a senior loan interest to a third party (a "non-consolidated senior interest").

We may in the future use other forms of leverage, including structured financing other than CLOs, derivative instruments, and public and private secured and unsecured debt issuances by us or our subsidiaries.

We generally seek to match-fund and match-index our investments by minimizing the differences between the durations and indices of our investments and those of our liabilities. This may be accomplished in certain instances using derivatives, although no such derivatives are currently used by us. Under certain circumstances, we may determine not to do so, or we may otherwise be unable to do so. We also seek to minimize our exposure to mark-to-market risk. At December 31, 2020, 63.5% of our loan portfolio financing contained no mark-to-market provisions, including one facility representing 7.2% of our loan portfolio financing, that contains no mark-to-market provisions that would trigger margin calls for two years from closing.

The following table details the principal balance amounts outstanding for our financing arrangements as of December 31, 2020 (dollars in thousands):

	Portfolio Financing Outstanding Principal Balance	
	December 31, 2020	
Secured credit facilities - loans	$	1,522,859
Collateralized loan obligations		1,834,760
Mortgage loan payable		50,000
Total indebtedness(1)	$	3,407,619

(1) Excludes deferred financing costs of $18.9 million at December 31, 2020.

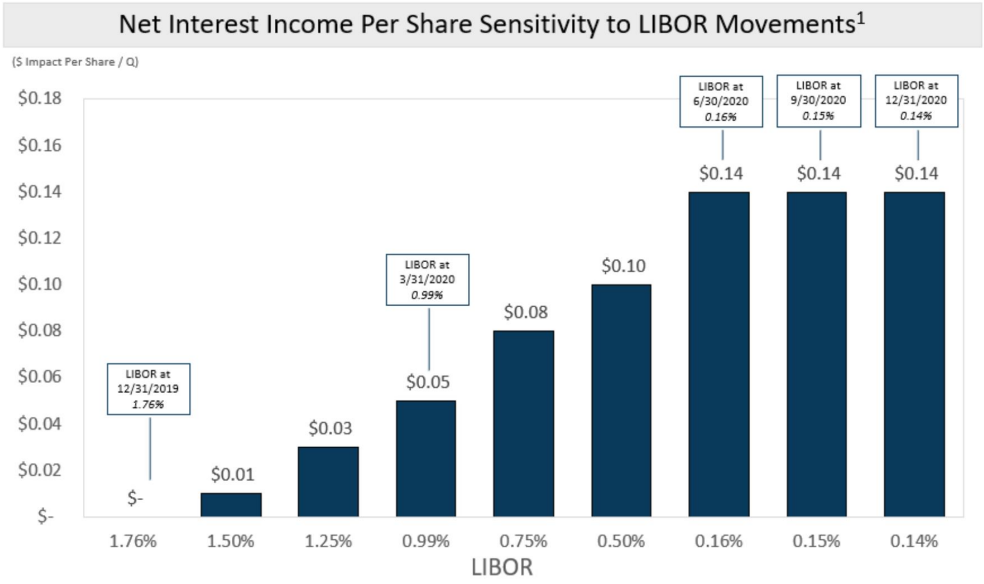
The amount of leverage we employ for particular assets will depend upon our Manager's assessment of the credit, liquidity, price volatility, and other risks of those assets and the financing counterparties, the availability of particular types of financing at the time, and the financial covenants under our financing arrangements. Our decision to use leverage to finance our assets and the amount of leverage we use will be at the discretion of our Manager and is not subject to the approval of our stockholders. We currently expect that our leverage, measured as the ratio of debt to equity, will generally range up to 3.5:1, subject to compliance with our financial covenants under our secured credit agreements and other contractual obligations. We reserve the right to adjust this range without advance notice to satisfy our corporate finance and risk management objectives.

Floating Rate Portfolio

Our business model seeks to minimize our exposure to changing interest rates by matching the duration of our assets and liabilities and match-indexing our assets and liabilities using the same, or similar, benchmark indices, typically LIBOR. Accordingly, rising interest rates will generally increase our net interest income, while declining interest rates will generally decrease our net interest income, subject to the benefit of interest rate floors embedded in certain of our loans. At December 31, 2020, the weighted average LIBOR floor for our loan portfolio was 1.66%. As of December 31, 2020, 100.0% of our loans by unpaid principal balance earned a floating rate of interest and were financed with liabilities that require interest payments based on floating rates, which resulted in approximately $1.2 billion of net floating rate exposure, subject to the impact of interest rate floors on all of our floating rate loans and interest rate floors on only 11.7% of our liabilities. Due to the short remaining term to maturity and floating rate nature of our loan portfolio, we have elected not to employ interest rate derivatives (interest rate swaps, caps, collars or swaptions) to limit our exposure to increases in interest rates on such liabilities, but we may do so in the future.

We had no fixed rate loans outstanding as of December 31, 2020.

The following illustrates the impact on our net interest income of decreases in LIBOR throughout the year ended December 31, 2020, assuming our existing floating rate loan portfolio and related liabilities.



(1) Based on portfolio composition as of December 31, 2020.

Investment Guidelines

Our board of directors has approved the following investment guidelines:

- No investment will be made that would cause us to fail to maintain our qualification as a REIT under the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code");
- No investment will be made that would cause us or any of our subsidiaries to be required to be registered as an investment company under the Investment Company Act;
- Our Manager will seek to invest our capital in our target assets;
- Prior to the deployment of our capital into our target assets, our Manager may cause our capital to be invested in any short-term investments in money market funds, bank accounts, overnight repurchase

agreements with primary Federal Reserve Bank dealers collateralized by direct U.S. government obligations and other instruments or investments determined by our Manager to be of high quality;

- Not more than 25% of our Equity (as defined in our Management Agreement) may be invested in any individual investment without the approval of a majority of our independent directors (it being understood, however, that for purposes of the foregoing concentration limit, in the case of any investment that is comprised (whether through a structured investment vehicle or other arrangement) of securities, instruments or assets of multiple portfolio issuers, such investment for purposes of the foregoing limitation will be deemed to be multiple investments in such underlying securities, instruments and assets and not the particular vehicle, product or other arrangement in which they are aggregated); and
- Any investment in excess of $300 million requires the approval of a majority of our independent directors.

These investment guidelines may be amended, supplemented or waived pursuant to the approval of our board of directors (which must include a majority of our independent directors) from time to time, but without the approval of our stockholders.

Competition

We operate in a competitive market for the origination and acquisition of attractive investment opportunities. We compete with a variety of institutional investors, including other REITs, debt funds, specialty finance companies, savings and loan associations, banks, mortgage bankers, insurance companies, mutual funds, institutional investors, investment banking firms, financial institutions, private equity and hedge funds, governmental bodies and other entities and may compete with other TPG Funds. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. Several of our competitors, including other REITs, have recently raised, or are expected to raise, significant amounts of capital and may have investment objectives that overlap with our investment objectives, which may create additional competition for lending and other investment opportunities. Some of our competitors may have a lower cost of funds and access to funding sources that may not be available to us or are only available to us on substantially less attractive terms. Many of our competitors are not subject to the operating constraints associated with REIT tax compliance or maintenance of an exclusion or exemption from the Investment Company Act. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more lending relationships than we do. Competition may result in realizing fewer investments, higher prices, acceptance of greater risk, greater defaults, lower yields or a narrower spread of yields over our borrowing costs. In addition, competition for attractive investments could delay the investment of our capital.

In the face of this competition, we have access to our Manager's professionals through TPG and TPG Real Estate, and their industry expertise, which provides us with a competitive advantage in competing effectively for attractive investment opportunities, helps us assess risks and determine appropriate pricing for certain potential investments, and affords us access to capital with low costs and other attractive attributes. However, we may not be able to achieve our business goals or expectations due to the competitive risks that we face. For additional information concerning these competitive risks, see Item 1A - "Risk Factors—Risks Related to Our Lending and Investment Activities—We operate in a competitive market for the origination and acquisition of attractive investment opportunities and competition may limit our ability to originate or acquire attractive investments in our target assets, which could have a material adverse effect on us."

Employees

We do not have any employees, nor do we expect to have employees in the future. We are externally managed and are advised by our Manager pursuant to our Management Agreement between our Manager and us. All of our executive officers and certain of our directors are employees of our Manager or its affiliates.

Our success depends to a significant extent upon the ongoing efforts, experience, diligence, skill, and network of business contacts of our executive officers and the other key personnel of TPG provided to our Manager and its affiliates. These individuals evaluate, negotiate, execute, and monitor our loans, other investments and our capitalization, and advise us regarding maintenance of our REIT status and exclusion or exemption from regulation under the Investment Company Act. Our success depends on their skills and management expertise and continued service with our Manager and its affiliates.

Government Regulation

Our operations are subject, in certain instances, to supervision and regulation by U.S. and other governmental authorities, and may be subject to various laws and judicial and administrative decisions imposing various requirements and restrictions, which among other things: (i) regulate credit-granting activities; (ii) establish maximum interest rates, finance charges and other charges; (iii) require disclosures to customers; (iv) govern secured transactions; and (v) set collection, foreclosure, repossession and claims-handling procedures and other trade practices. We are also required to comply with certain provisions of the Equal Credit Opportunity Act that are applicable to commercial loans. We intend to conduct our business so that neither we nor any of our subsidiaries are required to register as an investment company under the Investment Company Act.

In our judgment, existing statutes and regulations have not had a material adverse effect on our business. In recent years, legislators in the United States and in other countries have said that greater regulation of financial services firms is needed, particularly in areas such as risk management, leverage, and disclosure. While we expect that additional new regulations in these areas may be adopted and existing ones may change in the future, it is not possible at this time to forecast the exact nature of any future legislation, regulations, judicial decisions, orders or interpretations, nor their impact upon our future business, financial condition, or results of operations or prospects.

Operating and Regulatory Structure

REIT Qualification

We made an election to be taxed as a REIT for U.S. federal income tax purposes, commencing with our initial taxable year ended December 31, 2014. We generally must distribute annually at least 90% of our net taxable income, subject to certain adjustments and excluding any net capital gain, in order for us to qualify as a REIT for U.S. federal income tax purposes. To the extent that we satisfy this distribution requirement but distribute less than 100% of our net taxable income, we will be subject to U.S. federal income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws. Our qualification as a REIT also depends on our ability to meet various other requirements imposed by the Internal Revenue Code, which relate to organizational structure, diversity of stock ownership, and certain restrictions with regard to the nature of our assets and the sources of our income. Even if we qualify as a REIT, we may be subject to certain U.S. federal excise taxes and state and local taxes on our income and assets. If we fail to qualify as a REIT in any taxable year, we will be subject to U.S. federal income tax at regular corporate rates, and applicable state and local taxes, and will not be able to qualify as a REIT for the subsequent four years.

Furthermore, we have multiple taxable REIT subsidiaries ("TRSs"), which when active, pay U.S. federal, state, and local income tax on their net taxable income. See Item 1A – "Risk Factors – Risks Related to our REIT Status and Certain Other Tax Items" for additional tax status information.

Investment Company Act Exclusion or Exemption

We conduct, and intend to continue to conduct, our operations so that neither we nor any of our subsidiaries are required to register as an investment company under the Investment Company Act. Complying with provisions that allow us to avoid the consequences of registration under the Investment Company Act may at times require us to forego otherwise attractive opportunities and limit the manner in which we conduct our operations. We conduct our operations so that we are not an "investment company" as defined in Section 3(a)(1)(A) or Section 3(a)(1)(C) of the Investment Company Act. We believe we are not an investment company under Section 3(a)(1)(A) of the Investment Company Act because we do not engage primarily, or hold ourselves out as being engaged primarily, in the business of investing, reinvesting or trading in securities. Rather, through our wholly-owned or majority-owned subsidiaries,

we are primarily engaged in non-investment company businesses related to real estate. In addition, we intend to conduct our operations so that we do not come within the definition of an investment company under Section 3(a)(1)(C) of the Investment Company Act because less than 40% of the value of our total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis will consist of "investment securities." Excluded from the term "investment securities" (as that term is defined in the Investment Company Act) are securities issued by majority-owned subsidiaries that are themselves not investment companies and are not relying on the exclusions from the definition of investment company set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. Our interests in wholly-owned or majority-owned subsidiaries that qualify for the exclusion pursuant to Section 3(c)(5)(C), as described below, or another exclusion or exception under the Investment Company Act (other than Section 3(c)(1) or Section 3(c)(7) thereof), do not constitute "investment securities."

We hold our assets primarily through direct or indirect wholly-owned or majority-owned subsidiaries, certain of which are excluded from the definition of investment company pursuant to Section 3(c)(5)(C) of the Investment Company Act. We will classify our assets for purposes of certain of our subsidiaries' Section 3(c)(5)(C) exemption from the Investment Company Act based upon positions set forth by the SEC staff. Based on such positions, to qualify for the exclusion pursuant to Section 3(c)(5)(C), each such subsidiary generally is required to hold at least (i) 55% of its assets in "qualifying" real estate assets and (ii) at least 80% of its assets in "qualifying" real estate assets and real estate-related assets.

As a consequence of our seeking to avoid the need to register under the Investment Company Act on an ongoing basis, we and/or our subsidiaries may be restricted from making certain investments or may structure investments in a manner that would be less advantageous to us than would be the case in the absence of such requirements. In particular, a change in the value of any of our assets could negatively affect our ability to avoid the need to register under the Investment Company Act and cause the need for a restructuring of our investment portfolio. For example, these restrictions may limit our and our subsidiaries' ability to invest directly in mortgage-backed securities that represent less than the entire ownership in a pool of senior mortgage loans, debt and equity tranches of securitizations and certain asset-backed securities, non-controlling equity interests in real estate companies or in assets not related to real estate; however, we and our subsidiaries may invest in such securities to a certain extent. In addition, seeking to avoid the need to register under the Investment Company Act may cause us and/or our subsidiaries to acquire or hold additional assets that we might not otherwise have acquired or held or dispose of investments that we and/or our subsidiaries might not have otherwise disposed of, which could result in higher costs or lower proceeds to us than we would have paid or received if we were not seeking to comply with such requirements. Thus, avoiding registration under the Investment Company Act may hinder our ability to operate solely on the basis of maximizing profits.

If we were required to register as an investment company under the Investment Company Act, we would become subject to substantial regulation with respect to our capital structure (including our ability to use borrowings), management, operations, transactions with affiliated persons (as defined in the Investment Company Act) and portfolio composition, including disclosure requirements and restrictions with respect to diversification and industry concentration and other matters. Compliance with the Investment Company Act would, accordingly, limit our ability to make certain investments and require us to significantly restructure our business plan, which could materially and adversely affect our ability to pay distributions to our stockholders.

Available Information

We maintain a website at *www.tpgrefinance.com*. We are providing the address to our website solely for the information of investors. The information on our website is not a part of, nor is it incorporated by reference into this report. Through our website, we make available, free of charge, our annual proxy statement, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish them to, the SEC.

Item 1A. Risk Factors.

The following is a summary of the principal risks and uncertainties that could materially adversely affect our business, financial condition and results of operations. This summary should be read together with the more detailed risk factors contained below.

Risks Related to Our Lending and Investment Activities

- Our success depends on the availability of attractive investment opportunities and our Manager's ability to model, identify, structure, consummate, leverage, manage and realize returns on our investments.
- Our commercial mortgage loans and other commercial real estate-related debt instruments expose us to risks associated with real estate investments generally.
- We operate in a competitive market for the origination and acquisition of attractive investment opportunities and competition may limit our ability to originate or acquire attractive investments in our target assets.
- Real estate valuation is inherently subjective and uncertain. Our reserves for loan losses may prove inadequate.
- Interest rate, prepayment, concentration, liquidity, collateral and credit risk may adversely affect our financial performance. There are no assurances that the U.S. or global financial systems will remain stable.
- We may not have control over certain of our investments which may adversely affect our lack of sole decision-making authority and subject us to additional risks associated with investments in the form of loan participation interests.
- Any credit ratings assigned to our investments will be subject to ongoing evaluations and revisions, and we cannot assure you that those ratings will not be downgraded.

Risks Related to Our Financing

- We have a significant amount of debt, which subjects us to increased risk of loss or default of certain covenants. Interest rate fluctuations on our debt could materially and adversely affect our financial performance. Our financing arrangements may also require us to provide additional collateral or repay debt, due to margin calls triggered primarily by changes in the value of collateral securing the loans we pledge to support certain of our borrowings. We are subject to counterparty risk associated with our debt obligations.
- There can be no assurance that we will be able to obtain or utilize additional financing arrangements in the future on similar or more favorable terms, or at all.

Risks Related to Our Relationship with Our Manager and its Affiliates

- We depend on our Manager and the personnel of TPG provided to our Manager for our success. We may not find a suitable replacement for our Manager if our Management Agreement is terminated, or if key personnel cease to be employed by TPG or otherwise become unavailable to us.
- Our Manager manages our portfolio pursuant to very broad investment guidelines and is not required to seek the approval of our board of directors for each investment, financing, asset allocation or hedging decision made by it, which may result in our making riskier loans and other investments.

Risks Related to Our Company

- Our investment, asset allocation and financing strategies may be changed without stockholder consent and we may not be able to operate our business successfully or implement our operating policies and investment strategy.
- TPG and our Manager may not be able to hire and retain qualified loan originators or grow and maintain our relationships with key borrowers and loan brokers. We also depend on a third-party service provider

for asset management services. We may not find a suitable replacement if our agreement is terminated, or if key personnel cease to be employed or otherwise become unavailable to us.

- Rapid changes in the market value or income potential of our assets may make it more difficult for us to maintain our qualification as a REIT or our exclusion or exemption from regulation under the Investment Company Act.
- The due diligence process undertaken by our Manager in regard to our investment opportunities may not reveal all facts relevant to an investment and, as a result, we may experience losses.
- Failure to obtain, maintain or renew required licenses and authorizations necessary to operate our mortgage-related activities.
- Changes in and non-compliance with laws or regulations governing our operations, changes in the interpretation thereof or newly enacted laws or regulations.
- Actions of the U.S. government, including its affiliated bodies to stabilize or reform the financial markets may not achieve the intended effect.
- Operational risks, including the risks of cyberattacks and the proposed transition from LIBOR to an alternate rate, may disrupt our businesses, result in losses or limit our growth.

Risks Related to our REIT Status and Certain Other Tax Items

- Failure to comply with REIT requirements could subject us to higher taxes and additional liquidity issues, which would reduce the amount of cash available for distribution to our stockholders.
- Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.
- Compliance with the REIT requirements may hinder our ability to grow.
- We may choose to make distributions to our stockholders in our own common stock, in which case our stockholders could be required to pay income taxes in excess of the cash dividends they receive.
- Liquidation of assets may jeopardize our REIT qualification or create additional tax liability for us.

Risks Related to Our Common Stock

- We have not established a minimum distribution payment level and we cannot assure you of our ability to pay distributions in the future.
- The authorized but unissued shares of our common stock and preferred stock may prevent a change in our control. Ownership limitations may delay, defer or prevent a transaction or a change in our control that might involve a premium price for our common stock or otherwise be in the best interest of our stockholders.
- Our charter contains provisions that make removal of our directors difficult, which makes it more difficult for our stockholders to effect changes to our management and may prevent a change in control of our company that is in the best interests of our stockholders.

Risks Related to COVID-19

- The market and economic disruptions caused by COVID-19 have negatively impacted our business and our borrowers' financial condition potentially limiting our ability to grow our business and make distributions to our stockholders and could cause us to default on certain financial covenants contained in our financing arrangements.

General Risks

- Our obligations associated with being a public company, our failure to maintain an effective system of internal control and social, political, and economic instability, unrest, and other circumstances beyond our control could adversely affect our business operations.

Risks Related to Our Lending and Investment Activities

Our success depends on the availability of attractive investment opportunities and our Manager's ability to identify, structure, consummate, leverage, manage and realize returns on our investments.

Our operating results are dependent upon the availability of, as well as our Manager's ability to identify, structure, consummate, leverage, manage and realize returns on, our loans and other investments. In general, the availability of attractive investment opportunities and, consequently, our operating results, will be affected by the level and volatility of interest rates, conditions in the financial markets, general economic conditions, the demand for investment opportunities in our target assets and the supply of capital for such investment opportunities. We cannot assure you that our Manager will be successful in identifying and consummating attractive investments or that such investments, once made, will perform as anticipated.

Our commercial mortgage loans and other commercial real estate-related debt instruments expose us to risks associated with real estate investments generally.

We seek to originate and selectively acquire commercial mortgage loans and other commercial real estate-related debt instruments. Any deterioration of real estate fundamentals generally, and in the United States in particular, could negatively impact our performance by making it more difficult for borrowers to satisfy their debt payment obligations, increasing the default risk applicable to borrowers and making it relatively more difficult for us to generate attractive risk-adjusted returns. Real estate investments will be subject to various risks, including:

- economic and market fluctuations;
- political instability or changes, terrorism and acts of war;
- changes in environmental, zoning and other laws;
- casualty or condemnation losses;
- regulatory limitations on rents or moratoriums against tenant evictions or foreclosures;
- decreases in property values;
- changes in the appeal of properties to tenants, including due to the impact of COVID-19 on how tenants and workers can safely and efficiently use commercial space;
- changes in supply (resulting from the recent growth in commercial real estate debt funds or otherwise) and demand;
- energy supply shortages;
- various uninsured or uninsurable risks;
- natural disasters;
- changes in government regulations (such as rent control);
- changes in the availability of debt financing and/or mortgage funds which may render the sale or refinancing of properties difficult or impracticable;
- increased mortgage defaults;
- declining interest rates which reduce asset yields, subject to the impact of interest rate floors on certain of our floating rate loans;
- increasing interest rates, which may make it more difficult for our borrowers to repay loans via a refinancing or sale of the collateral property;
- increases in borrowing rates; and
- negative developments in the economy and/or adverse changes in real estate values generally and other risk factors that are beyond our control.

We cannot predict the degree to which economic conditions generally, and the conditions for commercial real estate debt investing in particular, will improve or decline. Any declines in the performance of the U.S. and global economies or in the real estate debt markets could have a material adverse effect on us.

Commercial real estate debt instruments that are secured or otherwise supported, directly or indirectly, by commercial property are subject to delinquency, foreclosure and loss, which could materially and adversely affect us.

Commercial real estate debt instruments, such as mortgage loans, that are secured or, in the case of certain assets (including participation interests, mezzanine loans and preferred equity), supported by commercial property are subject to risks of delinquency and foreclosure and risks of loss that are greater than similar risks associated with loans made on the security of single-family residential property. The ability of a borrower to pay the principal of and interest on a loan secured by an income-producing property typically is dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to pay the principal of and interest on the loan in a timely manner, or at all, may be impaired and therefore could reduce our return from an affected property or investment, which could materially and adversely affect us. Net operating income of an income-producing property may be adversely affected by the risks particular to commercial real property described above, as well as, among other things:

- tenant mix and tenant bankruptcies;
- success of tenant businesses;
- property management decisions, including with respect to capital improvements, particularly in older building structures;
- property location and condition, including, without limitation, any need to address environmental contamination at a property;
- competition from comparable types of properties;
- changes in global, national, regional or local economic conditions or changes in specific industry segments;
- declines in regional or local real estate values or rental or occupancy rates;
- increases in the minimum wage and other forms of employee compensation and benefits;
- increases in interest rates, real estate tax rates and other operating expenses;
- changes to tax laws and rates to which real estate lenders and investors are subject; and
- government regulations.

In the event of any default under a mortgage loan held directly by us, we will bear a risk of loss to the extent of any deficiency between the value of the collateral and the principal of and accrued interest on the mortgage loan. In the event of the bankruptcy of a mortgage loan borrower, the mortgage loan to that borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the mortgage loan will be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent the lien is unenforceable under state law. Foreclosure of a mortgage loan can be an expensive and lengthy process that could have a substantial negative effect on any anticipated return on the foreclosed mortgage loan.

We originate and acquire transitional loans, which involves greater risk of loss than stabilized commercial mortgage loans.

We originate and acquire transitional loans secured by first lien mortgages on commercial real estate. These loans provide interim financing to borrowers seeking short-term capital for the acquisition, lease up or repositioning of commercial real estate and generally have a maturity of three years or less. A borrower under a transitional loan has usually identified an asset that has been under-managed and/or is located in a recovering market. If the market in

which the asset is located fails to recover according to the borrower's projections, or if the borrower fails to improve the operating performance of the asset or the value of the asset, the borrower may not receive a sufficient return on the asset to satisfy the transitional loan, and we will bear the risk that we may not recover some or all of our investment.

In addition, borrowers often use the proceeds of a conventional mortgage loan to repay a transitional loan. We may therefore be dependent on a borrower's ability to obtain permanent financing, or another transitional loan, to repay a transitional loan, which could depend on market conditions and other factors. In the event of any failure to repay under a transitional loan held by us, we will bear the risk of loss of principal and non-payment of interest and fees to the extent of any deficiency between the value of the mortgage collateral and the principal amount and unpaid interest of the transitional loan.

There can be no assurances that the U.S. or global financial systems will remain stable, and the occurrence of another significant credit market disruption may negatively impact our ability to execute our investment strategy, which would materially and adversely affect us.

The U.S. and global financial markets experienced significant disruptions in the past, during which times global credit markets collapsed, borrowers defaulted on their loans at historically high levels, banks and other lending institutions suffered heavy losses and the value of real estate declined. During such periods, a significant number of borrowers became unable to pay principal and interest on outstanding loans as the value of their real estate declined. After the 2008 Global Financial Crisis, liquidity eventually returned to the market and property values recovered to levels that exceeded those observed prior to the Global Financial Crisis. However, declining real estate values due to the COVID-19 pandemic, or other factors, could in the future reduce the level of new mortgage and other real estate-related loan originations. Instability in the U.S. and global financial markets in the future could be caused by any number of factors beyond our control, including, without limitation, terrorist attacks or other acts of war and adverse changes in national or international economic, market and political conditions or another health pandemic. Any future sustained period of increased payment delinquencies, foreclosures or losses could adversely affect both our net interest income from loans in our portfolio as well as our ability to originate and acquire loans, which would materially and adversely affect us.

Changes to, or the elimination of, LIBOR may adversely affect our interest income, interest expense, or both.

In July 2017, the Financial Conduct Authority of the U.K. (the "FCA") announced its intention to cease sustaining LIBOR after 2021. The FCA has statutory powers to require panel banks to contribute to LIBOR where necessary. The FCA has decided not to ask, or to require, that panel banks continue to submit contributions to LIBOR beyond the end of 2021. The FCA has indicated that it expects that the current panel banks will voluntarily sustain LIBOR until the end of 2021. It is possible that the ICE Benchmark Administration Limited (formerly NYSE Euronext Rate Administration Limited) (the "IBA"), the current administrator of LIBOR, and the panel banks could continue to produce LIBOR on the current basis after 2021, if they are willing and able to do so, but we do not currently anticipate that LIBOR will survive in its current form, or at all. Other jurisdictions have also indicated that they will implement reforms or phase-outs, which are currently scheduled to take effect at the end of calendar year 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, has identified the Secured Overnight Financing Rate ("SOFR"), a new index calculated by short-term repurchase agreements, backed by Treasury securities, as its preferred alternative for LIBOR. At this time, it is not possible to predict how markets will respond to SOFR or other alternative reference rates as the transition away from LIBOR is anticipated in coming years

As of December 31, 2020, our loan portfolio included $4.9 billion of floating rate loans for which the interest rate was tied to LIBOR. Additionally, we had $3.4 billion of floating rate debt tied to LIBOR. Our financing arrangements generally provide for the adoption of a new index based upon comparable information if the current index is no longer available. There is currently no definitive information regarding the future utilization of LIBOR or of any particular replacement rate. In addition, any benchmark may perform differently during any phase-out period than in the past. As such, the potential effect of any such event on our cost of capital and net interest income cannot yet be determined, and any changes to benchmark interest rates could increase our financing costs, which could impact our results of operations, cash flows and the market value of our investments. In addition, the elimination of LIBOR and/or changes to another index could result in mismatches with the interest rate of investments that we are financing, and the overall financial markets may be disrupted as a result of the phase-out or replacement of LIBOR; however, we cannot reasonably estimate the impact of the transition at this time. The transition from LIBOR to SOFR or other alternative reference rates may also introduce operational risks in our accounting, financial reporting, loan

servicing, liability management and other aspects of our business. See "—Risks Related to Our Financing—Our use of leverage may create a mismatch with the duration and index of the investments that we are financing."

Difficulty in redeploying the proceeds from repayments of our existing loans and other investments could materially and adversely affect us.

As our loans and other investments are repaid, we attempt to redeploy the proceeds we receive into new loans and investments and repay borrowings under our secured credit facilities and other financing arrangements. It is possible that we will fail to identify reinvestment options that would provide a yield and/or a risk profile that is comparable to the asset that was repaid. If we fail to redeploy the proceeds we receive from repayment of a loan or other investment in equivalent or better alternatives, we could be materially and adversely affected. If we cannot redeploy the proceeds we receive from repayments into funding loans in property types or geographic markets that our Manager has identified as priorities for us, such repayments may cause the composition of our loan portfolio to skew towards less favored property types or geographies and prevent us from achieving our portfolio construction objectives.

If we are unable to successfully integrate new assets and manage our growth, our results of operations and financial condition may suffer.

We have in the past and may in the future significantly increase the size and/or change the mix of our portfolio of assets. We may be unable to successfully and efficiently integrate newly-acquired assets into our existing portfolio or otherwise effectively manage our assets or our growth effectively. In addition, increases in our portfolio of assets and/or changes in the mix of our assets may place significant demands on our Manager's administrative, operational, asset management, financial and other resources. Any failure to manage increases in size effectively could adversely affect our results of operations and financial condition.

We operate in a competitive market for the origination and acquisition of attractive investment opportunities and competition may limit our ability to originate or acquire attractive investments in our target assets, which could have a material adverse effect on us.

We operate in a competitive market for the origination and acquisition of attractive investment opportunities. We compete with a variety of institutional investors, including other REITs, debt funds, specialty finance companies, savings and loan associations, banks, mortgage bankers, insurance companies, mutual funds, institutional investors, investment banking firms, financial institutions, private equity and hedge funds, governmental bodies and other entities and may compete with TPG Funds, subject to duty to offer and other internal rules. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. Several of our competitors, including other REITs, have recently raised, or are expected to raise, significant amounts of capital, and may have investment objectives that overlap with our investment objectives, which may create additional competition for lending and other investment opportunities. Some of our competitors may have a lower cost of funds and access to funding sources that may not be available to us or are only available to us on substantially less attractive terms. Many of our competitors are not subject to the operating constraints associated with REIT tax compliance or maintenance of an exclusion or exemption from the Investment Company Act. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more lending relationships than we do. Competition may result in realizing fewer investments, higher prices, acceptance of greater risk, greater defaults, lower yields or a narrower spread of yields over our borrowing costs. In addition, competition for attractive investments could delay the investment of our capital. Furthermore, changes in the financial regulatory regime could decrease the restrictions on banks and other financial institutions and allow them to compete with us for investment opportunities that were previously not available to, or otherwise pursued by, them. See "—Risks Related to Our Company—Changes in laws or regulations governing our operations, changes in the interpretation thereof or newly enacted laws or regulations and any failure by us to comply with these laws or regulations could materially and adversely affect us."

As a result, competition may limit our ability to originate or acquire attractive investments in our target assets and could result in reduced returns. We can provide no assurance that we will be able to identify and originate or acquire attractive investments that are consistent with our investment strategy.

Interest rate fluctuations could significantly decrease our ability to generate income on our investments, which could materially and adversely affect us.

Our primary interest rate exposure relates to the yield on our investments and the financing cost of our debt. Changes in interest rates affect our net interest income, which is the difference between the interest income we earn on our interest-earning investments and the interest expense we incur in financing these investments. Interest rate fluctuations resulting in our interest expense exceeding our interest income would result in operating losses for us. Changes in the level of interest rates also may affect our ability to originate or acquire investments and may impair the value of our investments and our ability to realize gains from the disposition of assets. Changes in interest rates may also affect borrower default rates.

Our operating results depend, in part, on differences between the income earned on our investments, net of credit losses, and our financing costs. For any period during which our investments are not match-funded, the income earned on such investments may respond more slowly to interest rate fluctuations than the cost of our borrowings. Consequently, changes in interest rates, particularly short-term interest rates, could materially and adversely affect us.

Prepayment rates may adversely affect our financial performance and cash flows and the value of certain of our investments.

Our business is currently focused on originating floating rate mortgage loans secured by commercial real estate assets. Generally, our mortgage loan borrowers may repay their loans prior to their stated maturities. In periods of declining interest rates and/or credit spreads, prepayment rates on loans generally increase. If general interest rates or credit spreads decline at the same time, the proceeds of such prepayments received during such periods may not be reinvested for some period of time or may be reinvested by us in comparable assets with lower yields than the assets that were prepaid.

Because our mortgage loans are generally not originated or acquired at a premium to par value, prepayment rates do not materially affect the value of such loan assets. However, the value of certain other assets may be affected by prepayment rates. For example, if in the future we acquire fixed rate CRE debt securities investments or other fixed rate mortgage-related securities, or a pool of such fixed rate mortgage-related securities, we anticipate that the mortgage loans underlying these fixed rate securities will prepay at a projected rate generating an expected yield. If we were to purchase these securities at a premium to par value, when borrowers prepay the mortgage loans underlying these securities faster than expected, the increase in corresponding prepayments on these securities will likely reduce the expected yield. Conversely, if we were to purchase these securities at a discount to par value, when borrowers prepay the mortgage loans underlying these securities slower than expected, the decrease in corresponding prepayments on these securities will likely increase the expected yield. In addition, if we were to purchase these securities at a discount to par value, when borrowers prepay the mortgage loans underlying these securities faster than expected, the increase in corresponding prepayments on these securities will likely increase the expected yield.

Prepayment rates on floating rate and fixed rate loans may differ in different interest rate environments, and may be affected by a number of factors, including, but not limited to, the availability of mortgage credit, the relative economic vitality of the area in which the related properties are located, the servicing of the loans, possible changes in tax laws, other opportunities for investment, and other economic, social, geographic, demographic and legal factors, all of which are beyond our control, and structural factors such as call protection. Consequently, such prepayment rates cannot be predicted with certainty and no strategy can completely insulate us from prepayment risk.

Our loans often contain penalty provisions to borrowers that repay their loan prior to initial maturity. These deterrents to repayment include prepayment fees expressed as a percentage of the unpaid principal balance, or the amount of foregone net interest income due us from the date of repayment through initial maturity, or a sooner date that is frequently 12 or 18 months after the origination date. Loans that are outstanding beyond the end of the call protection or yield maintenance period can be repaid at any time, subject only to interest due through the next interest payment date. The absence of call protection provisions may expose the company to the risk of early repayment of loans, and the inability to redeploy its capital accretively.

Our investments may be concentrated and could be subject to risk of default.

We are not required to observe specific diversification criteria. Therefore, our investments may be concentrated in certain property types that are subject to higher risk of foreclosure or secured by properties concentrated in a limited number of geographic locations. For example, as of December 31, 2020, approximately 55.7% and 53.0% of the loans in our loan portfolio, based on total loan commitments and unpaid principal balance, respectively, consisted of loans secured by office buildings and approximately 14.9% and 16.2% of the loans in our loan portfolio, based on total loan commitments and unpaid principal balance, respectively, consisted of loans secured by hotels. Although we attempt to mitigate our risk through various credit and structural protections, we cannot assure you that these efforts will be successful. To the extent that our portfolio is concentrated in any one region or type of asset, downturns relating generally to such region or type of asset may result in defaults on a number of our investments within a short time period, which may reduce our net income and, depending upon whether such loans are matched-term funded, may pressure our liquidity position. While we seek to construct our portfolio to mitigate such risk, we may not be successful and this may be beyond our control, such as due to underlying loan repayments concentrated in a particular property type. Such outcomes may adversely affect the market price of our common stock and, accordingly, have a material adverse effect on us. For more information on the concentration of credit risk in our loan portfolio by geographic region, property type and loan category, see Note 16 to our Consolidated Financial Statements included in this Form 10-K.

The illiquidity of certain of our loans and other investments may materially and adversely affect us.

The illiquidity of certain of our loans and other investments may make it difficult for us to sell such loans and other investments if the need or desire arises. In addition, certain of our loans and other investments may become less liquid after we originate or acquire them as a result of periods of delinquencies or defaults or turbulent market conditions, which may make it more difficult for us to dispose of such loans and other investments at advantageous times or in a timely manner. Moreover, we expect that many of our investments are not or will not be registered under the relevant securities laws, resulting in prohibitions against their transfer, sale, pledge or their disposition except in transactions that are exempt from registration requirements or are otherwise in accordance with such laws. As a result, many of our loans and other investments are or will be illiquid, and if we are required to liquidate all or a portion of our portfolio quickly, for example as a result of margin calls, we may realize significantly less than the value at which we have previously recorded our investments. Further, we may face other restrictions on our ability to liquidate a loan or other investment to the extent that we or our Manager (and/or its affiliates) has or could be attributed as having material, non-public information regarding such business entity. As a result, our ability to vary our portfolio in response to changes in economic and other conditions may be relatively limited, which could materially and adversely affect us.

Most of the commercial mortgage loans that we originate or acquire are nonrecourse loans and the assets securing these loans may not be sufficient to protect us from a partial or complete loss if the borrower defaults on the loan, which could materially and adversely affect us.

Except for customary nonrecourse carve-outs for certain actions and environmental liability, most commercial mortgage loans are nonrecourse obligations of the sponsor and borrower, meaning that there is no recourse against the assets of the borrower or sponsor other than the underlying collateral. In the event of any default under a commercial mortgage loan held directly by us, we will bear a risk of loss to the extent of any deficiency between the value of the collateral and the principal of and accrued interest on the mortgage loan, which could materially and adversely affect us. Even if a commercial mortgage loan is recourse to the borrower, in most cases, the borrower's assets are limited primarily to its interest in the related mortgaged property. Further, although a commercial mortgage loan may provide for limited recourse to a principal or affiliate of the related borrower, there is no assurance that any recovery from such principal or affiliate will be made or that such principal's or affiliate's assets would be sufficient to pay any otherwise recoverable claim. In the event of the bankruptcy of a borrower, the loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the loan will be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent the lien is unenforceable under state law.

We may not have control over certain of our investments.

Our ability to manage our portfolio may be limited by the form in which our investments are made. In certain situations, we may:

- acquire loans or investments subject to rights of senior classes, servicers or collateral managers under intercreditor or servicing agreements or securitization documents;
- pledge our investments as collateral for financing arrangements;
- acquire only a minority and/or a non-controlling participation in an underlying loan or investment;
- co-invest with others through partnerships, joint ventures or other entities, thereby acquiring non-controlling interests; or
- rely on independent third-party management or servicing with respect to the management of an asset.

Therefore, we may not be able to exercise control over all aspects of our loans and investments. Such financial assets may involve risks not present in investments where senior creditors, junior creditors, servicers or third-party controlling investors are not involved. Our rights to control the process following a borrower default may be subject to the rights of senior or junior creditors or servicers whose interests may not be aligned with ours. A partner or co-venturer may have financial difficulties resulting in a negative impact on such asset, may have economic or business interests or goals that are inconsistent with ours, or may be in a position to take action contrary to our investment objectives. In addition, we may, in certain circumstances, be liable for the actions of our partners or co-venturers.

Future joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on joint venture partners' financial condition and liquidity and disputes between us and our joint venture partners.

We may in the future make investments through joint ventures. Such joint venture investments may involve risks not otherwise present when we originate or acquire investments without partners, including the following:

- we may not have exclusive control over the investment or the joint venture, which may prevent us from taking actions that are in our best interest;
- joint venture agreements often restrict the transfer of a partner's interest or may otherwise restrict our ability to sell the interest when we desire and/or on advantageous terms;
- any future joint venture agreements may contain buy-sell provisions pursuant to which one partner may initiate procedures requiring the other partner to choose between buying the other partner's interest or selling its interest to that partner;
- we may not be in a position to exercise sole decision-making authority regarding the investment or joint venture, which could create the potential risk of creating impasses on decisions, such as with respect to acquisitions or dispositions;
- a partner may, at any time, have economic or business interests or goals that are, or that may become, inconsistent with our business interests or goals;
- a partner may be in a position to take action contrary to our instructions, requests, policies or objectives, including our policy with respect to maintaining our qualification as a REIT and our exclusion or exemption from registration under the Investment Company Act;
- a partner may fail to fund its share of required capital contributions or may become bankrupt, which may mean that we and any other remaining partners generally would remain liable for the joint venture's liabilities;
- our relationships with our partners are contractual in nature and may be terminated or dissolved under the terms of the applicable joint venture agreements and, in such event, we may not continue to own or operate the interests or investments underlying such relationship or may need to purchase such interests or investments at a premium to the market price to continue ownership;

- disputes between us and a partner may result in litigation or arbitration that could increase our expenses and prevent our Manager and our officers and directors from focusing their time and efforts on our business and could result in subjecting the investments owned by the joint venture to additional risk; or
- we may, in certain circumstances, be liable for the actions of a partner, and the activities of a partner could adversely affect our ability to maintain our qualification as a REIT or our exclusion or exemption from registration under the Investment Company Act, even though we do not control the joint venture.

Any of the above may subject us to liabilities in excess of those contemplated and adversely affect the value of our future joint venture investments.

We are subject to additional risks associated with investments in the form of loan participation interests.

We have in the past invested, and may in the future invest, in loan participation interests in which another lender or lenders share with us the rights, obligations and benefits of a commercial mortgage loan made by an originating lender to a borrower. Accordingly, we will not be in privity of contract with a borrower because the other lender or participant is the record holder of the loan and, therefore, we will not have any direct right to any underlying collateral for the loan. These loan participations may be senior, *pari passu* or junior to the interests of the other lender or lenders in respect of distributions from the commercial mortgage loan. Furthermore, we may not be able to control the pursuit of any rights or remedies under the commercial mortgage loan, including enforcement proceedings in the event of default thereunder. In certain cases, the original lender or another participant may be able to take actions in respect of the commercial mortgage loan that are not in our best interests. In addition, in the event that (1) the owner of the loan participation interest does not have the benefit of a perfected security interest in the lender's rights to payments from the borrower under the commercial mortgage loan or (2) there are substantial differences between the terms of the commercial mortgage loan and those of the applicable loan participation interest, such loan participation interest could be recharacterized as an unsecured loan to a lender that is the record holder of the loan in such lender's bankruptcy, and the assets of such lender may not be sufficient to satisfy the terms of such loan participation interest. Accordingly, we may face greater risks from loan participation interests than if we had made first mortgage loans directly to the owners of real estate collateral.

Mezzanine loans, B-Notes and other investments that are subordinated or otherwise junior in an issuer's capital structure, such as preferred equity, and that involve privately negotiated structures, will expose us to greater risk of loss.

We have in the past originated and acquired, and may in the future originate and acquire, mezzanine loans, B-Notes and other investments that are subordinated or otherwise junior in an issuer's capital structure, such as preferred equity, and that involve privately negotiated structures. To the extent we invest in subordinated debt or preferred equity, such investments and our remedies with respect thereto, including the ability to foreclose on any collateral securing such investments, will be subject to the rights of holders of more senior tranches in the issuer's capital structure and, to the extent applicable, contractual co-lender, intercreditor, and/or participation agreement provisions, which will expose us to greater risk of loss.

As the terms of such loans and investments are subject to contractual relationships among lenders, co-lending agents and others, they can vary significantly in their structural characteristics and other risks. For example, the rights of holders of B-Notes to control the process following a borrower default may vary from transaction to transaction. Like B-Notes, mezzanine loans are by their nature structurally subordinated to more senior property-level financings. If a borrower defaults on our mezzanine loan or on debt senior to our loan, or if the borrower is in bankruptcy, our mezzanine loan will be satisfied only after the property-level debt and other senior debt is paid in full. As a result, a partial loss in the value of the underlying collateral can result in a total loss of the value of the mezzanine loan. In addition, even if we are able to foreclose on the underlying collateral following a default on a mezzanine loan, we would be substituted for the defaulting borrower and, to the extent income generated on the underlying property is insufficient to meet outstanding debt obligations on the property, we may need to commit substantial additional capital and/or deliver a replacement guarantee by a creditworthy entity, which could include us, to preserve the existing mortgage loan on the property, stabilize the property and prevent additional defaults to lenders with existing liens on the property. In addition, mezzanine loans may have higher LTVs than conventional mortgage loans, resulting in less equity in the underlying property and increasing the risk of default and loss of principal. Significant losses related to our B-Notes and mezzanine loans would result in operating losses for us and may limit our ability to make distributions to our stockholders.

Our origination or acquisition of construction loans exposes us to an increased risk of loss.

We may originate or acquire construction loans. If we fail to fund our entire commitment on a construction loan or if a borrower otherwise fails to complete the construction of a project, there could be adverse consequences associated with the loan, including, but not limited to: a loss of the value of the property securing the loan, especially if the borrower is unable to raise funds to complete construction from other sources; a borrower claim against us for failure to perform under the loan documents; increased costs to the borrower that the borrower is unable to pay; a bankruptcy filing by the borrower; and abandonment by the borrower of the collateral for the loan. A borrower default on a construction loan where the property has not achieved completion poses a greater risk than a conventional loan, as completion would be required before the property is able to generate revenue. As described below, the process of foreclosing on a property is time-consuming, and we may incur significant expense if we foreclose on a property securing a loan under these or other circumstances.

Risks of cost overruns and non-completion of the construction or renovation of the properties underlying loans we originate or acquire could materially and adversely affect us.

The renovation, refurbishment or expansion by a borrower of a mortgaged property involves risks of cost overruns and non-completion. Costs of construction or renovation to bring a property up to market standards for the intended use of that property may exceed original estimates, possibly making a project uneconomical. Other risks may include: environmental risks, permitting risks, other construction risks, and subsequent leasing of the property not being completed on schedule or at projected rental rates. If such construction or renovation is not completed in a timely manner, or if it costs more than expected, the borrower may experience a prolonged reduction of net operating income and may be unable to make payments of interest or principal to us, which could materially and adversely affect us.

Investments that we make in CRE debt securities and other similar structured finance investments, as well as those that we structure, sponsor or arrange, pose additional risks.

We have in the past invested, and may in the future invest, in CRE debt securities such as CMBS and CRE CLO debt securities, including in select instances subordinate classes of CLOs and other similar structured finance investments secured by a pool of mortgages or loans. Such investments are the first or among the first to bear loss upon a restructuring or liquidation of the underlying collateral, and the last to receive payment of interest and principal. There is generally only a nominal amount of equity or other debt securities junior to such positions, if any, issued in such structures. The estimated fair values of such subordinated interests tend to be much more sensitive to economic downturns and adverse underlying borrower developments than more senior securities. A projection of an economic downturn, for example, could cause a decline in the price of lower credit quality CRE debt securities because the ability of borrowers to make principal and interest payments on the mortgages or loans underlying such securities may be impaired.

There may not be a trading market for subordinate interests in CMBS and CRE CLOs and similar structured finance investment vehicles generally, and volatility in CMBS and CRE CLO trading markets may cause the value of these investments to decline. In addition, if the underlying mortgage portfolio has been overvalued by the issuer, or if the value of the underlying mortgage portfolio declines and, as a result, less collateral value is available to satisfy interest and principal payments and any other fees in connection with the trust or other conduit arrangement for such securities, we may incur significant losses. Subordinate interests in CRE CLOs are typically rated non-investment grade, and the most subordinate class is typically not rated, and any investments that we make in such interests would subject us to the risks inherent in such investments. See "—Risks Related to Our Lending and Investment Activities—Investments in non-investment grade rated investments involve an increased risk of default and loss."

With respect to the CRE debt securities in which we may invest, control over the related underlying loans will be exercised through a special servicer or collateral manager designated by a "directing certificate holder" or a "controlling class representative," or otherwise pursuant to the related securitization documents. We may acquire classes of CRE debt securities for which we may not have the right to appoint the directing certificate holder or otherwise direct the special servicing or collateral management, either at inception of the investment or at a later date if the controlling class is determined to be a class of CRE debt securities other than the class we acquired. With respect to the management and servicing of those loans, the related special servicer or collateral manager may take actions that could materially and adversely affect our interests.

Investments in non-investment grade, rated or unrated, investments involve an increased risk of default and loss.

Many of our investments may not conform to conventional loan standards applied by traditional lenders and either will not be rated (as is often the case for private loans) or will be rated as non-investment grade by the rating agencies. As a result, these investments should be expected to have an increased risk of default and loss as compared to investment-grade rated assets. Any loss we incur may be significant and may materially and adversely affect us. Our investment guidelines do not limit the percentage of unrated or non-investment grade rated assets we may hold in our portfolio.

Any credit ratings assigned to our investments will be subject to ongoing evaluations and revisions and we cannot assure you that those ratings will not be downgraded.

Some of our investments may be rated by rating agencies. Any credit ratings on our investments are subject to ongoing evaluation by credit rating agencies, and we cannot assure you that any such ratings will not be downgraded or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant. If rating agencies assign a lower-than-expected rating or reduce or withdraw, or indicate that they may reduce or withdraw, their ratings of our investments in the future, the value and liquidity of our investments could significantly decline, which would adversely affect the value of our investment portfolio and could result in losses upon disposition or the failure of borrowers to satisfy their debt service obligations to us.

The United Kingdom's exit from the E.U. could materially and adversely affect us.

On June 23, 2016, the United Kingdom held an in-or-out referendum on the United Kingdom's membership within the E.U., the result of which favored the exit of the United Kingdom from the European Union ("Brexit"). Following such referendum and the enactment of legislation by the government of the United Kingdom, the United Kingdom formally withdrew from the E.U. and ratified a trade and cooperation agreement governing its future relationship with the E.U. The agreement, which is being applied provisionally from January 1, 2021 until it is ratified by the European Parliament and the Council of the E.U., addresses trade, economic arrangements, law enforcement, judicial cooperation and a governance framework including procedures for dispute resolution, among other things. Because the agreement merely sets forth a framework in many respects and will require complex additional bilateral negotiations between the United Kingdom and the E.U. as both parties continue to work on the rules for implementation, significant political and economic uncertainty remains about how the precise terms of the relationship between the parties will differ from the terms before withdrawal. These developments, or the perception that any related developments could occur, have had and may continue to have a material adverse effect on global economic conditions and financial markets, and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Since we rely on access to the financial markets in order to refinance our debt liabilities and gain access to new financing, ongoing political uncertainty and any worsening of the economic environment may reduce our ability to refinance our existing and future liabilities or gain access to new financing, in each case on favorable terms or at all.

We may need to foreclose on certain of the loans we originate or acquire, which could result in losses that materially and adversely affect us.

We may find it necessary or desirable to foreclose on certain of the loans we originate or acquire, and the foreclosure process may be lengthy and expensive. Whether or not we have participated in the negotiation of the terms of any such loans, we cannot assure you as to the adequacy of the protection of the terms of the applicable loan, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, claims may be asserted by lenders or borrowers that might interfere with enforcement of our rights. Borrowers may resist foreclosure actions by asserting numerous claims, counterclaims and defenses against us, including, without limitation, lender liability claims and defenses, even when the assertions may have no basis in fact, in an effort to prolong the foreclosure action and seek to force the lender into a modification of the loan or a favorable discounted pay-off of the borrower's position in the loan. In some states, foreclosure actions can take several years or more to litigate. At any time prior to or during the foreclosure proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure actions and further delaying the foreclosure process and could potentially result in a reduction or discharge of a borrower's debt.

Foreclosure may create a negative public perception of the related property, resulting in a diminution of its value. Even if we are successful in foreclosing on a loan, the liquidation proceeds upon sale of the underlying real estate may not be sufficient to recover our cost basis in the loan, resulting in a loss to us. Furthermore, any costs or delays involved in the foreclosure of the loan or a liquidation of the underlying property will further reduce the net proceeds and, thus, increase the loss. The incurrence of any such losses could materially and adversely affect us.

Real estate valuation is inherently subjective and uncertain.

The valuation of the commercial real estate that secures or otherwise supports our investments is inherently subjective and uncertain due to, among other factors, the individual nature of each property, its location, the expected future rental revenues from that particular property and the valuation methodology adopted. In addition, where we invest in construction loans, initial valuations will assume completion of the project. As a result, the valuations of the commercial real estate that secures or otherwise supports investments are made on the basis of assumptions and methodologies that may not prove to be accurate, particularly in periods of volatility, low transaction flow or restricted debt availability in the commercial real estate markets such as that recently experienced due to the COVID-19 pandemic.

Our reserves for loan losses may prove inadequate, which could have a material adverse effect on us.

We evaluate our loans, and we will evaluate the adequacy of any future loan loss reserves we are required to recognize, on a quarterly basis. In the future, we may maintain varying levels of loan loss reserves. Our determination of general and asset-specific loan loss reserves may rely on material estimates regarding many factors, including the fair value of any loan collateral. The estimation of ultimate loan losses, loss reserves, and credit loss expense is a complex and subjective process. As such, there can be no assurance that our judgment will prove to be correct and that any future loan loss reserves will be adequate over time to protect against losses inherent in our portfolio at any given time. Any such losses could be caused by various factors, including, but not limited to, unanticipated adverse changes in the economy or events adversely affecting specific assets, borrowers, industries in which our borrowers operate or markets in which our borrowers or their properties are located. If our future reserves for loan losses prove inadequate, we may recognize additional losses, which could have a material adverse effect on us.

In June 2016, the FASB issued Accounting Standards Update 2016-13, “Financial Instruments-Credit Losses, Measurement of Credit Losses on Financial Instruments (Topic 326),” which on its adoption date of January 1, 2020 replaced the former “incurred loss” model for recognizing credit losses with an “expected loss” model referred to as the Current Expected Credit Losses (“CECL”) model. Under the CECL model, which we adopted on January 1, 2020, we are required to present certain financial assets carried at amortized cost, such as loans held for investment, at the net amount expected to be collected. The measurement of expected credit losses over the life of each financial asset is based on information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. This measurement occurs when the financial asset is first added to the balance sheet and updated quarterly thereafter. This differs significantly from the “incurred loss” model required under current GAAP, which delays recognition until it is probable a loss has been incurred. The CECL model is an accounting estimate and is inherently uncertain because it is sensitive to changes in economic and credit conditions in the geographic locations in which we operate. Economic and credit conditions are interdependent and as a result there is no single factor to which the Company as a whole is sensitive; therefore, it is possible that actual events will ultimately differ from the assumptions built into the financial model used by the Company to determine its future expected loan losses, resulting in material adjustments to the Company’s financial assets measured at amortized cost. Additionally, the Company’s application of CECL is subject to ongoing review and evaluation and open to change should relevant information emerge. CECL requires lenders to recognize provisions for loan losses at the inception of the lending cycle, which is earlier than required under the prior “incurred loss” model, and thus may create more volatility in the amount of our allowance for loan losses. If we are required to materially increase our level of allowance for loan losses for any reason, such increase could adversely affect our business, financial condition and results of operations.

We may experience a decline in the fair value of investments we may make in CRE debt securities, which could materially and adversely affect us.

A decline in the fair value of investments we may make in CRE debt securities may require us to recognize an other-than-temporary ("OTTI") impairment against such assets under GAAP if we were to determine that, with respect to any assets in unrealized loss positions, we do not have the ability and intent to hold such assets to maturity or for a period of time sufficient to allow for recovery to the original acquisition cost of such assets. If such a determination were to be made, we would recognize unrealized losses through earnings and write down the amortized cost of such assets to a new cost basis, based on the fair value of such assets on the date they are considered to be other-than-temporarily impaired. Such impairment charges reflect non-cash losses at the time of recognition. The subsequent disposition or sale of such assets could further affect our future losses or gains, as they are based on the difference between the sale price received and adjusted amortized cost of such assets at the time of sale. If we experience a decline in the fair value of our investments, it could materially and adversely affect us, our financial condition, and our results of operations.

Some of our investments may be recorded at fair value and, as a result, there will be uncertainty as to the value of these investments.

Our investments are not publicly-traded but some of our investments may be publicly-traded in the future. The fair value of securities and other investments that are not publicly-traded may not be readily determinable. Any of our investments classified as available-for-sale or as trading assets will be recorded each quarter at their fair value, which may include unobservable inputs. Because such valuations are subjective, the fair value of certain of our investments may fluctuate over short periods of time and our determinations of fair value may differ materially from the values that would have been used if a ready market for these investments existed. The value of our common stock could be adversely affected if our determinations regarding the fair value of these investments were materially higher than the values that we ultimately realize upon their disposal.

Additionally, our results of operations for a given period could be adversely affected if our determinations regarding the fair value of investments treated as available-for-sale or trading assets were materially higher than the values that we ultimately realize upon their disposal.

In addition to other analytical tools, our Manager will utilize financial models to evaluate commercial mortgage loans and estimate expected losses. The accuracy and effectiveness of these analytical tools cannot be guaranteed.

In addition to other analytical tools, our Manager utilizes financial models to evaluate the credit quality of commercial mortgage loans, the accuracy and effectiveness of these analytical tools cannot be guaranteed. It is possible that financial models used for our CECL estimate may fail to include relevant factors or to accurately estimate the impact of factors they identify. In all cases, financial models are only estimates of future results which are based upon assumptions made at the time that the projections are developed. There can be no assurance that our Manager's projected results will be attained and actual results may vary significantly from the projections. General economic and industry-specific conditions, which are not predictable, can have an adverse impact on the reliability of projections.

Insurance proceeds on a property may not cover all losses, which could result in the corresponding non-performance of or loss on our investment related to such property.

There are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, which may be uninsurable or not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations and other factors, including terrorism or acts of war, also might result in insurance proceeds that are insufficient to repair or replace a property if it is damaged or destroyed. Under these circumstances, the insurance proceeds received with respect to a property relating to one of our investments might not be adequate to restore our economic position with respect to our investment. Any uninsured loss could result in the corresponding non-performance of or loss on our investment related to such property.

The impact of any future terrorist attacks and the availability of affordable terrorism insurance expose us to certain risks.

Terrorist attacks, the anticipation of any such attacks, the consequences of any military or other response by the U.S. and its allies, and other armed conflicts could cause consumer confidence and spending to decrease or result in increased volatility in the U.S. and worldwide financial markets and economy. The economic impact of these events could also adversely affect the credit quality of some of our investments and the properties underlying our interests.

We may suffer losses as a result of the adverse impact of any future attacks and these losses may adversely impact our performance and may cause the market price of our common stock to decline or be more volatile. A prolonged economic slowdown, a recession or declining real estate values could impair the performance of our investments, increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us, any of which could materially and adversely affect us. Losses resulting from these types of events may not be fully insurable.

In addition, with the enactment of the Terrorism Risk Insurance Act of 2002 ("TRIA") and the subsequent enactment of legislation extending TRIA through the end of 2027, insurers are required to make terrorism insurance available under their property and casualty insurance policies, but this legislation does not regulate the pricing of such insurance, and there is no assurance that this legislation will be signed into law or that TRIA will be extended beyond 2027. The absence of affordable insurance coverage may adversely affect the general real estate finance market, lending volume and the market's overall liquidity and may reduce the number of suitable investment opportunities available to us and the pace at which we are able to make investments. If the properties underlying our investments are unable to obtain affordable insurance coverage, the value of those investments could decline, and in the event of an uninsured loss, we could lose all or a portion of our investment.

Liability relating to environmental matters may impact the value of properties that we may acquire upon foreclosure of the properties underlying our loans.

To the extent we foreclose on properties underlying our loans, we may be subject to environmental liabilities arising from such foreclosed properties. Under various U.S. federal, state and local laws, an owner or operator of real property may become liable for the costs of removal of certain hazardous substances released on its property. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of such hazardous substances. If we foreclose on any properties underlying our loans, the presence of hazardous substances on a property may adversely affect our ability to sell the property and we may incur substantial remediation costs. As a result, the discovery of material environmental liabilities attached to such properties could materially and adversely affect us.

We may be subject to lender liability claims, and if we are held liable under such claims, we could be subject to losses.

In recent years, a number of judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories, collectively termed "lender liability." Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or stockholders. We cannot assure you that such claims will not arise or that we will not be subject to significant liability and losses if a claim of this type were to arise.

If the loans that we originate or acquire do not comply with applicable laws, we may be subject to penalties, which could materially and adversely affect us.

Loans that we originate or acquire may be directly or indirectly subject to U.S. federal, state or local governmental laws. Real estate lenders and borrowers may be responsible for compliance with a wide range of laws intended to protect the public interest, including, without limitation, the Truth in Lending, Equal Credit Opportunity, Fair Housing and Americans with Disabilities Acts and local zoning laws (including, but not limited to, zoning laws that allow permitted non-conforming uses). If we or any other person fails to comply with such laws in relation to a loan that we have originated or acquired, legal penalties may be imposed, which could materially and adversely affect us. Additionally, jurisdictions with "one action," "security first" and/or "anti-deficiency rules" may limit our ability

to foreclose on a real property or to realize on obligations secured by a real property. In the future, new laws may be enacted or imposed by U.S. federal, state or local governmental entities, and such laws could have a material adverse effect on us.

If we originate or acquire commercial mortgage loans or commercial real estate-related debt instruments secured by liens on facilities that are subject to a ground lease and such ground lease is terminated unexpectedly, our interests in such loans could be materially and adversely affected.

A ground lease is a lease of land, usually on a long-term basis, that does not include buildings or other improvements on the land. Normally, any real property improvements made by the lessee during the term of the lease will revert to the landowner at the end of the lease term. We may originate or acquire commercial mortgage loans or commercial real estate-related debt instruments secured by liens on facilities that are subject to a ground lease, and, if the ground lease were to expire or terminate unexpectedly, due to the borrower's default on such ground lease, our interests in such loans could be materially and adversely affected.

Risks Related to Our Financing

We have a significant amount of debt, which subjects us to increased risk of loss, and our charter and bylaws contain no limitation on the amount of debt we may incur or have outstanding.

As of December 31, 2020, we had $3.4 billion of debt outstanding. In the future, subject to market conditions and availability, we may incur additional debt through secured credit agreements, secured revolving credit agreements, structured financing such as non-recourse CLO liabilities, and derivative instruments, in addition to transaction or asset-specific financing arrangements. We may also rely on short-term financing that would especially expose us to changes in availability. We may also issue additional equity, equity-related and debt securities to fund our investment strategy. On May 28, 2020, we issued $225.0 million in shares of Series B Preferred Stock with a dividend rate of 11%. As of December 31, 2020, we were a party to secured credit agreements with each of Goldman Sachs Bank USA, JP Morgan Chase Bank, National Association, Morgan Stanley Bank, N.A., Wells Fargo Bank, National Association, Barclays Bank PLC, U.S. Bank National Association, and Bank of America N.A., with an aggregate maximum amount of approximately $3.2 billion available to finance our loan investments.

Subject to compliance with the leverage covenants contained in our secured credit agreements and other financing documents, we expect that the amount of leverage that we will incur in the future will take into account a variety of factors, which may include our Manager's assessment of credit, liquidity, price volatility and other risks of our investments and the financing counterparties, the potential for losses and extension risk in our portfolio and availability of particular types of financing at the then-current rate. Given current market conditions, we expect that our overall leverage, measured as the ratio of debt to equity excluding cash on our consolidated balance sheets, will generally range from 2.7 to 3.5:1 (as defined under our secured credit agreements), subject to compliance with our financial covenants under our secured credit agreements, the investment agreement governing our Series B Preferred Stock and other contractual obligations, although we may employ more or less leverage on individual loan investments after consideration of the impact on expected risk and return of the specific situation, and future changes in value of underlying properties. To the extent we believe market conditions are favorable, we may revise our leverage policy in the future. Incurring substantial debt could subject us to many risks that, if realized, would materially and adversely affect us, including the risk that:

- our cash flow from operations may be insufficient to make required payments of principal of and interest on our debt, which is likely to result in (a) acceleration of such debt (and any other debt containing a cross-default or cross-acceleration provision), which we then may be unable to repay from internal funds or to refinance on favorable terms, or at all, (b) our inability to borrow undrawn amounts under our financing arrangements, even if we are current in payments on borrowings under those arrangements, which would result in a decrease in our liquidity, and/or (c) the loss of some or all of our collateral assets to foreclosure or sale;

- our debt may increase our vulnerability to adverse economic and industry conditions with no assurance that investment yields will increase in an amount sufficient to offset the higher financing costs;
- we may be required to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing funds available for operations, future business opportunities, stockholder distributions or other purposes; and
- we may not be able to refinance any debt that matures prior to the maturity (or realization) of an underlying investment it was used to finance on favorable terms or at all.

There can be no assurance that our leverage strategy will be successful, and our leverage strategy may cause us to incur significant losses, which could materially and adversely affect us.

There can be no assurance that we will be able to obtain or utilize additional financing arrangements in the future on similar or more favorable terms, or at all.

Our ability to fund our investments and refinance our existing indebtedness will be impacted by our ability to secure additional financing on favorable terms through various arrangements, including secured credit agreements, non-recourse CLO financing, mortgage loan payable, and asset-specific borrowings. In certain instances, we create structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third party. In either case, the senior mortgage loan is not included on our consolidated balance sheets, and we refer to such senior loan interest as a "non-consolidated senior interest." When we create structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third party, we retain on our balance sheet a mezzanine loan. Over time, in addition to these types of financings, we may use other forms of leverage, including derivative instruments and public and private secured and unsecured debt issuances by us or our subsidiaries. Our access to additional sources of financing will depend upon a number of factors, over which we have little or no control, including:

- general economic or market conditions;
- the market's view of the quality of our investments;
- the market's perception of our growth potential;
- the ratings assigned by one or more nationally-recognized statistical credit rating organizations to our company, or to a specific issue of indebtedness issued by us or our subsidiaries;
- our current and potential future earnings and cash distributions; and
- the market price of our common stock.

We also expect to periodically access the capital markets to raise cash to fund new investments. Unfavorable economic or capital market conditions may increase our funding costs, limit our access to the capital markets or could result in a decision by our potential lenders not to extend credit. An inability to successfully access the capital markets could limit our ability to grow our business and fully execute our investment strategy and could decrease our earnings and liquidity. In addition, any dislocation or weakness in the capital and credit markets could adversely affect one or more lenders and could cause one or more of our lenders to be unwilling or unable to provide us with financing or to increase the costs of that financing. In addition, if regulatory capital requirements imposed on our lenders are increased, they may be required to limit, or increase the cost of, financing they provide to us. In general, this could potentially increase our financing costs and reduce our liquidity or require us to sell assets at an inopportune time or price. Accordingly, there can be no assurance that we will be able to obtain or utilize any financing arrangements in the future on similar or more favorable terms, or at all. In addition, even if we are able to access the capital markets, significant balances may be held in cash or cash equivalents pending future investment as we may be unable to invest proceeds on the timeline anticipated.

Certain of our current financing arrangements contain, and our future financing arrangements likely will contain, various financial and operational covenants, and a default of any such covenants could materially and adversely affect us.

Certain of our current financing arrangements contain, and our future financing arrangements likely will contain, various financial and operational covenants affecting our ability and, in certain cases, our subsidiaries' ability, to incur additional debt, make certain investments, reduce liquidity below certain levels, make distributions to our stockholders and otherwise affect our operating policies. For a description of certain of the covenants, see Item 7- "Management's Discussion and Analysis of Financial Condition and Results of Operations—Investment Portfolio Financing." If we fail to meet or satisfy any of these covenants in our financing arrangements, we would be in default under these agreements, which could result in a cross-default or cross-acceleration under other financing arrangements, and our lenders could elect to declare outstanding amounts due and payable (or such amounts may automatically become due and payable), terminate their commitments, require the posting of additional collateral and enforce their respective interests against existing collateral. A default also could limit significantly our financing alternatives, which could cause us to curtail our investment activities or dispose of assets when we otherwise would not choose to do so. Further, this could make it difficult for us to satisfy the requirements necessary to maintain our qualification as a REIT for U.S. federal income tax purposes. As a result, a default on any of our debt agreements, and in particular our secured credit agreements, could materially and adversely affect us.

Our financing arrangements may require us to provide additional collateral or repay debt.

Our current and future financing arrangements involve the risk that the market value of the assets pledged or sold by us to the provider of the financing may decline in value, in which case the lender or counterparty may require us to provide additional collateral or lead to margin calls that may require us to repay all or a portion of the funds advanced. We may not have the funds available to repay our debt at that time, which would likely result in defaults unless we are able to raise the funds from alternative sources, including by selling assets at a time when we might not otherwise choose to do so, which we may not be able to achieve on favorable terms or at all. See "—Certain of our current financing arrangements contain, and our future financing arrangements likely will contain, various financial and operational covenants, and a default of any such covenants could materially and adversely affect us." Posting additional margin would reduce our cash available to make other, higher yielding investments, thereby decreasing our return on equity. If we cannot meet these requirements, the lender or counterparty could accelerate our indebtedness, increase the interest rate on advanced funds and terminate our ability to borrow funds from it, which could materially and adversely affect us. In the case of repurchase transactions, if the value of the underlying security has declined as of the end of that term, or if we default on our obligations under the secured credit facilities, we will likely incur a loss on our repurchase transactions. In addition, if a lender or counterparty files for bankruptcy or becomes insolvent, our loans may become subject to bankruptcy or insolvency proceedings, thus depriving us, at least temporarily, of the benefit of these assets. Such an event could restrict our access to financing and increase our cost of capital.

Interest rate fluctuations could increase our financing costs, which could materially and adversely affect us.

Our primary interest rate exposures relate to the yield on our loans and the financing cost of our debt, as well as any interest rate swaps utilized for hedging purposes. Changes in interest rates affect our net interest income, which is the difference between the interest income we earn on our interest-earning assets and the interest expense we incur in financing these assets. In a period of rising interest rates, our interest expense on floating rate debt would increase, while any additional interest income we earn on floating rate assets may not compensate for such increase in interest expense and the interest income we earn on fixed rate assets would not change. Similarly, in a period of declining interest rates, our interest income on floating rate assets would decrease (subject to the existence of any interest rate floors), while any decrease in the interest we are charged on our floating rate debt may not compensate for such decrease in interest income, and the interest expense we incur on our fixed rate debt would not change. Consequently, changes in interest rates may significantly influence our net interest income. Interest rate fluctuations resulting in our interest expense exceeding interest income would result in operating losses, which could materially and adversely affect us. Changes in the level of interest rates also may affect our ability to originate or acquire loans or other investments, the value of our investments and our ability to realize gains from the disposition of assets. Moreover, changes in interest rates may affect borrower default rates.

Our investments may be subject to fluctuations in interest rates that may not be adequately protected, or protected at all, by our hedging strategies.

Our investments currently include loans with floating interest rates and, in the future, may include loans with fixed interest rates. Floating rate investments earn interest at rates that adjust from time to time (typically, in our case, monthly) based upon an index (in our case, LIBOR). These floating rate loans are insulated from changes in value specifically due to changes in interest rates; however, the interest they earn fluctuates based upon interest rates (for example, LIBOR) and, in a declining and/or low interest rate environment, these loans will earn lower rates of interest and this will impact our operating performance. For more information about risks relating to changes to, or the elimination of, LIBOR, see "Risks Related to Our Lending and Investment Activities—Changes to, or the elimination of, LIBOR may adversely affect our interest income, interest expense, or both." Fixed interest rate investments, however, do not have adjusting interest rates and the relative value of the fixed cash flows from these investments will decrease as prevailing interest rates rise or increase as prevailing interest rates fall, causing potentially significant changes in value. Our Manager may employ various hedging strategies on our behalf to limit the effects of changes in interest rates (and in some cases credit spreads), including engaging in interest rate swaps, caps, floors and other interest rate derivative products. We believe that no strategy can completely insulate us from the risks associated with interest rate changes and there is a risk that hedging strategies may provide no protection at all and potentially compound the impact of changes in interest rates. Hedging transactions involve certain additional risks such as counterparty risk, leverage risk, the legal enforceability of hedging contracts, the early repayment of hedged transactions and the risk that unanticipated and significant changes in interest rates may cause a significant loss of basis in the contract and a change in current period expense. We cannot make assurances that we will be able to enter into hedging transactions or that such hedging transactions will adequately protect us against the foregoing risks.

Our use of leverage may create a mismatch with the duration and index of the investments that we are financing.

We generally seek to structure our leverage such that we minimize the differences between the term of our investments and the leverage we use to finance such an investment. However, under certain circumstances, we may determine not to do so or we may otherwise be unable to do so. Accordingly, the extended term of the financed loan or other investment may not correspond to the term to extended maturity of the financing for such loan or other investment. In the event that our leverage is for a shorter term than the financed loan or other investment, we may not be able to extend or find appropriate replacement leverage and that would have an adverse impact on our liquidity and our returns. In the event that our leverage is for a longer term than the financed loan or other investment, we may not be able to repay such leverage or replace the financed loan or other investment with an optimal substitute or at all, which would negatively impact our desired leveraged returns.

We generally attempt to structure our leverage such that we minimize the differences between the index of our investments and the index of our leverage (for example, financing floating rate investments with floating rate leverage and fixed rate investments with fixed rate leverage). If such a product is not available to us from our lenders on reasonable terms, we may use hedging instruments to effectively create such a match. For example, in the case of future fixed rate investments, we may finance such investments with floating rate leverage, but effectively convert all or a portion of the attendant leverage to fixed rate using hedging strategies.

Our attempts to mitigate such risk are subject to factors outside our control, such as the availability of favorable financing and hedging options, which is subject to a variety of factors, of which duration and term matching are only two. The risks of a duration mismatch are magnified by the potential for the extension of loans in order to maximize the likelihood and magnitude of their recovery value in the event the loans experience credit or performance challenges. Employment of this asset management practice would effectively extend the duration of our investments, while our liabilities have set maturity dates. While our CLO liabilities have set maturity dates, repayment of these are dependent on timing of related collateral loan asset repayments after the reinvestment period concludes.

Warehouse facilities that we may obtain in the future may limit our ability to originate or acquire assets, and we may incur losses if the collateral is liquidated.

We may utilize, if available, warehouse facilities pursuant to which we would accumulate loans in anticipation of a securitization or other financing, which assets would be pledged as collateral for such facilities until the securitization or other transaction is consummated. To borrow funds to originate or acquire assets under any future

warehouse facilities, we expect that our lenders thereunder would have the right to review the potential assets for which we seek financing. We may be unable to obtain the consent of a lender to originate or acquire assets that we believe would be beneficial to us and we may be unable to obtain alternate financing for such assets. In addition, no assurance can be given that a securitization or other financing would be consummated with respect to the assets being warehoused. If the securitization or other financing is not consummated, the lender could demand repayment of the facility, and in the event that we were unable to timely repay, could liquidate the warehoused collateral and we would then have to pay any amount by which the original purchase price of the collateral assets exceeds its sale price, subject to negotiated caps, if any, on our exposure. In addition, regardless of whether the securitization or other financing is consummated, if any of the warehoused collateral is sold before the securitization or other financing is completed, we would have to bear any resulting loss on the sale.

We have utilized and may in the future utilize non-recourse securitizations to finance our investments, which may expose us to risks that could result in losses.

We have utilized and may in the future utilize non-recourse securitizations of certain of our investments to generate cash for funding new investments and for other purposes. Such financing generally involves creating a special purpose vehicle, contributing a pool of our investments to the entity, and selling interests in the entity on a non-recourse basis to purchasers (whom we would expect to be willing to accept a lower interest rate to invest in investment-grade loan pools). We would expect to retain all or a portion of the equity and potentially other tranches in the securitized pool of portfolio investments. Prior to any such financings, we may use our secured credit agreements, or other short-term facilities, to finance the acquisition of investments until a sufficient quantity of investments had been accumulated, at which time we would refinance these facilities through a securitization, such as a CLO, or issuance of CMBS, or the private placement of loan participations or other long-term financing. When employing this strategy, we would be subject to the risk that we would not be able to acquire, during the period that our short-term credit facilities are available, a sufficient amount of eligible investments or loans to maximize the efficiency of a CLO, CMBS, or private placement issuance. We also would be subject to the risk that we would not be able to obtain short-term credit facilities or would not be able to renew any short-term credit facilities after they expire should we find it necessary to extend our short-term credit facilities to allow more time to seek and acquire the necessary eligible investments for a long-term financing. The inability to consummate securitizations to finance our investments on a long-term basis could require us to seek other forms of potentially less attractive financing or to liquidate assets at an inopportune time or price, which could adversely affect our performance and our ability to grow our business.

Moreover, conditions in the capital markets, including volatility and disruption in the capital and credit markets, may not permit a securitization at any particular time or may make the issuance of any such securitization less attractive to us even when we do have sufficient eligible assets. We may also suffer losses if the value of the mortgage loans we acquire declines prior to securitization. Declines in the value of a mortgage loan can be due to, among other things, changes in interest rates and changes in the credit quality of the loan. In addition, we may suffer a loss due to the incurrence of transaction costs related to executing these transactions. To the extent that we incur a loss executing or participating in future securitizations for the reasons described above or for other reasons, it could materially and adversely impact our business and financial condition. The inability to securitize our portfolio may hurt our performance and our ability to grow our business.

We may be subject to losses arising from guarantees of debt and contingent obligations of our subsidiaries or joint venture or co-investment partners.

We conduct substantially all of our operations and own substantially all of our assets through our holding company subsidiary, Holdco. Holdco has guaranteed repayment of 25% of the principal amount borrowed and other payment obligations under each of our secured credit agreements secured by loans. Our secured credit agreements provide for significant aggregate borrowings. Holdco may in the future guarantee the performance of additional subsidiaries' obligations. The guarantee agreements contain financial covenants covering liquid assets, debt-to-equity ratio, and net worth requirements. Holdco's failure to satisfy these covenants and other requirements could result in defaults under each of our secured credit agreements and acceleration of the amount borrowed thereunder. Such defaults could have a material adverse effect on us. We may also agree to guarantee indebtedness incurred by a joint venture or co-investment partner. Such a guarantee may be on a joint and several basis with such joint venture or co-investment partner, in which case we may be liable in the event such partner defaults on its guarantee obligation. The

non-performance of such obligations may cause losses to us in excess of the capital we initially may have invested or committed under such obligations and there is no assurance that we will have sufficient capital to cover any such losses.

We are subject to counterparty risk associated with our debt obligations.

Our counterparties for critical financial relationships may include both domestic and international financial institutions. These institutions could be severely impacted by credit market turmoil, changes in legislation, allegations of civil or criminal wrongdoing and may as a result experience financial or other pressures. In addition, if a lender or counterparty files for bankruptcy or becomes insolvent, our borrowings under financing agreements with them may become subject to bankruptcy or insolvency proceedings, thus depriving us, at least temporarily, of the benefit of these assets. Such an event could restrict our access to financing and increase our cost of capital. If any of our counterparties were to limit or cease operation, it could lead to financial losses for us.

Certain of our current financing arrangements contain financial covenants that, if violated, could result in the diversion of cash flow from us to our lenders to pay interest due and reduce the principal amount outstanding of our borrowings until such time as the default is cured, which may reduce our cash available to pay interest and operating expenses, satisfy other obligations, and fund required distributions to common stockholders to maintain our qualification as a REIT.

Our CRE CLO liabilities are issued by certain of our wholly-owned trust subsidiaries pursuant to indentures that include a range of covenants and operational tests, including: (a) a minimum ratio of aggregate pledged loan collateral (valued in accordance with the indenture) divided by the aggregate principal amount of bonds outstanding (the "overcollateralization test"); and (b) a minimum ratio of interest income collected with respect to pledged loan collateral divided by interest expense with respect to bonds outstanding. A failure of either or both tests generally entitles the trustee to divert ("sweep") cash from the trust waterfall that would otherwise be distributed to us to pay interest and, to the extent sufficient cash remains after the payment of interest, to retire the senior-most bonds until the tests are satisfied. In certain circumstances, such diversions may last for extended periods depending upon the credit performance of the pledged loans.

Our secured credit agreements are between wholly-owned subsidiaries and our lender counterparties. Each involves cross-collateralized pools of pledged loans, and one of our agreements includes a pool-wide debt yield test where failure to comply triggers a cash flow sweep to pay interest and retire borrowings until compliance is restored.

The temporary or prolonged loss of these cash receipts by us may reduce our cash-on-hand to levels that threaten our ability to pay operating expenses, dividends due on our Series B preferred stock or distributions to our common shareholders in amounts sufficient to preserve our REIT status. Cash flow with respect to interest receipts that is swept by our lenders is considered as taxable income to us, and our distribution requirements as a REIT are not lessened.

Risks Related to Our Relationship with Our Manager and its Affiliates

We depend on our Manager and the personnel of TPG provided to our Manager for our success. We may not find a suitable replacement for our Manager if our Management Agreement is terminated, or if key personnel cease to be employed by TPG or otherwise become unavailable to us, which would materially and adversely affect us.

We are externally managed and advised by our Manager, an affiliate of TPG. We currently have no employees and all of our executive officers are employees of TPG. We are completely reliant on our Manager, which has significant discretion as to the implementation of our investment and operating policies and strategies.

Our success depends to a significant extent upon the ongoing efforts, experience, diligence, skill, and network of business contacts of our executive officers and the other key personnel of TPG provided to our Manager and its affiliates. These individuals evaluate, negotiate, execute and monitor our loans and other investments and financings and advise us regarding maintenance of our REIT status and exclusion or exemption from regulation under the Investment Company Act. Our success depends on their skills and management expertise and continued service with our Manager and its affiliates. Furthermore, there is increasing competition among financial sponsors, investment banks and other real estate debt investors for hiring and retaining qualified investment professionals, and there can be

no assurance that such professionals will continue to be associated with us, our Manager or its affiliates or that any replacements will perform well.

In addition, we can offer no assurance that our Manager will remain our investment manager or that we will continue to have access to our executive officers and the other key personnel of TPG who provide services to us. If we terminate our Management Agreement other than upon the occurrence of a cause event or if our Manager terminates our Management Agreement upon our material breach, we would be required to pay a very substantial termination fee to our Manager. See "—Termination of our Management Agreement would be costly." Furthermore, if our Management Agreement is terminated and no suitable replacement is found to manage us, we may not be able to execute our business plan, which would materially and adversely affect us.

Other than any dedicated or partially dedicated chief financial officer that our Manager may elect to provide to us, the TPG personnel provided to our Manager, as our external manager, are not required to dedicate a specific portion of their time to the management of our business.

Other than with respect to any dedicated or partially dedicated chief financial officer that our Manager may elect to provide to us, neither our Manager nor any other TPG affiliate is obligated to dedicate any specific personnel exclusively to us nor are they or their personnel obligated to dedicate any specific portion of their time to the management of our business. Although our Manager has informed us that Robert Foley will continue to serve as our chief financial officer and that he will spend a substantial portion of his time on our affairs, key personnel, including Mr. Foley, provided to us by our Manager may become unavailable to us as a result of their departure from TPG or for any other reason. As a result, we cannot provide any assurances regarding the amount of time our Manager or its affiliates will dedicate to the management of our business and our Manager and its affiliates may have conflicts in allocating their time, resources and services among our business and any TPG Funds they may manage, and such conflicts may not be resolved in our favor. Each of our executive officers is also an employee of TPG, who has now or may be expected to have significant responsibilities for TPG Funds managed by TPG now or in the future. Consequently, we may not receive the level of support and assistance that we otherwise might receive if we were internally managed. Our Manager and its affiliates are not restricted from entering into other investment advisory relationships or from engaging in other business activities.

Our Manager manages our portfolio pursuant to broad investment guidelines and is not required to seek the approval of our board of directors for each investment, financing, asset allocation or hedging decision made by it, which may result in our making riskier loans and other investments and which could materially and adversely affect us.

Our Manager is authorized to follow broad investment guidelines that provide it with substantial discretion regarding investment, financing, asset allocation and hedging decisions. Our board of directors will periodically review our investment guidelines and our portfolio but will not, and will not be required to, review and approve in advance all of our proposed loans and other investments or our Manager's financing, asset allocation or hedging decisions. In addition, in conducting periodic reviews, our directors may rely primarily on information provided, or recommendations made, to them by our Manager or its affiliates. Subject to maintaining our REIT qualification and our exclusion or exemption from regulation under the Investment Company Act, our Manager has significant latitude within the broad investment guidelines in determining the types of loans and other investments it makes for us, and how such loans and other investments are financed or hedged, which could result in investment returns that are substantially below expectations or losses, which could materially and adversely affect us.

Our Manager's fee structure may not create proper incentives or may induce our Manager and its affiliates to make certain loans or other investments, including speculative investments, which increase the risk of our portfolio.

We pay our Manager base management fees regardless of the performance of our portfolio. Our Manager's entitlement to base management fees, which are not based solely upon performance metrics or goals, might reduce its incentive to devote its time and effort to seeking loans or other investments that provide attractive risk-adjusted returns for our stockholders. Because the base management fees are also based in part on our outstanding equity, our Manager may also be incentivized to advance strategies that increase our equity, and there may be circumstances where increasing our equity will not optimize the returns for our stockholders. Consequently, we are required to pay

our Manager base management fees in a particular period despite experiencing a net loss or a decline in the value of our portfolio during that period.

In addition, our Manager has the ability to earn incentive compensation each quarter based on our Core Earnings, as calculated in accordance with our Management Agreement, which may create an incentive for our Manager to invest in assets with higher yield potential, which are generally riskier or more speculative, or sell an asset prematurely for a gain, in an effort to increase our short-term net income and thereby increase the incentive compensation to which it is entitled. This could result in increased risk to our investment portfolio. If our interests and those of our Manager are not aligned, the execution of our business plan could be adversely affected, which could materially and adversely affect us.

We may compete with existing and future TPG Funds, which may present various conflicts of interest that restrict our ability to pursue certain investment opportunities or take other actions that are beneficial to our business and result in decisions that are not in the best interests of our stockholders.

We are subject to conflicts of interest arising out of our relationship with TPG, including our Manager and its affiliates. As of December 31, 2020, three of our eight directors are employees of TPG. In addition, our chief financial officer and our other executive officers are also employees of TPG, and we are managed by our Manager, a TPG affiliate. There is no guarantee that the policies and procedures adopted by us, the terms and conditions of our Management Agreement or the policies and procedures adopted by our Manager, TPG and their affiliates, as the case may be, will enable us to identify, adequately address or mitigate these conflicts of interest. Some examples of conflicts of interest that may arise by virtue of our relationship with our Manager and TPG include:

- *TPG's Policies and Procedures*. Specified policies and procedures implemented by TPG, including our Manager, to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may reduce the advantages across TPG's various businesses that TPG expects to draw on for purposes of pursuing attractive investment opportunities. Because TPG has many different asset management, advisory and other businesses, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses, TPG has implemented certain policies and procedures (for example, information walls) that may reduce the benefits that TPG expects to utilize for our Manager for purposes of identifying and managing our investments. For example, TPG may come into possession of material non-public information with respect to companies that are TPG's advisory clients in which our Manager may be considering making an investment on our behalf. As a consequence, that information, which could be of benefit to our Manager or us, might become restricted to those other businesses and otherwise be unavailable to our Manager, and could also restrict our Manager's activities. Additionally, the terms of confidentiality or other agreements with or related to companies in which any TPG Fund has or has considered making an investment or which is otherwise an advisory client of TPG may restrict or otherwise limit the ability of TPG or our Manager to engage in businesses or activities competitive with such companies.
- *Allocation of Investment Opportunities.* Certain inherent conflicts of interest arise from the fact that TPG and our Manager will provide investment management and other services both to us and to other persons or entities, whether or not the investment objectives or policies of any such other person or entity are similar to those of ours, including, without limitation, the sponsoring, closing and/or managing of any TPG Fund. However, for so long as our Management Agreement is in effect and TPG controls our Manager, neither our Manager nor TPG Real Estate Management, LLC, which is the manager of TPG Real Estate Partners, will directly or indirectly form any other public vehicle in the U.S. whose strategy is to primarily originate, acquire and manage performing commercial mortgage loans. The respective investment guidelines and policies of our business and the TPG Funds may or may not overlap, in whole or in part, and if there is any such overlap, investment opportunities will be allocated between us and the TPG Funds in a manner that may result in fewer investment opportunities being allocated to us than would have otherwise been the case in the absence of such TPG Funds. The methodology applied between us and one or more of the TPG Funds under TPG's allocation policy may result in us not participating (and/or not participating to the same extent) in certain investment opportunities in which we would have otherwise participated had the related allocations been determined without regard to such

allocation policy and/or based only on the circumstances of those particular investments. TPG and our Manager may also give advice to TPG Funds that may differ from advice given to us even though such TPG Funds' investment objectives may be the same or similar to ours.

To the extent any TPG Funds otherwise have investment objectives or guidelines that overlap with ours, in whole or in part, then, pursuant to TPG's allocation policy, investment opportunities that fall within such common objectives or guidelines will generally be allocated among our company and one or more of such TPG Funds on a basis that our Manager and applicable TPG affiliates determine to be fair and reasonable in their sole discretion, subject to the following considerations:

- our and the relevant TPG Funds' investment focuses and objectives;
- the TPG professionals who sourced the investment opportunity;
- the TPG professionals who are expected to oversee and monitor the investment;
- the expected amount of capital required to make the investment, as well as our and the relevant TPG Funds' current and projected capacity for investing (including for any potential follow-on investments);
- our and the relevant TPG Funds' targeted rates of return and investment holding periods;
- the stage of development of the prospective portfolio company or borrower;
- our and the relevant TPG Funds' respective existing portfolio of investments;
- the investment opportunity's risk profile;
- our and the relevant TPG Funds' respective expected life cycles;
- any investment targets or restrictions (e.g., industry, size, etc.) that apply to us and the relevant TPG Funds;
- our ability and the ability of the relevant TPG Funds to accommodate structural, timing and other aspects of the investment process; and
- legal, tax, contractual, regulatory or other considerations that our Manager and applicable TPG affiliates deem relevant.

There is no assurance that any such conflicts arising out of the foregoing will be resolved in our favor. Our Manager and TPG affiliates are entitled to amend their investment objectives or guidelines at any time without prior notice to us or our consent.

- *Investments in Different Levels or Classes of an Issuer's Securities.* We and the TPG Funds may make investments at different levels of an issuer's or borrower's capital structure (for example, an investment by a TPG Fund in an equity or mezzanine interest with respect to the same portfolio entity in which we own a debt interest or vice versa) or in a different tranche of debt or equity with respect to an entity in which we have an interest. We may make investments that are senior or junior to, or have rights and interests different from or adverse to, the investments made by the TPG Funds. Such investments may conflict with the interests of such TPG Funds in related investments, and the potential for any such conflicts of interests may be heightened in the event of a default or restructuring of any such investments. Actions may be taken for the TPG Funds that are adverse to us, including with respect to the timing and manner of sale and actions taken in circumstances of financial distress. In addition, in connection with such investments, TPG will generally seek to implement certain procedures to mitigate conflicts of interest which typically involve maintaining a non-controlling interest in any such investment and a forbearance of rights, including certain non-economic rights, relating to the TPG Funds, such as where TPG may cause us to decline to exercise certain control- and/or foreclosure-related rights with respect to a portfolio entity (including following the vote of other third-party lenders generally or otherwise recusing itself with respect to decisions), including with respect to defaults, foreclosures, workouts, restructurings and/or exit opportunities, subject to certain limitations. Our Management Agreement requires our Manager to keep our board of directors reasonably informed on a periodic basis in connection with the foregoing, including with respect to transactions that involve investments at different levels of an issuer's or borrower's capital structure, as to which our Manager has agreed to provide our

board of directors with quarterly updates. While TPG will seek to resolve any conflicts in a fair and equitable manner with respect to conflicts resolution among us and the TPG Funds generally, such transactions are not required to be presented to our board of directors for approval, and there can be no assurance that any such conflicts will be resolved in our favor.

- *Assignment and Sharing or Limitation of Rights.* We may invest alongside TPG Funds and in connection therewith may, for legal, tax, regulatory or other reasons which may be unrelated to us, share with or assign to such TPG Funds certain of our rights, in whole or in part, or agree to limit our rights, including in certain instances certain control- and/or foreclosure-related rights with respect to such shared investments and/or otherwise agree to implement certain procedures to ameliorate conflicts of interest which may in certain circumstances involve a forbearance of our rights. Such sharing or assignment of rights could make it more difficult for us to protect our interests and could give rise to a conflict (which may be exacerbated in the case of financial distress) and could result in a TPG Fund exercising such rights in a way that is adverse to us.
- *Providing Debt Financings in connection with Acquisitions by Third Parties of Assets Owned by TPG Funds.* We may provide financing (1) as part of the bid or acquisition by a third party to acquire interests in (or otherwise make an investment in the underlying assets of) a portfolio entity owned by one or more TPG Funds or their affiliates of assets and/or (2) with respect to one or more portfolio entities or borrowers in connection with a proposed acquisition or investment by one or more TPG Funds or their affiliates relating to such portfolio entities and/or their underlying assets. This may include making commitments to provide financing at, prior to or around the time that any such purchaser commits to or makes such investments. We may also make investments and provide debt financing with respect to portfolio entities in which TPG Funds and/or their affiliates hold or propose to acquire an interest. While the terms and conditions of any such debt commitments and related arrangements will generally be on market terms, the involvement of us and/or such TPG Funds or their affiliates in such transactions may affect the terms of such transactions or arrangements and/or may otherwise influence our Manager's decisions with respect to the management of us and/or TPG's management of such TPG Funds and/or the relevant portfolio entity, which will give rise to potential or actual conflicts of interests and which may adversely impact us.
- *Pursuit of Differing Strategies*. TPG and our Manager may determine that an investment opportunity may not be appropriate for us but may be appropriate for one or more of the TPG Funds, or may decide that our company and certain of the TPG Funds should take differing positions with respect to a particular investment. In these cases, TPG and our Manager may pursue separate transactions for us and one or more TPG Funds. This may affect the market price or the terms of the particular investment or the execution of the transaction, or both, to the detriment or benefit of us and one or more TPG Funds. For example, a TPG investment manager may determine that it would be in the interest of a TPG Fund to sell a security that we hold long, potentially resulting in a decrease in the market price of the security held by us.
- *Variation in Financial and Other Benefits*. A conflict of interest arises where the financial or other benefits available to our Manager or its affiliates differ among us and the TPG Funds that it manages. If the amount or structure of the base management fees, incentive compensation and/or our Manager's or its affiliates' compensation differs among us and the TPG Funds (such as where certain TPG Funds pay higher base management fees, incentive compensation, performance-based management fees or other fees), our Manager or its affiliates might be motivated to help such TPG Funds over us. Similarly, the desire to maintain assets under management or to enhance our Manager's or its affiliates' performance records or to derive other rewards, financial or otherwise, could influence our Manager or its affiliates in affording preferential treatment to TPG Funds over us. Our Manager may, for example, have an incentive to allocate favorable or limited opportunity investments or structure the timing of investments to favor such TPG Funds. Additionally, our Manager might be motivated to favor TPG Funds in which it has an ownership interest or in which TPG has ownership interests. Conversely, if an investment professional at our Manager or its affiliates does not personally hold an investment in us but holds investments in TPG Funds, such investment professional's conflicts of interest with respect to us may be more acute.
- *Underwriting, Advisory and Other Relationships.* As part of its regular business, TPG provides a broad range of underwriting, investment banking, placement agent and other services. In connection with

selling investments by way of a public offering, a TPG broker-dealer may act as the managing underwriter or a member of the underwriting syndicate on a firm commitment basis and purchase securities on that basis. TPG may retain any commissions, remuneration, or other profits and receive compensation from such underwriting activities, which have the potential to create conflicts of interest. TPG may also participate in underwriting syndicates from time to time with respect to us or portfolio companies of TPG Funds or may otherwise be involved in the private placement of debt or equity securities issued by us or such portfolio companies, or otherwise in arranging financings with respect thereto. Subject to applicable law, TPG may receive underwriting fees, placement commissions or other compensation with respect to such activities, which will not be shared with us or our stockholders. Where TPG serves as underwriter with respect to a portfolio company's securities, we or the applicable TPG Fund holding such securities may be subject to a "lock-up" period following the offering under applicable regulations during which time our ability to sell any securities that we continue to hold is restricted. This may prejudice our ability to dispose of such securities at an opportune time.

TPG has long-term relationships with a significant number of corporations and their senior management. In determining whether to invest in a particular transaction on our behalf, our Manager may consider those relationships (subject to its obligations under our Management Agreement), which may result in certain transactions that our Manager would not otherwise undertake or refrain from undertaking on our behalf in view of such relationships.

- *Service Providers*. Certain of our service providers or their affiliates (including administrators, lenders, brokers, attorneys, consultants and investment banking or commercial banking firms) also provide goods or services to, or have business, personal or other relationships with, TPG. Such service providers may be sources of investment opportunities, co-investors or commercial counterparties or portfolio companies of TPG Funds. Such relationships may influence our Manager in deciding whether to select such service providers. In certain circumstances, service providers or their affiliates may charge different rates or have different arrangements for services provided to TPG or TPG Funds as compared to services provided to us, which in certain circumstances may result in more favorable rates or arrangements than those payable by, or made with, us. In addition, in instances where multiple TPG businesses may be exploring a potential individual investment, certain of these service providers may choose to be engaged by TPG rather than us.
- *Material, Non-Public Information.* We, directly or through TPG, our Manager or certain of their respective affiliates, may come into possession of material non-public information with respect to an issuer or borrower in which we have invested or may invest. Should this occur, our Manager may be restricted from buying or selling securities, derivatives or loans of the issuer or borrower on our behalf until such time as the information becomes public or is no longer deemed material. Disclosure of such information to the personnel responsible for management of our business may be on a need-to-know basis only, and we may not be free to act upon any such information. Therefore, we and/or our Manager may not have access to material non-public information in the possession of TPG which might be relevant to an investment decision to be made by our Manager on our behalf, and our Manager may initiate a transaction or purchase or sell an investment which, if such information had been known to it, may not have been undertaken. Due to these restrictions, our Manager may not be able to initiate a transaction on our behalf that it otherwise might have initiated and may not be able to purchase or sell an investment that it otherwise might have purchased or sold, which could negatively affect us.
- *Possible Future Activities.* Our Manager and its affiliates may expand the range of services that they provide over time. Except as and to the extent expressly provided in our Management Agreement, our Manager, TPG RE Management, LLC and their respective affiliates will not be restricted in the scope of their businesses or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. Our Manager, TPG and their affiliates continue to develop relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with clients who may hold or may have held investments similar to those intended to be made by us. These clients may themselves represent appropriate investment opportunities for us or may compete with us for investment opportunities.

- *Transactions with TPG Funds*. From time to time, we may enter into purchase and sale transactions with TPG Funds. Such transactions will be conducted in accordance with, and subject to, the terms and conditions of our Management Agreement (including the requirement that sales to, or acquisitions of investments or receipt of financing from, TPG, any TPG Fund or any of their affiliates be approved in advance by a majority of our independent directors) and our code of business conduct and ethics and applicable laws and regulations.
- *Loan Refinancings*. We may from time to time seek to participate in investments relating to the refinancing of loans held by TPG Funds. While it is expected that our participation in connection with such refinancing transactions will be at arms' length and on market/contract terms, such transactions may give rise to potential or actual conflicts of interest.

TPG may enter into one or more strategic relationships in certain geographical regions or with respect to certain types of investments that, although intended to provide greater opportunities for us, may require us to share such opportunities or otherwise limit the amount of an opportunity we can otherwise take.

Further conflicts could arise once we and TPG have made our and their respective investments. For example, if a company goes into bankruptcy or reorganization, becomes insolvent or otherwise experiences financial distress or is unable to meet its payment obligations or comply with covenants relating to securities held by us or by TPG, TPG may have an interest that conflicts with our interests or TPG may have information regarding the company that we do not have access to. If additional financing is necessary as a result of financial or other difficulties, it may not be in our best interests to provide such additional financing. If TPG were to lose investments as a result of such difficulties, the ability of our Manager to recommend actions in our best interests might be impaired.

Termination of our Management Agreement would be costly.

Termination of our Management Agreement without cause would be difficult and costly. Our independent directors will review our Manager's performance and the fees that may be payable to our Manager annually, and our Management Agreement may be terminated each year upon the affirmative vote of at least two-thirds of our independent directors, based upon their determination that (1) our Manager's performance is unsatisfactory and materially detrimental to us and our subsidiaries taken as a whole or (2) the base management fee and incentive compensation, taken as a whole, payable to our Manager is not fair, subject to our Manager's right to prevent any termination due to unfair fees by accepting a reduction of fees agreed to by at least two-thirds of our independent directors. We are required to provide our Manager with 180 days' prior written notice of any such termination. Additionally, upon such a termination unrelated to a cause event, or if we materially breach our Management Agreement and our Manager terminates our Management Agreement, our Management Agreement provides that we will pay our Manager a termination fee equal to three times the sum of (x) the average annual base management fee and (y) the average annual incentive compensation earned by our Manager, in each case during the 24-month period immediately preceding the most recently completed calendar quarter prior to the date of termination. These provisions increase the cost to us of terminating our Management Agreement and adversely affect our ability to terminate our Manager in the absence of a cause event.

Our Manager maintains a contractual as opposed to a fiduciary relationship with us. Our Manager's liability is limited under our Management Agreement, and we have agreed to indemnify our Manager against certain liabilities.

Pursuant to our Management Agreement, our Manager assumes no responsibility to us other than to render the services called for thereunder in good faith and will not be responsible for any action of our board of directors in following or declining to follow its advice or recommendations, including as set forth in our investment guidelines. Our Manager maintains a contractual as opposed to a fiduciary relationship with us. Under the terms of our Management Agreement, our Manager and its affiliates, and their respective directors, officers, employees, members, partners and stockholders, will not be liable to us, any subsidiary of ours, our board of directors, our stockholders or any of our subsidiaries' stockholders, members or partners for acts or omissions performed in accordance with and pursuant to our Management Agreement, except by reason of acts or omissions constituting bad faith, willful misconduct, gross negligence or reckless disregard of their duties under our Management Agreement. We have agreed to indemnify our Manager, its affiliates and the directors, officers, employees, members, partners and stockholders of our Manager and its affiliates from any and all expenses, losses, damages, liabilities, demands,

charges and claims of any nature whatsoever (including reasonable attorneys' fees) in respect of or arising from any acts or omissions of such party performed in good faith under our Management Agreement and not constituting bad faith, willful misconduct, gross negligence or reckless disregard of duties of such party under our Management Agreement. As a result, we could experience poor performance or losses for which our Manager would not be liable.

We do not own the TPG name, but we may use it as part of our corporate name pursuant to a trademark license agreement with an affiliate of TPG. Use of the name by other parties or the termination of our trademark license agreement may harm our business.

We have entered into a trademark license agreement (the "trademark license agreement") with an affiliate of TPG (the "licensor"), pursuant to which it has granted us a fully paid-up, royalty-free, non-exclusive, non-transferable, non-sublicensable license to use the name "TPG RE Finance Trust, Inc." and the ticker symbol "TRTX." Under this agreement, we have a right to use this name for so long as our Manager (or another TPG affiliate that serves as our manager) remains an affiliate of the licensor under the trademark license agreement. The trademark license agreement may be terminated by either party as a result of certain breaches or upon 90 days' prior written notice; provided that upon notification of such termination by us, the licensor may elect to effect termination of the trademark license agreement immediately at any time after 30 days from the date of such notification. The licensor will retain the right to continue using the "TPG" name. The trademark license agreement does not permit us to preclude the licensor from licensing or transferring the ownership of the "TPG" name to third parties, some of whom may compete with us. Consequently, we may be unable to prevent any damage to goodwill that may occur as a result of the activities of the licensor, TPG or others. Furthermore, in the event that the trademark license agreement is terminated, we will be required to, among other things, change our name and NYSE ticker symbol. Any of these events could disrupt our recognition in the marketplace, damage any goodwill we may have generated and otherwise have a material adverse effect on us.

Risks Related to Our Company

Our investment strategy and guidelines, asset allocation and financing strategy may be changed without stockholder consent.

Our Manager is authorized to follow broad investment guidelines that have been approved by our board of directors. Those investment guidelines, as well as our target assets, investment strategy, financing strategy and hedging policies with respect to investments, originations, acquisitions, growth, operations, indebtedness, capitalization and distributions, may be changed at any time without notice to, or the consent of, our stockholders. This could result in an investment portfolio with a different risk profile. A change in our investment strategy may increase our exposure to interest rate risk, default risk and real estate market fluctuations. Furthermore, a change in our asset allocation could result in our making investments in asset categories different from those described in this Form 10-K. These changes could materially and adversely affect us.

We may not be able to operate our business successfully or implement our operating policies and investment strategy.

We cannot assure you that our past experience will be sufficient to enable us to operate our business successfully or implement our operating policies and investment strategy as described in this Form 10-K. Furthermore, we may not be able to generate sufficient operating cash flows to pay our operating expenses or service our indebtedness. Our operating cash flows will depend on many factors, including the performance of our existing portfolio, the availability of attractive investment opportunities for the origination and selective acquisition of additional assets, the level and volatility of interest rates, readily accessible short-term and long-term financing, conditions in the financial markets, the real estate market and the economy, and our ability to successfully operate our business and execute our investment strategy. We face substantial competition in originating and acquiring attractive loans and other investments, which could adversely impact the returns from new loans and other investments.

TPG and our Manager may not be able to hire and retain qualified loan originators or grow and maintain our relationships with key borrowers and loan brokers, and if they are unable to do so, we could be materially and adversely affected.

We depend on TPG and our Manager to generate borrower clients by, among other things, developing relationships with property owners, developers, mortgage brokers and investors and others, which we believe leads to repeat and referral business. Accordingly, TPG and our Manager must be able to attract, motivate and retain skilled loan originators. The market for loan originators is highly competitive and may lead to increased costs to hire and retain them. We cannot guarantee that TPG and our Manager will be able to attract or retain qualified loan originators. If TPG and our Manager cannot attract, motivate or retain a sufficient number of skilled loan originators, or even if they can motivate or retain them but at higher costs, we could be materially and adversely affected. We also depend on TPG and our Manager for a network of loan brokers, which generates a significant portion of our loan originations. While TPG and our Manager will strive to continue to cultivate long-standing broker relationships that generate repeat business for us, brokers are free to transact business with other lenders and have done so in the past and will do so in the future. Our competitors also have relationships with some of our brokers and actively compete with us in bidding on loans marketed by these brokers, which could impair our loan origination volume and reduce our returns. There can be no assurance that TPG and our Manager will be able to maintain or develop new relationships with additional brokers.

Maintenance of our exemptions from registration as an investment company under the Investment Company Act imposes significant limits on our operations. Your investment return may be reduced if we are required to register as an investment company under the Investment Company Act.

We conduct, and intend to continue to conduct, our operations so that we are not required to register as an "investment company" as defined in Section 3(a)(1)(A) or Section 3(a)(1)(C) of the Investment Company Act. We believe we are not an investment company under Section 3(a)(1)(A) of the Investment Company Act because we do not engage primarily, or hold ourselves out as being engaged primarily, in the business of investing, reinvesting or trading in securities. Rather, through our wholly-owned or majority-owned subsidiaries, we are primarily engaged in non-investment company businesses related to real estate. In addition, we intend to conduct our operations so that we do not come within the definition of an investment company under Section 3(a)(1)(C) of the Investment Company Act because less than 40% of the value of our total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis will consist of "investment securities" (the "40% test"). Excluded from the term "investment securities" (as that term is defined in the Investment Company Act) are securities issued by majority-owned subsidiaries that are themselves not investment companies and are not relying on the exclusions from the definition of investment company set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. Our interests in wholly-owned or majority-owned subsidiaries that qualify for the exclusion pursuant to Section 3(c)(5)(C), as described below, Rule 3a-7, as described below, or another exclusion or exception under the Investment Company Act (other than Section 3(c)(1) or Section 3(c)(7) thereof), do not constitute "investment securities."

To maintain our status as a non-investment company, the securities issued to us by any wholly-owned or majority-owned subsidiaries that we may form in the future that are excluded from the definition of investment company under Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act, together with any other investment securities we may own, may not have a value in excess of 40% of the value of our total assets on an unconsolidated basis. We will monitor our holdings to ensure ongoing compliance with this test, but there can be no assurance that we will be able to maintain an exclusion or exemption from registration. The 40% test limits the types of businesses in which we may engage through our subsidiaries. In addition, the assets we and our subsidiaries may originate or acquire are limited by the provisions of the Investment Company Act and the rules and regulations promulgated under the Investment Company Act, which may materially and adversely affect us.

We hold our assets primarily through direct or indirect wholly-owned or majority-owned subsidiaries, certain of which are excluded from the definition of investment company pursuant to Section 3(c)(5)(C) of the Investment Company Act. We will classify our assets for purposes of certain of our subsidiaries' Section 3(c)(5)(C) exemption from the Investment Company Act based upon positions set forth by the SEC staff. Based on such positions, to qualify for the exclusion pursuant to Section 3(c)(5)(C), each such subsidiary generally is required to hold at least (i) 55% of its assets in "qualifying" real estate assets, which we refer to as "Qualifying Interests," and (ii) at least 80% of its assets in Qualifying Interests and real estate-related assets. Qualifying Interests for this purpose include senior mortgage loans, certain B-Notes and certain mezzanine loans that satisfy various conditions as set forth in SEC staff

no-action letters and other guidance, and other assets that the SEC staff in various no-action letters and other guidance has determined are Qualifying Interests for the purposes of the Investment Company Act. We treat as real estate-related assets B-Notes, CRE debt securities and mezzanine loans that do not satisfy the conditions set forth in the relevant SEC staff no-action letters and other guidance, and debt and equity securities of companies primarily engaged in real estate businesses. The SEC has not published guidance with respect to the treatment of the *pari passu* participation interests in senior mortgage loans held by certain of our subsidiaries for purposes of the Section 3(c)(5)(C) exclusion. Unless the SEC or its staff issues guidance applicable to the participation interests, we intend to treat such participation interests as real estate-related assets. Because of the composition of the assets of our subsidiaries that own such participation interests, we currently treat such subsidiaries as excluded from the definition of investment company under Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act, and treat the securities issued by them to us as "investment securities" for purposes of the 40% test.

Certain of our subsidiaries rely on Rule 3a-7 under the Investment Company Act. We refer to these subsidiaries as our "CLO subsidiaries." Rule 3a-7 under the Investment Company Act is available to certain structured financing vehicles that are engaged in the business of holding financial assets that, by their terms, convert into cash within a finite time period and that issue fixed income securities entitling holders to receive payments that depend primarily on the cash flows from these assets, provided that, among other things, the structured finance vehicle does not engage in certain portfolio management practices resembling those employed by management investment companies (e.g., mutual funds). Accordingly, each of these CLO subsidiaries is subject to an indenture (or similar transaction documents) that contains specific guidelines and restrictions limiting the discretion of the CLO subsidiary and its collateral manager, if applicable. In particular, these guidelines and restrictions prohibit the CLO subsidiary from acquiring and disposing of assets primarily for the purpose of recognizing gains or decreasing losses resulting from market value changes. Thus, a CLO subsidiary cannot acquire or dispose of assets primarily to enhance returns to the owner of the equity in the CLO subsidiary; however, subject to this limitation, sales and purchases of assets may be made so long as doing so does not violate guidelines contained in the CLO subsidiary's relevant transaction documents. A CLO subsidiary generally can, for example, sell an asset if the collateral manager believes that its credit characteristic qualifies it as an impaired asset, subject to fulfilling the requirements set forth in Rule 3a-7 under the Investment Company Act and the CLO subsidiary's relevant transaction documents. As a result of these restrictions, our CLO subsidiaries may suffer losses on their assets and we may suffer losses on our investments in those CLO subsidiaries.

SEC no-action positions are based on specific factual situations that differ in some regards from the factual situations we and our subsidiaries may face, and as a result, we may have to apply SEC staff guidance that relates to other factual situations by analogy. A number of these no-action positions were issued more than twenty years ago. There may be no guidance from the SEC staff that applies directly to our factual situations, and the SEC may disagree with our conclusion that the published guidance applies in the manner we have concluded. No assurance can be given that the SEC or its staff will concur with our classification of our assets. In addition, the SEC or its staff may, in the future, issue further guidance that may require us to re-classify our assets for purposes of the Investment Company Act, including for purposes of our subsidiaries' compliance with the exclusions provided in Section 3(c)(5)(C) or Rule 3a-7 of the Investment Company Act. There is no guarantee that we will be able to adjust our assets in the manner required to maintain our exclusion or exemption from the Investment Company Act and any adjustment in our strategy or assets could have a material adverse effect on us.

To the extent that the SEC or its staff provides more specific guidance regarding any of the matters bearing upon the definition of investment company and the exemptions to that definition, we may be required to adjust our strategy accordingly. On August 31, 2011, the SEC issued a concept release and request for comments regarding the Section 3(c)(5)(C) exclusion (Release No. IC-29778) in which it contemplated the possibility of issuing new rules or providing new interpretations of the exemption that might, among other things, define the phrase "liens on and other interests in real estate" or consider sources of income in determining a company's "primary business." Any additional guidance from the SEC or its staff could further inhibit our ability to pursue the strategies we have chosen.

Because registration as an investment company would significantly affect our (or our subsidiaries') ability to engage in certain transactions or be structured in the manner we currently are, we intend to conduct our business so that we and our wholly-owned subsidiaries and majority-owned subsidiaries will continue to satisfy the requirements to avoid regulation as an investment company. However, there can be no assurance that we or our subsidiaries will be able to satisfy these requirements and maintain our and their exclusion or exemption from such registration. If we or our wholly-owned subsidiaries or our majority-owned subsidiaries do not meet these requirements, we could be forced to alter our investment portfolio by selling or otherwise disposing of a substantial portion of the assets that do

not satisfy the applicable requirements or by acquiring a significant position in assets that are Qualifying Interests. Such investments may not represent an optimum use of capital when compared to the available investments we and our subsidiaries target pursuant to our investment strategy. These investments may present additional risks to us, and these risks may be compounded by our inexperience with such investments. Altering our investment portfolio in this manner may materially and adverse affect us if we are forced to dispose of or acquire assets in an unfavorable market.

There can be no assurance that we and our subsidiaries will be able to successfully avoid operating as an unregistered investment company. If it were established that we were an unregistered investment company, there would be a risk that we would be subject to monetary penalties and injunctive relief in an action brought by the SEC, that we would be unable to enforce contracts with third parties, that third parties could seek to obtain rescission of transactions undertaken during the period for which it was established that we were an unregistered investment company, and that we would be subject to limitations on corporate leverage that would have an adverse impact on our investment returns.

If we were required to register as an investment company under the Investment Company Act, we would become subject to substantial regulation with respect to our capital structure (including our ability to use borrowings), management, operations, transactions with affiliated persons (as defined in the Investment Company Act) and portfolio composition, including disclosure requirements and restrictions with respect to diversification and industry concentration and other matters. Compliance with the Investment Company Act would, accordingly, limit our ability to make certain investments and require us to significantly restructure our business plan, which could materially and adversely affect our ability to pay distributions to our stockholders. Because affiliate transactions generally are prohibited under the Investment Company Act, we would not be able to enter into transactions with any of our affiliates if we fail to maintain our exclusion or exemption, and our Manager may terminate our Management Agreement if we become required to register as an investment company, with such termination deemed to occur immediately before such event. If our Management Agreement is terminated, it could constitute an event of default under our financing arrangements and financial institutions may then have the right to accelerate their outstanding loans to us and terminate their arrangements and their obligation to advance funds to us in the future. In addition, we may not be able to secure a replacement manager on favorable terms, if at all. Thus, compliance with the requirements of the Investment Company Act imposes significant limits on our operations, and our failure to comply with those requirements would likely have a material adverse effect on us.

Rapid changes in the market value or income potential of our assets may make it more difficult for us to maintain our qualification as a REIT or our exclusion or exemption from regulation under the Investment Company Act.

If the market value or income potential of our assets declines, we may need to acquire additional assets and/or liquidate certain types of assets in order to maintain our REIT qualification or our exclusion or exemption from the Investment Company Act. If the decline in the market value and/or income of our assets occurs quickly, this may be especially difficult to accomplish. This difficulty may be exacerbated by the illiquid nature of the assets that we may own. We may have to make investment decisions that we otherwise would not make absent the REIT qualification and Investment Company Act considerations, which could materially and adversely affect us.

The due diligence process undertaken by our Manager in regard to our investment opportunities may not reveal all facts relevant to an investment and, as a result, we may experience losses, which could materially and adversely affect us.

Before originating a loan to a borrower or making other investments for us, our Manager conducts due diligence that it deems reasonable and appropriate based on the facts and circumstances relevant to each potential investment. When conducting due diligence, our Manager may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of potential investment. Relying on the resources available to it, our Manager evaluates our potential investments based on criteria it deems appropriate for the relevant investment. Our Manager's estimates may not prove accurate, as actual results may vary from estimates. If our Manager underestimates the asset-level losses relative to the price we pay for a particular investment, we may experience losses with respect to such investment. Additionally, during the mortgage loan underwriting process, appraisals will generally be obtained by our Manager on the collateral underlying each prospective mortgage. Inaccurate or inflated appraisals may result in an increase in the severity of losses on the mortgage loans. Any such losses could materially and adversely affect us.

Failure to obtain, maintain or renew required licenses and authorizations necessary to operate our mortgage-related activities may materially and adversely affect us.

We and our Manager are required to obtain, maintain or renew certain licenses and authorizations (including "doing business" authorizations and licenses to act as a commercial mortgage lender) from U.S. federal or state governmental authorities, government sponsored entities or similar bodies in connection with some or all of our mortgage-related activities. There is no assurance that we or our Manager will be able to obtain, maintain or renew any or all of the licenses and authorizations that we require or that we or our Manager will avoid experiencing significant delays in connection therewith. The failure of our company or our Manager to obtain, maintain or renew licenses will restrict our options and ability to engage in desired activities, and could subject us to fines, suspensions, terminations and various other adverse actions if it is determined that we or our Manager have engaged without the requisite licenses or authorizations in activities that required a license or authorization, which could have a material adverse effect on us.

Changes in laws or regulations governing our operations, changes in the interpretation thereof or newly enacted laws or regulations and any failure by us to comply with these laws or regulations could materially and adversely affect us.

The laws and regulations governing our operations, as well as their interpretation, may change from time to time, and new laws and regulations may be enacted. Accordingly, any change in these laws or regulations, changes in their interpretation or newly enacted laws or regulations and any failure by us to comply with these laws or regulations could require changes to certain of our business practices or impose additional costs on us, which could materially and adversely affect us. Furthermore, if regulatory capital requirements, whether under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), Basel III or other regulatory action, are imposed on private lenders that provide us with funds, or were to be imposed on us, they or we may be required to limit, or increase the cost of, financing they provide to us or that we provide to others. Among other things, this could potentially increase our financing costs, reduce our ability to originate or acquire loans and other investments and reduce our liquidity or require us to sell assets at an inopportune time or price.

In addition, various laws and regulations currently exist that restrict the investment activities of banks and certain other financial institutions but do not apply to us, which we believe creates opportunities for us to originate loans and participate in certain other investments that are not available to these more regulated institutions. However, we cannot assure you that governmental authorities will not seek to deregulate the financial industry in the future, including by amending the Dodd-Frank Act, which may decrease the restrictions on banks and other financial institutions and allow them to better compete with us for investment opportunities. For example, in 2018, President Trump signed into law a bill easing the regulation and oversight of certain banks under the Dodd-Frank Act. See "—Risks Related to Our Lending and Investment Activities—We operate in a competitive market for the origination and acquisition of attractive investment opportunities and competition may limit our ability to originate or acquire attractive investments in our target assets, which could have a material adverse effect on us." In addition, the results of the 2020 U.S. presidential and congressional elections could have further impacts on our industry if new legislative or regulatory reforms are adopted. We are unable to predict at this time the effect of any such reforms.

Over the last several years, there also has been an increase in regulatory attention to the extension of credit outside the traditional banking sector, raising the possibility that some portion of the non-bank financial sector will be subject to new regulation. While it cannot be known at this time whether any regulation will be implemented or what form it will take, increased regulation of non-bank credit extension could negatively impact our operations, cash flows or financial condition, impose additional costs on us, intensify the regulatory supervision of us or otherwise materially and adversely affect us.

In addition, the Iran Threat Reduction and Syria Human Rights Act of 2012 (the "ITRA") expands the scope of U.S. sanctions against Iran and Syria. In particular, Section 219 of the ITRA amended the Exchange Act to require companies subject to SEC reporting obligations under Section 13 of the Exchange Act to disclose in their periodic reports specified dealings or transactions involving Iran or other individuals and entities targeted by certain sanctions promulgated by the Office of Foreign Assets Control of the U.S. Treasury Department engaged in by the reporting company or any of its affiliates during the period covered by the relevant periodic report. These companies are required to separately file with the SEC a notice that such activities have been disclosed in the relevant periodic reports, and the SEC is required to post this notice of disclosure on its website and send the report to the U.S. President and certain U.S. Congressional committees. The U.S. President thereafter is required to initiate an

investigation and, within 180 days of initiating such an investigation with respect to certain disclosed activities, to determine whether sanctions should be imposed. Disclosure of such activity, even if such activity is not subject to sanctions under applicable law, and any sanctions actually imposed on us or our affiliates as a result of these activities, could harm our reputation and have a negative impact on our business.

Actions of the U.S. government, including the U.S. Congress, Federal Reserve Board, U.S. Treasury Department and other governmental and regulatory bodies, to stabilize or reform the financial markets, or market response to those actions, may not achieve the intended effect and could materially and adversely affect us.

In July 2010, the Dodd-Frank Act was signed into law, which imposes significant investment restrictions and capital requirements on banking entities and other organizations that are significant to U.S. financial stability. For instance, the so-called "Volcker Rule" provisions of the Dodd-Frank Act impose significant restrictions on the proprietary trading activities of banking entities and on their ability to sponsor or invest in private equity and hedge funds. It also subjects nonbank financial companies that have been designated as "systemically important" by the Financial Stability Oversight Council to increased capital requirements and quantitative limits for engaging in such activities, as well as consolidated supervision by the Federal Reserve Board. The Dodd-Frank Act also seeks to reform the asset-backed securitization market (including the mortgage-backed securities market) by requiring the retention of a portion of the credit risk inherent in the pool of securitized assets and by imposing additional registration and disclosure requirements. In October 2014, five U.S. federal banking and housing agencies and the SEC issued final credit risk retention rules, which generally require sponsors of asset-backed securities to retain at least 5% of the credit risk relating to the assets that underlie such asset-backed securities. These rules, which generally became effective in 2016 with respect to new securitization transactions backed by mortgage loans other than residential mortgage loans, could restrict credit availability and could negatively affect the terms and availability of credit to fund our investments. See "—Risks Related to Our Financing—We have utilized and may in the future utilize non-recourse securitizations to finance our investments, which may expose us to risks that could result in losses." The Dodd-Frank Act's extensive requirements may have a significant effect on the financial markets and may affect the availability or terms of financing from our lender counterparties and the availability or terms of mortgage-backed securities, which may, in turn, have a material adverse effect on us.

On December 16, 2015, the U.S. Commodity Futures Trading Commission (the "CFTC") published a final rule governing margin requirements for uncleared swaps entered into by registered swap dealers and major swap participants who are not supervised by the Federal Reserve Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Farm Credit Administration and the Federal Housing Finance Agency (collectively, the "Prudential Regulators"), referred to as "covered swap entities", and such rule was amended on November 19, 2018. The final rule generally requires covered swap entities, subject to certain thresholds and exemptions, to collect and post margin in respect of uncleared swap transactions with other covered swap entities and financial end-users. In particular, the final rule requires covered swap entities and financial end-users having "material swaps exposure," defined as an average aggregate daily notional amount of uncleared swaps exceeding a certain specified amount, to collect and/or post (as applicable) a minimum amount of "initial margin" in respect of each uncleared swap; the specified amounts for material swaps exposure differ subject to a phase-in schedule, when the average aggregate daily notional amount will thenceforth be $8.0 billion as calculated from June, July and August of the previous calendar year. On November 9, 2020, the CFTC published a final rule extending the last implementation phase of its initial margin requirements for uncleared swaps from September 1, 2021 to September 1, 2022. In addition, the final rule requires covered swap entities entering into uncleared swaps with other covered swap entities or financial-end users, regardless of swaps exposure, to post and/or collect (as applicable) "variation margin" in reflection of changes in the mark-to-market value of an uncleared swap since the swap was executed or the last time such margin was exchanged. The CFTC final rule is broadly consistent with a similar rule requiring the exchange of initial and variation margin adopted by the Prudential Regulators in October 2015, as amended, which apply to registered swap dealers, major swap participants, security-based swap dealers and major security-based swap participants that are supervised by one or more of the Prudential Regulators. These rules on margin requirements for uncleared swaps could adversely affect our business, including our ability to enter such swaps or our available liquidity.

The current regulatory environment may be impacted by future legislative developments, such as amendments to key provisions of the Dodd-Frank Act, including provisions setting forth capital and risk retention requirements. The results of the 2020 U.S. presidential and congressional elections could impact our regulatory environment if new legislative or regulatory reforms are adopted. We are unable to predict at this time the effect of any such reforms, and no assurances can be given as to the passage of any legislation or regulatory reform or the impact that these actions could have on our results of operations or financial condition.

We depend on our Manager to develop appropriate systems and procedures to control operational risk.

We depend on our Manager and its affiliates to develop the appropriate systems and procedures to control operational risk. Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in our operations may cause us to suffer financial losses, the disruption of our business, liability to third parties, regulatory intervention or damage to our reputation. We rely heavily on our Manager's financial, accounting and other data processing systems. The ability of our systems to accommodate transactions could also constrain our ability to properly manage our portfolio. Generally, our Manager will not be liable for losses incurred due to the occurrence of any such errors.

Operational risks, including the risks of cyberattacks, may disrupt our businesses, result in losses or limit our growth.

We rely heavily on our and TPG's financial, accounting, communications and other data processing systems. Such systems may fail to operate properly or become disabled as a result of tampering or a breach of the network security systems or otherwise. In addition, such systems are from time to time subject to cyberattacks, which may continue to increase in sophistication and frequency in the future. Attacks on TPG and its affiliates and their portfolio companies' and service providers' systems could involve attacks that are intended to obtain unauthorized access to our proprietary information or personal identifying information of our stockholders, destroy data or disable, degrade or sabotage our systems, including through the introduction of computer viruses and other malicious code.

Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Remote working as a result of COVID-19 work-from-home policies may increase our vulnerability to such incidents and attacks. Our information and technology systems as well as those of TPG, its portfolio entities and other related parties, such as service providers, may be vulnerable to damage or interruption from cyber security breaches, computer viruses or other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and other security breaches, usage errors by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Cyberattacks and other security threats could originate from a wide variety of sources, including cyber criminals, nation state hackers, hacktivists and other outside parties. There has been an increase in the frequency and sophistication of the cyber and security threats TPG faces, with attacks ranging from those common to businesses generally to those that are more advanced and persistent, which may target TPG because TPG holds a significant amount of confidential and sensitive information about its and our investors, its portfolio companies and potential investments. As a result, we and TPG may face a heightened risk of a security breach or disruption with respect to this information. If successful, these types of attacks on our or TPG's network or other systems could have a material adverse effect on our business and results of operations, due to, among other things, the loss of investor or proprietary data, interruptions or delays in the operation of our business and damage to our reputation. There can be no assurance that measures that TPG takes to ensure the integrity of its systems will provide protection, especially because cyberattack techniques change frequently or are not recognized until successful.

If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information, including nonpublic personal information related to stockholders (and their beneficial owners) and material nonpublic information. Although TPG has implemented, and its portfolio entities and service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. TPG does not control the cyber security plans and systems put in place by third party service providers, and such third party service providers may have limited indemnification obligations to TPG, its portfolio entities and us, each of which could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized

users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing them from being addressed appropriately. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in TPG's, its affiliates', their portfolio entities' or our operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to stockholders, material nonpublic information and the intellectual property and trade secrets and other sensitive information in the possession of TPG and its portfolio entities. We, TPG or a portfolio entity could be required to make a significant investment to remedy the effects of any such failures, harm to their reputations, legal claims that they and their respective affiliates may be subjected to, regulatory action or enforcement arising out of applicable privacy and other laws, adverse publicity and other events that may affect their business and financial performance.

In addition, TPG operates in businesses that are highly dependent on information systems and technology. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. In addition, cybersecurity has become a top priority for regulators around the world. Many jurisdictions in which we and TPG operate have laws and regulations relating to data privacy, cybersecurity and protection of personal information, including the General Data Protection Regulation in the European Union that went into effect in May 2018. Some jurisdictions have also enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. Breaches in security could potentially jeopardize our or TPG's, its employees', or our investors' or counterparties' confidential and other information processed and stored in, and transmitted through, our or TPG's computer systems and networks, or otherwise cause interruptions or malfunctions in our or TPG's, its employees', or our investors', our counterparties' or third parties' operations, which could result in significant losses, increased costs, disruption of our business, liability to our investors and other counterparties, regulatory intervention or reputational damage. Furthermore, if we or TPG fail to comply with the relevant laws and regulations, it could result in regulatory investigations and penalties, which could lead to negative publicity and may cause our investors or investors in the TPG Funds and TPG clients to lose confidence in the effectiveness of our or TPG's security measures.

Finally, most of the personnel of TPG provided to our Manager are located in TPG's New York City office, and we depend on continued access to this office for the continued operation of our business. A disaster or a disruption in the infrastructure that supports our business, including a disruption involving electronic communications or other services used by us or third parties with whom we conduct business, or directly affecting our headquarters, could have a material adverse impact on our ability to continue to operate our business without interruption. TPG's disaster recovery program may not be sufficient to mitigate the harm that may result from such a disaster or disruption. In addition, insurance and other safeguards might only partially reimburse us for our losses, if at all.

We depend on Situs Asset Management, LLC ("SitusAMC") for asset management services. We may not find a suitable replacement for SitusAMC if our agreement with SitusAMC is terminated, or if key personnel cease to be employed by SitusAMC or otherwise become unavailable to us.

We are party to an agreement with SitusAMC pursuant to which SitusAMC provides us with dedicated asset management employees for performing asset management services pursuant to our proprietary guidelines. Our ability to monitor the performance of our investments will depend to a significant extent upon the efforts, experience, diligence and skill of SitusAMC and its employees.

In addition, we can offer no assurance that SitusAMC will continue to be able to provide us with dedicated asset management employees for performing asset management services for us. Any interruption or deterioration in the performance of SitusAMC or failures of SitusAMC's information systems and technology could impair the quality of our operations and could affect our reputation and hence materially and adversely affect us. If our agreement with SitusAMC is terminated and no suitable replacement is found to manage our portfolio, we may not be able to monitor the performance of our investments. Furthermore, we may incur certain costs in connection with a termination of our agreement with SitusAMC.

Accounting rules for certain of our transactions are highly complex and involve significant judgment and assumptions. Changes in accounting interpretations or assumptions could impact our ability to timely prepare consolidated historical financial statements, which could materially and adversely affect us.

Accounting rules for transfers of financial assets, consolidation of variable interest entities, loan loss reserves, valuation of assets and liabilities, and other aspects of our operations are highly complex and involve significant judgment and assumptions. These complexities could lead to a delay in preparation of financial information and the delivery of this information to our stockholders. Changes in accounting interpretations or assumptions could impact our consolidated historical financial statements and our ability to timely prepare our consolidated historical financial statements. Our inability to timely prepare our consolidated historical financial statements in the future could materially and adversely affect us.

Risks Related to our REIT Status and Certain Other Tax Items

If we fail to remain qualified as a REIT, we will be subject to tax as a C corporation and could face a substantial tax liability, which would reduce the amount of cash available for distribution to our stockholders.

We currently intend to operate in a manner that will allow us to continue to qualify as a REIT for U.S. federal income tax purposes. We have not requested nor obtained a ruling from the IRS as to our REIT qualification. Our continued qualification as a REIT depends on our satisfaction of certain asset, income, organizational, distribution, stockholder ownership and other requirements on a continuing basis. Our ability to satisfy the asset tests depends upon our analysis of the characterization and fair values of our investments, some of which are not susceptible to a precise determination, and for which we will not obtain independent appraisals. Our compliance with the REIT income and quarterly asset requirements also depends upon our ability to successfully manage the composition of our income and assets on an ongoing basis. Moreover, the proper classification of an instrument as debt or equity for U.S. federal income tax purposes may be uncertain in some circumstances, which could affect the application of the REIT qualification requirements. Accordingly, there can be no assurance that the IRS will not contend that our interests in subsidiaries or in securities of other issuers will not cause a violation of the REIT requirements.

If we were to fail to qualify as a REIT in any taxable year, we would be subject to U.S. federal income tax and applicable state and local taxes on our taxable income at regular corporate rates, and distributions made to our stockholders would not be deductible by us in computing our taxable income. Any resulting corporate tax liability could be substantial and would reduce the amount of cash available for distribution to our stockholders, which in turn could materially and adversely affect us and the value of our common stock. Unless we were entitled to relief under certain Internal Revenue Code provisions, we also would be disqualified from taxation as a REIT for the four taxable years following the year in which we failed to qualify as a REIT.

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.

The maximum tax rate applicable to income from "qualified dividends" payable to domestic stockholders that are taxed at individual rates is currently 20%, plus the 3.8% surtax on net investment income, if applicable. Dividends payable by REITs, however, are generally not eligible for the reduced rates on qualified individual income. Rather, under the Tax Cuts and Jobs Act (the "TCJA"), REIT dividends constitute "qualified business income" (to the extent the income is classified as ordinary income) and thus a 20% deduction is available to individual taxpayers with respect to such dividends, resulting in a 29.6% maximum federal tax rate (plus the 3.8% surtax on net investment income, if applicable) for individual U.S. stockholders. Without further legislative action, the 20% deduction applicable to REIT dividends will expire on January 1, 2026. The more favorable rates applicable to regular corporate qualified dividends could cause investors who are taxed at individual rates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our common stock.

Compliance with the REIT requirements may hinder our ability to grow, which could materially and adversely affect us.

We generally must distribute annually at least 90% of our REIT taxable income, subject to certain adjustments and excluding any net capital gain, in order to qualify as a REIT for U.S. federal income tax purposes. To the extent that we satisfy this distribution requirement but distribute less than 100% of our REIT taxable income, we will be

subject to U.S. federal corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws. We intend to continue to make distributions to our stockholders to comply with the REIT requirements of the Internal Revenue Code.

From time to time, we may generate taxable income greater than our income for financial reporting purposes prepared in accordance with GAAP, or differences in timing between the recognition of taxable income and the actual receipt of cash may occur. For example, we may be required to accrue income from mortgage loans, CRE debt securities and other types of debt investments or interests in debt investments before we receive any payments of interest or principal on such assets. We may also acquire distressed debt investments that are subsequently modified by agreement with the borrower. If the amendments to the outstanding debt are "significant modifications" under the applicable U.S. Treasury Regulations, the modified debt may be considered to have been reissued to us at a gain in a debt-for-debt exchange with the borrower, with gain recognized by us to the extent that the principal amount of the modified debt exceeds our cost of purchasing it prior to modification. Moreover, under the TCJA, we generally are required to take certain amounts into income no later than the time such amounts are reflected on certain financial statements. The application of this rule may require the accrual of income with respect to our debt instruments, such as original issue discount or market discount, earlier than would be the case under the general tax rules, although the precise application of this rule is unclear at this time. To the extent that this rule requires the accrual of income earlier than under the general tax rules, it could increase our "phantom income."

We may also be required under the terms of indebtedness that we incur to use cash received from interest payments to make principal payments on that indebtedness, with the effect of recognizing income but not having a corresponding amount of cash available for distribution to our stockholders.

As a result, we may find it difficult or impossible to meet distribution requirements from our ordinary operations in certain circumstances. In particular, where we experience differences in timing between the recognition of taxable income and the actual receipt of cash, the requirement to distribute a substantial portion of our taxable income could cause us to do any of the following in order to comply with the REIT requirements: (i) sell assets in adverse market conditions, (ii) raise funds on unfavorable terms, (iii) distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt or (iv) make a taxable distribution of shares of our common stock, as part of a distribution in which stockholders may elect to receive shares (subject to a limit measured as a percentage of the total distribution). These alternatives could increase our costs or reduce our equity. Thus, compliance with the REIT requirements may hinder our ability to grow, which could materially and adversely affect us.

We may choose to make distributions to our stockholders in our own common stock, in which case our stockholders could be required to pay income taxes in excess of the cash dividends they receive.

We may in the future distribute taxable dividends that are payable in cash and shares of our common stock at the election of each stockholder. Taxable stockholders receiving such distributions will be required to include the full amount of the distribution as ordinary income to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, stockholders may be required to pay income taxes with respect to such dividends in excess of the cash dividends received. If a U.S. stockholder sells the stock that it receives as a dividend in order to pay this tax, the sale proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to certain non-U.S. stockholders, we or the applicable withholding agent may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in common stock. In addition, if a significant number of our stockholders determine to sell shares of our common stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our common stock.

The IRS has issued Revenue Procedure 2017-45 authorizing elective cash/stock dividends to be made by publicly offered REITs (i.e., REITs that are required to file annual and periodic reports with the SEC under the Exchange Act). Pursuant to Revenue Procedure 2017-45, the IRS will treat the distribution of stock pursuant to an elective cash/stock dividend as a distribution of property under Section 301 of the Internal Revenue Code (i.e., a dividend), as long as at least 20% of the total dividend is available in cash and certain other parameters detailed in the Revenue Procedure are satisfied. Although we have no current intention of paying dividends in our own common stock, if in the future we choose to pay dividends in our own common stock, our stockholders may be required to pay tax in excess of the cash that they receive.

Even if we remain qualified as a REIT, we may face other tax liabilities that reduce our cash flow, which could materially and adversely affect us.

Even if we remain qualified for taxation as a REIT, we may be subject to certain U.S. federal, state and local taxes on our income and assets, including taxes on any undistributed income, tax on income from some activities conducted as a result of a foreclosure, and state or local income, property and transfer taxes, such as mortgage recording taxes. In addition, in order to continue to meet the REIT qualification requirements, prevent the recognition of certain types of non-cash income or to avert the imposition of a 100% tax that applies to certain gains derived by a REIT from dealer property or inventory, we may hold a significant amount of our investments through TRSs or other subsidiary corporations that will be subject to corporate-level income tax at regular rates. In addition, if a TRS borrows funds either from us or a third party, it may be unable to deduct all or a portion of the interest paid, resulting in a higher corporate-level tax liability. Specifically, the TCJA imposes a disallowance of deductions for business interest expense (even if paid to third parties) in excess of the sum of a taxpayer's business interest income and 30% (adjusted, in the absence of an election otherwise, to 50% for the 2020 taxable year under the Coronavirus Aid, Relief, and Economic Security Act of 2020 (the "CARES Act")) of the adjusted taxable income of the business, which is its taxable income computed without regard to business interest income or expense, net operating losses or the pass-through income deduction (and for taxable years before 2022, excludes depreciation and amortization). The TRS rules also impose a 100% excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm's-length basis. Any of these taxes would reduce our cash flow, which could materially and adversely affect us.

Complying with REIT requirements may cause us to forego otherwise attractive investment opportunities.

To continue to qualify as a REIT for U.S. federal income tax purposes, we must satisfy ongoing tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts that we distribute to our stockholders and the ownership of our stock. We may be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution, and may be unable to pursue investments that would be otherwise advantageous to us in order to satisfy the source-of-income or asset-diversification requirements for qualifying as a REIT. In addition, in certain cases, the modification of a debt instrument could result in the conversion of the instrument from a qualifying real estate asset to a wholly or partially non-qualifying asset that must be contributed to a TRS or disposed of in order for us to maintain our REIT status. Compliance with the source-of-income requirements may also limit our ability to acquire debt instruments at a discount from their face amount. Thus, compliance with the REIT requirements may cause us to forego or, in certain cases, to maintain ownership of, otherwise attractive investment opportunities.

Complying with REIT requirements may force us to liquidate or restructure otherwise attractive investments.

To continue to qualify as a REIT, we must ensure that at the end of each calendar quarter, at least 75% of the value of our assets consists of cash, cash items, government securities and qualified REIT real estate assets, including certain mortgage loans and certain kinds of CRE debt securities. The remainder of our investments in securities (other than government securities, securities of TRSs and qualified real estate assets) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of our assets (other than government securities, securities of TRSs and qualified real estate assets) can consist of the securities of any one issuer, and no more than 20% of the value of our total securities can be represented by securities of one or more TRSs. If we fail to comply with these requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we may be required to liquidate or restructure otherwise attractive investments. These actions could have the effect of reducing our income and amounts available for distribution to our stockholders.

We may be required to report taxable income from certain investments in excess of the economic income we ultimately realize from them.

We may acquire debt instruments in the secondary market for less than their face amount. The discount at which such debt instruments are acquired may reflect doubts about their ultimate collectability rather than current

market interest rates. The amount of such discount will nevertheless generally be treated as "market discount" for U.S. federal income tax purposes. Accrued market discount is generally reported as income when, and to the extent that, any payment of principal of the debt instrument is made. Payments on commercial mortgage loans are ordinarily made monthly, and consequently accrued market discount may have to be included in income each month as if the debt instrument were assured of ultimately being collected in full. If we collect less on the debt instrument than our purchase price plus the market discount we had previously reported as income, we may not be able to benefit from any offsetting loss deductions. In addition, we may acquire distressed debt investments that are subsequently modified by agreement with the borrower. If the amendments to the outstanding debt are "significant modifications" under applicable U.S. Treasury Regulations, the modified debt may be considered to have been reissued to us at a gain in a debt-for-debt exchange with the borrower. In that event, we may be required to recognize taxable gain to the extent the principal amount of the modified debt exceeds our adjusted tax basis in the unmodified debt, even if the value of the debt or the payment expectations have not changed.

Moreover, for CRE debt securities that we may in the future acquire, some may be issued with original issue discount. We will be required to report such original issue discount based on a constant yield method and will be taxed based on the assumption that all future projected payments due on such CRE debt securities will be made. If such CRE debt securities turn out not to be fully collectible, an offsetting loss deduction will become available only in the later year that uncollectibility is provable.

Additionally, under the TCJA, we generally are required to take certain amounts in income no later than the time such amounts are reflected on certain financial statements. The application of this rule may require the accrual of income with respect to our debt instruments, such as original issue discount or market discount, earlier than would be the case under the general tax rules, although the precise application of this rule is unclear at this time. To the extent that this rule requires the accrual of income earlier than under the general tax rules, it could increase our "phantom income."

Finally, in the event that any debt instruments or CRE debt securities acquired by us are delinquent as to mandatory principal and interest payments, or in the event payments with respect to a particular debt instrument are not made when due, we may nonetheless be required to continue to recognize the unpaid interest as taxable income as it accrues, despite doubt as to its ultimate collectability. In each case, while we would in general ultimately have an offsetting loss deduction available to us when such interest was determined to be uncollectible, the utility of that deduction could depend on our having taxable income in that later year or thereafter.

The "taxable mortgage pool" rules may increase the taxes that we or our stockholders may incur, and may limit the manner in which we effect future securitizations.

Our securitizations have, and could in the future, result in the creation of taxable mortgage pools ("TMPs"), for U.S. federal income tax purposes. As a REIT, so long as we own (or a subsidiary REIT of ours owns) 100% of the equity interests in a TMP, we generally will not be adversely affected by the characterization of the securitization as a TMP. A subsidiary REIT of ours currently owns 100% of the equity interests in each TMP created by our securitizations. To the extent that we (as opposed to our subsidiary REIT) own equity interests in a TMP, certain categories of stockholders, however, such as foreign stockholders eligible for treaty or other benefits, stockholders with net operating losses, and certain tax-exempt stockholders that are subject to unrelated business income tax, could be subject to increased taxes on a portion of their dividend income from us that is attributable to the TMP. In addition, in such a case, to the extent that our common stock is owned by tax-exempt "disqualified organizations," such as certain government-related entities and charitable remainder trusts that are not subject to tax on unrelated business income, we may incur a corporate level tax on a portion of our income from the TMP. In that case, we may reduce the amount of our distributions to any disqualified organization whose stock ownership gave rise to the tax. While we believe that we have structured our securitizations such that the above taxes would not apply to our stockholders with respect to TMPs held by our subsidiary REIT, our subsidiary REIT is in part owned by a TRS of ours, which will pay corporate level tax on any dividends it may receive from the subsidiary REIT. Moreover, we are precluded from selling equity interests in our securitizations to outside investors, or selling any debt securities issued in connection with these securitizations that might be considered to be equity interests for U.S. federal income tax purposes. These limitations may prevent us from using certain techniques to maximize our returns from securitization transactions.

The tax on prohibited transactions limits our ability to engage in transactions, including certain methods of securitizing mortgage loans, which would be treated as sales for U.S. federal income tax purposes.

A REIT's net income from prohibited transactions is subject to a 100% U.S. federal income tax. In general, prohibited transactions are sales or other dispositions of property, other than foreclosure property, but including mortgage loans, held primarily for sale to customers in the ordinary course of business. We might be subject to this tax if we were to dispose of or securitize loans in a manner that was treated as a sale of the loans for U.S. federal income tax purposes. Therefore, in order to avoid the prohibited transactions tax, we may choose not to engage in certain sales of loans at the REIT level, and may limit the structures we utilize for our securitization transactions, even though the sales or structures might otherwise be beneficial to us.

Our investments in construction loans will require us to make estimates about the fair value of land improvements that may be challenged by the IRS.

We have invested and may in the future invest in construction loans, the interest from which will be qualifying income for purposes of the REIT income tests, provided that the loan value of the real property securing the construction loan is equal to or greater than the highest outstanding principal amount of the construction loan during any taxable year. For purposes of construction loans, the loan value of the real property is the fair value of the land plus the reasonably estimated cost of the improvements or developments (other than personal property) that will secure the loan and that are to be constructed from the proceeds of the loan. There can be no assurance that the IRS would not challenge our estimate of the loan value of the real property.

The failure of a mezzanine loan to qualify as a real estate asset could adversely affect our ability to continue to qualify as a REIT.

We have invested and will continue to invest in mezzanine loans, for which the IRS has provided a safe harbor but not rules of substantive law. Pursuant to the safe harbor, if a mezzanine loan meets certain requirements, it will be treated by the IRS as a real estate asset for purposes of the REIT asset tests, and interest derived from the mezzanine loan will be treated as qualifying mortgage interest for purposes of the REIT 75% income test. Certain of our mezzanine loans may not meet all of the requirements of this safe harbor. In the event we own a mezzanine loan that does not meet the safe harbor, the IRS could challenge such loan's treatment as a real estate asset for purposes of the REIT asset and income tests and, if such a challenge were sustained, we could fail to qualify as a REIT.

The failure of assets subject to secured credit agreements to qualify as real estate assets could adversely affect our ability to continue to qualify as a REIT.

We have entered into secured credit agreements and may in the future enter into additional secured credit facilities pursuant to which we would agree, from time to time, to nominally sell certain of our assets to a counterparty and repurchase these assets at a later date in exchange for a purchase price. Economically, repurchase transactions are financings which are secured by the assets sold pursuant thereto. We believe that we would be treated for REIT asset and income test purposes as the owner of the assets that are the subject of any such repurchase transaction notwithstanding that such agreement may transfer record ownership of the assets to the counterparty during the term of the agreement. It is possible, however, that the IRS could assert that we did not own the assets during the term of the repurchase transaction, in which case we could fail to continue to qualify as a REIT.

Liquidation of assets may jeopardize our REIT qualification or create additional tax liability for us.

To continue to qualify as a REIT, we must comply with requirements regarding our assets and our sources of income. If we are compelled to liquidate our investments to repay obligations to our lenders, we may be unable to comply with these requirements, ultimately jeopardizing our qualification as a REIT, or we may be subject to a 100% U.S. federal income tax on any resultant gain if we sell assets that are treated as dealer property or inventory.

Complying with REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities.

The REIT provisions of the Internal Revenue Code substantially limit our ability to hedge our assets and liabilities. Any income from a properly identified hedging transaction we enter into either (i) to manage risk of interest rate changes with respect to borrowings made or to be made to acquire or carry real estate assets, (ii) to manage risk of currency fluctuations with respect to items of income that qualify for purposes of the REIT 75% or 95% gross income tests or assets that generate such income, or (iii) to hedge another instrument that hedges risks described in clause (i) or (ii) for a period following the extinguishment of the liability or the disposition of the asset that was previously hedged by the instrument, and, in each case, such instrument is properly identified under applicable U.S. Treasury Regulations, does not constitute "gross income" for purposes of the 75% or 95% gross income tests. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as non-qualifying income for purposes of both of the gross income tests. As a result of these rules, we intend to limit our use of advantageous hedging techniques or implement those hedges through a domestic TRS. This could increase the cost of our hedging activities because our TRS would be subject to tax on gains or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear. In addition, losses in a TRS will generally not provide any tax benefit, except for being carried forward against future taxable income in such TRS.

If our subsidiary REIT failed to qualify as a REIT, we could be subject to higher taxes and could fail to remain qualified as a REIT.

We indirectly (through disregarded subsidiaries and a TRS) own 100% of the common shares of a subsidiary that has elected to be taxed as a REIT for U.S. federal income tax purposes. Our subsidiary REIT is subject to the various REIT qualification requirements and other limitations described herein that are applicable to us. If our subsidiary REIT were to fail to qualify as a REIT, then (i) such subsidiary REIT would become subject to U.S. federal income tax and applicable state and local taxes on its taxable income at regular corporate rates and (ii) our ownership of shares in such subsidiary REIT would cease to be a qualifying asset for purposes of the asset tests applicable to REITs. If our subsidiary REIT were to fail to qualify as a REIT, it is possible that we would fail certain of the asset tests applicable to REITs, in which event we would fail to qualify as a REIT unless we could avail ourselves of certain relief provisions. We have made a "protective" TRS election with respect to our subsidiary REIT and may implement other protective arrangements intended to avoid such an outcome if our subsidiary REIT were not to qualify as a REIT, but there can be no assurance that such "protective" elections and other arrangements will be effective to avoid the resulting adverse consequences to us. Moreover, even if the "protective" TRS election were to be effective in the event of the failure of our subsidiary REIT to qualify as a REIT, such subsidiary REIT would be subject to U.S. federal income tax and applicable state and local taxes on its taxable income at regular corporate rates and we cannot assure you that we would not fail to satisfy the requirement that not more than 20% of the value of our total assets may be represented by the securities of one or more TRSs. In this event, we would fail to qualify as a REIT unless we or such subsidiary REIT could avail ourselves or itself of certain relief provisions.

Qualifying as a REIT involves highly technical and complex provisions of the Internal Revenue Code.

Qualification as a REIT involves the application of highly technical and complex provisions of the Internal Revenue Code for which only limited judicial and administrative authorities exist. Even a technical or inadvertent violation could jeopardize our REIT qualification. Our continued qualification as a REIT will depend on our satisfaction of certain asset, income, organizational, distribution, stockholder ownership and other requirements on a continuing basis. In addition, our ability to satisfy the requirements to continue to qualify as a REIT depends in part on the actions of third parties over which we have no control or only limited influence, including in cases where we own an equity interest in an entity that is classified as a partnership for U.S. federal income tax purposes.

New legislation or administrative or judicial action, in each instance potentially with retroactive effect, could make it more difficult or impossible for us to remain qualified as a REIT or have other adverse effects on us.

The present U.S. federal income tax treatment of REITs may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time, which could affect the U.S. federal income tax treatment of an investment in us. The U.S. federal income tax rules dealing with REITs are constantly under review by persons

involved in the legislative process, the IRS and the U.S. Treasury Department, which results in statutory changes as well as frequent revisions to regulations and interpretations. Any such changes to the tax laws or interpretations thereof, with or without retroactive application, could materially and adversely affect our stockholders or us. We cannot predict how changes in the tax laws might affect our stockholders or us.

Stockholders are urged to consult with their tax advisors with respect to the TCJA and any other regulatory or administrative developments and proposals and their potential effect on an investment in our common stock.

Risks Related to Our Common Stock

The market price for our common stock may fluctuate significantly.

Our common stock trades on the NYSE under the symbol "TRTX". The capital and credit markets have on occasion experienced periods of extreme volatility and disruption. The market price and liquidity of the market for shares of our common stock may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. Accordingly, no assurance can be given as to the ability of our stockholders to sell their common stock or the price that our stockholders may obtain for their common stock. Some of the factors that could negatively affect the market price of our common stock include:

- our actual or projected operating results, financial condition, cash flows and liquidity, or changes in investment strategy or prospects;
- actual or perceived changes in the value of our investment portfolio;
- actual or perceived conflicts of interest with TPG, including our Manager, and the personnel of TPG provided to our Manager, including our executive officers, and TPG Funds;
- equity issuances by us, or share resales by our stockholders, or the perception that such issuances or resales may occur;
- loss of a major funding source or inability to obtain new favorable funding sources in the future;
- our financing strategy and leverage;
- actual or anticipated accounting problems;
- publication of research reports about us or the commercial real estate industry;
- adverse market reaction to additional indebtedness we incur or securities we may issue in the future;
- additions to or departures of key personnel of TPG, including our Manager;
- changes in market valuations or operating performance of companies comparable to us;
- price and volume fluctuations in the overall stock market from time to time;
- short-selling pressure with respect to shares of our common stock or REITs generally;
- speculation in the press or investment community;
- any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts;
- increases in market interest rates, which may lead investors to demand a higher distribution yield for our common stock and would result in increased interest expense on our debt;
- failure to maintain our REIT qualification or exclusion or exemption from Investment Company Act regulation or listing on the NYSE;
- changes in law, regulatory policies or tax guidelines, or interpretations thereof, particularly with respect to REITs;
- general market and economic conditions and trends, including inflationary concerns and the current state of the credit and capital markets; and

- the other factors described in this Item 1A - "Risk Factors."

As noted above, market factors unrelated to our performance could also negatively impact the market price of our common stock. One of the factors that investors may consider in deciding whether to buy or sell our common stock is our distribution rate, if any, as a percentage of our stock price relative to market interest rates. If market interest rates increase, prospective investors may demand a higher distribution rate or seek alternative investments paying higher dividends or interest. As a result, interest rate fluctuations and conditions in the capital markets can affect the market price of our common stock.

Common stock eligible for future sale may have adverse effects on the market price of our common stock.

Prior to the completion of our initial public offering on July 25, 2017, we entered into a registration rights agreement with TPG Holdings III, L.P. and certain of our other stockholders. The registration rights agreement provides these stockholders with certain demand, shelf and piggyback registration rights. Pursuant to the registration rights agreement, each of the holders may make up to three requests that we register the resale of all or any part of such holder's registrable securities under the Securities Act at any time. The registration rights agreement also provides the holders with certain shelf registration rights. Accordingly, a holder may request that we file a shelf registration statement pursuant to Rule 415 under the Securities Act relating to the resale of the registrable securities held by such holder from time to time in accordance with the methods of distribution elected by such holder. In any demand or shelf registration, subject to certain exceptions, the other holders will have the right to participate in the registration on a pro rata basis, subject to certain conditions. By exercising these rights and selling a significant number of shares of our common stock, the market price of our common stock could decline significantly.

The registration rights agreement provides the holders with piggyback registration rights that require us to register the resale of shares of our common stock held by the holders in the event we register for sale, either for our own account or for the account of others, shares of our common stock in future offerings. The holders will be able to participate in such registration on a pro rata basis, subject to certain terms and conditions.

On May 28, 2020, the Company entered into a registration rights agreement with PE Holder, L.L.C. as part of TRTX's issuance of Series B Preferred Stock and warrant issuance. Subject to obtaining consent under the Company's existing registration rights agreement, the holder will be granted customary demand, piggy-back and shelf registration rights with respect to the common stock underlying the warrants. Pursuant to the registration rights agreement, the holder shall have the right to make up to three requests to the Company for registration of all or part of the registrable securities held by the stockholder that we register the resale of all or any part of such holder's registrable securities under the Securities Act at any time. The registration rights agreement also provides the holders with certain shelf registration rights. Upon the written request of the stockholder from time to time, the Company shall promptly file with the SEC a shelf registration statement pursuant to Rule 415 under the Securities Act relating to the offer and sale of registrable securities held by such holder from time to time in accordance with the methods of distribution elected by such stockholders, and the Company shall use its reasonable best efforts to cause such shelf registration Statement to promptly (within 90 days, or within 60 days if the Company is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act). The registration rights agreement provides that the holder with piggyback registration rights that require the Company to register the resale of shares of our common stock held by the holders in the event we register for sale, either for our own account or for the account of others, shares of our common stock in future offerings. The holders will be able to participate in such registration on a pro rata basis, subject to certain terms and conditions. In connection with each registration or sale of registrable securities conducted as an underwritten public offering, the holder agrees, if requested, to become bound by and to execute and deliver a lockup agreement with the underwriter(s) of such underwritten public offering restricting such holder's right to transfer, directly or indirectly, any registrable securities or enter into any swap or other arrangement that transfers to another any of the economic consequences of ownership of registrable securities during the period commencing on the date of the final prospectus relating to the underwritten public offering and ending on the date specified by the underwriters (such period not to exceed 90 days). Any lockup release applicable to any stockholder shall be provided to all other stockholders on a pro rata basis based on the number of registrable securities then held by such stockholder.

In addition, a substantial amount of our shares of common stock held by our stockholders prior to our initial public offering are eligible for resale subject to the requirements of Rule 144 under the Securities Act.

We have also filed a registration statement on Form S-8 registering the issuance of an aggregate of 4,600,463 shares of our common stock issuable under the TPG RE Finance Trust, Inc. 2017 Equity Incentive Plan (the "Incentive Plan"). The issuance of these shares and their subsequent sale could cause the market price of our common stock to decline.

In May 2020, we issued warrants entitling the third-party holder to purchase up to 12,000,000 shares of our common stock. These warrants have an initial exercise price of $7.50 per share and expire on May 28, 2025. Exercise of these warrants will dilute our then-existing stockholders' interests in us. All expenses incident to the Company's performance of or compliance with the registration rights agreement shall be paid by the Company.

We cannot predict the effect, if any, of future issuances or sales of our stock, or the availability of shares for future issuances or sales, on the market price of our common stock. Issuances or sales of substantial amounts of stock or the perception that such issuances or sales could occur may adversely affect the prevailing market price for our common stock.

We may issue shares of restricted stock and other equity-based awards under the Incentive Plan. Also, we may issue additional shares of our stock in public offerings or private placements to make new investments or for other general corporate purposes. We are not required to offer any such shares to existing stockholders on a preemptive basis. Therefore, it may not be possible for existing stockholders to participate in such future stock issuances, which may dilute the then existing stockholders' interests in us.

We have not established a minimum distribution payment level and we cannot assure you of our ability to pay distributions in the future.

We are generally required to distribute to our stockholders at least 90% of our REIT taxable income each year for us to qualify as a REIT under the Internal Revenue Code, which requirement we currently intend to satisfy through quarterly distributions of all or substantially all of our REIT taxable income in such year, subject to certain adjustments. We have not established a minimum distribution payment level and our ability to make distributions may be adversely affected by a number of factors, including the risk factors described in this Form 10-K. Distributions to our stockholders, if any, will be authorized by our board of directors in its sole discretion out of funds legally available therefor and will be dependent upon a number of factors, including our historical and projected results of operations, cash flows and financial condition, our financing covenants, maintenance of our REIT qualification, applicable provisions of the Maryland General Corporation Law (the "MGCL") and such other factors as our board of directors deems relevant.

We believe that a change in any one of the following factors could adversely affect our results of operations and cash flows and impair our ability to make distributions to our stockholders:

- our ability to make attractive investments;
- margin calls or other expenses that reduce our cash flows;
- defaults or prepayments in our investment portfolio or decreases in the value of our investment portfolio; and
- the fact that anticipated operating expense levels may not prove accurate, as actual results may vary from estimates.

As a result, no assurance can be given that we will be able to make distributions to our stockholders at any time in the future or that the level of any distributions we do make to our stockholders will achieve a market yield or increase or even be maintained over time, any of which could materially and adversely affect us.

In addition, distributions that we make to our stockholders will generally be taxable to our stockholders as ordinary income. However, a portion of our distributions may be designated by us as long-term capital gains to the extent that they are attributable to capital gain income recognized by us or may constitute a return of capital to the extent that they exceed our earnings and profits as determined for U.S. federal income tax purposes. A return of capital is not taxable but has the effect of reducing the basis of a stockholder's investment in our common stock.

Certain provisions of Maryland law could inhibit changes in control.

Certain provisions of the MGCL may have the effect of deterring a third party from making a proposal to acquire us or of inhibiting a change in control under circumstances that otherwise could provide the holders of our common stock with the opportunity to realize a premium over the then-prevailing market price of our common stock. Under the MGCL, certain "business combinations" (including a merger, consolidation, share exchange or, in certain circumstances, an asset transfer or issuance or reclassification of equity securities) between a Maryland corporation and an interested stockholder (as defined in the statute) or an affiliate of such an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. Thereafter, any such business combination must be recommended by the board of directors of such corporation and approved by the affirmative vote of at least (1) 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation and (2) two-thirds of the votes entitled to be cast by holders of shares of voting stock of the corporation other than shares held by the interested stockholder with whom (or with whose affiliate) the business combination is to be effected or held by an affiliate or associate of the interested stockholder, unless, among other conditions, the corporation's common stockholders receive a minimum price (as defined in the MGCL) for their shares and the consideration is received in cash or in the same form as previously paid by the interested stockholder for its shares. These provisions of the MGCL do not apply, however, to business combinations that are approved or exempted by a board of directors prior to the time that the interested stockholder becomes an interested stockholder. Pursuant to the statute, our board of directors has by resolution exempted any business combination between us and any other person, provided that such business combination is first approved by our board of directors.

The MGCL provides that holders of "control shares" of our company (defined as shares of voting stock that, if aggregated with all other shares of capital stock owned or controlled by the acquirer, would entitle the acquirer to exercise one of three increasing ranges of voting power in electing directors) acquired in a "control share acquisition" (defined as the direct or indirect acquisition of issued and outstanding "control shares") have no voting rights except to the extent approved at a special meeting of stockholders by the affirmative vote of at least two-thirds of all of the votes entitled to be cast on the matter, excluding all interested shares. Our bylaws currently contain a provision exempting any and all acquisitions by any person of shares of our stock from this statute.

The "unsolicited takeover" provisions of the MGCL permit our board of directors, without stockholder approval and regardless of what is currently provided in our charter or bylaws, to implement takeover defenses if we have a class of equity securities registered under the Exchange Act and at least three independent directors. These provisions may have the effect of inhibiting a third party from making an acquisition proposal for us or of delaying, deferring or preventing a change in control of our company under circumstances that otherwise could provide the holders of shares of our common stock with the opportunity to realize a premium over the then-current market price. Our charter contains a provision whereby we have elected to be subject to the provisions of Title 3, Subtitle 8 of the MGCL relating to the filling of vacancies on our board of directors. In addition, our board of directors has specifically exempted PE Holder, L.L.C. (or any of its affiliates) (the "Purchase Parties") from the provisions of the business combination provisions of the MGCL, and such exemption may not be revoked, altered or repealed, in whole or in part, until such time as the Purchase Parties no longer own any shares of our stock.

The authorized but unissued shares of our common stock and preferred stock may prevent a change in our control.

Our charter authorizes us to issue additional authorized but unissued shares of our common stock and preferred stock. In addition, a majority of our entire board of directors may, without stockholder approval, amend our charter to

increase or decrease the aggregate number of shares of our capital stock or the number of shares of our capital stock of any class or series that we have authority to issue and classify or reclassify any unissued shares of our common stock or preferred stock and set the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption of the classified or reclassified shares. As a result, our board of directors may establish a class or series of common stock or preferred stock that could delay, defer or prevent a transaction or a change in control that might involve a premium price for shares of our common stock or otherwise be in the best interest of our stockholders.

Ownership limitations may delay, defer or prevent a transaction or a change in our control that might involve a premium price for our common stock or otherwise be in the best interest of our stockholders.

In order for us to maintain our qualification as a REIT under the Internal Revenue Code, not more than 50% of the value of the outstanding shares of our capital stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the Internal Revenue Code to include certain entities) during the last half of a taxable year. Our charter, with certain exceptions, authorizes our board of directors to take the actions that are necessary or appropriate to preserve our qualification as a REIT. Unless exempted by our board of directors, no person may own more than 9.8% in value or in number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our capital stock. Our board may grant an exemption prospectively or retroactively in its sole discretion, subject to such conditions, representations and undertakings as it may deem appropriate. These ownership limitations in our charter are standard in REIT charters and are intended to provide added assurance of compliance with the tax law requirements, and to reduce administrative burdens. However, these ownership limits might also delay, defer or prevent a transaction or a change in our control that might involve a premium price for our common stock or otherwise be in the best interest of our stockholders or result in the transfer of shares acquired in excess of the ownership limits to a trust for the benefit of one or more charitable beneficiaries and, as a result, the forfeiture by the acquirer of the benefits of owning the additional shares.

Our charter contains provisions that make removal of our directors difficult, which makes it more difficult for our stockholders to effect changes to our management and may prevent a change in control of our company that is in the best interests of our stockholders.

Our charter provides that a director may be removed only for cause and only by the affirmative vote of at least two-thirds of all the votes of stockholders entitled to be cast generally in the election of directors. Vacancies on our board of directors may be filled only by a majority of the remaining directors, even if the remaining directors do not constitute a quorum, and any individual elected to fill such a vacancy will serve for the remainder of the full term of the directorship in which the vacancy occurred and until his or her successor is duly elected and qualifies. These requirements make it more difficult for our stockholders to effect changes to our management by removing and replacing directors and may prevent a change in control of our company that is otherwise in the best interests of our stockholders.

Our charter contains provisions that limit the responsibilities of our directors and officers with respect to certain business opportunities.

Our charter provides that, if any director or officer of our company who is also a partner, advisory board member, director, officer, manager, member or shareholder of TPG or any of TPG's affiliates (any such director or officer, a "TPG Director/Officer") acquires knowledge of a potential business opportunity, we renounce, on our behalf and on behalf of our subsidiaries, any potential interest or expectation in, or right to be offered or to participate in, such business opportunity to the maximum extent permitted from time to time by Maryland law. Accordingly, to the maximum extent permitted from time to time by Maryland law, (1) no TPG Director/Officer is required to present, communicate or offer any business opportunity to us or any of our subsidiaries and (2) the TPG Director/Officer, on his or her own behalf or on behalf of TPG or any of TPG's affiliates, will have the right to hold and exploit any business opportunity, or to direct, recommend, offer, sell, assign or otherwise transfer such business opportunity to any person or entity other than us.

Accordingly, any TPG Director/Officer may hold and make use of any business opportunity or direct such opportunity to any person or entity other than us and, as a result, those business opportunities may not be available to us.

Our rights and the rights of our stockholders to take action against our directors and officers are limited, which could limit your recourse in the event of actions not in your best interests.

Our charter limits the liability of our directors and officers to us and our stockholders for money damages to the maximum extent permitted under Maryland law. Under current Maryland law, our present and former directors and officers will not have any liability to us or our stockholders for money damages except for liability resulting from:

- actual receipt of an improper personal benefit or profit in money, property or services; or
- active and deliberate dishonesty by the director or executive officer that was established by a final judgment and was material to the cause of action adjudicated.

Our charter and bylaws obligate us, to the maximum extent permitted by Maryland law in effect from time to time, to indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, pay or reimburse reasonable expenses in advance of final disposition of a proceeding to:

- any individual who is a present or former director or executive officer of our company and who is made, or threatened to be made, a party to, or witness in, the proceeding by reason of his or her service in that capacity; or
- any individual who, while a director or officer of our company and at our request, serves or has served as a director, officer, trustee, member, manager or partner of another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made, or threatened to be made, a party to, or witness in, the proceeding by reason of his or her service in that capacity.

Our charter and bylaws also permit us to indemnify and advance expenses to any person who served a predecessor of ours in any of the capacities described above and to any employee or agent of our company or a predecessor of our company.

As a result, we and our stockholders may have more limited rights against our directors and officers than might otherwise exist absent the current provisions in our charter and bylaws or that might exist with other companies, which could limit your recourse in the event of actions not in your best interests.

We are a holding company with no direct operations and, as such, we rely on funds received from Holdco to pay liabilities and distributions to our stockholders, and the interests of our stockholders are structurally subordinated to all liabilities and any preferred equity of Holdco and its subsidiaries.

We are a holding company and conduct substantially all of our operations through Holdco. We do not have, apart from an interest in Holdco, any independent operations. As a result, we rely on distributions from Holdco to pay any dividends that our board of directors may authorize, and we may declare on shares of our stock. We also rely on distributions from Holdco to meet any of our obligations, including any tax liability on taxable income allocated to us from Holdco. In addition, because we are a holding company, your claims as stockholders are structurally subordinated to all existing and future liabilities (whether or not for borrowed money) and any preferred equity of Holdco and its subsidiaries. Therefore, in the event of our bankruptcy, liquidation or reorganization, our assets and those of Holdco and its subsidiaries will be available to satisfy the claims of our stockholders only after all of Holdco's and its subsidiaries' liabilities and any preferred equity have been paid in full.

Investing in our common stock may involve a high degree of risk.

The investments that we make in accordance with our investment objectives may result in a high amount of risk when compared to alternative investment options and volatility or loss of principal. Our investments may be highly speculative and aggressive, and therefore an investment in our common stock may not be suitable for someone with lower risk tolerance.

Risks Related to COVID-19

The market and economic disruptions caused by COVID-19 have negatively impacted our business.

The novel coronavirus (COVID-19) pandemic is causing significant disruptions to the U.S. and global economies and has contributed to volatility, illiquidity and negative pressure in the financial markets. The COVID-19 outbreak has led governments and other authorities around the world to impose measures intended to control its spread, including restrictions on freedom of movement and business operations such as travel bans, border closings, work from home policies, business closures, quarantines and shelter-in-place orders. The market and economic disruptions caused by COVID-19 have negatively impacted and could further negatively impact our business.

In connection with the disruptions described above, real estate securities markets experienced significant volatility, widening credit spreads and sharp declines in liquidity, which negatively impacted our former CRE debt securities portfolio. This portfolio was pledged as collateral under daily mark-to-market secured credit facilities. Fluctuations in the value of our CRE debt securities portfolio, including as a result of changes in credit spreads, resulted in us being required to post cash collateral with our lenders under these facilities. These fluctuations and requirements to post cash collateral were material. To mitigate the impact to our business from these developments, we sold during March and April 2020, all of our CRE debt securities. We recorded aggregate losses from these sales of $203.4 million. Although these losses will be available to offset certain capital gains that we may have now or in the future, these losses will not reduce the amount that we will be required to distribute under the requirement that we distribute to our stockholders at least 90% of our REIT taxable income (computed without regard to the deduction for dividends paid and excluding net capital gain) each year in order to continue to qualify as a REIT.

Many jurisdictions have re-opened with social distancing measures implemented to curtail the spread of COVID-19, and two vaccines have been approved for use in the United States. Nonetheless, we cannot predict the length of time that it will take for a meaningful economic recovery to take place. Additional surges in new cases of COVID-19 and mutated strains of the virus have caused additional quarantines and lockdowns, which could delay any economic recovery. The nationwide vaccination program is in its early stages, and its pace, scope and effectiveness remain uncertain. These factors could further materially and adversely affect our results and financial condition.

Measures that we have taken and may take in the future to maintain adequate liquidity have negatively impacted our business and may negatively impact our business in the future.

As discussed elsewhere in this Form 10-K, as a result of extreme short-term volatility and negative pressure in the financial markets, we were forced to meet margin calls against our CRE debt securities portfolio in March and April of 2020 and sold all of our CRE debt securities at a significant loss. In addition to meeting such margin calls, we also made in late May 2020 voluntary deleveraging payments to seven of our secured lenders who finance portions of our loan portfolio. To address the resulting liquidity needs, we issued in May 2020 $225.0 million in shares of Series B Preferred Stock with a dividend rate of 11%. The annual fixed charge of this dividend is $24.75 million, which will require the Company to divert cash otherwise available for distribution to common shareholders. Additionally, the Series B Preferred Stock caused an increase in our weighted average cost of debt capital, until such time as the Series B Preferred Stock is redeemed which may harm our ability to compete effectively for new loan investments.

We may in the future be required to post additional cash collateral with our whole loan secured lenders in the event of market turbulence. In such a situation, we may be forced to sell additional assets to maintain adequate liquidity. Market disruptions have in the past, and may again in the future lead to a significant decline in transaction activity in all or a significant portion of the asset classes in which we invest and may at the same time lead to a significant contraction in short-term and long-term debt and equity funding sources. A decline in liquidity of real estate and real estate-related investments, as well as a lack of availability of observable transaction data and inputs, may make it more difficult to sell assets or determine their fair values. As a result, we may be unable to sell investments, or only be able to sell investments at a price that may be materially different from the fair values presented.

To maintain adequate liquidity, we have elected, and may continue to elect, to retain cash rather than deploying it into investments in income-producing assets. A reduction in the amount of our income-producing assets, including through asset sales, coupled with an increase in uninvested cash would result in diminished earning capacity for the Company and could materially and adversely affect us, our financial condition and our results of operations.

We expect that the economic and market disruptions caused by COVID-19 will adversely impact the financial condition of our borrowers and limit our ability to grow our business.

We expect that, over the near and long term, the economic and market disruptions caused by COVID-19 will adversely impact the financial condition of our borrowers. As a result, we anticipate that the number of borrowers who become delinquent or default on their loans may increase. A number of our borrowers have made requests to defer the payment of interest and principal on certain of our loans. We have entered into modifications to existing loan agreements with several of our borrowers that permit borrowers to defer payment of some or all of the interest on their loans for a stated period, and/or the repurposing of certain cash reserve balances within the loan structure for use in paying interest or operating expenses. In exchange, borrowers and sponsors are typically required to provide us additional cash for payment of interest, operating expenses, and replenishment of capital reserves. Except for customary nonrecourse carve-outs for certain actions and environmental liability, most commercial mortgage loans are nonrecourse obligations of the sponsor and borrower, meaning that there is no recourse against the assets of the borrower or sponsor other than the underlying collateral. A number of states have implemented temporary moratoriums on the ability of lenders to initiate foreclosures, which could further limit our ability to foreclose and recover against our collateral, or pursue recourse claims (should they exist) against a borrower or sponsor in the event of a default.

We originate and acquire transitional loans, which provide interim financing to borrowers seeking short-term capital for the acquisition, lease up or repositioning of commercial real estate. Market and economic disruptions caused by COVID-19, as well as measures intended to prevent the spread of COVID-19, have caused declines in leasing and other forms of commercial real estate economic activity, which will likely make it more difficult for our borrowers to achieve the business plans for these properties, and we will bear the risk that we may not recover some or all of our investment. This risk may be heightened by the fact that we are not required to observe specific diversification criteria, which means that our investments may be concentrated in certain property types that are more adversely affected by COVID-19 than other property types. For example, as of December 31, 2020, certain of the loans in our loan portfolio are secured by hotels and retail properties. Federal and state mandates implemented to control the spread of COVID-19, including restrictions on freedom of movement and business operations such as travel bans, border closings, business closures, quarantines and shelter-in-place orders, have and are likely to continue to negatively impact the hotel and retail industries, which could adversely affect our investments in assets secured by properties that operate in those industries. Additionally, many industries have continued to mandate employees to work from home, which could have a longer-term impact on the demand for office space, which could adversely affect our investments in assets secured by office properties. For more information on the concentration of credit risk in our loan portfolio by geographic region, property type and loan category, see Note 16 to the Consolidated Financial Statements included in this Form 10-K.

Any future period of payment deferrals, delinquencies, defaults, foreclosures or losses will likely adversely affect our net interest income from loans in our portfolio, may impair our ability to originate and acquire loans, and impede our ability to access the capital markets, which in each case would materially and adversely affect us. In addition, to the extent current conditions persist or worsen, we expect transaction volume and real estate values may decline, which will likely reduce the level of new mortgage and other real estate-related loan originations and may expose us to loan impairments. Such a reduction in origination activity would adversely affect our ability to grow our business and fully execute our investment strategy and could decrease our earnings and liquidity.

We have acquired and may in the future further acquire through foreclosure or deed-in-lieu of foreclosure, the ownership of property securing any of our loans. At such time that we elect to sell such property, the liquidation proceeds upon sale may not be sufficient to recover the carrying value of our loan, resulting in a loss to us. Furthermore, any costs or delays involved in the maintenance or liquidation of the underlying property will further reduce the net proceeds and, thus, increase the loss. The incurrence of any such losses could materially and adversely affect us. We may also be subject to environmental liabilities arising from such properties. Under various U.S. federal, state and local laws, an owner or operator of real property may become liable for the costs of removal of certain hazardous substances released on its property. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of such hazardous substances. If we assume ownership of any properties underlying our loans, the presence of hazardous substances on a property may adversely affect our ability to sell the property and we may incur substantial remediation costs. As a result, the discovery of material environmental liabilities attached to such properties could materially and adversely affect us.

Our ability to make distributions to our stockholders has and may continue to be adversely affected by COVID-19.

We are generally required to distribute to our stockholders at least 90% of our REIT taxable income each year for us to qualify as a REIT under the Internal Revenue Code, which requirement we have historically satisfied through quarterly distributions of all or substantially all of our REIT taxable income in such year, subject to certain adjustments. However, in light of the negative impact on our liquidity caused by the economic and market turmoil resulting from COVID-19, in March 2020 we announced the deferral of the payment of our previously authorized cash dividend for the first quarter of 2020 to July 2020, which was subsequently paid on July 14, 2020 to shareholders of record as of June 15, 2020, and we reduced the authorized amount of our cash dividend payable on our common stock commencing in the second quarter of 2020.

Despite the Company's issuance on May 28, 2020 of $225.0 million of Series B Preferred Stock, COVID-19 induced uncertainty regarding the future state of the real estate capital markets, and operating performance of commercial real estate, means that no assurance can be given that we can continue be able to make distributions to our stockholders at any time in the future, or that the level of any distributions we do make to our stockholders will achieve a market yield, or increase or even be maintained over time. Dividends payable on account of our Series B Preferred Stock have and may continue to reduce the cash available to pay dividends to our common stockholders.

Additionally, in 2017, the Internal Revenue Service issued a revenue procedure permitting publicly offered REITs to make elective cash/stock dividends (i.e., dividends paid in a mixture of stock and cash), with at least 20% of the total distribution being paid in cash, to satisfy their REIT distribution requirements. Pursuant to these revenue procedures, we may elect to make future distributions of our taxable income in a mixture of our common stock and cash. Taxable stockholders receiving such distributions will be required to include the full amount of the distribution as ordinary income to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, stockholders may be required to pay income taxes with respect to such dividends in excess of cash received. If a U.S. stockholder sells the common stock that it receives as a dividend in order to pay this tax, the sale proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to certain non-U.S. stockholders, we or the applicable withholding agent may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in common stock. In addition, if a significant number of our stockholders determine to sell shares of our common stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our common stock.

Market disruptions caused by COVID-19 have made it more difficult for us to determine the fair value of our investments.

As discussed in Note 2 to the Consolidated Financial Statements included in this Form 10-K, market-based inputs are generally the preferred source of values for purposes of measuring the fair value of our assets under GAAP. The commercial property investment sales market, and the commercial mortgage loan and CRE debt securities markets, have experienced extreme volatility, reduced transaction volume, uneven liquidity, and disruption as a result of COVID-19, which has made it more difficult to rely on market-based inputs in connection with the valuation of our assets under GAAP. In the absence of market inputs, GAAP permits the use of management assumptions to measure fair value. However, the considerable market volatility and disruption caused by COVID-19 and the considerable uncertainty regarding the ultimate impact and duration of the pandemic have made it more difficult for our management to formulate assumptions to measure the fair value of our assets.

As a result of these developments, measuring the fair value of our assets remains difficult. The fair value of certain of our investments may fluctuate over short periods of time, and our determinations of fair value may differ materially from the values that would have been used if a ready market for these investments existed. The value of our common stock could be adversely affected if our determinations regarding the fair value of these investments were materially higher than the values that we ultimately realize upon their repayment, sale or disposal by other means. Additionally, our results of operations for a given period could be adversely affected if our determinations regarding the fair value of investments treated as available-for-sale or trading assets were materially higher than the values that we ultimately realize upon their disposal.

Negative impacts on our business caused by COVID-19 may cause us to default on certain financial covenants contained in our financing arrangements.

Our current financing arrangements contain covenants that include certain financial requirements, including maintenance of minimum liquidity, minimum tangible net worth, maximum debt to equity ratio, limitations on capital expenditures, indebtedness, distributions, transactions with affiliates and maintenance of positive net income as defined in the agreements. Additionally, the agreements governing our Series B Preferred Stock include a financial covenant that imposes a maximum debt-to-equity ratio. For a description of certain of the covenants, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Covenants for Outstanding Borrowings."

Historically, we have remained in compliance with the covenants in our financing arrangements. However, as of March 31, 2020, we were not in compliance with respect to the debt-to-equity ratio covenant included in certain of these agreements. This non-compliance was cured on April 2, 2020 when we utilized proceeds from sales of certain CRE debt securities to repay outstanding borrowings under the related secured credit facilities. We received waivers from the lender under each of the applicable agreements on May 8, 2020.

The agreements also include a covenant that obligates us to deliver certain audited financial statements for Holdco to the lenders within 90 days, or 120 days, after each December 31. We were not in compliance with respect to this covenant as of March 31, 2020. This non-compliance was cured on May 7, 2020, when the required audited financial statements were delivered. We received waivers from the lender under each of the applicable agreements on May 8, 2020.

Negative impacts on our business caused by COVID-19 have and will likely continue to make it more difficult to meet or satisfy these covenants, and we cannot assure you that we will remain in compliance with these covenants in the future. If we fail to meet or satisfy any of these covenants in our financing arrangements and are unable to obtain a waiver or other suitable relief from the lenders, we would be in default under these agreements, which could result in a cross-default or cross-acceleration under other financing arrangements, and our lenders could elect to declare outstanding amounts due and payable (or such amounts may automatically become due and payable), terminate their commitments, require the posting of additional collateral and enforce their respective interests against existing collateral. A default also could significantly limit our financing alternatives, which could cause us to curtail our investment activities or dispose of assets when we otherwise would not choose to do so. Further, this could make it difficult for us to satisfy the requirements necessary to maintain our qualification as a REIT for U.S. federal income tax purposes. As a result, a default on any of our debt agreements, and in particular our secured credit agreements (since a significant portion of our assets are or will be, as the case may be, financed thereunder), could materially and adversely affect us.

Measures intended to prevent the spread of COVID-19 have disrupted our ability to operate our business.

In response to the outbreak of COVID-19 and the federal and state mandates implemented to control its spread, all personnel of TPG provided to our Manager continue to work remotely. If the TPG personnel provided to our Manager are unable to work effectively as a result of COVID-19, including because of illness, quarantines, office closures, ineffective remote work arrangements or technology failures or limitations, our operations could be adversely impacted. Further, remote work arrangements may increase the risk of cybersecurity incidents and cyber-attacks, which could have a material adverse effect on our business and results of operations, due to, among other things, the loss of investor or proprietary data, interruptions or delays in the operation of our business and damage to our reputation.

General Risk Factors

The obligations associated with being a public company require significant resources and attention from our Manager's senior leadership team.

As a public company with listed equity securities, we are obligated to comply with certain laws, regulations and requirements, including the requirements of the Exchange Act, certain corporate governance provisions of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), related regulations of the SEC and requirements of the NYSE. The Exchange Act requires that we file annual, quarterly and current reports with respect to our business, financial condition, cash flows and results of operations. The Sarbanes-Oxley Act requires, among other things, that

we establish and maintain effective internal controls and procedures for financial reporting and that our management and independent registered public accounting firm report annually on the effectiveness of our internal control over financial reporting.

These reporting and other obligations place significant demands on our Manager's senior leadership team, administrative, operational and accounting resources and cause us to incur significant expenses. We may need to upgrade our systems or create new systems, implement additional financial and other controls, reporting systems and procedures, and create or outsource an internal audit function. If we are unable to maintain these functions in an effective fashion, our ability to comply with the financial reporting requirements and other rules that apply to reporting companies could be impaired.

If we fail to maintain an effective system of internal control, we may be unable to accurately determine our financial results or prevent fraud. As a result, our stockholders could lose confidence in our financial results, which could materially and adversely affect us.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. We may in the future discover areas of our internal controls that need improvement. We cannot be certain that we will be successful in maintaining an effective system of internal control over our financial reporting and financial processes. Furthermore, as our business grows, our internal controls will become more complex, and we will require significantly more resources to ensure our internal controls remain effective. Additionally, the existence of any material weakness or significant deficiency would require our Manager to devote significant time and us to incur significant expense to remediate any such material weaknesses or significant deficiencies and our Manager may not be able to remediate any such material weaknesses or significant deficiencies in a timely manner. The existence of any material weakness in our internal control over financial reporting could also result in errors in our financial statements that could require us to restate our financial statements, cause us to fail to meet our reporting obligations and cause stockholders to lose confidence in our financial results, which could materially and adversely affect us.

Social, political, and economic instability, unrest, and other circumstances beyond our control could adversely affect our business operations.

Our business may be adversely affected by social, political, and economic instability, unrest, or disruption, including protests, demonstrations, strikes, riots, civil disturbance, disobedience, insurrection and looting in geographic regions where the properties securing our investments are located. Such events may result in property damage and destruction and in restrictions, curfews, or other governmental actions that could give rise to significant changes in regional and global economic conditions and cycles, which may adversely affect our financial condition and operations.

There have been demonstrations and protests, some of which involved violence, looting, arson and property destruction, in cities throughout the U.S., including Atlanta, Seattle, Los Angeles, Washington, D.C., New York City, Minneapolis and Portland, as well as globally, including in Hong Kong. While protests were peaceful in many locations, looting, vandalism and fires occurred in cities, which led to the imposition of mandatory curfews and, in some locations, deployment of the U.S. National Guard. Governmental actions taken to protect people and property, including curfews and restrictions on business operations, may disrupt operations, harm perceptions of personal well-being and increase the need for additional expenditures on security resources. The effect and duration of the demonstrations, protests or other factors is uncertain, and we cannot assure there will not be further political or social unrest in the future or that there will not be other events that could lead to further social, political and economic instability. If such events or disruptions persist for a prolonged period of time, our overall business and results of operations may be adversely affected.

Any or all of the foregoing could have a material adverse effect on our financial condition, results of operations and cash flows, or the market price of our common stock. Additional risks and uncertainties not currently known to us, or that we presently deem to be immaterial, may also have potential to materially adversely affect our business, financial condition and results of operations.

Future offerings of debt or equity securities, which would rank senior to our common stock, may adversely affect the market price of our common stock.

If we decide to issue debt or equity securities in the future, which would rank senior to our common stock, it is likely that they will be governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock and may result in dilution to owners of our common stock. We and, indirectly, our stockholders, will bear the cost of issuing and servicing such securities. Because our decision to issue debt or equity securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or effect of our future offerings. Thus, holders of our common stock will bear the risk of our future offerings reducing the market price of our common stock and diluting the value of their stock holdings in us.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Our principal executive office is located in leased space at 888 Seventh Avenue, 35th Floor, New York, New York 10106. Our principal administrative office is located in leased space at 301 Commerce Street, 33rd Floor, Fort Worth, Texas 76102. We do not own any real property, except for two land parcels comprising approximately 27 acres in Las Vegas, Nevada which we acquired in December 2020 through a deed-in-lieu of foreclosure and hold as real estate for investment. We consider these facilities to be suitable and adequate for the management and operations of our business, except for the Las Vegas properties, which are held for investment rather than operations.

Item 3. Legal Proceedings.

From time to time, we may be involved in various claims and legal actions arising in the ordinary course of business. As of December 31, 2020, we were not involved in any material legal proceedings.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Common Stock Performance

Our common stock was listed on the NYSE on July 20, 2017 in connection with our initial public offering, which closed on July 25, 2017, and is currently traded under the symbol "TRTX". It has been our policy to declare quarterly dividends to common stockholders in compliance with applicable provisions of the Internal Revenue Code governing REITs. As of February 22, 2021, there were approximately 57 holders of record of our common stock. This does not include the number of stockholders that hold shares in "street name" through banks or broker-dealers.

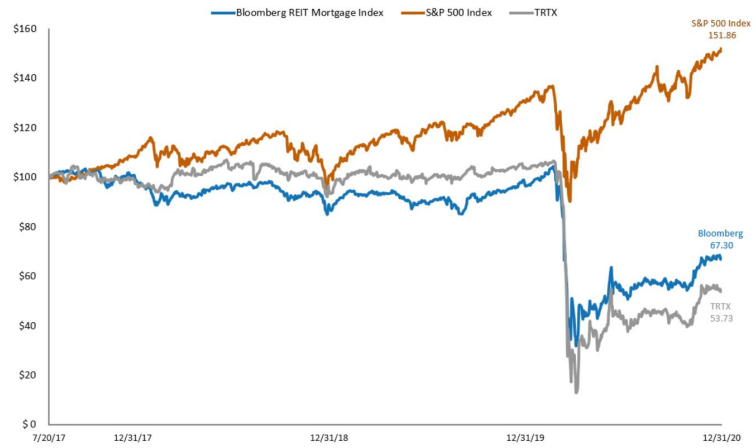
Dividends (Distributions)

We generally intend to distribute each year substantially all of our taxable income (which may not equal net income as calculated in accordance with GAAP) to our stockholders so as to comply with the REIT provisions of the Internal Revenue Code. In addition, our dividend policy remains subject to revision at the discretion of our board of directors. All distributions will be made at the discretion of our board of directors and will depend upon, among other things, our actual results of operations and liquidity. These results and our ability to pay distributions will be affected by various factors, including our taxable income, our financial condition, our maintenance of REIT status, applicable law, and other factors as our board of directors deems relevant. See Item 1A – "Risk Factors" and Item 7 – "Management's Discussion and Analysis of Financial Condition and Results of Operations," of this Form 10-K for information regarding the sources of funds used for distributions and for a discussion of factors, if any, which may adversely affect our ability to make distributions.

Performance Graph

The following graph sets forth the cumulative total stockholder return based on a $100 investment in our common stock, assuming a quarterly reinvestment of dividends before consideration of income taxes during the period from July 20, 2017 (the date our common stock began trading on the NYSE) through December 31, 2020, as well as the corresponding returns on an overall stock market index (S&P 500 Index) and the Bloomberg REIT Mortgage Index. Stockholder returns over the indicated periods should not be considered indicative of future stock prices or stockholder returns.

Total Stockholder Return



Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this Form 10-K. In addition to historical data, this discussion contains forward-looking statements about our business, operations and financial performance based on current expectations that involve risks, uncertainties and assumptions. Our actual results may differ materially from those in this discussion as a result of various factors, including but not limited to those discussed in Part, 1. Item 1A, "Risk Factors" in this Form 10-K.

This section of this Form 10-K generally discusses 2020 and 2019 items and year-to-year comparisons between 2020 and 2019. Discussions of 2018 items and year-to-year comparisons between 2019 and 2018 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

Introduction

We are a commercial real estate finance company externally managed by TPG RE Finance Trust Management, L.P. and sponsored by TPG. We directly originate, acquire and manage commercial mortgage loans and other commercial real estate-related debt instruments in North America for our balance sheet. Our objective is to provide attractive risk-adjusted returns to our stockholders over time through cash distributions and capital appreciation. To meet our objective, we focus primarily on directly originating and selectively acquiring floating rate first mortgage loans that are secured by high quality commercial real estate properties undergoing some form of transition and value creation, such as retenanting, refurbishment or other form of repositioning. The collateral underlying our loans is located in primary and select secondary markets in the U.S. that we believe have attractive economic conditions and commercial real estate fundamentals. We operate our business as one segment.

As of December 31, 2020, our investment portfolio consisted of 56 first mortgage loans (or interests therein) and one mezzanine loan with total loan commitments of $4.9 billion, an aggregate unpaid principal balance of $4.5 billion, a weighted average credit spread of 3.2%, a weighted average all-in yield of 5.3%, a weighted average term to extended maturity (assuming all extension options have been exercised by borrowers) of 3.1 years, and a weighted average LTV of 65.9%. As of December 31, 2020, 100% of the loan commitments in our portfolio consisted of floating rate loans, of which 99.3% were first mortgage loans or, in one instance a first mortgage loan and contiguous mezzanine loan both owned by us, and 0.7% was a mezzanine loan. As of December 31, 2020, we had $423.5 million of unfunded loan commitments, our funding of which is subject to borrower satisfaction of certain milestones.

As of December 31, 2020, we had $99.2 million of real estate owned comprising 27 acres across two undeveloped commercially-zoned land parcels on the Las Vegas Strip (the "Property") acquired pursuant to a negotiated deed-in-lieu of foreclosure. This Property is held for investment and reflected on our consolidated balance sheets at its estimate of fair value at the time of acquisition.

We have made an election to be taxed as a REIT for U.S. federal income tax purposes, commencing with our initial taxable year ended December 31, 2014. We have been organized and have operated in conformity with the requirements for qualification and taxation as a REIT under the Internal Revenue Code and we believe that our organization and current and intended manner of operation will enable us to continue to meet the requirements for qualification and taxation as a REIT. As a REIT, we generally are not subject to U.S. federal income tax on our REIT taxable income that we distribute currently to our stockholders. We operate our business in a manner that permits us to maintain an exclusion or exemption from registration under the Investment Company Act.

During the twelve months ended December 31, 2020, the novel coronavirus ("COVID-19") pandemic caused significant disruptions to the U.S. and global economies. These disruptions contributed to significant and ongoing volatility, widening credit spreads and sharp declines in liquidity in the real estate securities and whole loan financing markets at points during 2020. The pace of recovery following this disruption remains uncertain, as do the longer-term economic effects and shifts in behavior. As a result of the impact of COVID-19, many commercial real estate finance and financial services industry participants, including us, reduced new investment activity until the capital markets became more stable, the macroeconomic outlook became clearer, market liquidity improved, and transaction volumes increased. For most of 2020, we focused on actively managing portfolio credit, generating and recycling liquidity from existing assets, extending the maturities and further reducing the mark-to-market exposure of our

liabilities and controlling corporate overhead as a percentage of our total assets and total revenues. Although market conditions remain uncertain due to COVID-19 and the slow rate of vaccination, the credit performance of our portfolio, loan repayments that have allowed us to retire certain borrowings and increase our liquidity, extended maturity dates for many of our secured credit agreements, and the introduction of a new secured credit agreement limiting mark-to-market risk relating to hotel loans in our portfolio, have positioned us to resume the origination of first mortgage transitional loans. For more information regarding the impact that COVID-19 has had and may have on our business in the future, see "Risk Factors."

Our Manager

We are externally managed by our Manager, TPG RE Finance Trust Management, L.P., an affiliate of TPG. TPG manages investments across multiple asset classes, including private equity, real estate, energy, infrastructure, and hedge funds. Our Manager manages our investments and our day-to-day business and affairs in conformity with our investment guidelines and other policies that are approved and monitored by our board of directors. Our Manager is responsible for, among other matters, the selection, origination or purchase and sale of our portfolio investments, our financing activities and providing us with investment advisory services. Our Manager is also responsible for our day-to-day operations and performs (or causes to be performed) such services and activities relating to our investments and business and affairs as may be appropriate. Our investment decisions are approved by an investment committee of our Manager that is comprised of senior investment professionals of TPG, including senior investment professionals of TPG's real estate equity group and TPG's executive committee. For a summary of certain terms of the management agreement between us and our Manager (the "Management Agreement"), see Note 11 to our Consolidated Financial Statements included in this Form 10-K.

Fourth Quarter 2020 Activity

Operating Results:

- GAAP net income of $14.6 million, GAAP net income attributable to common shareholders of $6.6 million, and diluted earnings per common share of $0.09.
- Distributable Earnings of $11.7 million, or $0.15 per weighted-average diluted common share.
- Generated interest income of $62.0 million and incurred interest expense of $21.5 million, resulting in net interest income of $40.6 million.
- Recorded an increase in our allowance for credit loss of $3.5 million, for a total allowance for credit losses of $62.8 million.
- Declared dividends of $29.5 million, consisting of a quarterly cash dividend of $0.20 per common share, and a special cash dividend of $0.18 per common share.

Investment Portfolio Activity:

- Received $365.1 million in loan repayments and $112.0 million from the extinguishment of a first mortgage loan converted to real estate owned, causing a total reduction in loan principal balance of $477.1 million.
- Took ownership of $99.2 million of real estate owned comprising 27 acres across two undeveloped commercially-zoned land parcels on the Las Vegas Strip pursuant to a negotiated deed-in-lieu of foreclosure.

Financing Activity:

- Closed in October 2020 with a single institutional counterparty a new secured credit facility with a commitment amount and unpaid principal balance of $249.5 million, with no mark-to-market provisions through October 2022.

Full Year 2020 Activity

Operating Results:

- GAAP net loss of $136.8 million, GAAP net loss attributable to common shareholders of $155.5 million, and diluted loss per common share of $2.03.
- Distributable Earnings of $(106.6) million, or $(1.39) per weighted-average diluted common share.
- Declared dividends of $93.6 million, or $1.21 per common share, representing a dividend yield of 7.3% on a book value per common share of $16.50 as of December 31, 2020. Dividends declared included a special dividend of $0.18 per common share.

Investment Portfolio Activity:

- Originated five first mortgage loans in the first quarter of 2020, with an aggregate commitment amount of $437.4 million, an initial unpaid principal balance of $353.5 million, unfunded commitments upon closing of $83.9 million, and a weighted average interest rate of LIBOR plus 2.84%.
- Originated one loan in the third quarter of 2020, through the modification, amendment and assumption by a new borrower of an existing first mortgage loan with a commitment of $88.9 million, an initial unpaid principal balance of $78.4 million, an unfunded commitment of $10.5 million, and an interest rate of LIBOR plus 3.00%.
- Funded $237.9 million in future funding obligations associated with existing loans.
- Sold at no gain or loss a $46.4 million mezzanine loan (commitment amount of $50.0 million) associated with a $300.8 million (commitment amount) first mortgage loan secured by a Class A-office building in New York City. Sold one loan with an unpaid principal balance of $99.3 million for $85.5 million resulting in a loss on sale of $13.8 million.
- Received loan repayments of $997.6 million, with $865.6 million of repayments and sales and $112.0 million from the extinguishment of a first mortgage loan converted to real estate owned through a deed-in-lieu of foreclosure.
- Sold 50 separate CRE debt securities investments with an aggregate face value of $969.8 million, generating gross sales proceeds of $766.4 million. Generated net cash proceeds of $43.7 million after repaying related secured indebtedness of $722.7 million. We recorded a loss of $203.4 million recognized as expense in Securities Impairments on the consolidated statement of income (loss) and comprehensive income (loss), offset by a small realized gain.

Financing Activity:

- Issued $225.0 million of Series B 11% Preferred Stock and simultaneously granted to the purchaser 12 million 5-year warrants on our common stock at a strike price of $7.50 per common share, incurring issuance costs of $15.2 million.
- Closed with a single institutional counterparty a new secured credit facility with a commitment amount and unpaid principal balance of $249.5 million. This borrowing arrangement is without mark-to-market provisions until November 2022.
- Reinvested $618.8 million in TRTX 2018-FL2 and TRTX-FL3 involving 26 loans or participation interests therein.
- Extended the maturities of four secured credit agreements totaling $1.35 billion of commitment amount through dates ranging from May 4, 2021 through October 30, 2023.
- Made voluntary deleveraging payments totaling $157.7 million to seven of our secured lenders to reduce our borrowings and limit our exposure to margin calls through December 2020, subject to certain conditions.

- Repaid $824.9 million in daily mark-to-market secured credit agreements relating to our now-discontinued CRE debt securities investment portfolio using cash margin posted by us, and proceeds from the sale of $969.8 million face amount of CRE debt securities.

Liquidity:

Available Liquidity at December 31, 2020 of $342.6 million consisted of:

- Cash-on-hand of $319.7 million, of which $300.6 million was available for investment, net of $19.1 million held to satisfy a cash liquidity covenant under our secured credit agreements.
- $0.1 million of cash in TRTX 2019-FL3 available for investment dependent upon our ability to contribute eligible collateral.
- Undrawn capacity (liquidity available to us without the need to pledge additional collateral to our lenders) of $22.8 million under secured agreements with seven lenders.

Financing Capacity at December 31, 2020 was comprised of:

- $3.2 billion of loan financing capacity under secured credit agreements provided by seven lenders. Our ability to draw on this capacity is dependent upon our lenders' willingness to accept as collateral loan investments we pledge to them to secure additional borrowings. These financing arrangements have credit spreads based upon the LTV and other risk characteristics of collateral pledged, and provide stable financing with mark-to-market provisions generally limited to collateral-specific events and, in only one instance, to capital markets-specific events. As of December 31, 2020, borrowings under these financing arrangements had a weighted average credit spread of 2.16% and a weighted average term to extended maturity (assuming we have exercised all extension options and term-out provisions) of 2.6 years. These financing arrangements are generally 25% recourse to Holdco.

Key Financial Measures and Indicators

As a commercial real estate finance company, we believe the key financial measures and indicators for our business are earnings per share, dividends declared per common share, Distributable Earnings, and book value per share. For the three months ended December 31, 2020, we recorded diluted earnings per common share of $0.09, declared a cash dividend of $0.20 per common share, and a special cash dividend of $0.18 per common share attributable to our estimated 2020 REIT taxable income which was previously undistributed, and reported $0.15 per share of Distributable Earnings. For the year ended December 31, 2020, we recorded diluted loss per common share of $2.03, declared cash dividends of $1.21 per common share, and reported Distributable Earnings per share of $(1.39). In addition, our book value per common share as of December 31, 2020 was $16.50. As further described below, Distributable Earnings is a measure that is not prepared in accordance with GAAP. We use Distributable Earnings to evaluate our performance excluding the effects of certain transactions and GAAP adjustments that we believe are not necessarily indicative of our current loan activity and operations.

Earnings(loss) Per Common Share and Dividends Declared Per Common Share

The computation of diluted earnings (loss) per share is based on the weighted average number of participating securities outstanding plus the incremental shares that would be outstanding assuming exercise of warrants, which may be exercised on a net-settlement basis. The number of incremental shares is calculated by applying the treasury stock method. We exclude participating securities and warrants from the calculation of diluted earnings (loss) per share in periods of net losses since their effect would be anti-dilutive. For the three months ended December 31, 2020, we present diluted earnings per share because the average market price of our common stock during the three months ended December 31, 2020 was $9.47, which exceeds the strike price of $7.50 per common share for warrants currently outstanding.

The following table sets forth the calculation of basic and diluted net income (loss) per share and dividends declared per share (in thousands, except share and per share data):

	Three Months Ended December 31, 2020	Year Ended December 31, 2020	Year Ended December 31, 2019
Net Income (Loss) Attributable to TPG RE Finance Trust, Inc.(1)	$ 8,375	$ (151,511)	$ 126,298
Participating Securities' Share in Earnings	(338)	(832)	(676)
Deemed Dividends on Series B Preferred Shares	(1,399)	(3,189)	—
Net Income (Loss) Attributable to Common Stockholders	$ 6,638	$ (155,532)	$ 125,622
Weighted Average Number of Common Shares Outstanding, Basic(2)	76,759,033	76,656,756	72,743,171
Weighted Average Number of Common Shares Outstanding, Diluted(2)	79,257,062	76,656,756	72,743,171
Earnings (Loss) per Common Share, Basic(2)	$ 0.09	$ (2.03)	$ 1.73
Earnings (Loss) per Common Share, Diluted(2)	$ 0.09	$ (2.03)	$ 1.73
Dividends Declared per Common Share(2)(3)	$ 0.38	$ 1.21	$ 1.72

(1) Represents net income (loss) attributable to holders of our common stock and Class A common stock after deducting Series A and Series B Preferred Stock dividends.

(2) Weighted average number of common shares outstanding, earnings per common share and dividends declared per common share includes common stock and Class A common stock. All then-outstanding shares of Class A common stock were converted to common stock on February 14, 2020.

(3) Includes a quarterly cash dividend of $0.20 per common share, and a special cash dividend of $0.18 per common share attributable to our estimated 2020 REIT taxable income which was previously undistributed.

Distributable Earnings

We use Distributable Earnings to evaluate our performance excluding the effects of certain transactions and GAAP adjustments we believe are not necessarily indicative of our current loan activity and operations. Distributable Earnings is a non-GAAP measure, which we define as GAAP net income (loss) attributable to our stockholders, including realized gains and losses not otherwise included in GAAP net income (loss), and excluding (i) non-cash equity compensation expense, (ii) depreciation and amortization, (iii) unrealized gains (losses), and (iv) certain non-cash items. Distributable Earnings may also be adjusted from time to time to exclude one-time events pursuant to changes in GAAP and certain other non-cash charges as determined by our Manager, subject to approval by a majority of our independent directors. The exclusion of depreciation and amortization from the calculation of Distributable Earnings only applies to debt investments related to real estate to the extent we foreclose upon the property or properties underlying such debt investments. Distributable Earnings is substantially the same as Core Earnings, as defined in our Management Agreement, for the year ended December 31, 2020.

We believe that Distributable Earnings provides meaningful information for our investors to consider in addition to our net income and cash flow from operating activities determined in accordance with GAAP. We made an election to be taxed as a REIT for U.S. federal income tax purposes, commencing with our initial taxable year ended December 31, 2014. We generally must distribute annually at least 90% of our net taxable income, subject to certain adjustments and excluding any net capital gain, in order for us to qualify as a REIT for U.S. federal income tax purposes. To the extent that we satisfy this distribution requirement but distribute less than 100% of our net taxable income, we will be subject to U.S. federal income tax on our undistributed taxable income. Dividends are one of the principal reasons investors invest our common stock and over time Distributable Earnings has been a useful indicator of our dividends per share. As such, Distributable Earnings is a measure considered by us in determining dividends.

In assessing the impact of the new credit loss accounting guidance on our Distributable Earnings, we determined that, consistent with our policy on credit loss measurement and our stakeholders' view of realized loan losses, the credit loss provision or reversal as computed under Accounting Standards Update ("ASU") 2016-13, Financial Instruments – Credit Losses, should be included within unrealized gains, losses or other non-cash items as referenced above, but only to the extent that it exceeds any realized credit losses during the period. See Note 2 to our Consolidated Financial Statements included in this Form 10-K for details related to our accounting policy on credit loss measurement. Consistent with Accounting Standards Codification ("ASC") 326, a loan will be charged off as a realized loss when it is deemed non-recoverable upon a realization event. This is generally at the time the loan

receivable is settled, transferred or exchanged, or in the case of foreclosure, when the underlying property is sold, but non-recoverability may also be concluded by us if, in our determination, it is nearly certain that all amounts due will not be collected. The realized loss shall equal the difference between the cash received, or expected to be received, and the book value of the asset. This policy is reflective of our economics as it relates to the ultimate realization of the loan.

Distributable Earnings does not represent net income or cash generated from operating activities and should not be considered as an alternative to GAAP net income, or an indication of our GAAP cash flows from operations, a measure of our liquidity, or an indication of funds available for our cash needs. In addition, our methodology for calculating Distributable Earnings may differ from the methodologies employed by other companies to calculate the same or similar supplemental performance measures, and accordingly, our reported Distributable Earnings may not be comparable to the Distributable Earnings reported by other companies.

The following tables provide a reconciliation of GAAP net income (loss) attributable to common stockholders to Distributable Earnings (in thousands, except share and per share data):

	Three Months Ended December 31, 2020	Year Ended December 31, 2020	Year Ended December 31, 2019
Net Income (Loss) Attributable to TPG RE Finance Trust, Inc	$ 8,375	$ (151,511)	$ 126,298
Participating Securities' Share in Earnings	(338)	(832)	$ (676)
Deemed Dividends on Series B Preferred Shares	(1,399)	(3,189)	$ -
Net Income (Loss) Attributable to Common Stockholders(1)	$ 6,638	$ (155,532)	$ 125,622
Non-Cash Stock Compensation Expense	1,534	5,768	2,556
Credit Loss Expense(2)	3,498	43,182	—
Distributable Earnings	$ 11,670	$ (106,582)	$ 128,178
Weighted-Average Common Shares Outstanding, Basic(3)	76,759,033	76,656,756	72,743,171
Weighted-Average Common Shares Outstanding, Diluted(3)	79,257,062	76,656,756	72,743,171
Distributable Earnings per Common Share, Basic and Diluted(3)	$ 0.15	$ (1.39)	$ 1.76

(1) Represents GAAP net income (loss) attributable to our common and Class A common stockholders after deducting dividends attributable to participating securities. For more information regarding the calculation of earnings per share using the two-class method, see Note 12 to our Consolidated Financial Statements included in this Form 10-K.

(2) Credit Loss Expense excludes a realized loss of $13.8 million on the sale of one loan for the twelve months ended December 31, 2020, and a realized loss of $12.8 million on an extinguishment of a first mortgage loan that experienced a maturity default for the three and for the twelve months ended December 31, 2020, both included in Credit Loss Expense on our consolidated statements of income (loss) and comprehensive income (loss). See Notes 3 and 5 to our Consolidated Financial Statements included in this Form 10-K for details.

(3) Weighted average number of shares outstanding includes common stock and Class A common stock.

Book Value Per Common Share

The following table sets forth the calculation of our book value per share (in thousands, except share and per share data):

	December 31, 2020	December 31, 2019
Total Stockholders' Equity and Temporary Equity	$ 1,466,451	$ 1,503,954
Series B Preferred Stock	(199,551)	—
Series A Preferred Stock	(125)	(125)
Stockholders' Equity, Net of Preferred Stock	$ 1,266,775	$ 1,503,829
Number of Common Shares Outstanding at Period End(1)	76,787,006	76,022,778
Book Value per Common Share	$ 16.50	$ 19.78

(1) Includes shares of common and Class A common stock.

Portfolio Overview

Our investment portfolio includes our portfolio of floating rate mortgage loans and real estate owned. At December 31, 2020, our balance sheet loan portfolio was comprised of 57 loans totaling $4.9 billion of commitments with an unpaid principal balance of $4.5 billion, as compared to 65 loans with $5.6 billion of commitments and an unpaid principal balance $5.0 billion at December 31, 2019.

As of December 31, 2020, we owned real estate with a carrying value of $99.2 million comprising 27 acres across two undeveloped commercially-zoned land parcels on the Las Vegas Strip acquired pursuant to a negotiated deed-in-lieu of foreclosure. This Property is held for investment and reflected on our consolidated balance sheets at its estimate of fair value at the time of acquisition.

Loan Portfolio

During the three months ended December 31, 2020, we did not originate any loans. Loan fundings included $62.5 million of deferred fundings related to previously originated loan commitments. Proceeds from loan repayments during the three months ended December 31, 2020 totaled $365.1 million. Loan extinguishment represents extinguishment of a $112.0 million first mortgage loan by its conversion to real estate owned through a deed-in-lieu of foreclosure. We generated interest income of $62.0 million and incurred interest expense of $21.5 million, which resulted in net interest income of $40.5 million.

For the year ended December 31, 2020, we originated six loans with a total loan commitment amount of $526.3 million, of which $431.9 million was funded at origination. These originations include one mortgage loan, with an initial unpaid principal balance of $78.4 million, which involved the assumption and simultaneous assignment of an existing first mortgage loan by the third-party purchaser of the property securing the loan. This amendment is not considered a TDR under GAAP. The transaction was treated under GAAP as a new loan origination and extinguishment of the then-existing loan. Other loan fundings included $237.9 million of deferred fundings related to previously originated loan commitments. Proceeds from loan repayments totaled $885.6 million due primarily to the repayment in full of 13 loans totaling $852.8 million of unpaid principal balance. Loan extinguishment represents extinguishment of a $112.0 million first mortgage loan by its conversion to real estate owned through a deed-in-lieu of foreclosure. Loan sales during the year ended December 31, 2020 were $145.7 million. We generated interest income of $283.7 million and incurred interest expense of $107.2 million, which resulted in net interest income of $176.4 million. See Note 3 to our Consolidated Financial Statements included in this Form 10-K for details.

The following table details our loan activity by unpaid principal balance for the three months and year ended December 31, 2020 (dollars in thousands):

	Three Months Ended December 31, 2020	Year Ended December 31, 2020
Loan originations and acquisitions — initial funding(1)	$ —	$ 431,932
Other loan fundings(2)	62,451	237,856
Loan repayments	(365,096)	(885,565)
Loan sale(3)	—	(145,675)
Loan extinguishment on conversion to REO(4)	(112,000)	(112,000)
Total loan activity, net	$ (414,645)	$ (473,452)

(1) Loan originations for the year ended December 31, 2020 include an assumption and simultaneous assignment of an existing first mortgage loan with an unpaid principal balance of $78.4 million by the third-party purchaser of the property securing the loan. The transaction was treated as a new loan origination and extinguishment of the existing loan under GAAP.

(2) Additional fundings made under existing loan commitments.

(3) Loan sales for the twelve months ended December 31, 2020 includes the sale, at no gain or loss, of a $46.4 million mezzanine loan (with a commitment amount of $50.0 million) related to a contiguous first mortgage loan secured by the same property with an unpaid principal balance of $279.2 million and a commitment amount of $300.8 million at the time of sale, and the sale of one loan with an unpaid principal balance of $99.3 million for $85.5 million resulting in a realized loss of $13.8 million.

(4) Includes extinguishment of a first mortgage loan with an unpaid principal balance of $112.0 million as of December 31, 2020. On December 31, 2020, we took title to the Property pursuant to a negotiated deed-in-lieu of foreclosure. Fair value of the Property at the time of acquisition was $99.2 million resulting in a realized loss of $12.8 million, equal to the

previously recorded CECL reserve included in our results of operations for the three and twelve months ended December 31, 2020. See Notes 3 and 5 to our Consolidated Financial Statements included in this Form 10-K for details.

The following table provides selected statistics for our loan portfolio as of December 31, 2020 (dollars in thousands):

	Balance Sheet Portfolio	Total Loan Portfolio
Number of loans	57	58
Floating rate loans	100.0%	100.0%
Total loan commitment(1)	$ 4,943,511	$ 5,075,511
Unpaid principal balance(2)	$ 4,524,725	$ 4,524,725
Unfunded loan commitments(3)	$ 423,487	$ 423,487
Amortized cost	$ 4,516,400	$ 4,516,400
Weighted average credit spread(4)	3.2%	3.2%
Weighted average all-in yield(4)	5.3%	5.3%
Weighted average term to extended maturity (in years)(5)	3.1	3.1
Weighted average LTV(6)	65.9%	65.9%

(1) In certain instances, we create structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third-party. In either case, the senior mortgage loan (i.e., the non-consolidated senior interest) is not included on our balance sheet. When we create structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third-party, we retain on our balance sheet a mezzanine loan. Total loan commitment encompasses the entire loan portfolio we originated, acquired and financed. At December 31, 2020, we had one non-consolidated senior interest outstanding of $132.0 million.

(2) Unpaid principal balance includes PIK interest of $4.7 million as of December 31, 2020.

(3) Unfunded loan commitments may be funded over the term of each loan, subject in certain cases to an expiration date or a force-funding date, primarily to finance property improvements or lease-related expenditures by our borrowers, to finance operating deficits during renovation and lease-up, and in limited instances to finance construction.

(4) As of December 31, 2020, our floating rate loans were indexed to LIBOR. In addition to credit spread, all-in yield includes the amortization of deferred origination fees, purchase price premium and discount, loan origination costs and accrual of both extension and exit fees. Credit spread and all-in yield for the total portfolio assumes the applicable floating benchmark rate, inclusive of LIBOR floors, as of December 31, 2020 for weighted average calculations.

(5) Extended maturity assumes all extension options are exercised by the borrower; provided, however, that our loans may be repaid prior to such date. As of December 31, 2020, based on the unpaid principal balance of our total loan exposure, 31.7% of our loans were subject to yield maintenance or other prepayment restrictions and 68.3% were open to repayment by the borrower without penalty.

(6) Except for construction loans, LTV is calculated for loan originations and existing loans as the total outstanding principal balance of the loan or participation interest in a loan (plus any financing that is pari passu with or senior to such loan or participation interest) as of December 31, 2020, divided by the as-is appraised value of our collateral at the time of origination or acquisition of such loan or participation interest. For construction loans only, LTV is calculated as the total commitment amount of the loan divided by the as-stabilized value of the real estate securing the loan. The as-is or as-stabilized (as applicable) value reflects our Manager's estimates, at the time of origination or acquisition of the loan or participation interest in a loan, of the real estate value underlying such loan or participation interest determined in accordance with our Manager's underwriting standards and consistent with third-party appraisals obtained by our Manager.

Real Estate Owned

In December 2020, we acquired two undeveloped commercially-zoned land parcels on the Las Vegas Strip comprising 27 acres (the "Property") pursuant to a negotiated deed-in-lieu of foreclosure. This Property previously served as collateral for a first mortgage loan receivable held for investment with an unpaid principal balance of $112.0 million, an independently-assessed credit loss reserve of $12.8 million as of September 30, 2020, and net carrying value of $99.2 million. On October 9, 2020, the first mortgage loan reached final maturity without repayment or satisfaction of extension conditions, which triggered a maturity default. On December 31, 2020, we took ownership of the Property, extinguished the first mortgage loan receivable, and realized a loss of $12.8 million, equal to the previously recorded specific CECL reserve on the first mortgage loan. At December 31, 2020, this Property is considered held for investment and reflected on our consolidated balance sheets at its estimated fair value,

net of estimated selling costs, of $99.2 million. Our estimate of the Property's fair value was determined using a discounted cash flow model and Level 3 inputs, which include estimates of parcel-specific cash flows over a specific holding period, at a discount rate that ranges between 8.0% - 17.5% based on the risk profile of estimated cash flows associated with each respective parcel, and estimated capitalization rate of 6.25%, where applicable. These inputs are based on the highest and best use for each parcel, estimated future values for the parcels based on extensive discussions with local brokers, investors and other market participants, the estimated holding period for the parcels, and discount rates that reflect estimated investor return requirements for the risks associated with the expected use of each sub-parcel. We obtained from a third party a $50.0 million first mortgage loan secured by the Property, which is classified as Mortgage Loan Payable on our consolidated balance sheets. See Note 7 to our Consolidated Financial Statements included in this Form 10-K for details of the Mortgage Loan Payable.

CRE Debt Securities

We have invested and may invest in the future in CRE debt securities investments as part of our investment strategy. As of December 31, 2020, we did not own any CRE debt securities. Refer to Note 4 to our Consolidated Financial Statements included in this Form 10-K for details on CRE debt securities.

Asset Management

We actively manage the assets in our portfolio from closing to final repayment. We are party to an agreement with SitusAMC, one of the largest commercial mortgage loan servicers, pursuant to which SitusAMC provides us with dedicated asset management employees for performing asset management services pursuant to our proprietary guidelines. Following the closing of an investment, this dedicated asset management team rigorously monitors the investment under our Manager's oversight, with an emphasis on ongoing financial, legal and quantitative analyses. Through the final repayment of an investment, the asset management team maintains regular contact with borrowers, servicers and local market experts monitoring performance of the collateral, anticipating borrower, property and market issues, and enforcing our rights and remedies when appropriate.

Our Manager reviews our entire loan portfolio quarterly, undertakes an assessment of the performance of each loan, and assigns it a risk rating between "1" and "5," from least risk to greatest risk, respectively. See Note 2 to our Consolidated Financial Statements included in this Form 10-K for a discussion regarding the risk rating system that we use in connection with our portfolio. The following table allocates the amortized cost of our loan portfolio as of December 31, 2020 and December 31, 2019 based on our internal risk ratings (dollars in thousands):

	December 31, 2020		December 31, 2019	
Risk Rating	Amortized Cost	Number of Loans	Amortized Cost	Number of Loans
1	$ —	—	$ —	—
2	337,738	4	903,393	11
3	3,340,663	37	3,868,696	47
4	806,893	15	208,300	7
5	31,106	1	—	—
Unpaid principal balance	$ 4,516,400	57	$ 4,980,389	65

For the period ended December 31, 2020 and December 31, 2019, the weighted average risk rating of our total loan exposure based on amortized cost was 3.1 and 2.9, respectively. The increase in the risk rating was primarily the result of hospitality loans that were downgraded to a "4" during the first quarter of 2020, which are properties particularly negatively impacted by the COVID-19 pandemic, or to a "5" due to default. For changes in risk ratings during each of the four quarters of 2020, refer to Note 3 to the Consolidated Financial Statements included in this Form 10-K.

Allowance for Credit Losses

Our initial CECL reserve of $19.6 million due to the application of the CECL methodology in the first quarter of 2020 (as described in Note 2 to the Consolidated Financial Statements included in this Form 10-K) over performing loans on which we had previously not carried an allowance for credit losses is reflected as a direct charge to retained earnings on our Consolidated Statements of Changes in Equity. During the twelve months ended December 31, 2020, we recorded an increase of $43.2 million in the allowance for credit losses, including realized losses of $12.8 million on the extinguishment of a loan and its conversion to real estate owned, and $13.8 million on the sale of a loan, bringing the total CECL reserve to $62.8 million as of December 31, 2020. For the twelve months ended December 31, 2020, our estimate of expected credit losses increased due to recessionary macroeconomic assumptions employed in determining our model-based CECL reserve, and an increase due to an independently-assessed loan in the fourth quarter of 2020, offset by a decline in total loan commitments and unpaid principal balance due to loan repayments and sales. Additionally, the average risk ratings of our loans increased from 2.9 as of December 31, 2019 to 3.1 as of December 31, 2020, as described above. The impact of reduced economic activity due to the COVID-19 pandemic has caused reduced activity in certain sectors of the capital markets, which may slow the pace of loan repayments, and will likely impact commercial property values and valuation inputs. While the ultimate impact is uncertain, we have made certain forward-looking adjustments to the inputs of our calculation of the allowance for credit losses to reflect uncertain economic expectations.

We placed one loan secured by a retail property on non-accrual status due to a borrower default in December 2020. Subsequent to December 31, 2020, the borrower made the interest payment from funds available, however, we elected to place the loan on non-accrual status from December 2020, in accordance with our non-accrual policy. The amortized cost of the loan was $31.1 million and $30.6 million as of December 31, 2020 and December 31, 2019, respectively. On December 31, 2020, we determined that this first mortgage loan met the CECL framework's criteria for individual assessment. Accordingly, we utilized the estimated fair value of the collateral on December 31, 2020 to estimate a loan loss reserve of $10.0 million as of that date, which is included in the CECL reserve. As of December 31, 2020, this loan was current with respect to scheduled payments. There were no loans on non-accrual status as of December 31, 2019.

We expect that over the near, intermediate, and perhaps long term, the economic and market disruptions caused by COVID-19 will adversely impact or continue to adversely impact the financial condition of some of our borrowers. There is no assurance that the number of borrowers who become delinquent or default on their loans will not increase. We have entered into loan modification agreements with several borrowers that permit borrowers to defer payment of some or all of the interest on their loans generally for a period of up to six months, and/or the repurposing of certain cash reserve balances within the loan structure for use in paying interest or operating expenses. In exchange, borrowers and sponsors are required to make partial principal repayments and/or provide us additional cash for payment of interest, operating expenses, and replenishment of capital reserves in amounts and combinations acceptable to us. In addition, certain of our borrowers have not and may not meet required conditions to extend the maturities of their loans and may require accommodations to provide additional time for property operations to recover in order to facilitate a refinance of their loans or a sale of the property.

During the twelve months ended December 31, 2020, we executed 17 loan modifications with borrowers which includes short-term modifications such as payment deferrals, fee and extension test waivers and extensions of repayment terms. Eleven loan modifications expired during the twelve months ended December 31, 2020, with one renewed on revised terms in the fourth quarter of 2020. The aggregate unpaid principal balance for all loans modified during the twelve months ended December 31, 2020, excluding three loans that were repaid, was $1.0 billion. As of December 31, 2020, six modifications are outstanding with an aggregate unpaid principal balance of $548.4 million. Total PIK interest of $0.8 million and $4.7 million was deferred and added to the outstanding loan principal during the three and twelve months ended December 31, 2020, respectively. None of the loan modifications executed during the year trigger the requirements for accounting as TDRs. Eight of the modifications met the safe-harbor conditions of the "Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus" issued by banking regulators in consultation with FASB. All of the modified loans during the year and outstanding as of December 31, 2020, are performing, except for one which is on non-accrual status as of December 31, 2020. See Note 3 to our Consolidated Financial Statements included in this Form 10-K for details of these modifications.

We continue to work with our borrowers to address the challenging circumstances caused by COVID-19 while protecting the credit attributes of our loans. However, we cannot assure you that these efforts will be successful, and we may experience payment delinquencies, defaults, foreclosures, or losses.

Investment Portfolio Financing

Our portfolio financing arrangements during the years ended December 31, 2020 and December 31, 2019 included collateralized loan obligations, secured credit agreements, a mortgage loan payable (only as of December 31, 2020), and an asset-specific financing arrangement (only as of December 31, 2019). We had one outstanding non-consolidated senior interest at December 31, 2020 and 2019, with a total loan commitment of $132.0 million.

The following table details our portfolio financing arrangements at December 31, 2020 and December 31, 2019 (dollars in thousands):

	Portfolio Financing Outstanding Principal Balance	
	December 31, 2020	December 31, 2019
Secured credit facilities - loans	$ 1,522,859	$ 2,314,417
CLO financing(1)	1,834,760	1,820,060
Mortgage loan payable	50,000	—
Secured revolving credit facility	—	145,637
Asset-specific financing	—	77,000
Total indebtedness(2)	$ 3,407,619	$ 4,357,114

(1) Increase in the balance as of December 31, 2020 is due to the sale of TRTX 2018-FL2 Notes during the second quarter of 2020 with an aggregate note face amount of $14.7 million, previously acquired in the open market.

(2) Excludes deferred financing costs of $18.9 million and $25.6 million as of December 31, 2020 and December 31, 2019, respectively.

Non-mark-to-market financing sources accounted for 63.5% of our total loan portfolio financing arrangements at December 31, 2020. The remaining 36.5% of our loan portfolio financing arrangements, which are comprised primarily of our secured credit facilities, are subject only to credit and spread marks. The following table summarizes our loan portfolio financing as of December 31, 2020 (dollars in thousands):

Loan Portfolio Financing Arrangements	Initial Maturity Date	Extended Maturity Date	Recourse Percentage	Basis of Margin Calls	Non-Mark-to-Market	Mark-to-Market
Secured Credit Facilities						
Goldman Sachs	08/19/21	08/19/22	25%	Credit	$ —	$ 50,887
Wells Fargo	04/18/22	04/18/22	25%	Credit	—	216,399
Barclays	08/13/22	08/13/22	25%	Credit	—	316,261
Morgan Stanley(1)	05/04/21	05/04/22	25%	Credit	—	325,955
JP Morgan	10/30/23	10/30/25	25%	Credit and Spread	—	207,094
US Bank	07/09/22	07/09/24	25%	Credit	—	69,584
Bank of America	09/29/21	09/29/22	25%	Credit	—	87,133
Institutional Financing	10/30/23	10/30/25	25%	Credit	249,546	—
					249,546	1,273,313
Collateralized Loan Agreements:						
TRTX 2018-FL2	10/01/34	10/01/34	0%	None	1,039,627	—
TRTX 2019-FL3	11/29/37	11/29/37	0%	None	795,133	—
Non-Consolidated Senior Interests				None	132,000	—
Total					$ 2,216,306	$ 1,273,313
Percentage of Total					63.5%	36.5%

(1) On February 16, 2021, we extended our existing secured credit facility with Morgan Stanley to a new initial maturity date of May 4, 2022.

Secured Credit Facilities

As of December 31, 2020, aggregate borrowings outstanding under our secured credit facilities totaled $1.5 billion, which was entirely related to our mortgage loan investments. As of December 31, 2020, the weighted average interest rate was LIBOR plus 2.16% per annum, and the weighted average advance rate was 69.3%. As of December 31, 2020, outstanding borrowings under these facilities for our mortgage loan investments had a weighted average term to extended maturity of 2.6 years (assuming we exercise all extension options and term out provisions available to us). These secured credit agreements are 25% recourse to Holdco.

On October 30, 2020, we closed, with a single institutional counterparty, a secured credit facility with a commitment amount and unpaid principal balance of $249.5 million. The credit facility is secured by seven first mortgage loans, or participation interests therein. The new credit facility has a committed term of three years through October 30, 2023, a credit spread of 4.50%, a LIBOR floor of 0.25%, and contains no mark-to-market provisions that would trigger margin calls for two years from closing.

During the twelve months ended December 31, 2020, we:

- exercised an existing option to extend our Goldman Sachs Bank USA secured credit facility through August 19, 2021, reduced the commitment amount from $750.0 million to $250.0 million, and obtained an accordion option to increase the commitment amount up to $500.0 million.
- exercised an existing option to extend through May 4, 2021 our secured credit agreement with Morgan Stanley Bank, N.A.

- extended the maturity date of our Bank of America secured credit facility to September 29, 2021, reduced the commitment amount from $500.0 million to $200.0 million, and retained an accordion option to increase the total commitment up to $500.0 million.
- extended our existing secured credit facility with JP Morgan Chase to a new initial maturity date of October 30, 2023.

The following tables detail our secured credit facilities as of December 31, 2020 (dollars in thousands):

Lender	Commitment Amount(1)	UPB of Collateral	Advance Rate	Approved Borrowings	Outstanding Balance	Undrawn Capacity(3)	Available Capacity(2)	Interest Rate	Extend Maturi
Goldman Sachs	$ 250,000	$ 96,381	57.7%	$ 53,442	$ 50,887	$ 2,555	$ 196,558	L+ 2.66%	08/
Wells Fargo	750,000	290,237	75.4%	218,703	216,399	2,304	531,297	L+ 1.66%	04/
Barclays	750,000	443,845	70.6%	316,306	316,261	45	433,694	L+ 1.54%	08/
Morgan Stanley	500,000	434,630	77.8%	337,646	325,955	11,691	162,354	L+ 1.82%	05/
JP Morgan	400,000	351,123	60.4%	210,805	207,094	3,711	189,195	L+ 1.63%	10/
US Bank	139,960	101,372	70.0%	70,960	69,584	1,376	69,000	L+ 1.53%	07/
Bank of America	200,000	117,393	75.0%	88,218	87,133	1,085	111,782	L+ 1.75%	09/
Institutional Financing	249,546	427,330	58.8%	249,546	249,546	—	—	L+ 4.50%	10/
Total/Weighted Average—Loans	$ 3,239,506	$ 2,262,311	69.3%	$ 1,545,626	$ 1,522,859	$ 22,767	$ 1,693,880	L+ 2.16%	

(1) Commitment amount represents the largest amount of borrowings available under a given agreement once sufficient collateral assets have been approved by the lender and pledged by us.
(2) Represents the commitment amount less the approved borrowings which amount is available to be borrowed provided we pledge and the lender approves additional collateral assets.
(3) Undrawn capacity represents the positive difference between the borrowing amount approved by the lender against collateral assets pledged by us and the amount actually drawn against those collateral assets.
(4) Our ability to extend our secured credit facilities to the dates shown above is subject to satisfaction of certain conditions. Even if extended, our lenders retain sole discretion to determine whether to accept pledged collateral, and the advance rate and credit spread applicable to each borrowing thereunder.

The maximum and average month end balances for our secured credit facilities during the year ended December 31, 2020 are as follows (dollars in thousands):

	Year Ended December 31, 2020		
	Carrying Value	Maximum Month End Balance	Average Month End Balance
JP Morgan	$ 207,094	$ 245,481	$ 215,510
Goldman Sachs	50,887	147,007	117,778
Wells Fargo	216,399	442,258	327,979
Morgan Stanley	325,955	441,359	392,923
US Bank	69,584	136,599	76,642
Barclays	316,261	594,183	465,287
Bank of America	87,133	145,637	136,049
Institutional Financing	249,546	249,546	62,386
Citibank	—	134,505	26,118
Subtotal / Averages - Loans(1)	$ 1,522,859	$ 2,054,219	$ 1,820,673
JP Morgan(2)		492,737	158,062
Goldman Sachs(2)	—	81,152	24,840
Wells Fargo(2)	—	135,895	41,036
Subtotal / Averages - CRE Debt Securities(1)	$ —	$ 692,798	$ 223,940
Total / Averages - Loans and CRE Debt Securities(1)	$ 1,522,859	$ 3,236,024	$ 2,122,268

(1) The maximum month end balance subtotal and total represents the maximum outstanding borrowings on all secured credit facilities at a month end during the year ended December 31, 2020.
(2) None of these secured credit facilities had balances outstanding after April 30, 2020, and all such facilities were terminated prior to June 30, 2020.

We separate our secured credit facilities into two categories: secured credit facilities secured by our loan assets; and secured credit facilities secured by our CRE debt securities. At December 31, 2020, we no longer had any secured credit facilities secured by CRE debt securities.

Once we identify an asset and the asset is approved by the secured credit facility lender to serve as collateral (which lender's approval is in its sole discretion), we and the lender may enter into a transaction whereby the lender advances to us a percentage of the value of the asset, which is referred to as the "advance rate." In the case of borrowings under our repurchase facilities, this advance serves as the purchase price at which the lender acquires the loan asset from us with an obligation of ours to repurchase the asset from the lender for an amount equal to the purchase price for the transaction plus a price differential, which is calculated based on an interest rate. Advance rates are subject to negotiation between us and our secured credit facility lenders. In connection only with our former secured credit facilities secured by CRE debt securities, advance rates could be reduced or increased upon the maturity of the applicable contract.

For each transaction, we and the lender agree to a trade confirmation which sets forth, among other things, the purchase price if a repurchase facility, the maximum advance rate, the interest rate and the market value of the asset. For transactions under our secured credit agreements secured by our loan assets, the trade confirmation may also set forth any future funding obligations which are contemplated with respect to the specific transaction and/or the underlying loan asset. For loan assets which involve future funding obligations of ours, the transaction may provide for the lender to fund portions (for example, pro rata per the maximum advance rate of the related transaction) of such future funding obligations. The trade confirmation can also set forth loan-specific margin maintenance provisions, described below.

Generally, our secured credit facilities allow for revolving balances, which allow us to voluntarily repay balances and draw again on existing available credit. The primary obligor on each secured credit facility is a separate special purpose subsidiary of ours which is restricted from conducting activity other than activity related to the utilization of its secured credit facility and the loans or loan interests that are originated or acquired by such subsidiary. As additional credit support, our holding company subsidiary, Holdco, provides certain guarantees of the obligations of its subsidiaries. The amount of Holdco's potential liability under these guarantees depends upon whether the guarantee relates to a secured credit facility secured by loans or by CRE debt securities:

- For our secured credit facilities secured by loans, Holdco's liability is generally capped at 25% of the outstanding obligations of the special purpose subsidiary which is the primary obligor under the related agreement. However, this liability cap does not apply in the event of certain "bad boy" defaults which can trigger recourse to Holdco for losses or the entire outstanding obligations of the borrower depending on the nature of the "bad boy" default in question. Examples of such "bad boy" defaults include, without limitation, fraud, intentional misrepresentation, willful misconduct, incurrence of additional debt in violation of financing documents, and the filing of a voluntary or collusive involuntary bankruptcy or insolvency proceeding of the special purpose entity subsidiary or the guarantor entity.
- For our former secured credit facilities secured by CRE debt securities, Holdco's liability was in an amount equal to 100% of the outstanding obligations of the special purpose subsidiary which was the primary obligor under the related agreement.

Each of the secured credit facilities have "margin maintenance" provisions, which are designed to allow the lender to maintain a certain margin of credit enhancement and/or against the assets which serve as collateral. The lender's margin amount is typically based on a percentage of the market value of the asset and/or mortgaged property collateral; however, certain secured credit agreements may also involve margin maintenance based on maintenance of a minimum debt yield with respect to the cash flow from the underlying real estate collateral. In certain cases, margin maintenance provisions can relate to minimum debt yields for pledged collateral considered as a whole, or limits on concentration of loan exposure measured by property type or loan type.

The margin maintenance provisions differ in some respects, depending upon whether the provisions are contained in secured credit facilities secured by loans or by CRE debt securities:

- Our secured credit facilities secured by loans contain defined mark-to-market provisions that permit the lenders to issue margin calls to us in the event that the collateral properties underlying our loans pledged to our lenders experience a non-temporary decline in value or net cash flow ("credit marks") due to reasons other than capital markets events that result in changing credit spreads for similar borrowing

obligations. In connection with one of these borrowing arrangements, the lender is also permitted to issue margin calls to the Company in the event the lender determines capital markets events have caused credit spreads to change for similar borrowing obligations ("spread marks"). Furthermore, in connection with one of these borrowing arrangements, the lender has the right to re-margin the secured credit facility based solely on appraised loan-to-values in the third year of the facility. On May 28, 2020, we made voluntary deleveraging payments totaling $157.7 million to our seven secured credit facility lenders in exchange for their agreement to suspend margin calls for defined periods, subject to certain conditions. When these payments were made, no margin deficits existed, and no margin calls have been issued to us since. The margin holiday agreements expired in December 2020. If market turbulence returns, we may be exposed to margin calls in connection with our secured credit agreements secured by our mortgage loan investments.

- Our secured credit facilities secured by CRE debt securities contained daily mark-to-market provisions that permitted the lenders to issue margin calls to us in response to changing interest rates and credit spreads on the CRE debt securities so financed. As a result, during the six months ended June 30, 2020, extreme short-term volatility and negative pressure in the financial markets required us to post cash collateral with our lenders under these facilities. See the section entitled "Risk Factors" in this Form 10-K for more information.

The maturity dates for each of our secured credit agreements are set forth in tables that appear earlier in this section. Our secured credit agreements secured by loans generally have terms of between one and three years, but may be extended if we satisfy certain performance-based conditions. Our secured credit facilities secured by CRE debt securities generally had terms between one month and three months, and the lenders under these agreements generally had the right not to renew, or to do so only on a shorter term. In the normal course of business, we maintain discussions with our lenders to extend or amend any financing facilities related to our loans which contain near-term expirations.

At December 31, 2020, the weighted average haircut (which is equal to one minus the advance rate percentage against collateral for our secured credit facilities taken as a whole) was 30.7% as compared to 19.4% at December 31, 2019. The year-over-year increase in our weighted average haircut was due primarily to two factors: first, the repayment in full and subsequent termination by us of all of our secured credit agreements for CRE debt securities: and, second, our voluntary deleveraging repayments of $157.7 million made on May 28, 2020. The haircut for our secured credit agreements is dependent on the collateral used (loans or CRE debt securities) for the secured credit agreements. At December 31, 2020 and December 31, 2019, the following table presents the weighted average haircut on our secured credit agreements by collateral type:

	Year Ended December 31,	
	2020	2019
Loans	30.7%	21.4%
CRE Debt Securities	N/A	13.9%
Weighted Average	30.7%	19.4%

The secured credit facilities also include cash management features which generally require that income from collateral loan assets be deposited in a lender-controlled account and be distributed in accordance with a specified waterfall of payments designed to keep facility-related obligations current before such income is disbursed for our own account. The cash management features generally require the trapping of cash in such controlled account if an uncured default remains outstanding. Furthermore, some secured credit agreements may require an accelerated principal amortization schedule if the secured credit agreement is in its final extended term.

Notwithstanding that a loan asset may be subject to a financing arrangement and serve as collateral under a secured credit facility, we retain the right to administer and service the loan and interact directly with the underlying obligors and sponsors of our loan assets so long as there is no default under the secured credit agreement and so long as we do not engage in certain material modifications (including amendments, waivers, exercises of remedies, or releases of obligors and collateral, among other things) of the loan assets without the lender's prior consent.

Collateralized Loan Obligations

As of December 31, 2020, we had two collateralized loan obligations, TRTX 2019-FL3 and TRTX 2018-FL2, totaling $1.8 billion, financing 31 existing first mortgage loan investments totaling $2.2 billion, providing efficient cost, non-mark-to-market, non-recourse financing for 52.6% of our loan portfolio borrowings. The collateralized loan obligations bear a weighted average interest rate of LIBOR plus 1.4%, have a weighted average advance rate of 82.3%, and include a reinvestment feature that allows us to contribute existing or newly originated loan investments in exchange for proceeds from loan repayments held in the collateralized loan obligations. During the twelve months ended December 31, 2020, we reinvested $618.8 million of cash in TRTX 2018-FL2 and TRTX 2019-FL3 generated by loan payments. The reinvestment period for TRTX 2018-FL2 ended on December 11, 2020, and the reinvestment period for TRTX 2019-FL3 will end on October 11, 2021.

Mortgage Loan Payable

We are, through a special purpose entity, a borrower under a $50.0 million mortgage loan secured by a first deed of trust against two undeveloped commercially-zoned land parcels on the Las Vegas Strip comprising 27 acres (the "Property") pursuant to a negotiated deed-in-lieu of foreclosure. Refer to Note 5 to our Consolidated Financial Statements included in this Form 10-K for additional information. The first mortgage loan was provided by an institutional lender, has an initial maturity date of December 15, 2021, and an option to extend the maturity for 12 months subject to the satisfaction of customary extension conditions, including (i) the purchase of a new interest rate cap for the extension term, (ii) replenishment of the interest reserve with an amount equal to 12 months of debt service, (iii) payment of a 0.25% extension fee on the outstanding principal balance, and (iv) no event of default. The first mortgage loan permits partial releases of collateral in exchange for payment of a minimum release price equal to the greater of 100% of net sales proceeds (after reasonable transaction expenses) or 115% of the allocated loan amount. The loan bears interest at a rate of LIBOR plus 4.50% subject to a LIBOR interest rate floor and cap of 0.50%. We have posted cash of $2.4 million to pre-fund interest payments due under the note during its initial term.

Secured Revolving Credit Agreement

Previously, we were a party to a secured revolving credit agreement with Citibank, N.A. with maximum borrowing capacity of $160.0 million, subject to borrowing base availability and certain other conditions. We used this facility to finance originations or acquisitions of eligible loans on an interim basis until permanent financing was arranged. The facility had an initial maturity date of July 12, 2020 and an interest rate per annum equal to one-month LIBOR or the applicable base rate plus a margin of 2.25%. The initial advance rate on borrowings under the secured revolving credit agreement with respect to individual pledged assets could range up to 70% and decline thereafter during the maximum borrowing term of 90 days, after which borrowings against each asset-specific borrowing required repayment. This facility was 100% recourse to Holdco. We allowed this credit facility to expire by its terms on July 12, 2020. At December 31, 2020, we had no balance outstanding under the facility.

Asset-Specific Financings

As of December 31, 2020, we did not have any asset-specific financing arrangements to finance certain of our lending activities. On April 2, 2019, we entered into an asset-specific financing with an institutional lender that was secured by one first mortgage loan held for investment. The asset-specific financing did not provide for additional advances. The initial maturity of this agreement was October 9, 2020. On October 9, 2020, the first mortgage loan reached final maturity without repayment or satisfaction of extension conditions, which triggered a maturity default. On December 31, 2020, we took ownership of the Property pursuant to a negotiated deed-in-lieu of foreclosure and retired the asset-specific financing arrangement.

Non-Consolidated Senior Interests

In certain instances, we create structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third party. In either case, the senior mortgage loan (i.e., the non-consolidated senior interest) is not included on our consolidated balance sheets. When we create structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third party, we retain on our balance sheet a mezzanine loan.

As of December 31, 2020, we retained a mezzanine loan investment with a total commitment of $35.0 million, an unpaid principal balance of $32.5 million and an interest rate of LIBOR plus 10.3%.

The following table presents our non-consolidated senior interests outstanding as of December 31, 2020 (dollars in thousands):

Non-Consolidated Senior Interests	Count	Loan Commitment	Principal Balance	Amortized Cost	Weighted Average Credit Spread	Guarantee	Weighted Average Term to Extended Maturity
Senior loan sold or co-originated	1	$ 132,000	$ 132,000	$ N/A	L+ 4.3%	N/A	6/28/2025
Retained mezzanine loan	1	$ 35,000	$ 32,516	$ 32,352	L+ 10.3%	N/A	6/28/2025
Total loan	1	$ 167,000	$ 164,516	$ N/A	L+ 5.5%	N/A	6/28/2025

Financial Covenants for Outstanding Borrowings

Our financial covenants and guarantees for outstanding borrowings related to our secured credit agreements require Holdco to maintain compliance with the following financial covenants (among others), which were revised on May 28, 2020 as follows:

Financial Covenant	Current	Prior to May 28, 2020
Cash Liquidity	Minimum cash liquidity of no less than the greater of: $10.0 million; and 5.0% of Holdco's recourse indebtedness	Minimum cash liquidity of no less than the greater of: $10.0 million; and 5.0% of Holdco's recourse indebtedness
Tangible Net Worth	$1.1 billion as of April 1, 2020, plus 75% of future equity issuances thereafter	Minimum tangible net worth of at least 75% of the net cash proceeds of all prior equity issuances made by Holdco or the Company, plus 75% of the net cash proceeds of all subsequent equity issuances made by Holdco or the Company
Debt to Equity	Debt to Equity ratio not to exceed 3.5 to 1.0 with "equity" and "equity adjustment" as defined below	Debt to Equity ratio not to exceed 3.5 to 1.0
Interest Coverage	Minimum interest coverage ratio of no less than 1.4 to 1.0 until December 2, 2020, and no less than 1.5 to 1.0 thereafter	Minimum interest coverage ratio of no less than 1.5 to 1.0

The amendments as of May 28, 2020 revise the definition of tangible net worth such that the baseline amount for testing is reset as of April 1, 2020 to $1.1 billion plus 75% of future equity issuances after April 1, 2020. The definition of equity for purposes of calculating the debt-to-equity covenant was revised to include: common equity; preferred equity; and an adjustment equal to the sum of the Current Expected Credit Loss reserve, write-downs, impairments or realized losses recorded against the value of any assets of Holdco or its subsidiaries from and after April 1, 2020; provided, however, that the equity adjustment may not exceed the amount of (a) Holdco's total equity less (b) the product of Holdco's total indebtedness multiplied by 25%.

We were in compliance with all financial covenants for our secured credit agreements, secured revolving credit agreement, and asset-specific financings to the extent of outstanding balances as of December 31, 2020.

For as long as the Series B Preferred Stock is outstanding, we are required to maintain a debt to equity ratio not greater than 3.0 to 1.0. For the purpose of determining this ratio, the aggregate liquidation preference of the outstanding shares of Series B Preferred Stock is excluded from the calculation of our total indebtedness and our subsidiaries and is included in the calculation of total equity. We were in compliance with the financial covenant relating to the Series B Preferred Stock as of December 31, 2020.

If we fail to meet or satisfy any of the covenants in our financing arrangements and are unable to obtain a waiver or other suitable relief from the lenders, we would be in default under these agreements, which could result in a cross-default or cross-acceleration under other financing arrangements, and our lenders could elect to declare outstanding amounts due and payable (or such amounts may automatically become due and payable), terminate their commitments, require the posting of additional collateral and enforce their respective interests against existing collateral. A default also could limit significantly our financing alternatives, which could cause us to curtail our investment activities or dispose of assets when we otherwise would not choose to do so. Further, this could make it difficult for us to satisfy the requirements necessary to maintain our qualification as a REIT for U.S. federal income tax purposes. There can be no assurance that we will remain in compliance with these covenants in the future. For more information regarding the impact that COVID-19 may have on our ability to comply with these covenants, see "Risk Factors."

Debt-to-Equity Ratio and Total Leverage Ratio

The following table presents our debt-to-equity ratio and total leverage ratio:

	December 31, 2020	December 31, 2019
Debt-to-equity ratio(1)	2.44x	2.84x
Total leverage ratio(2)	2.54x	2.93x

(1) Represents (i) total outstanding borrowings under financing arrangements, net, including collateralized loan obligations, secured credit facilities, secured revolving credit facilities, a term loan facility, and asset-specific financing agreements, less cash, to (ii) total stockholders' equity, at period end.

(2) Represents (i) total outstanding borrowings under financing arrangements, net, including collateralized loan obligations, secured credit facilities, secured revolving credit facilities, a term loan facility, and asset-specific financing agreements, plus non-consolidated senior interests sold or co-originated (if any), less cash, to (ii) total stockholders' equity, at period end.

Floating Rate Portfolio

Our business model seeks to minimize our exposure to changing interest rates by match-indexing our assets using the same, or similar, benchmark indices, typically LIBOR. Accordingly, rising interest rates will generally increase our net interest income, while declining interest rates will generally decrease our net interest income, subject to the beneficial impact of LIBOR floors in our mortgage loan investment portfolio. As of December 31, 2020, 100.0% of our loans by unpaid principal balance earned a floating rate of interest and were financed with liabilities that require interest payments based on floating rates, which resulted in approximately $1.2 billion of net floating rate exposure, subject to the impact of interest rate floors on all our floating rate loans and 11.7% of our liabilities. We had no fixed rate loans outstanding as of December 31, 2020.

Our liabilities are generally index-matched to each loan investment asset, resulting in a net exposure to movements in benchmark rates that vary based on the relative proportion of floating rate assets and liabilities. The following table details our loan portfolio's net floating rate exposure as of December 31, 2020 and December 31, 2019 (dollars in thousands):

	Year Ended December 31,	
	2020	2019
Floating rate assets[1]	$ 4,524,725	$ 4,998,176
Floating rate debt[1][2]	(3,357,618)	(3,664,316)
Net floating rate exposure	$ 1,167,107	$ 1,333,860

(1) Floating rate mortgage loan assets and liabilities are indexed to LIBOR. The net exposure to the underlying benchmark interest rate is directly correlated to our assets indexed to the same rate. Excludes the impact of CRE debt securities and related liabilities.

(2) Floating rate liabilities include secured credit facilities, collateralized loan obligations, secured revolving credit facilities, a term loan facility, and asset-specific financings.

With the cessation of LIBOR expected to occur effective January 1, 2022, we continue to evaluate the documentation and control processes associated with our assets and liabilities to manage the transition away from LIBOR to an alternative rate endorsed by the Alternative Reference Rates Committee of the Federal Reserve System. Although recent statements from regulators indicate the possibility of a longer period of transition, perhaps through June 2023, we continue to utilize required resources to revise our control and risk management systems to ensure there is no disruption to our day-to-day operations from the transition, when it does occur. We will continue to employ prudent risk management as it relates to the potential financial, operational and legal risks associated with the expected cessation of LIBOR, and to ensure that our assets and liabilities generally remain match-indexed following this event.

Interest-Earning Assets and Interest-Bearing Liabilities

The following table presents the average balance of interest-earning assets and related interest-bearing liabilities, associated interest income and expense, and financing costs and the corresponding weighted average yields for the three months ended December 31, 2020 and September 30, 2020 (dollars in thousands):

	Three Months Ended December 31, 2020			Three months ended September 30, 2020		
	Average Carrying Value(1)	Interest Income/ Expense	Wtd. Avg. Yield/ Financing Cost(2)	Average Carrying Value(1)	Interest Income/ Expense	Wtd. Avg. Yield/ Financing Cost(2)
Core Interest-earning assets:						
First mortgage loans	$ 4,556,855	$ 60,643	5.3%	$ 4,976,427	$ 68,914	5.5%
Retained mezzanine loans	32,011	1,074	13.4%	30,964	940	12.1%
CRE debt securities(3)	—	301	0.0%	—	—	0.0%
Core interest-earning assets	$ 4,588,866	$ 62,018	5.4%	$ 5,007,391	$ 69,854	5.5%
Interest-bearing liabilities:						
Asset-specific financings	$ 51,039	$ 1,233	9.7%	$ 77,000	$ 1,399	7.3%
Secured credit agreements	1,587,709	11,548	2.9%	1,801,422	11,189	2.5%
Collateralized loan obligations	1,834,760	8,684	1.9%	1,834,761	8,862	1.9%
Mortgage loan payable	16,667	—	0.0%	—	—	0.0%
Total interest-bearing liabilities	$ 3,490,175	$ 21,465	2.5%	$ 3,713,183	$ 21,450	2.3%
Net interest income(4)		$ 40,553			$ 48,404	
Other Interest-earning assets:						
Cash equivalents	$ 307,638	$ 10	0.0%	$ 192,762	$ 6	0.0%
Accounts receivable from servicer/trustee	95,080	—	0.0%	35,381	8	0.1%
Total interest-earning assets	$ 4,991,584	$ 62,028	5.0%	$ 5,235,534	$ 69,868	5.3%

(1) Based on carrying value for loans, amortized cost for CRE debt securities and carrying value for interest-bearing liabilities. Calculated balances as the month-end averages.

(2) Weighted average yield or financing cost calculated based on annualized interest income or expense divided by calculated month-end average outstanding balance.

(3) Reflects the sale of the entire existing CRE debt securities portfolio during March and April of 2020.

(4) Represents interest income on core interest-earning assets less interest expense on total interest-bearing liabilities. Interest income on Other Interest-earning assets is included in Other Income, net on the consolidated statements of income (loss) and comprehensive income (loss).

The following table presents the average balance of interest-earning assets and related interest-bearing liabilities, associated interest income and expense, and financing costs and the corresponding weighted average yields for the years ended December 31, 2020 and December 31, 2019 (dollars in thousands):

	Year Ended December 31,					
	2020			2019		
	Average Carrying Value(1)	Interest Income/ Expense	Wtd. Avg. Yield/ Financing Cost(2)	Average Carrying Value(1)	Interest Income/ Expense	Wtd. Avg. Yield/ Financing Cost(2)
Core Interest-earning assets:						
First mortgage loans	$ 4,921,055	$ 272,327	5.5%	$ 4,731,898	$ 317,947	6.7%
Retained mezzanine loans	25,618	3,372	13.2%	3,986	450	11.3%
CRE debt securities(3)	197,247	7,973	4.0%	527,052	21,417	4.1%
Core interest-earning assets	$ 5,143,920	$ 283,672	5.5%	$ 5,262,936	$ 339,814	6.5%
Interest-bearing liabilities:						
Asset-specific financings	$ 70,510	$ 5,457	7.7%	$ 82,125	$ 5,494	6.7%
Secured credit agreements	1,973,514	59,119	3.0%	2,118,361	89,513	4.2%
Collateralized loan obligations	1,831,086	42,661	2.3%	1,317,499	53,808	4.1%
Secured revolving credit agreement	21,734	—	0.0%	324,131	19,241	5.9%
Mortgage loan payable	16,667	—	0.0%	—	—	0.0%
Term loan facility	—	—	0.0%	$ 162,279	$ 6,785	4.2%
Total interest-bearing liabilities	$ 3,913,511	$ 107,237	2.7%	$ 4,004,395	$ 174,841	4.4%
Net interest income(4)		$ 176,435			$ 164,973	
Other Interest-earning assets:						
Cash equivalents	$ 202,843	$ 425	0.2%	$ 90,516	$ 1,910	2.1%
Accounts receivable from servicer/trustee	42,682	47	0.1%	65,976	125	0.2%
Total interest-earning assets	$ 5,389,445	$ 284,144	5.3%	$ 5,419,428	$ 341,849	6.3%

(1) Based on carrying value for loans, amortized cost for CRE debt securities and carrying value for interest-bearing liabilities. Calculated balances as the month-end averages.

(2) Weighted average yield or financing cost calculated based on annualized interest income or expense divided by calculated month-end average outstanding balance.

(3) Reflects the sale of the entire existing CRE debt securities portfolio during March and April of 2020.

(4) Represents interest income on core interest-earning assets less interest expense on total interest-bearing liabilities. Interest income on Other Interest-earning assets is included in Other Income, net on the consolidated statements of income (loss) and comprehensive Income (loss).

Our Results of Operations

Operating Results

The following table sets forth information regarding our consolidated results of operations (dollars in thousands, except per share data):

	Year Ended December 31,		Variance
	2020	2019	2020 vs 2019
INTEREST INCOME			
Interest Income	$ 283,672	$ 339,814	$ (56,142)
Interest Expense	(107,237)	(174,841)	67,604
Net Interest Income	176,435	164,973	11,462
OTHER REVENUE			
Other Income, net	537	1,754	(1,217)
Total Other Revenue	537	1,754	(1,217)
OTHER EXPENSES			
Professional Fees	8,970	3,719	5,251
General and Administrative	3,597	3,006	591
Stock Compensation Expense	5,768	2,556	3,212
Servicing and Asset Management Fees	1,239	1,837	(598)
Management Fees	20,767	21,571	(804)
Incentive Management Fee	—	7,146	(7,146)
Total Other Expenses	40,341	39,835	506
Securities Impairments	(203,397)	—	(203,397)
Credit Loss Expense	(69,755)	—	(69,755)
(Loss) Income Before Income Taxes	(136,521)	126,892	$ (263,413)
Income Tax (Expense) Income, net	(305)	(579)	274
Net (Loss) Income	$ (136,826)	$ 126,313	$ (263,139)
Series A Preferred Stock Dividends	(15)	(15)	-
Series B Cumulative Redeemable Preferred Stock Dividends	(14,670)	—	(14,670)
Net (Loss) Income Attributable to TPG RE Finance Trust, Inc.	$ (151,511)	$ 126,298	$ (277,809)
Basic and Diluted (Loss) Earnings per Common Share	$ (2.03)	$ 1.73	$ (3.76)
Dividends Declared per Common Share	$ 1.21	$ 1.72	$ (0.51)
OTHER COMPREHENSIVE (LOSS) INCOME			
Unrealized (Loss) Gain on CRE Debt Securities	$ (1,051)	$ 3,036	$ (4,087)
Comprehensive (Loss) Income	$ (137,877)	$ 129,349	$ (267,226)

Comparison of the Years Ended December 31, 2020 and 2019

Net Interest Income

Net interest income increased $11.5 million, to $176.4 million, during the year ended December 31, 2020 compared to the year ended December 31, 2019. The increase was due primarily to the benefit of LIBOR floors with a weighted average strike price of 1.66% and a reduction in interest expense for the year ended December 31, 2020 of $67.6 million as a result of a reduction in LIBOR, and the absence of LIBOR floors on 88.3% of our borrowings, both as compared to the year ended December 31, 2019.

Other Revenue

Other revenue is comprised of interest income earned on certain cash collection accounts, and miscellaneous fee income. Other revenue decreased by $1.2 million during the year ended December 31, 2020 compared to the year ended December 31, 2019, primarily due to lower overnight interest earned for the year ended December 31, 2020 compared to the year ended December 31, 2019.

Other Expenses

Other expenses increased $0.5 million for the year ended December 31, 2020 compared to the year ended December 31, 2019. Significant changes in other expenses for the year ended December 31, 2020 include:

- an increase of $5.3 million in professional fees due primarily to an increase in legal, accounting and advisory fee expenses incurred in connection with our response to COVID-19; and
- an increase of $3.2 million in stock compensation expense due primarily to grants made in 2019; offset by
- a decrease of $7.1 million in incentive compensation earned by our Manager due to a reduction in our Core Earnings, as defined in our Management Agreement, resulting in no incentive compensation being earned by our Manager for the year ended December 31, 2020. See Note 11 to our Consolidated Financial Statements in this Form 10-K for details regarding our Management Agreement; and
- a decrease of $0.8 million in management fees due to a reduction in our Core Earnings as defined in our Management Agreement.

We incurred total non-recurring expenses caused by COVID-19 of $3.6 million during the year ended December 31, 2020, and none during the year ended December 31, 2019.

Securities Impairments

Securities impairment expense of $203.4 million for the year ended December 31, 2020 include losses on sales of CRE debt securities of $203.5 million, offset by a $0.1 million realized gain on sale of one position in connection with CRE debt securities owned at March 31, 2020. We had no such impairment expenses for the year ended December 31, 2019.

Credit Loss Expense

Credit loss expense for the year ended December 31, 2020 increased to $69.8 million due to a $43.2 million credit loss expense recorded in accordance with ASU 2016-13 for the year ended December 31, 2020, and realized losses of $12.8 million on the extinguishment of a loan and conversion to real estate owned, and $13.8 million on the sale of a loan. This increase reflects the macroeconomic impact of the COVID-19 pandemic on our loans, particularly those collateralized by hospitality assets, and a $10.0 million specific reserve on one first mortgage loan secured by a retail property.

Dividends Declared Per Common Share

During the year ended December 31, 2020, we declared cash dividends of $1.21 per common share, or $93.6 million. During the year ended December 31, 2019, we declared cash dividends of $1.72 per common share, or $128.4 million. The decrease in dividends declared was primarily due to a decrease in net income attributable to common shareholders of $281.2 million, offset by an increase in common shares outstanding of 0.8 million.

Unrealized (Loss) Gain on CRE Debt Securities

Other comprehensive (loss) income decreased $4.1 million during the year ended December 31, 2020 compared to the year ended December 31, 2019. The decrease is primarily related to the reversal of unrealized gains upon the sale of certain CRE debt securities.

Liquidity and Capital Resources

Capitalization

We have capitalized our business to date through, among other things, the issuance and sale of shares of our common stock, issuance of preferred stock treated as temporary equity, issuance of common stock warrants, borrowings under secured credit agreements, collateralized loan obligations, asset-specific financings, a mortgage loan, and non-consolidated senior interests. As of December 31, 2020, we had outstanding 76.8 million shares of our common stock representing $1.3 billion of stockholders' equity, $199.6 million of temporary equity and $3.4 billion of outstanding borrowings used to finance our operations.

See Notes 6 and 7 to our Consolidated Financial Statements included in this Form 10-K for additional details regarding our borrowings under secured credit agreements, collateralized loan obligations, and a mortgage loan payable. See Note 13 to our Consolidated Financial Statements included in this Form 10-K for additional details regarding our issuance of Series B Preferred Stock and Warrants to purchase Common Stock.

Sources of Liquidity

Our primary sources of liquidity include cash and cash equivalents, available borrowings under secured credit agreements and capacity in our collateralized loan obligations available for reinvestment, which are set forth in the following table (dollars in thousands):

	December 31, 2020	December 31, 2019
Cash and cash equivalents	$ 319,669	$ 79,182
Secured credit facilities	22,766	278,467
Senior revolving credit facilities	—	668
CLO liquidity available for reinvestment(1)	121	1,462
Total	$ 342,556	$ 359,779

(1) Subject to collateral eligibility requirements.

Our existing loan portfolio provides us with liquidity as loans are repaid or sold, in whole or in part, of which some proceeds may be included in accounts receivable from our servicers until released and the proceeds from such repayments become available for us to reinvest. Due to severe dislocation in the capital markets caused by the COVID-19 pandemic, the volume of loan repayments is reduced in comparison to prior years. For the year ended December 31, 2020, loan repayments, measured by principal amount repaid, totaled $1.0 billion, and loan sales were $145.7 million. Loan repayments, measured by principal amount repaid, were $1.9 billion in 2019.

We continue to monitor the COVID-19 pandemic and its impact on our borrowers, their tenants, our lenders and the economy as a whole. The magnitude and duration of the COVID-19 pandemic, and its impact on our operations and liquidity, are uncertain and continue to evolve in the United States and globally. If the pandemic sustains its current trajectory, such impacts are expected to remain material. To the extent that our borrowers, their tenants, and our lenders continue to be impacted by the COVID-19 pandemic, or by the other risks disclosed in this Form 10-K, it would have a material adverse effect on our liquidity and capital resources.

Uses of Liquidity

In the past, our primary use of liquidity was the origination of first mortgage loans, the purchase of CRE CLO debt securities (discontinued in March 2020), interest and principal payments under our $3.4 billion of outstanding borrowings under secured credit agreements, collateralized loan obligations, secured revolving credit agreements, mortgage loan payable (beginning in December 2020), asset-specific financings, $423.5 million of unfunded loan commitments, dividend distributions to our preferred and common stockholders, and operating expenses.

As described above, each of our secured credit facilities has "margin maintenance" provisions, which are designed to allow the lender to maintain a certain margin of credit enhancement against the assets which serve as collateral. On May 28, 2020, we made voluntary deleveraging payments totaling $157.7 million to seven of our secured credit facility lenders that provide financing secured by certain of our first mortgage loan investments, in

exchange for their agreement to suspend margin calls through December 2020, subject to certain conditions. At the time these payments were made, no margin deficits existed, and no margin calls have been issued to us since. If market turbulence persists or resurges, we may be required to post cash collateral in connection with our secured credit agreements secured by our mortgage loan investments. For more information regarding the impact that COVID-19 has had on our liquidity and may have on our future liquidity, see "Risk Factors."

Contractual Obligations and Commitments

Our contractual obligations and commitments as of December 31, 2020 were as follows (dollars in thousands):

		Payment Timing			
	Total Obligation	**Less than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**More than 5 Years**
Unfunded loan commitments(1)	$ 423,487	$ 129,876	$ 293,611	$ —	$ —
Secured debt agreements—principal(2)	1,522,859	50,885	1,471,974	—	—
Collateralized loan obligations—principal(3)	1,834,760	—	820,188	1,014,572	—
Mortgage loan payable - principal	50,000	—	50,000	—	—
Secured debt agreements—interest(4)	73,049	35,624	37,425	—	—
Collateralized loan obligations—interest(4)	84,602	29,540	47,267	7,795	—
Mortgage loan payable - interest	4,958	2,534	2,424	—	—
Dividends on Series B Preferred Stock(5)	91,440	31,230	49,860	10,350	—
Total	$ 4,085,155	$ 279,689	$ 2,772,749	$ 1,032,717	$ —

(1) The allocation of our unfunded loan commitments is based on the earlier of the commitment expiration date and the loan maturity date.

(2) The allocation of secured debt agreements is based on the extended maturity date for those credit facilities where extensions are at our option, subject to no default, or the current maturity date of those facilities where extension options are subject to counterparty approval.

(3) Collateralized loan obligation liabilities are based on the fully extended maturity of mortgage loan collateral, considering the reinvestment window of our collateralized loan obligation.

(4) Amounts include the related future interest payment obligations, which are estimated by assuming the amounts outstanding under our secured debt agreements and collateralized loan obligations and the interest rates in effect as of December 31, 2020 will remain constant into the future. This is only an estimate, as actual amounts borrowed and rates will vary over time. Our floating rate loans and related liabilities are indexed to LIBOR.

(5) Series B Preferred Stock dividends are computed at 11% per annum, with up to 2 percentage points payable in additional preferred stock at the discretion of the issuer.

With respect to our debt obligations that are contractually due within the next five years, we plan to employ several strategies to meet these obligations, including: (i) exercising maturity date extension options that exist in our current financing arrangements; (ii) negotiating extensions of terms with our providers of credit; (iii) periodically accessing the public and private equity and debt capital markets to raise cash to fund new investments or the repayment of indebtedness; (iv) the issuance of additional structured finance vehicles, such as a collateralized loan obligations similar to TRTX 2019-FL3 or TRTX 2018-FL2, as a method of financing; (v) term loans with private lenders; (vi) selling loans to generate cash to repay our debt obligations; and/or (vii) applying repayments from underlying loans to satisfy the debt obligations which they secure. Although many of these avenues have been available to us in the past, we cannot offer any assurance that we will be able to access any or all of these alternatives as a result of the continuing market disruption caused by the COVID-19 pandemic.

We are required to pay our Manager a base management fee, an incentive fee, and reimbursements for certain expenses pursuant to our Management Agreement. The table above does not include the amounts payable to our Manager under our Management Agreement as they are not fixed and determinable. No incentive fee was earned by our Manager during the year ended December 31, 2020. See Note 11 to our Consolidated Financial Statements included in this Form 10-K for additional terms and details of the fees payable under our Management Agreement.

As a REIT, we generally must distribute substantially all of our net taxable income to stockholders in the form of dividends to comply with the REIT provisions of the Internal Revenue Code. In 2017, the Internal Revenue Service issued a revenue procedure permitting "publicly offered" REITs to make elective stock dividends (i.e. dividends paid in a mixture of stock and cash), with at least 20% of the total distribution being paid in cash, to satisfy their REIT distribution requirements. Pursuant to this revenue procedure, we may elect to make future distributions of our taxable income in a mixture of stock and cash.

Our REIT taxable income does not necessarily equal our net income as calculated in accordance with GAAP or our Distributable Earnings as described above. See Note 10 to our Consolidated Financial Statements included in this Form 10-K for additional details

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Cash Flows

The following table provides a breakdown of the net change in our cash, cash equivalents, and restricted cash (dollars in thousands):

	For the Years Ended December 31,	
	2020	2019
Cash flows provided by operating activities	$ 132,085	$ 121,665
Cash flows provided by (used in) investing activities	964,585	(1,308,630)
Cash flows (used in) provided by financing activities	(856,668)	1,225,911
Net increase in cash, cash equivalents, and restricted cash	$ 240,002	$ 38,946

Cash Flows from Operating Activities

During the year ended December 31, 2020, cash flows provided by operating activities totaled $132.1 million primarily related to net interest income.

Cash Flows from Investing Activities

During the year ended December 31, 2020 cash flows from investing activities totaled $964.6 million primarily due to repayments on loans held for investment of $819.8 million, sale of CRE debt securities totaling $766.4 million and proceeds from sale of loans of $131.9 million, offset by new loan originations of $351.7 million and purchases of CRE debt securities of $168.9 million and advances on loans of $233.0 million.

Cash Flows from Financing Activities

During the year ended December 31, 2020, cash flows used in financing activities totaled $856.7 million primarily due to payments on secured financing agreements of $2.3 billion and payment of dividends on our common stock, Series A and Series B Preferred Stock of $111.6 million, offset by additional proceeds from secured financing agreements of $1.3 billion, and the issuance of Series B Preferred Stock and Warrants of $225.0 million.

Entirely during the first quarter of the year ended December 31, 2020, we received margin call notices with respect to borrowings against our CRE CLO investment portfolio aggregating $170.9 million, which were satisfied with a combination of $89.8 million of cash on hand, cash proceeds from bond sales, and increases in market values prior to quarter-end. At March 31, 2020, unpaid margin calls totaled $19.0 million, which were satisfied in April through cash proceeds from bond sales and increases in market value. During the three months ended June 30, 2020, prior to making our voluntary deleveraging payments, we satisfied one margin call aggregating $20.0 million in connection with our secured credit agreements financing our loan investments by pledging a previously unencumbered loan investment.

On May 28, 2020, we made voluntary deleveraging payments totaling $157.7 million to seven of our secured credit facility lenders that provide financing for certain of our first mortgage loan investments in exchange for their agreement to suspend margin calls through December 2020, subject to certain conditions. At the time these payments were made, no margin deficits existed, and no margin calls have been issued to us since. If market turbulence persists or resurges, we may be required to post cash collateral in connection with our secured credit agreements secured by our mortgage loan investments pledged under these borrowing arrangements. We maintain frequent dialogue with the lenders under our secured credit agreements regarding our management of their collateral assets in light of the impacts of the COVID-19 pandemic. For more information regarding the impact that COVID-19 has had on our liquidity and may have on our future liquidity, see "Risk Factors."

Corporate Activities

Issuance of Series B Preferred Stock and Warrants to Purchase Common Stock

On May 28, 2020, we entered into an Investment Agreement with the Purchaser, an affiliate of Starwood Capital Group Global II, L.P., under which we agreed to issue and sell to the Purchaser up to 13 million shares of the our 11.0% Series B Preferred Stock, par value $0.001 per share (plus any additional such shares paid as dividends pursuant to the Articles Supplementary, the "Series B Preferred Stock"), and Warrants to purchase, in the aggregate, up to 15 million shares (subject to adjustment) of our Common Stock, for an aggregate cash purchase price of up to $325.0 million. Such purchases could occur in up to three tranches. The Investment Agreement contains market standard provisions regarding board representation, voting agreements, rights to information, and a standstill agreement and registration rights agreement regarding common stock acquired through the exercise of Warrants. The foregoing descriptions of the Investment Agreement and the various components are not complete and are qualified in their entirety by reference to the full text of the Investment Agreement, the Articles Supplementary, the Warrant Agreement, the Registration Rights Agreement and the Amendments, which are attached as exhibits to the our Current Report on Form 8-K filed with the SEC on May 29, 2020, and incorporated herein by reference.

On May 28, 2020, the Purchaser acquired the first tranche under the Investment Agreement, consisting of 9.0 million shares of Series B Preferred Stock and Warrants to purchase up to 12.0 million shares of Common Stock, for an aggregate price of $225.0 million. We retained an option to sell to the Purchaser the second and third tranches on or prior to December 31, 2020. Each of the second and third tranches consisted of 2.0 million shares of Series B Preferred Stock and Warrants to purchase up to 1.5 million shares of Common Stock, for an aggregate purchase price of $50.0 million per tranche. We allowed the option to issue additional shares of Series B Preferred Stock to expire unused.

None of the Warrants were exercised as of December 31, 2020.

Details of this issuance have been described in Note 13 to our Consolidated Financial Statements included in this Form 10-K.

Offering of Common Stock

On March 7, 2019, we and our Manager entered into an equity distribution agreement with each of Citigroup Global Markets Inc., J.P. Morgan Securities LLC, JMP Securities LLC, Wells Fargo Securities, LLC and TPG Capital BD, LLC (each a "Sales Agent" and, collectively, the "Sales Agents") relating to the issuance and sale of shares of our common stock pursuant to a continuous offering program. In accordance with the terms of the equity distribution agreement, we may, at our discretion and from time to time, offer and sell shares of our common stock having an aggregate gross sales price of up to $125.0 million through the Sales Agents, each acting as our agent. The offering of shares of our common stock pursuant to the equity distribution agreement will terminate upon the earlier of (1) the sale of shares of our common stock subject to the equity distribution agreement having an aggregate gross sales price of $125.0 million and (2) the termination of the equity distribution agreement by the Sales Agents or us at any time as set forth in the equity distribution agreement. At December 31, 2020, cumulative gross proceeds issued under the equity distribution agreement totaled $50.9 million, leaving $74.1 million available for future issuance subject to the direction of management, and market conditions.

Each Sales Agent will be entitled to commissions in an amount not to exceed 1.75% of the gross sales prices of shares of our common stock sold through it, as our agent. For the twelve months ended December 31, 2020, we sold 0.6 million shares of common stock pursuant to the equity distribution agreement at a weighted average price per share of $20.53, generating gross proceeds of $12.9 million. We paid commissions totaling $0.2 million.

Refer to Note 13 to the Consolidated Financial Statements included in this Form 10-K for a discussion of our issuances of equity securities in recent years.

Dividends

Upon the approval of our Board of Directors, we accrue dividends. Dividends are paid first to the holders of our Series A preferred stock at the rate of 12.5% of the total $0.001 million liquidation preference per annum plus all accumulated and unpaid dividends thereon, then to holders of our Series B Preferred Stock at the rate of 11.0% per annum of the $25.00 per share liquidation preference, and then to the holders of our common stock. We intend to distribute each year substantially all our taxable income to our stockholders to comply with the REIT provisions of the Internal Revenue Code of 1986, as amended. The Board of Directors will determine whether to pay future dividends, entirely in cash, or in a combination of stock and cash based on facts and circumstances at the time such decisions are made.

On December 15, 2020, our Board of Directors declared a dividend for the fourth quarter of 2020 in the amount of $0.20 per share of common stock, or $15.5 million in the aggregate. On December 15, 2020, our Board of Directors also declared a special cash dividend of $0.18 per share of common stock, or $14.0 million in the aggregate, attributable to our estimated 2020 REIT taxable income which was previously undistributed. The fourth quarter regular and special dividend was paid on January 22, 2021 to holders of record of our common stock as of December 28, 2020.

On December 15, 2020, our Board of Directors declared a cash dividend for the fourth quarter of 2020 in the amount of $0.69 per share of Series B Preferred Stock, or $6.2 million in the aggregate, which was paid on December 31, 2020 to the holder of record of our Series B Preferred Stock as of December 15, 2020.

For the year ended December 31, 2020 and 2019, common stock and Class A common stock dividends in the amount of $93.6 million and $128.4 million, respectively, were declared and approved.

For the year ended December 31, 2020, Series B Preferred Stock dividends in the amount of $14.7 million were approved and paid.

As of December 31, 2020 and December 31, 2019, $29.5 million and $32.8 million, respectively, remain unpaid and are reflected in dividends payable on our consolidated balance sheets.

Income Taxes

We made an election to be taxed as a REIT for U.S. federal income tax purposes, commencing with our initial taxable year ended December 31, 2014. We generally must distribute annually at least 90% of our REIT taxable income, subject to certain adjustments and excluding any net capital gain, in order to qualify as a REIT for U.S. federal income tax purposes. To the extent that we satisfy this distribution requirement but distribute less than 100% of our REIT taxable income, we will be subject to U.S. federal income tax on our undistributed REIT taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws.

Our qualification as a REIT also depends on our ability to meet various other requirements imposed by the Internal Revenue Code, which relate to organizational structure, diversity of stock ownership, and certain restrictions with regard to the nature of our assets and the sources of our income. Even if we qualify as a REIT, we may be subject to certain U.S. federal income and excise taxes and state and local taxes on our income and assets. If we fail to maintain our qualification as a REIT for any taxable year, we may be subject to material penalties as well as U.S. federal, state and local income tax on our taxable income at regular corporate rates and we would not be able to qualify as a REIT for the subsequent four full taxable years. We believe we have complied with all REIT requirements since our initial taxable year.

Critical Accounting Policies

The preparation of our consolidated financial statements in accordance with GAAP requires our management to make estimates and judgments that affect the reported amounts of assets and liabilities, interest income and other revenue recognition, allowance for loan losses, expense recognition, tax liability, future impairment of our investments, valuation of our investment portfolio and disclosure of contingent assets and liabilities, among other items. Our management bases these estimates and judgments about current, and for some estimates, future economic and market conditions and their effects on available information, historical experience and other assumptions that we believe are reasonable under the circumstances. However, these estimates, judgments and assumptions are often subjective and may be impacted negatively based on changing circumstances or changes in our analyses.

If conditions change from those expected, it is possible that our judgments, estimates and assumptions described below could change, which may result in a change in our interest income and other revenue recognition, allowance for loan losses, expense recognition, tax liability, future write-off of our investments, and valuation of our investment portfolio, among other effects. If actual amounts are ultimately different from those estimated, judged or assumed, revisions are included in the consolidated financial statements in the period in which the actual amounts become known. We believe our critical accounting policies could potentially produce materially different results if we were to change underlying estimates, judgments or assumptions.

During 2020, our Manager reviewed and evaluated our critical accounting policies and believes them to be appropriate. The following is a summary of our significant accounting policies that we believe are the most affected by our Manager's judgments, estimates, and assumptions:

Revenue Recognition

Interest income on loans is accrued using the interest method based on the contractual terms of the loan, adjusted for expected or realized credit losses, if any. The objective of the interest method is to arrive at periodic interest income, including recognition of fees and costs, at a constant effective yield. Premiums, discounts, and origination fees are amortized or accreted into interest income over the lives of the loans using the interest method, or on a straight-line basis when it approximates the interest method. Extension and modification fees are accreted into income on a straight-line basis, when it approximates the interest method, over the related extension or modification period. Exit fees are accreted into income on a straight-line basis, when it approximates the interest method, over the lives of the loans to which they relate unless they can be waived by us or a co-lender in connection with a loan refinancing. Prepayment penalties from borrowers are recognized as interest income when received. Certain of our loan investments have in the past and may in the future provide for additional interest based on the borrower's operating cash flow or appreciation of the underlying collateral. Such amounts are considered contingent interest and are reflected as interest income only upon certainty of collection. Certain of our loan investments have in the past, and may in the future, provide for the accrual of interest (in part, or in whole) instead of its current payment in cash, with the accrued interest ("PIK interest") added to the unpaid principal balance of the loan. Such PIK interest is recognized currently as interest income unless we conclude eventual collection is unlikely, in which case a collection reserve is recorded or the PIK interest is written off.

We consider a loan to be non-performing and place the loan on non-accrual status when the full and timely collection of principal and interest is doubtful, generally when: (1) management determines the borrower is incapable of, or has ceased efforts toward, curing the cause of a default; (2) the loan becomes 90 days or more past due for principal and interest; or (3) the loan experiences a maturity default. All interest accrued but not received for loans placed on non-accrual status is subtracted from interest income at the time the loan is placed on non-accrual. Based on our judgment as to the collectability of principal, a loan on non-accrual status is either accounted for on a cash basis, where interest income is recognized only upon receipt of cash for principal and interest payments, or on a cost-recovery basis, where all cash receipts reduce the loan's carrying value, and interest income is only recorded when such carrying value has been fully recovered.

As of December 31, 2020, one loan secured by a retail property was placed on non-accrual status due to a borrower default during the fourth quarter of 2020. The amortized cost of the loan was $31.1 million as of December 31, 2020. No loans were placed on non-accrual status as of December 31, 2019.

Credit Losses

As discussed in Note 2 to the Consolidated Financial Statements included in this Form 10-K, we adopted ASU 2016-13, Financial Instruments – Credit Losses (Topic 326) and subsequent amendments, which replaces the incurred loss methodology with an expected loss model known as the Current Expected Credit Loss ("CECL") model. CECL amends the previous credit loss model to reflect a reporting entity's current estimate of all expected credit losses, not only based on historical experience and current conditions, but also by including reasonable and supportable forecasts incorporating forward-looking information. The CECL model applies to our mortgage loan investment portfolio measured at amortized cost and unfunded loan commitments.

We license from Trepp, LLC historical loss information, incorporating loan performance data for over 100,000 commercial real estate loans dating back to 1998, in an analytical model to compute statistical credit loss factors (i.e., probability-of-default and loss-given-default). These statistical credit loss factors are utilized together with individual loan information to generate future expected cash flows which are used to estimate the allowance for credit losses. Such determination also incorporates significant assumptions and estimates regarding, among other things, prepayments, future fundings and economic forecasts.

Quarterly, we evaluate the risk of all loans and assign a risk rating based on a variety of factors, grouped as follows: (i) loan and credit structure, including the as-is LTV and structural features; (ii) quality and stability of real estate value and operating cash flow, including debt yield, property type, dynamics of the geography, property type and local market, physical condition, stability of cash flow, leasing velocity and quality and diversity of tenancy; (iii) performance against underwritten business plan; and (iv) quality, experience and financial condition of sponsor, borrower and guarantor(s). Based on a 5-point scale, our loans are rated “1” through “5,” from least risk to greatest risk, respectively, which ratings are defined as follows:

1- Outperform—Exceeds performance metrics (for example, technical milestones, occupancy, rents, net operating income) included in original or current credit underwriting and business plan;

2- Meets or Exceeds Expectations—Collateral performance meets or exceeds substantially all performance metrics included in original or current underwriting / business plan;

3- Satisfactory—Collateral performance meets or is on track to meet underwriting; business plan is met or can reasonably be achieved;

4- Underperformance—Collateral performance falls short of original underwriting, material differences exist from business plan, or both; technical milestones have been missed; defaults may exist, or may soon occur absent material improvement; and

5- Default/Possibility of Loss—Collateral performance is significantly worse than underwriting; major variance from business plan; loan covenants or technical milestones have been breached; timely exit from loan via sale or refinancing is questionable; significant risk of principal loss.

We generally assign a risk rating of “3” to all loan investments originated during the most recent quarter, except in the case of specific circumstances warranting an exception.

The amount of allowance for credit losses is influenced by the size of our loan portfolio, loan asset quality, risk rating, delinquency status, historic loss experience and macroeconomic and other conditions influencing loss expectations, such as reasonable and supportable forecasts of economic conditions. We employ two methods to estimate credit losses in its loan portfolio: a model-based approach utilized for substantially all of our loans; and an individually-assessed approach for loans that we conclude are ill-suited for use in the model-based approach, or are individually-assessed based on accounting guidance contained in the CECL framework. See Note 2 to the Consolidated Financial Statements in this Form 10-K for further discussion of our methodologies.

Significant judgment is required when estimating future credit losses; therefore, actual results over time could be materially different. As of December 31, 2020, we held $4.5 billion of loans measured at amortized cost with expected future funding commitments of $423.5 million. We recognized a net credit loss expense of $43.2 million during the twelve months ended December 31, 2020, and the related credit loss allowance was $62.8 million as of December 31, 2020.

See Note 2 to our Consolidated Financial Statements included in this Form 10-K for a listing and description of our significant accounting policies.

Subsequent Events

The following events occurred subsequent to the year ended December 31, 2020:

- On February 16, 2020, we extended for a term of one year, through May 4, 2022, the existing secured credit facility with Morgan Stanley Bank with a commitment amount of $500.0 million.
- As of February 23, 2021, we are in the process of closing one first mortgage loan with a total commitment of $50.2 million, and an expected initial funding amount of $47.7 million. This loan will be funded with a combination of cash-on-hand and borrowings.

Loan Portfolio Details

The following table provides details with respect to our loan portfolio on a loan-by-loan basis as of December 31, 2020 (dollars in millions, except loan per square foot/unit):

Loan #	Form of Investment	Origination / Acquisition Date(2)	Total Loan	Principal Balance	Amortized Cost(3)	Credit Spread(4)	All-in Yield(5)	Fixed / Floating	Extended Maturity(6)	City, State	Property Type	Loan Type	Loan Per SQFT / Unit	LTV(7)	Risk Rating(8)
First Mortgage Loans(1)															
1	Senior Loan	08/21/19	300.8	283.6	283.0	L+1.6%	L +1.8%	Floating	09/09/24	New York, NY	Office	Light Transitional	$594 Sq ft	65.2% (12)	3
2	Senior Loan	08/07/18	223.0	171.3	170.4	L+3.4%	L +3.6%	Floating	08/09/24	Brookhaven (Atlanta), GA	Office	Light Transitional	$214 Sq ft	61.4%	3
3	Senior Loan	12/19/18	210.0	184.0	184.0	L+3.6%	L +4.0%	Floating	01/09/24	Detroit, MI	Office	Moderate Transitional	$217 Sq ft	59.8%	3
4	Senior Loan	12/21/18	206.5	204.1	204.1	L+2.9%	L +3.2%	Floating	01/09/24	Various, FL	Multifamily	Light Transitional	$181,299 Unit	76.6%	2
5	Senior Loan (11)	09/18/19	200.0	181.5	180.8	L+2.9%	L +3.2%	Floating	09/09/24	New York, NY	Office	Moderate Transitional	$904 Sq ft	65.2%	3
6	Senior Loan	11/26/19	190.1	173.8	173.4	L+3.0%	L +3.2%	Floating	12/09/24	San Diego, CA	Office	Light Transitional	$248 Sq ft	51.9%	3
7	Senior Loan	06/28/18	190.0	185.3	185.3	L+2.7%	L +3.0%	Floating	07/09/23	Philadelphia, PA	Office	Bridge	$177 Sq ft	73.6%	3
8	Senior Loan	09/29/17	173.3	167.2	167.2	L+4.3%	L +4.7%	Floating	10/09/22	Philadelphia, PA	Office	Moderate Transitional	$213 Sq ft	72.2%	3
9	Senior Loan	10/12/17	165.0	165.0	165.0	L+3.8%	L +4.0%	Floating	11/09/22	Charlotte, NC	Hotel	Bridge	$235,714 Unit	65.5%	4
10	Senior Loan	02/14/18	165.0	161.5	161.5	L+3.8%	L +4.0%	Floating	03/09/23	Various, NJ	Multifamily	Bridge	$132,850 Unit	78.4%	3
11	Senior Loan	09/28/18	160.0	156.0	156.0	L+2.8%	L +3.0%	Floating	10/09/23	Houston, TX	Mixed-Use	Light Transitional	$299 Sq ft	61.9%	3
12	Senior Loan	05/15/19	143.0	130.3	130.3	L+2.6%	L +2.9%	Floating	05/09/24	New York, NY	Mixed-Use	Moderate Transitional	$1,741 Sq ft	61.0%	3
13	Senior Loan	11/26/19	113.0	113.7	113.7	L+3.0%	L +3.3%	Floating	12/09/24	Burbank, CA	Hotel	Bridge	$231,557 Unit	70.4%	4
14	Senior Loan	12/20/18	105.9	98.4	98.4	L+3.3%	L +3.4%	Floating	01/09/24	Torrance, CA	Mixed-Use	Moderate Transitional	$254 Sq ft	61.1%	3
15	Senior Loan	12/18/19	101.0	81.7	81.6	L+2.6%	L +2.8%	Floating	01/09/25	Arlington, VA	Office	Light Transitional	$319 Sq ft	71.1%	3
16	Senior Loan	01/27/20	94.0	41.0	40.5	L+3.3%	L +3.6%	Floating	02/09/25	Washington, DC	Office	Moderate Transitional	$339 Sq ft	61.6%	3
17	Senior Loan	08/28/19	90.0	60.2	59.6	L+3.1%	L +3.3%	Floating	09/09/24	San Diego, CA	Office	Moderate Transitional	$382 Sq ft	67.7%	3
18	Senior Loan	09/29/17	89.5	88.0	88.0	L+3.9%	L +4.2%	Floating	10/09/22	Dallas, TX	Office	Moderate Transitional	$106 Sq ft	50.7%	3
19	Senior Loan	09/25/20	88.9	78.4	78.4	L+3.0%	L +3.1%	Floating	04/09/25	Brooklyn, NY	Office	Light Transitional	$200 Sq ft	78.4%	3
20	Senior Loan	03/27/19	88.2	88.5	88.1	L+3.5%	L +4.6%	Floating	04/09/24	Aurora, IL	Multifamily	Bridge	$211,394 Unit	74.8%	3
21	Senior Loan	03/28/19	88.1	86.6	86.4	L+3.7%	L +5.9%	Floating	04/09/24	Various, Various	Hotel	Moderate Transitional	$100,228 Unit	69.6%	4
22	Senior Loan	02/01/17	85.0	85.0	84.9	L+4.7%	L +5.0%	Floating	02/09/22	St. Pete Beach, FL	Hotel	Light Transitional	$222,382 Unit	60.7%	4
23	Senior Loan	03/07/19	81.3	81.3	81.3	L+3.1%	L +3.4%	Floating	03/09/24	Rockville, MD	Mixed-Use	Bridge	$256 Sq ft	67.2%	3
24	Senior Loan	06/17/19	79.4	78.8	78.5	L+2.8%	L +3.0%	Floating	07/09/25	Boston, MA	Office	Bridge	$187 Sq ft	70.7%	3
25	Senior Loan	08/08/19	76.5	61.7	61.5	L+3.0%	L +3.2%	Floating	08/09/24	Orange, CA	Office	Moderate Transitional	$225 Sq ft	64.2%	3
26	Senior Loan	12/10/19	75.8	54.8	54.8	L+2.6%	L +2.8%	Floating	12/09/24	San Mateo, CA	Office	Moderate Transitional	$368 Sq ft	65.8%	3
27	Senior Loan	04/29/19	70.0	70.0	69.7	L+3.3%	L +3.5%	Floating	05/09/24	Clayton, MO	Multifamily	Bridge	$280,000 Unit	74.9%	3
28	Senior Loan	06/28/19	63.9	57.1	57.1	L+2.5%	L +2.7%	Floating	07/09/24	Burlington, CA	Office	Light Transitional	$327 Sq ft	70.9%	3
29	Senior Loan	11/08/19	62.1	57.7	57.6	L+3.9%	L +4.3%	Floating	11/09/21	Boston, MA	Mixed-Use	Light Transitional	$597 Sq ft	38.4%	3
30	Senior Loan	06/25/19	62.0	57.7	57.6	L+3.1%	L +4.9%	Floating	07/09/24	Calistoga, CA	Hotel	Moderate Transitional	$696,629 Unit	48.6%	4
31	Senior Loan	06/20/18	61.0	57.6	57.6	L+3.0%	L +3.3%	Floating	07/09/23	Houston, TX	Office	Light Transitional	$162 Sq ft	74.9%	3
32	Senior Loan	01/08/19	60.2	36.7	36.5	L+3.8%	L +4.1%	Floating	02/09/24	Kansas City, MO	Office	Moderate Transitional	$92 Sq ft	74.3%	4
33	Senior Loan	01/09/19	60.0	60.7	60.7	L+3.4%	L +3.8%	Floating	01/09/24	Mountain View, CA	Hotel	Bridge	$375,000 Unit	64.2%	4
34	Senior Loan	12/18/19	58.8	54.3	53.9	L+2.7%	L +3.0%	Floating	01/09/25	Houston, TX	Multifamily	Light Transitional	$80,109 Unit	73.6%	3
35	Senior Loan	03/12/20	55.0	49.1	48.8	L+2.7%	L +2.9%	Floating	03/09/25	Round Rock, TX	Multifamily	Light Transitional	$133,820 Unit	75.4%	3
36	Senior Loan	01/22/19	54.0	52.0	52.0	L+3.4%	L +3.6%	Floating	02/09/23	Manhattan, NY	Office	Light Transitional	$441 Sq ft	61.1%	3
37	Senior Loan	01/23/18	53.9	52.4	52.4	L+3.4%	L +3.6%	Floating	02/09/23	Walnut Creek, CA	Office	Bridge	$120 Sq ft	66.9%	2
38	Senior Loan	06/15/18	53.6	50.9	50.8	L+3.1%	L +3.3%	Floating	06/09/23	Brisbane, CA	Office	Moderate Transitional	$514 Sq ft	72.4%	2

39	Senior Loan	10/10/19	52.9	46.0	45.7	L+2.8%	L +3.1%	Floating	11/09/24	Miami, FL	Office	Light Transitional	$214 Sq ft	69.5%	3
40	Senior Loan	12/20/17	51.0	51.7	51.7	L+4.0%	L +6.3%	Floating	01/09/23	New Orleans, LA	Hotel	Bridge	$217,949 Unit	59.9%	4
41	Senior Loan	03/12/20	50.2	44.5	44.2	L+2.7%	L +2.9%	Floating	03/09/25	Round Rock, TX	Multifamily	Light Transitional	$137,049 Unit	75.6%	3
42	Senior Loan	06/15/18	50.0	44.3	44.2	L+3.7%	L +3.9%	Floating	07/09/23	Atlanta, GA	Office	Bridge	$119 Sq ft	57.2%	3
43	Senior Loan	11/29/18	47.0	47.0	46.9	L+3.3%	L +3.5%	Floating	12/09/23	Brooklyn, NY	Multifamily	Moderate Transitional	$166,619 Unit	58.0%	4
44	Senior Loan	03/30/18	45.4	41.8	41.9	L+3.7%	L +3.9%	Floating	04/09/23	Honolulu, HI	Office	Light Transitional	$158 Sq ft	57.9%	3
45	Senior Loan	01/28/19	43.1	39.5	39.2	L+3.0%	L +3.2%	Floating	02/09/24	Dallas, TX	Office	Light Transitional	$222 Sq ft	64.3%	3
46	Senior Loan	03/07/19	39.2	39.2	39.1	L+3.8%	L +4.2%	Floating	03/09/24	Lexington, KY	Hotel	Moderate Transitional	$107,221 Unit	61.6%	4
47	Senior Loan	03/11/19	39.0	39.4	39.4	L+3.4%	L +5.3%	Floating	04/09/24	Miami Beach, FL	Hotel	Bridge	$295,455 Unit	59.3%	4
48	Senior Loan	03/10/20	37.5	36.0	35.9	L+2.7%	L +3.0%	Floating	03/09/25	Austin, TX	Multifamily	Bridge	$94,458 Unit	73.5%	3
49	Senior Loan	01/04/18	36.0	30.5	30.5	L+3.4%	L +3.7%	Floating	01/09/23	Santa Ana, CA	Office	Light Transitional	$182 Sq ft	71.8%	2
50	Senior Loan	06/04/19	34.7	32.0	31.8	L+3.5%	L +3.8%	Floating	06/09/24	Riverside, CA	Mixed-Use	Bridge	$99 Sq ft	68.0%	3
51	Senior Loan	05/27/18	33.0	31.2	31.1	L+3.7%	L +5.0%	Floating	06/09/23	Woodland Hills, CA	Retail	Bridge	$498 Sq ft	63.6%	5
52	Senior Loan	09/13/19	26.7	26.2	26.0	L+2.8%	L +3.0%	Floating	10/09/24	Austin, TX	Multifamily	Bridge	$135,051 Unit	77.5%	3
53	Senior Loan	10/19/16	10.4	10.4	10.4	L+5.1%	L +5.4%	Floating	05/09/22	Manhattan, NY	Condominium	Moderate Transitional	$641 Sq ft	49.8%	4
54	Senior Loan	10/19/16	7.9	7.9	7.9	L+5.1%	L +5.4%	Floating	05/09/22	Manhattan, NY	Condominium	Moderate Transitional	$725 Sq ft	43.3%	4
55	Senior Loan	10/19/16	4.8	4.8	4.8	L+5.1%	L +5.4%	Floating	05/09/22	Manhattan, NY	Condominium	Moderate Transitional	$715 Sq ft	40.7%	4
56	Senior Loan	10/19/16	1.9	1.9	1.9	L+5.1%	L +5.4%	Floating	05/09/22	Manhattan, NY	Condominium	Moderate Transitional	$478 Sq ft	46.6%	4
Subtotal / Weighted Average			4,908.5	4,492.2	4,484.0	L +3.1%	L +3.6% (9)		3.1 yrs					66.1%	3
Mezzanine Loans:															
57	Mezzanine Loan	06/28/19	35.0	(10) 32.5	32.4	L+10.3%	L +10.8%	4.5	06/28/25	Napa, CA	Hotel	Construction	$818,195 Unit	41.0%	3
Subtotal / Weighted Average			35.0	32.5	32.4	L +10.3%	L +10.8%		4.5 yrs					41.0%	3
Total / Weighted Average			4,943.5	4,524.7	4,516.4	L +3.2%	L +3.6%		3.1 yrs					65.9%	3

(1) First mortgage loans are whole mortgage loans unless otherwise noted. Loans numbered 53, 54, 55 and 56 represent 24% pari passu participation interests in whole mortgage loans.

(2) Date loan was originated or acquired by us, which date has not been updated for subsequent loan modifications.

(3) Represents unpaid principal balance net of unamortized costs.

(4) Represents the formula pursuant to which our right to receive a cash coupon on a loan is determined.

(5) In addition to credit spread, all-in yield includes the amortization of deferred origination fees, purchase price premium and discount, loan origination costs and accrual of both extension and exit fees. All-in yield for the total portfolio assumes the applicable floating benchmark rate as of December 31, 2020 for weighted average calculations.

(6) Extended maturity assumes all extension options are exercised by the borrower; provided, however, that our loans may be repaid prior to such date. As of December 31, 2020, based on unpaid principal balance, 31.7% of our loans were subject to yield maintenance or other prepayment restrictions and 68.3% were open to repayment by the borrower without penalty.

(7) Except for construction loans, LTV is calculated for loan originations and existing loans as the total outstanding principal balance of the loan or participation interest in a loan (plus any financing that is pari passu with or senior to such loan or participation interest) divided by the as-is real estate value at the time of origination or acquisition of such loan or participation interest. For construction loans only, LTV is calculated as the total commitment amount of the loan divided by the as-stabilized value of the real estate securing the loan. The as-is or as-stabilized (as applicable) value reflects our Manager's estimates, at the time of origination or acquisition of the loan or participation interest in a loan, of the real estate value underlying such loan or participation interest determined in accordance with our Manager's underwriting standards and consistent with third-party appraisals obtained by our Manager.

(8) For a discussion of risk ratings, please see Notes 2 and 3 to our Consolidated Financial Statements included in this Form 10-K.

(9) Represents the weighted average of the credit spread as of December 31, 2020 for the loans, all of which are floating rate.

(10) Reflects the total loan amount, including non-consolidated senior interest, allocable to the property's 135 hotel rooms. Excludes other improvements planned for the remainder of the project site.

(11) This loan is comprised of a first mortgage loan of $106.3 million and a contiguous mezzanine loan of $93.7 million, of which we own both. Each loan carries the same interest rate.

(12) Calculated as the ratio of unpaid principal balance as of December 31, 2020 to the as-is appraised value at origination, to reflect the sale by us in August 2020 of the contiguous mezzanine loan with an unpaid principal balance of $46.4 million and a commitment amount of $50.0 million.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

Our business model seeks to minimize our exposure to changing interest rates by matching duration of our assets and liabilities and match-indexing our assets using the same, or similar, benchmark indices, typically LIBOR. Accordingly, rising interest rates will generally increase our net interest income, while declining interest rates will generally decrease our net interest income, subject to the impact of interest rate floors embedded in substantially all of our loans. At December 31, 2020, the weighted average LIBOR floor for our loan portfolio was 1.66%. As of December 31, 2020, 100% of our loans by unpaid principal balance earned a floating rate of interest and were financed with liabilities that require interest payments based on floating rates. Approximately 88.3% of our liabilities do not contain LIBOR floors greater than zero.

The following table illustrates the impact on our interest income and interest expense, for the twelve-month period following December 31, 2020, of an immediate increase or decrease in the underlying benchmark interest rate of 25, 50 and 75 basis points on our existing floating rate mortgage loan portfolio and related liabilities (dollars in thousands):

Assets (Liabilities) Subject to Interest Rate Sensitivity(1)		25 Basis Point Increase	25 Basis Point Decrease	50 Basis Point Increase	50 Basis Point Decrease	75 Basis Point Increase	75 Basis Point Decrease
$ 4,524,725	Interest income	$ —	$ —	$ 142	$ —	$ 752	$ —
(3,357,618) (2)	Interest expense	(8,394)	4,268	(16,681)	4,268	(25,182)	4,268
$ 1,167,107	Total change in net interest income	$ (8,394)	$ 4,268	$ (16,539)	$ 4,268	$ (24,430)	$ 4,268

(1) Floating rate mortgage loan assets and liabilities are indexed to LIBOR. Excludes CRE debt securities and related liabilities.

(2) Floating rate liabilities include secured credit facilities and collateralized loan obligations.

Credit Risk

Our loans are also subject to credit risk. The performance and value of our loans and other investments depend upon the sponsors' ability to operate the properties that serve as our collateral so that they produce cash flows adequate to pay interest and principal due to us. To monitor this risk, the asset management team reviews our portfolio and maintains regular contact with borrowers, co-lenders and local market experts to monitor the performance of the underlying collateral, anticipate borrower, property and market issues and, to the extent necessary or appropriate, enforce our rights as the lender.

In addition, we are exposed to the risks generally associated with the commercial real estate market, including variances in occupancy rates, capitalization rates, absorption rates and other macroeconomic factors beyond our control. We seek to manage these risks through our underwriting and asset management processes.

Liquidity Risk

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments to repay borrowings including margin calls, fund and maintain investments, pay dividends to our stockholders and other general business needs. Our liquidity risk is principally associated with our financing of longer-maturity investments with shorter-term borrowings in the form of secured credit facilities. We are subject to "margin call" risk under our secured credit facilities. In the event that the value of our assets pledged as collateral suddenly decreases as a result of changes in credit spreads or interest rates, margin calls relating to our secured credit facilities could increase, causing an adverse change in our liquidity position. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Our Results of Operations—Liquidity and Capital Resources—Liquidity Needs" for information regarding margin calls that we funded during the quarter ended March 31, 2020 in connection with secured credit facilities used to finance our former investments in CRE debt securities. Additionally, if one or more of our secured credit facility counterparties chooses not to provide ongoing funding, we may be unable to replace the financing through other lenders on favorable terms or at all. As such, we provide no assurance that we will be able to roll over or replace our secured credit facilities as they mature from time to time in

the future. Prior to making our voluntary deleveraging payments during the second quarter of 2020, we satisfied one margin call aggregating $20.0 million in connection with our secured credit facilities financing our loan investments by pledging a previously unencumbered loan investment. On May 28, 2020, we made voluntary deleveraging payments totaling $157.7 million to our six secured credit facilities lenders and one secured credit facility lender in exchange for their agreement to suspend margin calls through December 2020, subject to certain conditions. At the time these payments were made, no margin deficits existed, and no margin calls have been issued to us since. If market turbulence persists, we may be required to post cash collateral in connection with our secured credit facilities secured by our mortgage loan investments upon or after the expiry of these agreements. We maintain frequent dialogue with the lenders under our secured credit facilities regarding our management of their collateral assets in light of the impacts of the COVID-19 pandemic. For more information regarding the impact that COVID-19 has had on our liquidity and may have on our future liquidity, see "Risk Factors."

In some situations, we have in the past, and may in the future, be forced to sell assets to maintain adequate liquidity. Market disruptions may lead to a significant decline in transaction activity in all or a significant portion of the asset classes in which we invest and may at the same time lead to a significant contraction in short-term and long-term debt and equity funding sources. A decline in market liquidity of real estate-related investments, as well as a lack of availability of observable transaction data and inputs, may make it more difficult to sell assets or determine their fair values. As a result, we may be unable to sell investments, or only be able to sell investments at a price that may be materially different from the fair values presented. Also, in such conditions, there is no guarantee that our borrowing arrangements or other arrangements for obtaining leverage will continue to be available or, if available, will be available on terms and conditions acceptable to us.

Prepayment Risk

Prepayment risk is the risk that principal will be repaid at a different rate than anticipated, causing the return on certain investments to be less than expected. As we receive prepayments of principal on our assets, any premiums paid on such assets are amortized against interest income. In general, an increase in prepayment rates accelerates the amortization of purchase premiums, thereby reducing the interest income earned on the assets. Conversely, discounts on such assets are accreted into interest income. In general, an increase in prepayment rates accelerates the accretion of purchase discounts, thereby increasing the interest income earned on the assets.

Extension Risk

Our Manager computes the projected weighted average life of our assets based on assumptions regarding the rate at which the borrowers will prepay the mortgages or extend. If prepayment rates decrease in a rising interest rate environment or extension options are exercised, the life of our loan investments could extend beyond the term of the secured debt agreements. We expect that the economic and market disruptions caused by COVID-19 will lead to a decrease in prepayment rates and an increase in the number of our borrowers who exercise extension options. This could have a negative impact on our results of operations. In some situations, we may be forced to sell assets to maintain adequate liquidity, which could cause us to incur losses. For more information regarding the impact of COVID-19 on the financial condition of our borrowers, see "Risk Factors."

Capital Market Risks

We are exposed to risks related to the equity capital markets and our related ability to raise capital through the issuance of our stock or other equity instruments. We are also exposed to risks related to the debt capital markets and our related ability to finance our business through borrowings under secured credit facilities, collateralized loan obligations, secured revolving credit facilities, or other debt instruments or arrangements. As a REIT, we are required to distribute a significant portion of our taxable income annually, which constrains our ability to accumulate operating cash flow and therefore requires us to utilize debt or equity capital to finance our business. We seek to mitigate these risks by monitoring the debt and equity capital markets to inform our decisions on the amount, timing and terms of capital we raise.

During the twelve months ended December 31, 2020, the COVID-19 pandemic caused significant disruptions to the U.S. and global economies. These disruptions contributed to significant and ongoing volatility, widening credit spreads and sharp declines in liquidity in the real estate securities markets. This capital markets environment has led to an increased cost of funds and reduced the availability of efficient debt capital, factors which caused us to reduce our investment activity during the second, third and fourth quarters of 2020. We also anticipate that these

conditions will adversely impact the ability of certain commercial property owners to service their debt and refinance their loans as they mature. For more information, see “Risk Factors.”

Counterparty Risk

The nature of our business requires us to hold our cash and cash equivalents with, and obtain financing from, various financial institutions. This exposes us to the risk that these financial institutions may not fulfill their obligations to us under these various contractual arrangements. We mitigate this exposure by depositing our cash and cash equivalents and entering into financing agreements with high credit-quality institutions.

The nature of our loans and other investments also exposes us to the risk that our counterparties do not make required interest and principal payments on scheduled due dates. We seek to manage this risk through a comprehensive credit analysis prior to making an investment and rigorous monitoring of the underlying collateral during the term of our investments.

Non-Performance Risk

In addition to the risks related to fluctuations in cash flows and asset values associated with movements in interest rates, there is also the risk of non-performance on floating rate assets. In the case of a significant increase in interest rates, the additional debt service payments due from our borrowers may strain the operating cash flows of the collateral real estate assets and, potentially, contribute to non-performance or, in severe cases, default. This risk is partially mitigated by various factors we consider during our underwriting and loan structuring process, including but not limited to, requiring substantially all of our borrowers, to purchase an interest rate cap contract for the term of our loan.

Loan Portfolio Value

We may in the future originate loans that earn a fixed rate of interest on unpaid principal balance. The value of fixed rate loans is sensitive to changes in interest rates. We generally hold all of our loans to maturity, and do not expect to realize gains or losses on any fixed rate loan we may hold in the future, as a result of movements in market interest rates during future periods.

Real Estate Risk

The market values of commercial mortgage assets are subject to volatility and may be adversely affected by a number of factors, including, but not limited to, national, regional and local economic conditions (which may be adversely affected by industry slowdowns and other factors); local real estate conditions; changes or continued weakness in specific industry segments; construction quality, age and design; demographic factors; COVID-19 induced changes in how certain property types are used; and retroactive changes to building or similar codes. In addition, decreases in property values reduce the value of the collateral and the potential proceeds available to a borrower to repay the underlying loans, which could also cause us to suffer losses.

Currency Risk

We may in the future hold assets denominated in foreign currencies, which would expose us to foreign currency risk. As a result, a change in foreign currency exchange rates may have an adverse impact on the valuation of our assets, as well as our income and distributions. Any such changes in foreign currency exchange rates may impact the measurement of such assets or income for the purposes of our REIT tests and may affect the amounts available for payment of dividends on our common stock.

We intend to hedge any currency exposures in a prudent manner. However, our currency hedging strategies may not eliminate all of our currency risk due to, among other things, uncertainties in the timing and/or amount of payments received on the related investments and/or unequal, inaccurate or unavailability of hedges to perfectly offset changes in future exchange rates. Additionally, we may be required under certain circumstances to collateralize our currency hedges for the benefit of the hedge counterparty, which could adversely affect our liquidity.

We may hedge foreign currency exposure on certain investments in the future by entering into a series of forwards to fix the U.S. dollar amount of foreign currency denominated cash flows (interest income, rental income

and principal payments) we expect to receive from any foreign currency denominated investments. Accordingly, the notional values and expiration dates of our foreign currency hedges would approximate the amounts and timing of future payments we expect to receive on the related investments.

Item 8. Financial Statements and Supplementary Data.

The financial statements required by this item and the reports of the independent accountants thereon appear on pages F-2 to F-52. See the accompanying Index to Consolidated Financial Statements and Schedule on page F-1.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures. We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our President (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rules 13a-15(b) and 15d-15(b) under the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our President (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2020. Based upon that evaluation, our President (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer) concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2020.

Changes in Internal Control Over Financial Reporting. There were no changes in our internal control over financial reporting (as such term as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting. Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed under the supervision of our President and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our consolidated financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America ("generally accepted accounting principles").

Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets of the company; provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of the company's management and directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the Company's financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an assessment of the effectiveness of internal control over financial reporting as of December 31, 2020, based on the framework established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on this assessment, management has determined that the Company's internal control over financial reporting as of December 31, 2020, was effective.

Deloitte & Touche LLP, an independent registered public accounting firm, has audited the Company's financial statements included in this Annual Report on Form 10-K and issued its report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2020, which is included herein.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this item is incorporated by reference to the Company's definitive proxy statement to be filed not later than April 30, 2021 with the SEC pursuant to Regulation 14A under the Exchange Act.

Item 11. Executive Compensation.

The information required by this item is incorporated by reference to the Company's definitive proxy statement to be filed not later than April 30, 2021 with the SEC pursuant to Regulation 14A under the Exchange Act.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this item is incorporated by reference to the Company's definitive proxy statement to be filed not later than April 30, 2021 with the SEC pursuant to Regulation 14A under the Exchange Act.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item is incorporated by reference to the Company's definitive proxy statement to be filed not later than April 30, 2021 with the SEC pursuant to Regulation 14A under the Exchange Act.

Item 14. Principal Accountant Fees and Services.

The information required by this item is incorporated by reference to the Company's definitive proxy statement to be filed not later than April 30, 2021 with the SEC pursuant to Regulation 14A under the Exchange Act.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) (1) Financial Statements

See the accompanying Index to Consolidated Financial Statements and Schedule on page F-1.

(a) (2) Consolidated Financial Statement Schedules

See the accompanying Index to Consolidated Financial Statements and Schedule on page F-1.

(a) (3) Exhibits

Exhibit Index

Exhibit Number	Description
3.1(a)	Articles of Amendment and Restatement of TPG RE Finance Trust, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (001-38156) filed on July 25, 2017)
3.1(b)	Articles Supplementary reclassifying and designating 2,500,000 authorized but unissued shares of the Company's Class A common stock, $0.001 par value per share, as additional shares of undesignated common stock, $0.001 par value per share, of the Company
3.2	Second Amended and Restated Bylaws of TPG RE Finance Trust, Inc.
3.3	Articles Supplementary of 11.0% Series B Cumulative Redeemable Preferred Stock of TPG RE Finance Trust Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
4.1	Specimen Common Stock Certificate of TPG RE Finance Trust, Inc. (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-11/A (333-217446) filed on June 21, 2017)
4.2	Description of Securities of TPG RE Finance Trust, Inc.
10.1(a)	Management Agreement, dated as of July 25, 2017, between TPG RE Finance Trust, Inc. and TPG RE Finance Trust Management, L.P. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (001-38156) filed on July 25, 2017)
10.1(b)	Amendment No. 1 to Management Agreement, dated as of May 2, 2018, by and between TPG RE Finance Trust, Inc. and TPG RE Finance Trust Management, L.P. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on May 7, 2018)
10.1(c)	Investment Agreement, dated as of May 28, 2020, by and between TPG RE Finance Trust, Inc. and PE Holder, L.L.C. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
10.2(a)	Registration Rights Agreement, dated as of December 15, 2014, by and among TPG RE Finance Trust, Inc. and other parties named therein (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-11/A (333-217446) filed on July 10, 2017)
10.2(b)	Registration Rights Agreement, dated as of May 28, 2020, by and between TPG RE Finance Trust, Inc. and PE Holder, L.L.C. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
10.3(a)	Amended and Restated 2017 Equity Incentive Plan of TPG RE Finance Trust, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on April 29, 2019)†
10.3(b)	Warrant Agreement, dated as of May 28, 2020, by and between TPG RE Finance Trust, Inc. and PE Holder, L.L.C. (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
10.4	Form of Indemnification Agreement between TPG RE Finance Trust, Inc. and each of its directors and officers (incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-11/A (333-217446) filed on June 21, 2017)†
10.5	Trademark License Agreement, dated July 19, 2017, between Tarrant Capital IP, LLC and TPG RE Finance Trust, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (001-38156) filed on July 25, 2017)
10.6(a)	Master Repurchase and Securities Contract, dated as of May 25, 2016, by and between TPG RE Finance 11, Ltd. and Wells Fargo Bank, National Association, as amended by that certain Amendment No. 1 to Master Repurchase and Securities Contract, dated as of September 21, 2016 (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-11 (333-217446) filed on April 25, 2017)
10.6(b)	Amendment No. 2 to Master Repurchase and Securities Contract, dated as of December 22, 2016, between and among TPG RE Finance 11, Ltd., TPG RE Finance Trust Holdco, LLC and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.25 to the Company's Registration Statement on Form S-11/A (333-217446) filed on June 21, 2017)

Exhibit Number	Description
10.6(c)	Amendment No. 3 to Master Repurchase and Securities Contract, dated as of June 8, 2017, between and among TPG RE Finance 11, Ltd., TPG RE Finance Trust Holdco, LLC and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.26 to the Company's Registration Statement on Form S-11/A (333-217446) filed on June 21, 2017)
10.6(d)	Amendment No. 4 to Master Repurchase and Securities Contract, dated as of May 4, 2018, by and between TPG RE Finance 11, Ltd. and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on May 7, 2018)
10.6(e)	Amendment No. 5 to Master Repurchase and Securities Contract, dated as of April 18, 2019, by and between TPG RE Finance 11, Ltd. and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on July 29, 2019)
10.6(f)	Amendment No. 6 to Master Repurchase and Securities Contract, dated as of October 2, 2019, by and between TPG RE Finance 11, Ltd. and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.6(f) to the Company's Annual Report on Form 10-K (001-38156) filed on February 18, 2020)
10.6(g)	Amended and Restated Guarantee Agreement, dated as of May 4, 2018, made by and between TPG RE Finance Trust Holdco, LLC and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on May 7, 2018)
10.6(h)	First Amendment to Amended and Restated Guarantee Agreement, dated as of May 28, 2020, made by and between TPG RE Finance Trust Holdco, LLC and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
10.7(a)	Master Repurchase and Securities Contract Agreement, dated as of May 4, 2016, between TPG RE Finance 12, Ltd. and Morgan Stanley Bank, N.A. (incorporated by reference to Exhibit 10.9 to the Company's Registration Statement on Form S-11 (333-217446) filed on April 25, 2017)
10.7(b)	First Amendment to Master Repurchase and Securities Contract Agreement, dated as of February 10, 2017, between TPG RE Finance 12, Ltd. and Morgan Stanley Bank, N.A.
10.7(c)	Second Amendment to Master Repurchase and Securities Contract Agreement, dated as of July 21, 2017, between TPG RE Finance 12, Ltd. and Morgan Stanley Bank, N.A. (incorporated by reference to Exhibit 10.28 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on August 24, 2017)
10.7(d)	Third Amendment to Master Repurchase and Securities Contract Agreement, dated as of December 27, 2017, between TPG RE Finance 12, Ltd. and Morgan Stanley Bank, N.A. (incorporated by reference to Exhibit 10.36 to the Company's Annual Report on Form 10-K (001-38156) filed on February 26, 2018)
10.7(e)	Fourth Amendment to Master Repurchase and Securities Contract Agreement, dated as of February 14, 2018, by and between Morgan Stanley Bank, N.A. and TPG RE Finance 12, Ltd. (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on May 7, 2018)
10.7(f)	Fifth Amendment to Master Repurchase and Securities Contract Agreement, dated as of May 4, 2018, by and between Morgan Stanley Bank, N.A. and TPG RE Finance 12, Ltd. (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on May 7, 2018)
10.7(g)	Sixth Amendment to Master Repurchase and Securities Contract Agreement, dated as of January 10, 2020, by and between Morgan Stanley Bank, N.A. and TPG RE Finance 12, Ltd. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on May 11, 2020)
10.7(h)	Seventh Amendment to Master Repurchase and Securities Contract Agreement, dated as of December 23, 2020, by and between Morgan Stanley Bank, N.A. and TPG RE Finance 12, Ltd.
10.7(i)	Amended and Restated Guaranty, dated as of May 4, 2018, made by TPG RE Finance Trust Holdco, LLC in favor of Morgan Stanley Bank, N.A. (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on May 7, 2018)
10.7(j)	First Amendment to Amended and Restated Guaranty, dated as of May 28, 2020, made by and between TPG RE Finance Trust Holdco, LLC in favor of Morgan Stanley Bank, N.A. (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)

Exhibit Number	Description
10.8(a)	Master Repurchase Agreement, dated as of August 20, 2015, by and between TPG RE Finance 1, Ltd. and JPMorgan Chase Bank, National Association, as amended by that certain Amendment No. 1 to Master Repurchase Agreement, dated as of September 29, 2015, that certain Second Amendment to Master Repurchase Agreement, made as of March 14, 2016 and that certain Amendment No. 3 to Master Repurchase Agreement, dated as of November 14, 2016 (incorporated by reference to Exhibit 10.11 to the Company's Registration Statement on Form S-11 (333-217446) filed on April 25, 2017)
10.8(b)	Amendment No. 4 to Master Repurchase Agreement, dated as of August 18, 2017, between TPG RE Finance 1, Ltd. and JPMorgan Chase Bank, National Association (incorporated by reference to Exhibit 10.29 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on August 24, 2017)
10.8(c)	Amendment No. 5 to Master Repurchase Agreement, dated as of May 4, 2018, between TPG RE Finance 1, Ltd. and JPMorgan Chase Bank, National Association (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on May 7, 2018)
10.8(d)	Amendment No. 6 to Master Repurchase Agreement, dated as of August 20, 2018, between TPG RE Finance 1, Ltd. and JPMorgan Chase Bank, National Association (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on November 5, 2018)
10.8(e)	Amendment No. 7 to Master Repurchase Agreement, dated as of October 1, 2019, between TPG RE Finance 1, Ltd. and JPMorgan Chase Bank, National Association (incorporated by reference to Exhibit 10.8(e) to the Company's Annual Report on Form 10-K (001-38156) filed on February 18, 2020)
10.8(f)	Amendment No. 8 to Master Repurchase Agreement, dated as of October 1, 2019, between TPG RE Finance 1, Ltd. and JPMorgan Chase Bank, National Association (incorporated by reference to Exhibit 10.8(f) to the Company's Annual Report on Form 10-K (001-38156) filed on February 18, 2020)
10.8 (g)	Amendment No. 9 to Master Repurchase Agreement, dated as of October 30, 2020, between TPG RE Finance 1, Ltd. and JPMorgan Chase Bank, National Association
10.8(h)	Amended and Restated Guarantee Agreement, dated as of May 4, 2018, made by and between TPG RE Finance Trust Holdco, LLC and JPMorgan Chase Bank, National Association (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on May 7, 2018)
10.8(i)	First Amendment to Amended and Restated Guarantee Agreement, dated as of May 28, 2020, made by and between TPG RE Finance Trust Holdco, LLC and JPMorgan Chase Bank, National Association (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
10.9(a)	Master Repurchase and Securities Contract Agreement, dated as of August 19, 2015, by and between TPG RE Finance 2, Ltd. and Goldman Sachs Bank USA, as amended by that certain First Amendment to Master Repurchase and Securities Contract Agreement, dated as of December 29, 2015, and that certain Second Amendment to Master Repurchase and Securities Contract Agreement, dated as of November 3, 2016 (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement on Form S-11 (333-217446) filed on April 25, 2017)
10.9(b)	Third Amendment to Master Repurchase and Securities Contract Agreement, dated as of June 12, 2017, by and between Goldman Sachs Bank USA and TPG RE Finance 2, Ltd. (incorporated by reference to Exhibit 10.27 to the Company's Registration Statement on Form S-11/A (333-217446) filed on June 21, 2017)
10.9(c)	Fourth Amendment to Master Repurchase and Securities Contract Agreement, dated as of February 14, 2018, by and between Goldman Sachs Bank USA and TPG RE Finance 2, Ltd. (incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on May 7, 2018)
10.9(d)	Fifth Amendment to Master Repurchase and Securities Contract Agreement, dated as of May 4, 2018, by and between Goldman Sachs Bank USA and TPG RE Finance 2, Ltd. (incorporated by reference to Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on May 7, 2018)
10.9(e)	Sixth Amendment to Master Repurchase and Securities Contract Agreement, dated as of August 17, 2018, by and between Goldman Sachs Bank USA and TPG RE Finance 2, Ltd. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on November 5, 2018)
10.9(f)	Seventh Amendment to Master Repurchase and Securities Contract Agreement, dated as of August 16, 2019, by and between Goldman Sachs Bank USA and TPG RE Finance 2, Ltd. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on October 28, 2019)

Exhibit Number	Description
10.9(g)	Eighth Amendment to Master Repurchase and Securities Contract Agreement, dated as of August 19, 2019, by and between Goldman Sachs Bank USA and TPG RE Finance 2, Ltd. (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on October 28, 2019)
10.9(h)	Amended and Restated Guarantee Agreement, dated as of May 4, 2018, made by and between TPG RE Finance Trust Holdco, LLC and Goldman Sachs Bank USA (incorporated by reference to Exhibit 10.11 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on May 7, 2018)
10.9(i)	Ninth Amendment to Master Repurchase and Securities Contract Agreement, dated as of June 30, 2020, by and between Goldman Sachs Bank USA and TPG RE Finance 2, Ltd. (incorporated by reference to Exhibit 10.12 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on July 29, 2020)
10.9(j)	Tenth Amendment to Master Repurchase and Securities Contract Agreement, dated as of November 23, 2020, by and between Goldman Sachs Bank USA and TPG RE Finance 2, Ltd.
10.9(k)	First Amendment to Amended and Restated Guarantee Agreement, dated as of May 28, 2020, made by and between TPG RE Finance Trust Holdco, LLC and Goldman Sachs Bank USA (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
10.10(a)	Master Repurchase and Securities Contract, dated as of March 31, 2017, between TPG RE Finance 14, Ltd. and U.S. Bank National Association (incorporated by reference to Exhibit 10.22 to the Company's Registration Statement on Form S-11 (333-217446) filed on April 25, 2017)
10.10(b)	Amendment No. 1 to Master Repurchase and Securities Agreement, dated as of May 4, 2018, between TPG RE Finance 14, Ltd. and U.S. Bank National Association (incorporated by reference to Exhibit 10.16 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on May 7, 2018)
10.10(c)	Second Amendment to Master Repurchase and Securities Contract, dated as of May 28, 2020, between TPG RE Finance 14, Ltd. and U.S. Bank National Association (incorporated by reference to Exhibit 10.11 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on July 29, 2020)
10.10(d)	First Amendment to Amended and Restated Limited Guaranty, dated as of May 28, 2020, made and entered into by and between TPG RE Finance Trust Holdco, LLC and U.S. Bank National Association (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
10.10(e)	Amended and Restated Limited Guaranty, dated as of May 4, 2018, made and entered into by and between TPG RE Finance Trust Holdco, LLC and U.S. Bank National Association (incorporated by reference to Exhibit 10.17 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on May 7, 2018)
10.11(a)	Master Repurchase Agreement, dated as of August 13, 2019, by and between Barclays Bank PLC and TPG RE Finance 23, Ltd. (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on October 28, 2019)
10.11(b)	Guaranty, dated as of August 13, 2019, made by TPG RE Finance Trust Holdco, LLC for the benefit of Barclays Bank PLC (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on October 28, 2019)
10.11(c)	First Amendment to Guaranty, dated as of May 28, 2020, made by TPG RE Finance Trust Holdco, LLC for the benefit of Barclays Bank PLC (incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)
10.12(a)	Credit Agreement, dated as of September 29, 2017, among TPG RE Finance 20, Ltd., TPG RE Finance Pledgor 20, LLC and Bank of America, N.A. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (001-38156) filed on October 2, 2017)
10.12(b)	First Amendment to Credit Agreement, dated as of May 4, 2018, made by and between TPG RE Finance 20, Ltd. and Bank of America, N.A. (incorporated by reference to Exhibit 10.18 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on May 7, 2018)
10.12(c)	Amended and Restated Guaranty, dated as of May 4, 2018, made by TPG RE Finance Trust Holdco, LLC in favor of Bank of America, N.A. (incorporated by reference to Exhibit 10.19 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on May 7, 2018)
10.12(d)	First Amendment to Amended and Restated Guaranty, dated as of May 28, 2020, made by TPG RE Finance Trust Holdco, LLC in favor of Bank of America, N.A. (incorporated by reference to Exhibit 10.10 to the Company's Current Report on Form 8-K (001-38156) filed on May 29, 2020)

Exhibit Number	Description
10.13(a)	Indenture, dated as of November 29, 2018, by and among TRTX 2018-FL2 Issuer, Ltd., TRTX 2018-FL2 Co-Issuer, LLC, TRTX CLO Loan Seller 2, LLC, Wilmington Trust, National Association and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (001-38156) filed on December 3, 2018)
10.13(b)	Preferred Share Paying Agency Agreement, dated as of November 29, 2018, among TRTX 2018-FL2 Issuer, Ltd., Wells Fargo Bank, National Association and MaplesFS Limited (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (001-38156) filed on December 3, 2018)
10.13(c)	Mortgage Asset Purchase Agreement, dated as of November 29, 2018, among TRTX 2018-FL2 Issuer, Ltd., TRTX CLO Loan Seller 2, LLC, TPG RE Finance Trust Holdco, LLC and TPG RE Finance Trust CLO Sub-REIT (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K (001-38156) filed on December 3, 2018)
10.13(d)	Collateral Management Agreement, dated as of November 29, 2018, between TRTX 2018-FL2 Issuer, Ltd. and TPG RE Finance Trust Management, L.P. (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K (001-38156) filed on December 3, 2018)
10.13(e)	Servicing Agreement, dated as of November 29, 2018, by and among TRTX 2018-FL2 Issuer, Ltd., TPG RE Finance Trust Management, L.P., Wilmington Trust, National Association, Wells Fargo Bank, National Association, TRTX CLO Loan Seller 2, LLC, Situs Asset Management LLC, Situs Holdings, LLC and Park Bridge Lender Services LLC (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K (001-38156) filed on December 3, 2018)
10.14(a)	Indenture, dated as of October 25, 2019, by and among TRTX 2019-FL3 Issuer, Ltd., TRTX 2019-FL3 Co-Issuer, LLC, TRTX Master CLO Loan Seller, LLC, Wilmington Trust, National Association and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on October 28, 2019)
10.14(b)	Preferred Share Paying Agency Agreement, dated as of October 25, 2019, among TRTX 2019-FL3 Issuer, Ltd., Wells Fargo Bank, National Association and MaplesFS Limited (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on October 28, 2019)
10.14(c)	Collateral Interest Purchase Agreement, dated as of October 25, 2019, among TRTX Master CLO Loan Seller, LLC, TRTX 2019-FL3 Issuer, Ltd., TPG RE Finance Trust Holdco, LLC and TPG RE Finance Trust CLO Sub-REIT (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on October 28, 2019)
10.14(d)	Collateral Management Agreement, dated as of October 25, 2019, between TRTX 2019-FL3 Issuer, Ltd. and TPG RE Finance Trust Management, L.P. (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on October 28, 2019)
10.14(e)	Servicing Agreement, dated as of October 25, 2019, by and among TRTX 2019-FL3 Issuer, Ltd., TPG RE Finance Trust Management, L.P., Wilmington Trust, National Association, Wells Fargo Bank, National Association, TRTX Master CLO Loan Seller, LLC, Situs Asset Management LLC and Situs Holdings, LLC (incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q (001-38156) filed on October 28, 2019)
10.15(a)	Form of Restricted Stock Award Agreement under the 2017 Equity Incentive Plan of TPG RE Finance Trust, Inc. (incorporated by reference to Exhibit 10.37 to the Company's Annual Report on Form 10-K (001-38156) filed on February 26, 2018)†
10.15(b)	Form of Restricted Stock Award Agreement for Non-Management Directors under the 2017 Equity Incentive Plan of TPG RE Finance Trust, Inc. (incorporated by reference to Exhibit 10.38 to the Company's Annual Report on Form 10-K (001-38156) filed on February 26, 2018)†
10.15(c)	Amended and Restated Form of Restricted Stock Award Agreement under the Amended and Restated 2017 Equity Incentive Plan of TPG RE Finance Trust, Inc. (incorporated by reference to Exhibit 10.14(c) to the Company's Annual Report on Form 10-K (001-38156) filed on February 26, 2019)†
21.1	Subsidiaries of TPG RE Finance Trust, Inc.
23.1	Consent of Deloitte & Touche LLP
31.1	Certificate of Matthew Coleman, Principal Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Exhibit Number	Description
31.2	Certificate of Robert Foley, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certificate of Matthew Coleman, Principal Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	Certificate of Robert Foley, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)
†	This document has been identified as a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized**.**

Date: February 24, 2021

TPG RE Finance Trust, Inc.

By: /s/ Matthew Coleman
Matthew Coleman
President
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Name	Title	Date
/s/ Avi Banyasz Avi Banyasz	Chairman of the Board of Directors	February 24, 2021
/s/ Matthew Coleman Matthew Coleman	President (Principal Executive Officer)	February 24, 2021
/s/ Robert Foley Robert Foley	Chief Financial Officer (Principal Financial Officer and Accounting Officer)	February 24, 2021
/s/ Kelvin Davis Kelvin Davis	Director	February 24, 2021
/s/ Michael Gillmore Michael Gillmore	Director	February 24, 2021
/s/ Greta Guggenheim Greta Guggenheim	Director	February 24, 2021
/s/ Wendy Silverstein Wendy Silverstein	Director	February 24, 2021
/s/ Bradley Smith Bradley Smith	Director	February 24, 2021
/s/ Gregory White Gregory White	Director	February 24, 2021
/s/ Todd Schuster Todd Schuster	Director	February 24, 2021

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Report of Independent Registered Public Accounting Firm

To the stockholders and the Board of Directors of TPG RE Finance Trust, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of TPG RE Finance Trust, Inc. and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of income and comprehensive income, changes in equity and cash flows, for each of the three years in the period ended December 31, 2020, and the related notes and the schedule listed in the Index at Item 15(a) (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Company has changed its method of accounting for credit losses in the year ended December 31, 2020 due to the adoption of FASB Accounting Standards Update ASU 2016-13, "Financial Instruments – Credit Losses – Measurement of Credit Losses on Financial Instruments (Topic 326)".

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the Company's Audit Committee that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments by us. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Loans Held for Investment and the Allowance for Credit Losses – Refer to Note 3 to the Financial Statements

Critical Audit Matter Description

The Company presents certain financial assets carried at amortized cost, such as Loans Held for Investment, at the net amount estimated to be collected after expected credit losses. The measurement of expected credit losses over the life of each financial asset is based on information about past events, including historical experience, current conditions, macroeconomic factors, and reasonable and supportable forecasts that affect the collectability of the reported amount. To estimate credit losses, the Company considers key credit quality indicators and utilizes a model-based approach for the majority of its financial assets and an individually-assessed approach for certain of its financial assets. As of December 31, 2020, the Company recorded an Allowance for Credit Losses of $62.8 million.

Given the significant amount of judgement required by management to estimate an Allowance for Credit Losses, we identified the Company's Allowance for Credit Losses to be a critical audit matter. Auditing management's Allowance for Credit Losses requires a high degree of auditor judgment and increased extent of effort.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the Company's Allowance for Credit Losses included the following, among others:

- We tested the design and operating effectiveness of controls implemented by the Company related to the estimation of an Allowance for Credit Losses.
- We evaluated the accuracy and appropriateness of the loan-level information and credit quality indicators utilized by management to estimate the Allowance for Credit Losses.
- We evaluated the reasonableness of the methodology and significant assumptions used to select the macroeconomic factors for the forecast period by considering economic conditions and relevant industry trends, including whether the methodology and significant assumptions were appropriate and not inconsistent with other market participants.

- For loans with an allowance for credit loss developed using a model-based approach, we evaluated the appropriateness of the model and significant inputs to the model used by the Company.
- For loans with an allowance for credit loss developed using an individually assessed approach, we, with the assistance of internal fair value specialists, evaluated the appropriateness of the valuation methodology, significant assumptions and inputs, and mathematical accuracy of the valuation model used by management to determine the fair value of the collateral on which the allowance for credit loss is based.

/s/ Deloitte & Touche LLP

Dallas, Texas
February 24, 2021

We have served as the Company's auditors since 2016.

TPG RE Finance Trust, Inc.
Consolidated Balance Sheets
(in thousands, except share and per share data)

	December 31, 2020	December 31, 2019
ASSETS(1)		
Cash and Cash Equivalents	$ 319,669	$ 79,182
Restricted Cash	—	484
Accounts Receivable	785	2,344
Accounts Receivable from Servicer/Trustee	592	13,741
Accrued Interest and Fees Receivable	27,391	28,107
Loans Held for Investment	4,516,400	4,980,389
Allowance for Credit Losses	(59,940)	—
Loans Held for Investment, Net (includes $2,259,467 and $2,585,030, respectively, pledged as collateral under secured credit facilities)	4,456,460	4,980,389
Investment in Available-for-Sale CRE Debt Securities, Net (includes $0 and $786,408, respectively, pledged as collateral under secured credit facilities)	—	787,552
Real Estate Owned	99,200	—
Other Assets, Net	4,646	1,071
Total Assets	$ 4,908,743	$ 5,892,870
LIABILITIES AND STOCKHOLDERS' EQUITY(1)		
Liabilities		
Accrued Interest Payable	$ 2,630	$ 6,665
Accrued Expenses and Other Liabilities	14,450	8,176
Secured Credit Agreements (net of deferred financing costs of $8,831 and $11,632, respectively)	1,514,028	2,448,422
Collateralized Loan Obligations (net of deferred financing costs of $9,192 and $13,632, respectively)	1,825,568	1,806,428
Mortgage Loan Payable (net of deferred financing costs of $853 and $0)	49,147	—
Asset-Specific Financings (net of deferred financing costs of $0 and $294)	—	76,706
Payable to Affiliates	5,570	9,520
Deferred Revenue	1,418	164
Dividends Payable	29,481	32,835
Total Liabilities	3,442,292	4,388,916
Commitments and Contingencies—See Note 15		
Temporary Equity		
Series B Cumulative Redeemable Preferred Stock ($0.001 par value per share; 13,000,000 and 0 shares authorized, respectively; 9,000,000 and 0 shares issued and outstanding, respectively)	199,551	—
Permanent Equity		
Series A Preferred Stock ($0.001 par value per share; 100,000,000 shares authorized; 125 and 125 shares issued and outstanding, respectively)	—	—
Common Stock ($0.001 par value per share; 302,500,000 and 300,000,000 shares authorized, respectively; 76,787,006 and 74,886,113 shares issued and outstanding, respectively)	77	75
Class A Common Stock ($0.001 par value per share; 0 and 2,500,000 shares authorized, respectively; 0 and 1,136,665 shares issued and outstanding, respectively)	—	1
Additional Paid-in-Capital	1,559,681	1,530,935
Accumulated Deficit	(292,858)	(28,108)
Accumulated Other Comprehensive Income	—	1,051
Total Stockholders' Equity	$ 1,266,900	$ 1,503,954
Total Permanent Equity	$ 1,266,900	$ 1,503,954
Total Liabilities and Equity	$ 4,908,743	$ 5,892,870

(1) The Company's consolidated Total Assets and Total Liabilities at December 31, 2020 include the assets and liabilities of variable interest entities ("VIEs") of $2.3 billion and $1.8 billion , respectively. The Company's Total Assets and Total Liabilities at December 31, 2019 include assets and liabilities of VIEs of $2.2 billion and $1.8 billion, respectively. These assets can be used only to satisfy obligations of the VIEs, and creditors of the VIEs have recourse only to those assets, and not to TPG RE Finance Trust, Inc. See Note 6 to the Consolidated Financial Statements for details.

See accompanying notes to the Consolidated Financial Statements

TPG RE Finance Trust, Inc.
Consolidated Statements of Income (Loss)
and Comprehensive Income (Loss)
(in thousands, except share and per share data)

	Year Ended December 31,		
	2020	**2019**	**2018**
INTEREST INCOME			
Interest Income	$ 283,672	$ 339,814	$ 265,594
Interest Expense	(107,237)	(174,841)	(126,025)
Net Interest Income	176,435	164,973	139,569
OTHER REVENUE			
Other Income, net	537	1,754	1,307
Total Other Revenue	537	1,754	1,307
OTHER EXPENSES			
Professional Fees	8,970	3,719	3,162
General and Administrative	3,597	3,006	3,374
Stock Compensation Expense	5,768	2,556	665
Servicing and Asset Management Fees	1,239	1,837	2,646
Management Fee	20,767	21,571	19,364
Incentive Management Fee	—	7,146	4,384
Total Other Expenses	40,341	39,835	33,595
Securities Impairments	(203,397)	—	—
Credit Loss Expense	(69,755)	—	—
(Loss) Income Before Income Taxes	(136,521)	126,892	107,281
Income Tax Expense, net	(305)	(579)	(340)
Net (Loss) Income	$ (136,826)	$ 126,313	$ 106,941
Series A Preferred Stock Dividends	(15)	(15)	(3)
Series B Cumulative Redeemable Preferred Stock Dividends	(14,670)	—	—
Net (Loss) Income Attributable to TPG RE Finance Trust, Inc.	$ (151,511)	$ 126,298	$ 106,938
(Loss) Earnings per Common Share, Basic	$ (2.03)	$ 1.73	$ 1.70
(Loss) Earnings per Common Share, Diluted	$ (2.03)	$ 1.73	$ 1.70
Weighted Average Number of Common Shares Outstanding			
Basic:	76,656,756	72,743,171	63,034,806
Diluted:	76,656,756	72,743,171	63,034,806
OTHER COMPREHENSIVE (LOSS) INCOME			
Net (Loss) Income	$ (136,826)	$ 126,313	$ 106,941
Unrealized (Loss) Gain on Available-for-Sale Debt Securities	(1,051)	3,036	(1,951)
Comprehensive Net (Loss) Income	$ (137,877)	$ 129,349	$ 104,990

See accompanying notes to the Consolidated Financial Statements

TPG RE Finance Trust, Inc.
Consolidated Statements of Changes in Equity
(In thousands, except share data)

	Permanent Equity										Temporary Equity
	Series A Preferred Stock		Common Stock		Class A Common Stock						
	Shares	Par Value	Shares	Par Value	Shares	Par Value	Additional Paid-in-Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Series B Preferred Stock
Balance at December 31, 2017	125	$ —	59,440,112	$ 60	1,178,618	$ 1	$ 1,216,112	$ (14,808)	$ (34)	$ 1,201,331	$ —
Issuance of Class A Common Stock	—	—	—	—	—	—	—	—	—	—	—
Issuance of Common Stock	—	—	7,019,352	7	—	—	139,433	—	—	139,440	—
Conversions of Class A Common Stock to Common Stock	—	—	35,305	—	(35,305)	—	—	—	—	—	—
Repurchases of Common Stock	—	—	(474,382)	—	—	—	(9)	(8,928)	—	(8,937)	—
Redemption of Series A Preferred Stock	(125)	—	—	—	—	—	(125)	—	—	(125)	—
Equity Issuance and Shelf Registration Statement Transaction Costs	—	—	—	—	—	—	(1,074)	—	—	(1,074)	—
Amortization of Share Based Compensation	—	—	—	—	—	—	665	—	—	665	—
Net Income	—	—	—	—	—	—	—	106,941	—	106,941	—
Other Comprehensive Income (Loss)	—	—	—	—	—	—	—	—	(1,951)	(1,951)	—
Dividends on Preferred Stock	—	—	—	—	—	—	—	(3)	—	(3)	—
Dividends on Common Stock (Dividends Declared per Share of $1.71)	—	—	—	—	—	—	—	(107,152)	—	(107,152)	—
Dividends on Class A Common Stock (Dividends declared per Share of $1.71)	—	—	—	—	—	—	—	(1,965)	—	(1,965)	—
Balance at December 31, 2018	—	$ —	66,020,387	$ 67	1,143,313	$ 1	$ 1,355,002	$ (25,915)	$ (1,985)	$ 1,327,170	$ —
Issuance of Class A Common Stock	—	—	—	—	—	—	—	—	—	—	—
Issuance of Common Stock	—	—	8,875,760	8	—	—	174,541	—	—	174,549	—
Issuance of SubREIT Preferred Stock	125	—		—	—	—	125	—	—	125	—
Transfer of Class A to Common Shares	—	—	6,648	—	(6,648)	—	—	—	—	—	—
Retired Common Stock	—	—	(16,682)	—	—	—	(285)	(42)	—	(327)	—
Equity Issuance and Shelf Registration Statement Transaction Costs	—	—	—	—	—	—	(1,004)	—	—	(1,004)	—
Amortization of Share Based Compensation	—	—	—	—	—	—	2,556	—	—	2,556	—
Net Income	—	—	—	—	—	—		126,313	—	126,313	—
Other Comprehensive Income (Loss)	—	—	—	—	—	—	—	—	3,036	3,036	—
Dividends on Preferred Stock	—	—	—	—	—	—	—	(15)	—	(15)	—
Dividends on Common Stock (Dividends Declared per Share of $1.72)	—	—	—	—	—	—	—	(126,488)	—	(126,488)	—
Dividends on Class A Common Stock (Dividends Declared per Share of $1.72)	—	—	—	—	—	—	—	(1,961)	—	(1,961)	—
Balance at December 31, 2019	125	$ —	74,886,113	$ 75	1,136,665	$ 1	$ 1,530,935	$ (28,108)	$ 1,051	$ 1,503,954	$ —
Cumulative Effect of Adoption of ASU 2016-13 (See Note 2)				—	—	—	—	(19,645)	—	(19,645)	
Issuance of Series B Cumulative Redeemable Preferred Stock	—	—	—	—	—	—	—	—	—	—	210,598
Issuance of Warrants to Purchase Common Stock	—	—	—		—	—	14,402	—	—	14,402	—
Issuance of Common Stock	—	—	819,425	1	—	—	12,894	—	—	12,895	—
Conversions of Class A Common Stock to Common Stock			1,136,665	1	(1,136,665)	(1)	—	—	—	—	
Retirement of Common Stock	—	—	(55,197)		—	—	—	—	—	—	—
Equity Issuance, Shelf Registration, and Equity Distribution Agreement Transaction Costs	—	—	—	—	—	—	(1,129)	—	—	(1,129)	(14,236)
Amortization of Share-Based Compensation	—	—	—	—	—	—	5,768	—	—	5,768	—
Net Income (Loss)	—	—	—	—	—	—	—	(136,826)	—	(136,826)	—
Other Comprehensive Loss	—	—	—	—	—	—	—	—	(1,051)	(1,051)	—
Dividends on Preferred Stock	—	—	—	—	—	—	—	(14,689)	—	(14,689)	—
Accretion of Discount on Series B Cumulative Redeemable Preferred Stock	—	—	—	—	—	—	(3,189)	—	—	(3,189)	3,189
Dividends on Common Stock (Dividends Declared per Share of $1.21)	—	—	—	—	—	—	—	(93,590)	—	(93,590)	—
Balance at December 31, 2020	125	$ —	76,787,006	$ 77	$ —	$ —	$ 1,559,681	$ (292,858)	$ —	$ 1,266,900	$ 199,551

See accompanying notes to the Consolidated Financial Statements

TPG RE Finance Trust, Inc.
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,		
	2020	**2019**	**2018**
Cash Flows from Operating Activities:			
Net (Loss) Income	$ (136,826)	$ 126,313	$ 106,941
Adjustment to Reconcile Net (loss) Income to Net Cash Provided by Operating Activities:			
Amortization and Accretion of Premiums, Discounts and Loan Origination Fees, net	(11,089)	(16,331)	(15,915)
Amortization of Deferred Financing Costs	13,504	19,040	17,157
Capitalized Accrued Interest	(4,701)	—	—
Loss on Sales of Loans Held for Investment and CRE Debt Securities Securities, net	217,170	278	524
Stock Compensation Expense	5,768	2,556	665
Credit Loss Expense	55,983	—	—
Cash Flows Due to Changes in Operating Assets and Liabilities:			
Accounts Receivable	1,559	(2,306)	103
Accrued Interest Receivable	1,089	(6,549)	(5,270)
Accrued Expenses	(66)	(4,678)	1,626
Accrued Interest Payable	(4,036)	519	761
Payable to Affiliates	(3,949)	3,524	769
Deferred Fee Income	1,254	(299)	146
Other Assets	(3,575)	(402)	190
Net Cash Provided by Operating Activities	132,085	121,665	107,697
Cash Flows from Investing Activities:			
Origination of Loans Held for Investment	(351,650)	(2,341,692)	(2,071,391)
Advances on Loans Held for Investment	(233,029)	(268,356)	(258,308)
Principal Repayments of Loans Held for Investment	819,813	1,961,906	1,131,294
Proceeds from Sales of Loans Held for Investment	131,902	59,759	2,174
Purchase of Available-for-Sale CRE Debt Securities	(168,888)	(815,037)	(143,503)
Sales and Principal Repayments of Available-for-Sale CRE Debt Securities	766,437	94,790	146,869
Net Cash Provided by (Used in) Investing Activities	964,585	(1,308,630)	(1,192,865)
Cash Flows from Financing Activities:			
Payments on Collateralized Loan Obligations	—	(732,103)	(13,800)
Proceeds from Collateralized Loan Obligations	—	1,039,627	1,541,037
Payments on Secured Credit Agreements - Loan Investments	(1,433,446)	(3,823,037)	(2,544,583)
Proceeds from Secured Credit Agreements - Loan Investments	1,112,047	4,708,802	2,070,584
Payments on Secured Credit Agreements - CRE Debt Securities	(824,920)	—	—
Proceeds from Secured Credit Agreements - CRE Debt Securities	132,122	—	—
Proceeds from Mortgage Loan Payable	50,000	—	—
Payment of Deferred Financing Costs	(6,368)	(16,154)	(29,279)
Payments to Repurchase Common Stock	—	(42)	(8,842)
Payments to Redeem Series A Preferred Stock	—	—	(125)
Proceeds from Issuance of Preferred Stock	—	125	—
Proceeds from Issuance of Series B Cumulative Redeemable Preferred Stock	210,598	—	—
Proceeds from Issuance of Warrants to Purchase Common Stock	14,402	—	—
Proceeds from Issuance of Common Stock	12,895	174,549	139,440
Dividends Paid on Common Stock	(96,664)	(122,631)	(101,283)
Dividends Paid on Class A Common Stock	(284)	(1,964)	(1,921)
Dividends Paid on Series A Preferred Stock	—	(15)	(3)
Dividends Paid on Series B Cumulative Redeemable Preferred Stock	(14,685)	0	0
Payment of Equity Issuance and Equity Distribution Agreement Transaction Costs	(12,365)	(1,246)	(1,074)
Net Cash (Used in) Provided by Financing Activities	(856,668)	1,225,911	1,050,151
Net Change in Cash, Cash Equivalents, and Restricted Cash	240,002	38,946	(35,017)
Cash, Cash Equivalents and Restricted Cash at Beginning of Year	79,666	40,720	75,737
Cash, Cash Equivalents and Restricted Cash at End of Year	$ 319,668	$ 79,666	$ 40,720
Supplemental Disclosure of Cash Flow Information:			
Interest Paid	$ 97,767	$ 155,282	$ 108,106
Taxes Paid	$ 141	$ 394	$ 341
Supplemental Disclosure of Non-Cash Investing and Financing Activities:			
Principal Repayments of Loans Held for Investment by Servicer/Trustee, net	$ 174	$ 12,950	$ 94,633
Sales and Principal Repayments of Available-for-Sale CRE Debt Securities Held by Servicer/Trustee, Net	$ —	$ —	$ 213
Dividends Declared, not paid	$ 29,481	$ 32,835	$ 28,981
Accrued Equity Issuance and Transaction Costs	$ 3,000	$ —	$ —
Change in Accrued Deferred Financing Costs	$ 452	$ 5,411	$ 2,926
Unrealized Gain (Loss) on Available-for-Sale CRE Debt Securities,	$ (1,051)	$ 3,036	$ (1,951)
Accrued Common Stock Repurchase Costs	$ —	$ —	$ 95

See accompanying notes to the Consolidated Financial Statements

(1) Business and Organization

TPG RE Finance Trust, Inc. (together with its consolidated subsidiaries, "we", "us", "our", or the "Company") is organized as a holding company and conducts its operations primarily through TPG RE Finance Trust Holdco, LLC ("Holdco"), a Delaware limited liability company that is wholly owned by the Company, and Holdco's direct and indirect subsidiaries. We conduct our operations as a real estate investment trust ("REIT") for U.S. federal income tax purposes. We generally will not be subject to U.S. federal income taxes on our REIT taxable income to the extent that we annually distribute all of our REIT taxable income to stockholders and maintain our qualification as a REIT. We also operate our business in a manner that permits us to maintain an exclusion from registration under the Investment Company Act of 1940, as amended.

The Company's principal business activity is to directly originate and acquire a diversified portfolio of commercial real estate related assets, consisting primarily of first mortgage loans and senior participation interests in first mortgage loans secured by institutional-quality properties in primary and select secondary markets in the United States. The Company has in the past invested in commercial real estate debt securities ("CRE debt securities"), primarily investment-grade commercial mortgage-backed securities ("CMBS") and commercial real estate collateralized loan obligation securities ("CRE CLOs").

(2) Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The consolidated financial statements include the Company's accounts, consolidated variable interest entities for which the Company is the primary beneficiary, and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated.

Risks and Uncertainties

The coronavirus pandemic ("COVID-19") resulted in broad challenges globally, has contributed to significant volatility in financial markets and continues to adversely impact global commercial activity. The impact of the outbreak has evolved rapidly around the globe, with many countries taking drastic measures to limit the spread of the virus by instituting quarantines or lockdowns and imposing travel restrictions. Such actions have created significant disruptions to global supply chains, and adversely impacted several industries, including but not limited to, airlines, hospitality, retail and the broader real estate industry.

The major disruptions caused by COVID-19 halted economic activity in most of the United States resulting in a significant increase in unemployment claims and material fiscal stimulus expenditures by the federal government. COVID-19 has also resulted in a significant decline in the U.S. Gross Domestic Product.

COVID-19 has had a continued and prolonged adverse impact on economic and market conditions and triggered a period of global economic slowdown which has and could continue to have a material adverse effect on the Company's results and financial condition. Many jurisdictions have re-opened with social distancing measures implemented to curtail the spread of COVID-19, and two vaccines have been approved for use in the United States. Nonetheless, the Company cannot predict the length of time that it will take for a meaningful economic recovery to take place. Additional surges in new cases of COVID-19 and mutated strains of the virus have caused additional quarantines and lockdowns, which could delay any economic recovery. The nationwide vaccination program is in its early stages, and its pace, scope and effectiveness remain uncertain. These factors could further materially and adversely affect the Company's results and financial condition.

The full impact of COVID-19 on the real estate industry, the credit markets and consequently on the Company's financial condition and results of operations is uncertain and cannot be predicted currently since it depends on several factors beyond the control of the Company including, but not limited to (i) the uncertainty surrounding the severity and duration of the outbreak, including possible recurrences and differing economic and social impacts of the outbreak in various regions of the United States, (ii) the effectiveness of the United States

public health response, (iii) the pandemic's impact on the U.S. and global economies, (iv) the timing, scope and effectiveness of additional governmental responses to the pandemic, (v) the timing and speed of economic recovery, including the availability of a treatment or vaccine for COVID-19, changes in how certain types of commercial property are used while maintaining social distancing and other techniques intended to control the impact of COVID-19, and (vi) the negative impact on the Company's borrowers, real estate values and cost of capital.

Reclassifications

Certain amounts in the Company's prior period consolidated financial statements have been reclassified to conform to the presentation of the Company's current period consolidated financial statements. These reclassifications had no effect on the Company's previously reported net income. These reclassifications include the separate presentation of stock compensation on the consolidated statements of income (loss) and comprehensive income (loss), and the disaggregation of proceeds and payments from secured credit agreements secured by loans and secured credit agreements secured by CRE debt securities on the consolidated statements of cash flows.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires estimates of assets, liabilities, revenues, expenses and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ from management's estimates, and such differences could be material. Significant estimates made in the consolidated financial statements include, but are not limited to, the adequacy of our allowance for credit losses and the valuation inputs related thereto and the valuation of financial instruments. Actual amounts and values as of the balance sheet dates may be materially different than the amounts and values reported due to the inherent uncertainty in the estimation process and the limited availability of observable pricing inputs due to market dislocation resulting from the COVID-19 pandemic. Also, future amounts and values could differ materially from those estimates due to changes in values and circumstances after the balance sheet date and the limited availability of observable prices.

Principles of Consolidation

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810—Consolidation ("ASC 810") provides guidance on the identification of a variable interest entity ("VIE") for which control is achieved through means other than voting rights) and the determination of which business enterprise, if any, should consolidate the VIE. An entity is considered a VIE if any of the following applies: (1) the equity investors (if any) lack one or more of the essential characteristics of a controlling financial interest; (2) the equity investment at risk is insufficient to finance that entity's activities without additional subordinated financial support; or (3) the equity investors have voting rights that are not proportionate to their economic interests and the activities of the entity involve or are conducted on behalf of an investor with a disproportionately small voting interest. The Company consolidates VIEs in which the Company is considered to be the primary beneficiary. The primary beneficiary is defined as the entity having both of the following characteristics: (1) the power to direct the activities that, when taken together, most significantly impact the VIE's performance; and (2) the obligation to absorb losses and right to receive the returns from the VIE that would be significant to the VIE.

At each reporting date, the Company reconsiders its primary beneficiary conclusion to determine if its obligation to absorb losses of, or its rights to receive benefits from, the VIE could potentially be more than insignificant, and will consolidate or not consolidate accordingly (see Note 6 for details).

Revenue Recognition

Interest income on loans is accrued using the interest method based on the contractual terms of the loan, adjusted for expected or realized credit losses, if any. The objective of the interest method is to arrive at periodic interest income, including recognition of fees and costs, at a constant effective yield. Premiums, discounts, and origination fees are amortized or accreted into interest income over the lives of the loans using the interest method, or on a straight-line basis when it approximates the interest method. Extension and modification fees are accreted into income on a straight-line basis, when it approximates the interest method, over the related extension or modification period. Exit fees are accreted into income on a straight-line basis, when it approximates the interest method, over the lives of the loans to which they relate unless they can be waived by the Company or a co-lender in connection with a loan refinancing. Prepayment penalties from borrowers are recognized as interest income when

received. Certain of the Company's loan investments have in the past and may in the future provide for additional interest based on the borrower's operating cash flow or appreciation of the underlying collateral. Such amounts are considered contingent interest and are reflected as interest income only upon certainty of collection. Certain of the Company's loan investments have in the past, and may in the future, provide for the accrual of interest (in part, or in whole) instead of its current payment in cash, with the accrued interest ("PIK interest") added to the unpaid principal balance of the loan. Such PIK interest is recognized currently as interest income unless the Company concludes eventual collection is unlikely, in which case a collection reserve is recorded or the PIK interest is written off.

All interest accrued but not received for loans placed on non-accrual status is subtracted from interest income at the time the loan is placed on non-accrual. Based on the Company's judgment as to the collectability of principal, a loan on non-accrual status is either accounted for on a cash basis, where interest income is recognized only upon receipt of cash for principal and interest payments, or on a cost-recovery basis, where all cash receipts reduce the loan's carrying value, and interest income is only recorded when such carrying value has been fully recovered.

Loans Held for Investment

Loans that the Company has the intent and ability to hold for the foreseeable future, or until maturity or repayment, are reported at their outstanding principal balances net of cumulative charge-offs, interest applied to principal (for loans accounted for using the cost recovery method), unamortized premiums, discounts, loan origination fees and costs. Loan origination fees and direct loan origination costs are deferred and recognized in interest income over the estimated life of the loans using the interest method, or on a straight-line basis when it approximates the interest method, adjusted for actual prepayments. Accrued but not yet collected interest is separately reported as accrued interest and fees receivable on the Company's consolidated balance sheets.

When loans are designated as held for investment, the Company's intent is to hold the loans for the foreseeable future or until maturity or repayment. If subsequent changes in real estate or capital markets occur, the Company may change its intent or its assessment of its ability to hold these loans. Once a determination has been made to sell such loans, they are immediately transferred to loans held for sale and carried at the lower of cost or fair value.

Non-Accrual Loans

Loans are placed on non-accrual status when the full and timely collection of principal and interest is doubtful, generally when management determines the borrower is incapable of, or has ceased efforts toward, curing the cause of a default; the loan becomes 90 days or more past due for principal and interest; or the loan experiences a maturity default. The Company considers an account past due when an obligor fails to pay substantially all (defined as 90%) of the scheduled contractual payments by the due date. In each case, the period of delinquency is based on the number of days payments are contractually past due. A loan may be returned to accrual status if all delinquent principal and interest payments are brought current, and collectability of the remaining principal and interest payments in accordance with the loan agreement is reasonably assured. Loans that in the judgment of the Company's external manager, TPG RE Finance Trust Management, L.P., a Delaware limited partnership (the "Manager"), are adequately secured and in the process of collection are maintained on accrual status, even if they are 90 days or more past due.

Troubled Debt Restructurings

A loan is accounted for and reported as a troubled debt restructuring ("TDR") when, for economic or legal reasons, the Company grants a concession to a borrower experiencing financial difficulty that it would not otherwise consider. The Company does not consider as a concession a restructuring that includes an insignificant delay in payment. A delay may be considered insignificant if the payments subject to the delay are insignificant relative to the unpaid principal balance of the loan or collateral value, and the contractual amount due, or the delay in timing of the restructured payment period, is insignificant relative to the frequency of payments, the debt's original contractual maturity or original expected duration.

TDRs that are performing and on accrual status as of the date of the modification remain on accrual status. TDRs that are non-performing as of the date of modification usually remain on non-accrual status until the prospect

of future payments in accordance with the modified loan agreement is reasonably assured, which is generally demonstrated when the borrower maintains compliance with the restructured terms for a predetermined period, generally six months. TDRs with temporary below-market concessions remain designated as a TDR regardless of the accrual or performance status until the loan is paid off. However, if the TDR loan has been modified in a subsequent restructure with market terms and the borrower is not currently experiencing financial difficulty, then the loan may be de-designated as a TDR.

Credit Losses

On January 1, 2020, the Company adopted Accounting Standards Update ("ASU") 2016-13, Financial Instruments – Credit Losses (Topic 326) and subsequent amendments, which replaced the incurred loss methodology with an expected loss model known as the Current Expected Credit Loss ("CECL") model. CECL amends the previous credit loss model to reflect a reporting entity's current estimate of all expected credit losses, not only based on historical experience and current conditions, but also by including reasonable and supportable forecasts incorporating forward-looking information. The measurement of expected credit losses under the CECL method is applicable to the Company's mortgage loan investment portfolio measured at amortized cost and unfunded loan commitments. The guidance also requires a cumulative-effect adjustment to retained earnings as of the beginning of the reporting period of adoption. The Company adopted ASU 2016-13 and other related ASUs using the modified retrospective method for all mortgage loans measured at amortized cost and unfunded noncancelable loan commitments. Results for reporting periods beginning after January 1, 2020 are presented under ASU 2016-13 and other related ASUs while prior period amounts continue to be reported in accordance with previously applicable GAAP.

The following table presents the January 1, 2020 cumulative impact of the adoption of ASU 2016-13 on the indicated line items of the Company's consolidated balance sheets as of January 1, 2020:

	Pre-Adoption	Cumulative Effect of Adopting ASU 2016-13	Post-Adoption
Assets:			
Loans Held for Investment	$ 4,980,389	$ —	$ 4,980,389
Allowance for Credit Losses	—	(17,783)	(17,783)
Loan Held for Investment, net	$ 4,980,389	$ (17,783)	$ 4,962,606
Liabilities:			
Accrued Expenses and Other Liabilities	$ 8,176	$ 1,862	$ 10,038
Equity:			
Accumulated Deficit	$ (28,108)	$ (19,645)	$ (47,753)

Allowance for Credit Losses for Loans Held for Investment

The allowance for credit losses measured under the CECL accounting framework, represents an estimate of current expected losses for the Company's existing portfolio of loans held for investment, and is presented as a valuation reserve on the Company's consolidated balance sheets. Expected credit losses inherent in non-cancelable unfunded loan commitments are accounted for as separate liabilities included in accrued expenses and other liabilities on the consolidated balance sheets. The allowance for credit losses for loans held for investment, as reported in the Company's consolidated balance sheets, is adjusted by a credit loss expense, which is reported in earnings in the consolidated statements of income (loss) and comprehensive income (loss) and reduced by the charge-off of loan amounts, net of recoveries and additions related to purchased credit-deteriorated ("PCD") assets, if relevant. The allowance for credit losses includes a modeled component and an individually-assessed component. The Company has elected to not measure an allowance for credit losses on accrued interest receivables related to all of its loans held for investment because it writes off uncollectable accrued interest receivable in a timely manner pursuant to its non-accrual policy, described above.

The Company considers key credit quality indicators in underwriting loans and estimating credit losses, including but not limited to: the capitalization of borrowers and sponsors; the expertise of the borrowers and sponsors in a particular real estate sector and geographic market; collateral type; geographic region; use and occupancy of the property; property market value; loan-to-value ("LTV") ratio; loan amount and lien position; debt service and coverage ratio; the Company's risk rating for the same and similar loans; and prior experience with the

borrower and sponsor. This information is used to assess the financial and operating capability, experience and profitability of the sponsor/borrower. Ultimate repayment of the Company's loans is sensitive to interest rate changes, general economic conditions, liquidity, LTV ratio, existence of a liquid investment sales market for commercial properties, and availability of replacement short-term or long-term financing. The loans in the Company's commercial mortgage loan portfolio are secured by collateral in the following property types: office; multifamily; hotel; mixed-use; condominium; and retail.

The Company's loans are typically collateralized by real estate, or in the case of mezzanine loans, by a partnership interest or similar equity interest in an entity that owns real estate. As a result, the Company regularly evaluates on a loan-by-loan basis, typically quarterly, the extent and impact of any credit deterioration associated with the performance and/or value of the underlying collateral property, and the financial and operating capability of the borrower/sponsor. The Company also evaluates the financial strength of loan guarantors, if any, and the borrower's competency in managing and operating the property or properties. In addition, the Company considers the overall economic environment, real estate sector, and geographic sub-market in which the borrower operates. Such analyses are completed and reviewed by asset management personnel and evaluated by senior management, who utilize various data sources, including, to the extent available (i) periodic financial data such as property occupancy, tenant profile, rental rates, operating expenses, the borrower's exit plan, and capitalization and discount rates, (ii) site inspections, (iii) sales and financing comparables, (iv) current credit spreads for refinancing and (v) other market data.

Quarterly, the Company evaluates the risk of all loans and assigns a risk rating based on a variety of factors, grouped as follows: (i) loan and credit structure, including the as-is LTV structural features; (ii) quality and stability of real estate value and operating cash flow, including debt yield, property type, dynamics of the geography, property type and local market, physical condition, stability of cash flow, leasing velocity and quality and diversity of tenancy; (iii) performance against underwritten business plan; and (iv) quality, experience and financial condition of sponsor, borrower and guarantor(s). Based on a 5-point scale, the Company's loans are rated "1" through "5," from least risk to greatest risk, respectively, which ratings are defined as follows:

1- Outperform—Exceeds performance metrics (for example, technical milestones, occupancy, rents, net operating income) included in original or current credit underwriting and business plan;

2- Meets or Exceeds Expectations—Collateral performance meets or exceeds substantially all performance metrics included in original or current underwriting / business plan;

3- Satisfactory—Collateral performance meets or is on track to meet underwriting; business plan is met or can reasonably be achieved;

4- Underperformance—Collateral performance falls short of original underwriting, material differences exist from business plan, or both; technical milestones have been missed; defaults may exist, or may soon occur absent material improvement; and

5- Default/Possibility of Loss—Collateral performance is significantly worse than underwriting; major variance from business plan; loan covenants or technical milestones have been breached; timely exit from loan via sale or refinancing is questionable; significant risk of principal loss.

The Company generally assigns a risk rating of "3" to all loan investments originated during the most recent quarter, except in the case of specific circumstances warranting an exception.

The Company's CECL reserve reflects its estimation of the current and future economic conditions that impact the performance of the commercial real estate assets securing the Company's loans. These estimations include unemployment rates, interest rates, price indices for commercial property, and other macroeconomic factors that may influence the likelihood and magnitude of potential credit losses for the Company's loans during their anticipated term. The Company licenses certain macroeconomic financial forecasts to inform its view of the potential future impact that broader economic conditions may have on its loan portfolio's performance. The forecasts are embedded in the licensed model that the Company uses to estimate its CECL reserve. Selection of these economic forecasts requires significant judgment about future events that, while based on the information available to the Company as of the balance sheet date, are ultimately unknowable with certainty, and the actual economic conditions impacting the Company's portfolio could vary significantly from the estimates the Company made for the periods presented.

Due to the COVID-19 pandemic and the dislocation it has caused to the national economy, the commercial real estate markets, and the capital markets, the Company's ability to estimate key inputs for estimating the allowance for credit losses has been materially and adversely impacted. Key inputs to the estimate include, but are

not limited to, LTV, debt service coverage ratio, current and future operating cash flow and performance of collateral properties, the financial strength and liquidity of borrowers and sponsors, capitalization rates and discount rates used to value commercial real estate properties, and market liquidity based on market indices or observable transactions involving the sale or financing of commercial properties. Estimates made by management are necessarily subject to change due to the lack or sharply limited number of observable inputs and uncertainty regarding the duration of the COVID-19 pandemic and its aftereffects.

Credit Loss Measurement

The amount of allowance for credit losses is influenced by the size of the Company's loan portfolio, loan asset quality, risk rating, delinquency status, historic loss experience and other conditions influencing loss expectations, such as reasonable and supportable forecasts of economic conditions. The Company employs two methods to estimate credit losses in its loan portfolio: a model-based approach utilized for substantially all of its loans; and an individually-assessed approach for loans that the Company concludes are ill-suited for use in the model-based approach, or are individually-assessed based on accounting guidance contained in the CECL framework.

Once the expected credit loss amount is determined, an allowance for credit losses equal to the calculated expected credit loss is established. Consistent with ASC 326, a loan will be charged off through the allowance for credit losses as a realized loss when it is deemed non-recoverable upon a realization event. This is generally at the time the loan receivable is settled, transferred or exchanged, but non-recoverability may also be concluded by the Company if, in its determination, it is nearly certain that all amounts due will not be collected. The realized loss shall equal the difference between the cash received, or expected to be received, and the book value of the asset. Factors considered by management in determining if the expected credit loss is permanent or not recoverable include whether management judges the loan to be uncollectible; that is, repayment is deemed to be delayed beyond reasonable time frames, or the loss becomes evident due to the borrower's lack of assets and liquidity, or the borrower's sponsor is unwilling or unable to support the loan. This policy is reflective of the investor's economics as it relates to the ultimate realization of the loan.

Allowance for Credit Losses for Loans Held for Investment – Model-Based Approach

The model-based approach to measure the allowance for credit losses relates to loans which are not individually-assessed.

The Company licenses from Trepp, LLC historical loss information, incorporating loan performance data for over 100,000 commercial real estate loans dating back to 1998, in an analytical model to compute statistical credit loss factors (i.e., probability-of-default and loss-given-default). These statistical credit loss factors are utilized together with individual loan information to estimate the allowance for credit losses. This methodology appropriately considers the unique characteristics of the Company's commercial mortgage loan portfolio and individual assets within the portfolio by considering individual loan risk ratings, delinquency statuses and other credit trends and risk characteristics. Further, the Company incorporates its expectations about the impact of current conditions and reasonable and supportable forecasts on expected future credit losses in deriving its estimate. For the period beyond which the Company is able to make reasonable and supportable forecasts, the Company will revert to unadjusted historical loan loss information based on systematic methodology determined at the input level. Determining the appropriateness of the allowance is complex and requires judgment by management about the effect of matters that are inherently uncertain. In future periods, evaluations of the overall loan portfolio, in light of the factors and forecasts then prevailing, may result in significant changes in the allowance and credit loss expense.

Allowance for Credit Losses for Loans Held for Investment – Individually-Assessed Approach

In instances where the unique attributes of a loan investment render it ill-suited for the model-based approach because it no longer shares risk characteristics with other loans, or because the Company concludes repayment of the loan is entirely collateral-dependent, or when it is deemed probable that the Company will not be able to collect all amounts due according to the contractual terms of the loan, the Company separately evaluates the amount of expected credit loss using widely accepted real estate valuation techniques, considering substantially the same credit factors as utilized in the model-dependent method. In these cases, expected credit loss is measured as the difference between the amortized cost basis of the loan and the fair value of the collateral, if repayment is expected solely from the collateral, as determined by management using valuation techniques, frequently discounted cash flow. The fair value of the collateral is adjusted for the estimated cost to sell if repayment or satisfaction of a loan is dependent on the sale (rather than the operation) of the collateral.

Unfunded Loan Commitments

The Company's first mortgage loans often contain provisions for future funding conditioned upon the borrower's execution of its business plan with respect to the underlying collateral property securing the loan. These deferred fundings are typically for base building work, tenant improvement costs and leasing commissions, and occasionally to fund forecasted operating deficits during lease-up, or for interest reserves. These deferred funding commitments may be for specific periods, often require satisfaction by the borrower of conditions precedent, and may contain termination clauses at the option of the borrower or, more rarely, at the Company's option. The total amount of unfunded commitments does not necessarily represent actual amounts that may be funded in cash in the future, since commitments may expire without being drawn, may be cancelled if certain conditions are not satisfied by the borrower, or borrowers may elect not to borrow some or all of the unused commitment. The Company does not recognize these unfunded loan commitments in its consolidated financial statements.

The Company applies its expected credit loss estimates to all future funding commitments that cannot be contractually terminated at the Company's option. The Company maintains a separate allowance for credit losses from unfunded loan commitments, which is included in accrued expenses and other liabilities on the consolidated balance sheets. The Company estimates the amount of expected losses by calculating a commitment usage factor over the contractual period for exposures that are not unconditionally cancellable by the Company and applies the loss factors used in the allowance for credit loss methodology described above to the results of the usage calculation to estimate the liability for credit losses related to unfunded commitments for each loan.

CRE Debt Securities

In the past, the Company acquired CRE debt securities for investment purposes. The Company designated CRE debt securities as AFS on the acquisition date. CRE debt securities that were classified as AFS were recorded at fair value through other comprehensive income or loss in the Company's consolidated financial statements. The Company recognized interest income on its CRE debt securities using the interest method, or on a straight-line basis when it approximated the effective interest method, with any premium or discount amortized or accreted into interest income based on the respective outstanding principal balance and corresponding contractual term of the CRE debt security. Uncollected accrued interest was separately reported as accrued interest receivable on the Company's consolidated balance sheets. The Company used a specific identification method when determining the cost of a CRE debt security sold and the amount of unrealized gain or loss reclassified from accumulated other comprehensive income or loss into earnings on the trade date.

AFS debt securities in unrealized loss positions were evaluated for impairment related to credit losses at least quarterly. For the purpose of identifying and measuring impairment, any applicable accrued interest was excluded from both the fair value and the amortized cost basis. The Company had elected to write off accrued interest by reversing interest income in the event the accrued interest is deemed uncollectible, generally when the security became 90 days or more past due for principal and interest.

The Company first assessed whether it intended to sell the debt security or more likely than not was required to sell the debt security before recovery of its amortized cost basis. If either criterion regarding intent or requirement to sell was met, the debt security's amortized cost basis was written down to its fair value and the write down was charged against the allowance for credit losses, with any incremental impairment reported in earnings as a loss in the consolidated statements of income (loss) and comprehensive income (loss).

Any AFS debt security in an unrealized loss position which the Company did not intend to sell or was not more likely than not required to sell before recovery of the amortized cost basis was assessed for expected credit losses. The performance indicators considered for CRE debt securities related to the underlying assets and included default rates, delinquency rates, percentage of nonperforming assets, debt-to-collateral ratios, third-party guarantees, current levels of subordination, vintage, geographic concentration, analyst reports and forecasts, credit ratings and other market data. In assessing whether a credit loss exists, the Company compared the present value of cash flows expected to be collected from the security with the amortized cost basis of the security. If the present value of cash flows expected to be collected was less than the amortized cost basis for the security, a credit loss existed and an allowance for credit losses was recorded, limited by the amount the fair value was less than amortized cost basis.

Declines in fair value of AFS debt securities in an unrealized loss position that were not due to credit losses, such as declines due to changes in market interest rates, were recorded through other comprehensive income. Any impairment that had not been recorded through an allowance for credit losses was recognized in other comprehensive income. Unrealized gains and losses on AFS debt securities presented in the consolidated statement

of income (loss) and comprehensive income (loss) included the reversal of unrealized gains and losses at the time gains or losses were realized.

Real Estate Owned

Real estate acquired as a result of foreclosure or by deed-in-lieu of foreclosure is classified as real estate owned (REO) held for investment until sold. The Company's cost basis in REO is equal to the estimated fair value of the collateral at the date of acquisition, less estimated costs to sell. The estimated fair value of the REO is determined using a discounted cash flow model using inputs that include the highest and best use for each asset, estimated future values based on extensive discussions with local brokers, investors and other market participants, the estimated holding period for the asset, and discount rates that reflect estimated investor return requirements for the risks associated with the expected use of each asset. Adjustments to the loan carrying value required at the time of foreclosure affect the carrying amount of REO. If the fair value of the REO is lower than the carrying value of the loan, the difference, along with any previously recorded specific CECL reserve, is recorded as a realized loss in the consolidated statement of operations. Thereafter, events or circumstances may occur that result in a material and sustained decrease in the cash flows generated from the assets, potentially leading to impairment. Any impairment loss, revenue and expenses from operations of the properties and resulting gains or losses on sale are included within the consolidated statements of operations in other noninterest income or expense, as appropriate.

Portfolio Financing Arrangements

The Company finances certain of its loans, or participation interests therein, using secured credit agreements, including secured credit facilities (formerly called secured revolving repurchase agreements), secured revolving credit facilities (formerly called senior secured and secured credit agreements), mortgage loans payable, asset-specific financing arrangements, and collateralized loan obligations. The related borrowings are recorded as separate liabilities on the Company’s consolidated balance sheets. Interest income earned on the investments and interest expense incurred on the related borrowings are reported separately on the Company’s consolidated statements of income (loss) and comprehensive income (loss).

In certain instances, the Company creates structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third party. For all such syndications the Company has completed through December 31, 2020, the Company transferred on a non-recourse basis 100% of the senior mortgage loan that the Company originated on a non-recourse basis to a third-party lender and has retained as a loan investment a separate mezzanine loan investment secured by a pledge of the equity in the mortgage borrower. With respect to the senior mortgage loan so transferred, the Company retains: no control over the mortgage loan; no economic interest in the mortgage loan; and no recourse to the purchaser or the borrower. Consequently, based on these circumstances and because the Company does not have any continuing involvement with the transferred senior mortgage loan, these syndications are accounted for as sales under GAAP and are removed from the Company’s consolidated financial statements at the time of transfer. The Company’s consolidated balance sheets only include the separate mezzanine loan remaining after the transfer.

In the past, the Company acquired CRE debt securities for investment purposes. The Company financed its CRE debt securities using secured credit agreements with daily mark-to-market features and contract maturities of typically 30 days. The related borrowings were recorded as liabilities on the Company’s consolidated balance sheets. Interest income earned on the CRE debt securities and interest expense incurred on the related borrowings were reported in interest income and interest expense, respectively, on the Company’s consolidated statements of income (loss) and comprehensive income (loss).

For more information regarding the Company’s portfolio financing arrangements, see Note 7.

Fair Value Measurements

The Company follows ASC 820-10, *Fair Value Measurements and Disclosures* (*"ASC 820-10"*), for its holdings of financial instruments. ASC 820-10 defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosure of fair value measurements. ASC 820-10 determines fair value to be the price that would be received for a financial instrument in a current sale, which assumes an orderly transaction between market participants on the measurement date. The Company determines the estimated fair value of financial assets and liabilities using the three-tier fair value hierarchy established by GAAP, which prioritizes the inputs used in measuring fair value. GAAP establishes market-based or observable inputs as the preferred source of values followed by valuation models using management assumptions in the absence of market inputs. The financial instruments recorded at fair value on a recurring basis in the Company's consolidated financial statements are cash and cash equivalents, restricted cash and available-for-sale CRE debt securities. The three levels of inputs that may be used to measure fair value are as follows:

Level I—Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Level II—Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level III—Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

For certain financial instruments, the various inputs that management uses to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for such financial instrument is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument. The Company may use valuation techniques consistent with the market and income approaches to measure the fair value of its assets and liabilities. The market approach uses third-party valuations and information obtained from market transactions involving identical or similar assets or liabilities. The income approach uses projections of the future economic benefits of an instrument to determine its fair value, such as in the discounted cash flow methodology. The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risk associated with investing in these financial instruments. Transfers between levels of the fair value hierarchy are assumed to occur at the end of the reporting period.

The following methods and assumptions are used by our Manager to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

- Cash and cash equivalents: the carrying amount of cash and cash equivalents approximates fair value.
- Loans held for investment, net: using a discounted cash flow methodology employing a discount rate for loans of comparable credit quality, structure, and LTV based upon appraisal information and current estimates of the value of collateral property performed by the Manager, and credit spreads for loans of comparable risk (as determined by the Manager based on the factors previously described) as corroborated by inquiry of other market participants.
- CRE Debt Securities, available for sale: using indications of value from at least two dealers active in trading similar or substantially similar securities; these dealers may use reported trades or valuation estimates from their internal pricing models to determine the reported price.
- Secured credit facilities, secured revolving credit facilities, mortgage loan payable, and asset-specific financing arrangements: based on the rate at which a similar secured credit facility would currently be priced, as corroborated by inquiry of other market participants.

- CRE Collateralized Loan Obligations, net: utilizing indications of value from dealers active in trading similar or substantially similar securities, observable quotes from market data services, reported prices and spreads for recent new issues, and Manager estimates of the credit spread on which similar bonds would be issued, or traded, in the new issue and secondary markets.
- Other assets and liabilities subject to fair value measurement, including receivables, payables and accrued liabilities have carrying values that approximate fair value due to their short-term nature.

As discussed above, market-based or observable inputs are generally the preferred source of values for purposes of measuring the fair value of the Company's assets under GAAP. The commercial property investment sales market, and the commercial mortgage loan and CRE debt securities markets, have and continue to experience extreme volatility, sharply reduced transaction volume, reduced liquidity, and disruption as a result of COVID-19, which has made it more difficult to rely on market-based inputs in connection with the valuation of the Company's assets under GAAP. Key valuation inputs include, but are not limited to, future operating cash flow and performance of collateral properties, the financial strength and liquidity of borrowers and sponsors, capitalization rates and discount rates used to value commercial real estate properties, and observable transactions involving the sale or financing of commercial properties. In the absence of market inputs, GAAP permits the use of management assumptions to measure fair value. However, the considerable market volatility and disruption caused by COVID-19 and the considerable uncertainty regarding the ultimate impact and duration of the pandemic have made it more difficult for the Company's management to formulate assumptions to measure the fair value of the Company's assets.

Income Taxes

The Company qualifies and has elected to be taxed as a REIT for U.S. federal income tax purposes under the Internal Revenue Code of 1986, as amended, commencing with its initial taxable year ended December 31, 2014. To the extent that it annually distributes at least 90% of its REIT taxable income to stockholders and complies with various other requirements as a REIT, the Company generally will not be subject to U.S. federal income taxes on its distributed REIT taxable income. In 2017, the Internal Revenue Service issued a revenue procedure permitting "publicly offered" REITs to make elective stock dividends (i.e. dividends paid in a mixture of stock and cash), with at least 20% of the total distribution being paid in cash, to satisfy their REIT distribution requirements. Pursuant to this revenue procedure, the Company may elect to make future distributions of its taxable income in a mixture of stock and cash. If the Company fails to continue to qualify as a REIT in any taxable year and does not qualify for certain statutory relief provisions, the Company will be subject to U.S. federal and state income taxes at regular corporate rates beginning with the year in which it fails to qualify and may be precluded from being able to elect to be treated as a REIT for the Company's four subsequent taxable years. Even though the Company currently qualifies for taxation as a REIT, the Company may be subject to certain U.S. federal, state, local and foreign taxes on the Company's income and property and to U.S. federal income and excise taxes on the Company's undistributed REIT taxable income.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period in which the enactment date occurs. Under ASC Topic 740, *Income Taxes* ("ASC 740"), a valuation allowance is established when management believes it is more likely than not that a deferred tax asset will not be realized. The Company intends to continue to operate in a manner consistent with, and to continue to meet the requirements to be treated as, a REIT for tax purposes and to distribute all of its REIT taxable income. Accordingly, the Company does not expect to pay corporate level federal taxes.

Earnings per Common Share

The Company utilizes the two-class method when assessing participating securities to calculate earnings per common share. Basic earnings per common share is computed by dividing net income attributable to common stockholders (i.e., holders of common stock and, when it was outstanding, Class A common stock), by the weighted-average number of common shares (both common stock and, when it was outstanding, Class A common stock) outstanding during the period. The preferences, rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of the Class A common stock were identical to the common stock, except (1) the Class A common stock was not a "margin security" as defined in Regulation U of the Board of Governors of the U.S. Federal Reserve System (and rulings and interpretations thereunder) and could not be listed on a national securities exchange or a national market system and (2) each share of Class A common stock was convertible at any time or from time to time, at the option of the holder, for one fully paid and non-assessable share of common stock. See Note 13 for details regarding the conversion of Class A common stock.

Diluted earnings per share is computed under the more dilutive of the treasury stock method or the two-class method. The computation of diluted earnings per share is based on the weighted average number of participating securities outstanding plus the incremental shares that would be outstanding assuming exercise of warrants (the "Warrants", see Note 13) issued in connection with the Company's Series B Cumulative Redeemable Preferred Stock ("Series B Preferred"), which are exercisable only on a net-share settlement basis. The number of incremental shares is calculated utilizing the treasury stock method. The Company accounts for unvested share-based payment awards that contain non-forfeitable dividend rights or dividend equivalents (whether paid or unpaid) as participating securities, which are included in the computation of earnings per share pursuant to the two-class method. The Company excludes participating securities and warrants from the calculation of diluted weighted average shares outstanding in periods of net losses since their effect would be anti-dilutive.

Share-Based Compensation

Share-based compensation consists of awards issued by the Company to certain employees of affiliates of the Manager and certain members of the Company's Board of Directors. These share-based awards generally vest in installments over a fixed period of time. Deferred stock units granted to the Company's Board of Directors fully vest on the grant date and accrue dividends that are paid-in kind through additional deferred stock units on a quarterly basis. Compensation expense is recognized in net income on a straight-line basis over the applicable award's vesting period. Forfeitures of share-based awards are recognized as they occur.

Deferred Financing Costs

Deferred financing costs are reflected net of the collateralized loan obligations, secured credit arrangements, mortgage loan payable and asset-specific financing on the Company's consolidated balance sheets. These costs are amortized in interest expense using the interest method, or on a straight-line basis when it approximates the interest method, as follows: (a) for secured credit arrangements other than our CRE CLOs, the initial term of the financing arrangement, or in case of costs directly associated with the loan, over the life of the facility or the loan, whichever is shorter; (b) for deferred financing costs related to asset specific borrowings under secured credit arrangements other than CRE CLOs, the initial maturities of the underlying loan(s) pledged to support the specific borrowing; and (c) for CRE CLOs issued by the Company's subsidiaries, over the estimated life of the liabilities issued based on the initial maturity dates of the underlying loans currently held by each trust based upon the expected repayment behavior of the loans collateralizing the notes after giving effect to the reinvestment period, all as of the closing date.

Cash and Cash Equivalents

Cash and cash equivalents include cash held in banks or invested in money market funds with original maturities of less than 90 days. The Company deposits its cash and cash equivalents with high credit quality institutions to minimize credit risk exposure. The Company maintains cash accounts at several financial institutions, which are insured up to a maximum of $250,000 per account as of December 31, 2020 and December 31, 2019. The balances in these accounts may exceed the insured limits.

Pursuant to financial covenants applicable to Holdco, which is the guarantor of the Company's recourse indebtedness, the Company is required to maintain minimum cash equal to the greater of (i) $10 million or (ii) the product of 5% and the aggregate recourse indebtedness of the Company. To comply with this covenant, the Company held as part of its total cash balances $19.1 million and $56.9 million, respectively, at December 31, 2020 and December 31, 2019.

Restricted Cash

Restricted cash primarily represents deposit proceeds from potential borrowers which may be returned to borrowers, after deducting transaction costs paid by the Company for the benefit of the borrowers, upon the closing of a loan transaction.

Accounts Receivable from Servicer/Trustee

Accounts receivable from Servicer/Trustee represents cash proceeds from loan and CRE debt securities activities that have not been remitted to the Company based on established servicing and borrowing procedures. Such amounts are generally held by the Servicer/Trustee for less than 30 days before being remitted to the Company.

Also included is cash held by the Company's CRE CLOs pending reinvestment in eligible collateral.

Temporary Equity

Equity instruments that are redeemable for cash or other assets are classified as temporary equity if the instrument is redeemable, at the option of the holder, at a fixed or determinable price on a fixed or determinable date or upon the occurrence of an event that is not solely within the control of the issuer. Redeemable equity instruments are initially carried at the fair value of the equity instrument at the issuance date, which is subsequently adjusted at each balance sheet date if the instrument is currently redeemable or probable of becoming redeemable. The Company elected the accreted redemption value method under which it accretes changes in the redemption value over the period from the date of issuance of the Series B Preferred Stock to the earliest costless redemption date (the fourth anniversary) using the effective interest method, as described in Note 13. Such adjustments are included in Accretion of Discount on Series B Cumulative Redeemable Preferred Stock on the Company's Consolidated Statements of Changes in Equity and treated similarly to a dividend on preferred stock for GAAP purposes.

Recently Issued Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04"). ASU 2020-04 provides optional expedients and exceptions to GAAP requirements for modifications to debt agreements, leases, derivatives and other contracts, related to the expected market transition from LIBOR, and certain other floating rate benchmark indices, or collectively, IBORs, to alternative reference rates. ASU 2020-04 generally considers contract modifications related to reference rate reform to be an event that does not require contract remeasurement at the modification date nor a reassessment of a previous accounting determination. The amendments in this update are effective for all entities as of March 12, 2020 through December 31, 2022. Once ASU 2020-04 is elected, the guidance must be applied prospectively for all eligible contract modifications. The Company is currently evaluating the impact of ASU 2020-04 on its consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06, Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815 – 40) ("ASU 2020-06"). ASU 2020-06 simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. The ASU is part of the FASB's simplification initiative, which aims to reduce unnecessary complexity in GAAP. The ASU's amendments are effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. The Company is currently evaluating the impact of ASU 2020-06 on its consolidated financial statements.

In October 2020, the FASB issued ASU 2020-10, Codification Improvements, which updates various codification topics by clarifying or improving disclosure requirements to align with the SEC's regulations. The ASU's amendments are effective for annual periods beginning after December 15, 2021. The Company is currently evaluating the impact of ASU 2020-04 on its consolidated financial statements.

(3) Loans Held for Investment and the Allowance for Credit Losses

The Company originates and acquires first mortgage and mezzanine loans secured by commercial properties. The Company considers these loans to belong to a single portfolio of Mortgage Loans, and the Company has developed its systematic methodology to determine the Allowance for Credit Losses based on a single portfolio. For purposes of certain disclosures herein, the Company disaggregates this portfolio segment into the following classes of finance receivables: Senior loans; and Subordinated and Mezzanine loans. These loans can potentially subject the Company to concentrations of credit risk as measured by various metrics, including, without limitation, property type collateralizing the loan, loan size, loans to a single sponsor and loans in a single geographic area. The Company's loans held for investment are accounted for at amortized cost. Interest accrued but not yet collected is separately reported as accrued interest and fees receivable on the Company's consolidated balance sheets. Amounts within that caption relating to loans held for investment were $14.0 million and $19.5 million as of December 31, 2020 and 2019, respectively.

During the year ended December 31, 2020, the Company originated six loans with a total commitment of approximately $526.3 million, an initial unpaid principal balance of $431.9 million, and unfunded commitments upon closing of $94.4 million. These originations include one mortgage loan, with an initial unpaid principal balance of $78.4 million, which involved the assumption and simultaneous assignment of an existing first mortgage loan by the third-party purchaser of the property securing the loan. This amendment is not considered a TDR under GAAP. The transaction was treated as a new loan origination and extinguishment of the then-existing loan under GAAP. During the year ended December 31, 2019, the Company originated 32 loans with a total commitment of approximately $2.9 billion, an initial unpaid principal balance of $2.4 billion, and unfunded commitments at closing of $439.5 million.

The following table details overall statistics for the Company's loan portfolio as of December 31, 2020 (dollars in thousands):

	December 31, 2020		December 31, 2019	
	Balance Sheet Portfolio	Total Loan Portfolio	Balance Sheet Portfolio	Total Loan Portfolio
Number of loans	57	58	65	66
Floating rate loans	100.0%	100.0%	100.0%	100.0%
Total loan commitment(1)	$ 4,943,511	$ 5,075,511	$ 5,628,765	$ 5,760,765
Unpaid principal balance(2)	$ 4,524,725	$ 4,524,725	$ 4,998,176	$ 4,998,176
Unfunded loan commitments(3)	$ 423,487	$ 423,487	$ 630,589	$ 630,589
Amortized cost	$ 4,516,400	$ 4,516,400	$ 4,980,389	$ 4,980,389
Weighted average credit spread(4)	3.2%	3.2%	3.5%	3.5%
Weighted average all-in yield(4)	5.3%	5.3%	5.7%	5.7%
Weighted average term to extended maturity (in years)(5)	3.1	3.1	3.8	3.8

(1) In certain instances, the Company creates structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third-party. In either case, the senior mortgage loan (i.e., the non-consolidated senior interest) is not included on the Company's balance sheet. When the Company creates structural leverage through the co-origination or non-recourse syndication of a senior loan interest to a third-party, the Company retains on its balance sheet a mezzanine loan. Total loan commitment encompasses the entire loan portfolio the Company originated, acquired and financed. At December 31, 2020, the Company had one non-consolidated senior interest outstanding of $132.0 million.

(2) Unpaid principal balance includes PIK interest of $4.7 million as of December 31, 2020.

(3) Unfunded loan commitments may be funded over the term of each loan, subject in certain cases to an expiration date or a force-funding date, primarily to finance property improvements or lease-related expenditures by the Company's borrowers, to finance operating deficits during renovation and lease-up, and in limited instances to finance construction.

(4) As of December 31, 2020, all of the Company's loans were floating rate and were indexed to LIBOR. In addition to credit spread, all-in yield includes the amortization of deferred origination fees, purchase price premium and discount if any, loan origination costs and accrual of both extension and exit fees. Credit spread and all-in yield for the total portfolio assumes the applicable floating benchmark rate, inclusive of LIBOR floors, as of December 31, 2020 for weighted average calculations.

(5) Extended maturity assumes all extension options are exercised by the borrower; provided, however, that the Company's loans may be repaid prior to such date. As of December 31, 2020, based on the unpaid principal balance of the Company's total loan exposure, 31.7% of the Company's loans were subject to yield maintenance or other prepayment restrictions and 68.3% were open to repayment by the borrower without penalty.

The following tables present an overview of the mortgage loan investment portfolio as of December 31, 2020 and December 31, 2019 (dollars in thousands):

	December 31, 2020		
Loans Receivable	Outstanding Principal	Unamortized Premium (Discount), Loan Origination Fees, net	Amortized Cost
Senior loans	$ 4,492,209	$ (8,161)	$ 4,484,048
Subordinated and mezzanine loans	32,516	(164)	32,352
Subtotal before allowance	$ 4,524,725	$ (8,325)	4,516,400
Allowance for loan losses			(59,940)
Loans Held for Investment, Net			$ 4,456,460

	December 31, 2019		
Loans Receivable	Outstanding Principal	Unamortized Premium (Discount), Loan Origination Fees, net	Amortized Cost
Senior loans	$ 4,978,176	$ (17,500)	$ 4,960,676
Subordinated and mezzanine loans	20,000	(287)	19,713
Subtotal before allowance	4,998,176	(17,787)	4,980,389
Allowance for loan losses			—
Loans Held for Investment, Net			$ 4,980,389

For the year ended December 31, 2020, loan portfolio activity was as follows (dollars in thousands):

	For the years ended December 31,	
	2020	2019
Balance at January 1	$ 4,980,389	$ 4,293,787
Additions during the period:		
Loans originated(1)	430,050	2,341,692
Additional fundings(2)	237,856	268,356
Amortization of origination fees	11,345	16,345
Deductions during the period:		
Collection of principal(1)(3)	(885,565)	(1,880,222)
Loan sales(4)(5)	(145,675)	(59,569)
Loan extinguishment on conversion to REO(6)	(112,000)	—
Allowance for credit losses	(59,940)	—
Balance at December 31	$ 4,456,460	$ 4,980,389

(1) Includes an assumption and simultaneous assignment of an existing first mortgage loan with an initial unpaid principal balance of $78.4 million by the third-party purchaser of the property securing the loan during the year ended December 31, 2020. The transaction was treated as a new loan origination and extinguishment of the then-existing loan under GAAP.

(2) Includes PIK interest of $4.8 million.

(3) Includes PIK interest of $0.1 million

(4) Includes the sale, at no gain or loss, of a $46.4 million mezzanine loan (with a commitment amount of $50.0 million) related to a contiguous first mortgage loan secured by the same property with an unpaid principal balance of $279.2 million and a commitment amount of $300.8 million at the time of sale.

(5) Includes the sale of one loan with an unpaid principal balance of $99.3 million sold for $85.5 million resulting in a realized loss of $13.8 million.

(6) Includes extinguishment of a first mortgage loan with an unpaid principal balance of $112.0 million that experienced a maturity default on October 9, 2020. On December 31, 2020 the Company took title to the Property pursuant to a negotiated deed-in-lieu of foreclosure. Fair value of the Property as of December 31, 2020 was $99.2 million resulting in a realized loss of $12.8 million, equal to the previously recorded specific CECL reserve. See Note 5 for details.

At December 31, 2020 and December 31, 2019, respectively, there were no unamortized discounts included in loans held for investment at amortized cost on the consolidated balance sheets.

During the twelve months ended December 31, 2020, the Company sold one loan with an unpaid principal balance of $99.3 million for $85.5 million resulting in a realized loss of $13.8 million. The Company also sold, at no gain or loss, a $46.4 million mezzanine loan (with a commitment amount of $50.0 million) related to a contiguous first mortgage loan secured by the same property with an unpaid principal balance of $279.2 million and a commitment amount of $300.8 million at the time of sale.

During the twelve months ended December 31, 2020, the Company extinguished a first mortgage loan with an unpaid principal balance of $112.0 million that experienced a maturity default on October 9, 2020. On December 31, 2020, the Company negotiated and closed a deed-in-lieu of foreclosure to take control of the two undeveloped commercially-zoned land parcels on the Las Vegas Strip comprising 27 acres which previously served as collateral for the mortgage loan receivable. The borrower paid interest through the maturity date. Accrued default interest from the maturity date to the date of foreclosure was waived under the terms of the negotiated deed-in-lieu of foreclosure. The carrying value of the loan was $99.2 million, net of an asset-specific credit loss reserve of $12.8 million as of the foreclosure date, resulting in a realized loss of $12.8 million, equal to the previously recorded specific CECL reserve. No cash was exchanged as part of this transaction. See Note 5 for further details.

During the twelve months ended December 31, 2019, the Company sold a performing floating rate first mortgage loan secured by a multifamily property with a commitment amount of $64.9 million and an unpaid principal balance of $59.6 million. Total cash consideration received was $59.8 million generating a gain on sale of $0.2 million which is included in Other Income, net in the Company's consolidated statements of income (loss) and comprehensive income (loss).

At December 31, 2020 and December 31, 2019, there was $8.3 million and $17.8 million, respectively, of unamortized loan fees and discounts included in loans held for investment, net in the consolidated balance sheets. The Company did not recognize any accelerated fee component of prepayment fees (yield maintenance payments) during the twelve months ended December 31, 2020 and 2019.

Loan Risk Rating

As discussed in Note 2, the Company evaluates all of its loans to assign risk ratings on a quarterly basis. Based on a 5-point scale, the Company's loans are rated "1" through "5," from least risk to greatest risk, respectively, which ratings are described in Note 2. The Company generally assigns a risk rating of "3" to all loan investments originated during the most recent quarter, except in the case of specific circumstances warranting an exception.

The following table presents amortized cost basis by origination year, grouped by risk rating, as of December 31, 2020 and (dollars in thousands):

	December 31, 2020					
	Amortized Cost by Origination Year					
	2020	2019	2018	2017	2016	Total
Senior loans by internal risk ratings:						
1	$ —	$ —	$ —	$ —	$ —	$ —
2	—	—	337,738	—	—	337,738
3	247,770	1,705,783	1,099,503	255,255	—	3,308,311
4	—	433,334	46,882	301,628	25,049	806,893
5	—	—	31,106	—	—	31,106
Total mortgage loans	247,770	2,139,117	1,515,229	556,883	25,049	4,484,048
Subordinated and mezzanine loans by internal risk ratings:						
1	$ —	$ —	$ —	$ —	$ —	$ —
2	—	—	—	—	—	—
3	—	32,352	—	—	—	32,352
4	—	—	—	—	—	—
5	—	—	—	—	—	—
Total subordinated and mezzanine loans	—	32,352	—	—	—	32,352
Total	$ 247,770	$ 2,171,469	$ 1,515,229	$ 556,883	$ 25,049	$ 4,516,400

Loans acquired rather than originated are presented in the table above in the column corresponding to the year of origination, not acquisition.

The table below summarizes the amortized cost and results of the Company's internal risk rating review performed as of December 31, 2020 and December 31, 2019 (dollars in thousands):

Rating	December 31, 2020	December 31, 2019
1	$ —	$ —
2	337,738	903,393
3	3,340,663	3,868,696
4	806,893	208,300
5	31,106	—
Totals	$ 4,516,400	$ 4,980,389
Allowance for Credit Losses	(59,940)	—
Carrying Value	$ 4,456,460	$ 4,980,389
Weighted Average Risk Rating(1)	3.1	2.9

(1) Weighted Average Risk Rating calculated based on amortized cost at year end.

The weighted average risk rating at December 31, 2020 was 3.1, an increase from the 2.9 weighted average risk rating at December 31, 2019. Changes in risk ratings during each of the four quarters of 2020 included:

- During the quarter ended December 31, 2020, the Company reclassified:
  - one loan from risk category "4" to "5" due to a default due to non-payment of interest; and
  - one loan from risk category "2" to "3" due to uncertainty surrounding a 2022 lease renewal at the property.
- During the quarter ended September 30, 2020 the Company reclassified:
  - one loan from risk category "4" to "5" due to an anticipated maturity default that subsequently occurred on October 9, 2020;

- one loan from risk category “3” to “2” because the collateral property achieved 100% leased occupancy at rents in excess of underwriting;
- one loan from risk category “4” to ”3” because the underlying collateral property was purchased by a new owner that infused new equity capital, assumed the existing first mortgage loan, repaid $3.0 million of unpaid principal balance, and agreed to make a further principal repayment of $1.0 million in December 2020; and
- one loan from risk category “5” to ”4” due to a loan modification and amendment executed during the quarter that required the borrower to immediately pay all past-due interest and infuse new equity capital.

- During the quarter ended June 30, 2020, the Company reclassified one loan to risk category “5” from “4”, and reclassified one loan to risk category “2” from “3”; and
- During the quarter ended March 31, 2020, the Company reclassified nine of its 10 hotel loans to risk category “4” due to anticipated operating challenges related to COVID-19.

Allowance for Credit Losses

The Company’s reserve developed pursuant to ASC 326 reflects its current estimate of potential credit losses related to its loan portfolio as of December 31, 2020. As part of its allowance for credit losses, the Company maintains a separate allowance for credit losses related to unfunded loan commitments, and this amount is included in accrued expenses and other liabilities on the consolidated balance sheets. For further information on the policies that govern the estimation of the allowances for credit loss levels, see Note 2.

The following tables present activity in the allowance for credit losses for the mortgage loan investment portfolio by class of finance receivable for the three and twelve months ended December 31, 2020 (dollars in thousands):

	For the Twelve Months Ended December 31, 2020		
	Senior Loans	**Subordinated and Mezzanine Loans**	**Total**
Allowance for credit losses for loans held for investment:			
CECL reserve as of December 31, 2019	$ —	$ —	$ —
Cumulative-effect adjustment upon adoption of ASU 2016-13	16,903	880	17,783
Increase in CECL reserve	41,307	850	42,157
Subtotal	58,210	1,730	59,940
Allowance for credit losses on unfunded loan commitments:			
CECL reserve as of December 31, 2019	—	—	—
Cumulative-effect adjustment upon adoption of ASU 2016-13	1,862	—	1,862
Increase in CECL reserve	894	132	1,026
Subtotal	2,756	132	2,888
Total allowance for credit losses	$ 60,966	$ 1,862	$ 62,828

The Company’s initial CECL reserve of $19.6 million due to the application of the CECL methodology in the first quarter of 2020 (as described in Note 2) over performing loans on which the Company had previously not carried an allowance for credit losses is reflected as a direct charge to retained earnings on our Consolidated Statements of Changes in Equity. During the twelve months ended December 31, 2020, the Company recorded an increase of $43.2 million in the allowance for credit losses, including realized losses of $12.8 million on the extinguishment of a loan and its conversion to real estate owned, and $13.8 million on the sale of a loan, bringing the total CECL reserve to $62.8 million as of December 31, 2020. For the twelve months ended December 31, 2020, the Company’s estimate of expected credit losses increased due to recessionary macroeconomic assumptions

employed in determining the Company's model-based CECL reserve, and an increase due to an independently- assessed loan in the fourth quarter of 2020, offset by a decline in total loan commitments and unpaid principal balance due to loan repayments and sales. Additionally, as described above, the average risk ratings of the Company's loans increased from 2.9 as of December 31, 2019 to 3.1 as of December 31, 2020, due primarily to downgrades of nine loans during the first quarter of 2020, one loan during the second quarter of 2020 (which was restored to its first quarter risk rating in the third quarter), one loan in the third quarter of 2020, and two loans in the fourth quarter of 2020. The impact of reduced economic activity due to the COVID-19 pandemic has caused reduced activity in certain sectors of the capital markets, which may slow the pace of loan repayments, and will likely impact commercial property values and valuation inputs. While the ultimate impact is uncertain, the Company has made certain forward-looking adjustments to the inputs of its calculation of the allowance for credit losses to reflect uncertain economic expectations.

The Company placed one loan secured by a retail property on non-accrual status due to a default caused by non-payment of interest in December 2020. Subsequent to December 31, 2020, the borrower made the interest payment from funds available, however, the Company has elected to place the loan on non-accrual status from December 2020, in accordance with its non-accrual policy. The amortized cost of the loan was $31.1 million and $30.6 million as of December 31, 2020 and December 31, 2019, respectively. In accordance with our revenue recognition policy on loans placed on on-accrual status, the Company suspended accrual of interest income on this first mortgage loan. On December 31, 2020, the Company determined that this first mortgage loan met the CECL framework's criteria for individual assessment. Accordingly, the Company utilized the estimated fair value of the collateral on December 31, 2020 to estimate a loan loss reserve of $10.0 million as of that date, which is included in the CECL reserve. The Company's estimate of the collateral's fair market value was determined using a discounted cash flow model and Level 3 inputs, which include estimates of property-specific cash flows over a specific holding period, a discount rate of 12.5%, and a terminal capitalization rate of 7.5%. These inputs are based on the location, type and nature of the property, current and anticipated market conditions, and management's knowledge, experience and judgment. As of December 31, 2020, this loan was current with respect to scheduled payments. There were no loans on non-accrual status as of December 31, 2019.

During the three months ended December 31, 2020, the Company executed three loan modifications with borrowers of which one expired upon full repayment of the loan. As of December 31, 2020, these loans had an aggregate commitment amount of $212.5 million and an aggregate unpaid principal balance of $206.4 million. None of these loan modifications trigger the requirements for accounting as TDRs, with one meeting the safe-harbor conditions of the "Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus" issued by banking regulators in consultation with FASB. The agencies encourage financial institutions and other lenders to work prudently with borrowers who are, or may be, unable to meet their contractual payment obligations because of the effects of COVID-19. The agencies view loan modification programs to borrowers who were current prior to the outbreak as positive actions that can mitigate adverse effects due to COVID-19. This includes short-term modifications such as payment deferrals, fee and extension test waivers, extensions of repayment terms, or delays in payment that are insignificant. The Company's loan modifications typically temporarily reduce the amount of cash interest collected, permit the accrual of a portion of the interest due during the modification period to be repaid at a later date by the borrower, and/or permit the use of existing cash loan reserves to pay interest expense and other property-level expenses.

During the twelve months ended December 31, 2020, the Company executed 17 loan modifications, of which 11 expired during the twelve months ended December 31, 2020, with one renewed on revised terms in the fourth quarter of 2020. The aggregate unpaid principal balance for all loans modified during the twelve months ended December 31, 2020, excluding three loans that were repaid, was $1.0 billion. As of December 31, 2020, the aggregate unpaid principal balance of the six modified loans outstanding was $548.4 million. Total PIK interest of $0.8 million and $4.7 million was deferred and added to the outstanding loan principal during the three and twelve months ended December 31, 2020, respectively. All loans modified during the year and outstanding as of December 31, 2020 are performing, except for one which is on non-accrual status as of December 31, 2020.

The following table presents the aging analysis on an amortized cost basis of mortgage loans by class of loans as of December 31, 2020 (dollars in thousands):

		Days Outstanding					
	Current	30-59 Days	60-89 Days	90 Days or More	Total Loans Past Due	Total Loans	90 Days or More Past Due and Accruing
Loans Receivable:							
Senior loans	$ 4,484,048	$ —	$ —	$ —	$ —	$ 4,484,048	$ —
Subordinated and mezzanine loans	32,352	—	—	—	—	32,352	—
Total	$ 4,516,400	$ —	$ —	$ —	$ —	$ 4,516,400	$ —

At December 31, 2019, all loans were current.

(4) Available-for-Sale Debt Securities

As of December 31, 2020, the Company did not own any CRE debt securities. During the twelve months ended December 31, 2020, the Company purchased 10 CRE debt securities for an aggregate purchase price of $169.0 million. The purchased CRE debt securities consisted of floating rate, investment grade rated debt securities which, in the aggregate, had a weighted average coupon of LIBOR plus 2.1%. Accrued but not yet collected interest was separately reported as accrued interest receivable on the Company's consolidated balance sheets. During the twelve months ended December 31, 2020, all but one CRE debt security in the Company's debt securities portfolio was pledged as collateral under daily mark-to-market secured credit facilities. During the twelve months ended December 31, 2020, the Company sold all of its CRE CLO investments with an aggregate face value of $969.8 million generating gross sales proceeds of $766.4 million. For the twelve months ended December 31, 2020, the Company recorded a loss of $203.4 million recognized as expense in Securities Impairments on the consolidated statement of income and comprehensive income, offset by a small realized gain.

At December 31, 2019, the Company had 38 CRE debt securities designated as AFS debt securities. The Company designated its CRE debt securities as AFS upon acquisition. The following tables summarize the amortized cost, fair value, and unrealized gain of the Company's CRE debt securities at December 31, 2019 (dollars in thousands):

	December 31, 2019				
	Face Amount	Unamortized Premium (Discount), net	Amortized Cost	Unrealized Gain	Estimated Fair Value
Investments, at Fair Value					
CRE CLO	$ 750,187	$ 207	$ 750,394	$ 1,006	$ 751,400
Commercial Mortgage-Backed Securities	36,162	(55)	$ 36,107	45	36,152
	$ 786,349	$ 152	$ 786,501	$ 1,051	$ 787,552

The amortized cost and estimated fair value of the Company's CRE debt securities by contractual maturity, not expected life, as of December 31, 2019, are shown in the following table (dollars in thousands):

	December 31, 2019	
	Amortized Cost	Estimated Fair Value
Contractual Maturity Date		
After one, within five years	$ 1,126	$ 1,143
After five years	785,375	786,409
Total investment in commercial mortgage-backed securities, at amortized cost and estimated fair value	$ 786,501	$ 787,552

(5) Real Estate Owned

In December 2020, the Company acquired two undeveloped commercially-zoned land parcels on the Las Vegas Strip comprising 27 acres (the "Property") pursuant to a negotiated deed-in-lieu of foreclosure. This property previously served as collateral for a first mortgage loan receivable held for investment with an unpaid principal balance of $112.0 million, an independently-assessed credit loss reserve of $12.8 million as of September 30, 2020, and net carrying value of $99.2 million. On October 9, 2020, the first mortgage loan reached final maturity without repayment or satisfaction of extension conditions, which triggered a maturity default. On December 31, 2020, the Company took ownership of the Property, extinguished the first mortgage loan receivable, and realized a loss of $12.8 million, equal to the previously recorded specific CECL reserve on the first mortgage loan. At December 31, 2020, this Property is considered held for investment and carried on the Company's consolidated balance sheets at its estimated fair value, net of estimated selling costs, of $99.2 million. The Company's estimate of the Property's fair value was determined using a discounted cash flow model and Level 3 inputs, which include estimates of parcel-specific cash flows over a specific holding period, at a discount rate that ranges between 8.0% - 17.5% based on the risk profile of estimated cash flows associated with each respective parcel, and estimated capitalization rate of 6.25%, where applicable. These inputs are based on the highest and best use for each parcel, estimated future values for the parcels based on extensive discussions with local brokers, investors and other market participants, the estimated holding period for the parcels, and discount rates that reflect estimated investor return requirements for the risks associated with the expected use of each sub-parcel. The Company obtained from a third party a $50.0 million first mortgage loan secured by the Property, which is classified as Mortgage Loan Payable on the Company's consolidated balance sheets. See Note 7 for details of the Mortgage Loan Payable.

(6) Variable Interest Entities and Collateralized Loan Obligations

Subsidiaries of the Company have issued two collateralized loan obligations to finance approximately $2.2 billion or 49.3% of its loan investment portfolio, measured by unpaid principal balance.

On October 25, 2019 (the "FL3 Closing Date"), TPG RE Finance Trust CLO Sub-REIT, a subsidiary of the Company ("Sub-REIT"), entered into a collateralized loan obligation ("TRTX 2019-FL3" or "FL3"). TRTX 2019-FL3 provides for reinvestment, during the 24 months after closing of FL3, whereby eligible new loans or participation interests (the "FL3 Additional Interests") in loans may be contributed to TRTX 2019-FL3 in exchange for cash, which provides liquidity to the Company to originate new loan investments as underlying loans repay.

For the twelve months ended December 31, 2020, the Company utilized the reinvestment feature ten times, contributing $303.1 million of new loans or participating interests in loans, and receiving $88.9 million of net cash proceeds, after the repayment of $214.2 million of existing borrowings, including accrued interest.

As of December 31, 2020, FL3 Mortgage Assets represented 27.2% of the aggregate unpaid principal balance of the Company's loan investment portfolio and had an aggregate principal balance of approximately $1.2 billion.

At December 31, 2020, TRTX 2019-FL3 held $0.1 million of cash available to acquire eligible assets.

In connection with TRTX 2019-FL3, the Company incurred $7.8 million of issuance costs which are amortized on an effective yield basis over the expected life of the investment-grade notes issued based upon the expected repayment behavior of the loans collateralizing the notes after giving effect to the reinvestment period, both as of the FL3 Closing Date. As of December 31, 2020 and 2019, the Company's unamortized issuance costs were $5.1 million and $7.4 million, respectively.

Interest expense on the outstanding FL3 Notes is payable monthly. For the year ended December 31, 2020 and 2019, interest expense (excluding amortization of deferred financing costs) of $20.1 million and $5.8 million, respectively, is included in the Company's consolidated statements of income (loss) and comprehensive income (loss).

On November 29, 2018 (the "Closing Date"), Sub-REIT entered into a collateralized loan obligation ("TRTX 2018-FL2"). The TRTX 2018-FL2 provides for reinvestment, during the 24 months after closing of FL2, whereby eligible new loans or participation interests in loans may be contributed to TRTX 2018-FL2 in exchange for cash, which provides additional liquidity to the Company to originate new loan investments as underlying loans repay.

For the year ended December 31, 2020, the Company utilized the reinvestment feature 16 times, contributing $315.7 million of new loans or participation interests in loans, and receiving net cash proceeds of $133.5 million, after the repayment of $182.2 million of existing borrowings, including accrued interest.

As of December 31, 2020, FL2 Mortgage Assets represented 22.1% of the aggregate unpaid principal balance of the Company's loan investment portfolio and had an aggregate principal balance of approximately $1.0 billion.

At December 31, 2020, TRTX 2018-FL2 had no cash available to acquire eligible assets. The reinvestment period for TRTX 2018-FL2 ended December 11, 2020.

In connection with TRTX 2018-FL2, the Company incurred approximately $8.7 million of issuance costs which are amortized on an effective yield basis over the expected life of the investment-grade notes (the "FL2 Notes") issued based upon the expected repayment behavior of the loans collateralizing the notes and the reinvestment period, both as of the FL2 Closing Date. As of December 31, 2020 and 2019, the Company's unamortized issuance costs were $3.8 million and $6.1 million, respectively.

Interest expense on the outstanding TRTX 2018-FL2 Notes is payable monthly. For the years ended December 31, 2020, 2019 and 2018, interest expense (excluding amortization of deferred financing costs) of $16.5 million, $29.4 million and $2.8 million, respectively, is included in the Company's consolidated statements of income (loss) and comprehensive income (loss).

In accordance with ASC 810, the Company evaluated the key attributes of the issuers of the FL3 Notes (the "FL3 Issuers") and the issuers of the FL2 Notes (the "FL2 Issuers") to determine if they were VIEs and, if so, whether the Company was the primary beneficiary of their operating activities. This analysis caused the Company to conclude that the FL3 Issuers and the FL2 Issuers were VIEs and that the Company was the primary beneficiary. The Company is the primary beneficiary because it has the ability to control the most significant activities of the FL3 Issuers and the FL2 Issuers, the obligation to absorb losses to the extent of its equity investments, and the right to receive benefits, that could potentially be significant to these entities. Accordingly, the Company consolidates the FL3 Issuers and the FL2 Issuers.

The Company's total assets and total liabilities at December 31, 2020 and December 31, 2019 included the following VIE assets and liabilities of TRTX 2019-FL3 and TRTX 2018-FL2 (dollars in thousands):

	December 31, 2020	December 31, 2019
ASSETS		
Cash and Cash Equivalents	$ 78,350	$ 17,075
Accounts Receivable from Servicer/Trustee	174	1,464
Accrued Interest Receivable	740	2,178
Loans Held for Investment	2,199,666	2,229,034
Total Assets	$ 2,278,930	$ 2,249,751
LIABILITIES		
Accrued Interest Payable	$ 1,311	$ 2,512
Accrued Expenses	630	732
Collateralized Loan Obligations	1,825,569	1,821,128
Payable to Affiliates	14,016	4,620
Total Liabilities	$ 1,841,526	$ 1,828,992

The following table outlines TRTX 2019-FL3 and TRTX 2018-FL2 loan collateral and borrowings under the TRTX 2019-FL3 and TRTX 2018-FL2 collateralized loan obligations as of December 31, 2020 and December 31, 2019 (dollars in thousands):

As of December 31, 2020			
Collateral (loan investments)		Debt (notes issued)	
Outstanding Principal	Carrying Value	Face Value	Carrying Value
$ 2,230,276	$ 2,230,276	$ 1,834,760	$ 1,825,568

As of December 31, 2019			
Collateral (loan investments)		Debt (notes issued)	
Outstanding Principal	Carrying Value	Face Value	Carrying Value
$ 2,229,034	$ 2,229,034	$ 1,834,761	$ 1,821,128

Assets held by the FL3 Issuers and the FL2 Issuers are restricted and can only be used to settle obligations of the related VIE. The liabilities of the FL3 Issuers and the FL2 Issuers are non-recourse to the Company and can only be satisfied from the then-current assets of the related VIE.

The following table outlines the weighted average spreads and maturities for TRTX 2019-FL3 and TRTX 2018-FL2 loan collateral and borrowings under the TRTX 2019-FL3 and TRTX 2018-FL2 collateralized loan obligations as of December 31, 2020 and December 31, 2019 (dollars in thousands):

	December 31, 2020		December 31, 2019	
	Weighted Average Spread (%)(1)	Weighted Average Maturity (Years)(2)	Weighted Average Spread (%)(1)	Weighted Average Maturity (Years)(2)
Collateral (loan investments)				
TRTX 2018-FL2	3.33%	4.9	3.82%	4.2
TRTX 2019-FL3	3.20%	4.1	3.33%	4.1
Debt (notes issued)				
TRTX 2018-FL2	1.45%	16.9	1.45%	17.9
TRTX 2019-FL3	1.44%	13.8	1.44%	14.8

(1) Yield on collateral is based on cash coupon.

(2) Loan term represents weighted-average final maturity, assuming extension options are exercised by the borrower. Repayments of CLO notes are dependent on timing of related collateral loan asset repayments post-reinvestment period. The term of the CLO notes represents the rated final distribution date.

(7) Secured Credit Agreements and Mortgage Loan Payable

At December 31, 2020 and December 31, 2019, the Company had secured credit facilities, a secured revolving credit agreement, a mortgage loan payable (only as of December 31, 2020), and an asset-specific financing (only as of December 31, 2019), all of which were used to finance certain of the Company's loan investments. These financing arrangements bear interest at rates equal to LIBOR plus a credit spread negotiated between the Company and each lender, often a separate credit spread for each pledge of collateral, which is primarily based on property type and advance rate against the unpaid principal balance of the pledged loan. Except for the asset-specific financing and the mortgage loan payable, these borrowing arrangements contain defined mark-to-market provisions that permit our lenders to issue margin calls to the Company in the event that the collateral properties underlying the Company's loans pledged to the Company's lenders experience a non-temporary decline in value ("credit marks") due to reasons other than capital markets events that result in changing credit spreads for similar borrowing obligations. In connection with one of these borrowing arrangements, the lender is also permitted to issue margin calls to the Company in the event the lender determines capital markets events have caused credit spreads to change for similar borrowing obligations ("spread marks").

At December 31, 2020 and December 31, 2019, the Company had none and four, respectively, secured credit agreements which were used to finance its CRE CLO debt investments. These financing arrangements bore interest at a rate equal to LIBOR plus a credit spread negotiated between the Company and its lenders, which was determined primarily by the haircut amount (which is equal to one minus the advance rate percentage against collateral for our secured credit agreements taken as a whole) and the rating of the bonds so financed. These borrowing arrangements contained daily mark-to-market provisions that permitted the lenders to issue margin calls to the Company in response to changing interest rates and credit spreads on the CRE debt securities so financed. Additionally, these borrowing arrangements typically had maturities of 30 days subject to renewal at the lenders' option.

The following tables present certain information regarding the Company's secured credit agreements and mortgage loan payable as of December 31, 2020 and December 31, 2019. Except as otherwise noted, all agreements are on a full or partial recourse basis (dollars in thousands):

	As of December 31, 2020									
Secured Credit Agreements and Mortgage Loan Payable:	**Initial Maturity Date**	**Extended Maturity Date**	**Index Rate**	**Weighted Average Credit Spread**	**Interest Rate**	**Commitment Amount**	**Maximum Current Availability**	**Balance Outstanding**	**Principal Balance of Collateral(1)**	**Amortized Cost of Collateral**
Secured Credit Facilities										
Goldman Sachs(1)	08/19/21	08/19/22	1 Month LIBOR	2.7%	2.9%	$ 250,000	$ 199,113	$ 50,887	$ 96,381	$ 94,971
Wells Fargo(1)	04/18/22	04/18/22	1 Month LIBOR	1.7%	1.9%	750,000	533,601	216,399	290,237	288,696
Barclays(1)	08/13/22	08/13/22	1 Month LIBOR	1.5%	1.7%	750,000	433,739	316,261	443,845	442,757
Morgan Stanley(1)(3)	05/04/21	05/04/22	1 Month LIBOR	1.8%	2.0%	500,000	174,045	325,955	434,630	433,031
JP Morgan(1)	10/30/23	10/30/25	1 Month LIBOR	1.6%	1.8%	400,000	192,906	207,094	351,123	347,852
US Bank(1)	07/09/22	07/09/24	1 Month LIBOR	1.5%	1.8%	139,960	70,376	69,584	101,372	101,287
Bank of America(1)	09/29/21	09/29/22	1 Month LIBOR	1.8%	1.9%	200,000	112,867	87,133	117,393	117,393
Institutional Financing	10/30/23	10/30/25	1 Month LIBOR	4.5%	4.8%	249,546	—	249,546	427,330	426,984
Subtotal						$ 3,239,506	$ 1,716,647	$ 1,522,859	$ 2,262,311	$ 2,252,971
Mortgage Loan Payable										
Institutional Lender	12/15/21	12/15/22	1 Month LIBOR	4.5%	5.0%	50,000	—	50,000	99,200 (2)	—
Subtotal						$ 50,000	$ —	$ 50,000	$ 99,200	$ —
Total						$ 3,289,506	$ 1,716,647	$ 1,572,859	$ 2,361,511	$ 2,252,971

(1) Borrowings under secured credit facility and a senior secured credit agreement, with a guarantee for 25% recourse.

(2) Represents the fair value of the Property at the time of acquisition as described in Note 5.

(3) On February 16, 2021, the Company extended its existing secured facility with Morgan Stanley to a new initial maturity date of May 4, 2022.

Secured Credit Agreements:	Initial Maturity Date	Extended Maturity Date	Index Rate	Weighted Average Credit Spread	Interest Rate	As of December 31, 2019 Commitment Amount	Maximum Current Availability	Balance Outstanding	Principal Balance of Collateral	Amortized Cost of Collateral
Secured Credit Facilities										
Goldman Sachs(1)	08/19/20	08/19/22	1 Month LIBOR	1.8%	3.5%	$ 750,000	$ 704,563	$ 45,437	$ 288,032	$ 285,962
Wells Fargo(1)	04/18/22	04/18/22	1 Month LIBOR	1.8%	3.6%	750,000	355,372	394,628	593,742	591,238
Barclays(1)	08/13/22	08/13/22	1 Month LIBOR	1.5%	3.3%	750,000	318,240	431,760	542,927	540,725
Morgan Stanley(1)	05/04/20	N/A	1 Month LIBOR	1.9%	3.6%	500,000	105,253	394,747	519,638	515,984
JP Morgan(1) (5)	08/20/21	08/20/23	1 Month LIBOR	1.6%	3.3%	400,000	181,552	218,448	300,677	295,341
US Bank(1)	07/09/22	07/09/24	1 Month LIBOR	1.8%	3.6%	152,240	15,641	136,599	173,253	172,898
Bank of America(1)	09/29/20	09/29/22	1 Month LIBOR	1.8%	3.8%	500,000	354,363	145,637	182,882	182,882
Subtotal - Loan Investments			1 Month LIBOR			3,802,240	2,034,984	1,767,256	2,601,151	2,585,030
Goldman Sachs(2)	01/12/20	01/12/20	1 Month LIBOR	0.9%	2.7%	81,143	—	81,143	94,629	94,644
JP Morgan(2)	01/17/20	01/17/20	1 Month LIBOR	0.9%	2.6%	475,881	—	475,881	544,105	545,080
Wells Fargo(2)	01/16/20	01/16/20	1 Month LIBOR	1.0%	2.7%	135,774	—	135,774	161,153	161,384
Royal Bank of Canada(2)	N/A	N/A	N/A	N/A	N/A	—	—	—	—	—
Subtotal - CRE Debt Securities						692,798	—	692,798	799,887	801,108
Subtotal						$ 4,495,038	$ 2,034,984	$ 2,460,054	$ 3,401,038	$ 3,386,138
Secured Revolving Credit Facility										
Citibank(3)	07/12/20	07/12/20	1 Month LIBOR	2.3	4.1	160,000	160,000	—	—	—
Subtotal						$ 160,000	$ 160,000	$ —	$ —	$ —
Asset-specific Financing										
Institutional Lender	10/09/20	10/9/20	1 Month LIBOR	4.2%	5.9%	77,000	—	77,000	112,000	111,436
Subtotal						$ 77,000	—	$ 77,000	$ 112,000	$ 111,436
Total						$ 4,732,038	$ 2,194,984	$ 2,537,054	$ 3,513,038	$ 3,497,574

(1) Borrowings under secured credit facilities with a guarantee for 25% recourse.

(2) Borrowings under secured credit facilities with a guarantee for 100% recourse from Holdco. Maturity Date represents the sooner of the next maturity date of the CRE debt securities secured credit agreement, or roll-over date for the applicable underlying trade confirmation, subsequent to December 31, 2019. All of the financing arrangements were extended subsequent to period end.

(3) Borrowings under the Citibank secured revolving credit facility include a guarantee for 100% recourse.

The following table presents the recourse and mark-to-market provisions for the Company's secured credit agreements as of December 31, 2020:

	December 31, 2020			
Secured Credit Agreements and Mortgage Loan Payable: Secured Credit Facilities	**Initial Maturity Date**	**Extended Maturity Date**	**Recourse Percentage**	**Basis of Margin Calls**
Loan Investments				
Goldman Sachs	08/19/21	08/19/22	25%	Credit
Wells Fargo	04/18/22	04/18/22	25%	Credit
Barclays	08/13/22	08/13/22	25%	Credit
Morgan Stanley(1)	05/04/21	05/04/22	25%	Credit
JP Morgan	10/30/23	10/30/25	25%	Credit and Spread
US Bank	07/09/22	07/09/24	25%	Credit
Bank of America	09/29/21	09/29/22	25%	Credit
Institutional Financing	10/30/23	10/30/25	25%	Credit
Mortgage Loan Payable				
Institutional Lender	12/15/21	12/15/22	N/A	N/A

(1) On February 16, 2021, the Company extended its existing secured credit facility with Morgan Stanley to a new initial maturity date of May 4, 2022.

The following table presents the recourse and mark-to-market provisions for the Company's secured credit agreements as of December 31, 2019:

	December 31, 2019			
Secured Credit Agreements: Secured Credit Facilities	**Initial Maturity Date**	**Extended Maturity Date**	**Recourse Percentage**	**Basis of Margin Calls**
Loan Investments				
Goldman Sachs	08/19/20	08/19/22	25%	Credit
Wells Fargo	04/18/22	04/18/22	25%	Credit
Barclays	08/13/22	08/13/22	25%	Credit
Morgan Stanley	05/04/20	N/A	25%	Credit
JP Morgan	08/20/21	08/20/23	25%	Credit and Spread
US Bank	07/09/22	07/09/24	25%	Credit
Bank of America	09/29/20	09/29/22	25%	Credit
CRE Debt Securities				
Goldman Sachs	01/12/20	01/12/19	100%	Spread
JP Morgan	01/17/20	01/17/20	100%	Spread
Wells Fargo	01/16/20	01/16/20	100%	Spread
Royal Bank of Canada	N/A	N/A	100%	Spread
Secured Revolving Credit Facility				
Citibank	07/12/20	07/12/20	100%	N/A
Asset-specific Financing				
Institutional Lender	10/09/20	10/9/20	N/A	N/A

Secured Credit Facilities

At December 31, 2020 and December 31, 2019, the Company had seven secured credit facilities, respectively, to finance its loan investing activities. Credit spreads vary depending upon the collateral type, advance rate and other factors. Assets pledged at December 31, 2020 and December 31, 2019 consisted of 55 and 61 mortgage loans, or participation interests therein, respectively. Under these secured credit agreements, the Company transfers all of its rights, title and interest in the loans to the repurchase counterparty in exchange for cash, and simultaneously agrees to reacquire the asset at a future date for an amount equal to the cash exchanged plus an interest factor. The repurchase counterparty (lender) collects all principal and interest on related loans and remits to the Company the net amount after the lender collects its interest and other fees. For the seventh credit facility, which is a mortgage warehouse facility, the lender receives a security interest (pledge) in the loans financed under the arrangement. The secured credit facilities used to finance loan investments are 25% recourse to Holdco.

On May 4, 2020, the Company exercised an existing option to extend through May 4, 2021 its secured credit agreement with Morgan Stanley Bank N.A. On June 26, 2020, the Company extended the maturity date of its Bank of America secured facility to September 29, 2021, reduced the commitment amount from $500.0 million to $200.0 million, and retained an accordion option to increase the total commitment up to $500.0 million. Additionally, on June 29, 2020, the Company exercised an existing option to extend its Goldman Sachs Bank USA secured credit facility through August 19, 2021, reduced the commitment amount from $750.0 million to $250.0 million, and obtained an accordion option to increase the commitment amount up to $500.0 million. On October 30, 2020, the Company extended its existing secured credit arrangement with JP Morgan Chase to a new initial maturity date of October 30, 2023.

On October 30, 2020, the Company closed with a single institutional counterparty a secured credit facility with a commitment amount and unpaid principal balance of $249.5 million. The credit facility is secured by seven first mortgage loans, or participation interests therein. The new credit facility has a committed term of three years through October 30, 2023, a credit spread of 4.50%, a LIBOR floor of 0.25%, and contains no mark-to-market provisions that would trigger margin calls for two years from closing.

During the year ended December 31, 2019, the Company closed a $750.0 million secured credit facility with Barclays Bank PLC with a maturity date of August 13, 2022.

At December 31, 2020, the Company had no secured credit facilities to finance its CRE debt securities as each agreement was terminated during the quarter ended June 30, 2020. At December 31, 2019, the Company had four secured credit facilities to finance its CRE debt securities. The facility commitment amounts were based on the carrying value of the assets pledged. Credit spreads varied depending upon the collateral type and advance rate. At December 31, 2019, CRE debt securities pledged consisted of 35 CRE debt securities and two CMBS investments. The secured credit facilities used to finance CRE debt securities were 100% recourse to Holdco and were considered short-term borrowings.

Under each of the Company's secured credit facilities, including the mortgage warehouse facility, the Company is required to post margin for changes in conditions to specific loans that serve as collateral for those secured credit facilities. The lender's margin amount is in all but one instance limited to collateral-specific credit marks based on other-than-temporary declines in the value of the properties securing the underlying loan collateral. Market value determinations and redeterminations may be made by the repurchase lender in its sole discretion subject to certain specified parameters. In the case of assets that serve as collateral under the Company's secured credit facilities secured by loans, these considerations include credit-based factors (which are generally based on factors other than those related to the capital markets). In only one instance do the considerations include changes in observable credit spreads in the market for these assets. These features are described in the immediately preceding table.

Prior to the sale of the Company's portfolio of available-for-sale CRE debt securities in the second quarter of 2020, the market value of the assets that served as collateral under the Company's secured credit facilities secured by CRE debt securities was redetermined by the repurchase lender on a daily basis. As a result, extreme short-term volatility and negative pressure in the financial markets resulted in the Company being required to post cash collateral with the Company's lenders under these agreements. During the six months ended June 30, 2020, the Company received margin call notices with respect to borrowings against its CRE CLO investment portfolio aggregating $170.9 million, which were satisfied with a combination of $89.8 million of cash, cash proceeds from bond sales, and increases in market values prior to quarter-end. At December 31, 2020, the Company did not own any CRE debt securities and therefore had no associated borrowings and no unsatisfied margin calls.

The following table summarizes certain characteristics of the Company's secured credit agreements secured by commercial mortgage loans, including counterparty concentration risks, at December 31, 2020 (dollars in thousands):

	December 31, 2020						
Secured Credit Facilities	**Commitment Amount**	**UPB of Collateral**	**Amortized Cost of Collateral(1)**	**Amounts Payable(2)**	**Net Counterparty Exposure(3)**	**Percent of Stockholders' Equity**	**Days to Extended Maturity(4)**
Goldman Sachs Bank(4)	$ 250,000	$ 96,381	$ 96,843	$ 50,909	$ 45,934	3.6%	596
Wells Fargo	750,000	290,237	290,403	216,734	73,669	5.8%	473
Barclays	750,000	443,845	443,620	316,524	127,096	10.0%	590
Morgan Stanley Bank	500,000	434,630	433,948	326,199	107,749	8.5%	489
JP Morgan Chase Bank	649,546	778,453	777,862	457,041	320,821	25.3%	1,764
US Bank	139,960	101,372	101,599	69,649	31,950	2.5%	1,286
Bank of America(5)	200,000	117,393	117,637	87,119	30,518	2.4%	637
Total / Weighted Average	$ 3,239,506	$ 2,262,311	$ 2,261,912	$ 1,524,175	$ 737,737		938

(1) Loan amounts shown in the table include interest receivable of $10.4 million and are net of premium, discount and origination fees of $11.8 million.

(2) Loan amounts shown in the table include interest payable of $1.0 million and do not reflect unamortized deferred financing fees of $8.3 million.

(3) Loan amounts represent the net carrying value of the commercial real estate assets sold under agreements to repurchase, including accrued interest plus any cash or assets on deposit to secure the repurchase obligation, less the amount of the repurchase liability, including accrued interest.

(4) Maximum commitment amount was reduced from $750.0 million to $250.0 million at the Company's election as part of an as-of-right extension executed in June 2020. The secured credit agreement has an accordion feature that permits the Company to increase the commitment amount in increments of $50.0 million up to a maximum of $500.0 million.

(5) Maximum commitment amount was reduced from $500.0 million to $200.0 million at the Company's election as part of an as-of-right extension executed in June 2020. The secured credit agreement has an accordion feature that permits the Company to increase the commitment amount in increments of $50.0 million up to a maximum of $500.0 million.

The following table summarizes certain characteristics of the Company's secured credit agreements secured by commercial mortgage loans and CRE debt securities, including counterparty concentration risks, at December 31, 2019 (dollars in thousands):

	December 31, 2019						
Secured Credit Facilities	**Commitment Amount**	**UPB of Collateral**	**Amortized Cost of Collateral(1)**	**Amounts Payable(2)**	**Net Counterparty Exposure(3)**	**Percent of Stockholders' Equity**	**Days to Extended Maturity(4)**
Goldman Sachs Bank	$ 750,000	$ 288,032	$ 289,674	$ 45,900	$ 243,774	16.6%	962
Wells Fargo	750,000	593,742	594,832	395,039	199,793	13.6%	839
Barclays	750,000	542,927	542,191	432,399	109,792	7.5%	956
Morgan Stanley Bank(4)	500,000	519,638	518,048	395,356	122,692	8.4%	N/A
JP Morgan Chase Bank	400,000	300,677	297,248	218,744	78,504	5.4%	1,328
US Bank	152,240	173,741	173,045	136,734	36,311	2.5%	1,652
Bank of America	500,000	182,882	183,326	145,721	37,605	2.6%	1,003
Subtotal / Weighted Average	$ 3,802,240	$ 2,601,639	$ 2,598,364	$ 1,769,893	$ 828,471		1,181
CRE Debt Securities Financings	**Commitment Amount**	**UPB of Collateral**	**Amortized Cost of Collateral(1)**	**Amounts Payable(2)**	**Net Counterparty Exposure(3)**	**Percent of Stockholders' Equity**	**Days to Extended Maturity(4)**
Goldman Sachs Bank	$ 81,143	$ 94,629	$ 108,414	$ 81,362	$ 27,052	1.8%	12
JP Morgan	475,881	$ 544,105	$ 546,260	$ 476,307	$ 69,953	4.8%	17
Wells Fargo	135,774	$ 161,153	$ 148,738	$ 136,021	$ 12,717	0.9%	16
Royal Bank of Canada	—	—	—	—	—	—	—
Subtotal / Weighted Average	$ 692,798	$ 799,887	$ 803,412	$ 693,690	$ 109,722		16
Total / Weighted Average - Loans and CRE Debt Securities	$ 4,495,038	$ 3,401,526	$ 3,401,776	$ 2,463,583	$ 938,193		707

(1) Loan amounts shown in the table include interest receivable of $13.0 million and are net of premium, discount and origination fees of $16.7 million. Amounts for CRE debt securities shown in the table include interest receivable of $2.3 million and are net of premium, discount, and unrealized gains of $1.2 million.

(2) Loan amounts shown in the table include interest payable of $2.5 million and do not reflect unamortized deferred financing fees of $10.3 million. Amounts for CRE debt securities shown in the table include interest payable of $0.9 million.

(3) Loan amounts represent the net carrying value of the commercial real estate assets sold under agreements to repurchase, including accrued interest plus any cash or assets on deposit to secure the repurchase obligation, less the amount of the repurchase liability, including accrued interest. CRE debt securities represent the net carrying value of AFS securities sold under agreements to repurchase, including accrued interest plus any cash or assets on deposit to secure the repurchase obligation, less the amount of the repurchase liability, including accrued interest.

(4) The secured revolving repurchase agreement provided by Morgan Stanley Bank is excluded from the "Days to Extended Maturity" column because it has no limit on the maximum number of permitted extensions, subject to satisfaction of certain conditions and approvals. For borrowing secured by CRE debt securities investments the extended maturity represents the sooner of the next maturity date of the CRE debt securities investment, the secured revolving repurchase agreement, or the roll-over date for the applicable underlying trade confirmation subsequent to December 31, 2019.

Secured Revolving Credit Agreement

Previously the Company had a secured revolving credit facility (the "Citi Agreement"), with Citibank, N.A. with aggregate secured borrowing capacity of up to $160.0 million, subject to borrowing base availability and certain other conditions, which the Company occasionally used to finance originations or acquisitions of eligible loans on an interim basis until permanent financing was arranged. The Citi Agreement had an initial maturity date of July 12, 2020, and borrowings bore interest at an interest rate per annum equal to one-month LIBOR or the applicable base rate plus a margin of 2.25%. The initial advance rate on borrowings under the Citi Agreement with respect to individual pledged assets was 70% and declined over the borrowing term of up to 90 days, after which borrowings against an asset must be repaid. This agreement was 100% recourse to Holdco. On July 12, 2020, the Company allowed the Credit Agreement to expire by its terms.

Financial Covenants

The Company's financial covenants and guarantees for outstanding borrowings related to our secured credit agreements and secured revolving credit agreements require Holdco to maintain compliance with the following financial covenants (among others), which were revised on May 28, 2020 as follows:

Financial Covenant	**Current**	**Prior to May 28, 2020**
Cash Liquidity	Minimum cash liquidity of no less than the greater of: $10.0 million; and 5.0% of Holdco's recourse indebtedness	Minimum cash liquidity of no less than the greater of: $10.0 million; and 5.0% of Holdco's recourse indebtedness
Tangible Net Worth	$1.1 billion as of April 1, 2020, plus 75% of future equity issuances thereafter	Minimum tangible net worth of at least 75% of the net cash proceeds of all prior equity issuances made by Holdco or the Company, plus 75% of the net cash proceeds of all subsequent equity issuances made by Holdco or the Company
Debt to Equity	Debt to Equity ratio not to exceed 3.5 to 1.0 with "equity" and "equity adjustment" as defined below	Debt to Equity ratio not to exceed 3.5 to 1.0
Interest Coverage	Minimum interest coverage ratio of no less than 1.4 to 1.0 until December 2, 2020, and no less than 1.5 to 1.0 thereafter	Minimum interest coverage ratio of no less than 1.5 to 1.0

The amendments as of May 28, 2020 revise the definition of tangible net worth such that the baseline amount for testing is reset as of April 1, 2020 to $1.1 billion plus 75% of future equity issuances after April 1, 2020. The definition of equity for purposes of calculating the debt-to-equity covenant was revised to include: common equity; preferred equity; and an adjustment equal to the sum of the Current Expected Credit Loss reserve, write-downs, impairments or realized losses recorded against the value of any assets of Holdco or its subsidiaries from and after April 1, 2020; provided, however, that the equity adjustment may not exceed the amount of (a) Holdco's total equity less (b) the product of Holdco's total indebtedness multiplied by 25%.

Financial Covenant relating to the Series B Preferred Stock

For as long as the Series B Preferred Stock is outstanding, the Company is required to maintain a debt-to-equity ratio not greater than 3.0 to 1.0. For the purpose of determining this ratio, the aggregate liquidation preference of the outstanding shares of Series B Preferred Stock is excluded from the calculation of total indebtedness of the Company and its subsidiaries and is included in the calculation of total equity. The Company was in compliance with the financial covenant relating to the Series B Preferred Stock as of December 31, 2020.

Covenant Compliance

The Company was in compliance with all financial covenants to the extent that balances were outstanding as of December 31, 2020 and December 31, 2019.

Negative impacts on the Company's business caused by COVID-19 have and may continue to make it more difficult to meet or satisfy these covenants, and there can be no assurance that the Company will remain in compliance with these covenants in the future.

Mortgage Loan Payable

The Company through a special purpose entity is a borrower under a $50.0 million mortgage loan secured by a first deed of trust against two undeveloped commercially-zoned land parcels on the Las Vegas Strip comprising 27 acres acquired by the Company through a deed-in-lieu of foreclosure. Refer to Note 5 for additional information. The first mortgage loan was provided by an institutional lender, has an initial maturity date of December 15, 2021, and an option to extend the maturity for 12 months subject to the satisfaction of customary extension conditions, including (i) the purchase of a new interest rate cap for the extension term, (ii) replenishment of the interest reserve with an amount equal to 12 months of debt service, (iii) payment of a 0.25% extension fee on the outstanding principal balance, and (iv) no event of default. The first mortgage loan permits partial releases of collateral in exchange for payment of a minimum release price equal to the greater of 100% of net sales proceeds (after reasonable transaction expenses) or 115% of the allocated loan amount. The loan bears interest at a rate of LIBOR plus 4.50% subject to a LIBOR interest rate floor of 0.50% and a rate cap of 0.50%. The Company has posted cash of $2.4 million to pre-fund interest payments due under the note during its initial term.

Asset-Specific Financings

As of December 31, 2020, the Company had no asset-specific financing arrangements to finance certain of its lending activities. On April 2, 2019, the Company entered into an asset-specific financing with an institutional lender that was secured by one loan held for investment. The asset-specific financing did not provide for additional advances. The initial maturity of this agreement was October 9, 2020. On October 9, 2020, the first mortgage loan reached final maturity without repayment or satisfaction of extension conditions, which triggered a maturity default. On December 31, 2020, the Company took ownership of the Property pursuant to a negotiated deed-in-lieu of foreclosure and retired the asset-specific financing arrangement.

The asset specific financing arrangements included various covenants covering net worth, liquidity, recourse limitations, and debt coverage. The Company was in compliance with all covenants to the extent that balances were outstanding as of December 31, 2019.

(8) Schedule of Maturities

The future principal payments for the five years subsequent to December 31, 2020 and thereafter are as follows (in thousands):

	Collateralized loan obligations(1)	Secured credit facilities(2)	Mortgage Loan Payable
2021	$ —	$ 50,885	$ —
2022	329,469	1,015,334	50,000
2023	490,718	456,639	—
2024	870,347	—	—
2025	144,226	—	—
Thereafter	—	—	—
Total	$ 1,834,760	$ 1,522,858	$ 50,000

(1) The scheduled maturities for the investment grade bonds issued by TRTX 2018-FL2 and TRTX-2019 FL3 are based upon the fully extended maturity of mortgage loan collateral, considering the reinvestment window of the collateralized loan obligation.

(2) The allocation of secured financing liabilities is based on the extended maturity date for those credit facilities where extension options are at the company's option, subject to no default, or the current maturity date of those facilities where extension options are subject to counterparty approval.

(9) Fair Value Measurements

The Company's consolidated balance sheets include Level I fair value measurements related to cash equivalents, restricted cash, accounts receivable, and accrued liabilities. At December 31, 2020, the Company had $311.2 million invested in money market funds with original maturities of less than 90 days. The carrying values of these financial assets and liabilities are reasonable estimates of fair value because of the short-term maturities of these instruments. The consolidated balance sheets also include loans held for investment, the assets and liabilities of TRTX 2018-FL2 and TRTX 2019-FL3 as of December 31, 2020 and December 31, 2019, and secured debt agreements that are considered Level III fair value measurements that are not measured at fair value on a recurring basis, but are subject to fair value adjustments utilizing the fair value of the underlying collateral when there is evidence of impairment and when the loan is dependent solely on the collateral for payment of principal and interest. The Company had no non-recurring fair value items as of December 31, 2019.

The following tables provide information about financial assets and liabilities not carried at fair value on a recurring basis on our consolidated balance sheets as of December 31, 2020 and December 31, 2019 (dollars in thousands):

	December 31, 2020			
		Fair Value		
	Carrying Value	Level I	Level II	Level III
Financial Assets				
Loans Held for Investment	$ 4,456,460	$ —	$ —	$ 4,472,984
Financial Liabilities				
Collateralized Loan Obligations	1,825,568	—	—	1,834,760
Secured Financing Agreements	1,514,028	—	—	1,532,910
Mortgage Loan Payable	49,147	—	—	49,147

	December 31, 2019			
		Fair Value		
	Carrying Value	Level I	Level II	Level III
Financial Assets				
Available for sale CRE Debt Securities	$ 787,552	$ —	$ 787,552	$ —
Loans Held for Investment	4,980,389	—	—	5,004,379
Financial Liabilities				
Collateralized Loan Obligations	1,806,428	—	—	1,806,428
Secured Financing Agreements	2,525,128	—	—	2,525,128

Level III fair values were determined based on standardized valuation models and significant unobservable market inputs, including holding period, discount rates based on loan to value, property type and loan pricing expectations developed by the Manager that were corroborated with other institutional lenders to determine a market spread that was added to the one-month LIBOR forward curve. There were no transfers of financial assets or liabilities within the fair value hierarchy during the years ended December 31, 2020 and 2019, respectively.

At December 31, 2020, the estimated fair value of loans held for investment was $4.5 billion, which approximated carrying value, due to an increase since February 2020 in credit spreads on transitional first mortgage loans due primarily to the COVID-19 pandemic. At December 31, 2019, the estimated fair value of loans held for investment was $5.0 billion , which approximated carrying value, because contractual loan credit spreads reflected then-current market terms. The weighted average gross spread at December 31, 2020 and December 31, 2019 was 3.18% and 3.48%, respectively. The weighted average years to maturity at December 31, 2020 and December 31, 2019 was 3.1 years and 3.8 years, respectively, assuming full extension of all loans.

At December 31, 2020, the estimated fair value of the secured financing agreements was $1.5 billion, which approximated carrying value, due to an increase since February 2020 in credit spreads on similar credit arrangements due to the COVID-19 pandemic. At December 31, 2019, the carrying value of the secured financing agreements approximated fair value as the then-current borrowing spreads reflected market terms. At December 31, 2020, the estimated fair value of the Collateralized Loan Obligation liabilities was $1.8 billion, which approximated carrying value. Observed credit spreads for both categories of liabilities widened between February and June, and have since narrowed, especially for higher-quality borrowers, collateral managers, and loan portfolios. At December 31, 2019, the carrying value of the assets and liabilities of TRTX 2019-FL3 and TRTX 2018-FL2 approximated fair value as then-current lending and borrowing spreads reflected market terms.

Changes in assets and liabilities with Level III fair values for the twelve months ended December 31, 2020 and 2019 are as follows:

	Loans Held for Investment	Collateralized Loan Obligations	Secured Financing Arrangements	Mortgage Loan Payable	Total
Balance at December 31, 2019	$ 5,004,379	$ 1,806,428	$ 2,525,128	$ —	$ 9,335,935
Additions	—	—	—	49,147	49,147
Change in fair value	(531,395)	28,332	(992,218)	—	(1,495,281)
Transfers into Level III	—	—	—	—	—
Transfers out of Level III	—	—	—	—	—
Disposals	—	—	—	—	—
Balance at December 31, 2020	$ 4,472,984	$ 1,834,760	$ 1,532,910	$ 49,147	$ 7,889,801

	Loans Held for Investment	Collateralized Loan Obligations	Secured Financing Arrangements	Total
Balance at December 31, 2018	$ 4,317,844	$ 1,509,930	$ 1,639,953	$ 7,467,727
Additions	—	—	—	—
Change in fair value	686,535	296,498	885,175	1,868,208
Transfers into Level III	—	—	—	—
Transfers out of Level III	—	—	—	—
Disposals	—	—	—	—
Balance at December 31, 2019	$ 5,004,379	$ 1,806,428	$ 2,525,128	$ 9,335,935

(10) Income Taxes

The Company indirectly owns 100% of the equity of multiple domestic taxable REIT subsidiaries (collectively "TRSs"), including certain of its TRTX 2018-FL1, TRTX 2018-FL2 and TRTX 2019-FL3 subsidiaries. TRSs are subject to applicable U.S. federal, state, local and foreign income tax on their taxable income. In addition, as a REIT, the Company also may be subject to a 100% excise tax on certain transactions between it and its TRSs that are not conducted on an arm's-length basis. The Company files income tax returns in the United States federal jurisdiction as well as various state and local jurisdictions. The filings are subject to normal reviews by taxing authorities until the related statute of limitations expires. The years open to examination generally range from 2017 to present.

The Company is subject to the income and indirect tax laws of the U.S., its states and municipalities in which the Company has significant business operations. These tax laws are complex and subject to different interpretations by the taxpayer and the relevant governmental taxing authorities. The Company must make judgments and interpretations about the application of these inherently complex tax laws when determining the provision for income taxes and the expense for indirect taxes and must also make estimates about when certain items affect taxable income in the various tax jurisdictions. Disputes over interpretations of the tax laws may be settled with the taxing authority upon examination or audit. The Company periodically evaluates the likelihood of assessments in each taxing jurisdiction and unrecognized tax benefits related to potential losses that may arise from tax audits. As of December 31, 2020 and 2019, the Company has not accrued any liabilities for unrecognized tax benefits in its financial statement. The Company does not expect the total amount of unrecognized tax benefits to significantly increase within the next twelve months. The Company recognizes interest and penalties on unrecognized tax benefits in other expense.

The Company's policy is to classify interest and penalties associated with underpayment of U.S. federal and state income taxes, if any, as a component of general and administrative expense on its consolidated statements of income (loss) and comprehensive income (loss). For the years ended December 31, 2020 and 2019, the Company did not have interest or penalties associated with the underpayment of any income taxes.

The following table details the income tax treatment for the Company's common stock and Class A common stock dividends declared as follows:

	Year Ended December 31,		
	2020	2019	2018
Ordinary income dividends	$ 1.21	$ 1.72	$ 1.70
Capital gain dividends	—	—	0.01
Total dividends(1)	$ 1.21	$ 1.72	$ 1.71

(1) Dividend per share amounts reflect the impact of the common stock and Class A common stock dividend paid upon the completion of our initial public offering.

For the twelve months ended December 31, 2020 and 2019, the Company incurred no state or local tax relating to its TRSs. For the twelve months ended December 31, 2020, 2019 and 2018, the Company recognized $0.3 million, $0.6 million, and $0.3 million, respectively, of federal, state and local tax expense. At December 31, 2020, 2019 and 2018, the Company's effective tax rate was 0.2%, 0.5% and 0.3%, respectively.

As of December 31, 2020 and 2019, no deferred income tax assets or liabilities were recorded for the operating activities of the Company's TRSs.

From March 23, 2020 through April 2020, the Company sold all its CRE debt securities with an aggregate face value of $969.8 million, generating gross sales proceeds of $766.4 million. The Company recorded losses from these sales of $203.4 million recognized as expense in Securities Impairments on the consolidated statement of income and comprehensive income, which are expected to be available to offset any capital gains of the Company in 2020 and, to the extent those capital losses exceed the Company's capital gains in future years. The Company does not expect these losses to reduce the amount that the Company will be required to distribute under the requirement that the Company distribute to the Company's stockholders at least 90% of the Company's REIT taxable income (computed without regard to the deduction for dividends paid and excluding net capital gain) each year in order to continue to qualify as a REIT.

(11) Related Party Transactions

Management Agreement

The Company is externally managed and advised by the Manager pursuant to the terms of a management agreement between the Company and the Manager (as amended, the "Management Agreement"). Pursuant to the Management Agreement the Company pays the Manager a base management fee equal to the greater of $250,000 per annum ($62,500 per quarter) or 1.50% per annum (0.375% per quarter) of the Company's "Equity" as defined in the Management Agreement. Proceeds from the issuance of Series B Preferred Stock is included in the Company's Equity for purposes of determining the base management fee. The base management fee is payable in cash, quarterly in arrears. The Manager is also entitled to incentive compensation which is calculated and payable in cash with respect to each calendar quarter in arrears in an amount, not less than zero, equal to the difference between: (1) the product of (a) 20% and (b) the difference between (i) the Company's Core Earnings for the most recent 12-month period, including the calendar quarter (or part thereof) for which the calculation of incentive compensation is being made (the "applicable period"), and (ii) the product of (A) the Company's Equity in the most recent 12-month period, including the applicable period, and (B) 7% per annum; and (2) the sum of any incentive compensation paid to the Manager with respect to the first three calendar quarters of the most recent 12-month period. No incentive compensation is payable to the Manager with respect to any calendar quarter unless Core Earnings for the 12 most recently completed calendar quarters is greater than zero. For purposes of calculating the Manager's incentive compensation, the Management Agreement, as amended, specifies that equity securities of the Company or any of the Company's subsidiaries that are entitled to a specified periodic distribution or have other debt characteristics will not constitute equity securities and will not be included in "Equity" for the purpose of calculating incentive compensation. Instead, the aggregate distribution amount that accrues to such equity securities during the calendar quarter of such calculation will be subtracted from Core Earnings, before incentive compensation for purposes of calculating incentive compensation, unless such distribution is otherwise excluded from Core Earnings.

Core Earnings, as defined in the Management Agreement, means the net income (loss) attributable to the holders of the Company's common stock and Class A common stock and, without duplication, the holders of the Company's subsidiaries' equity securities (other than the Company or any of the Company's subsidiaries), computed in accordance with GAAP, including realized gains and losses not otherwise included in net income (loss), and excluding (i) non-cash equity compensation expense, (ii) the incentive compensation, (iii) depreciation and amortization, (iv) any unrealized gains or losses, including an allowance for credit losses, or other similar non-cash items that are included in net income for the applicable period, regardless of whether such items are included in other comprehensive income or loss or in net income and (v) one-time events pursuant to changes in GAAP and certain material non-cash income or expense items, in each case after discussions between the Manager and the Company's independent directors and approved by a majority of the Company's independent directors.

For as long as any shares of Series B Preferred Stock remain issued and outstanding, the Manager has agreed to reduce by 50% the base management fee attributable to the inclusion of the Series B Preferred Stock in the Company's Equity, such that the base management fee rate applicable to the Series B Preferred Stock included in the equity base will equal 0.75% per annum, instead of 1.50% per annum as provided in the Management Agreement.

Management Fees Incurred and Paid for the years ended December 31, 2020, 2019 and 2018

For the fiscal years ended December 31, 2020, December 31, 2019, and December 31, 2018, the Company incurred and paid the following management fees and incentive management fees pursuant to the Management Agreement (dollars in thousands):

	Year Ended December 31,		
	2020	2019	2018
Incurred			
Management Agreement fees	$ 20,767	$ 21,571	$ 19,364
Incentive Management Fee	—	7,146	4,384
Total Fees Incurred	$ 20,767	$ 28,717	$ 23,748
Paid			
Management Fee	$ 21,031	$ 20,904	$ 18,954
Incentive Management Fee	1,629	6,661	3,864
Total Fees Paid	$ 22,660	$ 27,565	$ 22,818

Management fees and incentive management fees included in payable to affiliates on the consolidated balance sheets at December 31, 2020 and December 31, 2019 are $5.4 million and $7.3 million, respectively. No incentive management fee was earned during the twelve months ended December 31, 2020.

Termination Fee

A termination fee would be due to the Manager upon termination of the Management Agreement by the Company absent a cause event. The termination fee would also be payable to the Manager upon termination of the Management Agreement by the Manager if the Company materially breaches the Management Agreement. The termination fee is equal to three times the sum of (x) the average annual base management fee and (y) the average annual incentive compensation earned by the Manager, in each case during the 24-month period immediately preceding the most recently completed calendar quarter prior to the date of termination.

Other Related Party Transactions

The Manager or its affiliates is responsible for the expenses related to the personnel of the Manager and its affiliates who provide services to the Company. However, the Company does reimburse the Manager for agreed-upon amounts based upon the Company's allocable share of the compensation (including, without limitation, annual base salary, bonus, any related withholding taxes and employee benefits) paid to (1) the Manager's personnel serving as the Company's chief financial officer based on the percentage of his or her time spent managing the Company's affairs and (2) other corporate finance, tax, accounting, internal audit, legal risk management, operations, compliance and other non-investment personnel of the Manager or its affiliates who spend all or a portion of their time managing the Company's affairs, based on the percentage of time devoted by such personnel to the Company's and the Company's subsidiaries' affairs. For the fiscal years ended December 31, 2020, December 31, 2019, and December 31, 2018, the Manager and Company determined that $1.0 million, $1.0 million, and $1.2 million, respectively, of expenses that were subject to reimbursement by the Company for services rendered on its behalf by the Manager and its affiliates.

For as long as any shares of Series B Preferred Stock remain issued and outstanding, the Manager has agreed that it will not seek reimbursement for reimbursable expenses in excess of the greater of (x) $1.0 million per fiscal year and (y) twenty percent (20%) of the Company's allocable share of such reimbursable expenses pursuant to the Management Agreement per fiscal year. For the twelve months ended December 31, 2020, the Company reimbursed to the Manager $250,000 of reimbursable expenses, and the Manager elected not to seek reimbursement for reimbursable amounts in excess thereof. There can be no assurance that the Manager will not seek reimbursement of such expenses in future quarters. If the product of 20% multiplied by eligible reimbursable expenses is expected to exceed $1.0 million annually, the Manager is obligated to inform and review with the Company's board of directors, the methodology and rationale for such an increase in advance of the delivery to the Company of a written request for reimbursement reflecting such increase. No such notice has been received by the Company as of December 31, 2020.

The Company is required to pay the Manager or its affiliates for documented costs and expenses incurred with third parties by the Manager or its affiliates on behalf of the Company, subject to the Company's review and approval of such costs and expenses. The Company's obligation to pay for costs and expenses incurred on its behalf is not subject to a dollar limitation.

As of December 31, 2020 and 2019, $0.2 million and $2.3 million, respectively, remained outstanding and payable to the Manager or its affiliates for third party expenses that were incurred on behalf of the Company.

All expenses due and payable to the Manager are reflected in the respective expense category of the consolidated statements of income (loss) and comprehensive income (loss) or consolidated balance sheets based on the nature of the item.

(12) (Loss) Earnings per Share

The Company calculates its basic and diluted (loss) earnings per share using the two-class method for all periods presented, since the unvested restricted shares of its common stock granted to certain current and former employees and affiliates of the Manager, qualify as participating securities. These restricted shares have the same rights as the Company's other shares of common stock and Class A common stock (which Class A shares were converted to common shares in February 2020), including participating in any dividends, and therefore have been included in the Company's basic and diluted earnings per share calculation. For the twelve months ended December 31, 2020, 2019 and 2018, $0.8 million, $0.3 million and $0.2 million, respectively, of common stock dividends declared and undistributed net income attributable to common stockholders were allocated to unvested shares of our common stock pursuant to stock grants made under the Company's Incentive Plan (see Note 14 for details.)

In connection with the issuance of Series B Preferred Stock and the Warrants described in Note 13, the Company elected the accreted redemption value method whereby the discount created based on the relative fair value of the Warrants to the fair value of the Series B Preferred Stock and the related issuance costs will be accreted as a non-cash dividend on preferred stock over four years using the effective interest method. Such adjustments are included in Accretion of Discount on Series B Cumulative Redeemable Preferred Stock on our Consolidated Statements of Changes in Equity and treated similarly to a dividend on preferred stock for GAAP purposes. For the twelve months ended December 31, 2020, this adjustment totaled $3.2 million.

The computation of diluted (loss) earnings per share is based on the weighted average number of participating securities outstanding plus the incremental shares that would be outstanding assuming exercise of warrants issued pursuant to the Company's issuance of Series B Preferred Stock. The number of incremental shares is calculated utilizing the treasury stock method. For the twelve months ended December 31, 2020, the Warrants were not included in the computation of diluted earnings per share as their impact would have been anti-dilutive.

The following table sets forth the calculation of basic and diluted (loss) earnings per common share (common stock and Class A common stock) based on the weighted-average number of shares of common stock outstanding for the twelve months ended December 31, 2020, 2019 and 2018 (in thousands, except share and per share data):

	Year Ended December 31,		
	2020	2019	2018
Net (Loss) Income Attributable to TPG RE Finance Trust, Inc.	$ (151,511)	$ 126,298	$ 106,938
Participating Securities' Share in Earnings (Loss)	(832)	(676)	(194)
Accretion of Discount on Series B Preferred Stock	(3,189)	—	—
Net (Loss) Income Attributable to Common Stockholders	$ (155,532)	$ 125,622	$ 106,744
Weighted Average Common Shares Outstanding, Basic and Diluted	76,656,756	72,743,171	63,034,806
(Loss) Earnings Per Common Share, Basic and Diluted(1)	$ (2.03)	$ 1.73	$ 1.70

(1) Basic and diluted (loss) earnings per share are computed independently based on the weighted-average shares of Class A common stock and common stock outstanding for each period. Accordingly, the sum of the quarterly earnings (loss) per share amounts may not agree to the total for the year.

(13) Stockholders' Equity

Series B Preferred Stock and Warrants to Purchase Shares of Common Stock

On May 28, 2020, the Company entered into an Investment Agreement (the "Investment Agreement") with PE Holder L.L.C., a Delaware limited liability company (the "Purchaser"), an affiliate of Starwood Capital Group Global II, L.P., under which the Company agreed to issue and sell to the Purchaser up to 13,000,000 shares of the Company's 11.0% Series B Preferred Stock, par value $0.001 per share (plus any additional such shares paid as dividends pursuant to the Articles Supplementary, the "Series B Preferred Stock"), and Warrants to purchase, in the aggregate, up to 15,000,000 shares (subject to adjustment) of the Company's Common Stock, for an aggregate cash purchase price of up to $325,000,000. Such purchases may occur in up to three tranches. The Investment Agreement contains market standard provisions regarding board representation, voting agreements, rights to information, and a standstill agreement and registration rights agreement regarding common stock acquired via exercise of Warrants.

On May 28, 2020, the Purchaser acquired the initial tranche, consisting of 9,000,000 shares of Series B Preferred Stock and Warrants to purchase up to 12,000,000 shares of Common Stock, for an aggregate price of $225.0 million. The Company retained an option to sell to the Purchaser the second and third tranches on or prior to December 31, 2020, provided notice of intent to sell is delivered to the Purchaser not later than December 11, 2020. Each of the second and third tranches consisted of 2,000,000 shares of Series B Preferred Stock and Warrants to purchase up to 1,500,000 shares of Common Stock, for an aggregate purchase price of $50.0 million per tranche. We allowed the option to issue additional shares of Series B Preferred Stock to expire unused.

Series B Preferred Stock

The Company's Series B Preferred Stock has a liquidation preference over all other classes of the Company's equity other than Series A Preferred Stock, which has liquidation preference over the Series B Preferred Stock.

Series B Preferred Stock bears a dividend at 11% per annum, accrued daily and compounded semi-annually, which is payable quarterly in cash; provided that up to 2.0% per annum of the liquidation preference may be paid, at the option of the Company, in the form of additional shares of Series B Preferred Stock.

The Company, at its option, may redeem for cash, any or all outstanding shares of Series B Preferred Stock at a price (the "Optional Redemption Price") equal to (i) at any time on or before the two-year anniversary of the Original Issuance Date (as defined in the Articles Supplementary), at a price equal to the greater of (a) 105.0% of the sum of the liquidation preference of $25.00 per share of Series B Preferred Stock (the "Preference Amount") (including all dividends (including any Accrued Dividends)) and (b) the Preference Amount (including all dividends

(including Accrued Dividends)) plus the Make-Whole Amount (equal to the dividends that would have been earned from the redemption date through and including the second anniversary date of the Original Issuance Date, and as further defined in the Articles Supplementary) per share of Series B Preferred Stock to be redeemed; (ii) at any time after the two-year anniversary of the Original Issuance Date but on or prior to the three-year anniversary of the Original Issuance Date, at a price equal to 105.0% of the Preference Amount (including all dividends (including Accrued Dividends)) as of the redemption date; (iii) at any time after the three-year anniversary of the Original Issuance Date but on or prior to the four-year anniversary of the Original Issuance Date, at a price equal to 102.5% of the Preference Amount (including all dividends (including Accrued Dividends)) as of the redemption date; or (iv) at any time after the four-year anniversary of the Original Issuance Date, at a price equal to 100.0% of the Preference Amount (including all dividends (including Accrued Dividends)) as of the redemption date, subject to certain limitations.

If the Company or the Company's Manager undergoes a Change in Control (as defined in the Articles Supplementary), holders of shares of Series B Preferred Stock may require the Company to repurchase any or all of such shares of Series B Preferred Stock for a cash purchase price equal to the then-applicable Optional Redemption Price (the "Change of Control Redemption Price"). In addition, upon any such Change of Control, the Company shall have the right, but not the obligation, to redeem any or all of the outstanding shares of Series B Preferred Stock at the Change of Control Redemption Price, subject to certain limitations.

Holders of shares of Series B Preferred Stock may also require the Company to redeem all or any portion of their shares of Series B Preferred Stock, for a cash purchase price equal to 100.0% of the Preference Amount (including all dividends (including any Accrued Dividends) with respect to such shares of Series B Preferred Stock accrued but unpaid to, but not including the then-applicable redemption date), at any time: (i) after May 28, 2024; or (ii) following the occurrence of an Approval Right Default (as defined below).

Each holder of Series B Preferred Stock will have one vote per share on any matter on which holders of Series B Preferred Stock are entitled to vote and will vote separately as a class (as described below), whether at a meeting or by written consent. The holders of Series B Preferred Stock will have exclusive voting rights on an amendment to the Company's charter (the "Charter") that would alter only the contract rights of the Series B Preferred Stock.

The vote or consent of the holders of at least a majority of the shares of Series B Preferred Stock outstanding at such time, voting together as a separate class, is required in order for the Company to (i) amend or waive any provision of the Charter or the Second Amended and Restated Bylaws of the Company in a manner that would materially and adversely affect the rights, preferences, or privileges of the Series B Preferred Stock; (ii) issue any capital stock ranking senior or pari passu to the Series B Preferred Stock (or securities or rights convertible or exchangeable into, or exercisable for, any capital stock ranking senior or pari passu to the Series B Preferred Stock); (iii) issue any equity securities of any subsidiary of the Company (or any securities or rights convertible or exchangeable into, or exercisable for, such equity securities) to any third party other than the Company and or the Company's wholly-owned subsidiary; (iv) permit any Non-Target Asset Event (as defined in the Articles Supplementary); (v) pay any dividend or distribution in cash, capital stock or other assets of the Company on or in respect of, or the repurchase or redemption of, capital stock ranking pari passu or junior to the Series B Preferred Stock, subject to certain exceptions; (vi) incur Indebtedness, subject to certain exceptions, (vii) take any Restricted Indebtedness Action (as defined in the Articles Supplementary); (viii) liquidate, dissolve, or wind up the Company; or (ix) agree to undertake any of the actions described in clauses (i) through (viii) above, in each case subject to the terms and conditions set forth in the Articles Supplementary.

The taking of any of the actions described in the prior paragraph (subject to certain exceptions and the Company's ability to cure such action, in each case as specified in the Articles Supplementary) without the vote or consent of the holders of at least a majority of the shares of Series B Preferred Stock outstanding at such time shall be deemed to be an "Approval Right Default".

On the issuance date, the Company retained third party valuation experts to assist with estimating the fair value of the Series B Preferred Stock and the Warrants using the binomial lattice model. Based on the Warrants' relative fair value to the fair value of the Series B Preferred Stock, approximately $14.4 million of the $225.0 million proceeds was allocated to the Warrants, creating a corresponding preferred stock discount in the same amount. The Company elected the accreted redemption value method whereby this discount will be accreted over four years using the effective interest method, resulting in an increase in the carrying value of the Series B Preferred Stock. Additionally, $14.2 million of costs directly related to the issuance will be accreted using the effective interest method. Such adjustments are included in Accretion of Discount on Series B Cumulative Redeemable Preferred Stock on our Consolidated Statements of Changes in Equity and treated similarly to a dividend on preferred stock for GAAP purposes.

Warrants to Purchase Common Stock

The Warrants have an initial exercise price of $7.50 per share. The exercise price of the Warrants and shares of Common Stock issuable upon exercise of the Warrants are subject to customary adjustments. The Warrants are exercisable on a net settlement basis and expire on May 28, 2025. The Warrants are classified as equity and were initially recorded at their estimated fair value of $14.4 million with no subsequent remeasurement. No Warrants have been exercised as of December 31, 2020.

Subject to certain limitations, no shares of Common Stock will be issued or delivered upon any proposed exercise of any Warrant, and no Warrant will be exercised, in each case, to the extent that such exercise or issuance of Common Stock would result in a Registered Holder (as defined in the Warrant Agreement) beneficially owning in excess of 19.9% of the Stockholder Voting Power (as defined in the Warrant Agreement) as of May 28, 2020 (appropriately adjusted to reflect any stock splits, stock dividends or other similar events).

The foregoing descriptions of the Investment Agreement, the terms of the Series B Preferred Stock and the Warrants, the Articles Supplementary, the Warrant Agreement, the Registration Rights Agreement, the Amendments and the transactions contemplated thereby are not complete and are qualified in their entirety by reference to the full text of the Investment Agreement, the Articles Supplementary, the Warrant Agreement, the Registration Rights Agreement and the Amendments, which are attached as exhibits to the Company's Current Report on Form 8-K filed with the SEC on May 29, 2020, and incorporated herein by reference.

Conversion of Class A Shares

Between January 22, 2020 and January 24, 2020, the Company received requests to convert all of the outstanding shares of the Company's Class A common stock into shares of the Company's common stock. Accordingly, all of the outstanding shares of the Company's Class A common stock were retired and returned to the authorized but unissued shares of Class A common stock of the Company, and the holders of shares of the Class A common stock were issued an aggregate of 1,136,665 shares of the Company's common stock. On February 14, 2020, the Company filed Articles Supplementary with the State Department of Assessments and Taxation of Maryland to reclassify and designate all 2,500,000 authorized but unissued shares of the Company's Class A common stock as additional shares of undesignated common stock of the Company. The Articles Supplementary became effective upon filing on February 14, 2020. As a result, as of December 31, 2020, there are no shares of the Company's Class A common stock authorized or outstanding.

Equity Distribution Agreement

On March 7, 2019, the Company and the Manager entered into an equity distribution agreement with each of Citigroup Global Markets Inc., J.P. Morgan Securities LLC, JMP Securities LLC, Wells Fargo Securities, LLC and the Company's affiliate, TPG Capital BD, LLC (each a "Sales Agent" and, collectively, the "Sales Agents") relating to the issuance and sale by the Company of shares of its common stock, $0.001 par value per share, pursuant to a continuous offering program. In accordance with the terms of the equity distribution agreement, the Company may, at its discretion and from time to time, offer and sell shares of its common stock having an aggregate gross sales price of up to $125.0 million through the Sales Agents, each acting as the Company's agent. The offering of shares of the Company's common stock pursuant to the equity distribution agreement will terminate upon the earlier of (1) the sale of shares of the Company's common stock subject to the equity distribution agreement having an aggregate gross sales price of $125.0 million and (2) the termination of the equity distribution agreement by the Sales Agents or the Company at any time as set forth in the equity distribution agreement. At December 31, 2020, cumulative gross proceeds issued under the equity distribution agreement totaled $50.9 million, leaving $74.1 million available for future issuance subject to the direction of management, and market conditions.

Each Sales Agent will be entitled to commissions in an amount not to exceed 1.75% of the gross sales prices of shares of the Company's common stock sold through it, as the Company's agent. For the three months ended December 31, 2020, the Company sold no shares of common stock under this arrangement. For the twelve months ended December 31, 2020, the Company sold 0.6 million shares of common stock at a weighted average price per share of $20.53 and gross proceeds of $12.9 million. For the three and twelve months ended December 31, 2020, the Company paid commissions totaling $0.0 million and $0.2 million, respectively. For twelve months ended December 31, 2019, the Company sold 1.9 million shares of common stock at a weighted average price per share of $20.42 and gross proceeds of $38.0 million. The Company paid commissions totaling $0.5 million. The Company used the proceeds from the offering to originate commercial real estate loans and acquire CRE debt securities.

In March and April 2019, the Company completed a common stock offering of 6.9 million shares at a price to the Company of $19.80 per share, generating net proceeds of $136.5 million, after underwriting discounts and offering costs. The Manager reimbursed offering costs of $0.3 million. The Company used net proceeds from the offering to originate commercial real estate loans and acquire CRE debt securities.

On August 10, 2018, the Company completed a common stock offering of 7.0 million shares at a net price to the Company of $19.82 per share generating net proceeds, of $138.7 million, after underwriting discounts. Proceeds were used repay certain borrowings under its secured credit facilities, and to originate or acquire commercial mortgage loans consistent with its investment strategy and investment guidelines. The Manager reimbursed offering costs of $0.7 million.

2019 Underwritten Offering

In March 2019, the Company completed a common stock offering of 6.0 million shares at a price to the underwriters of $19.80 per share, generating net proceeds of $118.8 million, after underwriting discounts. Pursuant to the terms of the underwriting agreement that the Company entered into with Morgan Stanley & Co. LLC, as representative of the underwriters, on April 12, 2019, the underwriters exercised in full their option to purchase 900,000 additional shares of common stock (the "Option Shares"). As a result, the Company issued and sold 900,000 Option Shares to the underwriters on April 16, 2019 and generated additional net proceeds, before transaction expenses, of approximately $17.4 million. The Manager reimbursed offering costs of $0.3 million. The Company used net proceeds from the offering to originate commercial real estate loans and acquire CRE debt securities.

10b5-1 Purchase Plan

The Company entered into an agreement and related amendments (the "10b5-1 Purchase Plan") with Goldman Sachs & Co. LLC, as the Company's agent, to buy in the open market up to $35.0 million in shares of the Company's common stock in the aggregate during the period beginning on or about August 21, 2017. On August 1, 2018, the Company's Board of Directors authorized the Company to extend the repurchase period for the remaining capital committed to the 10b5-1 Purchase Plan to February 28, 2019. No other changes to the terms of the 10b5-1 Purchase Plan were authorized.

The 10b5-1 Purchase Plan required Goldman Sachs & Co. LLC to purchase for the Company shares of the Company's common stock when the market price per share is below the threshold price specified in the 10b5-1 Purchase Plan which is based on the Company's book value per common share. During the three months ended March 31, 2019, the Company repurchased 2,324 shares of common stock, at a weighted average price of $18.27 per share, for total consideration (including commissions and related fees) of $0.4 million. The 10b5-1 Purchase Plan expired by its terms on February 28, 2019.

Issuance of Sub-REIT Preferred Stock

In January 2019, a subsidiary of the Company issued 625 shares of Series A preferred stock of which 500 shares were retained by the Company and 125 shares were sold to third party investors for proceeds of $0.1 million. The 500 preferred shares of Series A preferred stock retained by the Company are eliminated in the Company's consolidated statements of changes in equity.

Redemption of Series A Preferred Stock

In February 2018, the Company's previously issued shares of Series A preferred stock were redeemed for $0.1 million.

Dividends

The Company accrues dividends upon the approval by the Company's Board of Directors. Dividends are paid first to the holders of the Company's Series A preferred stock at the rate of 12.5% of the total $0.001 million liquidation preference per annum plus all accumulated and unpaid dividends thereon, then to holders of the Company's Series B Preferred Stock at the rate of 11.0% per annum of the $25.00 per share liquidation preference, and then to the holders of the Company's common stock. The Company intends to distribute each year substantially all of its taxable income to its stockholders to comply with the REIT provisions of the Internal Revenue Code of 1986, as amended. The Board of Directors will determine whether to pay future dividends, entirely in cash, or in a combination of stock and cash based on facts and circumstances at the time such decisions are made.

On December 15, 2020, the Company's Board of Directors declared a dividend for the fourth quarter of 2020 in the amount of $0.20 per share of common stock, or $15.5 million in the aggregate. On December 15, 2020, the Company's Board of Directors also declared a special cash dividend of $0.18 per share of common stock, or $14.0 million in the aggregate, attributable to the Company's estimated 2020 REIT taxable income which was previously undistributed. The fourth quarter regular and special dividend was paid on January 22, 2021 to holders of record of our common stock as of December 28, 2020.

On December 15, 2020, the Company's Board of Directors declared a cash dividend for the fourth quarter of 2020 in the amount of $0.69 per share of Series B Preferred Stock, or $6.2 million in the aggregate, which dividend was paid on December 31, 2020 to the holder of record of our Series B Preferred Stock as of December 15, 2020.

For the years ended December 31, 2020 and December 31, 2019, common and Class A common stock dividends in the amount of $93.6 million and $128.4 million, respectively, were approved. As of December 31, 2020, and December 31, 2019, $29.5 million and $32.8 million, respectively, remain unpaid and are reflected in dividends payable on the Company's consolidated balance sheets.

For the year ended December 31, 2020, Series B Preferred Stock dividends in the amount of $14.7 million were approved and paid.

(14) Share-Based Incentive Plan

The Company does not have any employees. As of December 31, 2020, certain individuals employed by an affiliate of the Manager and certain members of the Company's Board of Directors were compensated in part through the issuance of share-based instruments.

The Company's Board of Directors has adopted, and the Company's stockholders have approved, the TPG RE Finance Trust, Inc. 2017 Equity Incentive Plan (the "Incentive Plan"). The Incentive Plan provides for the grant of equity-based awards to directors, officers, employees (if any) and consultants of the Company and its affiliates, and the members, officers, directors, employees and consultants of our Manager or its affiliates, as well as to our Manager and other entities that provide services to us and our affiliates and the employees of such entities. The total number of shares of common stock or long term incentive plan ("LTIP") units that may be awarded under the Incentive Plan is 4,600,463. The Incentive Plan will automatically expire on the tenth anniversary of its effective date, unless terminated earlier by the Company's Board of Directors. No equity grants were awarded in conjunction with the Company's initial public offering.

The following table details the outstanding shares of common stock and the weighted-average grant date fair value per share for shares granted under the Incentive Plan, as of December 31, 2020:

	Common Stock	Weighted-Average Grant Date Fair Value Per Share
Balance as of December 31, 2017	75,360	$ 19.44
Granted	278,540	18.84
Vested	(19,352)	19.44
Forfeited	(579)	19.44
Balance as of December 31, 2018	333,969	$ 18.94
Granted	396,410	20.52
Vested	(100,305)	19.02
Forfeited	(6,068)	18.78
Balance as of December 31, 2019	624,006	$ 19.93
Granted	386,003	11.05
Vested	(121,018)	20.30
Forfeited	—	—
Balance as of December 31, 2020	888,991	$ 16.09

Generally, the shares vest in installments over a four-year period, pursuant to the terms of the award and the Incentive Plan. The table below outlines how the awarded shares will vest over the next four years:

Vesting Year	Shares of Common Stock
2021	434,517
2022	198,881
2023	159,066
2024	96,527
	888,991

As of December 31, 2020, total unrecognized compensation cost relating to unvested share-based compensation arrangements was $10.9 million. This cost is expected to be recognized over a weighted average period of 0.4 years from December 31, 2020. For the twelve months ended December 31, 2020, 2019 and 2018, the Company recognized $5.8 million, $2.6 million and $0.7 million respectively, of share-based compensation expense.

During the year ended December 31, 2020, the Company issued deferred stock units to the non-management members of the Company's Board of Directors. The deferred stock units were fully vested on the grant date and accrue dividends that are paid-in-kind on a quarterly basis. On June 5, 2020 and December 18, 2020, the Company issued, and the non-management members of the Company's Board of Directors received, deferred stock units, each with an aggregate fair value of $0.3 million, which are included in share-based compensation expense as general and administrative expense in the consolidated statements of income (loss) and comprehensive income (loss).

During the year ended December 31, 2020, the Company accrued 420 shares of common stock for dividends that are paid-in kind to non-management members of its Board of Directors related to the dividend payable to holders of record of our common stock and Class A common stock as of December 27, 2020.

During the year ended December 31, 2019, the Company issued deferred stock units to the non-management members of the Company's Board of Directors. The deferred stock units were fully vested on the grant date and accrue dividends that are paid-in-kind on a quarterly basis. On May 14, 2019, the Company issued, and the non-management members of the Company's Board of Directors received, deferred stock units with an aggregate fair value of $0.3 million, which is included in share-based compensation expense as general and administrative expense in the consolidated statements of income (loss) and comprehensive income (loss).

During the year ended December 31, 2019, the Company accrued 420 shares of common stock for dividends that are paid-in kind to non-management members of its Board of Directors related to the dividend payable to holders of record of our common stock and Class A common stock as of December 27, 2019.

(15) Commitments and Contingencies

Impact of COVID-19

Due to the current COVID-19 pandemic in the United States and globally, the Company's borrowers and their tenants, the properties securing the Company's investments, and the economy as a whole have been, and will continue to be, adversely impacted. The magnitude and duration of COVID-19 and its impact on the Company's borrowers and their tenants, cash flows and future results of operations could be significant and will largely depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19, the success of actions taken to contain or treat the pandemic, and reactions by consumers, companies, governmental entities and capital markets. The prolonged duration and impact of COVID-19 has and could further materially disrupt the Company's business operations and impact its financial performance.

Unfunded Commitments

As part of its lending activities, the Company commits to certain funding obligations which are not advanced at closing and that have not been recognized in the Company's consolidated financial statements. These commitments to extend credit are made as part of the Company's portfolio of loans held for investment. As of December 31, 2020, and December 31, 2019, the Company had $423.5 million and $630.6 million, respectively, of unfunded commitments related to loans held for investment. These commitments are not reflected on the consolidated balance sheets.

Litigation

From time to time, the Company may be involved in various claims and legal actions arising in the ordinary course of business. The Company establishes an accrued liability for loss contingencies when a settlement arising from a legal proceeding is both probable and reasonably estimable. If a legal matter is not probable and reasonably estimable, no such liability is recorded. Examples of this include (i) early stages of a legal proceeding, (ii) damages that are unspecified or cannot be determined, (iii) discovery has not started or is incomplete or (iv) there is uncertainty as to the outcome of pending appeals or motions. If these items exist, an estimated range of potential loss cannot be determined and as such the Company does not record an accrued liability.

As of December 31, 2020, and December 31, 2019, the Company was not involved in any material legal proceedings and has not recorded an accrued liability for loss contingencies.

(16) Concentration of Credit Risk

Property Type

A summary of the loan portfolio by property type as of December 31, 2020 and December 31, 2019 based on total loan commitment and current unpaid principal balance ("UPB") is as follows (dollars in thousands):

	As of December 31, 2020				
Property Type	Loan Commitment	Unfunded Commitment	% of Loan Commitment	Loan UPB	% of Loan UPB
Office	$ 2,756,338	$ 356,034	55.7%	$ 2,400,304	53.0%
Multifamily	804,838	24,001	16.3	781,137	17.3
Hotel	737,293	9,864	14.9	731,487	16.2
Mixed-Use	586,993	31,398	11.9	555,595	12.3
Condominium	25,049	—	0.5	25,049	0.6
Retail	33,000	2,190	0.7	31,153	0.7
Total	$ 4,943,511	$ 423,487	100.0%	$ 4,524,725	100.0%

Property Type	As of December 31, 2019				
	Loan Commitment	Unfunded Commitment	% of Loan Commitment	Loan UPB	% of Loan UPB
Office	$ 2,925,749	$ 438,800	52.0%	$ 2,486,949	49.9%
Multifamily	1,104,946	69,061	19.6	1,035,885	20.7
Hotel	752,293	40,088	13.4	712,205	14.2
Mixed-Use	604,993	78,835	10.7	526,158	10.5
Condominium	95,784	1,524	1.7	94,260	1.9
Retail	33,000	2,281	0.6	30,719	0.6
Other	112,000	—	2.0	112,000	2.2
Total	$ 5,628,765	$ 630,589	100.0%	$ 4,998,176	100.0%

Loan commitments represent principal commitments made by the Company, and do not include capitalized interest resulting from certain loan modifications of $4.7 million and $0.0 million at December 31, 2020 and December 31, 2019, respectively.

Geography

All of the Company's loans held for investment are secured by properties within the United States. The geographic composition of loans held for investment based on total loan commitment and current unpaid principal balance as of December 31, 2020 and December 31, 2019 is as follows (dollars in thousands):

Geographic Region	December 31, 2020				
	Loan Commitment	Unfunded Commitment	% of Loan Commitment	Loan UPB	% of Loan UPB
East	$ 2,009,022	$ 152,487	40.6%	$ 1,856,535	41.0%
South	1,289,141	97,405	26.1	1,192,852	26.4
West	1,128,897	121,738	22.8	1,009,589	22.3
Midwest	428,351	49,478	8.7	379,173	8.4
Various	88,100	2,379	1.8	86,576	1.9
Total	$ 4,943,511	$ 423,487	100.0%	$ 4,524,725	100.0%

Geographic Region	December 31, 2019				
	Loan Commitment	Unfunded Commitment	% of Loan Commitment	Loan UPB	% of Loan UPB
East	$ 2,182,659	$ 214,938	38.7%	$ 1,967,721	39.4%
West	1,397,431	201,690	24.8	1,195,741	23.9
South	1,342,794	124,939	23.9	1,217,855	24.4
Midwest	482,804	83,178	8.6	399,626	8.0
Various	223,077	5,844	4.0	217,233	4.3
Total	$ 5,628,765	$ 630,589	100.0%	$ 4,998,176	100.0%

Loan commitments represent principal commitments made by the Company, and do not include capitalized interest resulting from certain loan modifications of $4.7 million and $0.0 million at December 31, 2020 and December 31, 2019, respectively.

Category

A summary of the loan portfolio by category as of December 31, 2020 and December 31, 2019 based on total loan commitment and current unpaid principal balance is as follows (dollars in thousands):

	December 31, 2020				
Loan Category	**Loan Commitment**	**Unfunded Commitment**	**% of Loan Commitment**	**Loan UPB**	**% of Loan UPB**
Light Transitional	$ 1,937,644	$ 173,518	39.2%	$ 1,764,126	39.0%
Moderate Transitional	1,633,131	224,532	33.0	1,410,145	31.2
Bridge	1,337,736	22,953	27.1	1,317,938	29.1
Construction	35,000	2,484	0.7	32,516	0.7
Total	$ 4,943,511	$ 423,487	100.0%	$ 4,524,725	100.0%

	December 31, 2019				
Loan Category	**Loan Commitment**	**Unfunded Commitment**	**% of Loan Commitment**	**Loan UPB**	**% of Loan UPB**
Bridge	$ 2,001,962	$ 49,057	35.6%	$ 1,952,905	39.1%
Light Transitional	1,890,762	219,138	33.6	1,671,624	33.4
Moderate Transitional	1,701,041	347,394	30.2	1,353,647	27.1
Construction	35,000	15,000	0.6	20,000	0.4
Total	$ 5,628,765	$ 630,589	100.0%	$ 4,998,176	100.0%

Loan commitments represent principal commitments made by the Company, and do not include capitalized interest resulting from certain loan modifications of $4.7 million and $0.0 million at December 31, 2020 and December 31, 2019, respectively.

Impact of COVID-19 on Concentration of Credit Risk

The potential negative impacts on the Company's business caused by COVID-19 may be heightened by the fact that the Company is not required to observe specific diversification criteria, which means that the Company's investments may be concentrated in certain property types, geographical areas or loan categories that are more adversely affected by COVID-19 than other property types, geographical areas or loan categories. For example, certain of the loans in the Company's loan portfolio are secured by office buildings, hotels and retail properties. Federal and state mandates implemented to control the spread of COVID-19, including restrictions on freedom of movement and business operations such as travel bans, border closings, business closures, quarantines and shelter-in-place orders, have and are likely to continue to negatively impact the hotel and retail industries, which could adversely affect the Company's investments in assets secured by properties that operate in these industries. Also, changes in how certain types of commercial properties are used while maintaining social distancing and other techniques intended to control the impact of COVID-19 (for example, office buildings may be adversely impacted by a possible reversal in the recent trend toward increased densification of office space, or a preference by office users for suburban properties less reliant on public transportation to safely deliver their employees to and from the workplace) have and are likely to impact our investments secured by these properties. Additional regional surges in infection rates or reversed re-openings could adversely affect the Company's loan investments secured by properties in these regions.

(17) Subsequent Events

The following events occurred subsequent to December 31, 2020:

- On February 16, 2020, the Company extended for a term of one year, through May 4, 2022, the existing secured credit facility with Morgan Stanley Bank with a commitment amount of $500.0 million.
- As of February 23, 2021, the Company is in the process of closing one first mortgage loan with a total commitment of $50.2 million, and an expected initial funding amount of $47.7 million. This loan will be funded with a combination of cash-on-hand and borrowings.

Schedule IV - Mortgage Loans on Real Estate
As of December 31, 2020
(Dollars in Thousands)

Type of Loan/Borrower Senior Mortgage Loans (1)	Description / Location	Interest Payment Rates	Extended Maturity Date (2)	Periodic Payment Terms (3)	Prior Liens (4)	Unpaid Principal Balance	Carrying Amount of Loans (5)
Senior Loans in excess of 3% of the carrying amount of total loans							
Borrower A	Senior Loan / New York	L+1.6%	2024	I/O	$ —	$ 283,574	$ 282,238
Borrower B	Senior Loan / Various	L+2.9%	2024	I/O	—	204,085	203,126
Borrower C	Senior Loan / Philadelphia	L+2.7%	2023	I/O	—	185,330	184,596
Borrower D	Senior Loan / Detroit	L+3.6%	2024	I/O	—	184,045	183,906
Borrower E	Senior Loan / New York	L+2.9%	2024	I/O	—	181,489	180,435
Borrower F	Senior Loan / San Diego	L+3.0%	2024	I/O	—	173,764	172,609
Borrower G	Senior Loan / Brookhaven (Atlanta)	L+3.4%	2024	I/O	—	171,276	170,266
Borrower H	Senior Loan / Philadelphia	L+4.3%	2022	I/O	—	167,205	165,675
Borrower I	Senior Loan / Charlotte	L+3.8%	2022	I/O	—	165,000	161,485
Borrower J	Senior Loan / Various	L+3.8%	2023	I/O	—	161,545	161,180
Borrower K	Senior Loan / Houston	L+2.8%	2023	I/O	—	155,965	149,932
Senior Loans less than 3% of the carrying amount of total loans							
Senior Loan	Office / Diversified	Floating L+2.5% - 3.9%	2022 - 2025	IO	—	$ 1,053,620	$ 1,045,614
Senior Loan	Multifamily / Diversified	Floating L+2.7% - 3.5%	2020 - 2025	IO	—	415,507	409,084
Senior Loan	Mixed-Use / Diversified	Floating L+2.6% - 3.9%	2021 - 2024	IO	—	399,630	397,009
Senior Loan	Hotel / Diversified	Floating L+3.0% - 10.3%	2022 - 2024	IO	—	533,972	511,865
Senior Loan	Condominium / Diversified	Floating L+5.1% - 5.1%	2020 - 2021	IO	—	25,049	25,048
Senior Loan	Retail / CA	Floating L+3.7% - 3.7%	2023	IO	—	31,153	21,770
Total senior loans					$ —	$ 4,492,209	$ 4,425,838
Subordinate loans (6)							
Subordinate loans less than 3% of the carrying amount of total loans							
Senior Loan	Hotel / CA	Floating L+10.3%	2025	IO	—	32,516	30,622
Total subordinate loans					$ —	$ 32,516	$ 30,622
Total Loans					$ —	$ 4,524,725	$ 4,456,460

(1) Includes senior mortgage loans, related contiguous subordinate loans, and *pari passu* participations in senior mortgage loans.
(2) Extended maturity date assumes all extension options are exercised.
(3) I/O = interest only, P/I = principal and interest.
(4) Represents only third-party liens.
(5) The aggregate tax basis of the loans is $4.5 billion as of December 31, 2020.
(6) Includes subordinate interests in mortgages and mezzanine loans.

1. Reconciliation of Mortgage Loans on Real Estate:

The following table reconciles activity regarding mortgage loans on real estate for the years ended:

	2020	2019	2018
Balance at January 1,	$ 4,980,389	$ 4,293,787	$ 3,175,672
Additions during period:			
Loans originated	430,050	2,341,692	2,071,391
Additional fundings	237,856	268,356	258,308
Amortization of deferred fees and expenses	11,345	16,345	16,907
Deductions during period:			
Collection of principal	(885,565)	(1,880,222)	(1,150,241)
Loan sales	(145,675)	(59,569)	(78,250)
Loan extinguishment on conversion to REO	(112,000)	—	—
Allowance for credit losses	(59,940)	—	—
Balance at December 31,	$ 4,456,460	$ 4,980,389	$ 4,293,787

Exhibit 3.1(b)

TPG RE FINANCE TRUST, INC.

ARTICLES SUPPLEMENTARY

TPG RE Finance Trust, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: Under a power contained in Article VI of the charter of the Corporation (the "Charter"), the Board of Directors of the Corporation (the "Board of Directors"), by duly adopted resolutions, reclassified and designated 2,500,000 authorized but unissued shares (the "Reclassified Common Stock"), of the Corporation's Class A Common Stock, $0.001 par value per share (the "Class A Common Stock"), as additional shares of undesignated common stock, $0.001 par value per share (the "Common Stock"), of the Corporation.

SECOND: The Common Stock reclassified as set forth above shall have the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms and conditions of redemption of shares of Common Stock as set forth in the Charter.

THIRD: The shares of Reclassified Common Stock have been reclassified by the Board of Directors under the authority contained in the Charter.

FOURTH: These Articles Supplementary have been approved by the Board of Directors in the manner and by the vote required by law. The total number of authorized shares of capital stock of the Corporation will not change as a result of these Articles Supplementary.

FIFTH: After giving effect to the foregoing reclassification, the total number of shares of capital stock which the Corporation has authority to issue is 402,500,000, consisting of 302,500,000 shares of Common Stock and 100,000,000 shares of Preferred Stock, $0.001 par value per share, of which 125 shares are classified and designated as 12.5% Series A Cumulative Non-Voting Preferred Stock, $0.001 par value per share. The aggregate par value of all shares of stock having par value is $402,500.

SIXTH: The undersigned officer of the Corporation acknowledges these Articles Supplementary to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned officer acknowledges that, to the best of such officer's knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

-Signature Page Follows-

IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be executed in its name and on its behalf by its Vice President and attested to by its Vice President, General Counsel and Corporate Secretary on this 14th day of February, 2020.

ATTEST:		TPG RE FINANCE TRUST, INC.	
By:	/s/Deborah Ginsberg	By:	/s/ Matthew Coleman
Name:	Deborah Ginsberg	Name:	Matthew Coleman
Title:	Vice President, General Counsel and Corporate Secretary	Title:	Vice President

TPG RE FINANCE TRUST, INC.

SECOND AMENDED AND RESTATED BYLAWS

ARTICLE I
OFFICES

Section 1. PRINCIPAL OFFICE. The principal office of the Corporation in the State of Maryland shall be located at such place as the Board of Directors may designate.

Section 2. ADDITIONAL OFFICES. The Corporation may have additional offices, including a principal executive office, at such places as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 1. PLACE. All meetings of stockholders shall be held at the principal executive office of the Corporation or at such other place as shall be set in accordance with these Bylaws and stated in the notice of the meeting.

Section 2. ANNUAL MEETING. An annual meeting of stockholders for the election of directors and the transaction of any business within the powers of the Corporation shall be held on the date and at the time and place set by the Board of Directors.

Section 3. SPECIAL MEETINGS.

(a) General. Each of the chairman of the board, chief executive officer, president and Board of Directors may call a special meeting of stockholders. Except as provided in subsection (b)(4) of this Section 3, a special meeting of stockholders shall be held on the date and at the time and place set by the chairman of the board, chief executive officer, president or Board of Directors, whoever has called the meeting. Subject to subsection (b) of this Section 3, a special meeting of stockholders shall also be called by the secretary of the Corporation to act on any matter that may properly be considered at a meeting of stockholders upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast on such matter at such meeting.

(b) Stockholder-Requested Special Meetings. (1) Any stockholder of record seeking to have stockholders request a special meeting shall, by sending written notice to the secretary (the "Record Date Request Notice") by registered mail, return receipt requested, request the Board of Directors to fix a record date to determine the stockholders entitled to request a special meeting (the "Request Record Date"). The Record Date Request Notice shall set forth the purpose of the meeting and the matters proposed to be acted on at such meeting, shall be signed by one or more stockholders of record as of the date of signature (or their agents duly authorized in a writing accompanying the Record Date Request Notice), shall bear the date of signature of each such stockholder (or such agent) and shall set forth all information relating to each such stockholder and each matter proposed to be acted on at the meeting that would be required to be disclosed in connection with the solicitation of proxies for the election of directors or the election of each such individual, as applicable, in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such a solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "Exchange Act"). Upon receiving the Record Date Request Notice, the Board of Directors may fix a Request Record Date. The Request Record Date shall not precede and shall not be more than ten days after the close of business on the date on which the resolution fixing the Request Record Date is adopted by the Board of Directors. If the Board of Directors, within ten days after the date on which a valid Record Date Request Notice is received, fails to adopt a resolution fixing the Request Record Date, the Request Record Date shall be the close of business on the tenth day after the first date on which a Record Date Request Notice is received by the secretary.

(2) In order for any stockholder to request a special meeting to act on any matter that may properly be considered at a meeting of stockholders, one or more written requests for a special meeting (collectively, the "Special Meeting Request") signed by stockholders of record (or their agents duly authorized in a writing accompanying the request) as of the Request Record Date entitled to cast not less than a majority of all of the votes entitled to be cast on such matter at such meeting (the "Special Meeting Percentage") shall be delivered to the secretary. In addition, the Special Meeting Request shall (a) set forth the purpose of the meeting and the matters proposed to be acted on at it (which shall be limited to those lawful matters set forth in the Record Date Request Notice received by the secretary), (b) bear the date of signature of each such stockholder (or such agent) signing the Special Meeting Request, (c) set forth (i) the name and address, as they appear in the Corporation's books, of each stockholder signing such request (or on whose behalf the Special Meeting Request is signed), (ii) the class, series and number of all shares of stock of the Corporation which are owned (beneficially or of record) by each such stockholder and (iii) the nominee holder for, and number of, shares of stock of the Corporation owned beneficially but not of record by such stockholder, (d) be sent to the secretary by registered mail, return receipt requested, and (e) be received by the secretary within 60 days after the Request Record Date. Any requesting stockholder (or agent duly authorized in a writing accompanying the revocation of the Special Meeting Request) may revoke his, her or its request for a special meeting at any time by written revocation delivered to the secretary.

(3) The secretary shall inform the requesting stockholders of the reasonably estimated cost of preparing and mailing or delivering the notice of the meeting (including the Corporation's proxy materials). The secretary shall not be required to call a special meeting upon stockholder request and such meeting shall not be held unless, in addition to the documents required by paragraph (2) of this Section 3(b), the secretary receives payment of such reasonably estimated cost prior to the preparation and mailing or delivery of such notice of the meeting.

(4) In the case of any special meeting called by the secretary upon the request of stockholders (a "Stockholder-Requested Meeting"), such meeting shall be held at such place, date and time as may be designated by the Board of Directors; *provided*, however, that the date of any Stockholder-Requested Meeting shall be not more than 90 days after the record date for such meeting (the "Meeting Record Date"); and *provided further* that if the Board of Directors fails to designate, within ten days after the date that a valid Special Meeting Request is actually received by the secretary (the "Delivery Date"), a date and time for a Stockholder-Requested Meeting, then such meeting shall be held at 2:00 p.m., local time, on the 90th day after the Meeting Record Date or, if such 90th day is not a Business Day (as defined below), on the first preceding Business Day; and *provided further* that in the event that the Board of Directors fails to designate a place for a Stockholder-Requested Meeting within ten days after the Delivery Date, then such meeting shall be held at the principal executive office of the Corporation. In fixing a date for a Stockholder-Requested Meeting, the Board of Directors may consider such factors as it deems relevant, including, without limitation, the nature of the matters to be considered, the facts and circumstances surrounding any request for the meeting and any plan of the Board of Directors to call an annual meeting or a special meeting. In the case of any Stockholder-Requested Meeting, if the Board of Directors fails to fix a Meeting Record Date that is a date within 30 days after the Delivery Date, then the close of business on the 30th day after the Delivery Date shall be the Meeting Record Date. The Board of Directors may revoke the notice for any Stockholder-Requested Meeting in the event that the requesting stockholders fail to comply with the provisions of paragraph (3) of this Section 3(b).

(5) If written revocations of the Special Meeting Request have been delivered to the secretary and the result is that stockholders of record (or their agents duly authorized in writing), as of the Request Record Date, entitled to cast less than the Special Meeting Percentage have delivered, and not revoked, requests for a special meeting on the matter to the secretary: (i) if the notice of meeting has not already been delivered, the secretary shall refrain from delivering the notice of the meeting and send to all requesting stockholders who have not revoked such requests written notice of any revocation of a request for a special meeting on the matter, or (ii) if the notice of meeting has been delivered and if the secretary first sends to all requesting stockholders who have not revoked requests for a special meeting on the matter written notice of any revocation of a request for the special meeting and written notice of the Corporation's intention to revoke the notice of the meeting or for the chairman of the meeting to adjourn the meeting without action on the matter, (A) the secretary may revoke the notice of the meeting at any time before ten days before the commencement of the meeting or (B) the chairman of the meeting may call the meeting to order and adjourn the meeting from time to time without acting on the matter. Any request for a special meeting received after a revocation by the secretary of a notice of a meeting shall be considered a request for a new special meeting.

(6) The chairman of the board, chief executive officer, president or Board of Directors may appoint regionally or nationally recognized independent inspectors of elections to act as the agent of the Corporation for the purpose of promptly performing a ministerial review of the validity of any purported Special Meeting Request received by the secretary. For the purpose of permitting the inspectors to perform such review, no such purported Special Meeting Request shall be deemed to have been received by the secretary until the earlier of (i) five Business Days after actual receipt by the secretary of such purported request and (ii) such date as the independent inspectors certify to the Corporation that the valid requests received by the secretary represent, as of the Request Record Date, stockholders of record entitled to cast not less than the Special Meeting Percentage. Nothing contained in this paragraph (6) shall in any way be construed to suggest or imply that the Corporation or any stockholder shall not be entitled to contest the validity of any request, whether during or after such five Business Day period, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

(7) For purposes of these Bylaws, "Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

Section 4. NOTICE. Not less than ten nor more than 90 days before each meeting of stockholders, the secretary shall give to each stockholder entitled to vote at such meeting and to each stockholder not entitled to vote who is entitled to notice of the meeting notice in writing or by electronic transmission stating the time and place of the meeting and, in the case of a special meeting or as otherwise may be required by any statute, the purpose for which the meeting is called, by mail, by presenting it to such stockholder personally, by leaving it at the stockholder's residence or usual place of business, by electronic transmission or by any other means permitted by Maryland law. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the stockholder at the stockholder's address as it appears on the records of the Corporation, with postage thereon prepaid. If transmitted electronically, such notice shall be deemed to be given when transmitted to the stockholder by an electronic transmission to any address or number of the stockholder at which the stockholder receives electronic transmissions. The Corporation may give a single notice to all stockholders who share an address, which single notice shall be effective as to any stockholder at such address, unless such stockholder objects to receiving such single notice or revokes a prior consent to receiving such single notice. Failure to give notice of any meeting to one or more stockholders, or any irregularity in such notice, shall not affect the validity of any meeting fixed in accordance with this Article II or the validity of any proceedings at any such meeting.

Subject to Section 11(a) of this Article II, any business of the Corporation may be transacted at an annual meeting of stockholders without being specifically designated in the notice, except such business as is required by any statute to be stated in such notice. No business shall be transacted at a special meeting of stockholders except as specifically designated in the notice. The Corporation may postpone or cancel a meeting of stockholders by making a public announcement (as defined in Section 11(c)(3) of this Article II) of such postponement or cancellation prior to the meeting. Notice of the date, time and place to which the meeting is postponed shall be given not less than ten days prior to such date and otherwise in the manner set forth in this section.

Section 5. ORGANIZATION AND CONDUCT. Every meeting of stockholders shall be conducted by an individual appointed by the Board of Directors to be chairman of the meeting or, in the absence of such appointment or appointed individual, by the chairman of the board or, in the case of a vacancy in the office or absence of the chairman of the board, by one of the following officers present at the meeting in the following order: the vice chairman of the board, if there is one, the chief executive officer, the president, the vice presidents in their order of rank and, within each rank, in their order of seniority, the secretary, or, in the absence of such officers, a chairman chosen by the stockholders by the vote of a majority of the votes cast by stockholders present in person or by proxy. The secretary or, in the case of a vacancy in the office or absence of the secretary, an assistant secretary or an individual appointed by the Board of Directors or the chairman of the meeting shall act as secretary. In the event that the secretary presides at a meeting of stockholders, an assistant secretary, or, in the absence of all assistant secretaries, an individual appointed by the Board of Directors or the chairman of the meeting, shall record the minutes of the meeting. The order of business and all other matters of procedure at any meeting of stockholders shall be determined by the chairman of the meeting. The chairman of the meeting may prescribe such rules, regulations and procedures and take such action as, in the discretion of the chairman and without any action by the stockholders, are appropriate for the proper conduct of the meeting, including, without limitation, (a) restricting admission to the time set for the commencement of the

meeting; (b) limiting attendance or participation at the meeting to stockholders of record of the Corporation, their duly authorized proxies and such other individuals as the chairman of the meeting may determine; (c) limiting the time allotted to questions or comments; (d) determining when and for how long the polls should be opened and when the polls should be closed and when announcement of the results should be made; (e) maintaining order and security at the meeting; (f) removing any stockholder or any other individual who refuses to comply with meeting procedures, rules or guidelines as set forth by the chairman of the meeting; (g) concluding a meeting or recessing or adjourning the meeting, whether or not a quorum is present, to a later date and time and at a place announced at the meeting; and (h) complying with any state and local laws and regulations concerning safety and security. Unless otherwise determined by the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with any rules of parliamentary procedure.

Section 6. QUORUM. At any meeting of stockholders, the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting on any matter shall constitute a quorum; but this section shall not affect any requirement under any statute or the charter of the Corporation (the "Charter") for the vote necessary for the approval of any matter. If such quorum is not established at any meeting of the stockholders, the chairman of the meeting may adjourn the meeting from time to time to a date not more than 120 days after the original record date without notice other than announcement at the meeting.

The stockholders present either in person or by proxy, at a meeting which has been duly called and at which a quorum has been established, may continue to transact business until adjournment, notwithstanding the withdrawal from the meeting of enough stockholders to leave fewer than would be required to establish a quorum.

Section 7. VOTING. A plurality of all the votes cast at a meeting of stockholders duly called and at which a quorum is present shall be sufficient to elect a director. Each share entitles the holder thereof to vote for as many individuals as there are directors to be elected and for whose election the holder is entitled to vote. A majority of the votes cast at a meeting of stockholders duly called and at which a quorum is present shall be sufficient to approve any other matter which may properly come before the meeting, unless more than a majority of the votes cast is required by statute or by the Charter. Unless otherwise provided by statute or by the Charter, each outstanding share of stock, regardless of class, entitles the holder thereof to cast one vote on each matter submitted to a vote at a meeting of stockholders. Voting on any question or in any election may be *viva voce* unless the chairman of the meeting shall order that voting be by ballot or otherwise.

Section 8. PROXIES. A holder of record of shares of stock of the Corporation may cast votes in person or by proxy executed by the stockholder or by the stockholder's duly authorized agent in any manner permitted by applicable law. Such proxy or evidence of authorization of such proxy shall be filed with the secretary of the Corporation before or at the meeting. No proxy shall be valid more than eleven months after its date unless otherwise provided in the proxy.

Section 9. VOTING OF STOCK BY CERTAIN HOLDERS. Stock of the Corporation registered in the name of a corporation, limited liability company, partnership, joint venture, trust or other entity, if entitled to be voted, may be voted by the president or a vice president, managing member, manager, general partner or trustee thereof, as the case may be, or a proxy appointed by any of the foregoing individuals, unless some other person who has been appointed to vote such stock pursuant to a bylaw or a resolution of the governing body of such corporation or other entity or agreement of the partners of a partnership presents a certified copy of such bylaw, resolution or agreement, in which case such person may vote such stock. Any trustee or fiduciary, in such capacity, may vote stock registered in such trustee's or fiduciary's name, either in person or by proxy.

Shares of stock of the Corporation directly or indirectly owned by it shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares entitled to be voted at any given time, unless they are held by it in a fiduciary capacity, in which case they may be voted and shall be counted in determining the total number of outstanding shares at any given time.

The Board of Directors may adopt by resolution a procedure by which a stockholder may certify in writing to the Corporation that any shares of stock registered in the name of the stockholder are held for the account of a specified person other than the stockholder. The resolution shall set forth the class of stockholders who may make the certification, the purpose for which the certification may be made, the form of certification and the information to be

contained in it; if the certification is with respect to a record date, the time after the record date within which the certification must be received by the Corporation; and any other provisions with respect to the procedure which the Board of Directors considers necessary or appropriate. On receipt by the secretary of the Corporation of such certification, the person specified in the certification shall be regarded as, for the purposes set forth in the certification, the holder of record of the specified stock in place of the stockholder who makes the certification.

Section 10. INSPECTORS. The Board of Directors or the chairman of the meeting may appoint, before or at the meeting, one or more inspectors for the meeting and any successor to the inspector. Except as otherwise provided by the chairman of the meeting, the inspectors, if any, shall (i) determine the number of shares of stock represented at the meeting, in person or by proxy, and the validity and effect of proxies, (ii) receive and tabulate all votes, ballots or consents, (iii) report such tabulation to the chairman of the meeting, (iv) hear and determine all challenges and questions arising in connection with the right to vote, and (v) do such acts as are proper to fairly conduct the election or vote. Each such report shall be in writing and signed by the inspector or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of shares represented at the meeting and the results of the voting shall be *prima facie* evidence thereof.

Section 11. ADVANCE NOTICE OF STOCKHOLDER NOMINEES FOR DIRECTOR AND OTHER STOCKHOLDER PROPOSALS.

(a) Annual Meetings of Stockholders. (1) Nominations of individuals for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Board of Directors or (iii) by any stockholder of the Corporation who was a stockholder of record at the record date set by the Board of Directors for the purpose of determining stockholders entitled to vote at the annual meeting, at the time of giving of notice by the stockholder as provided for in this Section 11(a) and at the time of the annual meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual so nominated or on any such other business and who has complied with this Section 11(a).

(2) For any nomination or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of paragraph (a)(1) of this Section 11, the stockholder must have given timely notice thereof in writing to the secretary of the Corporation and any such other business must otherwise be a proper matter for action by the stockholders. To be timely, a stockholder's notice shall set forth all information required under this Section 11 and shall be delivered to the secretary at the principal executive office of the Corporation not earlier than the 150th day nor later than 5:00 p.m., Eastern Time, on the 120th day prior to the first anniversary of the date of the proxy statement (as defined in Section 11(c)(3) of this Article II) for the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the preceding year's annual meeting, in order for notice by the stockholder to be timely, such notice must be so delivered not earlier than the 150th day prior to the date of such annual meeting and not later than 5:00 p.m., Eastern Time, on the later of the 120th day prior to the date of such annual meeting, as originally convened, or the tenth day following the day on which public announcement of the date of such meeting is first made. The public announcement of a postponement or adjournment of an annual meeting shall not commence a new time period for the giving of a stockholder's notice as described above.

(3) Such stockholder's notice shall set forth:

(i) as to each individual whom the stockholder proposes to nominate for election or reelection as a director (each, a "Proposed Nominee"), all information relating to the Proposed Nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the Proposed Nominee as a director in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act;

(ii) as to any other business that the stockholder proposes to bring before the meeting, a description of such business, the stockholder's reasons for proposing such business at the meeting and any material interest in such business of such stockholder or any Stockholder Associated Person (as defined below), individually or in the aggregate, including any anticipated benefit to the stockholder or the Stockholder Associated Person therefrom;

(iii) as to the stockholder giving the notice, any Proposed Nominee and any Stockholder Associated Person,

(A) the class, series and number of all shares of stock or other securities of the Corporation or any affiliate thereof (collectively, the "Company Securities"), if any, which are owned (beneficially or of record) by such stockholder, Proposed Nominee or Stockholder Associated Person, the date on which each such Company Security was acquired and the investment intent of such acquisition, and any short interest (including any opportunity to profit or share in any benefit from any decrease in the price of such stock or other security) in any Company Securities of any such person,

(B) the nominee holder for, and number of, any Company Securities owned beneficially but not of record by such stockholder, Proposed Nominee or Stockholder Associated Person,

(C) whether and the extent to which such stockholder, Proposed Nominee or Stockholder Associated Person, directly or indirectly (through brokers, nominees or otherwise), is subject to or during the last six months has engaged in any hedging, derivative or other transaction or series of transactions or entered into any other agreement, arrangement or understanding (including any short interest, any borrowing or lending of securities or any proxy or voting agreement), the effect or intent of which is to (I) manage risk or benefit of changes in the price of Company Securities for such stockholder, Proposed Nominee or Stockholder Associated Person or (II) increase or decrease the voting power of such stockholder, Proposed Nominee or Stockholder Associated Person in the Corporation or any affiliate thereof disproportionately to such person's economic interest in the Company Securities, and

(D) any substantial interest, direct or indirect (including, without limitation, any existing or prospective commercial, business or contractual relationship with the Corporation), by security holdings or otherwise, of such stockholder, Proposed Nominee or Stockholder Associated Person, in the Corporation or any affiliate thereof, other than an interest arising from the ownership of Company Securities where such stockholder, Proposed Nominee or Stockholder Associated Person receives no extra or special benefit not shared on a *pro rata* basis by all other holders of the same class or series;

(iv) as to the stockholder giving the notice, any Stockholder Associated Person with an interest or ownership referred to in clauses (ii) or (iii) of this paragraph (3) of this Section 11(a) and any Proposed Nominee,

(A) the name and address of such stockholder, as they appear on the Corporation's stock ledger, and the current name and business address, if different, of each such Stockholder Associated Person and any Proposed Nominee and

(B) the investment strategy or objective, if any, of such stockholder and each such Stockholder Associated Person who is not an individual and a copy of the prospectus, offering memorandum or similar document, if any, provided to investors or potential investors in such stockholder and each such Stockholder Associated Person;

(v) the name and address of any person who contacted or was contacted by the stockholder giving the notice or any Stockholder Associated Person about the Proposed Nominee or other business proposal; and

(vi) to the extent known by the stockholder giving the notice, the name and address of any other stockholder supporting the nominee for election or reelection as a director or the proposal of other business.

(4) Such stockholder's notice shall, with respect to any Proposed Nominee, be accompanied by a written undertaking executed by the Proposed Nominee (i) that such Proposed Nominee (a) is not, and will not become, a party to any agreement, arrangement or understanding with any person or entity other than the Corporation in connection with service or action as a director that has not been disclosed to the Corporation and (b) will serve as a director of the Corporation if elected; and (ii) attaching a completed Proposed Nominee questionnaire (which questionnaire shall be provided by the Corporation, upon request by the stockholder providing the notice, and shall include all information relating to the Proposed Nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the Proposed Nominee as a director in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act, or would be required pursuant to the rules of any national securities exchange on which any securities of the Corporation are listed or over-the-counter market on which any securities of the Corporation are traded).

(5) Notwithstanding anything in this subsection (a) of this Section 11 to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased, and there is no public announcement of such action at least 130 days prior to the first anniversary of the date of the proxy statement (as defined in Section 11(c)(3) of this Article II) for the preceding year's annual meeting, a stockholder's notice required by this Section 11(a) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the secretary at the principal executive office of the Corporation not later than 5:00 p.m., Eastern Time, on the tenth day following the day on which such public announcement is first made by the Corporation.

(6) For purposes of this Section 11, "Stockholder Associated Person" of any stockholder shall mean (i) any person acting in concert with such stockholder, (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder (other than a stockholder that is a depositary) and (iii) any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such stockholder or such Stockholder Associated Person.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of individuals for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected only (i) by or at the direction of the Board of Directors or (ii) provided that the special meeting has been called in accordance with Section 3(a) of this Article II for the purpose of electing directors, by any stockholder of the Corporation who is a stockholder of record at the record date set by the Board of Directors for the purpose of determining stockholders entitled to vote at the special meeting, at the time of giving of notice provided for in this Section 11 and at the time of the special meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual so nominated and who has complied with the notice procedures set forth in this Section 11. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more individuals to the Board of Directors, any stockholder may nominate an individual or individuals (as the case may be) for election as a director as specified in the Corporation's notice of meeting, if the stockholder's notice, containing the information required by paragraphs (a)(3) and (4) of this Section 11, is delivered to the secretary at the principal executive office of the Corporation not earlier than the 120th day prior to such special meeting and not later than 5:00 p.m., Eastern Time, on the later of the 90th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. The public announcement of a postponement or adjournment of a special meeting shall not commence a new time period for the giving of a stockholder's notice as described above.

(c) General. (1) If information submitted pursuant to this Section 11 by any stockholder proposing a nominee for election as a director or any proposal for other business at a meeting of stockholders shall be inaccurate in any material respect, such information may be deemed not to have been provided in accordance with this Section 11. Any such stockholder shall notify the Corporation of any inaccuracy or change (within two Business Days of becoming aware of such inaccuracy or change) in any such information. Upon written request by the secretary or the Board of Directors, any such stockholder shall provide, within five Business Days of delivery of such request (or such other period as may be specified in such request), (A) written verification, satisfactory, in the discretion of the Board of Directors or any authorized officer of the Corporation, to demonstrate the accuracy of any information submitted by

the stockholder pursuant to this Section 11, and (B) a written update of any information (including, if requested by the Corporation, written confirmation by such stockholder that it continues to intend to bring such nomination or other business proposal before the meeting) submitted by the stockholder pursuant to this Section 11 as of an earlier date. If a stockholder fails to provide such written verification or written update within such period, the information as to which written verification or a written update was requested may be deemed not to have been provided in accordance with this Section 11.

(2) Only such individuals who are nominated in accordance with this Section 11 shall be eligible for election by stockholders as directors, and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with this Section 11. The chairman of the meeting shall have the power to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with this Section 11.

(3) For purposes of this Section 11, "the date of the proxy statement" shall have the same meaning as "the date of the company's proxy statement released to shareholders" as used in Rule 14a-8(e) promulgated under the Exchange Act, as interpreted by the Securities and Exchange Commission from time to time. "Public announcement" shall mean disclosure (A) in a press release reported by the Dow Jones News Service, Associated Press, Business Wire, PR Newswire or other widely circulated news or wire service or (B) in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to the Exchange Act.

(4) Notwithstanding the foregoing provisions of this Section 11, a stockholder shall also comply with all applicable requirements of state law and of the Exchange Act with respect to the matters set forth in this Section 11. Nothing in this Section 11 shall be deemed to affect any right of a stockholder to request inclusion of a proposal in, or the right of the Corporation to omit a proposal from, any proxy statement filed by the Corporation with the Securities and Exchange Commission pursuant to Rule 14a-8 (or any successor provision) under the Exchange Act. Nothing in this Section 11 shall require disclosure of revocable proxies received by the stockholder or Stockholder Associated Person pursuant to a solicitation of proxies after the filing of an effective Schedule 14A by such stockholder or Stockholder Associated Person under Section 14(a) of the Exchange Act.

(5) Notwithstanding anything in these Bylaws to the contrary, except as otherwise determined by the chairman of the meeting, if the stockholder giving notice as provided for in this Section 11 does not appear in person or by proxy at such annual or special meeting to present each nominee for election as a director or the proposed business, as applicable, such matter shall not be considered at the meeting.

Section 12. TELEPHONE MEETINGS. The Board of Directors or chairman of the meeting may permit one or more stockholders to participate in a meeting by means of a conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means constitutes presence in person at the meeting.

Section 13. CONTROL SHARE ACQUISITION ACT. Notwithstanding any other provision of the Charter or these Bylaws, Title 3, Subtitle 7 of the Maryland General Corporation Law, or any successor statute (the "MGCL"), shall not apply to any acquisition by any person of shares of stock of the Corporation. This section may be repealed, in whole or in part, at any time, whether before or after an acquisition of control shares and, upon such repeal, may, to the extent provided by any successor bylaw, apply to any prior or subsequent control share acquisition.

ARTICLE III
DIRECTORS

Section 1. GENERAL POWERS. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors.

Section 2. NUMBER, TENURE, AND RESIGNATION. A majority of the entire Board of Directors may establish, increase or decrease the number of directors, provided that the number thereof shall never be less than the minimum number required by the MGCL, nor more than 12, and further provided that the tenure of office of a director shall not be affected by any decrease in the number of directors. Any director of the Corporation may resign at any

time by delivering his or her resignation to the Board of Directors, the chairman of the board or the secretary. Any resignation shall take effect immediately upon its receipt or at such later time specified in the resignation. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation.

Section 3. ANNUAL AND REGULAR MEETINGS. An annual meeting of the Board of Directors may be held on the same date and at the same place as the annual meeting of stockholders, and, if so held, no notice other than this Bylaw is necessary. In the event such meeting is not so held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors. The Board of Directors may provide, by resolution, the time and place of regular meetings of the Board of Directors without other notice than such resolution.

Section 4. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the chairman of the board, the chief executive officer, the president or a majority of the directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place of any special meeting of the Board of Directors called by them. The Board of Directors may provide, by resolution, the time and place of special meetings of the Board of Directors without other notice than such resolution.

Section 5. NOTICE. Notice of any special meeting of the Board of Directors shall be delivered personally or by telephone, electronic mail, facsimile transmission, courier or United States mail to each director at his or her business or residence address. Notice by personal delivery, telephone, electronic mail or facsimile transmission shall be given at least 24 hours prior to the meeting. Notice by United States mail shall be given at least three days prior to the meeting. Notice by courier shall be given at least two days prior to the meeting. Telephone notice shall be deemed to be given when the director or his or her agent is personally given such notice in a telephone call to which the director or his or her agent is a party. Electronic mail notice shall be deemed to be given upon transmission of the message to the electronic mail address given to the Corporation by the director. Facsimile transmission notice shall be deemed to be given upon completion of the transmission of the message to the number given to the Corporation by the director and receipt of a completed answer-back indicating receipt. Notice by United States mail shall be deemed to be given when deposited in the United States mail properly addressed, with postage thereon prepaid. Notice by courier shall be deemed to be given when deposited with or delivered to a courier properly addressed. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Board of Directors need be stated in the notice, unless specifically required by statute or these Bylaws.

Section 6. QUORUM. A majority of the directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that, if less than a majority of such directors is present at such meeting, a majority of the directors present may adjourn the meeting from time to time without further notice, and provided further that if, pursuant to applicable law, the Charter or these Bylaws, the vote of a majority or other percentage of a specified group of directors is required for action, a quorum must also include a majority or such other percentage of such group.

The directors present at a meeting which has been duly called and at which a quorum has been established may continue to transact business until adjournment, notwithstanding the withdrawal from the meeting of enough directors to leave fewer than required to establish a quorum.

Section 7. VOTING. The action of a majority of the directors present at a meeting at which a quorum is present shall be the action of the Board of Directors, unless the concurrence of a greater proportion is required for such action by applicable law, the Charter or these Bylaws. If enough directors have withdrawn from a meeting to leave fewer than required to establish a quorum, but the meeting is not adjourned, the action of the majority of that number of directors necessary to constitute a quorum at such meeting shall be the action of the Board of Directors, unless the concurrence of a greater proportion is required for such action by applicable law, the Charter or these Bylaws.

Section 8. ORGANIZATION. At each meeting of the Board of Directors, the chairman of the board or, in the absence of the chairman, the vice chairman of the board, if any, shall act as chairman of the meeting. In the absence of both the chairman and vice chairman of the board, the chief executive officer or, in the absence of the chief executive officer, the president or, in the absence of the president, a director chosen by a majority of the directors present, shall act as chairman of the meeting. The secretary or, in his or her absence, an assistant secretary of the Corporation, or, in

the absence of the secretary and all assistant secretaries, an individual appointed by the chairman of the meeting, shall act as secretary of the meeting.

Section 9. TELEPHONE MEETINGS. Directors may participate in a meeting by means of a conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 10. CONSENT BY DIRECTORS WITHOUT A MEETING. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if a consent to such action is given in writing or by electronic transmission by each director and is filed with the minutes of proceedings of the Board of Directors.

Section 11. VACANCIES. If for any reason any or all the directors cease to be directors, such event shall not terminate the Corporation or affect these Bylaws or the powers of the remaining directors hereunder. Except as may be provided by the Board of Directors in setting the terms of any class or series of capital stock, any vacancy on the Board of Directors may be filled only by a majority of the remaining directors, even if the remaining directors do not constitute a quorum. Any individual elected to fill a vacancy shall serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is elected and qualifies.

Section 12. COMPENSATION. Directors shall not receive any stated salary for their services as directors but, by resolution of the Board of Directors, may receive compensation per year and/or per meeting and/or per visit to real property or other facilities owned or leased by the Corporation and for any service or activity they performed or engaged in as directors. Directors may be reimbursed for expenses of attendance, if any, at each annual, regular or special meeting of the Board of Directors or of any committee thereof and for their expenses, if any, in connection with each property visit and any other service or activity they perform or engage in as directors; but nothing herein contained shall be construed to preclude any directors from serving the Corporation in any other capacity and receiving compensation therefor.

Section 13. RELIANCE. Each director and officer of the Corporation shall, in the performance of his or her duties with respect to the Corporation, be entitled to rely on any information, opinion, report or statement, including any financial statement or other financial data, prepared or presented by an officer or employee of the Corporation whom the director or officer reasonably believes to be reliable and competent in the matters presented, by a lawyer, certified public accountant or other person, as to a matter which the director or officer reasonably believes to be within the person's professional or expert competence, or, with respect to a director, by a committee of the Board of Directors on which the director does not serve, as to a matter within its designated authority, if the director reasonably believes the committee to merit confidence.

Section 14. RATIFICATION. The Board of Directors or the stockholders may ratify any action or inaction by the Corporation or its officers to the extent that the Board of Directors or the stockholders could have originally authorized the matter, and if so ratified, shall have the same force and effect as if originally duly authorized, and such ratification shall be binding upon the Corporation and its stockholders. Any action or inaction questioned in any proceeding on the ground of lack of authority, defective or irregular execution, adverse interest of a director, officer or stockholder, non-disclosure, miscomputation, the application of improper principles or practices of accounting or otherwise, may be ratified, before or after judgment, by the Board of Directors or by the stockholders, and such ratification shall constitute a bar to any claim or execution of any judgment in respect of such questioned action or inaction.

Section 15. CERTAIN RIGHTS OF DIRECTORS AND OFFICERS. Any director or officer, in his or her personal capacity or in a capacity as an affiliate, employee, or agent of any other person, or otherwise, may have business interests and engage in business activities similar to, in addition to or in competition with those of or relating to the Corporation.

Section 16. EMERGENCY PROVISIONS. Notwithstanding any other provision in the Charter or these Bylaws, this Section 16 shall apply during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the Board of Directors under Article III of these Bylaws cannot readily be obtained (an "Emergency"). During any Emergency, unless otherwise provided by the Board of Directors, (i) a meeting of the Board

of Directors or a committee thereof may be called by any director or officer by any means feasible under the circumstances; (ii) notice of any meeting of the Board of Directors during such an Emergency may be given less than 24 hours prior to the meeting to as many directors and by such means as may be feasible at the time, including publication, television or radio; and (iii) the number of directors necessary to constitute a quorum shall be one-third of the entire Board of Directors.

ARTICLE IV
COMMITTEES

Section 1. NUMBER, TENURE AND QUALIFICATIONS. The Board of Directors may appoint from among its members an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee and other committees, composed of one or more directors, to serve at the pleasure of the Board of Directors. In the absence of any member of any such committee, the members thereof present at any meeting, whether or not they constitute a quorum, may appoint another director to act in the place of such absent member.

Section 2. POWERS. The Board of Directors may delegate to any committee appointed under Section 1 of this Article any of the powers of the Board of Directors, except as prohibited by law. Except as may be otherwise provided by the Board of Directors, any committee may delegate some or all of its power and authority to one or more subcommittees, composed of one or more directors, as the committee deems appropriate in its sole discretion.

Section 3. MEETINGS. Notice of committee meetings shall be given in the same manner as notice for special meetings of the Board of Directors. A majority of the members of the committee shall constitute a quorum for the transaction of business at any meeting of the committee. The act of a majority of the committee members present at a meeting shall be the act of such committee. The Board of Directors may designate a chairman of any committee, and such chairman or, in the absence of a chairman, any two members of any committee (if there are at least two members of such committee) may fix the time and place of its meeting unless the Board shall otherwise provide.

Section 4. TELEPHONE MEETINGS. Members of a committee of the Board of Directors may participate in a meeting by means of a conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 5. CONSENT BY COMMITTEES WITHOUT A MEETING. Any action required or permitted to be taken at any meeting of a committee of the Board of Directors may be taken without a meeting, if a consent to such action is given in writing or by electronic transmission by each member of the committee and is filed with the minutes of proceedings of such committee.

Section 6. VACANCIES. Subject to the provisions hereof, the Board of Directors shall have the power at any time to change the membership of any committee, to appoint the chair of any committee, to fill any vacancy, to designate an alternate member to replace any absent or disqualified member or to dissolve any such committee.

ARTICLE V
OFFICERS

Section 1. GENERAL PROVISIONS. The officers of the Corporation shall include a president, a secretary and a treasurer and may include a chairman of the board, a vice chairman of the board, a chief executive officer, one or more vice presidents, a chief operating officer, a chief financial officer, one or more assistant secretaries and one or more assistant treasurers. In addition, the Board of Directors may from time to time elect such other officers with such powers and duties as it shall deem necessary or appropriate. The officers of the Corporation shall be elected annually by the Board of Directors, except that the chief executive officer or president may from time to time appoint one or more vice presidents, assistant secretaries and assistant treasurers or other officers. Each officer shall serve until his or her successor is elected and qualifies or until his or her death, or his or her resignation or removal in the manner hereinafter provided. Any two or more offices except president and vice president may be held by the same person. Election of an officer or agent shall not of itself create contract rights between the Corporation and such officer or agent.

Section 2. REMOVAL AND RESIGNATION. Any officer or agent of the Corporation may be removed, with or without cause, by the Board of Directors if in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer of the Corporation may resign at any time by delivering his or her resignation to the Board of Directors, the chairman of the board, the chief executive officer, the president or the secretary. Any resignation shall take effect immediately upon its receipt or at such later time specified in the resignation. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation. Such resignation shall be without prejudice to the contract rights, if any, of the Corporation.

Section 3. VACANCIES. A vacancy in any office may be filled by the Board of Directors for the balance of the term.

Section 4. CHAIRMAN OF THE BOARD. The Board of Directors may designate from among its members a chairman of the board, who shall not, solely by reason of these Bylaws, be an officer of the Corporation. The Board of Directors may designate the chairman of the board as an executive or non-executive chairman. The chairman of the board shall preside over the meetings of the Board of Directors. The chairman of the board shall perform such other duties as may be assigned to him or her by these Bylaws or the Board of Directors.

Section 5. CHIEF EXECUTIVE OFFICER. The Board of Directors may designate a chief executive officer. In the absence of such designation, the president of the Corporation shall be the chief executive officer of the Corporation. The chief executive officer shall have general responsibility for implementation of the policies of the Corporation, as determined by the Board of Directors, and for the management of the business and affairs of the Corporation. He or she may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law to be otherwise executed; and in general shall perform all duties incident to the office of chief executive officer and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. CHIEF OPERATING OFFICER. The Board of Directors may designate a chief operating officer. The chief operating officer shall have the responsibilities and duties as determined by the Board of Directors or the chief executive officer.

Section 7. CHIEF FINANCIAL OFFICER. The Board of Directors may designate a chief financial officer. The chief financial officer shall have the responsibilities and duties as determined by the Board of Directors or the chief executive officer.

Section 8. CHIEF RISK OFFICER. The Board of Directors may designate a chief risk officer. The chief risk officer shall have the responsibilities and duties as determined by the Board of Directors or the chief executive officer.

Section 9. PRESIDENT. In the absence of a chief executive officer, the president shall in general supervise and control all of the business and affairs of the Corporation. In the absence of a designation of a chief operating officer by the Board of Directors, the president shall be the chief operating officer. He or she may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law to be otherwise executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 10. VICE PRESIDENTS. In the absence of the president or in the event of a vacancy in such office, the vice president (or in the event there be more than one vice president, the vice presidents in the order designated at the time of their election or, in the absence of any designation, then in the order of their election) shall perform the duties of the president and when so acting shall have all the powers of and be subject to all the restrictions upon the president; and shall perform such other duties as from time to time may be assigned to such vice president by the chief executive officer, the president or the Board of Directors. The Board of Directors may designate one or more vice presidents as executive vice president, senior vice president, or vice president for particular areas of responsibility.

Section 11. SECRETARY. The secretary shall (a) keep the minutes of the proceedings of the stockholders, the Board of Directors and committees of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation; (d) keep a register of the post office address of each stockholder which shall be furnished to the secretary by such stockholder; (e) have general charge of the stock transfer books of the Corporation; and (f) in general perform such other duties as from time to time may be assigned to him or her by the chief executive officer, the president or the Board of Directors.

Section 12. TREASURER. The treasurer shall have the custody of the funds and securities of the Corporation, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors and in general perform such other duties as from time to time may be assigned to him or her by the chief executive officer, the president or the Board of Directors. In the absence of a designation of a chief financial officer by the Board of Directors, the treasurer shall be the chief financial officer of the Corporation.

The treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and Board of Directors, at the regular meetings of the Board of Directors or whenever it may so require, an account of all his or her transactions as treasurer and of the financial condition of the Corporation.

Section 13. ASSISTANT SECRETARIES AND ASSISTANT TREASURERS. The assistant secretaries and assistant treasurers, in general, shall perform such duties as shall be assigned to them by the secretary or treasurer, respectively, or by the chief executive officer, the president or the Board of Directors.

Section 14. COMPENSATION. The compensation of the officers shall be fixed from time to time by or under the authority of the Board of Directors and no officer shall be prevented from receiving such compensation by reason of the fact that he or she is also a director.

ARTICLE VI
CONTRACTS, CHECKS AND DEPOSITS

Section 1. CONTRACTS. The Board of Directors may authorize any officer or agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances. Any agreement, deed, mortgage, lease or other document shall be valid and binding upon the Corporation when duly authorized or ratified by action of the Board of Directors and executed by an authorized person.

Section 2. CHECKS AND DRAFTS. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or agent of the Corporation in such manner as shall from time to time be determined by the Board of Directors.

Section 3. DEPOSITS. All funds of the Corporation not otherwise employed shall be deposited or invested from time to time to the credit of the Corporation as the Board of Directors, the chief executive officer, the president, the chief financial officer, or any other officer designated by the Board of Directors may determine.

ARTICLE VII
STOCK

Section 1. CERTIFICATES. Except as may be otherwise provided by the Board of Directors or any officer of the Corporation, stockholders of the Corporation are not entitled to certificates representing the shares of stock held by them. In the event that the Corporation issues shares of stock represented by certificates, such certificates shall be in such form as prescribed by the Board of Directors or a duly authorized officer, shall contain the statements and information required by the MGCL and shall be signed by the officers of the Corporation in any manner permitted by the MGCL. In the event that the Corporation issues shares of stock without certificates, to the extent then required by

the MGCL the Corporation shall provide to the record holders of such shares a written statement of the information required by the MGCL to be included on stock certificates. There shall be no difference in the rights and obligations of stockholders based on whether or not their shares are represented by certificates.

Section 2. TRANSFERS. All transfers of shares of stock shall be made on the books of the Corporation in such manner as the Board of Directors or any officer of the Corporation may prescribe and, if such shares are certificated, upon surrender of certificates duly endorsed. The issuance of a new certificate upon the transfer of certificated shares is subject to the determination of the Board of Directors or an officer of the Corporation that such shares shall no longer be represented by certificates. Upon the transfer of any uncertificated shares, the Corporation shall provide to the record holders of such shares, to the extent then required by the MGCL, a written statement of the information required by the MGCL to be included on stock certificates.

The Corporation shall be entitled to treat the holder of record of any share of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise expressly provided by the laws of the State of Maryland.

Notwithstanding the foregoing, transfers of shares of any class or series of stock will be subject in all respects to the Charter and all of the terms and conditions contained therein.

Section 3. REPLACEMENT CERTIFICATE. Any officer of the Corporation may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, destroyed, stolen or mutilated, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, destroyed, stolen or mutilated; provided, however, if such shares have ceased to be certificated, no new certificate shall be issued unless requested in writing by such stockholder and the Board of Directors or an officer of the Corporation has determined that such certificates may be issued. Unless otherwise determined by an officer of the Corporation, the owner of such lost, destroyed, stolen or mutilated certificate or certificates, or his or her legal representative, shall be required, as a condition precedent to the issuance of a new certificate or certificates, to give the Corporation a bond in such sums as it may direct as indemnity against any claim that may be made against the Corporation.

Section 4. FIXING OF RECORD DATE. The Board of Directors may set, in advance, a record date for the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or determining stockholders entitled to receive payment of any dividend or the allotment of any other rights, or in order to make a determination of stockholders for any other proper purpose. Such record date, in any case, shall not be prior to the close of business on the day the record date is fixed and shall be not more than 90 days and, in the case of a meeting of stockholders, not less than ten days, before the date on which the meeting or particular action requiring such determination of stockholders of record is to be held or taken.

When a record date for the determination of stockholders entitled to notice of or to vote at any meeting of stockholders has been set as provided in this section, such record date shall continue to apply to the meeting if postponed or adjourned, except if the meeting is postponed or adjourned to a date more than 120 days after the record date originally fixed for the meeting, in which case a new record date for such meeting shall be determined as set forth herein.

Section 5. STOCK LEDGER. The Corporation shall maintain at its principal office or at the office of its counsel, accountants or transfer agent, an original or duplicate stock ledger containing the name and address of each stockholder and the number of shares of each class held by such stockholder.

Section 6. FRACTIONAL STOCK; ISSUANCE OF UNITS. The Board of Directors may authorize the Corporation to issue fractional shares of stock or authorize the issuance of scrip, all on such terms and under such conditions as it may determine. Notwithstanding any other provision of the Charter or these Bylaws, the Board of Directors may authorize the issuance of units consisting of different securities of the Corporation.

ARTICLE VIII
ACCOUNTING YEAR

The Board of Directors shall have the power, from time to time, to fix the fiscal year of the Corporation by a duly adopted resolution.

ARTICLE IX
DISTRIBUTIONS

Section 1. AUTHORIZATION. Dividends and other distributions upon the stock of the Corporation may be authorized by the Board of Directors, subject to the provisions of law and the Charter. Dividends and other distributions may be paid in cash, property or stock of the Corporation, subject to the provisions of law and the Charter.

Section 2. CONTINGENCIES. Before payment of any dividend or other distribution, there may be set aside out of any assets of the Corporation available for dividends or other distributions such sum or sums as the Board of Directors may from time to time, in its sole discretion, think proper as a reserve fund for contingencies, for equalizing dividends, for repairing or maintaining any property of the Corporation or for such other purpose as the Board of Directors shall determine, and the Board of Directors may modify or abolish any such reserve.

ARTICLE X
INVESTMENT POLICY

Subject to the provisions of the Charter, the Board of Directors may from time to time adopt, amend, revise or terminate any policy or policies with respect to investments by the Corporation as it shall deem appropriate in its sole discretion.

ARTICLE XI
SEAL

Section 1. SEAL. The Board of Directors may authorize the adoption of a seal by the Corporation. The seal shall contain the name of the Corporation and the year of its incorporation and the words "Incorporated Maryland." The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof.

Section 2. AFFIXING SEAL. Whenever the Corporation is permitted or required to affix its seal to a document, it shall be sufficient to meet the requirements of any law, rule or regulation relating to a seal to place the word "(SEAL)" adjacent to the signature of the person authorized to execute the document on behalf of the Corporation.

ARTICLE XII
INDEMNIFICATION AND ADVANCE OF EXPENSES

To the maximum extent permitted by Maryland law in effect from time to time, the Corporation shall indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, shall pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (a) any individual who is a present or former director or officer of the Corporation and who is made, or threatened to be made, a party to, or witness in, the proceeding by reason of his or her service in that capacity or (b) any individual who, while a director or officer of the Corporation and at the request of the Corporation, serves or has served as a director, officer, trustee, member, manager or partner of another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made, or threatened to be made, a party to, or witness in, the proceeding by reason of his or her service in that capacity. The rights to indemnification and advance of expenses provided by the Charter and these Bylaws shall vest immediately upon election of a director or officer. The Corporation may, with the approval of its Board of Directors, provide such indemnification and advance for expenses to an individual who served a predecessor of the Corporation in any of the capacities described in (a) or (b) above and to any employee or agent of the Corporation or a predecessor of the Corporation. The indemnification and payment or reimbursement of expenses provided in these Bylaws shall not be deemed exclusive of or limit in any way

other rights to which any person seeking indemnification or payment or reimbursement of expenses may be or may become entitled under any bylaw, resolution, insurance, agreement or otherwise.

Neither the amendment nor repeal of this Article, nor the adoption or amendment of any other provision of the Charter or these Bylaws inconsistent with this Article, shall apply to or affect in any respect the applicability of the preceding paragraph with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

ARTICLE XIII
WAIVER OF NOTICE

Whenever any notice of a meeting is required to be given pursuant to the Charter or these Bylaws or pursuant to applicable law, a waiver thereof in writing or by electronic transmission, given by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of any meeting need be set forth in the waiver of notice of such meeting, unless specifically required by statute. The attendance of any person at any meeting shall constitute a waiver of notice of such meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

ARTICLE XIV
EXCLUSIVE FORUM FOR CERTAIN LITIGATION

Unless the Corporation consents in writing to the selection of an alternative forum, the Circuit Court for Baltimore City, Maryland, or, if that Court does not have jurisdiction, the United States District Court for the District of Maryland, Baltimore Division, shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation other than actions arising under the federal securities laws, (b) any action asserting a claim of breach of any duty owed by any director or officer or other employee of the Corporation to the Corporation or to the stockholders of the Corporation, (c) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation arising pursuant to any provision of the MGCL, the Charter or these Bylaws, or (d) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation (if any) that is governed by the internal affairs doctrine.

ARTICLE XV
AMENDMENT OF BYLAWS

The Board of Directors is expressly authorized to amend or repeal any provision of these Bylaws and to make new Bylaws. In addition, these Bylaws may be amended or repealed, and new Bylaws may be adopted by the stockholders of the Corporation, without the approval of the Board of Directors, by the affirmative vote of a majority of the votes entitled to be cast on the matter by stockholders entitled to vote generally in the election of directors.

DESCRIPTION OF CAPITAL STOCK

The following is a summary of the material terms of our securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of December 31, 2019, and provisions of our charter and bylaws. The summary is subject to and qualified in its entirely by reference to the charter and bylaws, each of which is filed as an exhibit to the Annual Report on Form 10-K. The following also summarizes certain provisions of the Maryland General Corporation Law (the "MGCL") and is subject to and qualified in its entirely by reference to the MGCL.

General

Our charter provides that we may issue up to 302,500,000 shares of common stock, par value $0.001 per share (our "common stock"), and 100,000,000 shares of preferred stock, $0.001 par value per share (our "preferred stock"), of which 125 shares are classified and designated as 12.5% Series A Cumulative Non-Voting Preferred Stock, $0.001 par value per share. Our charter authorizes our board of directors to amend our charter to increase or decrease the aggregate number of authorized shares of capital stock or the number of shares of capital stock of any class or series with the approval of a majority of our entire board of directors and without stockholder approval. As of February 13, 2020, 76,414,996 shares of our common stock were issued and outstanding and no shares of our preferred stock were issued and outstanding.

Under Maryland law, stockholders generally are not personally liable for our debts or obligations solely as a result of their status as stockholders.

Common Stock

Distribution and Liquidation Rights

Subject to the preferential rights of any other class or series of shares of capital stock and to the provisions of our charter regarding the restrictions on ownership and transfer of our capital stock, holders of shares of our common stock are entitled to receive dividends and other distributions on such shares out of assets legally available therefor if, as and when authorized by our board of directors and declared by us, and the holders of shares of our common stock are entitled to share ratably in our assets legally available for distribution to our stockholders in the event of our liquidation, dissolution or winding up after payment of or adequate provision for all our known debts and other liabilities.

Voting Rights

Subject to the provisions of our charter regarding the restrictions on ownership and transfer of shares of our capital stock and except as may otherwise be specified in the terms of any class or series of shares of our capital stock, each outstanding share of our common stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors, and, except as provided with respect to any other class or series of shares of capital stock, the holders of such shares of our common stock will possess the exclusive voting power. There is no cumulative voting in the election of our directors, which means that the holders of a majority of the outstanding shares of our capital stock entitled to vote in the election of directors can elect all of the directors then standing for election, and the holders of the remaining shares of such capital stock will not be able to elect any directors.

Other Rights

Holders of shares of our common stock have no preference, conversion, exchange, sinking fund or redemption rights and have no preemptive rights to subscribe for any securities of our company and generally have no appraisal rights. Subject to the provisions of our charter regarding the restrictions on ownership and transfer of shares of capital stock, holders of shares of our common stock will have equal dividend, liquidation and other rights.

Under the MGCL, a Maryland corporation generally cannot dissolve, amend its charter, merge or consolidate with or into or convert into another entity, sell all or substantially all of its assets outside the ordinary course of its business or engage in a statutory share exchange unless advised by its board of directors and approved by the

affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is set forth in the corporation's charter. Our charter provides that these matters (other than certain amendments to the provisions of our charter related to the removal of directors, the restrictions on ownership and transfer of our shares of capital stock and the vote required to amend these provisions) may be approved by a majority of all of the votes entitled to be cast on the matter. Because our operating assets may be held by our subsidiaries, these subsidiaries may be able to merge or transfer all or substantially all of their assets without the approval of our stockholders.

Listing

Our common stock is listed on the New York Stock Exchange under the trading symbol "TRTX."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC.

Power to Reclassify Our Unissued Shares of Stock

Our charter authorizes our board of directors to classify and reclassify any unissued shares of our common stock or preferred stock into other classes or series of capital stock. Prior to issuance of shares of each class or series, our board of directors is required by Maryland law and by our charter to set, subject to our charter restrictions on ownership and transfer of shares of our capital stock, the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of each class or series. Therefore, our board of directors could authorize the issuance of shares of common or preferred stock with terms and conditions that could have the effect of delaying, deferring or preventing a change in control or other transaction that might involve a premium price for shares of our common stock or otherwise be in the best interest of our then-existing stockholders.

Power to Increase or Decrease Authorized Shares of Common Stock and Preferred Stock and Issue Additional Shares of Common Stock and Preferred Stock

We believe that the power of our board of directors, without a stockholder vote, to amend our charter to increase or decrease the aggregate number of authorized shares of our common stock or preferred stock, to authorize us to issue additional shares of our common stock or preferred stock and to classify or reclassify unissued shares of our common stock or preferred stock and thereafter to authorize us to issue such classified or reclassified shares of common stock or preferred stock will provide us with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs that might arise. Any additional classes or series of our common stock or preferred stock, as well as the additional authorized shares of our common stock or preferred stock, will be available for issuance without further action by our stockholders, unless such action is required by applicable law, the terms of any class or series of our common stock or preferred stock or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded. Our board of directors could authorize us to issue a class or series of our common stock or preferred stock that could, depending upon the terms of the particular class or series, delay, defer or prevent a change in control or other transaction that might involve a premium price for shares of our common stock or otherwise be in the best interest of our then-existing stockholders.

Restrictions on Ownership and Transfer

In order for us to continue to qualify as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), our shares of stock must be owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year. Also, not more than 50% of the value of the outstanding shares of our stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the Internal Revenue Code to include certain entities) during the last half of a taxable year.

Our charter contains restrictions on the ownership and transfer of our stock. The relevant sections of our charter provide that, subject to the exceptions described below, no person or entity may own, or be deemed to own, by virtue of certain constructive ownership provisions of the Internal Revenue Code, more than 9.8% in value or in

number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our capital stock (which we refer to as the "ownership limit"). A person or entity that becomes subject to the ownership limit by virtue of a violative transfer that results in a transfer to a trust, as described below, is referred to as a "prohibited owner" if, had the violative transfer or other event been effective, the person or entity would have been a beneficial or constructive owner or, if appropriate, a record owner of shares of our capital stock in violation of the ownership limit or other restrictions.

The constructive ownership rules under the Internal Revenue Code are complex and may cause shares of stock owned actually or constructively by a group of related individuals or entities to be owned constructively by one individual or entity. As a result, the acquisition of less than 9.8% in value or in number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our capital stock (or the acquisition of an interest in an entity that owns, actually or constructively, shares of our capital stock), could, nevertheless, cause that individual or entity, or another individual or entity, to own constructively in excess of 9.8% in value or in number of shares, whichever is more restrictive, of the outstanding shares of the class or series of our capital stock and thereby subject the shares to the ownership limit.

Our board of directors may, in its sole discretion, prospectively or retroactively, exempt a person from the ownership limit for one or more classes and/or series of our capital stock. However, our board of directors may not exempt any person whose ownership of our outstanding stock would result in our failing to continue to qualify as a REIT. In order to be considered by our board of directors for exemption, a person also must provide such representations, covenants and undertakings as our board of directors may deem appropriate in order to conclude that granting the exemption would not cause us to fail to continue to qualify as a REIT. As a condition of its waiver, our board of directors may require an opinion of counsel or Internal Revenue Service ruling satisfactory to our board of directors with respect to our continued qualification as a REIT and may impose such conditions and restrictions as it deems appropriate.

Our board of directors may from time to time increase or decrease the ownership limit for one or more classes or series of our stock and for one or more persons; provided, however, that any decrease may be made only prospectively as to existing holders; and provided, further, that the ownership limit may not be increased if, after giving effect to such increase, five or fewer individuals could own in the aggregate more than 49.9% in value of the shares then outstanding or we would otherwise fail to qualify as a REIT. The reduced ownership limit will not apply to any person or entity whose percentage ownership of shares of our capital stock of a class or series is in excess of such decreased ownership limit until such time as such person's or entity's percentage of ownership of our capital stock of such class or series equals or falls below the decreased ownership limit, but any further acquisition of shares of our capital stock of such class or series by such person (other than a person subject to an excepted holder limit) will be in violation of the ownership limit.

Our charter provisions further prohibit:

- any person from beneficially or constructively owning, applying certain attribution rules of the Internal Revenue Code, shares of our capital stock that would result in our being "closely held" under Section 856(h) of the Internal Revenue Code (without regard to whether the ownership interest is held during the last half of the taxable year) or otherwise cause us to fail to qualify as a REIT; and

- any person from transferring shares of our capital stock if such transfer would result in shares of our capital stock being owned by fewer than 100 persons (determined without reference to any rules of attribution).

Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of shares of our capital stock that will or may violate any of the foregoing restrictions on ownership and transfer or any person who would have owned shares of our capital stock that resulted in a transfer of shares to a trust pursuant to the terms of our charter will be required to give immediate notice, or in the case of a proposed or attempted transaction, at least 15 days' prior written notice to us and provide us with such other information as we may request in order to determine the effect, if any, of such transfer on our qualification as a REIT. The foregoing restrictions on ownership and transfer will not apply if our board of directors determines that it is no longer in our best interests to continue to qualify as a REIT or that compliance with the applicable restriction or limitation is no longer required in order for us to qualify as a REIT.

Pursuant to our charter, if any transfer of shares of our capital stock would result in shares of our capital stock being owned by fewer than 100 persons, such transfer will be null and void and the intended transferee will acquire no rights in such shares. In addition, if any purported transfer of shares of our capital stock or any other event would otherwise result in any person violating the ownership limit or such other limit established by our board of directors or in our being "closely held" under Section 856(h) of the Internal Revenue Code or otherwise failing to qualify as a REIT, then that number of shares (rounded up to the nearest whole share) that would cause us to violate such restrictions will be automatically transferred, without further action by us or any other party, to, and held by, a trust for the exclusive benefit of one or more charitable organizations selected by us and the intended transferee will acquire no rights in such shares. The automatic transfer will be effective as of the close of business on the business day prior to the date of the violative transfer or other event that results in a transfer to the trust. Any dividend or other distribution paid to the prohibited owner, prior to our discovery that the shares had been automatically transferred to a trust as described above, must be paid to the trustee upon demand to be held in trust for the charitable beneficiary and any dividend or other distribution authorized but unpaid must be paid when due to the trustee. If the transfer to the trust as described above is not automatically effective, for any reason, to prevent violation of the ownership limit or our being "closely held" under Section 856(h) of the Internal Revenue Code or otherwise failing to qualify as a REIT, then our charter provides that the purported transfer of the shares that would cause a violation of the charter will be void, and the intended transferee will acquire no rights in such shares.

Shares of our capital stock transferred to the trustee are deemed offered for sale to us, or our designee, at a price per share equal to the lesser of (1) the price paid by the prohibited owner for the shares (or, if the event that resulted in the transfer to the trust did not involve the prohibited owner giving value to the shares (such as a devise or gift), the Market Price (as such term is defined in our charter) on the day of the event which resulted in the transfer of such shares of our capital stock to the trust) and (2) the Market Price on the date we accept, or our designee accepts, such offer. We may reduce the price payable to the prohibited owner by the amount of distributions paid to the prohibited owner and owed to the trustee. We have the right to accept such offer until the trustee has sold the shares of our capital stock held in the trust as discussed below. Upon a sale to us, the interest of the charitable beneficiary in the shares sold terminates, the trustee must distribute the net proceeds of the sale to the prohibited owner and any other amounts held by the trustee with respect to such shares of our capital stock will be paid to the charitable beneficiary.

If we do not buy the shares, the trustee must, within 20 days of receiving notice from us of the transfer of our shares to the trust, sell the shares to a person designated by the trustee who could own the shares without violating the ownership limit and the other restrictions on ownership and transfer of our stock. After that, the trustee must distribute to the prohibited owner an amount equal to the lesser of (1) the price paid by the prohibited owner for the shares (or, if the event which resulted in the transfer to the trust did not involve the prohibited owner giving value to the shares, the Market Price on the day of the event which resulted in the transfer of such shares of stock to the trust) and (2) the sales proceeds (net of commissions and other expenses of sale) received by the trust for the shares. The trustee may reduce the amount payable to the prohibited owner by the amount of distributions paid to the prohibited owner and owed to the trustee. Any net sales proceeds in excess of the amount payable to the prohibited owner will be immediately paid to the charitable beneficiary, together with any other amounts held by the trustee with respect to such shares. In addition, if prior to discovery by us that shares of our capital stock have been transferred to a trust, such shares of our capital stock are sold by a prohibited owner, then (a) such shares will be deemed to have been sold on behalf of the trust and (b) to the extent that the prohibited owner received an amount for or in respect of such shares that exceeds the amount that such prohibited owner was entitled to receive pursuant to this paragraph, such excess amount must be paid to the trustee upon demand. The prohibited owner has no voting or other rights in the shares held by the trustee.

The trustee will be designated by us and will be unaffiliated with us and with any prohibited owner. Prior to the sale of any shares by the trust, the trustee will receive, in trust for the charitable beneficiary, all dividends and other distributions paid by us with respect to the shares held in trust and may also exercise all voting rights with respect to the shares held in trust. These rights will be exercised for the exclusive benefit of the charitable beneficiary or beneficiaries. Any dividend or other distribution authorized but unpaid will be paid when due to the trustee.

Subject to Maryland law, effective as of the date that the shares have been transferred to the trust, the trustee will have the authority, at the trustee's sole and absolute discretion:

- to rescind as void any vote cast by a prohibited owner prior to our discovery that the shares have been transferred to the trust; and
- to recast the vote.

However, if we have already taken irreversible corporate action, then the trustee may not rescind and recast the vote.

In addition, if our board of directors determines that a proposed transfer would violate the restrictions on ownership and transfer of shares of our capital stock set forth in our charter, our board of directors may take such action as it deems advisable to refuse to give effect to or to prevent such transfer, including, but not limited to, causing us to redeem shares of our capital stock, refusing to give effect to the transfer on our books or instituting proceedings to enjoin the transfer.

Every owner of 5% or more (or such lower percentage as required by the Internal Revenue Code or the regulations promulgated thereunder) of the outstanding shares of our stock, within 30 days after the end of each taxable year, is required to give us written notice, stating his, her or its name and address, the number of shares of each class and/or series of our stock which he, she or it beneficially owns and a description of the manner in which the shares are held. Each such owner must provide us with such additional information as we may request in order to determine the effect, if any, of his, her or its beneficial ownership on our status as a REIT and to ensure compliance with the ownership limit. In addition, each stockholder and each person (including the stockholder of record) who is holding shares of our capital stock for a beneficial owner or constructive owner must upon demand provide us with such information as we may request in order to determine our status as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance and to ensure compliance with the ownership limit.

This ownership limit could delay, defer or prevent a transaction or a change in control that might involve a premium price for our capital stock or otherwise be in the best interest of our stockholders.

Certain Provisions of Maryland Law and of Our Charter and Bylaws

Number of Directors; Vacancies

Our charter and bylaws provide that the number of directors we have may be established only by our board of directors and may not be fewer than the minimum number required by the MGCL. Pursuant to our bylaws, the number of directors may not be more than 12. Our charter also provides that, except as may be provided by our board of directors in setting the terms of any class or series of our capital stock, any vacancy on our board of directors may be filled only by a majority of the remaining directors, even if the remaining directors do not constitute a quorum, and any individual elected to fill such a vacancy will serve for the remainder of the full term of the directorship in which the vacancy occurred and until his or her successor is duly elected and qualifies.

Pursuant to our bylaws, a plurality of all the votes cast in the election of directors at a meeting of stockholders at which a quorum is present is sufficient to elect a director. The presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at a meeting will constitute a quorum at any meeting of stockholders.

Removal of Directors

Our charter provides that, subject to the rights of any class or series of preferred stock, a director may be removed only for cause and only by the affirmative vote of at least two-thirds of all the votes of stockholders entitled to be cast generally in the election of directors. Cause means, with respect to any particular director, a conviction of a felony or a final judgment of a court of competent jurisdiction holding that such director caused demonstrable, material harm to us through bad faith or active and deliberate dishonesty. This provision, when coupled with the exclusive power of our board of directors to fill vacancies on our board of directors, precludes

stockholders from removing incumbent directors except upon a two-thirds affirmative vote and with cause and then filling the vacancies created by such removal with their own nominees.

Business Combinations

Under the MGCL, certain "business combinations" (including a merger, consolidation, share exchange or, in certain circumstances, an asset transfer or issuance or reclassification of equity securities) between a Maryland corporation and an interested stockholder (defined generally as any person who beneficially owns, directly or indirectly, 10% or more of the voting power of the corporation's outstanding voting stock or an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then outstanding capital stock of the corporation) or an affiliate of such an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. Thereafter, any such business combination must be recommended by the board of directors of such corporation and approved by the affirmative vote of at least (1) 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation and (2) two-thirds of the votes entitled to be cast by holders of shares of voting stock of the corporation other than shares held by the interested stockholder with whom (or with whose affiliate) the business combination is to be effected or held by an affiliate or associate of the interested stockholder, unless, among other conditions, the corporation's common stockholders receive a minimum price (as defined in the MGCL) for their shares and the consideration is received in cash or in the same form as previously paid by the interested stockholder for its shares.

These provisions of the MGCL do not apply, however, to business combinations that are approved or exempted by the board of directors prior to the time that the interested stockholder becomes an interested stockholder. Pursuant to the statute, our board of directors has by resolution exempted any business combination between us and any other person, provided that such business combination is first approved by our board of directors.

These provisions of the MGCL could have the effect of delaying, deferring or preventing a change in control or other transaction that might involve a premium price for shares of our common stock or otherwise be in the best interest of our then existing common stockholders.

Control Share Acquisitions

The MGCL provides that holders of "control shares" of a Maryland corporation acquired in a "control share acquisition" have no voting rights with respect to such control shares except to the extent approved at a special meeting of stockholders by the affirmative vote of at least two-thirds of the votes entitled to be cast on the matter, excluding shares of capital stock in a corporation in respect of which any of the following persons is entitled to exercise or direct the exercise of the voting power of such shares in the election of directors: (1) a person who makes or proposes to make a control share acquisition; (2) an officer of the corporation; or (3) an employee of the corporation who is also a director of the corporation. "Control shares" are shares of voting stock which, if aggregated with all other such shares of capital stock previously acquired by the acquirer, or in respect of which the acquirer is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise voting power in electing directors within one of the following ranges of voting power: (A) one-tenth or more but less than one-third; (B) one-third or more but less than a majority; or (C) a majority or more of all voting power. Control shares do not include shares that the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval or shares acquired directly from the corporation. A "control share acquisition" means the direct or indirect acquisition of issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition, upon satisfaction of certain conditions (including an undertaking to pay expenses and making an "acquiring person statement" as described in the MGCL), may compel our board of directors to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an "acquiring person statement" as required by the statute, then, subject to certain conditions and limitations, the corporation may redeem any or all of the control shares (except those for which voting rights have previously been approved) for fair value

determined, without regard to the absence of voting rights for the control shares, if a meeting of stockholders is held at which the voting rights of such shares are considered and not approved, as of the date of such meeting, or, if no such meeting is held, as of the date of the last control share acquisition by the acquirer. If voting rights for control shares are approved at a stockholders meeting and the acquirer becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid by the acquirer in the control share acquisition.

The control share acquisition statute does not apply to (1) shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or (2) acquisitions approved or exempted by the charter or bylaws of the corporation. Our bylaws currently contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of shares of our capital stock. There can be no assurance that such provision will not be amended or eliminated at any time in the future.

Corporate Opportunities

Our charter provides that, if any of our directors or officers who is also a partner, advisory board member, director, officer, manager, member, or shareholder of TPG Global, LLC or any of its affiliates (any such director or officer, a "TPG Director/Officer") acquires knowledge of a potential business opportunity, we renounce, on our behalf and on behalf of our subsidiaries, any potential interest or expectation in, or right to be offered or to participate in, such business opportunity to the maximum extent permitted from time to time by Maryland law. Accordingly, to the maximum extent permitted from time to time by Maryland law, (1) no TPG Director/Officer is required to present, communicate or offer any business opportunity to us or any of our subsidiaries and (2) the TPG Director/Officer, on his or her own behalf or on behalf of TPG Global, LLC or any of its affiliates, will have the right to hold and exploit any business opportunity, or to direct, recommend, offer, sell, assign or otherwise transfer such business opportunity to any person or entity other than us.

The taking by a TPG Director/Officer for himself or herself, or the offering or other transfer to another person or entity, of any potential business opportunity whether pursuant to our charter or otherwise, will not constitute or be construed or interpreted as (1) an act or omission of the TPG Director/Officer committed in bad faith or as the result of active or deliberate dishonesty or (2) receipt by the TPG Director/Officer of an improper benefit or profit in money, property, services or otherwise.

Meetings of Stockholders

Pursuant to our bylaws, a meeting of our stockholders for the election of directors and the transaction of any business will be held annually on a date and at the time and place set by our board of directors. In addition, the chairman of our board of directors, chief executive officer, president or board of directors may call a special meeting of our stockholders. Subject to the procedural requirements for requesting a special meeting of our stockholders set forth in our bylaws, a special meeting of our stockholders will also be called by our secretary upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast at the meeting.

Amendments to Our Charter and Bylaws

Except for amendments related to increasing or decreasing the aggregate number of authorized shares of our common stock or preferred stock, to authorize us to issue additional shares of our common stock or preferred stock and to classify or reclassify unissued shares of our common stock or preferred stock (which may be approved without any action by our stockholders), our charter may be amended only if the amendment is declared advisable by our board of directors and approved by the affirmative vote of stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter. However, amendments to the provisions of our charter related to the removal of directors, the restrictions on ownership and transfer of our shares of capital stock and the vote required to amend these provisions will be valid only if declared advisable by our board of directors and approved by the affirmative vote of stockholders entitled to cast two-thirds of all the votes entitled to be cast on the matter.

Our board of directors is expressly authorized to amend or repeal any provision of our bylaws and to make new bylaws. In addition, our bylaws may be amended or repealed, and new bylaws may be adopted by our stockholders,

without the approval of our board of directors, by the affirmative vote of a majority of the votes entitled to be cast on the matter by stockholders entitled to vote generally in the election of directors

Dissolution of Our Company

The dissolution of our company must be declared advisable by a majority of our entire board of directors and approved by the affirmative vote of stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter.

Maryland Unsolicited Takeovers Act

Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Exchange Act and at least three independent directors to elect to be subject, by provision in its charter or bylaws or a resolution of its board of directors and notwithstanding any contrary provision in the charter or bylaws, to any or all of five provisions:

- a classified board;
- a two-thirds vote requirement for removing a director;
- a requirement that the number of directors be fixed only by vote of the directors;
- a requirement that a vacancy on the board be filled only by the remaining directors in office and for the remainder of the full term of the class of directors in which the vacancy occurred; and
- a majority requirement for the calling of a stockholder-requested special meeting of stockholders.

We have elected in our charter to be subject to the provision of Subtitle 8 that provides that vacancies on our board of directors may be filled only by the remaining directors. Through provisions in our charter and bylaws unrelated to Subtitle 8, we already (1) require a two-thirds vote for the removal of any director, which removal will be allowed only for cause, (2) vest in our board of directors the exclusive power to fix the number of directorships and (3) require, unless called by the chairman of our board of directors, chief executive officer or president or our board of directors, the written request of the stockholders entitled to cast a majority of all votes entitled to be cast at such a meeting to call a special meeting.

Advance Notice of Director Nominations and New Business

Our bylaws provide that, with respect to an annual meeting of stockholders, nominations of individuals for election to our board of directors and the proposal of business to be considered by stockholders may be made only (1) pursuant to our notice of the meeting, (2) by or at the direction of our board of directors or (3) by any stockholder who is a stockholder of record as of the record date for the annual meeting, at the time of giving the notice required by our bylaws and at the time of the meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each such nominee or on such other business and who has complied with the advance notice provisions set forth in our bylaws. Stockholders generally must provide notice to our secretary not earlier than the 150th day or later than 5:00 p.m., Eastern Time, on the 120th day before the first anniversary of the date of our proxy statement for the preceding year's annual meeting.

With respect to special meetings of stockholders, only the business specified in our notice of meeting may be brought before the meeting. Nominations of individuals for election to our board of directors may be made only (1) by or at the direction of our board of directors or (2) provided that our board of directors has determined that directors will be elected at such meeting, by a stockholder who is a stockholder of record as of the record date for the meeting, at the time of giving the notice required by our bylaws and at the time of the special meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of such nominee and who has complied with the advance notice provisions set forth in our bylaws. Stockholders generally must provide notice to our secretary not earlier than the 120th day before such special meeting or later than 5:00 p.m., Eastern Time, on the later of the 90th day before the special meeting or the tenth day after the first public announcement of the date of the special meeting and the nominees of our board of directors to be elected at the meeting.

Anti-takeover Effect of Certain Provisions of Maryland Law and of our Charter and Bylaws

Our charter and bylaws and Maryland law contain provisions that may delay, defer or prevent a change in control or other transaction that might involve a premium price for shares of our common stock or otherwise be in the best interests of our common stockholders, including business combination and control share provisions, provisions on removal of directors and filling vacancies of our board, restrictions on transfer and ownership of our stock and advance notice requirements for director nominations and stockholder proposals. See "—Business Combinations," "—Control Share Acquisitions" and "—Maryland Unsolicited Takeovers Act" above.

Limitation of Liability and Indemnification of Directors and Officers

Maryland law permits a Maryland corporation to include in its charter a provision eliminating the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (1) actual receipt of an improper benefit or profit in money, property or services or (2) active and deliberate dishonesty that was established by a final judgment and was material to the cause of action. Our charter contains a provision that eliminates such liability to the maximum extent permitted by Maryland law.

The MGCL requires a Maryland corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service in that capacity. The MGCL permits a Maryland corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to or in which they may be made, or threatened to be made, a party or witness by reason of their service in those or other capacities unless it is established that:

- the act or omission of the director or officer was material to the matter giving rise to the proceeding and was (1) committed in bad faith or (2) the result of active and deliberate dishonesty;
- the director or officer actually received an improper personal benefit in money, property or services; or
- in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

However, under the MGCL, a Maryland corporation may not indemnify a director or officer in a suit by or on behalf of the corporation in which the director or officer was adjudged liable to the corporation, or in a suit in which the director or officer was adjudged liable on the basis that personal benefit was improperly received. A court may order indemnification if it determines that the director or officer is fairly and reasonably entitled to indemnification, even though the director or officer did not meet the prescribed standard of conduct or was adjudged liable on the basis that personal benefit was improperly received. However, such indemnification is limited to expenses.

In addition, the MGCL permits a Maryland corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of:

- a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation; and
- a written undertaking by the director or officer or on the director's or officer's behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the director or officer did not meet the standard of conduct.

Our charter and bylaws obligate us, to the maximum extent permitted by Maryland law in effect from time to time, to indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, pay or reimburse reasonable expenses in advance of final disposition of a proceeding to:

- any individual who is a present or former director or officer of our company and who is made, or threatened to be made, a party to, or witness in, the proceeding by reason of his or her service in that capacity; or

- any individual who, while a director or officer of our company and at our request, serves or has served as a director, officer, trustee, member, manager or partner of another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made, or threatened to be made, a party to, or witness in, the proceeding by reason of his or her service in that capacity.

Our charter and bylaws also permit us to indemnify and advance expenses to any person who served a predecessor of ours in any of the capacities described above and to any employee or agent of our company or a predecessor of our company.

We have entered into customary indemnification agreements with each of our directors and executive officers obligating us to indemnify them to the maximum extent permitted under Maryland law.

Insofar as the foregoing provisions permit indemnification of directors, officers or persons controlling us for liability arising under the Securities Act of 1933, as amended (the "Securities Act"), we have been informed that, in the opinion of the Securities and Exchange Commission, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Exclusive Forum for Certain Litigation

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Circuit Court for Baltimore City, Maryland, or, if that Court does not have jurisdiction, the U.S. District Court for the District of Maryland, Baltimore Division, will be the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf other than actions arising under the federal securities laws, (2) any action asserting a claim of breach of any duty owed by any director or officer or other employee of ours to us or to our stockholders, (3) any action asserting a claim against us or any director or officer or other employee of ours arising pursuant to any provision of the MGCL or our charter or bylaws, or (4) any action asserting a claim against us or any director or officer or other employee of ours (if any) that is governed by the internal affairs doctrine.

REIT Qualification

Our charter provides that our board of directors may revoke or otherwise terminate our REIT election, without approval of our stockholders, if it determines that it is no longer in our best interests to continue to qualify as a REIT.

Exhibit 10.7(b)

EXECUTION VERSION

FIRST AMENDMENT TO MASTER REPURCHASE AND SECURITIES CONTRACT AGREEMENT

THIS FIRST AMENDMENT TO MASTER REPURCHASE AND SECURITIES CONTRACT AGREEMENT (this "**Amendment**"), dated as of February 10, 2017, is by and between MORGAN STANLEY BANK, N.A., a national banking association, as buyer ("**Buyer**"), and TPG RE FINANCE 12, LTD., an exempted company incorporated with limited liability under the laws of the Cayman Islands with registered number 301503, as seller ("**Seller**").

W I T N E S S E T H:

WHEREAS, Seller and Buyer have entered into that certain Master Repurchase and Securities Contract Agreement, dated as of May 4, 2016 (as the same has been amended, modified and/or restated from time to time, the "**Master Repurchase Agreement**"); and

WHEREAS, Seller and Buyer wish to modify certain terms and provisions of the Master Repurchase Agreement.

NOW, THEREFORE, for good and valuable consideration, the parties hereto agree as follows:

1. Amendments to Master Repurchase Agreement. The Master Repurchase Agreement is hereby amended as follows:

(a) The definition of "Concentration Limit" contained in Article 2 of the Master Repurchase Agreement is hereby deleted in its entirety and replaced as follows:

> "Concentration Limit" shall mean, with respect to any New Asset, as of any date of determination (a) the Purchase Price of such New Asset does not exceed 35% of the Facility Amount, and (b) no more than 40% of the Facility Amount shall consist of the Purchase Prices for Purchased Assets for which the Mortgaged Property consists of hospitality properties.

2. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Master Repurchase Agreement.

3. Continuing Effect; Reaffirmation of Guaranty. As amended by this Amendment, all terms, covenants and provisions of the Master Repurchase Agreement are ratified and confirmed and shall remain in full force and effect. In addition, and subject to the terms and conditions of the Master Repurchase Agreement, any and all guaranties and indemnities for the benefit of Buyer (including, without limitation, the Guaranty) and agreements subordinating rights and liens to the rights and liens of Buyer, are hereby ratified and confirmed and shall not be released, diminished, impaired, reduced or adversely affected by this Amendment, and each party indemnifying Buyer, and each party subordinating any right or lien to the rights and liens of Buyer, hereby consents, acknowledges and agrees to the modifications set forth in this Amendment.

4. Binding Effect; No Partnership; Counterparts. The provisions of the Master Repurchase Agreement, as amended hereby, shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Nothing herein contained shall be deemed or construed to create a partnership or joint venture between any of the parties hereto. For the purpose of facilitating the execution of this Amendment as herein provided, this Amendment may be executed simultaneously in any number of counterparts, each of which shall be deemed to be an original, and such counterparts when taken together shall

constitute but one and the same instrument. Delivery of an executed counterpart signature page to this Amendment in Portable Document Format (PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

5. Further Agreements. Seller agrees to execute and deliver such additional documents, instruments or agreements as may be reasonably requested by Buyer and as may be necessary or appropriate from time to time to effectuate the purposes of this Amendment.

6. Governing Law. The provisions of Article 18 of the Master Repurchase Agreement are incorporated herein by reference.

7. Headings. The headings of the sections and subsections of this Amendment are for convenience of reference only and shall not be considered a part hereof nor shall they be deemed to limit or otherwise affect any of the terms or provisions hereof.

8. References to Transaction Documents. All references to the Master Repurchase Agreement in any Transaction Document, or in any other document executed or delivered in connection therewith shall, from and after the execution and delivery of this Amendment, be deemed a reference to the Master Repurchase Agreement as amended hereby, unless the context expressly requires otherwise.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day first written above.

BUYER:

MORGAN STANLEY BANK, N.A., a national banking association

By: /s/ Anthony Preisano
Name: Anthony Preisano
Title: Authorized Signatory

SELLER:

TPG RE FINANCE 12, LTD.,
an exempted company incorporated with limited liability under the laws of the Cayman Islands

By: /s/ Matthew Coleman
Name: Matthew Coleman
Title: Vice President, Transactions

The undersigned hereby acknowledges the execution of the Amendment and agrees that the Guaranty and agreements therein subordinating rights and liens to the rights and liens of Buyer, are hereby ratified and confirmed and shall not be released, diminished, impaired, reduced or adversely affected by this Amendment, and each party indemnifying Buyer therein, and each party subordinating any right or lien to the rights and liens of Buyer, therein, hereby acknowledges the modifications set forth in this Amendment and waives any common law, equitable, statutory or other rights which such party might otherwise have as a result of or in connection with this Amendment. In addition, the undersigned reaffirms its obligations under the Guaranty and agrees that its obligations under the Guaranty shall remain in full force and effect and apply to the additional components referenced in this Amendment.

GUARANTOR:

TPG RE FINANCE TRUST HOLDCO, LLC,
a Delaware limited liability company

By: /s/ Matthew Coleman
Name: Matthew Coleman
Title: Vice President, Transactions

Exhibit 10.7(h)

Execution Version

SEVENTH AMENDMENT TO MASTER REPURCHASE AND SECURITIES CONTRACT AGREEMENT

This SEVENTH AMENDMENT TO MASTER REPURCHASE AND SECURITIES CONTRACT AGREEMENT, dated as of December 23, 2020 (this "Amendment"), is made by and between TPG RE FINANCE 12, LTD., a Cayman Islands exempted company ("Seller"), and MORGAN STANLEY BANK, N.A., a national banking association ("Buyer"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Repurchase Agreement (as defined below).

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Master Repurchase and Securities Contract Agreement, dated as of May 4, 2016 (as amended by that certain First Amendment to Master Repurchase and Securities Contract Agreement, dated as of February 10, 2017, as further amended by that certain Second Amendment to Master Repurchase and Securities Contract Agreement, dated as of July 21, 2017, as further amended by that certain Third Amendment to Master Repurchase and Securities Contract Agreement, dated as of December 27, 2017, as further amended by that certain Fourth Amendment to Master Repurchase and Securities Contract Agreement, dated as of February 14, 2018, as further amended by that certain Fifth Amendment to Master Repurchase and Securities Contract Agreement, dated as of May 4, 2018, as further amended by that certain Sixth Amendment to Master Repurchase and Securities Contract Agreement, dated as of January 10, 2020, as further amended by that certain letter agreement, dated as of May 4, 2020 (the "Extension Letter Agreement"), as amended hereby and as further amended, restated, supplemented or otherwise modified and in effect from time to time, the "Repurchase Agreement"); and

WHEREAS, Seller and Buyer have agreed, subject to the terms and conditions hereof, that the Repurchase Agreement shall be amended as set forth in this Amendment; and TPG RE Finance Trust Holdco, LLC ("Guarantor") has agreed, subject to the terms and conditions hereof, to make the acknowledgements set forth herein.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

SECTION 1. Repurchase Agreement Amendments. The Repurchase Agreement is hereby amended as follows:

(a) Section 2 of the Repurchase Agreement is hereby amended by adding the following definitions in correct alphabetical order:

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, any tenor for such Benchmark or payment period for price differential calculated with reference to such Benchmark, as applicable, that is or

may be used for determining the length of a Pricing Period pursuant to this Agreement as of such date.

"Benchmark" means, initially, LIBOR; provided that, if a Benchmark Transition Event or, as the case may be, an Early Opt-in Election and the Benchmark Replacement Date with respect thereto have occurred with respect to LIBOR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

"Benchmark Replacement" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Buyer on the applicable Benchmark Replacement Date:

(1) the sum of: (a) Term SOFR and (b) the Benchmark Replacement Adjustment with respect thereto;

(2) the sum of: (a) either of (i) Compounded SOFR or (ii) Daily Simple SOFR, as selected by the Buyer to be the then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for the applicable loan market and (b) the applicable Benchmark Replacement Adjustment;

(3) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;

(4) the sum of: (a) the alternate rate of interest that has been selected by the Buyer as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar denominated secured financings or securitizations relating to the relevant asset class, as applicable at such time and (b) the Benchmark Replacement Adjustment;

provided that, in the case of clause (1) of this definition, such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Buyer in its reasonable discretion.

If at any time the Benchmark Replacement as determined pursuant to clause (1), (2), (3) or (4) of this definition would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement.

"Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the Buyer as of the Benchmark Replacement Date:

(1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(2) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Buyer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated secured financing or securitization transactions relating to the relevant asset class, as applicable at such time.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including but not limited to changes to the definition of "Business Day," the definition of "Pricing Period," timing and frequency of determining rates and making payments of price differential, timing of Transaction requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Buyer decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Buyer in a manner substantially consistent with market practice (or, if the Buyer decides that adoption of any portion of such market practice is not administratively feasible or if the Buyer determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Buyer determines is reasonably necessary in connection with the administration of this Agreement.

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein; or

(3) in the case of an Early Opt-in Election, the date set forth in the notice of such Early Opt-in Election that is provided by Buyer to the Seller.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current

Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Corresponding Tenor" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or a price differential payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"Daily Simple SOFR" means, for any day, SOFR, with the conventions for this rate (which may include a lookback) being established by the Buyer in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for business loans at such times; provided that, if the Buyer decides that any such convention is not administratively feasible, then the Buyer may establish another convention in its reasonable discretion.

"Early Opt-in Election" means, if the then-current Benchmark is LIBOR, the occurrence of the joint election by the Buyer and Seller to trigger a fallback from LIBOR and the provision by the Buyer of written notice of such election to other parties hereto.

"Floor" means, for any Transaction under this Agreement, the benchmark rate floor (which may be zero), if any, provided for in this Agreement with respect to LIBOR as determined for such Transaction.

"Reference Time" with respect to any setting of the then-current Benchmark means (1) if such Benchmark is LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not LIBOR, the time determined by the Buyer in accordance with the Benchmark Replacement Conforming Changes.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the Benchmark Replacement Adjustment with respect thereto.

(b) Section 2 of the Repurchase Agreement is hereby further amended by amending and restating the following definitions as follows:

"Compounded SOFR" means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which, for example, may be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Pricing Period or compounded in advance) being established by the Buyer in accordance with:

(1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:

(2) if, and to the extent that, the Buyer determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Buyer giving due consideration to any industry-accepted market practice for similar U.S. dollar denominated secured financing or securitization transactions relating to the relevant asset class, as applicable at such time.

"Concentration Limit" shall mean, with respect to any New Asset, as of any date of determination (a) the Purchase Price of such New Asset does not exceed 35% of the Facility Amount, and (b) the aggregate Purchase Price of all Purchased Assets that are secured by hospitality and retail properties does not exceed 20% of the Facility Amount (or such higher limit as may be approved by Buyer in its sole discretion).

"Facility Termination Date" shall mean May 4, 2021, as the same may be extended in accordance with Section 9(a) of this Agreement.

"LIBOR" shall mean, for any Pricing Period with respect to a Purchased Asset, the per annum rate for deposits in U.S. Dollars that appears on Reuters Screen LIBOR01 Page (or the successor thereto) as one-month LIBOR as of 11:00 a.m., London time, on the Pricing Rate Reset Date, but in no event, less than zero (0) or such other rate with respect to a Transaction as set forth in the related Confirmation.

"Relevant Governmental Body" means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

"SOFR" with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

"Term SOFR" means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Pricing Rate" shall mean, for any Pricing Period with respect to a Purchased Asset, an annual rate equal to the Benchmark for such Pricing Period, plus the Applicable Spread for the related Purchased Asset (subject to adjustment and/or conversion as provided in Sections 3(l), 3(m), and 3(p) of this Agreement).

"Pricing Rate Reset Date" shall mean, with respect to a Purchased Asset, i. in the case of the first (1st) Pricing Period for such Purchased Asset, the original Purchase Date for such Purchased Asset, and ii. in the case of each subsequent Pricing Period, two (2) Business Days preceding the Remittance Date on which such Pricing Period begins.

(c) Section 2 of the Repurchase Agreement is hereby further amended by deleting the following definitions contained therein: "Applicable Index"; "Conforming Changes"; "Index"; "Index Rate"; "Index Transition"; "Index Transition Date"; "Index Transition Event"; "Index Transition Notice"; "Interest Determination"; "ISDA"; "ISDA Definitions"; "ISDA Fallback Adjustment"; "ISDA Fallback Rate"; "Federal Funds Rate"; "LIBOR Rate"; "LIBOR Rate Reserve Percentage"; "LIBOR Transaction"; "Market Practice"; "Rate Adjustment"; "Replacement Index"; "Replacement Index Transaction"

(d) The last sentence of Section 3(a) of the Repurchase Agreement is hereby deleted in its entirety and replaced with the following:

"Notwithstanding any provision to the contrary herein or in any other Transaction Document, Buyer shall be entitled to determine, in its sole discretion, whether a New Asset qualifies as an Eligible Asset or whether to reject any New Asset proposed to be sold to Buyer by Seller, and the Buyer shall have no obligation to enter into any Transactions, which Transactions shall be entered into in the sole discretion of the Buyer."

(e) Section 3(l) of the Repurchase Agreement is hereby deleted in its entirety and replaced with the following:

"(l) Notwithstanding anything to the contrary herein or in any other Transaction Document, if:

(i) (A) a Benchmark Transition Event or, as the case may be, an Early Opt-in Election and (B) a Benchmark Replacement Date with respect thereto have occurred prior to the Reference Time in connection with any setting of the then-current Benchmark, then such Benchmark Replacement will replace the then-current Benchmark for all purposes under this Agreement and under any other Transaction Document in respect of such Benchmark setting and subsequent Benchmark settings without requiring any amendment to, or requiring any further action by or consent of any other party to, this Agreement or any other Transaction Document; or

(ii) (A) a Benchmark Transition Event or, as the case may be, an Early Opt-in Election and the Benchmark Replacement Date with respect thereto has already occurred prior to the Reference Time for any setting of the then-current Benchmark and as a result the then-current Benchmark is being determined in accordance with clauses (2), (3) or (4) of the definition of "Benchmark Replacement"; and

(B) the Buyer subsequently determines, that (w) Term SOFR and a Benchmark Replacement Adjustment with respect thereto is or has becomes available and the Benchmark Replacement Date with respect thereto has occurred, (x) there is currently a market for U.S. dollar-denominated transactions utilizing Term SOFR as a Benchmark and for determining the Benchmark Replacement Adjustment with respect thereto, (y) Term SOFR

is being recommended as the Benchmark for U.S. dollar-denominated syndicated credit facilities by the Relevant Government Authority and (z) in any event, Term SOFR, the Benchmark Replacement Adjustment with respect thereto and the application thereof is administratively feasible for the Buyer (as determined by the Buyer), then clause (1) of the definition of "Benchmark Replacement" will, without requiring any amendment to, or requiring any further action by or consent of any other party to, this Agreement or any other Transaction Document, replace such then-current Benchmark for all purposes hereunder and under any other Transaction Document in respect of such Benchmark setting and subsequent Benchmark settings on and from the beginning of the next Pricing Period or, as the case may be, Available Tenor so long as the Buyer notifies Seller prior to the commencement of such next Pricing Period or, as the case may be, Available Tenor."

(f) Section 3(m) of the Repurchase Agreement is hereby deleted in its entirety and replaced with the following:

"(m) In connection with the implementation of a Benchmark Replacement, the Buyer will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Transaction Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without requiring any further action by or consent of any other party to this Agreement or any other Transaction Document. The Buyer will promptly notify Seller of (i) any occurrence of (A) a Benchmark Transition Event or, as the case may be, an Early Opt-in Election and (B) the Benchmark Replacement Date with respect thereto, (ii) the implementation of any Benchmark Replacement, and (iii) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Buyer pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in the Buyer's sole discretion and without consent from Seller or any other party to any other Transaction Document."

SECTION 2. Facility Termination Date; Extensions. For purposes of clarity, Buyer and Seller hereby agree that notwithstanding the extension of the Facility Termination Date (i.e., as so extended, May 4, 2021) pursuant to the Extension Letter Agreement, as of the date of this Amendment, Seller shall be deemed to have the option to further extend the current Facility Termination Date for two (2) successive Extension Periods pursuant to Section 9(a) of the Repurchase Agreement (i.e., to May 4, 2022 and May 4, 2023, respectively).

SECTION 3. Conditions Precedent. This Amendment shall become effective on the date hereof provided that the following condition precedent is satisfied:

(a) this Amendment is duly executed and delivered by each of Seller and Buyer

SECTION 4. .Representations and Warranties. On and as of the date first above written, Seller hereby represents and warrants to Buyer that (a) it is in compliance with all the terms and provisions set forth in the Repurchase Agreement on its part to be observed or performed, (b) after giving effect to this Amendment, no Default or Event of Default under the Repurchase Agreement has occurred and is continuing, (c) after giving effect to this Amendment, the representations and warranties contained in Article 9 of the Repurchase Agreement are true and correct in all respects as though made on such date (except for any such representation or warranty that by its terms refers to a specific date other than the date first above written, in which case it shall be true and correct in all respects as of such other date), (f) no amendments have been made to the organizational documents of Seller since May 4, 2016; and (g) Seller is duly authorized to executed and deliver this Amendment.

SECTION 5. Acknowledgments of Guarantor. Guarantor hereby acknowledges the execution and delivery of this Amendment by Seller and Buyer and agrees that it continues to be bound by that certain Amended and Restated Guaranty, dated as of May 4, 2018 (as may be amended, restated, supplemented or otherwise modified from time to time, the "Guaranty"), made by Guarantor in favor of Buyer, notwithstanding the execution and delivery of this Amendment and the impact of the changes set forth herein and therein.

SECTION 6. Limited Effect. Except as expressly amended and modified by this Amendment, the Repurchase Agreement and each of the other Transaction Documents shall continue to be, and shall remain, in full force and effect in accordance with their respective terms; provided, however, that upon the date hereof, (a) all references in the Repurchase Agreement to the "Transaction Documents" shall be deemed to include, in any event, this Amendment, and (b) each reference to the "Repurchase Agreement" in any of the Transaction Documents shall be deemed to be a reference to the Repurchase Agreement as amended hereby.

SECTION 7. Counterparts. This Amendment may be executed in counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment in Portable Document Format (.PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

SECTION 8. Costs and Expenses. Seller shall pay Buyer's reasonable actual out of pocket costs and expenses incurred in connection with the preparation, negotiation, execution and consummation of this Amendment in accordance with the Repurchase Agreement.

SECTION 9. Submission to Jurisdiction. Each party irrevocably and unconditionally (i) submits to the non-exclusive jurisdiction of any United States Federal or New York State court sitting in Manhattan, and any appellate court from any such court, solely for the purpose of any suit, action or proceeding brought to enforce its obligations under this Amendment or relating in any way to this Amendment and (ii) waives, to the fullest extent it may effectively do so, any defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and any right of jurisdiction on account of its place of residence or domicile.

To the extent that either party has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set

off or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, such party hereby irrevocably waives and agrees not to plead or claim such immunity in respect of any action brought to enforce its obligations under this Amendment or relating in any way to this Amendment.

The parties hereby irrevocably waive, to the fullest extent each may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding and irrevocably consent to the service of any summons and complaint and any other process by the mailing of copies of such process to them at their respective address specified in the Repurchase Agreement. The parties hereby agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section 8 shall affect the right of Buyer to serve legal process in any other manner permitted by law or affect the right of Buyer to bring any action or proceeding against Seller or its property in the courts of other jurisdictions.

SECTION 10. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AMENDMENT.

SECTION 11. GOVERNING LAW. THIS AMENDMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AMENDMENT, THE RELATIONSHIP OF THE PARTIES TO THIS AMENDMENT, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES TO THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CHOICE OF LAW RULES THEREOF. THE PARTIES HERETO INTEND THAT THE PROVISIONS OF SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY TO THIS AMENDMENT.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first above written.

BUYER:

MORGAN STANLEY BANK, N.A., a
national banking association

By: /s/ Anthony Preisano
Name: Anthony Preisano
Title: Executive Director

[***Signatures continue on following page***]

SELLER:

TPG RE FINANCE 12, LTD., an exempted company incorporated with limited liability under the laws of the Cayman Islands

By: /s/ Matthew Coleman
Name: Matthew Coleman
Title: Vice President

[***Signatures continue on following page***]

ACKNOWLEDGED:

TPG RE FINANCE TRUST HOLDCO, LLC,
a Delaware limited liability company, in its capacity
as Guarantor, and solely for purposes of making the
acknowledgement set forth in Section 4 of this Amendment:

By: /s/ Matthew Coleman
Name: Matthew Coleman
Title: Vice President

Exhibit 10.8(g)

EXECUTION VERSION

AMENDMENT NO. 9 TO MASTER REPURCHASE AGREEMENT

AMENDMENT NO. 9 TO MASTER REPURCHASE AGREEMENT, dated as of October 30, 2020 (this "Amendment"), between TPG RE FINANCE 1, LTD., ("Seller"), and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, a national banking association ("Buyer"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Repurchase Agreement (as defined below).

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Master Repurchase Agreement, dated as of August 20, 2015 (as amended by that certain Amendment No. 1 to Master Repurchase Agreement, dated as of September 29, 2015, as further amended by that certain Second Amendment to Master Repurchase Agreement, dated as of March 14, 2016, as further amended by that certain Amendment No. 3 to Master Repurchase Agreement, dated as of November 16, 2016, as further amended by that certain Amendment No. 4 to Master Repurchase Agreement, dated as of August 18, 2017, as further amended by that certain Amendment No. 5 to Master Repurchase Agreement, dated as of May 4, 2018, as further amended by that certain Amendment No. 6 to Master Repurchase Agreement, dated as of August 20, 2018, as further amended by that certain Amendment No. 7 to Master Repurchase Agreement, dated as of October 1, 2019, as further amended by that certain Amendment No. 8 to Master Repurchase Agreement, dated as of October 1, 2019, as amended hereby and as further amended, restated, supplemented or otherwise modified and in effect from time to time, the "Repurchase Agreement"); and

WHEREAS, Seller and Buyer have agreed, subject to the terms and conditions hereof, that the Repurchase Agreement shall be amended as set forth in this Amendment; and TPG RE Finance Trust Holdco, LLC ("Guarantor") has agreed, subject to the terms and conditions hereof, to make the acknowledgements set forth herein.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer each agree as follows:

SECTION 1. Amendments to Repurchase Agreement. The Repurchase Agreement is hereby amended as follows:

(a) The defined terms "Alternative Rate", "Alternative Rate Transaction" and "Federal Funds Rate", each as set forth in Article 2 of the Repurchase Agreement, are each hereby deleted in their entirety.

(b) Article 2 of the Repurchase Agreement is hereby amended by inserting the following new defined terms in correct alphabetical order:

"Alternate Rate" shall mean, with respect to each Pricing Rate Period, the per annum rate of interest of the Alternate Rate Index determined as of the applicable Pricing Rate Determination Date, plus the Applicable Spread.

"Alternate Rate Index" shall mean the first alternative set forth in the order below that can be determined by the Buyer as of the Benchmark Replacement Date:

1. The sum of (A) Term SOFR and (B) the Alternate Rate Spread Adjustment,

2. The sum of (A) Compounded SOFR and (B) the Alternate Rate Spread Adjustment;

3. The sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for a one-month tenor and (b) the Alternate Rate Spread Adjustment;

4. The sum of: (A) the ISDA Fallback Rate and (B) the Alternate Rate Spread Adjustment; or

5. The sum of: (A) the alternate rate of interest that has been selected by Buyer as the replacement for the then-current Benchmark for a one-month tenor giving due consideration to any evolving or then-prevailing market convention for determining a rate of interest as a replacement for the then-current Benchmark for U.S. dollar denominated securitizations at such time and (b) the Alternate Rate Spread Adjustment,

provided that, in the case of clauses (1) and (2) above, such rate, or the underlying rates component thereof, is or are displayed on a screen or other information service that publishes such rate or rates from time to time as selected by Buyer in its reasonable discretion. In no event shall the Alternate Rate Index be less than zero.

"Alternate Rate Index Conforming Changes" shall mean, with respect to any conversion of a Transaction to an Alternate Rate Transaction, any technical, administrative or operational changes (including changes to the definition of "Pricing Rate Period", "Remittance Date", "Pricing Rate Determination Date" and "Business Day", timing and frequency of determining rates and making payments of interest and preceding and succeeding business day conventions and other administrative matters) that the Buyer decides may be appropriate to reflect the adoption and implementation of such Alternate Rate Index and to permit the administration thereof by Buyer in a manner substantially consistent with market practice (or, if the Buyer decides that adoption of any portion of such market practice is not administratively feasible or if the Buyer or its designee determines that no market practice for use of the Alternate Rate Index exists, in such other manner as the Buyer determines is reasonably necessary).

"Alternate Rate Spread Adjustment" shall mean the first alternative set forth in the order below that can be determined by Buyer as of the Benchmark Replacement Date:

1. the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Alternate Rate Index;

2. if the applicable Unadjusted Alternate Rate Index is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment, or

3. the spread adjustment (which may be a positive or negative value or zero) that has been selected by Buyer giving due consideration to any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then current Benchmark with the applicable Unadjusted Alternate Rate Index for U.S. dollar denominated securitization transactions at such time,

provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Alternate Rate Spread Adjustment from time to time as selected by Buyer in its reasonable discretion

"Alternate Rate Transaction" shall mean any Transaction at such time as interest thereon accrues at a rate of interest based upon the Alternate Rate.

"Benchmark" means (i) initially LIBOR, and (ii) on and after the conversion to an Alternate Rate Index pursuant to Article 3 hereof, the Alternate Rate Index determined in accordance with the terms hereof.

"Benchmark Replacement Date" means:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the relevant Benchmark permanently or indefinitely ceases to provide such Benchmark,

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein, and

(3) in the case of clause (4) of the definition of "Benchmark Transition Event," such date as determined by Buyer in its sole discretion.

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that the administrator has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative; or

(4) any "Benchmark Transition Event" as determined by Buyer in its sole discretion.

"Compounded SOFR" shall mean the compounded average of SOFR for a one-month tenor, with the rate, or methodology for this rate, and conventions for this rate (which, for example, may be calculated in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Pricing Rate Period) being established by Buyer in accordance with:

1. the rate, or methodology for the rate, and conventions for the rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided, that

2. if, and to the extent that, Buyer determines that Compounded SOFR cannot be so determined in accordance with clause (1) above, then Compounded SOFR will mean the rate, or methodology for the rate, and conventions for the rate that have been selected by Buyer giving due consideration to any industry-accepted market practice for similar U.S. dollar denominated syndicated or bilateral credit facilities at such time (as a result of amendment or as originally executed);

provided, further, that if Buyer decides that any such rate, methodology or convention determined in accordance with clause (1) or clause (2) is not administratively feasible for Buyer, then Compounded SOFR will be deemed unable to be determined for purposes of the definition of "Alternate Rate Index."

"Federal Reserve Bank of New York's Website" means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source.

"ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"ISDA Fallback Adjustment" means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the then-current Benchmark.

"ISDA Fallback Rate" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the then-current Benchmark, excluding the applicable ISDA Fallback Adjustment.

"LIBOR Rate Transaction" shall mean any Transaction at such time as interest thereon accrues at a rate of interest based upon LIBOR.

"Ninth Amendment Effective Date" shall mean October 30, 2020.

"Ninth Amendment Structuring Fee" shall have the meaning specified in the Fee Letter.

"Relevant Governmental Body" shall mean the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"SOFR" with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

*"*Term SOFR" means the forward-looking term rate for a one-month tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Unadjusted Alternate Rate Index" shall mean the Alternate Rate Index excluding the Alternate Rate Spread Adjustment.

(c) The definitions of "Maturity Date" and "Pricing Rate", each as set forth in Article 2 of the Repurchase Agreement, are each hereby amended and restated in their entirety to read as follows:

"Maturity Date" shall mean October 30, 2023 or the immediately succeeding Business Day, if such day shall not be a Business Day (the "Initial Maturity Date"), or such later date as may be in effect pursuant to Article 3(n) hereof. For the sake of clarity, the Maturity Date shall not be any date beyond five (5) years from the Ninth Amendment Effective Date (the "Final Maturity Date").

"Pricing Rate" shall mean, for any Pricing Rate Period and any Purchased Asset, an annual rate equal to the sum of (i) the Benchmark and (ii) the relevant Applicable Spread with respect to such Purchased Asset, in each case, for the applicable Pricing Rate Period for the related Purchased Asset. The Pricing Rate shall be subject to adjustment and/or conversion as provided in the Transaction Documents or the related Confirmation.

(d) Article 3(h) of the Repurchase Agreement is hereby amended and restated in its entirety to read as follows:

"(h) If prior to the first day of any Pricing Rate Period with respect to any Transaction, Buyer shall have determined in the exercise of its reasonable business judgment (which determination shall be conclusive and binding upon Seller) that, by reason of circumstances affecting the relevant market (other than a Benchmark Transition Event), adequate and reasonable means do not exist for ascertaining the then-current Benchmark for such Pricing Rate Period, Buyer shall give written notice thereof to Seller as soon as practicable thereafter. If such notice is given, the Pricing Rate with respect to such Transaction for such Pricing Rate Period, and for any subsequent Pricing Rate Periods until such notice has been withdrawn by Buyer, shall be the Alternate Rate."

(e) Article 3(i) of the Repurchase Agreement is hereby amended by deleting the words "Alternative Rate Transactions" and inserting the words "Alternate Rate Transactions" in lieu thereof.

(f) Article 3(k)(ii) of the Repurchase Agreement is hereby amended by inserting the words "or the Alternate Rate Index" immediately following the word "LIBOR".

(g) Article 3(m) of the Repurchase Agreement is hereby amended and restated in its entirety to read as follows:

> (m) Seller agrees to indemnify Buyer and to hold Buyer harmless from any loss or expense which Buyer sustains or incurs as a consequence of (i) any default by Seller in payment of the principal of or interest on a LIBOR Rate Transaction or an Alternate Rate Transaction including, without limitation, any such loss or expense arising from interest or fees payable by Buyer to lenders of funds obtained by it in order to maintain a LIBOR Rate Transaction or an Alternate Rate Transaction hereunder, (ii) any prepayment or repurchase (whether voluntary or mandatory) of the LIBOR Rate Transaction or Alternate Rate Transaction, as applicable, on a

day that (A) is not a Remittance Date and/or is not the last day of the Pricing Rate Period or (B) is a Remittance Date if Seller did not give the prior written notice of such prepayment or repurchase required pursuant to the terms of this Agreement, including, without limitation, such loss or expense arising from interest or fees payable by Buyer to lenders of funds obtained by it in order to maintain the LIBOR Rate Transaction or an Alternate Rate Transaction hereunder and (iii) the conversion pursuant to the terms hereof of the LIBOR Rate Transaction to an Alternate Rate Transaction on a date other than the Remittance Date, including, without limitation, such loss or expenses arising from interest or fees payable by Buyer to lenders of funds obtained by it in order to maintain a LIBOR Rate Transaction hereunder (the amounts referred to in clauses (i), (ii) and (iii) are herein referred to collectively as the "Breakage Costs"). Buyer shall deliver to Seller a statement setting forth the amount and basis of determination of any Breakage Costs in reasonable detail, it being agreed that such statement and the method of its calculation shall be conclusive and binding upon Seller absent manifest error. This Article 3(m) shall survive termination of this Agreement and the repurchase of all Purchased Assets subject to Transactions hereunder for a period of eighteen (18) months from the date Buyer determines that such amounts are applicable.

(h) Article 3(n)(i) of the Repurchase Agreement is hereby amended by deleting the text "August 20, 2023" and replacing such text with "October 30, 2025".

(i) Article 3 of the Repurchase Agreement is hereby further amended by inserting the following new clauses (bb) and (cc) at the end thereof in correct alphabetical order:

"(bb) Buyer shall determine daily in Buyer's sole discretion whether a Benchmark Transition Event has occurred. Upon the occurrence of a Benchmark Transition Event, Buyer shall determine the Benchmark Replacement Date in accordance with the definition thereof. Upon the occurrence of a Benchmark Transition Event and the determination of the corresponding Benchmark Replacement Date, Buyer shall promptly give notice of the occurrence of a Benchmark Transition Event and the date of the corresponding Benchmark Replacement Date by telephone, confirmed in writing, to Seller. Each Transaction shall be converted, from and after the Benchmark Replacement Date to an Alternate Rate Transaction bearing interest based on the Alternate Rate Index.

(cc) The Alternate Rate will be determined conclusively by Buyer or its agent and such determination will be binding on Seller absent manifest error. In connection with the implementation of an Alternate Rate Index, Buyer shall have the right to make Alternate Rate Index Conforming Changes from time to time and, notwithstanding anything to the contrary in this Agreement or in any other Transaction Documents, any amendments

implementing such Alternate Rate Index Conforming Changes shall become effective without any further action or consent of Seller."

SECTION 2. Conditions Precedent. This Amendment shall become effective on the Ninth Amendment Effective Date provided that (a) this Amendment is duly executed and delivered by each of Seller, Buyer and Guarantor, (b) Seller and Buyer have executed and delivered that certain Amendment No. 4 to Fee and Pricing Letter, dated as of the date hereof (the "Fee Letter Amendment"), by and between Seller and Buyer, (c) customary opinions, in form and substance reasonably acceptable to Buyer, as to enforceability, security interests, perfection and corporate matters with respect to Seller and Guarantor, (d) a bring down letter or new opinion, in form and substance reasonably acceptable to Buyer, affirming the legal opinion with respect to the applicability of the Bankruptcy Code safe harbors that was provided to Buyer on the Closing Date, and (e) an officer's certificate, in form and substance reasonably acceptable to Buyer.

SECTION 3. Representations and Warranties. On and as of the date first above written, Seller hereby represents and warrants to Buyer that (a) it is in compliance with all the terms and provisions set forth in the Repurchase Agreement on its part to be observed or performed, (b) after giving effect to this Amendment, no Default or Event of Default under the Repurchase Agreement has occurred and is continuing, and (c) after giving effect to this Amendment, the representations and warranties contained in Article 9 of the Repurchase Agreement are true and correct in all respects as though made on such date (except for any such representation or warranty that by its terms refers to a specific date other than the date first above written, in which case it shall be true and correct in all respects as of such other date).

SECTION 4. Acknowledgments of Guarantor. Guarantor hereby acknowledges (a) the execution and delivery of this Amendment by Seller and Buyer and agrees that it continues to be bound by that certain Amended and Restated Guarantee Agreement, dated as of May 4, 2018 (the "Guarantee Agreement"), made by Guarantor in favor of Buyer, notwithstanding the execution and delivery of this Amendment and the Fee Letter Amendment and the impact of the changes set forth herein and therein, and (b) that, to its Knowledge, as of the date hereof, Buyer is in compliance with its undertakings and obligations under the Repurchase Agreement, the Guarantee Agreement and each of the other Transaction Documents.

SECTION 5. Limited Effect. Except as expressly amended and modified by this Amendment, the Repurchase Agreement and each of the other Transaction Documents shall continue to be, and shall remain, in full force and effect in accordance with their respective terms; provided, however, that upon the Ninth Amendment Effective Date, (a) all references in the Repurchase Agreement to the "Transaction Documents" shall be deemed to include, in any event, this Amendment, and (b) each reference to "Repurchase Agreement" in any of the Transaction Documents shall be deemed to be a reference to the Repurchase Agreement, as amended hereby.

SECTION 6. Counterparts. This Amendment may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument, and the words "executed," signed," "signature," and words of like import as used above and elsewhere in this Amendment or in any other certificate, agreement or document related to this transaction shall include, in addition to manually executed signatures, images of manually executed signatures transmitted by facsimile or

other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, any electronic sound, symbol, or process, attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

SECTION 7. Costs and Expenses. Seller shall pay Buyer's reasonable actual out of pocket costs and expenses incurred in connection with the preparation, negotiation, execution and consummation of this Amendment in accordance with the Repurchase Agreement.

SECTION 8. No Novation, Effect of Agreement. Guarantor, Seller and Buyer have entered into this Amendment and the Fee Letter Amendment solely to amend the terms of the Repurchase Agreement and the Fee Letter and do not intend this Amendment, the Fee Letter Amendment or the transactions contemplated hereby to be, and this Amendment, the Fee Letter Amendment and the transactions contemplated hereby shall not be construed to be, a novation of any of the obligations owing by Seller or Guarantor (the "Repurchase Parties") under or in connection with the Repurchase Agreement, the Fee Letter or any of the other document executed in connection therewith to which any Repurchase Party is a party (the "Repurchase Documents"). It is the intention of each of the parties hereto that (i) the perfection and priority of all security interests securing the payment of the obligations of the Repurchase Parties under the Repurchase Agreement and the other Repurchase Documents are preserved, (ii) the liens and security interests granted under the Repurchase Agreement continue in full force and effect, and (iii) any reference to the Repurchase Agreement and Fee Letter in any such Repurchase Document shall be deemed to also reference this Amendment and the Fee Letter Amendment, respectively.

SECTION 9. Submission to Jurisdiction; Waiver of Jury Trial.

(a) Each party irrevocably and unconditionally (i) submits to the non-exclusive jurisdiction of any United States Federal or New York State court sitting in Manhattan, and any appellate court from any such court, solely for the purpose of any suit, action or proceeding brought to enforce its obligations under this Amendment or relating in any way to this Amendment or any Transaction under the Repurchase Agreement and (ii) waives, to the fullest extent it may effectively do so, any defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and any right of jurisdiction on account of its place of residence or domicile.

(b) To the extent that either party has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set off or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, such party hereby irrevocably waives and agrees not to plead or claim

such immunity in respect of any action brought to enforce its obligations under this Amendment or relating in any way to this Amendment or any Transaction under the Repurchase Agreement.

(c) The parties hereby irrevocably waive, to the fullest extent each may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding and irrevocably consent to the service of any summons and complaint and any other process by the mailing of copies of such process to them at their respective address specified in the Repurchase Agreement. The parties hereby agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section 9 shall affect the right of the Buyer to serve legal process in any other manner permitted by law or affect the right of the Buyer to bring any action or proceeding against the Seller or its property in the courts of other jurisdictions.

(d) EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AMENDMENT, ANY OTHER TRANSACTION DOCUMENT OR ANY INSTRUMENT OR DOCUMENT DELIVERED HEREUNDER OR THEREUNDER.

SECTION 10. GOVERNING LAW. THIS AMENDMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AMENDMENT, THE RELATIONSHIP OF THE PARTIES TO THIS AMENDMENT, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES TO THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CHOICE OF LAW RULES THEREOF. THE PARTIES HERETO INTEND THAT THE PROVISIONS OF SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY TO THIS AMENDMENT.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first above written.

BUYER:

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States

By: /s/ Thomas Cassino
Name: Thomas Cassino
Title: Managing Director

SELLER:

TPG RE FINANCE 1, LTD., an exempted company incorporated with limited liability under the laws of the Cayman Islands

By: /s/ Matthew Coleman
Name: Matthew Coleman
Title: Vice President

Acknowledged and Agreed:

TPG RE FINANCE TRUST HOLDCO, LLC, a Delaware limited liability company, in its capacity as Guarantor, and solely for purposes of making the acknowledgement set forth in Section 4 of this Amendment:

By: /s/ Matthew Coleman
Name: Matthew Coleman
Title:

Exhibit 10.9(j)

Execution Version

TENTH AMENDMENT TO MASTER REPURCHASE AND SECURITIES CONTRACT AGREEMENT

This Tenth Amendment to Master Repurchase and Securities Contract Agreement (this "**Amendment**"), dated as of November 23, 2020, is by and between GOLDMAN SACHS BANK USA, a New York state-chartered bank, as buyer ("**Buyer**"), and TPG RE FINANCE 2, LTD., an exempted company incorporated with limited liability under the laws of the Cayman Islands ("**Seller**"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Master Repurchase Agreement (as defined below).

W I T N E S S E T H:

WHEREAS, Seller and Buyer have entered into that certain Master Repurchase and Securities Contract Agreement dated as of August 19, 2015 (as amended by that certain First Amendment to the Master Repurchase and Securities Contract Agreement, dated as of December 29, 2015, as further amended by that certain Second Amendment to the Master Repurchase and Securities Contract Agreement, dated as of November 3, 2016, as further amended by that certain Third Amendment to Master Repurchase and Securities Contract Agreement, dated as of June 12, 2017, as further amended by that certain Fourth Amendment to Master Repurchase and Securities Contract Agreement, dated as of February 14, 2018, as further amended by that certain Fifth Amendment to Master Repurchase and Securities Contract Agreement, dated as of May 4, 2018, as further amended by that certain Sixth Amendment to Master Repurchase and Securities Contract Agreement, dated as of August 17, 2018, as further amended by that certain Seventh Amendment to Master Repurchase and Securities Contract Agreement, dated as of August 16, 2019 and effective as of February 1, 2019, as further amended by that certain Eighth Amendment to the Master Repurchase and Securities Contract Agreement, dated as of August 19, 2019, as further amended by that certain Ninth Amendment to the Master Repurchase and Securities Contract Agreement, dated as of June 30, 2020, and as further amended hereby, and as further amended, restated, supplemented or otherwise modified and in effect from time to time, collectively, the "**Master Repurchase Agreement**"); and

WHEREAS, Seller and Buyer wish to modify certain terms and provisions of the Master Repurchase Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. Amendments to Master Repurchase Agreement. The Master Repurchase Agreement is hereby amended as follows:

i. The following definitions are hereby added to Article 2 of the Master Repurchase Agreement in appropriate alphabetical order:

"**Benchmark**" shall mean, initially, LIBOR; provided, that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR or the then-current Benchmark, then "Benchmark" shall mean the applicable Benchmark Replacement.

"**Benchmark Replacement**" shall mean the first alternative set forth in the order below that can be determined by Buyer as of the Benchmark Replacement Date:

(1) the sum of (a) Term SOFR and (b) the Benchmark Replacement Adjustment;

(2) the sum of (a) Compounded SOFR and (b) the Benchmark Replacement Adjustment;

(3) the sum of (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (b) the Benchmark Replacement Adjustment;

(4) the sum of (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or

(5) the sum of (a) the alternate rate of interest that has been selected by Buyer as the replacement for the then-current Benchmark giving due consideration to the then-prevailing market convention for determining a rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate CMBS loans at such time and (b) the Benchmark Replacement Adjustment;

provided that, in the case of clauses (1) and (2) above, such rate, or the underlying rates component thereof, is or are displayed on a screen or other information service that publishes such rate or rates from time to time as selected by Buyer in its reasonable discretion, and *provided*, *further* in all cases that in no event shall the Benchmark Replacement for any Pricing Rate Period be deemed to be less than zero.

"**Benchmark Replacement Adjustment**" shall mean the first alternative set forth in the order below that can be determined by Buyer as of the Benchmark Replacement Date:

(1) the spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; and

(3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by Buyer giving due consideration to the then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate CMBS loans at such time;

provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by Buyer in its reasonable discretion.

"**Benchmark Replacement Conforming Changes**" shall mean, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Pricing Rate Determination Date", the definition of "Pricing Rate Period," the definition of "Reference Time," the timing and frequency of determining rates and other administrative matters) that Buyer decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by Buyer in a manner substantially consistent with

market practice for repurchase facilities or similar structured finance arrangements (or, if Buyer decides that adoption of any portion of such market practice is not administratively feasible or if Buyer determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as Buyer decides is reasonably necessary in connection with the administration of this Agreement and the other Transaction Documents).

"**Benchmark Replacement Date**" shall mean:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; and

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date shall be deemed to have occurred prior to the Reference Time for such determination.

"**Benchmark Transition Event**" shall mean the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

"**Benchmark Transition Notice**" shall have the meaning specified in Article 13(a)(iii).

"**Compounded SOFR**" shall mean the compounded average of SOFRs for a one-month period, with the rate, or methodology for this rate, and conventions for this rate (which may include compounding in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Pricing Rate Period) being established by Buyer in accordance with:

(1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; *provided* that,

(2) if, and to the extent that, Buyer determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate, that Buyer determines are substantially consistent with at least two currently outstanding U.S. dollar-denominated repurchase facilities or similar structured finance arrangements at such time (as a result of amendment or as originally executed);

provided, *further*, that if Buyer decides that any such rate, methodology or convention determined in accordance with clause (1) or clause (2) is not administratively feasible for Buyer, then Compounded SOFR shall be deemed unable to be determined for purposes of the definition of "Benchmark Replacement."

"**ISDA Definitions**" shall mean the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"**ISDA Fallback Adjustment**" shall mean the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the then-current Benchmark.

"**ISDA Fallback Rate**" shall mean the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the then-current Benchmark, excluding the applicable ISDA Fallback Adjustment.

"**Reference Time**" shall mean, with respect to any Pricing Rate Period, (x) if the Benchmark is LIBOR, 11:00 a.m. (London time) on the second Business Day preceding the first day of such Pricing Rate Period, and (y) if the Benchmark is not LIBOR, the date and time determined by Buyer in accordance with the Benchmark Replacement Conforming Changes.

"**Relevant Governmental Body**" shall mean the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"**SOFR**" shall mean, with respect to any day, the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator), on the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source.

"**Term SOFR**" shall mean the forward-looking term rate for a one-month period based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"**Unadjusted Benchmark Replacement**" shall mean the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

ii. The following definitions hereby replace the same existing definitions in Article 2 of the Master Repurchase Agreement:

"**LIBOR**" shall mean, with respect to each Pricing Rate Period, the rate determined by Buyer to be (i) the *per annum* rate for one (1) month deposits in U.S. dollars, which appears on the Reuters Screen LIBOR01 Page (or any successor thereto) as the London Interbank Offering Rate as of the Reference Time (rounded upwards, if necessary, to the nearest 1/1000 of 1%); (ii) if such rate does not appear on said Reuters Screen LIBOR01 Page, the arithmetic mean (rounded as aforesaid) of the offered quotations of rates obtained by Buyer from the Reference Banks for one (1) month deposits in U.S. dollars to prime banks in the London Interbank market as of approximately the Reference Time and in an amount that is representative for a single transaction in the relevant market at the relevant time; or (iii) if fewer than two (2) Reference Banks provide Buyer with such quotations, the rate *per annum* which Buyer determines to be the arithmetic mean (rounded as aforesaid) of the offered quotations of rates which major banks in New York, New York selected by Buyer are quoting at approximately 11:00 a.m., New York City time, on the Pricing Rate Determination Date for loans in U.S. dollars to leading European banks for a period equal to the applicable Pricing Rate Period in amounts of not less than $1,000,000.00; *provided*, that such selected banks shall be the same banks as selected for all of Buyer's other commercial real estate repurchase facilities where LIBOR is to be applied, to the extent such banks are available. Buyer's determination of LIBOR shall be binding and conclusive on Seller absent manifest error. LIBOR may or may not be the lowest rate based upon the market for U.S. dollar deposits in the London Interbank Eurodollar Market at which Buyer prices loans on the date which LIBOR is determined by Buyer as set forth above.

"**Pricing Rate**" shall mean, for any Pricing Rate Period and any Transaction, an annual rate equal to the sum of (i) the greater of (A) 0.25% and (B) the Benchmark and (ii) the relevant Applicable Spread, in each case, for the applicable Pricing Rate Period for the related Purchased Asset.

The Pricing Rate shall be subject to adjustment and/or conversion as provided in the Transaction Documents (including, without limitation, as provided in Article 13) or the related Confirmation.

"**Pricing Rate Determination Date**" shall mean with respect to any Transaction, (i) with respect to the first Pricing Rate Period, the related Purchase Date for such Purchased Asset and (ii) with respect to any subsequent Pricing Rate Period, (a) if the Benchmark is LIBOR, the second (2nd) Business Day preceding the first day of such Pricing Rate Period and (b) if the Benchmark is not LIBOR, the time determined by Buyer in accordance with the Benchmark Replacement Conforming Changes.

iii. The definitions of "**Federal Funds Rate**", "**Federal Funds Rate Applicable Spread**", "**Federal Funds Rate Transaction**", "**Reserve Interest Rate**", "**Substitute Rate**", "**Substitute Rate Applicable Spread**", and "**Substitute Rate Transaction**", in Article 2 of the Master Repurchase Agreement are hereby deleted in their entirety.

iv. Article 13(a) of the Master Repurchase Agreement is hereby deleted in its entirety and replaced with the following:

"(a) Effect of Benchmark Transition Event.

(i) *Benchmark Conversion Election*. Notwithstanding anything to the contrary in this Agreement or in any other Transaction Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark for any Pricing Rate Period (as determined by Buyer in its sole and absolute discretion (which determination shall be conclusive and binding upon Seller absent manifest error)), Buyer shall have the sole and exclusive right to elect to replace the then-current Benchmark with a Benchmark Replacement selected by Buyer for all purposes under this Agreement and under any other Transaction Document in respect of such determination and all determinations on all subsequent dates (without any amendment to, or further action or consent of Seller).

(ii) *Benchmark Replacement Conforming Changes*. In connection with the implementation of a Benchmark Replacement, Buyer shall have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary in this Agreement or in any other Transaction Documents, any amendments implementing such Benchmark Replacement Conforming Changes shall become effective without any further action or consent of Seller.

(iii) *Benchmark Transition Notice*. Buyer shall promptly notify Seller of (A) the occurrence of a Benchmark Transition Event and its related Benchmark Replacement Date, (B) the implementation of any Benchmark Replacement and (C) the effectiveness of any related Benchmark Replacement Conforming Changes in connection with the replacement of the then-current Benchmark with such Benchmark Replacement (such notice, the "**Benchmark Transition Notice**"). From and after the Benchmark Replacement Date related to such Benchmark Transition Notice, the specified Benchmark Replacement shall be the Benchmark for all purposes under this Agreement, each of the other Transaction Documents and every Transaction hereunder.

(iv) *Standards for Decisions and Determinations*. Notwithstanding anything to the contrary in this Agreement or in any other Transaction Document, any determination, decision or election that may be made by Buyer pursuant to this Article 13(a), including, but not limited to, any determination of any Benchmark Transition Event, any election to replace the then-current Benchmark with a Benchmark Replacement, any Benchmark Transition Notice or any selection of the Benchmark Replacement, the related Benchmark Replacement Adjustment or any related Benchmark Replacement Conforming Changes or any other determination, decision or election with respect to a rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, shall be conclusive and binding absent manifest error and may be made in the sole discretion of Buyer without consent from the Seller. If any Benchmark Replacement of a Transaction occurs on a day that is not the last day of the then current Pricing Rate Period with respect to such Transaction, Seller shall pay to Buyer such amounts, if any, as may be required pursuant to Article 13(f) of this Agreement."

v. Article 13(b) of the Master Repurchase Agreement is hereby deleted in its entirety and replaced with the following:

"(b) Illegality. Notwithstanding any other provision herein, if (A) the adoption of or any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for Buyer to enter into or maintain Transactions as contemplated by the Transaction Documents, the commitment of Buyer hereunder to enter into new Transactions shall forthwith be canceled or (B) if such adoption of or change in Requirement of Law makes it unlawful for Buyer to continue to maintain

Transactions as contemplated by this Agreement and Buyer does not have any means of complying with such Requirements of Law other than to terminate such Transaction after exercising commercially reasonable efforts to comply with such Requirements of Law without having to terminate such Transaction, then a Repurchase Date for such Transaction shall occur on the later to occur of (x) the date that is ten (10) Business Days after delivery of written notice thereof from Buyer to Seller and (y) the next Remittance Date, or on such earlier date as may be required by law. In addition, Buyer will provide Seller with notice promptly after any such determination under this Article 13(b) is made."

vi. Article 13(c) of the Master Repurchase Agreement is hereby deleted in its entirety and replaced with the following:

"(c) Increased Costs. If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof by any Governmental Authority or compliance by Buyer with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority having jurisdiction over Buyer made subsequent to the date hereof:

(i) shall subject Buyer or any Transferee to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) under this Agreement, or its loans, loan principal, letters of credit, commitments, or other obligation, or its deposits, reserves, other liabilities or capital attributable thereto;

(ii) shall impose, modify or hold applicable any Reserve Requirements, other reserves, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of Buyer that is not otherwise included in the determination of the Benchmark hereunder; or

(iii) shall impose on Buyer any other condition;

and the result of any of the foregoing is to increase the cost to Buyer, by an amount that Buyer deems, in the exercise of its reasonable business judgment, to be material, of entering into, continuing or maintaining Transactions or to reduce any amount receivable under the Transaction Documents in respect thereof; then, in any such case, Seller shall promptly pay Buyer, upon its demand, any additional amounts necessary to compensate Buyer for such increased cost or reduced amount receivable; provided, however, that to the extent any such determination by Buyer and imposition of such increased costs apply to all sellers under similar repurchase facilities with Buyer, such determination and imposition of such increased costs will not be applied solely to Seller. Such notification as to the calculation of any additional amounts payable pursuant to this subsection shall be submitted by Buyer to Seller and shall be prima facie evidence of such additional amounts. This covenant shall survive the termination of this Agreement and the repurchase by Seller of any or all of the Purchased Assets."

vii. The following is hereby added to Exhibit III-A of the Master Repurchase Agreement as a fifth bullet:

" ● The floating rate benchmark or index used to determine interest payments in respect of such Purchased Asset for the preceding calendar month."

2. Effectiveness. The effectiveness of this Amendment is subject to receipt by Buyer of the following:

i. Amendment. This Amendment, duly executed and delivered by Seller and Buyer.

ii. Fees. Payment by Seller of the actual costs and expenses, including, without limitation, the reasonable fees and expenses of counsel to Buyer, incurred by Buyer in connection with this Amendment and the transactions contemplated hereby.

3. No Amendments. No amendments have been made to the organizational documents of Seller and Guarantor since August 17, 2018, unless otherwise stated therein, which provide for, among other things, the authority of Seller and Guarantor to execute and deliver this Amendment.

4. Good Standing. Within a reasonable time after the date hereof, Seller shall provide good standing certificates for the Seller, Pledgor and Guarantor.

5. Continuing Effect; Reaffirmation of Guarantee. As amended by this Amendment, all terms, covenants and provisions of the Master Repurchase Agreement are ratified and confirmed and shall remain in full force and effect. In addition, any and all guaranties and indemnities for the benefit of Buyer (including, without limitation, the Guarantee Agreement) and agreements subordinating rights and liens to the rights and liens of Buyer, are hereby ratified and confirmed and shall not be released, diminished, impaired, reduced or adversely affected by this Amendment, and each party indemnifying Buyer, and each party subordinating any right or lien to the rights and liens of Buyer, hereby consents, acknowledges and agrees to the modifications set forth in this Amendment and waives any common law, equitable, statutory or other rights which such party might otherwise have as a result of or in connection with this Amendment.

6. Binding Effect; No Partnership; Counterparts. The provisions of the Master Repurchase Agreement, as amended hereby, shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Nothing herein contained shall be deemed or construed to create a partnership or joint venture between any of the parties hereto. For the purpose of facilitating the execution of this Amendment as herein provided, this Amendment may be executed simultaneously in any number of counterparts, each of which shall be deemed to be an original, and such counterparts when taken together shall constitute but one and the same instrument. Delivery of an executed counterpart signature page to this Amendment in Portable Document Format (PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

7. Further Agreements. Seller agrees to execute and deliver such additional documents, instruments or agreements as may be reasonably requested by Buyer and as may be necessary or appropriate from time to time to effectuate the purposes of this Amendment.

8. Governing Law. The provisions of Article 19 of the Master Repurchase Agreement are incorporated herein by reference.

9. Headings. The headings of the sections and subsections of this Amendment are for convenience of reference only and shall not be considered a part hereof nor shall they be deemed to limit or otherwise affect any of the terms or provisions hereof.

10. References to Transaction Documents. All references to the Master Repurchase Agreement in any Transaction Document, or in any other document executed or delivered in connection therewith shall, from and after the execution and delivery of this Amendment, be deemed a reference to the Master Repurchase Agreement as amended hereby, unless the context expressly requires otherwise.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment as a deed as of the day first written above.

BUYER:
GOLDMAN SACHS BANK USA, a New York state-chartered bank

By: /s/ Jeffrey Dawkins
Name: Jeffrey Dawkins
Title: Authorized Person

[ADDITIONAL SIGNATURE PAGE FOLLOWS]

SELLER:
TPG RE FINANCE 2, LTD., a Cayman Islands exempted company

By: /s/ Matthew Coleman
Name: Matthew Coleman
Title: Vice President

[ADDITIONAL SIGNATURE PAGE FOLLOWS]

AGREED AND ACKNOWLEDGED:

GUARANTOR**:**

TPG RE FINANCE TRUST HOLDCO, LLC, a Delaware limited liability company

By: /s/ Matthew Coleman
Name: Matthew Coleman
Title: Vice President

Exhibit 21.1

Subsidiaries of the Registrant

Subsidiary	Jurisdiction
TPG RE Finance Trust Holdco, LLC	Delaware
TPG RE Finance Trust TRS Corp.	Delaware
TPG RE Finance Trust GenPar, Inc.	Cayman Islands
TPG RE Finance 13, Ltd.	Cayman Islands
TPG RE Finance 14, Ltd.	Cayman Islands
TPG RE Finance 15, LLC	Delaware
TPG RE Finance 16, LLC	Delaware
TPG RE Finance 17, LLC	Delaware
TPG RE Finance 18, LLC	Delaware
TPG RE Finance 19, LLC	Delaware
TPG RE Finance Pledgor 20, LLC	Delaware
TPG RE Finance 20, Ltd.	Cayman Islands
TPG RE Finance, Ltd.	Cayman Islands
TPG RE Finance Trust Sub 1, LLC	Delaware
TPG RE Finance Pledgor 1, LLC	Delaware
TPG RE Finance Pledgor 2, LLC	Delaware
TPG RE Finance 3, LLC	Delaware
TPG RE Finance 4, LLC	Delaware
TPG RE Finance 5, LLC	Delaware
TPG RE Finance 6, LLC	Delaware
TPG RE Finance 7, LLC	Delaware
TPG RE Finance 8, LLC	Delaware
TPG RE Finance 9, LLC	Delaware
TPG RE Finance 10, LLC	Delaware
TPG RE Finance 1, Ltd.	Cayman Islands
TPG RE Finance 2, Ltd.	Cayman Islands
TPG RE Finance Pledgor 11, LLC	Delaware
TPG RE Finance Pledgor 12, LLC	Delaware
TPG RE Finance, LLC	Delaware
TPG RE Finance 11, Ltd.	Cayman Islands
TPG RE Finance 12, Ltd.	Cayman Islands
TRT Securities 1, LLC	Delaware
TRT Securities 2, LLC	Delaware
TRT Securities 3, LLC	Delaware
TRT Securities 4, LLC	Delaware
TRT Securities 5, LLC	Delaware
TPG RE Finance 21, Ltd.	Cayman Islands
TPG RE Finance 22, Ltd.	Cayman Islands
TPG RE Finance 23, Ltd.	Cayman Islands
TPG RE Finance 24, Ltd.	Cayman Islands
TPG RE Finance 25, Ltd.	Cayman Islands
TPG RE Finance 26, Ltd.	Cayman Islands
TPG Real Estate Finance Trust 2018-FL1 Issuer, Ltd	Cayman Islands
TRTX 2018-FL2 Issuer, Ltd	Cayman Islands
TPG RE Finance Trust 2018-FL1 Co-Issuer, LLC	Delaware
TRTX 2018-FL2 Co-Issuer, LLC	Delaware
TPG RE Finance Trust CLO Loan Seller, LLC	Delaware
TRTX CLO Loan Seller 2, LLC	Delaware
TPG RE Finance Trust 2018-FL1 Retention Holder, LLC	Delaware
TRTX 2018-FL2 Retention Holder, LLC	Delaware
TPG RE Finance Trust CLO Holdco TRS, LLC	Delaware

TPG RE Finance Trust CLO Sub-REIT Parent, LLC	Delaware
TPG RE Finance Trust CLO Sub-REIT, Corp.	Maryland
TRTX Master CLO Loan Seller, LLC	Delaware
TRTX Master Retention Holder, LLC	Delaware
TRTX 2019-FL3 Issuer, Ltd	Cayman Islands
TRTX 2019-FL3 Co-Issuer, LLC	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-226642 on Form S-3 and Registration Statement No. 333-220523 on Form S-8 of our report dated February 24, 2021, relating to the financial statements of TPG RE Finance Trust, Inc. and the effectiveness of TPG RE Finance Trust, Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2020.

/s/ Deloitte & Touche LLP

Dallas, Texas
February 24, 2021

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Matthew Coleman, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended December 31, 2020 of TPG RE Finance Trust, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2021

/s/ Matthew Coleman
Matthew Coleman
President
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert Foley, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended December 31, 2020 of TPG RE Finance Trust, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2021

/s/ Robert Foley
Robert Foley
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY
ACT OF 2002

In connection with the Annual Report on Form 10-K of TPG RE Finance Trust, Inc. (the "Company") for the fiscal year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew Coleman, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 24, 2021

/s/ Matthew Coleman
Matthew Coleman
President
(Principal Executive Officer)

A signed original of this certification required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY
ACT OF 2002

In connection with the Annual Report on Form 10-K of TPG RE Finance Trust, Inc. (the "Company") for the fiscal year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert Foley, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 24, 2021

/s/ Robert Foley
Robert Foley
Chief Financial Officer
(Principal Financial Officer)

A signed original of this certification required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.