UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: July 28, 2025

Two Harbors Investment Corp.
(Exact name of registrant as specified in its charter)

Maryland	**001-34506**	**27-0312904**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)
1601 Utica Avenue South, Suite 900	**St. Louis Park, MN**	**55416**
(Address of Principal Executive Offices)		(Zip Code)

(612) 453-4100
Registrant's telephone number, including area code

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class:	Trading Symbol(s)	Name of Exchange on Which Registered:
Common Stock, par value $0.01 per share	TWO	New York Stock Exchange
8.125% Series A Cumulative Redeemable Preferred Stock	TWO PRA	New York Stock Exchange
7.625% Series B Cumulative Redeemable Preferred Stock	TWO PRB	New York Stock Exchange
7.25% Series C Cumulative Redeemable Preferred Stock	TWO PRC	New York Stock Exchange
9.375% Senior Notes Due 2030	TWOD	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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.

☐

Item 2.02 Results of Operations and Financial Condition.

On July 28, 2025, Two Harbors Investment Corp. issued a press release announcing its financial results for the fiscal quarter ended June 30, 2025. A copy of the press release and the 2025 Second Quarter Earnings Call Presentation are attached hereto as Exhibits 99.1 and 99.2, respectively, and are incorporated herein by reference.

The information in Item 2.02 of this Current Report, including Exhibits 99.1 and 99.2 attached hereto, is furnished pursuant to Item 2.02 of Form 8-K and shall not be deemed to be "filed" for any other purpose, including for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in Item 2.02 of this Current Report, including Exhibits 99.1 and 99.2, shall not be deemed incorporated by reference into any filing of the registrant under the Securities Act of 1933 or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filings (unless the registrant specifically states that the information or exhibit in this Item 2.02 is incorporated by reference).

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release of Two Harbors Investment Corp., dated July 28, 2025.
99.2	2025 Second Quarter Earnings Call Presentation.
104	Cover Page Interactive Data File, formatted in Inline XBRL.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TWO HARBORS INVESTMENT CORP.

By: /s/ REBECCA B. SANDBERG
Rebecca B. Sandberg
Chief Legal Officer and Secretary

Date: July 28, 2025

TWO Reports Second Quarter 2025 Financial Results

Wider Spreads Lead to Attractive Levered Returns

NEW YORK, July 28, 2025 - TWO (Two Harbors Investment Corp., NYSE: TWO), an MSR-focused real estate investment trust (REIT), today announced its financial results for the quarter ended June 30, 2025.

Quarterly Summary

- Reported book value of $12.14 per common share, and declared a second quarter common stock dividend of $0.39 per share, representing a (14.5)% quarterly economic return on book value. For the first six months of 2025, generated a (10.3)% total economic return on book value.(1)

- Incurred a Comprehensive Loss of $(221.8) million, or $(2.13) per weighted average basic common share.

- Recorded a contingency liability and related expense of $199.9 million, or $1.92 per weighted average basic common share, related to the company's ongoing litigation with PRCM Advisers LLC.(2)

- Excluding the loss contingency accrual recognized during the quarter:

  - Generated a (1.4)% quarterly economic return on book value. For the first six months of 2025, generated a 2.9% total economic return on book value.(1)

  - Incurred a Comprehensive Loss of $(21.9) million, or $(0.21) per weighted average basic common share.

- Issued $115.0 million aggregate principal amount of 9.375% Senior Notes due 2030 through an underwritten offering for net proceeds of $110.8 million.

- Settled $6.6 billion in unpaid principal balance (UPB) of MSR through two bulk purchases, flow-sale acquisitions and recapture.

- As of June 30, 2025, MSR portfolio had a weighted average gross coupon rate of 3.53% and a 60+ day delinquency rate of 0.82%, compared to 0.85% as of March 31, 2025. For the second quarter of 2025, MSR portfolio experienced a 3-month CPR of 5.8%, compared to 5.3% for the second quarter of 2024.

- Funded $48.6 million UPB in first lien loans and brokered $44.0 million UPB in second lien loans.

"The combination of our investment portfolio and operating company allows us to be dynamic and responsive as opportunities emerge across the mortgage finance space," said Bill Greenberg, TWO's President and Chief Executive Officer. "Given the strength of our platform and the depth of expertise across our team, we are confident in our ability to navigate through changing market cycles, creating long-term value for our stockholders, customers, and business partners."

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(1) Economic return on book value is defined as the increase (decrease) in common book value from the beginning to the end of the given period, plus dividends declared to common stockholders in the period, divided by common book value as of the beginning of the period.

(2) The contingency liability is reflective of the $139.8 million termination fee that the Company believes would have been payable to PRCM Advisers for termination on the basis of unfair compensation pursuant to Section 13(a)(ii) of the Management Agreement, plus applicable pre-judgment interest on such amount accrued at the statutory rate of 9% through June 30, 2025. Estimated loss contingencies are required to be recorded under ASC 450, *Contingencies*, when a company determines a contingency liability is both probable and estimable.

“Fixed-income and equity markets proved resilient in the second quarter,” stated Nick Letica, TWO’s Chief Investment Officer. “While we will continue to be mindful of the many sources of volatility that can impact our portfolio, we believe there is also opportunity in this environment. Spreads for Agency RMBS remain historically wide, and offer good relative value to other high quality spread assets. Our core strategy of low coupon MSR paired with Agency RMBS is well positioned to benefit from both stable prepayments and wide Agency RMBS spreads.”

Operating Performance

The following table summarizes the company’s GAAP and non-GAAP earnings measurements and key metrics for the second quarter of 2025 and first quarter of 2025:

Operating Performance (unaudited)

(dollars in thousands, except per common share data)

	Three Months Ended June 30, 2025			Three Months Ended March 31, 2025		
Earnings attributable to common stockholders	**Earnings**	**Per weighted average basic common share**	**Annualized return on average common equity**	**Earnings**	**Per weighted average basic common share**	**Annualized return on average common equity**
Comprehensive (Loss) Income	$ (221,807)	$ (2.13)	(64.3)%	$ 64,931	$ 0.62	16.8 %
GAAP Net Loss	$ (272,280)	$ (2.62)	(79.0)%	$ (92,241)	$ (0.89)	(23.8)%
Earnings Available for Distribution[1]	$ 29,545	$ 0.28	8.6 %	$ 25,092	$ 0.24	6.5 %
Operating Metrics						
Dividend per common share	$ 0.39			$ 0.45		
Annualized dividend yield[2]	14.5 %			13.5 %		
Book value per common share at period end	$ 12.14			$ 14.66		
Economic return on book value[3]	(14.5)%			4.4 %		
Operating expenses, excluding non-cash LTIP amortization and certain operating expenses[4]	$ 38,090			$ 40,465		
Operating expenses, excluding non-cash LTIP amortization and certain operating expenses, as a percentage of average equity[4]	7.6 %			7.5 %		

(1) Earnings Available for Distribution, or EAD, is a non-GAAP measure. Please see page 11 for a definition of EAD and a reconciliation of GAAP to non-GAAP financial information.
(2) Dividend yield is calculated based on annualizing the dividends declared in the given period, divided by the closing share price as of the end of the period.
(3) Economic return on book value is defined as the increase (decrease) in common book value from the beginning to the end of the given period, plus dividends declared to common stockholders in the period, divided by the common book value as of the beginning of the period.
(4) Excludes non-cash equity compensation expense of $1.9 million for the second quarter of 2025 and $6.5 million for the first quarter of 2025 and certain operating expenses of $2.8 million for the second quarter of 2025 and $0.1 million for the first quarter of 2025. Certain operating expenses predominantly consists of expenses incurred in connection with the company’s ongoing litigation with PRCM Advisers LLC.

Portfolio Summary

As of June 30, 2025, the company's portfolio was comprised of $11.4 billion of Agency RMBS, MSR and other investment securities as well as their associated notional debt hedges. Additionally, the company held $3.0 billion bond equivalent value of net long to-be-announced securities (TBAs).

The following tables summarize the company's investment portfolio as of June 30, 2025 and March 31, 2025:

Investment Portfolio
(dollars in thousands)

Portfolio Composition	As of June 30, 2025			As of March 31, 2025		
	(unaudited)			(unaudited)		
Agency RMBS	$	8,387,068	73.5 %	$	8,627,708	74.4 %
Mortgage servicing rights[1]		3,015,643	26.5 %		2,959,773	25.6 %
Other		3,449	— %		3,613	— %
Aggregate Portfolio		11,406,160			11,591,094	
Net TBA position[2]		3,025,099			3,001,064	
Total Portfolio	$	14,431,259		$	14,592,158	

(1) Based on the prior month-end's principal balance of the loans underlying the company's MSR, increased for current month purchases.
(2) Represents bond equivalent value of TBA position. Bond equivalent value is defined as notional amount multiplied by market price. Accounted for as derivative instruments in accordance with GAAP.

Portfolio Metrics Specific to Agency RMBS	As of June 30, 2025		As of March 31, 2025	
	(unaudited)		(unaudited)	
Weighted average cost basis[1]	$	101.24	$	101.50
Weighted average experienced three-month CPR		8.4 %		7.0 %
Gross weighted average coupon rate		6.1 %		6.1 %
Weighted average loan age (months)		27		28

(1) Weighted average cost basis includes Agency principal and interest RMBS only and utilizes carrying value for weighting purposes.

Portfolio Metrics Specific to MSR[1]	As of June 30, 2025		As of March 31, 2025	
(dollars in thousands)	(unaudited)		(unaudited)	
Unpaid principal balance	$	198,822,611	$	196,773,345
Gross coupon rate		3.5 %		3.5 %
Current loan size	$	330	$	330
Original FICO[2]		760		760
Original LTV		73 %		72 %
60+ day delinquencies		0.8 %		0.8 %
Net servicing fee		25.4 basis points		25.3 basis points
	Three Months Ended June 30, 2025		**Three Months Ended March 31, 2025**	
	(unaudited)		(unaudited)	
Fair value losses	$	(35,902)	$	(36,221)
Servicing income	$	147,961	$	146,870
Servicing costs	$	2,322	$	3,302
Change in servicing reserves	$	64	$	(105)

(1) Metrics exclude residential mortgage loans in securitization trusts for which the company is the named servicing administrator. Portfolio metrics, other than UPB, represent averages weighted by UPB.
(2) FICO represents a mortgage industry accepted credit score of a borrower.

Other Investments and Risk Management Metrics		As of June 30, 2025		As of March 31, 2025
(dollars in thousands)		(unaudited)		(unaudited)
Net long TBA notional[1]	$	3,040,382	$	3,070,552
Futures notional	$	(3,398,092)	$	(2,930,590)
Interest rate swaps notional	$	19,526,559	$	14,755,568

(1) Accounted for as derivative instruments in accordance with GAAP.

Financing Summary

The following tables summarize the company's financing metrics and outstanding repurchase agreements, revolving credit facilities, warehouse lines of credit, senior notes and convertible senior notes as of June 30, 2025 and March 31, 2025:

June 30, 2025		Balance	Weighted Average Borrowing Rate	Weighted Average Months to Maturity	Number of Distinct Counterparties
(dollars in thousands, unaudited)					
Repurchase agreements collateralized by securities	$	7,992,622	4.48 %	1.96	18
Repurchase agreements collateralized by MSR		790,000	7.39 %	10.54	3
Total repurchase agreements		8,782,622	4.74 %	2.73	19
Revolving credit facilities collateralized by MSR and related servicing advance obligations		1,011,871	7.36 %	19.96	3
Warehouse lines of credit collateralized by mortgage loans		9,275	6.31 %	2.47	1
Unsecured senior notes		110,867	9.38 %	61.55	n/a
Unsecured convertible senior notes		260,944	6.25 %	6.54	n/a
Total borrowings	$	10,175,579			

March 31, 2025		Balance	Weighted Average Borrowing Rate	Weighted Average Months to Maturity	Number of Distinct Counterparties
(dollars in thousands, unaudited)					
Repurchase agreements collateralized by securities	$	8,970,830	4.50 %	2.23	18
Repurchase agreements collateralized by MSR		770,000	7.38 %	13.88	3
Total repurchase agreements		9,740,830	4.73 %	3.16	19
Revolving credit facilities collateralized by MSR and related servicing advance obligations		933,171	7.45 %	15.91	3
Warehouse lines of credit collateralized by mortgage loans		7,971	6.36 %	2.50	1
Unsecured senior notes		—	— %	—	n/a
Unsecured convertible senior notes		260,591	6.25 %	9.53	n/a
Total borrowings	$	10,942,563			

Borrowings by Collateral Type	As of June 30, 2025	As of March 31, 2025
(dollars in thousands)	(unaudited)	(unaudited)
Agency RMBS	$ 7,992,427	$ 8,970,635
Mortgage servicing rights and related servicing advance obligations	1,801,871	1,703,171
Other - secured	9,470	8,166
Other - unsecured[1]	371,811	260,591
Total	10,175,579	10,942,563
TBA cost basis	3,009,819	3,001,672
Net payable (receivable) for unsettled RMBS	108,474	(643,896)
Total, including TBAs and net payable (receivable) for unsettled RMBS	$ 13,293,872	$ 13,300,339
Debt-to-equity ratio at period-end[2]	5.4 :1.0	5.1 :1.0
Economic debt-to-equity ratio at period-end[3]	7.0 :1.0	6.2 :1.0

Cost of Financing by Collateral Type[4]	Three Months Ended June 30, 2025	Three Months Ended March 31, 2025
	(unaudited)	(unaudited)
Agency RMBS	4.54 %	4.62 %
Mortgage servicing rights and related servicing advance obligations[5]	7.87 %	7.81 %
Other - secured	6.68 %	6.93 %
Other - unsecured[1][5]	7.44 %	6.84 %
Annualized cost of financing	5.18 %	5.27 %
Interest rate swaps[6]	(0.20) %	(0.18) %
U.S. Treasury futures[7]	(0.10) %	(0.04) %
TBAs[8]	2.65 %	2.89 %
Annualized cost of financing, including swaps, U.S. Treasury futures and TBAs	4.43 %	4.49 %

(1) Unsecured borrowings under senior notes and convertible senior notes.
(2) Defined as total borrowings to fund Agency and non-Agency investment securities, MSR and related servicing advances and mortgage loans held-for-sale, divided by total equity.
(3) Defined as total borrowings to fund Agency and non-Agency investment securities, MSR and related servicing advances and mortgage loans held-for-sale, plus the implied debt on net TBA cost basis and net payable (receivable) for unsettled RMBS, divided by total equity.
(4) Excludes any repurchase agreements collateralized by U.S. Treasuries.
(5) Includes amortization of debt issuance costs.
(6) The cost of financing on interest rate swaps held to mitigate interest rate risk associated with the company's outstanding borrowings includes interest spread income/expense and amortization of upfront payments made or received upon entering into interest rate swap agreements and is calculated using average borrowings balance as the denominator.
(7) The cost of financing on U.S. Treasury futures held to mitigate interest rate risk associated with the company's outstanding borrowings is calculated using average borrowings balance as the denominator. U.S. Treasury futures income is the economic equivalent to holding and financing a relevant cheapest-to-deliver U.S. Treasury note or bond using short-term repurchase agreements.
(8) The implied financing benefit/cost of dollar roll income on TBAs is calculated using the average cost basis of TBAs as the denominator. TBA dollar roll income is the non-GAAP economic equivalent to holding and financing Agency RMBS using short-term repurchase agreements. TBAs are accounted for as derivative instruments in accordance with GAAP.

Conference Call

TWO will host a conference call on July 29, 2025 at 9:00 a.m. ET to discuss its second quarter 2025 financial results and related information. To participate in the teleconference, please call toll-free (888) 394-8218 approximately 10 minutes prior to the above start time and provide the Conference Code 3889089. The conference call will also be webcast live and accessible online in the News & Events section of the company's website at www.twoinv.com. For those unable to attend, a replay of the webcast will be available on the company's website approximately four hours after the live call ends.

About TWO

Two Harbors Investment Corp., or TWO, a Maryland corporation, is a real estate investment trust that invests in mortgage servicing rights, residential mortgage-backed securities, and other financial assets. TWO is headquartered in St. Louis Park, MN.

Forward-Looking Statements

This release includes "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Actual results may differ from expectations, estimates and projections and, consequently, readers should not rely on these forward-looking statements as predictions of future events. Words such as "expect," "target," "assume," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believe," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. These forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from expected results, including, among other things, those described in our Annual Report on Form 10-K for the year ended December 31, 2024, and any subsequent Quarterly Reports on Form 10-Q, under the caption "Risk Factors." Factors that could cause actual results to differ include, but are not limited to: the state of credit markets and general economic conditions; changes in interest rates and the market value of our assets; changes in prepayment rates of mortgages underlying our target assets; the rates of default or decreased recovery on the mortgages underlying our target assets; declines in home prices; our ability to establish, adjust and maintain appropriate hedges for the risks in our portfolio; the availability and cost of our target assets; the availability and cost of financing; changes in the competitive landscape within our industry; our ability to effectively execute and to realize the benefits of strategic transactions and initiatives we have pursued or may in the future pursue; our decision to terminate our management agreement with PRCM Advisers LLC and the ongoing litigation related to such termination; our ability to manage various operational risks and costs associated with our business, including the risks associated with operating a mortgage loan servicer and originator; interruptions in or impairments to our communications and information technology systems; our ability to acquire MSR and to maintain our MSR portfolio; our exposure to legal and regulatory claims; legislative and regulatory actions affecting our business; our ability to maintain our REIT qualification; and limitations imposed on our business due to our REIT status and our exempt status under the Investment Company Act of 1940.

Readers are cautioned not to place undue reliance upon any forward-looking statements, which speak only as of the date made. TWO does not undertake or accept any obligation to release publicly any updates or revisions to any forward-looking statement to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based. Additional information concerning these and other risk factors is contained in TWO's most recent filings with the Securities and Exchange Commission (SEC). All subsequent written and oral forward-looking statements concerning TWO or matters attributable to TWO or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above.

Non-GAAP Financial Measures

In addition to disclosing financial results calculated in accordance with United States generally accepted accounting principles (GAAP), this press release and the accompanying investor presentation present non-GAAP financial measures, such as earnings available for distribution and related per basic common share measures. The non-GAAP financial measures presented by the company provide supplemental information to assist investors in analyzing the company's results of operations and help facilitate comparisons to industry peers. However, because these measures are not calculated in accordance with GAAP, they should not be considered a substitute for, or superior to, the financial measures calculated in accordance with GAAP. The company's GAAP financial results and the reconciliations from these results should be carefully evaluated. See the GAAP to non-GAAP reconciliation table on page 11 of this release.

Additional Information

Stockholders of TWO and other interested persons may find additional information regarding the company at www.twoinv.com, at the Securities and Exchange Commission's internet site at www.sec.gov or by directing requests to: TWO, Attn: Investor Relations, 1601 Utica Avenue South, Suite 900, St. Louis Park, MN, 55416, (612) 453-4100.

Contact

Margaret Karr, Head of Investor Relations, TWO, (612) 453-4080, Margaret.Karr@twoinv.com

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TWO HARBORS INVESTMENT CORP.
CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except share data)

	June 30, 2025	December 31, 2024
	(unaudited)	
ASSETS		
Available-for-sale securities, at fair value (amortized cost $8,436,743 and $7,697,027, respectively; allowance for credit losses $2,235 and $2,866, respectively)	$ 8,320,757	$ 7,371,711
Mortgage servicing rights, at fair value	3,015,643	2,994,271
Mortgage loans held-for-sale	9,888	2,334
Cash and cash equivalents	657,816	504,613
Restricted cash	140,481	313,028
Accrued interest receivable	36,768	33,331
Due from counterparties	285,570	386,464
Derivative assets, at fair value	88,651	10,114
Reverse repurchase agreements	228,587	355,975
Other assets	174,977	232,478
Total Assets	$ 12,959,138	$ 12,204,319
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Repurchase agreements	$ 8,782,622	$ 7,805,057
Revolving credit facilities	1,011,871	1,020,171
Warehouse lines of credit	9,275	2,032
Senior notes	110,867	—
Convertible senior notes	260,944	260,229
Derivative liabilities, at fair value	2,701	24,897
Due to counterparties	388,508	648,643
Dividends payable	54,195	58,725
Accrued interest payable	80,167	85,994
Loss contingency accrual	199,935	—
Other liabilities	172,027	176,062
Total Liabilities	11,273,047	10,081,810
Stockholders' Equity:		
Preferred stock, par value $0.01 per share; 100,000,000 shares authorized and 24,870,817 shares issued and outstanding ($621,770 liquidation preference)	601,467	601,467
Common stock, par value $0.01 per share; 175,000,000 shares authorized and 104,132,453 and 103,680,321 shares issued and outstanding, respectively	1,041	1,037
Additional paid-in capital	5,945,210	5,936,609
Accumulated other comprehensive loss	(112,879)	(320,524)
Cumulative earnings	1,310,689	1,648,785
Cumulative distributions to stockholders	(5,859,502)	(5,744,865)
Total Stockholders' Equity	1,886,026	2,122,509
Total Liabilities and Stockholders' Equity	$ 13,159,073	$ 12,204,319

TWO HARBORS INVESTMENT CORP.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

(dollars in thousands, except share data)

Certain prior period amounts have been reclassified to conform to the current period presentation

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(unaudited)		(unaudited)	
Net interest expense:				
Interest income	$ 117,082	$ 115,953	$ 228,464	$ 233,736
Interest expense	135,205	154,207	266,919	314,207
Net interest expense	(18,123)	(38,254)	(38,455)	(80,471)
Net servicing income:				
Servicing income	158,354	176,015	315,213	342,348
Servicing costs	2,386	4,475	5,583	11,594
Net servicing income	155,968	171,540	309,630	330,754
Other (loss) income:				
Loss on investment securities	(32,830)	(22,437)	(65,559)	(33,412)
Loss on servicing asset	(35,902)	(22,857)	(72,123)	(11,845)
(Loss) gain on interest rate swap and swaption agreements	(52,950)	22,012	(151,738)	120,522
(Loss) gain on other derivative instruments	(31,257)	(750)	(29,809)	46,849
Gain (loss) on mortgage loans held-for-sale	883	—	1,552	(3)
Other income	1,038	226	1,799	226
Total other (loss) income	(151,018)	(23,806)	(315,878)	122,337
Expenses:				
Compensation and benefits	21,469	21,244	48,058	47,773
Other operating expenses	21,307	17,699	41,812	38,751
Loss contingency accrual	199,935	—	199,935	—
Total expenses	242,711	38,943	289,805	86,524
(Loss) income before income taxes	(255,884)	70,537	(334,508)	286,096
Provision for income taxes	1,661	14,201	2,092	26,172
Net (loss) income	(257,545)	56,336	(336,600)	259,924
Dividends on preferred stock	(13,239)	(11,784)	(26,425)	(23,568)
Gain on repurchase and retirement of preferred stock	—	—	—	644
Net (loss) income attributable to common stockholders	$ (270,784)	$ 44,552	$ (363,025)	$ 237,000
Basic (loss) earnings per weighted average common share	$ (2.62)	$ 0.43	$ (3.51)	$ 2.27
Diluted (loss) earnings per weighted average common share	$ (2.62)	$ 0.43	$ (3.51)	$ 2.16
Comprehensive (loss) income:				
Net (loss) income	$ (259,041)	$ 56,336	$ (338,096)	$ 259,924
Other comprehensive income (loss):				
Unrealized gain (loss) on available-for-sale securities	50,473	(44,073)	207,645	(147,151)
Other comprehensive income (loss)	50,473	(44,073)	207,645	(147,151)
Comprehensive (loss) income	(208,568)	12,263	(130,451)	112,773
Dividends on preferred stock	(13,239)	(11,784)	(26,425)	(23,568)
Gain on repurchase and retirement of preferred stock	—	—	—	644
Comprehensive (loss) income attributable to common stockholders	$ (221,807)	$ 479	$ (156,876)	$ 89,849

TWO HARBORS INVESTMENT CORP.
INTEREST INCOME AND INTEREST EXPENSE
(dollars in thousands, except share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(unaudited)		(unaudited)	
Interest income:				
Available-for-sale securities	$ 108,842	$ 99,211	$ 209,260	$ 199,816
Mortgage loans held-for-sale	145	3	198	4
Other	8,095	16,739	19,006	33,916
Total interest income	117,082	115,953	228,464	233,736
Interest expense:				
Repurchase agreements	110,288	113,714	217,366	232,430
Revolving credit facilities	20,343	29,906	40,469	60,153
Warehouse lines of credit	129	—	184	—
Term notes payable	—	6,008	—	12,426
Senior notes	1,496	—	1,496	—
Convertible senior notes	4,445	4,579	8,900	9,198
Total interest expense	136,701	154,207	268,415	314,207
Net interest expense	$ (19,619)	$ (38,254)	$ (39,951)	$ (80,471)

TWO HARBORS INVESTMENT CORP.

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION

(dollars in thousands, except share data)

Certain prior period amounts have been reclassified to conform to the current period presentation

	Three Months Ended	
	June 30, 2025	**March 31, 2025**
	(unaudited)	(unaudited)
Reconciliation of comprehensive (loss) income to Earnings Available for Distribution:		
Comprehensive (loss) income attributable to common stockholders	$ (221,807)	$ 64,931
Adjustment for other comprehensive income attributable to common stockholders:		
Unrealized gain on available-for-sale securities	(50,473)	(157,172)
Net loss attributable to common stockholders	$ (272,280)	$ (92,241)
Adjustments to exclude reported realized and unrealized (gains) losses:		
Realized loss on securities	32,599	33,661
Unrealized loss (gain) on securities	347	(1,026)
(Reversal of) provision for credit losses	(116)	94
Realized and unrealized loss on mortgage servicing rights	35,902	36,221
Realized loss (gain) on termination or expiration of interest rate swaps and swaptions	30,298	(26,587)
Unrealized loss on interest rate swaps and swaptions	29,034	131,350
Realized and unrealized loss (gain) on other derivative instruments	32,606	(1,329)
Other adjustments:		
MSR amortization(1)	(73,983)	(70,303)
TBA dollar roll income (losses)(2)	6,181	8,178
U.S. Treasury futures income(3)	3,358	1,272
Change in servicing reserves	64	(105)
Non-cash equity compensation expense	1,932	6,523
Certain operating expenses(4)	2,754	106
Loss contingency accrual	199,935	—
Net provision for (benefit from) income taxes on non-EAD	914	(722)
Earnings available for distribution to common stockholders(5)	$ 29,545	$ 25,092
Weighted average basic common shares	104,084,326	103,976,437
Earnings available for distribution to common stockholders per weighted average basic common share	$ 0.28	$ 0.24

(1) MSR amortization refers to the portion of change in fair value of MSR primarily attributed to the realization of expected cash flows (runoff) of the portfolio, which is deemed a non-GAAP measure due to the company's decision to account for MSR at fair value.

(2) TBA dollar roll income is the economic equivalent to holding and financing Agency RMBS using short-term repurchase agreements.

(3) U.S. Treasury futures income is the economic equivalent to holding and financing a relevant cheapest-to-deliver U.S. Treasury note or bond using short-term repurchase agreements.

(4) Certain operating expenses predominantly consists of expenses incurred in connection with the company's ongoing litigation with PRCM Advisers LLC.

(5) EAD is a non-GAAP measure that we define as comprehensive (loss) income attributable to common stockholders, excluding realized and unrealized gains and losses on the aggregate investment portfolio, gains and losses on repurchases of preferred stock, provision for (reversal of) credit losses, reserve expense for representation and warranty obligations on MSR, non-cash compensation expense related to restricted common stock, certain operating expenses and loss contingency accrual. As defined, EAD includes net interest income, accrual and settlement of interest on derivatives, dollar roll income on TBAs, U.S. Treasury futures income, servicing income, net of estimated amortization on MSR and certain cash related operating expenses. EAD provides supplemental information to assist investors in analyzing the company's results of operations and helps facilitate comparisons to industry peers. EAD is one of several measures our board of directors considers to determine the amount of dividends to declare on our common stock and should not be considered an indication of our taxable income or as a proxy for the amount of dividends we may declare.

two

Second Quarter 2025 Financial Highlights

Book Value per Share **$12.14**	Comprehensive Loss per Share **$(2.13)**	Economic Return on Book Value[1] **(14.5)%**
	Loss Contingency Accrual per share[2] **$(1.92)**	Economic Return on Book Value, Excluding Loss Contingency Accrual[1][2] **(1.4)%**
Common Stock Dividend **$0.39**	Investment Portfolio[3] **$14.4b**	Quarter-End Economic Debt-to-Equity[4] **7.0x**

1. Economic return on book value is defined as the increase (decrease) in common book value from the beginning to the end of the given period, plus dividends declared to common stockholders in the period, divided by common book value as of the beginning of the period.
2. During the quarter ended June 30, 2025, the company recognized a loss contingency accrual of $199.9 million related to the company's ongoing litigation with PRCM Advisers LLC. The contingency liability is reflective of the $139.8 million termination fee that the Company believes would have been payable to PRCM Advisers for termination on the basis of unfair compensation pursuant to Section 13(a)(ii) of the Management Agreement, plus applicable pre-judgment interest on such termination fee accrued through June 30, 2025.
3. Includes $11.4 billion in settled positions and $3.0 billion net TBA position, which represents the bond equivalent value of the company's TBA position. Bond equivalent value is defined as notional amount multiplied by market price. TBA contracts accounted for as derivative instruments in accordance with GAAP. For additional detail on the portfolio, see TWO's Second Quarter 2025 Earnings Call Presentation, slides 12 and 14, and Appendix slides 24 and 25.
4. Economic debt-to-equity is defined as total borrowings to fund Agency and non-Agency investment securities, MSR and related servicing advances and mortgage loans held-for-sale, plus the implied debt on net TBA cost basis and net payable (receivable) for unsettled RMBS, divided by total equity.

An MSR-Focused REIT

Second Quarter Earnings Call Presentation

July 29, 2025

Safe Harbor Statement

FORWARD-LOOKING STATEMENTS

This presentation of Two Harbors Investment Corp., or TWO, includes "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Actual results may differ from expectations, estimates and projections and, consequently, readers should not rely on these forward-looking statements as predictions of future events. Words such as "expect," "target," "assume," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believe," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. These forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from expected results, including, among other things, those described in our Annual Report on Form 10-K for the year ended 2024, and any subsequent Quarterly Reports on Form 10-Q, under the caption "Risk Factors." Factors that could cause actual results to differ include, but are not limited to: the state of credit markets and general economic conditions; changes in interest rates and the market value of our assets; changes in prepayment rates of mortgages underlying our target assets; the rates of default or decreased recovery on the mortgages underlying our target assets; declines in home prices; our ability to establish, adjust and maintain appropriate hedges for the risks in our portfolio; the availability and cost of our target assets; the availability and cost of financing; changes in the competitive landscape within our industry; our ability to effectively execute and to realize the benefits of strategic transactions and initiatives we have pursued or may in the future pursue; our decision to terminate our management agreement with PRCM Advisers LLC and the ongoing litigation related to such termination; our ability to manage various operational risks and costs associated with our business, including the risks associated with operating a mortgage loan servicer and originator; interruptions in or impairments to our communications and information technology systems; our ability to acquire mortgage servicing rights (MSR) and to maintain our MSR portfolio; our exposure to legal and regulatory claims; legislative and regulatory actions affecting our business; our ability to maintain our REIT qualification; and limitations imposed on our business due to our REIT status and our exempt status under the Investment Company Act of 1940.

Readers are cautioned not to place undue reliance upon any forward-looking statements, which speak only as of the date made. TWO does not undertake or accept any obligation to release publicly any updates or revisions to any forward-looking statement to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based. Additional information concerning these and other risk factors is contained in TWO's most recent filings with the Securities and Exchange Commission (SEC). All subsequent written and oral forward-looking statements concerning TWO or matters attributable to TWO or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above.

This presentation may include industry and market data obtained through research, surveys, and studies conducted by third parties and industry publications. We have not independently verified any such market and industry data from third-party sources. This presentation is provided for discussion purposes only and may not be relied upon as legal or investment advice, nor is it intended to be inclusive of all the risks and uncertainties that should be considered. This presentation does not constitute an offer to purchase or sell any securities, nor shall it be construed to be indicative of the terms of an offer that the parties or their respective affiliates would accept.

Readers are advised that the financial information in this presentation is based on company data available at the time of this presentation and, in certain circumstances, may not have been audited by the company's independent auditors.

Quarterly Financials Overview

two

Book Value per Share $12.14	Comprehensive Loss per Share $(2.13)	Economic Return on Book Value[1] (14.5)%
	Loss Contingency Accrual per Share[2] $(1.92)	Economic Return on Book Value, Excluding Loss Contingency Accrual[1][2] (1.4)%
Common Stock Dividend $0.39	Investment Portfolio[3] $14.4b	Quarter-End Economic Debt-to-Equity[4] 7.0x

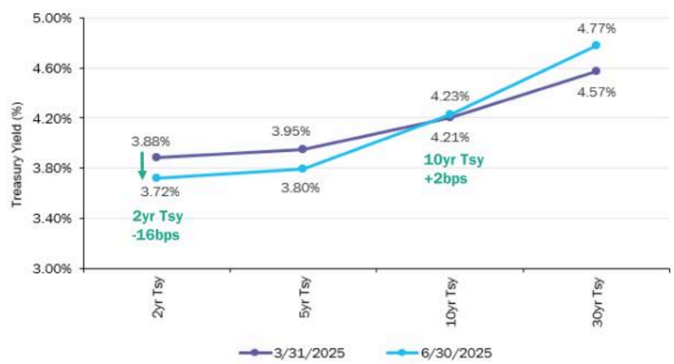
Note: Financial data throughout this presentation is as of or for the quarter ended June 30, 2025, unless otherwise noted. Per share metrics utilize basic common shares as the denominator. Reported metrics that exclude the company's "loss contingency accrual" eliminate the impact of the loss contingency accrual of $199.9 million, or $1.92 per weighted average basic common share, recorded for the quarter ended June 30, 2025 related to the company's ongoing litigation with PRCM Advisers LLC. The End Notes are an integral part of this presentation. See slides 30 through 34 at the back of this presentation for information related to certain financial metrics and defined terms used herein.

Markets Overview

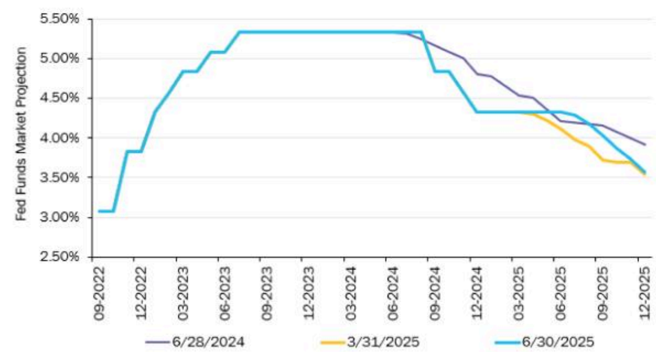
MARKETS RESILIENT DESPITE INFLATION AND POLITICAL PRESSURES

- Volatility was heightened, reacting to the uncertainty of fluctuating tariff and trade policies; the 10-year U.S. Treasury yield swung from a low of 3.85% in early April, to 4.62% in late May, before settling at 4.23% at quarter-end
- The yield curve steepened with the spread between 10-year U.S. Treasuries and 2-year U.S. Treasuries widening to 51 basis points (bps)
- With rising inflation due primarily to looming tariffs, and despite increasing political pressure, the Federal Reserve left rates unchanged and maintained a cautious stance
- As of quarter-end, market participants anticipated 50 to 75 bps of cuts in the second half of 2025

I. QUARTERLY YIELD CURVE CHANGE[1]



II. FED FUND RATE EXPECTATIONS[2]



RoundPoint Operations Update

TWO + RoundPoint Benefits

Cost Efficiencies
Focused on additional operational efficiencies to deliver lower cost-to-service per loan

Additional Income
Subservicing, direct-to-consumer originations, and ancillary products offer new sources of income

Hedges Portfolio
Protects value of TWO's MSR portfolio when interest rates decline and refinances increase

Servicing Platform Highlights

$204 billion
Serviced UPB

844,653
Loans Serviced

Direct-to-Consumer Originations Highlights

Over $26.1 million UPB
in Originations Pipeline(1)

$48.6 million UPB
Funded First Lien Loans

$44.0 million UPB
Brokered Second Lien Loans

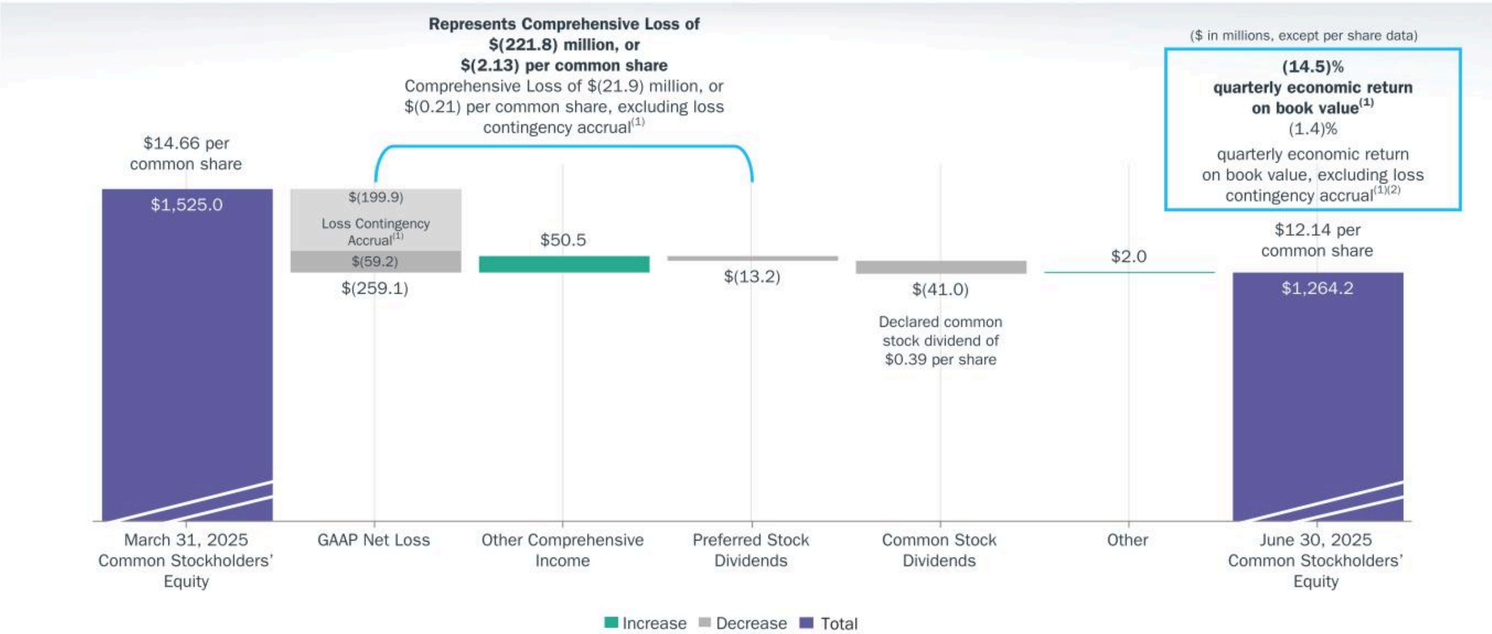
Technology Drives Efficiencies and Experience

Leveraging AI technologies to be more efficient and enhance homeowner experience

- Initial focus on implementing AI within the contact center space:
  - Currently using AI for call analysis, helping us detect and more effectively respond to trending issues
  - Moving towards full deployment of AI-generated call summaries, which increases operational efficiency and accuracy, leading to a better homeowner experience
- Focused on expanding to leverage AI for automated interactions via virtual agents, improve quality assurance, and streamline risk and compliance reviews

Human Emulation, Robotics, and Pattern Matching	Image Recognition	Speech Recognition, Transcription, and Analysis	Generative AI	Conversational AI
Cash reconciliation	OCR, document data validation	Call classification, statistics and analysis	Call summarization, etc.	Virtual agents and chat bots

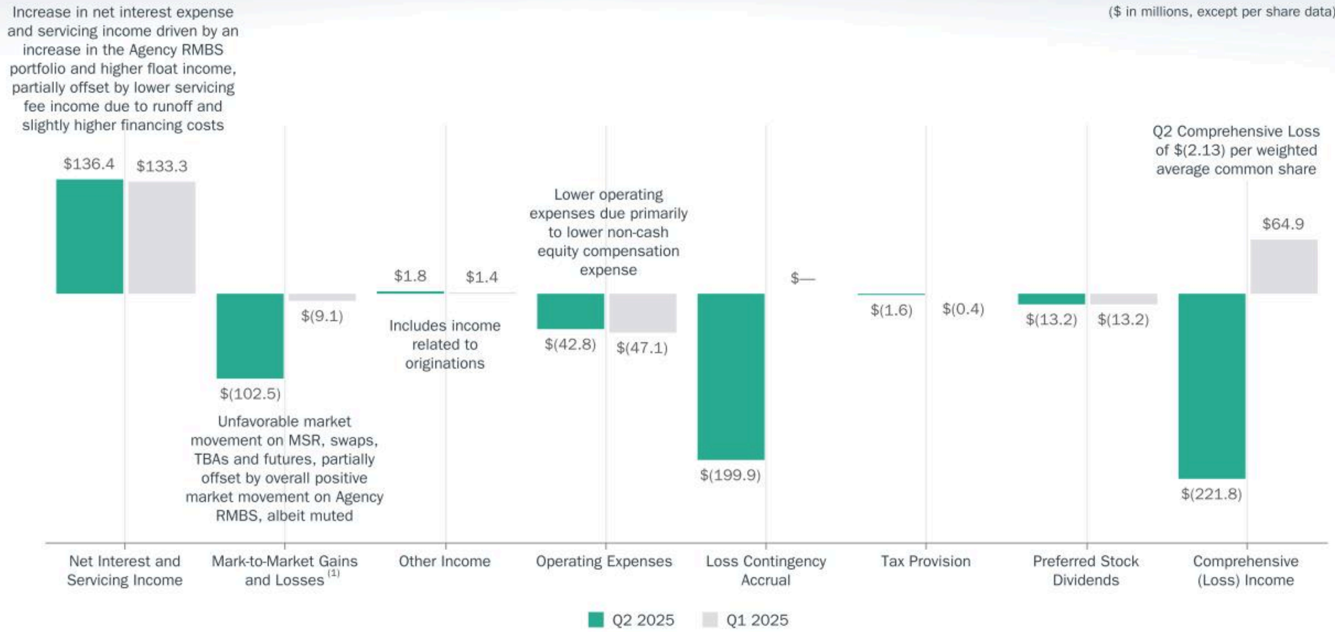
Book Value Summary



Note: Reported metrics that exclude the company's "loss contingency accrual" eliminate the impact of the loss contingency accrual of $199.9 million, or $1.92 per common share, recorded for the quarter ended June 30, 2025 related to the company's ongoing litigation with PRCM Advisers LLC.

Comprehensive Income (Loss) Summary

($ in millions, except per share data)

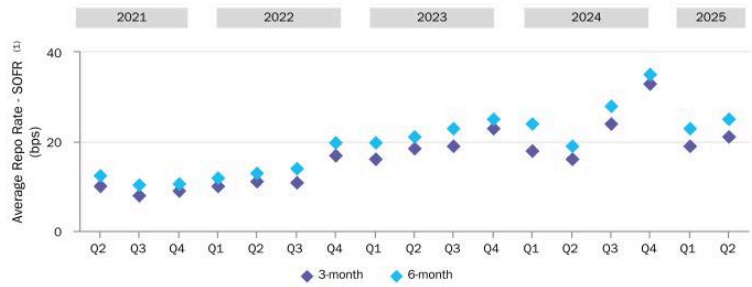


Financing Profile

BALANCE SHEET AS OF JUNE 30, 2025

AGENCY RMBS

- $8.0 billion of outstanding repurchase agreements with 18 counterparties
- Weighted average days to maturity of 60 days



MORTGAGE SERVICING RIGHTS

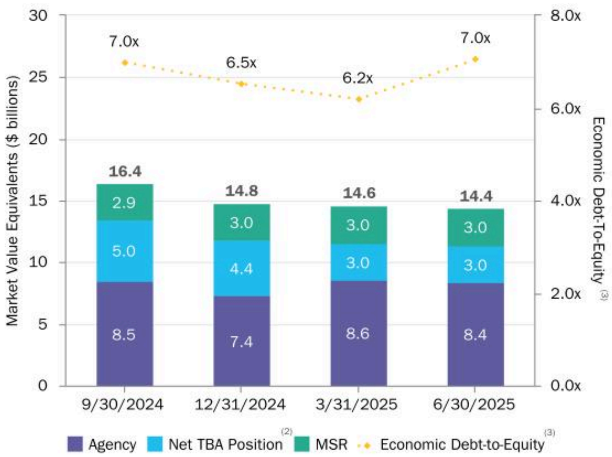
- $1.7 billion of outstanding borrowings under bilateral MSR asset financing facilities
- $837 million of unused MSR asset financing capacity; $77 million committed and $760 million uncommitted
- $89 million outstanding borrowings and $61 million of unused, committed capacity for servicing advance receivables

Portfolio Composition and Risk Positioning

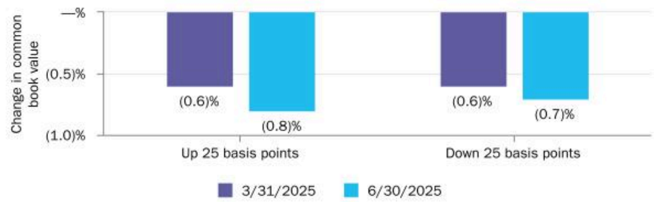
I. PORTFOLIO COMPOSITION[1]

At June 30, 2025, $14.4 billion portfolio

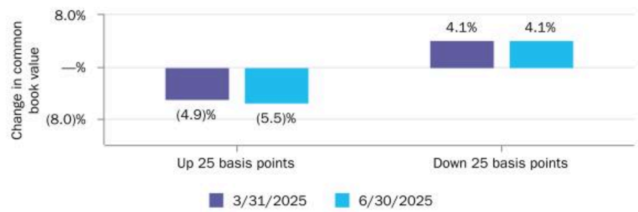
Includes $11.4 billion settled positions



II. INTEREST RATE EXPOSURE[4]



III. MORTGAGE SPREAD EXPOSURE[5]

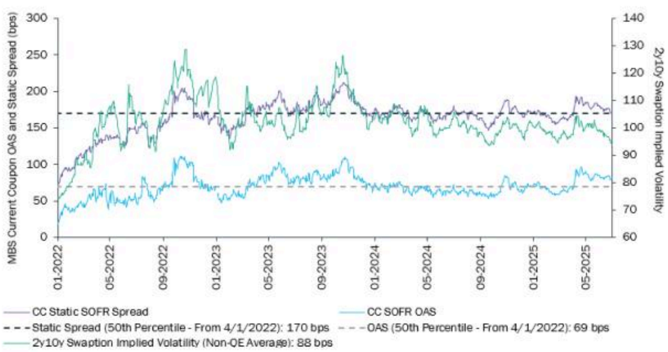


Note: Sensitivity data as of June 30, 2025. The above scenarios are provided for illustration purposes only and are not necessarily indicative of TWO's financial condition and operating results, nor are they necessarily indicative of the financial condition or results of operations that may be expected for any future period or date. See Slide 19 in the Appendix for more information on our risk positioning.

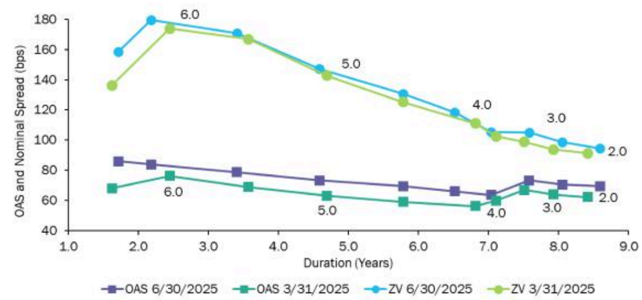
SPREAD WIDENING POSITIVE FOR PERFORMANCE OF AGENCY RMBS

- Agency RMBS spreads net widened over the quarter, though recovered much of the underperformance experienced early in the quarter
- Nominal and option-adjusted spreads (OAS) to swaps are historically attractive, finishing the quarter around +171 and +81 bps, respectively
- Spreads across the coupon stack shifted up, mostly in parallel
- Though swaption volatility fell to below the year-to-date average, current coupon option-adjusted spreads are wide to year-to-date averages
- Mortgage spread volatility has also declined to pre-COVID levels, further enhancing the relative value opportunity
- Supply and demand is balanced, and demand is diversified between money managers, banks, REITs and overseas buyers

I. RMBS SPREADS REMAIN ATTRACTIVE[1]



II. NOMINAL SPREAD CURVE IS STEEP, OAS CURVE FLAT[2]

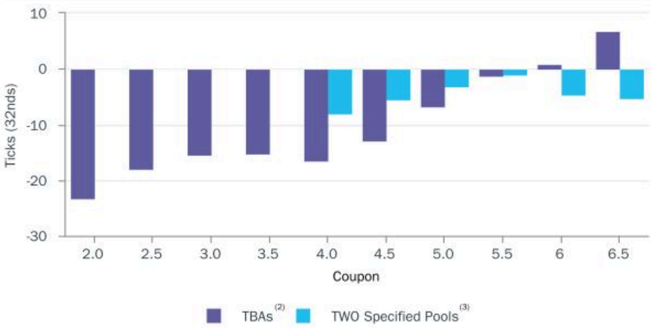


Agency RMBS Portfolio

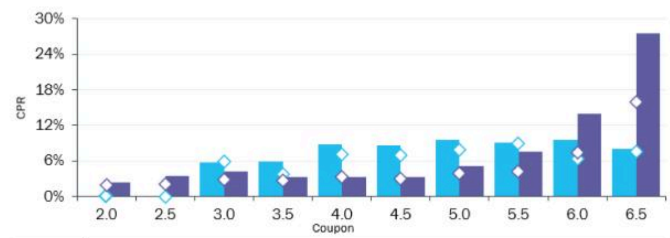
QUARTERLY HIGHLIGHTS

- On aggregate, hedged performance for Agency RMBS was negative in the second quarter, with higher coupons outperforming lower coupons
- 4.5% and 5.0% pools, where the majority of our holdings were concentrated throughout the second quarter, outperformed TBAs
- Higher coupon TBAs benefited from some roll specialness, driven by outright demand as well as CMOs structured off these coupons to create floaters
- On the margin, we shifted our exposure up in coupon, moving out of some positions of lower coupons into 6.0% coupons
- Increased exposure to mortgage derivatives, positively contributing to performance
- Weighted average specified pool portfolio prepayment speeds increased to 8.6%, compared to 7.4% in the first quarter[1], close to the increase in 30-year universe speeds

I. RMBS QUARTERLY PERFORMANCE



II. SPECIFIED POOL PREPAYMENT SPEEDS



Market Value[4] ($ billions)	$—	$—	$—	$—	$0.18	$1.66	$1.58	$1.30	$2.52	$0.43

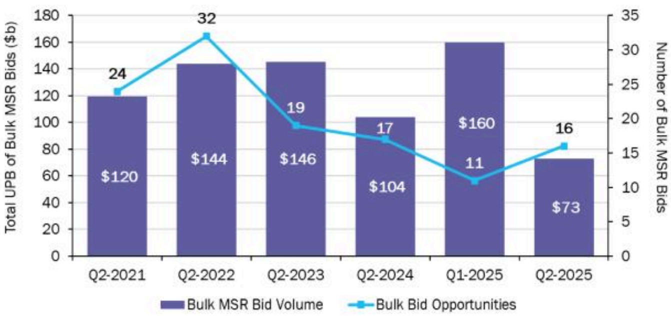
TBAs (Q2-2025)[5] TWO Specified Pools (Q2-2025)
TBAs (Q1-2025)[5] TWO Specified Pools (Q1-2025)

MSR Investment Landscape

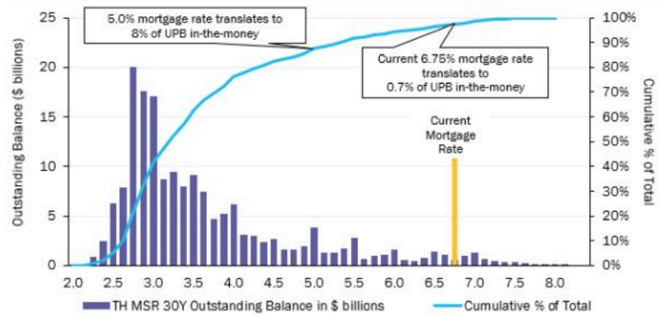
MSR MARKET WELL SUPPORTED AND BENEFITS FROM STEEPER YIELD CURVE

- MSR market remains well supported with both bank and non-bank portfolios aggressively bidding for a declining supply
- Quarterly bulk volume continues to normalize to pre-COVID levels and is about 30% lower year-over-year, though we still find pockets of opportunity
- With rates around 6.75%, only 0.7% of the UPB of TWO's MSR portfolio has 50 bps or more of a rate incentive to refinance
- Prepayment speeds remain below our projections, a tailwind for this strategy

I. BULK MSR BID VOLUME[1]



II. COMPOSITION OF TH MSR VS. CURRENT RATES[2]



MSR Portfolio

QUARTERLY HIGHLIGHTS

- Price multiple unchanged quarter-over-quarter at 5.9x
- Settled $6.6 billion UPB through three bulk purchases, flow acquisitions and recapture
- Weighted average 3-month CPR increased to 5.8% CPR from 4.2% in Q1, due to stronger seasonal factors
- 60+ day delinquencies remain low at 0.8%

I. MSR PORTFOLIO CHARACTERISTICS[1]

	6/30/2025	3/31/2025
Fair value ($ millions)	$ 3,016	$ 2,960
Price multiple	5.9x	5.9x
UPB ($ millions)	$ 200,363	$ 198,133
Gross coupon rate	3.53%	3.47%
Current loan size ($ thousands)	$ 331	$ 330
Original FICO[2]	760	760
Original Loan-to-Value (LTV)	73%	72%
60+ day delinquencies	0.8%	0.9%
Net servicing fee (bps)	25.4	25.3
Loan age (months)	57	55
3-month CPR	5.8%	4.2%

II. 30-YEAR MSR PREPAYMENT SPEEDS

Return Potential and Outlook

ATTRACTIVE RETURN OPPORTUNITIES FOR UNIQUELY POSITIONED PORTFOLIO

As of June 30, 2025	PORTFOLIO MARKET VALUE ($ millions)	INVESTED CAPITAL ALLOCATED[1]	STATIC RETURN ESTIMATE[2]		
SERVICING					
MSR[3]	2,860				
RMBS[4]	5,703				
Total	**8,563**	**72%**	**11%**	-	**14%**
SECURITIES					
RMBS[4]	4,738				
Other Securities	716				
Total	**5,454**	**28%**	**12%**	-	**17%**
	INVESTED CAPITAL ($ millions)		TWO's STATIC RETURN ESTIMATE[5]		
Total Portfolio Before Corporate and Tax Expenses			**11.6%**	-	**14.9%**
Corporate and Tax Expenses[6]			(2.8)%	-	(2.8)%
Total Return to Invested Capital			**8.8%**	-	**12.1%**
INVESTED CAPITAL					
Unsecured Notes	377		7.2%		
Preferred Equity[7]	622		8.6%		
Common Equity	**1,264**		**9.4%**	-	**15.3%**
PROSPECTIVE QUARTERLY STATIC RETURN PER BASIC COMMON SHARE[8]:			**$0.28 - $0.46**		

Note: This slide presents estimates for illustrative purposes only, using TWO's base case assumptions (e.g., spreads, prepayment speeds, financing costs, leverage and expenses), and does not contemplate market-driven value changes, active portfolio management, or certain operating expenses. Actual results may differ materially.

The TWO Advantage

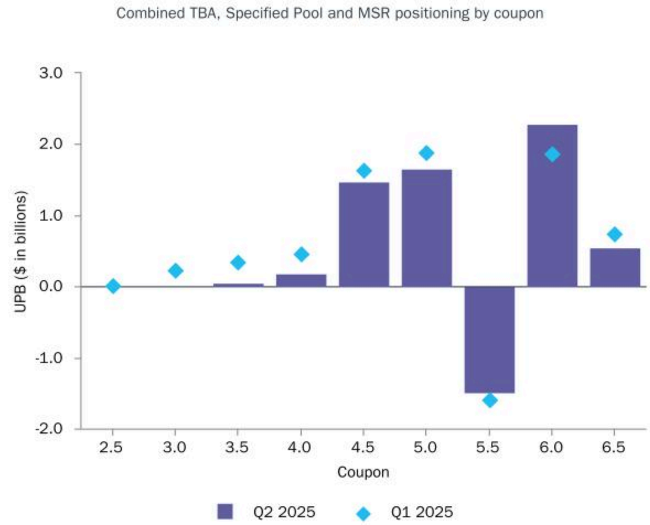
Appendix

Effective Coupon Positioning

I. EFFECTIVE COUPON POSITIONING

Coupon (%)	TBA Market Price[(1)]	TBA Notional ($m)	Specified Pools Par Value ($m)[(2)]	MSR/ Agency IO UPB ($m)[(3)]	Combined ($m)	ZV to SOFR Spreads for Specified Pools[(4)]
3.0%	$ 86.56	$ —	$ —	$ —	$ —	—
3.5%	$ 90.08	47	—	—	47	—
4.0%	$ 93.03	—	193	—	193	112
4.5%	$ 95.67	(248)	1,721	—	1,473	129
5.0%	$ 98.04	1,046	1,601	(992)	1,655	137
5.5%	$ 99.99	2,237	1,293	(5,019)	(1,489)	159
6.0%	$ 101.63	(182)	2,469	—	2,287	186
≥ 6.5%	$ 103.23	140	408	—	548	191
Total		**$ 3,040**	**$ 7,685**	**$ (6,011)**	**$ 4,714**	**157**

II. QUARTER-OVER-QUARTER CHANGE IN POSITIONING



Risk Positioning

Book Value Exposure to Changes in Rates						
			% Change in Common Book Value			
2-Year Rate (basis points)	10-Year Rate (basis points)		Agency P&I RMBS/TBA	MSR/Agency IO RMBS[1]	Other[2]	Combined
-25	0	Bull Steepener[3]	2.8 %	0.8 %	(3.1)%	0.5 %
0	-25	Bull Flattener[4]	6.0 %	(4.4)%	(2.8)%	(1.2)%
-50	-50	Parallel Shift[5]	16.7 %	(7.9)%	(12.0)%	(3.2)%
-25	-25	Parallel Shift[5]	8.8 %	(3.6)%	(5.9)%	(0.7)%
0	0	Base	— %	— %	— %	— %
+25	+25	Parallel Shift[5]	(9.7)%	3.2 %	5.8 %	(0.8)%
+50	+50	Parallel Shift[5]	(20.2)%	5.8 %	11.3 %	(3.1)%
+25	0	Bear Flattener[3]	(2.7)%	(1.0)%	2.9 %	(0.8)%
0	+25	Bear Steepener[4]	(7.0)%	4.2 %	2.8 %	— %

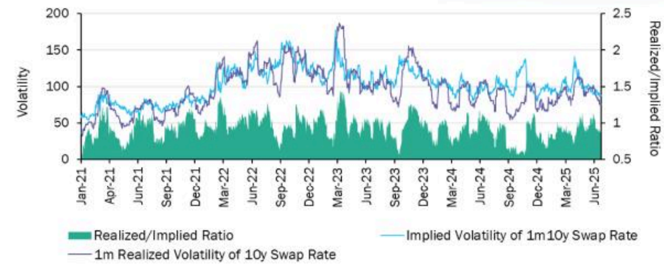
Book Value Exposure to Current Coupon Spread[6]			
	% Change in Common Book Value		
Parallel Shift in Spreads (basis points)	Agency P&I RMBS/TBA	MSR/Agency IO RMBS[1]	Combined
-25	8.4 %	(4.3)%	4.1 %
0	— %	— %	— %
+25	(9.4)%	3.9 %	(5.5)%

Note: Sensitivity data as of June 30, 2025. The above scenarios are provided for illustration purposes only and are not necessarily indicative of TWO's financial condition and operating results, nor are they necessarily indicative of the financial condition or results of operations that may be expected for any future period or date.

Markets Overview

I. QUARTERLY MORTGAGE PERFORMANCE[1]

II. ACTUAL VS. IMPLIED VOLATILITY[2]

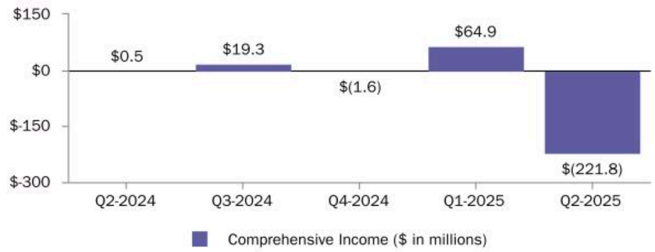


III. MORTGAGE SPREAD VOLATILITY[3]

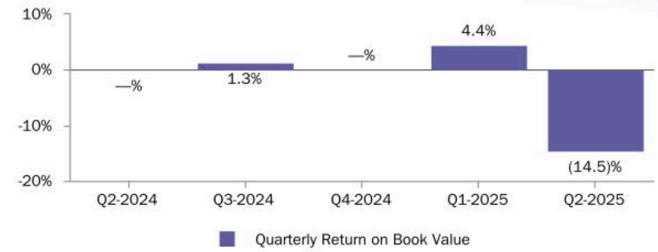
IV. TWO MSR SPEEDS AND EXISTING HOME SALES[4]

Financial Performance

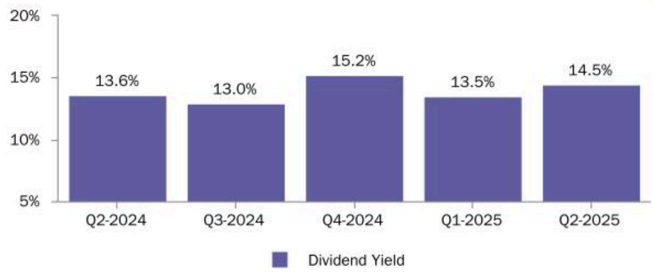
I. COMPREHENSIVE INCOME (LOSS)



II. QUARTERLY ECONOMIC RETURN ON BOOK VALUE[1]



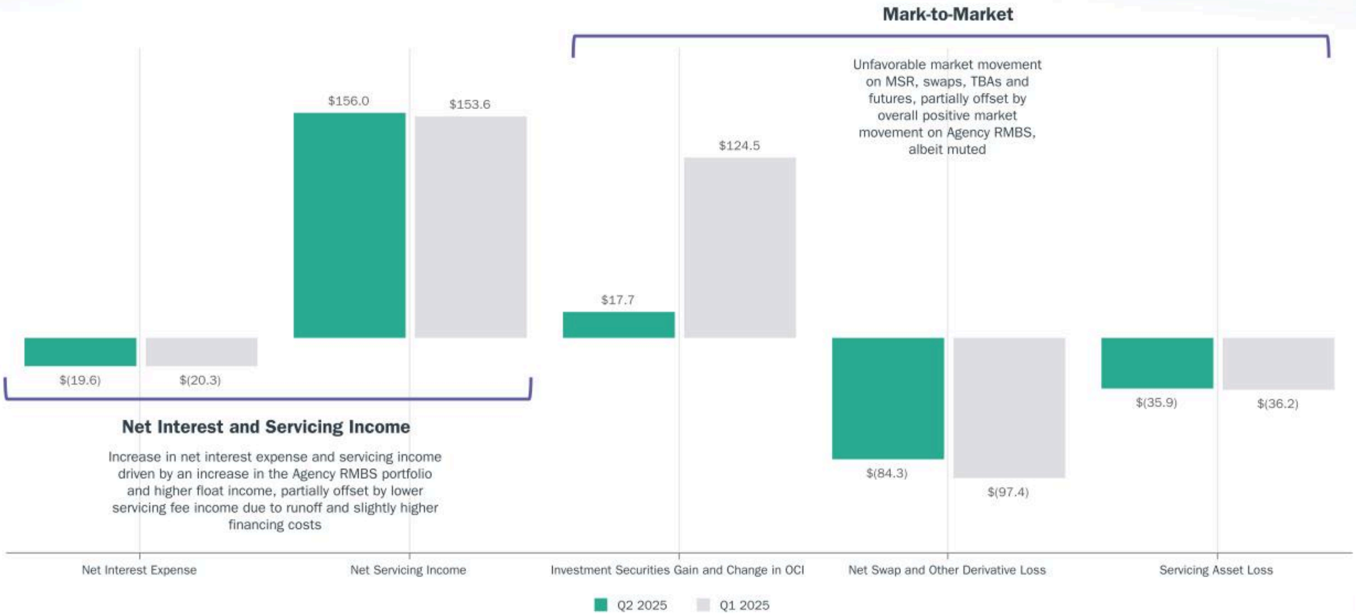
III. DIVIDEND YIELD[2]



IV. BOOK VALUE AND DIVIDEND PER COMMON SHARE[2]

Net Interest, Servicing and Mark-to-Market Detail

($ in millions, except per share data)



Q2-2025 Portfolio Yields and Financing Costs

($ thousands) Portfolio Asset Type	Measure	Average Amortized Cost	Income[1]	Average Yield
Available-for-sale securities	GAAP	$ 8,662,943	$ 108,842	5.03%
Mortgage loans held-for-sale	GAAP	7,957	145	7.29%
Adjustments to include other portfolio items:				
Mortgage servicing rights[2][3]	Non-GAAP	1,763,799	51,983	11.79%
Agency derivatives[2][4]	Non-GAAP	40,090	1,349	13.46%
TBAs[2][5]	Non-GAAP	2,448,650	22,382	3.66%
Total portfolio	Non-GAAP	$ 12,923,439	$ 184,701	5.72%

Financing Collateral Type	Measure	Average Outstanding Balance	Expense[6]	Average Cost
Borrowings collateralized by available-for-sale securities	GAAP	$ 8,262,110	$ 93,702	4.54%
Borrowings collateralized by mortgage loans held-for-sale	GAAP	7,651	129	6.74%
Adjustments to include other financing items:				
Borrowings collateralized by mortgage servicing rights and advances	GAAP	1,861,010	36,600	7.87%
Borrowings collateralized by Agency derivatives[4]	GAAP	26,948	329	4.88%
Senior notes[7]	GAAP	58,467	1,496	10.23%
Convertible senior notes[8]	GAAP	260,827	4,445	6.82%
Interest rate swaps[2][9]	Non-GAAP		(6,382)	(0.20)%
U.S. Treasury futures[2][10]	Non-GAAP		(3,358)	(0.10)%
TBAs[2][5]	Non-GAAP	2,448,650	16,208	2.65%
Total financing	Non-GAAP	$ 12,925,663	$ 143,169	4.43%

Net Spread	Measure			Average Yield, less Cost
Net spread on AFS securities and mortgage loans held-for-sale	GAAP			0.49%
Net spread on total portfolio	Non-GAAP			1.29%

Agency RMBS Portfolio

	Par Value ($ millions)	Market Value ($ millions)	Weighted Average CPR[1]	% Prepay Protected[2]	Amortized Cost Basis ($ millions)	Gross Weighted Average Coupon	Weighted Average Age (Months)
30-Year Fixed							
3.5%	$ —	$ —	— %	— %	$ —	— %	—
4.0%	193	182	8.6 %	100.0 %	200	4.5 %	104
4.5%	1,721	1,662	8.3 %	85.7 %	1,722	5.1 %	46
5.0%	1,601	1,584	13.6 %	100.0 %	1,629	5.7 %	39
5.5%	1,293	1,302	9.5 %	99.8 %	1,303	6.4 %	31
6.0%	2,469	2,520	7.0 %	87.1 %	2,509	6.9 %	4
≥ 6.5%	408	424	4.8 %	89.2 %	422	7.3 %	6
	7,685	7,674	9.0 %	92.1 %	7,785	6.2 %	27
Other P&I[3]	694	622	5.6 %	— %	622	5.7 %	17
IOs and IIOs[4]	1,649	91	10.7 %	— %	96	6.7 %	71
Total Agency RMBS	$ 10,028	$ 8,387		84.2 %	$ 8,503		

($ millions)	Notional Amount	Bond Equivalent Value[5]	Through-the-Box Speeds[6]
TBA Positions			
3.5%	$ 47	$ 43	3.4 %
4.0%	—	—	3.3 %
4.5%	(248)	(237)	3.3 %
5.0%	1,046	1,025	5.1 %
5.5%	2,237	2,235	7.5 %
6.0%	(182)	(185)	14.0 %
≥ 6.5%	140	144	27.5 %
Net TBA Position	$ 3,040	$ 3,025	

Mortgage Servicing Rights Portfolio[1]

	Number of Loans	Unpaid Principal Balance ($ millions)	Gross Coupon Rate	Current Loan Size ($ thousands)	Loan Age (months)	Original FICO[2]	Original LTV	60+ Day Delinquencies	3-Month CPR	Net Servicing Fee (bps)
30-Year Fixed										
≤ 3.25%	287,813	$ 86,951	2.8%	$ 358	53	768	71%	0.4%	4.7%	25.1
3.25% - 3.75%	141,331	35,098	3.4%	316	65	753	74%	0.9%	5.8%	25.2
3.75% - 4.25%	98,433	19,642	3.9%	264	87	751	76%	1.1%	6.3%	25.5
4.25% - 4.75%	54,721	9,745	4.4%	256	86	739	77%	1.7%	6.6%	25.3
4.75% - 5.25%	38,463	8,890	5.0%	349	55	747	79%	1.7%	6.7%	25.2
> 5.25%	63,532	19,870	6.2%	417	27	751	80%	1.6%	9.3%	27.1
	684,293	180,196	3.6%	340	58	759	74%	0.9%	5.7%	25.4
15-Year Fixed										
≤ 2.25%	21,638	4,957	2.0%	272	50	777	59%	0.2%	4.4%	25.0
2.25% - 2.75%	36,452	6,673	2.4%	228	53	772	59%	0.3%	5.6%	25.0
2.75% - 3.25%	30,529	3,518	2.9%	170	76	765	61%	0.3%	7.8%	25.3
3.25% - 3.75%	16,408	1,360	3.4%	132	89	755	64%	0.4%	9.8%	25.4
3.75% - 4.25%	7,653	555	3.9%	127	84	740	65%	0.9%	9.9%	25.3
> 4.25%	6,449	932	5.2%	295	33	749	64%	1.1%	11.7%	27.5
	119,129	17,995	2.7%	222	59	769	60%	0.3%	6.4%	25.2
Total ARMs	1,839	632	5.1%	454	39	766	71%	0.5%	12.1%	25.3
Total Portfolio	805,261	$ 198,823	3.5%	$ 330	58	760	73%	0.8%	5.8%	25.4

Mortgage Servicing Rights UPB Roll-forward

$ millions	Q2-2025	Q1-2025	Q4-2024	Q3-2024	Q2-2024
UPB at beginning of period	$ 196,773	$ 200,317	$ 202,052	$ 209,390	$ 213,597
Bulk purchases of mortgage servicing rights	6,385	—	2,063	2,573	—
Flow purchases of mortgage servicing rights	170	155	376	715	328
Originations/recapture of mortgage servicing rights	34	20	43	17	—
Sales of mortgage servicing rights	—	—	3	(6,248)	—
Scheduled payments	(1,637)	(1,624)	(1,647)	(1,641)	(1,639)
Prepaid	(2,914)	(2,110)	(2,545)	(2,779)	(2,873)
Other changes	12	15	(28)	25	(23)
UPB at end of period	$ 198,823	$ 196,773	$ 200,317	$ 202,052	$ 209,390

Financing

$ millions							
Outstanding Borrowings and Maturities[1]	**Repurchase Agreements**	**Revolving Credit Facilities**	**Warehouse Lines of Credit**	**Senior Notes**	**Convertible Notes**	**Total Borrowings**	**Percent (%)**
Within 30 days	$ 2,359.3	$ —	$ —	$ —	$ —	$ 2,359.3	23.2 %
30 to 59 days	2,357.3	—	0.8	—	—	2,358.1	23.2 %
60 to 89 days	2,152.1	—	8.5	—	—	2,160.6	21.2 %
90 to 119 days	789.3	—	—	—	—	789.3	7.8 %
120 to 364 days	954.6	89.0	—	—	260.9	1,304.5	12.8 %
One to three years	170.0	922.9	—	—	—	1,092.9	10.7 %
Three to five years	—	—	—	—	—	—	— %
Five to ten years	—	—	—	110.9	—	110.9	1.1 %
	$ 8,782.6	$ 1,011.9	$ 9.3	$ 110.9	$ 260.9	$ 10,175.6	100.0 %

Collateral Pledged for Borrowings	**Repurchase Agreements**[2]	**Revolving Credit Facilities**[2]	**Warehouse Lines of Credit**	**Senior Notes**	**Convertible Notes**	**Total Collateral Pledged**	**Percent (%)**
Available-for-sale securities, at fair value	$ 8,207.8	$ —	$ —	n/a	n/a	$ 8,207.8	72.0 %
Mortgage servicing rights, at fair value	1,328.5	1,605.9	—	n/a	n/a	2,934.4	25.8 %
Mortgage loans held-for-sale, at fair value	—	—	9.5	n/a	n/a	9.5	0.1 %
Restricted cash	44.2	—	0.4	n/a	n/a	44.6	0.4 %
Due from counterparties	38.2	—	—	n/a	n/a	38.2	0.3 %
Derivative assets, at fair value	65.7	—	—	n/a	n/a	65.7	0.6 %
Other assets (includes servicing advances)	—	92.0	—	n/a	n/a	92.0	0.8 %
	$ 9,684.4	$ 1,697.9	$ 9.9	n/a	n/a	$ 11,392.2	100.0 %

Futures

Type & Maturity	Notional Amount ($M)	Carrying Value ($M)[1]	Weighted Average Months to Expiration
U.S. Treasury futures			
2 year	$ (1,839.2)	$ —	3.0
5 year	(694.0)	—	3.0
10 year	(475.1)	—	2.7
20 year	257.3	—	2.7
Federal Funds futures - 30 day	(109.6)	—	7.0
Eris SOFR swap futures - 10 year	(350.0)	—	122.7
SOFR futures - < 1 year	(187.5)	—	2.6
Total futures	$ (3,398.1)	$ —	13.7

Interest Rate Swaps[1]

Maturities	Notional Amount ($M)[2]	Average Fixed Pay Rate[3]	Average Receive Rate[3]	Average Maturity (Years)[3]
Payers				
≤ 1 year	$ 2,762.0	4.273 %	4.450 %	0.6
> 1 and ≤ 3 years	3,845.3	3.476 %	4.450 %	2.0
> 3 and ≤ 5 years	2,179.4	3.670 %	4.450 %	4.4
> 5 and ≤ 7 years	2,698.0	3.798 %	4.450 %	6.4
> 7 and ≤ 10 years	1,319.7	3.927 %	4.450 %	9.7
> 10 years	874.6	3.954 %	4.450 %	14.2
	$ 13,679.0	3.830 %	4.450 %	4.2

Maturities	Notional Amount ($M)[4]	Average Pay Rate[5]	Average Fixed Receive Rate[5]	Average Maturity (Years)[5]
Receivers				
≤ 1 year	$ —	— %	— %	—
> 1 and ≤ 3 years	1,780.1	4.450 %	3.896 %	1.7
> 3 and ≤ 5 years	1,009.5	4.450 %	3.469 %	4.4
> 5 and ≤ 7 years	1,061.5	4.450 %	3.510 %	6.8
> 7 and ≤ 10 years	1,100.1	4.450 %	3.790 %	9.4
> 10 years	896.3	4.450 %	3.622 %	17.9
	$ 5,847.5	4.450 %	3.703 %	7.1

End Notes

PAGE 3 - Quarterly Financials Overview
1. Economic return on book value is defined as the increase (decrease) in common book value from the beginning to the end of the given period, plus dividends declared to common stockholders in the period, divided by common book value as of the beginning of the period.
2. During the quarter ended June 30, 2025, the company recognized a loss contingency accrual of $199.9 million related to the company's ongoing litigation with PRCM Advisers LLC. The contingency liability is reflective of the $139.8 million termination fee that the Company believes would have been payable to PRCM Advisers for termination on the basis of unfair compensation pursuant to Section 13(a)(ii) of the Management Agreement, plus applicable pre-judgment interest on such termination fee accrued through June 30, 2025.
3. Includes $11.4 billion in settled positions and $3.0 billion net TBA position, which represents the bond equivalent value of the company's TBA position. Bond equivalent value is defined as notional amount multiplied by market price. TBA contracts accounted for as derivative instruments in accordance with GAAP. For additional detail on the portfolio, see slides 12 and 14, and Appendix slides 24 and 25.
4. Economic debt-to-equity is defined as total borrowings to fund Agency and non-Agency investment securities, MSR and related servicing advances and mortgage loans held-for-sale, plus the implied debt on net TBA cost basis and net payable (receivable) for unsettled RMBS, divided by total equity.

PAGE 4 - Markets Overview
1. Source: Bloomberg, as of the dates noted.
2. Source: Bloomberg, as of the dates noted.

PAGE 5 - RoundPoint Operations Update
1. Data for loans in originations pipeline as of June 30, 2025.

PAGE 7 - Book Value Summary
1. During the quarter ended June 30, 2025, the company recognized a loss contingency accrual of $199.9 million related to the company's ongoing litigation with PRCM Advisers LLC. The contingency liability is reflective of the $139.8 million termination fee that the Company believes would have been payable to PRCM Advisers for termination on the basis of unfair compensation pursuant to Section 13(a)(ii) of the Management Agreement, plus applicable pre-judgment interest on such termination fee accrued through June 30, 2025.
2. Economic return on book value is defined as the increase (decrease) in common book value from the beginning to the end of the given period, plus dividends declared to common stockholders in the period, divided by common book value as of the beginning of the period.

PAGE 8 - Comprehensive Income Summary
1. Mark-to-Market Gains and Losses represents the sum of investment securities gain and change in OCI, net swap and other derivative losses, and servicing asset losses. See Appendix slide 22 for more detail.

PAGE 9 - Financing Profile
1. Source: Bloomberg. Represents the average spread between repurchase rates and the Secured Overnight Financing Rate (SOFR) over trailing three-month and six-month periods between Q2 2021 and Q2 2025 (as of June 30, 2025).

PAGE 10 - Portfolio Composition and Risk Positioning
1. For additional detail on the portfolio, see slides 12 and 14, and Appendix slides 24 and 25.
2. Net TBA position represents the bond equivalent value of the company's TBA position. Bond equivalent value is defined as notional amount multiplied by market price. TBA contracts are accounted for as derivative instruments in accordance with GAAP.
3. Economic debt-to-equity is defined as total borrowings to fund Agency and non-Agency investment securities, MSR and related servicing advances and mortgage loans held-for-sale, plus the implied debt on net TBA cost basis and net payable (receivable) for unsettled RMBS, divided by total equity.
4. Interest rate exposure represents estimated change in common book value for theoretical parallel shift in interest rates.
5. Spread exposure represents estimated change in common book value for theoretical parallel shifts in spreads.

End Notes (continued)

PAGE 11 - Agency RMBS Investment Landscape
1. Source: J.P. Morgan DataQuery. Data is model-based and represents universal mortgage-backed securities (UMBS) generic TBA spreads as of the dates noted. In 2023, J.P. Morgan updated their model affecting only 2023 data.
2. Spreads produced using prepayment speeds generated with The Yield Book® Software using internally calibrated prepayment dials. Data as of June 30, 2025. ZV Spread stands for zero volatility spread.

PAGE 12 - Agency RMBS Portfolio
1. Specified pools include securities with implicit or explicit prepayment protection, including lower loan balances (securities collateralized by loans less than or equal to $300K of initial principal balance), higher LTVs (securities collateralized by loans with greater than or equal to 80% LTV), certain geographic concentrations, loans secured by investor-owned properties, and lower FICO scores, as well as securities without such protection, including large bank-serviced and others.
2. Represents UMBS generic TBA performance during the quarter.
3. Specified pool performance excludes (1) certain coupons in which we were not invested for the full duration of the quarter and (2) certain coupons with de minimis balances.
4. Specified pool market value by coupon as of June 30, 2025.
5. Three-month prepayment speeds of delivered TBA contracts; average of J.P. Morgan, Bank of America, and Citi data.

PAGE 13 - MSR Investment Landscape
1. Source: RiskSpan and TWO's internal estimates as of June 30, 2025.
2. TH MSR 30-year fixed-rate UPB as of June 30, 2025 Factor Date; Freddie Mac's Primary Mortgage Market Survey (PMMS) as of June 30, 2025. MSR portfolio based on the prior month-end's principal balance of the loans underlying the company's MSR, increased for current month purchases and excluding unsettled MSR on loans for which the company is the named servicer as well as MSR on loans recently settled for which transfer to the company is not yet complete.

PAGE 14 - MSR Portfolio
1. MSR portfolio based on the prior month-end's principal balance of the loans underlying the company's MSR, increased for current month purchases. Portfolio metrics, other than fair value and UPB, represent averages weighted by UPB.
2. FICO represents a mortgage industry accepted credit score of a borrower.
3. MSR portfolio based on the prior month-end's principal balance of the loans underlying the company's MSR, increased for current month purchases and excluding unsettled MSR on loans for which the company is the named servicer as well as MSR on loans recently settled for which transfer to the company is not yet complete.
4. Three-month prepayment speeds of delivered TBA contracts; average of J.P. Morgan, Bank of America, and Citi data.

PAGE 15 - Return Potential and Outlook
1. Capital allocated represents management's internal allocation. Certain financing balances and associated interest expenses are allocated between investments based on management's assessment of leverage ratios and required capital or liquidity to support the investment.
2. Market return estimates reflect static assumptions using quarter-end spreads and market data.
3. MSR balances are reduced by $10.0 billion UPB relative to the quarter end position to reflect anticipated portfolio rebalancing as a result of the loss contingency accrual associated with the company's ongoing litigation with PRCM Advisers LLC.
4. Includes Agency pools and TBA positions. TBA contracts accounted for as derivative instruments in accordance with GAAP.
5. Estimated return on invested capital reflects static return assumptions using quarter-end portfolio valuations.
6. Total expenses includes operating expenses and tax expenses within the company's taxable REIT subsidiaries.
7. Preferred equity coupon represents the 5-year yield along the forward curve to account for floating rate resets.
8. Prospective quarterly static return estimate per basic common share reflects portfolio performance expectations given current market conditions and represents the comprehensive income attributable to common stockholders (net of dividends on preferred stock).

End Notes (continued)

PAGE 18 - Effective Coupon Positioning

1. Represents UMBS TBA market prices as of June 30, 2025.
2. Specified pools include securities with implicit or explicit prepayment protection, including lower loan balances (securities collateralized by loans less than or equal to $300K of initial principal balance), higher LTVs (securities collateralized by loans with greater than or equal to 80% LTV), certain geographic concentrations, loans secured by investor-owned properties, and lower FICO scores, as well as securities without such protection, including large bank-serviced and others.
3. MSR/Agency IO represents an internally calculated exposure of a synthetic TBA position and the current coupon equivalents of our MSR, including the effect of unsettled MSR, and Agency IO RMBS.
4. Spreads generated with The Yield Book® Software using internally calibrated dials.

PAGE 19 - Risk Positioning

1. MSR/Agency IO RMBS includes the effect of unsettled MSR.
2. Other includes all other derivative assets and liabilities and borrowings. Other excludes TBAs, which are included in the Agency P&I RMBS/TBA category.
3. Bull Steepener/Bear Flattener is a shift in short-term rates that represents estimated change in common book value for theoretical non-parallel shifts in the yield curve. Analysis uses a +/- 25 basis point shift in 2-year rates while holding long-term rates constant.
4. Bull Flattener/Bear Steepener is a shift in long-term rates that represents estimated change in common book value for theoretical non-parallel shifts in the yield curve. Analysis uses a +/- 25 basis point shift in 10-year rates while holding short-term rates constant.
5. Parallel shift represents estimated change in common book value for theoretical parallel shift in interest rates.
6. Book value exposure to current coupon spread represents estimated change in common book value for theoretical parallel shifts in spreads.

PAGE 20 - Markets Overview

1. Source: Bloomberg, US MBS Index Monthly Treasury Excess Return data as of dates noted.
2. Source: Bloomberg, as of dates noted.
3. Source: J.P. Morgan DataQuery.
4. Monthly prepay speeds from National Association of Realtors via Bloomberg and RiskSpan as of June 30, 2025. MSR portfolio based on the prior month-end's principal balance of the loans underlying the company's MSR, increased for current month purchases and excluding unsettled MSR on loans for which the company is the named servicer as well as MSR on loans recently settled for which transfer to the company is not yet complete.

PAGE 21 - Financial Performance

1. Economic return on book value is defined as the increase (decrease) in common book value from the beginning to the end of the given period, plus dividends declared to common stockholders in the period, divided by the common book value as of the beginning of the period.
2. Historical dividends may not be indicative of future dividend distributions. The company ultimately distributes dividends based on its taxable income per common share, not GAAP earnings. The annualized dividend yield on the company's common stock is calculated based on the closing price of the last trading day of the relevant quarter.

End Notes (continued)

PAGE 23 - Q2-2025 Portfolio Yields and Financing Costs

1. Includes interest income, net of premium amortization/discount accretion, on Agency and non-Agency investment securities, servicing income, net of estimated amortization and servicing expenses, on MSR, and the implied asset yield portion of dollar roll income on TBAs. Amortization on MSR refers to the portion of change in fair value of MSR primarily attributed to the realization of expected cash flows (runoff) of the portfolio, which is deemed a non-GAAP measure due to the company's decision to account for MSR at fair value. TBA dollar roll income is the non-GAAP economic equivalent to holding and financing Agency RMBS using short-term repurchase agreements.
2. As reported elsewhere in the company's filings with the Securities and Exchange Commission, MSR, Agency derivatives, TBA, interest rate swap agreements and U.S. Treasury futures are reported at fair value in the company's consolidated financial statements in accordance with GAAP, and the GAAP presentation and disclosure requirements for these items do not define or include the concepts of yield or cost of financing, amortized cost, or outstanding borrowings.
3. Amortized cost on MSR for a given period equals the net present value of the remaining future cash flows (obtained by applying original prepayment assumptions to the actual unpaid principal balance at the start of the period) using a discount rate equal to the original pricing yield. Original pricing yield is the discount rate which makes the net present value of the cash flows projected at purchase equal to the purchase price. MSR amortized cost is deemed a non-GAAP measure due to the company's decision to account for MSR at fair value.
4. Represents inverse interest-only Agency RMBS which are accounted for as derivative instruments in accordance with GAAP.
5. Both the implied asset yield and implied financing benefit/cost of dollar roll income on TBAs are calculated using the average cost basis of TBAs as the denominator. TBA dollar roll income is the non-GAAP economic equivalent to holding and financing Agency RMBS using short-term repurchase agreements. TBAs are accounted for as derivative instruments in accordance with GAAP.
6. Includes interest expense and amortization of deferred debt issuance costs on borrowings under repurchase agreements (excluding those collateralized by U.S. Treasuries), revolving credit facilities, senior notes and convertible senior notes, interest spread income/expense and amortization of upfront payments made or received upon entering into interest rate swap agreements, and the implied financing benefit/cost portion of dollar roll income on TBAs. TBA dollar roll income is the non-GAAP economic equivalent to holding and financing Agency RMBS using short-term repurchase agreements.
7. Unsecured senior notes.
8. Unsecured convertible senior notes.
9. The cost of financing on interest rate swaps held to mitigate interest rate risk associated with the company's outstanding borrowings is calculated using average borrowings balance as the denominator.
10. The cost of financing on U.S. Treasury futures held to mitigate interest rate risk associated with the company's outstanding borrowings is calculated using average borrowings balance as the denominator. U.S. Treasury futures income is the economic equivalent to holding and financing a relevant cheapest-to-deliver U.S. Treasury note or bond using short-term repurchase agreements.

PAGE 24 - Agency RMBS Portfolio

1. Weighted average actual one-month CPR released at the beginning of the following month based on RMBS held as of the preceding month-end.
2. Determination of the percentage of prepay protected 30-year fixed Agency RMBS includes securities with implicit or explicit prepayment protection, including lower loan balances (securities collateralized by loans less than or equal to $300K of initial principal balance), higher LTVs (securities collateralized by loans with greater than or equal to 80% LTV), certain geographic concentrations, loans secured by investor-owned properties, and lower FICO scores.
3. Other P&I includes 15-year fixed, Hybrid ARMs, CMO and DUS pools.
4. IOs and IIOs represent market value of $69.8 million of Agency derivatives and $21.5 million of interest-only Agency RMBS. Agency derivatives are inverse interest-only Agency RMBS, which are accounted for as derivative instruments in accordance with GAAP.
5. Bond equivalent value is defined as the notional amount multiplied by market price. TBA contracts accounted for as derivative instruments in accordance with GAAP.
6. Three-month prepayment speeds of delivered TBA contracts; average of J.P. Morgan, Bank of America, and Citi data.

PAGE 25 - Mortgage Servicing Rights Portfolio

1. MSR portfolio excludes residential mortgage loans for which the company is the named servicing administrator. Portfolio metrics, other than fair value and UPB, represent averages weighted by UPB.
2. FICO represents a mortgage industry-accepted credit score of a borrower.

End Notes (continued)

PAGE 27 - Financing
1. As of June 30, 2025, outstanding borrowings had a weighted average of 4.6 months to maturity.
2. Repurchase agreements and revolving credit facilities secured by MSR and/or other assets may be over-collateralized due to operational considerations.

PAGE 28 - Futures
1. Exchange-traded derivative instruments (futures and options on futures) require the posting of an "initial margin" amount determined by the clearing exchange, which is generally intended to be set at a level sufficient to protect the exchange from the derivative instrument's maximum estimated single-day price movement. The company also exchanges "variation margin" based upon daily changes in fair value, as measured by the exchange. The exchange of variation margin is considered a settlement of the derivative instrument, as opposed to pledged collateral. Accordingly, the receipt or payment of variation margin is accounted for as a direct reduction to the carrying value of the exchange-traded derivative asset or liability.

PAGE 29 - Interest Rate Swaps
1. The company did not hold any interest rate swaptions at June 30, 2025.
2. Includes $3.2 billion notional amount of forward starting interest rate swaps.
3. Weighted averages exclude forward starting interest rate swaps. As of June 30, 2025, forward starting interest rate swap payers had a weighted average fixed pay rate of 3.7% and weighted average maturities of 5.5 years.
4. Includes $759.0 million notional amount of forward starting interest rate swaps.
5. Weighted averages exclude forward starting interest rate swaps. As of June 30, 2025, forward starting interest rate swap receivers had a weighted average fixed receive rate of 3.9% and weighted average maturities of 7.1 years.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