

**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: October 27, 2025

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

Maryland (State or other jurisdiction of incorporation or organization)	001-34506 (Commission File Number)	27-0312904 (I.R.S. Employer Identification No.)
1601 Utica Avenue South, Suite 900 (Address of Principal Executive Offices)	St. Louis Park, MN	55416 (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 October 27, 2025, Two Harbors Investment Corp. issued a press release announcing its financial results for the fiscal quarter ended September 30, 2025. A copy of the press release and the 2025 Third 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 October 27, 2025.
99.2	2025 Third 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: October 27, 2025



TWO Reports Third Quarter 2025 Financial Results

Strong Performance from Normalization of Implied Volatility and Spread Stability

NEW YORK, October 27, 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 September 30, 2025.

Quarterly Summary

- Reported book value of \$11.04 per common share, and declared a third quarter common stock dividend of \$0.34 per share, representing a (6.3)% quarterly economic return on book value. For the first nine months of 2025, generated a (15.6)% total economic return on book value.⁽¹⁾
- Incurred a comprehensive loss of \$(80.2) million, or \$(0.77) per weighted average basic common share.
- Entered into a settlement agreement, dated as of August 20, 2025, with the company's former external manager to resolve all claims alleged in previously disclosed lawsuits between the parties, and recorded litigation settlement expense of \$175.1 million, or \$1.68 per weighted average basic common share, for the third quarter.⁽²⁾
- Excluding the litigation settlement expense, during the quarter the company:
 - Generated a 7.6% quarterly economic return on book value. For the first nine months of 2025, generated a 9.3% total economic return on book value.⁽¹⁾
 - Generated comprehensive income of \$94.9 million, or \$0.91 per weighted average basic common share.
- Settled \$698.2 million in unpaid principal balance (UPB) of MSR through flow-sale acquisitions and recapture.
- Successfully boarded a new subservicing client, seeded by the sale of approximately \$30 billion UPB of MSR on a servicing-retained basis, \$19.1 billion of which settled in the quarter.
- As of September 30, 2025, MSR portfolio had a weighted average gross coupon rate of 3.58% and a 60+ day delinquency rate of 0.87%, compared to 0.82% as of June 30, 2025. For the third quarter of 2025, MSR portfolio experienced a 3-month CPR of 6.0%, compared to 5.8% for the second quarter of 2025.
- Funded \$49.8 million UPB in loans and brokered an additional \$60.1 million UPB in second lien loans.

“Excluding the litigation settlement expense, we had a strong quarter of performance, generating an adjusted total economic return of 7.6%,” said Bill Greenberg, TWO’s President and Chief Executive Officer. “We also significantly increased our subservicing business at RoundPoint, selling a total of \$30 billion UPB of MSR on a retained basis to a new subservicing client. We are also encouraged by the robust growth in our direct-to-consumer originations platform and emerging effectiveness of our recapture effort. Looking ahead, we now have a clean slate to capitalize on opportunities in the MSR and RMBS, and to further drive growth in our servicing and originations businesses.”

(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 \$175.1 million litigation settlement expense recorded for the third quarter is the difference between the \$375.0 million cash payment made to pursuant to the settlement agreement with the company's former external manager, less the related loss contingency accrual recorded in the second quarter of \$199.9 million.

“Prospective returns on our core strategy of low rate MSR paired with Agency RMBS remain attractive, despite recent spread tightening,” stated Nick Letica, TWO’s Chief Investment Officer. “Looking ahead, in an environment with diminished interest rate and spread volatility and a high likelihood of further interest rate cuts by the Federal Reserve, we are confident that our portfolio construction of MSR paired with Agency RMBS should generate attractive risk-adjusted returns.”

Operating Performance

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

Operating Performance (unaudited)						
(dollars in thousands, except per common share data)						
	Three Months Ended September 30, 2025			Three Months Ended June 30, 2025		
<u>Earnings attributable to common stockholders</u>	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	\$ (80,207)	\$ (0.77)	(26.5)%	\$ (221,807)	\$ (2.13)	(64.3)%
GAAP Net Loss	\$ (141,245)	\$ (1.36)	(46.6)%	\$ (272,280)	\$ (2.62)	(79.0)%
Earnings Available for Distribution ⁽¹⁾	\$ 37,154	\$ 0.36	12.3 %	\$ 29,545	\$ 0.28	8.6 %
<u>Operating Metrics</u>						
Dividend per common share	\$ 0.34			\$ 0.39		
Annualized dividend yield ⁽²⁾	13.8 %			14.5 %		
Book value per common share at period end	\$ 11.04			\$ 12.14		
Economic return on book value ⁽³⁾	(6.3)%			(14.5)%		
Operating expenses, excluding non-cash LTIP amortization and certain operating expenses ⁽⁴⁾	\$ 38,748			\$ 38,090		
Operating expenses, excluding non-cash LTIP amortization and certain operating expenses, as a percentage of average equity ⁽⁴⁾	8.5 %			7.6 %		

(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 \$1.5 million for the third quarter of 2025 and \$1.9 million for the second quarter of 2025 and certain operating expenses of \$4.1 million for the third quarter of 2025 and \$2.8 million for the second quarter of 2025. Certain operating expenses predominantly consists of expenses incurred in connection with the company’s litigation with its former external manager.

Portfolio Summary

As of September 30, 2025, the company's portfolio was comprised of \$9.1 billion of Agency RMBS, MSR and other investment securities as well as their associated notional debt hedges. Additionally, the company held \$4.4 billion bond equivalent value of net long to-be-announced securities (TBAs).

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

Investment Portfolio					
(dollars in thousands)					
Portfolio Composition	As of September 30, 2025		As of June 30, 2025		
	(unaudited)		(unaudited)		
Agency RMBS	\$	6,477,694	71.1 %	\$ 8,387,068	73.5 %
Mortgage servicing rights ⁽¹⁾		2,626,706	28.9 %	3,015,643	26.5 %
Other		3,284	— %	3,449	— %
Aggregate Portfolio		9,107,684		11,406,160	
Net TBA position ⁽²⁾		4,384,749		3,025,099	
Total Portfolio	\$	13,492,433		\$ 14,431,259	

(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 September 30, 2025		As of June 30, 2025	
	(unaudited)		(unaudited)	
Weighted average cost basis ⁽¹⁾	\$	101.68	\$	101.24
Weighted average experienced three-month CPR		8.0 %		8.4 %
Gross weighted average coupon rate		6.1 %		6.1 %
Weighted average loan age (months)		28		27

(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 September 30, 2025		As of June 30, 2025	
(dollars in thousands)	(unaudited)		(unaudited)	
Unpaid principal balance	\$	175,820,641	\$	198,822,611
Gross coupon rate		3.6 %		3.5 %
Current loan size	\$	328	\$	330
Original FICO ⁽²⁾		759		760
Original LTV		73 %		73 %
60+ day delinquencies		0.9 %		0.8 %
Net servicing fee		25.4 basis points		25.4 basis points
	Three Months Ended September 30, 2025		Three Months Ended June 30, 2025	
	(unaudited)		(unaudited)	
Fair value losses	\$	(104,896)	\$	(35,902)
Servicing income	\$	155,713	\$	147,961
Servicing costs	\$	4,270	\$	2,322
Change in servicing reserves	\$	(508)	\$	64

(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.

Serviced Mortgage Assets	September 30, 2025		June 30, 2025	
	Number of Loans	Unpaid Principal Balance	Number of Loans	Unpaid Principal Balance
(dollars in thousands)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Mortgage servicing rights	720,038	\$ 175,820,641	805,261	\$ 198,822,611
Subservicing ⁽¹⁾	135,706	30,203,608	59,361	11,106,331
Servicing administrator ⁽²⁾	519	278,371	529	286,526
Mortgage loans held-for-sale ⁽³⁾	41	12,300	32	9,660
Other assets	—	—	1	50
Total serviced mortgage assets	856,304	\$ 206,314,920	865,184	\$ 210,225,178

(1) Off-balance sheet mortgage loans owned by third parties and subserviced by the company.

(2) Off-balance sheet mortgage loans owned by third parties for which the company acts as servicing administrator (subserviced by appropriately licensed third-party subservicers).

(3) Originated or purchased mortgage loans held-for-sale at period-end.

Other Investments and Risk Management Metrics	As of September 30, 2025		As of June 30, 2025	
(dollars in thousands)	(unaudited)		(unaudited)	
Net long TBA notional ⁽¹⁾	\$	4,407,629	\$	3,040,382
Futures notional	\$	(5,048,200)	\$	(3,398,092)
Interest rate swaps notional	\$	24,881,904	\$	19,526,559

(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 September 30, 2025 and June 30, 2025:

September 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	\$ 6,363,146	4.29 %	2.90	16
Repurchase agreements collateralized by MSR	738,000	7.35 %	9.40	3
Repurchase agreements collateralized by mortgage loans	3,504	6.28 %	2.83	1
Total repurchase agreements	7,104,650	4.61 %	3.58	18
Revolving credit facilities collateralized by MSR and related servicing advance obligations	945,371	7.23 %	17.03	3
Warehouse lines of credit collateralized by mortgage loans	8,452	6.38 %	2.70	1
Unsecured senior notes	110,866	9.38 %	58.52	n/a
Unsecured convertible senior notes	261,370	6.25 %	3.52	n/a
Total borrowings	\$ 8,430,709			

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	<u>\$ 10,175,579</u>			

Borrowings by Collateral Type	As of September 30, 2025	As of June 30, 2025
(dollars in thousands)	(unaudited)	(unaudited)
Agency RMBS	\$ 6,363,146	\$ 7,992,427
Mortgage servicing rights and related servicing advance obligations	1,683,371	1,801,871
Other - secured	11,956	9,470
Other - unsecured ⁽¹⁾	372,236	371,811
Total	8,430,709	10,175,579
TBA cost basis	4,391,419	3,009,819
Net payable (receivable) for unsettled RMBS	(133,405)	108,474
Total, including TBAs and net payable (receivable) for unsettled RMBS	<u>\$ 12,688,723</u>	<u>\$ 13,293,872</u>

Debt-to-equity ratio at period-end ⁽²⁾	4.8 :1.0	5.4 :1.0
Economic debt-to-equity ratio at period-end ⁽³⁾	7.2 :1.0	7.0 :1.0

Cost of Financing by Collateral Type⁽⁴⁾	Three Months Ended September 30, 2025	Three Months Ended June 30, 2025
	(unaudited)	(unaudited)
Agency RMBS	4.55 %	4.54 %
Mortgage servicing rights and related servicing advance obligations ⁽⁵⁾	7.90 %	7.87 %
Other - secured	6.91 %	6.68 %
Other - unsecured ⁽¹⁾⁽⁵⁾	7.96 %	7.44 %
Annualized cost of financing	5.38 %	5.18 %
Interest rate swaps ⁽⁶⁾	(0.24) %	(0.20) %
U.S. Treasury futures ⁽⁷⁾	(0.15) %	(0.10) %
TBAs ⁽⁸⁾	2.39 %	2.65 %
Annualized cost of financing, including swaps, U.S. Treasury futures and TBAs	<u>3.94 %</u>	<u>4.43 %</u>

(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 October 28, 2025 at 9:00 a.m. ET to discuss its third quarter 2025 financial results and related information. To participate in the teleconference, please call toll-free (800) 330-6710 approximately 10 minutes prior to the above start time and provide the Conference Code 2449958. 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 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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- 7 -

TWO HARBORS INVESTMENT CORP.
CONSOLIDATED BALANCE SHEETS

(dollars in thousands, except share data)

	September 30, 2025	December 31, 2024
	(unaudited)	
ASSETS		
Available-for-sale securities, at fair value (amortized cost \$6,403,114 and \$7,697,027, respectively; allowance for credit losses \$1,854 and \$2,866, respectively)	\$ 6,348,157	\$ 7,371,711
Mortgage servicing rights, at fair value	2,626,706	2,994,271
Mortgage loans held-for-sale, at fair value	12,635	2,334
Cash and cash equivalents	770,533	504,613
Restricted cash	116,388	313,028
Accrued interest receivable	28,325	33,331
Due from counterparties	505,353	386,464
Derivative assets, at fair value	135,431	10,114
Reverse repurchase agreements	158,135	355,975
Other assets	164,744	232,478
Total Assets	\$ 10,866,407	\$ 12,204,319
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Repurchase agreements	\$ 7,104,650	\$ 7,805,057
Revolving credit facilities	945,371	1,020,171
Warehouse lines of credit	8,452	2,032
Senior notes	110,866	—
Convertible senior notes	261,370	260,229
Derivative liabilities, at fair value	7,720	24,897
Due to counterparties	390,599	648,643
Dividends payable	49,030	58,725
Accrued interest payable	45,226	85,994
Other liabilities	171,406	176,062
Total Liabilities	9,094,690	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 104,155,818 and 103,680,321 shares issued and outstanding, respectively	1,041	1,037
Additional paid-in capital	5,946,814	5,936,609
Accumulated other comprehensive loss	(51,841)	(320,524)
Cumulative earnings	1,182,768	1,648,785
Cumulative distributions to stockholders	(5,908,532)	(5,744,865)
Total Stockholders' Equity	1,771,717	2,122,509
Total Liabilities and Stockholders' Equity	\$ 10,866,407	\$ 12,204,319

TWO HARBORS INVESTMENT CORP.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

(dollars in thousands, except per share amounts)

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
	(unaudited)		(unaudited)	
Net interest expense:				
Interest income	\$ 93,615	\$ 112,642	\$ 322,079	\$ 346,378
Interest expense	117,120	154,931	385,535	469,138
Net interest expense	(23,505)	(42,289)	(63,456)	(122,760)
Net servicing income:				
Servicing income	166,448	171,732	481,661	514,080
Servicing costs	3,762	3,900	9,345	15,494
Net servicing income	162,686	167,832	472,316	498,586
Other income (loss):				
(Loss) gain on investment securities	(16,187)	1,383	(81,746)	(32,029)
Loss on servicing asset	(104,896)	(133,349)	(177,019)	(145,194)
Gain (loss) on interest rate swap and swaption agreements	4,302	(172,263)	(147,436)	(51,741)
Gain (loss) on other derivative instruments	64,596	(32,722)	34,787	14,127
Gain on mortgage loans held-for-sale	1,596	927	3,148	924
Other income	4,114	123	5,913	349
Total other loss	(46,475)	(335,901)	(362,353)	(213,564)
Expenses:				
Compensation and benefits	21,307	20,180	69,365	67,953
Other operating expenses	23,051	18,405	64,863	57,156
Litigation settlement expense	175,065	—	375,000	—
Total expenses	219,423	38,585	509,228	125,109
(Loss) income before income taxes	(126,717)	(248,943)	(462,721)	37,153
Provision for (benefit from) income taxes	1,204	(10,458)	3,296	15,714
Net (loss) income	(127,921)	(238,485)	(466,017)	21,439
Dividends on preferred stock	(13,324)	(11,784)	(39,749)	(35,352)
Gain on repurchase and retirement of preferred stock	—	—	—	644
Net loss attributable to common stockholders	\$ (141,245)	\$ (250,269)	\$ (505,766)	\$ (13,269)
Basic loss per weighted average common share	\$ (1.36)	\$ (2.42)	\$ (4.87)	\$ (0.14)
Diluted loss per weighted average common share	\$ (1.36)	\$ (2.42)	\$ (4.87)	\$ (0.14)
Comprehensive (loss) income:				
Net (loss) income	\$ (127,921)	\$ (238,485)	\$ (466,017)	\$ 21,439
Other comprehensive income:				
Unrealized gain on available-for-sale securities	61,038	269,621	268,683	122,470
Other comprehensive income	61,038	269,621	268,683	122,470
Comprehensive (loss) income	(66,883)	31,136	(197,334)	143,909
Dividends on preferred stock	(13,324)	(11,784)	(39,749)	(35,352)
Gain on repurchase and retirement of preferred stock	—	—	—	644
Comprehensive (loss) income attributable to common stockholders	\$ (80,207)	\$ 19,352	\$ (237,083)	\$ 109,201

TWO HARBORS INVESTMENT CORP.
INTEREST INCOME AND INTEREST EXPENSE

(in thousands)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
	(unaudited)		(unaudited)	
Interest income:				
Available-for-sale securities	\$ 83,763	\$ 101,067	\$ 293,023	\$ 300,883
Mortgage loans held-for-sale	125	25	323	29
Other	9,727	11,550	28,733	45,466
Total interest income	93,615	112,642	322,079	346,378
Interest expense:				
Repurchase agreements	89,891	123,552	307,257	355,982
Revolving credit facilities	19,142	26,873	59,611	87,026
Warehouse lines of credit	111	11	295	11
Term notes payable	—	—	—	12,426
Senior notes	2,884	—	4,380	—
Convertible senior notes	4,517	4,495	13,417	13,693
Other	575	—	575	—
Total interest expense	117,120	154,931	385,535	469,138
Net interest expense	\$ (23,505)	\$ (42,289)	\$ (63,456)	\$ (122,760)

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	
	September 30, 2025	June 30, 2025
	(unaudited)	(unaudited)
Reconciliation of comprehensive loss to Earnings Available for Distribution:		
Comprehensive loss attributable to common stockholders	\$ (80,207)	\$ (221,807)
Adjustment for other comprehensive income attributable to common stockholders:		
Unrealized gain on available-for-sale securities	(61,038)	(50,473)
Net loss attributable to common stockholders	\$ (141,245)	\$ (272,280)
Adjustments to exclude reported realized and unrealized (gains) losses:		
Realized loss on securities	16,012	32,599
Unrealized loss on securities	266	347
Reversal of provision for credit losses	(91)	(116)
Realized and unrealized loss on mortgage servicing rights	104,896	35,902
Realized loss on termination or expiration of interest rate swaps and swaptions	701	30,298
Unrealized loss on interest rate swaps and swaptions	3,124	29,034
Realized and unrealized (gain) loss on other derivative instruments	(59,517)	32,606
Other gains	(2,304)	—
Other adjustments:		
MSR amortization ⁽¹⁾	(78,902)	(73,983)
TBA dollar roll income (losses) ⁽²⁾	10,371	6,181
U.S. Treasury futures income ⁽³⁾	5,006	3,358
Change in servicing reserves	(508)	64
Non-cash equity compensation expense	1,544	1,932
Certain operating expenses ⁽⁴⁾	4,066	2,754
Litigation settlement expense	175,065	199,935
Net (benefit from) provision for income taxes on non-EAD	(1,330)	914
Earnings available for distribution to common stockholders ⁽⁵⁾	\$ 37,154	\$ 29,545
Weighted average basic common shares	104,144,560	104,084,326
Earnings available for distribution to common stockholders per weighted average basic common share	\$ 0.36	\$ 0.28

(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 litigation with its former external manager.

(5) EAD is a non-GAAP measure that we define as comprehensive loss 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 litigation settlement expense. 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.



Third Quarter 2025 Financial Highlights

Book Value per Share \$11.04	Comprehensive Loss per Share \$(0.77)	Economic Return on Book Value ⁽¹⁾ (6.3)%
	Litigation Settlement Expense per Share ⁽²⁾ \$(1.68)	Economic Return on Book Value, Excluding Litigation Settlement Expense ⁽¹⁾⁽²⁾ 7.6%
Common Stock Dividend \$0.34	Investment Portfolio ⁽³⁾ \$13.5b	Quarter-End Economic Debt-to-Equity ⁽⁴⁾ 7.2x

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. Reported metrics that exclude the company's litigation settlement expense eliminate the impact of the litigation settlement expense of \$175.1 million, or \$1.68 per weighted average basic common share, recorded for the quarter ended September 30, 2025 related to the settlement agreement with the company's former external manager. The \$175.1 million litigation settlement expense recorded for the third quarter is the difference between the \$375.0 million cash payment made to the company's former external manager, less the related loss contingency accrual recorded in the second quarter of 2025.
3. Includes \$5.1 billion in settled positions and \$4.4 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.
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

Third Quarter Earnings Call Presentation

October 28, 2025



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 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.

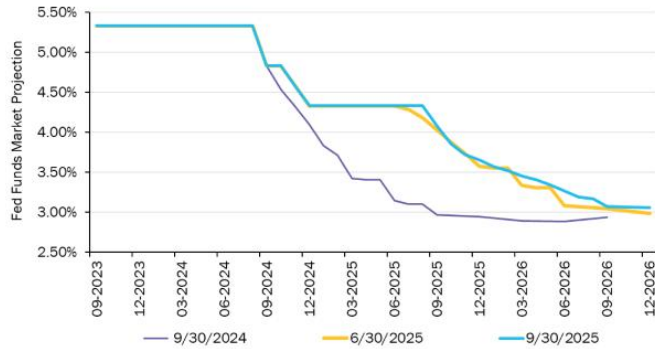
Book Value per Share \$11.04	Comprehensive Loss per Share \$(0.77)	Economic Return on Book Value ⁽¹⁾ (6.3)%
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Common Stock Dividend \$0.34	Investment Portfolio ⁽³⁾ \$13.5b	Quarter-End Economic Debt-to-Equity ⁽⁴⁾ 7.2x

Note: Financial data throughout this presentation is as of or for the quarter ended September 30, 2025, unless otherwise noted. Per share metrics utilize basic common shares as the denominator. Reported metrics that exclude the company's "litigation settlement expense" eliminate the impact of the litigation settlement expense of \$175.1 million, or \$1.68 per weighted average basic common share, recorded for the quarter ended September 30, 2025 related to the settlement agreement with the company's former external manager. The \$175.1 million litigation settlement expense recorded for the third quarter is the difference between the \$375.0 million cash payment made to the company's former external manager, less the related loss contingency accrual recorded in the second quarter of \$199.9 million. 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.

Positive Performance Across Fixed Income

- The Federal Reserve delivered a widely-anticipated 25 basis point cut to its benchmark rate in response to emerging downside risks in the labor market
- Another 50 basis points of cuts by year-end is expected by market participants and aligns with the Federal Reserve's guidance
- Net changes across the yield curve were small over the quarter; 2-year yields declined by 11 basis points to 3.61% and 10-year yields declined by 8 basis points to 4.15%

I. FED FUND RATE EXPECTATIONS⁽¹⁾



II. QUARTERLY YIELD CURVE CHANGE⁽¹⁾



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

Direct-to-consumer protects value of TWO's MSR portfolio when interest rates decline and refinancing activity increases more than expected

Servicing Platform Highlights

\$206 billion

Serviced UPB

856,304

Loans Serviced

\$176 billion

Owned Servicing UPB

\$30 billion

Subserviced UPB

Direct-to-Consumer Originations Highlights

Over \$52 million UPB

in Originations Pipeline⁽¹⁾

\$49.8 million UPB

Funded First and Second Liens

\$60.1 million UPB

Brokered Second Lien Loans

Technology Drives Efficiencies and Experience

AI in the Contact Center

Deploying speech recognition, transcription and analysis help increase operational efficiency

Automated Interactions

Expanding to leverage AI for automated interactions via virtual agents, improve quality assurance, and streamline risk reviews

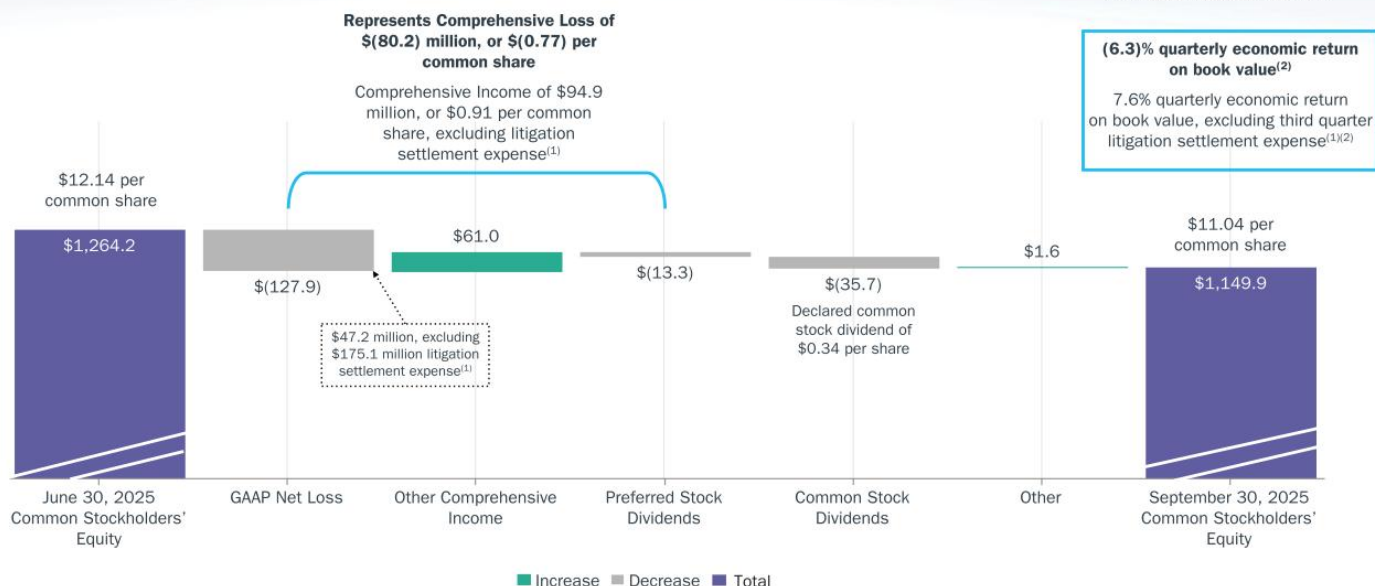
AI-Driven Agent Assistance and Knowledge Bases

Reduced call time and improved experiences through first call resolution, more accurate responses

Book Value Summary



(\$ in millions, except per share data)



Note: Reported metrics that exclude the company's "litigation settlement expense" eliminate the impact of the litigation settlement expense of \$175.1 million, or \$1.68 per weighted average basic common share, recorded for the quarter ended September 30, 2025 related to the settlement agreement with the company's former external manager. The \$175.1 million litigation settlement expense recorded for the third quarter is the difference between the \$375.0 million cash payment made to the company's former external manager, less the related loss contingency accrual recorded in the second quarter of \$199.9 million.

Comprehensive Income (Loss) Summary



(\$ in millions, except per share data)

Increase in net interest and servicing income driven by higher float and servicing fee income and lower financing costs, partially offset by lower interest income on Agency RMBS

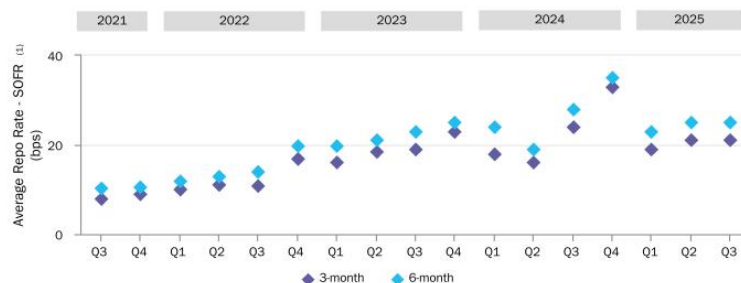


BALANCE SHEET AS OF SEPTEMBER 30, 2025

Agency RMBS \$6.5 billion	Agency RMBS repurchase agreements \$6.4 billion
MSR \$2.6 billion	MSR financing \$1.7 billion
	Senior/convertible notes \$0.4 billion
	All other liabilities \$0.7 billion
Cash & cash equivalents \$0.8 billion	Preferred equity \$0.6 billion
All other assets \$1.0 billion	Common equity \$1.1 billion

AGENCY RMBS

- \$6.4 billion of outstanding repurchase agreements with 16 counterparties
- Weighted average days to maturity of 88 days



MORTGAGE SERVICING RIGHTS

- \$1.6 billion of outstanding borrowings under bilateral MSR asset financing facilities
- \$939 million of unused MSR asset financing capacity; \$127 million committed and \$812 million uncommitted
- \$73 million outstanding borrowings and \$78 million of unused, committed capacity for servicing advance receivables

Portfolio Composition and Risk Positioning



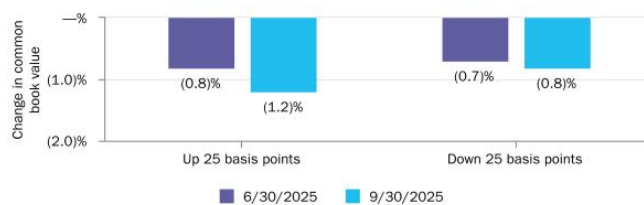
I. PORTFOLIO COMPOSITION⁽¹⁾

At September 30, 2025, \$13.5 billion portfolio

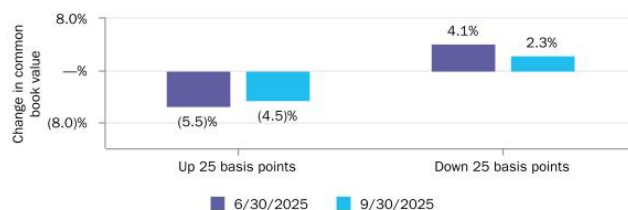
Includes \$9.1 billion settled positions



II. INTEREST RATE EXPOSURE⁽⁴⁾



III. MORTGAGE SPREAD EXPOSURE⁽⁵⁾

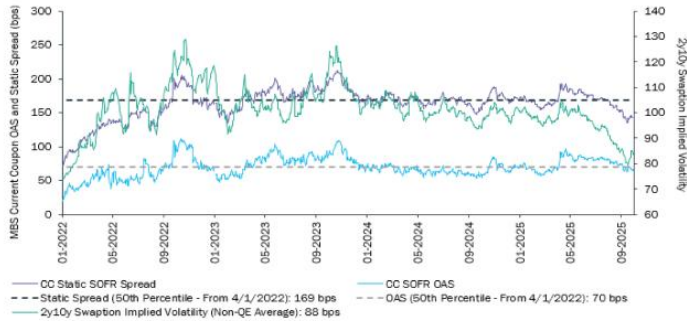


Note: Sensitivity data as of September 30, 2025. The above scenarios are provided for illustration purposes only and are not necessarily indicative of TWO's financial condition and operating results, nor are they necessarily indicative of the financial condition or results of operations that may be expected for any future period or date. See Slide 18 in the Appendix for more information on our risk positioning.

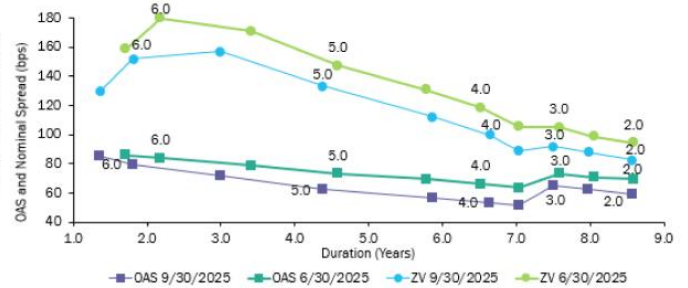
POSITIVE PERFORMANCE OF RMBS DRIVEN BY LOWER VOLATILITY AND EXPECTED FED CUTS

- Agency RMBS spreads tightened over the quarter as implied volatility normalized to longer-term averages, falling to the lowest level since early 2022
- Current coupon nominal and option-adjusted spreads (OAS) to swaps tightened by 26 and 14 basis points, respectively
- Spreads across the coupon curve shifted down, mostly in parallel, and spread volatility remained low
- Compared to earlier periods with similar implied volatility levels, nominal spreads are wider despite the tightening in Q3
- Mortgage spread volatility remained near the lows of this cycle, with demand from money managers and REITs absorbing supply

I. RMBS SPREADS⁽¹⁾



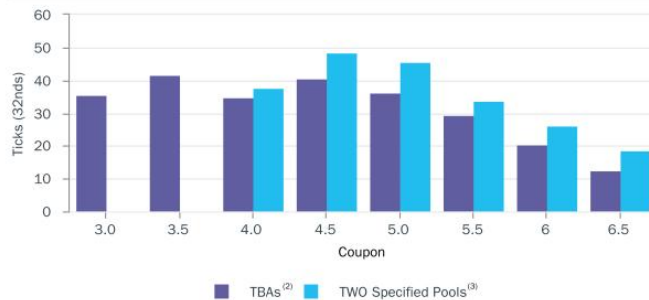
II. NOMINAL SPREAD CURVE IS STEEP, OAS CURVE FLAT⁽²⁾



QUARTERLY HIGHLIGHTS

- Hedged performance for Agency RMBS, across the coupon stack, was positive in the third quarter
- For the coupons that TWO owned, specified pools outperformed TBAs, led by 4.5s and 5.0s⁽¹⁾
- Rotated lower in coupon by reducing position in 6-6.5% by approximately \$1.8 billion and increasing 5-5.5% position by approximately \$1.6 billion
- Primary mortgage rates dropped to their lowest levels of 2025, resulting in increased prepayments in higher coupon securities
- Weighted average specified pool portfolio prepayment speeds decreased to 8.3%, compared to 8.6% in the second quarter⁽¹⁾

I. RMBS QUARTERLY PERFORMANCE



II. SPECIFIED POOL PREPAYMENT SPEEDS⁽¹⁾



Market Value⁽⁴⁾ (\$ billions)

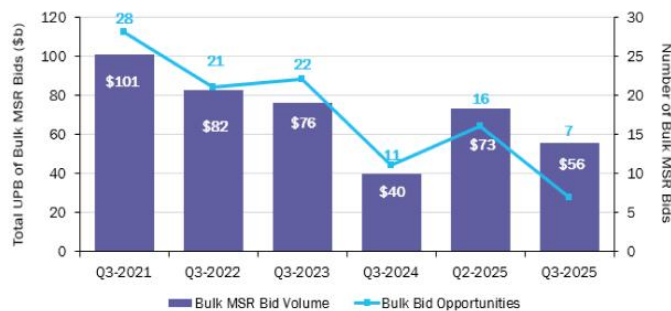
Coupon	Market Value (\$ billions)
3.0	\$—
3.5	\$—
4.0	\$0.18
4.5	\$1.09
5.0	\$1.47
5.5	\$0.83
6.0	\$1.63
6.5	\$0.48

■ TBAs (Q3-2025)⁽⁵⁾
■ TWO Specified Pools (Q3-2025)
 ◇ TBAs (Q2-2025)⁽⁵⁾
◇ TWO Specified Pools (Q2-2025)

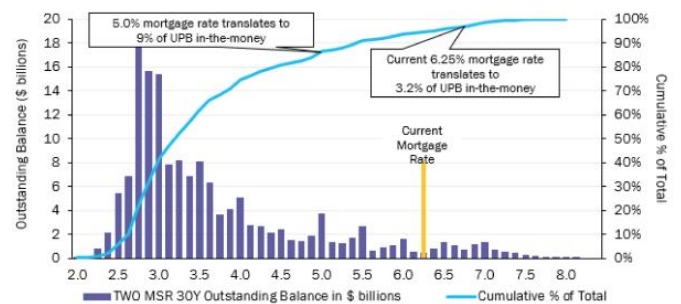
MSR MARKET CONTINUES TO BE WELL SUPPORTED

- MSR market is well supported with bank and non-bank portfolios continuing to aggressively bid on bulk packages
- Quarterly bulk volume remains lower than in prior years
- With rates around 6.25%, about 3.2% of the UPB of TWO's MSR portfolio has 50 basis points or more of a rate incentive to refinance
- Actual prepayment speeds continue to run below model speeds, a tailwind for this strategy

I. BULK MSR BID VOLUME⁽¹⁾



II. COMPOSITION OF TWO MSR VS. CURRENT RATES⁽²⁾



QUARTERLY HIGHLIGHTS

- Price multiple down slightly quarter-over-quarter to 5.8x from 5.9x in Q2
- Settled \$698.2 million UPB through flow acquisitions and recapture
- Sold \$19.1 billion UPB of MSR on a servicing-retained basis; post quarter-end committed to sell an additional \$10 billion UPB of MSR
- Weighted average 3-month CPR increased to 6.0% CPR from 5.8% in Q2, reflecting its low gross weighted average coupon mortgage rate
- 60+ day delinquencies remain low at 0.9%

I. MSR PORTFOLIO CHARACTERISTICS⁽¹⁾

	9/30/2025	6/30/2025
Fair value (\$ millions)	\$ 2,627	\$ 3,016
Price multiple	5.8x	5.9x
UPB (\$ millions)	\$ 177,216	\$ 200,363
Gross coupon rate	3.59%	3.53%
Current loan size (\$ thousands)	\$ 329	\$ 331
Original FICO ⁽²⁾	760	760
Original Loan-to-Value (LTV)	73%	73%
60+ day delinquencies	0.9%	0.8%
Net servicing fee (bps)	25.4	25.4
Loan age (months)	60	57
3-month CPR	6.0%	5.8%

II. 30-YEAR MSR PREPAYMENT SPEEDS



ATTRACTIVE RETURN OPPORTUNITIES FOR UNIQUELY POSITIONED PORTFOLIO

As of September 30, 2025	PORTFOLIO MARKET VALUE (\$ millions)	INVESTED CAPITAL ALLOCATED ⁽¹⁾	STATIC RETURN ESTIMATE ⁽²⁾		
SERVICING					
MSR ⁽³⁾	2,474				
RMBS ⁽⁴⁾	5,500				
Total	7,974	68%	11%	-	14%
SECURITIES					
RMBS ⁽⁴⁾	4,642				
Other Securities	672				
Total	5,314	32%	15%	-	19%
	INVESTED CAPITAL (\$ millions)		TWO's STATIC RETURN ESTIMATE ⁽⁵⁾		
Total Portfolio Before Corporate and Tax Expenses			12.4%	-	15.8%
Corporate and Tax Expenses ⁽⁶⁾			(3.2)%	-	(3.2)%
Total Return to Invested Capital			9.1%	-	12.6%
UNALLOCATED CAPITAL					
Convertible Notes	262			6.3%	
INVESTED CAPITAL					
Senior Notes	115			9.4%	
Preferred Equity ⁽⁷⁾	622			8.4%	
Common Equity	1,150		9.5%	-	15.2%
Total Invested Capital	1,887				
PROSPECTIVE QUARTERLY STATIC RETURN PER BASIC COMMON SHARE ⁽⁸⁾ :			\$0.26 - \$0.42		

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.

Our size, expertise, and investment strategy differentiate us from other mREIT peers and investors in MSR.

Market Presence:

Our scale, expertise and ability to leverage our own servicer allows us to find attractive incremental investments in hedged MSR.

Investment Strategy:

Our portfolio is focused on hedged MSR. Ongoing enhancements at RoundPoint uniquely position us to share our return profile beyond just owning Agency RMBS.

Market Environment:

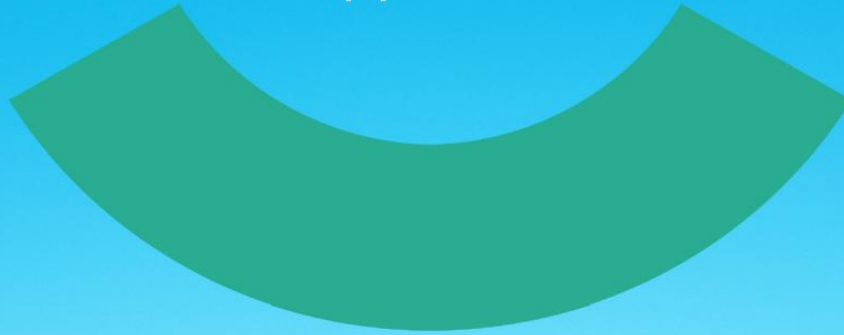
Our MSR is hundreds of basis points out of the money from being able to refinance, keeping prepayment risk low and generating stable cashflows over a wide range of market scenarios.

Financing and Liquidity:

We have a strong balance sheet and diversified financing for both MSR and Agency RMBS.



Appendix

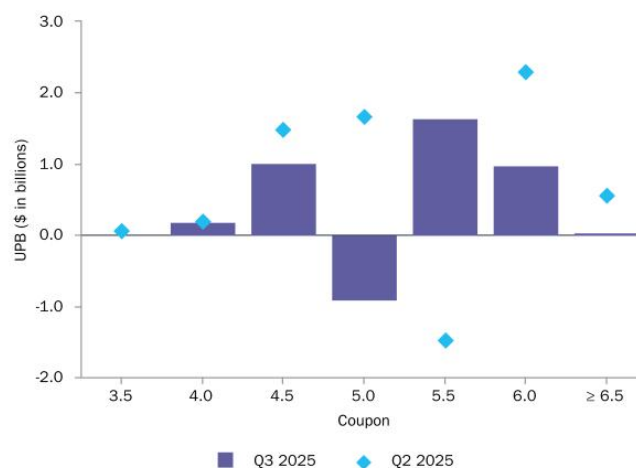


I. EFFECTIVE COUPON POSITIONING

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⁾
3.5%	\$ 91.41	\$ —	\$ —	\$ —	\$ —	—
4.0%	\$ 94.27	—	189	—	189	97
4.5%	\$ 97.03	(100)	1,117	—	1,017	111
5.0%	\$ 99.20	2,609	1,467	(5,000)	(924)	120
5.5%	\$ 100.85	2,917	815	(2,120)	1,612	146
6.0%	\$ 102.16	(601)	1,586	—	985	165
≥ 6.5%	\$ 103.97	(417)	458	—	41	173
Total		\$ 4,408	\$ 5,632	\$ (7,120)	\$ 2,920	138

II. QUARTER-OVER-QUARTER CHANGE IN POSITIONING

Combined TBA, Specified Pool and MSR positioning by coupon



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⁾	3.0 %	0.8 %	(3.1)%	0.7 %
0	-25	Bull Flatteners ⁽⁴⁾	5.8 %	(4.9)%	(2.4)%	(1.5)%
-50	-50	Parallel Shift ⁽⁵⁾	16.4 %	(9.2)%	(11.2)%	(4.0)%
-25	-25	Parallel Shift ⁽⁵⁾	8.8 %	(4.1)%	(5.5)%	(0.8)%
0	0	Base	— %	— %	— %	— %
+25	+25	Parallel Shift ⁽⁵⁾	(9.9)%	3.5 %	5.3 %	(1.2)%
+50	+50	Parallel Shift ⁽⁵⁾	(20.9)%	6.5 %	10.2 %	(4.2)%
+25	0	Bear Flatteners ⁽³⁾	(2.8)%	(1.0)%	2.8 %	(1.0)%
0	+25	Bear Steepener ⁽⁴⁾	(7.1)%	4.5 %	2.4 %	(0.2)%

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		7.6 %	(5.3)%	2.3 %
0		— %	— %	— %
+25		(8.7)%	4.2 %	(4.5)%

Note: Sensitivity data as of September 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.

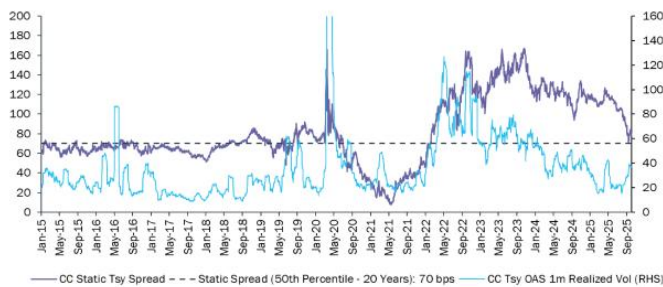
I. QUARTERLY MORTGAGE PERFORMANCE⁽¹⁾



II. ACTUAL VS. IMPLIED VOLATILITY⁽²⁾



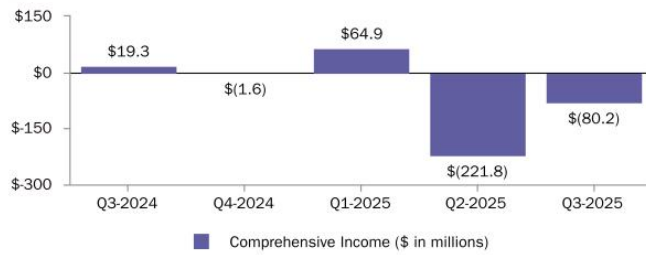
III. MORTGAGE SPREAD VOLATILITY⁽³⁾



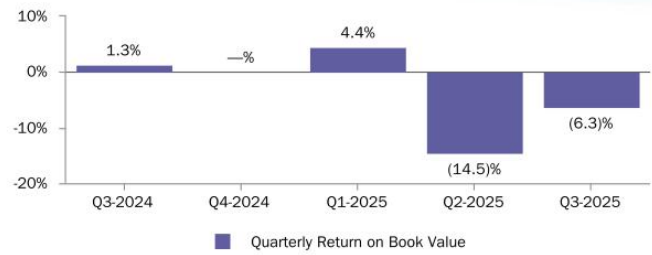
IV. TWO MSR SPEEDS AND EXISTING HOME SALES⁽⁴⁾



I. COMPREHENSIVE INCOME (LOSS)



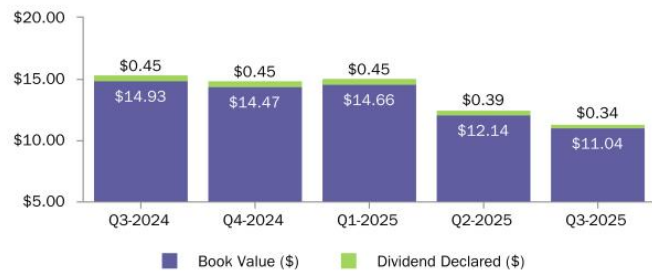
II. QUARTERLY ECONOMIC RETURN ON BOOK VALUE⁽¹⁾



III. DIVIDEND YIELD⁽²⁾



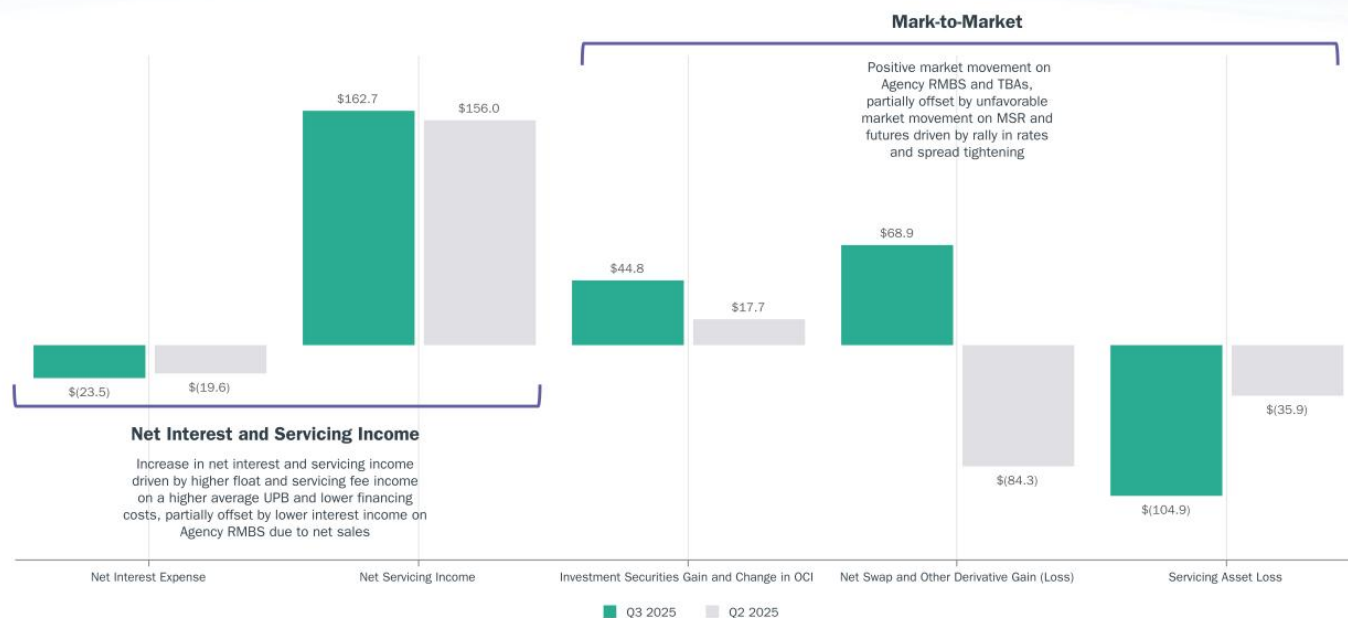
IV. BOOK VALUE AND DIVIDEND PER COMMON SHARE⁽²⁾



Net Interest, Servicing and Mark-to-Market Detail



(\$ in millions, except per share data)



Q3-2025 Portfolio Yields and Financing Costs



(\$ thousands)				
Portfolio Asset Type	Measure	Average Amortized Cost	Income ⁽¹⁾	Average Yield
Available-for-sale securities	GAAP	\$ 6,751,460	\$ 83,763	4.96%
Mortgage loans held-for-sale	GAAP	7,280	125	6.87%
Adjustments to include other portfolio items:				
Mortgage servicing rights ⁽²⁾⁽³⁾	Non-GAAP	1,796,979	52,416	11.67%
Agency derivatives ⁽²⁾⁽⁴⁾	Non-GAAP	111,159	5,079	18.28%
TBA _s ⁽²⁾⁽⁵⁾	Non-GAAP	4,623,799	37,975	3.29%
Total portfolio	Non-GAAP	\$ 13,290,677	\$ 179,358	5.40%
Financing Collateral Type	Measure	Average Outstanding Balance	Expense ⁽⁶⁾	Average Cost
Borrowings collateralized by available-for-sale securities	GAAP	\$ 6,451,062	\$ 73,310	4.55%
Borrowings collateralized by mortgage loans held-for-sale	GAAP	7,218	125	6.93%
Adjustments to include other financing items:				
Borrowings collateralized by mortgage servicing rights and advances	GAAP	1,752,926	34,625	7.90%
Borrowings collateralized by Agency derivatives ⁽⁴⁾	GAAP	87,905	1,084	4.93%
Senior notes ⁽⁷⁾	GAAP	110,804	2,884	10.41%
Convertible senior notes ⁽⁸⁾	GAAP	261,221	4,517	6.92%
Interest rate swaps ⁽²⁾⁽⁹⁾	Non-GAAP		(8,127)	(0.24)%
U.S. Treasury futures ⁽²⁾⁽¹⁰⁾	Non-GAAP		(5,006)	(0.15)%
TBA _s ⁽²⁾⁽⁵⁾	Non-GAAP	4,623,799	27,604	2.39%
Total financing	Non-GAAP	\$ 13,294,935	\$ 131,016	3.94%
Net Spread	Measure			Average Yield, less Cost
Net spread on AFS securities and mortgage loans held-for-sale	GAAP			0.42%
Net spread on total portfolio	Non-GAAP			1.46%

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							
4.0%	\$ 189	\$ 181	3.4 %	100.0 %	\$ 195	4.5 %	107
4.5%	1,117	1,091	7.8 %	100.0 %	1,117	5.2 %	39
5.0%	1,467	1,468	9.0 %	100.0 %	1,490	5.8 %	39
5.5%	815	828	10.5 %	99.7 %	825	6.4 %	38
6.0%	1,586	1,632	6.7 %	80.9 %	1,626	6.9 %	5
≥ 6.5%	458	478	5.1 %	88.2 %	476	7.3 %	7
	5,632	5,678	7.8 %	93.5 %	5,729	6.2 %	29
Other P&I⁽³⁾							
	649	647	0.1 %	— %	646	5.2 %	14
IOs and IIOs⁽⁴⁾							
	2,540	153	10.0 %	— %	159	6.8 %	42
Total Agency RMBS	\$ 8,821	\$ 6,478		81.9 %	\$ 6,534		

(\$ millions)	Notional Amount	Bond Equivalent Value ⁽⁵⁾	Through-the-Box Speeds ⁽⁶⁾
TBA Positions			
4.0%	\$ —	\$ —	2.7 %
4.5%	(100)	(97)	3.4 %
5.0%	2,609	2,588	4.8 %
5.5%	2,917	2,940	7.6 %
6.0%	(601)	(615)	12.3 %
≥ 6.5%	(417)	(431)	26.3 %
Net TBA Position	\$ 4,408	\$ 4,385	

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%	258,318	\$ 76,737	2.8%	\$ 352	56	768	72%	0.5%	4.6%	25.1
3.25% - 3.75%	124,093	30,364	3.4%	313	69	753	74%	1.0%	5.8%	25.2
3.75% - 4.25%	82,509	15,950	3.9%	258	94	752	75%	1.2%	6.4%	25.3
4.25% - 4.75%	49,860	8,784	4.4%	255	90	739	77%	1.9%	6.5%	25.2
4.75% - 5.25%	36,003	8,407	5.0%	352	57	748	79%	1.7%	7.1%	25.2
> 5.25%	63,670	19,903	6.2%	416	29	751	80%	1.5%	10.1%	27.2
	614,453	160,145	3.7%	338	61	759	74%	0.9%	5.9%	25.4
15-Year Fixed										
≤ 2.25%	18,397	4,057	2.0%	264	53	776	60%	0.3%	4.8%	25.0
2.25% - 2.75%	32,584	5,821	2.4%	223	57	772	59%	0.2%	6.1%	25.0
2.75% - 3.25%	26,702	2,870	2.9%	161	80	765	62%	0.3%	8.2%	25.2
3.25% - 3.75%	14,064	1,058	3.4%	122	96	755	64%	0.4%	9.8%	25.2
3.75% - 4.25%	6,503	440	3.9%	121	90	741	66%	0.8%	10.9%	25.3
> 4.25%	5,643	845	5.3%	297	34	750	64%	1.2%	16.4%	27.4
	103,893	15,091	2.7%	216	63	768	61%	0.3%	7.2%	25.2
Total ARMs	1,692	585	5.2%	457	41	766	72%	0.6%	14.0%	25.2
Total Portfolio	720,038	\$ 175,821	3.6%	\$ 328	61	759	73%	0.9%	6.0%	25.4

Mortgage Servicing Rights UPB Roll-forward



\$ millions	Q3-2025	Q2-2025	Q1-2025	Q4-2024	Q3-2024
UPB at beginning of period	\$ 198,823	\$ 196,773	\$ 200,317	\$ 202,052	\$ 209,390
Bulk purchases of mortgage servicing rights	—	6,385	—	2,063	2,573
Flow purchases of mortgage servicing rights	664	170	155	376	715
Originations/recapture of mortgage servicing rights	34	34	20	43	17
Sales of mortgage servicing rights	(19,112)	—	—	3	(6,248)
Scheduled payments	(1,647)	(1,637)	(1,624)	(1,647)	(1,641)
Prepaid	(2,964)	(2,914)	(2,110)	(2,545)	(2,779)
Other changes	23	12	15	(28)	25
UPB at end of period	\$ 175,821	\$ 198,823	\$ 196,773	\$ 200,317	\$ 202,052

Serviced Mortgage Assets



	9/30/2025		6/30/2025	
	Number of Loans	Unpaid Principal Balance (\$ millions)	Number of Loans	Unpaid Principal Balance (\$ millions)
Mortgage servicing rights	720,038	\$ 175,821	805,261	\$ 198,823
Subservicing ⁽¹⁾	135,706	30,204	59,361	11,106
Servicing administrator ⁽²⁾	519	278	529	286
Mortgage loans held-for-sale ⁽³⁾	41	12	32	10
Other assets	—	—	1	—
Total serviced mortgage assets	856,304	\$ 206,315	865,184	\$ 210,225

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	\$ 2,236.0	\$ —	\$ —	\$ —	\$ —	\$ 2,236.0	26.5 %
30 to 59 days	710.8	—	—	—	—	710.8	8.4 %
60 to 89 days	3.5	—	8.4	—	—	11.9	0.1 %
90 to 119 days	967.5	—	—	—	261.4	1,228.9	14.6 %
120 to 364 days	3,016.8	72.5	—	—	—	3,089.3	36.7 %
One to three years	170.0	872.9	—	—	—	1,042.9	12.4 %
Three to five years	—	—	—	110.9	—	110.9	1.3 %
	\$ 7,104.6	\$ 945.4	\$ 8.4	\$ 110.9	\$ 261.4	\$ 8,430.7	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	\$ 6,193.7	\$ —	\$ —	n/a	n/a	\$ 6,193.7	66.3 %
Mortgage servicing rights, at fair value	1,069.1	1,550.5	—	n/a	n/a	2,619.6	28.0 %
Mortgage loans held-for-sale, at fair value	3.7	—	8.7	n/a	n/a	12.4	0.1 %
Restricted cash	18.0	—	0.4	n/a	n/a	18.4	0.2 %
Due from counterparties	293.7	—	—	n/a	n/a	293.7	3.1 %
Derivative assets, at fair value	128.9	—	—	n/a	n/a	128.9	1.4 %
Other assets (includes servicing advances)	—	82.8	—	n/a	n/a	82.8	0.9 %
	\$ 7,707.1	\$ 1,633.3	\$ 9.1	n/a	n/a	\$ 9,349.5	100.0 %

Futures



Type & Maturity	Notional Amount (\$M)	Carrying Value (\$M) ⁽¹⁾	Weighted Average Months to Expiration
U.S. Treasury futures			
2 year	\$ (1,613.4)	\$ —	3.0
5 year	(1,159.4)	—	3.0
10 year	(502.7)	—	2.6
20 year	257.3	—	2.6
Eris SOFR swap futures			
5 year	(1,200.0)	—	62.6
10 year	(830.0)	—	122.6
SOFR futures			
< 1 year	—	—	—
> 1 and < 2 years	291.8	—	20.5
> 2 and < 3 years	(291.8)	—	26.5
Total futures	\$ (5,048.2)	\$ —	32.7

Interest Rate Swaps



Maturities	Notional Amount (\$M)	Average Fixed Pay Rate	Average Receive Rate	Average Maturity (Years)
Payers				
≤ 1 year	\$ 3,803.1	4.050 %	4.240 %	0.5
> 1 and ≤ 3 years	3,296.3	3.473 %	4.240 %	2.1
> 3 and ≤ 5 years	3,108.3	3.576 %	4.240 %	4.4
> 5 and ≤ 7 years	2,111.1	3.752 %	4.240 %	6.3
> 7 and ≤ 10 years	1,641.2	3.892 %	4.240 %	9.6
> 10 years	1,214.3	3.967 %	4.240 %	17.9
	<u>\$ 15,174.3</u>	3.762 %	4.240 %	4.8

Maturities	Notional Amount (\$M)	Average Pay Rate	Average Fixed Receive Rate	Average Maturity (Years)
Receivers				
≤ 1 year	\$ —	— %	— %	—
> 1 and ≤ 3 years	1,923.5	4.240 %	3.875 %	1.5
> 3 and ≤ 5 years	3,428.1	4.240 %	3.413 %	4.8
> 5 and ≤ 7 years	1,303.9	4.240 %	3.525 %	6.6
> 7 and ≤ 10 years	1,698.8	4.240 %	3.811 %	9.8
> 10 years	1,353.2	4.240 %	3.732 %	19.4
	<u>\$ 9,707.5</u>	4.240 %	3.634 %	7.3

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 September 30, 2025, the company recognized litigation settlement expense of \$175.1 million related to the settlement agreement with the company's former external manager, which is the difference between the \$375.0 million cash payment made to the company's former external manager, less the related loss contingency accrual recorded in the second quarter of \$199.9 million.
3. Includes \$9.1 billion in settled positions and \$4.4 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 11 and 13, and Appendix slides 23 and 24.
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.

PAGE 5 - RoundPoint Operations Update

1. Number represents approximate pull-through adjusted UPB in originations pipeline.

PAGE 6 - Book Value Summary

1. During the quarter ended September 30, 2025, the company recognized litigation settlement expense of \$175.1 million related to the settlement agreement with the company's former external manager, which is the difference between the \$375.0 million cash payment made to the company's former external manager, less the related loss contingency accrual recorded in the second quarter of \$199.9 million.
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 7 - Comprehensive Income (Loss) Summary

1. Mark-to-Market Gains and Losses represents the sum of investment securities gain (loss) and change in accumulated other comprehensive income (OCI), net swap and other derivative gains (losses), and servicing asset gains (losses). See Appendix slide 21 for more detail.
2. During the quarter ended September 30, 2025, the company recognized litigation settlement expense of \$175.1 million related to the settlement agreement with the company's former external manager, which is the difference between the \$375.0 million cash payment made to the company's former external manager, less the related loss contingency accrual recorded in the second quarter of \$199.9 million.

PAGE 8 - 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 Q3 2021 and Q3 2025 (as of September 30, 2025).

PAGE 9 - Portfolio Composition and Risk Positioning

1. For additional detail on the portfolio, see slides 11 and 13, and Appendix slides 23 and 24.
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 10 - 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 September 30, 2025. ZV Spread stands for zero volatility spread.

PAGE 11 - 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 September 30, 2025.
5. Three-month prepayment speeds of delivered TBA contracts; average of J.P. Morgan, Bank of America, and Citi data.

PAGE 12 - MSR Investment Landscape

1. Source: RiskSpan and TWO's internal estimates as of September 30, 2025.
2. TWO MSR 30-year fixed-rate UPB as of September 30, 2025 factor date; Freddie Mac's Primary Mortgage Market Survey (PMMS) as of September 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 13 - 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 14 - 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 MSR position after the sale settling October 31, 2025.
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).

PAGE 17 - Effective Coupon Positioning

1. Represents UMBS TBA market prices as of September 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 18 - 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 Flatteners 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 Flatteners/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 19 - 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 September 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 20 - 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.

PAGE 22 - Q3-2025 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 23 - 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 \$132.8 million of Agency derivatives and \$20.2 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 24 - 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.

PAGE 26 - Serviced Mortgage Assets

1. Off-balance sheet mortgage loans owned by third parties and subserviced by the Company.
2. Off-balance sheet mortgage loans owned by third parties for which the Company acts as servicing administrator (subserviced by appropriately licensed third-party subservicers).
3. Originated or purchased mortgage loans held-for-sale at period-end.

PAGE 27 - Financing

1. As of September 30, 2025, outstanding borrowings had a weighted average of 5.8 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.

