

Two Harbors Investment Corp. Reports First Quarter 2016 Financial Results

Investment Opportunities Become More Attractive

NEW YORK, May 4, 2016 - [Two Harbors Investment Corp.](#) (NYSE: TWO), a real estate investment trust that invests in residential mortgage-backed securities (RMBS), residential mortgage loans, mortgage servicing rights (MSR), commercial real estate and other financial assets, today announced its financial results for the quarter ended March 31, 2016.

Summary

- Reported Core Earnings of \$71.8 million, or \$0.21 per weighted average common share.⁽¹⁾
- Repurchased 8.0 million shares, representing 2.3% of common shares outstanding at December 31, 2015, at an average price of \$7.64 per share, which was accretive to book value.
- Closed on additional senior commercial real estate assets; aggregate portfolio carrying value of \$744.3 million at March 31, 2016.
- Added \$5.0 billion unpaid principal balance (UPB) of MSR through expanded flow-sale relationships and bulk acquisition.
- Sponsored two securitizations, issuing securities backed by approximately \$628.3 million UPB of prime jumbo residential mortgage loans.
- Reported book value of \$9.70 per common share, representing a (1.8%)⁽²⁾ total return on book value after accounting for a dividend of \$0.23 per share.

“In the first quarter, we increased our capital allocation to commercial real estate assets due to the continued attractiveness of this sector,” stated Thomas Siering, Two Harbors’ President and Chief Executive Officer. “We also opportunistically purchased Agency RMBS as spreads widened intra-quarter. Our ability to dynamically allocate capital is important to our stockholders, as it allows us to take advantage of evolving market conditions.”

(1) Core Earnings is a non-GAAP measure. Please see page 13 for a definition of Core Earnings and a reconciliation of GAAP to non-GAAP financial information.
(2) Return on book value for the quarter ended March 31, 2016 is defined as the decrease in book value from December 31, 2015 to March 31, 2016 of \$0.41, plus the dividend declared of \$0.23 per share, divided by December 31, 2015 book value of \$10.11 per share.

