



# **Q1 2020 Stockholder Presentation**

---

**April 30, 2020**

## Safe harbor statement under the private securities litigation reform act of 1995

**This presentation contains statements that, to the extent they are not recitations of historical fact, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). All such forward-looking statements are intended to be subject to the safe harbor protection provided by the Reform Act. Actual outcomes and results could differ materially from such forecasts due to the impact of many factors beyond the control of AGNC Investment Corp. ("AGNC" or the "Company"). All forward-looking statements included in this presentation are made only as of the date of this presentation and are subject to change without notice. Certain important factors that could cause actual results to differ materially from those contained in the forward-looking statements are included in our periodic reports filed with the Securities and Exchange Commission ("SEC"). Copies are available on the SEC's website at [www.sec.gov](http://www.sec.gov). AGNC disclaims any obligation to update such forward-looking statements unless required by law.**

**The following slides contain summaries of certain financial and statistical information about AGNC. They should be read in conjunction with our periodic reports that are filed from time to time with the SEC. Historical results discussed in this presentation are not indicative of future results.**



Type:  
**Common Stock**

Exchange / Ticker:  
**Nasdaq / AGNC**

IPO Price:  
**\$20.00 Per Share**

Tangible Net Book Value<sup>2</sup>:  
**\$13.62 Per Share**

IPO Date:  
**May 2008**

Total Dividends Paid Since IPO<sup>1</sup>:  
**\$41.80 Per Share**

Total Common Equity Capital<sup>2</sup>:  
**\$8.3 B**



Type:  
**Preferred Stock**

Preferred Stock <sup>3</sup>	Type <sup>4</sup>	Issue Date:	Ticker:	Annual Dividend Rate:	Depository Shares Outstanding <sup>5</sup>	Aggregate Liquidation Preference:
Series C	Fixed-to-Floating Rate	Aug 22, 2017	AGNCN	7.000%	13.0 Million	\$325 Million
Series D	Fixed-to-Floating Rate	Mar 6, 2019	AGNCM	6.875%	9.4 Million	\$235 Million
Series E	Fixed-to-Floating Rate	Oct 3, 2019	AGNCO	6.500%	16.1 Million	\$403 Million
Series F	Fixed-to-Floating Rate	Feb 11, 2020	AGNCP	6.125%	23.0 Million	\$575 Million

Note: Information as of Mar 31, 2020 unless otherwise indicated

- As of Apr 15, 2020
- "Tangible Net Book Value" and "Total Common Equity Capital" are net of preferred stock liquidation preference
- Series C, D, E and F preferred stock are redeemable at the Company's option, in whole or in part, at their liquidation preference of \$25 per depository share, plus any accumulated and unpaid dividends, on or after Oct 15, 2022, April 15, 2024, Oct 15, 2024 and April 15, 2025, respectively
- At the conclusion of the Series C, D, E and F fixed rate period on Oct 15, 2022, Apr 15, 2024, Oct 15, 2024 and April 15, 2025, respectively, the preferred stock dividend will accrue at a floating rate equal to 3M LIBOR plus a spread of 5.111%, 4.332%, 4.993% and 4.697%, respectively, per annum
- Each depository share outstanding represents a 1/1,000th interest in a share of preferred stock

- **\$(3.61) Comprehensive Loss per Share, Comprised of:**
  - \$(4.46) net loss per share
  - \$0.85 other comprehensive income (“OCI”) per share on investments marked-to-market through OCI
- **\$0.57 Net Spread and Dollar Roll Income per Share, Excluding Estimated “Catch-Up” Premium Amortization Cost <sup>1</sup>**
  - Includes \$0.03 per share of dollar roll income associated with a \$7.5 B average net long position in forward purchases and sales of Agency MBS in the “to-be-announced” (“TBA”) market <sup>2</sup>
  - Excludes \$(0.44) per share of estimated “catch-up” premium amortization cost due to change in projected constant prepayment rate (“CPR”) estimates
- **\$13.62 Tangible Net Book Value per Share as of Mar 31, 2020**
  - Decreased \$(4.04) per share, or -22.9%, from \$17.66 per share as of Dec 31, 2019
  - Excludes \$526 MM, or \$0.93 per share, of goodwill as of Mar 31, 2020
- **\$0.48 Dividends Declared per Share for the First Quarter**
- **-20.2% Economic Return on Tangible Common Equity for the Quarter**
  - Comprised of \$0.48 dividends per share and \$(4.04) decrease in tangible net book value per share

Note: Per share amounts included throughout this presentation are per share of common stock, unless otherwise indicated. Income and loss per share amounts included throughout this presentation are per diluted common share, unless otherwise indicated

1. Represents a non-GAAP measure. Refer to the supplemental slides later in this presentation for a reconciliation and further discussion of non-GAAP measures

2. Dollar roll income (loss) is recognized in gain (loss) on derivative instruments and other securities, net

- **\$93.0 B Investment Portfolio as of Mar 31, 2020**
  - \$70.7 B Agency MBS
  - \$21.2 B net TBA mortgage position
  - \$1.1 B credit risk transfer and non-Agency securities
- **9.4x Tangible Net Book Value “At Risk” Leverage as of Mar 31, 2020 <sup>1</sup>**
  - 9.9x average tangible net book value “at risk” leverage for the quarter
- **Cash and Unencumbered Agency MBS Totaled Approximately \$3.5 B as of Mar 31, 2020**
  - Excludes approximately \$1.2 B of capital and excess margin held at the Company's broker-dealer subsidiary, Bethesda Securities, and \$0.3 B of unencumbered CRT and non-Agency securities
- **12.2% Portfolio CPR for the Quarter**
  - 14.5% average projected portfolio life CPR as of Mar 31, 2020
- **1.30% Annualized Net Interest Spread and TBA Dollar Roll Income for the Quarter, Excluding Estimated “Catch-Up” Premium Amortization Cost <sup>2</sup>**
  - Excludes -92 bps of “catch-up” premium amortization cost due to change in projected CPR estimates
- **\$1.0 B of Accretive Capital Transactions During the Quarter**
  - \$575 MM of 6.125% fixed-to-floating rate preferred equity issued
  - \$439 MM of At-the-Market common equity offerings, net of offering costs

1. Tangible net book value “at risk” leverage calculated as sum of Agency MBS repurchase agreements (“Agency repo”), net TBA position (at cost), net payable/receivable for investment securities not yet settled, and other debt divided by the sum of total stockholders' equity less goodwill

2. Net interest spread and TBA dollar roll income calculated as the average asset yield, less average cost of funds (actual and implied). Average cost of funds includes Agency MBS repo, TBA implied cost of funds, other debt and periodic swap interest income/cost. Cost of funds excludes other supplemental hedges (such as swaptions and U.S. Treasury positions) and U.S. Treasury repurchase agreements

Q1 2020							Q1 2020						
Security	3/31/19	6/30/19	9/30/19	12/31/19	3/31/20	Δ Rate % / Price <sup>2</sup>	Security	3/31/19	6/30/19	9/30/19	12/31/19	3/31/20	Δ Rate % / Price <sup>2</sup>
<b>Swap Rates <sup>1</sup></b>							<b>Treasury Rates <sup>1</sup></b>						
2 Yr Swap	2.38%	1.81%	1.63%	1.70%	0.49%	-1.21% / +2.41	2 Yr UST	2.26%	1.75%	1.62%	1.57%	0.25%	-1.32% / +2.65
5 Yr Swap	2.28%	1.77%	1.50%	1.73%	0.52%	-1.21% / +6.00	5 Yr UST	2.23%	1.77%	1.54%	1.69%	0.38%	-1.31% / +6.50
10 Yr Swap	2.41%	1.96%	1.56%	1.90%	0.72%	-1.18% / +11.59	10 Yr UST	2.41%	2.01%	1.66%	1.92%	0.67%	-1.25% / +12.37
30 Yr Swap	2.58%	2.21%	1.71%	2.09%	0.88%	-1.21% / +33.18	30 Yr UST	2.81%	2.53%	2.11%	2.39%	1.32%	-1.07% / +28.45
<b>Agency 30 Year Fixed Rate MBS Price <sup>3</sup></b>							<b>Spreads <sup>4</sup></b>						
2.50%	97.10	99.36	99.55	98.89	103.59	+4.70	30 Yr CC Tsy ZV	60	62	81	70	98	+28
3.00%	99.55	100.84	101.51	101.42	104.83	+3.41	30 Yr CC Tsy OAS	24	24	26	24	48	+24
3.50%	101.35	102.24	102.58	102.86	105.70	+2.84	CRT M2	229	209	198	193	1,136	+943
4.00%	102.86	103.36	103.77	104.01	106.67	+2.66	CMBS AAA	89	86	94	81	178	+97
4.50%	104.20	104.49	105.29	105.29	107.47	+2.18	CDX IG	64	55	60	45	114	+69

Note: Price information is provided for illustrative purposes only, is for generic instruments and is not meant to be reflective of securities held by AGNC. Prices can vary materially depending on the source

1. Source: Bloomberg

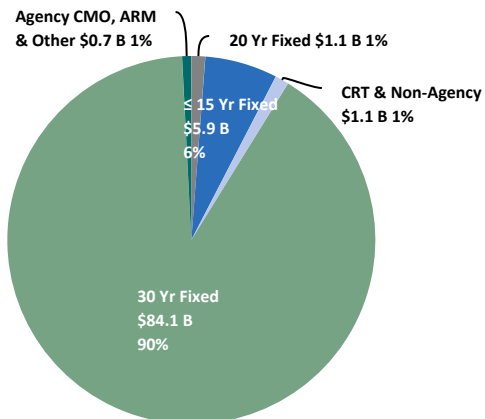
2. Change in Treasury and swap prices derived from Constant Maturity Treasury and Constant Maturity Swap and DV01 from JPM

3. Source: Barclays

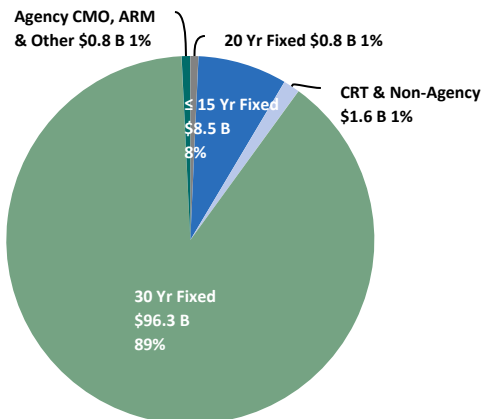
4. Source: CRT and CMBS spreads are averages of JP Morgan, Wells Fargo and Bank of America. CRT spreads are discount margins. CMBS spreads are spread to the swap curve. CDX and CC Agency spreads are sourced from JP Morgan.

# Agency Portfolio Update

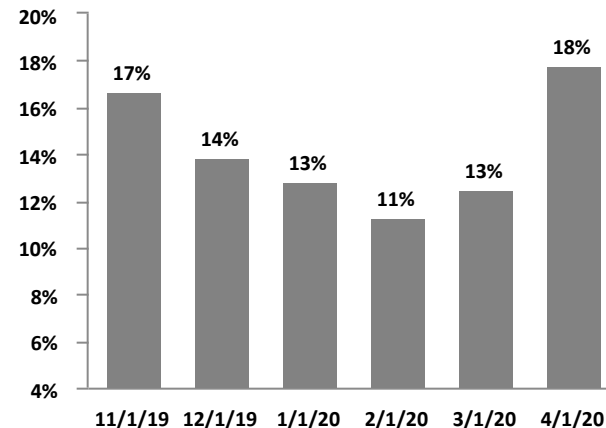
As of 3/31/20  
\$93.0 B Portfolio  
Including Net TBA Position



As of 12/31/19  
\$107.9 B Portfolio  
Including Net TBA Position



AGNC Actual CPR <sup>1</sup>



30 Year - \$84.1 B Portfolio (90% of Total) as of 3/31/20

(\$ In Millions)					Apr '20	Life
Coupon	FMV	%	Specified Pool % <sup>2</sup>	WALA <sup>3</sup>	1 M Actual CPR	Forecast CPR
≤ 3.0%	\$5,531	7%	15%	22	7%	16%
3.5%	18,626	22%	88%	56	14%	12%
4.0%	25,777	31%	91%	42	19%	15%
≥ 4.5%	13,001	15%	98%	28	23%	17%
<b>30 Year MBS</b>	<b>62,935</b>	<b>75%</b>	<b>85%</b>	<b>41</b>	<b>17%</b>	<b>14%</b>
<b>Net TBA</b>	<b>21,118</b>	<b>25%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Total 30 Year</b>	<b>\$84,053</b>	<b>100%</b>	<b>64%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

≤15 Year - \$5.9 B Portfolio (6% of Total) as of 3/31/20

(\$ In Millions)					Apr '20	Life
Coupon	FMV	%	Specified Pool % <sup>2</sup>	WALA <sup>3</sup>	1 M Actual CPR	Forecast CPR <sup>4</sup>
2.5%	\$893	15%	75%	89	12%	13%
3.0%	2,048	35%	92%	51	11%	12%
3.5%	1,770	30%	93%	29	17%	13%
≥ 4.0%	1,119	19%	91%	38	22%	14%
<b>≤ 15 Year MBS</b>	<b>5,830</b>	<b>98%</b>	<b>90%</b>	<b>48</b>	<b>15%</b>	<b>13%</b>
<b>Net TBA</b>	<b>104</b>	<b>2%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Total ≤ 15 Year</b>	<b>\$5,934</b>	<b>100%</b>	<b>88%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Note: Amounts may not total due to rounding

1. Wtd/avg actual 1 month annualized CPR released at the beginning of each month based on securities held as of the preceding month-end, excludes net TBA position
2. Specified pools include pools backed by lower balance loans with original loan balances of up to \$200K, HARP pools (defined as pools that were issued between May 2009 and Dec 2018 and backed by 100% refinance loans with original LTVs ≥ 80%) and pools backed by loans 100% originated in N.Y. and Puerto Rico. Lower balance pools have a wtd. avg. original loan balance of \$116 K for ≤15-year and \$119 K for 30-year securities as of Mar 31, 2020. HARP pools have a wtd. avg. original LTV of 119% for ≤15-year and 136% for 30-year securities as of Mar 31, 2020
3. WALA represents the weighted average loan age presented in months, excluding net TBA position
4. Average projected CPR as of Mar 31, 2020 excludes net TBA position

# Attractive Opportunities in Agency MBS

Potential Agency MBS Gross ROE Across CPR Scenarios <sup>1,2</sup>						
	30 Yr 3.5% - \$150K Max Loan Size			30 Yr 4.0% - \$150K Max Loan Size		
<b>CPR</b>	12%	15%	18%	12%	16%	20%
<b>Asset Yield</b>	2.16%	1.94%	1.71%	2.38%	2.02%	1.64%
<b>Cost of Funds</b>	0.37%	0.37%	0.37%	0.32%	0.32%	0.32%
<b>Net Interest Spread</b>	1.79%	1.57%	1.34%	2.06%	1.70%	1.32%
<b>Gross Return on Equity</b>	18.3%	16.1%	13.8%	20.9%	17.3%	13.5%
	30 Yr 2.5% - New Production 3.375% WAC			30 Yr 2.5% - TBA w/25 bps Roll Advantage		
<b>CPR</b>	8%	12%	16%	8%	12%	16%
<b>Asset Yield</b>	2.03%	1.90%	1.75%	2.03%	1.90%	1.75%
<b>Cost of Funds</b>	0.40%	0.40%	0.40%	0.15%	0.15%	0.15%
<b>Net Interest Spread</b>	1.63%	1.50%	1.35%	1.88%	1.75%	1.60%
<b>Gross Return on Equity</b>	16.7%	15.4%	13.9%	19.0%	17.7%	16.2%

- Expected returns on Agency MBS remain attractive despite the Fed's purchases
- Attractive return opportunities exist across a range of instruments and prepayment scenarios
- Historically low funding and swap rates provide the ability to hedge mortgage positions in a cost effective manner
- TBA dollar roll financing is likely to be attractive in lower coupons and additive to ROE

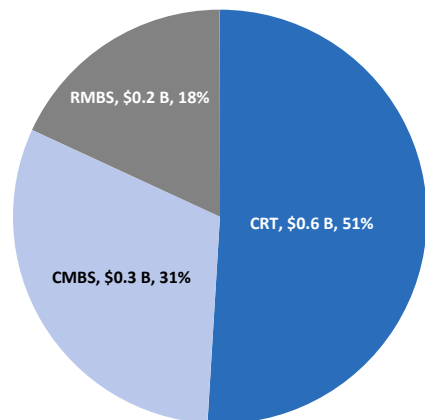
1. Information presented as of March 31, 2020, is for illustrative purposes only and is not meant to be reflective of positions held by AGNC. Potential returns are dependent on a variety of inputs and assumptions, which are assumed to be static, and do not reflect the impact of operating expenses. Actual results could differ materially based on numerous factors, including changes in leverage, interest rates, mortgage spreads, prepayments, funding costs and hedge positions

2. Assumes 9x leverage

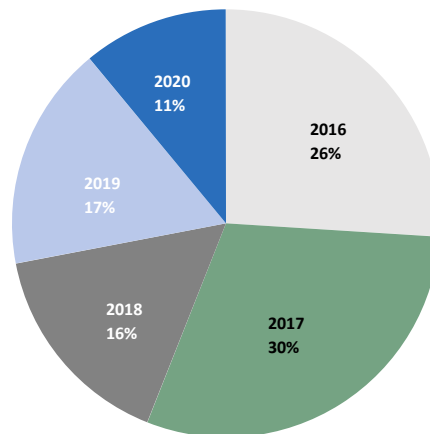


# Credit Portfolio Update

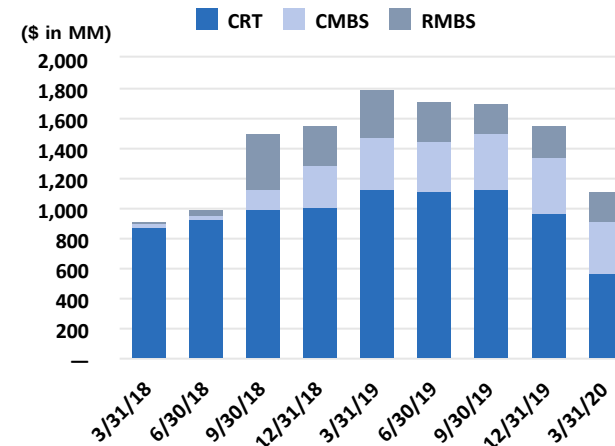
**\$1.1 B as of Mar 31, 2020**



**GSE CRT Portfolio by Issuance Year**



**Historical Credit Portfolio**



**Credit Portfolio Characteristics <sup>1</sup>**

Sector	Current Face	FMV	%	Price	Coupon	Credit Enhancement	60+ DQ
GSE Credit Risk Transfer	\$750	\$569	51%	75.83	4.27%	1.35%	0.47%
New Issue Jumbo/Conforming	210	182	16%	86.85	4.02%	3.63%	0.13%
Reperforming Loan Securitizations	22	21	2%	97.20	4.00%	24.92%	1.10%
MI Credit Risk Transfer	7	5	0%	67.82	3.85%	3.29%	0.88%
<b>Residential Credit Total</b>	<b>989</b>	<b>777</b>	<b>69%</b>	<b>78.59</b>	<b>4.20%</b>	<b>2.54%</b>	<b>0.41%</b>
Conduit	242	247	22%	102.12	4.25%	20.10%	0.17%
Single Asset/Single Borrower	114	102	9%	89.41	4.40%	18.79%	0.00%
<b>Commercial Credit Total</b>	<b>356</b>	<b>349</b>	<b>31%</b>	<b>98.05</b>	<b>4.29%</b>	<b>19.72%</b>	<b>0.12%</b>
<b>Total</b>	<b>\$1,345</b>	<b>\$1,126</b>	<b>100%</b>	<b>83.74</b>	<b>4.23%</b>	<b>7.86%</b>	<b>0.32%</b>

**Ratings Distribution by Sector <sup>1,2</sup>**

Sector	AAA	AA	A	BBB	Below Investment Grade	Total
GSE Credit Risk Transfer	0%	0%	0%	17%	83%	100%
New Issue Jumbo/Conforming	0%	24%	16%	40%	20%	100%
Reperforming Loan Securitizations	0%	100%	0%	0%	0%	100%
MI Credit Risk Transfer	0%	0%	0%	0%	100%	100%
<b>Residential Credit Total</b>	<b>0%</b>	<b>8%</b>	<b>4%</b>	<b>22%</b>	<b>66%</b>	<b>100%</b>
Conduit	14%	83%	1%	2%	0%	100%
Single Asset/Single Borrower	0%	0%	25%	50%	25%	100%
<b>Commercial Credit Total</b>	<b>10%</b>	<b>58%</b>	<b>9%</b>	<b>16%</b>	<b>7%</b>	<b>100%</b>
<b>Total</b>	<b>3%</b>	<b>24%</b>	<b>5%</b>	<b>20%</b>	<b>48%</b>	<b>100%</b>

1. As of Mar 31, 2020

2. Represents the lowest of Standard and Poor's ("S&P"), Moody's, Fitch, DBRS, Kroll Bond Rating Agency ("KBRA") and Morningstar credit ratings, stated in terms of the S&P equivalent rating

3. Excludes interest only securities (face value of \$61MM as of Mar 31, 2020)

AGNC has access to attractive funding across a significant number of counterparties and a wide range of financing terms

- **Our average Agency repo cost for the first quarter was 1.80%, compared to 2.12% for the fourth quarter**
  - As of Mar 31, 2020, our Agency repo cost was 1.36%, compared to 2.17% as of Dec 31, 2019
- **\$35.4 B of Agency repo funded through captive broker-dealer subsidiary, Bethesda Securities, as of Mar 31, 2020, compared to \$35.5 B as of Dec 31, 2019**
- **Average Agency repo days to maturity totaled 93 days as of Mar 31, 2020, compared to 55 days as of Dec 31, 2019**
- **47 repo counterparties as of Mar 31, 2020**

Agency Repurchase Agreements <sup>1</sup>				
As of Mar 31, 2020				
Maturity	%	Amount (\$ MM)	Interest Rate	Avg. Days to Maturity
≤ 3 Mths	78%	\$48,970	1.18%	16
> 3 to ≤ 6	9%	5,450	1.80%	97
> 6 to ≤ 12	8%	4,907	2.05%	279
> 1 to ≤ 3 Yrs	6%	3,700	2.11%	858
<b>Total / Wtd Avg</b>	<b>100%</b>	<b>\$63,027</b>	<b>1.36%</b>	<b>93</b>
As of Dec 31, 2019				
<b>Total / Wtd Avg</b>	<b>100%</b>	<b>\$89,085</b>	<b>2.17%</b>	<b>55</b>

1. Includes \$0.3 B of CRT repurchase agreements and excludes \$0.2 B of debt of consolidated VIE's and \$3.5 B of U.S. Treasury repurchase agreements as of Mar 31, 2020.

- Our hedge portfolio totaled **\$58.6 B** and covered **70%** of our funding liabilities (Agency repo, other debt and net TBA position) as of **Mar 31, 2020**, compared to **102%** as of **Dec 31, 2019**
- **Interest Rate Swaps**
  - \$46.5 B pay fixed swaps as of Mar 31, 2020
  - Covered 55% of funding liabilities as of Mar 31, 2020
  - Decrease of \$32.6 B from Dec 31, 2019
- **Payer Swaptions**
  - \$9.6 B payer swaptions
  - Increase of \$0.7 B from Dec 31, 2019
- **U.S. Treasury Securities and Futures**
  - \$2.6 B net short Treasury position
  - Decrease of \$8.2 B from Dec 31, 2019

Hedge Portfolio Summary				
As of Mar 31, 2020				
\$ in MM	Notional/ Market Value 3/31/2020	Duration <sup>1</sup> 3/31/2020	Net Hedge Gains/ (Losses) <sub>2</sub> Q1 2020	Net Hedge Gains/ (Losses) Per Share Q1 2020
Interest Rate Swaps	\$46,475	(4.6)	\$(2,827)	\$(5.15)
Payer Swaptions	9,550	(0.6)	(134)	(0.24)
U.S. Treasuries, Net Short	2,552	(11.2)	(944)	(1.72)
<b>Total / Q1 2020<sup>3</sup></b>	<b>\$58,577</b>	<b>(2.7)</b>	<b>\$(3,905)</b>	<b>\$(7.11)</b>
As of Dec 31, 2019 / Q4 2019				
<b>Total / Q4 2019<sup>3</sup></b>	<b>\$98,655</b>	<b>(2.9)</b>	<b>\$548</b>	<b>\$1.01</b>

Interest Rate Swaps				
As of Mar 31, 2020				
Years to Maturity	Notional Amount (\$ MM)	Pay Rate	Receive <sup>4</sup> Rate	Average Maturity (Years)
≤ 3 Years	\$16,650	0.86%	0.21%	2.5
> 3 to ≤ 5	17,350	0.91%	0.06%	4.1
> 5 to ≤ 7	7,600	1.08%	0.21%	6.1
> 7 to ≤ 10	3,900	1.05%	0.08%	9.1
> 10	975	1.30%	0.45%	16.0
<b>Total / Wtd Avg</b>	<b>\$46,475</b>	<b>0.94%</b>	<b>0.15%</b>	<b>4.5</b>
As of Dec 31, 2019				
<b>Total / Wtd Avg</b>	<b>\$79,075</b>	<b>1.29%</b>	<b>1.59%</b>	<b>2.7</b>

1. Duration is a model estimate of interest rate sensitivity measured in years as of a point in time

2. Net hedge gains/losses exclude periodic swap income/costs and TBA dollar roll income/loss (both components of net spread income) and mark-to-market gains/losses on our net TBA dollar roll position

3. Total duration is expressed in the asset unit equivalent

4. As of Mar 31, 2020, 69%, 26% and 5% of our interest rate swaps were linked to OIS, SOFR and 3M-LIBOR, respectively, compared to 86%, 3% and 11%, respectively, as of Dec 31, 2019.

Our interest rate exposure remains limited over a wide range of interest rate scenarios

Duration Gap Sensitivity <sup>1,2</sup>			
As of Mar 31, 2020			
	Rates - 100 bps	Duration 3/31/2020	Rates + 100 bps
Mortgage Assets: <sup>3</sup>			
30-Year MBS	1.8	2.7	4.8
15-Year MBS and Other Securities	3.1	3.7	4.1
<b>Total Mortgage Assets</b>	2.0	2.8	4.7
Liabilities and Hedges	(2.8)	(2.8)	(3.0)
<b>Net Duration Gap</b>	<b>(0.8)</b>	<b>0.0</b>	<b>1.7</b>
As of Dec 31, 2019			
<b>Net Duration Gap</b>	<b>(1.0)</b>	<b>0.4</b>	<b>2.2</b>

1. Duration is a model estimate of interest rate sensitivity measured in years as of a point in time. The sensitivity analysis assumes an instantaneous parallel shift in interest rates and, consequently, does not include the potential impact of ongoing portfolio rebalancing actions
2. Durations are expressed in years. Liability and hedge durations are expressed in asset unit equivalents
3. Mortgage assets include net TBA position.

# Financial Results

---

# Balance Sheets

(\$ in millions, except per share data, unaudited except 12/31/19)	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19
Agency Securities, at Fair Value	\$70,292	\$98,516	\$98,577	\$91,140	\$93,044
Agency Securities Transferred to Consolidated Variable Interest Entities, at Fair Value	358	371	393	411	425
Credit Risk Transfer Securities, at Fair Value	574	976	1,134	1,117	1,129
Non-Agency Securities, at Fair Value	552	579	579	603	672
U.S. Treasury Securities, at Fair Value	3,721	97	215	1,152	121
Cash and Cash Equivalents	1,289	831	906	870	929
Restricted Cash	1,978	451	734	789	517
Derivative Assets, at Fair Value	664	190	175	116	253
Receivable for Investment Securities Sold	—	—	105	679	439
Receivable under Reverse Repurchase Agreements	4,938	10,181	6,093	8,848	20,430
Goodwill	526	526	526	526	526
Other Assets	245	364	324	325	322
<b>Total Assets</b>	<b>\$85,137</b>	<b>\$113,082</b>	<b>\$109,761</b>	<b>\$106,576</b>	<b>\$118,807</b>
Repurchase Agreements	\$66,540	\$89,182	\$90,612	\$86,266	\$86,685
Debt of Consolidated Variable Interest Entities, at Fair Value	214	228	238	251	266
Payable for Investment Securities Purchased	3,273	2,554	3,094	878	1,125
Derivative Liabilities, at Fair Value	138	6	22	63	53
Dividends Payable	113	104	100	101	107
Obligation to Return Securities Borrowed under Reverse Repurchase Agreements, at Fair Value	4,886	9,543	5,114	7,754	19,275
Accounts Payable and Other Liabilities	175	424	368	917	795
<b>Total Liabilities</b>	<b>75,339</b>	<b>102,041</b>	<b>99,548</b>	<b>96,230</b>	<b>108,306</b>
Preferred Equity at Aggregate Liquidation Preference	1,538	963	735	735	735
Common Equity	8,260	10,078	9,478	9,611	9,766
<b>Total Stockholders' Equity</b>	<b>9,798</b>	<b>11,041</b>	<b>10,213</b>	<b>10,346</b>	<b>10,501</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$85,137</b>	<b>\$113,082</b>	<b>\$109,761</b>	<b>\$106,576</b>	<b>\$118,807</b>
<b>Other Supplemental Data:</b>					
Net Long TBA, at Fair Value <sup>1</sup>	\$21,222	\$7,429	\$1,867	\$11,170	\$6,955
Tangible Net Book Value "At Risk" Leverage <sup>2</sup>	9.4x	9.4x	9.8x	9.8x	9.4x
Tangible Net Book Value Per Common Share <sup>3</sup>	\$13.62	\$17.66	\$16.55	\$16.58	\$17.23

1. Reported in derivative assets/liabilities at net carrying value (fair value less cost basis)

2. Calculated as the sum of Agency MBS repurchase agreements, net payable/receivable for investment securities not yet settled, net TBA dollar roll position (at cost) and debt of consolidated variable interest entities divided by the sum of total stockholders' equity less goodwill.

3. Calculated as stockholders' equity, less the Preferred Stock liquidation preference and goodwill, divided by total common shares outstanding

# Income Statements



(\$ in millions, except per share data) (Unaudited)	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Interest Income	\$491	\$768	\$676	\$693	\$705
Interest Expense	(426)	(481)	(557)	(570)	(541)
<b>Net Interest Income</b>	<b>65</b>	<b>287</b>	<b>119</b>	<b>123</b>	<b>164</b>
Realized Gain (Loss) on Sale of Investment Securities, Net	494	107	89	132	60
Unrealized Gain (Loss) on Investment Securities Measured at Fair Value through Net Income, Net	197	(160)	355	759	1,060
Gain (Loss) on Derivative Instruments and Other Securities, Net	(3,154)	662	(548)	(1,438)	(1,000)
<b>Total Other Gain (Loss), Net</b>	<b>(2,463)</b>	<b>609</b>	<b>(104)</b>	<b>(547)</b>	<b>120</b>
Compensation and Benefits	(13)	(16)	(10)	(11)	(10)
Other Operating Expenses	(10)	(9)	(9)	(9)	(9)
<b>Total Operating Expenses</b>	<b>(23)</b>	<b>(25)</b>	<b>(19)</b>	<b>(20)</b>	<b>(19)</b>
<b>Net Income (Loss)</b>	<b>(2,421)</b>	<b>871</b>	<b>(4)</b>	<b>(444)</b>	<b>265</b>
Dividend on Preferred Stock	(21)	(18)	(13)	(13)	(10)
Issuance Costs of Redeemed Preferred Stock	—	(6)	—	—	—
<b>Net Income (Loss) Available (Attributable) to Common Stockholders</b>	<b>\$(2,442)</b>	<b>\$847</b>	<b>\$(17)</b>	<b>\$(457)</b>	<b>\$255</b>
<b>Net Income (Loss)</b>	<b>\$(2,421)</b>	<b>\$871</b>	<b>\$(4)</b>	<b>\$(444)</b>	<b>\$265</b>
Unrealized Gain on Available-for-Sale Securities Measured at Fair Value through Other Comprehensive Income (Loss), Net	464	15	246	379	400
<b>Comprehensive Income (Loss)</b>	<b>(1,957)</b>	<b>886</b>	<b>242</b>	<b>(65)</b>	<b>665</b>
Dividend on Preferred Stock	(21)	(18)	(13)	(13)	(10)
Issuance Costs of Redeemed Preferred Stock	—	(6)	—	—	—
<b>Comprehensive Income (Loss) Available (Attributable) to Common Stockholders</b>	<b>\$(1,978)</b>	<b>\$862</b>	<b>\$229</b>	<b>\$(78)</b>	<b>\$655</b>
<b>Weighted Average Common Shares Outstanding – Basic</b>	<b>548.0</b>	<b>541.4</b>	<b>546.4</b>	<b>537.8</b>	<b>536.7</b>
<b>Weighted Average Common Shares Outstanding – Diluted</b>	<b>548.0</b>	<b>542.6</b>	<b>546.4</b>	<b>537.8</b>	<b>537.2</b>
<b>Net Income (Loss) per Common Share – Basic</b>	<b>\$(4.46)</b>	<b>\$1.56</b>	<b>\$(0.03)</b>	<b>\$(0.85)</b>	<b>\$0.48</b>
<b>Net Income (Loss) per Common Share – Diluted</b>	<b>\$(4.46)</b>	<b>\$1.56</b>	<b>\$(0.03)</b>	<b>\$(0.85)</b>	<b>\$0.47</b>
<b>Comprehensive Income (Loss) per Common Share – Basic</b>	<b>\$(3.61)</b>	<b>\$1.59</b>	<b>\$0.42</b>	<b>\$(0.15)</b>	<b>\$1.22</b>
<b>Comprehensive Income (Loss) per Common Share – Diluted</b>	<b>\$(3.61)</b>	<b>\$1.59</b>	<b>\$0.42</b>	<b>\$(0.15)</b>	<b>\$1.22</b>
<b>Dividends Declared per Common Share</b>	<b>\$0.48</b>	<b>\$0.48</b>	<b>\$0.48</b>	<b>\$0.50</b>	<b>\$0.54</b>

# Reconciliation of GAAP Net Interest Income to Net Spread and Dollar Roll Income (a Non-GAAP Measure)



(\$ in millions, except per share data) (Unaudited)	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
<b>GAAP Net Interest Income:</b>					
Interest Income	\$491	\$768	\$676	\$693	\$705
Interest Expense	(426)	(481)	(557)	(570)	(541)
<b>GAAP Net Interest Income</b>	<b>65</b>	<b>287</b>	<b>119</b>	<b>123</b>	<b>164</b>
TBA Dollar Roll Income <sup>1</sup>	16	24	29	22	19
Interest Rate Swap Periodic Income, Net <sup>1</sup>	31	85	146	88	83
Other Interest and Dividend Income <sup>1</sup>	2	3	4	4	3
<b>Adjusted Net Interest and Dollar Roll Income</b>	<b>114</b>	<b>399</b>	<b>298</b>	<b>237</b>	<b>269</b>
Operating Expenses	(23)	(25)	(19)	(20)	(19)
<b>Net Spread and Dollar Roll Income</b>	<b>91</b>	<b>374</b>	<b>279</b>	<b>217</b>	<b>250</b>
Dividend on Preferred Stock	(21)	(18)	(13)	(13)	(10)
<b>Net Spread and Dollar Roll Income Available to Common Stockholders</b>	<b>70</b>	<b>356</b>	<b>266</b>	<b>204</b>	<b>240</b>
Estimated "Catch Up" Premium Amortization Cost (Benefit) due to Change in CPR Forecast <sup>2</sup>	243	(48)	55	58	39
<b>Net Spread and Dollar Roll Income, Excluding "Catch Up" Amortization, Available to Common Stockholders</b>	<b>\$313</b>	<b>\$308</b>	<b>\$321</b>	<b>\$262</b>	<b>\$279</b>
<b>Weighted Average Common Shares Outstanding – Basic</b>	<b>548.0</b>	<b>541.4</b>	<b>546.4</b>	<b>537.8</b>	<b>536.7</b>
<b>Weighted Average Common Shares Outstanding – Diluted</b>	<b>549.2</b>	<b>542.6</b>	<b>547.1</b>	<b>538.4</b>	<b>537.2</b>
<b>Net Spread and Dollar Roll Income per Common Share – Basic</b>	<b>\$0.13</b>	<b>\$0.66</b>	<b>\$0.49</b>	<b>\$0.38</b>	<b>\$0.45</b>
<b>Net Spread and Dollar Roll Income per Common Share – Diluted</b>	<b>\$0.13</b>	<b>\$0.66</b>	<b>\$0.49</b>	<b>\$0.38</b>	<b>\$0.45</b>
<b>Net Spread and Dollar Roll Income, Excluding "Catch Up" Amortization, per Common Share – Basic</b>	<b>\$0.57</b>	<b>\$0.57</b>	<b>\$0.59</b>	<b>\$0.49</b>	<b>\$0.52</b>
<b>Net Spread and Dollar Roll Income, Excluding "Catch Up" Amortization, per Common Share – Diluted</b>	<b>\$0.57</b>	<b>\$0.57</b>	<b>\$0.59</b>	<b>\$0.49</b>	<b>\$0.52</b>

Note: Table includes non-GAAP financial measures. Please refer to additional information regarding non-GAAP financial measures at the end of this presentation

1. Reported in gain (loss) on derivative instruments and other securities, net in the accompanying income statement
2. "Catch-up" premium amortization cost/benefit is reported in interest income on the accompanying income statement



# Net Interest Spread Components by Funding Source



\$ in millions (Unaudited)	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
<b>Adjusted Net Interest and Dollar Roll Income, Excluding "Catch-Up" Amortization:</b>					
<b>Economic Interest Income:</b>					
Investment Securities - GAAP Interest Income	\$491	\$768	\$676	\$693	\$705
Estimated "Catch-Up" Premium Amortization Cost (Benefit) due to Change in CPR Forecast <sup>1</sup>	243	(48)	55	58	39
TBA Dollar Roll Income - Implied Interest Income <sup>2,3</sup>	48	58	81	96	71
<b>Economic Interest Income, Excluding "Catch-Up" Amortization</b>	<b>\$782</b>	<b>\$778</b>	<b>\$812</b>	<b>\$847</b>	<b>\$815</b>
<b>Economic Interest Expense:</b>					
Repurchase Agreements and Other Debt - GAAP Interest Expense	\$(426)	\$(481)	\$(557)	\$(570)	\$(541)
TBA Dollar Roll Income - Implied Interest Expense <sup>2,3</sup>	(32)	(34)	(52)	(74)	(52)
Interest Rate Swap Periodic Income, Net <sup>2</sup>	31	85	146	88	83
<b>Economic Interest Expense</b>	<b>\$(427)</b>	<b>\$(430)</b>	<b>\$(463)</b>	<b>\$(556)</b>	<b>\$(510)</b>
Other Interest and Dividend Income <sup>2</sup>	2	3	4	4	3
<b>Adjusted Net Interest and Dollar Roll Income, Excluding "Catch-Up" Amortization</b>	<b>\$357</b>	<b>\$351</b>	<b>\$353</b>	<b>\$295</b>	<b>\$308</b>
<b>Net Interest Spread, Excluding "Catch-Up" Amortization:</b>					
<b>Average Asset Yield:</b>					
Investment Securities - Average Asset Yield	2.01%	3.28%	2.91%	2.99%	3.14%
Estimated "Catch-Up" Premium Amortization Cost (Benefit) due to Change in CPR Forecast	0.99%	(0.20)%	0.24%	0.25%	0.17%
Investment Securities Average Asset Yield, Excluding "Catch-Up" Amortization	3.00%	3.08%	3.15%	3.24%	3.31%
TBA Securities - Average Implied Asset Yield	2.54%	3.29%	3.19%	3.21%	3.55%
<b>Average Asset Yield, Excluding "Catch-Up" Amortization <sup>4</sup></b>	<b>2.97%</b>	<b>3.09%</b>	<b>3.16%</b>	<b>3.24%</b>	<b>3.33%</b>
<b>Average Total Cost of Funds:</b>					
Repurchase Agreements and Other Debt - Average Funding Cost	1.80%	2.12%	2.48%	2.62%	2.64%
TBA Securities - Average Implied Funding Cost	1.67%	1.88%	2.00%	2.47%	2.60%
Average Cost of Funds, Before Interest Rate Swap Periodic Income, Net <sup>4</sup>	1.79%	2.10%	2.43%	2.60%	2.64%
Interest Rate Swap Periodic Income, Net <sup>5</sup>	(0.12)%	(0.34)%	(0.58)%	(0.36)%	(0.37)%
<b>Average Total Cost of Funds</b>	<b>1.67%</b>	<b>1.76%</b>	<b>1.85%</b>	<b>2.24%</b>	<b>2.27%</b>
<b>Net Interest Spread, Excluding "Catch-Up" Amortization</b>	<b>1.30%</b>	<b>1.33%</b>	<b>1.31%</b>	<b>1.00%</b>	<b>1.06%</b>

Note: Table includes non-GAAP financial measures. Please refer to additional information regarding non-GAAP financial measures at the end of this presentation

- "Catch-up" premium amortization cost (benefit) is reported in interest income on the accompanying income statement
- Reported in gain (loss) on derivative instruments and other securities, net in the accompanying income statement
- TBA implied cost of funds derived from the Company's executed TBA roll levels and TBA delivery assumptions sourced from Barclays for the associated weighted average coupon, weighted average maturity and 1 month projected CPR. TBA implied asset yields derived from the implied funding costs and gross executed TBA roll levels
- Calculated on a weighted basis relative to the average TBA balance and, as applicable, the average investment securities or average repo balance outstanding
- Represents interest rate swap periodic (income)/cost measured as a percent of total mortgage funding (Agency repurchase agreements, other debt and TBA securities)

# Reconciliation of GAAP Net Income to Estimated Taxable Income (Non-GAAP Measure)



(\$ in millions, except per share data) (Unaudited)	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
<b>Net Income / (Loss)</b>	<b>\$(2,421)</b>	<b>\$871</b>	<b>\$(4)</b>	<b>\$(444)</b>	<b>\$265</b>
<b>Book to Tax Differences:</b>					
Premium Amortization, Net	237	(77)	47	67	54
Realized Gain / Loss, Net	2,555	(504)	521	886	627
Net Capital Loss / (Utilization of Net Capital Loss Carryforward)	32	(130)	34	320	(12)
Unrealized (Gain) / Loss, Net	(263)	(47)	(428)	(644)	(719)
Other	(8)	2	(1)	(1)	(9)
<b>Total Book to Tax Differences</b>	<b>2,553</b>	<b>(756)</b>	<b>173</b>	<b>628</b>	<b>(59)</b>
<b>Estimated REIT Taxable Income</b>	<b>132</b>	<b>115</b>	<b>169</b>	<b>184</b>	<b>206</b>
Dividend on Preferred Stock	(21)	(18)	(13)	(13)	(10)
<b>Estimated REIT Taxable Income, net of Preferred Stock Dividend</b>	<b>\$111</b>	<b>\$97</b>	<b>\$156</b>	<b>\$171</b>	<b>\$196</b>
<b>Weighted Average Common Shares Outstanding – Basic</b>	<b>548.0</b>	<b>541.4</b>	<b>546.4</b>	<b>537.8</b>	<b>536.7</b>
<b>Weighted Average Common Shares Outstanding – Diluted</b>	<b>549.2</b>	<b>542.6</b>	<b>547.1</b>	<b>538.4</b>	<b>537.2</b>
<b>Estimated REIT Taxable Income per Common Share – Basic</b>	<b>\$0.20</b>	<b>\$0.18</b>	<b>\$0.29</b>	<b>\$0.32</b>	<b>\$0.37</b>
<b>Estimated REIT Taxable Income per Common Share – Diluted</b>	<b>\$0.20</b>	<b>\$0.18</b>	<b>\$0.29</b>	<b>\$0.32</b>	<b>\$0.36</b>
<b>Beginning Cumulative Non-Deductible Net Capital Loss</b>					
<b>Beginning Cumulative Non-Deductible Net Capital Loss</b>	<b>\$394</b>	<b>\$524</b>	<b>\$490</b>	<b>\$170</b>	<b>\$182</b>
Increase (Decrease) in Net Capital Loss Carryforward	32	(130)	34	320	(12)
<b>Ending Cumulative Non-Deductible Net Capital Loss</b>	<b>\$426</b>	<b>\$394</b>	<b>\$524</b>	<b>\$490</b>	<b>\$170</b>
<b>Ending Cumulative Non-Deductible Net Capital Loss per Common Share</b>	<b>\$0.75</b>	<b>\$0.73</b>	<b>\$0.97</b>	<b>\$0.89</b>	<b>\$0.32</b>

# Net Book Value Roll Forward

(In millions, except per share data) (Unaudited)	Q1 2020		
	Balance	Common Shares Outstanding	Net Book Value per Common Share
<b>Beginning Net Common Equity <sup>1</sup></b>	<b>\$10,078</b>	<b>540.9</b>	<b>\$18.63</b>
Net Loss	(2,421)		
Other Comprehensive Income, Net	464		
Common Stock Dividend	(264)		
Preferred Stock Dividend	(21)		
Common Stock Issuance	439	26.7	\$16.46
Preferred Stock Issuance Costs	(18)		
Stock-Based Compensation	3	0.1	
<b>Ending Net Common Equity</b>	<b>\$8,260</b>	<b>567.7</b>	<b>\$14.55</b>
Goodwill	(526)		
<b>Ending Tangible Net Common Equity</b>	<b>\$7,734</b>	<b>567.7</b>	<b>\$13.62</b>
Preferred Stock Liquidation Preference	1,538		
<b>Ending Tangible Total Stockholders' Equity</b>	<b>\$9,272</b>		
<b>Ending Total Stockholders' Equity</b>	<b>\$9,798</b>		

Amounts may not total due to rounding

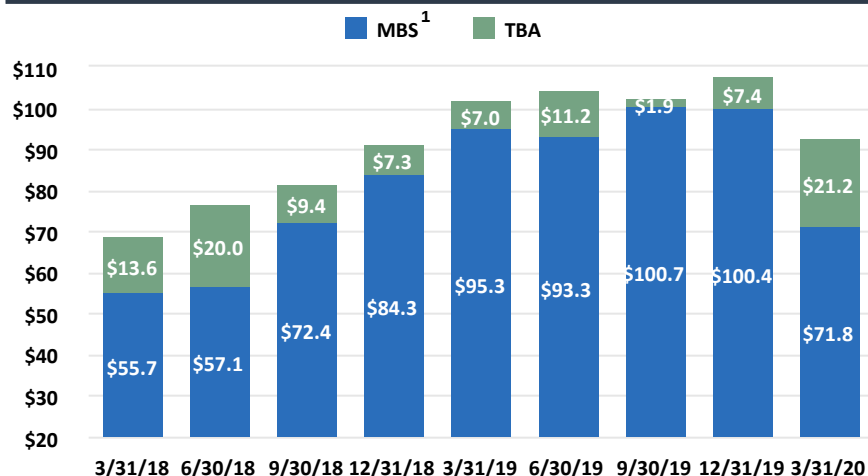
1. Common equity is net of the Company's Preferred Stock liquidation preference

# Supplemental Slides

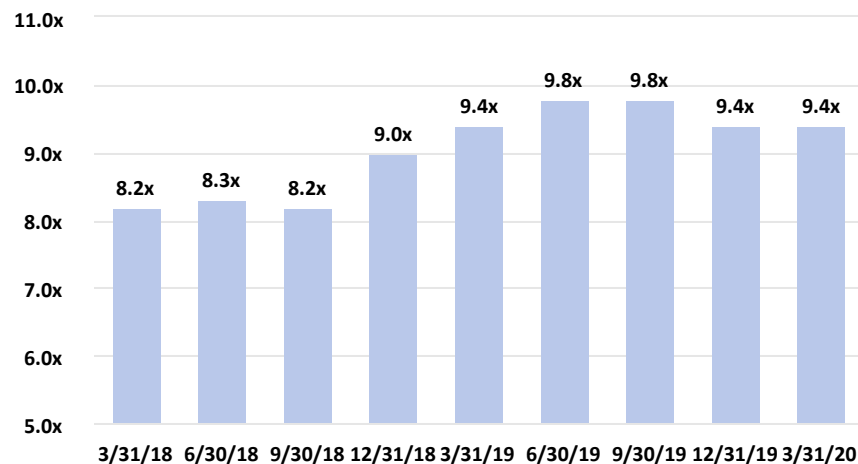
---

# AGNC Historical Overview

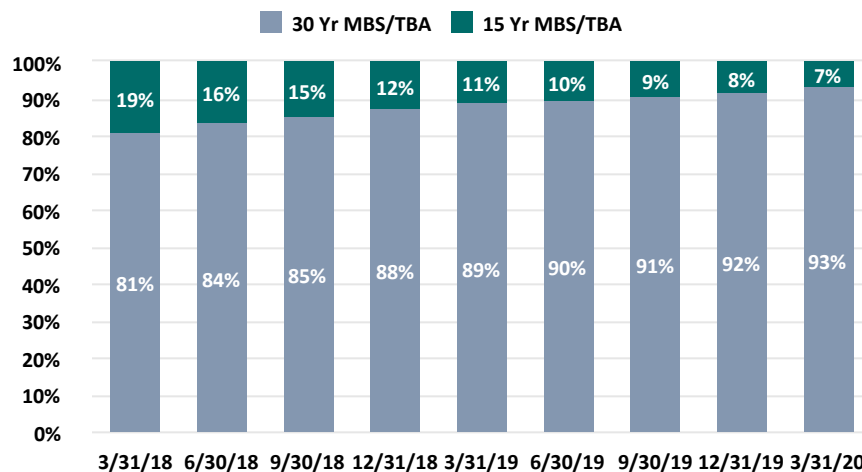
## Asset Composition (\$ B)



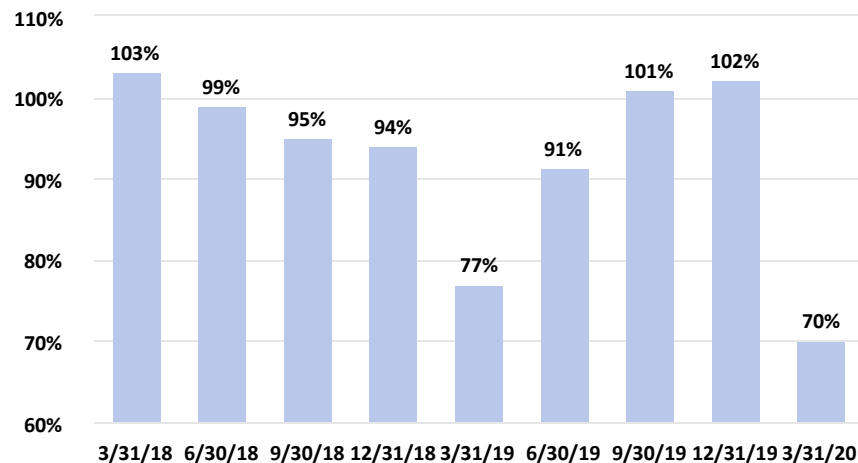
## Tangible Net Book Value "At Risk" Leverage<sup>2</sup>



## Agency MBS Fixed Rate Securities<sup>3</sup>



## Hedge Ratio<sup>4</sup>



1. MBS includes CRT securities

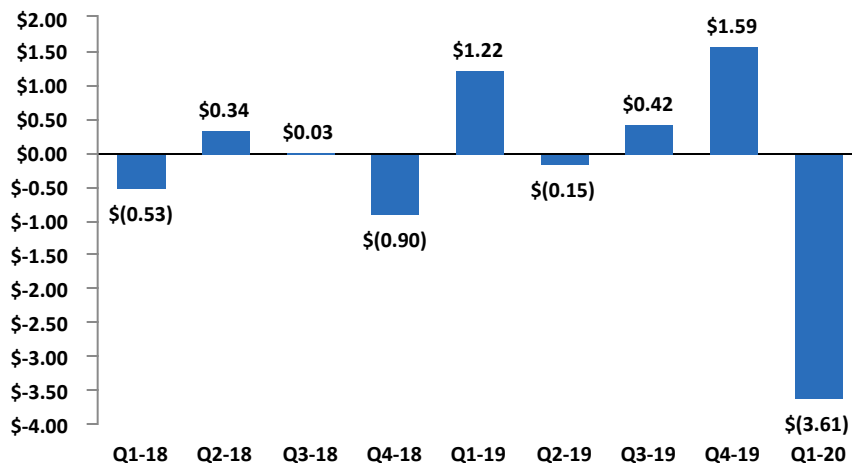
2. Tangible net book value "at risk" leverage calculated as sum of Agency MBS repurchase agreements, other debt, net payable/receivable for investment securities not yet settled and net TBA position (at cost) divided by the sum of total stockholders' equity less the fair value of investments in REIT equity securities and goodwill and other intangible assets, net. Leverage excludes U.S. Treasury repurchase agreements

3. Chart excludes 20 Yr fixed rate MBS

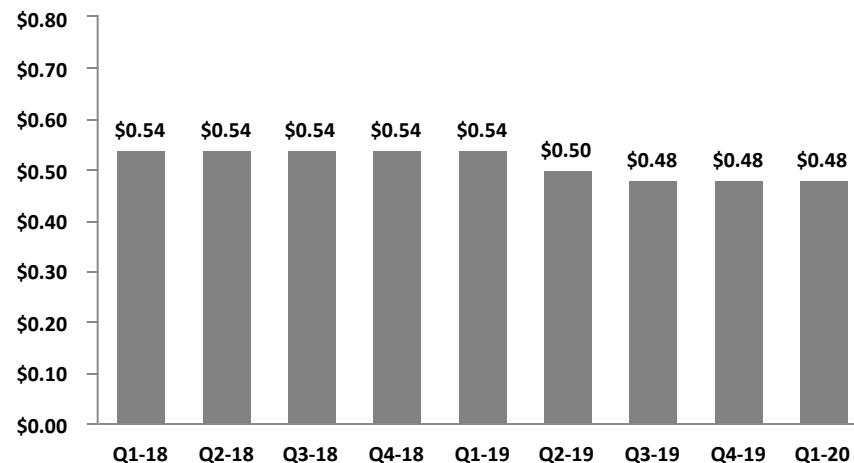
4. Measured as the ratio of interest rate swaps, swaptions and net U.S. Treasury position over repo agreements, other debt, forward settling securities and net TBA position excluding U.S. Treasury repurchase agreements, at cost

# AGNC Historical Overview

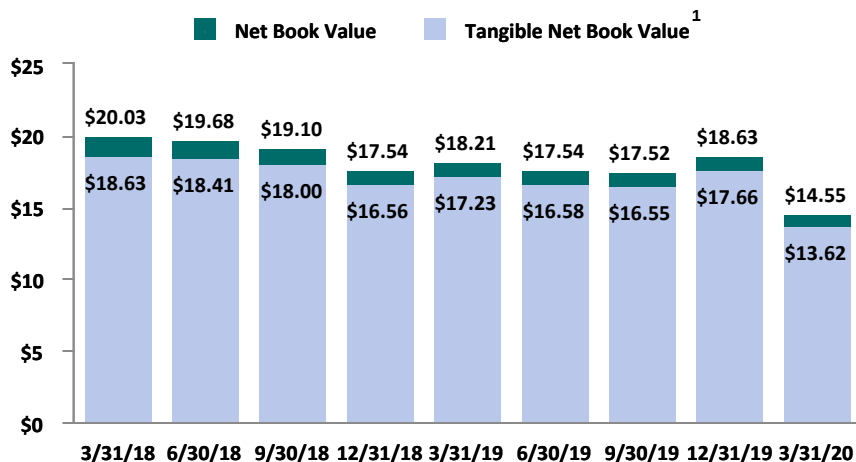
## Comprehensive Income (Loss) per Common Share



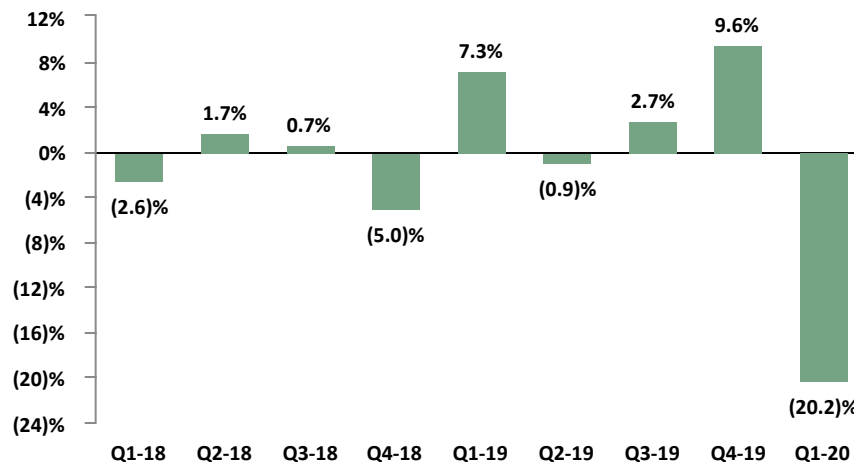
## Dividends per Common Share



## Net Book Value per Common Share



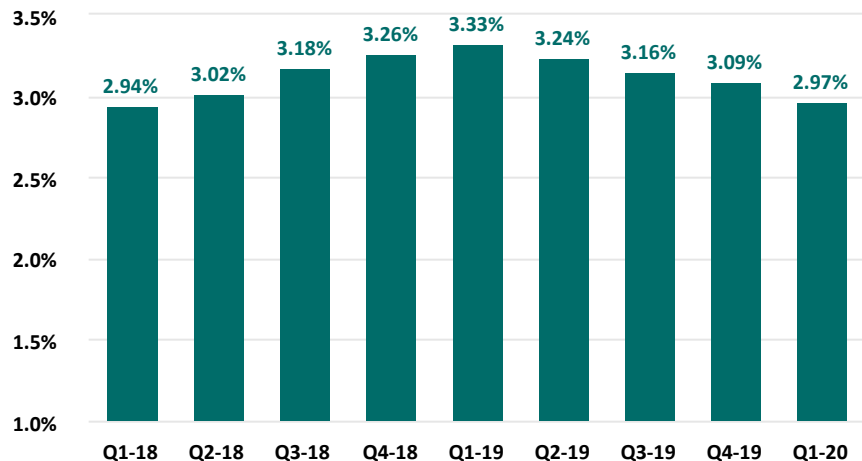
## Economic Return <sup>2</sup>



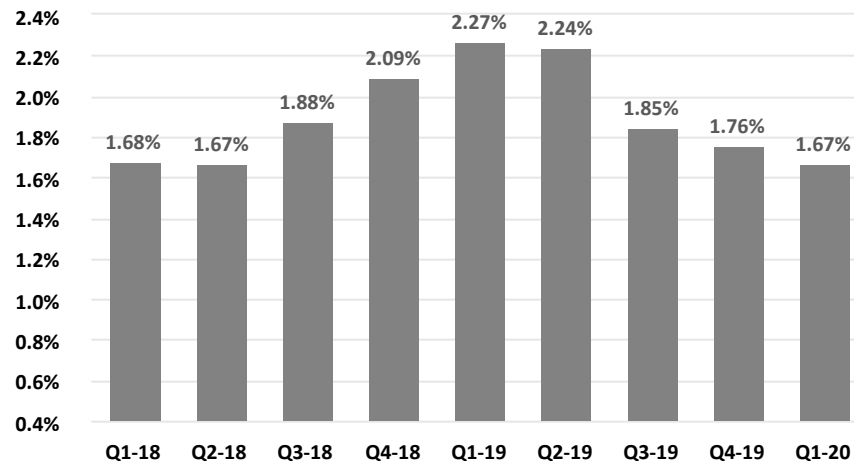
1. Tangible net book value per common share excludes goodwill and other intangible assets, net
2. Economic return represents the change in tangible net book value per common share plus dividends per common share declared.

# AGNC Historical Overview

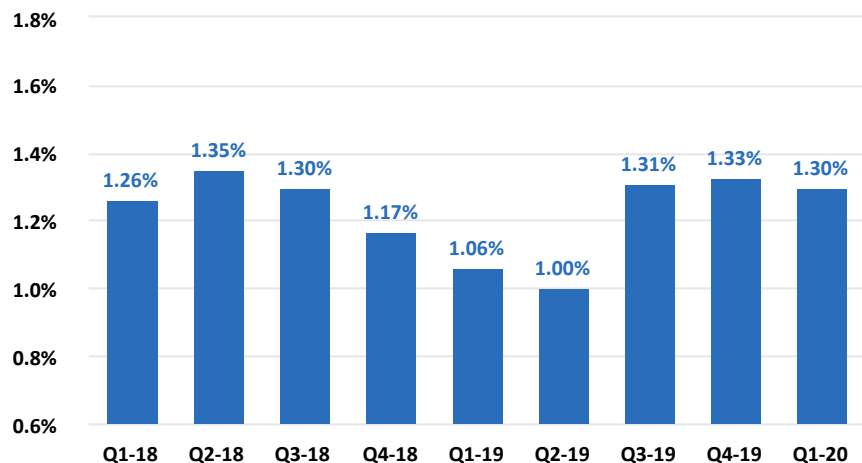
### Average Asset Yield <sup>1</sup>



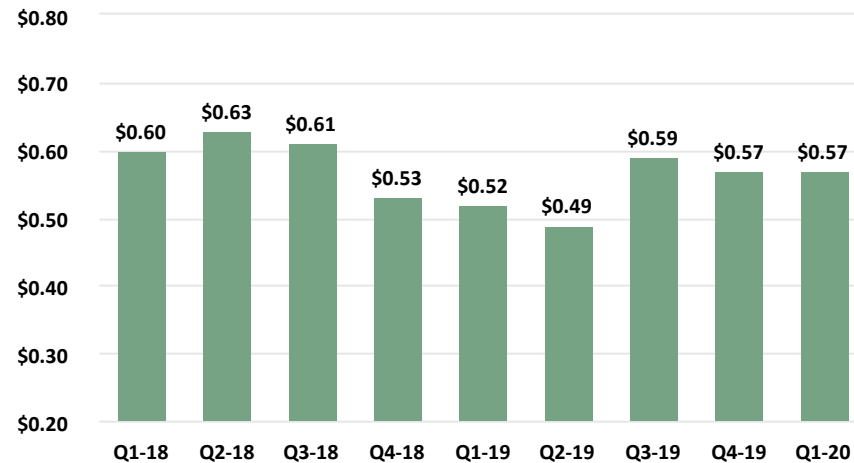
### Average Cost of Funds <sup>2</sup>



### Net Interest Spread <sup>1,2</sup>



### Net Spread and TBA Dollar Roll Income per Share, Excluding "Catch-Up" Premium Amortization <sup>3</sup>



1. Asset yields include actual and implied yields on investment securities and net TBA position calculated on a weighted average basis. Amounts exclude "catch-up" premium amortization
2. Cost of funds include repo, implied funding costs for the net TBA position and periodic swap income/costs calculated on a weighted average basis. TBA implied fund cost is derived from AGNC's executed roll levels and TBA delivery assumptions sourced from Barclays for the associated weighted average coupon, weighted average maturity and 1 month projected CPR
3. Represents a non-GAAP measure. Please refer to the supplemental slides within this presentation for a reconciliation and further discussion of non-GAAP measures

# Fixed Rate Agency Securities – MBS and Net TBA Position



\$ in millions – as of Mar 31, 2020

MBS Coupon <sup>1</sup>	Par Value <sup>2</sup>	Market Value <sup>2</sup>	Specified Pools <sup>3</sup>	MBS Amortized Cost Basis <sup>4</sup>	MBS Average WAC <sup>4,5</sup>	MBS Average Age (Months) <sup>4</sup>	MBS Actual 1 Month CPR <sup>4,6</sup>	Duration (Years) <sup>2,7</sup>
<b>≤15 YR Mortgage Securities</b>								
2.5%	\$961	\$997	67%	100.9%	2.98%	89	12%	2.6
3.0%	1,950	2,048	92%	101.8%	3.53%	51	11%	3.3
3.5%	1,671	1,770	93%	102.3%	4.03%	29	17%	3.3
4.0%	942	1,002	91%	103.0%	4.60%	29	22%	3.2
≥ 4.5%	112	117	97%	103.2%	4.89%	115	17%	1.9
<b>Subtotal ≤15 YR</b>	<b>\$5,636</b>	<b>\$5,934</b>	<b>88%</b>	<b>102.0%</b>	<b>3.81%</b>	<b>48</b>	<b>15%</b>	<b>3.1</b>
<b>20 YR Mortgage Securities</b>								
2.5%	148	153	—%	105.0%	3.51%	4	4%	2.4
3.0%	264	279	21%	105.2%	3.81%	4	4%	1.7
3.5%	271	292	81%	101.9%	4.05%	79	11%	1.7
4.0%	189	206	92%	103.2%	4.45%	37	20%	2.1
≥ 4.5%	187	206	100%	104.7%	5.00%	41	18%	2.7
<b>Subtotal 20 YR</b>	<b>\$1,059</b>	<b>\$1,136</b>	<b>61%</b>	<b>103.9%</b>	<b>4.15%</b>	<b>35</b>	<b>11%</b>	<b>2.1</b>
<b>30 YR Mortgage Securities</b>								
≤ 2.5%	\$6,787	\$7,010	—%	101.1%	3.51%	—	—%	3.6
3.0%	\$13,344	\$13,997	6%	101.5%	3.74%	27	9%	2.5
3.5%	20,704	22,182	74%	104.1%	4.05%	56	14%	2.6
4.0%	25,654	27,863	84%	104.2%	4.51%	42	19%	2.5
≥ 4.5%	11,836	13,001	98%	105.1%	5.00%	28	23%	3.3
<b>Subtotal 30 YR</b>	<b>\$78,325</b>	<b>\$84,053</b>	<b>64%</b>	<b>104.1%</b>	<b>4.40%</b>	<b>41</b>	<b>17%</b>	<b>2.7</b>
<b>Total Fixed</b>	<b>\$85,020</b>	<b>\$91,123</b>	<b>65%</b>	<b>103.9%</b>	<b>4.35%</b>	<b>42</b>	<b>17%</b>	<b>2.8</b>

1. The wtd/avg coupon on fixed rate securities held as of Mar 31, 2020 was 3.80% excluding the net long TBA mortgage position and 3.62% including the net long TBA position

2. Excluding net TBA position, total fixed-rate MBS as of Mar 31, 2020 had a par value of \$64,739, market value of \$69,901 and avg duration of 2.9 years

3. Specified pools include pools backed by lower balance loans with original loan balances of up to \$200K, HARP pools (defined as pools that were issued between May 2009 and Dec 2018 and backed by 100% refinance loans with original LTVs ≥ 80%), and pools backed by loans 100% originated in N.Y. and Puerto Rico. Lower balance pools have a wtd/avg original loan balance of \$116 K for ≤15-year and \$119 K for 30-year securities as of Mar 31, 2020. HARP pools have a wtd/avg original LTV of 119% for ≤15-year and 136% for 30-year securities as of Mar 31, 2020

4. Average MBS cost basis, WAC, Age and CPR exclude net TBA position

5. Average WAC represents the weighted average coupon of the underlying collateral

6. Actual 1 month annualized CPR published during Apr 2020 for Agency securities held as of Mar 31, 2020

7. Duration derived from models that are dependent on inputs and assumptions provided by third parties as well as by our investment team and, accordingly, actual results could differ materially from these estimates



Our repo funding is well diversified by counterparty and geography

Counterparty Region	Number of Counterparties	% of Agency Repo Funding	Counterparty Exposure as a % of Tangible Equity <sup>1</sup>
<b>North America:</b>			
FICC	1	53%	10%
Other	27	36%	17%
<b>North America</b>	<b>28</b>	<b>89%</b>	<b>27%</b>
<b>Asia</b>	<b>5</b>	<b>2%</b>	<b>1%</b>
<b>Europe</b>	<b>14</b>	<b>9%</b>	<b>5%</b>
<b>Total</b>	<b>47</b>	<b>100%</b>	<b>33%</b>

Note: All figures as of Mar 31, 2020

1. Counterparty exposure includes collateral pledged under Agency repo agreements. Amounts do not include collateral pledged or received under derivative agreements, prime brokerage agreements, reverse repurchase agreements or other debt

## U.S. Treasury Position

- \$1.2 B short U.S. Treasury securities
- \$1.4 B short U.S. Treasury futures

## Payer Swaptions

- \$9.6 B notional payer swaptions as of Mar 31, 2020
- 0.8 year average remaining option term, 9.5 years average underlying swap term

U.S. Treasury Position Net Long / (Short) As of Mar 31, 2020 (\$ MM)		
	Face Amount	Market Value
5 Year	\$3,133	\$3,252
7 Year	(250)	(260)
10 Year	(4,559)	(5,544)
<b>Total</b>	<b>\$(1,676)</b>	<b>\$(2,552)</b>
As of Dec 31, 2019		
<b>Total</b>	<b>\$(10,129)</b>	<b>\$(10,730)</b>

Payer Swaptions As of Mar 31, 2020 (\$ MM)					
Current Option Expiration Date <sup>1</sup>	Notional Amount	Cost	Market Value	Pay Rate	Swap Term (Years)
≤ 1 Year	\$6,350	\$132	\$11	2.14%	9.3
> 1 Year ≤ 2 Years	3,200	50	10	2.41%	10.0
<b>Total</b>	<b>\$9,550</b>	<b>\$182</b>	<b>\$21</b>	<b>2.23%</b>	<b>9.5</b>
As of Dec 31, 2019					
<b>Total / Wtd Avg</b>	<b>\$8,850</b>	<b>\$176</b>	<b>\$126</b>	<b>2.34%</b>	<b>9.5</b>

1. As of Mar 31, 2020, ≤ 1 year payer swaption notional amount includes \$700 million of Bermudan swaptions where the options may be exercised on predetermined dates up to their final exercise date, which is six months prior to the underlying swaps' maturity date

## Changes in interest rates and MBS spreads relative to our hedges can impact the market value of our equity

### Interest Rate Sensitivity

- The estimated change in the market value of our asset portfolio, net of hedges, assuming no portfolio rebalancing actions

### MBS Spread Sensitivity (“Basis Risk”)

- The MBS spread sensitivity is the sensitivity of our assets to changes in MBS spreads
- The estimated change in the market value of our assets based on model predictions and assuming a spread duration of 4.5 years, based on interest rates and MBS prices as of Mar 31, 2020

Interest Rate Sensitivity <sup>1</sup> As of Mar 31, 2020 (based on instantaneous parallel shift in interest rates)		
Interest Rate Shock (bps)	Estimated Change in Portfolio Market Value <sup>2</sup>	Estimated Change in Tangible Common Equity
-100	0.0%	0.1%
-75	0.2%	2.9%
-50	0.3%	3.3%
+50	(0.2)%	(2.6)%
+75	(0.5)%	(5.9)%
+100	(0.9)%	(10.3)%

MBS Spread Sensitivity (“Basis Risk”) <sup>1</sup> As of Mar 31, 2020		
MBS Spread Shock (bps)	Estimated Change in Portfolio Market Value <sup>2</sup>	Estimated Change in Tangible Common Equity
-50	2.3%	27.1%
-25	1.1%	13.6%
-10	0.5%	5.4%
+10	(0.5)%	(5.4)%
+25	(1.1)%	(13.6)%
+50	(2.3)%	(27.1)%

1. Interest rate and MBS spread sensitivity are derived from models that are dependent on inputs and assumptions provided by third parties as well as by our investment team and, accordingly, actual results could differ materially from these estimates. Rates are floored at zero percent

2. Estimated dollar change in value expressed as a percentage of the total market value of “at risk” assets

# Use of Non-GAAP Financial Information

In addition to the results presented in accordance with GAAP, the Company's results of operations discussed in this presentation include certain non-GAAP financial information, including "net spread and dollar roll income," "net spread and dollar roll income, excluding 'catch-up' premium amortization," "economic interest income" and "economic interest expense" (both components of "net spread and dollar roll income"), "estimated taxable income" and the related per common share measures and certain financial metrics derived from such non-GAAP information, such as "cost of funds" and "net interest margin."

"Net spread and dollar roll income" is measured as (i) net interest income (GAAP measure) adjusted to include TBA dollar roll income, interest rate swap periodic costs and other interest and dividend income (referred to as "adjusted net interest and dollar roll income"), plus (ii) management fee income (GAAP measure) and less (iii) total operating expense (GAAP measure). "Net spread and dollar roll income, excluding 'catch-up' premium amortization," further excludes retrospective "catch-up" adjustments to premium amortization cost or benefit due to changes in projected CPR estimates. Related amounts available to common stockholders exclude non-recurring issuance costs of redeemed preferred stock.

By providing users of our financial information with such measures in addition to the related GAAP measures, we believe users will have greater transparency into the information used by our management in its financial and operational decision-making. We also believe that it is important for users of our financial information to consider information related to our current financial performance without the effects of certain transactions that are not necessarily indicative of our current investment portfolio performance and operations.

Specifically, in the case of "adjusted net interest and dollar roll income," we believe the inclusion of TBA dollar roll income is meaningful as TBAs, which are accounted for under GAAP as derivative instruments with gains and losses recognized in other gain (loss) in our statement of operations, are economically equivalent to holding and financing generic Agency MBS using short-term repurchase agreements. Similarly, we believe that the inclusion of periodic interest rate swap settlements in such measure, which are recognized under GAAP in other gain (loss), is meaningful as interest rate swaps are the primary instrument we use to economically hedge against fluctuations in our borrowing costs and inclusion of periodic interest rate swap settlement costs is more indicative of our total cost of funds than interest expense alone. In the case of "net spread and dollar roll income, excluding 'catch-up' premium amortization," we believe the exclusion of "catch-up" adjustments to premium amortization cost or benefit is meaningful as it excludes the cumulative effect from prior reporting periods due to current changes in future prepayment expectations and, therefore, exclusion of such cost or benefit is more indicative of the current earnings potential of our investment portfolio. We also believe the exclusion of issuance costs of redeemed preferred stock reported as reduction to net income available to common stockholders under GAAP is meaningful as they represent non-recurring costs associated capital transactions and are not representative of our ongoing costs. In the case of estimated taxable income, we believe it is meaningful information as it is directly related to the amount of dividends we are required to distribute in order to maintain our REIT qualification status.

However, because such measures are incomplete measures of our financial performance and involve differences from results computed in accordance with GAAP, they should be considered as supplementary to, and not as a substitute for, results computed in accordance with GAAP. In addition, because not all companies use identical calculations, our presentation of such non-GAAP measures may not be comparable to other similarly-titled measures of other companies. Furthermore, estimated taxable income can include certain information that is subject to potential adjustments up to the time of filing our income tax returns, which occurs after the end of our fiscal year.

A reconciliation of GAAP net interest income to non-GAAP "net spread and dollar roll income, excluding 'catch-up' premium amortization" and a reconciliation of GAAP net income to non-GAAP "estimated taxable income" is included in this presentation.