UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

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

For the quarterly period ended March 31, 2024
OR

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

Commission file number 001-34057

AGNC INVESTMENT CORP.
(Exact name of registrant as specified in its charter)

Delaware	**26-1701984**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

7373 Wisconsin Avenue, 22nd Floor
Bethesda, Maryland 20814
(Address of principal executive offices)
(301) 968-9315
(Registrant's telephone number, including area code)

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	AGNC	The Nasdaq Global Select Market
Depositary shares of 7.000% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	AGNCN	The Nasdaq Global Select Market
Depositary shares of 6.875% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	AGNCM	The Nasdaq Global Select Market
Depositary shares of 6.50% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	AGNCO	The Nasdaq Global Select Market
Depositary shares of 6.125% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	AGNCP	The Nasdaq Global Select Market
Depositary shares of 7.75% Series G Fixed-Rate Reset Cumulative Redeemable Preferred Stock	AGNCL	The Nasdaq Global Select Market

Securities Registered Pursuant to Section 12(g) of the Act: None

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

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

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

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

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

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

The number of shares of the issuer's common stock, $0.01 par value, outstanding as of April 30, 2024 was 726,929,217.

AGNC INVESTMENT CORP.

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PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

AGNC INVESTMENT CORP.
CONSOLIDATED BALANCE SHEETS
(in millions, except per share data)

	March 31, 2024 (Unaudited)	December 31, 2023
Assets:		
Agency securities, at fair value (including pledged securities of $48,461 and $49,575, respectively)	$ 53,615	$ 53,673
Agency securities transferred to consolidated variable interest entities, at fair value (pledged securities)	114	121
Credit risk transfer securities, at fair value (including pledged securities of $722 and $678, respectively)	753	723
Non-Agency securities, at fair value, and other mortgage credit investments (including pledged securities of $245 and $262, respectively)	353	351
U.S. Treasury securities, at fair value (including pledged securities of $1,825 and $1,530, respectively)	1,836	1,540
Cash and cash equivalents	505	518
Restricted cash	1,368	1,253
Derivative assets, at fair value	84	185
Receivable for investment securities sold (including pledged securities of $5 and $0, respectively)	5	—
Receivable under reverse repurchase agreements	12,424	11,618
Goodwill	526	526
Other assets	293	1,088
Total assets	$ 71,876	$ 71,596
Liabilities:		
Repurchase agreements	$ 49,971	$ 50,426
Debt of consolidated variable interest entities, at fair value	76	80
Payable for investment securities purchased	636	210
Derivative liabilities, at fair value	65	362
Dividends payable	118	115
Obligation to return securities borrowed under reverse repurchase agreements, at fair value	12,115	10,894
Other liabilities	317	1,252
Total liabilities	63,298	63,339
Stockholders' equity:		
Preferred Stock - aggregate liquidation preference of $1,688	1,634	1,634
Common stock - $0.01 par value; 1,500 shares authorized; 720.3 and 694.3 shares issued and outstanding, respectively	7	7
Additional paid-in capital	15,521	15,281
Retained deficit	(7,990)	(8,148)
Accumulated other comprehensive loss	(594)	(517)
Total stockholders' equity	8,578	8,257
Total liabilities and stockholders' equity	$ 71,876	$ 71,596

See accompanying notes to consolidated financial statements.

AGNC INVESTMENT CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(in millions, except per share data)

	Three Months Ended March 31,	
	2024	**2023**
Interest income:		
Interest income	$ 642	$ 351
Interest expense	672	449
Net interest income (expense)	(30)	(98)
Other gain (loss), net:		
Loss on sale of investment securities, net	(91)	(81)
Unrealized gain (loss) on investment securities measured at fair value through net income, net	(471)	594
Gain (loss) on derivative instruments and other investments, net	1,059	(544)
Total other gain (loss), net:	497	(31)
Expenses:		
Compensation and benefits	16	14
Other operating expense	8	8
Total operating expense	24	22
Net income (loss)	443	(151)
Dividends on preferred stock	31	30
Net income (loss) available (attributable) to common stockholders	$ 412	$ (181)
Net income (loss)	$ 443	$ (151)
Unrealized gain (loss) on investment securities measured at fair value through other comprehensive income (loss), net	(77)	142
Comprehensive income (loss)	366	(9)
Dividends on preferred stock	31	30
Comprehensive income (loss) available (attributable) to common stockholders	$ 335	$ (39)
Weighted average number of common shares outstanding - basic	702.2	579.3
Weighted average number of common shares outstanding - diluted	704.2	579.3
Net income (loss) per common share - basic	$ 0.59	$ (0.31)
Net income (loss) per common share - diluted	$ 0.59	$ (0.31)
Dividends declared per common share	$ 0.36	$ 0.36

See accompanying notes to consolidated financial statements.

AGNC INVESTMENT CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(in millions)

	Preferred Stock	Common Stock		Additional Paid-in Capital	Retained Deficit	Accumulated Other Comprehensive Income (Loss)	Total
		Shares	Amount				
Balance, December 31, 2022	$ 1,634	574.6	$ 6	$ 14,186	$ (7,284)	$ (672)	$ 7,870
Net loss	—	—	—	—	(151)	—	(151)
Other comprehensive income:							
Unrealized gain on available-for-sale securities, net	—	—	—	—	—	142	142
Stock-based compensation, net	—	0.8	—	(1)	—	—	(1)
Issuance of common stock	—	17.1	—	171	—	—	171
Preferred dividends declared	—	—	—	—	(30)	—	(30)
Common dividends declared	—	—	—	—	(209)	—	(209)
Balance, March 31, 2023	$ 1,634	592.5	$ 6	$ 14,356	$ (7,674)	$ (530)	$ 7,792
Balance, December 31, 2023	$ 1,634	694.3	$ 7	$ 15,281	$ (8,148)	$ (517)	$ 8,257
Net income	—	—	—	—	443	—	443
Other comprehensive loss:							
Unrealized loss on available-for-sale securities, net	—	—	—	—	—	(77)	(77)
Stock-based compensation, net	—	0.9	—	(1)	—	—	(1)
Issuance of common stock	—	25.1	—	241	—	—	241
Preferred dividends declared	—	—	—	—	(31)	—	(31)
Common dividends declared	—	—	—	—	(254)	—	(254)
Balance, March 31, 2024	$ 1,634	720.3	$ 7	$ 15,521	$ (7,990)	$ (594)	$ 8,578

See accompanying notes to consolidated financial statements.

AGNC INVESTMENT CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in millions)

	Three Months Ended March 31,	
	2024	**2023**
Operating activities:		
Net income (loss)	$ 443	$ (151)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Amortization of premiums and discounts on mortgage-backed securities, net	37	120
Stock-based compensation, net	(1)	(1)
Loss on sale of investment securities, net	91	81
Unrealized (gain) loss on investment securities measured at fair value through net income, net	471	(594)
(Gain) loss on derivative instruments and other securities, net	(1,059)	544
(Increase) decrease in other assets	797	(42)
Increase (decrease) in other liabilities	(759)	69
Net cash provided by operating activities	20	26
Investing activities:		
Purchases of Agency mortgage-backed securities	(6,337)	(7,829)
Purchases of credit risk transfer and non-Agency securities and other mortgage credit investments	(84)	(45)
Proceeds from sale of Agency mortgage-backed securities	5,060	1,400
Proceeds from sale of credit risk transfer and non-Agency securities	62	166
Principal collections on Agency mortgage-backed securities	1,065	855
Principal collections on credit risk transfer and non-Agency securities	12	25
Payments on U.S. Treasury securities	(3,387)	(8,243)
Proceeds from U.S. Treasury securities	4,446	4,329
Net payments on reverse repurchase agreements	(644)	(2,201)
Net proceeds from (payments on) derivative instruments	389	(28)
Net cash provided by (used in) investing activities	582	(11,571)
Financing activities:		
Proceeds from repurchase arrangements	1,140,681	705,124
Payments on repurchase agreements	(1,141,136)	(693,002)
Payments on debt of consolidated variable interest entities	(4)	(5)
Net proceeds from common stock issuances	241	171
Cash dividends paid	(282)	(238)
Net cash provided by (used in) financing activities	(500)	12,050
Net change in cash, cash equivalents and restricted cash	102	505
Cash, cash equivalents and restricted cash at beginning of period	1,771	2,334
Cash, cash equivalents and restricted cash at end of period	$ 1,873	$ 2,839
Reconciliation of cash, cash equivalents and restricted cash end of period:		
Cash and cash equivalents	$ 505	$ 975
Restricted cash	1,368	1,864
Total cash, cash equivalents and restricted cash, end of period	$ 1,873	$ 2,839

See accompanying notes to consolidated financial statements.

Note 1. Organization

AGNC Investment Corp. (referred throughout this report as the "Company," "we," "us" and "our") was organized in Delaware on January 7, 2008 and commenced operations on May 20, 2008 following the completion of our initial public offering. Our common stock is traded on The Nasdaq Global Select Market under the symbol "AGNC."

We are a leading provider of private capital to the U.S. housing market, enhancing liquidity in the residential real estate mortgage markets and, in turn, facilitating home ownership in the U.S. We invest primarily in Agency residential mortgage-backed securities ("Agency RMBS") for which the principal and interest payments are guaranteed by a U.S. Government-sponsored enterprise ("GSE") or a U.S. Government agency. We also invest in other types of mortgage and mortgage-related securities, such as credit risk transfer ("CRT") securities and non-Agency residential and commercial mortgage-backed securities ("non-Agency RMBS" and "CMBS," respectively), where repayment of principal and interest is not guaranteed by a GSE or U.S. Government agency, and other assets related to the housing, mortgage or real estate markets. We fund our investments primarily through collateralized borrowings structured as repurchase agreements.

We operate to qualify to be taxed as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). As a REIT, we are required to distribute annually 90% of our taxable income, and we will generally not be subject to U.S. federal or state corporate income tax to the extent that we distribute our annual taxable income to our stockholders on a timely basis. It is our intention to distribute 100% of our taxable income within the time limits prescribed by the Internal Revenue Code, which may extend into the subsequent tax year.

We are internally managed with the principal objective of generating favorable long-term stockholder returns with a substantial yield component. We generate income from the interest earned on our investments, net of associated borrowing and hedging costs, and net realized gains and losses on our investment and hedging activities.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

Our accompanying consolidated financial statements and related notes have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Article 10 of Regulation S-X. The accompanying consolidated financial statements and related notes are unaudited and include the accounts of all our wholly-owned subsidiaries and variable interest entities for which we are the primary beneficiary. Significant intercompany accounts and transactions have been eliminated. The accompanying consolidated financial statements and related notes should be read in conjunction with the audited consolidated financial statements included in our most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. In the opinion of management, all adjustments, consisting solely of normal recurring accruals, necessary for the fair presentation of consolidated financial statements for the interim period have been included. The current period's results of operations are not necessarily indicative of results that ultimately may be achieved for the year.

Investment Securities

Agency RMBS consist of residential mortgage pass-through securities and collateralized mortgage obligations ("CMOs") guaranteed by the Federal National Mortgage Association ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac," and together with Fannie Mae, the "GSEs") or the Government National Mortgage Association ("Ginnie Mae").

CRT securities are risk sharing instruments issued by the GSEs, and similarly structured transactions issued by third-party market participants, that synthetically transfer a portion of the risk associated with credit losses within pools of conventional residential mortgage loans from the GSEs and/or third parties to private investors. Unlike Agency RMBS, full repayment of the original principal balance of CRT securities is not guaranteed by a GSE or U.S. Government agency; rather, "credit risk transfer" is achieved by writing down the outstanding principal balance of the CRT securities if credit losses on a related pool of loans exceed certain thresholds. By reducing the amount that they are obligated to repay to holders of CRT securities, the GSEs and/or other third parties offset credit losses on the related loans.

Non-Agency RMBS and CMBS (together, "Non-Agency MBS") are backed by residential and commercial mortgage loans, respectively, packaged and securitized by a private institution, such as a commercial bank. Non-Agency MBS typically benefit from credit enhancements derived from structural elements, such as subordination, over-collateralization or insurance, but nonetheless carry a higher level of credit exposure than Agency RMBS.

All of our securities are reported at fair value on our consolidated balance sheet. Accounting Standards Codification ("ASC") Topic 320, *Investments—Debt and Equity Securities*, requires that at the time of purchase, we designate a security as held-to-maturity, available-for-sale or trading, depending on our ability and intent to hold such security to maturity. Alternatively, we may elect the fair value option of accounting for securities pursuant to ASC Topic 825, *Financial Instruments*. Prior to fiscal year 2017, we primarily designated our investment securities as available-for-sale. On January 1, 2017, we began electing the fair value option of accounting for all investment securities newly acquired after such date. Unrealized gains and losses on securities classified as available-for-sale are reported in accumulated other comprehensive income ("OCI"), whereas unrealized gains and losses on securities for which we elected the fair value option, or are classified as trading, are reported in net income through other gain (loss). Upon the sale of a security designated as available-for-sale, we determine the cost of the security and the amount of unrealized gain or loss to reclassify out of accumulated OCI into earnings based on the specific identification method. In our view, the election of the fair value option simplifies the accounting for investment securities and more appropriately reflects the results of our operations for a reporting period by presenting the fair value changes for these assets in a manner consistent with the presentation and timing of the fair value changes for our derivative instruments.

We generally recognize gains or losses through net income on available-for-sale securities only if the security is sold; however, if the fair value of a security declines below its amortized cost and we determine that it is more likely than not that we will incur a realized loss on the security when we sell the asset, we will recognize the difference between the amortized cost and the fair value in net income as a component of other gain (loss). We did not recognize any loss on available for sale securities through net income that we held as of March 31, 2024 because, as of such date, we did not intend to sell any of them in an unrealized loss position nor was it more likely than not that we would be required to sell such securities before recovery of their amortized cost basis. Since all of our available-for-sale designated securities consist of Agency RMBS, we do not have an allowance for credit losses. We have not recognized impairment losses on our available-for-sale securities through net income for the periods presented in our consolidated financial statements.

Interest Income

Interest income is accrued based on the outstanding principal amount of the investment securities and their contractual terms. Premiums or discounts associated with the purchase of Agency RMBS and non-Agency MBS of high credit quality are amortized or accreted into interest income, respectively, over the projected lives of the securities, including contractual payments and estimated prepayments, using the effective interest method in accordance with ASC Subtopic 310-20, *Receivables—Nonrefundable Fees and Other Costs*.

We estimate long-term prepayment speeds of our mortgage securities using a third-party service and market data. The third-party service provider estimates prepayment speeds using models that incorporate the forward yield curve, primary to secondary mortgage rate spreads, current mortgage rates, mortgage rates of the outstanding loans, age and size of the outstanding loans, loan-to-value ratios, interest rate volatility and other factors. We review the prepayment speeds estimated by the third-party service for reasonableness with consideration given to both historical prepayment speeds and current market conditions. If based on our assessment, we believe that the third-party model does not fully reflect our expectations of the current prepayment landscape we may make adjustments to the models. We review our actual and anticipated prepayment experience on at least a quarterly basis and effective yields are recalculated when differences arise between (i) our previous estimate of future prepayments and (ii) actual prepayments to date and our current estimate of future prepayments. We are required to record an adjustment in the current period to premium amortization / discount accretion for the cumulative effect of the difference in the effective yields as if the recalculated yield had been in place as of the security's acquisition date through the reporting date.

At the time we purchase CRT securities and non-Agency MBS that are not of high credit quality, we determine an effective yield based on our estimate of the timing and amount of future cash flows and our cost basis. Our initial cash flow estimates for these investments are based on our observations of current information and events and include assumptions related to interest rates, prepayment rates, collateral call provisions, and the impact of default and severity rates on the timing and amount of credit losses. On at least a quarterly basis, we review the estimated cash flows and make appropriate adjustments based on inputs and analysis received from external sources, internal models, and our judgment regarding such inputs and other factors. Any resulting changes in effective yield are recognized prospectively based on the current amortized cost of the investment adjusted for credit impairments, if any.

Repurchase Agreements

We finance the acquisition of securities for our investment portfolio primarily through repurchase agreements with our lending counterparties. Repurchase arrangements involve the sale and a simultaneous agreement to repurchase the securities at a future date. We maintain a beneficial interest in the specific securities pledged during the term of each repurchase arrangement and we receive the related principal and interest payments. Pursuant to ASC Topic 860, *Transfers and Servicing*, we account for repurchase agreements as collateralized financing transactions, which are carried at their contractual amounts (cost), plus accrued interest. Our repurchase agreements typically have maturities of less than one year.

Reverse Repurchase Agreements and Obligation to Return Securities Borrowed under Reverse Repurchase Agreements

We borrow securities to cover short sales of U.S. Treasury securities through reverse repurchase transactions under our master repurchase agreements (see *Derivative Instruments* below). We account for these as securities borrowing transactions and recognize an obligation to return the borrowed securities at fair value on the balance sheet based on the value of the underlying borrowed securities as of the reporting date. We may also enter into reverse repurchase agreements to earn a yield on excess cash balances. The securities received as collateral in connection with our reverse repurchase agreements mitigate our credit risk exposure to counterparties. Our reverse repurchase agreements typically have maturities of 30 days or less.

Derivative Instruments

We use a variety of derivative instruments to hedge a portion of our exposure to market risks, including interest rate, prepayment, extension and liquidity risks. The objective of our risk management strategy is to reduce fluctuations in net book value over a range of interest rate scenarios. In particular, we attempt to mitigate the risk of the cost of our variable rate liabilities increasing during a period of rising interest rates. The primary instruments that we use are interest rate swaps, options to enter into interest rate swaps ("swaptions"), U.S. Treasury securities and U.S. Treasury futures contracts. We also use forward contracts in the Agency RMBS "to-be-announced" market, or TBA securities, to invest in and finance Agency securities and to periodically reduce our exposure to Agency RMBS.

We account for derivative instruments in accordance with ASC Topic 815, *Derivatives and Hedging* ("ASC 815"). ASC 815 requires an entity to recognize all derivatives as either assets or liabilities in our accompanying consolidated balance sheets and to measure those instruments at fair value. None of our derivative instruments have been designated as hedging instruments for accounting purposes under the provisions of ASC 815, consequently changes in the fair value of our derivative instruments are reported in gain (loss) on derivative instruments and other securities, net in our consolidated statements of comprehensive income.

Our derivative agreements generally contain provisions that allow for netting or setting off derivative assets and liabilities with the counterparty; however, we report related assets and liabilities on a gross basis in our consolidated balance sheets. Derivative instruments in a gain position are reported as derivative assets at fair value and derivative instruments in a loss position are reported as derivative liabilities at fair value in our consolidated balance sheets. Changes in fair value of derivative instruments and periodic settlements related to our derivative instruments are recorded in gain (loss) on derivative instruments and other securities, net in our consolidated statements of comprehensive income. Net cash receipts from and payments on our derivative instruments are classified in our consolidated statements of cash flows according to the underlying nature or purpose of the derivative transaction, generally in the investing section.

Interest rate swap agreements

We use interest rate swaps to economically hedge the variable cash flows associated with our borrowings made under repurchase agreements. Under our interest rate swap agreements, we typically pay a fixed rate and receive a floating rate ("payer swaps") based on a short-term benchmark rate, such as the Secured Overnight Financing Rate ("SOFR") and Overnight Index Swap Rate ("OIS"). Our interest rate swaps typically have terms from one to 10 years. Our interest rate swaps are centrally cleared through a registered commodities exchange. The clearing exchange requires that we post an "initial margin" amount determined by the exchange. The initial margin amount is intended to be set at a level sufficient to protect the exchange from the interest rate swap's maximum estimated single-day price movement and is subject to adjustment based on changes in market volatility and other factors. We also exchange daily settlements of "variation margin" based upon changes in fair value, as measured by the exchange. Pursuant to rules governing central clearing activities, we recognize variation margin settlements as a direct reduction of the carrying value of the interest rate swap asset or liability.

Interest rate swaptions

We purchase interest rate swaptions to help mitigate the potential impact of larger, more rapid changes in interest rates on the performance of our investment portfolio. Interest rate swaptions provide us the option to enter into an interest rate swap agreement for a predetermined notional amount, stated term and pay and receive interest rates in the future. Our interest rate swaption agreements are not subject to central clearing. The difference between the premium paid and the fair value of the swaption is reported in gain (loss) on derivative instruments and other securities, net in our consolidated statements of comprehensive income. If a swaption expires unexercised, the realized loss on the swaption would be equal to the premium paid. If we sell or exercise a swaption, the realized gain or loss on the swaption would be equal to the difference between the cash or the fair value of the underlying interest rate swap and the premium paid.

TBA securities

A TBA security is a forward contract for the purchase or sale of Agency RMBS at a predetermined price, face amount, issuer, coupon and stated maturity on an agreed-upon future date. The specific Agency RMBS to be delivered into the contract are not known until shortly before the settlement date. We may choose, prior to settlement, to move the settlement of these securities out to a later date by entering into an offsetting TBA position, net settling the offsetting positions for cash, and simultaneously purchasing or selling a similar TBA contract for a later settlement date (together referred to as a "dollar roll transaction"). The Agency securities purchased or sold for a forward settlement date are typically priced at a discount to equivalent securities settling in the current month. This difference, or "price drop," is the economic equivalent of interest income on the underlying Agency securities, less an implied funding cost, over the forward settlement period (referred to as "dollar roll income"). Consequently, forward purchases of Agency securities and dollar roll transactions represent a form of off-balance sheet financing.

We account for TBA contracts as derivative instruments since either the TBA contracts do not settle in the shortest period of time possible or we cannot assert that it is probable at inception and throughout the term of the TBA contract that we will physically settle the contract on the settlement date. We account for TBA dollar roll transactions as a series of derivative transactions.

U.S. Treasury securities and US Treasury futures contracts

We use U.S. Treasury securities and U.S. Treasury futures contracts to mitigate the potential impact of changes in interest rates on the performance of our portfolio. We enter into short-sales of U.S. Treasury securities by borrowing the securities under reverse repurchase agreements and selling them into the market. We account for these as securities borrowing transactions and recognize an obligation to return the borrowed securities at fair value on our accompanying consolidated balance sheets based on the value of the underlying U.S. Treasury security as of the reporting date. Treasury futures contracts are standardized contracts that obligate us to sell or buy U.S. Treasury securities for future delivery. Gains and losses associated with U.S. Treasury securities and U.S. Treasury futures contracts are recognized in gain (loss) on derivative instruments and other securities, net in our consolidated statements of comprehensive income.

Fair Value Measurements

We determine the fair value of financial instruments based on our estimate of the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. We utilize a three-level valuation hierarchy for disclosure of fair value measurements based upon the transparency of inputs to the valuation of the instrument as of the measurement date. We categorize a financial instrument within the hierarchy based upon the lowest level of input that is significant to the fair value measurement.

The three levels of valuation hierarchy are defined as follows:

- Level 1 Inputs —Quoted prices (unadjusted) for identical unrestricted assets and liabilities in active markets that are accessible at the measurement date.
- Level 2 Inputs —Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3 Inputs —Instruments with primarily unobservable market data that cannot be corroborated.

The majority of our financial instruments are classified as Level 2 inputs. The availability of observable inputs can be affected by a wide variety of factors, including the type of instrument, whether the instrument is new and not yet established in the marketplace and other characteristics particular to the instrument. We typically obtain price estimates from multiple third-party pricing sources, such as pricing services and dealers, or, if applicable, from the registered clearing exchange. We make inquiries of third-party pricing sources to understand the significant inputs and assumptions they used to determine their prices and that they are derived from orderly transactions, particularly during periods of elevated market turbulence and reduced market liquidity. We also review third-party price estimates and perform procedures to validate their reasonableness, including an analysis of the range of estimates for each position, comparison to recent trade activity for similar securities and for consistency with market conditions observed as of the measurement date. While we do not adjust prices we obtain from pricing sources, we will exclude prices for securities from our estimation of fair value if we determine based on our validation procedures and our market knowledge and expertise that the price is significantly different from what observable market data would indicate and we cannot obtain an understanding from the third-party source as to the significant inputs used to determine the price.

The following is a description of the valuation methodologies used for financial instruments measured at fair value on a recurring basis classified as Level 2 inputs. These instruments trade in active markets such that participants transact with sufficient frequency and volume to provide transparent pricing information on an ongoing basis. The liquidity of these markets and the similarity of our instruments to those actively traded enable our pricing sources and us to utilize the observed quoted prices as a basis for formulating fair value measurements.

Investment securities - are valued based on prices obtained from multiple third-party pricing sources. The pricing sources utilize various valuation approaches, including market and income approaches. For Agency RMBS, the pricing sources primarily utilize a matrix pricing technique that interpolates the estimated fair value based on observed quoted prices for TBA securities having the same coupon, maturity and issuer, adjusted to reflect the specific characteristics of the pool of mortgages underlying the Agency security, such as maximum loan balance, loan vintage, loan-to-value ratio, geography and other characteristics as may be appropriate. For other investment securities, the pricing sources primarily utilize discounted cash flow model-derived pricing techniques to estimate the fair value. Such models incorporate market-based discount rate assumptions based on observable inputs such as recent trading activity, credit data, volatility statistics, benchmark interest rate curves, spread measurements to benchmark curves and other market data that are current as of the measurement date and may include certain unobservable inputs, such as assumptions of future levels of prepayment, defaults and loss severities.

TBA securities - are valued using prices obtained from third-party pricing sources based on pricing models that reference recent trading activity.

Interest rate swaps - are valued using the daily settlement price, or fair value, determined by the clearing exchange based on a pricing model that references observable market inputs, including current benchmark rates and the forward yield curve.

Interest rate swaptions - are valued using prices obtained from the counterparty and other third-party pricing models. The pricing models are based on the value of the future interest rate swap that we have the option to enter into as well as the remaining length of time that we have to exercise the option based on observable market inputs, adjusted for non-performance risk, if any.

U.S. Treasury securities and futures are valued based on quoted prices for identical instruments in active markets and are classified as Level 1 assets. None of our financial instruments are classified as Level 3 inputs.

Recent Accounting Pronouncements

We consider the applicability and impact of all ASUs issued by the FASB. There are no unadopted ASUs that are expected to have a significant impact on our consolidated financial statements when adopted or other recently adopted ASUs that had a significant impact on our consolidated financial statements upon adoption.

Note 3. Investment Securities

As of March 31, 2024 and December 31, 2023, our investment portfolio consisted of $54.8 billion investment securities, at fair value, $8.4 billion and $5.4 billion net TBA securities, at fair value, respectively, and other mortgage credit investments of $59 million and $44 million, respectively, which we account for under the equity method of accounting. Our TBA position is reported at its net carrying value totaling $43 million and $66 million as of March 31, 2024 and December 31, 2023, respectively, in derivative assets / (liabilities) on our accompanying consolidated balance sheets. The net carrying value of our TBA position represents the difference between the fair value of the underlying security and the cost basis or the forward price to be paid or received for the underlying security.

As of March 31, 2024 and December 31, 2023, our investment securities had a net unamortized premium balance of $1.2 billion.

The following tables summarize our investment securities as of March 31, 2024 and December 31, 2023, excluding TBA securities and other mortgage credit investments (dollars in millions). Details of our TBA securities are included in Note 5.

	March 31, 2024		December 31, 2023	
Investment Securities	**Amortized Cost**	**Fair Value**	**Amortized Cost**	**Fair Value**
Agency RMBS:				
Fixed rate	$ 55,465	$ 52,767	$ 55,289	$ 53,161
Adjustable rate	722	716	293	290
CMO	120	113	127	120
Interest-only and principal-only strips	65	58	67	61
Multifamily	75	75	161	162
Total Agency RMBS	56,447	53,729	55,937	53,794
Non-Agency RMBS [1]	19	14	43	34
CMBS	304	280	303	273
CRT securities	694	753	682	723
Total investment securities	$ 57,464	$ 54,776	$ 56,965	$ 54,824

	March 31, 2024						
	Agency RMBS			Non-Agency [1]			
Investment Securities	**Fannie Mae**	**Freddie Mac**	**Ginnie Mae**	**RMBS**	**CMBS**	**CRT**	**Total**
Available-for-sale securities:							
Par value	$ 3,772	$ 1,117	$ 1	$ —	$ —	$ —	$ 4,890
Unamortized discount	(2)	—	—	—	—	—	(2)
Unamortized premium	221	71	—	—	—	—	292
Amortized cost	3,991	1,188	1	—	—	—	5,180
Gross unrealized gains	—	—	—	—	—	—	—
Gross unrealized losses	(452)	(142)	—	—	—	—	(594)
Total available-for-sale securities, at fair value	3,539	1,046	1	—	—	—	4,586
Securities remeasured at fair value through earnings:							
Par value	28,931	21,406	42	21	310	687	51,397
Unamortized discount	(122)	(81)	(1)	(3)	(8)	(9)	(224)
Unamortized premium	697	395	—	1	2	16	1,111
Amortized cost	29,506	21,720	41	19	304	694	52,284
Gross unrealized gains	95	61	—	—	3	59	218
Gross unrealized losses	(1,506)	(773)	(1)	(5)	(27)	—	(2,312)
Total securities remeasured at fair value through earnings	28,095	21,008	40	14	280	753	50,190
Total securities, at fair value	$ 31,634	$ 22,054	$ 41	$ 14	$ 280	$ 753	$ 54,776
Weighted average coupon as of March 31, 2024	4.73 %	5.02 %	4.63 %	6.19 %	7.28 %	10.72 %	4.93 %
Weighted average yield as of March 31, 2024 [2]	4.27 %	4.70 %	4.96 %	6.34 %	7.42 %	9.47 %	4.52 %

Investment Securities	December 31, 2023						
	Agency RMBS			Non-Agency [1]			
	Fannie Mae	Freddie Mac	Ginnie Mae	RMBS	CMBS	CRT	Total
Available-for-sale securities:							
Par value	$ 3,881	$ 1,152	$ 1	$ —	$ —	$ —	$ 5,034
Unamortized discount	(1)	—	—	—	—	—	(1)
Unamortized premium	227	73	—	—	—	—	300
Amortized cost	4,107	1,225	1	—	—	—	5,333
Gross unrealized gains	—	—	—	—	—	—	—
Gross unrealized losses	(392)	(125)	—	—	—	—	(517)
Total available-for-sale securities, at fair value	3,715	1,100	1	—	—	—	4,816
Securities remeasured at fair value through earnings:							
Par value	29,910	19,503	283	44	307	679	50,726
Unamortized discount	(108)	(59)	(3)	(3)	(7)	(9)	(189)
Unamortized premium	702	376	—	2	3	12	1,095
Amortized cost	30,504	19,820	280	43	303	682	51,632
Gross unrealized gains	170	111	1	—	2	41	325
Gross unrealized losses	(1,270)	(638)	—	(9)	(32)	—	(1,949)
Total securities remeasured at fair value through earnings	29,404	19,293	281	34	273	723	50,008
Total securities, at fair value	$ 33,119	$ 20,393	$ 282	$ 34	$ 273	$ 723	$ 54,824
Weighted average coupon as of December 31, 2023	4.69 %	4.91 %	4.94 %	5.10 %	7.27 %	10.45 %	4.86 %
Weighted average yield as of December 31, 2023 [2]	4.22 %	4.53 %	5.16 %	4.92 %	7.04 %	8.87 %	4.41 %

1. Non-Agency amounts exclude other mortgage credit investments of $59 million and $44 million as of March 31, 2024 and December 31, 2023, respectively.
2. Incorporates a weighted average future constant prepayment rate assumption of 10.4% and 11.4% based on forward rates as of March 31, 2024 and December 31, 2023, respectively.

As of March 31, 2024 and December 31, 2023, our investments in CRT and non-Agency securities had the following credit ratings (in millions):

CRT and Non-Agency Security Credit Ratings [1]	March 31, 2024			December 31, 2023		
	CRT	RMBS [2]	CMBS	CRT	RMBS [2]	CMBS
AAA	$ —	$ 1	$ 7	$ —	$ 1	$ 9
AA	—	—	37	—	—	31
A	—	—	29	—	—	25
BBB	112	—	29	144	14	44
BB	142	1	92	137	7	81
B	44	2	55	39	2	55
Not Rated	455	10	31	403	10	28
Total	$ 753	$ 14	$ 280	$ 723	$ 34	$ 273

1. 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 as of each date.
2. RMBS excludes other mortgage credit investments of $59 million and $44 million as of March 31, 2024 and December 31, 2023, respectively.

Our CRT securities reference the performance of loans underlying Agency RMBS issued by Fannie Mae or Freddie Mac, which were subject to their underwriting standards.

The actual maturities of our investment securities are generally shorter than their stated contractual maturities. The actual maturities of our Agency and high credit quality non-Agency RMBS are primarily affected by principal prepayments and to a lesser degree the contractual lives of the underlying mortgages and periodic contractual principal repayments. The actual maturities of our credit-oriented investments are primarily impacted by their contractual lives and default and loss recovery rates. As of March 31, 2024 and December 31, 2023, the weighted average expected constant prepayment rate ("CPR") over the remaining life of our Agency and high credit quality non-Agency RMBS investment portfolio was 10.4% and 11.4%, respectively. Our estimates can differ materially for different securities and thus our individual holdings have a wide range of projected CPRs. The following table summarizes our investments as of March 31, 2024 and December 31, 2023 according to their estimated weighted average life classification (dollars in millions):

Estimated Weighted Average Life of Investment Securities [1]	March 31, 2024 Fair Value	Amortized Cost	Weighted Average Coupon	Weighted Average Yield	December 31, 2023 Fair Value	Amortized Cost	Weighted Average Coupon	Weighted Average Yield
≤ 3 years	$ 630	$ 639	7.65%	7.22%	$ 942	$ 961	6.61%	5.93%
> 3 years and ≤ 5 years	4,647	4,641	6.21%	5.70%	10,381	10,331	5.98%	5.52%
> 5 years and ≤10 years	45,747	48,314	4.77%	4.34%	40,895	42,988	4.55%	4.10%
> 10 years	3,752	3,870	5.00%	4.90%	2,606	2,685	4.77%	4.63%
Total	$ 54,776	$ 57,464	4.93%	4.52%	$ 54,824	$ 56,965	4.86%	4.41%

1. Table excludes other mortgage credit investments of $59 million and $44 million as of March 31, 2024 and December 31, 2023, respectively.

The following table presents the gross unrealized loss and fair values of securities classified as available-for-sale by length of time that such securities have been in a continuous unrealized loss position as of March 31, 2024 and December 31, 2023 (in millions):

	Unrealized Loss Position For					
	Less than 12 Months		12 Months or More		Total	
Securities Classified as Available-for-Sale	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
March 31, 2024	$ —	$ —	$ 4,569	$ (594)	$ 4,569	$ (594)
December 31, 2023	$ —	$ —	$ 4,797	$ (517)	$ 4,797	$ (517)

Gains and Losses on Sale of Investment Securities

The following table is a summary of our net gain (loss) from the sale of investment securities for the three months ended March 31, 2024 and 2023 by investment classification of accounting (in millions):

	Three Months Ended March 31,					
	2024			2023		
Investment Securities	Available-for-Sale Securities [2,3]	Fair Value Option Securities	Total	Available-for-Sale Securities [2,3]	Fair Value Option Securities	Total
Investment securities sold, at cost	$ —	$ (5,218)	$ (5,218)	$ (202)	$ (1,672)	$ (1,874)
Proceeds from investment securities sold [1]	—	5,127	5,127	178	1,615	1,793
Net gain (loss) on sale of investment securities	$ —	$ (91)	$ (91)	$ (24)	$ (57)	$ (81)
Gross gain on sale of investment securities	$ —	$ 10	$ 10	$ —	$ 1	$ 1
Gross loss on sale of investment securities	—	(101)	(101)	(24)	(58)	(82)
Net gain (loss) on sale of investment securities	$ —	$ (91)	$ (91)	$ (24)	$ (57)	$ (81)

1. Proceeds include cash received during the period, plus receivable for investment securities sold during the period as of period end.
2. See Note 9 for a summary of changes in accumulated OCI.
3. During the three months ended March 31, 2024 and 2023, we received principal repayments on available-for-sale securities of $143 million and $179 million, respectively.

Note 4. Repurchase Agreements and Reverse Repurchase Agreements

Repurchase Agreements

We pledge our securities as collateral under our borrowings structured as repurchase agreements with financial institutions. Amounts available to be borrowed are dependent upon the fair value of the securities pledged as collateral, which fluctuates with changes in interest rates, type of security and liquidity conditions within the banking, mortgage finance and real estate industries. If the fair value of our pledged securities declines, lenders will typically require us to post additional collateral or pay down borrowings to re-establish agreed upon collateral requirements, referred to as "margin calls." Similarly, if the fair value of our pledged securities increases, lenders may release collateral back to us. As of March 31, 2024, we had met all margin call requirements. For additional information regarding our pledged assets, please refer to Note 6.

As of March 31, 2024 and December 31, 2023, we had $50.0 billion and $50.4 billion, respectively, of repurchase agreements outstanding used to fund our investment portfolio and temporary holdings of U.S. Treasury securities. The terms and conditions of our repurchase agreements are typically negotiated on a transaction-by-transaction basis or subject to a tri-party repo agreement. The following table summarizes our borrowings under repurchase agreements by their remaining maturities as of March 31, 2024 and December 31, 2023 (dollars in millions):

	March 31, 2024			December 31, 2023		
Remaining Maturity	**Repurchase Agreements**	**Weighted Average Interest Rate**	**Weighted Average Days to Maturity**	**Repurchase Agreements**	**Weighted Average Interest Rate**	**Weighted Average Days to Maturity**
Investment securities repo						
≤ 1 month	$ 38,112	5.46 %	10	$ 40,946	5.61 %	11
> 1 to ≤ 3 months	9,244	5.47 %	59	7,933	5.55 %	64
> 3 to ≤ 6 months	784	5.41 %	151	—	— %	—
Investment securities repo	48,140	5.46 %	22	48,879	5.60 %	19
U.S. Treasury repo:						
≤ 1 month	1,831	5.47 %	1	1,547	5.54 %	2
Total	$ 49,971	5.46 %	21	$ 50,426	5.60 %	19

As of March 31, 2024 and December 31, 2023, $16.9 billion and $16.7 billion, respectively, of our investment securities repurchase agreements and all of our U.S. Treasury repurchase agreements had an overnight maturity of one business day and none of our repurchase agreements were due on demand. As of March 31, 2024, we had $10.4 billion of forward commitments to enter into repurchase agreements with a weighted average forward start date of 4 days and a weighted average interest rate of 5.46%. As of December 31, 2023, we had $8.8 billion of forward commitments to enter into repurchase agreements, with a weighted average forward start date of 4 days and a weighted average interest rate of 5.54%. As of March 31, 2024 and December 31, 2023, 46% and 48%, respectively, of our repurchase agreement funding was sourced through our wholly-owned captive broker-dealer subsidiary, Bethesda Securities, LLC ("BES"). Amounts sourced through BES include funding from the General Collateral Finance Repo service ("GCF Repo") offered by the Fixed Income Clearing Corporation ("FICC"), which totaled 42% and 43% of our repurchase agreement funding outstanding as of March 31, 2024 and December 31, 2023, respectively.

Reverse Repurchase Agreements

As of March 31, 2024 and December 31, 2023, we had $12.4 billion and $11.6 billion, respectively, of reverse repurchase agreements outstanding used primarily to borrow securities to cover short sales of U.S. Treasury securities, for which we had associated obligations to return borrowed securities at fair value of $12.1 billion and $10.9 billion, respectively. As of March 31, 2024 and December 31, 2023, $3.0 billion and $3.1 billion, respectively, of our reverse repurchase agreements were with the FICC sourced through BES.

Note 5. Derivative and Other Hedging Instruments

For the periods presented, our interest rate based hedges primarily consisted of interest rate swaps, interest rate swaptions, U.S. Treasury securities and U.S. Treasury futures contracts. We also utilized forward contracts, primarily consisting of TBA securities, for the purchase and sale of investment securities. For additional information regarding our derivative instruments and our overall risk management strategy, please refer to the discussion of derivative and other hedging instruments in Note 2.

Derivative and Other Hedging Instrument Assets (Liabilities), at Fair Value

The table below summarizes fair value information about our derivative and other hedging instrument assets/(liabilities) as of March 31, 2024 and December 31, 2023 (in millions):

Derivative and Other Hedging Instruments	Balance Sheet Location	March 31, 2024	December 31, 2023
Interest rate swaps [1]	Derivative assets, at fair value	$ 24	$ 15
Swaptions	Derivative assets, at fair value	2	89
TBA and forward settling non-Agency securities	Derivative assets, at fair value	58	81
Total derivative assets, at fair value		$ 84	$ 185
Interest rate swaps [1]	Derivative liabilities, at fair value	$ —	$ (1)
TBA and forward settling non-Agency securities	Derivative liabilities, at fair value	(15)	(15)
U.S. Treasury futures - short	Derivative liabilities, at fair value	(34)	(336)
SOFR futures contracts - long	Derivative liabilities, at fair value	(16)	(10)
Credit default swaps [1]	Derivative liabilities, at fair value	—	—
Total derivative liabilities, at fair value		$ (65)	$ (362)
U.S. Treasury securities - long	U.S. Treasury securities, at fair value	$ 1,836	$ 1,540
U.S. Treasury securities - short	Obligation to return securities borrowed under reverse repurchase agreements, at fair value	(12,115)	(10,894)
Total U.S. Treasury securities, net at fair value		$ (10,279)	$ (9,354)

1. As of March 31, 2024 and December 31, 2023, the net fair value of our interest rate swaps excluding the recognition of variation margin settlements as a direct reduction of carrying value (see Note 2) was a net asset (liability) of $3.0 billion and $2.9 billion, respectively. As of March 31, 2024 and December 31, 2023, the net fair value of our credit default swaps excluding the recognition of variation margin settlements was $(7) million and $(6) million, respectively.

The following tables summarize certain characteristics of our derivative and other hedging instruments outstanding as of March 31, 2024 and December 31, 2023 (dollars in millions):

Pay Fixed / Receive Variable Interest Rate Swaps	March 31, 2024 [1]				December 31, 2023			
Years to Maturity	Notional Amount	Average Fixed Pay Rate [2]	Average Variable Receive Rate [3]	Average Maturity (Years)	Notional Amount	Average Fixed Pay Rate	Average Variable Receive Rate [3]	Average Maturity (Years)
≤ 1 years	$ 8,500	0.06%	5.34%	0.4	$ 13,750	0.14%	5.37%	0.4
> 1 to ≤ 3 years	15,800	0.17%	5.34%	1.7	15,800	0.17%	5.36%	2.0
> 3 to ≤ 5 years	5,800	0.24%	5.34%	3.7	5,800	0.24%	5.38%	3.9
> 5 to ≤ 7 years	5,400	1.72%	5.34%	6.2	3,900	0.92%	5.37%	6.2
> 7 to ≤ 10 years	8,896	3.28%	5.34%	9.3	5,226	3.06%	5.38%	9.2
Total	$ 44,396	0.97%	5.34%	3.8	$ 44,476	0.57%	5.37%	3.0

1. As of March 31, 2024, notional amount includes forward starting swaps of $1.0 billion with an average forward start date of 0.2 years.
2. Average fixed pay rate includes forward starting swaps. Excluding forward starting swaps, the average fixed pay rate was 0.90% as of March 31, 2024.
3. As of March 31, 2024 and December 31, 2023, 80% and 20% of notional amount receive index references SOFR and OIS, respectively.

Receive Fixed / Pay Variable Interest Rate Swaps	March 31, 2024				December 31, 2023			
Years to Maturity	Notional Amount	Average Variable Pay Rate [1]	Average Fixed Receive Rate	Average Maturity (Years)	Notional Amount	Average Variable Pay Rate [1]	Average Fixed Receive Rate	Average Maturity (Years)
> 1 to ≤ 3 years	$ (1,000)	5.34%	4.65%	1.3	(1,000)	5.38%	4.65%	1.5
Total	$ (1,000)	5.34%	4.65%	1.3	$ (1,000)	5.38%	4.65%	1.5

1. Pay index references SOFR.

Payer Swaptions	Option			Underlying Payer Swap		
Current Option Expiration Date	Cost Basis	Fair Value	Average Months to Current Option Expiration Date	Notional Amount	Average Fixed Pay Rate [1]	Average Term (Years)
December 31, 2023						
≤ 1 year	$ 28	$ 86	5	$ 1,250	2.61%	10.0
Total	$ 28	$ 86	5	$ 1,250	2.61%	10.0

1. Receive index references SOFR.

Receiver Swaptions	Option			Underlying Receiver Swap		
Current Option Expiration Date	Cost Basis	Fair Value	Average Months to Current Option Expiration Date	Notional Amount	Average Fixed Receive Rate	Average Term (Years)
March 31, 2024						
≤ 1 year	$ 3	$ 2	21	$ 150	2.98%	5.0
December 31, 2023						
≤ 1 year	$ 3	$ 3	24	$ 150	2.98%	5.0

U.S. Treasury Securities [1]	March 31, 2024			December 31, 2023		
Years to Maturity	Face Amount Long/(Short)	Cost Basis	Fair Value	Face Amount Long/(Short)	Cost Basis	Fair Value
≤ 5 years	$ 586	$ 594	$ 605	$ 1,408	$ 1,419	$ 1,454
> 5 year ≤ 7 years	(563)	(566)	(438)	(818)	(821)	(703)
> 7 year ≤ 10 years	(9,230)	(8,884)	(8,592)	(8,649)	(8,277)	(8,187)
> 10 years	(1,785)	(1,832)	(1,854)	(1,796)	(1,796)	(1,918)
Total U.S. Treasury securities	$ (10,992)	$ (10,688)	$ (10,279)	$ (9,855)	$ (9,475)	$ (9,354)

1. As of March 31, 2024 and December 31, 2023, short U.S. Treasury securities totaling \$(12.1) billion and \$(10.9) billion, at fair value, respectively, had a weighted average yield of 3.69% and 3.64%, respectively. As of March 31, 2024 and December 31, 2023, long U.S. Treasury securities totaling \$1.8 billion and \$1.5 billion, at fair value, respectively, had a weighted average yield of 4.37% and 4.39%, respectively.

U.S. Treasury Futures	March 31, 2024				December 31, 2023			
Years to Maturity	Notional Amount Long (Short)	Cost Basis	Fair Value	Net Carrying Value [1]	Notional Amount Long (Short)	Cost Basis	Fair Value	Net Carrying Value [1]
> 5 year ≤ 7 years	$ (905)	$ (997)	$ (1,003)	$ (6)	$ (2,714)	$ (2,961)	$ (3,064)	$ (103)
> 7 year ≤ 10 years	(1,343)	(1,528)	(1,539)	(11)	(2,924)	(3,294)	(3,451)	(157)
> 10 years	(791)	(936)	(953)	(17)	(791)	(913)	(989)	(76)
Total U.S. Treasury futures	$ (3,039)	$ (3,461)	$ (3,495)	$ (34)	$ (6,429)	$ (7,168)	$ (7,504)	$ (336)

1. Net carrying value represents the difference between the fair market value and the cost basis (or the forward price to be paid/(received) for the underlying U.S. Treasury security) of the U.S. Treasury futures contract as of period-end and is reported in derivative assets/(liabilities), at fair value in our consolidated balance sheets.

	March 31, 2024				December 31, 2023			
TBA Securities by Coupon	Notional Amount Long (Short)	Cost Basis	Fair Value	Net Carrying Value [1]	Notional Amount Long (Short)	Cost Basis	Fair Value	Net Carrying Value [1]
15-Year TBA securities:								
≥ 5.0%	$ 90	$ 89	$ 90	$ 1	$ 90	$ 89	$ 91	$ 2
Total 15-Year TBA securities	90	89	90	1	90	89	91	2
30-Year TBA securities:								
≤ 3.0%	—	—	—	—	(29)	(24)	(25)	(1)
3.5%	105	93	94	1	—	—	—	—
4.0%	—	—	—	—	—	—	—	—
4.5%	1,715	1,631	1,636	5	363	343	352	9
5.0%	5,040	4,907	4,932	25	1,717	1,704	1,704	—
5.5%	2,874	2,861	2,872	11	2,034	2,014	2,047	33
6.0%	(2,107)	(2,125)	(2,128)	(3)	20	10	21	11
≥ 6.5%	934	949	952	3	1,137	1,152	1,164	12
Total 30-Year TBA securities, net	8,561	8,316	8,358	42	5,242	5,199	5,263	64
Total TBA securities, net	$ 8,651	$ 8,405	$ 8,448	$ 43	$ 5,332	$ 5,288	$ 5,354	$ 66

1. Net carrying value represents the difference between the fair market value and the cost basis (or the forward price to be paid/(received) for the underlying Agency security) of the TBA contract as of period-end and is reported in derivative assets/(liabilities), at fair value in our consolidated balance sheets.

As of March 31, 2024 and December 31, 2023, we had a two-year swap equivalent SOFR futures contract long notional position of $0.7 billion and $0.9 billion, respectively, with a net carrying value of $(16) million and $(10) million, respectively.

As of March 31, 2024 and December 31, 2023, we had $95 million notional value of centrally cleared credit default swaps ("CDS") outstanding that reference the Markit CDX Investment Grade or High Yield Grade Index, maturing in December 2028. Under the terms of our CDS, we pay fixed periodic payments equal to 1% per annum of the notional value and we are entitled to receive payments for qualified credit events. As of March 31, 2024 and December 31, 2023, the CDS had a market value of $(7) million and $(6) million, respectively, and a net carrying value of zero dollars, net of variation margin settlements. Pursuant to rules governing central clearing activities, we recognize variation margin settlements as a direct reduction of the carrying value of the CDS asset or liability.

Gain (Loss) From Derivative Instruments and Other Securities, Net

The following table summarizes changes in our derivative and other hedge portfolio and their effect on our consolidated statements of comprehensive income for the three months ended March 31, 2024 and 2023 (in millions):

Derivative and Other Hedging Instruments		Beginning Notional Amount	Additions	Settlement, Termination, Expiration or Exercise		Ending Notional Amount		Gain/(Loss) on Derivative Instruments and Other Securities, Net [1]
Three months ended March 31, 2024:								
TBA securities, net	$	5,332	25,390	(22,071)	$	8,651	$	(58)
Interest rate swaps - payer	$	44,476	5,170	(5,250)	$	44,396		658
Interest rate swaps - receiver	$	(1,000)	—	—	$	(1,000)		(9)
Credit default swaps - buy protection	$	(96)	—	—	$	(96)		(3)
Payer swaptions	$	1,250	—	(1,250)	$	—		33
Receiver swaptions	$	(150)	—	—	$	(150)		—
U.S. Treasury securities - short position	$	(11,347)	(3,101)	1,641	$	(12,807)		338
U.S. Treasury securities - long position	$	1,492	1,669	(1,346)	$	1,815		(43)
U.S. Treasury futures contracts - short position	$	(6,429)	(3,384)	6,774	$	(3,039)		186
							$	1,102
Three months ended March 31, 2023:								
TBA securities, net	$	19,050	60,147	(68,801)	$	10,396	$	112
Interest rate swaps - payer	$	47,825	3,000	(1,900)	$	48,925		(232)
Credit default swaps - buy protection	$	(215)	(710)	500	$	(425)		(3)
Payer swaptions	$	3,050	—	(1,450)	$	1,600		(66)
U.S. Treasury securities - short position	$	(7,373)	(2,949)	936	$	(9,386)		(157)
U.S. Treasury securities - long position	$	357	7,446	(1,243)	$	6,560		75
U.S. Treasury futures contracts - short position	$	(9,213)	(7,215)	10,528	$	(5,900)		(235)
							$	(506)

1. Amounts exclude other miscellaneous gains and losses and other interest income (expense) recognized in gain (loss) on derivative instruments and other securities, net in our consolidated statements of comprehensive income.

Additionally, as of March 31, 2024 and December 31, 2023, we had SOFR futures contracts, measured on a two-year swap equivalent basis, of $0.7 billion and $0.9 billion, respectively. For the three months ended March 31, 2024 and 2023, we recognized a loss of $(10) million and $(3) million, respectively, on our SOFR futures contracts in gain (loss) on derivative instruments and other securities, net in our consolidated statements of comprehensive income.

Note 6. Pledged Assets

Our funding agreements require us to fully collateralize our obligations under the agreements based upon our counterparties' collateral requirements and their determination of the fair value of the securities pledged as collateral, which fluctuates with changes in interest rates, credit quality and liquidity conditions within the investment banking, mortgage finance and real estate industries. Our derivative contracts similarly require us to fully collateralize our obligations under such agreements, which will vary over time based on similar factors as well as our counterparties' determination of the value of the derivative contract. We are typically required to post initial margin upon execution of derivative transactions, such as under our interest rate swap agreements and TBA contracts, and subsequently post or receive variation margin based on daily fluctuations in fair value. Our brokerage and custody agreements and the clearing organizations utilized by our wholly-owned captive broker-dealer subsidiary, Bethesda Securities, LLC, also require that we post minimum daily clearing deposits. If we breach our collateral requirements, we will be required to fully settle our obligations under the agreements, which could include a forced liquidation of our pledged collateral.

Our counterparties also apply a "haircut" to our pledged collateral, which means our collateral is valued at slightly less than market value and limits the amount we can borrow against our securities. This haircut reflects the underlying risk of the specific collateral and protects our counterparty against a change in its value. Our agreements do not specify the haircut; rather, haircuts are determined on an individual transaction basis. Consequently, our funding agreements and derivative contracts expose us to credit risk relating to potential losses that could be recognized if our counterparties fail to perform their obligations under such agreements. We minimize this risk by limiting our counterparties to major financial institutions with acceptable credit ratings or to registered clearinghouses and U.S. government agencies, and we monitor our positions with individual counterparties. In the event of a default by a counterparty, we may have difficulty obtaining our assets pledged as collateral to such counterparty and may not receive payments as and when due to us under the terms of our derivative agreements. In the case of centrally cleared instruments, we could be exposed to credit risk if the central clearing agency or a clearing member defaults on its respective obligation to perform under the contract. However, we believe that the risk is minimal due to the clearing exchanges' initial and daily mark-to-market margin requirements, clearinghouse guarantee funds and other resources that are available in the event of a clearing member default.

As of March 31, 2024, our maximum amount at risk with any counterparty related to our repurchase agreements, excluding the Fixed Income Clearing Corporation, was less than 3% of our tangible stockholders' equity (or the excess/shortfall of the value of collateral pledged/received over our repurchase agreement liabilities/reverse repurchase agreement receivables). As of March 31, 2024, 5% of our tangible stockholder's equity was at risk with the Fixed Income Clearing Corporation.

Assets Pledged to Counterparties

The following tables summarize our assets pledged as collateral under our funding, derivative and brokerage and clearing agreements by type, including securities pledged related to securities sold but not yet settled, as of March 31, 2024 and December 31, 2023 (in millions):

	March 31, 2024			
Assets Pledged to Counterparties [1]	**Repurchase Agreements [2]**	**Debt of Consolidated VIEs**	**Derivative Agreements and Other**	**Total**
Agency RMBS - fair value	$ 48,428	$ 114	$ 72	$ 48,614
CRT - fair value	722	—	—	722
Non-Agency - fair value	250	—	—	250
U.S. Treasury securities - fair value	1,825	—	—	1,825
Accrued interest on pledged securities	230	—	—	230
Restricted cash	293	—	1,075	1,368
Total	$ 51,748	$ 114	$ 1,147	$ 53,009

	December 31, 2023			
Assets Pledged to Counterparties [1]	**Repurchase Agreements [2]**	**Debt of Consolidated VIEs**	**Derivative Agreements and Other**	**Total**
Agency RMBS - fair value	$ 49,602	$ 121	$ 15	$ 49,738
CRT - fair value	678	—	—	678
Non-Agency - fair value	262	—	—	262
U.S. Treasury securities - fair value	1,865	—	62	1,927
Accrued interest on pledged securities	217	—	—	217
Restricted cash	9	—	1,244	1,253
Total	$ 52,633	$ 121	$ 1,321	$ 54,075

1. Includes repledged assets received as collateral from counterparties and securities sold but not yet settled.
2. Includes $39 million and $42 million of retained interests in our consolidated VIEs pledged as collateral under repurchase agreements as of March 31, 2024 and December 31, 2023, respectively.

The following table summarizes our securities pledged as collateral under our repurchase agreements by the remaining maturity of our borrowings, including securities pledged related to sold but not yet settled securities, as of March 31, 2024 and December 31, 2023 (in millions). For the corresponding borrowings associated with the following amounts and the interest rates thereon, refer to Note 4.

	March 31, 2024			December 31, 2023		
Securities Pledged by Remaining Maturity of Repurchase Agreements [1,2]	**Fair Value of Pledged Securities**	**Amortized Cost of Pledged Securities**	**Accrued Interest on Pledged Securities**	**Fair Value of Pledged Securities**	**Amortized Cost of Pledged Securities**	**Accrued Interest on Pledged Securities**
≤ 1 month	$ 40,685	$ 42,234	$ 191	$ 43,701	$ 44,918	$ 188
> 1 and ≤ 2 months	4,644	4,954	18	2,847	3,069	10
> 2 and ≤ 3 months	5,076	5,561	18	5,524	5,947	19
> 3 months	820	894	3	—	—	—
Total	$ 51,225	$ 53,643	$ 230	$ 52,072	$ 53,934	$ 217

1. Includes $39 million and $42 million of retained interests in our consolidated VIEs pledged as collateral under repurchase agreements as of March 31, 2024 and December 31, 2023, respectively.
2. Excludes $397 million of repledged U.S. Treasury securities received as collateral from counterparties as of December 31, 2023.

Assets Pledged from Counterparties

As of March 31, 2024 and December 31, 2023, we had assets pledged to us from counterparties as collateral under our reverse repurchase and derivative agreements summarized in the tables below (in millions).

	March 31, 2024				December 31, 2023			
Assets Pledged to AGNC	**Reverse Repurchase Agreements**	**Derivative Agreements**	**Repurchase Agreements**	**Total**	**Reverse Repurchase Agreements**	**Derivative Agreements**	**Repurchase Agreements**	**Total**
Agency securities - fair value	$ —	$ —	$ 68	$ 68	$ —	$ —	$ —	$ —
U.S. Treasury securities - fair value	12,352	—	20	12,372	11,667	—	306	11,973
Cash	—	2	5	7	—	89	49	138
Total	$ 12,352	$ 2	$ 93	$ 12,447	$ 11,667	$ 89	$ 355	$ 12,111

Offsetting Assets and Liabilities

Certain of our repurchase agreements and derivative transactions are governed by underlying agreements that generally provide for a right of setoff under master netting arrangements (or similar agreements), including in the event of default or in the event of bankruptcy of either party to the transactions. We present our assets and liabilities subject to such arrangements on a gross basis in our consolidated balance sheets. The following tables present information about our assets and liabilities that are subject to master netting arrangements and can potentially be offset on our consolidated balance sheets as of March 31, 2024 and December 31, 2023 (in millions):

	Offsetting of Financial and Derivative Assets					
				Gross Amounts Not Offset in the Consolidated Balance Sheets		
	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts of Assets Presented in the Consolidated Balance Sheets	Financial Instruments	Collateral Received [2]	Net Amount
March 31, 2024						
Interest rate swap and swaption agreements, at fair value [1]	$ 26	$ —	$ 26	$ —	$ (2)	$ 24
TBA securities, at fair value [1]	58	—	58	(15)	(42)	1
Receivable under reverse repurchase agreements	12,424	—	12,424	(8,722)	(3,702)	—
Total	$ 12,508	$ —	$ 12,508	$ (8,737)	$ (3,746)	$ 25
December 31, 2023						
Interest rate swap and swaption agreements, at fair value [1]	$ 104	$ —	$ 104	$ —	$ (89)	$ 15
TBA securities, at fair value [1]	80	—	80	(15)	(65)	—
Receivable under reverse repurchase agreements	11,618	—	11,618	(8,433)	(3,181)	4
Total	$ 11,802	$ —	$ 11,802	$ (8,448)	$ (3,335)	$ 19

	Offsetting of Financial and Derivative Liabilities					
				Gross Amounts Not Offset in the Consolidated Balance Sheets		
	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts of Liabilities Presented in the Consolidated Balance Sheets	Financial Instruments	Collateral Pledged [2]	Net Amount
March 31, 2024						
TBA securities, at fair value [1]	$ 15	$ —	$ 15	$ (15)	$ —	$ —
Repurchase agreements	49,971	—	49,971	(8,722)	(41,249)	—
Total	$ 49,986	$ —	$ 49,986	$ (8,737)	$ (41,249)	$ —
December 31, 2023						
TBA securities, at fair value [1]	$ 15	$ —	$ 15	$ (15)	$ —	$ —
Repurchase agreements	50,426	—	50,426	(8,433)	(41,993)	—
Total	$ 50,441	$ —	$ 50,441	$ (8,448)	$ (41,993)	$ —

1. Reported under derivative assets / liabilities, at fair value in the accompanying consolidated balance sheets. Refer to Note 5 for a reconciliation of derivative assets / liabilities, at fair value to their sub-components.
2. Includes cash and securities pledged / received as collateral, at fair value. Amounts include repledged collateral. Amounts presented are limited to collateral pledged sufficient to reduce the net amount to zero for individual counterparties, as applicable.

Note 7. Fair Value Measurements

The following table provides a summary of our assets and liabilities that are measured at fair value on a recurring basis, as of March 31, 2024 and December 31, 2023, based on their categorization within the valuation hierarchy (in millions). There were no transfers between valuation hierarchy levels during the periods presented in our accompanying consolidated statements of comprehensive income.

	March 31, 2024			December 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets:						
Agency securities	$ —	$ 53,615	$ —	$ —	$ 53,673	$ —
Agency securities transferred to consolidated VIEs	—	114	—	—	121	—
Credit risk transfer securities	—	753	—	—	723	—
Non-Agency securities	—	294	—	—	307	—
U.S. Treasury securities	1,836	—	—	1,540	—	—
Interest rate swaps [1]	—	24	—	—	15	—
Swaptions	—	2	—	—	89	—
TBA securities	—	58	—	—	81	—
Total	$ 1,836	$ 54,860	$ —	$ 1,540	$ 55,009	$ —
Liabilities:						
Debt of consolidated VIEs	$ —	$ 76	$ —	$ —	$ 80	$ —
Obligation to return U.S. Treasury securities borrowed under reverse repurchase agreements	12,115	—	—	10,894	—	—
Interest rate swaps [1]	—	—	—	—	1	—
Credit default swaps [1]	—	—	—	—	—	—
TBA securities	—	15	—	—	15	—
U.S. Treasury futures	34	—	—	336	—	—
SOFR Futures	16	—	—	10	—	—
Total	$ 12,165	$ 91	$ —	$ 11,240	$ 96	$ —

1. As of March 31, 2024 and December 31, 2023, the net fair value of our interest rate swaps excluding the recognition of variation margin settlements as a direct reduction of carrying value was a net asset (liability) of $3.0 billion and $2.9 billion, respectively, based on "Level 2" inputs. As of March 31, 2024 and December 31, 2023, the net fair value of our credit default swaps excluding the recognition of variation margin settlements was $(7) million and $(6) million, respectively, based on "Level 2" inputs. See Notes 2 and 5 for additional details.

Excluded from the table above are financial instruments reported at cost and other mortgage credit investments reported under the equity method of accounting in our consolidated financial statements. As of March 31, 2024 and December 31, 2023, the fair value of our repurchase agreements approximated cost, as the rates on our outstanding repurchase agreements largely corresponded to prevailing rates observed in the repo market. The fair value of cash and cash equivalents, restricted cash, receivables and other payables were determined to approximate cost as of such dates due to their short duration. We estimate the fair value of these instruments carried at cost using "Level 1" or "Level 2" inputs. As of March 31, 2024 and December 31, 2023, the carrying value of other mortgage credit investments reported under the equity method of accounting was $59 million and $44 million, respectively.

Note 8. Net Income (Loss) Per Common Share

Basic net income (loss) per common share is computed by dividing (i) net income (loss) available (attributable) to common stockholders by (ii) the sum of our weighted-average number of common shares outstanding and the weighted-average number of vested but not yet issued time and performance-based restricted stock units ("RSUs") outstanding for the period granted under our long-term incentive program to employees and non-employee Board of Directors. Diluted net income (loss) per common share assumes the issuance of all potential common stock equivalents unless the effect is to reduce a loss or increase the income per common share. Our potential common stock equivalents consist of unvested time and performance-based RSUs. The following table presents the computations of basic and diluted net income (loss) per common share for the periods indicated (shares and dollars in millions):

	Three Months Ended March 31,	
	2024	2023
Weighted average number of common shares issued and outstanding	700.1	577.6
Weighted average number of fully vested restricted stock units outstanding	2.1	1.7
Weighted average number of common shares outstanding - basic	702.2	579.3
Weighted average number of dilutive unvested restricted stock units outstanding	2.0	—
Weighted average number of common shares outstanding - diluted	704.2	579.3
Net income (loss) available (attributable) to common stockholders	$ 412	$ (181)
Net income (loss) per common share - basic	$ 0.59	$ (0.31)
Net income (loss) per common share - diluted	$ 0.59	$ (0.31)

For the three months ended March 31, 2023 1.2 million of potentially dilutive unvested time and performance based RSUs outstanding were excluded from the computation of diluted net income (loss) per common share because to do so would have been anti-dilutive for the period.

Note 9. Stockholders' Equity

Preferred Stock

We are authorized to designate and issue up to 10.0 million shares of preferred stock in one or more classes or series. As of March 31, 2024 and December 31, 2023, 13,800, 10,350, 16,100, 23,000 and 6,900 shares of preferred stock were designated as 7.00% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, 6.875% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, 6.50% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, 6.125% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock and 7.75% Series G Fixed-Rate Reset Cumulative Redeemable Preferred Stock, respectively, (referred to as "Series C, D, E, F and G Preferred Stock", respectively). As of March 31, 2024 and December 31, 2023, 13,000, 9,400, 16,100, 23,000 and 6,000 shares of Series C, D, E, F and G Preferred Stock, respectively, were issued and outstanding. Each share of preferred stock is represented by 1,000 depositary shares. Each share of preferred stock has a liquidation preference of $25,000 per share ($25 per depositary share).

Our preferred stock ranks senior to our common stock with respect to the payment of dividends and the distribution of assets upon a voluntary or involuntary liquidation, dissolution or winding up of the Company. Our preferred stock has no stated maturity, is not subject to any sinking fund or mandatory redemption and each series of preferred stock ranks on parity with one another. Under certain circumstances upon a change of control, our preferred stock is convertible to shares of our common stock. Holders of our preferred stock and depositary shares underlying our preferred stock have no voting rights, except under limited conditions. Beginning on each series' optional redemption date, we may redeem shares at $25.00 per depositary share, plus accumulated and unpaid dividends (whether or not declared), exclusively at our option.

The following table includes a summary of preferred stock depositary shares issued and outstanding as of March 31, 2024 (dollars and shares in millions):

Cumulative Redeemable Preferred Stock [1]	Issue Date	Depositary Shares Issued and Outstanding	Carrying Value	Aggregate Liquidation Preference	Per Annum Dividend Rate [2,3]	First Optional Redemption Date / Conversion Date [3,4]
Fixed-to-Floating Rate:						
Series C	August 22, 2017	13.0	$ 315	$ 325	10.689%	October 15, 2022
Series D	March 6, 2019	9.4	227	235	6.875%	April 15, 2024
Series E	October 3, 2019	16.1	390	403	6.500%	October 15, 2024
Series F	February 11, 2020	23.0	557	575	6.125%	April 15, 2025
Fixed-Rate Reset:						
Series G	September 14, 2022	6.0	145	150	7.750%	October 15, 2027
Total		67.5	$ 1,634	$ 1,688		

1. The depositary shares underlying our preferred stock accrue dividends at an initial annual fixed rate of the $25.00 liquidation preference per depositary share from the issuance date up to, but not including, the fixed-to-floating rate or fixed-rate-reset conversion date; thereafter, dividends will accrue on a floating rate or fixed-rate-reset basis equal to the conversion rate plus a fixed spread.
2. The Series C per annum dividend rate represents the dividend rate in effect as of March 31, 2024.
3. The Series C dividend accrues at a rate equal to the 3-Month CME Term SOFR plus 0.26161%, plus a spread of 5.111%, per annum, resetting quarterly in accordance with the certificate of designations for such series and the Adjustable Interest Rate (LIBOR) Act of 2021 (the "LIBOR Act"). At the conclusion of the fixed rate period (the conversion date) for each of the Series D, E, and F Preferred Stock, the dividend for such series

will accrue at a rate equal to the 3-Month CME Term SOFR plus 0.26161%, plus a spread of 4.332%, 4.993% and 4.697%, respectively, per annum, resetting quarterly in accordance with the certificate of designations for such series and the LIBOR Act. At the conclusion of the fixed rate period for the Series G Preferred Stock, the dividend will accrue at a floating rate equal to the 5-Year US Treasury rate, plus a spread of 4.39%, per annum and will reset in accordance with the certificate of designations for such series.

4. Shares may be redeemed prior to our optional redemption date under certain circumstances intended to preserve our qualification as a REIT for U.S federal income tax purposes.

At-the-Market Offering Program

We are authorized by our Board of Directors to enter into agreements with sales agents to publicly offer and sell shares of our common stock in privately negotiated and/or at-the-market transactions from time-to-time up to a maximum aggregate offering price of our common stock. During the three months ended March 31, 2024, we sold 25.1 million shares, of our common stock under the sales agreements for proceeds of $241 million, or $9.61 per common share, respectively, net of offering costs. As of March 31, 2024, shares of our common stock with an aggregate offering price of $0.6 billion remained authorized for issuance under this program through December 31, 2024.

Accumulated Other Comprehensive Income (Loss)

The following table summarizes changes to accumulated OCI for the three months ended March 31, 2024 and 2023 (in millions):

Accumulated Other Comprehensive Income (Loss)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Beginning Balance	$ (517)	$ (672)
OCI before reclassifications	(77)	118
Net loss amounts for available-for-sale securities reclassified from accumulated OCI to realized gain (loss) on sale of investment securities, net	—	24
Ending Balance	$ (594)	$ (530)

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is designed to provide a reader of AGNC Investment Corp.'s consolidated financial statements with a narrative from the perspective of management and should be read in conjunction with the consolidated financial statements and accompanying notes included in this Quarterly Report on Form 10-Q for quarterly period ended March 31, 2024. Our MD&A is presented in the following sections:

- Executive Overview
- Financial Condition
- Results of Operations
- Liquidity and Capital Resources
- Off-Balance Sheet Arrangements
- Forward-Looking Statements

EXECUTIVE OVERVIEW

We are a leading provider of private capital to the U.S. housing market, enhancing liquidity in the residential real estate mortgage markets and, in turn, facilitating home ownership in the U.S. We invest primarily in Agency residential mortgage-backed securities ("Agency RMBS") on a leveraged basis. These investments consist of residential mortgage pass-through securities and collateralized mortgage obligations for which the principal and interest payments are guaranteed by a U.S. Government-sponsored enterprise, such as Federal National Mortgage Association ("Fannie Mae") and Federal Home Loan Mortgage Corporation ("Freddie Mac," and together with Fannie Mae, the "GSEs"), or by a U.S. Government agency, such as Government National Mortgage Association ("Ginnie Mae"). We may also invest in other assets related to the housing, mortgage or real estate markets that are not guaranteed by a GSE or U.S. Government agency.

We are internally managed with the principal objective of generating favorable long-term stockholder returns with a substantial yield component. We generate income from the interest earned on our investments, net of associated borrowing and hedging costs, and net realized gains and losses on our investment and hedging activities. We fund our investments primarily through collateralized borrowings structured as repurchase agreements. We operate in a manner to qualify to be taxed as a REIT under the Internal Revenue Code.

We employ an active management strategy that is dynamic and responsive to evolving market conditions. The composition of our portfolio and our investment, funding, and hedging strategies are tailored to reflect our analysis of market conditions and the relative values of available options. Market conditions are influenced by a variety of factors, including interest rates, prepayment expectations, liquidity, housing prices, unemployment rates, general economic conditions, government participation in the mortgage market, regulations and relative returns on other assets.

Trends and Recent Market Impacts

The favorable macroeconomic environment for fixed income investors that began in late 2023 persisted through the conclusion of the first quarter of 2024. During this period, interest rate volatility declined significantly, and Agency RMBS spreads to benchmark interest rates remained relatively stable. The Federal Reserve also indicated that the peak of the interest rate tightening cycle had likely been reached and further noted that a reduction in the pace of its balance sheet runoff was probable in the near-term, signaling that an end to the quantitative tightening process was nearing. Mortgage origination levels remained depressed as a result of seasonal factors and affordability challenges. Additionally, bank demand for Agency RMBS was unexpectedly strong, driven in part by the expectation that the Basel III Endgame capital requirements, if and when finally adopted, will be less onerous on banks than originally proposed. Together, these factors, reduced mortgage originations and incremental bank demand, provided a favorable backdrop for Agency RMBS supply-demand dynamics.

The outlook for monetary policy shifted materially in April in response to stronger-than-expected economic data. Contrary to the Fed’s expectations, inflation readings showed no meaningful improvement. As a result, after a period of relative stability in the first quarter, benchmark interest rates and volatility increased sharply in April, driven by less optimistic inflation expectations and escalating geopolitical risks. In response, Agency RMBS spreads to benchmark interest rates widened modestly, causing valuations to decline.

Despite the recent volatility, the fundamental outlook for Agency RMBS remains positive. With absolute yields back above 6% as of the end of April and explicit support from the U.S. government, Agency RMBS are appealing to a broad universe of investors. Agency RMBS spreads to benchmark interest rates remain wide by historical standards, providing the opportunity for favorable risk-adjusted returns for levered Agency RMBS investors. Looking forward, if monetary policy proceeds largely as anticipated, we would expect interest rate volatility to decline, the yield curve to steepen, and quantitative tightening to conclude. Importantly, the precise timing of Fed rate cuts is not a critical factor in our favorable long-term performance expectations for Agency RMBS.

During the first quarter, the 10-year U.S. Treasury increased 32 basis points, and the current coupon Agency RMBS spread to a blend of 5- and 10-year Treasuries was unchanged at 139 basis points as of March 31, 2024.

For the quarter, AGNC earned total comprehensive income of $0.48 per diluted common share and generated a total economic return of 5.7% on tangible common equity comprised of $0.36 dividends declared per common share and a $0.14 increase in tangible net book value per common share. These results compare to total comprehensive income of $1.00 per diluted common share and economic return of 12.1% for the prior quarter. Net spread and dollar roll income per diluted common share (a non-GAAP measure) totaled $0.58 for the first quarter, a decline of 2 cents per share from the prior quarter, as higher swap costs more than offset the increase in the average asset yield on our portfolio.

We maintained a large interest rate hedge position during the quarter, which covered 99% of the outstanding balance of Investment Securities Repo, TBA position and other debt as of the end of the quarter. This was a slight decrease from 112% as of December 31, 2023. “At risk” leverage was largely unchanged at 7.1x of our tangible stockholders’ equity as of March 31, 2024, compared to 7.0x as of December 31, 2023. Our unencumbered cash and Agency RMBS grew to $5.4 billion, or 67% of our tangible stockholders' equity, as of the end of the first quarter, up from $5.1 billion, or 66% of tangible stockholders’ equity, as of December 31, 2023. The weighted average coupon on our fixed-rate Agency RMBS and TBA securities increased slightly to 4.86%, from 4.83%, as of the end of the quarter, as we continued to shift a larger share of our asset portfolio toward higher coupon, high-quality specified pools. Additionally, we issued $241 million of accretive common equity during the quarter through our At-the-Market offering program to capitalize on our material price to book premium.

While market turbulence may persist in the short term due to factors such as inflation expectations and geopolitical risks, we believe AGNC is well positioned to navigate this environment. Our active management strategy, strategic focus on high-quality Agency RMBS assets, attractive funding sources, and strong liquidity position should allow us not only to withstand episodes of volatility but also to take advantage of attractive investment opportunities as they arise.

For information regarding non-GAAP financial measures, including reconciliations to the most comparable GAAP measure please refer to Results of Operations included in this MD&A below. For information regarding the sensitivity of our tangible net book value per common share to changes in interest rates and mortgage spreads, please refer to Item 3. *Quantitative and Qualitative Disclosures about Market Risk* in this form 10-Q.

__Market Information__

The following table summarizes benchmark interest rates and prices of generic fixed rate Agency RMBS as of each date presented below:

Interest Rate/Security Price [1]	Mar. 31, 2023	June 30, 2023	Sept. 30, 2023	Dec. 31, 2023	Mar. 31, 2024	Mar. 31, 2024 vs Dec. 31, 2023
Target Federal Funds Rate:						
Target Federal Funds Rate - Upper Band	5.00%	5.25%	5.50%	5.50%	5.50%	— bps
SOFR:						
SOFR Rate	4.87%	5.09%	5.31%	5.38%	5.34%	-4 bps
SOFR Interest Rate Swap Rate:						
2-Year Swap	4.06%	4.82%	4.97%	4.07%	4.55%	+48 bps
5-Year Swap	3.34%	3.94%	4.38%	3.53%	3.98%	+45 bps
10-Year Swap	3.17%	3.58%	4.27%	3.47%	3.84%	+37 bps
30-Year Swap	2.93%	3.20%	4.01%	3.32%	3.62%	+30 bps
U.S. Treasury Security Rate:						
2-Year U.S. Treasury	4.03%	4.90%	5.05%	4.25%	4.62%	+37 bps
5-Year U.S. Treasury	3.58%	4.16%	4.61%	3.85%	4.21%	+36 bps
10-Year U.S. Treasury	3.47%	3.84%	4.57%	3.88%	4.20%	+32 bps
30-Year U.S. Treasury	3.65%	3.86%	4.70%	4.03%	4.34%	+31 bps
30-Year Fixed Rate Agency Price:						
2.5%	$86.16	$84.77	$79.39	$85.24	$82.77	-$2.47
3.0%	$89.63	$88.01	$82.75	$88.58	$86.16	-$2.42
3.5%	$92.82	$91.11	$86.02	$91.86	$89.61	-$2.25
4.0%	$95.59	$93.84	$89.09	$94.69	$92.74	-$1.95
4.5%	$97.92	$96.14	$91.85	$97.04	$95.34	-$1.70
5.0%	$99.69	$98.00	$94.39	$99.04	$97.70	-$1.34
5.5%	$101.00	$99.55	$96.68	$100.56	$99.58	-$0.98
6.0%	$102.08	$100.88	$98.74	$101.63	$100.98	-$0.65
6.5%	$103.23	$102.12	$100.52	$102.51	$102.21	-$0.30
15-Year Fixed Rate Agency Price:						
1.5%	$87.95	$86.30	$83.27	$86.86	$86.69	-$0.17
2.0%	$90.36	$88.61	$85.81	$89.47	$88.71	-$0.76
2.5%	$92.83	$90.98	$88.21	$92.14	$91.07	-$1.07
3.0%	$94.83	$93.32	$90.54	$94.30	$93.17	-$1.13
3.5%	$96.68	$95.14	$92.52	$96.39	$95.13	-$1.26
4.0%	$98.41	$96.59	$94.42	$98.10	$96.95	-$1.15

1. Price information is for generic instruments only and is not reflective of our specific portfolio holdings. Price information is as of 3:00 p.m. (EST) on such date and can vary by source. Price information is sourced from Barclays. Interest rate information is sourced from Bloomberg.

The following table summarizes mortgage and credit spreads as of each date presented below:

Mortgage Rate/Credit Spread	Mar. 31, 2023	June 30, 2023	Sept. 30, 2023	Dec. 31, 2023	Mar. 31, 2024	Mar. 31, 2024 vs Dec. 31, 2023
Mortgage Rate: [1]						
30-Year Agency Current Coupon Yield to 5-Year U.S. Treasury Spread	147	147	175	140	139	-1
30-Year Agency Current Coupon Yield to 10-Year U.S. Treasury Spread	158	179	179	137	140	+3
30-Year Agency Current Coupon Yield to 5/10-Year U.S. Treasury Spread	152	163	177	139	139	—
30-Year Agency Current Coupon Yield	5.05%	5.63%	6.36%	5.25%	5.60%	+35 bps
30-Year Mortgage Rate	6.40%	6.78%	7.41%	6.56%	6.74%	+18 bps
Credit Spread (in bps): [2]						
CRT M2	423	360	252	206	182	-24
CMBS AAA	171	151	137	118	88	-30
CDX IG	76	66	74	56	51	-5

1. 30-Year Current Coupon Yield represents yield on new production Agency RMBS. 30-Year Current Coupon Yields are sourced from Bloomberg and 30-Year Mortgage Rates are sourced from Clear Blue.
2. CRT and CDX spreads sourced from JP Morgan. CMBS spreads are the average of spreads sourced from Bank of America, JP Morgan and Wells Fargo.

FINANCIAL CONDITION

As of March 31, 2024 and December 31, 2023, our investment portfolio totaled $63.3 billion and $60.2 billion, respectively, consisting of: $53.7 billion and $53.8 billion Agency RMBS, at fair value, respectively; $8.4 billion and $5.4 billion net TBA securities, at fair value, respectively; $1.0 billion CRT, non-Agency RMBS and CMBS, at fair value; and other mortgage credit investments of $59 million and $44 million, respectively, which we account for under the equity method of accounting. The following table is a summary of our investment securities (including TBA securities) as of March 31, 2024 and December 31, 2023 (dollars in millions):

	March 31, 2024				December 31, 2023			
Investment Securities (Includes TBAs) [1]	**Amortized Cost**	**Fair Value**	**Average Coupon**	**%**	**Amortized Cost**	**Fair Value**	**Average Coupon**	**%**
Fixed rate Agency RMBS and TBA securities:								
≤ 15-year:								
≤ 15-year RMBS	$ 127	$ 119	2.77 %	— %	$ 759	$ 718	3.25 %	1 %
15-year TBA securities	89	90	5.00 %	— %	89	91	5.00 %	— %
Total ≤ 15-year	216	209	3.70 %	— %	848	809	3.44 %	1 %
20-year RMBS	849	734	2.82 %	1 %	872	768	2.82 %	1 %
30-year:								
30-year RMBS	54,489	51,914	4.88 %	82 %	53,658	51,675	4.82 %	86 %
30-year TBA securities, net [2]	8,316	8,358	4.97 %	13 %	5,199	5,263	5.50 %	9 %
Total 30-year	62,805	60,272	4.89 %	95 %	58,857	56,938	4.88 %	95 %
Total fixed rate Agency RMBS and TBA securities	63,870	61,215	4.86 %	97 %	60,577	58,515	4.83 %	97 %
Adjustable rate Agency RMBS	722	716	4.72 %	1 %	293	290	4.67 %	— %
Multifamily	75	75	3.77 %	— %	161	162	4.47 %	— %
CMO Agency RMBS:								
CMO	120	113	3.30 %	— %	127	120	3.28 %	— %
Interest-only strips	38	33	1.78 %	— %	40	35	1.77 %	— %
Principal-only strips	27	25	— %	— %	27	26	— %	— %
Total CMO Agency RMBS	185	171	2.03 %	— %	194	181	2.03 %	1 %
Total Agency RMBS and TBA securities	64,852	62,177	4.83 %	98 %	61,225	59,148	4.80 %	98 %
Non-Agency RMBS [1]	19	14	6.19 %	— %	43	34	5.10 %	— %
CMBS	304	280	7.28 %	— %	303	273	7.27 %	— %
CRT	694	753	10.72 %	1 %	682	723	10.45 %	1 %
Total investment securities	$ 65,869	$ 63,224	4.90 %	100 %	$ 62,253	$ 60,178	4.88 %	100 %

1. Table excludes other mortgage credit investments of $59 million and $44 million as of March 31, 2024 and December 31, 2023, respectively.
2. TBA securities are presented net of long and short positions. For further details of our TBA securities refer to Note 5 of our Consolidated Financial Statements in this Form 10-Q

TBA securities are recorded as derivative instruments in our accompanying consolidated financial statements, and our TBA dollar roll transactions represent a form of off-balance sheet financing. As of March 31, 2024 and December 31, 2023, our TBA securities had a net carrying value of $43 million and $66 million, respectively, reported in derivative assets/(liabilities) on our accompanying consolidated balance sheets. The net carrying value represents the difference between the fair value of the underlying security in the TBA contract and the price to be paid or received for the underlying security.

As of March 31, 2024 and December 31, 2023, the weighted average yield on our investment securities (excluding TBA and forward settling securities) was 4.52% and 4.41%, respectively.

The following tables summarize certain characteristics of our fixed rate Agency RMBS portfolio, inclusive of TBA securities, as of March 31, 2024 and December 31, 2023 (dollars in millions):

	March 31, 2024								
	Includes Net TBA Position					Excludes Net TBA Position			
							Weighted Average		
Fixed Rate Agency RMBS and TBA Securities	Par Value	Amortized Cost	Fair Value	Specified Pool % [1]	Weighted Average Coupon	Amortized Cost Basis	Yield [2]	Age (Months)	Projected CPR [2]
Fixed rate									
≤ 15-year:									
≤ 2.5%	56	57	51	100%	2.15%	101.7%	1.76%	67	10%
3.0%	46	46	44	100%	3.00%	101.0%	2.40%	128	14%
3.5%	12	12	12	100%	3.50%	101.4%	2.61%	129	14%
4.0%	11	11	11	6%	4.00%	101.7%	1.92%	157	26%
4.5%	1	1	1	100%	4.50%	101.5%	2.69%	157	23%
5.0%	90	89	90	—%	5.00%	100.8%	2.27%	171	44%
Total ≤ 15-year	216	216	209	52%	3.70%	101.4%	2.10%	103	14%
20-year:									
≤ 2.0%	214	220	181	—%	2.00%	102.6%	1.58%	40	5%
2.5%	329	345	289	—%	2.50%	104.7%	1.73%	45	5%
3.0%	26	27	24	97%	3.00%	103.6%	2.29%	56	8%
3.5%	112	114	107	79%	3.50%	101.8%	2.97%	127	9%
≥ 4.0%	137	143	133	96%	4.26%	104.5%	3.15%	86	10%
Total 20-year:	818	849	734	32%	2.82%	103.7%	2.12%	62	6%
30-year:									
≤ 3.0%	4,037	4,035	3,358	56%	2.43%	99.9%	2.43%	36	6%
3.5%	5,560	5,774	5,092	85%	3.50%	104.1%	2.84%	100	7%
4.0%	6,338	6,696	5,997	92%	4.00%	105.6%	3.08%	83	8%
4.5%	7,670	7,811	7,388	52%	4.50%	103.8%	3.85%	48	8%
5.0%	11,408	11,321	11,205	33%	5.00%	100.7%	4.86%	18	8%
5.5%	13,542	13,588	13,572	28%	5.50%	100.6%	5.40%	13	10%
6.0%	9,148	9,263	9,314	35%	6.00%	101.2%	5.71%	9	15%
≥ 6.5%	4,217	4,317	4,346	39%	6.51%	102.6%	5.81%	8	17%
Total 30-year	61,920	62,805	60,272	46%	4.89%	102.1%	4.48%	36	10%
Total fixed rate	$ 62,954	$ 63,870	$ 61,215	46%	4.86%	102.1%	4.44%	37	10%

1. 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 December 2018 and backed by 100% refinance loans with original LTVs ≥ 80%), and pools backed by loans 100% originated in New York and Puerto Rico. As of March 31, 2024, lower balance specified pools had a weighted average original loan balance of $188,000 and $153,000 for 15-year and 30-year securities, respectively, and HARP pools had a weighted average original LTV of 128% and 141% for 15-year and 30-year securities, respectively.
2. Portfolio yield incorporates a projected life CPR based on forward rate assumptions as of March 31, 2024.

Fixed Rate Agency RMBS and TBA Securities	December 31, 2023 Includes Net TBA Position Par Value	Amortized Cost	Fair Value	Specified Pool % [1]	Weighted Average Coupon	Excludes Net TBA Position Amortized Cost Basis	Weighted Average Yield [2]	Weighted Average Age (Months)	Projected CPR [2]
Fixed rate									
≤ 15-year:									
≤ 2.5%	58	59	54	100%	2.16%	101.7%	1.77%	65	10%
3.0%	442	450	423	99%	3.00%	101.5%	2.54%	71	10%
3.5%	14	14	13	100%	3.50%	101.5%	2.60%	126	14%
4.0%	229	235	227	95%	4.00%	102.8%	2.98%	70	13%
4.5%	1	1	1	99%	4.50%	101.7%	2.70%	154	21%
≥ 5.0%	90	89	91	—%	5.00%	100.9%	2.54%	168	41%
Total ≤ 15-year	834	848	809	87%	3.44%	101.9%	2.62%	71	11%
20-year:									
≤ 2.0%	219	225	188	—%	2.00%	102.6%	1.58%	37	5%
2.5%	337	352	301	—%	2.50%	104.7%	1.72%	42	6%
3.0%	27	28	25	97%	3.00%	103.6%	2.28%	53	8%
3.5%	117	119	113	79%	3.50%	101.7%	2.96%	125	10%
≥ 4.0%	142	148	141	96%	4.26%	104.3%	3.14%	83	11%
Total 20-year:	842	872	768	32%	2.82%	103.6%	2.11%	59	7%
30-year:									
≤ 3.0%	3,816	3,861	3,263	55%	2.43%	101.0%	2.28%	34	6%
3.5%	5,580	5,811	5,230	86%	3.50%	104.1%	2.84%	97	7%
4.0%	6,586	6,960	6,358	92%	4.00%	105.7%	3.08%	80	8%
4.5%	6,542	6,763	6,426	64%	4.50%	103.9%	3.83%	46	8%
5.0%	9,696	9,719	9,657	39%	5.00%	100.5%	4.91%	14	9%
5.5%	12,352	12,391	12,486	25%	5.50%	100.6%	5.39%	10	12%
6.0%	9,305	9,384	9,507	22%	6.00%	101.0%	5.71%	7	19%
≥ 6.5%	3,889	3,968	4,011	29%	6.50%	102.3%	5.78%	6	21%
Total 30-year	57,766	58,857	56,938	46%	4.88%	102.2%	4.41%	35	11%
Total fixed rate	$ 59,442	$ 60,577	$ 58,515	47%	4.83%	102.2%	4.34%	35	11%

1. See Note 1 of preceding table for specified pool composition. As of December 31, 2023, lower balance specified pools had a weighted average original loan balance of $132,000 and $153,000 for 15-year and 30-year securities, respectively, and HARP pools had a weighted average original LTV of 128% and 141% for 15-year and 30-year securities, respectively.
2. Portfolio yield incorporates a projected life CPR based on forward rate assumptions as of December 31, 2023.

For additional details regarding our CRT and non-Agency securities, including credit ratings, as of March 31, 2024 and December 31, 2023, please refer to Note 3 of our Consolidated Financial Statements in this Form 10-Q.

RESULTS OF OPERATIONS

Non-GAAP Financial Measures

In addition to the results presented in accordance with GAAP, our results of operations discussed below include certain non-GAAP financial information, including "economic interest income," "economic interest expense," and "net spread and dollar roll income available to common stockholders"[1] and the related per common share measures and certain financial metrics derived from such non-GAAP information.

"Economic interest income" is measured as interest income (GAAP measure), adjusted to (i) exclude retrospective "catch-up" adjustments to premium amortization cost associated with changes in projected CPR estimates and (ii) include TBA dollar roll implied interest income. "Economic interest expense" is measured as interest expense (GAAP measure) adjusted to include TBA dollar roll implied interest expense/benefit and interest rate swap periodic cost/income. "Net spread and dollar roll income available to common stockholders" is measured as comprehensive income (loss) available (attributable) to common stockholders (GAAP measure) adjusted to: (i) exclude gains/losses on investment securities recognized through net income and other comprehensive income and gains/losses on derivative instruments and other securities (GAAP measures); (ii) exclude retrospective "catch-up" adjustments to premium amortization cost associated with changes in projected CPR estimates; and (iii) include interest rate swap periodic income/cost, TBA dollar roll income and other interest income/expense. As defined "Net spread and dollar roll income available to common stockholders" includes (i) the components of "economic interest income" and "economic interest expense", plus (ii) other interest income/expense, and less (iii) total operating expenses and dividends on preferred stock (GAAP measures).

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

Specifically, in the case "net spread and dollar roll income available to common stockholders" and components of such measure, "economic interest income" and "economic interest expense," 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 consolidated statement of comprehensive income, are economically equivalent to holding and financing generic Agency RMBS using short-term repurchase agreements. Similarly, we believe that the inclusion of periodic interest rate swap settlements is meaningful as interest rate swaps are the primary instrument we use to economically hedge against fluctuations in our borrowing costs and it is more indicative of our total cost of funds than interest expense alone. Additionally, we believe the exclusion of "catch-up" premium amortization adjustments 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 adjustments is more indicative of the current earnings potential of our investment portfolio.

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.

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1. Prior to December 31, 2023, "Net spread and dollar roll income available to common stockholders" was referred to as "net spread and dollar roll income, excluding 'catch-up' premium amortization, available to common stockholders". "Net spread and dollar roll income available to common stockholders" continues to exclude "catch-up" premium amortization.

Selected Financial Data

The following selected financial data is derived from our interim consolidated financial statements and the notes thereto. The tables below present our condensed consolidated balance sheets as of March 31, 2024 and December 31, 2023 and condensed consolidated statements of comprehensive income and key statistics for the three months ended March 31, 2024 and 2023 (in millions, except per share amounts):

Balance Sheet Data	**March 31, 2024**	**December 31, 2023**
	(Unaudited)	
Investment securities, at fair value of $54,776 and $54,824, respectively, and other mortgage credit investments	$ 54,835	$ 54,868
Total assets	$ 71,876	$ 71,596
Repurchase agreements and other debt	$ 50,047	$ 50,506
Total liabilities	$ 63,298	$ 63,339
Total stockholders' equity	$ 8,578	$ 8,257
Net book value per common share [1]	$ 9.57	$ 9.46
Tangible net book value per common share [2]	$ 8.84	$ 8.70

Statement of Comprehensive Income Data (Unaudited)	Three Months Ended March 31, 2024	2023
Interest income	$ 642	$ 351
Interest expense	672	449
Net interest income (expense)	(30)	(98)
Other gain (loss), net	497	(31)
Operating expenses	24	22
Net income (loss)	443	(151)
Dividends on preferred stock	31	30
Net income (loss) available (attributable) to common stockholders	$ 412	$ (181)
Net income (loss)	$ 443	$ (151)
Other comprehensive income (loss), net	(77)	142
Comprehensive income (loss)	366	(9)
Dividends on preferred stock	31	30
Comprehensive income (loss) available (attributable) to common stockholders	$ 335	$ (39)
Weighted average number of common shares outstanding - basic	702.2	579.3
Weighted average number of common shares outstanding - diluted	704.2	579.3
Net income (loss) per common share - basic	$ 0.59	$ (0.31)
Net income (loss) per common share - diluted	$ 0.59	$ (0.31)
Comprehensive income (loss) per common share - basic	$ 0.48	$ (0.07)
Comprehensive income (loss) per common share - diluted	$ 0.48	$ (0.07)
Dividends declared per common share	$ 0.36	$ 0.36

Other Data (Unaudited) *	Three Months Ended March 31, 2024	2023
Average investment securities - at par	$ 55,455	$ 46,374
Average investment securities - at cost	$ 56,664	$ 47,846
Average net TBA dollar roll position - at cost	$ 6,190	$ 17,851
Average total assets - at fair value	$ 70,731	$ 58,267
Average repurchase agreements and other debt outstanding [3]	$ 48,730	$ 39,824
Average stockholders' equity [4]	$ 8,328	$ 8,053
Average tangible net book value "at risk" leverage [5]	7.0:1	7.7:1
Tangible net book value "at risk" leverage *(as of period end)* [6]	7.1:1	7.2:1
Economic return on tangible common equity [7]	5.7 %	(0.7)%
Expenses % of average total assets - annualized	0.14 %	0.15 %
Expenses % of average assets, including average net TBA position - annualized	0.12 %	0.12 %
Expenses % of average stockholders' equity - annualized	1.15 %	1.09 %

* Except as noted below, average numbers for each period are weighted based on days on our books and records.

1. Net book value per common share is calculated as total stockholders' equity, less preferred stock liquidation preference, divided by number of common shares outstanding as of period end.
2. Tangible net book value per common share excludes goodwill.
3. Amount represents the daily weighted average repurchase agreements outstanding for the period used to fund our investment securities and other debt. Amount excludes U.S. Treasury repurchase agreements and TBA contracts. Other debt includes debt of consolidated VIEs.
4. Average stockholders' equity calculated as average month-ended stockholders' equity during the period.
5. Average tangible net book value "at risk" leverage is calculated by dividing the sum of daily weighted average repurchase agreements used to fund our investment securities, other debt, and TBA and forward settling securities (at cost) (collectively "mortgage borrowings") outstanding for the period by the sum of average stockholders' equity adjusted to exclude goodwill for the period. Leverage excludes U.S. Treasury repurchase agreements.
6. Tangible net book value "at risk" leverage as of period end is calculated by dividing the sum of mortgage borrowings outstanding and receivable/payable for unsettled investment securities as of period end by the sum of total stockholders' equity adjusted to exclude goodwill as of period end. Leverage excludes U.S. Treasury repurchase agreements.

7. Economic return on tangible common equity represents the sum of the change in tangible net book value per common share and dividends declared per share of common stock during the period over beginning tangible net book value per common share.

Economic Interest Income and Asset Yields

The following table summarizes our economic interest income (a non-GAAP measure) for the three months ended March 31, 2024 and 2023, which includes the combination of interest income (a GAAP measure) on our holdings reported as investment securities on our consolidated balance sheets, adjusted to exclude estimated "catch-up" premium amortization adjustments for the cumulative effect from prior reporting periods due to changes in our CPR forecast, and implied interest income on our TBA securities (dollars in millions):

	Three Months Ended March 31,			
	2024		2023	
	Amount	Yield	Amount	Yield
Interest income:				
Cash/coupon interest income	$ 679	4.90 %	$ 471	4.06 %
Net premium amortization benefit (cost)	(37)	(0.37)%	(120)	(1.13)%
Interest income (GAAP measure)	642	4.53 %	351	2.93 %
Estimated "catch-up" premium amortization cost (benefit) due to change in CPR forecast	(10)	(0.07)%	69	0.58 %
Interest income, excluding "catch-up" premium amortization	632	4.46 %	420	3.51 %
TBA dollar roll income - implied interest income [1,2]	84	5.40 %	220	4.93 %
Economic interest income (non-GAAP measure) [3]	$ 716	4.56 %	$ 640	3.90 %
Weighted average actual portfolio CPR for investment securities held during the period	5.7 %		5.2 %	
Weighted average projected CPR for the remaining life of investment securities held as of period end	10.4 %		10.0 %	
30-year fixed rate mortgage rate as of period end [4]	6.74 %		6.40 %	
10-year U.S. Treasury rate as of period end [4]	4.20 %		3.47 %	

1. Reported in gain (loss) on derivatives instruments and other securities, net in the accompanying consolidated statements of operations.
2. Implied interest income from TBA dollar roll transactions is computed as the sum of (i) TBA dollar roll income and (ii) estimated TBA implied funding cost (see *Economic Interest Expense and Aggregate Cost of Funds* below). TBA dollar roll income represents the price differential, or "price drop," between the TBA price for current month settlement versus the TBA price for forward month settlement and is the economic equivalent to interest income on the underlying Agency securities, less an implied funding cost, over the forward settlement period. Amount is net of TBAs used for hedging purposes. Amount excludes TBA mark-to-market adjustments.
3. The combined asset yield is calculated on a weighted average basis based on our average investment and TBA balances outstanding during the period and their respective yields.
4. 30-year fixed rate mortgage rates are sourced from Optimal Blue. 10-year U.S. Treasury rates are sourced from Bloomberg.

The principal elements impacting our economic interest income are the average size of our investment portfolio and the average yield on our securities. The following table includes a summary of the estimated impact of each of these elements on our economic interest income for the three months ended March 31, 2024 compared to the prior year period (in millions):

Impact of Changes in the Principal Elements Impacting Economic Interest Income

Three Months Ended March 31, 2024 vs. March 31, 2023			
		Due to Change in Average	
	Total Increase / (Decrease)	Portfolio Size	Asset Yield
Interest Income (GAAP measure)	$ 291	$ 65	$ 226
Estimated "catch-up" premium amortization due to change in CPR forecast	(79)	—	(79)
Interest income, excluding "catch-up" premium amortization	212	65	147
TBA dollar roll income - implied interest income	(136)	(144)	8
Economic interest income, excluding "catch-up" amortization (non-GAAP measure)	$ 76	$ (79)	$ 155

Our average investment portfolio (at cost), inclusive of TBAs, decreased 4% for the three months ended March 31, 2024. The decline was primarily due to operating with lower "at risk" leverage, partly offset by a modest increase in our average stockholders' equity. The average yield on our investment portfolio, including TBA implied asset yields and excluding "catch-up" premium amortization, increased 66 basis points for the three months ended March 31, 2024 largely as a result of shifting our asset portfolio away from TBA and lower coupon holdings toward a greater share of higher coupon, high-quality specified pools.

Leverage

Our primary measure of leverage is our tangible net book value "at risk" leverage ratio, which is measured as the sum of our repurchase agreements and other debt used to fund our investment securities and net TBA and forward settling securities position (at cost) (together referred to as "mortgage borrowings") and our net receivable/payable for unsettled investment securities, divided by our total stockholders' equity adjusted to exclude goodwill.

We include our net TBA position in our measure of leverage because a forward contract to acquire Agency RMBS in the TBA market carries similar risks to Agency RMBS purchased in the cash market and funded with on-balance sheet liabilities. Similarly, a TBA contract for the forward sale of Agency securities has substantially the same effect as selling the underlying Agency RMBS and reducing our on-balance sheet funding commitments. (Refer to *Liquidity and Capital Resources* in this Form 10-Q for further discussion of TBA securities and dollar roll transactions). Repurchase agreements used to fund short-term investments in U.S. Treasury securities ("U.S. Treasury repo") are excluded from our measure of leverage due to the temporary and highly liquid nature of these investments. The following table presents a summary of our leverage ratios for the periods listed (dollars in millions):

	Investment Securities Repurchase Agreements and Other Debt [1]			Net TBA Position Long/(Short) [2]			
Quarter Ended	**Average Daily Amount**	**Maximum Daily Amount**	**Ending Amount**	**Average Daily Amount**	**Ending Amount**	**Average Tangible Net Book Value "At Risk" Leverage during the Period [3]**	**Tangible Net Book Value "At Risk" Leverage as of Period End [4]**
March 31, 2024	$ 48,730	$ 49,894	$ 48,216	$ 6,190	$ 8,405	7.0:1	7.1:1
December 31, 2023	$ 47,548	$ 52,643	$ 48,959	$ 4,993	$ 5,288	7.4:1	7.0:1
March 31, 2023	$ 39,824	$ 42,919	$ 42,022	$ 17,851	$ 10,385	7.7:1	7.2:1

1. Other debt includes debt of consolidated VIEs. Amounts exclude U.S. Treasury repo agreements.
2. Daily average and ending net TBA position outstanding measured at cost. Includes forward settling non-Agency securities.
3. Average tangible net book value "at risk" leverage during the period represents the sum of our daily weighted average repurchase agreements and other debt used to fund acquisitions of investment securities and net TBA and forward settling securities position outstanding, divided by the sum of our average month-ended stockholders' equity, adjusted to exclude goodwill.
4. Tangible net book value "at risk" leverage as of period end represents the sum of our repurchase agreements and other debt used to fund acquisitions of investments securities, net TBA and forward settling securities position (at cost), and net receivable/payable for unsettled investment securities outstanding as of period end, divided by total stockholders' equity, adjusted to exclude goodwill as of period end.

Economic Interest Expense and Aggregate Cost of Funds

The following table summarizes our economic interest expense and aggregate cost of funds (non-GAAP measures) for the three months ended March 31, 2024 and 2023 (dollars in millions), which includes the combination of interest expense on repurchase agreements and other debt used to fund acquisitions of investment securities (GAAP measure), implied financing cost of our TBA securities and interest rate swap periodic income:

	Three Months Ended March 31,			
	2024		2023	
Economic Interest Expense and Aggregate Cost of Funds [1]	**Amount**	**Cost of Funds**	**Amount**	**Cost of Funds**
Investment securities repurchase agreement and other debt - interest expense (GAAP measure)	$ 672	5.45 %	$ 449	4.51 %
TBA dollar roll income - implied interest expense [2,3]	84	5.34 %	202	4.53 %
Economic interest expense - before interest rate swap periodic income, net [4]	756	5.44 %	651	4.52 %
Interest rate swap periodic income, net [2,5]	(536)	(3.86)%	(504)	(3.50)%
Total economic interest expense (non-GAAP measure)	$ 220	1.58 %	$ 147	1.02 %

1. Amounts exclude interest rate swap termination fees and variation margin settlements paid or received, forward starting swaps and the impact of other supplemental hedges, such as swaptions and U.S. Treasury positions.
2. Reported in gain (loss) on derivative instruments and other securities, net in our consolidated statements of comprehensive income.
3. The implied funding cost (benefit) of TBA dollar roll transactions is determined using the price differential, or "price drop," between the TBA price for current month settlement versus the TBA price for forward month settlement and market based assumptions regarding the "cheapest-to-deliver" collateral that can be delivered to satisfy the TBA contract, such as the anticipated collateral's weighted average coupon, weighted average maturity and projected 1-month CPR. The average implied funding cost (benefit) for all TBA transactions is weighted based on our daily average TBA balance outstanding for the period.
4. The combined cost of funds for total mortgage borrowings outstanding, before interest rate swap periodic income, is calculated on a weighted average basis based on average investment securities repurchase agreements, other debt and TBA securities outstanding during the period and their respective cost of funds.

5. Interest rate swap periodic income is measured as a percent of average mortgage borrowings outstanding for the period.

The principal elements impacting our economic interest expense are (i) the size of our average mortgage borrowings and interest rate swap portfolio outstanding during the period, (ii) the average interest rate on our mortgage borrowings and (iii) the average net interest rate paid/received on our interest rate swaps. The following table includes a summary of the estimated impact of these elements on our economic interest expense for the three months ended March 31, 2024 compared to the prior year period (in millions):

Impact of Changes in the Principal Elements of Economic Interest Expense

Three Months Ended March 31, 2024 vs. March 31, 2023

		Due to Change in Average	
	Total Increase / (Decrease)	**Borrowing / Swap Balance**	**Borrowing / Swap Rate**
Investment securities repurchase agreement and other debt interest expense	$ 223	$ 100	$ 123
TBA dollar roll income - implied interest expense	(118)	(132)	14
Interest rate swap periodic income/cost	(32)	55	(87)
Total change in economic interest expense	$ 73	$ 23	$ 50

Our average mortgage borrowings, inclusive of TBAs, decreased 5% for the three months ended March 31, 2024, consistent with the decline in our asset balance and lower operating leverage. The average interest rate on our mortgage borrowings, excluding the impact interest rate swap period income, increased 92 basis points for the three months ended March 31, 2024 due to higher short-term interest rates.

Interest rate swap periodic income increased for the three months ended March 31, 2024 due to higher receive rates on our pay-fixed swaps, partly offset by modestly higher pay rates and a smaller swap balance. The following is a summary of our average interest rate swaps outstanding and the related average swap pay and receive rates for the three months ended March 31, 2024 and 2023 (dollars in millions). Amounts exclude forward starting swaps not yet in effect.

	Three Months Ended March 31,	
Average Ratio of Interest Rate Swaps (Excluding Forward Starting Swaps) to Mortgage Borrowings Outstanding	**2024**	**2023**
Average investment securities repo and other debt outstanding	$ 48,730	$ 39,824
Average net TBA dollar roll position outstanding - at cost	$ 6,190	$ 17,851
Average mortgage borrowings outstanding	$ 54,920	$ 57,675
Average notional amount of interest rate swaps outstanding (excluding forward starting swaps), net	$ 43,903	$ 49,243
Ratio of average interest rate swaps to mortgage borrowings outstanding	80 %	85 %
Average interest rate swap pay-fixed rate (excluding forward starting swaps)	0.84 %	0.45 %
Average interest rate swap receive-floating rate	(5.67)%	(4.54)%
Average interest rate swap net pay/(receive) rate	(4.83)%	(4.09)%

For the three months ended March 31, 2024 and 2023, we had an average forward starting net pay and (receive) fixed rate swap balance of $(0.4) billion and $101 million, respectively. Forward starting interest rate swaps do not impact our economic interest expense and aggregate cost of funds until they commence accruing net interest settlements on their forward start dates.

Net Interest Spread

The following table presents a summary of our net interest spread (including the impact of TBA dollar roll income, interest rate swaps and excluding "catch-up" premium amortization) for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
Investment and TBA Securities - Net Interest Spread	**2024**	**2023**
Average asset yield	4.56 %	3.90 %
Average aggregate cost of funds	(1.58)%	(1.02)%
Average net interest spread	2.98 %	2.88 %

Net Spread and Dollar Roll Income

The following table presents a reconciliation of net spread and dollar roll income available to common stockholders (non-GAAP measure) from comprehensive income (loss) available (attributable) to common stockholders (the most comparable GAAP financial measure) for the three months ended March 31, 2024 and 2023 (dollars in millions):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Comprehensive income (loss) available (attributable) to common stockholders	$ 335	$ (39)
Adjustments to exclude realized and unrealized (gains) losses reported through net income:		
Realized loss on sale of investment securities, net	91	81
Unrealized (gain) loss on investment securities measured at fair value through net income, net	471	(594)
(Gain) loss on derivative instruments and other securities, net	(1,059)	544
Adjustment to exclude unrealized (gain) loss reported through other comprehensive income:		
Unrealized (gain) loss on available-for-sale securities measure at fair value through other comprehensive income, net	77	(142)
Other adjustments:		
Estimated "catch-up" premium amortization cost (benefit) due to change in CPR forecast [1]	(10)	69
TBA dollar roll income, net [2]	—	18
Interest rate swap periodic income, net [2]	536	504
Other interest income (expense), net [2,3]	(35)	(33)
Net spread and dollar roll income available to common stockholders (non-GAAP measure) [4]	406	408
Weighted average number of common shares outstanding - basic	702.2	579.3
Weighted average number of common shares outstanding - diluted	704.2	580.5
Net spread and dollar roll income per common share - basic	$ 0.58	$ 0.70
Net spread and dollar roll income per common share - diluted	$ 0.58	$ 0.70

1. Reported in interest income in our consolidated statements of comprehensive income.
2. Reported in gain (loss) on derivative instruments and other securities, net in our consolidated statements of comprehensive income.
3. Other interest income (expense), net includes interest income on cash and cash equivalents; price alignment interest income (expense) ("PAI") on interest rate swap margin deposits posted by or (to) the Company; and other miscellaneous interest income (expense).
4. Prior to December 31, 2023, this measure was referred to as "net spread and dollar roll income, excluding 'catch-up' premium amortization cost/benefit, per common share." Though it continues to exclude "catch-up" premium amortization cost/benefit, its title has been condensed to its revised title in the table above.

Gain (Loss) on Investment Securities, Net

The following table is a summary of our net gain (loss) on investment securities for the three months ended March 31, 2024 and 2023 (in millions):

Gain (Loss) on Investment Securities, Net [1]	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Loss on sale of investment securities, net	$ (91)	$ (81)
Unrealized (loss) gain on investment securities measured at fair value through net income, net [2]	(471)	594
Unrealized (loss) gain on investment securities measured at fair value through other comprehensive income, net	(77)	142
Total loss on investment securities, net	$ (639)	$ 655

1. Amounts exclude gain (loss) on TBA securities, which are reported in gain (loss) on derivative instruments and other securities, net in our Consolidated Statements of Comprehensive Income.
2. Investment securities acquired after fiscal year 2016 are measured at fair value through net income (see Note 2 of our Consolidated Financial Statements in this Form 10-Q).

Gain (Loss) on Derivative Instruments and Other Securities, Net

The following table is a summary of our gain (loss) on derivative instruments and other securities, net for the three months ended March 31, 2024 and 2023 (in millions):

	Three Months Ended March 31,	
	2024	2023
TBA securities, dollar roll income	$ —	$ 18
TBA securities, mark-to-market loss	(58)	94
Interest rate swaps, periodic income (cost)	536	504
Interest rate swaps, mark-to-market gain (loss)	113	(736)
Credit default swaps - buy protection	(3)	(3)
Payer swaptions	33	(66)
U.S. Treasury securities - short position	338	(157)
U.S. Treasury securities - long position	(43)	75
U.S. Treasury futures contracts - short position	186	(235)
SOFR futures contracts - long position	(10)	(3)
Other interest income (expense), net	(35)	(33)
Other gain (loss), net	2	(2)
Total gain (loss) on derivative instruments and other securities, net	$ 1,059	$ (544)

For further details regarding our use of derivative instruments and related activity refer to Notes 2 and 5 of our Consolidated Financial Statements in this Form 10-Q.

LIQUIDITY AND CAPITAL RESOURCES

Our business is dependent on our ability to maintain adequate levels of liquidity and capital resources to fund day-to-day operations, fulfill collateral requirements under our funding and derivative agreements, and to satisfy our dividend distribution requirement of at least 90% of our taxable income to maintain our qualification as a REIT. Our primary sources of liquidity are unencumbered cash and securities, borrowings available under repurchase agreements, TBA dollar roll financing and monthly receipts of principal and interest payments. We may also conduct asset sales, change our asset or funding mix, issue equity or undertake other capital enhancing actions to maintain adequate levels of liquidity and capital resources. There are various risks and uncertainties that can impact our liquidity, such as those described in Item 1A. *Risk Factors* of our most recent Annual Report on Form 10-K and Item 3. *Quantitative and Qualitative Disclosures of Market Risks* in this Form 10-Q. In assessing our liquidity, we consider a number of factors, including our current leverage, collateral levels, access to capital markets, overall market conditions, and the sensitivity of our tangible net book value over a range of scenarios. We believe that we have sufficient liquidity and capital resources available to meet our obligations and execute our business strategy.

Leverage and Financing Sources

Our leverage will vary depending on market conditions and our assessment of relative risks and returns, but we generally expect our leverage to be between six and twelve times the amount of our tangible stockholders' equity, measured as the sum of our total mortgage borrowings and net payable / (receivable) for unsettled investment securities, divided by the sum of our total stockholders' equity adjusted to exclude goodwill. Our tangible net book value "at risk" leverage ratio was 7.1x and 7.0x as of March 31, 2024 and December 31, 2023, respectively. The following table includes a summary of our mortgage borrowings outstanding as of March 31, 2024 and December 31, 2023 (dollars in millions). For additional details of our mortgage borrowings refer to Notes 2, 4 and 5 to our Consolidated Financial Statements in this Form 10-Q.

	March 31, 2024		December 31, 2023	
Mortgage Borrowings	**Amount**	**%**	**Amount**	**%**
Investment securities repurchase agreements [1,2]	$ 48,140	85 %	$ 48,879	90 %
Debt of consolidated variable interest entities, at fair value	76	— %	80	— %
Total debt	48,216	85 %	48,959	90 %
TBA and forward settling non-Agency securities, at cost	8,405	15 %	5,288	10 %
Total mortgage borrowings	$ 56,621	100 %	$ 54,247	100 %

1. Includes Agency RMBS, CRT and non-Agency MBS repurchase agreements. Excludes U.S. Treasury repurchase agreements totaling $1.8 billion and $1.5 billion as of March 31, 2024 and December 31, 2023, respectively.
2. As of March 31, 2024 and December 31, 2023, 42% and 43%, respectively, of our total repurchase agreements, including 43% and 45% or our investment securities repurchase agreements, respectively, were funded through the Fixed Income Clearing Corporation's GCF Repo service.

Our primary financing sources are collateralized borrowings structured as repurchase agreements. We enter into repurchase agreements, or "repo," through bi-lateral arrangements with financial institutions and independent dealers. We also enter into third-party repurchase agreements through our wholly-owned registered broker-dealer subsidiary, Bethesda Securities, LLC, such as tri-party repo offered through the FICC's GCF Repo service. We manage our repurchase agreement funding position through a variety of methods, including diversification of counterparties, maintaining a suitable maturity profile and utilization of interest rate hedging strategies. We also use TBA dollar roll transactions as a means of synthetically financing Agency RMBS.

The terms and conditions of our repurchase agreements are determined on a transaction-by-transaction basis when each such borrowing is initiated or renewed and, in the case of GCF Repo, by the prevailing margin requirements calculated by the FICC, which acts as the central counterparty. The amount borrowed is generally equal to the fair value of the securities pledged, as determined by the lending counterparty, less an assessed discount, referred to as a "haircut," that reflects the underlying risk of the specific collateral and protects the counterparty against a change in its value. Interest rates are generally fixed based on prevailing rates corresponding to the term of the borrowing. None of our repo counterparties are obligated to renew or otherwise enter into new borrowings at the conclusion of our existing borrowings.

The use of TBA dollar roll transactions increases our funding diversification, expands our available pool of assets, and increases our overall liquidity position, as TBA contracts typically have lower implied haircuts relative to Agency RMBS pools funded with repo financing. TBA dollar roll transactions may also have a lower implied cost of funds than comparable repo funded transactions (referred to as "dollar roll specialness") offering incremental return potential. However, if it were to become uneconomical to roll our TBA contracts into future months it may be necessary to take physical delivery of the underlying securities and fund those assets with cash or other financing sources, which could reduce our liquidity position.

Collateral Requirements and Unencumbered Assets

Amounts available to be borrowed under our repurchase agreements are dependent upon prevailing interest rates, the lender’s "haircut" requirements and collateral value. Each of these elements may fluctuate with changes in interest rates, credit quality and liquidity conditions within the financial markets. To help manage the adverse impact of interest rate changes on our borrowings, we utilize an interest rate risk management strategy involving the use of derivative financial instruments. In particular, we attempt to mitigate the risk of the cost of our short-term funding liabilities increasing at a faster rate than the earnings of our long-term fixed rate assets during a period of rising interest rates.

The collateral requirements, or haircut levels, under our repo agreements are typically determined on an individual transaction basis or by the prevailing requirements established by the FICC for GCF tri-party repo. Consequently, haircut levels and minimum margin requirements can change over time and may increase during periods of elevated market volatility. If the fair value of our collateral declines, our counterparties will typically require that we post additional collateral to re-establish the agreed-upon collateral levels, referred to as "margin calls." Similarly, if the estimated fair value of our investment securities increases, we may request that counterparties release collateral back to us. Our counterparties typically have the sole discretion to determine the value of pledged collateral but are required to act in good faith in making determinations of value. Our agreements generally provide that in the event of a margin call, collateral must be posted on the same business day, subject to notice requirements. As of March 31, 2024, we had met all our margin requirements.

The value of Agency RMBS collateral is impacted by market factors and is reduced by monthly principal pay-downs on the underlying mortgage pools. Fannie Mae and Freddie Mac publish monthly security pay-down factors for their mortgage pools on the fifth day after month-end, but do not remit payment to security holders until generally the 25th day after month-end. Bi-lateral repo counterparties assess margin to account for the reduction in value of Agency collateral when factors are released. The FICC assesses margin on the last day of each month, prior to the factor release date, based on its internally projected pay-down rates (referred to as the "blackout period exposure adjustment" or "blackout margin"). On the factor release date, the blackout margin is released and collateralization requirements are adjusted to actual factor data. Due to the timing difference between associated margin calls and our receipt of principal pay-downs, our liquidity is temporarily reduced each month for principal repayments. We attempt to manage the liquidity risk associated with principal pay-downs by monitoring conditions impacting prepayment rates and through asset selection. As of March 31, 2024, approximately 13% of our investment portfolio consisted of TBA securities, which are not subject to monthly principal pay-downs. The remainder of our portfolio primarily consisted of Agency RMBS, which had an average one-year CPR forecast of 8%.

Collateral requirements under our derivative agreements are subject to our counterparties' assessment of their maximum risk of loss associated with the derivative instrument, referred to as the initial or minimum margin requirement, and may be adjusted based on changes in market volatility and other factors. We are also subject to daily variation margin requirements based on changes in the value of the derivative instrument and/or collateral pledged. Daily variation margin requirements also entitle us to receive collateral if the value of amounts owed to us under the derivative agreement exceeds the minimum margin requirement. The collateral requirements under our TBA contracts are governed by the Mortgage-Backed Securities Division ("MBSD") of the FICC. Collateral levels for interest rate derivative agreements are typically governed by the central clearing exchange and the associated futures commission merchants ("FCMs"), which may establish margin levels in excess of the clearing exchange. Collateral levels for interest rate derivative agreements not subject to central clearing are established by the counterparty financial institution.

Haircut levels and minimum margin requirements imposed by our counterparties reduce the amount of our unencumbered assets and limit the amount we can borrow against our investment securities. During the three months ended March 31, 2024, haircuts on our repo funding arrangements remained stable. As of March 31, 2024, the weighted average haircut on our repurchase agreements was approximately 3.0% of the value of our collateral, compared to 3.1% as of December 31, 2023.

To mitigate the risk of margins calls, we seek to maintain excess liquidity by holding unencumbered liquid assets that can be used to satisfy collateral requirements, collateralize additional borrowings or sold for cash. As of March 31, 2024, our unencumbered assets totaled approximately $5.4 billion, or 68% of tangible equity, consisting of $5.4 billion of unencumbered cash and Agency RMBS and $0.1 billion of unencumbered credit assets. This compares to $5.2 billion of unencumbered assets, or 67% of tangible equity, as of December 31, 2023, consisting of $5.1 billion of unencumbered cash and Agency RMBS and $0.1 billion of unencumbered credit assets.

Counterparty Risk

Collateral requirements imposed by counterparties subject us to the risk that the counterparty does not return pledged assets to us as and when required. We attempt to manage this risk by monitoring our collateral positions and limiting our counterparties to registered clearinghouses and major financial institutions with acceptable credit ratings. We also diversify our funding across multiple counterparties and by region.

As of March 31, 2024, our maximum amount at risk (or the excess/shortfall of the value of collateral pledged/received over our repurchase agreement liabilities/reverse repurchase agreement receivables) with any of our repurchase agreement counterparties, excluding the FICC, was less than 3% of our tangible stockholders' equity, with our top five repo counterparties, excluding the FICC, representing approximately 6% of our tangible stockholders' equity. As of March 31, 2024, 5% of our tangible stockholder's equity was at risk with the FICC. Excluding central clearing exchanges, as of March 31, 2024, our amount at risk with any counterparty to our derivative agreements was less than 1% of our stockholders' equity.

Asset Sales

Agency RMBS securities are among the most liquid fixed income securities, and the TBA market is the second most liquid market (after the U.S. Treasury market). Although market conditions fluctuate, the vitality of these markets enables us to sell assets under most conditions to generate liquidity through direct sales or delivery into TBA contracts, subject to "good delivery" provisions promulgated by the Securities Industry and Financial Markets Association ("SIFMA"). Under certain market conditions, however, we may be unable to realize the full carrying value of our securities. We attempt to manage this risk by maintaining at least a minimum level of securities that trade at or near TBA values that in our estimation enhances our portfolio liquidity across a wide range of market conditions. Please refer to *Trends and Recent Market Impacts* of this Management Discussion and Analysis for further information regarding Agency RMBS and TBA market conditions.

Capital Markets

The equity capital markets serve as a source of capital to grow our business and to meet potential liquidity needs of our business. The availability of equity capital is dependent on market conditions and investor demand for our common and preferred stock. We will typically not issue common stock at times when we believe the capital raised will not be accretive to our tangible net book value or earnings, and we will typically not issue preferred equity when its cost exceeds acceptable hurdle rates of return on our equity. We may also be unable to raise additional equity capital at suitable times or on favorable terms. Furthermore, when the trading price of our common stock is less than our then-current estimate of our tangible net book value per common share, among other conditions, we may repurchase shares of our common stock pursuant to the stock repurchase plan authorized by our Board of Directors, which has $1 billion in remaining capacity and expires on December 31, 2024. Please refer to Note 9 of our Consolidated Financial Statements in this Form 10-Q for further details regarding our recent equity capital transactions, if any.

OFF-BALANCE SHEET ARRANGEMENTS

As of March 31, 2024, we did not maintain relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance, or special purpose or variable interest entities, established to facilitate off-balance sheet arrangements or other contractually narrow or limited purposes. Additionally, as of March 31, 2024, we had not guaranteed obligations of unconsolidated entities or entered into a commitment or intent to provide funding to such entities.

FORWARD-LOOKING STATEMENTS

The statements contained in this Quarterly Report that are not historical facts, including estimates, projections, beliefs, expectations concerning conditions, events, or the outlook for our business, strategy, performance, operations or the markets or industries in which we operate, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements are typically identified by words such as “believe,” “plan,” “expect,” “anticipate,” “see,” “intend,” “outlook,” “potential,” “forecast,” “estimate,” “will,” “could,” “should,” “likely” and other similar, correlative or comparable words and expressions.

Forward-looking statements are based on management’s assumptions, projections and beliefs as of the date of this Quarterly Report, but they involve a number of risks and uncertainties. Actual results may differ materially from those anticipated in forward-looking statements, as well as from historical performance. Factors that could cause actual results to vary from our forward-looking statements include, but are not limited to, the following:

- changes in U.S. monetary policy or interest rates, including actions taken by the Federal Reserve to normalize monetary policy and to reduce the size of its U.S. Treasury and Agency RMBS bond portfolio;
- fluctuations in the yield curve;
- the level, degree and extent of volatility in interest rates or the yield on our assets relative to interest rate benchmarks;
- fluctuations in mortgage prepayment rates on the loans underlying our Agency RMBS;
- the availability and terms of financing and our hedge positions;
- changes in the market value of our assets, including from changes in net interest spreads, market liquidity or depth, and changes in our "at risk" leverage or hedge positions;

- the effectiveness of our risk mitigation strategies;
- conditions in the market for Agency RMBS and other mortgage securities, including changes in the available supply of such securities or investor appetite therefor;
- actions by the federal, state, or local governments that affect the economy, the housing sector or financial markets;
- the direct or indirect effects of geopolitical events, including war, terrorism, civil discord, embargos, trade or other disputes, or natural disasters, on conditions in the markets for Agency RMBS or other mortgage securities, the terms or availability of funding for our business, or our ongoing business operations;
- the availability of personnel, operational resources, information technology and other systems to conduct our operations;
- changes to laws, regulations, rules or policies that affect U.S. housing finance activity, the GSE's or the markets for Agency RMBS; and
- legislative or regulatory changes that affect our status as a REIT, our exemption from the Investment Company Act of 1940 or the mortgage markets in which we participate.

Forward-looking statements speak only as of the date made, and we do not assume any duty and do not undertake to update forward-looking statements. A further discussion of risks and uncertainties that could cause actual results to differ from any of our forward-looking statements is included under Item 1A. *Risk Factors* in Part I of our most recent Annual Report on Form 10-K and Part II of this Form 10-Q. We caution readers not to place undue reliance on our forward-looking statements.

Item 3. ***Quantitative and Qualitative Disclosures about Market Risk***

Market risk is the exposure to loss resulting from changes in market factors such as interest rates, foreign currency exchange rates, commodity prices and equity prices. The primary market risks that we are exposed to are interest rate, prepayment, spread, liquidity, extension and credit risks.

Interest Rate Risk

We are subject to interest rate risk in connection with the fixed income nature of our assets and the short-term, variable rate nature of our financing obligations. Our operating results depend in large part on differences between the income earned on our assets and our cost of borrowing and hedging activities. The costs associated with our borrowings are generally based on prevailing market interest rates. During a period of rising interest rates, our borrowing costs generally will increase while the yields earned on our existing portfolio of leveraged fixed-rate assets will largely remain static. This can result in a decline in our net interest spread. Changes in the level of interest rates can also affect the rate of mortgage prepayments and the value of our assets.

Interest rates are highly sensitive to many factors, including fiscal and monetary policies and domestic and international economic and political considerations, as well as other factors beyond our control. Subject to maintaining our qualification as a REIT, we engage in a variety of interest rate management techniques to mitigate the influence of interest rate changes on our net interest income and fluctuations of our tangible net book value. The principal instruments that we use to hedge our interest rate risk are interest rate swaps, swaptions, U.S. Treasury securities and U.S. Treasury futures contracts. Our hedging techniques are highly complex and are partly based on assumed levels of prepayments of our assets. If prepayments are slower or faster than assumed, the maturity of our investments will also differ from our expectations, which could reduce the effectiveness of our hedging strategies and may cause losses on such transactions and adversely affect our cash flow.

The severity of potential declines in our tangible net book value due to fluctuations in interest rates would depend on our asset, liability, and hedge composition at the time, as well as the magnitude and duration of the interest rate change. Primary measures of an instrument's price sensitivity to interest rate fluctuations are its duration and convexity. Duration measures the estimated percentage change in market value of an instrument that would be caused by a parallel change in short and long-term interest rates. The duration of our assets will vary with changes in interest rates and tends to increase when interest rates rise and decrease when interest rates fall. This "negative convexity" generally increases the interest rate exposure of our investment portfolio in excess of what is measured by duration alone.

We estimate the duration and convexity of our assets using a third-party risk management system and market data. We review the estimates for reasonableness, giving consideration to any unique characteristics of our securities, market conditions and other factors likely to impact these estimates, and based on our judgement we may make adjustments to the third-party estimates. Our estimated duration gap, which is a measure of the difference between the interest rate sensitivity of our assets and our liabilities, inclusive of interest rate hedges, was 0.2 years as of March 31, 2024, compared to -0.5 years as of December 31, 2023.

The table below quantifies the estimated changes in the fair value of our investment portfolio (including derivatives and other securities used for hedging purposes) and in our tangible net book value per common share as of March 31, 2024 and December 31, 2023 should interest rates go up or down by 25, 50 and 75 basis points, assuming instantaneous parallel shifts in the yield curve and including the impact of both duration and convexity. All values in the table below are measured as percentage changes from the base interest rate scenario. The base interest rate scenario assumes interest rates and prepayment projections as of March 31, 2024 and December 31, 2023.

To the extent that these estimates or other assumptions do not hold true, which may be more likely during periods of elevated market volatility, actual results could differ materially from our projections. Moreover, if different models were employed in the analysis, materially different projections could result. Lastly, while the table below reflects the estimated impact of interest rate changes on a static portfolio, we actively manage our portfolio, and we continuously adjust the size and composition of our asset and hedge portfolio.

Interest Rate Sensitivity [1,2]

	March 31, 2024		December 31, 2023	
Change in Interest Rate	**Estimated Change in Portfolio Market Value**	**Estimated Change in Tangible Net Book Value Per Common Share**	**Estimated Change in Portfolio Market Value**	**Estimated Change in Tangible Net Book Value Per Common Share**
-75 Basis Points	-0.2%	-2.4%	-0.7%	-7.0%
-50 Basis Points	-0.1%	-0.6%	-0.4%	-3.8%
-25 Basis Points	0.0%	+0.1%	-0.1%	-1.5%
+25 Basis Points	-0.1%	-0.9%	+0.1%	+0.7%
+50 Basis Points	-0.3%	-2.5%	+0.1%	+0.7%
+75 Basis Points	-0.5%	-4.7%	0.0%	0.0%

1. Derived from models that are dependent on inputs and assumptions, assumes there are no changes in mortgage spreads and assumes a static portfolio. Actual results could differ materially from these estimates.
2. Includes the effect of derivatives and other securities used for hedging purposes. Interest rates are assumed to be floored at 0% in down rate scenarios.

Prepayment Risk and Extension Risk

Prepayment risk is the risk that our assets will be repaid at a faster rate than anticipated. Interest rates and numerous other factors affect the rate of prepayments, such as housing prices, general economic conditions, loan age, size and loan-to-value ratios, and GSE buyouts of delinquent loans underlying our securities. Generally, declining mortgage rates increase the rate of prepayments, while rising rates have the opposite effect.

If our assets prepay at a faster rate than anticipated, we may be unable to reinvest the repayments at acceptable yields. If the proceeds are reinvested at lower yields than our existing assets, our net interest income would be negatively impacted. We also amortize or accrete premiums and discounts we pay or receive at purchase relative to the stated principal of our assets into interest income over their projected lives using the effective interest method. If the actual and estimated future prepayment experience differs from our prior estimates, we are required to record an adjustment to interest income for the impact of the cumulative difference in the effective yield.

Extension risk is the risk that our assets will be repaid at a slower rate than anticipated and generally increases when interest rates rise. In a rising or higher interest rate environment, we may be required to finance our investments at potentially higher costs without the ability to reinvest principal into higher yielding securities as a result of borrowers prepaying their mortgages at a slower pace than originally anticipated, adversely impacting our net interest spread, and thus our net interest income.

As of March 31, 2024 and December 31, 2023, our investment securities (excluding TBAs) had a weighted average projected CPR of 10.4% and 11.4%, respectively, and a weighted average yield of 4.52% and 4.41%, respectively. The table below presents estimated weighted average projected CPRs and yields for our investment securities should interest rates go up or down instantaneously by 25, 50 and 75 basis points. Estimated yields exclude the impact of retroactive "catch-up" premium amortization adjustments for prior periods due to changes in the projected CPR assumption.

Interest Rate Sensitivity [1]

Change in Interest Rate	March 31, 2024 Weighted Average Projected CPR	March 31, 2024 Weighted Average Asset Yield [2]	December 31, 2023 Weighted Average Projected CPR	December 31, 2023 Weighted Average Asset Yield [2]
-75 Basis Points	16.5%	4.42%	17.8%	4.33%
-50 Basis Points	14.2%	4.46%	15.4%	4.36%
-25 Basis Points	12.0%	4.49%	13.2%	4.39%
Actual as of Period End	10.4%	4.52%	11.4%	4.41%
+25 Basis Points	9.0%	4.55%	9.7%	4.44%
+50 Basis Points	8.0%	4.57%	8.5%	4.46%
+75 Basis Points	7.4%	4.58%	7.7%	4.47%

1. Derived from models that are dependent on inputs and assumptions and assumes a static portfolio. Actual results could differ materially from these estimates. Table excludes TBA securities.
2. Asset yield based on historical cost basis and does not include the impact of retroactive "catch-up" premium amortization adjustments due to changes in projected CPR.

Spread Risk

Spread risk is the risk that the market spread between the yield on our assets and the yield on benchmark interest rates linked to our interest rate hedges, such as U.S. Treasury rates and interest rate swap rates, may vary. As a levered investor in mortgage-backed securities, spread risk is an inherent component of our investment strategy. Therefore, although we use hedging instruments to attempt to protect against moves in interest rates, our hedges are generally not designed to protect against spread risk, and our tangible net book value could decline if spreads widen.

Fluctuations in mortgage spreads can occur due to a variety of factors, including changes in interest rates, prepayment expectations, actual or anticipated monetary policy actions by the U.S. and foreign central banks, liquidity conditions, required rates of returns on different assets and other market supply and demand factors. The table below quantifies the estimated changes in the fair value of our assets, net of hedges, and our tangible net book value per common share as of March 31, 2024 and December 31, 2023 should spreads widen or tighten by 10, 25 and 50 basis points. The estimated impact of changes in spreads is in addition to our interest rate shock sensitivity included in the interest rate shock table above. The table below assumes a spread duration of 4.8 and 4.7 years as of March 31, 2024 and December 31, 2023, respectively, based on interest rates and prices as of such dates; however, our portfolio's sensitivity to mortgage spread changes will vary with changes in interest rates and in the size and composition of our portfolio. Therefore, actual results could differ materially from our estimates.

Spread Sensitivity [1,2]

Change in MBS Spread	March 31, 2024 Estimated Change in Portfolio Market Value	March 31, 2024 Estimated Change in Tangible Net Book Value Per Common Share	December 31, 2023 Estimated Change in Portfolio Market Value	December 31, 2023 Estimated Change in Tangible Net Book Value Per Common Share
-50 Basis Points	+2.4%	+23.7%	+2.3%	+23.1%
-25 Basis Points	+1.2%	+11.9%	+1.2%	+11.6%
-10 Basis Points	+0.5%	+4.7%	+0.5%	+4.6%
+10 Basis Points	-0.5%	-4.7%	-0.5%	-4.6%
+25 Basis Points	-1.2%	-11.9%	-1.2%	-11.6%
+50 Basis Points	-2.4%	-23.7%	-2.3%	-23.1%

1. Spread sensitivity is derived from models that are dependent on inputs and assumptions, assumes there are no changes in interest rates and assumes a static portfolio. Actual results could differ materially from these estimates.
2. Includes the effect of derivatives and other securities used for hedging purposes.

Liquidity Risk

Our liquidity risk principally arises from financing long-term fixed rate assets with shorter-term variable rate borrowings. Future borrowings are dependent upon the willingness of lenders to finance our investments, lender collateral requirements and the lenders' determination of the fair value of the securities pledged as collateral, which fluctuates with changes in interest rates and liquidity conditions within the commercial banking and mortgage finance industries.

As of March 31, 2024, we believe that we have sufficient liquidity and capital resources available to execute our business strategy (see *Liquidity and Capital Resources* in this Form 10-Q for additional details). However, should the value of our collateral or the value of our derivative instruments suddenly decrease, or margin requirements increase, we may be required to post additional collateral for these arrangements, causing an adverse change in our liquidity position. Furthermore, there is no assurance that we will always be able to renew (or roll) our short-term funding liabilities. In addition, our counterparties have the option to increase our haircuts (margin requirements) on the assets we pledge against our funding liabilities, thereby reducing the amount that can be borrowed against an asset even if they agree to renew or roll our funding liabilities. Significantly higher haircuts can reduce our ability to leverage our portfolio or may even force us to sell assets, especially if correlated with asset price declines or faster prepayment rates on our assets.

Credit Risk

Our credit sensitive investments, such as CRT and non-Agency securities, expose us to the risk of nonpayment of principal, interest or other remuneration we are contractually entitled to. We are also exposed to credit risk in the event our repurchase agreement counterparties default on their obligations to resell the underlying collateral back to us at the end of the repo term or in the event our derivative counterparties do not perform under the terms of our derivative agreements.

We accept credit exposure related to our credit sensitive assets at levels we deem prudent within the context of our overall investment strategy. We attempt to manage this risk through careful asset selection, pre-acquisition due diligence, post-acquisition performance monitoring, and the sale of assets where we identify negative credit trends. We may also manage credit risk with credit default swaps or other financial derivatives that we believe are appropriate. Additionally, we may vary the mix of our interest rate and credit sensitive assets or our duration gap to adjust our credit exposure and/or improve the return profile of our assets, such as when we believe credit performance is inversely correlated with changes in interest rates. Our credit risk related to derivative and repurchase agreement transactions is largely mitigated by limiting our counterparties to major financial institutions with acceptable credit ratings or to registered central clearinghouses and monitoring concentration levels with any one counterparty. We also continuously monitor and adjust the amount of collateral pledged based on changes in market value. However, our efforts to manage credit risk may be unsuccessful and we could suffer losses as a result. Excluding central clearing exchanges, as of March 31, 2024, our maximum amount at risk with any counterparty related to our repurchase agreements and derivative agreements was less than 3% and 1%, respectively, of tangible stockholders' equity.

Item 4. *Controls and Procedures*

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based on the definition of "disclosure controls and procedures" as promulgated under the Exchange Act and the rules and regulations thereunder. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

We, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2024. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There have been no changes in our "internal control over financial reporting" (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. ***Legal Proceedings***

Neither we, nor any of our consolidated subsidiaries, are currently subject to any material litigation nor, to our knowledge, is any material litigation threatened against us or any consolidated subsidiary, other than routine litigation and administrative proceedings arising in the ordinary course of business. Such proceedings are not expected to have a material adverse effect on the business, financial conditions, or results of our operations.

Item 1A. ***Risk Factors***

There have been no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

None.

Item 3. ***Defaults upon Senior Securities***

None.

Item 4. ***Mine Safety Disclosures***

Not applicable.

Item 5. ***Other Information***

During the three months ended March 31, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) informed us of the adoption or termination of a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Regulation S-K, Item 408.

Item 6. ***Exhibits and Financial Statement Schedules***

(a) Exhibit Index

Exhibit No.	Description
*3.1	AGNC Investment Corp. Amended and Restated Certificate of Incorporation, as amended, incorporated by reference from Exhibit 3.1 of Form 10-K for the year ended December 31, 2021 (File No. 001-34057), filed February 23, 2022.
*3.2	AGNC Investment Corp. Amended and Restated Bylaws, as amended, incorporated herein by reference to Exhibit 3.1 of Form 8-K (File No. 001-34057), filed July 21, 2023.
*3.3	Certificate of Designations of 7.00% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, incorporated herein by reference to Exhibit 3.5 of Form 8-A (File No. 001-34057), filed August 18, 2017.
*3.4	Certificate of Elimination of 8.000% Series A Cumulative Redeemable Preferred Stock, incorporated herein by reference to Exhibit 3.1 of Form 8-K (File No 001-34057), filed October 26, 2017.
*3.5	Certificate of Designations of 6.875% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, incorporated herein by reference to Exhibit 3.5 of Form 8-A (File No 001-34057), filed March 6, 2019.
*3.6	Certificate of Designations of 6.50% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, incorporated herein by reference to Exhibit 3.6 of Form 8-A (File No 001-34057), filed October 3, 2019.
*3.7	Certificate of Elimination of 7.750% Series B Cumulative Redeemable Preferred Stock, incorporated herein by reference to Exhibit 3.1 of Form 8-K (File No 001-34057), filed December 13, 2019.
*3.8	Certificate of Designations of 6.125% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, incorporated herein by reference to Exhibit 3.6 of Form 8-A (File No 001-34057), filed February 11, 2020.

*3.9 Certificate of Designations of 7.75% Series G Fixed-Rate Reset Cumulative Redeemable Preferred Stock, incorporated herein by reference to Exhibit 3.7 of Form 8-A (File No 001-34057), filed September 14, 2022.

*4.1 Instruments defining the rights of holders of securities: See Article IV of our Amended and Restated Certificate of Incorporation, as amended, incorporated herein by reference to Exhibit 3.1 of Form 10-K for the year ended December 31, 2021 (File No. 001-34057), filed February 23, 2022.

*4.2 Instruments defining the rights of holders of securities: See Article VI of our Amended and Restated Bylaws, as amended, incorporated herein by reference to Exhibit 3.1 of Form 8-K, filed July 21, 2023.

*4.3 Form of Certificate for Common Stock, incorporated herein by reference to Exhibit 4.3 of Form 10-Q for the quarter ended September 30, 2022 (File No. 001-34057), filed November 7, 2022.

*4.4 Specimen 7.00% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock Certificate, incorporated herein by reference to Exhibit 4.1 of Form 8-A (File No. 001-34057), filed August 18, 2017.

*4.5 Specimen 6.875% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock Certificate, incorporated herein by reference to Exhibit 4.1 of Form 8-A (File No. 001-34057), filed March 6, 2019.

*4.6 Specimen 6.50% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock Certificate, incorporated herein by reference to Exhibit 4.1 of Form 8-A (File No. 001-34057), filed October 3, 2019.

*4.7 Specimen 6.125% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock Certificate, incorporated herein by reference to Exhibit 4.1 of Form 8-A (File No 001-34057), filed February 11, 2020.

*4.8 Specimen 7.75% Series G Fixed-Rate Reset Cumulative Redeemable Preferred Stock Certificate, incorporated herein by reference to Exhibit 4.1 of Form 8-A (File No 001-34057), filed September 14, 2022.

*4.9 Deposit Agreement relating to 7.00% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, dated August 22, 2017, among AGNC Investment Corp., Computershare Inc. and Computershare Trust Company, N.A., jointly as depositary, incorporated herein by reference to Exhibit 4.2 of Form 8-K (File No. 001-34057) filed August 22, 2017.

*4.10 Form of Depositary Receipt representing 1/1,000th of a share of 7.00% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock (included as part of Exhibit 4.9), incorporated herein by reference to Exhibit A of Exhibit 4.2 of Form 8-K (File No. 001-34057) filed August 22, 2017.

*4.11 Deposit Agreement relating to 6.875% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, dated March 6, 2019, among AGNC Investment Corp., Computershare Inc. and Computershare Trust Company, N.A., jointly as depositary, incorporated herein by reference to Exhibit 4.2 of Form 8-K (File No. 001-34057) filed March 6, 2019.

*4.12 Form of Depositary Receipt representing 1/1,000th of a share of 6.875% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock (included as part of Exhibit 4.11), incorporated herein by reference to Exhibit A of Exhibit 4.2 of Form 8-K (File No. 001-34057) filed March 6, 2019.

*4.13 Deposit Agreement relating to 6.50% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, dated October 3, 2019, among AGNC Investment Corp., Computershare Inc. and Computershare Trust Company, N.A., jointly as depositary, incorporated herein by reference to Exhibit 4.2 of Form 8-K (File No. 001-34057) filed October 3, 2019.

*4.14 Form of Depositary Receipt representing 1/1,000th of a share of 6.50% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock (included as part of Exhibit 4.13), incorporated herein by reference to Exhibit A of Exhibit 4.2 of Form 8-K (File No. 001-34057) filed October 3, 2019.

*4.15 Deposit Agreement relating to 6.125% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, dated February 11, 2020, among AGNC Investment Corp., Computershare Inc. and Computershare Trust Company, N.A., jointly as depositary, incorporated herein by reference to Exhibit 4.1 of Form 8-K (File No. 001-34057) filed February 11, 2020.

*4.16 Form of Depositary Receipt representing 1/1,000th of a share of 6.125% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock (included as part of Exhibit 4.15), incorporated herein by reference to Exhibit A of Exhibit 4.1 of Form 8-K (File No. 001-34057) filed February 11, 2020.

*4.17 Deposit Agreement relating to 7.75% Series G Fixed-Rate Reset Cumulative Redeemable Preferred Stock, dated September 14, 2022, among AGNC Investment Corp., Computershare Inc. and Computershare Trust Company, N.A., jointly as depositary, incorporated herein by reference to Exhibit 4.2 of Form 8-K (File No. 001-34057) filed September 14, 2022.

*4.18 Form of Depositary Receipt representing 1/1,000th of a share of 7.75% Series G Fixed-Rate Reset Cumulative Redeemable Preferred Stock (included as part of Exhibit 4.17), incorporated herein by reference to Exhibit A of Exhibit 4.2 of Form 8-K (File No. 001-34057) filed September 14, 2022.

† 10 Amended and Restated Employment Agreement dated January 31, 2023 between AGNC Mortgage Management, LLC and Sean Reid, filed herewith.

31.1 Certification of CEO Pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.

31.2 Certification of CFO Pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.

32 Certification of CEO and CFO Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101.INS** The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document

101.SCH** XBRL Taxonomy Extension Schema Document

101.CAL** XBRL Taxonomy Extension Calculation Linkbase Document

101.LAB** XBRL Taxonomy Extension Labels Linkbase Document

101.PRE** XBRL Taxonomy Extension Presentation Linkbase Document

101.DEF** XBRL Taxonomy Extension Definition Linkbase Document

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* Previously filed

** This exhibit is being furnished rather than filed, and shall not be deemed incorporated by reference into any filing, in accordance with Item 601 of Regulation S-K

† Management contract or compensatory plan or arrangement

(b) Exhibits
See the exhibits filed herewith.

(c) Additional financial statement schedules
None.

SIGNATURES

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

AGNC INVESTMENT CORP.

By: /s/ PETER J. FEDERICO

Peter J. Federico
President and
Chief Executive Officer (Principal Executive Officer)

Date: May 7, 2024

By: /s/ BERNICE E. BELL

Bernice E. Bell
Executive Vice President and
Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Date: May 7, 2024

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement is entered into on January 31, 2023 ("Effective Date") between Sean P. Reid (the "Executive") and AGNC Mortgage Management, LLC, a Delaware limited liability company (the "Company"), and supersedes and replaces in its entirety that certain Employment Agreement entered into between the Company and the Executive, effective as of January 21, 2019 and as amended January 21, 2022 (collectively, "the Prior Agreement").

W I T N E S S E T H:

WHEREAS, the Company is currently engaged through its affiliates in the business of, among other things, managing mortgage real estate investment trusts, which invest in (a) agency securities for which the principal and interest payments are guaranteed by U.S. Government agencies and U.S. Government-sponsored entities, (b) non-agency securities and/or (c) other mortgage related investments; and

WHEREAS, the Executive has received and will continue to receive specific trade secrets and confidential information, training and the benefit of established customer relationships relating to the businesses of the Company, which trade secrets and confidential information, training and access to established customer relationships are necessary to enable the Executive to perform the Executive's duties and to receive future compensation, and the Executive has played and will continue to play a significant role in the development and management of the businesses of the Company; and

WHEREAS, it is in the interests of the Company that the Executive's services continue to be available to the Company; and

WHEREAS, the Company and the Executive are parties to the Prior Agreement; and

WHEREAS, the parties wish to amend and restate the Prior Agreement in its entirety; and

WHEREAS, it is a condition to the Executive's continued employment by the Company that the Executive execute and deliver this Agreement, and in order to induce the Executive to continue the Executive's employment, the Company has agreed to provide the Executive with the rights and benefits described more fully herein.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein, and for other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree to enter into this Agreement as follows:

1. Definitions; Interpretations. For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the following respective meanings:

   (a) "AGNC" shall mean AGNC Investment Corp. and its successors and assigns.

   (b) "Base Salary" shall have the meaning specified in subparagraph 4(a).

   (c) "Board" shall mean the Board of Directors of AGNC.

(d) "Change of Control" shall have the meaning set forth in the Equity Plan, including the relevant provisions of Section 17 of the Equity Plan, as of the Effective Date.

(e) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(f) "Company Managed Fund" shall mean (i) AGNC and (ii) any other entity for which the Company or a subsidiary of the Company serves as investment manager or in a substantially similar capacity pursuant to a written agreement.

(g) "Company's Business" shall mean:

(i) any business activity that would be the same or competitive with any business activity engaged in by AGNC, the Company or any of their subsidiaries or any Company Managed Fund during the term of the Executive's employment; and

(ii) the provision of management, advisory or other investment services to mortgage real estate investment trusts or any other investment vehicles that engage primarily in the acquisition, trading, sales, financing, investment or management of mortgage-backed securities or other real estate assets.

(h) "Compensation Committee" shall mean the Compensation and Corporate Governance Committee of the Board.

(i) "Compensation Committee Charter" shall mean the AGNC Investment Corp. Compensation and Corporate Governance Committee Charter, as may be in effect from time to time.

(j) "Disability" shall mean a physical or mental condition of the Executive that, in the good faith judgment of the Company, prevents the Executive from being able to perform the services required under this Agreement and that results in the Executive becoming eligible for long-term disability benefits (if such benefits are provided by the Company). If any dispute arises as to whether a Disability has occurred, or whether a Disability has ceased and the Executive is able to resume duties, then such dispute shall be referred to a licensed physician, at the request of either the Executive or the Company. The Executive shall submit to such examinations and provide information as such physician may request and the determination of such physician as to the Executive's physical or mental condition shall be binding and conclusive on the parties. The Company shall pay the cost of any such physician and examination.

(k) "Equity Plan" shall mean the AGNC Investment Corp. 2016 Equity and Incentive Compensation Plan, as approved by the Board on October 18, 2016, as amended from time to time, and any successor plan thereto.

(l) "Good Reason" shall mean any of the following, which occur without the Executive's express written consent: (i) a material diminution of the Executive's authority, duties or responsibilities with the Company, (ii) a material breach by the Company of any material provision of this Agreement, or (iii) a relocation of the Executive's principal office to a location that is in excess of 50 miles from Bethesda, Maryland. The Executive must provide written notice to the Company within 90 days of the initial existence of a condition that constitutes Good Reason as defined herein and the Company shall have 30 days after receipt of any such notice to remedy the condition. If the Company timely remedies such condition, such condition shall not constitute Good Reason. The Executive may not terminate the Executive's employment hereunder for Good Reason more than six months after the initial existence of one (or more) of the conditions that constitutes Good Reason.

(m) "Person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust and an unincorporated organization.

(n) "Restricted Territory" shall mean:

(i) the world; and

(ii) North America; and

(iii) the United States; and

(iv) Maryland.

(o) "Section 280G" shall mean Section 280G of the Code and the regulations thereunder.

(p) "Section 409A" shall mean Section 409A of the Code and the regulations thereunder.

(q) "Termination For Cause" shall be deemed to exist if Executive: (i) commits or engages in an act of fraud, embezzlement, sexual harassment, dishonesty or theft in connection with Executive's duties for the Company; (ii) is convicted of, or pleads *nolo contendere* with respect to, an act of criminal misconduct, involving any financial crime or an act of moral turpitude; (iii) engages in an act of gross negligence or willful failure to perform in any material respect Executive's duties or responsibilities to the Company (other than as a result of ill health or disability); and/or (iv) materially breaches or violates the Company's employment policies, including its Code of Ethics; provided, however, that prior to any termination for cause under clauses (iii) or (iv) of this paragraph, Executive will have been given written notice of such matter from the Company's Chief Executive Officer and a 15 day period to correct any such matter.

(r) "Termination For Good Reason" shall mean the Executive's termination of the Executive's employment with the Company as a result of Good Reason.

(s) "Termination Without Cause" shall mean the termination by the Company of the Executive's employment with the Company for any reason other than a termination for Disability or a Termination For Cause and shall not include the Company's giving notice pursuant to subparagraph 5(a) that the Employment Period shall not be extended.

(t) "Voluntary Termination" shall mean the Executive's termination of the Executive's employment with the Company for any reason, other than a Termination For Good Reason.

In this Agreement, unless a clear contrary intention appears, (a) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular paragraph or subparagraph, (b) reference to any paragraph or subparagraph means such paragraph or subparagraph hereof, (c) the words "including" (and with correlative meaning "include") means including, without limiting the generality of any description preceding such term, and (d) where any provision of this Agreement refers to action to be taken by a specific party, or which such party is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such party. The paragraph and subparagraph headings herein are for convenience only and shall not affect the construction hereof.

2. Employment. The Company agrees to continue to employ the Executive, and the Executive agrees to accept such continued employment with the Company, in each case on the terms and conditions set forth in this Agreement for the period beginning on the Effective Date and ending as provided in paragraph 5 hereof (the "Employment Period"). Notwithstanding anything in this Agreement to the contrary, the Executive shall be an at-will employee of the Company and the Executive or the Company may terminate the Executive's employment with the Company for any reason or no reason at any time, subject to the terms and conditions hereof, including any obligations the Company may have pursuant to paragraph 6 hereof.

3. Positions and Duties.

(a) During the Employment Period, the Executive shall serve as the Executive Vice President, Strategy and Corporate Development of the Company. As such, the Executive shall have the responsibilities and authorities customary for persons holding such positions and such other duties as may reasonably be designated to Executive by the Chief Executive Officer of the Company or an executive of comparable seniority as designated by the Company.

(b) During the Employment Period, the Executive shall (i) report directly to the Chief Executive Officer of the Company and (ii) observe and comply with all lawful policies, directions and instructions of the Chief Executive Officer of the Company or the Board that are consistent with this paragraph 3. At the Company's request and instruction, Executive shall, in lieu of reporting to the Chief Executive Officer, instead report to and receive instruction from an executive of the Company with comparable seniority.

(c) During the Employment Period, the Executive shall (i) devote substantially all of the Executive's business time, attention, skill and efforts to the faithful and efficient performance of the Executive's duties hereunder (except for permitted vacation periods and reasonable periods of illness or other incapacity) and (ii) not accept employment with any Person other than with the Company. Notwithstanding the foregoing, the Executive may engage in the following activities so long as they do not interfere in any material respect with the performance of the Executive's duties and responsibilities hereunder: (A) serve on corporate (if approved by the Board, such approval not to be unreasonably withheld), civic, religious, educational or charitable boards or committees or (B) manage the Executive's personal investments.

4. Compensation and Benefits.

(a) Base Salary. For services rendered by the Executive under this Agreement during the Employment Period, the Company shall pay to the Executive an annual base salary ("Base Salary"), evenly paid twice a month or on such other schedule as salaried employees of the Company are generally and regularly compensated. Effective as of January 1, 2023, through the term of this Agreement, the Base Salary shall be at the rate of no less than $650,000 per year.

(b) Annual Cash Bonus. With respect to each calendar year during the Employment Period, the Executive shall be eligible to earn an annual cash bonus. The actual annual bonus will be the product of the target value (the "Target Annual Bonus Amount") and a factor based on the level of achievement of specified performance measures and goals set by the Compensation Committee (with, subject to the Compensation Committee Charter, input from the Chief Executive Officer) for such calendar year (the "Annual Performance Goals"). The factor is expected to be above 1.0 for above plan performance and below 1.0 if performance is below expectations or corporate goals are not fully met. Performance below a defined threshold level may result in no bonus payment for such measure. For the calendar year 2023 bonus to be paid in 2024, and for each calendar year thereafter, the Target Annual Bonus Amount shall be no less than $1,300,000. The Compensation Committee (with, subject to the Compensation Committee Charter, input from the Chief Executive Officer), in its reasonable judgment and no later than ninety (90) days after the beginning of each calendar year, shall determine the weightings of each performance measure and the threshold, target and maximum for each performance goal, which in aggregate will comprise the "Corporate Scorecard" for that calendar year. Executive's Annual Performance Goals may be a combination of the "corporate scorecard" and individual contributions of the Executive, and, the weighting thereof, as well as performance versus this criteria, shall be determined by the Compensation Committee (with, subject to the Compensation Committee Charter, input from the Chief Executive Officer), in its reasonable judgment. To the extent that specified performance measures and goals apply to other executives of the Company, the threshold, target and maximum levels associated with such specified performance measures and goals will apply to the Executive in the same manner as they apply to such other executives. Subject to the provisions of paragraph 6, the Executive must be employed on the date on which the annual cash bonus is paid in order to receive payment of any such annual cash bonus pursuant to this subparagraph 4(b). Any annual cash bonus earned pursuant to this subparagraph 4(b) shall be paid to the Executive by March 15 of the calendar year following the calendar year to which such annual cash bonus relates.

(c) Long-Term Incentive Awards. During the first quarter of each calendar year of the Employment Period, Executive shall be eligible to receive long-term incentive award(s), subject to approval by the Board, as part of the Company's long-term incentive program applicable to other executives (the "Target Annual LTIA"). Beginning in the calendar year 2023 and in each calendar year thereafter, such grants shall have an aggregate target fair value equal to no less than $1,040,000. Annual grants will be comprised of a combination of 50% "Performance-Based Awards" that shall vest based upon the achievement of certain specified performance metrics (as determined by the Compensation Committee in its reasonable judgment) (the "Performance-Based Metrics") measured over a multi-year performance period with the amount of shares and the associated performance targets specified at or before the grant date of the award, and 50% time-based awards that shall vest based on continued service over a multi-year period. If the Performance-Based Metrics are exceeded (as determined by the Compensation Committee in its reasonable judgment), the Executive may earn up to 200% of the target number of shares underlying the Performance-Based Award. Notwithstanding the foregoing, each Target Annual LTIA shall be subject to approval by the Board and to the terms and conditions of the Equity Plan and the applicable award agreement(s) to be entered into between AGNC and the Executive, which shall be consistent with the terms hereof. In the event that AGNC cannot grant the Target Annual LTIA to the Executive during any such calendar year, AGNC shall instead provide a cash award to the Executive with an equivalent fair value and under equivalent vesting terms, which shall be subject to the terms and conditions of an applicable award agreement to be entered into between AGNC and the Executive (as approved by the Compensation Committee).

(d) Vacation. During the Employment Period, the Executive shall be entitled to 25 days of paid vacation during each calendar year.

(e) Other Benefits. During the Employment Period, the Executive shall be entitled to receive all employee benefits, fringe benefits and other perquisites that may be offered by the Company to its senior employees as a group, including, without limitation, participation by the Executive and, where applicable, the Executive's dependents, in the various employee benefit plans or programs (including, without limitation, retirement plans, stock plans, health plans, life insurance, parking and disability insurance but excluding, except as hereinafter provided in subparagraph 6(b), 6(c) or 6(d), any severance pay program or policy of AGNC, the Company or any of their subsidiaries) generally provided to senior employees of the Company, subject to meeting the eligibility requirements with respect to each of such benefit plans or programs. However, nothing in this subparagraph 4(e) shall be deemed to prohibit the applicable plan sponsor from making any changes in any of the plans, programs or benefits described herein, provided such changes apply to all similarly situated senior employees.

(f) Clawback Policy. The Executive agrees that performance-based incentive compensation awarded or paid by AGNC or the Company to the Executive (whether in cash or equity) shall be subject to the clawback policy of the Company in effect as of the Effective Date, including as it may be amended from time to time in order to comply with the final rules or regulations adopted by the U.S. Securities and Exchange Commission and the Nasdaq Stock Market that implement the incentive-based compensation recovery requirements set forth in Section 10D of the Securities Exchange Act of 1934, as added by Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and any other applicable legal requirements or listing standards that may be enacted and in effect from time to time (the "Clawback Rules") or as otherwise may be amended or adopted in good faith by the Board for the Company's employees. Such clawback policy, as it may be amended or adopted, will trigger the forfeiture or recoupment of the Executive's performance-based incentive compensation (and such other compensation covered by the Clawback Rules or determined by the Board in good faith and specified in such policy) if the performance-based incentive compensation (or other compensation) is of the type covered by the Clawback Rules or such clawback policy for employees as adopted by the Board in good faith and (i) in the event that AGNC is required to prepare an accounting restatement due to AGNC's material noncompliance with any financial reporting requirement under U.S. federal securities laws, provided that such forfeiture or recoupment shall be limited to the portion of applicable compensation that would not have been awarded or paid to the Executive for or in respect of such restated fiscal year had such financial statements been accurate (as reasonably determined by the Board in accordance with the Clawback Rules), (ii) in such other circumstances as may be required to comply with the Clawback Rules, in which case such forfeiture or recoupment shall be limited to the portion of the applicable compensation required to be forfeited/recouped under the Clawback Rules, or (iii) in such other circumstances and in such amount as the Board may determine in good faith as specified in such policy.

(g) Stock Ownership Guidelines. The Executive agrees that all shares of common stock of AGNC owned by the Executive shall be subject to any applicable stock ownership guidelines that may be reasonably implemented by the Board from time to time.

(h) With respect to periods commencing on and after January 1, 2024, the Compensation Committee in consultation with the Chief Executive Officer shall review Executive's Base Salary, Target Annual Bonus Amount, and Target Annual LTIA (each, a "Target Pay Element") from time to time and may, in its sole discretion, increase the amount of one or more of the Target Pay Elements; provided, however, that the amount of each Target Pay Element (at target) shall not be lowered from the amount that may then be in effect from time to time.

5. Employment Period.

(a) Except as hereinafter provided, the Employment Period shall continue until, and shall end on, the second anniversary of the Effective Date (such date, the "Expiration Date"); provided, however, that on each day following the Effective Date, the Expiration Date shall be extended to the second anniversary of such date. Notwithstanding the preceding sentence, the Board or the Executive may terminate the Employment Period at any time by providing prior written notice that such daily extensions of the Expiration Date shall be discontinued, in which case the Expiration Date shall be the second anniversary of the date on which such notice is provided.

(b) Notwithstanding subparagraph 5(a) above, the Employment Period shall end early upon the first to occur of any of the following events:

(i) the Executive's death;

(ii) the Board's termination of the Executive's employment due to Disability;

(iii) a Termination For Cause;

(iv) a Termination Without Cause;

(v) a Termination For Good Reason; or

(vi) a Voluntary Termination.

6. Post-Employment Payments.

(a) At the end of the Executive's employment for any reason, the Executive shall cease to have any rights to salary, expense reimbursements or other benefits, except that (to the extent applicable) the Executive shall be entitled to (i) any Base Salary which has been earned but is unpaid as of the end of the Employment Period, which shall be paid by the Company to the Executive on the first payroll date following the Executive's termination of employment, (ii) any annual cash bonus that has been earned for a prior calendar year pursuant to subparagraph 4(b) but is unpaid, which shall be paid by the Company to the Executive by March 15 of the calendar year in which the Executive's termination of employment occurs (but only if the termination is not a Termination For Cause or a Voluntary Termination), (iii) any reimbursable expenses which have been incurred but are unpaid as of the end of the Employment Period, which shall be paid by the Company to the Executive in accordance with the Company's applicable reimbursement policies, (iv) any plan benefits which by their terms extend beyond termination of the

Executive's employment (but only to the extent provided in any benefit plan in which the Executive has participated as an employee of the Company and excluding, except as hereinafter provided in subparagraph 6(b), 6(c) or 6(d), any severance pay program or policy of AGNC, the Company or any of their subsidiaries) and (v) any benefits to which the Executive is entitled under Part 6 of Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended ("COBRA"). In addition, subject to subparagraph 6(f), the Executive shall be entitled to the additional amounts described in subparagraph 6(b), 6(c) or 6(d), in the circumstances described in such subparagraphs. Moreover, subject to subparagraph 6(f), unless otherwise expressly agreed to by the parties, if the Executive's employment is terminated by the Company following the end of the Employment Period (for any reason other than a reason that would have constituted a Termination For Cause had such termination of employment occurred during the Employment Period), then the Executive shall be entitled to the severance provided under any severance policy or arrangement of AGNC, the Company or their affiliates that is applicable to the Executive at the time of such termination but shall be no less than six (6) months of targeted cash compensation (salary plus targeted cash bonus).

(b) If the Employment Period ends early pursuant to subparagraph 5(b) on account of a Termination Without Cause or a Termination For Good Reason (except in circumstances in which subparagraph 6(c) would apply), the Executive shall be entitled to receive the following:

(i) The greater of any amounts under any applicable severance policy or arrangement of AGNC, the Company or their affiliates applicable to the Executive at the time of such termination or an amount equal to the product of (A) 1.0, multiplied by (B) the sum of (x) the Executive's Base Salary at the time of such termination of employment, plus (y) the Target Annual Bonus Amount for the calendar year in which such termination of employment occurs, which shall be paid by the Company to the Executive in equal installments over the 12-month period following such termination of employment in accordance with the Company's normal payroll practices;

(ii) an amount equal to the product of (A) the annual cash bonus the Executive would have been entitled to receive pursuant to subparagraph 4(b) if Executive had remained employed through December 31 of the calendar year in which such termination of employment occurs (as determined by the Compensation Committee but assuming that the Executive achieved all qualitative and subjective metrics of the Annual Performance Goals at their target level), multiplied by (B) a fraction (x) the numerator of which is the number of days that the Executive remained employed during the calendar year in which such termination of employment occurs and (y) the denominator of which is 365 (the "Assumed Pro Rata Bonus"), which shall be paid by the Company to the Executive in a single lump sum by March 15 of the calendar year following the calendar year in which such termination of employment occurs;

(iii) (A) if the Executive (or any of Executive's eligible dependents) elects continuation coverage under the Company's medical, dental and/or vision plans pursuant to COBRA, reimbursement for the Executive's (and any such eligible dependent's) COBRA premium payments (provided such reimbursement does not result in any taxes or penalties for the Company) until the earlier of (x) the Executive's eligibility for any such coverage under another employer's or any other medical plan or (y) the date that is twelve (12) months following such termination of employment (such period, the "COBRA Period"), with each such COBRA reimbursement being made by the Company to the Executive within thirty (30) days following the payment of any such COBRA premiums by the Executive (and any such eligible dependent) (the "COBRA Reimbursements"); or (B) if the Executive (or any of Executive's eligible dependents) elects continuation coverage under the Company's medical, dental and/or vision plans pursuant to COBRA but the COBRA Reimbursements would result in taxes or penalties for the Company, monthly cash payments, with each such monthly cash payment being equal to the Executive's (and any such eligible dependent's) monthly COBRA premium payments during the COBRA Period, which shall be paid by the Company to the Executive on the first payroll date of each month following the month with respect to which the Executive's (and any such eligible dependent's) monthly COBRA premiums were paid during the COBRA Period (the "Substitute Payments"); and

(iv) acceleration of any outstanding unvested awards under the Equity Plan, subject to and in accordance with the applicable award agreement(s) to be entered into between AGNC and the Executive.

(c) If the Employment Period ends early pursuant to subparagraph 5(b) on account of a Termination Without Cause or a Termination For Good Reason, and such termination of employment occurs within twenty-four (24) months after a Change of Control, the Executive shall be entitled to receive the following:

(i) the greater of any amounts under any applicable severance policy or arrangement of AGNC, the Company or their affiliates applicable to the Executive at the time of such termination or an amount equal to the product of (A) 1.5, multiplied by (B) the sum of (x) the Executive's Base Salary at the time of such termination of employment, plus (y) the Target Annual Bonus Amount for the calendar year in which such termination of employment occurs, which shall be paid by the Company to the Executive in a lump sum on the first payroll date following the 60th day after such termination of employment;

(ii) an amount equal to the product of (A) the Target Annual Bonus Amount for the calendar year in which such termination of employment occurs, multiplied by (B) a fraction (x) the numerator of which is the number of days that the Executive remained employed during the calendar year in which such termination of employment occurs and (y) the denominator of which is 365, which shall be paid by the Company to the Executive in a single lump sum by March 15 of the calendar year following the calendar year in which such termination of employment occurs;

(iii) the COBRA Reimbursements or the Substitute Payments (each as defined in subparagraph 6(b)(iii)), as applicable; provided, however, that the COBRA Period shall continue until the earlier of (A) the Executive's eligibility for any such coverage under another employer's or any other medical plan or (B) the date that is eighteen (18) months following such termination of employment; and

(iv) acceleration of any outstanding unvested awards under the Equity Plan, subject to and in accordance with the applicable award agreement(s) to be entered into between AGNC and the Executive.

(d) If the Employment Period ends early at any time pursuant to subparagraph 5(b) on account of the Executive's death or Disability, the Executive (or in the event of the Executive's death, Executive's estate or eligible dependents, as applicable) shall be entitled to receive the following:

(i) the Assumed Pro Rata Bonus, which shall be paid by the Company to the Executive (or to Executive's estate) in a single lump sum by March 15 of the calendar year following the calendar year in which such termination of employment occurs;

(ii) the COBRA Reimbursements or the Substitute Payments (each as defined in subparagraph 6(b)(iii)), as applicable (provided that in the event of the Executive's death, the COBRA Reimbursements or the Substitute Payments, as applicable, shall be paid to the Executive's eligible dependents); and

(iii) acceleration of any outstanding unvested awards under the Equity Plan, subject to and in accordance with the applicable award agreement(s) to be entered into between AGNC and the Executive.

(e) Any payment, reimbursement or benefit under the last sentence of subparagraph 6(a) or subparagraph 6(b), 6(c) or 6(d) that is not made or provided during the period following the Executive's termination of employment because the Executive (or, if applicable, Executive's estate) has not executed the release described in subparagraph 6(f) shall be paid to the Executive in a single lump sum (or shall be provided to the Executive) on the first payroll date following the 60th day after such termination of employment; provided that the Executive (or, if applicable, Executive's estate) executes and does not revoke the release in accordance with the requirements of subparagraph 6(f).

(f) Notwithstanding anything herein to the contrary, the Executive (or, if applicable, Executive's estate) shall not be entitled to receive any payment, reimbursement or benefit under the last sentence of subparagraph 6(a) or subparagraph 6(b), 6(c) or 6(d) hereof unless (i) prior to the 60th day following such termination of employment, the Executive (or, if applicable, Executive's estate) executes a standard release of all claims, known or unknown, arising on or before the date of the release, against AGNC, the Company and their subsidiaries and their directors, managers, officers, employees and affiliates, in a standard form of release provided by the Board and agreed to by the Executive (which release shall not impose any further obligations, covenants or duties on the Executive), and (ii) any applicable revocation period has expired prior to the 60th day following such termination of employment without the Executive (or, if applicable, Executive's estate) revoking such release.

7. Confidential Information; Non-Competition; Intellectual Property.

(a) Confidential Information.

(i) The Executive recognizes that the services to be performed by the Executive hereunder are special, unique and extraordinary and that, by reason of such employment with the Company, the Executive has acquired and will continue to acquire

Confidential Information (as defined below) concerning the operation of the Company, the use or disclosure of which would cause the Company substantial loss and damages which could not be readily calculated and for which no remedy at law would be adequate. Accordingly, the Executive agrees that the Executive will not (directly or indirectly) at any time, whether during or after the Executive's employment hereunder, (A) knowingly use for an improper personal benefit any Confidential Information that the Executive may learn or has learned by reason of the Executive's employment with the Company or (B) disclose any such Confidential Information to any Person except (1) in the performance of the Executive's obligations to the Company hereunder, (2) as required by applicable law, (3) in connection with the enforcement of the Executive's rights under this Agreement, (4) in connection with any disagreement, dispute or litigation (pending or threatened) between the Executive and the Company or (5) with the prior written consent of the Board. As used herein, "Confidential Information" includes information with respect to the operation and performance of the Company and the Company Managed Funds, their investments, portfolio companies, products, services, facilities, product methods, research and development, trade secrets and other intellectual property, systems, patents and patent applications, procedures, manuals, confidential reports, product price lists, customer lists, financial information, business plans, prospects or opportunities (including, as applicable, all of the foregoing information regarding the Company's and/or the Company Managed Funds' past, current and prospective portfolio companies); provided, however, that such term shall not include any information that (x) is or becomes generally known or available other than as a result of a disclosure by the Executive or (y) is or becomes known or available to the Executive on a nonconfidential basis from a source (other than the Company) that, to the Executive's knowledge, is not prohibited from disclosing such information to the Executive by a legal, contractual, fiduciary or other obligation to the Company.

(ii) The Executive confirms that all Confidential Information is the exclusive property of the Company. All business records, papers and documents kept or made by the Executive while employed by the Company relating to the business of the Company shall be and remain the property of the Company at all times. Upon the request of the Company at any time, the Executive shall promptly deliver to the Company, and shall retain no copies of, any written materials, records and documents made by the Executive or coming into the Executive's possession while employed by the Company concerning the business or affairs of the Company other than personal materials, records and documents (including notes and correspondence) of the Executive not containing proprietary information relating to such business or affairs. Notwithstanding the foregoing, the Executive shall be permitted to retain copies of, or have access to, all such materials, records and documents relating to any disagreement, dispute or litigation (pending or threatened) between the Executive and the Company.

(iii) The U.S. Defend Trade Secrets Act of 2016 ("DTSA") provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, the DTSA provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

(b) Non-Competition; Non-Solicitation.

(i) The Executive agrees that (A) during the term of Executive's employment with the Company and, (B) during the 12-month period following the termination of Executive's employment with the Company for any reason (the "Non-Competition Period") within the Restricted Territory, the Executive shall not, directly or indirectly, engage or participate in, prepare or set up, assist or have any interest in any person, partnership, corporation, firm, association or other business organization, entity or enterprise, whether as an officer, employee, director, partner, stockholder, consultant or otherwise, that engages in the Company's Business. Notwithstanding the foregoing, (x) the Executive shall not be precluded from purchasing or owning, directly or beneficially, as a passive investment, two percent (2%) or less of any class of publicly traded securities if Executive does not actively participate in or control, directly or indirectly, any investment or other decisions with respect to such entity, and (y) if the Board terminates the Executive's employment following the end of the Employment Period (for any reason other than a reason that would have constituted a Termination For Cause had such termination of employment occurred during the Employment Period), then solely for purposes of this subparagraph 7(b)(i), the "Non-Competition Period" shall be the 3-month period following such termination of the Executive's employment.

(ii) During the Non-Competition Period, the Executive shall not, directly or indirectly:

(A) offer to hire, divert, entice away, solicit or in any other manner persuade, or attempt to do any of the foregoing (each, a "Solicitation"), for any person who is an officer, employee, consultant or board member of the Company or any Company Managed Fund to accept employment or an engagement with a third party or engage in a Solicitation with respect to any person or entity who is, or was, at any time within six months prior to the Solicitation, an officer, employee, agent or consultant of the Company or any Company Managed Fund to work for a third party engaged in the Company's Business or to engage in any of the activities hereby prohibited with respect to the Executive under this subparagraph 7(b)(ii);

(B) solicit, divert, entice away or in any other manner persuade, or attempt to do any of the foregoing, on (1) any actual or prospective customer of or investor in the Company or any Company Managed Fund to become a customer of or investor in any third party engaged in the Company's Business or (2) any customer or investor to cease doing business with the Company or any Company Managed Fund; or

(C) make any statements or perform any acts intended to advance the interest of any person engaged in or proposing to engage in the Company's Business in any way that is intended to injure the interests of the Company or any Company Managed Fund.

(c) Intellectual Property. The Executive agrees that during the term of the Executive's employment with the Company, and for a period of 12 months following the termination of the Executive's employment for any reason, any and all inventions, discoveries, innovations, writings, domain names, improvements, trade secrets, designs, drawings, business processes, secret processes and know-how, whether or not patentable or a copyright or trademark, which the Executive may create, conceive, develop or make, either alone or in conjunction with others and related or in any way connected with the Company, its strategic plans, products, processes, apparatus or business now or hereafter carried on by the Company (collectively, "Inventions"), shall be fully and promptly disclosed to the Company and shall be the sole and exclusive property of the Company (as the Board shall determine) as against the Executive or any of the Executive's assignees. Regardless of the status of the Executive's employment by the Company, the Executive and the Executive's heirs, assigns and representatives hereby assigns, or shall promptly assign, to the Company any and all right, title and interest in and to such Inventions made during the term of the Executive's employment by the Company. There are no Inventions with respect to the Company conceived of, developed or made by the Executive before the Effective Date which have not been disclosed to and assigned to the Company. The Executive further agrees that at the request of and without charge to the Company, but at the Company's expense, the Executive shall execute a written assignment of any Inventions to the Company and shall assign to the Company any application for letters patent or for trademark registration made thereon, and to any common-law or statutory copyright therein; and the Executive shall do whatever may be necessary or desirable to enable the Company to secure any patent, trademark, copyright, or other property right therein in the United States of America and in any foreign country, and any division, renewal, continuation, or continuation in part thereof, or for any reissue of any patent issues thereon. In the event that the Company is unable, after reasonable effort, and in any event after 10 business days, to secure the Executive's signature on a written assignment to the Company of any application for letters patent or to any common-law statutory copyright or other property right therein, whether because of the Executive's physical or mental incapacity or for any other reason whatsoever, the Executive irrevocably designates and appoints the Chief Executive Officer of the Company as Executive's attorney-in-fact to act on Executive's behalf to execute and file any such application and to do all other lawfully permitted acts to further the prosecution and issuance of such letters patent, copyright or trademark.

(d) Remedies.

(i) The Executive acknowledges that a breach of any of the covenants contained in this paragraph 7 may result in material irreparable injury to the Company for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach, any payments or benefits remaining under the terms of this Agreement shall cease and the Company shall be entitled to obtain a temporary restraining order or a preliminary or permanent injunction restraining the Executive from engaging in activities prohibited by this paragraph 7 or such other relief as may be required to specifically enforce any of the covenants contained in this paragraph 7.

(ii) The period of time during which the restrictions set forth in this paragraph 7 will be in effect will be extended by the length of time during which the Executive is in breach of the terms of those provisions as determined by any court of competent jurisdiction on the Company's application for injunctive relief.

(e) Communication of Contents of Agreement. While employed by the Company and for twelve (12) months thereafter, the Executive shall communicate the contents of this paragraph 7 to any Person that the Executive intends to be employed by, associated with or represent.

(f) The Company. For purposes of this paragraph 7, the Company shall include AGNC and any and all direct and indirect subsidiary, parent, affiliated, or related companies of the Company for which the Executive worked or had responsibility at the time of termination of the Executive's employment and at any time during the 2-year period prior to such termination.

8. Non-Disparagement.

(a) The Executive agrees that Executive shall not talk about or otherwise communicate to any third parties in a malicious, disparaging or defamatory manner regarding AGNC, the Company or any of their subsidiaries or any aspect of Executive's employment with the Company. Further, the Executive shall not make or authorize to be made any written or oral statement that may disparage or damage the reputation of AGNC, the Company or any of their subsidiaries. The Company shall instruct its senior executives and members of the Board not to talk about or otherwise communicate to any third parties outside of AGNC, the Company or any of their subsidiaries in a malicious, disparaging or defamatory manner regarding the Executive or any aspect of Executive's employment with the Company, and the Company shall not make or authorize to be made any written or oral statement to any third parties outside of AGNC, the Company or any of their subsidiaries that may disparage or damage the reputation of the Executive.

(b) Notwithstanding anything in this Agreement to the contrary, nothing in the Agreement prohibits or will be interpreted or construed to prohibit Executive from reporting any possible violation of federal law or regulation to any governmental agency or entity, including but not limited to the U.S. Department of Justice or the Securities and Exchange Commission, or providing testimony to or communicating with such agency or entity in the course of its investigation, or from making any other disclosures that are protected under the whistleblower provisions of federal law and regulation. Any such reports, testimony or disclosures do not require Executive to provide notice or receive the authorization or consent of the Company or the Board.

9. Survival. Subject to any limits on applicability contained therein, paragraphs 6, 7, 8, 9, 10, 11, 21 and 22 hereof shall survive and continue in full force in accordance with their terms notwithstanding any termination of the Employment Period.

10. Taxes. AGNC, the Company or any of their subsidiaries shall withhold from all payments due to the Executive all applicable taxes (federal, state or other) that it is required to withhold therefrom unless the Executive has otherwise paid (or made other arrangements satisfactory) to AGNC, the Company or any of their subsidiaries, as applicable, the amount of such taxes. Notwithstanding any other provision of this Agreement, none of AGNC, the Company or any of their subsidiaries shall be obligated to guarantee any particular tax result for the Executive with respect to any payment or benefit provided to the Executive by AGNC, the Company or any of their subsidiaries (whether pursuant to this Agreement or otherwise), and the Executive shall be responsible for any taxes imposed on the Executive with respect to any such payment. For the avoidance of doubt, in no event shall any provision of this Agreement (including, without limitation, paragraph 21 or 22) be construed to require AGNC, the Company or any of their subsidiaries to provide any gross-up for the tax consequences of any provision under this Agreement or any payment or benefit provided to the Executive by AGNC, the Company or any of their subsidiaries (whether pursuant to this Agreement or otherwise).

11. No Mitigation or Offset. The provisions of this Agreement are not intended to, nor shall they be construed to, require that the Executive mitigate the amount of any payment provided for in this Agreement by seeking or accepting other employment, nor shall the amount of any payment provided for in this Agreement be reduced by any compensation earned by the Executive as the result of employment by another employer or otherwise. Without limitation of the foregoing, the Company's obligations to make the payments to the Executive required under this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set off, counterclaim, recoupment, defense or other claim, right or action that the Company may have against the Executive.

12. Assignability. The obligations of the Executive hereunder are personal and may not be assigned or delegated by the Executive or transferred in any manner whatsoever, nor are such obligations subject to involuntary alienation, assignment or transfer. The Company shall have the right to assign this Agreement and to delegate all rights, duties and obligations hereunder as provided in paragraph 15.

13. Notices. All notices and all other communications provided for in the Agreement shall be in writing and addressed (a) if to the Company, (i) at its principal office address or such other address as it may have designated by written notice to the Executive for purposes hereof, directed to the attention of the Board with a copy to the Chief Executive Officer of the Company or (ii) to the company electronic mail address of the Chief Executive Officer of the Company and

(b) if to the Executive, (i) at the Executive's residence address on the records of the Company or to such other address as the Executive may have designated to the Company in writing for purposes hereof or (ii) to the Executive's company electronic mail address. Each such notice or other communication shall be deemed to have been duly given when (A) delivered or mailed by United States registered mail, return receipt requested, postage prepaid or (B) when electronic evidence of electronic mail transmission is received, except that any notice of change of address shall be effective only upon receipt.

14. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

15. Successors; Binding Agreement. This Agreement and all rights of the Executive hereunder shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributes, devisees and legatees. If the Executive should die while any amounts would be payable to the Executive hereunder if the Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee or other designee or, if there be no such designee, to the Executive's estate.

16. Amendments and Waivers. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and the Board. No waiver by either party hereto at any time of any breach by the Executive or the Company of, or in compliance with, any condition or provision of this Agreement to be performed by the Executive or the Company, as applicable, shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

17. Complete Agreement. (a) This Agreement embodies the complete agreement and understanding between the parties with respect to the subject matter hereof and (b) this Agreement supersedes and preempts any prior understandings, agreements or representations by or between the Executive and AGNC, the Company and any of their subsidiaries, written or oral (including, without limitation, the Prior Agreement), which may have related to the subject matter hereof in any way.

18. Counterparts. This Agreement may be executed in one or more counterparts (including electronically transmitted counterparts), each of which shall be deemed to be an original, but all of which together will constitute one and the same instrument.

19. Choice of Law. This Agreement shall be governed by, and construed in accordance with, the internal, substantive laws of the State of Maryland. The Company and the Executive agree that the state and federal courts located in the State of Maryland shall have jurisdiction in any action, suit or proceeding based on or arising out of this Agreement and the Company and the Executive hereby: (a) submit to the personal jurisdiction of such courts, (b) consent to service of process in connection with any action, suit or proceeding and (c) waive any other requirement (whether imposed by statute, rule of court or otherwise) with respect to personal jurisdiction, venue or service of process.

20. Indemnification and D&O Insurance. The Executive will be provided indemnification and mandatory advancement of expenses to the maximum extent permitted by AGNC's, the Company's and their subsidiaries' and affiliates' Articles of Incorporation or Bylaws, with such indemnification to be on terms determined by the Board or the applicable board of directors or managers, or any of their committees, but on terms no less favorable than provided to any other executive officer or director of such entities. AGNC and the Company shall maintain customary directors and officers insurance coverage for the Executive's benefit on the same basis as such coverage is maintained for the benefit of AGNC's and the Company's other executive officers and directors (including former executive officers and directors).

21. Section 409A.

(a) The parties intend for this Agreement to either comply with, or be exempt from, Section 409A, and all provisions of this Agreement shall be interpreted and applied accordingly. If any compensation or benefits provided by this Agreement may result in the application of Section 409A, the Company shall, subject to the Executive's prior written approval, modify the Agreement in the least restrictive manner necessary in order to exclude such compensation from the definition of "deferral of compensation" within the meaning of Section 409A or in order to comply with the provisions of Section 409A and without any diminution in the value of the payments or benefits to the Executive. Each payment or reimbursement under this Agreement shall be considered a separate payment and not one of a series of payments for purposes of Section 409A. Any payments or reimbursements of any expenses provided for under this Agreement shall be made in accordance with Treas. Reg. §1.409A-3(i)(1)(iv).

(b) To the extent that any payment or benefit pursuant to this Agreement constitutes a "deferral of compensation" subject to Section 409A (after taking into account to the maximum extent possible any applicable exemptions) (a "409A Payment") and is treated as payable upon Separation from Service, then, if on the date of the Executive's Separation from Service, the Executive is a Specified Employee, to the extent required for the Executive not to incur additional taxes pursuant to Section 409A, no such 409A Payment shall be made to the Executive prior to the earlier of (i) six (6) months after the Executive's Separation from Service or (ii) the date of the Executive's death. Should this paragraph 21 result in payments or benefits to the Executive at a later time than otherwise would have been made under this Agreement, on the first day any such payments or benefits may be made without incurring additional tax pursuant to Section 409A, the Company shall make such payments and provide such benefits as provided for in this Agreement. For purposes of this paragraph 21, the terms "Specified Employee" and "Separation from Service" shall have the meanings ascribed to them in Section 409A. The parties intend that the phrase "termination of employment" and words and phrases of similar import used in this Agreement means a Separation From Service with the Company and its subsidiaries.

22. Section 280G. In the event that any payments, distributions, benefits or entitlements of any type payable or provided by AGNC, the Company or any of their subsidiaries to the Executive, whether or not payable in connection with this Agreement or upon a termination of employment ("Payments"), (i) constitute "parachute payments" within the

meaning of Section 280G, and (ii) but for this paragraph 22 would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Payments shall be reduced to such lesser amount (the "Reduced Amount") that would result in no portion of the Payments being subject to the Excise Tax; provided, however, that such Payments shall not be so reduced if a nationally recognized accounting firm selected by the Board in good faith (the "Accountants") determines that without such reduction, the Executive would be entitled to receive and retain, on a net after-tax basis (including, without limitation, any excise taxes payable under Section 4999 of the Code, federal, state and local income taxes, social security and Medicare taxes and all other applicable taxes, determined by applying the highest marginal rate under Section 1 of the Code and under state and local tax laws which applied (or is likely to apply) to the Executive's taxable income for the tax year in which the transaction which causes the application of Section 280G occurs, or such other rate(s) as the Accountants determine to be likely to apply to the Executive in the relevant tax year(s) in which any of the Payments are expected to be made), an amount that is greater than the amount, on a net after-tax basis, that the Executive would be entitled to retain upon receipt of the Reduced Amount. Unless the Board and the Executive otherwise agree in writing, any determination required under this paragraph 22 shall be made in good faith by the Accountants in a timely manner and shall be binding on the parties absent manifest error. In the event of a reduction of Payments hereunder, the Payments shall be reduced in the order determined by the Accountants that results in the greatest economic benefit to the Executive in a manner that would not result in subjecting the Executive to additional taxation under Section 409A. For purposes of making the calculations required by this paragraph 22, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of the Code and other applicable legal authority. The Board and the Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably require in order to make a determination under this paragraph 22, and the Company shall bear the cost of all fees charged by the Accountants in connection with any calculations contemplated by this paragraph 22. To the extent requested by the Executive, the Company shall cooperate with the Executive in good faith in valuing, and the Accountants shall value, services to be provided by the Executive (including the Executive refraining from performing services pursuant to a covenant not to compete) before, on or after the date of the transaction which causes the application of Section 280G such that Payments in respect of such services may be considered to be "reasonable compensation" within the meaning of Section 280G. Notwithstanding the foregoing, if the transaction which causes the application of Section 280G occurs at a time during which Section 2(a)(i) of Q&A-6 of Treasury Regulation Section 1.280G would apply to the Executive, upon the request of the Executive, the Company shall use reasonable efforts to obtain the vote of equity holders described in Q&A-7 of Treasury Regulation Section 1.280G.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

AGNC MORTGAGE MANAGEMENT, LLC

By:	/s/ Peter Federico
Name:	Peter Federico
Title:	President and Chief Operating Officer

EXECUTIVE

/s/ Sean Reid

Sean Reid

Exhibit 31.1

AGNC Investment Corp.
Certification Pursuant to Section 302(a)
of the Sarbanes-Oxley Act of 2002

I, Peter J. Federico, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AGNC Investment Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2024

/s/ PETER J. FEDERICO
Peter J. Federico
President and Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

AGNC Investment Corp.
Certification Pursuant to Section 302(a)
of the Sarbanes-Oxley Act of 2002

I, Bernice E. Bell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AGNC Investment Corp;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entitles, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   (a) All significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2024

/s/ BERNICE E. BELL

Bernice E. Bell
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

AGNC Investment Corp.
Certification of CEO and CFO Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

We, Peter J. Federico, President and Chief Executive Officer, and Bernice E. Bell, Executive Vice President and Chief Financial Officer of AGNC Investment Corp. (the “Company”), certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 that:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2024 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

	/s/ PETER J. FEDERICO
Name:	Peter J. Federico
Title:	President and Chief Executive Officer (Principal Executive Officer)
Date:	May 7, 2024
	/s/ BERNICE E. BELL
Name:	Bernice E. Bell
Title:	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Date:	May 7, 2024

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.