

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): January 22, 2024



AGNC INVESTMENT CORP.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

001-34057

(Commission File Number)

26-1701984
(I.R.S. Employer
Identification No.)

**7373 Wisconsin Avenue, 22nd Floor
Bethesda, Maryland 20814**
(Address of principal executive offices)

Registrant's telephone number, including area code:
(301) 968-9300

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Exchange on Which Registered
Common Stock, par value \$0.01 per share	AGNC	The Nasdaq Global Select Market
Depository shares of 7.000% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	AGNCN	The Nasdaq Global Select Market
Depository shares of 6.875% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	AGNCM	The Nasdaq Global Select Market
Depository shares of 6.50% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	AGNCO	The Nasdaq Global Select Market
Depository shares of 6.125% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	AGNCP	The Nasdaq Global Select Market
Depository shares of 7.75% Series G Fixed-Rate Reset Cumulative Redeemable Preferred Stock	AGNCL	The Nasdaq Global Select Market

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

Emerging Growth Company

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

Item 2.02 Results of Operations and Financial Condition

On January 22, 2024, AGNC Investment Corp. issued a press release announcing its financial results for the quarter ended December 31, 2023. The text of the aforementioned press release is included as exhibit 99.1 to this Form 8-K. The press release included the following financial information for the quarter:

- Total comprehensive income for the fourth quarter of 2023 of \$1.00 per share of common stock, comprised of \$0.57 net income per common share and \$0.43 other comprehensive income (“OCI”) per common share on investments marked-to-market through OCI;
- Tangible net book value of \$8.70 per share of common stock as of December 31, 2023, which amount excludes \$526 million, or \$0.76 per common share, of goodwill as of December 31, 2023;
- \$60.2 billion fair value of its investment portfolio as of December 31, 2023, inclusive of net forward purchases and sales of agency mortgage-backed securities in the “to-be-announced” (“TBA”) market;
- Tangible net book value “at risk” leverage ratio was 7.0x as of December 31, 2023. Tangible net book value “at risk” leverage represents the ratio of the amount outstanding under its investment securities’ repurchase agreements, debt of consolidated variable interest entities, net TBA position (at cost) and net receivable / payable for unsettled investment securities outstanding to the sum of total stockholders’ equity adjusted to exclude goodwill as of period end (repurchase agreements used to fund U.S. Treasury securities are excluded from the Company’s leverage measurement);
- Economic return on tangible common equity of 12.1% for the fourth quarter, comprised of \$0.36 dividend per share of common stock declared during the fourth quarter and \$0.62 increase in tangible net book value per common share;
- Cash and unencumbered Agency MBS of \$5.1 billion as of December 31, 2023; and
- Issued 46.3 million shares of common equity through At-the-Market Offerings for net proceeds of \$376 million.

Pursuant to the rules and regulations of the Securities and Exchange Commission, exhibit 99.1 to this Form 8-K and the information set forth therein, shall be deemed “furnished” and not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and shall not be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. Pursuant to the rules and regulations of the SEC, the information provided in this Item 2.02 of this Form 8-K shall be deemed “filed” for purposes of Section 18 of the Exchange Act, and shall be deemed to be incorporated by reference in any filing under the Securities Act, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

- (a) None.
- (b) None.
- (c) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated January 22, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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

Dated: January 22, 2024 By: AGNC INVESTMENT CORP.
/s/ BERNICE E. BELL
Bernice E. Bell
Executive Vice President and Chief Financial Officer



FOR IMMEDIATE RELEASE

January 22, 2024

CONTACT:

Investors - (301) 968-9300

Media - (301) 968-9303

**AGNC INVESTMENT CORP.
ANNOUNCES FOURTH QUARTER 2023 FINANCIAL RESULTS**

Bethesda, MD - January 22, 2024 - AGNC Investment Corp. ("AGNC" or the "Company") (Nasdaq: AGNC) today announced financial results for the quarter ended December 31, 2023.

FOURTH QUARTER 2023 FINANCIAL HIGHLIGHTS

- \$1.00 comprehensive income per common share, comprised of:
 - \$0.57 net income per common share
 - \$0.43 other comprehensive income ("OCI") per common share on investments marked-to-market through OCI
- \$0.60 net spread and dollar roll income per common share¹
 - Includes \$0.01 per common share of dollar roll income associated with the Company's \$5.0 billion average net long position in Agency mortgage-backed securities ("MBS") in the "to-be-announced" ("TBA") market
 - Excludes \$0.05 per common share of estimated "catch-up" premium amortization benefit due to change in projected constant prepayment rate ("CPR") estimates
- \$8.70 tangible net book value per common share as of December 31, 2023
 - Increased \$0.62 per common share, or 7.7%, from \$8.08 per common share as of September 30, 2023
- \$0.36 dividends declared per common share for the fourth quarter
- 12.1% economic return on tangible common equity for the quarter
 - Comprised of \$0.36 dividends per common share and \$0.62 increase in tangible net book value per common share

OTHER FOURTH QUARTER HIGHLIGHTS

- \$60.2 billion investment portfolio as of December 31, 2023, comprised of:
 - \$53.8 billion Agency MBS
 - \$5.4 billion net TBA mortgage position
 - \$1.1 billion credit risk transfer ("CRT") and non-Agency securities and other mortgage credit investments
- 7.0x tangible net book value "at risk" leverage as of December 31, 2023
 - 7.4x average tangible net book value "at risk" leverage for the quarter
- Unencumbered cash and Agency MBS totaled \$5.1 billion as of December 31, 2023
 - Excludes unencumbered CRT and non-Agency securities
 - Represents 66% of the Company's tangible equity as of December 31, 2023
- 11.4% average projected portfolio life CPR as of December 31, 2023
 - 6.2% actual portfolio CPR for the quarter
- 3.08% annualized net interest spread²
- Issued 46.3 million shares of common equity through At-the-Market ("ATM") Offerings for net proceeds of \$376 million

2023 FULL YEAR HIGHLIGHTS

- \$0.30 comprehensive income per common share, comprised of:
 - \$0.05 net income per common share
 - \$0.25 OCI per common share
- \$2.61 net spread and dollar roll income per common share¹
 - Includes \$0.05 per common share of dollar roll income
 - Excludes \$0.01 per common share of estimated "catch-up" premium amortization benefit
- \$1.44 in dividends declared per common share
- 3.0% economic return on tangible common equity for the year, comprised of:
 - \$1.44 dividends per common share
 - \$(1.14) decrease in tangible net book value per common share, or -11.6%, from \$9.84 per common share as of December 31, 2022
- 10.0% total stock return³
- Issued 118.8 million shares of common equity through ATM Offerings for net proceeds of \$1.1 billion

1. Represents a non-GAAP measure. Prior to the fourth quarter 2023, this measure was referred to as "net spread and dollar roll income, excluding 'catch-up' premium amortization cost/benefit, per common share." Please refer to the Reconciliation of GAAP Comprehensive Income (Loss) to Net Spread and Dollar Roll Income and additional information regarding the use of non-GAAP financial information included in this release.

2. Please refer to Net Interest Spread Components by Funding Source included in this release for additional information.

3. Includes dividend reinvestments. Source: Bloomberg

MANAGEMENT REMARKS

"The fourth quarter of 2023 illustrated the importance of our active portfolio management strategy, as AGNC generated a very favorable 12.1% economic return despite significant intra-quarter volatility," said Peter Federico, the Company's President and Chief Executive Officer. "Over the last two years, the Federal Reserve has engineered one of the most aggressive tightening campaigns ever experienced, increasing the Federal Funds rate by 5.25% while simultaneously reducing its balance sheet by \$1.3 trillion. Despite this challenging fixed income environment,

AGNC generated a positive economic return of 3.0% in 2023, produced a total stock return of 10.0%, and, importantly, provided shareholders with a stable and compelling monthly dividend.

"As a levered Agency MBS investor, the two primary drivers of our performance are changes in Agency MBS spreads and interest rate volatility. Over the past two years, as the Federal Reserve aggressively tightened monetary policy, Agency MBS spreads widened by more than 100 basis points, and interest rates and interest rate volatility moved sharply higher. Today, we believe many of the factors that drove these adverse conditions are largely behind us. Historically attractive and stable Agency MBS spreads combined with declining interest rate volatility create a compelling investment environment for AGNC and form the basis for our positive investment outlook."

"AGNC generated a strong 12.1% economic return on tangible common equity in the fourth quarter, comprised of \$0.36 of dividends per common share and a \$0.62 increase in tangible net book value per common share," said Bernice Bell, the Company's Executive Vice President and Chief Financial Officer. "AGNC's net spread and dollar roll income remained very strong at \$0.60 per common share in the quarter, demonstrating the value of our short-term debt hedging strategy. Our leverage declined to 7.0x at the end of Q4, compared to 7.9x at the end of Q3, and we finished the quarter with \$5.1 billion of unencumbered cash and Agency MBS, or 66% of our tangible equity."

TANGIBLE NET BOOK VALUE PER COMMON SHARE

As of December 31, 2023, the Company's tangible net book value per common share was \$8.70 per share, an increase of 7.7% for the quarter compared to \$8.08 per share as of September 30, 2023. The Company's tangible net book value per common share excludes \$526 million, or \$0.76 and \$0.81 per share, of goodwill as of December 31, 2023 and September 30, 2023, respectively.

INVESTMENT PORTFOLIO

As of December 31, 2023, the Company's investment portfolio totaled \$60.2 billion, comprised of:

- \$59.1 billion of Agency MBS and TBA securities, including:
 - \$58.5 billion of fixed-rate securities, comprised of:
 - \$51.7 billion 30-year MBS,
 - \$5.3 billion 30-year TBA securities, net,
 - \$0.7 billion 15-year MBS,
 - \$0.1 billion 15-year TBA securities, and
 - \$0.8 billion 20-year MBS; and
 - \$0.6 billion of collateralized mortgage obligations ("CMOs"), adjustable-rate and other Agency securities; and
- \$1.1 billion of CRT and non-Agency securities and other mortgage credit investments.

As of December 31, 2023, 30-year and 15-year fixed-rate Agency MBS and TBA securities represented 95% and 1%, respectively, of the Company's investment portfolio, compared to 94% and 2%, respectively, as of September 30, 2023.

As of December 31, 2023, the Company's fixed-rate Agency MBS and TBA securities' weighted average coupon was 4.83%, compared to 4.71% as of September 30, 2023, comprised of the following weighted average coupons:

- 4.88% for 30-year fixed-rate securities;
- 3.44% for 15-year fixed-rate securities; and
- 2.82% for 20-year fixed-rate securities.

The Company accounts for TBA securities and other forward settling securities as derivative instruments and recognizes TBA dollar roll income in other gain (loss), net on the Company's financial statements. As of December 31, 2023, such positions had a fair value of \$5.4 billion and a GAAP net carrying value of \$66 million reported in derivative assets/(liabilities) on the Company's balance sheet, compared to \$2.4 billion and \$(31) million, respectively, as of September 30, 2023.

CONSTANT PREPAYMENT RATES

The Company's weighted average projected CPR for the remaining life of its Agency securities held as of December 31, 2023 increased to 11.4% from 8.3% as of September 30, 2023. The Company's weighted average CPR for the fourth quarter was 6.2%, compared to 7.1% for the prior quarter.

The weighted average cost basis of the Company's investment portfolio was 102.2% of par value as of December 31, 2023. The Company's investment portfolio generated net premium amortization cost of \$(16) million, or \$(0.02) per common share, for the fourth quarter, which includes a "catch-up" premium amortization benefit of \$32 million, or \$0.05 per common share, due to a decrease in the Company's CPR projections for certain securities acquired prior to the fourth quarter. This compares to net premium amortization cost for the prior quarter of \$(20) million, or \$(0.03) per common share, including a "catch-up" premium amortization benefit of \$31 million, or \$0.05 per common share.

ASSET YIELDS, COST OF FUNDS AND NET INTEREST RATE SPREAD

The Company's average asset yield on its investment portfolio, excluding the TBA position, was 4.55% for the fourth quarter, compared to 4.26% for the prior quarter. Excluding "catch-up" premium amortization, the Company's average asset yield was 4.33% for the fourth quarter, compared to 4.04% for the prior quarter. Including the TBA position and excluding "catch-up" premium amortization, the Company's average asset yield for the fourth quarter was 4.47%, compared to 4.20% for the prior quarter.

For the fourth quarter, the weighted average interest rate on the Company's repurchase agreements was 5.48%, compared to 5.37% for the prior quarter. For the fourth quarter, the Company's TBA position had an implied financing cost of 5.37%, compared to 5.28% for the prior quarter. Inclusive of interest rate swaps, the Company's combined weighted average cost of funds for the fourth quarter was 1.39%, compared to 1.17% for the prior quarter.

The Company's annualized net interest spread, including the TBA position and interest rate swaps and excluding "catch-up" premium amortization, for the fourth quarter was 3.08%, compared to 3.03% for the prior quarter.

NET SPREAD AND DOLLAR ROLL INCOME

The Company recognized net spread and dollar roll income (a non-GAAP financial measure) for the fourth quarter of \$0.60 per common share, compared to \$0.65 per common share for the prior

quarter. Net spread and dollar roll income excludes \$0.05 per common share of estimated "catch-up" premium amortization benefit for the fourth quarter and prior quarter.

A reconciliation of the Company's total comprehensive income (loss) to net spread and dollar roll income and additional information regarding the Company's use of non-GAAP measures are included later in this release.

LEVERAGE

As of December 31, 2023, \$48.9 billion of repurchase agreements, \$5.3 billion of net TBA dollar roll positions (at cost) and \$0.1 billion of other debt were used to fund the Company's investment portfolio. The remainder, or approximately \$1.5 billion, of the Company's repurchase agreements was used to fund short-term purchases of U.S. Treasury securities ("U.S. Treasury repo") and is not included in the Company's leverage measurements. Inclusive of its TBA position and net payable/(receivable) for unsettled investment securities, the Company's tangible net book value "at risk" leverage ratio was 7.0x as of December 31, 2023, compared to 7.9x September 30, 2023. The Company's average "at risk" leverage ratio for the fourth quarter was 7.4x tangible net book value, compared to 7.5x for the prior quarter.

As of December 31, 2023, the Company's repurchase agreements used to fund its investment portfolio ("Investment Securities Repo") had a weighted average interest rate of 5.60%, compared to 5.47% as of September 30, 2023, and a weighted average remaining maturity of 19 days, compared to 16 days as of September 30, 2023. As of December 31, 2023, \$24.1 billion, or 49%, of the Company's Investment Securities Repo was funded through the Company's captive broker-dealer subsidiary, Bethesda Securities, LLC.

HEDGING ACTIVITIES

As of December 31, 2023, interest rate swaps, swaptions, U.S. Treasury positions and other interest rate hedges equaled 112% of the Company's outstanding balance of Investment Securities Repo, TBA position and other debt, compared to 116% as of September 30, 2023.

As of December 31, 2023, the Company's net interest rate swap position totaled \$43.5 billion in notional amount, compared to \$44.4 billion as of September 30, 2023. As of December 31, 2023, the Company's interest rate swap portfolio had an average fixed pay rate of 0.68%, an average receive rate of 5.35% and an average maturity of 3.0 years, compared to 0.74%, 5.30% and 3.5 years, respectively, as of September 30, 2023.

As of December 31, 2023, the Company had net payer swaptions totaling \$1.1 billion, a two-year swap equivalent long SOFR futures position of \$0.9 billion and a net short U.S. Treasury position of \$16.9 billion outstanding, compared to \$1.4 billion, \$1.1 billion and \$18.6 billion, respectively, as of September 30, 2023.

OTHER GAIN (LOSS), NET

For the fourth quarter, the Company recorded a net gain of \$466 million in other gain (loss), net, or \$0.69 per common share, compared to a net loss of \$(316) million, or \$(0.51) per common share, for the prior quarter. Other gain (loss), net for the fourth quarter was comprised of:

- \$(697) million of net realized losses on sales of investment securities;

- \$2,803 million of net unrealized gains on investment securities measured at fair value through net income;
- \$548 million of interest rate swap periodic income;
- \$(1,256) million of net losses on interest rate swaps;
- \$(70) million of net losses on interest rate swaptions;
- \$15 million of net gains on SOFR futures;
- \$(1,054) million of net losses on U.S. Treasury positions;
- \$7 million of TBA dollar roll income;
- \$214 million of net mark-to-market gains on TBA securities;
- \$(36) million of other interest income (expense), net; and
- \$(8) million of other miscellaneous losses.

OTHER COMPREHENSIVE INCOME

During the fourth quarter, the Company recorded other comprehensive income of \$291 million, or \$0.43 per common share, consisting of net unrealized gains on the Company's Agency securities recognized through OCI, compared to \$(213) million, or \$(0.34) per common share, of other comprehensive loss for the prior quarter.

COMMON STOCK DIVIDENDS

During the fourth quarter, the Company declared dividends of \$0.12 per share to common stockholders of record as of October 31, November 31, and December 29, 2023, totaling \$0.36 per share for the quarter. Since its May 2008 initial public offering through the fourth quarter of 2023, the Company has declared a total of \$12.9 billion in common stock dividends, or \$47.20 per common share.

The Company also announced it has published the tax characteristics of its distributions for common stock dividends and for each series of its preferred stock dividends for calendar year 2023 on its website at www.AGNC.com. Stockholders should receive an IRS Form 1099-DIV containing this information from their brokers, transfer agents or other institutions.

FINANCIAL STATEMENTS, OPERATING PERFORMANCE AND PORTFOLIO STATISTICS

The following measures of operating performance include net spread and dollar roll income; economic interest income; economic interest expense; and the related per common share measures and financial metrics derived from such information, which are non-GAAP financial measures. Please refer to "Use of Non-GAAP Financial Information" later in this release for further discussion of non-GAAP measures.

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

	December 31, 2023 (unaudited)	September 30, 2023 (unaudited)	June 30, 2023 (unaudited)	March 31, 2023 (unaudited)	December 31, 2022
Assets:					
Agency securities, at fair value (including pledged securities of \$49,602, \$52,250, \$41,185, \$41,852 and \$35,800, respectively)	\$ 53,673	\$ 55,758	\$ 46,572	\$ 44,925	\$ 39,346
Agency securities transferred to consolidated variable interest entities, at fair value (pledged securities)	121	120	131	140	144
Credit risk transfer securities, at fair value (including pledged securities of \$678, \$709, \$664, \$747 and \$703, respectively)	723	736	711	769	757
Non-Agency securities, at fair value, and other mortgage credit investments (including pledged securities of \$262, \$253, \$283, \$457 and \$605, respectively)	351	353	353	530	682
U.S. Treasury securities, at fair value (including pledged securities of \$1,530, \$246, \$1,523, \$6,481 and \$353, respectively)	1,540	246	1,523	6,642	353
Cash and cash equivalents	518	493	716	975	1,018
Restricted cash	1,253	1,389	907	1,864	1,316
Derivative assets, at fair value	185	413	234	229	617
Receivable for investment securities sold (including pledged securities of \$0, \$273, \$148, \$339 and \$119, respectively)	—	311	148	346	120
Receivable under reverse repurchase agreements	11,618	8,900	7,990	8,929	6,622
Goodwill	526	526	526	526	526
Other assets	1,088	746	707	236	247
Total assets	<u>\$ 71,596</u>	<u>\$ 69,991</u>	<u>\$ 60,518</u>	<u>\$ 66,111</u>	<u>\$ 51,748</u>
Liabilities:					
Repurchase agreements	\$ 50,426	\$ 52,107	\$ 42,029	\$ 48,384	\$ 36,262
Debt of consolidated variable interest entities, at fair value	80	80	87	92	95
Payable for investment securities purchased	210	701	1,901	—	302
Derivative liabilities, at fair value	362	80	117	326	99
Dividends payable	115	109	103	101	100
Obligation to return securities borrowed under reverse repurchase agreements, at fair value	10,894	9,022	7,970	8,869	6,534
Accounts payable and other liabilities	1,252	442	433	547	486
Total liabilities	<u>63,339</u>	<u>62,541</u>	<u>52,640</u>	<u>58,319</u>	<u>43,878</u>
Stockholders' equity:					
Preferred Stock - aggregate liquidation preference of \$1,688	1,634	1,634	1,634	1,634	1,634
Common stock - \$0.01 par value; 694.3, 648.0, 603.3, 592.5 and 574.6 shares issued and outstanding, respectively	7	6	6	6	6
Additional paid-in capital	15,281	14,901	14,466	14,356	14,186
Retained deficit	(8,148)	(8,283)	(7,633)	(7,674)	(7,284)
Accumulated other comprehensive loss	(517)	(808)	(595)	(530)	(672)
Total stockholders' equity	<u>8,257</u>	<u>7,450</u>	<u>7,878</u>	<u>7,792</u>	<u>7,870</u>
Total liabilities and stockholders' equity	<u>\$ 71,596</u>	<u>\$ 69,991</u>	<u>\$ 60,518</u>	<u>\$ 66,111</u>	<u>\$ 51,748</u>
Tangible net book value per common share ¹	<u>\$ 8.70</u>	<u>\$ 8.08</u>	<u>\$ 9.39</u>	<u>\$ 9.41</u>	<u>\$ 9.84</u>

AGNC INVESTMENT CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)
(unaudited)

	Three Months Ended				Year Ended
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2023
Interest income:					
Interest income	\$ 640	\$ 593	\$ 457	\$ 351	\$ 2,041
Interest expense	666	646	526	449	2,287
Net interest income (expense)	(26)	(53)	(69)	(98)	(246)
Other gain (loss), net:					
Realized loss on sale of investment securities, net	(697)	(534)	(255)	(81)	(1,567)
Unrealized gain (loss) on investment securities measured at fair value through net income, net	2,803	(1,356)	(363)	594	1,678
(Loss) gain on derivative instruments and other investments, net	(1,640)	1,574	996	(544)	386
Total other gain (loss), net	466	(316)	378	(31)	497
Expenses:					
Compensation and benefits	20	14	14	14	62
Other operating expense	8	9	9	8	34
Total operating expense	28	23	23	22	96
Net income (loss)	412	(392)	286	(151)	155
Dividend on preferred stock	31	31	31	30	123
Net income (loss) available (attributable) to common stockholders	\$ 381	\$ (423)	\$ 255	\$ (181)	\$ 32
Net income (loss)	\$ 412	\$ (392)	\$ 286	\$ (151)	\$ 155
Unrealized gain (loss) on investment securities measured at fair value through other comprehensive income (loss), net	291	(213)	(65)	142	155
Comprehensive income (loss)	703	(605)	221	(9)	310
Dividend on preferred stock	31	31	31	30	123
Comprehensive income (loss) available (attributable) to common stockholders	\$ 672	\$ (636)	\$ 190	\$ (39)	\$ 187
Weighted average number of common shares outstanding - basic	672.3	622.0	598.8	579.3	618.4
Weighted average number of common shares outstanding - diluted	674.0	622.0	599.7	579.3	619.6
Net income (loss) per common share - basic	\$ 0.57	\$ (0.68)	\$ 0.43	\$ (0.31)	\$ 0.05
Net income (loss) per common share - diluted	\$ 0.57	\$ (0.68)	\$ 0.43	\$ (0.31)	\$ 0.05
Comprehensive income (loss) per common share - basic	\$ 1.00	\$ (1.02)	\$ 0.32	\$ (0.07)	\$ 0.30
Comprehensive income (loss) per common share - diluted	\$ 1.00	\$ (1.02)	\$ 0.32	\$ (0.07)	\$ 0.30
Dividends declared per common share	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 1.44

AGNC INVESTMENT CORP.
RECONCILIATION OF GAAP COMPREHENSIVE INCOME (LOSS) TO NET SPREAD AND DOLLAR ROLL INCOME (NON-GAAP MEASURE)²
(in millions, except per share data)
(unaudited)

	Three Months Ended				Year Ended
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2023
Comprehensive income (loss) available (attributable) to common stockholders	\$ 672	\$ (636)	\$ 190	\$ (39)	\$ 187
Adjustments to exclude realized and unrealized (gains) losses reported through net income:					
Realized loss on sale of investment securities, net	697	534	255	81	1,567
Unrealized (gain) loss on investment securities measured at fair value through net income, net	(2,803)	1,356	363	(594)	(1,678)
(Gain) loss on derivative instruments and other securities, net	1,640	(1,574)	(996)	544	(386)
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	(291)	213	65	(142)	(155)
Other adjustments:					
Estimated "catch up" premium amortization cost (benefit) due to change in CPR forecast	(32)	(31)	(11)	69	(5)
TBA dollar roll income ^{4,5}	7	—	6	18	31
Interest rate swap periodic income, net ^{4,6}	548	583	567	504	2,202
Other interest income (expense), net ^{4,7}	(36)	(42)	(35)	(33)	(146)
Net spread and dollar roll income available to common stockholders	<u>\$ 402</u>	<u>\$ 403</u>	<u>\$ 404</u>	<u>\$ 408</u>	<u>\$ 1,617</u>
Weighted average number of common shares outstanding - basic	<u>672.3</u>	<u>622.0</u>	<u>598.8</u>	<u>579.3</u>	<u>618.4</u>
Weighted average number of common shares outstanding - diluted	<u>674.0</u>	<u>623.3</u>	<u>599.7</u>	<u>580.5</u>	<u>619.6</u>
Net spread and dollar roll income per common share - basic	<u>\$ 0.60</u>	<u>\$ 0.65</u>	<u>\$ 0.67</u>	<u>\$ 0.70</u>	<u>\$ 2.61</u>
Net spread and dollar roll income per common share - diluted	<u>\$ 0.60</u>	<u>\$ 0.65</u>	<u>\$ 0.67</u>	<u>\$ 0.70</u>	<u>\$ 2.61</u>

AGNC INVESTMENT CORP.
NET INTEREST SPREAD COMPONENTS BY FUNDING SOURCE ²
(in millions, except per share data)
(unaudited)

	Three Months Ended				Year Ended
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2023
Adjusted net interest and dollar roll income:					
Economic interest income:					
Investment securities - GAAP interest income ⁸	\$ 640	\$ 593	\$ 457	\$ 351	\$ 2,041
Estimated "catch-up" premium amortization cost (benefit) due to change in CPR forecast	(32)	(31)	(11)	69	(5)
TBA dollar roll income - implied interest income ^{4,9}	76	99	129	220	524
Economic interest income	684	661	575	640	2,560
Economic interest expense:					
Repurchase agreements and other debt - GAAP interest expense	(666)	(646)	(526)	(449)	(2,287)
TBA dollar roll income - implied interest expense ^{4,10}	(69)	(99)	(123)	(202)	(493)
Interest rate swap periodic income, net ^{4,6}	548	583	567	504	2,202
Economic interest expense	(187)	(162)	(82)	(147)	(578)
Adjusted net interest and dollar roll income	\$ 497	\$ 499	\$ 493	\$ 493	\$ 1,982
Net interest spread:					
Average asset yield:					
Investment securities - average asset yield	4.55 %	4.26 %	3.72 %	2.93 %	3.91 %
Estimated "catch-up" premium amortization cost (benefit) due to change in CPR forecast	(0.22)%	(0.22)%	(0.09)%	0.58 %	(0.01)%
Investment securities average asset yield, excluding "catch-up" premium amortization	4.33 %	4.04 %	3.63 %	3.51 %	3.90 %
TBA securities - average implied asset yield ⁹	6.09 %	5.40 %	5.18 %	4.93 %	5.24 %
Average asset yield ¹¹	4.47 %	4.20 %	3.89 %	3.90 %	4.11 %
Average total cost of funds:					
Repurchase agreements and other debt - average funding cost	5.48 %	5.37 %	5.01 %	4.51 %	5.12 %
TBA securities - average implied funding cost ¹⁰	5.37 %	5.28 %	4.89 %	4.53 %	4.86 %
Average cost of funds, before interest rate swap periodic income, net ¹¹	5.47 %	5.36 %	4.98 %	4.52 %	5.07 %
Interest rate swap periodic income, net ¹²	(4.08)%	(4.19)%	(4.35)%	(3.50)%	(4.02)%
Average total cost of funds ¹³	1.39 %	1.17 %	0.63 %	1.02 %	1.05 %
Average net interest spread	3.08 %	3.03 %	3.26 %	2.88 %	3.06 %

AGNC INVESTMENT CORP.
KEY STATISTICS*
(in millions, except per share data)
(unaudited)

Key Balance Sheet Statistics:	Three Months Ended				
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Investment securities: ⁸					
Fixed-rate Agency MBS, at fair value - as of period end	\$ 53,161	\$ 55,408	\$ 46,250	\$ 44,754	\$ 39,169
Other Agency MBS, at fair value - as of period end	\$ 633	\$ 470	\$ 453	\$ 311	\$ 321
Credit risk transfer securities, at fair value - as of period end	\$ 723	\$ 736	\$ 711	\$ 769	\$ 757
Non-Agency MBS, at fair value - as of period end ¹⁴	\$ 307	\$ 308	\$ 325	\$ 505	\$ 657
Total investment securities, at fair value - as of period end	\$ 54,824	\$ 56,922	\$ 47,739	\$ 46,339	\$ 40,904
Total investment securities, at cost - as of period end	\$ 56,965	\$ 62,156	\$ 51,406	\$ 49,575	\$ 44,880
Total investment securities, at par - as of period end	\$ 55,760	\$ 61,034	\$ 50,030	\$ 48,123	\$ 43,403
Average investment securities, at cost	\$ 56,228	\$ 55,665	\$ 49,119	\$ 47,846	\$ 44,351
Average investment securities, at par	\$ 55,039	\$ 54,387	\$ 47,711	\$ 46,374	\$ 42,978
TBA securities: ¹⁵					
Net TBA portfolio - as of period end, at fair value	\$ 5,354	\$ 2,376	\$ 10,228	\$ 10,395	\$ 18,574
Net TBA portfolio - as of period end, at cost	\$ 5,288	\$ 2,407	\$ 10,320	\$ 10,385	\$ 18,407
Net TBA portfolio - as of period end, carrying value	\$ 66	\$ (31)	\$ (92)	\$ 10	\$ 167
Average net TBA portfolio, at cost	\$ 4,993	\$ 7,340	\$ 9,985	\$ 17,851	\$ 18,988
Average repurchase agreements and other debt ¹⁶	\$ 47,548	\$ 47,073	\$ 41,546	\$ 39,824	\$ 35,486
Average stockholders' equity ¹⁷	\$ 7,660	\$ 7,758	\$ 7,712	\$ 8,053	\$ 7,481
Tangible net book value per common share ¹	\$ 8.70	\$ 8.08	\$ 9.39	\$ 9.41	\$ 9.84
Tangible net book value "at risk" leverage - average ¹⁸	7.4:1	7.5:1	7.2:1	7.7:1	7.8:1
Tangible net book value "at risk" leverage - as of period end ¹⁹	7.0:1	7.9:1	7.2:1	7.2:1	7.4:1
Key Performance Statistics:					
Investment securities: ⁸					
Average coupon	4.77 %	4.51 %	4.21 %	4.06 %	3.74 %
Average asset yield	4.55 %	4.26 %	3.72 %	2.93 %	3.14 %
Average asset yield, excluding "catch-up" premium amortization	4.33 %	4.04 %	3.63 %	3.51 %	3.17 %
Average coupon - as of period end	4.86 %	4.73 %	4.33 %	4.15 %	3.94 %
Average asset yield - as of period end	4.41 %	4.37 %	3.78 %	3.55 %	3.37 %
Average actual CPR for securities held during the period	6.2 %	7.1 %	6.6 %	5.2 %	6.8 %
Average forecasted CPR - as of period end	11.4 %	8.3 %	9.8 %	10.0 %	7.4 %
Total premium amortization cost	\$ (16)	\$ (20)	\$ (45)	\$ (120)	\$ (55)
TBA securities:					
Average coupon - as of period end ²⁰	5.54 %	5.83 %	5.25 %	5.06 %	4.84 %
Average implied asset yield ⁹	6.09 %	5.40 %	5.18 %	4.93 %	4.86 %
Combined investment and TBA securities - average asset yield, excluding "catch-up" premium amortization ¹¹	4.47 %	4.20 %	3.89 %	3.90 %	3.68 %
Cost of funds:					
Repurchase agreements - average funding cost	5.48 %	5.37 %	5.01 %	4.51 %	3.55 %
TBA securities - average implied funding cost ¹⁰	5.37 %	5.28 %	4.89 %	4.53 %	3.41 %
Interest rate swaps - average periodic income ¹²	(4.08)%	(4.19)%	(4.35)%	(3.50)%	(2.89)%
Average total cost of funds, inclusive of TBAs and interest rate swap periodic income, net ^{11,13}	1.39 %	1.17 %	0.63 %	1.02 %	0.61 %
Repurchase agreements - average funding cost as of period end	5.60 %	5.47 %	5.23 %	4.81 %	4.31 %
Interest rate swaps - average net pay/(receive) rate as of period end ²¹	(4.67)%	(4.56)%	(4.53)%	(4.39)%	(3.94)%
Net interest spread:					
Combined investment and TBA securities average net interest spread	3.29 %	3.23 %	3.34 %	2.46 %	3.03 %
Combined investment and TBA securities average net interest spread, excluding "catch-up" premium amortization	3.08 %	3.03 %	3.26 %	2.88 %	3.07 %
Expenses % of average stockholders' equity - annualized	1.46 %	1.19 %	1.19 %	1.09 %	0.75 %
Economic return (loss) on tangible common equity - unannualized ²²	12.1 %	(10.1)%	3.6 %	(0.7)%	12.3 %

*Except as noted below, average numbers for each period are weighted based on days on the Company's books and records. All percentages are annualized, unless otherwise noted.

Numbers in financial tables may not total due to rounding.

1. Tangible net book value per common share excludes preferred stock liquidation preference and goodwill.
2. Table includes non-GAAP financial measures and/or amounts derived from non-GAAP measures. Refer to "Use of Non-GAAP Financial Information" for additional discussion of non-GAAP financial measures.
3. "Catch-up" premium amortization cost/benefit is reported in interest income on the accompanying consolidated statements of operations.
4. Amount reported in gain (loss) on derivatives instruments and other securities, net in the accompanying consolidated statements of operations.
5. 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. Amount includes dollar roll income (loss) on long and short TBA securities. Amount excludes TBA mark-to-market adjustments.
6. Represents periodic interest rate swap settlements. Amount excludes interest rate swap termination fees, mark-to-market adjustments and price alignment interest income (expense) on margin deposits.
7. Other interest income (expense), net includes interest income on cash and cash equivalents, price alignment interest income (expense) on margin deposits, and other miscellaneous interest income (expense).
8. Investment securities include Agency MBS, CRT and non-Agency securities. Amounts exclude TBA and forward settling securities accounted for as derivative instruments in the accompanying consolidated balance sheets and statements of operations.
9. The average implied asset yield for TBA dollar roll transactions is extrapolated by adding the average TBA implied funding cost (Note 10) to the net dollar roll yield. The net dollar roll yield is calculated by dividing dollar roll income (Note 5) by the average net TBA balance (cost basis) outstanding for the period.
10. The implied funding cost/benefit of TBA dollar roll transactions is determined using the "price drop" (Note 5) 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 the Company's daily average TBA balance outstanding for the period.
11. Amount calculated on a weighted average basis based on average balances outstanding during the period and their respective asset yield/funding cost.
12. Represents interest rate swap periodic cost/income measured as a percent of total mortgage funding (Investment Securities Repo, other debt and net TBA securities (at cost)).
13. Cost of funds excludes other supplemental hedges used to hedge a portion of the Company's interest rate risk (such as swaptions, SOFR futures, and U.S. Treasury positions) and U.S. Treasury repurchase agreements.
14. Non-Agency MBS, at fair value, excludes \$44 million, \$45 million, \$28 million, \$25 million and \$25 million of other mortgage credit investments held as of December 31, September 30, June 30, and March 31, 2023 and December 31, 2022, respectively.
15. Includes TBA dollar roll position and, if applicable, forward settling securities accounted for as derivative instruments in the accompanying consolidated balance sheets and statements of operations. Amount is net of short TBA securities.
16. Average repurchase agreements and other debt excludes U.S. Treasury repurchase agreements.
17. Average stockholders' equity calculated as the average month-ended stockholders' equity during the quarter.
18. Average tangible net book value "at risk" leverage during the period was calculated by dividing the sum of the daily weighted average Investment Securities Repo, other debt, and TBA and forward settling securities (at cost) outstanding for the period by the sum of average stockholders' equity adjusted to exclude goodwill. Leverage excludes U.S. Treasury repurchase agreements.
19. Tangible net book value "at risk" leverage as of period end was calculated by dividing the sum of the amount outstanding under Investment Securities Repo, other debt, net TBA position and forward settling securities (at cost), and net receivable / payable for unsettled investment securities outstanding by the sum of total stockholders' equity adjusted to exclude goodwill. Leverage excludes U.S. Treasury repurchase agreements.
20. Average TBA coupon is for the long TBA position only.
21. Includes forward starting swaps not yet in effect as of reported period-end.
22. Economic return (loss) on tangible common equity represents the sum of the change in tangible net book value per common share and dividends declared on common stock during the period over the beginning tangible net book value per common share.

STOCKHOLDER CALL

AGNC invites stockholders, prospective stockholders and analysts to attend the AGNC stockholder call on January 23, 2024 at 8:30 am ET. Interested persons who do not plan on asking a question and have internet access are encouraged to utilize the webcast at

www.AGNC.com. Those who plan on participating in the Q&A or do not have internet available may access the call by dialing (877) 300-5922 (U.S. domestic) or (412) 902-6621 (international). Please advise the operator you are dialing in for the AGNC Investment Corp. stockholder call.

A slide presentation will accompany the call and will be available in the Investors section of the Company's website at www.AGNC.com. Select the Q4 2023 Earnings Presentation link to download the presentation in advance of the stockholder call.

An archived audio of the stockholder call combined with the slide presentation will be available on the AGNC website after the call on January 23, 2024. In addition, there will be a phone recording available one hour after the call on January 23, 2024 through January 30, 2024. Those who are interested in hearing the recording of the presentation, can access it by dialing (877) 344-7529 (U.S. domestic) or (412) 317-0088 (international), passcode 6423303.

For further information, please contact Investor Relations at (301) 968-9300 or IR@AGNC.com.

ABOUT AGNC INVESTMENT CORP.

Founded in 2008, AGNC Investment Corp. (Nasdaq: AGNC) is a leading investor in Agency residential mortgage-backed securities (Agency MBS), which benefit from a guarantee against credit losses by Fannie Mae, Freddie Mac, or Ginnie Mae. We invest on a leveraged basis, financing our Agency MBS assets primarily through repurchase agreements, and utilize dynamic risk management strategies intended to protect the value of our portfolio from interest rate and other market risks.

AGNC has a track record of providing favorable long-term returns for our stockholders through substantial monthly dividend income, with over \$12 billion of common stock dividends paid since inception. Our business is a significant source of private capital for the U.S. residential housing market, and our team has extensive experience managing mortgage assets across market cycles. To learn more about **The Premier Agency Residential Mortgage REIT**, please visit www.AGNC.com, follow us on LinkedIn, and Sign Up for Investor Alerts.

FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements are based on estimates, projections, beliefs and assumptions of management of the Company at the time of such statements and are not guarantees of future performance. Forward-looking statements involve risks and uncertainties in predicting future results and conditions. Actual results could differ materially from those projected in these forward-looking statements or from our historic performance due to a variety of important factors, including, without limitation, changes in monetary policy and other factors that affect interest rates, MBS spreads to benchmark interest rates, the forward yield curve, or prepayment rates; the availability and terms of financing; changes in the market value of the Company's assets; general economic or geopolitical conditions; liquidity and other conditions in the market for Agency securities and other financial markets; and legislative and regulatory changes that could adversely affect the business of the Company. Certain factors that could cause actual results to differ materially from those contained in the forward-looking statements are included in the Company's periodic reports filed with the Securities and Exchange Commission ("SEC"). Copies are available on the SEC's website, www.sec.gov. The Company

disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information, or otherwise.

USE OF NON-GAAP FINANCIAL INFORMATION

In addition to the results presented in accordance with GAAP, the Company's results of operations discussed in this release include certain non-GAAP financial information, including "net spread and dollar roll income"; "economic interest income" and "economic interest expense"; and the related per common share measures and certain financial metrics derived from such non-GAAP information, such as "cost of funds" and "net interest spread."

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 or other comprehensive income and gains/losses on derivative instruments and other securities (GAAP measures, (ii) exclude retrospective "catch-up" adjustments to premium amortization cost due to changes in projected CPR estimates and (iii) include interest rate swap periodic income/cost, TBA dollar roll income and other miscellaneous interest income/expense. As defined, net spread and dollar roll income available to common stockholders represents net interest income (GAAP measure) adjusted to exclude retrospective "catch-up" adjustments to premium amortization cost due to changes in projected CPR estimates and to include TBA dollar roll income, interest rate swap periodic income/cost and other miscellaneous interest income/expense, less total operating expense (GAAP measure) and dividends on preferred stock (GAAP measure).

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

Specifically, the Company believes the inclusion of TBA dollar roll income is meaningful as TBAs are economically equivalent to holding and financing generic Agency MBS using short-term repurchase agreements but are recognized under GAAP in gain/loss on derivative instruments in the Company's statement of operations. Similarly, the Company believes that the inclusion of periodic interest rate swap settlements in such measure, which are recognized under GAAP in gain/loss on derivative instruments, is meaningful as interest rate swaps are the primary instrument the Company uses to economically hedge against fluctuations in the Company's borrowing costs and inclusion of periodic interest rate swap settlements is more indicative of the Company's total cost of funds than interest expense alone. In the case of net spread and dollar roll income, the Company believes the exclusion of "catch-up" adjustments to premium amortization cost 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 "catch-up" cost or benefit is more indicative of the current earnings potential of the Company's investment portfolio.

However, because such measures are incomplete measures of the Company's 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, the Company's presentation of such non-GAAP measures may not be comparable to other similarly-titled measures of other companies.

A reconciliation of GAAP comprehensive income (loss) to non-GAAP "net spread and dollar roll income" is included in this release.