



# **Q4 2019 Stockholder Presentation**

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**January 30, 2020**

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

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

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



Type:  
**Common Stock**

Exchange / Ticker:  
**Nasdaq / AGNC**

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

Tangible Net Book Value<sup>2</sup>:  
**\$17.66 Per Share**

IPO Date:  
**May 2008**

Total Dividends Paid Since IPO<sup>1</sup>:  
**\$41.32 Per Share**

Total Equity Capital<sup>2</sup>:  
**\$10.1 B**



Type:  
**Preferred Stock**

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

Note: Information as of Dec 31, 2019 unless otherwise indicated

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

- **\$1.59 Comprehensive Income per Share, Comprised of:**
  - \$1.56 net income per share
  - \$0.03 other comprehensive income (“OCI”) per share on investments marked-to-market through OCI
- **\$0.57 Net Spread and Dollar Roll Income per Share, Excluding Estimated “Catch-Up” Premium Amortization Benefit <sup>1</sup>**
  - Includes \$0.04 per share of dollar roll income associated with a \$7.0 B average net long position in forward purchases and sales of Agency MBS in the “to-be-announced” (“TBA”) market <sup>2</sup>
  - Excludes \$0.09 per share of estimated “catch-up” premium amortization benefit due to change in projected constant prepayment rate (“CPR”) estimates
- **\$17.66 Tangible Net Book Value per Share as of Dec 31, 2019**
  - Increased \$1.11 per share, or 6.7%, from \$16.55 per share as of Sep 30, 2019
  - Excludes \$526 MM, or \$0.97 per share, of goodwill as of Dec 31, 2019
- **\$0.48 Dividends Declared per Share for the Fourth Quarter**
- **9.6% Economic Return on Tangible Common Equity for the Quarter**
  - Comprised of \$0.48 dividends per share and \$1.11 increase in tangible net book value per share

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

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

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

- **\$107.9 B Investment Portfolio as of Dec 31, 2019**
  - \$98.9 B Agency MBS
  - \$7.4 B net TBA mortgage position
  - \$1.6 B credit risk transfer and non-Agency securities
- **9.4x Tangible Net Book Value “At Risk” Leverage as of Dec 31, 2019 <sup>1</sup>**
  - 9.5x average tangible net book value “at risk” leverage for the quarter
- **15.4% Portfolio CPR for the Quarter**
  - 10.8% average projected portfolio life CPR as of Dec 31, 2019
- **1.33% Annualized Net Interest Spread and TBA Dollar Roll Income for the Quarter, Excluding Estimated “Catch-Up” Premium Amortization Benefit <sup>2</sup>**
  - Excludes 19 bps of “catch-up” premium amortization benefit due to change in projected CPR estimates

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

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

- **\$3.08 Comprehensive Income per Share, Comprised of:**
  - \$1.16 net income per share
  - \$1.92 OCI per share
- **\$2.16 Net Spread and Dollar Roll Income per Share, Excluding Estimated "Catch-Up" Premium Amortization Cost <sup>1</sup>**
  - Includes \$0.17 per share of dollar roll income
  - Excludes \$(0.19) per share of estimated "catch-up" amortization cost
- **\$2.00 in Dividends Declared per Share**
- **18.7% Economic Return on Tangible Common Equity for the Year, Comprised of:**
  - \$2.00 dividends per share
  - \$1.10 increase in tangible net book value per share, or 6.6%, from \$16.56 per share as of Dec 31, 2018
- **13.3% Total Stock Return <sup>2</sup>**
- **\$1.1 B of Accretive Capital Transactions During the Year**
  - \$190 MM of At-the-Market common equity offerings, net of offering costs
  - \$103 MM of common share repurchases, net of repurchase costs
  - \$235 MM of 6.875% fixed-to-floating rate preferred equity issued in Mar
  - \$403 MM of 6.50% fixed-to-floating rate preferred equity issued in Oct
  - \$175 MM of 7.75% fixed rate preferred equity redeemed in Nov

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

2. Total stock return includes common stock price appreciation and dividend reinvestment. Dividends assumed to be reinvested at the closing price on the ex-dividend date. Source Bloomberg

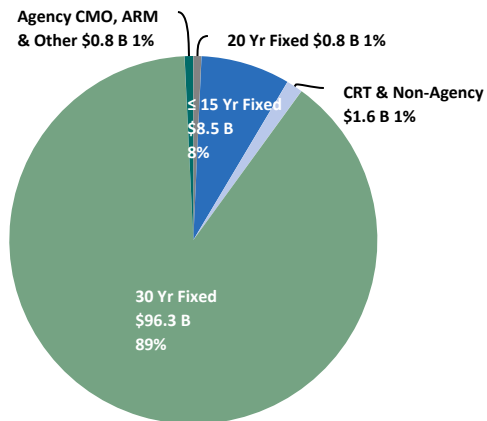
Security	12/31/18	3/31/19	6/30/19	9/30/19	12/31/19	Q4 2019 Δ Price	Security	12/31/18	3/31/19	6/30/19	9/30/19	12/31/19	Q4 2019 Δ Rate % / Price <sup>3</sup>
<b>Agency 30 Year Fixed Rate MBS Price<sup>1</sup></b>							<b>Treasury Rates<sup>2</sup></b>						
3.00%	97.54	99.55	100.84	101.51	101.42	-0.09	2 Yr UST	2.49%	2.26%	1.75%	1.62%	1.57%	-0.05% / +0.10
3.50%	99.95	101.35	102.24	102.58	102.86	+0.28	5 Yr UST	2.51%	2.23%	1.77%	1.54%	1.69%	+0.15% / -0.70
4.00%	101.94	102.86	103.36	103.77	104.01	+0.24	10 Yr UST	2.68%	2.41%	2.01%	1.66%	1.92%	+0.26% / -2.24
4.50%	103.53	104.20	104.49	105.29	105.29	—	30 Yr UST	3.01%	2.81%	2.53%	2.11%	2.39%	+0.28% / -5.93
<b>Agency 30 Year Static Spreads to Swaps<sup>4</sup></b>							<b>Swap Rates<sup>2</sup></b>						
3.00%	62	70	102	113	95	-18	2 Yr Swap	2.66%	2.38%	1.81%	1.63%	1.70%	+0.07% / -0.13
3.50%	81	92	105	112	99	-13	5 Yr Swap	2.57%	2.28%	1.77%	1.50%	1.73%	+0.23% / -1.09
4.00%	101	94	93	100	99	-1	10 Yr Swap	2.71%	2.41%	1.96%	1.56%	1.90%	+0.34% / -3.05
4.50%	112	97	100	92	100	+8	30 Yr Swap	2.84%	2.58%	2.21%	1.71%	2.09%	+0.38% / -8.72
<b>Agency 30 Year Option Adjusted Spreads<sup>5</sup></b>							<b>Credit Spreads<sup>6</sup></b>						
3.00%	21	22	27	38	30	-8	CRT M2	291	229	209	198	192	-6
3.50%	24	26	37	50	37	-13	CMBS AAA	104	89	86	94	81	-13
4.00%	26	31	42	51	41	-10	CDX IG	88	64	55	60	45	-15
4.50%	41	44	59	56	48	-8	CDX HY	449	346	322	346	277	-69

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

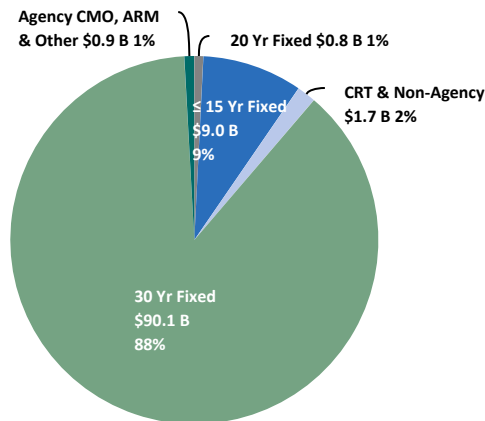
1. Source: Barclays
2. Source: Bloomberg
3. Change in Treasury and swap prices derived from Constant Maturity Treasury and Constant Maturity Swap and DV01 from JPM
4. Source: Citi, Credit Suisse and Blackrock
5. Source: Citi, Credit Suisse and JP Morgan
6. Source: CRT and CMBS spreads are averages of JP Morgan, Wells Fargo and Bank of America. CRT spreads are discount margins. CMBS spreads are spread to the swap curve. CDX spreads are sourced from JP Morgan.

# Agency Portfolio Update

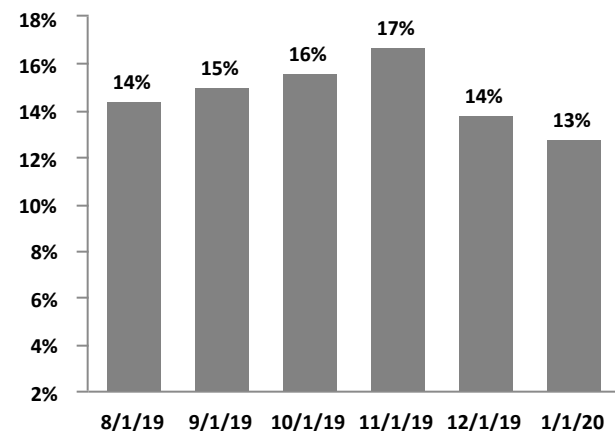
As of 12/31/19  
\$107.9 B Portfolio  
Including Net TBA Position



As of 9/30/19  
\$102.6 B Portfolio  
Including Net TBA Position



AGNC Actual CPR <sup>1</sup>



30 Year - \$96.3 B Portfolio (89% of Total) as of 12/31/19

(\$ In Millions)					Jan '20	Life
Coupon	FMV	%	Specified Pool % <sup>2</sup>	WALA <sup>3</sup>	1 M Actual CPR	Forecast CPR
≤ 3.0%	\$23,178	24%	3%	8	4%	9%
3.5%	23,641	25%	63%	49	13%	10%
4.0%	30,362	32%	80%	37	16%	11%
≥ 4.5%	13,881	14%	95%	24	17%	13%
<b>30 Year MBS</b>	<b>91,062</b>	<b>95%</b>	<b>58%</b>	<b>31</b>	<b>13%</b>	<b>11%</b>
<b>Net TBA</b>	<b>5,203</b>	<b>5%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Total 30 Year</b>	<b>\$96,265</b>	<b>100%</b>	<b>55%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

≤15 Year - \$8.5 B Portfolio (8% of Total) as of 12/31/19

(\$ In Millions)					Jan '20	Life
Coupon	FMV	%	Specified Pool % <sup>2</sup>	WALA <sup>3</sup>	1 M Actual CPR	Forecast CPR <sup>4</sup>
2.5%	\$926	11%	75%	86	12%	11%
3.0%	1,981	23%	92%	58	11%	10%
3.5%	2,151	25%	80%	25	15%	13%
≥ 4.0%	1,181	14%	92%	35	17%	14%
<b>≤ 15 Year MBS</b>	<b>6,239</b>	<b>74%</b>	<b>85%</b>	<b>47</b>	<b>14%</b>	<b>12%</b>
<b>Net TBA</b>	<b>2,226</b>	<b>26%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Total ≤ 15 Year</b>	<b>\$8,465</b>	<b>100%</b>	<b>63%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

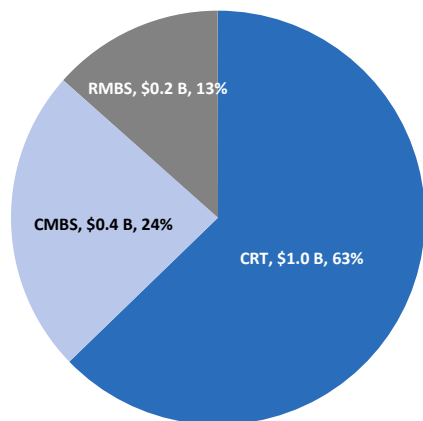
Note: Amounts may not total due to rounding

1. Wtd/avg actual 1 month annualized CPR released at the beginning of each month based on securities held as of the preceding month-end, excludes net TBA position
2. Specified pools include pools backed by lower balance loans with original loan balances of up to \$200K, HARP pools (defined as pools that were issued between May 2009 and Dec 2018 and backed by 100% refinance loans with original LTVs ≥ 80%) and pools backed by loans 100% originated in N.Y. and Puerto Rico. Lower balance pools have a wtd. avg. original loan balance of \$115 K for ≤15-year and \$118 K for 30-year securities as of Dec 31, 2019. HARP pools have a wtd. avg. original LTV of 119% for ≤15-year and 136% for 30-year securities as of Dec 31, 2019
3. WALA represents the weighted average loan age presented in months, excluding net TBA position
4. Average projected CPR as of Dec 31, 2019 excludes net TBA position

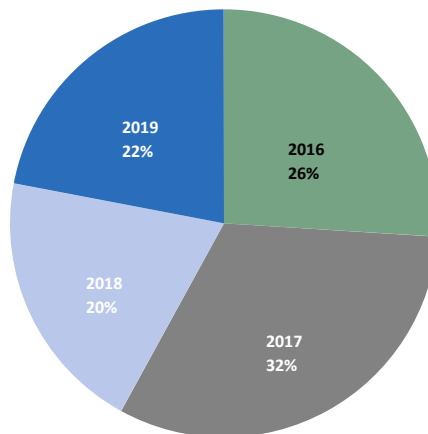


# Credit Portfolio Update

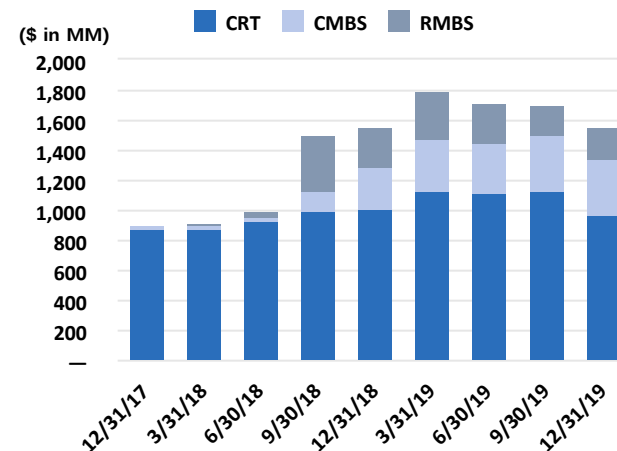
**\$1.6 B as of Dec 31, 2019**



**GSE CRT Portfolio by Issuance Year**



**Historical Credit Portfolio**



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

Sector	Current Face	FMV	%	Price	Coupon	Credit Enhancement	60+ DQ
GSE Credit Risk Transfer	\$932	\$971	63%	104.18	5.06%	1.41%	0.41%
New Issue Jumbo/Conforming	158	156	10%	98.72	4.13%	2.93%	0.21%
Reperforming Loan Securitizations	50	52	3%	104.19	3.80%	27.68%	2.14%
MI Credit Risk Transfer	5	5	0%	100.23	4.69%	3.11%	0.77%
<b>Residential Credit Total</b>	<b>1,145</b>	<b>1,184</b>	<b>76%</b>	<b>103.41</b>	<b>4.88%</b>	<b>2.78%</b>	<b>0.47%</b>
Conduit	253	276	18%	108.74	4.22%	19.59%	0.03%
Single Asset/Single Borrower	94	96	6%	101.31	5.15%	19.38%	0.00%
<b>Commercial Credit Total</b>	<b>347</b>	<b>372</b>	<b>24%</b>	<b>106.72</b>	<b>4.46%</b>	<b>19.54%</b>	<b>0.02%</b>
<b>Total</b>	<b>\$1,492</b>	<b>\$1,556</b>	<b>100%</b>	<b>104.18</b>	<b>4.78%</b>	<b>6.77%</b>	<b>0.36%</b>

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

Sector	AAA	AA	A	BBB	Below Investment Grade	Total
GSE Credit Risk Transfer	0%	0%	1%	7%	92%	100%
New Issue Jumbo/Conforming	0%	19%	16%	45%	20%	100%
Reperforming Loan Securitizations	0%	100%	0%	0%	0%	100%
MI Credit Risk Transfer	0%	0%	0%	0%	100%	100%
<b>Residential Credit Total</b>	<b>0%</b>	<b>7%</b>	<b>3%</b>	<b>12%</b>	<b>78%</b>	<b>100%</b>
Conduit	16%	77%	2%	5%	0%	100%
Single Asset/Single Borrower	0%	0%	30%	59%	11%	100%
<b>Commercial Credit Total</b>	<b>12%</b>	<b>57%</b>	<b>9%</b>	<b>19%</b>	<b>3%</b>	<b>100%</b>
<b>Total</b>	<b>3%</b>	<b>19%</b>	<b>5%</b>	<b>13%</b>	<b>60%</b>	<b>100%</b>

1. As of Dec 31, 2019

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

3. Excludes interest only securities (face value of \$53MM as of Dec 31, 2019)

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

- **Our average Agency repo cost for the fourth quarter was 2.12%, compared to 2.48% for the third quarter**
  - As of Dec 31, 2019, our Agency repo cost was 2.17%, compared to 2.48% as of Sep 30, 2019
- **\$35.5 B of Agency repo funded through captive broker-dealer subsidiary, Bethesda Securities, as of Dec 31, 2019, compared to \$36.1 B as of Sep 30, 2019**
- **Average Agency repo days to maturity totaled 55 days as of Dec 31, 2019, compared to 64 days as of Sep 30, 2019**
- **46 repo counterparties as of Dec 31, 2019**

Agency Repurchase Agreements <sup>1</sup>				
As of Dec 31, 2019				
Maturity	%	Amount (\$ MM)	Interest Rate	Avg. Days to Maturity
≤ 3 Mths	87%	\$77,425	2.14%	21
> 3 to ≤ 6	6%	5,683	2.19%	100
> 6 to ≤ 12	4%	3,652	2.51%	282
> 1 to ≤ 3 Yrs	3%	2,325	2.43%	720
<b>Total / Wtd Avg</b>	<b>100%</b>	<b>\$89,085</b>	<b>2.17%</b>	<b>55</b>
As of Sep 30, 2019				
<b>Total / Wtd Avg</b>	<b>100%</b>	<b>\$90,225</b>	<b>2.48%</b>	<b>64</b>

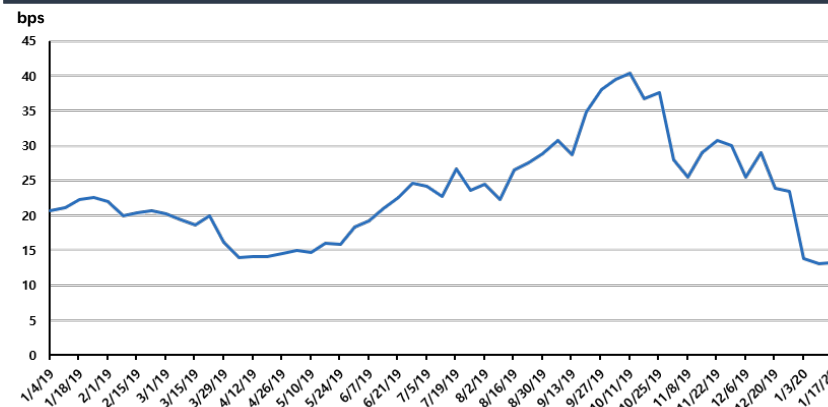
1. Includes \$0.3 B of CRT repurchase agreements and excludes \$0.2 B of debt of consolidated VIE's and \$0.1 B of U.S. Treasury repurchase agreements as of Dec 31, 2019.

# Current Funding Environment

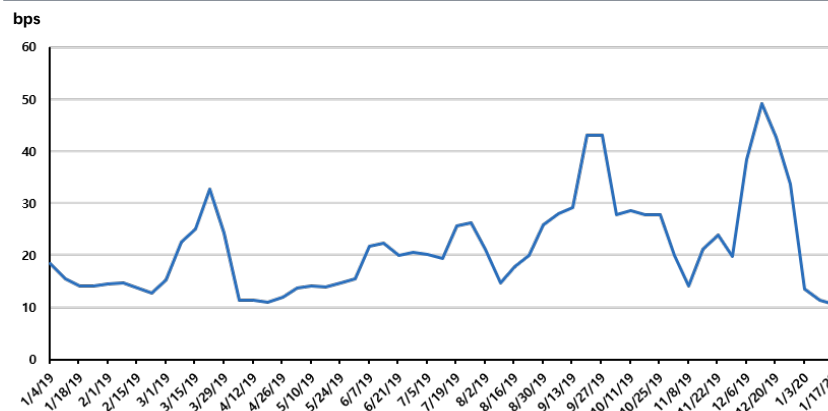
Repo funding levels remained elevated in the fourth quarter, but have begun to improve in response to the actions taken by the Fed

- Repo funding levels showed gradual improvement through the fourth quarter as the Fed added approximately \$420 B to the system over year-end through a combination of open market repo operations and outright U.S. Treasury bill purchases
- After peaking in early Oct, the spread between 3-month repo and 3-month OIS improved almost 30 basis points
- 1-month repo levels were volatile as concern over year-end funding remained high throughout the quarter

3M FICC Repo <sup>1</sup> vs 3M OIS <sup>2</sup>



1M FICC Repo <sup>1</sup> vs 1M OIS <sup>2</sup>



1. 1M and 3M FICC Repo represent the weekly average FICC Agency MBS repo borrowing levels for 1 and 3 month terms, respectively. Source: Amherst Pierpont Securities

2. 1M and 3M Overnight Indexed Swap (OIS) represent the weekly average rates for fixed/float interest rate swaps with a term of 1 and 3 months, respectively. The floating rate leg of the OIS is computed using the Federal Funds rate. The fixed rate leg is the market's estimation of the average Federal Funds rate over the subsequent 1 and 3 months. Source: Bloomberg

- Our hedge portfolio totaled **\$98.7 B** and covered **102%** of our funding liabilities (Agency repo, other debt and net TBA position) as of **Dec 31, 2019**, compared to **101%** as of **Sep 30, 2019**
- **Interest Rate Swaps**
  - \$79.1 B pay fixed swaps as of Dec 31, 2019
  - Covered 82% of funding liabilities as of Dec 31, 2019
  - Decrease of \$(2.7) B from Sep 30, 2019
- **Payer Swaptions**
  - \$8.9 B payer swaptions
  - Increase of \$0.2 B from Sep 30, 2019
- **U.S. Treasury Securities and Futures**
  - \$10.7 B net short Treasury position
  - Increase of \$4.5 B from Sep 30, 2019

Hedge Portfolio Summary As of Dec 31, 2019				
\$ in MM	Notional/ Market Value 12/31/2019	Duration <sup>1</sup> 12/31/2019	Net Hedge Gains/ (Losses) <sup>2</sup> Q4 2019	Net Hedge Gains/ (Losses) Per Share Q4 2019
Interest Rate Swaps	\$79,075	(2.5)	\$367	\$0.68
Payer Swaptions	8,850	(2.8)	45	0.08
U.S. Treasuries, Net Short	10,730	(8.2)	136	0.25
<b>Total / Q4 2019<sup>3</sup></b>	<b>\$98,655</b>	<b>(2.9)</b>	<b>\$548</b>	<b>\$1.01</b>
As of Sep 30, 2019 / Q3 2019				
<b>Total / Q3 2019<sup>3</sup></b>	<b>\$96,627</b>	<b>(2.8)</b>	<b>\$(836)</b>	<b>\$(1.52)</b>

Interest Rate Swaps As of Dec 31, 2019				
Years to Maturity	Notional Amount (\$ MM)	Pay Rate	Receive <sup>4</sup> Rate	Average Maturity (Years)
≤ 3 Years	\$59,700	1.30%	1.58%	1.6
> 3 to ≤ 5	9,850	1.17%	1.55%	3.8
> 5 to ≤ 7	5,650	1.34%	1.70%	6.4
> 7 to ≤ 10	2,850	1.36%	1.58%	8.9
> 10	1,025	1.64%	1.78%	15.4
<b>Total / Wtd Avg</b>	<b>\$79,075</b>	<b>1.29%</b>	<b>1.59%</b>	<b>2.7</b>
As of Sep 30, 2019				
<b>Total / Wtd Avg</b>	<b>\$81,775</b>	<b>1.35%</b>	<b>1.98%</b>	<b>2.8</b>

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

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

3. Total duration is expressed in the asset unit equivalent

4. As of Dec 31, 2019, 86%, 11% and 3% of our interest rate swaps were linked to OIS, 3M-LIBOR and SOFR, respectively, compared to 79%, 14% and 7%, respectively, as of Sep 30, 2019.

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

Duration Gap Sensitivity <sup>1,2</sup>			
As of Dec 31, 2019			
	Rates - 100 bps	Duration 12/31/2019	Rates + 100 bps
Mortgage Assets: <sup>3</sup>			
30-Year MBS	1.8	3.5	5.8
15-Year MBS and Other Securities	2.1	2.9	3.7
<b>Total Mortgage Assets</b>	1.9	3.4	5.5
Liabilities and Hedges	(2.9)	(3.0)	(3.3)
<b>Net Duration Gap</b>	<b>(1.0)</b>	<b>0.4</b>	<b>2.2</b>
As of Sep 30, 2019			
<b>Net Duration Gap</b>	<b>(1.1)</b>	<b>0.0</b>	<b>1.8</b>

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

# Financial Results

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# Balance Sheets

(\$ in millions, except per share data, unaudited except 12/31/18)	12/31/19	9/30/19	6/30/19	3/31/19	12/31/18
Agency Securities, at Fair Value	\$98,516	\$98,577	\$91,140	\$93,044	\$82,291
Agency Securities Transferred to Consolidated Variable Interest Entities, at Fair Value	371	393	411	425	436
Credit Risk Transfer Securities, at Fair Value	976	1,134	1,117	1,129	1,012
Non-Agency Securities, at Fair Value	579	579	603	672	548
U.S. Treasury Securities, at Fair Value	97	215	1,152	121	46
Cash and Cash Equivalents	831	906	870	929	921
Restricted Cash	451	734	789	517	599
Derivative Assets, at Fair Value	190	175	116	253	273
Receivable for Investment Securities Sold	—	105	679	439	489
Receivable under Reverse Repurchase Agreements	10,181	6,093	8,848	20,430	21,813
Goodwill	526	526	526	526	526
Other Assets	364	324	325	322	287
<b>Total Assets</b>	<b>\$113,082</b>	<b>\$109,761</b>	<b>\$106,576</b>	<b>\$118,807</b>	<b>\$109,241</b>
Repurchase Agreements	\$89,182	\$90,612	\$86,266	\$86,685	\$75,717
Debt of Consolidated Variable Interest Entities, at Fair Value	228	238	251	266	275
Payable for Investment Securities Purchased	2,554	3,094	878	1,125	1,204
Derivative Liabilities, at Fair Value	6	22	63	53	84
Dividends Payable	104	100	101	107	106
Obligation to Return Securities Borrowed under Reverse Repurchase Agreements, at Fair Value	9,543	5,114	7,754	19,275	21,431
Accounts Payable and Other Liabilities	424	368	917	795	518
<b>Total Liabilities</b>	<b>102,041</b>	<b>99,548</b>	<b>96,230</b>	<b>108,306</b>	<b>99,335</b>
Preferred Equity at Aggregate Liquidation Preference	963	735	735	735	500
Common Equity	10,078	9,478	9,611	9,766	9,406
<b>Total Stockholders' Equity</b>	<b>11,041</b>	<b>10,213</b>	<b>10,346</b>	<b>10,501</b>	<b>9,906</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$113,082</b>	<b>\$109,761</b>	<b>\$106,576</b>	<b>\$118,807</b>	<b>\$109,241</b>
<b>Other Supplemental Data:</b>					
Net Long TBA, at Fair Value <sup>1</sup>	\$7,429	\$1,867	\$11,170	\$6,955	\$7,322
Tangible Net Book Value "At Risk" Leverage <sup>2</sup>	9.4x	9.8x	9.8x	9.4x	9.0x
Tangible Net Book Value Per Common Share <sup>3</sup>	\$17.66	\$16.55	\$16.58	\$17.23	\$16.56

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

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

3. Calculated as stockholders' equity, less preferred equity at aggregate liquidation preference and goodwill, divided by total common shares outstanding

# Income Statements



(\$ in millions, except per share data) (Unaudited)	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Year 2019
Interest Income	\$768	\$676	\$693	\$705	\$2,842
Interest Expense	(481)	(557)	(570)	(541)	(2,149)
<b>Net Interest Income</b>	<b>287</b>	<b>119</b>	<b>123</b>	<b>164</b>	<b>693</b>
Realized Gain (Loss) on Sale of Investment Securities, Net	107	89	132	60	388
Unrealized Gain (Loss) on Investment Securities Measured at Fair Value through Net Income, Net	(160)	355	759	1,060	2,014
Gain (Loss) on Derivative Instruments and Other Securities, Net	662	(548)	(1,438)	(1,000)	(2,324)
<b>Total Other Gain (Loss), Net</b>	<b>609</b>	<b>(104)</b>	<b>(547)</b>	<b>120</b>	<b>78</b>
Compensation and Benefits	(16)	(10)	(11)	(10)	(47)
Other Operating Expenses	(9)	(9)	(9)	(9)	(36)
<b>Total Operating Expenses</b>	<b>(25)</b>	<b>(19)</b>	<b>(20)</b>	<b>(19)</b>	<b>(83)</b>
<b>Net Income (Loss)</b>	<b>871</b>	<b>(4)</b>	<b>(444)</b>	<b>265</b>	<b>688</b>
Dividend on Preferred Stock	(18)	(13)	(13)	(10)	(54)
Issuance Costs of Redeemed Preferred Stock	(6)	—	—	—	(6)
<b>Net Income (Loss) Available (Attributable) to Common Stockholders</b>	<b>\$847</b>	<b>\$(17)</b>	<b>\$(457)</b>	<b>\$255</b>	<b>\$628</b>
<b>Net Income (Loss)</b>	<b>\$871</b>	<b>\$(4)</b>	<b>\$(444)</b>	<b>\$265</b>	<b>\$688</b>
Unrealized Gain on Available-for-Sale Securities Measured at Fair Value through Other Comprehensive Income (Loss), Net	15	246	379	400	1,040
<b>Comprehensive Income (Loss)</b>	<b>886</b>	<b>242</b>	<b>(65)</b>	<b>665</b>	<b>1,728</b>
Dividend on Preferred Stock	(18)	(13)	(13)	(10)	(54)
Issuance Costs of Redeemed Preferred Stock	(6)	—	—	—	(6)
<b>Comprehensive Income (Loss) Available (Attributable) to Common Stockholders</b>	<b>\$862</b>	<b>\$229</b>	<b>\$(78)</b>	<b>\$655</b>	<b>\$1,668</b>
<b>Weighted Average Common Shares Outstanding – Basic</b>	<b>541.4</b>	<b>546.4</b>	<b>537.8</b>	<b>536.7</b>	<b>540.6</b>
<b>Weighted Average Common Shares Outstanding – Diluted</b>	<b>542.6</b>	<b>546.4</b>	<b>537.8</b>	<b>537.2</b>	<b>541.4</b>
<b>Net Income (Loss) per Common Share – Basic</b>	<b>\$1.56</b>	<b>\$(0.03)</b>	<b>\$(0.85)</b>	<b>\$0.48</b>	<b>\$1.16</b>
<b>Net Income (Loss) per Common Share – Diluted</b>	<b>\$1.56</b>	<b>\$(0.03)</b>	<b>\$(0.85)</b>	<b>\$0.47</b>	<b>\$1.16</b>
<b>Comprehensive Income (Loss) per Common Share – Basic</b>	<b>\$1.59</b>	<b>\$0.42</b>	<b>\$(0.15)</b>	<b>\$1.22</b>	<b>\$3.09</b>
<b>Comprehensive Income (Loss) per Common Share – Diluted</b>	<b>\$1.59</b>	<b>\$0.42</b>	<b>\$(0.15)</b>	<b>\$1.22</b>	<b>\$3.08</b>
<b>Dividends Declared per Common Share</b>	<b>\$0.48</b>	<b>\$0.48</b>	<b>\$0.50</b>	<b>\$0.54</b>	<b>\$2.00</b>



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



(\$ in millions, except per share data) (Unaudited)	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Year 2019
<b>GAAP Net Interest Income:</b>					
Interest Income	\$768	\$676	\$693	\$705	\$2,842
Interest Expense	(481)	(557)	(570)	(541)	(2,149)
<b>GAAP Net Interest Income</b>	<b>287</b>	<b>119</b>	<b>123</b>	<b>164</b>	<b>693</b>
TBA Dollar Roll Income <sup>1</sup>	24	29	22	19	94
Interest Rate Swap Periodic Income, Net <sup>1</sup>	85	146	88	83	402
Other Interest and Dividend Income <sup>1</sup>	3	4	4	3	14
<b>Adjusted Net Interest and Dollar Roll Income</b>	<b>399</b>	<b>298</b>	<b>237</b>	<b>269</b>	<b>1,203</b>
Operating Expenses	(25)	(19)	(20)	(19)	(83)
<b>Net Spread and Dollar Roll Income</b>	<b>374</b>	<b>279</b>	<b>217</b>	<b>250</b>	<b>1,120</b>
Dividend on Preferred Stock	(18)	(13)	(13)	(10)	(54)
<b>Net Spread and Dollar Roll Income Available to Common Stockholders</b>	<b>356</b>	<b>266</b>	<b>204</b>	<b>240</b>	<b>1,066</b>
Estimated "Catch Up" Premium Amortization Cost (Benefit) due to Change in CPR Forecast <sup>2</sup>	(48)	55	58	39	104
<b>Net Spread and Dollar Roll Income, Excluding "Catch Up" Amortization, Available to Common Stockholders</b>	<b>\$308</b>	<b>\$321</b>	<b>\$262</b>	<b>\$279</b>	<b>\$1,170</b>
<b>Weighted Average Common Shares Outstanding – Basic</b>	<b>541.4</b>	<b>546.4</b>	<b>537.8</b>	<b>536.7</b>	<b>540.6</b>
<b>Weighted Average Common Shares Outstanding – Diluted</b>	<b>542.6</b>	<b>547.1</b>	<b>538.4</b>	<b>537.2</b>	<b>541.4</b>
<b>Net Spread and Dollar Roll Income per Common Share – Basic</b>	<b>\$0.66</b>	<b>\$0.49</b>	<b>\$0.38</b>	<b>\$0.45</b>	<b>\$1.97</b>
<b>Net Spread and Dollar Roll Income per Common Share – Diluted</b>	<b>\$0.66</b>	<b>\$0.49</b>	<b>\$0.38</b>	<b>\$0.45</b>	<b>\$1.97</b>
<b>Net Spread and Dollar Roll Income, Excluding "Catch Up" Amortization, per Common Share – Basic</b>	<b>\$0.57</b>	<b>\$0.59</b>	<b>\$0.49</b>	<b>\$0.52</b>	<b>\$2.16</b>
<b>Net Spread and Dollar Roll Income, Excluding "Catch Up" Amortization, per Common Share – Diluted</b>	<b>\$0.57</b>	<b>\$0.59</b>	<b>\$0.49</b>	<b>\$0.52</b>	<b>\$2.16</b>

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

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

# Net Interest Spread Components by Funding Source



\$ in millions (Unaudited)	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Year 2019
<b>Adjusted Net Interest and Dollar Roll Income, Excluding "Catch-Up" Amortization:</b>					
<b>Economic Interest Income:</b>					
Investment Securities - GAAP Interest Income	\$768	\$676	\$693	\$705	\$2,842
Estimated "Catch-Up" Premium Amortization Cost (Benefit) due to Change in CPR Forecast <sup>1</sup>	(48)	55	58	39	104
TBA Dollar Roll Income - Implied Interest Income <sup>2,3</sup>	58	81	96	71	306
<b>Economic Interest Income, Excluding "Catch-Up" Amortization</b>	<b>\$778</b>	<b>\$812</b>	<b>\$847</b>	<b>\$815</b>	<b>\$3,252</b>
<b>Economic Interest Expense:</b>					
Repurchase Agreements and Other Debt - GAAP Interest Expense	\$(481)	\$(557)	\$(570)	\$(541)	\$(2,149)
TBA Dollar Roll Income - Implied Interest Expense <sup>2,3</sup>	(34)	(52)	(74)	(52)	(212)
Interest Rate Swap Periodic Income, Net <sup>2</sup>	85	146	88	83	402
<b>Economic Interest Expense</b>	<b>\$(430)</b>	<b>\$(463)</b>	<b>\$(556)</b>	<b>\$(510)</b>	<b>\$(1,959)</b>
Other Interest and Dividend Income <sup>2</sup>	3	4	4	3	14
<b>Adjusted Net Interest and Dollar Roll Income, Excluding "Catch-Up" Amortization</b>	<b>\$351</b>	<b>\$353</b>	<b>\$295</b>	<b>\$308</b>	<b>\$1,307</b>
<b>Net Interest Spread, Excluding "Catch-Up" Amortization:</b>					
<b>Average Asset Yield:</b>					
Investment Securities - Average Asset Yield	3.28%	2.91%	2.99%	3.14%	3.08%
Estimated "Catch-Up" Premium Amortization Cost (Benefit) due to Change in CPR Forecast	(0.20)%	0.24%	0.25%	0.17%	0.11%
Investment Securities Average Asset Yield, Excluding "Catch-Up" Amortization	3.08%	3.15%	3.24%	3.31%	3.19%
TBA Securities - Average Implied Asset Yield	3.29%	3.19%	3.21%	3.55%	3.30%
<b>Average Asset Yield, Excluding "Catch-Up" Amortization <sup>4</sup></b>	<b>3.09%</b>	<b>3.16%</b>	<b>3.24%</b>	<b>3.33%</b>	<b>3.20%</b>
<b>Average Total Cost of Funds:</b>					
Repurchase Agreements and Other Debt - Average Funding Cost	2.12%	2.48%	2.62%	2.64%	2.46%
TBA Securities - Average Implied Funding Cost	1.88%	2.00%	2.47%	2.60%	2.26%
Average Cost of Funds, Before Interest Rate Swap Periodic Income, Net <sup>4</sup>	2.10%	2.43%	2.60%	2.64%	2.44%
Interest Rate Swap Periodic Income, Net <sup>5</sup>	(0.34)%	(0.58)%	(0.36)%	(0.37)%	(0.42)%
<b>Average Total Cost of Funds</b>	<b>1.76%</b>	<b>1.85%</b>	<b>2.24%</b>	<b>2.27%</b>	<b>2.02%</b>
<b>Net Interest Spread, Excluding "Catch-Up" Amortization</b>	<b>1.33%</b>	<b>1.31%</b>	<b>1.00%</b>	<b>1.06%</b>	<b>1.18%</b>

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

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

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



(\$ in millions, except per share data) (Unaudited)	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Year 2019
<b>Net Income / (Loss)</b>	<b>\$871</b>	<b>\$(4)</b>	<b>\$(444)</b>	<b>\$265</b>	<b>\$688</b>
<b>Book to Tax Differences:</b>					
Premium Amortization, Net	(77)	47	67	54	91
Realized Gain / Loss, Net	(504)	521	886	627	1,530
Net Capital Loss / (Utilization of Net Capital Loss Carryforward)	(130)	34	320	(12)	212
Unrealized (Gain) / Loss, Net	(47)	(428)	(644)	(719)	(1,838)
Other	2	(1)	(1)	(9)	(9)
<b>Total Book to Tax Differences</b>	<b>(756)</b>	<b>173</b>	<b>628</b>	<b>(59)</b>	<b>(14)</b>
<b>Estimated REIT Taxable Income</b>	<b>115</b>	<b>169</b>	<b>184</b>	<b>206</b>	<b>674</b>
Dividend on Preferred Stock	(18)	(13)	(13)	(10)	(54)
<b>Estimated REIT Taxable Income, net of Preferred Stock Dividend</b>	<b>\$97</b>	<b>\$156</b>	<b>\$171</b>	<b>\$196</b>	<b>\$620</b>
<b>Weighted Average Common Shares Outstanding – Basic</b>	<b>541.4</b>	<b>546.4</b>	<b>537.8</b>	<b>536.7</b>	<b>540.6</b>
<b>Weighted Average Common Shares Outstanding – Diluted</b>	<b>542.6</b>	<b>547.1</b>	<b>538.4</b>	<b>537.2</b>	<b>541.4</b>
<b>Estimated REIT Taxable Income per Common Share – Basic</b>	<b>\$0.18</b>	<b>\$0.29</b>	<b>\$0.32</b>	<b>\$0.37</b>	<b>\$1.15</b>
<b>Estimated REIT Taxable Income per Common Share – Diluted</b>	<b>\$0.18</b>	<b>\$0.29</b>	<b>\$0.32</b>	<b>\$0.36</b>	<b>\$1.15</b>
<b>Beginning Cumulative Non-Deductible Net Capital Loss</b>					
<b>Beginning Cumulative Non-Deductible Net Capital Loss</b>	<b>\$524</b>	<b>\$490</b>	<b>\$170</b>	<b>\$182</b>	<b>\$182</b>
Increase (Decrease) in Net Capital Loss Carryforward	(130)	34	320	(12)	212
<b>Ending Cumulative Non-Deductible Net Capital Loss</b>	<b>\$394</b>	<b>\$524</b>	<b>\$490</b>	<b>\$170</b>	<b>\$394</b>
<b>Ending Cumulative Non-Deductible Net Capital Loss per Common Share</b>	<b>\$0.73</b>	<b>\$0.97</b>	<b>\$0.89</b>	<b>\$0.32</b>	<b>\$0.73</b>

Amounts may not total due to rounding

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

# Net Book Value Roll Forward

(In millions, except per share data) (Unaudited)	Q4 2019			Year 2019		
	Balance	Common Shares Outstanding	Net Book Value per Common Share	Balance	Common Shares Outstanding	Net Book Value per Common Share
<b>Beginning Net Common Equity<sup>1</sup></b>	<b>\$9,478</b>	<b>540.9</b>	<b>\$17.52</b>	<b>\$9,406</b>	<b>536.3</b>	<b>\$17.54</b>
Net Income	871			688		
Other Comprehensive Income, Net	15			1,040		
Common Stock Dividend	(260)			(1,081)		
Preferred Stock Dividend	(18)			(54)		
Common Stock Issuance	—			190	11.4	\$16.67
Common Stock Repurchase	—			(103)	(6.9)	\$14.90
Preferred Stock Issuance Costs	(13)			(21)		
Stock-Based Compensation	5			13	0.1	
<b>Ending Net Common Equity</b>	<b>\$10,078</b>	<b>540.9</b>	<b>\$18.63</b>	<b>\$10,078</b>	<b>540.9</b>	<b>\$18.63</b>
Goodwill	(526)			(526)		
<b>Ending Tangible Net Common Equity</b>	<b>\$9,552</b>	<b>540.9</b>	<b>\$17.66</b>	<b>\$9,552</b>	<b>540.9</b>	<b>\$17.66</b>
Preferred Stock Liquidation Preference	963			963		
<b>Ending Tangible Total Stockholders' Equity</b>	<b>\$10,515</b>			<b>\$10,515</b>		
<b>Ending Total Stockholders' Equity</b>	<b>\$11,041</b>			<b>\$11,041</b>		

Amounts may not total due to rounding

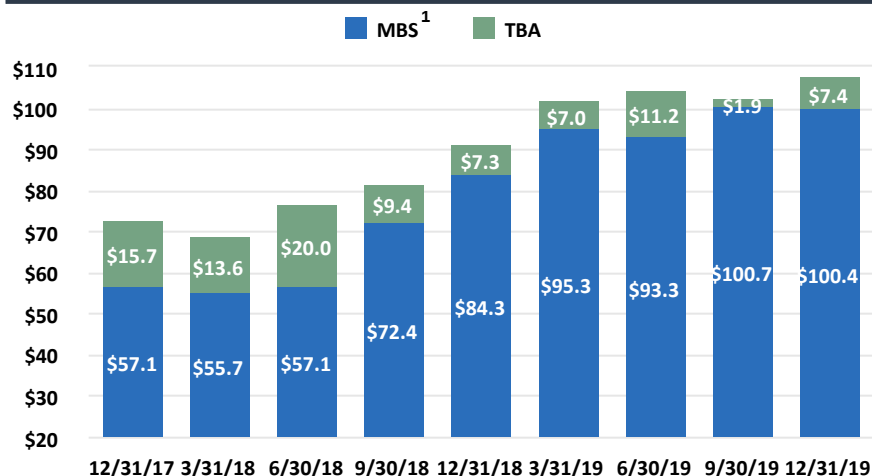
1. Common equity is net of the Company's Preferred Stock liquidation preference

# Supplemental Slides

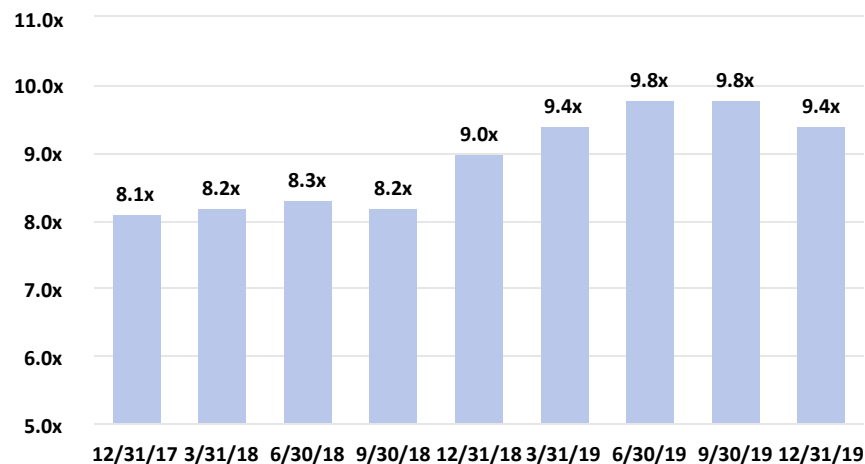
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# AGNC Historical Overview

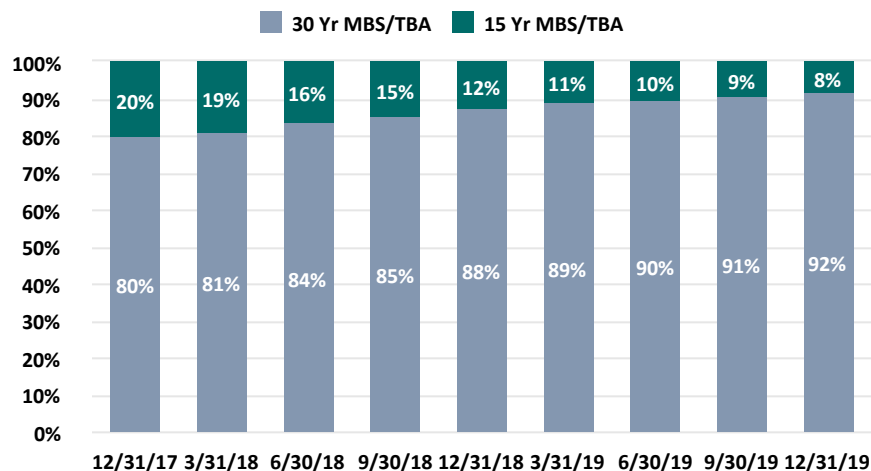
## Asset Composition (\$ B)



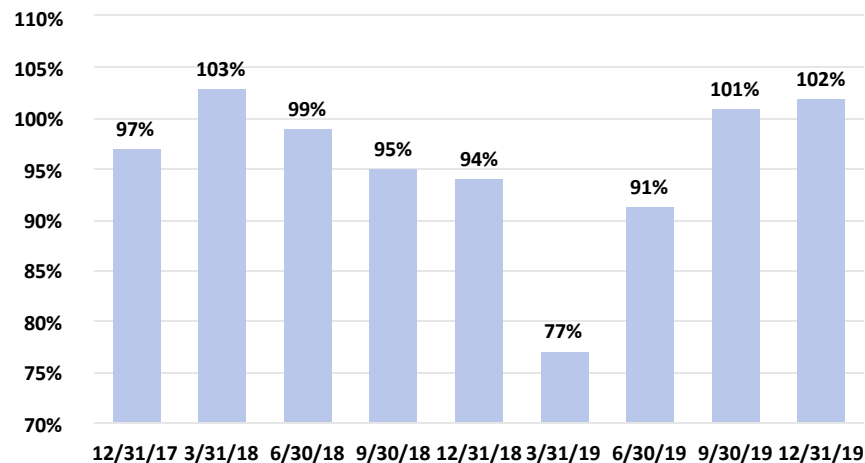
## Tangible Net Book Value "At Risk" Leverage<sup>2</sup>



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



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



1. MBS includes CRT securities

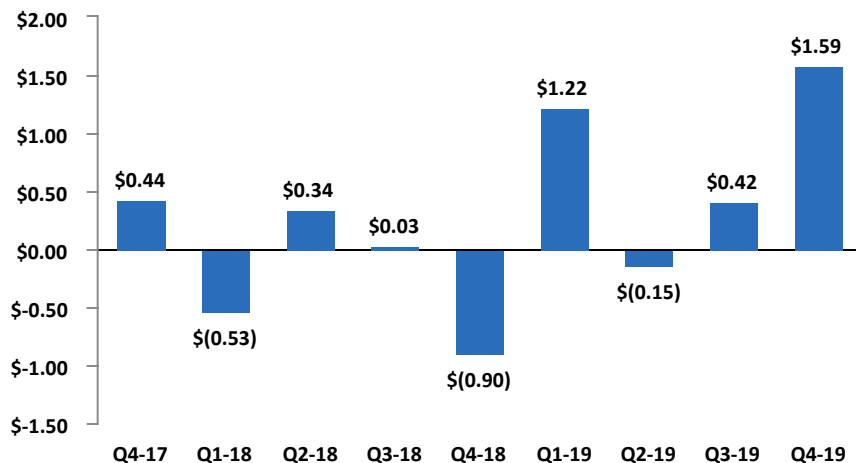
2. Tangible net book value "at risk" leverage calculated as sum of Agency MBS repurchase agreements, other debt, net payable/receivable for investment securities not yet settled and net TBA position (at cost) divided by the sum of total stockholders' equity less the fair value of investments in REIT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

3. Chart excludes 20 Yr fixed rate MBS

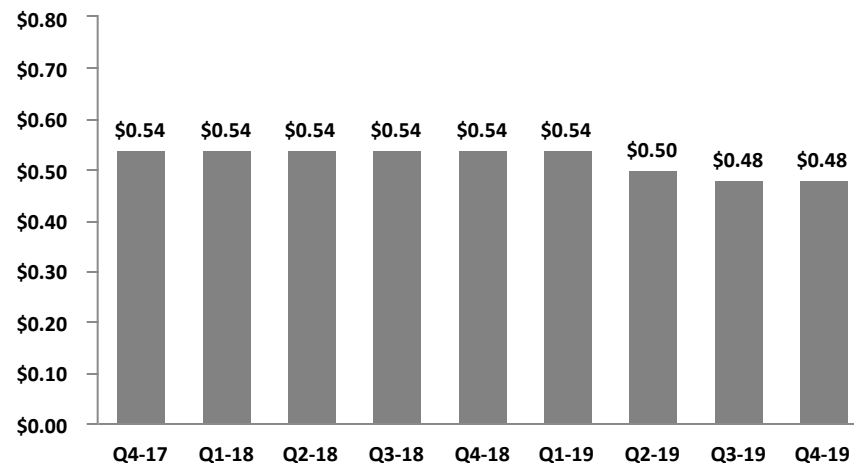
4. Measured as the ratio of interest rate swaps, swaptions and net U.S. Treasury position over repo agreements, other debt, forward settling securities and net TBA position excluding U.S. Treasury repurchase agreements, at cost

# AGNC Historical Overview

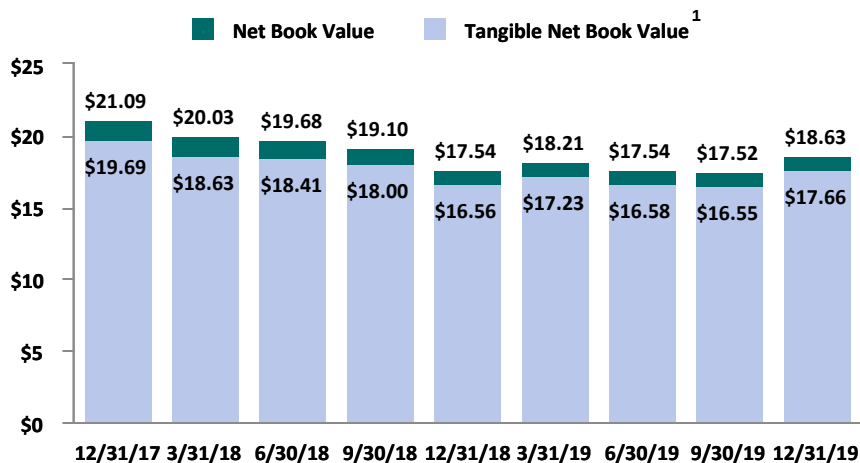
## Comprehensive Income (Loss) per Share



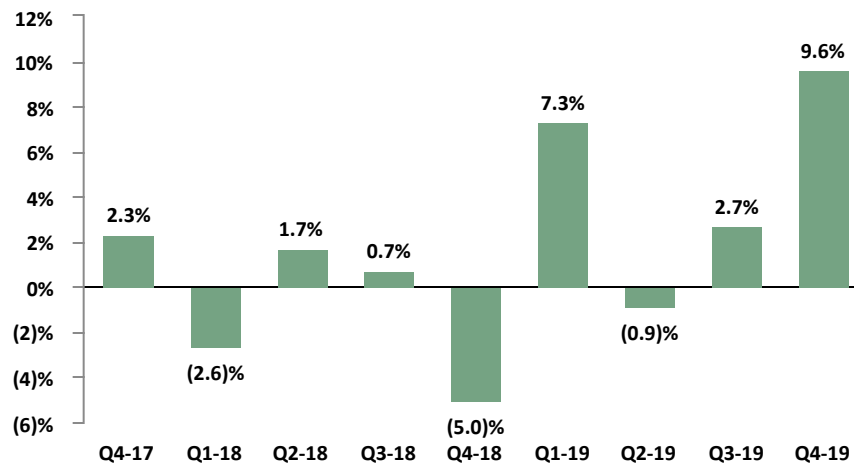
## Dividends per Common Share



## Net Book Value per Common Share



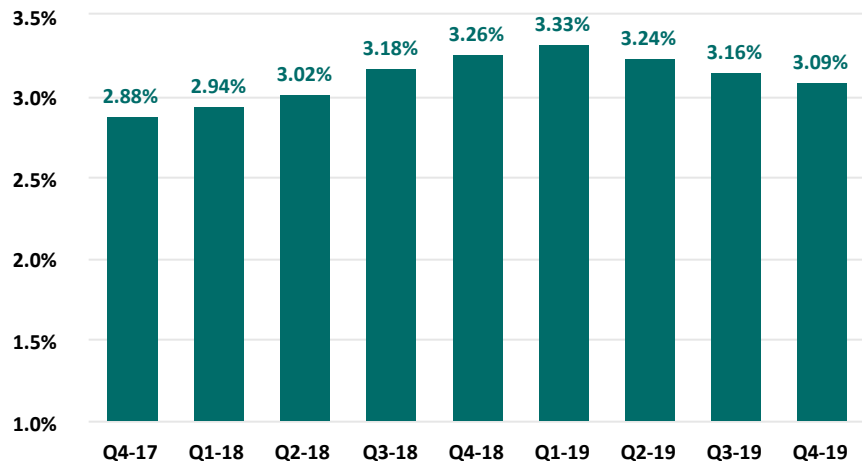
## Economic Return<sup>2</sup>



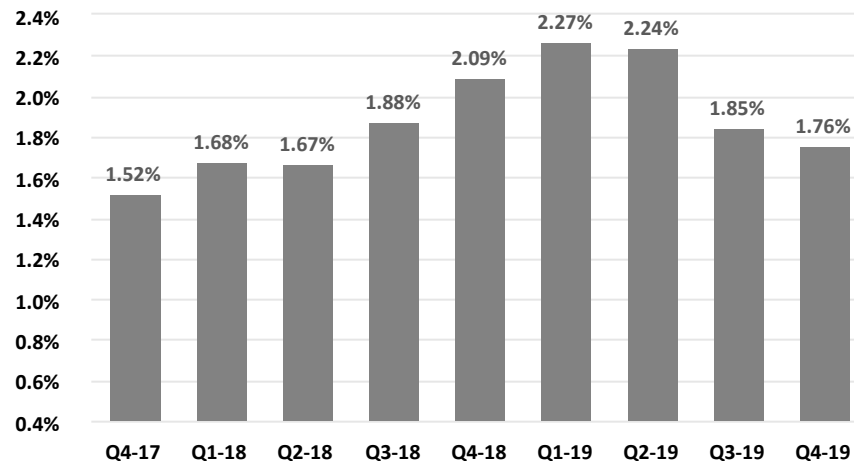
1. Tangible net book value per common share excludes goodwill and other intangible assets, net
2. Economic return represents the change in tangible net book value per common share plus dividends per common share declared.

# AGNC Historical Overview

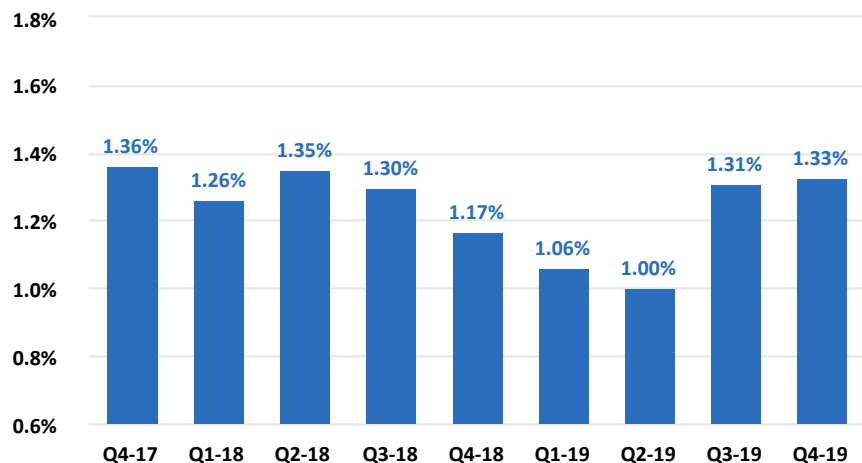
### Average Asset Yield <sup>1</sup>



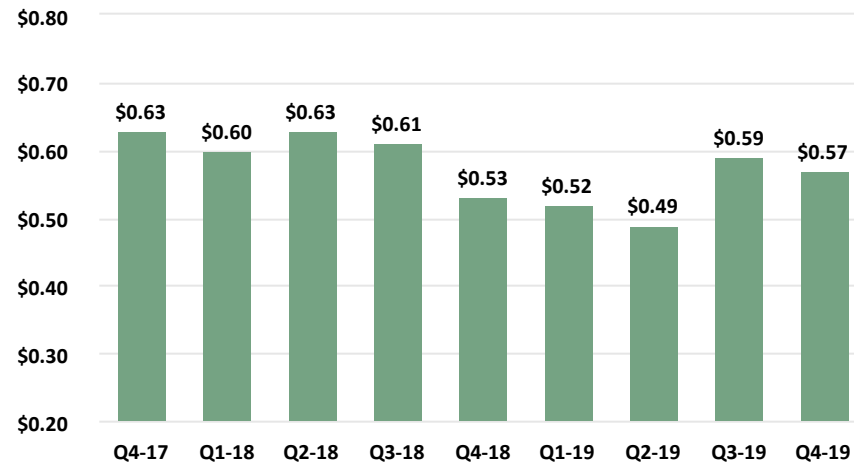
### Average Cost of Funds <sup>2</sup>



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



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



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



# Fixed Rate Agency Securities – MBS and Net TBA Position



\$ in millions – as of Dec 31, 2019

MBS Coupon <sup>1</sup>	Par Value <sup>2</sup>	Market Value <sup>2</sup>	Specified Pools <sup>3</sup>	MBS Amortized Cost Basis <sup>4</sup>	MBS Average WAC <sup>4,5</sup>	MBS Average Age (Months) <sup>4</sup>	MBS Actual 1 Month CPR <sup>4,6</sup>	Duration (Years) <sup>2,7</sup>
<b>≤15 YR Mortgage Securities</b>								
2.5%	\$1,720	\$1,738	40%	101.0%	2.98%	86	12%	3.2
3.0%	2,985	3,067	59%	101.7%	3.52%	58	11%	3.0
3.5%	2,299	2,401	71%	102.2%	4.04%	25	15%	2.9
4.0%	1,075	1,135	84%	103.1%	4.60%	26	18%	2.8
4.5%	117	123	98%	103.5%	4.87%	111	16%	2.0
≥ 5.0%	1	1	100%	101.9%	6.55%	146	30%	1.2
<b>Subtotal ≤15 YR</b>	<b>\$8,197</b>	<b>\$8,465</b>	<b>63%</b>	<b>102.0%</b>	<b>3.82%</b>	<b>47</b>	<b>14%</b>	<b>3.0</b>
<b>20 YR Mortgage Securities</b>								
3.0%	54	56	97%	103.2%	3.78%	5	8%	2.7
3.5%	284	297	81%	102.0%	4.05%	77	11%	2.5
4.0%	196	209	92%	103.3%	4.45%	34	9%	2.4
4.5%	194	210	100%	104.8%	5.00%	37	11%	2.4
≥ 5.0%	1	1	0%	105.1%	5.95%	141	3%	1.6
<b>Subtotal 20 YR</b>	<b>\$729</b>	<b>\$773</b>	<b>90%</b>	<b>103.2%</b>	<b>4.40%</b>	<b>49</b>	<b>10%</b>	<b>2.5</b>
<b>30 YR Mortgage Securities</b>								
≤ 3.0%	\$27,864	\$28,252	3%	101.4%	3.85%	8	4%	4.1
3.5%	23,760	24,902	60%	103.3%	4.05%	49	13%	3.4
4.0%	26,934	28,795	84%	104.2%	4.51%	37	16%	3.1
4.5%	12,730	13,831	93%	105.1%	4.98%	23	17%	3.1
5.0%	380	416	94%	108.0%	5.50%	39	21%	3.3
≥ 5.5%	63	69	49%	109.6%	6.18%	158	13%	3.2
<b>Subtotal 30 YR</b>	<b>\$91,731</b>	<b>\$96,265</b>	<b>55%</b>	<b>103.3%</b>	<b>4.29%</b>	<b>31</b>	<b>13%</b>	<b>3.5</b>
<b>Total Fixed</b>	<b>\$100,657</b>	<b>\$105,503</b>	<b>56%</b>	<b>103.3%</b>	<b>4.26%</b>	<b>32</b>	<b>13%</b>	<b>3.4</b>

1. The wtd/avg coupon on fixed rate securities held as of Dec 31, 2019 was 3.65% excluding the net long TBA mortgage position and 3.60% including the net long TBA position

2. Excluding net TBA position, total fixed-rate MBS as of Dec 31, 2019 had a par value of \$93,336, market value of \$98,074 and avg duration of 3.4 years

3. Specified pools include pools backed by lower balance loans with original loan balances of up to \$200K, HARP pools (defined as pools that were issued between May 2009 and Dec 2018 and backed by 100% refinance loans with original LTVs ≥ 80%), and pools backed by loans 100% originated in N.Y. and Puerto Rico. Lower balance pools have a wtd/avg original loan balance of \$115 K for ≤15-year and \$118 K for 30-year securities as of Dec 31, 2019. HARP pools have a wtd/avg original LTV of 119% for ≤15-year and 136% for 30-year securities as of Dec 31, 2019

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

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

6. Actual 1 month annualized CPR published during Jan 2020 for Agency securities held as of Dec 31, 2019

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

Our repo funding is well diversified by counterparty and geography

Counterparty Region	Number of Counterparties	% of Agency Repo Funding	Counterparty Exposure as a % of Tangible Equity <sup>1</sup>
<b>North America:</b>			
FICC	1	38%	10%
Other	26	44%	21%
<b>North America</b>	<b>27</b>	<b>82%</b>	<b>31%</b>
<b>Asia</b>	<b>5</b>	<b>4%</b>	<b>2%</b>
<b>Europe</b>	<b>14</b>	<b>14%</b>	<b>6%</b>
<b>Total</b>	<b>46</b>	<b>100%</b>	<b>39%</b>

Note: All figures as of Dec 31, 2019

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

## U.S. Treasury Position

- \$9.4 B short U.S. Treasury securities
- \$1.3 B short U.S. Treasury futures

## Payer Swaptions

- \$8.9 B notional payer swaptions as of Dec 31, 2019
- 0.9 year average remaining option term, 9.5 years average underlying swap term

U.S. Treasury Position Net Long / (Short) As of Dec 31, 2019 (\$ MM)		
	Face Amount	Market Value
5 Year	\$95	\$97
10 Year	(10,224)	(10,827)
<b>Total</b>	<b>\$(10,129)</b>	<b>\$(10,730)</b>
As of Sep 30, 2019		
<b>Total</b>	<b>\$(5,424)</b>	<b>\$(6,202)</b>

Payer Swaptions As of Dec 31, 2019 (\$ MM)					
Current Option Expiration Date <sup>1</sup>	Notional Amount	Cost	Market Value	Pay Rate	Swap Term (Years)
≤ 1 Year	\$5,650	\$123	\$80	2.26%	9.3
> 1 Year ≤ 2 Years	3,200	53	46	2.50%	10.0
<b>Total</b>	<b>\$8,850</b>	<b>\$176</b>	<b>\$126</b>	<b>2.34%</b>	<b>9.5</b>
As of Sep 30, 2019					
<b>Total / Wtd Avg</b>	<b>\$8,650</b>	<b>\$176</b>	<b>\$74</b>	<b>2.39%</b>	<b>9.5</b>

1. As of Dec 31, 2019, ≤ 1 year payer swaption notional amount includes \$700 million of Bermudan swaptions where the options may be exercised on predetermined dates up to their final exercise date, which is six months prior to the underlying swaps' maturity date

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

## Interest Rate Sensitivity

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

## MBS Spread Sensitivity (“Basis Risk”)

- The MBS spread sensitivity is the sensitivity of our assets to changes in MBS spreads
- The estimated change in the market value of our assets based on model predictions and assuming a spread duration of 5.0 years, based on interest rates and MBS prices as of Dec 31, 2019

Interest Rate Sensitivity <sup>1</sup> As of Dec 31, 2019 (based on instantaneous parallel shift in interest rates)		
Interest Rate Shock (bps)	Estimated Change in Portfolio Market Value <sup>2</sup>	Estimated Change in Tangible Common Equity
-100	(0.5)%	(6.0)%
-50	(0.1)%	(0.9)%
+50	(0.4)%	(4.7)%
+100	(1.3)%	(14.8)%

MBS Spread Sensitivity (“Basis Risk”) <sup>1</sup> As of Dec 31, 2019		
MBS Spread Shock (bps)	Estimated Change in Portfolio Market Value <sup>2</sup>	Estimated Change in Tangible Common Equity
-25	1.2%	14.0%
-10	0.5%	5.6%
+10	(0.5)%	(5.6)%
+25	(1.2)%	(14.0)%

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

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

# Use of Non-GAAP Financial Information

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

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

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

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

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

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