



FOR IMMEDIATE RELEASE

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**AGNC INVESTMENT CORP.  
ANNOUNCES FOURTH QUARTER 2024 FINANCIAL RESULTS**

Bethesda, MD - January 27, 2025 - AGNC Investment Corp. ("AGNC" or the "Company") (Nasdaq: AGNC) today announced financial results for the quarter ended December 31, 2024.

**FOURTH QUARTER 2024 FINANCIAL HIGHLIGHTS**

- \$(0.11) comprehensive loss per common share, comprised of:
  - \$0.10 net income per common share
  - \$(0.20) other comprehensive loss ("OCI") per common share on investments marked-to-market through OCI
- \$0.37 net spread and dollar roll income per common share<sup>1</sup>
  - Excludes \$0.06 per common share of estimated "catch-up" premium amortization benefit due to change in projected constant prepayment rate ("CPR") estimates
- \$8.41 tangible net book value per common share as of December 31, 2024
  - Decreased \$(0.41) per common share, or -4.6%, from \$8.82 per common share as of September 30, 2024
- \$0.36 dividends declared per common share for the fourth quarter
- -0.6% economic return on tangible common equity for the quarter
  - Comprised of \$0.36 dividends per common share and \$(0.41) decrease in tangible net book value per common share

**OTHER FOURTH QUARTER HIGHLIGHTS**

- \$73.3 billion investment portfolio as of December 31, 2024, comprised of:
  - \$65.5 billion Agency MBS
  - \$6.9 billion net forward purchases/(sales) of Agency MBS in the "to-be-announced" market ("TBA securities")
  - \$0.9 billion credit risk transfer ("CRT") and non-Agency securities and other mortgage credit investments

- 7.2x tangible net book value "at risk" leverage as of December 31, 2024
  - 7.2x average tangible net book value "at risk" leverage for the quarter
- Unencumbered cash and Agency MBS totaled \$6.1 billion as of December 31, 2024
  - Excludes unencumbered CRT and non-Agency securities
  - Represents 66% of the Company's tangible equity as of December 31, 2024
- 7.7% average projected portfolio life CPR as of December 31, 2024
  - 9.6% actual portfolio CPR for the quarter
- 1.91% annualized net interest spread for the quarter<sup>2</sup>
- Issued 53.2 million shares of common equity through At-the-Market ("ATM") Offerings for net proceeds of \$511 million

## 2024 FULL YEAR HIGHLIGHTS

- \$0.84 comprehensive income per common share, comprised of:
  - \$0.93 net income per common share
  - \$(0.09) OCI per common share
- \$1.88 net spread and dollar roll income per common share<sup>1</sup>
  - Includes \$0.03 per common share of dollar roll income
  - Excludes \$0.06 per common share of estimated "catch-up" premium amortization benefit
- \$1.44 in dividends declared per common share
- 13.2% economic return on tangible common equity for the year, comprised of:
  - \$1.44 dividends per common share
  - \$(0.29) decrease in tangible net book value per common share, or -3.3%, from \$8.70 per common share as of December 31, 2023
- 8.9% total stock return<sup>3</sup>
- Issued 202.1 million shares of common equity through ATM Offerings for net proceeds of \$2.0 billion

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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 Use of Non-GAAP Financial Information* included in this release for additional information.

2. Please refer to *Net Interest Spread Components by Funding Source* included in this release for additional information regarding the Company's annualized net interest spread.

3. Includes dividend reinvestments. Source Bloomberg

## MANAGEMENT REMARKS

"Entering 2025, we continue to have a very positive outlook for Agency MBS, supported by the increasingly favorable environment that emerged in 2024" said Peter Federico, the Company's President and Chief Executive Officer. "The Federal Reserve finally shifted its restrictive monetary policy stance and began the process of returning short term rates to a neutral level. With declining inflationary pressures and accommodative monetary policy, interest rate volatility eased during the year, and the yield curve steepened after being inverted for the second longest episode on record. In addition, with primary mortgages rates again near 7%, the supply of Agency MBS should continue to be limited and reasonably well-aligned with investor demand. Lastly, and perhaps most importantly to our business, Agency MBS spreads to benchmark rates remain in a well-defined range and offer levered and unlevered investors very attractive return opportunities.

"Against this improved investment backdrop, AGNC generated a positive economic return of 13.2% in 2024, driven by our compelling monthly dividend. Our 2024 performance provides investors a good example of AGNC's ability to generate strong investment returns in environments in which Agency MBS spreads are wide and stable, and we anticipate that this favorable environment for Agency MBS will persist. Moreover, AGNC provides investors with access to this unique and attractively valued fixed income asset class on a levered basis through an investment vehicle that has produced best-in-class returns since inception."

"AGNC's -0.6% economic return on tangible common equity in the fourth quarter was comprised of \$0.36 of dividends per common share and a \$(0.41) decline in tangible net book value per common share resulting from higher interest rates and modestly wider spreads for the quarter," said Bernice Bell, the Company's Executive Vice President and Chief Financial Officer. "During the fourth quarter, we issued \$511 million in common stock through our ATM program at a considerable premium to our tangible book value, which brought our total issuance for the year to \$2.0 billion and yielded significant accretion for our stockholders. AGNC's net spread and dollar roll income totaled \$0.37 per common share for the quarter. Finally, our average and ending leverage remained unchanged at 7.2x relative to the prior quarter, and we concluded the quarter with a significant liquidity position at \$6.1 billion of unencumbered cash and Agency MBS, or 66% of our tangible equity."

## **TANGIBLE NET BOOK VALUE PER COMMON SHARE**

As of December 31, 2024, the Company's tangible net book value per common share was \$8.41 per share, a decrease of -4.6% for the quarter compared to \$8.82 per share as of September 30, 2024. The Company's tangible net book value per common share excludes \$526 million, or \$0.59 and \$0.62 per share, of goodwill as of December 31 and September 30, 2024, respectively.

## **INVESTMENT PORTFOLIO**

As of December 31, 2024, the Company's investment portfolio totaled \$73.3 billion, comprised of:

- \$72.3 billion of Agency MBS and TBA securities, including:
  - \$70.9 billion of fixed-rate securities, comprised of:
    - \$63.5 billion 30-year MBS,
    - \$6.9 billion 30-year TBA securities, net,
    - \$0.1 billion 15-year MBS, and
    - \$0.5 billion 20-year MBS; and
  - \$1.4 billion of collateralized mortgage obligations ("CMOs"), adjustable-rate and other Agency securities; and
- \$0.9 billion of CRT and non-Agency securities and other mortgage credit investments.

As of December 31, 2024, 30-year and 15-year fixed-rate Agency MBS and TBA securities represented 96% and less than 1%, respectively, of the Company's investment portfolio, unchanged from September 30, 2024.

As of December 31, 2024, the Company's fixed-rate Agency MBS and TBA securities' weighted average coupon was 5.02%, compared to 4.90% as of September 30, 2024, comprised of the following weighted average coupons:

- 5.04% for 30-year fixed-rate securities;

- 2.68% for 15-year fixed-rate securities; and
- 3.12% 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, 2024, such positions had a fair value of \$6.9 billion and a GAAP net carrying value of \$(26) million reported in derivative assets/(liabilities) on the Company's balance sheet, compared to \$4.1 billion and \$1 million, respectively, as of September 30, 2024.

## **CONSTANT PREPAYMENT RATES**

The Company's weighted average projected CPR for the remaining life of its Agency securities held as of December 31, 2024 decreased to 7.7% from 13.2% as of September 30, 2024. The Company's weighted average CPR for the fourth quarter was 9.6%, compared to 7.3% for the prior quarter.

The weighted average cost basis of the Company's investment portfolio was 101.5% of par value as of December 31, 2024. The Company's investment portfolio generated a net premium amortization benefit of \$11 million, or \$0.01 per common share, for the fourth quarter, which includes a "catch-up" premium amortization benefit of \$51 million, or \$0.06 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 \$(69) million, or \$(0.09) per common share, including "catch-up" premium amortization cost of \$(24) million, or \$(0.03) 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 5.02% for the fourth quarter, compared to 4.54% for the prior quarter. Excluding "catch-up" premium amortization, the Company's average asset yield was 4.72% for the fourth quarter, compared to 4.68% 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 4.80%, compared to 4.73% for the prior quarter.

For the fourth quarter, the weighted average interest rate on the Company's repurchase agreements was 4.86%, compared to 5.41% for the prior quarter. For the fourth quarter, the Company's TBA position had an implied financing cost of 4.74%, compared to 5.10% for the prior quarter. Inclusive of interest rate swaps, the Company's combined weighted average cost of funds for the fourth quarter was 2.89%, compared to 2.52% 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 1.91%, compared to 2.21% 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 \$0.37 per common share, compared to \$0.43 per common share for the prior quarter. Net spread and dollar roll income excludes \$0.06 and \$(0.03) per common share of

estimated "catch-up" premium amortization benefit / (cost) for the fourth quarter and prior quarter, respectively.

The Company's cost of funds, net interest rate spread and net spread and dollar income excludes the impact of the Company's U.S. Treasury hedges and other supplemental interest rate hedges. For additional information regarding the Company's U.S. Treasury hedges, please refer to the schedule of Key Statistics included in this release.

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, 2024, \$59.4 billion of repurchase agreements, \$6.9 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 \$1.4 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 7.2x as of December 31, 2024, unchanged from September 30, 2024. The Company's average "at risk" leverage ratio for the fourth quarter was also 7.2x tangible net book value and unchanged from the prior quarter.

As of December 31, 2024, the Company's repurchase agreements used to fund its investment portfolio ("Investment Securities Repo") had a weighted average interest rate of 4.76%, compared to 5.23% as of September 30, 2024, and a weighted average remaining maturity of 11 days, compared to 15 days as of September 30, 2024. As of December 31, 2024, \$30.6 billion, or 52%, 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, 2024, interest rate swaps, U.S. Treasury positions, swaptions and other interest rate hedges equaled 91% of the Company's outstanding balance of Investment Securities Repo, TBA position and other debt, compared to 72% as of September 30, 2024.

As of December 31, 2024, the Company's pay fixed interest rate swap position totaled \$39.6 billion in notional amount, had an average fixed pay rate of 1.46%, an average floating receive rate of 4.46% and an average maturity of 4.4 years, compared to \$39.1 billion, 1.43%, 4.94% and 4.5 years, respectively, as of September 30, 2024.

As of December 31, 2024, the Company had a net short U.S. Treasury position of \$20.0 billion, net payer swaptions totaling \$1.9 billion and a two-year swap equivalent long SOFR futures position of \$1.2 billion outstanding, compared to \$10.6 billion, \$0.2 billion and \$1.0 billion, respectively, as of September 30, 2024.

## **OTHER GAIN (LOSS), NET**

For the fourth quarter, the Company recorded a net gain of \$39 million in other gain (loss), net, or \$0.04 per common share, compared to a net gain of \$440 million, or \$0.54 per common share, for the prior quarter. Other gain (loss), net for the fourth quarter was comprised of:

- \$(88) million of net realized losses on sales of investment securities;
- \$(1,895) million of net unrealized losses on investment securities measured at fair value through net income;
- \$329 million of interest rate swap periodic income;
- \$890 million of net gains on interest rate swaps;
- \$18 million of net gains on interest rate swaptions;
- \$(10) million of net losses on SOFR futures;
- \$937 million of net gains on U.S. Treasury positions;
- \$12 million of TBA dollar roll income;
- \$(146) million of net mark-to-market losses on TBA securities; and
- \$(8) million of other interest income (expense), net.

## **OTHER COMPREHENSIVE LOSS**

During the fourth quarter, the Company recorded other comprehensive loss of \$(179) million, or \$(0.20) per common share, consisting of net unrealized losses on the Company's Agency securities recognized through OCI, compared to \$200 million, or \$0.24 per common share, of other comprehensive income 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 29, and December 31, 2024, totaling \$0.36 per share for the quarter. Since its May 2008 initial public offering through the fourth quarter of 2024, the Company has declared a total of \$14.0 billion in common stock dividends, or \$48.64 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 2024 on its website at [www.AGNC.com](http://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,<br>2024 | September 30,<br>2024 | June 30,<br>2024 | March 31,<br>2024 | December 31,<br>2023 |
|--|----------------------|-----------------------|------------------|-------------------|----------------------|
|  | (unaudited)          | (unaudited)           | (unaudited)      | (unaudited)       |                      |
| <b>Assets:</b>   |                      |                       |                  |                   |                      |
| Agency securities, at fair value (including pledged securities of \$59,952, \$62,331, \$54,999, \$48,461 and \$49,575, respectively)                             | \$ 65,367            | \$ 67,938             | \$ 59,586        | \$ 53,615         | \$ 53,673            |
| Agency securities transferred to consolidated variable interest entities, at fair value (pledged securities)   | 97                   | 106                   | 106              | 114               | 121                  |
| Credit risk transfer securities, at fair value (including pledged securities of \$590, \$588, \$647, \$722 and \$678, respectively)                              | 633                  | 620                   | 683              | 753               | 723                  |
| Non-Agency securities, at fair value, and other mortgage credit investments (including pledged securities of \$206, \$224, \$213, \$245 and \$262, respectively) | 315                  | 334                   | 317              | 353               | 351                  |
| U.S. Treasury securities, at fair value (including pledged securities of \$1,565, \$2,527, \$2,319, \$1,825 and \$1,530, respectively)                           | 1,575                | 2,570                 | 2,441            | 1,836             | 1,540                |
| Cash and cash equivalents  | 505                  | 507                   | 530              | 505               | 518                  |
| Restricted cash  | 1,266                | 1,279                 | 1,376            | 1,368             | 1,253                |
| Derivative assets, at fair value   | 205                  | 157                   | 131              | 84                | 185                  |
| Receivable for investment securities sold (including pledged securities of \$0, \$1,612, \$0, \$5 and \$0, respectively)   | —                    | 1,706                 | —                | 5                 | —                    |
| Receivable under reverse repurchase agreements   | 17,137               | 13,494                | 13,662           | 12,424            | 11,618               |
| Goodwill   | 526                  | 526                   | 526              | 526               | 526                  |
| Other assets   | 389                  | 353                   | 327              | 293               | 1,088                |
| Total assets   | <u>\$ 88,015</u>     | <u>\$ 89,590</u>      | <u>\$ 79,685</u> | <u>\$ 71,876</u>  | <u>\$ 71,596</u>     |
| <b>Liabilities:</b>  |                      |                       |                  |                   |                      |
| Repurchase agreements  | \$ 60,798            | \$ 65,979             | \$ 56,947        | \$ 49,971         | \$ 50,426            |
| Debt of consolidated variable interest entities, at fair value   | 64                   | 69                    | 71               | 76                | 80                   |
| Payable for investment securities purchased  | 74                   | 324                   | 208              | 636               | 210                  |
| Derivative liabilities, at fair value  | 94                   | 53                    | 64               | 65                | 362                  |
| Dividends payable  | 143                  | 134                   | 125              | 118               | 115                  |
| Obligation to return securities borrowed under reverse repurchase agreements, at fair value  | 16,676               | 13,009                | 13,248           | 12,115            | 10,894               |
| Accounts payable and other liabilities   | 404                  | 366                   | 370              | 317               | 1,252                |
| Total liabilities  | <u>78,253</u>        | <u>79,934</u>         | <u>71,033</u>    | <u>63,298</u>     | <u>63,339</u>        |
| <b>Stockholders' equity:</b>   |                      |                       |                  |                   |                      |
| Preferred Stock - aggregate liquidation preference of \$1,688  | 1,634                | 1,634                 | 1,634            | 1,634             | 1,634                |
| Common stock - \$0.01 par value; 897.4, 844.2, 766.1, 720.3 and 694.3 shares issued and outstanding, respectively  | 9                    | 8                     | 8                | 7                 | 7                    |
| Additional paid-in capital   | 17,264               | 16,746                | 15,960           | 15,521            | 15,281               |
| Retained deficit   | (8,554)              | (8,320)               | (8,338)          | (7,990)           | (8,148)              |
| Accumulated other comprehensive loss   | (591)                | (412)                 | (612)            | (594)             | (517)                |
| Total stockholders' equity   | <u>9,762</u>         | <u>9,656</u>          | <u>8,652</u>     | <u>8,578</u>      | <u>8,257</u>         |
| Total liabilities and stockholders' equity   | <u>\$ 88,015</u>     | <u>\$ 89,590</u>      | <u>\$ 79,685</u> | <u>\$ 71,876</u>  | <u>\$ 71,596</u>     |
| <b>Tangible net book value per common share <sup>1</sup></b>   | <u>\$ 8.41</u>       | <u>\$ 8.82</u>        | <u>\$ 8.40</u>   | <u>\$ 8.84</u>    | <u>\$ 8.70</u>       |

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

|   | Three Months Ended   |                       |                  |                   | Year Ended           |
|---|----------------------|-----------------------|------------------|-------------------|----------------------|
|   | December 31,<br>2024 | September 30,<br>2024 | June 30,<br>2024 | March 31,<br>2024 | December 31,<br>2024 |
| <b>Interest income:</b>   |                      |                       |                  |                   |                      |
| Interest income   | \$ 856               | \$ 756                | \$ 695           | \$ 642            | \$ 2,949             |
| Interest expense  | 741                  | 820                   | 698              | 672               | 2,931                |
| Net interest income (expense)   | 115                  | (64)                  | (3)              | (30)              | 18                   |
| <b>Other gain (loss), net:</b>  |                      |                       |                  |                   |                      |
| Realized (loss) gain on sale of investment securities, net  | (88)                 | 106                   | (115)            | (91)              | (188)                |
| Unrealized (loss) gain on investment securities measured at fair value through net income, net                        | (1,895)              | 1,742                 | (261)            | (471)             | (885)                |
| Gain (loss) on derivative instruments and other investments, net  | 2,022                | (1,408)               | 355              | 1,059             | 2,028                |
| Total other gain (loss), net  | 39                   | 440                   | (21)             | 497               | 955                  |
| <b>Expenses:</b>  |                      |                       |                  |                   |                      |
| Compensation and benefits   | 22                   | 21                    | 15               | 16                | 74                   |
| Other operating expense   | 10                   | 9                     | 9                | 8                 | 36                   |
| Total operating expense   | 32                   | 30                    | 24               | 24                | 110                  |
| <b>Net income (loss)</b>  | 122                  | 346                   | (48)             | 443               | 863                  |
| Dividend on preferred stock   | 36                   | 33                    | 32               | 31                | 132                  |
| <b>Net income (loss) available (attributable) to common stockholders</b>  | <u>\$ 86</u>         | <u>\$ 313</u>         | <u>\$ (80)</u>   | <u>\$ 412</u>     | <u>\$ 731</u>        |
| <b>Net income (loss)</b>  |                      |                       |                  |                   |                      |
|   | \$ 122               | \$ 346                | \$ (48)          | \$ 443            | \$ 863               |
| Unrealized gain (loss) on investment securities measured at fair value through other comprehensive income (loss), net | (179)                | 200                   | (18)             | (77)              | (74)                 |
| <b>Comprehensive income (loss)</b>  | (57)                 | 546                   | (66)             | 366               | 789                  |
| Dividend on preferred stock   | 36                   | 33                    | 32               | 31                | 132                  |
| <b>Comprehensive income (loss) available (attributable) to common stockholders</b>                                    | <u>\$ (93)</u>       | <u>\$ 513</u>         | <u>\$ (98)</u>   | <u>\$ 335</u>     | <u>\$ 657</u>        |
| <b>Weighted average number of common shares outstanding - basic</b>   |                      |                       |                  |                   |                      |
|   | 882.8                | 807.2                 | 740.0            | 702.2             | 783.4                |
| <b>Weighted average number of common shares outstanding - diluted</b>   |                      |                       |                  |                   |                      |
|   | 886.5                | 810.1                 | 740.0            | 704.2             | 786.0                |
| <b>Net income (loss) per common share - basic</b>   | <u>\$ 0.10</u>       | <u>\$ 0.39</u>        | <u>\$ (0.11)</u> | <u>\$ 0.59</u>    | <u>\$ 0.93</u>       |
| <b>Net income (loss) per common share - diluted</b>   | <u>\$ 0.10</u>       | <u>\$ 0.39</u>        | <u>\$ (0.11)</u> | <u>\$ 0.59</u>    | <u>\$ 0.93</u>       |
| <b>Comprehensive income (loss) per common share - basic</b>   | <u>\$ (0.11)</u>     | <u>\$ 0.64</u>        | <u>\$ (0.13)</u> | <u>\$ 0.48</u>    | <u>\$ 0.84</u>       |
| <b>Comprehensive income (loss) per common share - diluted</b>   | <u>\$ (0.11)</u>     | <u>\$ 0.63</u>        | <u>\$ (0.13)</u> | <u>\$ 0.48</u>    | <u>\$ 0.84</u>       |
| <b>Dividends declared per common share</b>  | <u>\$ 0.36</u>       | <u>\$ 0.36</u>        | <u>\$ 0.36</u>   | <u>\$ 0.36</u>    | <u>\$ 1.44</u>       |

AGNC INVESTMENT CORP.

RECONCILIATION OF GAAP COMPREHENSIVE INCOME (LOSS) TO NET SPREAD AND DOLLAR ROLL INCOME (NON-GAAP MEASURE)<sup>2</sup>

(in millions, except per share data)

(unaudited)

|   | Three Months Ended   |                       |                  |                   | Year Ended           |
|---|----------------------|-----------------------|------------------|-------------------|----------------------|
|   | December 31,<br>2024 | September 30,<br>2024 | June 30,<br>2024 | March 31,<br>2024 | December 31,<br>2024 |
| <b>Comprehensive income (loss) available (attributable) to common stockholders</b>                                    | \$ (93)              | \$ 513                | \$ (98)          | \$ 335            | \$ 657               |
| <b>Adjustments to exclude realized and unrealized (gains) losses reported through net income:</b>                     |                      |                       |                  |                   |                      |
| Realized (gain) loss on sale of investment securities, net  | 88                   | (106)                 | 115              | 91                | 188                  |
| Unrealized (gain) loss on investment securities measured at fair value through net income, net                        | 1,895                | (1,742)               | 261              | 471               | 885                  |
| (Gain) loss on derivative instruments and other securities, net   | (2,022)              | 1,408                 | (355)            | (1,059)           | (2,028)              |
| <b>Adjustment to exclude unrealized (gain) loss reported through other comprehensive income:</b>                      |                      |                       |                  |                   |                      |
| Unrealized (gain) loss on available-for-sale securities measure at fair value through other comprehensive income, net | 179                  | (200)                 | 18               | 77                | 74                   |
| <b>Other adjustments:</b>   |                      |                       |                  |                   |                      |
| Estimated "catch up" premium amortization cost (benefit) due to change in CPR forecast <sup>3</sup>                   | (51)                 | 24                    | (14)             | (10)              | (51)                 |
| TBA dollar roll income <sup>4,5</sup>   | 12                   | 4                     | 5                | —                 | 21                   |
| Interest rate swap periodic income, net <sup>4,6</sup>  | 329                  | 456                   | 494              | 536               | 1,815                |
| Other interest income (expense), net <sup>4,7</sup>   | (8)                  | (12)                  | (32)             | (35)              | (87)                 |
| <b>Net spread and dollar roll income available to common stockholders</b>   | <u>\$ 329</u>        | <u>\$ 345</u>         | <u>\$ 394</u>    | <u>\$ 406</u>     | <u>\$ 1,474</u>      |
| Weighted average number of common shares outstanding - basic  | <u>882.8</u>         | <u>807.2</u>          | <u>740.0</u>     | <u>702.2</u>      | <u>783.4</u>         |
| Weighted average number of common shares outstanding - diluted  | <u>886.5</u>         | <u>810.1</u>          | <u>741.9</u>     | <u>704.2</u>      | <u>786.0</u>         |
| Net spread and dollar roll income per common share - basic  | <u>\$ 0.37</u>       | <u>\$ 0.43</u>        | <u>\$ 0.53</u>   | <u>\$ 0.58</u>    | <u>\$ 1.88</u>       |
| Net spread and dollar roll income per common share - diluted  | <u>\$ 0.37</u>       | <u>\$ 0.43</u>        | <u>\$ 0.53</u>   | <u>\$ 0.58</u>    | <u>\$ 1.88</u>       |

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

|   | Three Months Ended   |                       |                  |                   | Year Ended           |
|---|----------------------|-----------------------|------------------|-------------------|----------------------|
|   | December 31,<br>2024 | September 30,<br>2024 | June 30,<br>2024 | March 31,<br>2024 | December 31,<br>2024 |
| <b>Adjusted net interest and dollar roll income:</b>  |                      |                       |                  |                   |                      |
| Economic interest income:   |                      |                       |                  |                   |                      |
| Investment securities - GAAP interest income <sup>8</sup>   | \$ 856               | \$ 756                | \$ 695           | \$ 642            | \$ 2,949             |
| Estimated "catch-up" premium amortization cost (benefit) due to change in CPR forecast <sup>3</sup> | (51)                 | 24                    | (14)             | (10)              | (51)                 |
| TBA dollar roll income - implied interest income <sup>4,9</sup>                                     | 84                   | 39                    | 93               | 84                | 300                  |
| <b>Economic interest income</b>   | <b>889</b>           | <b>819</b>            | <b>774</b>       | <b>716</b>        | <b>3,198</b>         |
| Economic interest expense:  |                      |                       |                  |                   |                      |
| Repurchase agreements and other debt - GAAP interest expense  | (741)                | (820)                 | (698)            | (672)             | (2,931)              |
| TBA dollar roll income - implied interest expense <sup>4,10</sup>                                   | (72)                 | (35)                  | (88)             | (84)              | (279)                |
| Interest rate swap periodic income, net <sup>4,6</sup>  | 329                  | 456                   | 494              | 536               | 1,815                |
| <b>Economic interest expense</b>  | <b>(484)</b>         | <b>(399)</b>          | <b>(292)</b>     | <b>(220)</b>      | <b>(1,395)</b>       |
| <b>Adjusted net interest and dollar roll income</b>   | <b>\$ 405</b>        | <b>\$ 420</b>         | <b>\$ 482</b>    | <b>\$ 496</b>     | <b>\$ 1,803</b>      |
| <b>Net interest spread:</b>   |                      |                       |                  |                   |                      |
| Average asset yield:  |                      |                       |                  |                   |                      |
| Investment securities - average asset yield   | 5.02 %               | 4.54 %                | 4.70 %           | 4.53 %            | 4.70 %               |
| Estimated "catch-up" premium amortization cost (benefit) due to change in CPR forecast              | (0.30)%              | 0.14 %                | (0.10)%          | (0.07)%           | (0.08)%              |
| Investment securities average asset yield, excluding "catch-up" premium amortization                | 4.72 %               | 4.68 %                | 4.60 %           | 4.46 %            | 4.62 %               |
| TBA securities - average implied asset yield <sup>9</sup>   | 5.66 %               | 5.82 %                | 5.47 %           | 5.40 %            | 5.55 %               |
| <b>Average asset yield<sup>11</sup></b>   | <b>4.80 %</b>        | <b>4.73 %</b>         | <b>4.69 %</b>    | <b>4.56 %</b>     | <b>4.70 %</b>        |
| Average total cost of funds:  |                      |                       |                  |                   |                      |
| Repurchase agreements and other debt - average funding cost   | 4.86 %               | 5.41 %                | 5.44 %           | 5.45 %            | 5.27 %               |
| TBA securities - average implied funding cost <sup>10</sup>   | 4.74 %               | 5.10 %                | 5.11 %           | 5.34 %            | 5.07 %               |
| Average cost of funds, before interest rate swap periodic income, net <sup>11</sup>                 | 4.85 %               | 5.40 %                | 5.39 %           | 5.44 %            | 5.25 %               |
| Interest rate swap periodic income, net <sup>12</sup>   | (1.96)%              | (2.88)%               | (3.39)%          | (3.86)%           | (2.97)%              |
| <b>Average total cost of funds<sup>13</sup></b>   | <b>2.89 %</b>        | <b>2.52 %</b>         | <b>2.00 %</b>    | <b>1.58 %</b>     | <b>2.28 %</b>        |
| <b>Average net interest spread</b>  | <b>1.91 %</b>        | <b>2.21 %</b>         | <b>2.69 %</b>    | <b>2.98 %</b>     | <b>2.42 %</b>        |

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

| Key Balance Sheet Statistics:   | Three Months Ended |                    |               |                |                   |
|---|--------------------|--------------------|---------------|----------------|-------------------|
|   | December 31, 2024  | September 30, 2024 | June 30, 2024 | March 31, 2024 | December 31, 2023 |
| <b>Investment securities:</b> <sup>8</sup>  |                    |                    |               |                |                   |
| Fixed-rate Agency MBS, at fair value - as of period end   | \$ 64,049          | \$ 66,668          | \$ 58,729     | \$ 52,767      | \$ 53,161         |
| Other Agency MBS, at fair value - as of period end  | \$ 1,415           | \$ 1,376           | \$ 963        | \$ 962         | \$ 633            |
| Credit risk transfer securities, at fair value - as of period end   | \$ 633             | \$ 620             | \$ 683        | \$ 753         | \$ 723            |
| Non-Agency MBS, at fair value - as of period end <sup>14</sup>  | \$ 251             | \$ 273             | \$ 257        | \$ 294         | \$ 307            |
| Total investment securities, at fair value - as of period end   | \$ 66,348          | \$ 68,937          | \$ 60,632     | \$ 54,776      | \$ 54,824         |
| Total investment securities, at cost - as of period end   | \$ 69,446          | \$ 69,961          | \$ 63,599     | \$ 57,464      | \$ 56,965         |
| Total investment securities, at par - as of period end  | \$ 68,431          | \$ 69,032          | \$ 62,549     | \$ 56,287      | \$ 55,760         |
| Average investment securities, at cost  | \$ 68,188          | \$ 66,674          | \$ 59,198     | \$ 56,664      | \$ 56,228         |
| Average investment securities, at par   | \$ 67,181          | \$ 65,748          | \$ 58,066     | \$ 55,455      | \$ 55,039         |
| <b>TBA securities:</b> <sup>15</sup>  |                    |                    |               |                |                   |
| Net TBA portfolio - as of period end, at fair value   | \$ 6,861           | \$ 4,068           | \$ 5,348      | \$ 8,448       | \$ 5,354          |
| Net TBA portfolio - as of period end, at cost   | \$ 6,887           | \$ 4,067           | \$ 5,318      | \$ 8,405       | \$ 5,288          |
| Net TBA portfolio - as of period end, carrying value  | \$ (26)            | \$ 1               | \$ 30         | \$ 43          | \$ 66             |
| Average net TBA portfolio, at cost  | \$ 5,936           | \$ 2,650           | \$ 6,805      | \$ 6,190       | \$ 4,993          |
| Average repurchase agreements and other debt <sup>16</sup>  | \$ 59,690          | \$ 59,322          | \$ 50,784     | \$ 48,730      | \$ 47,548         |
| Average stockholders' equity <sup>17</sup>  | \$ 9,637           | \$ 9,151           | \$ 8,481      | \$ 8,328       | \$ 7,660          |
| Tangible net book value per common share <sup>1</sup>   | \$ 8.41            | \$ 8.82            | \$ 8.40       | \$ 8.84        | \$ 8.70           |
| Tangible net book value "at risk" leverage - average <sup>18</sup>  | 7.2:1              | 7.2:1              | 7.2:1         | 7.0:1          | 7.4:1             |
| Tangible net book value "at risk" leverage - as of period end <sup>19</sup>   | 7.2:1              | 7.2:1              | 7.4:1         | 7.1:1          | 7.0:1             |
| <b>Key Performance Statistics:</b>  |                    |                    |               |                |                   |
| <b>Investment securities:</b> <sup>8</sup>  |                    |                    |               |                |                   |
| Average coupon  | 5.03 %             | 5.02 %             | 4.98 %        | 4.90 %         | 4.77 %            |
| Average asset yield   | 5.02 %             | 4.54 %             | 4.70 %        | 4.53 %         | 4.55 %            |
| Average asset yield, excluding "catch-up" premium amortization  | 4.72 %             | 4.68 %             | 4.60 %        | 4.46 %         | 4.33 %            |
| Average coupon - as of period end   | 5.03 %             | 5.01 %             | 5.01 %        | 4.93 %         | 4.85 %            |
| Average asset yield - as of period end  | 4.77 %             | 4.68 %             | 4.70 %        | 4.52 %         | 4.41 %            |
| Average actual CPR for securities held during the period  | 9.6 %              | 7.3 %              | 7.1 %         | 5.7 %          | 6.2 %             |
| Average forecasted CPR - as of period end   | 7.7 %              | 13.2 %             | 9.2 %         | 10.4 %         | 11.4 %            |
| Total premium amortization benefit (cost)   | \$ 11              | \$ (69)            | \$ (28)       | \$ (37)        | \$ (16)           |
| <b>TBA securities:</b>  |                    |                    |               |                |                   |
| Average coupon - as of period end <sup>20</sup>   | 5.29 %             | 4.78 %             | 5.27 %        | 5.22 %         | 5.54 %            |
| Average implied asset yield <sup>9</sup>  | 5.66 %             | 5.82 %             | 5.47 %        | 5.40 %         | 6.09 %            |
| Combined investment and TBA securities - average asset yield, excluding "catch-up" premium amortization <sup>11</sup> | 4.80 %             | 4.73 %             | 4.69 %        | 4.56 %         | 4.47 %            |
| <b>Cost of funds:</b> <sup>13</sup>   |                    |                    |               |                |                   |
| Repurchase agreements - average funding cost  | 4.86 %             | 5.41 %             | 5.44 %        | 5.45 %         | 5.48 %            |
| TBA securities - average implied funding cost <sup>10</sup>   | 4.74 %             | 5.10 %             | 5.11 %        | 5.34 %         | 5.37 %            |
| Interest rate swaps - average periodic income <sup>12</sup>   | (1.96)%            | (2.88)%            | (3.39)%       | (3.86)%        | (4.08)%           |
| Average total cost of funds, inclusive of TBAs and interest rate swap periodic income, net <sup>11</sup>              | 2.89 %             | 2.52 %             | 2.00 %        | 1.58 %         | 1.39 %            |
| Repurchase agreements - average funding cost as of period end   | 4.76 %             | 5.23 %             | 5.50 %        | 5.46 %         | 5.60 %            |
| Interest rate swaps - average net pay/(receive) rate as of period end <sup>21</sup>                                   | (3.00)%            | (3.51)%            | (3.90)%       | (4.37)%        | (4.80)%           |
| <b>Net interest spread:</b>   |                    |                    |               |                |                   |
| Combined investment and TBA securities average net interest spread, excluding "catch-up" premium amortization         | 1.91 %             | 2.21 %             | 2.69 %        | 2.98 %         | 3.08 %            |
| Expenses % of average stockholders' equity - annualized   | 1.33 %             | 1.31 %             | 1.13 %        | 1.15 %         | 1.46 %            |
| Economic return (loss) on tangible common equity - unannualized <sup>22</sup>   | (0.6)%             | 9.3 %              | (0.9)%        | 5.7 %          | 12.1 %            |

Three Months Ended

|  | December 31,<br>2024 | September 30,<br>2024 | June 30,<br>2024 | March 31,<br>2024 | December 31,<br>2023 |
|--|----------------------|-----------------------|------------------|-------------------|----------------------|
| <b>Key Interest Rate Hedge Statistics</b>  |                      |                       |                  |                   |                      |
| <b>Interest rate swaps:</b>  |                      |                       |                  |                   |                      |
| Average interest rate swaps, notional amount (excluding forward starting swaps), net | \$ 39,483            | \$ 44,781             | \$ 45,263        | \$ 43,903         | \$ 43,623            |
| Average pay-fixed rate   | 1.45 %               | 1.38 %                | 1.18 %           | 0.84 %            | 0.72 %               |
| Average receive-floating rate  | 4.71 %               | 5.36 %                | 5.50 %           | 5.67 %            | 5.75 %               |
| <b>U.S. Treasury securities:</b>   |                      |                       |                  |                   |                      |
| Average short U.S. Treasury securities, at cost                                      | \$ 15,731            | \$ 13,259             | \$ 13,105        | \$ 11,714         | \$ 10,794            |
| Average short U.S. Treasury securities yield   | 3.78 %               | 3.70 %                | 3.77 %           | 3.63 %            | 3.62 %               |
| Average long U.S. Treasury securities, at cost                                       | \$ 2,113             | \$ 2,616              | \$ 2,073         | \$ 1,689          | \$ 1,155             |
| Average long U.S. Treasury securities yield  | 4.13 %               | 4.05 %                | 4.41 %           | 4.19 %            | 4.66 %               |
| <b>U.S. Treasury futures:</b>  |                      |                       |                  |                   |                      |
| Average short U.S. Treasury futures, at cost   | \$ 2,873             | \$ 791                | \$ 1,528         | \$ 4,313          | \$ 4,305             |
| Average short U.S. Treasury futures implied yield <sup>23</sup>                      | 4.40 %               | 4.35 %                | 4.41 %           | 4.42 %            | 4.37 %               |
| Average long U.S. Treasury futures, at cost  | \$ —                 | \$ 750                | \$ 118           | \$ —              | \$ —                 |
| Average long U.S. Treasury futures implied yield <sup>23</sup>                       | — %                  | 4.03 %                | 4.22 %           | — %               | — %                  |
| Average reverse repurchase agreement rate  | 4.65 %               | 5.47 %                | 5.35 %           | 5.29 %            | 5.16 %               |

\*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 U.S. Treasury and other supplemental hedges used to hedge a portion of the Company's interest rate risk (such as swaptions and SOFR futures) and U.S. Treasury Repo.
14. Non-Agency MBS, at fair value, excludes \$64 million, \$61 million, \$60 million, \$59 million and \$44 million of other mortgage credit investments held as of December 31, September 30, June 30 and March 31, 2024 and December 31, 2023, 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 Repo.
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 Repo.
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 Repo.
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.
23. The implied yields for Treasury futures are calculated based on the "cheapest-to-deliver" security that can be delivered to satisfy the futures contract identified at the time the futures contract was initiated using data sourced from a third-party model.

## **STOCKHOLDER CALL**

AGNC invites stockholders, prospective stockholders and analysts to attend the AGNC stockholder call on January 28, 2025 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](http://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](http://www.AGNC.com). Select the Q4 2024 Stockholder 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 28, 2025. In addition, there will be a phone recording available one hour after the call on January 28, 2025 through February 4, 2025. 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 4643054.

For further information, please contact Investor Relations at (301) 968-9300 or [IR@AGNC.com](mailto: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 \$14 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.

We use our website ([www.AGNC.com](http://www.AGNC.com)) and AGNC's LinkedIn and X accounts to distribute information about the Company. Investors should monitor these channels in addition to our press releases, filings with the U.S. Securities and Exchange Commission ("SEC"), public conference calls and webcasts, as information posted through them may be deemed material. Our website, alerts and social media channels are not incorporated by reference into, and are not a part of, this document or any report filed with the SEC. To learn more about **The Premier Agency Residential Mortgage REIT**, please visit [www.AGNC.com](http://www.AGNC.com), follow us on LinkedIn and X, 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](http://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/expense (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 in its non-GAAP measures 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 measures, 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. Finally, 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.