



# **Q3 2019 Stockholder Presentation**

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**October 31, 2019**

## 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>:  
**\$16.55 Per Share**

IPO Date:  
**May 2008**

Total Dividends Paid Since IPO<sup>1</sup>:  
**\$40.84 Per Share**

Total Equity Capital<sup>2</sup>:  
**\$9.5 B**



Type:  
**Preferred Stock**

Preferred Stock:	Type:	Issue Date:	Ticker:	Annual Dividend Rate:	Depository Shares Outstanding <sup>5</sup> :	Aggregate Liquidation Preference:
Series B <sup>3</sup>	Fixed Rate	May 8, 2014	AGNCB	7.750%	7.0 Million	\$175 Million
Series C <sup>4</sup>	Fixed-to-Floating Rate <sup>6</sup>	Aug 22, 2017	AGNCN	7.000%	13.0 Million	\$325 Million
Series D <sup>4</sup>	Fixed-to-Floating Rate <sup>6</sup>	Mar 6, 2019	AGNCM	6.875%	9.4 Million	\$235 Million
Series E <sup>4</sup>	Fixed-to-Floating Rate <sup>6</sup>	Oct 4, 2019	AGNCO	6.500%	16.1 Million	\$403 Million

Note: Information as of Sep 30, 2019 unless otherwise indicated

- As of Oct 15, 2019
- "Tangible Net Book Value" and "Total Equity Capital" are net of preferred stock liquidation preference
- On Oct 25, 2019, the Company announced that it will redeem all 7.0 million depository shares outstanding of its Series B Preferred Stock on Nov 26, 2019 at the redemption amount of \$25 per depository share, plus accrued and unpaid dividends of \$0.220660 per share.
- Preferred stock is redeemable at the Company's option on or after Oct 15, 2022, April 15, 2024 and Oct 15, 2024 for Series C, D and E, respectively, in whole or in part, at the liquidation preference plus any accumulated and unpaid dividends
- Each depository share outstanding represents a 1/1,000th interest in a share of preferred stock
- 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

- **\$0.42 Comprehensive Income per Share, Comprised of:**
  - \$(0.03) net loss per share
  - \$0.45 other comprehensive income (“OCI”) per share on investments marked-to-market through OCI
- **\$0.59 Net Spread and Dollar Roll Income per Share, Excluding Estimated “Catch-Up” Premium Amortization Cost <sup>1</sup>**
  - Includes \$0.05 per share of dollar roll income associated with a \$10.1 B average net long position in forward purchases and sales of Agency MBS in the “to-be-announced” (“TBA”) market <sup>2</sup>
  - Excludes \$(0.10) per share of estimated “catch-up” premium amortization cost due to change in projected constant prepayment rate (“CPR”) estimates
- **\$16.55 Tangible Net Book Value per Share as of Sep 30, 2019**
  - Decreased \$(0.03) per share, or -0.2%, from \$16.58 per share as of Jun 30, 2019
  - Excludes \$526 MM, or \$0.97 per share, of goodwill as of Sep 30, 2019
- **\$0.48 Dividends Declared per Share for the Third Quarter**
- **2.7% Economic Return on Tangible Common Equity for the Quarter**
  - Comprised of \$0.48 dividends per share and \$(0.03) decrease in tangible net book value per share

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

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

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

- **\$102.6 B Investment Portfolio as of Sep 30, 2019**
  - \$99.0 B Agency MBS
  - \$1.9 B net TBA mortgage position
  - \$1.7 B credit risk transfer and non-Agency securities
- **9.8x Tangible Net Book Value “At Risk” Leverage as of Sep 30, 2019 <sup>1</sup>**
  - 10.0x average tangible net book value “at risk” leverage for the quarter
- **13.5% Portfolio CPR for the Quarter**
  - 13.4% average projected portfolio CPR as of Sep 30, 2019
- **1.31% Annualized Net Interest Spread and TBA Dollar Roll Income for the Quarter, Excluding Estimated “Catch-Up” Premium Amortization Cost <sup>2</sup>**
  - Excludes -21 bps of “catch-up” premium amortization cost due to change in projected CPR estimates
- **6.9 Million Shares, or \$103 MM, of Common Stock Repurchased during the Quarter**
  - Represents 1.3% of common stock outstanding as of June 30, 2019
  - \$14.90 per share average repurchase price, inclusive of transaction costs
- **\$403 MM of 6.50% Series E Fixed-to-Floating Rate Preferred Equity Issued in October**
  - \$390 MM of proceeds from offering, net of offering costs
  - Announced \$175 MM redemption of 7.750% Series B Preferred Stock

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), U.S. Treasury positions and U.S. Treasury repurchase agreements

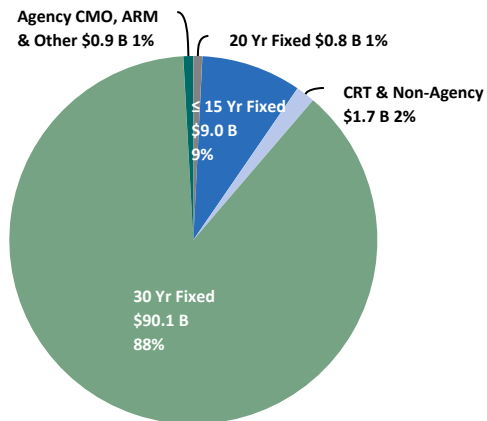
Security	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	Q3 2019 Δ Price	Security	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	Q3 2019 Δ Rate % / Price <sup>3</sup>
<b>Agency 30 Year Fixed Rate MBS Price<sup>1</sup></b>							<b>Treasury Rates<sup>2</sup></b>						
3.00%	95.67	97.54	99.55	100.84	101.51	+0.67	2 Yr UST	2.82%	2.49%	2.26%	1.75%	1.62%	-0.13% / +0.26
3.50%	98.41	99.95	101.35	102.24	102.58	+0.34	5 Yr UST	2.95%	2.51%	2.23%	1.77%	1.54%	-0.23% / +1.06
4.00%	100.97	101.94	102.86	103.36	103.77	+0.41	10 Yr UST	3.06%	2.68%	2.41%	2.01%	1.66%	-0.35% / +3.07
4.50%	103.16	103.53	104.20	104.49	105.29	+0.80	30 Yr UST	3.21%	3.01%	2.81%	2.53%	2.11%	-0.42% / +9.36
<b>Agency 30 Year Static Spreads to Swaps<sup>4</sup></b>							<b>Swap Rates<sup>2</sup></b>						
3.00%	45	62	70	102	113	+11	2 Yr Swap	2.99%	2.66%	2.38%	1.81%	1.63%	-0.18% / +0.34
3.50%	60	81	92	105	112	+7	5 Yr Swap	3.07%	2.57%	2.28%	1.77%	1.50%	-0.27% / +1.27
4.00%	75	101	94	93	100	+7	10 Yr Swap	3.12%	2.71%	2.41%	1.96%	1.56%	-0.40% / +3.74
4.50%	81	112	97	100	92	-8	30 Yr Swap	3.13%	2.84%	2.58%	2.21%	1.71%	-0.50% / +12.12
<b>Agency 30 Year Option Adjusted Spreads<sup>5</sup></b>							<b>Credit Spreads<sup>6</sup></b>						
3.00%	17	21	23	27	38	+11	CRT M2	201	291	229	209	198	-11
3.50%	20	24	26	37	50	+13	CMBS AAA	73	104	89	86	94	+8
4.00%	22	26	31	42	51	+9	CDX IG	60	88	64	55	60	+5
4.50%	29	41	45	59	55	-4	CDX HY	328	449	346	322	346	+24

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

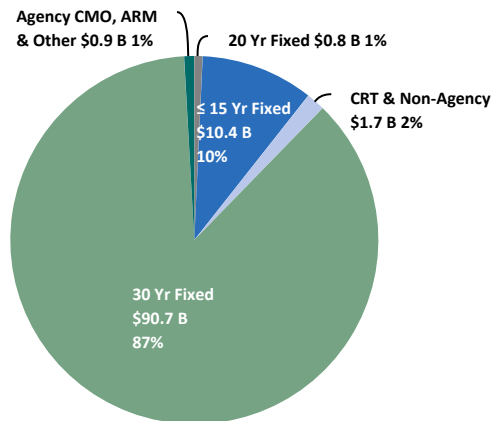
1. Source: Barclays
2. Source: Bloomberg
3. Change in Treasury and swap prices derived from Constant Maturity Treasury and Constant Maturity Swap and DV01 from JPM
4. Source: Average of Citi, Credit Suisse and Blackrock
5. Source: Average of Citi, JP Morgan and Credit Suisse
6. Source: CRT and CMBS spreads 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

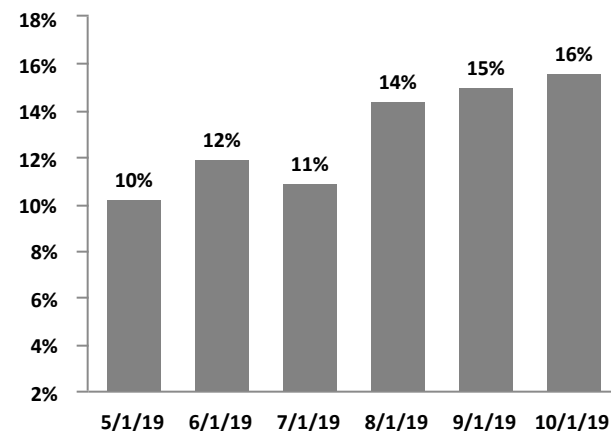
**As of 9/30/19**  
**\$102.6 B Portfolio**  
 Including Net TBA Position



**As of 6/30/19**  
**\$104.4 B Portfolio**  
 Including Net TBA Position



**AGNC Actual CPR <sup>1</sup>**



**30 Year - \$90.1 B Portfolio (88% of Total) as of 9/30/19**

(\$ In Millions)						
Coupon	FMV	%	Specified Pool % <sup>2</sup>	WALA <sup>3</sup>	Oct '19 1 M Actual CPR	Life Forecast CPR
≤ 3.0%	\$15,543	17%	3%	9	4%	13%
3.5%	26,312	29%	59%	44	14%	12%
4.0%	33,554	37%	76%	33	20%	14%
≥ 4.5%	14,660	16%	95%	21	18%	15%
<b>30 Year MBS</b>	<b>90,069</b>	<b>100%</b>	<b>61%</b>	<b>30</b>	<b>15%</b>	<b>13%</b>
<b>Net TBA</b>	<b>53</b>	<b>0%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Total 30 Year</b>	<b>\$90,122</b>	<b>100%</b>	<b>61%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

**≤15 Year - \$9.0 B Portfolio (9% of Total) as of 9/30/19**

(\$ In Millions)						
Coupon	FMV	%	Specified Pool % <sup>2</sup>	WALA <sup>3</sup>	Oct '19 1 M Actual CPR	Life Forecast CPR <sup>4</sup>
2.5%	\$985	11%	75%	83	13%	10%
3.0%	1,943	22%	91%	61	11%	11%
3.5%	3,022	33%	59%	18	17%	17%
≥ 4.0%	1,262	14%	91%	33	17%	15%
<b>≤ 15 Year MBS</b>	<b>7,212</b>	<b>80%</b>	<b>76%</b>	<b>41</b>	<b>15%</b>	<b>14%</b>
<b>Net TBA</b>	<b>1,814</b>	<b>20%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Total ≤ 15 Year</b>	<b>\$9,026</b>	<b>100%</b>	<b>60%</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 \$113 K for ≤15-year and \$118 K for 30-year securities as of Sep 30, 2019. HARP pools have a wtd/avg original LTV of 119% for ≤15-year and 136% for 30-year securities as of Sep 30, 2019
3. WALA represents the weighted average loan age presented in months, excluding net TBA position
4. Average projected CPR as of Sep 30, 2019 excludes net TBA position

## Asset selection is critical to generating attractive returns in the current prepayment environment

30-Year Agency MBS Holdings As of 9/30/19						30-Year TBA	
Coupon	Market Value \$B	Specified Pool \$B / % <sup>1</sup>	Other Pool Positions \$B / % <sup>2</sup>	TBA \$B / %	AGNC - 1 Month CPR <sup>3</sup>	TBA/Float - 1 Month CPR <sup>4</sup>	Oct/Nov Rojl Avg Price <sup>5</sup>
≤ 3.0%	\$22.6	\$0.5 / 2%	\$15.0 / 67%	\$7.1 / 31%	4%	9%	2.4
3.5%	22.1	\$15.5 / 70%	\$10.9 / 49%	-\$4.1 / -19%	14%	40%	-0.3
4.0%	30.3	\$25.4 / 84%	\$8.2 / 27%	-\$3.3 / -11%	20%	52%	-1.6
≥ 4.5%	15.1	\$13.9 / 92%	\$0.7 / 5%	\$0.4 / 3%	18%	55%	-1.9
<b>Total</b>	<b>\$90.1</b>	<b>\$55.3 / 61%</b>	<b>\$34.8 / 39%</b>	<b>\$0.1 / 0%</b>			

- **Prepayment speeds on generic cohorts, particularly recent vintages of non-specified pools remain extremely fast**
  - Adverse pooling dynamics led to the creation of pools with very high underlying note rates
  - No accumulated borrower refi burn-out
  - The FED is not purchasing the bulk of these “cheapest to deliver” pools
- **AGNC is well positioned for the prepayment environment**
  - The vast majority of our higher coupon holdings are pools with favorable prepayment characteristics
  - Lower coupon holdings have limited prepayment exposure in the current environment and benefit from the Fed's reinvestment bid

1. Specified pools include pools backed by lower balance loans with original loan balances of up to \$200K, HARP pools (defined as pools that were issued between May 2009 and 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 \$113 K for ≤15-year and \$118 K for 30-year securities as of Sep 30, 2019. HARP pools have a wtd/avg original LTV of 119% for ≤15-year and 136% for 30-year securities as of Sep 30, 2019

2. Other pools include pools backed by generic and seasoned loans, lower balance loans with original loan balances >\$200k and ≤\$225k, low FICO loans with a max original credit score of 700, 100% investor occupancy status loans, non-HARP loans with original LTV ≥94 and modified loans

3. Actual 1 month annualized CPR published during Oct 2019 for Agency securities held as of Sep 30, 2019; excludes TBAs holdings

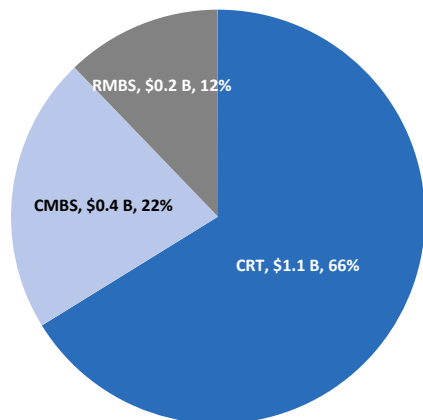
4. TBA/Float 1 month annualized CPR published in Oct for TBA delivery data from Morgan Stanley, JP Morgan, Nomura, Citibank, Credit Suisse and Bank of America

5. Oct/Nov drops in 32nds based on roll closes between Sep 10, 2019 and Oct 8, 2019. Source JPM

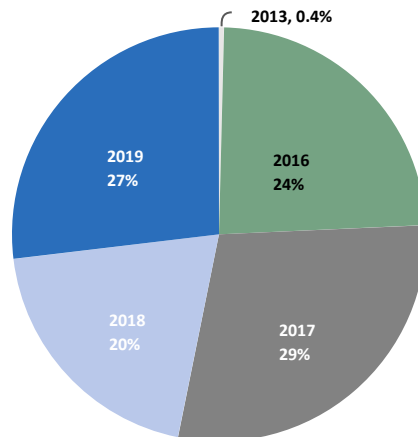


# Credit Portfolio Update

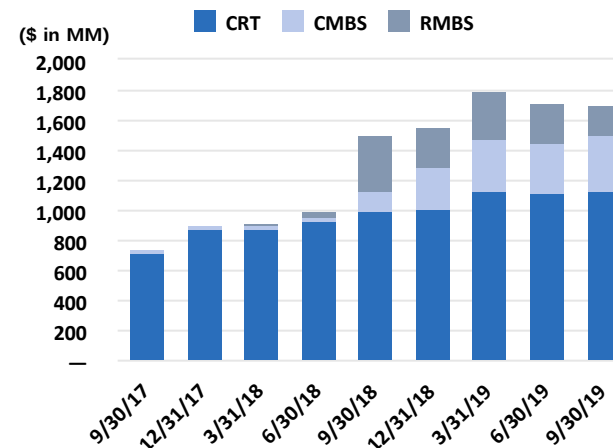
**\$1.7 B as of Sep 30, 2019**



**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	\$1,091	\$1,129	66%	103.52	5.17%	1.37%	0.33%
New Issue Jumbo/Conforming	154	155	9%	100.60	4.14%	2.66%	0.13%
Reperforming Loan Securitizations	50	53	3%	105.99	3.80%	26.92%	1.84%
MI Credit Risk Transfer	5	5	0%	100.24	4.92%	2.92%	0.62%
<b>Residential Credit Total</b>	<b>1,300</b>	<b>1,342</b>	<b>78%</b>	<b>103.26</b>	<b>5.00%</b>	<b>2.53%</b>	<b>0.37%</b>
Conduit	246	276	16%	111.92	4.26%	19.97%	0.15%
Single Asset/Single Borrower	94	95	6%	101.55	5.25%	19.80%	—%
<b>Commercial Credit Total</b>	<b>340</b>	<b>371</b>	<b>22%</b>	<b>109.06</b>	<b>4.51%</b>	<b>19.92%</b>	<b>0.11%</b>
<b>Total</b>	<b>\$1,640</b>	<b>\$1,713</b>	<b>100%</b>	<b>104.46</b>	<b>4.89%</b>	<b>6.30%</b>	<b>0.31%</b>

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

Sector	AAA	AA	A	BBB	Below Investment Grade	Total
GSE Credit Risk Transfer	0%	0%	0%	2%	98%	100%
New Issue Jumbo/Conforming	0%	20%	17%	45%	18%	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>6%</b>	<b>2%</b>	<b>7%</b>	<b>85%</b>	<b>100%</b>
Conduit	14%	83%	0%	3%	0%	100%
Single Asset/Single Borrower	0%	9%	29%	51%	11%	100%
<b>Commercial Credit Total</b>	<b>10%</b>	<b>64%</b>	<b>7%</b>	<b>16%</b>	<b>3%</b>	<b>100%</b>
<b>Total</b>	<b>2%</b>	<b>19%</b>	<b>3%</b>	<b>9%</b>	<b>67%</b>	<b>100%</b>

1. As of Sep 30, 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 Sep 30, 2019)

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

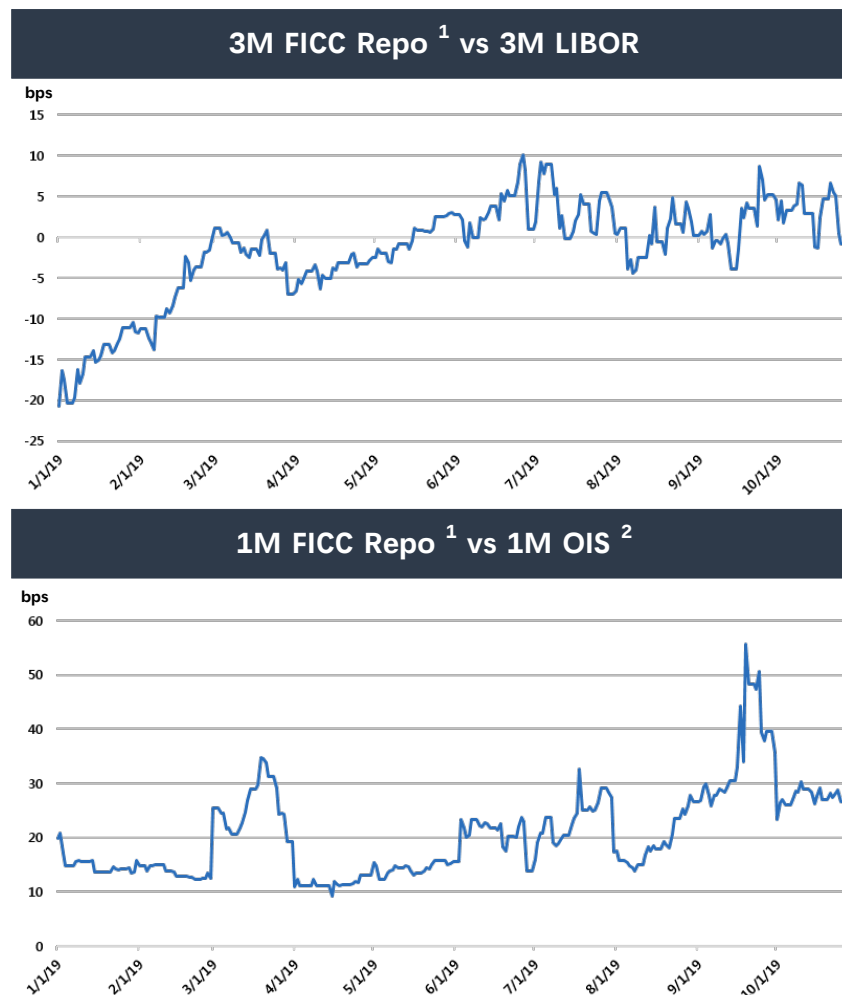
- **Our average Agency repo cost for the third quarter was 2.48%, compared to 2.62% for the second quarter**
  - As of Sep 30, 2019, our Agency repo cost was 2.48%, compared to 2.64% as of Jun 30, 2019
- **\$36.1 B of Agency repo funded through captive broker-dealer subsidiary, Bethesda Securities, as of Sep 30, 2019, compared to \$36.0 B as of Jun 30, 2019**
- **Average Agency repo days to maturity totaled 64 days as of Sep 30, 2019, compared to 80 days as of Jun 30, 2019**
- **47 repo counterparties as of Sep 30, 2019**

Agency Repurchase Agreements <sup>1</sup>				
As of Sep 30, 2019				
Maturity	%	Amount (\$ MM)	Interest Rate	Avg. Days to Maturity
≤ 3 Mths	74%	\$66,538	2.49%	20
> 3 to ≤ 6	19%	17,044	2.41%	102
> 6 to ≤ 12	5%	4,118	2.43%	201
> 1 to ≤ 3 Yrs	3%	2,525	2.56%	749
<b>Total / Wtd Avg</b>	<b>100%</b>	<b>\$90,225</b>	<b>2.48%</b>	<b>64</b>
As of Jun 30, 2019				
<b>Total / Wtd Avg</b>	<b>100%</b>	<b>\$85,116</b>	<b>2.64%</b>	<b>80</b>

1. Includes \$0.3 B of CRT repurchase agreements and excludes \$0.2 B of debt of consolidated VIE's and \$0.4 B of U.S. Treasury repurchase agreements as of Sep 30, 2019.

Repo funding levels remained elevated in the third quarter, but should gradually improve over the next six months in response to actions taken by the Federal Reserve

- Repo funding levels relative to both 3-month LIBOR and 1-month OIS remained elevated and volatile throughout the third quarter, particularly in September
- Beginning in mid-September, the Federal Reserve added significant liquidity to the repo market through its Open Market Operations
- In October, the Federal Reserve announced a series of actions intended to reduce repo funding pressures
  - Purchase Treasury bills of approximately \$60 billion per month from October through at least into the 2nd quarter 2020
  - Conduct overnight and term open market operations of at least \$120 billion and \$45 billion, respectively, through at least January 2020



1. 1M FICC Repo and 3M FICC Repo represent indicative daily FICC Agency MBS repo borrowing levels for 1 and 3 month terms, respectively. Source: Amherst Pierpont Securities and Bloomberg.  
 2. 1M Overnight Indexed Swap (OIS) is a fixed/float interest rate swap with a term of one month. The floating leg is computed using the Federal Funds rate. The fixed leg is an estimation of the average Federal Funds rate over the subsequent 1 month

- Our hedge portfolio totaled **\$96.6 B** and covered **101%** of our funding liabilities (Agency repo, other debt, forward settling securities and net TBA position) as of **Sep 30, 2019**, compared to **91%** as of **Jun 30, 2019**
- **Interest Rate Swaps**
  - \$81.8 B pay fixed swaps as of Sep 30, 2019
  - Covered 86% of funding liabilities as of Sep 30, 2019
  - Increase of \$6.8 B from Jun 30, 2019
- **Payer Swaptions**
  - \$8.7 B payer swaptions
  - Increase of \$4.3 B from Jun 30, 2019
- **U.S. Treasury Securities and Futures**
  - \$6.2 B net short Treasury position
  - Decrease of \$2.5 B from Jun 30, 2019

Hedge Portfolio Summary				
As of Sep 30, 2019				
\$ in MM	Notional/ Market Value 9/30/2019	Duration <sup>1</sup> 9/30/2019	Net Hedge Gains/ (Losses) <sup>2</sup> Q3 2019	Net Hedge Gains/ (Losses) Per Share Q3 2019
Interest Rate Swaps	\$81,775	(2.7)	\$(628)	\$(1.15)
Payer Swaptions	8,650	(1.7)	(19)	(0.03)
U.S. Treasuries, Net Short	6,202	(7.8)	(189)	(0.34)
<b>Total / Q3 2019<sup>3</sup></b>	<b>\$96,627</b>	<b>(2.8)</b>	<b>\$(836)</b>	<b>\$(1.52)</b>
As of Jun 30, 2019 / Q2 2019				
<b>Total / Q2 2019<sup>3</sup></b>	<b>\$88,063</b>	<b>(2.9)</b>	<b>\$(1,688)</b>	<b>\$(3.14)</b>

Interest Rate Swaps				
As of Sep 30, 2019				
Years to Maturity	Notional Amount (\$ MM)	Pay Rate	Receive <sup>4</sup> Rate	Average Maturity (Years)
≤ 3 Years	\$62,900	1.37%	1.98%	1.8
> 3 to ≤ 5	9,850	1.17%	1.90%	4.0
> 5 to ≤ 7	4,300	1.28%	1.94%	6.5
> 7 to ≤ 10	3,700	1.42%	2.01%	8.7
> 10	1,025	1.69%	2.12%	16.2
<b>Total / Wtd Avg</b>	<b>\$81,775</b>	<b>1.35%</b>	<b>1.98%</b>	<b>2.8</b>
As of Jun 30, 2019				
<b>Total / Wtd Avg</b>	<b>\$74,950</b>	<b>1.72%</b>	<b>2.46%</b>	<b>3.3</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 Sep 30, 2019, 79%, 14% and 7% of our interest rate swaps were linked to OIS, 3M-LIBOR and SOFR, respectively, compared to 58%, 42% and 0%, respectively, as of Jun 30, 2019.

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

<b>Duration Gap Sensitivity <sup>1,2</sup></b>			
<b>As of Sep 30, 2019</b>			
	<b>Rates - 100 bps</b>	<b>Duration 9/30/2019</b>	<b>Rates + 100 bps</b>
Mortgage Assets: <sup>3</sup>			
30-Year MBS	1.8	3.0	5.1
15-Year MBS and Other Securities	1.9	2.4	3.3
<b>Total Mortgage Assets</b>	1.8	2.9	4.9
Liabilities and Hedges	(2.9)	(2.9)	(3.1)
<b>Net Duration Gap</b>	<b>(1.1)</b>	<b>0.0</b>	<b>1.8</b>
<b>As of Jun 30, 2019</b>			
<b>Net Duration Gap</b>	<b>(1.4)</b>	<b>(0.1)</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)	9/30/19	6/30/19	3/31/19	12/31/18	9/30/18
Agency Securities, at Fair Value	\$98,577	\$91,140	\$93,044	\$82,291	\$70,408
Agency Securities Transferred to Consolidated Variable Interest Entities, at Fair Value	393	411	425	436	453
Credit Risk Transfer Securities, at Fair Value	1,134	1,117	1,129	1,012	997
Non-Agency Securities, at Fair Value	579	603	672	548	507
U.S. Treasury Securities, at Fair Value	215	1,152	121	46	109
Cash and Cash Equivalents	906	870	929	921	1,071
Restricted Cash	734	789	517	599	456
Derivative Assets, at Fair Value	175	116	253	273	412
Receivable for Investment Securities Sold	105	679	439	489	524
Receivable under Reverse Repurchase Agreements	6,093	8,848	20,430	21,813	16,309
Goodwill	526	526	526	526	526
Other Assets	324	325	322	287	259
<b>Total Assets</b>	<b>\$109,761</b>	<b>\$106,576</b>	<b>\$118,807</b>	<b>\$109,241</b>	<b>\$92,031</b>
Repurchase Agreements	\$90,612	\$86,266	\$86,685	\$75,717	\$65,734
Debt of Consolidated Variable Interest Entities, at Fair Value	238	251	266	275	291
Payable for Investment Securities Purchased	3,094	878	1,125	1,204	23
Derivative Liabilities, at Fair Value	22	63	53	84	62
Dividends Payable	100	101	107	106	95
Obligation to Return Securities Borrowed under Reverse Repurchase Agreements, at Fair Value	5,114	7,754	19,275	21,431	15,549
Accounts Payable and Other Liabilities	368	917	795	518	650
<b>Total Liabilities</b>	<b>99,548</b>	<b>96,230</b>	<b>108,306</b>	<b>99,335</b>	<b>82,404</b>
Preferred Equity at Aggregate Liquidation Preference	735	735	735	500	500
Common Equity	9,478	9,611	9,766	9,406	9,127
<b>Total Stockholders' Equity</b>	<b>10,213</b>	<b>10,346</b>	<b>10,501</b>	<b>9,906</b>	<b>9,627</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$109,761</b>	<b>\$106,576</b>	<b>\$118,807</b>	<b>\$109,241</b>	<b>\$92,031</b>
<b>Other Supplemental Data:</b>					
Net Long TBA, at Fair Value <sup>1</sup>	\$1,867	\$11,170	\$6,955	\$7,322	\$9,393
Tangible Net Book Value "At Risk" Leverage <sup>2</sup>	9.8x	9.8x	9.4x	9.0x	8.2x
Tangible Net Book Value Per Common Share <sup>3</sup>	\$16.55	\$16.58	\$17.23	\$16.56	\$18.00

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

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

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

# Income Statements



(\$ in millions, except per share data) (Unaudited)	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Interest Income	\$676	\$693	\$705	\$604	\$500
Interest Expense	(557)	(570)	(541)	(418)	(312)
<b>Net Interest Income</b>	<b>119</b>	<b>123</b>	<b>164</b>	<b>186</b>	<b>188</b>
Realized Gain (Loss) on Sale of Investment Securities, Net	89	132	60	(21)	(40)
Unrealized Gain (Loss) on Investment Securities Measured at Fair Value through Net Income, Net	355	759	1,060	683	(363)
Gain (Loss) on Derivative Instruments and Other Securities, Net	(548)	(1,438)	(1,000)	(1,633)	430
Management Fee Income	—	—	—	—	46
<b>Total Other Gain (Loss), Net</b>	<b>(104)</b>	<b>(547)</b>	<b>120</b>	<b>(971)</b>	<b>73</b>
Compensation and Benefits	(10)	(11)	(10)	(11)	(14)
Other Operating Expenses	(9)	(9)	(9)	(8)	(31)
<b>Total Operating Expenses</b>	<b>(19)</b>	<b>(20)</b>	<b>(19)</b>	<b>(19)</b>	<b>(45)</b>
<b>Net Income (Loss)</b>	<b>(4)</b>	<b>(444)</b>	<b>265</b>	<b>(804)</b>	<b>216</b>
Dividend on Preferred Stock	(13)	(13)	(10)	(9)	(9)
<b>Net Income (Loss) Available (Attributable) to Common Stockholders</b>	<b>\$(17)</b>	<b>\$(457)</b>	<b>\$255</b>	<b>\$(813)</b>	<b>\$207</b>
<b>Net Income (Loss)</b>	<b>\$(4)</b>	<b>\$(444)</b>	<b>\$265</b>	<b>\$(804)</b>	<b>\$216</b>
Unrealized Gain (Loss) on Available-for-Sale Securities Measured at Fair Value through Other Comprehensive Income (Loss), Net	246	379	400	361	(193)
<b>Comprehensive Income (Loss)</b>	<b>242</b>	<b>(65)</b>	<b>665</b>	<b>(443)</b>	<b>23</b>
Dividend on Preferred Stock	(13)	(13)	(10)	(9)	(9)
<b>Comprehensive Income (Loss) Available (Attributable) to Common Stockholders</b>	<b>\$229</b>	<b>\$(78)</b>	<b>\$655</b>	<b>\$(452)</b>	<b>\$14</b>
<b>Weighted Average Common Shares Outstanding – Basic</b>	<b>546.4</b>	<b>537.8</b>	<b>536.7</b>	<b>504.2</b>	<b>462.3</b>
<b>Weighted Average Common Shares Outstanding – Diluted</b>	<b>546.4</b>	<b>537.8</b>	<b>537.2</b>	<b>504.2</b>	<b>462.7</b>
<b>Net Income (Loss) per Common Share – Basic</b>	<b>\$(0.03)</b>	<b>\$(0.85)</b>	<b>\$0.48</b>	<b>\$(1.61)</b>	<b>\$0.45</b>
<b>Net Income (Loss) per Common Share – Diluted</b>	<b>\$(0.03)</b>	<b>\$(0.85)</b>	<b>\$0.47</b>	<b>\$(1.61)</b>	<b>\$0.45</b>
<b>Comprehensive Income (Loss) per Common Share – Basic and Diluted</b>	<b>\$0.42</b>	<b>\$(0.15)</b>	<b>\$1.22</b>	<b>\$(0.90)</b>	<b>\$0.03</b>
<b>Dividends Declared per Common Share</b>	<b>\$0.48</b>	<b>\$0.50</b>	<b>\$0.54</b>	<b>\$0.54</b>	<b>\$0.54</b>



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



(\$ in millions, except per share data) (Unaudited)	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
<b>GAAP Net Interest Income:</b>					
Interest Income	\$676	\$693	\$705	\$604	\$500
Interest Expense	(557)	(570)	(541)	(418)	(312)
<b>GAAP Net Interest Income</b>	<b>119</b>	<b>123</b>	<b>164</b>	<b>186</b>	<b>188</b>
TBA Dollar Roll Income <sup>1</sup>	29	22	19	27	68
Interest Rate Swap Periodic Income (Cost) <sup>1</sup>	146	88	83	63	56
Other Interest and Dividend Income <sup>1</sup>	4	4	3	—	1
<b>Adjusted Net Interest and Dollar Roll Income</b>	<b>298</b>	<b>237</b>	<b>269</b>	<b>276</b>	<b>313</b>
Operating Expenses	(19)	(20)	(19)	(19)	(45)
Less Non-Recurring Charge-Offs and Other Expenses Associated with Termination of Management Agreement	—	—	—	1	26
Management Fee Income	—	—	—	—	46
Less Termination Fee Income from Management Agreement	—	—	—	—	(42)
<b>Total Operating Income (Expense), Net</b>	<b>(19)</b>	<b>(20)</b>	<b>(19)</b>	<b>(18)</b>	<b>(15)</b>
<b>Net Spread and Dollar Roll Income</b>	<b>279</b>	<b>217</b>	<b>250</b>	<b>258</b>	<b>298</b>
Dividend on Preferred Stock	(13)	(13)	(10)	(9)	(9)
<b>Net Spread and Dollar Roll Income Available to Common Stockholders</b>	<b>266</b>	<b>204</b>	<b>240</b>	<b>249</b>	<b>289</b>
Estimated "Catch Up" Premium Amortization Cost (Benefit) due to Change in CPR Forecast <sup>2</sup>	55	58	39	16	(6)
<b>Net Spread and Dollar Roll Income, Excluding "Catch Up" Amortization, Available to Common Stockholders</b>	<b>\$321</b>	<b>\$262</b>	<b>\$279</b>	<b>\$265</b>	<b>\$283</b>
<b>Weighted Average Common Shares Outstanding – Basic</b>	<b>546.4</b>	<b>537.8</b>	<b>536.7</b>	<b>504.2</b>	<b>462.3</b>
<b>Weighted Average Common Shares Outstanding – Diluted</b>	<b>547.1</b>	<b>538.4</b>	<b>537.2</b>	<b>504.7</b>	<b>462.7</b>
<b>Net Spread and Dollar Roll Income per Common Share – Basic</b>	<b>\$0.49</b>	<b>\$0.38</b>	<b>\$0.45</b>	<b>\$0.49</b>	<b>\$0.63</b>
<b>Net Spread and Dollar Roll Income per Common Share – Diluted</b>	<b>\$0.49</b>	<b>\$0.38</b>	<b>\$0.45</b>	<b>\$0.49</b>	<b>\$0.62</b>
<b>Net Spread and Dollar Roll Income, Excluding "Catch Up" Amortization, per Common Share – Basic</b>	<b>\$0.59</b>	<b>\$0.49</b>	<b>\$0.52</b>	<b>\$0.53</b>	<b>\$0.61</b>
<b>Net Spread and Dollar Roll Income, Excluding "Catch Up" Amortization, per Common Share – Diluted</b>	<b>\$0.59</b>	<b>\$0.49</b>	<b>\$0.52</b>	<b>\$0.53</b>	<b>\$0.61</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)	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
<b>Adjusted Net Interest and Dollar Roll Income, Excluding "Catch-Up" Amortization:</b>					
<b>Economic Interest Income:</b>					
Investment Securities - GAAP Interest Income	\$676	\$693	\$705	\$604	\$500
Estimated "Catch-Up" Premium Amortization Cost (Benefit) due to Change in CPR Forecast <sup>1</sup>	55	58	39	16	(6)
TBA Dollar Roll Income - Implied Interest Income <sup>2,3</sup>	81	96	71	74	162
<b>Economic Interest Income, Excluding "Catch-Up" Amortization</b>	<b>\$812</b>	<b>\$847</b>	<b>\$815</b>	<b>\$694</b>	<b>\$656</b>
<b>Economic Interest Expense:</b>					
Repurchase Agreements and Other Debt - GAAP Interest Expense	\$(557)	\$(570)	\$(541)	\$(418)	\$(312)
TBA Dollar Roll Income - Implied Interest Expense <sup>2,3</sup>	(52)	(74)	(52)	(47)	(94)
Interest Rate Swap Periodic Income (Cost) <sup>2</sup>	146	88	83	63	56
<b>Economic Interest Expense</b>	<b>\$(463)</b>	<b>\$(556)</b>	<b>\$(510)</b>	<b>\$(402)</b>	<b>\$(350)</b>
Other Interest and Dividend Income <sup>2</sup>	4	4	3	—	1
<b>Adjusted Net Interest and Dollar Roll Income, Excluding "Catch-Up" Amortization</b>	<b>\$353</b>	<b>\$295</b>	<b>\$308</b>	<b>\$292</b>	<b>\$307</b>
<b>Net Interest Spread, Excluding "Catch-Up" Amortization:</b>					
<b>Average Asset Yield:</b>					
Investment Securities - Average Asset Yield	2.91%	2.99%	3.14%	3.13%	3.11%
Estimated "Catch-Up" Premium Amortization Cost (Benefit) due to Change in CPR Forecast	0.24%	0.25%	0.17%	0.08%	(0.04)%
Investment Securities Average Asset Yield, Excluding "Catch-Up" Amortization	3.15%	3.24%	3.31%	3.21%	3.07%
TBA Securities - Average Implied Asset Yield	3.19%	3.21%	3.55%	3.66%	3.54%
<b>Average Asset Yield, Excluding "Catch-Up" Amortization <sup>4</sup></b>	<b>3.16%</b>	<b>3.24%</b>	<b>3.33%</b>	<b>3.26%</b>	<b>3.18%</b>
<b>Average Total Cost of Funds:</b>					
Repurchase Agreements and Other Debt - Average Funding Cost	2.48%	2.62%	2.64%	2.42%	2.20%
TBA Securities - Average Implied Funding Cost	2.00%	2.47%	2.60%	2.32%	2.05%
Average Cost of Funds, Before Interest Rate Swap Periodic (Income) Costs <sup>4</sup>	2.43%	2.60%	2.64%	2.41%	2.18%
Interest Rate Swap Periodic (Income) Cost of Funds <sup>5</sup>	(0.58)%	(0.36)%	(0.37)%	(0.32)%	(0.30)%
<b>Average Total Cost of Funds</b>	<b>1.85%</b>	<b>2.24%</b>	<b>2.27%</b>	<b>2.09%</b>	<b>1.88%</b>
<b>Net Interest Spread, Excluding "Catch-Up" Amortization</b>	<b>1.31%</b>	<b>1.00%</b>	<b>1.06%</b>	<b>1.17%</b>	<b>1.30%</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)	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
<b>Net Income / (Loss)</b>	<b>\$(4)</b>	<b>\$(444)</b>	<b>\$265</b>	<b>\$(804)</b>	<b>\$216</b>
<b>Book to Tax Differences:</b>					
Premium Amortization, Net	47	67	54	15	(21)
Realized Gain / Loss, Net	521	886	627	928	(291)
Net Capital Loss / (Utilization of Net Capital Loss Carryforward)	34	320	(12)	(105)	(67)
Unrealized (Gain) / Loss, Net	(428)	(644)	(719)	140	316
Other	(1)	(1)	(9)	(1)	(2)
<b>Total Book to Tax Differences</b>	<b>173</b>	<b>628</b>	<b>(59)</b>	<b>977</b>	<b>(65)</b>
<b>Estimated REIT Taxable Income</b>	<b>169</b>	<b>184</b>	<b>206</b>	<b>173</b>	<b>151</b>
Dividend on Preferred Stock	(13)	(13)	(10)	(9)	(9)
<b>Estimated REIT Taxable Income, net of Preferred Stock Dividend</b>	<b>\$156</b>	<b>\$171</b>	<b>\$196</b>	<b>\$164</b>	<b>\$142</b>
<b>Weighted Average Common Shares Outstanding – Basic</b>	<b>546.4</b>	<b>537.8</b>	<b>536.7</b>	<b>504.2</b>	<b>462.3</b>
<b>Weighted Average Common Shares Outstanding – Diluted</b>	<b>547.1</b>	<b>538.4</b>	<b>537.2</b>	<b>504.7</b>	<b>462.7</b>
<b>Estimated REIT Taxable Income per Common Share – Basic</b>	<b>\$0.29</b>	<b>\$0.32</b>	<b>\$0.37</b>	<b>\$0.33</b>	<b>\$0.31</b>
<b>Estimated REIT Taxable Income per Common Share – Diluted</b>	<b>\$0.29</b>	<b>\$0.32</b>	<b>\$0.36</b>	<b>\$0.32</b>	<b>\$0.31</b>
<b>Beginning Cumulative Non-Deductible Net Capital Loss</b>					
<b>Beginning Cumulative Non-Deductible Net Capital Loss</b>	<b>\$490</b>	<b>\$170</b>	<b>\$182</b>	<b>\$644</b>	<b>\$711</b>
Increase (Decrease) in Net Capital Loss Carryforward <sup>1</sup>	34	320	(12)	(462)	(67)
<b>Ending Cumulative Non-Deductible Net Capital Loss</b>	<b>\$524</b>	<b>\$490</b>	<b>\$170</b>	<b>\$182</b>	<b>\$644</b>
<b>Ending Cumulative Non-Deductible Net Capital Loss per Common Share</b>	<b>\$0.97</b>	<b>\$0.89</b>	<b>\$0.32</b>	<b>\$0.34</b>	<b>\$1.35</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

1. Includes decrease in net capital loss carryforwards due to expiration of unutilized net capital loss carryforwards from prior years

# Net Book Value Roll Forward

(In millions, except per share data) (Unaudited)	Q3 2019		
	Balance	Common Shares Outstanding	Net Book Value per Common Share
<b>Beginning Net Common Equity</b> <sup>1</sup>	<b>\$9,611</b>	<b>547.8</b>	<b>\$17.54</b>
Net Loss	(4)		
Other Comprehensive Income, Net	246		
Common Stock Dividend	(262)		
Preferred Stock Dividend	(13)		
Common Stock Repurchase	(103)	(6.9)	\$14.90
Stock-Based Compensation	3		
<b>Ending Net Common Equity</b>	<b>\$9,478</b>	<b>540.9</b>	<b>\$17.52</b>
Goodwill	(526)		
<b>Ending Tangible Net Common Equity</b>	<b>\$8,952</b>	<b>540.9</b>	<b>\$16.55</b>
Preferred Stock Liquidation Preference	735		
<b>Ending Tangible Total Stockholders' Equity</b>	<b>\$9,687</b>		
<b>Ending Total Stockholders' Equity</b>	<b>\$10,213</b>		

Amounts may not total due to rounding

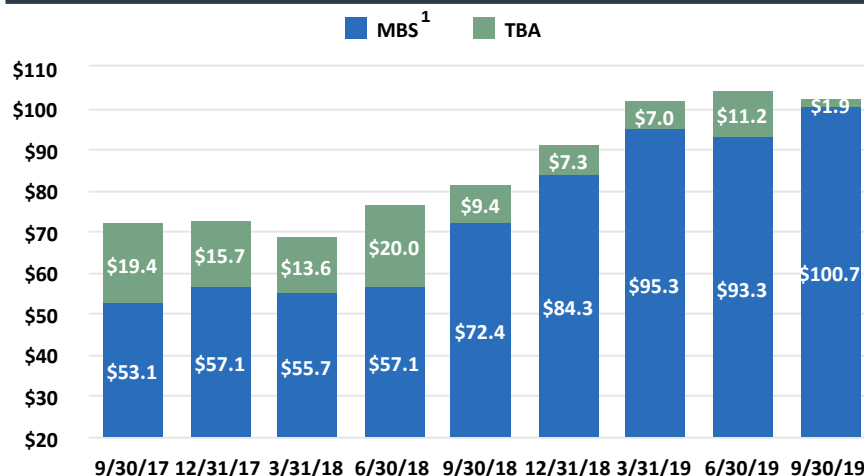
1. Common equity is net of the Company's Preferred Stock liquidation preference

# Supplemental Slides

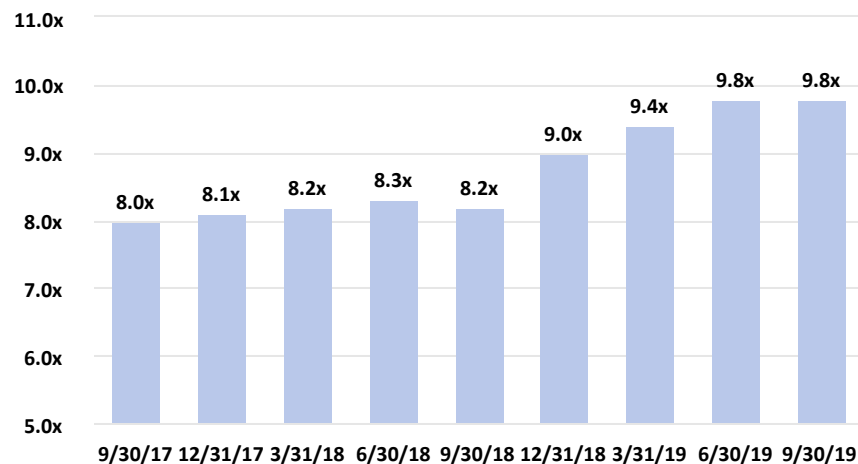
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# AGNC Historical Overview

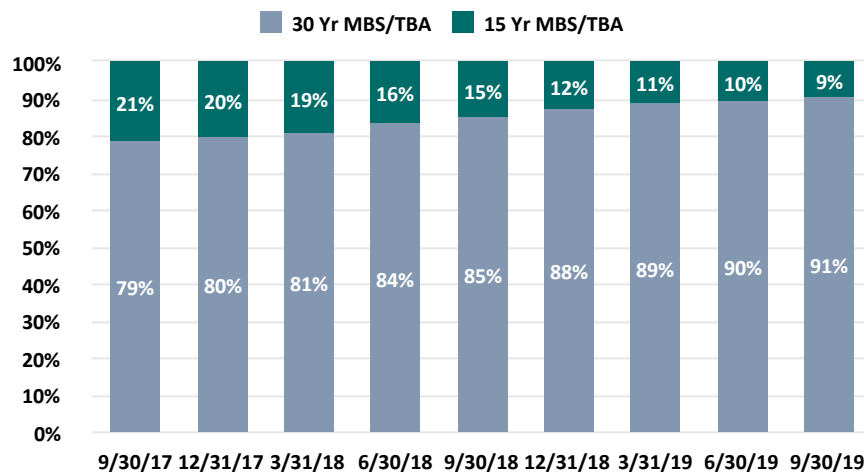
## Asset Composition (\$ B)



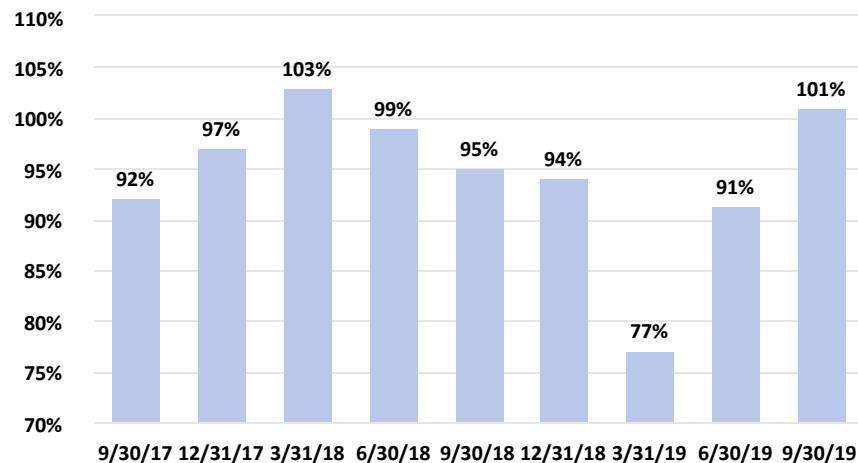
## Tangible Net Book Value "At Risk" Leverage<sup>2</sup>



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



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



1. MBS includes CRT securities

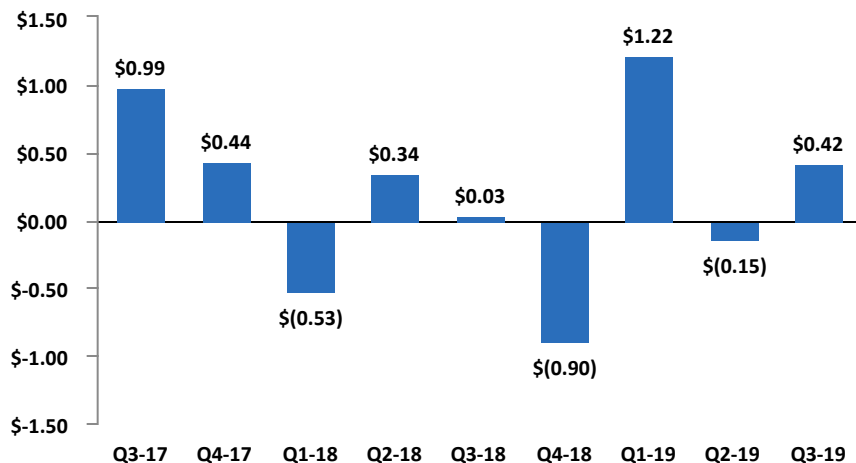
2. Tangible net book value "at risk" leverage calculated as sum of Agency MBS repurchase agreements, other debt, net payable/receivable for investment securities not yet settled and net TBA position (at cost) divided by the sum of total stockholders' equity less the fair value of investments in REIT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

3. Chart excludes 20 Yr fixed rate MBS

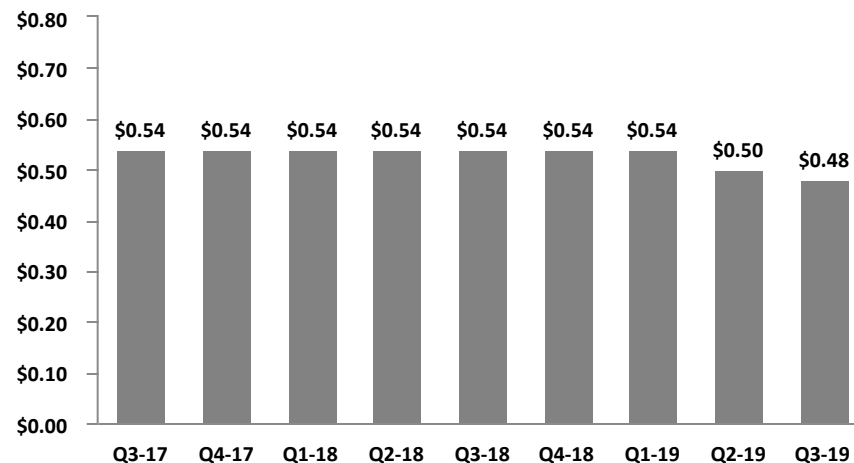
4. Measured as the ratio of interest rate swaps, swaptions and net U.S. Treasury position over repo agreements, other debt, forward settling securities and net TBA position excluding U.S. Treasury repurchase agreements, at cost

# AGNC Historical Overview

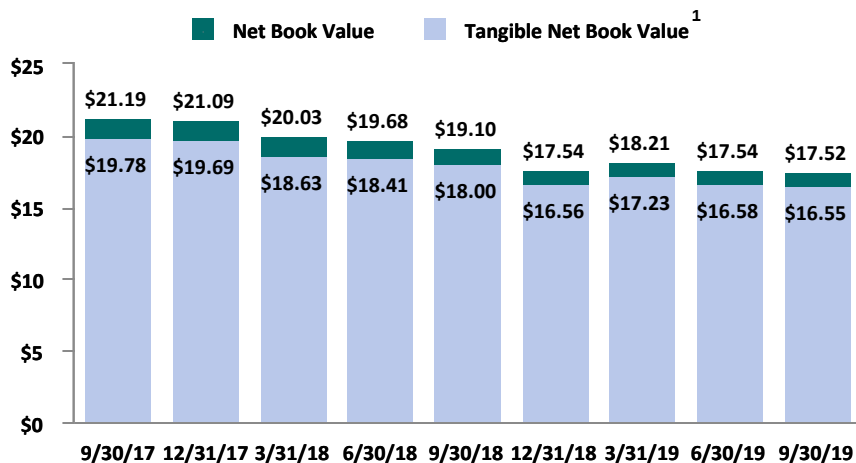
## Comprehensive Income (Loss) per Share



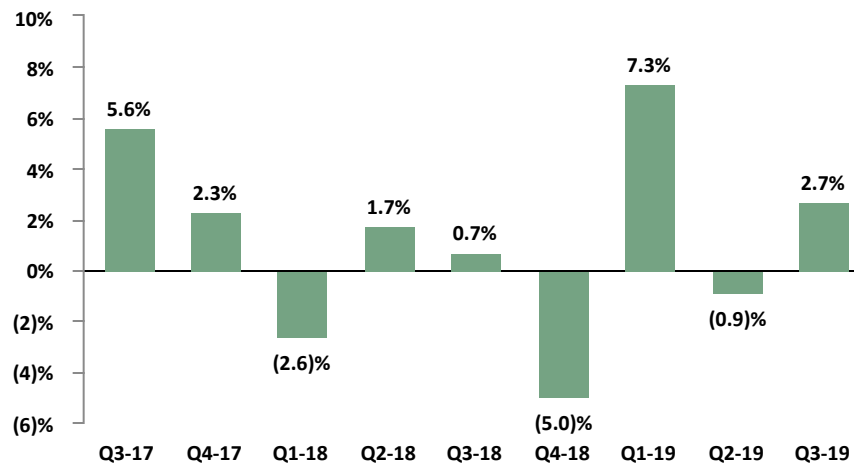
## Dividends per Common Share



## Net Book Value per Common Share



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

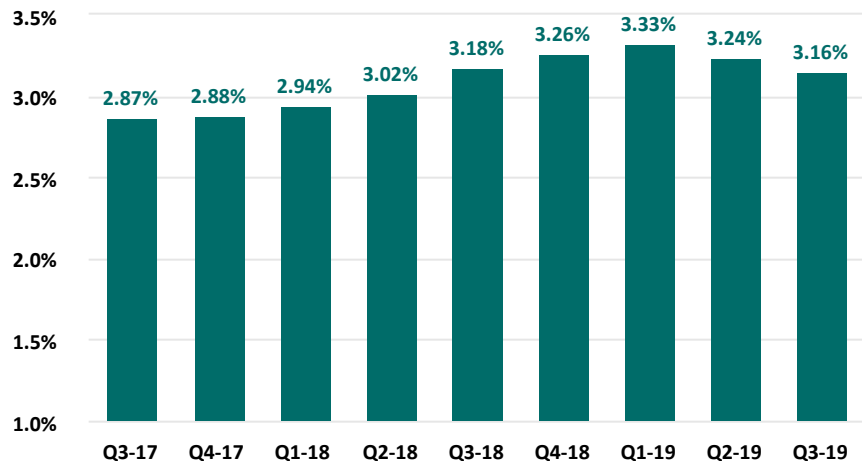


1. Tangible net book value per common share excludes goodwill and other intangible assets, net

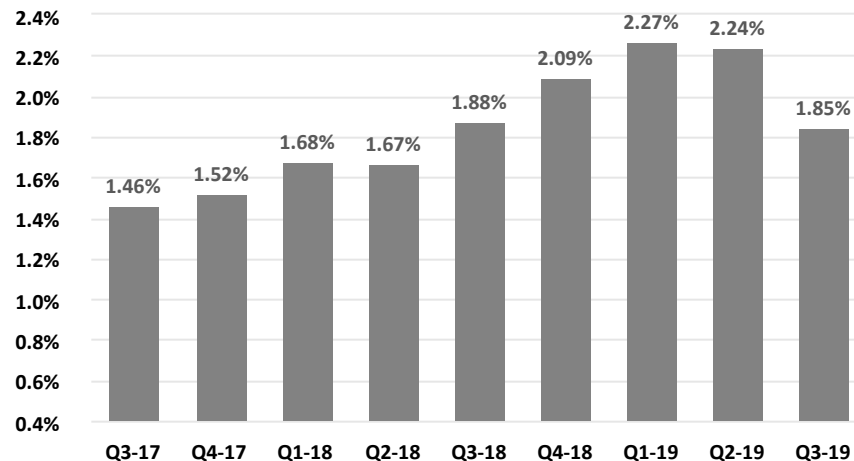
2. Economic return represents the change in tangible net book value per common share plus dividends per common share declared.

# AGNC Historical Overview

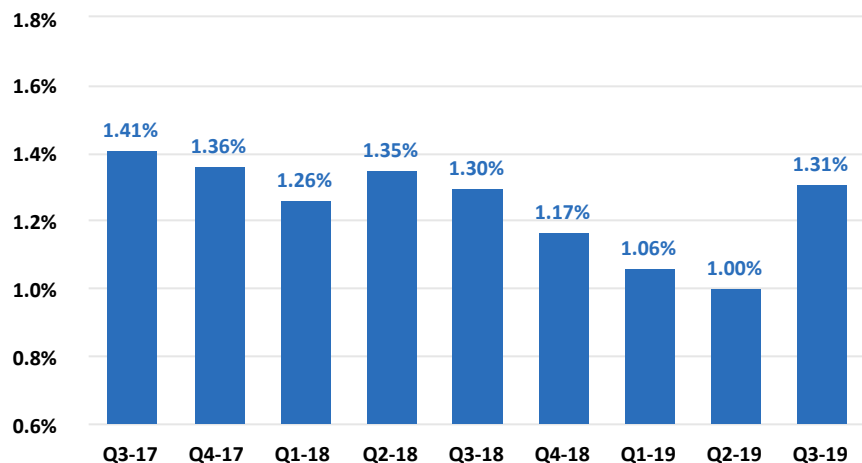
### Average Asset Yield <sup>1</sup>



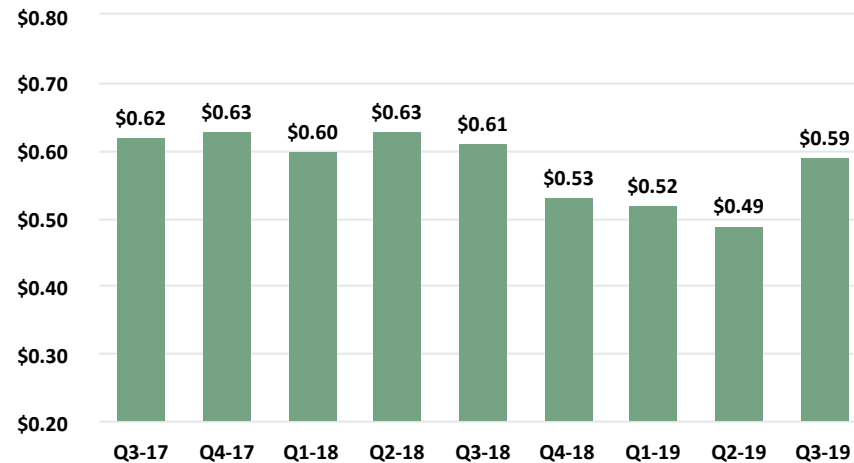
### Average Cost of Funds <sup>2</sup>



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



### Net Spread and TBA Dollar Roll Income per Common 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 Sep 30, 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%	\$1,168	\$1,181	62%	101.1%	2.98%	83	13%	2.8
3.0%	2,988	3,063	58%	101.6%	3.52%	61	11%	2.5
3.5%	3,228	3,363	53%	102.3%	4.06%	18	17%	2.3
4.0%	1,216	1,284	80%	103.1%	4.60%	23	17%	2.7
4.5%	128	133	98%	103.6%	4.87%	108	15%	2.1
≥ 5.0%	1	2	100%	102.0%	6.57%	143	25%	1.3
<b>Subtotal ≤15 YR</b>	<b>\$8,729</b>	<b>\$9,026</b>	<b>60%</b>	<b>102.1%</b>	<b>3.86%</b>	<b>41</b>	<b>15%</b>	<b>2.5</b>
<b>20 YR Mortgage Securities</b>								
3.0%	54	55	100%	103.3%	3.78%	2	2%	2.4
3.5%	297	312	81%	102.0%	4.05%	74	10%	2.2
4.0%	206	220	92%	103.3%	4.44%	31	17%	2.2
4.5%	204	221	100%	104.8%	5.00%	34	15%	2.2
≥ 5.0%	1	1	0%	105.2%	5.94%	137	16%	1.5
<b>Subtotal 20 YR</b>	<b>\$762</b>	<b>\$809</b>	<b>90%</b>	<b>103.2%</b>	<b>4.40%</b>	<b>46</b>	<b>13%</b>	<b>2.2</b>
<b>30 YR Mortgage Securities</b>								
≤ 3.0%	\$22,273	\$22,597	2%	101.6%	3.89%	9	4%	3.6
3.5%	21,120	22,157	70%	102.9%	4.06%	44	14%	3.2
4.0%	28,359	30,264	84%	103.9%	4.52%	33	20%	2.7
4.5%	13,448	14,584	92%	105.0%	4.98%	20	18%	2.7
5.0%	408	448	92%	107.9%	5.50%	35	17%	3.2
≥ 5.5%	66	72	49%	109.5%	6.18%	155	11%	3.2
<b>Subtotal 30 YR</b>	<b>\$85,674</b>	<b>\$90,122</b>	<b>61%</b>	<b>103.4%</b>	<b>4.35%</b>	<b>30</b>	<b>15%</b>	<b>3.0</b>
<b>Total Fixed</b>	<b>\$95,165</b>	<b>\$99,957</b>	<b>62%</b>	<b>103.3%</b>	<b>4.32%</b>	<b>31</b>	<b>15%</b>	<b>3.0</b>

1. The wtd/avg coupon on fixed rate securities held as of Sep 30, 2019 was 3.72% excluding the net long TBA mortgage position and 3.65% including the net long TBA position

2. Excluding net TBA position, total fixed-rate MBS as of Sep 30, 2019 had a par value of \$93,199, market value of \$98,091 and avg duration of 2.8 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 \$113 K for ≤15-year and \$118 K for 30-year securities as of Sep 30, 2019. HARP pools have a wtd/avg original LTV of 119% for ≤15-year and 136% for 30-year securities as of Sep 30, 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 Oct 2019 for Agency securities held as of Sep 30, 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	39%	11%
Other	27	42%	22%
<b>North America</b>	<b>28</b>	<b>81%</b>	<b>33%</b>
<b>Asia</b>	<b>5</b>	<b>6%</b>	<b>3%</b>
<b>Europe</b>	<b>14</b>	<b>13%</b>	<b>7%</b>
<b>Total</b>	<b>47</b>	<b>100%</b>	<b>43%</b>

Note: All figures as of Sep 30, 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

- \$4.9 B short U.S. Treasury securities
- \$1.3 B short U.S. Treasury futures

## Payer Swaptions

- \$8.7 B notional payer swaptions as of Sep 30, 2019
- 1.1 year average remaining option term, 9.5 years average underlying swap term

U.S. Treasury Position		
Net Long / (Short)		
As of Sep 30, 2019 (\$ MM)		
	Face Amount	Market Value
5 Year	\$198	\$204
10 Year	(5,622)	(6,406)
<b>Total</b>	<b>\$(5,424)</b>	<b>\$(6,202)</b>
As of Jun 30, 2019		
<b>Total</b>	<b>\$(7,761)</b>	<b>\$(8,713)</b>

Payer Swaptions					
As of Sep 30, 2019 (\$ MM)					
Current Option Expiration Date <sup>1</sup>	Notional Amount	Cost	Market Value	Pay Rate	Swap Term (Years)
≤ 1 Year	\$3,950	\$99	\$27	2.40%	9.0
> 1 Year ≤ 2 Years	4,700	77	47	2.39%	10.0
<b>Total</b>	<b>\$8,650</b>	<b>\$176</b>	<b>\$74</b>	<b>2.39%</b>	<b>9.5</b>
As of Jun 30, 2019					
<b>Total / Wtd Avg</b>	<b>\$4,400</b>	<b>\$109</b>	<b>\$22</b>	<b>2.93%</b>	<b>8.8</b>

1. As of Sep 30, 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 4.6 years, based on interest rates and MBS prices as of Sep 30, 2019

Interest Rate Sensitivity <sup>1</sup> As of Sep 30, 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	(0.7)%	(8.1)%
-50	(0.2)%	(2.4)%
+50	(0.2)%	(2.3)%
+100	(0.9)%	(9.8)%

MBS Spread Sensitivity (“Basis Risk”) <sup>1</sup> As of Sep 30, 2019		
MBS Spread Shock (bps)	Estimated Change in Portfolio Market Value <sup>2</sup>	Estimated Change in Tangible Common Equity
-25	1.2%	13.2%
-10	0.5%	5.3%
+10	(0.5)%	(5.3)%
+25	(1.2)%	(13.2)%

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.