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## DELTA REPORT

### 10-Q

AGNCP - AGNC INVESTMENT CORP.

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 738

 CHANGES 219

 DELETIONS 365

 ADDITIONS 154

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

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

For the quarterly period ended **June 30, 2024** **September 30, 2024**  
OR

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

Commission file number 001-34057



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**AGNC INVESTMENT CORP.**

(Exact name of registrant as specified in its charter)

Delaware

26-1701984

(State or Other Jurisdiction of  
Incorporation or Organization)

(I.R.S. Employer  
Identification No.)

7373 Wisconsin Avenue, 22nd Floor

Bethesda, Maryland 20814

(Address of principal executive offices)

(301) 968-9315

(Registrant's telephone number, including area code)

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

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

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

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

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

The number of shares of the issuer's common stock, \$0.01 par value, outstanding as of **July 31, 2024** **October 31, 2024** was **782,464,442**, **885,639,833**.

**AGNC INVESTMENT CORP.**

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## PART I. FINANCIAL INFORMATION

### Item 1. Financial Statements

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

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
(Unaudited)				
<b>Assets:</b>				
Assets:				
Assets:				
Agency securities, at fair value (including pledged securities of \$54,999 and \$49,575, respectively)				
Agency securities, at fair value (including pledged securities of \$54,999 and \$49,575, respectively)				
Agency securities, at fair value (including pledged securities of \$54,999 and \$49,575, respectively)				
Agency securities, at fair value (including pledged securities of \$62,331 and \$49,575, respectively)				
Agency securities, at fair value (including pledged securities of \$62,331 and \$49,575, respectively)				
Agency securities, at fair value (including pledged securities of \$62,331 and \$49,575, respectively)				
Agency securities transferred to consolidated variable interest entities, at fair value (pledged securities)				
Credit risk transfer securities, at fair value (including pledged securities of \$647 and \$678, respectively)				
Non-Agency securities, at fair value, and other mortgage credit investments (including pledged securities of \$213 and \$262, respectively)				
U.S. Treasury securities, at fair value (including pledged securities of \$2,319 and \$1,530, respectively)				
Credit risk transfer securities, at fair value (including pledged securities of \$588 and \$678, respectively)				
Non-Agency securities, at fair value, and other mortgage credit investments (including pledged securities of \$224 and \$262, respectively)				
U.S. Treasury securities, at fair value (including pledged securities of \$2,527 and \$1,530, respectively)				
Cash and cash equivalents				
Restricted cash				
Derivative assets, at fair value				
Receivable under reverse repurchase agreements				
Receivable under reverse repurchase agreements				
Receivable for investment securities sold (including pledged securities of \$1,612 and \$0, respectively)				
Receivable under reverse repurchase agreements				
Goodwill				
Other assets				
Total assets				
<b>Liabilities:</b>				
Repurchase agreements				

Repurchase agreements	
Repurchase agreements	
Debt of consolidated variable interest entities, at fair value	
Payable for investment securities purchased	
Derivative liabilities, at fair value	
Dividends payable	
Obligation to return securities borrowed under reverse repurchase agreements, at fair value	
Other liabilities	
Total liabilities	
<b>Stockholders' equity:</b>	
Preferred Stock - aggregate liquidation preference of \$1,688	
Preferred Stock - aggregate liquidation preference of \$1,688	
Preferred Stock - aggregate liquidation preference of \$1,688	
Common stock - \$0.01 par value; 1,500 shares authorized; 766.1 and 694.3 shares issued and outstanding, respectively	
Common stock - \$0.01 par value; 1,500 shares authorized; 844.2 and 694.3 shares issued and outstanding, respectively	
Additional paid-in capital	
Retained deficit	
Accumulated other comprehensive loss	
Total stockholders' equity	
Total liabilities and stockholders' equity	

See accompanying notes to consolidated financial statements.

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

	Three Months Ended June 30,	Three Months Ended June 30,	Three Months Ended June 30,	Six Months Ended June 30,
	Three Months Ended September	Three Months Ended September	Three Months Ended September	Nine Months Ended September
	30,	30,	30,	30,
<b>Interest income:</b>				
Interest income:				
Interest income:				
Interest income				
Interest income				
Interest income				
Interest expense				
Interest expense				
Interest expense				
Net interest income (expense)				
Net interest income (expense)				
Net interest income (expense)				
<b>Other gain (loss), net:</b>				
<b>Other gain (loss), net:</b>				
Other gain (loss), net:				
Loss on sale of investment securities, net				
Loss on sale of investment securities, net				
Loss on sale of investment securities, net				

Gain (loss) on sale of investment securities, net
Gain (loss) on sale of investment securities, net
Gain (loss) on sale of investment securities, net
Unrealized gain (loss) on investment securities measured at fair value through net income, net
Unrealized gain (loss) on investment securities measured at fair value through net income, net
Unrealized gain (loss) on investment securities measured at fair value through net income, net
Gain on derivative instruments and other investments, net
Gain on derivative instruments and other investments, net
Gain on derivative instruments and other investments, net
Gain (loss) on derivative instruments and other investments, net
Gain (loss) on derivative instruments and other investments, net
Gain (loss) on derivative instruments and other investments, net
Total other gain (loss), net:
Total other gain (loss), net:
Total other gain (loss), net:
<b>Expenses:</b>
<b>Expenses:</b>
<b>Expenses:</b>
Compensation and benefits
Compensation and benefits
Compensation and benefits
Other operating expense
Other operating expense
Other operating expense
Total operating expense
Total operating expense
Total operating expense
<b>Net income (loss)</b>
<b>Net income (loss)</b>
<b>Net income (loss)</b>
Dividends on preferred stock
Dividends on preferred stock
Dividends on preferred stock
<b>Net income (loss) available (attributable) to common stockholders</b>
<b>Net income (loss) available (attributable) to common stockholders</b>
<b>Net income (loss) available (attributable) to common stockholders</b>
<b>Net income (loss)</b>
<b>Net income (loss)</b>
<b>Net income (loss)</b>
Unrealized gain (loss) on investment securities measured at fair value through other comprehensive income (loss), net
Unrealized gain (loss) on investment securities measured at fair value through other comprehensive income (loss), net
Unrealized gain (loss) on investment securities measured at fair value through other comprehensive income (loss), net
<b>Comprehensive income (loss)</b>
<b>Comprehensive income (loss)</b>
<b>Comprehensive income (loss)</b>
Dividends on preferred stock
Dividends on preferred stock
Dividends on preferred stock
<b>Comprehensive income (loss) available (attributable) to common stockholders</b>

Comprehensive income (loss) available (attributable) to common stockholders

Comprehensive income (loss) available (attributable) to common stockholders

Weighted average number of common shares outstanding - basic

Weighted average number of common shares outstanding - basic

Weighted average number of common shares outstanding - basic

Weighted average number of common shares outstanding - diluted

Weighted average number of common shares outstanding - diluted

Weighted average number of common shares outstanding - diluted

Net income (loss) per common share - basic

Net income (loss) per common share - basic

Net income (loss) per common share - basic

Net income (loss) per common share - diluted

Net income (loss) per common share - diluted

Net income (loss) per common share - diluted

Dividends declared per common share

Dividends declared per common share

Dividends declared per common share

See accompanying notes to consolidated financial statements.

**AGNC INVESTMENT CORP.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

	(Unaudited) (in millions)											
	Common Stock	Additional	Paid-in Capital	Retained Deficit	Accumulated Other Income (Loss)	Total	Common Stock	Additional	Paid-in Capital	Retained Deficit	Accumulated Other Income (Loss)	Total
Balance, March 31, 2023												
Balance, March 31, 2023												
Balance, March 31, 2023												
Net income												
Balance, June 30, 2023												
Balance, June 30, 2023												
Balance, June 30, 2023												
Net loss												
Other comprehensive loss:												
Unrealized loss on available-for-sale securities, net												
Unrealized loss on available-for-sale securities, net												
Unrealized loss on available-for-sale securities, net												
Stock-based compensation, net												
Issuance of common stock												
Issuance of common stock												
Issuance of common stock												
Preferred dividends declared												
Preferred dividends declared												
Preferred dividends declared												
Common dividends declared												
Balance, June 30, 2023												
Balance, September 30, 2023												
Balance, March 31, 2024												
Balance, March 31, 2024												
Balance, March 31, 2024												
Net loss												
Other comprehensive loss:												
Unrealized loss on available-for-sale securities, net												
Unrealized loss on available-for-sale securities, net												

Unrealized loss on available-for-sale securities, net	
<b>Balance, June 30, 2024</b>	
Balance, June 30, 2024	
<b>Balance, June 30, 2024</b>	
Net income	
Other comprehensive income:	
Unrealized gain on available-for-sale securities, net	
Unrealized gain on available-for-sale securities, net	
Unrealized gain on available-for-sale securities, net	
Stock-based compensation, net	
Issuance of common stock	
Issuance of common stock	
Issuance of common stock	
Preferred dividends declared	
Preferred dividends declared	
Preferred dividends declared	
Common dividends declared	
<b>Balance, June 30, 2024</b>	
<b>Balance, September 30, 2024</b>	
<b>Balance, December 31, 2022</b>	
<b>Balance, December 31, 2022</b>	
<b>Balance, December 31, 2022</b>	
Net loss	
Other comprehensive loss:	
Unrealized loss on available-for-sale securities, net	
Unrealized loss on available-for-sale securities, net	
Unrealized loss on available-for-sale securities, net	
Stock-based compensation, net	
Issuance of common stock	
Issuance of common stock	
Issuance of common stock	
Preferred dividends declared	
Preferred dividends declared	
Preferred dividends declared	
Common dividends declared	
<b>Balance, September 30, 2023</b>	
<b>Balance, December 31, 2023</b>	
<b>Balance, December 31, 2023</b>	
<b>Balance, December 31, 2023</b>	
Net income	
Other comprehensive income:	
Unrealized gain on available-for-sale securities, net	
Unrealized gain on available-for-sale securities, net	
Unrealized gain on available-for-sale securities, net	
Stock-based compensation, net	
Issuance of common stock	
Issuance of common stock	
Issuance of common stock	
Preferred dividends declared	
Preferred dividends declared	
Preferred dividends declared	
Common dividends declared	
<b>Balance, June 30, 2023</b>	

Balance, December 31, 2023	
Balance, December 31, 2023	
Balance, December 31, 2023	
Net income	
Other comprehensive loss:	
Unrealized loss on available-for-sale securities, net	
Unrealized loss on available-for-sale securities, net	
Unrealized loss on available-for-sale securities, net	
Stock-based compensation, net	
Issuance of common stock	
Issuance of common stock	
Issuance of common stock	
Preferred dividends declared	
Preferred dividends declared	
Preferred dividends declared	
Common dividends declared	
Balance, June 30, 2024	
Balance, September 30, 2024	

See accompanying notes to consolidated financial statements.

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

	Six Months Ended June 30,	Six Months Ended June 30,	Six Months Ended June 30,
	Nine Months Ended September 30,	Nine Months Ended September 30,	Nine Months Ended September 30,
<b>Operating activities:</b>			
Operating activities:			
Operating activities:			
Net income			
Net income			
Net income			
Net income (loss)			
Net income (loss)			
Net income (loss)			
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Amortization of premiums and discounts on mortgage-backed securities, net			
Amortization of premiums and discounts on mortgage-backed securities, net			
Amortization of premiums and discounts on mortgage-backed securities, net			
Stock-based compensation, net			
Stock-based compensation, net			
Stock-based compensation, net			
Loss on sale of investment securities, net			
Loss on sale of investment securities, net			

Loss on sale of investment securities, net
Unrealized (gain) loss on investment securities measured at fair value through net income, net
Unrealized (gain) loss on investment securities measured at fair value through net income, net
Unrealized (gain) loss on investment securities measured at fair value through net income, net
Gain on derivative instruments and other securities, net
Gain on derivative instruments and other securities, net
Gain on derivative instruments and other securities, net
(Increase) decrease in other assets
(Increase) decrease in other assets
(Increase) decrease in other assets
Increase (decrease) in other liabilities
Increase (decrease) in other liabilities
Increase (decrease) in other liabilities
Net cash provided (used in) by operating activities
Net cash provided (used in) by operating activities
Net cash provided (used in) by operating activities
Net cash provided by (used in) operating activities
Net cash provided by (used in) operating activities
Net cash provided by (used in) operating activities
<b>Investing activities:</b>
<b>Investing activities:</b>
<b>Investing activities:</b>
Purchases of Agency mortgage-backed securities
Purchases of Agency mortgage-backed securities
Purchases of Agency mortgage-backed securities
Purchases of credit risk transfer and non-Agency securities and other mortgage credit investments
Purchases of credit risk transfer and non-Agency securities and other mortgage credit investments
Purchases of credit risk transfer and non-Agency securities and other mortgage credit investments
Proceeds from sale of Agency mortgage-backed securities
Proceeds from sale of Agency mortgage-backed securities
Proceeds from sale of Agency mortgage-backed securities
Proceeds from sale of credit risk transfer and non-Agency securities
Proceeds from sale of credit risk transfer and non-Agency securities
Proceeds from sale of credit risk transfer and non-Agency securities
Principal collections on Agency mortgage-backed securities
Principal collections on Agency mortgage-backed securities
Principal collections on Agency mortgage-backed securities
Principal collections on credit risk transfer and non-Agency securities
Principal collections on credit risk transfer and non-Agency securities
Principal collections on credit risk transfer and non-Agency securities
Payments on U.S. Treasury securities
Payments on U.S. Treasury securities
Payments on U.S. Treasury securities
Proceeds from U.S. Treasury securities
Proceeds from U.S. Treasury securities
Proceeds from U.S. Treasury securities
Net payments on reverse repurchase agreements
Net payments on reverse repurchase agreements
Net payments on reverse repurchase agreements
Net proceeds from derivative instruments
Net proceeds from derivative instruments

Net proceeds from derivative instruments
Net cash provided by (used in) investing activities
Net cash provided by (used in) investing activities
Net cash provided by (used in) investing activities
Net proceeds from (payments on) derivative instruments
Net proceeds from (payments on) derivative instruments
Net proceeds from (payments on) derivative instruments
Net cash used in investing activities
Net cash used in investing activities
Net cash used in investing activities
<b>Financing activities:</b>
<b>Financing activities:</b>
<b>Financing activities:</b>
Proceeds from repurchase arrangements
Proceeds from repurchase arrangements
Proceeds from repurchase arrangements
Payments on repurchase agreements
Payments on repurchase agreements
Payments on repurchase agreements
Payments on debt of consolidated variable interest entities
Payments on debt of consolidated variable interest entities
Payments on debt of consolidated variable interest entities
Net proceeds from common stock issuances
Net proceeds from common stock issuances
Net proceeds from common stock issuances
Cash dividends paid
Cash dividends paid
Cash dividends paid
Net cash provided by (used in) financing activities
Net cash provided by (used in) financing activities
Net cash provided by (used in) financing activities
Net cash provided by financing activities
Net cash provided by financing activities
Net cash provided by financing activities
Net change in cash, cash equivalents and restricted cash
Net change in cash, cash equivalents and restricted cash
Net change in cash, cash equivalents and restricted cash
Cash, cash equivalents and restricted cash at beginning of period
Cash, cash equivalents and restricted cash at beginning of period
Cash, cash equivalents and restricted cash at beginning of period
Cash, cash equivalents and restricted cash at end of period
Cash, cash equivalents and restricted cash at end of period
Cash, cash equivalents and restricted cash at end of period
<b>Reconciliation of cash, cash equivalents and restricted cash end of period:</b>
<b>Reconciliation of cash, cash equivalents and restricted cash end of period:</b>
<b>Reconciliation of cash, cash equivalents and restricted cash end of period:</b>
Cash and cash equivalents
Cash and cash equivalents
Cash and cash equivalents
Restricted cash
Restricted cash

## Restricted cash

Total cash, cash equivalents and restricted cash, end of period

Total cash, cash equivalents and restricted cash, end of period

Total cash, cash equivalents and restricted cash, end of period

See accompanying notes to consolidated financial statements.

## AGNC INVESTMENT CORP.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

#### Note 1. Organization

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

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

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

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

#### Note 2. Summary of Significant Accounting Policies

##### Basis of Presentation

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

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

##### Investment Securities

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

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

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

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

operations for a reporting period by presenting the fair value changes for these assets in a manner consistent with the presentation and timing of the fair value changes for our derivative instruments.

We generally recognize gains or losses through net income on available-for-sale securities only if the security is sold; however, if the fair value of a security declines below its amortized cost and we determine that it is more likely than not that we will incur a realized loss on the security when we sell the asset, we will recognize the difference between the amortized cost and the fair value in net income as a component of other gain (loss). We did not recognize any loss on available for sale securities through net income that we held as of **June 30, 2024** **September 30, 2024** because, as of such date, we did not intend neither intended to sell any of them **securities** in an unrealized loss position nor was it more likely than not that we would be required to sell such securities before recovery of their amortized cost basis. Since all of our available-for-sale designated securities consist of Agency RMBS, we do not have an allowance for credit losses. We have not recognized impairment losses on our available-for-sale securities through net income for the periods presented in our consolidated financial statements.

#### **Interest Income**

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

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

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

#### **Repurchase Agreements**

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

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

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

#### **Derivative Instruments**

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

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

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

#### *Interest rate swap agreements*

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

#### *Interest rate swaptions*

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

#### *TBA securities*

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

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

#### *U.S. Treasury securities and US Treasury futures contracts*

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

#### **Fair Value Measurements**

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

The three levels of valuation hierarchy are defined as follows:

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

The majority of our financial instruments are classified as Level 2 inputs. The availability of observable inputs can be affected by a wide variety of factors, including the type of instrument, whether the instrument is new and not yet established in the marketplace and other characteristics particular to the instrument. We typically obtain price estimates from multiple third-

party pricing sources, such as pricing services and dealers, or, if applicable, from the registered clearing exchange. We make inquiries of third-party pricing sources to understand the significant inputs and assumptions they used to determine their prices and that they are derived from orderly transactions, particularly during periods of elevated market turbulence and reduced market liquidity. We also review third-party price estimates and perform procedures to validate their reasonableness, including an analysis of the range of estimates for each position, comparison to recent trade activity for similar securities and for consistency with market conditions observed as of the measurement date. While we do not adjust prices we obtain from pricing sources, we will exclude prices for securities from our estimation of fair value if we determine based on our validation procedures and our market knowledge and expertise that the price is significantly different from what observable market data would indicate and we cannot obtain an understanding from the third-party source as to the significant inputs used to determine the price.

The following is a description of the valuation methodologies used for financial instruments measured at fair value on a recurring basis classified as Level 2 inputs. These instruments trade in active markets such that participants transact with sufficient frequency and volume to provide transparent pricing information on an ongoing basis. The liquidity

of these markets and the similarity of our instruments to those actively traded enable our pricing sources and us to utilize the observed quoted prices as a basis for formulating fair value measurements.

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

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

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

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

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

#### Recent Accounting Pronouncements

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

#### Note 3. Investment Securities

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, our investment portfolio consisted of **\$60.6 billion** **\$68.9 billion** and \$54.8 billion investment securities, at fair value, respectively, **\$5.3 billion** **\$4.1 billion** and \$5.4 billion net TBA securities, at fair value, respectively, and other mortgage credit investments of **\$60 million** **\$61 million** and \$44 million, respectively, which we account for under the equity method of accounting. Our TBA position is reported at its net carrying value totaling **\$30 million** **\$1 million** and \$66 million as of **June 30, 2024** **September 30, 2024** and December 31, 2023, respectively, in derivative assets / (liabilities) on our accompanying consolidated balance sheets. The net carrying value of our TBA position represents the difference between the fair value of the underlying security and the cost basis or the forward price to be paid or received for the underlying security.

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, our investment securities had a net unamortized premium balance of **\$1.1 billion** **\$0.9 billion** and \$1.2 billion, respectively.

The following tables summarize our investment securities as of **June 30, 2024** **September 30, 2024** and December 31, 2023, excluding TBA securities and other mortgage credit investments (dollars in millions). Details of our TBA securities are included in Note 5.

Investment Securities	Investment Securities	June 30, 2024		December 31, 2023		September 30, 2024		December 31, 2023	
		Amortized Cost	Fair Value	Amortized Cost	Fair Value	Investment Securities	Amortized Cost	Fair Value	Amortized Cost
Agency RMBS:									
Fixed rate									
Fixed rate									
Fixed rate									
Adjustable rate									
CMO									
Interest-only and principal-only strips									
Multifamily									
Total Agency RMBS									
Non-Agency RMBS 1									
CMBS									
CRT securities									
Total investment securities									
		June 30, 2024			September 30, 2024			Agency RMBS	
Investment Securities	Investment Securities								
Investment Securities	Investment Securities								

Investment Securities	Fannie Mae	Freddie Mac	Ginnie Mae	RMBS	CMBS	CRT	Total	Fannie Mae	Freddie Mac	Ginnie Mae	RMBS	CMBS	CRT	Total
Available-for-sale securities:														
Par value <sup>2</sup>														
Par value <sup>2</sup>														
Par value <sup>2</sup>														
Unamortized discount														
Unamortized premium														
Amortized cost														
Gross unrealized gains														
Gross unrealized losses														
Total available-for-sale securities, at fair value														
Securities remeasured at fair value through earnings:														
Par value <sup>2</sup>														
Par value <sup>2</sup>														
Par value <sup>2</sup>														
Unamortized discount														
Unamortized premium														
Amortized cost														
Gross unrealized gains														
Gross unrealized losses														
Total securities remeasured at fair value through earnings														
Total securities, at fair value														
Weighted average coupon as of June 30, 2024 <sup>3</sup>	4.83 %	5.11 %	4.51 %	5.31 %	6.69 %	11.04 %	5.01 %							
Weighted average yield as of June 30, 2024 <sup>4</sup>	4.45 %	4.88 %	4.90 %	6.67 %	7.06 %	9.77 %	4.70 %							
Weighted average coupon as of September 30, 2024 <sup>3</sup>	4.81 %	5.13 %	4.51 %	5.28 %	6.68 %	11.20 %	5.01 %							
Weighted average yield as of September 30, 2024 <sup>4</sup>	4.44 %	4.86 %	4.98 %	6.69 %	7.40 %	8.96 %	4.68 %							

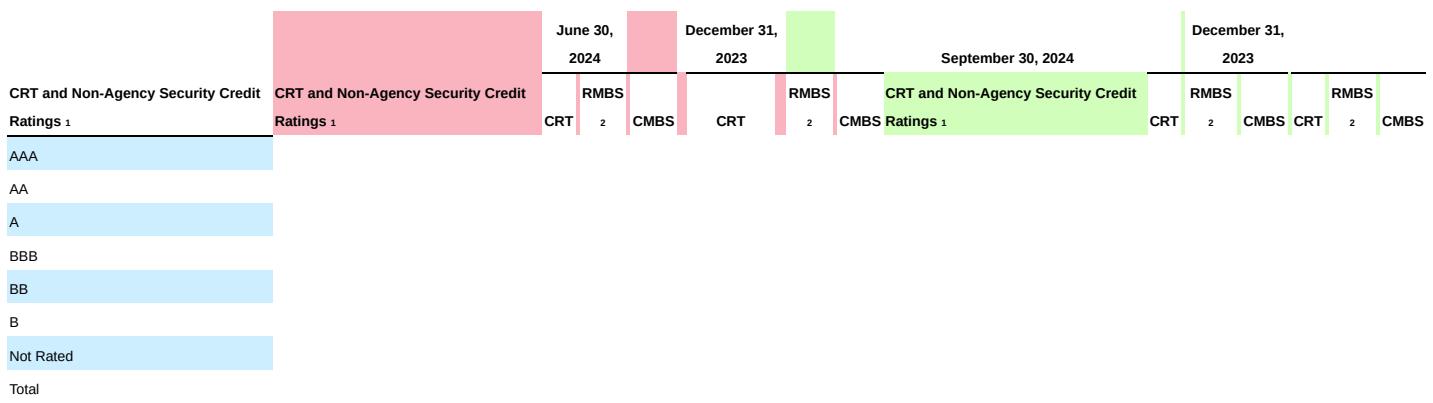
Investment Securities	December 31, 2023											
	Agency RMBS				Non-Agency <sup>1</sup>							
	Fannie Mae	Freddie Mac	Ginnie Mae	RMBS	CMBS	CRT	Total					
Available-for-sale securities:												
Par value <sup>2</sup>	\$ 3,881	\$ 1,152	\$ 1	\$ —	\$ —	\$ —	\$ 5,034					
Unamortized discount	(1)	—	—	—	—	—	—					(1)
Unamortized premium	227	73	—	—	—	—	300					
Amortized cost	4,107	1,225	1	—	—	—	5,333					
Gross unrealized gains	—	—	—	—	—	—	—					
Gross unrealized losses	(392)	(125)	—	—	—	—	(517)					
Total available-for-sale securities, at fair value	3,715	1,100	1	—	—	—	4,816					
Securities remeasured at fair value through earnings:												
Par value <sup>2</sup>	29,910	19,503	283	44	307	679	50,726					
Unamortized discount	(108)	(59)	(3)	(3)	(7)	(9)	(189)					
Unamortized premium	702	376	—	2	3	12	1,095					
Amortized cost	30,504	19,820	280	43	303	682	51,632					
Gross unrealized gains	170	111	1	—	2	41	325					
Gross unrealized losses	(1,270)	(638)	—	(9)	(32)	—	(1,949)					
Total securities remeasured at fair value through earnings	29,404	19,293	281	34	273	723	50,008					
Total securities, at fair value	\$ 33,119	\$ 20,393	\$ 282	\$ 34	\$ 273	\$ 723	\$ 54,824					
Weighted average coupon as of December 31, 2023 <sup>3</sup>	4.68 %	4.90 %	4.94 %	4.61 %	7.27 %	10.45 %	4.85 %					
Weighted average yield as of December 31, 2023 <sup>4</sup>	4.22 %	4.53 %	5.16 %	4.92 %	7.04 %	8.87 %	4.41 %					

1. Non-Agency amounts exclude other mortgage credit investments of \$60 million \$61 million and \$44 million as of June 30, 2024 September 30, 2024 and December 31, 2023, respectively.
2. Par value excludes interest-only securities. As of June 30, 2024 September 30, 2024 and December 31, 2023, Agency RMBS interest-only securities had a par value of \$331 million \$319 million and \$336 million, respectively, and non-Agency interest-only securities had a par value of \$97 million and \$98 million, respectively.

3. Weighted average coupon excludes interest-only and principle-only securities. As of **June 30, 2024** **September 30, 2024** and December 31, 2023 Agency RMBS interest-only securities have a weighted average coupon of **1.81%** **1.83%** and 1.77%, respectively, and non-Agency interest-only securities had a weighted average coupon of 0.81% and 0.71%, respectively.

4. Incorporates a weighted average future constant prepayment rate assumption of **9.2%** **13.2%** and 11.4% based on forward rates as of **June 30, 2024** **September 30, 2024** and December 31, 2023, respectively.

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, our investments in CRT and non-Agency securities had the following credit ratings (in millions):



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

2. RMBS excludes other mortgage credit investments of **\$60 million** **\$61 million** and \$44 million as of **June 30, 2024** **September 30, 2024** and December 31, 2023, respectively.

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

The actual maturities of our investment securities are generally shorter than their stated contractual maturities. The actual maturities of our Agency and high credit quality non-Agency RMBS are primarily affected by principal prepayments and to a lesser degree the contractual lives of the underlying mortgages and periodic contractual principal repayments. The actual maturities of our credit-oriented investments are primarily impacted by their contractual lives and default and loss recovery rates. As of **June 30, 2024** **September 30, 2024** and December 31, 2023, the weighted average expected constant prepayment rate ("CPR") over the remaining life of our Agency and high credit quality non-Agency RMBS investment portfolio was **9.2%** **13.2%** and 11.4%,

respectively. Our estimates can differ materially for different securities and thus our individual holdings have a wide range of projected CPRs. The following table summarizes our investments as of **June 30, 2024** **September 30, 2024** and December 31, 2023 according to their estimated weighted average life classification (dollars in millions):

Estimated Weighted Average Life of Investment Securities	Estimated Weighted Average Life of Investment Securities	June 30, 2024				December 31, 2023				September 30, 2024			
		Fair Value	Amortized Cost	Weighted Average Coupon	Weighted Average Yield	Fair Value	Amortized Cost	Weighted Average Coupon	Weighted Average Yield	Fair Value	Amortized Cost	Weighted Average Coupon	Weighted Average Yield
		1	1	1	1	1	1	1	1	1	1	1	1
≤ 3 years	≤ 3 years	\$ 563	\$ 572	7.55%	7.55%	\$ 942	\$ 961	6.57%	6.57%	\$ 54,824	\$ 56,965	4.85%	4.85%
> 3 years and ≤ 5 years	> 3 years and ≤ 5 years	1,486	1,505	6.04%	6.04%	10,381	10,331	5.94%	5.94%	40,895	42,988	4.55%	4.55%
> 5 years and ≤ 10 years	> 5 years and ≤ 10 years	51,627	54,453	4.91%	4.91%	42,988	42,988	4.55%	4.55%	2,606	2,685	4.77%	4.77%
> 10 years	> 10 years	6,956	7,069	5.32%	5.32%	2,685	2,685	4.77%	4.77%	7,069	7,069	4.63%	4.63%
Total	Total	\$ 60,632	\$ 63,599	5.01%	5.01%	\$ 54,824	\$ 56,965	4.85%	4.85%	\$ 56,965	\$ 56,965	4.85%	4.85%

1. Table excludes other mortgage credit investments of **\$60 million** **\$61 million** and \$44 million as of **June 30, 2024** **September 30, 2024** and December 31, 2023, respectively.

The following table presents the gross unrealized loss and fair values of securities classified as available-for-sale by length of time that such securities have been in a continuous unrealized loss position as of **June 30, 2024** **September 30, 2024** and December 31, 2023 (in millions):

Securities Classified as Available-for-Sale	Securities Classified as Available-for-Sale	Unrealized Loss Position For						Unrealized Loss Position For					
		Less than 12 Months		12 Months or More		Total		Less than 12 Months		12 Months or More		Total	
		Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
June 30, 2024													
September 30, 2024													
December 31, 2023													

#### Gains and Losses on Sale of Investment Securities

The following table is a summary of our net gain (loss) from the sale of investment securities for the three and ~~six~~ nine months ended ~~June 30, 2024~~ ~~September 30, 2024~~ and 2023 by investment classification of accounting (in millions):

Investment Securities	Investment Securities	Investment Securities	Three Months Ended June 30,		Three Months Ended June 30,		Three Months Ended June 30,		Three Months Ended September 30,		Three Months Ended September 30,		Three Months Ended September 30,	
			2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Investment securities sold, at cost														
Investment securities sold, at cost														
Investment securities sold, at cost														
Proceeds from investment securities sold <sup>1</sup>														
Proceeds from investment securities sold <sup>1</sup>														
Proceeds from investment securities sold <sup>1</sup>														
Net gain (loss) on sale of investment securities														
Net gain (loss) on sale of investment securities														
Net gain (loss) on sale of investment securities														
Gross gain on sale of investment securities														
Gross gain on sale of investment securities														
Gross gain on sale of investment securities														
Gross loss on sale of investment securities														
Gross loss on sale of investment securities														
Gross loss on sale of investment securities														
Net gain (loss) on sale of investment securities														
Net gain (loss) on sale of investment securities														
Net gain (loss) on sale of investment securities														
Six Months Ended June 30,														
Nine Months Ended September 30,														
Six Months Ended June 30,														
Nine Months Ended September 30,														
Six Months Ended June 30,														
Nine Months Ended September 30,														
2024														
Investment Securities														
Investment Securities														
Investment Securities														

Investment securities sold, at cost
Investment securities sold, at cost
Investment securities sold, at cost
Proceeds from investment securities sold <sup>1</sup>
Proceeds from investment securities sold <sup>1</sup>
Proceeds from investment securities sold <sup>1</sup>
Net gain (loss) on sale of investment securities
Net gain (loss) on sale of investment securities
Net gain (loss) on sale of investment securities
Gross gain on sale of investment securities
Gross gain on sale of investment securities
Gross gain on sale of investment securities
Gross loss on sale of investment securities
Gross loss on sale of investment securities
Gross loss on sale of investment securities
Net gain (loss) on sale of investment securities
Net gain (loss) on sale of investment securities
Net gain (loss) on sale of investment securities

1. Proceeds include cash received during the period, plus receivable for investment securities sold during the period as of period end.
2. See Note 9 for a summary of changes in accumulated OCI.
3. During the three and ~~six~~ nine months ended **June 30, 2024** September 30, 2024, we received principal repayments on available-for-sale securities of ~~\$295 million~~ \$444 million and ~~\$438 million~~ \$882 million, respectively. During the three and ~~six~~ nine months ended **June 30, 2023** September 30, 2023, we received principal repayments on available-for-sale securities of ~~\$370 million~~ \$547 million and ~~\$549 million~~ \$1.1 billion, respectively.

#### Note 4. Repurchase Agreements and Reverse Repurchase Agreements

##### Repurchase Agreements

We pledge our securities as collateral under our borrowings structured as repurchase agreements with financial institutions. Amounts available to be borrowed are dependent upon the fair value of the securities pledged as collateral, which fluctuates with changes in interest rates, type of security and liquidity conditions within the banking, mortgage finance and real estate industries. If the fair value of our pledged securities declines, lenders will typically require us to post additional collateral or pay down borrowings to re-establish agreed upon collateral requirements, referred to as "margin calls." Similarly, if the fair value of our pledged securities increases, lenders may release collateral back to us. As of **June 30, 2024** September 30, 2024, we had met all margin call requirements. For additional information regarding our pledged assets, please refer to Note 6.

As of **June 30, 2024** September 30, 2024 and December 31, 2023, we had ~~\$56.9 billion~~ \$66.0 billion and \$50.4 billion, respectively, of repurchase agreements outstanding used to fund our investment portfolio and temporary holdings of U.S. Treasury securities. The terms and conditions of our repurchase agreements are typically negotiated on a transaction-by-transaction basis or subject to a tri-party repo agreement. The following table summarizes our borrowings under repurchase agreements by their remaining maturities as of **June 30, 2024** September 30, 2024 and December 31, 2023 (dollars in millions):

Remaining Maturity	Remaining Maturity	June 30, 2024				December 31, 2023				September 30, 2024				December 31, 2023			
		Repurchase Agreements	Weighted Average Interest Rate	Weighted Average Days to Maturity	Repurchase Agreements	Weighted Average Interest Rate	Weighted Average Days to Maturity	Remaining Maturity	Repurchase Agreements	Weighted Average Interest Rate	Weighted Average Days to Maturity	Repurchase Agreements	Weighted Average Interest Rate	Weighted Average Days to Maturity	Repurchase Agreements	Weighted Average Interest Rate	Weighted Average Days to Maturity
Investment securities repo																	
≤ 1 month																	
≤ 1 month																	
≤ 1 month																	
> 1 to ≤ 3 months																	
> 3 to ≤ 6 months																	
Investment securities repo																	
Investment securities repo																	
Investment securities repo																	

U.S. Treasury

repo:

≤ 1 month  
≤ 1 month  
≤ 1 month

Total

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, **\$22.5 billion** **\$31.7 billion** and **\$16.7 billion**, respectively, of our investment securities repurchase agreements and all of our U.S. Treasury repurchase agreements had an overnight maturity of one business day and none of our repurchase agreements were due on demand. As of **June 30, 2024** **September 30, 2024**, we had **\$14.3 billion** **\$26.7 billion** of forward commitments to enter into repurchase agreements with a weighted average forward start date of **3 days** **1 day** and a weighted average interest rate of **5.47%** **5.15%**. As of December 31, 2023, we had **\$8.8 billion** of forward commitments to enter into repurchase agreements, with a weighted average forward start date of **4 days** and a weighted average interest rate of **5.54%**. As of **June 30, 2024** **September 30, 2024** and December 31, 2023, **47%** **50%** and **48%**, respectively, of our repurchase agreement funding was sourced through our wholly-owned captive broker-dealer subsidiary, Bethesda Securities, LLC ("BES"). Amounts sourced through BES include funding from the General Collateral Finance Repo service ("GCF Repo") offered by the Fixed Income Clearing Corporation ("FICC"), which totaled **42%** **47%** and 43% of our repurchase agreement funding outstanding as of **June 30, 2024** **September 30, 2024** and December 31, 2023, respectively.

#### Reverse Repurchase Agreements

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, we had **\$13.7 billion** **\$13.5 billion** and **\$11.6 billion**, respectively, of reverse repurchase agreements outstanding used primarily to borrow securities to cover short sales of U.S. Treasury securities, for which we had associated obligations to return borrowed securities at fair value of **\$13.2 billion** **\$13.0 billion** and **\$10.9 billion**, respectively. As of **June 30, 2024** **September 30, 2024** and December 31, 2023, **\$3.4 billion** **\$4.1 billion** and **\$3.1 billion**, respectively, of our reverse repurchase agreements were with the FICC sourced through BES.

#### Note 5. Derivative and Other Hedging Instruments

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

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

The table below summarizes fair value information about our derivative and other hedging instrument assets/(liabilities) as of **June 30, 2024** **September 30, 2024** and December 31, 2023 (in millions):

##### Derivative and Other Hedging Instruments

##### Derivative and Other Hedging Instruments

Derivative and Other Hedging Instruments	Balance Sheet Location	June 30, 2024	December 31, 2023	Balance Sheet Location	September 30, 2024	December 31, 2023
Interest rate swaps <sup>1</sup>						
Swaptions						
TBA and forward settling non-Agency securities						
Total derivative assets, at fair value						
Total derivative assets, at fair value						
U.S. Treasury futures - short						
SOFR futures contracts - long						
Total derivative assets, at fair value						
Interest rate swaps <sup>1</sup>						
Interest rate swaps <sup>1</sup>						
Interest rate swaps <sup>1</sup>						
TBA and forward settling non-Agency securities						
U.S. Treasury futures - short						
SOFR futures contracts - long						
Credit default swaps <sup>1</sup>						
Total derivative liabilities, at fair value						
U.S. Treasury securities - long						
U.S. Treasury securities - long						
U.S. Treasury securities - long						
U.S. Treasury securities - short						
Total U.S. Treasury securities, net at fair value						

1. As of **June 30, 2024** **September 30, 2024** and December 31, 2023, the net fair value of our interest rate swaps excluding the recognition of variation margin settlements as a direct reduction of carrying value (see Note 2) was a net asset (liability) of **\$2.7 billion** **\$1.4 billion** and **\$2.9 billion**, respectively. As of **June 30, 2024** **September 30, 2024** and December 31, 2023, the net fair value of our credit default swaps excluding the

recognition of variation margin settlements was \$(6) a net asset (liability) of \$(7) million and \$(6) million, respectively.

The following tables summarize certain characteristics of our derivative and other hedging instruments outstanding as of June 30, 2024 September 30, 2024 and December 31, 2023 (dollars in millions):

Pay	Pay	June 30, 2024										December 31, 2023										September 30, 2024										
Fixed /	Fixed /	Notional		Average		Average		Notional		Average		Average		Notional		Average		Notional		Average		Notional		Average		Notional		Average				
Receive	Receive	Amount	Pay	Fixed	Variable	Receive	Maturity	Amount	Pay	Fixed	Variable	Receive	Maturity	Years to	Maturity	Amount	Pay	Fixed	Variable	Receive	Maturity	Years to	Maturity	Amount	Pay	Fixed	Variable	Receive	Maturity	Years to	Maturity	
Variable	Variable																															
Interest	Interest																															
Rate	Rate																															
Swaps	Swaps	June 30, 2024										December 31, 2023										September 30, 2024										
Years to	Years to	Notional		Average		Average		Notional		Average		Average		Notional		Average		Notional		Average		Notional		Average		Notional		Average				
Maturity	Maturity	Amount	Pay	Fixed	Variable	Receive	Maturity	Amount	Pay	Fixed	Variable	Receive	Maturity	Years to	Maturity	Amount	Pay	Fixed	Variable	Receive	Maturity	Years to	Maturity	Amount	Pay	Fixed	Variable	Receive	Maturity	Years to	Maturity	
≤ 1 years	≤ 1 years	\$10,500	0.10%	0.10%	5.33%	0.4		\$13,750	0.14%		0.14%	5.37%		≤ 1 years	0.4 years	\$7,750	0.13%		0.13%													
> 1 to ≤ 3 years	> 1 to ≤ 3 years	14,300	0.19%	0.19%	5.33%	1.9		15,800	0.17%		0.17%	5.36%		> 1 to ≤ 3 years	2.0 years	11,300	0.22%		0.22%													
> 3 to ≤ 5 years	> 3 to ≤ 5 years	3,550	0.52%	0.52%	5.33%	3.9		5,800	0.24%		0.24%	5.38%		> 3 to ≤ 5 years	3.9 years	3,800	0.25%		0.25%													
> 5 to ≤ 7 years	> 5 to ≤ 7 years	6,650	2.21%	2.21%	5.33%	6.1		3,900	0.92%		0.92%	5.37%		> 5 to ≤ 7 years	6.2 years	4,150	2.15%		2.15%													
> 7 to ≤ 10 years	> 7 to ≤ 10 years	13,646	3.59%	3.59%	5.33%	9.3		5,226	3.06%		3.06%	5.38%		> 7 to ≤ 10 years	9.2 years	12,146	3.51%		3.51%													
> 10 years		50	3.94%	5.33%	12.0		—		—	—	—	0.0		> 10 years																		
Total	Total	\$48,696	1.43%	1.43%	5.33%	4.4		\$44,476	0.57%		0.57%	5.37%		Total	3.0																	
Total		\$39,146	1.43%	4.94%	4.5				0.57%		5.37%			Total	3.0																	

- As of June 30, 2024 September 30, 2024, 86% 82% and 14% 18% of notional amount receive index references SOFR and OIS, respectively. As of December 31, 2023, 80% and 20% of notional amount receive index references SOFR and OIS, respectively.

Receive	Receive	June 30, 2024										December 31, 2023										September 30, 2024										December 31	
Fixed /	Fixed /	Notional		Average		Average		Notional		Average		Average		Notional		Average		Notional		Average		Notional		Average		Notional		Average					
Pay	Pay	Amount	Pay	Fixed	Variable	Receive	Maturity	Amount	Pay	Fixed	Variable	Receive	Maturity	Years to	Maturity	Amount	Pay	Fixed	Variable	Receive	Maturity	Years to	Maturity	Amount	Pay	Fixed	Variable	Receive	Maturity	Years to	Maturity		
Variable	Variable																																
Interest	Interest																																
Rate	Rate																																
Swaps	Swaps	June 30, 2024										December 31, 2023										September 30, 2024										December 31	
Years to	Years to	Notional		Average		Average		Notional		Average		Average		Notional		Average		Notional		Average		Notional		Average		Notional		Average					
Maturity	Maturity	Amount	Pay	Fixed	Variable	Receive	Maturity	Amount	Pay	Fixed	Variable	Receive	Maturity	Years to	Maturity	Amount	Pay	Fixed	Variable	Receive	Maturity	Years to	Maturity	Amount	Pay	Fixed	Variable	Receive	Maturity	Years to	Maturity		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	—	—	—	—	—		—	—	—	—	—																					
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—	—											—	—	—	—	—	—	—	—	—		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—	—											—	—	—	—	—	—	—	—	—		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—	—											—	—	—	—	—	—	—	—	—		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—	—											—	—	—	—	—	—	—	—	—		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—	—											—	—	—	—	—	—	—	—	—		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—	—											—	—	—	—	—	—	—	—	—		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—	—											—	—	—	—	—	—	—	—	—		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—	—											—	—	—	—	—	—	—	—	—		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—	—											—	—	—	—	—	—	—	—	—		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—	—											—	—	—	—	—	—	—	—	—		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—	—											—	—	—	—	—	—	—	—	—		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—	—											—	—	—	—	—	—	—	—	—		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—	—											—	—	—	—	—	—	—	—	—		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—	—											—	—	—	—	—	—	—	—	—		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—	—											—	—	—	—	—	—	—	—	—		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—	—											—	—	—	—	—	—	—	—	—		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—	—											—	—	—	—	—	—	—	—	—		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—	—											—	—	—	—	—	—	—	—	—		
> 1 to ≤ 3 years	> 1 to ≤ 3 years	\$ —	—	—	—	—		—	—	—	—																						

Total							
Total							
Total	\$ —	%	0.0	\$ (1,000)	5.38%	4.65%	1.5

1. Pay index references SOFR.

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

1. Receive index references SOFR.

Receiver	Receiver	Swaptions	Swaptions	Option	Underlying Receiver Swap	Receiver	Swaptions	Option	Underlying Receiver Swap							
Current	Current	Option	Expiration	Cost	Average Months to Current Option Expiration	Notional	Average Fixed Receive Rate	Term (Years)	Current Option Expiration Date	Basis	Fair Value	Notional	Average Fixed Receive Rate	Average Term (Years)		
Expiration	Expiration	Basis	Value	Date	Notional	Amount	Rate	Date	Date	Basis	Value	Amount	Rate	Date		
June 30, 2024																
≤ 1 year																
≤ 1 year																
≤ 1 year	\$ 3	\$ 2	18	\$ 150	2.98%	5.0										
September 30, 2024																
> 1 year ≤ 2 years																
> 1 year ≤ 2 years																
> 1 year ≤ 2 years	\$ 3	\$ 2	15	\$ 150	2.98%	5.0										
December 31, 2023																
December 31, 2023																
December 31, 2023																
≤ 1 year																
≤ 1 year																
≤ 1 year	\$ 3	\$ 3	24	24	\$ 150	2.98%	\$ 150	2.98%	5.0	\$ 3	\$ 3	24	24	\$ 150	2.98%	5.0

U.S. Treasury Securities 1 U.S. Treasury Securities 1 June 30, 2024 December 31, 2023 December 31, 2023 U.S. Treasury Securities 1 September 30, 2024 December 31, 2023

Years to Maturity	Years to Maturity	Face Amount Long/(Short)	Cost Basis	Fair Value	Face Amount Long/(Short)	Cost Basis	Fair Value	Years to Maturity	Face Amount Long/(Short)	Cost Basis	Fair Value	Face Amount Long/(Short)	Cost Basis	Fair Value
≤ 5 years														
> 5 year ≤ 7 years														
> 7 year ≤ 10 years														
> 10 years														
Total U.S. Treasury securities														

1. As of **June 30, 2024** September 30, 2024 and December 31, 2023, short U.S. Treasury securities totaling **\$13.2** **\$13.0** billion and **\$10.9** billion, at fair value, respectively, had a weighted average yield of **3.80%** **3.69%** and 3.64%, respectively. As of **June 30, 2024** September 30, 2024 and December 31, 2023, long U.S. Treasury securities totaling **\$2.4 billion** **\$2.6 billion** and **\$1.5 billion**, at fair value, respectively, had a weighted average yield of **4.51%** **4.06%** and 4.39%, respectively.

U.S. Treasury Futures	U.S. Treasury Futures	June 30, 2024				December 31, 2023				U.S. Treasury Futures				September 30, 2024				December 31, 2023			
		Notional Amount		Net Carrying		Notional Amount		Net Carrying		Fair Value		Years to Maturity		Notional Amount		Net Carrying		Notional Amount		Net Carrying	
Years to Maturity	Years to Maturity	Long (Short)	Cost Basis	Fair Value	Value 1	Long (Short)	Cost Basis	Fair Value	Value 1	Long Basis	Cost Value	Fair Value	Value 1	Long (Short)	Cost Basis	Fair Value	Value 1	Long (Short)	Cost Basis	Fair Value	Value 1
≤ 5 years																					
> 5 year ≤ 7 years																					
> 7 year ≤ 10 years																					
> 10 years																					
Total U.S. Treasury futures																					

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

TBA Securities by Coupon	June 30, 2024				December 31, 2023				September 30, 2024				December 31, 2023								
	Notional Amount		Net Carrying		Notional Amount		Net Carrying		TBA Securities by Coupon		Notional Amount		Net Carrying		Notional Amount		Net Carrying				
TBA Securities by Coupon	Long (Short)	Cost Basis	Fair Value	Value 1	Long (Short)	Cost Basis	Fair Value	Value 1	Long Basis	Cost Value	Fair Value	Value 1	Long (Short)	Cost Basis	Fair Value	Value 1	Long (Short)	Cost Basis	Fair Value	Value 1	
15-Year TBA securities:																					
≥ 5.0%																					
≥ 5.0%																					
≥ 5.0%																					
Total 15-Year TBA securities:																					
30-Year TBA securities:																					
≤ 3.0%																					
≤ 3.0%																					
≤ 3.0%																					
3.5%																					
4.0%																					
4.5%																					
5.0%																					
5.5%																					
6.0%																					
≥ 6.5%																					
Total 30-Year TBA securities, net																					
Total TBA securities, net																					

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

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, we **had held** SOFR futures contracts with a long notional position of \$1.0 billion and \$0.9 billion, respectively, measured on a two-year swap equivalent SOFR futures contract long notional position of \$0.6 billion and \$0.9 billion, respectively, basis, with a net carrying value of \$(18) \$(5) million and \$(10) million, respectively.

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, we had \$96 million and \$95 million notional value, respectively, of held centrally cleared credit default swaps ("CDS") **outstanding** with a notional value of \$96 million and \$95 million, respectively, that reference the Markit CDX Investment Grade or High Yield Grade Index, maturing in **June 2029** and December **2028**, 2028, respectively. Under the terms of our CDS, these contracts, we **pay** make fixed periodic payments equal to 1% per annum of the notional value and we are entitled to receive payments for **qualified** in the event of qualifying credit events. As of **June 30, 2024** **September 30, 2024** and December 31, 2023, the **CDS** credit default swaps had a market value of \$(7) million and \$(6) million, respectively, and a net carrying value of zero dollars, net of variation margin settlements. Pursuant to rules governing central clearing activities, we recognize variation margin settlements as a direct reduction of the carrying value of the CDS asset or liability.

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

The following table summarizes changes in our derivative and other hedge portfolio and their effect on our consolidated statements of comprehensive income for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023 (in millions):

Derivative and Other Hedging Instruments	Derivative and Other Hedging Instruments	Beginning		Settlement, Termination, Expiration or Exercise		Ending		Gain/(Loss) on Derivative Instruments and Other Securities, Net		Beginning		Settlement, Termination, Expiration or Exercise		Ending		Gain/(Loss) on Derivative Instruments and Other Securities, Net	
		Notional Amount	Additions	Notional Amount	Amount	Notional Amount	1	Hedging Instruments	Notional Amount	Additions	Notional Amount	Amount	Notional Amount	Amount	Notional Amount	Amount	Amount
Three months ended June 30, 2024:																	
Three months ended September 30, 2024:																	
TBA securities, net																	
TBA securities, net																	
TBA securities, net																	
Interest rate swaps - payer																	
Interest rate swaps - payer																	
Interest rate swaps - payer																	
Interest rate swaps - receiver																	
Credit default swaps - buy protection																	
Credit default swaps - buy protection																	
Credit default swaps - buy protection																	
Receiver swaptions																	
Receiver swaptions																	
Receiver swaptions																	
U.S. Treasury securities - short position																	
U.S. Treasury securities - long position																	
U.S. Treasury futures contracts - short position																	
Three months ended June 30, 2023:																	
Three months ended June 30, 2023:																	
Three months ended June 30, 2023:																	
Three months ended September 30, 2023:																	
Three months ended September 30, 2023:																	
Three months ended September 30, 2023:																	
TBA securities, net																	
TBA securities, net																	
TBA securities, net																	
Interest rate swaps - payer																	

Interest rate swaps - payer	
Interest rate swaps - payer	
Interest rate swaps - receive, net	
Credit default swaps - buy protection	
Payer swaptions	
U.S. Treasury securities - short position	
U.S. Treasury securities - short position	
U.S. Treasury securities - short position	
U.S. Treasury securities - long position	
U.S. Treasury futures	
contracts - short position	
	\$
<b>Six months ended June 30, 2024:</b>	
<b>Six months ended June 30, 2024:</b>	
<b>Six months ended June 30, 2024:</b>	
<b>Nine months ended September 30, 2024:</b>	
<b>Nine months ended September 30, 2024:</b>	
<b>Nine months ended September 30, 2024:</b>	
TBA securities, net	
TBA securities, net	
TBA securities, net	
Interest rate swaps - payer	
Interest rate swaps - payer	
Interest rate swaps - payer	
Interest rate swaps - receiver	
Credit default swaps - buy protection	
Payer swaptions	
Receiver swaptions	
U.S. Treasury securities - short position	
U.S. Treasury securities - long position	
U.S. Treasury futures	
contracts - short position	
	\$
<b>Six months ended June 30, 2023:</b>	
<b>Six months ended June 30, 2023:</b>	
<b>Six months ended June 30, 2023:</b>	
<b>Nine months ended September 30, 2023:</b>	
<b>Nine months ended September 30, 2023:</b>	
<b>Nine months ended September 30, 2023:</b>	
TBA securities, net	
TBA securities, net	
TBA securities, net	
Interest rate swaps - payer	
Interest rate swaps - payer	
Interest rate swaps - payer	

Interest rate swaps - receive, net
Credit default swaps - buy protection
Payer swaptions
U.S. Treasury securities - short position
U.S. Treasury securities - short position
U.S. Treasury securities - short position
U.S. Treasury securities - long position
U.S. Treasury futures contracts - short position

—  
\$  
=

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

Additionally, as of **June 30, 2024** **September 30, 2024** and December 31, 2023, we **had held** SOFR futures contracts with a long notional position of \$1.0 billion and \$0.9 billion, respectively, measured on a two-year swap equivalent basis, of \$0.6 billion and \$0.9 billion, respectively, basis. For the three and **six** nine months ended **June 30, 2024** **September 30, 2024**, we recognized a **loss** gain of **\$(3)** million **\$36** million and **\$(13)** million, **\$23** million, respectively, and for the three and **six** nine months ended **June 30, 2023** **September 30, 2023**, we recognized a loss of and **\$(16)** **\$(6)** million and **\$(19)** **\$(25)** million, respectively, on our SOFR futures contracts in gain (loss) on derivative instruments and other securities, net in our consolidated statements of comprehensive income.

#### Note 6. Pledged Assets

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

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

As of **June 30, 2024** **September 30, 2024**, our maximum amount at risk with any counterparty related to our repurchase agreements, excluding the Fixed Income Clearing Corporation, was **less than** 2% of our tangible stockholders' equity (or the excess/shortfall of the value of collateral pledged/received over our repurchase agreement liabilities/reverse repurchase agreement receivables). As of **June 30, 2024** **September 30, 2024**, **6%** **7%** of our tangible stockholder's equity was at risk with the Fixed Income Clearing Corporation.

#### Assets Pledged to Counterparties

The following tables summarize our assets pledged as collateral under our funding, derivative and brokerage and clearing agreements by type, including securities pledged related to securities sold but not yet settled, as of **June 30, 2024** **September 30, 2024** and December 31, 2023 (in millions):

Assets Pledged to Counterparties 1	Assets Pledged to Counterparties 1	June 30, 2024				September 30, 2024			
		Repurchase Agreements 2	Debt of Consolidated VIEs	Derivative Agreements and Other	Total	Assets Pledged to Counterparties 1	Repurchase Agreements 2	Debt of Consolidated VIEs	Derivative Agreements and Other
Agency RMBS - fair value									
CRT - fair value									
Non-Agency - fair value									
U.S. Treasury securities - fair value									

Accrued interest on pledged securities

Restricted cash

Total

December 31, 2023

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

1. Includes repledged assets received as collateral from counterparties and securities sold but not yet settled.

2. Includes \$36 million <sup>37 million</sup> and \$42 million of retained interests in our consolidated VIEs pledged as collateral under repurchase agreements as of <sup>June 30, 2024</sup> <sup>September 30, 2024</sup> and December 31, 2023, respectively.

The following table summarizes our securities pledged as collateral under our repurchase agreements by the remaining maturity of our borrowings, including securities pledged related to sold but not yet settled securities, as of <sup>June 30, 2024</sup> <sup>September 30, 2024</sup> and December 31, 2023 (in millions). For the corresponding borrowings associated with the following amounts and the interest rates thereon, refer to Note 4.

Securities Pledged by	Securities Pledged by	June 30, 2024		December 31, 2023		September 30, 2024		December 31, 2023	
		Fair Value of Pledged Securities	Cost of Pledged Securities	Accrued Interest on Pledged Securities	Fair Value of Pledged Securities	Cost of Pledged Securities	Accrued Interest on Pledged Securities	Fair Value of Pledged Securities	Cost of Pledged Securities
Remaining Maturity of Repurchase Agreements <sup>1,2</sup>	Remaining Maturity of Repurchase Agreements <sup>1,2</sup>								
≤ 1 month									
> 1 and ≤ 2 months									
> 2 and ≤ 3 months									
> 3 months									
Total									

1. Includes \$36 million <sup>37 million</sup> and \$42 million of retained interests in our consolidated VIEs pledged as collateral under repurchase agreements as of <sup>June 30, 2024</sup> <sup>September 30, 2024</sup> and December 31, 2023, respectively.

2. Excludes \$33 million and \$397 million of repledged U.S. Treasury securities received as collateral from counterparties as of <sup>September 30, 2024</sup> and December 31, 2023, respectively.

#### Assets Pledged from Counterparties

As of <sup>June 30, 2024</sup> <sup>September 30, 2024</sup> and December 31, 2023, we had assets pledged to us from counterparties as collateral under our reverse repurchase and derivative agreements summarized in the tables below (in millions).

Assets Pledged to	June 30, 2024				December 31, 2023				Assets Pledged to	June 30, 2024				December 31, 2023				
	September 30, 2024				December 31, 2023					September 30, 2024				December 31, 2023				
	AGNC	AGNC	AGNC	AGNC	AGNC	AGNC	AGNC	AGNC		AGNC	AGNC	AGNC	AGNC	AGNC	AGNC	AGNC	AGNC	
Agency securities - fair value																		
U.S. Treasury securities - fair value																		

Cash

### ***Offsetting Assets and Liabilities***

Certain of our repurchase agreements and derivative transactions are governed by underlying agreements that generally provide for a right of setoff under master netting arrangements (or similar agreements), including in the event of default or in the event of bankruptcy of either party to the transactions. We present our assets and liabilities subject to such arrangements on a gross basis in our consolidated balance sheets. The following tables present information about our assets and liabilities that are subject to master netting arrangements and can potentially be offset on our consolidated balance sheets as of June 30, 2024 September 30, 2024 and December 31, 2023 (in millions):

	Offsetting of Financial and Derivative Assets						
	Gross Amounts Not Offset						
	Gross Amounts		Net Amounts of Assets Presented in		in the Consolidated Balance Sheets		
	Gross Amounts of Recognized Assets	Offset in the Consolidated Balance Sheets	Assets Presented in the Consolidated Balance Sheets	Financial Instruments	Collateral Received <sup>2</sup>	Net Amount	
<b>September 30, 2024</b>							
Interest rate swap and swaption agreements, at fair value <sup>1</sup>	\$ 97	\$ —	\$ 97	\$ —	\$ (2)	\$ 95	
TBA securities, at fair value <sup>1</sup>	50	—	50	(48)	(2)	—	
Receivable under reverse repurchase agreements	13,494	—	13,494	(10,756)	(2,738)	—	
<b>Total</b>	<b>\$ 13,641</b>	<b>\$ —</b>	<b>\$ 13,641</b>	<b>\$ (10,804)</b>	<b>\$ (2,742)</b>	<b>\$ 95</b>	
<b>December 31, 2023</b>							
Interest rate swap and swaption agreements, at fair value <sup>1</sup>	\$ 104	\$ —	\$ 104	\$ —	\$ (89)	\$ 15	
TBA securities, at fair value <sup>1</sup>	80	—	80	(15)	(65)	—	
Receivable under reverse repurchase agreements	11,618	—	11,618	(8,433)	(3,181)	4	
<b>Total</b>	<b>\$ 11,802</b>	<b>\$ —</b>	<b>\$ 11,802</b>	<b>\$ (8,448)</b>	<b>\$ (3,335)</b>	<b>\$ 19</b>	
Offsetting of Financial and Derivative Assets							
Gross Amounts Not Offset							
	Gross Amounts		Net Amounts of Assets Presented in		in the Consolidated Balance Sheets		
	Gross Amounts of Recognized Assets	Offset in the Consolidated Balance Sheets	Assets Presented in the Consolidated Balance Sheets	Financial Instruments	Collateral Received <sup>2</sup>	Net Amount	
<b>June 30, 2024</b>							
Interest rate swap and swaption agreements, at fair value <sup>1</sup>	\$ 72	\$ —	\$ 72	\$ —	\$ (2)	\$ 70	
TBA securities, at fair value <sup>1</sup>	59	—	59	(29)	(30)	—	
Receivable under reverse repurchase agreements	13,662	—	13,662	(9,685)	(3,968)	9	
<b>Total</b>	<b>\$ 13,793</b>	<b>\$ —</b>	<b>\$ 13,793</b>	<b>\$ (9,714)</b>	<b>\$ (4,000)</b>	<b>\$ 79</b>	
<b>December 31, 2023</b>							
Interest rate swap and swaption agreements, at fair value <sup>1</sup>	\$ 104	\$ —	\$ 104	\$ —	\$ (89)	\$ 15	
TBA securities, at fair value <sup>1</sup>	80	—	80	(15)	(65)	—	
Receivable under reverse repurchase agreements	11,618	—	11,618	(8,433)	(3,181)	4	
<b>Total</b>	<b>\$ 11,802</b>	<b>\$ —</b>	<b>\$ 11,802</b>	<b>\$ (8,448)</b>	<b>\$ (3,335)</b>	<b>\$ 19</b>	

June 30, 2024
June 30, 2024
June 30, 2024

September 30, 2024
September 30, 2024
September 30, 2024

September 30, 2024
-----------------------

TBA  
securities, at  
fair value 1

TBA  
securities, at  
fair value 1

TBA  
securities, at  
fair value 1

Repurchase  
agreements

Total

December 31, 2023
December 31, 2023
December 31, 2023

December 31, 2023
December 31, 2023
December 31, 2023

December 31, 2023
December 31, 2023
December 31, 2023

TBA  
securities, at  
fair value 1

TBA  
securities, at  
fair value 1

TBA  
securities, at  
fair value 1

Repurchase  
agreements

Total

1. Reported under derivative assets / liabilities, at fair value in the accompanying consolidated balance sheets. Refer to Note 5 for a reconciliation of derivative assets / liabilities, at fair value to their sub-components.

2. Includes cash and securities pledged / received as collateral, at fair value. Amounts include repledged collateral. Amounts presented are limited to collateral pledged sufficient to reduce the net amount to zero for individual counterparties, as applicable.

#### Note 7. Fair Value Measurements

The following table provides a summary of our assets and liabilities that are measured at fair value on a recurring basis, as of **June 30, 2024** **September 30, 2024** and December 31, 2023, based on their categorization within the valuation hierarchy (in millions). There were no transfers between valuation hierarchy levels during the periods presented in our accompanying consolidated statements of comprehensive income.

	June 30, 2024			December 31, 2023		
	September 30, 2024			December 31, 2023		
	Level 1	Level 1	Level 2	Level 3	Level 1	Level 2
<b>Assets:</b>						
Agency securities						
Agency securities						

Agency securities	
Agency securities transferred to consolidated VIEs	
Credit risk transfer securities	
Non-Agency securities	
U.S. Treasury securities	
Interest rate swaps <sup>1</sup>	
Swaptions	
TBA securities	
Total	
Total	
SOFR Futures	
U.S. Treasury futures	
Total	
Liabilities:	
Debt of consolidated VIEs	
Debt of consolidated VIEs	
Debt of consolidated VIEs	
Obligation to return U.S. Treasury securities borrowed under reverse repurchase agreements	
Interest rate swaps <sup>1</sup>	
Credit default swaps <sup>1</sup>	
TBA securities	
U.S. Treasury futures	
SOFR Futures	
Total	

1. As of **June 30, 2024** **September 30, 2024** and December 31, 2023, the net fair value of our interest rate swaps excluding the recognition of variation margin settlements as a direct reduction of carrying value was a net asset (liability) of **\$2.7 billion** **\$1.4 billion** and \$2.9 billion, respectively, based on "Level 2" inputs. As of **June 30, 2024** **September 30, 2024** and December 31, 2023, the net fair value of our credit default swaps excluding the recognition of variation margin settlements was **\$(6)** a net asset (liability) of **\$(7)** million and \$(6) million, respectively, based on "Level 2" inputs. See Notes 2 and 5 for additional details.

Excluded from the table above are financial instruments reported at cost and other mortgage credit investments reported under the equity method of accounting in our consolidated financial statements. As of **June 30, 2024** **September 30, 2024** and December 31, 2023, the fair value of our repurchase agreements approximated cost, as the rates on our outstanding repurchase agreements largely corresponded to prevailing rates observed in the repo market. The fair value of cash and cash equivalents, restricted cash, receivables and other payables were determined to approximate cost as of such dates due to their short duration. We estimate the fair value of these instruments carried at cost using "Level 1" or "Level 2" inputs. As of **June 30, 2024** **September 30, 2024** and December 31, 2023, the carrying value of other mortgage credit investments reported under the equity method of accounting was **\$60 million** **\$61 million** and \$44 million, respectively.

#### Note 8. Net Income (Loss) Per Common Share

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

	Three Months Ended June 30,	Three Months Ended June 30,	Six Months Ended June 30,
	Three Months Ended September 30,	Three Months Ended September 30,	Nine Months Ended September 30,
Weighted average number of common shares issued and outstanding			
Weighted average number of common shares issued and outstanding			
Weighted average number of common shares issued and outstanding			
Weighted average number of fully vested restricted stock units outstanding			

Weighted average number of fully vested restricted stock units outstanding
Weighted average number of fully vested restricted stock units outstanding
Weighted average number of common shares outstanding - basic
Weighted average number of common shares outstanding - basic
Weighted average number of common shares outstanding - basic
Weighted average number of dilutive unvested restricted stock units outstanding
Weighted average number of dilutive unvested restricted stock units outstanding
Weighted average number of dilutive unvested restricted stock units outstanding
Weighted average number of common shares outstanding - diluted
Weighted average number of common shares outstanding - diluted
Weighted average number of common shares outstanding - diluted
Net income (loss) available (attributable) to common stockholders
Net income (loss) available (attributable) to common stockholders
Net income (loss) available (attributable) to common stockholders
Net income (loss) per common share - basic
Net income (loss) per common share - basic
Net income (loss) per common share - basic
Net income (loss) per common share - diluted
Net income (loss) per common share - diluted
Net income (loss) per common share - diluted

For the three and nine months ended **June 30, 2024** **1.9 million** **September 30, 2023, 1.3 million and 1.1 million, respectively**, of potentially dilutive unvested **time** **time**- and **performance based** **performance-based** RSUs outstanding were excluded from the computation of diluted net income (loss) per common share because **to do so** **including them** would have been anti-dilutive for the period.

## Note 9. Stockholders' Equity

### Preferred Stock

We are authorized to designate and issue up to 10.0 million shares of preferred stock in one or more classes or series. As of **June 30, 2024** **September 30, 2024** and December 31, 2023, 13,800, 10,350, 16,100, 23,000 and 6,900 shares of preferred stock were designated as 7.00% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, 6.875% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, 6.50% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, 6.125% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock and 7.75% Series G Fixed-Rate Reset Cumulative Redeemable Preferred Stock, respectively, (referred to as "Series C, D, E, F and G Preferred Stock", respectively). As of **June 30, 2024** **September 30, 2024** and December 31, 2023, 13,000, 9,400, 16,100, 23,000 and 6,000 shares of Series C, D, E, F and G Preferred Stock, respectively, were issued and outstanding. Each share of preferred stock is represented by 1,000 depositary shares. Each share of preferred stock has a liquidation preference of \$25,000 per share (\$25 per depositary share).

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

The following table includes a summary of preferred stock depositary shares issued and outstanding as of **June 30, 2024** **September 30, 2024** (dollars and shares in millions):

	Cumulative Redeemable Preferred Stock <sup>1</sup>
Fixed-to-Floating Rate:	
Fixed-to-Floating Rate:	
Fixed-to-Floating Rate:	
Series C	
Series C	
Series C	
Series D	
Series D	
Series D	
Series E	
Series E	
Series E	

Series F

Series F

Series F

Fixed-Rate Reset:

Fixed-Rate Reset:

Fixed-Rate Reset:

Series G

Series G

Series G

Total

Total

Total

1. The depository shares underlying our preferred stock accrue dividends at an initial annual fixed rate of the \$25.00 liquidation preference per depository share from the issuance date up to, but not including, the fixed-to-floating rate or fixed-rate-reset conversion date; thereafter, dividends will accrue on a floating rate or fixed-rate-reset basis equal to the conversion rate plus a fixed spread.
2. The Series C and D per annum dividend rates represent the rates in effect as of **June 30, 2024** **September 30, 2024**.
3. The Series C and D dividends accrue at a rate equal to the 3-Month CME Term SOFR plus 0.26161%, plus a spread of 5.111% and 4.332%, respectively, per annum, resetting quarterly in accordance with the certificate of designations for such series and the Adjustable Interest Rate (LIBOR) Act of 2021 (the "LIBOR Act"). At the conclusion of the fixed rate period (the conversion date) for the Series E and F Preferred Stock, the

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

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

#### **At-the-Market Offering Program**

We are authorized by our Board of Directors to enter into agreements with sales agents to publicly offer and sell shares of our common stock in privately negotiated and/or at-the-market transactions from time-to-time up to a maximum aggregate offering price of our common stock. During the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024**, we sold **45.8 million** **78.1 million** and **70.9 million** **149.0 million** shares, respectively, of our common stock under the sales agreements for proceeds of **\$434 million** **\$781 million** and **\$675 million** **\$1,456 million**, respectively, or **\$9.49** **\$10.00** and **\$9.53** **\$9.78** per common share, respectively, net of offering costs. As of **June 30, 2024** **September 30, 2024**, shares of our common stock with an aggregate offering price of **\$1.0 billion** **\$189 million** remained authorized for issuance under this program through December 31, 2025. **See Note 10. Subsequent Events** for additional information regarding our At-the-Market Offering Program.

#### **Accumulated Other Comprehensive Income (Loss)**

The following table summarizes changes to accumulated OCI for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023 (in millions):

	Three Months Ended June 30,	Three Months Ended June 30,	Three Months Ended June 30,	Six Months Ended June 30,	Nine Months Ended September 30,
Accumulated Other Comprehensive Income (Loss)					
Beginning Balance					
Beginning Balance					
Beginning Balance					
OCI before reclassifications					
OCI before reclassifications					
OCI before reclassifications					
Net loss amounts for available-for-sale securities reclassified from accumulated OCI to realized gain (loss) on sale of investment securities, net					
Net loss amounts for available-for-sale securities reclassified from accumulated OCI to realized gain (loss) on sale of investment securities, net					
Net loss amounts for available-for-sale securities reclassified from accumulated OCI to realized gain (loss) on sale of investment securities, net					
Ending Balance					
Ending Balance					
Ending Balance					

#### **Accumulated Other Comprehensive Income (Loss)**

**Beginning Balance**

**Beginning Balance**

**Beginning Balance**

OCI before reclassifications

OCI before reclassifications

OCI before reclassifications

Net loss amounts for available-for-sale securities reclassified from accumulated OCI to realized gain (loss) on sale of investment securities, net

Net loss amounts for available-for-sale securities reclassified from accumulated OCI to realized gain (loss) on sale of investment securities, net

Net loss amounts for available-for-sale securities reclassified from accumulated OCI to realized gain (loss) on sale of investment securities, net

**Ending Balance**

**Ending Balance**

**Ending Balance**

## Note 10. Subsequent Events

### At-the-Market Offering Program

During October 2024, we entered into amendments to the agreements with the sales agents that govern our At-the-Market Offering Program (see Note 9. Stockholders' Equity). Pursuant to these amendments and the prospectus supplement filed in connection with the amendments, we may publicly offer and sell shares of our common stock in privately negotiated and/or at-the-market transactions from time-to-time up to a maximum aggregate offering price of our common stock of \$1.5 billion from and after the date of the amendment through December 31, 2025.

### Common Stock Repurchase Program

We have maintained a stock repurchase plan that enables us to repurchase shares of our common stock from time to time. We intend to repurchase shares under the stock repurchase program only when the repurchase price is less than our then-current estimate of tangible net book value per common share. Our existing stock repurchase plan, which had \$1 billion in remaining capacity, was due to expire on December 31, 2024. During October 2024, our Board of Directors terminated this stock repurchase plan and replaced it with a new plan authorizing us to repurchase up to \$1 billion of common stock through December 31, 2026. Under the new plan, we may repurchase shares in the open market or through privately negotiated transactions or pursuant to a trading plan that may be adopted in accordance with Rule 10b5-1 of the Exchange Act. Our stock repurchase program may be limited or terminated at any time without prior notice.

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

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is designed to provide a reader of AGNC Investment Corp.'s consolidated financial statements with a narrative from the perspective of management and should be read in conjunction with the consolidated financial statements and accompanying notes included in this Quarterly Report on Form 10-Q for quarterly period ended **June 30, 2024** **September 30, 2024**. Our MD&A is presented in the following sections:

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

### EXECUTIVE OVERVIEW

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

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

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

### Trends and Recent Market Impacts

The strong fixed income momentum that began in the fourth quarter of 2023 abated in the second quarter of 2024, as the Federal Reserve (the "Fed") and market participants looked for indications that the economy was slowing and inflation moderating. On balance, the data showed that consumer spending and confidence were weakening, the labor market was moving into better balance, and most importantly, inflation measures were trending toward the Fed's long run target. Nevertheless, the Fed was unwilling to adopt a more accommodative monetary policy stance. Against the backdrop of diverging economic and monetary policy outlooks, fixed income markets became more cautious, and intra-quarter volatility increased. In aggregate, interest rates edged higher and favorable investment environment, characterized by Agency RMBS mortgage spreads to benchmark interest rates widened, which drove our negative economic return for that remained materially wider than historical norms and within a relatively narrow trading range, declining interest rate volatility, and the second emerging accommodative monetary policy stance by the Federal Reserve (the "Fed"), continued to strengthen in the third quarter of -0.9%.

For Agency RMBS, 2024. The shift in monetary policy was further supported by the second quarter Fed's initial rate cut in September, which was larger than many expected. More importantly, the September rate cut marked the end of an extended period of monetary policy restraint, with the Fed communicating its intention to lower short-term rates to a push and pull between evolving supply and demand dynamics. On the demand side, bank and foreign demand moderated in the second quarter, while demand from bond funds remained steady, but limited, given an already overweight position. On the supply side, seasonal dynamics led to an uptick in Agency RMBS supply, with \$52 billion in supply for the quarter, double the pace of the first quarter, neutral level over time. As a result, Agency RMBS spreads to Treasuries widened approximately five to 10 basis points Treasury rates declined across the coupon stack, yield curve, and the yield curve ended the quarter with current production securities, namely the 5.5% and 6% coupons, experiencing the greatest spread widening given the uptick in supply.

Despite the intra-quarter rate volatility, Agency RMBS continued to trade within the relatively narrow spread range that has emerged over the course of the last several quarters. For current coupon Agency RMBS, that trading range has evolved to approximately 140 to 160 basis points to a blend of 5- and 10-year Treasury hedges. Using a similar combination of swap hedges, that range has evolved to approximately 170 to 190 basis points. At quarter end, Agency RMBS spreads to Treasuries and swaps were approximately 150 and 180 basis points, respectively, squarely in the middle of these recent ranges. We view this range-bound trading behavior as a positive development slope for Agency RMBS for the first time in two years.

Economic data released in July has continued to be supportive of a more accommodative Fed monetary policy stance. The shift in Fed policy will likely occur over the next several months and start a new, more favorable monetary policy cycle. Although we may continue to experience bouts of market turbulence in the short term due to evolving monetary policy expectations, political uncertainty and geopolitical risks, we believe AGNC is well positioned for this environment. Our active management strategy, core focus on high-quality Agency RMBS assets, attractive funding sources, and strong liquidity position should allow us not only to withstand episodes of volatility but also to take advantage of attractive investment opportunities as they arise.

The moderate spread widening that occurred during the second quarter drove AGNC's total comprehensive loss of \$(0.13) per diluted common share and generated an economic loss of -0.9% return on tangible common equity per share of 9.3% for the third quarter, comprised of \$0.36 of dividends declared per common share and a \$(0.44) decrease \$0.42, or 5%, increase in tangible net book value per common share. For the first two quarters of 2024, AGNC had total comprehensive income of \$0.33 per diluted common share, and generated an bringing our year-to-date economic return of 4.8%, comprised of \$0.72 dividends through September 30, 2024 to 13.8% per common share and share. Consistent with Agency RMBS spreads trading in a \$(0.30) decrease relatively narrow range, our year-to-date economic return consisted of a modest increase in our tangible net book value per common share of 1.4% and a \$1.08 of dividends per common share.

Looking ahead, the outlook for Agency RMBS is decidedly better today than it was in 2022 and 2023 given the current economic outlook, the stance of the Fed, and our expectation that long-term interest rates and Agency RMBS spreads will remain relatively stable. While the path of financial markets is never perfectly smooth and periods of volatility are inevitable, our view is based, in part, on our belief that the supply and demand dynamics for Agency RMBS will remain in reasonable balance. Given the recent modest decline in mortgage rates during the third quarter, it is possible that the supply of Agency

RMBS will increase somewhat over the intermediate term. On the demand side, however, accommodative monetary policy, a steeper yield curve, historically large money market mutual fund balances, and the potential for less onerous bank capital reforms than originally proposed suggest that demand for high-quality fixed income assets is likely to increase as the Fed reduces short-term interest rates.

Agency RMBS performance during the third quarter varied considerably by coupon and hedge composition, with lower coupon RMBS outperforming higher coupons, driven by favorable technical factors and strong demand from fixed income bond funds. Our performance benefited from having a diversified mix of assets as well as a meaningful share of longer-term US Treasury-based hedges. During the first two quarters, we maintained a significant reduced our swap-based hedges and increased our allocation to Treasury-based hedges. Additionally, we expanded our use of longer-term hedges in response to the shift in monetary policy and our expectations for further yield curve steepening. Consistent with our transition toward longer-term hedges, our overall interest rate hedge position which covered 98% declined to 72% of the outstanding balance of our Investment Securities Repo, TBA position, and other debt as of the end of the second quarter. "At risk" leverage increased modestly for the second quarter to 7.4x tangible stockholders' equity as of by the end of the quarter, down from 7.1x 98% as of March 31, 2024. At the same time, our unencumbered cash and Agency RMBS was largely unchanged at the end of the second quarter from the first quarter at \$5.3 billion, or 65% of our tangible stockholders' equity, quarter.

The weighted average coupon on our fixed-rate Agency RMBS and TBA securities increased decreased to 4.95% 4.90% as of the end of the second third quarter, from 4.86% as 4.95% at the end of the first quarter, as we continued to shift a larger share of our asset portfolio toward higher coupon, high-quality specified pools. second quarter. Consistent with the increase decline in interest rates during the third quarter, the average projected life CPR for our portfolio at quarter-end decreased 120 basis points increased 4.0% to 9.2% 13.2%. Seasonal factors drove an increase in our actual Actual CPRs for the third quarter to an average of 7.1% averaged 7.3%, up slightly from 5.7% for 7.1% in the prior second quarter.

Our "at risk" leverage decreased modestly to 7.2x tangible stockholders' equity at the end of the quarter, from 7.4x as of June 30, 2024. Additionally, we concluded the quarter with \$6.2 billion in cash and unencumbered Agency RMBS, or 68% of our tangible equity, up from \$5.3 billion, or 65% of our tangible equity, at the end of the second quarter.

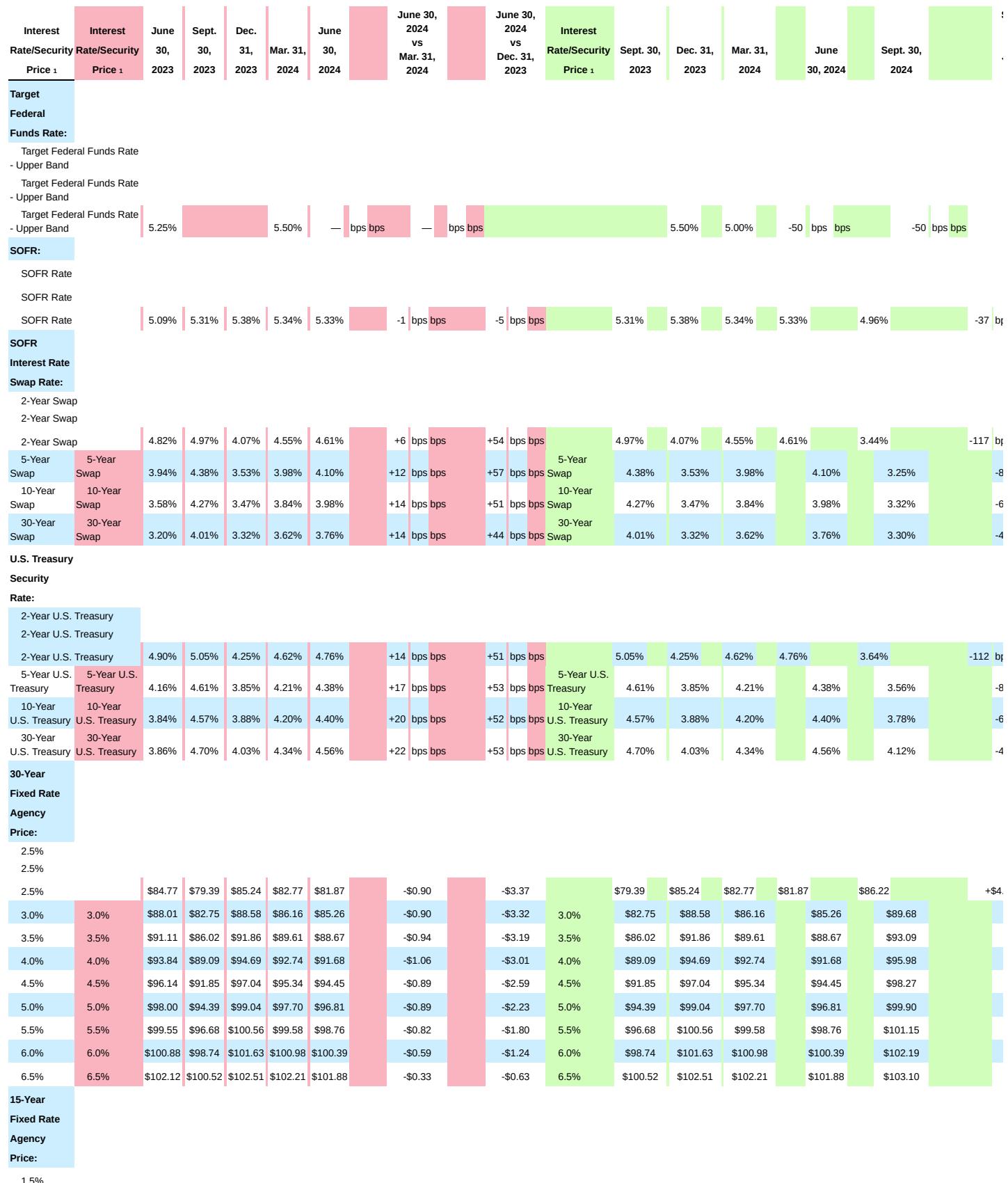
Net spread and dollar roll income per diluted common share (a non-GAAP measure) totaled \$0.53 for declined by \$0.10 to \$0.43 per share in the third quarter, driven by a reduction in our net interest rate spread, which narrowed by 48 basis points to 221 basis points. Approximately half of the decline in our net interest spread was due to the maturity of \$6.5 billion of low-cost pay-fixed interest rate swaps during the quarter. No additional swaps are scheduled to mature until the second quarter a decline of 5 cents per share from the first quarter of \$0.58 per share. This 2025. The remaining decline was primarily largely due to higher swap costs resulting from the replacement our decision to further reduce our swap-based hedges in favor of maturing interest rate swaps and an overall increase Treasury-based hedges, which are not reflected in our reported net interest rate swap position, which more than offset the increase in the average asset yield on our portfolio, spread.

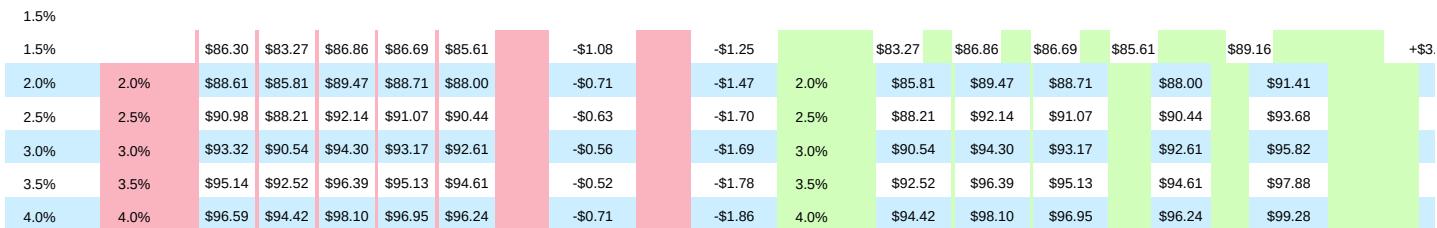
During the first two quarters, we utilized our At-the-Market offering program ("ATM") to opportunistically create incremental value for existing stockholders through book value and earnings accretion. In the first and second quarters, third quarter, we issued \$241 million and \$434 million \$781 million of common equity respectively, at through our At-the-Market ("ATM") offering program, bringing our year-to-date issuances to \$1.46 billion. The significant increase in ATM issuances during the third quarter was aligned with the substantial price-to-book premiums premium of our common stock and invested those proceeds in attractively priced assets, contributed to meaningful book value accretion for our common stockholders. Additionally, the positive investment environment provided a favorable backdrop for deploying this new capital.

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

#### Market Information

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





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

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

Mortgage	Mortgage	June	Sept.	Dec.	Mar.	June	June 30, 2024 vs Mar. 31, 2024	June 30, 2024 vs Dec. 31, 2023	Mortgage	Sept.	Dec.	Mar.	June	Sept.	Sept. 30, 2024 vs June 30, 2024	Sept. 30, 2024 vs Dec. 31, 2023
Rate/Credit	Rate/Credit	30, 2023	30, 2023	31, 2023	31, 2024	31, 2024	30, 2024	30, 2023	Rate/Credit	30, 2023	31, 2024	31, 2024	30, 2024	30, 2024	30, 2024	30, 2024
Spread	Spread	2023	2023	2023	2023	2024	2024	2024	Spread	2023	2024	2024	2024	2024	2024	2024
<b>Mortgage</b>																
<b>Rate: 1</b>																
30-Year Agency																
Current Coupon Yield																
to 5-Year U.S.																
Treasury Spread																
30-Year Agency																
Current Coupon Yield																
to 5-Year U.S.																
Treasury Spread	147	175	140	139	149	+10			+9	175	140	139	149	140	-9	—
30-Year Agency																
Current Coupon Yield																
to 5-Year U.S.																
Treasury Spread	147	175	140	139	149	+10			+9	175	140	139	149	140	-9	—
30-Year Agency																
Current Coupon Yield																
to 5-Year U.S.																
Treasury Spread	147	175	140	139	149	+10			+9	175	140	139	149	140	-9	—
30-Year Agency																
Current Coupon Yield																
to 5-Year U.S.																
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30-Year Agency																
Current Coupon Yield																
to 5-Year U.S.																
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30-Year Agency																
Current Coupon Yield																
to 5-Year U.S.																
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30-Year Agency																
Current Coupon Yield																
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30-Year Agency																
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Treasury Spread	147	175	140	139	149	+10			+9	175	140	139	149	140	-9	—
30-Year Agency																
Current Coupon Yield																
to 5-Year U.S.																
Treasury Spread	147	175	140	139	149	+10			+9	175	140	139	149	140	-9	—
30-Year Agency																
Current Coupon Yield																
to 5-Year U.S.																
Treasury Spread	147	175	140	139	149	+10			+9	175	140	139	149	140	-9	—
30-Year Agency																
Current Coupon Yield																
to 5-Year U.S.																
Treasury Spread	147	175	140													

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

## FINANCIAL CONDITION

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, our investment portfolio totaled **\$66.0 billion** **\$73.1 billion** and **\$60.2 billion**, respectively, consisting of: **\$59.7 billion** **\$68.0 billion** and **\$53.8 billion** Agency RMBS, at fair value, respectively; **\$5.3 billion** **\$4.1 billion** and **\$5.4 billion** net TBA securities, at fair value, respectively; **\$0.9 billion** and **\$1.0 billion** CRT, non-Agency RMBS and CMBS, at fair value, respectively; and other mortgage credit investments of **\$60 million** **\$61 million** and **\$44 million**, respectively, which we account for under the equity method of accounting. The following table is a summary of our investment securities (including TBA securities) as of **June 30, 2024** **September 30, 2024** and December 31, 2023 (dollars in millions):

Adjustable rate Agency	Adjustable rate Agency	667	661	661	4.78	4.78 %	1 %	293	290	290	4.67	4.67 %	—	Adjustable rate Agency
RMBS	RMBS	138	139	139	4.39	4.39 %	— %	161	162	162	4.47	4.47 %	—	% RMBS
Multifamily	Multifamily													% Multifamily
CMO Agency														
RMBS:														
CMO	CMO													
CMO		114	107	107	3.30	3.30 %	— %	127	120	120	3.28	3.28 %	—	%
Interest-only strips	Interest-only strips	37	32	32	1.81	1.81 %	— %	40	35	35	1.77	1.77 %	—	%
Principal-only strips	Principal-only strips	26	24	24	—	— %	— %	27	26	26	—	— %	—	%
Total CMO Agency	Total CMO Agency	177	163	163	3.30	3.30 %	— %	194	181	181	3.28	3.28 %	1	% RMBS 3
Total Agency RMBS and TBA securities 3	Total Agency RMBS and TBA securities 3	68,006	65,040	65,040	4.94	4.94 %	99 %	61,225	59,148	59,148	4.83	4.83 %	98	% securities 3
Non-Agency RMBS 1,3	Non-Agency RMBS 1,3	17	14	14	5.31	5.31 %	— %	43	34	34	4.61	4.61 %	—	% RMBS 1,3
CMBS 3	CMBS 3	267	243	243	6.69	6.69 %	— %	303	273	273	7.27	7.27 %	—	% CMBS 3
CRT	CRT	627	683	683	11.04	11.04 %	1 %	682	723	723	10.45	10.45 %	1	% CRT
Total investment securities 3	Total investment securities 3	\$ 68,917	\$ 65,980	5.01	5.01 %	100 %	\$ 62,253	\$ 60,178	4.90	4.90 %	100	100 %		Total investment securities 3

1. Table excludes other mortgage credit investments of \$60 million \$61 million and \$44 million as of June 30, 2024 September 30, 2024 and December 31, 2023, respectively.

2. TBA securities are presented net of long and short positions. For further details of our TBA securities refer to Note 5 of our Consolidated Financial Statements in this Form 10-Q

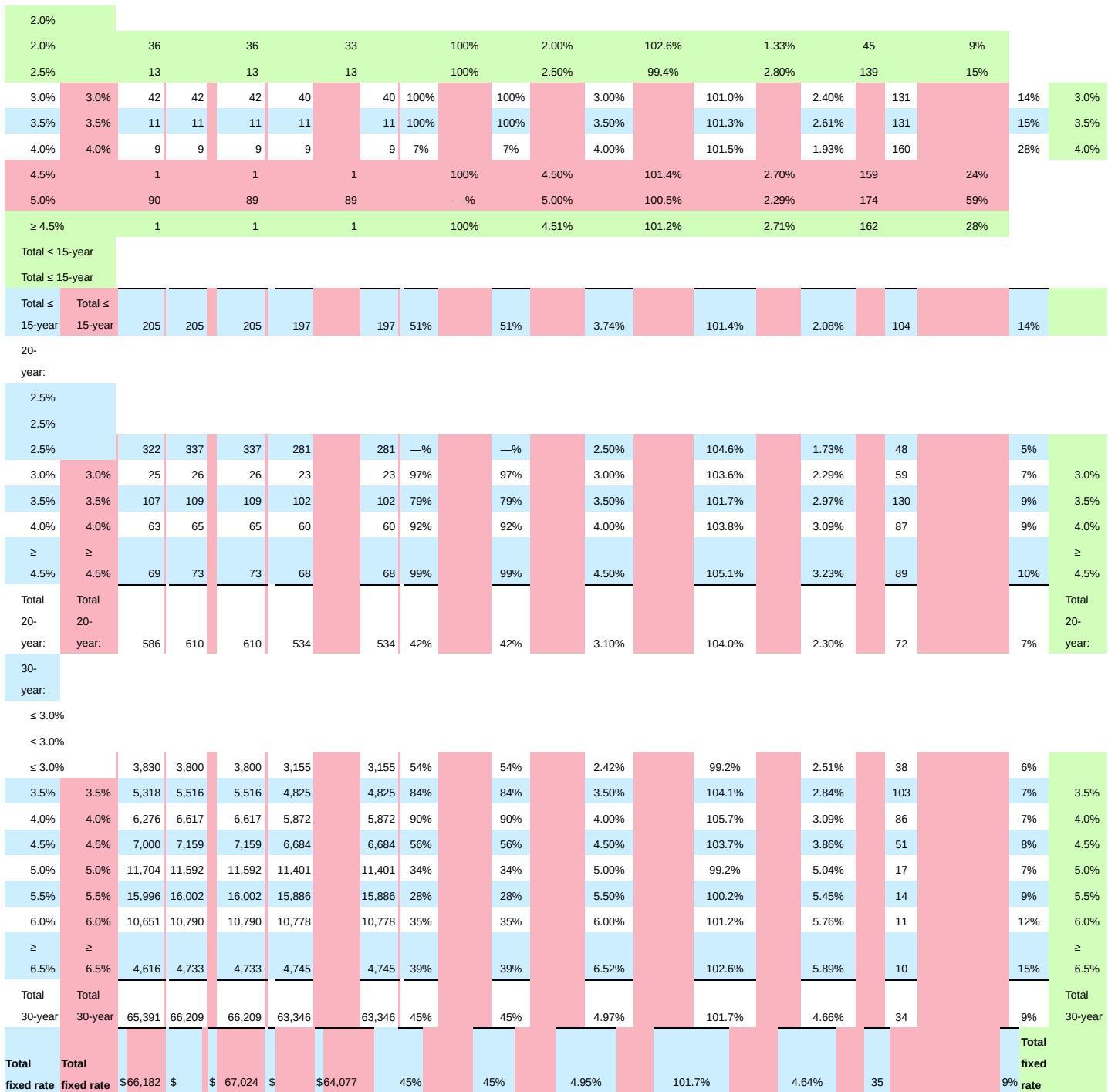
3. Average coupon excludes interest-only and principal-only securities.

TBA securities are recorded as derivative instruments in our accompanying consolidated financial statements, and our TBA dollar roll transactions represent a form of off-balance sheet financing. As of June 30, 2024 September 30, 2024 and December 31, 2023, our TBA securities had a net carrying value of \$30 million \$1 million and \$66 million, respectively, reported in derivative assets/(liabilities) on our accompanying consolidated balance sheets. The net carrying value represents the difference between the fair value of the underlying security in the TBA contract and the price to be paid or received for the underlying security.

As of June 30, 2024 September 30, 2024 and December 31, 2023, the weighted average yield on our investment securities (excluding TBA and forward settling securities) was 4.70% 4.68% and 4.41%, respectively.

The following tables summarize certain characteristics of our fixed rate Agency RMBS portfolio, inclusive of TBA securities, as of June 30, 2024 September 30, 2024 and December 31, 2023 (dollars in millions):

June 30, 2024														
Fixed Rate Agency RMBS and TBA Securities	Includes Net TBA Position					Includes Net TBA Position					Excludes Net TBA Position			
	Fixed Rate Agency RMBS and TBA Securities	Par Value	Amortized Cost	Fair Value	Specified Pool % 1	Weighted Average Coupon	Amortized Cost Basis	Weighted Average Yield 2	Projected and TBA CPR 2	Fixed Rate Agency RMBS and TBA Securities	Par Value			
≤ 15-year:														
≤ 15-year:														
≤ 15-year:														
≤ 2.5%:	52	53	47	100%	2.14%	101.7%	1.74%	68	10%					
2.0%:														



1. Specified pools include pools backed by lower balance loans with original loan balances of up to \$200K, HARP pools (defined as pools that were issued between May 2009 and December 2018 and backed by 100% refinance loans with original LTVs  $\geq$  80%), and pools backed by loans 100% originated in New York and Puerto Rico. As of June 30, 2024 September 30, 2024, lower balance specified pools had a weighted average original loan balance of \$188,000 and ~~\$153,000~~ \$147,000 for 15-year and 30-year securities, respectively, and HARP pools had a weighted average original LTV of 128% and 141% for 15-year and 30-year securities, respectively.
2. Portfolio yield incorporates a projected life CPR based on forward rate assumptions as of June 30, 2024 September 30, 2024.

December 31, 2023

Fixed Rate Agency RMBS and TBA	Includes Net TBA Position					Excludes Net TBA Position		
	Par Value	Amortized	Fair Value	Specified Pool	Weighted	Amortized	Weighted Average	Projected CDRs

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Securities	Cost		% <sup>1</sup>	Average Coupon	Cost Basis	Yield <sup>2</sup>	Age (Months)		
<b>Fixed rate</b>									
<b>≤ 15-year:</b>									
≤ 2.5%	58	59	54	100%	2.16%	101.7%	1.77%		
3.0%	442	450	423	99%	3.00%	101.5%	2.54%		
3.5%	14	14	13	100%	3.50%	101.5%	2.60%		
4.0%	229	235	227	95%	4.00%	102.8%	2.98%		
4.5%	1	1	1	99%	4.50%	101.7%	2.70%		
≥ 5.0%	90	89	91	—%	5.00%	100.9%	2.54%		
<b>Total ≤ 15-year</b>	<b>834</b>	<b>848</b>	<b>809</b>	<b>87%</b>	<b>3.44%</b>	<b>101.9%</b>	<b>2.62%</b>		
20-year:									
≤ 2.0%	219	225	188	—%	2.00%	102.6%	1.58%		
2.5%	337	352	301	—%	2.50%	104.7%	1.72%		
3.0%	27	28	25	97%	3.00%	103.6%	2.28%		
3.5%	117	119	113	79%	3.50%	101.7%	2.96%		
≥ 4.0%	142	148	141	96%	4.26%	104.3%	3.14%		
<b>Total 20-year:</b>	<b>842</b>	<b>872</b>	<b>768</b>	<b>32%</b>	<b>2.82%</b>	<b>103.6%</b>	<b>2.11%</b>		
30-year:									
≤ 3.0%	3,816	3,861	3,263	55%	2.43%	101.0%	2.28%		
3.5%	5,580	5,811	5,230	86%	3.50%	104.1%	2.84%		
4.0%	6,586	6,960	6,358	92%	4.00%	105.7%	3.08%		
4.5%	6,542	6,763	6,426	64%	4.50%	103.9%	3.83%		
5.0%	9,696	9,719	9,657	39%	5.00%	100.5%	4.91%		
5.5%	12,352	12,391	12,486	25%	5.50%	100.6%	5.39%		
6.0%	9,305	9,384	9,507	22%	6.00%	101.0%	5.71%		
≥ 6.5%	3,889	3,968	4,011	29%	6.50%	102.3%	5.78%		
<b>Total 30-year</b>	<b>57,766</b>	<b>58,857</b>	<b>56,938</b>	<b>46%</b>	<b>4.88%</b>	<b>102.2%</b>	<b>4.41%</b>		
<b>Total fixed rate</b>	<b>\$ 59,442</b>	<b>\$ 60,577</b>	<b>\$ 58,515</b>	<b>47%</b>	<b>4.83%</b>	<b>102.2%</b>	<b>4.34%</b>		

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

For additional details regarding our CRT and non-Agency securities, including credit ratings, as of **June 30, 2024** **September 30, 2024** and December 31, 2023, please refer to Note 3 of our Consolidated Financial Statements in this Form 10-Q.

## RESULTS OF OPERATIONS

### Non-GAAP Financial Measures

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

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

spread and dollar roll income available to common stockholders" includes (i) the components of "economic interest income" and "economic interest expense", plus (ii) other interest income/expense, and less (iii) total operating expenses and dividends on preferred stock (GAAP measures).

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

Specifically, in the case "net spread and dollar roll income available to common stockholders" and components of such measure, "economic interest income" and "economic interest expense," we believe the inclusion of TBA dollar roll income is meaningful as TBAs, which are accounted for under GAAP as derivative instruments with gains and losses recognized in other gain (loss) in our consolidated statement of comprehensive income, are economically equivalent to holding and financing generic Agency RMBS using short-term repurchase agreements. Similarly, we believe that the inclusion of periodic interest rate swap settlements is meaningful as interest rate swaps are the primary instrument we use to economically hedge against fluctuations in our borrowing costs and it is more indicative of our total cost of funds than interest expense alone. Additionally, we believe the exclusion of "catch-up" premium amortization adjustments is meaningful as it excludes the cumulative effect from prior reporting periods due to current changes in future prepayment expectations and, therefore, exclusion of such adjustments is more indicative of the current earnings potential of our investment portfolio.

However, because such measures are incomplete measures of our financial performance and involve differences from results computed in accordance with GAAP, they should be considered as supplementary to, and not as a substitute for, results computed in accordance with GAAP. In addition, because not all companies use identical calculations, our presentation of such non-GAAP measures may not be comparable to other similarly titled measures of other companies.

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

#### **Selected Financial Data**

The following selected financial data is derived from our interim consolidated financial statements and the notes thereto. The tables below present our condensed consolidated balance sheets as of **June 30, 2024** **September 30, 2024** and December 31, 2023 and condensed consolidated statements of comprehensive income and key statistics for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023 (in millions, except per share amounts):

	June 30, September 30, June 30, September 30, June 30, September 30,
<b>Balance Sheet Data</b>	
<b>Balance Sheet Data</b>	
<b>Balance Sheet Data</b>	
Total assets	(Unaudited)
Total assets	(Unaudited)
Total assets	(Unaudited)
Investment securities, at fair value of \$60,632 and \$54,824, respectively, and other mortgage credit investments	
Investment securities, at fair value of \$60,632 and \$54,824, respectively, and other mortgage credit investments	
Investment securities, at fair value of \$60,632 and \$54,824, respectively, and other mortgage credit investments	
Investment securities, at fair value of \$68,937 and \$54,824, respectively, and other mortgage credit investments	
Investment securities, at fair value of \$68,937 and \$54,824, respectively, and other mortgage credit investments	
Investment securities, at fair value of \$68,937 and \$54,824, respectively, and other mortgage credit investments	
Total assets	
Total assets	
Total assets	
Repurchase agreements and other debt	
Repurchase agreements and other debt	
Repurchase agreements and other debt	
Total liabilities	
Total liabilities	
Total liabilities	
Total stockholders' equity	
Total stockholders' equity	
Total stockholders' equity	
Net book value per common share <sup>1</sup>	
Net book value per common share <sup>1</sup>	
Net book value per common share <sup>1</sup>	
Tangible net book value per common share <sup>2</sup>	
Tangible net book value per common share <sup>2</sup>	
Tangible net book value per common share <sup>2</sup>	
<b>Three Months Ended June 30,</b>	

	Three Months Ended June 30,	Three Months Ended June 30,	Six Months Ended June 30,
	Three Months Ended September 30,	Three Months Ended September 30,	Nine Months Ended September 30,
<b>Statement of Comprehensive Income Data (Unaudited)</b>			
Interest income			
Interest income			
Interest income			
Interest expense			
Interest expense			
Interest expense			
Net interest income (expense)			
Net interest income (expense)			
Net interest income (expense)			
Other gain (loss), net			
Other gain (loss), net			
Other gain (loss), net			
Operating expenses			
Operating expenses			
Operating expenses			
Net income (loss)			
Net income (loss)			
Net income (loss)			
Dividends on preferred stock			
Dividends on preferred stock			
Dividends on preferred stock			
Net income (loss) available (attributable) to common stockholders			
Net income (loss) available (attributable) to common stockholders			
Net income (loss) available (attributable) to common stockholders			
Net income (loss)			
Net income (loss)			
Net income (loss)			
Other comprehensive income (loss), net			
Other comprehensive income (loss), net			
Other comprehensive income (loss), net			
Comprehensive income (loss)			
Comprehensive income (loss)			
Comprehensive income (loss)			
Dividends on preferred stock			
Dividends on preferred stock			
Dividends on preferred stock			
Comprehensive income (loss) available (attributable) to common stockholders			
Comprehensive income (loss) available (attributable) to common stockholders			
Comprehensive income (loss) available (attributable) to common stockholders			
Weighted average number of common shares outstanding - basic			
Weighted average number of common shares outstanding - basic			
Weighted average number of common shares outstanding - basic			
Weighted average number of common shares outstanding - diluted			
Weighted average number of common shares outstanding - diluted			

Weighted average number of common shares outstanding - diluted				
Net income (loss) per common share - basic				
Net income (loss) per common share - basic				
Net income (loss) per common share - basic				
Net income (loss) per common share - diluted				
Net income (loss) per common share - diluted				
Net income (loss) per common share - diluted				
Comprehensive income (loss) per common share - basic				
Comprehensive income (loss) per common share - basic				
Comprehensive income (loss) per common share - basic				
Comprehensive income (loss) per common share - diluted				
Comprehensive income (loss) per common share - diluted				
Comprehensive income (loss) per common share - diluted				
Dividends declared per common share				
Dividends declared per common share				
Dividends declared per common share				
		Three Months Ended June 30,		
		Three Months Ended June 30,		
		Three Months Ended June 30,	Six Months Ended June 30,	
		Three Months Ended September 30,		
		Three Months Ended September 30,		
		Three Months Ended September 30,	Nine Months Ended September 30,	
<b>Other Data (Unaudited) *</b>				
Average investment securities - at par				
Average investment securities - at par				
Average investment securities - at par				
Average investment securities - at cost				
Average investment securities - at cost				
Average investment securities - at cost				
Average net TBA dollar roll position - at cost				
Average net TBA dollar roll position - at cost				
Average net TBA dollar roll position - at cost				
Average total assets - at fair value				
Average total assets - at fair value				
Average total assets - at fair value				
Average repurchase agreements and other debt outstanding <sup>3</sup>				
Average repurchase agreements and other debt outstanding <sup>3</sup>				
Average repurchase agreements and other debt outstanding <sup>3</sup>				
Average stockholders' equity <sup>4</sup>				
Average stockholders' equity <sup>4</sup>				
Average stockholders' equity <sup>4</sup>				
Average tangible net book value "at risk" leverage <sup>5</sup>				
Average tangible net book value "at risk" leverage <sup>5</sup>				
Average tangible net book value "at risk" leverage <sup>5</sup>				
Tangible net book value "at risk" leverage (as of period end) <sup>6</sup>				
Tangible net book value "at risk" leverage (as of period end) <sup>6</sup>				
Tangible net book value "at risk" leverage (as of period end) <sup>6</sup>				
Economic return on tangible common equity <sup>7</sup>				
Economic return on tangible common equity <sup>7</sup>				

Economic return on tangible common equity :

Expenses % of average total assets - annualized

Expenses % of average total assets - annualized

Expenses % of average total assets - annualized

Expenses % of average assets, including average net TBA position - annualized

Expenses % of average assets, including average net TBA position - annualized

Expenses % of average assets, including average net TBA position - annualized

Expenses % of average stockholders' equity - annualized

Expenses % of average stockholders' equity - annualized

Expenses % of average stockholders' equity - annualized

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

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

#### **Economic Interest Income and Asset Yields**

The following table summarizes our economic interest income (a non-GAAP measure) for the three and **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023, which includes the combination of interest income (a GAAP measure) on our holdings reported as investment securities on our consolidated balance sheets, adjusted to exclude estimated "catch-up" premium amortization adjustments for the cumulative effect from prior reporting periods due to changes in our CPR forecast, and implied interest income on our TBA securities (dollars in millions):

	Three Months Ended June 30,		
	Three Months Ended June 30,	Three Months Ended June 30,	Six Months Ended June 30,
	Three Months Ended September 30,	Three Months Ended September 30,	Three Months Ended September 30,
2024			Nine Months Ended September 30,
Amount			Amount
		Amount	Amount

Interest income:

Interest income:

Interest income:

Cash/coupon interest income

Cash/coupon interest income

Cash/coupon interest income

Net premium amortization benefit (cost)

Net premium amortization benefit (cost)

Net premium amortization benefit (cost)

Interest income (GAAP measure)

Interest income (GAAP measure)

Interest income (GAAP measure)

Estimated "catch-up" premium amortization cost (benefit) due to change in CPR forecast

Estimated "catch-up" premium amortization cost (benefit) due to change in CPR forecast

Estimated "catch-up" premium amortization cost (benefit) due to change in CPR forecast

Interest income, excluding "catch-up" premium amortization

Interest income, excluding "catch-up" premium amortization

Interest income, excluding "catch-up" premium amortization

### TBA dollar roll income - implied interest income 1.2

### TBA dollar roll income - implied interest income 1,2

### TBA dollar roll income - implied interest income 1,2

#### Economic interest income (non-GAAP measure) 3

#### Economic interest income (non-GAAP measure) 3

#### Economic interest income (non-GAAP measure) 3

Weighted average actual portfolio CPR for investment securities held during the period

Weighted average actual portfolio CPR for investment securities held during the period

Weighted average actual portfolio CPR for investment securities held during the period

Weighted average projected CPR for the remaining life of investment securities held as of period end

Weighted average projected CPR for the remaining life of investment securities held as of period end

Weighted average projected CPR for the remaining life of investment securities held as of period end

30-year fixed rate mortgage rate as of period end.

30-year fixed rate mortgage rate as of period end.

20-year fixed rate mortgage rate as of period end

18 U.S.T. 11,600 (1989)

#### 10-year U.S. Treasury rates as of period end

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

The principal elements impacting our economic interest income are the average size of our investment portfolio and the average yield on our securities. The following table includes a summary of the estimated impact of each of these elements on our economic interest income for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** compared to the prior year period (in millions):

Nine months ended:	Total		
	Increase / (Decrease)	Portfolio Size	Asset Yield
Interest Income (GAAP measure)			
Estimated "catch-up" premium amortization due to change in CPR forecast			
Interest income, excluding "catch-up" premium amortization			
TBA dollar roll income - implied interest income			
Economic interest income, excluding "catch-up" amortization (non-GAAP measure)			

Our average investment portfolio (at cost), inclusive of TBAs, increased **12%** **10%** and **3%** **5%** for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024**, respectively, primarily due to an increase in our capital base. The average yield on our investment portfolio, including TBA implied asset yields and excluding "catch-up" premium amortization, increased **80** **53** and **73** **66** basis points for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024**, respectively, largely as a result of shifting our asset portfolio from TBA and lower coupon holdings toward a greater share of higher coupon, specified pools.

#### Leverage

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

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

Quarter	Ended	Investment Securities Repurchase Agreements and Other Debt <sup>1</sup>	Net TBA Position Long/(Short) <sup>2</sup>	Average Tangible Net Book Value "At Risk" Leverage during the Period <sup>3</sup>	Tangible Net Book Value "At Risk" Leverage as of Period End <sup>4</sup>	Investment Securities Repurchase Agreements and Other Debt <sup>1</sup>	Net TBA Position Long/(Short) <sup>2</sup>	Average Tangible Net Book Value "At Risk" Leverage during the Period <sup>3</sup>	Tangible Net Book Value "At Risk" Leverage as of Period End <sup>4</sup>
June 30, 2024									
June 30, 2024									
September 30, 2024									
September 30, 2024									
		\$59,322	\$64,585	\$63,468	\$ 2,650	\$ 4,067	7.2:1		
June 30, 2024		\$50,784	\$55,507	\$54,682	\$ 6,805	\$ 5,318	7.2:1	7.4:1	June 30, 2024
March 31, 2024	March 31, 2024	\$48,730	\$49,894	\$48,216	\$ 6,190	\$ 8,405	7.0:1	7.1:1	March 31, 2024
December 31, 2023	December 31, 2023	\$47,548	\$52,643	\$48,959	\$ 4,993	\$ 5,288	7.4:1	7.0:1	December 31, 2023
September 30, 2023	September 30, 2023	\$47,073	\$52,888	\$51,931	\$ 7,340	\$ 2,407	7.5:1	7.9:1	September 30, 2023
June 30, 2023	June 30, 2023	\$41,546	\$42,408	\$40,962	\$ 9,985	\$ 10,320	7.2:1	7.2:1	June 30, 2023
March 31, 2023	March 31, 2023	\$39,824	\$42,919	\$42,022	\$ 17,851	\$ 10,385	7.7:1	7.2:1	March 31, 2023

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

4. Tangible net book value "at risk" leverage as of period end represents the sum of our repurchase agreements and other debt used to fund acquisitions of investments securities, net TBA and forward settling securities position (at cost), and net receivable/payable for unsettled investment securities outstanding as of period end, divided by total stockholders' equity, adjusted to exclude goodwill as of period end.

### ***Economic Interest Expense and Aggregate Cost of Funds***

The following table summarizes our economic interest expense and aggregate cost of funds (non-GAAP measures) for the three and ~~six~~ nine months ended June 30, 2024 September 30, 2024 and 2023 (dollars in millions), which includes the combination of interest expense on repurchase agreements and other debt used to fund acquisitions of investment securities (GAAP measure), implied financing cost of our TBA securities and interest rate swap periodic income:

### Economic Interest Expense and Aggregate Cost of Funds 1

## Economic Interest Expense and Aggregate Cost of Funds 1

## Economic Interest Expense and Aggregate Cost of Funds 1

Investment securities repurchase agreement and other debt - interest expense (GAAP measure)
Investment securities repurchase agreement and other debt - interest expense (GAAP measure)
Investment securities repurchase agreement and other debt - interest expense (GAAP measure)
TBA dollar roll income - implied interest expense 2,3
TBA dollar roll income - implied interest expense 2,3
TBA dollar roll income - implied interest expense 2,3
Economic interest expense - before interest rate swap periodic income, net 4
Economic interest expense - before interest rate swap periodic income, net 4
Economic interest expense - before interest rate swap periodic income, net 4
Interest rate swap periodic income, net 2,5
Interest rate swap periodic income, net 2,5
Interest rate swap periodic income, net 2,5
Total economic interest expense (non-GAAP measure)
Total economic interest expense (non-GAAP measure)
Total economic interest expense (non-GAAP measure)

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

The principal elements impacting our economic interest expense are (i) the size of our average mortgage borrowings and interest rate swap portfolio outstanding during the period, (ii) the average interest rate on our mortgage borrowings and (iii) the average net interest rate paid/received on our interest rate swaps. The following table includes a summary of the estimated impact of these elements on our economic interest expense for the three and ~~six~~ nine months ended June 30, 2024 September 30, 2024 compared to the prior year period (in millions):

Impact of Changes in the Principal Elements of Economic Interest Expense	Periods ended June 30, 2024				Periods ended September 30, 2024 vs. June 30, 2023				Due to Change in Average
	2024 vs. 2023		2024 vs. 2023						
Three months ended:	Three months ended:	Total Increase / (Decrease)	Borrowing / Swap Balance	Borrowing / Swap Rate	Three months ended:	Total Increase / (Decrease)	Borrowing / Swap Balance	Borrowing / Swap Rate	

	Due to Change in Average		
	Due to Change in Average		
	Due to Change in Average		
	Total Increase / (Decrease)	Borrowing / Swap Balance	Borrowing / Swap Rate
<b>Six months ended:</b>			
Investment securities repurchase agreement and other debt interest expense			
TBA dollar roll income - implied interest expense			
Interest rate swap periodic income/cost			
Total change in economic interest expense			
<b>Nine months ended:</b>			
Investment securities repurchase agreement and other debt interest expense			
TBA dollar roll income - implied interest benefit/expense			
Interest rate swap periodic income/cost			
Total change in economic interest benefit/expense			

Our average mortgage borrowings, inclusive of TBAs, increased **12%** **14%** and **3%** **7%** for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024**, respectively, consistent with the increase in our investment portfolio. The average interest rate on our mortgage borrowings, excluding the impact interest rate swap period periodic income, increased **41.4** and **68.46** basis points for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024**, respectively, due to higher short-term interest rates.

Interest rate swap periodic income declined for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** primarily due to higher pay rates on our pay-fixed swaps **which were partly offset** **largely driven** by **higher receive rates**, **the maturity of low cost interest swaps**. The following is a summary of our average interest rate swaps outstanding and their average pay and receive rates for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** (dollars in millions). Amounts exclude forward starting swaps not yet in effect.

	Three Months Ended June 30,	Three Months Ended June 30,	Three Months Ended June 30,	Six Months Ended June 30,	Three Months Ended September 30,	Three Months Ended September 30,	Three Months Ended September 30,	Nine Months Ended September 30,

#### Average Ratio of Interest Rate Swaps (Excluding Forward Starting Swaps) to Mortgage Borrowings Outstanding

Average investment securities repo and other debt outstanding

Average investment securities repo and other debt outstanding

Average investment securities repo and other debt outstanding

Average net TBA dollar roll position outstanding - at cost

Average net TBA dollar roll position outstanding - at cost

Average net TBA dollar roll position outstanding - at cost

Average mortgage borrowings outstanding

Average mortgage borrowings outstanding

Average mortgage borrowings outstanding

Average notional amount of interest rate swaps outstanding (excluding forward starting swaps), net

Average notional amount of interest rate swaps outstanding (excluding forward starting swaps), net

Average notional amount of interest rate swaps outstanding (excluding forward starting swaps), net

Ratio of average interest rate swaps to mortgage borrowings outstanding

Ratio of average interest rate swaps to mortgage borrowings outstanding

Ratio of average interest rate swaps to mortgage borrowings outstanding

Average interest rate swap pay-fixed rate (excluding forward starting swaps)
Average interest rate swap pay-fixed rate (excluding forward starting swaps)
Average interest rate swap pay-fixed rate (excluding forward starting swaps)
Average interest rate swap receive-floating rate
Average interest rate swap receive-floating rate
Average interest rate swap receive-floating rate
Average interest rate swap net pay/(receive) rate
Average interest rate swap net pay/(receive) rate
Average interest rate swap net pay/(receive) rate

For the three and **six** nine months ended **June 30, 2024** **September 30, 2024**, we had an average forward starting net pay-fixed rate swap balance of **\$1.8 billion** **\$1 million** and **\$0.7 billion** **\$474 million**, respectively. For the three and **six** nine months ended **June 30, 2023** **September 30, 2023**, we had an average forward starting net pay and (receive) fixed rate swap balance of **\$(12)** **\$(928)** million and **\$(45 million)**, **\$(294) million**, respectively. Forward starting interest rate swaps do not impact our economic interest expense and aggregate cost of funds until they commence accruing net interest settlements on their forward start dates.

#### Net Interest Spread

The following table presents a summary of our net interest spread (including the impact of TBA dollar roll income, interest rate swaps and excluding "catch-up" premium amortization) for the three and **six** nine months ended **June 30, 2024** **September 30, 2024** and 2023:

	Three Months Ended June 30, Three Months Ended June 30,	Three Months Ended June 30, Three Months Ended September 30, Three Months Ended September 30,	Six Months Ended June 30,	Nine Months Ended September 30,
<b>Investment and TBA Securities - Net Interest Spread</b>				
Average asset yield				
Average asset yield				
Average asset yield				
Average aggregate cost of funds				
Average aggregate cost of funds				
Average aggregate cost of funds				
Average net interest spread				
Average net interest spread				
Average net interest spread				

#### Net Spread and Dollar Roll Income

The following table presents a reconciliation of net spread and dollar roll income available to common stockholders (non-GAAP measure) from comprehensive income (loss) available (attributable) to common stockholders (the most comparable GAAP financial measure) for the three and **six** nine months ended **June 30, 2024** **September 30, 2024** and 2023 (dollars in millions):

	Three Months Ended June 30, Three Months Ended June 30,	Three Months Ended June 30, Three Months Ended September 30, Three Months Ended September 30,	Six Months Ended June 30,	Nine Months Ended September 30,
<b>2024</b>				
Comprehensive income (loss) available (attributable) to common stockholders				
Comprehensive income (loss) available (attributable) to common stockholders				
Comprehensive income (loss) available (attributable) to common stockholders				
Adjustments to exclude realized and unrealized (gains) losses reported through net income:				
Adjustments to exclude realized and unrealized (gains) losses reported through net income:				
Adjustments to exclude realized and unrealized (gains) losses reported through net income:				
Realized loss on sale of investment securities, net				
Realized loss on sale of investment securities, net				
Realized loss on sale of investment securities, net				
Realized (gain) loss on sale of investment securities, net				
Realized (gain) loss on sale of investment securities, net				

Realized (gain) loss on sale of investment securities, net
Unrealized (gain) loss on investment securities measured at fair value through net income, net
Unrealized (gain) loss on investment securities measured at fair value through net income, net
Unrealized (gain) loss on investment securities measured at fair value through net income, net
Gain on derivative instruments and other securities, net
Gain on derivative instruments and other securities, net
Gain on derivative instruments and other securities, net
(Gain) loss on derivative instruments and other securities, net
(Gain) loss on derivative instruments and other securities, net
(Gain) loss on derivative instruments and other securities, net
<b>Adjustment to exclude unrealized (gain) loss reported through other comprehensive income:</b>
<b>Adjustment to exclude unrealized (gain) loss reported through other comprehensive income:</b>
<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
Unrealized (gain) loss on available-for-sale securities measure at fair value through other comprehensive income, net
Unrealized (gain) loss on available-for-sale securities measure at fair value through other comprehensive income, net
<b>Other adjustments:</b>
<b>Other adjustments:</b>
<b>Other adjustments:</b>
Estimated "catch-up" premium amortization cost (benefit) due to change in CPR forecast <sup>1</sup>
Estimated "catch-up" premium amortization cost (benefit) due to change in CPR forecast <sup>1</sup>
Estimated "catch-up" premium amortization cost (benefit) due to change in CPR forecast <sup>1</sup>
TBA dollar roll income, net <sup>2</sup>
TBA dollar roll income, net <sup>2</sup>
TBA dollar roll income, net <sup>2</sup>
Interest rate swap periodic income (cost), net <sup>2</sup>
Interest rate swap periodic income (cost), net <sup>2</sup>
Interest rate swap periodic income (cost), net <sup>2</sup>
Other interest income (expense), net <sup>2,3</sup>
Other interest income (expense), net <sup>2,3</sup>
Other interest income (expense), net <sup>2,3</sup>
<b>Net spread and dollar roll income available to common stockholders (non-GAAP measure) <sup>4</sup></b>
<b>Net spread and dollar roll income available to common stockholders (non-GAAP measure) <sup>4</sup></b>
<b>Net spread and dollar roll income available to common stockholders (non-GAAP measure) <sup>4</sup></b>
Weighted average number of common shares outstanding - basic
Weighted average number of common shares outstanding - basic
Weighted average number of common shares outstanding - basic
Weighted average number of common shares outstanding - diluted
Weighted average number of common shares outstanding - diluted
Weighted average number of common shares outstanding - diluted
Net spread and dollar roll income per common share - basic
Net spread and dollar roll income per common share - basic
Net spread and dollar roll income per common share - basic
Net spread and dollar roll income per common share - diluted
Net spread and dollar roll income per common share - diluted
Net spread and dollar roll income per common share - diluted
Net spread and dollar roll income per common share - diluted

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

#### **Gain (Loss) on Investment Securities, Net**

The following table is a summary of our net gain (loss) on investment securities for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023 (in millions):

Gain (Loss) on Investment Securities, Net <sup>1</sup>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Loss on sale of investment securities, net	\$(115)	\$(255)	\$(206)	\$(336)
Unrealized (loss) gain on investment securities measured at fair value through net income, net <sup>2</sup>	(261)	(363)	(732)	231
Unrealized (loss) gain on investment securities measured at fair value through other comprehensive income, net	(18)	(65)	(95)	77
Total loss on investment securities, net	\$(394)	\$(683)	\$(1,033)	\$(28)

Gain (Loss) on Investment Securities, Net <sup>1</sup>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Gain (loss) on sale of investment securities, net	106	(534)	(100)	(870)
Unrealized gain (loss) on investment securities measured at fair value through net income, net <sup>2</sup>	1,742	(1,356)	1,010	(1,125)
Unrealized gain (loss) on investment securities measured at fair value through other comprehensive income, net	200	(213)	105	(136)
Total gain (loss) on investment securities, net	2,048	(2,103)	1,015	(2,131)

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

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

The following table is a summary of our gain (loss) on derivative instruments and other securities, net for the three and <sup>six</sup><sup>nine</sup> months ended **June 30, 2024** **September 30, 2024** and 2023 (in millions):

	Three Months Ended June 30,	Three Months Ended June 30,	Six Months Ended June 30,
	Three Months Ended June 30,	Three Months Ended June 30,	
	Three Months Ended September 30,	Three Months Ended September 30,	
	Three Months Ended September 30,	Three Months Ended September 30,	Nine Months Ended September 30,
TBA securities, dollar roll income			
TBA securities, dollar roll income			
TBA securities, dollar roll income			
TBA securities, mark-to-market loss			
TBA securities, mark-to-market loss			
TBA securities, mark-to-market loss			
TBA securities, mark-to-market gain (loss)			
TBA securities, mark-to-market gain (loss)			
TBA securities, mark-to-market gain (loss)			
Interest rate swaps, periodic income (cost)			
Interest rate swaps, periodic income			
Interest rate swaps, periodic income (cost)			
Interest rate swaps, periodic income			
Interest rate swaps, periodic income (cost)			
Interest rate swaps, periodic income			
Interest rate swaps, mark-to-market gain (loss)			
Interest rate swaps, mark-to-market gain (loss)			
Interest rate swaps, mark-to-market gain (loss)			
Credit default swaps - buy protection			
Credit default swaps - buy protection			
Credit default swaps - buy protection			
Payer swaptions			
Payer swaptions			

Payer swaptions
U.S. Treasury securities - short position
U.S. Treasury securities - short position
U.S. Treasury securities - short position
U.S. Treasury securities - long position
U.S. Treasury securities - long position
U.S. Treasury securities - long position
U.S. Treasury futures contracts - short position
U.S. Treasury futures contracts - short position
U.S. Treasury futures contracts - short position
SOFR futures contracts - long position
SOFR futures contracts - long position
SOFR futures contracts - long position
Other interest income (expense), net
Other interest income (expense), net
Other interest income (expense), net
Other gain (loss), net
Other gain (loss), net
Other gain (loss), net
Other interest income (expense)
Other interest income (expense)
Other interest income (expense)
Other gain (loss)
Other gain (loss)
Other gain (loss)
Total gain (loss) on derivative instruments and other securities, net
Total gain (loss) on derivative instruments and other securities, net
Total gain (loss) on derivative instruments and other securities, net

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

## LIQUIDITY AND CAPITAL RESOURCES

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

### Leverage and Financing Sources

Our leverage will vary depending on market conditions and our assessment of relative risks and returns, but we generally expect our leverage to be between six and twelve times the amount of our tangible stockholders' equity, measured as the sum of our total mortgage borrowings and net payable / (receivable) for unsettled investment securities, divided by the sum of our total stockholders' equity adjusted to exclude goodwill. Our tangible net book value "at risk" leverage ratio was 7.4x 7.2x and 7.0x as of **June 30, 2024** **September 30, 2024** and December 31, 2023, respectively. The following table includes a summary of our mortgage borrowings outstanding as of **June 30, 2024** **September 30, 2024** and December 31, 2023 (dollars in millions). For additional details of our mortgage borrowings refer to Notes 2, 4 and 5 to our Consolidated Financial Statements in this Form 10-Q.

Mortgage Borrowings	Mortgage Borrowings	June 30,		December 31,		Mortgage Borrowings	June 30,		December 31,		Mortgage Borrowings		
		2024		2023			September 30, 2024		2023				
		Amount	%	Amount	%		Amount	%	Amount	%			
Investment securities repurchase agreements <sup>1,2</sup>	Investment securities repurchase agreements <sup>1,2</sup>	\$54,611	91	\$48,879	90	Investment securities repurchase agreements <sup>1,2</sup>	\$63,399	94	\$48,879	90			

Debt of consolidated variable interest entities, at fair value	Debt of consolidated variable interest entities, at fair value	71	—	— %	80	—	—	Debt of consolidated variable interest entities, at fair value	69	—	— %	80	—	— %
Total debt	Total debt	54,682	91	91 %	48,959	90	90	% Total debt	63,468	94	94 %	48,959	90	90 %
TBA and forward settling non-Agency securities, at cost	TBA and forward settling non-Agency securities, at cost	5,318	9	9 %	5,288	10	10	% Agency securities, at cost	4,067	6	6 %	5,288	10	10 %
Total mortgage borrowings	Total mortgage borrowings	\$60,000	100	100 %	\$54,247	100	100	% Total mortgage borrowings	\$ 67,535	100	100 %	\$54,247	100	100 %

1. Includes Agency RMBS, CRT and non-Agency MBS repurchase agreements. Excludes U.S. Treasury repurchase agreements totaling **\$2.3 billion** \$2.6 billion and \$1.5 billion as of **June 30, 2024** September 30, 2024 and December 31, 2023, respectively.
2. As of **June 30, 2024** September 30, 2024 and December 31, 2023, **42%** 47% and 43%, respectively, of our total repurchase agreements, including **44%** 49% and 45% of our investment securities repurchase agreements, respectively, were funded through the Fixed Income Clearing Corporation's GCF Repo service.

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

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

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

#### Collateral Requirements and Unencumbered Assets

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

The collateral requirements, or haircut levels, under our repo agreements are typically determined on an individual transaction basis or by the prevailing requirements established by the FICC for GCF tri-party repo. Consequently, haircut levels and minimum margin requirements can change over time and may increase during periods of elevated market volatility. If the fair value of our collateral declines, our counterparties will typically require that we post additional collateral to re-establish the agreed-upon collateral levels, referred to as "margin calls." Similarly, if the estimated fair value of our investment securities increases, we may request that counterparties release collateral back to us. Our counterparties typically have the sole discretion to determine the value of pledged collateral but are required to act in good faith in making determinations of value. Our agreements generally provide that in the event of a margin call, collateral must be posted on the same business day, subject to notice requirements. As of **June 30, 2024** September 30, 2024, we had met all our margin requirements.

The value of Agency RMBS collateral is impacted by market factors and is reduced by monthly principal pay-downs on the underlying mortgage pools. Fannie Mae and Freddie Mac publish monthly security pay-down factors for their mortgage pools on the fifth day after month-end, but do not remit payment to security holders until generally the 25th day after month-end. Bi-lateral repo counterparties assess margin to account for the reduction in value of Agency collateral when factors are released. The FICC assesses margin on the last day of each month, prior to the factor release date, based on its internally projected pay-down rates (referred to as the "blackout period exposure adjustment" or "blackout margin"). On the factor release date, the blackout margin is released and collateralization requirements are adjusted to actual factor data. Due to the timing difference between associated margin calls and our receipt of principal pay-downs, our liquidity is temporarily reduced each month for principal repayments. We attempt to manage the liquidity risk associated with principal pay-downs by monitoring conditions impacting prepayment rates and through asset selection. As of **June 30, 2024** September 30, 2024, approximately **8%** 6% of our investment portfolio consisted of TBA securities, which are not subject to monthly principal pay-downs. The remainder of our portfolio primarily consisted of Agency RMBS, which had an average one-year CPR forecast of **7%** 14% as of **September 30, 2024**.

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

Haircut levels and minimum margin requirements imposed by our counterparties reduce the amount of our unencumbered assets and limit the amount we can borrow against our investment securities. During the **six** nine months ended **June 30, 2024** September 30, 2024, haircuts on our repo funding arrangements remained stable. As of **June 30, 2024** September 30, 2024, the weighted average haircut on our repurchase agreements was approximately **3.0%** 2.9% of the value of our collateral, compared to 3.1% as of December 31, 2023.

To mitigate the risk of margins calls, we seek to maintain excess liquidity by holding unencumbered liquid assets that can be used to satisfy collateral requirements, collateralize additional borrowings or sold for cash. As of **June 30, 2024** **September 30, 2024**, our unencumbered assets totaled approximately **\$5.3 billion** **\$6.3 billion**, or **66%** **69%** of tangible equity, consisting of **\$5.3 billion** **\$6.2 billion** of unencumbered cash and unencumbered Agency RMBS and \$0.1 billion of unencumbered credit assets. This compares to \$5.2 billion of unencumbered assets, or 67% of tangible equity, as of December 31, 2023, consisting of \$5.1 billion of unencumbered cash and unencumbered Agency RMBS and \$0.1 billion of unencumbered credit assets.

#### **Counterparty Risk**

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

As of **June 30, 2024** **September 30, 2024**, our maximum amount at risk (or the excess/shortfall of the value of collateral pledged/received over our repurchase agreement liabilities/reverse repurchase agreement receivables) with any of our repurchase agreement counterparties, excluding the FICC, was less than 2% of our tangible stockholders' equity, with our top five repo counterparties, excluding the FICC, representing less than 6% **5%** of our tangible stockholders' equity. As of **June 30, 2024** **September 30, 2024**, **6%** **7%** of our tangible stockholder's equity was at risk with the FICC. Excluding central clearing exchanges, as of **June 30, 2024** **September 30, 2024**, our amount at risk with any counterparty to our derivative agreements was less than 1% of our stockholders' equity.

#### **Asset Sales**

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

#### **Capital Markets**

The equity capital markets serve as a source of capital to grow our business and to meet potential liquidity needs of our business. The availability of equity capital is dependent on market conditions and investor demand for our common and preferred stock. We will typically not issue common stock at times when we believe the capital raised will not be accretive to our tangible net book value or earnings, and we will typically not issue preferred equity when its cost exceeds acceptable hurdle rates of return on our equity. We may also be unable to raise additional equity capital at suitable times or on favorable terms. Furthermore, when the trading price of our common stock is less than our then-current estimate of our tangible net book value per common share, among other conditions, we may repurchase shares of our common stock pursuant to the stock repurchase plan authorized by our Board of Directors, which **has** as of the end of the third quarter had \$1 billion in remaining capacity and **expires** was set to expire on December 31, 2024. Please refer to **Note 9** and **Note 10** of our Consolidated Financial Statements in this Form 10-Q for further details regarding our recent equity capital transactions if any, and additional information about amendments to our At-the-Market Offering Program and the reauthorization of our stock repurchase plan through December 31, 2026.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

As of **June 30, 2024** **September 30, 2024**, we did not maintain relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance, or special purpose or variable interest entities, established to facilitate off-balance sheet arrangements or other contractually narrow or limited purposes. Additionally, as of **June 30, 2024** **September 30, 2024**, we had not guaranteed obligations of unconsolidated entities or entered into a commitment or intent to provide funding to such entities.

#### **FORWARD-LOOKING STATEMENTS**

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

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

- changes in U.S. monetary policy or interest rates, including actions taken by the Federal Reserve to normalize monetary policy and to reduce the size of its U.S. Treasury and Agency RMBS bond portfolio;
- fluctuations in the yield curve;
- the level, degree and extent of volatility in interest rates or the yield on our assets relative to interest rate benchmarks;
- fluctuations in mortgage prepayment rates on the loans underlying our Agency RMBS;
- the availability and terms of financing and our hedge positions;
- changes in the market value of our assets, including from changes in net interest spreads, market liquidity or depth, and changes in our "at risk" leverage or hedge positions;
- the effectiveness of our risk mitigation strategies;
- conditions in the market for Agency RMBS and other mortgage securities, including changes in the available supply of such securities or investor appetite therefor;
- actions by the federal, state, or local governments that affect the economy, the housing sector or financial markets;

- the direct or indirect effects of geopolitical events, including war, terrorism, civil discord, embargos, trade or other disputes, or natural disasters, on conditions in the markets for Agency RMBS or other mortgage securities, the terms or availability of funding for our business, or our ongoing business operations;
- the availability of personnel, operational resources, information technology and other systems to conduct our operations;
- changes to laws, regulations, rules or policies that affect U.S. housing finance activity, the GSE's or the markets for Agency RMBS; and
- legislative or regulatory changes that affect our status as a REIT, our exemption from the Investment Company Act of 1940 or the mortgage markets in which we participate.

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

#### WEBSITE AND SOCIAL MEDIA DISCLOSURE

We use our website ([www.AGNC.com](http://www.AGNC.com)) and AGNC's LinkedIn ([www.linkedin.com/company/agnc-investment-corp/](http://www.linkedin.com/company/agnc-investment-corp/)) and X ([www.x.com/AGNCInvestment](http://www.x.com/AGNCInvestment)) 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 or any other report filed with or furnished to the SEC. Investors and others may automatically receive emails and information about AGNC when they sign up for investor alerts on the "Investor Resources" tab of the Investor Relations section of our website.

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

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

##### Interest Rate Risk

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

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

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

We estimate the duration and convexity of our assets using a third-party risk management system and market data. We review the estimates for reasonableness, giving consideration to any unique characteristics of our securities, market conditions and other factors likely to impact these estimates, and based on our judgement we may make adjustments to the third-party estimates. Our estimated duration gap, which is a measure of the difference between the interest rate sensitivity of our assets and our liabilities, inclusive of interest rate hedges, was **0.1** **0.2** years as of **June 30, 2024** **September 30, 2024**, compared to -0.5 years as of December 31, 2023.

The table below quantifies the estimated changes in the fair value of our investment portfolio (including derivatives and other securities used for hedging purposes) and in our tangible net book value per common share as of **June 30, 2024** **September 30, 2024** and December 31, 2023 should interest rates go up or down by 25, 50 and 75 basis points, assuming instantaneous parallel shifts in the yield curve and including the impact of both duration and convexity. All values in the table below are measured as percentage changes from the base interest rate scenario. The base interest rate scenario assumes interest rates and prepayment projections as of **June 30, 2024** **September 30, 2024** and December 31, 2023.

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

Interest Rate Sensitivity <sup>1,2</sup>											
		June 30, 2024		December 31, 2023							
		September 30, 2024		December 31, 2023							
Change in Interest Rate	Change in Interest Rate	Estimated Change in Portfolio Market Value	Estimated Change in Tangible Net Book Value Per Common Share	Estimated Change in Portfolio Market Value	Estimated Change in Tangible Net Book Value Per Common Share	Estimated Change in Interest Rate	Estimated Change in Portfolio Market Value	Estimated Change in Tangible Net Book Value Per Common Share	Estimated Change in Interest Rate	Estimated Change in Portfolio Market Value	Estimated Change in Tangible Net Book Value Per Common Share
in Interest	in Interest	Estimated Change in Portfolio Market Value	Estimated Change in Tangible Net Book Value Per Common Share	Estimated Change in Portfolio Market Value	Estimated Change in Tangible Net Book Value Per Common Share	Estimated Change in Interest Rate	Estimated Change in Portfolio Market Value	Estimated Change in Tangible Net Book Value Per Common Share	Estimated Change in Interest Rate	Estimated Change in Portfolio Market Value	Estimated Change in Tangible Net Book Value Per Common Share

-75 Basis Points										
-75 Basis Points										
-75 Basis Points	-0.2%	-2.3%	-0.7%		-7.0%		-0.3%	-2.4%	-0.7%	-7.0%
-50 Basis Points	-50 Points					-50 Basis Points				
-25 Basis Points	-25 Points	-0.1%	-0.6%	-0.4%		-3.8%	-0.1%	-0.6%	-0.4%	-3.8%
+25 Basis Points	+25 Points	0.0%	+0.1%	-0.1%		-1.5%	0.0%	+0.2%	-0.1%	-1.5%
+50 Basis Points	+50 Points	-0.1%	-0.8%	+0.1%		+0.7%	-0.1%	-1.1%	+0.1%	+0.7%
+75 Basis Points	+75 Points	-0.2%	-2.4%	+0.1%		+0.7%	-0.3%	-3.1%	+0.1%	+0.7%
0.0%	0.0%	+75 Basis Points				-0.6%	-5.9%			0.0%

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

#### Prepayment Risk and Extension Risk

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

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

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

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, our investment securities (excluding TBAs) had a weighted average projected CPR of **9.2%** **13.2%** and 11.4%, respectively, and a weighted average yield of **4.70%** **4.68%** and 4.41%, respectively. The table below presents estimated weighted average projected CPRs and yields for our investment securities should interest rates go up or down instantaneously by 25, 50 and 75 basis points. Estimated yields exclude the impact of retroactive "catch-up" premium amortization adjustments for prior periods due to changes in the projected CPR assumption.

Interest Rate Sensitivity 1											
		June 30, 2024		December 31, 2023							
		September 30, 2024		December 31, 2023							
Change in Interest Rate	Change in Interest Rate	Weighted Average Projected CPR	Weighted Average Asset Yield 2	Weighted Average Projected CPR	Weighted Average Asset Yield 2	Change in Interest Rate	Weighted Average Projected CPR	Weighted Average Asset Yield 2	Weighted Average Projected CPR	Weighted Average Asset Yield 2	
-75 Basis Points		14.7%	4.62%	17.8%	4.33%		22.6%	4.54%	17.8%	4.33%	
-50 Basis Points	-50 Basis Points	12.4%	4.64%	15.4%	4.36%	-50 Basis Points	19.1%	4.58%	15.4%	4.36%	
-25 Basis Points	-25 Basis Points	10.5%	4.67%	13.2%	4.39%	-25 Basis Points	15.9%	4.63%	13.2%	4.39%	
Actual as of Period End	Actual as of Period End	9.2%	4.70%	11.4%	4.41%	Actual as of Period End	13.2%	4.68%	11.4%	4.41%	
+25 Basis Points	+25 Basis Points	8.1%	4.71%	9.7%	4.44%	+25 Basis Points	10.7%	4.71%	9.7%	4.44%	
+50 Basis Points	+50 Basis Points	7.5%	4.72%	8.5%	4.46%	+50 Basis Points	9.0%	4.74%	8.5%	4.46%	

+75 Basis Points	+75 Basis Points	7.1%	4.73%	7.7%	4.47%	+75 Basis Points	7.9%	4.77%	7.7%	4.47%
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1. Derived from models that are dependent on inputs and assumptions and assumes a static portfolio. Actual results could differ materially from these estimates. Table excludes TBA securities.
2. Asset yield based on historical cost basis and does not include the impact of retroactive "catch-up" premium amortization adjustments due to changes in projected CPR.

### Spread Risk

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

Fluctuations in mortgage spreads can occur due to a variety of factors, including changes in interest rates, prepayment expectations, actual or anticipated monetary policy actions by the U.S. and foreign central banks, liquidity conditions, required rates of returns on different assets and other market supply and demand factors. The table below quantifies the estimated changes in the fair value of our assets, net of hedges, and our tangible net book value per common share as of **June 30, 2024** **September 30, 2024** and December 31, 2023 should spreads widen or tighten by 10, 25 and 50 basis points. The estimated impact of changes in spreads is in addition to our interest rate shock sensitivity included in the interest rate shock table above. The table below assumes a spread duration of **4.9** **4.6** and 4.7 years as of **June 30, 2024** **September 30, 2024** and December 31, 2023, respectively, based on interest rates and prices as of such dates; however, our portfolio's sensitivity to mortgage spread changes will vary with changes in interest rates and in the size and composition of our portfolio. Therefore, actual results could differ materially from our estimates.

Spread Sensitivity <sup>1,2</sup>										
		December 31,								
		June 30, 2024		2023			September 30, 2024		2023	
Change in MBS Spread	Change in MBS Spread	Estimated Change in Portfolio Market Value	Estimated Change in Tangible Net Book Value Per Common Share	Estimated Change in Portfolio Market Value	Estimated Change in Tangible Net Book Value Per Common Share	Change in MBS Spread	Estimated Change in Portfolio Market Value	Estimated Change in Tangible Net Book Value Per Common Share	Estimated Change in Portfolio Market Value	Estimated Change in Tangible Net Book Value Per Common Share
-50 Basis Points	-50 Basis Points	+2.5%	+25.2%	+2.3%	+23.1%	-50 Basis Points	+2.3%	+22.4%	+2.3%	+23.1%
-25 Basis Points	-25 Basis Points	+1.2%	+12.6%	+1.2%	+11.6%	-25 Basis Points	+1.1%	+11.2%	+1.2%	+11.6%
-10 Basis Points	-10 Basis Points	+0.5%	+5.0%	+0.5%	+4.6%	-10 Basis Points	+0.5%	+4.5%	+0.5%	+4.6%
+10 Basis Points	+10 Basis Points	-0.5%	-5.0%	-0.5%	-4.6%	+10 Basis Points	-0.5%	-4.5%	-0.5%	-4.6%
+25 Basis Points	+25 Basis Points	-1.2%	-12.6%	-1.2%	-11.6%	+25 Basis Points	-1.1%	-11.2%	-1.2%	-11.6%
+50 Basis Points	+50 Basis Points	-2.5%	-25.2%	-2.3%	-23.1%	+50 Basis Points	-2.3%	-22.4%	-2.3%	-23.1%

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

### Liquidity Risk

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

As of **June 30, 2024** **September 30, 2024**, we believe that we have sufficient liquidity and capital resources available to execute our business strategy (see *Liquidity and Capital Resources* in this Form 10-Q for additional details). However, should the value of our collateral or the value of our derivative instruments suddenly decrease, or margin requirements increase, we may be required to post additional collateral for these arrangements, causing an adverse change in our liquidity position. Furthermore, there is no assurance that we will always be able to renew (or roll) our short-term funding liabilities. In addition, our counterparties have the option to increase our haircuts (margin requirements) on the assets we pledge against our funding liabilities, thereby reducing the amount that can be borrowed against an asset even if they agree to renew or roll our funding liabilities. Significantly higher haircuts can reduce our ability to leverage our portfolio or may even force us to sell assets, especially if correlated with asset price declines or faster prepayment rates on our assets.

## **Credit Risk**

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

We accept credit exposure related to our credit sensitive assets at levels we deem prudent within the context of our overall investment strategy. We attempt to manage this risk through careful asset selection, pre-acquisition due diligence, post-acquisition performance monitoring, and the sale of assets where we identify negative credit trends. We may also manage credit risk with credit default swaps or other financial derivatives that we believe are appropriate. Additionally, we may vary the mix of our interest rate and credit sensitive assets or our duration gap to adjust our credit exposure and/or improve the return profile of our assets, such as when we believe credit performance is inversely correlated with changes in interest rates. Our credit risk related to derivative and repurchase agreement transactions is largely mitigated by limiting our counterparties to major financial institutions with acceptable credit ratings or to registered central clearinghouses and monitoring concentration levels with any one counterparty. We also continuously monitor and adjust the amount of collateral pledged based on changes in market value. However, our efforts to manage credit risk may be unsuccessful and we could suffer losses as a result. Excluding central clearing exchanges, as of **June 30, 2024** **September 30, 2024**, our maximum amount at risk with any counterparty related to our repurchase agreements and derivative agreements was **less than 2%** and less than 1%, respectively, of tangible stockholders' equity.

## **Item 4. Controls and Procedures**

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

We, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of **June 30, 2024** **September 30, 2024**. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective.

## **Changes in Internal Control over Financial Reporting**

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

## **PART II. OTHER INFORMATION**

### **Item 1. Legal Proceedings**

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

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

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

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

None.

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

None.

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

Not applicable.

### **Item 5. Other Information**

During the **three months** fiscal quarter ended **June 30, 2024** **September 30, 2024**, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) informed us of the adoption or termination of a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are arrangement" (as each term is defined in Regulation S-K, Item 408, except as follows:

On August 27, 2024, Peter Federico, our President and Chief Executive Officer and director, adopted a Rule 10b5-1 trading arrangement intended to satisfy the affirmative defense of Rule 10b5-1(c) providing for the sale of up to 145,000 shares of our common stock. The trading arrangement will expire on August 20, 2025 or earlier if all transactions under the trading arrangement are completed.

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

#### **(a) Exhibit Index**

##### **Exhibit No. Description**

\*3.1 AGNC Investment Corp. Amended and Restated Certificate of Incorporation, as amended, incorporated by reference from Exhibit 3.1 of Form 10-K for the year ended December 31, 2021 (File No. 001-34057), filed February 23, 2022.

- \*3.2 AGNC Investment Corp. Amended and Restated Bylaws, as amended, incorporated herein by reference to Exhibit 3.1 of Form 8-K (File No. 001-34057), filed July 21, 2023.
- \*3.3 Certificate of Designations of 7.00% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, incorporated herein by reference to Exhibit 3.5 of Form 8-A (File No. 001-34057), filed August 18, 2017.
- \*3.4 Certificate of Elimination of 8.000% Series A Cumulative Redeemable Preferred Stock, incorporated herein by reference to Exhibit 3.1 of Form 8-K (File No 001-34057), filed October 26, 2017.
- \*3.5 Certificate of Designations of 6.875% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, incorporated herein by reference to Exhibit 3.5 of Form 8-A (File No 001-34057), filed March 6, 2019.
- \*3.6 Certificate of Designations of 6.50% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, incorporated herein by reference to Exhibit 3.6 of Form 8-A (File No 001-34057), filed October 3, 2019.
- \*3.7 Certificate of Elimination of 7.750% Series B Cumulative Redeemable Preferred Stock, incorporated herein by reference to Exhibit 3.1 of Form 8-K (File No 001-34057), filed December 13, 2019.
- \*3.8 Certificate of Designations of 6.125% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, incorporated herein by reference to Exhibit 3.6 of Form 8-A (File No 001-34057), filed February 11, 2020.
- \*3.9 Certificate of Designations of 7.75% Series G Fixed-Rate Reset Cumulative Redeemable Preferred Stock, incorporated herein by reference to Exhibit 3.7 of Form 8-A (File No 001-34057), filed September 14, 2022.
- \*4.1 Instruments defining the rights of holders of securities: See Article IV of our Amended and Restated Certificate of Incorporation, as amended, incorporated herein by reference to Exhibit 3.1 of Form 10-K for the year ended December 31, 2021 (File No. 001-34057), filed February 23, 2022.
- \*4.2 Instruments defining the rights of holders of securities: See Article VI of our Amended and Restated Bylaws, as amended, incorporated herein by reference to Exhibit 3.1 of Form 8-K, filed July 21, 2023.
- \*4.3 Form of Certificate for Common Stock, incorporated herein by reference to Exhibit 4.3 of Form 10-Q for the quarter ended September 30, 2022 (File No. 001-34057), filed November 7, 2022.
- \*4.4 Specimen 7.00% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock Certificate, incorporated herein by reference to Exhibit 4.1 of Form 8-A (File No. 001-34057), filed August 18, 2017.
- \*4.5 Specimen 6.875% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock Certificate, incorporated herein by reference to Exhibit 4.1 of Form 8-A (File No. 001-34057), filed March 6, 2019.
- \*4.6 Specimen 6.50% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock Certificate, incorporated herein by reference to Exhibit 4.1 of Form 8-A (File No. 001-34057), filed October 3, 2019.
- \*4.7 Specimen 6.125% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock Certificate, incorporated herein by reference to Exhibit 4.1 of Form 8-A (File No 001-34057), filed February 11, 2020.
- \*4.8 Specimen 7.75% Series G Fixed-Rate Reset Cumulative Redeemable Preferred Stock Certificate, incorporated herein by reference to Exhibit 4.1 of Form 8-A (File No 001-34057), filed September 14, 2022.
- \*4.9 Deposit Agreement relating to 7.00% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, dated August 22, 2017, among AGNC Investment Corp., Computershare Inc. and Computershare Trust Company, N.A., jointly as depositary, incorporated herein by reference to Exhibit 4.2 of Form 8-K (File No. 001-34057) filed August 22, 2017.
- \*4.10 Form of Depositary Receipt representing 1/1,000th of a share of 7.00% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock (included as part of Exhibit 4.9), incorporated herein by reference to Exhibit A of Exhibit 4.2 of Form 8-K (File No. 001-34057) filed August 22, 2017.
- \*4.11 Deposit Agreement relating to 6.875% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, dated March 6, 2019, among AGNC Investment Corp., Computershare Inc. and Computershare Trust Company, N.A., jointly as depositary, incorporated herein by reference to Exhibit 4.2 of Form 8-K (File No. 001-34057) filed March 6, 2019.
- \*4.12 Form of Depositary Receipt representing 1/1,000th of a share of 6.875% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock (included as part of Exhibit 4.11), incorporated herein by reference to Exhibit A of Exhibit 4.2 of Form 8-K (File No. 001-34057) filed March 6, 2019.
- \*4.13 Deposit Agreement relating to 6.50% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, dated October 3, 2019, among AGNC Investment Corp., Computershare Inc. and Computershare Trust Company, N.A., jointly as depositary, incorporated herein by reference to Exhibit 4.2 of Form 8-K (File No. 001-34057) filed October 3, 2019.
- \*4.14 Form of Depositary Receipt representing 1/1,000th of a share of 6.50% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock (included as part of Exhibit 4.13), incorporated herein by reference to Exhibit A of Exhibit 4.2 of Form 8-K (File No. 001-34057) filed October 3, 2019.

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

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

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

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

†\*10 Amended and Restated Employment Agreement dated **July18, 2024** July 18, 2024 between AGNC Mortgage Management, LLC and Gary Kain, incorporated herein by reference to Exhibit 10.1 of Form 8-K 8-K (File No. 001-34057) filed **July19, 2024** July 19, 2024.

\*14 AGNC Investment Corp. Code of Ethics and Conduct, adopted July 18, 2024, incorporated herein by reference to Exhibit 14 of Form 10-Q (File No. 001-34057) filed herewith. **August 5, 2024.**

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

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

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

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

101.SCH\*\* XBRL Taxonomy Extension Schema Document

101.CAL\*\* XBRL Taxonomy Extension Calculation Linkbase Document

101.LAB\*\* XBRL Taxonomy Extension Labels Linkbase Document

101.PRE\*\* XBRL Taxonomy Extension Presentation Linkbase Document

101.DEF\*\* XBRL Taxonomy Extension Definition Linkbase Document

\* Previously filed

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

† Management contract or compensatory plan or arrangement

(b) Exhibits  
See the exhibits filed herewith.

(c) Additional financial statement schedules  
None.

#### SIGNATURES

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

AGNC INVESTMENT CORP.

By: /s/ PETER J. FEDERICO

Peter J. Federico

President and

Chief Executive Officer (Principal Executive Officer)

Date: **August 5, November 1, 2024**

By: /s/ BERNICE E. BELL

Bernice E. Bell

Executive Vice President and

Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Date: **August 5, November 1, 2024**

## AGNC INVESTMENT CORP. CODE OF ETHICS AND CONDUCT

**Adopted: July 18, 2024**

### **A. INTRODUCTION**

AGNC Investment Corp. ("AGNC") has adopted this Code of Ethics and Conduct to communicate to all AGNC people the ethical and legal standards that we expect you to observe when dealing with AGNC, your AGNC colleagues, and others with whom we do business.

Throughout this Code, we use the terms "AGNC people," "you" and "your" to refer to all of AGNC's and its subsidiaries' directors, executive officers, employees and independent contractors, and the terms "AGNC," the "company," "we" and "our" to refer to AGNC and its subsidiaries. We use the term "Code" to refer to this document, as it may be amended from time to time.

We expect all AGNC people to act ethically and obey the law. When you encounter ethical or legal issues where you are not certain about the correct course of action, you should use principles described in this Code as guideposts in deciding how to proceed. We have adopted this Code to give you guidance for resolving these ethical and legal issues. In particular, this Code addresses the following general topics:

- Observing all laws and regulations
- Avoiding conflicts of interest
- Maintaining accurate and complete company records
- Protecting confidential information

Because rapid changes in our industry and in the law constantly present new issues, we cannot create guidelines that address all circumstances or constitute the definitive answer on any question. When you are in doubt about the correct or best course of action, or have questions about the Code, you should always consider consulting your supervisor, the Chief Compliance Officer of the company (the "Chief Compliance Officer") or the Legal team for guidance.

We firmly believe that a strong commitment to ethical and legal conduct is essential for us successfully to achieve our purpose and vision. We therefore require all AGNC people to comply with this Code. To help ensure this compliance, we have established a procedure for reporting suspected violations of this Code. Any violations of this Code may result in disciplinary action, including termination of employment or contract, as applicable. These matters are described in more detail at the end of this Code.

### **B. OBSERVING ALL LAWS, RULES AND REGULATIONS**

#### **1. GENERALLY**

We expect you to comply with all applicable local, state and federal laws, rules and regulations, both domestic and international, and refrain from illegal, dishonest or unethical conduct. Although laws, rules and regulations may sometimes be ambiguous and difficult to interpret, we expect you to make a good-faith effort to follow both the letter and the spirit of the law.

In addition, we expect you to comply with all AGNC policies and procedures that apply to you. These include, but are not limited to, our policies on securities trading, political contributions, equal opportunity, harassment, drug-free workplace, computer usage and information technology, data protection and expense reimbursement and travel, as well as our internal financial controls and procedures. We may modify or update these policies and procedures in the future and adopt

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new company policies and procedures from time to time. You are also expected to observe the terms of any confidentiality agreement, employment agreement, consulting agreement or other similar agreement that applies to you. If you previously signed one of these agreements with AGNC, it remains in full force and effect.

#### **2. BRIBES AND KICKBACKS**

Bribery is illegal and subject to criminal penalties in the United States and many other countries. Bribery is forbidden under the U.S. Foreign Corrupt Practices Act (the "FCPA"), which is described in more detail in Section B.3 of this Code, and other laws, rules and regulations. You may not give any bribes, kickbacks or other similar considerations to any person or organization to attract business. All decisions regarding the investing of our assets or the purchasing of goods and services must be made on the basis of applicable investment or acquisition criteria, and in a way that preserves AGNC's integrity.

Fees, commissions or other amounts paid to outside consultants, agents or other third parties must be fully disclosed in our investment process or otherwise to our Chief Compliance Officer and must be legal, proper and reasonable in relation to customary commercial practice. Payments to these persons should never be used to accomplish indirectly what AGNC could not properly or legally do directly.

You should also be familiar with, and observe, the provisions of Section C.3 of this Code relating to Gifts, Gratuities and Entertainment, because the giving or receiving of such items could constitute an illegal bribe or kickback under certain circumstances.

### **3. POLITICAL ACTIVITY**

We do not make contributions or payments that could be considered a contribution to political parties or candidates or to intermediary organizations such as political action committees. However, you are free to exercise your right to make personal political contributions within legal limits, except to the extent these contributions are otherwise prohibited or restricted by other AGNC policies. You should not make these contributions in a way that might appear to be an endorsement or contribution by AGNC. You should be certain that you understand, and are complying with, all such laws, rules and regulations before making any political contributions. We will not reimburse you for political contributions in any way.

### **4. ANTITRUST**

Antitrust laws generally prohibit agreements or actions that restrain trade or reduce competition. The free enterprise system rests on the notion that free and open competition is the best way to ensure an adequate supply of products and services at reasonable prices. We expect you to adhere to both the spirit and the letter of the antitrust laws of the United States and with all applicable antitrust laws governing competition in any country in which AGNC does business. Violation of antitrust laws can result in severe civil and criminal penalties, including imprisonment for individuals, and AGNC can be subjected to substantial fines and damage awards.

#### **a. Agreements with Competitors**

The following agreements, arrangements or understandings between AGNC and its competitors (whether oral or in writing) should be avoided:

- Agreements that affect the price or other terms or conditions of sale of products or the terms on which we invest;
- Agreements regarding the companies in which AGNC or its managed companies will, or will not, invest or sell or provide services;
- Agreements to refuse to invest in or sell to particular businesses or to refuse to buy from particular businesses; and
- Agreements that limit the types of investments that AGNC will make.

Contacts with our competitors are sensitive and risky, because courts can infer an agreement or collusion from these contacts when they are followed by common action or behavior. We recognize that we may need to work with our competitors in the regular course of our business. In all contacts with our competitors, you are expected to avoid discussing prices, costs, competition, division of markets, marketing plans or studies, or any other proprietary or confidential information.

If any competitor initiates a discussion with you involving the subjects above, you should immediately excuse yourself from the conversation and report the matter to the Chief Compliance Officer or a member of the Legal team.

### **5. SECURITIES LAWS AND INSIDER TRADING**

The U.S. federal securities laws are built on the premise that a purchaser and a seller of securities should have equal access to important information regarding the company whose securities they are trading. Consequently, federal securities laws forbid an investor from purchasing or selling securities based upon inside information not available to the other party.

The consequences of insider trading violations can be severe. AGNC people who trade on inside information, or who communicate (or tip) this information to others so that they may trade, may face a civil penalty of up to three times the profit gained (or loss avoided), a substantial criminal fine and a jail term of up to 20 years. Additionally, if we or our senior officers do not take appropriate steps to prevent AGNC people from insider trading, we may also face severe legal consequences, including, among other things, substantial criminal penalties.

Accordingly, if you have material, nonpublic (i.e., inside) information about AGNC or another company, you should not buy or sell securities of AGNC or the other company (including derivative securities such as put and call options) until a reasonable time after the inside information has been publicly disclosed.

You also should only disclose or discuss inside information with other AMM Group members who need to know, or use, the information as part of their employment or service for the AMM Group, and you should not disclose inside information to others outside AGNC until a reasonable time after the information has been publicly disclosed. In addition, it is never appropriate for you to advise others to buy or sell AGNC securities.

AGNC has implemented the AGNC Investment Corp. Policy on Insider Trading to promote compliance with insider trading laws, rules and regulations and establish standards on trading of AGNC securities and the securities of other public companies as to which an AGNC Person may obtain material nonpublic information in the course of his or her services to AGNC. The Policy on Insider Trading is administered by the Chief Compliance Officer. AGNC people with questions regarding insider trading or the policy should contact the Legal Department.

## **6. HARASSMENT AND DISCRIMINATION**

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We are committed to providing a supportive work environment that is free from harassment and discrimination of any kind. To this end, AGNC has adopted an Anti-Harassment Policy and an Equal Employment Opportunity policy, copies of which are included in the Policy Booklet distributed to all AGNC employees. AGNC will not tolerate discrimination or harassment of employees or non-employees with whom we have a business, service or professional relationship. AGNC people are encouraged to report any acts of harassment or discrimination to the Chief Compliance Officer, the Chair of the Compensation and Corporate Governance Committee of the Board of Directors or to the hotline.

## **7. HEALTH AND SAFETY**

We strive to provide AGNC people with a safe and healthy work environment. You have a responsibility for maintaining a safe and healthy workplace for all other AGNC people by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices and conditions.

Violence and threatening behavior are not permitted and will not be tolerated. If any AGNC person knows of actual or potential workplace violence or threatening behavior, he/she should immediately report such concerns to his or her manager, a member of the Human Resources or Legal Departments, the Chief Compliance Officer or the hotline.

All AGNC people are expected to conduct AGNC business free from the influence of any substance that could impair job performance. This includes alcohol, illegal drugs, controlled substances and, in certain instances, prescription medication. The use, sale and/or distribution of illegal drugs in the workplace will not be tolerated at any time.

## **8. INTERNATIONAL ISSUES**

You are expected to comply with the legal requirements and ethical standards of each country in which you conduct AGNC business, as well as with all U.S. laws applicable in other countries.

The FCPA applies to business transactions both inside the United States and in other countries. Its requirements relate to accurate and complete financial books and records, transactions with foreign government officials and restrictions on the use of funds for unlawful or improper purposes. Because violation of the FCPA can bring severe penalties, including criminal fines for the company and individuals and jail terms, it is essential that you become familiar with the FCPA's requirements if you are involved in investment transactions or other business in a foreign country. Other legal requirements may affect our international business or transactions. These include, but are not limited to, laws, rules and regulations prohibiting money laundering and transactions with specifically designated nationals subject to government sanctions, which are covered by our Anti-Money Laundering Policy. If you have any questions regarding legal requirements applicable to international business or transactions, please contact a member of our Legal team.

## **C. AVOIDING CONFLICTS OF INTEREST**

### **1. GENERALLY**

All AGNC people have a duty of loyalty to act in the best interests of the company. We expect you to avoid situations and relationships that involve actual or potential conflicts of interest. Generally, a conflict of interest arises whenever your personal interests diverge from your responsibilities to AGNC or from AGNC's best interests. Put another way, a conflict of interest is created whenever an activity, association or relationship of yours might impair your independent exercise of judgment in AGNC's best interest.

Examples of situations that could be perceived as conflicts of interest and should be avoided include:

- Conducting AGNC's business with a company owned, partially owned or controlled by you or a member of your family;
- Ownership of more than one percent of the stock of a company that competes or does business with AGNC (other than indirect ownership as a result of owning a widely-held mutual fund);
- Working as an employee or a consultant for a competitor, regulatory government entity, investment company or supplier of AGNC (other than as part of your AGNC employment);
- Doing any work for a third party that may adversely affect your performance or judgment on the job or diminish your ability to devote the necessary time and attention to your duties; and
- Appropriating or diverting to yourself or others any business opportunity or idea in which AGNC might have an interest.

These situations (and others like them), where your loyalties to AGNC could be compromised, must be avoided. If you believe that you are involved in a potential conflict of interest, we expect you to discuss it with your supervisor or the Chief Compliance Officer. If a conflict is determined to exist, you must disengage from the conflict situation or terminate your employment.

## 2. USE OF OUR ASSETS

You are responsible for the proper use of AGNC's physical resources and property, as well as its proprietary information.

Our offices, equipment, supplies and other resources may not be used for activities that are not related to your employment with AGNC, except for any activities that have been approved in writing in advance by us, or for personal usage that is minor in amount and reasonable. If you are found to be engaging in, or attempting, theft of any AGNC property, including documents, equipment, intellectual property, personal property of other employees, cash or any other items of value, you may be subject to immediate termination of your employment or contract and possible criminal proceedings. We expect you to report any theft or attempted theft to your supervisor or the Chief Compliance Officer.

Proprietary words, slogans, symbols, logos or other devices used to identify AGNC and its proprietary methods and services are important business tools and valuable assets, which require care in their use and treatment. You may not negotiate or enter into any agreement respecting AGNC's trademarks, service marks or logos without first consulting a member of our Legal team. We also respect the intellectual property rights of others. Thus, using the trademark or service mark of, or referencing for marketing purposes, another company (even one with whom AGNC has a business relationship), requires clearance or approval by our Legal team, to determine whether the use of that other company's mark is proper. You should avoid the unauthorized use of copyrighted or patented materials of others and should ask a member of the Legal team if you have any questions regarding the permissibility of photocopying, excerpting, electronically copying or otherwise using copyrighted or patented materials. In addition, simply because material is available for copying (such as content or images downloaded from the internet) does not mean that it is automatically legal or permissible to copy or distribute.

## 3. GIFTS, GRATUITIES AND ENTERTAINMENT

### a. Giving

You may not offer money, gifts or other items or services of value to anyone with whom we do business or potentially would do business for the purpose of securing an investment opportunity or contract or obtaining favorable treatment. Business-connected favors or gifts may not be extended unless they:

- Are consistent with customary business practices;
- Do not have substantial monetary value and would not be viewed as improper by others; and
- Do not violate applicable laws, rules or regulations.

Business entertainment in the form of meals and beverages may be offered only if these activities and related expenses are modest and infrequent. Other forms of entertainment (such as tickets to sporting, civic or cultural events) are allowed only if reasonable, customary and not excessive. You should not give to or receive from vendors or service providers gift cards or other cash-like items.

### b. Receiving

To avoid even the implication of impropriety, you should decline any gift, favor, entertainment or anything else of value from current or prospective intermediaries, clients, suppliers or contractors or their representatives except for:

- Gifts that do not have substantial monetary value given at holidays or other special occasions;

- Reasonable entertainment at lunch, dinner or business meetings where the return of the expenditure on a reciprocal basis is likely to occur and would be properly chargeable as a business expense;
- Promotional materials, including gift cards, received at conferences or other widely attended corporate or industry events with a value of less than \$50; or
- Other routine entertainment that is business-related such as sports outings or cultural events, but only if such is otherwise acceptable under this Code and is reasonable, customary and not excessive.

In the event that you receive any gift or entertainment with a fair market value in excess of \$200, you must promptly report it to your supervisor and/or such other person as may be designated by the Chief Compliance Officer. Executive officers must report such gifts or entertainment in writing, on a periodic basis, to the Audit Committee of the Board of Directors (the "Audit Committee").

Ultimately, you must exercise good business judgment in deciding which situations are unacceptable. If there is ever any doubt as to the acceptability of any entertainment activity, consult with your supervisor or our Chief Compliance Officer.

## **D. MAINTAINING ACCURATE AND COMPLETE COMPANY RECORDS**

### **1. ACCOUNTING AND FINANCIAL RECORDS**

We are required under U.S. federal securities laws and generally accepted accounting principles to keep books, records and accounts that accurately reflect all transactions and to provide an

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adequate system of internal accounting and controls. We expect you to ensure that those portions of our books, records and accounts for which you have responsibility are valid, complete, accurate and supported by appropriate documentation in verifiable form.

You should not:

- Improperly accelerate or defer expenses or revenues to achieve financial results or goals;
- Deviate from any accounting standards applicable to AGNC or otherwise;
- Participate in the valuation of any of our assets at a value other than that required by law;
- Maintain any undisclosed or unrecorded funds or off the book assets;
- Establish or maintain improper, misleading, incomplete or fraudulent accounting documentation or financial reporting;
- Make any payment for purposes other than those described in the documents supporting the payment;
- Submit or approve any expense report where you know or suspect that any portion of the underlying expenses were not incurred or are not accurate; or
- Sign any documents believed to be inaccurate or untruthful.

AGNC people who exercise supervisory duties over our assets or records are expected to establish and implement appropriate internal controls over all areas of their responsibility. This will help ensure the safeguarding of AGNC's assets and the accuracy of our financial records and reports. We have adopted and will continue to adopt various types of internal controls and procedures as required to meet internal needs and applicable laws and regulations. We expect you to follow these controls and procedures to the extent they apply to you, to assure the complete and accurate recording of all transactions.

Any accounting entries or adjustments that materially depart from generally accepted accounting principles must be approved by our Audit Committee and reported to our independent auditors. You must not interfere with or seek to influence improperly (directly or indirectly) the review or auditing of our financial records by our Audit Committee or independent auditors.

If you become aware of any questionable transaction or accounting practice concerning AGNC, our investments or our other assets, we expect you to report the matter immediately to our Chief Compliance Officer or to a member of our Audit Committee. In addition, we expect you to report all material off-balance-sheet transactions, arrangements and obligations, contingent or otherwise, and other AGNC relationships outside the ordinary course of business with unconsolidated entities or other persons that may have material current or future effects on our financial condition or results of operations to our Chief Compliance Officer or to a member of our Audit Committee.

Section F.2 of this Code describes the procedure for making these reports. You may also make an anonymous report under Section F.2 if you are not comfortable revealing your identity when making a report.

### **2. DISCLOSURES TO INVESTORS**

We are required under U.S. federal securities laws to provide the public with periodic disclosure regarding our business and financial condition (such as quarterly and annual reports and materials for our annual stockholders' meeting). We provide additional disclosures to the public through our quarterly earnings calls and press releases and provide disclosures to our lenders and other credit providers through various means. All AGNC people who participate in the preparation or

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dissemination of these disclosures, or who provide information that they know may be used in the preparation of these disclosures, have a legal and ethical duty to ensure that the content of the disclosures is accurate, complete and timely.

We have created and will continue to create disclosure controls and procedures that are designed to ensure that all such disclosures are accurate, complete and timely. If you become aware that our disclosures are not accurate, complete and timely, or become aware of a transaction or development you believe may require disclosure, you should report the matter immediately to our Chief Compliance Officer or a member of the Audit Committee.

### **3. RETENTION OF DOCUMENTS**

Certain types of documents and records (including, for example, e-mails) must be retained for specific periods of time, because of legal and regulatory requirements, or contractual obligations to our providers of capital or others. These periods of time, and the types of documents and records covered, may vary from time to time and will be announced as appropriate. We expect you to comply with the document retention requirements that apply to you. If you are working with these types of documents and records, or are uncertain whether the documents or records you are working with are subject to these retention requirements, please consult with your supervisor, a member of our Legal team or our Chief Compliance Officer.

Whenever you become aware that documents or records of any type may be required in connection with a lawsuit or government investigation, you must preserve all possibly relevant documents. This means that you must immediately stop disposing of or altering those documents pertaining to the subjects of the litigation or investigation, even if that activity is ordinary or routine. If you are uncertain whether documents or records under your control should be preserved because they might relate to a lawsuit or investigation, you should contact a member of our Legal team or our Chief Compliance Officer.

## **E. PROTECTING CONFIDENTIAL INFORMATION**

### **1. AGNC CONFIDENTIAL INFORMATION**

You will often have access to information that is private to AGNC, has not been made public and constitutes trade secrets or proprietary information. Protection of this information is critical to our ability to grow and compete.

Under the laws of most jurisdictions where we do business, trade secrets are legally protected property as long as they remain secret (meaning not generally or publicly known).

Your obligations with respect to our confidential trade secrets and proprietary information are:

- Not to disclose the information outside of AGNC;
- Not to use the information for any purpose except to benefit AGNC's business; and
- Not to disclose the information within AGNC, except to other AGNC people who need to know, or use, the information and are aware that it constitutes a trade secret or proprietary information.

These obligations continue even after you leave AGNC, until the information becomes publicly available or until we no longer consider it a trade secret or proprietary information. Any documents, papers or records that contain trade secrets or proprietary information are our property and must remain at the company. In certain cases, AGNC people have executed nondisclosure agreements, employment agreements or other similar agreements that govern their obligations with respect to our information.

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Our confidential trade secrets and proprietary information may include, among other things, information regarding our operations, business plans, investments, customers, strategies, trade secrets, records, finances, assets, data or other information that reveals the processes, methodologies or know how by which our existing or future investments, services or methods of operation are developed, conducted or operated.

## **2. CONFIDENTIAL INFORMATION OF OTHERS**

In the normal course of business, you will acquire information about many other organizations, including clients, suppliers and competitors. This is a normal business activity and is not unethical in itself. We properly gather this kind of information for such purposes as evaluating investments. We also collect information on competitors from a variety of legitimate sources to evaluate the relative merits of our own investments and other business practices.

There are, however, limits to the ways that this information should be acquired and used. When working with sensitive information about our customers or suppliers, you should use that information only for the purposes for which it was disclosed to you and make it available only to other AGNC people with a legitimate need to know.

You should not use illegitimate means to acquire a competitor's trade secrets or other confidential information. Illegal practices such as trespassing, burglary, wiretapping, bribery and stealing are obviously wrong. We will not tolerate any form of questionable intelligence-gathering. In addition, we strive to protect the privacy of personal information of others. We will only collect, use, process, and disclose an individual's personal information in accordance with applicable law and our internal policies.

## **3. INADVERTENT DISCLOSURE**

You should be careful to avoid the inadvertent disclosure of proprietary information. To avoid inadvertent disclosure, you should never discuss with any unauthorized person proprietary information that AGNC considers confidential or that we have not made public. You also should not discuss this information even with authorized AGNC people if you are in locations where unauthorized people may overhear you, such as airplanes or elevators, or when using non-secure electronic bulletin boards or databases. You should also not discuss this information with family members or with friends, because they may innocently or unintentionally pass the information on to someone else.

## **4. CONTACTS WITH REPORTERS, ANALYSTS AND OTHER MEDIA**

Because of the importance of the legal requirements regarding disclosure of certain information to our investors, we must make certain that any information regarding our business, financial condition or operating results that is released to the public is accurate and consistent. As a result, you should not discuss internal AGNC matters with anyone outside of AGNC, except as clearly required in the performance of your job duties. This prohibition applies particularly to inquiries about AGNC made by the news media, securities analysts or investors. All responses to these inquiries must be made only by our executive officers (and individuals specifically designated by them, including members of our Investor Relations and Corporate Communications staffs), who are authorized to discuss information about AGNC with the news media, securities analysts and investors. If you receive inquiries from these sources, you should immediately refer them to one of these authorized spokespersons.

It should also be noted that the foregoing restrictions also apply with regard to the disclosure of information through other media, including but not limited to bulletin boards, internet chat rooms and social media.

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## **F. ADMINISTRATION OF THIS CODE**

### **1. ONGOING REVIEW OF COMPLIANCE**

We require all AGNC people to comply with this Code. Upon your receipt of this Code, and also from time to time as we deem to be necessary, we may require you to sign an acknowledgement confirming that you have read and understood this Code and agree to comply with its provisions. We reserve the right to monitor your continuing compliance with the provisions of this Code and to investigate any suspected violations. If substantiated, these violations could result in disciplinary action, as described more fully in the following sections.

### **2. REPORTING OF SUSPECTED VIOLATIONS**

We expect you to bring to the attention of the Chief Compliance Officer (or any people that the Chief Compliance Officer designates) information about suspected violations of this Code by any other AGNC person as promptly as practicable. Additionally, we may designate a third-party hotline provider to which information about suspected violations of the Code may be reported. If you have information about suspected improper accounting or auditing matters, you should bring such information to the attention of our Chief Compliance Officer or a member of our Audit Committee directly. To contact our Audit Committee or to submit a report to them, please contact them at the contact information that we will distribute periodically.

If you are not comfortable revealing your identity when making a report, you can also make an anonymous report with our Chief Compliance Officer, the hotline or our Audit Committee.

You should feel safe in reporting this information, without regard to the identity or position of the suspected offender. We will treat the information in a confidential manner (consistent with appropriate evaluation and investigation) and will not take any acts of retribution or retaliation against you for making a report.

Because failure to report criminal activity can itself be understood to condone the crime, we emphasize the importance of prompt reporting. For both criminal activity and other violations of this Code, failure to report knowledge of wrongdoing may result in disciplinary action against those who fail to report.

### **3. NON-RETALIATION**

Nothing in this Code shall prohibit you from reporting any possible violation of federal law or regulation to any governmental agency. Further, nothing shall restrict you from communicating with such agency in the course of its investigation or from making disclosures that are protected pursuant to the whistleblower provisions of federal law and regulation.

Retaliation in any form against an AGNC person who reports a violation of this Code (even if the report is mistaken but was submitted in the good faith belief it was correct) or who assists in the investigation of a reported violation is itself a serious violation of this Code. Acts of retaliation should be reported immediately and may result in severe disciplinary action.

### **4. INVESTIGATION OF SUSPECTED VIOLATIONS**

Suspected violations will be investigated under the supervision of our Chief Compliance Officer or the Audit Committee, in such manner as the Chief Compliance Officer or the Audit Committee, as applicable, deems appropriate. You are expected to cooperate in the investigation of reported violations. When practical and appropriate under the circumstances, and in order to protect the privacy of the persons involved, those people investigating the suspected violation will attempt to keep confidential the identity of someone who reports a suspected violation or who

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participates in the investigation. There may be situations, however, when this information must be disclosed as part of our investigation.

The Chief Compliance Officer may call upon members of our Legal team to participate in any investigations. You should be aware that our Chief Compliance Officer and the members of our Legal team are legally obligated to act in the best interests of AGNC as a company. They do not act as lawyers or personal representatives for any individual AGNC person, including our executive officers. Our Board of Directors (the "Board") has ultimate responsibility for final interpretation of this Code and for determining whether any violations of this Code have occurred.

### **5. DISCIPLINARY ACTION**

If our Chief Compliance Officer or our Board (or those acting under their supervision) determine, in their good faith discretion, that you have violated any provision of this Code, you may be subject to disciplinary action, up to and including termination of your employment or contract without prior warning and referral for criminal prosecution and fines.

### **6. SPECIAL PROVISIONS APPLICABLE TO CERTAIN FINANCIAL EXECUTIVES**

Given the important position of trust and authority that they occupy, our Chief Executive Officer, President, Chief Operating Officer, Chief Investment Officer, Chief Financial Officer, Chief Accounting Officer, Controller, directors and certain other persons who may be designated by the Board or the Audit Committee (collectively, the "Financial Executives") should act extremely cautiously in interpreting and applying this Code. Financial Executives should consult with our Chief Compliance Officer with respect to any proposed actions or arrangements that are not clearly consistent with the Code. In the event that a Financial Executive wishes to engage in a proposed action or arrangement that is not consistent with the Code, the Financial Executive must obtain a waiver of the relevant Code provisions in advance from the Board.

The Sarbanes-Oxley Act of 2002 imposes certain reporting requirements on AGNC with respect to our Financial Executives' compliance with the Code. In accordance with these requirements, we will publicly report on a Current Report on Form 8-K any waivers of any provision of the Code granted by our Board to any Financial Executive. Violations of the Code by our Financial Executives may also be immediately reported on Form 8-K.

### **7. REVISIONS AND UPDATES TO THIS CODE**

This Code may be revised, changed or amended at any time by our Board. Following any material revisions or updates, an updated version of this Code will be distributed to you, and will supersede the prior version of this Code effective upon distribution. We may ask you to sign an acknowledgement confirming that you have read and understood the revised version of the Code, and that you agree to comply with its provisions.

### **8. IMPORTANT DISCLAIMERS**

This Code reflects general principles to guide you in making ethical decisions and cannot, and is not intended to, address every specific situation in which we may find it appropriate to take disciplinary action. This Code is not intended to create any contract (express or implied) with you, including without limitation any employment contract, or to constitute any promise with regard to the length and terms of your employment.

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

I, Peter J. Federico, certify that:

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

Date: **August 5, November 1, 2024**

/s/ PETER J. FEDERICO

Peter J. Federico

President and Chief Executive Officer (Principal Executive Officer)

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

I, Bernice E. Bell, certify that:

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

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

Date: **August 5, November 1, 2024**

*/s/* BERNICE E. BELL

Bernice E. Bell

Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

Exhibit 32

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

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

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended **June 30, 2024** **September 30, 2024** (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ PETER J. FEDERICO

Name: Peter J. Federico  
Title: President and  
Chief Executive Officer (Principal Executive Officer)  
Date: **August 5, November 1, 2024**

/s/ BERNICE E. BELL

Name: Bernice E. Bell  
Title: Executive Vice President and  
Chief Financial Officer (Principal Financial Officer)  
Date: **August 5, November 1, 2024**

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

#### DISCLAIMER

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