

3Q 2016 Investor Fact Sheet

About us

Invesco Mortgage Capital Inc. is a real estate investment trust (or REIT) that invests in, finances and manages residential and commercial mortgage-backed securities and mortgage loans. We completed our initial public offering in July 2009. The Company is externally managed and advised by Invesco Advisers, Inc., a registered investment adviser and an indirect, wholly-owned subsidiary of Invesco Ltd., a global investment management firm.

Common Stock Information

(As of 11/03/2016):

NYSE Ticker:	IVR
Share Price:	\$14.77
Q3'16 Dividend:	\$0.40
Dividend Yield (annualized):	10.8%
Shares Outstanding:	\$111.6 million
Market Cap:	\$1.6 billion

Preferred Stock Information

NYSE Ticker:	IVR PrA, IVR PrB
IVR PrA Coupon:	7.75%
IVR PrB Coupon:	7.75%

Key Statistics:

(As of 9/30/2016):

Total Assets:	\$16.9 billion
Book value per common share ⁽¹⁾ :	\$18.08
Quarter Ended 9/30/16:	
Effective Yield ⁽²⁾ :	3.09%
Effective Cost of Funds ⁽²⁾ :	1.82%
Effective Interest Rate Margin ⁽²⁾ :	1.27%
GAAP EPS (basic):	\$1.16
Core EPS ⁽²⁾ :	\$0.41

Analysts:

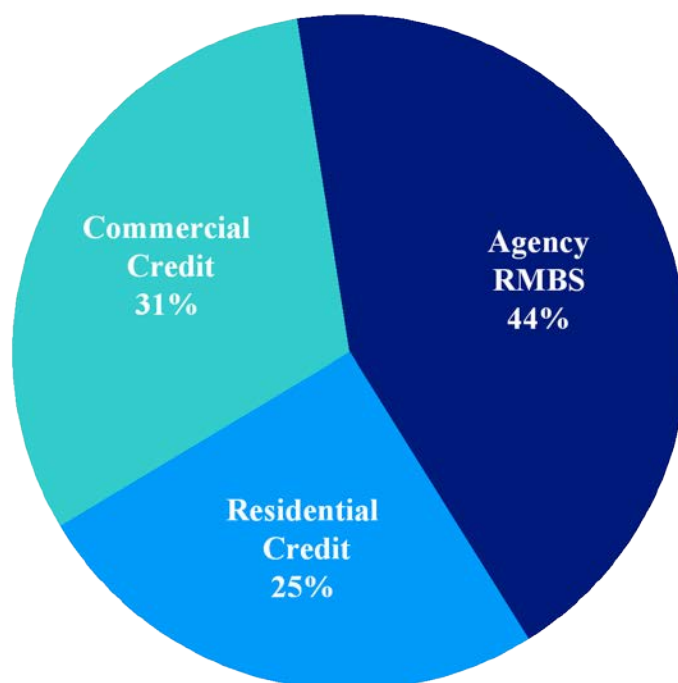
(As of 11/03/2016):

Bank of America	Neutral
Barclays Capital	Equal-weight
Credit Suisse Securities	Outperform
JMP Securities	Market Perform
Keefe, Bruyette & Woods	Outperform
Ladenburg Thalmann	Buy
Nomura	Buy
Wells Fargo	Market Perform
Wunderlich Securities	Buy

Portfolio Strategy

Our objective is to provide attractive risk-adjusted returns to our investors, primarily through dividends and secondarily through capital appreciation. To achieve this objective, we primarily invest in the following:

- Residential mortgage-backed securities ("RMBS") that are guaranteed by a U.S. government agency such as the Government National Mortgage Association or a federally chartered corporation such as the Federal National Mortgage Association ("Fannie Mae") or the Federal Home Loan Mortgage Corporation ("Freddie Mac") (collectively "Agency RMBS");
- Non-Agency RMBS, which are RMBS that are not guaranteed by a U.S. government agency or a federally chartered corporation;
- Credit risk transfer securities issued by government-sponsored enterprises;
- CMBS, which are commercial mortgage-backed securities;
- Residential and commercial mortgage loans; and
- Other real estate-related financing arrangements.

Equity Allocation* (as of 9/30/16)

1. Book value per diluted common share is calculated as total equity less the liquidation preference of our Series A Preferred Stock (\$140.0 million) and Series B Preferred Stock (\$155.0 million); divided by total common shares outstanding plus Operating Partnership Units convertible into shares of common stock (1,425,000 shares).

2. Core earnings (and by calculation, core earnings per common share), effective interest income (and by calculation, effective yield), effective interest expense (and by calculation, effective cost of funds), and effective net interest income (and by calculation, effective interest rate margin) are non-Generally Accepted Accounting Principles ("GAAP") financial measures. Refer to the section entitled "Non-GAAP Financial Measures" in the Quarterly Report on Form 10-Q filed with the SEC on November 3, 2016 for important disclosures and reconciliation to the most comparable U.S. GAAP measures.

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Quarterly Financial Information*

(\$ in thousands, except per share amounts)	Q3 '15	Q2'16	Q3'16
Interest income	\$160,428	\$118,807	\$118,147
Interest expense	69,231	39,562	33,258
(Reduction in) provision for loan losses	81	—	—
Net interest income	91,278	79,245	84,889
Other income (loss)	(217,008)	(74,264)	60,324
Total income (loss)	(125,730)	4,981	145,213
Management fee - related party	10,058	9,061	6,719
General and administrative	2,507	1,896	1,836
Consolidated securitization trusts	2,132	—	—
Total expenses	14,697	10,957	8,555
Net Income (loss)	(\$140,427)	(\$5,976)	\$136,658
GAAP Earnings (loss) per share basic	(\$1.18)	(\$0.10)	\$1.16
GAAP Earnings (loss) per share diluted	(\$1.18)	(\$0.10)	\$1.05
Dividends declared per common share	\$0.40	\$0.40	\$0.40
Average earning asset yield	3.18%	3.07%	2.94%
Cost of funds	1.53%	1.17%	0.94%
Net interest rate margin	1.65%	1.90%	2.00%
Book value per share ⁽¹⁾	\$17.66	\$17.08	\$18.08
Non-GAAP Financial Measures ⁽²⁾:			
Core earnings	\$48,297	\$47,259	\$46,214
Core earnings per share	\$0.40	\$0.42	\$0.41
Effective interest income	\$166,801	\$124,919	\$124,110
Effective yield	3.31%	3.23%	3.09%
Effective interest expense	\$100,292	\$61,309	\$64,477
Effective cost of funds	2.22%	1.81%	1.82%
Effective net interest income	\$66,509	\$63,610	\$59,633
Effective net interest rate margin	1.09%	1.42%	1.27%

* Source: Form 8-K filed with the SEC on November 3, 2016

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