

Invesco Mortgage Capital Inc.

June 2010

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Forward-looking statements

This presentation, and comments made in the associated Q&A, may include “forward-looking statements” and information that constitute “forward-looking statements” within the meaning of the U.S. securities laws. Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, targets, expectations, anticipations, assumptions, estimates, intentions and future performance. Forward-looking statements also include statements regarding the scale and our ability to quickly invest the proceeds of our capital raises, our ability to access financing and the adequacy of our current financing, the benefits of our relationship with Invesco Ltd. and affiliates, the reduction of our expense ratio, improved stock liquidity, interest rates and their effect on prepayment risk and premium agency positions, the ability of our investment strategy to protect against prepayment and margin call risk, the impact of government-sponsored entities loan buyouts on our second quarter 2010 results, low loan balance pools vulnerability to government-sponsored entity loan buyouts, the PPIP Fund, our flexibility to successfully invest in various market cycles, economic and mortgage market recovery and its impact on our assets, commercial loan opportunities, our potential performance in a rising rate environment, shareholder benefit from our diversified investment strategy and manager's experience, our ability to assess credit risk, and investment opportunities in the mortgage market. In addition, words such as “anticipate,” “believe,” “will,” “expects” and “plans,” as well as any other statement that necessarily depends on future events, are intended to identify forward-looking statements.

Forward-looking statements are not guarantees, and they involve risks, uncertainties and assumptions. There can be no assurance that actual results will not differ materially from our expectations. We caution investors not to rely unduly on any forward-looking statements and urge you to carefully consider the risks described in our most recent Form 10-K and subsequent Forms 10-Q, filed with the Securities and Exchange Commission. You may obtain these reports from the SEC's website at www.sec.gov. We expressly disclaim any obligation to update the information in any public disclosure if any forward-looking statement later turns out to be inaccurate.



Presenters



Richard King, CEO, Invesco Mortgage Capital Inc.

Experience

- 25 years of investment management experience
- 8 years with Invesco Advisers, Inc.



Jason Marshall, Portfolio Manager, Invesco Mortgage Capital Inc.

Experience

- 13 years of investment management experience
- 2 years with Invesco Advisers, Inc.



Donald Ramon, CFO, Invesco Mortgage Capital Inc.

Experience

- 24 years banking/financial services experience
- 6 years experience working with public and private REITs including formation



Invesco Mortgage Capital Inc. (NYSE: IVR)

A hybrid mortgage REIT that can invest in agency MBS, non-agency RMBS, CMBS and residential and commercial loans

- ✓ **IVR is managed by Invesco Advisers Inc., a subsidiary of Invesco Ltd. with \$419.6 BN in assets under management globally**
- ✓ **Quality platform with three centers of mortgage excellence, proven management team, immense scale and excellent track record in each subsector**
- ✓ **Diversified strategy with balanced risks that seeks to maximize mortgage spread and minimize credit and interest rate risk**
- ✓ **Uniquely positioned to maximize any available mortgage opportunity and funding source**



IVR update

Management has executed its plan while being transparent

- ✓ **Quick deployment of capital raises to minimize ROE drag**
- ✓ **Continued successful execution of hybrid residential mortgage REIT strategy generating attractive returns with moderate risk**
- ✓ **Generated \$2.44 in dividends to date⁽¹⁾**
- ✓ **Only REIT to participate in PPIP and to utilize all three sources of Government financing available – PPIP, TALF and FDIC**

⁽¹⁾ As of March 31, 2010

Past performance is not a guarantee of future results.

The Value We Deliver to Our Clients

Distinctive investment capabilities globally

Invesco Ltd. Investment Teams

- \$419.6 billion in assets under management
- Approximately 600 investment professionals
- On-the-ground research in 13 countries
- Traditional and alternative asset classes
- Disciplined investment processes
- Local and global risk oversight



Invesco Fixed Income

- Money markets and cash management
 - Stable value
 - Global and U.S. broad fixed income
 - Alternatives/financial structures
- AUM:** \$144.9 billion ⁽¹⁾

Atlantic Trust

- High-net-worth multimangement

Invesco Fundamental Equities

- U.S. growth equity
- U.S. core equity
- U.S. value equity
- International and global growth equity
- Sector equity
- Balanced portfolios

Invesco Asia-Pacific

- Asia ex-Japan
- Greater China
- Japan
- Australia

Invesco Global Strategies

- Global equity (global, non-U.S. and emerging market equities)
- Global quantitative equity (quantitative active, enhanced and long/short strategies)
- Global asset allocation (tactical asset allocation, alternative beta and multi-asset class solutions)
- Canadian equity

Invesco Perpetual

- U.K. and international equity
- U.K. and international fixed income

Invesco PowerShares

- Index-based and active ETFs

Invesco Private Capital

- Private equity funds of funds
- Customized portfolios

Invesco Real Estate

- Global direct real estate
- Global public real estate investing

Invesco Trimark

- Canadian equity
- Global value equity
- Canadian fixed income
- Balanced portfolios

WL Ross & Co.

- Distressed and restructuring private equities

Source: Invesco Fixed Income and Invesco Ltd., as of March 31, 2010.

1 Invesco Fixed Income does not include all the fixed income entities within Invesco Ltd., and is not limited to those fixed income assets within the GIPS-Compliant Firm Invesco Worldwide; therefore, the assets under management reported here for Invesco Fixed Income may not match the fixed income assets reported in the Invesco earnings statement.

The listed investment centers do not all provide products or services that are available in the U.S., nor are their products and services available on all platforms. Please consult your Invesco representative for more information.

IVR is supported by Invesco Ltd.

Specialist real estate resources support the REIT and will allow IVR's shareholders to benefit from new investment opportunities

Invesco Fixed Income

PPIP Program

- Large experienced team
- Expertise/Scale in target assets
- Manage ~20BN in structured securities
- Strong performance
- Breadth of repo relationships
- Strong credit culture

WL Ross and Co.

FDIC Loan Program

- Joint bids for loan packages out of FDIC
- One of the largest residential servicing platforms
- Direct interaction with IVR's management
- Wilbur Ross and Richard King are investment committee members of Invesco PPIP Fund

Invesco Real Estate

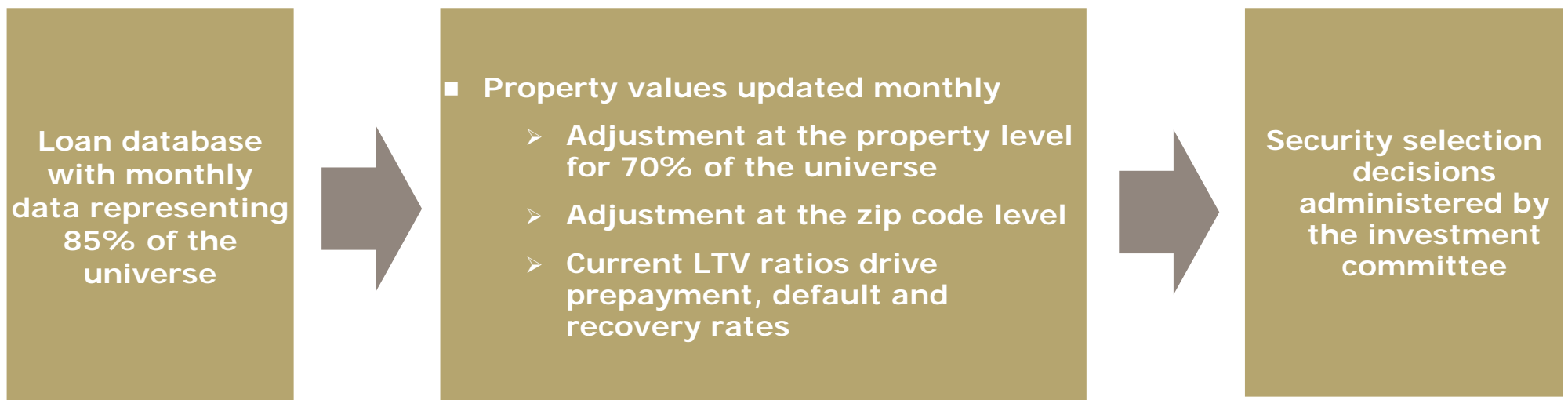
CMBS and CRE Loans

- Direct real estate investing expertise
- Fundamental real estate analysis and valuation critical to the credit underwriting process
- Direct interaction with IVR and joint work on commercial mortgage loans



Loan level credit analysis drives security selection

- ✓ Invesco provides resources and expertise across the mortgage market
- ✓ Credit process includes focus on macro outlook, originator and servicer due diligence, and loan level analytics to support investment decisions
- ✓ Sophisticated analytical tools focus on relative value trends across securities
- ✓ Intensive loan level work provides unique insights that drives security selection and investment decisions



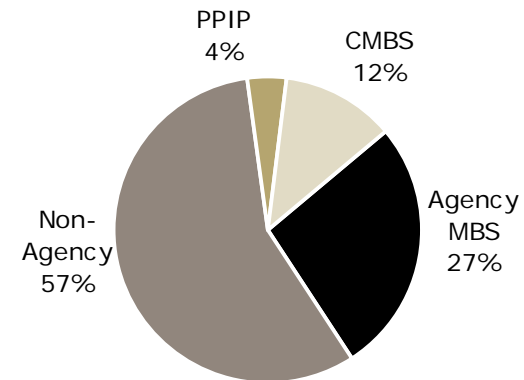
Q1 Allocation and May follow-on offering

Net proceeds of May offering \$178 million

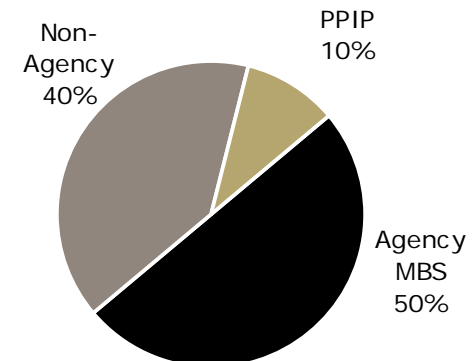
Why raise additional capital?

- ✓ Great opportunity to invest in mortgage assets
- ✓ Scale and ability to quickly invest proceeds
- ✓ Reduces expense ratio approximately 40bps
- ✓ Improve stock liquidity

Q1 equity allocation



Allocation of new equity



Invesco Mortgage Recovery Master Fund L.P. (Mortgage Recovery Fund)

The Mortgage Recovery Fund, PPIP and its importance to IVR

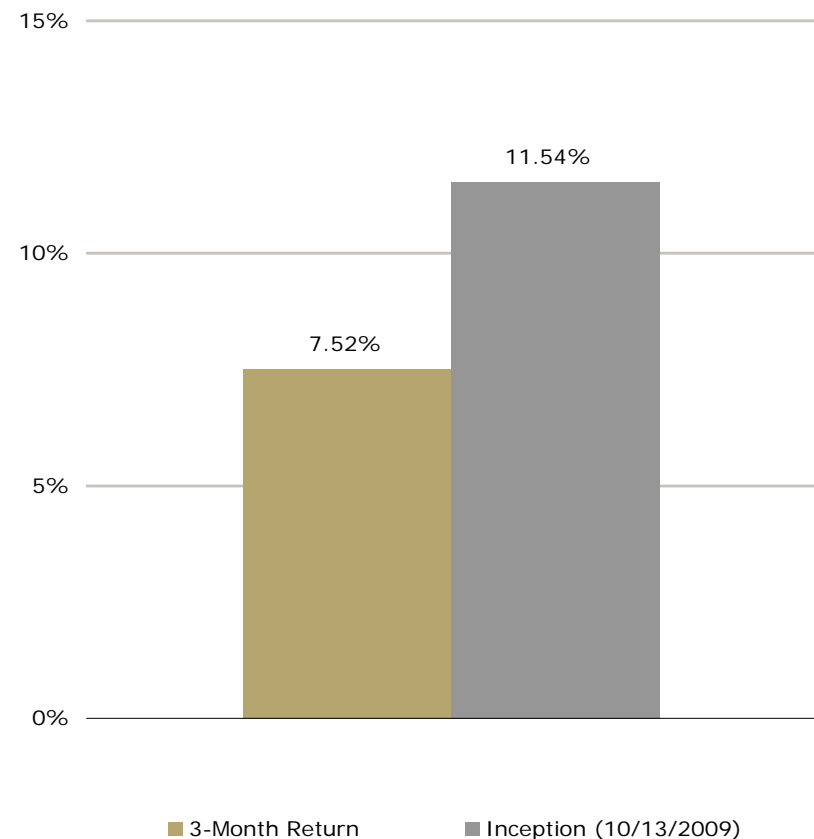
Key Features of Mortgage Recovery Fund

- Invests in Invesco Legacy Securities Master Fund, L.P. (PPIP Fund), an Invesco-sponsored public-private investment fund under PPIP
- IVR has committed \$100MM to the Mortgage Recovery Fund
- IVR pays no additional management or incentive fees
- Richard King and Wilbur Ross on Mortgage Recovery Fund's investment committee

Source of Funding for Target Assets

- Eligible assets of PPIP Fund generally are originally rated AAA RMBS and CMBS issued prior to 2009
- Mortgage Recovery Fund can also invest in residential and commercial loan pools
- Private Capital invested in PPIP Fund is matched dollar for dollar by the U.S. Treasury
- Full Turn Financing Option– U.S. Treasury matches every dollar of equity (public and private) of PPIP Fund with one dollar of financing
- Half Turn Financing Option – U.S. Treasury matches every dollar of equity (public and private) with one-half of a dollar of financing
 - 3rd party financing allowed

UST's Invesco Legacy Securities Master Fund, L.P Gross Returns



Source: SIGTARP Quarterly Report to Congress April 20, 2010.

IVR returns may differ from these due to potential loan investments

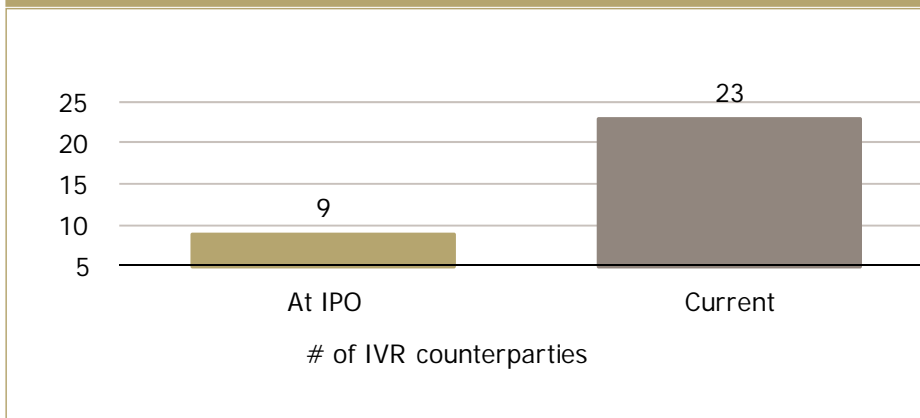


Past performance is not a guarantee of future results.

Capturing attractive funding is a competitive advantage

Attractive financing drives returns

Ample funding capacity



Source: Invesco

TALF/PPIP/FDIC

- TALF - match funded 5-yr non-recourse financing from NY Fed
- PPIP - long-term (8 – 10yr) limited-recourse funding at LIBOR + 100bps with 1x leverage
- FDIC - funding for loans up to 10 years at 4 – 6x leverage at a low fixed rate

Attractive interest rate environment

Fed funds:	0–0.25%
1-month LIBOR:	0.28%
Agency REPO:	0.25%
CMBS REPO:	1.50%
Non-Agency REPO:	1.50%
2's – 10's UST:	2.65%

Source: Invesco as of 5/5/09

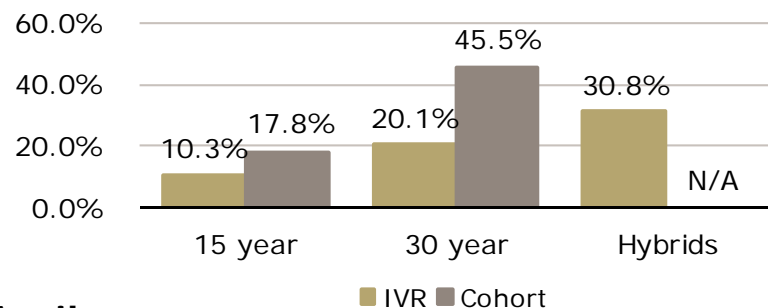
Private Market

- IVR has a significant funding advantage as Invesco Money Market complex repo's \$20BN-\$30BN a day to our counterparties
- IVR currently has ample untapped repo capacity for our target assets

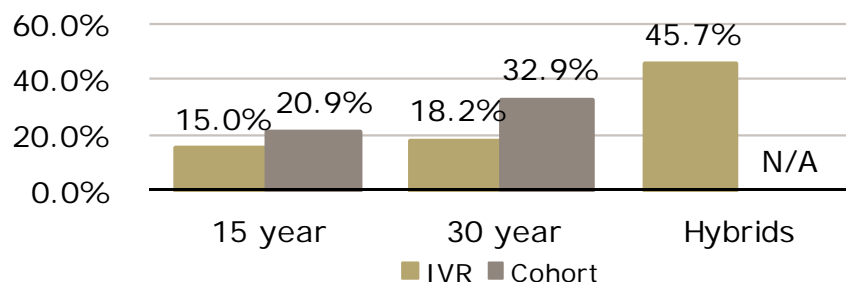
IVR mitigated the impact of GSE buyouts

Agency MBS prepayment speeds (CPR)

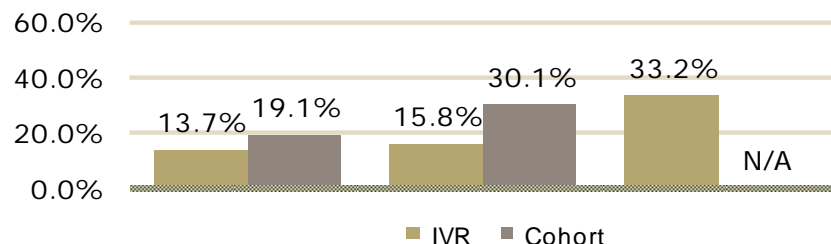
March



April



May



Source: Company, Fannie Mae, Freddie Mac
 Note: Cohort includes all Fannie and Freddie agency pools

We believe IVR's strategy protects against prepayment and margin call risk

- Hybrid exposure was reduced in anticipation of GSE buyouts
- Limited earnings impact - < \$1 million
- IVR outperformed the cohort and successfully protected its premium Agency assets
- Fannie Mae impact expected to be less in 2Q'10

IVR's strategy

- We believe IVR shareholders benefit from IVR's diversified investment strategy and manager's experience
- Avoided high coupon, credit-impaired pools prior to GSE buyouts
- Buy low loan balance pools which offer prepay protection, which we believe are less vulnerable to buyouts
- Buy 15 year collateral in lieu of high dollar priced hybrids



The IVR Model Works

- ✓ Hybrid model is designed to generate an attractive dividend while protecting book value
- ✓ Strong platform covers the breadth of a dynamic mortgage market
- ✓ Compelling opportunities now and for the long-term