UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2026

OR

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

For the transition period from ________ to ________

Commission file number 001-34385

IVR Invesco Mortgage Capital Inc.

Invesco Mortgage Capital Inc.

(Exact Name of Registrant as Specified in Its Charter)

Maryland	**26-2749336**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
1331 Spring Street, N.W., Suite 2500, Atlanta, Georgia	**30309**
(Address of Principal Executive Offices)	*(Zip Code)*

(404) 892-0896

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value $0.01 per share	**IVR**	**New York Stock Exchange**
7.50% Fixed-to-Floating Series C Cumulative Redeemable Preferred Stock	**IVR PrC**	**New York Stock Exchange**

Indicate by check mark whether the registrant: (1) has filed all reports required 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 (§ 232.405 of this chapter) 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 the 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	☐	Accelerated filer	☒
Non-Accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the 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 ☒

As of April 30, 2026, there were 92,823,269 outstanding shares of common stock of Invesco Mortgage Capital Inc.

INVESCO MORTGAGE CAPITAL INC.
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PART I

ITEM 1. FINANCIAL STATEMENTS

INVESCO MORTGAGE CAPITAL INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

$ in thousands, except share amounts	As of March 31, 2026	As of December 31, 2025
ASSETS		
Mortgage-backed securities, at fair value (including pledged securities of $5,585,665 and $5,879,318, respectively)	6,026,208	6,276,609
Cash and cash equivalents	52,598	56,040
Restricted cash	138,323	110,391
Due from counterparties	25,749	—
Investment related receivable	26,804	27,848
Derivative assets, at fair value	1,119	4,412
Other assets	399	594
Total assets	6,271,200	6,475,894
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Repurchase agreements	5,339,373	5,619,255
Derivative liabilities, at fair value	28,730	—
Dividends payable	10,490	25,845
Investment related payable	6	—
Accrued interest payable	10,738	28,664
Collateral held payable	14	—
Accounts payable and accrued expenses	1,789	1,580
Due to affiliate	3,706	3,006
Total liabilities	5,394,846	5,678,350
Commitments and contingencies (See Note 12):		
Stockholders' equity:		
Preferred Stock, par value $0.01 per share; 50,000,000 shares authorized:		
7.50% Fixed-to-Floating Series C Cumulative Redeemable Preferred Stock: 6,789,443 and 6,854,131 shares issued and outstanding, respectively ($169,736 and $171,353 aggregate liquidation preference, respectively)	164,191	165,756
Common Stock, par value $0.01 per share; 134,000,000 shares authorized; 87,485,972 and 71,790,532 shares issued and outstanding, respectively	875	718
Additional paid in capital	4,343,365	4,209,977
Retained earnings (distributions in excess of earnings)	(3,632,077)	(3,578,907)
Total stockholders' equity	876,354	797,544
Total liabilities and stockholders' equity	6,271,200	6,475,894

The accompanying notes are an integral part of these condensed consolidated financial statements.

INVESCO MORTGAGE CAPITAL INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Three Months Ended March 31,	
$ in thousands, except share data	**2026**	**2025**
Interest income	79,641	73,846
Interest expense	52,593	55,025
Net interest income	27,048	18,821
Other income (loss)		
Gain (loss) on investments, net	(54,940)	82,158
Gain (loss) on derivative instruments, net	12,879	(76,679)
Total other income (loss)	(42,061)	5,479
Expenses		
Management fee – related party	2,974	2,996
General and administrative	1,917	1,663
Total expenses	4,891	4,659
Net income (loss)	(19,904)	19,641
Dividends to preferred stockholders	(3,190)	(3,341)
Gain (loss) on repurchase and retirement of preferred stock	(27)	(11)
Net income (loss) attributable to common stockholders	(23,121)	16,289
Other comprehensive income (loss)		
Unrealized gain (loss) on mortgage-backed securities, net	—	500
Reclassification of unrealized (gain) loss on sale of mortgage-backed securities to gain (loss) on investments, net	—	116
Total other comprehensive income (loss)	—	616
Comprehensive income (loss) attributable to common stockholders	(23,121)	16,905
Earnings (loss) per share		
Net income (loss) attributable to common stockholders		
Basic	(0.28)	0.26
Diluted	(0.28)	0.26

The accompanying notes are an integral part of these condensed consolidated financial statements.

INVESCO MORTGAGE CAPITAL INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

$ in thousands, except share amounts	Series C Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Distributions in excess of earnings)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2025	6,854,131	165,756	71,790,532	718	4,209,977	—	(3,578,907)	797,544
Net income (loss)	—	—	—	—	—	—	(19,904)	(19,904)
Proceeds from issuance of common stock, net of offering costs	—	—	15,694,589	157	133,231	—	—	133,388
Stock awards	—	—	851	—	—	—	—	—
Repurchase and retirement of preferred stock	(64,688)	(1,565)	—	—	—	—	(27)	(1,592)
Common stock dividends	—	—	—	—	—	—	(30,049)	(30,049)
Preferred stock dividends	—	—	—	—	—	—	(3,190)	(3,190)
Amortization of equity-based compensation	—	—	—	—	157	—	—	157
Balance as of March 31, 2026	6,789,443	164,191	87,485,972	875	4,343,365	—	(3,632,077)	876,354

$ in thousands, except share amounts	Series C Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Distributions in excess of earnings)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2024	7,206,659	174,281	61,729,693	617	4,127,807	173	(3,572,149)	730,729
Net income (loss)	—	—	—	—	—	—	19,641	19,641
Other comprehensive income (loss)	—	—	—	—	—	616	—	616
Proceeds from issuance of common stock, net of offering costs	—	—	4,212,057	42	35,914	—	—	35,956
Stock awards	—	—	745	—	—	—	—	—
Repurchase and retirement of preferred stock	(90,146)	(2,180)	—	—	—	—	(11)	(2,191)
Common stock dividends	—	—	—	—	—	—	(22,420)	(22,420)
Preferred stock dividends	—	—	—	—	—	—	(3,341)	(3,341)
Amortization of equity-based compensation	—	—	—	—	176	—	—	176
Balance as of March 31, 2025	7,116,513	172,101	65,942,495	659	4,163,897	789	(3,578,280)	759,166

The accompanying notes are an integral part of these condensed consolidated financial statements.

INVESCO MORTGAGE CAPITAL INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

$ in thousands	Three Months Ended March 31, 2026	2025
Cash Flows from Operating Activities		
Net income (loss)	(19,904)	19,641
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Amortization of premiums and (discounts), net	(1,190)	(2,020)
Realized and unrealized (gain) loss on derivative instruments, net	8,699	104,758
(Gain) loss on investments, net	54,940	(82,158)
Other amortization	157	176
Changes in operating assets and liabilities:		
(Increase) decrease in operating assets	1,464	(2,247)
Increase (decrease) in operating liabilities	(17,481)	(18,804)
Net cash provided by (used in) operating activities	26,685	19,346
Cash Flows from Investing Activities		
Purchase of mortgage-backed securities	(228,897)	(884,448)
Principal payments from mortgage-backed securities	214,004	95,314
Proceeds from sale of mortgage-backed securities	211,544	373,626
Settlement (termination) of swaps, TBAs and futures, net	23,324	(101,516)
Net change in due from counterparties and collateral held payable on derivative instruments	(24,969)	525
Net cash provided by (used in) investing activities	195,006	(516,499)
Cash Flows from Financing Activities		
Proceeds from issuance of common stock	133,633	36,068
Repurchase of preferred stock	(1,592)	(2,191)
Proceeds from repurchase agreements	14,487,595	12,336,920
Principal repayments of repurchase agreements	(14,767,477)	(11,876,317)
Net change in due from counterparties and collateral held payable on repurchase agreements	(766)	1,330
Payments of dividends	(48,594)	(28,033)
Net cash provided by (used in) financing activities	(197,201)	467,777
Net change in cash, cash equivalents and restricted cash	24,490	(29,376)
Cash, cash equivalents and restricted cash, beginning of period	166,431	210,881
Cash, cash equivalents and restricted cash, end of period	190,921	181,505
Supplement Disclosure of Cash Flow Information		
Interest paid	70,519	73,463
Non-cash Investing and Financing Activities Information		
Dividends declared not paid	10,490	22,420
Unsettled receivables recorded within investment related receivable	—	21

The accompanying notes are an integral part of these condensed consolidated financial statements.

INVESCO MORTGAGE CAPITAL INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 – Organization and Business Operations

Invesco Mortgage Capital Inc. (the "Company" or "we") is a Maryland corporation primarily focused on investing in, financing and managing mortgage-backed securities ("MBS") and other mortgage-related assets.

As of March 31, 2026, we were invested in:

- residential mortgage-backed securities ("RMBS") that are guaranteed by a U.S. government agency such as the Government National Mortgage Association ("Ginnie Mae"), 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") and
- commercial mortgage-backed securities ("CMBS") that are guaranteed by a U.S. government agency such as Ginnie Mae or a federally chartered corporation such as Fannie Mae or Freddie Mac (collectively "Agency CMBS").

During the periods presented in these condensed consolidated financial statements, we also invested in CMBS and RMBS that are not guaranteed by a U.S. government agency or a federally chartered corporation ("non-Agency CMBS" and "non-Agency RMBS", respectively).

We conduct our business through IAS Operating Partnership L.P. (the "Operating Partnership") and have one operating segment. Refer to Note 12 - "Segment Information" of our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2025 for additional information on our operating segment.

We are externally managed and advised by Invesco Advisers, Inc. (our "Manager"), a registered investment adviser and an indirect, wholly-owned subsidiary of Invesco Ltd. ("Invesco"), an independent global investment management firm.

We elected to be taxed as a real estate investment trust ("REIT") for U.S. federal income tax purposes under the provisions of the Internal Revenue Code of 1986. To maintain our REIT qualification, we are required to distribute at least 90% of our REIT taxable income to our stockholders annually, and we will generally not be subject to U.S. federal or state corporate income tax to the extent that we distribute all of 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. We operate our business in a manner that permits our exclusion from the "Investment Company" definition under the Investment Company Act of 1940, as amended (the "1940 Act").

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

Certain disclosures included in our Annual Report on Form 10-K are not required to be included on an interim basis in our quarterly reports on Form 10-Q. We have condensed or omitted these disclosures. Therefore, this Form 10-Q should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2025.

Our condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and consolidate the financial statements of the Company and its controlled subsidiaries. All significant intercompany transactions, balances, revenues and expenses are eliminated upon consolidation. Beginning with the first quarter of 2026, we are presenting a single continuous statement of comprehensive income (loss). Prior periods have been adjusted to reflect this presentation.

In the opinion of management, the condensed consolidated financial statements reflect all adjustments, consisting of normal recurring accruals, which are necessary for a fair statement of our financial condition and results of operations for the periods presented.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in our condensed consolidated financial statements and accompanying notes. Examples of estimates include, but are not limited to, estimates of the fair values of financial instruments, interest income on mortgage-backed securities and allowances for credit losses. Actual results may differ from those estimates.

Significant Accounting Policies

There have been no changes to our accounting policies included in Note 2 to the consolidated financial statements of our Annual Report on Form 10-K for the year ended December 31, 2025.

Note 3 – Mortgage-Backed Securities

The following tables summarize our MBS portfolio by asset type as of March 31, 2026 and December 31, 2025.

As of March 31, 2026

$ in thousands	Principal/ Notional Balance	Unamortized Premium (Discount)	Amortized Cost	Unrealized Gain/ (Loss), net	Fair Value	Period-end Weighted Average Yield (1)
Agency RMBS:						
30 year fixed-rate pass-through	5,064,803	(36,495)	5,028,308	66,517	5,094,825	5.42 %
Agency CMO (2)	475,112	(416,330)	58,782	8,331	67,113	8.89 %
Agency CMBS	866,147	(5,587)	860,560	3,710	864,270	4.61 %
Total	6,406,062	(458,412)	5,947,650	78,558	6,026,208	5.34 %

As of December 31, 2025

$ in thousands	Principal/Notional Balance	Unamortized Premium (Discount)	Amortized Cost	Unrealized Gain/ (Loss), net	Fair Value	Period-end Weighted Average Yield (1)
Agency RMBS:						
30 year fixed-rate pass-through	5,223,764	(33,396)	5,190,368	118,792	5,309,160	5.46 %
Agency CMO (2)	484,974	(424,405)	60,569	8,751	69,320	9.18 %
Agency CMBS	898,047	(6,317)	891,730	6,399	898,129	4.62 %
Total	6,606,785	(464,118)	6,142,667	133,942	6,276,609	5.37 %

(1) Period-end weighted average yield is based on amortized cost as of March 31, 2026 and December 31, 2025 and incorporates future prepayment assumptions when appropriate. Total represents period-end weighted average yield of all mortgage-backed securities.
(2) All Agency collateralized mortgage obligations ("Agency CMO") are interest-only securities.

We have elected the fair value option for all of our MBS held as of March 31, 2026 and December 31, 2025. We believe the fair value option election more appropriately reflects the results of our operations because MBS fair value changes are accounted for in the same manner as fair value changes in economic hedging instruments.

The components of the carrying value of our MBS portfolio as of March 31, 2026 and December 31, 2025 are presented below. Accrued interest receivable on our MBS portfolio is recorded within investment related receivable on our condensed consolidated balance sheets.

	As of					
	March 31, 2026			December 31, 2025		
$ in thousands	MBS	Interest-Only Securities	Total	MBS	Interest-Only Securities	Total
Principal/notional balance	5,930,950	475,112	6,406,062	6,121,811	484,974	6,606,785
Unamortized premium	34,430	—	34,430	39,890	—	39,890
Unamortized discount	(76,512)	(416,330)	(492,842)	(79,603)	(424,405)	(504,008)
Gross unrealized gains	87,317	8,393	95,710	130,576	8,794	139,370
Gross unrealized losses	(17,090)	(62)	(17,152)	(5,385)	(43)	(5,428)
Fair value	5,959,095	67,113	6,026,208	6,207,289	69,320	6,276,609

The following table summarizes our MBS portfolio according to estimated weighted average life classifications as of March 31, 2026 and December 31, 2025.

	As of	
$ in thousands	March 31, 2026	December 31, 2025
Greater than one year and less than five years	1,268,720	2,031,058
Greater than or equal to five years	4,757,488	4,245,551
Total	6,026,208	6,276,609

During the three months ended March 31, 2025, we sold our remaining non-Agency CMBS investment for cash proceeds of $10.2 million and recognized a loss upon sale of $116,000. This was the only security for which we had recorded an allowance for credit losses. We did not hold any available-for-sale MBS during the three months ended March 31, 2026. The following table presents a roll-forward of our allowance for credit losses.

	Three Months Ended March 31,	
$ in thousands	**2026**	**2025**
Beginning allowance for credit losses	—	(654)
Reductions for securities sold	—	654
Ending allowance for credit losses	—	—

The following table summarizes the components of our total gain (loss) on investments, net for the three months ended March 31, 2026 and 2025.

	Three Months Ended March 31,	
$ in thousands	**2026**	**2025**
Gross realized gains on sale of MBS	676	923
Gross realized losses on sale of MBS	(233)	(6,389)
Net unrealized gains (losses) on MBS accounted for under the fair value option	(55,383)	87,624
Total gain (loss) on investments, net	(54,940)	82,158

The following tables present components of interest income recognized for the three months ended March 31, 2026 and 2025.

For the three months ended March 31, 2026

$ in thousands	**Coupon Interest**	**Net (Premium Amortization)/ Discount Accretion**	**Interest Income**
Agency RMBS	70,374	(1,327)	69,047
Agency CMBS	9,794	730	10,524
Other (inclusive of interest earned on cash balances)	70	—	70
Total	80,238	(597)	79,641

For the three months ended March 31, 2025

$ in thousands	**Coupon Interest**	**Net (Premium Amortization)/ Discount Accretion**	**Interest Income**
Agency RMBS	63,267	179	63,446
Agency CMBS	9,877	95	9,972
Non-Agency CMBS	77	—	77
Non-Agency RMBS	250	(64)	186
Other (inclusive of interest earned on cash balances)	165	—	165
Total	73,636	210	73,846

Note 4 – Borrowings

We finance the majority of our investment portfolio through repurchase agreements. Our repurchase agreements bear interest at a contractually agreed upon rate and generally have maturities ranging from one to six months. We account for our repurchase agreements as secured borrowings since we maintain effective control of the financed assets. Our repurchase agreements are subject to certain financial covenants. We were in compliance with all of these covenants as of March 31, 2026 and December 31, 2025.

The following table summarizes certain characteristics of our borrowings as of March 31, 2026 and December 31, 2025. Refer to Note 5 - "Collateral Positions" for collateral pledged and held under our repurchase agreements.

	As of					
	March 31, 2026			December 31, 2025		
$ in thousands	Amount Outstanding	Weighted Average Interest Rate	Weighted Average Remaining Maturity (days)	Amount Outstanding	Weighted Average Interest Rate	Weighted Average Remaining Maturity (days)
Repurchase agreements - Agency RMBS	4,510,019	3.80 %	31	4,758,568	4.04 %	24
Repurchase agreements - Agency CMBS	829,354	3.80 %	25	860,687	4.04 %	20
Total borrowings	5,339,373	3.80 %	30	5,619,255	4.04 %	23

Note 5 - Collateral Positions

The following table summarizes the fair value of collateral that we pledged and held under our repurchase agreements and derivative instruments as of March 31, 2026 and December 31, 2025. Refer to Note 2 - "Summary of Significant Accounting Policies - Fair Value Measurements" of our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2025 for a description of how we determine fair value. Agency RMBS and Agency CMBS collateral pledged is included in mortgage-backed securities on our condensed consolidated balance sheets. Cash collateral pledged on centrally cleared interest rate swaps and U.S. Treasury futures contracts is classified as restricted cash on our condensed consolidated balance sheets. Cash collateral pledged on repurchase agreements and to-be-announced securities forward contracts ("TBAs") accounted for as derivatives is classified as due from counterparties on our condensed consolidated balance sheets.

Cash collateral held that is not restricted for use is included in cash and cash equivalents on our condensed consolidated balance sheets and the liability to return the collateral is included in collateral held payable. Non-cash collateral held is only recognized if the counterparty defaults or if we sell the pledged collateral. As of March 31, 2026 and December 31, 2025, we did not hold any non-cash collateral.

$ in thousands	As of	
Collateral pledged	March 31, 2026	December 31, 2025
Repurchase agreements:		
Agency RMBS	4,721,395	4,981,189
Cash	780	—
Agency CMBS	864,270	898,129
Total repurchase agreements collateral pledged	5,586,445	5,879,318
Derivative instruments:		
Cash	24,969	—
Restricted cash	138,323	110,391
Total derivative instruments collateral pledged	163,292	110,391
Total collateral pledged:		
Mortgage-backed securities	5,585,665	5,879,318
Cash	25,749	—
Restricted cash	138,323	110,391
Total collateral pledged	5,749,737	5,989,709

	As of	
Collateral held	March 31, 2026	December 31, 2025
Repurchase agreements:		
Cash	14	—
Total collateral held	14	—

Repurchase Agreements

Collateral pledged with our repurchase agreement counterparties is segregated in our books and records. The repurchase agreement counterparties have the right to resell and repledge the collateral posted but have the obligation to return the pledged collateral, or substantially the same collateral if agreed to by us, upon maturity of the repurchase agreement. Under the repurchase agreements, the respective lender retains the contractual right to mark the underlying collateral to fair value. We would be required to provide additional collateral to fund margin calls if the value of pledged assets declined. We intend to maintain a level of liquidity that will enable us to meet any reasonably anticipated margin calls.

The ratio of our total repurchase agreements collateral pledged to our total repurchase agreements outstanding was 105% as of March 31, 2026 (December 31, 2025: 105%) based on the fair value of the securities as reported in our condensed consolidated balance sheets.

Interest Rate Swaps

As of March 31, 2026 and December 31, 2025, all of our interest rate swaps were centrally cleared by the Chicago Mercantile Exchange ("CME"), a registered clearing organization, through a Futures Commission Merchant ("FCM"). We are required to pledge initial margin and daily variation margin for our centrally cleared interest rate swaps that is based on the fair value of our contracts as determined by our FCM. Collateral pledged with our FCM is segregated in our books and records and can be in the form of cash or securities. Daily variation margin for centrally cleared interest rate swaps is characterized as settlement of the derivative itself rather than collateral and is recorded as gain (loss) on derivative instruments, net in our condensed consolidated statements of comprehensive income (loss). Certain of our FCM agreements include cross default provisions.

U.S. Treasury Futures Contracts

We are required to pledge initial margin and daily variation margin for our U.S. Treasury futures contracts that is based on the fair value of our contracts as determined by our FCM. The daily variation margin payment for our U.S. Treasury futures contracts is characterized as settlement of the U.S. Treasury futures contract itself rather than collateral and is recorded as gain (loss) on derivative instruments, net in our condensed consolidated statements of comprehensive income (loss).

TBAs

Our TBAs provide for bilateral collateral pledging based on market value as determined by our counterparties. Collateral pledged with our TBA counterparties is segregated in our books and records and can be in the form of cash or securities. Our counterparties have the right to repledge the collateral posted and have the obligation to return the pledged collateral, or substantially the same collateral, if agreed to by us, as the market value of the contracts changes.

Note 6 – Derivatives and Hedging Activities

The following table summarizes changes in the notional amount of our derivative instruments during 2026.

$ in thousands	Notional Amount as of December 31, 2025	Additions	Settlement, Termination, Expiration or Exercise	Notional Amount as of March 31, 2026
Interest rate swaps	3,820,000	1,025,000	(730,000)	4,115,000
U.S. Treasury futures contracts	1,090,000	1,290,000	(1,390,000)	990,000
TBA purchase contracts	—	6,825,000	(5,375,000)	1,450,000
TBA sale contracts	—	(5,575,000)	5,375,000	(200,000)

Refer to Note 5 - "Collateral Positions" for further information regarding our collateral pledged to and received from our derivative counterparties.

Interest Rate Swaps

At each settlement date, we typically refinance each repurchase agreement at the market interest rate at that time. Our objectives in using interest rate derivatives are to manage our exposures to interest rate movements and to add stability to our borrowing costs. To accomplish these objectives, we primarily use interest rate swaps and U.S. Treasury futures contracts as part of our interest rate risk management strategy. Under the terms of our interest rate swap contracts, we make fixed-rate payments to a counterparty in exchange for the receipt of floating-rate amounts over the life of the agreements without exchange of the underlying notional amount.

As of March 31, 2026 and December 31, 2025, we had interest rate swaps whereby we pay fixed interest rates and receive floating interest rates based on the secured overnight financing rate (“SOFR”) with the following maturities outstanding.

$ in thousands	As of March 31, 2026			
Maturities	Notional Amount	Weighted Average Fixed Pay Rate	Weighted Average Floating Receive Rate	Weighted Average Years to Maturity
Less than 3 years	1,675,000	0.86 %	3.68 %	1.7
3 to 5 years	950,000	0.54 %	3.68 %	4.3
5 to 7 years	545,000	3.66 %	3.68 %	6.8
7 to 10 years	495,000	3.99 %	3.68 %	9.3
Greater than 10 years	450,000	2.04 %	3.68 %	18.7
Total	4,115,000	1.66 %	3.68 %	5.8

$ in thousands	As of December 31, 2025			
Maturities	Notional Amount	Weighted Average Fixed Pay Rate	Weighted Average Floating Receive Rate	Weighted Average Years to Maturity
Less than 3 years	2,155,000	1.21 %	3.87 %	1.4
3 to 5 years	950,000	0.54 %	3.87 %	4.6
7 to 10 years	305,000	4.12 %	3.87 %	9.1
Greater than 10 years	410,000	1.83 %	3.87 %	17.9
Total	3,820,000	1.34 %	3.87 %	4.6

U.S. Treasury Futures Contracts

We use U.S. Treasury futures contracts to help mitigate the potential impact of changes in interest rates on our performance. The table below presents certain details of our U.S. Treasury futures contracts as of March 31, 2026 and December 31, 2025.

	As of	
	March 31, 2026	December 31, 2025
$ in thousands	Notional Amount - Short	Notional Amount - Short
10 year U.S. Treasury futures	310,000	420,000
Ultra 10 year U.S. Treasury futures	375,000	455,000
30 year U.S. Treasury futures	305,000	215,000
Total	990,000	1,090,000

TBAs

TBAs are forward contracts for the purchase or sale of Agency RMBS that specify the price, issuer, term and coupon of the securities to be delivered, but the actual securities are not identified until shortly before the TBA settlement date. We do not intend to take or make delivery of the underlying Agency RMBS on the contractual settlement date of our TBAs accounted for as derivatives. Our primary use of TBAs has been in long positions as an alternative means of investing in and financing Agency RMBS. Additionally, we have used and may in the future use short positions in TBAs to manage risk and economically hedge a portion of our exposure to changes in Agency RMBS valuations.

The table below presents certain characteristics of our TBAs accounted for as derivatives as of March 31, 2026. We did not have any TBAs outstanding as of December 31, 2025.

$ in thousands	As of March 31, 2026			
	Notional Amount	Implied Cost Basis	Implied Market Value	Net Carrying Value - Asset (Liability) (1)
TBA purchase contracts	1,450,000	1,436,889	1,415,155	(21,734)
TBA sale contracts	(200,000)	(189,824)	(188,705)	1,119
Net TBA derivatives	1,250,000	1,247,065	1,226,450	(20,615)

(1) Derivative assets and derivative liabilities related to TBAs are presented on a gross basis on the condensed consolidated balance sheets.

Tabular Disclosure of the Effect of Derivative Instruments on the Balance Sheets

The table below presents the fair value of our derivative financial instruments, as well as their classification on our condensed consolidated balance sheets as of March 31, 2026 and December 31, 2025.

$ in thousands

Derivative Assets			Derivative Liabilities		
	As of			As of	
	March 31, 2026	December 31, 2025		March 31, 2026	December 31, 2025
Balance Sheet	Fair Value	Fair Value	Balance Sheet	Fair Value	Fair Value
Interest rate swaps asset	—	2,235	Interest rate swaps liability	4,013	—
U.S. Treasury futures contracts	—	2,177	U.S. Treasury futures contracts	2,983	—
TBAs	1,119	—	TBAs	21,734	—
Total derivative assets	1,119	4,412	Total derivative liabilities	28,730	—

Tabular Disclosure of the Effect of Derivative Instruments on the Income Statement

The following tables summarize the effect of interest rate swaps, U.S. Treasury futures contracts and TBAs reported in gain (loss) on derivative instruments, net on the condensed consolidated statements of comprehensive income (loss) for the three months ended March 31, 2026 and 2025.

$ in thousands	Three Months Ended March 31, 2026			
Derivatives Not Designated as Hedging Instruments	Realized Gain (Loss) on Derivative Instruments, Net	Contractual net Interest Income (Expense)	Unrealized Gain (Loss), Net	Gain (Loss) on Derivative Instruments, Net
Interest rate swaps	2,211	21,578	(6,248)	17,541
U.S. Treasury futures contracts	9,481	—	(5,160)	4,321
TBAs	11,632	—	(20,615)	(8,983)
Total	23,324	21,578	(32,023)	12,879

$ in thousands	Three Months Ended March 31, 2025			
Derivatives Not Designated as Hedging Instruments	Realized Gain (Loss) on Derivative Instruments, Net	Contractual net Interest Income (Expense)	Unrealized Gain (Loss), Net	Gain (Loss) on Derivative Instruments, Net
Interest rate swaps	(76,259)	28,079	542	(47,638)
U.S. Treasury futures contracts	(28,682)	—	(4,172)	(32,854)
TBAs	3,425	—	388	3,813
Total	(101,516)	28,079	(3,242)	(76,679)

Note 7 – Offsetting Assets and Liabilities

Certain of our repurchase agreements and derivative transactions are governed by underlying agreements that generally provide for a right of offset under master netting arrangements (or similar agreements) in the event of default or in the event of bankruptcy of either party to the transactions. Assets and liabilities subject to such arrangements are presented on a gross basis on the condensed consolidated balance sheets.

The following tables present information about the assets and liabilities that are subject to master netting arrangements (or similar agreements) and can potentially be offset on our condensed consolidated balance sheets as of March 31, 2026 and December 31, 2025. The daily variation margin payments for centrally cleared interest rate swaps and U.S. Treasury futures contracts are characterized as settlement of the derivative itself rather than collateral. Our derivative liabilities of $4.0 million related to centrally cleared interest rate swaps and $3.0 million related to U.S. Treasury futures contracts as of March 31, 2026 (December 31, 2025: assets of $2.2 million related to centrally cleared interest rate swaps and $2.2 million related to U.S. Treasury futures contracts) are not included in the table below as a result of this characterization of daily variation margin.

As of March 31, 2026

				Gross Amounts Not Offset with Financial Assets (Liabilities) in the Balance Sheets		
$ in thousands	Gross Amounts of Recognized Assets (Liabilities)	Gross Amounts Offset in the Balance Sheets	Net Amounts of Assets (Liabilities) Presented in the Balance Sheets	Financial Instruments	Cash Collateral (Received) Pledged	Net Amount
Assets						
Derivatives [1] [2]	1,119	—	1,119	(1,119)	—	—
Total assets	1,119	—	1,119	(1,119)	—	—
Liabilities						
Derivatives [1] [2]	(21,734)	—	(21,734)	1,119	20,615	—
Repurchase agreements [3]	(5,339,373)	—	(5,339,373)	5,339,373	—	—
Total liabilities	(5,361,107)	—	(5,361,107)	5,340,492	20,615	—

As of December 31, 2025

				Gross Amounts Not Offset with Financial Assets (Liabilities) in the Balance Sheets		
$ in thousands	Gross Amounts of Recognized Assets (Liabilities)	Gross Amounts Offset in the Balance Sheets	Net Amounts of Assets (Liabilities) Presented in the Balance Sheets	Financial Instruments	Cash Collateral (Received) Pledged	Net Amount
Liabilities						
Repurchase agreements [3]	(5,619,255)	—	(5,619,255)	5,619,255	—	—
Total liabilities	(5,619,255)	—	(5,619,255)	5,619,255	—	—

(1) Amounts represent derivative assets and derivative liabilities which could potentially be offset against other derivative assets, derivative liabilities and cash collateral pledged or received.

(2) Cash collateral pledged by us on our derivatives was $163.3 million as of March 31, 2026 (December 31, 2025: $110.4 million) of which $138.3 million relates to initial margin pledged on centrally cleared interest rate swaps and U.S. Treasury futures contracts (December 31, 2025: $110.4 million). Centrally cleared interest rate swaps and U.S. Treasury futures contracts are excluded from the tables above. We held no cash collateral on our derivatives as of March 31, 2026 or December 31, 2025.

(3) The fair value of securities pledged against our borrowings under repurchase agreements was $5.6 billion as of March 31, 2026 (December 31, 2025: $5.9 billion). We pledged $780,000 of cash collateral under repurchase agreements as of March 31, 2026 (December 31, 2025: none). We held $14,000 of cash collateral under repurchase agreements as of March 31, 2026 (December 31, 2025: none). Gross amounts not offset are limited to the net amount of repurchase agreement liabilities presented sufficient to reduce the net amount to zero for each counterparty. Accordingly, cash collateral pledged and held under repurchase agreements are not shown in the table above, but the right to receive and the obligation to return the cash collateral are separately reported within due from counterparties and collateral held payable, respectively, on the condensed consolidated balance sheets.

Note 8 – Fair Value of Financial Instruments

A three-level valuation hierarchy exists for disclosure of fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs reflect our market assumptions. The three levels are defined as follows:

- *Level 1 Inputs* – Quoted prices for identical instruments in active markets.
- *Level 2 Inputs* – Quoted prices for similar instruments 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 value drivers.

The following tables present our assets and liabilities measured at fair value on a recurring basis.

	As of March 31, 2026 Fair Value Measurements Using:			
$ in thousands	**Level 1**	**Level 2**	**Level 3**	**Total at Fair Value**
Assets:				
Mortgage-backed securities (1)	—	6,026,208	—	6,026,208
Derivative assets (2)	—	1,119	—	1,119
Total assets	—	6,027,327	—	6,027,327
Liabilities:				
Derivative liabilities (2)	2,983	25,747	—	28,730
Total liabilities	2,983	25,747	—	28,730

	As of December 31, 2025 Fair Value Measurements Using:			
$ in thousands	**Level 1**	**Level 2**	**Level 3**	**Total at Fair Value**
Assets:				
Mortgage-backed securities (1)	—	6,276,609	—	6,276,609
Derivative assets (2)	2,177	2,235	—	4,412
Total assets	2,177	6,278,844	—	6,281,021

(1) For more detail about the fair value of our MBS, refer to Note 3 - "Mortgage-Backed Securities".

(2) Derivative assets and derivative liabilities include U.S. Treasury futures contracts as Level 1 measurements and interest rate swaps and TBAs as Level 2 measurements.

The following table presents the carrying value and estimated fair value of our financial instruments that are not carried at fair value on the condensed consolidated balance sheets as of March 31, 2026 and December 31, 2025.

	As of			
	March 31, 2026		December 31, 2025	
$ in thousands	**Carrying Value**	**Estimated Fair Value**	**Carrying Value**	**Estimated Fair Value**
Financial liabilities:				
Repurchase agreements	5,339,373	5,339,293	5,619,255	5,619,716
Total	5,339,373	5,339,293	5,619,255	5,619,716

The estimated fair value of repurchase agreements is a Level 3 fair value measurement based on an expected present value technique. This method discounts future estimated cash flows using rates we determined best reflect current market interest rates that would be offered for repurchase agreements with similar characteristics and credit quality.

Note 9 – Related Party Transactions

Our Manager is at all times subject to the supervision and oversight of our board of directors and has only such functions and authority as we delegate to it. Under the terms of our management agreement, our Manager and its affiliates provide us with our management team, including our officers and appropriate support personnel. Each of our officers is an employee of our Manager or one of its affiliates. We do not have any employees. Our Manager is not obligated to dedicate any of its employees exclusively to us, nor is our Manager obligated to dedicate any specific portion of time to our business. The costs of support personnel provided by our Manager reimbursed or reimbursable by us for the three months ended March 31, 2026 were $347,000 (three months ended March 31, 2025: $293,000).

When cash collateral is received from counterparties under repurchase agreement borrowings, it is generally invested in a money market fund for which our Manager serves as the investment adviser. These investments are included in cash and cash equivalents and the liability to return the collateral is included in collateral held payable on our condensed consolidated balance sheets.

Management Fee

We pay our Manager a fee equal to 1.50% of our stockholders' equity per annum. For purposes of calculating the management fee, stockholders' equity is calculated as average month-end stockholders' equity for the prior calendar quarter as determined in accordance with U.S. GAAP. Stockholders' equity may exclude one-time events due to changes in U.S. GAAP and certain non-cash items upon approval by a majority of our independent directors.

Expense Reimbursement

We are required to reimburse our Manager for operating expenses incurred on our behalf, including directors and officers insurance, accounting services, auditing and tax services, legal services, filing fees, and miscellaneous general and administrative costs. Our reimbursement obligation is not subject to any dollar limitation.

The following table summarizes the costs incurred on our behalf by our Manager for the three months ended March 31, 2026 and 2025.

	Three Months Ended March 31,	
$ in thousands	**2026**	**2025**
Incurred costs, prepaid or expensed	1,545	1,640
Incurred costs, charged or expected to be charged against equity as a cost of raising capital	103	—
Total incurred costs, originally paid by our Manager	1,648	1,640

Note 10 – Stockholders’ Equity

Preferred Stock

In May 2022, our board of directors approved a share repurchase program for our Series C Preferred Stock. During the three months ended March 31, 2026, we repurchased and retired 64,688 shares of Series C Preferred Stock (three months ended March 31, 2025: 90,146 shares). As of March 31, 2026, we had authority to repurchase 289,443 additional shares of our Series C Preferred Stock under the current preferred stock share repurchase program.

Holders of our Series C Preferred Stock are entitled to receive dividends at an annual rate of 7.50% of the liquidation preference of $25.00 per share or $1.875 per share per annum until September 27, 2027. After September 27, 2027, holders are entitled to receive dividends at a floating rate equal to three-month CME Term SOFR and the applicable credit spread adjustment (0.26161%) plus a spread of 5.289% of the liquidation preference of $25.00 per share per annum. Dividends are cumulative and payable quarterly in arrears.

We have the option to redeem shares of our Series C Preferred Stock on or after September 27, 2027 for $25.00 per share, plus any accumulated and unpaid dividends through the date of the redemption. Shares of Series C Preferred Stock are not redeemable, convertible into or exchangeable for any other property or any other securities of the Company before that time, except under circumstances intended to preserve our qualification as a REIT or upon the occurrence of a change in control.

Common Stock

As of March 31, 2026, we had 36,840,411 shares of our common stock remaining available for sale from time to time in at-the-market or privately negotiated transactions under our equity distribution agreement with placement agents. These shares are registered with the SEC under our shelf registration statement (as amended and/or supplemented). The table below shows issuances of our common stock under equity distribution agreements during the three months ended March 31, 2026 and 2025.

Shares in ones, $ in thousands	Three Months Ended March 31, 2026	2025
Shares sold	15,694,589	4,212,057
Fees paid to placement agents	1,692	457
Cash proceeds, net of fees paid to placement agents	133,633	36,068

During the three months ended March 31, 2026 and 2025, we did not repurchase any shares of our common stock. As of March 31, 2026, we had authority to repurchase 1,816,359 shares of our common stock through our common stock share repurchase program.

Accumulated Other Comprehensive Income

Our other comprehensive income (loss) during the three months ended March 31, 2025 related to gains and losses on MBS that were not accounted for under the fair value option. Gains and losses on MBS that are accounted for under the fair value option are recorded on our condensed consolidated statements of comprehensive income (loss) within "Gain (loss) on investments, net".

Dividends

The tables below summarize the dividends we declared during the three months ended March 31, 2026 and 2025.

$ in thousands, except per share amounts	Dividends Declared	
Series C Preferred Stock	Per Share	In Aggregate
Three months ended March 31, 2026	0.46875	3,190
Three months ended March 31, 2025	0.46875	3,341

$ in thousands, except per share amounts	Dividends Declared	
Common Stock	Per Share	In Aggregate
Three months ended March 31, 2026	0.36	30,049
Three months ended March 31, 2025	0.34	22,420

Note 11 – Earnings (Loss) per Common Share

Earnings (loss) per share for the three months ended March 31, 2026 and 2025 is calculated as follows.

In thousands, except per share amounts	Three Months Ended March 31, 2026	2025
Numerator (income)		
Net income (loss) available to common stockholders	(23,121)	16,289
Denominator (weighted average shares)		
Weighted average number of common shares outstanding - Basic	81,871	62,844
Effect of dilutive securities:		
Restricted stock awards	—	1
Weighted average number of common shares outstanding - Diluted	81,871	62,845
Earnings (loss) per share		
Net income (loss) attributable to common stockholders		
Basic	(0.28)	0.26
Diluted	(0.28)	0.26

There were no antidilutive shares that were excluded from the calculation of diluted earnings per share during the three months ended March 31, 2026 and 2025.

Note 12 – Commitments and Contingencies

Commitments and contingencies may arise in the ordinary course of business. As of March 31, 2026, we were not aware of any reported or unreported contingencies.

Note 13 – Subsequent Events

Common Stock Issuances

Between April 1, 2026 and May 6, 2026, we issued 6,653,459 shares of common stock under our equity distribution agreement with placement agents for cash proceeds, net of fees paid to placement agents, of $54.0 million.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

In this quarterly report on Form 10-Q, or this "Quarterly Report," we refer to Invesco Mortgage Capital Inc. and its consolidated subsidiaries as "we," "us," "our Company," or "our," unless we specifically state otherwise or the context indicates otherwise. We refer to our external manager, Invesco Advisers, Inc., as our "Manager" and we refer to the indirect parent company of our Manager, Invesco Ltd. together with its consolidated subsidiaries (which does not include us), as "Invesco."

The following discussion should be read in conjunction with our condensed consolidated financial statements and the accompanying notes to our condensed consolidated financial statements, which are included in Item 1 of this Quarterly Report, as well as the information contained in our most recent annual report on Form 10-K filed with the Securities and Exchange Commission (the "SEC").

Forward-Looking Statements

We make forward-looking statements in this Quarterly Report and other filings we make with the SEC within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and such statements are intended to be covered by the safe harbor provided by the same. Forward-looking statements are subject to substantial risks and uncertainties, many of which are difficult to predict and are generally beyond our control. These forward-looking statements include information about possible or assumed future results of our business, investment strategies, financial condition, liquidity, results of operations, plans, objectives and our views on domestic and global market conditions (including the Agency RMBS, Agency CMBS and residential and commercial real estate markets). When we use the words "believe," "expect," "anticipate," "estimate," "plan," "intend," "project," "forecast" or similar expressions and future or conditional verbs such as "will," "may," "could," "should," and "would," and any other statement that necessarily depends on future events, we intend to identify forward-looking statements, although not all forward-looking statements may contain such words.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. You should not place undue reliance on these forward-looking statements. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. We caution you not to rely unduly on any forward-looking statements and urge you to carefully consider the factors described under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Report and our Annual Report on Form 10-K. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Executive Summary

We are a Maryland corporation primarily focused on investing in, financing and managing mortgage-backed securities ("MBS") and other mortgage-related assets. Our objective is to provide attractive risk-adjusted returns to our stockholders, primarily through dividends and secondarily through capital appreciation.

As of March 31, 2026, we were invested in:

- residential mortgage-backed securities ("RMBS") that are guaranteed by a U.S. government agency such as the Government National Mortgage Association ("Ginnie Mae"), or a federally chartered corporation such as the Federal National Mortgage Association ("Fannie Mae" or "FNMA") or the Federal Home Loan Mortgage Corporation ("Freddie Mac" or "FHLMC") (collectively "Agency RMBS");
- commercial mortgage-backed securities ("CMBS") that are guaranteed by a U.S. government agency such as Ginnie Mae or a federally chartered corporation such as Fannie Mae or Freddie Mac (collectively "Agency CMBS"); and
- to-be-announced securities forward contracts ("TBAs") to purchase Agency RMBS.

During the periods presented in these condensed consolidated financial statements, we also invested in CMBS and RMBS that are not guaranteed by a U.S. government agency or a federally chartered corporation ("non-Agency CMBS" and "non-Agency RMBS", respectively).

We continuously evaluate new investment opportunities to complement our current investment portfolio by expanding our target assets and portfolio diversification.

We conduct our business through our wholly-owned subsidiary, IAS Operating Partnership L.P. (the "Operating Partnership"). We are externally managed and advised by our Manager, an indirect wholly-owned subsidiary of Invesco.

We have elected to be taxed as a real estate investment trust ("REIT") for U.S. federal income tax purposes under the provisions of the Internal Revenue Code of 1986. To maintain our REIT qualification, we are generally required to distribute at least 90% of our REIT taxable income to our stockholders annually. We operate our business in a manner that permits our exclusion from the "Investment Company" definition under the 1940 Act.

Market Conditions and Impacts

Macroeconomic factors that affect our business include inflation, economic growth, employment conditions, public policy, fiscal and monetary policy, interest rates, interest rate volatility, financial conditions, spread premiums, residential and commercial real estate prices, credit availability, the health of the banking system, consumer spending, personal income and corporate earnings. Of these macroeconomic factors, financial conditions, inflation, employment conditions, monetary policy, interest rates and interest rate volatility had the most direct impact on our performance and financial condition during the first quarter of 2026.

Following a strong recovery in the second half of 2025 and impressive start to the new year, financial conditions deteriorated in the latter half of the first quarter, initially weakening as market volatility rose amid signs of a softening labor market. The decline accelerated following the outbreak of conflict in the Middle East toward the end of February to end the quarter notably weaker. Against this backdrop of heightened geopolitical risk, equity markets reacted negatively with the S&P 500 and NASDAQ declining 4.6% and 7.1%, respectively. Credit markets followed a similar trajectory, as valuations across investment-grade credit, high yield bonds and emerging market debt came under pressure amid the sharp increase in volatility.

Inflation readings trended mostly higher during the first quarter, remaining above the Federal Reserve’s 2% target. The headline consumer price index (“CPI”) ended the quarter at 3.3%, up from 2.7% in December, reflecting a sharp rise in energy and commodity prices stemming from the outbreak of conflict in the Middle East. Core CPI, which excludes food and energy, remained steady at 2.6%. Amid heightened uncertainty around energy prices, investors revised inflation expectations higher, most clearly reflected in Treasury inflation-protected securities breakeven rates. The two-year breakeven rose sharply higher to 3.25% at quarter-end, up from 2.30% at year-end, while the five-year breakeven increased to 2.60%.

The Federal Open Market Committee (“FOMC”) kept the benchmark Federal Funds target rate unchanged at both meetings during the quarter, citing a balance between the risks of a weakening labor market and persistently elevated inflation. Expectations for future monetary policy action, as reflected in the Fed Funds futures market, were influenced by heightened volatility stemming from increased geopolitical risks related to the conflict in the Middle East. The futures market began the quarter with expectations for two rate cuts by year-end, driven by signs of labor market softness. However, as commodity and energy prices surged, those expectations reversed, with futures markets subsequently indicating that the FOMC is likely to maintain its current policy stance through the remainder of 2026.

Interest rates increased across the U.S. Treasury yield curve during the quarter, reflecting market expectations for higher inflation as elevated energy prices continued to work their way through the economy. The two-year U.S. Treasury yield increased by 33 basis points to 3.80%, the five-year yield rose by 23 basis points to 3.94% and the ten-year yield rose by 16 basis points to 4.31%. Interest rate volatility also moved higher during the quarter, driven by rising concerns around a weakening labor market and increasing geopolitical risks.

Against this macroeconomic backdrop, Agency RMBS delivered mixed performance relative to interest rate hedges during the quarter, as lower coupons performed well while higher coupons underperformed. Excess returns relative to U.S. Treasuries were strong in January as the robust performance in the second half of 2025 carried over into the new year, supported by declining interest rate volatility and the announcement of a $200 billion Agency MBS purchase program by Fannie Mae and Freddie Mac. Following the initial post-announcement surge of demand, however, performance languished, as profit-taking and uncertainty regarding the implementation of the purchase program emerged alongside a modest move higher in interest rate volatility. Underperformance accelerated in March at the onset of the geopolitical turmoil in the Middle East, as interest rate volatility rose sharply given higher interest rates and increased expectations for tighter monetary policy. Although lower coupon performance remained positive throughout the quarter, higher coupons were negatively impacted by rising prepayment concerns in the beginning of the quarter and their elevated sensitivity to increased interest rate volatility in the latter half of the quarter. In addition, swap spreads tightened notably during the quarter, negatively impacting Agency RMBS hedged with swaps relative to those hedged with U.S. Treasuries.

Despite elevated market volatility, heightened geopolitical concerns and relatively elevated supply, Agency CMBS risk premiums contracted during the first quarter as issuance was met with continued investor demand, particularly from banks and money managers attracted to the sector’s high-quality collateral, stable cash flows and relative value versus other spread products.

Market Rates

	As of						
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	One Quarter Change	One Year Change
Interest Rates							
Effective federal funds rate	3.64 %	3.64 %	4.09 %	4.33 %	4.33 %	— %	(0.69)%
One-month SOFR	3.66 %	3.69 %	4.13 %	4.34 %	4.32 %	(0.03)%	(0.66)%
2 Year U.S. Treasury	3.80 %	3.47 %	3.60 %	3.72 %	3.91 %	0.33 %	(0.11)%
5 Year U.S. Treasury	3.94 %	3.71 %	3.73 %	3.79 %	3.98 %	0.23 %	(0.04)%
10 Year U.S. Treasury	4.31 %	4.15 %	4.15 %	4.23 %	4.24 %	0.16 %	0.07 %
30 Year U.S. Treasury	4.89 %	4.83 %	4.73 %	4.77 %	4.61 %	0.06 %	0.28 %

	As of						
(in basis points)	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	One Quarter Change	One Year Change
Swap Spreads (1)							
2 year	(17)	(16)	(22)	(23)	(17)	(1)	—
5 year	(33)	(26)	(35)	(37)	(31)	(7)	(2)
10 year	(46)	(37)	(49)	(54)	(45)	(9)	(1)
30 year	(78)	(68)	(80)	(87)	(79)	(10)	1
30 Year Mortgage Spreads vs. 5/10 Year U.S. Treasury Securities Blend (2)							
FNMA 2.0%	72	83	82	90	75	(11)	(3)
FNMA 2.5%	75	87	88	95	83	(12)	(8)
FNMA 3.0%	70	81	88	96	86	(11)	(16)
FNMA 3.5%	65	70	87	98	87	(5)	(22)
FNMA 4.0%	71	80	89	100	88	(9)	(17)
FNMA 4.5%	90	92	100	114	105	(2)	(15)
FNMA 5.0%	110	110	119	130	122	—	(12)
FNMA 5.5%	125	111	135	149	142	14	(17)
FNMA 6.0%	122	93	124	161	147	29	(25)
FNMA 6.5%	101	47	100	127	116	54	(15)
10 Year Agency CMBS Spreads vs. U.S. Treasury Securities (3)							
FNMA DUS	38	46	44	47	49	(8)	(11)

(1) Swap spreads represent the difference between the fixed rate coupon of an interest rate swap and the yield on a U.S. Treasury security with a similar maturity.
(2) Mortgage spreads represent the difference between the yield on the Agency TBA and the blended average yield of five year and ten year U.S. Treasury securities.
(3) Agency CMBS spreads represent the difference between the yields on new issue Fannie Mae Delegated Underwriting and Servicing MBS (“DUS”) and a U.S. Treasury security with a similar maturity.

Outlook

Risk sentiment has improved entering the second quarter, supported by a decline in interest rate volatility. A further de-escalation of the Middle East conflict would likely provide additional support for risk assets. From a supply-and-demand perspective, Agency RMBS net issuance is expected to remain manageable, the GSEs continue to provide steady demand and bank participation is likely to increase, supported in part by recent Basel capital framework proposals that improve the relative capital efficiency of high-quality mortgage assets. Together, these macro and technical factors create a more constructive backdrop for our Agency RMBS holdings, particularly as wider spread levels relative to the prior quarter offer more attractive entry points. In addition, despite elevated supply, our Agency CMBS continues to offer attractive risk-adjusted yields and diversification benefits, given its stable cash flow profile and lower sensitivity to interest rate fluctuations.

Investment Activities

The table below shows the composition of our investment portfolio including TBAs as of March 31, 2026, December 31, 2025 and March 31, 2025.

$ in thousands	As of		
	March 31, 2026	December 31, 2025	March 31, 2025
Agency RMBS:			
30 year fixed-rate pass-through, at fair value	5,094,825	5,309,160	4,974,663
Agency CMO, at fair value	67,113	69,320	73,539
Agency CMBS, at fair value	864,270	898,129	890,372
Non-Agency RMBS, at fair value	—	—	7,215
Subtotal	6,026,208	6,276,609	5,945,789
TBAs, at implied market value (1)	1,226,450	—	—
Total investment portfolio including TBAs	7,252,658	6,276,609	5,945,789

(1) Our presentation of TBAs in the table above represents management's view of our investment portfolio and does not reflect how we record TBAs on our condensed consolidated balance sheets under U.S. GAAP. Under U.S. GAAP, we record TBAs that we do not intend to settle on the contractual settlement date as derivative financial instruments. We value TBAs on our condensed consolidated balance sheets at net carrying value, which represents the difference between the implied market value and the implied cost basis of the TBAs. For further details of our U.S. GAAP accounting for TBAs, refer to Note 6 “Derivatives and Hedging Activities” in Part I. Item 1 of this report on Form 10-Q. Our TBA dollar roll transactions are a form of off-balance sheet financing. For further information on how management evaluates our at-risk leverage, see Non-GAAP Financial Measures below.

As of March 31, 2026, our holdings of 30 year fixed-rate Agency RMBS represented approximately 70% of our total investment portfolio including TBAs, compared to 85% as of December 31, 2025 and 84% as of March 31, 2025. Our 30 year fixed-rate Agency RMBS holdings as of March 31, 2026, December 31, 2025 and March 31, 2025 consisted of specified pools with coupon distributions as shown in the table below.

	As of								
	March 31, 2026			December 31, 2025			March 31, 2025		
$ in thousands	Fair Value	Percentage	Period-end Weighted Average Yield	Fair Value	Percentage	Period-end Weighted Average Yield	Fair Value	Percentage	Period-end Weighted Average Yield
4.5%	757,581	14.9 %	4.89 %	785,584	14.8 %	4.89 %	657,554	13.2 %	4.95 %
5.0%	1,434,765	28.2 %	5.20 %	1,486,801	28.0 %	5.20 %	993,414	20.0 %	5.32 %
5.5%	1,704,437	33.4 %	5.49 %	1,534,654	28.9 %	5.51 %	1,414,961	28.4 %	5.58 %
6.0%	1,198,042	23.5 %	5.93 %	1,283,242	24.2 %	5.93 %	1,471,826	29.6 %	5.97 %
6.5%	—	— %	— %	218,879	4.1 %	6.14 %	436,908	8.8 %	6.16 %
Total 30 year fixed-rate Agency RMBS	5,094,825	100.0 %	5.42 %	5,309,160	100.0 %	5.46 %	4,974,663	100.0 %	5.61 %

Our holdings of 30 year fixed-rate Agency RMBS are focused in specified pools with attractive prepayment profiles. We seek to capitalize on the impact of prepayments on our investment portfolio by purchasing specified pools with characteristics that optimize borrower incentive to prepay for both our premium and discount priced investments. The table below shows the specified pool characteristics of our 30 year fixed-rate Agency RMBS holdings as of March 31, 2026, December 31, 2025 and March 31, 2025.

	As of					
	March 31, 2026		December 31, 2025		March 31, 2025	
$ in thousands	**Fair Value**	**Percentage**	**Fair Value**	**Percentage**	**Fair Value**	**Percentage**
Specified pool characteristic:						
Geographic location	1,011,887	19.9 %	942,347	17.7 %	982,726	19.8 %
Loan balance	1,915,429	37.6 %	2,111,999	39.8 %	1,808,302	36.3 %
High loan-to-value ratio	843,098	16.5 %	870,125	16.4 %	550,053	11.1 %
Low credit score	1,324,411	26.0 %	1,384,689	26.1 %	1,633,582	32.8 %
Total 30 year fixed-rate Agency RMBS	5,094,825	100.0 %	5,309,160	100.0 %	4,974,663	100.0 %

As of March 31, 2026, our holdings of TBAs represented approximately 17% of our total investment portfolio. We increased our allocation to TBAs during the first quarter of 2026 given attractive implied financing rates in the Agency RMBS TBA dollar roll market. As of March 31, 2026, our holdings of TBAs consisted of 4.5% to 5.5% coupons in Ginnie Mae collateral.

As of March 31, 2026, our holdings of Agency CMBS represented approximately 12% of our total investment portfolio including TBAs, compared to 14% as of December 31, 2025 and 15% as of March 31, 2025. These securities offer attractive risk-adjusted yields and diversification benefits. Further, the hedging costs associated with these holdings are economical as Agency CMBS is less sensitive to interest rate risk given prepayment protection and scheduled balloon maturity payments. As of March 31, 2026, approximately 80% of our Agency CMBS holdings were Fannie Mae DUS and 20% were Freddie Mac Multifamily Participation Certificates.

Financing

We finance the majority of our investment portfolio through repurchase agreements. Repurchase agreements are generally settled on a short-term basis, usually from one to six months, and bear interest at rates that are expected to move in close relationship to the secured overnight financing rate (“SOFR”). Additionally, we view our TBAs that are accounted for as derivative financial instruments under U.S. GAAP as a form of off-balance sheet financing. Refer to Non-GAAP Financial Measures below for information on how we evaluate our at-risk leverage.

The following table presents the amount of collateralized borrowings outstanding under repurchase agreements as of the end of each quarter, the average amount outstanding during the quarter and the maximum balance outstanding during the quarter.

$ in thousands	**Collateralized Borrowings Under Repurchase Agreements**		
Quarter Ended	**Quarter-end balance**	**Average Quarterly Balance (1)**	**Maximum Balance (2)**
March 31, 2025	5,354,561	4,930,237	5,354,561
June 30, 2025	4,635,881	4,577,566	4,635,881
September 30, 2025	5,150,081	4,889,782	5,150,081
December 31, 2025	5,619,255	5,393,719	5,619,255
March 31, 2026	5,339,373	5,367,463	5,404,619

(1) Average quarterly balance for each period is based on month-end balances.
(2) Amount represents the maximum borrowings at month-end during each of the respective periods.

Hedging Instruments

We enter into interest rate swap agreements that are designed to mitigate the effects of changes in interest rates for a portion of our borrowings. Under these swap agreements, we pay fixed interest rates and receive floating interest rates indexed to SOFR.

We actively manage our interest rate swap portfolio as the size and composition of our investment portfolio changes. During the three months ended March 31, 2026, we entered into interest rate swaps with a notional amount of $1.0 billion and terminated or settled interest rate swaps with a notional amount of $730.0 million.

We also use U.S. Treasury futures contracts as an alternative way to help mitigate the potential impact of changes in interest rates on our performance. During the three months ended March 31, 2026, we entered into U.S. Treasury futures contracts with a notional amount of $1.3 billion and terminated or settled U.S. Treasury futures contracts with a notional amount of $1.4 billion.

Daily variation margin for interest rate swaps and U.S. Treasury futures contracts is characterized as settlement of the derivative itself rather than collateral and is recorded as a realized gain or loss in our condensed consolidated statements of comprehensive income (loss).

Additionally, we have used and may in the future use short positions in TBAs to manage risk and economically hedge a portion of our exposure to changes in Agency RMBS valuations.

Capital Activities

As of March 31, 2026, we had 36,840,411 shares of our common stock remaining available for sale from time to time in at-the-market or privately negotiated transactions under our equity distribution agreement with placement agents. The table below shows issuances of our common stock under equity distribution agreements during the three months ended March 31, 2026 and 2025.

	Three Months Ended March 31,	
Shares in ones, $ in thousands	**2026**	**2025**
Shares sold	15,694,589	4,212,057
Fees paid to placement agents	1,692	457
Cash proceeds, net of fees paid to placement agents	133,633	36,068

For information on dividends declared during the three months ended March 31, 2026 and 2025, see Note 10 - “Stockholders' Equity” of our condensed consolidated financial statements in Part I. Item 1 of this quarterly report on Form 10-Q.

During the three months ended March 31, 2026, we did not repurchase any shares of our common stock.

In May 2022, our board of directors approved a share repurchase program for our Series C Preferred Stock. During the three months ended March 31, 2026, we repurchased and retired 64,688 of Series C Preferred Stock (three months ended March 31, 2025: 90,146 shares). As of March 31, 2026, we had authority to repurchase 289,443 additional shares of our Series C Preferred Stock under the current preferred stock share repurchase program.

Book Value per Common Share

We calculate book value per common share as follows.

In thousands except per share amounts	As of March 31, 2026	As of December 31, 2025
Numerator (adjusted equity):		
Total equity	876,354	797,544
Less: Liquidation preference of Series C Preferred Stock	(169,736)	(171,353)
Total adjusted equity	706,618	626,191
Denominator (number of shares):		
Common stock outstanding	87,486	71,791
Book value per common share	8.08	8.72

Our book value per common share decreased 7.3% as of March 31, 2026 compared to December 31, 2025. The decrease in our book value per common share was primarily due to unrealized losses on investments, dividends declared and expenses, which were partially offset by net interest income and gains on derivative instruments.

Critical Accounting Policies and Estimates

There have been no significant changes to our critical accounting policies and estimates that are disclosed in our most recent Form 10-K for the year ended December 31, 2025.

Recent Accounting Standards

None.

Results of Operations

The table below presents information from our condensed consolidated statements of comprehensive income (loss) for the three months ended March 31, 2026 and 2025.

	Three Months Ended March 31,	
$ in thousands, except share data	**2026**	**2025**
Interest income	79,641	73,846
Interest expense	52,593	55,025
Net interest income	27,048	18,821
Other income (loss)		
Gain (loss) on investments, net	(54,940)	82,158
Gain (loss) on derivative instruments, net	12,879	(76,679)
Total other income (loss)	(42,061)	5,479
Expenses		
Management fee – related party	2,974	2,996
General and administrative	1,917	1,663
Total expenses	4,891	4,659
Net income (loss)	(19,904)	19,641
Dividends to preferred stockholders	(3,190)	(3,341)
Gain (loss) on repurchase and retirement of preferred stock	(27)	(11)
Net income (loss) attributable to common stockholders	(23,121)	16,289
Other comprehensive income (loss)		
Unrealized gain (loss) on mortgage-backed securities, net	—	500
Reclassification of unrealized (gain) loss on sale of mortgage-backed securities to gain (loss) on investments, net	—	116
Total other comprehensive income (loss)	—	616
Comprehensive income (loss) attributable to common stockholders	(23,121)	16,905
Earnings (loss) per share		
Net income (loss) attributable to common stockholders		
Basic	(0.28)	0.26
Diluted	(0.28)	0.26
Weighted average number of shares of common stock		
Basic	81,870,574	62,843,814
Diluted	81,870,574	62,844,859

Interest Income and Average Earning Asset Yields

The table below presents information related to our average earning assets and earning asset yields for the three months ended March 31, 2026 and 2025.

$ in thousands	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Average earning assets (1)	5,946,466	5,422,552
Average earning asset yields (2)	5.36 %	5.45 %

(1) Average balances for each period are based on weighted month-end balances. Average earning assets do not include TBAs that are treated as derivative instruments under U.S. GAAP.
(2) Average earning asset yields for the period are calculated by dividing interest income, including amortization of premiums and discounts, by average earning assets based on the amortized cost of the investments. All yields are annualized.

Average earning assets increased $523.9 million for the three months ended March 31, 2026 compared to the same period in 2025. Changes in our average earning assets are a factor of our total stockholders' equity, our desired leverage levels and our allocation to TBAs.

Average earning asset yields decreased 9 basis points for the three months ended March 31, 2026 compared to the same period in 2025. Changes in our average earning asset yields are driven by the composition of our investments, amortized cost of our securities and prepayment rates.

Our interest income includes coupon interest and net (premium amortization) discount accretion as shown in the table below.

$ in thousands	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Interest income		
Coupon interest	80,238	73,636
Net (premium amortization) discount accretion	(597)	210
Total interest income	79,641	73,846

Our interest income increased $5.8 million for the three months ended March 31, 2026 compared to the same period in 2025 due to an increase in average earning assets, which was partially offset by a decrease in average earning asset yields.

Prepayment Speeds

Our Agency RMBS portfolio is subject to inherent prepayment risk primarily driven by changes in interest rates, which impacts the amount of premium and discount on the purchase of these securities that is recognized into interest income. Generally, in an environment of falling interest rates, prepayment speeds will increase as homeowners are more likely to prepay their existing mortgage and refinance into a lower borrowing rate. In an environment of rising interest rates, prepayment speeds will generally decrease as homeowners are not as incentivized to refinance. For Agency RMBS where we do not estimate prepayments, premium amortization and discount accretion are not impacted by prepayments until actual prepayments occur. For Agency RMBS purchased at a substantial premium relative to par value, expected future prepayment speeds are estimated on at least a quarterly basis.

Faster prepayment rates on securities purchased at a premium relative to par value result in higher premium amortization and a decrease in interest income. Conversely, faster prepayment rates on securities purchased at a discount relative to par value result in higher discount accretion and an increase in interest income.

The following table presents net (premium amortization) discount accretion recognized for the three months ended March 31, 2026 and 2025.

$ in thousands	Three Months Ended March 31, 2026	2025
Agency RMBS	(1,327)	179
Agency CMBS	730	95
Non-Agency RMBS	—	(64)
Net (premium amortization) discount accretion	(597)	210

The change in net (premium amortization) discount accretion for the three months ended March 31, 2026 compared to the same period in 2025 was the result of an increase in the amortized costs of our securities relative to par value and faster prepayment rates on higher-coupon, premium-priced securities, which was partially offset by the acceleration of discount accretion on certain Agency CMBS that fully repaid during the period.

Interest Expense and Cost of Funds

The table below presents information related to our borrowings and cost of funds for the three months ended March 31, 2026 and 2025.

$ in thousands	Three Months Ended March 31, 2026	2025
Average borrowings (1)	5,367,463	4,930,237
Maximum borrowings during the period (2)	5,404,619	5,354,561
Cost of funds (3)	3.92 %	4.46 %

(1) Average borrowings for each period are based on weighted month-end balances. Average borrowings do not include the off-balance sheet financing component of TBAs that are treated as derivative instruments under U.S. GAAP.
(2) Amount represents the maximum borrowings at month-end during each of the respective periods.
(3) Average cost of funds is calculated by dividing annualized interest expense by our average borrowings.

Average borrowings increased $437.2 million for the three months ended March 31, 2026 compared to the same period in 2025. Changes in our average borrowings are a factor of our total stockholders' equity, our desired leverage levels and our allocation to TBAs.

Cost of funds decreased 54 basis points for the three months ended March 31, 2026 compared to the same period in 2025. Changes in our cost of funds are substantially driven by the Federal Funds target rate, which was set at a range of 3.50% to 3.75% during the three months ended March 31, 2026 and a range of 4.25% to 4.50% during the three months ended March 31, 2025.

The table below presents the components of interest expense for the three months ended March 31, 2026 and 2025.

$ in thousands	Three Months Ended March 31, 2026	2025
Interest Expense		
Interest expense on repurchase agreement borrowings	52,593	55,025

Our interest expense decreased $2.4 million for three months ended March 31, 2026 compared to the same period in 2025 due to a lower cost of funds, which was partially offset by an increase in average borrowings.

Net Interest Income

The table below presents the components of net interest income for the three months ended March 31, 2026 and 2025.

$ in thousands	Three Months Ended March 31, 2026	2025
Interest income	79,641	73,846
Interest expense	52,593	55,025
Net interest income	27,048	18,821
Net interest rate margin	1.44 %	0.99 %

Our net interest income, which equals total interest income less total interest expense, increased for the three months ended March 31, 2026 compared to the same period in 2025 due to a lower cost of funds and higher average earning assets, which were partially offset by higher average borrowings and lower average earning asset yields.

Our net interest rate margin, which equals the yield on our average earning assets for the period less the average cost of funds, increased for the three months ended March 31, 2026 compared to the same period in 2025 due to a lower cost of funds, which was partially offset by lower average earning asset yields. Our cost of funds is generally more sensitive to changes in interest rates than the yield on our investment portfolio, which is largely comprised of 30 year fixed-rate Agency RMBS.

Gain (Loss) on Investments, net

The table below summarizes the components of gain (loss) on investments, net for the three months ended March 31, 2026 and 2025.

$ in thousands	Three Months Ended March 31, 2026	2025
Net realized gains (losses) on sale of MBS	443	(5,466)
Net unrealized gains (losses) on MBS accounted for under the fair value option	(55,383)	87,624
Total gain (loss) on investments, net	(54,940)	82,158

During the three months ended March 31, 2026, we sold our holdings of 6.5% coupon Agency RMBS and realized net gains of $443,000. Net realized losses of $5.5 million during the three months ended March 31, 2025 reflect sales of 4.0% coupon Agency RMBS.

Under the fair value option, changes in fair value are recognized in income on the condensed consolidated statements of comprehensive income (loss). As of March 31, 2026 and December 31, 2025, all of our MBS were accounted for under the fair value option. We recorded net unrealized losses of $55.4 million on our MBS during the three months ended March 31, 2026 due to an increase in interest rates and wider spreads. We recorded net unrealized gains of $87.6 million on our MBS portfolio accounted for under the fair value option during the three months ended March 31, 2025 due to a sharp decline in interest rates.

Gain (Loss) on Derivative Instruments, net

We record all derivatives on our condensed consolidated balance sheets at fair value. Changes in the fair value of our derivatives are recorded in gain (loss) on derivative instruments, net in our condensed consolidated statements of comprehensive income (loss). Net interest paid or received under our interest rate swaps is also recognized in gain (loss) on derivative instruments, net in our condensed consolidated statements of comprehensive income (loss).

The tables below summarize the components of our gain (loss) on derivative instruments, net for the following periods.

$ in thousands	Three months ended March 31, 2026			
Derivative Instruments	Realized Gain (Loss) on Derivative Instruments, Net	Contractual Net Interest Income (Expense)	Unrealized Gain (Loss), Net	Gain (Loss) on Derivative Instruments, Net
Interest rate swaps	2,211	21,578	(6,248)	17,541
U.S. Treasury futures contracts	9,481	—	(5,160)	4,321
TBAs	11,632	—	(20,615)	(8,983)
Total	23,324	21,578	(32,023)	12,879

$ in thousands	Three months ended March 31, 2025			
Derivative Instruments	Realized Gain (Loss) on Derivative Instruments, Net	Contractual Net Interest Income (Expense)	Unrealized Gain (Loss), Net	Gain (Loss) on Derivative Instruments, Net
Interest rate swaps	(76,259)	28,079	542	(47,638)
U.S. Treasury futures contracts	(28,682)	—	(4,172)	(32,854)
TBAs	3,425	—	388	3,813
Total	(101,516)	28,079	(3,242)	(76,679)

As of March 31, 2026 and December 31, 2025, we held the following interest rate swaps whereby we pay fixed interest rates and receive floating interest rates based upon SOFR.

$ in thousands	As of March 31, 2026				As of December 31, 2025			
Derivative Instruments	Notional Amount	Weighted Average Fixed Pay Rate	Weighted Average Floating Receive Rate	Weighted Average Years to Maturity	Notional Amount	Weighted Average Fixed Pay Rate	Weighted Average Floating Receive Rate	Weighted Average Years to Maturity
Interest rate swaps	4,115,000	1.66 %	3.68 %	5.8	3,820,000	1.34 %	3.87 %	4.6

We use interest rate swaps to manage our exposure to changing interest rates and add stability to our borrowing costs. During the three months ended March 31, 2026, we entered into interest rate swaps with a notional amount of $1.0 billion and terminated or settled existing interest rate swaps with a notional amount of $730.0 million. We recorded net gains of $17.5 million on interest rate swaps for the three months ended March 31, 2026 (three months ended March 31, 2025: net losses of $47.6 million). Net gains during the three months ended March 31, 2026 were due to an increase in swap rates.

As of March 31, 2026 and December 31, 2025, we held the following U.S. Treasury futures contracts.

	As of	
	March 31, 2026	December 31, 2025
$ in thousands	Notional Amount - Short	Notional Amount - Short
10 year U.S. Treasury futures	310,000	420,000
Ultra 10 year U.S. Treasury futures	375,000	455,000
30 year U.S. Treasury futures	305,000	215,000
Total	990,000	1,090,000

We use U.S. Treasury futures contracts as an alternative way to help mitigate the potential impact of changes in interest rates on our performance. During the three months ended March 31, 2026, we entered into U.S. Treasury futures contracts with a notional amount of $1.3 billion and terminated or settled existing U.S. Treasury futures contracts with a notional amount of $1.4 billion. We recognized net gains of $4.3 million on U.S. Treasury futures contracts during the three months ended March 31, 2026 (three months ended March 31, 2025: net losses of $32.9 million). Net gains during the three months ended March 31, 2026 were due to an increase in interest rates.

We primarily use TBAs in long positions as an alternative means of investing in and financing Agency RMBS. Additionally, we have used and may in the future use short positions in TBAs to manage risk and economically hedge a portion of our exposure to changes in Agency RMBS valuations. We recorded net losses of $9.0 million on TBAs during the three months ended March 31, 2026 (three months ended March 31, 2025: net gains of $3.8 million). Net losses on TBAs during the three months ended March 31, 2026 were due to an increase in interest rates and widening spreads.

Expenses

We incurred management fees of $3.0 million for the three months ended March 31, 2026 (three months ended March 31, 2025: $3.0 million). Our management fees are determined by our average stockholders' equity. Refer to Note 9 – “Related Party Transactions” of our condensed consolidated financial statements for a discussion of our relationship with our Manager and a description of how our fees are calculated.

Our general and administrative expenses not covered under our management agreement amounted to $1.9 million for the three months ended March 31, 2026 (three months ended March 31, 2025: $1.7 million). General and administrative expenses not covered under our management agreement primarily consist of directors and officers insurance, legal costs, accounting, auditing and tax services, filing fees and miscellaneous general and administrative costs.

Gain (Loss) on Repurchase and Retirement of Preferred Stock

In May 2022, our board of directors approved a share repurchase program for our Series C Preferred Stock. During the three months ended March 31, 2026, we repurchased and retired 64,688 shares of Series C Preferred Stock (three months ended March 31, 2025: 90,146 shares). Gains and losses on repurchases and retirements of preferred stock represent the difference between the consideration transferred and the carrying value of the preferred stock.

Net Income (Loss) Attributable to Common Stockholders

For the three months ended March 31, 2026, our net loss attributable to common stockholders was $23.1 million (three months ended March 31, 2025: net income of $16.3 million) or $0.28 basic and diluted net loss per average share available to common stockholders (three months ended March 31, 2025: $0.26 net income per share). The change in net income (loss) attributable to common stockholders was primarily due to (i) net losses on investments of $54.9 million in the 2026 period compared to net gains on investments of $82.2 million in the 2025 period; (ii) net gains on derivative instruments of $12.9 million in the 2026 period compared to net losses on derivatives of $76.7 million in the 2025 period; and (iii) a $8.2 million increase in net interest income.

For further information on the changes in net gain (loss) on investments, net gain (loss) on derivative instruments and changes in net interest income, see preceding discussion under “Gain (Loss) on Investments, net”, “Gain (Loss) on Derivative Instruments, net” and “Net Interest Income”.

Non-GAAP Financial Measures

The table below shows the non-GAAP financial measures we use to analyze our operating results and the most directly comparable U.S. GAAP measures. We believe these non-GAAP measures are useful to investors in assessing our performance as discussed further below.

Non-GAAP Financial Measure	Most Directly Comparable U.S. GAAP Measure
Earnings available for distribution (and by calculation, earnings available for distribution per common share)	Net income (loss) attributable to common stockholders (and by calculation, basic earnings (loss) per common share)
Effective interest expense (and by calculation, effective cost of funds)	Total interest expense (and by calculation, cost of funds)
Effective net interest income (and by calculation, effective interest rate margin)	Net interest income (and by calculation, net interest rate margin)
Economic debt-to-equity ratio	Debt-to-equity ratio

The non-GAAP financial measures used by management should be analyzed in conjunction with U.S. GAAP financial measures and should not be considered substitutes for U.S. GAAP financial measures. In addition, the non-GAAP financial measures may not be comparable to similarly titled non-GAAP financial measures of our peer companies.

Earnings Available for Distribution

Our business objective is to provide attractive risk-adjusted returns to our stockholders, primarily through dividends and secondarily through capital appreciation. We use earnings available for distribution as a measure of our investment portfolio’s ability to generate income for distribution to common stockholders and to evaluate our progress toward meeting this objective. We calculate earnings available for distribution as U.S. GAAP net income (loss) attributable to common stockholders adjusted for (gain) loss on investments, net; realized (gain) loss on derivative instruments, net; unrealized (gain) loss on derivative instruments, net; TBA dollar roll income and (gain) loss on repurchase and retirement of preferred stock. We may add and have added additional reconciling items to our earnings available for distribution calculation as appropriate.

By excluding the gains and losses discussed above, we believe the presentation of earnings available for distribution provides a consistent measure of operating performance that investors can use to evaluate our results over multiple reporting periods and, to a certain extent, compare to our peer companies. However, because not all of our peer companies use identical operating performance measures, our presentation of earnings available for distribution may not be comparable to other similarly titled measures used by our peer companies. We exclude the impact of gains and losses when calculating earnings available for distribution because when analyzed in conjunction with our U.S. GAAP results, earnings available for distribution provides additional detail of our investment portfolio’s earnings capacity. In addition, certain gains and losses represent one-time events.

Furthermore, gains and losses have not been accounted for consistently under U.S. GAAP. Under U.S. GAAP, certain gains and losses may be reflected in net income whereas other gains and losses may be reflected in other comprehensive income. For example, a portion of our mortgage-backed securities were historically classified as available-for-sale securities, and changes in the valuation of these securities were recorded in other comprehensive income on our condensed consolidated balance sheets. We elected the fair value option for our mortgage-backed securities purchased on or after September 1, 2016, and changes in the valuation of these securities are recorded in other income (loss) in our condensed consolidated statements of comprehensive income (loss).

To maintain our qualification as a REIT, U.S. federal income tax law generally requires that we distribute at least 90% of our REIT taxable income annually. Because we view earnings available for distribution as a consistent measure of our investment portfolio's ability to generate income for distribution to common stockholders, earnings available for distribution is one metric, but not the exclusive metric, that is used to determine the amount, if any, of dividends on our common stock. However, earnings available for distribution should not be considered as an indication of our taxable income, a guaranty of our ability to pay dividends or as a proxy for the amount of dividends we may pay, as earnings available for distribution excludes certain items that impact our cash needs.

Earnings available for distribution is an incomplete measure of our financial performance and there are other factors that impact the achievement of our business objective. We caution that earnings available for distribution should not be considered as an alternative to net income (determined in accordance with U.S. GAAP) or as an indication of our cash flow from operating activities (determined in accordance with U.S. GAAP), a measure of our liquidity or as an indication of amounts available to fund our cash needs.

The table below provides a reconciliation of U.S. GAAP net income (loss) attributable to common stockholders to earnings available for distribution for the following periods.

	Three Months Ended March 31,	
$ in thousands, except per share data	**2026**	**2025**
Net income (loss) attributable to common stockholders	(23,121)	16,289
Adjustments:		
(Gain) loss on investments, net	54,940	(82,158)
Realized (gain) loss on derivative instruments, net [(1)]	(23,324)	101,516
Unrealized (gain) loss on derivative instruments, net [(1)]	32,023	3,242
TBA dollar roll income [(2)]	4,166	1,147
(Gain) loss on repurchase and retirement of preferred stock	27	11
Subtotal	67,832	23,758
Earnings available for distribution	44,711	40,047
Basic earnings (loss) per common share	(0.28)	0.26
Earnings available for distribution per common share [(3)]	0.55	0.64

(1) U.S. GAAP gain (loss) on derivative instruments, net on the condensed consolidated statements of comprehensive income (loss) includes the following components.

	Three Months Ended March 31,	
$ in thousands	**2026**	**2025**
Realized gain (loss) on derivative instruments, net	23,324	(101,516)
Unrealized gain (loss) on derivative instruments, net	(32,023)	(3,242)
Contractual net interest income (expense) on interest rate swaps	21,578	28,079
Gain (loss) on derivative instruments, net	12,879	(76,679)

(2) A TBA dollar roll is a series of derivative transactions where TBAs with the same specified issuer, term and coupon but different settlement dates are simultaneously bought and sold. The TBA settling in the later month typically prices at a discount to the TBA settling in the earlier month. TBA dollar roll income represents the price differential between the TBA price for current month settlement compared to the TBA price for forward month settlement. We include TBA dollar roll income in earnings available for distribution because it is the economic equivalent of interest income on the underlying Agency RMBS, less an implied financing cost, over the forward settlement period. TBA dollar roll income is a component of gain (loss) on derivative instruments, net on our condensed consolidated statements of comprehensive income (loss).

(3) Earnings available for distribution per common share is equal to earnings available for distribution divided by the basic weighted average number of common shares outstanding.

The table below shows the components of earnings available for distribution for the following periods.

	Three Months Ended March 31,	
$ in thousands	2026	2025
Effective net interest income [1]	48,626	46,900
TBA dollar roll income	4,166	1,147
Total expenses	(4,891)	(4,659)
Subtotal	47,901	43,388
Dividends to preferred stockholders	(3,190)	(3,341)
Earnings available for distribution	44,711	40,047

(1) See below for a reconciliation of net interest income to effective net interest income, a non-GAAP measure.

Earnings available for distribution increased during the three months ended March 31, 2026 compared to the same period in 2025 due to higher effective net interest income and an increase in our allocation to TBAs. See below for details on the change in effective net interest income.

Effective Interest Expense / Effective Cost of Funds / Effective Net Interest Income / Effective Interest Rate Margin

We calculate effective interest expense (and by calculation, effective cost of funds) as U.S. GAAP total interest expense adjusted for contractual net interest income (expense) on our interest rate swaps that is recorded as gain (loss) on derivative instruments, net. We view our interest rate swaps as an economic hedge against increases in future market interest rates on our borrowings. We add back the net payments or receipts on our interest rate swap agreements to our total U.S. GAAP interest expense because we use interest rate swaps to add stability to interest expense.

We calculate effective net interest income (and by calculation, effective interest rate margin) as U.S. GAAP net interest income adjusted for contractual net interest income (expense) on our interest rate swaps that is recorded as gain (loss) on derivative instruments, net.

We believe the presentation of effective interest expense, effective cost of funds, effective net interest income and effective interest rate margin measures, when considered together with U.S. GAAP financial measures, provides information that is useful to investors in understanding our borrowing costs and operating performance.

The following table reconciles total interest expense to effective interest expense and cost of funds to effective cost of funds for the following periods.

	Three Months Ended March 31,			
	2026		2025	
$ in thousands	Reconciliation	Cost of Funds / Effective Cost of Funds	Reconciliation	Cost of Funds / Effective Cost of Funds
Total interest expense	52,593	3.92 %	55,025	4.46 %
Less: Contractual net interest expense (income) on interest rate swaps recorded as gain (loss) on derivative instruments, net	(21,578)	(1.61)%	(28,079)	(2.28)%
Effective interest expense	31,015	2.31 %	26,946	2.18 %

Our effective interest expense increased in the three months ended March 31, 2026 compared to the same period in 2025 due to a decrease in contractual net interest income on interest rate swaps and an increase in average borrowings, which were partially offset by a lower cost of funds.

Our effective cost of funds increased in the three months ended March 31, 2026 compared to the same period in 2025 due to a decrease in contractual net interest income on interest rate swaps, which was partially offset by a lower cost of funds.

In addition to changes caused by the underlying floating rate index, the amount of contractual net interest income or expense on interest rate swaps that we recognize has changed based on changes in the size and composition of our interest rate swap portfolio. We also use U.S. Treasury futures contracts, which do not earn or incur contractual interest, in lieu of certain interest rate swaps as an alternative way to help mitigate the potential impact of changing interest rates on our performance. See preceding discussion under "Gain (Loss) on Derivative Instruments, net" for details of our interest rate swap portfolio as of March 31, 2026 and December 31, 2025.

The following table reconciles net interest income to effective net interest income and net interest rate margin to effective interest rate margin for the following periods.

	Three Months Ended March 31,			
	2026		2025	
$ in thousands	Reconciliation	Net Interest Rate Margin / Effective Interest Rate Margin	Reconciliation	Net Interest Rate Margin / Effective Interest Rate Margin
Net interest income	27,048	1.44 %	18,821	0.99 %
Add: Contractual net interest income (expense) on interest rate swaps recorded as gain (loss) on derivative instruments, net	21,578	1.61 %	28,079	2.28 %
Effective net interest income	48,626	3.05 %	46,900	3.27 %

Our effective net interest income increased in the three months ended March 31, 2026 compared to the same period in 2025 due to higher average earning assets and a lower cost of funds, which were partially offset by a decrease in contractual net interest income on interest rate swaps, higher average borrowings and lower average earning asset yields.

Our effective net interest rate margin decreased in the three months ended March 31, 2026 compared to the same period in 2025 due to a decrease in contractual net interest income on interest rate swaps and lower average earning asset yields, which were partially offset by a lower cost of funds.

Economic Debt-to-Equity Ratio

The table below shows our debt-to-equity ratio and our economic debt-to-equity ratio as of March 31, 2026 and December 31, 2025. Our debt-to-equity ratio is calculated in accordance with U.S. GAAP and is the ratio of total debt to total stockholders' equity.

We present an economic debt-to-equity ratio, a non-GAAP financial measure of leverage that considers the impact of the off-balance sheet financing of our investments in TBAs that are accounted for as derivative instruments under U.S. GAAP. We include these types of TBAs at implied cost basis 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 contract for the forward sale of Agency RMBS has substantially the same effect as selling the underlying Agency RMBS and reducing our on-balance sheet funding commitments. We believe that presenting our economic debt-to-equity ratio, when considered together with our U.S. GAAP financial measure of debt-to-equity ratio, provides information that is useful to investors in understanding how management evaluates our at-risk leverage and gives investors a comparable statistic to those of other mortgage REITs who also invest in TBAs and present a similar non-GAAP measure of leverage.

	As of	
$ in thousands	March 31, 2026	December 31, 2025
Repurchase agreements	5,339,373	5,619,255
Total stockholders' equity	876,354	797,544
Debt-to-equity ratio (1)	6.1	7.0
Economic debt-to-equity ratio (2)	7.5	7.0

(1) Debt-to-equity ratio is calculated as the ratio of total repurchase agreements to total stockholders' equity.
(2) Economic debt-to-equity ratio is calculated as the ratio of total repurchase agreements and TBAs at implied cost basis ($1.2 billion as of March 31, 2026; none as of December 31, 2025) to total stockholders' equity.

Liquidity and Capital Resources

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments to pay dividends, purchase investments, repay borrowings and fund other general business needs. Our primary sources of funds for liquidity consist of the net cash proceeds from our common equity offerings, net cash provided by operating activities, proceeds from repurchase agreements and other financing arrangements and future issuances of equity and/or debt securities.

We currently believe that we have sufficient liquidity and capital resources available for the acquisition of additional investments, repayments on borrowings, margin requirements and the payment of cash dividends as required for continued qualification as a REIT. We generally maintain liquidity to pay down borrowings under financing arrangements to reduce borrowing costs and otherwise efficiently manage our long-term investment capital. Because the level of these borrowings can be adjusted on a daily basis, the level of cash and cash equivalents carried on our condensed consolidated balance sheets is significantly less important than our potential liquidity available under borrowing arrangements or through the sale of liquid investments. However, there can be no assurance that we will maintain sufficient levels of liquidity to meet any margin calls.

We held cash, cash equivalents and restricted cash of $190.9 million as of March 31, 2026 (March 31, 2025: $181.5 million). Our cash, cash equivalents and restricted cash change due to normal fluctuations in cash balances related to the timing of principal and interest payments, repayments of debt, and asset purchases and sales. Our operating activities provided net cash of approximately $26.7 million for the three months ended March 31, 2026 (March 31, 2025: $19.3 million).

Our investing activities provided net cash of $195.0 million for the three months ended March 31, 2026 compared to net cash used by investing activities of $516.5 million for the three months ended March 31, 2025. We used cash of $228.9 million to purchase MBS for the three months ended March 31, 2026 (March 31, 2025: $884.4 million). We posted cash variation margin of $25.0 million on TBAs for the three months ended March 31, 2026 (March 31, 2025: received net cash of $525,000). Principal payments on MBS provided cash of $214.0 million (March 31, 2025: $95.3 million).We also generated $211.5 million in proceeds from sales of MBS for the three months ended March 31, 2026 (March 31, 2025: $373.6 million) and received net cash of $23.3 million to settle derivative contracts for the three months ended March 31, 2026 (March 31, 2025: cash used of $101.5 million).

Our financing activities used net cash of $197.2 million for the three months ended March 31, 2026 compared to net cash provided of $467.8 million for the three months ended March 31, 2025. During the three months ended March 31, 2026, we used net cash for repayments on our repurchase agreements of $279.9 million (March 31, 2025: received net cash from repurchase agreements of $460.6 million). Proceeds from issuance of common stock provided $133.6 million for the three months ended March 31, 2026 (March 31, 2025: $36.1 million).We also paid dividends of $48.6 million for the three months ended March 31, 2026 (March 31, 2025: $28.0 million).

As of March 31, 2026, the average margin requirement (weighted by borrowing amount), or the haircut, under our repurchase agreements was 4.3% for Agency RMBS and 4.9% for Agency CMBS. The haircuts ranged from a low of 3% to a high of 5% for Agency RMBS and a low of 4% to a high of 5% for Agency CMBS. Declines in the value of our securities portfolio can trigger margin calls by our lenders under our repurchase agreements. An event of default or termination event may give our counterparties the option to terminate all repurchase transactions outstanding with us and require any amount due from us to the counterparties to be payable immediately.

Effects of Margin Requirements, Leverage and Spreads

Our securities have values that fluctuate according to market conditions, and the market value of our securities will decrease as prevailing interest rates or spreads increase. When the value of the securities pledged to secure a repurchase loan decreases to the point where the positive difference between the collateral value and the loan amount is less than the haircut, our lenders may issue a “margin call”, which means that the lender will require us to pay cash or pledge additional collateral. Under our repurchase facilities, our lenders have full discretion to determine the value of the securities we pledge to them. Most of our lenders will value securities based on recent trades in the market. Lenders also issue margin calls as the published current principal balance factors change on the pool of mortgages underlying the securities pledged as collateral when scheduled and unscheduled paydowns are announced monthly.

We experience margin calls and increased collateral requirements in the ordinary course of our business. In seeking to effectively manage the margin requirements established by our lenders, we maintain a position of cash and unpledged securities. We refer to this position as our liquidity. The level of liquidity we have available to meet margin calls is directly affected by our leverage levels, our haircuts and the price changes on our securities. If interest rates increase or if spreads widen, then the value of our collateral (and our unpledged assets that constitute our liquidity) will decline, we will experience margin calls, and we will seek to use our liquidity to meet the margin calls. There can be no assurance that we will maintain sufficient levels of liquidity to meet margin calls or increased collateral requirements. If our haircuts increase, our liquidity will proportionately decrease. In addition, if we increase our borrowings, our liquidity will decrease by the amount of additional haircut on the increased level of indebtedness.

Our interest rate swaps and U.S. Treasury futures contracts require us to post initial margin and daily variation margin based on subsequent changes in their fair value. Daily variation margin requirements also entitle us to receive collateral from our counterparties if the value of amounts owed to us under the derivative agreement exceeds the minimum margin requirement. Our TBAs also include provisions for the posting or receipt of variation margin based on changes in fair value.

We intend to maintain a level of liquidity in relation to our assets that enables us to meet reasonably anticipated margin calls and increased collateral requirements but that also allows us to be substantially invested in securities. We may misjudge the appropriate amount of our liquidity by maintaining excessive liquidity, which would lower our investment returns, or by maintaining insufficient liquidity, which would force us to liquidate assets into unfavorable market conditions and harm our results of operations and financial condition.

We are subject to financial covenants in connection with our lending, derivatives and other agreements we enter into in the normal course of our business. We intend to operate in a manner that complies with all of our financial covenants. Our lending and derivative agreements provide that we may be declared in default of our obligations if our leverage ratio exceeds certain thresholds and we fail to maintain stockholders' equity or market value above certain thresholds over specified time periods.

Forward-Looking Statements Regarding Liquidity

As of March 31, 2026, we held $5.6 billion of Agency securities that are financed by repurchase agreements. We also had approximately $440.5 million of unencumbered investments and unrestricted cash of $52.6 million as of March 31, 2026. As of March 31, 2026, our known contractual obligations primarily consisted of $5.3 billion of repurchase agreement borrowings with a weighted average remaining maturity of 30 days. We generally intend to refinance the majority of our repurchase agreement borrowings at market rates upon maturity. Repurchase agreement borrowings that are not refinanced upon maturity are typically repaid through the use of cash on hand or proceeds from sales of securities. Additionally, we had TBAs with an implied cost basis of $1.2 billion as of March 31, 2026. Under certain market conditions, it may be uneconomical for us to roll our TBA long positions into future months. This may result in us being required to take delivery of the underlying securities and fund those securities using cash or other financing sources, potentially reducing our liquidity.

Based upon our current portfolio and existing borrowing arrangements, we believe that cash flow from operations and available borrowing capacity will be sufficient to enable us to meet anticipated short-term (one year or less) liquidity requirements to fund our investment activities, pay fees under our management agreement, fund our required distributions to stockholders and fund other general corporate expenses.

Our ability to meet our long-term (greater than one year) liquidity and capital resource requirements will be subject to obtaining ongoing debt financing. In addition, we may increase our capital resources by obtaining long-term credit facilities or through public or private offerings of equity or debt securities, possibly including classes of preferred stock, common stock, senior or subordinated notes and convertible notes. Such financing will depend on market conditions for capital raises and our ability to invest such offering proceeds. If we are unable to renew, replace or expand our sources of financing on substantially similar terms, it may have an adverse effect on our business and results of operations.

Exposure to Financial Counterparties

We finance a substantial portion of our investment portfolio through repurchase agreements. Under these agreements, we pledge assets from our investment portfolio as collateral. Additionally, certain counterparties may require us to provide additional collateral in the event the market value of the assets declines to maintain a contractual repurchase agreement collateral ratio. If a counterparty were to default on its obligations, we would be exposed to potential losses to the extent the fair value of collateral pledged by us to the counterparty, including any accrued interest receivable on such collateral, exceeded the amount loaned to us by the counterparty plus interest due to the counterparty. As of March 31, 2026, no counterparty held collateral that exceeded the amounts borrowed under the related repurchase agreements by more than 5% of our stockholders' equity.

The following table summarizes our exposure to counterparties by geographic concentration as of March 31, 2026. The information is based on the geographic headquarters of the counterparty or counterparty's parent company. However, our repurchase agreements are denominated in U.S. dollars.

$ in thousands	Number of Counterparties	Repurchase Agreement Financing	Exposure
North America	15	3,490,227	170,413
Asia	3	665,423	34,436
Europe (excluding United Kingdom)	2	631,345	31,205
United Kingdom	1	552,378	24,421
Total	21	5,339,373	260,475

Dividends

To maintain our qualification as a REIT, U.S. federal income tax law generally requires that we distribute at least 90% of our REIT taxable income annually, determined without regard to the deduction for dividends paid and excluding net capital gains. We must pay tax at regular corporate rates to the extent that we annually distribute less than 100% of our REIT taxable income. Before we pay any dividend, whether for U.S. federal income tax purposes or otherwise, we must first meet both our operating requirements and debt service on our repurchase agreements and other debt payable. If our cash available for distribution is less than our REIT taxable income, we could be required to sell assets or borrow funds to make cash distributions, or we may make a portion of the required distribution in the form of a taxable stock distribution or distribution of debt securities.

Unrelated Business Taxable Income

We have not engaged in transactions that would result in a portion of our income being treated as unrelated business taxable income.

Other Matters

We believe that we satisfied each of the asset tests in Section 856(c)(4) of the Internal Revenue Code of 1986, as amended (the "Code") for the period ended March 31, 2026, and that our proposed method of operation will permit us to satisfy the asset tests, gross income tests, and distribution and stock ownership requirements for our taxable year that will end on December 31, 2026.

At all times, we intend to conduct our business so that neither we nor our Operating Partnership nor the subsidiaries of our Operating Partnership are required to register as an investment company under the 1940 Act. If we were required to register as an investment company, then our use of leverage would be substantially reduced. Because we are a holding company that conducts our business through our Operating Partnership and the Operating Partnership’s wholly-owned or majority-owned subsidiaries, the securities issued by these subsidiaries that are excepted from the definition of “investment company” under Section 3(c)(1) or Section 3(c)(7) of the 1940 Act, together with any other investment securities the Operating Partnership may own, may not have a combined value in excess of 40% of the value of the Operating Partnership’s total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis, which we refer to as the 40% test. This requirement limits the types of businesses in which we are permitted to engage in through our subsidiaries. In addition, we believe neither we nor the Operating Partnership are considered an investment company under Section 3(a)(1)(A) of the 1940 Act because they do not engage primarily or hold themselves out as being engaged primarily in the business of investing, reinvesting or trading in securities. Rather, through the Operating Partnership’s wholly-owned or majority-owned subsidiaries, we and the Operating Partnership are primarily engaged in the non-investment company businesses of these subsidiaries. IAS Asset I LLC and certain of the Operating Partnership's other subsidiaries that we may form in the future rely upon the exclusion from the definition of "investment company" under the 1940 Act provided by Section 3(c)(5)(C) of the 1940 Act, which is available for entities "primarily engaged in the business of purchasing or otherwise acquiring mortgages and other liens on and interests in real estate." This exclusion generally requires that at least 55% of each subsidiary's portfolio be comprised of qualifying assets and at least 80% be comprised of qualifying assets and real estate-related assets (and no more than 20% comprised of miscellaneous assets). We calculate that as of March 31, 2026, we conducted our business so as not to be regulated as an investment company under the 1940 Act.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The primary components of our market risk are related to interest rate, principal prepayment and market value. While we do not seek to avoid risk completely, we believe the risk can be quantified from historical experience and we seek to actively manage that risk, to earn sufficient compensation to justify taking those risks and to maintain capital levels consistent with the risks we undertake.

For additional discussion of market risk, see Part I. Item 1 - Risk Factors of our annual report on Form 10-K for the year ended December 31, 2025.

Interest Rate Risk

Interest rate risk is highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, and other factors beyond our control. We are subject to interest rate risk in connection with our investments and our repurchase agreements. Our repurchase agreements are typically short-term in nature and are periodically refinanced at current market rates. We typically mitigate this interest rate risk by utilizing derivative contracts, primarily interest rate swap agreements and U.S. Treasury futures contracts.

Interest Rate Effect on Net Interest Income

Our operating results depend in large part upon differences between the yields earned on our investments and our cost of borrowing and interest rate hedging activities. During periods of rising interest rates, the borrowing costs associated with our investments tend to increase while the income earned on our fixed interest rate investments may remain substantially unchanged. This increase in borrowing costs results in the narrowing of the net interest spread between the related assets and borrowings and may even result in losses.

Hedging techniques are partly based on assumed levels of prepayments of our Agency RMBS. If prepayments are slower or faster than assumed, the life of the Agency RMBS will be longer or shorter, which would reduce the effectiveness of any hedging strategies we may use and may cause losses on such transactions. Hedging strategies involving the use of derivative securities are highly complex and may produce volatile returns.

Interest Rate Effects on Fair Value

Another component of interest rate risk is the effect that changes in interest rates will have on the market value of the assets that we acquire. Generally, in a rising interest rate environment, the estimated market value of these securities would be expected to decrease; conversely, in a falling interest rate environment, the estimated market value of these securities would be expected to increase. We face the risk that the market value of our assets will increase or decrease at different rates than those of our liabilities, including our hedging instruments

We primarily assess our interest rate risk by estimating the duration of our assets and the duration of our liabilities. Duration measures the market price volatility of financial instruments as interest rates change. We generally calculate duration using various financial models and empirical data. Different models and methodologies can produce different duration values for the same securities.

The impact of changing interest rates on fair value can change significantly when interest rates change materially. Therefore, the volatility in the fair value of our assets could increase significantly in the event interest rates change materially. In addition, other factors impact the fair value of our interest rate-sensitive investments and hedging instruments, such as the shape of the yield curve, market expectations as to future interest rate changes and other market conditions. Accordingly, changes in actual interest rates may have a material adverse effect on us.

The sensitivity analysis table presented below shows the estimated impact of an instantaneous parallel shift in the yield curve, up and down 50 and 100 basis points, on the market value of our interest rate-sensitive instruments and book value per common share as of March 31, 2026 and December 31, 2025. When evaluating the impact of changes in interest rates, prepayment assumptions are adjusted based on our Manager’s expectations. The analysis presented utilizes assumptions, models and estimates of our Manager based on our Manager’s judgment and experience. Additionally, we actively manage the size and composition of our portfolio, which includes hedging instruments, which can result in material changes to our interest rate risk profile.

Change in Interest Rates	As of March 31, 2026		As of December 31, 2025	
	Estimated Percentage Change in Market Value(1)	Estimated Percentage Change in Book Value per Common Share	Estimated Percentage Change in Market Value(1)	Estimated Percentage Change in Book Value per Common Share
+1.00%	(1.18)%	(12.61)%	(1.20)%	(12.58)%
+0.50%	(0.46)%	(4.93)%	(0.46)%	(4.87)%
-0.50%	0.03 %	0.31 %	0.01 %	0.11 %
-1.00%	(0.51)%	(5.48)%	(0.53)%	(5.55)%

(1) Estimated percentage change in market value consists of changes in the fair value of MBS, changes in the implied market value of TBAs and changes in the clean price of interest rate swaps and U.S. Treasury futures contracts.

Certain assumptions have been made in connection with the calculation of the information set forth in the foregoing interest rate sensitivity table and, as such, there can be no assurance that assumed events will occur or that other events will not occur that would affect the outcomes. The information set forth in the interest rate sensitivity table above and all related disclosures constitute forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Actual results could differ significantly from those estimated in the foregoing interest rate sensitivity table.

Spread Risk

We refer to the difference between interest rates on our investments and interest rates on risk free instruments as spreads. We employ a variety of spread risk management techniques that seek to mitigate the influences of spread changes on our book value and our liquidity to help us achieve our investment objectives. The yield on our investments changes over time due to the level of risk free interest rates, the creditworthiness of the security, and the price of the perceived risk. The change in the market yield of our interest rate hedges also changes primarily with the level of risk free interest rates. We manage spread risk through careful asset selection, sector allocation, regulating our portfolio value-at-risk, and seeking to maintain adequate liquidity. Changes in spreads impact our book value and our liquidity and could cause us to sell assets and to change our investment strategy to maintain liquidity and preserve book value. Inflation, financial conditions, monetary policy initiatives, interest rates and interest rate volatility may have an impact on spreads.

The sensitivity analysis table presented below shows the estimated impact of an instantaneous change in Agency MBS spreads, up and down 10 and 20 basis points, on the market value of our investments and our book value per common share as of March 31, 2026 and December 31, 2025. Sensitivity to changes in Agency MBS spreads is derived from models that are dependent on various assumptions. Our investments' sensitivity to Agency MBS spread changes will vary with changes in interest rates and the size and composition of our investment portfolio. The estimated impact of changes in spreads is independent of the interest rate sensitivity table presented above.

Change in Agency MBS Spreads	As of March 31, 2026		As of December 31, 2025	
	Estimated Percentage Change in Market Value(1)	Estimated Percentage Change in Book Value per Common Share	Estimated Percentage Change in Market Value(1)	Estimated Percentage Change in Book Value per Common Share
+0.20%	(0.98)%	(10.04)%	(0.95)%	(9.54)%
+0.10%	(0.49)%	(5.04)%	(0.48)%	(4.79)%
-0.10%	0.50 %	5.09 %	0.48 %	4.83 %
-0.20%	1.00 %	10.22 %	0.97 %	9.71 %

(1) Estimated percentage change in market value consists of changes in the fair value of MBS and changes in the implied market value of TBAs.

The information set forth in the spread sensitivity table above and all related disclosures constitute forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Actual results could differ significantly from those estimated in the foregoing spread sensitivity table.

Prepayment Risk

As we receive prepayments of principal on our investments, premiums or discounts on these investments are amortized against interest income. In general, an increase in prepayment rates will accelerate the amortization of purchase premiums, thereby reducing the interest income earned on the investments. Conversely, discounts on such investments are accreted into interest income. In general, an increase in prepayment rates will accelerate the accretion of purchase discounts, thereby increasing the interest income earned on the investments.

Uncertainty regarding the rate of inflation, fiscal and monetary policy initiatives, elevated interest rate volatility and other factors make it more difficult to predict prepayment levels for the securities in our portfolio. As a result, it is possible that realized prepayment behavior will be materially different from our expectations.

Extension Risk

We compute the projected weighted average life of our investments based upon assumptions regarding the rate at which the borrowers will prepay the underlying mortgages. In general, when a fixed-rate or hybrid adjustable-rate security is acquired with borrowings, we may, but are not required to, enter into an interest rate swap agreement or other hedging instrument that effectively fixes our borrowing costs for a period close to the anticipated average life of the fixed-rate portion of the related assets. This strategy is designed to protect us from rising interest rates, because the borrowing costs are fixed for the duration of the fixed-rate portion of the related target asset.

However, if prepayment rates decrease in a rising interest rate environment, then the life of the fixed-rate portion of the related assets could extend beyond the term of the swap agreement or other hedging instrument. This could have a negative impact on our results from operations, as borrowing costs would no longer be fixed after the end of the hedging instrument, while the income earned on the assets would remain fixed. This situation may also cause the market value of our assets to decline, with little or no offsetting gain from the related hedging transactions. In extreme situations, we may be forced to sell assets to maintain adequate liquidity, which could cause us to incur losses.

Liquidity Risk

We engage in a variety of liquidity management techniques to mitigate the risk of volatility in the marketplace, which may bring significant security price fluctuations, associated margin calls, changing cash needs, and variability in counterparty financing terms. We perform statistical analysis to measure and quantify our required liquidity needs under multiple scenarios and time horizons. In volatile market conditions, margin call risk is elevated and our operating results and financial condition may be materially impacted. Liquidity in the form of cash, unencumbered assets and future cash flows is consistently monitored and evaluated versus internal targets. One such measure that we use to monitor our liquidity is unrestricted cash and unencumbered investments, which consists of cash and cash equivalents as reported in our consolidated balance sheets and investments that have not been pledged as collateral for repurchase agreement borrowings.

ITEM 4. CONTROLS AND PROCEDURES.

Our management is responsible for establishing and maintaining disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act.

We have evaluated, with the participation of our principal executive officer and principal financial officer, the effectiveness of our disclosure controls and procedures as of March 31, 2026. Based upon our evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the quarter ended March 31, 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

From time to time, we may be involved in various claims and legal actions arising in the ordinary course of business. As of March 31, 2026, we were not involved in any such legal proceedings.

ITEM 1A. RISK FACTORS.

There were no material changes during the periods covered by this Quarterly Report to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the SEC on February 23, 2026. Additional risks not presently known, or that we currently deem immaterial, also may have a material adverse effect on our business, financial condition and results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

The following tables sets forth information with respect to our repurchases of Series C Preferred Stock during the three months ended March 31, 2026.

Month	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number at end of period of Shares that May Yet Be Purchased Under the Plans or Programs (1)
January 1, 2026 to January 31, 2026	33,765	24.85	33,765	320,366
February 1, 2026 to February 28, 2026	10,211	24.91	10,211	310,155
March 1, 2026 to March 31, 2026	20,712	24.03	20,712	289,443
	64,688	24.60	64,688	

(1) In May 2022, our board of directors approved a share repurchase program under which we may purchase up to 5,000,000 shares of our Series C Preferred Stock with no stated expiration date. The shares may be repurchased from time to time through privately negotiated transactions or open market transactions, including under a trading plan in accordance with Rules 10b5-1 and 10b-18 under the Exchange Act or by any combination of such methods. The manner, price, number and timing of share repurchases are subject to a variety of factors, including market conditions and applicable SEC rules.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Rule 10b5-1 Trading Plans

During the fiscal quarter ended March 31, 2026, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” as each term is defined in Item 408 of Regulation S-K.

Series C Preferred Stock Dividends

On May 5, 2026, we declared a Series C Preferred Stock dividend of $0.46875 per share payable on June 29, 2026 to our stockholders of record at the close of business on June 5, 2026.

ITEM 6. EXHIBITS.

A list of exhibits to this Form 10-Q is set forth on the Exhibit Index and is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		INVESCO MORTGAGE CAPITAL INC.
May 6, 2026	By:	/s/ Kevin Collins Kevin Collins Chief Executive Officer
May 6, 2026	By:	/s/ Mark Gregson Mark Gregson Chief Financial Officer

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EXHIBIT INDEX

Item 6. Exhibits

Exhibit No.	Description
3.1	Articles of Amendment and Restatement of Invesco Mortgage Capital Inc. (incorporated by reference to Exhibit 3.1 to our Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission ("SEC") on August 12, 2009).
3.2	Articles Supplementary of 7.50% Fixed-to-Floating Series C Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.4 to the Registrant's Registration Statement on Form 8-A, filed with the SEC on August 11, 2017).
3.3	Articles Supplementary classifying 4,000,000 shares of the Company's preferred stock as additional Series C Shares (incorporated by reference to Exhibit 3.3 to the Current Report on Form 8-K, filed with the SEC on March 19, 2019).
3.4	Articles of Amendment of Invesco Mortgage Capital Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K, filed with the SEC on June 3, 2022).
3.5	Articles of Amendment of Invesco Mortgage Capital Inc. (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K, filed with the SEC on June 3, 2022).
3.6	Articles of Amendment (Authorized shares) (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K, filed with the SEC on August 9, 2024).
3.7	Amended and Restated Bylaws of Invesco Mortgage Capital Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K, filed with the SEC on February 17, 2017).
10.1	Equity Distribution Agreement, dated February 23, 2026 among the Company, the Operating Partnership, its Manager and the Placement Agents (incorporated by reference to Exhibit 1.1 to the Current Report on Form 8-K, filed with the SEC on February 23, 2026).
31.1*	Certification of Kevin Collins pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Mark Gregson pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Kevin Collins pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Mark Gregson pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	101.INS XBRL Instance Document - 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 Calculation Linkbase Document
	101.LAB XBRL Taxonomy Label Linkbase Document
	101.PRE XBRL Taxonomy Presentation Linkbase Document
	101.DEF XBRL Taxonomy Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

*Filed herewith
**Furnished herewith

EXHIBIT 31.1

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Kevin Collins, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Invesco Mortgage Capital Inc.;
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 registrant’s board of directors (or persons performing the equivalent functions):
    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.

May 6, 2026

/s/ Kevin Collins

Kevin Collins
Chief Executive Officer

EXHIBIT 31.2

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Mark Gregson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Invesco Mortgage Capital Inc.;
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 registrant's board of directors (or persons performing the equivalent functions):
   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.

May 6, 2026

/s/ Mark Gregson

Mark Gregson
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF KEVIN COLLINS
PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with Invesco Mortgage Capital Inc.’s (the “Company”) Quarterly Report on Form 10-Q for the period ended March 31, 2026 (the “Report”), I, Kevin Collins, do hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 6, 2026

/s/ Kevin Collins

Kevin Collins
Chief Executive Officer

EXHIBIT 32.2

**CERTIFICATION OF MARK GREGSON
PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with Invesco Mortgage Capital Inc.'s (the "Company") Quarterly Report on Form 10-Q for the period ended March 31, 2026 (the "Report"), I, Mark Gregson, do hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 6, 2026

/s/ Mark Gregson

Mark Gregson
Chief Financial Officer