American Capital Agency Investor Fact Sheet – Q3 2011

American Capital Agency

AGNC NASDAQ LISTED

AT A GLANCE

American Capital Agency Corp. (Nasdaq: AGNC or "the Company") is a REIT that invests in agency securities for which the principal and interest payments are guaranteed by a U.S. Government-sponsored entity (such as the Federal National Mortgage Association, or Fannie Mae, and the Federal Home Loan Mortgage Corporation, or Freddie Mac), or a U.S. Government agency (such as the Government National Mortgage Association, or Ginnie Mae).

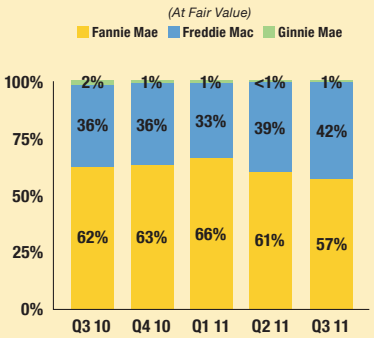
The principal objective of AGNC is to preserve our net asset value while generating attractive risk-adjusted returns for distribution to our stockholders through regular quarterly dividends from our net interest income, which is the spread between the interest income earned on our interest earning assets and the interest costs of our borrowings and hedging activities, and net realized gains and losses on our investments and other supplemental hedging activities. We fund our investments primarily through short-term borrowings structured as repurchase agreements.

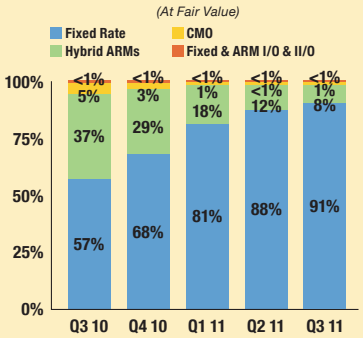
Our Manager is a majority-owned subsidiary of a wholly-owned portfolio company of American Capital, Ltd. (Nasdaq: ACAS).

(All data as of September 30, 2011)

Asset Mix as of 9/30/11

($ in Millions)	Par Value	Amortized Cost Amount	Amortized Cost Percent	Fair Value	Weighted Average Coupon	Weighted Average Yield[1]
AFS[2] Agency Securities						
Fixed-Rate	$35,973.8	$37,554.8	104.4%	$ 38,278.3	4.15%	3.20%
Hybrid ARM	3,067.1	3,179.5	103.7%	3,237.8	4.28%	2.76%
CMO	235.2	241.3	102.6%	246.1	3.75%	1.67%
Total AFS Agency Securities	$39,276.1	$40,975.6	104.3%	$ 41,762.2	4.16%	3.15%
	Underlying Unamortized Principal Balance	**Amount**	**Percent**	**Fair Value**	**Coupon**	**Yield**
Interest-Only and Principal-Only Strips[3]	$ 1,366.1	$ 228.3	N/A	$ 208.2	5.39%	7.67%
Total		**$41,203.9**	**N/A**	**$41,970.4**	**4.35%**	**3.18%**





Financing and Hedging Summary

AGNC has diversified funding sources. As of September 30, 2011 the Company had repurchase agreements with 29 counterparties, with no more than 4% of our equity at risk with a single counterparty.

Repurchase Agreements *($ in Millions)*

Original Repo Maturities	Repo Outstanding	Interest Rate	Weighted Average Days to Maturity
Total/Weighted Average	$38,842	0.28%	30 Days

In terms of hedging, AGNC had $26.95 billion notional value of interest rate swaps as of September 30, 2011, representing 71% of the repurchase agreements outstanding, AGNC also had $3.25 billion in payer swaptions, which seek to hedge convexity risk.

Interest Rate Swaps as of 9/30/11 *($ in Millions)*

	Notional Amount	Fixed Pay Rate	Receive Rate	Average Maturity
Total/Weighted Average	$26,950	1.58%	0.25%	3.4 Years

Business Economics

(unaudited)	Q3 2011	Q2 2011	Q1 2011	Q4 2010
Asset Yield	3.14%	3.35%	3.39%	3.48%
Cost of Funds[4]	(1.00)%	(0.89)%	(0.81)%	(0.90)%
Net Interest Rate Spread	2.14%	2.46%	2.58%	2.58%
Leverage[5]	7.9x	7.6x	7.4x	8.4x
Leveraged Net Interest Rate Spread	16.89%	18.64%	18.99%	21.55%
Plus: Asset Yield	3.14%	3.35%	3.39%	3.48%
Gross ROE Before Expenses	20.03%	21.99%	22.38%	25.03%
Other Investment (Loss) Income and Excise Tax, Net	3.42%	(0.65)%	2.65%	20.99%
Other Miscellaneous[6]	(1.27)%	(0.70)%	(0.71)%	(1.56)%
Management Fees as a % of Equity	(1.30)%	(1.32)%	(1.42)%	(1.37)%
Other Operating Expenses as a % of Equity	(0.49)%	(0.48)%	(0.44)%	(0.66)%
Total Operating Expenses as a % of Equity	(1.79)%	(1.80)%	(1.86)%	(2.03)%
Net Return on Equity	20.39%	18.84%	22.46%	42.43%

Summary Financial Highlights as of 9/30/11

(unaudited, in Millions, Except Per Share Data)	Q3 2011	Q2 2011	Q1 2011	Q4 2010
Net Interest Income	$231.7	$200.9	$128.8	$ 76.4
Total Other Income, Net of Excise Tax	$ 41.3	$ (6.1)	$ 15.8	$ 68.5
Total Operating Expenses	$ (21.5)	$ (17.0)	$ (11.1)	$ (6.6)
Net Income	$250.4	$177.8	$133.5	$138.1
Basic and Diluted EPS	$ 1.39	$ 1.36	$ 1.48	$ 2.50
Dividends Per Share (Declared)	$ 1.40	$ 1.40	$ 1.40	$ 1.40
Estimated Cumulative Undistributed REIT Taxable Income per Share[7]	$ 0.85	$ 0.44	$ 0.42	$ 0.60
(unaudited)	**As of 9/30/11**	**As of 6/30/11**	**As of 3/31/11**	**As of 12/31/10**
Total Assets	$47,039.4	$43,636.6	$29,155.0	$14,475.8
Total Repurchase Agreements	$38,841.6	$33,505.1	$21,994.0	$11,680.1
Total Equity	$ 4,940.2	$ 4,776.7	$ 3,344.5	$ 1,572.1
Leverage[5]	7.7x	7.5x	7.6x	7.8x
Book Value Per Share	$ 26.90	$ 26.76	$ 25.96	$ 24.24

1 Weighted average yield incorporates future prepayment rate assumptions based on forward rates as of 9/30/11 and reset rates for adjustable rate securities equal to the underlying spot index rates in effect as of the date we acquired the adjustable rate securities plus their stated margin.
2 Available-For-Sale.
3 Interest-only securities represent the right to receive a specified portion of the contractual interest flows of the underlying unamortized principal balance ("UPB" or "par value") of specific CMO securities. Principal-only securities represent the right to receive contractual principal flows of the UPB of specific CMO securities.
4 Cost of funds as of 9/30/11 and 6/30/11 includes the impact of swaps in effect as of each date of $25.1 B and $14.1 B, respectively, plus forward starting swaps becoming effective, net of swaps expiring, within three months of each date of $1.6 B and $6.9 B, respectively. Cost of funds includes both interest rate swaps that have been designated and not designated as hedges under GAAP
5 Leverage as of 9/30/11 and 6/30/11 calculated as sum of repurchase agreements, net payable / receivable for agency securities purchased / sold but not yet settled and other debt divided by total stockholders' equity. Average leverage calculated as the daily weighted average sum of repurchases agreements and other debt outstanding divided by the average month-ended equity for the period. Average leverage for the 2nd quarter of 2011 was 8.3x, pro forma, when average equity is adjusted to exclude the June 2011 follow-on equity offering that closed on June 28, 2011. Average and ending leverage exclude repurchase agreements used to finance treasury securities, as applicable.
6 Other miscellaneous reflects the impact of differences between the use of daily averages used for investment securities and repurchase agreements and the month-end average used for shareholders' equity, of cash and cash equivalents, restricted cash, other non investment assets and liabilities, and of other immaterial rounding differences
7 Based on shares outstanding as of each quarter-end.

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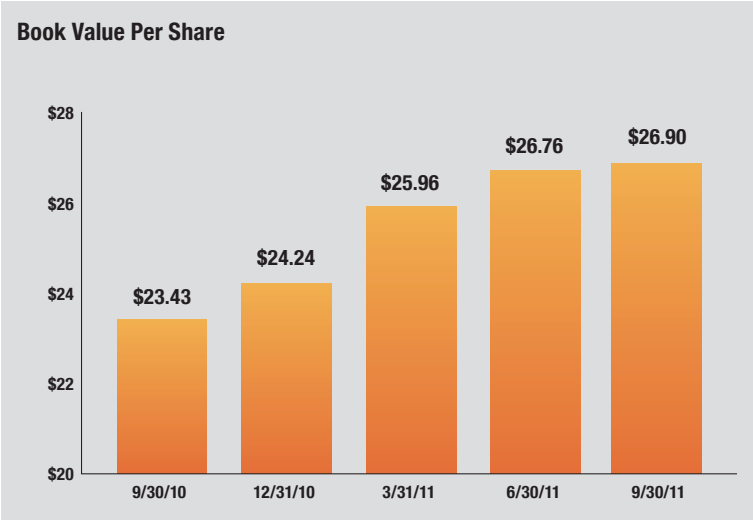

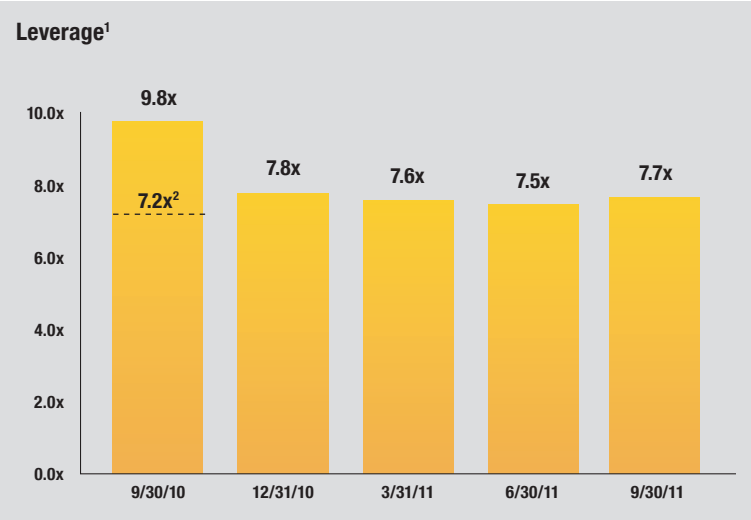

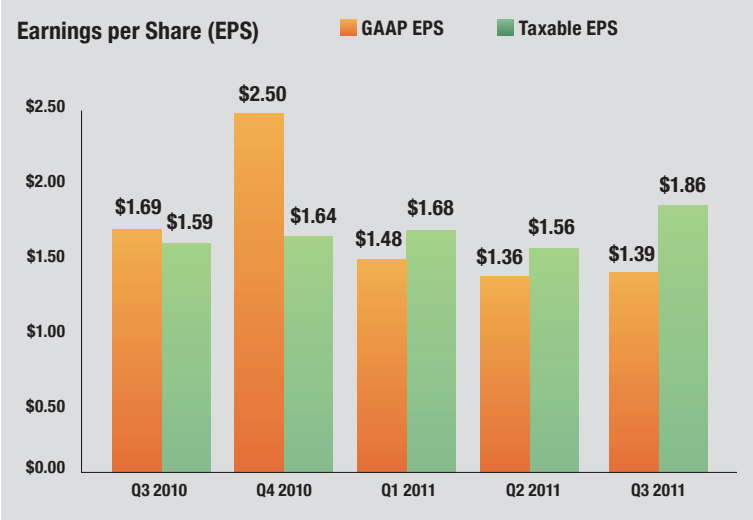

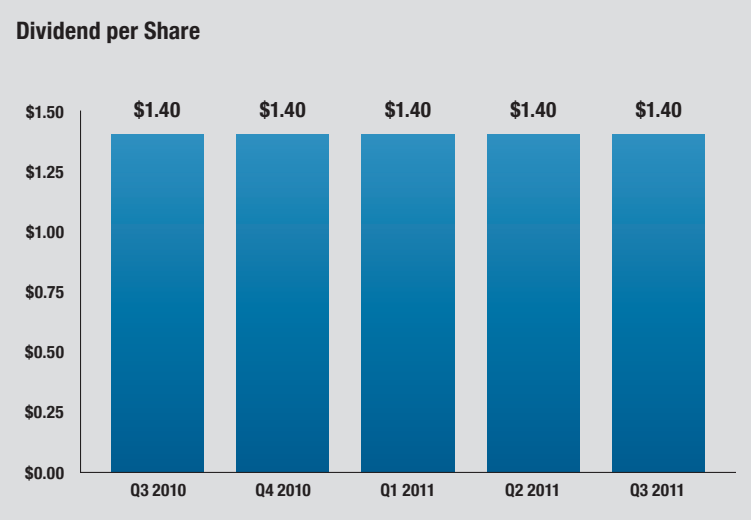

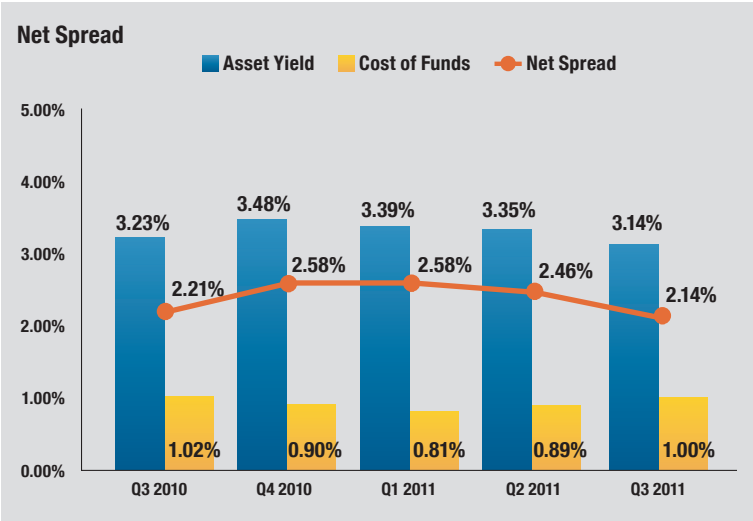

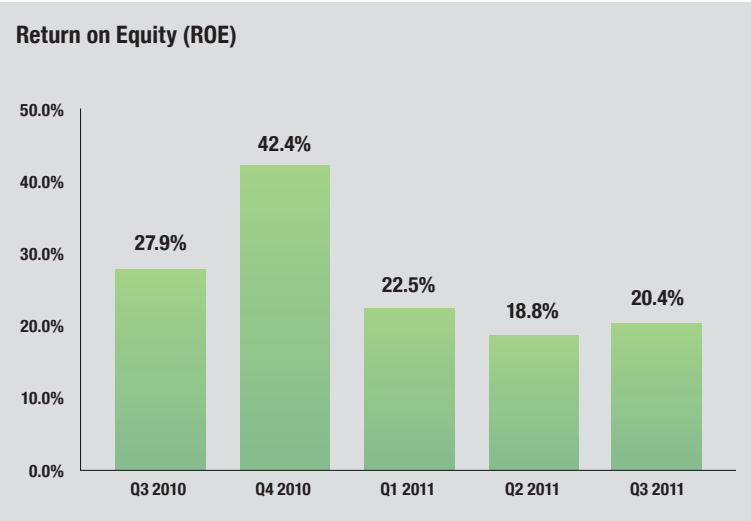

1 Leverage calculated as sum of repurchase agreements plus payable for agency securities purchased but not yet settled less receivable for agency securities sold but not yet settled and other debt divided by total stockholders' equity.
2 Leverage as of 9/30/10 was 7.2x, *pro forma,* when stockholder's equity was adjusted for the September follow-on equity offering of $328 million that settled on 10/1/10.

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Persons considering an investment in American Capital Agency should consider the investment objectives, risks, charges and expenses of the Company carefully before investing. Such information and other information about the Company are available in the Company's annual report on Form 10-K, quarterly report on Form 10-Q and in the prospectuses the Company issues from time to time in connection with its offering of securities. Such materials are filed with the Securities and Exchange Commission and copies are available on the SEC's website, www.sec.gov. Prospective investors should read such materials carefully before investing. Performance data quoted above represents past performance of American Capital Agency. Past performance does not guarantee future results and the investment return and principal value of an investment in American Capital Agency will likely fluctuate. Consequently, an investor's shares, when sold, may be worth more or less than their original cost. Additionally, American Capital Agency's current performance may be lower or higher than the performance data quoted above.

Updated November 7, 2011