American Capital Agency

Q2 2012 Stockholder Presentation

August 3, 2012

AGNC
NASDAQ LISTED

Safe Harbor Statement

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

This presentation contains statements that, to the extent they are not recitations of historical fact, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). All such forward-looking statements are intended to be subject to the safe harbor protection provided by the Reform Act. Actual outcomes and results could differ materially from those forecast due to the impact of many factors beyond the control of American Capital Agency Corp. ("AGNC"). All forward-looking statements included in this presentation are made only as of the date of this presentation and are subject to change without notice. Certain factors that could cause actual results to differ materially from those contained in the forward-looking statements are included in our periodic reports filed with the Securities and Exchange Commission ("SEC"). Copies are available on the SEC's website at www.sec.gov. AGNC disclaims any obligation to update our forward-looking statements unless required by law.

The following slides contain summaries of certain financial and statistical information about AGNC. They should be read in conjunction with our periodic reports that are filed from time to time with the SEC. Historical results discussed in this presentation are not indicative of future results.

Capital Stock Highlights

American Capital Agency

TYPE / STOCK TICKER:
COMMON STOCK / AGNC

EXCHANGE:
NASDAQ

IPO DATE:
MAY 2008

IPO PRICE:
$20.00 PER SHARE

TOTAL DIVIDENDS PAID SINCE IPO[1]:
$21.36 PER SHARE

NET ASSET VALUE[2]:
$29.41 PER SHARE

TOTAL EQUITY CAPITAL[2]:
$9.0 BILLION

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TYPE / NAME:
8.000% SERIES A CUMULATIVE REDEEMABLE PREFERRED STOCK

PREFERRED STOCK TICKER:
AGNCP

EXCHANGE:
NASDAQ

ISSUE DATE / MATURITY DATE:
APRIL 2012 / PERPETUAL

PUBLIC OFFERING PRICE:
$25.00 PER SHARE

PER ANNUM DIVIDEND RATE:
8.000% PAYABLE QUARTERLY

TOTAL DIVIDENDS PAID SINCE OFFERING[1]:
$0.556 PER SHARE

SHARES OUTSTANDING[1]:
6.9 MILLION

1. As of July 31, 2012
2. As of June 30, 2012, net of 8.000% Series A Cumulative Redeemable Preferred Stock ("Series A Preferred Stock") aggregate liquidation preference of $173 million

Q2 2012 Highlights

- **$1.58 Comprehensive Income per Common Share, Comprised of:**
  - $(0.88) net loss per common share
  - $2.46 other comprehensive income per common share
- **$0.94 Net Spread Income per Common Share (1)**
  - $1.05 per common share, excluding approximately $(0.11) per common share of “catch-up” premium amortization cost due to change in projected constant prepayment rate ("CPR") estimates
- **$1.62 Estimated Taxable Income per Common Share**
- **$1.25 Dividend Declared per Common Share**
- **$1.61 Estimated Undistributed Taxable Income per Common Share as of June 30, 2012 (2)**
  - Increased $0.33 per common share from Mar 31, 2012
  - Represents an increase of $108 million from Mar 31, 2012 to $492 million as of June 30, 2012
- **$29.41 Net Book Value per Common Share as of June 30, 2012 (3)**
  - Increased $0.35 per common share from $29.06 per common share as of Mar 31, 2012
- **22% Annualized Economic Return on Common Equity (4)**
  - Comprised of $1.25 dividend per common share and $0.35 increase in net book value per common share

1. Net spread income is a non-GAAP measure that we define as adjusted net interest income, less total operating expenses. Adjusted net interest income is interest income less interest expense (or “GAAP net interest income”), less other periodic swap interest costs reported in other income (loss), net (or $62 million for Q2). Please also refer to slides 21, 22 and 30 for a reconciliation and further discussion of non-GAAP measures
2. Estimated undistributed taxable income per common share is net of common and preferred dividends declared during the quarter, without adjustment for future quarterly dividends not yet declared on the Company’s Series A Preferred Stock, divided by total common shares outstanding
3. Net book value per common share calculated as total shareholders’ equity, less the Series A Preferred Stock liquidation preference, divided by total common shares outstanding
4. Annualized economic return on common equity represents the sum of the change in net book value per common share and the dividend declared per common share during the period over beginning net book value per common share on an annualized basis

Q2 2012 Other Highlights

- **$78 Billion Investment Portfolio as of June 30, 2012**
- **7.6x Leverage as of June 30, 2012 (1)**
  - ✓ 7.5x average leverage for the quarter
- **10% Actual Portfolio CPR for the Quarter (2)**
  - ✓ 8% actual portfolio CPR for the month of July 2012 (3)
  - ✓ 12% average projected portfolio life CPR as of June 30, 2012
- **1.65% Annualized Net Interest Rate Spread for the Quarter (4)**
  - ✓ 1.83% annualized net interest rate spread for the quarter, excluding “catch-up” premium amortization cost due to change in projected CPR estimates
  - ✓ 1.62% net interest rate spread as of June 30, 2012 (4)(5)
- **$322 Million of Net Equity Proceeds Raised During the Second Quarter**
  - ✓ $155 million of net proceeds raised from an at-the-market common stock offering
  - ✓ $167 million of net proceeds raised from a preferred stock offering
- **$1.2 Billion of Net Equity Proceeds Raised from a Common Stock Offering During July 2012**

1. Leverage calculated as sum of repurchase agreements, net payable/receivable for agency securities not yet settled and other debt divided by total stockholders’ equity as of June 30, 2012
2. Actual weighted average monthly annualized CPR published during Apr, May and June 2012 for agency securities held as of the preceding month-end
3. Actual weighted average 1 month annualized CPR published during July 2012 for agency securities held as of June 30, 2012
4. Net interest rate spread calculated as the average asset yield, less adjusted average cost of funds. Adjusted average cost of funds includes the sum of average repo and average net interest rate swap rates. Please also refer to slides 21, 22 and 30 for a reconciliation and further discussion of non-GAAP measures
5. Incorporates the impact of forward starting interest rate swap agreements starting within 90 days of June 30, 2012, net of scheduled expirations

Market Information

Security	9/30/11	12/31/11	3/31/12	6/30/12	Q2 2012 Δ
Treasury Rates					
2 Yr UST	0.25%	0.24%	0.33%	0.30%	-0.03%
5 Yr UST	0.95%	0.83%	1.04%	0.72%	-0.32%
10 Yr UST	1.92%	1.88%	2.21%	1.65%	-0.56%
Swap Rates					
2 Yr Swap	0.58%	0.73%	0.58%	0.55%	-0.03%
5 Yr Swap	1.26%	1.22%	1.27%	0.97%	-0.30%
10 Yr Swap	2.11%	2.03%	2.29%	1.78%	-0.51%
30 Year Fixed Rate Mortgages					
3.50%	102.70	102.88	102.72	105.11	+2.39
4.00%	104.78	105.03	104.86	106.44	+1.58
4.50%	106.06	106.42	106.38	107.28	+0.90
5.00%	107.53	108.03	108.03	108.23	+0.20
5.50%	108.53	108.89	108.97	109.08	+0.11
6.00%	109.70	110.16	110.20	109.91	-0.29

Security	9/30/11	12/31/11	3/31/12	6/30/12	Q2 2012 Δ
15 Year Fixed Rate Mortgages					
2.50%	100.68	101.34	101.42	103.09	+1.67
3.00%	103.02	103.28	103.56	104.77	+1.21
3.50%	104.41	104.58	104.92	105.66	+0.74
4.00%	105.45	105.50	106.00	106.34	+0.34
4.50%	106.47	106.59	107.20	107.17	-0.03
New Hybrid ARMs					
5/1 - 3.50%	104.00	104.25	104.88	105.00	+0.12
7/1 - 3.75%	104.25	104.50	105.13	105.25	+0.12
10/1- 4.25%	105.00	105.31	105.81	106.25	+0.44
Seasoned Hybrid ARMs					
5/1 - 5.75% 24 MTR	107.50	107.31	107.63	107.19	-0.44
10/1 - 5.75% 80 MTR	108.50	108.31	108.63	107.75	-0.88

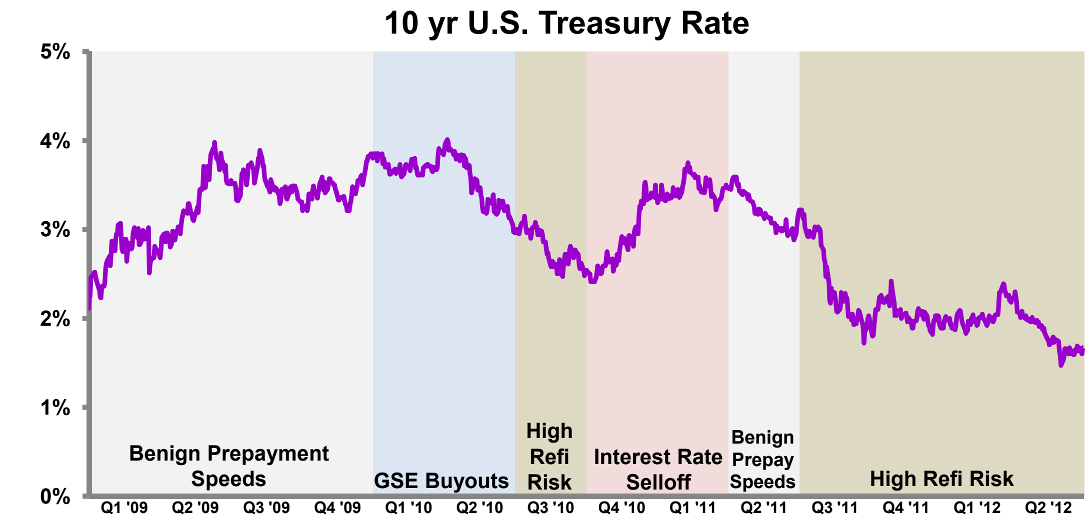
Source: Combination of Bloomberg and dealer indications

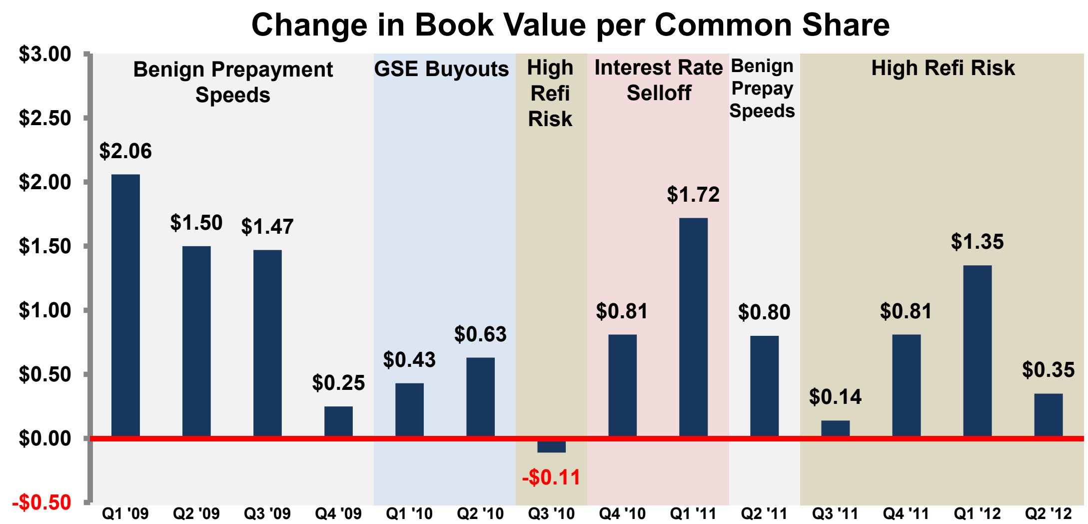
Note: Price information is provided for information only, is for generic instruments and is not meant to be reflective of securities held by AGNC. Prices can materially vary depending on the source

Consistent Book Value Performance

Our goal is to generate attractive risk adjusted returns over a wide range of interest rate scenarios through a combination of dividends and book value growth

- **Book value:**
  - ✓ Increased 13 of the past 14 quarters, despite substantial interest rate and prepayment volatility
  - ✓ Increased 71% since Dec 31, 2008 from $17.20 to $29.41 per common share
- **Since Dec 31, 2008 we have paid $18.85 in dividends per common share**
- **Historically, AGNC's book value performance has not been highly correlated with changes in interest rates**
  - ✓ Our two "weakest" book value quarters (Q3 2010 and Q3 2011) were both characterized by substantial declines in interest rates
- **Hedging is critical to consistent book value performance**





Note: Historical performance is not an indicator of future results and we would fully expect to have quarters with book value declines going forward.

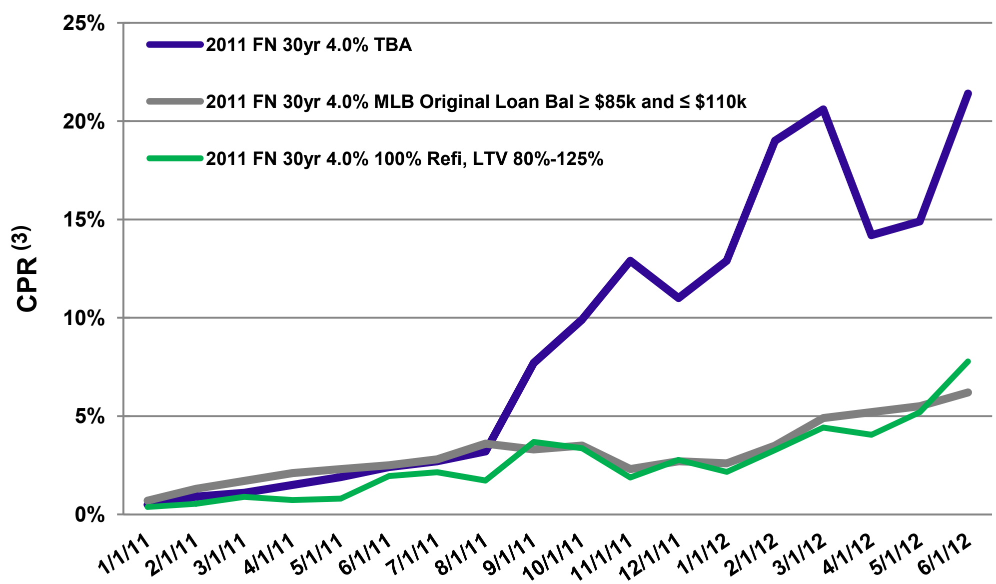
Source: 10 Year UST – Capital IQ

Asset Selection is Critical To Prepayments

AGNC's portfolio comprised of 69% HARP or lower loan balance [1] securities as of June 30

- **Pools backed by lower loan balance and HARP loans likely to continue to exhibit favorable prepayment characteristics**
- **Given current rate levels, prepayments on generic mortgages will likely exceed recent highs**
  - ✓ However, the speed increase on lower coupon, lower loan balance and HARP securities should be relatively benign
- **QE3 could drive prepayments on many sectors of the market to significant new highs**

Prepayment Speeds on 2011 FNMA 30yr 4.0% Coupons [2]



1. HARP securities defined as pools backed by 100% refinance loans with original LTVs ≥ 80%. Lower loan balance securities defined as pools backed by max original loan balances of up to $150 K.
2. Source: JPM
3. Weighted average actual 1 month annualized CPR released at the beginning of the month

See slides 10 and 25 for further information on holdings of lower loan balance and HARP securities

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Prepayments Drive ROE

Yields, spreads, and ROE are extremely sensitive to prepayments given current market prices and record low interest rates

30 Year 4.0% MBS – At TBA Price					
	10.0 CPR	**20.0 CPR**	**25.0 CPR**	**30.0 CPR**	**40.0 CPR**
Asset Yield(1)	2.94%	2.25%	1.86%	1.46%	0.55%
Cost of Funds(2)	(0.70)%	(0.70)%	(0.70)%	(0.70)%	(0.70)%
Net Margin	2.24%	1.55%	1.16%	0.76%	-0.15%
ROE (7.5x Lev)	19.74%	13.88%	10.56%	7.16%	-0.58%

Even 2 points above the TBA price, a slow prepaying mortgage-backed security can produce attractive spreads and ROEs

30 Year 4.0% Slow Prepaying MBS – At 2 Points Above TBA Price					
	5.0 CPR	**7.5 CPR**	**10.0 CPR**	**12.5 CPR**	**15.0 CPR**
Asset Yield(3)	3.01%	2.83%	2.64%	2.43%	2.21%
Cost of Funds(2)	(0.70)%	(0.70)%	(0.70)%	(0.70)%	(0.70)%
Net Margin	2.31%	2.13%	1.94%	1.73%	1.51%
ROE (7.5x Lev)	20.34%	18.81%	17.19%	15.41%	13.54%

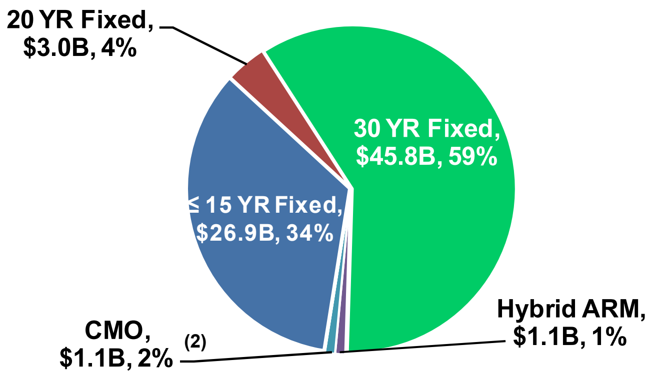
**The hypothetical ROEs listed above are for illustrative purposes only to show the effect of prepayment speeds on yields, spreads, and ROEs at two different price levels with the cost of funds held constant to simplify the analysis. The prepayment speeds displayed on tables are hypothetical and actual speeds for both generic and slower collateral (such as lower loan balance or HARP securities) could differ materially from those shown above and even fall outside of the range of CPRs listed above. Securities purchased at higher prices would produce substantially worse returns in the absence of significant prepayment differences.*

1. FNCL 4.0% TBA - 106-14, close of business pricing June 30, 2012, for settlement on July 12, 2012
2. Assumes a blend of repo funding and swap hedges and is held constant for illustrative purposes. The cost of funds would be generally higher for slower mortgages as longer swaps may be used, but that cost is largely offset by better convexity
3. FNCL 4.0% 108-14, close of business pricing June 30, 2012, for settlement on July 12, 2012

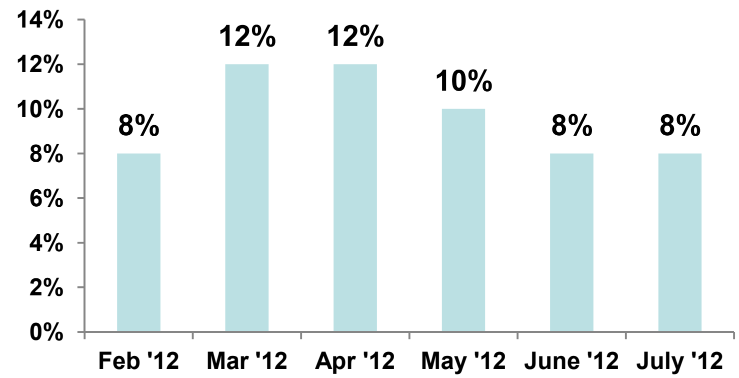
Q2 2012 Portfolio Update

Our portfolio remains relatively well positioned against prepayments

$77.9 B Portfolio as of 6/30/12 (1)



AGNC Actual CPR's (3)



≤ 15 Year - $26.9 B Portfolio (34% of Total) as of 6/30/12

($ In Millions)	FMV	%	Coupon	WALA	July'12 1 M Actual CPR (3)	Life Forecast CPR (7)
Lower Loan Bal (4)	$16,707	62%	3.71	16	11%	13%
HARP (5)	1,273	5%	3.71	14	9%	14%
Other 2009-2012 (6)	8,843	33%	2.91	7	8%	14%
Other (Pre 2009)	40	0%	4.55	82	10%	17%
Total ≤15 Year	**$26,863**	**100%**	**3.44**	**13**	**10%**	**14%**

30 Year - $45.8 B Portfolio (59% of Total) as of 6/30/12

($ In Millions)	FMV	%	Coupon	WALA	July'12 1 M Actual CPR (3)	Life Forecast CPR (7)
Lower Loan Bal (4)	$14,902	33%	3.97	11	6%	9%
HARP (5)	20,409	45%	3.98	7	5%	10%
Other 2009-2012 (6)	9,867	21%	3.70	6	8%	11%
Other (Pre 2009) (6)	611	1%	5.59	78	25%	21%
Total 30 Year	**$45,789**	**100%**	**3.94**	**9**	**6%**	**10%**

1. Excludes net TBA and forward settling securities of $5.3 B 15-year net long position, $450 MM 20-year net long position and $9.2 B 30-year net short position
2. Includes interest-only, inverse interest-only and principal-only securities
3. Weighted average actual 1 month annualized CPR released at the beginning of the month based on the securities held as of the preceding month-end
4. Lower loan balance securities defined as pools backed by max original loan balances of up to $150 K. Weighted average original loan balance of $99 K and $103 K for 15 and 30-year securities, respectively, as of June 30
5. HARP securities defined as pools backed by 100% refinance loans with original LTVs ≥ 80%. Weighted average original LTV of 95% and 97% for 15 and 30-year securities, respectively, as of June 30
6. Includes total of $689 MM and $960 MM of securities backed by loans with original loan balances ≤ $175K for 15 and 30-year securities, respectively, as of June 30
7. Average projected life CPR as of June 30

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Financing Summary

Access to repo funding remained stable throughout the quarter

- **Continued to extend maturity of repo funding**
  - ✓ Increased original contractual average maturity of our repo funding to 121 days from 104 days as of March 31
- **Average repo cost increased to 0.42% as of June 30 from 0.37% as of March 31**
- **No material change to repo margin requirements during the quarter**
- **Increased number of repo counterparties to 31**

AGNC Repos [1]

($ in millions – as of June 30, 2012)

Original Repo Maturities	Repo Outstanding %	Repo Outstanding $	Interest Rate	Remaining Days to Maturity	Original Days to Maturity
1 Month or Less	13%	$8,903	0.40%	15	25
1 - 3 Months	28%	19,795	0.40%	30	58
4 - 6 Months	31%	21,549	0.41%	55	102
7 - 9 Months	18%	12,690	0.45%	108	188
10 - 12 Months	4%	2,930	0.50%	159	279
13 - 24 Months	5%	3,129	0.56%	282	370
25 - 36 Months	1%	544	0.71%	895	931
Total / Wtd Avg	100%	$69,540	0.42%	74	121

1. Excludes $954 MM of other debt which consists of other variable rate debt outstanding at Libor + 25 bps in connection with the consolidation of structured transactions under GAAP; amounts represent the weighted average for each group

Hedging Summary

Our primary objective is not to eliminate risk or to lock in a particular net interest margin, but to maintain our book value within reasonable bands over a wide range of interest rate scenarios

- **Interest Rate Swaps**
  - ✓ $48.6 B notional pay fixed swap book as of June 30 (1)
    - $12.0 B of swaps added during the quarter
      - 6.7 yr average term, 1.37% average pay rate
    - $1.6 B of swaps terminated or matured during the quarter
  - ✓ Covers 69% of repo and other debt balance
    - An increase from 55% as of March 31

- **Interest Rate Swaptions**
  - ✓ $8.8 B notional payer swaptions as of June 30
    - $2.2 B payer swaptions added at a cost of $33 MM
    - $3.9 B payer swaptions expired at an original cost of $21 MM
  - ✓ $37 MM total market value as of June 30
  - ✓ Covers 12% of repo and other debt balance
    - A decrease from 15% as of March 31

Interest Rate Swaps (1)(2)
($ in millions – as of June 30, 2012)

Maturity	Notional Amount	Pay Rate	Receive Rate	Years to Maturity
0 – 3 Years	$16,800	1.21%	0.29%	2.0
4 – 5 Years	20,200	1.61%	0.38%	4.2
6 – 7 Years	6,350	1.45%	0.50%	6.1
8 – 10 Years	3,700	1.93%	0.50%	9.4
> 10 Years	1,500	1.82%	0.46%	10.1
Total / Wtd Avg	$48,550	1.48%	0.37%	4.3

Interest Rate Payer Swaptions (2)
($ in millions – as of June 30, 2012)

Expiration	Notional Amount	Cost	Market Value	Pay Rate	Swap Term (Years)
≤ 3 Months	$2,250	$13	$--	2.52%	7.7
4 – 6 Months	200	3	--	3.02%	7.5
7 – 12 Months	3,400	60	9	3.02%	8.1
19 – 24 Months	2,400	38	23	3.12%	6.7
31 – 37 Months	550	7	5	3.31%	4.3
12 Months	$8,800	$121	$37	2.94%	7.4

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1. Includes $4.6 B of forward starting swaps as of June 30 starting through Oct 2012
2. Amounts represent the weighted average for each group

Other Hedge Instruments

We continue to use a variety of hedging instruments to manage interest rate risk

- **Treasury Securities and Futures**
  - ✓ $3.2 B short treasury and futures position
  - ✓ Covers 5% of repo and other debt balance
- **TBA Mortgages**
  - ✓ $3.4 B net short TBA mortgage position (1)
  - ✓ Covers 5% of repo and other debt balance
- **Total Hedge Portfolio**
  - ✓ Positions actively managed
  - ✓ Covers 91% of repo and other debt balance
    - An increase from 88% as of March 31

Treasury Securities and Futures
($ in millions – as of June 30, 2012)

Maturity	Face Amount Long / (Short)	Market Value
5 Years	($600)	($622)
10 Years	(650)	(647)
Futures (10 Yr Trsy)	(1,919)	(12)
Total	($3,169)	($1,281)

TBA Hedges
($ in millions – as of June 30, 2012)

Term	Face Amount Long / (Short)	Market Value
15 Year	$5,340	$5,506
30 Year (1)	(8,743)	(9,265)
Total	($3,403)	($3,759)

1. Includes forward settling specified pools of $450 MM 20-year net long position and $50 MM 30-year net long position

Duration Gap Information

Duration Gap is an estimate of the difference in the interest rate price sensitivity of our assets relative to our liabilities and hedges, excluding the impact of negative convexity and leverage

- **Our duration gap was negative 0.44 years as of June 30**
  - ✓ A shift from a positive duration gap of 0.41 years as of March 31
- **The duration of our asset portfolio shortened to 2.7 years as of June 30 from 3.3 years as of March 31, primarily due to the decline in interest rates**
- **The duration of our liability and hedge portfolio increased to 3.1 years as of June 30 from 2.9 years as of March 31**
  - ✓ The duration of our pay fixed swap portfolio increased to 4.1 years from 3.7 years as of March 31

($ in billions, duration in years)	**June 30, 2012**		**March 31, 2012**	
Asset	**Market Value**	**Duration**	**Market Value**	**Duration**
Fixed (1)	$76.3	2.76	$77.8	3.47
ARM	1.1	1.41	2.5	2.32
CMO (2)	1.1	4.20	0.3	-0.90
Cash	2.4	0.01	2.1	0.01
Total	**$80.9**	**2.68**	**$82.7**	**3.33**
Liabilities & Hedges	**Market Value / Notional**	**Duration**	**Market Value / Notional**	**Duration**
Liabilities	($70.0)	0.20	($69.8)	0.17
Liabilities (Other) (3)	(0.9)	1.46	--	--
Swaps	(48.6)	4.09	(38.1)	3.65
Swaptions	(8.8)	0.64	(10.5)	1.39
Treasury / Futures	(3.8)	6.37	(6.0)	6.99
TBA	(4.3)	2.06	(7.7)	4.55
IOS	(0.1)	-3.44	(0.2)	-3.53
Total		**-3.12**		**-2.91**
Net Duration Gap		**-0.44**		**0.41**

Our duration and duration gap estimates are derived from models that are dependent on inputs and assumptions provided by third parties as well as by our investment team and, accordingly, actual results could differ materially from these estimates. In addition, different models could generate materially different estimates using similar inputs and assumptions. Management uses judgment to address the limitations and weaknesses inherent in model calculations as it seeks to balance the protection of book value with the generation of attractive returns. For example, we typically map lower loan balance and HARP securities to proxy securities within our models in order to derive durations and convexities that management believes are more consistent with how the prices of these securities would perform over larger interest rate movements. Other market participants could make materially different assumptions with respect to these and other judgments. Please also refer to slide 29 and our related disclosures in our 10-Ks and 10-Qs for a more complete discussion of duration (interest rate risk).

1. Includes $450 MM of 20-year forward settling securities and $50 MM of 30-year forward settling securities as of June 30, 2012 and $101 MM of 30-year forward settling securities as of Mar 31, 2012
2. CMO balance includes interest-only, inverse interest-only and principal-only securities
3. Represents other debt which consists of other variable rate debt outstanding at Libor + 25 bps in connection with the consolidation of structured transactions under GAAP

Business Economics

(unaudited)	As of 6/30/12 (1)	As of 3/31/12	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Asset Yield	2.81%	3.06%	2.73%	3.32%	3.06%	3.14%
Cost of Funds (2)	(1.19)%	(0.99)%	(1.08)%	(1.01)%	(1.16)%	(1.00)%
Net Interest Rate Spread	**1.62%**	**2.07%**	**1.65%**	**2.31%**	**1.90%**	**2.14%**
Leverage (3)	**7.6x**	**8.4x**	**7.5x**	**8.2x**	**7.6x**	**7.9x**
Leveraged Net Interest Rate Spread	12.35%	17.29%	12.37%	19.02%	14.44%	16.89%
Plus Asset Yield	2.81%	3.06%	2.73%	3.32%	3.06%	3.14%
Gross Return on Equity ("ROE") Before Expenses and Other Income	**15.16%**	**20.34%**	**15.10%**	**22.34%**	**17.51%**	**20.03%**
Management Fees as a % of Equity	(1.19)%	(1.22)%	(1.24)%	(1.28)%	(1.31)%	(1.27)%
Other Operating Expenses as a % of Equity	(0.34)%	(0.26)%	(0.35)%	(0.32)%	(0.43)%	(0.48)%
Total Operating Expenses as a % of Equity	**(1.53)%**	**(1.48)%**	**(1.59)%**	**(1.60)%**	**(1.74)%**	**(1.75)%**
Net Spread Income ROE	**13.63%**	**18.86%**	**13.51%**	**20.74%**	**15.77%**	**18.28%**
Other Miscellaneous (4)	-- %	-- %	(0.86)%	(1.11)%	(1.14)%	(1.27)%
Realized Other Income, net of Tax (5)	-- %	-- %	4.80%	12.56%	6.37%	7.21%
Unrealized Other (Loss)/Income	**-- %**	**-- %**	(28.96)%	4.61%	(6.11)%	(3.79)%
Net Income ROE	**13.63%**	**18.86%**	**(11.51)%**	**36.80%**	**14.88%**	**20.39%**
Other Comprehensive Income/(Loss)	**-- %**	**-- %**	32.74%	(3.10)%	19.12%	1.89%
Comprehensive Income ROE	**13.63%**	**18.86%**	**21.23%**	**33.70%**	**34.00%**	**22.28%**
Comprehensive Return on Preferred Equity in Excess of Preferred Dividend	**0.11%**	**-- %**	**0.24%**	**-- %**	**-- %**	**-- %**
Net Comprehensive ROE Available to Common Shareholders	**13.74%**	**18.86%**	**21.47%**	**33.70%**	**34.00%**	**22.28%**

1. As of 6/30/12, the mark-to-market yield on our MBS portfolio was 2.36%, the mark-to-market pay fixed rate on our swap portfolio was 1.01%, and the mark-to-market cost of funds was 0.87%
2. Cost of funds includes interest expense and other periodic swap interest costs reported in other income (loss). Cost of funds as of 6/30/12 and 3/31/12 includes the impact of swaps in effect as of each date ($43.9 B and $31.0 B, respectively), plus forward starting swaps becoming effective, net of swaps expiring, within three months of each date ($4.1 B net and $ 7.2 B net, respectively), but excludes costs associated with supplemental hedges such as swaptions and short treasury or TBA positions
3. Leverage as of 6/30/12 and 3/31/12 calculated as sum of repurchase agreements, net payable / receivable for unsettled agency securities 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
4. 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, cash and cash equivalents, restricted cash, other non investment assets and liabilities, and other immaterial rounding differences
5. Realized other income, net of tax, excludes other periodic swap interest costs included in cost of funds

Looking Ahead – Positioning AGNC's Investment Portfolio

The composition of our mortgage portfolio, coupled with our hedges, should allow AGNC to continue to produce attractive returns over a range of interest rate environments

- **AGNC's portfolio should continue to perform well in the current low rate, higher prepayment environment**
  - ✓ 69% of the portfolio is backed by either lower loan balance loans or higher LTV HARP loans (1)
  - ✓ Less than 3% of AGNC's portfolio is eligible for the HARP 2.0 program
- **AGNC's portfolio is intended to be well positioned for a FED mortgage purchase program (QE3)**
  - ✓ Of our remaining non-HARP/non-lower loan balance fixed rate pass through position, 73% is low coupon fixed rate MBS (2)
- **AGNC has materially increased the amount and term of its hedges which is intended to help the performance of the portfolio if rates increase**
  - ✓ Interest rate swaps cover 69% of borrowings
  - ✓ Other hedges cover for an additional 22% borrowings

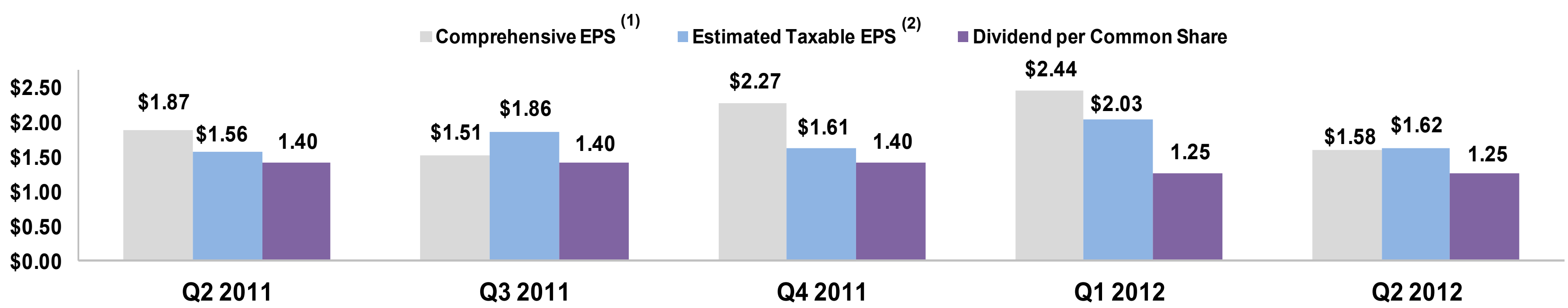
Note: All figures as of June 30, 2012

1. Lower loan balance securities defined as pools backed by max original loan balances of up to $150K; HARP securities defined as pools backed by 100% refinance loans with original LTVs ≥ 80%
2. Low coupon fixed rate MBS consists of 15-year 2.5% - 3.0% coupons, 20-year 3.0% - 3.5% coupons and 30-year 3.0% - 3.5% coupons

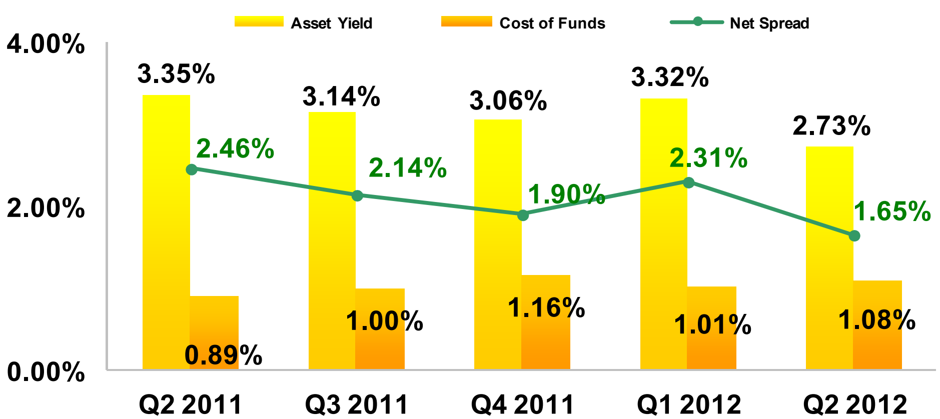
Supplemental Slides

AGNC Historical Overview

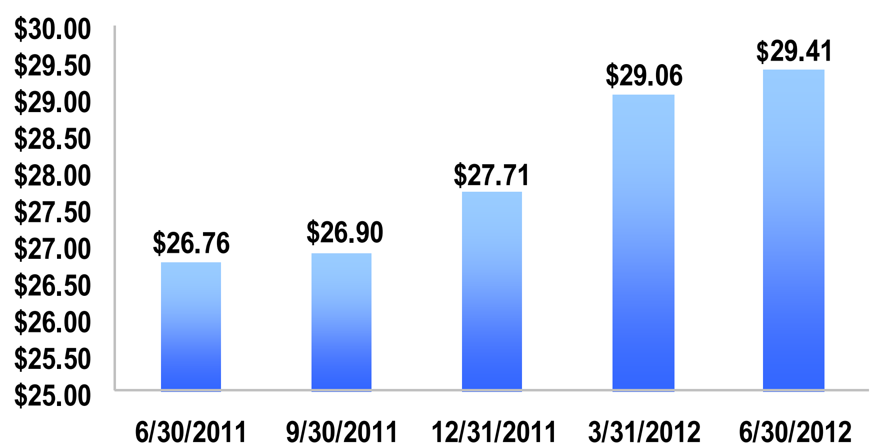
Earnings and Dividends per Common Share



Net Spread (2)(3)



Net Book Value Per Common Share (4)



1. Comprehensive earnings per common share is a GAAP measure that consists of net income (loss) per common share plus unrealized gains/losses on agency MBS and designated hedges per common share recognized in other comprehensive income, a separate component of equity
2. Represents a non-GAAP measure or a financial metric derived from non-GAAP information. Refer to slides 21 and 22 for a reconciliation to the closest GAAP measure and to slide 30 for additional information regarding non-GAAP financial measures
3. Represents average per quarter
4. Net book value per common share calculated as total shareholders' equity, less the Series A Preferred Stock liquidation preference, divided by total common shares outstanding

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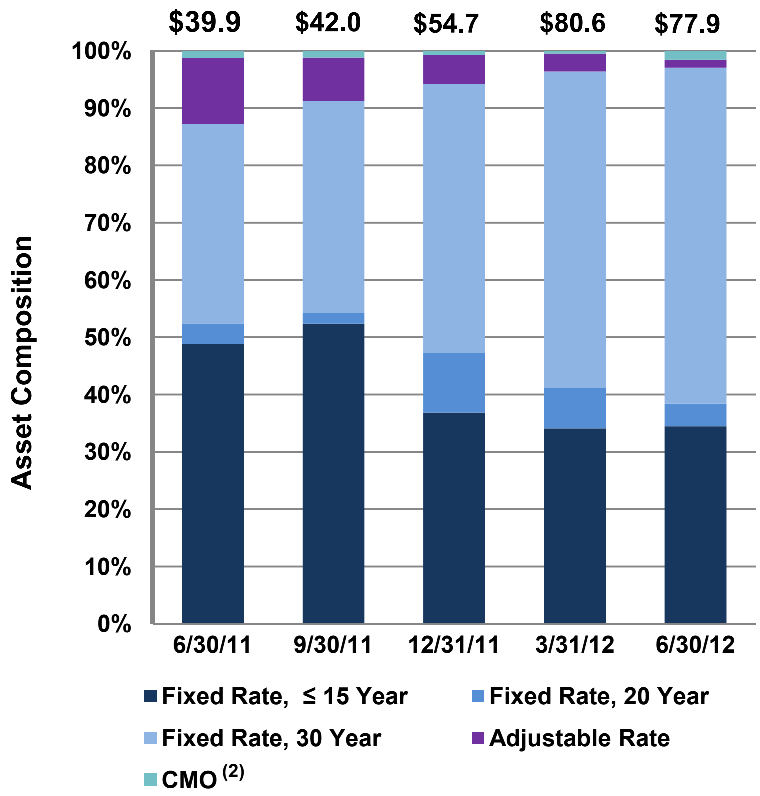
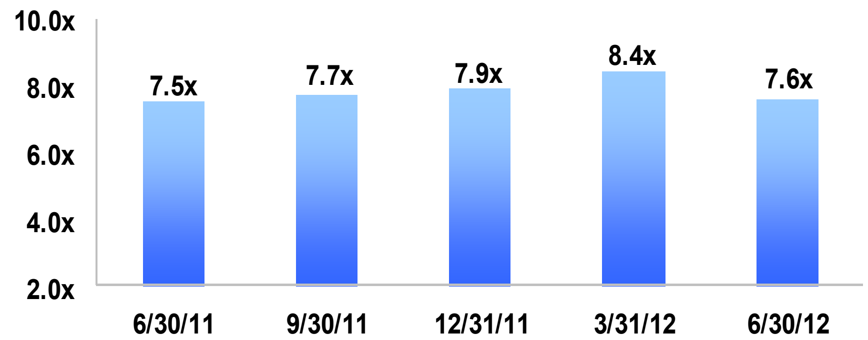
AGNC Historical Overview

Investment Portfolio

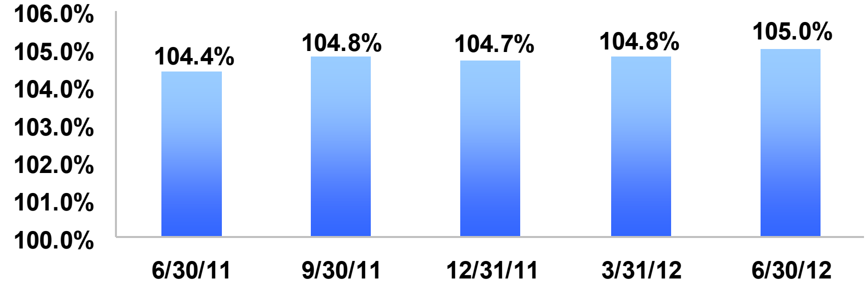
($ in billions)



Leverage (1)



Amortized Cost Basis



1. Leverage calculated as sum of repurchase agreements, net payable/receivable for agency securities not yet settled and other debt divided by total stockholders' equity
2. Includes interest-only, inverse interest-only and principal-only securities

Income Statements

($ in millions, except per share data) (Unaudited)	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Interest Income	$504	$514	$353	$327	$265
Interest Expense [(1)]	(120)	(106)	(90)	(95)	(64)
Net Interest Income	**384**	**408**	**263**	**232**	**201**
Gain on Sale of Agency Securities, Net	417	216	112	263	94
(Loss) Gain on Derivative Instruments and Other Securities, Net [(1)]	(1,029)	47	(137)	(222)	(100)
Total Other (Loss) Income, Net	**(612)**	**263**	**(25)**	**41**	**(6)**
Management Fee	(28)	(22)	(18)	(16)	(12)
General and Administrative Expenses	(8)	(6)	(6)	(6)	(5)
Total Operating Expenses	**(36)**	**(28)**	**(24)**	**(22)**	**(17)**
(Loss) Income before Income Tax Benefit (Provision)	(264)	643	214	251	178
Income Tax Benefit (Provision)	3	(2)	(5)	(1)	-
Net (Loss) Income	**(261)**	**641**	**209**	**250**	**178**
Dividend on Preferred Stock	(3)	-	-	-	-
Net (Loss) Income (Attributable) Available to Common Shareholders	**$(264)**	**$641**	**$209**	**$250**	**$178**
Net (Loss) Income	**$(261)**	**$641**	**$209**	**$250**	**$178**
Unrealized Gain (Loss) on Available-for-Sale Securities, Net	689	(106)	214	536	319
Unrealized Gain (Loss) on Derivative Instruments, Net [(1)]	52	52	54	(512)	(253)
Other Comprehensive Income (Loss)	**741**	**(54)**	**268**	**24**	**66**
Comprehensive Income	**$480**	**$587**	**$477**	**$274**	**$244**
Dividend on Preferred Stock	(3)	-	-	-	-
Comprehensive Income available to Common Shareholders	**$477**	**$587**	**$477**	**$274**	**$244**
Weighted Average Common Shares Outstanding – Basic and Diluted	**301.0**	**240.6**	**210.3**	**180.7**	**130.5**
Net (Loss) Income per Common Share	**($0.88)**	**$2.66**	**$0.99**	**$1.39**	**$1.36**
Comprehensive Income per Common Share	**$1.58**	**$2.44**	**$2.27**	**$1.51**	**$1.87**
Estimated REIT Taxable Income per Common Share	**$1.62**	**$2.03**	**$1.61**	**$1.86**	**$1.56**
Dividends Declared per Common Share	**$1.25**	**$1.25**	**$1.40**	**$1.40**	**$1.40**

Note: Amounts may not total due to rounding

1. Voluntarily discontinued hedge accounting under GAAP as of Sept 30, 2011. Accumulated OCI on de-designated interest rate swaps is being amortized on a straight-line basis over the remaining swap terms into interest expense. All other periodic interest costs, termination fees and mark-to-market adjustments associated with interest rate swaps are reported in other income (loss), net pursuant to GAAP. For Q2 '12, Q1 '12, Q4 '11 and Q3 '11, other income (loss), net, included $62 MM, $39 MM, $33 MM and $2 MM of other periodic swap interest costs, respectively

Reconciliation of GAAP Net Interest Income to Adjusted Net Interest Income and Net Spread Income (1)

($ in millions, except per share data) (Unaudited)	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Interest Income	**$504**	**$514**	**$353**	**$327**	**$265**
Interest Expense:					
Repurchase Agreements and Other Debt	(68)	(54)	(36)	(24)	(18)
Interest Rate Swap Periodic Costs (2)	(52)	(52)	(54)	(71)	(46)
Total Interest Expense	**(120)**	**(106)**	**(90)**	**(95)**	**(64)**
Net Interest Income	**384**	**408**	**263**	**232**	**201**
Other Interest Rate Swap Periodic Costs (3)	(62)	(39)	(33)	(2)	--
Adjusted Net Interest Income	**322**	**369**	**230**	**230**	**201**
Total Operating Expenses	**(36)**	**(28)**	**(24)**	**(22)**	**(17)**
Net Spread Income	**286**	**341**	**206**	**208**	**184**
Dividend on Preferred Stock	(3)	--	--	--	--
Net Spread Income Available to Common Shareholders	**$283**	**$341**	**$206**	**$208**	**$184**
Weighted Average Common Shares Outstanding – Basic and Diluted	**301.0**	**240.6**	**210.3**	**180.7**	**130.5**
Net Spread Income per Common Share – Basic and Diluted	**$0.94**	**$1.42**	**$0.98**	**$1.15**	**$1.41**

Note: Amounts may not total due to rounding

1. Table includes non-GAAP financial measures. Please refer to slide 30 for additional information regarding non-GAAP financial measures
2. Voluntarily discontinued hedge accounting under GAAP as of Sept 30, 2011. Accumulated OCI on de-designated interest rate swaps is being amortized on a straight-line basis over the remaining swap terms into interest expense. All other periodic interest costs, termination fees and mark-to-market adjustments associated with interest rate swaps are reported in other income (loss), net pursuant to GAAP
3. Other interest rate swap periodic costs represent periodic interest costs on the Company's interest rate swap portfolio in excess of amortized amounts reclassified from accumulated OCI into interest expense. Other interest rate swap periodic costs included in the table above does not include termination fees or mark-to-market adjustments associated with interest rate swaps

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Reconciliation of GAAP Net Income to Estimated Taxable Income (1)

($ in millions, except per share data) (Unaudited)	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Net (Loss) Income	**($261)**	**$641**	**$209**	**$250**	**$178**
Book to Tax Differences:					
Premium Amortization, Net	43	(28)	20	34	8
Realized Gain/Loss, Net	54	(46)	28	3	(2)
Unrealized Gain/Loss, Net	647	(80)	86	47	20
Other (2)	9	2	(5)	1	--
Total Book to Tax Differences	**753**	**(152)**	**129**	**85**	**26**
Estimated REIT Taxable Income	**$492**	**$489**	**$338**	**$335**	**$204**
Dividend on Preferred Stock	(3)	--	--	--	--
Estimated REIT Taxable Income Available to Common Shareholders	**$489**	**$489**	**$338**	**$335**	**$204**
Weighted Average Common Shares Outstanding – Basic and Diluted	**301.0**	**240.6**	**210.3**	**180.7**	**130.5**
Estimated REIT Taxable Income per Common Share	**$1.62**	**$2.03**	**$1.61**	**$1.86**	**$1.56**
Estimated Cumulative Undistributed REIT Taxable Income per Common Share (3)	**$1.61**	**$1.28**	**$0.80**	**$0.85**	**$0.44**

Note: Amounts may not total due to rounding

1. Please refer to slide 30 on the use of Non-GAAP financial information
2. Other book to tax differences include GAAP net income/loss of wholly-owned taxable REIT subsidiary, net of corporate income tax; permanent difference for non-deductible excise tax expense; and other temporary differences for non-deductible adjustments
3. Estimated undistributed taxable income is net of common and preferred dividends declared during the quarter, without adjustment for future quarterly dividends not yet declared on the Company's Series A Preferred Stock. Based on common shares outstanding as of each period end

American Capital Agency

Balance Sheets

($ in millions, except per share data)	As of [1] 6/30/12	3/31/12	12/31/11	9/30/11	6/30/11
Agency Securities, at Fair Value (including pledged securities of $73,353, $72,598, $50,725, $38,860, and $35,118, respectively)	$77,922	$80,570	$54,683	$41,970	$39,926
U.S. Treasury Securities, at Fair Value	--	--	101	301	--
Cash and Cash Equivalents ($302, $315, $336, $375 and $189 restricted, respectively)	2,401	2,077	1,703	1,359	815
Derivative Assets, at Fair Value	64	184	82	55	86
Receivable for Securities Sold	2,877	1,706	443	2,698	1,252
Receivable under Reverse Repurchase Agreements	1,274	3,613	763	474	1,388
Other Assets	244	267	197	182	170
Total Assets	**$84,782**	**$88,417**	**$57,972**	**$47,039**	**$43,637**
Repurchase Agreements	$69,540	$69,816	$47,681	$38,842	$33,505
Other Debt [2]	954	50	54	57	62
Payable for Securities Purchased	2,198	4,852	1,919	1,660	3,337
Derivative Liabilities, at Fair Value	1,250	827	853	793	290
Dividends Payable	384	286	314	257	180
Obligation to Return Securities Borrowed under Reverse Repurchase Agreements, at Fair Value	1,269	3,816	899	473	1,459
Accounts Payable and Other Accrued Liabilities	51	52	40	17	27
Total Liabilities	**75,646**	**79,699**	**51,760**	**42,099**	**38,860**
Preferred Equity at Aggregate Liquidation Preference	173	--	--	--	--
Common Equity	8,963	8,718	6,212	4,940	4,777
Total Stockholders' Equity	**9,136**	**8,718**	**6,212**	**4,940**	**4,777**
Total Liabilities and Stockholders' Equity	**$84,782**	**$88,417**	**$57,972**	**$47,039**	**$43,637**
Leverage [2]	**7.6x**	**8.4x**	**7.9x**	**7.7x**	**7.5x**
Net Book Value Per Common Share [3]	**$29.41**	**$29.06**	**$27.71**	**$26.90**	**$26.76**

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1. Unaudited except for 12/31/2011
2. Other debt consists of variable rate debt outstanding at Libor + 25 bps in connection with the consolidation of structured transactions under GAAP
3. Leverage calculated as sum of repurchase agreements, net payable/receivable for agency securities not yet settled and other debt divided by total stockholders' equity
4. Net book value per common share calculated as stockholders' equity, less the Series A Preferred Stock liquidation preference, divided by total common shares outstanding

Net Book Value Roll Forward

(In millions, except per share data) (Unaudited)	Balance	Common Shares Outstanding	Preferred Shares Outstanding	Net Book Value per Common Share
March 31, 2012 Net Common Equity	**$8,718**	**300.0**	**-**	**$29.06**
Net Loss	(261)			
Other Comprehensive Income	741			
Dividend on Common Stock	(381)			
Dividend on Preferred Stock	(3)			
Balance before Capital Transactions	8,814	300.0	-	$29.60
Issuance of Common Stock, Net of Offering Costs	155	4.8	-	$32.37
Issuance of Preferred Stock, Net of Offering Costs	167	-	6.9	-
Preferred Stock $25 per Share Liquidation Preference	(173)	-	-	-
June 30, 2012 Net Common Equity	**$8,963**	**304.8**	**6.9**	**$29.41**

Note: Amounts may not total due to rounding

Fixed Rate Agency Securities Portfolio

$ in millions - as of June 30, 2012

MBS Coupon (1)(2)	Par Value	Market Value	% Lower Loan Balance / HARP (5)	Amortized Cost Basis	Average WAC (3)	Average Age (Months)	Actual 1 Month CPR (4)
≤15 YR Mortgage Securities							
2.5%	$6,008	$6,197	2%	102.9%	3.14%	2	1.1%
3.0%	2,002	2,111	97%	104.0%	3.45%	6	5.2%
3.5%	7,126	7,631	91%	103.0%	3.93%	16	9.3%
4.0%	9,289	9,990	80%	104.6%	4.40%	19	16.0%
4.5%	847	920	98%	105.1%	4.86%	22	13.8%
5.0%	4	5	100%	104.7%	5.38%	28	29.1%
≥ 5.5%	8	9	0%	104.5%	6.81%	64	1.1%
Subtotal	$25,284	$26,863	67%	103.7%	3.91%	13	9.9%
20 YR Mortgage Securities							
3.0%	$277	$287	2%	103.5%	3.65%	3	1.9%
3.5%	1,958	2,072	5%	103.8%	3.95%	6	8.2%
4.0%	457	497	53%	104.7%	4.57%	13	12.1%
4.5%	154	170	95%	107.0%	4.89%	19	10.6%
5.0%	43	48	87%	105.0%	5.47%	22	6.1%
6.0%	6	6	0%	108.7%	6.42%	69	48.7%
Subtotal	$2,894	$3,080	19%	104.1%	4.10%	8	8.5%
30 YR Mortgage Securities							
3.5%	$15,246	$16,074	53%	103.8%	4.00%	4	4.0%
4.0%	20,210	21,854	96%	106.4%	4.46%	7	4.7%
4.5%	5,674	6,221	83%	105.8%	4.94%	17	12.6%
5.0%	851	932	54%	106.3%	5.41%	36	17.3%
5.5%	355	391	43%	107.7%	6.04%	67	24.1%
≥ 6.0%	289	317	100%	107.3%	6.23%	52	29.7%
Subtotal	$42,625	$45,789	77%	105.4%	4.41%	9	6.2%
Total Fixed	**$70,803**	**$75,732**	**71%**	**104.8%**	**4.22%**	**10**	**7.6%**

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1. Excludes net TBA and forward settling securities of $5.3 B 15-year net long position, $450 MM 20-year net long position and $9.2 B 30-year net short position
2. The weighted average coupon on the fixed rate securities held as of June 30, 2012 was 3.74%
3. Average WAC represents the weighted average coupon of the underlying collateral
4. Actual 1 month annualized CPR published during July 2012 for agency securities held as of June 30, 2012
5. Lower loan balance securities defined as pools backed by max original loan balances of up to $150 K. HARP securities defined as pools backed by 100% refinance loans with original LTVs ≥ 80%.

Hybrid ARM Securities Portfolio

$ in millions - as of June 30, 2012

New Issue Hybrid ARMs (2009/2010/2011/2012 Vintage)

Type	Par Value	Market Value	Amortized Cost Basis	Average MBS Coupon	Average Age [1]	% Interest Only	1 Month CPR [2]
FH/FN 5/1	$10	$11	102.8%	3.56%	31	0%	27.2%
GN 5/1	266	280	104.7%	3.73%	17	0%	17.3%
FH/FN 7/1	166	176	103.3%	3.65%	19	25%	21.1%
GN 7/1	2	2	104.4%	4.00%	23	0%	0.2%
FH/FN 10/1	152	162	103.6%	3.98%	23	17%	31.0%
Subtotal	$596	$631	104.0%	3.77%	19	11%	22.2%

Seasoned Hybrid ARMs (Pre 2009 Vintage)

≤ 4.0%-4.9%	$273	$290	102.6%	4.54%	76	14%	12.1%
5.0%-5.9%	126	135	103.7%	5.36%	64	25%	26.2%
≥ 6.0%	15	16	104.2%	6.12%	66	67%	36.5%
Subtotal	$414	$441	103.0%	4.84%	72	19%	17.6%
Total ARMs	$1,010	$1,072	103.6%	4.21%	41	14%	20.4%

Reset	Market Value	% Total	Average Reset	Average Coupon
0-23 Months	$317	30%	17	4.66%
24-35 Months	136	12%	29	4.86%
36-60 Months	297	28%	51	3.80%
> 60 Months	322	30%	83	3.87%
Total	$1,072	100%	**48**	**4.21%**

Index	% Total
LIBOR	54%
CMT / MTA	46%
COFI / Other	--%
Total	**100%**

1. Average age in months
2. Actual 1 month annualized CPR published during July 2012 for agency securities held as of June 30, 2012

Repo Counterparty Credit Risk

Our funding is well diversified by counterparty and geographically

- **Repo counterparties well diversified**
- **Maintained excess capacity with most of our counterparties**
- **Less than 4% of our equity is at risk with any one counterparty**
- **Less than 16% of our equity is at risk with the top 5 counterparties**

Counterparty Region	Number of Counterparties	Percent of Repo Funding
North America	17	53%
Asia	5	17%
Europe	9	30%

Counterparty Region	Counterparty Rank	Counterparty Exposure as a % of NAV (1)(2)
North America	1	3.47%
	2	3.34%
	3	3.26%
	4	2.25%
	5	1.62%
	6-17	8.12%
Asia	1	2.62%
	2	1.71%
	3	1.17%
	4	0.82%
	5	0.79%
Europe	1	2.74%
	2	2.54%
	3	2.36%
	4	1.76%
	5	1.04%
	6-9	2.07%

Total Exposure	**41.69%**
Top 5 Exposure	**15.36%**

Note: All figures as of June 30, 2012
1. Excludes $954 MM of other debt which consists of other variable rate debt outstanding at Libor + 25 bps in connection with the consolidation of a structured transaction under GAAP
2. Counterparty exposure with regard to agency collateral pledged under repo agreements. Amounts do not include exposure with regard to collateral pledged under derivative agreements, prime brokerage agreements and other debt

NAV Interest Rate Sensitivity

Given the negative convexity of our mortgage assets, an instantaneous parallel shock to interest rates will adversely impact the market value of our equity

- **The duration of a mortgage changes with interest rates and tends to increase when rates rise and decrease when rates fall**
- **This negative convexity generally increases the interest rate exposure of a mortgage portfolio over what would be indicated by the duration gap alone**
- **The estimated impact on the market value of the asset portfolio, net of hedges, is based on model predictions and assumes that no portfolio rebalancing actions are taken**
- **The estimated change to equity (NAV) includes the impact of leverage and incorporates the dual effects of both duration and convexity**

Interest Rate Sensitivity (based on instantaneous parallel change in interest rates)		
Interest Rate Shock (bps)	**Estimated Change in Portfolio Market Value** (1)	**Estimated Change Equity NAV** (2)
-100	-1.18%	-10.58%
-50	-0.45%	-4.05%
50	0.02%	0.18%
100	-0.39%	-3.47%

The estimated change in our NAV due to interest rate changes is derived from models that are dependent on inputs and assumptions provided by third parties as well as by our investment team and, accordingly, actual results could differ materially from these estimates. In addition, different models could generate materially different estimates using similar inputs and assumptions. Management uses judgment to address the limitations and weaknesses inherent in model calculations as it seeks to balance the protection of book value with the generation of attractive returns. During Q1 '12, we implemented an enhanced prepayment model provided by Blackrock Solutions, which had the impact of increasing the reported duration of our assets by approximately ½ year. As a result, our exposure to rising rate scenarios increased and our exposure to falling rate scenarios decreased relative to the previous quarter. Please also refer to slide 29 and our related disclosures in our 10-Ks and 10-Qs for a more complete discussion of duration (interest rate risk).

1. Estimated dollar change in value expressed as a percent of the total market value of assets
2. Estimated dollar change in value expressed as a percent of net common equity or NAV per common share

Duration Gap

- **The duration of an asset or liability measures how much its price is expected to change if interest rates move in a parallel manner**
  - For example, an instrument with a 1 yr duration is expected to change 1% in price for a 100 bp move in rates
- **Duration gap is a measure of the difference in the interest rate exposure, or estimated price sensitivity, of our assets and our liabilities (including hedges)**
  - It is calculated using relatively complex models and different models can produce substantially different results. Furthermore, actual performance of both assets and hedges may differ materially from the model estimates
  - Duration and convexity calculations generally assume all rates move together (2 yr rates, 10 yr rates, swap rates, treasury rates etc.) and this is typically not the case. As such, these calculations do not measure the "basis risk" or yield curve exposure, embedded in these positions
  - Higher leverage increases the exposure of our book value (or equity) to a given duration gap
- **The duration of mortgage assets also changes as interest rates move. The duration generally extends when interest rates rise and contracts when interest rates fall. This is called "negative convexity" and is generally driven by changes in prepayment expectations, which have historically been correlated with interest rates. Interest rate caps embedded in ARM securities also increase negative convexity**
  - Negative convexity generally increases the interest rate exposure of a mortgage portfolio significantly over what would be indicated by the duration gap alone
- **AGNC uses a risk management system and models provided by Blackrock Solutions to generate these calculations and as a tool for helping us to measure other exposures, including exposure to larger interest rate moves and yield curve changes**
  - Base models, settings and market inputs are provided by Blackrock
  - Blackrock periodically adjusts these models as new information becomes available
  - AGNC management makes adjustments to the Blackrock model for certain securities as needed
  - Please refer to our most recent Form 10-K and 10-Q filed with the SEC for additional information on risk measures
- **The inputs and results from these models are not audited by our independent auditors**

Use of Non-GAAP Financial Information

In addition to the results presented in accordance with GAAP, this presentation includes certain non-GAAP financial information, including net spread income, estimated taxable income and certain financial metrics derived from non-GAAP information, such as estimated undistributed taxable income, which the Company's management uses in its internal analysis of results, and believes may be informative to investors.

Net spread income consists of adjusted net interest income, less total operating expenses. Adjusted net interest income is interest income less interest expense (or "GAAP net interest income"), less other periodic interest rate swap interest costs reported in other income (loss), net.

Estimated taxable income is pre-tax income calculated in accordance with the requirements of the Internal Revenue Code rather than GAAP. Estimated taxable income differs from GAAP income because of both temporary and permanent differences in income and expense recognition. Examples include (i) unrealized gains and losses associated with interest rate swaps and other derivatives and securities marked-to-market in current income for GAAP purposes, but excluded from estimated taxable income until realized or settled, (ii) temporary differences related to the amortization of premiums paid on investments and (iii) timing differences in the recognition of certain realized gains and losses. Furthermore, estimated taxable income can include certain information that is subject to potential adjustments up to the time of filing of the appropriate tax returns, which occurs after the end of the calendar year of the Company.

The Company believes that these non-GAAP financial measures provide information useful to investors because net spread income is a financial metric used by management and investors and estimated taxable income is directly related to the amount of dividends the Company is required to distribute in order to maintain its REIT tax qualification status. The Company also believes that providing investors with net spread income, estimated taxable income and certain financial metrics derived based on such estimated taxable income, in addition to the related GAAP measures, gives investors greater transparency to the information used by management in its financial and operational decision-making. However, because net spread income and estimated taxable income are an incomplete measure of the Company's financial performance and involve differences from net income computed in accordance with GAAP, net spread income and estimated taxable income should be considered as supplementary to, and not as a substitute for, the Company's net income computed in accordance with GAAP as a measure of the Company's financial performance. In addition, because not all companies use identical calculations, the Company's presentation of net spread income and estimated taxable income may not be comparable to other similarly-titled measures of other companies. A reconciliation of non-GAAP net spread income and taxable income measures to GAAP net income is set forth on slides 21 and 22.