



**American Capital Agency Corp. Depositary Shares
Each Representing a 1/1,000th Interest in a Share of
7.750% Series B Cumulative Redeemable Preferred Stock
(Liquidation Preference \$25.00 per Depositary Share)
Summary of Certain Terms***

- Issuer:** American Capital Agency Corp.
- Securities Offered:** Depositary shares, each representing a 1/1,000th interest in a share of 7.750% Series B Cumulative Redeemable Preferred Stock ("Series B Preferred Stock").
- Dividends:** Cumulative cash dividends declared on the Series B Preferred Stock at a rate of 7.750% per annum of the \$25,000 per share liquidation preference (equivalent to \$1,937.50 per annum per share of Series B Preferred Stock, or \$1.9375 per annum per depositary share).
- Payable quarterly in arrears on the 15th day of each January, April, July and October, provided that if any dividend payment date is not a business day, then the dividend which would otherwise have been payable on that dividend payment date may be paid on the next succeeding business day.
- Term:** Perpetual.
- Optional Redemption:** On and after May 8, 2019, we may, at our option, redeem the Series B Preferred Stock underlying the depositary shares, in whole or in part, at any time or from time to time, for cash at a redemption price equal to \$25,000 per share of Series B Preferred Stock (equivalent to \$25.00 per depositary share), plus any accumulated and unpaid dividends to, but not including, the date fixed for redemption. We also have certain special optional redemption rights upon a Change of Control.
- Liquidation Preference:** If we liquidate, dissolve or wind up, holders of the Series B Preferred Stock underlying the depositary shares will have the right to receive \$25,000 per share (equivalent to \$25.00 per depositary share), plus any accumulated and unpaid dividends to, but not including, the date of payment, before any payment is made to the holders of our common stock.
- Voting Rights:** Holders of depositary shares representing interests in the Series B Preferred Stock will generally have no voting rights. However, if we do not pay dividends on the Series B Preferred Stock for six or more quarterly dividend periods (whether or not consecutive), the holders of the depositary shares representing interests in the Series B Preferred Stock (voting separately as a class with the holders of our Series A Preferred Stock and the holders of all other classes or series of our preferred stock we may issue upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series B Preferred Stock in the election referred to below) will be entitled to vote for the election of two additional directors to serve on our board of directors until we pay, or declare and set aside funds for the payment of, all dividends that we owe on the Series B Preferred Stock, subject to certain limitations.

**Please note that this is only a brief summary of certain terms. For capitalized terms used but not defined herein and for further details of the above points and complete information please see the prospectus and prospectus supplement related to the depositary shares.*