Q4 2010 Stockholder Presentation

February 9, 2011

Updated on March 15, 2011

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, including our annual report on Form 10-K/A for the year ended December 31, 2009, and our quarterly report on Form 10-Q for the quarter ended September 30, 2010. Historical results discussed in this presentation are not indicative of future results.

Q4 2010 Highlights

- **$2.50 per Share of Net Income**
  - ✓ $1.26 per share, excluding $1.24 per share of other investment related income and excise tax
- **$1.64 per Share of Taxable Income [1]**
- **$1.40 per Share Dividend Declared**
- **$0.60 per Share of Undistributed Taxable Income as of December 31, 2010**
  - ✓ Undistributed taxable income of $39 million remained unchanged from the prior quarter
- **$24.24 Book Value per Share as of December 31, 2010**
  - ✓ Increased from $23.43 per share as of September 30, 2010
    - Increased from $23.78 per share, *pro forma,* as of September 30, 2010 when adjusted for the $328 million follow-on equity offering that closed on October 1, 2010
- **42% Annualized Return on Average Stockholders' Equity ("ROE") for the quarter [2]**

(1) Taxable income per share is based on the weighted average shares outstanding for Q4 2010. Please refer to slide 24 on the use of Non-GAAP financial information

(2) Annualized ROE based on net income and average monthly stockholders' equity for Q4 2010

Q4 2010 Other Highlights

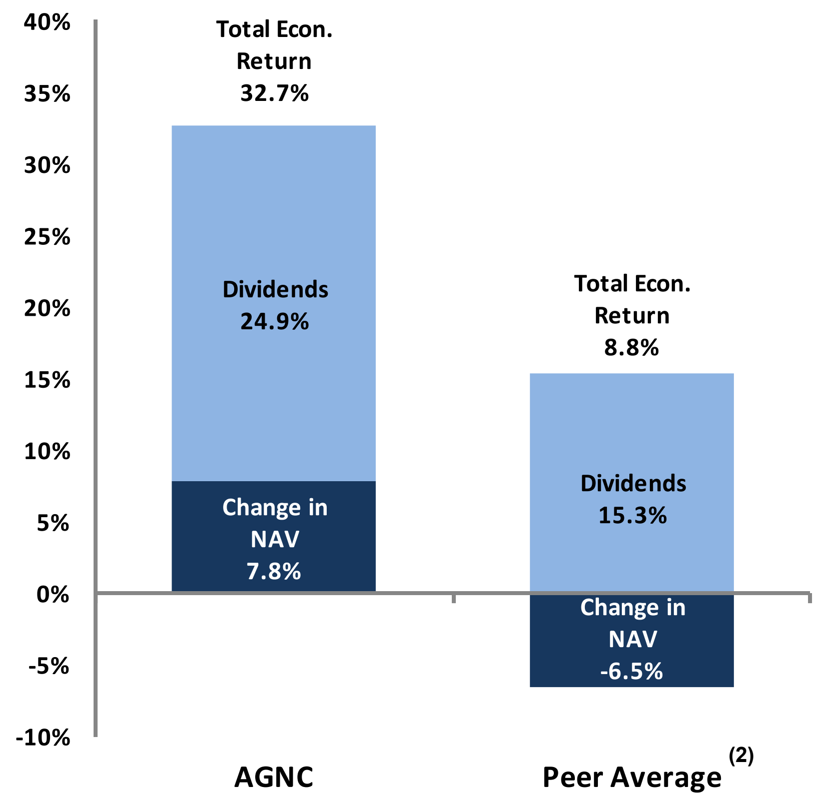
- **$13.5 Billion Investment Portfolio as of December 31, 2010**
- **18% Portfolio CPR for the Quarter [(1)]**
  - ✓ 16% CPR in December 2010 (speeds released early January 2011)
- **7.8x Leverage as of December 31, 2010 [(2)]**
  - ✓ 8.4x average leverage for the quarter
- **2.58% Annualized Net Interest Spread for the Quarter**
  - ✓ 2.28% net interest spread as of December 31, 2010
- **$354 Million of Net Proceeds Raised from Equity Offered during Q4 [(3)]**
  - ✓ $227 million raised from a follow-on equity offering that settled on December 14
  - ✓ $127 million raised pursuant to a Controlled Equity Offering[SM] Sales Agreement
  - ✓ In January 2011 raised an additional $719 million from a subsequent follow-on equity offering
  - ✓ All equity raised was accretive to book value

(1) Weighted average monthly annualized CPR for securities held during the fourth quarter of 2010
(2) Leverage calculated as the sum of total repurchase agreements, net payable for unsettled purchases and sales of securities and other debt divided by total stockholders' equity as of December 31, 2010
(3) Excludes $328 million of net proceeds from the September 2010 follow-on equity offering that settled on October 1, 2010

2010 Full Year Highlights

- **$7.89 per Share of Net Income Or 34% ROE**
  - ✓ $4.50 per share, excluding $3.39 per share of other investment related income, amortization expense associated with the termination of interest rate swaps during 2009 and excise tax
- **$5.60 per Share Dividends Declared**
  - ✓ $6.76 per share of taxable income (1)
  - ✓ Undistributed taxable income increased from $22 million as of December 31, 2009 to $39 million as of December 31, 2010
- **$1.76 per Share or 7.8% Increase in Book Value**
  - ✓ Increased from $22.48 per share as of December 31, 2009 to $24.24 per share as of December 31, 2010
- **33% Economic Return**
  - ✓ Represents the combination of dividends paid plus book value appreciation over the year
- **29% Total Return to Shareholders**
  - ✓ Represents the combination of dividends paid plus share price appreciation over the year

Economic Return Analysis
Year Ended 2010

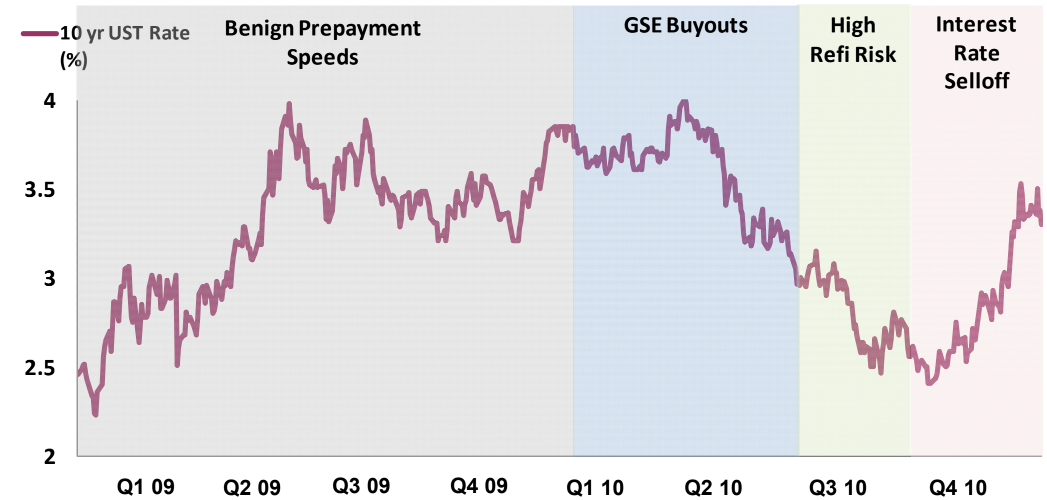


(1) Taxable income per share based on weighted average shares. Please refer to slide 24 on the use of Non-GAAP financial information

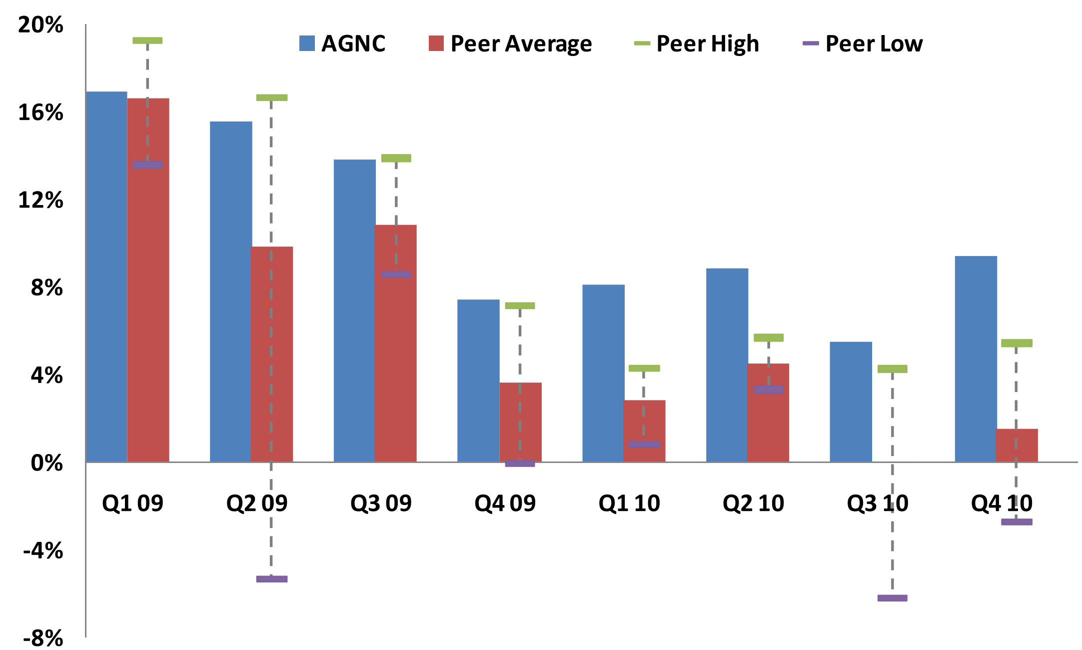
(2) Peer group comprised of the following peers on an unweighted basis: ANH, CMO, CYS, HTS, NLY. NAV for selected peers have been adjusted to reflect the impact of dividends that are declared shortly after the closing of a quarter.

Key Lessons From 2010

- **Market Conditions Change Rapidly**
- **Asset Selection is Critical and Must Evolve as Market Conditions Change**
  - ✓ Average assets seldom lead to strong returns
- **Portfolio Must be able to Perform if Rates Move in Either Direction**
  - ✓ Hedging strategies should involve some optional protection as mortgages are negatively convex
- **As Demonstrated by AGNC's Consistently Strong Results:**
  - ✓ A levered portfolio can perform well under a wide range of prepayment and interest rates stresses if risks are well managed.
  - ✓ Leverage is just one of many indicators of risk and can be dwarfed by other mitigating factors



Economic Return



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(1) Peer group comprised of the following peers on an unweighted basis: ANH, CMO, CYS, HTS, NLY. NAV for selected peers have been adjusted to reflect the impact of dividends that are declared shortly after the closing of a quarter.

AGNC Q4 Hedge Summary

"Supplemental Hedges" Contributed Significantly to Fourth Quarter Performance

Hedging Strategies
($ in millions, except per share amounts)

Product	Change in MV	Per Share [1]
Total Interest Rate Swaps and Other Securities in Hedge Relationships (flow through OCI):	**$67.2**	**$1.22**
Other Supplemental Hedges:		
TBA Mortgage Positions/Treasuries	$39.0	$0.71
Swaptions	12.2	0.22
Mortgage Derivatives (IO/IIO Strips)	6.9	0.12
Total Other Supplemental Hedges (flow through P&L)	**$58.1**	**$1.05**
Total Interest Rate Swap and Supplemental Hedges	**$125.3**	**$2.27**

- **Gains from "Supplemental Hedges" were predominately driven by short positions in lower coupon TBA mortgage securities and unrealized appreciation from payer swaptions**
- **Our "Supplemental Hedges" are typically not in hedge relationships under GAAP and are marked-to-market through current income**
- **Supplemental hedging strategies that were not in hedge relationships under GAAP contributed $1.05 per share to net book value and were in addition to our "industry standard" swap book, which hedges approximately 50% of our REPO balance**
  - ✓ Contributed almost as much as our interest rate swaps to net book value
  - ✓ Of the $1.05 per share of gains, only $0.41 per share (or $23 million) was included in taxable income for the fourth quarter
    - As of December 31, 2010, cumulative net unrealized gains not recognized for tax was $24 million
    - Many of these derivatives will expire or be realized or paired off during the first quarter of 2011 and, assuming no change in market value from year end, will likely have a favorable impact on first quarter 2011 taxable income

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(1) Per Share amounts are based on weighted average outstanding shares

Market Information

Security	3/31/10	6/30/10	9/30/10	12/31/10	Q4 2010 Δ
Treasury Rates					
2 Yr UST	1.02%	0.61%	0.43%	0.59%	+0.16%
5 Yr UST	2.55%	1.78%	1.27%	2.01%	+0.74%
10 Yr UST	3.83%	2.93%	2.51%	3.30%	+0.79%
Swap Rates					
2 Yr Swap	1.19%	0.97%	0.60%	0.80%	+0.20%
5 Yr Swap	2.73%	2.05%	1.52%	2.18%	+0.66%
10 Yr Swap	3.84%	3.00%	2.57%	3.39%	+0.82%
30 Year Fixed Rate Mortgages					
4.0%	96.80	101.27	102.77	99.47	-3.30
4.5%	100.11	103.64	104.14	102.65	-1.49
5.0%	103.08	105.80	105.30	105.125	-0.18
5.5 %	105.33	107.33	106.33	106.98	+0.65
6.0%	106.20	108.42	107.45	108.65	+1.20

Security [1]	3/31/10	6/30/10	9/30/10	12/31/10	Q4 2010 Δ
15 Year Fixed Rate Mortgages					
3.5%		101.73	103.16	100.72	-2.34
4.0%	101.36	103.89	104.39	102.94	-1.45
4.5%	103.67	105.48	105.20	104.80	-0.40
5.0%	105.39	106.67	106.11	106.11	-0.00
New Hybrid ARMs					
5/1 - 3.50%	102.47	103.55	104.41	103.38	-1.03
7/1 - 3.75%	102.00	103.65	104.78	103.06	-1.72
10/1- 4.25%	102.28	104.50	104.80	103.84	-0.96
Seasoned Hybrid ARMs					
5/1 - 5.75% 24 MTR	105.00	106.50	106.17	106.50	+0.33
10/1 - 5.75% 80 MTR	106.00	107.63	107.69	107.69	+0.00

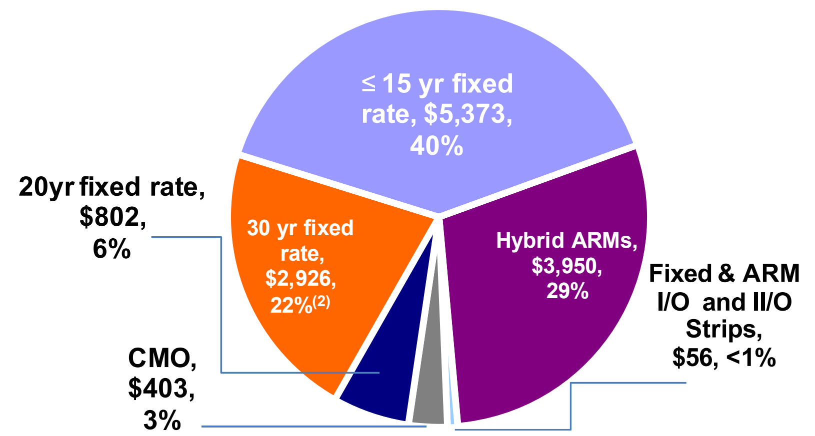
Source: Combination of Bloomberg and dealer indications

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

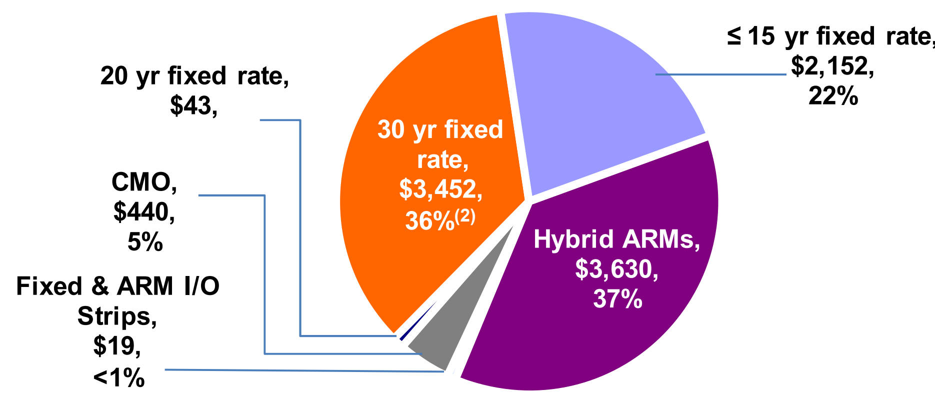
Q4 2010 Portfolio Update

- Portfolio Grew as We Invested New Equity
- Maintained Diversified and Balanced Portfolio Comprised of a Mix of Hybrid ARMs, 15 and 30 Year Fixed Rate Mortgages and CMOs
- Increased the Percentage of 15 Year Mortgages as Certain Types of Securities Provided Very Favorable Risk/Return Profile
- Speeds on the Portfolio Remained Well Behaved, Averaging 18% CPR, Despite the Record Low Rates

$13.5 B Portfolio as of 12/31/10 *($ in millions)*



$9.7 B Portfolio as of 9/30/10 *($ in millions)*



AGNC Actual Monthly CPR's [1]

	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011
AGNC Portfolio	17%	19%	19%	16%	12%

(1) Actual 1 month annualized CPR as of October 1, November 1, and December 1, 2010 and January 1 and February 1, 2011, respectively, for agency securities held as of the prior month end
(2) 12/31/10 and 9/30/10 30 year fixed rate securities include $81 million and $76 million of 40 year fixed rate securities, respectively

Financing Summary

As of December 31, 2010

- Repurchase Agreements with 22 Financial Institutions
- 7.8x Leverage, Including Net Payable for Unsettled Purchases and Sales of Securities and Other Debt (1)
- 0.31% Weighted Average Repo Cost of Funds
  - ✓ Increase of 3 bps from September 30, 2010

AGNC Repos (2)
($ in millions – as of December 31, 2010)

Original Repo Maturities	Repo Outstanding	Interest Rate	WA Days to Maturity
30 Days or less	$ 3,306.2	0.32%	12
31 – 60 Days	5,648.2	0.31%	20
61 – 90 Days	1,496.4	0.29%	33
Greater than 90 Days	1,229.3	0.29%	43
Total / Wtd Avg	$ 11,680.1	0.31%	22

(1) Other debt consists of other variable rate debt outstanding at Libor + 25 bps in connection with the consolidation of a structured transaction recorded as a financing transaction under GAAP
(2) Does not include other debt

Hedging Summary

As of December 31, 2010

- **Swaps**
  - ✓ $6.5 B notional swap book as of 12/31/10
    - 3.1 year average maturity
    - 55% of repo balance and other debt hedged excluding benefits of other hedges
      - Reduces to 53% when incorporating net unsettled trades
- **Swaptions**
  - ✓ Added $850 million of payer swaptions at cost of $4.6 million
    - Market value was $16.8 million as of 12/31/10
  - ✓ $200 million payer swaptions expired during the quarter
- **Other Hedging Activity**
  - ✓ Mortgage TBA positions
  - ✓ Short and long treasury positions

Interest Rate Swaps
($ in millions – as of December 31, 2010)

Maturity	Notional Amount	Pay Rate	Receive Rate	WA Years to Maturity
2011	$ 750	1.40%	0.26%	0.7
2012	750	2.01%	0.26%	1.6
2013	1,500	1.31%	0.26%	2.6
2014	1,300	1.72%	0.26%	3.5
2015	1,950	1.68%	0.26%	4.4
2016	250	1.82%	0.26%	5.0
Total / Wtd Avg	$ 6,500	1.61%	0.26%	3.1

Interest Rate Swaptions
($ in millions – as of December 31, 2010)

Swaption	Cost	Weighted Average Expiration	Notional Amount	Pay Rate	Receive Rate	Term (Years)
Payer	$ 1.5	< 3 Months	$300	2.14%	1M Libor	6.7
Payer	$3.1	> 3 Months	$550	2.36%	1M Libor	5.0
Total	$4.6	4 Months	$850	2.28%	1M Libor	5.6

Duration Gap Information

AGNC's Portfolio Had a "Duration Gap" of Approximately 1.1 years as of December 31, 2010

- The duration of an asset or liability measures how much its price is expected to change if interest rates move in a parallel manner
- 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)
- While the duration gap is an important indicator of interest rate risk, the duration of a mortgage changes with interest rates and tends to extend when rates rise and fall 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

Duration Gap

($ in millions, duration in years)

December 31, 2010							September 30, 2010	Δ
Assets			Hedges			Net	Net	
Products	Market Value	Duration	Hedges	Notional Amount	Duration			
Fixed (1)	$ 9,405	3.5	Swaps	$ 6,500	(2.9)			
ARM (1)	4,057	2.1	Swaptions	850	(2.9)			
CMO (2)	459	0.9	TBAs/Treasuries	1,254	(4.5)			
			Total	$ 8,604	(3.1)			
Total Assets	**$ 13,921**	**3.0**	**Hedge Duration Adjusted to Market Value of Assets**		**(1.9)**	**1.1**	**0.7**	**57%**

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

Please also refer to slide 23 and our related disclosures in our 10-K's and 10-Q's for a more complete discussion of duration (interest rate risk)

(1) Fixed rate and ARM securities include securities purchased and sold on a forward basis accounted for as derivatives but are included in the asset balance for the purpose of duration
(2) CMOs include interest-only and inverse interest-only strips

Business Economics

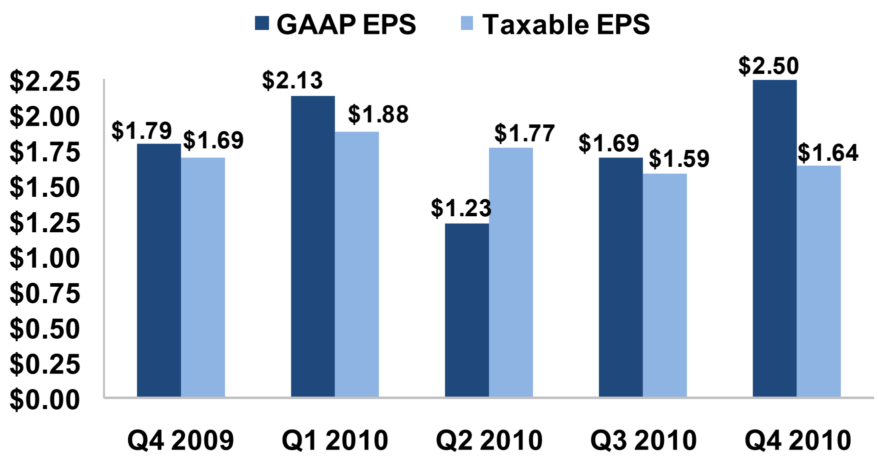
(unaudited)	As of 12/31/10	As of 9/30/10	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Full Year 2010	Full Year 2009
Asset Yield	3.31%	3.25%	3.48%	3.23%	3.44%	3.78%	3.44%	4.64%
Cost of Funds	(1.03)%	(1.09)%	(0.90)%	(1.02)%	(1.07)%	(1.23)%	(1.02)%	(1.30)%
Net Interest Rate Spread before Terminated Swap Expense	**2.28%**	**2.16%**	**2.58%**	**2.21%**	**2.37%**	**2.55%**	**2.42%**	**3.34%**
Cost of Funds – Terminated Swap Expense (1)	--	--	--	--	(0.19)%	(0.39)%	(0.09)%	(0.41)%
Net Interest Rate Spread	**2.28%**	**2.16%**	**2.58%**	**2.21%**	**2.18%**	**2.16%**	**2.33%**	**2.93%**
Leverage (2) (3)	**7.8x**	**9.8x**	**8.4x**	**8.5x**	**7.9x**	**6.5x**	**8.0x**	**6.8x**
Leveraged Net Interest Rate Spread	17.69%	21.09%	21.55%	18.77%	17.15%	14.09%	18.67%	19.96%
Plus: Asset Yield	3.31%	3.25%	3.48%	3.23%	3.44%	3.78%	3.44%	4.64%
Gross ROE Before Expenses	**21.00%**	**24.34%**	**25.03%**	**22.00%**	**20.59%**	**17.87%**	**22.11%**	**24.60%**
Other Investment Income and Excise Tax, Net	**--%**	**--%**	**20.99%**	**9.57%**	**4.39%**	**23.30%**	**15.12%**	**12.25%**
Other Miscellaneous (4)	**--%**	**--%**	**(1.56)%**	**(1.51)%**	**(1.69)%**	**(1.59)%**	**(1.52)%**	**(2.08)%**
Management Fees as a % of Equity	(1.31)%	(1.27)%	(1.37)%	(1.25)%	(1.32)%	(1.25)%	(1.31)%	(1.25)%
Other Operating Expenses as a % of Equity	(0.54)%	(0.84)%	(0.66)%	(0.90)%	(1.01)%	(1.17)%	(0.88)%	(1.74)%
Total Operating Expenses as a % of Equity	**(1.85)%**	**(2.11)%**	**(2.03)%**	**(2.15)%**	**(2.33)%**	**(2.42)%**	**(2.19)%**	**(2.99)%**
Net Return on Equity	**19.15%**	**22.23%**	**42.43%**	**27.91%**	**20.96%**	**37.16%**	**33.52%**	**31.78%**

(1) Represents amortization expense associated with the termination of interest rate swaps during 2009
(2) As of 12/31/10 and 9/30/10 leverage calculated as sum of repurchase agreements, net payable / receivable for agency securities purchased / sold but not yet settled and other debt by total stockholders' equity
(3) Leverage as of 9/30/10 was 7.2x, *pro forma*, when stockholder's equity was adjusted for the follow-on equity offering of $328 million that settled on 10/1/10
(4) Other miscellaneous reflects the impact of cash and cash equivalents, restricted cash, other non investment assets and liabilities, differences between the use of daily averages used for investment securities and repurchase agreements and monthly average used for shareholders' equity and other immaterial rounding differences

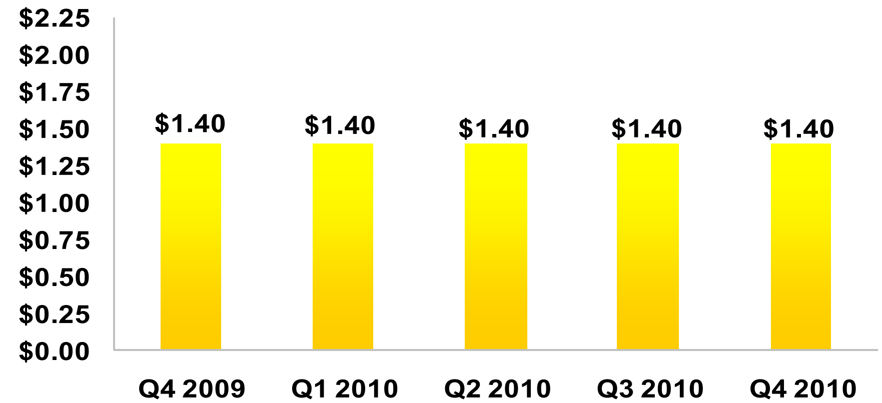
Supplemental Slides

AGNC Historical Overview

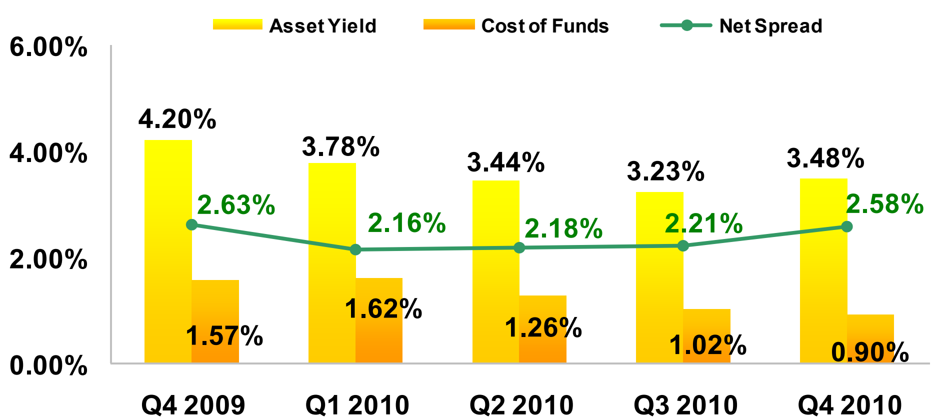
Earnings per Share



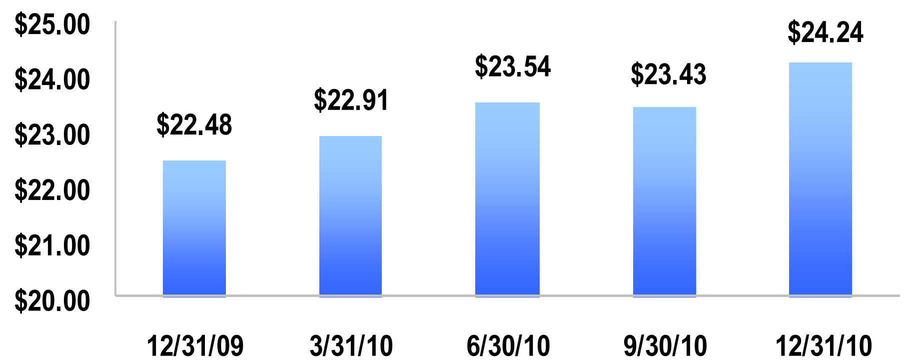
Dividend per Share



Net Spread



Book Value Per Share



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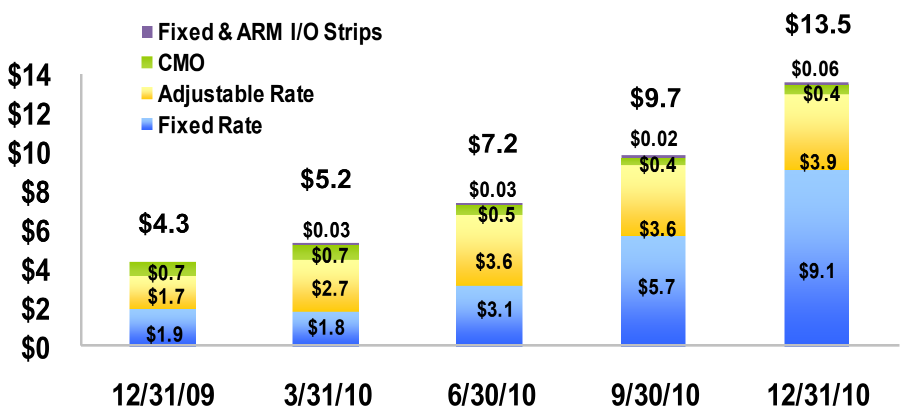
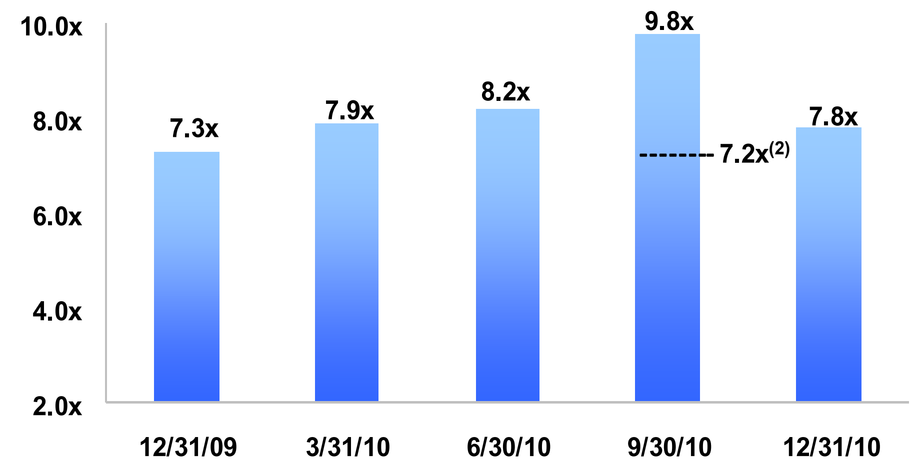
AGNC Historical Overview

Investment Portfolio

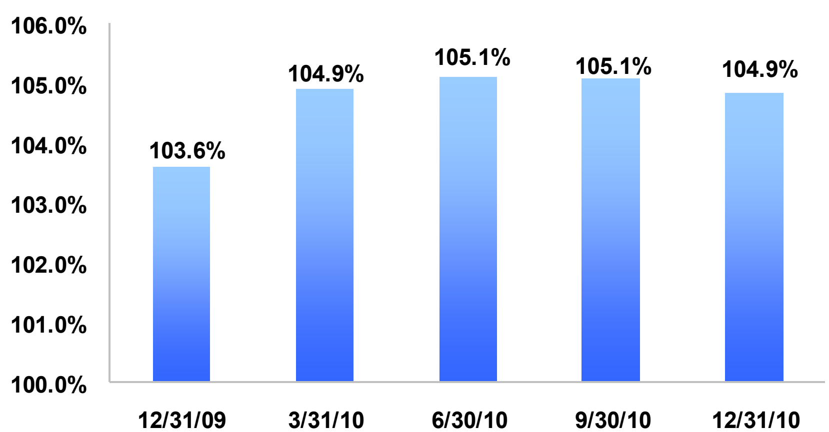
($ in billions)



Leverage[1]



Amortized Cost Basis



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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

Income Statements

($ in millions, except per share data) (unaudited)	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Full Year 2010
Interest Income	$101.0	$62.6	$50.6	$38.8	$253.0
Interest Expense	(24.6)	(18.5)	(17.3)	(15.5)	(75.9)
Net Interest Income	76.4	44.1	33.3	23.3	177.1
Gain from Sale of Agency Securities, Net	10.4	24.6	29.6	27.4	92.0
Realized Gain (Loss) from Derivative Instruments and Trading Securities, Net	20.6	(0.8)	(4.9)	1.4	16.3
Unrealized Gain (Loss) from Derivative Instruments and Trading Securities, Net	37.5	(3.0)	(17.0)	4.5	22.0
Total Other Income, Net	68.5	20.8	7.7	33.3	130.3
Management Fee	(4.5)	(2.7)	(2.3)	(1.8)	(11.3)
General and Administrative Expenses	(2.1)	(1.9)	(1.8)	(1.7)	(7.5)
Total Operating Expenses	(6.6)	(4.6)	(4.1)	(3.5)	(18.8)
Income before Excise Tax	138.3	60.3	36.9	53.1	288.6
Excise Tax	(0.2)	(0.3)	--	--	(0.5)
Net Income	$138.1	$60.0	$36.9	$53.1	$288.1
Weighted Average Shares Outstanding – Basic and Diluted	55.3	35.5	29.9	25.0	36.5
Net Income per Share – Basic and Diluted	$2.50	$1.69	$1.23	$2.13	$7.89
Taxable Income per Share	$1.64	$1.59	$1.77	$1.88	$6.76
Dividends Declared per Share	$1.40	$1.40	$1.40	$1.40	$5.60

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Note: Total quarterly net income per share may not agree to total annual net income per share due to rounding and weighted number of days . Amounts may not foot due to rounding.

Reconciliation of Taxable Income

($ in millions, except per share data) (unaudited)	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Full Year 2010
Net Income	$138.1	$60.0	$36.9	$53.1	$288.1
Book to Tax Differences:					
Premium Amortization, Net	(12.2)	6.8	(1.6)	(0.5)	(7.4)
Realized and Unrealized (Gain) Loss, Net	(35.5)	(10.9)	17.6	(5.9)	(34.7)
Other (1)	0.3	0.3	(0.1)	0.2	0.7
Total Book to Tax Differences	(47.4)	(3.8)	15.9	(6.1)	(41.4)
Estimated REIT Taxable Income	$90.7	$56.3	$52.8	$47.0	$246.7
Weighted Average Shares Outstanding – Basic and Diluted	55.3	35.5	29.9	25.0	36.5
Estimated REIT Taxable Income per Share – Basic and Diluted	$1.64	$1.59	$1.77	$1.88	$6.76
Estimated Cumulative Undistributed REIT Taxable Income per Share (2)	$0.60	$0.99	$1.10	$1.17	$0.60

Note: Total quarterly net income per share may not agree to total annual net income per share due to rounding and weighted number of days . Amounts may not foot due to rounding.

(1) Other book to tax differences include temporary differences for non-deductible adjustments, such as GAAP ineffectiveness, start-up/organization costs and stock compensation expense, and permanent differences for non-deductible excise tax expense

(2) Based on shares outstanding as of each period end

Balance Sheets

($ in millions, except per share data)	As of [1] 12/31/10	9/30/10	6/30/10	3/31/10	12/31/09
Agency Securities, at Fair Value (including pledged assets of $12,270.9, $8,321.5, $6,870.7, $4,855.6 and $4,136.6, respectively)	$13,510.3	$9,736.5	$7,166.4	$5,240.3	$4,300.1
Cash and Cash Equivalents ($76.1, $62.5, $37.9, $26.6, and $19.6 restricted, respectively)	249.4	177.7	187.9	131.9	222.4
Derivative Assets, at Fair Value	76.6	11.3	7.4	8.7	12.0
Receivable for Agency Securities Sold	259.0	350.1	311.8	273.8	47.1
Receivable from Prime Broker	75.5	40.1	44.9	88.5	20.5
Receivable under Reverse Repurchase Agreements	247.4	--	--	--	--
Other Assets	57.6	43.1	37.1	26.8	23.6
Total Assets	$14,475.8	$10,358.8	$7,755.5	$5,770.0	$4,625.7
Repurchase Agreements	11,680.1	7,969.4	6,634.4	4,651.1	3,841.8
Other Debt [2]	72.9	80.8	--	--	--
Payable for Agency Securities Purchased	727.4	1,223.1	201.8	436.1	180.3
Derivative Liabilities, at Fair Value	78.6	113.9	76.2	28.7	17.8
Dividend Payable	90.8	54.5	47.1	37.5	34.1
Obligation to Return Securities Borrowed under Reverse Repurchase Agreements, at Fair Value	245.5	--	--	--	--
Other Liabilities	8.4	4.1	3.6	3.5	4.9
Total Liabilities	12,903.7	9,445.8	6,963.1	5,156.9	4,078.9
Stockholders’ Equity	1,572.1	913.0	792.4	613.1	546.8
Total Liabilities and Stockholders’ Equity	$14,475.8	$10,358.8	$7,755.5	$5,770.0	$4,625.7
Leverage [3]	7.8x	9.8x	8.2x	7.9x	7.3x
Book Value Per Share	$24.24	$23.43	$23.54	$22.91	$22.48

(1) Unaudited except for 12/31/09
(2) Other debt consists of other variable rate debt outstanding at Libor + 25 bps in connection with the consolidation of a structured transaction recorded as a financing transaction under GAAP
(3) Leverage 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

American Capital Agency

Book Value

Roll Forward of Net Book Value Per Share (1)	
Balance – September 30, 2010 (unaudited) (2)	**$23.43**
Net Income Less Other Income and Excise Tax, Net	1.26
Other Income and Excise Tax, Net	1.24
Unrealized Loss on Available-for-Sale Securities, Net	(2.48)
Unrealized Gain on Swaps, Net	1.22
Dividends Declared	(1.40)
Accretion from Issuance of Common Stock	0.97
Balance – December 31, 2010 (unaudited)	**$24.24**

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(1) Beginning and ending net book value per share and dividends declared calculated based on shares outstanding as of their respective dates, all other amounts calculated based on weighted average shares outstanding during the period

(2) September 30, 2010 net book value per share was $23.78, *pro forma,* when adjusted for the follow-on equity offering that settled on October 1, 2010

Portfolio Fixed Rate Agency Securities

AGNC Fixed Rate MBS

($ in millions – as of December 31, 2010)

20 YR, 30 YR and 40 YR Mortgages ($ in millions)

Coupon	Par Value	Market Value	% Total	Amortized Cost Basis	Average WAC(1)	Average Age (Months)	Actual 1 Month CPR(2)
≤ 4.5%	$ 1,021	$ 1,037	28%	103.2%	4.55%	4	4.3%
5.0%	1,579	1,666	45%	105.4%	5.49%	59	21.5%
5.5%	398	424	11%	106.0%	6.09%	56	23.3%
6.0%	506	548	15%	106.4%	6.62%	41	22.5%
≥ 6.5%	48	53	1%	107.9%	7.32%	39	16.9%
Total	**$ 3,552**	**$ 3,728**	**100%**	**105.0%**	**5.47%**	**40**	**16.9%**

≤ 15 YR Mortgages ($ in millions)

Coupon	Par Value	Market Value	% Total	Amortized Cost Basis	Average WAC(1)	Average Age (Months)	Actual 1 Month CPR(2)
3.5%	2,474	2,507	47%	102.9%	3.93%	2	2.9%
4.0%	2,015	2,086	39%	104.0%	4.46%	5	3.5%
4.5%	720	760	14%	104.4%	4.89%	14	11.5%
5.0%	7	8	0%	105.3%	5.46%	33	8.9%
≥ 5.5%	10	12	0%	105.5%	6.82%	45	14.4%
Total	**$5,226**	**$5.373**	**100%**	**103.6%**	**4.28%**	**5**	**4.4%**

(1) Average WAC represents the weighted average coupon of the underlying collateral. The average WAC of fixed rate securities held as of December 31, 2010 was 4.76% and the weighted average coupon on the fixed rate securities was 4.29%

(2) Actual 1 month annualized CPR as of January 1, 2011 for agency securities held as of December 31, 2010

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Portfolio Hybrid ARM Securities

New Issue Hybrid ARMs (2009/2010 Vintage)

Type	Par Value	Market Value	% Total	Amortized Cost Basis	Average Coupon	Average Age (1)	% Interest Only	1 Month CPR (2)
FH/FN 5/1	$ 4	$ 4	0.0%	104.2%	3.48	5	0%	0%
GN 5/1	78	81	2.0%	104.4%	4.21	11	0%	32%
FH/FN 7/1 and 10/1	1,162	1,202	30.0%	103.8%	4.19	8	80%	22%
GN 7/1	2	3	0.0%	104.7%	4.00	4	0%	26%
Subtotal	$ 1,246	$ 1,290	32.0%	103.8%	4.19	8	74%	22%

Seasoned Hybrid ARMs (Pre 2009 Vintage)

4.0%-4.9%	$ 437	463	12.0%	103.8%	4.75	60	11%	21.8%
5.0%-5.9%	1,956	2,083	53.0%	106.5%	5.43	43	51%	29.8%
≥ 6.0%	106	114	3.0%	106.8%	6.16	45	84%	19.3%
Subtotal	$ 2,499	$ 2,660	68.0%	106.0%	5.34	46	46%	28.0%
Total ARMs	**$ 3,745**	**$ 3,950**	**100%**	**105.3%**	**4.96%**	**34**	**55%**	**26.1%**

Reset	Market Value	% Total	Average Reset	Average Coupon
0-23 Months	$ 243	6%	10	5.50%
24-35 Months	737	19%	33	5.14%
36-60 Months	1,012	26%	47	5.14%
> 60 Months	1,958	49%	94	4.73%
Total	**$ 3,950**	**100%**	**65**	**4.96%**

Index	% Total
LIBOR	75%
CMT / MTA	25%
COFI / Other	--%
Total	**100%**

(1) Average age in months
(2) 1 Month Annualized CPR as of January 1, 2011 for agency securities held as of December 31, 2010

American Capital Agency

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
  - ✓ However, given the structural obstacles which currently impede some more seasoned borrowers' ability to easily refinance their mortgages, we believe that certain models have recently had a tendency to overstate the negative convexity of agency securities
- **AGNC uses a risk management system 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**
  - ✓ The base models, settings, and market inputs used to calculate the exposure to various scenarios are also provided by Blackrock Solutions but are adjusted from time to time by AGNC management personnel as needed. Blackrock also periodically adjusts their models in the normal course of business or if new information becomes available
- **The inputs and results from the models have not been audited by our independent auditors**

Use of Non-GAAP Financial Information

In addition to the results presented in accordance with GAAP, this presentation includes non-GAAP financial information, including our taxable income and certain financial metrics derived based on taxable income, which management uses in its internal analysis of results, and believes may be informative to investors. Taxable income is pre-tax income calculated in accordance with the requirements of the Internal Revenue Code rather than GAAP. Taxable income differs from GAAP income because of both temporary and permanent differences in income and expense recognition. Examples include temporary differences for unrealized gains and losses on derivative instruments and trading securities recognized in income for GAAP but excluded from taxable income until realized or settled, differences in the CPR used to amortize premiums or accrete discounts as well as treatment of start-up organizational costs, hedge ineffectiveness, and stock-based compensation and permanent differences for excise tax expense. Furthermore, taxable income can include certain estimated information and 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 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 our taxable income and certain financial metrics derived based on such 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 taxable income is an incomplete measure of the Company's financial performance and involves differences from net income computed in accordance with GAAP, 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, our presentation of our estimated taxable income may not be comparable to other similarly-titled measures of other companies. A reconciliation of non-GAAP taxable income to GAAP net income is set forth on slide 18.