Q2 2010 Stockholder Presentation

July 28, 2010

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 June 30, 2010. Historical results discussed in this presentation are not indicative of future results.

Q2 2010 Highlights

- **$1.23 per Share of Net Income***
  - $1.06 per share, excluding $0.26 per share of other investment related income and $0.09 per share of, now fully amortized, terminated swap expense
- **$1.77 per Share of Taxable Income***
  - Taxable income excludes $0.33 per share of net unrealized losses associated with derivatives outstanding as of June 30, 2010 that are marked-to-market in current income for GAAP but excluded from taxable income until realized / settled and $0.21 per share of other net temporary timing differences between GAAP and taxable income
- **$1.40 per Share Dividend Declared**
- **$1.10 of Undistributed Taxable Income as of June 30, 2010**
  - Undistributed taxable income increased $6 MM from $31 MM as of March 31, 2010 to $37 MM as of June 30, 2010
- **$23.54 Book Value per Share as of June 30, 2010**
  - Increased $0.63 per share (net of dividend) from March 31, 2010
- **20.96% Annualized Return on Average Stockholders' Equity ("ROE") for the quarter****

* Based on the weighted average shares outstanding for the quarter ended June 30, 2010

** Annualized ROE based on net income and average monthly stockholders' equity for Q2 2010

Q2 2010 Other Highlights

- **$7.2 B Investment Portfolio as of June 30, 2010**
  - ✓ Portfolio adjusted to provide prepayment protection given record low mortgage rates
- **28% Portfolio CPR for the Second Quarter Despite Fannie Mae Buyouts***
  - ✓ 16% Portfolio CPR in June 2010 (speeds released early July 2010)
- **8.2x Leverage as of June 30, 2010****
- **2.18% Annualized Net Interest Spread for the Quarter**
  - ✓ 2.38% Net interest spread as of quarter end
- **$169 MM of Net Proceeds Raised from a Follow-On Equity Offering**
  - ✓ Equity raise accretive to book value

* Weighted average annualized 1 month CPR for securities held during the second quarter of 2010. CPRs for CMOs, including CMOs with structural prepayment protection, are based on the CPR of the underlying collateral. CMOs with structural prepayment protection do not receive repayments until the preceding front-end tranches are fully repaid.

** Leverage calculated as total repurchase agreements plus payable for agency securities purchased but not yet settled less receivable for agency securities sold but not yet settled divided by total stockholders' equity

Market Information

Interest Rates Fell Substantially During the Second Quarter with Mortgage Rates Near Record Lows

Security*	9/30/09	12/31/09	3/31/10	6/30/10	Q2 2010 Δ
Treasury Rates					
2 Yr UST	0.95%	1.14%	1.02%	0.61%	-0.41%
5 Yr UST	2.31%	2.68%	2.55%	1.78%	-0.77%
10 Yr UST	3.31%	3.84%	3.83%	2.93%	-0.90%
Swap Rates					
2 Yr Swap	1.29%	1.42%	1.19%	0.97%	-0.22%
5 Yr Swap	2.65%	2.98%	2.73%	2.05%	-0.68%
10 Yr Swap	3.46%	3.97%	3.84%	3.00%	-0.84%
30 Year Fixed Rate Mortgages					
4.0%	99.05	96.64	96.80	101.27	+4.47
4.5%	101.27	99.86	100.11	103.64	+3.53
5.0%	103.30	102.67	103.08	105.80	+2.72
5.5 %	104.64	104.73	105.33	107.33	+2.00
6.0%	105.52	106.02	106.20	108.42	+2.22

Security*	9/30/09	12/31/09	3/31/10	6/30/10	Q2 2010 Δ
15 Year Fixed Rate Mortgages					
4.0%	101.70	100.77	101.36	103.89	+2.53
4.5%	103.55	102.98	103.67	105.48	+1.81
5.0%	104.86	104.67	105.39	106.67	+1.28
New Hybrid ARMs**					
5/1 - 3.50%	102.60	101.22	102.47	103.55	+1.08
7/1 - 3.75%	101.28	100.61	102.00	103.65	+1.65
10/1- 4.25%	102.45	101.17	102.28	104.50	+2.22
Seasoned Hybrid ARMs**					
5/1 - 5.75% 24 MTR	106.00	106.50	105.00	106.50	+1.50
10/1 - 5.75% 80 MTR	106.38	107.50	106.00	107.63	+1.63

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.

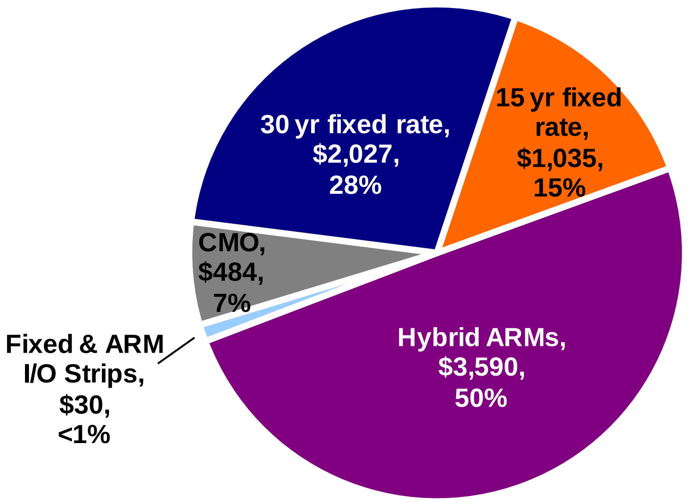
* Source: Bloomberg

** Source: Agency Hybrid ARM securities were priced using dealer indications

Q2 2010 Portfolio Update

- Maintained Diversified and Balanced Portfolio Comprised of a Mix of Hybrid ARMs, 15 and 30 Year Fixed Rate Mortgages and CMOs
- Assets Within Each Sector Proactively Chosen to Provide Prepayment Protection Given Record Low Rates
- Deployed Capital from Equity Offering Growing Portfolio to $7.2 Billion

$7.2 B Portfolio as of 6/30/10 *($ in millions)*



Asset Selection Bias

Favorable Risk/Return	Assets to Avoid
• Newly originated interest-only 7/1 and 10/1 hybrid ARMs • Higher Coupon, 2010 Origination Ginnie Mae 5/1 ARMs • Lower loan balance 15 year mortgages and other new mortgages with attributes that deter refinancing • Seasoned mortgages (both ARM and Fixed) with less pristine credit	• Newly originated (2009/2010) 5/1 hybrid ARMs • Generic 2009/2010 fixed-rate mortgages where borrowers will easily qualify for new loans

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Why is Asset Selection Critical?

There are Dramatic Prepayment Differences Between Amortizing, New Issue 5/1s and Interest-Only 7/1s and 10/1s

Selected June 2010 Prepayment Data from Most Recent Fannie Mae ARM and 15 Year Report

2009 Origination Fannie Mae Hybrid ARMs-Actual Prepayments*

ARM Type	Amortizing	Interest Only
5/1	40 CPR	22 CPR
7/1	26 CPR	9 CPR
10/1	26 CPR	10 CPR

2009 Origination Fannie Mae 15 Year 4.5% Coupon – Actual Prepayments by Loan Balance**

TBA Loan Size	110 K Max Loan Size	85 K Max Loan Size
20.3 CPR	8.2 CPR	8.0 CPR

- **Prepayment Differences Between Amortizing, New Issue 5/1s and Interest-Only ("IO") 7/1s and 10/1s are Most Likely Driven by Refinancing Activity and Should Persist or Potentially Magnify**
  - These speed differences are not buyout related as both cohorts are backed by excellent credit borrowers and have been underwritten to the new tighter standards
    - Even the 2010 vintage, amortizing 5/1s (which are only 4 months old with around a 3.6% average coupon) are already prepaying at 22% CPR while 2010 IO 7/1s and 10/1s are 7% and 3% CPR, respectively*
  - The recent decline in mortgage rates to record lows should push speeds on amortizing loans higher
  - IO prepayment speeds should remain benign because, beginning next month, Freddie Mac will no longer guarantee new IO mortgages and Fannie Mae has made the qualification requirements considerably more onerous so little or no new IO production is expected
    - Thus IO borrowers would likely have to increase their monthly payment in order to refinance
- **The Lower Loan Balance 15 Year Mortgages Prepay Considerably Slower than Generic Balances as Fixed Costs Make These Loans More Expensive and Less Profitable to Refinance**

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* From EMBS data for Fannie Mae securities (July 2010)
** From JPM Research (July 2010)

AGNC Portfolio Mortgage Prepayments

Actual June 2010 Speeds					
Product	**Market Value**	**% of Total**	**Avg CPN**		**CPR**
Fixed – New (09/10)	$ 2.2 B	30%	4.77%	>>>	3%
– Seas (Pre 09)	0.9 B	13%	5.39%	>>>	17%
ARM – New (09/10)	1.1 B	15%	4.18%	>>>	3%
– Seas (Pre 09)	2.5 B	35%	5.42%	>>>	28%
CMO	0.5 B	7%	6.71%	>>>	37%
Total	$ 7.2 B	100%	5.13%	>>>	16%

- **The Prepayment Speeds Listed Above are for Securities Held as of June 30, 2010 and are the Most Recent Speeds Available from the GSEs**
- **The 16% Aggregate CPR is One of the Slower Months We Have Had for Our Portfolio Since the First Quarter of 2009 Despite Some Limited Impacts from Fannie Mae's Buyouts of Below 5% Coupons**
- **While Speeds Will Increase Given the Drop In Rates and as Positions Season, We Believe that our Investment Strategies will Continue to Provide Substantial Prepayment Protection**

Portfolio Fixed Rate Agency Securities

Prepayment Speeds on Our Fixed Rate Securities Remained Well Behaved

AGNC Fixed Rate MBS
($ in millions – as of June 30, 2010)

30 Year Mortgages ($ in millions)								Generic Prepay Speeds	
Coupon	**Par Value**	**Market Value**	**% Total**	**Amortized Cost Basis**	**Average WAC***	**Average Age (Months)**	**Actual 1 Month CPR****	**Fannie '08 1 Month CPR*****	**Ginnie '08 1 Month CPR*****
≤ 4.5%	$ 75	$ 78	4%	101.6%	4.88%	7	2.3%	24.9%****	13.3%****
5.0%	1,032	1,092	54%	103.9%	5.47%	36	7.4%	23.8%	19.2%
5.5%	590	631	31%	105.9%	5.96%	18	7.3%	25.8%	22.8%
6.0%	186	201	10%	103.8%	6.59%	36	15.8%	27.8%	24.9%
≥ 6.5%	23	25	1%	108.4%	7.58%	35	20.5%	26.2%	27.2%
Total	**$ 1,906**	**$ 2,027**	**100%**	**104.5%**	**5.74%**	**29**	**8.1%**		

15 Year Mortgages ($ in millions)								Generic Prepay Speeds	
Coupon	**Par Value**	**Market Value**	**% Total**	**Amortized Cost Basis**	**Average WAC***	**Average Age (Months)**	**Actual 1 Month CPR****	**Fannie '08 1 Month CPR*****	**Ginnie '08 1 Month CPR*****
4.0%	$ 342	$ 357	34%	102.4%	4.43%	3	3.4%	18.7%	n/a
4.5%	622	659	64%	104.0%	4.88%	9	6.7%	30.6%	n/a
5.0%	6	6	1%	105.1%	5.50%	40	7.1%	28.2%	n/a
≥ 5.5%	12	13	1%	105.6%	6.82%	39	11.2%	26.6%****	n/a
Total	**$ 982**	**$ 1,035**	**100%**	**103.5%**	**4.75%**	**7**	**5.6%**		

* Average WAC represents the weighted average coupon of the underlying collateral. The average WAC of fixed rate securities held as of June 30, 2010 was 5.40% and the weighted average coupon on the fixed rate securities was 4.95%.
** Actual 1 month annualized CPR as of July 1, 2010 for agency securities held as of June 30, 2010
*** Source: EMBS data for Fannie Mae and Ginnie Mae securities (July 2010)
**** Represents CPR for the coupon listed; not weighted based on coupons in grouping

Portfolio Hybrid ARM Securities

- Added Significant Amount of New Issue, IO ARMs When Spreads Came Under Pressure Midway Through the Second Quarter
- AGNC's ARM Portfolio Prepaid at 20.3% CPR versus 49% CPR for the Fannie Mae ARM Universe and 28% CPR for Freddie Mac ARMs*

Type	Par Value	Market Value	% Total	Amortized Cost Basis	Average Coupon	Average Age***	% Interest Only	1 Month CPR**
New Issue Hybrid ARMs (2009/2010 Vintage)								
FH/FN 5/1	$ --	$ --	--	--	--	--	--	---
GNMA 5/1	142	148	4%	103.8%	3.92%	1	0%	1.5%
FH/FN 7/1 & 10/1	865	905	25%	103.4%	4.22%	2	74%	3.3%
Subtotal	**$ 1,007**	**$ 1,053**	**29%**	**103.5%**	**4.18%**	**2**	**64%**	**3.0%**
Seasoned Hybrid ARMs (Pre 2009 Vintage)								
4.0%-4.9%	$ 491	$ 519	14%	104.1%	4.73%	47	20%	17.0%
5.0%-5.9%	1,711	1,833	52%	106.3%	5.55%	38	55%	30.6%
≥ 6.0%	172	185	5%	107.2%	6.07%	38	90%	25.6%
Subtotal	**$ 2,374**	**$ 2,537**	**71%**	**105.9%**	**5.42%**	**40**	**50%**	**27.5%**
Total ARMs	**$ 3,381**	**$ 3,590**	**100%**	**105.2%**	**5.05%**	**29**	**54%**	**20.3%**

Reset	Market Value	% Total	Average Reset	Average Coupon
0-23 Months	$ 547	15%	1	4.96%
24-35 Months	160	4%	32	4.98%
36-60 Months	1,023	29%	44	5.13%
> 60 Months	1,860	52%	87	5.04%
Total	**$ 3,590**	**100%**	**59**	**5.05%**

Index	% Total
LIBOR	76%
CMT / MTA	24%
COFI / Other	**--%**
Total	**100%**

* Source: BofA Agency MBS Research Alert (July 2010)
** 1 Month Annualized CPR as of July 1, 2010 for agency securities held as of June 30, 2010
*** Average age in months

Financing Summary

As of June 30, 2010

- **Repurchase Agreements with 22 Global Financial Institutions**
- **8.4x Leverage**
  - ✓ 8.2x Leverage including net receivable for unsettled purchases and sales of securities
- **0.28% Weighted Average Repo Cost of Funds**
  - ✓ Increased 7 bps from 0.21% as of March 31, 2010

AGNC Repos
($ in millions – as of June 30, 2010)

Original Repo Maturities	Repo Outstanding	Interest Rate	WA Days to Maturity
30 Days or less	$ 3,429.7	0.28%	17
31 – 60 Days	1,475.8	0.28%	22
61 – 90 Days	1,423.9	0.28%	37
Greater than 90 Days	305.0	0.30%	55
Total / Wtd Avg	**$ 6,634.4**	**0.28%**	**24**

Hedging Summary

Broadened Hedging Activities During the Quarter in Response to Changing Market Dynamics

- **Swaps**
  - $3.0 B notional swap book as of June 30, 2010
    - 2.7 year average maturity
    - 45% of repo balance hedged excluding benefits of other hedges
- **Swaptions**
  - $500 MM in swaptions to help mitigate convexity risk
    - $200 MM in payer swaptions
    - $300 MM in receiver swaptions
- **Other Hedging Activity**
  - Mortgage TBA positions
  - Intra-quarter held long positions in treasury securities

Interest Rate Swaps
($ in millions – as of June 30, 2010)

Original Swap Term	Notional Amount	Pay Rate	Receive Rate	WA Years to Maturity
1 Year or Less	$ 250	1.51%	0.35%	1.0
> 1 and < 3 Years	1,700	1.81%	0.35%	2.1
> 3 and < 5 Years	1,050	2.39%	0.35%	4.2
Total / Wtd Avg	$ 3,000	1.99%	0.35%	2.7

Interest Rate Swaptions
($ in millions – as of June 30, 2010)

Swaption	Cost	Expiration (Months)	Notional Amount	Pay Rate	Receive Rate	Term (Years)
Payer	$ 2.1	4	$ 200	4.23%	1M Libor	5
Receiver	$ 0.9	3	$ 200	1M Libor	2.26%	5
Receiver	$ 0.5	3	$ 100	1M Libor	2.75%	10

Duration Gap Information

AGNC's Portfolio Had a "Duration Gap" of Approximately 8 Months as of June 30, 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 – as of June 30, 2010)

Assets			Hedges			Net
Products	Market Value	Duration	Hedges	Notional Amount	Duration	
Fixed*	$ 2,772	1.8	Swaps	$3,000	(2.6)	
ARM*	3,845	1.7	Swaptions	500	1.6	
CMO**	514	0.7	Total	$3,500	(2.0)	
Total Assets	**$7,131**	**1.7**	**Hedge Duration Adjusted to Market Value of Assets**		**(1.0)**	**0.7**

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, developed from experience spanning over 20 years in agency mortgages, 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 22 and our related disclosures in our 10-K/A and 10-Q for a more complete discussion of duration (interest rate risk)

* Fixed rate and ARM securities include TBAs and securities purchased and sold on a forward basis accounted for as derivatives but are included in the asset balance for the purpose of duration

** CMOs include interest-only strips

Business Economics

(unaudited)	As of 6/30/10	As of 3/31/10	Q2 2010	Q1 2010	Q4 2009	Full Year 2009
Asset Yield	3.40%	3.68%	3.44%	3.78%	4.20%	4.64%
Cost of Funds	(1.02)%	(1.10)%	(1.07)%	(1.23)%	(1.17)%	(1.30)%
Net Interest Rate Spread before Terminated Swap Expense	**2.38%**	**2.58%**	**2.37%**	**2.55%**	**3.03%**	**3.34%**
Cost of Funds – Terminated Swap Expense*	--	(0.22)%	(0.19)%	(0.39)%	(0.40)%	(0.41)%
Net Interest Rate Spread	**2.38%**	**2.36%**	**2.18%**	**2.16%**	**2.63%**	**2.93%**
Leverage**	**8.2x**	**7.9x**	**7.9x**	**6.5x**	**6.8x**	**6.8x**
Leveraged Net Interest Rate Spread	19.63%	18.54%	17.15%	14.09%	17.94%	19.96%
Plus: Asset Yield	3.40%	3.68%	3.44%	3.78%	4.20%	4.64%
Gross ROE Before Expenses	**23.03%**	**22.22%**	**20.59%**	**17.87%**	**22.14%**	**24.60%**
Other Investment Income, Net	**--%**	**--%**	**4.39%**	**23.30%**	**13.28%**	**12.25%**
Other Miscellaneous***	**--%**	**--%**	**(1.69)%**	**(1.59)%**	**(2.45)%**	**(2.08)%**
Management Fees as a % of Equity	(1.21)%	(1.22)%	(1.32)%	(1.25)%	(1.23)%	(1.25)%
Other Operating Expenses as a % of Equity	(0.90)%	(1.05)%	(1.01)%	(1.17)%	(1.47)%	(1.74)%
Total Operating Expenses as a % of Equity	**(2.11)%**	**(2.27)%**	**(2.33)%**	**(2.42)%**	**(2.70)%**	**(2.99)%**
Net Return on Equity	**20.92%**	**19.95%**	**20.96%**	**37.16%**	**30.27%**	**31.78%**

* Represents amortization expense associated with the termination of interest rate swaps during 2009 ($16.6 million total cost with $2.6 million expensed in Q2 2010, $3.7 million expensed in Q1 2010 and Q4 2010, and $10.3 million expensed in 2009)

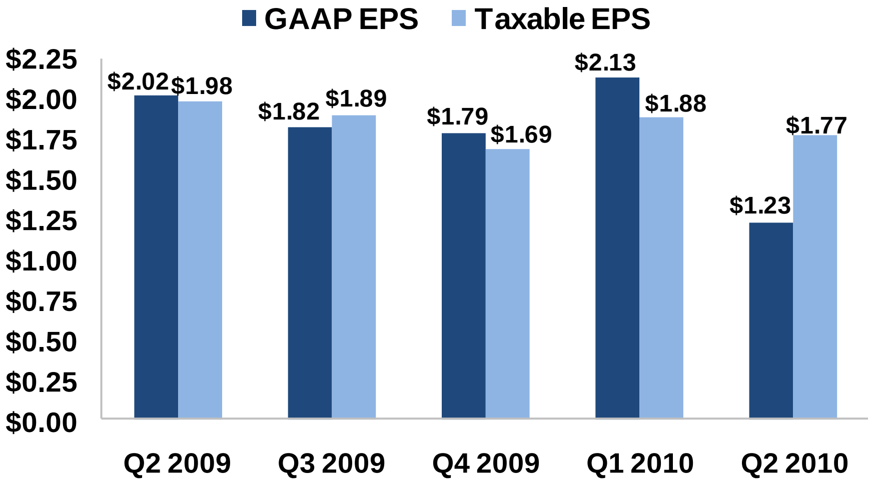
** As of 6/30/10 and as of 3/31/2010 leverage calculated as total repurchase agreements plus payable for agency securities purchased but not yet settled less receivable for agency securities sold but not yet settled divided by total stockholders' equity

*** 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

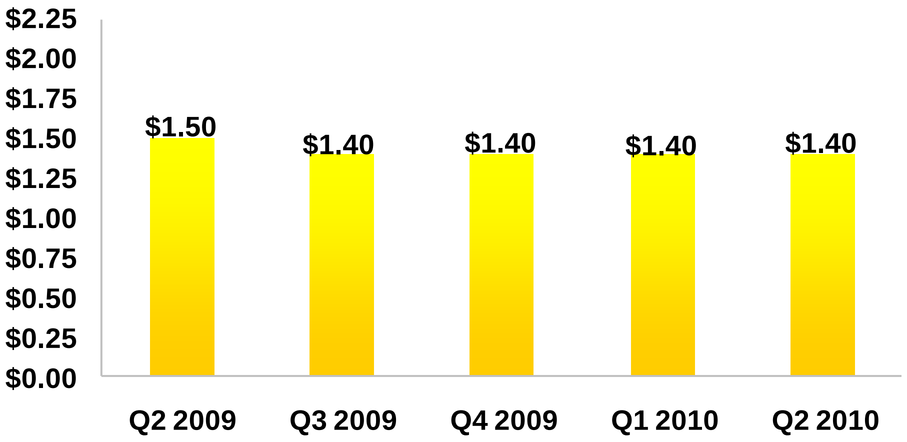
Supplemental Slides

AGNC Historical Overview

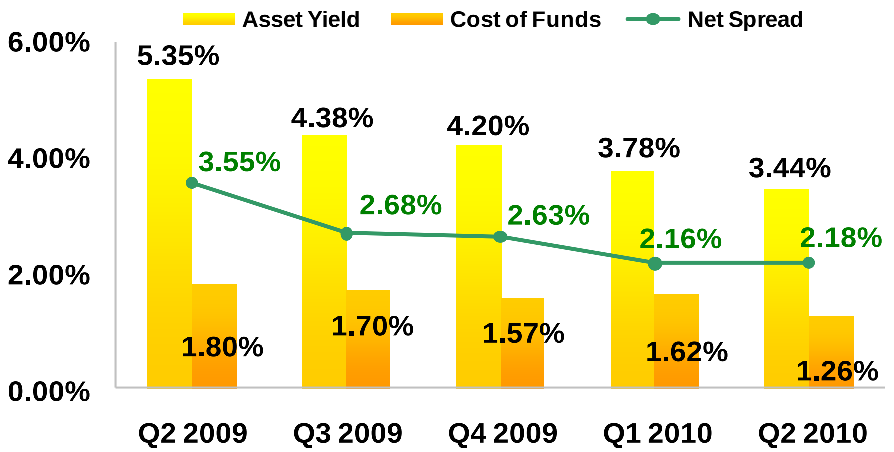
Earnings per Share



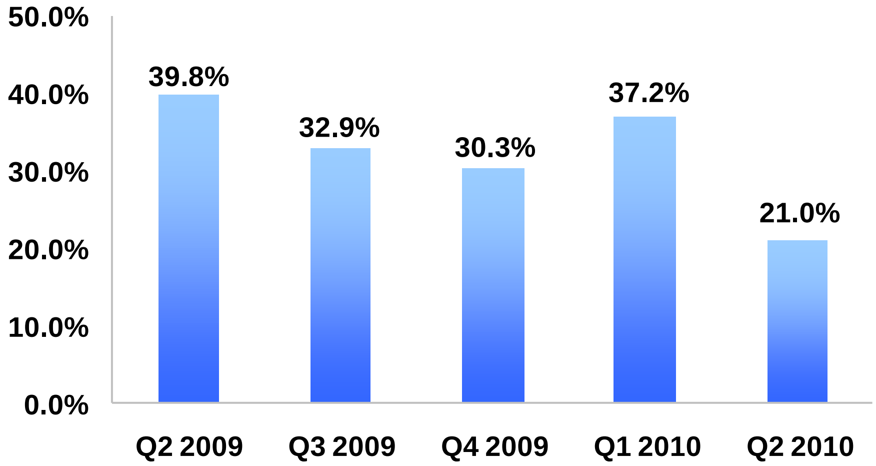
Dividend per Share



Net Spread



Return on Equity



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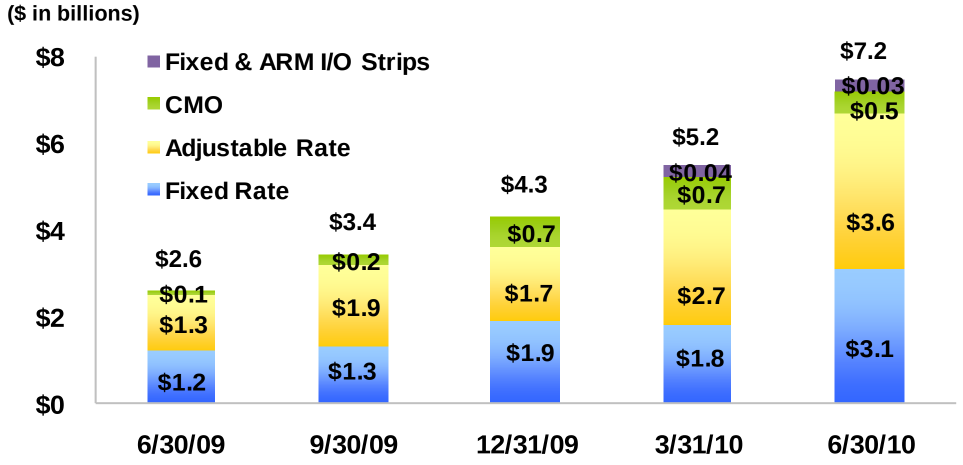
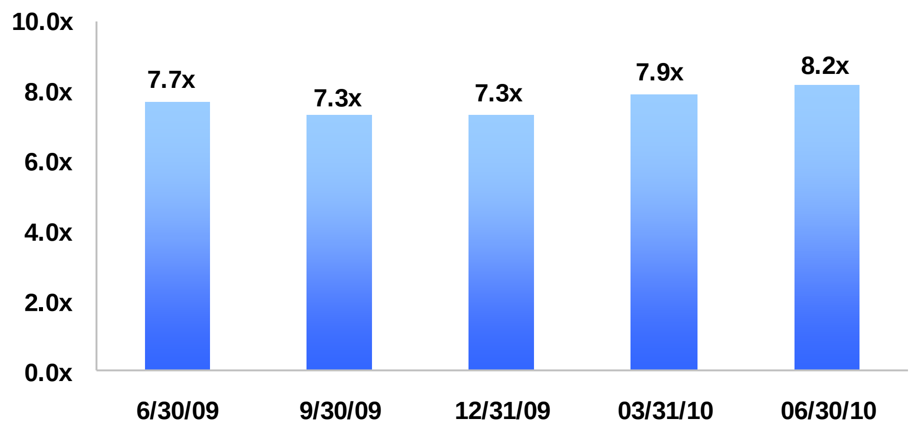
AGNC Historical Overview

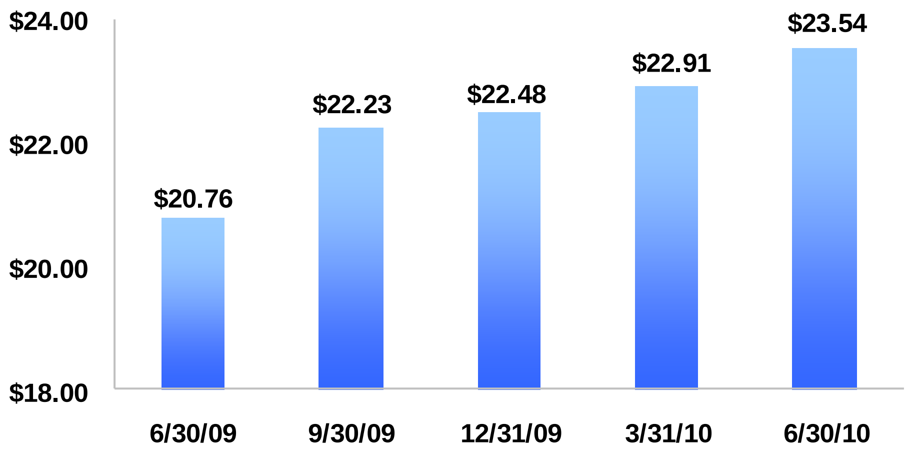
Investment Portfolio



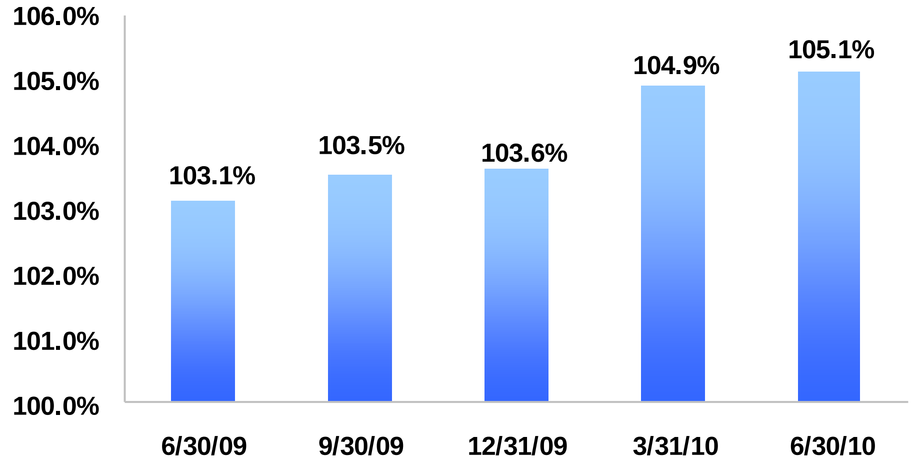
Leverage*



Book Value Per Share



Amortized Cost Basis



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* Leverage calculated as total repurchase agreements plus payable for agency securities purchased but not yet settled less receivable for agency securities sold but not yet settled divided by total stockholders' equity.

Income Statements

($ in millions, except per share data) (unaudited)	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009
Interest Income	$50.6	$38.8	$41.1	$32.8	$31.7
Interest Expense	(17.3)	(15.5)	(14.3)	(11.6)	(9.6)
Net Interest Income	33.3	23.3	26.8	21.2	22.1
Gain from Sale of Agency Securities, Net	29.6	27.4	19.5	16.1	9.5
Realized (Loss) Gain from Derivative Instruments and Trading Securities, Net	(4.9)	1.4	(4.6)	(3.1)	1.6
Unrealized (Loss) Gain from Derivative Instruments and Trading Securities, Net	(17.0)	4.5	3.0	(0.3)	(0.3)
Total Other Income, Net	7.7	33.3	17.9	12.7	10.8
Management Fee	(2.3)	(1.8)	(1.7)	(1.2)	(0.9)
General and Administrative Expenses	(1.8)	(1.7)	(2.0)	(1.5)	(1.6)
Total Operating Expenses	(4.1)	(3.5)	(3.7)	(2.7)	(2.5)
Income before excise tax	36.9	53.1	41.0	31.2	30.4
Excise tax	--	--	(0.3)	--	--
Net Income	$36.9	$53.1	$40.7	$31.2	$30.4
Weighted Average Shares Outstanding – Basic and Diluted	29.9	25.0	22.7	17.2	15.0
Net Income per Share – Basic and Diluted	$1.23	$2.13	$1.79	$1.82	$2.02
Taxable Income per Share	$1.77	$1.88	$1.69	$1.89	$1.98
Dividends Declared per Share	$1.40	$1.40	$1.40	$1.40	$1.50

Note: Total quarterly net income per share may not agree to total annual net income per share due to rounding. Amounts may not foot due to rounding.

Reconciliation of Taxable Income

($ in millions, except per share data) (unaudited)	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009
Net Income	$36.9	$53.1	$40.7	$31.2	$30.4
Book to Tax Differences:					
Premium Amortization, Net	(1.6)	(0.5)	3.2	3.1	(0.6)
Realized and Unrealized Loss (Gain), Net	17.6	(5.9)	(5.7)	(2.1)	--
Other*	(0.1)	0.2	0.3	0.2	--
Total Book to Tax Differences	15.9	(6.1)	(2.2)	1.2	(0.6)
Estimated REIT Taxable Income	$52.8	$47.0	$38.5	$32.4	$29.8
Weighted Average Shares Outstanding – Basic and Diluted	29.9	25.0	22.7	17.2	15.0
Estimated REIT Taxable Income per Share – Basic and Diluted	$1.77	$1.88	$1.69	$1.89	$1.98
Estimated Cumulative Undistributed REIT Taxable Income per Share**	$1.10	$1.17	$0.90	$0.90	$0.62

Note: Amounts may not foot due to rounding

* 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

** Based on shares outstanding as of each period end

Balance Sheets

($ in millions, except per share data)	As of * 6/30/10	3/31/10	12/31/09	9/30/09	6/30/09
Agency Securities, at Fair Value (including pledged assets of $7,135.2, $4,855.6, $4,136.6, $3,189.8 and $2,535.2, respectively)	$7,166.4	$5,240.3	$4,300.1	$3,438.1	$2,631.9
Cash and Cash Equivalents ($37.9, $26.6, $19.6, $9.7 and $5.2 restricted, respectively)	187.9	131.9	222.4	113.3	74.4
Derivative Assets, at Fair Value	7.4	8.7	12.0	--	3.3
Receivable for Agency Securities Sold	311.8	273.8	47.1	84.9	73.5
Receivable from Prime Broker	44.9	88.5	20.5	22.7	7.8
Other Assets	37.1	26.8	23.6	21.1	12.9
Total Assets	$7,755.5	$5,770.0	$4,625.7	$3,680.1	$2,803.8
Repurchase Agreements	$6,634.4	$4,651.1	$3,841.8	$2,949.0	$2,346.9
Payable for Agency Securities Purchased	201.8	436.1	180.3	254.3	110.9
Derivative Liabilities, at Fair Value	76.2	28.7	17.8	17.5	9.8
Dividend Payable	47.1	37.5	34.1	27.1	22.5
Other Liabilities	3.6	3.5	4.9	2.7	2.3
Total Liabilities	6,963.1	5,156.9	4,078.9	3,250.6	2,492.4
Stockholders' Equity	792.4	613.1	546.8	429.5	311.4
Total Liabilities and Stockholders' Equity	$7,755.5	$5,770.0	$4,625.7	$3,680.1	$2,803.8
Leverage **	8.2x	7.9x	7.3x	7.3x	7.7x
Book Value Per Share	$23.54	$22.91	$22.48	$22.23	$20.76

* Unaudited except for 12/31/09

** Leverage calculated as total repurchase agreements plus payable for agency securities purchased but not yet settled less receivable for agency securities sold but not yet settled divided by total stockholders' equity.

Book Value

Roll Forward of Net Book Value Per Share*	
Balance – March 31, 2010 (unaudited)	**$22.91**
Unrealized Gain on Available-for-Sale Securities, Net	1.99
Unrealized Loss on Swaps, Net	(1.30)
Net Income Less Other Income and Less Expense from Prior Period Terminated Swaps, Net	1.06
Other Income, Net	0.26
Expense from Prior Period Terminated Swaps	(0.09)
Dividends Declared	(1.40)
Accretion from Issuance of Common Stock	0.11
Balance – June 30, 2010 (unaudited)	**$23.54**

* March 31, 2010 NAV calculated based on shares outstanding as of March 31, 2010; all other amounts calculated based on shares outstanding as of June 30, 2010

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 very 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 (2yr 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**