Q4 2011 Stockholder Presentation

February 7, 2012

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 quarterly report on Form 10-Q for the quarter ended September 30, 2011. Historical results discussed in this presentation are not indicative of future results.

Q4 2011 Highlights

- **$2.27 Comprehensive Income per Share, Comprised of:**
  - ✓ $0.99 net income per share
  - ✓ $1.28 other comprehensive income per share
- **$0.98 Net Spread Income per Share (1)**
  - ✓ $1.01 per share, excluding $0.03 per share “true-up” of estimated premium amortization cost due to changes in projected constant prepayment rates (“CPR”)
  - ✓ Impacted by timing of Q4 equity raise, higher year-end repo rates and higher projected CPRs
- **$1.61 Estimated Taxable Income per Share**
- **$1.40 Dividend Declared per Share**
- **$0.80 Estimated Undistributed Taxable Income per Share as of Dec 31, 2011**
  - ✓ Increased $24 million from $156 million as of Sept 30, 2011 to $180 million as of Dec 31, 2011
  - ✓ On a per share basis, decreased $0.05 from $0.85 per share as of Sept 30, 2011
- **$27.71 Net Book Value per Share as of Dec 31, 2011**
  - ✓ Increased $0.81 per share from $26.90 per share as of Sept 30, 2011
- **33% Annualized Economic Return (2)**
  - ✓ Comprised of $1.40 per share dividend and $0.81 increase in net book value per 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 $33.3 million for Q4). Please also refer to slide 21 and 30 for a reconciliation and further discussion of non-GAAP measures.
2) Represents the sum of the change in net book value and the dividend declared during the period over beginning net book value on an annualized basis.

Q4 2011 Other Highlights

- **$55 Billion Investment Portfolio as of Dec 31, 2011**
- **7.9x Leverage as of Dec 31, 2011** (1)
  - ✓ 7.6x average leverage for the quarter
- **9% Actual Portfolio CPR for the Quarter** (2)
  - ✓ 8% actual portfolio CPR for the month of Jan 2012 (3)
  - ✓ 14% average projected life CPR as of Dec 31, 2011, approximately 56% higher than our average fourth quarter actual CPR
- **1.90% Annualized Net Interest Rate Spread for the Quarter** (4)
  - ✓ 1.94% net interest rate spread as of Dec 31, 2011 (4)(5)
  - ✓ Includes negative impact of elevated year-end repo rates (12 bps higher than Sept 30, 2011)
- **$1.1 Billion of Net Proceeds Raised in a Follow-On Equity Offering**
  - ✓ Equity issuance was accretive to net book value per share at the time of the offering

1) Leverage calculated as the sum of total repurchase agreements, net payable / receivable for unsettled purchases and sales of securities and other debt divided by total stockholders' equity as of Dec 31, 2011
2) Actual weighted average monthly annualized CPR published during Oct, Nov and Dec 2011 for agency securities held as the preceding month-end
3) Actual weighted average annualized CPR published during Jan 2012 for agency securities held as of Dec 31, 2011
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 the average repo and the average net interest rate swap rates. Please also refer to slide 21 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 Dec 31, 2011, net of scheduled expirations

Q1 2012 Dividend

17% Annualized Yield on $29.70 Price per Share [1]

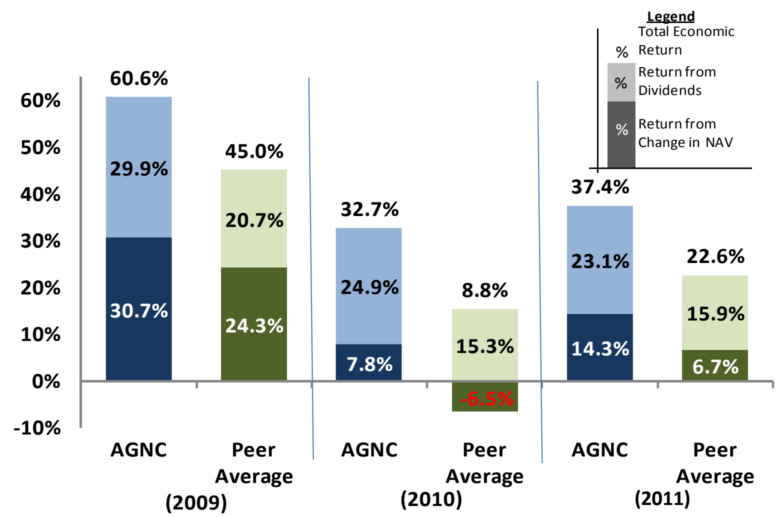
- **Declared $1.25 per Share**
  - ✓ Record date – March 7, 2012
  - ✓ Ex-dividend date – March 5, 2012
  - ✓ Payment date – April 27, 2012
- **Consistent with our Practice of Establishing a Dividend Level**
  - ✓ That is consistent with evolving market conditions and our financial performance
  - ✓ That distributes our taxable income in accordance with REIT rules
  - ✓ That is not expected to diminish our net book value over time
  - ✓ That we believe is sustainable, at least over the near term
- **$0.80 per Share in Estimated Undistributed Taxable Income Remaining as of Dec 31, 2011**
  - ✓ Our practice of not distributing all of our taxable income annually has reduced the need for quarterly dividend adjustments

1) Closing stock price as of February 3, 2012

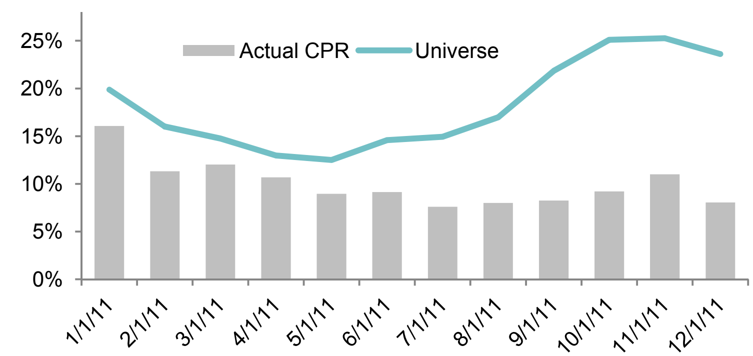
2011 Full Year Highlights

- **$7.50 Comprehensive Income per Share, Comprised of:**
  - ✓ $5.02 net income per share
  - ✓ $2.48 other comprehensive income per share
- **$4.66 Net Spread Income per Share (1)**
- **$6.70 Estimated Taxable Income Per Share**
  - ✓ Estimated undistributed taxable income increased from $0.60 per share as of Dec 31, 2010 to $0.80 per share as of Dec 31, 2011
- **$3.47 per share, or 14%, increase in net book value per share**
  - ✓ Increased from $24.24 per share as of Dec 31, 2010 to $27.71 per share as of Dec 31, 2011
- **37% Economic Return**
  - ✓ Comprised of $5.60 per share dividend and $3.47 increase in net book value per share
- **Portfolio Prepayments Remained Relatively Stable During 2011**

Economic Return Analysis (2)



AGNC 2011 Actual CPR's (3)(4)



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 $35.1 million for the year ended 2011). Please also refer to slide 21 and 30 for a reconciliation and further discussion of non-GAAP measures.
2) Peer group comprised of ANH, CMO, CYS, HTS, and NLY on an unweighted basis
3) Actual 1 month annualized CPR released at the beginning of each month during the respective periods based on the securities held as of the preceding month-end
4) "Universe" represents Fannie Mae and Freddie Mac fixed rate MBS universe

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Market Information

Security	3/31/11	6/30/11	9/30/11	12/31/11	Q4 2011 ∆
Treasury Rates					
2 Yr UST	0.83%	0.46%	0.25%	0.24%	-0.01%
5 Yr UST	2.28%	1.76%	0.95%	0.83%	-0.12%
10 Yr UST	3.47%	3.16%	1.92%	1.88%	-0.04%
Swap Rates					
2 Yr Swap	1.00%	0.70%	0.58%	0.73%	+0.15%
5 Yr Swap	2.47%	2.03%	1.26%	1.22%	-0.04%
10 Yr Swap	3.57%	3.28%	2.11%	2.03%	-0.08%
30 Year Fixed Rate Mortgages					
3.5%	94.22	95.69	102.70	102.88	+0.18
4.0%	98.14	100.02	104.78	105.03	+0.25
4.5%	101.55	103.52	106.06	106.42	+0.36
5.0%	104.42	106.27	107.53	108.03	+0.50
5.5 %	106.77	108.23	108.53	108.89	+0.36
6.0%	108.67	109.92	109.70	110.16	+0.46

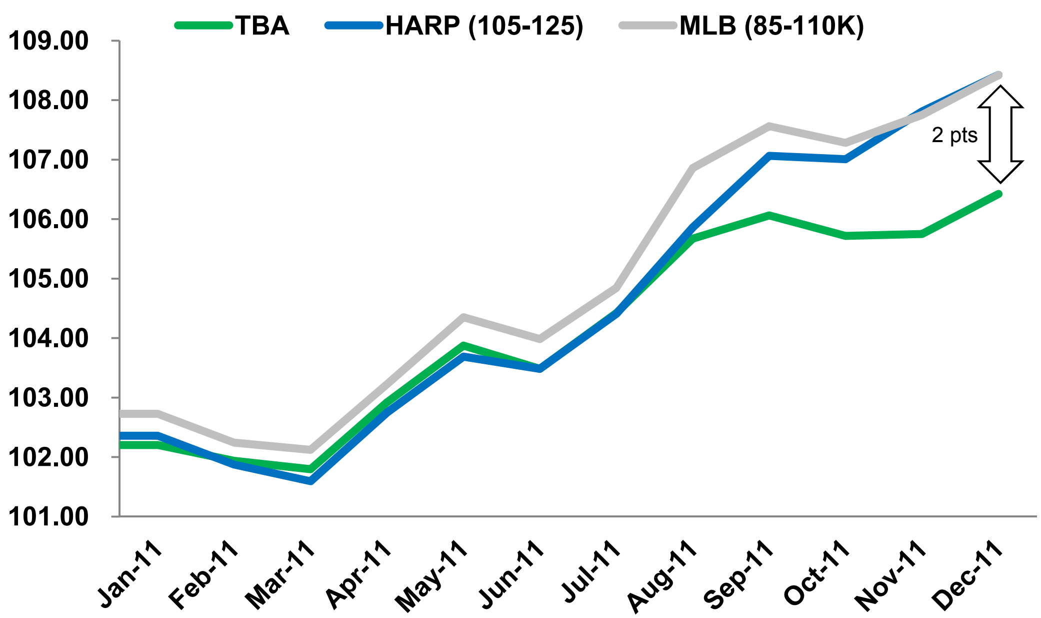
Security	3/31/11	6/30/11	9/30/11	12/31/11	Q4 2011 ∆
15 Year Fixed Rate Mortgages					
3.0%	97.47	99.36	103.02	103.28	+0.26
3.5%	100.08	101.83	104.41	104.58	+0.17
4.0%	102.61	104.20	105.45	105.50	+0.05
4.5%	104.67	106.05	106.47	106.59	+0.12
New Hybrid ARMs					
5/1 - 3.50%	103.20	104.16	104.00	104.25	+0.25
7/1 - 3.75%	102.73	104.09	104.25	104.50	+0.25
10/1- 4.25%	103.44	104.94	105.00	105.31	+0.31
Seasoned Hybrid ARMs					
5/1 - 5.75% 24 MTR	107.14	107.25	107.50	107.31	-0.19
10/1 - 5.75% 80 MTR	108.05	108.47	108.50	108.31	-0.19

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.

Asset Selection is Critical to Book Value

The difference in prices between securities with the same coupon demonstrates how critical asset selection is to book value performance



2011	TBA Price	HARP (105-125 LTV) Price	HARP-TBA Pay Up	MLB (85-110K) Price	MLB-TBA Pay Up
3/31/11	101.80	101.59	-0.2	102.12	0.3
6/30/11	103.48	103.48	0.0	103.98	0.5
9/30/11	106.06	107.06	1.0	107.56	1.5
12/31/11	106.42	108.42	2.0	108.42	2.0

- **The graph compares the pricing between various FNMA 4.5% 30-year mortgage-backed securities:**
  - ✓ TBA or generic mortgages (green line)
  - ✓ HARP securities with LTVs between 105-125 (blue line)
  - ✓ MLB securities with original loan sizes between \$85-\$110K (gray line)

Source: Market participants

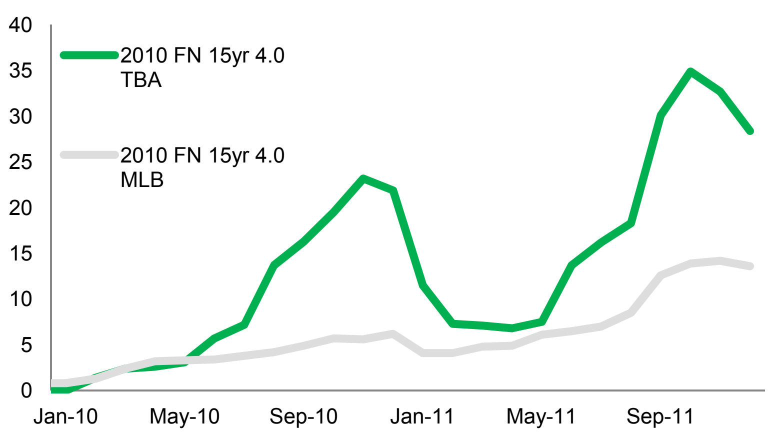
Prepayment Risk – No Time for Complacency

Despite recent declines in prepayment speeds, prepayment risk is still elevated

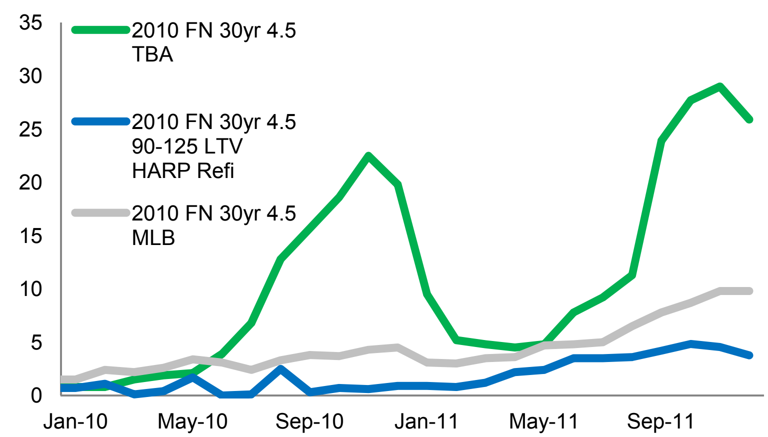
- **Leading indicators point to higher prepayments for much of the mortgage universe**
  - ✓ Mortgage rates are back to record lows
  - ✓ Mortgage Bankers Association Refinance Index is near recent highs
  - ✓ HARP 2.0 should start to kick in
  - ✓ QE3 is still a real possibility

- **In contrast, we expect that pools backed by lower loan balance and HARP loans will continue to perform favorably**

Prepayment Speeds(1) on
2010 FNMA 15yr 4.0% Coupons



Prepayment Speeds(1) on
2010 FNMA 30yr 4.5% Coupons



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1) Loan balance securities depicted above include loans with original loan balances >85k and ≤110k. HARP securities defined as 100% refinance with LTVs ≥ 90% and ≤ 125%. TBA excludes specified pools. Slide 11 gives further information on AGNC holdings of lower loan balance and HARP securities

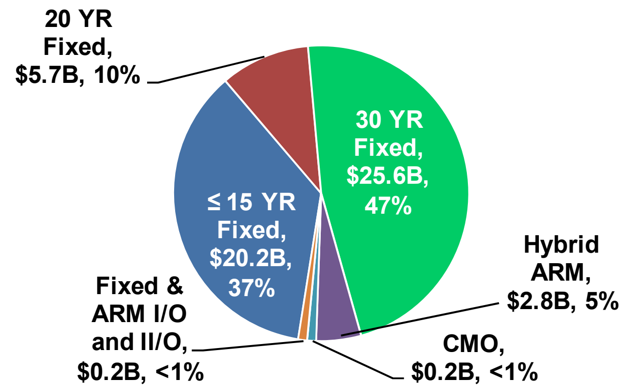
Source: JPM

Q4 2011 Portfolio Update

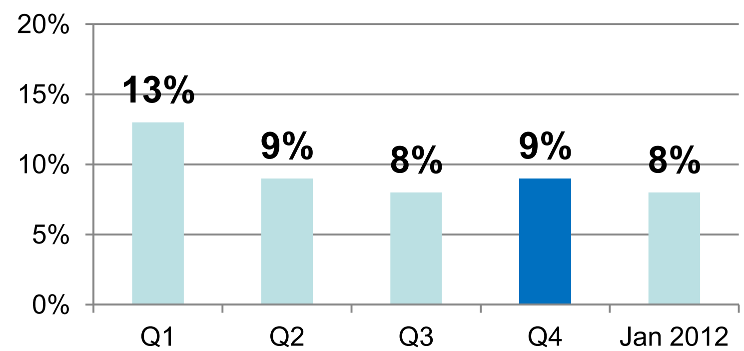
We believe our portfolio remains well positioned against prepayments

- **Increased exposure to lower coupon 20-year and 30-year mortgages, based on relative value considerations**
  - ✓ Deployed capital raised from Oct equity offering into 30-year fixed rate securities when valuations were considerably more attractive
- **Despite record low rates, average prepayment speeds on the portfolio remained stable throughout the quarter**
- **Average lifetime projected prepayment speeds increased to 14% CPR as of Dec 31 from 13% as of Sept 30 and remain well above current prepayment experience**
  - ✓ The projected CPR drives asset yields and premium amortization costs

$54.7 B Portfolio as of 12/31/11 (1)(2)(3)



AGNC 2011/2012 Actual CPR's (4)



1) Excludes Markit IOS total return swap positions of $0.2 B net short notional value (underlying index value of $28.5 MM and AGNC carrying value of $1.2 MM (gain)) as of 12/31/11
2) Excludes net TBA and forward settling securities of $3.1 B 15-year net long position, $3.5 B 30-year net short position and $0.3 B of 20-year net long position
3) 30-year fixed rate securities include $84 MM of 40-year fixed rate securities
4) Weighted average actual 1 month annualized CPR released at the beginning of each month during the respective quarterly or monthly periods based on the securities held as of the preceding month-end

AGNC Well Positioned Against Both "Organic" and "Policy" Prepayment Risk

Our 15 year and 30 year holdings remain heavily weighted toward lower loan balance and HARP securities

- **Of our holdings of 15-year securities:**
  - ✓ Approximately 85% are backed by lower loan balances
  - ✓ Approximately 6% are HARP securities
- **Of our holdings of 30-year securities:**
  - ✓ Approximately 19% are backed by lower loan balances
  - ✓ Approximately 49% are HARP securities
- **To help limit policy risk, less than 5% of our aggregate portfolio was issued prior to 2009**

≤ 15 Year - $20.2 B Portfolio (37% of Total) as of 12/31/11

($ In Millions)	FMV	%	Coupon	WALA	Jan '12 1 M Actual CPR[5]	Dec '11 Life Forecast CPR[6]
Lower Loan Balance[1]	$17,028	85%	3.81%	12	9%	12%
HARP[2]	$1,235	6%	3.93%	10	4%	12%
Other[3]	$1,897	9%	3.54%	10	7%	15%
Total ≤15 Year	**$20,160**	**100%**	**3.79%**	**12**	**8%**	**13%**

30 Year - $25.6 B Portfolio (47% of Total)[4] as of 12/31/11

($ In Millions)	FMV	%	Coupon	WALA	Jan '12 1 M Actual CPR[5]	Dec '11 Life Forecast CPR[6]
HARP[2]	$12,591	49%	4.48%	9	3%	11%
Lower Loan Balance[1]	$4,927	19%	4.48%	15	8%	11%
Other 2009-2011	$7,380	29%	4.24%	6	9%	15%
Other (Pre 2009)	$715	3%	5.59%	72	18%	25%
Total 30 Year	**$25,613**	**100%**	**4.44%**	**11**	**6%**	**12%**

1) Lower loan balance securities, defined as pools backed by max original loan balances of up to $150 K. Weighted average original loan balance of $102 K and $108 K for 15 year and 30 year securities, respectively, as of December 31
2) HARP securities, defined as 100% refinance loans with original LTVs ≥ 80% and ≤ 125%. Weighted average original LTV of 98% and 97% for 15 year and 30 year securities, respectively, as of December 31.
3) Includes $687 MM of securities backed by loans with original loan balances ≤ 175 K
4) Includes $84 MM of 40 year securities
5) Actual 1 month annualized CPR released at the beginning of January, 2012 based on the securities held as of 12/31/2011
6) Average projected life CPR as of 12/31/2011

Financing Summary

Access to repo funding remained strong throughout the quarter

- **Discontinued hedge accounting in Q3 2011**
  - ✓ Provides greater funding flexibility and access to longer term repo
- **Significantly reduced our repo funding and roll-over risk**
  - ✓ Increased original contractual average maturity of our repo funding to 90 days from 57 days as of Sept 30, 2011
- **Average repo cost increased to 0.40% from 0.28% as of Sept 30, 2011 due to higher year-end rates**
  - ✓ Market repo funding costs have dropped close to 10 bps since the end of 2011
- **No material change to repo margin requirements observed during the quarter**

AGNC Repos (1)(2)

($ in millions – as of December 31, 2011)

Original Repo Maturities	Repo Outstanding %	Repo Outstanding $	Interest Rate	Remaining Days to Maturity	Original Days to Maturity
1 Month or less	5%	$2,559	0.45%	11	27
1-2 Months	20%	9,210	0.41%	19	45
2-3 Months	32%	15,307	0.39%	41	76
3-6 Months	35%	16,475	0.37%	53	102
6-9 Months	5%	2,423	0.45%	141	188
9-12 Months	3%	1,606	0.52%	253	318
Total / Wtd Avg	**100%**	**$47,580**	**0.40%**	**51**	**90**

1) Excludes $101 MM in repurchase agreements for US Treasury securities and $54 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 recorded as a financing transaction under GAAP.
2) 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 under a wide range of interest rate scenarios

- **Interest Rate Swaps**
  - ✓ $30.25 B notional swap book as of Dec 31(1)
    - 3.5 years average maturity
    - 63% of repo balance and other debt hedged, excluding benefits of other hedges
      - Decreases to 62% when incorporating net unsettled trades
  - ✓ Discontinued hedge accounting for all interest rate swaps as of Sept 30
- **Interest Rate Swaptions**
  - ✓ $3.2 B notional payer swaptions
    - $1.2 B payer swaptions expired for a net loss of $7.0 MM during the quarter
    - $10.6 MM total market value as of Dec 31
- **Other Hedge Positions**
  - ✓ $0.1 B notional net short mortgage TBAs positions
  - ✓ $1.6 B notional net short US Treasury securities and futures contracts
  - ✓ $0.2 B notional net short Markit IOS total return swaps(2)

Interest Rate Swaps (1)
($ in millions – as of December 31, 2011)

Maturity	Notional Amount	Pay Rate	Receive Rate	Years to Maturity
0 – 3 Years	$11,350	1.22%	0.30%	2.1
3 – 5 Years	16,700	1.77%	0.35%	3.9
5 – 7 Years	950	1.56%	0.57%	5.7
7 – 10 Years	1,250	1.99%	0.55%	8.2
Total / Wtd Avg	**$30,250**	**1.57%**	**0.35%**	**3.5**

Interest Rate Payer Swaptions
($ in millions – as of December 31, 2011)

Expiration	Notional Amount	Cost	Market Value	Pay Rate	Swap Term (Years)
≤ 3 Months	$650	$5.5	$0.2	2.80%	5.6
3 - 6 Months	1,150	11.8	1.3	3.39%	7.3
6- 12 Months	400	4.9	1.9	2.88%	6.0
12 - 18 Months	1,000	27.1	7.2	4.04%	10.2
7 Months	**$3,200**	**$49.3**	**$10.6**	**3.41%**	**7.7**

1) Includes $2.6 B of forward starting swaps as of Dec 31, 2011 starting through May 2012. Amounts represent the weighted average for each group
2) Short swap position on the Markit IOS index synthetically replicates a short position of an interest only security funded at 1 month LIBOR.

Duration Gap Information

Our Duration Gap was -0.05 years as of Dec 31, 2011, compared to -0.03 years as of Sept 30, 2011

- **Our net duration gap was essentially flat quarter-over-quarter**
- **Duration is an estimate of an instrument's expected price change for a parallel change in interest rates**
- **Duration gap is an estimate of the difference in the interest rate exposure or price sensitivity of our assets, liabilities and hedges (but does not take into account the impact of leverage on our equity or NAV)**
- **Duration gap is expressed in years relative to the market value of our assets**
- **Duration gap does not take in account the negative convexity of our mortgage assets**
- **Slide 28 presents the modeled impact of our duration gap including the impact of negative convexity and leverage**

Duration Gap
($ in millions, duration in years)

Asset	Market Value	Duration
Fixed(1)	$51,484	2.36
ARM(1)	$2,716	0.41
CMO(2)	$483	-0.49
Cash	$1,703	0.01
Total	**$56,386**	**2.17**

Liabilities & Hedges	Market Value / Notional	Duration
Liabilities	($47,681)	0.14
Swaps	($30,250)	3.33
Swaptions	($3,200)	0.66
Treasury / Futures	($1,825)	7.28
TBA	($615)	4.66
IOS	($165)	-5.45
Total		**-2.22**

Net Duration Gap as of December 31, 2011	**-0.05**

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 29 and our related disclosures in our 10-K's and 10-Q's for a more complete discussion of duration (interest rate risk).

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1) Fixed rate and ARM securities in the table above include TBAs and securities purchased and sold on a forward basis accounted for as derivatives. As of Dec 31, amounts include net TBA and forward settling securities of $3.1 B 15-year net long positions, $3.5 B 30-year net short positions and $0.3 B 20-year net long positions, which have the affect of extending the duration profile.
2) CMO balance includes interest-only, inverse interest-only and principal-only securities

Business Economics

(unaudited)	As of 12/31/11	As of 9/30/11	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Year 2011	Year 2010
Asset Yield	3.07%	3.18%	3.06%	3.14%	3.35%	3.39%	3.19%	3.44%
Cost of Funds [1]	(1.13)%	(1.24)%	(1.16)%	(1.00)%	(0.89)%	(0.81)%	(0.78)%	(1.02)%
Net Interest Rate Spread before Terminated Swap Expense	**1.94%**	**1.94%**	**1.90%**	**2.14%**	**2.46%**	**2.58%**	**2.41%**	**2.42%**
Cost of Funds – Terminated Swap Expense	--	--	--	--	--	--	--	(0.09)%
Net Interest Rate Spread	**1.94%**	**1.94%**	**1.90%**	**2.14%**	**2.46%**	**2.58%**	**2.41%**	**2.33%**
Leverage [2]	**7.9x**	**7.7x**	**7.6x**	**7.9x**	**7.6x**	**7.4x**	**7.6x**	**8.0x**
Leveraged Net Interest Rate Spread	15.39%	14.93%	14.44%	16.89%	18.64%	18.99%	18.41%	18.67%
Plus: Asset Yield	3.07%	3.18%	3.06%	3.14%	3.35%	3.39%	3.19%	3.44%
Gross ROE Before Expenses and Other Income	**18.46%**	**18.12%**	**17.51%**	**20.03%**	**21.99%**	**22.38%**	**21.60%**	**22.11%**
Management Fees as a % of Equity	(1.18)%	(1.27)%	(1.34)%	(1.30)%	(1.32)%	(1.42)%	(1.33)%	(1.31)%
Other Operating Expenses as a % of Equity	(0.39)%	(0.47)%	(0.45)%	(0.49)%	(0.48)%	(0.44)%	(0.46)%	(0.88)%
Total Operating Expenses as a % of Equity	**(1.57)%**	**(1.75)%**	**(1.78)%**	**(1.79)%**	**(1.80)%**	**(1.86)%**	**(1.79)%**	**(2.19)%**
Net Spread Income ROE	**16.89%**	**16.37%**	**15.73%**	**18.24%**	**20.19%**	**20.52%**	**19.81%**	**19.92%**
Other Miscellaneous [3]	-- %	-- %	(1.10)%	(1.27)%	(0.70)%	(0.71)%	(2.64)%	(1.52)%
Realized Other Income/(Expense), net of Tax [4]	-- %	-- %	6.36%	7.21%	1.43%	5.92%	5.42%	12.55%
Unrealized Other Income/(Expense)	**-- %**	**-- %**	(6.11)%	(3.79)%	(2.08)%	(3.27)%	(4.11)%	2.57%
Net Income ROE [5]	**16.89%**	**16.37%**	**14.88%**	**20.39%**	**18.84%**	**22.46%**	**18.48%**	**33.52%**
Other Comprehensive Income (Loss)	**-- %**	**-- %**	19.12%	1.89%	7.02%	3.58%	2.48%	-10.21%
Comprehensive Income ROE	**16.89%**	**16.37%**	**34.00%**	**22.28%**	**25.86%**	**26.04%**	**20.96%**	**23.31%**

1) Cost of funds includes interest expense and other periodic swap interest costs reported in other income (loss). Cost of funds as of 12/31/11 and 9/30/11 includes the impact of swaps in effect as of each date ($27.7 B and $25.1 B, respectively), plus forward starting swaps becoming effective, net of swaps expiring, within three months of each date ($1.3 B and $1.6 B, respectively).
2) Leverage as of 12/31/11 and 9/30/11 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.
3) 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.
4) Other realized income/(expense), net of tax, excludes other periodic swap interest costs included in cost of funds.
5) Net income ROE for Q4 11 and Year 2011 is not comparable to prior periods due to the Company's discontinuation of hedge accounting for interest rate swaps as of Sept 30, 2011. Following hedge de-designation, mark-to-market adjustments on the Company's interest rate swaps are recognized in other income (loss), net, whereas they were previously recognized in other comprehensive income (OCI), a separate component of stockholders' equity.

Looking Ahead

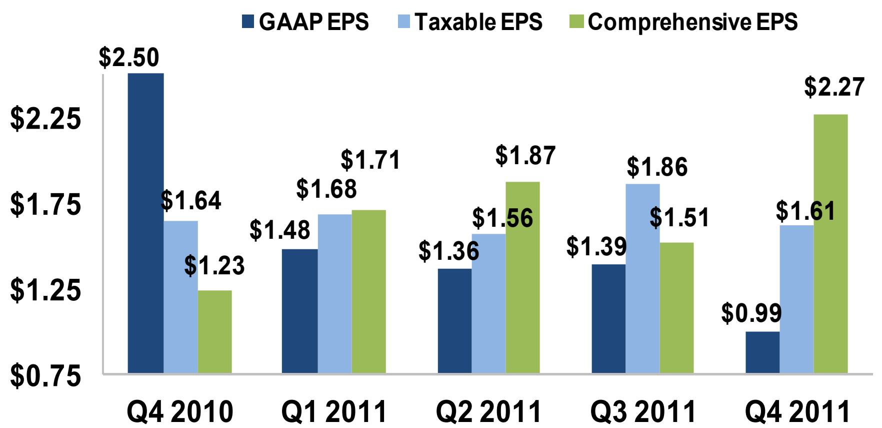
We believe that AGNC can continue to produce very attractive returns under a reasonably wide range of potential scenarios

- **Despite faster prepayment projections and higher repo rates, our Dec 31, 2011 net interest spread was unchanged from the prior quarter-end**
  - ✓ Our actual portfolio prepayments remained relatively stable and we believe this trend is likely to continue
    - Asset yields incorporate lifetime projected CPRs close to 60% faster than Q4 actuals
    - Portfolio speeds are also unlikely to be impacted by HARP 2.0
  - ✓ Repo funding costs have dropped close to 10 bps since the end of 2011
- **Our funding and hedging costs are likely to remain low for an extended period of time**
  - ✓ The Federal Reserve has communicated its expectation that short-term rates will remain extraordinarily low through 2014
  - ✓ We have swaps covering approximately 60% of our repo balance in addition to other hedges
- **Our net book value has increased $5.23 per share, or 23%, over the last two years from $22.48 per share as of Dec 31, 2009 to $27.71 per share as of Dec 31, 2011**
  - ✓ At 8x leverage, this growth supports incremental balance sheet capacity of approximately $10 billion

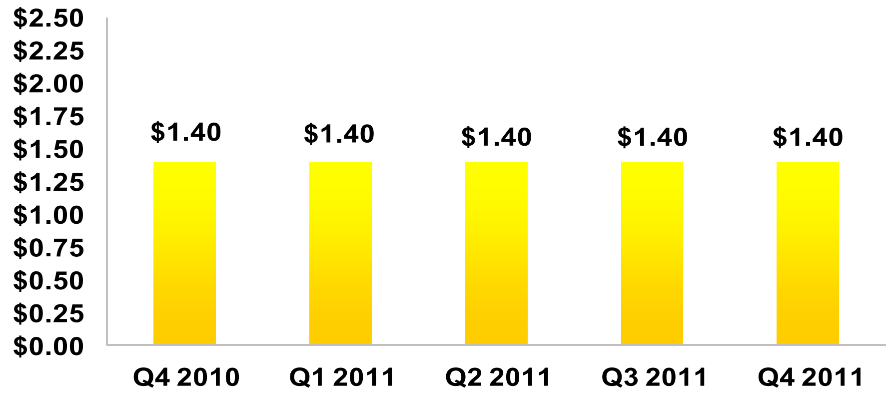
Supplemental Slides

AGNC Historical Overview

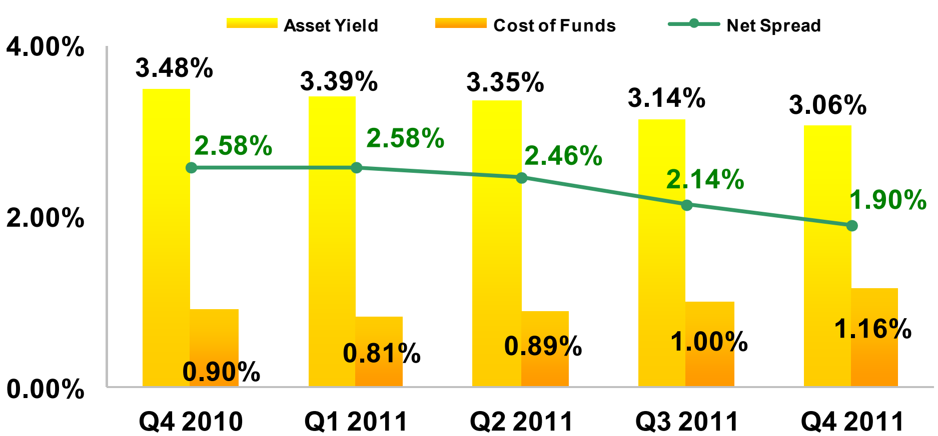
Earnings per Share



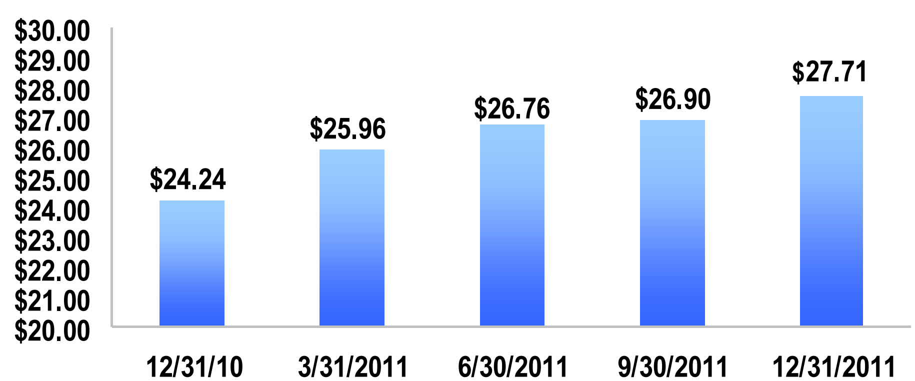
Dividend per Share



Net Spread



Net Book Value Per Share

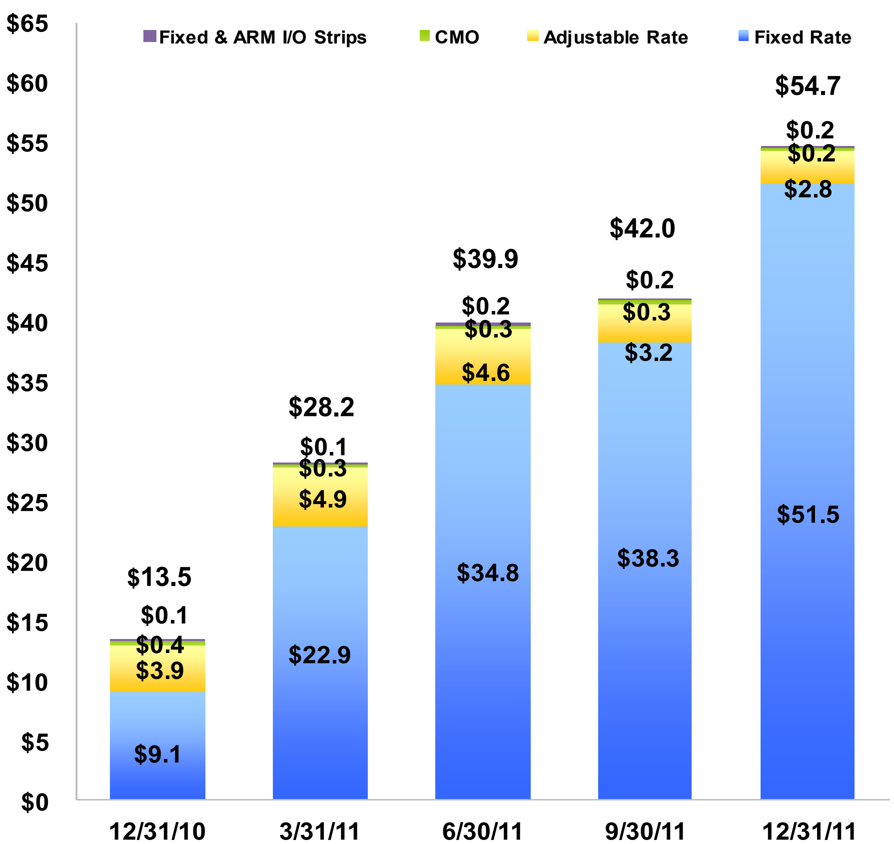


American Capital Agency

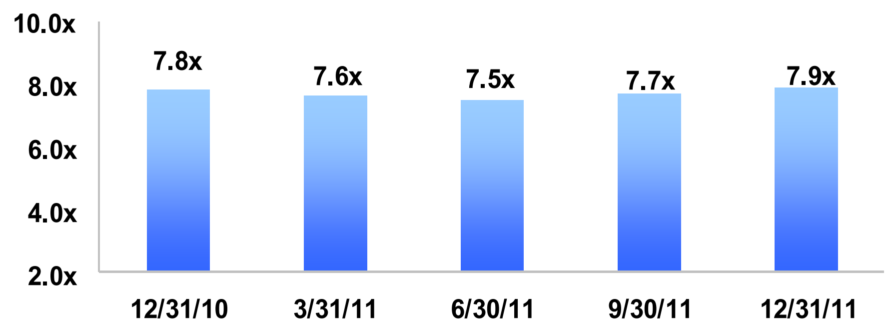
AGNC Historical Overview

Investment Portfolio

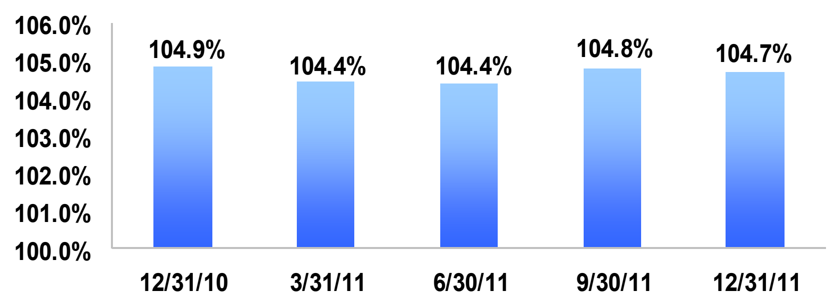
($ in billions)



Leverage(1)



Amortized Cost Basis



American Capital Agency

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

Income Statements

($ in millions, except per share data) (Unaudited)	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Year 2011
Interest Income	$352.9	$326.7	$264.7	$164.4	$1,108.9
Interest Expense [1]	(90.1)	(95.0)	(63.8)	(35.6)	(284.6)
Net Interest Income	**262.8**	**231.7**	**200.9**	**128.8**	**824.3**
Gain on Sale of Agency Securities, Net	112.1	262.8	93.9	4.2	473.0
(Loss) Gain on Derivative Instruments and Other Securities, Net [1]	(136.7)	(221.5)	(100.0)	11.6	(446.7)
Total Other Income (Loss), Net	**(24.6)**	**41.3**	**(6.1)**	**15.8**	**26.3**
Management Fee	(18.3)	(15.6)	(12.4)	(8.5)	(54.8)
General and Administrative Expenses	(6.1)	(5.9)	(4.6)	(2.6)	(19.1)
Total Operating Expenses	**(24.4)**	**(21.5)**	**(17.0)**	**(11.1)**	**(73.9)**
Income before Income Tax	213.8	251.5	177.8	133.5	776.7
Income Tax	5.1	1.1	--	--	6.2
Net Income	**208.7**	**250.4**	**177.8**	**133.5**	**770.5**
Unrealized Gain (Loss) on available-for-sale securities, net	214.5	535.4	318.9	(39.8)	1,029.1
Unrealized Gain (Loss) on derivative instruments, net [1]	53.6	(512.2)	(252.7)	61.1	(650.2)
Other Comprehensive Income	**268.1**	**23.2**	**66.2**	**21.3**	**378.9**
Comprehensive Income	**$476.8**	**$273.6**	**$244.1**	**$154.9**	**$1,149.4**
Weighted Average Shares Outstanding – Basic and Diluted	**210.3**	**180.7**	**130.5**	**90.3**	**153.3**
Net Income per Share – Basic and Diluted	**$0.99**	**$1.39**	**$1.36**	**$1.48**	**$5.02**
Comprehensive Income per Share – Basic and Diluted	**$2.27**	**$1.51**	**$1.87**	**$1.71**	**$7.50**
Taxable Income per Share	**$1.61**	**$1.86**	**$1.56**	**$1.68**	**$6.71**
Dividends Declared per Share	**$1.40**	**$1.40**	**$1.40**	**$1.40**	**$5.60**

Amounts may not total due to rounding.

1) Voluntarily discontinued hedge accounting under GAAP as of Sept 30, 2011. Accumulated other comprehensive loss ("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 Q4, Q3 and Year 2011, other income (loss), net, included $33.3 million, $1.8 million and $35.1 million of other periodic swap interest costs, respectively.

American Capital Agency

Reconciliation of GAAP Net Interest Income to Adjusted Net Interest Income and Net Spread Income[1]

($ in millions, except per share data) (Unaudited)	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Year 2011
Interest Income	**$352.9**	**$326.7**	**$264.7**	**$164.4**	**$1,108.9**
Interest Expense:					
Repurchase Agreements and Other Debt	(36.5)	(24.0)	(17.5)	(12.5)	(90.5)
Interest Rate Swap Periodic Costs [2]	(53.6)	(71.0)	(46.3)	(23.1)	(194.1)
Total Interest Expense	**(90.1)**	**(95.0)**	**(63.8)**	**(35.6)**	**(284.6)**
Net Interest Income	**262.8**	**231.7**	**200.9**	**128.8**	**824.3**
Other Interest Rate Swap Periodic Costs [3]	(33.3)	(1.8)	--	--	(35.1)
Adjusted Net Interest Income	**229.5**	**229.9**	**200.9**	**128.8**	**789.2**
Total Operating Expenses	**(24.4)**	**(21.5)**	**(17.0)**	**(11.1)**	**(73.9)**
Net Spread Income	**$205.1**	**$208.4**	**$183.9**	**$117.7**	**$715.3**
Weighted Average Shares Outstanding – Basic and Diluted	**210.3**	**180.7**	**130.5**	**90.3**	**153.3**
Net Spread Income per Share – Basic and Diluted	**$0.98**	**$1.15**	**$1.41**	**$1.30**	**$4.66**

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 other comprehensive loss ("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 incremental periodic interest costs associated with interest rate swaps 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.

Reconciliation GAAP Net Income to Estimated Taxable Income[1]

($ in millions, except per share data) (Unaudited)	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Year 2011
Net Income	**$208.7**	**$250.4**	**$177.8**	**$133.5**	**$770.5**
Book to Tax Differences:					
Net Income of Taxable REIT Subsidiary [2]	(5.5)	--	--	--	(5.5)
Premium Amortization, Net	19.9	34.3	8.1	(5.1)	57.2
Realized and Unrealized Gain (Loss), Net	113.5	49.5	17.8	22.8	203.5
Other [3]	1.3	1.1	--	--	2.5
Total Book to Tax Differences	**129.2**	**84.9**	**25.9**	**17.7**	**257.9**
Estimated REIT Taxable Income	**$337.9**	**$335.3**	**$203.7**	**$151.3**	**$1,028.1**
Weighted Average Shares Outstanding – Basic and Diluted	**210.3**	**180.7**	**130.5**	**90.3**	**153.3**
Estimated REIT Taxable Income per Share – Basic and Diluted	**$1.61**	**$1.86**	**$1.56**	**$1.68**	**$6.70**
Estimated Cumulative Undistributed REIT Taxable Income per Share [4]	**$0.80**	**$0.85**	**$0.44**	**$0.42**	**$0.80**

Note: Amounts may not total due to rounding.

1) Please refer to slide 30 on the use of Non-GAAP financial information
2) GAAP net income of wholly-owned taxable REIT subsidiary, net of corporate income tax. Amount excluded from REIT taxable income until distributed to the REIT.
3) Other book to tax differences include temporary differences for non-deductible adjustments, such as stock compensation expense, and permanent differences for non-deductible excise tax expense
4) Based on shares outstanding as of each period end

Balance Sheets

($ in millions, except per share data)	As of [1] 12/31/11	9/30/11	6/30/11	3/31/11	12/31/10
Agency Securities, at Fair Value (including pledged securities of $50,825, $38,860, $35,118, $23,263 and $12,271, respectively)	$54,682.7	$41,970.4	$39,925.7	$28,193.0	$13,510.3
U.S. Treasury Securities, at Fair Value	101.0	300.9	--	--	--
Cash and Cash Equivalents ($336, $984, $189, $75 and $76 restricted, respectively)	1,702.8	1,359.6	814.6	375.8	249.4
Derivative Assets, at Fair Value	82.6	54.5	86.1	142.0	76.6
Receivable for Agency Securities Sold	442.9	2,698.1	1,251.6	298.3	259.0
Principal Payments Receivable	18.8	33.8	29.3	42.7	75.5
Receivable under Reverse Repurchase Agreements	762.9	473.8	1,388.2	--	247.4
Other Assets	178.6	148.3	141.1	103.2	57.6
Total Assets	**$57,972.3**	**$47,039.4**	**$43,636.6**	**$29,155.0**	**$14,475.8**
Repurchase Agreements	$47,681.2	$38,841.6	$33,505.1	$21,994.0	$11,680.1
Other Debt [2]	54.1	56.9	61.8	67.8	72.9
Payable for Agency Securities Purchased	1,919.5	1,660.3	3,336.5	3,504.6	727.4
Derivative Liabilities, at Fair Value	852.9	792.8	290.3	92.7	78.6
Dividend Payable	313.8	257.1	180.4	135.3	90.8
Obligation to Return Securities Borrowed under Reverse Repurchase Agreements, at Fair Value	898.6	473.2	1,459.3	--	245.5
Accounts Payable and Other Accrued Liabilities	40.4	17.3	26.5	16.1	8.4
Total Liabilities	**51,760.5**	**42,099.2**	**38,859.9**	**25,810.5**	**12,903.7**
Stockholders' Equity	6,211.8	4,940.2	4,776.7	3,344.5	1,572.1
Total Liabilities and Stockholders' Equity	**$57,972.3**	**$47,039.4**	**$43,636.6**	**$29,155.0**	**$14,475.8**
Leverage [3]	**7.9x**	**7.7x**	**7.5x**	**7.6x**	**7.8x**
Net Book Value Per Share	**$27.71**	**$26.90**	**$26.76**	**$25.96**	**$24.24**

American Capital Agency

1) Unaudited except for 12/31/2010
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 not yet settled and other debt divided by total stockholders' equity

Net Book Value

Roll Forward of Net Book Value Per Share (1) (unaudited)	
Balance – September 30, 2011	**$26.90**
Net Book Value Accretion from Issuance of Common Stock (2)	0.09
Net Income:	
Net Spread Income (3)	0.98
Other Income, Net of Income Tax	0.01
Other Comprehensive Income:	
Unrealized Gain on Available-for-Sale Securities, Net	1.02
Unrealized Gain on Interest Rate Swaps, Net (4)	0.26
Earnings Dilution from Issuance of Common Stock (5)	(0.15)
Dividends Declared	(1.40)
Balance – December 31, 2011	**$27.71**

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, except as noted in footnote 2 below.
2) Net book value accretion from issuance of common stock calculated as the net book value as of Sept 30 plus capital raised from issuance of common stock, divided by ending shares outstanding, less Sept 30 net book value
3) 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 $33.3 million for Q4). Please also refer to slide 21 and 30 for a reconciliation and further discussion of non-GAAP measures.
4) Represents reversal of accumulated other comprehensive loss (“OCI”) on previously de-designated interest rate swap hedges reclassified into interest expense.
5) Represents the impact of different share amounts used in calculating per share data as a result of calculating per share data based upon the weighted average basic shares outstanding during the period and certain per share data based on the shares outstanding as of period end or transaction date, including the temporary dilutive effect from issuance of common stock attributable to the increase in shares outstanding relative to the time to deploy offering proceeds received into interest earning assets

Portfolio Fixed Rate Agency Securities

Fixed Rate MBS (1)
($ in millions- as of December 31, 2011)

Coupon	Par Value	Market Value	% Total	Amortized Cost Basis	Average WAC(2)	Average Age (Months)	Actual 1 Month CPR(3)
≤15 YR Mortgage Securities							
3.0%	$1,169	$1,209	6%	102.8%	3.08%	2	2.1%
3.5%	7,355	7,750	38%	102.7%	3.92%	10	5.8%
4.0%	8,873	9,464	47%	104.4%	4.40%	13	10.7%
4.5%	1,595	1,722	9%	104.9%	4.86%	19	11.5%
5.0%	6	6	0%	104.6%	5.44%	42	4.8%
≥ 5.5%	9	10	0%	104.4%	6.81%	58	15.8%
Total	**$19,007**	**$20,161**	**100%**	**103.7%**	**4.18%**	**12**	**8.4%**
20 YR Mortgage Securities							
3.5%	$3,719	$3,862	68%	103.0%	4.02%	2	2.1%
4.0%	1,241	1,310	23%	104.4%	4.52%	6	11.6%
4.5%	449	480	8%	106.0%	5.01%	10	4.8%
5.0%	46	50	1%	104.8%	5.47%	16	4.0%
6.0%	7	8	0%	106.8%	6.43%	63	42.6%
Total	**$5,462**	**$5,710**	**100%**	**103.6%**	**4.23%**	**4**	**4.6%**
30 YR Mortgage Securities							
3.5%	$5	$6	0%	101.9%	4.02%	5	0.4%
4.0%	8,073	8,499	33%	104.3%	4.45%	4	4.0%
4.5%	11,669	12,571	49%	105.4%	4.86%	10	5.6%
5.0%	3,469	3,793	15%	107.0%	5.39%	19	10.9%
5.5%	414	453	2%	107.3%	6.04%	61	12.8%
≥ 6.0%	265	291	1%	107.0%	6.71%	58	15.5%
Total	**$23,895**	**$25,613**	**100%**	**105.3%**	**4.84%**	**11**	**6.1%**

1) Excludes net TBA and forward settling securities of $3.1 B 15-year net long position, $3.5 B 30-year net short position and $0.3 B of 20-year net long position
2) Average WAC represents the weighted average coupon of the underlying collateral. The average WAC of fixed rate securities held as of Dec 31, 2011 was 4.51% and the weighted average coupon on the fixed rate securities was 4.10%
3) Actual 1 month annualized CPR published during January 2012 for agency securities held as of Dec 31, 2011
4) 30-year securities include $84 MM of 40-year securities

Portfolio Hybrid ARM Securities

New Issue Hybrid ARMs (2009/2010/2011 Vintage)[1]

Type	Par Value	Market Value	% Total	Amortized Cost Basis	Average Coupon	Average Age (1)	% Interest Only	1 Month CPR (2)
FH/FN 5/1	$12	$13	0%	102.8%	3.55	25	0%	40.4%
GN 5/1	244	258	9%	104.7%	3.67	10	0%	9.7%
FH/FN 7/1	817	855	31%	102.8%	3.70	17	28%	18.8%
GN 7/1	2	2	0%	104.7%	4.00	16	0%	0.1%
FH/FN 10/1	754	795	30%	103.5%	4.24	21	78%	27.1%
Subtotal	$1,829	$1,923	70%	103.4%	3.92	18	45%	21.1%

Seasoned Hybrid ARMs (Pre 2009 Vintage)

≤4.0%-4.9%	$307	$324	11%	105.7%	4.66	71	15%	27.6%
5.0%-5.9%	453	484	17%	105.7%	5.42	56	51%	27.3%
≥ 6.0%	39	42	2%	105.1%	6.17	58	69%	16.0%
Subtotal	$799	$850	30%	104.6%	5.15	62	38%	26.6%
Total ARMs	**$2,628**	**$2,773**	**100%**	**103.7%**	**4.29%**	**31**	**43%**	**22.8%**

Reset	Market Value	% Total	Average Reset	Average Coupon
0-23 Months	$184	7%	15	5.17%
24-35 Months	397	14%	28	4.91%
36-60 Months	479	17%	48	4.31%
> 60 Months	1,713	62%	85	4.06%
Total	**$2,773**	**100%**	**66**	**4.29%**

Index	% Total
LIBOR	79%
CMT / MTA	21%
COFI / Other	--%
Total	**100%**

1) Average age in months
2) Actual 1 Month annualized CPR published during Jan 2012 for agency securities held as of Dec 31, 2011

Repo Counterparty Credit Risk

Our funding is well diversified by counterparty and geographically

- **Our repo counterparties remained at 29 financial institutions**
- **Maintained excess capacity with most of our counterparties**
- **Less than 5% of our equity is at risk with any one counterparty**
- **Less than 18% of our equity is at risk with the top 5 counterparties**

Counterparty Region	Number of Counterparties	Percent of Repo Funding
North America	14	47%
Asia	5	21%
Europe	8	32%

Counterparty Region	Counterparty Rank	Counterparty Exposure as a % of NAV (1)
North America	1	3.60%
	2	3.33%
	3	3.01%
	4	2.67%
	5	1.97%
	6-14	6.70%
Asia	1	4.15%
	2	1.91%
	3	1.74%
	4	1.15%
	5	0.80%
Europe	1	3.41%
	2	3.14%
	3	2.90%
	4	1.83%
	5	1.50%
	6 - 10	1.58%

Total Exposure	**45.39%**
Top 5 Exposure	**17.63%**

1) 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 totaling 5% of NAV

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	-0.8%	-7.0%
-50	-0.2%	-1.7%
+50	-0.2%	-2.2%
+100	-0.9%	-8.2%

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. Please also refer to slide 29 and our related disclosures in our 10-K's and 10-Q's 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 the net portfolio equity or NAV

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**
  - ✓ E.g.: 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 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 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.