



Credit Suisse Financial Services Forum

February 2018

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 such forecasts due to the impact of many factors beyond the control of AGNC Investment Corp. ("AGNC" or the "Company"). 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 important 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 such forward-looking statements unless required by law.

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

AGNC Investment Corp. is an internally-managed real estate investment trust that invests predominantly in Agency residential mortgage-backed securities

Exchange Nasdaq: AGNC

Headquarters Bethesda, MD

IPO Date May 2008

Employees 56

Total Portfolio \$72.8 Billion¹

Market Cap \$7.9 Billion¹

Dividend Yield 10.7%¹

Analyst Coverage



Structure

- ✓ AGNC is an internally-managed mortgage real estate investment trust ("REIT")
- ✓ As a REIT, AGNC is generally not subject to U.S. federal or state corporate taxes to the extent that AGNC makes distributions of substantially all of its annual taxable net income to its stockholders on a timely basis

Investment Focus

- ✓ AGNC invests primarily in Agency residential mortgage-backed securities ("MBS") for which the principal and interest payments are guaranteed by a U.S. Government-sponsored entity ("GSE"), such as Fannie Mae and Freddie Mac, or a U.S. Government agency, such as Ginnie Mae
- ✓ AGNC may also invest in other types of mortgage and mortgage-related securities, such as credit risk transfer ("CRT") securities and non-Agency residential and commercial MBS

Affiliates



AGNC manages MTGE Investment Corp. (Nasdaq: MTGE), a hybrid mortgage REIT with a \$6.6 billion portfolio consisting of Agency, non-Agency and other real estate-related assets



AGNC's funding profile is greatly enhanced by Bethesda Securities, a wholly-owned broker-dealer subsidiary with direct access to the Fixed Income Clearing Corporation

AGNC's First Decade



2008 – 2009

- ✓ Ongoing financial crisis creates market turbulence
- ✓ 2008: Fed announces QE1 in response to the crisis

2010 – 2012

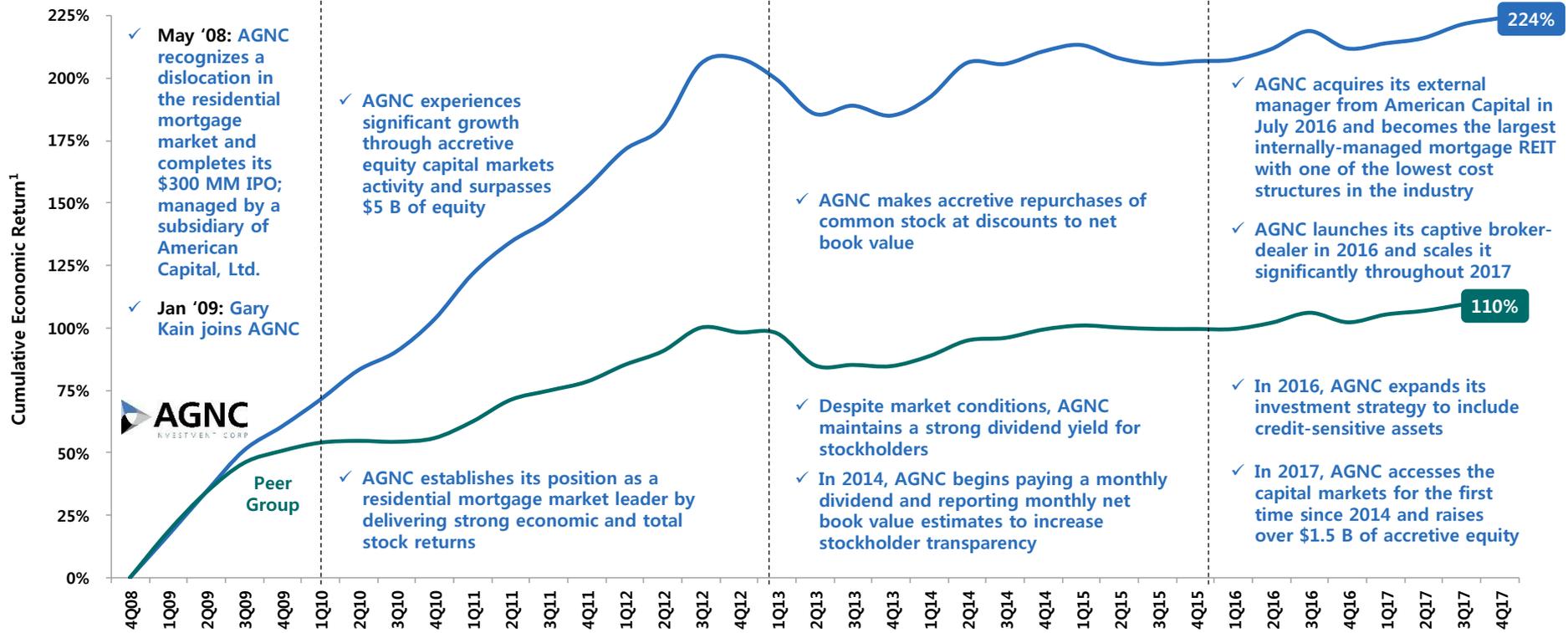
- ✓ 2010: GSEs announce buyouts and Fed announces QE2
- ✓ 2011: Market volatility as a result of the first ever U.S. credit downgrade, the Fed's "Operation Twist," HARP 2.0 and European economic turmoil
- ✓ 2012: Fed announces QE3

2013 – 2015

- ✓ 2013: "Taper tantrum" with violent interest rate moves creates significant market volatility
- ✓ 2014: Despite market expectations of rate hikes, interest rates declined throughout the year
- ✓ 2015: Fed raises short-term interest rates for the first time in almost 10 years

2016 – 2017

- ✓ 2016: Brexit; unanticipated outcome of the U.S. presidential election causes interest rates to increase over 100 bps during Q4
- ✓ 2017: The Fed continues to gradually increase short-term rates by raising the target federal funds rate by 75 bps



1. Chart reflects cumulative economic return (change in net book value plus dividends declared) from Dec 31, 2008 through Dec 31, 2017 (for AGNC) or Sep 30, 2017 (for the peer group, as 4Q17 results are not yet available for all peers). The peer group reflects an unweighted average of ANH, ARR, CMO, CYS and NLY. For peers that became publicly traded subsequent to 4Q08, such peer's economic return was indexed to the peer group average as of the quarter-end following the date that such peer became publicly traded. Source: Company filings.

AGNC at 10 Years: A Look Back

AGNC achieved many significant milestones during its first decade

Strong financial performance

- ✓ 356% total stock return, or 17% annualized, from IPO through Dec 31, 2017¹
- ✓ 232% economic return, or 13% annualized, from IPO through Dec 31, 2017²
- ✓ Monthly dividend payments and disclosure of tangible net book value estimates increase stockholder transparency into intra-quarter financial performance

Significant dividends paid to stockholders

- ✓ Dividends of \$37.16 per common share paid through Jan 31, 2018 since AGNC's May 2008 IPO at a price of \$20.00 per common share
- ✓ Over \$7.5 billion in aggregate total common stock dividends paid through Jan 31, 2018

Remarkable growth in equity capital

- ✓ Increased equity capital base over 28x from \$300 million at IPO to \$8.7 billion as of Dec 31, 2017
- ✓ Second largest residential mortgage REIT, and largest internally-managed residential mortgage REIT, by equity and market capitalization

Internalization of management structure

- ✓ Created the largest internally-managed residential mortgage REIT with one of the lowest cost structures in the industry with total net operating costs of approximately 0.70% of equity³
- ✓ Transaction further aligned management and shareholder interests

Successful navigation of challenging macroeconomic events, economic cycles, and interest rate environments

- ✓ The durability of AGNC's business model has been proven through outperformance despite significant market volatility

Housing Crisis

Fed's Quantitative Easing Programs

Unanticipated Trump Presidency

Taper Tantrum

Brexit and Other Nationalistic Movements

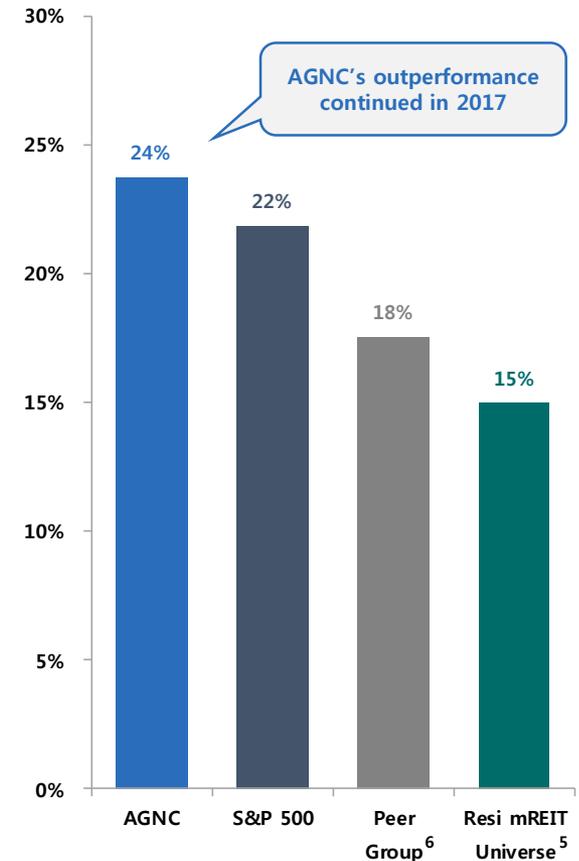
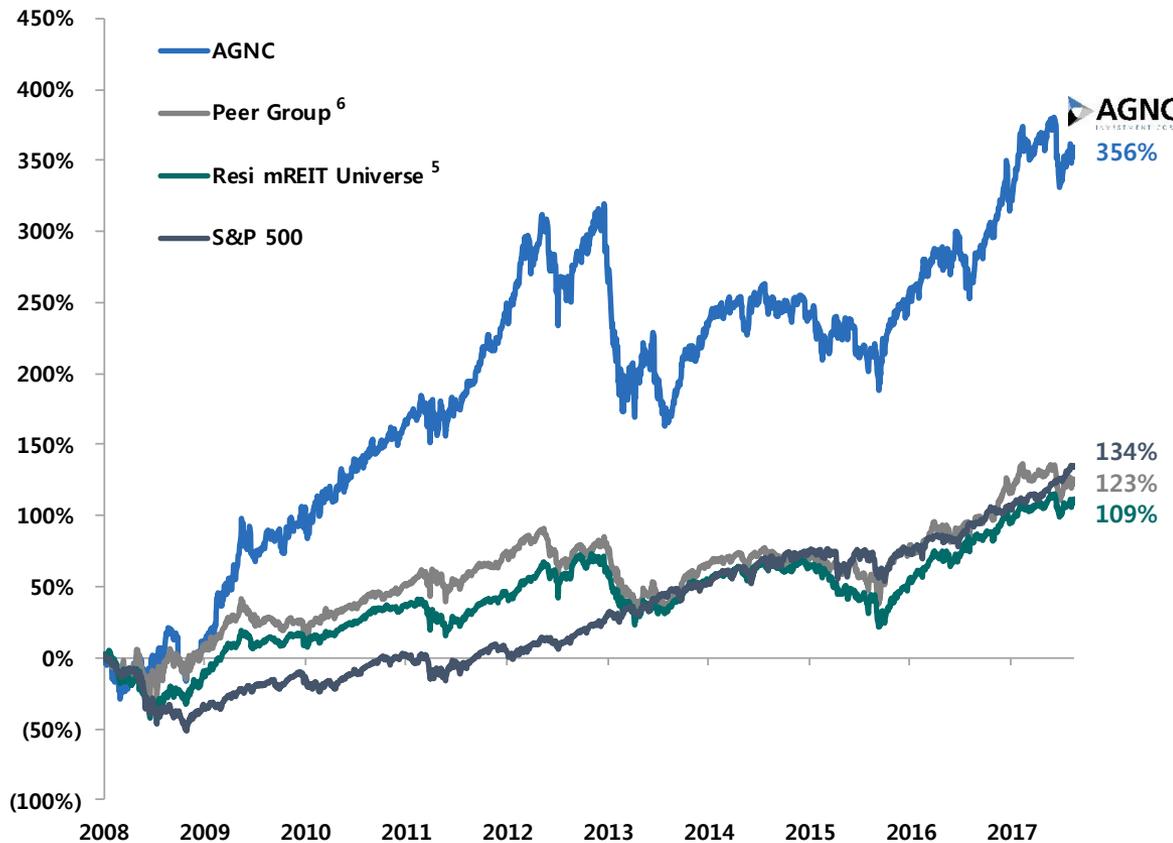
AGNC's Track Record of Outperformance

Since its May 2008 IPO, AGNC has generated a total stock return of 356% compared to 123% for the peer group and 134% for the S&P 500

Residential Mortgage REIT Total Stock Returns

Since AGNC's May 2008 IPO¹

Dec 31, 2016 – Dec 31, 2017⁴



Note: For additional detail, refer to endnotes in the Appendix.

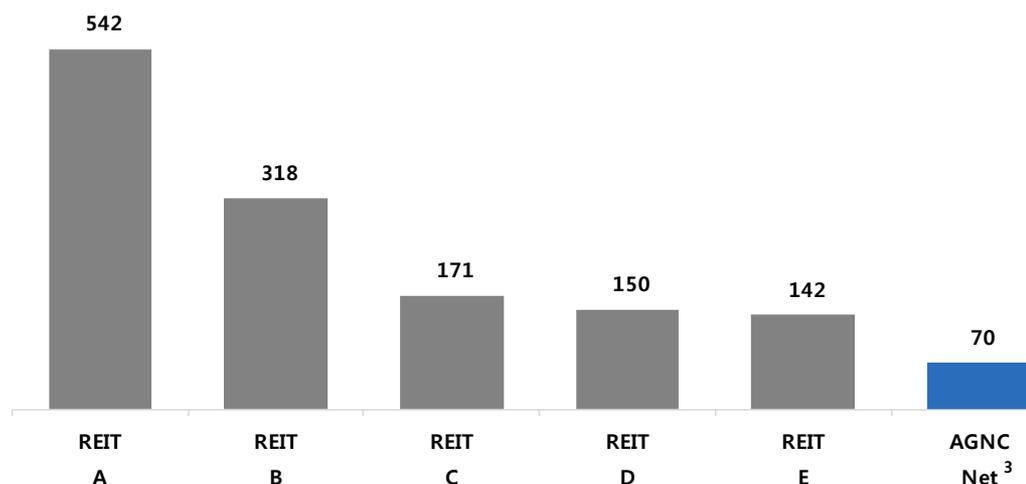
Industry-Leading Operating Cost Structure

- ▶ **Cost structure has become a critical consideration in evaluating investment vehicles**
 - ✓ The asset management industry has seen a large shift in assets under management from higher cost, actively managed funds to lower cost, passive funds following analysis indicating that absolute fee levels are a key driver of investment performance
- ▶ **AGNC's projected operating expenses, net of MTGE management fee income, are expected to be approximately 70 bps of stockholders' equity, or less than 10 bps of total assets³**
 - ✓ On a per-asset basis, AGNC's net operating cost is in-line with low-cost bond ETFs

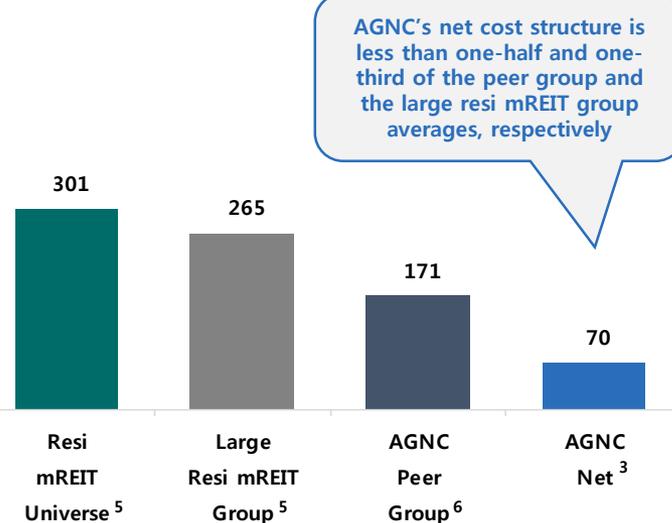
Residential Mortgage REIT Operating Cost Structure Comparison³

Large Residential mREITs (\$3 Billion+ in Stockholders' Equity)

(Operating expenses as a percentage of stockholders' equity, in basis points)



Residential mREIT Group Averages

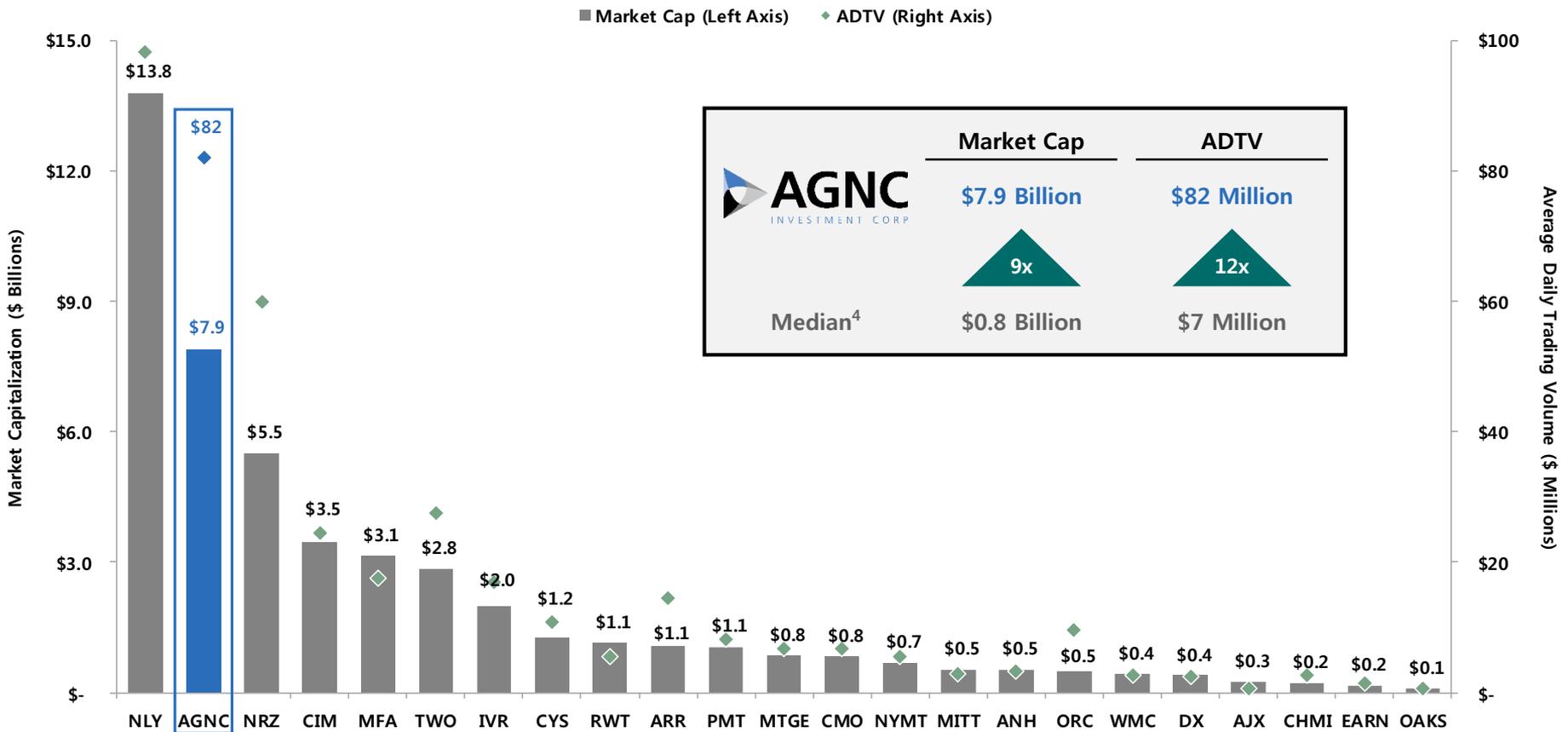


AGNC's net cost structure is less than one-half and one-third of the peer group and the large resi mREIT group averages, respectively

AGNC's Liquidity and Scale

As the second largest residential mortgage REIT by stockholders' equity,¹ AGNC offers favorable liquidity and scale benefits

Residential Mortgage REIT Market Capitalizations² and Average Daily Trading Volumes³



1. The residential mortgage REIT universe includes all REITs shown above.

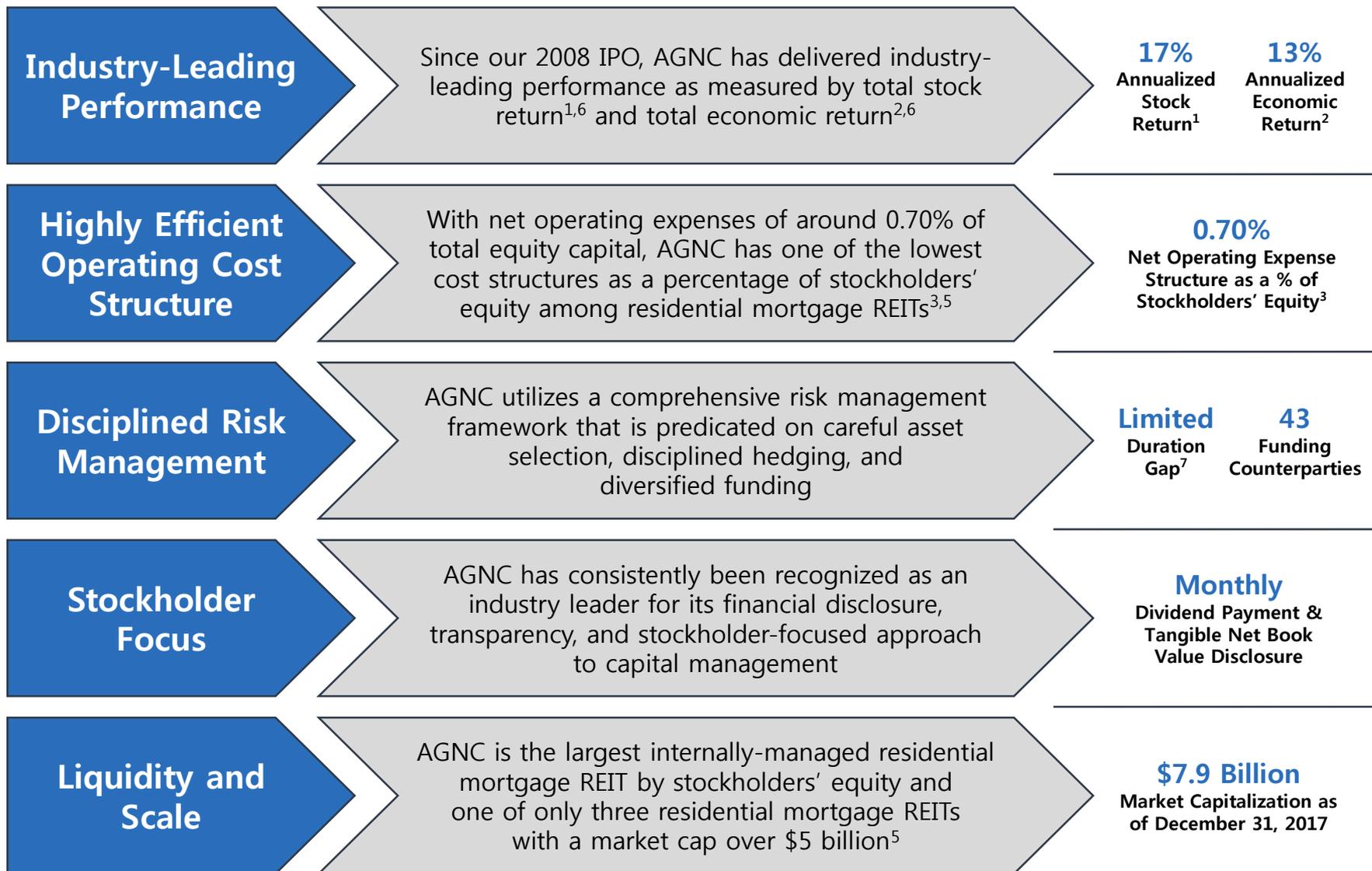
2. Market capitalizations as of Dec 31, 2017.

3. Average daily trading volume from Dec 31, 2016 through Dec 31, 2017. Daily trading volume reflects total trading volume (in number of shares) multiplied by the average of the stock's closing price on such trading day and the prior trading day.

4. Median includes all REITs shown above except AGNC.

Source: S&P Global Market Intelligence.

The AGNC Value Proposition



AGNC: Well-Positioned for the Future

- ▶ **We are optimistic about the investment environment for levered Agency MBS investments due to the confluence of several positive market dynamics:**
 - ✓ Favorable projected returns for Agency MBS driven by anticipated Fed tapering of MBS purchases
 - ✓ Supportive funding backdrop, which is further enhanced for AGNC by its captive broker-dealer
 - ✓ Ability to operate at higher leverage because of reduced haircuts and lower hedging costs by historical standards
- ▶ **While the current environment appears to favor Agency MBS investments relative to other investment opportunities, AGNC's expansion of its investment guidelines in 2016 provides the flexibility to pursue alternatives in the event that projected returns become attractive**
 - ✓ The liquidity of Agency MBS allows fairly rapid and opportunistic deployment of capital into other asset classes
 - ✓ AGNC does not presently intend to diversify its asset base materially unless projected returns in non-Agency products become compelling, as diversification reduces the countercyclicality benefit of Agency MBS
- ▶ **AGNC's cost structure remains a key differentiator among mortgage REITs, directly impacting AGNC's return profile and dividend generation**



**Collectively, these factors position AGNC for success
as AGNC enters its second decade**

Appendix

- 1) Stock return is measured from AGNC's IPO through Dec 31, 2017. Total stock return over a period includes price appreciation and dividend reinvestment; dividends are assumed to be reinvested at the closing price of the security on the ex-dividend date. Source: S&P Global Market Intelligence.
- 2) Economic return is measured from Jun 30, 2008 through Dec 31, 2017. Total economic return represents the change in net book value per common share and dividends declared on common stock during the period over the beginning net book value per common share. Source: Company filings and S&P Global Market Intelligence.
- 3) For all mortgage REITs other than AGNC, cost structures are based on operating expenses and average stockholders' equity (excluding noncontrolling interests, as applicable) over the trailing twelve-month period ended Sep 30, 2017 as publicly reported by such REITs. Operating costs include expenses for compensation and benefits, management fees, incentive fees (if applicable), and G&A and may include one-time or nonrecurring expenses. Operating costs exclude direct costs associated with operating activities, such as loan acquisition costs, securitization costs, servicing expenses, etc. to the extent publicly disclosed by such REITs. AGNC's net cost structure is based on average stockholders' equity from Dec 31, 2016 through Dec 31, 2017; it includes compensation and benefits and G&A expenses, excludes non-cash amortization charges associated with AGNC's internalization transaction, and is net of management fee income from MTGE. Source: Company filings and S&P Global Market Intelligence.
- 4) Stock return is measured from Dec 31, 2016 through Dec 31, 2017. Total stock return over a period includes price appreciation and dividend reinvestment; dividends are assumed to be reinvested at the closing price of the security on the ex-dividend date. Source: S&P Global Market Intelligence.
- 5) The residential mortgage REIT universe is unweighted and includes AJX, ANH, ARR, CHMI, CIM, CMO, CYS, DX, EARN, IVR, MFA, MITT, MTGE, NLY, NRZ, NYMT, OAKS, ORC, PMT, RWT, TWO and WMC. The large resi mREIT group is unweighted and includes residential mREITs with greater than \$3 billion in total stockholders' equity as of Sep 30, 2017: CIM, MFA, NLY, NRZ and TWO.
- 6) For Agency-focused residential mortgage REIT peer comparison purposes, AGNC's peer group is unweighted and includes ANH, ARR, CMO, CYS and NLY.
- 7) The duration of an asset or liability measures how much its price is expected to change if interest rates move in a parallel manner; it is a model estimate of interest rate sensitivity and is measured in years as of a point in time. Duration gap is a measure of the difference in the interest rate exposure, or estimated price sensitivity, of AGNC's assets and liabilities (including hedges).