Q3 2011 Stockholder Presentation

October 26, 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 quarterly report on Form 10-Q for the quarter ended June 30, 2011. Historical results discussed in this presentation are not indicative of future results.

Q3 2011 Highlights

- **$1.39 per Share of Net Income**
  - ✓ $1.15 per share, excluding $0.24 per share of other net investment related income and excise tax
  - ✓ $1.23 per share, excluding $0.08 per share of estimated non-recurring "catch up" premium amortization cost
- **$1.86 per Share of Taxable Income**
- **$1.40 per Share Dividend Declared**
- **$0.85 per Share of Undistributed Taxable Income as of Sept 30, 2011**
  - ✓ Increased $0.41 per share from $0.44 per share as of June 30, 2011
- **$26.90 Book Value per Share as of Sept 30, 2011**
  - ✓ Increased $0.14 per share from $26.76 per share as of June 30, 2011
- **20% Annualized Return on Average Stockholders' Equity ("ROE") for the quarter**

Q3 2011 Other Highlights

- **$42 Billion Investment Portfolio as of Sept 30, 2011**
- **7.7x Leverage as of Sept 30, 2011** (1)
  - ✓ 7.9x average leverage for the quarter
- **8% Actual Portfolio CPR for the Quarter** (2)
  - ✓ 9% CPR for the month of Oct 2011 (3)
  - ✓ 13% average projected life CPR as of Sept 30, 2011, approximately 50% higher than our average third quarter CPR of 8%
- **2.14% Annualized Net Interest Spread for the Quarter**
  - ✓ 1.94% net interest spread as of Sept 30, 2011 (4)
- **$147 Million of Net Proceeds Raised pursuant to a Controlled Equity Offering** SM
  - ✓ All equity issuances were accretive to book value
- **Discontinued Hedge Accounting for All Interest Rate Swaps as of Sept 30, 2011**

(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 Sept 30, 2011
(2) Actual weighted average monthly annualized CPR published during July, Aug and Sept 2011 for agency securities held during the third quarter
(3) Actual weighted average annualized CPR published during Oct 2011 for agency securities held as of Sept 30, 2011
(4) Incorporates interest rate swap agreements

Market Information

Security	12/31/10	3/31/11	6/30/11	9/30/11	Q3 2011 Δ
Treasury Rates					
2 Yr UST	0.59%	0.83%	0.46%	0.25%	-0.21%
5 Yr UST	2.01%	2.28%	1.76%	0.95%	-0.81%
10 Yr UST	3.30%	3.47%	3.16%	1.92%	-1.24%
Swap Rates					
2 Yr Swap	0.80%	1.00%	0.70%	0.58%	-0.12%
5 Yr Swap	2.18%	2.47%	2.03%	1.26%	-0.77%
10 Yr Swap	3.39%	3.57%	3.28%	2.11%	-1.17%
30 Year Fixed Rate Mortgages					
4.0%	99.47	98.14	100.02	104.78	+4.77
4.5%	102.65	101.55	103.52	106.06	+2.55
5.0%	105.13	104.42	106.27	107.53	+1.27
5.5 %	106.98	106.77	108.23	108.53	+0.30
6.0%	108.65	108.67	109.92	109.70	-0.22

Security	12/31/10	3/31/11	6/30/11	9/30/11	Q3 2011 Δ
15 Year Fixed Rate Mortgages					
3.5%	100.72	100.08	101.83	104.41	+2.58
4.0%	102.94	102.61	104.20	105.45	+1.25
4.5%	104.80	104.67	106.05	106.47	+0.42
5.0%	106.11	106.27	107.27	107.47	+0.20
New Hybrid ARMs					
5/1 - 3.50%	103.38	103.20	104.16	104.00	-0.16
7/1 - 3.75%	103.06	102.73	104.09	104.25	+0.16
10/1- 4.25%	103.84	103.44	104.94	105.00	+0.06
Seasoned Hybrid ARMs					
5/1 - 5.75% 24 MTR	106.50	107.14	107.25	107.50	+0.25
10/1 - 5.75% 80 MTR	107.69	108.05	108.47	108.5	+0.03

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.

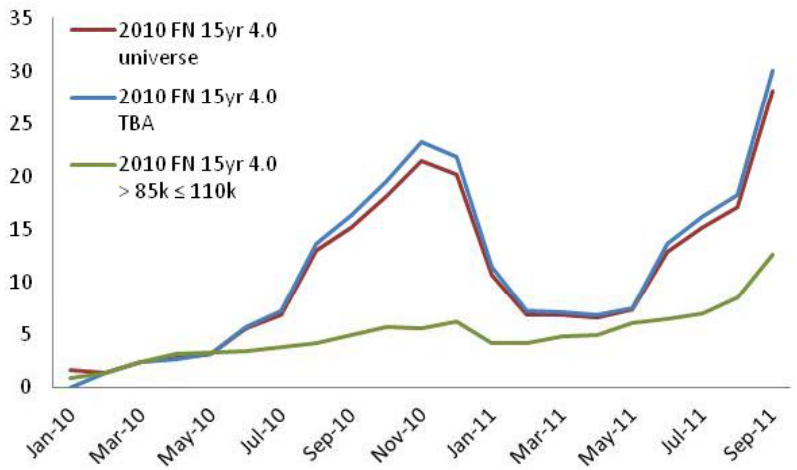
Prepayments Expected to Pick up Significantly

- **Mortgage rates are at record lows with the strongest borrowers able to obtain:**
  - ✓ 30-year mortgages at or below 4%
  - ✓ 15-year mortgages in the low 3% area
  - ✓ Hybrid ARMs below 3%
- **Most borrowers who took out mortgages over the past several years qualify to refinance irrespective of the changes to the HARP program**
  - ✓ Prepayment experience in 2010 also showed that newer, generic balance loans are very responsive to rates
  - ✓ The October prepayment report confirmed no significant changes
  - ✓ Smaller loan balances and HARP loans continue to perform very well
- **The enhancements to the HARP program (announced Oct 24th) add significant risk to seasoned higher coupon mortgages (pre-2009), which would otherwise be expected to have benign prepayments**

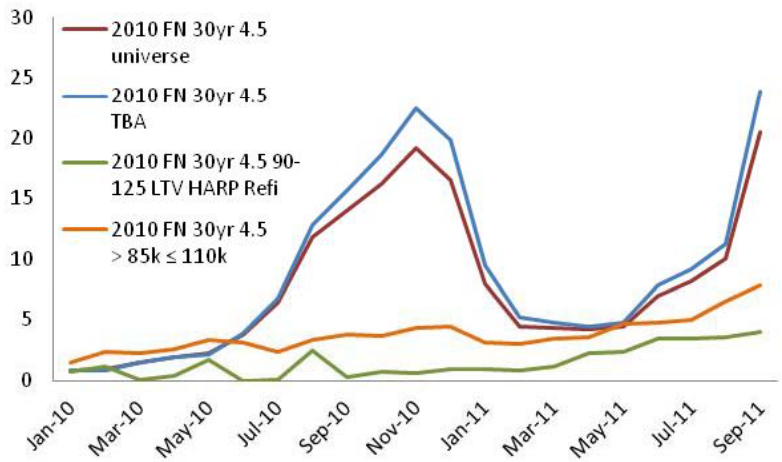
Prepayment Risk is Real But Not Uniform

Prepayment speeds on newer mortgages jumped significantly in September, but Lower Loan Balance and HARP Loans remained slow

Prepayment Speeds[1] on 2010 FNMA 15yr 4.0% Coupons



Prepayment Speeds[1] on 2010 FNMA 30yr 4.5% Coupons



- **Prepayment speeds released in early Oct 2011 increased significantly on newer, generic (TBA) mortgages**
  - ✓ TBA 2010 15-year 4s spiked to 30 CPR in October from only 18 CPR in September
  - ✓ TBA 2010 30-year 4.5s increased to 24 CPR in October from only 11 CPR in September
- **In contrast, pools backed by lower loan balance mortgages and HARP loans remained slow**

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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 12 gives further information on AGNC holdings of lower loan balance and HARP securities

Source: JPM

Impact of Recently Announced HARP Changes

We believe changes to the HARP program will have very little impact on AGNC's prepayments, but could meaningfully impact the speeds on higher coupon, seasoned mortgages beginning in Q1 2012

- **The scope of the HARP program was not materially altered and only covers loans originated before June 2009**
- **Changes to the program include:**
  - ✓ Eliminating the 125 LTV ceiling (with these pooled separately)
  - ✓ Allowing automated valuation models in lieu of appraisals
  - ✓ Aligning Fannie and Freddie requirements
  - ✓ Reducing loan level price adjustments (delivery fees for HARP loans)
  - ✓ Eliminating ability to pay and valuation "reps and warrants"
- **We believe these changes could raise CPRs on some seasoned mortgages to over 40% CPR for an extended period of time**
  - ✓ The greatly reduced "rep and warranty" exposure coupled with the reduced appraisal requirements will be the most significant changes
- **Newer lower loan balance securities and HARP securities are unaffected by these changes so we continue to expect very favorable performance from these core holdings**

Our confidence that these changes will have limited impact on AGNC stems from our estimate that less than 5% of our holdings are backed by pre-2009 mortgages (see slide 12) as we sold the majority of our holdings of these securities in Q2 and Q3

Prepayments Drive ROE

Hypothetical Yield Sensitivity Analysis*

	30 Year 4.5% MBS				15 Year 3.5% MBS			
	10 CPR	20 CPR	30 CPR	40 CPR	10 CPR	20 CPR	30 CPR	40 CPR
Asset Yield(1)	3.48%	2.81%	2.06%	1.19%	2.49%	2.05%	1.51%	0.89%
Cost of Funds(2)	(0.85)%	(0.85)%	(0.85)%	(0.85)%	(0.70)%	(0.70)%	(0.70)%	(0.70)%
Net Margin	2.63%	1.96%	1.21%	0.34%	1.79%	1.35%	0.81%	0.19%
ROE (8x Lev)	24.5%	18.5%	11.7%	3.9%	16.8%	12.8%	8.0%	2.4%

- **ROE is very sensitive to prepayments given current market prices and record low interest rates**
- **With recent prepayment information, 2010 experience and the HARP changes, outcomes anywhere on the above spectrum are feasible depending on specific security attributes**

**The hypothetical ROEs listed above are intended for illustrative purposes only to show the effect of prepayment speeds on ROEs and are calculated at TBA prices. Specified collateral, such as lower loan balance securities, are now priced at significant premiums to generic mortgages and thus yields at the given speeds listed above will be materially lower*

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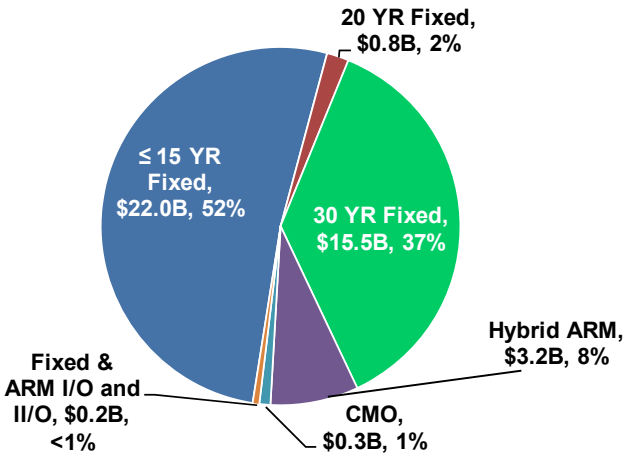
(1) FNCL 4.5 – 106-2, FNCI 3.5 – 104-13, close of business pricing Sept 30, 2011
(2) Assumes a blend of repo funding and swap hedges

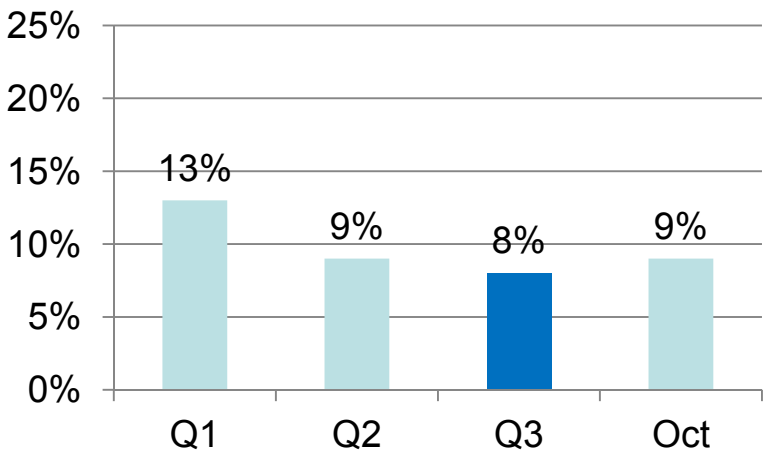
Q3 2011 Portfolio Update

- **Maintained diversified and balanced portfolio**
- **Reduced exposure to higher coupon, seasoned fixed-rate and ARM securities in light of current environment**
- **Average prepayment speeds on the portfolio remained stable at 8% CPR for the 3rd quarter**
- **Average projected prepayment speeds on the portfolio increased to 13% CPR from 10% as of June 30, 2011**
  - ✓ The projected CPR drives asset yields and premium amortization costs

$42 B Portfolio as of 9/30/11 (1)(2)(3)



AGNC 2011 Actual CPR's (4)



(1) Excludes Markit IOS total return swap positions of $0.3 B net short notional value (underlying index value of $40.6 MM and AGNC carrying value of $4.7 MM (gain)) as of 9/30/11
(2) Excludes net TBA and forward settling securities of $2.6 B 15 year net long position, $3.3 B 30 year net short position and $0.3 B of 20 year net short position
(3) 30-year fixed rate securities include $87 MM of 40-year fixed rate securities
(4) 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

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

Newer vintages (2009-2011) are most exposed to "organic" prepay risk while the enhancements to the HARP program elevate the risk level substantially for higher coupon, seasoned mortgages

- **To minimize "organic" prepayment risk:**
  - ✓ Approximately 93% of our 15 year securities and 86% of our 30 year securities are backed by lower loan balance or HARP securities

≤ 15 Year - $22.0 B Portfolio (52% of Total) as of 9/30/11					
($ In Millions)	**MV**	**%**	**Coupon**	**WALA**	**CPR**
Lower Loan Balance(1)	$19,320	88%	3.83%	10	9%
HARP(2)	$1,057	5%	3.96%	7	2%
Other(3)	$1,630	7%	3.67%	10	13%
Total ≤15 Year	**$22,007**	**100%**	**3.82%**	**10**	**9%**

- **To limit "policy" prepayment risk:**
  - ✓ Less than 2% of our portfolio was comprised of fixed-rate collateral issued prior to 2009
  - ✓ Approximately 1% of our portfolio was comprised of single-family ARMs issued prior to 2009

30 Year - $16.3 B Portfolio (39% of Total)(4) as of 9/30/11					
($ In Millions)	**MV**	**%**	**Coupon**	**WALA**	**CPR**
HARP (2)	$8,906	55%	4.60%	7	4%
Lower Loan Balance(1)	$5,066	31%	4.52%	12	7%
Other 2009-2011	$1,546	9%	4.41%	6	11%
Other (Pre 2009)	$753	5%	5.62%	70	15%
Total 30 Year	**$16,271**	**100%**	**4.61%**	**11**	**6%**

(1) Lower loan balance securities, defined as pools back by max original loan balances of up to $150 K. Weighted average original loan balance of $104 K and $100 K for 15 year and 30 year securities, respectively, as of Sept 30
(2) HARP securities, defined as 100% refinance loans with original LTVs ≥ 80% and ≤ 125%. Weighted average original LTV of 95% and 100% for 15 year and 30 year securities, respectively, as of Sept 30.
(3) Includes $643 MM of securities backed by loans with original loan balances ≤ 175 K
(4) Includes $841 MM of 20 year and $87 MM of 40 year securities

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Prepayment Heat Map

Organic Refi Risk: New Securities (2009-2011)

30-Year	Refi Risk	% MBS Universe[1]	% AGNC Portfolio[2]
Generic	High	26%	2%
Low Loan Balance	Low/Mod	3%	12%
HARP	Low	2%	21%
15-Year	**Refi Risk**	**% MBS Universe**	**% AGNC Portfolio**
Generic	High	7%	4%
Low Loan Balance	Low/Mod	2%	46%
HARP	Low	0%	3%
ARM	**Refi Risk**	**% MBS Universe**	**% AGNC Portfolio**
Generic	High	6%	8%

Policy Refi Risk: Seasoned Securities (pre-2009)

30-Year	Refi Risk	% MBS Universe	% AGNC Portfolio
High Coupon (≥ 5%), 2005-2008	High	16%	1%
Low Coupon (< 5%), Pre-2005	Moderate	1%	0%
15-Year	**Refi Risk**	**% MBS Universe**	**% AGNC Portfolio**
High Coupon (≥ 5%), 2005-2008	Moderate	1%	0%
Low Coupon (< 5%), Pre-2005	Low/Mod	2%	0%
ARM	**Refi Risk**	**% MBS Universe**	**% AGNC Portfolio**
High Coupon (≥ 5%), 2005-2008	High	1%	1%
Low Coupon (< 5%), Pre-2005	Low/Mod	1%	0%

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The views and opinions expressed above are those of AGNC Management as of October 24, 2011 and do not necessarily reflect an official policy or position of any outside parties.

(1) Source: Locus Credit Suisse GSEs monthly volume summary
(2) Source: Blackrock, as of 9/30/11

Financing Summary

Access to repo funding remained strong throughout the quarter

- **Discontinued hedge accounting in order to provide greater funding flexibility and access to longer term repo**
- **Significantly increased the original contractual weighted average maturity of our repo funding to 57 days at the end of 3rd quarter from 47 days at the end of 2nd quarter**
- **Weighted average repo cost increased to 0.28% from 0.23%**
- **No change to repo margin requirements observed during the quarter**

AGNC Repos (1)(2)
($ in millions – as of September 30, 2011)

Original Repo Maturities	Repo Outstanding	Interest Rate	Remaining Days to Maturity	Original Days to Maturity
1 Month or less	$18,946	0.27%	12	28
1-2 Months	8,111	0.28%	22	40
2-3 Months	4,789	0.26%	26	80
3-6 Months	5,663	0.25%	34	92
6-9 Months	279	0.41%	215	231
9-12 Months	1,054	0.50%	348	355
Total / Wtd Avg	$38,842	0.28%	30	57

(1) Excludes 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

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Repo Counterparty Credit Risk

Our funding is well diversified by counterparty and geographically

- Expanded our repo counterparties to 29 financial institutions from 26
- Maintained excess capacity with most of our counterparties
- Less than 4% of our equity is at risk with any one counterparty
- Less than 15% of our equity is at risk with the top 5 counterparties

Counterparty Region	Number of Counterparties	Percent of Repo Funding
North America	15	48%
Asia	5	23%
Europe	9	29%

Counterparty Region	Counterparty Exposure as Percent of Equity	Counterparty Rank
North America	2.7%	1
	2.6%	2
	2.3%	3
	2.1%	4
	2.0%	5
	1.9%	6
	1.4%	7
	1.3%	8
	0.9% - 0.0%	9 - 15
Asia	3.5%	1
	1.7%	2
	1.5%	3
	1.0% - 0.7%	4 - 5
Europe	3.7%	1
	2.4%	2
	2.0%	3
	1.4%	4
	1.3%	5
	0.5% - 0.0%	6 - 9
Top 5 Exposures	**14.8%**	**1 - 5**

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Hedging Summary

We increased the size of our swap book given the significant decline in interest rates observed during the quarter

- **Interest Rate Swaps**
  - ✓ $26.95 B notional swap book as of Sept 30[1]
    - 3.4 years average maturity
    - 69% of repo balance and other debt hedged, excluding benefits of other hedges
      - Increases to 71% when incorporating net unsettled trades
  - ✓ Discontinued hedge accounting for all interest rate swaps as of Sept 30
- **Interest Rate Swaptions**
  - ✓ $3.3 B notional payer swaptions
    - $1.05 B payer swaptions expired for a net loss of $8.3 MM during the quarter
    - $4.5 MM total market value as of Sept 30
- **Other Hedge Positions**
  - ✓ $0.6 B net short mortgage TBAs positions
  - ✓ $0.3 B notional net short Markit IOS total return swaps[2]
    - Underlying index value of $40.6 MM
    - AGNC carry value of $4.7 MM (unrealized gain)

Interest Rate Swaps [1]
($ in millions – as of September 30, 2011)

Maturity	Notional Amount	Pay Rate	Receive Rate	Years to Maturity
2011	$300	1.28%	0.23%	0.1
2012	750	2.01%	0.23%	0.9
2013	3,050	1.06%	0.23%	1.8
2014	7,300	1.22%	0.24%	2.8
2015	7,700	1.51%	0.28%	3.7
2016	7,550	2.17%	0.23%	4.7
2018	100	1.79%	0.37%	7.1
2021	200	2.00%	0.37%	10.1
Total / Wtd Avg	$26,950	1.58%	0.25%	3.4

Interest Rate Swaptions
($ in millions – as of September 30, 2011)

Swaption	Cost	Weighted Average Expiration	Notional Amount	Pay Rate	Receive Rate	Term (Years)
Payer	$7.0	< 3 Months	$1,200	3.08%	1M Libor	7.0
Payer	38.5	> 3 Months	2,050	3.88%	1M Libor	6.8
Total Payer	$45.5	6 Months	$3,250	3.59%	1M Libor	6.9

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(1) Includes $1.9 B of forward starting swaps as of September 30, 2011 starting through December 2011. 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 minimal as of Sept 30, 2011, compared to 7 months as of June 30, 2011

- **Our net duration gap at Sept 30 was minimal at only negative .03 years partly as a function of the decline in interest rates during the 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**

Duration Gap
($ in millions, duration in years)

Asset	Market Value	Duration
Fixed[1]	$38,278	2.50
ARM[1]	$3,238	0.56
CMO[2]	$454	-3.03
Cash	$1,360	0.01
Total	**$43,330**	**2.22**

Liabilities & Hedges	Market Value / Notional	Duration
Liabilities	($38,842)	0.07
Swaps	($26,950)	3.34
Swaptions	($3,250)	0.25
Treasury / Futures	($515)	11.08
TBA	($568)	-4.00
IOS	($258)	-1.10
Total		**-2.25**

Net Duration Gap as of September 30, 2011	**-0.03**

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 30 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) CMO balance includes interest-only, inverse interest-only securities and principal-only securities
(3) Includes net TBA and forward settling securities of $2.6 B 15-year net long positions, $3.3 B 30-year net short positions and $0.3 B of 20-year net short positions, which have the affect of extending the duration profile

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%	-6.7%
-50	-0.2%	-1.7%
+50	-0.2%	-2.0%
+100	-0.8%	-7.0%

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 30 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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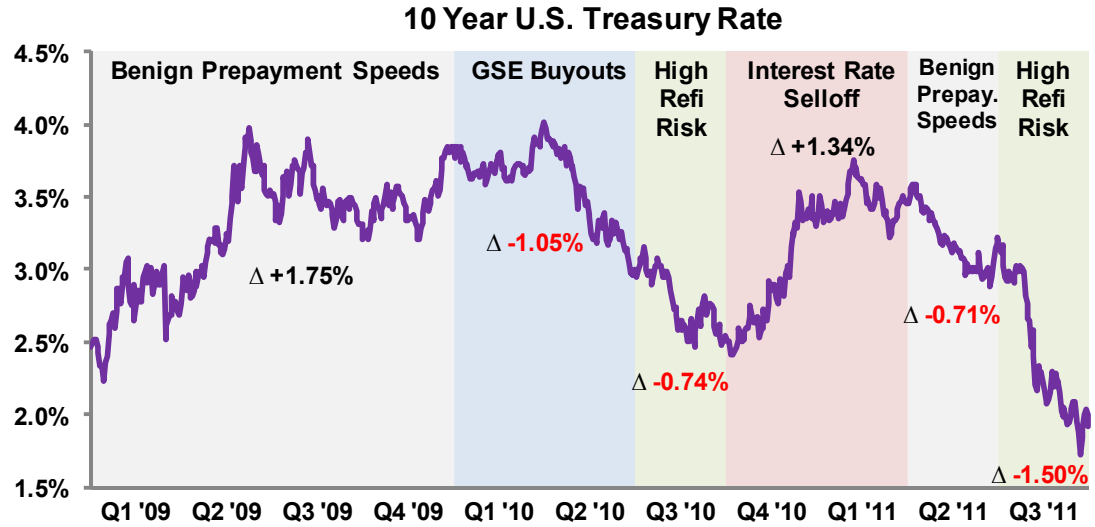
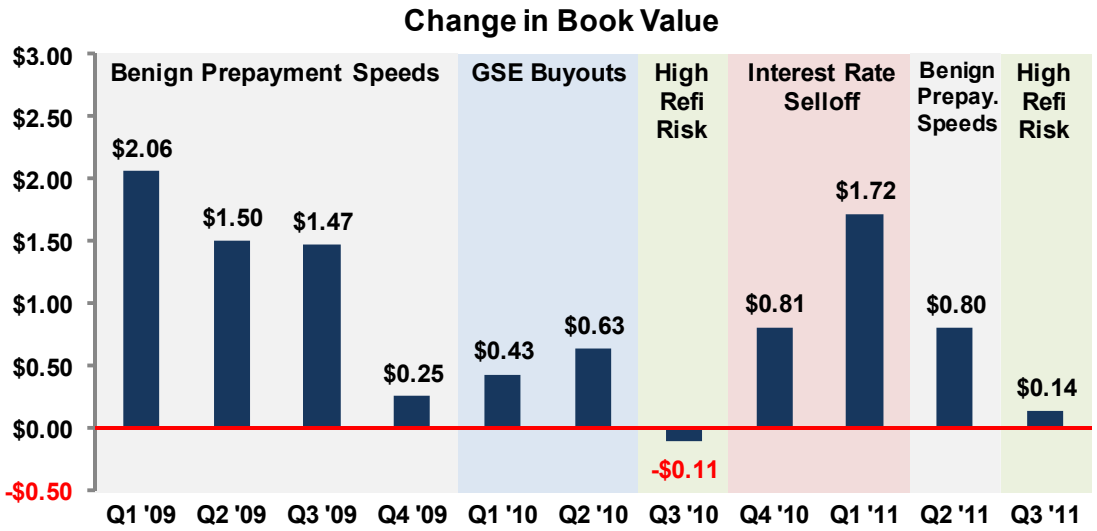
(1) Estimated dollar change in value expressed as a percent of the total market value of assets
(2) Estimated dollar change in value expressed as a percent of the net portfolio equity or NAV

Protecting Book Value

Our book value has grown in 10 of 11 quarters since the beginning of 2009, increasing by $9.70 (56%) since Dec 31, 2008, from $17.20 to $26.90. During the same period, we have paid or declared $14.95 per share in dividends

- **Through prudent asset and hedge portfolio selection, we seek to protect book value regardless of the direction of interest rate changes**
- **Despite extremely volatile interest rate and prepayment environments over the last several years, our book value has consistently increased**
- **Book value has increased 10 out of the last 11 quarters:**
  - ✓ Period includes episodes of significant Treasury rate increases and decreases as well as the GSE buyouts and other high prepayment risk episodes
  - ✓ In Q3 2010, the only quarter book value declined, the change was 0.5%
- **Total economic returns have been positive in every quarter during the same time period (includes dividend + change in book value)**





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Note: Historical performance is not an indicator of future results and we would fully expect to have quarters with book value declines going forward.

Source: 10 Year UST – Capital IQ. Change represents peak to trough change during the time period.

Business Economics

(unaudited)	As of 9/30/11	As of 6/30/11	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Full Year 2010
Asset Yield	3.18%	3.45%	3.14%	3.35%	3.39%	3.48%	3.23%	3.44%
Cost of Funds (1)	(1.24)%	(1.09)%	(1.00)%	(0.89)%	(0.81)%	(0.90)%	(1.02)%	(1.02)%
Net Interest Rate Spread before Terminated Swap Expense	**1.94%**	**2.36%**	**2.14%**	**2.46%**	**2.58%**	**2.58%**	**2.21%**	**2.42%**
Cost of Funds – Terminated Swap Expense (2)	--	--	--	--	--	--	--	(0.09)%
Net Interest Rate Spread	**1.94%**	**2.36%**	**2.14%**	**2.46%**	**2.58%**	**2.58%**	**2.21%**	**2.33%**
Leverage (3)	**7.7x**	**7.5x**	**7.9x**	**7.6x**	**7.4x**	**8.4x**	**8.5x**	**8.0x**
Leveraged Net Interest Rate Spread	14.93%	17.59%	16.89%	18.64%	18.99%	21.55%	18.77%	18.67%
Plus: Asset Yield	3.18%	3.45%	3.14%	3.35%	3.39%	3.48%	3.23%	3.44%
Gross ROE Before Expenses	**18.12%**	**21.03%**	**20.03%**	**21.99%**	**22.38%**	**25.03%**	**22.00%**	**22.11%**
Other Investment (Loss) Income and Excise Tax, Net	**--%**	**--%**	**3.42%**	**(0.65)%**	**2.65%**	**20.99%**	**9.57%**	**15.12%**
Other Miscellaneous (4)	**--%**	**--%**	**(1.27%)**	**(0.70)%**	**(0.71)%**	**(1.56)%**	**(1.51)%**	**(1.52)%**
Management Fees as a % of Equity	(1.27)%	(1.25)%	(1.30)%	(1.32)%	(1.42)%	(1.37)%	(1.25)%	(1.31)%
Other Operating Expenses as a % of Equity	(0.47)%	(0.38)%	(0.49)%	(0.48)%	(0.44)%	(0.66)%	(0.90)%	(0.88)%
Total Operating Expenses as a % of Equity	**(1.75)%**	**(1.63)%**	**(1.79)%**	**(1.80)%**	**(1.86)%**	**(2.03)%**	**(2.15)%**	**(2.19)%**
Net Return on Equity	**16.37%**	**19.40%**	**20.39%**	**18.84%**	**22.46%**	**42.43%**	**27.91%**	**33.52%**

(1) Cost of funds as of 9/30/11 and 6/30/11 includes the impact of swaps in effect as of each date of $25.1 B and $14.1 B, respectively, plus forward starting swaps becoming effective, net of swaps expiring, within three months of each date of $1.6 B and $6.9 B, respectively. Cost of funds includes both interest rate swaps that have been designated and not designated as hedges under GAAP

(2) Represents amortization expense associated with the termination of interest rate swaps during 2009

(3) Leverage as of 9/30/11 and 6/30/11 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. 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. Average leverage for the 2nd quarter of 2011 was 8.3x, *pro forma,* when average equity is adjusted to exclude the June 2011 follow-on equity offering that closed on June 28, 2011. Average and ending leverage exclude repurchase agreements used to finance treasury securities, as applicable.

(4) 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, of cash and cash equivalents, restricted cash, other non investment assets and liabilities, and of other immaterial rounding differences

Looking Ahead

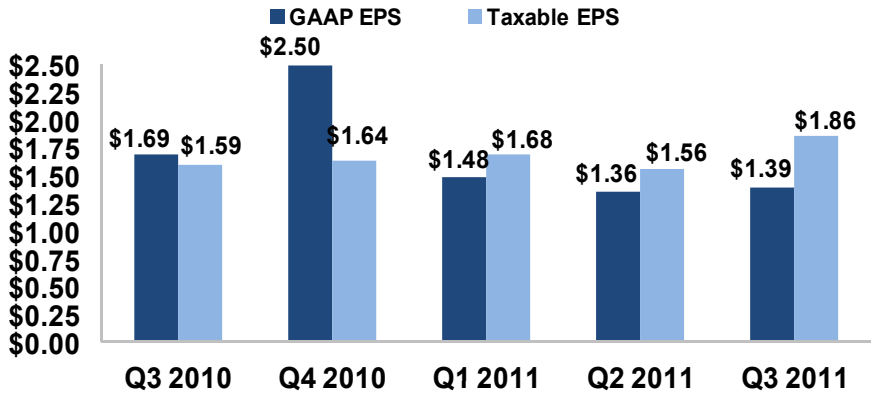
While the current interest rate environment has put some downward pressure on margins, we believe that AGNC can continue to produce very attractive returns in the current market environment

- **Our asset yields already incorporate projections for faster prepayments, which are around 30% above our most recent portfolio CPR**
  - ✓ These projections already incorporate the anticipated impact of record low rates and "operation twist"
  - ✓ They are also very unlikely to be impacted by the recently announced HARP changes
- **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 rates will remain extraordinarily low through the middle of 2013
  - ✓ We have swaps covering approximately 70% of our Repo balance in addition to other hedges
  - ✓ The absolute level of swap rates mitigates book value risk resulting from the further unrealized losses on current swap portfolio
- **We currently have $0.85 per share ($156 million) of undistributed taxable income**
- **Risk adjusted returns on new purchases are currently attractive**
  - ✓ Faster prepayment speeds on generic mortgages and concerns around policy risk have depressed valuations and widened spreads

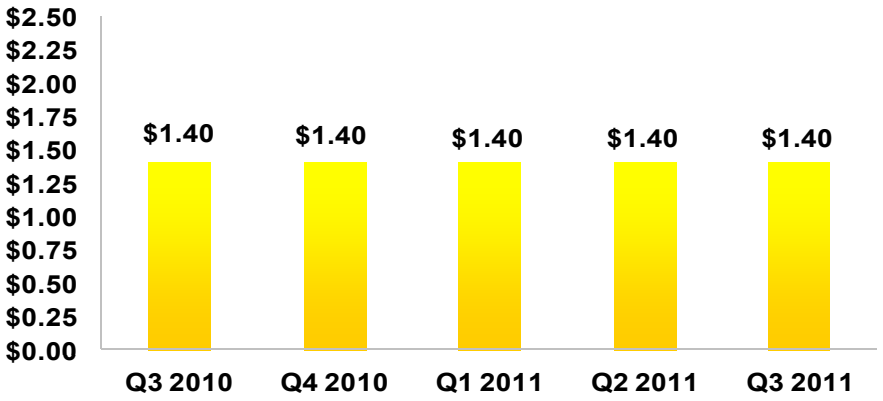
Supplemental Slides

AGNC Historical Overview

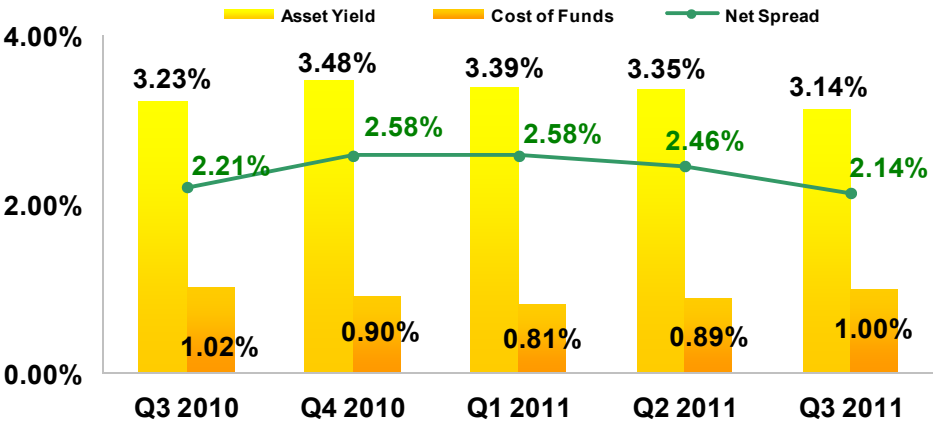
Earnings per Share



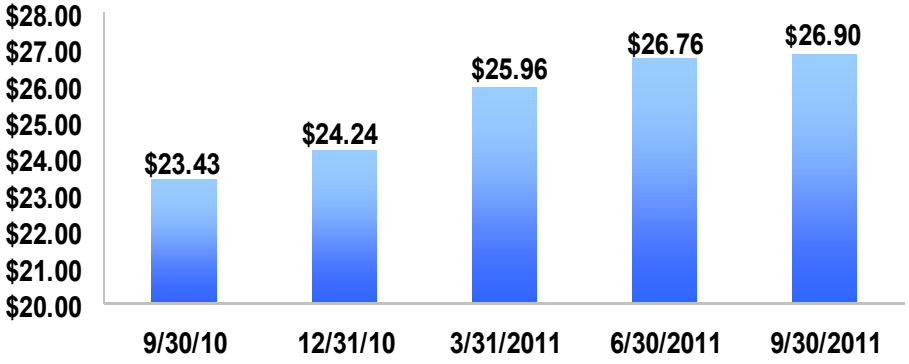
Dividend per Share



Net Spread



Book Value Per Share



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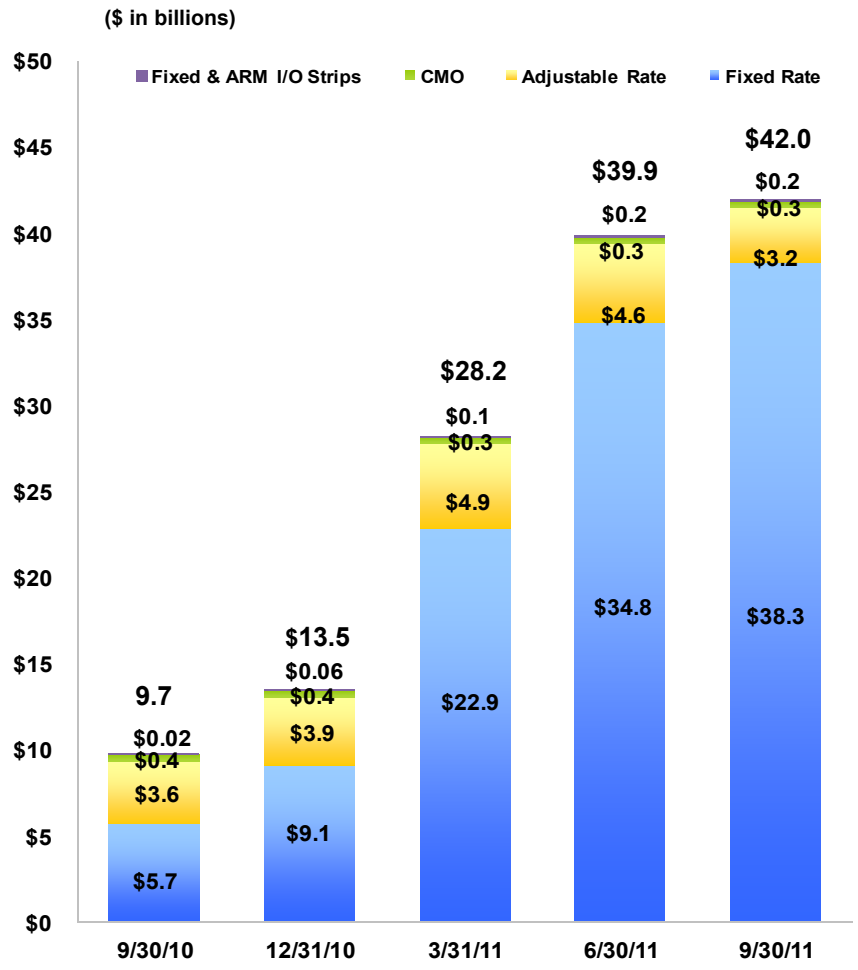
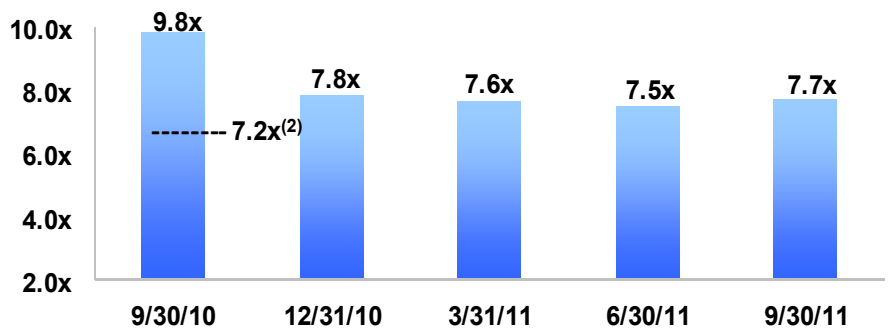
AGNC Historical Overview

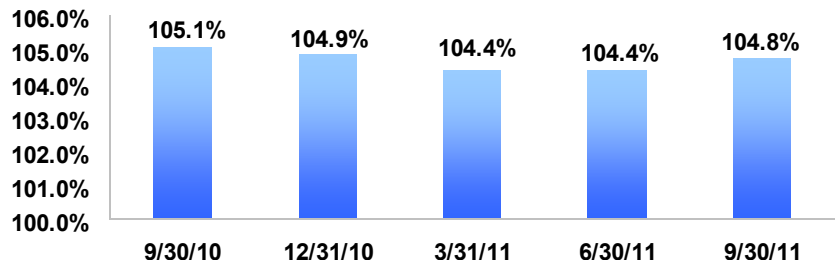
Investment Portfolio



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)	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Interest Income	$326.7	$264.7	$164.4	$101.0	$62.6
Interest Expense	(95.0)	(63.8)	(35.6)	(24.6)	(18.5)
Net Interest Income	**231.7**	**200.9**	**128.8**	**76.4**	**44.1**
Gain on Sale of Agency Securities, Net	262.8	93.9	4.2	10.4	24.6
Realized Loss on Periodic Interest Settlements of Interest Rate Swaps, Net	(1.8)	--	--	--	--
Other Realized (Loss) Gain on Derivative Instruments and Other Securities, Net	(173.2)	(80.4)	31.0	20.6	(0.8)
Unrealized (Loss) Gain on Derivative Instruments and Other Securities, Net	(46.5)	(19.6)	(19.4)	37.5	(3.0)
Total Other Income (Loss), Net	**41.3**	**(6.1)**	**15.8**	**68.5**	**20.8**
Management Fee	(15.6)	(12.4)	(8.5)	(4.5)	(2.7)
General and Administrative Expenses	(5.9)	(4.6)	(2.6)	(2.1)	(1.9)
Total Operating Expenses	**(21.5)**	**(17.0)**	**(11.1)**	**(6.6)**	**(4.6)**
Income before Excise Tax	251.5	177.8	133.5	138.3	60.3
Excise Tax	1.1	--	--	0.2	0.3
Net Income	**$250.4**	**$177.8**	**$133.5**	**$138.1**	**$60.0**
Weighted Average Shares Outstanding – Basic and Diluted	**180.7**	**130.5**	**90.3**	**55.3**	**35.5**
Net Income per Share – Basic and Diluted	**$1.39**	**$1.36**	**$1.48**	**$2.50**	**$1.69**
Taxable Income per Share	**$1.86**	**$1.56**	**$1.68**	**$1.64**	**$1.59**
Dividends Declared per Share	**$1.40**	**$1.40**	**$1.40**	**$1.40**	**$1.40**

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Note: Amounts may not foot due to rounding.

(1) During Q3 2011, we voluntarily discontinued hedge for accounting purposes by no longer electing hedge accounting for new swaps entered into during the quarter and by de-designating our remaining interest rates swaps as of September 30, 2011. Amount represents net interest expense on non-designated swaps.

Reconciliation of Taxable Income[1]

($ in millions, except per share data) (unaudited)	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Net Income	**$250.4**	**$177.8**	**$133.5**	**$138.1**	**$60.0**
Book to Tax Differences:					
Premium Amortization, Net	34.3	8.1	(5.1)	(12.2)	6.8
Realized and Unrealized Gain (Loss), Net	49.5	17.8	22.9	(35.5)	(10.9)
Other [2]	1.1	--	--	0.3	0.3
Total Book to Tax Differences	**84.9**	**25.9**	**17.8**	**(47.4)**	**(3.8)**
Estimated REIT Taxable Income	**$335.3**	**$203.7**	**$151.3**	**$90.7**	**$56.3**
Weighted Average Shares Outstanding – Basic and Diluted	**180.7**	**130.5**	**90.3**	**55.3**	**35.5**
Estimated REIT Taxable Income per Share – Basic and Diluted	**$1.86**	**$1.56**	**$1.68**	**$1.64**	**$1.59**
Estimated Cumulative Undistributed REIT Taxable Income per Share [3]	**$0.85**	**$0.44**	**$0.42**	**$0.60**	**$0.99**

Note: Amounts may not foot due to rounding.

(1) Please refer to slide 31 on the use of Non-GAAP financial information

(2) Other book to tax differences include temporary differences for non-deductible adjustments, such as GAAP hedge ineffectiveness, stock compensation expense, and permanent differences for non-deductible excise tax expense

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

Balance Sheets

($ in millions, except per share data)	As of [1] 9/30/11	6/30/11	3/31/11	12/31/10	9/30/10
Agency Securities, at Fair Value (including pledged securities of $38,860, $35,118, $23,263, $12,271 and $8,322, respectively)	$41,970.4	$39,925.7	$28,193.0	$13,510.3	$9,736.5
U.S. Treasury Securities, at Fair Value	300.9	--	--	--	--
Cash and Cash Equivalents ($984, $189, $75 $76 and $63 restricted, respectively)	1,359.6	814.6	375.8	249.4	177.7
Derivative Assets, at Fair Value	54.5	86.1	142.0	76.6	11.3
Receivable for Agency Securities Sold	2,698.1	1,251.6	298.3	259.0	350.1
Receivable from Prime Broker	33.8	29.3	42.7	75.5	40.1
Receivable under Reverse Repurchase Agreements	473.8	1,388.2	--	247.4	--
Other Assets	148.3	141.1	103.2	57.6	43.1
Total Assets	**$47,039.4**	**$43,636.6**	**$29,155.0**	**$14,475.8**	**$10,358.8**
Repurchase Agreements	$38,841.6	$33,505.1	$21,994.0	$11,680.1	$7,969.4
Other Debt [2]	56.9	61.8	67.8	72.9	80.8
Payable for Agency Securities Purchased	1,660.3	3,336.5	3,504.6	727.4	1,223.1
Derivative Liabilities, at Fair Value	792.8	290.3	92.7	78.6	113.9
Dividend Payable	257.1	180.4	135.3	90.8	54.5
Obligation to Return Securities Borrowed under Reverse Repurchase Agreements, at Fair Value	473.2	1,459.3	--	245.5	--
Other Liabilities	17.3	26.5	16.1	8.4	4.1
Total Liabilities	**42,099.2**	**38,859.9**	**25,810.5**	**12,903.7**	**9,445.8**
Stockholders' Equity	4,940.2	4,776.7	3,344.5	1,572.1	913.0
Total Liabilities and Stockholders' Equity	**$47,039.4**	**$43,636.6**	**$29,155.0**	**$14,475.8**	**$10,358.8**
Leverage [3]	**7.7x**	**7.5x**	**7.6x**	**7.8x**	**9.8x**
Book Value Per Share	**$26.90**	**$26.76**	**$25.96**	**$24.24**	**$23.43**

(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 purchased / sold but not yet settled and other debt divided by total stockholders' equity

Book Value

Roll Forward of Net Book Value Per Share [1] (unaudited)	
Balance – June 30, 2011	**$26.76**
Net Income, Less Other Net Income[2]	1.15
Other Net Income	0.24
Unrealized Gain on Available-for-Sale Securities, Net	2.96
Unrealized Loss on Interest Rate Swaps, Net [3]	(2.83)
Dividends Declared	(1.40)
Accretion from Issuance of Common Stock	0.02
Balance – September 30, 2011	**$26.90**

(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) Other net income amount is net of excise tax

(3) Amount recognized in accumulated other comprehensive income/loss for hedge designated swaps under GAAP during the quarter. Net unrealized loss on undesignated swaps held during the quarter included in Other Net Income.

Portfolio Fixed Rate Agency Securities

AGNC Fixed Rate MBS[4]

($ in millions – as of September 30, 2011)

≤ 15 YR Mortgages

Coupon	Par Value	Market Value	% Total	Amortized Cost Basis	Average WAC[1]	Average Age (Months)	Actual 1 Month CPR[2]
3.5%	$9,002	$9,445	43%	102.7%	3.92%	8	7.5%
4.0%	10,114	10,762	49%	104.3%	4.41%	10	10.8%
4.5%	1,663	1,783	8%	104.9%	4.86%	16	10.1%
5.0%	6	7	0%	104.7%	5.45%	38	2.8%
≥ 5.5%	9	10	0%	104.5%	6.82%	54	17.4%
Total	**$20,794**	**$22,007**	**100%**	**103.6%**	**4.23%**	**9**	**9.4%**

20 YR Mortgages

Coupon	Par Value	Market Value	% Total	Amortized Cost Basis	Average WAC[1]	Average Age (Months)	Actual 1 Month CPR[2]
≤ 4.0%	$255	$270	32%	100.7%	4.28%	9	14.3%
4.5%	339	361	43%	105.5%	5.01%	8	4.1%
5.0%	47	51	6%	104.9%	5.47%	12	5.8%
5.5%	98	107	13%	107.4%	5.94%	79	0.0%
6.0%	47	52	6%	108.2%	6.41%	65	0.0%
Total	**$786**	**$841**	**100%**	**104.3%**	**5.00%**	**21**	**6.6%**

30 YR Mortgages [3]

Coupon	Par Value	Market Value	% Total	Amortized Cost Basis	Average WAC[1]	Average Age (Months)	Actual 1 Month CPR[2]
≤ 4.0%	$1,094	$1,151	7%	104.1%	3.50%	6	3.5%
4.5%	9,939	10,631	70%	105.2%	4.95%	7	5.0%
5.0%	2,778	3,014	20%	106.7%	5.41%	15	6.1%
5.5%	352	383	2%	107.4%	6.07%	52	15.2%
6.0%	184	201	1%	106.6%	6.66%	53	18.8%
≥ 6.5%	45	50	0%	107.6%	7.27%	48	8.4%
Total	**$ 14,392**	**$ 15,430**	**100%**	**105.5%**	**4.98%**	**10**	**5.8%**

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(1) Average WAC represents the weighted average coupon of the underlying collateral. The average WAC of fixed rate securities held as of Sept 30, 2011 was 4.55% and the weighted average coupon on the fixed rate securities was 4.15%

(2) Actual 1 month annualized CPR published during October 2011 for agency securities held as of Sept 30, 2011

(3) 30-year securities include $87 MM of 40-year securities

(4) Excludes net TBA and forward settling securities of $2.6 B 15 -Year net long positions, $3.3 B 30-year net short positions and $0.3 B of 20-year net short positions

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	$13	$14	0.0%	103.1%	3.56	21	0%	25.9%
GN 5/1	87	92	3.0%	103.4%	4.01	16	0%	23.6%
FH/FN 7/1	1,068	1,116	34.0%	102.8%	3.64	9	24%	20.8%
GN 7/1	2	2	0.0%	104.7%	4.00	13	0%	41.6%
FH/FN 10/1	977	1,028	32.0%	103.3%	4.14	15	66%	22.8%
Subtotal	$2,147	$2,252	69.0%	103.1%	3.89	12	42%	21.9%

Seasoned Hybrid ARMs (Pre 2009 Vintage)

≤4.0%-4.9%	$326	$346	11.0%	103.1%	4.65	67	13%	32.9%
5.0%-5.9%	530	569	18.0%	106.0%	5.44	53	54%	22.2%
≥ 6.0%	65	71	2.0%	106.3%	6.14	54	83%	28.4%
Subtotal	$921	$986	31.0%	105.0%	5.21	58	42%	26.3%
Total ARMs	**$3,068**	**$3,238**	**100%**	**103.7%**	**4.28%**	**26**	**42%**	**23.2%**

Reset	Market Value	% Total	Average Reset	Average Coupon
0-23 Months	$ 101	3%	17	5.31%
24-35 Months	448	14%	29	4.95%
36-60 Months	386	12%	44	4.89%
> 60 Months	2,303	71%	89	4.01%
Total	**$3,238**	**100%**	**73**	**4.28%**

Index	% Total
LIBOR	85%
CMT / MTA	15%
COFI / Other	--%
Total	**100%**

American Capital Agency

(1) Average age in months
(2) Actual 1 Month annualized CPR published during October 2011 for agency securities held as of September 30, 2011

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
- **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 19.