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AGNC Presentation
J.P. Morgan SMid Cap Conference

December 1, 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 September 30, 2011. Historical results discussed in this presentation are not indicative of future results.

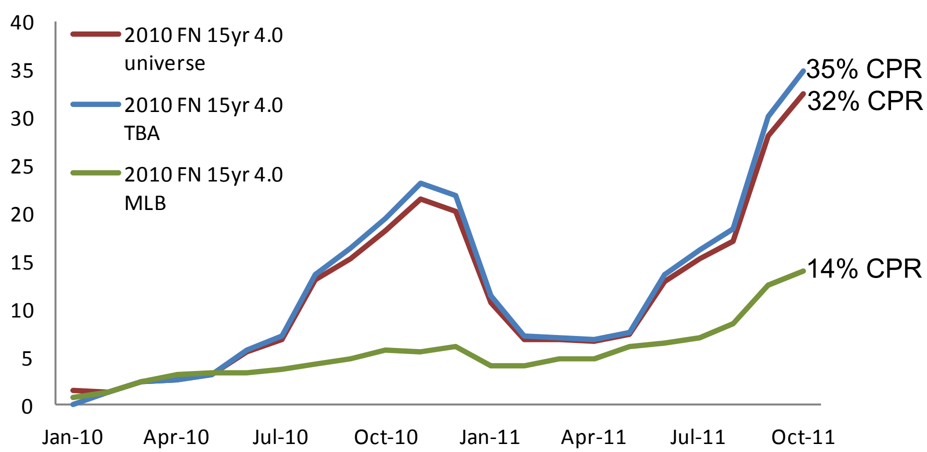
Current Market Landscape

- **Mortgage rates continue to be near record lows**
- **Most borrowers who took out mortgages over the past several years qualify to refinance irrespective of the changes to the HARP program**
  - ✓ Prepayment speeds on newer, generic mortgages have increased significantly over the past few months
- **The enhancements to the HARP program add risk to seasoned higher coupon mortgages (pre-2009), which would otherwise be expected to have benign prepayments**
  - ✓ The impact of this will not be visible until the 1st or 2nd quarter of 2012 at the earliest
- **The Federal Reserve has indicated that increased large scale purchases of agency mortgage-backed securities are "a viable option" if conditions in the economy do not improve or worsen from here.**
  - ✓ If implemented, these purchases would increase the prices of MBS but put further pressure on prepayments
  - ✓ These purchases also increase reinvestment risk as new acquisitions would offer considerably lower yields

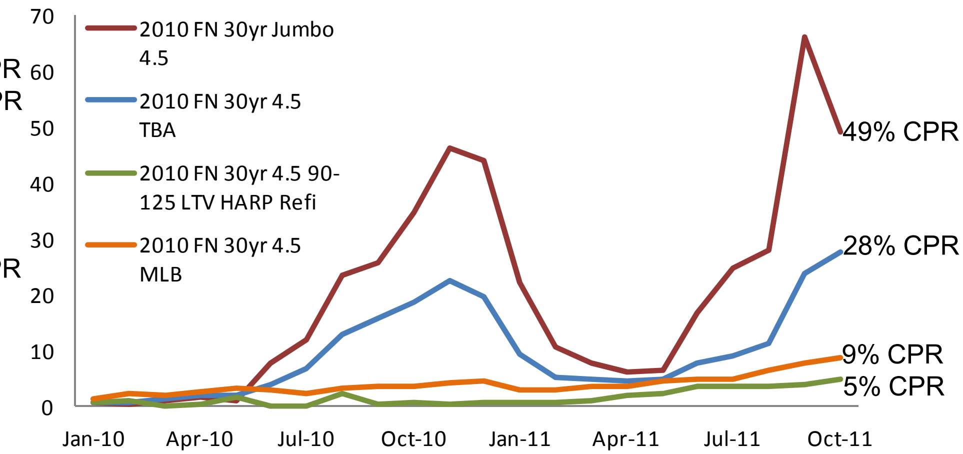
Prepayment Risk is Real But Not Uniform

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 November 2011 increased significantly on newer, generic (TBA) mortgages**
  - ✓ TBA 2010 15-year 4s spiked to 35 CPR in October from only 18 CPR in September
  - ✓ TBA 2010 30-year 4.5s increased to 28 CPR in October from only 11 CPR in September
- **In contrast, pools backed by lower loan balance mortgages and HARP loans remained very slow while conforming Jumbos have been extremely fast**

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

Source: JPM

Slow Prepays: Critical to 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%

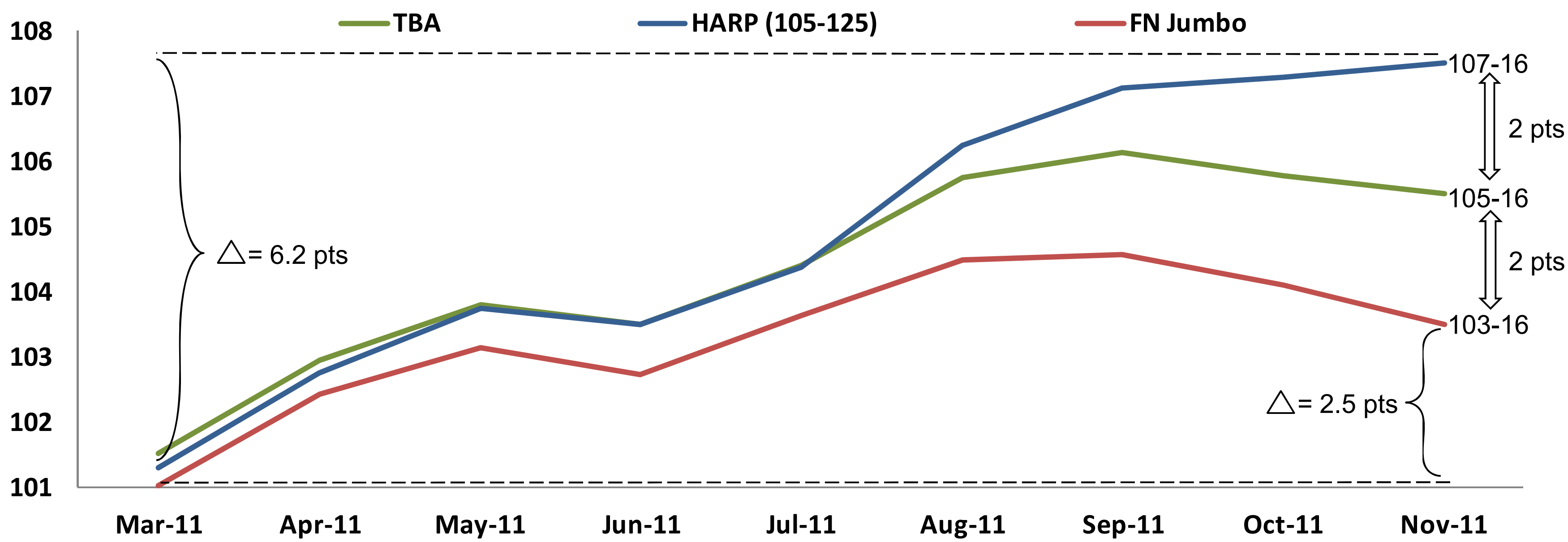
- **ROE is very sensitive to prepayments given current market prices and record low interest rates**
- **With recent prepayment information, 2010 experience and the HARP changes, outcomes anywhere on the above spectrum are feasible depending on specific security attributes**

**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*

(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

Slow Prepays: Critical to Book Value

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



- **The graph compares the pricing between various FNMA 4.5% 30-year mortgage securities:**
  - ✓ **TBA or generic mortgages (green line)**
  - ✓ **HARP securities with LTVs between 105-125 (blue line)**
  - ✓ **FNMA high loan balance securities with average loan sizes around 500k (red line)**
- **As interest rates fell during 2011, the slow prepaying HARP securities went from trading below TBA levels in March to substantial premiums to TBA securities (currently 2 points)**
- **Conversely, the highest loan balance securities which have prepaid very fast, have been penalized by the market and currently trade around 2 points below TBA securities or 4 points below the HARP securities**

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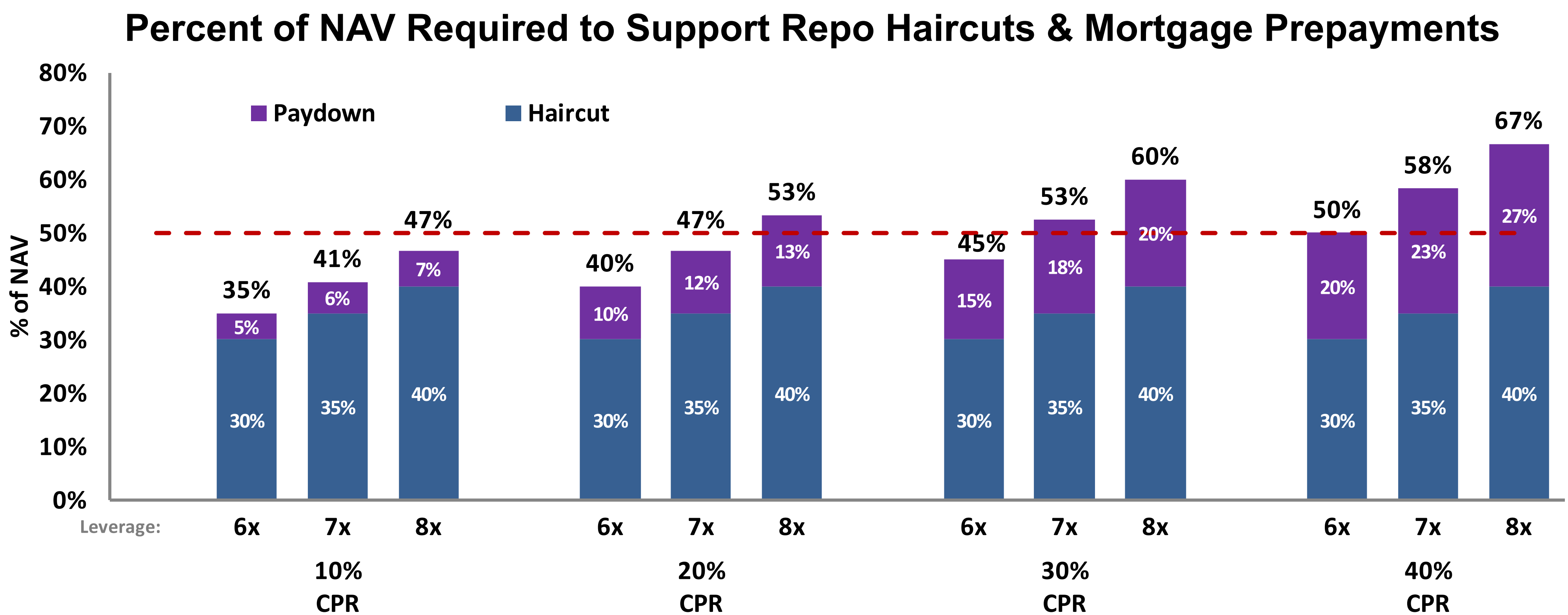
Source: Bloomberg and market participants, 11/22/11

Slow Prepays: Critical to Liquidity

Given the timing difference between prepayment factor release and actual cash payment, slower prepayment speeds reduce our intra-month NAV liquidity requirement



	Leverage Assuming 50% NAV Threshold		
10% CPR → 8.4x	20% CPR → 7.5x	30% CPR → 6.6x	40% CPR → 6.0x

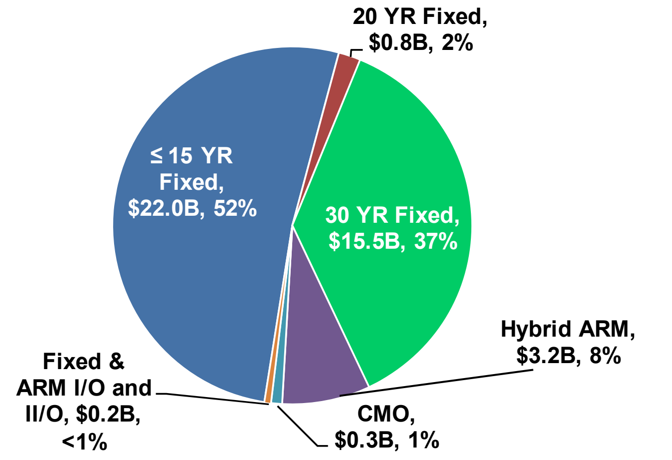
Assumes a 5% haircut

AGNC is Well Positioned for the Current Landscape

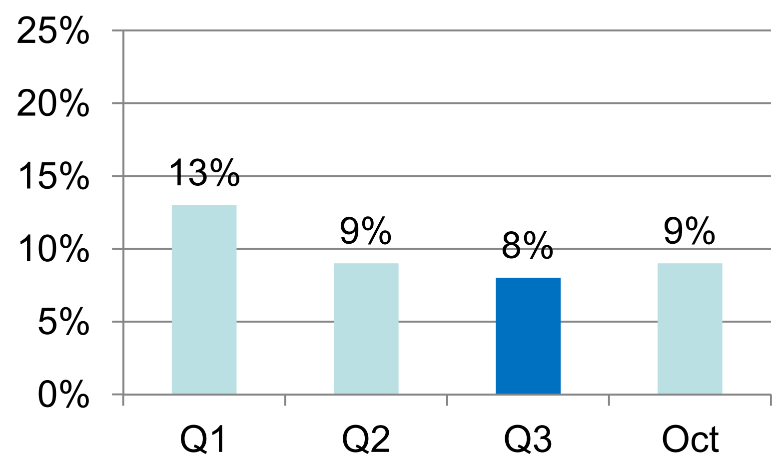
Q3 2011 Portfolio Update

- ♦ **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

AGNC Well Positioned Against 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
- **To limit "policy" prepayment risk:**
  - ✓ Less than 2.0% 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

≤ 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%**

30 Year - $16.3 B Portfolio (37% 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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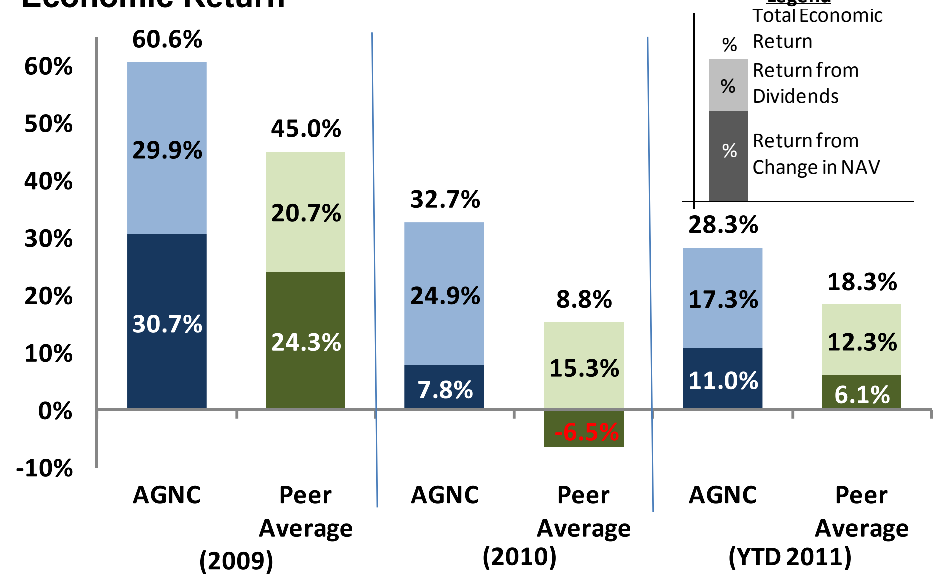
AGNC Has a Proven Track Record Navigating Volatile Markets

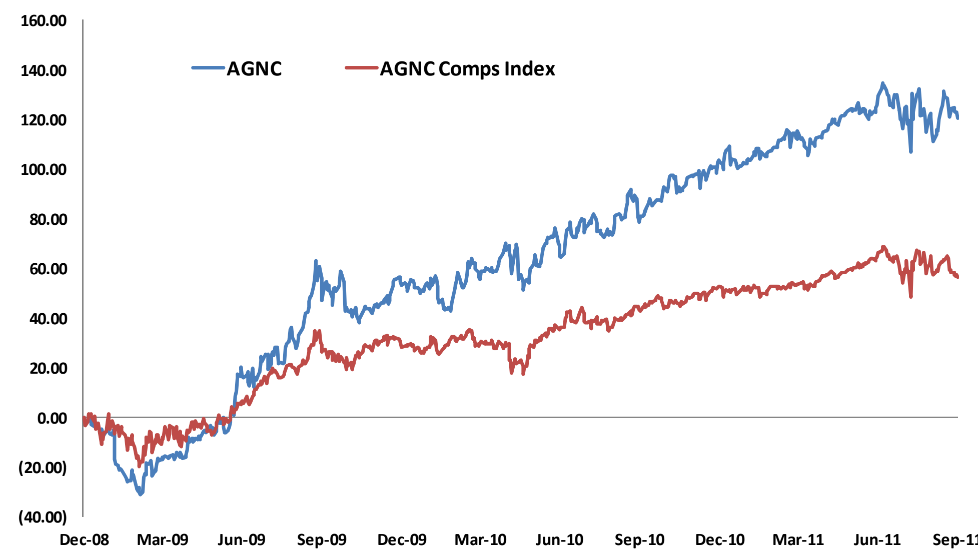
AGNC Returns vs. Peer Group

- **AGNC has paid $17.46 dollars per share in dividends since its IPO in May 2008.**
  - ✓ AGNC's dividend has been at least $1.40 per share for the past 10 quarters
- **AGNC has grown book value 56% from $17.25 per share on December 30, 2008 to $26.90 as of September 30, 2011.**
  - ✓ Book value has increased in 10 of the last 11 quarters
- **These results have significantly exceeded the performance of our peers over a very volatile multiyear period**

Economic Return[1]



Total Stock Return[2]



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Past performance is not a guarantee of future results.

1. Source: Company filings; Peer Average comprised of the following peers on an unweighted basis: ANH, CMO, CYS, HTS, NLY. NAV for selected peers have been adjusted to reflect the impact of dividends that are declared shortly after the closing of a quarter
2. Source: SNL Financial; AGNC Comps Index comprised of the following peers on an unweighted basis: ANH, CMO, CYS, HTS, NLY.

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

- **We believe our portfolio is optimally positioned versus the dual challenges presented by "organic" and policy oriented prepayment risk**
- **Our asset yields and margins already incorporate projections for faster prepayments, which are around 30% above our most recent portfolio CPR**
- **Our funding and hedging costs are likely to remain low for an extended period of time**
  - ✓ As of September 30, 2011, we had 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
- **As of September 30, 2011 we had $0.85 per share ($156 million) of undistributed taxable income**
- **Contained prepayment speeds allow us to continue to generate attractive returns while maintaining substantial excess liquidity**