Citi Global Financial Conference

November 20, 2013

AGNC
NASDAQ
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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 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 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.

Capital Stock Highlights

American Capital Agency

IPO DATE:
MAY 2008

IPO PRICE:
$20.00

TOTAL DIVIDENDS PAID / DECLARED SINCE IPO[1]:
$26.96

NET ASSET VALUE PER SHARE[2]:
$25.27

TOTAL EQUITY CAPITAL[2]:
$9.7 BILLION

STOCK TICKER:
AGNC

EXCHANGE:
NASDAQ

Summary

American Capital Agency Corp. is a real estate investment trust that invests in and manages a levered portfolio of residential mortgage securities for which the principal and interest payments are guaranteed by a U.S. government-sponsored entity (Fannie Mae, Freddie Mac) or a U.S. government agency (Ginnie Mae).

Our Investment Strategy

- Invest across the Agency MBS universe
- Relative value approach to asset selection
- Actively manage the portfolio
- Leverage and hedging strategies that are actively managed based on portfolio composition and market risks

Our Team

- Senior investment professionals have worked together for the majority of their careers and, on average, have 20 years of investment experience across the residential mortgage universe
- Previously managed one of the world's largest portfolios of residential mortgage related investments

Our Fee Structure

- 1.25% on equity
- No incentive fee

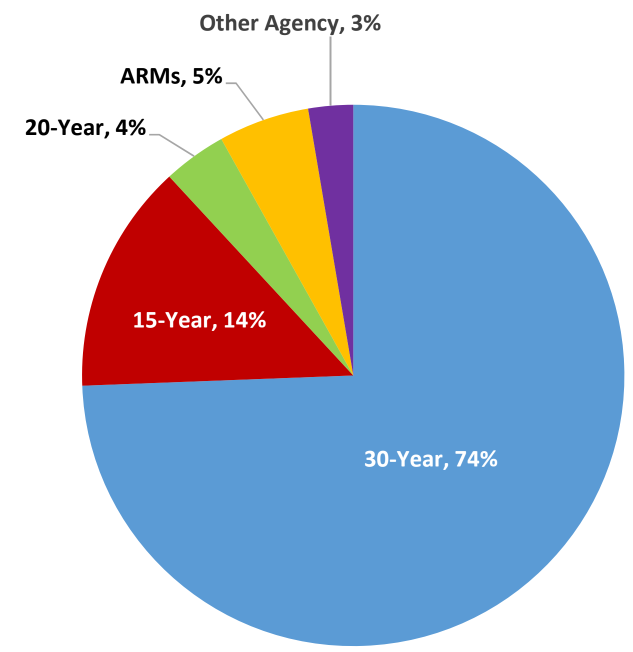
1. As of October 28, 2013
2. As of September 30, 2013. "Net Asset Value" and "Total Equity Capital" net of 8.000% Series A Cumulative Redeemable Preferred Stock ("Series A Preferred Stock") aggregate liquidation preference of $173 million

OVERVIEW OF THE US MORTGAGE MARKET

Overview of the US Mortgage Market

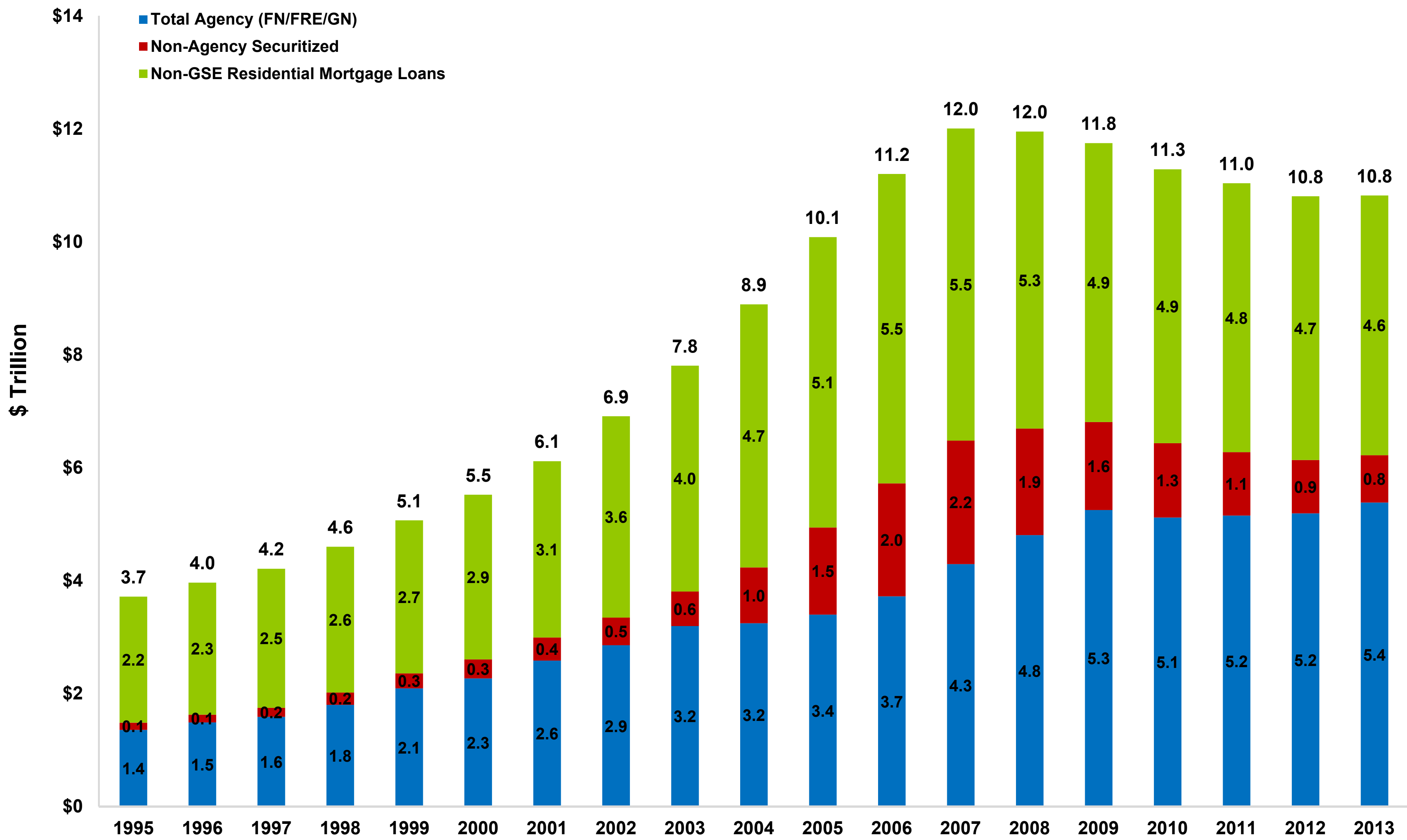
- The vast majority of mortgages in the United States are fixed-rate with original terms of 15 and 30 years
- Most US mortgages amortize over the life of the loan and require borrowers pay both interest and principal on a monthly basis
- Borrowers have the option to refinance their mortgages if interest rates fall
  - ✓ typically with no prepayment penalty
- The fixed term coupled with prepayment risk distinguishes mortgages from other fixed-income assets
- The US Government currently guarantees (explicitly or implicitly) over 50% of all mortgages in the US [1]
  - ✓ A $5 Trillion Agency MBS Market [1]

Breakdown of the Agency MBS Market [2]



1. Source: Citi Research estimates, September 30, 2013
2. Agency MBS market includes FN, FRE and GNMA securities. Source: Nomura Securities, as of September 30, 2013

U.S. Residential Mortgage Market

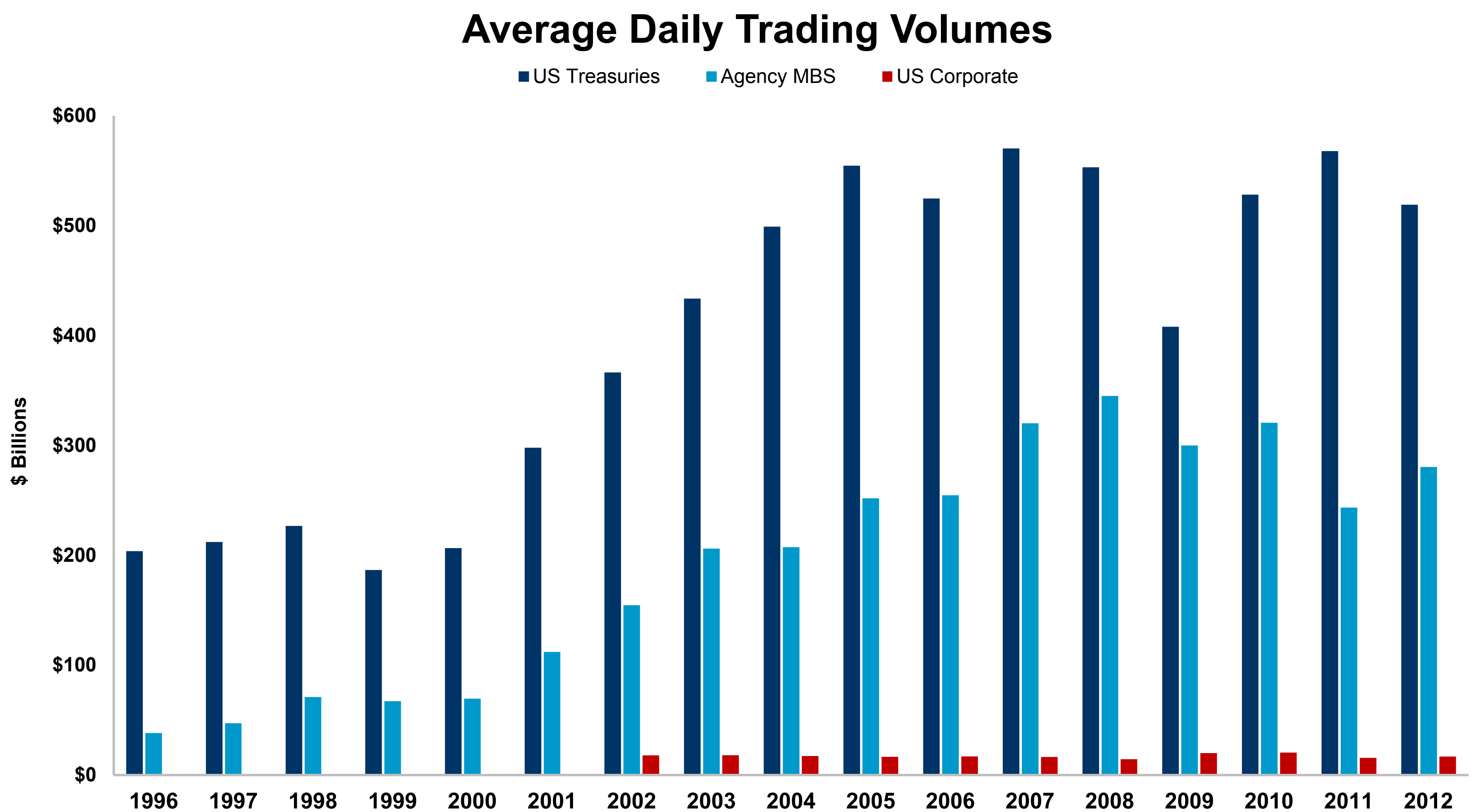


American Capital Agency

Source: Citi Research estimates, September 30, 2013

Liquidity of the Agency MBS Market

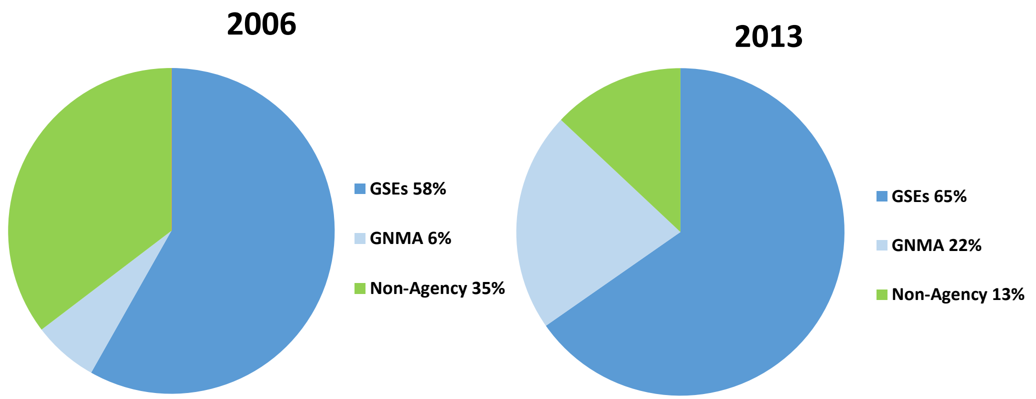
Behind the U.S. Treasury market, the Agency MBS market is the second most liquid fixed income market in the world



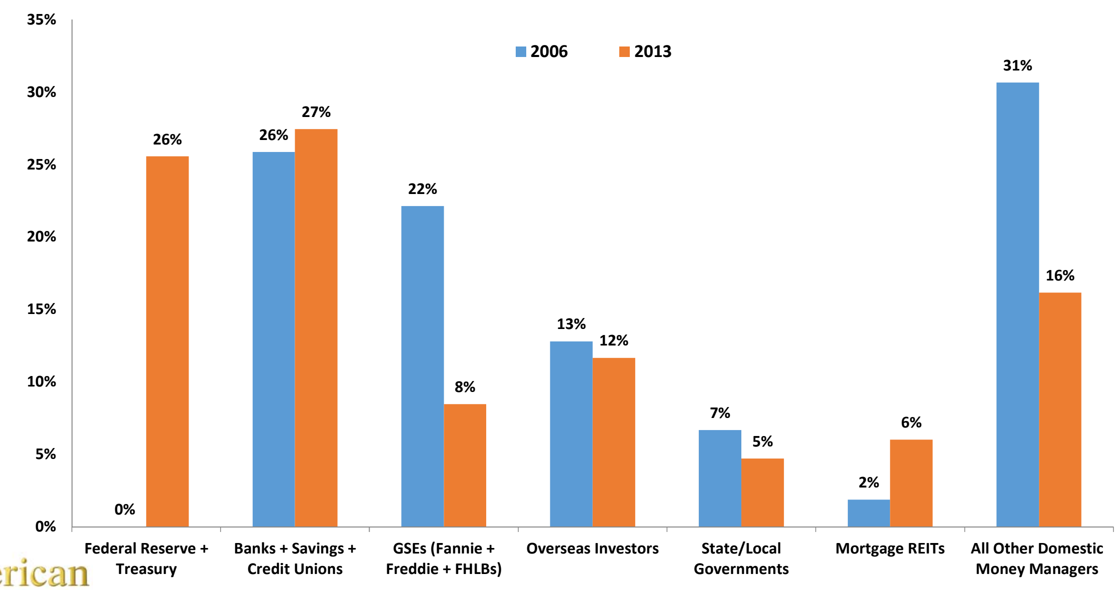
Sources: SIFMA, Federal Reserve Bank of New York, Municipal Securities Rulemaking Board, FINRA TRACE
Primary dealer activity; Excludes all issues with maturities of one year or less and convertible securities; Totals may not add due to rounding
As of October 2011, agency trading activity is no longer limited to primary dealer activity; Includes non-agency RMBS and CMBS; Includes ABS, CDOs, and other

Current Agency MBS Landscape

Breakdown of the U.S. Mortgage Market [1]



Ownership Structure of the Agency MBS Market [2]



- **As a result of the crisis, the RMBS market is now dominated by Agency MBS**
  - ✓ Agency MBS now comprise 87% of total RMBS
- **The outstanding legacy Non-Agency MBS have and will likely continue to decline**
- **Post crisis, the most obvious changes to the holders of Agency MBS are:**
  - ✓ the massive FED involvement
  - ✓ the decline in GSE holdings
  - ✓ the emergence of the REITs
  - ✓ reduced holdings by domestic money managers

1. Securitized mortgage securities; Source: KDS LLC and Nomura Securities Estimates; Does not include Whole Loans; as of Sept. 30, 2013
2. Source: Nomura Securities Estimates; as of Sept. 30, 2013

AGNC Portfolio And Hedge Composition

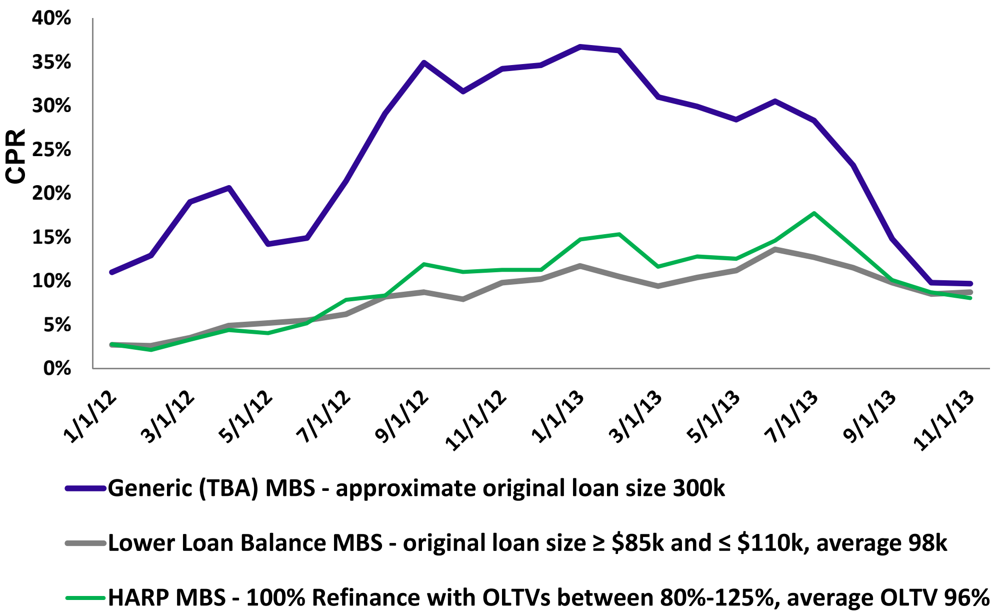
Our Business Model

- **We purchase agency MBS, fund positions with agency MBS repo, and hedge the majority of our interest rate exposure**
- **We utilize leverage to enhance returns**
  - ✓ Average leverage of approximately 8x over past 5 years
  - ✓ Repo advance rates on AGNC MBS of approximately 95%
  - ✓ Approximately 50% of our capital available to meet margin calls in stressful scenarios
- **We hedge a significant amount of our interest rate risk with swaps, swaptions, and treasuries**
  - ✓ Duration gap of approximately 1 year as of Sept 30, 2013
  - ✓ Notional balance of hedges covered approximately 90% of UPB of assets as of Sept 30, 2013

The Importance of Asset Selection and Prepayments

Securities with the same term and coupon can exhibit very different prepayment characteristics in different rate environments

Prepayment Speeds on 2011 FNMA 30yr 4.0% Coupons [1]



30 Year 4.0% MBS – At TBA Price

	10 CPR	20 CPR	30 CPR	40 CPR
Asset Yield[2]	3.17%	2.64%	2.02%	1.33%
Cost of Funds[3]	-1.85%	-1.85%	-1.85%	-1.85%
Net Margin	1.32%	0.79%	0.17%	-0.52%
ROE (7.5x Lev)	13.07%	8.57%	3.30%	-2.57%

**The hypothetical ROEs listed above are for illustrative purposes only to show the effect of prepayment speeds on yields, spreads, and ROEs at two different price levels with the cost of funds held constant to simplify the analysis. The prepayment speeds displayed in the table above are hypothetical and actual speeds for both generic and slower collateral (such as lower loan balance or HARP securities) could differ materially from those shown above and even fall outside of the range of CPRs listed above. Securities purchased at higher prices would produce substantially worse returns in the absence of significant prepayment differences.*

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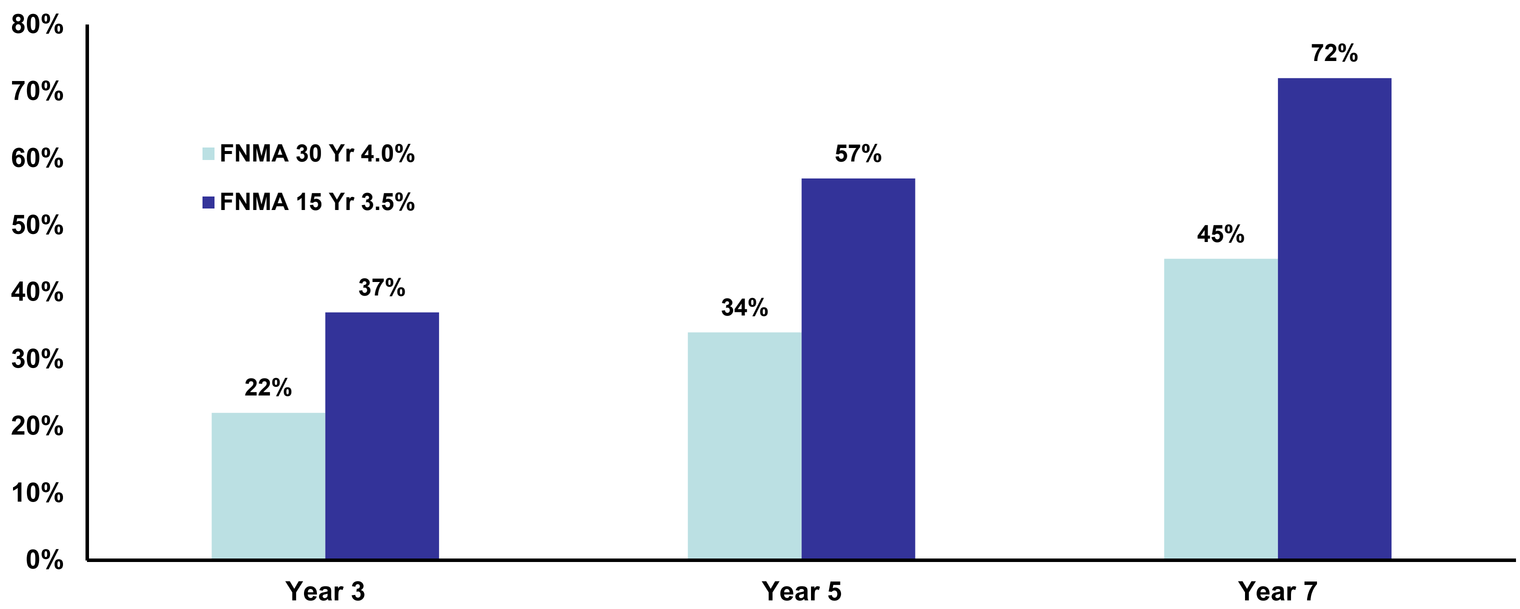
1. Source: JP Morgan; Weighted average actual 1 month annualized CPR released at the beginning of the month
2. FNCL 4.0% TBA – 104-27+, close of business pricing Sept 30, 2013, for settlement on Oct 10, 2013
3. Assumes a blend of repo funding and swap hedges and is held constant for illustrative purposes

Asset Composition Also Drives Return of Principal

15-year MBS return principal at a much faster rate than 30-year MBS, which provides greater capacity to redeploy capital in a post QE3 rising rate environment

Hypothetical Cumulative Principal Paydown
15-Year MBS vs. 30-Year MBS as a % of Original Principal Balance [1]



- **Reinvestment capacity critical in a post QE3 environment**
- **Shorter amortization schedule and faster borrower turnover for 15-year MBS provide added reinvestment flexibility in a rising rate environment**
- **Risk profile of 15-year versus 30-year MBS supports the use of higher leverage**

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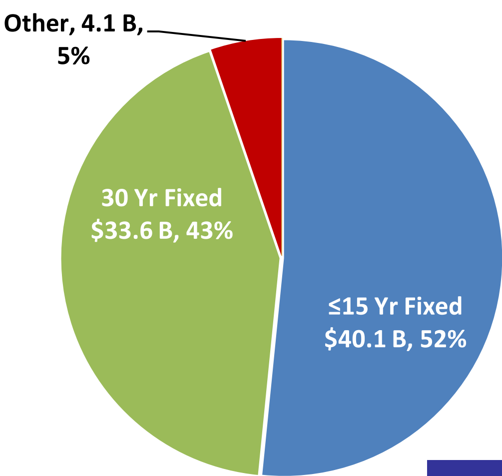
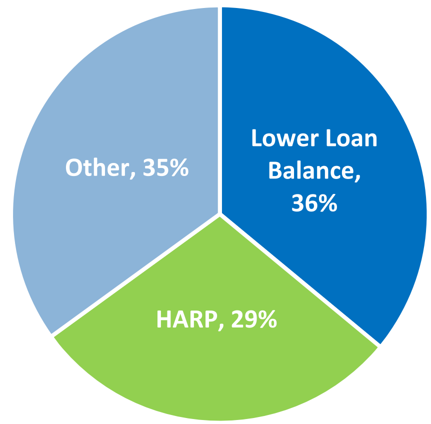
1. The hypothetical examples in the table above are derived from models that are dependent on inputs and assumptions and, accordingly, actual results could differ materially from these estimates. The examples in the table above are represented by 30-year FNMA 4.0% and 15-year FNMA 3.5% MBS with the following Day 1 characteristics and assumptions: 30-year 4.0% MBS with a 4.5% WAC, 330 WAM, 30 WALA and 6 CPR. 15-year 3.5% MBS with a 4.0% WAC, 150 WAM, 30 WALA and 8 CPR.

Q3 2013 Portfolio Update

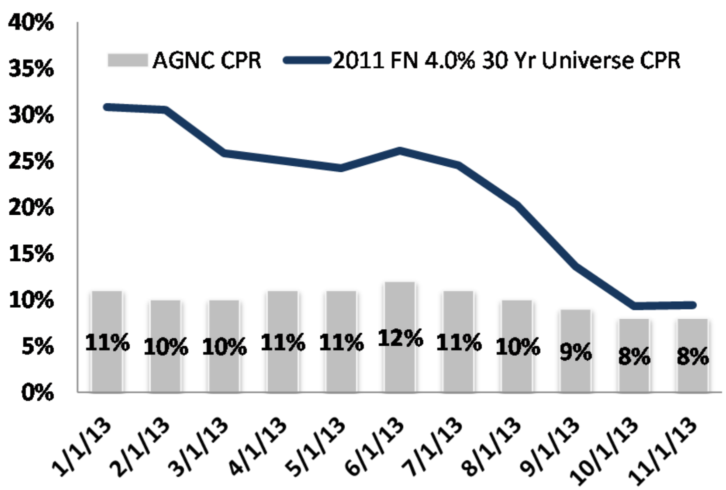
$77.8 B Portfolio
MBS ($85.0 B, 109%) & Net TBA Position (-$7.3 B, -9%)
As of 9/30/13



≤ 15 Year and 30 Year Portfolio
Prepay Protection - Lower Loan Balance [1] and HARP [2]
As of 9/30/13



AGNC Actual CPR [3] vs. Universe CPR



1. Lower loan balance defined as pools backed by original loan balance of up to $150 K. Wtd/avg original loan balance of $100 K for ≤15-year and $97 K for 30-year securities as of Sept 30, 2013
2. HARP defined as pools backed by 100% refinance loans with original LTVs ≥ 80%. Wtd/avg original LTV of 102% for ≤15-year and 101% for 30-year securities as of Sept 30, 2013. Includes $1.0 B and $2.1 B of ≤15-year and 30-year securities with >105 LTV pools, respectively, which are not deliverable into TBA securities.
3. Wtd/avg actual 1 month annualized CPR released at the beginning of the month based on the securities held as of the preceding month-end

AGNC Portfolio Composition vs. Universe

Asset Composition will be critical to performance as we begin the transition to a post QE mortgage market

30-Year MBS			
Coupon	**AGNC vs. Universe[1]**	**Universe[2]**	**AGNC[3]**
3.00	underweight	17%	8%
3.50	neutral	18%	19%
4.00	neutral	14%	14%
4.50	underweight	12%	6%
>= 5.0	underweight	20%	1%
Total – 30-Year MBS	**underweight**	**81%**	**48%**

15-Year MBS			
Coupon	**AGNC vs. Universe[1]**	**Universe[2]**	**AGNC[3]**
2.50	overweight	7%	15%
3.00	overweight	5%	8%
3.50	overweight	3%	21%
4.00	overweight	2%	7%
4.50	neutral	2%	1%
Total – 15-Year MBS	**overweight**	**19%**	**52%**

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1. Neutral weight equals +/- 2%
2. Universe is all deliverable FN/FRE securities and nondeliverable MHA. Excludes all other nondeliverable FN/FRE securities; Source: Citi Research as of 9/30/2013
3. AGNC portfolio composition on-balance sheet as of 9/30/2013 (excludes TBAs)

Interest Rate Risk Management

A significant portion of the extension risk inherent in our mortgage portfolio is mitigated by our hedges and, in particular, our swaptions

Hedge Portfolio Summary
As of Sept 30, 2013 - $ in millions

	Notional/ Market Value 9/30/2013	Duration [1] 9/30/2013
Swaps	**$ (50,200)**	**(4.7)**
Treasury Securities	**3,022**	**7.5**
Treasury Futures	**(2,186)**	**(6.3)**
Mortgage Option	**(50)**	**(5.1)**
Swaptions	**(20,200)**	**(2.6)**
Total / Q3 2013	**$ (69,614)**	**(3.6)**

Duration Gap Sensitivity [2, 3]
As of Sept 30, 2013

	Duration 9/30/2013	Rates Up 100 Bps	Rates Up 200 Bps
Mortgage Assets:[4]			
30-Year MBS	5.8	7.0	7.4
15-Year MBS	4.1	4.7	4.8
Total Mortgage Assets	**4.8**	**5.7**	**5.9**
Liabilities, Swaps and Treasuries	(3.2)	(3.2)	(3.2)
Net Duration Gap without Swaptions	**1.6**	**2.5**	**2.7**
Swaptions	(0.7)	(1.3)	(1.5)
Net Duration Gap with Swaptions	**0.9**	**1.2**	**1.2**

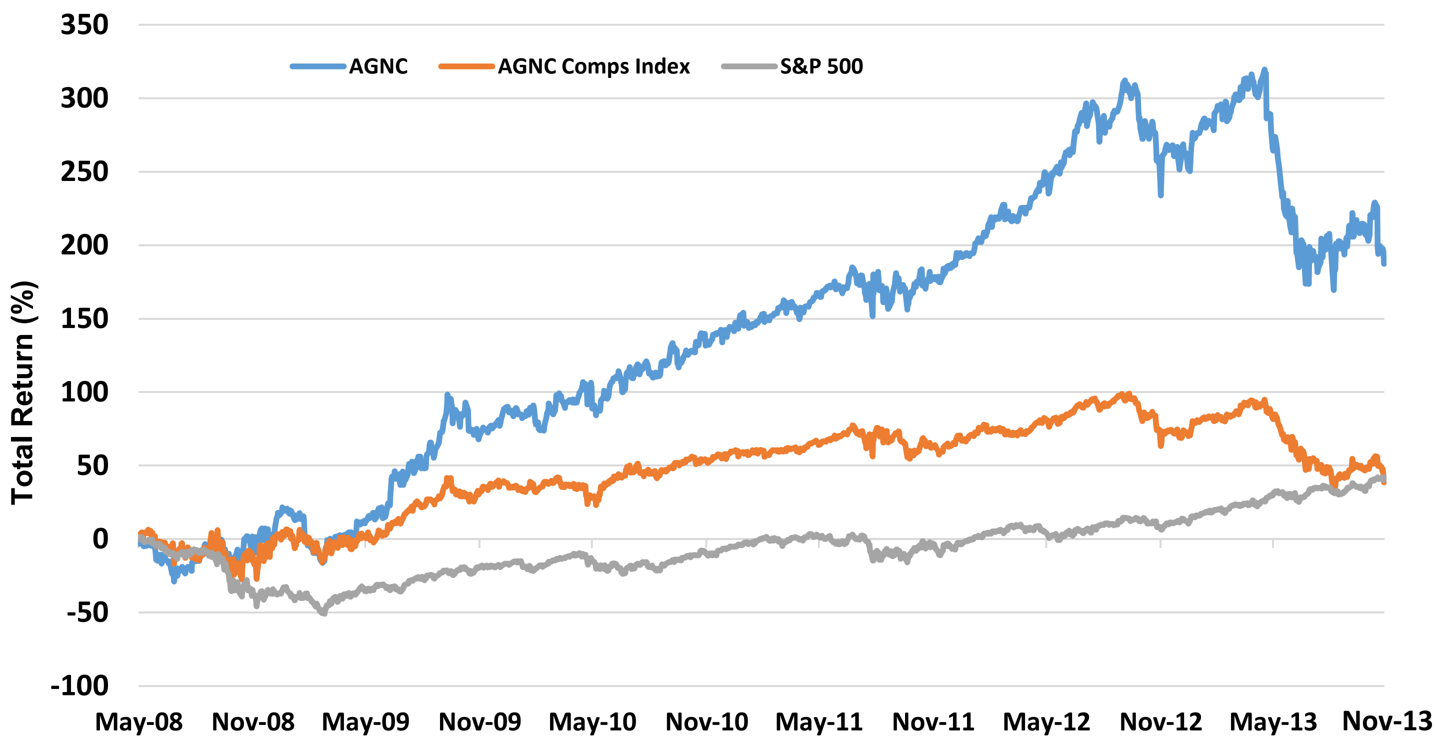
1. Duration is a model estimate of interest rate sensitivity measured in years as of a point in time (see supplemental slides at the end of this presentation for additional information)
2. Durations are expressed in years. Liability, swap, U.S. Treasury and swaption durations are expressed in asset units
3. The estimated durations included in the table above are as of a point in time and 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. The sensitivity analysis assumes an instantaneous change in interest rates and, consequently, does not include the potential impact of ongoing portfolio rebalancing actions
4. Mortgage assets include net TBA position. 15-Year MBS position includes 20-Year fixed rate MBS

AGNC Performance and Current Market Landscape

Total Stock Return Since Inception

Since its IPO, AGNC has had a Total Return of 187% versus the AGNC Comps Index and S&P 500 Total Return of 39% and 42%, Respectively

Total Returns
May 14, 2008 – November 8, 2013

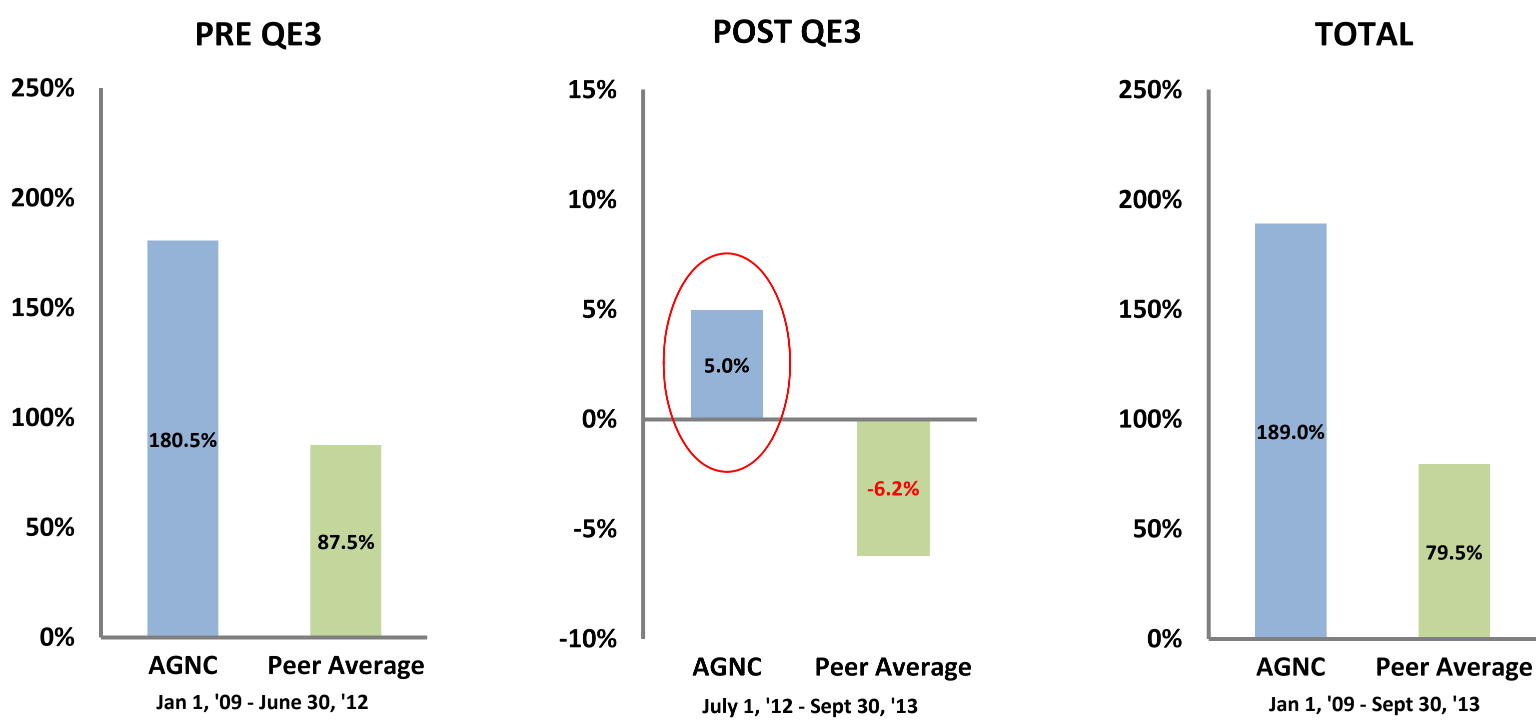


Source: SNL Financial; Total return of a security over a period, including price appreciation and the reinvestment of dividends. Dividends are assumed to be reinvested at the closing price of the security on the ex-date of the dividend. AGNC Comps Index is comprised of ANH, ARR, CMO, CYS, HTS and NLY on an unweighted basis.

Total Economic Returns: Pre and Post QE3

AGNC's economic return since inception and through the recent challenging environment has outperformed our peer group due in part to AGNC's active approach to portfolio management

AGNC vs. Peer Group Average
Historical Economic Returns
Jan 1, 2009 – Sept 30, 2013 [1]



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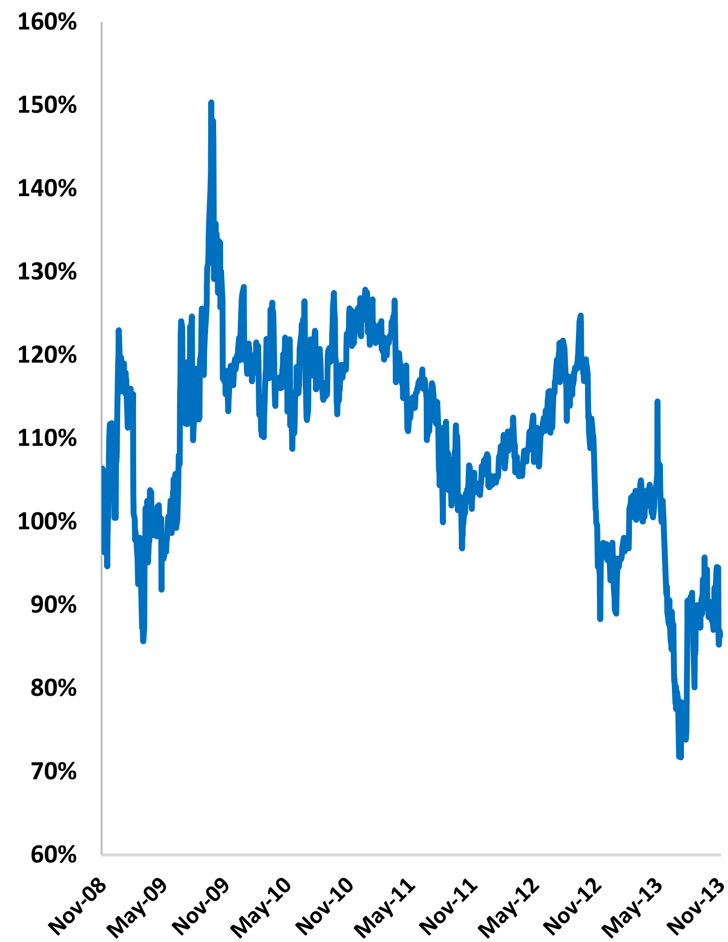
1. Economic return on common equity represents the sum of the change in net asset value per common share and dividends declared on common stock during the period over the beginning net asset value per common share. Peer group average consists of HTS, CMO, NLY, ANH, CYS and ARR on an unweighted basis

AGNC's Price to Book Ratio

AGNC's stock price is trading at a significant discount to book value essentially allowing investors to purchase its portfolio of assets at a discount to current security trading levels

- **AGNC's portfolio is comprised of fixed-rate agency MBS:**
  - ✓ Independent valuations are widely observable
  - ✓ Assets are extremely liquid
- **Share repurchases are accretive and can generate material long term value for shareholders**
  - ✓ During Q3 2013, we repurchased $263 million of our stock
  - ✓ As of Sept. 30, 2013 we had $653 million in remaining Board authorized repurchases
- **Given the liquidity of our assets, additional capacity for share repurchases can be generated by asset sales with minimal transaction costs**

AGNC Price to Book [1]



1. Source: SNL Financial, November 4, 2008 – November 4, 2013.

Near Term Outlook Is Very Dependent on the Fed

Economic Growth Regains Momentum and Fed Tapers In Near Future - Dec or Jan

Fed Tapers In March/April

Economic Growth Fails to Pick Up and Fed Does Not Taper Prior to June

Probability	Low	Low - Medium
10-Year Rate in Early 2014	Moderate Increase 2.5% to 3.0%	Flat to Lower 2.0% to 2.5%
Yield Curve in Early 2014	Steepens	Flattens
Gross Fed MBS Purchases From Nov 2013 Through 2014	$350 to $450 Billion	$650 to $850 Billion
Expected Agency MBS Impact	▪ Mortgage prices decline ▪ Prepayments slow further ▪ Mortgage originations slow to $75 - $90 billion/month ▪ Mortgage spreads widen but spread movements are likely significantly less violent given previous portfolio rebalancing and slower originations	▪ Mortgage prices increase ▪ Prepayments on higher coupon MBS increase but prepayment risk unlikely to be significant for market ▪ Mortgage originations increase to $100 - $120 billion/month but still dramatically lower than the $150 billion average in Q1-2013
Optimal Short Term Positioning	▪ Lower leverage ▪ High concentration of low spread duration assets: • Higher share of 15-year fixed rate MBS • Lower share of lower coupon fixed rate 30-year MBS ▪ High hedge ratio: • Low duration gap • Minimal extension risk • Hedges concentrated in 5-15 year part of Curve	▪ Higher leverage ▪ High concentration of lower coupon 30-year fixed rate MBS ▪ Lower hedge ratio • Larger positive duration gap • Lower percentage of longer term hedges

The views expressed above are of the AGNC investment team as of the date of this presentation, and should not be interpreted as forecasts or investment advice. Opinions expressed may change without notice.

Longer Term Outlook More Predictable

While the short term outlook is difficult to predict, we do believe that asset positioning for the intermediate to longer term (2 - 5 years) is more straightforward

- **After the next year or two, it is very likely that the Fed will no longer be purchasing significant quantities of MBS and, therefore, the private sector will have to absorb a greater share of the MBS market**
- **At the same time:**
  - ✓ Interest rates are likely to gradually increase
  - ✓ Bank capital requirements will be higher and inclusion of accumulated OCI charges will likely reduce the capacity of large banks to hold MBS
  - ✓ The share of non-agency MBS will be growing and these investments will require considerably more capital given lower available leverage on private label MBS
  - ✓ A greater share of private capital will be redeployed into mortgage credit risk under most scenarios
- **For all these reasons, we expect the ROE on new agency investments to be very attractive 2 – 5 years from now and we want to be sure that we have substantial capital to put to work in that environment**

APPENDIX

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 bps 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, the actual duration of both assets and liabilities (including hedges) may differ materially from the model estimates
  - Duration and convexity calculations generally assume all rates move in a parallel fashion (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 and models 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**
  - Base models, settings and market inputs are provided by Blackrock
  - Blackrock periodically adjusts these models as new information becomes available
  - AGNC management makes adjustments to the Blackrock model for certain securities as needed
  - Please refer to our most recent Form 10-K and 10-Q filed with the SEC for additional information on risk measures
- **The inputs and results from these models are not audited by our independent auditors**