



Q4 2008 Shareholder Presentation

February 4, 2009

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 AGNC's Registration Statement on Form S-11, as amended, filed with the Securities and Exchange Commission ("SEC") on May 14, 2008 and our periodic reports filed with the SEC. Copies are available on the SEC's website at www.sec.gov. The Company 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, 2008. Historical results discussed in this presentation are not indicative of future results..

Investor Call Participants

Name	Title	Experience
Malon Wilkus	Chairman, Chief Executive Officer and President	<ul style="list-style-type: none"> ▪ Founder of American Capital; CEO and President since inception in 1986
John Erickson	Executive Vice President Chief Financial Officer	<ul style="list-style-type: none"> ▪ EVP & CFO of American Capital since 1998 ▪ Former CFO of Storage USA, Inc., formerly a publicly-traded REIT
Bob Grunewald	Vice President	<ul style="list-style-type: none"> ▪ Managing Director of the Financial Services Group of American Capital since 2006 ▪ Former Managing Director of Wachovia Securities where he ran the Specialty Finance Investment Banking practice
Gary Kain	Senior Vice President and Chief Investment Officer	<ul style="list-style-type: none"> ▪ Managing Director of American Capital ▪ Formerly SVP of Investments and Capital Markets of Federal Home Loan Mortgage Corporation ("Freddie Mac") ▪ Also served as SVP of Mortgage Investments & Structuring of Freddie Mac from February 2005 to April 2008. ▪ Mr. Kain's group was responsible for managing all of Freddie Mac's mortgage investment activities for the company's \$700 billion retained portfolio. ▪ Previously, Mr. Kain was also the head trader in Freddie Mac's Securities Sales & Trading Group

Overview of AGNC

Structure and Investment Objective

- ◆ Agency REIT Externally-Managed by an Affiliate of American Capital, Ltd. (Nasdaq: ACAS)
 - ◆ Generate Attractive Risk-Adjusted Returns
 - ◆ Distribute Income Through Quarterly Dividends
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Asset Class and Investment Portfolio

- ◆ Invest Exclusively in Agency Securities Guaranteed by Ginnie Mae, Fannie Mae and Freddie Mac
 - ◆ Capitalize on Discrepancies in the Relative Valuations in the Agency Securities Market
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Leverage and Capitalization

- ◆ Leverage of 5.2x as of 12/31/08
- ◆ Board approval needed to exceed 10x leverage
- ◆ Repurchase agreements with 14 global financial institutions as of 12/31/08

Q4 2008 Highlights

- ◆ Declared and Paid a Dividend of \$1.20 per Share
- ◆ \$0.73 per Share of Net Income
- ◆ \$0.47 per Share Related to Our Option Strategy
 - ✓ All positions closed out as of 12/31/08
- ◆ 16.5% annualized ROE*
- ◆ Annualized Net Interest Rate Spread of 1.19%**
 - ✓ As of December 31, 2008 annualized net interest rate spread of 1.46%**
- ◆ \$1.6 B Investment Portfolio as of December 31, 2008
- ◆ 5.2x leverage as of December 31, 2008
- ◆ \$17.20 Book Value per Share as of December 31, 2008

Inception-to-Date 2008* Highlights

- ◆ Declared and Paid a Dividend of \$2.51 per Share
- ◆ \$2.36 per Share of Net Income
- ◆ \$0.78 per Share Related to Our Option Strategy
- ◆ 21.4% annualized ROE **
- ◆ Annualized Net Interest Rate Spread of 2.41%***
- ◆ \$0.29 per Share of Undistributed Taxable Income
 - ✓ To be paid out as a dividend in 2009

Fundamentals of Mortgage Investing

Successful MBS Investing

Asset Selection

- ◆ **Superior Asset Selection is Critical to Generating Attractive Returns**
 - ✓ Relative Value Within Mortgage Market
 - ✓ Individual Security Selection Within Subsectors
- ◆ **Broad-based Analysis of Mortgage and Fixed Income Markets**
 - ✓ Macro Mortgage Market Trends
 - ✓ American Capital Provides Unique Insight Into Economy

Risk Management

- ◆ **Proper Assessment of Market Risks Integral to Generating Attractive Risk Adjusted Returns**
- ◆ **Balance Protecting Book Value While Managing Income at Risk**
- ◆ **Understanding Spread Risk and Prepayment Uncertainty are Critical**

Funding / Leverage

- ◆ **Prudent Use of Leverage**
- ◆ **Asset Selection is Critical to the Availability of Attractive Funding**
- ◆ **Appropriate Risk Management and Hedging Strategies are Crucial**

Investment Portfolio → 100% Agency MBS

- ✓ **Fannie Mae, Freddie Mac and Ginnie Mae**

Market Commentary

- ◆ **4Q08 began with mortgage spreads and volatility at historical highs**
 - ✓ Repo financing was tight and extremely expensive; and
 - ✓ Agency securities considered “cheap” by most historical standards
- ◆ **During the quarter, the U.S. Government enacted several significant liquidity programs, which started to stabilize the market and brought funding levels down considerably**
 - ✓ Rate move critical to rally in the mortgage market
 - 5-year U.S. Treasury fell 150 basis points and 5-year swap rates fell 187 basis points during 4Q08
 - One-month LIBOR fell 356 basis points (10/01/08 to 12/31/08)
 - ✓ In late November, the Federal Reserve announced that it would buy \$500B of agency MBS, causing MBS prices to fully participate in the rally
 - ✓ Volatility in the mortgage market, has fallen considerably since October 2008 highs
- ◆ **In the current environment, agency MBS valuations while closer to historical norms still provide good investment opportunities but there is some uncertainty:**
 - ✓ **U.S. Government purchases:** The Federal Reserve’s \$500B agency MBS purchase program in 1H09 and the potential fallout when the program is completed – mortgage prices expected to drop
 - ✓ **Prepayments:** Mortgage rates are close to the lowest in history, however, it is unclear to what extent people will be able to take advantage of these rates

Asset Mix

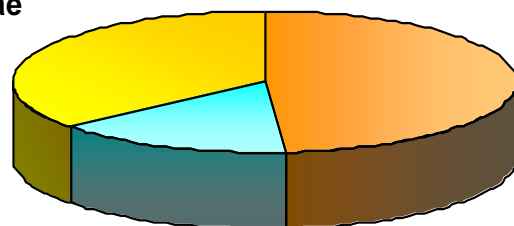
Relative Value in Fixed Rate Premium Securities

- ◆ \$1.6 B Portfolio with 4.24% Weighted Average Yield During Q4 2008
- ◆ 100% Fixed Rate Portfolio with 102.0% Weighted Average Cost Basis
- ◆ 36% Expected CPR Over the Remaining Life of the Investments as of December 31, 2008
 - ✓ 13% actual CPR for Q4 2008

As of 12/31/08 (\$ in Millions)	Amortized Cost Basis				Weighted Average	
	Par Value	\$ Amount	Pur. Price	Fair Value	Coupon	Yield*
Fannie Mae	\$750.5	\$762.0	101.5%	\$762.6	6.07%	4.67%
Freddie Mac	239.7	243.5	101.6%	242.9	6.10%	4.75%
Ginnie Mae	548.7	564.6	102.9%	567.9	6.17%	3.47%
Total / Wtd Avg	\$1,538.9	\$1,570.1	102.0%	\$1,573.4	6.11%	4.24%

(At Fair Value)

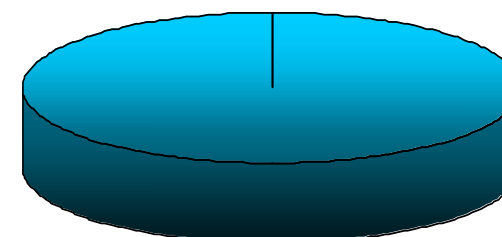
Ginnie Mae
36%



Freddie Mac
15%

Fannie Mae
49%

Floating Rate
0%



Fixed Rate
100%

* Weighted average yield during Q4 2008 which incorporates future prepayment assumptions.

Financing and Hedging Summary

Diversified Funding Sources

- ◆ **\$1.3 B of Repurchase Agreements Outstanding**
 - ✓ 14 agreements in total
 - No more than 8% of our equity is at risk with any one counterparty
 - ✓ 23 weighted average days to maturity
- ◆ **5.2x Leverage (Debt to Equity) as of December 31, 2008**
- ◆ **\$0.7 B Notional Value of Swaps**
 - ✓ 48% of the repurchase agreements outstanding

(\$ in Millions) Original Repo Maturities	Repo Outstanding	Interest Rate	WA Days to Maturity
30 Days or less	\$97.1	3.00%	15 Days
31 – 59 Days	482.5	2.32%	17 Days
60 – 90 Days	741.7	2.20%	28 Days
Greater than 90 Days	25.0	2.10%	41 Days
Total / Wtd Avg	\$1,346.3	2.30%	23 Days

(\$ in Millions) Swap Term	Notional Amount	Pay Rate	Receive Rate
1 – 2 Years	\$550.0	3.42%	1.00%
3 – 4 Years	50.0	4.37%	1.44%
4 – 5 Years	50.0	4.54%	1.20%
Total / Wtd Avg	\$650.0	3.58%	1.05%

Business Economics

(unaudited)	Q4 2008	As of 12/31/08	Inception-to-Date 2008 *
Asset Yield	4.24%	4.98%	5.04%
Cost of Funds **	(3.05)%	(3.52)%	(2.63)%
Net Interest Rate Spread	1.19%	1.46%	2.41%
Leverage	5.1x	5.2x	5.7x
Leveraged Net Interest Rate Spread	6.11%	7.63%	13.82%
Plus: Asset Yield	4.24%	4.98%	5.04%
Gross ROE Before Expenses	10.35%	12.61%	18.86%
Other Income	9.32%	-	6.07%
Management Fees as a % of Equity	(1.39)%	(1.44)%	(1.36)%
Other Operating Expenses as a % of Equity	(1.82)%	(1.86)%	(2.13)%
Total Operating Expenses as a % of Equity	(3.21)%	(3.30)%	(3.49)%
Net Return on Equity	16.46%	9.31%	21.44%
Dividend / Share	\$1.20	-	\$2.51

Income Statement

(\$ in millions, except per share data) (unaudited)	Q4 2008	Q3 2008	Inception-to-Date * 2008
Interest Income	\$17.1	\$28.1	\$55.1
Interest Expense	(10.3)	(11.0)	(24.9)
Net Interest Income	6.8	17.1	30.2
Gain (Loss) from Sale of Agency Securities, net	0.0	(0.2)	0.1
Gain from Derivative Instruments, net	6.3	4.3	10.8
Total Other Income	6.3	4.1	10.9
Management Fee	(0.9)	(0.9)	(2.2)
General and Administrative Expenses	(1.2)	(1.4)	(3.5)
Total Operating Expenses	(2.1)	(2.3)	(5.7)
Net Income	\$11.0	\$18.9	\$35.4
Basic and Diluted Shares Outstanding	15.0	15.0	15.0
Net Income per Common Share – Basic and Diluted	\$0.73	\$1.26	\$2.36
Dividends per Share	\$1.20	\$1.00	\$2.51

* For the period from May 20, 2008 (date operations commenced) through December 31, 2008

Balance Sheet

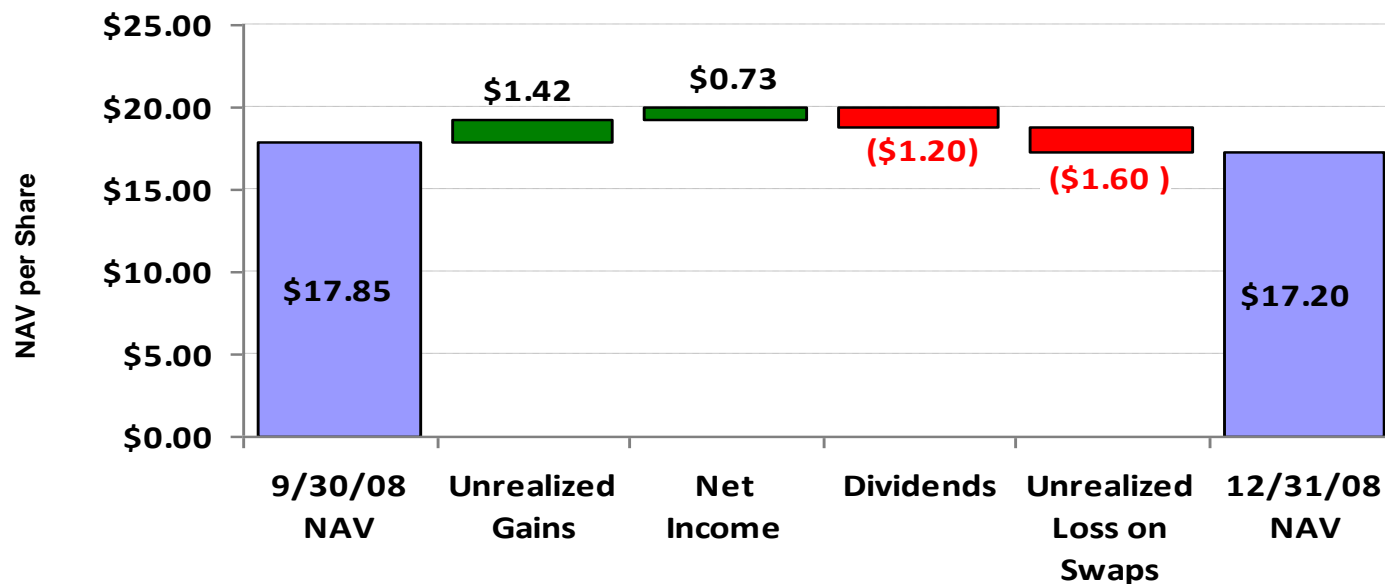
(unaudited) (\$ in millions)	As of 12/31/08	As of 9/30/08
Agency Securities, at Fair Value (\$1,488.9 and \$1,500.4 pledged under repurchase and derivative agreements, respectively)	\$1,573.4	\$1,624.1
Cash and Cash Equivalents (\$18.7 and \$18.9 restricted, respectively)	74.7	35.9
Derivative Assets, at Fair Value	0.0	2.9
Other Assets	8.2	62.5
Total Assets	\$1,656.3	\$1,725.5
Repurchase Agreements	\$1,346.3	\$1,434.4
Derivative Liabilities, at Fair Value	29.3	5.1
Dividend Payable	18.0	15.0
Other Liabilities	4.5	3.1
Total Liabilities	1,398.1	1,457.6
Stockholders' Equity	258.2	267.9
Total Liabilities and Stockholders' Equity	\$1,656.3	\$1,725.5
<i>Other Key Metrics:</i>		
Leverage	5.2x	5.4x
Equity to MBS Portfolio	16.4%	16.5%
Return on Equity	21.4%*	28.3%**
Book Value Per Share	\$17.20	\$17.85

* Annualized Return on Equity for the stub period from May 20, 2008 through December 31, 2008.

** Annualized Return on Equity for the stub period from May 20, 2008 through September 30, 2008.

Stockholders' Equity

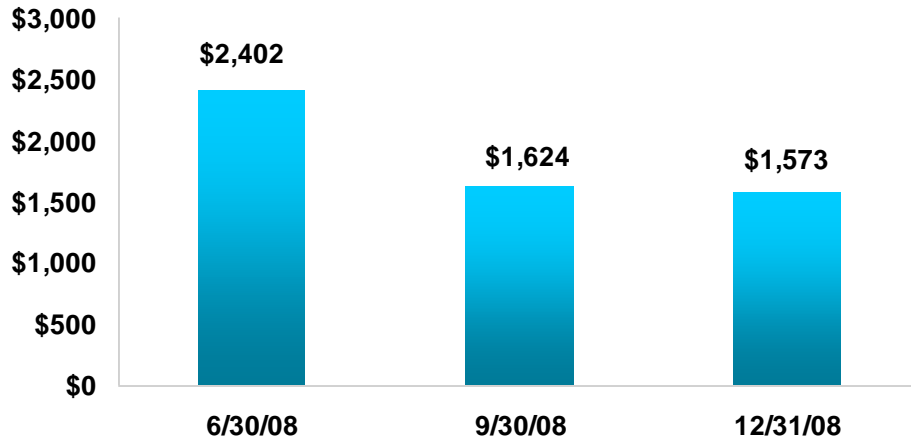
(\$ in millions) (unaudited)		
Roll Forward of Stockholders' Equity	\$'s	Per Share
Balance – September 30, 2008	\$267.9	\$17.85
Net Income	11.0	0.73
Unrealized Gain on Available-for-sale Securities	21.3	1.42
Unrealized Loss on Swaps	(24.0)	(1.60)
Dividends Declared	(18.0)	(1.20)
Balance – December 31, 2008	\$258.2	\$17.20



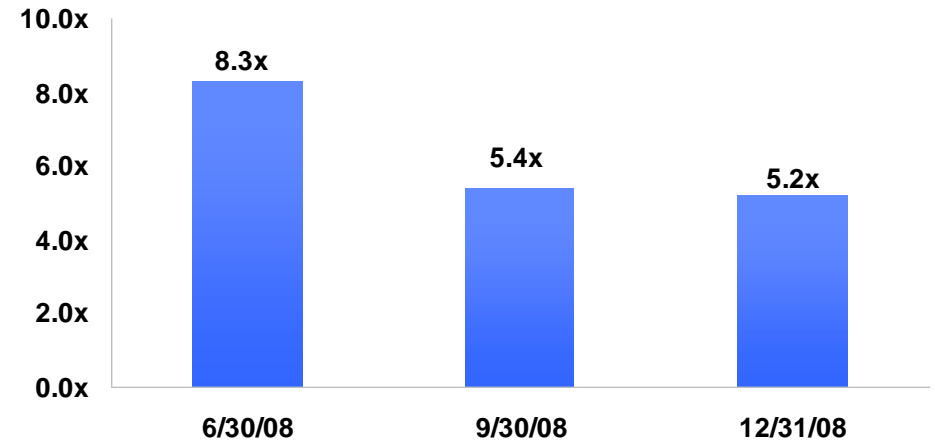
AGNC Historical Overview

(\$ in millions)

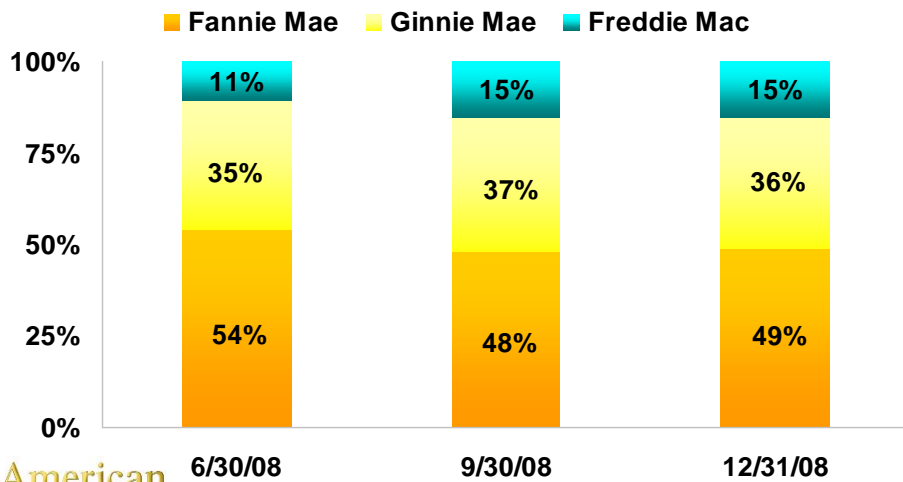
Agency Securities Portfolio



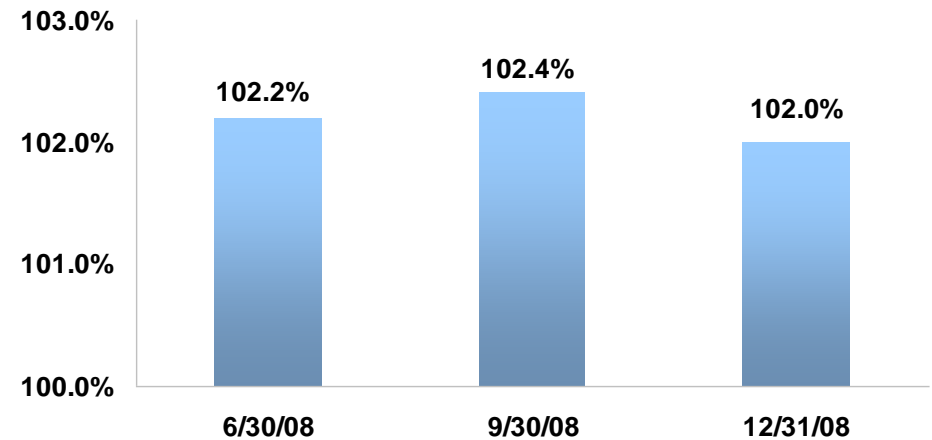
Leverage



GSE % Breakout (at Fair Value)

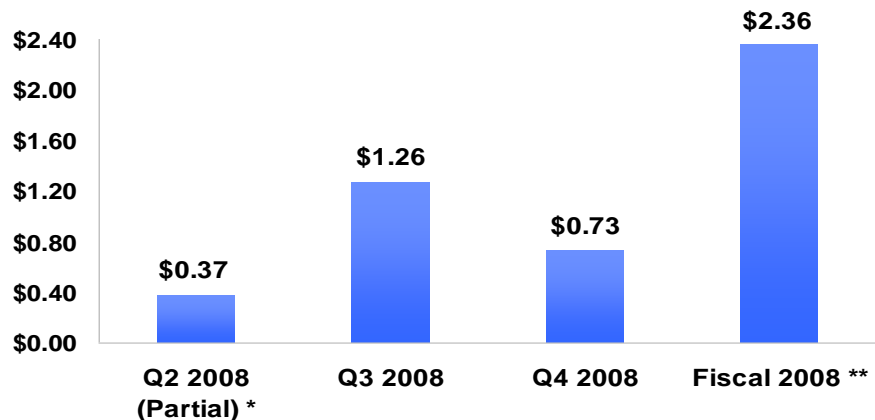


Amortized Cost Basis

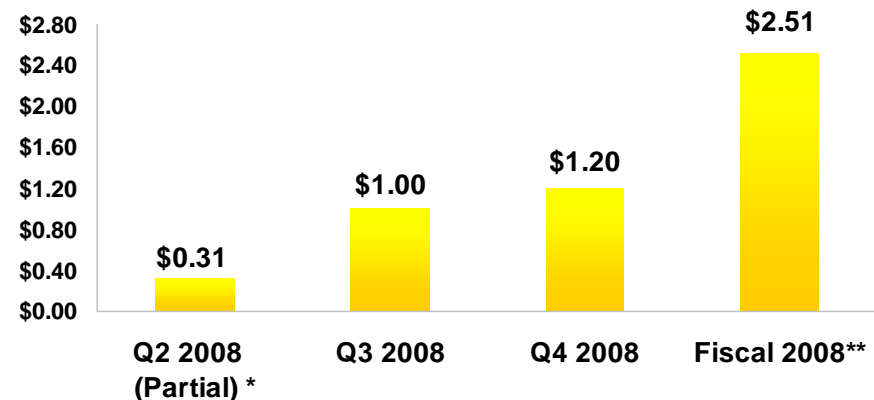


AGNC Historical Overview

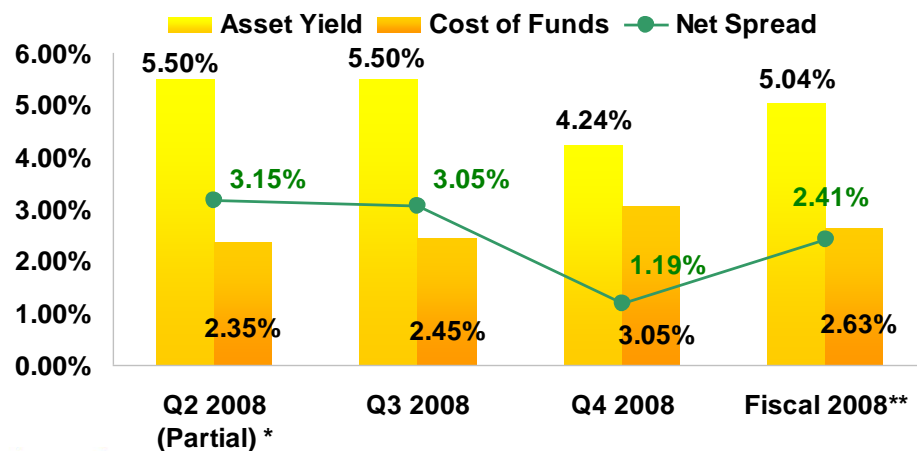
Earnings per Share (EPS)



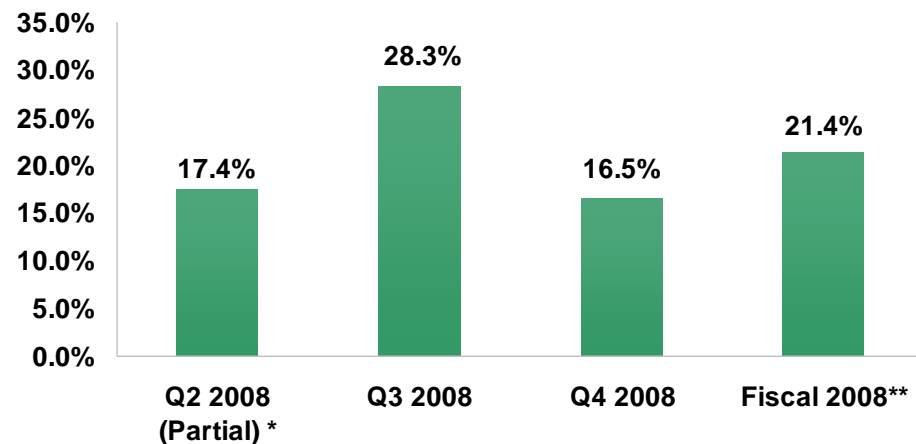
Dividend per Share



Net Spread



Return on Equity (ROE)



*Reflects the shortened "stub" period from the closing of the Company's initial public offering ("IPO") and concurrent private placement on May 20, 2008 through June 30, 2008. On average, the portfolio was deployed for approximately 27 days during the stub period.

**Represents the period from May 20, 2008 (date operations commenced) through December 31, 2008.

2009 Market Outlook

- ◆ **AGNC believes that volatility in the mortgage market has decreased significantly since Q4 2008 which has greatly improved liquidity**
 - ✓ Repo pricing declined dramatically as 1-month LIBOR fell over 350 basis points since October 1, 2008
- ◆ **As a result, AGNC expects to increase its leverage profile during 2009 seeking to capitalize on current market opportunities while also diversifying its investment portfolio**
- ◆ **AGNC believes there are compelling returns in certain sectors of the agency MBS market:**
 - ✓ **Premium coupon fixed rate agency MBS are expected to deliver attractive yields with low duration and spread risk – prepayment uncertainty is key risk**
 - Certain seasoned and specified agency pass-throughs offer superior yield profile to TBA pools – call-protection and specific asset selection is key to enhanced returns
 - ✓ **Despite low levels of production, AGNC will seek to opportunistically enhance the risk / return profile of the portfolio mainly via seasoned hybrids ARMs**