American Capital Agency

Q2 2015 Stockholder Presentation

July 28, 2015

AGNC NASDAQ LISTED

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" or the "Company"). All forward-looking statements included in this presentation are made only as of the date of this presentation and are subject to change without notice. Certain important factors that could cause actual results to differ materially from those contained in the forward-looking statements are included in our periodic reports filed with the Securities and Exchange Commission ("SEC"). Copies are available on the SEC's website at www.sec.gov. AGNC disclaims any obligation to update such forward-looking statements unless required by law.

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

Capital Stock Highlights

American Capital Agency

Type / Stock Ticker:
Common Stock / AGNC

Exchange:
NASDAQ

IPO Date:
May 2008

IPO Price:
$20.00 Per Share

Total Dividends Paid Since IPO [1]:
$31.50 Per Share

Net Asset Value [2]:
$24.00 Per Share

Total Equity Capital [2]:
$8.4 B

American Capital Agency

Type / Name:
8.000% Series A Cumulative Redeemable Preferred Stock

Preferred Stock Ticker:
AGNCP

Per Annum Dividend Rate:
8.000% Payable Quarterly

Exchange:
NASDAQ

Total Dividends Paid Since Offering [1]:
$6.556 Per Share

Public Offering Price:
$25.00 Per Share

Shares Outstanding:
6.9 Million

American Capital Agency

Type / Name:
7.750% Series B Cumulative Redeemable Preferred Stock

Preferred Stock Ticker:
AGNCB

Per Annum Dividend Rate:
7.750% Payable Quarterly

Exchange:
NASDAQ

Total Dividends Paid Since Offering [1]:
$2.29809 Per Depositary Share

Public Offering Price:
$25.00 Per Depositary Share [3]

Depositary Shares Outstanding:
7.0 Million

American Capital Agency

* As of June 30, 2015 unless otherwise indicated

1. As of July 15, 2015
2. "Net Asset Value" and "Total Equity Capital" are net of the 8.000% Series A Cumulative Redeemable Preferred Stock ("Series A Preferred Stock") and the 7.750% Series B Cumulative Redeemable Preferred Stock ("Series B Preferred Stock") liquidation preference of $173 and $175 million, respectively
3. Each depositary share outstanding represents a 1/1,000th interest in a share of Series B Preferred Stock

Q2 2015 HIGHLIGHTS

- **$(0.97) Comprehensive Loss per Share, Comprised of:**
  - ✓ $1.43 net income per share
  - ✓ $(2.40) other comprehensive loss ("OCI") per share
    - Includes net unrealized losses on investments marked-to-market through OCI
- **$0.60 Net Spread and Dollar Roll Income per Share, Excluding Estimated "Catch-Up" Premium Amortization Benefit [1]**
  - ✓ Includes $0.15 per share of dollar roll income associated with a $6.0 B average net long position in forward purchases and sales of Agency MBS in the "to-be-announced" ("TBA") market [2]
  - ✓ Excludes $0.10 per share of estimated "catch-up" premium amortization benefit due to change in projected constant prepayment rate ("CPR") estimates
- **$24.00 Net Book Value per Share as of June 30, 2015**
  - ✓ Decreased $(1.53) per share, or -6.0%, from $25.53 per share as of Mar 31, 2015
- **$0.62 Dividend Declared per Share**
  - ✓ 13.5% annualized dividend yield based on June 30, 2015 closing stock price of $18.37 per share
- **-3.6% Economic Loss on Common Equity for the Quarter, or -14.3% Annualized**
  - ✓ Comprised of $0.62 dividend per share and $(1.53) decrease in net book value per share
- **4.0 Million Shares of Common Stock Repurchased during the Quarter**
  - ✓ Represents 1% of common shares outstanding as of Mar 31, 2015
  - ✓ $19.86 per share average repurchase price, inclusive of transaction costs

Note: Per share amounts included throughout this presentation are per common share, unless otherwise indicated

1. Represents a non-GAAP measure. Refer to the supplemental slides later in this presentation for a reconciliation and further discussion of non-GAAP measures
2. Dollar roll income (loss) is based on our net long (short) TBA position and is recognized in gain (loss) on derivative instruments and other securities, net

Q2 2015 Other Highlights

- **$59.2 B Agency MBS Investment Portfolio as of June 30, 2015**
  - ✓ Includes $7.1 B net long TBA mortgage position as of June 30, 2015
- **6.1x "At Risk" Leverage as of June 30, 2015 [1,2]**
  - ✓ 5.3x leverage excluding net long TBA mortgage position as of June 30, 2015
- **11.6% Portfolio CPR for the Quarter**
  - ✓ 8.3% average projected portfolio life CPR as of June 30, 2015
- **1.74% Annualized Net Interest Rate Spread for the Quarter, Including TBA Dollar Roll Income [3]**
  - ✓ Includes 24 bps of "catch-up" premium amortization benefit due to change in projected CPR estimates
  - ✓ Compares to 1.53% annualized net interest spread for the first quarter of 2015, inclusive of -11 bps of "catch-up" premium amortization cost

1. Leverage calculated as sum of Agency MBS repurchase agreements ("repo"), net payable/receivable for Agency securities not yet settled, and other debt divided by the sum of total stockholders' equity less the fair value of investments in REIT equity securities. Leverage excludes U.S. Treasury repo
2. "At risk" leverage includes the components of "leverage," plus our net TBA position (at cost)
3. Net interest rate spread and TBA dollar roll income calculated as the average asset yield, less average cost of funds (actual and implied). Average cost of funds includes Agency MBS repo, TBA implied cost of funds, other debt and periodic swap interest costs. Cost of funds excludes other supplemental hedges (such as swaptions), U.S. Treasury positions and U.S. Treasury repos

MARKET INFORMATION

Security	6/30/14	9/30/14	12/31/14	3/31/15	6/30/15	Q2 2015 ∆ Rate % / Price [1]
Treasury Rates						
2 Yr UST	0.46%	0.58%	0.67%	0.56%	0.64%	+0.08% / -0.15
3 Yr UST	0.86%	1.06%	1.08%	0.88%	0.99%	+0.11% / -0.33
5 Yr UST	1.62%	1.78%	1.65%	1.37%	1.63%	+0.26% / -1.21
10 Yr UST	2.52%	2.51%	2.17%	1.93%	2.33%	+0.40% / -3.47
30 Yr UST	3.34%	3.21%	2.75%	2.54%	3.10%	+0.56% / -10.69
15 Year Fixed Rate Mortgages						
2.50%	101.59	100.55	101.81	102.71	101.17	-1.54
3.00%	103.88	102.98	103.91	104.83	103.57	-1.26
3.50%	105.98	105.11	105.61	106.09	105.44	-0.65
4.00%	106.17	105.69	106.06	105.59	105.06	-0.53

Security	6/30/14	9/30/14	12/31/14	3/31/15	6/30/15	Q2 2015 ∆ Rate % / Price [1]
Swap Rates						
2 Yr Swap	0.58%	0.83%	0.89%	0.81%	0.89%	+0.08% / -0.17
3 Yr Swap	0.99%	1.31%	1.29%	1.11%	1.24%	+0.13% / -0.38
5 Yr Swap	1.70%	1.95%	1.77%	1.53%	1.77%	+0.24% / -1.12
10 Yr Swap	2.61%	2.65%	2.29%	2.03%	2.44%	+0.41% / -3.75
30 Yr Swap	3.31%	3.20%	2.70%	2.39%	2.92%	+0.53% / -11.02
30 Year Fixed Rate Mortgages						
3.00%	98.77	98.59	101.22	102.25	99.58	-2.67
3.50%	102.92	102.23	104.28	105.05	103.02	-2.03
4.00%	106.11	105.41	106.75	106.92	105.91	-1.01
4.50%	108.30	107.91	108.56	109.08	108.09	-0.99

- **Option adjusted spreads on Agency MBS widened significantly during Q2 2015**
- **The Barclays Agency MBS Index total return for Q2 2015 was the second worst quarter over the last 7 years**

Option Adjusted Spread Change [2] Q2 2015 (bps)

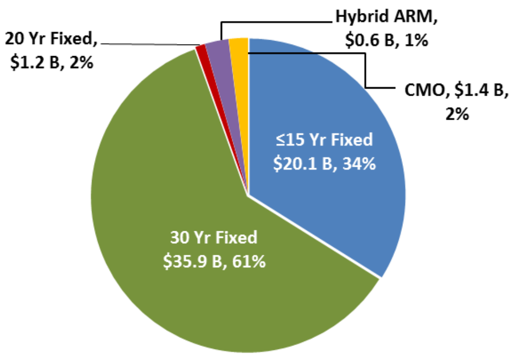
	15 Yr MBS	30 Yr MBS
FN TBA 2.5%	9	N/A
FN TBA 3.0%	10	18
FN TBA 3.5%	7	21
FN TBA 4.0%	N/A	13
FN TBA 4.5%	N/A	24

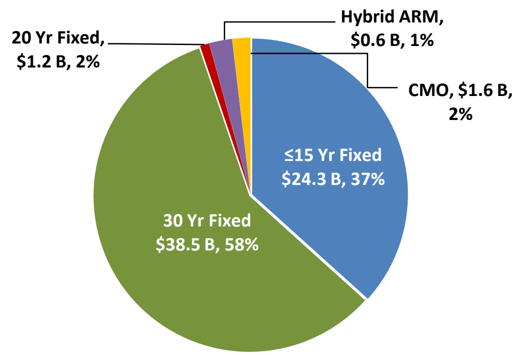
American Capital Agency

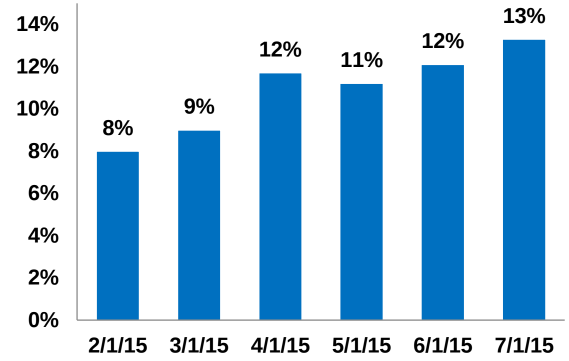
1. Note: Price information is provided for illustrative purposes only. Pricing information is as of 3:00 PM on such date, is for generic instruments and is not meant to be reflective of securities held by AGNC. Prices can vary materially depending on the source. Source: Barclays; Change in Treasury and swap prices derived from Constant Maturity Treasury and Constant Maturity Swap and DV01 from JPM
2. Source: Unweighted average of Citi, JP Morgan, Credit Suisse and Barclays daily OAS close valuations

Q2 2015 Portfolio Update

As of 6/30/15 $59.2 B Portfolio MBS ($52.1 B, 88%) & Net TBA Position ($7.1 B, 12%)	As of 3/31/15 $66.2 B Portfolio MBS ($61.4 B, 93%) & Net TBA Position ($4.9 B, 7%)	AGNC Actual CPR [1]







≤15 Year - $20.1 B Portfolio (34% of Total) as of 6/30/15

($ In Millions) Coupon	FMV	%	% LB / HARP [2,3]	WALA [4]	July '15 1 M Actual CPR [1]	Life Forecast CPR [5]
2.5%	$5,218	26%	43%	33	10%	8%
3.0%	4,981	25%	70%	37	13%	9%
3.5%	5,094	25%	90%	46	14%	10%
≥4.0%	4,624	23%	89%	55	16%	11%
≤15 Year MBS	19,917	99%	73%	42	13%	9%
Net Long TBA	135	1%	N/A	N/A	N/A	N/A
Total ≤15 Year	**$20,052**	**100%**	N/A	N/A	N/A	N/A

30 Year - $35.9 B Portfolio (61% of Total) as of 6/30/15

($ in Millions) Coupon	FMV	%	% LB / HARP [2,3]	WALA [4]	July '15 1 M Actual CPR [1]	Life Forecast CPR [5]
≤ 3.0%	$3,069	9%	5%	25	9%	6%
3.5%	11,474	32%	73%	29	9%	7%
4.0%	12,210	34%	61%	27	16%	8%
≥4.5%	2,222	6%	82%	57	19%	9%
30 Year MBS	28,975	81%	61%	30	13%	7%
Net Long TBA	6,923	19%	N/A	N/A	N/A	N/A
Total 30 Year	**$35,898**	**100%**	N/A	N/A	N/A	N/A

1. Wtd/avg actual 1 mth annualized CPR released at the beginning of the mth based on the securities held as of the preceding mth-end, excluding net TBA position
2. Lower balance ("LB") loans defined as pools backed by original loan balances of up to $150K. Wtd/avg original loan balance of $98K for ≤15-year and $97K for 30-year securities as of June 30, 2015.
3. HARP defined as pools backed by 100% refinance loans with original LTVs ≥ 80%. Wtd/avg original LTV of 110% for ≤15-year and 120% for 30-year securities as of June 30, 2015.
4. WALA represents the weighted average loan age presented in months. Excludes net TBA position
5. Average projected life CPR as of June 30, 2015. Excludes net TBA position

American Capital Agency

Financing Summary

Our financing position is very strong, with significant access to attractive repo funding across a wide range of counterparties and financing terms

- Weighted average repo cost totaled 0.45% as of June 30, 2015, an increase from 0.41% as of Mar 31, 2015
- Repo counterparties totaled 36 as of June 30, 2015, an increase from 34 counterparties as of Mar 31, 2015
- Weighted average days to maturity totaled 177 days as of June 30, 2015, an increase from 164 days as of Mar 31, 2015
- Membership of our wholly-owned subsidiary to the Federal Home Loan Bank of Des Moines was approved during Q2 2015

Repurchase Agreements [1]
As of June 30, 2015 - $ in millions

Months to Maturity	Repo Outstanding %	Repo Outstanding $	Interest Rate	Average Days to Maturity
≤ 1	49%	$22,061	0.40%	15
> 1 to ≤ 3	26%	11,879	0.40%	55
> 3 to ≤ 6	7%	3,084	0.53%	132
> 6 to ≤ 9	4%	1,829	0.49%	239
> 9 to ≤ 12	4%	1,763	0.57%	300
> 12 to ≤ 24	2%	803	0.63%	493
> 24 to ≤ 36	1%	717	0.64%	894
> 36 to ≤ 48	2%	750	0.70%	1,257
> 48 to ≤ 60	5%	2,300	0.72%	1,601
Total / Wtd Avg	**100%**	**$45,186**	**0.45%**	**177**
As of Mar 31, 2015				
Total / Wtd Avg	100%	$54,331	0.41%	164

American Capital Agency

1. Table excludes repurchase agreements of $5.0 B and $3.8 B associated with U.S. Treasury positions as of June 30, 2015 and Mar 31, 2015, respectively

HEDGING SUMMARY

OUR HEDGES ARE DESIGNED TO MITIGATE BOOK VALUE FLUCTUATIONS DUE TO INTEREST RATE CHANGES AND ARE NOT DESIGNED TO PROTECT AGAINST MARKET VALUE FLUCTUATIONS IN OUR ASSETS CAUSED BY CHANGES IN THE SPREAD BETWEEN OUR INVESTMENTS AND OTHER BENCHMARK RATES, SUCH AS SWAP AND TREASURY RATES, WHICH IS A RISK THAT IS INHERENT TO OUR BUSINESS [1]

- **Our interest rate hedge portfolio totaled $48.4 B and covered 84% of our repo, other debt and net TBA position as of June 30, 2015, an increase from 78% as of Mar 31, 2015**
  - ✓ **Interest Rate Swaps**
    - $44.9 B notional pay fixed swaps, unchanged from prior quarter
    - Covered 78% of repo, other debt and net TBA position as of June 30, 2015
  - ✓ **Payer Swaptions**
    - $5.5 B notional payer swaptions
    - Net increase of $0.3 B from prior quarter
  - ✓ **Receiver Swaptions**
    - No remaining receiver swaptions
    - Net decrease of $0.8 B from prior quarter
  - ✓ **Treasury Securities and Futures**
    - $2.0 B net long treasury position market value
    - Compared to a $24 MM net long treasury position as of Mar 31, 2015

Hedge Portfolio Summary
As of June 30, 2015 - $ in Millions

	Notional/ Market Value 6/30/2015	Duration 6/30/2015 [2]	Net Hedge Gains/ (Losses) Q2 2015 [3]	Net Hedge Gains/ (Losses) Per Share Q2 2015
Interest Rate Swaps	$(44,925)	(4.5)	$560	$1.59
Payer Swaptions	(5,450)	(1.1)	13	0.04
Receiver Swaptions	--	--	(13)	(0.04)
Treasury Securities	2,894	8.0	(98)	(0.28)
Treasury Futures	(921)	(6.4)	15	0.04
Total / Q2 2015 [4]	**$(48,402)**	**(3.2)**	**$477**	**$1.35**
As of Mar 31, 2015 / Q1 2015				
Total / Q1 2015 [4]	$(49,351)	(3.0)	$(683)	$(1.94)

1. The amount of interest rate protection provided by our hedge portfolio may vary considerably based on our management's judgment, asset composition and general market conditions
2. 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)
3. Net hedge gains/losses in the table above exclude periodic swap costs (a component of net spread income), TBA dollar roll income/loss and mark-to-market gains/losses on our net TBA dollar roll position
4. Total duration is expressed in asset unit equivalent

American Capital Agency

MANAGING DURATION RISK

WE ACTIVELY MANAGE OUR EXPOSURE TO BOTH EXTENSION AND CONTRACTION RISK [1]

Duration Gap Sensitivity [2,3]
As of June 30, 2015

	Rates - 100 bps	Duration 6/30/2015	Rates + 100 bps	Rates + 200 bps
Mortgage Assets: [4]				
30-Year MBS	3.3	5.3	6.6	7.0
15-Year MBS	2.5	3.6	4.2	4.4
Total Mortgage Assets	**3.0**	**4.6**	**5.6**	**6.0**
Liabilities and Hedges	(3.7)	(3.6)	(3.8)	(4.0)
Net Duration Gap	**(0.7)**	**1.0**	**1.8**	**2.0**
As of Mar 31, 2015				
Net Duration Gap	**(1.7)**	**0.2**	**1.6**	**2.2**

- **Ongoing portfolio rebalancing actions allow us to further mitigate our interest rate exposure**

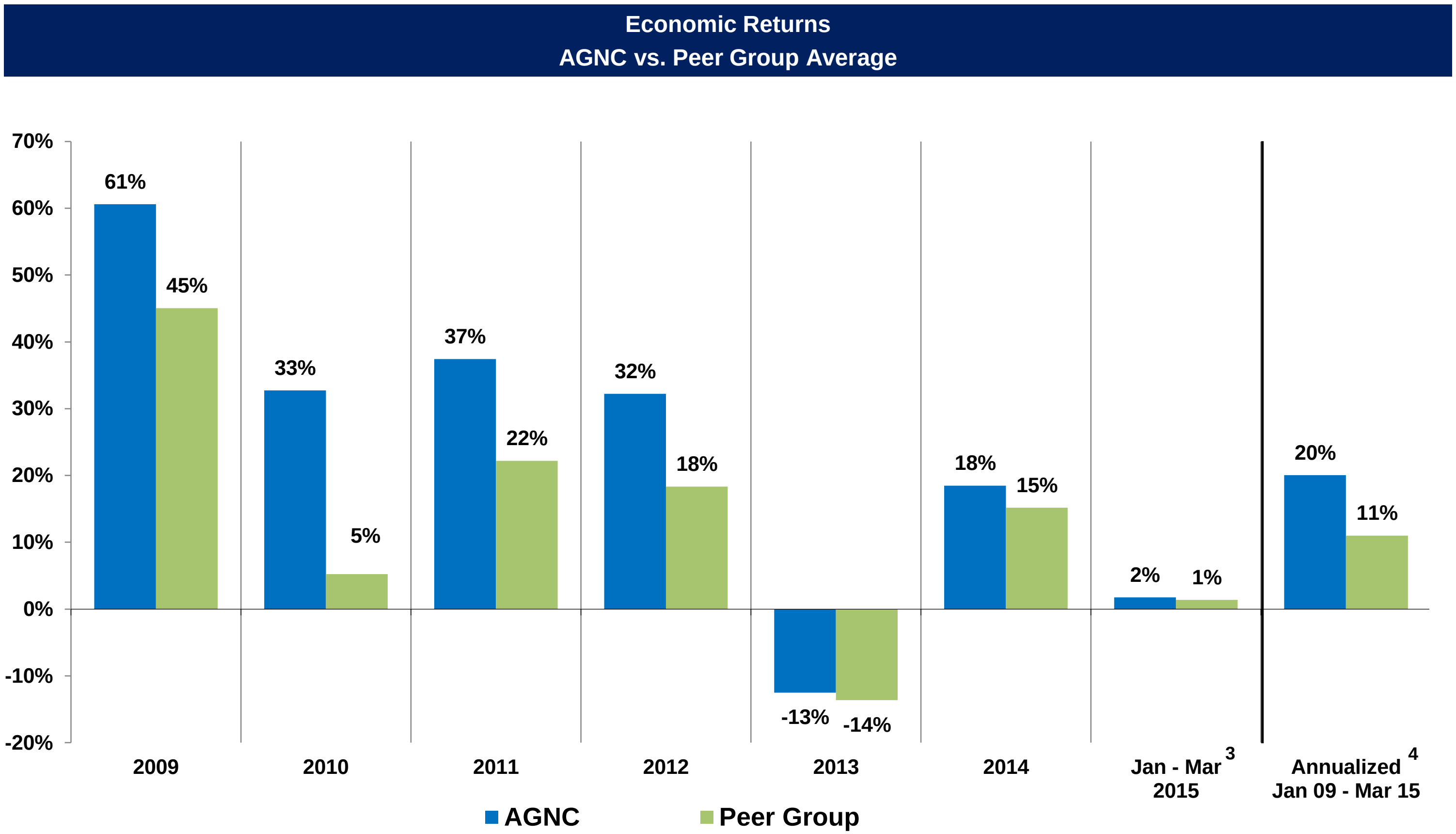
American Capital Agency

1. Extension risk is the risk that the duration of a mortgage security increases in a rising rate environment and, conversely, contraction risk is the risk that the duration of a mortgage security shortens in a falling interest rate environment
2. Durations are expressed in years. Liability, swap, U.S. Treasury and swaption durations are expressed in asset unit equivalents
3. 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). The sensitivity analysis assumes an instantaneous parallel shift 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, ARMs and CMOs

Supplemental Slides

AGNC Economic Returns vs. Peer Group Average [1,2]

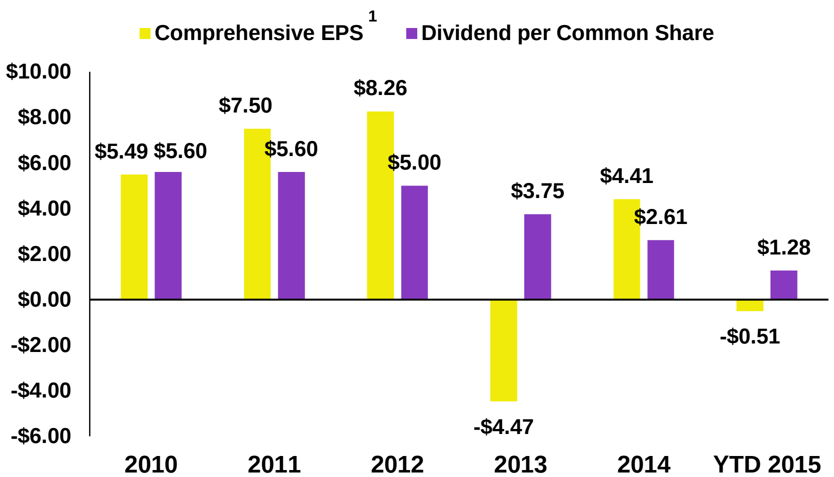
AGNC has consistently outperformed the Peer Group Average, due in part to AGNC's active approach to portfolio management

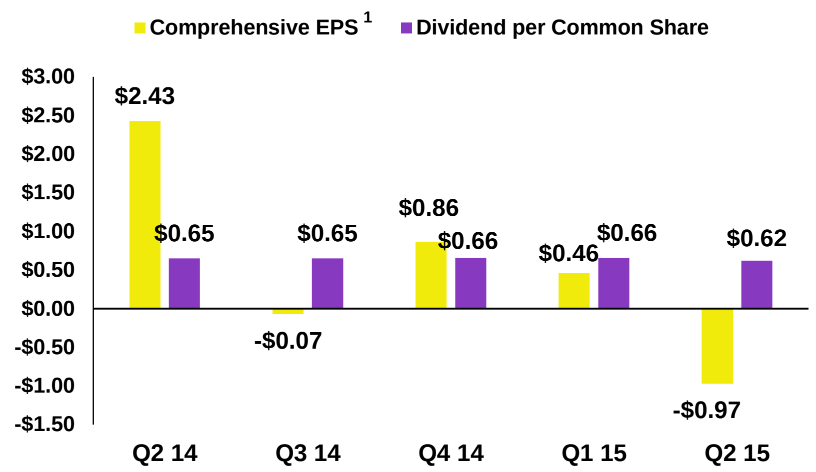


1. Economic return on common equity represents the sum of the change in net asset value per common share and dividends declared on common stock during the period over the beginning net asset value per common share
2. Peer group average consists of HTS, CMO, NLY, ANH, CYS and ARR on an unweighted basis
3. Not annualized
4. Total AGNC and Peer Group economic return for the period of Jan 09 – Mar 15 was 213% and 92%, respectively

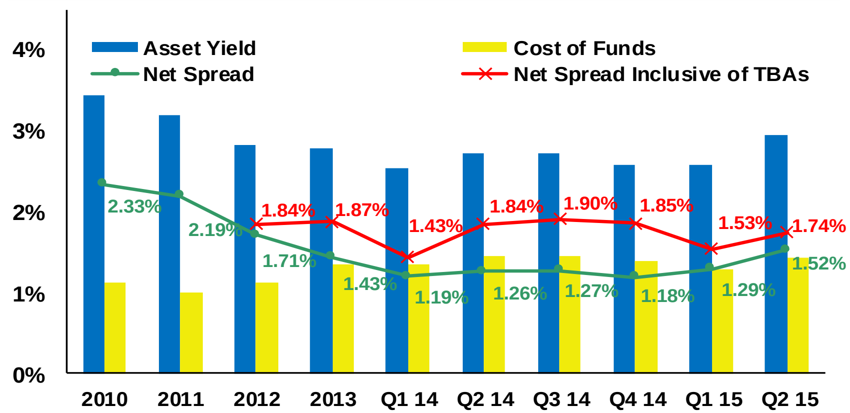
AGNC HISTORICAL OVERVIEW

Earnings and Dividends per Common Share

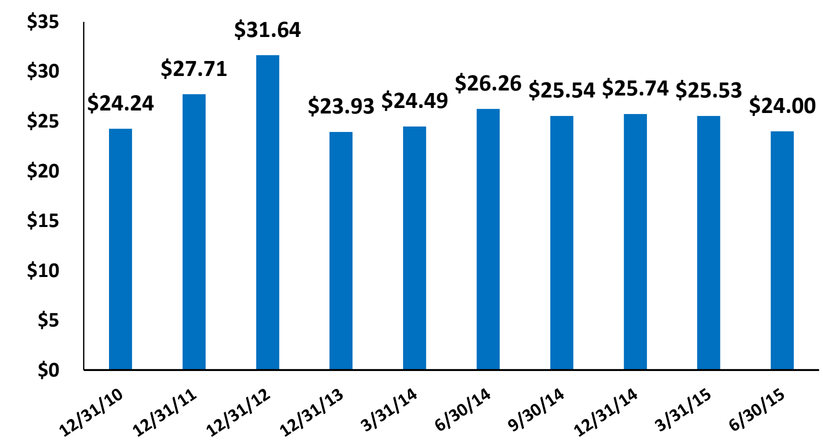




Net Spread [2]



Net Book Value per Common Share [3]



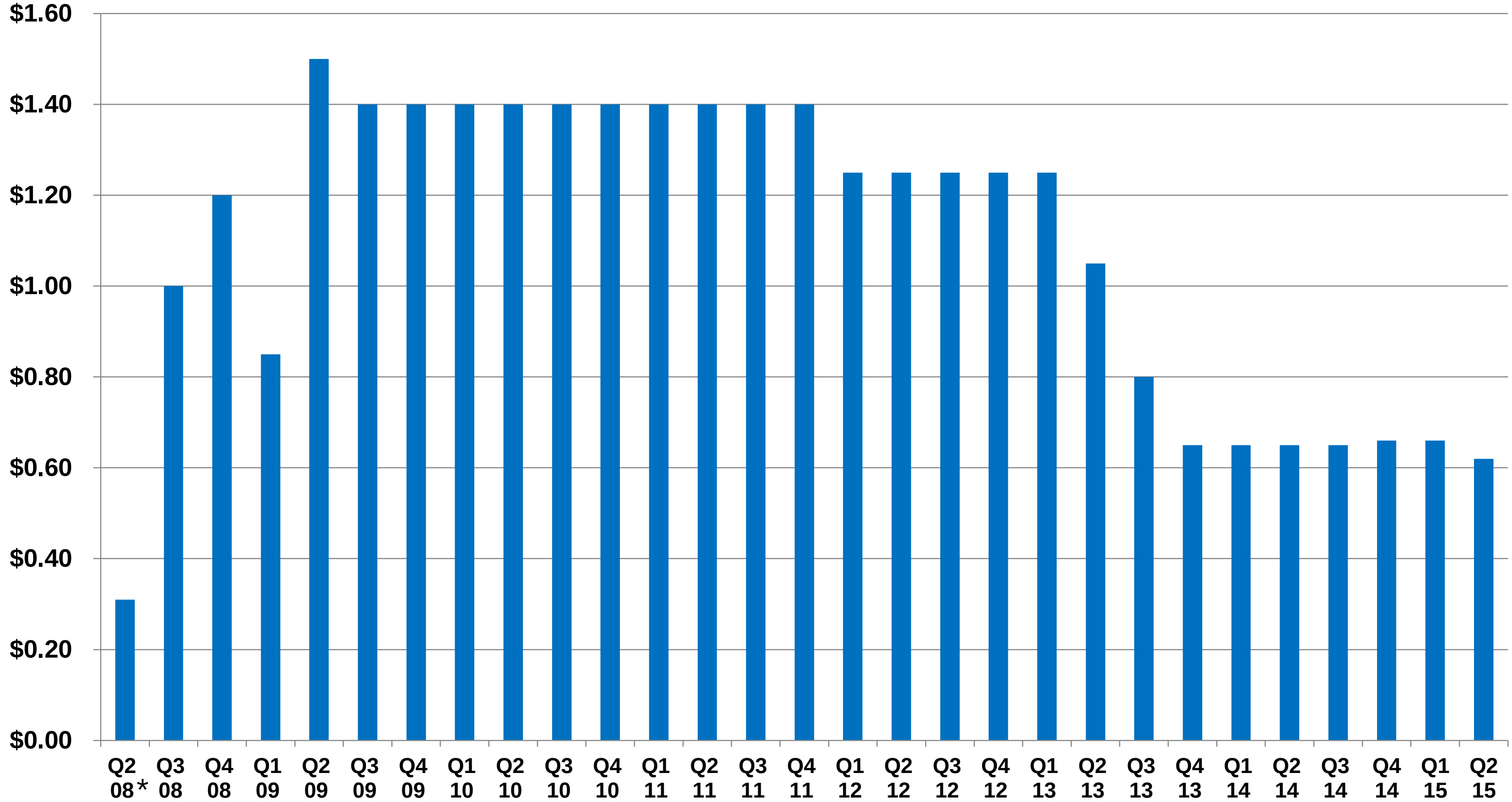
American Capital Agency

1. Comprehensive earnings per common share is a GAAP measure that consists of net income/loss per common share plus unrealized gains/losses on Agency MBS recognized in other comprehensive income, a separate component of equity
2. Represents average per quarter. Unless noted, excludes net dollar roll income/loss from our TBA mortgage position. Excludes other supplemental hedge costs, such as swaption and short U.S. Treasury costs
3. Net book value per common share calculated as total stockholders' equity, less the Series A and B Preferred Stock liquidation preference, divided by total common shares outstanding

AGNC HISTORICAL OVERVIEW

SINCE INCEPTION AGNC HAS PAID $5.6 BILLION IN COMMON DIVIDENDS, OR $31.50 PER COMMON SHARE

Dividends per Common Share by Quarter



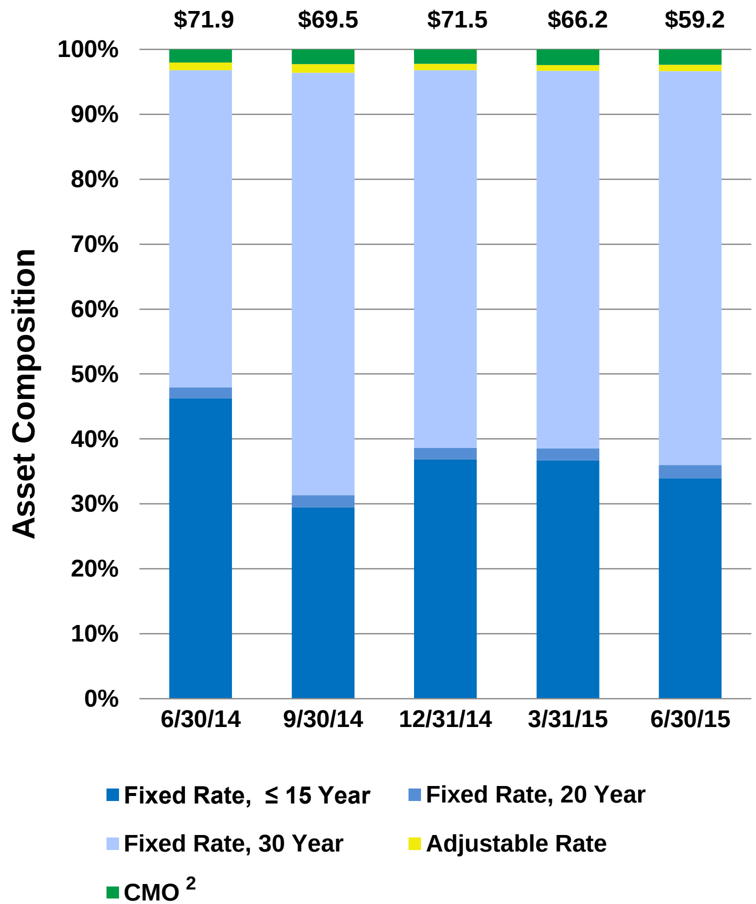
American Capital Agency

* Reflects the dividend for 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

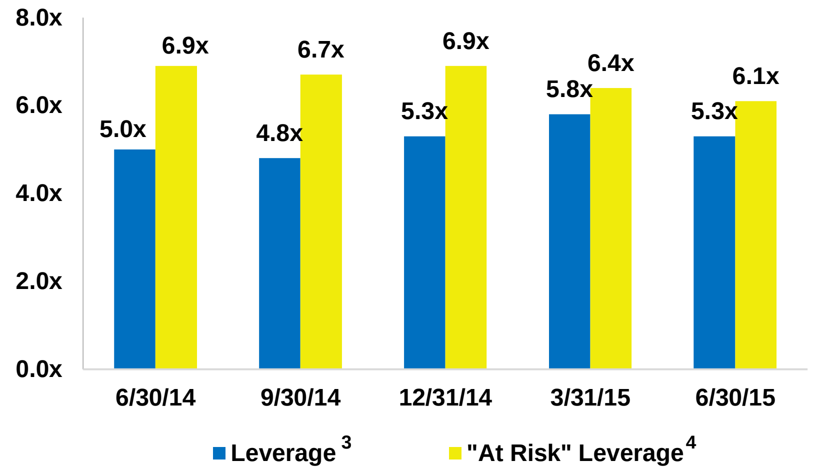
AGNC Historical Overview

Portfolio [1]

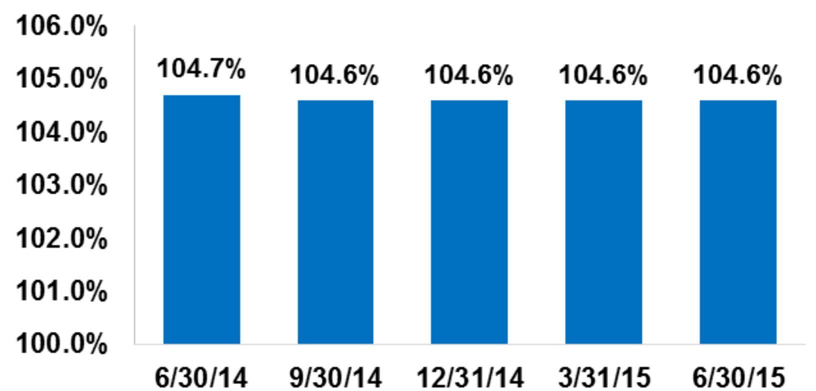
($ in Billions)



Leverage



Amortized Cost Basis



American Capital Agency

1. Amounts include the Company's net TBA mortgage position
2. Includes interest-only, inverse interest-only and principal-only securities
3. Leverage calculated as sum of Agency MBS repurchase agreements, net payable/receivable for Agency MBS not yet settled and other debt divided by the sum of total stockholders' equity less the fair value of investments in REIT equity securities. Leverage excludes U.S. Treasury repurchase agreements of $5.0 B, $3.8 B, $1.9 B, $1.8 B and $1.2 B as of June 30 and Mar 31, 2015 and Dec 31, Sept 30 and June 30, 2014, respectively
4. "At risk" leverage includes the components of leverage plus our net TBA dollar roll position (at cost)

BALANCE SHEETS

($ in millions, except per share data, unaudited except 12/31/14)	6/30/15	3/31/15	12/31/14	9/30/14	6/30/14
Agency Securities, at Fair Value	$50,976	$60,131	$55,482	$50,420	$52,174
Agency Securities Transferred to Consolidated Variable Interest Entities, at Fair Value	1,142	1,221	1,266	1,310	1,377
U.S. Treasury Securities, at Fair Value	5,124	4,328	2,427	1,214	1,247
REIT Equity Securities, at Fair Value	60	68	68	66	202
Cash and Cash Equivalents	1,510	1,708	1,720	1,708	1,747
Restricted Cash	778	1,108	713	794	783
Derivative Assets, at Fair Value	164	229	408	462	593
Receivable for Securities Sold	221	908	239	905	1,872
Receivable under Reverse Repurchase Agreements	2,741	3,175	5,218	5,258	6,621
Other Assets	169	229	225	211	238
Total Assets	**$62,885**	**$73,105**	**$67,766**	**$62,348**	**$66,854**
Repurchase Agreements	$50,178	$58,112	$50,296	$45,327	$48,714
Debt of Consolidated Variable Interest Entities, at Fair Value	674	725	761	796	844
Payable for Securities Purchased	90	50	843	1,150	558
Derivative Liabilities, at Fair Value	844	1,352	890	510	583
Dividends Payable	77	85	85	236	235
Obligation to Return Securities Borrowed under Reverse Repurchase Agreements, at Fair Value	2,230	3,363	5,363	4,742	6,094
Accounts Payable and Other Accrued Liabilities	74	62	100	230	215
Total Liabilities	**54,167**	**63,749**	**58,338**	**52,991**	**57,243**
Preferred Equity at Aggregate Liquidation Preference	348	348	348	348	348
Common Equity	8,370	9,008	9,080	9,009	9,263
Total Stockholders' Equity	**8,718**	**9,356**	**9,428**	**9,357**	**9,611**
Total Liabilities and Stockholders' Equity	**$62,885**	**$73,105**	**$67,766**	**$62,348**	**$66,854**
Other Supplemental Data:					
Net TBA Long, at Fair Value [1]	**$7,058**	**$4,894**	**$14,768**	**$17,748**	**$18,384**
Leverage [2]	**5.3x**	**5.8x**	**5.3x**	**4.8x**	**5.0x**
"At Risk" Leverage [3]	**6.1x**	**6.4x**	**6.9x**	**6.7x**	**6.9x**
Net Book Value Per Common Share [4]	**$24.00**	**$25.53**	**$25.74**	**$25.54**	**$26.26**

American Capital Agency

1. TBAs are reported in derivative assets/liabilities in the above balance sheet at their net carrying value (fair value less cost basis)
2. Leverage calculated as sum of Agency MBS repurchase agreements, net payable/receivable for Agency MBS not yet settled and debt of consolidated variable interest entities ("other debt") divided by the sum of total stockholders' equity less the fair value of investments in REIT equity securities. Leverage excludes U.S. Treasury repurchase agreements of $5.0 B, $3.8 B, $1.9 B, $1.8 B and $1.2 B as of June 30 and Mar 31, 2015 and Dec 31, Sept 30 and June 30, 2014, respectively
3. "At risk" leverage includes the components of leverage plus our net TBA dollar roll position (at cost)
4. Net book value per common share calculated as stockholders' equity, less the Series A and Series B Preferred Stock liquidation preference, divided by total common shares outstanding

INCOME STATEMENTS

($ in millions, except per share data) (Unaudited)	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Interest Income	$414	$383	$331	$357	$385
Interest Expense	(81)	(86)	(81)	(88)	(95)
Net Interest Income	**333**	**297**	**250**	**269**	**290**
(Loss) Gain on Sale of Agency Securities, Net	(22)	36	34	14	22
Gain (Loss) on Derivative Instruments and Other Securities, Net	237	(549)	(572)	(51)	(244)
Total Other Gain (Loss), Net	**215**	**(513)**	**(538)**	**(37)**	**(222)**
Management Fee	(29)	(30)	(30)	(30)	(30)
General and Administrative Expense	(7)	(6)	(5)	(5)	(6)
Total Operating Expenses	**(36)**	**(36)**	**(35)**	**(35)**	**(36)**
Net Income (Loss)	**512**	**(252)**	**(323)**	**197**	**32**
Dividend on Preferred Stock	(7)	(7)	(7)	(7)	(5)
Net Income (Loss) Available (Attributable) to Common Stockholders	**$505**	**$(259)**	**$(330)**	**$190**	**$27**
Net Income (Loss)	**$512**	**$(252)**	**$(323)**	**$197**	**$32**
Unrealized (Loss) Gain on Available-for-Sale Securities, Net	(872)	391	599	(253)	790
Unrealized Gain on Derivative Instruments, Net	26	29	35	38	40
Other Comprehensive (Loss) Income	**(846)**	**420**	**634**	**(215)**	**830**
Comprehensive (Loss) Income	**(334)**	**168**	**311**	**(18)**	**862**
Dividend on Preferred Stock	(7)	(7)	(7)	(7)	(5)
Comprehensive (Loss) Income (Attributable) Available to Common Stockholders	**$(341)**	**$161**	**$304**	**$(25)**	**$857**
Weighted Average Common Shares Outstanding – Basic and Diluted	**352.1**	**352.8**	**352.8**	**352.8**	**352.8**
Net Income (Loss) per Common Share	**$1.43**	**$(0.73)**	**$(0.94)**	**$0.54**	**$0.08**
Comprehensive (Loss) Income per Common Share	**$(0.97)**	**$0.46**	**$0.86**	**$(0.07)**	**$2.43**
Dividends Declared per Common Share	**$0.62**	**$0.66**	**$0.66**	**$0.65**	**$0.65**

Note: Amounts may not total due to rounding

RECONCILIATION OF GAAP NET INTEREST INCOME TO NET SPREAD AND DOLLAR ROLL INCOME[1]

($ in millions, except per share data) (Unaudited)	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Interest Income	**$414**	**$383**	**$331**	**$357**	**$385**
Interest Expense:					
Repurchase Agreements and Other Debt	(55)	(57)	(46)	(50)	(55)
Interest Rate Swap Periodic Costs [2]	(26)	(29)	(35)	(38)	(40)
Total Interest Expense	**(81)**	**(86)**	**(81)**	**(88)**	**(95)**
Net Interest Income	**333**	**297**	**250**	**269**	**290**
Other Interest Rate Swap Periodic Costs [3,4]	(99)	(84)	(78)	(82)	(87)
Dividend on REIT Equity Securities [4]	2	2	2	2	6
TBA Dollar Roll Income, Net [4]	54	57	167	152	138
Adjusted Net Interest and Dollar Roll Income	**290**	**272**	**341**	**341**	**347**
Total Operating Expenses	**(36)**	**(36)**	**(35)**	**(35)**	**(36)**
Net Spread and Dollar Roll Income	**254**	**236**	**306**	**306**	**311**
Dividend on Preferred Stock	(7)	(7)	(7)	(7)	(5)
Net Spread and Dollar Roll Income Available to Common Stockholders	**247**	**229**	**299**	**299**	**306**
Estimated “Catch Up” Premium Amortization (Benefit) Cost due to Change in CPR Forecast	**(37)**	**19**	**25**	**3**	**--**
Net Spread and Dollar Roll Income, Excluding “Catch Up” Amortization, Available to Common Stockholders	**$210**	**$248**	**$324**	**$302**	**$306**
Weighted Average Common Shares Outstanding – Basic and Diluted	**352.1**	**352.8**	**352.8**	**352.8**	**352.8**
Net Spread and Dollar Roll Income per Common Share	**$0.70**	**$0.65**	**$0.85**	**$0.85**	**$0.87**
Net Spread and Dollar Roll Income, Excluding “Catch Up” Amortization per Common Share	**$0.60**	**$0.70**	**$0.92**	**$0.86**	**$0.87**

Note: Amounts may not total due to rounding

1. Table includes non-GAAP financial measures. Please refer to additional information regarding non-GAAP financial measures at the end of this presentation
2. We voluntarily discontinued hedge accounting under GAAP as of Sept 30, 2011. Accumulated OCI on de-designated interest rate swaps is being amortized on a straight-line basis over the remaining swap terms into interest expense. All other periodic interest costs, termination fees and mark-to-market adjustments associated with interest rate swaps are reported in other income (loss), net pursuant to GAAP
3. Other interest rate swap periodic costs represent periodic interest costs on the Company’s interest rate swap portfolio in excess of amortized amounts reclassified from accumulated OCI into interest expense. Other interest rate swap periodic costs exclude interest rate swap termination fees and mark-to-market adjustments on interest rate swaps
4. Reported in gain (loss) on derivative instruments and other securities, net in the accompanying income statement

Reconciliation of GAAP Net Income to Estimated Taxable Income [1]

($ in millions, except per share data) (Unaudited)	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Net Income (Loss)	**$512**	**$(252)**	**$(323)**	**$197**	**$32**
Book to Tax Differences:					
Premium Amortization, Net	(55)	26	15	(7)	(5)
Realized Loss/Gain, Net	(39)	(113)	318	136	5
Net Capital Loss / (Utilization of Net Capital Loss Carryforward) [2]	121	(115)	(364)	(246)	(310)
Unrealized Loss, Net	(417)	627	449	12	384
Other	--	--	--	--	(1)
Total Book to Tax Differences	**(390)**	**425**	**418**	**(105)**	**73**
Estimated REIT Taxable Income	**122**	**173**	**95**	**92**	**105**
Dividend on Preferred Stock	(7)	(7)	(7)	(7)	(5)
Estimated REIT Taxable Income, net of Preferred Stock Dividend	**$115**	**$166**	**$88**	**$85**	**$100**
Weighted Average Common Shares Outstanding – Basic and Diluted	**352.1**	**352.8**	**352.8**	**352.8**	**352.8**
Estimated REIT Taxable Income per Common Share	**$0.33**	**$0.47**	**$0.25**	**$0.24**	**$0.28**
Beginning Cumulative Non-Deductible Net Capital Loss	**$648**	**$763**	**$1,127**	**$1,373**	**$1,683**
Net Capital Loss / (Utilization of Net Capital Loss Carryforward)	121	(115)	(364)	(246)	(310)
Ending Cumulative Non-Deductible Net Capital Loss	**$769**	**$648**	**$763**	**$1,127**	**$1,373**
Ending Cumulative Non-Deductible Net Capital Loss per Common Share	**$2.20**	**$1.84**	**$2.16**	**$3.19**	**$3.89**

Taxable income determines our minimum REIT distribution requirement. Our "Earnings and Profits" (or "E&P") determines the character of our dividends for stockholders (i.e., whether our distributions are characterized as dividend income or a return of capital for stockholders). E&P is a tax measure that generally conforms to taxable income; however, the utilization of net capital loss carry forwards does not reduce our current year E&P. Therefore, although our 2015 dividend distributions may exceed our taxable income, they may not exceed our 2015 E&P, and as such our dividend distributions reported to stockholders on Form 1099-DIV for fiscal year 2015 may represent ordinary dividend income for stockholders once the final determination is made after the end of our fiscal year.

American Capital Agency

Amounts may not total due to rounding

1. Table includes non-GAAP financial measures. Please refer to information regarding non-GAAP financial measures at the end of this presentation
2. Capital losses in excess of capital gains are not deductible from ordinary taxable income, but may be carried forward for up to five years and applied against future net capital gains. As of June 30, 2015, $0.8 B of capital losses were available through Dec 2018

NET BOOK VALUE ROLL FORWARD

	Q2 2015		
(In millions, except per share data) (Unaudited)	Balance	Common Shares Outstanding	Net Book Value per Common Share
Beginning Net Common Equity [1]	**$9,008**	**352.8**	**$25.53**
Net Income	512		
Other Comprehensive Loss	(846)		
Dividend on Common Stock	(218)		
Dividend on Preferred Stock	(7)		
Repurchase of Common Stock	(79)	(4.0)	
Ending Net Common Equity	**$8,370**	**348.8**	**$24.00**
Series A Preferred Stock Liquidation Preference	173		
Series B Preferred Stock Liquidation Preference	175		
Ending Total Stockholders' Equity	**$8,718**		

American Capital Agency

Amounts may not total due to rounding

1. Common equity is net of the Company's Series A and Series B Preferred Stock liquidation preference

BUSINESS ECONOMICS – PORTFOLIO ADJUSTED

Q2 2015 (unaudited)	Unadjusted	Adjusted Repo Funded Assets	Adjusted Dollar Roll Funded Assets	Total Adjusted Repo and Dollar Roll Funded Assets
Asset Yield	**2.95%**	**2.95%**	**3.77%**	**3.03%**
Cost of Funds: [1]				
Cost of Funds – Repo / Implied Dollar Roll Financing	(0.44)%	(0.44)%	(0.15)%	(0.39)%
Cost of Funds – Swap [2]	(0.99)%	(0.84)%	(1.27)%	(0.90)%
Total Cost of Funds	**(1.43)%**	**(1.28)%**	**(1.42)%**	**(1.29)%**
Net Interest Rate Spread	**1.52%**	**1.67%**	**2.35%**	**1.74%**
Leverage [3]	**5.6x**	**5.6x**	**0.6x**	**6.2x**
Leveraged Net Interest Rate Spread	8.48%			10.85%
Plus Asset Yield	2.95%			3.03%
Gross Return on Equity ("ROE") Before Expenses and Other Income	**11.43%**			**13.88%**
Management Fees as a % of Equity	(1.30)%			(1.30)%
Other Operating Expenses as a % of Equity	(0.31)%			(0.31)%
Total Operating Expenses as a % of Equity	**(1.61)%**			**(1.61)%**
Net Spread Income ROE	**9.82%**			**12.27%**
Other Miscellaneous [4]	(1.11)%			(3.56)%
Realized Other Loss	(4.53)%			(4.53)%
Unrealized Other Income	18.36%			18.36%
Net Income ROE	**22.54%**			**22.54%**
Other Comprehensive Loss	(37.25)%			(37.25)%
Comprehensive Loss ROE	**(14.71)%**			**(14.71)%**
Preferred Dividend in excess of Comprehensive Income on Preferred Equity	(0.89)%			(0.89)%
Net Comprehensive Loss ROE Attributable to Common Stockholders	**(15.60)%**			**(15.60)%**

American Capital Agency

1. Cost of funds and net interest rate spread exclude U.S. Treasury repos and other supplemental hedges, such as swaptions and U.S. Treasury positions
2. Swap costs are allocated to repo funded and dollar roll funded assets on a duration weighted basis
3. Average leverage excludes stockholders' equity allocated to investment in REIT equity securities and U.S. Treasury repurchase agreements
4. Other miscellaneous reflects the impact of differences between the use of daily averages used for investment securities and repo agreements and the month-end averages used for stockholders' equity; cash; restricted cash; other non investment assets/liabilities; and other rounding differences

FIXED RATE AGENCY SECURITIES – MBS AND NET TBA POSITION

$ IN MILLIONS – AS OF JUNE 30, 2015

MBS Coupon [1]	Par Value [2]	Market Value [2]	Higher Quality Specified Pools [3]	Other Specified Pools [4]	MBS Amortized Cost Basis [5]	MBS Average WAC [5,6]	MBS Average Age (Months) [5]	MBS Actual 1 Month CPR [5,7]	Duration (Years) [2,8]
				≤15 YR Mortgage Securities [9]					
2.5%	$4,483	$4,568	45%	13%	101.9%	2.97%	33	10%	4.0
3.0%	4,710	4,896	69%	9%	103.2%	3.50%	37	13%	3.7
3.5%	5,639	5,964	75%	5%	103.7%	3.95%	46	14%	3.1
4.0%	3,891	4,163	84%	7%	104.5%	4.40%	55	16%	2.7
4.5%	423	455	92%	7%	105.0%	4.87%	58	19%	2.9
≥ 5.0%	6	6	31%	69%	103.9%	6.49%	90	1%	2.5
Subtotal ≤15 YR	$19,152	$20,052	69%	8%	103.3%	3.69%	42	13%	3.4
				20 YR Mortgage Securities					
≤ 3.0%	$306	$312	18%	10%	99.3%	3.55%	25	9%	4.6
3.5%	652	682	59%	10%	102.2%	4.05%	28	14%	3.7
4.0%	73	78	37%	12%	104.6%	4.53%	46	18%	2.4
4.5%	93	101	99%	--%	106.8%	4.89%	55	16%	1.8
≥ 5.0%	4	5	--%	--%	106.1%	5.92%	85	23%	1.7
Subtotal 20 YR	$1,128	$1,178	50%	9%	101.9%	4.03%	31	13%	3.7
				30 YR Mortgage Securities					
≤ 3.0%	$6,868	$6,851	1%	2%	100.6%	3.59%	25	9%	6.6
3.5%	14,301	14,783	55%	4%	105.3%	4.04%	29	9%	5.7
4.0%	11,323	12,043	46%	21%	106.7%	4.53%	27	16%	4.3
4.5%	1,682	1,837	82%	9%	106.8%	4.96%	49	19%	4.0
5.0%	166	183	36%	30%	106.5%	5.45%	86	16%	3.8
≥ 5.5%	179	201	37%	12%	109.4%	6.22%	102	21%	3.1
Subtotal 30 YR	$34,519	$35,898	43%	10%	105.5%	4.28%	30	13%	5.3
Total Fixed [8]	**$54,799**	**$57,128**	**52%**	**9%**	**104.5%**	**4.04%**	**35**	**13%**	**4.6**

1. The wtd/avg coupon on fixed rate securities held as of June 30, 2015 was 3.53%, excluding net long TBA mortgage position, and 3.50%, including net long TBA position
2. Excluding net long TBA position, total fixed-rate MBS as of June 30, 2015 had a par value of $47,858, market value of $50,070 and an avg duration of 4.4 years
3. Higher quality specified pools include pools backed by orig. loan balances of up to $150K and HARP securities backed by 100% refinance loans with orig. LTVs ≥ 100%
4. Other specified pools include pools backed by: orig. loan balances of > $150K and ≤ $175k; HARP securities with 100% refi. loans and orig. LTVs of ≥ 80 and <100%; low FICO loans with a max orig. credit score of 700; loans100% originated in N.Y. and Puerto Rico; and 100% investor occupancy status loans
5. Average MBS cost basis, WAC, Age and CPR exclude net TBA position
6. Average WAC represents the weighted average coupon of the underlying collateral
7. Actual 1 month annualized CPR published during July 2015 for Agency securities held as of June 30, 2015
8. Duration 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. Refer to the supplemental slide at the end of this presentation for additional information

REPO COUNTERPARTY CREDIT RISK

OUR REPO FUNDING IS WELL DIVERSIFIED BY COUNTERPARTY AND GEOGRAPHY

- **Repo counterparties well diversified**
- **Maintained excess capacity with most of our counterparties**
- **Less than 5% of our equity is at risk with any one counterparty**
- **Less than 12% of our equity is at risk with the top 5 counterparties**

Counterparty Region	Number of Counterparties	Percent of Repo Funding
North America	18	67%
Asia	5	12%
Europe	13	21%
Total	36	100%

Counterparty Region	Counterparty Rank	Counterparty Exposure as a % of NAV [1,2]
North America	1	4.1%
	2	2.6%
	3	1.7%
	4	1.6%
	5	1.5%
	6-18	9.9%
Asia	1	1.2%
	2	0.8%
	3	0.5%
	4	0.3%
	5	0.2%
Europe	1	1.5%
	2	1.4%
	3	0.8%
	4	0.6%
	5	0.6%
	6-13	1.6%

Total Exposure	30.9%
Top 5 Exposure	11.6%

American Capital Agency

Note: All figures as of June 30, 2015
1. Excludes $0.7 B of other debt in connection with the consolidation of a structured transaction under GAAP
2. Counterparty exposure with regard to Agency collateral pledged under repo agreements. Amounts do not include exposure with regard to collateral pledged under derivative agreements, prime brokerage agreements and other debt

HEDGE INSTRUMENTS

OUR PRIMARY OBJECTIVE IS NOT TO ELIMINATE RISK OR TO LOCK IN A PARTICULAR NET INTEREST MARGIN, BUT TO MAINTAIN OUR NET BOOK VALUE WITHIN REASONABLE BANDS OVER A RANGE OF INTEREST RATE SCENARIOS

- **Interest Rate Swaps**
  - ✓ $44.9 B notional pay fixed swap book as of June 30, 2015
    - Swap portfolio unchanged over the quarter
- **Payer Swaptions**
  - ✓ $5.5 B notional payer swaptions as of June 30, 2015
    - No payer swaptions added during the quarter
    - $0.3 B payer swaptions expired for net realized gains of $3 MM
    - 0.5 year average remaining option term, 7.1 years average underlying swap term
- **Receiver Swaptions**
  - ✓ No receiver swaptions as of June 30, 2015
    - $0.8 B payer swaptions expired for net realized gains of $2 MM

As of June 30, 2015 ($ in Millions)

Interest Rate Swaps

Years to Maturity	Notional Amount [1]	Pay Rate [2]	Receive Rate [3]	Average Maturity (Years) [1,4]
≤ 3 Years	$15,925	1.21%	0.26%	1.8
> 3 to ≤ 5 Years	10,200	1.84%	0.28%	4.2
> 5 to ≤ 7 Years	7,725	2.51%	0.28%	6.2
> 7 to ≤ 10 Years	9,050	2.60%	0.28%	8.3
> 10 Years	2,025	3.16%	0.28%	13.1
Total / Wtd Avg	**$44,925**	**1.94%**	**0.27%**	**4.9**
As of Mar 31, 2015				
Total / Wtd Avg	$44,925	1.94%	0.25%	5.2

Payer Swaptions

Expiration	Notional Amount	Cost	Market Value	Pay Rate	Swap Term (Years)
≤ 1 Year	$5,100	$126	$44	3.35%	7.2
> 1 to ≤ 2 Years	350	10	1	3.95%	5.0
Total / Wtd Avg	**$5,450**	**$136**	**$45**	**3.39%**	**7.1**
As of Mar 31, 2015					
Total / Wtd Avg	$5,200	$130	$29	3.40%	7.0

American Capital Agency

1. Notional amount includes forward starting swaps of $8.8 B and $10.1 B as of June 30, 2015 and Mar 31, 2015, respectively, with an average forward start date of 0.8 and 0.9 years, respectively, and an average remaining maturity of 6.6 years and 7.3 years from June 30, 2015 and Mar 31, 2015, respectively
2. Weighted average pay rate includes forward starting swaps. Excluding forward starting swaps, the weighted average pay rate was 1.69% and 1.64% as of June 30, 2015 and Mar 31, 2015, respectively
3. Weighted average receive rate excludes forward starting swaps
4. Weighted average maturity measured from period end through maturity

OTHER HEDGE AND DERIVATIVE INSTRUMENTS

WE CONTINUE TO USE A VARIETY OF HEDGING INSTRUMENTS TO MANAGE INTEREST RATE RISK

- **Treasury Securities**
  - ✓ $2.9 B net long treasury position market value
- **Treasury Futures**
  - ✓ $0.9 B short treasury futures market value
- **TBA Mortgages**
  - ✓ $7.1 B net long position market value
- **Total Hedge Portfolio**
  - ✓ Positions actively managed
  - ✓ 84% of our repo, other debt and net TBA position covered by swap, swaption and treasury positions as of June 30, 2015, an increase from 78% as of Mar 31, 2015

As of June 30, 2015 ($ in Millions)

Treasury Securities		
Maturity	Face Amount Net Long / (Short)	Market Value Net Long / (Short)
3 Year	$(900)	$(902)
5 Year	808	804
7 Year	2,109	2,085
10 Year	925	907
Total	**$2,942**	**$2,894**
As of Mar 31, 2015		
Total	$908	$964

Net TBA Position		
Term	Face Amount Net Long / (Short)	Market Value Net Long / (Short)
15 Year	$100	$135
30 Year	6,841	6,923
Total	**$6,941**	**$7,058**
As of Mar 31, 2015		
Total	$4,873	$4,894

American Capital Agency

Duration Gap Information

Duration gap is an estimate of the difference in the interest rate price sensitivity of our assets relative to our liabilities and hedges, excluding the impact of negative convexity and leverage

- **Our duration gap increased to 1.0 year as of June 30, 2015, compared to 0.2 years as of Mar 31, 2015**
- **The duration of our asset portfolio increased to 4.6 years as of June 30, 2015, compared to 3.6 years as of Mar 31, 2015**
- **The duration of our liability and hedge portfolio increased to a negative 3.6 years as of June 30, 2015, compared to negative 3.4 years as of Mar 31, 2015**

($ in Billions, Duration in years)	June 30, 2015		Mar 31, 2015	
Asset	**Market Value**	**Duration**	**Market Value**	**Duration**
Fixed [1]	$48.9	4.4	$57.9	3.4
ARM	0.6	2.0	0.6	1.6
CMO [2]	1.9	6.2	2.1	4.9
Net TBA	7.1	5.8	4.9	6.1
REIT Equity Securities	0.1	10.0	0.1	10.0
Total	$58.6	**4.6**	$65.6	**3.6**
Liabilities & Hedges	**Market Value / Notional**	**Duration**	**Market Value / Notional**	**Duration**
Repo	$(50.2)	-0.4	$(58.1)	-0.4
Interest Rate Swaps	(44.9)	-4.5	(44.9)	-4.7
Preferred Stock	(0.3)	-7.0	(0.3)	-7.1
Payer Swaptions	(5.5)	-1.1	(5.2)	-0.6
Receiver Swaptions	--	--	0.8	4.4
Treasury Securities	2.9	8.0	0.9	26.5
Treasury Futures	(0.9)	-6.4	(0.9)	-6.3
Total [3]		**-3.6**		**-3.4**
Net Duration Gap		**1.0**		**0.2**

The estimated durations included in the table above 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. For example, we typically map lower loan balance and HARP securities to proxy securities within our models in order to derive durations and convexities that management believes are more consistent with how the prices of these securities would perform over larger interest rate movements. Other market participants could make materially different assumptions with respect to these and other judgments. Please also refer to the supplemental slide at the end of this presentation and our related disclosures in our 10-Ks and 10-Qs for a more complete discussion of duration (interest rate risk).

American Capital Agency

1. Fixed rate securities exclude securities from consolidated structured transactions
2. CMO balance includes interest-only, inverse interest-only and principal-only securities and consolidated structured transactions, net of consolidated other debt
3. Total liability and hedge duration is expressed in asset units

NAV Sensitivity to Rates and MBS Spreads

Both changes in interest rates and changes to MBS spreads relative to Treasury and swap rates can impact the market value of our equity

- **Interest Rate Sensitivity**
  - ✓ Interest rate sensitivity is the sensitivity of our assets to changes in interest rates
    - 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 just our duration gap alone
  - ✓ The estimated change in the market value of our asset portfolio, net of hedges, incorporates the dual effects of both duration and convexity and assumes no portfolio rebalancing actions
- **MBS Spread Sensitivity ("Basis Risk")**
  - ✓ The MBS spread sensitivity is the sensitivity of our assets to changes in MBS spreads
  - ✓ Our estimated spread sensitivity is based on model predictions and assumes a spread duration of 5.2 years, which is based on interest rates and MBS prices as of June 30, 2015
  - ✓ The spread sensitivity is also sensitive to interest rates and increases as interest rates rise and prepayments slow

Interest Rate Sensitivity [1]
As of June 30, 2015
(based on instantaneous parallel shift in interest rates)

Interest Rate Shock (bps)	Estimated Change in Portfolio Market Value [2]	Estimated Change as a % of NAV [3]
-100	0.1%	0.8%
-50	0.3%	2.3%
+50	-0.7%	-4.6%
+100	-1.5%	-10.5%

MBS Spread Sensitivity ("Basis Risk") [1]
As of June 30, 2015

MBS Spread Shock (bps)	Estimated Change in Portfolio Market Value [2]	Estimated Change as a % of NAV [3]
-25	1.4%	10%
-10	0.6%	4%
+10	-0.6%	-4%
+25	-1.4%	-10%

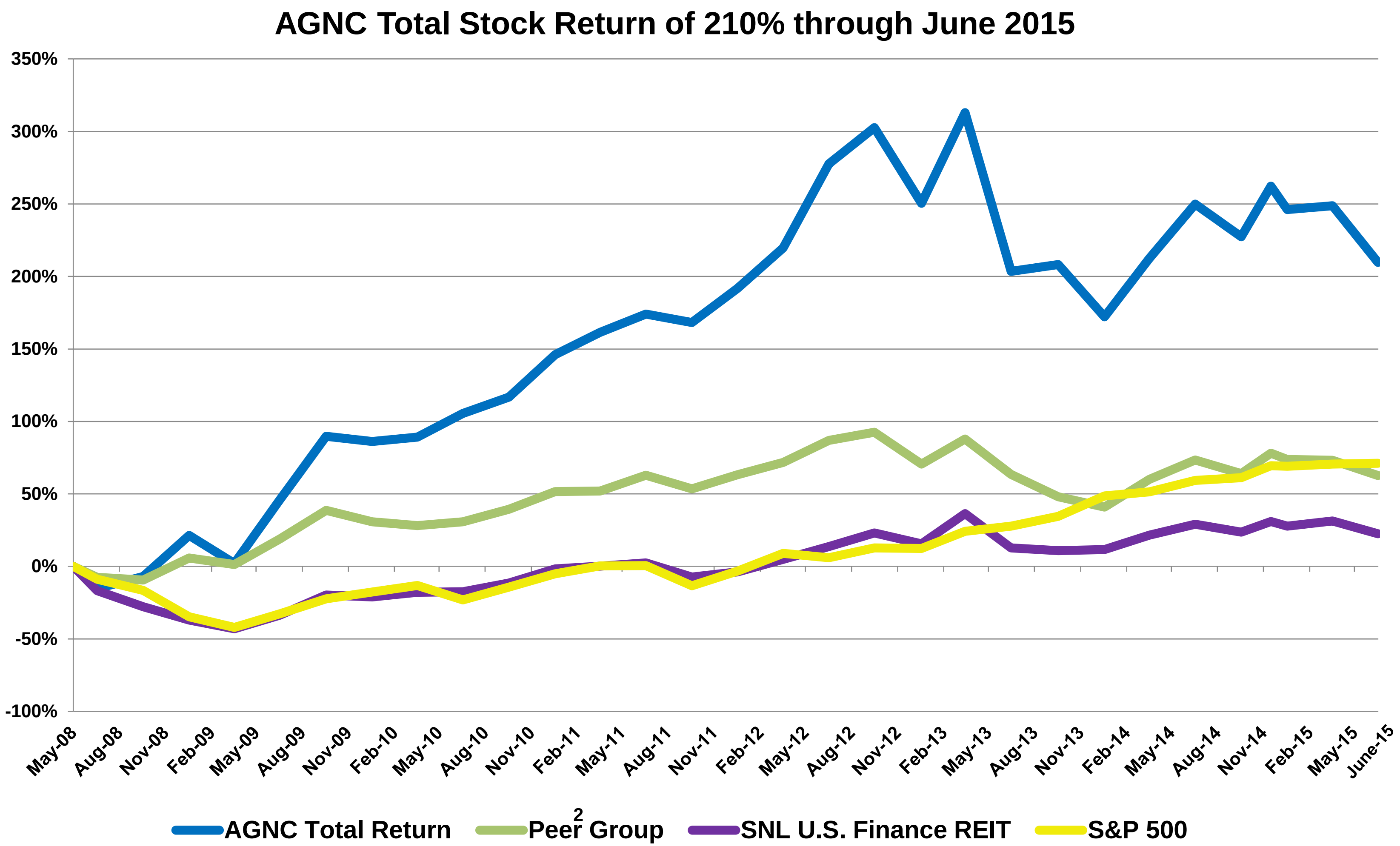
American Capital Agency

1. Interest rate and MBS spread sensitivity 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. Please also refer to the supplemental slide at the end of this presentation entitled "Duration Gap" for additional information
2. Estimated dollar change in value expressed as a percentage of the total market value of "at risk" assets
3. Estimated change as a percentage of NAV incorporates the impact of leverage

STOCK PERFORMANCE

AGNC Total Stock Return vs. Various Indices [1]

Total Stock Return (Change in Share Price Plus Dividends Reinvested) Since May 2008 IPO

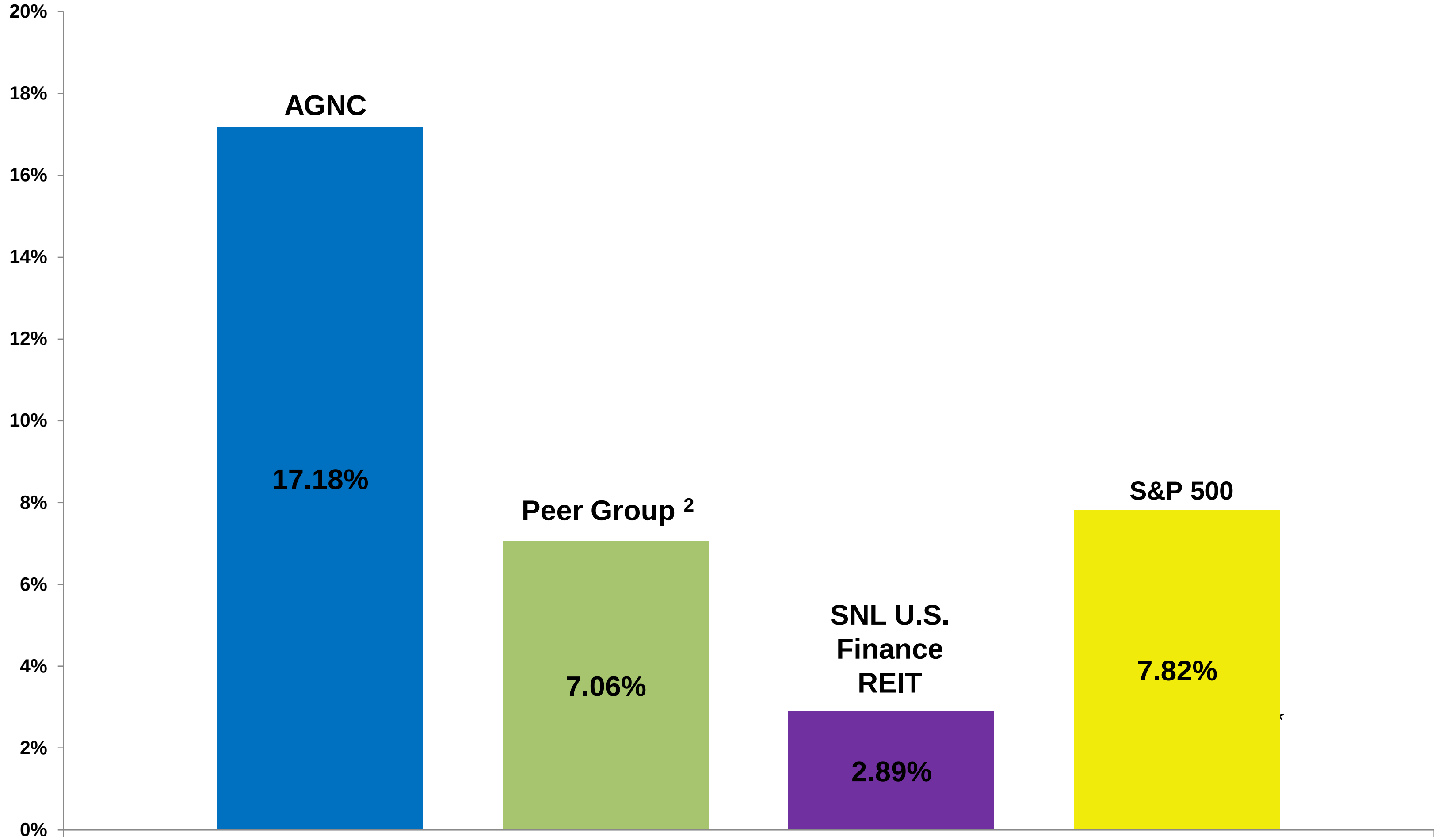


American Capital Agency

1. Source: SNL Financial; Total stock return over a period, including price appreciation and dividend reinvestment. Dividends assumed to be reinvested at the closing price of the security on the ex-dividend date
2. Peer Group (unweighted): NLY, CMO, HTS, ANH, ARR and CYS

AGNC Total Stock Return vs. Various Indices [1]

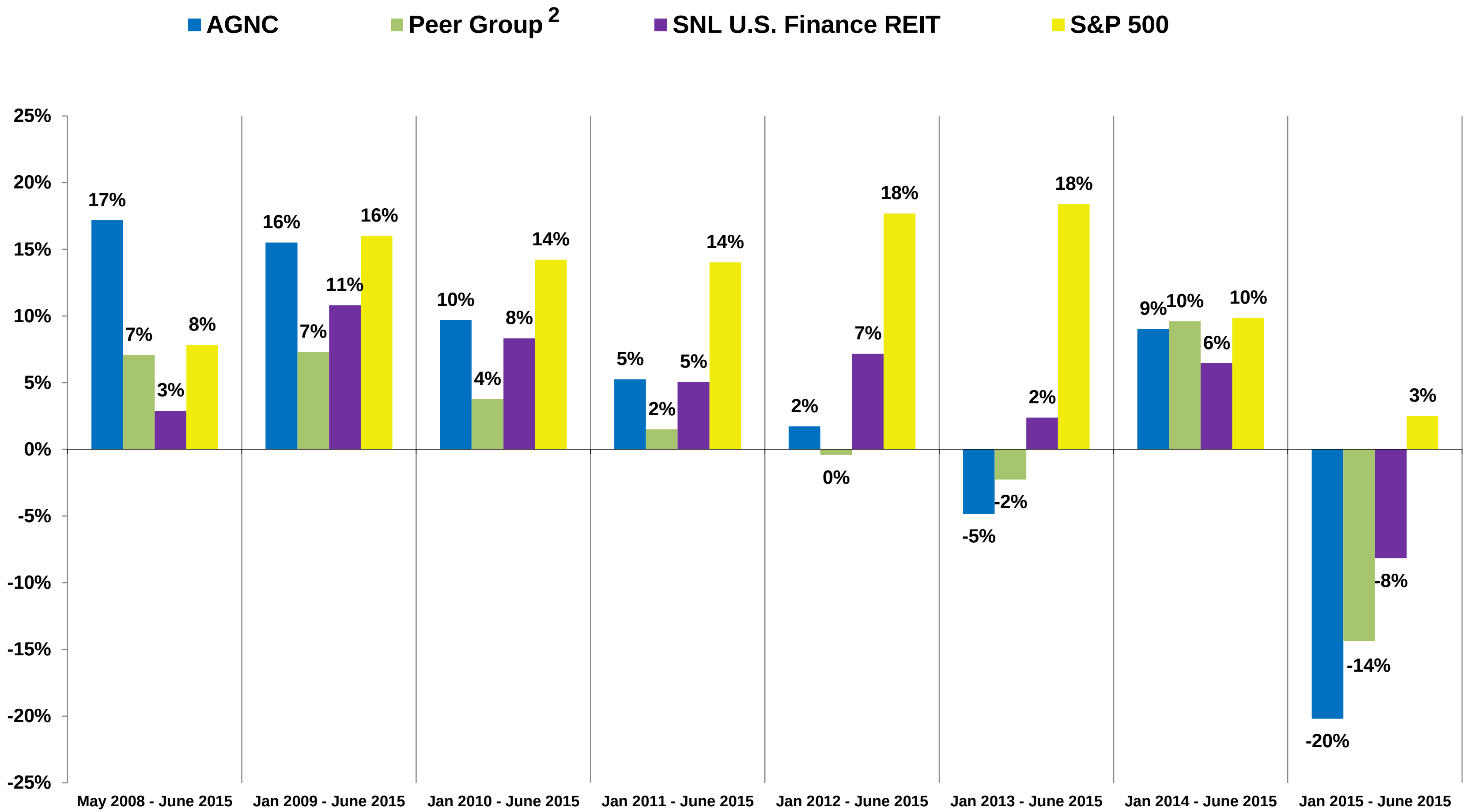
Annualized Total Stock Return Since May 2008 IPO, as of June 30, 2015



1. Source: SNL Financial; Total stock return over a period, including price appreciation and dividend reinvestment. Dividends assumed to be reinvested at the closing price of the security on the ex-dividend date
2. Peer Group (unweighted): NLY, CMO, HTS, ANH, ARR and CYS

AGNC Total Stock Returns vs. Various Indices [1]

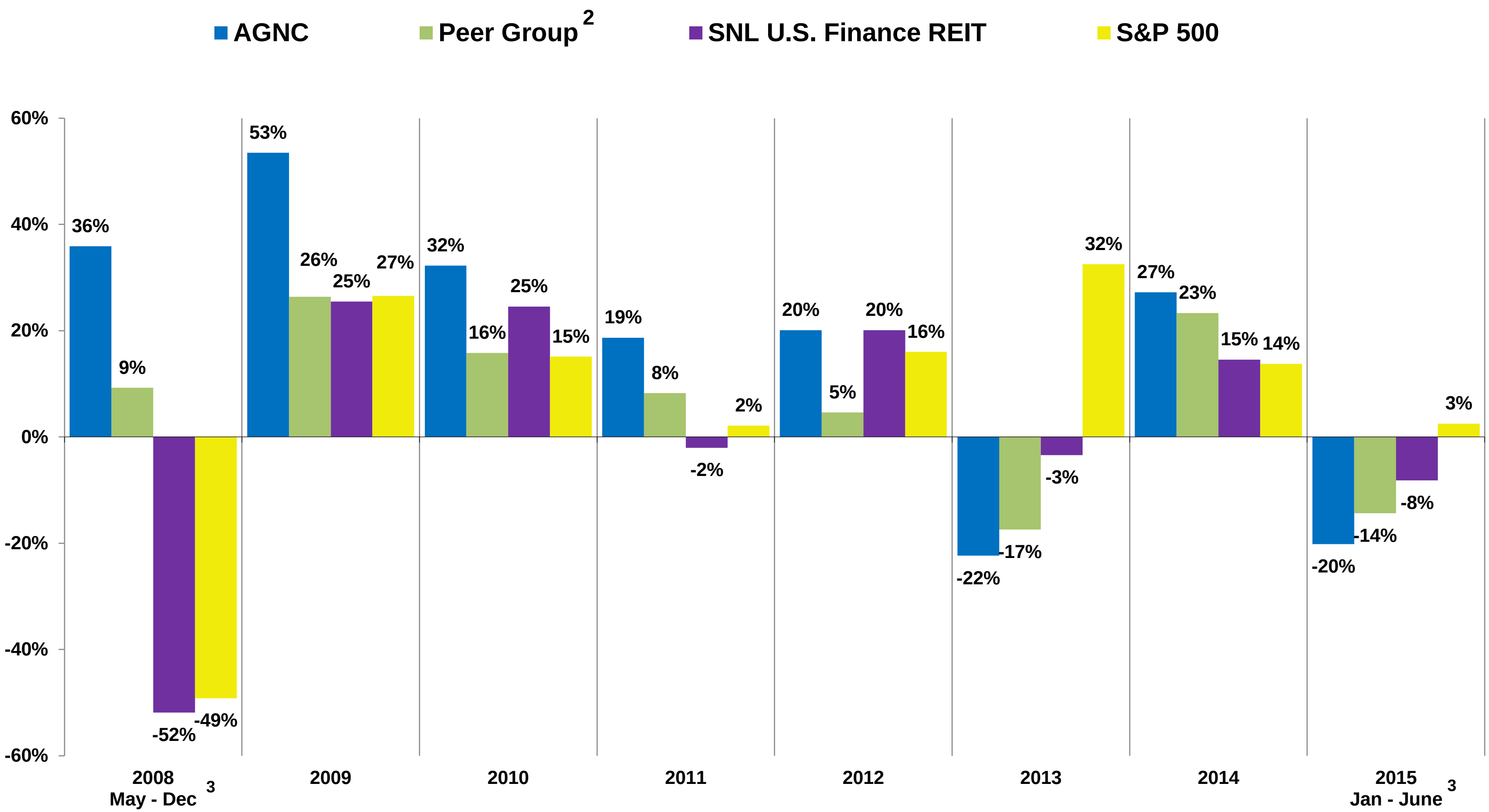
Annualized Total Stock Returns By Year of Investment through June 2015



1. Source: SNL Financial; Total stock return over a period, including price appreciation and dividend reinvestment. Dividends assumed to be reinvested at the closing price of the security on the ex-dividend date
2. Peer Group (unweighted): NLY, CMO, HTS, ANH, ARR and CYS

AGNC TOTAL STOCK RETURNS VS. VARIOUS INDICES [1]

TOTAL STOCK RETURNS BY CALENDAR YEAR



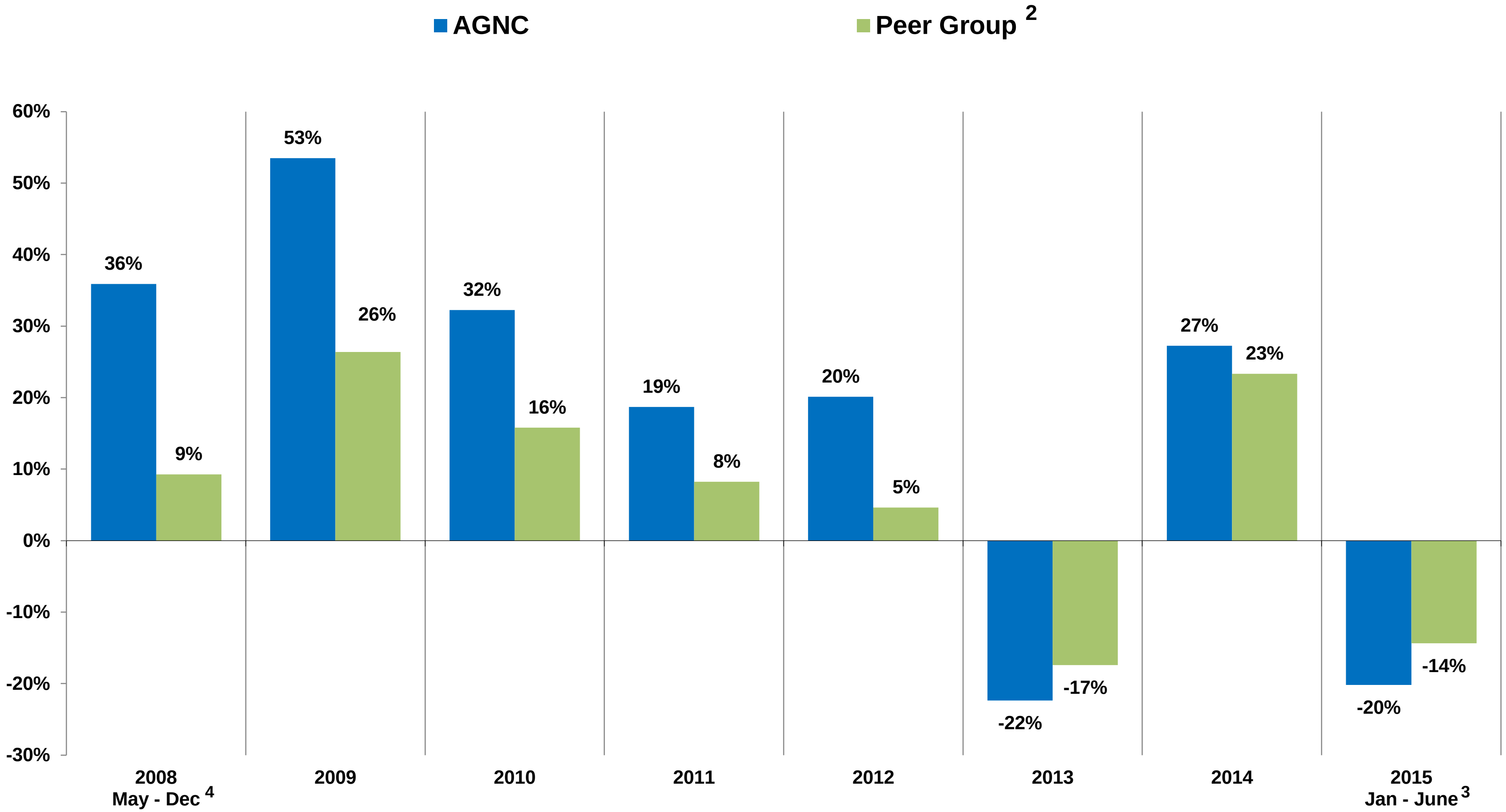
American Capital Agency

1. Source: SNL Financial; Total stock return over a period, including price appreciation and dividend reinvestment. Dividends assumed to be reinvested at the closing price of the security on the ex-dividend date
2. Peer Group (unweighted): NLY, CMO, HTS, ANH, ARR and CYS
3. Stub periods annualized

AGNC Total Stock Returns vs. Peer Group Index by Calendar Year [1]

NASDAQ: AGNC

79% of the Years AGNC Outperformed the Peer Group Index [2,3]

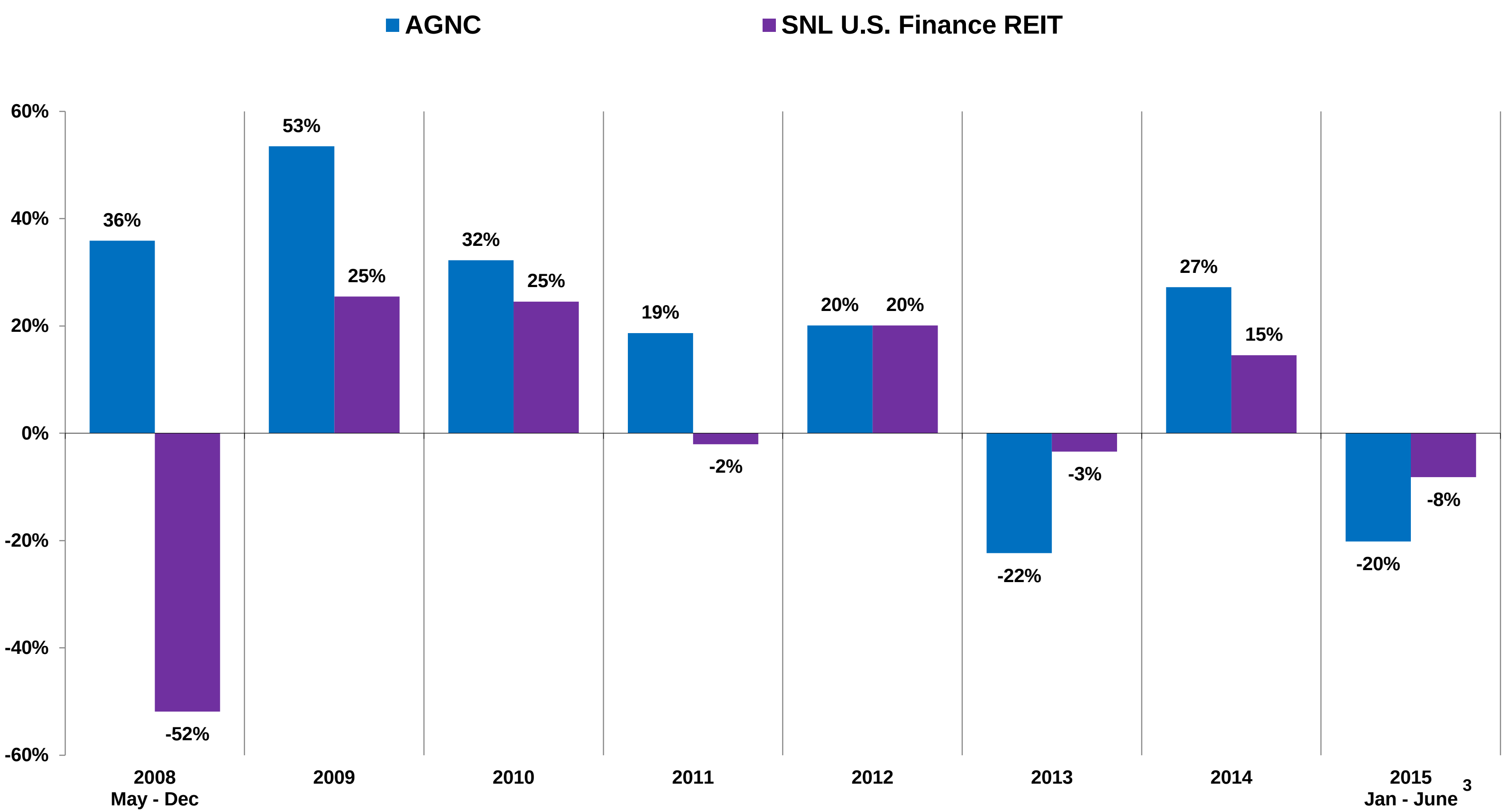


American Capital Agency

1. Source: SNL Financial; Total stock return over a period, including price appreciation and dividend reinvestment. Dividends assumed to be reinvested at the closing price of the security on the ex-dividend date
2. Peer Group (unweighted): NLY, CMO, HTS, ANH, ARR and CYS
3. Stub periods weighted based on days outstanding
4. Stub periods annualized

AGNC Total Stock Returns vs. SNL U.S. Finance REIT Index by Calendar Year [1]

65% of the Years AGNC Outperformed the SNL U.S. Finance REIT Index [2]

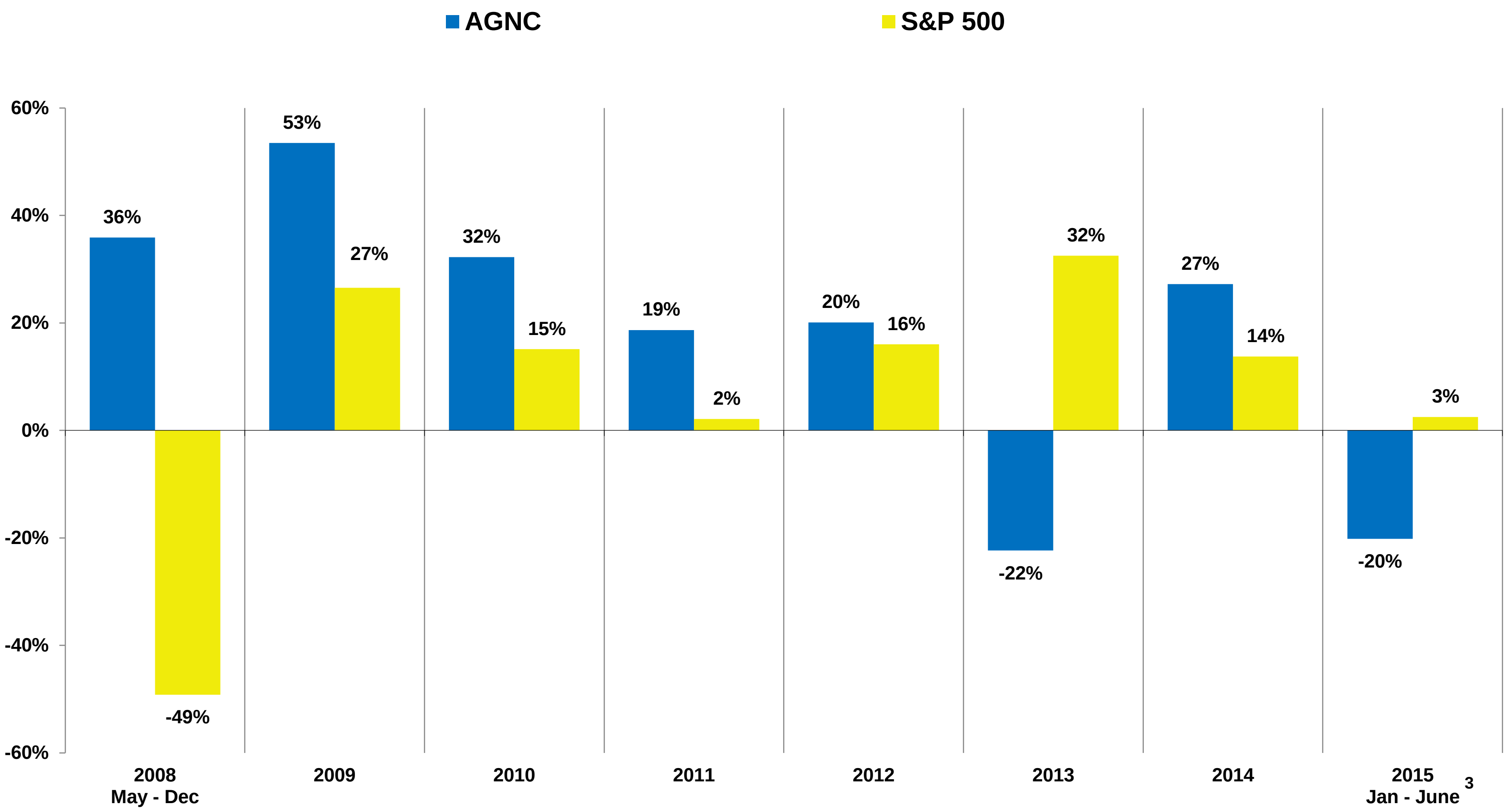


American Capital Agency

1. Source: SNL Financial; Total stock return over a period, including price appreciation and dividend reinvestment. Dividends assumed to be reinvested at the closing price of the security on the ex-dividend date
2. Stub periods weighted based on days outstanding
3. Annualized

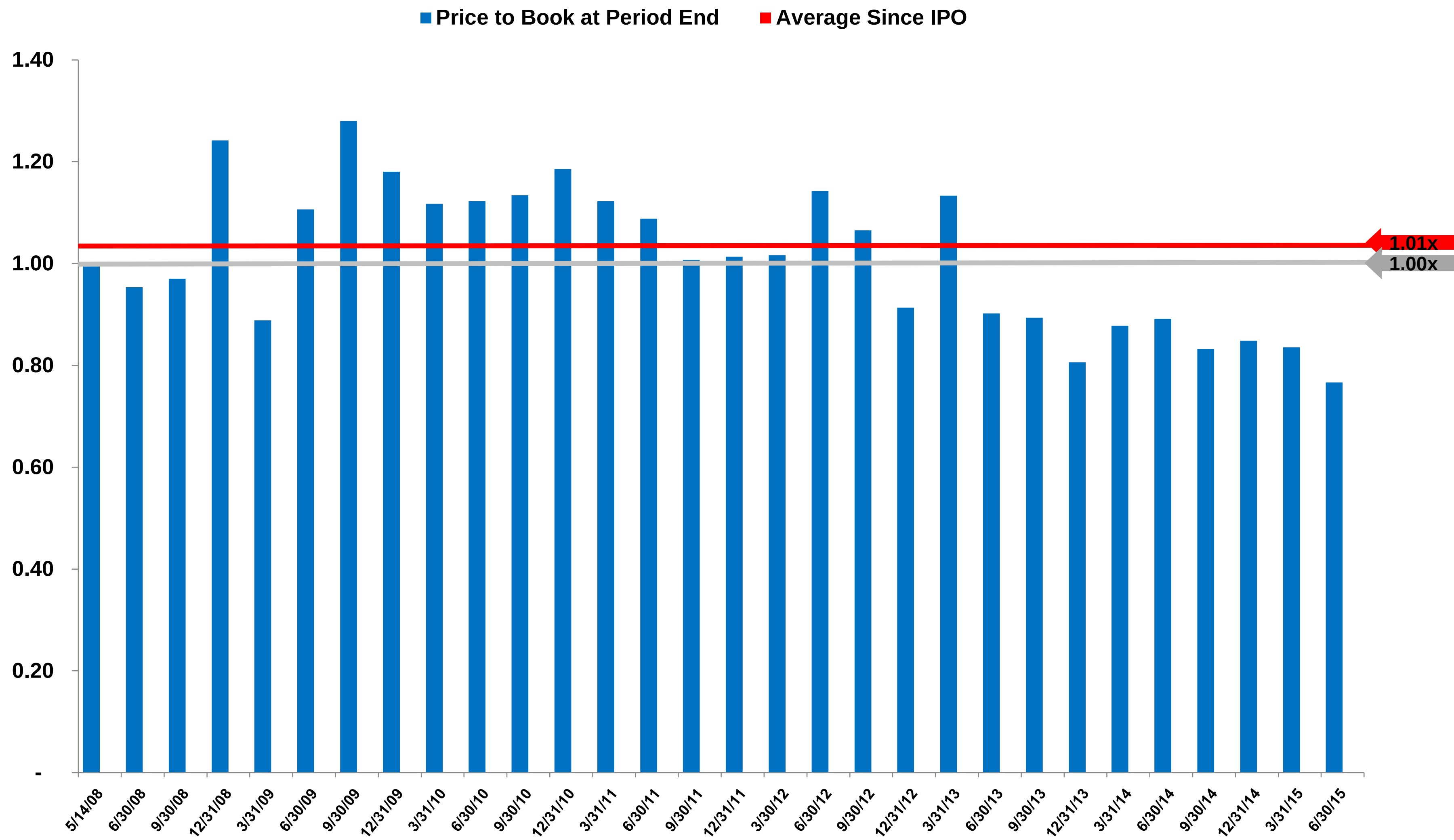
AGNC Total Stock Returns vs. S&P 500 Index by Calendar Year [1]

79% of the Years AGNC Outperformed the S&P 500 Index [2]



1. Source: SNL Financial; Total stock return over a period, including price appreciation and dividend reinvestment. Dividends assumed to be reinvested at the closing price of the security on the ex-dividend date
2. Stub periods weighted based on days outstanding
3. Annualized

AGNC Historical Price to Book Multiple



American Capital Agency

SUPPLEMENTAL INFORMATION

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 year 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**

USE OF NON-GAAP FINANCIAL INFORMATION

In addition to the results presented in accordance with GAAP, our results of operations discussed within this presentation include certain non-GAAP financial information, including "adjusted net interest expense" (defined as interest expense plus the periodic interest rate costs of our interest rate swaps reported in gain (loss) on derivatives and other securities, net in our consolidated statements of comprehensive income), "net spread and dollar roll income" (defined as interest income, TBA dollar roll income and dividends from REIT equity securities, net of adjusted net interest expense and operating expenses) and "estimated taxable income" and certain financial metrics derived from non-GAAP information, such as "cost of funds" and "net interest rate spread."

By providing users of our financial information with such measures in addition to the related GAAP measures, we believe it gives users greater transparency into the information used by our management in its financial and operational decision-making and that it is meaningful information to consider related to: (i) the economic costs of financing our investment portfolio inclusive of interest rate swaps used to economically hedge against fluctuations in our borrowing costs, (ii) in the case of net spread and dollar roll income, our current financial performance without the effects of certain transactions that are not necessarily indicative of our current investment portfolio and operations, and (iii) in the case of estimated taxable income, information that is directly related to the amount of dividends we are required to distribute in order to maintain our REIT qualification status. However, because such measures are incomplete measures of our financial performance and involve differences from results computed in accordance with GAAP, they should be considered as supplementary to, and not as a substitute for, our results computed in accordance with GAAP. In addition, because not all companies use identical calculations, our presentation of such non-GAAP measures may not be comparable to other similarly-titled measures of other companies. Furthermore, estimated taxable income can include certain information that is subject to potential adjustments up to the time of filing our income tax returns, which occurs after the end of our fiscal year.

A reconciliation of GAAP net interest income to non-GAAP net spread and dollar roll income and a reconciliation of GAAP net income to non-GAAP estimated taxable income is included in this presentation.