American Capital Agency Investor Fact Sheet – Q4 2009

American Capital Agency

AGNC NASDAQ LISTED

AT A GLANCE

American Capital Agency Corp. (Nasdaq: AGNC or "the Company") is a REIT that invests exclusively in agency securities for which the principal and interest payments are guaranteed by a U.S. Government agency (such as the Government National Mortgage Association, or Ginnie Mae), or a U.S. Government-sponsored entity (such as the Federal National Mortgage Association, or Fannie Mae, and the Federal Home Loan Mortgage Corporation, or Freddie Mac).

The principal goal of AGNC is to generate net income for distribution to our stockholders through regular quarterly dividends from our net interest income, which is the spread between the interest income earned on our investment portfolio and the interest costs of our borrowings and hedging activities. We fund our investments primarily through short-term borrowings structured as repurchase agreements.

AGNC is externally managed and advised by a subsidiary of a wholly-owned portfolio company of American Capital, Ltd. (Nasdaq: ACAS).

(All data as of December 31, 2009)

INVESTMENT PHILOSOPHY AND STRATEGY
Fundamentals of Mortgage Investing

Successful MBS Investing

Asset Selection

- Superior Asset Selection is Critical to Generating Attractive Returns
- Broad-based Analysis of Mortgage and Fixed Income Markets

Risk Management

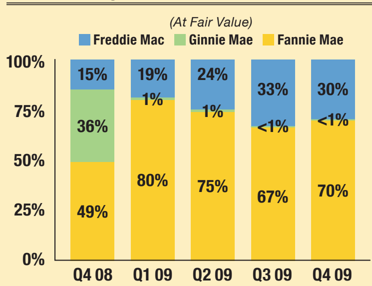
- Proper Assessment of Market Risks Integral to Generating Attractive Risk Adjusted Returns
- Understanding Spread Risk and Prepayment Uncertainty is Critical
- Balance Protecting Book Value While Managing Income at Risk

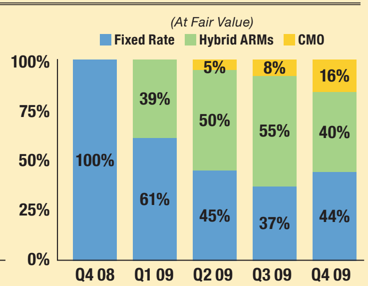
Funding/Leverage

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

Asset Mix

As of 12/31/09		Amortized Cost Basis[1]			Weighted Average	
($ in Millions)	Par Value	$ Amount	Pur. Price	Fair Value	Coupon	Yield[2]
Fixed Rate Total/Wtd Avg	$1,806.5	$1,863.3	103.1%	$1,887.4	5.40%	4.77%
Hybrid ARM Total/Wtd Avg	$1,625.5	$1,699.5	104.6%	$1,705.5	5.17%	3.18%
CMO Total/Wtd Avg	$ 682.4	$ 701.3	102.8%	$ 707.2	5.23%	3.90%
Total/Wtd Avg	$4,114.4	$4,264.1	103.6%	$4,300.1	5.28%	3.99%





Financing and Hedging Summary

AGNC has diversified funding sources. As of December 31, 2009 the Company had repurchase agreements with 18 counterparties, with no more than 10% of our equity at risk with a single counterparty.

Repurchase Agreements *($ in Millions)*

Original Repo Maturities	Repo Outstanding	Interest Rate	Weighted Average Days to Maturity
Total/Weighted Average	$3,841.8	0.24%	24 Days

In terms of hedging, AGNC had $2,050 million notional value of interest rate swaps as of December 31, 2009, representing 53% of the repurchase agreements outstanding. AGNC also has $300 million in swaptions ($200 million payer swaptions and $100 million receiver swaptions), which seek to hedge convexity risk.

Swap Agreements as of 12/31/09 *($ in Millions)*

Swap Term	Notional Amount	Fixed Pay Rate	Receive Rate	Average Maturity
Total/Weighted Average	$2,050	1.98%	0.23%	2.8 Years

Business Economics

(unaudited)	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Asset Yield	4.20%	4.38%	5.35%	5.13%
Cost of Funds	(1.17)%	(1.16)%	(1.30)%	(2.03)%
Net Interest Rate Spread before Terminated Swap Amortization Expense	3.03%	3.22%	4.05%	3.10%
Cost of Funds – Terminated Swap Expense[3]	(0.40)%	(0.54)%	(0.50)%	(0.08)%
Net Interest Rate Spread	2.63%	2.68%	3.55%	3.02%
Leverage[4]	6.8x	7.2x	7.0x	5.6x
Leveraged Net Interest Rate Spread	17.94%	19.15%	24.88%	16.96%
Plus: Asset Yield	4.20%	4.38%	5.35%	5.13%
Gross ROE Before Expenses	22.14%	23.53%	30.23%	22.09%
Other Income, Net	10.83%	12.19%	12.86%	5.54%
Management Fees as a % of Equity	(1.23)%	(1.23)%	(1.23)%	(1.34)%
Other Operating Expenses as a % of Equity	(1.47)%	(1.55)%	(2.04)%	(2.17)%
Total Operating Expenses as a % of Equity	(2.70)%	(2.78)%	(3.27)%	(3.51)%
Net Return on Equity	30.27%	32.94%	39.82%	24.12%

Summary Financial Highlights

(In Millions, Except Per Share Data)	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Net Interest Income	$26.8	$21.2	$22.1	$14.3
Total Other Income, Net of Excise Tax	17.6	12.7	10.8	4.4
Total Operating Expenses	(3.7)	(2.7)	(2.5)	(2.4)
Net Income	$40.7	$31.2	$30.4	$16.3
Basic and Diluted EPS	$1.79	$1.82	$2.02	$1.09
Dividends Per Share (Declared)	$1.40	$1.40	$1.50	$0.85
Estimated Cumulative Undistributed REIT Taxable Income per Share[5]	$0.90	$0.90	$0.62	$0.24
	As of 12/31/09	**As of 9/30/09**	**As of 6/30/09**	**As of 3/31/09**
Total Assets	$4,625.7	$3,680.1	$2,803.8	$2,385.3
Total Repurchase Agreements	$3,841.8	2,949.0	2,346.9	1,849.5
Total Equity	546.8	429.5	311.4	289.0
Leverage[4]	7.3x	7.3x	7.7x	7.0x
Book Value Per Share	$ 22.48	$ 22.23	$ 20.76	$ 19.26

1. Amortized cost basis amount and purchase price of securities as of December 31, 2009.
2. Weighted average yield as of December 31, 2009 incorporates future prepayment assumptions based on forward rates.
3. Represents amortization expense associated with the termination of interest rate swaps during 2009 ($16.6 million total cost with $3.7 million, $3.7 million, $2.7 million and $0.3 million expensed in Q4 2009, Q3 2009, Q2 2009 and Q1 2009, respectively) with the remaining termination fees ($6.2 million) amortized into GAAP and taxable income over the next two quarters.
4. Leverage calculated as total repurchase agreements plus payable for agency securities purchased but not yet settled less receivable for agency securities sold but not yet settled divided by total stockholders' equity.
5. Based on shares outstanding as of each quarter end.

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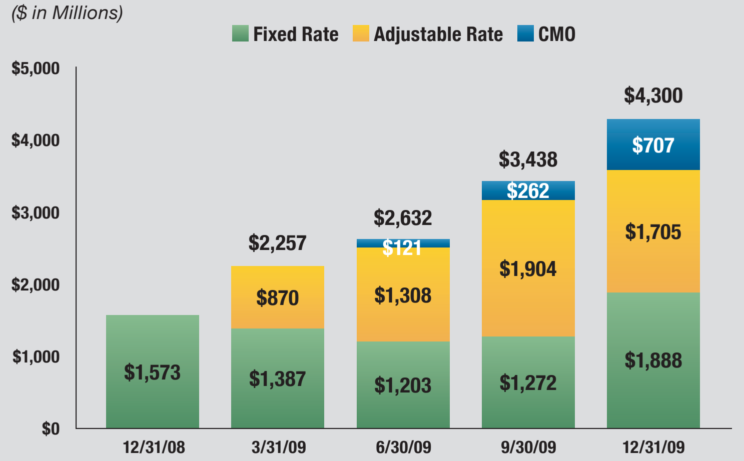
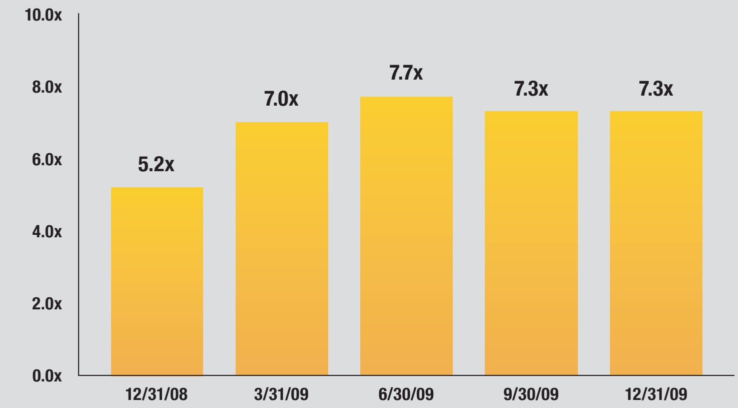
Investment Portfolio

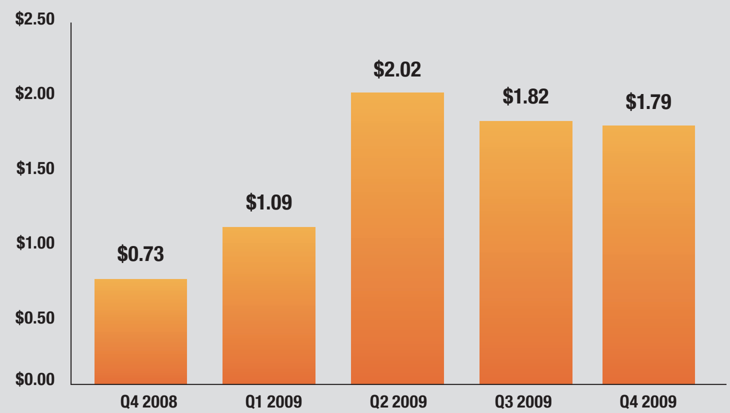
($ in Millions)



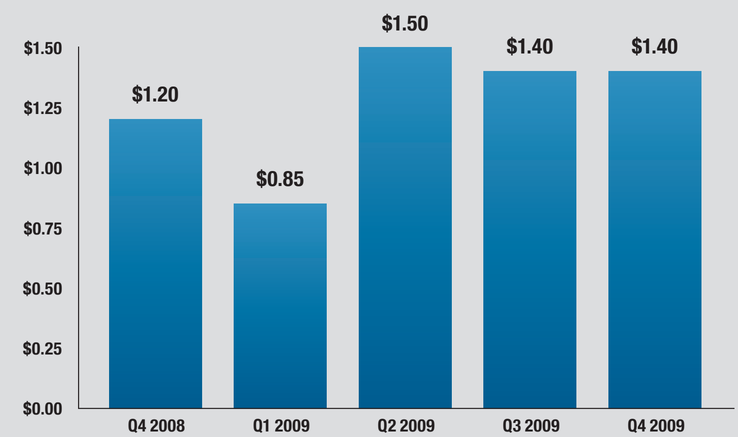
Leverage[1]



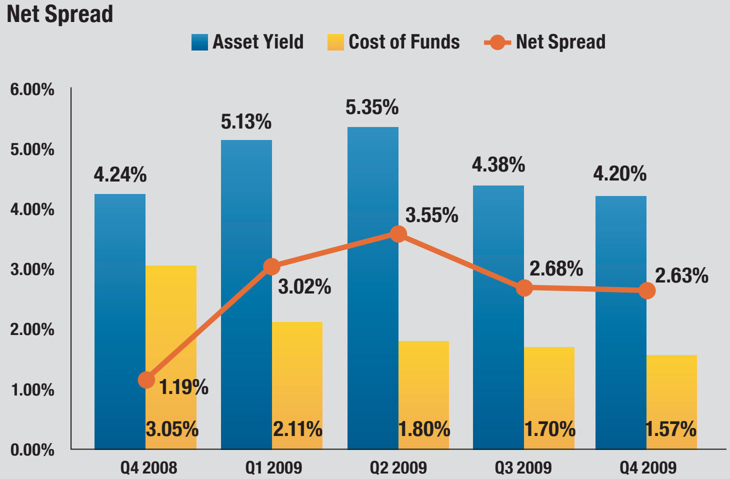
Earnings per Share (EPS)



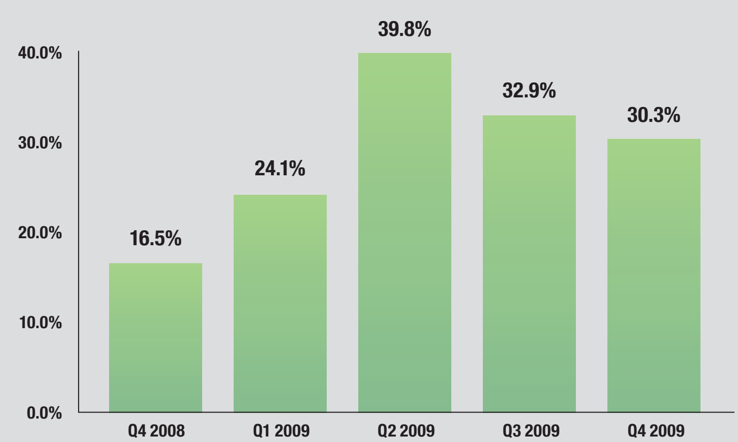
Dividend per Share



Net Spread



Return on Equity (ROE)



1. Leverage calculated as total repurchase agreements plus payable for agency securities purchased but not yet settled less receivable for agency securities sold but not yet settled divided by total stockholders' equity.

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Updated February 18, 2010