

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, 2008)

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

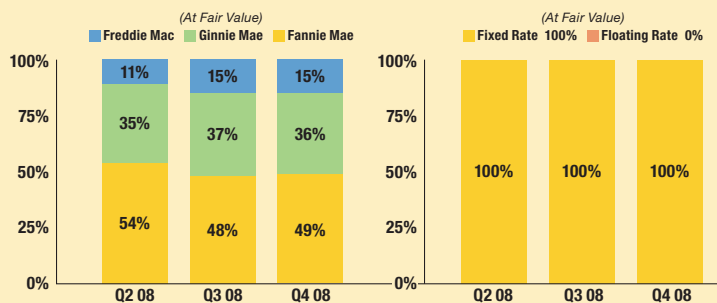
- Proper Assessment of Market Risks Integral to Generating Attractive Risk Adjusted Returns
- Understanding Spread Risk and Prepayment Uncertainty are Critical
- Balance Protecting Book Value While Managing Income at Risk

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 12/31/08 (\$ in Millions)	Amortized Cost Basis ¹			Weighted Average	
	Par Value	\$ Amount	Pur. Price	Fair Value	Coupon Yield ²
Total/Weighted Average	\$1,538.9	\$1,570.1	102.0%	\$1,573.4	6.11% 4.24%



Financing and Hedging Summary

AGNC has diversified funding sources. As of December 31, 2008 the Company had repurchase agreements with 14 counterparties, with no more than 8% 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	\$1,346.3	2.30%	23 Days

In terms of hedging, AGNC had \$650 million notional value of interest rate swaps as of December 31, 2008, representing 48% of the repurchase agreements outstanding.

Swap Agreements (\$ in Millions)

Swap Term	Notional Amount	Pay Rate	Receive Rate
Total/Weighted Average	\$650.0	3.58%	1.05%

Business Economics

(unaudited)	Q4 2008	Q3 2008	Inception-to-Date ³	As of 12/31/08
Asset Yield	4.24%	5.50%	5.04%	4.98%
Cost of Funds ⁴	(3.05)%	(2.45)%	(2.63)%	(3.52)%
Net Interest Rate Spread	1.19%	3.05%	2.41%	1.46%
Leverage	5.1x	6.8x	5.7x	5.2x
Leveraged Net Interest Rate Spread	6.11%	20.74%	13.82%	7.63%
Plus: Asset Yield	4.24%	5.50%	5.04%	4.98%
Gross ROE before Expenses	10.35%	26.24%	18.86%	12.61%
Other Income	9.32%	5.56%	6.07%	—
Management Fees as a % of Equity	(1.39)%	(1.37)%	(1.36)%	(1.44)%
Other Operating Expenses as a % of Equity	(1.82)%	(2.13)%	(2.13)%	(1.86)%
Total Operating Expenses as a % of Equity	(3.21)%	(3.50)%	(3.49)%	(3.30)%
Net Return on Equity	16.46%	28.30%	21.44%	9.31%

Summary Financial Highlights

(In Millions, Except Per Share Data)	Q4 2008	Q3 2008	Inception to Date ³
Net Interest Income	\$ 6.8	\$ 17.1	\$ 30.2
Total Other Income	6.3	4.1	10.9
Total Operating Expenses	(2.1)	(2.3)	(5.7)
Net Income	\$ 11.0	\$ 18.9	\$ 35.4
Basic and Diluted EPS	\$ 0.73	\$ 1.26	\$ 2.36
Dividends Per Share (Declared)	\$ 1.20	\$ 1.00	\$ 2.51
	As of 12/31/08	As of 9/30/08	As of 6/30/08
Total Assets	\$1,656.3	\$1,725.5	\$2,439.8
Total Repurchase Agreements	1,346.3	1,434.4	2,166.6
Total Equity	258.2	267.9	261.9
Leverage	5.2x	5.4x	8.3x
Book Value Per Share	\$ 17.20	\$ 17.85	\$ 17.45

1. Amortized cost basis amount and purchase price of securities as of December 31, 2008.

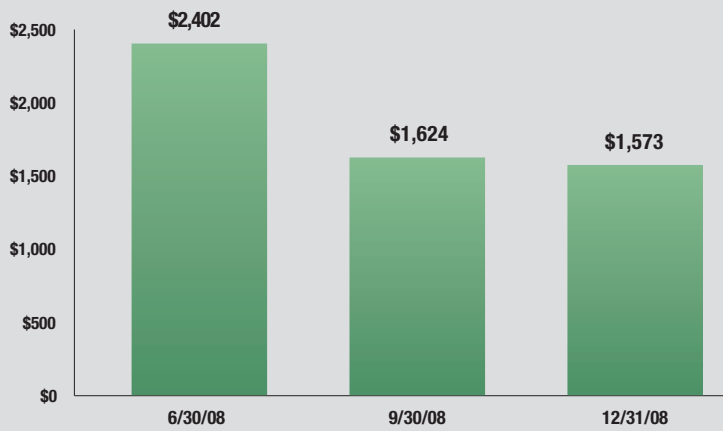
2. Weighted average yield during Q4 2008 incorporates future prepayment assumptions as well as any adjustments made to those assumptions during the quarter.

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

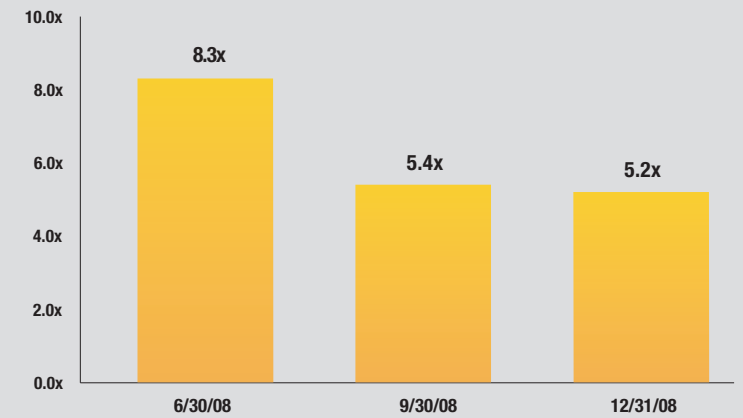
4. Includes the impact of interest rate swaps.

Agency Securities Portfolio

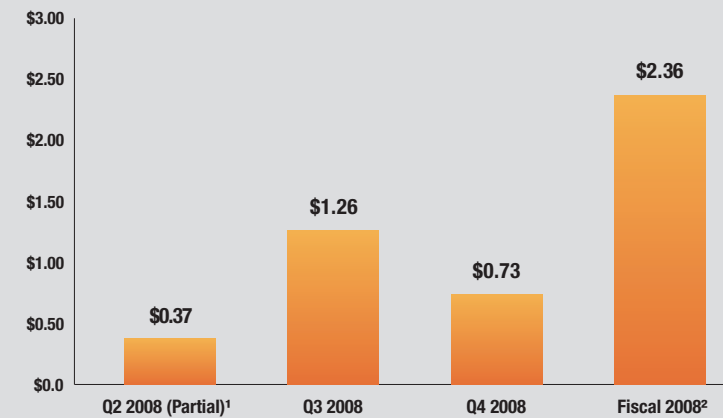
(\$ in Millions)



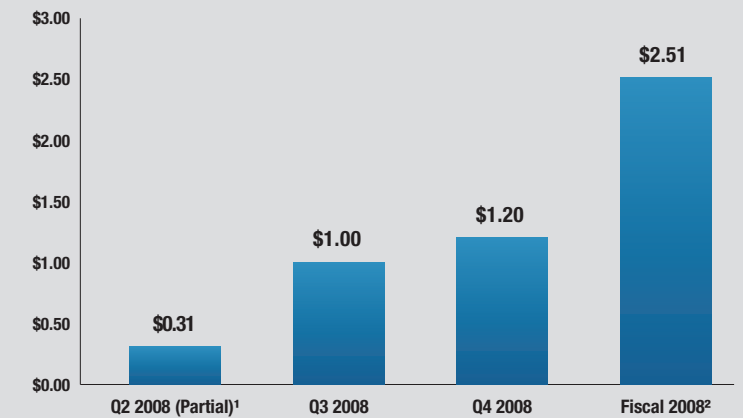
Leverage



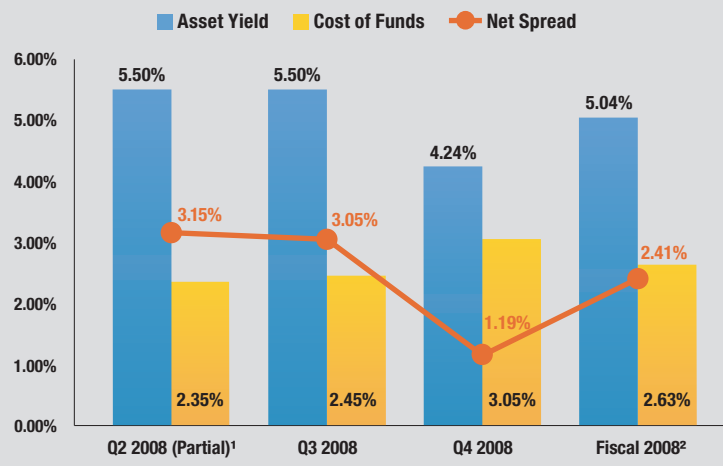
Earnings per Share (EPS)



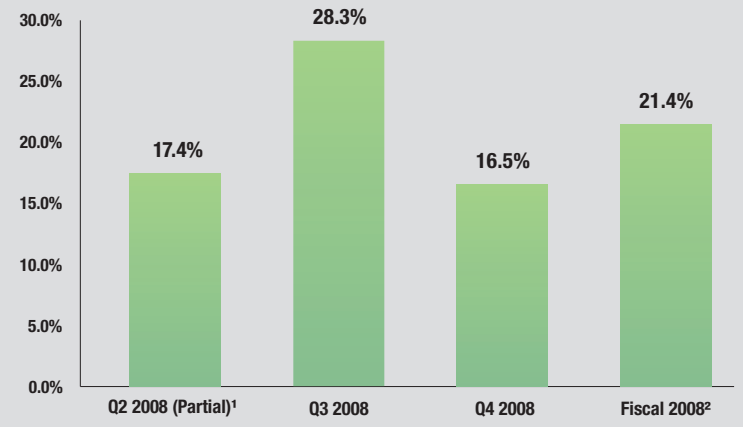
Dividend per Share



Net Spread



Return on Equity (ROE)



1. 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.

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

American Capital Agency | 2 Bethesda Metro Center 14th Floor | Bethesda MD 20814 | 301-968-9300 | www.agnc.com | ir@agnc.com

Persons considering an investment in American Capital Agency should consider the investment objectives, risks, charges and expenses of the Company carefully before investing. Such information and other information about the Company are available in the Company's annual report on Form 10-K, quarterly report on Form 10-Q and in the prospectuses the Company issues from time to time in connection with its offering of securities. Such materials are filed with the Securities and Exchange Commission and copies are available on the SEC's website, www.sec.gov. Prospective investors should read such materials carefully before investing. Performance data quoted above represents past performance of American Capital Agency. Past performance does not guarantee future results and the investment return and principal value of an investment in American Capital Agency will likely fluctuate. Consequently, an investor's shares, when sold, may be worth more or less than their original cost. Additionally, American Capital Agency's current performance may be lower or higher than the performance data quoted above.

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