American Capital Agency

Q1 2016 STOCKHOLDER PRESENTATION

APRIL 26, 2016

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

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Type / Stock Ticker:
Common Stock / AGNC

Exchange:
NASDAQ

IPO Date:
May 2008

IPO Price:
$20.00 Per Share

Total Dividends Paid Since IPO [1]:
$33.30 Per Share

Net Asset Value [2]:
$22.09 Per Share

Total Equity Capital [2]:
$7.3 B

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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]:
$8.056 Per Share

Public Offering Price:
$25.00 Per Share

Shares Outstanding:
6.9 Million

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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]:
$3.75122 Per Depositary Share

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

Depositary Shares Outstanding:
7.0 Million

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* As of March 31, 2016 unless otherwise indicated
1. As of April 15, 2016
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

Q1 2016 HIGHLIGHTS

- **$0.01 Comprehensive Income per Share, Comprised of:**
  - ✓ $(2.33) net loss per share
  - ✓ $2.34 other comprehensive income ("OCI") per share
    - Includes net unrealized gains on investments marked-to-market through OCI
- **$0.52 Net Spread and Dollar Roll Income per Share, Excluding Estimated "Catch-Up" Premium Amortization Cost [1]**
  - ✓ Includes $0.15 per share of dollar roll income associated with a $8.1 B average net long position in forward purchases and sales of Agency MBS in the "to-be-announced" ("TBA") market [2]
  - ✓ Excludes $(0.16) per share of estimated "catch-up" premium amortization cost due to change in projected constant prepayment rate ("CPR") estimates
- **$22.09 Net Book Value per Share as of Mar 31, 2016**
  - ✓ Decreased $(0.50) per share, or -2.2%, from $22.59 per share as of Dec 31, 2015
- **$0.60 Dividend Declared per Share**
  - ✓ 12.9% annualized dividend yield based on Mar 31, 2016 closing stock price of $18.63 per share
- **0.4% Economic Return on Common Equity for the Quarter, or 1.8% Annualized**
  - ✓ Comprised of $0.60 dividend per share and $(0.50) decrease in net book value per share
- **6.5 Million Shares, or $116 MM, of Common Stock Repurchased during the Quarter**
  - ✓ Represents 1.9% of common stock outstanding as of Dec 31, 2015
  - ✓ $17.89 per share average repurchase price, inclusive of transaction costs

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Note: Per share amounts included throughout this presentation are per share of common stock, 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

Q1 2016 Other Highlights

- **$62.1 B Investment Portfolio as of Mar 31, 2016**
  - ✓ $56.0 B Agency MBS
  - ✓ $6.0 B TBA mortgage position
  - ✓ $0.1 B AAA non-Agency MBS
- **7.3x "At Risk" Leverage as of Mar 31, 2016 [1,2]**
  - ✓ Increased from 6.8x "at risk" leverage as of Dec 31, 2015
  - ✓ 6.5x leverage, excluding net long TBA mortgage position, as of Mar 31, 2016
- **8.8% Portfolio CPR for the Quarter**
  - ✓ 10.2% average projected portfolio life CPR as of Mar 31, 2016
- **1.31% Annualized Net Interest Rate Spread and TBA Dollar Roll Income for the Quarter, Excluding Estimated "Catch-Up" Premium Amortization Cost [3]**
  - ✓ Excludes -37 bps of "catch-up" premium amortization cost due to change in projected CPR estimates
  - ✓ Decreased from 1.38% for the prior quarter, excluding 9 bps of "catch-up" premium amortization benefit

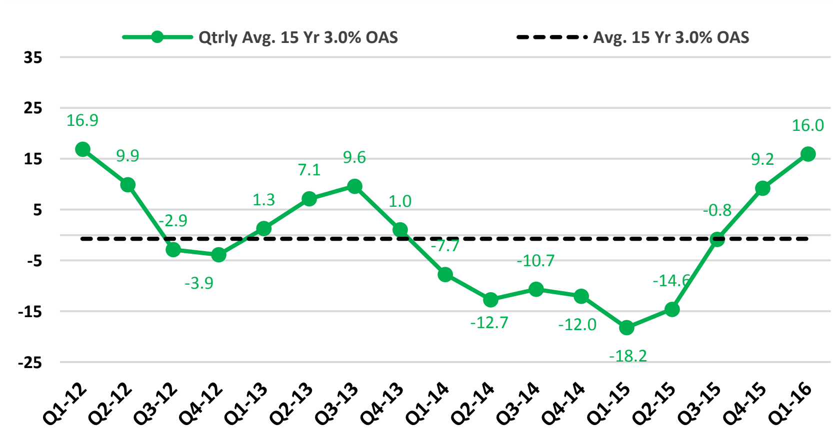
1. Leverage calculated as sum of Agency MBS repurchase agreements ("Agency repo"), Federal Home Loan Bank ("FHLB") advances, net payable/receivable for Agency securities not yet settled, and other debt divided by the sum of total stockholders' equity less the fair value of investments in REIT equity 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 repurchase agreements

Market Update

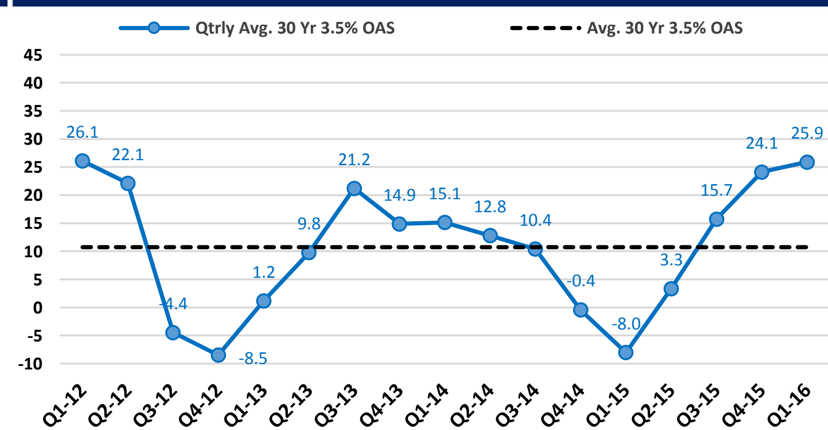
Security	3/31/15	6/30/15	9/30/15	12/31/15	3/31/16	Q1 2016 ∆ Rate % / Price[1]
Treasury Rates						
2 Yr UST	0.56%	0.64%	0.64%	1.06%	0.73%	-0.33% / +0.65
3 Yr UST	0.88%	0.99%	0.92%	1.32%	0.86%	-0.46% / +1.34
5 Yr UST	1.37%	1.63%	1.37%	1.77%	1.22%	-0.55% / +2.64
10 Yr UST	1.93%	2.33%	2.06%	2.27%	1.78%	-0.49% / +4.39
30 Yr UST	2.54%	3.10%	2.88%	3.01%	2.62%	-0.39% / +7.95
15 Year Fixed Rate Mortgages						
2.50%	102.71	101.17	101.94	100.80	102.66	+1.86
3.00%	104.83	103.57	104.11	103.02	104.47	+1.45
3.50%	106.09	105.44	105.61	104.72	105.59	+0.87
4.00%	105.59	105.06	104.77	104.41	104.31	-0.10

Security	3/31/15	6/30/15	9/30/15	12/31/15	3/31/16	Q1 2016 ∆ Rate % / Price[1]
Swap Rates						
2 Yr Swap	0.81%	0.89%	0.76%	1.17%	0.85%	-0.32% / +0.64
3 Yr Swap	1.11%	1.24%	0.99%	1.41%	0.96%	-0.45% / +1.34
5 Yr Swap	1.53%	1.77%	1.40%	1.73%	1.18%	-0.55% / +2.69
10 Yr Swap	2.03%	2.44%	2.01%	2.19%	1.64%	-0.55% / +5.16
30 Yr Swap	2.39%	2.92%	2.53%	2.62%	2.13%	-0.49% / +11.50
30 Year Fixed Rate Mortgages						
3.00%	102.25	99.58	101.34	100.01	102.59	+2.58
3.50%	105.05	103.02	104.31	103.18	104.86	+1.68
4.00%	106.92	105.91	106.67	105.83	106.86	+1.03
4.50%	109.08	108.09	108.41	108.00	108.82	+0.82

15 Year 3.0% MBS OAS [2]



30 Year 3.5% MBS OAS [2]



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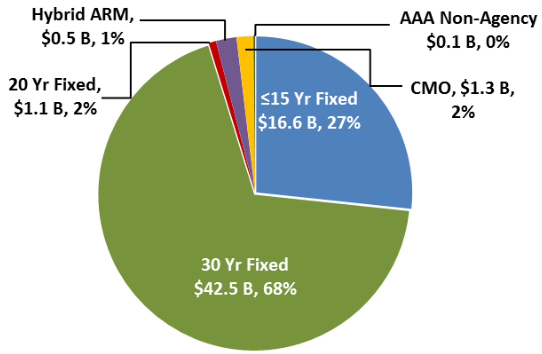
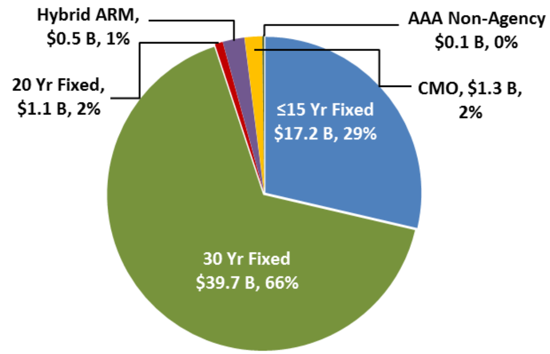
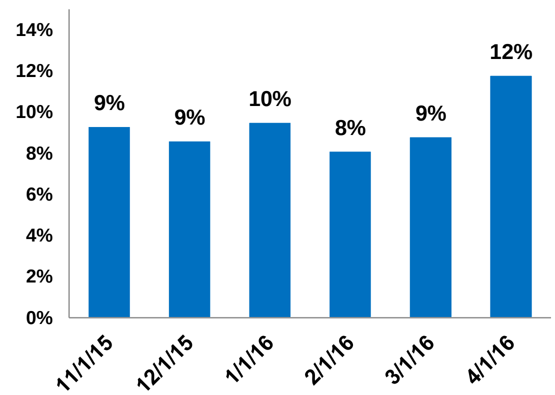
1. Note: Price information is provided for illustrative purposes only. Pricing information is for generic instruments as of 3:00 PM as of such date, and is not meant to be reflective of actual securities held by AGNC. Prices can vary materially depending on the source. Source: Barclays; Change in Treasury 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

Q1 2016 PORTFOLIO UPDATE

As of 3/31/16 $62.1 B Portfolio MBS ($56.1 B, 90%) & Net TBA Position ($6.0 B, 10%)	As of 12/31/15 $59.9 B Portfolio MBS ($52.5 B, 88%) & Net TBA Position ($7.4 B, 12%)	AGNC Actual CPR [1]







≤15 Year - $16.6 B Portfolio (27% of Total) as of 3/31/16

($ In Millions) Coupon	FMV	%	% LB / HARP [2,3]	WALA [4]	Apr '16 1 M Actual CPR [1]	Life Forecast CPR [5]
2.5%	$4,110	25%	44%	42	9%	9%
3.0%	4,139	25%	74%	44	10%	10%
3.5%	4,357	26%	89%	54	13%	11%
≥ 4.0%	3,841	23%	89%	64	15%	13%
≤ 15 Year MBS	16,447	99%	74%	51	12%	11%
Net Long TBA	118	1%	N/A	N/A	N/A	N/A
Total ≤ 15 Year	**$16,565**	**100%**	N/A	N/A	N/A	N/A

30 Year - $42.5 B Portfolio (68% of Total) as of 3/31/16

($ in Millions) Coupon	FMV	%	% LB / HARP [2,3]	WALA [4]	Apr '16 1 M Actual CPR [1]	Life Forecast CPR [5]
≤ 3.0%	$2,942	7%	5%	34	8%	7%
3.5%	19,212	45%	54%	26	10%	9%
4.0%	12,581	30%	67%	31	15%	11%
≥ 4.5%	1,907	4%	83%	66	17%	12%
30 Year MBS	36,642	86%	56%	30	12%	10%
Net Long TBA	5,906	14%	N/A	N/A	N/A	N/A
Total 30 Year	**$42,548**	**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 $97 K for ≤15-year and 30-year securities as of Mar 31, 2016
3. HARP defined as pools backed by 100% refinance loans with original LTVs ≥ 80%. Wtd/avg original LTV of 111% for ≤ 15-year and 131% for 30-year securities as of Mar 31, 2016
4. WALA represents the weighted average loan age presented in mths, excluding net TBA position
5. Average projected life CPR as of Mar 31, 2016, excluding net TBA position

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FINANCING SUMMARY

OUR FINANCING POSITION IS VERY STRONG, WITH SIGNIFICANT ACCESS TO ATTRACTIVE FUNDING ACROSS A WIDE RANGE OF COUNTERPARTIES AND FINANCING TERMS

- Weighted average agency repo cost totaled 0.76% as of Mar 31, 2016, an increase from 0.61% as of Dec 31, 2015
- 36 repo counterparties as of Mar 31, 2016
- Agency repo weighted average days to maturity totaled 184 days as of Mar 31, 2016, an increase from 173 days as of Dec 31, 2015
- FHLB advances totaled $3.0 B with a weighted average maturity of 306 days as of Mar 31, 2016 [2]

Mortgage Funding [1]
As of Mar 31, 2016

	%	Amount ($ MM)	Interest Rate	Avg. Days to Maturity
Agency Repo	83%	$45,276	0.76%	184
FHLB Advances [2]	6%	3,037	0.56%	306
Total Bal. Sheet - Mortgage Funding	89%	48,313	0.74%	192
TBA Dollar Roll - Mortgage Funding	11%	5,983	N/A	N/A
Total Mortgage Funding	100%	$54,296	N/A	N/A
As of Dec 31, 2015				
Total Mortgage Funding	100%	$52,912	N/A	N/A

Agency Repurchase Agreements [1]
As of Mar 31, 2016

Maturity	%	Amount ($ MM)	Interest Rate	Avg. Days to Maturity
≤ 3 Mths	74%	$33,472	0.69%	22
> 3 to ≤ 6	5%	2,158	0.83%	122
> 6 to ≤ 9	2%	920	0.83%	222
> 9 to ≤ 12	6%	2,497	0.92%	315
> 1 to ≤ 3 Yrs	7%	3,304	0.98%	664
> 3 to ≤ 5	6%	2,925	1.07%	1,423
Total / Wtd Avg	100%	$45,276	0.76%	184
As of Dec 31, 2015				
Total / Wtd Avg	100%	$41,729	0.61%	173

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1. Table excludes Treasury repurchase agreements of $0 and $25 MM associated with U.S. Treasury positions as of Mar 31, 2016 and Dec 31, 2015, respectively, and $0.6 B of debt of consolidated VIE's as of Mar 31, 2016 and Dec 31, 2015
2. On January 12, 2016, the Federal Housing Finance Agency ("FHFA") released its final rule on FHLB membership, which requires the termination of the Company's captive insurance subsidiary's FHLB membership and repayment of all FHLB advances after a one year period ending in February 2017

HEDGING SUMMARY

OUR PRIMARY OBJECTIVE IS NOT TO ELIMINATE INTEREST RATE 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

- **Our interest rate hedge portfolio totaled $45.5 B and covered 83% of our repo, FHLB advances, other debt and net TBA position ("funding liabilities") as of Mar 31, 2016, a decrease from 87% as of Dec 31, 2015**
  - ✓ **Interest Rate Swaps**
    - $38.2 B notional pay fixed swaps, a decrease of $2.4 B from prior quarter
    - Covered 70% of funding liabilities as of Mar 31, 2016
  - ✓ **Payer Swaptions**
    - $1.8 B notional payer swaptions
    - Decrease of $0.4 B from prior quarter
  - ✓ **U.S. Treasury Securities and Futures**
    - $5.5 B net short treasury position market value
    - Compared to a $4.0 B net short treasury position as of Dec 31, 2015

Hedge Portfolio Summary
As of Mar 31, 2016

$ in MM	Notional/ Market Value 3/31/2016	Duration 3/31/2016 [1]	Net Hedge Gains/ (Losses) Q1 2016 [2]	Net Hedge Gains/ (Losses) Per Share Q1 2016
Interest Rate Swaps	$(38,175)	(4.3)	$(897)	$(2.68)
Payer Swaptions	(1,750)	(0.5)	(7)	(0.02)
U.S. Treasuries	(5,532)	(6.3)	(155)	(0.46)
Total / Q1 2016 [3]	**$(45,457)**	**(3.2)**	**$(1,059)**	**$(3.16)**
As of Dec 31, 2015 / Q4 2015				
Total / Q4 2015 [3]	$(46,632)	(3.4)	$498	$1.46

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1. Duration is a model estimate of interest rate sensitivity measured in years as of a point in time
2. Net hedge gains/losses 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
3. Total duration is expressed in the asset unit equivalent

DURATION RISK

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

Duration Gap Sensitivity [2,3] As of Mar 31, 2016				
	Rates - 100 bps	Duration 3/31/2016	Rates + 100 bps	Rates + 200 bps
Mortgage Assets: [4]				
30-Year MBS	1.8	3.7	5.6	6.7
15-Year MBS	1.7	2.8	3.6	4.0
Total Mortgage Assets	**1.7**	**3.4**	**5.0**	**5.8**
Liabilities and Hedges	(3.5)	(3.4)	(3.4)	(3.4)
Net Duration Gap	**(1.8)**	**0.0**	**1.6**	**2.4**
As of Dec 31, 2015				
Net Duration Gap	**(0.9)**	**0.8**	**2.0**	**2.4**

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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. Duration is a model estimate of interest rate sensitivity measured in years as of a point in time. The sensitivity analysis assumes an instantaneous parallel shift in interest rates and, consequently, does not include the potential impact of ongoing portfolio rebalancing actions
3. Durations are expressed in years. Liability and hedge durations are expressed in asset unit equivalents
4. Mortgage assets include net TBA position. 15-year MBS position includes 20-year fixed rate MBS, AAA non-agency MBS, ARMs and CMOs

FINANCIAL RESULTS

BALANCE SHEETS

($ in millions, except per share data, unaudited except 12/31/15)	3/31/16	12/31/15	9/30/15	6/30/15	3/31/15
Agency Securities, at Fair Value	$54,950	$51,331	$53,729	$50,976	$60,131
Agency Securities Transferred to Consolidated Variable Interest Entities, at Fair Value	993	1,029	1,088	1,142	1,221
Non-Agency Securities, at Fair Value	112	113	--	--	--
U.S. Treasury Securities, at Fair Value	--	25	787	5,124	4,328
REIT Equity Securities, at Fair Value	38	33	34	60	68
Cash and Cash Equivalents	1,109	1,110	1,505	1,510	1,708
Restricted Cash	1,686	1,281	1,413	778	1,108
Derivative Assets, at Fair Value	55	81	143	164	229
Receivable for Securities Sold	--	--	147	221	908
Receivable under Reverse Repurchase Agreements	3,163	1,713	1,463	2,741	3,175
Other Assets	290	305	300	169	229
Total Assets	**$62,396**	**$57,021**	**$60,609**	**$62,885**	**$73,105**
Repurchase Agreements	$45,276	$41,754	$41,014	$50,158	$58,112
Federal Home Loan Bank Advances	3,037	3,753	3,502	20	--
Debt of Consolidated Variable Interest Entities, at Fair Value	562	595	626	674	725
Payable for Securities Purchased	889	182	4,178	90	50
Derivative Liabilities, at Fair Value	1,652	935	1,536	844	1,352
Dividends Payable	73	74	76	77	85
Obligation to Return Securities Borrowed under Reverse Repurchase Agreements, at Fair Value	3,175	1,696	1,309	2,230	3,363
Accounts Payable and Other Accrued Liabilities	72	61	52	74	62
Total Liabilities	**54,736**	**49,050**	**52,293**	**54,167**	**63,749**
Preferred Equity at Aggregate Liquidation Preference	348	348	348	348	348
Common Equity	7,312	7,623	7,968	8,370	9,008
Total Stockholders' Equity	**7,660**	**7,971**	**8,316**	**8,718**	**9,356**
Total Liabilities and Stockholders' Equity	**$62,396**	**$57,021**	**$60,609**	**$62,885**	**$73,105**
Other Supplemental Data:					
Net TBA Long, at Fair Value [1]	**$6,024**	**$7,444**	**$7,385**	**$7,058**	**$4,894**
Leverage [2]	**6.5x**	**5.8x**	**5.9x**	**5.3x**	**5.8x**
"At Risk" Leverage [3]	**7.3x**	**6.8x**	**6.8x**	**6.1x**	**6.4x**
Net Book Value Per Common Share [4]	**$22.09**	**$22.59**	**$23.00**	**$24.00**	**$25.53**

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, FHLB advances, 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 $0, $25 M, $0.5 B, $5.0 B and $3.8 B as of Mar 31, 2016 and Dec 31, Sept 30, June 30 and Mar 31, 2015, 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

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INCOME STATEMENTS

($ in millions, except per share data) (Unaudited)	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Interest Income	$295	$374	$295	$414	$383
Interest Expense	(99)	(86)	(77)	(81)	(86)
Net Interest Income	**196**	**288**	**218**	**333**	**297**
Gain (Loss) on Sale of Agency Securities, Net	(2)	2	(39)	(22)	36
Gain (Loss) on Derivative Instruments and Other Securities, Net	(933)	331	(778)	237	(549)
Total Other Gain (Loss), Net	**(935)**	**333**	**(817)**	**215**	**(513)**
Management Fee	(27)	(28)	(29)	(29)	(30)
General and Administrative Expense	(6)	(5)	(5)	(7)	(6)
Total Operating Expenses	**(33)**	**(33)**	**(34)**	**(36)**	**(36)**
Net Income (Loss)	**(772)**	**588**	**(633)**	**512**	**(252)**
Dividend on Preferred Stock	(7)	(7)	(7)	(7)	(7)
Net Income (Loss) Available (Attributable) to Common Stockholders	**$(779)**	**$581**	**$(640)**	**$505**	**$(259)**

Net Income (Loss)	**$(772)**	**$588**	**$(633)**	**$512**	**$(252)**
Unrealized Gain (Loss) on Available-for-Sale Securities, Net	765	(583)	467	(872)	391
Unrealized Gain on Derivative Instruments, Net	19	22	24	26	29
Other Comprehensive Income (Loss)	**784**	**(561)**	**491**	**(846)**	**420**
Comprehensive Income (Loss)	**12**	**27**	**(142)**	**(334)**	**168**
Dividend on Preferred Stock	(7)	(7)	(7)	(7)	(7)
Comprehensive Income (Loss) Available (Attributable) to Common Stockholders	**$5**	**$20**	**$(149)**	**$(341)**	**$161**

Weighted Average Common Shares Outstanding – Basic and Diluted	**334.4**	**341.6**	**347.8**	**352.1**	**352.8**
Net Income (Loss) per Common Share	**$(2.33)**	**$1.70**	**$(1.84)**	**$1.43**	**$(0.73)**
Comprehensive Income (Loss) per Common Share	**$0.01**	**$0.06**	**$(0.43)**	**$(0.97)**	**$0.46**
Dividends Declared per Common Share	**$0.60**	**$0.60**	**$0.60**	**$0.62**	**$0.66**

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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)	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Interest Income	**$295**	**$374**	**$295**	**$414**	**$383**
Interest Expense:					
Repurchase Agreements and Other Debt	(80)	(64)	(53)	(55)	(57)
Interest Rate Swap Periodic Costs [2]	(19)	(22)	(24)	(26)	(29)
Total Interest Expense	**(99)**	**(86)**	**(77)**	**(81)**	**(86)**
Net Interest Income	**196**	**288**	**218**	**333**	**297**
Other Interest Rate Swap Periodic Costs [3,4]	(89)	(102)	(107)	(99)	(84)
Dividend on REIT Equity Securities [4]	1	1	1	2	2
TBA Dollar Roll Income, Net [4]	50	53	73	54	57
Adjusted Net Interest and Dollar Roll Income	**158**	**240**	**185**	**290**	**272**
Total Operating Expenses	**(33)**	**(33)**	**(34)**	**(36)**	**(36)**
Net Spread and Dollar Roll Income	**125**	**207**	**151**	**254**	**236**
Dividend on Preferred Stock	(7)	(7)	(7)	(7)	(7)
Net Spread and Dollar Roll Income Available to Common Stockholders	**118**	**200**	**144**	**247**	**229**
Estimated “Catch Up” Premium Amortization (Benefit) Cost due to Change in CPR Forecast	**55**	**(14)**	**33**	**(37)**	**19**
Net Spread and Dollar Roll Income, Excluding “Catch Up” Amortization, Available to Common Stockholders	**$173**	**$186**	**$177**	**$210**	**$248**
Weighted Average Common Shares Outstanding – Basic and Diluted	**334.4**	**341.6**	**347.8**	**352.1**	**352.8**
Net Spread and Dollar Roll Income per Common Share	**$0.36**	**$0.58**	**$0.41**	**$0.70**	**$0.65**
Net Spread and Dollar Roll Income, Excluding “Catch Up” Amortization per Common Share	**$0.52**	**$0.54**	**$0.51**	**$0.60**	**$0.70**

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

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RECONCILIATION OF GAAP NET INCOME TO ESTIMATED TAXABLE INCOME [1]

($ in millions, except per share data) (Unaudited)	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net Income (Loss)	**$(772)**	**$588**	**$(633)**	**$512**	**$(252)**
Book to Tax Differences:					
Premium Amortization, Net	55	(18)	15	(55)	26
Realized Gain / Loss, Net	93	154	12	(39)	(113)
Net Capital Loss / (Utilization of Net Capital Loss Carryforward) [2]	(99)	(83)	--	121	(115)
Unrealized Gain / Loss, Net	804	(543)	672	(417)	627
Total Book to Tax Differences	**853**	**(490)**	**699**	**(390)**	**425**
Estimated REIT Taxable Income	**81**	**98**	**66**	**122**	**173**
Dividend on Preferred Stock	(7)	(7)	(7)	(7)	(7)
Estimated REIT Taxable Income, net of Preferred Stock Dividend	**$74**	**$91**	**$59**	**$115**	**$166**
Weighted Average Common Shares Outstanding – Basic and Diluted	**334.4**	**341.6**	**347.8**	**352.1**	**352.8**
Estimated REIT Taxable Income per Common Share	**$0.22**	**$0.27**	**$0.17**	**$0.33**	**$0.47**
Beginning Cumulative Non-Deductible Net Capital Loss	**$684**	**$767**	**$767**	**$646**	**$761**
Net Capital Loss / (Utilization of Net Capital Loss Carryforward)	(99)	(83)	--	121	(115)
Ending Cumulative Non-Deductible Net Capital Loss	**$585**	**$684**	**$767**	**$767**	**$646**
Ending Cumulative Non-Deductible Net Capital Loss per Common Share	**$1.77**	**$2.03**	**$2.21**	**$2.20**	**$1.83**

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 Mar 31, 2016, $0.6 B of net capital losses were available through Dec 31, 2018

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NET BOOK VALUE ROLL FORWARD

(In millions, except per share data) (Unaudited)	Q1 2016 Balance	Q1 2016 Common Shares Outstanding	Q1 2016 Net Book Value per Common Share
Beginning Net Common Equity [1]	**$7,623**	**337.5**	**$22.59**
Net Income	(772)		
Other Comprehensive Loss	784		
Dividend on Common Stock	(200)		
Dividend on Preferred Stock	(7)		
Repurchase of Common Stock, Net of Expenses	(116)	(6.5)	$(17.89)
Ending Net Common Equity	**$7,312**	**331.0**	**$22.09**
Series A Preferred Stock Liquidation Preference	173		
Series B Preferred Stock Liquidation Preference	175		
Ending Total Stockholders' Equity	**$7,660**		

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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

Q1 2016 (unaudited)	Unadjusted	Adjusted Repo Funded Assets	Adjusted Dollar Roll Funded Assets	Total Adjusted Repo and Dollar Roll Funded Assets
Asset Yield	**2.32%**	**2.32%**	**2.98%**	**2.41%**
Cost of Funds: [1]				
Cost of Funds – Repo / Implied Dollar Roll Financing	(0.70)%	(0.70)%	(0.52)%	(0.67)%
Cost of Funds – Swap [2]	(0.94)%	(0.81)%	(0.75)%	(0.80)%
Total Cost of Funds	**(1.64)%**	**(1.51)%**	**(1.27)%**	**(1.47)%**
Net Interest Rate Spread	**0.68%**	**0.81%**	**1.71%**	**0.94%**
Leverage [3]	**5.9x**	**5.9x**	**1.1x**	**7.0x**
Leveraged Net Interest Rate Spread	4.04%			6.57%
Plus Asset Yield	2.32%			2.41%
Gross Return on Equity ("ROE") Before Expenses and Other Income	**6.36%**			**8.98%**
Management Fees as a % of Equity	(1.38)%			(1.38)%
Other Operating Expenses as a % of Equity	(0.31)%			(0.31)%
Total Operating Expenses as a % of Equity	**(1.69)%**			**(1.69)%**
Net Spread Income ROE	**4.67%**			**7.29%**
Other Miscellaneous [4]	(0.84)%			(0.84)%
Realized Other Loss	(2.20)%			(4.82)%
Unrealized Other Income	(41.45)%			(41.45)%
Net Income ROE	**(39.82)%**			**(39.82)%**
Other Comprehensive Loss	40.44%			40.44%
Comprehensive Income ROE	**0.62%**			**0.62%**
Preferred Dividend in excess of Comprehensive Income on Preferred Equity	(0.34)%			(0.34)%
Net Comprehensive Income ROE Attributable to Common Stockholders	**0.28%**			**0.28%**

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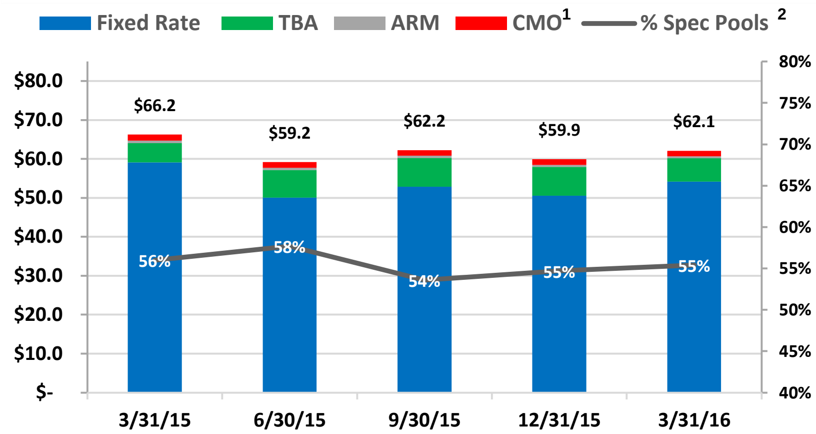
1. Cost of funds and net interest rate spread exclude U.S. Treasury repos and other supplemental hedges, such as swaptions and U.S. Treasury positions
2. Swap costs are allocated to repo funded and dollar roll funded assets on a duration weighted basis
3. Average leverage excludes stockholders' equity 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

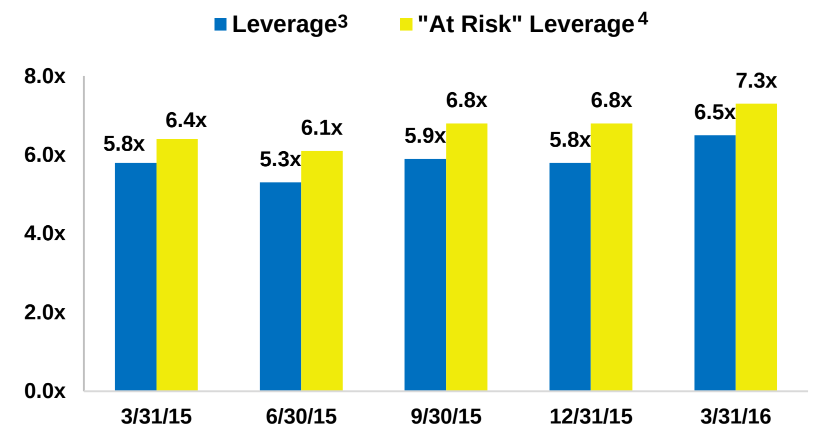
SUPPLEMENTAL SLIDES

AGNC Historical Overview

Asset Composition ($ B)

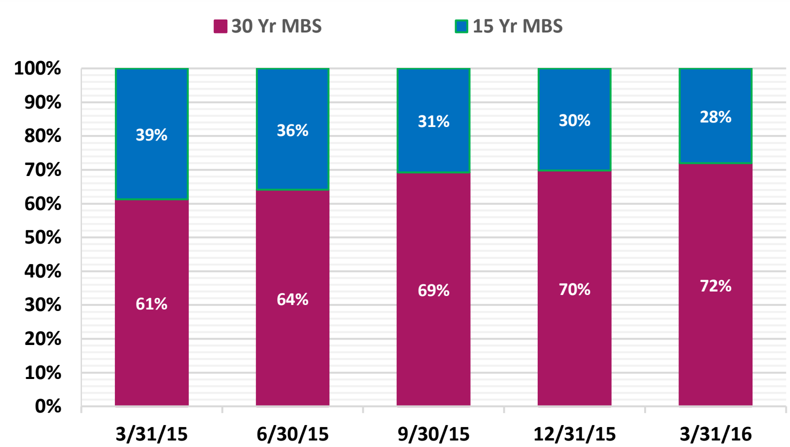


Leverage

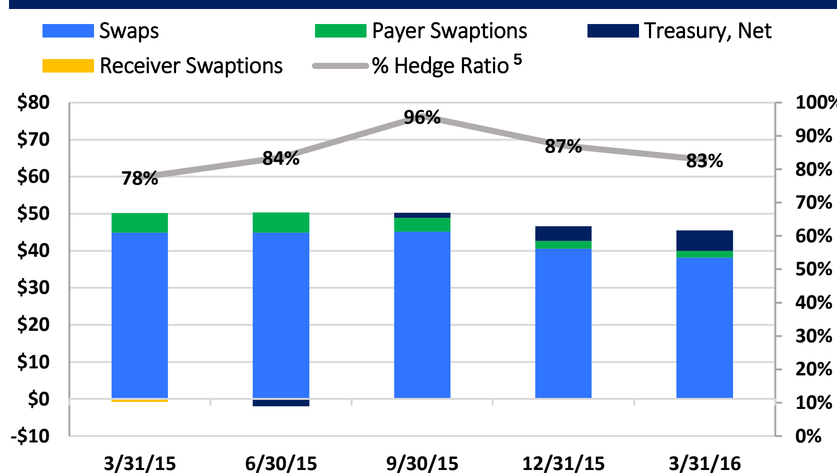


Fixed Rate Securities

15 Yr vs. 30 Yr Composition



Interest Rate Hedge Composition ($ B)



1. CMO includes AAA non-agency MBS
2. % Spec Pools is of fixed rate portfolio. Defined as lower loan balance pools backed by orig. loan balances of up to $150K and HARP pools backed by 100% refi loans with original LTVs ≥ 80%
3. Leverage calculated as sum of Agency MBS repurchase agreements, FHLB advances, 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 $0, $25 M, $0.5 B, $5.0 B and $3.8 B as of Mar 31, 2016 and Dec 31, Sept 30, June 30 and Mar 31, 2015, respectively
4. "At risk" leverage includes the components of leverage plus our net TBA dollar roll position (at cost)
5. Measured as the ratio of interest rate swaps, swaptions and net U.S. Treasury position over repurchase agreement, FHLB advances, other debt and net TBA position.

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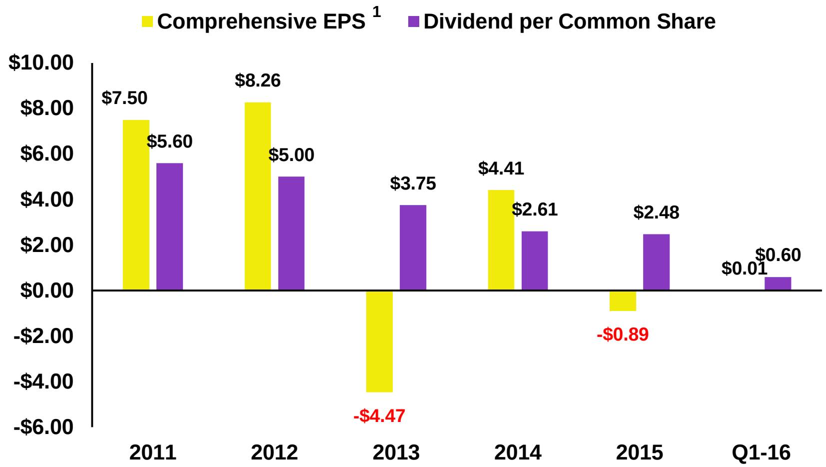
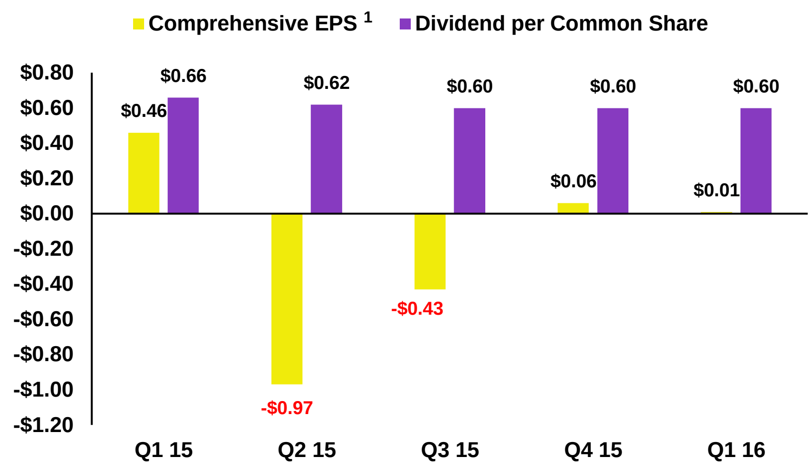
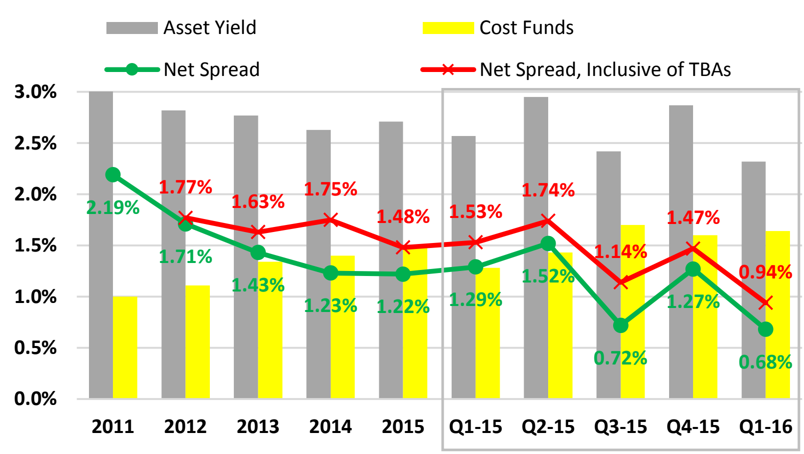
AGNC Historical Overview

Earnings and Dividends per Common Share

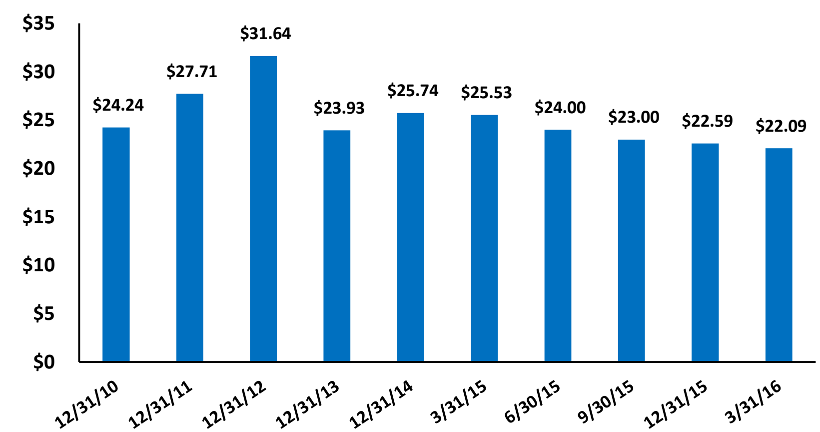




Net Spread 2



Net Book Value per Common Share 3



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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 wtd. avg. over the period. Excludes other supplemental hedge costs, such as swaption and short U.S. Treasury costs. Excludes TBAs, unless noted otherwise. Includes estimated "catch-up" premium amortization cost/benefit due to changes in CPR estimates
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

FIXED RATE AGENCY SECURITIES – MBS AND NET TBA POSITION

$ IN MILLIONS – AS OF MAR 31, 2016

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					
2.5%	$4,002	$4,129	40%	8%	101.8%	2.97%	42	9%	3.2
3.0%	4,010	4,203	71%	10%	103.0%	3.50%	44	10%	2.6
3.5%	4,136	4,392	87%	5%	103.5%	3.95%	54	13%	2.6
4.0%	3,247	3,469	84%	7%	104.2%	4.40%	63	15%	2.3
4.5%	350	367	92%	6%	104.6%	4.87%	67	14%	2.6
≥ 5.0%	5	5	25%	75%	103.6%	6.56%	101	2%	2.2
Subtotal ≤15 YR	$15,750	$16,565	71%	7%	103.1%	3.71%	51	12%	2.7
				20 YR Mortgage Securities					
≤ 3.0%	$280	$291	18%	10%	99.3%	3.55%	34	9%	3.3
3.5%	581	615	59%	10%	102.1%	4.05%	36	9%	2.4
4.0%	63	68	37%	12%	104.2%	4.54%	55	11%	1.8
4.5%	81	88	99%	--%	106.5%	4.90%	64	13%	2.3
≥ 5.0%	3	4	--%	--%	105.8%	5.89%	93	15%	1.6
Subtotal 20 YR	$1,008	$1,066	50%	9%	101.8%	4.02%	40	10%	2.6
				30 YR Mortgage Securities					
≤ 3.0%	$6,776	$6,957	--%	2%	100.6%	3.59%	34	8%	4.7
3.5%	19,007	20,005	51%	2%	104.8%	4.09%	26	10%	3.9
4.0%	12,700	13,649	49%	22%	106.5%	4.53%	31	15%	2.9
4.5%	1,470	1,617	81%	8%	106.3%	4.96%	58	17%	3.1
5.0%	140	155	36%	30%	106.2%	5.45%	94	14%	3.5
≥ 5.5%	147	165	38%	12%	109.2%	6.21%	112	15%	2.8
Subtotal 30 YR	$40,240	$42,548	43%	9%	105.1%	4.25%	30	12%	3.7
Total Fixed	**$56,998**	**$60,179**	**51%**	**9%**	**104.5%**	**4.08%**	**37**	**12%**	**3.4**

1. The wtd/avg coupon on fixed rate securities held as of Mar 31, 2016 was 3.55% excluding the net long TBA mortgage position and 3.52% including the net long TBA position
2. Excluding net TBA position, total fixed-rate MBS as of Mar 31, 2016 had a par value of $51,184, market value of $54,155 and avg duration of 3.3 years
3. Higher quality specified pools include pools backed by orig. loan balances of up to $150K and HARP securities backed by 100% refi. 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 Apr 2016 for Agency securities held as of Mar 31, 2016
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

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REPO COUNTERPARTY CREDIT RISK

OUR REPO FUNDING IS WELL DIVERSIFIED BY COUNTERPARTY AND GEOGRAPHY

- Maintained excess capacity with most of our counterparties
- No more than 5% of our equity at risk with any one counterparty
- Less than 15% of our equity at risk with top 5 counterparties

Counterparty Region	Number of Counterparties	Percent of Agency Repo Funding
North America	18	64%
Asia	5	12%
Europe	13	24%
Total	36	100%

Counterparty Region	Counterparty Rank	Counterparty Exposure as a % of NAV [1,2]
North America	1	5.0%
	2	2.9%
	3	2.3%
	4	2.0%
	5	1.8%
	6-18	9.7%
Asia	1	1.4%
	2	1.1%
	3	0.9%
	4	0.6%
	5	0.2%
Europe	1	2.1%
	2	1.7%
	3	1.3%
	4	0.9%
	5	0.8%
	6-13	2.2%

Total Exposure	36.9%
Top 5 Exposure	14.3%

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Note: All figures as of Mar 31, 2016
1. Excludes FHLB advances and 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 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]

- **Interest Rate Swaps**
  - $38.2 B notional pay fixed swap book as of Mar 31, 2016
    - $1.0 B of swaps added during the quarter
      - 5.0 years average maturity, 1.15% average pay rate and 0.9 years average forward start date as of Mar 31, 2016
    - $3.4 B of swaps terminated or expired during the quarter
- **Payer Swaptions**
  - $1.8 B notional payer swaptions as of Mar 31, 2016
    - $0.4 B payer swaptions expired during the quarter
    - 0.3 year average remaining option term, 7.7 years average underlying swap term

Interest Rate Swaps
As of Mar 31, 2016

Years to Maturity	Notional Amount ($ MM) [2]	Pay Rate [3]	Receive Rate [4]	Average Maturity (Years) [2,5]
≤ 3 Years	$15,125	1.05%	0.62%	1.5
> 3 to ≤ 5	7,750	1.94%	0.63%	3.9
> 5 to ≤ 7	7,275	2.37%	0.62%	6.0
> 7 to ≤ 10	6,850	2.63%	0.62%	8.2
> 10	1,175	3.20%	0.63%	14.5
Total / Wtd Avg	**$38,175**	**1.83%**	**0.62%**	**4.5**
As of Dec 31, 2015				
Total / Wtd Avg	$40,525	1.89%	0.40%	4.6

Payer Swaptions
As of Mar 31, 2016 ($ in MM)

Years to Expiration	Notional Amount	Cost	Market Value	Pay Rate	Swap Term (Years)
≤ 1 Year	**$1,750**	**$68**	**$10**	**3.37%**	**7.7**
As of Dec 31, 2015					
Total / Wtd Avg	$2,150	$74	$17	3.51%	7.0

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. Notional amount includes forward starting swaps of $2.7 B and $4.5 B as of Mar 31, 2016 and Dec 31, 2015, respectively, with an average forward start date of 0.9 and 0.7 years, respectively, and an average remaining maturity of 7.3 years and 5.5 years from Mar 31, 2016 and Dec 31, 2015, respectively
3. Weighted average pay rate includes forward starting swaps. Excluding forward starting swaps, the weighted average pay rate was 1.73% and 1.75% as of Mar 31, 2016 and Dec 31, 2015, respectively
4. Weighted average receive rate excludes forward starting swaps
5. 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**
  - ✓ $3.2 B short treasury position market value
- **Treasury Futures**
  - ✓ $2.3 B short treasury futures market value
- **TBA Mortgages**
  - ✓ $6.0 B net long position market value
- **Total Hedge Portfolio**
  - ✓ 83% of our repo, other debt and net TBA position covered by swap, swaption and treasury positions as of Mar 31, 2016, a decrease from 87% as of Dec 31, 2015

U.S. Treasury Position
As of Mar 31, 2016 ($ MM)

Maturity	Face Amount Net Long / (Short)	Market Value Net Long / (Short)
5 Year	$(1,230)	$(1,391)
7 Year	(1,730)	(1,735)
10 Year	(2,035)	(2,406)
Total	$(4,995)	$(5,532)
As of Dec 31, 2015		
Total	$(3,548)	$(3,957)

Net TBA Position
As of Mar 31, 2016 ($ MM)

Term	Face Amount Net Long / (Short)	Market Value Net Long / (Short)
15 Year	$113	$118
30 Year	5,700	5,906
Total	$5,813	$6,024
As of Dec 31, 2015		
Total	$7,295	$7,444

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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

($ in Billions, Duration in years)	Mar 31, 2016		Dec 31, 2015	
Asset	**Market Value**	**Duration**	**Market Value**	**Duration**
Fixed [1]	$53.2	3.3	$49.5	4.2
ARM	0.5	1.5	0.5	2.0
CMO [2]	1.8	4.3	1.9	5.9
Net TBA	6.0	3.9	7.4	5.1
Total	$61.5	**3.4**	$59.3	**4.3**
Liabilities & Hedges	**Market Value / Notional**	**Duration**	**Market Value / Notional**	**Duration**
Repo & FHLB Advances	$(48.3)	-0.2	$(45.5)	-0.1
Interest Rate Swaps	(38.2)	-4.3	(40.5)	-4.3
Preferred Stock	(0.3)	-6.1	(0.3)	-6.4
Payer Swaptions	(1.8)	-0.5	(2.2)	-0.7
U.S. Treasuries	(5.5)	-6.3	(4.0)	-6.5
Total [3]		**-3.4**		**-3.5**
Net Duration Gap		**0.0**		**0.8**

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 our related disclosures in our 10-Ks and 10-Qs for a more complete discussion of duration (interest rate risk).

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1. Fixed rate securities exclude securities from consolidated structured transactions
2. CMO includes interest-only, AAA non-agency, 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

CHANGES IN INTEREST RATES AND CHANGES IN 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 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 4.8 years, which is based on interest rates and MBS prices as of Mar 31, 2016
  - ✓ The spread sensitivity is also sensitive to interest rates and increases as interest rates rise and prepayments slow

Interest Rate Sensitivity [1]
As of Mar 31, 2016
(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	-1.1%	-9.2%
-50	-0.3%	-2.1%
+50	-0.2%	-2.0%
+100	-0.9%	-7.5%

MBS Spread Sensitivity ("Basis Risk") [1]
As of Mar 31, 2016

MBS Spread Shock (bps)	Estimated Change in Portfolio Market Value [2]	Estimated Change as a % of NAV [3]
-25	1.2%	10.1%
-10	0.5%	4.0%
+10	-0.5%	-4.0%
+25	-1.2%	-10.1%

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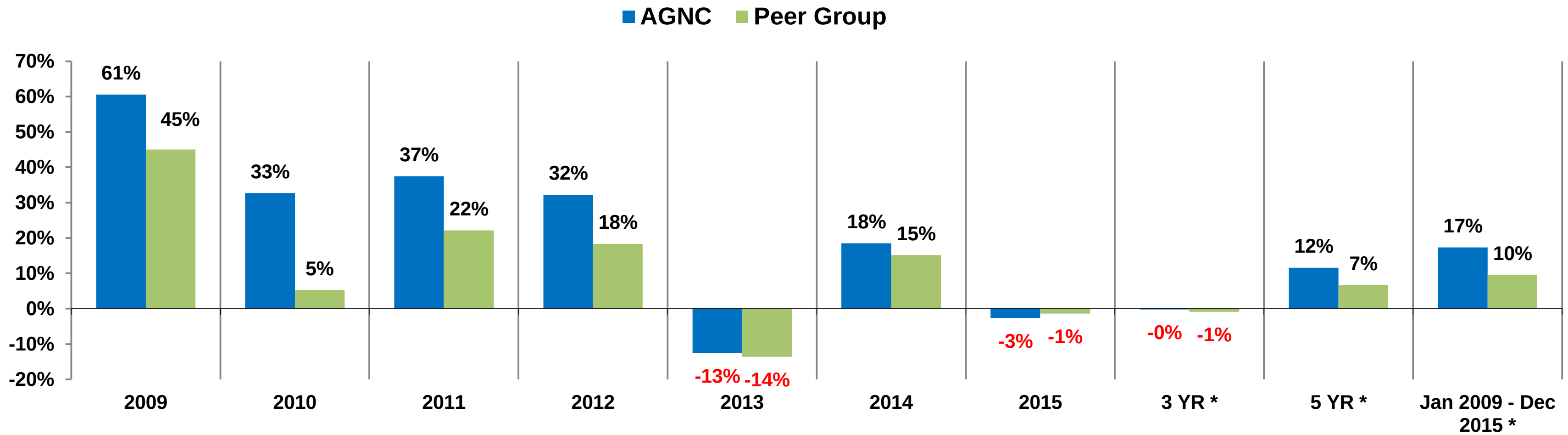
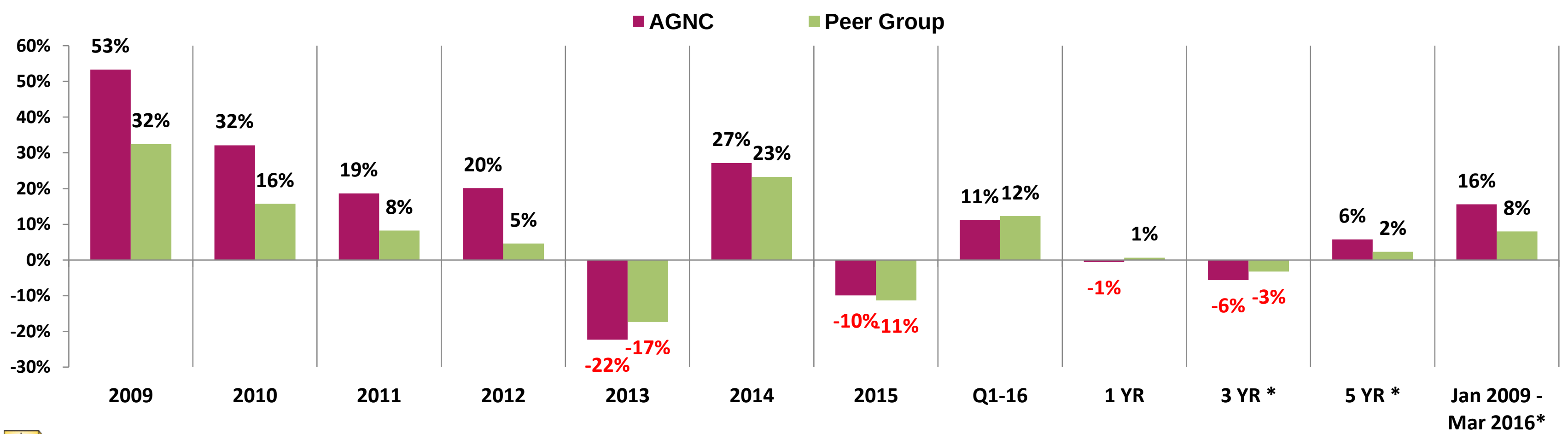
1. Interest rate and MBS spread sensitivity are derived from models that are dependent on inputs and assumptions provided by third parties as well as by our investment team and, accordingly, actual results could differ materially from these estimates
2. Estimated dollar change in value expressed as a percentage of the total market value of "at risk" assets
3. Estimated change as a percentage of NAV incorporates the impact of leverage

AGNC PERFORMANCE VS. PEERS [1]

Economic Return [2] vs. Peers as of Dec 31, 2015



Total Stock Return [3] vs. Peers as of Mar 31, 2016



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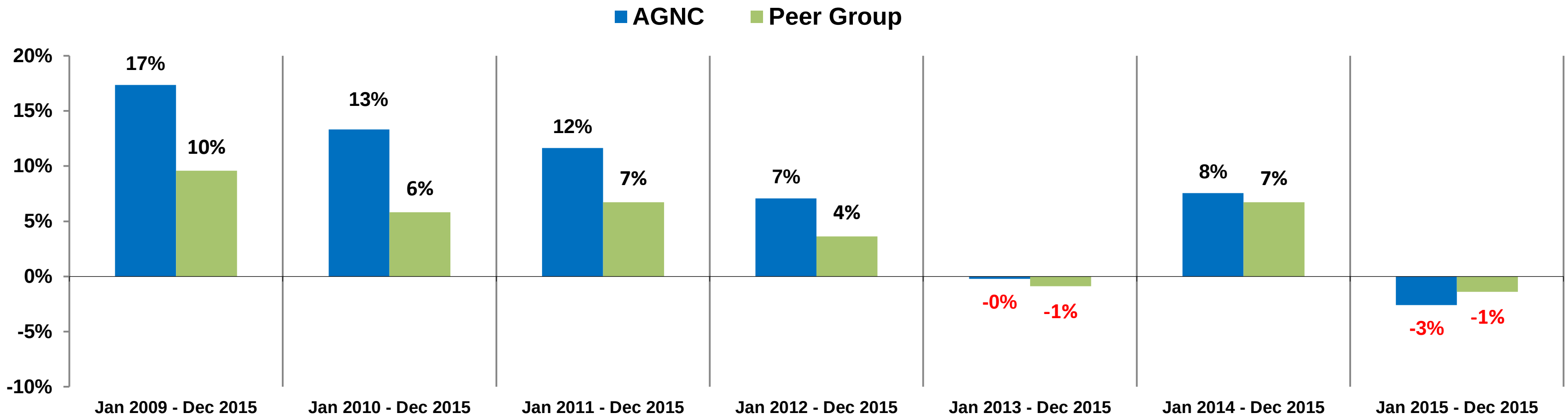
* Annualized Return

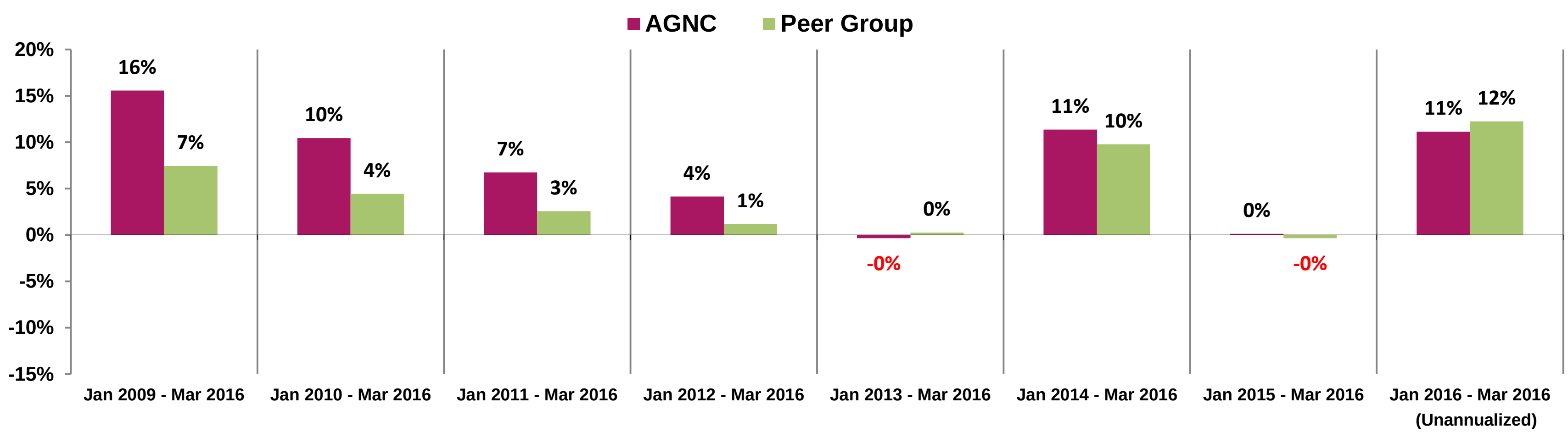
1. Peer Group (unweighted): NLY, CMO, HTS, ANH, ARR and CYS
2. Economic Return on common equity represents the change in net asset value (NAV) per common share and dividends declared on common stock during the period over the beginning NAV per common share
3. Total stock return over a period includes price appreciation and dividend reinvestment. Dividends assumed to be reinvested at the closing price of the security on the ex-dividend date. Source: SNL Financial

AGNC Performance vs. Peers [1] - By Year of Investment

Annualized Economic Return [2] vs. Peers By Year of Investment as of Dec 31, 2015



Annualized Total Stock Return [3] vs. Peers By Year of Investment as of Mar 31, 2016



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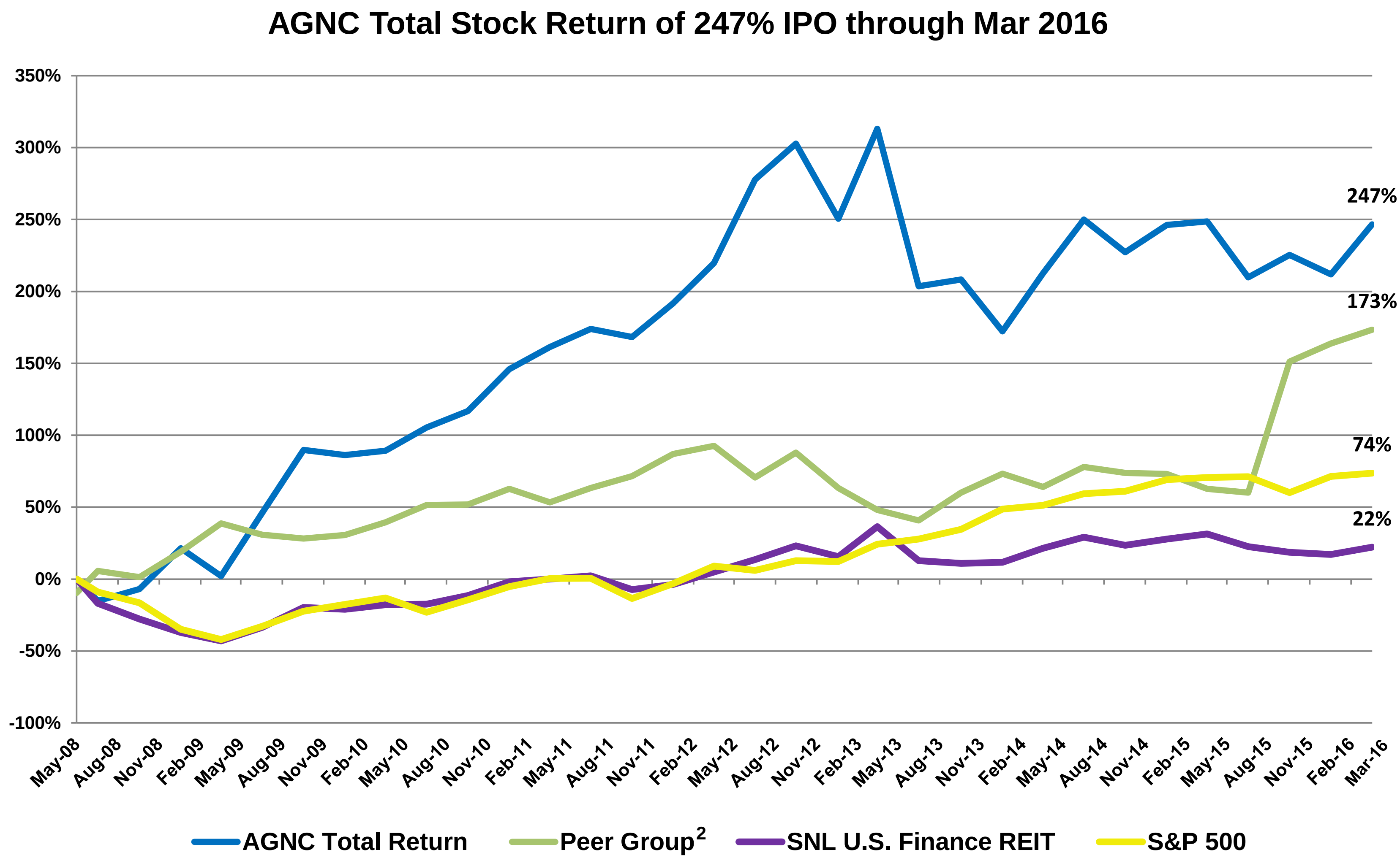
Note: Returns annualized except as noted
1. Peer Group (unweighted): NLY, CMO, HTS, ANH, ARR and CYS
2. Economic Return on common equity represents the change in net asset value (NAV) per common share and dividends declared on common stock during the period over the beginning NAV per common share
3. Total stock return over a period includes price appreciation and dividend reinvestment. Dividends assumed to be reinvested at the closing price of the security on the ex-dividend date. Source: SNL Financial

AGNC Total Stock Return vs. Various Indices [1]

Total Stock Return Includes Change in Share Price and Dividends Reinvested Since May 2008 IPO



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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

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.