



Q4 2016 Stockholder Presentation

February 2, 2017

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 AGNC Investment 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.



Type / Stock Ticker:
Common Stock / AGNC

Exchange:
NASDAQ

IPO Price:
\$20.00 Per Share

Tangible Net Book Value²:
\$19.50 Per Share

IPO Date:
May 2008

Total Dividends Paid Since IPO¹:
\$35.00 Per Share

Total Equity Capital²:
\$7.0 B



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 Offering¹:
\$9.556 Per Share

Public Offering Price:
\$25.00 Per Share

Shares Outstanding:
6.9 Million



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 Offering¹:
\$5.20434 Per Depositary Share

Public Offering Price:
\$25.00 Per Depositary Share³

Depositary Shares Outstanding:
7.0 Million

Note: Information as of Dec 31, 2016 unless otherwise indicated

1. As of Jan 17, 2017
2. "Tangible Net Book 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

- ▶ **\$(1.19) Comprehensive loss per Share, Comprised of:**
 - ✓ \$3.06 net income per share
 - ✓ \$(4.25) other comprehensive loss (“OCI”) per share
 - Includes net unrealized losses on investments marked-to-market through OCI
- ▶ **\$0.64 Net Spread and Dollar Roll Income per Share, Excluding Estimated “Catch-Up” Premium Amortization Benefit ¹**
 - ✓ Includes \$0.21 per share of dollar roll income associated with a \$14.1 B average net long position in forward purchases and sales of Agency MBS in the “to-be-announced” (“TBA”) market ²
 - ✓ Excludes \$0.26 per share of estimated “catch-up” premium amortization benefit due to change in projected constant prepayment rate (“CPR”) estimates
- ▶ **\$21.17 Net Book Value per Share as of Dec 31, 2016**
 - ✓ Decreased \$(1.74) per share, or -7.6%, from \$22.91 per share as of Sept 30, 2016
- ▶ **\$19.50 Tangible Net Book Value per Share as of Dec 31, 2016**
 - ✓ Decreased \$(1.73) per share, or -8.1%, from \$21.23 per share as of Sept 30, 2016
 - ✓ Excludes \$554 million, or \$1.67 per share, of goodwill and other intangible assets as of Dec 31, 2016
- ▶ **\$0.54 Dividend Declared per Share**
- ▶ **-5.2% Economic Return on Common Equity for the Quarter, or -20.8% Annualized**
 - ✓ Comprised of \$0.54 dividend per share and \$(1.74) decrease in net book value per share

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.

Q4 2016 Other Highlights

- ▶ **\$57.7 B Investment Portfolio as of Dec 31, 2016**
 - ✓ \$46.2 B Agency MBS
 - ✓ \$11.2 B TBA mortgage position
 - ✓ \$0.3 B Credit Risk Transfer securities other non-agency securities
- ▶ **7.7x Tangible Net Book Value “At Risk” Leverage as of Dec 31, 2016 ¹**
 - ✓ 7.8x average tangible net book value “at risk” leverage for the quarter
- ▶ **14.3% Portfolio CPR for the Quarter**
 - ✓ 8.0% average projected portfolio life CPR as of Dec 31, 2016, a decrease from 10.6% projected CPR as of Sept 30, 2016
- ▶ **1.45% Annualized Net Interest Rate Spread and TBA Dollar Roll Income for the Quarter, Excluding Estimated “Catch-Up” Premium Amortization Benefit ²**
 - ✓ Excludes 57 bps of “catch-up” premium amortization benefit due to change in projected CPR estimates
 - ✓ Decreased from 1.47% for the prior quarter, excluding -5 bps of “catch-up” premium amortization cost

1. Tangible net book value “at risk” leverage calculated as sum of Agency MBS repurchase agreements (“Agency repo”), FHLB advances, net TBA position (at cost), net payable/receivable for Agency securities not yet settled, and other debt divided by the sum of total stockholders’ equity less goodwill and other intangible assets, net. Leverage excludes U.S. Treasury repo

2. 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

2016 Full Year Highlights

- ▶ **\$0.80 Comprehensive Income per Share, Comprised of:**
 - ✓ \$1.79 net income per share
 - ✓ \$(0.99) OCI per share
- ▶ **\$2.36 Net Spread and Dollar Roll Income per Share, Excluding Estimated “Catch-Up” Premium Amortization Cost of \$(0.03) per Share ¹**
- ▶ **\$2.30 Dividends Declared per Share**
- ▶ **3.9% Economic Return on Common Equity, Comprised of:**
 - ✓ \$2.30 dividends per share
 - ✓ \$(1.42) decrease in net book value per share
- ▶ **6.5 Million Shares, or \$116 MM, of Common Stock Repurchased during the Year**
 - ✓ Represents 1.9% of common stock outstanding as of Jan 1, 2016
 - ✓ \$17.89 per share average repurchase price, inclusive of transaction costs
- ▶ **18.2% Total Stock Return ²**

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. Total stock return includes common stock price appreciation and dividend reinvestment. Dividends assumed to be reinvested at the closing price on the ex-dividend date. Source: Bloomberg

Agency MBS Return Outlook

- ▶ While interest rate volatility and MBS spread widening could adversely impact AGNC’s book value, wider MBS spreads create attractive investment opportunities and can be accretive to AGNC’s long-term franchise value
- ▶ The hypothetical investment return potential on incremental Agency MBS investments is attractive in the current interest rate and spread environment
 - ✓ Assuming a duration gap of 0.5 – 1.5 years and a 30 year Agency MBS coupon between 3.0 – 4.0%, the expected net interest rate spread on Agency MBS investments is in the range of 100 – 150 bps
 - ✓ Assuming a net interest rate spread between 100 – 150 bps and leverage between 7.5 – 8.5x, the expected gross ROE on Agency MBS investments is in the range of 11 – 16%

Hypothetical Net Interest Rate Spread Sensitivity ¹
Duration Gap vs. 30 Year Agency MBS Coupon

| | | Duration Gap | | | | |
|---------------------------|------|--------------|----------------|----------------|----------------|---------|
| | | 0.0 yr | 0.5 yr | 1.0 yr | 1.5 yr | 2.0 yr |
| 30 Year Agency MBS Coupon | 3.0% | 95 bps | 100 bps | 105 bps | 110 bps | 115 bps |
| | 3.5% | 115 bps | 120 bps | 125 bps | 130 bps | 135 bps |
| | 4.0% | 120 bps | 130 bps | 140 bps | 150 bps | 160 bps |

Hypothetical Gross Levered ROE Sensitivity ²
Net Interest Rate Spread vs. Leverage

| | | Net Interest Rate Spread | | | | |
|----------|------|--------------------------|--------------|--------------|--------------|---------|
| | | 75 bps | 100 bps | 125 bps | 150 bps | 175 bps |
| Leverage | 7.0x | 8.5% | 10.3% | 12.0% | 13.8% | 15.5% |
| | 7.5x | 8.9% | 10.8% | 12.6% | 14.5% | 16.4% |
| | 8.0x | 9.3% | 11.3% | 13.3% | 15.3% | 17.3% |
| | 8.5x | 9.6% | 11.8% | 13.9% | 16.0% | 18.1% |
| | 9.0x | 10.0% | 12.3% | 14.5% | 16.8% | 19.0% |

Note: The hypothetical examples depicted in the tables above are dependent on a variety of inputs and assumptions, which are assumed to be static, and do not reflect the impact of operating expenses. Actual results could differ materially based on a number of factors, including changes in interest rates, spreads, prepayments, asset values, funding levels, risk positions, hedging costs, expenses and other factors

1. Includes the impact of hedging
2. Gross levered ROE excludes operating expenses and other income. Assumes a 3.25% base asset yield

Market Update

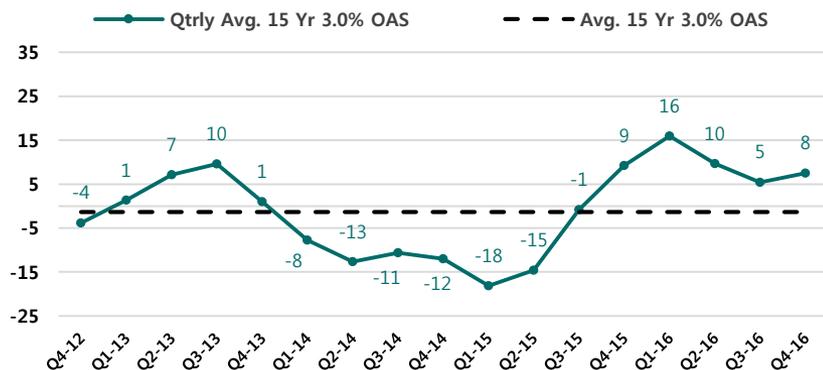
| Security | 12/31/15 | 3/31/16 | 6/30/16 | 9/30/16 | 12/31/16 | Q4 2016 Δ Rate % / Price ¹ |
|-----------------------|----------|---------|---------|---------|----------|--|
| Treasury Rates | | | | | | |
| 2 Yr UST | 1.06% | 0.73% | 0.59% | 0.76% | 1.20% | 0.44% / -0.85 |
| 3 Yr UST | 1.32% | 0.86% | 0.70% | 0.87% | 1.46% | 0.59% / -1.68 |
| 5 Yr UST | 1.77% | 1.22% | 1.01% | 1.15% | 1.92% | 0.77% / -3.64 |
| 10 Yr UST | 2.27% | 1.78% | 1.49% | 1.61% | 2.43% | 0.82% / -7.04 |
| 30 Yr UST | 3.01% | 2.62% | 2.31% | 2.33% | 3.05% | 0.72% / -13.62 |

| Rate | 12/31/15 | 3/31/16 | 6/30/16 | 9/30/16 | 12/31/16 | Q4 2016 Δ Price |
|-------------------------------------|----------|---------|---------|---------|----------|--------------------|
| 15 Year Fixed Rate Mortgages | | | | | | |
| 2.50% | 100.80 | 102.66 | 103.48 | 103.56 | 100.20 | -3.36 |
| 3.00% | 103.02 | 104.47 | 104.84 | 104.99 | 102.62 | -2.37 |
| 3.50% | 104.72 | 105.59 | 105.97 | 105.41 | 104.17 | -1.24 |
| 4.00% | 104.41 | 104.31 | 103.81 | 103.73 | 102.69 | -1.04 |

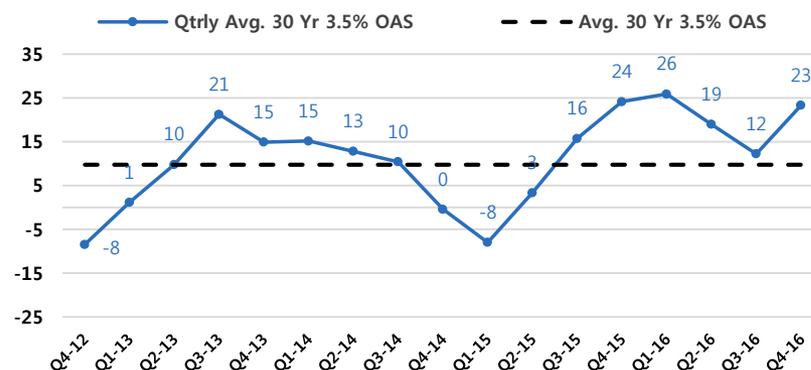
| Security | 12/31/15 | 3/31/16 | 6/30/16 | 9/30/16 | 12/31/16 | Q4 2016 Δ Rate % / Price ¹ |
|-------------------|----------|---------|---------|---------|----------|--|
| Swap Rates | | | | | | |
| 2 Yr Swap | 1.17% | 0.85% | 0.74% | 1.01% | 1.46% | 0.45% / -0.88 |
| 3 Yr Swap | 1.41% | 0.96% | 0.81% | 1.07% | 1.68% | 0.61% / -1.80 |
| 5 Yr Swap | 1.73% | 1.18% | 0.99% | 1.18% | 1.96% | 0.78% / -3.74 |
| 10 Yr Swap | 2.19% | 1.64% | 1.38% | 1.46% | 2.32% | 0.86% / -7.81 |
| 30 Yr Swap | 2.62% | 2.13% | 1.84% | 1.78% | 2.57% | 0.79% / -17.23 |

| Rate | 12/31/15 | 3/31/16 | 6/30/16 | 9/30/16 | 12/31/16 | Q4 2016 Δ Price |
|-------------------------------------|----------|---------|---------|---------|----------|--------------------|
| 30 Year Fixed Rate Mortgages | | | | | | |
| 3.00% | 100.01 | 102.59 | 103.75 | 103.95 | 99.38 | -4.57 |
| 3.50% | 103.18 | 104.86 | 105.50 | 105.53 | 102.50 | -3.03 |
| 4.00% | 105.83 | 106.86 | 107.23 | 107.41 | 105.13 | -2.28 |
| 4.50% | 108.00 | 108.82 | 109.17 | 109.52 | 107.51 | -2.01 |

15 Year 3.0% MBS OAS ²



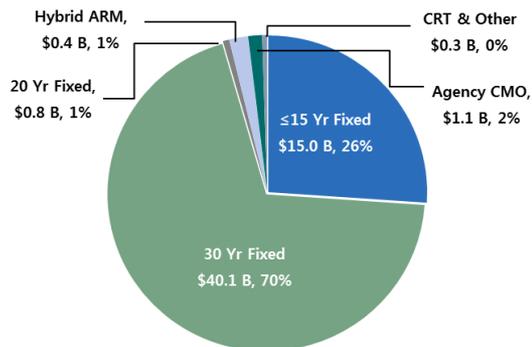
30 Year 3.5% MBS OAS ²



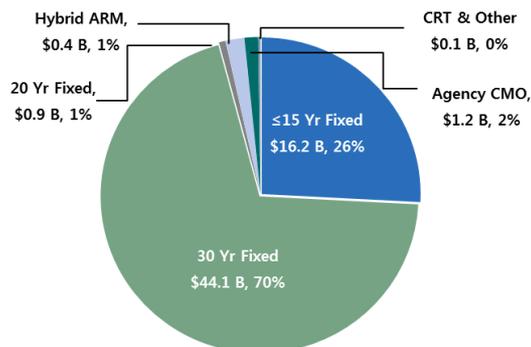
- Note: Price information is provided for illustrative purposes only. Pricing information is as of 3:00 PM on such date, is for generic instruments and is not meant to be reflective of securities held by AGNC. Prices can vary materially depending on the source. Source: Barclays; Change in Treasury and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

Q4 2016 Portfolio Update

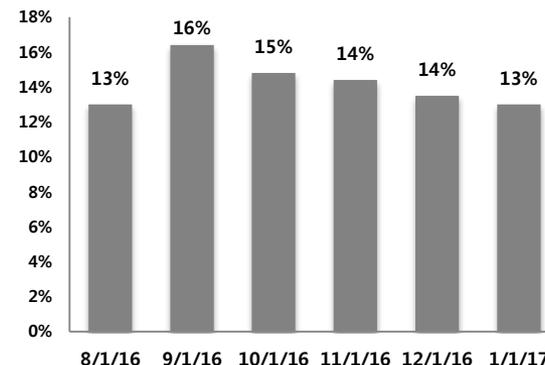
As of 12/31/16
\$57.7 B Portfolio
MBS (\$46.5 B, 81%) & Net TBA Position (\$11.2 B, 19%)



As of 9/30/16
\$62.9 B Portfolio
MBS (\$47.4 B, 75%) & Net TBA Position (\$15.6 B, 25%)



AGNC Actual CPR ¹



≤15 Year - \$15.0 B Portfolio (26% of Total) as of 12/31/16

| (\$ In Millions) | | | | | | |
|------------------------|-----------------|-------------|----------------------------|-------------------|-------------------------------------|--------------------------------|
| Coupon | FMV | % | % LB / HARP ^{2,3} | WALA ⁴ | Jan '17 1 M Actual CPR ¹ | Life Forecast CPR ⁵ |
| 2.5% | \$3,057 | 20% | 42% | 50 | 11% | 9% |
| 3.0% | 3,261 | 22% | 79% | 55 | 13% | 9% |
| 3.5% | 3,433 | 23% | 91% | 63 | 15% | 10% |
| ≥ 4.0% | 3,116 | 21% | 90% | 73 | 16% | 11% |
| ≤ 15 Year MBS | 12,867 | 86% | 76% | 60 | 14% | 10% |
| Net Long TBA | 2,172 | 14% | N/A | N/A | N/A | N/A |
| Total ≤ 15 Year | \$15,039 | 100% | N/A | N/A | N/A | N/A |

30 Year - \$40.1 B Portfolio (70% of Total) as of 12/31/16

| (\$ in Millions) | | | | | | |
|----------------------|-----------------|-------------|----------------------------|-------------------|-------------------------------------|--------------------------------|
| Coupon | FMV | % | % LB / HARP ^{2,3} | WALA ⁴ | Jan '17 1 M Actual CPR ¹ | Life Forecast CPR ⁵ |
| ≤ 3.0% | \$4,350 | 11% | 3% | 26 | 7% | 6% |
| 3.5% | 15,613 | 39% | 78% | 38 | 11% | 7% |
| 4.0% | 9,463 | 24% | 92% | 45 | 16% | 7% |
| ≥ 4.5% | 1,626 | 4% | 81% | 74 | 18% | 9% |
| 30 Year MBS | 31,052 | 78% | 72% | 40 | 13% | 7% |
| Net Long TBA | 8,993 | 22% | N/A | N/A | N/A | N/A |
| Total 30 Year | \$40,045 | 100% | N/A | N/A | N/A | N/A |

Note: Amounts may not total due to rounding

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 \$100 K for 30-year securities as of Dec 31, 2016
3. HARP defined as pools backed by 100% refinance loans with original LTVs ≥ 80%. Wtd/avg original LTV of 113% for ≤ 15-year and 135% for 30-year securities as of Dec 31, 2016
4. WALA represents the weighted average loan age presented in mths, excluding net TBA position
5. Average projected life CPR as of Dec 31, 2016, excluding net TBA position

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 0.98% as of Dec 31, 2016, compared to 0.83% as of Sept 30, 2016**
- ▶ **38 repo counterparties as of Dec 31, 2016**
- ▶ **Agency repo weighted average days to maturity totaled 187 days as of Dec 31, 2016, compared to 199 days as of Sept 30, 2016**
- ▶ **Bethesda Securities repo totaled \$4.7 B as of Dec 31, 2016**

| Mortgage Funding ¹ | | | | |
|--|-------------|-----------------------|----------------------|------------------------------|
| As of Dec 31, 2016 | | | | |
| | % | Amount (\$ MM) | Interest Rate | Avg. Days to Maturity |
| Agency Repo | 72% | \$37,686 | 0.98% | 187 |
| FHLB Advances ² | 6% | 3,037 | 0.73% | 31 |
| Total Bal. Sheet - Mortgage Funding | 78% | 40,723 | 0.96% | 175 |
| TBA Dollar Roll - Mortgage Funding | 22% | 11,312 | N/A | N/A |
| Total Mortgage Funding | 100% | \$52,035 | N/A | N/A |
| As of Sept 30, 2016 | | | | |
| Total Mortgage Funding | 100% | \$56,200 | N/A | N/A |
| Agency Repurchase Agreements ¹ | | | | |
| As of Dec 31, 2016 | | | | |
| Maturity | % | Amount (\$ MM) | Interest Rate | Avg. Days to Maturity |
| ≤ 3 Mths | 73% | \$27,492 | 0.91% | 27 |
| > 3 to ≤ 6 | 5% | 2,030 | 1.02% | 136 |
| > 6 to ≤ 9 | 3% | 1,270 | 0.98% | 214 |
| > 9 to ≤ 12 | 4% | 1,566 | 1.08% | 299 |
| > 1 to ≤ 3 Yrs | 7% | 2,503 | 1.32% | 707 |
| > 3 to ≤ 5 | 8% | 2,825 | 1.34% | 1,243 |
| Total / Wtd Avg | 100% | \$37,686 | 0.98% | 187 |
| As of Sept 30, 2016 | | | | |
| Total / Wtd Avg | 100% | \$37,623 | 0.83% | 199 |

1. Table excludes Treasury repurchase agreements of \$172 M and \$45 M associated with U.S. Treasury positions as of Dec 31, 2016 and Sept 30, 2016, respectively, and \$0.5 B of debt of consolidated VIE's as of Dec 31, 2016 and Sept 30, 2016

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 hedge portfolio totaled \$48.0 B and covered 91% of our funding liabilities (Agency repo, FHLB advances, other debt and net TBA position) as of Dec 31, 2016, compared to 75% as of Sept 30, 2016

✓ **Interest Rate Swaps**

- \$37.2 B notional pay fixed swaps as of Dec 31, 2016
- Increase of \$3.0 B from Sept 30, 2016
- Covered 71% of funding liabilities as of Dec 31, 2016

✓ **Payer Swaptions**

- \$1.2 B notional payer swaptions
- Increase of \$0.5 B from prior quarter

✓ **U.S. Treasury Securities and Futures**

- \$9.7 B net short treasury position market value
- Increase of \$1.8 B from Sept 30, 2016

| Hedge Portfolio Summary As of Dec 31, 2016 | | | | |
|---|--|-------------------------------------|---|---|
| \$ in MM | Notional/ Market Value 12/31/2016 | Duration 12/31/2016 ¹ | Net Hedge Gains/ (Losses) Q4 2016 ² | Net Hedge Gains/ (Losses) Per Share Q4 2016 |
| Interest Rate Swaps | \$(37,175) | (3.5) | \$858 | \$2.59 |
| Payer Swaptions | (1,200) | (2.1) | 8 | 0.02 |
| U.S. Treasuries | (9,655) | (6.9) | 378 | 1.14 |
| Total / Q4 2016³ | \$(48,030) | (3.5) | \$1,244 | \$3.75 |
| As of Sept 30, 2016 / Q3 2016 | | | | |
| Total / Q3 2016³ | \$(42,728) | (2.6) | \$240 | \$0.73 |

| Interest Rate Swaps As of Dec 31, 2016 | | | | |
|---|--|--------------------------|------------------------------|---|
| Years to Maturity | Notional Amount (\$ MM) ⁴ | Pay Rate ⁵ | Receive Rate ⁶ | Average Maturity (Years) ⁷ |
| ≤ 3 Years | \$19,775 | 1.16% | 0.92% | 1.5 |
| > 3 to ≤ 5 | 7,450 | 1.62% | 0.91% | 4.0 |
| > 5 to ≤ 7 | 4,725 | 1.89% | 0.91% | 5.9 |
| > 7 to ≤ 10 | 3,325 | 1.90% | 0.91% | 9.2 |
| > 10 | 1,900 | 2.64% | 0.91% | 13.8 |
| Total / Wtd Avg | \$37,175 | 1.48% | 0.92% | 3.9 |
| As of Sept 30, 2016 | | | | |
| Total / Wtd Avg | \$34,150 | 1.52% | 0.78% | 3.5 |

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 and TBA dollar roll income/loss (both components of net spread income) and mark-to-market gains/losses on our net TBA dollar roll position
 3. Total duration is expressed in the asset unit equivalent
 4. Notional amount includes forward starting swaps of \$0.6 B and \$2.2 B as of Dec 31 and Sept 30, 2016, respectively, with an average forward start date of 1.2 and 0.5 years, respectively, and an average maturity of 10.7 and 6.8 years from Dec 31 and Sept 30, 2016, respectively
 5. Weighted average pay rate includes forward starting swaps. Excluding forward starting swaps, the weighted average pay rate was 1.46% and 1.40% as of Dec 31 and Sept 30, 2016, respectively
 6. Weighted average receive rate excludes forward starting swaps
 7. Average maturity includes forwarding starting swaps

We seek to maintain our net book value within reasonable bands over a range of interest rate scenarios through disciplined risk management

| Duration Gap Sensitivity ^{1,2} As of Dec 31, 2016 | | | |
|---|--------------------|------------------------|--------------------|
| | Rates - 100 bps | Duration 12/31/2016 | Rates + 100 bps |
| Mortgage Assets: ³ | | | |
| 30-Year MBS | 3.4 | 5.4 | 6.4 |
| 15-Year MBS | 2.9 | 3.6 | 3.9 |
| Total Mortgage Assets | 3.3 | 4.9 | 5.6 |
| Liabilities and Hedges | (3.7) | (3.6) | (3.6) |
| Net Duration Gap | (0.4) | 1.3 | 2.1 |

| As of Sept 30, 2016 | | | |
|-------------------------|--------------|------------|------------|
| Net Duration Gap | (1.4) | 0.3 | 2.1 |

1. 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
2. Durations are expressed in years. Liability and hedge durations are expressed in asset unit equivalents
3. Mortgage assets include net TBA position. 15-year MBS position includes 20-year fixed rate MBS, ARM, CMO, CRT and non-agency securities

Financial Results

Balance Sheets

| (\$ in millions, except per share data, unaudited except 12/31/15) | 12/31/16 | 9/30/16 | 6/30/16 | 3/31/16 | 12/31/15 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Agency Securities, at Fair Value | \$45,393 | \$46,328 | \$53,418 | \$54,950 | \$51,331 |
| Agency Securities Transferred to Consolidated Variable Interest Entities, at Fair Value | 818 | 890 | 945 | 993 | 1,029 |
| Non-Agency Securities, at Fair Value | 124 | 102 | 107 | 112 | 113 |
| Credit Risk Transfer Securities, at Fair Value | 164 | 36 | -- | -- | -- |
| U.S. Treasury Securities, at Fair Value | 182 | 45 | 62 | -- | 25 |
| REIT Equity Securities, at Fair Value | -- | -- | 19 | 38 | 33 |
| Cash and Cash Equivalents | 1,208 | 1,254 | 1,131 | 1,109 | 1,110 |
| Restricted Cash | 74 | 681 | 1,399 | 1,686 | 1,281 |
| Derivative Assets, at Fair Value | 355 | 61 | 111 | 55 | 81 |
| Receivable for Securities Sold | 21 | 228 | -- | -- | -- |
| Receivable under Reverse Repurchase Agreements | 7,716 | 5,441 | 2,982 | 3,163 | 1,713 |
| Goodwill and Other Intangible Assets, Net | 554 | 555 | -- | -- | -- |
| Other Assets | 271 | 268 | 301 | 290 | 305 |
| Total Assets | \$56,880 | \$55,889 | \$60,475 | \$62,396 | \$57,021 |
| Repurchase Agreements | \$37,858 | \$37,668 | \$41,947 | \$45,276 | \$41,754 |
| Federal Home Loan Bank Advances | 3,037 | 3,037 | 3,037 | 3,037 | 3,753 |
| Debt of Consolidated Variable Interest Entities, at Fair Value | 460 | 494 | 528 | 562 | 595 |
| Payable for Securities Purchased | -- | 251 | 2,581 | 889 | 182 |
| Derivative Liabilities, at Fair Value | 256 | 947 | 1,519 | 1,652 | 935 |
| Dividends Payable | 66 | 66 | 73 | 73 | 74 |
| Obligation to Return Securities Borrowed under Reverse Repurchase Agreements, at Fair Value | 7,636 | 5,424 | 3,017 | 3,175 | 1,696 |
| Accounts Payable and Other Liabilities | 211 | 71 | 71 | 72 | 61 |
| Total Liabilities | 49,524 | 47,958 | 52,773 | 54,736 | 49,050 |
| Preferred Equity at Aggregate Liquidation Preference | 348 | 348 | 348 | 348 | 348 |
| Common Equity | 7,008 | 7,583 | 7,354 | 7,312 | 7,623 |
| Total Stockholders' Equity | 7,356 | 7,931 | 7,702 | 7,660 | 7,971 |
| Total Liabilities and Stockholders' Equity | \$56,880 | \$55,889 | \$60,475 | \$62,396 | \$57,021 |
| Other Supplemental Data: | | | | | |
| Net TBA Long, at Fair Value ¹ | \$11,165 | \$15,586 | \$7,072 | \$6,024 | \$7,444 |
| Tangible Net Book Value "At Risk" Leverage ² | 7.7x | 7.7x | 7.2x | 7.3x | 6.8x |
| Net Book Value Per Common Share ³ | \$21.17 | \$22.91 | \$22.22 | \$22.09 | \$22.59 |
| Tangible Net Book Value Per Common Share ⁴ | \$19.50 | \$21.23 | \$22.22 | \$22.09 | \$22.59 |

- TBAs are reported in derivative assets/liabilities in the above balance sheet at their net carrying value (fair value less cost basis)
- Tangible net book value "at risk" leverage is calculated as sum of MBS repurchase agreements, FHLB advances, net payable/receivable for investment securities not yet settled, net TBA dollar roll position (at cost) and debt of consolidated variable interest entities ("other debt") divided by the sum of total stockholders' equity less goodwill and other intangible assets and the fair value of investments in REIT equity securities. Tangible "at risk" leverage excludes U.S. Treasury repurchase agreements of \$172 M, \$45 M, \$10 M, \$0 and \$25 M as of Dec 31, Sept 30, Jun 30, Mar 31, 2016 and Dec 31, 2015, respectively
- 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
- Tangible net book value per common share calculated as stockholders' equity, less the Preferred Stock liquidation preference and goodwill and other intangible assets, divided by total common shares outstanding

Income Statements

| (\$ in millions, except per share data) (Unaudited) | Q4 2016 | Q3 2016 | Q2 2016 | Q1 2016 | Year 2016 |
|--|-----------------|---------------|-----------------|-----------------|---------------|
| Interest Income | \$393 | \$315 | \$318 | \$295 | \$1,321 |
| Interest Expense | (98) | (96) | (101) | (99) | (394) |
| Net Interest Income | 295 | 219 | 217 | 196 | 927 |
| Realized Gain (Loss) on Sale of Investment Securities, Net | (5) | 61 | 55 | (2) | 109 |
| Unrealized Gain (Loss) on Investment Securities Measured at Fair Value through Net Income, Net | (11) | (6) | -- | 11 | (6) |
| Gain (Loss) on Derivative Instruments and Other Securities, Net | 753 | 248 | (367) | (944) | (310) |
| Management Fee Income | 4 | 4 | -- | -- | 8 |
| Total Other Gain (Loss), Net | 741 | 307 | (312) | (935) | (199) |
| Management Fee Expense | -- | -- | (25) | (27) | (52) |
| Compensation and Benefits | (10) | (9) | -- | -- | (19) |
| Other Operating Expenses | (7) | (6) | (15) | (6) | (34) |
| Total Operating Expenses | (17) | (15) | (40) | (33) | (105) |
| Net Income (Loss) | 1,019 | 511 | (135) | (772) | 623 |
| Dividend on Preferred Stock | (7) | (7) | (7) | (7) | (28) |
| Net Income (Loss) Available (Attributable) to Common Stockholders | \$1,012 | \$504 | \$(142) | \$(779) | \$595 |
| Net Income (Loss) | \$1,019 | \$511 | \$(135) | \$(772) | \$623 |
| Unrealized Gain (Loss) on Available-for-Sale Securities, Net | (1,408) | (97) | 370 | 765 | (370) |
| Unrealized Gain on Derivative Instruments, Net | 1 | 7 | 12 | 19 | 39 |
| Other Comprehensive Income (Loss) | (1,407) | (90) | 382 | 784 | (331) |
| Comprehensive Income (Loss) | (388) | 421 | 247 | 12 | 292 |
| Dividend on Preferred Stock | (7) | (7) | (7) | (7) | (28) |
| Comprehensive Income (Loss) Available (Attributable) to Common Stockholders | \$(395) | \$414 | \$240 | \$5 | \$264 |
| Weighted Average Common Shares Outstanding – Basic and Diluted | 331.0 | 331.0 | 331.0 | 334.4 | 331.9 |
| Net Income (Loss) per Common Share | \$3.06 | \$1.52 | \$(0.43) | \$(2.33) | \$1.79 |
| Comprehensive Income (Loss) per Common Share | \$(1.19) | \$1.25 | \$0.73 | \$0.01 | \$0.80 |
| Dividends Declared per Common Share | \$0.54 | \$0.56 | \$0.60 | \$0.60 | \$2.30 |

Reconciliation of GAAP Net Interest Income to Net Spread and Dollar Roll Income ¹



| (\$ in millions, except per share data) (Unaudited) | Q4 2016 | Q3 2016 | Q2 2016 | Q1 2016 | Year 2016 |
|---|---------------|---------------|---------------|---------------|----------------|
| Interest Income | \$393 | \$315 | \$318 | \$295 | \$1,321 |
| Interest Expense: | | | | | |
| Repurchase Agreements and Other Debt | (97) | (89) | (89) | (80) | (355) |
| Interest Rate Swap Periodic Costs ² | (1) | (7) | (12) | (19) | (39) |
| Interest Expense | (98) | (96) | (101) | (99) | (394) |
| Net Interest Income | 295 | 219 | 217 | 196 | 927 |
| Other Interest Rate Swap Periodic Costs ^{3,4} | (46) | (51) | (69) | (89) | (255) |
| TBA Dollar Roll Income, Net ⁴ | 68 | 54 | 44 | 50 | 216 |
| Dividend on REIT Equity Securities ⁴ | -- | -- | 1 | 1 | 2 |
| Management Fee Income | 4 | 4 | -- | -- | 8 |
| Adjusted Net Interest and Dollar Roll Income | 321 | 226 | 193 | 158 | 898 |
| Operating Expenses: | | | | | |
| Total Operating Expenses | (17) | (15) | (40) | (33) | (105) |
| Less Non-Recurring Transaction Costs | -- | -- | 9 | -- | 9 |
| Adjusted Total Operating Expenses | (17) | (15) | (31) | (33) | (96) |
| Net Spread and Dollar Roll Income | 304 | 211 | 162 | 125 | 802 |
| Dividend on Preferred Stock | (7) | (7) | (7) | (7) | (28) |
| Net Spread and Dollar Roll Income Available to Common Stockholders | 297 | 204 | 155 | 118 | 774 |
| Estimated "Catch Up" Premium Amortization Cost (Benefit) due to Change in CPR Forecast | (85) | 8 | 32 | 55 | 10 |
| Net Spread and Dollar Roll Income, Excluding "Catch Up" Amortization, Available to Common Stockholders | \$212 | \$212 | \$187 | \$173 | \$784 |
| Weighted Average Common Shares Outstanding – Basic and Diluted | 331.0 | 331.0 | 331.0 | 334.4 | 331.9 |
| Net Spread and Dollar Roll Income per Common Share | \$0.90 | \$0.62 | \$0.46 | \$0.36 | \$2.33 |
| Net Spread and Dollar Roll Income, Excluding "Catch Up" Amortization, per Common Share | \$0.64 | \$0.64 | \$0.56 | \$0.52 | \$2.36 |

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) | | | | | |
|--|----------------|---------------|----------------|----------------|---------------|
| | Q4 2016 | Q3 2016 | Q2 2016 | Q1 2016 | Year 2016 |
| Net Income (Loss) | \$1,019 | \$511 | \$(135) | \$(772) | \$623 |
| Book to Tax Differences: | | | | | |
| Premium Amortization, Net | (106) | (15) | 20 | 55 | (46) |
| Realized Gain / Loss, Net | 301 | 249 | 391 | 93 | 1,034 |
| Net Capital Loss / (Utilization of Net Capital Loss Carryforward) ² | 93 | (127) | (99) | (99) | (232) |
| Unrealized Gain / Loss, Net | (1,252) | (540) | (106) | 804 | (1,094) |
| Other | 2 | (8) | 9 | -- | 3 |
| Total Book to Tax Differences | (962) | (441) | 215 | 853 | (335) |
| Estimated REIT Taxable Income | 57 | 70 | 80 | 81 | 288 |
| Dividend on Preferred Stock | (7) | (7) | (7) | (7) | (28) |
| Estimated REIT Taxable Income, net of Preferred Stock Dividend | \$50 | \$63 | \$73 | \$74 | \$260 |
| Weighted Average Common Shares Outstanding – Basic and Diluted | 331.0 | 331.0 | 331.0 | 334.4 | 331.9 |
| Estimated REIT Taxable Income per Common Share | \$0.15 | \$0.19 | \$0.22 | \$0.22 | \$0.78 |
| Beginning Cumulative Non-Deductible Net Capital Loss | | | | | |
| Net Capital Loss / (Utilization of Net Capital Loss Carryforward) | 93 | (127) | (99) | (99) | (232) |
| Ending Cumulative Non-Deductible Net Capital Loss | \$452 | \$359 | \$486 | \$585 | \$452 |
| Ending Cumulative Non-Deductible Net Capital Loss per Common Share | \$1.37 | \$1.08 | \$1.47 | \$1.77 | \$1.37 |

Amounts may not total due to rounding

- Table includes non-GAAP financial measures. Please refer to information regarding non-GAAP financial measures at the end of this presentation
- 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 Dec 31, 2016, \$0.5 B of net capital losses were available through Dec 2018

Net Book Value Roll Forward

| (In millions, except per share data) (Unaudited) | Q4 2016 | | | Year 2016 | | |
|---|----------------|---------------------------|---------------------------------|----------------|---------------------------|---------------------------------|
| | Balance | Common Shares Outstanding | Net Book Value per Common Share | Balance | Common Shares Outstanding | Net Book Value per Common Share |
| Beginning Net Common Equity ¹ | \$7,583 | 331.0 | \$22.91 | \$7,623 | 337.5 | \$22.59 |
| Net Income | 1,019 | | | 623 | | |
| Other Comprehensive Loss | (1,407) | | | (331) | | |
| Dividend on Common Stock | (180) | | | (763) | | |
| Dividend on Preferred Stock | (7) | | | (28) | | |
| Repurchase of Common Stock, Net of Expenses | -- | | | (116) | (6.5) | \$17.89 |
| Ending Net Common Equity | \$7,008 | 331.0 | \$21.17 | \$7,008 | 331.0 | \$21.17 |
| Goodwill and Other Intangible Assets, Net | (554) | | | (554) | | |
| Ending Tangible Net Common Equity | \$6,454 | 331.0 | \$19.50 | \$6,454 | 331.0 | \$19.50 |
| Series A Preferred Stock Liquidation Preference | 173 | | | 173 | | |
| Series B Preferred Stock Liquidation Preference | 175 | | | 175 | | |
| Ending Tangible Total Stockholders' Equity | \$6,802 | | | \$6,802 | | |
| Ending Total Stockholders' Equity | \$7,356 | | | \$7,356 | | |

Amounts may not total due to rounding

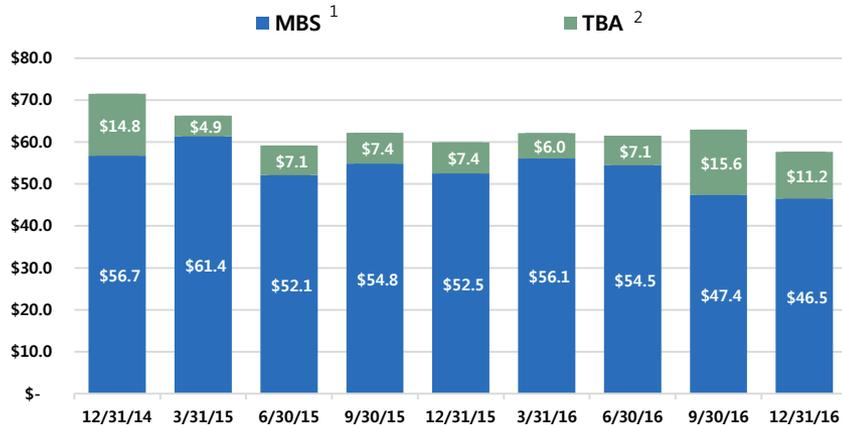
1. Common equity is net of the Company's Series A and Series B Preferred Stock liquidation preference

Supplemental Slides

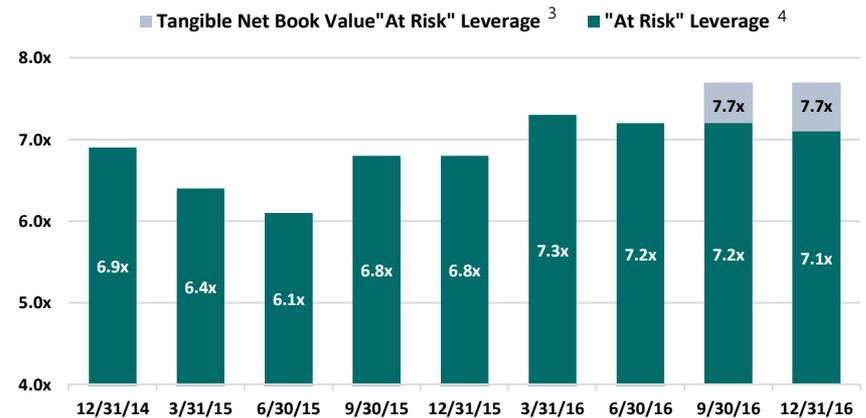
AGNC Historical Overview



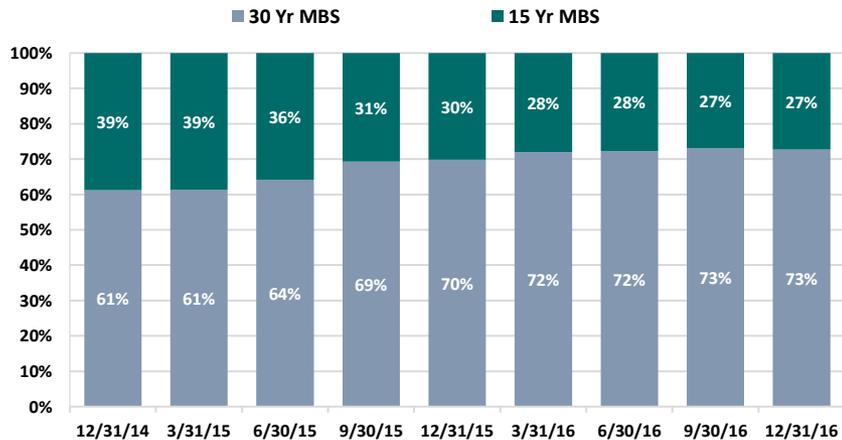
Asset Composition (\$ B)



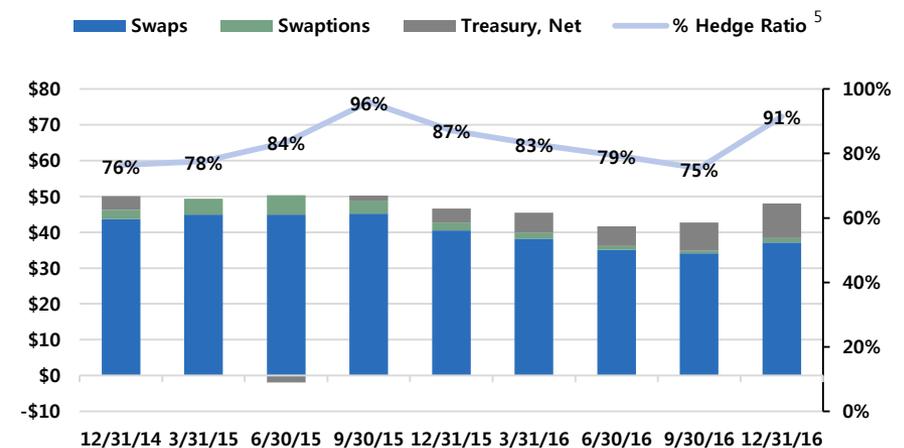
Leverage



Fixed Rate Securities



Interest Rate Hedge Composition (\$ B)



1. MBS includes Agency MBS, CRT securities and other non-agency securities

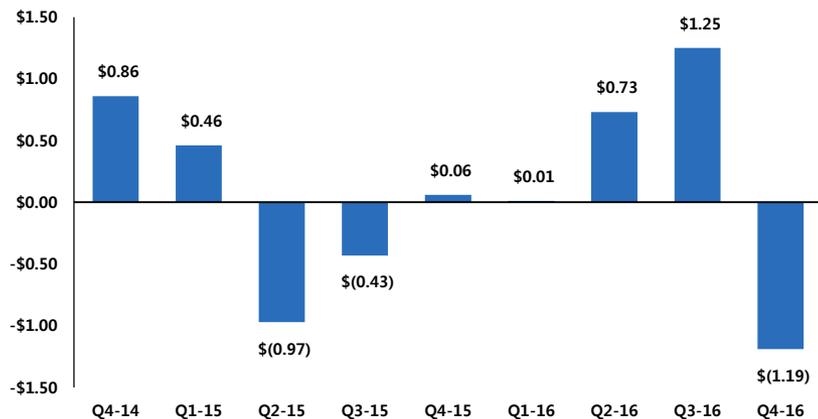
2. Amount is net of short TBA position

3. Tangible net book value "at risk" leverage includes the components of "at risk" leverage with stockholders equity adjusted to exclude goodwill and other intangible assets, net

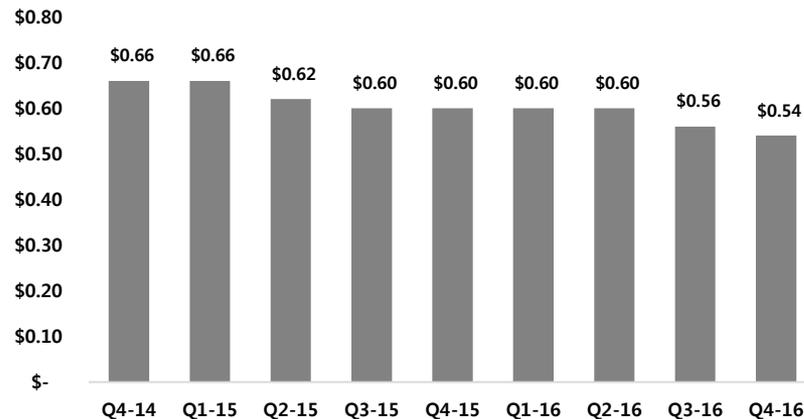
4. "At risk" leverage calculated as sum of Agency MBS repurchase agreements, FHLB advances, net payable/receivable for Agency MBS not yet settled, TBA dollar roll position (at cost) and other debt divided by the sum of total stockholders' equity less the fair value of investments in REIT equity securities. Leverage excludes U.S. Treasury repurchase agreements of \$172 M, \$45 M, \$10 M, \$0 and \$25 M as of Dec 31, Sept 30, Jun 30, Mar 31, 2016 and Dec 31, 2015, respectively

5. Measured as the ratio of interest rate swaps, swaptions and net U.S. Treasury position over repo agreements, FHLB advances, other debt and net TBA position, at cost

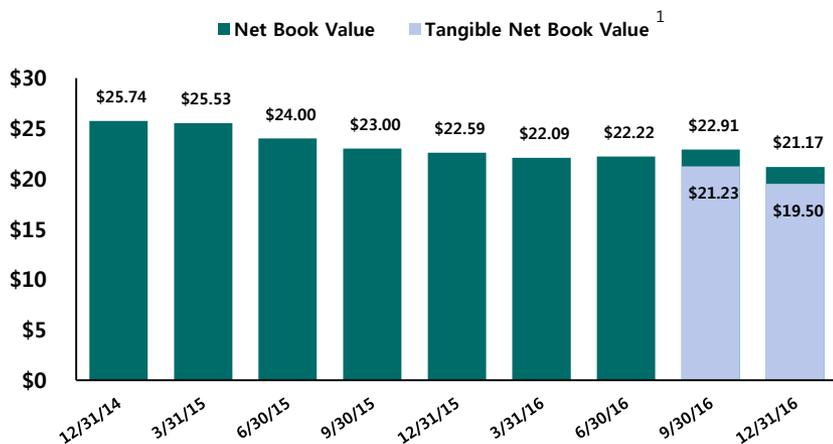
Comprehensive Income per Share



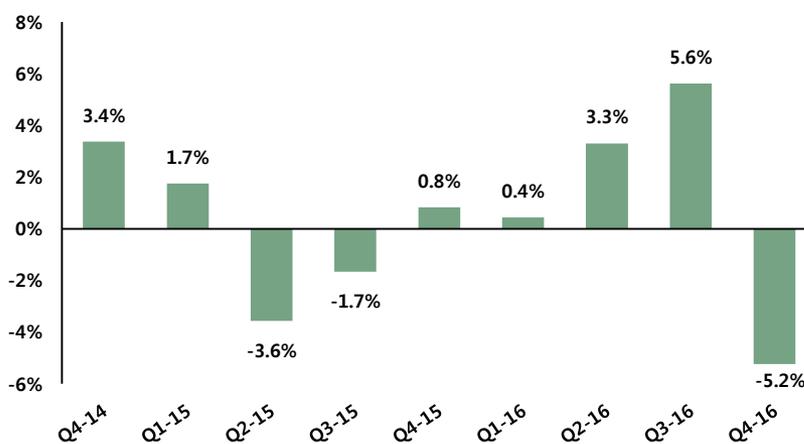
Dividend per Share



Net Book Value per Share

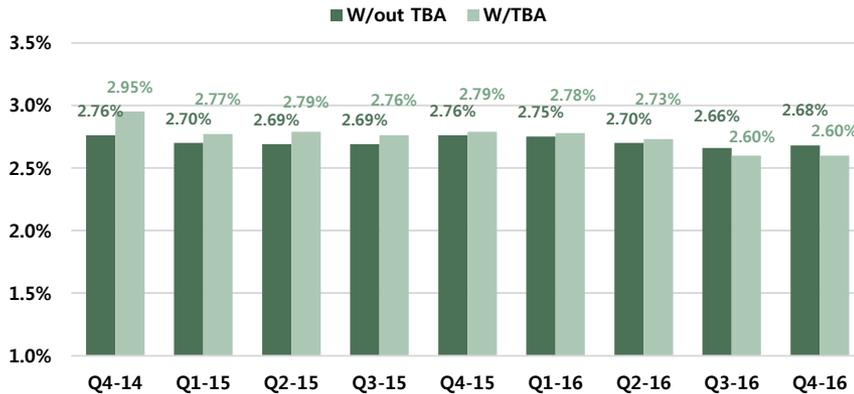


Economic Return²

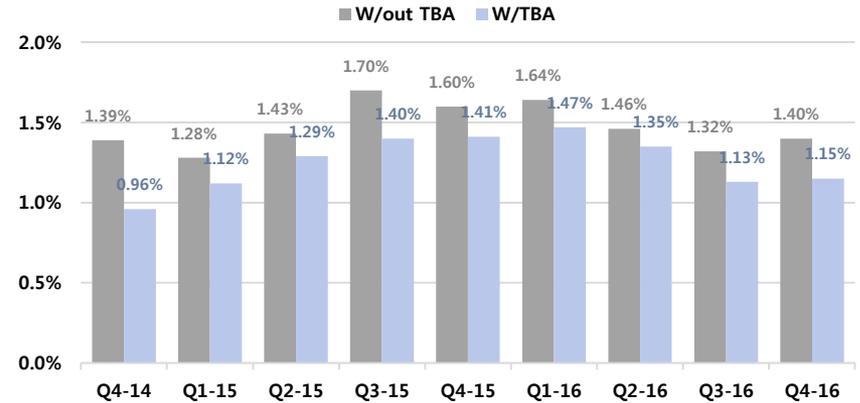


1. Tangible net book value per common share excludes goodwill and other intangible assets, net
 2. Economic return represents the change in NAV per share plus dividends declared.

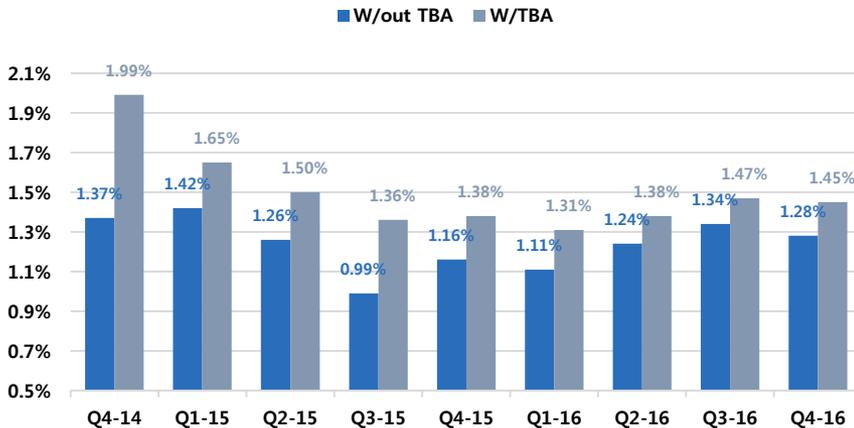
Average Asset Yield (Excludes "Catch-up" Premium Amortization)



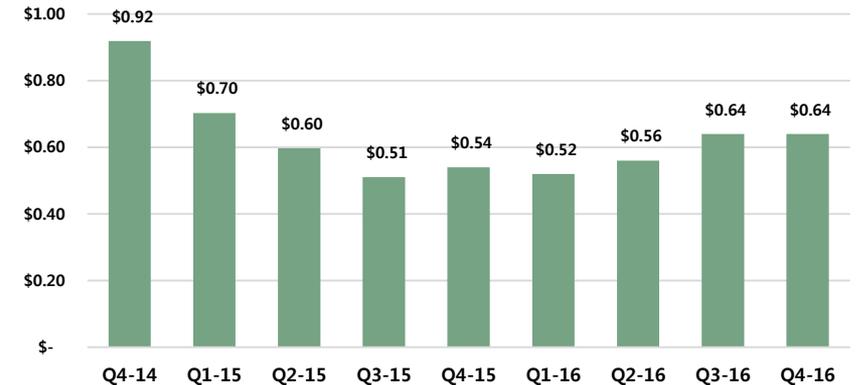
Average Cost of Funds



Net Interest Rate Spread (Excludes "Catch-up" Premium Amortization)



Net Spread and TBA Dollar Roll Income per Common Share (Excludes "Catch-up" Premium Amortization)



Fixed Rate Agency Securities – MBS and NET TBA Position



\$ in millions – as of Dec 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% | \$4,877 | \$4,912 | 23% | 6% | 101.7% | 2.96% | 50 | 11% | 4.2 |
| 3.0% | 3,460 | 3,561 | 70% | 9% | 102.9% | 3.50% | 55 | 13% | 3.4 |
| 3.5% | 3,294 | 3,450 | 90% | 3% | 103.4% | 3.95% | 63 | 15% | 2.8 |
| 4.0% | 2,655 | 2,810 | 84% | 7% | 104.2% | 4.40% | 72 | 16% | 2.9 |
| 4.5% | 285 | 302 | 93% | 6% | 104.6% | 4.87% | 76 | 21% | 2.8 |
| ≥ 5.0% | 4 | 4 | 22% | 78% | 103.3% | 6.63% | 112 | 2% | 2.1 |
| Subtotal ≤15 YR | \$14,575 | \$15,039 | 62% | 6% | 103.1% | 3.72% | 60 | 14% | 3.4 |
| 20 YR Mortgage Securities | | | | | | | | | |
| ≤ 3.0% | \$225 | \$228 | 20% | 10% | 99.4% | 3.55% | 43 | 11% | 4.6 |
| 3.5% | 436 | 454 | 69% | 12% | 102.2% | 4.06% | 46 | 13% | 3.8 |
| 4.0% | 54 | 58 | 39% | 11% | 104.4% | 4.54% | 64 | 15% | 3.2 |
| 4.5% | 68 | 74 | 99% | --% | 106.7% | 4.90% | 73 | 20% | 2.7 |
| ≥ 5.0% | 3 | 3 | --% | --% | 106.3% | 5.94% | 104 | 30% | 1.9 |
| Subtotal 20 YR | \$786 | \$817 | 56% | 10% | 101.9% | 4.03% | 49 | 13% | 3.9 |
| 30 YR Mortgage Securities | | | | | | | | | |
| ≤ 3.0% | \$7,390 | \$7,357 | --% | 2% | 100.1% | 3.57% | 26 | 7% | 6.5 |
| 3.5% | 16,365 | 16,849 | 71% | 3% | 105.4% | 4.07% | 38 | 11% | 5.6 |
| 4.0% | 13,464 | 14,224 | 52% | 11% | 107.4% | 4.51% | 45 | 16% | 4.7 |
| 4.5% | 1,246 | 1,352 | 81% | 8% | 107.6% | 4.97% | 67 | 18% | 4.6 |
| 5.0% | 119 | 130 | 36% | 30% | 106.8% | 5.45% | 104 | 22% | 4.2 |
| ≥ 5.5% | 120 | 133 | 38% | 13% | 110.0% | 6.20% | 122 | 13% | 3.4 |
| Subtotal 30 YR | \$38,704 | \$40,045 | 51% | 6% | 105.4% | 4.19% | 40 | 13% | 5.4 |
| Total Fixed | \$54,065 | \$55,901 | 55% | 6% | 104.6% | 4.05% | 46 | 13% | 4.9 |

1. The wtd/avg coupon on fixed rate securities held as of Dec 31, 2016 was 3.52% excluding the net long TBA mortgage position and 3.49% including the net long TBA position

2. Excluding net TBA position, total fixed-rate MBS as of Dec 31, 2016 had a par value of \$43,149, market value of \$44,736 and avg duration of 4.8 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; loans 100% 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 Jan 2017 for Agency securities held as of Dec 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

Repo Counterparty Credit Risk

- ▶ Our repo funding is well diversified by counterparty and geography
- ▶ Less than 6% of our equity at risk with any one counterparty
- ▶ Less than 14% of our equity at risk with top 5 counterparties

| Counterparty Region | Number of Counterparties | Percent of Agency Repo Funding |
|---------------------|--------------------------|--------------------------------|
| North America | 20 | 68% |
| Asia | 5 | 12% |
| Europe | 13 | 20% |
| Total | 38 | 100% |

| Counterparty Region | Counterparty Rank | Counterparty Exposure as a % of NAV ^{1,2} |
|---------------------|-------------------|--|
| North America | 1 | 5.5% |
| | 2 | 2.2% |
| | 3 | 2.2% |
| | 4 | 1.5% |
| | 5 | 1.5% |
| | 6-19 | 9.2% |
| Asia | 1 | 1.0% |
| | 2 | 1.0% |
| | 3 | 0.8% |
| | 4 | 0.4% |
| | 5 | 0.1% |
| Europe | 1 | 2.0% |
| | 2 | 1.7% |
| | 3 | 0.8% |
| | 4 | 0.6% |
| | 5 | 0.5% |
| | 6-13 | 1.0% |

| | |
|-----------------------|-------|
| Total Exposure | 32.0% |
| Top 5 Exposure | 13.6% |

Note: All figures as of Dec 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

Other Hedge and Derivative Instruments

▶ U.S. Treasury Position

- ✓ \$7.5 B net short U.S. Treasury securities
- ✓ \$2.2 B short U.S Treasury futures

▶ Payer Swaptions

- ✓ \$1.2 B notional payer swaptions as of Dec 31, 2016
 - \$0.5 B payer swaptions added during the quarter
 - 0.5 year average remaining option term, 8.3 years average underlying swap term

▶ TBA Mortgages

- ✓ \$11.2 B net long position market value

| U.S. Treasury Position As of Dec 31, 2016 (\$ MM) | | |
|--|--------------------|--------------------|
| Maturity | Face Amount | Market Value |
| | Net Long / (Short) | Net Long / (Short) |
| 5 Year | \$(1,130) | \$(1,251) |
| 7 Year | (3,056) | (2,930) |
| 10 Year | (5,496) | (5,474) |
| Total | \$(9,682) | \$(9,655) |

| As of Sept 30, 2016 | | |
|---------------------|------------------|------------------|
| Total | \$(7,271) | \$(7,878) |

| Payer Swaptions As of Dec 31, 2016 (\$ in MM) | | | | | |
|--|-----------------|------|--------------|----------|-------------------|
| Years to Expiration | Notional Amount | Cost | Market Value | Pay Rate | Swap Term (Years) |
| ≤ 1 Year | \$1,200 | \$52 | \$22 | 3.06% | 8.3 |

| As of Sept 30, 2016 | | | | | |
|------------------------|--------------|-------------|------------|--------------|------------|
| Total / Wtd Avg | \$700 | \$44 | \$6 | 3.10% | 7.0 |

| Net TBA Position As of Dec 31, 2016 (\$ MM) | | |
|--|--------------------|--------------------|
| Term | Face Amount | Market Value |
| | Net Long / (Short) | Net Long / (Short) |
| 15 Year | \$2,160 | \$2,172 |
| 30 Year | 8,756 | 8,993 |
| Total | \$10,916 | \$11,165 |

| As of Sept 30, 2016 | | |
|---------------------|-----------------|-----------------|
| Total | \$14,881 | \$15,586 |

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

| Interest Rate Sensitivity ¹ As of Dec 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 | 0.6% | 4.6% |
| -50 | 0.5% | 4.1% |
| +50 | -0.8% | -6.4% |
| +100 | -1.7% | -14.1% |

▶ 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 5.4 years, which is based on interest rates and MBS prices as of Dec 31, 2016
- ✓ The spread sensitivity is also sensitive to interest rates and increases as interest rates rise and prepayments slow

| MBS Spread Sensitivity (“Basis Risk”) ¹ As of Dec 31, 2016 | | |
|--|---|---|
| MBS Spread Shock (bps) | Estimated Change in Portfolio Market Value ² | Estimated Change as a % of NAV ³ |
| -25 | 1.3% | 11.0% |
| -10 | 0.5% | 4.4% |
| +10 | -0.5% | -4.4% |
| +25 | -1.3% | -11.0% |

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

Use of Non-GAAP Financial Information

In addition to the results presented in accordance with GAAP, our results of operations discussed in this presentation include certain non-GAAP financial information, including “adjusted net interest expense,” “net spread and dollar roll income,” “net spread and dollar roll income, excluding ‘catch-up’ premium amortization,” “estimated taxable income” and the related per common share measures and certain financial metrics derived from such non-GAAP information, such as “cost of funds” and “net interest rate spread.”

“Adjusted net interest expense” is measured as interest expense (GAAP measure) adjusted to include other interest rate swap periodic costs. “Net spread and dollar roll income” is measured as (i) net interest income (GAAP measure) adjusted to include other interest rate swap periodic costs, TBA dollar roll income, dividends on REIT equity securities and management fee income (referred to as “adjusted net interest and dollar roll income”) less (ii) total operating expenses (GAAP measure) adjusted to exclude non-recurring transaction costs (referred to as “adjusted operating expenses”). “Net spread and dollar roll income, excluding ‘catch-up’ premium amortization,” further excludes retrospective “catch-up” adjustments to premium amortization cost or benefit due to changes in projected CPR estimates.

By providing users of our financial information with such measures in addition to the related GAAP measures, we believe users will have greater transparency into the information used by our management in its financial and operational decision-making. We also believe that it is important for users of our financial information to consider information related to our current financial performance without the effects of certain measures that are not necessarily indicative of our current investment portfolio performance and operations.

Specifically, in the case of “adjusted net interest and dollar roll income,” we believe the inclusion of TBA dollar roll income is meaningful as TBAs, which are accounted for under GAAP as derivative instruments with gains and losses recognized in other gain (loss) in our statement of operations, are economically equivalent to holding and financing generic agency MBS using short-term repurchase agreements. Similarly, we believe that the inclusion of periodic interest rate swap settlements in such measure and in “adjusted net interest expense,” which are recognized under GAAP in other gain (loss), is meaningful as interest rate swaps are the primary instrument we use to economically hedge against fluctuations in our borrowing costs and inclusion of all periodic interest rate swap settlement cost is more indicative of our total cost of funds than interest expense alone. In the case of “net spread and dollar roll income, excluding ‘catch-up’ premium amortization,” we believe the exclusion of “catch-up” adjustments to premium amortization cost or benefit is meaningful as it excludes the cumulative effect from prior reporting periods due to current changes in future prepayment expectations and, therefore, exclusion of such cost or benefit is more indicative of the current earnings potential of our investment portfolio. We also believe the exclusion of non-recurring transactions costs reported in operating expense under GAAP is meaningful as they represent non-recurring transaction costs associated with our acquisition of AGNC Mortgage Management, LLC (formerly known as American Capital Mortgage Management, LLC) and are not representative of ongoing operating costs. In the case of estimated taxable income, we believe it is meaningful information as it 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, 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, excluding ‘catch-up’ premium amortization” and a reconciliation of GAAP net income to non-GAAP “estimated taxable income” is included in this presentation.