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Second Quarter 2020 Financial Summary

July 29, 2020

Important Notices

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This presentation, other written or oral communications, and our public documents to which we refer contain or incorporate by reference certain forward-looking statements which are based on various assumptions (some of which are beyond our control) and may be identified by reference to a future period or periods or by the use of forward-looking terminology, such as "may," "will," "believe," "expect," "anticipate," "continue," or similar terms or variations on those terms or the negative of those terms. Such statements include those relating to our future performance, macro outlook, the interest rate and credit environments, tax reform and future opportunities. Actual results could differ materially from those set forth in forward-looking statements due to a variety of factors, including, but not limited to, risks and uncertainties related to the COVID-19 pandemic, including as related to adverse economic conditions on real estate-related assets and financing conditions; changes in interest rates; changes in the yield curve; changes in prepayment rates; the availability of mortgage-backed securities ("MBS") and other securities for purchase; the availability of financing and, if available, the terms of any financing; changes in the market value of our assets; changes in business conditions and the general economy; our ability to grow our commercial real estate business; our ability to grow our residential credit business; our ability to grow our middle market lending business; credit risks related to our investments in credit risk transfer securities, residential mortgage-backed securities and related residential mortgage credit assets, commercial real estate assets and corporate debt; risks related to investments in mortgage servicing rights ("MSR"); our ability to consummate any contemplated investment opportunities; changes in government regulations or policy affecting our business; our ability to maintain our qualification as a REIT for U.S. federal income tax purposes; our ability to maintain our exemption from registration under the Investment Company Act of 1940, as amended; and the risk that the expected benefits, including long-term cost savings, of the Internalization are not achieved. For a discussion of the risks and uncertainties which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in our most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q. We do not undertake, and specifically disclaim any obligation, to publicly release the result of any revisions which may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements, except as required by law.

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Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures, including core earnings excluding the premium amortization adjustment ("PAA"). We believe the non-GAAP financial measures are useful for management, investors, analysts, and other interested parties in evaluating our performance but should not be viewed in isolation and are not a substitute for financial measures computed in accordance with U.S. generally accepted accounting principles ("GAAP"). In addition, we may calculate our non-GAAP metrics, such as core earnings (excluding PAA), or the PAA, differently than our peers making comparative analysis difficult. Please see the section entitled "Non-GAAP Reconciliations" in the attached Appendix for a reconciliation to the most directly comparable GAAP financial measures.

Financial Snapshot

Unaudited, dollars in thousands except per share amounts

	For the quarters ended		
	6/30/2020	3/31/2020	
Income Statement	GAAP net income (loss) per average common share ⁽¹⁾	\$0.58	(\$2.57)
	Core earnings (excluding PAA) per average common share ^{*(1)}	\$0.27	\$0.21
	Annualized GAAP return (loss) on average equity	25.84%	(102.17%)
	Annualized core return on average equity (excluding PAA)*	12.82%	9.27%
Balance Sheet	Book value per common share	\$8.39	\$7.50
	Leverage at period-end ⁽²⁾	5.5x	6.4x
	Economic leverage at period-end ^{*(3)}	6.4x	6.8x
	Capital ratio at period-end ⁽⁴⁾	13.0%	12.3%
Portfolio	Securities	\$77,805,743	\$79,357,596
	Loans, net	3,972,671	4,068,189
	Mortgage servicing rights	227,400	280,558
	Assets transferred or pledged to securitization vehicles	7,690,451	7,671,662
	Real estate, net	746,067	751,738
	Total residential and commercial investments	\$90,442,332	\$92,129,743
GAAP Key Statistics	Net interest margin ⁽⁵⁾	1.89%	0.18%
	Average yield on interest earning assets ⁽⁶⁾	2.77%	1.91%
	Average GAAP cost of interest bearing liabilities ⁽⁷⁾	0.96%	1.86%
	Net interest spread	1.81%	0.05%
Non-GAAP Key Statistics	Net interest margin (excluding PAA) ^{*(5)}	1.88%	1.18%
	Average yield on interest earning assets (excluding PAA) ^{*(6)}	3.01%	2.91%
	Average economic cost of interest bearing liabilities ^{*(7)}	1.29%	1.91%
	Net interest spread (excluding PAA) *	1.72%	1.00%
Efficiency	Operating expenses to core earnings (excluding PAA) ^{*(8)}	15.68%	21.31%
	Annualized operating expenses as a % of average total assets ⁽⁸⁾	0.28%	0.25%
	Annualized operating expenses as a % of average total equity ⁽⁸⁾	2.01%	1.98%

* Represents a non-GAAP financial measure.

Detailed endnotes are included within the Appendix at the end of this presentation.

Portfolio Data

Unaudited, dollars in thousands

		For the quarters ended				
		6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Portfolio-Related Data	Agency mortgage-backed securities	\$76,761,800	\$78,456,846	\$112,893,367	\$114,462,524	\$118,202,040
	Credit risk transfer securities	362,901	222,871	531,322	474,765	491,969
	Non-agency mortgage-backed securities	619,840	585,954	1,135,868	1,015,921	1,097,752
	Commercial mortgage-backed securities	61,202	91,925	273,023	140,851	135,108
	Total securities	\$77,805,743	\$79,357,596	\$114,833,580	\$116,094,061	\$119,926,869
	Residential mortgage loans	\$1,168,521	\$1,268,083	\$1,647,787	\$1,219,402	\$1,061,124
	Commercial real estate debt and preferred equity	618,886	649,843	669,713	611,429	623,705
	Corporate debt	2,185,264	2,150,263	2,144,850	2,115,783	1,792,837
	Loans held for sale	—	—	—	—	68,802
	Total loans, net	\$3,972,671	\$4,068,189	\$4,462,350	\$3,946,614	\$3,546,468
	Mortgage servicing rights	\$227,400	\$280,558	\$378,078	\$386,051	\$425,328
	Agency mortgage-backed securities transferred or pledged to securitization vehicles	\$1,832,708	\$1,803,608	\$1,122,588	\$—	\$—
	Residential mortgage loans transferred or pledged to securitization vehicles	2,832,502	3,027,188	2,598,374	2,376,731	2,106,981
	Commercial real estate debt investments transferred or pledged to securitization vehicles	2,150,623	1,927,575	2,345,120	2,311,413	2,104,601
	Commercial real estate debt and preferred equity transferred or pledged to securitization vehicles	874,618	913,291	936,378	—	—
	Assets transferred or pledged to securitization vehicles	\$7,690,451	\$7,671,662	\$7,002,460	\$4,688,144	\$4,211,582
	Real estate, net	\$746,067	\$751,738	\$725,638	\$725,508	\$733,196
	Total residential and commercial investments	\$90,442,332	\$92,129,743	\$127,402,106	\$125,840,378	\$128,843,443
	Total assets	\$93,458,653	\$96,917,274	\$130,295,081	\$128,956,120	\$131,800,776
	Average TBA contract and CMBX balances	\$18,628,343	\$9,965,142	\$6,878,502	\$9,248,502	\$12,757,975
Residential Securities Summary Portfolio Statistics	% Fixed-rate	98%	99%	97%	97%	96%
	% Adjustable-rate	2%	1%	3%	3%	4%
	Weighted average experienced CPR for the period	19.5%	13.6%	17.8%	14.6%	11.2%
	Weighted average projected long-term CPR at period-end	18.0%	17.7%	13.9%	16.3%	14.5%
	Net premium and discount balance in Residential Securities	\$3,679,639	\$3,815,149	\$5,185,797	\$5,262,316	\$5,625,788
	Net premium and discount balance as % of stockholders' equity	26.68%	30.03%	32.84%	34.58%	35.83%

Financing and Capital Data

Unaudited, dollars in thousands except per share amounts

	For the quarters ended				
	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Financing Data					
Repurchase agreements	\$67,163,598	\$72,580,183	\$101,740,728	\$102,682,104	\$105,181,241
Other secured financing	1,538,996	1,805,428	4,455,700	4,466,030	4,127,989
Debt issued by securitization vehicles	6,458,130	6,364,949	5,622,801	3,856,082	3,470,168
Mortgages payable	508,565	484,762	485,005	485,657	498,772
Total debt	\$75,669,289	\$81,235,322	\$112,304,234	\$111,489,873	\$113,278,170
Total liabilities	\$79,661,050	\$84,209,744	\$114,498,737	\$113,732,416	\$116,093,369
Cumulative redeemable preferred stock	\$1,982,026	\$1,982,026	\$1,982,026	\$1,982,026	\$2,110,346
Common equity ⁽¹⁾	11,811,440	10,721,399	13,809,991	13,237,270	13,592,335
Total Annaly stockholders' equity	13,793,466	12,703,425	15,792,017	15,219,296	15,702,681
Non-controlling interests	4,137	4,105	4,327	4,408	4,726
Total equity	\$13,797,603	\$12,707,530	\$15,796,344	\$15,223,704	\$15,707,407

Key Capital and Hedging Metrics					
Weighted average days to maturity of repurchase agreements	74	48	65	45	70
Weighted average rate on repurchase agreements, for the quarter ⁽²⁾⁽³⁾	0.79%	1.78%	2.09%	2.53%	2.66%
Weighted average rate on repurchase agreements, at period-end ⁽³⁾	0.49%	1.23%	2.03%	2.48%	2.69%
Leverage at period-end	5.5x	6.4x	7.1x	7.3x	7.2x
Economic leverage at period-end *	6.4x	6.8x	7.2x	7.7x	7.6x
Capital ratio at period-end	13.0%	12.3%	12.0%	11.2%	11.4%
Book value per common share	\$8.39	\$7.50	\$9.66	\$9.21	\$9.33
Total common shares outstanding	1,407,662	1,430,424	1,430,106	1,437,964	1,456,263
Hedge ratio ⁽⁴⁾	40%	19%	75%	73%	74%
Weighted average pay rate on interest rate swaps, at period-end	1.01%	1.63%	1.84%	1.88%	2.12%
Weighted average receive rate on interest rate swaps, at period-end	0.75%	1.16%	1.89%	2.16%	2.46%
Weighted average net rate on interest rate swaps, at period-end	0.26%	0.47%	(0.05%)	(0.28%)	(0.34%)

* Represents a non-GAAP financial measure.

Detailed endnotes are included within the Appendix at the end of this presentation.

Income Statement Data

Unaudited, dollars in thousands except per share amounts

	For the quarters ended				
	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Summary Income Statement					
Total interest income	\$584,812	\$555,026	\$1,074,214	\$919,299	\$927,598
Total interest expense	186,032	503,473	620,058	766,905	750,217
Net interest income	\$398,780	\$51,553	\$454,156	\$152,394	\$177,381
Total economic interest expense ^{*(1)}	\$250,593	\$517,453	\$574,837	\$678,439	\$666,564
Economic net interest income *	\$334,219	\$37,573	\$499,377	\$240,860	\$261,034
Total interest income (excluding PAA) *	\$636,554	\$845,748	\$990,322	\$1,036,451	\$1,067,361
Economic net interest income (excluding PAA) *	\$385,961	\$328,295	\$415,485	\$358,012	\$400,797
GAAP net income (loss)	\$856,234	(\$3,640,189)	\$1,209,742	(\$747,169)	(\$1,776,413)
GAAP net income (loss) available (related) to common stockholders ⁽²⁾	\$820,693	(\$3,675,764)	\$1,174,165	(\$783,210)	(\$1,808,752)
GAAP net income (loss) per average common share ⁽²⁾	\$0.58	(\$2.57)	\$0.82	(\$0.54)	(\$1.24)
Core earnings (excluding PAA) *	\$424,580	\$330,218	\$409,157	\$341,931	\$391,153
Core earnings (excluding PAA) available to common stockholders ^{*(2)}	\$389,071	\$294,709	\$373,648	\$305,780	\$358,731
Core earnings (excluding PAA) per average common share ^{*(2)}	\$0.27	\$0.21	\$0.26	\$0.21	\$0.25
PAA cost (benefit)	\$51,742	\$290,722	(\$83,892)	\$117,152	\$139,763

* Represents a non-GAAP financial measure.

Detailed endnotes are included within the Appendix at the end of this presentation.

Key Earnings Metrics

Unaudited, dollars in thousands except per share amounts

	For the quarters ended					
	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019	
Key GAAP Earnings Metrics	Dividends declared per common share	\$0.22	\$0.25	\$0.25	\$0.25	\$0.25
	Total common and preferred dividends declared ⁽¹⁾	\$345,481	\$393,328	\$393,203	\$396,187	\$396,388
	Annualized GAAP return (loss) on average equity	25.84%	(102.17%)	31.20%	(19.32%)	(45.13%)
	Annualized GAAP return (loss) on average equity per unit of economic leverage	4.04%	(15.03%)	4.33%	(2.51%)	(5.94%)
	Net interest margin	1.89%	0.18%	1.49%	0.48%	0.58%
	Average yield on interest earning assets	2.77%	1.91%	3.53%	2.89%	3.03%
	Average GAAP cost of interest bearing liabilities	0.96%	1.86%	2.17%	2.58%	2.71%
	Net interest spread	1.81%	0.05%	1.36%	0.31%	0.32%
Key Non-GAAP Earnings Metrics	Annualized core return on average equity (excluding PAA) *	12.82%	9.27%	10.56%	8.85%	9.94%
	Annualized core return on average equity per unit of economic leverage (excluding PAA) *	2.00%	1.36%	1.47%	1.15%	1.31%
	Net interest margin (excluding PAA) *	1.88%	1.18%	1.41%	1.10%	1.28%
	Average yield on interest earning assets (excluding PAA) *	3.01%	2.91%	3.25%	3.26%	3.48%
	Average economic cost of interest bearing liabilities *	1.29%	1.91%	2.01%	2.28%	2.41%
	Net interest spread (excluding PAA) *	1.72%	1.00%	1.24%	0.98%	1.07%

* Represents a non-GAAP financial measure.

Detailed endnotes are included within the Appendix at the end of this presentation.

Components of Economic Net Interest Income *

Unaudited, dollars in thousands

	For the quarters ended				
	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Economic Net Interest Income *					
Interest income:					
Residential Securities	\$457,684	\$410,380	\$923,653	\$784,228	\$777,891
Residential mortgage loans	42,871	47,557	47,377	37,673	35,025
Commercial investment portfolio	84,208	95,676	97,366	87,946	92,131
Reverse repurchase agreements	49	1,413	5,818	9,452	22,551
Total interest income	\$584,812	\$555,026	\$1,074,214	\$919,299	\$927,598
Economic interest expense:					
Repurchase agreements	\$136,962	\$434,021	\$550,283	\$699,838	\$683,647
Net interest component of interest rate swaps	64,561	13,980	(45,221)	(88,466)	(83,653)
Debt issued by securitization vehicles	38,757	42,119	39,099	34,524	34,151
Other	10,313	27,333	30,676	32,543	32,419
Total economic interest expense *	\$250,593	\$517,453	\$574,837	\$678,439	\$666,564
Economic net interest income *	\$334,219	\$37,573	\$499,377	\$240,860	\$261,034
PAA cost (benefit)	51,742	290,722	(83,892)	117,152	139,763
Economic net interest income (excluding PAA) *	\$385,961	\$328,295	\$415,485	\$358,012	\$400,797

* Represents a non-GAAP financial measure.

GAAP Net Income to Core Earnings (excluding PAA)* Reconciliation

Unaudited, dollars in thousands

	For the quarters ended				
	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019
GAAP net income (loss)	\$856,234	(\$3,640,189)	\$1,209,742	(\$747,169)	(\$1,776,413)
Net income (loss) attributable to noncontrolling interests	32	66	68	(110)	(83)
Net income (loss) attributable to Annaly	856,202	(3,640,255)	1,209,674	(747,059)	(1,776,330)
Adjustments to exclude reported realized and unrealized (gains) losses:					
Realized (gains) losses on termination or maturity of interest rate swaps	1,521,732	397,561	4,615	682,602	167,491
Unrealized (gains) losses on interest rate swaps	(1,494,628)	2,827,723	(782,608)	326,309	1,276,019
Net (gains) losses on disposal of investments and other	(246,679)	(206,583)	(17,783)	(66,522)	38,333
Net (gains) losses on other derivatives	(170,916)	(206,426)	42,312	16,888	506,411
Net unrealized (gains) losses on instruments measured at fair value through earnings	(254,772)	730,160	5,636	1,091	4,881
Loan loss provision ⁽¹⁾	72,544	99,993	7,362	3,504	—
Other adjustments:					
Depreciation expense related to commercial real estate and amortization of intangibles ⁽²⁾	8,714	7,934	9,823	9,974	10,147
Non-core (income) loss allocated to equity method investments ⁽³⁾	4,218	19,398	(3,979)	4,541	11,327
Transaction expenses and non-recurring items ⁽⁴⁾	1,075	7,245	3,634	2,622	3,046
Income tax effect of non-core income (loss) items	3,353	(23,862)	(418)	(2,762)	(3,507)
TBA dollar roll income and CMBX coupon income ⁽⁵⁾	97,524	44,904	36,901	15,554	33,229
MSR amortization ⁽⁶⁾	(25,529)	(18,296)	(22,120)	(21,963)	(19,657)
Plus:					
Premium amortization adjustment cost (benefit)	51,742	290,722	(83,892)	117,152	139,763
Core earnings (excluding PAA) *	424,580	330,218	409,157	341,931	391,153
Dividends on preferred stock ⁽⁷⁾	35,509	35,509	35,509	36,151	32,422
Core earnings (excluding PAA) attributable to common stockholders *	\$389,071	\$294,709	\$373,648	\$305,780	\$358,731

* Represents a non-GAAP financial measure.

Detailed endnotes are included within the Appendix at the end of this presentation.

Quarter-Over-Quarter Changes in Key Metrics

Unaudited

		For the quarters ended				
		6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Book Value Rollforward	Book value per common share, beginning of period	\$7.50	\$9.66	\$9.21	\$9.33	\$9.67
	Net income (loss) available (related) to common stockholders	0.58	(2.57)	0.82	(0.54)	(1.24)
	Other comprehensive income (loss) attributable to common stockholders	0.51	0.69	(0.12)	0.66	1.15
	Common dividends declared	(0.22)	(0.25)	(0.25)	(0.25)	(0.25)
	Issuance / buyback of common stock / redemption of preferred stock	0.02	—	—	0.01	—
	Other adjustment ⁽¹⁾	—	(0.03)	—	—	—
	Book value per common share, end of period	\$8.39	\$7.50	\$9.66	\$9.21	\$9.33
Net Interest Margin	Prior quarter net interest margin	0.18%	1.49%	0.48%	0.58%	0.79%
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon on average interest earning assets	0.03%	(0.04%)	0.02%	(0.02%)	0.03%
	Net amortization of premiums	0.83%	(1.58%)	0.62%	(0.12%)	(0.15%)
	GAAP interest expense	0.85%	0.31%	0.37%	0.04%	(0.09%)
	Current quarter net interest margin	1.89%	0.18%	1.49%	0.48%	0.58%
Net Interest Spread	Prior quarter net interest spread	0.05%	1.36%	0.31%	0.32%	0.44%
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon on average interest earning assets	0.03%	(0.04%)	0.02%	(0.02%)	0.03%
	Net amortization of premiums	0.83%	(1.58%)	0.62%	(0.12%)	(0.15%)
	Average GAAP cost of interest bearing liabilities	0.90%	0.31%	0.41%	0.13%	0.00%
	Current quarter net interest spread	1.81%	0.05%	1.36%	0.31%	0.32%

Detailed endnotes are included within the Appendix at the end of this presentation.

Quarter-Over-Quarter Changes in Key Metrics (continued)

Unaudited

	For the quarters ended					
	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019	
Net Interest Margin (excluding PAA)*	Prior quarter net interest margin (excluding PAA) *	1.18%	1.41%	1.10%	1.28%	1.51%
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon on average interest earning assets (including average TBA dollar roll and CMBX balances)	(0.39%)	(0.14%)	0.08%	0.09%	0.12%
	Net amortization of premiums (excluding PAA)	0.18%	(0.26%)	(0.04%)	(0.20%)	(0.01%)
	TBA dollar roll income and CMBX coupon income	0.24%	0.03%	0.07%	(0.05%)	(0.02%)
	Interest expense and net interest component of interest rate swaps	0.67%	0.14%	0.20%	(0.02%)	(0.32%)
Current quarter net interest margin (excluding PAA) *	1.88%	1.18%	1.41%	1.10%	1.28%	
Net Interest Spread (excluding PAA)*	Prior quarter net interest spread (excluding PAA) *	1.00%	1.24%	0.98%	1.07%	1.30%
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon on average interest earning assets	0.03%	(0.04%)	0.02%	(0.02%)	0.03%
	Net amortization of premiums (excluding PAA)	0.07%	(0.30%)	(0.03%)	(0.20%)	0.00%
	Average economic cost of interest bearing liabilities	0.62%	0.10%	0.27%	0.13%	(0.26%)
	Current quarter net interest spread (excluding PAA) *	1.72%	1.00%	1.24%	0.98%	1.07%

* Represents a non-GAAP financial measure.

Quarter-Over-Quarter Changes in Annualized Return on Average Equity

Unaudited

	For the quarters ended					
	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019	
Annualized GAAP Return (Loss) on Average Equity	Prior quarter annualized GAAP return (loss) on average equity	(102.17%)	31.20%	(19.32%)	(45.13%)	(22.72%)
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon income	(7.00%)	0.88%	(1.36%)	1.67%	2.00%
	Net amortization of premiums and accretion of discounts	9.08%	(13.00%)	5.29%	(1.46%)	(1.61%)
	Interest expense and net interest component of interest rate swaps	6.96%	0.30%	2.72%	(0.61%)	(3.19%)
	Realized gains (losses) on termination or maturity of interest rate swaps	(34.77%)	(11.04%)	17.54%	(13.40%)	11.48%
	Unrealized gains (losses) on interest rate swaps	124.48%	(99.56%)	28.62%	23.98%	(21.97%)
	Realized and unrealized gains (losses) on investments and other derivatives	29.20%	(8.12%)	(2.04%)	15.22%	(9.64%)
	Loan loss provision	0.71%	(2.60%)	(0.10%)	(0.09%)	0.15%
	Other ⁽¹⁾	(0.65%)	(0.23%)	(0.15%)	0.50%	0.37%
	Current quarter annualized GAAP return (loss) on average equity	25.84%	(102.17%)	31.20%	(19.32%)	(45.13%)
Annualized Core Return on Average Equity (excluding PAA)*	Prior quarter annualized core return on average equity (excluding PAA) *	9.27%	10.56%	8.85%	9.94%	11.59%
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon income	(7.00%)	0.88%	(1.36%)	1.67%	2.00%
	Net amortization of premiums (excluding PAA)	2.48%	(2.68%)	0.09%	(1.98%)	(0.25%)
	Interest expense and net interest component of interest rate swaps	6.96%	0.30%	2.72%	(0.61%)	(3.19%)
	TBA dollar roll income and CMBX coupon income	1.68%	0.31%	0.56%	(0.44%)	(0.18%)
	Other ⁽²⁾	(0.57%)	(0.10%)	(0.30%)	0.27%	(0.03%)
Current quarter core return on annualized average equity (excluding PAA) *	12.82%	9.27%	10.56%	8.85%	9.94%	

* Represents a non-GAAP financial measure.

Detailed endnotes are included within the Appendix at the end of this presentation.

Residential Investments & TBA Derivative Overview as of June 30, 2020

Unaudited, dollars in thousands

Agency Fixed-Rate Securities (Pools)							
Weighted Avg. Years to Maturity	Current Face Value	% ⁽³⁾	Weighted Avg. Coupon	Weighted Avg. Amortized Cost	Weighted Avg. Fair Value	Weighted Avg. 3-Month CPR	Estimated Fair Value
<=15 years ⁽¹⁾	\$4,222,504	6.0%	3.13%	101.6%	110.7%	11.9%	\$4,673,352
20 years	3,019,573	4.3%	3.17%	103.4%	106.5%	13.7%	3,215,849
>=30 years ⁽²⁾	63,277,685	89.7%	3.85%	104.6%	109.9%	20.0%	69,534,018
Total/Weighted Avg.	\$70,519,762	100.0%	3.78%	104.4%	109.8%	19.5%	\$77,423,219

TBA Contracts					
Type	Notional Value	% ⁽⁴⁾	Weighted Avg. Coupon	Implied Cost Basis	Implied Market Value
15-year	\$2,253,000	12.3%	2.11%	\$2,327,402	\$2,337,049
30-year	16,128,000	87.7%	2.54%	16,703,103	16,811,652
Total/Weighted Avg.	\$18,381,000	100.0%	2.49%	\$19,030,505	\$19,148,701

Agency Adjustable-Rate Securities							
Weighted Avg. Months to Reset	Current Face Value	% ⁽³⁾	Weighted Avg. Coupon	Weighted Avg. Amortized Cost	Weighted Avg. Fair Value	Weighted Avg. 3-Month CPR	Estimated Fair Value
0 - 24 months	\$468,704	76.2%	3.57%	101.3%	105.5%	24.0%	\$494,373
25 - 40 months	49,958	8.1%	2.53%	99.0%	104.1%	14.1%	52,005
41 - 60 months	4,770	0.8%	2.94%	100.9%	105.7%	14.5%	5,044
61 - 90 months	91,440	14.9%	2.97%	101.2%	106.0%	26.4%	96,933
Total/Weighted Avg.	\$614,872	100.0%	3.39%	101.1%	105.4%	23.5%	\$648,355

Detailed endnotes are included within the Appendix at the end of this presentation.

Residential Investments & TBA Derivative Overview as of June 30, 2020 (continued)

Unaudited, dollars in thousands

Agency Interest-Only Collateralized Mortgage-Backed Obligations							
Type	Current Notional Value	% ⁽¹⁾	Weighted Avg. Coupon	Weighted Avg. Amortized Cost	Weighted Avg. Fair Value	Weighted Avg. 3-Month CPR	Estimated Fair Value
Interest-only	\$1,283,842	38.2%	3.38%	14.3%	8.6%	17.3%	\$110,761
Inverse interest-only	2,079,254	61.8%	5.91%	21.9%	19.8%	18.3%	412,173
Total/Weighted Avg.	\$3,363,096	100.0%	4.94%	19.0%	15.5%	17.9%	\$522,934

Mortgage Servicing Rights					
Type	Unpaid Principal Balance	Weighted Avg. Coupon	Excess Servicing Spread	Weighted Avg. Loan Age (months)	Estimated Fair Value
Total/Weighted Avg.	\$31,209,219	3.82%	0.24%	51	\$227,400

Residential Credit Portfolio						
Sector	Current Face / Notional Value	% ⁽²⁾	Weighted Avg. Coupon	Weighted Avg. Amortized Cost	Weighted Avg. Fair Value	Estimated Fair Value
Credit Risk Transfer	\$423,284	7.3%	4.65%	99.1%	85.7%	\$362,901
Alt-A	106,758	1.8%	3.69%	80.8%	84.9%	90,652
Prime	179,368	3.6%	4.22%	94.2%	98.7%	177,045
Prime Interest-only	280,259	0.1%	0.46%	1.0%	0.7%	1,932
Subprime	135,160	2.4%	1.05%	84.6%	89.3%	120,687
NPL/RPL	191,529	3.7%	3.96%	99.7%	99.5%	190,515
Prime Jumbo	39,977	0.7%	3.83%	88.4%	89.0%	35,587
Prime Jumbo Interest-only	448,980	0.1%	0.37%	1.8%	0.8%	3,422
Residential Mortgage Loans	3,989,923	80.3%	4.90%	101.2%	100.3%	4,001,023
Total/Weighted Avg.	\$5,795,238	100.0%	4.69%			\$4,983,764

Detailed endnotes are included within the Appendix at the end of this presentation.

Residential Credit Investments Detail as of June 30, 2020⁽¹⁾

Unaudited, dollars in thousands

Product	Estimated Fair Value	Payment Structure		Investment Characteristics			
		Senior	Subordinate	Coupon	Credit Enhancement	60+ Delinquencies	3M VPR
Agency Credit Risk Transfer	\$347,845	\$—	\$347,845	4.61%	0.62%	1.98%	30.31%
Private Label Credit Risk Transfer	15,056	—	15,056	5.64%	17.66%	0.21%	21.28%
Alt-A	90,652	25,742	64,910	3.69%	8.08%	19.03%	15.36%
Prime	177,045	29,042	148,003	4.22%	8.44%	10.98%	19.10%
Prime Interest-only	1,932	1,932	—	0.46%	—%	4.12%	42.15%
Subprime	120,687	69,078	51,609	1.05%	8.55%	19.54%	5.61%
Re-Performing Loan Securitizations	190,515	59,238	131,277	3.96%	26.56%	28.43%	6.18%
Prime Jumbo	35,587	—	35,587	3.83%	1.87%	3.35%	45.14%
Prime Jumbo Interest-only	3,422	3,422	—	0.37%	—%	2.44%	36.04%
Total ⁽²⁾	\$982,741	\$188,454	\$794,287	3.88%	8.61%	12.11%	19.96%

Product	Estimated Fair Value	Bond Coupon			
		ARM	Fixed	Floater	Interest Only
Agency Credit Risk Transfer	\$347,845	\$—	\$—	\$347,845	\$—
Private Label Credit Risk Transfer	15,056	—	—	15,056	—
Alt-A	90,652	28,567	46,338	15,747	—
Prime	177,045	30,113	120,479	26,453	—
Prime Interest-only	1,932	—	—	—	1,932
Subprime	120,687	—	4,088	116,501	98
Re-Performing Loan Securitizations	190,515	—	190,515	—	—
Prime Jumbo	35,587	—	35,587	—	—
Prime Jumbo Interest-only	3,422	—	—	—	3,422
Total	\$982,741	\$58,680	\$397,007	\$521,602	\$5,452

Detailed endnotes are included within the Appendix at the end of this presentation.

Commercial Real Estate Overview as of June 30, 2020

Unaudited, dollars in thousands

Investment Portfolio	Number of Investments	GAAP		Weighted Avg LTV ⁽¹⁾	Weighted Avg Life (years) ⁽²⁾	Non-GAAP	
		Book Values	% of Portfolio			Economic Interest ⁽³⁾	Levered Return ⁽⁴⁾
Loans							
Senior Mortgages	19	\$496,765	11.2%	77.6%	3.5	\$189,068	9.0%
Mezzanine Loans	12	122,121	2.7%	75.1%	2.4	76,866	7.3%
Total Loans	31	618,886	13.9%	77.1%	3.3	265,934	8.5%
Securities							
CMBS (Credit)	2	28,557	0.6%	63.1%	5.8	11,820	15.2%
SASB	14	32,645	0.7%	64.3%	4.3	7,680	7.2%
Total Securities	16	\$61,202	1.3%	63.7%	5.0	\$19,500	12.1%
Assets transferred or pledged to securitization vehicles							
NLY 2019-FL2	25	793,712	17.8%	83.9%	3.1	170,024	14.7%
NLY 2019 - OAKS	1	80,906	1.8%	74.0%	4.6	15,072	22.4%
Commercial Trusts	64	2,150,623	48.4%	44.0%	4.6	119,853	9.2%
Total Assets transferred or pledged to securitization vehicles	90	\$3,025,241	68.0%	55.3%	4.2	\$304,949	12.9%
Total Debt Investments	137	\$3,705,329	83.2%	59.0%	4.1	\$590,383	10.9%
Equity Investments							
Real Estate Held for Investment	46	641,583	14.5%			253,837	11.7%
Investment in Unconsolidated Joint Ventures ⁽⁵⁾	32	104,484	2.3%			155,931	8.8%
Total Equity Investments	78	746,067	16.8%			409,768	10.6%
Total Investment Portfolio	215	\$4,451,396	100.0%			\$1,000,151	10.9%

Derivatives	Net Notional	Range of Ratings	Implied Market Value	Net Weighted Average Coupon
CMBX ⁽⁶⁾	\$495,000	AAA to BBB-	\$460,289	1.2%

Detailed endnotes are included within the Appendix at the end of this presentation.

Middle Market Lending Overview as of June 30, 2020

Industry Dispersion	
Industry	Total ⁽¹⁾
Computer Programming, Data Processing & Other Computer Related Services	406,827
Management and Public Relations Services	277,511
Industrial Inorganic Chemicals	147,622
Miscellaneous Business Services	122,279
Public Warehousing and Storage	116,967
Engineering, Architectural, and Surveying	110,926
Metal Cans & Shipping Containers	108,333
Offices and Clinics of Doctors of Medicine	104,000
Surgical, Medical, and Dental Instruments and Supplies	99,657
Electronic Components & Accessories	77,788
Insurance Agents, Brokers and Services	70,978
Telephone Communications	57,482
Miscellaneous Health and Allied Services, not elsewhere classified	52,177
Miscellaneous Equipment Rental and Leasing	49,505
Electric Work	40,642
Medical and Dental Laboratories	35,231
Metal Forgings and Stampings	29,739
Research, Development and Testing Services	29,541
Home Health Care Services	28,896
Motor Vehicles and Motor Vehicle Parts and Supplies	28,415
Legal Services	27,923
Petroleum and Petroleum Products	24,745
Grocery Stores	22,948
Coating, Engraving and Allied Services	20,298
Schools and Educational Services, not elsewhere classified	19,331
Drugs	15,856
Chemicals & Allied Products	14,844
Machinery, Equipment, and Supplies	12,419
Mailing, Reproduction, Commercial Art and Photography, and Stenographic	12,356
Offices and Clinics of Other Health Practitioners	10,091
Miscellaneous Plastic Products	9,937
Total	\$2,185,264

Unaudited, dollars in thousands

Size Dispersion		
Position Size	Amount	Percentage
\$0 - \$20 million	\$204,652	9.4%
\$20 - \$40 million	442,342	20.2%
\$40 - \$60 million	330,945	15.1%
Greater than \$60 million	1,207,325	55.3%
Total	\$2,185,264	100.0%

Tenor Dispersion		
Remaining Term	Amount	Percentage
One year or less	\$42,763	2.0%
One to three years	315,829	14.5%
Three to five years	650,157	29.8%
Greater than five years	1,176,515	53.7%
Total	\$2,185,264	100.0%

Lien Position	Amount	Percentage
First lien loans	\$1,357,123	62.1%
Second lien loans	828,141	37.9%
Total	\$2,185,264	100.0%

Hedging and Liabilities as of June 30, 2020

Unaudited, dollars in thousands

Interest Rate Swaps	Maturity	Current Notional ⁽¹⁾⁽²⁾	Weighted Avg. Pay Rate	Weighted Avg. Receive Rate	Weighted Avg. Years to Maturity ⁽³⁾
	0 to 3 years	\$	15,469,400	0.20%	0.42%
>3 to 6 years		6,215,450	0.73%	0.15%	4.09
> 6 to 10 years		5,456,500	1.51%	1.18%	8.22
Greater than 10 years		1,709,000	3.16%	0.57%	19.60
Total / Weighted Avg.	\$	28,850,350	1.01%	0.75%	4.87

Interest Rate Swaptions	Type	Current Underlying Notional	Weighted Avg. Underlying Fixed Rate	Weighted Avg. Underlying Floating Rate	Weighted Avg. Underlying Years to Maturity	Weighted Avg. Months to Expiration
	Long Pay	\$	4,625,000	1.60%	3M LIBOR	10.45
Long Receive	\$	250,000	1.66%	3M LIBOR	10.53	6.27

Futures Positions	Type	Long Contracts	Short Contracts	Net Positions	Weighted Avg. Years to Maturity
	U.S. Treasury Futures - 10 year & Greater	\$	—	\$ (1,847,800)	(1,847,800)

Repurchase Agreements and Other Secured Financing	Maturity	Principal Balance	Weighted Avg. Rate At Period End
	Within 30 days	\$	33,176,872
30 to 59 days		4,992,032	0.67%
60 to 89 days		5,436,637	0.47%
90 to 119 days		8,671,500	0.58%
Over 120 days ⁽⁴⁾		16,425,553	0.86%
Total / Weighted Avg.	\$	68,702,594	0.52%

Total Indebtedness	Principal Balance	Weighted Average Rate		Days to Maturity ⁽⁵⁾	
		At Period End	For the Quarter		
Repurchase agreements	\$	67,163,598	0.49%	0.79%	74
Other secured financing		1,538,996	1.99%	2.50%	990
Debt issued by securitization vehicles		6,441,326	2.30%	2.32%	7,315
Mortgages payable		514,005	3.99%	4.08%	4,274
Total indebtedness	\$	75,657,925			

Detailed endnotes are included within the Appendix at the end of this presentation.

Quarter-Over-Quarter Interest Rate and MBS Spread Sensitivity

Unaudited

Assumptions:

- The interest rate sensitivity and MBS spread sensitivity are based on the portfolios as of June 30, 2020 and March 31, 2020
- The interest rate sensitivity reflects instantaneous parallel shifts in rates
- The MBS spread sensitivity shifts MBS spreads instantaneously and reflects exposure to MBS basis risk
- All tables assume no active management of the portfolio in response to rate or spread changes

Interest Rate Sensitivity ⁽¹⁾				
Interest Rate Change (bps)	As of June 30, 2020		As of March 31, 2020	
	Estimated Percentage Change in Portfolio Value ⁽²⁾	Estimated Change as a % of NAV ⁽²⁾⁽³⁾	Estimated Percentage Change in Portfolio Value ⁽²⁾	Estimated Change as a % of NAV ⁽²⁾⁽³⁾
(75)	—%	(0.2%)	0.1%	0.9%
(50)	0.1%	0.9%	0.3%	1.9%
(25)	0.3%	1.7%	0.3%	1.8%
25	(0.1%)	(0.9%)	(0.2%)	(1.7%)
50	(0.3%)	(2.3%)	(0.5%)	(4.0%)
75	(0.6%)	(4.2%)	(1.0%)	(6.9%)

MBS Spread Sensitivity ⁽¹⁾				
MBS Spread Shock (bps)	As of June 30, 2020		As of March 31, 2020	
	Estimated Change in Portfolio Market Value ⁽²⁾	Estimated Change as a % of NAV ⁽²⁾⁽³⁾	Estimated Change in Portfolio Market Value ⁽²⁾	Estimated Change as a % of NAV ⁽²⁾⁽³⁾
(25)	1.3%	8.8%	1.3%	9.1%
(15)	0.8%	5.3%	0.8%	5.5%
(5)	0.3%	1.8%	0.2%	1.8%
5	(0.3%)	(1.7%)	(0.2%)	(1.8%)
15	(0.8%)	(5.2%)	(0.7%)	(5.4%)
25	(1.3%)	(8.7%)	(1.2%)	(9.0%)

Detailed endnotes are included within the Appendix at the end of this presentation.

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Non-GAAP Reconciliations

To supplement its consolidated financial statements, which are prepared and presented in accordance with GAAP, the Company provides non-GAAP financial measures. These measures should not be considered a substitute for, or superior to, financial measures computed in accordance with GAAP. While intended to offer a fuller understanding of the Company's results and operations, non-GAAP financial measures also have limitations. For example, the Company may calculate its non-GAAP metrics, such as core earnings (excluding PAA), or the PAA, differently than its peers making comparative analysis difficult. Additionally, in the case of non-GAAP measures that exclude the PAA, the amount of amortization expense excluding the PAA is not necessarily representative of the amount of future periodic amortization nor is it indicative of the term over which the Company will amortize the remaining unamortized premium. Changes to actual and estimated prepayments will impact the timing and amount of premium amortization and, as such, both GAAP and non-GAAP results. These non-GAAP measures provide additional detail to enhance investor understanding of the Company's period-over-period operating performance and business trends, as well as for assessing the Company's performance versus that of industry peers. Additional information pertaining to these non-GAAP financial measures and reconciliations to their most directly comparable GAAP results are provided on the following pages. A reconciliation of GAAP net income (loss) to non-GAAP core earnings (excluding PAA) for the quarters ended June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019 and June 30, 2019, is provided on page 8 of this financial summary.

Core earnings (excluding PAA), a non-GAAP measure, is defined as the sum of (a) economic net interest income, (b) TBA dollar roll income and CMBX coupon income, (c) realized amortization of MSRs, (d) other income (loss) (excluding depreciation expense related to commercial real estate and amortization of intangibles, non-core income allocated to equity method investments and other non-core components of other income (loss)), (e) general and administrative expenses (excluding transaction expenses and non-recurring items) and (f) income taxes (excluding the income tax effect of non-core income (loss) items) and excludes (g) the premium amortization adjustment representing the cumulative impact on prior periods, but not the current period, of quarter-over-quarter changes in estimated long-term prepayment speeds related to the Company's Agency mortgage-backed securities ("PAA").

Non-GAAP Reconciliations (continued)

Unaudited, dollars in thousands

	For the quarters ended				
	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019
<i>Premium Amortization Reconciliation</i>					
Premium amortization expense	\$270,688	\$616,937	\$171,447	\$376,306	\$318,587
Less:					
PAA cost (benefit)	51,742	290,722	(83,892)	117,152	139,763
Premium amortization expense (excluding PAA)	\$218,946	\$326,215	\$255,339	\$259,154	\$178,824
<i>Interest Income (excluding PAA) Reconciliation</i>					
GAAP interest income	\$584,812	\$555,026	\$1,074,214	\$919,299	\$927,598
PAA cost (benefit)	51,742	290,722	(83,892)	117,152	139,763
Interest income (excluding PAA) *	\$636,554	\$845,748	\$990,322	\$1,036,451	\$1,067,361
<i>Economic Interest Expense Reconciliation</i>					
GAAP interest expense	\$186,032	\$503,473	\$620,058	\$766,905	\$750,217
Add:					
Net interest component of interest rate swaps	64,561	13,980	(45,221)	(88,466)	(83,653)
Economic interest expense *	\$250,593	\$517,453	\$574,837	\$678,439	\$666,564
<i>Economic Net Interest Income (excluding PAA) Reconciliation</i>					
Interest income (excluding PAA) *	\$636,554	\$845,748	\$990,322	\$1,036,451	\$1,067,361
Less:					
Economic interest expense *	250,593	517,453	574,837	678,439	666,564
Economic net interest income (excluding PAA) *	\$385,961	\$328,295	\$415,485	\$358,012	\$400,797

* Represents a non-GAAP financial measure.

Non-GAAP Reconciliations (continued)

Unaudited, dollars in thousands

	For the quarters ended				
	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019
<i>Economic Metrics (excluding PAA)</i>					
Average interest earning assets	\$84,471,839	\$116,063,895	\$121,801,951	\$127,207,668	\$122,601,881
Interest income (excluding PAA) *	\$636,554	\$845,748	\$990,322	\$1,036,451	\$1,067,361
Average yield on interest earning assets (excluding PAA) *	3.01%	2.91%	3.25%	3.26%	3.48%
Average interest bearing liabilities	\$76,712,894	\$107,029,466	\$111,873,379	\$116,391,094	\$109,628,007
Economic interest expense *	250,593	517,453	574,837	678,439	666,564
Average economic cost of interest bearing liabilities *	1.29%	1.91%	2.01%	2.28%	2.41%
Economic net interest income (excluding PAA)*	\$385,961	\$328,295	\$415,485	\$358,012	\$400,797
Net interest spread (excluding PAA) *	1.72%	1.00%	1.24%	0.98%	1.07%
Interest income (excluding PAA) *	\$636,554	\$845,748	\$990,322	\$1,036,451	\$1,067,361
TBA dollar roll income and CMBX coupon income	97,524	44,904	36,901	15,554	33,229
Interest expense	(186,032)	(503,473)	(620,058)	(766,905)	(750,217)
Net interest component of interest rate swaps	(64,561)	(13,980)	45,221	88,466	83,653
Subtotal	\$483,485	\$373,199	\$452,386	\$373,566	\$434,026
Average interest earning assets	\$84,471,839	\$116,063,895	\$121,801,951	\$127,207,668	\$122,601,881
Average TBA contract and CMBX balances	18,628,343	9,965,142	6,878,502	9,248,502	12,757,975
Subtotal	\$103,100,182	\$126,029,037	\$128,680,453	\$136,456,170	\$135,359,856
Net interest margin (excluding PAA) *	1.88%	1.18%	1.41%	1.10%	1.28%

* Represents a non-GAAP financial measure.

Endnotes

Page 2

- (1) Net of dividends on preferred stock.
- (2) Debt consists of repurchase agreements, other secured financing, securitized debt and mortgages payable. Certain credit facilities (included within other secured financing), securitized debt and mortgages payable are non-recourse to the Company.
- (3) Computed as the sum of recourse debt, cost basis of to be announced ("TBA") derivatives and credit derivatives referencing the commercial mortgage-backed securities index ("CMBX") outstanding and net forward purchases (sales) of investments divided by total equity. Recourse debt consists of repurchase agreements and other secured financing (excluding certain non-recourse credit facilities). Securitized debt, certain credit facilities (included within other secured financing) and mortgages payable are non-recourse to the Company and are excluded from this measure.
- (4) Computed as the ratio of total equity to total assets (inclusive of total market value of TBA derivatives and CMBX positions and exclusive of securitized debt of consolidated variable interest entities ("VIEs")).
- (5) Net interest margin represents interest income less interest expense divided by average interest earning assets. Net interest margin (excluding PAA) represents the sum of the Company's interest income (excluding PAA) plus TBA dollar roll income and CMBX coupon income less interest expense and the net interest component of interest rate swaps divided by the sum of average interest earning assets plus average TBA contract and CMBX balances.
- (6) Average yield on interest earning assets represents annualized interest income divided by average interest earning assets. Average interest earning assets reflects the average amortized cost of our investments during the period. Average yield on interest earning assets (excluding PAA) is calculated using annualized interest income (excluding PAA).
- (7) Average GAAP cost of interest bearing liabilities represents annualized interest expense divided by average interest bearing liabilities. Average interest bearing liabilities reflects the average balances during the period. Average economic cost of interest bearing liabilities represents annualized economic interest expense divided by average interest bearing liabilities. Economic interest expense is comprised of GAAP interest expense and the net interest component of interest rate swaps.
- (8) Excludes costs incurred in connection with the Internalization and costs incurred in connection with the CEO transition for the quarter ended June 30, 2020 and excludes costs incurred in connection with securitizations of Agency mortgage-backed securities and residential whole loans as well as costs incurred in connection with the Internalization and costs incurred in connection with the CEO transition for the quarter ended March 31, 2020.

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- (1) Consists of common stock, additional paid-in capital, accumulated other comprehensive income (loss) and accumulated deficit.
- (2) Utilizes an actual/360 factor.
- (3) The average and period-end rates are net of reverse repurchase agreements. Without netting reverse repurchase agreements, the average rate was 0.79%, 1.77%, 2.10%, 2.53% and 2.65% and the period-end rate was 0.49%, 1.23%, 2.03%, 2.48% and 2.69% for the quarters ended June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019 and June 30, 2019, respectively.

Page 4 (continued)

- (4) Measures total notional balances of interest rate swaps, interest rate swaptions (excluding receiver swaptions) and futures relative to repurchase agreements, other secured financing and cost basis of TBA derivatives outstanding; excludes MSRs and the effects of term financing, both of which serve to reduce interest rate risk. Additionally, the hedge ratio does not take into consideration differences in duration between assets and liabilities.

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- (1) Includes GAAP interest expense and the net interest component of interest rate swaps.
- (2) Net of dividends on preferred stock. The quarter ended September 30, 2019 excludes, and the quarter ended June 30, 2019 includes, cumulative and undeclared dividends of \$0.3 million on the Company's Series I Preferred Stock as of June 30, 2019.

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- (1) Includes dividend equivalents on share-based awards.

Page 8

- (1) Includes \$3.8 million and \$0.7 million loss provision on the Company's unfunded loan commitments as of June 30, 2020 and March 31, 2020, respectively, which is reported in Other income (loss) in the Company's Consolidated Statement of Comprehensive Income (Loss).
- (2) Amount includes depreciation and amortization expense related to equity method investments.
- (3) The Company excludes non-core (income) loss allocated to equity method investments, which represents the unrealized (gains) losses allocated to equity interests in a portfolio of MSR, which is a component of Other income (loss).
- (4) The quarter ended June 30, 2020 includes costs incurred in connection with the Internalization and costs incurred in connection with the CEO transition. The quarter ended March 31, 2020 includes costs incurred in connection with securitizations of Agency mortgage-backed securities and residential whole loans as well as costs incurred in connection with the Internalization and costs incurred in connection with the CEO transition. The quarter ended December 31, 2019 includes costs incurred in connection with securitizations of Agency mortgage-backed securities and residential whole loans. The quarters ended September 30, 2019 and June 30, 2019 include costs incurred in connection with securitizations of residential whole loans.
- (5) TBA dollar roll income and CMBX coupon income each represent a component of Net gains (losses) on other derivatives. CMBX coupon income totaled \$1.6 million, \$1.2 million, \$1.3 million, \$1.5 million and \$0.8 million for the quarters ended June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019 and June 30, 2019.
- (6) MSR amortization represents the portion of changes in fair value that is attributable to the realization of estimated cash flows on the Company's MSR portfolio and is reported as a component of Net unrealized gains (losses) on instruments measured at fair value.
- (7) The quarter ended September 30, 2019 excludes, and the quarter ended June 30, 2019 includes, cumulative and undeclared dividends of \$0.3 million on the Company's Series I Preferred Stock as of June 30, 2019.

Endnotes (continued)

Page 9

- (1) Represents the opening adjustment to retained earnings upon adoption of Accounting Standards Update 2016-13 Financial instruments - Credit losses (Topic 326): Measurement of credit losses on financial instruments, commonly referred to as CECL.

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- (1) Includes other income (loss), general and administrative expenses and income taxes.
- (2) Includes other income (loss) (excluding non-core items), MSR amortization (a component of Net unrealized gains (losses) on instruments measured at fair value through earnings), general and administrative expenses (excluding transaction related expenses) and income taxes (excluding non-core income tax).

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- (1) Includes Agency-backed multifamily securities with an estimated fair value of \$3.0 billion (\$1.8 billion of which have been transferred or pledged to securitization vehicles).
- (2) Includes fixed-rate collateralized mortgage obligations with an estimated fair value of \$162.7 million.
- (3) Weighted by current face value.
- (4) Weighted by current notional value.

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- (1) Weighted by current notional value.
- (2) Weighted by estimated fair value.

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- (1) Excludes residential mortgage loans.
- (2) Total investment characteristics exclude interest-only securities.

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- (1) Based on an internal valuation or the most recent third party appraisal, which may be prior to loan origination/purchase date or at the time of underwriting.
- (2) Maturity dates assume all of the borrowers' extension options are exercised for the loan portfolio.
- (3) Economic interest is a non-GAAP measure to include gross asset values less related financings. Equity investments are adjusted to exclude depreciation and amortization and grosses up real estate investments accounted for under equity method accounting.
- (4) Levered returns for equity investments comprise a trailing twelve-month ("TTM") distribution yield for joint venture investments and core return for wholly owned properties.
- (5) Includes investment in unconsolidated debt fund of \$43.9 million, investments in Community Investment Impact Funds of \$26.6 million and a portfolio of real estate properties of \$34.0 million.
- (6) The Company sells/buys protection on CMBX tranches referencing baskets of Conduit CMBS bonds with various ratings. Positive net notional indicates selling protection and being long the exposure to the underlying CMBS. CMBX positions are accounted for as derivatives with changes in fair value presented in Net gains (losses) on other derivatives.

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- (1) All Middle Market Lending positions are floating rate.

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- (1) Current notional is presented net of receiver swaps.
- (2) As of June 30, 2020, 17%, 80% and 3% of the Company's interest rate swaps were linked to LIBOR, the Federal funds rate and the Secured Overnight Financing Rate, respectively.
- (3) The weighted average years to maturity of payer interest rate swaps is offset by the weighted average years to maturity of receiver interest rate swaps. As such, the net weighted average years to maturity for each maturity bucket may fall outside of the range listed.
- (4) Approximately 3% of the total repurchase agreements and other secured financing have a remaining maturity over one year.
- (5) Determined based on estimated weighted average lives of the underlying debt instruments.

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- (1) Interest rate and MBS spread sensitivity are based on results from third party models in conjunction with internally derived inputs. Actual results could differ materially from these estimates.
- (2) Scenarios include Residential Investment Securities, residential mortgage loans, MSRs and derivative instruments.
- (3) Net asset value ("NAV") represents book value of common equity.