

ANNALY®

## Second Quarter 2022 Financial Summary

July 27, 2022

# 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. 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 (and our outlook for our business in light of these conditions, which is uncertain); changes in interest rates; changes in the yield curve; changes in prepayment rates; the availability of mortgage-backed securities 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; operational risks or risk management failures by us or critical third parties, including cybersecurity incidents; our ability to grow our residential credit business; credit risks related to our investments in credit risk transfer securities, residential mortgage-backed securities and related residential mortgage credit assets; risks related to investments in 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; and our ability to maintain our exemption from registration under the Investment Company Act. 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. The Company does not undertake, and specifically disclaims 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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# Important Notices (continued)

## Updates to Financial Disclosures

Beginning with the quarter ended March 31, 2022, in light of the continued growth of its mortgage servicing rights portfolio, the Company enhanced its financial disclosures by separately reporting servicing income and servicing expense in its Consolidated Statements of Comprehensive Income (Loss). Servicing income and servicing expense were previously included within Other income (loss). As a result of this change, prior periods have been adjusted to conform to the current presentation.

In addition, beginning with the quarter ended March 31, 2022, the Company consolidated certain line items in its Consolidated Statements of Comprehensive Income (Loss) in an effort to streamline and simplify its financial presentation. Amounts previously reported under Net interest component of interest rate swaps, Realized gains (losses) on termination or maturity of interest rate swaps, Unrealized gains (losses) on interest rate swaps and Net gains (losses) on other derivatives are combined into a single line item titled Net gains (losses) on derivatives. Similarly, amounts previously reported under Net gains (losses) on disposal of investments and other and Net unrealized gains (losses) on instruments measured at fair value through earnings are combined into a single line item titled Net gains (losses) on investments and other. As a result of these changes, prior periods have been adjusted to conform to the current presentation.

# Financial Snapshot

Unaudited, dollars in thousands except per share amounts

	For the quarters ended		
	6/30/2022	3/31/2022	
<b>Income Statement</b>	GAAP net income (loss) per average common share <sup>(1)</sup>	\$0.55	\$1.37
	Earnings available for distribution per average common share <sup>*(1)</sup>	\$0.30	\$0.28
	Annualized GAAP return (loss) on average equity	30.60%	65.62%
	Annualized EAD return on average equity*	17.49%	14.01%
<b>Balance Sheet</b>	Book value per common share	\$5.90	\$6.77
	GAAP Leverage at period-end <sup>(2)</sup>	5.4x	5.3x
	Economic leverage at period-end <sup>*(2)</sup>	6.6x	6.4x
	GAAP capital ratio at period-end <sup>(3)</sup>	15.1%	15.1%
	Economic capital ratio at period-end <sup>*(3)</sup>	13.0%	13.1%
<b>Portfolio</b>	Securities	\$59,042,734	\$60,727,637
	Loans, net	1,487,133	3,617,818
	Mortgage servicing rights <sup>(4)</sup>	1,421,420	1,108,937
	Interests in MSR <sup>(5)</sup>	83,622	85,653
	Assets transferred or pledged to securitization vehicles	8,877,247	7,809,307
	Assets of disposal group held for sale <sup>(6)</sup>	97,414	—
	Total investment portfolio	\$71,009,570	\$73,349,352
<b>GAAP Key Statistics</b>	Net interest margin <sup>(7)</sup>	2.64%	3.20%
	Average yield on interest earning assets <sup>(8)</sup>	3.58%	3.61%
	Average GAAP cost of interest bearing liabilities <sup>(9)</sup>	1.12%	0.48%
	Net interest spread	2.46%	3.13%
<b>Non-GAAP Key Statistics</b>	Net interest margin (excluding PAA) <sup>*(7)</sup>	2.20%	2.04%
	Average yield on interest earning assets (excluding PAA) <sup>*(8)</sup>	2.87%	2.62%
	Average economic cost of interest bearing liabilities <sup>*(9)</sup>	1.11%	0.89%
	Net interest spread (excluding PAA) *	1.76%	1.73%
<b>Efficiency</b>	Operating expenses to earnings available for distribution *	7.34%	10.63%
	Annualized operating expenses as a % of average total assets	0.19%	0.24%
	Annualized operating expenses as a % of average total equity	1.28%	1.48%

\* 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				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Agency mortgage-backed securities	\$55,593,336	\$57,787,141	\$60,525,605	\$62,818,079	\$66,468,519
Residential credit risk transfer securities	965,714	845,809	936,228	787,235	827,328
Non-agency mortgage-backed securities	2,026,658	1,737,333	1,663,336	1,747,932	1,582,323
Commercial mortgage-backed securities	457,026	357,354	530,505	269,106	154,165
<b>Total securities</b>	<b>\$59,042,734</b>	<b>\$60,727,637</b>	<b>\$63,655,674</b>	<b>\$65,622,352</b>	<b>\$69,032,335</b>
Residential mortgage loans	\$1,486,811	\$1,650,151	\$2,272,072	\$1,686,268	\$1,029,929
Residential mortgage loan warehouse facility	322	—	980	1,431	—
Corporate debt	—	1,967,667	1,968,991	1,890,709	2,066,709
Corporate debt, held for sale	—	—	—	2,113	466,370
<b>Total loans, net</b>	<b>\$1,487,133</b>	<b>\$3,617,818</b>	<b>\$4,242,043</b>	<b>\$3,580,521</b>	<b>\$3,563,008</b>
Mortgage servicing rights	\$1,421,420	\$1,108,937	\$544,562	\$572,259	\$202,616
Interests in MSR	\$83,622	\$85,653	\$69,316	\$57,530	\$49,035
Agency mortgage-backed securities transferred or pledged to securitization vehicles	\$458,268	\$544,991	\$589,873	\$597,923	\$605,163
Residential mortgage loans transferred or pledged to securitization vehicles	8,418,979	7,264,316	5,496,435	4,140,558	3,467,993
<b>Assets transferred or pledged to securitization vehicles</b>	<b>\$8,877,247</b>	<b>\$7,809,307</b>	<b>\$6,086,308</b>	<b>\$4,738,481</b>	<b>\$4,073,156</b>
Assets of disposal group held for sale <sup>(1)</sup>	\$97,414	\$—	\$194,138	\$238,042	\$3,302,001
<b>Total investment portfolio</b>	<b>\$71,009,570</b>	<b>\$73,349,352</b>	<b>\$74,792,041</b>	<b>\$74,809,185</b>	<b>\$80,222,151</b>
<b>Total assets</b>	<b>\$73,637,249</b>	<b>\$76,185,134</b>	<b>\$76,764,064</b>	<b>\$76,662,433</b>	<b>\$82,376,305</b>
Average TBA contract and CMBX balances	\$20,566,553	\$19,229,537	\$21,159,120	\$22,739,226	\$18,761,062

## Portfolio-Related Data

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

# Financing and Capital Data

Unaudited, dollars in thousands except per share amounts

		For the quarters ended				
		6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Financing Data	Repurchase agreements	\$51,364,097	\$52,626,503	\$54,769,643	\$55,475,420	\$60,221,067
	Other secured financing	—	914,255	903,255	729,555	909,655
	Debt issued by securitization vehicles	7,502,483	6,711,953	5,155,633	3,935,410	3,315,087
	Participations issued	696,944	775,432	1,049,066	641,006	315,810
	Total debt	\$59,563,524	\$61,028,143	\$61,877,597	\$60,781,391	\$64,761,619
	Liabilities of disposal group held for sale <sup>(1)</sup>	\$3,608	\$—	\$154,956	\$159,508	\$2,362,690
	Total liabilities	\$62,547,349	\$64,706,364	\$63,568,739	\$62,944,566	\$68,737,129
	Cumulative redeemable preferred stock	\$1,536,569	\$1,536,569	\$1,536,569	\$1,536,569	\$1,536,569
	Common equity <sup>(2)</sup>	9,490,182	9,890,673	11,633,257	12,161,233	12,080,546
	Total Annaly stockholders' equity	11,026,751	11,427,242	13,169,826	13,697,802	13,617,115
	Non-controlling interests	63,149	51,528	25,499	20,065	22,061
Total equity	\$11,089,900	\$11,478,770	\$13,195,325	\$13,717,867	\$13,639,176	
Key Capital and Hedging Metrics	Weighted average days to maturity of repurchase agreements	47	68	52	75	88
	Weighted average rate on repurchase agreements, for the quarter <sup>(3)(4)</sup>	0.81%	0.20%	0.16%	0.15%	0.18%
	Weighted average rate on repurchase agreements, at period-end <sup>(4)</sup>	1.60%	0.41%	0.17%	0.15%	0.16%
	GAAP leverage at period-end	5.4x	5.3x	4.7x	4.4x	4.7x
	Economic leverage at period-end *	6.6x	6.4x	5.7x	5.8x	5.8x
	GAAP capital ratio at period-end	15.1%	15.1%	17.2%	17.9%	16.6%
	Economic capital ratio at period-end *	13.0%	13.1%	14.4%	14.2%	14.3%
	Book value per common share	\$5.90	\$6.77	\$7.97	\$8.39	\$8.37
	Total common shares outstanding	1,609,215	1,461,012	1,459,736	1,449,935	1,444,156
	Hedge ratio <sup>(5)</sup>	107%	109%	95%	80%	75%
	Weighted average pay rate on interest rate swaps, at period-end	1.16%	0.70%	0.59%	0.60%	0.81%
	Weighted average receive rate on interest rate swaps, at period-end	1.65%	0.50%	0.08%	0.07%	0.34%
	Weighted average net rate on interest rate swaps, at period-end	(0.49%)	0.20%	0.51%	0.53%	0.47%

\* 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				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Total interest income	\$645,615	\$655,850	\$422,780	\$412,972	\$383,906
Total interest expense	170,475	74,922	61,785	50,438	61,047
Net interest income	\$475,140	\$580,928	\$360,995	\$362,534	\$322,859
Total economic interest expense <sup>*(1)</sup>	\$169,483	\$137,463	\$120,682	\$104,849	\$144,134
Economic net interest income *	\$476,132	\$518,387	\$302,098	\$308,123	\$239,772
Total interest income (excluding PAA) *	\$518,094	\$476,334	\$480,175	\$473,698	\$537,513
Economic net interest income (excluding PAA) *	\$348,611	\$338,871	\$359,493	\$368,849	\$393,379
GAAP net income (loss)	\$863,317	\$2,023,894	\$418,460	\$521,534	(\$294,848)
GAAP net income (loss) available (related) to common stockholders <sup>(2)</sup>	\$839,813	\$1,995,372	\$388,598	\$492,361	(\$322,525)
GAAP net income (loss) per average common share <sup>(2)</sup>	\$0.55	\$1.37	\$0.27	\$0.34	(\$0.23)
Earnings available for distribution *	\$490,802	\$430,631	\$440,043	\$437,471	\$451,358
Earnings available for distribution attributable to common stockholders <sup>*(2)</sup>	\$463,919	\$403,748	\$413,160	\$410,588	\$424,475
Earnings available for distribution per average common share <sup>*(2)</sup>	\$0.30	\$0.28	\$0.28	\$0.28	\$0.30
PAA cost (benefit)	(\$127,521)	(\$179,516)	\$57,395	\$60,726	\$153,607
Weighted average experienced CPR for the period	14.9%	16.7%	21.4%	23.1%	26.4%
Weighted average projected long-term CPR at period-end	7.7%	9.5%	12.7%	12.7%	12.9%

## Summary Income Statement

\* 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					
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021	
<b>Key GAAP Earnings Metrics</b>	Dividends declared per common share	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22
	Total common and preferred dividends declared <sup>(1)</sup>	\$382,350	\$349,080	\$348,793	\$346,651	\$345,417
	Annualized GAAP return (loss) on average equity	30.60%	65.62%	12.44%	15.25%	(8.51%)
	Annualized GAAP return (loss) on average equity per unit of GAAP leverage	5.67%	12.38%	2.65%	3.47%	(1.81%)
	Net interest margin	2.64%	3.20%	1.97%	2.01%	1.66%
	Average yield on interest earning assets	3.58%	3.61%	2.31%	2.29%	1.97%
	Average GAAP cost of interest bearing liabilities	1.12%	0.48%	0.38%	0.32%	0.35%
	Net interest spread	2.46%	3.13%	1.93%	1.97%	1.62%
<b>Key Non-GAAP Earnings Metrics</b>	Annualized EAD return on average equity *	17.49%	14.01%	13.10%	12.81%	13.05%
	Annualized EAD return on average equity per unit of economic leverage *	2.65%	2.19%	2.30%	2.21%	2.25%
	Net interest margin (excluding PAA) *	2.20%	2.04%	2.03%	2.04%	2.09%
	Average yield on interest earning assets (excluding PAA) *	2.87%	2.62%	2.63%	2.63%	2.76%
	Average economic cost of interest bearing liabilities *	1.11%	0.89%	0.75%	0.66%	0.83%
	Net interest spread (excluding PAA) *	1.76%	1.73%	1.88%	1.97%	1.93%

\* 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				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Interest income:					
Agency Securities	\$497,135	\$522,951	\$301,001	\$299,898	\$255,801
Resi Credit Securities	30,037	22,122	21,450	20,774	19,477
Residential mortgage loans	91,648	73,488	60,486	45,801	38,963
Commercial investment portfolio	26,575	37,283	39,839	46,494	69,663
Reverse repurchase agreements	220	6	4	5	2
Total interest income	\$645,615	\$655,850	\$422,780	\$412,972	\$383,906
Economic interest expense:					
Repurchase agreements	\$105,608	\$26,879	\$22,852	\$22,397	\$29,140
Net interest component of interest rate swaps	(992)	62,541	58,897	54,411	83,087
Debt issued by securitization vehicles	50,303	34,625	24,774	18,740	23,216
Participations issued	9,379	5,852	7,157	2,578	1,739
Other	5,185	7,566	7,002	6,723	6,952
Total economic interest expense *	\$169,483	\$137,463	\$120,682	\$104,849	\$144,134
Economic net interest income *	\$476,132	\$518,387	\$302,098	\$308,123	\$239,772
PAA cost (benefit)	(127,521)	(179,516)	57,395	60,726	153,607
Economic net interest income (excluding PAA) *	\$348,611	\$338,871	\$359,493	\$368,849	\$393,379

Economic Net Interest Income \*

\* Represents a non-GAAP financial measure.

# GAAP Net Income to Earnings Available for Distribution\* Reconciliation

Unaudited, dollars in thousands

	For the quarters ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
GAAP net income (loss)	\$863,317	\$2,023,894	\$418,460	\$521,534	(\$294,848)
Net income (loss) attributable to noncontrolling interests	(3,379)	1,639	2,979	2,290	794
Net income (loss) attributable to Annaly	866,696	2,022,255	415,481	519,244	(295,642)
Adjustments to exclude reported realized and unrealized (gains) losses:					
Net (gains) losses on investments and other	615,216	159,804	40,473	(102,819)	(20,207)
Net (gains) losses on derivatives <sup>(1)</sup>	(1,014,651)	(1,704,569)	(194,256)	(139,361)	498,875
Loan loss provision (reversal) <sup>(2)</sup>	(29,380)	812	1,931	(6,771)	1,078
Business divestiture-related (gains) losses <sup>(3)</sup>	23,955	354	16,514	14,009	(1,527)
Other adjustments:					
Depreciation expense related to commercial real estate and amortization of intangibles <sup>(4)</sup>	1,302	1,130	1,144	1,122	5,635
Non-EAD (income) loss allocated to equity method investments <sup>(5)</sup>	(3,270)	(9,920)	(2,345)	(2,046)	3,141
Transaction expenses and non-recurring items <sup>(6)</sup>	1,751	3,350	1,533	2,201	1,150
Income tax effect of non-EAD income (loss) items	28,841	27,091	8,380	(6,536)	7,147
TBA dollar roll income and CMBX coupon income <sup>(7)</sup>	161,673	129,492	119,657	115,586	111,592
MSR amortization <sup>(8)</sup>	(33,810)	(19,652)	(25,864)	(17,884)	(13,491)
Plus:					
Premium amortization adjustment cost (benefit)	(127,521)	(179,516)	57,395	60,726	153,607
Earnings available for distribution *	490,802	430,631	440,043	437,471	451,358
Dividends on preferred stock	26,883	26,883	26,883	26,883	26,883
Earnings available for distribution attributable to common stockholders *	\$463,919	\$403,748	\$413,160	\$410,588	\$424,475

EAD\*  
Reconciliation

\* 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				
		6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
<b>Book Value Rollforward</b>	Book value per common share, beginning of period	\$6.77	\$7.97	\$8.39	\$8.37	\$8.95
	Net income (loss) available (related) to common stockholders	0.55	1.37	0.27	0.34	(0.23)
	Other comprehensive income (loss) attributable to common stockholders	(1.21)	(2.35)	(0.47)	(0.10)	(0.15)
	Common dividends declared	(0.22)	(0.22)	(0.22)	(0.22)	(0.22)
	Issuance / buyback of common stock / redemption of preferred stock	0.01	—	—	—	0.02
	Book value per common share, end of period	\$5.90	\$6.77	\$7.97	\$8.39	\$8.37
<b>Net Interest Margin</b>	Prior quarter net interest margin	3.20%	1.97%	2.01%	1.66%	3.39%
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon on average interest earning assets	0.22%	(0.01%)	(0.08%)	0.01%	(0.08%)
	Net amortization of premiums	(0.25%)	1.31%	0.10%	0.31%	(1.71%)
	GAAP interest expense	(0.53%)	(0.07%)	(0.06%)	0.03%	0.06%
	Current quarter net interest margin	2.64%	3.20%	1.97%	2.01%	1.66%
<b>Net Interest Spread</b>	Prior quarter net interest spread	3.13%	1.93%	1.97%	1.62%	3.34%
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon on average interest earning assets	0.22%	(0.01%)	(0.08%)	0.01%	(0.08%)
	Net amortization of premiums	(0.25%)	1.31%	0.10%	0.31%	(1.71%)
	GAAP interest expense	(0.64%)	(0.10%)	(0.06%)	0.03%	0.07%
	Current quarter net interest spread	2.46%	3.13%	1.93%	1.97%	1.62%

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

Unaudited

	For the quarters ended					
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021	
<b>Net Interest Margin (excluding PAA)*</b>	Prior quarter net interest margin (excluding PAA) *	2.04%	2.03%	2.04%	2.09%	1.91%
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon on average interest earning assets (including average TBA dollar roll and CMBX balances)	0.13%	0.04%	(0.01%)	(0.16%)	0.00%
	Net amortization of premiums (excluding PAA)	0.03%	0.00%	0.05%	(0.07%)	0.09%
	TBA dollar roll income and CMBX coupon income	0.13%	0.06%	0.02%	0.03%	0.08%
	Interest expense and net interest component of interest rate swaps	(0.13%)	(0.09%)	(0.07%)	0.15%	0.01%
Current quarter net interest margin (excluding PAA) *	2.20%	2.04%	2.03%	2.04%	2.09%	
<b>Net Interest Spread (excluding PAA)*</b>	Prior quarter net interest spread (excluding PAA) *	1.73%	1.88%	1.97%	1.93%	1.84%
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon on average interest earning assets	0.22%	(0.02%)	(0.08%)	0.01%	(0.08%)
	Net amortization of premiums (excluding PAA)	0.03%	0.01%	0.08%	(0.14%)	0.13%
	Interest expense and net interest component of interest rate swaps	(0.22%)	(0.14%)	(0.09%)	0.17%	0.04%
Current quarter net interest spread (excluding PAA) *	1.76%	1.73%	1.88%	1.97%	1.93%	

\* Represents a non-GAAP financial measure.

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

Unaudited

	For the quarters ended					
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021	
<b>Annualized GAAP Return (Loss) on Average Equity</b>	Prior quarter annualized GAAP return (loss) on average equity	65.62%	12.44%	15.25%	(8.51%)	49.87%
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon income	3.20%	1.52%	0.15%	(1.24%)	(1.01%)
	Net amortization of premiums and accretion of discounts	(1.58%)	7.17%	0.34%	2.23%	(9.64%)
	GAAP interest expense	(3.61%)	(0.59%)	(0.36%)	0.29%	0.40%
	Net servicing income	0.76%	0.20%	0.36%	0.21%	0.03%
	Net gains (losses) on investments and other	(16.63%)	(3.98%)	(4.21%)	2.42%	(0.51%)
	Net gains (losses) on derivatives	(17.24%)	49.22%	1.54%	19.29%	(50.11%)
	Business divestiture-related (losses) gains <sup>(1)</sup>	(0.84%)	0.48%	(0.08%)	(0.45%)	7.15%
	Loan loss provision	0.97%	(0.01%)	(0.19%)	0.19%	(3.99%)
	Other <sup>(2)</sup>	(0.05%)	(0.83%)	(0.36%)	0.82%	(0.70%)
	Current quarter annualized GAAP return (loss) on average equity	30.60%	65.62%	12.44%	15.25%	(8.51%)
<b>Annualized EAD Return on Average Equity*</b>	Prior quarter annualized EAD return on average equity *	14.01%	13.10%	12.81%	13.05%	12.53%
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon income	3.26%	1.52%	0.15%	(1.24%)	(1.01%)
	Net amortization of premiums (excluding PAA)	(0.29%)	(0.32%)	0.27%	(0.43%)	0.90%
	Interest expense and net interest component of interest rate swaps	(1.57%)	(0.88%)	(0.52%)	1.10%	0.27%
	Net servicing income	0.76%	0.20%	0.36%	0.21%	0.03%
	TBA dollar roll income and CMBX coupon income	1.55%	0.65%	0.18%	0.16%	0.41%
	Other <sup>(3)</sup>	(0.23%)	(0.26%)	(0.15%)	(0.04%)	(0.08%)
	Current quarter annualized EAD return on average equity *	17.49%	14.01%	13.10%	12.81%	13.05%

\* Represents a non-GAAP financial measure.

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

# Residential & Other Investments Overview as of June 30, 2022

Unaudited, dollars in thousands

Agency Fixed-Rate Securities (Pools)							
Original Weighted Avg. Years to Maturity	Current Face Value	% <sup>(4)</sup>	Weighted Avg. Coupon	Weighted Avg. Amortized Cost	Weighted Avg. Fair Value	Weighted Avg. 3-Month CPR	Estimated Fair Value
<=15 years <sup>(1)</sup>	\$2,008,543	3.5%	3.33%	101.4%	98.8%	16.2%	\$1,984,496
20 years <sup>(2)</sup>	1,815,909	3.2%	3.18%	103.5%	96.9%	12.7%	1,759,886
>=30 years <sup>(3)</sup>	53,129,144	93.3%	3.43%	104.7%	96.9%	14.8%	51,504,308
<b>Total/Weighted Avg.</b>	<b>\$56,953,596</b>	<b>100.0%</b>	<b>3.42%</b>	<b>104.6%</b>	<b>97.0%</b>	<b>14.8%</b>	<b>\$55,248,690</b>

TBA Contracts						
Type	Notional Value	% <sup>(5)</sup>	Weighted Avg. Coupon	Implied Cost Basis		Implied Market Value
15-year	\$513,000	2.6%	3.00%	\$503,272		\$501,778
30-year	18,942,000	97.4%	4.27%	18,810,170		18,781,201
<b>Total/Weighted Avg.</b>	<b>\$19,455,000</b>	<b>100.0%</b>	<b>4.24%</b>	<b>\$19,313,442</b>		<b>\$19,282,979</b>

Agency Adjustable-Rate Securities							
Weighted Avg. Months to Reset	Current Face Value	% <sup>(4)</sup>	Weighted Avg. Coupon	Weighted Avg. Amortized Cost	Weighted Avg. Fair Value	Weighted Avg. 3-Month CPR	Estimated Fair Value
0 - 24 months	\$262,246	89.8%	2.39%	104.7%	103.8%	24.5%	\$272,168
25 - 40 months	17,552	6.0%	3.01%	105.3%	100.6%	24.1%	17,662
41 - 60 months	12,408	4.2%	3.00%	105.1%	100.4%	35.2%	12,458
<b>Total/Weighted Avg.</b>	<b>\$292,206</b>	<b>100.0%</b>	<b>2.45%</b>	<b>104.7%</b>	<b>103.5%</b>	<b>24.9%</b>	<b>\$302,288</b>

Agency Interest-Only Collateralized Mortgage-Backed Obligations							
Type	Current Notional Value	% <sup>(5)</sup>	Weighted Avg. Coupon	Weighted Avg. Amortized Cost	Weighted Avg. Fair Value	Weighted Avg. 3-Month CPR	Estimated Fair Value
Interest-only	\$603,054	6.8%	3.35%	17.8%	11.3%	16.3%	\$68,403
Inverse interest-only	1,059,513	11.9%	4.60%	29.2%	14.4%	20.7%	152,086
Multifamily interest-only	7,250,959	81.3%	0.68%	4.2%	3.9%	—%	280,137
<b>Total/Weighted Avg.</b>	<b>\$8,913,526</b>	<b>100.0%</b>	<b>1.33%</b>	<b>8.1%</b>	<b>5.6%</b>	<b>19.1%</b>	<b>\$500,626</b>

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

# Residential & Other Investments Overview as of June 30, 2022 (continued)

Unaudited, dollars in thousands

## Mortgage Servicing Rights

Type	Unpaid Principal Balance	Servicing Fee	Weighted Avg. Note Rate	Valuation	Discount Rate	Projected CPR	Estimated Fair Value
MSR held directly	\$99,504,712	0.26%	2.9%	142.8%	8.2%	5.4%	\$1,421,379
MSR of consolidated VIE	4,464	0.25%	4.1%	92.1%	9.0%	15.6%	41
Interests in MSR	6,501,645	0.25%	2.9%	128.6%	8.0%	6.8%	83,622
MSR of limited partnership interest <sup>(1)</sup>	2,990,231						39,927
<b>Total/Weighted Avg.</b>	<b>\$109,001,052</b>	<b>0.26%</b>	<b>2.9%</b>	<b>142.0%</b>	<b>8.2%</b>	<b>5.5%</b>	<b>\$1,544,969</b>

## Residential Credit Portfolio

Sector	Current Face / Notional Value	% <sup>(2)</sup>	Weighted Avg. Coupon	Weighted Avg. Amortized Cost	Weighted Avg. Fair Value	Estimated Fair Value
Residential credit risk transfer	\$1,010,209	7.5%	5.35%	100.4%	95.6%	\$965,714
Alt-A	138,473	0.9%	3.91%	85.7%	83.5%	115,578
Prime	1,227,193	2.1%	4.29%	96.8%	87.9%	269,717
Subprime	187,969	1.3%	3.57%	90.6%	89.0%	167,319
NPL/RPL	1,300,169	9.7%	3.74%	99.6%	96.1%	1,249,903
Prime jumbo	2,193,098	1.7%	4.64%	96.8%	86.8%	224,141
Residential mortgage loans	10,516,244	76.8%	4.18%	100.3%	94.2%	9,905,790
<b>Total/Weighted Avg.</b>	<b>\$16,573,355</b>	<b>100.0%</b>	<b>4.22%</b>			<b>\$12,898,162</b>

## Other Credit Products

Type	Net Notional	Range of Ratings	Net Weighted Avg Coupon	Implied Market Value
CMBX <sup>(3)</sup>	\$410,000	AAA to AA	1.0%	\$397,024

  

Type	Current Face / Notional Value	Weighted Avg. Coupon	Weighted Avg. Amortized Cost	Weighted Avg. Fair Value	Estimated Fair Value
Multifamily CRT	\$19,000	5.15%	99.5%	93.3%	\$17,725
CLO	\$455,523	2.78%	99.6%	96.4%	\$439,301

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

# Residential Credit Securities Detail as of June 30, 2022

Unaudited, dollars in thousands

Product	Estimated Fair Value	Payment Structure		Investment Characteristics			
		Senior	Subordinate	Coupon	Credit Enhancement	60+ Delinquencies	3M VPR <sup>(1)</sup>
Credit Risk Transfer	\$965,714	\$—	\$965,714	5.35%	1.99%	1.18%	18.95%
Alt-A	115,578	65,972	49,606	3.91%	12.99%	5.45%	24.05%
Prime	269,717	44,757	224,960	4.29%	8.67%	2.21%	12.08%
Subprime	167,319	71,918	95,401	3.57%	19.10%	9.12%	15.25%
Re-Performing Loan Securitizations	740,630	350,667	389,963	3.94%	26.44%	23.47%	10.70%
Non-Performing Loan Securitizations	509,273	486,405	22,868	3.47%	33.98%	76.20%	15.22%
Prime Jumbo	224,141	14,859	209,282	4.64%	2.99%	2.12%	8.88%
<b>Total <sup>(2)</sup></b>	<b>\$2,992,372</b>	<b>\$1,034,578</b>	<b>\$1,957,794</b>	<b>4.37%</b>	<b>15.37%</b>	<b>19.80%</b>	<b>14.33%</b>

Product	Bond Coupon				Estimated Fair Value
	ARM	Fixed	Floater	Interest Only	
Credit Risk Transfer	\$—	\$—	\$965,714	\$—	\$965,714
Alt-A	4,275	103,711	7,592	—	115,578
Prime	25,939	232,205	4,537	7,036	269,717
Subprime	—	95,453	71,725	141	167,319
Re-Performing Loan Securitizations	—	740,630	—	—	740,630
Non-Performing Loan Securitizations	—	509,273	—	—	509,273
Prime Jumbo	—	169,678	39,604	14,859	224,141
<b>Total</b>	<b>\$30,214</b>	<b>\$1,850,950</b>	<b>\$1,089,172</b>	<b>\$22,036</b>	<b>\$2,992,372</b>



# Hedging and Liabilities as of June 30, 2022

Unaudited, dollars in thousands

Interest Rate Swaps	Maturity	Current Notional <sup>(1)(2)</sup>	Weighted Avg. Pay Rate	Weighted Avg. Receive Rate	Weighted Avg. Years to Maturity <sup>(3)</sup>
	0 to 3 years	\$ 20,807,400	0.79 %	1.62 %	1.16
> 3 to 6 years	1,420,400	1.62 %	1.80 %	4.26	
> 6 to 10 years	11,583,200	1.72 %	1.71 %	9.32	
Greater than 10 years	1,411,000	3.88 %	1.39 %	19.11	
Total / Weighted Avg.	\$ 35,222,000	1.16 %	1.65 %	4.69	

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	\$ 4,050,000	2.00 %	3M LIBOR	9.15	13.46
Long Receive	\$ 1,000,000	1.49 %	3M LIBOR	11.20	14.46	

Futures Positions	Type	Long Contracts	Short Contracts	Net Positions	Weighted Avg. Years to Maturity
	U.S. Treasury Futures - 2 year	\$ —	\$ (10,264,200)	\$ (10,264,200)	1.97
U.S. Treasury Futures - 5 year	\$ —	\$ (5,903,400)	\$ (5,903,400)	4.40	
U.S. Treasury Futures - 10 year & Greater	\$ —	\$ (19,832,600)	\$ (19,832,600)	7.31	
Total / Weighted Avg.	\$ —	\$ (36,000,200)	\$ (36,000,200)	5.31	

Repurchase Agreements and Other Secured Financing	Maturity	Principal Balance	Weighted Avg. Rate At Period End
	Within 30 days	\$ 40,213,941	1.59 %
30 to 59 days	1,590,972	1.33 %	
60 to 89 days	1,765,571	1.55 %	
90 to 119 days	1,770,550	1.43 %	
Over 120 days <sup>(4)</sup>	6,023,063	1.84 %	
Total / Weighted Avg.	\$ 51,364,097	1.60 %	

Total Indebtedness	Principal Balance	Weighted Average Rate		Days to Maturity <sup>(5)</sup>
		At Period End	For the Quarter	
Repurchase agreements	\$ 51,364,097	1.60 %	0.81 %	47
Other secured financing	—	— %	3.38 %	—
Debt issued by securitization vehicles	8,286,317	2.79 %	2.69 %	11,989
Participations issued	717,110	4.95 %	4.39 %	11,202
Total indebtedness	\$ 60,367,524			

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, 2022 and March 31, 2022
- 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 <sup>(1)</sup>				
Interest Rate Change (bps)	As of June 30, 2022		As of March 31, 2022	
	Estimated Percentage Change in Portfolio Market Value <sup>(2)</sup>	Estimated Change as a % of NAV <sup>(2)(3)</sup>	Estimated Percentage Change in Portfolio Market Value <sup>(2)</sup>	Estimated Change as a % of NAV <sup>(2)(3)</sup>
(75)	0.1%	0.5%	0.3%	1.7%
(50)	0.2%	1.0%	0.3%	1.8%
(25)	0.1%	0.8%	0.2%	1.2%
25	(0.2%)	(1.4%)	(0.3%)	(1.8%)
50	(0.5%)	(3.2%)	(0.6%)	(4.1%)
75	(0.8%)	(5.4%)	(1.0%)	(6.8%)

MBS Spread Sensitivity <sup>(1)</sup>				
MBS Spread Shock (bps)	As of June 30, 2022		As of March 31, 2022	
	Estimated Change in Portfolio Market Value <sup>(2)</sup>	Estimated Change as a % of NAV <sup>(2)(3)</sup>	Estimated Change in Portfolio Market Value <sup>(2)</sup>	Estimated Change as a % of NAV <sup>(2)(3)</sup>
(25)	1.9%	12.9%	1.9%	12.3%
(15)	1.1%	7.7%	1.1%	7.4%
(5)	0.4%	2.6%	0.4%	2.4%
5	(0.4%)	(2.5%)	(0.4%)	(2.4%)
15	(1.1%)	(7.6%)	(1.1%)	(7.3%)
25	(1.8%)	(12.6%)	(1.8%)	(12.0%)



# Appendix

# Consolidated Statements of Financial Condition

Dollars in thousands, except per share data

	6/30/2022 (unaudited)	3/31/2022 (unaudited)	12/31/2021 <sup>(1)</sup>	9/30/2021 (unaudited)	6/30/2021 (unaudited)
<b>Assets</b>					
Cash and cash equivalents	\$ 853,932	\$ 955,840	\$ 1,342,090	\$ 1,046,300	\$ 1,380,456
Securities	59,042,734	60,727,637	63,655,674	65,622,352	69,032,335
Loans, net	1,487,133	3,617,818	4,242,043	3,580,521	3,563,008
Mortgage servicing rights	1,421,420	1,108,937	544,562	572,259	202,616
Interests in MSR	83,622	85,653	69,316	57,530	49,035
Assets transferred or pledged to securitization vehicles	8,877,247	7,809,307	6,086,308	4,738,481	4,073,156
Assets of disposal group held for sale	97,414	—	194,138	238,042	3,302,001
Derivative assets	748,432	964,075	170,370	331,395	181,889
Receivable for unsettled trades	434,227	407,225	2,656	42,482	14,336
Principal and interest receivable	300,028	246,739	234,983	234,810	250,210
Goodwill and intangible assets, net	18,195	23,110	24,241	25,371	26,502
Other assets	272,865	238,793	197,683	172,890	300,761
<b>Total assets</b>	<b>\$ 73,637,249</b>	<b>\$ 76,185,134</b>	<b>\$ 76,764,064</b>	<b>\$ 76,662,433</b>	<b>\$ 82,376,305</b>
<b>Liabilities and stockholders' equity</b>					
<b>Liabilities</b>					
Repurchase agreements	\$ 51,364,097	\$ 52,626,503	\$ 54,769,643	\$ 55,475,420	\$ 60,221,067
Other secured financing	—	914,255	903,255	729,555	909,655
Debt issued by securitization vehicles	7,502,483	6,711,953	5,155,633	3,935,410	3,315,087
Participations issued	696,944	775,432	1,049,066	641,006	315,810
Liabilities of disposal group held for sale	3,608	—	154,956	159,508	2,362,690
Derivative liabilities	379,708	826,972	881,537	912,134	900,259
Payable for unsettled trades	1,995,960	1,992,568	147,908	571,540	154,405
Interest payable	91,962	80,870	91,176	109,586	173,721
Dividends payable	354,027	321,423	321,142	318,986	317,714
Other liabilities	158,560	456,388	94,423	91,421	66,721
<b>Total liabilities</b>	<b>62,547,349</b>	<b>64,706,364</b>	<b>63,568,739</b>	<b>62,944,566</b>	<b>68,737,129</b>
<b>Stockholders' equity</b>					
Preferred stock, par value \$0.01 per share <sup>(2)</sup>	1,536,569	1,536,569	1,536,569	1,536,569	1,536,569
Common stock, par value \$0.01 per share <sup>(3)</sup>	16,092	14,610	14,597	14,499	14,442
Additional paid-in capital	21,281,077	20,321,952	20,313,832	20,228,366	20,178,692
Accumulated other comprehensive income (loss)	(4,310,926)	(2,465,482)	958,410	1,638,638	1,780,275
Accumulated deficit	(7,496,061)	(7,980,407)	(9,653,582)	(9,720,270)	(9,892,863)
<b>Total stockholders' equity</b>	<b>11,026,751</b>	<b>11,427,242</b>	<b>13,169,826</b>	<b>13,697,802</b>	<b>13,617,115</b>
Noncontrolling interests	63,149	51,528	25,499	20,065	22,061
<b>Total equity</b>	<b>11,089,900</b>	<b>11,478,770</b>	<b>13,195,325</b>	<b>13,717,867</b>	<b>13,639,176</b>
<b>Total liabilities and equity</b>	<b>\$ 73,637,249</b>	<b>\$ 76,185,134</b>	<b>\$ 76,764,064</b>	<b>\$ 76,662,433</b>	<b>\$ 82,376,305</b>

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

# Consolidated Statements of Comprehensive Income (Loss)

Unaudited, dollars in thousands, except per share data

For the quarters ended	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
<b>Net interest income</b>					
Interest income	\$ 645,615	\$ 655,850	\$ 422,780	\$ 412,972	\$ 383,906
Interest expense	170,475	74,922	61,785	50,438	61,047
Net interest income	475,140	580,928	360,995	362,534	322,859
<b>Net servicing income</b>					
Servicing and related income	55,685	34,715	31,322	17,948	10,519
Servicing and related expense	5,949	3,757	4,290	3,012	2,603
Net servicing income	49,736	30,958	27,032	14,936	7,916
<b>Other income (loss)</b>					
Net gains (losses) on investments and other	(615,216)	(159,804)	(40,473)	102,819	20,207
Net gains (losses) on derivatives	1,015,643	1,642,028	135,359	84,950	(581,962)
Loan loss (provision) reversal	26,913	(608)	(194)	6,134	(494)
Business divestiture-related gains (losses)	(23,955)	(354)	(16,514)	(14,009)	1,527
Other, net	(5,486)	3,058	(415)	1,285	(6,241)
Total other income (loss)	397,899	1,484,320	77,763	181,179	(566,963)
<b>General and administrative expenses</b>					
Compensation expense	22,243	33,002	27,061	27,859	32,013
Other general and administrative expenses	13,795	12,762	13,640	16,023	21,513
Total general and administrative expenses	36,038	45,764	40,701	43,882	53,526
Income (loss) before income taxes	886,737	2,050,442	425,089	514,767	(289,714)
Income taxes	23,420	26,548	6,629	(6,767)	5,134
Net income (loss)	863,317	2,023,894	418,460	521,534	(294,848)
Net income (loss) attributable to noncontrolling interests	(3,379)	1,639	2,979	2,290	794
Net income (loss) attributable to Annaly	866,696	2,022,255	415,481	519,244	(295,642)
Dividends on preferred stock	26,883	26,883	26,883	26,883	26,883
Net income (loss) available (related) to common stockholders	\$ 839,813	\$ 1,995,372	\$ 388,598	\$ 492,361	\$ (322,525)
<b>Net income (loss) per share available (related) to common stockholders</b>					
Basic	\$ 0.55	\$ 1.37	\$ 0.27	\$ 0.34	\$ (0.23)
Diluted	\$ 0.55	\$ 1.36	\$ 0.27	\$ 0.34	\$ (0.23)
<b>Weighted average number of common shares outstanding</b>					
Basic	1,522,436,766	1,461,363,637	1,454,138,154	1,445,315,914	1,410,239,138
Diluted	1,523,595,000	1,462,451,965	1,455,411,503	1,446,357,867	1,410,239,138
<b>Other comprehensive income (loss)</b>					
Net income (loss)	\$ 863,317	\$ 2,023,894	\$ 418,460	\$ 521,534	\$ (294,848)
Unrealized gains (losses) on available-for-sale securities	(2,503,250)	(3,568,679)	(685,699)	(113,451)	(191,541)
Reclassification adjustment for net (gains) losses included in net income (loss)	657,806	144,787	5,471	(28,186)	(30,415)
Other comprehensive income (loss)	(1,845,444)	(3,423,892)	(680,228)	(141,637)	(221,956)
Comprehensive income (loss)	(982,127)	(1,399,998)	(261,768)	379,897	(516,804)
Comprehensive income (loss) attributable to noncontrolling interests	(3,379)	1,639	2,979	2,290	794
Comprehensive income (loss) attributable to Annaly	(978,748)	(1,401,637)	(264,747)	377,607	(517,598)
Dividends on preferred stock	26,883	26,883	26,883	26,883	26,883
Comprehensive income (loss) attributable to common stockholders	\$ (1,005,631)	\$ (1,428,520)	\$ (291,630)	\$ 350,724	\$ (544,481)

# Income Statement Gains (Losses) Detail

Unaudited, dollars in thousands

		For the quarters ended				
		6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
Other Income Statement Details	Net gains (losses) on disposal of investments and other	(\$646,177)	(\$144,224)	(\$25,144)	\$12,002	\$16,223
	Net unrealized gains (losses) on instruments measured at fair value through earnings	30,961	(15,580)	(15,329)	90,817	3,984
	Net gains (losses) on investments and other	(\$615,216)	(\$159,804)	(\$40,473)	\$102,819	\$20,207
	Net interest component of interest rate swaps	\$992	(\$62,541)	(\$58,897)	(\$54,411)	(\$83,087)
	Realized gains (losses) on termination or maturity of interest rate swaps	(16)	—	(39,932)	(1,196,417)	—
	Unrealized gains (losses) on interest rate swaps	897,537	1,323,439	186,345	1,380,946	(141,067)
	Net gains (losses) on other derivatives	117,130	381,130	47,843	(45,168)	(357,808)
	Net gains (losses) on derivatives	\$1,015,643	\$1,642,028	\$135,359	\$84,950	(\$581,962)

# 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 Earnings Available for Distribution ("EAD"), or the premium amortization adjustment ("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 Earnings available for distribution for the quarters ended June 30, 2022, March 31, 2022, December 31, 2021, September 30, 2021 and June 30, 2021, is provided on page 9 of this financial summary.

Earnings Available for Distribution is defined as the sum of (a) economic net interest income, (b) TBA dollar roll income and CMBX coupon income, (c) net servicing income less realized amortization of MSR, (d) other income (loss) (excluding depreciation expense related to commercial real estate and amortization of intangibles, non-EAD income allocated to equity method investments and other non-EAD 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-EAD 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.

# Non-GAAP Reconciliations (continued)

Unaudited, dollars in thousands

	For the quarters ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
<i>Economic leverage ratio reconciliation</i>					
Repurchase agreements	\$51,364,097	\$52,626,503	\$54,769,643	\$55,475,420	\$60,221,067
Other secured financing	—	914,255	903,255	729,555	909,655
Debt issued by securitization vehicles	7,502,483	6,711,953	5,155,633	3,935,410	3,315,087
Participations issued	696,944	775,432	1,049,066	641,006	315,810
Debt included in liabilities of disposal group held for sale	—	—	112,144	113,362	2,306,633
Total GAAP debt	\$59,563,524	\$61,028,143	\$61,989,741	\$60,894,753	\$67,068,252
Less non-recourse debt:					
Credit facilities <sup>(1)</sup>	\$—	(\$914,255)	(\$903,255)	(\$729,555)	(\$909,655)
Debt issued by securitization vehicles	(7,502,483)	(6,711,953)	(5,155,633)	(3,935,410)	(3,315,087)
Participations issued	(696,944)	(775,432)	(1,049,066)	(641,006)	(315,810)
Non-recourse debt included in liabilities of disposal group held for sale	—	—	(112,144)	(113,362)	(2,035,982)
Total recourse debt	\$51,364,097	\$52,626,503	\$54,769,643	\$55,475,420	\$60,491,718
Plus / (Less):					
Cost basis of TBA and CMBX derivatives	\$19,723,326	\$19,006,949	\$20,690,768	\$24,202,686	\$18,107,549
Payable for unsettled trades	1,995,960	1,992,568	147,908	571,540	154,405
Receivable for unsettled trades	(434,227)	(407,225)	(2,656)	(42,482)	(14,336)
Economic debt *	\$72,649,156	\$73,218,795	\$75,605,663	\$80,207,164	\$78,739,336
Total equity	\$11,089,900	\$11,478,770	\$13,195,325	\$13,717,867	\$13,639,176
Economic leverage ratio *	6.6x	6.4x	5.7x	5.8x	5.8x

\* Represents a non-GAAP financial measure.

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



# Non-GAAP Reconciliations (continued)

Unaudited, dollars in thousands

	For the quarters ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
<i>Economic capital ratio reconciliation</i>					
Total GAAP assets	\$73,637,249	\$76,185,134	\$76,764,064	\$76,662,433	\$82,376,305
Less:					
Gross unrealized gains on TBA derivatives <sup>(1)</sup>	(60,661)	(24,757)	(52,693)	(1,776)	(31,943)
Debt issued by securitization vehicles <sup>(2)</sup>	(7,502,483)	(6,711,953)	(5,155,633)	(3,935,410)	(4,925,196)
Plus:					
Implied market value of TBA derivatives	19,282,979	18,284,708	20,338,633	23,622,635	17,691,150
Total economic assets *	\$85,357,084	\$87,733,132	\$91,894,371	\$96,347,882	\$95,110,316
Total equity	\$11,089,900	\$11,478,770	\$13,195,325	\$13,717,867	\$13,639,176
Economic capital ratio <sup>*(3)</sup>	13.0%	13.1%	14.4%	14.2%	14.3%
<i>Premium Amortization Reconciliation</i>					
Premium amortization expense	(\$4,869)	(\$25,353)	\$219,172	\$233,429	\$320,108
Less:					
PAA cost (benefit)	(127,521)	(179,516)	57,395	60,726	153,607
Premium amortization expense (excluding PAA)	\$122,652	\$154,163	\$161,777	\$172,703	\$166,501
<i>Interest Income (excluding PAA) Reconciliation</i>					
GAAP interest income	\$645,615	\$655,850	\$422,780	\$412,972	\$383,906
PAA cost (benefit)	(127,521)	(179,516)	57,395	60,726	153,607
Interest income (excluding PAA) *	\$518,094	\$476,334	\$480,175	\$473,698	\$537,513
<i>Economic Interest Expense Reconciliation</i>					
GAAP interest expense	\$170,475	\$74,922	\$61,785	\$50,438	\$61,047
Add:					
Net interest component of interest rate swaps	(992)	62,541	58,897	54,411	83,087
Economic interest expense *	\$169,483	\$137,463	\$120,682	\$104,849	\$144,134
<i>Economic Net Interest Income (excluding PAA) Reconciliation</i>					
Interest income (excluding PAA) *	\$518,094	\$476,334	\$480,175	\$473,698	\$537,513
Less:					
Economic interest expense *	169,483	137,463	120,682	104,849	144,134
Economic net interest income (excluding PAA) *	\$348,611	\$338,871	\$359,493	\$368,849	\$393,379

\* Represents a non-GAAP financial measure.

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

# Non-GAAP Reconciliations (continued)

Unaudited, dollars in thousands

	For the quarters ended				
	6/30/2022	3/31/2022	12/31/2021	9/30/2021	6/30/2021
<i>Economic Metrics (excluding PAA)</i>					
Average interest earning assets	\$72,123,055	\$72,590,876	\$73,134,966	\$72,145,283	\$77,916,766
Interest income (excluding PAA) *	\$518,094	\$476,334	\$480,175	\$473,698	\$537,513
Average yield on interest earning assets (excluding PAA) *	2.87%	2.62%	2.63%	2.63%	2.76%
Average interest bearing liabilities	\$60,446,528	\$61,865,292	\$63,342,740	\$62,614,042	\$68,469,413
Economic interest expense *	\$169,483	\$137,463	\$120,682	\$104,849	\$144,134
Average economic cost of interest bearing liabilities *	1.11%	0.89%	0.75%	0.66%	0.83%
Economic net interest income (excluding PAA)*	\$348,611	\$338,871	\$359,493	\$368,849	\$393,379
Net interest spread (excluding PAA) *	1.76%	1.73%	1.88%	1.97%	1.93%
Interest income (excluding PAA) *	\$518,094	\$476,334	\$480,175	\$473,698	\$537,513
TBA dollar roll income and CMBX coupon income	161,673	129,492	119,657	115,586	111,592
Economic interest expense *	(169,483)	(137,463)	(120,682)	(104,849)	(144,134)
Subtotal	\$510,284	\$468,363	\$479,150	\$484,435	\$504,971
Average interest earning assets	\$72,123,055	\$72,590,876	\$73,134,966	\$72,145,283	\$77,916,766
Average TBA contract and CMBX balances	20,566,553	19,229,537	21,159,120	22,739,226	18,761,062
Subtotal	\$92,689,608	\$91,820,413	\$94,294,086	\$94,884,509	\$96,677,828
Net interest margin (excluding PAA) *	2.20%	2.04%	2.03%	2.04%	2.09%

\* Represents a non-GAAP financial measure.

# Endnotes

## Page 3

- (1) Net of dividends on preferred stock.
- (2) GAAP leverage is computed as the sum of repurchase agreements, other secured financing, debt issued by securitization vehicles, participations issued and mortgages payable divided by total equity. Economic leverage is computed as the sum of recourse debt, cost basis of to-be-announced ("TBA") and CMBX derivatives 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). Certain credit facilities (included within other secured financing), debt issued by securitization vehicles, participations issued, and mortgages payable are non-recourse to the Company and are excluded from economic leverage.
- (3) GAAP capital ratio is computed as total equity divided by total assets. Economic capital ratio is computed as total equity divided by total economic assets. Total economic assets include the implied market value of TBA derivatives and are net of debt issued by securitization vehicles.
- (4) Excludes \$190 million of unsettled commitments as June 30, 2022. There were no unsettled commitments as of March 31, 2022.
- (5) Excludes \$39.9 million and \$38.9 million related to a limited partnership interest in an MSR fund included in Other assets in the Company's Consolidated Statements of Financial Condition as of June 30, 2022 and March 31, 2022, respectively.
- (6) Includes assets related to the sale of the Company's Middle Market Lending portfolio that are expected to be transferred by the third quarter of 2022.
- (7) 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.
- (8) 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).
- (9) 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.

## Page 4

- (1) Includes assets related to the sale of the Company's Middle Market Lending portfolio at June 30, 2022 and assets related to the sale of the Company's Commercial Real Estate business at December 31, 2021, September 30, 2021 and June 30, 2021.

## Page 5

- (1) Includes liabilities related to the sale of the Company's Middle Market Lending portfolio at June 30, 2022 and liabilities related to the sale of the Company's Commercial Real Estate business at December 31, 2021, September 30, 2021 and June 30, 2021.
- (2) Consists of common stock, additional paid-in capital, accumulated other comprehensive income (loss) and accumulated deficit.

## Page 5 (continued)

- (3) Utilizes an actual/360 factor.
- (4) The average and period-end rates are net of reverse repurchase agreements. Without netting reverse repurchase agreements, the average rate and the period-end rate was unchanged for each period.
- (5) 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 MSR 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.

## Page 6

- (1) Includes GAAP interest expense and the net interest component of interest rate swaps.
- (2) Net of dividends on preferred stock.

## Page 7

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

## Page 9

- (1) The adjustment to add back Net (gains) losses on derivatives does not include the net interest component of interest rate swaps which is reflected in earnings available for distribution. The net interest component of interest rate swaps totaled \$1.0 million, (\$62.5) million, (\$58.9) million, (\$54.4) million and (\$83.1) million for the quarters ended June 30, 2022, March 31, 2022, December 31, 2021, September 30, 2021 and June 30, 2021, respectively.
- (2) Includes (\$2.5) million, \$0.2 million, \$1.7 million, (\$0.6) million and \$0.6 million of loss provision (reversal) on the Company's unfunded loan commitments for the quarters ended June 30, 2022, March 31, 2022, December 31, 2021, September 30, 2021 and June 30, 2021, respectively, which is reported in Other, net in the Company's Consolidated Statement of Comprehensive Income (Loss).
- (3) Includes losses (gains) related to the sale of the Company's Middle Market Lending portfolio for the quarter ended June 30, 2022 and losses (gains) related to the sale of the Company's Commercial Real Estate business for the quarters ended March 31, 2022, December 31, 2021, September 30, 2021 and June 30, 2021.
- (4) Includes depreciation and amortization expense related to equity method investments.
- (5) The Company excludes non-EAD (income) loss allocated to equity method investments, which represents the unrealized (gains) losses allocated to equity interests in a portfolio of MSR, which is reported in Other, net in the Company's Consolidated Statement of Comprehensive Income (Loss).
- (6) All quarters presented include costs incurred in connection with securitizations of residential whole loans.
- (7) TBA dollar roll income and CMBX coupon income each represent a component of Net gains (losses) on derivatives. CMBX coupon income totaled \$1.1 million, \$1.1 million, \$1.1 million, \$1.2 million and \$1.4 million for the quarters ended June 30, 2022, March 31, 2022, December 31, 2021, September 30, 2021 and June 30, 2021, respectively.
- (8) MSR amortization utilizes purchase date cash flow assumptions and actual unpaid principal balances and is calculated as the difference between projected MSR yield income and net servicing income for the period.

# Endnotes (continued)

## Page 12

- (1) Includes gains (losses) related to the sale of the Company's Middle Market Lending portfolio for the quarter ended June 30, 2022 and gains (losses) related to the sale of the Company's Commercial Real Estate business for the quarters ended March 31, 2022, December 31, 2021, September 30, 2021 and June 30, 2021.
- (2) Includes other, net, general and administrative expenses and income taxes.
- (3) Includes other, net (excluding non-EAD items), MSR amortization (a component of net gains (losses) on investments and other), general and administrative expenses (excluding transaction related expenses) and income taxes (excluding non-EAD income tax).

## Page 13

- (1) Includes Agency-backed multifamily securities with an estimated fair value of \$1.2 billion (\$0.5 billion of which have been transferred or pledged to securitization vehicles).
- (2) Includes Agency-backed multifamily securities with an estimated fair value of \$215.4 million.
- (3) Includes fixed-rate collateralized mortgage obligations with an estimated fair value of \$101.3 million.
- (4) Weighted by current face value.
- (5) Weighted by current notional value.

## Page 14

- (1) Included in Other assets in the Company's Consolidated Statements of Financial Condition.
- (2) Weighted by estimated fair value.
- (3) 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 derivatives.

## Page 15

- (1) Represents the 3 month voluntary prepayment rate and excludes the impact of interest-only securities.
- (2) Total investment characteristics exclude the impact of interest-only securities.

## Page 16

- (1) Current notional is presented net of receiver swaps.
- (2) As of June 30, 2022, 23%, 35% and 42% 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) 0% 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.

## Page 17

- (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, MSR and derivative instruments.
- (3) Net asset value ("NAV") represents book value of common equity.

## Page 19

- (1) Derived from the audited consolidated financial statements at December 31, 2021.
- (2) 6.95% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock - Includes 28,800,000 shares authorized, issued and outstanding. 6.50% Series G Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock - Includes 17,000,000 shares authorized, issued and outstanding. 6.75% Series I Preferred Stock - Includes 17,700,000 shares authorized, issued and outstanding.
- (3) Includes 2,936,500,000 shares authorized. Includes 1,609,215,497 shares issued and outstanding at June 30, 2022; Includes 1,461,012,252 shares issued and outstanding at March 31, 2022; Includes 1,459,736,258 shares issued and outstanding at December 31, 2021; Includes 1,449,935,017 shares issued and outstanding at September 30, 2021; 1,444,156,029 shares issued and outstanding at June 30, 2021.

## Page 23

- (1) Included in Other secured financing in the Company's Consolidated Statements of Financial Condition.

## Page 24

- (1) Included in Derivative assets in the Company's Consolidated Statements of Financial Condition.
- (2) Includes debt issued by securitization vehicles reported in Liabilities of disposal group held for sale in the Company's Consolidated Statements of Financial Condition.
- (3) Economic capital ratio is computed as total equity divided by total economic assets.