

ANNALY®

Fourth Quarter 2024  
Investor  
Presentation

January 29, 2025



# Important Notices

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## Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures, including earnings available for distribution. 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 earnings available for distribution, or the premium amortization adjustment, differently than our peers making comparative analysis difficult.

# Recent Achievements and Performance Highlights

## Financial Performance

*Annaly generated a ~12% economic return for the year with earnings available for distribution in excess of the dividend*

- Earnings available for distribution\* of **\$0.72** per average common share for the quarter
- Book value per common share of **\$19.15**
- Declared quarterly common stock cash dividend of **\$0.65 per share**
- Economic return of **1.3%** for the fourth quarter and **11.9%** for the full year 2024

## Financing, Capital & Liquidity

*Annaly maintained its prudent leverage and liquidity position while declining financing costs supported its earnings profile*

- Economic leverage\* of **5.5x**, down from **5.7x** in the third quarter
- **\$6.9 billion** of total assets available for financing<sup>(1)</sup>, including cash and unencumbered Agency MBS of **\$3.9 billion**
- Annaly Residential Credit Group remains the **largest non-bank issuer** and the **second largest issuer overall**<sup>(2)</sup> of Prime Jumbo and Expanded Credit MBS, pricing **21 residential whole loan securitizations** totaling **\$11.0 billion** in proceeds in 2024
- Since the beginning of 2024, Annaly's Residential Credit and MSR businesses **increased financing capacity** by **\$1.3 billion** and **\$550 million**, respectively, through new and expanded credit facilities; **total warehouse capacity** across both businesses of **\$5.4 billion**, including **\$2.2 billion** of committed capacity<sup>(3)</sup>
- Financing costs decreased quarter-over-quarter with average GAAP cost of interest-bearing liabilities of **4.96%**, down **46 basis points** quarter-over-quarter, and average economic cost of interest-bearing liabilities\* of **3.79%**, down **14 basis points** quarter-over-quarter
- Raised **\$1.6 billion** of **accretive common equity** through the Company's at-the-market sales program in 2024<sup>(4)</sup>

## Portfolio Performance

*Annaly's diversified housing finance model achieved strong results in 2024 across each of its investment strategies*

- Total portfolio of **\$80.9 billion**, including **\$70.6 billion** in highly liquid Agency MBS strategy, which represents **87%** of total assets<sup>(5)</sup> and **59%** of dedicated capital
- During the quarter, Annaly's **Agency portfolio** decreased modestly with portfolio activity focused on rotating further into higher coupons; the Agency portfolio increased **7%** year-over-year
- Annaly's **Residential Credit** portfolio increased to **\$7.0 billion**<sup>(5)</sup>, representing a **17%** increase year-over-year due to the record growth of the correspondent channel in 2024
  - During 2024, the correspondent channel achieved **\$17.6 billion** in **lock volume**, with **total funded volume** of **\$11.7 billion**; the fourth quarter represented the sixth and fifth consecutive record-breaking quarter for lock volume and fundings, respectively
- Annaly's **MSR** portfolio increased **24%** year-over-year to **\$3.3 billion**<sup>(5)</sup> in market value, now representing **19%** of dedicated capital

# Fourth Quarter 2024 Financial Highlights

## Earnings & Book Value

**\$0.78**

GAAP

**\$0.72**

Earnings Available  
for Distribution\*

**\$0.65**

Dividend per Share

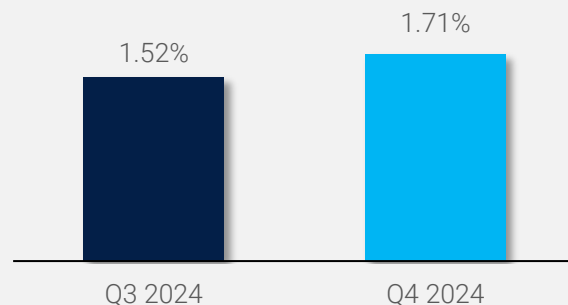
**\$19.15**

Book Value per Share

**14.2%**

Dividend Yield<sup>(1)</sup>

Net Interest Margin (ex. PAA)\*



## Investment Portfolio

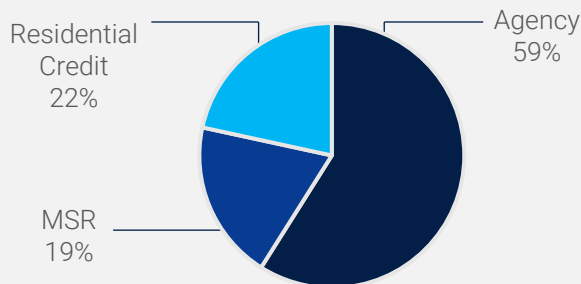
**\$80.9bn**

Total Portfolio<sup>(2)</sup>

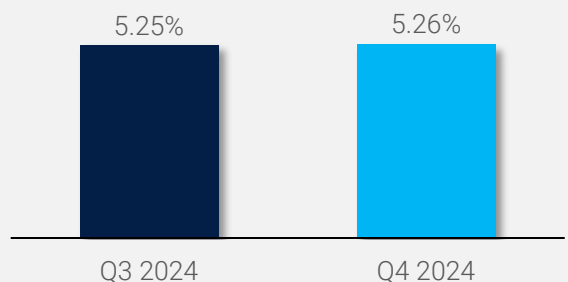
**\$12.6bn**

Total Stockholders' Equity

Capital Allocation<sup>(3)</sup>



Average Yield on Interest  
Earning Assets (ex. PAA)\*



## Financing, Liquidity & Hedging

Liquidity Position

**\$3.9bn**

of cash and unencumbered  
Agency MBS

**\$6.9bn**

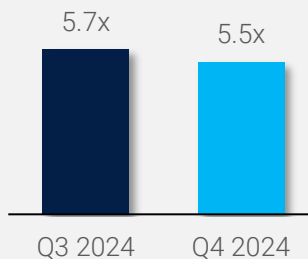
of total assets available  
for financing<sup>(4)</sup>

Total Hedge Portfolio<sup>(5)</sup>

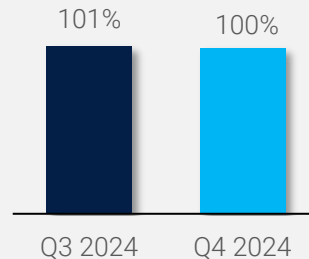
**\$70bn**

Hedge portfolio, down from \$72bn  
in Q3'24

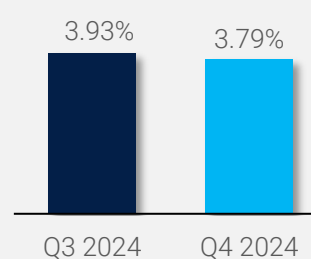
Economic  
Leverage<sup>(6)</sup>



Hedge Ratio<sup>(7)</sup>



Average Economic  
Cost of Funds<sup>(8)</sup>



Source: Company filings. Financial data as of December 31, 2024, unless otherwise noted. \* Represents a non-GAAP financial measure; see Appendix. Detailed endnotes and a glossary of defined terms are included at the end of this presentation.

# Established, Scaled Platforms Across Annaly's Investment Strategies

Total Portfolio<sup>(1)</sup>:

**\$80.9bn**

Total Shareholders' Equity:

**\$12.6bn**

## Agency

Invests in Agency MBS & Agency CMBS securities collateralized by residential or commercial mortgages, guaranteed by Fannie Mae, Freddie Mac or Ginnie Mae

**\$70.6bn**

Portfolio Assets<sup>(1)</sup>

**\$7.4bn**

Capital<sup>(2)</sup>

## Residential Credit

Invests predominantly in Non-Agency residential mortgage assets within the securitized product and whole loan markets

**\$7.0bn**

Portfolio Assets<sup>(1)</sup>

**\$2.7bn**

Capital<sup>(2)</sup>

## Mortgage Servicing Rights

Invests in Mortgage Servicing Rights, which provide the obligation to service residential loans in exchange for a fixed servicing fee

**\$3.3bn**

Portfolio Assets<sup>(1)</sup>

**\$2.5bn**

Capital<sup>(2)</sup>

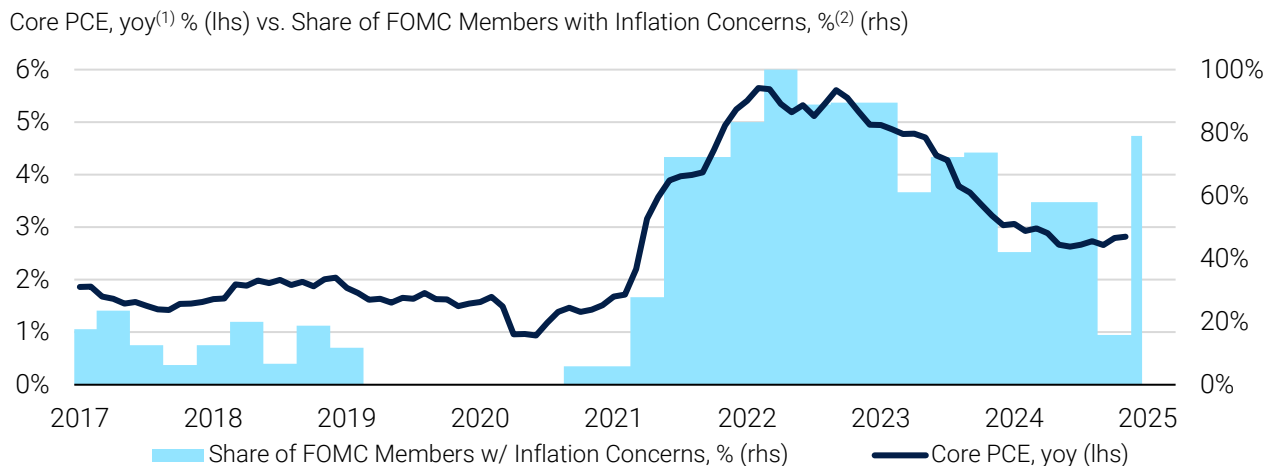
# The Macroeconomic State of Affairs

The U.S. economy has remained strong, prompting the Federal Reserve (the “Fed”) to signal a slowdown of their easing cycle

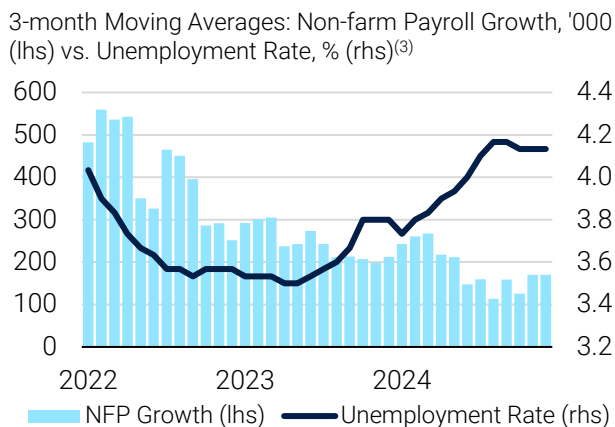
## Q4 2024 Market and Economic Developments

- The U.S. economy maintained its momentum in the fourth quarter, with rising productivity and real income growth driving a strong economic performance in 2024
- Hiring rebounded in November and December, indicating that the labor market is not slowing as fast as data suggested in late summer
- Inflation rose slightly in the fourth quarter, hindering progress towards the Fed’s 2% target
- Therefore, Fed policymakers signaled a more gradual pace of easing due to a combination of factors, including the strength of the economy, inflation trends, previous rate cuts and generally supportive financial conditions for much of the quarter
- Interest rate markets have repriced in light of updated Fed guidance and continued elevated Treasury issuance
  - Long-term Treasuries have seen rising term premia, leaving yields at historically attractive levels while the yield curve has steepened further

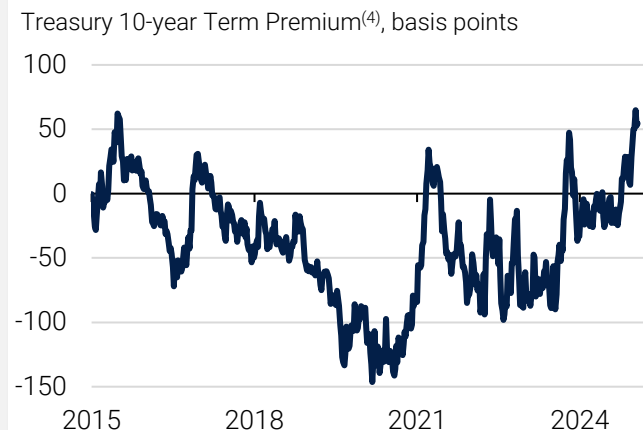
## Lack of inflation progress and rising risks have reduced rate cut expectations in 2025



## The labor market stabilized in Q4



## Term premium has risen to near 10-year highs



Note: For source information, please refer to the endnotes included at the end of this presentation. Detailed endnotes and a glossary of defined terms are included at the end of this presentation.

# Illustrative Returns & Market Dynamics Across Annaly's Investment Strategies

| Agency   | Residential Credit  | MSR   |
|--|---|---|
| <b>Current Illustrative Market Levered Returns<sup>(1)</sup></b>   |   |   |
| <b>15%–17%</b>   | <b>12%–15%</b>  | <b>12%–14%</b>  |
| <b>Key Market Dynamics &amp; Commentary</b>  |   |   |
| <ul style="list-style-type: none"> <li>▪ The current favorable environment for Agency MBS has resulted from factors including:               <ul style="list-style-type: none"> <li>– Spread levels remaining attractive</li> <li>– Steeper yield curve and decreasing financing costs improving carry</li> <li>– Supply/demand moving into balance with reduced origination and stable demand from money managers and banks</li> </ul> </li> <li>▪ Prepayment risk remains muted</li> <li>▪ Volatility remains above historical averages</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Home prices are holding firm, up 2.6% year-over-year<sup>(2)</sup>, with continued regional disparities in HPA</li> <li>▪ Residential credit spreads tightened modestly throughout the quarter, providing a supportive backdrop for securitization issuers</li> <li>▪ 2024 Non-Agency gross issuance increased 83% year-over-year<sup>(3)</sup> driven by growth in Prime Jumbo and Non-QM securitizations</li> <li>▪ 2025 Non-Agency issuance expected to grow ~20%+ driven by strong Non-QM demand, as well as growth in other products including 2nd Lien / HELOC and Jumbo loans<sup>(3)</sup></li> </ul>                                      | <ul style="list-style-type: none"> <li>▪ Strong fundamental asset performance has supported MSR returns, including:               <ul style="list-style-type: none"> <li>– Low prepayments</li> <li>– Muted delinquencies</li> <li>– Predictable servicing costs</li> <li>– High levels of float income</li> </ul> </li> <li>▪ MSR valuations increased modestly, driven primarily by interest rate increases</li> <li>▪ Bulk supply has been episodic; however, industry consolidation expected to persist as origination activity remains challenged</li> </ul>                   |
| <b>Annaly's Positioning</b>  |   |   |
| <ul style="list-style-type: none"> <li>▪ Over the last few quarters, programmatically migrated up in coupon in high quality specified pools               <ul style="list-style-type: none"> <li>– More recently, relative value has shifted to medium quality specified pools and TBAs</li> </ul> </li> <li>▪ Maintained a prudent leverage position with substantial liquidity and a conservative hedge portfolio</li> <li>▪ Agency CMBS remains accretive to overall portfolio returns while improving convexity</li> <li>▪ Continued focus on proprietary modeling of the portfolio</li> </ul> | <ul style="list-style-type: none"> <li>▪ Correspondent channel saw record whole loan production throughout 2024 without sacrificing portfolio credit quality               <ul style="list-style-type: none"> <li>– Locked pipeline represents a 757 weighted average FICO and 68% LTV ratio at origination</li> </ul> </li> <li>▪ OBX is one of the largest and most liquid sponsors of residential credit securitizations, representing nearly 25% of Non-QM issuance and nearly 10% of total gross Non-Agency issuance in 2024<sup>(3)</sup></li> <li>▪ Whole loans and retained OBX securities continue to be preferred avenue for growth relative to third-party securities</li> </ul> | <ul style="list-style-type: none"> <li>▪ Top 10 non-bank Agency MBS servicer with the lowest note rate among top 20 servicers<sup>(4)</sup></li> <li>▪ High quality MSR with exceptional credit quality               <ul style="list-style-type: none"> <li>– 757 weighted average FICO and 70% LTV ratio at origination</li> </ul> </li> <li>▪ Continue to build out flow purchase capabilities and well-positioned for bulk acquisitions given complementary buyer to originators/servicers</li> <li>▪ Recapture and subservicing relationships with industry leaders</li> </ul> |

Source: Company filings. Financial data as of December 31, 2024. Market data as of January 24, 2025, unless otherwise noted. Detailed endnotes and a glossary of defined terms are included at the end of this presentation.

# Onslow Bay 2024 Strategic Milestones

Onslow Bay expanded its leadership across the Residential Credit and MSR markets with another year of substantial growth

## Key Milestones Across Our Housing Finance Expansion Strategy

### Residential Credit

- Onslow Bay has issued **73 securitizations** since 2018, totaling **\$31.7 billion** in issuance<sup>(1)</sup>
  - Issued **\$11.0 billion** across **21 securitizations** in 2024
- 2024 was another **record year** for OBX's **correspondent channel** with **\$17.6 billion and \$11.7 billion** in lock volume and fundings, respectively, with each quarter surpassing the prior quarter
- Purchased **\$13 billion** of whole loans in 2024, with an outstanding pipeline of **\$2.3 billion**<sup>(2)</sup>
- Portfolio exhibits exceptional credit quality, including:
  - Original FICO of **758** and Original LTV of **68%**
  - Mark-to-market LTV of **61%**

Leading  
Securitizer

**#1**

*Non-Bank Issuer of  
Prime Jumbo &  
Expanded Credit MBS  
and #2 Issuer Overall<sup>(3)</sup>*

Exceptional  
Credit Quality

**#1**

*Lowest Delinquencies  
(D60+) Amongst Top  
10 Non-QM Issuers<sup>(4)</sup>*

### MSR

- MSR portfolio** grew by nearly **25%** to **\$3.3 billion** in assets year-over-year<sup>(5)</sup>
- Third largest buyer** of conventional MSR in 2024<sup>(6)</sup>, onboarding nearly **\$58 billion** of **UPB** throughout the year
- Attractive portfolio with **low note rate, stable cash flows** and **high credit quality** collateral:
  - Lowest note rate of Top 20 Agency MBS servicers at **3.20%**
  - Original FICO of **757** and Original LTV of **70%**
  - 3 Month CPR of **3.7%**
- Recapture and subservicing relationships with industry leaders

Scaled  
Platform

**#8**

*Non-Bank Servicer  
of the Agency  
MBS Market<sup>(7)</sup>*

Portfolio  
Growth

**#3**

*Largest Buyer  
of Conventional MSR  
in 2024<sup>(6)</sup>*



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Business Update

# Agency | Business Update

Annaly's portfolio decline during the quarter was driven primarily by market value changes; activity focused on continuing to shift the portfolio towards higher coupons

## Strategic Approach

- Annaly's Agency portfolio is made up of high-quality and liquid securities, predominantly specified pools, TBAs and derivatives
- Portfolio benefits from in-house proprietary analytics that identify emerging prepayment trends and a focus on durable cash flows
- Diverse set of investment options within the Agency market, including Agency CMBS, which provides complementary duration and return profiles to Agency MBS
- Access to deep and varied financing sources, including traditional bilateral repo, sponsored repo and proprietary broker-dealer repo

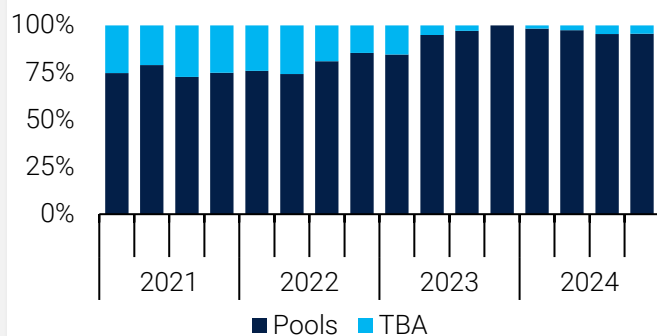
## Market Trends

- Agency MBS generated varied returns across the coupon stack in the fourth quarter; however, the sector performed better than in comparable periods of a meaningful rise in interest rates
  - Higher coupons outperformed during the quarter, as the selloff in interest rates and steepening of the yield curve reduced prepayment risks and increased the relative attractiveness of higher coupons
- Technical factors in the sector continue to improve
  - Full-year 2024 MBS supply moderated relative to 2023; further moderation towards \$400 billion expected for 2025<sup>(1)</sup>
  - Money manager inflows are expected to remain supportive of the sector, while a steeper yield curve and expectations for a looser regulatory environment are believed to boost bank demand

## Agency Portfolio Detail

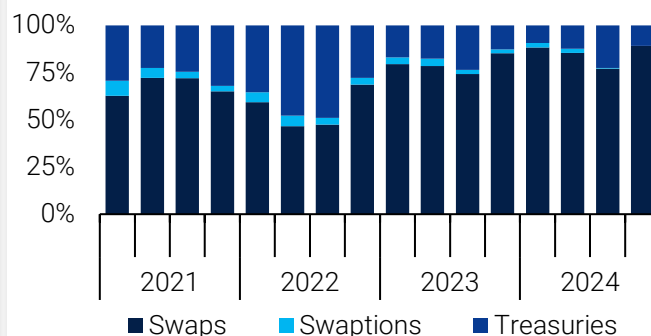
### Assets

NLY Specified Pools and TBA Holdings, %



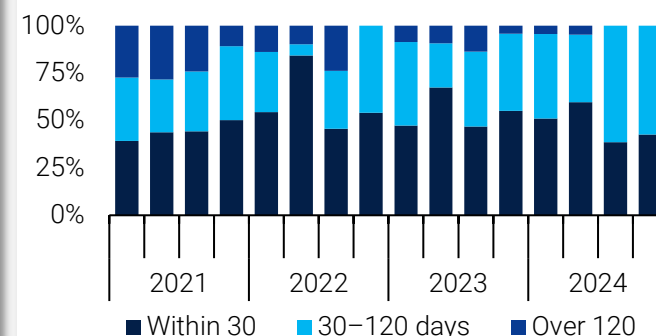
### Hedges<sup>(2)</sup>

Agency Hedging Composition, %



### Funding<sup>(3)</sup>

Agency Funding Composition, %



Source: Company filings. Financial data as of December 31, 2024.

Note: Portfolio data as of quarter end for each respective period.

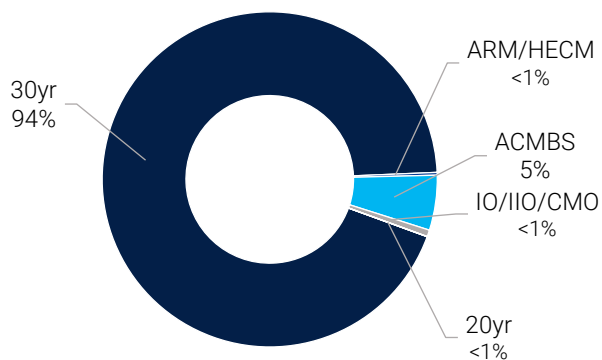
Detailed endnotes and a glossary of defined terms are included at the end of this presentation.

# Agency | Portfolio Summary

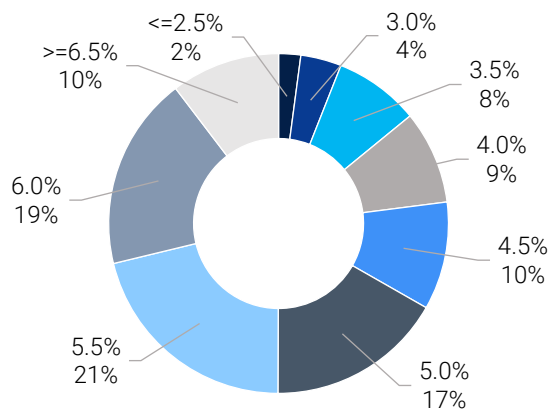
- Annaly's Agency Portfolio: \$70.6 billion in assets at the end of Q4 2024, a decrease of 3% compared to Q3 2024
- Annaly modestly shifted the portfolio into higher coupon (6.0% coupons and higher) specified pools and TBAs during the quarter, while primarily rotating out of intermediate coupons (3.5% to 5.0% coupons)
  - The weighted average coupon of the portfolio increased 5 basis points to 5.00% throughout the quarter
- Proactively managed duration extension by adding hedges further out the yield curve. Remaining portfolio duration carried predominantly in short-term interest rates, which helped the portfolio benefit from the steepening of the yield curve
  - Increase in the swap portfolio notional was the result of a reallocation of hedges from Treasury futures, primarily in short-term interest rates, to benefit from wider swap spreads
- In the fourth quarter, Annaly's MBS portfolio prepaid 8.7 CPR, up from 7.6 CPR in Q3 2024 given the lower rate environment in September

Total Dedicated Capital: \$7.4 billion<sup>(1)</sup>

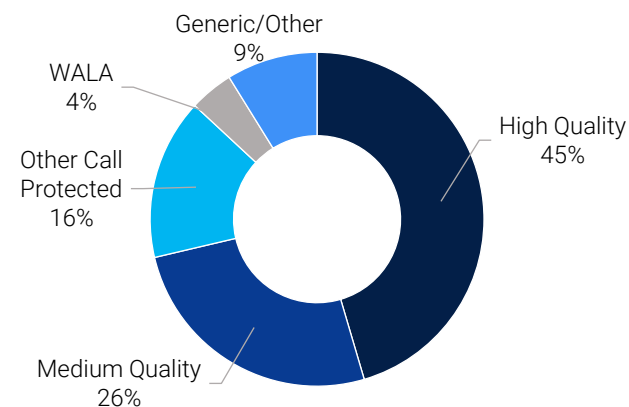
Asset Type<sup>(1)</sup>



Pass Through Coupon Type<sup>(2)</sup>



Portfolio Quality<sup>(3)</sup>



Note: Financial data as of December 31, 2024. Percentages based on fair market value and may not sum to 100% due to rounding. Detailed endnotes and a glossary of defined terms are included at the end of this presentation.

# Residential Credit | Business Update

Annaly's Residential Credit portfolio continued to benefit from the significant and growing presence of the Onslow Bay correspondent channel in the expanded credit whole loan market

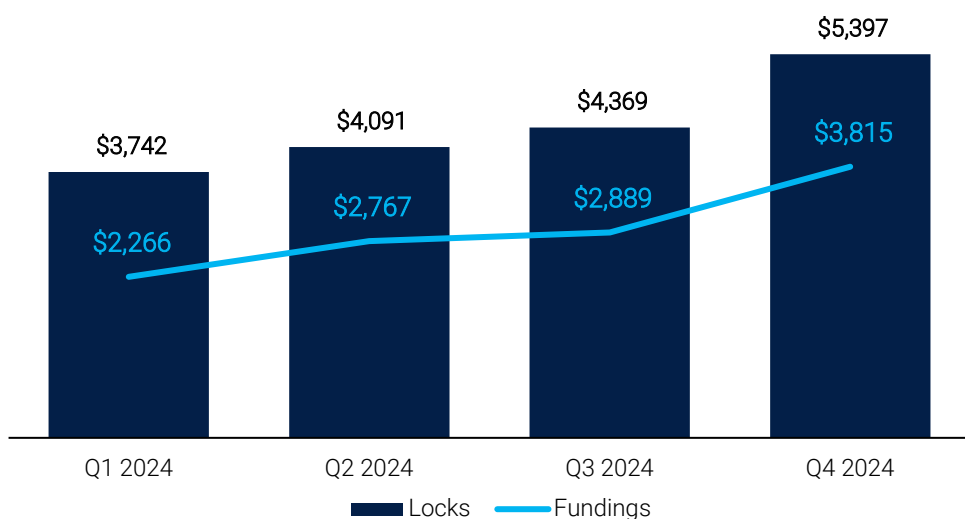
## Strategic Approach

- Programmatic securitization sponsor of new origination, residential whole loans with 73 deals comprising \$31.7 billion of issuance since the beginning of 2018<sup>(1)</sup>
- Agile platform that can deploy capital across both the residential whole loan and Non-Agency securities markets
- Whole loan acquisition via Onslow Bay correspondent channel and securitization program provides the ability to create proprietary investments tailored to desired credit preferences with control over asset selection, counterparties and loss mitigation
- Modest use of long-term balance sheet leverage with most positions term financed through securitization

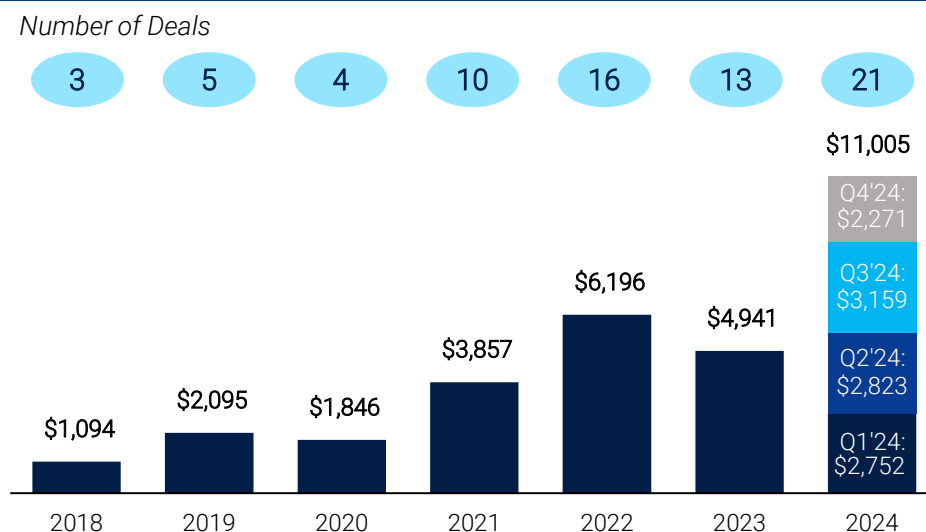
## Market and Credit Trends

- Non-Agency RMBS spreads tightened modestly throughout the quarter
  - Non-QM AAA spreads ended the quarter 10-15 basis points tighter, with CRT M2 spreads 15-20 basis points tighter
- The Zillow Home Price Index was up 0.2% month-over-month in December, and up 2.6% year-over-year<sup>(2)</sup>
  - Onslow Bay GAAP whole loan portfolio mark-to-market LTV of 61% compared to 68% original LTV
- Non-QM delinquencies continued to trend modestly higher, driving further differentiation between issuers
  - Onslow Bay has the lowest delinquencies (D60+) among the top 10 Non-QM issuers<sup>(3)</sup>

## Correspondent Channel Quarterly Lock and Funded Volumes (\$mm)



## OBX Securitization History – UPB Issued (\$mm)<sup>(1)</sup>

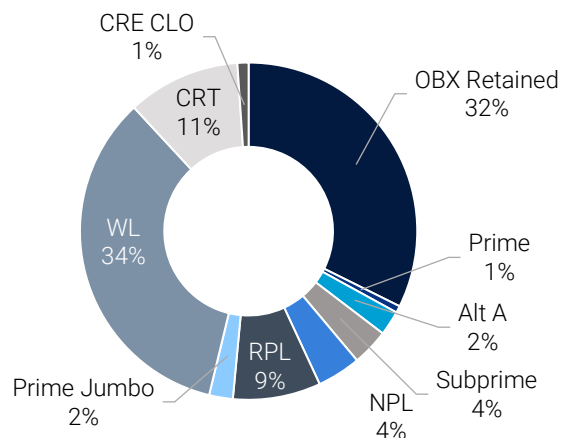


# Residential Credit | Portfolio Summary

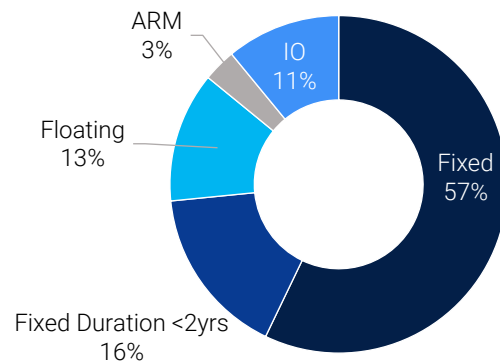
- Annaly Residential Credit Portfolio: \$7.0 billion in assets<sup>(1)</sup> at the end of Q4 2024, an increase of 8% compared to Q3 2024
  - Consists of a \$4.6 billion securities portfolio and a \$2.4 billion whole loan portfolio<sup>(1)</sup>
- Record quarterly whole loan settlements of \$4 billion for the fourth quarter (\$13 billion for 2024)<sup>(2)</sup> across both Onslow Bay and our joint venture
- Expanded credit correspondent channel pipeline remains strong and high quality as of year end, with \$2.3 billion in loans exhibiting a weighted average LTV of 68% and a weighted average FICO of 757
- Annaly priced 21 securitizations in 2024 totaling \$11.0 billion in proceeds, with issuance more than doubling year-over-year
  - Annaly remains the largest non-bank issuer and the second largest issuer overall of Prime Jumbo & Expanded Credit MBS<sup>(3)</sup> and has the lowest delinquencies (D60+) among the top 10 Non-QM issuers<sup>(4)</sup>
  - Securitization strategy has resulted in \$19.5 billion of OBX debt outstanding at an average cost of funds of 5.2%<sup>(5)</sup>

Total Dedicated Capital: \$2.7 billion

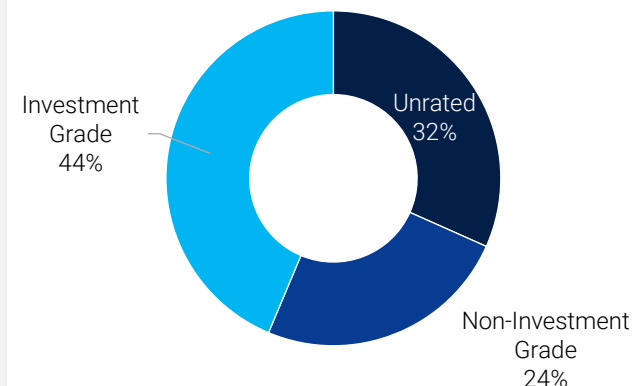
Sector Type<sup>(6)(7)</sup>



Coupon Type<sup>(6)</sup>



Rating



Note: Financial data as of December 31, 2024, unless otherwise noted. Portfolio statistics and percentages are based on fair market value, reflect economic interest in securitizations and are net of participations issued. OBX Retained classification includes the fair market value of the economic interest of certain positions that are classified as Assets transferred or pledged to securitization vehicles within our Consolidated Financial Statements. Percentages may not sum to 100% due to rounding. Detailed endnotes and a glossary of defined terms are included at the end of this presentation.

# MSR | Business Update

**Annaly was the third largest buyer of MSR in 2024, resulting in nearly 25% portfolio market value growth year-over-year; Annaly remains a top 10 Agency MBS servicer with the lowest note rate among the top 20 servicers**

## Strategic Approach

- MSR portfolio complements Annaly's Agency MBS strategy by offering an attractive yield while providing a hedge to mortgage basis volatility and slower prepayment speeds on discount dollar-priced MBS
- As an established and scaled servicer, Annaly is well-positioned for opportunistic growth in both the bulk and flow MSR markets
- Annaly serves as a strategic partner to originators given certainty of capital and complementary business strategy
- Dynamic recapture capabilities with the ability to allocate across several industry-leading recapture partners
- Portfolio consists of low coupon, high-quality conventional MSR<sup>(1)</sup>

## Market Trends

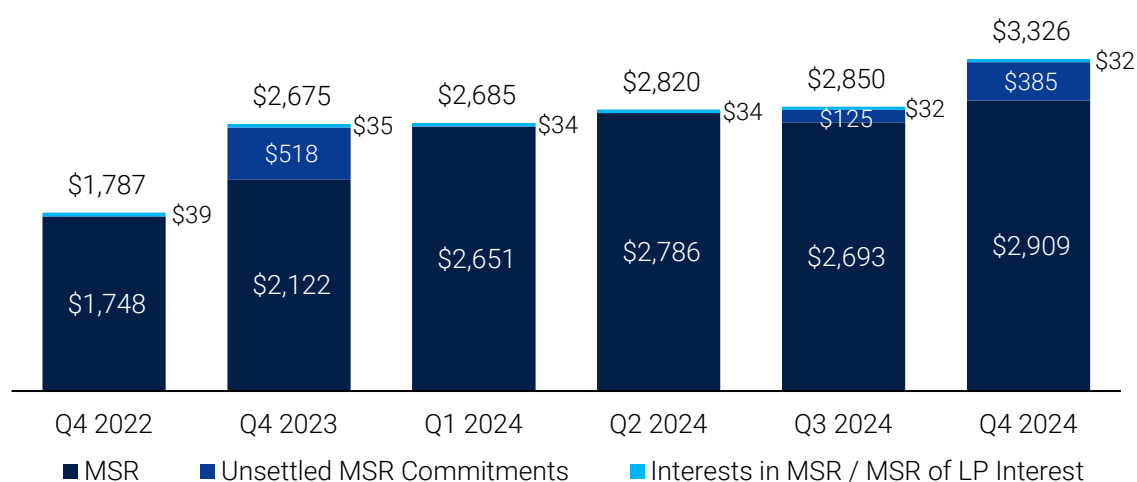
- Annaly's portfolio continues to benefit from slow prepayment speeds (down ~7% quarter-over-quarter) and muted delinquencies
- Annaly's MSR valuations increased by 3% in the fourth quarter driven primarily by interest rate increases
- Pricing has remained firm across both bulk and flow channels
- Bulk MSR supply moderated in the fourth quarter, down nearly 40% year-over-year<sup>(2)</sup>
  - Likelihood of large bulk volume in 2025 as we expect continued industry consolidation while the current origination volume outlook has deteriorated

## Top Conventional MSR Purchasers<sup>(2)</sup>

### Onslow Bay ranked third in MSR transfers in 2024

| Rank | Buyer                        | UPB (\$bn)  |
|------|------------------------------|-------------|
| 1    | Mr. Cooper                   | 122.3       |
| 2    | Freedom                      | 99.5        |
| 2    | <b>ON SLOW BAY FINANCIAL</b> | <b>57.7</b> |
| 4    | Quicken                      | 44.0        |
| 5    | Lakeview                     | 41.4        |
| 6    | JP Morgan                    | 39.1        |
| 7    | Truist Bank                  | 14.5        |
| 8    | Nexus Nova                   | 12.0        |
| 9    | Provident                    | 8.4         |
| 10   | Regions Bank                 | 7.7         |

## Annaly MSR Holdings (Market Value, \$mm)



# MSR | Portfolio Summary

- Annaly MSR Portfolio: \$3.3 billion in market value (including unsettled commitments) at the end of Q4 2024, an increase of 17% compared to Q3 2024<sup>(1)</sup>
  - Onslow Bay committed to purchase \$422 million in market value (\$28 billion in UPB) of MSR in the fourth quarter – mainly across three bulk packages – of which \$385 million is expected to settle in Q1 2025<sup>(1)</sup>
  - Portfolio experienced \$54 million of mark-to-market gains during the quarter net of paydowns
- MSR portfolio remains significantly out-of-the-money, supporting Annaly's stable cash flow profile, and continues to exhibit exceptional credit characteristics

## Current MSR Portfolio by the Numbers<sup>(2)</sup> (Excludes Interests in MSR / MSR of LP Interest)

**\$196.9**

UPB (\$bn)

**604**

Loan Count ('000)

**3.20%**

Weighted Average Note Rate

**3.7%**

3M CPR

**757 / 70%**

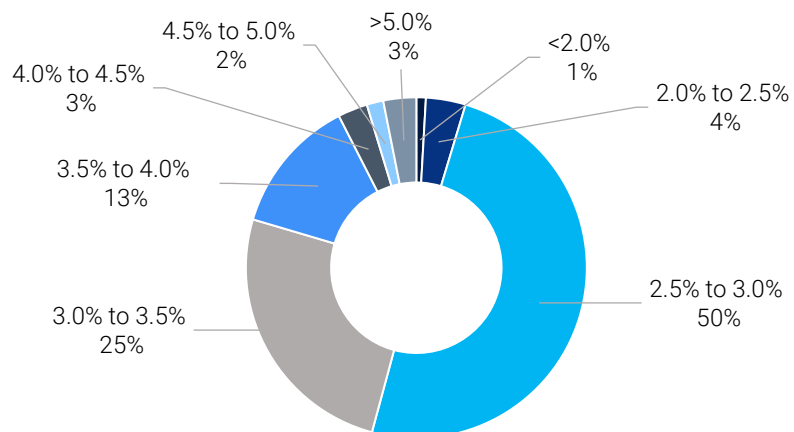
Wtd. Avg. FICO / LTV  
(at Origination)

**0.5%**

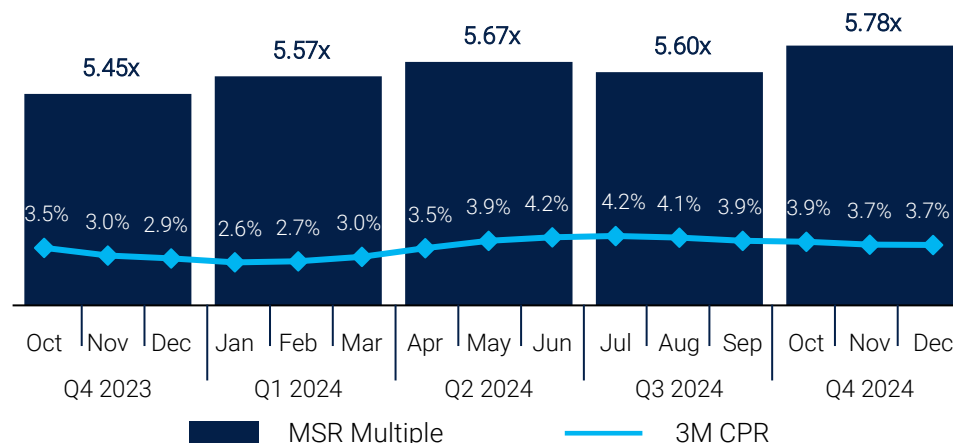
D60+

Total Dedicated Capital: \$2.5 billion

## Underlying Note Rate Distribution<sup>(2)</sup>



## Annaly MSR Valuation and Prepayment Speeds<sup>(3)</sup> (Excludes Interests in MSR / MSR of LP Interest)



Source: Company filings. Financial data as of December 31, 2024.  
Detailed endnotes and a glossary of defined terms are included at the end of this presentation.



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# Financial Highlights and Trends

# Financial Highlights and Trends

Unaudited

|   | For the quarters ended |           |           |           |            |
|---|------------------------|-----------|-----------|-----------|------------|
|   | 12/31/2024             | 9/30/2024 | 6/30/2024 | 3/31/2024 | 12/31/2023 |
| GAAP net income (loss) per average common share <sup>(1)</sup>                | \$0.78                 | \$0.05    | (\$0.09)  | \$0.85    | (\$0.88)   |
| Earnings available for distribution per average common share <sup>* (1)</sup> | \$0.72                 | \$0.66    | \$0.68    | \$0.64    | \$0.68     |
| Dividends declared per common share   | \$0.65                 | \$0.65    | \$0.65    | \$0.65    | \$0.65     |
| Book value per common share   | \$19.15                | \$19.54   | \$19.25   | \$19.73   | \$19.44    |
| Annualized GAAP return (loss) on average equity <sup>(2)</sup>                | 15.00%                 | 2.77%     | (0.31%)   | 16.29%    | (14.21%)   |
| Annualized EAD return on average equity*                                      | 14.27%                 | 12.95%    | 13.36%    | 12.63%    | 13.76%     |
| Net interest margin <sup>(3)</sup>  | 0.75%                  | 0.06%     | 0.24%     | (0.03%)   | (0.25%)    |
| Average yield on interest earning assets <sup>(4)</sup>                       | 5.36%                  | 5.16%     | 5.17%     | 4.88%     | 4.55%      |
| Average GAAP cost of interest bearing liabilities <sup>(5)</sup>              | 4.96%                  | 5.42%     | 5.43%     | 5.40%     | 5.37%      |
| Net interest margin (excluding PAA) <sup>(3)*</sup>                           | 1.71%                  | 1.52%     | 1.58%     | 1.43%     | 1.58%      |
| Average yield on interest earning assets (excluding PAA) <sup>(4)*</sup>      | 5.26%                  | 5.25%     | 5.14%     | 4.87%     | 4.64%      |
| Average economic cost of interest bearing liabilities <sup>(5)*</sup>         | 3.79%                  | 3.93%     | 3.90%     | 3.78%     | 3.42%      |
| GAAP leverage, at period-end <sup>(6)</sup>                                   | 7.1x                   | 6.9x      | 7.1x      | 6.7x      | 6.8x       |
| Economic leverage, at period-end <sup>(6)*</sup>                              | 5.5x                   | 5.7x      | 5.8x      | 5.6x      | 5.7x       |

\* Represents a non-GAAP financial measure; see Appendix.  
Detailed endnotes and a glossary of defined terms are included at the end of this presentation.

# Financial Highlights and Trends (cont'd)

Unaudited (dollars in thousands)

|  | For the quarters ended |              |              |              |              |
|--|------------------------|--------------|--------------|--------------|--------------|
|  | 12/31/2024             | 9/30/2024    | 6/30/2024    | 3/31/2024    | 12/31/2023   |
| Agency mortgage-backed securities  | \$67,434,068           | \$69,150,399 | \$64,390,905 | \$63,542,230 | \$66,308,788 |
| Residential credit risk transfer securities                                  | 754,915                | 826,841      | 838,437      | 871,421      | 974,059      |
| Non-Agency mortgage-backed securities  | 1,493,186              | 1,616,696    | 1,702,859    | 1,933,910    | 2,108,274    |
| Commercial mortgage-backed securities  | 74,278                 | 106,241      | 112,552      | 153,128      | 222,444      |
| Total securities   | \$69,756,447           | \$71,700,177 | \$67,044,753 | \$66,500,689 | \$69,613,565 |
| Residential mortgage loans   | \$3,546,902            | \$2,305,613  | \$2,548,228  | \$2,717,823  | \$2,353,084  |
| Total loans, net   | \$3,546,902            | \$2,305,613  | \$2,548,228  | \$2,717,823  | \$2,353,084  |
| Mortgage servicing rights  | \$2,909,134            | \$2,693,057  | \$2,785,614  | \$2,651,279  | \$2,122,196  |
| Residential mortgage loans transferred or pledged to securitization vehicles | \$21,973,188           | \$21,044,007 | \$17,946,812 | \$15,614,750 | \$13,307,622 |
| Assets transferred or pledged to securitization vehicles                     | \$21,973,188           | \$21,044,007 | \$17,946,812 | \$15,614,750 | \$13,307,622 |
| Total investment portfolio   | \$98,185,671           | \$97,742,854 | \$90,325,407 | \$87,484,541 | \$87,396,467 |

# Quarter-Over-Quarter Interest Rate & MBS Spread Sensitivity

## Unaudited

- The interest rate sensitivity and MBS spread sensitivity are based on the portfolios as of December 31, 2024 and September 30, 2024, respectively
- 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 December 31, 2024  |  | As of September 30, 2024   |  |
|----------------------------|--|--|--|--|
|                            | 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%   | (0.2%)   | (1.5%)   |
| (50)                       | 0.1%   | 1.0%   | — %  | (0.3%)   |
| (25)                       | 0.1%   | 0.8%   | — %  | 0.2%   |
| 25                         | (0.2%)   | (1.3%)   | (0.1%)   | (0.8%)   |
| 50                         | (0.4%)   | (2.9%)   | (0.3%)   | (2.3%)   |
| 75                         | (0.7%)   | (4.8%)   | (0.6%)   | (4.2%)   |

### MBS Spread Sensitivity<sup>(1)</sup>

| MBS Spread Shock (bps) | As of December 31, 2024                                   |  | As of September 30, 2024                                  |  |
|------------------------|---|--|---|--|
|                        | 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)                   | 1.3%  | 9.8%   | 1.2%  | 9.1%   |
| (15)                   | 0.8%  | 5.9%   | 0.7%  | 5.5%   |
| (5)                    | 0.3%  | 1.9%   | 0.2%  | 1.8%   |
| 5                      | (0.3%)  | (1.9%)   | (0.2%)  | (1.8%)   |
| 15                     | (0.8%)  | (5.8%)   | (0.7%)  | (5.4%)   |
| 25                     | (1.3%)  | (9.6%)   | (1.2%)  | (8.9%)   |



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## Appendix | Non-GAAP Reconciliations

# Non-GAAP Reconciliations

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Earnings Available for Distribution ("EAD"), a non-GAAP measure, is defined as the sum of (a) economic net interest income, (b) TBA dollar roll income, (c) net servicing income less realized amortization of MSR, (d) other income (loss) (excluding 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 ("PAA") 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.

For additional definitions of non-GAAP measures, please refer to Annaly's Fourth Quarter 2024 earnings release.

# Non-GAAP Reconciliations (cont'd)

Unaudited (dollars in thousands, except per share amounts)

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. 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. Reconciliations of these non-GAAP financial measures to their most directly comparable GAAP results are provided below and on the next page.

|   | For the quarters ended |             |           |             |             |
|---|------------------------|-------------|-----------|-------------|-------------|
|   | 12/31/2024             | 9/30/2024   | 6/30/2024 | 3/31/2024   | 12/31/2023  |
| <b>GAAP Net Income to Earnings Available for Distribution Reconciliation</b>    |                        |             |           |             |             |
| GAAP net income (loss)  | \$473,076              | \$82,351    | (\$8,833) | \$465,174   | (\$391,232) |
| <b>Adjustments to excluded reported realized and unrealized (gains) losses:</b> |                        |             |           |             |             |
| Net (gains) losses on investments and other <sup>(1)</sup>                      | 2,010,664              | (1,724,051) | 568,874   | 994,120     | (1,887,795) |
| Net (gains) losses on derivatives <sup>(2)</sup>                                | (1,958,777)            | 2,071,493   | (132,115) | (1,046,995) | 2,681,288   |
| <b>Other adjustments:</b>   |                        |             |           |             |             |
| Amortization of intangibles   | 671                    | 673         | 673       | 673         | 673         |
| Non-EAD (income) loss allocated to equity method investments <sup>(3)</sup>     | (652)                  | 1,465       | (523)     | 216         | 197         |
| Transaction expenses and non-recurring items <sup>(4)</sup>                     | 6,251                  | 4,966       | 5,329     | 3,737       | 2,319       |
| Income tax effect on non-EAD income (loss) items                                | 5,594                  | (9,248)     | 10,016    | (2,918)     | 1,484       |
| TBA dollar roll income <sup>(5)</sup>   | 2,086                  | (1,132)     | 486       | 1,375       | 1,720       |
| MSR amortization <sup>(6)</sup>   | (64,497)               | (62,480)    | (56,100)  | (50,621)    | (48,358)    |
| EAD attributable to non-controlling interests                                   | (2,114)                | (2,893)     | (3,362)   | (3,786)     | (4,014)     |
| Premium amortization adjustment (PAA) cost (benefit)                            | (25,287)               | 21,365      | (7,306)   | (3,013)     | 19,148      |
| Earnings Available for Distribution*  | 447,015                | 382,509     | 377,139   | 357,962     | 375,430     |
| Dividends on preferred stock  | 38,704                 | 41,628      | 37,158    | 37,061      | 37,181      |
| Earnings available for distribution attributable to common shareholders*        | \$408,311              | \$340,881   | \$339,981 | \$320,901   | \$338,249   |
| GAAP net income (loss) per average common share <sup>(7)</sup>                  | \$0.78                 | \$0.05      | (\$0.09)  | \$0.85      | (\$0.88)    |
| Earnings available for distribution per average common share <sup>(7)*</sup>    | \$0.72                 | \$0.66      | \$0.68    | \$0.64      | \$0.68      |
| Annualized GAAP return (loss) on average equity <sup>(8)</sup>                  | 15.00%                 | 2.77%       | (0.31%)   | 16.29%      | (14.21%)    |
| Annualized EAD return on average equity (excluding PAA)*                        | 14.27%                 | 12.95%      | 13.36%    | 12.63%      | 13.76%      |

\* Represents a non-GAAP financial measure.

Detailed endnotes and a glossary of defined terms are included at the end of this presentation.

# Non-GAAP Reconciliations (cont'd)

Unaudited (dollars in thousands)

|  | For the quarters ended |              |              |              |              |
|--|------------------------|--------------|--------------|--------------|--------------|
|  | 12/31/2024             | 9/30/2024    | 6/30/2024    | 3/31/2024    | 12/31/2023   |
| <b>Premium Amortization Reconciliation</b>   |                        |              |              |              |              |
| Premium amortization expense   | \$8,196                | \$53,448     | \$10,437     | \$26,732     | \$51,247     |
| Less:  |                        |              |              |              |              |
| PAA cost (benefit)   | (25,287)               | 21,365       | (7,306)      | (3,013)      | 19,148       |
| Premium amortization expense (excluding PAA)   | \$33,483               | \$32,083     | \$17,743     | \$29,745     | \$32,099     |
| <b>Interest Income (excluding PAA) Reconciliation</b>  |                        |              |              |              |              |
| GAAP interest income   | \$1,338,880            | \$1,229,341  | \$1,177,325  | \$1,094,488  | \$990,352    |
| PAA cost (benefit)   | (25,287)               | 21,365       | (7,306)      | (3,013)      | 19,148       |
| Interest income (excluding PAA)*   | \$1,313,593            | \$1,250,706  | \$1,170,019  | \$1,091,475  | \$1,009,500  |
| <b>Economic Interest Expense Reconciliation</b>  |                        |              |              |              |              |
| GAAP interest expense  | \$1,151,592            | \$1,215,940  | \$1,123,767  | \$1,100,939  | \$1,043,902  |
| Add:   |                        |              |              |              |              |
| Net interest component of interest rate swaps and net interest on initial margin related to interest rate swaps <sup>(1)</sup> | (272,305)              | (333,696)    | (317,297)    | (330,149)    | (379,377)    |
| Economic interest expense*   | \$879,287              | \$882,244    | \$806,470    | \$770,790    | \$664,525    |
| <b>Economic Net Interest Income (excluding PAA) Reconciliation</b>   |                        |              |              |              |              |
| Interest income (excluding PAA)  | \$1,313,593            | \$1,250,706  | \$1,170,019  | \$1,091,475  | \$1,009,500  |
| Less:  |                        |              |              |              |              |
| Economic interest expense*   | 879,287                | 882,244      | 806,470      | 770,790      | 664,525      |
| Economic net interest income (excluding PAA)*  | \$434,306              | \$368,462    | \$363,549    | \$320,685    | \$344,975    |
| <b>Economic Metrics (excluding PAA)</b>  |                        |              |              |              |              |
| Average interest earning assets  | \$99,876,810           | \$95,379,071 | \$91,008,934 | \$89,738,726 | \$87,020,120 |
| Interest income (excluding PAA)*   | 1,313,593              | 1,250,706    | 1,170,019    | 1,091,475    | 1,009,500    |
| Average yield on interest earning assets (excluding PAA)* <sup>(2)</sup>   | 5.26%                  | 5.25%        | 5.14%        | 4.87%        | 4.64%        |
| Average interest bearing liabilities   | \$90,773,953           | \$87,819,655 | \$81,901,223 | \$80,682,111 | \$76,010,247 |
| Economic interest expense*   | 879,287                | 882,244      | 806,470      | 770,790      | 664,525      |
| Average economic cost of interest bearing liabilities* <sup>(3)</sup>  | 3.79%                  | 3.93%        | 3.90%        | 3.78%        | 3.42%        |
| Interest income (excluding PAA)*   | \$1,313,593            | \$1,250,706  | \$1,170,019  | \$1,091,475  | \$1,009,500  |
| TBA dollar roll income   | 2,086                  | (1,132)      | 486          | 1,375        | 1,720        |
| Economic interest expense  | (879,287)              | (882,244)    | (806,470)    | (770,790)    | (664,525)    |
| Subtotal   | \$436,392              | \$367,330    | \$364,035    | \$322,060    | \$346,695    |
| Average interest earning assets  | \$99,876,810           | \$95,379,071 | \$91,008,934 | \$89,738,726 | \$87,020,120 |
| Average TBA contract balances  | 2,013,666              | 973,713      | 998,990      | 149,590      | 829,571      |
| Subtotal   | \$101,890,476          | \$96,352,784 | \$92,007,924 | \$89,888,316 | \$87,849,691 |
| Net interest margin (excluding PAA)*   | 1.71%                  | 1.52%        | 1.58%        | 1.43%        | 1.58%        |

\* Represents a non-GAAP financial measure.

Detailed endnotes and a glossary of defined terms are included at the end of this presentation.

# Non-GAAP Reconciliations (cont'd)

Unaudited (dollars in thousands)

|  | For the quarters ended |                     |                     |                     |                     |
|--|------------------------|---------------------|---------------------|---------------------|---------------------|
|  | 12/31/2024             | 9/30/2024           | 6/30/2024           | 3/31/2024           | 12/31/2023          |
| <b><i>Economic leverage ratio reconciliation</i></b> |                        |                     |                     |                     |                     |
| Repurchase agreements                                | \$65,688,923           | \$64,310,276        | \$60,787,994        | \$58,975,232        | \$62,201,543        |
| Other secured financing                              | 750,000                | 600,000             | 600,000             | 600,000             | 500,000             |
| Debt issued by securitization vehicles               | 19,540,678             | 18,709,118          | 15,831,915          | 13,690,967          | 11,600,338          |
| Participations issued                                | 1,154,816              | 467,006             | 1,144,821           | 1,161,323           | 1,103,835           |
| U.S. Treasury securities sold, not yet purchased     | 2,470,629              | 2,043,519           | 1,974,602           | 2,077,404           | 2,132,751           |
| <b>Total GAAP debt</b>                               | <b>\$89,605,046</b>    | <b>\$86,129,919</b> | <b>\$80,339,332</b> | <b>\$76,504,926</b> | <b>\$77,538,467</b> |
| Less non-recourse debt:                              |                        |                     |                     |                     |                     |
| Debt issued by securitization vehicles               | (\$19,540,678)         | (\$18,709,118)      | (\$15,831,915)      | (\$13,690,967)      | (\$11,600,338)      |
| Participations issued                                | (1,154,816)            | (467,006)           | (1,144,821)         | (1,161,323)         | (1,103,835)         |
| <b>Total recourse debt</b>                           | <b>\$68,909,552</b>    | <b>\$66,953,795</b> | <b>\$63,362,596</b> | <b>\$61,652,636</b> | <b>\$64,834,294</b> |
| Plus / (Less):                                       |                        |                     |                     |                     |                     |
| Cost basis of TBA derivatives                        | \$3,158,058            | \$3,333,873         | \$1,639,941         | \$1,136,788         | (\$555,221)         |
| Payable for unsettled trades                         | 308,282                | 1,885,286           | 1,096,271           | 2,556,798           | 3,249,389           |
| Receivable for unsettled trades                      | (2,201,447)            | (766,341)           | (320,659)           | (941,366)           | (2,710,224)         |
| <b>Economic debt*</b>                                | <b>\$70,174,445</b>    | <b>\$71,406,613</b> | <b>\$65,778,149</b> | <b>\$64,404,856</b> | <b>\$64,818,238</b> |
| <b>Total equity</b>                                  | <b>12,696,952</b>      | <b>12,539,949</b>   | <b>11,262,904</b>   | <b>11,496,113</b>   | <b>11,345,091</b>   |
| <b>Economic leverage ratio*</b>                      | <b>5.5x</b>            | <b>5.7x</b>         | <b>5.8x</b>         | <b>5.6x</b>         | <b>5.7x</b>         |

\* Represents a non-GAAP financial measure.



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# Glossary and Endnotes

# Glossary

|                  |   |                              |  |
|------------------|---|------------------------------|--|
| ARM:             | Refers to Adjustable-Rate Mortgage  | MSR:                         | Refers to Mortgage Servicing Rights  |
| CPR:             | Refers to Constant Prepayment Rate  | Non-Performing Loan ("NPL"): | A loan that is close to defaulting or is in default  |
| CRT:             | Refers to Credit Risk Transfer Securities   | Non-QM:                      | Refers to a Non-Qualified Mortgage   |
| EAD:             | Refers to Earnings Available for Distribution (formerly Core Earnings (excluding PAA))                        | OBX:                         | Refers to Onslow Bay Securities  |
| Economic Return: | Refers to the Company's change in book value plus dividends declared divided by the prior period's book value | Re-Performing Loan ("RPL"):  | A type of loan in which payments were previously delinquent by at least 90 days but have resumed   |
| FOMC:            | Refers to the Federal Reserve System's Federal Open Market Committee  | TBA:                         | Refers to To-Be-Announced Securities   |
| Ginnie Mae:      | Refers to the Government National Mortgage Association  | Unencumbered Assets:         | Represents Annaly's excess liquidity and defined as assets that have not been pledged or securitized (generally including cash and cash equivalents, Agency MBS, CRT, Non-Agency MBS, residential mortgage loans, MSR, reverse repurchase agreements, other unencumbered financial assets and capital stock) |
| GSE:             | Refers to Government Sponsored Enterprise   | UPB:                         | Refers to Unpaid Principal Balance   |
| HPA:             | Refers to Home Price Appreciation   | WAC:                         | Refers to Weighted Average Coupon  |
| IO:              | Refers to Interest-Only Bond  |                              |  |

# Endnotes

## Page 3

1. Comprised of \$5.8bn of unencumbered assets, which represents Annaly's excess liquidity and defined as assets that have not been pledged or securitized (generally including cash and cash equivalents, Agency MBS, CRT, Non-Agency MBS, residential mortgage loans, MSR, reverse repurchase agreements, other unencumbered financial assets and capital stock), and \$1.1bn of fair value of collateral pledged for future advances.
2. Issuer ranking data from Inside Nonconforming Markets for 2023 – 2024 (January 10, 2025 issue). Used with permission.
3. Includes a \$250mm upsize to an existing credit facility for Annaly's MSR business that closed in January 2025.
4. Net of sales agent commissions and other offering expenses.
5. Total portfolio represents Annaly's investments that are on-balance sheet as well as investments that are off-balance sheet in which Annaly has economic exposure. Assets exclude assets transferred or pledged to securitization vehicles of \$22.0bn, include TBA purchase contracts (market value) of \$3.2bn, include unsettled MSR commitments of \$385mm, include \$2.3bn of retained securities that are eliminated in consolidation and are shown net of participations issued totaling \$1.2bn. MSR commitments represent the market value of deals where Annaly has executed a letter of intent. There can be no assurance whether these deals will close or when they will close.

## Page 4

1. Dividend yield is based on annualized Q4 2024 dividend of \$0.65 and a closing price of \$18.30 on December 31, 2024.
2. Total portfolio represents Annaly's investments that are on-balance sheet as well as investments that are off-balance sheet in which Annaly has economic exposure. Assets exclude assets transferred or pledged to securitization vehicles of \$22.0bn, include TBA purchase contracts (market value) of \$3.2bn, include unsettled MSR commitments of \$385mm, include \$2.3bn of retained securities that are eliminated in consolidation and are shown net of participations issued totaling \$1.2bn. MSR commitments represent the market value of deals where Annaly has executed a letter of intent. There can be no assurance whether these deals will close or when they will close.
3. Capital allocation for each of the investment strategies is calculated as the difference between each investment strategy's allocated assets, which include TBA purchase contracts, and liabilities.
4. Comprised of \$5.8bn of unencumbered assets, which represents Annaly's excess liquidity and defined as assets that have not been pledged or securitized (generally including cash and cash equivalents, Agency MBS, CRT, Non-Agency MBS, residential mortgage loans, MSR, reverse repurchase agreements, other unencumbered financial assets and capital stock), and \$1.1bn of fair value of collateral pledged for future advances.
5. Hedge portfolio excludes receiver swaptions.
6. Computed as the sum of recourse debt, cost basis of TBA derivatives outstanding and net forward purchases (sales) of investments divided by total equity. Recourse debt consists of repurchase agreements, other secured financing and U.S. Treasury securities sold, not yet purchased. Debt issued by securitization vehicles and participations issued are non-recourse to the Company and are excluded from this measure.
7. Hedge ratio measures total notional balances of interest rate swaps, interest rate swaptions (excluding receiver swaptions) and futures and U.S. Treasury securities sold, not yet purchased relative to repurchase agreements, other secured financing and cost basis of TBA derivatives outstanding and net forward purchases (sales) of investments; 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.
8. Average economic cost of funds reflects economic interest expense.

## Page 5

1. Total portfolio represents Annaly's investments that are on-balance sheet as well as investments that are off-balance sheet in which Annaly has economic exposure. Agency assets include TBA purchase contracts (market value) of \$3.2bn. Residential Credit assets exclude assets transferred or pledged to securitization vehicles of \$22.0bn, include \$2.3bn of retained securities that are eliminated in consolidation and are shown net of participations issued totaling \$1.2bn. MSR assets include unsettled MSR commitments of \$385mm. MSR commitments represent the market value of deals where Annaly has executed a letter of intent. There can be no assurance whether these deals will close or when they will close.
2. Capital allocation for each of the investment strategies is calculated as the difference between each investment strategy's allocated assets, which include TBA purchase contracts, and liabilities.

## Page 6

1. Represents the year-over-year change in the monthly Personal Consumption Expenditure Price Index excluding food and energy costs ("Core PCE") from the U.S. Bureau of Economic Analysis through November 2024.
2. Represents the share of FOMC members who weighted Core PCE inflation risks to the upside in the quarterly Summary of Economic Projections.
3. Represents the trailing 3-month moving average of headline non-farm payrolls growth and the unemployment rate from the U.S. Bureau of Labor Statistics.
4. Represents the Federal Reserve Bank of New York's Adrian-Crump-Moench 10-year Treasury term premium as of January 23, 2025 retrieved via Bloomberg.

## Page 7

1. Levered return assumptions are for illustrative purposes only and attempt to represent current market asset returns and available leverage and financing terms for prospective investments of the same, or of a substantially similar, nature to those held in Annaly's portfolio in each respective group. Illustrative levered returns do not represent returns of Annaly's actual portfolio. For MSR, illustrative levered returns are shown hedged with Agency MBS/TBA.
2. Based on data from the Zillow U.S. Home Value Index for the period ended December 31, 2024.
3. Based on data compiled from market research as of December 2024, including reports from BofA Securities, JP Morgan and Nomura.
4. Based on information aggregated from 2024 Fannie Mae and Freddie Mac monthly loan level files by eMBS servicing transfer data as of December 31, 2024. Excludes transfer activity related to platform acquisitions.

## Page 8

1. Includes a \$618mm whole loan securitization that priced in January 2025.
2. Purchases and outstanding pipeline as of December 31, 2024, including loans from a joint venture with a sovereign wealth fund.
3. Issuer ranking data from Inside Nonconforming Markets for 2023 – 2024 (January 10, 2025 issue). Used with permission.
4. Based on data from the BofA Securities Non-QM Shelf and Deal Report, as of December 25, 2024 securities remittance report.
5. Includes unsettled commitments of \$385mm. MSR commitments represent the market value of deals where Annaly has executed a letter of intent. There can be no assurance whether these deals will close or when they will close.
6. Based on information aggregated from 2024 Fannie Mae and Freddie Mac monthly loan level files by eMBS servicing transfer data as of December 31, 2024. Excludes transfer activity related to platform acquisitions.
7. Based on data from Inside Mortgage Finance for the period ended December 31, 2024. Used with permission.

## Page 10

1. Based on data compiled from market research as of December 2024, including reports from Barclays, BofA Securities, JP Morgan and Morgan Stanley. \$400bn estimate represents both organic growth of Agency MBS outstanding and Fed portfolio runoff.
2. Represents Agency's hedging profile and does not reflect Annaly's full hedging profile across all three businesses.
3. Represents Agency's funding profile and does not reflect Annaly's full funding profile across all three businesses.

## Page 11

1. Includes TBA purchase contracts.
2. Includes TBA purchase contracts and fixed-rate pass-through certificates.
3. Includes fixed-rate pass-through certificates only. "High Quality Spec" protection is defined as pools backed by original loan balances of up to \$150k, highest LTV pools (CR>125% LTV), geographic concentrations (NY/PR). "Med Quality Spec" includes loan balance pools greater than or equal to \$175k up to \$300k and high LTV (CQ 105-125% LTV) and 40-year pools. "Other Call Protected" is defined as pools backed by Florida loans, pools with mission density scores greater than or equal to 2, as well as investor and second home pools. "40+ WALA" is defined as weighted average loan age greater than 40 months and treated as seasoned collateral.

## Page 12

1. Includes a \$618mm whole loan securitization that priced in January 2025.
2. Based on data from the Zillow U.S. Home Value Index for the period ended December 31, 2024. Month-over-month data is seasonally adjusted, while year-over-year data is not.
3. Based on data from the BofA Securities Non-QM Shelf and Deal Report, as of December 25, 2024 securities remittance report.

# Endnotes (cont'd)

## Page 13

1. Excludes assets transferred or pledged to securitization vehicles of \$22.0bn, include \$2.3bn of retained securities that are eliminated in consolidation and are shown net of participations issued totaling \$1.2bn.
2. Whole loans settled include loans from a joint venture with a sovereign wealth fund as well as loans from sponsored securitizations.
3. Issuer ranking data from Inside Nonconforming Markets for 2023 – 2024 (January 10, 2025 issue). Used with permission.
4. Based on data from the BofA Securities Non-QM Shelf and Deal Report, as of December 25, 2024 securities remittance report.
5. Reflects cost of funds only for outstanding debt held by third parties for the quarter ended December 31, 2024.
6. Shown exclusive of securitized residential mortgage loans of consolidated variable interest entities.
7. Prime includes \$27.6mm of Prime IO, OBX Retained contains \$343.2mm of Prime IO and Prime Jumbo IO and Prime Jumbo includes \$90.1mm of Prime Jumbo IO.

## Page 14

1. Portfolio excludes retained servicing on whole loans within the Residential Credit portfolio.
2. Based on information aggregated from 2024 Fannie Mae and Freddie Mac monthly loan level files by eMBS servicing transfer data as of December 31, 2024. Excludes transfer activity related to platform acquisitions.

## Page 15

1. MSR assets include unsettled MSR commitments of \$385mm. MSR commitments represent the market value of deals where Annaly has executed a letter of intent. There can be no assurance whether these deals will close or when they will close.
2. Excludes unsettled commitments of \$385mm.
3. Excludes unsettled commitments of \$518mm in Q4 2023, \$125mm in Q3 2024 and \$385mm in Q4 2024. Prepayment data excludes assets in interim servicing.

## Page 17

1. Net of dividends on preferred stock.
2. Annualized GAAP return (loss) on average equity annualizes gains and (losses) which are not indicative of full year performance, unannualized GAAP return (loss) on average equity is 3.75%, 0.69%, (0.08%), 4.07% and (3.55%) for the quarters ended December 31, 2024, September 30, 2024, June 30, 2024, March 31, 2024 and December 31, 2023, respectively.
3. 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 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 balances.
4. 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).
5. 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, the net interest component of interest rate swaps, and, beginning with the quarter ended June 30, 2024, net interest on initial margin related to interest rate swaps, which is reported in Other, net in the Company's Consolidated Statement of Comprehensive Income (Loss). Prior period results have not been adjusted in accordance with this change as the impact is not material. Net interest on variation margin related to interest rate swaps was previously and is currently included in the Net interest component of interest rate swaps in the Company's Consolidated Statement of Comprehensive Income (Loss) for all periods presented.
6. 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") 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.

## Page 19

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.

## Non-GAAP Reconciliations

### Page 22

1. Includes write-downs or recoveries on investments which is reported in Other, net in the Company's Consolidated Statement of Comprehensive Income (Loss).
2. 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 \$256.9, \$317.5mm, \$298.4mm, \$330.1mm and \$379.4mm for the quarters ended December 31, 2024, September 30, 2024, June 30, 2024, March 31, 2024 and December 31, 2023, respectively.
3. 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 a component of Other income (loss).
4. All quarters presented include costs incurred in connection with securitizations of residential whole loans.
5. TBA dollar roll income represents a component of Net gains (losses) on derivatives.
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. Net of dividends on preferred stock.
8. Annualized GAAP return (loss) on average equity annualizes gains and (losses) which are not indicative of full year performance, unannualized GAAP return (loss) on average equity is 3.75%, 0.69%, (0.08%), 4.07% and (3.55%) for the quarters ended December 31, 2024, September 30, 2024, June 30, 2024, March 31, 2024 and December 31, 2023, respectively.

### Page 23

1. Interest on initial margin related to interest rate swaps is reported in Other, net in the Company's Consolidated Statement of Comprehensive Income (Loss).
2. Average yield on interest earning assets (excluding PAA) represents annualized interest income (excluding PAA) divided by average interest earning assets. Average interest earning assets reflects the average amortized cost of our investments during the period.
3. Average economic cost of interest bearing liabilities represents annualized economic interest expense divided by average interest bearing liabilities. Average interest bearing liabilities reflects the average balances during the period. Economic interest expense is comprised of GAAP interest expense, the net interest component of interest rate swaps, and, beginning with the quarter ended June 30, 2024, net interest on initial margin related to interest rate swaps, which is reported in Other, net in the Company's Consolidated Statement of Comprehensive Income (Loss). Prior period results have not been adjusted in accordance with this change as the impact is not material. Net interest on variation margin related to interest rate swaps was previously and is currently included in the Net interest component of interest rate swaps in the Company's Consolidated Statement of Comprehensive Income (Loss) for all periods presented.