

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Annaly Capital Management Inc.		2 Issuer's employer identification number (EIN) 22-3479661	
3 Name of contact for additional information Investor Inquiries	4 Telephone No. of contact 1-888-826-6259	5 Email address of contact investor@annaly.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1211 Avenue of the Americas, 41st Fl		7 City, town, or post office, state, and ZIP code of contact New York, NY 10036	
8 Date of action September 23, 2022		9 Classification and description One-for-four reverse stock split of common stock	
10 CUSIP number (New)035710839	11 Serial number(s) N/A	12 Ticker symbol NLY	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **At close of business on September 23, 2022, Annaly Capital Management, Inc. ("Annaly" or the "Company") effected a one-for-four reverse stock split for its outstanding shares of common stock. Pursuant to the reverse stock split, every four (4) shares of issued and outstanding common stock automatically converted into one (1) share of common stock. No fractional shares will be issued. A shareholder who would have otherwise been entitled to a fractional share as a result of the reverse stock split received cash in lieu thereof.**

In addition, Annaly's common stock CUSIP number changed from 035710409 to 035710839.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **Upon the effective date of the reverse stock split, every four (4) shares of common stock of Annaly automatically converted into one (1) share of common stock. As a result, shareholders must allocate the aggregate tax basis in their shares held immediately prior to the reverse stock split (the "old shares") among the shares held immediately after the reverse stock split (the "new shares") including any fractional shares for which cash in lieu was deemed to be received for U.S. federal income tax purposes. In general, the aggregate tax basis must be allocated to the new shares (or allocable portions thereof) in a manner that reflects, to the greatest extent possible, the basis in the old shares that were acquired on the same date and at the same price. To the extent it is not possible to allocate basis in this manner, the aggregate tax basis must be allocated in a manner that minimizes the disparity in the holding periods of the old shares whose basis is allocated to any particular new share received. This may cause a new share to have a split basis and split holding period. Shareholders that have acquired different blocks of common stock at different times or at different prices are urged to consult their own tax advisors regarding the allocation of their aggregated adjusted basis among, and the holding period of, that common stock.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **See answer to Line 15. Because no fractional shares were issued, the aggregate tax basis of the Company's common stock held by a shareholder immediately after the reverse stock split could be less than the pre-reverse split aggregate tax basis by an amount equal to the aggregate tax basis allocated to the non-converted shares sold for cash, if any.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► **Sections 354, 358, 368, and 1001.**

18 Can any resulting loss be recognized? ► **The one (1) for four (4) reverse stock split is intended to be treated as a recapitalization for U.S. federal income tax purposes. Therefore, except as described below with respect to cash received in lieu of a fractional share, a shareholder will not recognize any gain or loss for U.S. federal income tax purposes as a result of the reverse stock split.**

In general, a shareholder who receives cash payment in lieu of a fractional share will recognize capital gain or loss equal to the difference between the amount of cash received in lieu of the fractional share and the shareholder's adjusted tax basis in the fractional share. Such gain or loss generally will be long-term capital gain or loss if the shareholder's holding period in its pre-reverse stock split shares is more than one year as of the reverse stock split date. The deductibility of net capital loss may be subject to limitations.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► **The reportable tax year in which the reverse stock split occurred is 2022.**

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►

Date ►

Print your name ► **Serena Wolfe**

Title ► **Chief Financial Officer**

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054