

ANNALY®

First Quarter 2024 Supplemental Information

April 24, 2024

Important Notices

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This presentation, other written or oral communications, and our public documents to which we refer contain or incorporate by reference certain forward-looking statements which are based on various assumptions (some of which are beyond our control) and may be identified by reference to a future period or periods or by the use of forward-looking terminology, such as "may," "will," "believe," "expect," "anticipate," "continue," or similar terms or variations on those terms or the negative of those terms. Such statements include those relating to the Company's future performance, macro outlook, the interest rate and credit environments, tax reform and future opportunities. Actual results could differ materially from those set forth in forward-looking statements due to a variety of factors, including, but not limited to, changes in interest rates; changes in the yield curve; changes in prepayment rates; the availability of mortgage-backed securities ("MBS") and other securities for purchase; the availability of financing and, if available, the terms of any financing; changes in the market value of the Company's assets; changes in business conditions and the general economy including cybersecurity incidents; the Company's ability to grow its residential credit business; the Company's ability to grow its mortgage servicing rights business; credit risks related to the Company's investments in credit risk transfer securities and residential mortgage-backed securities and related residential mortgage credit assets; risks related to investments in mortgage servicing rights; the Company's ability to consummate any contemplated investment opportunities; changes in government regulations or policy affecting the Company's business; the Company's ability to maintain its qualification as a REIT for U.S. federal income tax purposes; the Company's ability to maintain its exemption from registration under the Investment Company Act of 1940; and operational risks or risk management failures by us or critical third parties, including cybersecurity incidents. 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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Financial Snapshot

Unaudited, dollars in thousands except per share amounts

	For the quarters ended		
	3/31/2024	12/31/2023	
Income Statement	GAAP net income (loss) per average common share ⁽¹⁾	\$0.85	(\$0.88)
	Earnings available for distribution per average common share ^{*(1)}	\$0.64	\$0.68
	Annualized GAAP return (loss) on average equity ⁽²⁾	16.29%	(14.21%)
	Annualized EAD return on average equity*	12.63%	13.76%
Balance Sheet	Book value per common share	\$19.73	\$19.44
	GAAP leverage at period-end ⁽³⁾	6.7x	6.8x
	Economic leverage at period-end ^{*(3)}	5.6x	5.7x
	GAAP capital ratio at period-end ⁽⁴⁾	12.6%	12.2%
	Economic capital ratio at period-end ^{*(4)}	14.6%	14.0%
Portfolio	Securities	\$66,500,689	\$69,613,565
	Loans, net	2,717,823	2,353,084
	Mortgage servicing rights ⁽⁵⁾	2,651,279	2,122,196
	Assets transferred or pledged to securitization vehicles	15,614,750	13,307,622
	Total investment portfolio	\$87,484,541	\$87,396,467
GAAP Key Statistics	Net interest margin ⁽⁶⁾	(0.03%)	(0.25%)
	Average yield on interest earning assets ⁽⁷⁾	4.88%	4.55%
	Average GAAP cost of interest bearing liabilities ⁽⁸⁾	5.40%	5.37%
	Net interest spread	(0.52%)	(0.82%)
Non-GAAP Key Statistics	Net interest margin (excluding PAA) ^{*(6)}	1.43%	1.58%
	Average yield on interest earning assets (excluding PAA) ^{*(7)}	4.87%	4.64%
	Average economic cost of interest bearing liabilities ^{*(8)}	3.78%	3.42%
	Net interest spread (excluding PAA) *	1.09%	1.22%
Efficiency	Operating expenses to earnings available for distribution *	10.77%	10.36%
	Annualized operating expenses as a % of average total assets	0.17%	0.17%
	Annualized operating expenses as a % of average total equity	1.35%	1.41%

* 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				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
Agency mortgage-backed securities	\$63,542,230	\$66,308,788	\$66,591,536	\$67,764,264	\$65,623,534
Residential credit risk transfer securities	871,421	974,059	982,951	1,064,401	1,085,384
Non-agency mortgage-backed securities	1,933,910	2,108,274	2,063,861	2,008,106	2,028,656
Commercial mortgage-backed securities	153,128	222,444	222,382	365,690	500,611
Total securities	\$66,500,689	\$69,613,565	\$69,860,730	\$71,202,461	\$69,238,185
Residential mortgage loans	\$2,717,823	\$2,353,084	\$1,793,140	\$1,154,320	\$1,642,822
Total loans, net	\$2,717,823	\$2,353,084	\$1,793,140	\$1,154,320	\$1,642,822
Mortgage servicing rights	\$2,651,279	\$2,122,196	\$2,234,813	\$2,018,896	\$1,790,980
Residential mortgage loans transferred or pledged to securitization vehicles	\$15,614,750	\$13,307,622	\$11,450,346	\$11,318,419	\$10,277,588
Assets transferred or pledged to securitization vehicles	\$15,614,750	\$13,307,622	\$11,450,346	\$11,318,419	\$10,277,588
Total investment portfolio	\$87,484,541	\$87,396,467	\$85,339,029	\$85,694,096	\$82,949,575
Total assets	\$91,483,546	\$93,227,236	\$89,648,423	\$89,330,477	\$86,832,017
Period-end TBA contract and CMBX balances, implied market value	\$1,133,305	(\$573,602)	\$1,925,614	\$3,627,716	\$12,386,325
Average TBA contract and CMBX balances, implied market value	\$143,687	\$816,835	\$2,943,120	\$6,305,144	\$13,935,845

Portfolio-Related Data

Financing and Capital Data

Unaudited, dollars in thousands except per share amounts

	For the quarters ended					
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	
Financing Data	Repurchase agreements	\$58,975,232	\$62,201,543	\$64,693,821	\$61,637,600	\$60,993,018
	Other secured financing	600,000	500,000	500,000	500,000	250,000
	Debt issued by securitization vehicles	13,690,967	11,600,338	9,983,847	9,789,282	8,805,911
	Participations issued	1,161,323	1,103,835	788,442	492,307	673,431
	U.S. Treasury securities sold, not yet purchased	2,077,404	2,132,751	—	—	—
	Total debt	\$76,504,926	\$77,538,467	\$75,966,110	\$72,419,189	\$70,722,360
	Total liabilities	\$79,987,433	\$81,882,145	\$78,971,366	\$77,443,132	\$74,922,984
	Cumulative redeemable preferred stock	\$1,536,569	\$1,536,569	\$1,536,569	\$1,536,569	\$1,536,569
	Common equity ⁽¹⁾	9,872,964	9,719,224	9,027,901	10,239,710	10,255,553
	Total Annaly stockholders' equity	11,409,533	11,255,793	10,564,470	11,776,279	11,792,122
	Non-controlling interests	86,580	89,298	112,587	111,066	116,911
Total equity	\$11,496,113	\$11,345,091	\$10,677,057	\$11,887,345	\$11,909,033	
Key Capital and Hedging Metrics	Weighted average days to maturity of repurchase agreements	43	44	52	44	59
	Weighted average rate on repurchase agreements, for the quarter ⁽²⁾⁽³⁾	5.55%	5.56%	5.44%	5.15%	4.62%
	Weighted average rate on repurchase agreements, at period-end ⁽³⁾	5.55%	5.70%	5.54%	5.29%	5.03%
	GAAP leverage at period-end	6.7x	6.8x	7.1x	6.1x	5.9x
	Economic leverage at period-end *	5.6x	5.7x	6.4x	5.8x	6.4x
	GAAP capital ratio at period-end	12.6%	12.2%	11.9%	13.3%	13.7%
	Economic capital ratio at period-end *	14.6%	14.0%	13.1%	14.3%	13.2%
	Book value per common share	\$19.73	\$19.44	\$18.25	\$20.73	\$20.77
	Total common shares outstanding	500,440	500,080	494,814	493,893	493,881
	Hedge ratio ⁽⁴⁾	97%	106%	115%	105%	106%
	Weighted average pay rate on interest rate swaps, at period-end	3.20%	3.04%	2.61%	2.50%	2.13%
Weighted average receive rate on interest rate swaps, at period-end	5.26%	5.31%	5.27%	5.05%	4.87%	
Weighted average net rate on interest rate swaps, at period-end	(2.06%)	(2.27%)	(2.66%)	(2.55%)	(2.74%)	

* 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				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
Total interest income	\$1,094,488	\$990,352	\$1,001,485	\$921,494	\$818,250
Total interest expense	1,100,939	1,043,902	1,046,819	953,457	798,787
Net interest income	(\$6,451)	(\$53,550)	(\$45,334)	(\$31,963)	\$19,463
Total economic interest expense ^{*(1)}	\$770,790	\$664,525	\$652,142	\$528,164	\$413,081
Economic net interest income *	\$323,698	\$325,827	\$349,343	\$393,330	\$405,169
Total interest income (excluding PAA) *	\$1,091,475	\$1,009,500	\$995,423	\$909,571	\$818,741
Economic net interest income (excluding PAA) *	\$320,685	\$344,975	\$343,281	\$381,407	\$405,660
GAAP net income (loss)	\$465,174	(\$391,232)	(\$569,084)	\$161,187	(\$839,328)
GAAP net income (loss) available (related) to common stockholders ⁽²⁾	\$425,831	(\$440,924)	(\$599,059)	\$131,267	(\$876,131)
GAAP net income (loss) per average common share ⁽²⁾	\$0.85	(\$0.88)	(\$1.21)	\$0.27	(\$1.79)
Earnings available for distribution *	\$357,962	\$375,430	\$361,979	\$389,475	\$427,130
Earnings available for distribution attributable to common stockholders ^{*(2)}	\$320,901	\$338,249	\$325,125	\$353,709	\$395,255
Earnings available for distribution per average common share ^{*(2)}	\$0.64	\$0.68	\$0.66	\$0.72	\$0.81
PAA cost (benefit)	(\$3,013)	\$19,148	(\$6,062)	(\$11,923)	\$491
Weighted average experienced CPR for the period	6.0%	6.3%	7.3%	7.0%	5.5%
Weighted average projected long-term CPR at period-end	8.9%	9.4%	7.1%	8.6%	8.4%

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					
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	
Key GAAP Earnings Metrics	Dividends declared per common share	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65
	Total common and preferred dividends declared ⁽¹⁾	\$363,933	\$363,758	\$360,018	\$358,214	\$354,374
	Annualized GAAP return (loss) on average equity ⁽²⁾	16.29%	(14.21%)	(20.18%)	5.42%	(28.84%)
	Annualized GAAP return (loss) on average equity per unit of GAAP leverage	2.43%	(2.09%)	(2.84%)	0.89%	(4.89%)
	Net interest margin	(0.03%)	(0.25%)	(0.20%)	(0.15%)	0.09%
	Average yield on interest earning assets	4.88%	4.55%	4.49%	4.27%	3.96%
	Average GAAP cost of interest bearing liabilities	5.40%	5.37%	5.27%	5.00%	4.52%
	Net interest spread	(0.52%)	(0.82%)	(0.78%)	(0.73%)	(0.56%)
Key Non-GAAP Earnings Metrics	Annualized EAD return on average equity *	12.63%	13.76%	12.96%	13.22%	14.82%
	Annualized EAD return on average equity per unit of economic leverage *	2.26%	2.41%	2.03%	2.28%	2.32%
	Net interest margin (excluding PAA) *	1.43%	1.58%	1.48%	1.66%	1.76%
	Average yield on interest earning assets (excluding PAA) *	4.87%	4.64%	4.46%	4.22%	3.96%
	Average economic cost of interest bearing liabilities *	3.78%	3.42%	3.28%	2.77%	2.34%
	Net interest spread (excluding PAA) *	1.09%	1.22%	1.18%	1.45%	1.62%

* 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				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
Interest income:					
Agency Securities	\$751,516	\$697,299	\$753,007	\$686,912	\$603,102
Resi Credit Securities	55,996	57,815	57,229	56,477	53,745
Residential mortgage loans	252,016	212,440	181,965	162,202	147,231
Commercial investment portfolio	3,554	4,376	5,812	8,310	9,887
Reverse repurchase agreements	31,406	18,422	3,472	7,593	4,285
Total interest income	\$1,094,488	\$990,352	\$1,001,485	\$921,494	\$818,250
Economic interest expense:					
Repurchase agreements	\$897,598	\$879,531	\$917,997	\$841,257	\$698,742
Net interest component of interest rate swaps	(330,149)	(379,377)	(394,677)	(425,293)	(385,706)
U.S. Treasury securities sold, not yet purchased	22,073	11,497	—	—	—
Debt issued by securitization vehicles	161,017	135,869	116,962	101,819	88,934
Participations issued	20,251	17,005	11,860	10,381	11,111
Total economic interest expense *	\$770,790	\$664,525	\$652,142	\$528,164	\$413,081
Economic net interest income *	\$323,698	\$325,827	\$349,343	\$393,330	\$405,169
PAA cost (benefit)	(3,013)	19,148	(6,062)	(11,923)	491
Economic net interest income (excluding PAA) *	\$320,685	\$344,975	\$343,281	\$381,407	\$405,660

* Represents a non-GAAP financial measure.

GAAP Net Income to Earnings Available for Distribution* Reconciliation

Unaudited, dollars in thousands

	For the quarters ended				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
GAAP net income (loss)	\$465,174	(\$391,232)	(\$569,084)	\$161,187	(\$839,328)
Adjustments to exclude reported realized and unrealized (gains) losses:					
Net (gains) losses on investments and other ⁽¹⁾	994,120	(1,887,795)	2,710,208	1,316,837	(1,712)
Net (gains) losses on derivatives ⁽²⁾	(1,046,995)	2,681,288	(1,732,753)	(1,050,032)	1,286,458
Loan loss provision (reversal)	—	—	—	—	(219)
Other adjustments:					
Amortization of intangibles	673	673	2,384	758	758
Non-EAD (income) loss allocated to equity method investments ⁽³⁾	216	197	(140)	541	(244)
Transaction expenses and non-recurring items ⁽⁴⁾	3,737	2,319	1,882	2,650	1,358
Income tax effect of non-EAD income (loss) items	(2,918)	1,484	9,444	12,364	8,278
TBA dollar roll income and CMBX coupon income ⁽⁵⁾	1,375	1,720	(1,016)	1,734	18,183
MSR amortization ⁽⁶⁾	(50,621)	(48,358)	(49,073)	(41,297)	(43,423)
EAD attributable to noncontrolling interests	(3,786)	(4,014)	(3,811)	(3,344)	(3,470)
Premium amortization adjustment cost (benefit)	(3,013)	19,148	(6,062)	(11,923)	491
Earnings available for distribution *	357,962	375,430	361,979	389,475	427,130
Dividends on preferred stock	37,061	37,181	36,854	35,766	31,875
Earnings available for distribution attributable to common stockholders *	\$320,901	\$338,249	\$325,125	\$353,709	\$395,255

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				
		3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
Book Value Rollforward	Book value per common share, beginning of period	\$19.44	\$18.25	\$20.73	\$20.77	\$20.79
	Net income (loss) available (related) to common stockholders	0.85	(0.88)	(1.21)	0.27	(1.79)
	Other comprehensive income (loss) attributable to common stockholders	0.11	2.72	(0.63)	0.34	2.37
	Common dividends declared	(0.65)	(0.65)	(0.65)	(0.65)	(0.65)
	Issuance / buyback of common stock / redemption of preferred stock	(0.02)	—	0.01	—	0.05
	Book value per common share, end of period	\$19.73	\$19.44	\$18.25	\$20.73	\$20.77
Net Interest Margin	Prior quarter net interest margin	(0.25%)	(0.20%)	(0.15%)	0.09%	0.65%
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon on average interest earning assets	0.21%	0.19%	0.16%	0.17%	0.22%
	Net amortization of premiums	0.12%	(0.13%)	0.06%	0.14%	(0.12%)
	GAAP interest expense	(0.11%)	(0.11%)	(0.27%)	(0.55%)	(0.66%)
	Current quarter net interest margin	(0.03%)	(0.25%)	(0.20%)	(0.15%)	0.09%
Net Interest Spread	Prior quarter net interest spread	(0.82%)	(0.78%)	(0.73%)	(0.56%)	0.15%
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon on average interest earning assets	0.21%	0.19%	0.16%	0.17%	0.22%
	Net amortization of premiums	0.12%	(0.13%)	0.06%	0.14%	(0.12%)
	GAAP interest expense	(0.03%)	(0.10%)	(0.27%)	(0.48%)	(0.81%)
	Current quarter net interest spread	(0.52%)	(0.82%)	(0.78%)	(0.73%)	(0.56%)

Quarter-Over-Quarter Changes in Key Metrics (cont'd)

Unaudited

	For the quarters ended					
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	
Net Interest Margin (excluding PAA)*	Prior quarter net interest margin (excluding PAA) *	1.58%	1.48%	1.66%	1.76%	1.90%
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon on average interest earning assets (including average TBA dollar roll and CMBX balances)	0.24%	0.29%	0.31%	0.49%	0.09%
	Net amortization of premiums (excluding PAA)	0.02%	(0.01%)	0.07%	0.05%	(0.05%)
	TBA dollar roll income and CMBX coupon income	(0.01%)	0.02%	(0.01%)	(0.07%)	(0.07%)
	Interest expense and net interest component of interest rate swaps	(0.40%)	(0.20%)	(0.55%)	(0.57%)	(0.11%)
	Current quarter net interest margin (excluding PAA) *	1.43%	1.58%	1.48%	1.66%	1.76%
Net Interest Spread (excluding PAA)*	Prior quarter net interest spread (excluding PAA) *	1.22%	1.18%	1.45%	1.62%	1.71%
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon on average interest earning assets	0.21%	0.19%	0.15%	0.17%	0.22%
	Net amortization of premiums (excluding PAA)	0.02%	(0.01%)	0.09%	0.09%	(0.08%)
	Interest expense and net interest component of interest rate swaps	(0.36%)	(0.14%)	(0.51%)	(0.43%)	(0.23%)
	Current quarter net interest spread (excluding PAA) *	1.09%	1.22%	1.18%	1.45%	1.62%

* Represents a non-GAAP financial measure.

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

Unaudited

	For the quarters ended				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
Annualized GAAP Return (Loss) on Average Equity					
Prior quarter annualized GAAP return (loss) on average equity	(14.21%)	(20.18%)	5.42%	(28.84%)	(31.78%)
<i>Quarter-over-quarter changes in contribution:</i>					
Coupon income	1.41%	1.44%	4.18%	1.88%	0.22%
Net amortization of premiums and accretion of discounts	0.95%	(0.97%)	0.35%	0.98%	(0.73%)
GAAP interest expense	(0.64%)	(0.81%)	(5.06%)	(4.60%)	(3.66%)
Net servicing income	0.43%	0.05%	0.60%	(0.11%)	(0.04%)
Net gains (losses) on investments and other	(103.65%)	165.02%	(52.19%)	(44.06%)	40.38%
Net gains (losses) on derivatives	131.85%	(159.04%)	25.83%	80.55%	(33.98%)
Business divestiture-related gains (losses) ⁽¹⁾	0.00%	0.00%	0.00%	0.00%	0.46%
Loan loss (provision) reversal	0.00%	0.00%	0.00%	(0.01%)	0.27%
Other ⁽²⁾	0.15%	0.28%	0.69%	(0.37%)	0.02%
Current quarter annualized GAAP return (loss) on average equity	16.29%	(14.21%)	(20.18%)	5.42%	(28.84%)
Annualized EAD Return on Average Equity *					
Prior quarter annualized EAD return on average equity *	13.76%	12.96%	13.22%	14.82%	16.19%
<i>Quarter-over-quarter changes in contribution:</i>					
Coupon income	1.36%	1.42%	4.23%	1.90%	0.25%
Net amortization of premiums (excluding PAA)	0.15%	(0.06%)	0.54%	0.57%	(0.43%)
Interest expense and net interest component of interest rate swaps	(2.84%)	(1.01%)	(5.42%)	(3.60%)	(0.69%)
Net servicing income	0.43%	0.05%	0.61%	(0.11%)	(0.04%)
TBA dollar roll income and CMBX coupon income	(0.01%)	0.10%	(0.10%)	(0.57%)	(0.62%)
Other ⁽³⁾	(0.22%)	0.30%	(0.12%)	0.21%	0.16%
Current quarter annualized EAD return on average equity *	12.63%	13.76%	12.96%	13.22%	14.82%

* 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 March 31, 2024

Unaudited, dollars in thousands

Agency Fixed-Rate Securities (Pools) ⁽¹⁾							
Original Weighted Avg. Years to Maturity	Current Face Value	% ⁽³⁾	Weighted Avg. Coupon	Weighted Avg. Amortized Cost	Weighted Avg. Fair Value	Weighted Avg. 3-Month CPR	Estimated Fair Value
20 years	\$288,704	0.5%	3.46%	100.5%	93.6%	5.9%	\$270,240
>=30 years ⁽²⁾	61,203,724	99.5%	4.70%	100.0%	96.9%	5.9%	59,281,965
Total/Weighted Avg.	\$61,492,428	100.0%	4.69%	100.0%	96.8%	5.9%	\$59,552,205

Other Agency Securities							
Type	Current Face Value	% ⁽³⁾	Weighted Avg. Coupon	Weighted Avg. Amortized Cost	Weighted Avg. Fair Value	Weighted Avg. 3-Month CPR	Estimated Fair Value
Multifamily	\$3,163,857	93.9%	4.67%	100.7%	99.7%	—%	\$3,153,438
Adjustable-rate	206,847	6.1%	5.75%	108.6%	102.8%	11.7%	212,660
Total/Weighted Avg.	\$3,370,704	100.0%	4.74%	101.2%	99.9%	11.7%	\$3,366,098

Agency Interest-Only Collateralized Mortgage-Backed Obligations							
Type	Current Notional Value	% ⁽⁴⁾	Weighted Avg. Coupon	Weighted Avg. Amortized Cost	Weighted Avg. Fair Value	Weighted Avg. 3-Month CPR	Estimated Fair Value
Interest-only	\$785,456	4.3%	3.48%	18.1%	15.7%	6.2%	\$123,419
Inverse interest-only	1,155,107	6.3%	0.65%	21.7%	9.9%	6.0%	114,573
Multifamily interest-only	16,369,459	89.4%	0.40%	2.5%	2.4%	—%	385,935
Total/Weighted Avg.	\$18,310,022	100.0%	0.55%	4.4%	3.4%	6.1%	\$623,927

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

Residential & Other Investments Overview as of March 31, 2024 (cont'd)

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	\$185,923,819	0.26%	3.1%	142.6%	8.6%	5.6%	\$2,651,279
MSR of limited partnership interest ⁽¹⁾	2,519,523						34,404
Total/Weighted Avg.	\$188,443,342	0.26%	3.1%	142.6%	8.6%	5.6%	\$2,685,683

Residential Credit Portfolio							
Sector	Current Face / Notional Value	% ⁽²⁾	Weighted Avg. Coupon	Weighted Avg. Amortized Cost	Weighted Avg. Fair Value		Estimated Fair Value
Residential credit risk transfer	\$815,479	4.1%	9.73%	99.7%	106.9%		\$871,421
Alt-A	150,082	0.7%	6.98%	98.9%	94.6%		141,989
Prime	1,464,099	0.4%	3.68%	101.9%	94.8%		81,870
Subprime	274,910	1.1%	7.25%	88.6%	85.9%		236,212
NPL/RPL	1,242,835	5.8%	5.39%	100.2%	98.4%		1,223,396
Prime jumbo	9,832,776	1.2%	4.88%	118.7%	117.6%		250,443
Residential mortgage loans	19,364,991	86.7%	5.87%	100.0%	94.7%		18,332,573
Total/Weighted Avg.	\$33,145,172	100.0%	6.00%				\$21,137,904

Other Credit Products							
Type	Current Face / Notional Value		Weighted Avg. Coupon	Weighted Avg. Amortized Cost	Weighted Avg. Fair Value		Estimated Fair Value
CRE CLO	\$153,218		7.40%	99.8%	99.9%		\$153,128

Residential Credit Securities Detail as of March 31, 2024

Unaudited, dollars in thousands

Product	Estimated Fair Value	Payment Structure		Investment Characteristics ⁽¹⁾			
		Senior	Subordinate	Coupon	Credit Enhancement	60+ Delinquencies	3M VPR ⁽²⁾
Credit Risk Transfer	\$871,421	\$—	\$871,421	9.73%	1.68%	0.85%	4.55%
Alt-A	141,989	—	141,989	6.98%	9.61%	2.70%	10.42%
Prime	81,870	20,773	61,097	3.68%	4.38%	0.64%	4.44%
Subprime	236,212	68,452	167,760	7.25%	23.46%	10.32%	9.16%
Re-Performing Loan Securitizations	788,569	449,383	339,186	5.49%	28.13%	17.90%	3.95%
Non-Performing Loan Securitizations	434,827	388,764	46,063	5.19%	39.58%	65.80%	7.29%
Prime Jumbo	250,443	75,796	174,647	4.88%	2.40%	0.53%	3.88%
Total	\$2,805,331	\$1,003,168	\$1,802,163	6.84%	18.02%	17.05%	5.47%

Product	Bond Coupon				Estimated Fair Value
	ARM	Fixed	Floater	Interest Only	
Credit Risk Transfer	\$—	\$—	\$871,421	\$—	\$871,421
Alt-A	1,169	140,820	—	—	141,989
Prime	—	67,606	—	14,264	81,870
Subprime	—	214,907	21,216	89	236,212
Re-Performing Loan Securitizations	—	788,569	—	—	788,569
Non-Performing Loan Securitizations	—	434,827	—	—	434,827
Prime Jumbo	—	154,008	20,639	75,796	250,443
Total	\$1,169	\$1,800,737	\$913,276	\$90,149	\$2,805,331

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

Hedging & Liabilities as of March 31, 2024

Unaudited, dollars in thousands

	Maturity	Current Notional ⁽¹⁾⁽²⁾	Weighted Avg. Pay Rate	Weighted Avg. Receive Rate	Weighted Avg. Years to Maturity ⁽³⁾
Interest Rate Swaps	0 to 3 years	\$18,093,229	3.53%	5.21%	1.46
	> 3 to 6 years	14,383,021	3.34%	5.31%	5.05
	> 6 to 10 years	20,733,537	2.81%	5.29%	8.27
	Greater than 10 years	1,887,484	3.41%	5.21%	23.28
	Total / Weighted Avg.	\$55,097,271	3.20%	5.26%	5.72

	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
Interest Rate Swaptions	Long Pay	\$1,250,000	2.21%	SOFR	7.44	5.18
	Long Receive	\$500,000	1.65%	SOFR	10.05	0.50

	Type	Long Contracts	Short Contracts	Net Positions	Weighted Avg. Years to Maturity
U.S. Treasury Hedging Positions	U.S. Treasury Positions - 2 year	\$-	(\$1,981,400)	(\$1,981,400)	1.93
	U.S. Treasury Positions - 5 year	\$1,070,000	\$-	\$1,070,000	4.40
	U.S. Treasury Positions - 10 year & greater	\$-	(\$5,058,000)	(\$5,058,000)	11.50
	Total / Weighted Avg.	\$1,070,000	(\$7,039,400)	(\$5,969,400)	8.22

	Maturity	Principal Balance	Weighted Avg. Rate At Period End
Repurchase Agreements and Other Secured Financing	Within 30 days	\$28,642,994	5.54%
	30 to 59 days	19,964,545	5.51%
	60 to 89 days	6,864,342	5.57%
	90 to 119 days	-	-%
	Over 120 days ⁽⁴⁾	4,103,351	6.18%
Total / Weighted Avg.		\$59,575,232	5.58%

	Principal Balance	Weighted Average Rate		Days to Maturity ⁽⁵⁾
		At Period End	For the Quarter	
Total Indebtedness				
Repurchase agreements	\$58,975,232	5.55%	5.55%	43
Other secured financing	600,000	8.08%	8.07%	500
Debt issued by securitization vehicles	14,801,428	4.74%	4.72%	12,623
Participations issued	1,134,210	7.55%	7.32%	10,877
Total indebtedness	\$75,510,870			

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

Quarter-Over-Quarter Interest Rate & MBS Spread Sensitivity

Unaudited

Assumptions:

- The interest rate sensitivity and MBS spread sensitivity are based on the portfolios as of March 31, 2024 and December 31, 2023
- The interest rate sensitivity reflects instantaneous parallel shifts in rates
- The MBS spread sensitivity shifts MBS spreads instantaneously and reflects exposure to MBS basis risk
- All tables assume no active management of the portfolio in response to rate or spread changes

Interest Rate Sensitivity ⁽¹⁾				
Interest Rate Change (bps)	As of March 31, 2024		As of December 31, 2023	
	Estimated Percentage Change in Portfolio Market Value ⁽²⁾	Estimated Change as a % of NAV ⁽²⁾⁽³⁾	Estimated Percentage Change in Portfolio Market Value ⁽²⁾	Estimated Change as a % of NAV ⁽²⁾⁽³⁾
(75)	(0.2%)	(1.4%)	(0.3%)	(2.2%)
(50)	—%	(0.3%)	(0.1%)	(0.9%)
(25)	—%	0.2%	—%	(0.2%)
25	(0.1%)	(0.7%)	—%	(0.4%)
50	(0.2%)	(1.9%)	(0.1%)	(1.2%)
75	(0.4%)	(3.4%)	(0.3%)	(2.4%)

MBS Spread Sensitivity ⁽¹⁾				
MBS Spread Shock (bps)	As of March 31, 2024		As of December 31, 2023	
	Estimated Change in Portfolio Market Value ⁽²⁾	Estimated Change as a % of NAV ⁽²⁾⁽³⁾	Estimated Change in Portfolio Market Value ⁽²⁾	Estimated Change as a % of NAV ⁽²⁾⁽³⁾
(25)	1.3%	9.8%	1.3%	10.1%
(15)	0.8%	5.9%	0.8%	6.0%
(5)	0.3%	1.9%	0.3%	2.0%
5	(0.2%)	(1.9%)	(0.3%)	(2.0%)
15	(0.7%)	(5.8%)	(0.7%)	(6.0%)
25	(1.2%)	(9.6%)	(1.2%)	(9.9%)

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



Appendix

Consolidated Statements of Financial Condition

Dollars in thousands, except per share data

	3/31/2024 (unaudited)	12/31/2023 ⁽¹⁾	9/30/2023 (unaudited)	6/30/2023 (unaudited)	3/31/2023 (unaudited)
Assets					
Cash and cash equivalents	\$ 1,665,370	\$ 1,412,148	\$ 1,241,122	\$ 1,236,872	\$ 1,794,173
Securities	66,500,689	69,613,565	69,860,730	71,202,461	69,238,185
Loans, net	2,717,823	2,353,084	1,793,140	1,154,320	1,642,822
Mortgage servicing rights	2,651,279	2,122,196	2,234,813	2,018,896	1,790,980
Assets transferred or pledged to securitization vehicles	15,614,750	13,307,622	11,450,346	11,318,419	10,277,588
Derivative assets	203,799	162,557	549,833	457,119	400,139
Receivable for unsettled trades	941,366	2,710,224	1,047,566	787,442	679,096
Principal and interest receivable	867,348	1,222,705	1,158,648	944,537	773,722
Intangible assets, net	11,433	12,106	12,778	15,163	15,921
Other assets	309,689	311,029	299,447	195,248	219,391
Total assets	\$ 91,483,546	\$ 93,227,236	\$ 89,648,423	\$ 89,330,477	\$ 86,832,017
Liabilities and stockholders' equity					
Liabilities					
Repurchase agreements	\$ 58,975,232	\$ 62,201,543	\$ 64,693,821	\$ 61,637,600	\$ 60,993,018
Other secured financing	600,000	500,000	500,000	500,000	250,000
Debt issued by securitization vehicles	13,690,967	11,600,338	9,983,847	9,789,282	8,805,911
Participations issued	1,161,323	1,103,835	788,442	492,307	673,431
U.S. Treasury securities sold, not yet purchased	2,077,404	2,132,751	—	—	—
Derivative liabilities	103,142	302,295	97,616	156,182	473,515
Payable for unsettled trades	2,556,798	3,249,389	2,214,319	4,331,315	3,259,034
Interest payable	350,405	287,937	198,084	140,620	118,395
Dividends payable	325,286	325,052	321,629	321,031	321,023
Other liabilities	146,876	179,005	173,608	74,795	28,657
Total liabilities	79,987,433	81,882,145	78,971,366	77,443,132	74,922,984
Stockholders' equity					
Preferred stock, par value \$0.01 per share ⁽²⁾	1,536,569	1,536,569	1,536,569	1,536,569	1,536,569
Common stock, par value \$0.01 per share ⁽³⁾	5,004	5,001	4,948	4,939	4,939
Additional paid-in capital	23,673,687	23,672,391	23,572,996	23,550,346	23,543,091
Accumulated other comprehensive income (loss)	(1,281,918)	(1,335,400)	(2,694,776)	(2,382,531)	(2,550,614)
Accumulated deficit	(12,523,809)	(12,622,768)	(11,855,267)	(10,933,044)	(10,741,863)
Total stockholders' equity	11,409,533	11,255,793	10,564,470	11,776,279	11,792,122
Noncontrolling interests	86,580	89,298	112,587	111,066	116,911
Total equity	11,496,113	11,345,091	10,677,057	11,887,345	11,909,033
Total liabilities and equity	\$ 91,483,546	\$ 93,227,236	\$ 89,648,423	\$ 89,330,477	\$ 86,832,017

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	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
Net interest income					
Interest income	\$ 1,094,488	\$ 990,352	\$ 1,001,485	\$ 921,494	\$ 818,250
Interest expense	1,100,939	1,043,902	1,046,819	953,457	798,787
Net interest income	(6,451)	(53,550)	(45,334)	(31,963)	19,463
Net servicing income					
Servicing and related income	115,084	98,474	97,620	83,790	84,273
Servicing and related expense	12,216	11,219	9,623	8,930	7,880
Net servicing income	102,868	87,255	87,997	74,860	76,393
Other income (loss)					
Net gains (losses) on investments and other	(994,127)	1,894,744	(2,713,126)	(1,308,948)	1,712
Net gains (losses) on derivatives	1,377,144	(2,301,911)	2,127,430	1,475,325	(900,752)
Loan loss (provision) reversal	—	—	—	—	219
Other, net	23,367	22,863	26,250	9,105	15,498
Total other income (loss)	406,384	(384,304)	(559,446)	175,482	(883,323)
General and administrative expenses					
Compensation expense	28,721	29,502	30,064	30,635	29,391
Other general and administrative expenses	9,849	9,399	9,845	12,280	11,437
Total general and administrative expenses	38,570	38,901	39,909	42,915	40,828
Income (loss) before income taxes	464,231	(389,500)	(556,692)	175,464	(828,295)
Income taxes	(943)	1,732	12,392	14,277	11,033
Net income (loss)	465,174	(391,232)	(569,084)	161,187	(839,328)
Net income (loss) attributable to noncontrolling interests	2,282	12,511	(6,879)	(5,846)	4,928
Net income (loss) attributable to Annaly	462,892	(403,743)	(562,205)	167,033	(844,256)
Dividends on preferred stock	37,061	37,181	36,854	35,766	31,875
Net income (loss) available (related) to common stockholders	\$ 425,831	\$ (440,924)	\$ (599,059)	\$ 131,267	\$ (876,131)
Net income (loss) per share available (related) to common stockholders					
Basic	\$ 0.85	\$ (0.88)	\$ (1.21)	\$ 0.27	\$ (1.79)
Diluted	\$ 0.85	\$ (0.88)	\$ (1.21)	\$ 0.27	\$ (1.79)
Weighted average number of common shares outstanding					
Basic	500,612,840	499,871,725	494,330,361	494,165,256	489,688,364
Diluted	501,182,043	499,871,725	494,330,361	494,358,982	489,688,364
Other comprehensive income (loss)					
Net income (loss)	\$ 465,174	\$ (391,232)	\$ (569,084)	\$ 161,187	\$ (839,328)
Unrealized gains (losses) on available-for-sale securities	(281,869)	1,024,637	(825,286)	(294,045)	675,374
Reclassification adjustment for net (gains) losses included in net income (loss)	335,351	334,739	513,041	462,128	482,908
Other comprehensive income (loss)	53,482	1,359,376	(312,245)	168,083	1,158,282
Comprehensive income (loss)	518,656	968,144	(881,329)	329,270	318,954
Comprehensive income (loss) attributable to noncontrolling interests	2,282	12,511	(6,879)	(5,846)	4,928
Comprehensive income (loss) attributable to Annaly	516,374	955,633	(874,450)	335,116	314,026
Dividends on preferred stock	37,061	37,181	36,854	35,766	31,875
Comprehensive income (loss) attributable to common stockholders	\$ 479,313	\$ 918,452	\$ (911,304)	\$ 299,350	\$ 282,151

Income Statement Gains (Losses) Detail

Unaudited, dollars in thousands

	For the quarters ended				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
Net gains (losses) on disposal of investments and other	(\$545,947)	(\$1,174,680)	(\$616,525)	(\$610,397)	(\$521,592)
Net unrealized gains (losses) on instruments measured at fair value through earnings	(448,180)	3,069,424	(2,096,601)	(698,551)	523,304
Net gains (losses) on investments and other	(\$994,127)	\$1,894,744	(\$2,713,126)	(\$1,308,948)	\$1,712
Net interest component of interest rate swaps	\$330,149	\$379,377	\$394,677	\$425,293	\$385,706
Realized gains (losses) on termination or maturity of interest rate swaps	(21,237)	6,498	16,416	48,148	(145,819)
Unrealized gains (losses) on interest rate swaps	900,902	(2,176,607)	1,475,547	841,702	(956,272)
Net gains (losses) on other derivatives	167,330	(511,179)	240,790	160,182	(184,367)
Net gains (losses) on derivatives	\$1,377,144	(\$2,301,911)	\$2,127,430	\$1,475,325	(\$900,752)

Other Income Statement Details

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 March 31, 2024, December 31, 2023, September 30, 2023, June 30, 2023 and March 31, 2023, is provided on page 9 of this supplemental information.

[Earnings available for distribution, earnings available for distribution attributable to common stockholders, earnings available for distribution per average common share and annualized EAD return on average equity](#)

The Company's principal business objective is to generate net income for distribution to its stockholders and to preserve capital through prudent selection of investments and continuous management of its portfolio. The Company generates net income by earning a net interest spread on its investment portfolio, which is a function of interest income from its investment portfolio less financing, hedging and operating costs. Earnings available for distribution, which 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 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 is used by the Company's management and, the Company believes, used by analysts and investors to measure its progress in achieving its principal business objective.

The Company seeks to fulfill this objective through a variety of factors including portfolio construction, the degree of market risk exposure and related hedge profile, and the use and forms of leverage, all while operating within the parameters of the Company's capital allocation policy and risk governance framework.

The Company believes these non-GAAP measures provide management and investors with additional details regarding the Company's underlying operating results and investment portfolio trends by (i) making adjustments to account for the disparate reporting of changes in fair value where certain instruments are reflected in GAAP net income (loss) while others are reflected in other comprehensive income (loss) and (ii) by excluding certain unrealized, non-cash or episodic components of GAAP net income (loss) in order to provide additional transparency into the operating performance of the Company's portfolio. In addition, EAD serves as a useful indicator for investors in evaluating the Company's performance and ability to pay dividends. Annualized EAD return on average equity, which is calculated by dividing earnings available for distribution over average stockholders' equity, provides investors with additional detail on the earnings available for distribution generated by the Company's invested equity capital.

[Premium Amortization Expense](#)

In accordance with GAAP, the Company amortizes or accretes premiums or discounts into interest income for its Agency mortgage-backed securities, excluding interest-only securities, multifamily and reverse mortgages, taking into account estimates of future principal prepayments in the calculation of the effective yield. The Company recalculates the effective yield as differences between anticipated and actual prepayments occur. Using third-party model and market information to project future cash flows and expected remaining lives of securities, the effective interest rate determined for each security is applied as if it had been in place from the date of the security's acquisition. The amortized cost of the security is then adjusted to the amount that would have existed had the new effective yield been applied since the acquisition date. The adjustment to amortized cost is offset with a charge or credit to interest income. Changes in interest rates and other market factors will impact prepayment speed projections and the amount of premium amortization recognized in any given period.

The Company's GAAP metrics include the unadjusted impact of amortization and accretion associated with this method. Certain of the Company's non-GAAP metrics exclude the effect of the PAA, which quantifies the component of premium amortization representing the cumulative impact on prior periods, but not the current period, of quarter-over-quarter changes in estimated long-term CPR.

Non-GAAP Reconciliations (cont'd)

[Economic leverage and economic capital ratios](#)

The Company uses capital coupled with borrowed funds to invest primarily in real estate related investments, earning the spread between the yield on its assets and the cost of its borrowings and hedging activities. The Company's capital structure is designed to offer an efficient complement of funding sources to generate positive risk-adjusted returns for its stockholders while maintaining appropriate liquidity to support its business and meet the Company's financial obligations under periods of market stress. To maintain its desired capital profile, the Company utilizes a mix of debt and equity funding. Debt funding may include the use of repurchase agreements, loans, securitizations, participations issued, lines of credit, asset backed lending facilities, corporate bond issuance, convertible bonds or other liabilities. Equity capital primarily consists of common and preferred stock.

The Company's economic leverage ratio is computed as the sum of recourse debt, cost basis of TBA and CMBX 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 economic leverage.

[Interest income \(excluding PAA\), economic interest expense and economic net interest income \(excluding PAA\)](#)

Interest income (excluding PAA) represents interest income excluding the effect of the PAA, and serves as the basis for deriving average yield on interest earning assets (excluding PAA), net interest spread (excluding PAA) and net interest margin (excluding PAA), which are discussed below. The Company believes this measure provides management and investors with additional detail to enhance their understanding of the Company's operating results and trends by excluding the component of premium amortization expense 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 (other than interest-only securities, multifamily and reverse mortgages), which can obscure underlying trends in the performance of the portfolio.

Economic interest expense includes GAAP interest expense and the net interest component of interest rate swaps. The Company uses interest rate swaps to manage its exposure to changing interest rates on its repurchase agreements by economically hedging cash flows associated with these borrowings. Accordingly, adding the net interest component of interest rate swaps to interest expense, as computed in accordance with GAAP, reflects the total contractual interest expense and thus, provides investors with additional information about the cost of the Company's financing strategy. The Company may use market agreed coupon ("MAC") interest rate swaps in which the Company may receive or make a payment at the time of entering into such interest rate swap to compensate for the off-market nature of such interest rate swap. In accordance with GAAP, upfront payments associated with MAC interest rate swaps are not reflected in the net interest component of interest rate swaps in the Company's Consolidated Statements of Comprehensive Income (Loss).

[Average yield on interest earning assets \(excluding PAA\), net interest spread \(excluding PAA\), net interest margin \(excluding PAA\) and average economic cost of interest bearing liabilities](#)

Net interest spread (excluding PAA), which is the difference between the average yield on interest earning assets (excluding PAA) and the average economic cost of interest bearing liabilities, which represents annualized economic interest expense divided by average interest bearing liabilities, and net interest margin (excluding PAA), which is calculated as the sum of 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, provide management with additional measures of the Company's profitability that management relies upon in monitoring the performance of the business.

Non-GAAP Reconciliations (cont'd)

Unaudited, dollars in thousands

	For the quarters ended				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
<i>Economic leverage ratio reconciliation</i>					
Repurchase agreements	\$58,975,232	\$62,201,543	\$64,693,821	\$61,637,600	\$60,993,018
Other secured financing	600,000	500,000	500,000	500,000	250,000
Debt issued by securitization vehicles	13,690,967	11,600,338	9,983,847	9,789,282	8,805,911
Participations issued	1,161,323	1,103,835	788,442	492,307	673,431
U.S. Treasury securities sold, not yet purchased	2,077,404	2,132,751	—	—	—
Total GAAP debt	\$76,504,926	\$77,538,467	\$75,966,110	\$72,419,189	\$70,722,360
Less non-recourse debt:					
Debt issued by securitization vehicles	(\$13,690,967)	(\$11,600,338)	(\$9,983,847)	(\$9,789,282)	(\$8,805,911)
Participations issued	(1,161,323)	(1,103,835)	(788,442)	(492,307)	(673,431)
Total recourse debt	\$61,652,636	\$64,834,294	\$65,193,821	\$62,137,600	\$61,243,018
Plus / (Less):					
Cost basis of TBA and CMBX derivatives	\$1,136,788	(\$555,221)	\$1,965,117	\$3,625,443	\$12,241,647
Payable for unsettled trades	2,556,798	3,249,389	2,214,319	4,331,315	3,259,034
Receivable for unsettled trades	(941,366)	(2,710,224)	(1,047,566)	(787,442)	(679,096)
Economic debt *	\$64,404,856	\$64,818,238	\$68,325,691	\$69,306,916	\$76,064,603
Total equity	\$11,496,113	\$11,345,091	\$10,677,057	\$11,887,345	\$11,909,033
Economic leverage ratio *	5.6x	5.7x	6.4x	5.8x	6.4x

* Represents a non-GAAP financial measure.

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

Non-GAAP Reconciliations (cont'd)

Unaudited, dollars in thousands

	For the quarters ended				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
<i>Economic capital ratio reconciliation</i>					
Total GAAP assets	\$91,483,546	\$93,227,236	\$89,648,423	\$89,330,477	\$86,832,017
Less:					
Gross unrealized gains on TBA derivatives ⁽¹⁾	(7,220)	(20,689)	(7,232)	(21,460)	(167,065)
Debt issued by securitization vehicles	(13,690,967)	(11,600,338)	(9,983,847)	(9,789,282)	(8,805,911)
Plus:					
Implied market value of TBA derivatives	1,133,305	(573,602)	1,925,614	3,627,716	12,020,810
Total economic assets *	\$78,918,664	\$81,032,607	\$81,582,958	\$83,147,451	\$89,879,851
Total equity	\$11,496,113	\$11,345,091	\$10,677,057	\$11,887,345	\$11,909,033
Economic capital ratio ^{*(2)}	14.6%	14.0%	13.1%	14.3%	13.2%
<i>Premium Amortization Reconciliation</i>					
Premium amortization expense	\$26,732	\$51,247	\$24,272	\$33,105	\$56,534
Less:					
PAA cost (benefit)	(3,013)	19,148	(6,062)	(11,923)	491
Premium amortization expense (excluding PAA)	\$29,745	\$32,099	\$30,334	\$45,028	\$56,043
<i>Interest Income (excluding PAA) Reconciliation</i>					
GAAP interest income	\$1,094,488	\$990,352	\$1,001,485	\$921,494	\$818,250
PAA cost (benefit)	(3,013)	19,148	(6,062)	(11,923)	491
Interest income (excluding PAA) *	\$1,091,475	\$1,009,500	\$995,423	\$909,571	\$818,741
<i>Economic Interest Expense Reconciliation</i>					
GAAP interest expense	\$1,100,939	\$1,043,902	\$1,046,819	\$953,457	\$798,787
Add:					
Net interest component of interest rate swaps	(330,149)	(379,377)	(394,677)	(425,293)	(385,706)
Economic interest expense *	\$770,790	\$664,525	\$652,142	\$528,164	\$413,081
<i>Economic Net Interest Income (excluding PAA) Reconciliation</i>					
Interest income (excluding PAA) *	\$1,091,475	\$1,009,500	\$995,423	\$909,571	\$818,741
Less:					
Economic interest expense *	770,790	664,525	652,142	528,164	413,081
Economic net interest income (excluding PAA) *	\$320,685	\$344,975	\$343,281	\$381,407	\$405,660

* Represents a non-GAAP financial measure.

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

Non-GAAP Reconciliations (cont'd)

Unaudited, dollars in thousands

	For the quarters ended				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
<i>Economic Metrics (excluding PAA)</i>					
Average interest earning assets	\$89,738,726	\$87,020,120	\$89,300,922	\$86,254,955	\$82,644,998
Interest income (excluding PAA) *	\$1,091,475	\$1,009,500	\$995,423	\$909,571	\$818,741
Average yield on interest earning assets (excluding PAA) *	4.87%	4.64%	4.46%	4.22%	3.96%
Average interest bearing liabilities	\$80,682,111	\$76,010,247	\$77,780,989	\$75,424,564	\$70,635,632
Economic interest expense *	\$770,790	\$664,525	\$652,142	\$528,164	\$413,081
Average economic cost of interest bearing liabilities *	3.78%	3.42%	3.28%	2.77%	2.34%
Economic net interest income (excluding PAA)*	\$320,685	\$344,975	\$343,281	\$381,407	\$405,660
Net interest spread (excluding PAA) *	1.09%	1.22%	1.18%	1.45%	1.62%
<hr/>					
Interest income (excluding PAA) *	\$1,091,475	\$1,009,500	\$995,423	\$909,571	\$818,741
TBA dollar roll income and CMBX coupon income	1,375	1,720	(1,016)	1,734	18,183
Economic interest expense *	(770,790)	(664,525)	(652,142)	(528,164)	(413,081)
Subtotal	\$322,060	\$346,695	\$342,265	\$383,141	\$423,843
<hr/>					
Average interest earning assets	\$89,738,726	\$87,020,120	\$89,300,922	\$86,254,955	\$82,644,998
Average TBA contract and CMBX balances, implied cost basis	149,590	829,571	2,960,081	6,303,202	13,949,884
Subtotal	\$89,888,316	\$87,849,691	\$92,261,003	\$92,558,157	\$96,594,882
Net interest margin (excluding PAA) *	1.43%	1.58%	1.48%	1.66%	1.76%

* Represents a non-GAAP financial measure.

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- (1) Net of dividends on preferred stock.
- (2) Annualized GAAP return (loss) on average equity annualizes realized and unrealized gains and (losses) which may not be indicative of full year performance, unannualized GAAP return (loss) on average equity is 4.07% and (3.55%) for the quarters ended March 31, 2024 and December 31, 2023, respectively.
- (3) GAAP leverage is computed as the sum of repurchase agreements, other secured financing, debt issued by securitization vehicles, participations issued and U.S. Treasury securities sold, not yet purchased 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, 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 economic leverage.
- (4) 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.
- (5) Excludes \$518 million of unsettled commitments as of December 31, 2023. There were no unsettled commitments as of March 31, 2024. 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) 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.
- (7) 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).
- (8) 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.

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- (1) Consists of common stock, additional paid-in capital, accumulated other comprehensive income (loss) and accumulated deficit.
- (2) Utilizes an actual/360 factor.
- (3) The average and period-end rates are net of reverse repurchase agreements. Without netting reverse repurchase agreements, the average rate and the period-end rate was unchanged for each period.

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- (4) Measures total notional balances of interest rate swaps, interest rate swaptions (excluding receiver swaptions), futures and U.S. Treasury securities sold, not yet purchased, at fair value relative to repurchase agreements, other secured financing, 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.

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

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- (1) Includes dividend equivalents on share-based awards.
- (2) Annualized GAAP return (loss) on average equity annualizes realized and unrealized gains and (losses) which may not be indicative of full year performance, unannualized GAAP return (loss) on average equity is 4.07%, (3.55%), (5.04%), 1.35% and (7.21%) for the quarters ended March 31, 2024, December 31, 2023, September 30, 2023, June 30, 2023 and March 31, 2023, respectively.

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- (1) Includes write-downs or recoveries on investments which are 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 \$330.1 million, \$379.4 million, \$394.7 million, \$425.3 million and \$385.7 million for the quarters ended March 31, 2024, December 31, 2023, September 30, 2023, June 30, 2023 and March 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 reported in Other, net in the Company's Consolidated Statement of Comprehensive Income (Loss).
- (4) All quarters presented include costs incurred in connection with securitizations of residential whole loans.
- (5) TBA dollar roll income and CMBX coupon income each represent a component of Net gains (losses) on derivatives. CMBX coupon income totaled \$0.0 million, \$0.0 million, \$0.0 million, \$0.5 million and \$1.1 million for the quarters ended March 31, 2024, December 31, 2023, September 30, 2023, June 30, 2023 and March 31, 2023, respectively.
- (6) 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 (cont'd)

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- (1) Includes gains (losses) related to the sale of the Company's Middle Market Lending portfolio for the quarter ended December 31, 2022.
- (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).

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- (1) Excludes TBA contracts with a notional value of \$962.6 million.
- (2) Includes fixed-rate collateralized mortgage obligations with an estimated fair value of \$79.4 million.
- (3) Weighted by current face value.
- (4) Weighted by current notional value.

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

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

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- (1) Current notional is presented net of receiver swaps; notional amount includes \$1.2 billion of forward starting pay fixed swaps.
- (2) As of March 31, 2024, 7% and 93% of the Company's interest rate swaps were linked 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) Less than 1% of the total repurchase agreements and other secured financing have a remaining maturity over one year.
- (5) Determined based on estimated weighted average lives of the underlying debt instruments.

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

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- (1) Derived from the audited consolidated financial statements at December 31, 2023.
- (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 1,468,250,000 shares authorized. Includes 500,440,023 shares issued and outstanding at March 31, 2024, 500,080,287 shares issued and outstanding at December 31, 2023, 494,814,038 shares issued and outstanding at September 30, 2023, 493,893,288 shares issued and outstanding at June 30, 2023, 493,880,938 shares issued and outstanding at March 31, 2023.

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- (1) Included in Derivative assets in the Company's Consolidated Statements of Financial Condition.
- (2) Economic capital ratio is computed as total equity divided by total economic assets.