ANNALY®

Barclays 2016 Global Financial Services Conference

September 14, 2016

Safe Harbor Notice

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

This presentation includes unaudited pro forma information reflecting the acquisition of Hatteras Financial Corp. The unaudited pro forma information should be read in conjunction with the historical financial information and accompanying notes of Annaly Capital Management, Inc. and Hatteras Financial Corp.

<u>Non-GAAP Financial Measures</u>

This presentation includes certain non-GAAP financial measures. The non-GAAP financial measures should not be viewed in isolation and are not a substitute for financial measures computed in accordance with GAAP. Please see the section entitled “Non-GAAP Reconciliations” in the attached Appendix for a reconciliation to the most directly comparable GAAP financial measures.

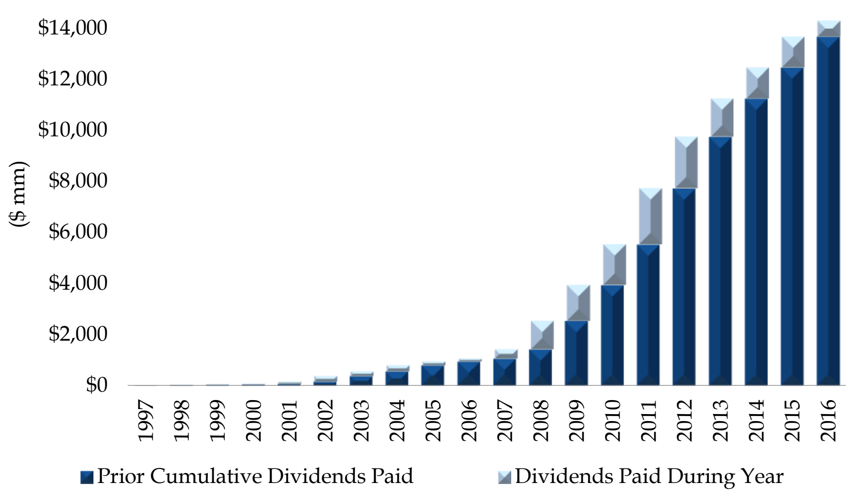
Annaly is a Leading Real Estate Finance Company

- ✓ Largest mREIT with a $13 billion equity base, 15x the size of the median mREIT
- ✓ Permanent capital solution for the redistribution of mortgage-backed securities ("MBS"), residential credit, commercial real estate ("CRE") assets and middle market loans
- ✓ Diversified investment platform built to manage various interest rate and economic environments
- ✓ Conservative leverage profile with a variety of potential financing sources for each investment class

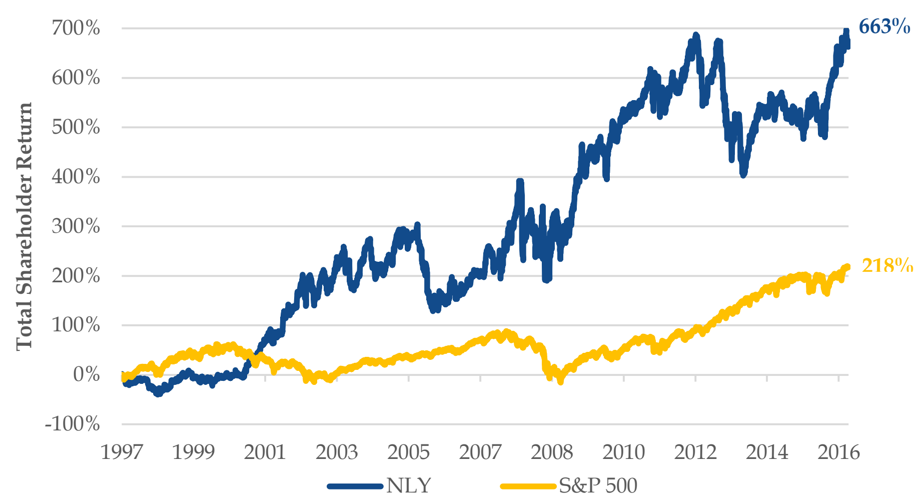
Business Profile (1)

Sector	Assets ($bn)	Capital(2) ($bn)	Sector Rank(3)
Agency(4)	$93.9	$10.1	#1
Commercial Real Estate(4)	$2.5	$1.4	#4
Residential Credit	$2.1	$1.0	#8
Middle Market Lending (MML)	$0.7	$0.7	#16

Over $14bn Dividends Paid Since IPO



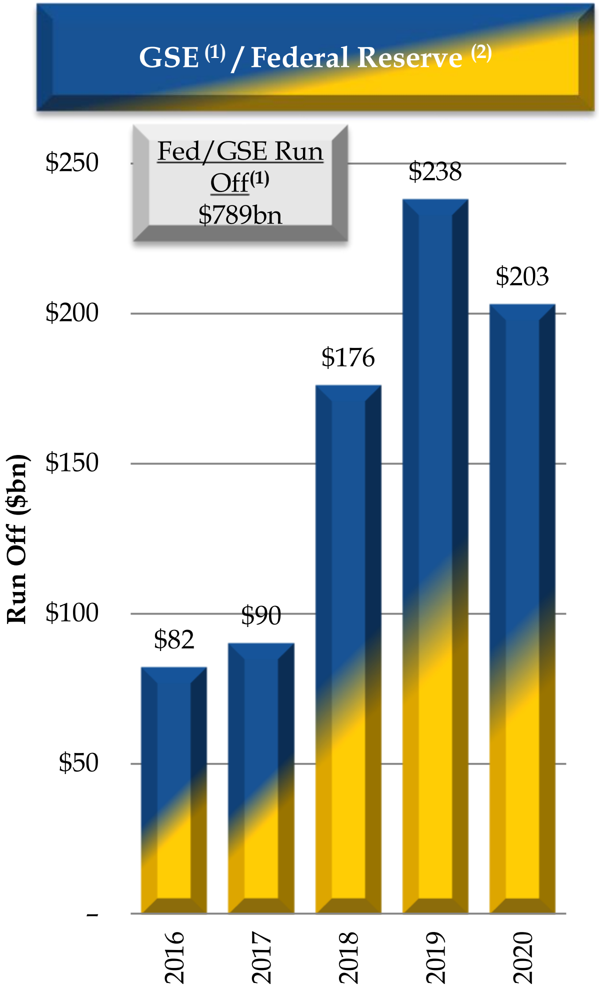
Performance Track Record

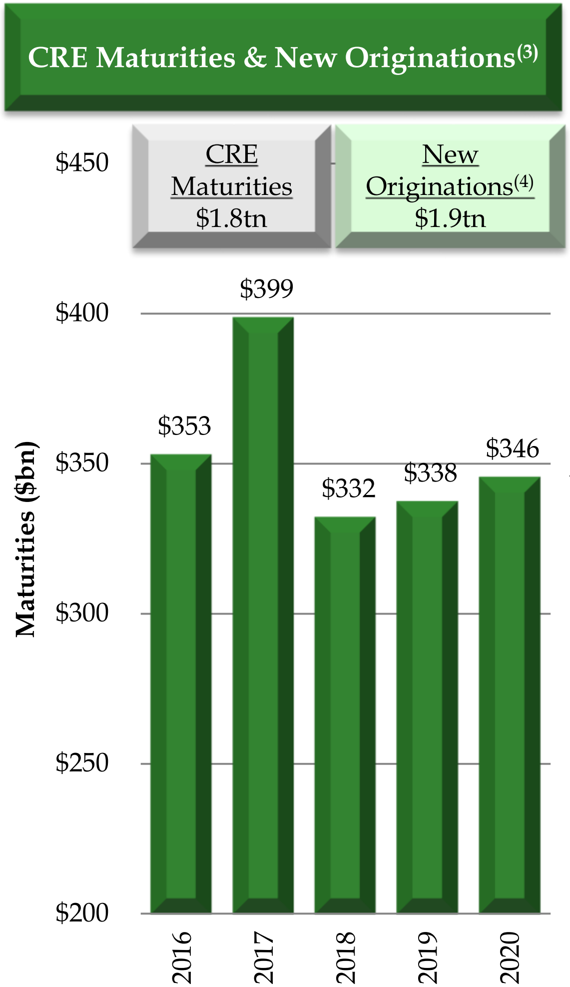


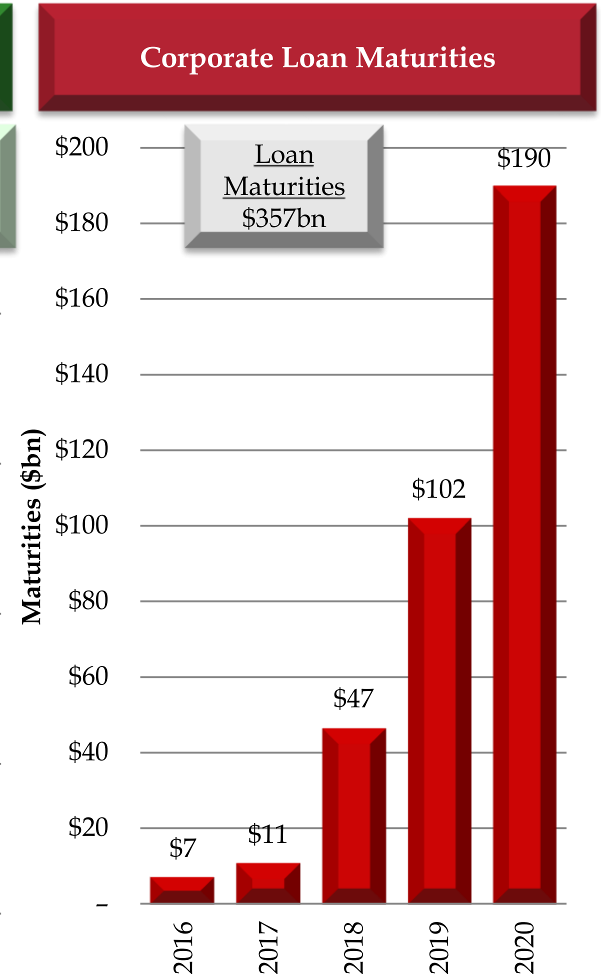
Note: Market data as of September 2, 2016.
(1) Financial Data as of June 30, 2016. Financial data is unaudited and shown pro forma for Hatteras acquisition
(2) Dedicated capital excludes non-portfolio related activity and may differ from total stockholders' equity.
(3) Sector ranking compares Annaly dedicated capital in each of its business strategies (Agency, CRE, Residential Credit and MML) pro forma for Hatteras acquisition as of June 30, 2016, adjusted for the relevant sector average price to book multiple, to the market capitalization of the companies in each respective sector as of September 2, 2016. Comparative sectors include the Bloomberg mREIT Index for Agency, CRE and Residential Credit and the S&P BDC Index for MML.
(4) Agency assets include TBA purchase contracts (market value). Commercial Real Estate assets are exclusive of consolidated variable interest entities ("VIEs") associated with B Piece commercial mortgage-backed securities.

Diversified Business Model: $3 Trillion Total Market Opportunity

Annaly is positioned as a permanent capital solution for the redistribution of MBS, residential credit, commercial real estate assets and corporate loans







Source: Fannie Mae, Freddie Mac, JPMorgan, Federal Reserve Flow of Funds Report, Trepp, Goldman Sachs, Leveraged Commentary & Data ("LCD") and Mortgage Bankers Association ("MBA"). Analytics provided by The YieldBook Software.

Note: $3 trillion opportunity represents the sum of estimated Fed and GSE runoff, CRE maturities and institutional loan maturities from 2016 to 2020. Excludes new CRE originations.

(1) Retained portfolios include both MBS and unsecuritized loans and represent 15% annual declines from 2015YE target of $719bn (10% below originally agreed upon target in Senior Preferred Stock Purchase Agreement).
(2) Current Fed holdings as of September 2, 2016. Future Fed holdings and runoff are projected assuming reinvestments continue until July 31, 2018 using forward interest rates.
(3) CMBS Data from RSS as of March 31, 2016.
(4) Mortgage Bankers Originations from MBA Commercial/Multifamily Real Estate Forecast from February 1, 2016.

Sum-of-the-Parts Capital Diversification

Balancing the liquidity of the Agency strategy with the durability of multiple credit strategies

	Agency	Commercial Real Estate	Residential Credit	Middle Market Lending
Assets (1)	$93.3bn	$2.5bn	$2.1bn	$0.7bn
Dedicated Capital (2)	$10.1bn	$1.4bn	$1.0bn	$0.7bn
Sector Rank (3)	#1	#4	#8	#16
% of Total Capital	77%	11% (4)	8%	5%
Liquidity	Very Liquid	Low to Moderate	Liquid	Moderate
Income Stability	Fluctuates	Fairly Stable	Fluctuates	Fairly Stable
Book Value Impact	Higher	Low to Moderate	Higher	Low
Benefits & Considerations	▪ Scalable ▪ Deep, liquid market ▪ FHLB as supplemental funding ▪ Repo costs ▪ Financing capacity with RCap	▪ Fairly stable EPS & Book Value profile ▪ Favorable market valuation ▪ Longer lead time	▪ Low correlation profile to Agency book ▪ Helps better manage interest rate cycles ▪ Positive housing fundamentals	▪ View into real economy ▪ Fairly stable profile ▪ Idiosyncratic risk ▪ High carry, floating rate assets

Note: Market Data as of September 2, 2016. Financial Data as of June 30, 2016. Financial data is unaudited and shown pro forma for Hatteras acquisition.
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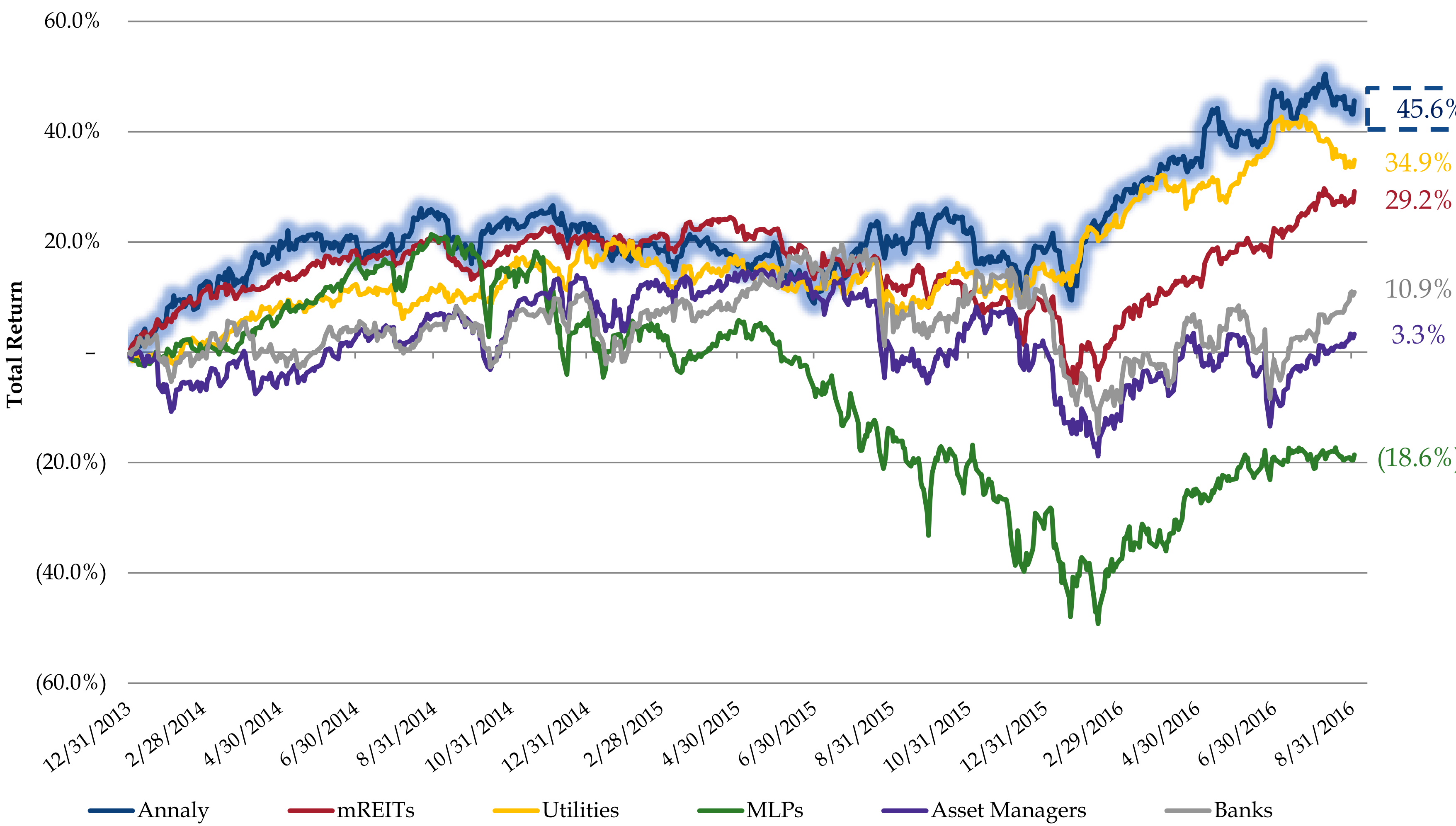
(4) Includes loans held for sale.

Annaly vs. Other Yield Investments – Performance

Annaly's current investment team has outperformed all other yield options since 2014



Note: Market data from December 31, 2013 to September 2, 2016.
Source: Bloomberg. mREITs represents the Bloomberg mREIT Index. Utilities represents the Russell 3000 Utilities Index. MLPs represents the Alerian MLP Index. Asset Managers represents the S&P 500 Asset Management and Custody Bank Index. Banks represents the KBW Bank Index.

Annaly vs. Other Yield Investments – Valuation

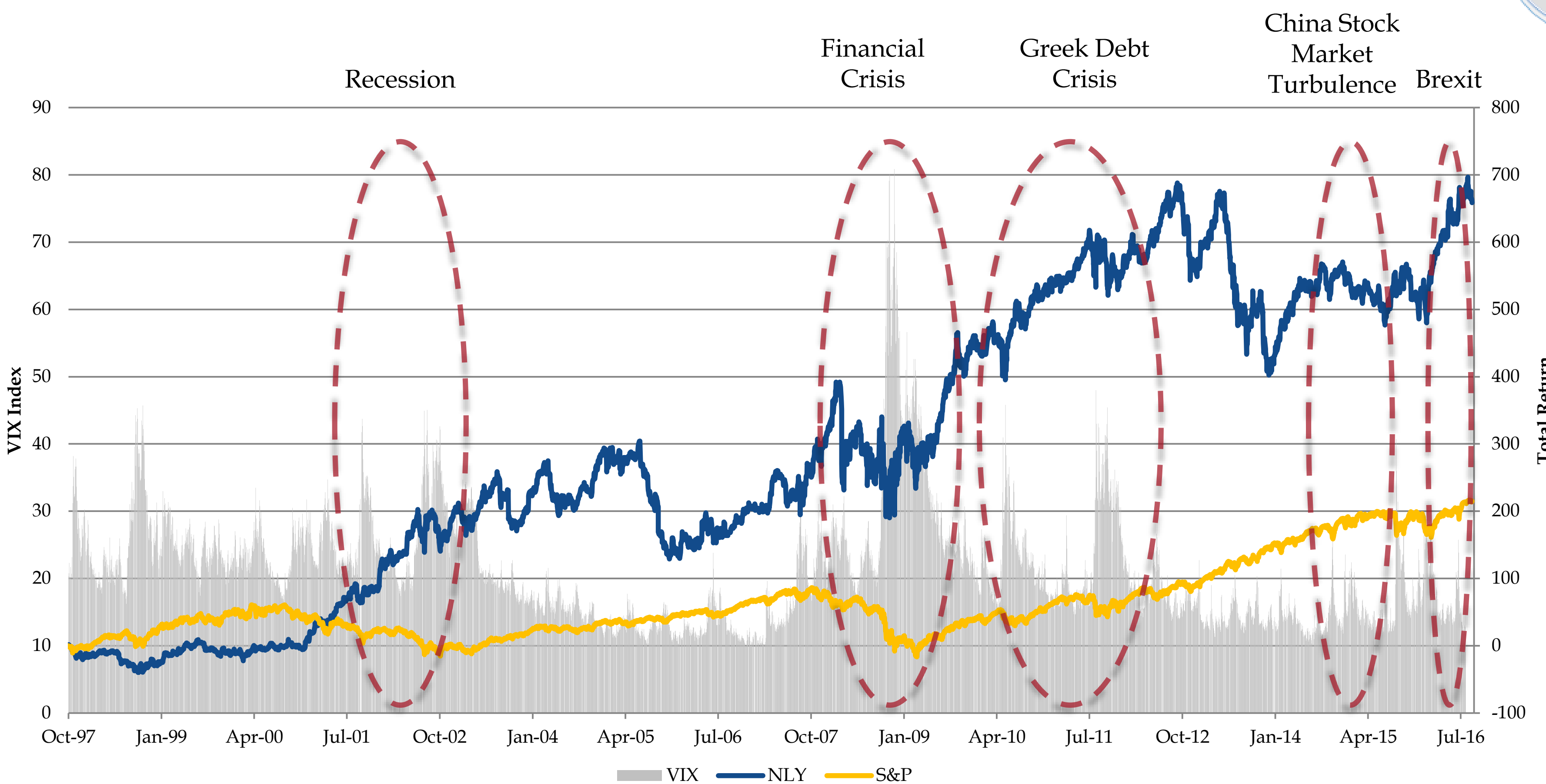
Annaly pays a superior dividend yield with a more conservative valuation compared to other income-oriented sectors




	ANNALY	mREITs	Utilities	MLPs	Asset Managers	Banks
Average Market Cap ($bn)	$10.8	$1.6	$11.6	$6.3	$22.4	$51.1
Dividend Yield	11.0%	10.5%	3.7%	7.3%	2.5%	2.1%
Price / Book	0.95x	0.99x	2.23x	1.84x	1.96x	1.03x
Leverage	6.1x	4.3x	4.7x	3.4x	7.6x	9.6x
ADTV ($mm)	$105.2	$13.2	$17.2	$5.3	$34.7	$77.0
Total Return(1)	45.6%	29.2%	34.9%	(18.6%)	3.3%	10.9%

Source: Bloomberg, Company filings and SNL Financial. mREITs represents the Bloomberg Mortgage REIT Index. Utilities represents the Russell 3000 Utilities Index. MLPs represents the Alerian MLP Index. Asset Managers represents the S&P 500 Asset Management and Custody Bank Index. Banks represent the KBW Bank Index.
Note: Market data as of September 2, 2016. Quarterly data as of June 30, 2016. Leverage for other yield investments (excluding mREITs) represents financial leverage defined as average assets over average equity per Bloomberg. ADTV represents 3-month average daily trading volume per Bloomberg.
(1) Total Return since December 31, 2013 to September 2, 2016 per Bloomberg.

Annaly Has Outperformed in Periods of Heightened Volatility…



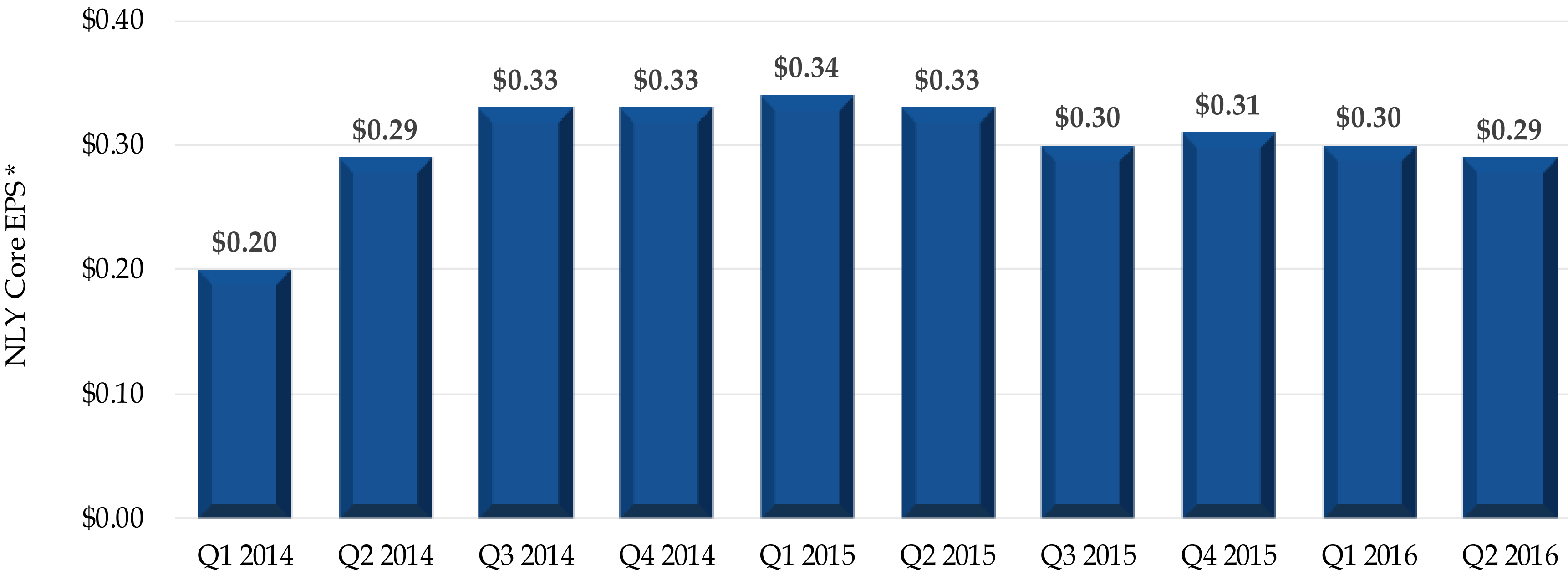
	Recession Mar '01 - Nov '01	Financial Crisis Dec '07 - May '09	Greek Debt Crisis Oct '09 - June '12	China Stock Market Turbulence June '15 - Sept '15	Brexit June '16 - July '16
NLY	36.7%	(0.4%)	35.9%	5.7%	4.9%
S&P	(7.3%)	(33.9%)	26.7%	(7.8%)	(1.1%)
NLY Outperformance	**44.0%**	**33.5%**	**9.2%**	**13.5%**	6.1%

Source: Bloomberg. Weekly data from October 10, 1997 until September 2, 2016.
Note: S&P represents the SPX Index.

…While Providing Stable Earnings and Superior Returns Over Time

Total Return

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	2014 – 2016 YTD[1]
ANNALY	13.1%	6.9%	(4.0%)	4.0%	(1.1%)	(8.8%)	10.6%	(1.9%)	12.6%	10.9%	45.6%
S&P Financials	2.6%	2.3%	2.3%	7.2%	(2.1%)	1.7%	(6.7%)	5.9%	(5.1%)	2.1%	18.3%



Annualized ROAE										
NLY*[2]	6.8%	9.1%	10.1%	10.0%	10.3%	10.3%	9.7%	10.3%	9.9%	9.7%
S&P Financials	8.9%	8.7%	8.9%	8.5%	8.9%	9.0%	9.2%	9.5%	9.0%	8.8%

Note: SNL Financial, Bloomberg, Company Filings.
*Represents a non-GAAP measure. See appendix.
(1) 2016 YTD reflects total return as of September 2, 2016.
(2) Reflects annualized core return on average equity.

Efficiency of Operating Model

Annaly outperforms internally and externally managed mREITs

- From 2012 through annualized 1H 2016, Annaly significantly outperformed its mREIT peers with respect to operating expenditures as a percentage of equity and as a percentage of assets
  - Annaly's average expense levels over the period were **49% lower** as a percentage of average equity and **65% lower** as a percentage of average assets
  - Annaly expense levels averaged 1.60% as a percentage of equity and 0.23% as a percentage of assets, while mREIT peers averaged 3.30% and 0.71%, respectively

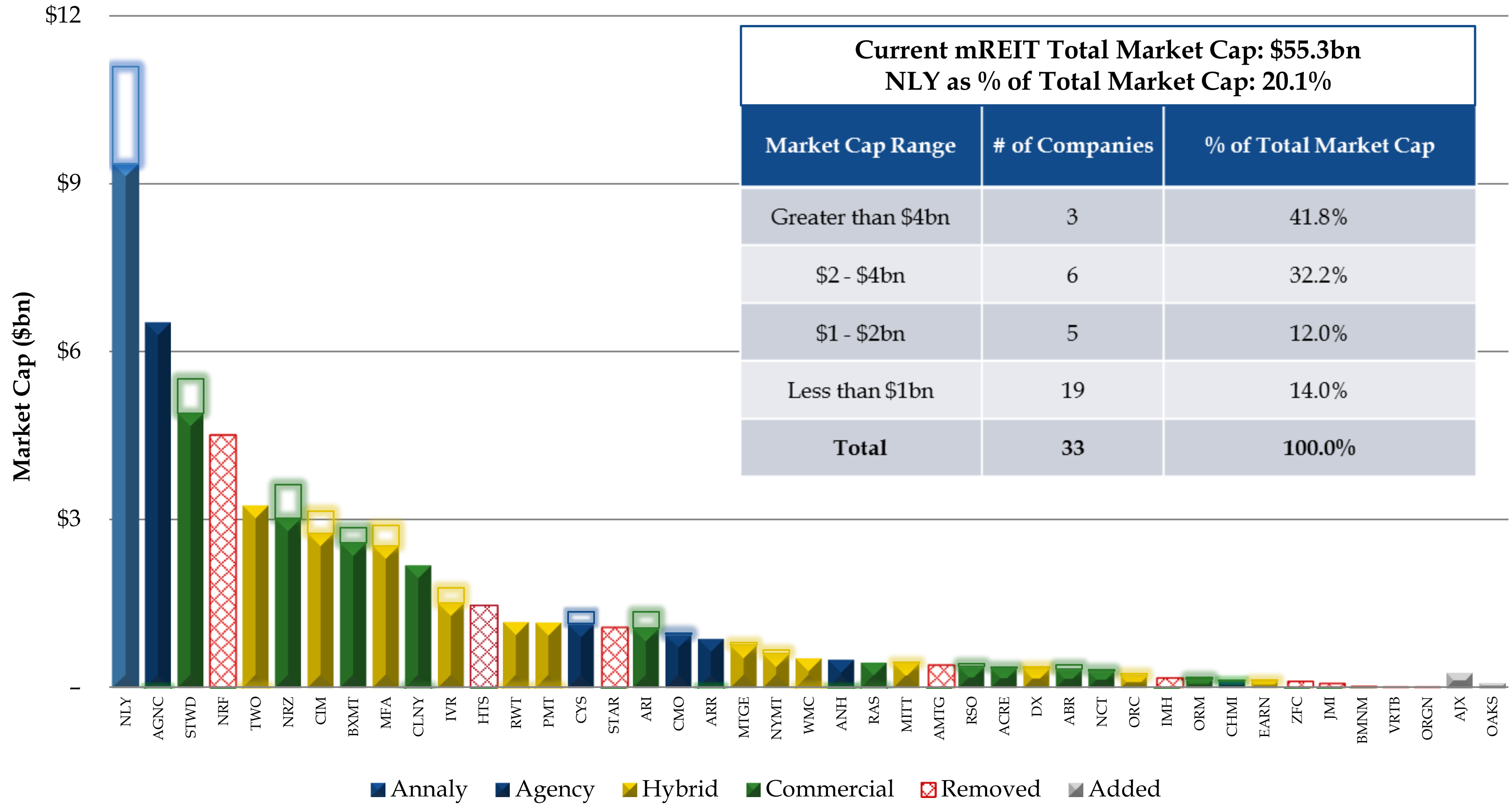
OpEx as % of Avg Equity	2012	2013	2014	2015	2016E (1)	Average
ANNALY	1.45%	1.66%	1.61%	1.58%	1.67%	**1.60%**
Internal Management	2.72%	3.83%	4.13%	3.84%	3.07%	**3.52%**
External Management	2.20%	3.06%	3.57%	3.75%	3.71%	**3.26%**

OpEx as % of Avg Assets	2012	2013	2014	2015	2016E (1)	Average
ANNALY	0.19%	0.22%	0.24%	0.25%	0.25%	**0.23%**
Internal Management	0.54%	0.91%	0.87%	0.73%	0.86%	**0.78%**
External Management	0.60%	0.66%	0.75%	0.79%	0.64%	**0.69%**

Source: Company Filings, SNL and Bloomberg. Averages are market weighted based on market capitalization as of December 31st of each respective year, except 2016E which is as of September 12, 2016.
Note: Internal Management and External Management represent the respective internally- and externally-managed members of the BBREMTG Index with market capitalization above $200mm as of the corresponding year end. Excludes Annaly and companies during years in which they became public or first listed. Operating Expense is defined as: (i) for Internally-Managed Peers, the sum of compensation & benefits, general & administrative expenses and other operating expenses, and (ii) for Externally-Managed Peers, the sum of net management fees, compensation & benefits (if any), general & administrative expenses and other operating expenses.
(1) 2016E represents annualized operating expenses as of 1H 2016. Average Equity and Average Assets are as of June 30, 2016.

mREIT Industry Landscape - September 2015 vs. Today

20% Fewer Mortgage REITs with $4.5 Billion Higher Industry Market Capitalization



Current mREIT Total Market Cap: $55.3bn
NLY as % of Total Market Cap: 20.1%

Market Cap Range	# of Companies	% of Total Market Cap
Greater than $4bn	3	41.8%
$2 - $4bn	6	32.2%
$1 - $2bn	5	12.0%
Less than $1bn	19	14.0%
Total	**33**	**100.0%**

Outlined area reflects increase between September 2015 and September 2016 market cap[1]

Source: Bloomberg. Note: Assuming current market caps as of September 2, 2016 for companies removed and added to the BBREMTG Index.
[1] No outline denotes either a reduction in market cap or no change to market cap from September 2015 to September 2016

Progress on Our Strategy in 2016

External Growth

- On July 12, 2016 Annaly completed its acquisition of Hatteras Financial Corp. for approximately $1.5 billion
  - Represents largest mREIT acquisition in history
- Added complementary assets to Annaly's existing investment portfolio

Portfolio Strategy

- Focused Agency MBS runoff into high quality prepay protected securities
- Residential Credit portfolio comprised of Credit Risk Transfer (CRT), Jumbo AAA Securities, NPL/RPL Securities, Legacy bonds and Whole Loans
- CRE portfolio growth only in high credit quality, risk-adjusted opportunities
- MML new deal flows increased with repeat sponsor business and larger ownership positions

Financing Strategy

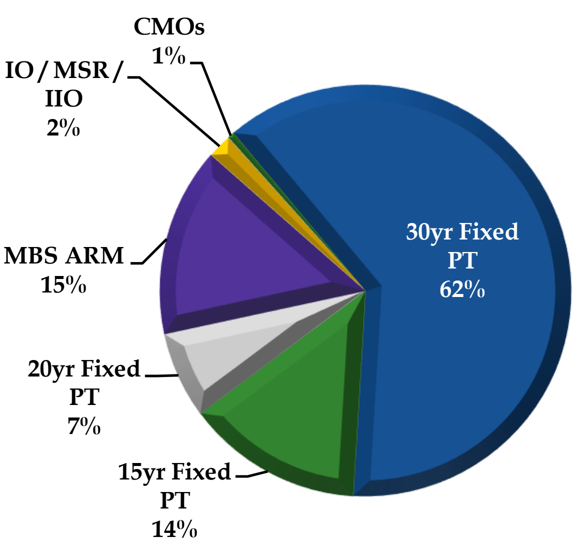
- Increased FHLB borrowings to $3.6 billion with a weighted average maturity of over four years
- Increased capacity under existing credit facility to $350 million for Annaly Commercial Real Estate Group
- Obtained $300 million credit facility for Middle Market Lending business

Agency MBS Portfolio Update

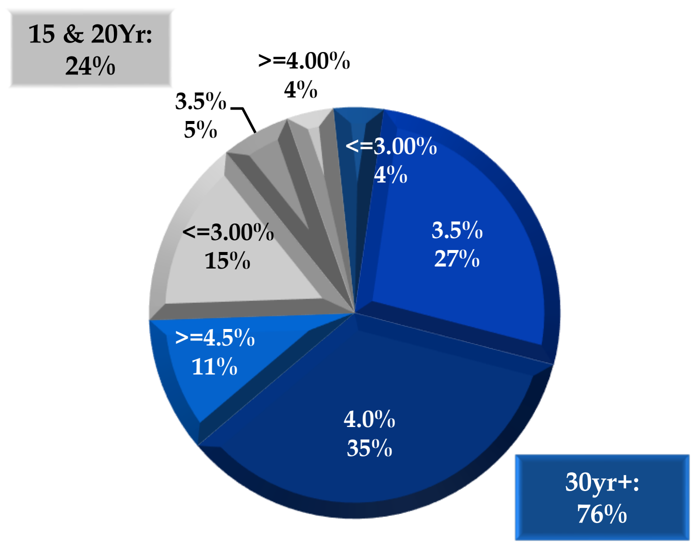
- As of Q2 2016, the market value of Agency portfolio was approximately $93.9 billion in assets, inclusive of the TBA position
- Approximately 92% of the portfolio is positioned in securities with prepayment protection
- MBS performed well over the course of Q2 2016 in light of elevated volatility; however, low absolute yield levels have increased prepayment expectations
- Strategy has focused on continued rotation into bonds with durable and stable cash flows

Total Dedicated Capital: $10.1bn

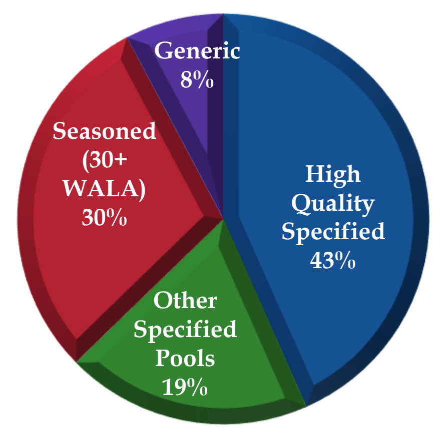
Asset Type(1)



Pass Through Coupon Type



Call Protection(2)



Data as of June 30, 2016. Data is unaudited and shown pro forma for Hatteras acquisition. Note: Percentages based on fair market value and may not sum to 100% due to rounding.

(1) Asset type is inclusive of TBA contracts.

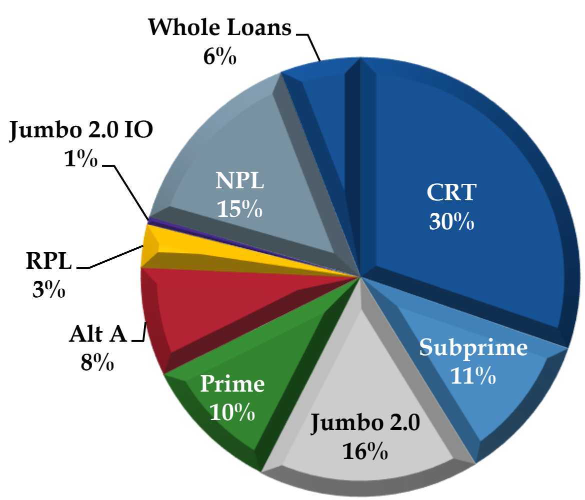
(2) “High Quality” protection is defined as pools backed by original loan balances of up to $150K, higher LTV pools (CR/CQ), geographic concentrations (NY/PR). “Other Specified Pools” includes $175K loan balance, high LTV pools, FICO < 700.

Residential Credit Portfolio Update

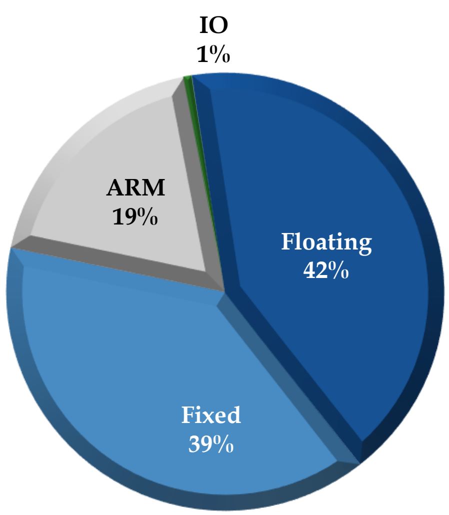
- As of Q2 2016, the portfolio grew to just over $2.1 billion in assets and is comprised of the following sectors:
  - **Credit Risk Transfer (CRT):** Expect supply to remain in line with expectations in coming months and pick up modestly in Q4/early 2017 as faster prepayment speeds translate into modest increase in gross issuance
  - **Jumbo "AAA" Securities:** Limited issuance given aggregators preferred funding mechanism of whole loan sales relative to securitization
  - **NPL/RPL Securities:** Yields on these products have tightened significantly year to date, as fundamentals remain strong
  - **Legacy:** Market continues to be supported primarily by both short and long term positive technicals, as well as positive fundamentals

Total Dedicated Capital: $1.0bn

Sector Type



Coupon Type



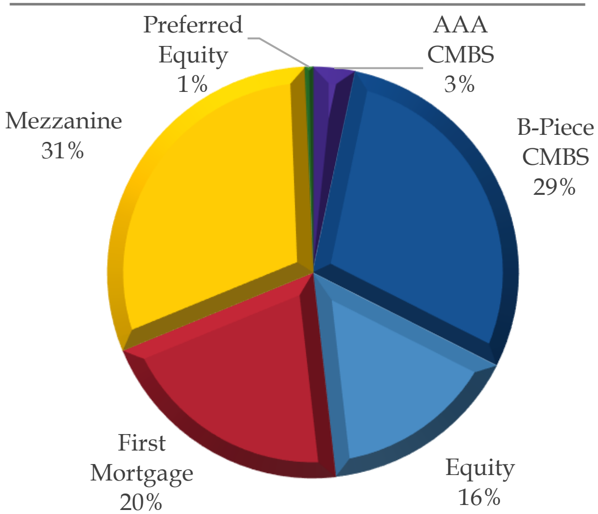
Data as of June 30, 2016. Data is unaudited and shown pro forma for Hatteras acquisition
Note: Percentages based on fair market value and may not sum to 100% due to rounding.

Commercial Real Estate Portfolio Update

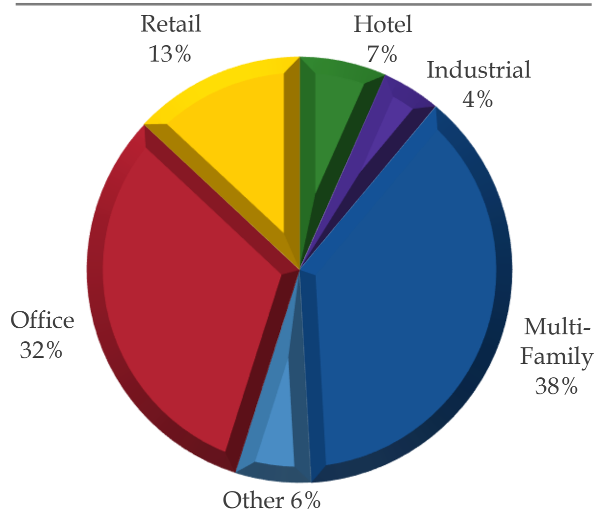
- As of Q2 2016, the commercial real estate portfolio was approximately $2.5 billion in assets(1)
- The combination of a significant decline in new acquisition activity by sponsors, a volatile marketplace and a cautious stance on credit led us to slow originations in the first half of 2016
  - $365 million of new originations/purchases in first half of 2016
- Increased financing capacity to $350 million with recent $150 million upsize to existing credit facility
  - $305 million funded under the facility in July 2016
- Active pipeline with quality opportunities, but will remain disciplined
  - Will only grow with the right risk-adjusted opportunities

Total Dedicated Capital: $1.4bn

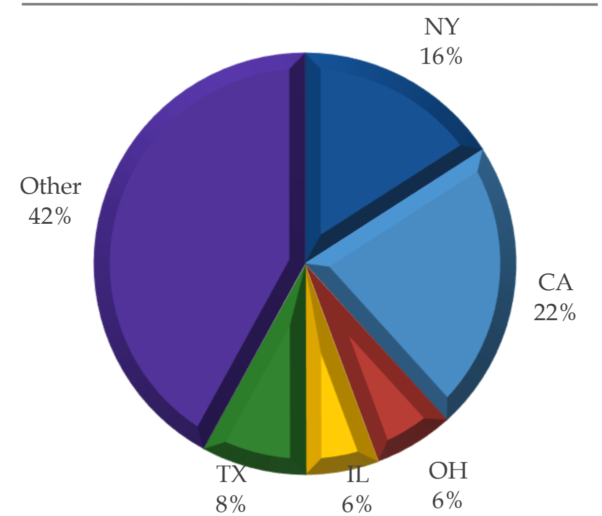
Asset Type



Sector Type



Geographic Concentration(2)



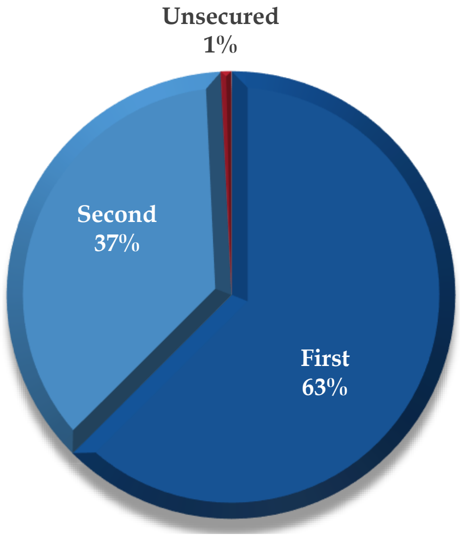
Data as of June 30, 2016. Data is unaudited and shown pro forma for Hatteras acquisition
Note: Percentages based on economic interest and may not sum to 100% due to rounding.
(1) Commercial Real Estate assets are exclusive of consolidated variable interest entities ("VIEs") associated with B Piece commercial mortgage-backed securities.
(2) Other includes 24 states, none of which represent more than 5% of total portfolio value.

Middle Market Lending Portfolio Update

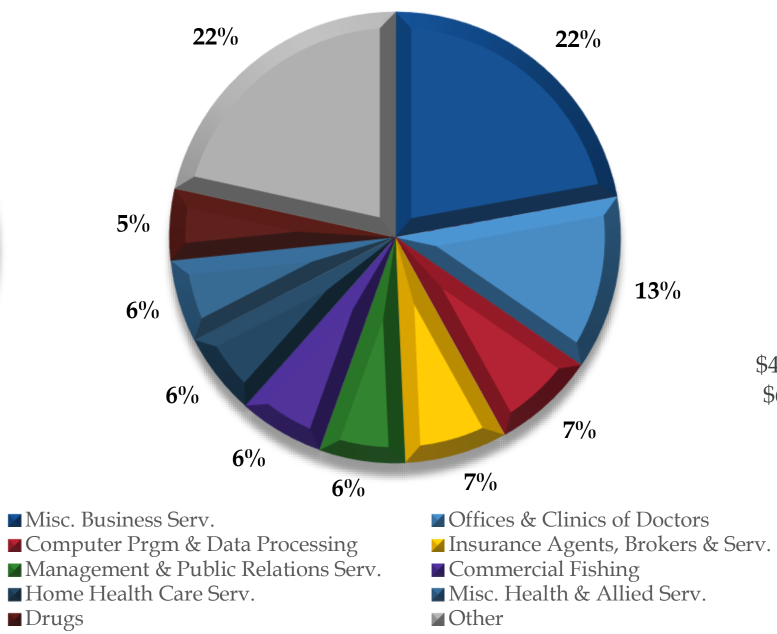
- As of Q2 2016, the middle market lending portfolio grew to approximately $700 million in assets
- A combination of repeat sponsor business, sectors of origination focus and larger ownership positions have garnered demonstrably increased new deal flow during the latter half of Q2 2016
- Unlevered portfolio yield increased from 7.8% at the end of Q1 2016 to 8.0% at the end of Q2 2016
- Closed $300 million credit facility in Q2 2016
  - $228 million funded under the facility in July 2016

Total Dedicated Capital: $0.7bn

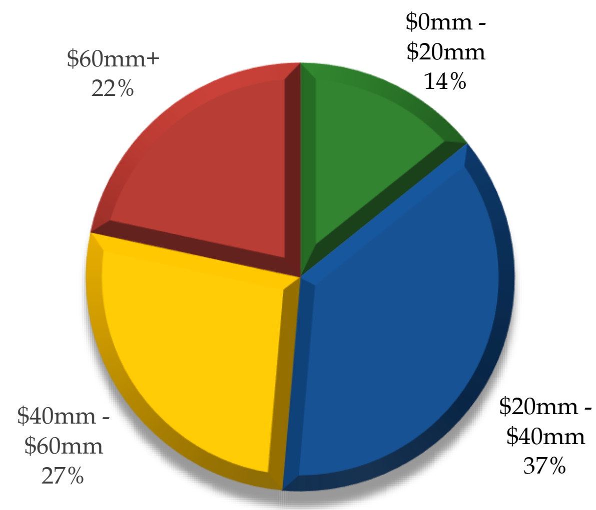
Lien Position



Industry [1]



Loan Size[2]



Data as of June 30, 2016 unless otherwise noted. Data is unaudited and shown pro forma for Hatteras acquisition
Note: Percentages based on principal outstanding and may not sum to 100% due to rounding.
(1) Based on Moody's industry categories.
(2) Breakdown based on aggregate $ amount of individual investments made within the respective loan size buckets. Multiple investment positions with a single obligor shown as one individual investment.

Annaly Acquisition of Hatteras Financial Corp

Closed $1.5 Billion Acquisition of

HATTERAS FINANCIAL

July 2016

- ✓ *Largest Mortgage REIT to Mortgage REIT Transaction Ever, by Deal Value and Target Asset Value*
- ✓ *Third Largest Transaction in the Entire REIT Sector Since the Financial Crisis, by Target Asset Value*
- ✓ *Third Largest Specialty Finance Transaction Since the Financial Crisis, by Target Asset Value (1)*

Transaction Overview

- **On April 11, 2016, Annaly Capital Management, Inc. (NLY) announced the acquisition of Hatteras Financial Corp. (HTS) for $1.5 billion in cash and stock**
  - 11.2% premium to the closing price of HTS common stock ending April 8, 2016
  - Price reflects 0.85x multiple of estimated book value per share at February 29, 2016
  - Proration used to ensure an aggregate consideration of 65% stock/35% cash
  - Transaction closed July 12, 2016, within 3 months of announcement

Management's Strategic Rationale

- ✓ **Expands and Further Diversifies Annaly's Investment Portfolio**
- ✓ **Transaction Expected to be Accretive to Annaly Shareholders**
- ✓ **Reinforces Annaly's Stature as Industry Leader**
- ✓ **Strong Liquidity Position**

Source: SNL Financial, Company Websites, Company Filings and Wells Fargo as of time of announcement.
(1) Excludes segment, portfolio or asset sales. Target assets exclude VIE assets.

Significant Financing Advantages

Annaly has a variety of potential financing sources for each asset class in which the Company invests

	Agency	Commercial Real Estate	Residential Credit	Middle Market Lending
Potential Financing Source	☑ Repo ☑ RCap Securities ☑ FHLB	☑ Securitization ☑ Credit Facilities ☑ 1st Mortgages ☑ Note Sales ☑ FHLB	☑ Repo ☑ FHLB ❑ Securitization	☑ Credit Facilities ❑ CLO
Target Leverage	6.0x - 8.0x	2.0x – 3.0x	2.0x – 3.0x	0.5x – 1.5x
Commentary	▪ Maintain significant funding capacity with RCap Securities and the Street ▪ Sunset(1) for FHLB funding provides competitive advantage	▪ Able to attain non-recourse leverage via securitization market for certain asset classes ▪ Credit facilities provide term leverage ▪ Note sales expand liquidity scope for institutional lending ▪ FHLB funding for certain asset classes remains attractive	▪ Significant appetite across the Street to fund Resi Credit collateral ▪ FHLB funding for certain asset classes remains attractive	▪ Portfolio generates attractive risk-adjusted yields on an unlevered basis ▪ Significant capacity exists for bank funding

Note: Potential financing sources and target leverage represent the current views of Annaly's management with respect to financing. Check mark indicates that Annaly currently uses this form of financing.
(1) Sunset reflects an FHLB membership termination date of February 2021.

Macro Economic & Interest Rate Market Outlook

Geopolitical Risks and Record Monetary Accommodation Keep Yields at Record Lows

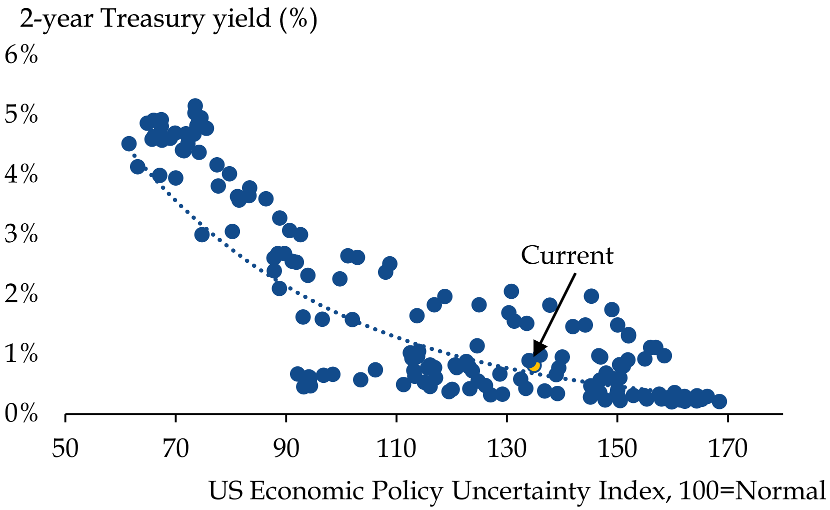
Heightened Uncertainty Means Hesitant Central Banks

- U.S. election, rises in nationalism, continued Brexit negotiations and fiscal entrenchment add uncertainty to weak potential and actual growth
- Lack of fiscal response to slow growth leads to heavy reliance on central bank policies - market has become very reliant on monetary policy accommodation

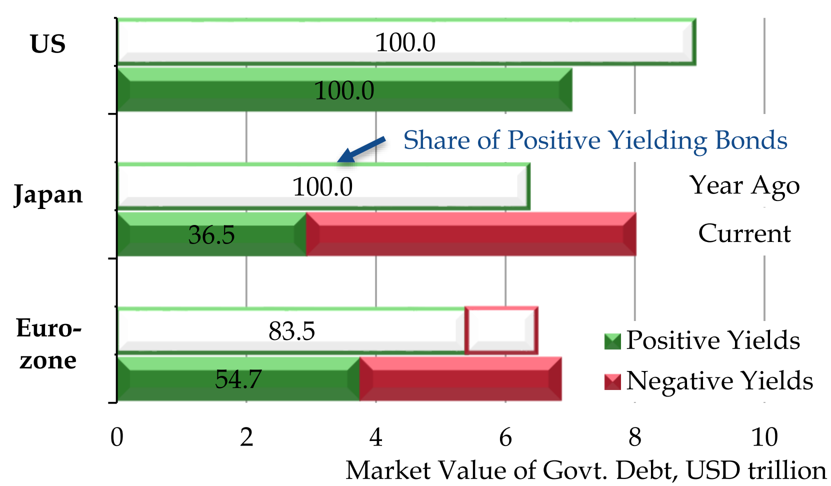
U.S. Yields Are Strongly Impacted by Overseas Developments

- Continued bid for U.S. rates products – which remain attractive amid negative yields abroad – suggest U.S. yields will likely remain low and trade with high correlation to other G4 yields
- Flattening of yield curve caused by strong demand for duration as evidenced by negative term premia

Uncertainty Lowers Yields[(1)]



U.S. Debt Represents More than Half of Positive Yielding G3 Debt[(2)]



Source: Bloomberg, Annaly Capital Management calculations.
(1) Dots represent 12-month trailing average reading of US Economic Policy Uncertainty Index (Jan 2003 – Aug 2016) compared to month-end 2-year Treasury yield.
(2) Figures represent USD market value of government debt with maturities of greater than 1 year as tracked by the Bloomberg Japan Sovereign Bond Index, the Bloomberg Eurozone Sovereign Bond Index, and the Treasury share of the Bloomberg US Government Bond Index. Current = September 2, 2016, Year ago = September 2, 2015. According to Fitch calculations, $3.2 trillion of sovereign, non-US debt yielding less than zero at June 30, 2016.

Annaly is an Industry Leading, Liquid Alternative Asset Manager

Size and Liquidity	▪ 15x Size of Median mREIT
Consolidator	▪ Recent Hatteras ("HTS") Acquisition Demonstrates External Growth and Ability to be Opportunistic
Diversification	▪ Four Distinct Operating Businesses Intended to Produce More Stable Earnings and Book Value
Valuation	▪ Valuation More Attractive than Other Yield Sectors Given Favorable Performance, Yield and Leverage Profile
Stability	▪ Core EPS 37% Less Volatile than the Agency mREIT Average over the Last 8 Quarters (1)
Employee Stock Ownership	▪ Significant Management Share Purchases; Unique Employee Stock Ownership Guidelines
Low Leverage/ Access to Funding	▪ Robust Menu of Financing Sources across Asset Classes
Prominent Institutional Sponsorship	▪ Investor Base Includes Leading Equity and Bond Fund Managers
Operating Efficiency	▪ Expense Levels as a Percentage of Equity and Assets are 49% and 65% Lower than mREIT Sector Average (2)
Track Record	▪ Outperformed S&P 500 by ~3x and mREIT Sector by ~5x since NLY's IPO (3)

Source: Bloomberg and company filings. Market data as of September 2, 2016. Quarterly peer financial data as of June 30, 2016. All peer comparisons represent NLY vs. the Bloomberg mREIT index unless otherwise noted.
(1) Definition of core earnings per share, which is a non-GAAP measure, can vary by Agency mREIT. Volatility based on range of quarterly core EPS reported from Q3 2014 to Q2 2016. Agency mREIT peers include AGNC, ARR, ANH, CMO, CYS.
(2) Represents average expense levels from 2012 to Q2 2016 annualized as a percentage of average equity and average assets versus mREIT sector.
(3) Represents weekly total return of Annaly against the Bloomberg mREIT Index (BBREMTG) and the S&P 500 from IPO (October 10, 1997) through September 2, 2016.

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Appendix: Non-GAAP Reconciliation

Non-GAAP Reconciliations

Unaudited, dollars in thousands except per share amounts

	For the quarters ended									
	June 30, 2016	March 31, 2016	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014
GAAP to Core Reconciliation										
GAAP net income (loss)	($278,497)	($868,080)	$669,666	($627,491)	$900,071	($476,499)	($658,272)	$354,856	($335,512)	($203,351)
Less:										
Realized (gains) losses on termination of interest rate swaps	60,064	-	-	-	-	226,462	-	-	772,491	6,842
Unrealized (gains) losses on interest rate swaps	373,220	1,031,720	(463,126)	822,585	(700,792)	466,202	873,468	(98,593)	(175,062)	348,942
Net (gains) losses on disposal of investments	(12,535)	1,675	7,259	7,943	(3,833)	(62,356)	(3,420)	(4,693)	(5,893)	(79,710)
Net (gains) losses on trading assets	(81,880)	(125,189)	(42,584)	(108,175)	114,230	6,906	57,454	(4,676)	46,489	146,228
Net unrealized (gains) losses on financial instruments measured at fair value through earnings	54,154	(128)	62,703	24,501	(17,581)	33,546	29,520	37,944	(2,085)	20,793
Impairment of goodwill	-	-	-	-	22,966	-	-	-	-	-
Corporate acquisition related expenses	2,163	-	-	-	-	-	-	23,783	-	-
Net (income) loss attributable to non-controlling interests	385	162	373	197	149	90	196	-	-	-
Premium amortization adjustment cost (benefit)	85,583	168,408	(18,072)	83,136	(79,582)	87,883	31,695	25,992	(4,279)	(27,870)
Plus:										
TBA dollar roll income	79,519	83,189	94,914	98,041	95,845	59,731	-	-	-	-
Core earnings	$282,176	$291,757	$311,133	$300,737	$331,473	$341,965	$330,641	$334,613	$296,149	$211,874
GAAP net income (loss) per average common share	($0.32)	($0.96)	$0.69	($0.68)	$0.93	($0.52)	($0.71)	$0.36	($0.37)	($0.23)
Core earnings per average common share	$0.29	$0.30	$0.31	$0.30	$0.33	$0.34	$0.33	$0.33	$0.29	$0.20
Premium Amortization Reconciliation										
Premium amortization expense	$265,475	$355,671	$159,720	$255,123	$94,037	$284,777	$198,041	$197,709	$149,641	$118,988
Less:										
Premium amortization adjustment cost (benefit)	85,583	168,408	(18,072)	83,136	(79,582)	87,883	31,695	25,992	(4,279)	(27,870)
Premium amortization expense exclusive of premium amortization adjustment	$179,892	$187,263	$177,792	$171,987	$173,619	$196,894	$166,346	$171,717	$153,920	$146,858