

ANNALY[®]

First Quarter 2025
Financial
Supplement

April 30, 2025



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Financial Snapshot

Unaudited, dollars in thousands except per share amounts

		For the quarters ended	
		3/31/2025	12/31/2024
Income Statement	GAAP net income (loss) per average common share ⁽¹⁾	\$0.15	\$0.78
	Earnings available for distribution per average common share ^{*(1)}	\$0.72	\$0.72
	Annualized GAAP return (loss) on average equity ⁽²⁾	4.04%	15.00%
	Annualized EAD return on average equity*	14.43%	14.27%
Balance Sheet	Book value per common share	\$19.02	\$19.15
	GAAP leverage at period-end ⁽³⁾	6.8x	7.1x
	Economic leverage at period-end ^{*(3)}	5.7x	5.5x
	GAAP capital ratio at period-end ⁽⁴⁾	12.4%	12.3%
	Economic capital ratio at period-end ^{*(4)}	14.6%	14.6%
Portfolio	Securities	\$70,361,364	\$69,756,447
	Loans, net	3,860,555	3,546,902
	Mortgage servicing rights	3,272,902	2,909,134
	Assets transferred or pledged to securitization vehicles	24,464,281	21,973,188
	Total investment portfolio	\$101,959,102	\$98,185,671
GAAP Key Statistics	Net interest margin ⁽⁵⁾	0.87%	0.75%
	Average yield on interest earning assets ⁽⁶⁾	5.18%	5.36%
	Average GAAP cost of interest bearing liabilities ⁽⁷⁾	4.77%	4.96%
	Net interest spread	0.41%	0.40%
Non-GAAP Key Statistics	Net interest margin (excluding PAA) ^{*(5)}	1.69%	1.71%
	Average yield on interest earning assets (excluding PAA) ^{*(6)}	5.23%	5.26%
	Average economic cost of interest bearing liabilities ^{*(7)}	3.88%	3.79%
	Net interest spread (excluding PAA) *	1.35%	1.47%
Efficiency	Operating expenses to earnings available for distribution *	10.41%	9.84%
	Annualized operating expenses as a % of average total assets	0.18%	0.17%
	Annualized operating expenses as a % of average total equity	1.49%	1.39%

* 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				
		3/31/2025	12/31/2024	9/30/2024	6/30/2024	3/31/2024
Portfolio-Related Data	Agency mortgage-backed securities	\$68,329,720	\$67,434,068	\$69,150,399	\$64,390,905	\$63,542,230
	Residential credit risk transfer securities	521,059	754,915	826,841	838,437	871,421
	Non-agency mortgage-backed securities	1,451,524	1,493,186	1,616,696	1,702,859	1,933,910
	Commercial mortgage-backed securities	59,061	74,278	106,241	112,552	153,128
	Total securities	\$70,361,364	\$69,756,447	\$71,700,177	\$67,044,753	\$66,500,689
	Residential mortgage loans	\$3,860,555	\$3,546,902	\$2,305,613	\$2,548,228	\$2,717,823
	Total loans, net	\$3,860,555	\$3,546,902	\$2,305,613	\$2,548,228	\$2,717,823
	Mortgage servicing rights	\$3,272,902	\$2,909,134	\$2,693,057	\$2,785,614	\$2,651,279
	Residential mortgage loans transferred or pledged to securitization vehicles	\$24,464,281	\$21,973,188	\$21,044,007	\$17,946,812	\$15,614,750
	Assets transferred or pledged to securitization vehicles	\$24,464,281	\$21,973,188	\$21,044,007	\$17,946,812	\$15,614,750
	Total investment portfolio	\$101,959,102	\$98,185,671	\$97,742,854	\$90,325,407	\$87,484,541
	Total assets	\$105,115,346	\$103,556,384	\$101,515,995	\$93,668,577	\$91,483,546
	Period-end TBA contract balances, implied market value	\$6,635,383	\$3,136,154	\$3,328,141	\$1,652,389	\$1,133,305
	Average TBA contract balances, implied market value	\$4,635,027	\$2,004,639	\$977,873	\$1,002,459	\$143,687

Financing and Capital Data

Unaudited, dollars in thousands except per share amounts

		For the quarters ended				
		3/31/2025	12/31/2024	9/30/2024	6/30/2024	3/31/2024
Financing Data	Repurchase agreements	\$61,659,460	\$65,688,923	\$64,310,276	\$60,787,994	\$58,975,232
	Other secured financing	900,000	750,000	600,000	600,000	600,000
	Debt issued by securitization vehicles	21,802,193	19,540,678	18,709,118	15,831,915	13,690,967
	Participations issued	1,748,273	1,154,816	467,006	1,144,821	1,161,323
	U.S. Treasury securities sold, not yet purchased	2,519,125	2,470,629	2,043,519	1,974,602	2,077,404
	Total debt	\$88,629,051	\$89,605,046	\$86,129,919	\$80,339,332	\$76,504,926
	Total liabilities	\$92,030,838	\$90,859,432	\$88,976,046	\$82,405,673	\$79,987,433
	Cumulative redeemable preferred stock	\$1,536,569	\$1,536,569	\$1,536,569	\$1,536,569	\$1,536,569
	Common equity ⁽¹⁾	11,458,147	11,072,672	10,906,693	9,644,555	9,872,964
	Total Annaly stockholders' equity	12,994,716	12,609,241	12,443,262	11,181,124	11,409,533
	Non-controlling interests	89,792	87,711	96,687	81,780	86,580
	Total equity	\$13,084,508	\$12,696,952	\$12,539,949	\$11,262,904	\$11,496,113
Key Capital and Hedging Metrics	Weighted average days to maturity of repurchase agreements	50	32	34	36	43
	Weighted average rate on repurchase agreements, for the quarter ⁽²⁾⁽³⁾	4.56%	4.93%	5.50%	5.53%	5.55%
	Weighted average rate on repurchase agreements, at period-end ⁽³⁾	4.56%	4.76%	5.23%	5.59%	5.55%
	GAAP leverage at period-end	6.8x	7.1x	6.9x	7.1x	6.7x
	Economic leverage at period-end *	5.7x	5.5x	5.7x	5.8x	5.6x
	GAAP capital ratio at period-end	12.4%	12.3%	12.4%	12.0%	12.6%
	Economic capital ratio at period-end *	14.6%	14.6%	14.6%	14.2%	14.6%
	Book value per common share	\$19.02	\$19.15	\$19.54	\$19.25	\$19.73
	Total common shares outstanding	602,338	578,357	558,048	501,018	500,440
	Hedge ratio ⁽⁴⁾	95%	100%	101%	98%	97%
	Weighted average pay rate on interest rate swaps, at period-end	2.98%	3.11%	3.05%	3.13%	3.20%
	Weighted average receive rate on interest rate swaps, at period-end	4.43%	4.50%	4.94%	5.30%	5.26%
	Weighted average net rate on interest rate swaps, at period-end	(1.45%)	(1.39%)	(1.89%)	(2.17%)	(2.06%)

* 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				
		3/31/2025	12/31/2024	9/30/2024	6/30/2024	3/31/2024
Summary Income Statement	Total interest income	\$1,317,108	\$1,338,880	\$1,229,341	\$1,177,325	\$1,094,488
	Total interest expense	1,097,137	1,151,592	1,215,940	1,123,767	1,100,939
	Net interest income	\$219,971	\$187,288	\$13,401	\$53,558	(\$6,451)
	Total economic interest expense ^{*(1)}	\$892,748	\$879,287	\$882,244	\$806,470	\$770,790
	Economic net interest income *	\$424,360	\$459,593	\$347,097	\$370,855	\$323,698
	Total interest income (excluding PAA) *	\$1,329,404	\$1,313,593	\$1,250,706	\$1,170,019	\$1,091,475
	Economic net interest income (excluding PAA) *	\$436,656	\$434,306	\$368,462	\$363,549	\$320,685
	GAAP net income (loss)	\$130,305	\$473,076	\$82,351	(\$8,833)	\$465,174
	GAAP net income (loss) available (related) to common stockholders ⁽²⁾	\$87,067	\$443,348	\$24,817	(\$46,641)	\$425,831
	GAAP net income (loss) per average common share ⁽²⁾	\$0.15	\$0.78	\$0.05	(\$0.09)	\$0.85
	Earnings available for distribution *	\$461,857	\$447,015	\$382,509	\$377,139	\$357,962
	Earnings available for distribution attributable to common stockholders ^{*(2)}	\$424,700	\$408,311	\$340,881	\$339,981	\$320,901
	Earnings available for distribution per average common share ^{*(2)}	\$0.72	\$0.72	\$0.66	\$0.68	\$0.64
	PAA cost (benefit)	\$12,296	(\$25,287)	\$21,365	(\$7,306)	(\$3,013)
	Weighted average experienced CPR for the period	7.1%	8.7%	7.6%	7.4%	6.0%
	Weighted average projected long-term CPR at period-end	9.5%	8.6%	11.9%	8.5%	8.9%

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Key Earnings Metrics

Unaudited, dollars in thousands except per share amounts

		For the quarters ended				
		3/31/2025	12/31/2024	9/30/2024	6/30/2024	3/31/2024
Key GAAP Earnings Metrics	Dividends declared per common share	\$0.70	\$0.65	\$0.65	\$0.65	\$0.65
	Total common and preferred dividends declared ⁽¹⁾	\$461,020	\$416,910	\$406,542	\$364,899	\$363,933
	Annualized GAAP return (loss) on average equity ⁽²⁾	4.04%	15.00%	2.77%	(0.31%)	16.29%
	Annualized GAAP return (loss) on average equity per unit of GAAP leverage	0.59%	2.11%	0.40%	(0.04%)	2.43%
	Net interest margin	0.87%	0.75%	0.06%	0.24%	(0.03%)
	Average yield on interest earning assets	5.18%	5.36%	5.16%	5.17%	4.88%
	Average GAAP cost of interest bearing liabilities	4.77%	4.96%	5.42%	5.43%	5.40%
	Net interest spread	0.41%	0.40%	(0.26%)	(0.26%)	(0.52%)
Key Non-GAAP Earnings Metrics	Annualized EAD return on average equity *	14.43%	14.27%	12.95%	13.36%	12.63%
	Annualized EAD return on average equity per unit of economic leverage *	2.53%	2.59%	2.27%	2.30%	2.26%
	Net interest margin (excluding PAA) *	1.69%	1.71%	1.52%	1.58%	1.43%
	Average yield on interest earning assets (excluding PAA) *	5.23%	5.26%	5.25%	5.14%	4.87%
	Average economic cost of interest bearing liabilities *	3.88%	3.79%	3.93%	3.90%	3.78%
	Net interest spread (excluding PAA) *	1.35%	1.47%	1.32%	1.24%	1.09%

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Components of Economic Net Interest Income*

Unaudited, dollars in thousands

		For the quarters ended				
		3/31/2025	12/31/2024	9/30/2024	6/30/2024	3/31/2024
Economic Net Interest Income *	Interest income:					
	Agency Securities	\$820,182	\$874,164	\$789,403	\$790,779	\$751,516
	Resi Credit Securities	40,207	47,004	49,863	50,895	55,996
	Residential mortgage loans	426,055	383,074	346,031	301,820	252,016
	Commercial investment portfolio	1,055	1,622	2,240	2,441	3,554
	Reverse repurchase agreements	29,609	33,016	41,804	31,390	31,406
	Total interest income	\$1,317,108	\$1,338,880	\$1,229,341	\$1,177,325	\$1,094,488
	Economic interest expense:					
	Repurchase agreements	\$760,783	\$857,533	\$942,780	\$881,926	\$897,598
	Net interest component of interest rate swaps and net interest on initial margin related to interest rate swaps ⁽¹⁾	(204,389)	(272,305)	(333,696)	(317,297)	(330,149)
	U.S. Treasury securities sold, not yet purchased	25,718	23,862	21,027	21,273	22,073
	Debt issued by securitization vehicles	283,592	260,290	234,299	200,812	161,017
	Participations issued	27,044	9,907	17,834	19,756	20,251
	Total economic interest expense *	\$892,748	\$879,287	\$882,244	\$806,470	\$770,790
	Economic net interest income *	\$424,360	\$459,593	\$347,097	\$370,855	\$323,698
	PAA cost (benefit)	12,296	(25,287)	21,365	(7,306)	(3,013)
	Economic net interest income (excluding PAA) *	\$436,656	\$434,306	\$368,462	\$363,549	\$320,685

* Represents a non-GAAP financial measure.

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GAAP Net Income to Earnings Available for Distribution* Reconciliation

Unaudited, dollars in thousands

		For the quarters ended				
		3/31/2025	12/31/2024	9/30/2024	6/30/2024	3/31/2024
EAD* Reconciliation	GAAP net income (loss)	\$130,305	\$473,076	\$82,351	(\$8,833)	\$465,174
	Adjustments to exclude reported realized and unrealized (gains) losses:					
	Net (gains) losses on investments and other ⁽¹⁾	(810,970)	2,010,664	(1,724,051)	568,874	994,120
	Net (gains) losses on derivatives ⁽²⁾	1,169,412	(1,958,777)	2,071,493	(132,115)	(1,046,995)
	Other adjustments:					
	Amortization of intangibles	673	671	673	673	673
	Non-EAD (income) loss allocated to equity method investments ⁽³⁾	147	(652)	1,465	(523)	216
	Transaction expenses and non-recurring items ⁽⁴⁾	6,782	6,251	4,966	5,329	3,737
	Income tax effect of non-EAD income (loss) items	7,355	5,594	(9,248)	10,016	(2,918)
	TBA dollar roll income ⁽⁵⁾	11,275	2,086	(1,132)	486	1,375
	MSR amortization ⁽⁶⁾	(62,433)	(64,497)	(62,480)	(56,100)	(50,621)
	EAD attributable to noncontrolling interests	(2,985)	(2,114)	(2,893)	(3,362)	(3,786)
	Premium amortization adjustment cost (benefit)	12,296	(25,287)	21,365	(7,306)	(3,013)
	Earnings available for distribution *	461,857	447,015	382,509	377,139	357,962
	Dividends on preferred stock	37,157	38,704	41,628	37,158	37,061
	Earnings available for distribution attributable to common stockholders *	\$424,700	\$408,311	\$340,881	\$339,981	\$320,901

* Represents a non-GAAP financial measure.

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Quarter-Over-Quarter Changes in Key Metrics

Unaudited

		For the quarters ended				
		3/31/2025	12/31/2024	9/30/2024	6/30/2024	3/31/2024
Book Value Rollforward	Book value per common share, beginning of period	\$19.15	\$19.54	\$19.25	\$19.73	\$19.44
	Net income (loss) available (related) to common stockholders	0.15	0.78	0.05	(0.09)	0.85
	Other comprehensive income (loss) attributable to common stockholders	0.39	(0.54)	0.86	0.25	0.11
	Common dividends declared	(0.70)	(0.65)	(0.65)	(0.65)	(0.65)
	Other ⁽¹⁾	0.03	0.02	0.03	0.01	(0.02)
	Book value per common share, end of period	\$19.02	\$19.15	\$19.54	\$19.25	\$19.73
Net Interest Margin	Prior quarter net interest margin	0.75%	0.06%	0.24%	(0.03%)	(0.25%)
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon on average interest earning assets	0.03%	0.04%	0.16%	0.22%	0.21%
	Net amortization of premiums	(0.21%)	0.16%	(0.18%)	0.07%	0.12%
	GAAP interest expense	0.30%	0.49%	(0.16%)	(0.02%)	(0.11%)
	Current quarter net interest margin	0.87%	0.75%	0.06%	0.24%	(0.03%)
Net Interest Spread	Prior quarter net interest spread	0.40%	(0.26%)	(0.26%)	(0.52%)	(0.82%)
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon on average interest earning assets	0.03%	0.04%	0.16%	0.22%	0.21%
	Net amortization of premiums	(0.21%)	0.16%	(0.18%)	0.07%	0.12%
	GAAP interest expense	0.19%	0.46%	0.02%	(0.03%)	(0.03%)
	Current quarter net interest spread	0.41%	0.40%	(0.26%)	(0.26%)	(0.52%)

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

Unaudited

		For the quarters ended				
		3/31/2025	12/31/2024	9/30/2024	6/30/2024	3/31/2024
Net Interest Margin (excluding PAA)*	Prior quarter net interest margin (excluding PAA) *	1.71%	1.52%	1.58%	1.43%	1.58%
	Quarter-over-quarter changes in contribution:					
	Coupon on average interest earning assets (including average TBA dollar roll and CMBX balances)	(0.09%)	(0.01%)	0.16%	0.18%	0.24%
	Net amortization of premiums (excluding PAA)	(0.05%)	(0.03%)	(0.06%)	0.05%	0.02%
	TBA dollar roll income and CMBX coupon income	0.03%	0.02%	(0.01%)	0.00%	(0.01%)
	Economic interest expense	0.09%	0.21%	(0.15%)	(0.08%)	(0.40%)
	Current quarter net interest margin (excluding PAA) *	1.69%	1.71%	1.52%	1.58%	1.43%
Net Interest Spread (excluding PAA)*	Prior quarter net interest spread (excluding PAA) *	1.47%	1.32%	1.24%	1.09%	1.22%
	Quarter-over-quarter changes in contribution:					
	Coupon on average interest earning assets	0.03%	0.04%	0.16%	0.22%	0.21%
	Net amortization of premiums (excluding PAA)	(0.06%)	(0.03%)	(0.05%)	0.05%	0.02%
	Economic interest expense	(0.09%)	0.14%	(0.03%)	(0.12%)	(0.36%)
	Current quarter net interest spread (excluding PAA) *	1.35%	1.47%	1.32%	1.24%	1.09%

* Represents a non-GAAP financial measure.

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

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

Unaudited

		For the quarters ended				
		3/31/2025	12/31/2024	9/30/2024	6/30/2024	3/31/2024
Annualized GAAP Return (Loss) on Average Equity	Prior quarter annualized GAAP return (loss) on average equity	15.00%	2.77%	(0.31%)	16.29%	(14.21%)
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon income	0.09%	(0.19%)	1.37%	2.50%	1.41%
	Net amortization of premiums and accretion of discounts	(1.66%)	1.31%	(1.43%)	0.55%	0.95%
	GAAP interest expense	2.46%	4.36%	(1.37%)	(0.94%)	(0.64%)
	Net servicing income	0.25%	(0.02%)	(0.11%)	0.19%	0.43%
	Net gains (losses) on investments and other	88.89%	(121.66%)	77.92%	14.83%	(103.65%)
	Net gains (losses) on derivatives	(100.58%)	129.19%	(74.08%)	(33.10%)	131.85%
	Other ⁽¹⁾	(0.41%)	(0.76%)	0.78%	(0.63%)	0.15%
	Current quarter annualized GAAP return (loss) on average equity	4.04%	15.00%	2.77%	(0.31%)	16.29%
Annualized EAD Return on Average Equity*	Prior quarter annualized EAD return on average equity *	14.27%	12.95%	13.36%	12.63%	13.76%
	<i>Quarter-over-quarter changes in contribution:</i>					
	Coupon income	0.07%	(0.20%)	1.39%	2.50%	1.36%
	Net amortization of premiums (excluding PAA)	(0.48%)	(0.21%)	(0.47%)	0.41%	0.15%
	Economic interest expense	0.18%	1.80%	(1.32%)	(1.35%)	(2.84%)
	Net servicing income	0.26%	(0.02%)	(0.11%)	0.19%	0.43%
	TBA dollar roll income and CMBX coupon income	0.29%	0.10%	(0.06%)	(0.03%)	(0.01%)
	Other ⁽²⁾	(0.16%)	(0.15%)	0.16%	(0.99%)	(0.22%)
	Current quarter annualized EAD return on average equity *	14.43%	14.27%	12.95%	13.36%	12.63%

* 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, 2025

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	\$7,832	—%	3.57%	96.9%	94.8%	4.5%	\$7,424
>=30 years ⁽²⁾	64,627,068	100.0%	4.98%	100.1%	98.4%	7.1%	63,620,277
Total/Weighted Avg.	\$64,634,900	100.0%	4.98%	100.1%	98.4%	7.1%	\$63,627,701

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	\$3,549,214	95.7%	4.74%	100.6%	100.5%	—%	\$3,566,419
Adjustable-rate	161,391	4.3%	6.35%	106.9%	103.3%	15.6%	166,664
Total/Weighted Avg.	\$3,710,605	100.0%	4.81%	100.9%	100.6%	15.6%	\$3,733,083

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	\$1,102,338	3.7%	3.47%	18.2%	17.8%	5.6%	\$195,801
Inverse interest-only	2,654,957	8.8%	1.68%	13.0%	10.3%	7.0%	273,680
Multifamily interest-only	26,398,722	87.5%	0.33%	1.9%	1.9%	—%	499,455
Total/Weighted Avg.	\$30,156,017	100.0%	0.56%	3.5%	3.2%	6.4%	\$968,936

Residential & Other Investments Overview as of March 31, 2025 (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	\$219,867,123	0.26%	3.2%	148.9%	8.2%	5.5%	\$3,272,902
MSR of limited partnership interest ⁽¹⁾	2,286,582						30,931
Total/Weighted Avg.	\$222,153,705	0.26%	3.2%	148.9%	8.2%	5.5%	\$3,303,833

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	\$492,296	1.7%	9.01%	99.6%	105.8%		\$521,059
Alt-A	204,309	0.7%	7.13%	99.0%	96.7%		197,554
Prime	1,867,436	0.2%	4.17%	168.9%	177.8%		46,697
Subprime	247,047	0.7%	7.07%	88.0%	87.7%		216,702
NPL/RPL	832,022	2.6%	6.71%	100.0%	99.8%		830,275
Prime jumbo	10,692,985	0.5%	5.04%	160.1%	174.8%		160,296
Residential mortgage loans	28,798,298	93.6%	6.54%	100.9%	98.4%		28,324,836
Total/Weighted Avg.	\$43,134,393	100.0%	6.58%				\$30,297,419

Other Credit Products							
Type	Current Face / Notional Value		Weighted Avg. Coupon	Weighted Avg. Amortized Cost	Weighted Avg. Fair Value		Estimated Fair Value
CRE CLO	\$59,015		6.66%	100.2%	100.1%		\$59,061

Residential Credit Securities Detail as of March 31, 2025

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	\$521,059	\$—	\$521,059	9.01%	1.60%	1.11%	4.47%
Alt-A	197,554	—	197,554	7.13%	9.05%	4.50%	14.10%
Prime	46,697	34,448	12,249	4.17%	0.77%	1.83%	3.81%
Subprime	216,702	33,212	183,490	7.07%	21.40%	14.46%	12.16%
Re-Performing Loan Securitizations	547,185	348,598	198,587	6.72%	27.59%	17.04%	20.45%
Non-Performing Loan Securitizations	283,090	235,890	47,200	6.69%	32.51%	74.23%	6.79%
Prime Jumbo	160,296	91,685	68,611	5.04%	1.06%	1.00%	5.33%
Total	\$1,972,583	\$743,833	\$1,228,750	7.28%	17.11%	18.85%	11.32%

Product	Bond Coupon				Estimated Fair Value
	ARM	Fixed	Floater	Interest Only	
Credit Risk Transfer	\$—	\$—	\$521,059	\$—	\$521,059
Alt-A	1,293	196,261	—	—	197,554
Prime	—	18,407	—	28,290	46,697
Subprime	—	197,834	18,803	65	216,702
Re-Performing Loan Securitizations	—	547,185	—	—	547,185
Non-Performing Loan Securitizations	—	283,090	—	—	283,090
Prime Jumbo	—	49,346	19,265	91,685	160,296
Total	\$1,293	\$1,292,123	\$559,127	\$120,040	\$1,972,583

Hedging & Liabilities as of March 31, 2025

Unaudited, dollars in thousands

Interest Rate Swaps	Maturity		Current Notional ⁽¹⁾⁽²⁾	Weighted Avg. Pay Rate	Weighted Avg. Receive Rate	Weighted Avg. Years to Maturity ⁽³⁾
	0 to 3 years		\$25,483,937	3.27%	4.40%	1.72
	> 3 to 6 years		8,678,730	2.96%	4.41%	4.61
	> 6 to 10 years		19,698,720	2.61%	4.48%	7.37
	Greater than 10 years		1,591,381	3.38%	4.41%	22.96
	Total / Weighted Avg.		\$55,452,768	2.98%	4.43%	4.79
Interest Rate Swaptions	Type	Current Underlying Notional	Weighted Avg. Underlying Fixed Rate	Weighted Avg. Underlying Floating Rate	Weighted Avg. Underlying Years to Maturity	Weighted Avg. Months to Expiration
	Long Pay	\$1,000,000	4.68%	SOFR	10.83	9.92
U.S. Treasury Hedging Positions	Type		Long Contracts	Short Contracts	Net Positions	Weighted Avg. Years to Maturity
	U.S. Treasury Positions - 2 year		\$—	\$—	\$—	—
	U.S. Treasury Positions - 5 year		\$—	\$—	\$—	—
	U.S. Treasury Positions - 10 year & greater		\$—	(\$14,175,400)	(\$14,175,400)	10.40
	Total / Weighted Avg.		\$—	(\$14,175,400)	(\$14,175,400)	10.40
Repurchase Agreements and Other Secured Financing	Maturity			Principal Balance		Weighted Avg. Rate At Period End
	Within 30 days			\$23,286,985		4.52%
	30 to 59 days			15,441,824		4.51%
	60 to 89 days			21,007,475		4.49%
	90 to 119 days			115,425		5.34%
	Over 120 days ⁽⁴⁾			2,707,751		6.51%
	Total / Weighted Avg.			\$62,559,460		4.60%
Total Indebtedness			Principal Balance	Weighted Average Rate		Days to Maturity ⁽⁵⁾
				At Period End	For the Quarter	
	Repurchase agreements		\$61,659,460	4.56%	4.56%	50
	Other secured financing		900,000	7.03%	7.02%	474
	Debt issued by securitization vehicles		22,535,741	5.42%	5.36%	12,953
	Participations issued		1,697,443	7.02%	6.76%	10,871
Total indebtedness		\$86,792,644				

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, 2025 and December 31, 2024
- 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, 2025		As of December 31, 2024	
	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)	(0.1%)	(0.8%)	0.1%	0.5%
(50)	—%	0.1%	0.1%	1.0%
(25)	0.1%	0.4%	0.1%	0.8%
25	(0.1%)	(1.0%)	(0.2%)	(1.3%)
50	(0.3%)	(2.4%)	(0.4%)	(2.9%)
75	(0.6%)	(4.1%)	(0.7%)	(4.8%)

MBS Spread Sensitivity ⁽¹⁾				
MBS Spread Shock (bps)	As of March 31, 2025		As of December 31, 2024	
	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)	1.4%	9.8%	1.3%	9.8%
(15)	0.8%	5.9%	0.8%	5.9%
(5)	0.3%	1.9%	0.3%	1.9%
5	(0.3%)	(1.9%)	(0.3%)	(1.9%)
15	(0.8%)	(5.8%)	(0.8%)	(5.8%)
25	(1.3%)	(9.6%)	(1.3%)	(9.6%)



ANNALY[®]

Appendix

Consolidated Statements of Financial Condition

Dollars in thousands, except per share data

	3/31/2025 (unaudited)	12/31/2024 ⁽¹⁾	9/30/2024 (unaudited)	6/30/2024 (unaudited)	3/31/2024 (unaudited)
Assets					
Cash and cash equivalents	\$ 1,833,528	\$ 1,488,027	\$ 1,560,159	\$ 1,587,108	\$ 1,665,370
Securities	70,361,364	69,756,447	71,700,177	67,044,753	66,500,689
Loans, net	3,860,555	3,546,902	2,305,613	2,548,228	2,717,823
Mortgage servicing rights	3,272,902	2,909,134	2,693,057	2,785,614	2,651,279
Assets transferred or pledged to securitization vehicles	24,464,281	21,973,188	21,044,007	17,946,812	15,614,750
Derivative assets	67,257	225,351	59,071	187,868	203,799
Receivable for unsettled trades	2,523	2,201,447	766,341	320,659	941,366
Principal and interest receivable	836,946	1,069,038	1,060,991	917,130	867,348
Intangible assets, net	8,743	9,416	10,088	10,761	11,433
Other assets	407,247	377,434	316,491	319,644	309,689
Total assets	\$ 105,115,346	\$ 103,556,384	\$ 101,515,995	\$ 93,668,577	\$ 91,483,546
Liabilities and stockholders' equity					
Liabilities					
Repurchase agreements	\$ 61,659,460	\$ 65,688,923	\$ 64,310,276	\$ 60,787,994	\$ 58,975,232
Other secured financing	900,000	750,000	600,000	600,000	600,000
Debt issued by securitization vehicles	21,802,193	19,540,678	18,709,118	15,831,915	13,690,967
Participations issued	1,748,273	1,154,816	467,006	1,144,821	1,161,323
U.S. Treasury securities sold, not yet purchased	2,519,125	2,470,629	2,043,519	1,974,602	2,077,404
Derivative liabilities	181,065	59,586	102,628	100,829	103,142
Payable for unsettled trades	2,304,774	308,282	1,885,286	1,096,271	2,556,798
Interest payable	285,858	268,317	276,397	369,106	350,405
Dividends payable	421,637	375,932	362,731	325,662	325,286
Other liabilities	208,453	242,269	219,085	174,473	146,876
Total liabilities	92,030,838	90,859,432	88,976,046	82,405,673	79,987,433
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⁾	6,023	5,784	5,580	5,010	5,004
Additional paid-in capital	25,749,468	25,257,716	24,851,604	23,694,663	23,673,687
Accumulated other comprehensive income (loss)	(787,402)	(1,017,682)	(712,203)	(1,156,927)	(1,281,918)
Accumulated deficit	(13,509,942)	(13,173,146)	(13,238,288)	(12,898,191)	(12,523,809)
Total stockholders' equity	12,994,716	12,609,241	12,443,262	11,181,124	11,409,533
Noncontrolling interests	89,792	87,711	96,687	81,780	86,580
Total equity	13,084,508	12,696,952	12,539,949	11,262,904	11,496,113
Total liabilities and equity	\$ 105,115,346	\$ 103,556,384	\$ 101,515,995	\$ 93,668,577	\$ 91,483,546

Consolidated Statements of Comprehensive Income (Loss)

Unaudited, dollars in thousands, except per share data

For the quarters ended	3/31/2025	12/31/2024	9/30/2024	6/30/2024	3/31/2024
Net interest income					
Interest income	\$ 1,317,108	\$ 1,338,880	\$ 1,229,341	\$ 1,177,325	\$ 1,094,488
Interest expense	1,097,137	1,151,592	1,215,940	1,123,767	1,100,939
Net interest income	219,971	187,288	13,401	53,558	(6,451)
Net servicing income					
Servicing and related income	140,435	127,224	122,583	120,515	115,084
Servicing and related expense	14,113	11,648	12,988	12,617	12,216
Net servicing income	126,322	115,576	109,595	107,898	102,868
Other income (loss)					
Net gains (losses) on investments and other	810,812	(2,010,426)	1,723,713	(568,745)	(994,127)
Net gains (losses) on derivatives	(977,867)	2,215,680	(1,754,010)	430,487	1,377,144
Other, net	7,398	19,339	27,438	24,791	23,367
Total other income (loss)	(159,657)	224,593	(2,859)	(113,467)	406,384
General and administrative expenses					
Compensation expense	37,297	33,955	34,453	33,274	28,721
Other general and administrative expenses	10,767	10,019	9,468	11,617	9,849
Total general and administrative expenses	48,064	43,974	43,921	44,891	38,570
Income (loss) before income taxes	138,572	483,483	76,216	3,098	464,231
Income taxes	8,267	10,407	(6,135)	11,931	(943)
Net income (loss)	130,305	473,076	82,351	(8,833)	465,174
Net income (loss) attributable to noncontrolling interests	6,081	(8,976)	15,906	650	2,282
Net income (loss) attributable to Annaly	124,224	482,052	66,445	(9,483)	462,892
Dividends on preferred stock	37,157	38,704	41,628	37,158	37,061
Net income (loss) available (related) to common stockholders	\$ 87,067	\$ 443,348	\$ 24,817	\$ (46,641)	\$ 425,831
Net income (loss) per share available (related) to common stockholders					
Basic	\$ 0.15	\$ 0.78	\$ 0.05	\$ (0.09)	\$ 0.85
Diluted	\$ 0.15	\$ 0.78	\$ 0.05	\$ (0.09)	\$ 0.85
Weighted average number of common shares outstanding					
Basic	587,149,704	569,201,592	515,729,658	500,950,563	500,612,840
Diluted	588,420,998	570,651,985	516,832,152	500,950,563	501,182,043
Other comprehensive income (loss)					
Net income (loss)	\$ 130,305	\$ 473,076	\$ 82,351	\$ (8,833)	\$ 465,174
Unrealized gains (losses) on available-for-sale securities	164,877	(337,121)	428,955	(54,243)	(281,869)
Reclassification adjustment for net (gains) losses included in net income (loss)	65,403	31,642	15,769	179,234	335,351
Other comprehensive income (loss)	230,280	(305,479)	444,724	124,991	53,482
Comprehensive income (loss)	360,585	167,597	527,075	116,158	518,656
Comprehensive income (loss) attributable to noncontrolling interests	6,081	(8,976)	15,906	650	2,282
Comprehensive income (loss) attributable to Annaly	354,504	176,573	511,169	115,508	516,374
Dividends on preferred stock	37,157	38,704	41,628	37,158	37,061
Comprehensive income (loss) attributable to common stockholders	\$ 317,347	\$ 137,869	\$ 469,541	\$ 78,350	\$ 479,313

Income Statement Gains (Losses) Detail

Unaudited, dollars in thousands

		For the quarters ended				
		3/31/2025	12/31/2024	9/30/2024	6/30/2024	3/31/2024
Other Income Statement Details	Net gains (losses) on disposal of investments and other	(\$49,369)	(\$34,063)	(\$169,079)	(\$335,987)	(\$545,947)
	Net unrealized gains (losses) on instruments measured at fair value through earnings	860,181	(1,976,363)	1,892,792	(232,758)	(448,180)
	Net gains (losses) on investments and other	\$810,812	(\$2,010,426)	\$1,723,713	(\$568,745)	(\$994,127)
	Net interest component of interest rate swaps	\$191,545	\$256,903	\$317,483	\$298,372	\$330,149
	Realized gains (losses) on termination or maturity of interest rate swaps	(43,789)	36,043	(94,016)	18,721	(21,237)
	Unrealized gains (losses) on interest rate swaps	(753,601)	1,586,097	(1,582,495)	97,484	900,902
	Net gains (losses) on other derivatives	(372,022)	336,637	(394,982)	15,910	167,330
	Net gains (losses) on derivatives	(\$977,867)	\$2,215,680	(\$1,754,010)	\$430,487	\$1,377,144

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, 2025, December 31, 2024, September 30, 2024, June 30, 2024 and March 31, 2024, is provided on page 9 of this financial supplement.

[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, (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 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, the net interest component of interest rate swaps (which includes net interest on variation margin related to interest rate swaps) and net interest on initial margin related to 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 less interest expense and the net interest component of interest rate swaps divided by the sum of average interest earning assets plus average TBA contract balances, 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				
	3/31/2025	12/31/2024	9/30/2024	6/30/2024	3/31/2024
<i>Economic leverage ratio reconciliation</i>					
Repurchase agreements	\$61,659,460	\$65,688,923	\$64,310,276	\$60,787,994	\$58,975,232
Other secured financing	900,000	750,000	600,000	600,000	600,000
Debt issued by securitization vehicles	21,802,193	19,540,678	18,709,118	15,831,915	13,690,967
Participations issued	1,748,273	1,154,816	467,006	1,144,821	1,161,323
U.S. Treasury securities sold, not yet purchased	2,519,125	2,470,629	2,043,519	1,974,602	2,077,404
Total GAAP debt	\$88,629,051	\$89,605,046	\$86,129,919	\$80,339,332	\$76,504,926
Less Non-recourse debt:					
Debt issued by securitization vehicles	(\$21,802,193)	(\$19,540,678)	(\$18,709,118)	(\$15,831,915)	(\$13,690,967)
Participations issued	(1,748,273)	(1,154,816)	(467,006)	(1,144,821)	(1,161,323)
Total recourse debt	\$65,078,585	\$68,909,552	\$66,953,795	\$63,362,596	\$61,652,636
Plus / (Less):					
Cost basis of TBA derivatives	\$6,612,755	\$3,158,058	\$3,333,873	\$1,639,941	\$1,136,788
Payable for unsettled trades	2,304,774	308,282	1,885,286	1,096,271	2,556,798
Receivable for unsettled trades	(2,523)	(2,201,447)	(766,341)	(320,659)	(941,366)
Economic debt *	\$73,993,591	\$70,174,445	\$71,406,613	\$65,778,149	\$64,404,856
Total equity	\$13,084,508	\$12,696,952	\$12,539,949	\$11,262,904	\$11,496,113
Economic leverage ratio *	5.7x	5.5x	5.7x	5.8x	5.6x

* Represents a non-GAAP financial measure.

Non-GAAP Reconciliations (cont'd)

Unaudited, dollars in thousands

	For the quarters ended				
	3/31/2025	12/31/2024	9/30/2024	6/30/2024	3/31/2024
<u>Economic capital ratio reconciliation</u>					
Total GAAP assets	\$105,115,346	\$103,556,384	\$101,515,995	\$93,668,577	\$91,483,546
Less:					
Gross unrealized gains on TBA derivatives ⁽¹⁾	(35,095)	(8,635)	(2,869)	(14,641)	(7,220)
Debt issued by securitization vehicles	(21,802,193)	(19,540,678)	(18,709,118)	(15,831,915)	(13,690,967)
Plus:					
Implied market value of TBA derivatives	6,635,383	3,136,154	3,328,141	1,652,389	1,133,305
Total economic assets *	\$89,913,441	\$87,143,225	\$86,132,149	\$79,474,410	\$78,918,664
Total equity	\$13,084,508	\$12,696,952	\$12,539,949	\$11,262,904	\$11,496,113
Economic capital ratio ^{*(2)}	14.6%	14.6%	14.6%	14.2%	14.6%
<u>Premium Amortization Reconciliation</u>					
Premium amortization expense	\$57,412	\$8,196	\$53,448	\$10,437	\$26,732
Less:					
PAA cost (benefit)	12,296	(25,287)	21,365	(7,306)	(3,013)
Premium amortization expense (excluding PAA)	\$45,116	\$33,483	\$32,083	\$17,743	\$29,745
<u>Interest Income (excluding PAA) Reconciliation</u>					
GAAP interest income	\$1,317,108	\$1,338,880	\$1,229,341	\$1,177,325	\$1,094,488
PAA cost (benefit)	12,296	(25,287)	21,365	(7,306)	(3,013)
Interest income (excluding PAA) *	\$1,329,404	\$1,313,593	\$1,250,706	\$1,170,019	\$1,091,475
<u>Economic Interest Expense Reconciliation</u>					
GAAP interest expense	\$1,097,137	\$1,151,592	\$1,215,940	\$1,123,767	\$1,100,939
Add:					
Net interest component of interest rate swaps and net interest on initial margin related to interest rate swaps ⁽³⁾	(204,389)	(272,305)	(333,696)	(317,297)	(330,149)
Economic interest expense *	\$892,748	\$879,287	\$882,244	\$806,470	\$770,790
<u>Economic Net Interest Income (excluding PAA) Reconciliation</u>					
Interest income (excluding PAA) *	\$1,329,404	\$1,313,593	\$1,250,706	\$1,170,019	\$1,091,475
Less:					
Economic interest expense *	892,748	879,287	882,244	806,470	770,790
Economic net interest income (excluding PAA) *	\$436,656	\$434,306	\$368,462	\$363,549	\$320,685

* 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				
	3/31/2025	12/31/2024	9/30/2024	6/30/2024	3/31/2024
<i>Economic Metrics (excluding PAA)</i>					
Average interest earning assets	\$101,631,610	\$99,876,810	\$95,379,071	\$91,008,934	\$89,738,726
Interest income (excluding PAA) *	\$1,329,404	\$1,313,593	\$1,250,706	\$1,170,019	\$1,091,475
Average yield on interest earning assets (excluding PAA) *	5.23%	5.26%	5.25%	5.14%	4.87%
Average interest bearing liabilities	\$92,001,700	\$90,773,953	\$87,819,655	\$81,901,233	\$80,682,111
Economic interest expense *	\$892,748	\$879,287	\$882,244	\$806,470	\$770,790
Average economic cost of interest bearing liabilities *	3.88%	3.79%	3.93%	3.90%	3.78%
Economic net interest income (excluding PAA)*	\$436,656	\$434,306	\$368,462	\$363,549	\$320,685
Net interest spread (excluding PAA) *	1.35%	1.47%	1.32%	1.24%	1.09%
Interest income (excluding PAA) *	\$1,329,404	\$1,313,593	\$1,250,706	\$1,170,019	\$1,091,475
TBA dollar roll income	11,275	2,086	(1,132)	486	1,375
Economic interest expense *	(892,748)	(879,287)	(882,244)	(806,470)	(770,790)
Subtotal	\$447,931	\$436,392	\$367,330	\$364,035	\$322,060
Average interest earning assets	\$101,631,610	\$99,876,810	\$95,379,071	\$91,008,934	\$89,738,726
Average TBA contract balances, implied cost basis	4,625,212	2,013,666	973,713	998,990	149,590
Subtotal	\$106,256,822	\$101,890,476	\$96,352,784	\$92,007,924	\$89,888,316
Net interest margin (excluding PAA) *	1.69%	1.71%	1.52%	1.58%	1.43%

* Represents a non-GAAP financial measure.

Endnotes

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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 1.01% and 3.75% for the quarters ended March 31, 2025 and December 31, 2024, 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") 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) Net interest margin represents interest income less interest expense divided by average interest earning assets. Net interest margin (excluding PAA) represents the sum of the Company's interest income (excluding PAA) plus TBA dollar roll income less interest expense and the net interest component of interest rate swaps divided by the sum of average interest earning assets plus average TBA contract balances.
- (6) 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).
- (7) 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.

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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.
- (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) Economic interest expense is comprised of GAAP interest expense, the net interest component of interest rate swaps, and, beginning with the quarter ended June 30, 2024, net interest on initial margin related to interest rate swaps, which is reported in Other, net in the Company's Consolidated Statements of Comprehensive Income (Loss). Prior period results have not been adjusted in accordance with this change as the impact is not material. Net interest on variation margin related to interest rate swaps was previously and is currently included in the Net interest component of interest rate swaps in the Company's Consolidated Statements of Comprehensive Income (Loss) for all periods presented.
- (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 1.01%, 3.75%, 0.69%, (0.08%) and 4.07% for the quarters ended March 31, 2025, December 31, 2024, September 30, 2024, June 30, 2024 and March 31, 2024, respectively.

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- (1) Interest on initial margin related to interest rate swaps is reported in Other, net in the Company's Consolidated Statements of Comprehensive Income (Loss).

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- (1) Includes write-downs or recoveries on investments which are reported in Other, net in the Company's Consolidated Statements 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 \$191.5 million, \$256.9 million, \$317.5 million, \$298.4 million and \$330.1 million for the quarters ended March 31, 2025, December 31, 2024, September 30, 2024, June 30, 2024 and March 31, 2024, 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 Statements of Comprehensive Income (Loss).
- (4) All quarters presented include costs incurred in connection with securitizations of residential whole loans.
- (5) TBA dollar roll income represents a component of Net gains (losses) on derivatives.
- (6) MSR amortization 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.

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- (1) Other includes the impact of net proceeds from the issuance, repurchase or redemption of common and preferred stock, stock compensation expense, the settlement of stock-based awards in satisfaction of withholding tax requirements and other timing differences on share count related to any of the aforementioned items.

Endnotes (cont'd)

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- (1) Includes other, net, general and administrative expenses and income taxes.
- (2) 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 \$6.9 billion.
- (2) Includes fixed-rate collateralized mortgage obligations with an estimated fair value of \$73.8 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.
- (2) As of March 31, 2025, 7% and 93% of the Company's interest rate swaps were linked to 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) Approximately 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, 2024.
- (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 602,338,286 shares issued and outstanding at March 31, 2025, 578,357,118 shares issued and outstanding at December 31, 2024, 558,047,743 shares issued and outstanding at September 30, 2024, 501,018,415 shares issued and outstanding at June 30, 2024 and 500,440,023 shares issued and outstanding at March 31, 2024.

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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.
- (3) Interest on initial margin related to interest rate swaps is reported in Other, net in the Company's Consolidated Statements of Comprehensive Income (Loss).