



3Q 2013 Stockholder Supplement

November 6, 2013

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) that 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 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 integrate and grow the commercial mortgage business; our ability to consummate any contemplated investment opportunities; risks associated with the businesses of our subsidiaries, including the investment advisory business of our wholly-owned subsidiary, including the removal by clients of assets managed, its regulatory requirements, and competition in the investment advisory business; risks associated with the broker-dealer business of our wholly-owned subsidiary; changes in government regulations affecting our business; our ability to maintain our qualification as a REIT for federal income tax purposes; 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.

3Q13 Financial Overview



Unaudited

Income Statement

- GAAP net income of \$192.5 million, or \$0.18 per average common share, generating an annualized GAAP return on average equity of 5.87%
- Core earnings⁽¹⁾ of \$282.3 million, or \$0.28 per average common share, generating an annualized core return on average equity of 8.62%
- Declared a \$0.35 dividend per common share

Balance Sheet

- Common stock book value per share of \$12.70
- End of period total debt to equity of 5.4x⁽²⁾
- End of period capital ratio of 13.9%⁽³⁾ and net capital ratio of 14.8%⁽⁴⁾
- Weighted average days to maturity on interest-bearing liabilities of 204 days

Portfolio

- Annualized yield on average interest-earning assets⁽⁵⁾ of 2.82% and annualized interest rate spread of 1.01% during the quarter
- End of period Investment Securities⁽⁶⁾ of \$83.1 billion
- End of period commercial real estate debt and preferred equity of \$1.2 billion with a weighted-average yield of 9.70% at quarter end
- End of period commercial real estate held for investment of \$37.2 million⁽⁷⁾ with a net equity yield of 14.13%⁽⁸⁾

- (1) Core earnings exclude net gains (losses) on trading assets and disposal of investments, unrealized gains (losses) on interest rate swaps and Agency interest-only mortgage-backed securities, and realized gains (losses) on termination of interest rate swaps
- (2) Leverage includes non-recourse loan participation and mortgages payable.
- (3) Total stockholders' equity divided by total assets.
- (4) Total stockholders' equity divided by total assets less the net balances of U.S. Treasury securities and U.S. Treasury securities sold, not yet purchased, reverse repurchase agreements and repurchase agreements, and securities borrowed and securities loaned.
- (5) Includes Investment Securities, U.S. Treasury Securities, securities loaned, commercial real estate debt and preferred equity, reverse repurchase agreements and cash and cash equivalents.
- (6) Investment Securities include Agency mortgage-backed securities, Agency debentures and corporate debt.
- (7) Does not include \$23.3 million of Real Estate Held-for-Sale at September 30, 2013.
- (8) Based on GAAP net income, excluding depreciation and amortization expense, utilizing average net equity for the quarter ended September 30, 2013.



Unaudited

Portfolio Positioning

- Manage Agency portfolio to mitigate against potential tapering of Federal Reserve's Quantitative Easing ("QE") by continuing to shift position into lower duration assets
- Disposed of \$44.9 billion of Investment Securities⁽¹⁾ through 3Q13 year-to-date resulting in realized gains of \$374.4 million
- Commercial investment portfolio grew 28% during the quarter and now represents 11% of stockholders' equity

Market Opportunities

- Expected levered return on equity of 13% to 16% on purchase of Agency mortgage-backed securities ("Agency MBS") in current market environment
- Expected unlevered return on equity of 7.50% to 11.00% on new commercial real estate investments
- To-be-announced ("TBA") dollar rolls remain attractive due to QE

Liability and Interest Rate Management

- Maintain conservative leverage profile (5.4x⁽²⁾ at end of 3Q13) which will result in increasing notional amount of interest rate swaps as a percentage of Investment Securities⁽¹⁾
- Utilize derivatives to hedge against spikes in volatility, higher interest rates and Agency MBS-spread widening

(1) Includes Agency mortgage-backed securities, Agency debentures and corporate debt.

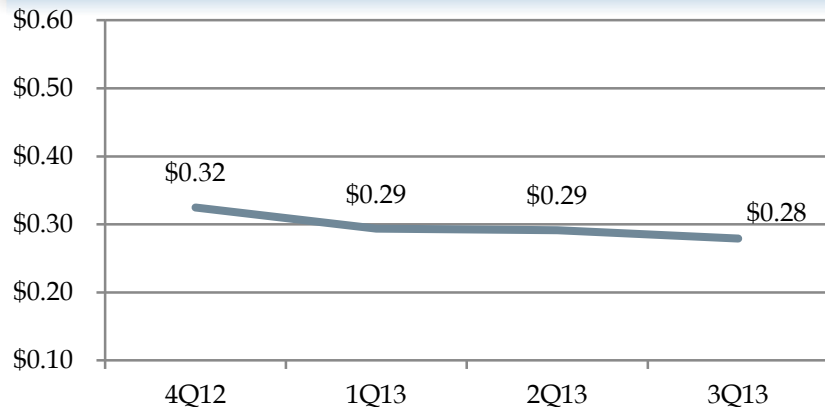
(2) Leverage includes non-recourse loan participation and mortgages payable.

Last Four Quarters Financial Performance

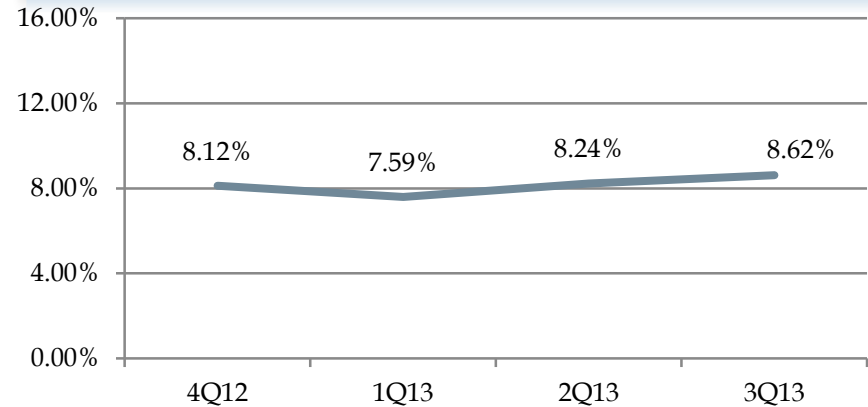


Unaudited

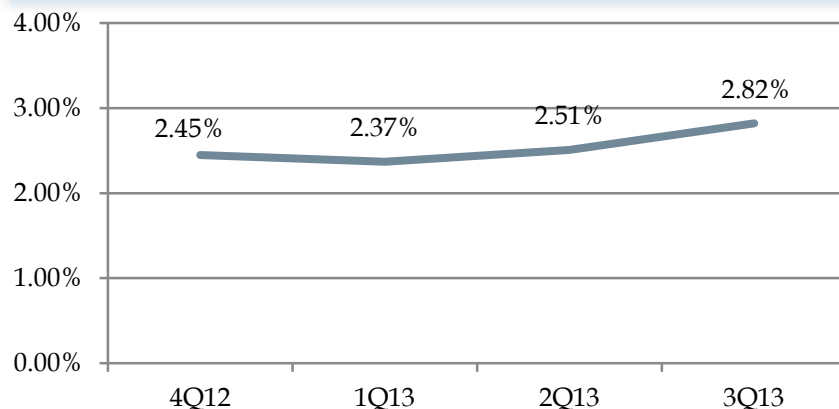
Core EPS⁽¹⁾



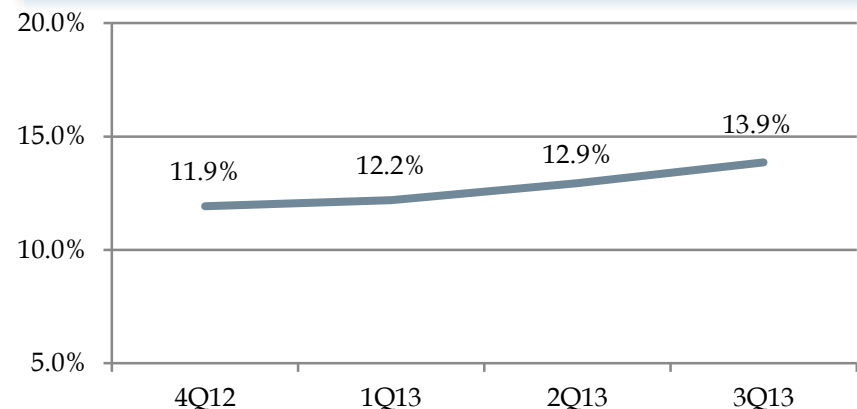
Annualized Core Return on Equity



Annualized Yield on Average Interest-Earning Assets⁽²⁾



Capital Ratio⁽³⁾



- (1) Core earnings exclude net gains (losses) on trading assets and disposal of investments, unrealized gains (losses) on interest rate swaps and Agency interest-only mortgage-backed securities, realized gains (losses) on termination of interest rate swaps, net loss on extinguishment of the 4% Convertible Senior Notes, impairment of goodwill and loss on previously held equity interest in CrExus Investment Corp.
- (2) Includes Investment Securities, U.S. Treasury Securities, securities loaned, commercial real estate debt and preferred equity, reverse repurchase agreements and cash and cash equivalents.
- (3) Total stockholders' equity divided by total assets.

Summary Balance Sheet and Applicable Information



Unaudited, numbers in thousands except per share amounts

	For the quarters ended		
	September 30, 2013	June 30, 2013	September 30, 2012
Agency mortgage-backed securities and debentures	\$83,031,687	\$95,793,791	\$132,533,252
Commercial real estate investments	1,287,606	1,005,560	-
Corporate debt held	75,988	61,682	64,928
<u>Total Investment Securities⁽¹⁾ and commercial real estate investments</u>	<u>\$84,395,281</u>	<u>\$96,861,033</u>	<u>\$132,598,180</u>
Total assets	\$93,433,157	\$102,468,584	\$141,576,600
Repurchase agreements	\$69,211,309	\$81,397,335	\$101,033,146
Convertible Senior Notes	824,512	824,229	999,749
Mortgages payable	19,346	19,361	-
Participation sold	14,164	14,324	-
<u>Total debt</u>	<u>\$70,069,331</u>	<u>\$82,255,249</u>	<u>\$102,032,895</u>
Total liabilities	\$80,487,433	\$89,205,280	\$124,485,937
Cumulative redeemable preferred stock	\$913,059	\$913,059	\$913,059
<u>Common equity⁽²⁾</u>	<u>12,032,665</u>	<u>12,350,245</u>	<u>16,177,604</u>
<u>Total stockholders' equity</u>	<u>\$12,945,724</u>	<u>\$13,263,304</u>	<u>\$17,090,663</u>
Total debt to total stockholders' equity ⁽³⁾	5.4x	6.2x	6.0x
Capital ratio ⁽⁴⁾	13.9%	12.9%	12.1%
Net capital ratio ⁽⁵⁾	14.8%	13.3%	12.4%
Common stock book value per share	\$12.70	\$13.03	\$16.60
Total common stock shares outstanding	947,305	947,483	974,800

(1) Includes Agency mortgage-backed securities, Agency debentures and corporate debt.

(2) Includes common stock, additional paid-in capital, accumulated other comprehensive income (loss) and accumulated deficit.

(3) Leverage includes non-recourse loan participation and mortgages payable.

(4) Total stockholders' equity divided by total assets.

(5) Total stockholders' equity divided by total assets less the net balances of U.S. Treasury securities and U.S. Treasury securities sold, not yet purchased, reverse repurchase agreements and repurchase agreements, and securities borrowed and securities loaned.

Summary Income Statement and Applicable Information



Unaudited, dollars in thousands except per share amounts

	For the quarters ended		
	September 30, 2013	June 30, 2013	September 30, 2012
Total interest income	\$697,160	\$712,936	\$761,265
Total economic interest expense ⁽¹⁾	373,385	376,982	406,165
Economic net interest income ⁽¹⁾	\$323,775	\$335,954	\$355,100
GAAP net income (loss)	\$192,458	\$1,638,213	\$224,758
GAAP net income (loss) available (related) to common shareholders	174,466	1,620,221	215,391
GAAP earnings per common share	\$0.18	\$1.71	\$0.22
Core earnings (loss) ⁽²⁾	\$282,292	\$294,158	\$306,306
Core earnings (loss) available (related) to common shareholders ⁽²⁾	264,300	276,166	296,939
Core earnings per common share ⁽²⁾	\$0.28	\$0.29	\$0.30
Dividends declared per common share	\$0.35	\$0.40	\$0.50
Annualized GAAP return on average equity	5.87%	45.87%	5.39%
Annualized core return on average equity ⁽²⁾	8.62%	8.24%	7.34%
Annualized core return on average equity ⁽²⁾ per unit of leverage	1.59%	1.33%	1.23%
Annualized yield on average interest-earning assets	2.82%	2.51%	2.54%
Annualized cost of funds on average interest-bearing liabilities	1.81%	1.53%	1.52%
Annualized interest rate spread	1.01%	0.98%	1.02%
Weighted average three-month constant prepayment rate (CPR)	13%	16%	20%

(1) Includes realized gains (losses) on interest rate swaps.

(2) Core earnings exclude net gains (losses) on trading assets and disposal of investments, unrealized gains (losses) on interest rate swaps and Agency interest-only mortgage-backed securities, realized gains (losses) on termination of interest rate swaps, net loss on extinguishment of the 4% Convertible Senior Notes, impairment of goodwill and loss on previously held equity interest in CreXus Investment Corp.

Components of Economic Net Interest Income



Unaudited, dollars in thousands

	For the quarters ended		
	September 30, 2013	June 30, 2013	September 30, 2012
Interest income:			
Investment securities ⁽¹⁾	\$659,058	\$686,577	\$751,739
U.S. Treasury securities	7,718	7,242	4,588
Securities loaned	1,787	2,302	2,581
Commercial real estate investments	26,066	13,906	-
Reverse repurchase agreements	2,461	2,775	2,225
Other	70	134	132
<u>Total interest income</u>	<u>\$697,160</u>	<u>\$712,936</u>	<u>\$761,265</u>
Economic interest expense ⁽²⁾ :			
Repurchase agreements	\$120,123	\$141,945	\$158,150
Realized losses on interest rate swaps ⁽³⁾	227,909	212,727	224,272
Convertible Senior Notes	17,092	16,364	18,026
U.S. Treasury Securities sold, not yet purchased	6,688	4,075	3,739
Securities borrowed	1,405	1,737	1,978
Participation sold	168	134	0
<u>Total economic interest expense⁽²⁾</u>	<u>\$373,385</u>	<u>\$376,982</u>	<u>\$406,165</u>
<u>Economic net interest income⁽²⁾</u>	<u>\$323,775</u>	<u>\$335,954</u>	<u>\$355,100</u>

(1) Includes Agency mortgage-backed securities, Agency debentures and corporate debt.

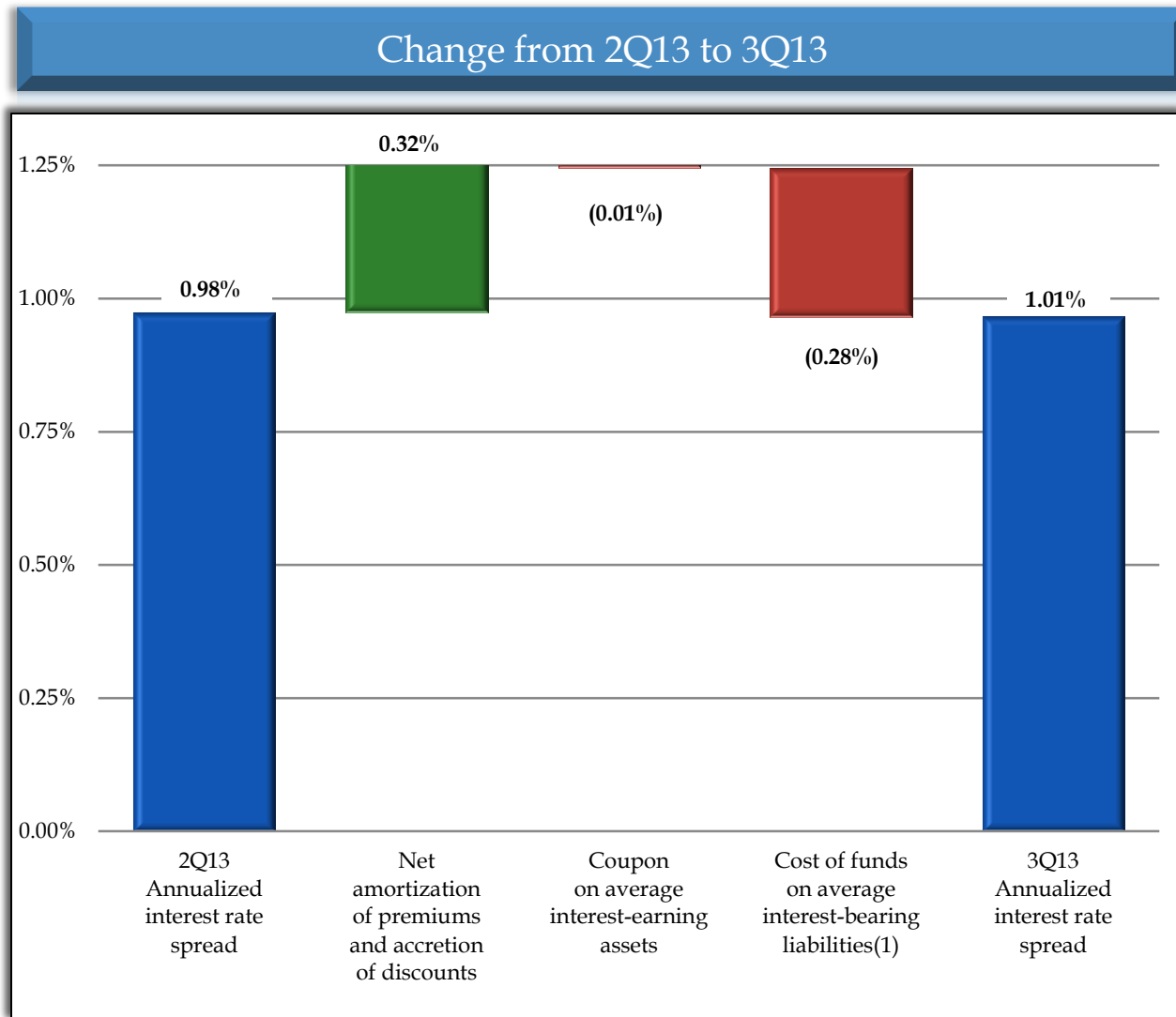
(2) Includes realized gains (losses) on interest rate swaps.

(3) Interest expense related to the Company's interest rate swaps is recorded in Realized gains (losses) on interest rate swaps on the Consolidated Statements of Comprehensive Income (Loss).

Change in Annualized Interest Rate Spread



Unaudited



Note: Graph shows relative changes in contribution from 2Q13 to 3Q13. For example, net amortization of premiums and accretion of discounts increased annualized interest rate spread by 0.32% more in 3Q13 versus 2Q13.

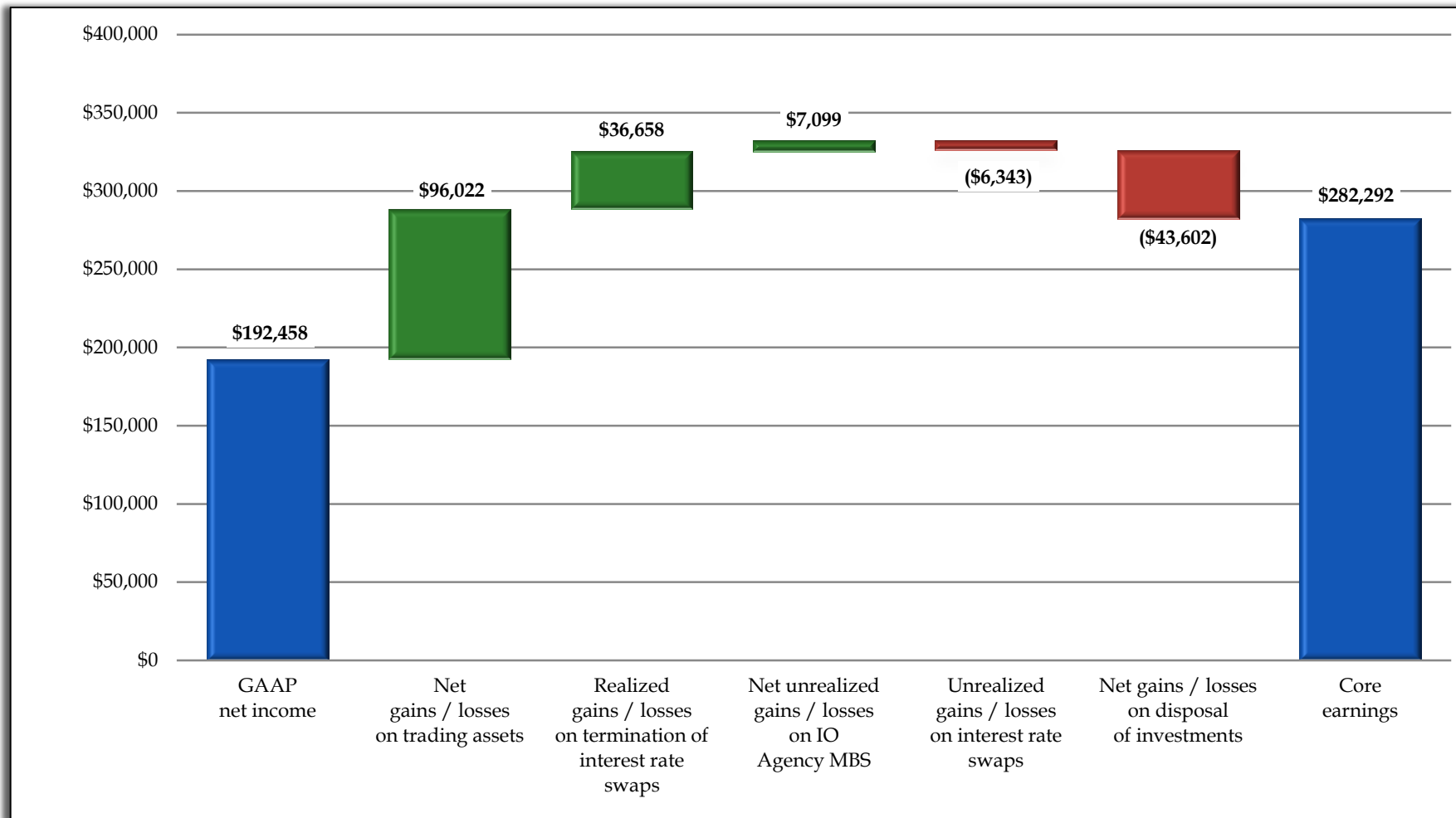
(1) Includes realized gains (losses) on interest rate swaps.

Reconciliation to Core Earnings



Unaudited, dollars in thousands

Reconciliation of 3Q13 GAAP Net Income to Core Earnings⁽¹⁾



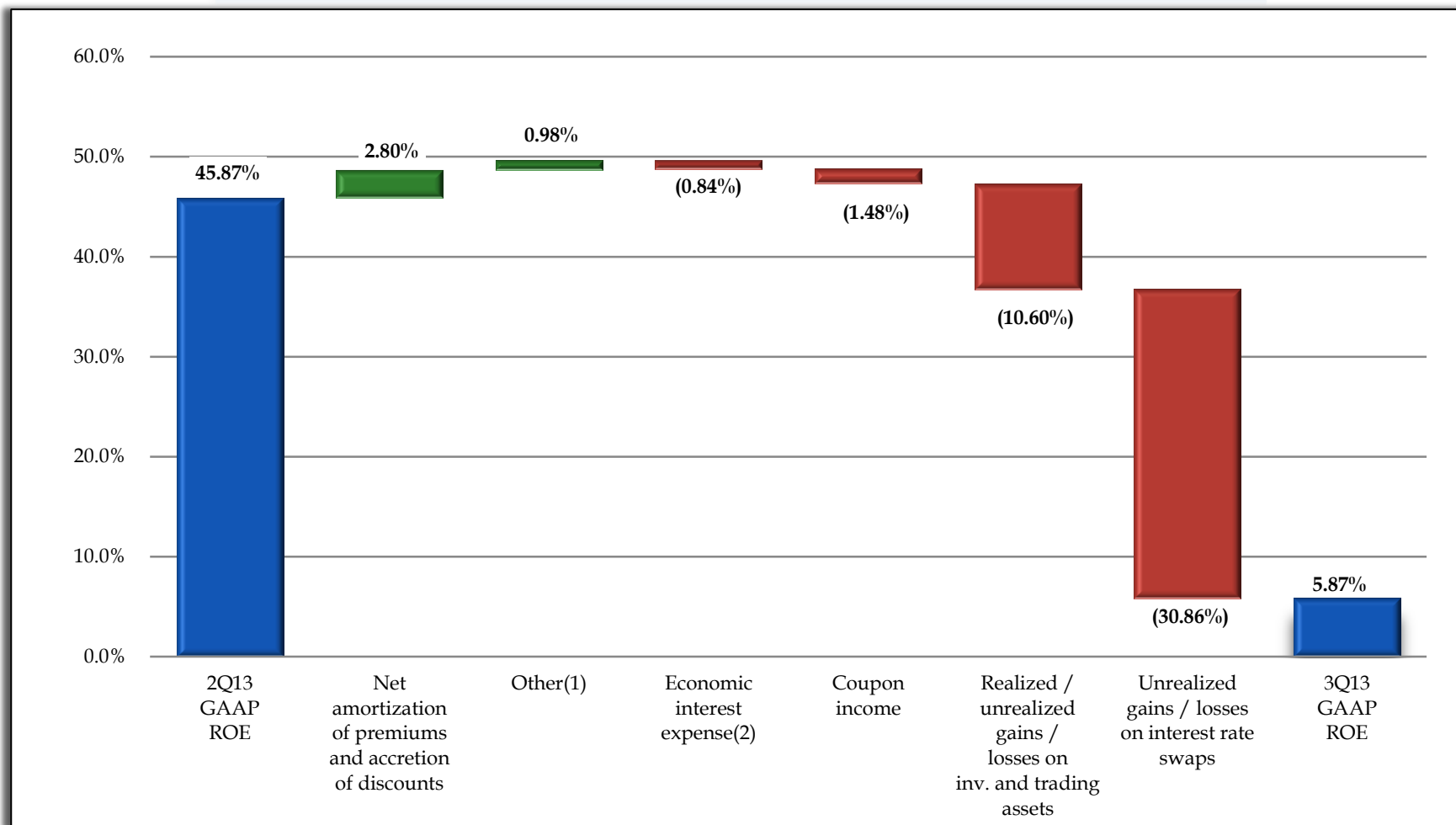
(1) Core earnings exclude net gains (losses) on trading assets and disposal of investments, unrealized gains (losses) on interest rate swaps and Agency interest-only mortgage-backed securities, and realized gains (losses) on termination of interest rate swaps.

Change in Annualized GAAP Return on Average Equity



Unaudited

Change from 2Q13 to 3Q13



Note: Graph shows relative changes in contribution from 2Q13 to 3Q13. For example, unrealized gains/losses on interest rate swaps decreased annualized ROE by 30.86% more in 3Q13 versus 2Q13.

(1) Other includes investment advisory income, dividend income from affiliates, other income (loss), realized gains (losses) on termination of interest rate swaps, general and administrative expenses, and income taxes.

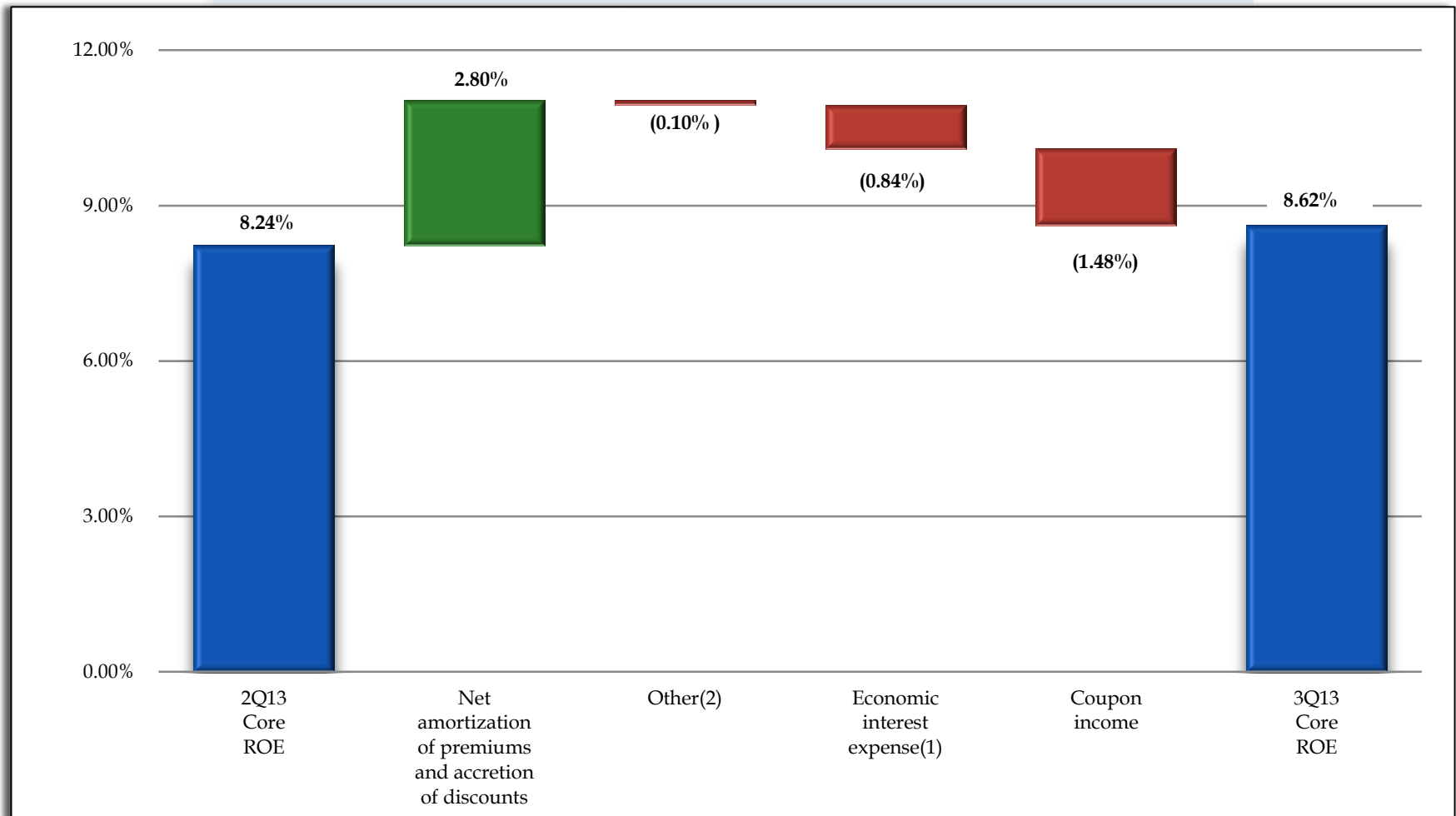
(2) Includes realized gains (losses) on interest rate swaps.

Change in Annualized Core Return on Average Equity



Unaudited

Change from 2Q13 to 3Q13



Note: Graph shows relative changes in contribution from 2Q13 to 3Q13. For example, economic interest expense decreased annualized core ROE by 0.84% more in 3Q13 versus 2Q13.

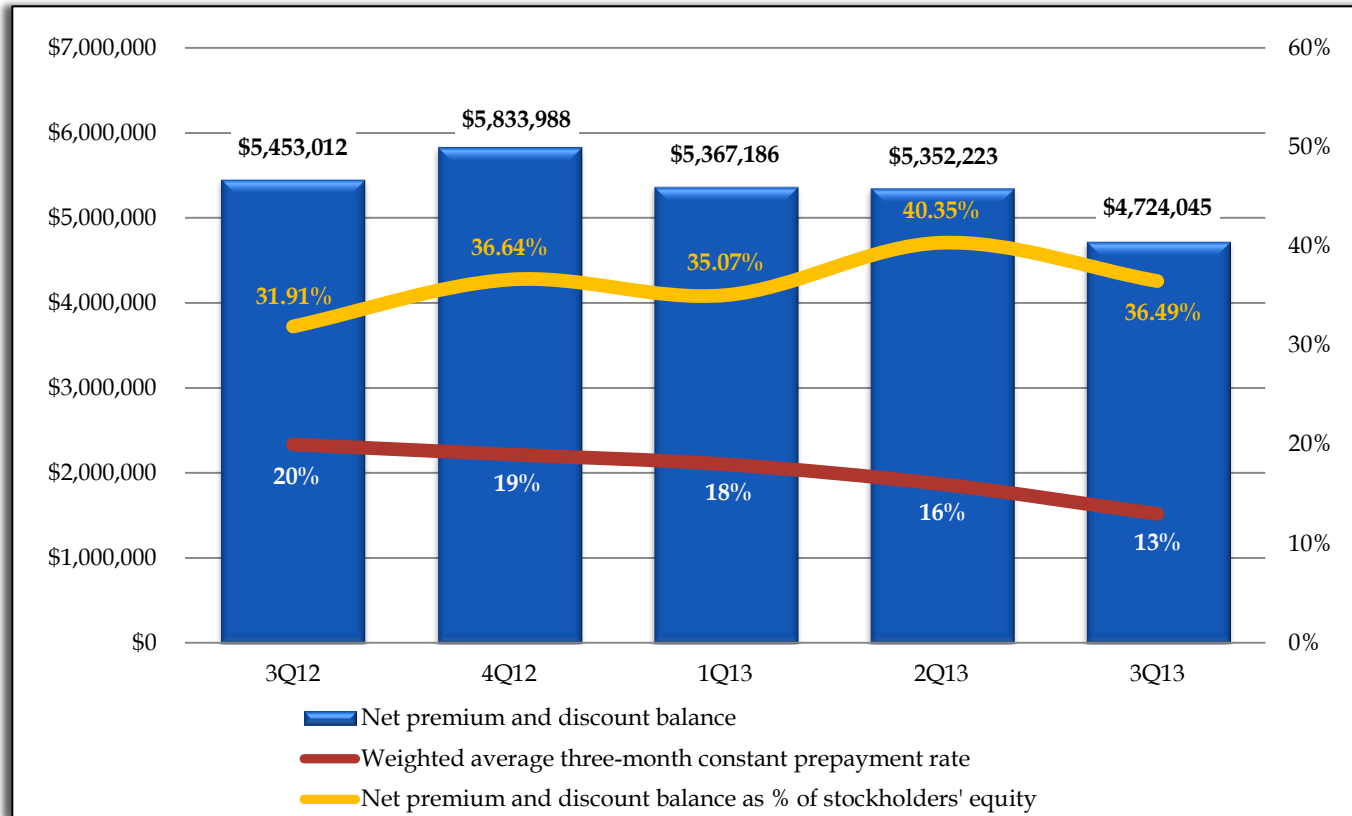
(1) Includes realized gains (losses) on interest rate swaps.

(2) Other includes investment advisory income, dividend income from affiliates, other income (loss), general and administrative expenses, and income taxes.

Agency MBS Portfolio Net Premium and Discount Balance and Constant Prepayment Rate



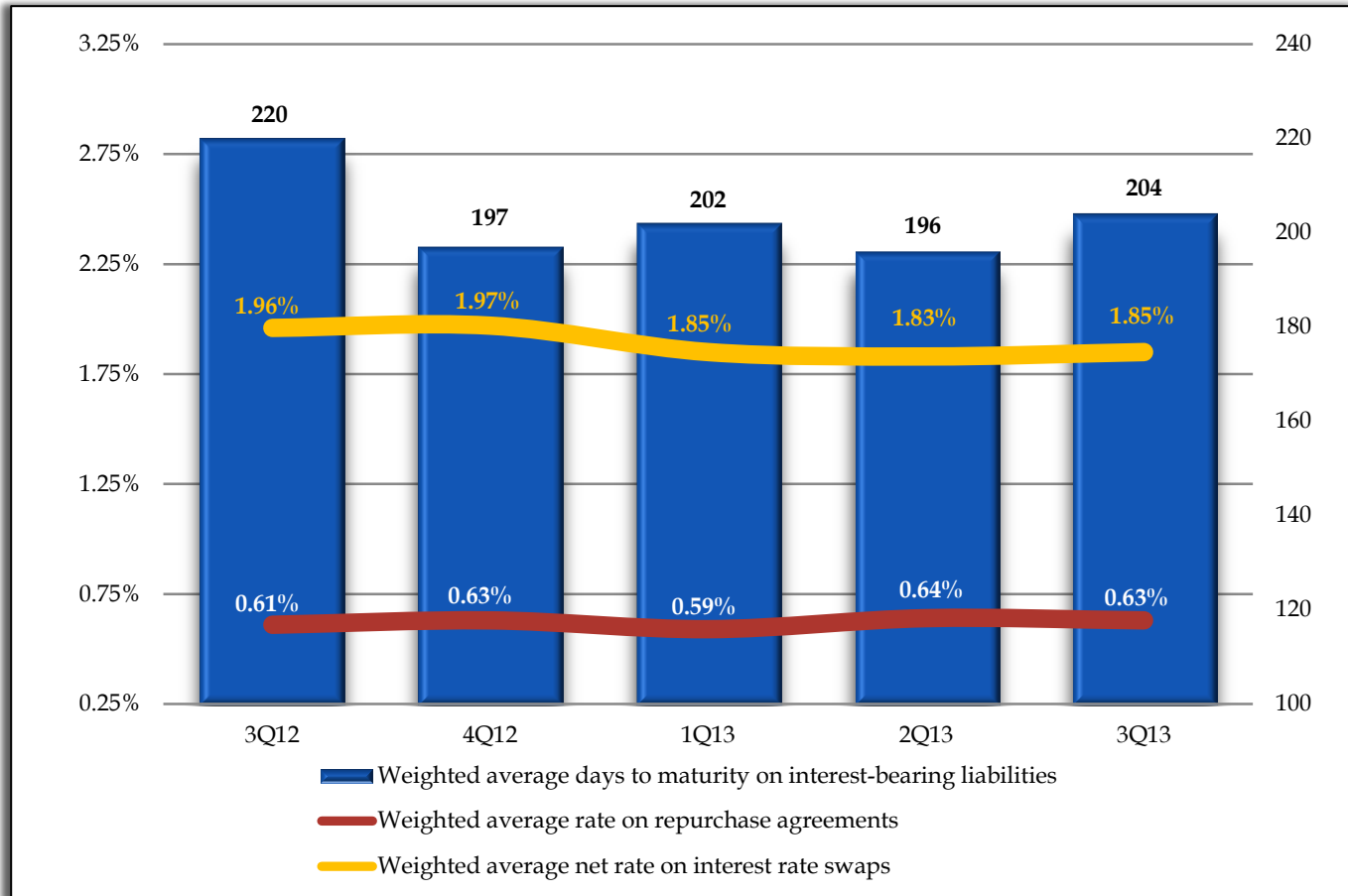
Unaudited, dollars in thousands



Interest Rate and Liability Management



Unaudited



Note: Interest rates do not take into consideration outstanding Convertible Senior Notes, loan participations or mortgages payable.

Hedges and Liabilities as of September 30, 2013



Unaudited, dollars in thousands

Interest Rate Swaps				
	Current	Weighted Avg.	Weighted Avg.	Weighted Avg.
Maturity	Notional	Pay Rate	Receive Rate	Years to Maturity
0 - <3 years	\$24,208,000	1.83%	0.20%	2.19
>=3 - <6 years	11,427,340	1.84%	0.21%	4.30
>= 6 - <10 years	13,327,250	2.31%	0.25%	7.54
Greater than 10 years	3,190,000	3.66%	0.20%	21.03
Total / Weighted Avg.	\$52,152,590	2.06%	0.21%	5.17

Interest Rate Swaptions				
Current Underlying	Weighted-Avg. Underlying	Weighted-Avg. Underlying	Weighted Avg. Underlying	Weighted Avg.
Notional	Pay Rate	Receive Rate	Years to Maturity	Months to Expiration
\$6,800,000	3.02%	3-Month LIBOR	9.02	3.42

Repurchase Agreements		
Maturity	Principal Balance	Weighted Avg. Rate
Within 30 days	\$23,998,951	0.35%
30 to 59 days	13,302,830	0.42%
60 to 89 days	5,722,493	0.43%
90 to 119 days	8,030,625	0.27%
Over 120 days ⁽¹⁾	18,156,410	1.36%
Total / Weighted Avg.	\$69,211,309	0.63%

(1) Of the total repurchase agreements, approximately 14% have a remaining maturity over one year.

Agency MBS and Debentures Overview as of September 30, 2013



Unaudited, dollars in thousands

Agency Fixed-Rate Securities

Weighted Avg. Years to Maturity	Current Face Value	%	Weighted Avg. Coupon	Weighted Avg. Amortized Cost	Weighted Avg. Fair Value	Subject to HARP	Weighted Avg. 3-Month CPR	Estimated Fair Value
<=15 years	\$6,078,010	9.1%	3.26%	103.5%	104.3%	3.0%	6.0%	\$6,341,659
20 years	7,193,653	10.8%	3.58%	104.5%	103.4%	0.1%	14.0%	7,437,068
>=30 years	53,291,541	79.6%	3.88%	105.7%	103.3%	6.1%	12.9%	55,045,429
Callables	340,798	0.5%	2.65%	99.4%	90.0%	0.0%	0.0%	306,853
Total/Weighted Avg.⁽¹⁾	\$66,904,002	100.0%	3.79%	105.3%	103.3%	5.2%	12.4%	\$69,131,009

Agency Adjustable-Rate Securities

Weighted Avg. Months to Reset	Current Face Value	%	Weighted Avg. Coupon	Weighted Avg. Amortized Cost	Weighted Avg. Fair Value	Subject to HARP	Weighted Avg. 3-Month CPR	Estimated Fair Value
0 - 24 months	\$2,612,078	37.1%	2.95%	100.4%	104.6%	90.6%	19.5%	\$2,731,821
25 - 40 months	215,449	3.1%	5.21%	101.3%	106.8%	60.7%	39.8%	229,763
41 - 60 months	305,439	4.3%	5.32%	100.8%	106.9%	76.1%	36.3%	326,062
61 - 90 months	319,841	4.5%	3.92%	102.7%	105.3%	0.0%	31.9%	336,871
>90 months	559,924	8.0%	3.32%	102.6%	102.8%	0.0%	10.7%	575,848
Step-Ups	3,019,950	43.0%	2.23%	99.9%	93.4%	0.0%	0.0%	2,822,000
Total/Weighted Avg.⁽¹⁾	\$7,032,681	100.0%	2.89%	100.5%	99.8%	68.0%	21.6%	\$7,022,365

(1) Weighted averages for percentages subject to HARP and three-month CPR exclude Callables and Step-up securities.

Agency MBS and Debentures Overview as of September 30, 2013 (cont'd)



Unaudited, dollars in thousands

Agency Fixed-Rate and Floating-Rate Collateralized Mortgage-Backed Obligations

Type	Current		Weighted Avg.	Weighted Avg.	Weighted Avg.	Subject to	Weighted Avg.	Estimated
	Face Value	%	Coupon	Amortized Cost	Fair Value	HARP	3-Month CPR	Fair Value
Fixed-Rate	\$5,810,853	100.0%	3.54%	102.6%	101.2%	6.7%	18.1%	\$5,879,607
Floating-Rate	-	-	-	-	-	-	-	-
Total/Weighted Avg.	\$5,810,853	100.0%	3.54%	102.6%	101.2%	6.7%	18.1%	\$5,879,607

Agency Interest-Only Collateralized Mortgage-Backed Obligations

Type	Current Notional		Weighted Avg.	Weighted Avg.	Weighted Avg.	Subject to	Weighted Avg.	Estimated
	Value	%	Coupon	Amortized Cost	Fair Value	HARP	3-Month CPR	Fair Value
Interest-Only	\$6,103,011	85.7%	3.44%	12.6%	13.1%	7.6%	13.2%	\$799,103
Inverse Interest-Only	1,017,600	14.3%	6.05%	21.1%	19.6%	0.0%	11.6%	199,603
Total/Weighted Avg.	\$7,120,611	100.0%	3.81%	13.8%	14.0%	6.5%	13.0%	\$998,706

Quarter-Over-Quarter Interest Rate and MBS Spread Sensitivity



Unaudited

Assumptions:

- The interest rate sensitivity and spread sensitivity are based on the portfolios as of September 30, 2013 and June 30, 2013
- The interest rate sensitivities are instantaneous parallel shifts in rates
- The spread sensitivity shifts MBS spreads instantaneously and reflects exposure to MBS basis risk
- All tables assume no active management of the portfolio

Interest Rate Sensitivity

Interest Rate Change (bps)	As of September 30, 2013		As of June 30, 2013	
	Estimated Change in Portfolio Market Value	Estimated Change as a % of NAV	Estimated Change in Portfolio Market Value	Estimated Change as a % of NAV
-75	0.3%	1.7%	1.1%	8.3%
-50	0.2%	1.7%	0.9%	6.6%
-25	0.2%	1.2%	0.5%	4.0%
25	-0.3%	-1.8%	-0.6%	-4.3%
50	-0.6%	-4.1%	-1.2%	-9.3%
75	-1.0%	-7.0%	-1.9%	-14.8%

MBS Spread Sensitivity

MBS Spread Shock (bps)	As of September 30, 2013		As of June 30, 2013	
	Estimated Change in Portfolio Market Value	Estimated Change as a % of NAV	Estimated Change in Portfolio Market Value	Estimated Change as a % of NAV
-25	0.8%	5.6%	1.0%	7.9%
-15	0.5%	3.5%	0.6%	4.9%
-5	0.2%	1.2%	0.2%	1.8%
5	-0.2%	-1.2%	-0.2%	-1.3%
15	-0.5%	-3.7%	-0.6%	-4.6%
25	-0.9%	-6.4%	-1.0%	-8.0%

Commercial Real Estate Overview as of September 30, 2013



Unaudited, dollars in thousands

	Carrying Amount ⁽¹⁾	% of Portfolio	Weighted Average Coupon (WAC)	Weighted Average Yield ⁽²⁾	Weighted Average LTV ⁽³⁾	Weighted Average Maturity (WAM) ⁽⁴⁾
Senior Debt	\$429,229	34%	7.96%	8.24%	67.89%	2.75
Subordinate and Mezzanine Debt	610,330	48%	10.50%	10.46%	73.16%	3.77
Preferred Equity	187,623	15%	10.21%	10.62%	93.50%	7.35
Total Commercial Real Estate Debt and Preferred Equity	\$1,227,182	97%	9.57%	9.70%	74.45%	3.96

	Carrying Amount	% of Portfolio	Gross Asset Yield ⁽⁵⁾	Net Equity Yield ⁽⁶⁾
Real Estate Held for Investment ⁽⁷⁾	\$37,154	3%	6.86%	14.13%
Total	\$1,264,336	100%		

(1) Carry amounts are net of origination fees totaling \$4.0 million as of September 30, 2013.

(2) Yields do not include accretion of origination fees.

(3) Based on most recent third party appraisal, which may be prior to loan origination/purchase date.

(4) Maturity dates assume all of the borrowers' extension options are exercised.

(5) Based on GAAP net income, excluding depreciation and amortization expense, utilizing average assets for the quarter ended September 30, 2013.

(6) Based on GAAP net income, excluding depreciation and amortization expense, utilizing average net equity for the quarter ended September 30, 2013.

(7) Does not include \$23.3 million of Real Estate Held-for-Sale as of September 30, 2013.

Last Five Quarters Summary Data



Unaudited

	For the quarters ended				
	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012
<u>Portfolio-Related Data:</u>					
Total Agency mortgage-backed securities and debentures	\$83,031,687	\$95,793,791	\$112,226,950	\$126,972,775	\$132,533,252
Commercial real estate investments	\$1,287,606	\$1,005,560	-	-	-
Corporate debt	\$75,988	\$61,682	\$66,539	\$63,944	\$64,928
Investment Securities ⁽¹⁾ and commercial real estate investments	\$84,395,281	\$96,861,033	\$112,293,489	\$127,036,719	\$132,598,180
Agency mortgage-backed securities and debentures:					
% Fixed-rate	91%	92%	92%	93%	93%
% Adjustable-rate	9%	8%	8%	7%	7%
Weighted-average three-month constant prepayment rate (CPR)	13%	16%	18%	19%	20%
Net premium and discount balance in Agency MBS portfolio	\$4,724,045	\$5,352,223	\$5,367,186	\$5,833,988	\$5,453,012
Net premium and discount balance as % of stockholder's equity	36.49%	40.35%	35.07%	36.64%	31.91%

(1) Includes Agency mortgage-backed securities, Agency debentures and corporate debt.

Last Five Quarters Summary Data (cont'd)



Unaudited, dollars in thousands except per share amounts

	For the quarters ended				
	September 30,	June 30,	March 31,	December 31,	September 30,
	2013	2013	2013	2012	2012
<u>Liabilities, Capital and Hedging Data:</u>					
Total assets	\$93,433,157	\$102,468,584	\$125,501,856	\$133,452,295	\$141,576,600
Repurchase agreements	\$69,211,309	\$81,397,335	\$100,322,942	\$102,785,697	\$101,033,146
Convertible Senior Notes	\$824,512	\$824,229	\$824,902	\$825,541	\$999,749
Mortgages payable	\$19,346	\$19,361	-	-	-
Participation sold	\$14,164	\$14,324	-	-	-
Total debt	\$70,069,331	\$82,255,249	\$101,147,844	\$103,611,238	\$102,032,895
Total liabilities	\$80,487,433	\$89,205,280	\$110,195,487	\$117,527,851	\$124,485,937
Cumulative redeemable preferred stock	\$913,059	\$913,059	\$913,059	\$913,059	\$913,059
Common equity ⁽¹⁾	\$12,032,665	\$12,350,245	\$14,393,310	\$15,011,385	\$16,177,604
Total stockholders' equity	\$12,945,724	\$13,263,304	\$15,306,369	\$15,924,444	\$17,090,663
Weighted average days to maturity of interest-bearing liabilities	204	196	202	197	220
Weighted average rate on repurchase agreements	0.63%	0.64%	0.59%	0.63%	0.61%
Total debt to total stockholders' equity ⁽²⁾	5.4x	6.2x	6.6x	6.5x	6.0x
Capital ratio ⁽³⁾	13.9%	12.9%	12.2%	11.9%	12.1%
Net capital ratio ⁽⁴⁾	14.8%	13.3%	13.0%	12.3%	12.4%
Common stock book value per share	\$12.70	\$13.03	\$15.19	\$15.85	\$16.60
Total common stock shares outstanding	947,305	947,483	947,293	947,213	974,800
Interest rate swaps:					
Notional amount of interest rate swaps and swaptions as a % of Investment Securities ⁽⁵⁾	74%	56%	46%	40%	38%
Weighted average pay rate on interest swaps	2.06%	2.05%	2.08%	2.21%	2.23%
Weighted average receive rate on interest swaps	0.21%	0.22%	0.23%	0.24%	0.27%
Weighted average net rate on interest swaps	1.85%	1.83%	1.85%	1.97%	1.96%

(1) Includes common stock, additional paid-in capital, accumulated other comprehensive income (loss) and accumulated deficit.

(2) Leverage includes non-recourse loan participation and mortgages payable.

(3) Total stockholders' equity divided by total assets.

(4) Total stockholders' equity divided by total assets less the net balances of U.S. Treasury securities and U.S. Treasury securities sold, not yet purchased, reverse repurchase agreements and repurchase agreements, and securities borrowed and securities loaned.

(5) Investment Securities include Agency mortgage-backed securities, Agency debentures and corporate debt.

Last Five Quarters Summary Data (cont'd)



Unaudited, dollars in thousands except per share amounts

	For the quarters ended				
	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012
<u>Performance-Related Data:</u>					
Total interest income	\$697,160	\$712,936	\$737,217	\$756,661	\$761,265
Total economic interest expense ⁽¹⁾	\$373,385	\$376,982	\$403,066	\$413,646	\$406,165
Economic net interest income ⁽¹⁾	\$323,775	\$335,954	\$334,151	\$343,015	\$355,100
GAAP net income (loss)	\$192,458	\$1,638,213	\$870,278	\$700,495	\$224,758
GAAP net income (loss) available (related) to common shareholders	\$174,466	\$1,620,221	\$852,286	\$680,778	\$215,391
GAAP earnings per common share	\$0.18	\$1.71	\$0.90	\$0.70	\$0.22
Core earnings (loss) ⁽²⁾	\$282,292	\$294,158	\$296,403	\$335,089	\$306,306
Core earnings (loss) available (related) to common shareholders ⁽²⁾	\$264,300	\$276,166	\$278,411	\$315,372	\$296,939
Core earnings per common share ⁽²⁾	\$0.28	\$0.29	\$0.29	\$0.32	\$0.30
Dividends declared per common share	\$0.35	\$0.40	\$0.45	\$0.45	\$0.50
Total common and preferred dividends declared	\$349,549	\$396,888	\$444,165	\$451,870	\$496,606
Annualized GAAP return on average equity	5.87%	45.87%	22.29%	16.97%	5.39%
Annualized core return on average equity ⁽²⁾	8.62%	8.24%	7.59%	8.12%	7.34%
Annualized core return on average equity ⁽²⁾ per unit of leverage	1.59%	1.33%	1.15%	1.25%	1.23%
Annualized interest rate spread during the quarter:					
Annualized yield on average interest-earning assets	2.82%	2.51%	2.37%	2.45%	2.54%
Annualized cost of funds on average interest-bearing liabilities	1.81%	1.53%	1.46%	1.50%	1.52%
Annualized interest rate spread	1.01%	0.98%	0.91%	0.95%	1.02%

(1) Includes realized gains (losses) on interest rate swaps.

(2) Core earnings excludes net gains (losses) on trading assets and disposal of investments, unrealized gains (losses) on interest rate swaps and Agency interest-only mortgage-backed securities, realized gains (losses) on termination of interest rate swaps, net loss on extinguishment of the 4% Convertible Senior Notes, impairment of goodwill and loss on previously held equity interest in CreXus Investment Corp.