

Company Name Annaly Capital Mana

Fiscal Year End (MM/DD/YYYY) 12/31/2015

Income Statement \$ (in thousands)

Net interest income 1,699,101

Total realised and unrealised gains (losses) -1,021,351

Other income -13,717

General & administrative expenses 200,240

Income before taxes 463,793

Income taxes -1,954

Net income (loss) 465,747

Net income (loss) attributable to noncontrolling interest -809

Net income (loss) attributable to Annaly 466,556

Dividends on preferred stock 71,968

Net income (loss) available (related) to common shareholders 394,588

Net income (loss) per share available (related) to common stockholders:

Diluted 0.42

Weighted average number of common shares outstanding:

Diluted 947,276,742

Net income (loss) 465,747

Other comprehensive income (loss) -187,891

Balance Sheet

\$ (in thousands)

Asset

Cash and cash equivalents 1,769,258

Investments, at fair value

Agency mortgage-backed securities 65,718,224

Agency debentures 152,038

Credit risk transfer securities 456,510

Non-Agency mortgage-backed securities 906,722

Residential mortgage loans

Mortgage servicing rights

Commercial real estate debt investment 2,911,828

Commercial real estate debt and preferred equity, held for investment 1,348,817

Commercial loans held for sale, net 278,600

Investments in commercial real estate 535,946

Corporate debt 488,508

Interest rate swaps, at fair value 19,642

Other derivatives, at fair value	22,066
Receivable for investments sold	121,625
Accrued interest and dividends receivable	231,336
Other assets	119,422
Goodwill	71,815
Intangible assets, net	38,536
Total assets	75,190,893
Repurchase agreements	56,230,860
Other secured financing	1,845,048
Securitized debt of consolidated VIEs	2,540,711
Other Liabilities	2,668,352
Total Liabilities	63,284,971
Total Stockholders' Equity	11,895,974
Noncontrolling interest	9,948
Total Equity	11,905,922
Total Liabilities and Equity	75,190,893

Consolidated Statement of Retained Earnings

	\$ (in thousands)
Beg. Retained Earnings	\$13,333,781
Net income (loss) attributable to Annaly	466,556
Net income (loss) attributable to noncontrolling interest	-809
Unrealized gains (losses) on available-for-sale securities	-531,952
Reclassification adjustment for net (gains) losses included in net income (lo	-50,527
Stock compensation expense	1,156
Net proceeds	2,246
Buyback of common stock	-114,260
Equity contributions from (distributions to) noncontrolling interest	5,467
Total Preferred Dividends declared	-71,968
Common dividends declared,, \$1.20 per share	-1,133,768
End Retained Earnings	11,905,922

Management, Inc. (NLY)

12/31/2016	12/31/2017
\$ (in thousands)	\$ (in thousands)
1,553,199	1,484,772
84,204	199,493
44,144	115,857
250,356	224,124
1,431,191	1,575,998
-1,595	6,982
1,432,786	1,569,016
-970	-588
1,433,756	1,569,604
82,260	109,635
1,351,496	1,459,969
1.39	1.37
970,102,353	1,066,351,616
1,432,786	1,569,016
643,199	1,419,842
\$ (in thousands)	\$ (in thousands)
1,539,746	706,589
75,589,873	90,551,763
724,722	651,764
1,401,307	1,097,294
342,289	1,438,322
652,216	580,860
4,321,739	3,089,108
970,505	1,029,327
114,425	
474,567	485,953
773,274	1,011,275
68,194	30,272

171,266	283,613
51,461	1,232
270,400	323,526
333,063	384,117
71,815	71,815
34,184	23,220
87,905,046	101,760,050

65,215,810	77,696,343
3,884,708	3,837,528
3,655,802	2,971,771
2,572,754	2,382,835
75,329,074	86,888,477
12,568,180	14,865,473
7,792	6,100
12,575,972	14,871,573
87,905,046	101,760,050

\$ (in thousands)	\$ (in thousands)
\$11,905,922	\$12,575,972
1,433,756	1,569,604
-970	-588
-686,414	-89,997
-21,883	49,870
7,047	1,406
2,362	2,347,058
-102,712	-1,104
1,285,207	1,647,606
-71968	-109,635
-1,162,897	-1,285,701
12575972	14,871,573

	2015	2016
PROFITABILITY		
Return on Assets	0.6	1.8
Net Profit Margin	33.6	72
Return on Equity	3.7	11.7
Operating Profit Margin	35.1	74.3
LIQUIDITY		
Asset Turnover	0.02	0.02
Total Asset Turnover	-	-
Fixed Asset Turnover	-	-
Debt Ratio	81.1	83.1
MARKET VALUE		
PE Ratio	5.19	7.61
Price to Book Ratio	0.14	0.17
FFO Multiple	-	-
Dividend Yield		
FINANCIAL LEVERAGE		
Total Debt to Equity	512.5	581.5

	Industry Average
2017	2017
1.7	2.47
66.8	21.6
11.4	7.33
67	18.69
0.02	2.45
-	-
-	-
83.3	82.33
8.74	30.44
0.23	2.23
1.5	14.4
11.4	4.71
570.6	162.59

Year	2017
Dividend paid(Dt)	1.2
Discount rate(k)	9.73%
PV of Dt	1.093593366
PV of the first period after growth begins	12.86883808
Stock value per share (Dividend Discount Model)	16.84514763

	2	3	4
2018	2019	2020	
1.2	1.2	1.2	
8.76%	7.88%	7.09%	
1.01453447	0.955781088	0.91240062	

	1	2
Year	2017	2018
Beginning book value per share (BV)	12.8	12.97
Earnings (or Net Income) per share forecast (E)	1.37	1.18
Dividend forecast (D)	1.2	1.2
Retained Earnings per share (E - D)	0.17	-0.02
Forecast ending book value per share (BV + E - D)	12.97	12.95
Required rate of return on equity (r)	9.73%	8.76%
Per-share equity charge (BV x r)	1.24544	1.1357829
Residual Income per share (E - BV x r)	0.12456	0.0442171
PV of Residual Income per share	0.113514991	0.037383143
Stock value per share (Residual income valuation)	13.39562629	

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2019	2020
12.95	12.92
1.17	1.27
1.2	1.2
-0.03	0.07
12.92	12.99
7.88%	7.09%
1.02046	0.916028
0.14954	0.353972
0.119106253	0.269136894