

High Yields at Annaly Capital: Case Overview

This case involves the analysis of business strategy and financial performance at a financial institution in the low interest rate environment of 2012. Highlights include:

- Analysis of business strategy for a financial institution
- Hybrid fair value accounting for financial instruments
- Ratio analysis, including use of the Dupont model to analyze the implications of leveraging the spread between return on assets and borrow cost
- Sustainability of current return on equity and implications for firm value