

CHIMERA INVESTMENT CORP

FORM 8-K (Current report filing)

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Address	520 MADISON AVENUE 32ND FLOOR NEW YORK, NY, 10022
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Sector	Financials
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported):
June 4, 2014

CHIMERA INVESTMENT CORPORATION
(Exact name of registrant as specified in its charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

1-33796
(Commission
File Number)

26-0630461
(IRS Employer
Identification No.)

1211 Avenue of the Americas
Suite 2902
New York, New York
(Address of principal executive offices)

10036
(Zip Code)

Registrant's telephone number, including area code: (646) 454-3759

No Change
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure

On June 4, 2014 the registrant issued a press release announcing its dividend declaration for the second quarter of 2014 and continuation of its dividend program through the third and fourth quarter of 2014. The Company also announced its estimated book value as of March 31, 2014. A copy of the press release is furnished as Exhibit 99.1 to this report.

The registrant posted supplemental financial information on the Investor Relations section of its website (www.chimerareit.com). A copy of the supplemental financial information is furnished as Exhibit 99.2 to this report and incorporated herein by reference.

Item 8.01. Other Events

The registrant expects to file its first quarter 2014 Form 10-Q no later than mid-July 2014 and second quarter 2014 Form 10-Q in August 2014.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 Press Release, dated June 4, 2014, issued by Chimera Investment Corporation.

99.2 Supplemental Financial Information

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Chimera Investment Corporation

By: /s/ Rob Colligan
Name: Rob Colligan
Title: Chief Financial Officer

Date: June 4, 2014

Chimera Investment Corporation Declares Dividends, Announces March 31, 2014 Estimated Book Value and Distributes Supplemental Financial Information

- **Declares dividend of \$0.09 per share for second quarter 2014**
- **Continues dividend program at \$0.09 per share for third and fourth quarter 2014**
- **Announces March 31, 2014 Estimated GAAP Book Value of \$3.27 per common share and Estimated Economic Book Value of \$3.01 per common share**
- **Releases supplemental financial information**

NEW YORK--(BUSINESS WIRE)--June 4, 2014--Chimera Investment Corporation (NYSE:CIM) today declared dividends, announced its March 31, 2014 estimated book value and distributed supplemental financial information.

First Quarter 2014 Dividend and Continuation of Dividend Program

The Company announced today that its Board of Directors has declared a second quarter 2014 cash dividend of \$0.09 per common share. This dividend is payable July 24, 2014, to common shareholders of record on June 30, 2014. The ex-dividend date is June 26, 2014.

The Board of Directors has also reviewed the dividend program and announced that the Company will continue to pay a dividend of \$0.09 per share for each of the third and fourth quarters of 2014.

March 31, 2014 Estimated Book Value

The Company announced today that its estimated March 31, 2014 GAAP book value was \$3.27 per share and its economic book value was \$3.01 per share, compared to its December 31, 2013 GAAP book value of \$3.24 per share and economic book value of \$2.82 per share.

Estimated economic book value considers the fair values of only the assets the Company owns or is able to dispose of, pledge, or otherwise monetize, and specifically excludes assets consolidated for GAAP that the Company cannot dispose, pledge or otherwise monetize. The Company's estimate of economic book value has important limitations. Should the Company sell assets in its portfolio, it may realize materially different proceeds from the sale than estimated as of the reporting date.

Recent Activity

The Company released supplemental financial information today which provides supplemental information as of March 31, 2014. As of March 31, 2014, the Company has sold all of its interests in CSMC 2010-12R for approximately \$580 million. A portion of the proceeds of this sale were invested in other Non-Agency RMBS securities and the remainder was invested in Agency RMBS securities.

Also, subsequent to March 31, 2014, the Company increased its Agency portfolio by approximately \$4 billion, financed primarily by repurchase agreements. From time to time, the Company may add to its Agency and Non-Agency portfolio and may increase leverage to increase net interest income.

Other Information

The Company continues to work diligently to complete the ongoing work towards becoming current on all of its filings required under applicable securities laws. The Company expects to file its first quarter 2014 Form 10-Q no later than mid-July 2014 and its second quarter Form 10-Q in August 2014.

Chimera Investment Corporation invests in residential mortgage loans, residential mortgage-backed securities, real estate-related securities and various other asset classes. The Company's principal business objective is to generate income from the spread between yields on its investments and its cost of borrowing and hedging activities. The Company is a Maryland corporation that has elected to be taxed as a real estate investment trust ("REIT").

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current beliefs and expectations of the Company's management and are subject to significant risks, uncertainties and other factors, including the Company's ability to timely complete the process necessary to file its quarterly and annual reports for the quarters subsequent to December 31, 2013. The Company does not undertake, and specifically disclaims all 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, see "Item 1A — Risk Factors" in its Annual Report on Form 10-K for the year ended December 31, 2013 and subsequent quarterly reports on Form 10-Q.

CONTACT:
Chimera Investment Corporation
Investor Relations, 646-454-3759
www.chimerareit.com



CHIMERA
INVESTMENT CORPORATION

Supplemental Financial Information
as of March 31, 2014

WWW.CHIMERAREIT.COM

Disclaimer

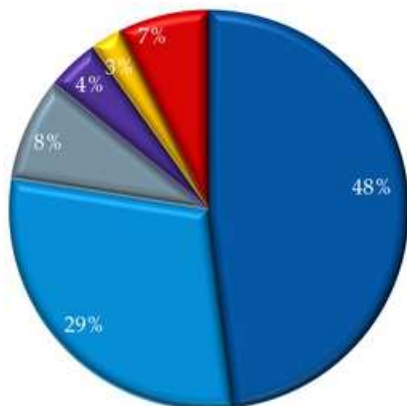
This material is not intended to be exhaustive, is preliminary in nature and may be subject to change. In addition, much of the information contained herein is based on various assumptions (some of which are beyond the control of Chimera Investment Corporation, the "Company") and may be identified by reference to a future period or periods or by the use of forward-looking terminology, such as "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may," "would," "projected," "will" or similar expressions, or variations on those terms or the negative of those terms. The Company's forward-looking statements are subject to numerous risks, uncertainties and other factors, including the Company's ability to timely complete the process necessary to file its quarterly and annual reports for the quarters subsequent to December 31, 2013. Furthermore, none of the financial information contained in this material has been audited or approved by the Company's independent registered public accounting firm.



Information is unaudited, estimated and subject to change.

Chimera GAAP Asset Allocation: Quarter Over Quarter Comparison

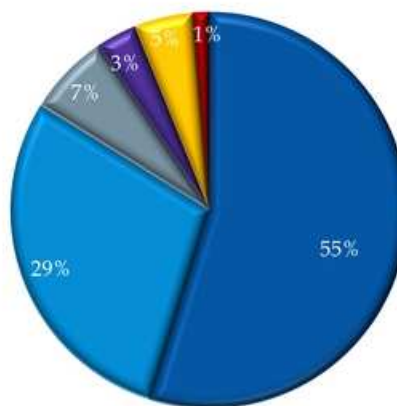
March 31, 2014



- Consolidated RMBS & Loans
- Non-Agency Subordinate
- Cash and Cash Equivalents (1)
- Agency RMBS
- Non-Agency Senior IO
- Non-Agency Senior

Total Portfolio: \$6.5 Billion (2)

December 31, 2013



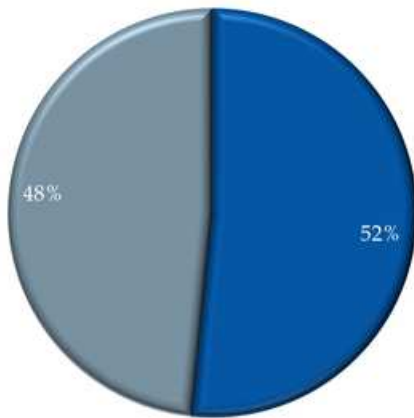
- Consolidated RMBS & Loans
- Non-Agency Subordinate
- Cash and Cash Equivalents (1)
- Agency RMBS
- Non-Agency Senior IO
- Non-Agency Senior

Total Portfolio: \$6.9 Billion (2)

- (1) The cash balance includes net trade date receivables.
 (2) Consists of RMBS and loans transferred to variable interest entities which are consolidated under GAAP

GAAP Financing Sources: Quarter Over Quarter Comparison

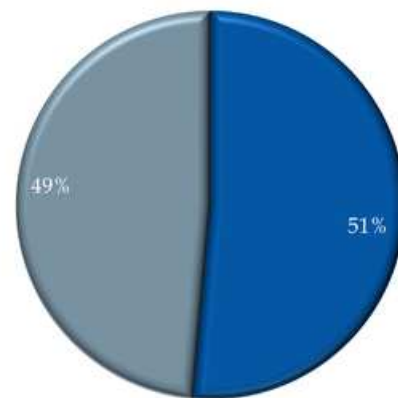
March 31, 2014



- Repurchase Agreements, Agency RMBS
- Non-Recourse Liabilities of Consolidated RMBS and Loans (1)

Total Financing: \$3.0 Billion

December 31, 2013



- Repurchase Agreements, Agency RMBS
- Non-Recourse Liabilities of Consolidated RMBS and Loans (1)

Total Financing: \$3.3 Billion

(1) Consists of tranches of RMBS and loan securitizations sold to third parties.

Agency & Repo Summary

(\$ in thousands)

Agency Pass-Throughs – As of March 31, 2014

Coupon	Current Face	Weighted Average Price	Weighted Average CPR
3.50%	\$273,408	106.42	5.1
4.00%	946,086	105.85	8.9
4.50%	574,290	102.93	11.1
Totals	\$1,793,785		

Repo Days to Maturity - As of March 31, 2014

Maturity	Principal Balance	Weighted Average Rate	Weighted Average Days
2 to 30 days	\$748,081	0.38%	
31 to 59 days	647,017	0.45%	
60 to 89 days	166,822	0.36%	
Total	\$1,561,920	0.41%	40

Agency Pass-Throughs – As of December 31, 2013

Coupon	Current Face	Weighted Average Price	Weighted Average CPR
3.00%	\$132,755	96.24	6.2
3.50%	278,043	106.42	5.7
4.00%	803,994	106.19	4.4
4.50%	594,338	102.94	11.8
5.50%	78,981	103.13	18.4
7.00%	10,020	103.26	72.1
Totals	\$1,898,131		

Repo Days to Maturity - As of December 31, 2013

Maturity	Principal Balance	Weighted Average Rate	Weighted Average Days
2 to 30 days	\$644,332	0.40%	
31 to 59 days	606,945	0.43%	
90 to 119 days	129,049	0.47%	
120 to 360 days	278,235	0.58%	
Total	\$1,658,561	0.44%	58



Information is unaudited, estimated and subject to change.

Interest Rate Sensitivity as of March 31, 2014

(\$ in thousands)

Agency, Swap and Derivative Portfolio

Description		+100 basis points	+50 basis points	UnChanged	-50 basis points	-100 basis points
Agency	Market Value	\$1,867,895	\$1,923,107	\$1,974,000	\$2,017,206	\$2,051,419
	MTM Gain (Loss)	(106,105)	(50,893)	-	43,206	77,419
	Percentage Change	-5.4%	-2.6%		2.2%	3.9%
Swap	Current Face	1,365,000	1,365,000	1,365,000	1,365,000	1,365,000
	MTM Gain (Loss)	24,717	12,438	-	(12,601)	(25,365)
	Percentage Change	1.3%	0.6%		-0.6%	-1.3%
Futures	Current Face	550,000	550,000	550,000	550,000	550,000
	MTM Gain (Loss)	32,893	16,676	-	(17,147)	(34,780)
	Percentage Change	1.7%	0.8%		-0.9%	-1.8%
Net Gain / (Loss)		\$(48,495)	\$(21,779)	-	\$13,458	\$17,274



Information is unaudited, estimated and subject to change.

Consolidated Securitizations

(\$ in thousands)

Vintage	Deal	Type	At Origination			As of March 31, 2014		
			Total Original Face	Total of Tranches Sold	Total of Tranches Retained	Total Remaining Face	Remaining Face of Tranches Sold	Remaining Face of Tranches Retained
2012	Whole Loan Securitization	CSMC - 2012-CIM1	\$741,939	\$707,810	\$34,129	\$227,463	194,812	32,651
2012	Whole Loan Securitization	CSMC - 2012-CIM2	425,091	404,261	20,830	157,167	136,954	20,213
2012	Whole Loan Securitization	CSMC - 2012-CIM3	329,886	305,804	24,082	244,866	224,791	20,075
2010	RMBS Securitization	CSMC - 2010-1R	1,730,581	691,630	1,038,951	904,449	105,885	798,564
2010	RMBS Securitization	CSMC - 2010-12R	1,239,176	435,177	803,999	0	0	0
2010	RMBS Securitization	CSMC - 2010-11R	566,571	332,299	234,272	368,506	145,776	222,730
2009	RMBS Securitization	CSMC - 2009-12R	1,730,698	915,566	815,132	824,828	230,429	594,398
2009	RMBS Securitization	JPMRR - 2009-7	1,522,474	856,935	665,539	745,383	296,459	448,924
2009	RMBS Securitization	JMAC - 2009-R2	281,863	192,500	89,363	132,378	65,036	67,342
2008	Whole Loan Securitization	PHH - 2008-CIM1	619,710	549,142	70,568	110,007	89,416	20,591
			\$9,187,989	\$5,391,124	\$3,796,865	\$3,715,046	\$1,489,558	\$2,225,488
						% of origination remaining		
						40%	28%	59%



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