

CHIMERA INVESTMENT CORP

FORM 8-K (Current report filing)

Filed 12/13/13 for the Period Ending 12/12/13

Address	520 MADISON AVENUE 32ND FLOOR NEW YORK, NY, 10022
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Industry	Specialized REITs
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):
December 12, 2013

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 December 12, 2013 the registrant issued a press release announcing its September 30, 2013 estimated book value, the declaration of its fourth quarter 2013 dividend and the continuation of its dividend program for the first and second quarter of 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 9.01 Financial Statements and Exhibits

(c) Exhibits

99.1 Press Release, dated December 12, 2013, 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: December 12, 2013

Chimera Investment Corporation Announces September 30, 2013 Estimated Book Value and Declares Dividends

- **September 30, 2013 Estimated GAAP Book Value of \$3.47 per common share**
- **4th Quarter 2013 Dividend of \$0.09 per common share**
- **Continued dividend program of \$0.09 per share for the first and second quarter of 2014**

NEW YORK--(BUSINESS WIRE)--December 12, 2013--The Board of Directors of Chimera Investment Corporation (NYSE: CIM) today announced its September 30, 2013 estimated book value, the declaration of its fourth quarter 2013 dividend, and the continuation of its dividend program for the first and second quarter of 2014.

September 30, 2013 Estimated Book Value

The Company announced today that it has estimated that as of September 30, 2013, its GAAP book value was \$3.47 per share and its economic book value was \$2.98 per share, compared to its estimated June 30, 2013 GAAP book value of \$3.52 per share and economic book value of \$3.01 per share.

Estimated economic book value considers the fair values of only the assets the Company owns or is able to dispose, pledge, or otherwise monetize, and specifically excludes assets consolidated for GAAP but which 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.

Fourth Quarter 2013 Dividend

The Company declared the fourth quarter 2013 common stock cash dividend of \$0.09 per common share. This dividend is payable January 24, 2014 to common shareholders of record on December 31, 2013. The ex-dividend date is December 27, 2013.

For the nine months of 2013, the Company paid cash dividends totaling \$0.27 per common share, of which the Company estimates \$0.22 per share is taxable income for federal tax purposes. Taxable income and the ultimate composition of the dividend between income and return of capital are calculated on a cumulative basis and will change over the course of the year. The character and composition of the dividend will not be finalized until the Company files its 2013 tax return in 2014.

Continuation of Dividend Program

As previously announced, the Company initiated a regular quarterly dividend of \$0.09 per common share for each of the quarters in 2013. The Board of Directors has reviewed the dividend program and will continue to pay a dividend of \$0.09 per share for the first and second quarter of 2014. Portions of these dividends and those paid in 2013 may be ordinary income, capital gains or a return of capital.

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 will file its Annual Report on Form 10-K for the year ended December 31, 2012, and all other required filings as soon as practicable.

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 impact of the transition to a new independent registered public accounting firm and the Company's ability to timely complete the process necessary to file its quarterly and annual reports for the quarters and year subsequent to September 30, 2012. 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, 2011 and subsequent quarterly reports on Form 10-Q.

CONTACT:

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



CHIMERA
INVESTMENT CORPORATION

Financial Update
December 2013

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 impact of the transition to a new independent registered public accounting firm and the Company's ability to timely complete the process necessary to file its quarterly and annual reports for the quarters and year subsequent to September 30, 2012. Furthermore, none of the financial information contained in this material has been audited or approved by the Company's independent registered public accounting firm.

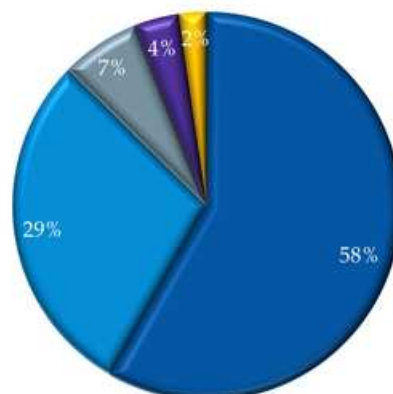
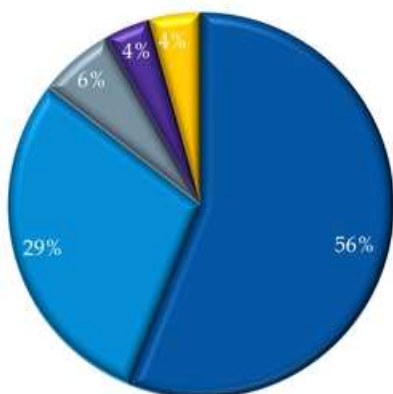


Information is unaudited, estimated and subject to change.

Chimera GAAP Asset Allocation: Quarter Over Quarter Comparison

September 30, 2013

June 30, 2013



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

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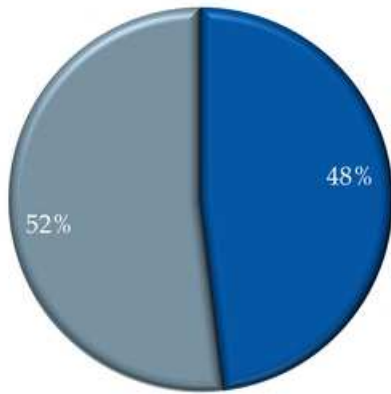
Total Portfolio: \$7.0 Billion ⁽¹⁾

Total Portfolio: \$7.1 Billion ⁽¹⁾

(1) Consists of RMBS and loans transferred to variable interest entities which are consolidated under GAAP. The cash balance for September 30, 2013 includes net trade date receivables.

GAAP Financing Sources: Quarter Over Quarter Comparison

September 30, 2013

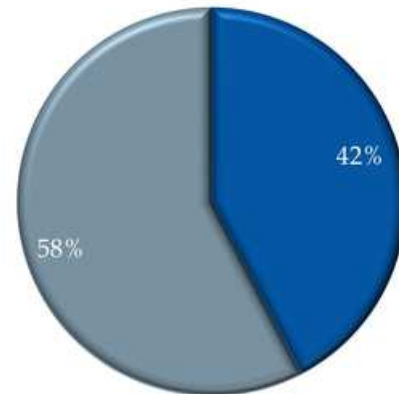


■ Repurchase Agreements, Agency RMBS

(1)

Total Financing: \$3.3 Billion

June 30, 2013



■ Repurchase Agreements, Agency RMBS

(1)

Total Financing: \$3.5 Billion

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

Agency & Repo Summary

(\$ in thousands)

Agency Pass-Throughs – As of September 30, 2013

Coupon	Current Face	Weighted Average Price	Weighted Average CPR
3.00%	\$99,705	96.46	1.0
3.50%	285,021	106.42	7.5
4.00%	821,551	106.16	9.0
4.50%	614,367	102.93	14.0
5.50%	86,998	103.13	31.0
7.00%	12,378	103.26	51.9
Totals	\$1,920,020		

Repo Days to Maturity - As of September 30, 2013

Maturity	Principal Balance	Weighted Average Rate	Weighted Average Days
2 to 30 days	\$725,407	0.39%	
31 to 59 days	654,992	0.40%	
90 to 119 days	23,475	0.43%	
120 to 360 days	185,451	0.58%	
Total	\$1,589,325	0.42%	58

Agency Pass-Throughs – As of June 30, 2013

Coupon	Current Face	Weighted Average Price	Weighted Average CPR
3.50%	\$292,038	106.42	3.6
4.00%	604,552	107.83	14.5
4.50%	565,124	102.52	26.1
5.00%	329,195	103.68	22.9
5.50%	99,695	103.14	40.6
6.00%	26,227	104.54	38.2
7.00%	14,652	103.26	46.1
Totals	\$1,931,482		

Repo Days to Maturity - As of June 30, 2013

Maturity	Principal Balance	Weighted Average Rate	Weighted Average Days
2 to 30 days	\$753,743	0.42%	
31 to 59 days	332,985	0.41%	
60 to 89 days	205,962	0.40%	
120 to 360 days	185,451	0.58%	
Total	\$1,478,141	0.43%	71



Information is unaudited, estimated and subject to change.

Interest Rate Sensitivity

(\$ in thousands)

Agency Pass-Through Portfolio and Swap Book

Description	Immediate Rate Shock			
	-50 basis points	Unchanged	+50 basis points	+100 basis points
Agency				
Market Value	\$2,084,919	\$2,047,928	\$1,997,768	\$1,941,588
MTM Gain	36,990	0	(50,160)	(106,340)
Percentage Change	1.8%		(2.4)%	(5.2)%
Swaps				
Current Face	\$1,355,000	\$1,355,000	\$1,355,000	\$1,355,000
MTM Gain	(11,201)	0	15,537	30,817
Percentage Change	(0.8)%		1.1%	2.3%

Note: As of September 30, 2013.



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Consolidated Securitizations

(\$ in thousands)

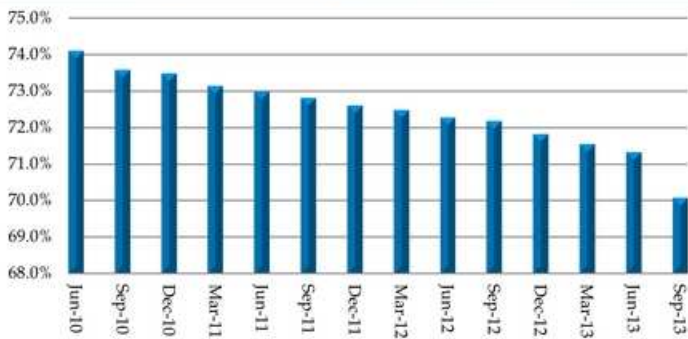
Vintage	Deal	Type	At Origination			As of September 30, 2013		
			Total Original Face	Total of Tranches Sold	Total of Tranches Retained	Total Remaining Face	Remaining Face of Tranches Sold	Remaining Face of Tranches Retained
2012	Whole Loan Securitization	CSMC - 2012-CIM1	\$741,939	\$707,810	\$34,129	\$258,091	224,814	33,277
2012	Whole Loan Securitization	CSMC - 2012-CIM2	425,091	404,261	20,830	173,046	152,648	20,398
2012	Whole Loan Securitization	CSMC - 2012-CIM3	329,886	305,804	24,082	256,781	234,097	22,683
2010	RMBS Securitization	CSMC - 2010-1R	1,730,581	691,630	1,038,951	973,870	138,827	835,043
2010	RMBS Securitization	CSMC - 2010-12R	1,239,176	435,177	803,999	764,420	68,972	695,448
2010	RMBS Securitization	CSMC - 2010-11R	566,571	193,490	373,081	385,507	160,467	225,041
2009	RMBS Securitization	CSMC - 2009-12R	1,730,698	915,566	815,132	885,349	262,003	623,346
2009	RMBS Securitization	JPMRR - 2009-7	1,522,474	856,935	665,539	805,419	338,110	467,309
2009	RMBS Securitization	JMAC - 2009-R2	281,863	192,500	89,363	143,135	73,622	69,513
2008	Whole Loan Securitization	PHH - 2008-CIM1	619,710	549,142	70,568	133,246	102,154	31,091
			\$9,187,991	\$5,252,316	\$3,935,676	\$4,778,864	\$1,755,714	\$3,023,149
			<i>% of origination</i>			52%	33%	77%



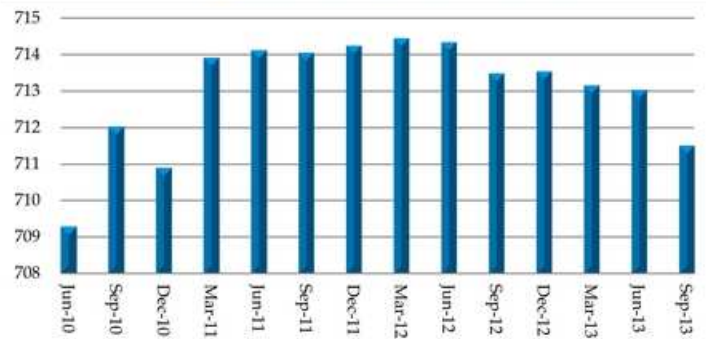
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Consolidated RMBS – Retained Tranche Performance

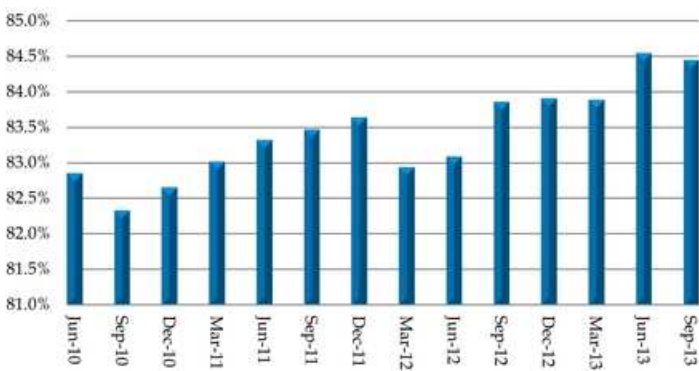
Weighted Average Loan To Value %



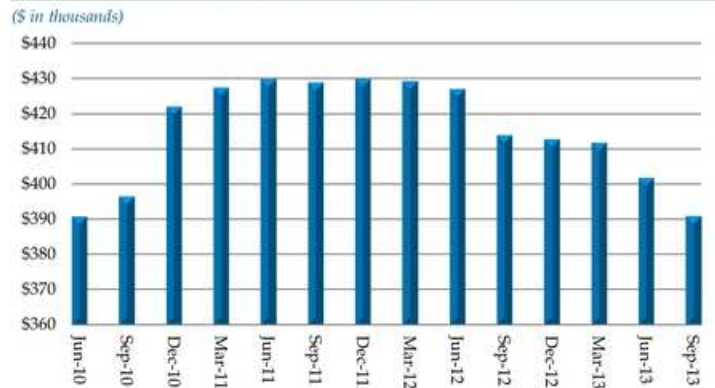
Weighted Average FICO Score



Weighted Average Owner Occupied %



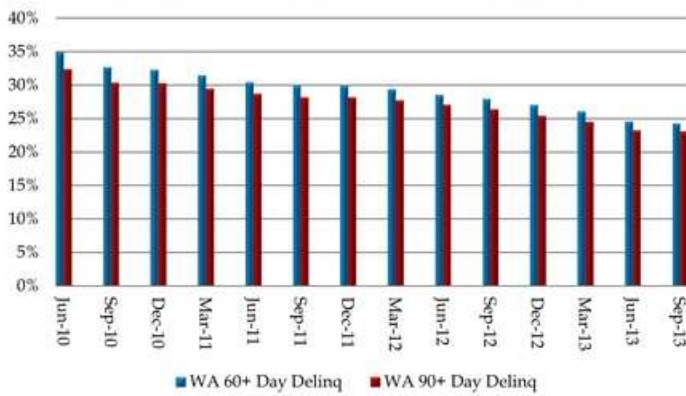
Weighted Average Loan Size



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Consolidated RMBS – Retained Tranches Performance

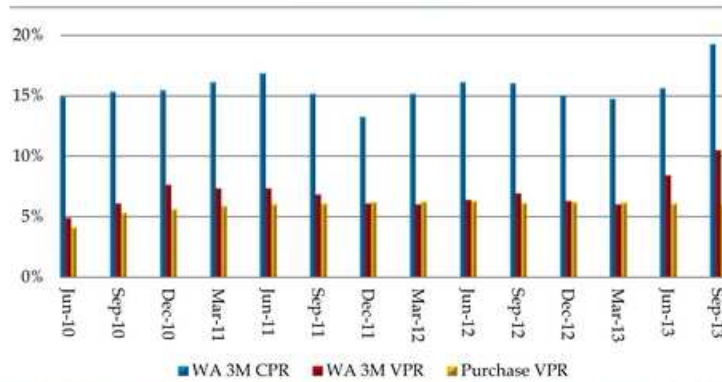
Weighted Average Delinquency Pipeline



Weighted Average 12 month Severity vs. Severity at Purchase



Weighted Average Voluntary Prepayment Rate (VPR) vs. VPR at Purchase



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Cumulative Dividend History

Dividends Per Quarter

