

ANNALY CAPITAL MANAGEMENT INC
Form 10-Q
May 08, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED: MARCH 31, 2015

OR

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

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER: 1-13447

ANNALY CAPITAL MANAGEMENT, INC.
(Exact name of registrant as specified in its charter)

MARYLAND
(State or other jurisdiction of incorporation or
organization)

22-3479661
(IRS Employer Identification No.)

1211 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK
(Address of principal executive offices)

10036
(Zip Code)

(212) 696-0100
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all documents and reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the last practicable date:

Class	Outstanding at April 30, 2015
Common Stock, \$.01 par value	947,710,129

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ANNALY CAPITAL MANAGEMENT, INC. AND SUBSIDIARIES

Item 1. Financial Statements

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ANNALY CAPITAL MANAGEMENT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(dollars in thousands, except per share data)

	March 31, 2015 (Unaudited)	December 31, 2014(1)
ASSETS		
Cash and cash equivalents (including cash pledged as collateral of \$1,819,173 and \$1,584,701, respectively)	\$1,920,326	\$1,741,244
Reverse repurchase agreements	100,000	100,000
Investments, at fair value:		
Agency mortgage-backed securities (including pledged assets of \$63,865,632 and \$74,006,480, respectively)	69,388,001	81,565,256
Agency debentures (including pledged assets of \$691,716 and \$1,368,350, respectively)	995,408	1,368,350
Agency CRT securities	108,337	-
Commercial real estate debt investments (including pledged assets of \$104,000 and \$0, respectively) (2)	1,515,903	-
Investment in affiliate	141,246	143,045
Commercial real estate debt and preferred equity, held for investment (including pledged assets of \$72,750 and \$0, respectively) (3)	1,498,406	1,518,165
Investments in commercial real estate	207,209	210,032
Corporate debt, held for investment	227,830	166,464
Receivable for investments sold	2,009,937	1,010,094
Accrued interest and dividends receivable	247,801	278,489
Receivable for investment advisory income (including from affiliate of \$10,268 and \$10,402, respectively)	10,268	10,402
Goodwill	94,781	94,781
Interest rate swaps, at fair value	25,908	75,225
Other derivatives, at fair value	113,503	5,499
Other assets	70,813	68,321
Total assets	\$78,675,677	\$88,355,367
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Repurchase agreements	60,477,378	71,361,926
Payable for investments purchased	5,205	264,984
Convertible Senior Notes	749,512	845,295

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Securitized debt of consolidated VIEs (4)	1,491,829	260,700
Mortgages payable	146,470	146,553
Participation sold	13,589	13,693
Accrued interest payable	155,072	180,501
Dividends payable	284,310	284,293
Interest rate swaps, at fair value	2,025,170	1,608,286
Other derivatives, at fair value	61,778	8,027
Accounts payable and other liabilities	140,774	47,328
Total liabilities	65,551,087	75,021,586
Stockholders' Equity:		
7.875% Series A Cumulative Redeemable Preferred Stock: 7,412,500 authorized, issued and outstanding	177,088	177,088
7.625% Series C Cumulative Redeemable Preferred Stock: 12,650,000 authorized, 12,000,000 issued and outstanding	290,514	290,514
7.50% Series D Cumulative Redeemable Preferred Stock: 18,400,000 authorized, issued and outstanding	445,457	445,457
Common stock, par value \$0.01 per share, 1,956,937,500 authorized, 947,698,431 and 947,643,079 issued and outstanding, respectively	9,477	9,476
Additional paid-in capital	14,787,117	14,786,509
Accumulated other comprehensive income (loss)	773,999	204,883
Accumulated deficit	(3,364,147)	(2,585,436)
Total stockholders' equity	13,119,505	13,328,491