

CAPSTEAD MORTGAGE CORP

Form 10-Q

November 03, 2017

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: September 30, 2017

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: 001-08896

CAPSTEAD MORTGAGE CORPORATION

(Exact name of Registrant as specified in its Charter)

Maryland

(State or other jurisdiction of

incorporation or organization)

8401 North Central Expressway, Suite 800, Dallas, TX

(Address of principal executive offices)

(214) 874-2323

75-2027937

(I.R.S.

Employer

Identification

No.)

75225-4404

(Zip Code)

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all 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 website, 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, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 latest practicable date.

Common Stock (\$0.01 par value) 96,104,662 as of November 3, 2017

CAPSTEAD MORTGAGE CORPORATION

FORM 10-Q

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

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ITEM 1. FINANCIAL STATEMENTS

PART I. — FINANCIAL INFORMATION

CAPSTEAD MORTGAGE CORPORATION

CONSOLIDATED BALANCE SHEETS

(in thousands, except pledged and per share amounts)

	September 30, 2017 (unaudited)	December 31, 2016
Assets		
Residential mortgage investments (\$13.13 and \$12.81 billion pledged at September 30, 2017 and December 31, 2016, respectively)	\$ 13,605,583	\$ 13,316,282
Cash collateral receivable from interest rate swap counterparties	47,250	29,660
Interest rate swap agreements at fair value	2,022	24,709
Cash and cash equivalents	93,454	56,732
Receivables and other assets	153,339	149,493
	\$ 13,901,648	\$ 13,576,876
Liabilities		
Secured borrowings	12,467,387	\$ 12,145,346
Interest rate swap agreements at fair value	24,759	24,417
Unsecured borrowings	98,166	98,090
Common stock dividend payable	18,688	22,634
Accounts payable and accrued expenses	19,245	38,702
	12,628,245	12,329,189
Stockholders' equity		
Preferred stock - \$0.10 par value; 100,000 shares authorized: 7.50% Cumulative Redeemable Preferred Stock, Series E, 10,329 and 8,234 shares issued and outstanding (\$258,226 and \$205,849 aggregate liquidation preferences) at September 30, 2017 and December 31, 2016, respectively	250,946	199,059
Common stock - \$0.01 par value; 250,000 shares authorized: 96,105 and 95,989 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively	961	960
Paid-in capital	1,275,442	1,288,346
Accumulated deficit	(346,570)	(346,464)
Accumulated other comprehensive income	92,624	