

AG Mortgage Investment Trust, Inc.  
Form 10-Q  
August 07, 2018

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-Q**

**(Mark One)**

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

**For the quarterly period ended June 30, 2018**

**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 001-35151**

**AG MORTGAGE INVESTMENT TRUST, INC.**

**Maryland** **27-5254382**  
(State or Other Jurisdiction of (I.R.S. Employer  
Incorporation or Organization) Identification No.)

**245 Park Avenue, 26th Floor** **10167**  
**New York, New York**  
(Address of Principal Executive Offices) (Zip Code)

**(212) 692-2000**

**(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 and Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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. (Check one):

Large Accelerated filer  Accelerated filer  Non-Accelerated filer  Smaller reporting company  Emerging growth company  (Do not check if a smaller reporting 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.

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

Yes  No

As of July 23, 2018, there were 28,226,211 outstanding shares of common stock of AG Mortgage Investment Trust, Inc.

**AG MORTGAGE INVESTMENT TRUST, INC.**

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**PART I****ITEM 1. FINANCIAL STATEMENTS****AG Mortgage Investment Trust, Inc. and Subsidiaries****Consolidated Balance Sheets****(Unaudited)**

	June 30, 2018	December 31, 2017
Assets		
Real estate securities, at fair value:		
Agency - \$1,818,202,310 and \$2,126,135,420 pledged as collateral, respectively	\$ 2,044,789,802	\$ 2,247,161,035
Non-Agency - \$799,315,479 and \$976,071,673 pledged as collateral, respectively	821,946,929	1,004,255,658
ABS - \$24,510,960 and \$30,832,553 pledged as collateral, respectively	37,755,352	40,957,553
CMBS - \$205,848,907 and \$211,179,945 pledged as collateral, respectively	210,335,164	220,168,505
Residential mortgage loans, at fair value - \$90,133,713 and \$15,860,583 pledged as collateral, respectively	93,129,269	18,889,693
Commercial loans, at fair value - \$32,800,000 pledged as collateral	43,216,666	57,520,646
Investments in debt and equity of affiliates	129,378,242	99,696,347
Excess mortgage servicing rights, at fair value	29,281,765	5,083,514
Cash and cash equivalents	31,145,470	15,199,655
Restricted cash	50,980,839	37,615,281
Interest receivable	12,156,133	12,607,386
Receivable under reverse repurchase agreements	-	24,671,320
Derivative assets, at fair value	4,222,706	2,127,070
Other assets	2,582,919	2,491,201
Due from broker	1,563,968	850,514
<b>Total Assets</b>	<b>\$3,512,485,224</b>	<b>\$ 3,789,295,378</b>
Liabilities		
Repurchase agreements	\$2,634,181,881	\$ 3,004,407,018
Securitized debt, at fair value	13,984,245	16,477,801
Obligation to return securities borrowed under reverse repurchase agreements, at fair value	-	24,379,356
Payable on unsettled trades	134,597,154	2,418,710
Interest payable	7,193,331	5,225,940
Derivative liabilities, at fair value	625,990	450,208

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Dividend payable	14,100,464	13,391,457
Due to affiliates	4,035,705	4,258,074
Accrued expenses	1,316,664	790,271
Taxes payable	923,448	1,545,448
Due to broker	4,968,236	1,691,888
Total Liabilities	2,815,927,118	3,075,036,171
Commitments and Contingencies (Note 13)		
Stockholders' Equity		
Preferred stock - \$0.01 par value; 50,000,000 shares authorized:		
8.25% Series A Cumulative Redeemable Preferred Stock, 2,070,000 shares issued and outstanding (\$51,750,000 aggregate liquidation preference)	49,920,772	49,920,772
8.00% Series B Cumulative Redeemable Preferred Stock, 4,600,000 shares issued and outstanding (\$115,000,000 aggregate liquidation preference)	111,293,233	111,293,233
Common stock, par value \$0.01 per share; 450,000,000 shares of common stock authorized and 28,200,928 and 28,192,541 shares issued and outstanding at June 30, 2018 and December 31, 2017, respectively	282,011	281,927
Additional paid-in capital	585,641,670	585,530,292
Retained earnings/(deficit)	(50,579,580)	(32,767,017)
Total Stockholders' Equity	696,558,106	714,259,207
Total Liabilities & Stockholders' Equity	\$3,512,485,224	\$ 3,789,295,378

The accompanying notes are an integral part of these consolidated financial statements.

**AG Mortgage Investment Trust, Inc. and Subsidiaries****Consolidated Statements of Operations****(Unaudited)**

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Net Interest Income				
Interest income	\$ 36,011,375	\$ 31,220,535	\$ 75,368,522	\$ 59,180,427
Interest expense	16,270,821	10,201,393	31,596,603	18,362,805
	19,740,554	21,019,142	43,771,919	40,817,622
Other Income/(Loss)				
Net realized gain/(loss)	(11,059,686 )	(10,121,477 )	(22,898,818 )	(12,549,564 )
Realized gain/(loss) on periodic interest settlements of derivative instruments, net	1,261,684	(1,857,542 )	(208,476 )	(3,467,519 )
Unrealized gain/(loss) on real estate securities and loans, net	(578,375 )	25,546,552	(36,733,183 )	38,297,116
Unrealized gain/(loss) on derivative and other instruments, net	4,781,276	1,927,169	41,871,242	1,801,297
Other income	20,131	3,845	20,386	31,882
	(5,574,970 )	15,498,547	(17,948,849 )	24,113,212
Expenses				
Management fee to affiliate	2,386,669	2,443,780	4,825,838	4,919,596
Other operating expenses	3,442,611	2,851,353	6,665,155	5,644,587
Servicing fees	22,178	86,001	84,356	162,002
Equity based compensation to affiliate	93,948	87,540	145,410	165,018
Excise tax	375,000	375,000	750,000	750,000
	6,320,406	5,843,674	12,470,759	11,641,203
Income/(loss) before equity in earnings/(loss) from affiliates	7,845,178	30,674,015	13,352,311	53,289,631
Equity in earnings/(loss) from affiliates	322,967	2,497,116	3,063,243	4,999,162
Net Income/(Loss)	8,168,145	33,171,131	16,415,554	58,288,793
Dividends on preferred stock	3,367,354	3,367,354	6,734,708	6,734,708
Net Income/(Loss) Available to Common Stockholders	\$ 4,800,791	\$ 29,803,777	\$ 9,680,846	\$ 51,554,085

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Earnings/(Loss) Per Share of Common  
Stock

Basic	\$ 0.17	\$ 1.08	\$ 0.34	\$ 1.86
Diluted	\$ 0.17	\$ 1.07	\$ 0.34	\$ 1.86

Weighted Average Number of Shares of  
Common Stock Outstanding

Basic	28,200,928	27,724,183	28,198,315	27,713,104
Diluted	28,228,070	27,731,325	28,221,904	27,720,309

The accompanying notes are an integral part of these consolidated financial statements.

## AG Mortgage Investment Trust, Inc. and Subsidiaries

## Consolidated Statements of Stockholders' Equity

(Unaudited)

	Common Stock		8.25 % Series Cumulative Redeemable Preferred Stock	8.00 % Series A Cumulative Redeemable Preferred Stock	Additional Paid-in Capital	Retained Earnings/(Deficit)	Total
	Shares	Amount	Preferred Stock	Preferred Stock	Capital		
Balance at January 1, 2017	27,700,154	\$277,002	\$49,920,772	\$111,293,233	\$576,276,322	\$(81,890,939)	\$655,876,390
Net proceeds from issuance of common stock	99,932	1,000	-	-	1,779,185	-	1,780,185
Grant of restricted stock and amortization of equity based compensation	5,076	51	-	-	284,871	-	284,922
Common dividends declared	-	-	-	-	-	(26,363,887)	(26,363,887)
Preferred Series A dividends declared	-	-	-	-	-	(2,134,708)	(2,134,708)
Preferred Series B dividends declared	-	-	-	-	-	(4,600,000)	(4,600,000)
Net Income/(Loss)	-	-	-	-	-	58,288,793	58,288,793
Balance at June 30, 2017	27,805,162	\$278,053	\$49,920,772	\$111,293,233	\$578,340,378	\$(56,700,741)	\$683,131,695
Balance at January 1, 2018	28,192,541	\$281,927	\$49,920,772	\$111,293,233	\$585,530,292	\$(32,767,017)	\$714,259,207
	-	-	-	-	(225,419)	-	(225,419)

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Net proceeds from issuance of common stock							
Grant of restricted stock and amortization of equity based compensation	8,387	84	-	-	336,797	-	336,881
Common dividends declared	-	-	-	-	-	(27,493,409)	(27,493,409)
Preferred Series A dividends declared	-	-	-	-	-	(2,134,708)	(2,134,708)
Preferred Series B dividends declared	-	-	-	-	-	(4,600,000)	(4,600,000)
Net Income/(Loss)	-	-	-	-	-	16,415,554	16,415,554