

# INVESTOR PRESENTATION

NYSE: CIM

*1st Quarter 2019*



# DISCLAIMER

This presentation includes “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Actual results may differ from expectations, estimates and projections and, consequently, readers should not rely on these forward-looking statements as predictions of future events. Words such as “goal,” “expect,” “target,” “assume,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believe,” “predicts,” “potential,” “continue,” and similar expressions are intended to identify such forward-looking statements. These forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from expected results, including, among other things, those described in our most recent Annual Report on Form 10-K, and any subsequent Quarterly Reports on Form 10-Q, under the caption “Risk Factors.” Factors that could cause actual results to differ include, but are not limited to: the state of credit markets and general economic conditions; changes in interest rates and the market value of our assets; the rates of default or decreased recovery on the mortgages underlying our target assets; the occurrence, extent and timing of credit losses within our portfolio; the credit risk in our underlying assets; declines in home prices; our ability to establish, adjust and maintain appropriate hedges for the risks in our portfolio; the availability and cost of our target assets; our ability to borrow to finance our assets and the associated costs; changes in the competitive landscape within our industry; our ability to manage various operational risks and costs associated with our business; interruptions in or impairments to our communications and information technology systems; our ability to acquire residential mortgage loans and successfully securitize the residential mortgage loans we acquire; our ability to oversee our third party sub-servicers; the impact of any deficiencies in the servicing or foreclosure practices of third parties and related delays in the foreclosure process; our exposure to legal and regulatory claims; legislative and regulatory actions affecting our business; the impact of new or modified government mortgage refinance or principal reduction programs; our ability to maintain our REIT qualification; and limitations imposed on our business due to our REIT status and our exempt status under the Investment Company Act of 1940.

Readers are cautioned not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Chimera does not undertake or accept any obligation to release publicly any updates or revisions to any forward-looking statement to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based. Additional information concerning these and other risk factors is contained in Chimera’s most recent filings with the Securities and Exchange Commission (SEC). All subsequent written and oral forward-looking statements concerning Chimera or matters attributable to Chimera or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above.

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Readers are advised that the financial information in this presentation is based on company data available at the time of this presentation and, in certain circumstances, may not have been audited by the company’s independent auditors.

# CHIMERA IS A HYBRID MORTGAGE REIT

*Chimera develops and manages a portfolio of leveraged residential mortgage investments to produce an attractive quarterly dividend for shareholders*

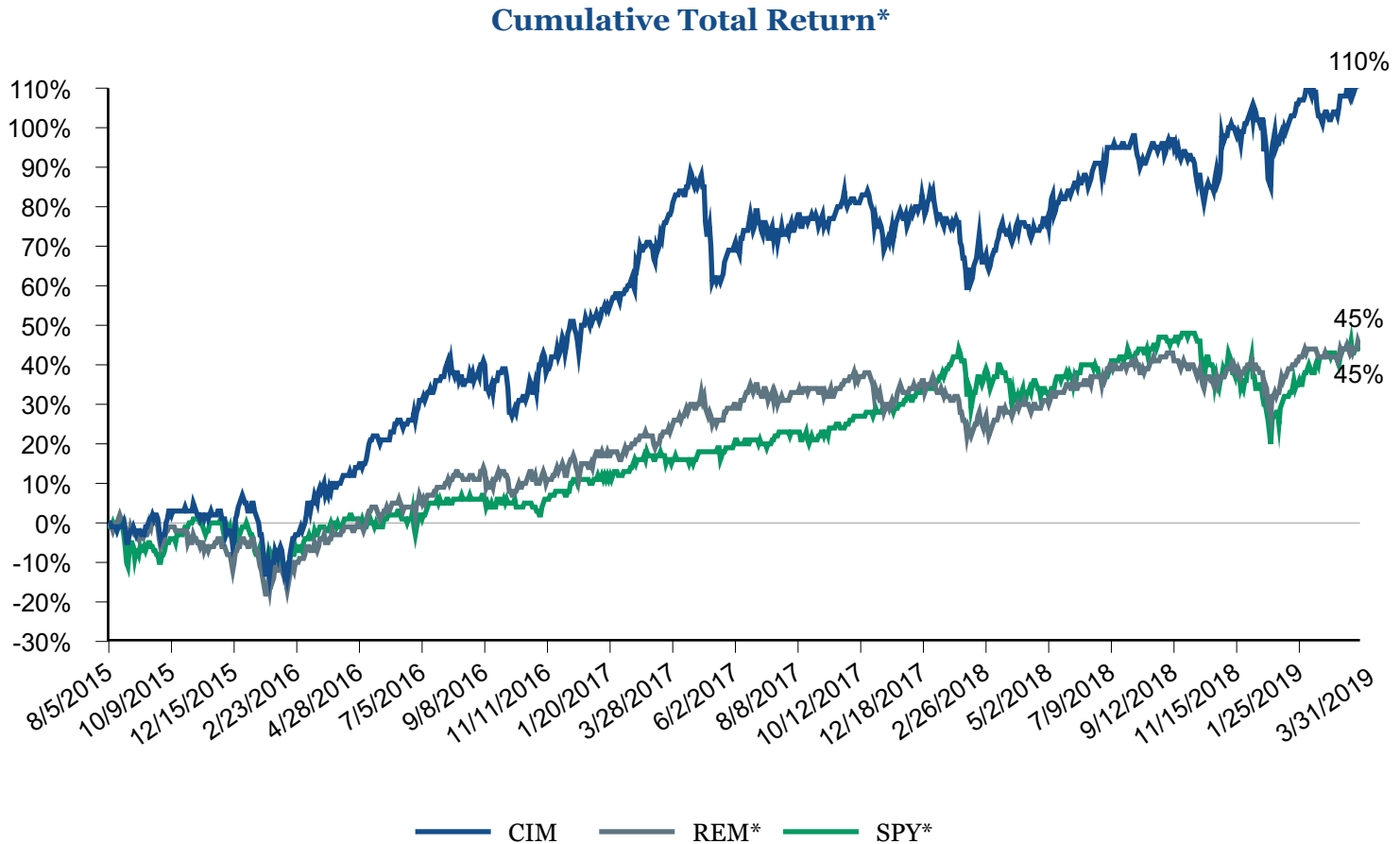
- Established in 2007
- Internally managed since August 2015
- Total Capital \$4.0 Billion
- Total Portfolio \$27.2 Billion
- Common Stock Price \$18.74 / Dividend Yield 10.67%
- Total preferred stock \$930 Million
- Overall leverage ratio 6.0:1 / Recourse leverage ratio 3.9:1

All data as of March 31, 2019

Information is unaudited, estimated and subject to change.

# TOTAL RETURN

*Chimera has outperformed mortgage REITs and the S&P 500 since internalization of management*



All data as of March 31, 2019

Source: Bloomberg

\*Assuming reinvestment of dividends

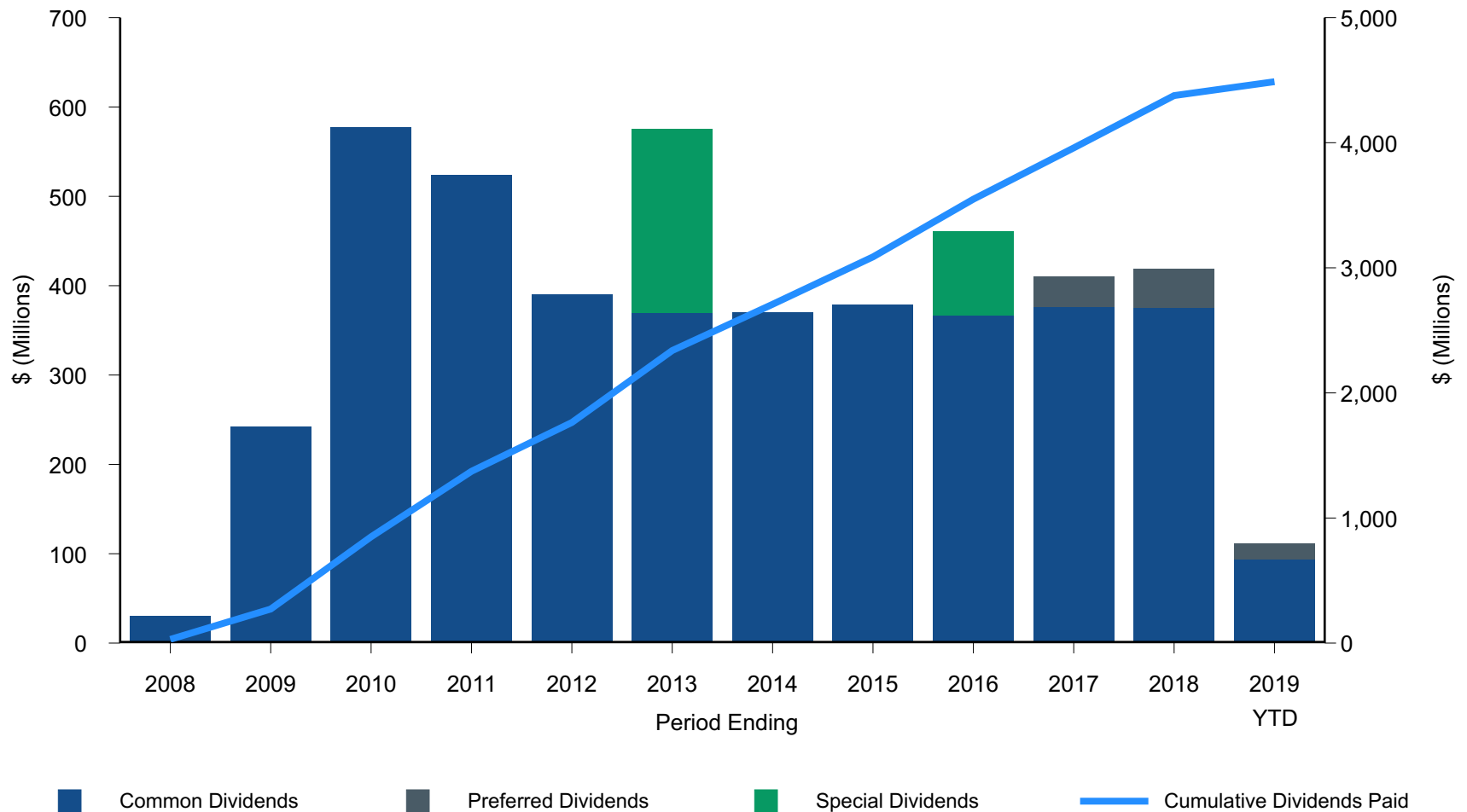
SPY: The SPDR® S&P 500® ETF Trust seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the S&P 500® Index .

REM: The iShares Mortgage Real Estate ETF seeks to track the investment results of an index composed of U.S. REITs that hold U.S. residential and commercial mortgages.

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# DIVIDENDS

*Chimera has declared \$4.5 billion in dividends since inception*



All data as of March 31, 2019

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# DYNAMIC INVESTMENT STRATEGY

*Chimera focuses on acquiring Residential Mortgage Loans, Non-Agency RMBS, Agency RMBS and Agency CMBS*

## Residential Mortgage Loans

Chimera acquires residential mortgage loans. Chimera utilizes leverage through a combination of securitization, repo and warehouse facilities to manage risk and increase returns on the portfolio. Chimera's loan portfolio has historically generated higher returns with less price volatility and interest rate risk than comparable Agency RMBS.

## Non-Agency RMBS

Chimera invests in both investment grade and non-investment grade RMBS. This portfolio provides high risk-adjusted returns while providing increased liquidity. Non-Agency RMBS securities carry higher yields than Agency RMBS.

## Agency RMBS

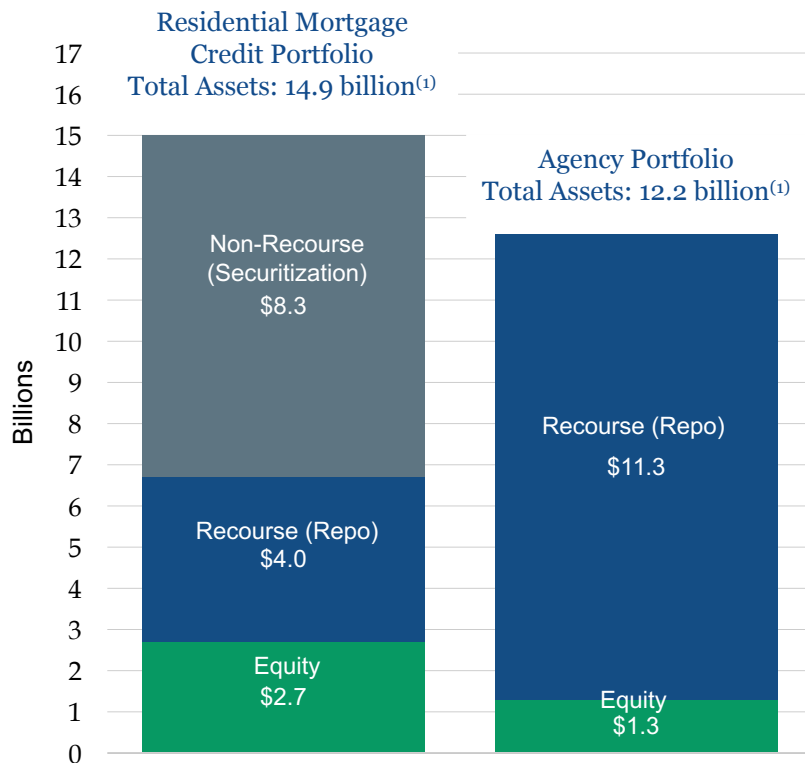
Agency mortgage-backed securities that are backed by residential loans provide spread income for the portfolio with the added benefit of liquidity. Chimera utilizes repo and various hedging techniques to increase returns on the portfolio while managing interest rate risk. Agency mortgage backed securities are amongst the most liquid securities available in the fixed income market.

## Agency CMBS

Agency CMBS provide many of the same benefits as Agency RMBS while adding convexity to the portfolio. Agency CMBS typically carry prepay protection for the investor enabling more efficient hedging techniques than Agency RMBS.

# PORTFOLIO COMPOSITION

*68% of Chimera's equity capital is allocated to mortgage credit*



All data as of March 31, 2019

(1) Financing excludes unsettled trades

## Net Investment Analysis<sup>(1)</sup>

	Residential Mortgage Credit Portfolio	Agency Portfolio	Total Portfolio
Gross Asset Yield:	7.1%	3.6%	5.5%
Financing Cost <sup>(2)</sup> :	4.2%	2.6%	3.4%
Net Interest Spread:	2.9%	1.0%	2.1%
Net Interest Margin:	3.4%	1.2%	2.4%

All data as of March 31, 2019

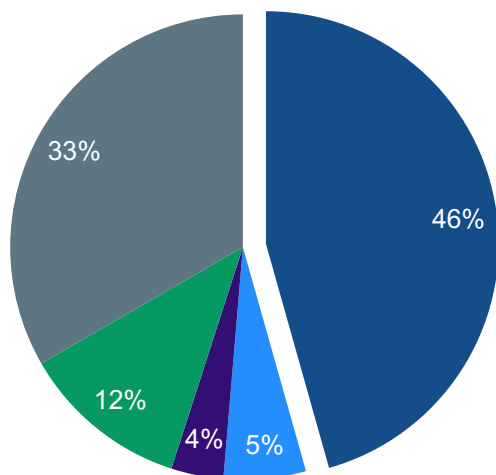
(1) Reflects first quarter 2019 average assets, yields, and spreads

(2) Includes the interest incurred on interest rate swaps

# LOAN PORTFOLIO COMPOSITION

*Chimera has acquired a unique portfolio of residential mortgage loans comprising 46% of the total portfolio*

## Portfolio Fair Value



## Seasoned Low Loan Balance Mortgage Portfolio

Total Current Unpaid Balance	<i>\$11.8 Billion</i>
Total Number of Loans	<i>136,298</i>
Weighted Average Loan Size	<i>\$86,692</i>
Weighted Average Coupon	<i>6.87%</i>
Average Loan Age	<i>159 Months</i>

All data as of March 31, 2019

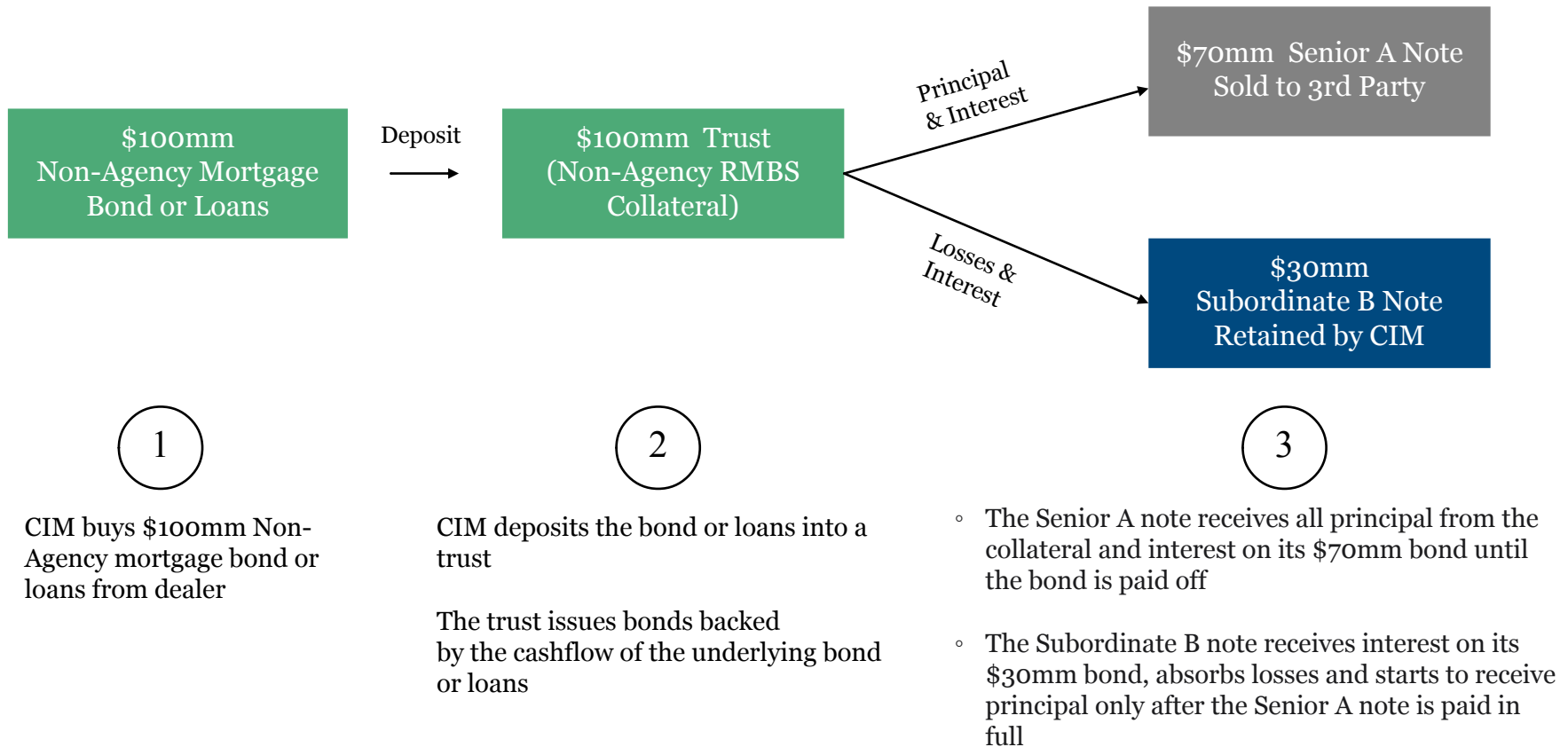
- Securitized Loan Portfolio
- Non-Agency RMBS
- Consolidated RMBS Securitizations
- Agency CMBS
- Agency RMBS



# THE SECURITIZATION PROCESS

*Chimera has created term-funding through securitization*

## Creation of senior and subordinate bonds



# SECURITIZATION HISTORY

*Chimera utilizes the securitization process to create its own differentiated portfolio*

- Chimera continues to benefit from exercising the option to call, restructure and optimize its securitizations
- Chimera has completed 54 deals and securitized \$30.9 billion of residential mortgage assets since inception

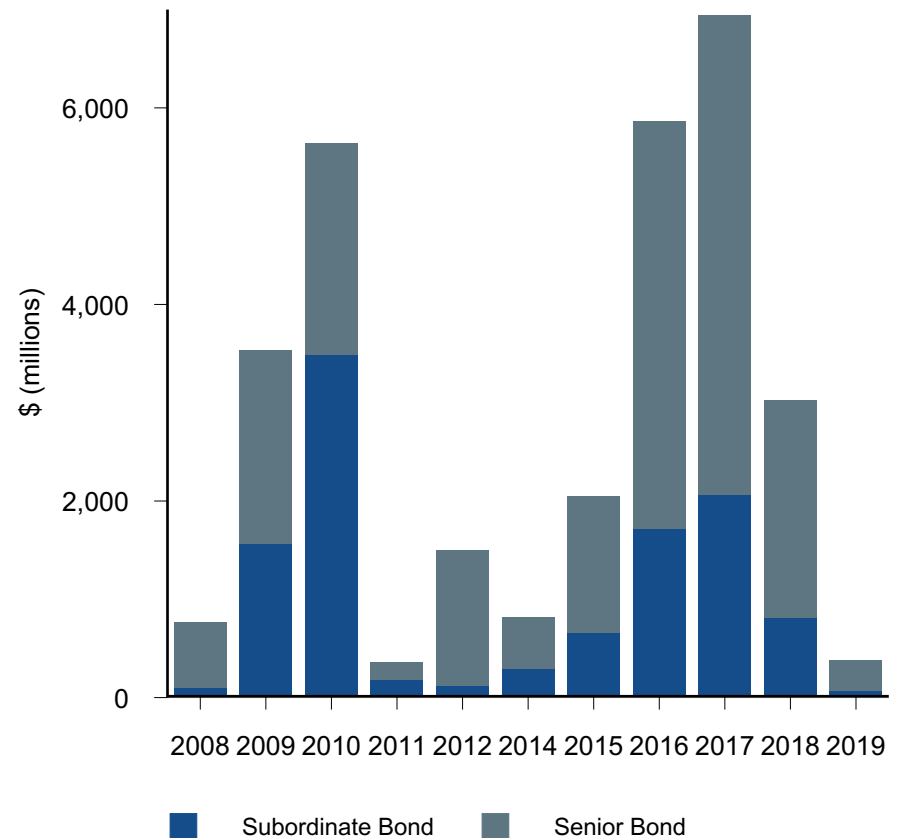
(\$ in thousands)

Vintage	Type	Deal Total Senior/Sub		
		Total Original Face	Senior Bond	Subordinate Bond
2008	Loan	770,865	670,949	99,916
2009	RMBS	3,535,035	1,965,001	1,570,034
2010	RMBS	5,638,378	2,156,169	3,482,209
2011	RMBS	359,154	177,139	182,015
2012	Loan	1,496,917	1,378,409	118,508
2014	Loan & RMBS	816,126	522,220	293,906
2015	Loan	2,048,483	1,385,162	663,321
2016	Loan	5,861,574	4,148,904	1,712,670
2017	Loan	6,943,112	4,880,569	2,062,543
2018	Loan	3,021,614	2,209,835	811,779
2019	Loan	382,091	305,673	76,418
<b>Total</b>		<b>30,873,349</b>	<b>19,800,030</b>	<b>11,073,319</b>

Note: Springleaf deals are included in years that each was called and securitized  
All data as of March 31, 2019

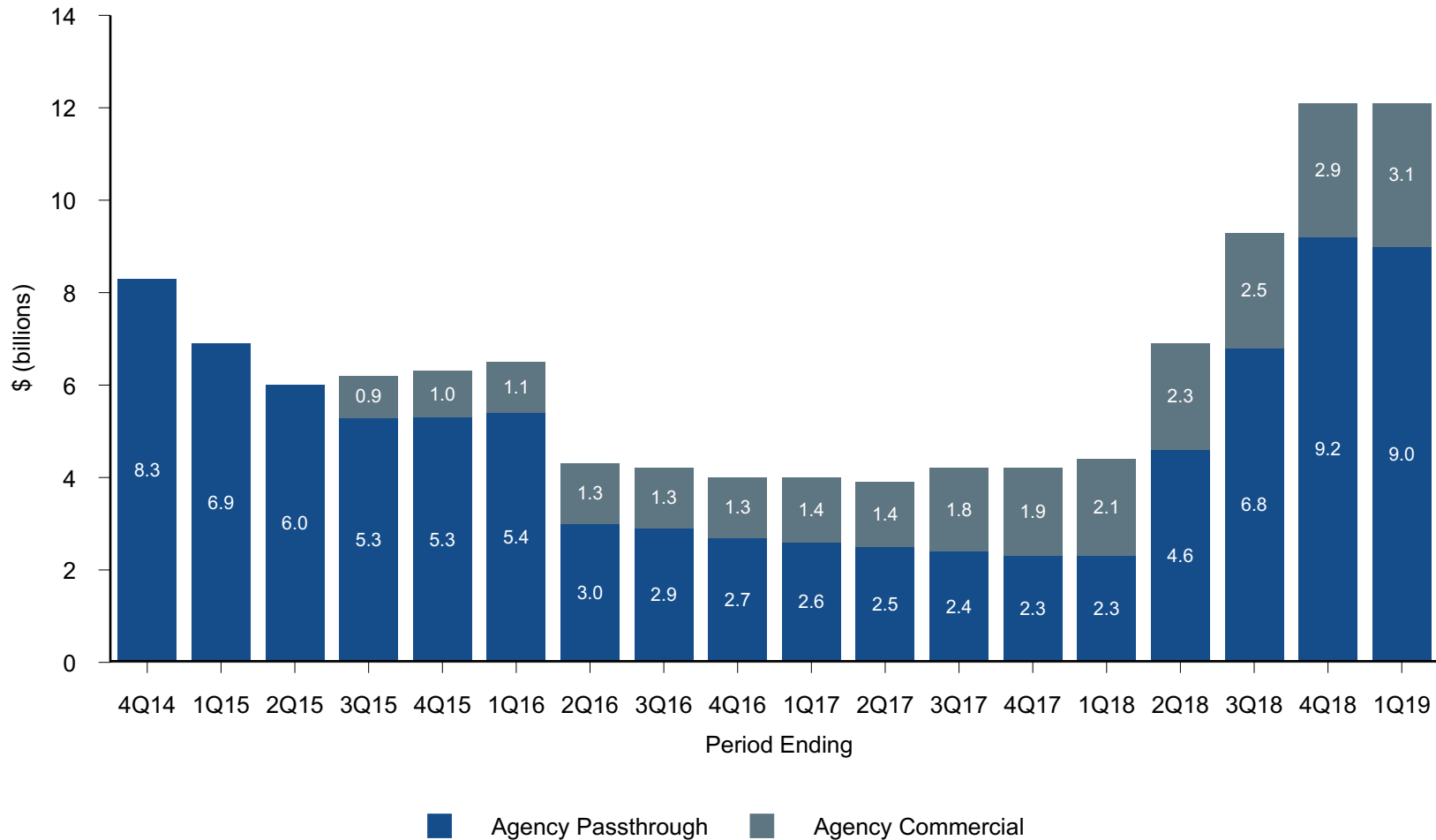
Information is unaudited, estimated and subject to change.

## Securitization History



# AGENCY PORTFOLIO

*Liquidity in Agency Securities enables Chimera to vary it's investments based upon relative value and residential mortgage credit opportunities available in the market*



All data as of March 31, 2019

\*excludes Agency IO


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# CAPITAL MANAGEMENT

*Chimera continues to add shareholder value while diversifying its capital structure*


- Board of Directors expects to declare \$2.00 dividends per common share in 2019
- Chimera issued \$200 million of Series D preferred stock in January 2019
- Chimera has raised \$930 million in preferred stock, representing 24% of total capital
- All preferred shared trade on the New York Stock Exchange under symbols CIM PRA, CIM PRB, CIM PRC and CIM PRD
- Board of Directors authorization for \$85 million share repurchase

## Preferred Stock




**CHIMERA** INVESTMENT CORPORATION

5,800,000 Shares  
8.00% Fixed Series A  
Cumulative Redeemable Preferred Stock  
Issued October 2016




**CHIMERA** INVESTMENT CORPORATION

13,000,000 Shares  
8.00% Variable Series B  
Cumulative Redeemable Preferred Stock  
Issued February 2017



**CHIMERA** INVESTMENT CORPORATION

10,400,000 Shares  
7.75% Variable Series C  
Cumulative Redeemable Preferred Stock  
Issued September 2018



**CHIMERA** INVESTMENT CORPORATION

8,000,000 Shares  
8.00% Variable Series D  
Cumulative Redeemable Preferred Stock  
Issued January 2019

All data as of March 31, 2019

\*including January 2019 issuance

Information is unaudited, estimated and subject to change.

*Chimera has assembled a unique portfolio of mortgage assets with a goal to provide high and durable income to shareholders*

## Dynamic Investment Strategy

Chimera has developed a diversified portfolio of mortgage backed securities to maximize risk-adjusted returns. Chimera's total return has outperformed the Mortgage REIT Index and the S&P 500 since internalization of management in 2015.

## Unique Mortgage Credit Portfolio

Chimera has created a high yield mortgage portfolio through securitization activity. Chimera's seasoned mortgage portfolio has a weighted average coupon of 6.9% with a weighted average loan size of ninety thousand dollars.

## Diversified Capital Structure

The addition of preferred stock has created a positive impact on our balance sheet, allowing us to grow our investment portfolio and lower the company's overall cost of capital.

# Appendix

# AGENCY MBS PORTFOLIO AND FUNDING

*The majority of Chimera's Agency Portfolio consists of highly liquid pass-through securities*

## Agency Securities – As of March 31, 2019

Security Type	Coupon <sup>(1)</sup>	Current Face	Weighted Average Market Price	Weighted Average CPR
	3.50%	\$615,631	101.7	7.3
Agency Pass-through	4.00%	7,360,542	103.0	4.7
	4.50%	409,267	104.7	12.5
	5.0%	301,504	105.7	28.9
Commercial	3.6%	3,080,065	101.9	—
Agency IO	1%	N/M <sup>(2)</sup>	5.6	6.2
<b>Total</b>		<b>\$11,767,009</b>		

## Repo Days to Maturity – As of March 31, 2019

Maturity	Principal Balance	Weighted Average Rate	Weighted Average Days
<b>Within 30 days</b>	\$5,445,447	2.73%	
<b>30 to 59 days</b>	4,155,446	2.69%	
<b>60 to 89 days</b>	1,125,058	2.70%	
<b>90 to 360 days</b>	578,532	2.71%	
<b>Total</b>	<b>\$11,304,483</b>	<b>2.71%</b>	<b>34 Days</b>

All data as of March 31, 2019

(1) Coupon is a weighted average for Commercial and Agency IO

(2) Notional Agency IO was \$2.6 billion as of March 31, 2019

# INTEREST RATE SENSITIVITY

*Chimera rebalanced its Agency hedge portfolio during the quarter*

Description (\$ in thousands)		- 100 Basis Points	- 50 Basis Points	Unchanged	+50 Basis Points	+100 Basis Points
<b>Agency Securities</b>	Market Value	\$12,589,670	\$12,439,689	\$ 12,238,044	\$11,948,585	\$11,619,453
	Percentage Change	2.9 %	1.6 %	-	(2.4)%	(5.1)%
<b>Swap</b>	Market Value	(439,092)	(214,812)	-	205,797	402,882
	Percentage Change	(3.6)%	(1.8)%	-	1.7 %	3.3 %
<b>Futures</b>	Market Value	(34,155)	(16,849)	-	16,431	32,477
	Percentage Change	(0.3)%	(0.1)%	-	0.1 %	0.3 %
<b>Net Gain/(Loss)</b>		\$ (121,621)	\$ (30,016)	-	\$ (67,231)	\$ (183,232)
<b>Percentage Change in Portfolio Value<sup>(1)</sup></b>		(1.0)%	(0.2)%	-	(0.5)%	(1.5)%

## Total Notional Balance - Derivative Instruments

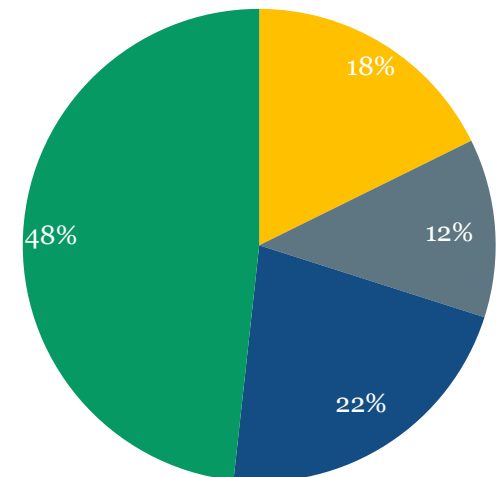
	March 31, 2019	December 31, 2018
<b>Agency Interest Rate Swaps</b>	6,733,200	8,131,700
<b>Swaptions</b>	53,000	53,000
<b>Futures</b>	619,700	619,700

(1) Based on instantaneous moves in interest rates.

All data as of March 31, 2019

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## Hedge Book Maturities



- Near Term 0-3
- Short Term 3-5
- Medium Term 5-10
- Long Term 10-30





**CHIMERA** INVESTMENT  
CORPORATION