

FINANCIAL SUPPLEMENT

NYSE: CIM

2nd Quarter 2018



CHIMERA INVESTMENT
CORPORATION

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.

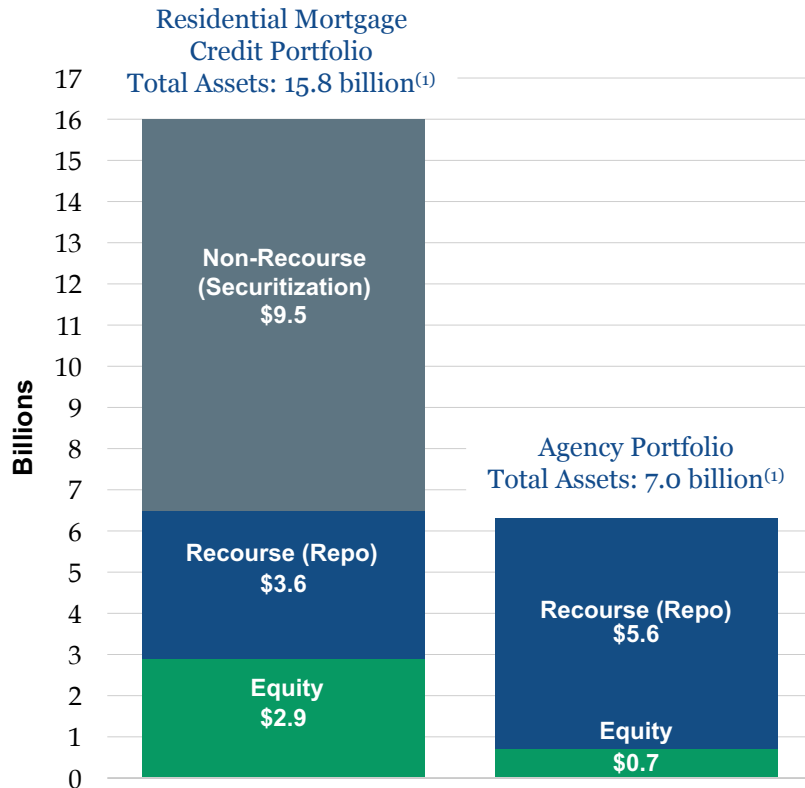
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PORTFOLIO COMPOSITION

80% of Chimera's equity capital is allocated to mortgage credit



Net Investment Analysis⁽²⁾

	Residential Mortgage Credit Portfolio	Agency Portfolio	Total Portfolio
Gross Asset Yield:	7.0%	3.4%	6.1%
Financing Cost ⁽³⁾ :	4.3%	1.7%	3.6%
Net Interest Spread:	2.7%	1.7%	2.5%
Net Interest Margin:	3.3%	1.8%	2.9%

All data as of June 30, 2018

(1) Financing excludes unsettled trades.

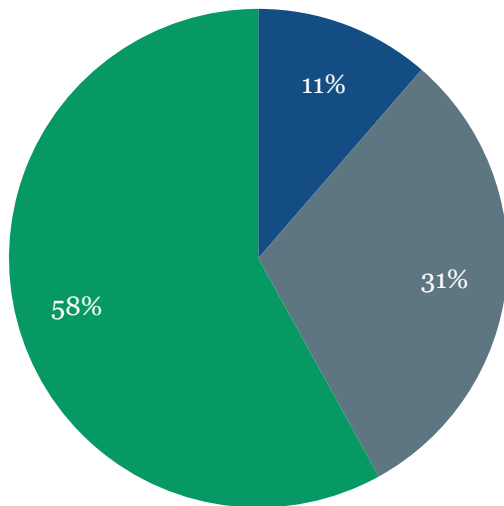
(2) Reflects second quarter 2018 average assets, yields, and spreads.

(3) Includes the interest incurred on interest rate swaps.

GAAP ASSET ALLOCATION⁽¹⁾

The increase in Agency MBS provides spread income and preserves portfolio liquidity

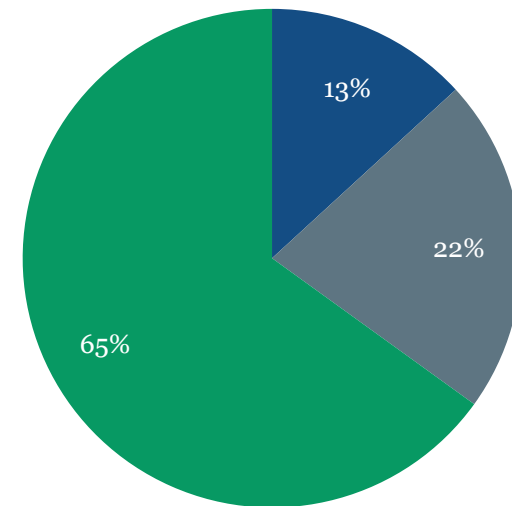
June 30, 2018



■ Non-Agency MBS ■ Agency MBS
■ Loan Portfolio

Total Portfolio: \$22.8 billion

March 31, 2018



■ Non-Agency MBS ■ Agency MBS
■ Loan Portfolio

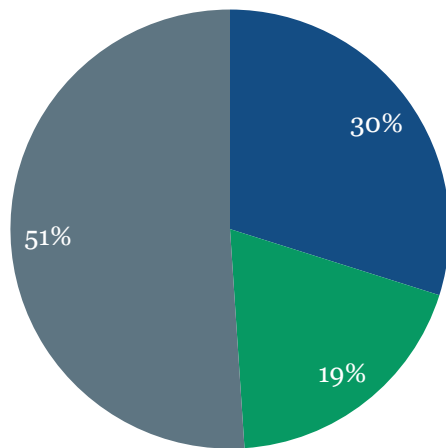
Total Portfolio: \$20.9 billion

(1) Based on fair value.

GAAP FINANCING SOURCES

Total Leverage⁽¹⁾: 5.1:1
Recourse Leverage⁽¹⁾: 2.5:1

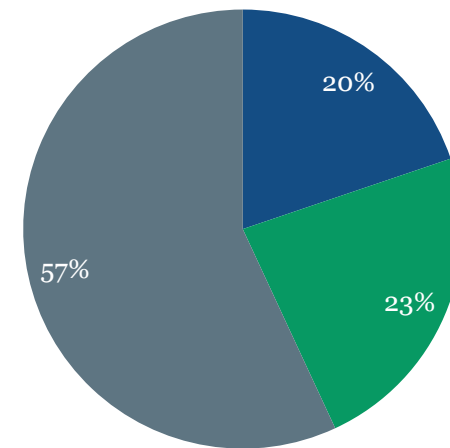
June 30, 2018



- Agency Repurchase Agreements, RMBS
- Non-Agency Repurchase Agreements, RMBS
- Non-Recourse Debt, Securitized RMBS and Loans (2)

Total Financing: \$18.6 Billion

March 31, 2018



- Agency Repurchase Agreements, RMBS
- Non-Agency Repurchase Agreements, RMBS
- Non-Recourse Debt, Securitized RMBS and Loans (2)

Total Financing: \$16.7 Billion

(1) Leverage ratios as of June 30, 2018
(2) Consists of tranches of RMBS and loan securitizations sold to third parties.

CONSOLIDATED LOAN SECURITIZATIONS

(\$ in thousands)

June 30, 2018

Vintage	Deal	Total Original Face	Total of Tranches Sold	Total of Tranches Retained	Total Remaining Face	Remaining Face of Tranches Sold	Remaining Face of Tranches Retained
2018	CIM 2018-R4	\$387,222	\$271,056	\$116,166	\$387,222	\$271,056	\$116,166
2018	CIM 2018-R3 ⁽¹⁾	181,073	146,669	34,404	176,536	142,144	34,392
2018	CIM 2018-R2	380,292	266,204	114,088	365,398	251,026	114,372
2018	CIM 2018-R1	169,032	140,297	28,735	162,946	134,046	28,900
2017	CMLTI 2017-RP2	421,329	341,276	80,053	397,539	317,582	79,957
2017	CIM 2017-8 ⁽¹⁾	1,148,050	688,829	459,221	1,063,756	604,414	459,342
2017	CIM 2017-7	512,446	341,062	171,384	470,998	300,973	170,025
2017	CIM 2017-6	782,725	626,179	156,546	703,107	545,768	157,339
2017	CIM 2017-5	377,034	75,407	301,627	338,807	37,389	301,418
2017	CIM 2017-4	830,510	710,003	120,507	629,943	516,285	113,658
2017	CIM 2017-3	2,434,640	2,113,267	321,373	1,982,115	1,662,170	319,945
2017	CIM 2017-2	331,440	248,580	82,860	281,643	198,610	83,033
2017	CIM 2017-1	526,267	368,387	157,880	434,730	277,895	156,835
2016	CIM 2016-FRE1	185,811	115,165	70,646	154,687	84,714	69,973
2016	CIM 2016-4 ⁽¹⁾	601,733	493,420	108,313	469,456	360,602	108,854
2016	CIM 2016-3	1,746,084	1,478,933	267,151	1,275,052	1,014,228	260,824
2016	CIM 2016-2	1,762,177	1,492,563	269,614	1,289,715	1,024,849	264,866
2016	CIM 2016-1	1,499,341	1,266,898	232,443	1,082,977	858,739	224,238
2015	CIM 2015-4AG ⁽¹⁾	750,647	530,970	219,677	480,311	293,320	186,991
2015	CIM 2015-3AG ⁽¹⁾	698,812	522,935	175,877	421,611	267,494	154,117
2012	CSMC 2012-CIM1	741,939	707,810	34,129	51,672	23,965	27,707
2012	CSMC 2012-CIM2	425,091	404,261	20,830	43,565	25,796	17,769
2012	CSMC 2012-CIM3	329,886	305,804	24,082	110,254	91,978	18,276
2008	PHHMC 2008-CIM1	619,710	549,142	70,568	39,114	28,373	10,741
TOTAL		\$17,843,291	\$14,205,117	\$3,638,174	\$12,813,154	\$9,333,416	\$3,479,738

All data as of June 30, 2018

(1) Contains collateral from Springleaf deals acquired in 2014.

Information is unaudited, estimated and subject to change.

CONSOLIDATED RMBS SECURITIZATIONS

- Re-securitized subordinate bonds have had slow prepayments considering the low interest rate environment
- Chimera expects the re-securitized subordinate bond portfolio to have meaningful impact on earnings for the foreseeable future

(\$ in thousands)

June 30, 2018

Vintage	Deal	Total Original Face	Total of Tranches Sold	Total of Tranches Retained	Total Remaining Face	Remaining Face of Tranches Sold	Remaining Face of Tranches Retained
2010	CSMC 2010-1R	\$1,730,581	\$691,630	\$1,038,951	\$462,635	\$3,264	\$459,371
2010	CSMC 2010-11R	566,571	338,809	227,762	179,293	—	179,293
2009	CSMC 2009-12R	1,730,698	915,566	815,132	441,754	81,233	360,521
2009	JPMRR 2009-7	1,522,474	856,935	665,539	400,666	92,991	307,675
2009	JMAC 2009-R2	281,863	192,500	89,363	68,803	16,589	52,214
TOTAL		\$5,832,187	\$2,995,440	\$2,836,747	\$1,553,151	\$194,077	\$1,359,074
		<i>% of origination remaining</i>			27%	6%	48%

* Chimera collapsed CSMC 2014-4R during the second quarter and owns the underlying securities

AGENCY SECURITIES AND REPO SUMMARY

Agency Securities – As of June 30, 2018

Security Type	Coupon ⁽¹⁾	Current Face	Weighted Average Market Price	Weighted Average CPR
Agency Pass-through	3.50%	\$805,356	99.7	8.8
	4.00%	3,270,033	102.1	6.0
	4.50%	452,341	104.4	5.6
Commercial	3.6%	2,300,891	98.8	0.1
Agency IO	0.7%	N/M ⁽²⁾	3.4	5.5
Total		\$6,828,621		

Repo Days to Maturity – As of June 30, 2018

Maturity	Principal Balance	Weighted Average Rate	Weighted Average Days
Within 30 days	\$3,510,195	2.05%	
30 to 59 days	1,544,638	2.14%	
60 to 89 days	505,494	2.19%	
90 to 360 days	9,090	2.74%	
Total	\$5,569,417	2.09%	24 Days

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

(2) Notional Agency IO was \$3.0 billion and \$3.0 billion as of June 30, 2018 and March 31, 2018 respectively.

Agency Securities – As of March 31, 2018

Security Type	Coupon ⁽¹⁾	Current Face	Weighted Average Market Price	Weighted Average CPR
Agency Pass-through	3.50%	\$828,730	100.4	7.9
	4.00%	1,276,070	102.8	11.9
	4.50%	160,833	105.5	15.1
Commercial	3.6%	2,153,980	99.7	—
Agency IO	0.7%	N/M ⁽²⁾	3.3	8.0
Total		\$4,419,613		

Repo Days to Maturity – As of March 31, 2018

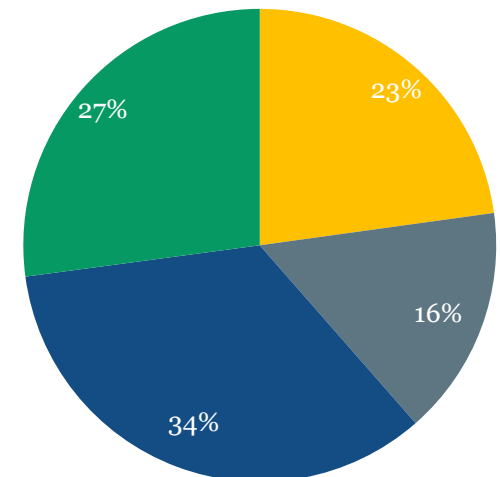
Maturity	Principal Balance	Weighted Average Rate	Weighted Average Days
Within 30 days	\$1,844,287	1.70%	
30 to 59 days	887,135	1.80%	
60 to 89 days	579,055	1.91%	
90 to 360 days	—	—%	
Total	\$3,310,477	1.77%	32 Days

INTEREST RATE SENSITIVITY

Chimera added to its Agency and hedge portfolios during the quarter

Description (\$ in thousands)	- 100 Basis Points	- 50 Basis Points	Unchanged	+50 Basis Points	+100 Basis Points	
Agency Securities	Market Value	\$ 7,333,718	\$ 7,174,559	\$ 6,989,329	\$ 6,784,447	\$ 6,566,948
	Percentage Change	4.9 %	2.7 %	-	(2.9)%	(6.0)%
Swap	Market Value	(311,699)	(152,477)	-	146,000	285,766
	Percentage Change	(4.5)%	(2.2)%	-	2.1 %	4.1 %
Futures	Market Value	(33,648)	(16,608)	-	16,185	31,938
	Percentage Change	(0.5)%	(0.2)%	-	0.2 %	0.5 %
Net Gain/(Loss)	\$ (958)	\$ 16,145	-	\$ (42,697)	\$ (104,677)	
Percentage Change in Portfolio Value⁽¹⁾	— %	0.2 %	-	(0.6)%	(1.5)%	

Hedge Book Maturities



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

Total Notional Balance - Derivative Instruments

	June 30, 2018	March 31, 2018
Agency Interest Rate Swaps	5,087,400	3,358,900
Swaptions	53,000	361,000
Futures	619,700	619,700

(1) Based on instantaneous moves in interest rates.

