

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported):  
November 3, 2021

CHIMERA INVESTMENT CORPORATION  
(Exact name of registrant as specified in its charter)

<u>Maryland</u> (State or Other Jurisdiction of Incorporation)	<u>1-33796</u> (Commission File Number)	<u>26-0630461</u> (IRS Employer Identification No.)
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630 Fifth Avenue, STE 2400  
New York, New York  
(Address of principal executive offices)  
10111  
(Zip Code)

Registrant's telephone number, including area code: (212) 626-2300

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	CIM	New York Stock Exchange
8.00% Series A Cumulative Redeemable Preferred Stock	CIM PRA	New York Stock Exchange
8.00% Series B Cumulative Fixed-to-Floating Rate Redeemable Preferred Stock	CIM PRB	New York Stock Exchange
7.75% Series C Cumulative Fixed-to-Floating Rate Redeemable Preferred Stock	CIM PRC	New York Stock Exchange
8.00% Series D Cumulative Fixed-to-Floating Rate Redeemable Preferred Stock	CIM PRD	New York Stock Exchange

Registrant's Web site address: [www.chimerareit.com](http://www.chimerareit.com)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

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## Item 2.02. Results of Operations and Financial Condition

On November 3, 2021, the registrant issued a press release announcing its financial results for the quarter ended September 30, 2021. A copy of the press release is furnished as Exhibit 99.1 to this report.

On November 3, 2021, the registrant posted supplemental financial information on the News & Events - Press Releases section of its website (www.chimerareit.com). A copy of the supplemental financial information is furnished as Exhibit 99.2 to this report and incorporated herein by reference.

## Item 9.01 Financial Statements and Exhibits

### (d) Exhibits

99.1 [Press Release, dated November 3, 2021, issued by Chimera Investment Corporation](#)

99.2 [Supplemental Financial Information for the quarter ended September 30, 2021](#)

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Chimera Investment Corporation

By: /s/ Subramaniam Viswanathan  
Name: Subramaniam Viswanathan  
Title: Chief Financial Officer

Date: November 3, 2021



## PRESS RELEASE

NYSE: CIM

CHIMERA INVESTMENT CORPORATION  
630 Fifth Ave, Ste 2400  
New York, New York 10111

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Investor Relations  
888-895-6557  
[www.chimerareit.com](http://www.chimerareit.com)

### FOR IMMEDIATE RELEASE

#### CHIMERA INVESTMENT CORPORATION REPORTS 3RD QUARTER 2021 EARNINGS

- 3RD QUARTER GAAP NET INCOME OF \$1.30 PER DILUTED COMMON SHARE
- 3RD QUARTER EARNINGS AVAILABLE FOR DISTRIBUTION <sup>(1)</sup> OF \$0.42 PER DILUTED COMMON SHARE WHICH INCLUDES \$0.06 OF INCOME FROM SECURITIES THAT HAVE BEEN CALLED
- GAAP BOOK VALUE OF \$12.32 PER COMMON SHARE

NEW YORK - (BUSINESS WIRE) - Chimera Investment Corporation (NYSE:CIM) today announced its financial results for the third quarter ended September 30, 2021. The Company's GAAP net income for the third quarter was \$313 million, or \$1.30 per diluted common share. Earnings available for distribution<sup>(1)</sup> for the third quarter ended September 30, 2021 was \$102 million, or \$0.42 per diluted common share.

"Chimera's disciplined approach to investing was rewarded as we committed to purchase nearly \$850 million of new loans for the portfolio, highlighting our continued ability to acquire mortgage assets", said Mohit Marria, Chimera's CEO and Chief Investment Officer. "Chimera's book value increased to \$12.32 per share contributing to total economic return<sup>(2)</sup> of 10.5% for the third quarter of 2021."

(1) Earnings available for distribution per adjusted diluted common share is a non-GAAP measure. See additional discussion on page 5.  
(2) Economic return on book value is based on the change in GAAP book value per common share plus the dividend declared per common share.

## Other Information

Chimera Investment Corporation is a publicly traded real estate investment trust, or REIT, that is primarily engaged in the business of investing directly or indirectly through its subsidiaries, on a leveraged basis, in a diversified portfolio of mortgage assets, including residential mortgage loans, Non-Agency RMBS, Agency CMBS, Agency RMBS, and other real estate related securities.

**CHIMERA INVESTMENT CORPORATION**  
**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**  
(dollars in thousands, except share and per share data)  
(Unaudited)

	September 30, 2021	December 31, 2020
Cash and cash equivalents	\$ 328,455	\$ 269,090
Non-Agency RMBS, at fair value (net of allowance for credit losses of \$122 thousand and \$180 thousand, respectively)	1,890,030	2,150,714
Agency RMBS, at fair value	65,889	90,738
Agency CMBS, at fair value	1,062,131	1,740,368
Loans held for investment, at fair value	12,533,864	13,112,129
Accrued interest receivable	74,011	81,158
Other assets	49,844	78,822
<b>Total assets <sup>(1)</sup></b>	<b>\$ 16,004,224</b>	<b>\$ 17,523,019</b>
<b>Liabilities:</b>		
Secured financing agreements (\$5.0 billion and \$6.7 billion pledged as collateral, respectively)	\$ 3,788,336	\$ 4,636,847
Securitized debt, collateralized by Non-Agency RMBS (\$424 million and \$505 million pledged as collateral, respectively)	92,204	113,433
Securitized debt at fair value, collateralized by Loans held for investment (\$11.3 billion and \$12.4 billion pledged as collateral, respectively)	7,947,644	8,711,677
Long term debt	—	51,623
Payable for investments purchased	192,552	106,169
Accrued interest payable	20,388	40,950
Dividends payable	85,255	77,213
Accounts payable and other liabilities	29,297	5,721
<b>Total liabilities <sup>(1)</sup></b>	<b>\$ 12,155,676</b>	<b>\$ 13,743,633</b>
<b>Stockholders' Equity:</b>		
Preferred Stock, par value of \$0.01 per share, 100,000,000 shares authorized:		
8.00% Series A cumulative redeemable: 5,800,000 shares issued and outstanding, respectively (\$145,000 liquidation preference)	\$ 58	\$ 58
8.00% Series B cumulative redeemable: 13,000,000 shares issued and outstanding, respectively (\$325,000 liquidation preference)	130	130
7.75% Series C cumulative redeemable: 10,400,000 shares issued and outstanding, respectively (\$260,000 liquidation preference)	104	104
8.00% Series D cumulative redeemable: 8,000,000 shares issued and outstanding, respectively (\$200,000 liquidation preference)	80	80
Common stock: par value \$0.01 per share; 500,000,000 shares authorized, 236,883,020 and 230,556,760 shares issued and outstanding, respectively	2,369	2,306
Additional paid-in-capital	4,357,526	4,538,029
Accumulated other comprehensive income	438,915	558,096
Cumulative earnings	4,534,274	3,881,894
Cumulative distributions to stockholders	(5,484,908)	(5,201,311)
<b>Total stockholders' equity</b>	<b>\$ 3,848,548</b>	<b>\$ 3,779,386</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 16,004,224</b>	<b>\$ 17,523,019</b>

(1) The Company's consolidated statements of financial condition include assets of consolidated variable interest entities ("VIEs") that can only be used to settle obligations and liabilities of the VIE for which creditors do not have recourse to the primary beneficiary (Chimera Investment Corporation). As of September 30, 2021, and December 31, 2020, total assets of consolidated VIEs were \$10,865,801 and \$12,165,017, respectively, and total liabilities of consolidated VIEs were \$7,400,498 and \$8,063,110, respectively.

**CHIMERA INVESTMENT CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(dollars in thousands, except share and per share data)

(Unaudited)

	For the Quarters Ended		For the Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
<b>Net interest income:</b>				
Interest income <sup>(1)</sup>	\$ 220,579	\$ 247,905	\$ 716,384	\$ 794,094
Interest expense <sup>(2)</sup>	71,353	124,557	260,029	395,897
Net interest income	149,226	123,348	456,355	398,197
Increase/(decrease) in provision for credit losses	(386)	(1,650)	(58)	167
<b>Other investment gains (losses):</b>				
Net unrealized gains (losses) on derivatives	—	—	—	201,000
Realized gains (losses) on terminations of interest rate swaps	—	—	—	(463,966)
Net realized gains (losses) on derivatives	—	—	—	(41,086)
<b>Net gains (losses) on derivatives</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(304,052)</b>
Net unrealized gains (losses) on financial instruments at fair value	239,524	260,766	545,643	(172,042)
Net realized gains (losses) on sales of investments	—	65,041	45,313	167,275
Gains (losses) on extinguishment of debt	(25,622)	(55,794)	(284,535)	(55,338)
Total other gains (losses)	213,902	270,013	306,421	(364,157)
<b>Other expenses:</b>				
Compensation and benefits	12,694	10,287	35,363	33,476
General and administrative expenses	5,300	6,236	16,672	17,335
Servicing and asset manager fees	9,297	9,473	27,659	30,074
Transaction expenses	3,432	1,624	25,614	11,239
Total other expenses	30,723	27,620	105,308	92,124
<b>Income (loss) before income taxes</b>	<b>332,791</b>	<b>367,391</b>	<b>657,526</b>	<b>(58,251)</b>
Income tax expense (benefit)	1,323	62	5,146	130
<b>Net income (loss)</b>	<b>\$ 331,468</b>	<b>\$ 367,329</b>	<b>\$ 652,380</b>	<b>\$ (58,381)</b>
<b>Dividends on preferred stock</b>	<b>18,438</b>	<b>18,438</b>	<b>55,313</b>	<b>55,313</b>
<b>Net income (loss) available to common shareholders</b>	<b>\$ 313,030</b>	<b>\$ 348,891</b>	<b>\$ 597,067</b>	<b>\$ (113,694)</b>
<b>Net income (loss) per share available to common shareholders:</b>				
Basic	\$ 1.33	\$ 1.50	\$ 2.57	\$ (0.55)
Diluted	\$ 1.30	\$ 1.32	\$ 2.42	\$ (0.55)
<b>Weighted average number of common shares outstanding:</b>				
Basic	235,887,296	232,127,224	232,717,010	206,237,705
Diluted	240,362,602	265,346,359	247,358,823	206,237,705

(1) Includes interest income of consolidated VIEs of \$138,984 and \$171,442 for the quarters ended September 30, 2021 and 2020, respectively, and \$446,198 and \$515,250 for the nine months ended September 30, 2021 and 2020, respectively.

(2) Includes interest expense of consolidated VIEs of \$43,525 and \$74,753 for the quarters ended September 30, 2021 and 2020, respectively, and \$159,666 and \$210,198 for the nine months ended September 30, 2021 and 2020, respectively.

**CHIMERA INVESTMENT CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(dollars in thousands, except share and per share data)  
(Unaudited)

	For the Quarters Ended		For the Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
<b>Comprehensive income (loss):</b>				
Net income (loss)	\$ 331,468	\$ 367,329	\$ 652,380	\$ (58,381)
<b>Other comprehensive income:</b>				
Unrealized gains (losses) on available-for-sale securities, net	(17,198)	40,470	(82,065)	(97,334)
Reclassification adjustment for net realized losses (gains) included in net income	—	(22,999)	(37,116)	(56,021)
Other comprehensive income (loss)	(17,198)	17,471	(119,181)	(153,355)
<b>Comprehensive income (loss) before preferred stock dividends</b>	<b>\$ 314,270</b>	<b>\$ 384,800</b>	<b>\$ 533,199</b>	<b>\$ (211,736)</b>
Dividends on preferred stock	\$ 18,438	\$ 18,438	\$ 55,313	\$ 55,313
<b>Comprehensive income (loss) available to common stock shareholders</b>	<b>\$ 295,832</b>	<b>\$ 366,362</b>	<b>\$ 477,886</b>	<b>\$ (267,049)</b>



### Earnings available for distribution

Commencing with the quarter ended September 30, 2021, we will no longer report our non-GAAP measure of core earnings (and by calculation, core earnings per adjusted diluted common share). Instead, we are reporting the new measure Earnings available for distribution (and by calculation, earnings available for distribution per adjusted diluted common share).

Earnings available for distribution is a non-GAAP measure and is defined as GAAP net income excluding unrealized gains or losses on financial instruments carried at fair value with changes in fair value recorded in earnings, realized gains or losses on the sales of investments, gains or losses on the extinguishment of debt, interest expense on long term debt, changes in the provision for credit losses, and transaction expenses incurred. In addition, stock compensation expense charges incurred on awards to retirement eligible employees is reflected as an expense over a vesting period (36 months) rather than reported as an immediate expense.

As defined, Earnings available for distribution is the economic net interest income, as defined previously, reduced by compensation and benefits expenses (adjusted for awards to retirement eligible employees), general and administrative expenses, servicing and asset manager fees, income tax benefits or expenses incurred during the period, as well as the preferred dividend charges. We view Earnings available for distribution as a consistent measure of our investment portfolio's ability to generate income for distribution to common stockholders. Earnings available for distribution is one of the metrics, but not the exclusive metric, that our board of directors uses to determine the amount, if any, of dividends on our common stock. In addition, Earnings available for distribution is different than REIT taxable income and the determination of whether the Company has met the requirement to distribute at least 90% of its annual REIT taxable income (subject to certain adjustments) to its stockholders in order to maintain qualification as a REIT is not based on Earnings available for distribution. Therefore, Earnings available for distribution should not be considered as an indication of our REIT taxable income, a guaranty of our ability to pay dividends, or as a proxy for the amount of dividends we may pay, because Earnings available for distribution excludes certain items that impact our cash needs. We believe Earnings available for distribution as described above helps us and investors evaluate our financial performance period over period without the impact of certain transactions. Therefore, Earnings available for distribution should not be viewed in isolation and is not a substitute for net income or net income per basic share computed in accordance with GAAP. In addition, our methodology for calculating earnings available for distribution may differ from the methodologies employed by other REITs to calculate the same or similar supplemental performance measures, and accordingly, our Earnings available for distribution may not be comparable to the Earnings available for distribution reported by other REITs.

The following table provides GAAP measures of net income and net income per diluted share available to common stockholders for the periods presented and details with respect to reconciling the line items to Earnings available for distribution and related per average diluted common share amounts. Earnings available for distribution is presented on an adjusted dilutive shares basis. Certain prior period amounts have been reclassified to conform to the current period's presentation.

	For the Quarters Ended				
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
	(dollars in thousands, except per share data)				
<b>GAAP Net income available to common stockholders</b>	\$ 313,030	\$ 144,883	\$ 139,153	\$ 128,797	\$ 348,891
Adjustments:					
Net unrealized (gains) losses on financial instruments at fair value	(239,524)	(36,108)	(270,012)	(61,379)	(260,766)
Net realized (gains) losses on sales of investments	—	(7,517)	(37,796)	329	(65,041)
(Gains) losses on extinguishment of debt	25,622	21,777	237,137	(919)	55,794
Interest expense on long term debt	238	959	1,076	1,197	1,495
Increase (decrease) in provision for credit losses	(386)	453	(126)	13	(1,650)
Transaction expenses	3,432	5,745	16,437	3,827	1,624
Stock Compensation expense for retirement eligible awards	(365)	(361)	661	(225)	(275)
<b>Earnings available for distribution</b>	<b>\$ 102,047</b>	<b>\$ 129,831</b>	<b>\$ 86,530</b>	<b>\$ 71,640</b>	<b>\$ 80,072</b>
<b>GAAP net income per diluted common share</b>	<b>\$ 1.30</b>	<b>\$ 0.60</b>	<b>\$ 0.54</b>	<b>\$ 0.49</b>	<b>\$ 1.32</b>
<b>Earnings available for distribution per adjusted diluted common share</b>	<b>\$ 0.42</b>	<b>\$ 0.54</b>	<b>\$ 0.36</b>	<b>\$ 0.29</b>	<b>\$ 0.33</b>

The following tables provide a summary of the Company's MBS portfolio at September 30, 2021 and December 31, 2020.

**September 30, 2021**

	Principal or Notional Value at Period-End (dollars in thousands)	Weighted Average Amortized Cost Basis	Weighted Average Fair Value	Weighted Average Coupon	Weighted Average Yield at Period-End <sup>(1)</sup>
Non-Agency RMBS					
Senior	\$ 1,340,949	\$ 48.75	78.62	4.4 %	17.6 %
Subordinated	849,256	67.92	76.37	3.8 %	6.7 %
Interest-only	4,225,195	4.77	4.43	1.6 %	12.8 %
Agency RMBS					
Interest-only	1,067,557	9.97	6.17	1.3 %	0.7 %
Agency CMBS					
Project loans	825,894	101.87	112.16	4.3 %	4.1 %
Interest-only	2,351,641	5.60	5.78	0.7 %	5.3 %

(1) Bond Equivalent Yield at period end.

**December 31, 2020**

	Principal or Notional Value at Period-End (dollars in thousands)	Weighted Average Amortized Cost Basis	Weighted Average Fair Value	Weighted Average Coupon	Weighted Average Yield at Period-End <sup>(1)</sup>
Non-Agency RMBS					
Senior	\$ 1,560,135	\$ 50.65	\$ 81.90	4.5 %	16.9 %
Subordinated	905,674	62.46	67.43	3.8 %	6.3 %
Interest-only	5,628,240	4.43	4.66	1.5 %	16.2 %
Agency RMBS					
Interest-only	1,262,963	9.41	7.18	1.7 %	1.6 %
Agency CMBS					
Project loans	1,527,621	101.81	112.23	4.1 %	3.8 %
Interest-only	1,326,665	1.78	1.95	0.6 %	8.4 %

(1) Bond Equivalent Yield at period end.

At September 30, 2021 and December 31, 2020, the secured financing agreements collateralized by MBS and Loans held for investment had the following remaining maturities and borrowing rates.

**September 30, 2021**

**December 31, 2020**

(dollars in thousands)

	<b>September 30, 2021</b>			<b>December 31, 2020</b>		
	<b>Principal <sup>(1)</sup></b>	<b>Weighted Average Borrowing Rates</b>	<b>Range of Borrowing Rates</b>	<b>Principal <sup>(1)</sup></b>	<b>Weighted Average Borrowing Rates</b>	<b>Range of Borrowing Rates</b>
Overnight	\$ —	NA	—% - —%	\$ —	NA	NA
1 to 29 days	1,005,444	0.37%	0.11% - 1.82%	1,521,134	0.38%	0.20% - 2.72%
30 to 59 days	109,436	1.62%	1.62% - 1.62%	481,257	4.35%	2.42% - 6.61%
60 to 89 days	245,058	1.62%	1.28% - 1.68%	352,684	2.78%	1.34% - 6.30%
90 to 119 days	455,938	1.78%	1.41% - 1.99%	301,994	7.97%	7.97% - 7.97%
120 to 180 days	526,398	1.84%	0.90% - 2.34%	595,900	5.29%	2.40% - 6.26%
180 days to 1 year	899,381	3.59%	0.94% - 4.38%	345,204	3.60%	3.25% - 4.50%
1 to 2 years	261,999	3.06%	3.04% - 3.09%	—	NA	NA
2 to 3 years	—	NA	NA	642,696	4.91%	1.65% - 7.00%
Greater than 3 years	284,682	5.56%	5.56% - 5.56%	395,978	5.56%	5.56% - 5.56%
<b>Total</b>	<b>\$ 3,788,336</b>	<b>2.20%</b>		<b>\$ 4,636,847</b>	<b>3.41%</b>	

(1) The values for secured financing agreements in the table above is net of \$3 million and \$8 million of deferred financing cost as of September 30, 2021 and December 31, 2020, respectively.

The following table summarizes certain characteristics of our portfolio at September 30, 2021 and December 31, 2020.

	<b>September 30, 2021</b>	<b>December 31, 2020</b>
GAAP Leverage at period-end	3.1:1	3.6:1
GAAP Leverage at period-end (recourse)	1.0:1	1.2:1

	<b>September 30, 2021</b>		<b>December 31, 2020</b>	
	<b>Amortized Cost</b>		<b>Fair Value</b>	
Portfolio Composition				
Non-Agency RMBS	10.2 %	10.2 %	12.1 %	12.6 %
Senior	4.7 %	5.0 %	6.7 %	7.5 %
Subordinated	4.1 %	3.6 %	4.2 %	3.6 %
Interest-only	1.4 %	1.6 %	1.2 %	1.5 %
Agency RMBS	0.8 %	0.7 %	0.4 %	0.5 %
Pass-through	— %	— %	— %	— %
Interest-only	0.8 %	0.7 %	0.4 %	0.5 %
Agency CMBS	6.9 %	10.0 %	6.9 %	10.2 %
Project loans	6.0 %	9.9 %	6.0 %	10.0 %
Interest-only	0.9 %	0.1 %	0.9 %	0.2 %
Loans held for investment	82.1 %	79.1 %	80.6 %	76.7 %
Fixed-rate percentage of portfolio	95.3 %	94.9 %	94.2 %	93.2 %
Adjustable-rate percentage of portfolio	4.7 %	5.1 %	5.8 %	6.8 %

***Economic Net Interest Income***

Our Economic net interest income is a non-GAAP financial measure that equals GAAP net interest income adjusted for net realized gains or losses on interest rate swaps, interest expense on long term debt and any interest earned on cash. Realized gains or losses on our interest rate swaps are the periodic net settlement payments made or received. We believe this presentation is useful to investors because it depicts the economic value of our investment strategy by showing all components of interest expense and net interest income. However, Economic net interest income should not be viewed in isolation and is not a substitute for net interest income computed in accordance with GAAP. Where indicated, interest expense, adjusting for interest payments on interest rate swaps, is referred to as Economic interest expense.

The following table reconciles the Economic net interest income to GAAP net interest income and Economic interest expense to GAAP interest expense for the periods presented.

	GAAP Interest Income	GAAP Interest Expense	Net Realized (Gains) Losses on Interest Rate Swaps	Interest Expense on Long Term Debt	Economic Interest Expense	GAAP Net Interest Income	Net Realized Gains (Losses) on Interest Rate Swaps	Other <sup>(1)</sup>	Economic Net Interest Income
For the Quarter Ended September 30, 2021	\$ 220,579	\$ 71,353	\$ —	\$ (239)	\$ 71,114	\$ 149,226	\$ —	\$ 220	\$ 149,446
For the Quarter Ended June 30, 2021	\$ 252,677	\$ 80,610	\$ —	\$ (959)	\$ 79,651	\$ 172,067	\$ —	\$ 936	\$ 173,003
For the Quarter Ended March 31, 2021	\$ 243,127	\$ 108,066	\$ —	\$ (1,076)	\$ 106,990	\$ 135,061	\$ —	\$ 1,065	\$ 136,126
For the Quarter Ended December 31, 2020	\$ 236,156	\$ 120,285	\$ —	\$ (1,197)	\$ 119,088	\$ 115,871	\$ —	\$ 1,177	\$ 117,048
For the Quarter Ended September 30, 2020	\$ 247,905	\$ 124,557	\$ —	\$ (1,495)	\$ 123,062	\$ 123,348	\$ —	\$ 1,487	\$ 124,835

(1) Primarily interest expense on Long term debt and interest income on cash and cash equivalents.

The table below shows our average earning assets held, interest earned on assets, yield on average interest earning assets, average debt balance, economic interest expense, economic average cost of funds, economic net interest income, and net interest rate spread for the periods presented.

	For the Quarter Ended					
	September 30, 2021			September 30, 2020		
	(dollars in thousands)					
	Average Balance	Interest	Average Yield/Cost	Average Balance	Interest	Average Yield/Cost
<b>Assets:</b>						
<b>Interest-earning assets <sup>(1)</sup>:</b>						
Agency RMBS	\$ 108,341	\$ 190	0.7 %	\$ 127,273	\$ 495	1.6 %
Agency CMBS	998,132	23,933	9.6 %	1,770,009	25,571	5.8 %
Non-Agency RMBS	1,449,681	50,688	14.0 %	1,692,702	56,311	13.3 %
Loans held for investment	11,462,652	145,749	5.1 %	12,943,898	165,520	5.1 %
<b>Total</b>	<b>\$ 14,018,806</b>	<b>\$ 220,560</b>	<b>6.3 %</b>	<b>\$ 16,533,882</b>	<b>\$ 247,897</b>	<b>6.0 %</b>
<b>Liabilities and stockholders' equity:</b>						
<b>Interest-bearing liabilities:</b>						
Secured financing agreements collateralized by:						
Agency RMBS	\$ 38,620	\$ 65	0.7 %	\$ 76,755	\$ 208	1.1 %
Agency CMBS	864,569	347	0.2 %	1,680,566	1,141	0.3 %
Non-Agency RMBS	826,989	6,822	3.3 %	1,171,542	17,495	6.0 %
Loans held for investment	2,094,438	16,434	3.1 %	2,340,689	27,814	4.8 %
Securitized debt	8,077,753	47,446	2.3 %	8,711,513	76,404	3.5 %
<b>Total</b>	<b>\$ 11,902,369</b>	<b>\$ 71,114</b>	<b>2.4 %</b>	<b>\$ 13,981,065</b>	<b>\$ 123,062</b>	<b>3.5 %</b>
<b>Economic net interest income/net interest rate spread</b>		<b>\$ 149,446</b>	<b>3.9 %</b>		<b>\$ 124,835</b>	<b>2.5 %</b>
<b>Net interest-earning assets/net interest margin</b>	<b>\$ 2,116,437</b>		<b>4.3 %</b>	<b>\$ 2,552,817</b>		<b>3.0 %</b>
<b>Ratio of interest-earning assets to interest bearing liabilities</b>		<b>1.18</b>			<b>1.18</b>	

(1) Interest-earning assets at amortized cost

The table below shows our Net Income and Economic net interest income as a percentage of average stockholders' equity and Earnings available for distribution as a percentage of average common stockholders' equity. Return on average equity is defined as our GAAP net income (loss) as a percentage of average equity. Average equity is defined as the average of our beginning and ending stockholders' equity balance for the period reported. Economic Net Interest Income and Earnings available for distribution are non-GAAP measures as defined in previous sections.

	Return on Average Equity	Economic Net Interest Income/Average Equity *	Earnings available for distribution/Average Common Equity
(Ratios have been annualized)			
For the Quarter Ended September 30, 2021	35.47 %	15.99 %	14.54 %
For the Quarter Ended June 30, 2021	18.16 %	19.24 %	19.47 %
For the Quarter Ended March 31, 2021	17.16 %	14.82 %	12.62 %
For the Quarter Ended December 31, 2020	15.76 %	12.53 %	10.21 %
For the Quarter Ended September 30, 2020	41.43 %	14.08 %	12.24 %

\* Includes effect of realized losses on interest rate swaps and excludes long term debt expense.

The following table presents changes to Accretable Discount (net of premiums) as it pertains to our Non-Agency RMBS portfolio, excluding premiums on IOs, during the previous five quarters.

Accretable Discount (Net of Premiums)	For the Quarters Ended				
	(dollars in thousands)				
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Balance, beginning of period	\$ 338,024	\$ 358,562	\$ 409,690	\$ 422,981	\$ 410,447
Accretion of discount	(21,820)	(37,986)	(24,023)	(21,281)	(20,045)
Purchases	1,995	(3,453)	—	758	2,096
Sales and deconsolidation	—	(17,123)	(41,651)	98	—
Transfers from/(to) credit reserve, net	34,346	38,024	14,546	7,134	30,483
Balance, end of period	\$ 352,545	\$ 338,024	\$ 358,562	\$ 409,690	\$ 422,981

## Disclaimer

This press release 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 “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 and Current Reports on Form 8-K, under the caption “Risk Factors.” Factors that could cause actual results to differ include, but are not limited to: our business and investment strategy; our ability to accurately forecast the payment of future dividends on our common and preferred stock, and the amount of such dividends; our ability to determine accurately the fair market value of our assets; availability of investment opportunities in real estate-related and other securities, including our valuation of potential opportunities that may arise as a result of current and future market dislocations; effect of the novel coronavirus (or COVID-19) pandemic on real estate market, financial markets and our Company, including the impact on the value, availability, financing and liquidity of mortgage assets; how COVID-19 may affect us, our operations and our personnel; our expected investments; changes in the value of our investments, including negative changes resulting in margin calls related to the financing of our assets; changes in interest rates and mortgage prepayment rates; prepayments of the mortgage and other loans underlying our mortgage-backed securities, or RMBS, or other asset-backed securities, or ABS; rates of default, delinquencies or decreased recovery rates on our investments; general volatility of the securities markets in which we invest; our ability to maintain existing financing arrangements and our ability to obtain future financing arrangements; our ability to effect our strategy to securitize residential mortgage loans; interest rate mismatches between our investments and our borrowings used to finance such purchases; effects of interest rate caps on our adjustable-rate investments; the degree to which our hedging strategies may or may not protect us from interest rate volatility; the impact of and changes to various government programs, including in response to COVID-19; impact of and changes in governmental regulations, tax law and rates, accounting guidance, and similar matters; market trends in our industry, interest rates, the debt securities markets or the general economy; estimates relating to our ability to make distributions to our stockholders in the future; our understanding of our competition; availability of qualified personnel; our ability to maintain our classification as a real estate investment trust, or, REIT, for U.S. federal income tax purposes; our ability to maintain our exemption from registration under the Investment Company Act of 1940, as amended, or 1940 Act; our expectations regarding materiality or significance; and the effectiveness of our disclosure controls and procedures.

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.

Readers are advised that the financial information in this press release 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.



# FINANCIAL SUPPLEMENT

3rd Quarter 2021

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This presentation may include industry and market data obtained through research, surveys, and studies conducted by third parties and industry publications. We have not independently verified any such market and industry data from third-party sources. This presentation is provided for discussion purposes only and may not be relied upon as legal or investment advice, nor is it intended to be inclusive of all the risks and uncertainties that should be considered. This presentation does not constitute an offer to purchase or sell any securities, nor shall it be construed to be indicative of the terms of an offer that the parties or their respective affiliates would accept.

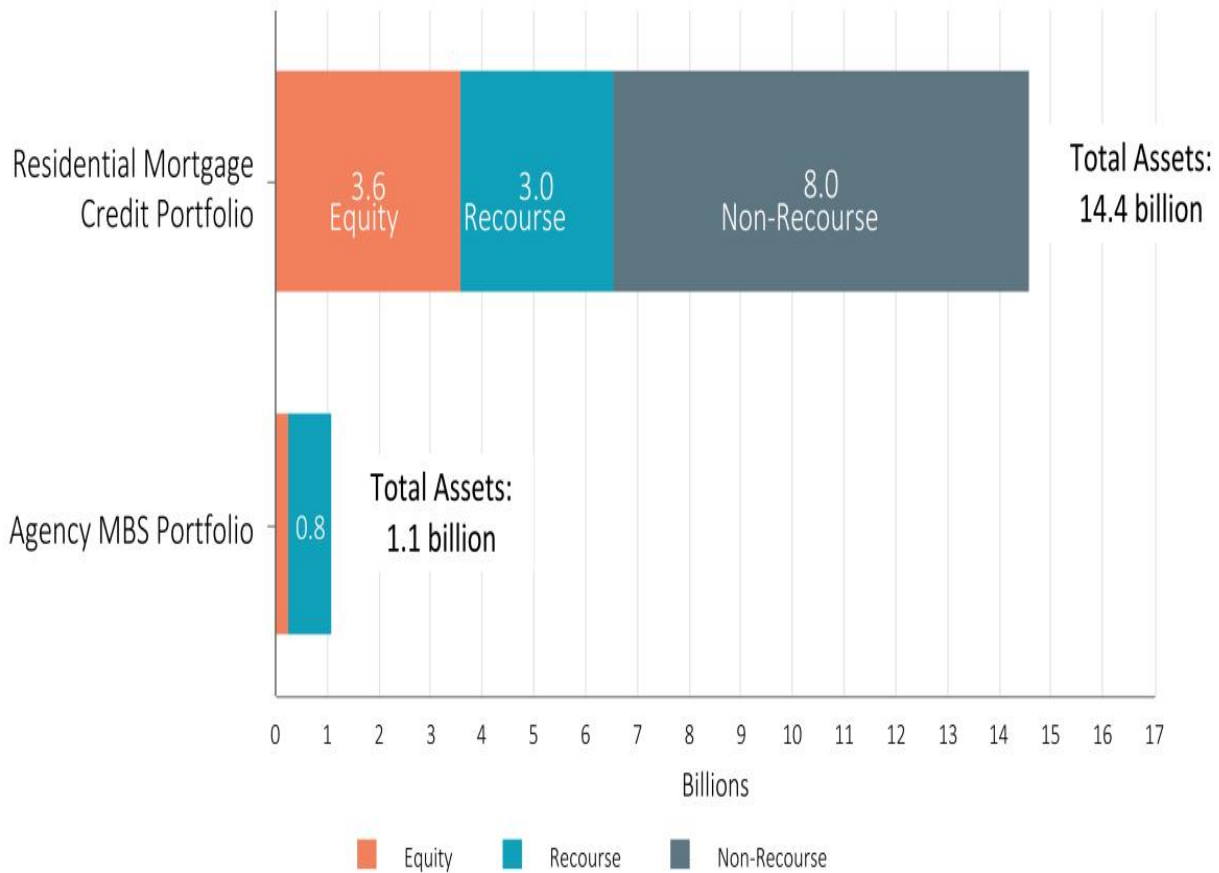
Readers are advised that the financial information in this presentation is based on company data available at the time of this presentation and, in certain circumstances, may not have been audited by the company’s independent auditors.

Information is unaudited, estimated and subject to change.



# PORTFOLIO COMPOSITION

93% of Chimera's equity capital is allocated to mortgage credit

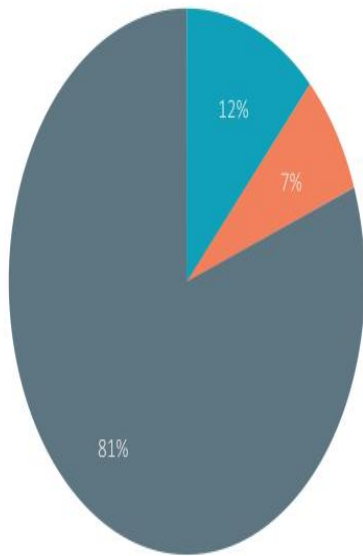


All data is shown at carrying value as of September 30, 2021

# GAAP ASSET ALLOCATION

Chimera continues to focus on its Residential Credit portfolios

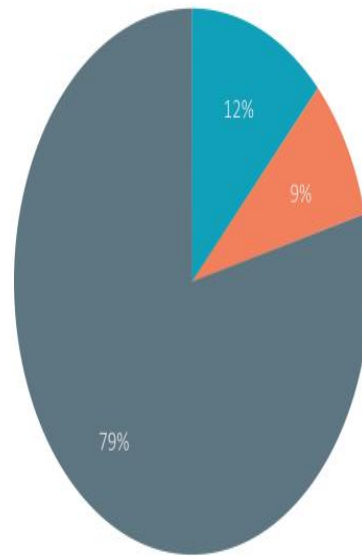
September 30, 2021



■ Non-Agency MBS    ■ Agency CMBS and RMBS  
■ Loan Portfolio

Total Portfolio: \$15.6 billion

June 30, 2021



■ Non-Agency MBS    ■ Agency CMBS and RMBS  
■ Loan Portfolio

Total Portfolio: \$15.4 billion

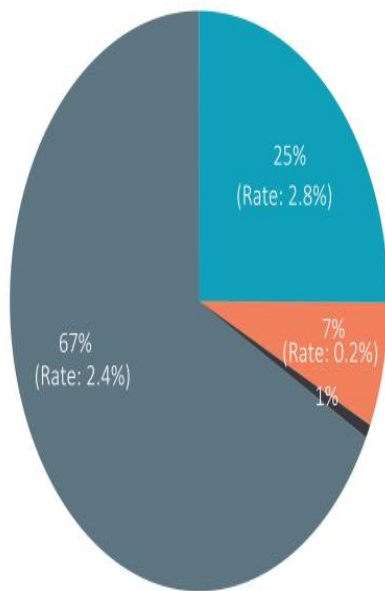
Based on fair value.

Information is unaudited, estimated and subject to change.

# GAAP FINANCING SOURCES

Securitized debt provides optimal long-term non-recourse financing for Chimera's loan portfolio

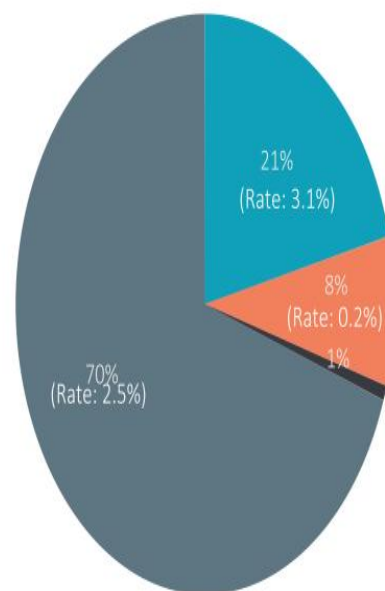
September 30, 2021



- Non-Agency and Loans Secured Financing (1)
- Agency Secured Financing
- Non-Recourse Debt, Securitized RMBS
- Non-Recourse Debt, Securitized Loans

Total Portfolio: \$11.8 billion

June 30, 2021



- Non-Agency and Loans Secured Financing (1)
- Agency Secured Financing
- Non-Recourse Debt, Securitized RMBS
- Non-Recourse Debt, Securitized Loans

Total Portfolio: \$12.0 billion

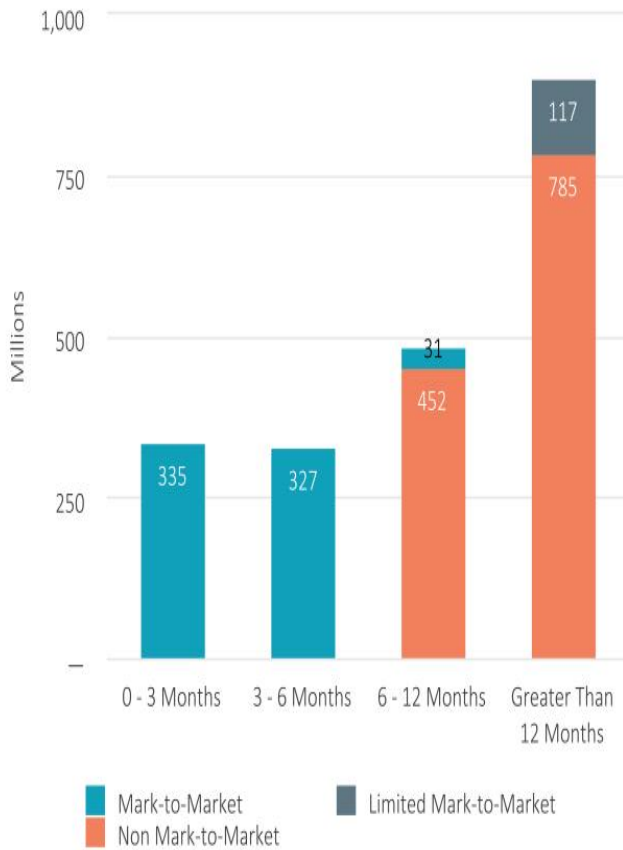
(1) Includes secured financing of retained tranches from loan securitizations that are eliminated in consolidation.

# NON-AGENCY FINANCING

Chimera continues to focus on longer term and non-mark-to-market financing for its non-agency portfolio

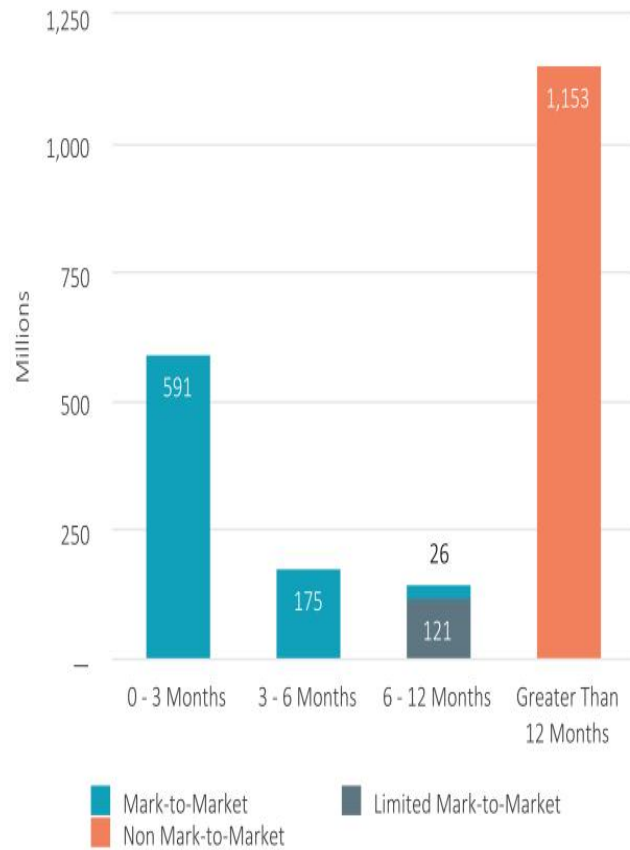
September 30, 2021

Total Non-Agency Secured Financing:  
\$2.0 billion<sup>(1)</sup>



June 30, 2021

Total Non-Agency Secured Financing:  
\$2.1 billion<sup>(1)</sup>



(1) Excludes secured financing on residential mortgage loans.

# NET INVESTMENT ANALYSIS

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Strong net interest spread resulting from a reduction in financing cost

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	RESIDENTIAL MORTGAGE CREDIT PORTFOLIO	AGENCY PORTFOLIO <sup>(1)</sup>	TOTAL PORTFOLIO
GROSS ASSET YIELD:	6.1%	8.7%	6.3%
FINANCING COSTS	2.6%	0.2%	2.4%
NET INTEREST SPREAD:	3.5%	8.5%	3.9%
NET INTEREST MARGIN:	3.9%	8.6%	4.3%

All data based on the quarter ended September 30, 2021

(1) Includes \$14 million of additional income received from prepayment penalties. Gross Asset Yield is approximately 3.7% excluding these items.

# NET ASSET BREAKDOWN

Chimera invests in RMBS securities and securities created through the CIM Sponsored securitizations. Loans are financed through Financing Trusts.

Investments	Chimera Subsidiaries	Securitization Trusts <sup>(1)</sup>	Financing Trusts	Total
Non-Agency RMBS, at fair value	\$ 1,465,709	\$ 424,320	\$ —	\$ 1,890,029
Agency RMBS, at fair value	65,889	—	—	65,889
Agency CMBS, at fair value	1,062,131	—	—	1,062,131
Residential Mortgage Loans	—	11,252,027	1,281,836	12,533,863
<b>Total Invested Assets</b>	<b>\$ 2,593,729</b>	<b>\$ 11,676,347</b>	<b>\$ 1,281,836</b>	<b>\$ 15,551,912</b>
<b>Securitized Debt (Non-Recourse), collateralized by:</b>				
Non-Agency RMBS	\$ —	\$ 92,204	\$ —	\$ 92,204
Residential Mortgage Loans	—	7,947,644	—	7,947,644
<b>Total Securitized Debt (Non-recourse)</b>	<b>\$ —</b>	<b>\$ 8,039,848</b>	<b>\$ —</b>	<b>\$ 8,039,848</b>
<b>Invested Assets less Securitized Debt</b>	<b>\$ 2,593,729</b>	<b>\$ 3,636,499</b>	<b>\$ 1,281,836</b>	<b>\$ 7,512,064</b>
<b>Secured Financing Agreements (Recourse):</b>				
Non-Agency RMBS	\$ 741,488	\$ 109,436	\$ —	\$ 850,924
Agency RMBS	24,700	—	—	24,700
Agency CMBS	795,873	—	—	795,873
Residential Mortgage Loans	—	1,195,738	921,101	2,116,839
<b>Total Secured Financing Agreements</b>	<b>\$ 1,562,061</b>	<b>\$ 1,305,174</b>	<b>\$ 921,101</b>	<b>\$ 3,788,336</b>
<b>Net Assets</b>	<b>\$ 1,031,668</b>	<b>\$ 2,331,325</b>	<b>\$ 360,735</b>	<b>\$ 3,723,728</b>

All data as of September 30, 2021

\$ in thousands

(1) Includes \$870 million of loans account for as secured borrowings and \$657 million of securitized debt (non-recourse).

Information is unaudited, estimated and subject to change.

# CONSOLIDATED LOAN SECURITIZATIONS

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	Call Date
2021	CIM 2021-R5	\$450,396	\$382,836	\$67,560	\$445,257	\$377,897	\$67,360	August 2024
2021	CIM 2021-R4	545,684	463,831	81,853	511,480	429,228	82,252	June 2024
2021	CIM 2021-R3	859,735	730,775	128,960	772,625	642,650	129,975	April 2024
2021	CIM 2021-NR3	117,373	82,161	35,212	106,035	71,638	34,397	April 2022
2021	CIM 2021-R2	1,497,213	1,272,631	224,582	1,309,102	1,081,840	227,262	March 2025
2021	CIM 2021-NR2	240,425	180,318	60,107	218,423	157,541	60,882	March 2022
2021	CIM 2021-R1	2,098,584	1,783,797	314,787	1,813,623	1,493,530	320,093	February 2025
2021	CIM 2021-NR1	232,682	162,877	69,805	202,702	130,228	72,474	February 2022
2020	CIM 2020-NR1	131,860	84,165	47,695	119,930	67,185	52,745	November 2021
2020	CIM 2020-R7 <sup>(1)</sup>	653,192	562,023	91,169	555,985	464,813	91,172	November 2023
2020	CIM 2020-R6	418,390	334,151	84,239	359,048	274,879	84,169	October 2023
2020	CIM 2020-R5	338,416	257,027	81,389	248,528	166,829	81,699	Clean-up Call
2020	CIM 2020-R4	276,316	207,237	69,079	239,851	170,484	69,367	June 2022
2020	CIM 2020-R3	438,228	328,670	109,558	349,755	240,230	109,525	May 2022
2020	CIM 2020-R2	492,347	351,926	140,421	394,036	319,681	74,355	Clean-up Call
2020	CIM 2020-R1	390,761	317,608	73,153	324,649	251,493	73,156	February 2023
2019	CIM 2019-R5	315,039	252,224	62,815	226,051	163,381	62,670	Clean-up Call
2019	CIM 2019-R4	320,802	200,000	120,802	240,588	176,744	63,844	November 2022
2019	CIM 2019-R3 <sup>(1)</sup>	342,633	291,237	51,396	239,834	188,098	51,736	October 2022
2019	CIM 2019-R2	464,327	358,172	106,155	375,557	270,542	105,015	Clean-up Call
2019	CIM 2019-R1	371,762	297,409	74,353	292,640	218,669	73,971	August 2022
2018	CIM 2018-R6	478,251	334,775	143,476	298,733	157,626	141,107	October 2021
2018	CIM 2018-R5	380,194	266,136	114,058	220,766	109,717	111,049	July 2021
2018	CIM 2018-R3	181,073	146,669	34,404	95,891	62,685	33,206	April 2023
2017	CIM 2017-7	512,446	341,062	171,384	300,224	143,875	156,349	September 2022
2016	CIM 2016-FRE1	185,811	115,165	70,646	92,387	33,134	59,253	November 2021
2012	CSMC 2012-CIM3	329,886	305,804	24,082	29,188	22,368	6,820	Clean-up Call
2008	PHHMC 2008-CIM1	619,710	549,142	70,568	10,908	8,009	2,899	Clean-up Call
	TOTAL	\$13,683,536	\$10,959,828	\$2,723,708	\$10,393,796	\$7,894,994	\$2,498,802	

All data as of September 30, 2021

\$ in thousands

(1) Accounted for as a secured borrowing

Information is unaudited, estimated and subject to change.





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