

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):
February 15, 2023

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

<u>Maryland</u>	<u>1-33796</u>	<u>26-0630461</u>
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

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 Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	CIM PRB	New York Stock Exchange
7.75% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	CIM PRC	New York Stock Exchange
8.00% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	CIM PRD	New York Stock Exchange

Registrant's Web site address: 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. ☐

Item 2.02. Results of Operations and Financial Condition

On February 15, 2023, the registrant issued a press release announcing its financial results for the quarter and year ended December 31, 2022. A copy of the press release is furnished as Exhibit 99.1 to this report.

On February 15, 2023, 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 February 15, 2023, issued by Chimera Investment Corporation](#)

99.2 [Supplemental Financial Information for the quarter ended December 31, 2022.](#)

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: February 15, 2023



PRESS RELEASE

NYSE: CIM

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

Investor Relations
888-895-6557
www.chimerareit.com

FOR IMMEDIATE RELEASE

CHIMERA INVESTMENT CORPORATION REPORTS 4TH QUARTER 2022 EARNINGS

NEW YORK - (BUSINESS WIRE) - Chimera Investment Corporation (NYSE:CIM) today announced its financial results for the fourth quarter and full year ended December 31, 2022.

Financial Highlights:

- 4TH QUARTER GAAP NET INCOME OF \$0.34 PER DILUTED COMMON SHARE
- 4TH QUARTER EARNINGS AVAILABLE FOR DISTRIBUTION ⁽¹⁾ OF \$0.11 PER DILUTED COMMON SHARE.
- FULL YEAR GAAP NET LOSS OF \$587 MILLION, OR \$2.51 PER DILUTED COMMON SHARE
- FULL YEAR EARNINGS AVAILABLE FOR DISTRIBUTION ⁽¹⁾ OF \$256 MILLION, OR \$1.08 PER DILUTED COMMON SHARE.
- GAAP BOOK VALUE OF \$7.49 PER COMMON SHARE
- 4TH QUARTER BOOK VALUE RETURN OF 3.8%, CHANGE IN BOOK VALUE PLUS DIVIDEND FOR THE QUARTER

Business Highlights:

Fourth Quarter

- Settled \$463 million of fixed rate prime jumbo loans into a financing structure in which we borrowed \$383 million for five years at an effective fixed rate with non-mark-to-market feature
- Sponsored \$145 million CIM 2022-NR1 Securitization which reduced our mark-to-market mortgage loan warehouse exposure by approximately \$100 million

Post Quarter

- Committed to purchase approximately \$900 million of residential mortgage loans, which is expected to be accretive to future earnings
- Collapsed CIM Trust 2020-R4, CIM Trust 2020-NR1, CIM Trust 2018-R5, and CIM Trust 2018-R6 and issued CIM Trust 2023-R1 and CIM Trust 2023-NR1 reducing recourse borrowing amount by approximately \$139 million and releasing approximately \$90 million in equity

- As of January 31, we had approximately \$365 million in cash

“Since the end of last year, we have been able to take positive actions with respect to our financing, hedging, and asset acquisitions and allocation which we believe position us to navigate potentially volatile markets in 2023, said Phillip Kardis, Chief Executive Officer.”

(1) Earnings available for distribution per adjusted diluted common share is a non-GAAP measure. See additional discussion on page 6.

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)

	December 31, 2022	December 31, 2021
Cash and cash equivalents	\$ 264,600	\$ 385,741
Non-Agency RMBS, at fair value (net of allowance for credit losses of \$7 million and \$213 thousand, respectively)	1,147,481	1,810,208
Agency RMBS, at fair value	15,148	60,487
Agency CMBS, at fair value	415,796	761,208
Loans held for investment, at fair value	11,359,236	12,261,926
Accrued interest receivable	61,768	69,513
Other assets	133,866	58,320
Derivatives, at fair value	4,096	—
Total assets ⁽¹⁾	\$ 13,401,991	\$ 15,407,403
Liabilities:		
Secured financing agreements (\$4.7 billion and \$4.4 billion pledged as collateral, respectively, and includes \$374 million and \$0 million at fair value, respectively)	\$ 3,434,765	\$ 3,261,613
Securitized debt, collateralized by Non-Agency RMBS (\$276 million and \$365 million pledged as collateral, respectively)	78,542	87,999
Securitized debt at fair value, collateralized by Loans held for investment (\$10.0 billion and \$11.0 billion pledged as collateral, respectively)	7,100,742	7,726,043
Payable for investments purchased	9,282	477,415
Accrued interest payable	30,696	20,416
Dividends payable	64,545	86,152
Accounts payable and other liabilities	16,616	11,574
Total liabilities ⁽¹⁾	\$ 10,735,188	\$ 11,671,212
Stockholders' Equity:		
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, 231,824,192 and 236,951,266 shares issued and outstanding, respectively	2,318	2,370
Additional paid-in-capital	4,318,388	4,359,045
Accumulated other comprehensive income	229,345	405,054
Cumulative earnings	4,038,942	4,552,008
Cumulative distributions to stockholders	(5,922,562)	(5,582,658)
Total stockholders' equity	\$ 2,666,803	\$ 3,736,191
Total liabilities and stockholders' equity	\$ 13,401,991	\$ 15,407,403

(1) The Company's consolidated statements of financial condition include assets of consolidated variable interest entities, or 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 December 31, 2022, and December 31, 2021, total assets of consolidated VIEs were \$10,199,266 and \$10,666,591, respectively, and total liabilities of consolidated VIEs were \$6,772,125 and \$7,223,655, respectively.

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

	For the Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Net interest income:			
Interest income ⁽¹⁾	\$ 773,121	\$ 937,546	\$ 1,030,250
Interest expense ⁽²⁾	333,293	326,628	516,181
Net interest income	439,828	610,918	514,069
Increase/(decrease) in provision for credit losses	7,037	33	180
Other investment gains (losses):			
Net unrealized gains (losses) on derivatives	(1,482)	—	201,000
Realized gains (losses) on terminations of interest rate swaps	(561)	—	(463,966)
Periodic interest cost of swaps, net	(1,752)	—	(41,086)
Net gains (losses) on derivatives	(3,795)	—	(304,052)
Net unrealized gains (losses) on financial instruments at fair value	(736,899)	437,357	(110,664)
Net realized gains (losses) on sales of investments	(76,473)	45,313	166,946
Gains (losses) on extinguishment of debt	(2,897)	(283,556)	(54,418)
Other investment gains (losses)	(1,866)	—	—
Total other gains (losses)	(821,930)	199,114	(302,188)
Other expenses:			
Compensation and benefits	49,378	46,823	44,811
General and administrative expenses	22,651	22,246	22,914
Servicing and asset manager fees	36,005	36,555	39,896
Transaction expenses	16,146	29,856	15,068
Total other expenses	124,180	135,480	122,689
Income (loss) before income taxes	(513,319)	674,519	89,012
Income tax expense (benefit)	(253)	4,405	158
Net income (loss)	\$ (513,066)	\$ 670,114	\$ 88,854
Dividends on preferred stock	73,765	73,764	73,750
Net income (loss) available to common shareholders	\$ (586,831)	\$ 596,350	\$ 15,104
Net income (loss) per share available to common shareholders:			
Basic	\$ (2.51)	\$ 2.55	\$ 0.07
Diluted	\$ (2.51)	\$ 2.44	\$ 0.07
Weighted average number of common shares outstanding:			
Basic	233,938,745	233,770,474	212,995,533
Diluted	233,938,745	245,496,926	226,438,341

(1) Includes interest income of consolidated VIEs of \$551,253, \$586,580, and \$683,456 for the years ended December 31, 2022, 2021, and 2020, respectively.

(2) Includes interest expense of consolidated VIEs of \$197,823, \$203,135, and \$285,142 for the years ended December 31, 2022, 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 Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Comprehensive income (loss):			
Net income (loss)	\$ (513,066)	\$ 670,114	\$ 88,854
Other comprehensive income:			
Unrealized gains (losses) on available-for-sale securities, net	(175,709)	(115,926)	(94,136)
Reclassification adjustment for net realized losses (gains) included in net income	—	(37,116)	(56,104)
Other comprehensive income (loss)	(175,709)	(153,042)	(150,240)
Comprehensive income (loss) before preferred stock dividends	\$ (688,775)	\$ 517,072	\$ (61,386)
Dividends on preferred stock	\$ 73,765	\$ 73,764	\$ 73,750
Comprehensive income (loss) available to common stock shareholders	\$ (762,540)	\$ 443,308	\$ (135,136)

Earnings available for distribution

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, other gains or losses on equity investments, 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.

Earnings available for distribution is the Economic net interest income, 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. Economic net interest income is a non-GAAP financial measure that equals GAAP net interest income adjusted for interest expense on long term debt, net periodic interest cost of interest rate swaps and excludes interest earned on cash. See a reconciliation of Economic net interest income to the most relevant GAAP measure below.

We view Earnings available for distribution as one 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. Other metrics that our Board of Directors may consider when determining the amount, if any, of dividends on our common stock include (among others) REIT taxable income, dividend yield, book value, cash generated from the portfolio, reinvestment opportunities and other cash needs. In addition, Earnings available for distribution is different than REIT taxable income and the determination of whether we have met the requirement to distribute at least 90% of our annual REIT taxable income (subject to certain adjustments) to our 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. 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				
	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
	(dollars in thousands, except per share data)				
GAAP Net income (loss) available to common stockholders	\$ 78,716	\$ (204,583)	\$ (179,765)	\$ (281,202)	\$ (718)
Adjustments:					
Net unrealized (gains) losses on financial instruments at fair value	(112,026)	239,513	239,246	370,167	108,286
Net realized (gains) losses on sales of investments	39,443	37,031	—	—	—
(Gains) losses on extinguishment of debt	—	—	2,897	—	(980)
Increase (decrease) in provision for credit losses	3,834	(1,534)	4,497	240	92
Net unrealized (gains) losses on derivatives	10,171	(10,307)	1,618	—	—
Realized (gains) losses on terminations of interest rate swaps	561	—	—	—	—
Transaction expenses	3,274	2,341	6,727	3,804	4,241
Stock Compensation expense for retirement eligible awards	(309)	(310)	(309)	723	(363)
Other investment (gains) losses	2,383	462	(980)	—	—
Earnings available for distribution	\$ 26,047	\$ 62,613	\$ 73,931	\$ 93,732	\$ 110,558
GAAP net income (loss) per diluted common share	\$ 0.34	\$ (0.88)	\$ (0.76)	\$ (1.19)	\$ —
Earnings available for distribution per adjusted diluted common share	\$ 0.11	\$ 0.27	\$ 0.31	\$ 0.39	\$ 0.46

The following tables provide a summary of the Company's MBS portfolio at December 31, 2022 and December 31, 2021.

December 31, 2022						
	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 ⁽¹⁾	
Non-Agency RMBS						
Senior	\$ 1,153,458	\$ 46.09	66.05	5.3 %	16.4	%
Subordinated	439,591	68.60	65.27	4.2 %	6.8	%
Interest-only	3,286,545	4.95	3.01	0.6 %	5.3	%
Agency RMBS						
Interest-only	409,940	4.58	3.70	0.9 %	5.0	%
Agency CMBS						
Project loans	302,685	101.85	95.62	4.3 %	4.1	%
Interest-only	2,669,396	5.23	4.73	0.7 %	3.4	%

(1) Bond Equivalent Yield at period end.

December 31, 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 ⁽¹⁾
Non-Agency RMBS					
Senior	\$ 1,283,788	\$ 48.02	\$ 76.78	4.5 %	18.0 %
Subordinated	845,432	68.10	77.12	3.8 %	7.1 %
Interest-only	3,904,665	4.90	4.42	1.7 %	13.2 %
Agency RMBS					
Interest-only	992,978	10.37	6.09	1.3 %	0.3 %
Agency CMBS					
Project loans	560,565	101.77	109.61	4.3 %	4.1 %
Interest-only	2,578,640	5.70	5.69	0.7 %	4.6 %

(1) Bond Equivalent Yield at period end.

At December 31, 2022 and December 31, 2021, the secured financing agreements collateralized by MBS and Loans held for investment had the following remaining maturities and borrowing rates.

December 31, 2022

December 31, 2021

(dollars in thousands)

	Principal ⁽¹⁾	Weighted Average Borrowing Rates	Range of Borrowing Rates	Principal ⁽¹⁾	Weighted Average Borrowing Rates	Range of Borrowing Rates
1 to 29 days	493,918	4.66%	3.63% - 6.16%	1,018,670	0.73%	0.11% - 1.95%
30 to 59 days	762,768	6.14%	4.60% - 7.34%	379,031	1.66%	1.55% - 1.70%
60 to 89 days	225,497	6.04%	4.70% - 7.12%	342,790	1.86%	0.90% - 2.35%
90 to 119 days	43,180	6.54%	5.50% - 6.70%	67,840	1.66%	1.66% - 1.66%
120 to 180 days	401,638	5.88%	5.57% - 6.92%	157,944	1.38%	0.95% - 1.45%
180 days to 1 year	402,283	6.06%	5.63% - 6.64%	895,210	3.70%	1.95% - 4.38%
1 to 2 years	251,286	13.98%	13.98% - 13.98%	143,239	3.05%	3.05% - 3.05%
2 to 3 years	480,022	8.07%	8.07% - 8.07%	—	NA	NA
Greater than 3 years	382,839	5.14%	5.10% - 6.07%	256,889	5.56%	5.56% - 5.56%
Total	\$ 3,443,431	6.61%		\$ 3,261,613	2.30%	

(1) The outstanding balance for secured financing agreements in the table above is net of \$1 million and \$3 million of deferred financing cost as of December 31, 2022 and 2021, respectively.

The following table summarizes certain characteristics of our portfolio at December 31, 2022 and December 31, 2021.

	December 31, 2022		December 31, 2021	
GAAP Leverage at period-end	4.0:1		3.0:1	
GAAP Leverage at period-end (recourse)	1.3:1		0.9:1	

	December 31, 2022		December 31, 2021	
	Amortized Cost		Fair Value	
Portfolio Composition				
Non-Agency RMBS	7.5 %	10.1 %	8.9 %	12.1 %
Senior	4.0 %	4.5 %	5.9 %	6.5 %
Subordinated	2.3 %	4.2 %	2.2 %	4.4 %
Interest-only	1.2 %	1.4 %	0.8 %	1.2 %
Agency RMBS	0.1 %	0.8 %	0.1 %	0.4 %
Pass-through	— %	— %	— %	— %
Interest-only	0.1 %	0.8 %	0.1 %	0.4 %
Agency CMBS	3.3 %	5.3 %	3.2 %	5.2 %
Project loans	2.3 %	4.2 %	2.2 %	4.2 %
Interest-only	1.0 %	1.1 %	1.0 %	1.0 %
Loans held for investment	89.1 %	83.8 %	87.8 %	82.3 %
Fixed-rate percentage of portfolio	96.5 %	95.4 %	95.6 %	94.4 %
Adjustable-rate percentage of portfolio	3.5 %	4.6 %	4.4 %	5.6 %

Economic Net Interest Income

Our Economic net interest income is a non-GAAP financial measure that equals GAAP net interest income adjusted for interest expense on long term debt, net periodic interest cost of interest rate swaps and excludes interest earned on cash. For the purpose of computing economic net interest income and ratios relating to cost of funds measures throughout this section, interest expense includes net payments on our interest rate swaps, which is presented as a part of Net gains (losses) on derivatives in our Consolidated Statements of Operations. Interest rate swaps are used to manage the increase in interest paid on secured financing agreements in a rising rate environment. Presenting the net contractual interest payments on interest rate swaps with the interest paid on interest-bearing liabilities reflects our total contractual interest payments. 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 of our investment portfolio. 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 long term debt and any interest earned on cash, is referred to as Economic interest expense. Where indicated, net interest income reflecting interest payments on long term debt, net periodic interest cost of interest rate swaps and any interest earned on cash, is referred to as Economic net interest income.

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	Periodic Interest Cost of 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 ⁽¹⁾	Economic Net Interest Income
For the Year Ended December 31, 2022	\$ 773,121	\$ 333,293	\$ 1,752	\$ —	\$ 335,045	\$ 439,828	\$ (1,752)	\$ (2,505)	\$ 435,571
For the Year Ended December 31, 2021	\$ 937,546	\$ 326,628	\$ —	\$ (2,274)	\$ 324,354	\$ 610,918	\$ —	\$ 2,208	\$ 613,126
For the Year Ended December 31, 2020	\$ 1,030,250	\$ 516,181	\$ 6,385	\$ (7,082)	\$ 515,484	\$ 514,069	\$ (6,385)	\$ 5,755	\$ 513,439
For the Quarter Ended December 31, 2022	\$ 187,286	\$ 106,891	\$ 1,629	\$ —	\$ 108,520	\$ 80,395	\$ (1,629)	\$ (1,867)	\$ 76,899
For the Quarter Ended September 30, 2022	\$ 188,303	\$ 83,464	\$ 122	\$ —	\$ 83,586	\$ 104,839	\$ (122)	\$ (540)	\$ 104,177
For the Quarter Ended June 30, 2022	\$ 195,357	\$ 78,467	\$ —	\$ —	\$ 78,467	\$ 116,890	\$ —	\$ (81)	\$ 116,809
For the Quarter Ended March 31, 2022	\$ 202,175	\$ 64,473	\$ —	\$ —	\$ 64,473	\$ 137,702	\$ —	\$ (18)	\$ 137,684

(1) Primarily interest expense on Long term debt, periodic net interest cost on swaps 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								
	December 31, 2022 (dollars in thousands)			September 30, 2022 (dollars in thousands)			December 31, 2021 (dollars in thousands)		
	Average Balance	Interest	Average Yield/Cost	Average Balance	Interest	Average Yield/Cost	Average Balance	Interest	Average Yield/Cost
Assets:									
Interest-earning assets ⁽¹⁾:									
Agency RMBS	\$ 31,542	\$ 346	4.4 %	\$ 110,260	\$ 274	1.0 %	\$ 104,684	\$ 71	0.3 %
Agency CMBS	441,421	4,291	3.9 %	445,191	4,784	4.3 %	851,886	27,711	13.0 %
Non-Agency RMBS	1,013,693	29,304	11.6 %	1,061,412	33,565	12.6 %	1,406,876	51,644	14.7 %
Loans held for investment	12,075,239	151,478	5.0 %	12,022,445	149,140	5.0 %	11,498,173	141,724	4.9 %
Total	\$ 13,561,895	\$ 185,419	5.5 %	\$ 13,639,308	\$ 187,763	5.5 %	\$ 13,861,619	\$ 221,150	6.4 %
Liabilities and stockholders' equity:									
Interest-bearing liabilities ⁽²⁾:									
Secured financing agreements collateralized by:									
Agency RMBS	\$ 4,547	\$ 46	4.0 %	\$ 6,560	\$ 45	2.7 %	\$ 23,824	\$ 40	0.7 %
Agency CMBS	358,914	3,464	3.9 %	350,883	2,009	2.3 %	731,577	346	0.2 %
Non-Agency RMBS	788,795	13,275	6.7 %	853,768	7,368	3.5 %	839,898	5,837	2.8 %
Loans held for investment	1,971,144	33,776	6.9 %	1,845,075	21,181	4.6 %	1,872,915	13,281	2.8 %
Securitized debt	8,056,913	57,959	2.9 %	8,176,766	52,983	2.6 %	8,009,117	47,094	2.4 %
Total	\$ 11,180,313	\$ 108,520	3.9 %	\$ 11,233,052	\$ 83,586	3.0 %	\$ 11,477,331	\$ 66,598	2.3 %
Economic net interest income/net interest rate spread									
		\$ 76,899	1.6 %		\$ 104,177	2.5 %		\$ 154,552	4.1 %
Net interest-earning assets/net interest margin									
	\$ 2,381,582		2.3 %	\$ 2,406,256		3.1 %	\$ 2,384,288		4.5 %
Ratio of interest-earning assets to interest bearing liabilities									
	1.21			1.21			1.21		

(1) Interest-earning assets at amortized cost

(2) Interest includes periodic net interest cost on swaps

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 Year Ended December 31, 2022	(16.69)%	14.17	%	11.96	%
For the Year Ended December 31, 2021	18.05	16.52	%	15.42	%
For the Year Ended December 31, 2020	2.46	14.21	%	12.43	%
For the Quarter Ended December 31, 2022	14.61	11.56	%	6.02	%
For the Quarter Ended September 30, 2022	(26.47)%	14.81	%	13.30	%
For the Quarter Ended June 30, 2022	(20.45)%	14.81	%	13.29	%
For the Quarter Ended March 31, 2022	(29.72)%	15.57	%	14.38	%

* 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.

For the Quarters Ended (dollars in thousands)					
Accretable Discount (Net of Premiums)	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Balance, beginning of period	\$ 207,812	\$ 241,391	\$ 258,494	\$ 333,546	\$ 352,545
Accretion of discount	(11,128)	(12,989)	(17,408)	(19,470)	(22,172)
Purchases	—	—	—	—	—
Sales	(17,935)	—	—	—	—
Elimination in consolidation	—	—	—	(60,361)	—
Transfers from/(to) credit reserve, net	(2,114)	(20,590)	305	4,779	3,173
Balance, end of period	\$ 176,635	\$ 207,812	\$ 241,391	\$ 258,494	\$ 333,546

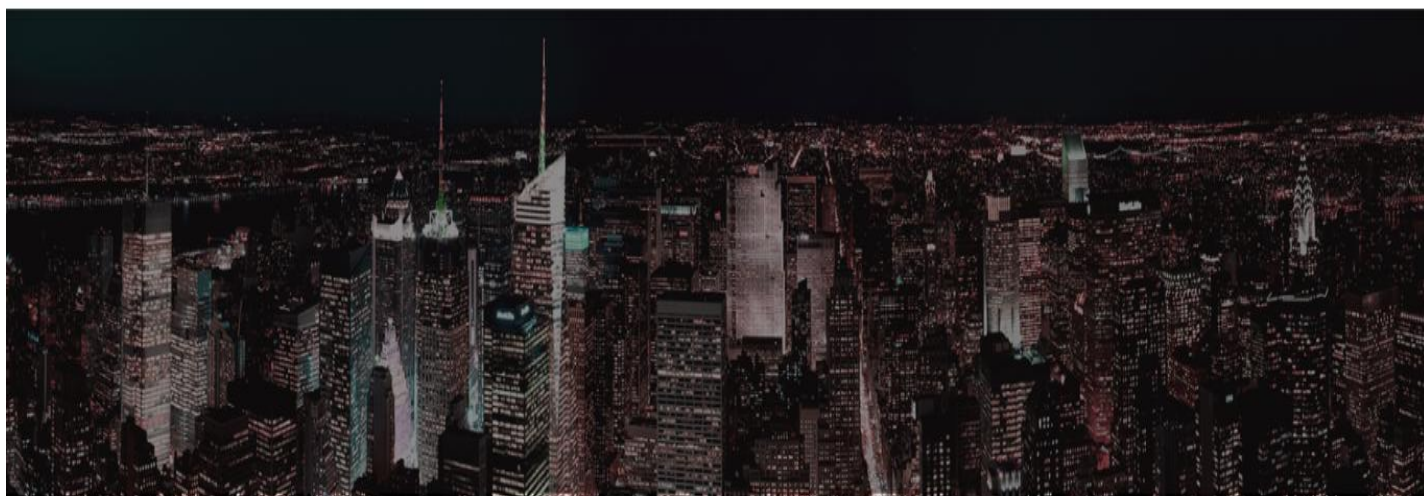
Disclaimer

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 a pandemic or other national or international crisis on real estate market, financial markets and our Company, including the impact on the value, availability, financing and liquidity of mortgage assets; 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; our ability to consummate proposed transactions; 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; 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

4th Quarter 2022

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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.

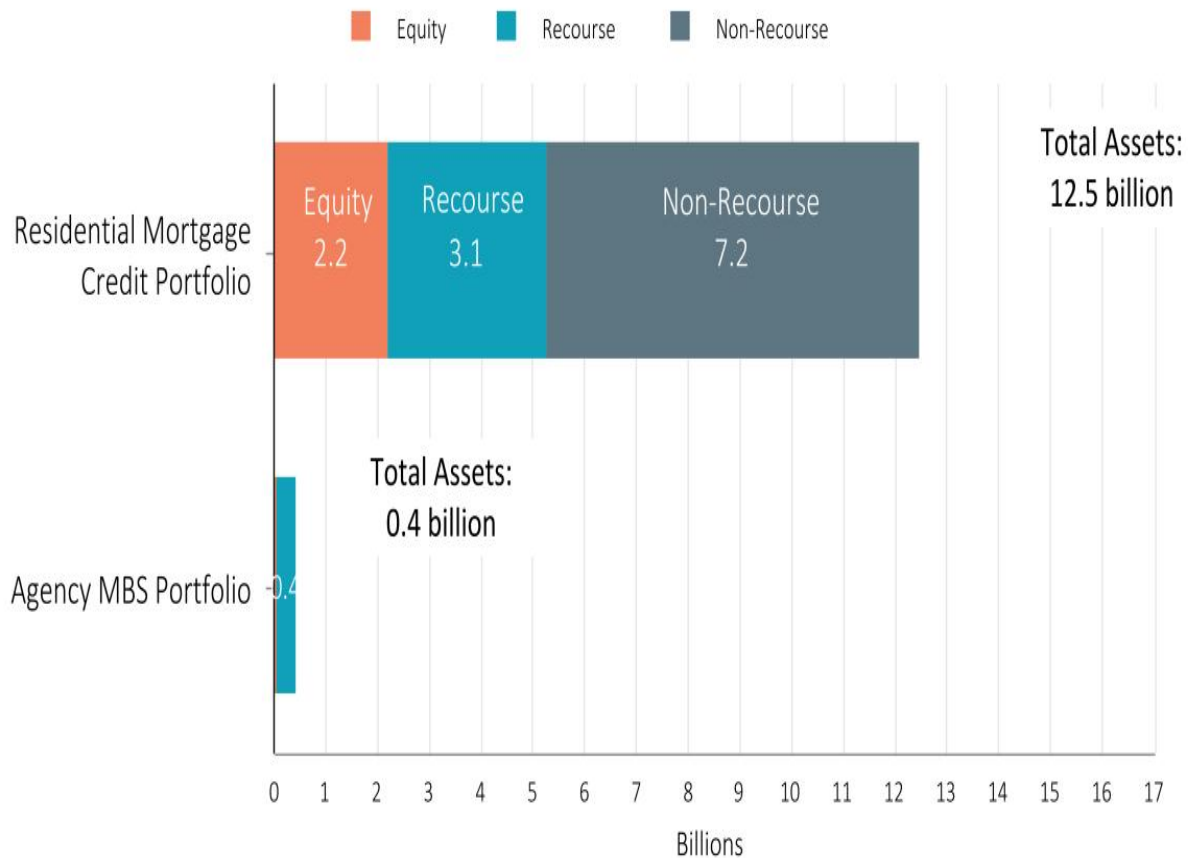
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Information is unaudited, estimated and subject to change.



PORTFOLIO COMPOSITION

98% of Chimera's equity capital is allocated to mortgage credit



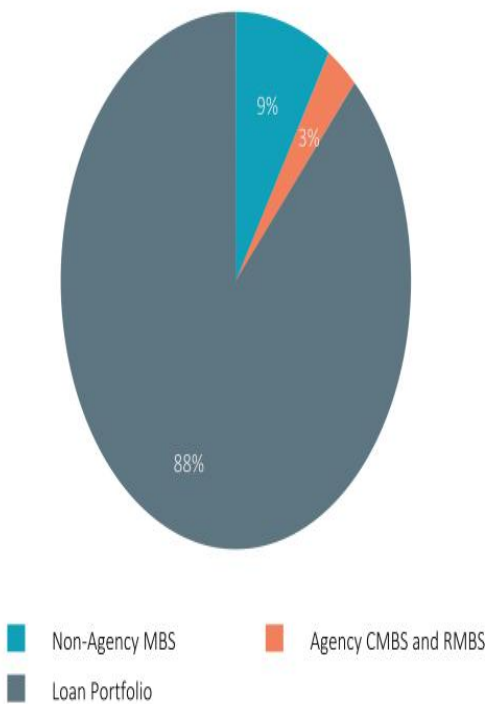
All data is shown at carrying value as of December 31, 2022

Information is unaudited, estimated and subject to change.

GAAP ASSET ALLOCATION

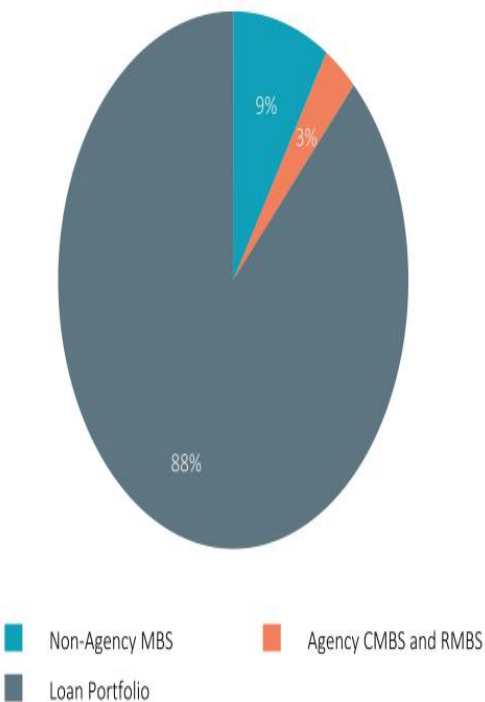
Chimera continues to focus on its Residential Credit portfolios

December 31, 2022



Total Portfolio: \$12.9 billion

September 30, 2022



Total Portfolio: \$13.4 billion

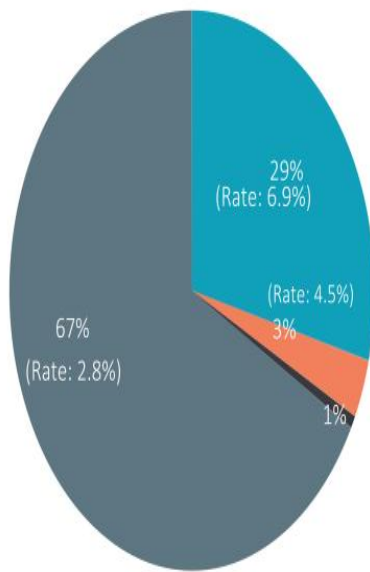
Based on fair value.

Information is unaudited, estimated and subject to change.

GAAP FINANCING SOURCES

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

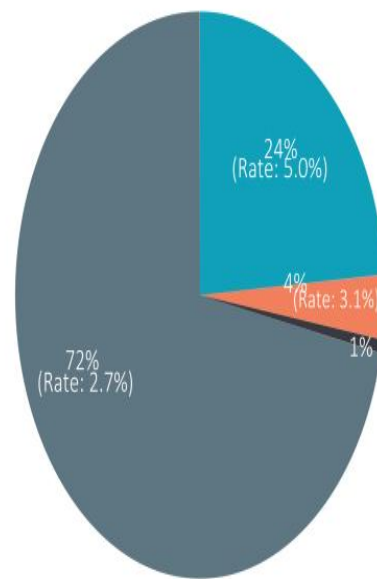
December 31, 2022



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

Total Portfolio: \$10.6 billion

September 30, 2022



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

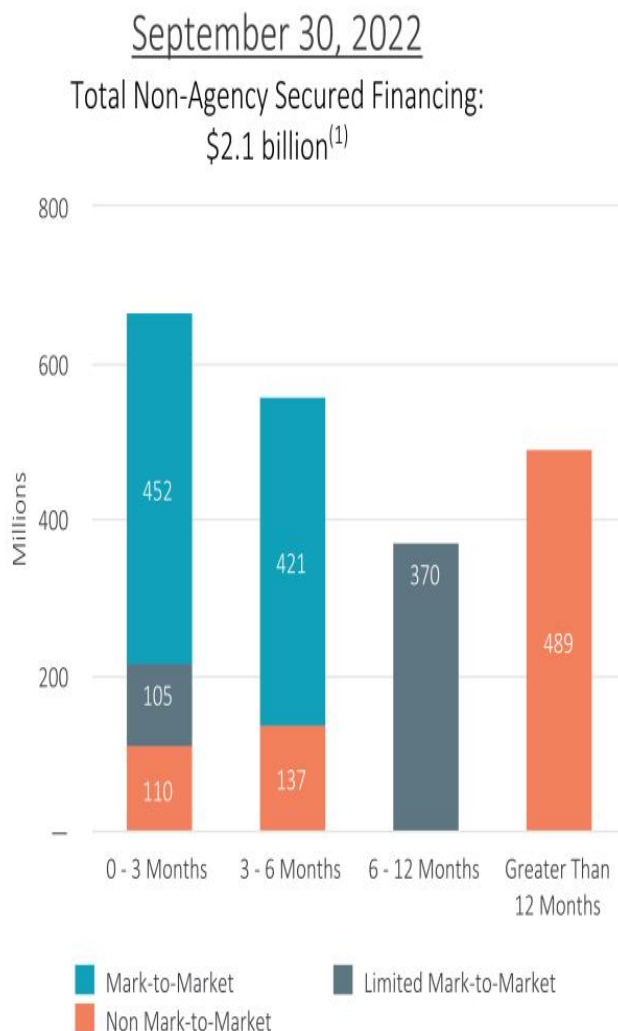
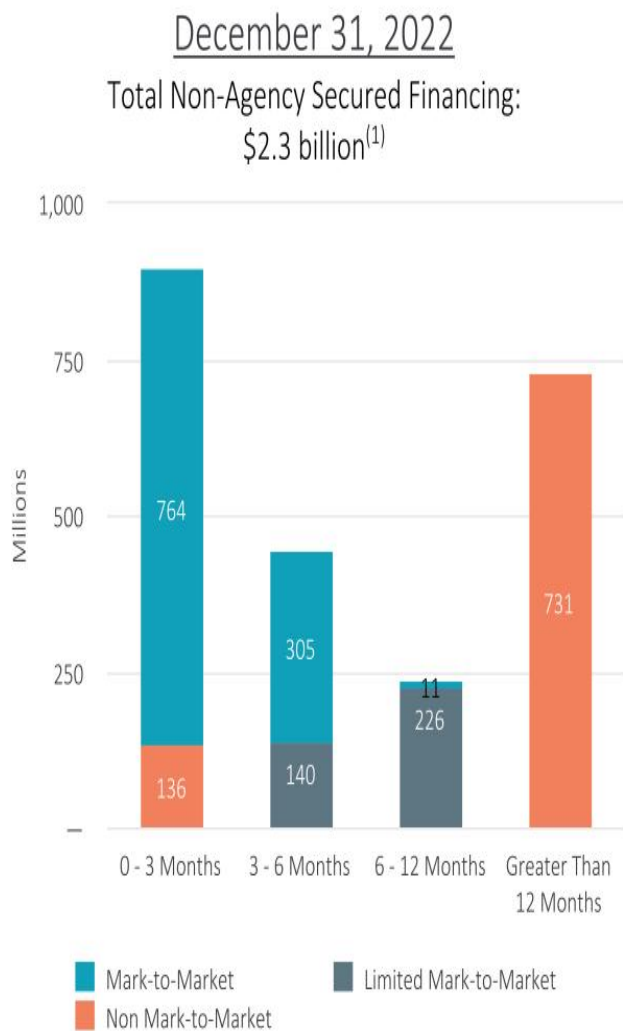
Total Portfolio: \$10.3 billion

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

Information is unaudited, estimated and subject to change.

NON-AGENCY FINANCING

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



(1) Excludes secured financing on residential mortgage loans.

Information is unaudited, estimated and subject to change.

NET INVESTMENT ANALYSIS

	<u>Quarter ended December 31, 2022</u>			<u>Quarter ended September 30, 2022</u>		
	<u>RESIDENTIAL MORTGAGE CREDIT PORTFOLIO</u>	<u>AGENCY PORTFOLIO</u>	<u>TOTAL PORTFOLIO</u>	<u>RESIDENTIAL MORTGAGE CREDIT PORTFOLIO</u>	<u>AGENCY PORTFOLIO</u>	<u>TOTAL PORTFOLIO</u>
GROSS ASSET YIELD ⁽¹⁾ :	5.5%	3.9%	5.5%	5.6%	3.6%	5.5%
FINANCING COSTS:	3.9%	3.9%	3.9%	3.0%	2.3%	3.0%
NET INTEREST SPREAD:	1.6%	—%	1.6%	2.6%	1.3%	2.5%
NET INTEREST MARGIN:	2.3%	1.0%	2.3%	3.1%	2.2%	3.1%

1) Interest-earning assets at amortized cost

For further details please refer to "Net Interest Rate Spread" section in our Yearly Form 10-K Item 7 - Management Discussion and Analysis.

Information is unaudited, estimated and subject to change.

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	Financing Trusts	Total
Non-Agency RMBS, at fair value	\$ 871,451	\$ 276,029	\$ —	\$ 1,147,480
Agency RMBS, at fair value	15,148	—	—	15,148
Agency CMBS, at fair value	415,796	—	—	415,796
Residential Mortgage Loans ⁽¹⁾	—	10,466,950	892,285	11,359,235
Total Invested Assets	\$ 1,302,395	\$ 10,742,979	\$ 892,285	\$ 12,937,659

Securitized Debt (Non-Recourse), collateralized by:

Non-Agency RMBS	\$ —	\$ 78,542	\$ —	\$ 78,542
Residential Mortgage Loans	—	7,100,742	—	7,100,742
Total Securitized Debt (Non-recourse)	\$ —	\$ 7,179,284	\$ —	\$ 7,179,284
Invested Assets less Securitized Debt	\$ 1,302,395	\$ 3,563,695	\$ 892,285	\$ 5,758,375

Secured Financing Agreements (Recourse):

Non-Agency RMBS	\$ 685,436	\$ 70,765	\$ —	\$ 756,201
Agency RMBS	3,946	—	—	3,946
Agency CMBS	355,934	—	—	355,934
Residential Mortgage Loans	—	1,555,996	762,687	2,318,683
Total Secured Financing Agreements	\$ 1,045,316	\$ 1,626,761	\$ 762,687	\$ 3,434,764

Net Assets	\$ 257,079	\$ 1,936,934	\$ 129,598	\$ 2,323,611
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All data as of December 31, 2022

\$ in thousands

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
2022	CIM 2022-NR1	\$144,912	\$105,061	\$39,851	\$141,410	\$101,843	\$39,567	October 2025
2022	CIM 2022-R3	369,891	283,891	86,000	355,613	269,613	86,000	September 2027
2022	CIM 2022-I1	219,442	122,997	96,445	212,738	116,293	96,445	June 2024
2022	CIM 2022-R2	508,202	380,389	127,813	471,030	343,363	127,667	May 2027
2022	CIM 2022-R1	328,226	263,729	64,497	290,201	225,724	64,476	February 2027
2019	CMLTI 2019-E	231,205	178,490	52,716	184,260	132,122	52,716	Currently Callable
2019	SLST 2019-1	1,217,441	941,719	275,722	840,749	588,714	247,049	May 2023
2021	CIM 2021-NR4	167,596	125,747	41,849	137,761	96,857	40,904	Currently Callable
2021	CIM 2021-R6	353,797	336,284	17,513	256,006	238,492	17,513	September 2026
2021	CIM 2021-R5	450,396	382,836	67,560	377,831	310,453	67,360	August 2024
2021	CIM 2021-R4	545,684	463,831	81,853	409,427	327,340	81,853	June 2024
2021	CIM 2021-R3	859,735	730,775	128,960	601,083	471,206	128,960	April 2024
2021	CIM 2021-NR3	117,373	82,161	35,212	82,476	46,275	36,202	Currently Callable
2021	CIM 2021-R2	1,497,213	1,272,631	224,582	992,297	765,119	224,582	March 2025
2021	CIM 2021-NR2	240,425	180,318	60,107	170,462	106,009	64,453	Currently Callable
2021	CIM 2021-R1	2,098,584	1,783,797	314,787	1,397,306	1,077,776	314,787	February 2025
2021	CIM 2021-NR1	232,682	162,877	69,805	153,855	80,607	73,248	Currently Callable
2020	CIM 2020-NR1	131,860	79,115	52,745	101,393	47,991	53,180	Currently Callable
2020	CIM 2020-R7	653,192	562,023	91,169	438,550	347,318	91,168	November 2023
2020	CIM 2020-R6	418,390	334,151	84,239	297,640	213,573	84,041	October 2023
2020	CIM 2020-R5	338,416	257,027	81,389	190,851	109,361	81,389	Clean-up Call
2020	CIM 2020-R4	276,316	207,237	69,079	202,646	133,292	69,079	Currently Callable
2020	CIM 2020-R3	438,228	328,670	109,558	288,468	179,303	109,165	Currently Callable
2020	CIM 2020-R2	492,347	416,761	75,586	324,044	250,373	73,671	Clean-up Call
2020	CIM 2020-R1	390,761	317,608	73,153	277,986	204,660	72,753	February 2023
2019	CIM 2019-R5	315,039	252,224	62,815	182,040	119,275	61,981	Clean-up Call
2019	CIM 2019-R4	320,802	256,641	64,161	193,712	130,681	63,030	Currently Callable
2019	CIM 2019-R3	342,633	291,237	51,396	187,215	135,912	51,303	Currently Callable
2019	CIM 2019-R2	464,327	358,172	106,155	316,045	211,045	104,693	Clean-up Call
2019	CIM 2019-R1	371,762	297,409	74,353	243,194	169,694	73,501	Currently Callable
2018	CIM 2018-R6	478,251	334,775	143,476	235,209	95,043	140,149	Currently Callable
2018	CIM 2018-R5	380,194	266,136	114,058	170,575	60,790	109,786	Currently Callable
2018	CIM 2018-R3	181,073	146,669	34,404	72,681	40,021	32,377	April 2023
2017	CIM 2017-7	512,446	348,719	163,727	239,634	84,332	155,302	Currently Callable
2016	CIM 2016-FRE1	185,811	115,165	70,646	75,775	19,228	56,548	Currently Callable
2008	PHHMC 2008-CIM1	619,710	549,142	70,568	8,703	6,442	2,239	Clean-up Call
	TOTAL	\$16,894,366	\$13,516,414	\$3,377,952	\$11,120,865	\$7,856,140	\$3,249,135	

All data as of December 31, 2022

\$ in thousands

Information is unaudited, estimated and subject to change.



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