

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):
August 3, 2023

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: (888) 895-6557

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 August 3, 2023, the registrant issued a press release announcing its financial results for the quarter ended June 30, 2023. A copy of the press release is furnished as Exhibit 99.1 to this report.

On August 3, 2023, the registrant posted investor presentation information on the News & Events - Press Releases section of its website (www.chimerareit.com). A copy of the investor presentation 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 August 3, 2023, issued by Chimera Investment Corporation](#)

99.2 [Investor Presentation Q2 2023](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

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: August 3, 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 2ND QUARTER 2023 EARNINGS

NEW YORK - (BUSINESS WIRE) - Chimera Investment Corporation (NYSE:CIM) today announced its financial results for the second quarter ended June 30, 2023.

Financial Highlights:

- 2ND QUARTER GAAP NET INCOME OF \$0.08 PER DILUTED COMMON SHARE
- 2ND QUARTER EARNINGS AVAILABLE FOR DISTRIBUTION⁽¹⁾ OF \$0.12 PER DILUTED COMMON SHARE.
- GAAP BOOK VALUE OF \$7.29 PER COMMON SHARE

Business Highlights:

Second Quarter

- Repurchased 5.8 million shares for \$33 million at an average price of \$5.66 per share.
- Settled \$475 million of non-qualifying investor owned residential mortgage loans and \$160 million of seasoned re-performing residential mortgage loans and contributed them to securitizations.
- Sponsored five securitizations during the quarter:
 - \$451 million CIM 2023-R3
 - \$67 million CIM 2023-NR2
 - \$394 million CIM 2023-R4
 - \$236 million CIM 2023-I1
 - \$239 million CIM 2023-I2
- Reduced our recourse financing exposure by \$509 million and replaced it with non-recourse financing.

“We believe that the steps we have taken during the first half of the year have put us in a good position to reduce our financing costs as well as to take advantage of future investment opportunities”, said Phillip Kardis, CEO.

(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)

	June 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 200,940	\$ 264,600
Non-Agency RMBS, at fair value (net of allowance for credit losses of \$13 million and \$7 million, respectively)	1,092,205	1,147,481
Agency MBS, at fair value	136,326	430,944
Loans held for investment, at fair value	11,929,537	11,359,236
Accrued interest receivable	71,281	61,768
Other assets	73,026	133,866
Derivatives, at fair value	6,328	4,096
Total assets ⁽¹⁾	\$ 13,509,643	\$ 13,401,991
Liabilities:		
Secured financing agreements (\$3.9 billion and \$4.7 billion pledged as collateral, respectively, and includes \$354 million and \$374 million at fair value, respectively)	\$ 2,686,522	\$ 3,434,765
Securitized debt, collateralized by Non-Agency RMBS (\$262 million and \$276 million pledged as collateral, respectively)	77,195	78,542
Securitized debt at fair value, collateralized by Loans held for investment (\$11.4 billion and \$10.0 billion pledged as collateral, respectively)	8,041,276	7,100,742
Payable for investments purchased	7,071	9,282
Accrued interest payable	37,425	30,696
Dividends payable	52,344	64,545
Accounts payable and other liabilities	28,407	16,616
Total liabilities ⁽¹⁾	\$ 10,930,240	\$ 10,735,188
Commitments and Contingencies (See Note 15)		
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, 226,344,682 and 231,824,192 shares issued and outstanding, respectively	2,263	2,318
Additional paid-in-capital	4,289,449	4,318,388
Accumulated other comprehensive income	210,674	229,345
Cumulative earnings	4,132,332	4,038,942
Cumulative distributions to stockholders	(6,055,687)	(5,922,562)
Total stockholders' equity	\$ 2,579,403	\$ 2,666,803
Total liabilities and stockholders' equity	\$ 13,509,643	\$ 13,401,991

(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 June 30, 2023, and December 31, 2022, total assets of consolidated VIEs were \$11,116,487 and \$10,199,266, respectively, and total liabilities of consolidated VIEs were \$7,756,156 and \$6,772,125, respectively.

Net Income (Loss)
(dollars in thousands, except share and per share data)
(unaudited)

	For the Quarters Ended		For the Six Months Ended	
	June 30, 2023	March 31, 2023	June 30, 2023	June 30, 2022
Net interest income:				
Interest income ⁽¹⁾	\$ 196,859	\$ 189,250	\$ 386,109	\$ 397,532
Interest expense ⁽²⁾	131,181	119,615	250,796	142,939
Net interest income	65,678	69,635	135,313	254,593
Increase (decrease) in provision for credit losses				
	2,762	3,062	5,824	4,737
Other investment gains (losses):				
Net unrealized gains (losses) on derivatives	17,994	(8,551)	9,443	(1,618)
Realized gains (losses) on derivatives	(6,822)	(34,134)	(40,957)	—
Periodic interest cost of swaps, net	4,159	2,819	6,977	—
Net gains (losses) on derivatives	15,331	(39,866)	(24,537)	(1,618)
Net unrealized gains (losses) on financial instruments at fair value	6,954	64,592	71,546	(609,412)
Net realized gains (losses) on sales of investments	(21,758)	(5,264)	(27,022)	—
Gains (losses) on extinguishment of debt	4,039	2,309	6,348	(2,897)
Other investment gains (losses)	(421)	117	(303)	980
Total other gains (losses)	4,145	21,888	26,032	(612,947)
Other expenses:				
Compensation and benefits	7,677	10,491	18,168	20,211
General and administrative expenses	6,471	5,778	12,247	11,657
Servicing and asset manager fees	8,408	8,417	16,825	18,607
Transaction expenses	8,456	6,409	14,865	10,531
Total other expenses	31,012	31,095	62,105	61,006
Income (loss) before income taxes	36,049	57,366	93,416	(424,097)
Income taxes	25	—	26	24
Net income (loss)	\$ 36,024	\$ 57,366	\$ 93,390	\$ (424,121)
Dividends on preferred stock	18,438	18,438	36,875	36,845
Net income (loss) available to common shareholders	\$ 17,586	\$ 38,928	\$ 56,515	\$ (460,966)
Net income (loss) per share available to common shareholders:				
Basic	\$ 0.08	\$ 0.17	\$ 0.24	\$ (1.95)
Diluted	\$ 0.08	\$ 0.17	\$ 0.24	\$ (1.95)
Weighted average number of common shares outstanding:				
Basic	231,628,141	231,994,620	231,810,368	236,156,868
Diluted	233,867,501	235,201,614	234,690,759	236,156,868

(1) Includes interest income of consolidated VIEs of \$149,674 and \$140,209 for the quarters ended June 30, 2023 and 2022, respectively, and \$289,576 and \$271,275 for the six months ended June 30, 2023 and 2022, respectively.

(2) Includes interest expense of consolidated VIEs of \$72,624 and \$50,193 for the quarters ended June 30, 2023 and 2022, respectively, and \$132,776 and \$92,684 for the six months ended June 30, 2023 and 2022, 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 Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Comprehensive income (loss):				
Net income (loss)	\$ 36,024	\$ (161,327)	\$ 93,390	\$ (424,121)
Other comprehensive income:				
Unrealized gains (losses) on available-for-sale securities, net	(14,081)	(58,369)	(19,984)	(99,324)
Reclassification adjustment for net realized losses (gains) included in net income	—	—	1,313	—
Other comprehensive income (loss)	(14,081)	(58,369)	(18,671)	(99,324)
Comprehensive income (loss) before preferred stock dividends	\$ 21,943	\$ (219,696)	\$ 74,719	\$ (523,445)
Dividends on preferred stock	\$ 18,438	\$ 18,438	\$ 36,875	\$ 36,845
Comprehensive income (loss) available to common stock shareholders	\$ 3,505	\$ (238,134)	\$ 37,844	\$ (560,290)

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, changes in the provision for credit losses, other gains or losses on equity investments, and transaction expenses incurred. Transaction expenses are primarily comprised of costs only incurred at the time of execution of our securitizations and certain structured secured financing agreements and include costs such as underwriting fees, legal fees, bank fees and other similar transaction related expenses. These costs are all incurred prior to or at the execution of the transaction and do not recur. Recurring expenses, such as servicing fees, custodial fees, trustee fees and other similar ongoing fees are not excluded from earnings available for distribution. In addition, stock compensation expense charges incurred on awards to retirement eligible employees is reflected as an expense over a vesting period (generally 36 months) rather than reported as an immediate expense.

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 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.

	For the Quarters Ended				
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
	(dollars in thousands, except per share data)				
GAAP Net income (loss) available to common stockholders	\$ 17,586	\$ 38,928	\$ 78,716	\$ (204,583)	\$ (179,765)
Adjustments:					
Net unrealized (gains) losses on financial instruments at fair value	(6,954)	(64,592)	(112,026)	239,513	239,246
Net realized (gains) losses on sales of investments	21,758	5,264	39,443	37,031	—
(Gains) losses on extinguishment of debt	(4,039)	(2,309)	—	—	2,897
Increase (decrease) in provision for credit losses	2,762	3,062	3,834	(1,534)	4,497
Net unrealized (gains) losses on derivatives	(17,994)	8,551	10,171	(10,307)	1,618
Realized gains (losses) on derivatives	6,822	34,134	561	—	—
Transaction expenses	8,456	6,409	3,274	2,341	6,727
Stock Compensation expense for retirement eligible awards	(388)	2,141	(309)	(310)	(309)
Other investment (gains) losses	421	(117)	2,383	462	(980)
Earnings available for distribution	\$ 28,430	\$ 31,471	\$ 26,047	\$ 62,613	\$ 73,931
GAAP net income (loss) per diluted common share	\$ 0.08	\$ 0.17	\$ 0.34	\$ (0.88)	\$ (0.76)
Earnings available for distribution per adjusted diluted common share	\$ 0.12	\$ 0.13	\$ 0.11	\$ 0.27	\$ 0.31

The following tables provide a summary of the Company's MBS portfolio at June 30, 2023 and December 31, 2022.

	June 30, 2023				
	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	\$ 1,109,831	\$ 45.80	64.66	5.5 %	16.5 %
Subordinated	594,038	50.00	47.04	3.8 %	6.6 %
Interest-only	2,983,593	5.37	3.19	0.5 %	6.9 %
Agency RMBS					
Interest-only	401,285	4.72	3.22	0.1 %	6.8 %
Agency CMBS					
Project loans	123,579	101.51	92.42	4.1 %	4.0 %
Interest-only	484,297	1.77	1.90	0.6 %	7.9 %

(1) Bond Equivalent Yield at period end.

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	611,206	49.79	46.94	3.1 %	6.8 %
Interest-only	3,114,930	5.14	3.17	0.7 %	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.

At June 30, 2023 and December 31, 2022, the secured financing agreements collateralized by MBS and Loans held for investment had the following remaining maturities and borrowing rates.

June 30, 2023

December 31, 2022

(dollars in thousands)

	Principal ⁽¹⁾	Weighted Average Borrowing Rates	Range of Borrowing Rates	Principal ⁽¹⁾	Weighted Average Borrowing Rates	Range of Borrowing Rates
Overnight	\$ —	N/A	N/A	\$ —	N/A	NA
1 to 29 days	\$ 336,274	6.44%	5.22% - 7.93%	\$ 493,918	4.66%	3.63% - 6.16%
30 to 59 days	330,198	6.53%	6.01% - 7.57%	762,768	6.14%	4.60% - 7.34%
60 to 89 days	194,857	6.42%	6.11% - 7.72%	225,497	6.04%	4.70% - 7.12%
90 to 119 days	55,989	7.05%	6.36% - 7.37%	43,180	6.54%	5.50% - 6.70%
120 to 180 days	182,352	6.81%	6.38% - 7.43%	401,638	5.88%	5.57% - 6.92%
180 days to 1 year	389,290	6.92%	6.41% - 7.41%	402,283	6.06%	5.63% - 6.64%
1 to 2 years	843,745	9.27%	7.00% - 13.98%	251,286	13.98%	13.98% - 13.98%
2 to 3 years	—	—%	0.00% - 0.00%	480,022	8.07%	8.07% - 8.07%
Greater than 3 years	374,929	5.14%	5.10% - 6.80%	382,839	5.14%	5.10% - 6.07%
Total	\$ 2,707,634	7.26%		\$ 3,443,431	6.61%	

(1) The outstanding balance for secured financing agreements in the table above is net of \$2 million and \$1 million of deferred financing cost as of June 30, 2023 and December 31, 2022, respectively.

The following table summarizes certain characteristics of our portfolio at June 30, 2023 and December 31, 2022.

	June 30, 2023		December 31, 2022	
GAAP Leverage at period-end	4.2:1		4.0:1	
GAAP Leverage at period-end (recourse)	1.0:1		1.3:1	

Portfolio Composition	June 30, 2023		December 31, 2022	
	Amortized Cost		Fair Value	
Non-Agency RMBS	7.3 %	7.5 %	8.3 %	8.9 %
Senior	3.9 %	4.0 %	5.4 %	5.9 %
Subordinated	2.2 %	2.3 %	2.1 %	2.2 %
Interest-only	1.2 %	1.2 %	0.7 %	0.8 %
Agency RMBS	0.1 %	0.1 %	0.1 %	0.1 %
Interest-only	0.1 %	0.1 %	0.1 %	0.1 %
Agency CMBS	1.0 %	3.3 %	0.9 %	3.2 %
Project loans	0.9 %	2.3 %	0.9 %	2.2 %
Interest-only	0.1 %	1.0 %	0.1 %	1.0 %
Loans held for investment	91.6 %	89.1 %	90.7 %	87.8 %
Fixed-rate percentage of portfolio	96.7 %	96.5 %	95.9 %	95.6 %
Adjustable-rate percentage of portfolio	3.4 %	3.5 %	4.1 %	4.4 %

Economic Net Interest Income

Our Economic net interest income is a non-GAAP financial measure that equals GAAP net interest income adjusted for 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 any interest earned on cash, is referred to as Economic interest expense. Where indicated, net interest income reflecting 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	Economic Interest Expense	GAAP Net Interest Income	Periodic Interest Cost of Interest Rate Swaps	Other ⁽¹⁾	Economic Net Interest Income
For the Quarter Ended June 30, 2023	\$ 196,859	\$ 131,181	\$ (4,159)	\$ 127,022	\$ 65,678	\$ 4,159	\$ (2,884)	\$ 66,953
For the Quarter Ended March 31, 2023	\$ 189,250	\$ 119,615	\$ (2,819)	\$ 116,796	\$ 69,635	\$ 2,819	\$ (3,035)	\$ 69,419
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

(1) Primarily 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					
	June 30, 2023			March 31, 2023		
	(dollars in thousands)					
	Average Balance	Interest	Average Yield/Cost	Average Balance	Interest	Average Yield/Cost
Assets:						
Interest-earning assets ⁽¹⁾:						
Agency RMBS	\$ 18,798	\$ 305	6.5 %	\$ 18,692	\$ 322	6.9 %
Agency CMBS	165,270	1,728	4.2 %	307,846	2,957	3.8 %
Non-Agency RMBS	976,994	29,543	12.1 %	990,721	30,098	12.2 %
Loans held for investment	12,585,384	162,399	5.2 %	12,334,025	152,838	5.0 %
Total	\$ 13,746,444	\$ 193,975	5.6 %	\$ 13,651,284	\$ 186,215	5.5 %
Liabilities and stockholders' equity:						
Interest-bearing liabilities ⁽²⁾:						
Secured financing agreements collateralized by:						
Agency RMBS	\$ 1,994	\$ 27	5.4 %	\$ 4,095	\$ 52	5.1 %
Agency CMBS	133,306	1,651	5.0 %	252,102	2,956	4.7 %
Non-Agency RMBS	772,486	17,438	9.0 %	762,989	16,063	8.4 %
Loans held for investment	2,024,638	32,652	6.5 %	2,189,967	34,839	6.4 %
Securitized debt	8,584,803	75,254	3.5 %	8,049,843	62,886	3.1 %
Total	\$ 11,517,226	\$ 127,022	4.4 %	\$ 11,258,996	\$ 116,796	4.1 %
Economic net interest income/net interest rate spread		\$ 66,953	1.2 %		\$ 69,418	1.4 %
Net interest-earning assets/net interest margin	\$ 2,229,219		1.9 %	\$ 2,392,288		2.0 %
Ratio of interest-earning assets to interest bearing liabilities	1.19			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 Quarter Ended June 30, 2023	5.51 %	10.24 %	6.75 %
For the Quarter Ended March 31, 2023	8.63 %	10.45 %	7.28 %
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 %

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

For the Quarters Ended						
(dollars in thousands)						
Accretable Discount (Net of Premiums)	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	
Balance, beginning of period	\$ 157,253	\$ 176,635	\$ 207,812	\$ 241,391	\$ 258,494	
Accretion of discount	(10,620)	(11,663)	(11,128)	(12,989)	(17,408)	
Purchases	—	—	—	—	—	
Sales	—	—	(17,935)	—	—	
Elimination in consolidation	—	—	—	—	—	
Transfers from/(to) credit reserve, net	(1,311)	(7,719)	(2,114)	(20,590)	305	
Balance, end of period	\$ 145,322	\$ 157,253	\$ 176,635	\$ 207,812	\$ 241,391	

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.



INVESTOR PRESENTATION

Q2 2023

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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.

All information in this presentation is as of March 31, 2023, unless stated otherwise. Readers are advised that the financial information in this presentation is based on company data available at the time of this presentation and, in certain circumstances, may not have been audited by the company’s independent auditors.

CHIMERA IS A RESIDENTIAL CREDIT HYBRID MORTGAGE REIT

Our Mission Is To Deliver Attractive, Risk-Adjusted Returns.

- Established in 2007
- Internally managed since August 2015
- Total equity capital of \$2.6 billion, including \$1.7 billion common stock and \$930 million preferred stock ⁽¹⁾
- Chimera (CIM) has distributed more than \$6 billion to common and preferred stockholders since inception
- Total leverage ratio 4.2:1 / Recourse leverage ratio 1.0:1
- Residential Mortgage Loans represent a significant part of our business and growth strategy. Our Residential Mortgage Loan portfolio is comprised of Re-Performing Loans (RPLs), Non-QM & Investor Loans, Business Purpose Loans (BPLs), and Prime Jumbo Loans.

Information is unaudited, estimated and subject to change.

(1) As of July 3, 2023, the LIBOR rate payable on the preferred shares has been replaced by operation of law with the corresponding tenor of Term SOFR plus the applicable statutory spread adjustment

2023 ACTIVITY OVERVIEW

- Continued focus on acquiring and securitizing residential mortgage loans.
 - ✓ Purchased \$1.2 billion of diversified residential mortgage loans.
 - ✓ 57% were Seasoned RPLs, 38% were Non-QM (DSCR) Investor Loans, and the remainder were Business Purpose Loans (BPLs).
 - ✓ Issued \$841 million in Seasoned RPL securitizations and a Non-QM (DSCR) Investor Loans securitization totaling \$475 million.
- Further implemented our call optimization strategy on CIM securitizations.
 - ✓ We exercised the call rights and terminated six existing Seasoned RPL securitizations and issued 4 new Seasoned RPL securitizations totaling \$1.24 billion.
 - ✓ Resulted in re-capturing approximately \$130 million.
 - ✓ 2 securitizations have a 1-year call option, and 2 securitizations have a 2-year call option providing the ability to take advantage of future rate declines.
- Total securitizations of \$2.6 billion.
- Repurchased \$33 million of common shares at a weighted average price of \$5.66 per share.
- Reduced our total recourse financing exposure by approximately \$774 million.
 - ✓ Eliminated RPL warehouse loan exposure.
 - ✓ Decrease in recourse leverage from 1.3x as of Q4 2022 to 1.0x
- Our interest rate hedging allows us optionality to benefit from lower interest rates in the future.
 - ✓ Interest rate swaps protect approximately 52% of our floating rate liabilities.
 - ✓ \$1.5 billion of interest rate swaptions provide flexibility in an environment where rates are higher for longer.

CURRENT BUSINESS HIGHLIGHTS

Investment Portfolio		Financing	
<p><u>Q2 2023</u></p> <ul style="list-style-type: none"> ✓ Book value of \$7.29 per share compared to \$7.41 per share in Q1 2023 ✓ Repurchased \$33MM of common shares at a weighted average price of \$5.66 per share ✓ Exercised call rights on 2 existing RPL securitizations and issued 2 new RPL securitizations totaling \$518MM. <ul style="list-style-type: none"> ▪ Resulted in cash-take out of \$40MM ✓ Sponsored 1 RPL securitization totaling \$394MM and 2 Non-QM DSCR Investor securitizations totaling \$475MM 	<p><u>Post Q2 2023 ⁽¹⁾</u></p> <ul style="list-style-type: none"> ✓ Book value relatively unchanged from Q2 2023 	<p><u>Q2 2023</u></p> <ul style="list-style-type: none"> ✓ Reduced our total recourse financing exposure by approximately \$509MM with securitizations and asset sales ✓ 56% Non-Mark-to-Market (Non-MTM) and Limited Mark-to-Market (Limited MTM) on recourse financing ✓ Recourse leverage of 1.0x down from 1.32 in Q1 2022 	<p><u>Post Q2 2023 ⁽¹⁾</u></p> <ul style="list-style-type: none"> ✓ Recourse leverage of 1.0x unchanged
Interest Rate Hedging		Liquidity	
<p><u>Q2 2023</u></p> <ul style="list-style-type: none"> ✓ \$1.96B of floating rate financing ✓ \$1.0B of interest rate swaps <ul style="list-style-type: none"> ▪ Weighted average pay-fixed rate of 3.26% ✓ \$1.5B of interest rate swaptions <ul style="list-style-type: none"> ▪ Weighted average pay-fixed rate of 3.56% 	<p><u>Post Q2 2023 ⁽¹⁾</u></p> <ul style="list-style-type: none"> ✓ Interest rate hedges unchanged 	<p><u>Q2 2023</u></p> <ul style="list-style-type: none"> ✓ \$201MM in cash ✓ \$470MM in unencumbered assets 	<p><u>Post Q2 2023 ⁽¹⁾</u></p> <ul style="list-style-type: none"> ✓ \$165 MM in cash ✓ \$467MM in unencumbered assets

Information is unaudited, estimated and subject to change. Post Q2 2023 information is as of July 31, 2023.

Q2 2023 TOTAL GAAP PORTFOLIO

Our Capital Is Mainly Allocated to Residential Mortgage Loans Financed With Non-Recourse and Repo Financing.

Q2 2023 GAAP Balance Sheet (\$ in Millions)⁽¹⁾

Total Assets \$13,509

Total Liabilities \$10,930



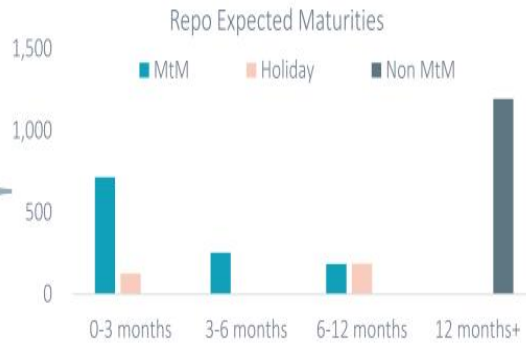
% of Fixed-Rate Financing

Q2 2023:

- 82% Fixed Rate (including Securitized Debt)
- 86% Non-MTM Financing (including Securitized Debt)

July 31, 2023:

- 82% Fixed Rate (including Securitized Debt)
- 86% Non-MTM Financing (including Securitized Debt)



- | | | | | |
|--------------|--------|-------------------|-------------|------------------|
| Other Assets | Assets | Agency RMBS | Agency CMBS | Non Agency RMBS |
| Loans | Cash | Other Liabilities | Repo | Securitized Debt |
| | Equity | | | |

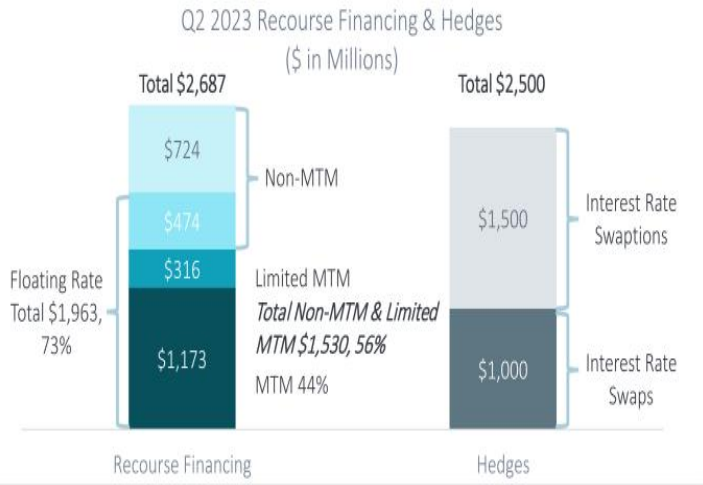
Information is unaudited, estimated and subject to change.

(1) At fair value. (2) Includes \$930 million of Preferred Equity.

RECOURSE FINANCING & INTEREST RATE HEDGING

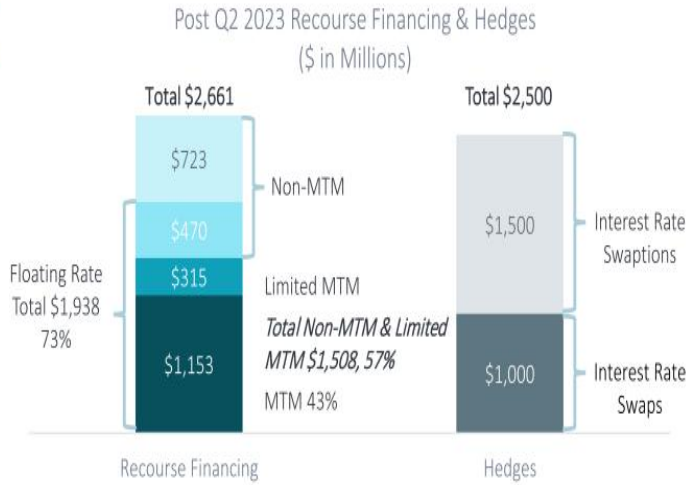
Q2 2023 Overview

- Eliminated RPL warehouse loan exposure
- \$2.7B in repo liabilities
- \$1.2B of MTM financing
- 1.0x recourse leverage
- 56% of repos are Non-MTM and Limited MTM
- Interest rate swaps hedge 51% of the floating rate liabilities
 - Weighted average pay-fixed rate of 3.26%
- \$1.5B of 1x1 interest rate swaptions
 - Weighted average pay-fixed rate of 3.56%



Post Q2 2023 Update ⁽¹⁾

- \$2.7B in repo liabilities
- \$1.2B of MTM financing
- 1.0x recourse leverage
- 57% of repos are Non-MTM and Limited MTM
- Interest rate swaps hedge 52% of the floating rate liabilities
 - Weighted average pay-fixed rate of 3.26%
- \$1.5B of 1x1 interest rate swaptions
 - Weighted average pay-fixed rate of 3.56%



Information is unaudited, estimated and subject to change. (1) As of July 31, 2023.

RESIDENTIAL MORTGAGE LOANS OVERVIEW

Chimera's Residential Mortgage Loan Process Overview

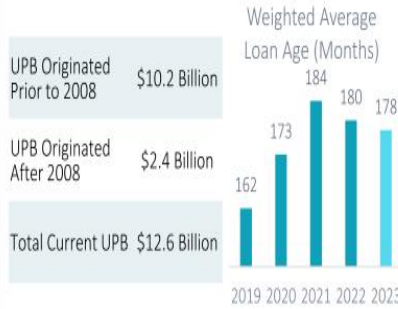
- Acquires residential mortgage loans from banks, non-bank financial institutions and government sponsored agencies
- Finances purchases of mortgage loans via warehouse facilities and repurchase agreements (recourse financing)
- Securitized mortgage loans by selling senior securities and retains subordinate and interest-only securities (long-term non-recourse financing)
- Finances retained securities via repurchase agreements (recourse financing) to enhance return on investment

Q2 2023 Key Loan Statistics

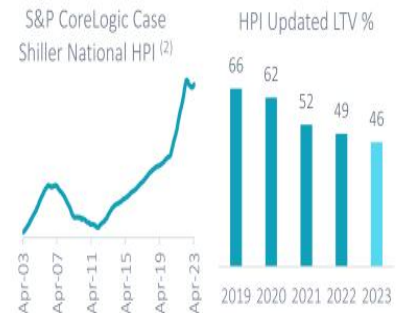
Total Current Unpaid Principal Balance (UPB)	\$12.6 Billion ⁽¹⁾
Total Number of Loans	118,807
Weighted Average Loan Size	\$106K
Weighted Average Coupon	5.94%
WA FICO	665
Average Loan Age	178 Months
Loan-to-Value (LTV) at origination	79%
Amortized Loan-to-Value (LTV)	65%
HPI Updated Loan-to-Value (LTV)	46%
60+ Days Delinquent	9.1%

Source: Bloomberg & IntexCalc. Information is unaudited, estimated and subject to change. (1) Includes \$621MM of Warehouse Residential Mortgage Loans & \$681MM of Non-QM and Prime Jumbo securitizations

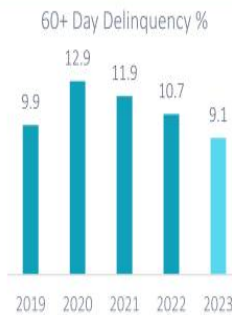
Chimera's loan portfolio is very seasoned with 81% of loans originated prior to 2008.



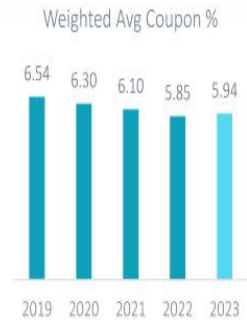
Chimera's loan portfolio has benefited from historic levels of home equity due to HPA.



Delinquencies on Chimera's loan portfolio have been low.



Chimera's loan portfolio has a weighted average coupon of 5.94%.



SECURITIZATION ACTIVITY

- Chimera has completed 104 deals and securitized \$52.4 billion of residential mortgage assets which includes Legacy Non-Agency RMBS, Seasoned Reperforming Loans, Agency Eligible Investor Loans, Non-QM DSCR, and Prime Jumbo loans, since inception.
- Chimera has RMBS & Loan issuance with an unpaid principal balance of approximately \$14.9 billion currently outstanding.
- Chimera has 14 outstanding securitizations callable in 2023.
- Re-securitization is an additional source for future capital re-deployment.

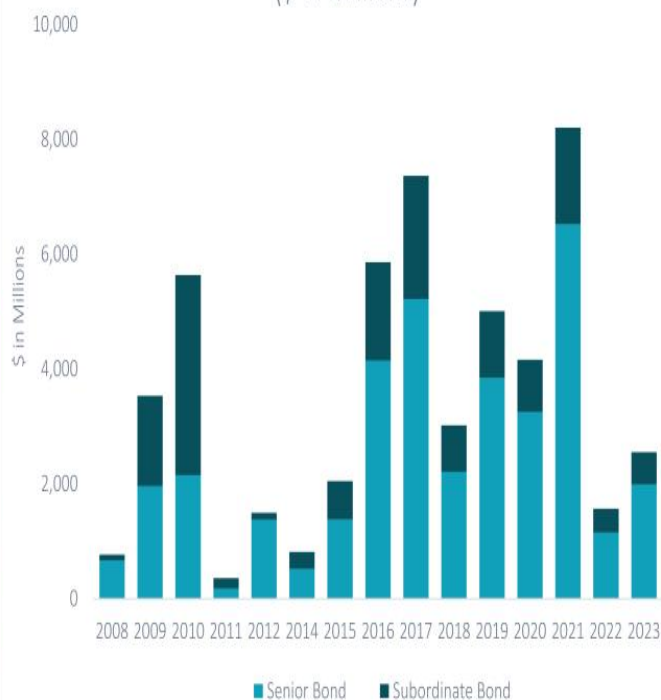
(\$ in thousands)

Deal & Senior/Sub Totals At Issuance

Vintage	Type	Number of Deals Issued	Total Orig. Balance	Senior Bond Orig. Balance	Subordinate Bond Orig. Balance
2008	Loan	2	770,865	670,949	99,916
2009	RMBS	3	3,535,035	1,965,001	1,570,034
2010	RMBS	14	5,638,378	2,156,169	3,482,209
2011	RMBS	2	359,154	177,139	182,015
2012	Loan	3	1,496,917	1,378,409	118,508
2014	Loan & RMBS	2	816,126	522,220	293,906
2015	Loan	4	2,048,483	1,385,162	663,321
2016	Loan	6	5,861,574	4,148,904	1,712,670
2017	Loan	9	7,364,441	5,217,632	2,146,809
2018	Loan	9	3,021,614	2,209,835	811,779
2019	Loan	12	5,007,276	3,850,091	1,157,185
2020	Loan	11	4,163,703	3,254,207	909,496
2021	Loan	14	8,202,315	6,521,955	1,680,360
2022	Loan	5	1,570,674	1,156,067	414,607
2023	Loan	8	2,553,300	1,991,406	561,894
Total		104	52,409,855	36,605,146	15,804,709

Information is unaudited, estimated and subject to change.

Chimera Securitization History
(\$ in Millions)



Q2 2023 RPL SECURITIZATIONS CREDIT PERFORMANCE

Q2 2023 RPL Securitizations Loan Characteristics

Total Original Unpaid Principal Balance (UPB)	\$16.1 Billion
Total Current Unpaid Principal Balance (UPB)	\$11.2 Billion
Total Number of Loans	115,731
Weighted Average Loan Size	\$113K
Weighted Average Coupon	6.01%
WA FICO	659
Average Loan Age	198 Months
Amortized Loan-to-Value (LTV)	64%
HPI Updated Loan-to-Value (LTV)	43%
60+ Days Delinquent	9.6%

Reperforming Loans are a cornerstone of our portfolio. Credit performance has been stable given home price appreciation and the fully seasoned nature of our loans.



Source: Bloomberg & IntexCalc.
Information is unaudited, estimated and subject to change.

OUR POSITIONING 2023

<p>Capital</p>	<ul style="list-style-type: none"> ✓ Cash take-out from our existing RPL portfolio serves as a significant source of capital. ✓ 14 deals callable in 2023, 4 deals callable in 2024, and 6 deals callable in 2025. ✓ The longer these deals are outstanding, the greater the potential cash take-out.
<p>Portfolio Investments</p>	<ul style="list-style-type: none"> ✓ Deployed capital into Seasoned RPL, Non-QM (DSCR) Investor Loans, and BPL sectors and completed 8 securitizations year-to-date. ✓ We will continue to grow the residential credit portfolio as opportunities arise.
<p>Credit Performance</p>	<ul style="list-style-type: none"> ✓ Our existing loan portfolio remains stable given low-LTVs (Wavg HPI LTV of 46%) and 178 months of seasoning. ✓ Potential for equity book value to increase approximately \$400 million if the accretable discount (net of premiums) on all assets and securitized debt were to be realized with current loss assumptions. Potential for equity book value to increase approximately \$700 million assuming all assets and securitized debt were repaid at par value.
<p>Financing & Liquidity ⁽¹⁾</p>	<ul style="list-style-type: none"> ✓ Chimera has \$165 million in cash and \$467 million in unencumbered assets. ✓ Recourse leverage of 1.0x down from 1.2x in Q1 2023.
<p>Interest Rate Hedging ⁽¹⁾</p>	<ul style="list-style-type: none"> ✓ Current hedges are positioned in anticipation of the end of the Fed tightening cycle. ✓ 1-year interest rate swaps protect 52% of our floating rate repos and \$1.5 billion of 1x1 interest rate swaptions gives us flexibility in case the Fed holds rates higher through 2025.

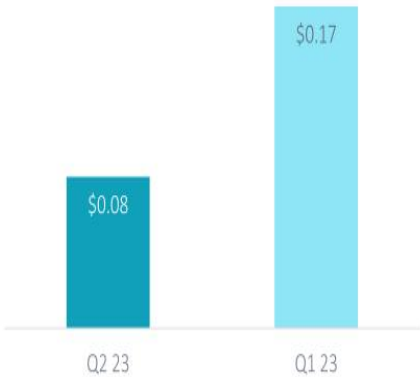
Information is unaudited, estimated and subject to change. (1) As of July 31, 2023.

APPENDIX



FINANCIAL METRICS

GAAP Earnings Per Share



Earnings Available For Distribution (EAD) Per Share⁽¹⁾



GAAP Book Value Per Share
Q2 2023 Economic Return is 0.8%



Recourse Leverage



Cash (\$ in Millions)



Unencumbered Assets Market Value (\$ in Millions)



Information is unaudited, estimated and subject to change.
 (1) Earnings available for distribution per adjusted diluted common share is a non-GAAP measure. See additional discussion in the Appendix section of this presentation.

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, changes in the provision for credit losses, other gains or losses on equity investments, and transaction expenses incurred. Transaction expenses are primarily comprised of costs only incurred at the time of execution of our securitizations and certain structured secured financing agreements and include costs such as underwriting fees, legal fees, bank fees and other similar transaction related expenses. These costs are all incurred prior to or at the execution of the transaction and do not recur. Recurring expenses, such as servicing fees, custodial fees, trustee fees and other similar ongoing fees are not excluded from earnings available for distribution. In addition, stock compensation expense charges incurred on awards to retirement eligible employees is reflected as an expense over a vesting period (generally 36 months) rather than reported as an immediate expense.

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 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.

EARNINGS AVAILABLE FOR DISTRIBUTION (CONTINUED)

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.

	For the Quarters Ended				
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
	(dollars in thousands, except per share data)				
GAAP Net income (loss) available to common stockholders	\$ 17,586	\$ 38,928	\$ 78,716	\$ (204,583)	\$ (179,765)
Adjustments:					
Net unrealized (gains) losses on financial instruments at fair value	(6,954)	(64,592)	(112,026)	239,513	239,246
Net realized (gains) losses on sales of investments	21,758	5,264	39,443	37,031	—
(Gains) losses on extinguishment of debt	(4,039)	(2,309)	—	—	2,897
Increase (decrease) in provision for credit losses	2,762	3,062	3,834	(1,534)	4,497
Net unrealized (gains) losses on derivatives	(17,994)	8,551	10,171	(10,307)	1,618
Realized gains (losses) on derivatives	6,822	34,134	561	—	—
Transaction expenses	8,456	6,409	3,274	2,341	6,727
Stock Compensation expense for retirement eligible awards	(388)	2,141	(309)	(310)	(309)
Other investment (gains) losses	421	(117)	2,383	462	(980)
Earnings available for distribution	\$ 28,430	\$ 31,471	\$ 26,047	\$ 62,613	\$ 73,931
GAAP net income (loss) per diluted common share	\$ 0.08	\$ 0.17	\$ 0.34	\$ (0.88)	\$ (0.76)
Earnings available for distribution per adjusted diluted common share	\$ 0.12	\$ 0.13	\$ 0.11	\$ 0.27	\$ 0.31

Information is unaudited, estimated and subject to change.

NET ASSET BREAKDOWN

Net Asset Breakout	Q2 2023				Q1 2023			
	Direct Holdings	Securitization Trusts	Financing Trusts	Total	Direct Holdings	Securitization Trusts	Financing Trusts	Total
Investments:								
Non-Agency RMBS, at fair value	829,765,389	262,439,702	-	1,092,205,091	869,751,381	271,024,887	-	1,140,776,268
Agency MBS, at fair value	136,325,702	-	-	136,325,702	263,743,451	-	-	263,743,451
Residential Mortgage Loans ⁽¹⁾								
<i>RPL</i>	-	10,686,970,409	-	10,686,970,409	-	10,538,149,429	342,174,463	10,880,323,891
<i>Investor</i>	-	669,178,858	-	669,178,858	-	211,054,736	-	211,054,736
<i>RTL</i>	-	-	159,411,070	159,411,070	-	-	217,870,381	217,870,381
<i>Jumbo Prime</i>	-	-	413,976,479	413,976,479	-	-	426,400,876	426,400,876
Total Investment Assets	966,091,091	11,618,588,969	573,387,548	13,158,067,609	1,133,494,832	11,020,229,052	986,445,719	13,140,169,603
Securitized debt, collateralized by:								
Non-Agency RMBS	-	77,195,442	-	77,195,442	-	77,741,677	-	77,741,677
Residential Mortgage Loans								
<i>RPL</i>	-	7,926,666,229	-	7,926,666,229	-	7,392,617,938	-	7,392,617,938
<i>Investor</i>	-	114,609,883	-	114,609,883	-	114,609,883	-	114,609,883
Secured financing agreements, secured by:								
Non-Agency RMBS	615,187,258	134,048,000	-	749,235,258	656,992,985	138,152,000	-	795,144,985
Agency RMBS	100,899,000	-	-	100,899,000	212,685,000	-	-	212,685,000
Residential Mortgage Loans								
<i>RPL</i>	-	1,317,069,321	33,449,881	1,350,519,201	-	1,315,707,148	323,511,952	1,639,219,100
<i>RTL</i>	-	-	132,051,805	132,051,805	-	-	177,625,667	177,625,667
<i>Jumbo Prime</i>	-	-	353,816,697	353,816,697	-	-	370,647,587	370,647,587
Total Investment Liabilities	716,086,258	9,569,588,875	519,318,383	10,804,993,516	869,677,985	9,038,828,646	871,785,206	10,780,291,836
Net Assets	250,004,833	2,049,000,095	54,069,166	2,353,074,093	263,816,848	1,981,400,406	114,660,513	2,359,877,767

(1) Q1 2023 excludes approximately \$646 million of Loans held for investment as of March 31, 2023, which were purchased prior to the reporting date and settled subsequent to that reporting period

There were no Loans held for investment as of June 30, 2023, which were purchased prior to the reporting date and settled subsequent to that reporting date

NET INTEREST SPREAD

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					
	June 30, 2023 (dollars in thousands)			March 31, 2023 (dollars in thousands)		
	Average Balance	Interest	Average Yield/Cost	Average Balance	Interest	Average Yield/Cost
Assets:						
Interest-earning assets ⁽¹⁾:						
Agency RMBS	\$ 18,798	\$ 305	6.5%	\$ 18,692	\$ 322	6.9%
Agency CMBS	165,270	1,728	4.2%	307,846	2,957	3.8%
Non-Agency RMBS	976,994	29,543	12.1%	990,721	30,098	12.2%
Loans held for investment	12,585,384	162,399	5.2%	12,334,025	152,838	5.0%
Total	\$ 13,746,444	\$ 193,975	5.6%	\$ 13,651,284	\$ 186,215	5.5%
Liabilities and stockholders' equity:						
Interest-bearing liabilities ⁽²⁾:						
Secured financing agreements collateralized by:						
Agency RMBS	\$ 1,994	\$ 27	5.4%	\$ 4,095	\$ 52	5.1%
Agency CMBS	133,306	1,651	5.0%	252,102	2,956	4.7%
Non-Agency RMBS	772,486	17,438	9.0%	762,989	16,063	8.4%
Loans held for investment	2,024,638	32,652	6.5%	2,189,967	34,839	6.4%
Securitized debt	8,584,803	75,254	3.5%	8,049,843	62,886	3.1%
Total	\$ 11,517,226	\$ 127,022	4.4%	\$ 11,258,996	\$ 116,796	4.1%
Economic net interest income/net interest rate spread		\$ 66,953	1.2%		\$ 69,418	1.4%
Net interest-earning assets/net interest margin	\$ 2,229,219		1.9%	\$ 2,392,288		2.0%
Ratio of interest-earning assets to interest bearing liabilities	1.19			1.21		

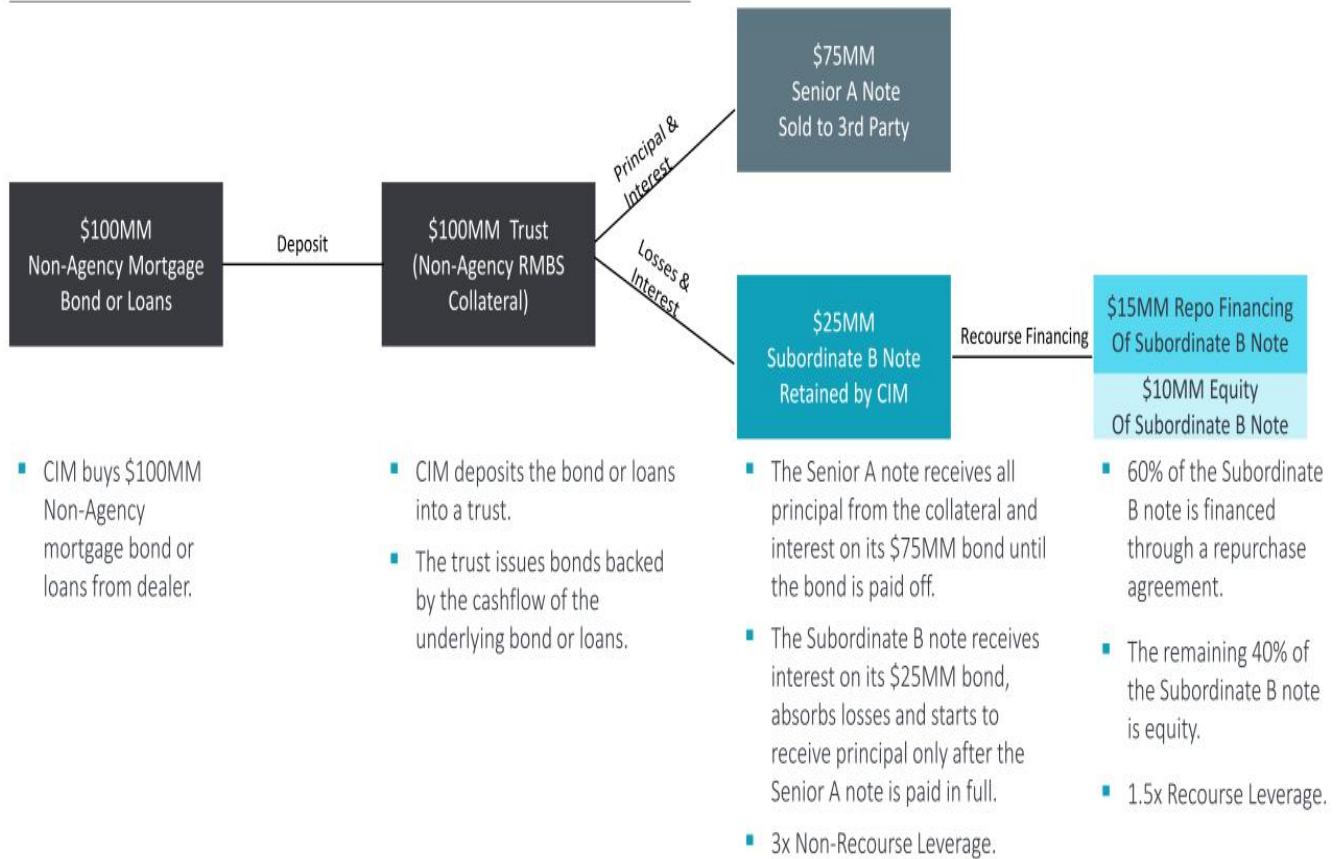
(1) Interest-earning assets at amortized cost

(2) Interest includes periodic net interest cost on swaps

Information is unaudited, estimated and subject to change.

THE SECURITIZATION PROCESS

Chimera has created term-funding through securitization ⁽¹⁾.



(1) The hypothetical diagram below shows the typical structure of our securitization transactions.

CONSOLIDATED LOAN SECURITIZATIONS

VINTAGE	DEAL	(dollars in thousands)			TOTAL REMAINING FACE	(dollars in thousands)		FIRST CALL DATE
		TOTAL ORIGINAL FACE	TOTAL OF TRANCHES SOLD	TOTAL OF TRANCHES RETAINED		REMAINING FACE OF TRANCHES SOLD	REMAINING FACE OF TRANCHES RETAINED	
2023	CIM 2023-I2	238,530	202,750	35,780	238,530	202,750	35,780	July 2026
2023	CIM 2023-R4	393,997	297,270	96,727	388,160	291,451	96,709	April 2028
2023	CIM 2023-NR2	66,661	48,328	18,333	64,301	46,100	18,201	April 2024
2023	CIM 2023-R3	450,834	394,479	56,355	442,667	386,305	56,355	April 2025
2023	CIM 2023-I1	236,161	205,578	30,583	232,533	201,949	30,583	April 2026
2023	CIM 2023-R2	447,384	364,841	82,543	433,584	351,031	82,543	March 2028
2023	CIM 2023-NR1	134,016	97,161	36,855	122,768	85,702	37,067	Jan 2024
2023	CIM 2023-R1	585,718	512,503	73,215	560,059	486,831	73,215	Jan 2025
2022	CIM 2022-NR1	144,912	105,061	39,851	135,000	95,671	39,329	Oct 2025
2022	CIM 2022-R3	369,891	283,891	86,000	340,018	254,016	85,998	Sept 2027
2022	CIM 2022-I1	219,442	122,997	96,445	209,441	112,996	96,445	June 2026
2022	CIM 2022-R2	508,202	380,389	127,813	454,671	327,047	127,624	May 2027
2022	CIM 2022-R1	328,226	263,729	64,497	279,588	215,097	64,476	Feb 2027
2021	CIM 2021-NR4	167,596	125,747	41,849	128,472	86,819	41,653	Currently Callable
2021	CIM 2021-R6	353,797	336,284	17,513	241,622	224,108	17,513	Sept 2026
2021	CIM 2021-R5	450,396	382,836	67,560	363,806	296,533	67,273	Aug 2024
2021	CIM 2021-R4	545,684	463,831	81,853	385,654	303,580	81,853	June 2024
2021	CIM 2021-R3	859,735	730,775	128,960	564,293	434,610	128,960	April 2025
2021	CIM 2021-NR3	117,373	82,161	35,212	74,629	37,560	37,069	Currently Callable
2021	CIM 2021-R2	1,497,213	1,272,631	224,582	917,424	690,557	224,582	March 2025
2021	CIM 2021-NR2	240,425	180,318	60,107	156,090	89,192	66,898	Currently Callable
2021	CIM 2021-R1	2,098,584	1,783,797	314,787	1,305,823	987,249	314,787	Feb 2025
2021	CIM 2021-NR1	232,682	162,877	69,805	138,619	62,371	76,248	Currently Callable
2020	CIM 2020-R7	653,192	562,023	91,169	412,230	321,315	90,881	Nov 2023
2020	CIM 2020-R6	418,390	334,151	84,239	284,004	200,084	83,919	Oct 2023
2020	CIM 2020-R5	338,416	257,027	81,389	181,715	100,257	81,389	Clean-up Call
2020	CIM 2020-R3	438,228	328,670	109,558	276,140	167,093	109,047	Currently Callable
2020	CIM 2020-R2	492,347	416,761	75,586	313,770	240,124	73,646	Clean-up Call
2020	CIM 2020-R1	390,761	317,608	73,153	268,366	195,217	72,757	Currently Callable
2019	SLST 2019-1	1,217,441	941,719	275,722	815,244	570,768	238,125	Currently Callable
2019	CIM 2019-R5	315,039	252,224	62,815	173,555	110,828	61,981	Clean-up Call
2019	CIM 2019-R4	320,802	256,641	64,161	184,148	121,318	62,830	Currently Callable
2019	CIM 2019-R3	342,633	291,237	51,396	175,589	124,704	50,884	Currently Callable
2019	CIM 2019-R2	464,327	358,172	106,155	304,539	199,526	104,693	Clean-up Call
2019	CIM 2019-R1	371,762	297,409	74,353	232,804	159,815	72,989	Currently Callable
2018	CIM 2018-R3	181,073	146,669	34,404	68,068	35,609	32,286	Currently Callable
2016	CIM 2016-FRE1	185,811	115,165	70,646	73,259	16,686	56,572	Currently Callable
2008	PHHMC 2008-CIM1	619,710	549,142	70,568	8,476	6,298	2,156	Do Not Hold Call Rights
TOTAL		\$17,437,391	\$14,224,852	\$3,212,539	\$11,949,661	\$8,839,169	\$3,095,318	

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