

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported):  
November 6, 2024

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, Suite 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
9.000% Senior Notes due 2029	CIMN	New York Stock Exchange
9.250% Senior Notes due 2029	CIMO	New York Stock Exchange

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

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

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

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

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

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

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

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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## Item 2.02. Results of Operations and Financial Condition

On November 6, 2024, the registrant issued a press release announcing its financial results for the quarter ended September 30, 2024. A copy of the press release is furnished as Exhibit 99.1 to this report.

On November 6, 2024, the registrant posted investor presentation information on the News & Events - Press Releases section of its website ([www.chimerareit.com](http://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 November 6, 2024, issued by Chimera Investment Corporation](#)

99.2 [Investor Presentation Q3 2024](#)

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

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SIGNATURES

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

Chimera Investment Corporation

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

Date: November 6, 2024



## PRESS RELEASE

NYSE: CIM

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

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

### FOR IMMEDIATE RELEASE

#### CHIMERA INVESTMENT CORPORATION REPORTS 3RD QUARTER 2024 EARNINGS

NEW YORK - (BUSINESS WIRE) - Chimera Investment Corporation (NYSE:CIM) today announced its financial results for the third quarter ended September 30, 2024.

#### Financial Highlights<sup>(1)</sup>:

- 3RD QUARTER GAAP NET INCOME OF \$1.39 PER DILUTED COMMON SHARE
- 3RD QUARTER EARNINGS AVAILABLE FOR DISTRIBUTION<sup>(2)</sup> OF \$0.36 PER DILUTED COMMON SHARE
- GAAP BOOK VALUE OF \$22.35 PER COMMON SHARE AT SEPTEMBER 30, 2024, AND ECONOMIC RETURN<sup>(3)</sup> OF 6.82% AND 15.56% FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2024, RESPECTIVELY.

“We feel good about our business. We continue to find new investment opportunities and have increased the dividend on our common stock for two consecutive quarters,” said Phillip J. Kardis II, President and CEO. “Throughout the third quarter, the company sponsored a mortgage securitization, issued unsecured debt, purchased nearly \$600 million of securities, and committed to purchase more than \$100 million of residential transition loans. Post quarter-end, we entered into a definitive agreement to acquire The Palisades Group, an alternative asset manager, which we believe will broaden our residential credit reach and provide a source of fee-based income.”

(1) All per share amounts, common shares outstanding and restricted shares for all periods presented reflect the Company's 1-for-3 reverse stock split, which was effective after the close of trading on May 21, 2024.

(2) Earnings available for distribution per adjusted diluted common share is a non-GAAP measure. See additional discussion on page 5.

(3) Our economic return is measured by the change in GAAP book value per common share plus common stock dividend.

## 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, on a leveraged basis, in a diversified portfolio of real estate assets, including mortgage loans, Non-Agency RMBS, Agency CMBS, Agency RMBS, business purpose and investor loans, and other real assets.

### CHIMERA INVESTMENT CORPORATION CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

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

	September 30, 2024	December 31, 2023
Cash and cash equivalents	\$ 97,326	\$ 221,684
Non-Agency RMBS, at fair value (net of allowance for credit losses of \$24 million and \$19 million, respectively)	1,121,836	1,043,806
Agency MBS, at fair value	1,018,918	102,484
Loans held for investment, at fair value	11,283,775	11,397,046
Accrued interest receivable	76,952	76,960
Other assets	103,472	87,018
Derivatives, at fair value	97	—
<b>Total assets <sup>(1)</sup></b>	<b>\$ 13,702,376</b>	<b>\$ 12,928,998</b>
<b>Liabilities:</b>		
Secured financing agreements (\$4.6 billion and \$3.6 billion pledged as collateral, respectively, and includes \$339 million and \$350 million at fair value, respectively)	\$ 3,228,748	\$ 2,432,115
Securitized debt, collateralized by Non-Agency RMBS (\$241 million and \$249 million pledged as collateral, respectively)	72,174	75,012
Securitized debt at fair value, collateralized by Loans held for investment (\$10.7 billion and \$10.7 billion pledged as collateral, respectively)	7,314,411	7,601,881
Long term debt	134,437	—
Payable for investments purchased	123,902	158,892
Accrued interest payable	39,797	38,272
Dividends payable	33,961	54,552
Accounts payable and other liabilities	17,634	9,355
<b>Total liabilities <sup>(1)</sup></b>	<b>\$ 10,965,064</b>	<b>\$ 10,370,079</b>
<b>Stockholders' Equity:</b>		
Preferred Stock, par value of \$0.01 per share, 100,000,000 shares authorized:		
8.00% Series A cumulative redeemable: 5,800,000 shares issued and outstanding, respectively (\$145,000 liquidation preference)	\$ 58	\$ 58
8.00% Series B cumulative redeemable: 13,000,000 shares issued and outstanding, respectively (\$325,000 liquidation preference)	130	130
7.75% Series C cumulative redeemable: 10,400,000 shares issued and outstanding, respectively (\$260,000 liquidation preference)	104	104
8.00% Series D cumulative redeemable: 8,000,000 shares issued and outstanding, respectively (\$200,000 liquidation preference)	80	80
Common stock: par value \$0.01 per share; 166,666,667 shares authorized, 80,875,061 and 80,453,552 shares issued and outstanding, respectively	809	804
Additional paid-in-capital	4,378,750	4,370,130
Accumulated other comprehensive income	183,646	185,668
Cumulative earnings	4,487,623	4,165,046
Cumulative distributions to stockholders	(6,313,888)	(6,163,101)
<b>Total stockholders' equity</b>	<b>\$ 2,737,312</b>	<b>\$ 2,558,919</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 13,702,376</b>	<b>\$ 12,928,998</b>

(1) The Company's consolidated statements of financial condition include assets of consolidated variable interest entities, or V IEs, that can only be used to settle obligations and liabilities of the VIE for which creditors do not have recourse to the primary beneficiary (Chimera Investment Corporation). As of September 30, 2024, and December 31, 2023, total assets of consolidated VIEs were \$10,453,181 and \$10,501,840, respectively, and total liabilities of consolidated VIEs were \$7,737,834 and \$7,349,109, respectively.

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

	For the Quarters Ended		For the Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2024	September 30, 2023
<b>Net interest income:</b>				
Interest income <sup>(1)</sup>	\$ 195,295	\$ 186,717	\$ 568,586	\$ 581,700
Interest expense <sup>(2)</sup>	128,844	119,422	369,733	382,988
Net interest income	66,451	67,295	198,853	198,712
Increase (decrease) in provision for credit losses	358	3,684	5,389	9,041
<b>Other investment gains (losses):</b>				
Net unrealized gains (losses) on derivatives	(14,457)	11,955	2,687	9,460
Realized gains (losses) on derivatives	(4,864)	(17,317)	(22,181)	(40,957)
Periodic interest cost of swaps, net	6,789	6,971	19,237	11,871
Net gains (losses) on derivatives	(12,532)	1,609	(257)	(19,626)
Net unrealized gains (losses) on financial instruments at fair value	104,012	11,231	192,008	27,558
Net realized gains (losses) on sales of investments	—	—	(3,750)	(27,482)
Gains (losses) on extinguishment of debt	—	—	—	6,348
Other investment gains (losses)	1,366	1,001	7,053	2,077
Total other gains (losses)	92,846	13,841	195,054	(11,125)
<b>Other expenses:</b>				
Compensation and benefits	7,203	7,011	23,427	25,292
General and administrative expenses	5,610	6,276	17,605	17,674
Servicing and asset manager fees	7,334	7,470	22,470	24,965
Transaction expenses	2,317	—	2,384	14,955
Total other expenses	22,464	20,757	65,886	82,886
Income (loss) before income taxes	136,475	56,695	322,632	95,660
Income taxes	16	31	55	100
Net income (loss)	\$ 136,459	\$ 56,664	\$ 322,577	\$ 95,560
<b>Dividends on preferred stock</b>				
	22,787	22,751	63,975	55,313
Net income (loss) available to common shareholders	\$ 113,672	\$ 33,913	\$ 258,602	\$ 40,248
<b>Net income (loss) per share available to common shareholders:</b>				
Basic	\$ 1.41	\$ 0.42	\$ 3.20	\$ 0.52
Diluted	\$ 1.39	\$ 0.41	\$ 3.16	\$ 0.52
<b>Weighted average number of common shares outstanding:</b>				
Basic	80,810,861	81,334,509	80,753,709	76,699,956
Diluted	81,855,872	82,281,890	81,716,629	77,429,439

(1) Includes interest income of consolidated VIEs of \$146,007 and \$144,027 for the quarters ended September 30, 2024 and June 30, 2024, respectively, and \$436,950 and \$443,286 for the nine months ended September 30, 2024 and 2023, respectively.

(2) Includes interest expense of consolidated VIEs of \$71,668 and \$69,692 for the quarters ended September 30, 2024 and June 30, 2024, respectively, and \$214,483 and \$208,678 for the nine months ended September 30, 2024 and 2023, respectively.

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

	For the Quarters Ended		For the Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<b>Comprehensive income (loss):</b>				
Net income (loss)	\$ 136,459	\$ 2,170	\$ 322,577	\$ 95,560
<b>Other comprehensive income:</b>				
Unrealized gains (losses) on available-for-sale securities, net	9,544	(29,447)	(2,022)	(49,431)
Reclassification adjustment for net realized losses (gains) included in net income	—	—	—	1,313
Other comprehensive income (loss)	9,544	(29,447)	(2,022)	(48,118)
<b>Comprehensive income (loss) before preferred stock dividends</b>	<b>\$ 146,003</b>	<b>\$ (27,277)</b>	<b>\$ 320,555</b>	<b>\$ 47,442</b>
Dividends on preferred stock	\$ 22,787	\$ 18,438	\$ 63,975	\$ 55,313
<b>Comprehensive income (loss) available to common stock shareholders</b>	<b>\$ 123,216</b>	<b>\$ (45,715)</b>	<b>\$ 256,580</b>	<b>\$ (7,871)</b>



### ***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, diligence 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. We believe that excluding these costs is useful to investors as it is generally consistent with our peer groups treatment of these costs in their non-GAAP measures presentation, mitigates period to period comparability issues tied to the timing of securitization and structured finance transactions, and is consistent with the accounting for the deferral of debt issue costs prior to the fair value election option made by us. In addition, we believe it is important for investors to review this metric which is consistent with how management internally evaluates the performance of the Company. 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				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
	(dollars in thousands, except per share data)				
<b>GAAP Net income (loss) available to common stockholders</b>	<b>\$ 113,672</b>	<b>\$ 33,913</b>	<b>\$ 111,016</b>	<b>\$ 12,104</b>	<b>\$ (16,268)</b>
Adjustments:					
Net unrealized (gains) losses on financial instruments at fair value	(104,012)	(11,231)	(76,765)	(6,815)	43,988
Net realized (gains) losses on sales of investments	—	—	3,750	3,752	460
(Gains) losses on extinguishment of debt	—	—	—	2,473	—
Increase (decrease) in provision for credit losses	358	3,684	1,347	2,330	3,217
Net unrealized (gains) losses on derivatives	14,457	(11,955)	(5,189)	15,871	(17)
Realized (gains) losses on derivatives	4,864	17,317	—	—	—
Transaction expenses	2,317	—	67	425	90
Stock Compensation expense for retirement eligible awards	(424)	(419)	1,024	(391)	(392)
Other investment (gains) losses	(1,366)	(1,001)	(4,686)	986	(2,381)
<b>Earnings available for distribution</b>	<b>\$ 29,866</b>	<b>\$ 30,308</b>	<b>\$ 30,564</b>	<b>\$ 30,735</b>	<b>\$ 28,697</b>
<b>GAAP net income (loss) per diluted common share</b>	<b>\$ 1.39</b>	<b>\$ 0.41</b>	<b>\$ 1.36</b>	<b>\$ 0.16</b>	<b>\$ (0.21)</b>
<b>Earnings available for distribution per adjusted diluted common share</b>	<b>\$ 0.36</b>	<b>\$ 0.37</b>	<b>\$ 0.37</b>	<b>\$ 0.40</b>	<b>\$ 0.38</b>

The following tables provide a summary of the Company's MBS portfolio at September 30, 2024 and December 31, 2023.

	September 30, 2024					
	Principal or Notional Value at Period-End (dollars in thousands)	Weighted Average Amortized Cost Basis	Weighted Average Fair Value	Weighted Average Coupon	Weighted Average Yield at Period-End <sup>(1)</sup>	
Non-Agency RMBS						
Senior	\$ 1,023,580	\$ 45.41	62.97	5.7 %	17.6 %	
Subordinated	658,194	58.71	58.52	4.5 %	8.1 %	
Interest-only	2,699,126	5.73	3.41	0.6 %	4.4 %	
Agency RMBS						
CMO	956,977	100.01	100.23	6.5 %	6.5 %	
Interest-only	384,826	5.12	4.37	0.3 %	5.1 %	
Agency CMBS						
Project loans	40,890	101.52	88.78	3.5 %	3.4 %	
Interest-only	468,136	1.38	1.42	0.6 %	9.2 %	

(1) Bond Equivalent Yield at period end.

	December 31, 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 <sup>(1)</sup>
Non-Agency RMBS					
Senior	\$ 1,073,632	\$ 45.69	\$ 62.98	5.7 %	17.3 %
Subordinated	583,049	50.92	47.49	3.3 %	6.7 %
Interest-only	2,874,680	5.49	3.16	0.5 %	4.2 %
Agency RMBS					
Interest-only	392,284	4.90	3.83	0.1 %	5.7 %
Agency CMBS					
Project loans	86,572	101.44	91.46	4.0 %	3.8 %
Interest-only	478,239	1.62	1.73	0.5 %	8.2 %

(1) Bond Equivalent Yield at period end.

At September 30, 2024 and December 31, 2023, the secured financing agreements collateralized by MBS and Loans held for investment had the following remaining maturities and borrowing rates.

	September 30, 2024			December 31, 2023		
	(dollars in thousands)					
	Principal	Weighted Average Borrowing Rates	Range of Borrowing Rates	Principal	Weighted Average Borrowing Rates	Range of Borrowing Rates
Overnight	\$ 282,250	5.47%	5.45% - 5.55%	\$ —	N/A	NA
1 to 29 days	\$ 774,901	5.99%	5.20% - 7.78%	\$ 272,490	7.35%	6.30% - 8.22%
30 to 59 days	216,357	6.80%	6.00% - 7.76%	495,636	6.68%	5.58% - 7.87%
60 to 89 days	322,328	6.34%	5.46% - 7.10%	305,426	7.17%	5.93% - 7.85%
90 to 119 days	69,445	6.27%	6.27% - 6.27%	54,376	7.46%	6.59% - 7.80%
120 to 180 days	777,682	8.47%	5.72% - 12.50%	105,727	7.09%	6.72% - 7.80%
180 days to 1 year	205,604	6.26%	6.18% - 6.83%	39,620	7.06%	6.66% - 7.39%
1 to 2 years	241,397	7.93%	7.93% - 7.93%	808,601	9.36%	8.36% - 12.50%
2 to 3 years	—	—%	N/A	—	—%	N/A
Greater than 3 years	345,108	5.07%	5.07% - 5.07%	362,215	5.11%	5.10% - 7.15%
Total	\$ 3,235,072	6.70%		\$ 2,444,091	7.51%	

The following table summarizes certain characteristics of our portfolio at September 30, 2024 and December 31, 2023.

	September 30, 2024		December 31, 2023	
GAAP Leverage at period-end	3.9:1		4.0:1	
GAAP Leverage at period-end (recourse)	1.2:1		1.0:1	

	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Portfolio Composition	Amortized Cost		Fair Value	
Non-Agency RMBS	7.7 %	7.5 %	8.3 %	8.3 %
Senior	3.6 %	4.0 %	4.7 %	5.4 %
Subordinated	2.9 %	2.3 %	2.9 %	2.2 %
Interest-only	1.2 %	1.2 %	0.7 %	0.7 %
Agency RMBS	7.3 %	0.2 %	7.6 %	0.1 %
CMO	7.2 %	— %	7.2 %	— %
Interest-only	0.1 %	0.2 %	0.1 %	0.1 %
Agency CMBS	0.4 %	0.7 %	0.3 %	0.7 %
Project loans	0.3 %	0.6 %	0.2 %	0.6 %
Interest-only	0.1 %	0.1 %	0.1 %	0.1 %
Loans held for investment	84.6 %	91.6 %	84.1 %	90.9 %
Fixed-rate percentage of portfolio	8.8 %	96.5 %	9.3 %	95.9 %
Adjustable-rate percentage of portfolio	91.2 %	3.5 %	90.7 %	4.1 %

### *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 <sup>(1)</sup>	Economic Net Interest Income
For the Quarter Ended September 30, 2024	\$ 195,295	\$ 128,844	\$ (6,789)	\$ 122,054	\$ 66,451	\$ 6,789	\$ (1,729)	\$ 71,511
For the Quarter Ended June 30, 2024	\$ 186,717	\$ 119,422	\$ (6,971)	\$ 112,451	\$ 67,295	\$ 6,971	\$ (1,872)	\$ 72,394
For the Quarter Ended March 31, 2024	\$ 186,574	\$ 121,468	\$ (5,476)	\$ 115,992	\$ 65,106	\$ 5,476	\$ (2,581)	\$ 68,001
For the Quarter Ended December 31, 2023	\$ 191,204	\$ 126,553	\$ (5,296)	\$ 121,257	\$ 64,651	\$ 5,296	\$ (1,651)	\$ 68,296
For the Quarter Ended September 30, 2023	\$ 195,591	\$ 132,193	\$ (4,894)	\$ 127,299	\$ 63,398	\$ 4,894	\$ (2,301)	\$ 65,991

(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					
	September 30, 2024			June 30, 2024		
	(dollars in thousands)			(dollars in thousands)		
	Average Balance	Interest	Average Yield/Cost	Average Balance	Interest	Average Yield/Cost
Assets:						
<b>Interest-earning assets <sup>(1)</sup>:</b>						
Agency RMBS <sup>(3)</sup>	\$ 627,966	\$ 10,343	6.6 %	\$ 459,668	\$ 2,719	6.2 %
Agency CMBS	44,236	502	4.5 %	50,383	598	4.7 %
Non-Agency RMBS	978,811	30,365	12.4 %	973,309	30,527	12.5 %
Loans held for investment	11,260,536	152,355	5.4 %	11,265,266	151,001	5.4 %
<b>Total</b>	<b>\$ 12,911,549</b>	<b>\$ 193,565</b>	<b>6.1 %</b>	<b>\$ 12,748,626</b>	<b>\$ 184,845</b>	<b>5.9 %</b>
Liabilities and stockholders' equity:						
<b>Interest-bearing liabilities <sup>(2)</sup>:</b>						
Secured financing agreements collateralized by:						
Agency RMBS <sup>(3)</sup>	\$ 537,265	\$ 7,563	5.7 %	\$ 376,644	\$ 1,858	5.6 %
Agency CMBS	31,001	423	5.5 %	36,275	501	5.5 %
Non-Agency RMBS	649,412	11,088	6.8 %	657,235	11,288	6.9 %
Loans held for investment	1,699,744	26,643	6.3 %	1,679,210	26,170	6.2 %
Securitized debt	7,887,609	73,867	3.7 %	7,926,792	71,943	3.6 %
Long term debt <sup>(3)</sup>	99,938	2,470	9.9 %	65,000	691	9.8 %
<b>Total</b>	<b>\$ 10,904,969</b>	<b>\$ 122,054</b>	<b>4.5 %</b>	<b>\$ 10,741,156</b>	<b>\$ 112,451</b>	<b>4.2 %</b>
<b>Economic net interest income/net interest rate spread</b>		<b>\$ 71,511</b>	<b>1.6 %</b>		<b>\$ 72,394</b>	<b>1.7 %</b>
<b>Net interest-earning assets/net interest margin</b>	<b>\$ 2,006,580</b>		<b>2.2 %</b>	<b>\$ 2,007,470</b>		<b>2.3 %</b>
<b>Ratio of interest-earning assets to interest bearing liabilities</b>	<b>1.18</b>			<b>1.19</b>		

(1) Interest-earning assets at amortized cost

(2) Interest includes periodic net interest cost on swaps

(3) These amounts have been adjusted to reflect the daily outstanding averages for which the financial instruments were held during the period

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 (Ratios have been annualized)	Earnings available for distribution/Average Common Equity
For the Quarter Ended September 30, 2024	20.30 %	10.64 %	6.79 %
For the Quarter Ended June 30, 2024	8.57 %	11.06 %	7.08 %
For the Quarter Ended March 31, 2024	19.90 %	10.45 %	7.31 %
For the Quarter Ended December 31, 2023	4.84 %	10.81 %	7.70 %
For the Quarter Ended September 30, 2023	0.34 %	10.40 %	7.14 %

The following table presents changes to Accretible 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)					
Accretible Discount (Net of Premiums)	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Balance, beginning of period	\$ 125,881	\$ 130,624	\$ 139,737	\$ 147,252	\$ 145,322
Accretion of discount	(10,949)	(11,142)	(8,179)	(12,840)	(9,022)
Purchases	2,834	919	1,848	—	(9)
Sales	—	—	—	—	—
Elimination in consolidation	—	—	—	—	—
Transfers from/(to) credit reserve, net	6,187	5,480	(2,782)	5,325	10,961
Balance, end of period	\$ 123,953	\$ 125,881	\$ 130,624	\$ 139,737	\$ 147,252

## Disclaimer

In this press release references to “we,” “us,” “our” or “the Company” refer to Chimera Investment Corporation and its subsidiaries unless specifically stated otherwise or the context otherwise indicates. 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 “goal,” “expect,” “target,” “assume,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believe,” “predicts,” “potential,” “continue,” and similar expressions are intended to identify such forward-looking statements. These forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from expected results, including, among other things, those described in our most recent Annual Report on Form 10-K, and any subsequent Quarterly Reports on Form 10-Q 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: delays and/or unforeseen events that could cause the proposed acquisition of the Palisades Group to be delayed or not consummated; the potential that Chimera may not fully realize the expected benefits of the acquisition of the Palisades Group, including the potential financial impact; 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; our expected investments; changes in the value of our investments, including negative changes resulting in margin

calls related to the financing of our assets; changes in inflation, interest rates and mortgage prepayment rates; prepayments of the mortgage and other loans underlying our mortgage-backed securities, or MBS, or other asset-backed securities, or ABS; rates of default, forbearance, deferred payments delinquencies or decreased recovery rates on our investments; general volatility of the securities markets in which we invest; our ability to maintain existing financing arrangements and our ability to obtain future financing arrangements; our ability to effect our strategy to securitize residential mortgage loans; interest rate mismatches between our investments and our borrowings used to finance such purchases; effects of interest rate caps on our adjustable-rate investments; the degree to which our hedging strategies may or may not protect us from interest rate volatility; the impact of and changes to various government programs; the 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; our ability to find and retain qualified personnel; our ability to maintain our classification as a 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; 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 any 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

Third Quarter 2024

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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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All information in this presentation is as of September 30, 2024, 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.

Information is unaudited, estimated and subject to change.



# CHIMERA IS A CREDIT-FOCUSED HYBRID MORTGAGE REIT



We strive to provide attractive risk-adjusted returns and long-term value, using securitization, asset selection and leverage, for our shareholders.

- We are a Real Estate Investment Trust (REIT) founded in 2007.
- We have been internally managed since August 2015.
- Our hybrid approach allows us to maintain flexibility in portfolio allocation and liability management.
- Our equity capital is approximately \$2.7 billion, including approximately \$1.8 billion common stock and \$930 million preferred stock.
- We have declared dividends of \$6.3 billion to common and preferred stockholders since inception.
- Our portfolio contains residential mortgage loans and mortgage-backed securities.
- Our residential mortgage loan portfolio is comprised of Repperforming Loans (RPLs), Non-QM Loans, Investor Loans, Business Purpose Loans (BPLs), and Prime Jumbo Loans and it represents a significant part of our business and growth strategy.
- We use leverage to enhance our returns and to finance the acquisition of mortgage assets through several funding sources including repurchase agreements (repo), warehouse lines, unsecured debt, and, most importantly, asset securitization.
- Our total leverage ratio is 3.9x and recourse leverage ratio is 1.2x.

# THIRD QUARTER 2024 OVERVIEW



Our book value per share for Q3'24 was \$22.35 compared to \$21.27 per share in Q2'24, resulting in an economic return of 6.8% for the quarter.

- Generated \$0.36 per share of Earnings Available for Distribution (EAD).
  - ✓ Declared a \$0.37 dividend per common share in the third quarter of 2024.
  - ✓ A 6% increase from the most recent dividend declared in the second quarter 2024, and a 12% increase from the first quarter 2024
- Issued \$75 million<sup>(1)</sup> of 5 Year NC2 Senior Unsecured Notes at 9.25%.
  - ✓ This was the second unsecured bond offering for 2024 for a combined total of approximately \$140 million.
- Remained very active with our portfolio during the quarter.
  - ✓ Sponsored rated RPL securitization CIM 2024-R1 totaling \$468 million.
  - ✓ Purchased \$543 of Agency CMO floaters.
    - Year-to-date we have purchased \$986 million of Agency CMO floaters and guaranteed senior floating rate SLST securities.
  - ✓ Purchased \$50 million of high-yielding subordinated tranches of new issue residential credit securitizations.
    - Year-to-date we have purchased \$102 million Non-Agency RMBS.
  - ✓ Committed to purchasing approximately \$118 million of RTLs, which are expected to settle in 2024.
- Interest rate hedges provide flexibility for the management of our NIM.
  - ✓ \$1.5 billion of interest rate swaps, at a weighted average pay-fixed rate of 3.56%, protect approximately 59% of our floating rate liabilities.
    - The weighted average maturity on the Company's interest rate swaps is less than one year.
  - ✓ \$500 million of interest rate swaptions, at a weighted average pay-fixed rate of 3.45%.

(1) After deducting the debt issuance cost of \$2.9 million, the Company received approximately \$72 million.  
Information is unaudited, estimated and subject to change.

# TOTAL PORTFOLIO | GAAP BALANCE SHEET

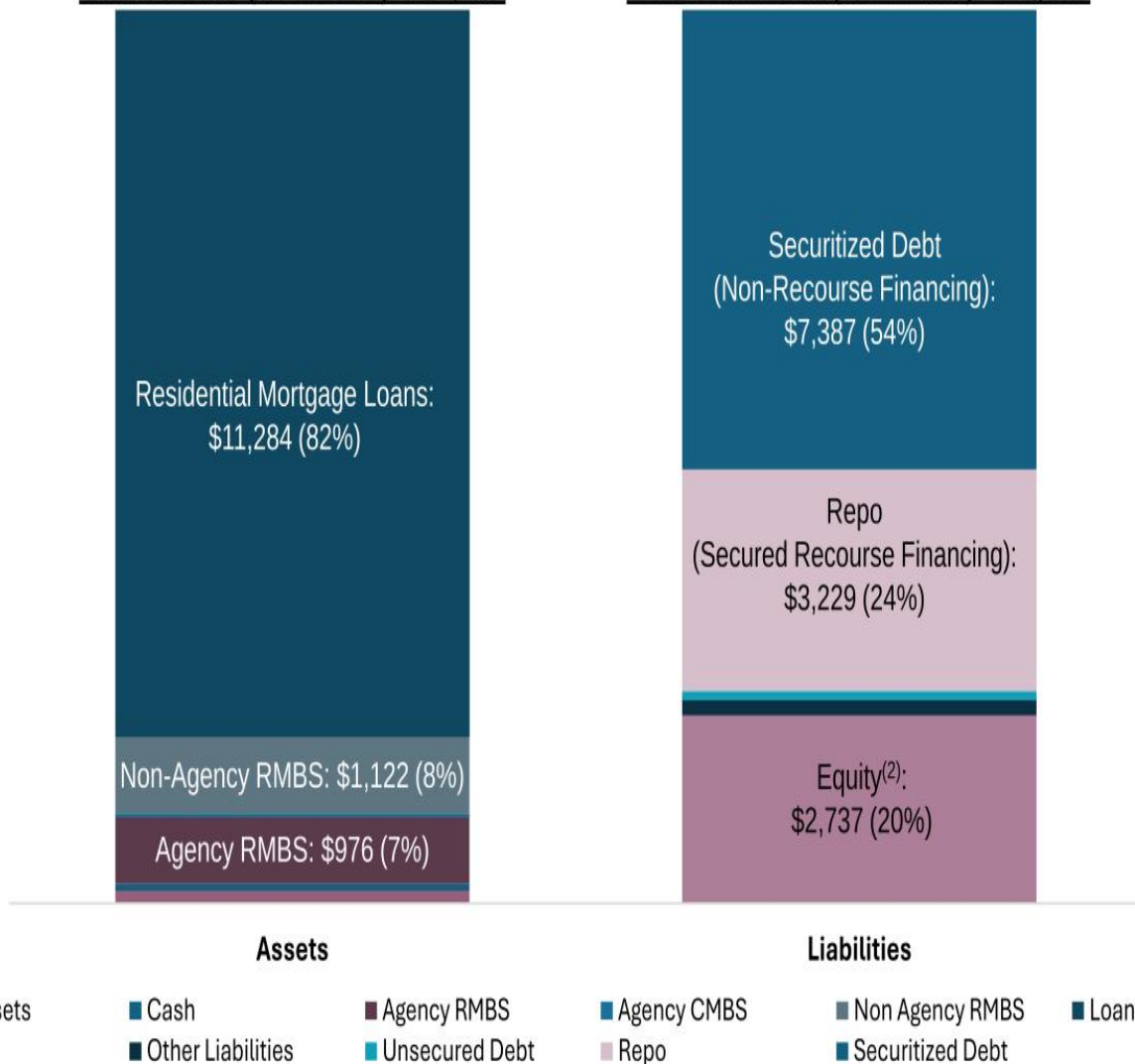


Our capital is mainly allocated to residential mortgage loans, financed with securitized debt (non-recourse) and repo (secured recourse) financing.

## Q3'24 GAAP Balance Sheet (\$ Millions)<sup>(1)</sup>

Total Assets (\$ Millions): \$13,702

Total Liabilities (\$ Millions): \$10,965



(1) At Fair Value.

(2) Includes \$930 million of Preferred Equity.

Information is unaudited, estimated and subject to change.

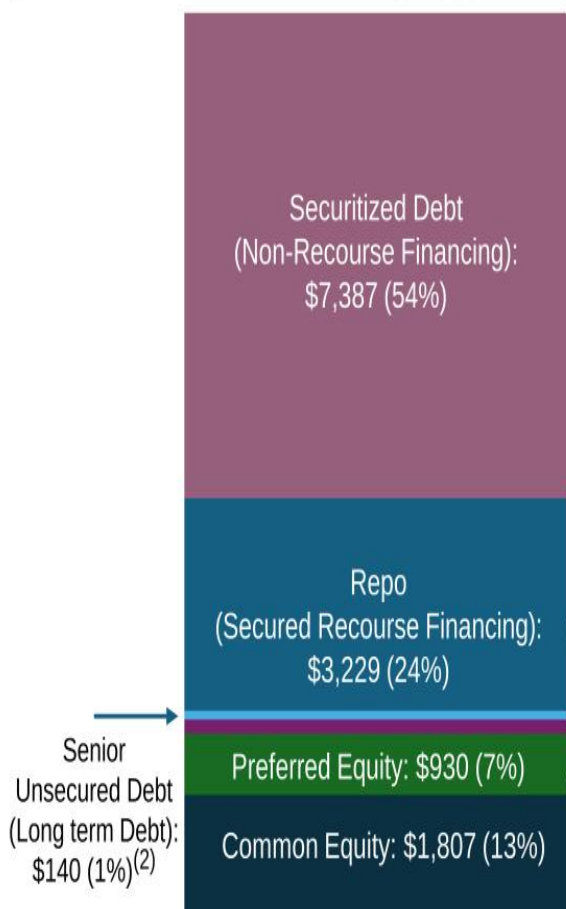




# CAPITAL STRUCTURE OVERVIEW

We use several funding sources to finance our investments including repurchase agreements (repo), warehouse lines, unsecured debt and, most importantly, asset securitization.

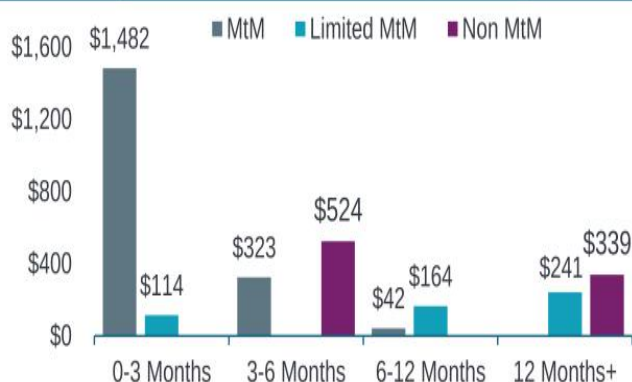
**Total Liabilities & Stockholders' Equity (\$ Millions): \$13,702<sup>(1)</sup>**



## Floating Rate Sensitivity (\$ Millions)

Floating Rate Repo (Secured Recourse Financing)	\$2,543 <sup>(3)</sup>
Floating Rate Preferred Equity	\$525
Total Floating Rate Sensitivity	\$3,068
Interest Rate Hedges	\$1,500
Hedge Percentage	49%
Net Floating Rate Exposure	\$1,568

## Q3'24 Expected Repo Maturities (\$ Millions)



## Preferred Details (\$ Millions)

Series	Notional	Coupon	Floating Info
A	\$145	8.00%	Fixed
B	\$325	10.64% <sup>(4)</sup>	SOFR + Tenor Adj + 579
C	\$260	7.75%	Float as of Sept'25
D	\$200	10.23% <sup>(5)</sup>	SOFR + Tenor Adj +538
Total	\$930	9.33%	

(1) At Fair Value. (2) After deducting the debt issuance cost of \$2.7 million, the Company received approximately \$62 million with the May 2024 Unsecured Debt Offering. After deducting the debt issuance cost of \$2.9 million, the Company received approximately \$72 million with the August 2024 Unsecured Debt Offering. (3) Excludes \$241 million of capped floating rate financing.

(4) Series B coupon is equal to three-month CME Term SOFR (plus a LIBOR to SOFR Tenor spread adjustment of 0.26%) plus a spread of 5.79%.

(5) Series D coupon is equal to three-month CME Term SOFR (plus a LIBOR to SOFR Tenor spread adjustment of 0.26%) plus a spread of 5.38%.

Information is unaudited, estimated and subject to change.

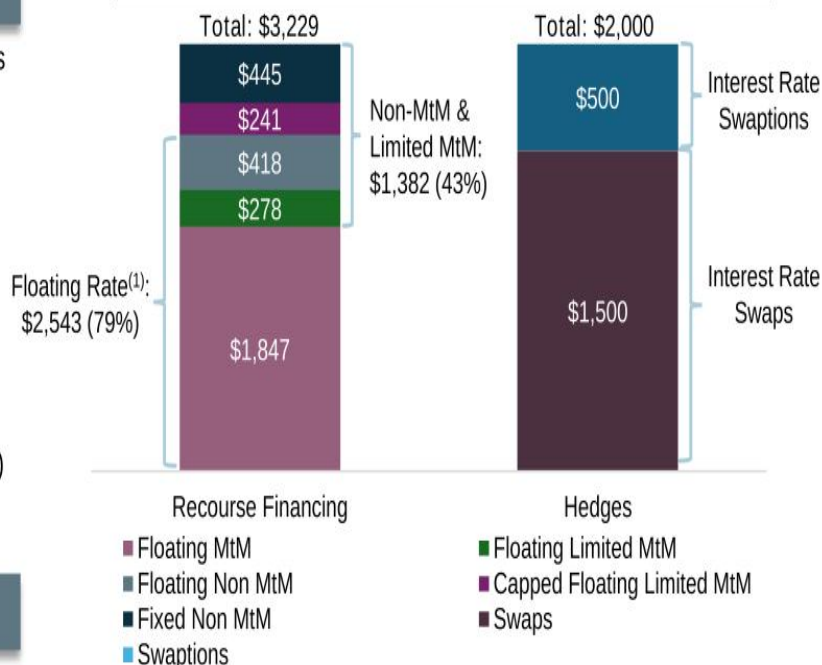
# SECURED RECOURSE FINANCING & INTEREST RATE HEDGING



## Q3'24

- \$3.2 billion in repo (secured recourse financing) liabilities
- \$1.8 billion of Mark-to-Market (MtM) financing
- 1.2x recourse leverage
- 43% of repos are Non-MtM and Limited MtM
- \$1.5 billion of interest rate swaps hedge 59% of our floating rate liabilities<sup>(1)</sup>
  - Weighted average pay-fixed rate of 3.56%
  - Weighted average maturity is less than one year.
- \$500 million of interest rate swaptions (expire Jan. 2025)
  - Weighted average pay-fixed rate of 3.45%

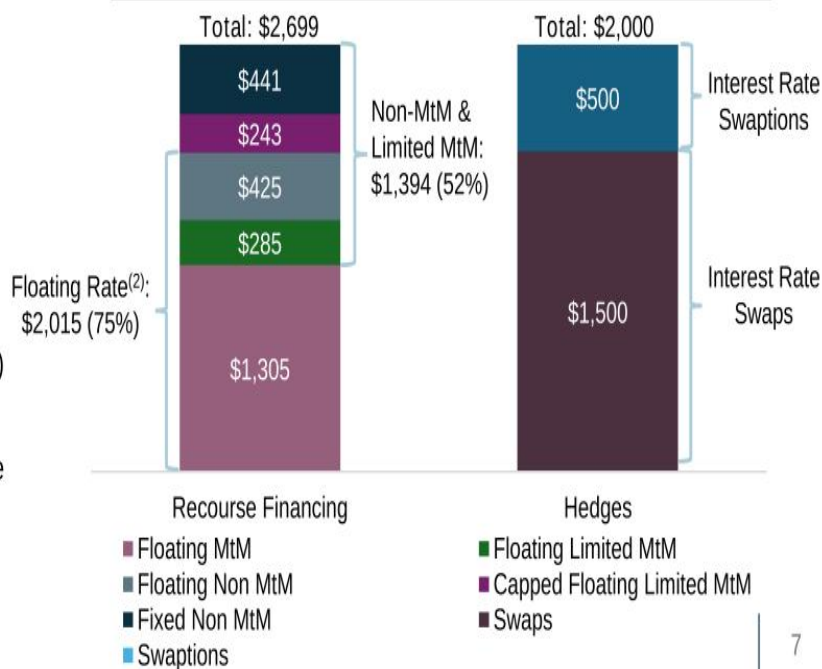
### Q3'24 Secured Recourse Financing & Interest Rate Hedges (\$ Millions)



## Q2'24

- \$2.7 billion in repo liabilities
- \$1.3 billion of Mark-to-Market (MtM) financing
- 1.0x recourse leverage
- 52% of repos are Non-MtM and Limited MtM
- \$1.5 billion of interest rate swaps hedge 74% of our floating rate liabilities<sup>(2)</sup>
  - Weighted average pay-fixed rate of 3.56%
  - Weighted average maturity is less than one year.
- \$500 million of interest rate swaptions (expire Jan. 2025)
  - Weighted average pay-fixed rate of 3.45%
- Shorted 5-year \$308 million of Treasury futures to hedge execution risk and closed our position post July 2024 securitization pricing.

### Q2'24 Secured Recourse Financing & Interest Rate Hedges (\$ Millions)



(1) Excludes \$241 million of capped floating rate financing.

(2) Excludes \$243 million of capped floating rate financing.

Information is unaudited, estimated and subject to change.



# RESIDENTIAL MORTGAGE LOANS OVERVIEW

## Our Residential Mortgage Loan Process

- We acquire residential mortgage loans from banks, non-bank financial institutions and government sponsored agencies.
- We finance purchases of mortgage loans via warehouse facilities and repurchase agreements (recourse financing).
- We securitize mortgage loans by selling senior securities (long-term non-recourse financing) and retaining subordinate and interest-only securities.
- We finance retained securities via repurchase agreements (secured recourse financing) to enhance our return on investment.

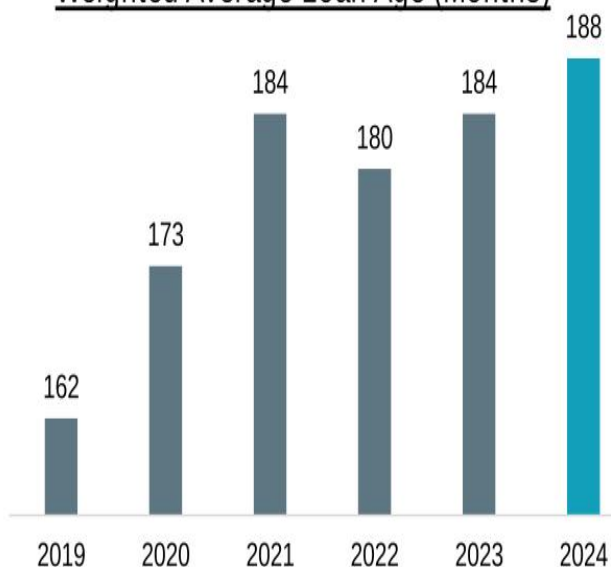
Our loan portfolio is very seasoned, with 78% of loans originated prior to 2008.

## Loan Origination Year (\$ Billions)



■ UPB Originated Prior to 2008 ■ UPB Originated After 2008

## Weighted Average Loan Age (Months)



## Q3'24 Key Loan Statistics

Total Current Unpaid Principal Balance (UPB)	\$11.4 Billion <sup>(1)</sup>
Total Number of Loans	106,144
Weighted Average Loan Size	\$108K
Weighted Average Coupon	5.97%
WA FICO	666
Weighted Average Loan Age (WALA)	188 Months
Weighted Average Original Loan-to-Value (LTV)	78%
Amortized Loan-to-Value (LTV)	65%
HPI Updated Loan-to-Value (LTV) <sup>(2)</sup>	45%
60+ Days Delinquent	9.3%

Source: Bloomberg and IntexCalc. (1) Includes \$544MM of Residential Mortgage Loans held in financing trusts and \$602MM of Non-QM and Prime Jumbo securitizations. (2) HPI LTV data as of July 2024.  
Information is unaudited, estimated and subject to change.

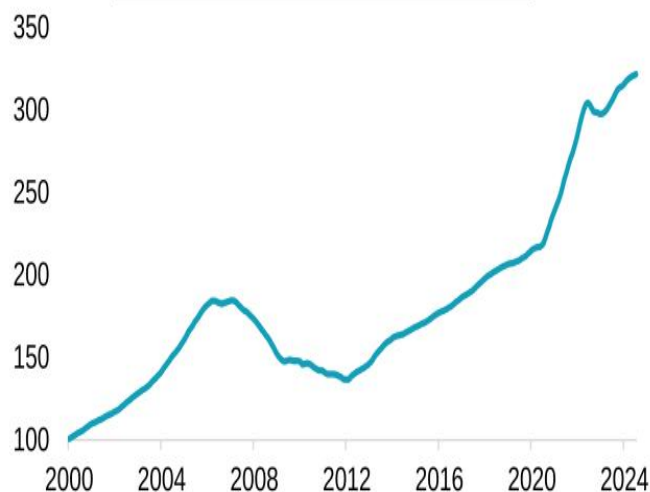




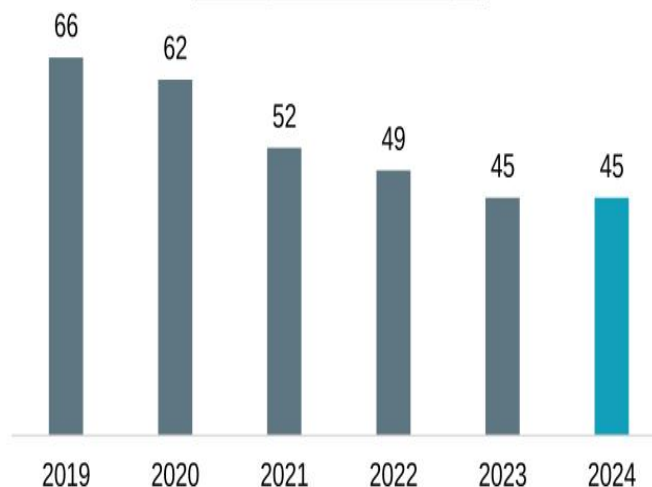
# RESIDENTIAL MORTGAGE LOANS OVERVIEW

Our loan portfolio has benefitted from historical levels of home equity due to home price appreciation.

S&P Case Shiller National HPI<sup>(1)</sup>

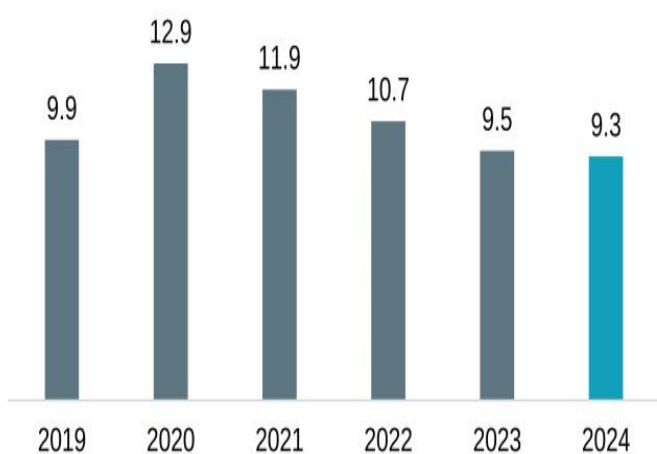


HPI Updated LTV<sup>(1)</sup> (%)



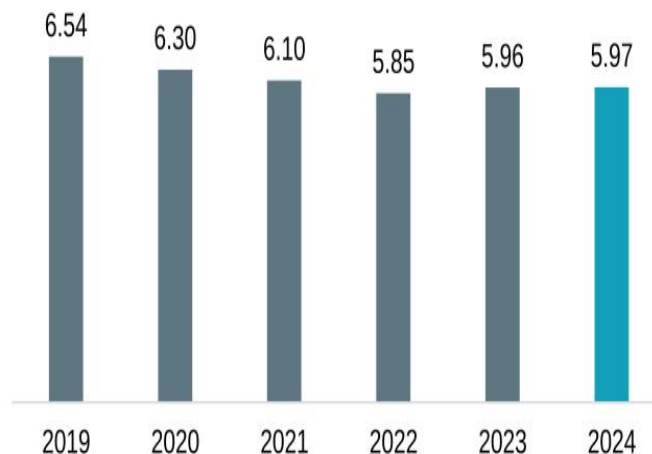
Delinquencies on our loan portfolio have been low – currently at lowest level since 2019.

60+ Day Delinquency (%)



Our loan portfolio has a weighted average coupon of 5.97%.

Weighted Average Coupon (%)



Source: Bloomberg and IntexCalc.

(1) HPI LTV data as of July 2024.

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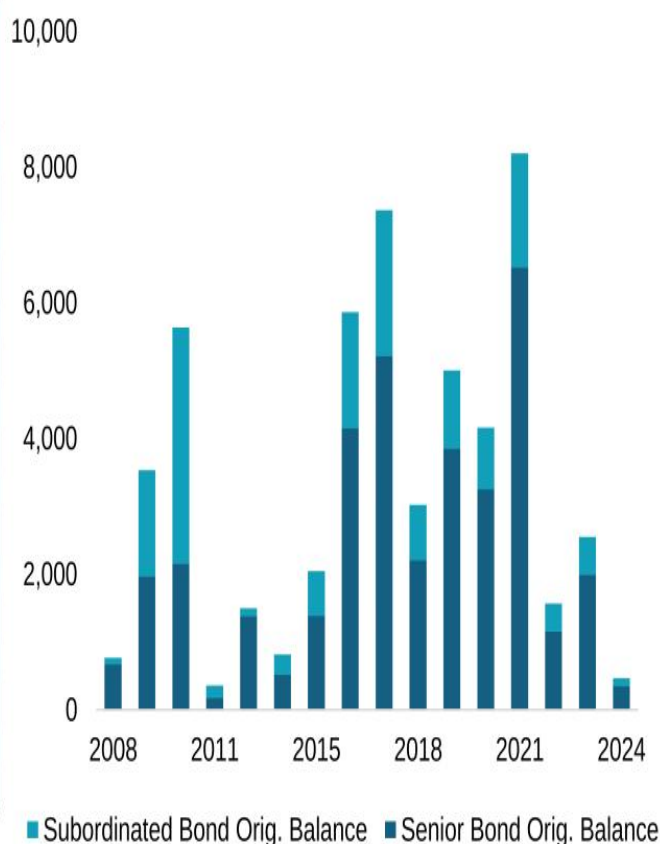
# SECURITIZATION ACTIVITY

We have completed 105 deals and securitized \$53 billion of residential mortgage assets, including Legacy Non-Agency RMBS, Seasoned Reperforming Loans, Agency Eligible Investor Loans, Non-QM DSCR loans, and Prime Jumbo loans, since inception.

- We currently have RMBS & Loan issuance with an unpaid principal balance of approximately \$14 billion outstanding.
- Re-securitization is an additional source for future capital re-deployment.

## Securitization History (\$ Millions)

Vintage	Type	# of Deals Issued	Total Orig. Balance	Senior Bond Orig. Balance	Subordinated Bond Orig. Balance	# of Deals Outstanding
2008	Loan	2	771	671	100	2
2009	RMBS	3	3,535	1,965	1,570	2
2010	RMBS	14	5,638	2,156	3,482	6
2011	RMBS	2	359	177	182	2
2012	Loan	3	1,497	1,378	119	-
2014	Loan & RMBS	2	816	522	294	-
2015	Loan	4	2,048	1,385	663	-
2016	Loan	6	5,862	4,149	1,713	1
2017	Loan	9	7,364	5,218	2,147	-
2018	Loan	9	3,022	2,210	812	3
2019	Loan	12	5,007	3,850	1,157	11
2020	Loan	11	4,164	3,254	909	9
2021	Loan	14	8,202	6,522	1,680	14
2022	Loan	5	1,571	1,156	415	5
2023	Loan	8	2,553	1,991	562	8
2024	Loan	1	468	352	116	1
		105	\$52,878	\$36,957	\$15,921	64



Information is unaudited, estimated and subject to change.

# RPL SECURIZATION CREDIT PERFORMANCE



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

## Q3'24 Key Loan Statistics

Total Original Unpaid Principal Balance (UPB)	\$16.6 Billion
Total Current Unpaid Principal Balance (UPB)	\$10.3 Billion
Total Number of Loans	103,355
Weighted Average Loan Size	\$99K
Weighted Average Coupon	5.98%
Weighted Average FICO	656
Weighted Average Loan Age (WALA)	206 Months
Amortized Loan-to-Value (LTV)	64%
HPI Updated Loan-to-Value (LTV) <sup>(1)</sup>	42%
60+ Days Delinquent	9.0%

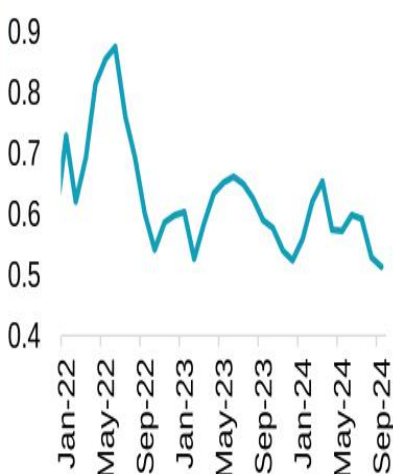
## 60+ Day Delinquency (%)



## 3 Month Prepayment Rate (CPR %)



## 3 Month Default Rate (%)



## 3 Month Loss Severity (%)



Source: Bloomberg and IntexCalc.

(1) HPI LTV data as of July 2024.

Information is unaudited, estimated and subject to change.

# SUMMARY



## Capital

- Issued \$75 million<sup>(1)</sup> of 5 Year NC2 Senior Unsecured Notes at 9.25%.
- We expect to continue to acquire and securitize mortgage loans as well as further implement our call optimization strategy on our securitizations.
- The timing of these re-securitizations is impacted by many factors, including credit performance, prepayment speeds, interest rates, and market volatility.

## Portfolio Investments

- Sponsored rated RPL securitization CIM 2024-R1 with a UPB of \$468 million.
- Purchased \$543 million of Agency CMO floaters.
- Purchased \$50 million of high-yielding subordinated tranches of new issue residential credit securitizations.
- Committed to purchasing approximately \$118 million of RTLs, which are expected to settle in 2024.

## Credit Performance

- We believe credit performance on our existing loan portfolio remains strong.
- The weighted average HPI LTV of our loan portfolio is 45%<sup>(2)</sup>.
- 188 months of seasoning.

## Financing & Liquidity

- Recourse leverage is 1.2x as of Q3'24.
- Ended the quarter with \$97 million in cash and \$550 million in unencumbered assets.

## Interest Rate Hedging

- Current hedges are positioned to deal with an uncertain rate environment.
- \$1.5 billion of interest rate swaps, with a weighted average maturity less than one year, protect 59% of our floating rate secured recourse financing<sup>(3)</sup>.
- \$500 million of interest rate swaptions, expiring January 2025, gives us flexibility in case the Fed holds rates higher through 2025.

(1) After deducting the debt issuance cost of \$2.9 million, the Company received approximately \$72 million.

(2) HPI LTV data as of July 2024.

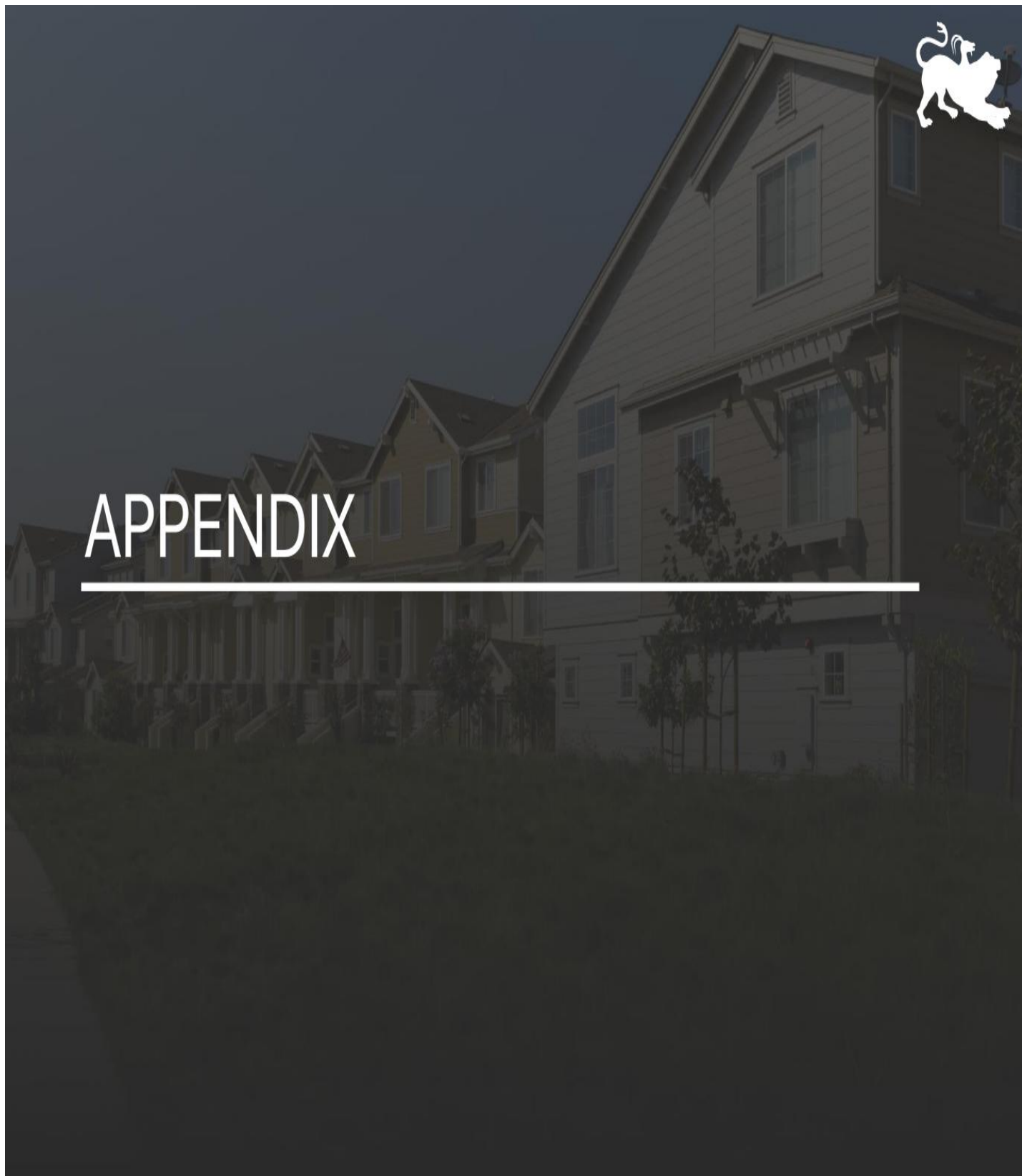
(3) Excludes \$241 million of capped floating rate financing.  
Information is unaudited, estimated and subject to change.





# APPENDIX

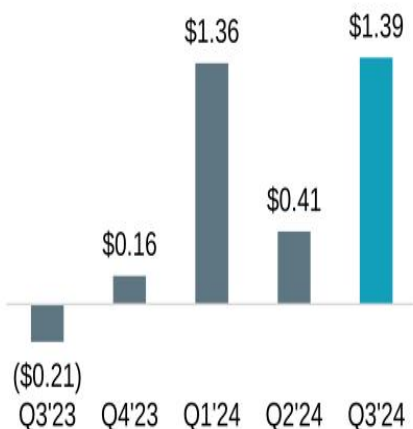
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# FINANCIAL METRICS



GAAP Earnings Per Share



Earnings Available For Distribution  
(EAD) Per Share<sup>(1)</sup>

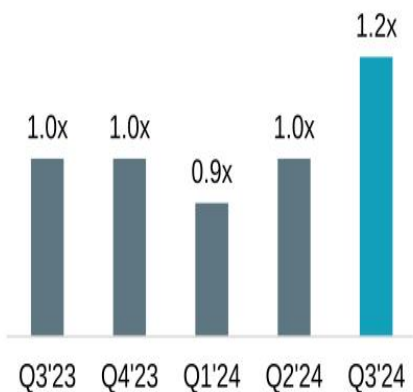


GAAP Book Value Per Share

Q3'24 Economic Return: 6.8%



Recourse Leverage



Cash (\$ Millions)



Unencumbered Assets Market  
Value (\$ Millions)



(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. Information is unaudited, estimated and subject to change.



# 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, diligence 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. We believe that excluding these costs is useful to investors as it is generally consistent with our peer groups treatment of these costs in their non-GAAP measures presentation, mitigates period to period comparability issues tied to the timing of securitization and structured finance transactions, and is consistent with the accounting for the deferral of debt issue costs prior to the fair value election option made by us. In addition, we believe it is important for investors to review this metric which is consistent with how management internally evaluates the performance of the Company. 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



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				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
	(dollars in thousands, except per share data)				
GAAP Net income (loss) available to common stockholders	\$ 113,672	\$ 33,913	\$ 111,016	\$ 12,104	\$ (16,268)
Adjustments:					
Net unrealized (gains) losses on financial instruments at fair value	(104,012)	(11,231)	(76,765)	(6,815)	43,988
Net realized (gains) losses on sales of investments	—	—	3,750	3,752	460
(Gains) losses on extinguishment of debt	—	—	—	2,473	—
Increase (decrease) in provision for credit losses	358	3,684	1,347	2,330	3,217
Net unrealized (gains) losses on derivatives	14,457	(11,955)	(5,189)	15,871	(17)
Realized (gains) losses on derivatives	4,864	17,317	—	—	—
Transaction expenses	2,317	—	67	425	90
Stock Compensation expense for retirement eligible awards	(424)	(419)	1,024	(391)	(392)
Other investment (gains) losses	(1,366)	(1,001)	(4,686)	986	(2,381)
Earnings available for distribution	\$ 29,866	\$ 30,308	\$ 30,564	\$ 30,735	\$ 28,697
GAAP net income (loss) per diluted common share	\$ 1.39	\$ 0.41	\$ 1.36	\$ 0.16	\$ (0.21)
Earnings available for distribution per adjusted diluted common share	\$ 0.36	\$ 0.37	\$ 0.37	\$ 0.40	\$ 0.38



# NET ASSET BREAKDOWN



Net Asset Breakout	Q3'24				Q2'24			
	Direct Holdings	Securitization Trusts	Financing Trusts	Total	Direct Holdings	Securitization Trusts	Financing Trusts	Total
<b>Investments:</b>								
Non-Agency RMBS, at fair value	880,819,478	241,016,668	-	1,121,836,146	813,042,952	238,927,634	-	1,051,970,586
Agency MBS, at fair value	1,018,918,229	-	-	1,018,918,229	503,294,692	-	-	503,294,692
Residential Mortgage Loans <sup>(1)</sup>								
RPL	-	10,044,194,082	(0)	10,044,194,082	-	9,629,946,326	-	9,629,946,326
Investor	-	596,968,023	-	596,968,023	-	601,750,384	-	601,750,384
RTL	-	-	119,690,280	119,690,280	-	-	139,511,597	139,511,597
Jumbo Prime	-	-	404,924,787	404,924,787	-	-	399,186,679	399,186,679
<b>Total Investment Assets</b>	<b>1,899,737,707</b>	<b>10,882,178,773</b>	<b>524,615,068</b>	<b>13,306,531,547</b>	<b>1,316,337,643</b>	<b>10,470,624,344</b>	<b>538,698,276</b>	<b>12,325,660,264</b>
<b>Securitized debt, collateralized by:</b>								
Non-Agency RMBS	-	72,174,357	-	72,174,357	-	72,120,773	-	72,120,773
Residential Mortgage Loans								
RPL	-	6,874,242,573	-	6,874,242,573	-	6,626,493,313	-	6,626,493,313
Investor	-	440,168,602	-	440,168,602	-	452,497,909	-	452,497,909
<b>Secured financing agreements, secured by:</b>								
Non-Agency RMBS	547,598,193	114,339,000	-	661,937,193	532,073,000	116,293,000	-	648,366,000
Agency RMBS	866,831,475	-	-	866,831,475	412,458,000	-	-	412,458,000
Residential Mortgage Loans								
RPL	-	1,264,720,834	-	1,264,720,834	-	1,192,889,940	-	1,192,889,940
RTL	-	-	96,476,035	96,476,035	-	-	112,481,919	112,481,919
Jumbo Prime	-	-	338,782,341	338,782,341	-	-	333,103,156	333,103,156
<b>Total Investment Liabilities</b>	<b>1,414,429,668</b>	<b>8,765,645,366</b>	<b>435,258,376</b>	<b>10,615,333,410</b>	<b>944,531,000</b>	<b>8,460,294,935</b>	<b>445,585,075</b>	<b>9,850,411,010</b>
<b>Net Assets</b>	<b>485,308,039</b>	<b>2,116,533,407</b>	<b>89,356,691</b>	<b>2,691,198,137</b>	<b>371,806,643</b>	<b>2,010,329,409</b>	<b>93,113,202</b>	<b>2,475,249,254</b>

(1) Table above excludes approximately \$118 million and \$463 million of Loans held for investment as of September 30, 2024 and June 30, 2024, which were purchased prior to the reporting dates and settled subsequent to the reporting periods.

Information is unaudited, estimated and subject to change.

# 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					
	September 30, 2024			June 30, 2024		
	(dollars in thousands)			(dollars in thousands)		
	Average Balance	Interest	Average Yield/Cost	Average Balance	Interest	Average Yield/Cost
Assets:						
Interest-earning assets <sup>(1)</sup> :						
Agency RMBS <sup>(3)</sup>	\$ 627,966	\$ 10,343	6.6 %	\$ 459,668	\$ 2,719	6.2 %
Agency CMBS	44,236	502	4.5 %	50,383	598	4.7 %
Non-Agency RMBS	978,811	30,365	12.4 %	973,309	30,527	12.5 %
Loans held for investment	11,260,536	152,355	5.4 %	11,265,266	151,001	5.4 %
Total	\$ 12,911,549	\$ 193,565	6.1 %	\$ 12,748,626	\$ 184,845	5.9 %
Liabilities and stockholders' equity:						
Interest-bearing liabilities <sup>(2)</sup> :						
Secured financing agreements collateralized by:						
Agency RMBS <sup>(3)</sup>	\$ 537,265	\$ 7,563	5.7 %	\$ 376,644	\$ 1,858	5.6 %
Agency CMBS	31,001	423	5.5 %	36,275	501	5.5 %
Non-Agency RMBS	649,412	11,088	6.8 %	657,235	11,288	6.9 %
Loans held for investment	1,699,744	26,643	6.3 %	1,679,210	26,170	6.2 %
Securitized debt	7,887,609	73,867	3.7 %	7,926,792	71,943	3.6 %
Long term debt <sup>(3)</sup>	99,938	2,470	9.9 %	65,000	691	9.8 %
Total	\$ 10,904,969	\$ 122,054	4.5 %	\$ 10,741,156	\$ 112,451	4.2 %
Economic net interest income/net interest rate spread		\$ 71,511	1.6 %		\$ 72,394	1.7 %
Net interest-earning assets/net interest margin	\$ 2,006,580		2.2 %	\$ 2,007,470		2.3 %
Ratio of interest-earning assets to interest bearing liabilities	1.18			1.19		

(1) Interest-earning assets at amortized cost

(2) Interest includes periodic net interest cost on swaps

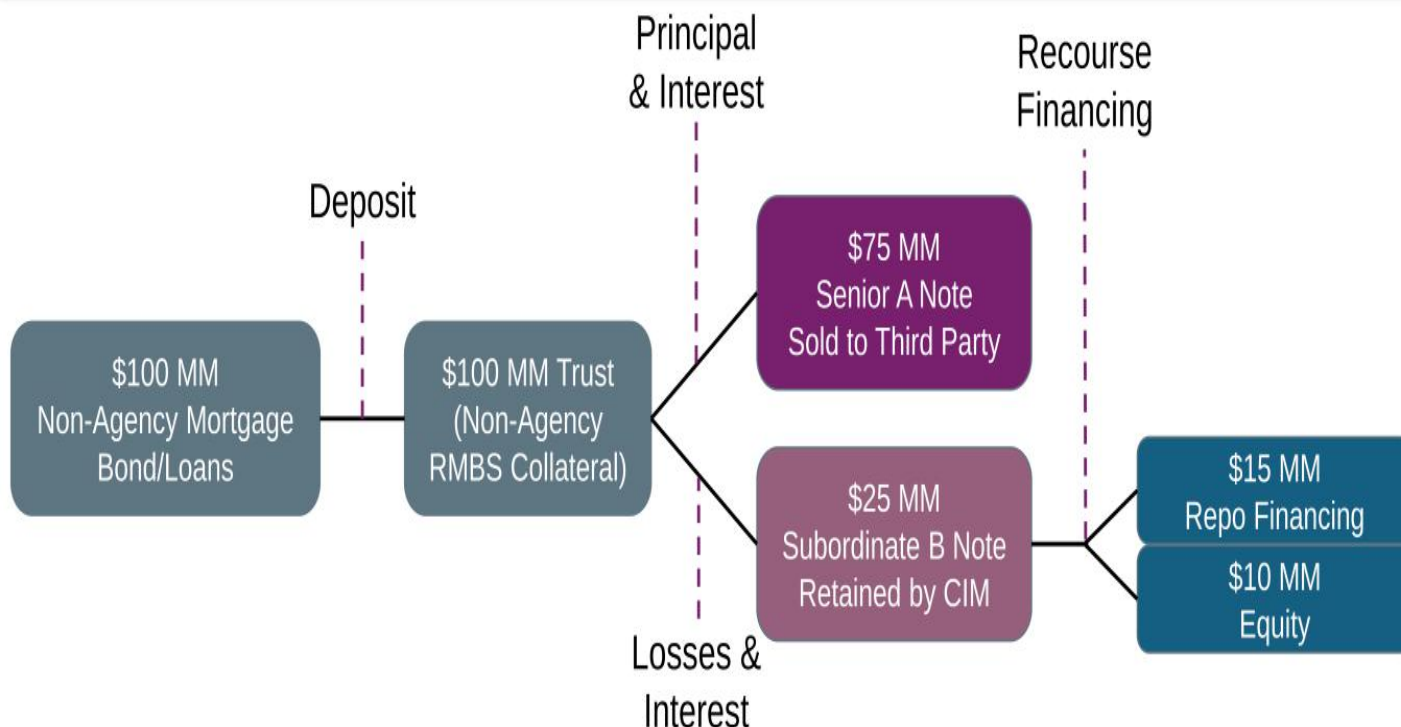
(3) These amounts have been adjusted to reflect the daily outstanding averages for which the financial instruments were held during the period

Information is unaudited, estimated and subject to change.

# SECURITIZATION PROCESS



Chimera has created term-funding through securitization.<sup>(1)</sup> In the example below, CIM buys \$100MM Non-Agency mortgage bonds or loans from a dealer for securitization.



- CIM deposits the bond or loans into a trust.
- The trust issues bonds backed by the cashflow of the underlying bond or loans.

- The Senior A note receives all principal from the collateral and interest on its \$75MM bond until the bond is paid off.
- The Subordinate B note receives interest on its \$25MM bond, absorbs losses and starts to receive principal only after the Senior A note is paid in full.
- 3x Non-Recourse Leverage.

- 60% of the Subordinate B note is financed through a repurchase agreement.
- The remaining 40% of the Subordinate B note is equity.
- 1.5x Recourse Leverage.

(1) The hypothetical diagram below shows the typical structure of our securitization transactions.  
Information is unaudited, estimated and subject to change.



# CONSOLIDATED LOAN SECURITIZATIONS



VINTAGE	DEAL	ORIGINAL FACE (\$ Thousands)			REMAINING FACE (\$ Thousands)			WEIGHTED AVERAGE COUPON (WAC)		FIRST CALL DATE
		TOTAL	SOLD	RETAINED	TOTAL	SOLD	RETAINED	Outstanding Bonds Sold	Underlying Collateral	
2024	CIM 2024-R1	468,148	351,813	116,335	458,490	342,169	116,321	4.75%	5.76%	Clean-up Call
2023	CIM 2023-I2	238,530	202,750	35,780	205,883	170,046	35,780	6.71%	7.16%	Jul-26
2023	CIM 2023-R4	393,997	343,368	50,629	345,732	295,087	50,629	5.03%	5.76%	Apr-28
2023	CIM 2023-NR2	66,661	48,328	18,333	54,626	38,088	16,538	6.00%	5.28%	Currently Callable
2023	CIM 2023-R3	450,834	394,479	56,355	394,906	338,511	56,355	4.50%	5.58%	Apr-25
2023	CIM 2023-I1	236,161	205,578	30,583	202,180	171,597	30,583	6.36%	7.41%	Apr-26
2023	CIM 2023-R2	447,384	364,841	82,543	379,881	297,370	82,511	5.50%	6.28%	Mar-28
2023	CIM 2023-NR1	134,016	97,161	36,855	98,778	61,387	37,391	6.00%	6.09%	Currently Callable
2023	CIM 2023-R1	585,718	512,503	73,215	492,798	420,266	72,531	5.40%	6.32%	Jan-25
2022	CIM 2022-NR1	144,912	105,061	39,851	121,347	83,074	38,273	5.00%	4.84%	Currently Callable
2022	CIM 2022-R3	369,891	327,168	42,723	299,525	256,867	42,657	4.57%	5.51%	Sep-27
2022	CIM 2022-I1	219,442	122,997	96,445	186,991	90,546	96,445	4.35%	4.70%	Currently Callable
2022	CIM 2022-R2	508,202	440,865	67,337	410,104	342,978	67,125	3.82%	4.80%	May-27
2022	CIM 2022-R1	328,226	294,090	34,136	252,241	218,047	34,115	3.05%	4.56%	Feb-27
2021	CIM 2021-NR4	167,596	125,747	41,849	107,006	61,401	45,605	2.82%	5.75%	Currently Callable
2021	CIM 2021-R6	353,797	336,284	17,513	207,405	189,887	17,513	1.65%	6.17%	Sep-26
2021	CIM 2021-R5	450,396	382,836	67,560	329,727	262,825	66,902	2.00%	5.66%	Currently Callable
2021	CIM 2021-R4	545,684	463,831	81,853	331,195	249,604	81,591	2.00%	6.71%	Currently Callable
2021	CIM 2021-R3	859,735	730,775	128,960	475,472	346,700	128,772	1.95%	6.76%	Apr-25
2021	CIM 2021-NR3	117,373	82,161	35,212	60,891	22,033	38,858	5.57%	6.86%	Currently Callable
2021	CIM 2021-R2	1,497,213	1,272,631	224,582	750,446	525,373	224,582	2.07%	7.06%	Mar-25
2021	CIM 2021-NR2	240,425	180,318	60,107	130,470	57,684	72,785	5.57%	7.10%	Currently Callable
2021	CIM 2021-R1	2,098,584	1,783,797	314,787	1,095,938	779,910	314,787	1.94%	7.37%	Feb-25
2021	CIM 2021-NR1	232,682	162,877	69,805	115,474	33,401	82,073	5.57%	7.68%	Currently Callable
2020	CIM 2020-R7	653,192	562,023	91,169	361,984	271,667	90,317	2.44%	6.22%	Currently Callable
2020	CIM 2020-R6	418,390	334,151	84,239	257,165	173,481	83,684	2.25%	5.39%	Currently Callable
2020	CIM 2020-R5	338,416	257,027	81,389	162,507	81,226	81,273	2.47%	5.50%	Clean-up Call
2020	CIM 2020-R3	438,228	328,670	109,558	249,233	141,272	107,961	4.00%	5.56%	Currently Callable
2020	CIM 2020-R2	492,347	416,761	75,586	283,885	210,249	73,895	2.67%	4.32%	Clean-up Call
2020	CIM 2020-R1	390,761	317,608	73,153	242,273	169,909	72,364	2.90%	5.92%	Currently Callable
2019	SLST 2019-1	1,217,441	941,719	275,722	746,481	522,387	214,820	3.50%	4.47%	Currently Callable
2019	CIM 2019-R5	315,039	252,224	62,815	153,637	91,138	61,981	3.00%	5.80%	Clean-up Call
2019	CIM 2019-R4	320,802	256,641	64,161	165,318	103,125	62,194	3.00%	6.33%	Currently Callable
2019	CIM 2019-R3	342,633	291,237	51,396	148,032	98,003	50,029	2.63%	6.73%	Currently Callable
2019	CIM 2019-R2	464,327	358,172	106,155	277,742	173,971	103,771	3.49%	5.45%	Clean-up Call
2019	CIM 2019-R1	371,762	297,409	74,353	209,331	136,860	72,471	3.25%	4.42%	Currently Callable
2018	CIM 2018-R3	181,073	146,669	34,404	55,036	23,041	31,816	4.37%	7.33%	Currently Callable
2016	CIM 2016-FRE1	185,811	115,165	70,646	68,450	10,886	57,564	4.07%	4.86%	Currently Callable
2008	PHMC 2008-CIM1	619,710	549,142	70,568	6,486	4,822	1,642	6.74%	4.77%	Do Not Hold Call Rights
TOTAL		\$17,905,539	\$14,756,877	\$3,148,662	\$10,895,066	\$7,866,891	\$3,016,503	3.50%	5.99%	

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





