

FINANCIAL SUPPLEMENT

NYSE: CIM

1st Quarter 2018



CHIMERA INVESTMENT
CORPORATION

DISCLAIMER

This presentation includes “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Actual results may differ from expectations, estimates and projections and, consequently, readers should not rely on these forward-looking statements as predictions of future events. Words such as “goal,” “expect,” “target,” “assume,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believe,” “predicts,” “potential,” “continue,” and similar expressions are intended to identify such forward-looking statements. These forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from expected results, including, among other things, those described in our most recent Annual Report on Form 10-K, and any subsequent Quarterly Reports on Form 10-Q, under the caption “Risk Factors.” Factors that could cause actual results to differ include, but are not limited to: the state of credit markets and general economic conditions; changes in interest rates and the market value of our assets; the rates of default or decreased recovery on the mortgages underlying our target assets; the occurrence, extent and timing of credit losses within our portfolio; the credit risk in our underlying assets; declines in home prices; our ability to establish, adjust and maintain appropriate hedges for the risks in our portfolio; the availability and cost of our target assets; our ability to borrow to finance our assets and the associated costs; changes in the competitive landscape within our industry; our ability to manage various operational risks and costs associated with our business; interruptions in or impairments to our communications and information technology systems; our ability to acquire residential mortgage loans and successfully securitize the residential mortgage loans we acquire; our ability to oversee our third party sub-servicers; the impact of any deficiencies in the servicing or foreclosure practices of third parties and related delays in the foreclosure process; our exposure to legal and regulatory claims; legislative and regulatory actions affecting our business; the impact of new or modified government mortgage refinance or principal reduction programs; our ability to maintain our REIT qualification; and limitations imposed on our business due to our REIT status and our exempt status under the Investment Company Act of 1940.

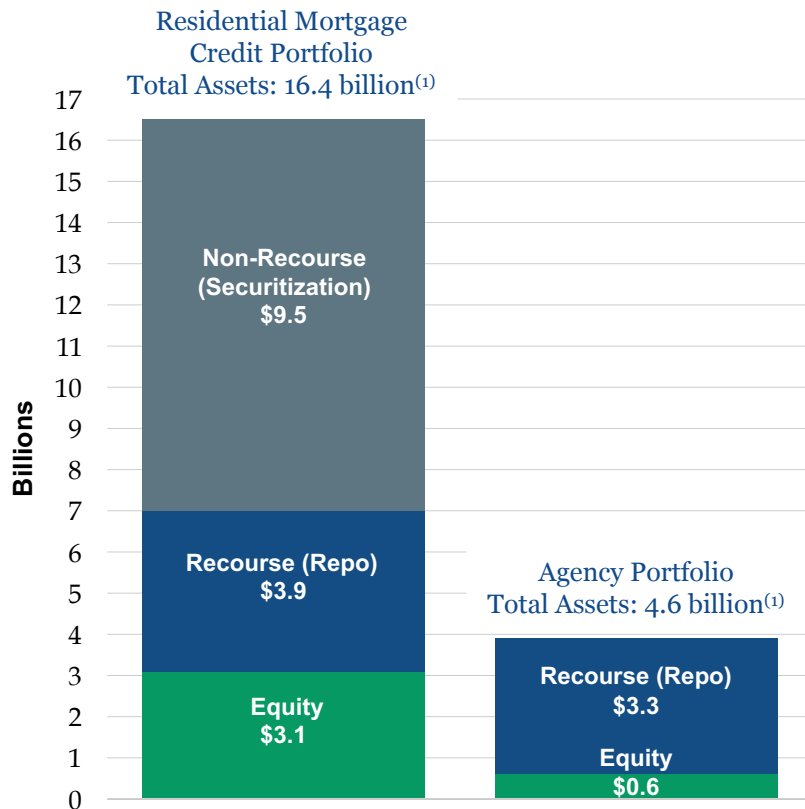
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PORTFOLIO COMPOSITION

84% of Chimera's equity capital is allocated to mortgage credit



Net Investment Analysis⁽²⁾

	Residential Mortgage Credit Portfolio	Agency Portfolio	Total Portfolio
Gross Asset Yield:	6.9%	3.4%	6.2%
Financing Cost ⁽³⁾ :	4.1%	2.0%	3.7%
Net Interest Spread:	2.8%	1.4%	2.5%
Net Interest Margin:	3.3%	1.8%	3.0%

All data as of March 31, 2018

(1) Financing excludes unsettled trades.

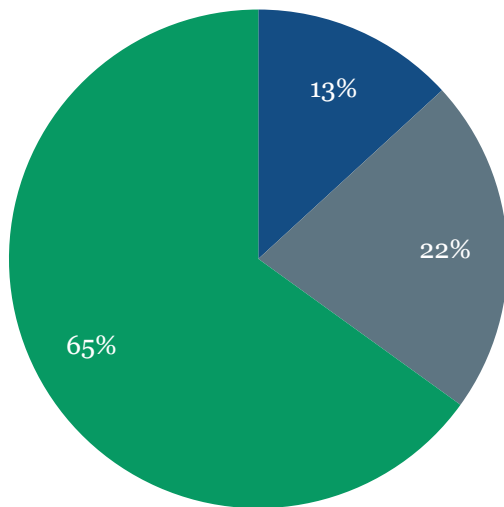
(2) Reflects first quarter 2018 average assets, yields, and spreads.

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

GAAP ASSET ALLOCATION⁽¹⁾

Chimera securitized \$549 million of residential mortgage loans in the first quarter of 2018

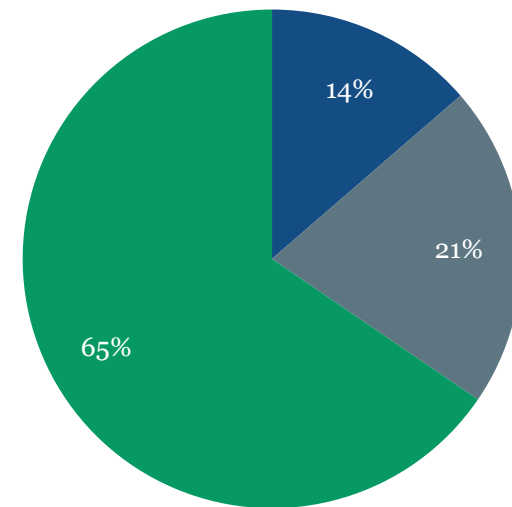
March 31, 2018



■ Non-Agency MBS ■ Agency MBS
■ Loan Portfolio

Total Portfolio: \$20.9 billion

December 31, 2017



■ Non-Agency MBS ■ Agency MBS
■ Loan Portfolio

Total Portfolio: \$20.9 billion

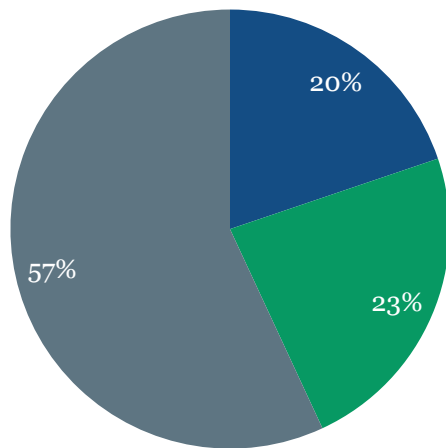
(1) Based on fair value.

Information is unaudited, estimated and subject to change.

GAAP FINANCING SOURCES

Total Leverage⁽¹⁾: 4.6:1
Recourse Leverage⁽¹⁾: 2.0:1

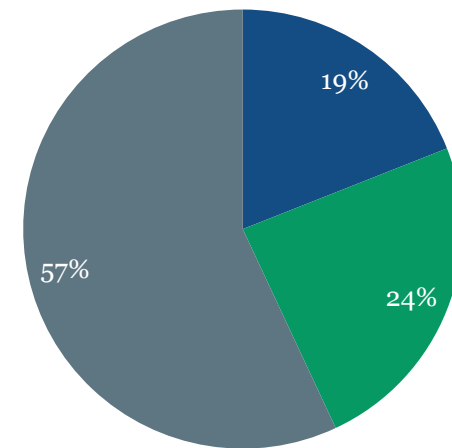
March 31, 2018



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

Total Financing: \$16.7 Billion

December 31, 2017



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

Total Financing: \$16.8 Billion

(1) Leverage ratios as of March 31, 2018
(2) Consists of tranches of RMBS and loan securitizations sold to third parties.

CONSOLIDATED LOAN SECURITIZATIONS

(\$ in thousands)

At Issuance / Acquisition

March 31, 2018

Vintage	Deal	Total Original Face	Total of Tranches Sold	Total of Tranches Retained	Total Remaining Face	Remaining Face of Tranches Sold	Remaining Face of Tranches Retained
2018	CIM 2018-R2	\$380,292	\$266,204	114,088	\$380,292	\$266,204	\$114,088
2018	CIM 2018-R1	169,032	140,297	28,735	169,032	140,297	28,735
2017	CMLTI 2017-RP2	421,329	42,133	379,196	408,748	103,463	305,285
2017	CIM 2017-8 ⁽¹⁾	1,148,050	688,829	459,221	1,095,472	636,401	459,071
2017	CIM 2017-7	512,446	301,062	211,384	483,442	313,067	170,375
2017	CIM 2017-6	782,725	626,179	156,546	727,978	570,627	157,351
2017	CIM 2017-5	377,034	75,407	301,627	346,898	45,347	301,551
2017	CIM 2017-4	830,510	710,003	120,507	664,003	548,951	115,052
2017	CIM 2017-3	2,434,640	2,113,267	321,373	2,069,526	1,748,418	321,108
2017	CIM 2017-2	331,440	248,580	82,860	290,364	207,320	83,044
2017	CIM 2017-1	526,267	368,387	157,880	450,136	293,139	156,997
2016	CIM 2016-FRE1	185,811	115,165	70,646	160,004	88,852	71,152
2016	CIM 2016-4 ⁽¹⁾	601,733	493,420	108,313	489,829	379,794	110,035
2016	CIM 2016-3	1,746,084	1,478,933	267,151	1,328,775	1,066,141	262,634
2016	CIM 2016-2	1,762,177	1,492,563	269,614	1,343,666	1,076,717	266,949
2016	CIM 2016-1	1,499,341	1,266,898	232,443	1,130,710	903,758	226,952
2015	CIM 2015-4AG ⁽¹⁾	750,647	425,000	325,647	502,371	315,119	187,252
2015	CIM 2015-3AG ⁽¹⁾	698,812	520,935	177,877	441,967	286,378	155,589
2015	CIM 2015-2AG ⁽¹⁾	330,293	276,998	53,295	201,300	154,212	47,088
2012	CSMC 2012-CIM1	741,939	707,810	34,129	53,721	25,487	28,234
2012	CSMC 2012-CIM2	425,091	404,261	20,830	45,279	27,275	18,004
2012	CSMC 2012-CIM3	329,886	305,804	24,082	115,931	97,242	18,689
2008	PHHMC 2008-CIM1	619,710	549,142	70,568	42,935	31,273	11,662
TOTAL		\$17,605,289	\$13,617,277	\$3,988,012	\$12,942,379	\$9,325,482	\$3,616,897

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

CONSOLIDATED RMBS SECURITIZATIONS

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

(\$ in thousands)

Vintage	Deal	At Issuance / Acquisition			March 31, 2018		
		Total Original Face	Total of Tranches Sold	Total of Tranches Retained	Total Remaining Face	Remaining Face of Tranches Sold	Remaining Face of Tranches Retained
2014	CSMC 2014-4R ⁽¹⁾	367,271	—	367,271	203,750	—	203,750
2010	CSMC 2010-1R	1,730,581	691,630	1,038,951	486,588	3,443	483,145
2010	CSMC 2010-11R	566,571	338,809	227,762	193,230	—	193,230
2009	CSMC 2009-12R	1,730,698	915,566	815,132	460,284	84,623	375,661
2009	JPMRR 2009-7	1,522,474	856,935	665,539	419,677	101,377	318,300
2009	JMAC 2009-R2	281,863	192,500	89,363	73,215	19,378	53,837
TOTAL		6,199,458	2,995,440	3,204,018	1,836,744	208,821	1,627,923
		<i>% of origination remaining</i>			30%	7%	51%

(1) Contains collateral from CSMC 2010-12R Trust.

AGENCY & REPO SUMMARY

Agency Securities – As of March 31, 2018

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

Repo Days to Maturity – As of March 31, 2018

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

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

(2) Notional Agency IO was \$3.0 billion and \$3.0 billion as of March 31, 2018 and December 31, 2017 respectively.

Agency Securities – As of December 31, 2017

Security Type	Coupon ⁽¹⁾	Current Face	Weighted Average Market Price	Weighted Average CPR
Agency Pass-through	3.50%	\$850,775	102.9	9.9
	4.00%	1,207,687	104.9	13.4
	4.50%	168,666	106.8	14.0
Commercial	3.6%	1,894,594	102.3	—
Agency IO	0.7%	N/M ⁽²⁾	3.5	3.1
Total		\$4,121,722		

Repo Days to Maturity – As of December 31, 2017

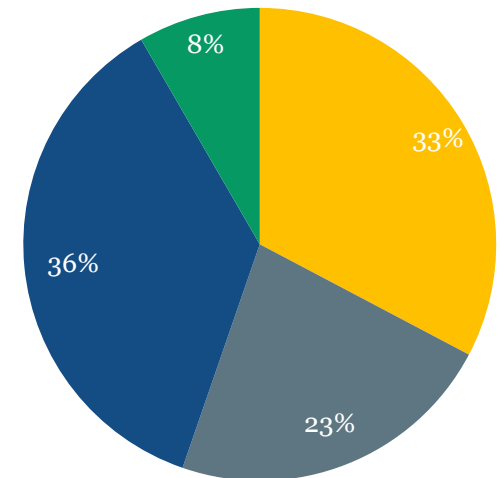
Maturity	Principal Balance	Weighted Average Rate	Weighted Average Days
Within 30 days	\$2,124,925	1.44%	
30 to 59 days	647,890	1.48%	
60 to 89 days	429,241	1.63%	
Total	\$3,202,056	1.47%	28 Days

INTEREST RATE SENSITIVITY

Chimera added to its Agency Commercial and hedge portfolios during the quarter

Description (\$ in thousands)		- 100 Basis Points	- 50 Basis Points	Unchanged	+50 Basis Points	+100 Basis Points
Agency Securities	Market Value	\$ 4,842,053	\$ 4,703,683	\$ 4,557,799	\$ 4,407,918	\$ 4,256,875
	Percentage Change	6.2 %	3.2 %	-	(3.3)%	(6.6)%
Swap	Market Value	(173,915)	(84,994)	-	84,348	165,956
	Percentage Change	(3.8)%	(1.9)%	-	1.9 %	3.6 %
Futures	Market Value	(34,235)	(16,884)	-	16,432	32,423
	Percentage Change	(0.8)%	(0.4)%	-	0.4 %	0.7 %
Net Gain/(Loss)		\$ 76,104	\$ 44,006	-	\$ (49,101)	\$ (102,545)
Percentage Change in Portfolio Value⁽¹⁾		1.7 %	1.0 %	-	(1.1)%	(2.2)%

Hedge Book Maturities



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

Total Notional Balance - Derivative Instruments

	March 31, 2018	December 31, 2017
Agency Interest Rate Swaps	3,358,900	3,011,400
Swaptions	361,000	391,000
Futures	619,700	619,700

(1) Based on instantaneous moves in interest rates.

