

FINANCIAL SUPPLEMENT

NYSE: CIM

2nd Quarter 2017



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 Annual Report on Form 10-K for the year ended December 31, 2016, 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.

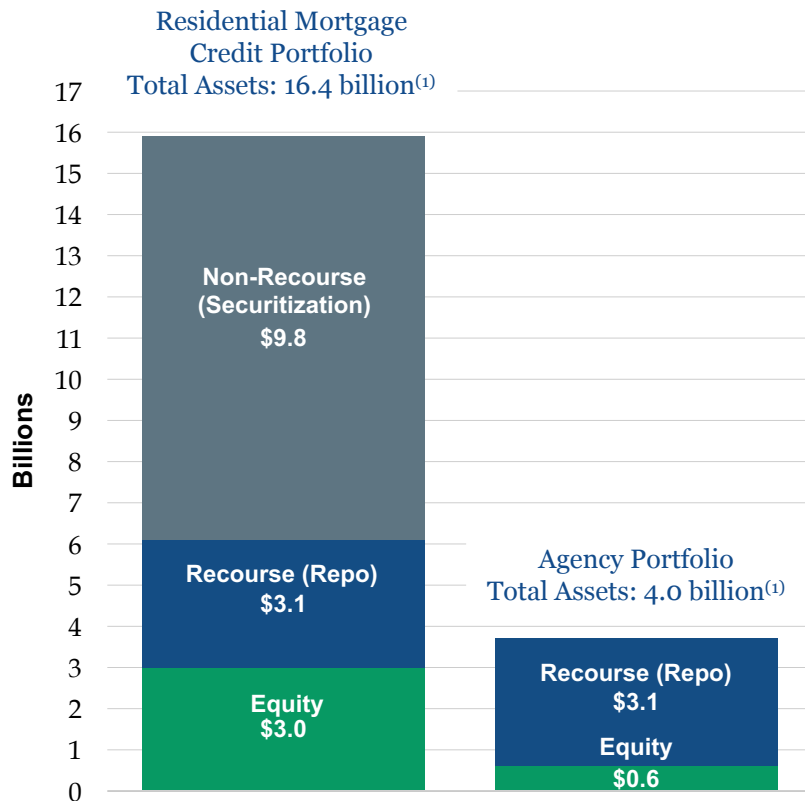
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Readers are advised that the financial information in this presentation is based on company data available at the time of this presentation and, in certain circumstances, may not have been audited by the company’s independent auditors.

PORTFOLIO COMPOSITION

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



All data as of June 30, 2017

(1) Financing excludes unsettled trades.

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

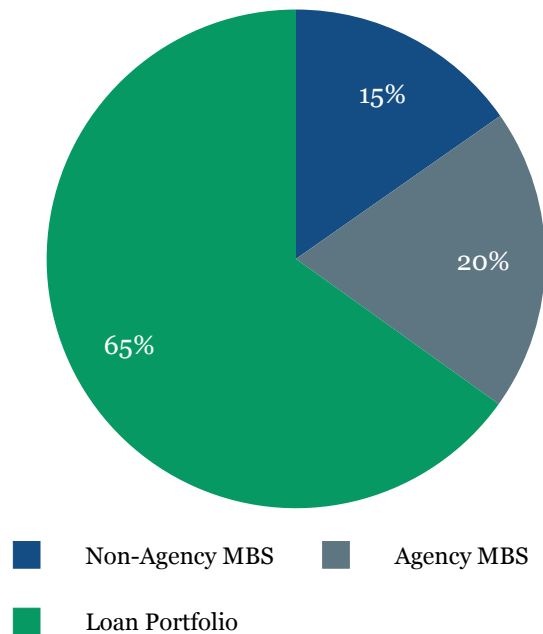
Net Investment Analysis

	Residential Mortgage Credit Portfolio	Agency Portfolio	Total Portfolio
Gross Asset Yield:	7.1%	2.7%	6.2%
Financing Cost ⁽²⁾ :	4.0%	1.5%	3.5%
Net Interest Spread:	3.1%	1.2%	2.7%
Net Interest Margin:	3.6%	1.3%	3.2%

GAAP ASSET ALLOCATION⁽¹⁾

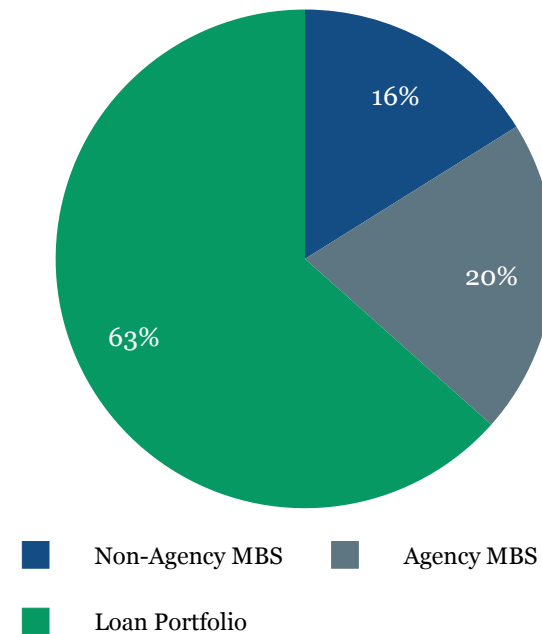
Chimera added \$5.1 billion in residential mortgage loans during the first half of 2017

June 30, 2017



Total Portfolio: \$20.4 billion

March 31, 2017



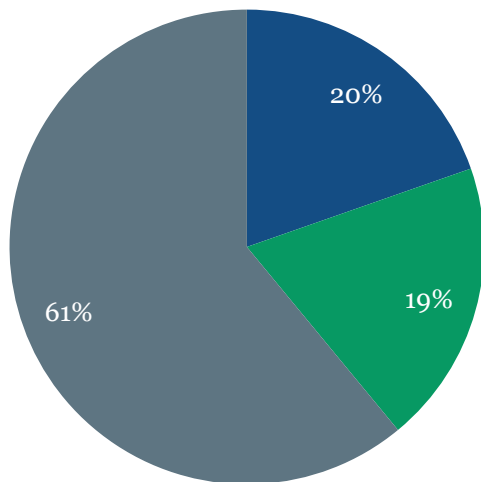
Total Portfolio: \$20.0 billion

(1) Based on fair value.

GAAP FINANCING SOURCES

Total Leverage⁽¹⁾: 4.5:1
 Recourse Leverage⁽¹⁾: 1.7:1

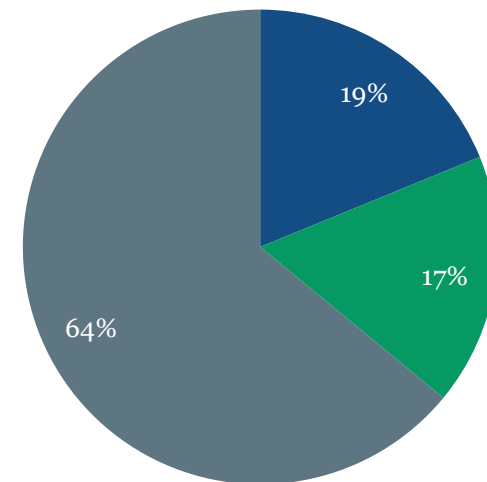
June 30, 2017



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

Total Financing: \$16.0 Billion

March 31, 2017



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

Total Financing: \$16.3 Billion

(1) Leverage ratios as of June 30, 2017

(2) Consists of tranches of RMBS and loan securitizations sold to third parties.

CONSOLIDATED LOAN SECURITIZATIONS

(\$ in thousands)

At Issuance / Acquisition

June 30, 2017

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
2017	CIM 2017-5	\$377,034	\$75,407	\$301,627	\$373,435	\$71,808	\$301,627
2017	CIM 2017-4	830,510	710,003	120,507	787,357	667,593	119,764
2017	CIM 2017-3	2,434,640	2,113,267	321,373	2,347,519	2,024,843	322,676
2017	CIM 2017-2	331,440	248,580	82,860	320,782	237,602	83,180
2017	CIM 2017-1	526,267	368,387	157,880	497,503	339,810	157,693
2016	CIM 2016-FRE1	185,811	115,165	70,646	176,218	105,219	70,999
2016	CIM 2016-5 ⁽¹⁾	66,171	10,000	56,171	51,719	8,205	43,514
2016	CIM 2016-4 ⁽¹⁾	601,733	493,420	108,313	547,410	435,308	112,102
2016	CIM 2016-3	1,746,084	1,478,933	267,151	1,484,593	1,215,995	268,598
2016	CIM 2016-2	1,762,177	1,492,563	269,614	1,496,930	1,225,056	271,874
2016	CIM 2016-1	1,499,341	1,266,898	232,443	1,264,781	1,032,372	232,409
2015	CIM 2015-4AG ⁽²⁾	750,647	425,000	325,647	572,219	378,691	193,528
2015	CIM 2015-3AG ⁽³⁾	698,812	520,935	177,877	506,215	346,957	159,258
2015	CIM 2015-2AG ⁽⁴⁾	330,293	276,998	53,295	230,575	183,392	47,183
2015	CIM 2015-1EC	268,731	214,985	53,746	211,572	154,879	56,693
2014	CSMC 2014-CIM1 ⁽⁵⁾	333,865	268,087	65,778	209,122	149,005	60,117
2013	SLFMT 2013-2A	1,137,308	1,134,464	2,844	761,711	477,544	284,167
2013	SLFMT 2013-3A	500,390	499,139	1,251	376,664	221,154	155,510
2012	CSMC 2012-CIM1	741,939	707,810	34,129	62,710	32,789	29,921
2012	CSMC 2012-CIM2	425,091	404,261	20,830	52,837	33,863	18,974
2012	CSMC 2012-CIM3	329,886	305,804	24,082	128,042	108,734	19,308
2008	PHMC 2008-CIM1	619,710	549,142	70,568	50,252	36,457	13,795
TOTAL		\$16,497,880	\$13,679,248	\$2,818,632	\$12,510,166	\$9,487,276	\$3,022,890

% of origination remaining

76%

(1) Contains collateral from Springleaf 2013-1A Trust.

(2) Contains collateral from Springleaf 2012-3A Trust.

(3) Contains collateral from Springleaf 2012-2A Trust.

(4) Contains collateral from Springleaf 2012-1A Trust.

(5) Contains collateral from Springleaf 2011-1A Trust.

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			June 30, 2017		
		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	228,036	—	228,036
2010	CSMC 2010-1R	1,730,581	691,630	1,038,951	553,705	4,535	549,170
2010	CSMC 2010-11R	566,571	338,809	227,762	233,491	22,437	211,054
2009	CSMC 2009-12R	1,730,698	915,566	815,132	513,073	95,092	417,981
2009	JPMRR 2009-7	1,522,474	856,935	665,539	476,156	129,522	346,634
2009	JMAC 2009-R2	281,863	192,500	89,363	83,913	27,533	56,380
TOTAL		6,199,458	2,995,440	3,204,018	2,088,374	279,119	1,809,255
		<i>% of origination remaining</i>			34%	9%	56%

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

AGENCY & REPO SUMMARY

Agency Securities – As of June 30, 2017

Security Type	Coupon ⁽¹⁾	Current Face	Weighted Average Market Price	Weighted Average CPR
Agency Pass-through	3.50%	\$968,548	102.9	10.4
	4.00%	1,153,118	105.4	14.7
	4.50%	254,403	107.6	20.8
Commercial	3.6%	1,366,273	101.4	—
Agency IO	0.8%	N/M ⁽²⁾	3.8	10.4
Total		\$3,742,342		

Repo Days to Maturity – As of June 30, 2017

Maturity	Principal Balance	Weighted Average Rate	Weighted Average Days
Within 30 days	\$2,341,691	1.13%	
30 to 59 days	543,553	1.23%	
60 to 89 days	264,071	1.24%	
90 to 360 days	—	—%	
Total	\$3,149,315	1.16%	23 Days

Agency Securities – As of March 31, 2017

Security Type	Coupon ⁽¹⁾	Current Face	Weighted Average Market Price	Weighted Average CPR
Agency Pass-through	3.50%	\$1,001,123	102.5	11.0
	4.00%	1,207,431	105.1	15.3
	4.50%	271,980	107.5	21.3
Commercial	3.6%	1,393,290	99.2	—
Agency IO	0.8%	N/M ⁽²⁾	4.0	7.3
Total		\$3,873,824		

Repo Days to Maturity – As of March 31, 2017

Maturity	Principal Balance	Weighted Average Rate	Weighted Average Days
Within 30 days	\$2,203,298	0.95%	
30 to 59 days	653,210	0.94%	
60 to 89 days	192,418	1.03%	
90 to 360 days	10,341	1.00%	
Total	\$3,059,267	0.95%	23 Days

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

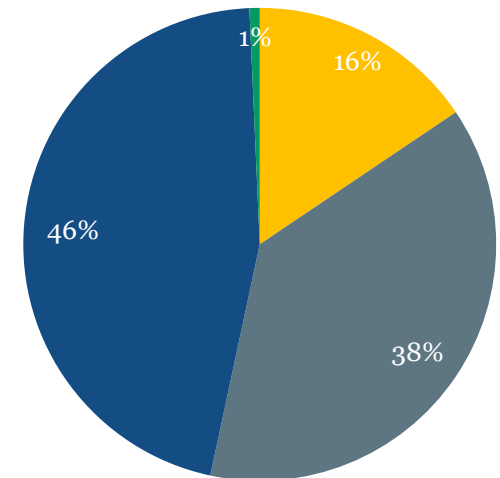
(2) Notional Agency IO was \$3.3 billion and \$3.2 billion as of June 30, 2017 and March 31, 2017 respectively.

INTEREST RATE SENSITIVITY

Chimera reduced its Agency portfolio and added hedges during the quarter

Description (\$ in thousands)		- 100 Basis Points	- 50 Basis Points	Unchanged	+50 Basis Points	+100 Basis Points
Agency Securities	Market Value	\$ 4,196,357	\$ 4,100,301	\$ 3,994,670	\$ 3,881,057	\$ 3,762,632
	Percentage Change	5.0 %	2.6 %	-	(2.8)%	(5.8)%
Swap	Market Value	(119,374)	(58,420)	-	56,624	112,516
	Percentage Change	(3.0)%	(1.5)%	-	1.4 %	2.8 %
Futures	Market Value	(35,418)	(17,469)	-	17,000	33,544
	Percentage Change	(0.9)%	(0.4)%	-	0.4 %	0.8 %
Net Gain/(Loss)		\$ 46,895	\$ 29,742	-	\$ (39,989)	\$ (85,978)
Percentage Change in Portfolio Value⁽¹⁾		1.2 %	0.7 %	-	(1.0)%	(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

	June 30, 2017	March 31, 2017
Interest Rate Swaps	2,952,400	1,535,900
Swaptions	482,000	482,000
Futures	619,700	619,700

(1) Based on instantaneous moves in interest rates.

