

CHIMERA INVESTMENT CORP

FORM 8-K (Current report filing)

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Industry Specialized REITs

Sector Financials

Fiscal Year 12/31

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 2, 2010

CHIMERA INVESTMENT CORPORATION

(Exact name of registrant as specified in its charter)

Maryland
(State or Other Jurisdiction of Incorporation)

1-33796 (Commission File Number) 26-0630461 (IRS Employer Identification No.)

1211 Avenue of the Americas
Suite 2902
New York, New York
(Address of principal executive offices)

10036 (Zip Code)

Registrant's telephone number, including area code: (646) 454-3759

No Change

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneou	isly 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))

Item 2.02. Results of Operations and Financial Condition

On August 2, 2010 the registrant issued a press release announcing its financial results for the quarter ended June 30, 2010. A copy of the press release is furnished as Exhibit 99.1 to this report.

Item 9.01 Financial Statements and Exhibits

- (c) Exhibits
- 99.1 Press Release, dated August 2, 2010, issued by Chimera Investment Corporation.

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/ A. Alexandra Denahan

Name: A. Alexandra Denahan Title: Chief Financial Officer

Date: August 2, 2010

Chimera Investment Corporation Reports Core EPS for the 2nd Quarter 2010 of \$0.19 Per Share

NEW YORK--(BUSINESS WIRE)--August 2, 2010--Chimera Investment Corporation (NYSE: CIM) today reported Core Earnings for the quarter ended June 30, 2010, of \$142.8 million or \$0.19 per average share as compared to Core Earnings for the quarter ended June 30, 2009, of \$48.9 million or \$0.10 per average share and Core Earnings for the quarter ended March 31, 2010, of \$127.9 million or \$0.19 per average share. "Core Earnings" is a non-GAAP measure that approximates distributable income, and is defined as GAAP net income (loss) excluding non-cash equity compensation expense, unrealized gains and losses, realized gains and losses on sales and other items that do not affect realized net income, regardless of whether such items are included in other comprehensive income or loss, or in net income. The Company reported GAAP net income of \$124.6 million or \$0.16 per average share for the quarter ended June 30, 2010, as compared to GAAP net income of \$51.6 million or \$0.10 per average share for the quarter ended June 30, 2009, and GAAP net income of \$125.6 million or \$0.19 per average share for the quarter ended March 31, 2010.

During the quarter ended June 30, 2010, the Company had no sales of residential mortgage-backed securities ("RMBS"). The Company sold RMBS with a carrying value of \$75.3 million for realized gains of \$9.3 million during the quarter ended June 30, 2009. During the quarter ended March 31, 2010, the Company sold RMBS with a carrying value of \$89.6 million for net realized gains of \$342 thousand.

During the quarter ended June 30, 2010, the Company financed on a permanent non-recourse basis \$627.9 million of AAA-rated fixed rate bonds for net proceeds of \$629.2 million in re-securitization transactions which were accounted for as financings. During the quarter ended June 30, 2009, the Company did not execute any re-securitization transactions. During the quarter ended March 31, 2010, the Company financed on a permanent non-recourse basis \$497.4 million of AAA-rated fixed rate bonds for net proceeds of \$498.7 million in resecuritization transactions which were accounted for as financings.

The Company declared common stock dividends of \$0.17, \$0.08, and \$0.17 per share for the quarters ended June 30, 2010, June 30, 2009, and March 31, 2010, respectively. The annualized dividend yield on the Company's common stock for the second quarter, based on the June 30, 2010, closing price of \$3.61 was 18.84%. On a Core Earnings basis, the Company provided an annualized return on average equity of 21.94%, 16.45%, and 23.15% for the quarters ended June 30, 2010, June 30, 2009, and March 31, 2010, respectively. On a GAAP basis, the Company provided an annualized return on average equity of 19.14%, 17.36% and 22.73%, for the quarters ended June 30, 2010, June 30, 2009, and March 31, 2010, respectively.

Matthew J. Lambiase, Chief Executive Officer and President of the Company, commented on the quarter. "The window of opportunity remains open for investing in attractively-priced residential mortgage-backed securities and enhancing returns through the re-securitization process. Our successful capital raise at the end of the quarter will be deployed into this market, and we believe that we are building a portfolio that can deliver long-term performance. We appreciate investors' confidence in our ability to take advantage of this and future opportunities as the economic, regulatory and market environment for housing and residential mortgages continues to evolve."

For the quarter ended June 30, 2010, the annualized yield on average earning assets was 8.49% and the annualized cost of funds on the average borrowed funds balance was 2.93% for an interest rate spread of 5.56%. This is a 113 basis point increase over the 4.43% annualized interest rate spread for the quarter ended June 30, 2009, and a 2 basis point increase over the 5.54% annualized interest rate spread for the quarter ended March 31, 2010. Leverage was 1.3:1, 1.0:1, and 1.6:1 at June 30, 2010, June 30, 2009, and March 31, 2010, respectively. Recourse leverage was 0.5:1, 0.8:1 and 0.7:1 at June 30, 2010, June 30, 2009, and March 31, 2010, respectively.

RMBS comprised approximately 93.9%, 90.0%, and 91.9% of the Company's investment portfolio at June 30, 2010, June 30, 2009, and March 31, 2010, respectively. The balance of the portfolio was comprised of loans collateralizing secured debt.

The following table summarizes portfolio information for the Company:

	<u>J</u>	une 30, 2010	J	une 30, 2009	M	arch 31, 2010	
Interest earning assets at period-end	\$	6,595,363	\$	4,166,731	\$	6,023,722	
Interest bearing liabilities at period-end	\$	3,801,485	\$	1,943,413	\$	3,687,339	
Leverage at period-end		1.3:1		1.0:1		1.6:1	
Leverage at period-end (recourse)		0.5:1		0.8:1		0.7:1	
Portfolio Composition, at principal value							
Non-Agency RMBS		80.5%		55.5%		76.5%	
Senior		5.2%		49.1%		15.7%	
Senior, interest only		25.9%		4.3%		15.6%	
Subordinated		30.2%		2.1%		25.8%	
Subordinated, interest only		2.2%		0.0%		2.8%	
Senior, non-retained		17.0%		0.0%		16.6%	
Agency RMBS		13.4%		34.5%		15.3%	
Securitized loans		6.1%		10.0%		8.1%	
Fixed-rate percentage of portfolio		72.4%		59.7%		66.2%	
Adjustable-rate percentage of portfolio		27.6%		40.3%		33.8%	
Annualized yield on average earning assets during the period		8.49%		6.83%		10.04%	
Annualized cost of funds on average borrowed funds during the period		2.93%		2.40%		4.50%	

The following table summarizes characteristics for each asset class:

		June 30, 2010										
	Av Am	Weighted Average Weighted Weighted Amortized Average Fair Average Weight Cost Basis Value Coupon										
Non-Agency Mortgage-Backed Securities												
Senior	\$	94.21	\$	96.27	5.30%	6.14%						
Senior, interest only	\$	7.51	\$	5.25	2.01%	17.46%						
Subordinated	\$	38.45	\$	37.78	4.65%	17.37%						
Subordinated, interest only	\$	0.93	\$	1.49	1.00%	49.93%						
Senior, non-retained	\$	96.59	\$	97.79	5.26%	6.22%						
Agency Mortgage-Backed Securities	\$	103.27	\$	106.95	5.44%	3.93%						
Securitized loans	\$	101.19	\$	101.19	5.91%	6.49%						

The Company's portfolio is comprised of RMBS and securitized whole residential mortgage loans. During the quarter ended June 30, 2010, the Company recorded a loan loss provision of \$1.0 million as compared to a provision of \$1.1 million for the quarter ended June 30, 2009 and \$606 thousand for the quarter ended March 31, 2010.

The Constant Prepayment Rate on the Company's portfolio was 16%, 19%, and 17% during the quarters ended June 30, 2010, June 30, 2009, and March 31, 2010, respectively. The net accretion of discounts was \$65.0 million, \$14.8 million and \$53.8 million for the quarters ended June 30, 2010, June 30, 2009, and March 31, 2010, respectively. The total net discount remaining was \$2.2 billion, \$913.5 million and \$2.0 billion at June 30, 2010, June 30, 2009, and March 31, 2010, respectively.

General and administrative expenses, including the management fee and loan loss provision, as a percentage of average interest earning assets were 0.54%, 0.83%, and 0.55% for the quarters ended June 30, 2010, June 30, 2009, and March 31, 2010, respectively. At June 30, 2010, June 30, 2009, and March 31, 2010, the Company had a common stock book value per share of \$3.30, \$2.90, and \$3.42, respectively.

On March 31, 2010 the Company announced the sale of 85,000,000 shares of common stock at \$3.61 per share for estimated proceeds, less the underwriters' discount and offering expenses, of \$306.7 million. In addition, on April 1, 2010, the underwriters exercised the option to purchase up to an additional 12,750,000 shares of common stock to cover over-allotments for proceeds, less the underwriters' discount, of approximately \$46.0 million. The sale was completed on April 7, 2010. In all, the Company raised net proceeds of approximately \$352.7 million in this offering.

On June 22, 2010 the Company announced the sale of 100,000,000 shares of common stock at \$3.61 per share for estimated proceeds, less the underwriters' discount and offering expenses, of \$360.8 million. In addition, on June 25, 2010, the underwriters exercised the option to purchase up to an additional 15,000,000 shares of common stock to cover over-allotments for proceeds, less the underwriters' discount, of approximately \$54.2 million. The sale was completed on June 28, 2010. In all, the Company raised net proceeds of approximately \$415.0 million in this offering.

The Company is a specialty finance company that invests in residential mortgage-backed securities, residential mortgage loans, real estate-related securities and various other asset classes. The Company's principal business objective is to generate net income for distribution to investors from the spread between the yields on its investments and the cost of borrowing to finance their acquisition and secondarily to provide capital appreciation. The Company, a Maryland corporation that has elected to be taxed as a real estate investment trust ("REIT"), is externally managed by Fixed Income Discount Advisory Company and currently has 883,161,353 shares of common stock outstanding.

The Company will hold the second quarter 2010 earnings conference call on Tuesday, August 3, 2010, at 10:00 a.m. EST. The number to call is 866-543-6411 for domestic calls and 617-213-8900 for international calls and the pass code is 30982244. The replay number is 888-286-8010 for domestic calls and 617-801-6888 for international calls and the pass code is 69000781. The replay is available for 48 hours after the earnings call. There will be a web cast of the call on www.chimerareit.com. If you would like to be added to the email distribution list, please visit www.chimerareit.com, click on EMail Alerts, complete the email notification form and click the Submit button.

This news release and our public documents to which we refer contain or incorporate by reference certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements which are based on various assumptions (some of which are beyond our control) may be identified by reference to a future period or periods or by the use of forward-looking terminology, such as "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may," "would," "will" or similar expressions, or variations on those terms or the negative of those terms. Actual results could differ materially from those set forth in forward-looking statements due to a variety of factors, including, but not limited to, our business and investment strategy; our projected financial and operating results; our ability to maintain existing financing arrangements, obtain future financing arrangements and the terms of such arrangements; general volatility of the securities markets in which we invest; the implementation, timing and impact of, and changes to, various government programs, including the Term Asset-Backed Securities Loan Facility and the Public-Private Investment Program; our expected investments; changes in the value of our investments; interest rate mismatches between our investments and our borrowings used to fund such purchases; changes in interest rates and mortgage prepayment rates; effects of interest rate caps on our adjustable-rate investments; rates of default or decreased recovery rates on our investments; prepayments of the mortgage and other loans underlying our mortgage-backed or other asset-backed securities; the degree to which our hedging strategies may or may not protect us from interest rate volatility; impact of and changes in governmental regulations, tax law and rates, accounting guidance, and similar matters; availability of investment opportunities in real estate-related and other securities; availability of qualified personnel; estimates relating to our ability to make distributions to our stockholders in the future; our understanding of our competition; market trends in our industry, interest rates, the debt securities markets or the general economy; our ability to maintain our exemption from registration under the Investment Company Act of 1940, as amended; and our ability to maintain our qualification as a REIT for federal income tax purposes. For a discussion of the risks and uncertainties which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in our Annual Report on Form 10-K, and any subsequent Quarterly Reports on Form 10-Q. We do not undertake, and specifically disclaim all obligations, to publicly release the result of any revisions which may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.

CHIMERA INVESTMENT CORPORATION CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

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

	June 30, 2010) M:	arch 31, 2010		cember 31, 2009 (1)	,	ptember 30, 2009	June 30	2009
Assets:	June 30, 2010	7 1710	aren 31, 2010		2007 (1)	BC ₁	ptemoer 30, 200)	suite 50,	200)
Cash and cash equivalents	\$ 236,214	\$	44,200	\$	24,279	\$	21,023	\$ 13	3,121
Non-Agency Mortgage-Backed Securities, at fair value									
Senior	817,736		1,429,530	2	2,022,406		1,618,116	1,720	,832
Subordinated	1,465,905		947,963		376,459		378,344	25	5,711
Senior, non-retained	2,133,486		1,646,087		-		-		-
Agency Mortgage-Backed Securities, at fair value	1,761,732		1,558,795		1,690,029		1,823,308	1,889	,550
Securitized loans held for investment, net of allowance for loan losses of \$5.6 million, \$4.6 million, \$4.6 million, \$3.0 million, and \$3.0 million, respectively	416,504		441,347		470,533		498,915	530),638
Receivable for investments sold	-		47,185		-		-		_
Accrued interest receivable	45,682		39,637		33,128		29,444	27	7,055
Other assets	923		1,451		1,494		330		798
Total assets	\$ 6,878,182	\$	6,156,195	\$ 4	4,618,328	\$	4,369,480	\$ 4,207	,705
Liabilities:									
Repurchase agreements	\$ 1,337,805	\$	1,538,820	Ф.	1,716,398	\$	1,444,243	\$ 1,377	1110
Repurchase agreements with affiliates	\$ 1,557,605	φ	1,558,820	φ.	259,004	φ	153,076		3,483
Securitized debt	342,819		364,665		390,350		414,339		2,782
Securitized debt, non-retained	2,120,861		1,636,437		570,550		-14,337	772	,702
Payable for investments purchased	2,120,001		41,822				73,460	270),735
Accrued interest payable	12,145		9,691		3,235		3,199		2,801
Dividends payable	130,420		113,793		113,788		80,311		7,705
Accounts payable and other liabilities	679		489		472		752	31	487
Investment management fees payable to affiliate	9,357		8,114		8,519		9,071	5	5,955
Interest rate swaps, at fair value	11,237		0,114		0,519		9,071	3	,,,,,,
Total liabilities	\$ 3,965,323	\$	3,861,248	\$ 1	2,491,766	\$	2,178,451	\$ 2,261	096
Total Mondos	Ψ 3,763,323	Ψ	3,001,210	Ψ.	2,191,700	Ψ_	2,170,131	Ψ 2,201	,070
Stockholders' Equity:									
Common stock: par value \$0.01 per share; 1,000,000,000 shares authorized, 883,151,028, 670,371,002, 670,371,587, 670,324,854, and 670,325,786 shares issued and outstanding,									
respectively	\$ 8,822	\$	6,694		6,693	\$	6,693		5,692
Additional paid-in-capital	3,056,566		2,290,636	2	2,290,614		2,290,328	2,290	*
Accumulated other comprehensive income (loss)	673		144,978		(99,754)		(53,322)),029)
Accumulated deficit	(153,202)		(147,361)		(70,991)		(52,670)	(130),362)
Total stockholders' equity	\$ 2,912,859	\$	2,294,947	\$ 2	2,126,562	\$	2,191,029	\$ 1,946	,609
Total liabilities and stockholders' equity	\$ 6,878,182	\$	6,156,195	\$ 4	4,618,328	\$	4,369,480	\$ 4,207	,705

⁽¹⁾ Derived from the audited consolidated financial statements at December 31, 2009.

${\bf CHIMERA~INVESTMENT~CORPORATION} \\ {\bf CONSOLIDATED~STATEMENTS~OF~OPERATIONS~AND~COMPREHENSIVE~INCOME~(LOSS)} \\$

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

	Ju	ne 30, 2010	Ma	rch 31, 2010	Dec	ember 31, 2009	Sep	tember 30, 2009	Jun	e 30, 2009
Net Interest Income:										
Interest income	\$	133,522	\$	128,984	\$	100,765	\$	104,690	\$	65,077
Interest expense		7,198		7,374		8,530		9,197		8,313
Interest income, non-retained		49,829		50,861		-		-		-
Interest expense, non-retained		21,421		33,830		-		-		-
Net interest income		154,732		138,641		92,235		95,493		56,764
Other-than-temporary impairments:										
Total other-than-temporary impairment losses		(24,746)		(22,687)		(1,480)		(6,209)		(8,575)
Non-credit portion of loss recognized in other comprehensive income (loss)		17,853		20,143		164		4,024		2,080
Net other-than-temporary credit impairment losses		(6,893)		(2,544)		(1,316)		(2,185)		(6,495)
Other gains (losses):										
Unrealized gains (losses) on interest rate swaps		(11,237)		-		-		-		-
Realized gain (loss) on sales of investments, net		-		342		16,191		74,508		9,321
Realized losses on principal write-downs of non-Agency RMBS		(326)		(949)		(195)		(61)		-
Total other gains (losses)		(11,563)		(607)		15,996		74,447		9,321
Net investment income (loss)		136,276		135,490		106,915		167,755		59,590
Other expenses:										
Management fee		9,263		8,114		8,516		8,649		5,955
Provision for loan losses		1,024		606		1,692		47		1,130
General and administrative expenses		1,409		1,160		1,238		1,057		861
Total other expenses		11,696		9,880		11,446		9,753		7,946
Income (loss) before income taxes		124,580		125,610		95,469		158,002		51,644
Income taxes		1		-		-		-		-
Net income (loss)	\$	124,579	\$	125,610	\$	95,469	\$	158,002	\$	51,644
Net income (loss) per share-basic and diluted	\$	0.16	\$	0.19	\$	0.14	\$	0.24	\$	0.10
Weighted average number of shares outstanding-basic and diluted	70	65,475,340	6	70.371.022		670.324.435	-	670.324.854	503	3,110,132
Comprehensive income (loss):		,,-		, . , .		, , , , , , , , , , , , , , , , , , , ,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		, -, -
Net income (loss)	\$	124,579	\$	125,610	\$	95,469	\$	158,002	\$	51,644
Other comprehensive income (loss):		,	•	- ,						- ,-
Unrealized gains (losses) on available-for-sale securities, net		(151,524)		241,581		(31,753)		238,969		39,501
Reclassification adjustment for net losses included in net income for other-than-		(- /- /		,		(- ,,				,
temporary credit impairment losses		6,893		2,544		1,316		2,185		6,495
Reclassification adjustment for realized losses (gains) included in net income		326		607		(15,996)		(74,447)		(9,321)
Other comprehensive income (loss):		(144,305)		244,732		(46,433)		166,707		36,675
Comprehensive income (loss)	\$	(19,726)	\$	370,342	\$	49,036	\$	324,709	\$	88,319

CHIMERA INVESTMENT CORPORATION CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

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

Interest income \$ 26,50% \$ 9,30,48 Interest income, non-retained 10,00% - Interest income, non-retained 55,255 - Non-rectification 293,37 75,720 Non-credit programments: - - Non-credit programment losses 37,90 2,008 Non-credit profino of loss recognized in other comprehensive income (loss) 37,90 2,008 Note of the Han-temporary impairment losses 37,90 2,008 Non-credit profino of loss recognized in other comprehensive income (loss) 37,90 2,008 Note of gains (losses) 11,237 2,008 Note along sin (losses) on interest rate swaps (11,237) 1 Realized closses on principal wite-downs of non-Agency RMBS 11,237 1 Realized pain (loss) on sales of investments, and 21,217 1 Realized pain (losses) 11,217 1 2,21 Realized pain (losses) on principal wite-downs of non-Agency RMBS 11,237 3 8,38 Potto from graphs 11,237 8,53 9 1,21 1 1			For the six r	months ended		
Interest income \$ 26,200 \$ 9,30,84 Interest expense \$ 15,75 \$ 17,55 Interest income, non-retained \$ 10,000 \$ 2 Interest income, non-retained \$ 25,251 \$ 2 Non-retained \$ 23,337 \$ 75,251 Total other, surprising impairment loses \$ 37,900 \$ 20,800 Non-redict portion of loss recognized in other comprehensive income (loss) \$ 37,900 \$ 20,800 Not controlling primer loses \$ 37,900 \$ 20,800 Not controlling primer loses \$ 37,900 \$ 20,800 Not controlling primer loses \$ 11,237 \$ 2,800 Not controlling primer loses \$ 11,237 \$ 2,800 Realized gains (loses) on interest rate swaps \$ 11,237 \$ 2,800 Realized gains (loses) on interest rate swaps \$ 12,237 \$ 2 Realized gains (loses) on interest rate swaps \$ 12,237 \$ 2 Realized gains (loses) on interest rate swaps \$ 12,237 \$ 2 Realized gains (loses) on sales of investments, etc. \$ 12,237 \$ 2 Realized gains (loses) on principal write-downs on lon-Agency RMBS		J	une 30, 2010	J	une 30, 2009	
Interest expense 14,572 17,358 Interest income, non-retained 100,690 - Interest sepense, non-retained 55,281 - Ket interest income 23,373 72,720 Other-than-temporary impairment Doses 4(4,433) 6(8,758) Non-credit profit on follor steepoinzed in other comprehensive income (loss) 30,403 6(2,008) Non-credit profit on follor steepoinzed in other comprehensive income (loss) 4(4,433) 6(3,508) Non-credit profit on follor steepoinzed in other comprehensive income (loss) 3(4,508) 6(3,608) Non-credit profit on follor steepoinzed in other comprehensive income (loss) 4(1,237) 6(2,608) Realized pain (loss) on interest rate swaps 4(1,237) 1,248 Realized pain (loss) on principal principolorses (PMBS) 4(1,237) 2,248 Realized pain (loss) on principal principolorses (PMBS) 4(1,237) 8,23 Realized pain (loss) on principal principolorses (PMBS) 13,24 1,24 Net along the form follorses (loss) 13,73 8,33 Provision folion loss 13,73 8,33 Guerral and principal steep (loss)<	Net Interest Income:					
Interest income, non-retained 100,609 - Interest expense, non-retained 55,251 - Not interest income 293,373 75,729 Other-tan-temporary impairment loses 47,433 (8,575) Non-cacifit portion of loss recognized in other comprehensive income (loss) 37,96 20,80 Not other than-temporary retail trapairment loses 9,437 26,80 Not other states waps 11,237 6,80 Not other states waps 11,275 2 Realized gains (loses) on interest rate waps 11,275 2 Realized gains (loses) on interest rate waps 11,275 2 Realized gains (loses) on interest rate waps 11,275 2 Realized gains (loses) on interest rate waps 11,275 2 Realized gains (loses) on interest rate waps 12,275 2 Realized gains (loses) on interest rate waps 12,275 2 Total other gains (loses) 12,275 8,218 Ret interest (loses) 21,716 8,218 Ret interest (loses) 21,716 8,218 Provisio	Interest income	\$	262,506	\$	93,084	
Interest expense, non-retained 55,251 Not inters income 25,257 <	Interest expense		14,572		17,355	
Net interest income 293,373 75,729 Other-than-temporary impairment losses (47,433) 8,585 Non-credit portion of loss recognized in other comprehensive income (loss) 37,996 2,088 Not credit portion of loss recognized in other comprehensive income (loss) 37,996 2,088 Not credit portion of loss recognized in other comprehensive income (loss) 37,996 2,088 Not credit portion of loss recognized in other comprehensive income (loss) 37,996 2,088 Not credit portion of loss recognized in other comprehensive income (loss) (11,237) 6,088 Other gains (losses) (11,237) 7 6 Realized poin (loss on sales of investments, net (11,237) 1 1 2 1 2 1 2 1 2 1 2 1 2	Interest income, non-retained		100,690		-	
Other-than-temporary impairment losses (47,433 8.75 Non-credit portino fol sos recognized in other comprehensive income (loss) (47,433 (8,75) Non-credit protino fol sos recognized in other comprehensive income (loss) (9,437) (6,95) Che to ther-than-temporary credit impairment losses (12,237) (6,95) Che gains (Iosse) (12,237) 2 Lenalized gain (loss) on sales of investments, net (12,237) 2 Realized gains (losse) on principal write-downs of non-Agency RMBS (12,137) 2 Realized gains (losse) on principal write-downs of non-Agency RMBS (12,137) 2 Realized gains (losses) on principal write-downs of non-Agency RMBS (12,137) 2 Realized gains (losses) on principal write-downs of non-Agency RMBS (12,138) 2 Net income (loss) (12,137) 8,238 2 Post (Interpretation of Closs) (12,137) 8,238 2 Post (Interpretation of loss) 2,150 1,168 1,168 1,168 1,168 1,168 1,168 1,168 1,168 1,168 1,168 1,168 1,168	Interest expense, non-retained		55,251		_	
Total other-than-temporary impairment losses (47,433) (8,575) Non-cell tip rotino if loss recognized in other comprehensive income (loss) 37,96 20,80 Note-cother portino floss recognized in other comprehensive income (loss) (47,433) (48,755) Other gains (losses) (12,757) (12,757) (12,757) Uncapital gains (losses) on interest rate swaps (12,757) (12,758)	Net interest income		293,373		75,729	
Non-credit protino of loss recognized in other comprehensive income (loss) 37,96 2,080 Net other-than-temporary credit impairment losses (9,437) (6,458) Net pairs (losses) 11,237 - Unrealized gains (losses) on interest rate swaps (11,237) - Realized Joses on principal write-downs of non-Agency RMBS (12,75) 12,948 Realized Joses on principal write-downs of non-Agency RMBS (12,75) 12,948 Net investmen fixence (loss) (21,17) 12,948 Net investmen income (loss) 27,176 8,218 Provision for loan losses 1,537 8,538 Provision for loan losses 1,539 1,668 General and administrative expenses 2,59 1,766 Total other expenses 2,59 1,766 Total other expenses 2,59 1,761 Income (loss) before income taxs 2,50 1,761 Income (loss) per share-basic add diluted 8,25,189 8,25,189 Net income (loss) per share-basic add diluted 8,25,189 3,02,248 Weighted average number of shares outstanding-basic and diluted	Other-than-temporary impairments:					
Net other-than-temporary credit impairment losses (9,437) (6,495) Other gains (losses): Compairs (losses) (1,237)	Total other-than-temporary impairment losses		(47,433)		(8,575)	
Other gains (losses): (11,237) - Unrealized gains (losses) on interest rate swaps (11,237) 1-2,488 Realized gain (losse) on sales of investments, net 342 12,948 Realized losses on principal write-downs of non-Agency RMBS (12,77) - Total other gains (losses) (12,17) 12,948 Net investment income (loss) 21,766 82,182 Other expenses 11,637 8,539 Provision for loan losses 1,630 1,363 General and administrative expenses 1,630 1,636 Total other expenses 21,576 1,168 Total other expenses 21,576 1,168 Income (loss) before income taxes 21,576 1,168 Income (loss) before income taxes 21,576 1,168 Income (loss) per share-basic and diluted \$ 250,189 70,514 We income (loss) per share-basic and diluted \$ 3,03 9,21 We income (loss) per share-basic and diluted \$ 250,189 3,053 We income (loss) \$ 250,189 \$ 70,513 We income (loss)	Non-credit portion of loss recognized in other comprehensive income (loss)		37,996		2,080	
Unrealized gains (losses) on interest rate swaps (11,237) - Realized gain (loss) on sales of investments, net 342 12,948 Realized pain (loss) on sales of investments, net (12,175) - Total other gains (losses) (12,170) 12,948 Net investment income (loss) 271,760 82,182 Other expenses: 17,377 8,539 Provision for loan losses 1,630 1,630 General and administrative expenses 21,570 1,766 Total other expenses: 21,570 1,761 Total other expenses 21,570 1,761 Income floss) before income taxes 21,501 7,014 Income (loss) before income taxes 21,501 7,014 Income (loss) per share-basic and diluted 3,035 3,015 Verification (loss) per share-basic and diluted 7,818,500 34,03,838 Verighted average number of shares outstanding-basic and diluted 7,818,500 34,103,838 Comprehensive income (loss) 2,018 3,013,838 We lighted average number of shares outstanding-basic and diluted 3,02,48	Net other-than-temporary credit impairment losses		(9,437)		(6,495)	
Realized gain (loss) on sales of investments, net 342 12,948 Realized losses on principal write-downs of non-Agency RMBS (1,275) - Total other gains (losses) 271,766 82,182 Net investment income (loss) 271,766 82,182 Other expenses 1 78 8.59 Provision for load administrative expenses 1,630 1,636 1,636 General and administrative expenses 21,576 11,668 1,668	Other gains (losses):					
Realized Joses on principal write-downs of non-Agency RMBS (1,275) - Total other gains (losses) (12,170) 12,948 Net investment income (loss) 271,765 82,182 Other expenses 17,377 8,539 Browision for loan losses 1,630 1,363 General and administrative expenses 2,569 1,766 Total other expenses 21,576 11,668 Income (loss) before income taxes 25,199 70,514 Income (loss) before income taxes 1 1 1 Net income (loss) \$ 250,189 \$ 70,513 Weighted average number of shares outstanding-basic and diluted \$ 3,03 \$ 2,012 Weighted average number of shares outstanding-basic and diluted \$ 250,189 \$ 70,513 Comprehensive income (loss) \$ 250,189 \$ 70,513 User comprehensive income (loss) \$ 250,189 \$ 70,513 User gains (losses) on available-for-sale securities, net \$ 9,057 \$ 3,092 Unrealized gains (losses) on available-for-sale securities, net \$ 9,437 6,495 Reclassification adjustment for realized lo	Unrealized gains (losses) on interest rate swaps		(11,237)		-	
Total other gains (losses) (12,176) 12,948 Net investment income (loss) 271,766 82,182 Other expenses: 3 8,539 Browision for loan losses 1,630 1,363 General and administrative expenses 2,569 1,766 Total other expenses 21,576 11,668 Income (loss) before income taxes 250,190 70,514 Income (loss) before income taxes 1 1 1 Net income (loss) 250,189 70,513 Weighted average number of shares outstanding-basic and diluted \$ 0,33 0,21 Weighted average number of shares outstanding-basic and diluted \$ 250,189 \$ 70,513 Other comprehensive income (loss): \$ 250,189 \$ 70,513 Unrealized gains (losses) on available-for-sale securities, net \$ 250,189 \$ 70,513 Other comprehensive income (loss): \$ 250,189 \$ 70,513 Unrealized gains (losses) on available-for-sale securities, net \$ 90,057 \$ 3,092 Reclassification adjustment for realized losses (gains) included in net income for other-than-temporary credit impairment losses 9,037 \$	Realized gain (loss) on sales of investments, net		342		12,948	
Net investment income (loss) 271,766 82,182 Other expenses: 30,339 8,539 Management fee 17,377 8,539 Provision for loan losses 1,630 1,363 General and administrative expenses 2,569 1,766 Total other expenses 21,576 11,668 Income (loss) before income taxes 250,190 70,514 Income taxes 1 1 Net income (loss) \$ 250,189 \$ 70,513 Veighted average number of shares outstanding-basic and diluted \$ 0,35 \$ 0,21 Weighted average number of shares outstanding-basic and diluted \$ 1,05 \$ 341,053,858 Comprehensive income (loss) \$ 250,189 \$ 70,513 Other comprehensive income (loss) \$ 250,189 \$ 70,513 Unrealized gains (losses) on available-for-sale securities, net 90,057 53,092 Reclassification adjustment for net losses included in net income for other-than-temporary credit impairment losses 9,437 6,495 Reclassification adjustment for realized losses (gains) included in net income 933 1(2,948) Other comprehensi	Realized losses on principal write-downs of non-Agency RMBS		(1,275)		-	
Other expenses: Insurance of the comprehensive income (loss) Insura	Total other gains (losses)		(12,170)		12,948	
Management fee 17,377 8,539 Provision for loan losses 1,630 1,363 General and administrative expenses 2,569 1,766 Total other expenses 21,576 11,668 Income (loss) before income taxes 250,190 70,514 Income (loss) 1 1 Net income (loss) \$ 250,189 70,513 Weighted average number of shares outstanding-basic and diluted \$ 250,189 341,053,858 Comprehensive income (loss) \$ 250,189 \$ 70,513 Unrealized gains (losses) on available-for-sale securities, net 90,057 53,092 Reclassification adjustment for net losses included in net income for other-than-temporary credit impairment losses 9,437 6,495 Reclassification adjustment for realized losses (gains) included in net income 933 (12,948) Other comprehensive income (loss): 100,427 46,639	Net investment income (loss)		271,766		82,182	
Provision for loan losses 1,630 1,363 General and administrative expenses 2,569 1,766 Total other expenses 21,576 11,668 Income (loss) before income taxes 250,190 70,514 Income taxes 1 1 1 Net income (loss) 250,189 70,513 Weighted average number of shares outstanding-basic and diluted \$ 0.35 0.21 Weighted average number of shares outstanding-basic and diluted 718,185,900 341,053,858 Comprehensive income (loss) \$ 250,189 70,513 Other comprehensive income (loss): \$ 250,189 70,513 Unrealized gains (losses) on available-for-sale securities, net 90,057 53,092 Reclassification adjustment for net losses included in net income for other-than-temporary credit impairment losses 9,437 6,495 Reclassification adjustment for realized losses (gains) included in net income 933 (12,948) Other comprehensive income (loss): 100,427 46,639	Other expenses:					
General and administrative expenses 2,569 1,766 Total other expenses 21,576 11,668 Income (loss) before income taxes 250,190 70,514 Income (loss) 1 1 Net income (loss) \$ 250,189 70,513 We income (loss) per share-basic and diluted \$ 0.35 0.21 We income (loss) per share-basic and diluted 718,185,900 341,053,858 Comprehensive income (loss) \$ 250,189 70,513 Net income (loss) \$ 250,189 70,513 We income (loss) \$ 250,189 70,513 Comprehensive income (loss): \$ 250,189 70,513 Unrealized gains (losses) on available-for-sale securities, net 90,057 53,092 Reclassification adjustment for net losses included in net income for other-than-temporary credit impairment losses 9,437 6,495 Reclassification adjustment for realized losses (gains) included in net income 933 (12,948) Other comprehensive income (loss): 100,427 46,639	Management fee		17,377		8,539	
Total other expenses 21,576 11,668 Income (loss) before income taxes 250,190 70,514 Income taxes 1 1 Net income (loss) 250,189 70,513 Net income (loss) per share-basic and diluted \$ 0.35 \$ 0.21 Weighted average number of shares outstanding-basic and diluted 718,185,900 341,053,858 Comprehensive income (loss) \$ 250,189 \$ 70,513 Other comprehensive income (loss) \$ 250,189 \$ 70,513 Other comprehensive income (loss) \$ 9,057 53,092 Reclassification adjustment for net losses included in net income for other-than-temporary credit impairment losses 9,437 6,495 Reclassification adjustment for realized losses (gains) included in net income 933 (12,948) Other comprehensive income (loss): 100,427 46,639	Provision for loan losses		1,630		1,363	
Income (loss) before income taxes 250,190 70,514 Income taxes 1 1 Net income (loss) \$ 250,189 \$ 70,513 Net income (loss) per share-basic and diluted \$ 0.35 \$ 0.21 Weighted average number of shares outstanding-basic and diluted 718,185,900 341,053,858 Comprehensive income (loss) \$ 250,189 \$ 70,513 Other comprehensive income (loss) \$ 250,189 \$ 70,513 Other comprehensive income (loss): \$ 90,057 53,092 Reclassification adjustment for net losses included in net income for other-than-temporary credit impairment losses 9,437 6,495 Reclassification adjustment for realized losses (gains) included in net income 933 (12,948) Other comprehensive income (loss): 100,427 46,639	General and administrative expenses		2,569		1,766	
Income taxes 1 1 Net income (loss) \$ 250,189 70,513 Net income (loss) per share-basic and diluted \$ 0.35 0.21 Weighted average number of shares outstanding-basic and diluted 718,185,900 341,053,858 Comprehensive income (loss): \$ 250,189 70,513 Other comprehensive income (loss): \$ 250,189 70,513 Unrealized gains (losses) on available-for-sale securities, net 90,057 53,092 Reclassification adjustment for net losses included in net income for other-than-temporary credit impairment losses 9,437 6,495 Reclassification adjustment for realized losses (gains) included in net income 933 (12,948) Other comprehensive income (loss): 100,427 46,639	Total other expenses		21,576		11,668	
Net income (loss)\$ 250,189\$ 70,513Net income (loss) per share-basic and diluted\$ 0.35\$ 0.21Weighted average number of shares outstanding-basic and diluted718,185,900341,053,858Comprehensive income (loss):\$ 250,189\$ 70,513Other comprehensive income (loss):\$ 250,189\$ 70,513Unrealized gains (losses) on available-for-sale securities, net90,05753,092Reclassification adjustment for net losses included in net income for other-than-temporary credit impairment losses9,4376,495Reclassification adjustment for realized losses (gains) included in net income933(12,948)Other comprehensive income (loss):100,42746,639	Income (loss) before income taxes		250,190		70,514	
Net income (loss) per share-basic and diluted \$0.35 \$0.21 Weighted average number of shares outstanding-basic and diluted 718,185,900 341,053,858 Comprehensive income (loss): Net income (loss) \$250,189 \$70,513 Other comprehensive income (loss): Unrealized gains (losses) on available-for-sale securities, net 90,057 53,092 Reclassification adjustment for net losses included in net income for other-than-temporary credit impairment losses 9,437 6,495 Reclassification adjustment for realized losses (gains) included in net income 0 933 (12,948) Other comprehensive income (loss):	Income taxes		1		1	
Weighted average number of shares outstanding-basic and diluted718,185,900341,053,858Comprehensive income (loss):\$ 250,189\$ 70,513Other comprehensive income (loss):\$ 250,189\$ 70,513Unrealized gains (losses) on available-for-sale securities, net90,05753,092Reclassification adjustment for net losses included in net income for other-than-temporary credit impairment losses9,4376,495Reclassification adjustment for realized losses (gains) included in net income933(12,948)Other comprehensive income (loss):100,42746,639	Net income (loss)	\$	250,189	\$	70,513	
Weighted average number of shares outstanding-basic and diluted718,185,900341,053,858Comprehensive income (loss):250,18970,513Net income (loss)250,18970,513Other comprehensive income (loss):90,05753,092Unrealized gains (losses) on available-for-sale securities, net90,05753,092Reclassification adjustment for net losses included in net income for other-than-temporary credit impairment losses9,4376,495Reclassification adjustment for realized losses (gains) included in net income933(12,948)Other comprehensive income (loss):100,42746,639	Net income (loss) per share-basic and diluted	\$	0.35	\$	0.21	
Comprehensive income (loss): Net income (loss) Other comprehensive income (loss): Unrealized gains (losses) on available-for-sale securities, net Reclassification adjustment for net losses included in net income for other-than-temporary credit impairment losses Reclassification adjustment for realized losses (gains) included in net income Other comprehensive income (loss): 100,427 46,639			718,185,900		341,053,858	
Net income (loss)\$ 250,189\$ 70,513Other comprehensive income (loss):53,092Unrealized gains (losses) on available-for-sale securities, net90,05753,092Reclassification adjustment for net losses included in net income for other-than-temporary credit impairment losses9,4376,495Reclassification adjustment for realized losses (gains) included in net income933(12,948)Other comprehensive income (loss):100,42746,639						
Unrealized gains (losses) on available-for-sale securities, net90,05753,092Reclassification adjustment for net losses included in net income for other-than-temporary credit impairment losses9,4376,495Reclassification adjustment for realized losses (gains) included in net income933(12,948)Other comprehensive income (loss):100,42746,639	Net income (loss)	\$	250,189	\$	70,513	
Unrealized gains (losses) on available-for-sale securities, net90,05753,092Reclassification adjustment for net losses included in net income for other-than-temporary credit impairment losses9,4376,495Reclassification adjustment for realized losses (gains) included in net income933(12,948)Other comprehensive income (loss):100,42746,639	Other comprehensive income (loss):					
Reclassification adjustment for realized losses (gains) included in net income933(12,948)Other comprehensive income (loss):100,42746,639	Unrealized gains (losses) on available-for-sale securities, net		90,057		53,092	
Other comprehensive income (loss): 100,427 46,639	Reclassification adjustment for net losses included in net income for other-than-temporary credit impairment losses		9,437		6,495	
	Reclassification adjustment for realized losses (gains) included in net income		933		(12,948)	
Comprehensive income (loss) \$ 350.616 \$ 117.152	Other comprehensive income (loss):		100,427		46,639	
	Comprehensive income (loss)	\$	350,616	\$	117,152	

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