

CHIMERA INVESTMENT CORP

FORM 8-K (Current report filing)

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Industry	Specialized REITs
Sector	Financials
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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):
March 2, 2015

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
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 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))
-

Item 2.02. Results of Operations and Financial Condition

On March 2, 2015, the registrant issued a press release announcing its financial results for the quarter ended December 31, 2014. A copy of the press release is furnished as Exhibit 99.1 to this report.

On March 2, 2015, the registrant posted supplemental financial information on the Investor Relations section of its website (www.chimerareit.com). A copy of the supplemental financial 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 March 2, 2015, issued by Chimera Investment Corporation

99.2 Supplemental Financial Information for the quarter ended December 31, 2014.

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/ Rob Colligan

Name: Rob Colligan

Title: Chief Financial Officer

Date: March 2, 2015

Chimera Investment Corporation Reports Net Income for 2014 of \$589 Million or \$0.57 Per Share, Core Earnings of \$402 Million or \$0.39 Per Share And GAAP Book Value of \$3.51 Per Share.

NEW YORK--(BUSINESS WIRE)--March 2, 2015--Chimera Investment Corporation (NYSE:CIM) today announced its financial results for the yearend and fourth quarter 2014 as follows:

2014 Annual Financial Highlights

- Average earning assets grew to \$10.0 billion from \$5.8 billion in 2013 based on amortized cost
- Net Income of \$589 million as compared to \$363 million in 2013
- GAAP book value of \$3.51 per share, an increase of 8% from 2013
- Economic book value of \$3.18 per share, an increase of 13% from 2013
- Annual return on average equity was 17%, up from 11% in 2013
- Core earnings of \$0.39 per share, up from \$0.34 per share for 2013 ⁽¹⁾

4th Quarter 2014 Financial Highlights

- GAAP book value of \$3.51 per share, from \$3.50 per share for the 3rd quarter of 2014
- Economic book value of \$3.18 per share, up from \$3.15 per share for the 3rd quarter of 2014
- Core earnings of \$0.12 per share, up from \$0.11 per share in the 3rd quarter of 2014 ⁽¹⁾
- Net interest income of \$177 million, up from \$151 million in the 3rd quarter of 2014

The Company reported GAAP net income for the quarter ended December 31, 2014 of \$6 million or \$0.01 per average share as compared to net income for the quarter ended December 31, 2013 of \$72 million or \$0.07 per average share.

The Company declared a common stock dividend of \$0.09 per share for the quarter ended December 31, 2014. The annualized dividend yield on the Company's common stock for the quarter ended December 31, 2014 was 11%.

Leverage was 3.8:1 and recourse leverage was 2.6:1 at December 31, 2014.

(1) Core earnings is a non-GAAP measure and is defined as GAAP net income excluding unrealized gains on the aggregate portfolio, impairment losses, realized gains on sales of investments, gain on deconsolidation, extinguishment of debt and certain other non-recurring gains or losses. Core earnings includes interest income and expense as well as realized gains or losses on derivatives used to hedge interest rate risk. Core earnings is provided for purposes of comparability to other peer issuers, but has important limitations. Therefore, core earnings 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.

Other Information

Chimera Investment Corporation invests in residential mortgage loans, residential mortgage-backed securities, real estate-related securities and various other asset classes. The Company's principal business objective is to generate income from the spread between yields on its investments and its cost of borrowing and hedging activities. The Company is a Maryland corporation that has elected to be taxed as a real estate investment trust ("REIT").

Conference Call

The Company will hold the 2014 earnings conference call on Tuesday, March 3, 2015, at 10:00 a.m. EST. The number to call is 888-317-6003 for domestic calls and 412-317-6061 for international calls and the pass code is 2020295. The replay number is 877-344-7529 for domestic calls and 412-317-0088 for international calls and the pass code is 10060578. The replay is available for one week 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. For further information, please contact Investor Relations at 1-866-315-9930 or visit www.chimerareit.com.

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, 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 OPERATIONS AND COMPREHENSIVE INCOME
(dollars in thousands, except share and per share data)

	December 31, 2014		For the Year Ended December 31, 2013		December 31, 2012	
Net Interest Income:						
Interest income ⁽¹⁾	\$	687,795	\$	511,783	\$	589,440
Interest expense ⁽²⁾		147,785		101,999		126,558
Net interest income		540,010		409,784		462,882
Other-than-temporary impairments:						
Total other-than-temporary impairment losses		(8,713)		(4,356)		(47,632)
Portion of loss recognized in other comprehensive income		(55,279)		(40,811)		(84,618)
Net other-than-temporary credit impairment losses		(63,992)		(45,167)		(132,250)
Other investment gains (losses):						
Net unrealized gains (losses) on derivatives		(103,496)		34,369		(9,473)
Net realized gains (losses) on derivatives		(82,852)		(7,713)		(20,223)
Net gains (losses) on derivatives		(186,348)		26,656		(29,696)
Net unrealized gains (losses) on financial instruments at fair value		193,534		(44,277)		833
Net realized gains (losses) on sales of investments		91,709		68,107		85,166
Gain of deconsolidation		47,846		-		-
Loss on Extinguishment of Debt		(2,184)		-		-
Realized losses on principal write-downs of Non-Agency RMBS		-		(18,316)		-
Total other gains (losses)		144,557		32,170		56,303
Other expenses:						
Management fees		32,514		25,952		49,525
Expense recoveries from Manager		(8,936)		(6,788)		(4,712)
Net management fees		23,578		19,164		44,813
Provision for loan losses, net		(232)		(1,799)		368
General and administrative expenses		31,805		16,734		13,986
Other (income) expense		(23,783)		-		-
Total other expenses		31,368		34,099		59,167
Income before income taxes		589,207		362,688		327,768
Income taxes		2		2		1
Net income	\$	589,205	\$	362,686	\$	327,767
Net income per share available to common shareholders:						
Basic	\$	0.57	\$	0.35	\$	0.32
Diluted	\$	0.57	\$	0.35	\$	0.32
Weighted average number of common shares outstanding:						
Basic		1,027,250,475		1,027,094,379		1,026,831,033
Diluted		1,027,543,847		1,027,570,343		1,027,499,255
Dividends declared per share of common stock	\$	0.36	\$	0.56	\$	0.38
Comprehensive income:						
Net income	\$	589,205	\$	362,686	\$	327,767
Other comprehensive income:						
Unrealized gains (losses) on available-for-sale securities, net		134,113		23,807		509,399
Reclassification adjustment for net losses included in net income for other-than-temporary credit impairment losses		63,992		45,167		132,250
Reclassification adjustment for net realized losses (gains) included in net income		(94,382)		(68,107)		(85,166)
Reclassification adjustment for gain on deconsolidation included in net income		(47,846)		-		-
Other comprehensive income		55,877		867		556,483
Comprehensive income	\$	645,082	\$	363,553	\$	884,250

(1) Includes interest income of consolidated VIEs of \$428,992, \$371,559 and \$417,351 for the years ended December 31, 2014, 2013 and 2012 respectively. See Note 8 for further discussion.

(2) Includes interest expense of consolidated VIEs of \$119,103, \$95,229 and \$115,880 for the years ended December 31, 2014, 2013 and 2012 respectively. See Note 8 for further discussion.

The following table provides a summary of quarterly results for 2013 and 2014.

	December 31, 2014	For the Quarter Ended		
		September 30, 2014	June 30, 2014	March 31, 2014
(dollars in thousands, except per share data)				
Net Interest Income:				
Interest income	\$ 242,455	\$ 190,355	\$ 134,318	\$ 120,667
Interest expense	65,794	38,886	20,680	22,425
Net interest income	176,661	151,469	113,638	98,242
Other-than-temporary impairments:				
Total other-than-temporary impairment losses	(3,774)	(726)	(3,813)	(400)
Portion of loss recognized in other comprehensive income	(51,347)	(1,264)	(1,534)	(1,134)
Net other-than-temporary credit impairment losses	(55,121)	(1,990)	(5,347)	(1,534)
Net gains (losses) on derivatives	(125,936)	(10,177)	(42,289)	(7,946)
Net unrealized gains (losses) on financial instruments at fair value	9,812	162,921	5,791	15,010
Gain of deconsolidation	-	-	47,846	-
Loss on Extinguishment of Debt	-	-	-	(2,184)
Net realized gains (losses) on sales of investments	23,564	64,107	(4,339)	8,377
Total other expenses	22,494	(11,250)	10,531	9,595
Net income	\$ 6,486	\$ 377,580	\$ 104,769	\$ 100,368
Net income per share-basic and diluted	\$ 0.01	\$ 0.37	\$ 0.10	\$ 0.10

	December 31, 2013	For the Quarter Ended		
		September 30, 2013	June 30, 2013	March 31, 2013
(dollars in thousands, except per share data)				
Net Interest Income:				
Interest income	\$ 128,062	\$ 130,361	\$ 127,565	\$ 125,795
Interest expense	21,485	25,074	26,611	28,829
Net interest income	106,577	105,287	100,954	96,966
Other-than-temporary impairments:				
Total other-than-temporary impairment losses	(2,147)	(2,209)	-	-
Portion of loss recognized in other comprehensive income	(20,402)	(14,246)	-	(6,163)
Net other-than-temporary credit impairment losses	(22,549)	(16,455)	-	(6,163)
Net gains (losses) on derivatives	22,361	(3,364)	7,787	(128)
Net unrealized gains (losses) on financial instruments at fair value	(2,416)	(27,874)	(12,974)	(1,013)
Net realized gains (losses) on sales of investments	(4,832)	18,816	54,117	6
Realized losses on principal write-downs of Non-Agency RMBS	(18,316)	-	-	-
Total other expenses	8,514	9,043	6,677	9,867
Net income	\$ 72,311	\$ 67,367	\$ 143,207	\$ 79,801
Net income per share-basic and diluted	\$ 0.07	\$ 0.07	\$ 0.14	\$ 0.08

The following tables provide a reconciliation of core earnings for the years ended 2014, 2013 and 2012.

	December 31, 2014	For the Year Ended	
		December 31, 2013	December 31, 2012
(dollars in thousands, except per share data)			
GAAP Net income	\$ 589,205	\$ 362,686	\$ 327,767
Adjustments:			
Net other-than-temporary credit impairment losses	63,992	45,167	132,250
Net unrealized (gains) losses on derivatives	103,496	(34,369)	9,473
Net unrealized gains (losses) on financial instruments at fair value	(193,534)	44,277	(833)
Net realized gains (losses) on sales of investments	(91,709)	(68,107)	(85,166)
Total other (gains) losses	(69,445)	-	-
Core Earnings	\$ 402,005	\$ 349,654	\$ 383,491
GAAP net income per basic common share	\$ 0.57	\$ 0.35	\$ 0.32
Core earnings per basic common share	\$ 0.39	\$ 0.34	\$ 0.37

The following tables provide a summary of the Company's RMBS portfolio at December 31, 2014 and 2013.

December 31, 2014							
	Principal or Notional Value at Period-End (dollars in thousands)	Weighted Average Amortized Cost Basis	Weighted Average Fair Value	Weighted Average Coupon	Weighted Average Yield at Period-End (1)		
Non-Agency Mortgage-Backed Securities							
Senior	\$ 344,951	\$	\$ 55.09	\$ 79.63	4.3%		15.9%
Senior, interest only	\$ 5,178,737	\$	\$ 4.35	\$ 3.97	1.6%		14.4%
Subordinated	\$ 690,599	\$	\$ 50.18	\$ 65.79	3.1%		10.6%
Subordinated, interest only	\$ 216,403	\$	\$ 4.43	\$ 3.14	0.9%		9.2%
RMBS transferred to consolidated VIEs	\$ 3,133,611	\$	\$ 53.51	\$ 80.03	4.5%		17.4%
Agency Mortgage-Backed Securities							
Pass-through	\$ 7,774,266	\$	\$ 104.96	\$ 106.19	4.0%		3.2%
Interest-only	\$ 3,884,523	\$	\$ 4.89	\$ 4.79	0.9%		3.1%
Securitized loans	\$ 5,241,100	\$	\$ 99.13	\$ 101.74	6.6%		6.3%

(1) Bond Equivalent Yield at period end. Weighted Average Yield is calculated using each investment's respective amortized cost.

December 31, 2013							
	Principal or Notional Value at Period-End (dollars in thousands)	Weighted Average Amortized Cost Basis	Weighted Average Fair Value	Weighted Average Coupon	Weighted Average Yield at Period-End (1)		
Non-Agency Mortgage-Backed Securities							
Senior	\$ 128,217	\$	\$ 69.27	\$ 69.95	1.4%		5.9%
Senior, interest only	\$ 5,742,781	\$	\$ 4.93	\$ 3.99	1.4%		17.2%
Subordinated	\$ 830,632	\$	\$ 40.96	\$ 55.09	2.9%		13.5%
Subordinated, interest only	\$ 274,462	\$	\$ 5.34	\$ 6.04	1.7%		9.0%
RMBS transferred to consolidated VIEs	\$ 3,912,376	\$	\$ 54.17	\$ 77.82	4.7%		15.8%
Agency Mortgage-Backed Securities							
Pass-through	\$ 1,898,131	\$	\$ 104.52	\$ 105.24	3.6%		3.3%
Interest-only	\$ 247,344	\$	\$ 17.69	\$ 16.76	3.2%		5.3%
Securitized loans	\$ 776,074	\$	\$ 102.12	\$ 98.26	4.7%		3.5%

(1) Bond Equivalent Yield at period end. Weighted Average Yield is calculated using each investment's respective amortized cost.

The following table summarizes certain characteristics of our non-agency portfolio at December 31, 2014 and December 31, 2013.

	December 31, 2014		December 31, 2013	
Weighted average maturity (years)		22.5		24.1
Weighted average amortized loan to value (1)		67.5%		69.4%
Weighted average FICO (2)		679		710
Weighted average loan balance (in thousands)		\$ 332		\$ 385
Weighted average percentage owner occupied		83.0%		84.0%
Weighted average percentage single family residence		65.5%		65.4%
Weighted average current credit enhancement		1.7%		1.6%
Weighted average geographic concentration of top five states	CA	31.7%	CA	33.4%
	FL	8.4%	FL	9.1%
	NY	7.8%	NY	7.1%
	NJ	2.9%	NJ	3.0%
	MD	2.7%	MD	2.7%

(1) Value represents appraised value of the collateral at the time of loan origination.

(2) FICO as determined at the time of loan origination.

At December 31, 2014 and 2013, the repurchase agreements collateralized by RMBS had the following remaining maturities.

	December 31, 2014		December 31, 2013	
	(dollars in thousands)			
Overnight	\$	-	\$	-
1-29 days		2,652,717		644,332
30 to 59 days		1,371,856		606,945
60 to 89 days		656,915		-
90 to 119 days		2,068,740		129,049
Greater than or equal to 120 days		1,705,153		278,235
Total	\$	8,455,381	\$	1,658,561

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.

	December 31, 2014		For the Year Ended		December 31, 2013		Average Yield/Cost
	Average Balance	Interest	Average Yield/Cost	Average Balance	Interest	Average Yield/Cost	
Assets:							
Interest-earning assets (1):							
Agency RMBS	\$ 5,222,882	\$ 180,206	3.5%	\$ 1,885,809	\$ 69,433	3.7%	
Non-Agency RMBS	801,547	78,577	9.8%	662,790	70,753	10.7%	
Non-Agency RMBS transferred to consolidated VIEs	1,867,986	295,475	15.8%	2,262,889	337,645	14.9%	
Jumbo Prime securitized residential mortgage loans held for investment	720,965	30,010	4.2%	994,103	33,914	3.4%	
Seasoned sub-prime securitized residential mortgage loans held for investment	1,419,155	103,505	7.3%	-	-	-	
Total	\$ 10,032,535	\$ 687,773	6.9%	\$ 5,805,591	\$ 511,745	8.8%	
Liabilities and stockholders' equity:							
Interest-bearing liabilities:							
Agency repurchase agreements (2)	\$ 4,749,283	\$ 71,569	1.5%	\$ 1,534,885	\$ 28,559	1.9%	
Non-Agency repurchase agreements	444,599	9,634	2.2%	-	-	-	
Securitized debt, collateralized by Non-Agency RMBS	799,473	53,367	6.7%	1,129,342	67,870	6.0%	
Securitized debt, collateralized by jumbo prime residential mortgage loans	720,965	21,602	3.0%	863,485	27,359	3.2%	
Securitized debt, collateralized by seasoned sub-prime residential mortgage loans	1,174,682	44,134	3.8%	-	-	-	
Total	\$ 7,889,003	\$ 200,307	2.5%	\$ 3,527,712	\$ 123,788	3.5%	
Net economic interest income/net interest rate spread		\$ 487,467	4.4%		\$ 387,957	5.3%	
Net interest-earning assets/net interest margin	\$ 2,143,532		4.9%	\$ 2,277,879		6.7%	
Ratio of interest-earning assets to interest bearing liabilities		1.27			1.65		

(1) Interest-earning assets at amortized cost

(2) Interest includes cash paid on swaps

CONTACT:
Investor Relations
1-866-315-9930



CHIMERA
INVESTMENT CORPORATION

Q4 2014 Supplemental Financial Information

March 2, 2015

WWW.CHIMERAREIT.COM

Disclaimer

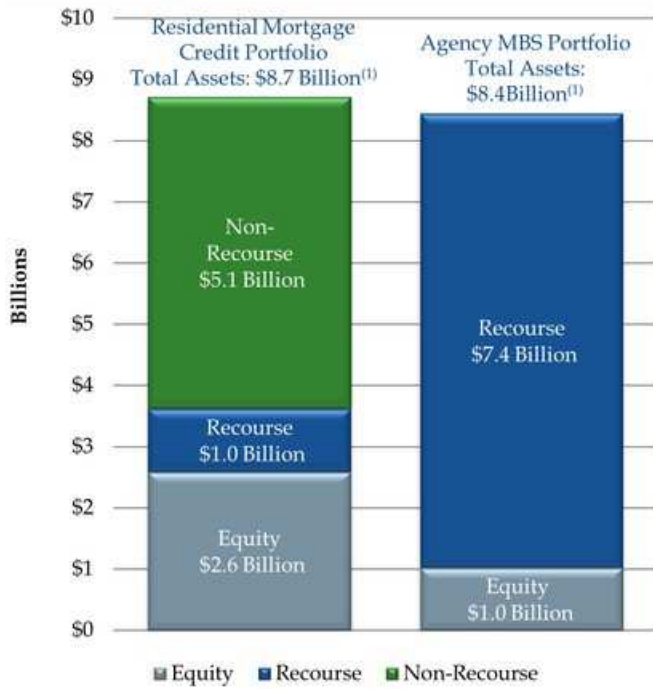
This material is not intended to be exhaustive, is preliminary in nature and may be subject to change. In addition, much of the information contained herein is based on various assumptions (some of which are beyond the control of Chimera Investment Corporation, the "Company") and may be identified by 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," "projected," "will" or similar expressions, or variations on those terms or the negative of those terms. The Company's forward-looking statements are subject to numerous risks, uncertainties and other factors. Furthermore, none of the financial information contained in this material has been audited or approved by the Company's independent registered public accounting firm.



Information is unaudited, estimated and subject to change.

Portfolio Composition as of December 31, 2014

Total Portfolio: \$17.2 Billion Total Capital: \$3.6 Billion
 Total Leverage: 3.8:1



Net Investment Analysis

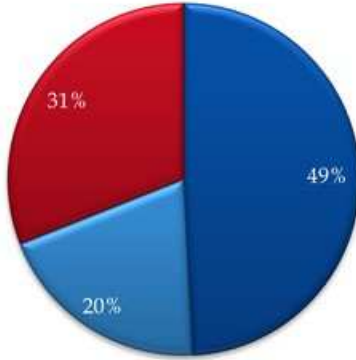
	Residential Mortgage Credit Portfolio	Agency MBS Portfolio
Gross Asset Yield:	10.6%	3.5%
Financing Cost ⁽²⁾ :	4.1%	1.5%
Net Interest Spread:	6.5%	1.9%
Net Interest Margin:	7.9%	2.1%

- (1) Financing excludes unsettled trades.
 (2) Financing cost includes the interest incurred on interest rate swaps.

GAAP Asset Allocation: Quarter Over Quarter Comparison⁽¹⁾

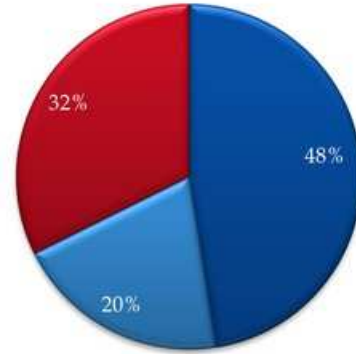
December 31, 2014

September 30, 2014



■ Agency RMBS ■ Non-Agency RMBS ■ Securitized Loan Portfolio

Total Portfolio: \$17.2 Billion



■ Agency RMBS ■ Non-Agency RMBS ■ Securitized Loan Portfolio

Total Portfolio: \$17.0 Billion

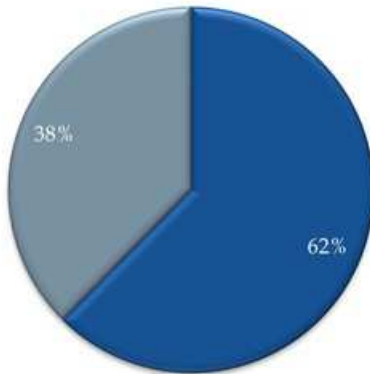
(1) Based on Fair Value.



Information is unaudited, estimated and subject to change.

GAAP Financing Sources: Quarter Over Quarter Comparison

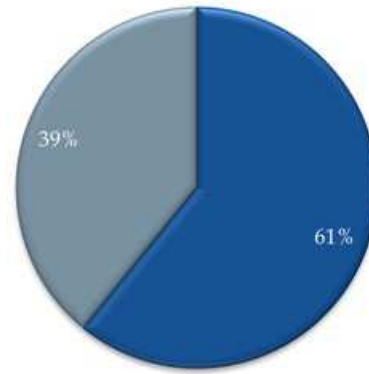
December 31, 2014



- Repurchase Agreements, RMBS
- Non-Recourse Debt, Securitized RMBS and Loans (1)

Total Financing: \$13.6 Billion

September 30, 2014



- Repurchase Agreements, RMBS
- Non-Recourse Liabilities of Consolidated RMBS and Loans (1)

Total Financing: \$12.9 Billion

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

Agency & Repo Summary

(\$ in thousands)

Agency Pass-Throughs - As of December 31, 2014

Coupon	Current Face	Weighted Average Price	Weighted Average CPR
3.50%	\$1,355,112	104.2	8.3
4.00%	5,669,598	106.6	8.2
4.50%	504,498	108.3	15.4
Total	\$7,529,208		

Agency Pass-Throughs - As of September 30, 2014

Coupon	Current Face	Weighted Average Price	Weighted Average CPR
3.50%	\$261,969	102.2	7.7
4.00%	6,710,578	105.2	7.6
4.50%	532,983	107.8	11.9
Total	\$7,505,530		

Repo Days to Maturity - As of December 31, 2014

Maturity	Principal Balance(1)	Weighted Average Rate	Weighted Average Days
Within 30 days	\$2,415,223	0.38%	
30 to 59 days	1,193,190	0.39%	
60 to 89 days	638,470	0.39%	
90 to 119 days	1,841,673	0.42%	
Over 120 days	1,204,063	0.62%	
Total	\$7,292,619	0.43%	94

Repo Days to Maturity - As of September 30, 2014

Maturity	Principal Balance(1)	Weighted Average Rate	Weighted Average Days
Within 30 days	\$3,206,708	0.37%	
30 to 59 days	1,591,671	0.36%	
60 to 89 days	957,222	0.40%	
90 to 119 days	519,408	0.44%	
Over 120 days	594,612	0.46%	
Total	\$6,869,621	0.38%	52

(1) Repo financing not adjusted for the impact of unsettled trades



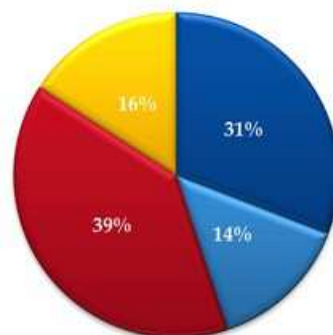
Information is unaudited, estimated and subject to change.

Interest Rate Sensitivity as of December 31, 2014

Agency, Swap and Derivative Portfolio

Description (\$ in thousands)		+ 100 Basis Points	+ 50 Basis Points	Unchanged	-50 Basis Points	-100 Basis Points
Agency Pass-Through	Market Value	\$8,052,657	\$8,260,566	\$8,441,522	\$8,592,150	\$8,720,770
	Percentage Change	(4.6%)	(2.1%)	-	1.8%	3.3%
Swap	Market Value	83,178	(11,599)	(112,467)	(219,960)	(334,671)
	Percentage Change	2.3%	1.2%	-	(1.3%)	(2.6%)
Futures	Market Value	76,172	35,128	(7,227)	(51,135)	(96,787)
	Percentage Change	1.0%	0.5%	-	(0.5%)	(1.1%)
Net Gain/(Loss)		(\$109,821)	(\$37,733)	\$0	(\$773)	(\$32,516)
Percentage Change in Portfolio Value⁽¹⁾		(1.4%)	(0.5%)	-	(0.0%)	(0.6%)

Hedge Book Maturities



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

(1) Projected Percentage Change in Portfolio Value is based on instantaneous moves in interest rates.

Consolidated RMBS & Loan Securitizations

(\$ in thousands)			At Issuance / Acquisition			As of December 31, 2014		
Vintage	Deal	Type	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	Whole Loan Securitization	CSMC 2014-CIM1(1)	333,865	290,656	43,209	305,506	262,094	43,412
2011-2013	Whole Loan Securitization	SLFMT 2012-1A	365,112	269,157	95,955	344,190	243,430	100,759
2011-2013	Whole Loan Securitization	SLFMT 2012-2A	792,347	615,210	177,137	756,400	569,497	186,903
2011-2013	Whole Loan Securitization	SLFMT 2012-3A	876,160	673,660	202,500	833,747	618,241	215,507
2011-2013	Whole Loan Securitization	SLFMT 2013-1A	903,620	862,851	40,769	861,607	812,663	48,944
2011-2013	Whole Loan Securitization	SLFMT 2013-2A	1,060,813	1,034,495	26,317	1,024,327	993,023	31,304
2011-2013	Whole Loan Securitization	SLFMT 2013-3A	483,410	477,486	5,924	471,785	465,106	6,679
2014	RMBS Securitization	CSMC - 2014-4R (2)	334,537	0	334,537	328,747	0	328,747
2012	Whole Loan Securitization	CSMC - 2012-CIM1	741,939	707,810	34,129	178,786	146,606	32,180
2012	Whole Loan Securitization	CSMC - 2012-CIM2	425,091	404,261	20,830	128,377	108,445	19,932
2012	Whole Loan Securitization	CSMC - 2012-CIM3	329,886	305,804	24,082	220,162	198,476	21,687
2010	RMBS Securitization	CSMC - 2010-1R	1,730,581	691,630	1,038,951	840,597	79,399	761,198
2010	RMBS Securitization	CSMC - 2010-11R	566,571	332,299	234,272	350,000	130,851	219,149
2009	RMBS Securitization	CSMC - 2009-12R	1,730,698	915,566	815,132	762,279	197,275	565,004
2009	RMBS Securitization	JPMRR - 2009-7	1,522,474	856,935	665,539	688,479	260,468	428,011
2009	RMBS Securitization	JMAC - 2009-R2	281,863	192,500	89,363	122,174	59,476	62,699
2008	Whole Loan Securitization	PHH - 2008-CIM1	619,710	549,142	70,568	94,558	76,763	17,794
TOTAL			\$13,098,677	\$9,179,463	\$3,919,214	\$8,311,721	\$5,221,813	\$3,089,909
			<i>% of origination remaining</i>			63%	57%	79%

(1) Collateral for this deal was originally part of Springleaf 2011-1A.

(2) Collateral for this deal was originally part of CSMC 2010-12R.



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Q4 2014 Supplemental Financial Information

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