

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):  
May 5, 2021

CHIMERA INVESTMENT CORPORATION  
(Exact name of registrant as specified in its charter)

<u>Maryland</u> (State or Other Jurisdiction of Incorporation)	<u>1-33796</u> (Commission File Number)	<u>26-0630461</u> (IRS Employer Identification No.)
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520 Madison Avenue, 32nd Fl <u>New York</u> (Address of principal executive offices)	<u>New York</u>	<u>10022</u> (Zip Code)
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Registrant's telephone number, including area code: (212) 626-2300

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	CIM	New York Stock Exchange
8.00% Series A Cumulative Redeemable Preferred Stock	CIM PRA	New York Stock Exchange
8.00% Series B Cumulative Fixed-to-Floating Rate Redeemable Preferred Stock	CIM PRB	New York Stock Exchange
7.75% Series C Cumulative Fixed-to-Floating Rate Redeemable Preferred Stock	CIM PRC	New York Stock Exchange
8.00% Series D Cumulative Fixed-to-Floating Rate Redeemable Preferred Stock	CIM PRD	New York Stock Exchange

Registrant's Web site address: [www.chimerareit.com](http://www.chimerareit.com)

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

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

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

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

Emerging growth company

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

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Item 2.02. Results of Operations and Financial Condition

On May 5, 2021, the registrant issued a press release announcing its financial results for the quarter ended March 31, 2021. A copy of the press release is furnished as Exhibit 99.1 to this report.

On May 5, 2021, the registrant posted supplemental financial information on the News & Events - Press Releases section of its website ([www.chimerareit.com](http://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 May 5, 2021, issued by Chimera Investment Corporation](#)

99.2 [Supplemental Financial Information for the quarter ended March 31, 2021](#)

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SIGNATURES

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

Chimera Investment Corporation

By: /s/ Rob Colligan

Name: Rob Colligan

Title: Chief Financial Officer

Date: May 5, 2021



## PRESS RELEASE

NYSE: CIM

CHIMERA INVESTMENT CORPORATION  
520 Madison Avenue  
New York, New York 10022

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

### FOR IMMEDIATE RELEASE

#### CHIMERA INVESTMENT CORPORATION REPORTS 1ST QUARTER 2021 EARNINGS

- 1ST QUARTER GAAP NET INCOME OF \$0.54 PER COMMON SHARE
- 1ST QUARTER CORE EARNINGS<sup>(1)</sup> OF \$0.36 PER COMMON SHARE
- GAAP BOOK VALUE OF \$11.44 PER COMMON SHARE
- BOARD INCREASED SECOND QUARTER DIVIDEND BY 10% TO \$0.33 PER SHARE OF COMMON STOCK

NEW YORK - (BUSINESS WIRE) - Chimera Investment Corporation (NYSE:CIM) today announced its financial results for the first quarter ended March 31, 2021. The Company's GAAP net income for the first quarter was \$139 million, or \$0.54 per common share. Core earnings<sup>(1)</sup> for the first quarter ended March 31, 2021 was \$87 million, or \$0.36 per common share.

"This quarter we took many proactive steps towards portfolio optimization and the expansion of Chimera's core earnings. Through re-securitization activity, we lowered the financing cost and freed up capital for future accretive investments", said Mohit Marria, Chimera's CEO and Chief Investment Officer. "Securitization of our mortgage assets provides Chimera with low-cost, long-term, non-recourse financing. We expect the re-securitizations from this quarter to benefit our portfolio for a long period of time."

(1) Core earnings per adjusted diluted common share is a non-GAAP measure. See additional discussion on page 5.

**Other Information**

Chimera Investment Corporation is a publicly traded real estate investment trust, or REIT, that is primarily engaged in the business of investing directly or indirectly through our subsidiaries, on a leveraged basis, in a diversified portfolio of mortgage assets, including residential mortgage loans, Non-Agency RMBS, Agency CMBS, Agency RMBS, and other real estate related securities.

**CHIMERA INVESTMENT CORPORATION**  
**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**  
(dollars in thousands, except share and per share data)  
(Unaudited)

	March 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 317,489	\$ 269,090
Non-Agency RMBS, at fair value (net of allowance for credit losses of \$54 thousand and \$180 thousand, respectively)	2,013,478	2,150,714
Agency RMBS, at fair value	86,354	90,738
Agency CMBS, at fair value	1,355,289	1,740,368
Loans held for investment, at fair value	12,808,012	13,112,129
Accrued interest receivable	77,562	81,158
Other assets	41,078	78,822
<b>Total assets <sup>(1)</sup></b>	<b>\$ 16,699,262</b>	<b>\$ 17,523,019</b>
Liabilities:		
Secured financing agreements (\$5.7 billion and \$6.7 billion pledged as collateral, respectively)	\$ 4,045,912	\$ 4,636,847
Securitized debt, collateralized by Non-Agency RMBS (\$479 million and \$505 million pledged as collateral, respectively)	107,367	113,433
Securitized debt at fair value, collateralized by loans held for investment (\$12.1 billion and \$12.4 billion pledged as collateral, respectively)	8,734,372	8,711,677
Long term debt	51,772	51,623
Payable for investments purchased	76,534	106,169
Accrued interest payable	24,855	40,950
Dividends payable	77,355	77,213
Accounts payable and other liabilities	14,597	5,721
<b>Total liabilities <sup>(1)</sup></b>	<b>\$ 13,132,764</b>	<b>\$ 13,743,633</b>
Stockholders' Equity:		
Preferred Stock, par value of \$0.01 per share, 100,000,000 shares authorized:		
8.00% Series A cumulative redeemable: 5,800,000 shares issued and outstanding, respectively (\$145,000 liquidation preference)	\$ 58	\$ 58
8.00% Series B cumulative redeemable: 13,000,000 shares issued and outstanding, respectively (\$325,000 liquidation preference)	130	130
7.75% Series C cumulative redeemable: 10,400,000 shares issued and outstanding, respectively (\$260,000 liquidation preference)	104	104
8.00% Series D cumulative redeemable: 8,000,000 shares issued and outstanding, respectively (\$200,000 liquidation preference)	80	80
Common stock: par value \$0.01 per share; 500,000,000 shares authorized, 230,553,340 and 230,556,760 shares issued and outstanding, respectively	2,306	2,306
Additional paid-in-capital	4,320,419	4,538,029
Accumulated other comprehensive income	493,651	558,096
Cumulative earnings	4,039,485	3,881,894
Cumulative distributions to stockholders	(5,289,735)	(5,201,311)
<b>Total stockholders' equity</b>	<b>\$ 3,566,498</b>	<b>\$ 3,779,386</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 16,699,262</b>	<b>\$ 17,523,019</b>

(1) The Company's consolidated statements of financial condition include assets of consolidated variable interest entities ("VIEs") that can only be used to settle obligations and liabilities of the VIE for which creditors do not have recourse to the primary beneficiary (Chimera Investment Corporation). As of March 31, 2021, and December 31, 2020, total assets of consolidated VIEs were \$11,736,522 and \$12,165,017, respectively, and total liabilities of consolidated VIEs were \$8,113,248 and \$8,063,110, respectively.

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

	For the Quarters Ended	
	March 31, 2021	March 31, 2020
<b>Net interest income:</b>		
Interest income <sup>(1)</sup>	\$ 243,127	\$ 300,266
Interest expense <sup>(2)</sup>	108,066	142,083
Net interest income	135,061	158,183
Increase/(decrease) in provision for credit losses	(126)	6,314
<b>Other investment gains (losses):</b>		
Net unrealized gains (losses) on derivatives	—	201,000
Realized gains (losses) on terminations of interest rate swaps	—	(463,966)
Net realized gains (losses) on derivatives	—	(41,086)
<b>Net gains (losses) on derivatives</b>	<b>—</b>	<b>(304,052)</b>
Net unrealized gains (losses) on financial instruments at fair value	270,012	(260,887)
Net realized gains (losses) on sales of investments	37,796	75,854
Gains (losses) on extinguishment of debt	(237,137)	—
Total other gains (losses)	70,671	(489,085)
<b>Other expenses:</b>		
Compensation and benefits	13,439	12,934
General and administrative expenses	5,198	5,137
Servicing and asset manager fees	9,281	10,530
Transaction expenses	16,437	4,906
Total other expenses	44,355	33,507
<b>Income (loss) before income taxes</b>	<b>161,503</b>	<b>(370,723)</b>
Income taxes	3,912	32
<b>Net income (loss)</b>	<b>\$ 157,591</b>	<b>\$ (370,755)</b>
<b>Dividends on preferred stock</b>	<b>18,438</b>	<b>18,438</b>
<b>Net income (loss) available to common shareholders</b>	<b>\$ 139,153</b>	<b>\$ (389,193)</b>
<b>Net income (loss) per share available to common shareholders:</b>		
Basic	\$ 0.60	\$ (2.08)
Diluted	\$ 0.54	\$ (2.08)
<b>Weighted average number of common shares outstanding:</b>		
Basic	230,567,231	187,018,602
Diluted	261,435,081	187,018,602

(1) Includes interest income of consolidated VIEs of \$158,100 and \$174,681 for the quarters ended March 31, 2021 and 2020, respectively.

(2) Includes interest expense of consolidated VIEs of \$65,205 and \$64,629 for the quarters ended March 31, 2021 and 2020, respectively.

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

	For the Quarters Ended	
	March 31, 2021	March 31, 2020
<b>Comprehensive income (loss):</b>		
Net income (loss)	\$ 157,591	\$ (370,755)
<b>Other comprehensive income:</b>		
Unrealized gains (losses) on available-for-sale securities, net	(38,652)	(199,204)
Reclassification adjustment for net realized losses (gains) included in net income	(25,793)	(6,641)
Other comprehensive income (loss)	(64,445)	(205,845)
<b>Comprehensive income (loss) before preferred stock dividends</b>	<b>\$ 93,146</b>	<b>\$ (576,600)</b>
Dividends on preferred stock	\$ 18,438	\$ 18,438
<b>Comprehensive income (loss) available to common stock shareholders</b>	<b>\$ 74,708</b>	<b>\$ (595,038)</b>



**Core earnings**

Core earnings is a non-GAAP measure and is defined as GAAP net income excluding unrealized gains on the aggregate portfolio, provision for credit losses, interest expense on long term debt, impairment losses, realized gains on sales of investments, realized gains or losses on futures, realized gains or losses on swap terminations, gain on deconsolidation, extinguishment of debt and expenses incurred in relation to securitizations. In addition, stock compensation expense charges incurred on awards to retirement eligible employees is reflected as an expense over a vesting period (36 months) rather than reported as an immediate expense.

As defined, core earnings include interest income and expense, as well as periodic cash settlements on interest rate swaps used to hedge interest rate risk and other expenses. Core earnings is inclusive of preferred dividend charges, compensation and benefits (adjusted for awards to retirement eligible employees), general and administrative expenses, servicing fees, as well as income tax expenses incurred during the period. Management believes that the presentation of core earnings provides investors with a useful measure but has important limitations. We believe core earnings as described above helps us evaluate our financial performance period over period without the impact of certain transactions but is of limited usefulness as an analytical tool. 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. In addition, our methodology for calculating core earnings may differ from the methodologies employed by other REITs to calculate the same or similar supplemental performance measures, and accordingly, our reported core earnings may not be comparable to the core earnings reported by other REITs.

The following table provides GAAP measures of net income and net income per diluted share available to common stockholders for the periods presented and details with respect to reconciling the line items to core earnings and related per average diluted common share amounts. Core earnings is presented on an adjusted dilutive shares basis. The adjusted dilutive shares used for core earnings is a non-GAAP measure which includes the GAAP dilutive shares of 261 million, adjusted for the dilutive effect of approximately 20 million shares on warrants issued in second quarter of 2020. We exclude the dilutive effect of the warrants as the warrant holders do not participate in dividends. Certain prior period amounts have been reclassified to conform to the current period's presentation.

	March 31, 2021	December 31, 2020	For the Quarters Ended		March 31, 2020
			September 30, 2020	June 30, 2020	
	(dollars in thousands, except per share data)				
<b>GAAP Net income available to common stockholders</b>	\$ 139,153	\$ 128,797	\$ 348,891	\$ (73,393)	\$ (389,193)
Adjustments:					
Interest expense on long term debt	1,076	1,197	1,495	4,391	—
Increase (decrease) in provision for credit losses	(126)	13	(1,650)	(4,497)	6,314
Net unrealized (gains) losses on derivatives	—	—	—	—	(201,000)
Net unrealized (gains) losses on financial instruments at fair value	(270,012)	(61,379)	(260,766)	171,921	260,887
Net realized (gains) losses on sales of investments	(37,796)	329	(65,041)	(26,380)	(75,854)
(Gains) losses on extinguishment of debt	237,137	(919)	55,794	(459)	—
Realized (gains) losses on terminations of interest rate swaps	—	—	—	—	463,966
Net realized (gains) losses on Futures <sup>(1)</sup>	—	—	—	—	34,700
Transaction expenses	16,437	3,827	1,624	4,710	4,906
Stock Compensation expense for retirement eligible awards	661	(225)	(275)	(273)	1,189
<b>Core Earnings</b>	<b>\$ 86,530</b>	<b>\$ 71,640</b>	<b>\$ 80,072</b>	<b>\$ 76,020</b>	<b>\$ 105,915</b>
GAAP net income per diluted common share	\$ 0.54	\$ 0.49	\$ 1.32	\$ (0.37)	\$ (2.08)
Core earnings per adjusted diluted common share <sup>(2)</sup>	\$ 0.36	\$ 0.29	\$ 0.33	\$ 0.32	\$ 0.56

(1) Included in net realized gains (losses) on derivatives in the Consolidated Statements of Operations.

(2) We note that core and taxable earnings will typically differ, and may materially differ, due to differences on realized gains and losses on investments and related hedges, credit loss recognition, timing differences in premium amortization, accretion of discounts, equity compensation and other items.

The following tables provide a summary of the Company's MBS portfolio at March 31, 2021 and December 31, 2020.

March 31, 2021

	Principal or Notional Value at Period-End (dollars in thousands)	Weighted Average Amortized Cost Basis	Weighted Average Fair Value	Weighted Average Coupon	Weighted Average Yield at Period-End <sup>(1)</sup>
Non-Agency RMBS					
Senior	\$ 1,498,212	\$ 50.29	80.26	4.5 %	17.1 %
Subordinated	857,925	65.62	69.26	3.8 %	6.5 %
Interest-only	4,850,934	4.74	4.47	1.6 %	14.7 %
Agency RMBS					
Interest-only	1,199,688	9.52	7.20	1.6 %	1.1 %
Agency CMBS					
Project loans	1,196,682	101.72	111.40	4.2 %	4.1 %
Interest-only	1,114,212	1.79	1.99	0.6 %	7.8 %

(1) Bond Equivalent Yield at period end.

December 31, 2020

	Principal or Notional Value at Period-End (dollars in thousands)	Weighted Average Amortized Cost Basis	Weighted Average Fair Value	Weighted Average Coupon	Weighted Average Yield at Period-End <sup>(1)</sup>
Non-Agency RMBS					
Senior	\$ 1,560,135	\$ 50.65	\$ 81.90	4.5 %	16.9 %
Subordinated	905,674	62.46	67.43	3.8 %	6.3 %
Interest-only	5,628,240	4.43	4.66	1.5 %	16.2 %
Agency RMBS					
Interest-only	1,262,963	9.41	7.18	1.7 %	1.6 %
Agency CMBS					
Project loans	1,527,621	101.81	112.23	4.1 %	3.8 %
Interest-only	1,326,665	1.78	1.95	0.6 %	8.4 %

(1) Bond Equivalent Yield at period end.

At March 31, 2021 and December 31, 2020, the secured financing agreements collateralized by MBS and Loans held for investment had the following remaining maturities and borrowing rates.

	March 31, 2021			December 31, 2020		
	(dollars in thousands)					
	Principal <sup>(1)</sup>	Weighted Average Borrowing Rates	Range of Borrowing Rates	Principal <sup>(1)</sup>	Weighted Average Borrowing Rates	Range of Borrowing Rates
Overnight	\$ —	NA	NA	\$ —	NA	NA
1 to 29 days	1,460,163	1.46%	0.10% - 7.97%	1,521,134	0.38%	0.20% - 2.72%
30 to 59 days	315,543	2.03%	1.95% - 2.44%	481,257	4.35%	2.42% - 6.61%
60 to 89 days	314,203	2.37%	1.15% - 2.61%	352,684	2.78%	1.34% - 6.30%
90 to 119 days	431,222	3.28%	1.76% - 4.50%	301,994	7.97%	7.97% - 7.97%
120 to 180 days	370,538	2.06%	1.60% - 2.40%	595,900	5.29%	2.40% - 6.26%
180 days to 1 year	44,344	2.36%	2.36% - 2.36%	345,204	3.60%	3.25% - 4.50%
1 to 2 years	746,478	4.11%	2.86% - 4.38%	—	NA	NA
2 to 3 years	—	NA	NA	642,696	4.91%	1.65% - 7.00%
Greater than 3 years	363,421	5.56%	5.56% - 5.56%	395,978	5.56%	5.56% - 5.56%
<b>Total</b>	<b>\$ 4,045,912</b>	<b>2.69%</b>		<b>\$ 4,636,847</b>	<b>3.41%</b>	

(1) The values for secured financing agreements in the table above is net of \$4 million and \$8 million of deferred financing cost as of March 31, 2021 and December 31, 2020, respectively.

The following table summarizes certain characteristics of our portfolio at March 31, 2021 and December 31, 2020.

	March 31, 2021		December 31, 2020	
GAAP Leverage at period-end		3.6:1		3.6:1
GAAP Leverage at period-end (recourse)		1.1:1		1.2:1

Portfolio Composition	March 31, 2021		December 31, 2020	
	Amortized Cost		Fair Value	
Non-Agency RMBS	10.3 %	10.2 %	12.4 %	12.6 %
Senior	5.0 %	5.0 %	7.4 %	7.5 %
Subordinated	3.8 %	3.6 %	3.7 %	3.6 %
Interest-only	1.5 %	1.6 %	1.3 %	1.5 %
Agency RMBS	0.8 %	0.7 %	0.5 %	0.5 %
Pass-through	— %	— %	— %	— %
Interest-only	0.8 %	0.7 %	0.5 %	0.5 %
Agency CMBS	8.2 %	10.0 %	8.3 %	10.2 %
Project loans	8.1 %	9.9 %	8.2 %	10.0 %
Interest-only	0.1 %	0.1 %	0.1 %	0.2 %
Loans held for investment	80.7 %	79.1 %	78.8 %	76.7 %
Fixed-rate percentage of portfolio	95.0 %	94.9 %	93.6 %	93.2 %
Adjustable-rate percentage of portfolio	5.0 %	5.1 %	6.4 %	6.8 %

**Economic Net Interest Income**

Our “Economic net interest income” is a non-GAAP financial measure, that equals interest income, less interest expense and realized losses on our interest rate swaps. Realized losses on our interest rate swaps are the periodic net settlement payments made or received. For the purpose of computing economic net interest income and ratios relating to cost of funds measures throughout this section, interest expense includes net payments on our interest rate swaps, which is presented as a part of Realized gains (losses) on derivatives in our Consolidated Statements of Operations and Comprehensive Income. Interest rate swaps are used to manage the increase in interest paid on repurchase agreements in a rising rate environment. Presenting the net contractual interest payments on interest rate swaps with the interest paid on interest-bearing liabilities reflects our total contractual interest payments. We believe this presentation is useful to investors because it depicts the economic value of our investment strategy by showing actual interest expense and net interest income. Where indicated, interest expense, including interest payments on interest rate swaps, is referred to as economic interest expense. Where indicated, net interest income reflecting interest payments on interest rate swaps, is referred to as economic net interest income.

The following table reconciles the GAAP and non-GAAP measurements reflected in the Management’s Discussion and Analysis of Financial Condition and Results of Operations.

	GAAP Interest Income	GAAP Interest Expense	Net Realized (Gains) Losses on Interest Rate Swaps	Interest Expense on Long Term Debt	Economic Interest Expense	GAAP Net Interest Income	Net Realized Gains (Losses) on Interest Rate Swaps	Other <sup>(1)</sup>	Economic Net Interest Income
For the Quarter Ended March 31, 2021	\$ 243,127	\$ 108,066	\$ —	\$ (1,076)	\$ 106,990	\$ 135,061	\$ —	\$ 1,065	\$ 136,126
For the Quarter Ended December 31, 2020	\$ 236,156	\$ 120,285	\$ —	\$ (1,197)	\$ 119,088	\$ 115,871	\$ —	\$ 1,177	\$ 117,048
For the Quarter Ended September 30, 2020	\$ 247,905	\$ 124,557	\$ —	\$ (1,495)	\$ 123,062	\$ 123,348	\$ —	\$ 1,487	\$ 124,835
For the Quarter Ended June 30, 2020	\$ 245,922	\$ 129,256	\$ —	\$ (4,391)	\$ 124,865	\$ 116,666	\$ —	\$ 4,358	\$ 121,024
For the Quarter Ended March 31, 2020	\$ 300,266	\$ 142,083	\$ 6,385	\$ —	\$ 148,468	\$ 158,183	\$ (6,385)	\$ (1,266)	\$ 150,532

(1) Primarily interest expense on Long term debt and interest income on cash and cash equivalents.

The table below shows our average earning assets held, interest earned on assets, yield on average interest earning assets, average debt balance, economic interest expense, economic average cost of funds, economic net interest income, and net interest rate spread for the periods presented.

	For the Quarter Ended					
	March 31, 2021 (dollars in thousands)			March 31, 2020 (dollars in thousands)		
	Average Balance	Interest	Average Yield/Cost	Average Balance	Interest	Average Yield/Cost
<b>Assets:</b>						
<b>Interest-earning assets <sup>(1)</sup>:</b>						
Agency RMBS	\$ 116,517	\$ 317	1.1 %	\$ 4,652,843	\$ 42,663	3.7 %
Agency CMBS	1,360,895	26,607	7.8 %	2,204,435	20,698	3.8 %
Non-Agency RMBS	1,577,137	55,800	14.2 %	1,883,781	61,014	13.0 %
Loans held for investment	12,253,034	160,392	5.2 %	13,716,833	174,625	5.1 %
<b>Total</b>	<b>\$ 15,307,583</b>	<b>\$ 243,116</b>	<b>6.4 %</b>	<b>\$ 22,457,892</b>	<b>\$ 299,000</b>	<b>5.3 %</b>
<b>Liabilities and stockholders' equity:</b>						
<b>Interest-bearing liabilities:</b>						
Secured financing agreements collateralized by:						
Agency RMBS	\$ 66,951	\$ 149	0.9 %	\$ 4,406,106	\$ 27,114	2.5 %
Agency CMBS	1,236,361	580	0.2 %	2,112,244	12,361	2.3 %
Non-Agency RMBS	1,002,935	12,479	5.0 %	1,384,095	9,666	2.8 %
Loans held for investment	2,253,811	24,216	4.3 %	3,852,347	32,890	3.4 %
Securitized debt	8,588,423	69,566	3.2 %	8,079,597	66,437	3.3 %
<b>Total</b>	<b>\$ 13,148,481</b>	<b>\$ 106,990</b>	<b>3.3 %</b>	<b>\$ 19,834,389</b>	<b>\$ 148,468</b>	<b>3.0 %</b>
<b>Economic net interest income/net interest rate spread</b>		\$ 136,126	3.1 %		\$ 150,532	2.3 %
<b>Net interest-earning assets/net interest margin</b>	\$ 2,159,102		3.6 %	\$ 2,623,503		2.7 %
<b>Ratio of interest-earning assets to interest bearing liabilities</b>		1.16			1.13	

(1) Interest-earning assets at amortized cost

(2) Interest includes net cash paid/received on swaps

The table below shows our Net Income and Economic Net Interest Income as a percentage of average stockholders' equity and Core Earnings as a percentage of average common stockholders' equity. Return on average equity is defined as our GAAP net income (loss) as a percentage of average equity. Average equity is defined as the average of our beginning and ending stockholders' equity balance for the period reported. Economic Net Interest Income and Core Earnings are non-GAAP measures as defined in previous sections

	Return on Average Equity	Economic Net Interest Income/Average Equity *	Core Earnings/Average Common Equity
	(Ratios have been annualized)		
For the Quarter Ended March 31, 2021	17.16 %	14.82 %	12.62 %
For the Quarter Ended December 31, 2020	15.76 %	12.53 %	10.21 %
For the Quarter Ended September 30, 2020	41.43 %	14.08 %	12.24 %
For the Quarter Ended June 30, 2020	(6.62)%	14.58 %	12.72 %
For the Quarter Ended March 31, 2020	(41.21)%	16.73 %	15.88 %

\* Includes effect of realized losses on interest rate swaps and excludes long term debt expense.

The following table presents changes to Accretable Discount (net of premiums) as it pertains to our Non-Agency RMBS portfolio, excluding premiums on IOs, during the previous five quarters.

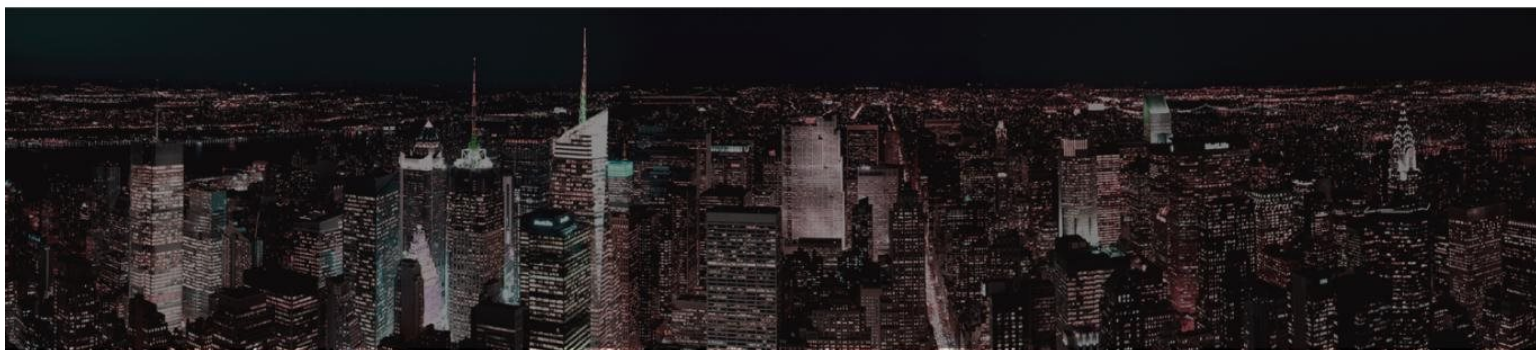
Accretable Discount (Net of Premiums)	For the Quarters Ended					March 31, 2020
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	
Balance, beginning of period	\$ 409,690	\$ 422,981	\$ 410,447	\$ 438,232	\$ 494,255	
Accretion of discount	(24,023)	(21,281)	(20,045)	(22,508)	(24,784)	
Purchases	—	758	2,096	—	(4,336)	
Sales and deconsolidation	(41,651)	98	—	(23,425)	438	
Transfers from/(to) credit reserve, net	14,546	7,134	30,483	18,148	(27,341)	
Balance, end of period	\$ 358,562	\$ 409,690	\$ 422,981	\$ 410,447	\$ 438,232	

#### Disclaimer

This press release includes “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Actual results may differ from expectations, estimates and projections and, consequently, readers should not rely on these forward-looking statements as predictions of future events. Words such as “expect,” “target,” “assume,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believe,” “predicts,” “potential,” “continue,” and similar expressions are intended to identify such forward-looking statements. These forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from expected results, including, among other things, those described in our most recent Annual Report on Form 10-K, and any subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, under the caption “Risk Factors.” Factors that could cause actual results to differ include, but are not limited to: our business and investment strategy; our ability to accurately forecast the payment of future dividends on our common and preferred stock, and the amount of such dividends; our ability to determine accurately the fair market value of our assets; availability of investment opportunities in real estate-related and other securities, including our valuation of potential opportunities that may arise as a result of current and future market dislocations; effect of the novel coronavirus (or COVID-19) pandemic on real estate market, financial markets and our Company, including the impact on the value, availability, financing and liquidity of mortgage assets; how COVID-19 may affect us, our operations and our personnel; our expected investments; changes in the value of our investments, including negative changes resulting in margin calls related to the financing of our assets; changes in interest rates and mortgage prepayment rates; prepayments of the mortgage and other loans underlying our mortgage-backed securities, or RMBS, or other asset-backed securities, or ABS; rates of default, delinquencies or decreased recovery rates on our investments; general volatility of the securities markets in which we invest; our ability to maintain existing financing arrangements and our ability to obtain future financing arrangements; our ability to effect our strategy to securitize residential mortgage loans; interest rate mismatches between our investments and our borrowings used to finance such purchases; effects of interest rate caps on our adjustable-rate investments; the degree to which our hedging strategies may or may not protect us from interest rate volatility; the impact of and changes to various government programs, including in response to COVID-19; impact of and changes in governmental regulations, tax law and rates, accounting guidance, and similar matters; market trends in our industry, interest rates, the debt securities markets or the general economy; estimates relating to our ability to make distributions to our stockholders in the future; our understanding of our competition; availability of qualified personnel; our ability to maintain our classification as a real estate investment trust, or, REIT, for U.S. federal income tax purposes; our ability to maintain our exemption from registration under the Investment Company Act of 1940, as amended, or 1940 Act; our expectations regarding materiality or significance; and the effectiveness of our disclosure controls and procedures.

Readers are cautioned not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Chimera does not undertake or accept any obligation to release publicly any updates or revisions to any forward-looking statement to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based. Additional information concerning these and other risk factors is contained in Chimera’s most recent filings with the Securities and Exchange Commission (SEC). All subsequent written and oral forward-looking statements concerning Chimera or matters attributable to Chimera or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above.

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



# FINANCIAL SUPPLEMENT

1st Quarter 2021

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This presentation may include industry and market data obtained through research, surveys, and studies conducted by third parties and industry publications. We have not independently verified any such market and industry data from third-party sources. This presentation is provided for discussion purposes only and may not be relied upon as legal or investment advice, nor is it intended to be inclusive of all the risks and uncertainties that should be considered. This presentation does not constitute an offer to purchase or sell any securities, nor shall it be construed to be indicative of the terms of an offer that the parties or their respective affiliates would accept.

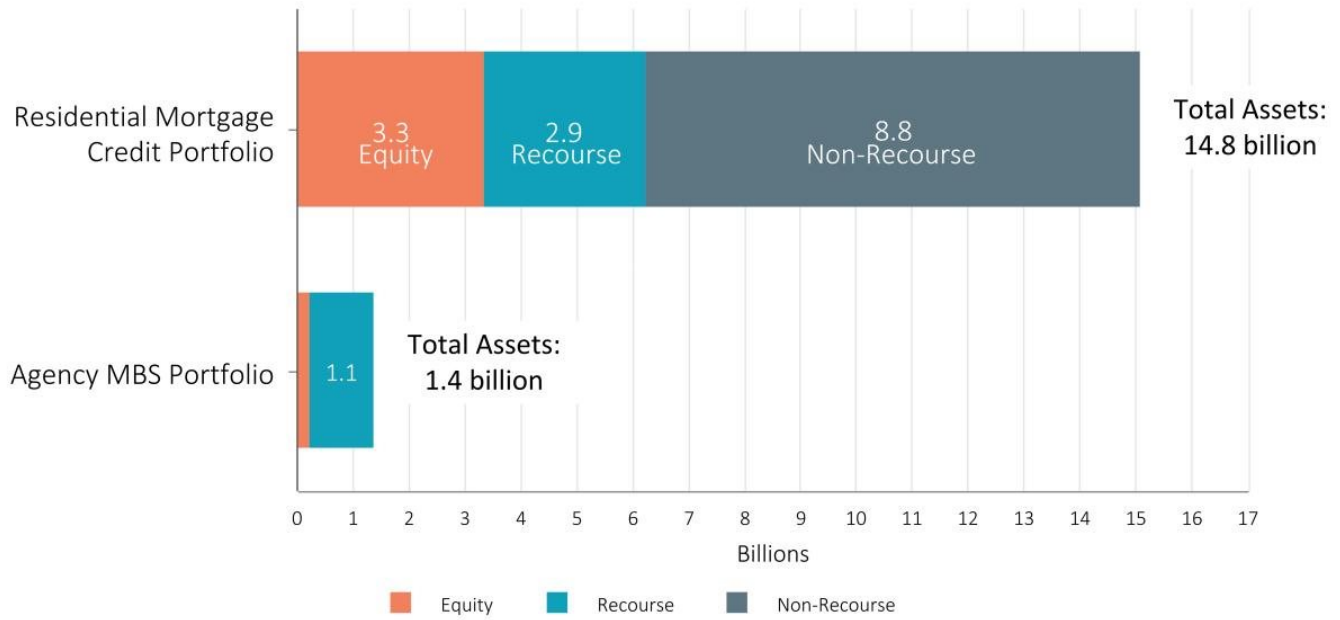
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Information is unaudited, estimated and subject to change.



# PORTFOLIO COMPOSITION

94% of Chimera's equity capital is allocated to mortgage credit



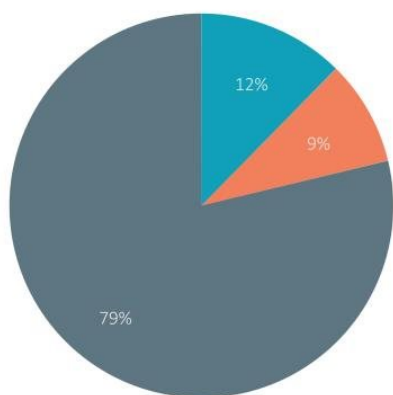
All data is shown at carrying value as of March 31, 2021

Information is unaudited, estimated and subject to change.

# GAAP ASSET ALLOCATION

Chimera continues to focus on its Residential Credit portfolios

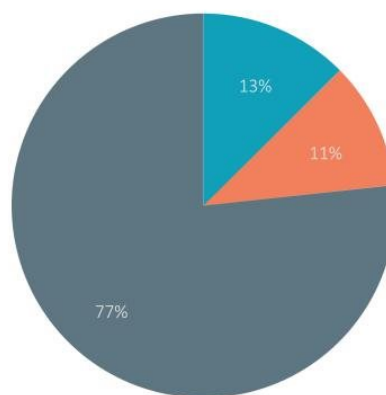
March 31, 2021



■ Non-Agency MBS      ■ Agency CMBS and RMBS  
■ Loan Portfolio

Total Portfolio: \$16.3 billion

December 31, 2020



■ Non-Agency MBS      ■ Agency CMBS and RMBS  
■ Loan Portfolio

Total Portfolio: \$17.1 billion

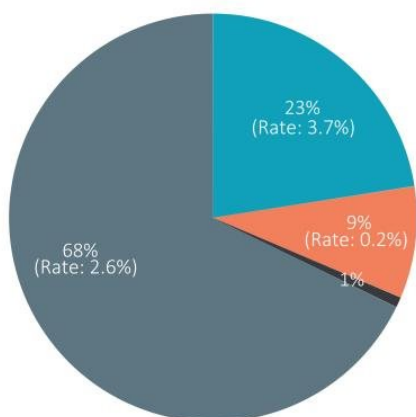
Based on fair value.

Information is unaudited, estimated and subject to change.

# GAAP FINANCING SOURCES

Chimera optimized its Non-Agency funding by reducing borrowing rates and increasing non-recourse debt

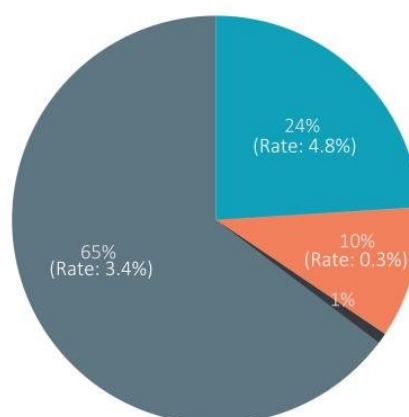
March 31, 2021



- Non-Agency and Loans Secured Financing (1)
- Agency Secured Financing
- Non-Recourse Debt, Securitized RMBS
- Non-Recourse Debt, Securitized Loans

**Total Portfolio: \$12.9 billion**

December 31, 2020



- Non-Agency and Loans Secured Financing (1)
- Agency Secured Financing
- Non-Recourse Debt, Securitized RMBS
- Non-Recourse Debt, Securitized Loans

**Total Portfolio: \$13.5 billion**

(1) Includes secured financing of retained tranches from loan securitizations that are eliminated in consolidation.

# NON-AGENCY FINANCING

Chimera continues to focus on longer term and non-mark-to-market financing for its non-agency portfolio

## March 31, 2021

Total Non-Agency Secured Financing: \$2.4 billion<sup>(1)</sup>



(1) Excludes secured financing on residential mortgage loans.

## December 31, 2020

Total Non-Agency Secured Financing: \$2.8 billion<sup>(1)</sup>



## NET INVESTMENT ANALYSIS

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Strong net interest spread resulting from a reduction in financing cost

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	RESIDENTIAL MORTGAGE CREDIT PORTFOLIO	AGENCY PORTFOLIO <sup>(1)</sup>	TOTAL PORTFOLIO
GROSS ASSET YIELD:	6.3%	7.3%	6.4%
FINANCING COSTS	3.6%	0.2%	3.3%
NET INTEREST SPREAD:	2.7%	7.1%	3.1%
NET INTEREST MARGIN:	3.2%	7.1%	3.6%

All data as of March 31, 2021

(1) Includes \$14 million of additional income received from prepayment penalties. Gross Asset Yield is approximately 3.5% excluding these items.



## NET ASSET BREAKDOWN

Chimera invests in RMBS securities and securities created through the CIM Sponsored securitizations. Loans are financed through Financing Trusts.

Investments	Chimera Subsidiaries	Securitization Trusts <sup>(1)</sup>	Financing Trusts	Total
Non-Agency RMBS, at fair value	\$ 1,534,936	\$ 478,542	\$ —	\$ 2,013,478
Agency RMBS, at fair value	86,354	—	—	86,354
Agency CMBS, at fair value	1,355,289	—	—	1,355,289
Residential Mortgage Loans	—	12,141,001	667,011	12,808,012
<b>Total Invested Assets</b>	<b>\$ 2,976,579</b>	<b>\$ 12,619,543</b>	<b>\$ 667,011</b>	<b>\$ 16,263,133</b>
<b>Securitized Debt (Non-Recourse), collateralized by:</b>				
Non-Agency RMBS	\$ —	\$ 107,367	\$ —	\$ 107,367
Residential Mortgage Loans	—	8,734,372	—	8,734,372
<b>Total Securitized Debt (Non-recourse)</b>	<b>\$ —</b>	<b>\$ 8,841,739</b>	<b>\$ —</b>	<b>\$ 8,841,739</b>
<b>Invested Assets less Securitized Debt</b>	<b>\$ 2,976,579</b>	<b>\$ 3,777,804</b>	<b>\$ 667,011</b>	<b>\$ 7,421,394</b>
<b>Secured Financing Agreements (Recourse):</b>				
Non-Agency RMBS	\$ 743,772	\$ 117,332	\$ —	\$ 861,104
Agency RMBS	64,952	—	—	64,952
Agency CMBS	1,076,498	—	—	1,076,498
Residential Mortgage Loans	—	1,557,351	486,007	2,043,358
<b>Total Secured Financing Agreements</b>	<b>\$ 1,885,222</b>	<b>\$ 1,674,683</b>	<b>\$ 486,007</b>	<b>\$ 4,045,912</b>
<b>Net Assets</b>	<b>\$ 1,091,357</b>	<b>\$ 2,103,121</b>	<b>\$ 181,004</b>	<b>\$ 3,375,482</b>

All data as of March 31, 2021

\$ in thousands

(1) Includes \$950 million of loans account for as secured borrowings and \$749 million of securitized debt (non-recourse).

Information is unaudited, estimated and subject to change.

## SECURITIZATION ACTIVITY

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Chimera achieved higher advance rates on new securitizations while reducing securitized debt expense

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### *\$2.3 Billion Loan Securitization with a Weighted Average Coupon of 6.3%*

	Deal Name	Securitized Debt (UPB)	Average Yield
Legacy Deal	CIM 2016-1,2,3	\$1,694,026	5.2%
2021 Securitization	CIM 2021-R1, NR1	\$1,946,674	2.0%
	Net Impact	\$252,648	(3.2)%

### *\$1.7 Billion Loan Securitization with a Weighted Average Coupon of 6.8%*

	Deal Name	Securitized Debt (UPB)	Average Yield
Legacy Deal	CIM 2017-3,4 & 2018-NR1	\$1,218,555	4.2%
2021 Securitization	CIM 2021-R2, NR2	\$1,452,948	2.2%
	Net Impact	\$234,393	(2.0)%

\*All secured financing on retained tranches from 2021 securitizations is Non-Mark-to-Market with a weighted average maturity of 17 months

All data as of securitization closing date.  
\$ in thousands

Information is unaudited, estimated and subject to change.



# CONSOLIDATED LOAN SECURITIZATIONS

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
2021	CIM 2021-R2	\$1,497,213	\$1,272,631	\$224,582	\$1,497,213	\$1,272,631	\$224,582
2021	CIM 2021-NR2	240,425	180,318	60,107	240,425	180,318	60,107
2021	CIM 2021-R1	2,098,584	1,783,797	314,787	2,064,937	1,749,578	315,359
2021	CIM 2021-NR1	232,682	162,877	69,805	227,299	157,862	69,437
2020	CIM 2020-NR1 <sup>(1)</sup>	131,860	84,165	47,695	128,042	80,629	47,413
2020	CIM 2020-R7 <sup>(2)</sup>	653,192	562,023	91,169	618,510	527,338	91,172
2020	CIM 2020-R6	418,390	334,151	84,239	393,125	308,816	84,309
2020	CIM 2020-R5	338,416	257,027	81,389	284,910	203,277	81,633
2020	CIM 2020-R4	276,316	207,237	69,079	257,634	188,454	69,180
2020	CIM 2020-R3	438,228	328,670	109,558	389,016	279,490	109,526
2020	CIM 2020-R2	492,347	351,926	140,421	436,245	361,707	74,538
2020	CIM 2020-R1	390,761	317,608	73,153	354,123	281,236	72,887
2019	CIM 2019-R5	315,039	252,224	62,815	258,531	195,871	62,660
2019	CIM 2019-R4	320,802	200,000	120,802	269,484	205,323	64,161
2019	CIM 2019-R3 <sup>(2)</sup>	342,633	291,237	51,396	273,184	221,548	51,636
2019	CIM 2019-R2	464,327	358,172	106,155	402,870	297,839	105,031
2019	CIM 2019-R1	371,762	297,409	74,353	317,787	243,748	74,039
2018	CIM 2018-R6 <sup>(1)</sup>	478,251	334,775	143,476	331,266	189,980	141,286
2018	CIM 2018-R5 <sup>(1)</sup>	380,194	266,136	114,058	250,253	138,891	111,362
2018	CIM 2018-R4 <sup>(1)</sup>	387,222	271,056	116,166	277,354	163,031	114,323
2018	CIM 2018-R3	181,073	146,669	34,404	111,521	78,103	33,418
2018	CIM 2018-R2 <sup>(1)</sup>	380,292	266,204	114,088	245,840	132,706	113,134
2018	CIM 2018-R1 <sup>(1)</sup>	169,032	140,297	28,735	117,202	88,573	28,629
2017	CMLTI 2017-RP2 <sup>(1)</sup>	421,329	341,276	80,053	284,851	245,149	39,702
2017	CIM 2017-7	512,446	341,062	171,384	332,615	175,249	157,366
2017	CIM 2017-6 <sup>(1)</sup>	782,725	626,179	156,546	471,219	322,173	149,046
2017	CIM 2017-5 <sup>(1)</sup>	377,034	75,407	301,627	241,961	171,671	70,290
2017	CIM 2017-1 <sup>(1)</sup>	526,267	368,387	157,880	283,252	187,954	95,298
2016	CIM 2016-FRE1 <sup>(1)</sup>	185,811	115,165	70,646	102,435	41,360	61,075
2012	CSMC 2012-CIM3	329,886	305,804	24,082	43,662	34,258	9,404
2008	PHHMC 2008-CIM1	619,710	549,142	70,568	14,791	10,792	3,999
	TOTAL	\$14,754,249	\$11,389,031	\$3,365,218	\$11,521,557	\$8,735,555	\$2,786,002

All data as of March 31, 2021

\$ in thousands

- (1) Currently callable or callable during 2021
- (2) Accounted for as a secured borrowing

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