

# FINANCIAL SUPPLEMENT

2nd Quarter 2019

# DISCLAIMER

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

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# PORTFOLIO COMPOSITION

## Net Investment Analysis<sup>(2)</sup>

	RESIDENTIAL MORTGAGE CREDIT PORTFOLIO	AGENCY PORTFOLIO	TOTAL PORTFOLIO
GROSS ASSET YIELD:	7.1%	3.4%	5.4%
FINANCING COSTS <sup>(3)</sup>	4.2%	2.6%	3.4%
NET INTEREST SPREAD:	2.9%	0.8%	2.0%
NET INTEREST MARGIN:	3.4%	1.0%	2.3%

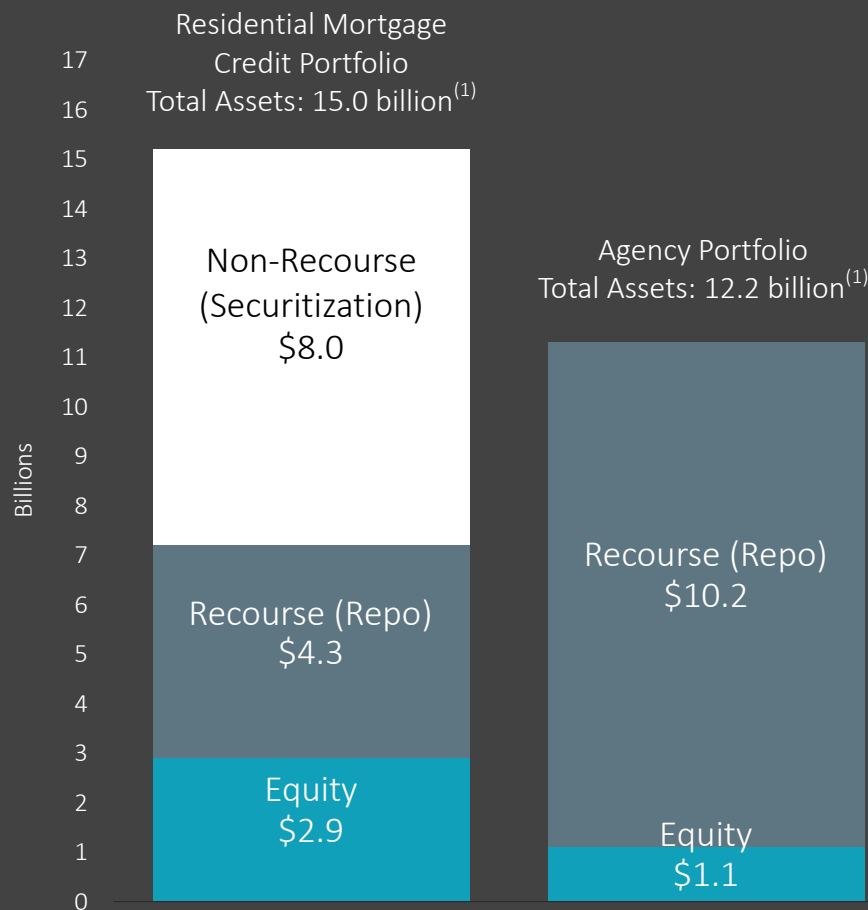
All data as of June 30, 2019

(1) Financing excludes unsettled trades.

(2) Reflects second quarter 2019 average assets, yields, and spreads.

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

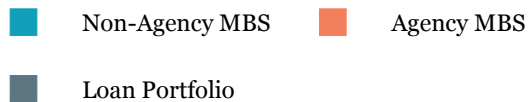
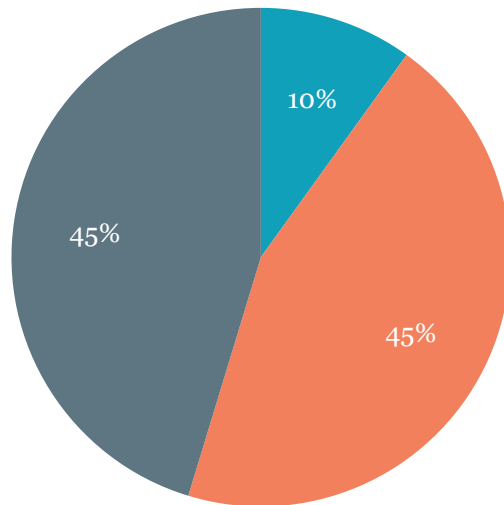
73% of Chimera's equity capital is allocated to mortgage credit



# GAAP ASSET ALLOCATION

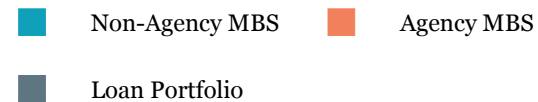
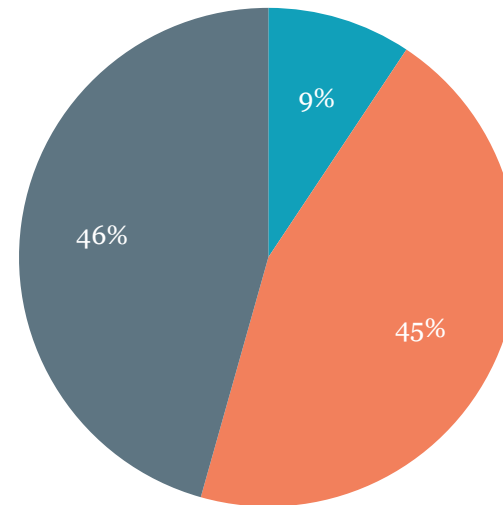
Chimera maintained a consistent asset allocation during the quarter

June 30, 2019



Total Portfolio: \$27.2 billion

March 31, 2019



Total Portfolio: \$27.2 billion

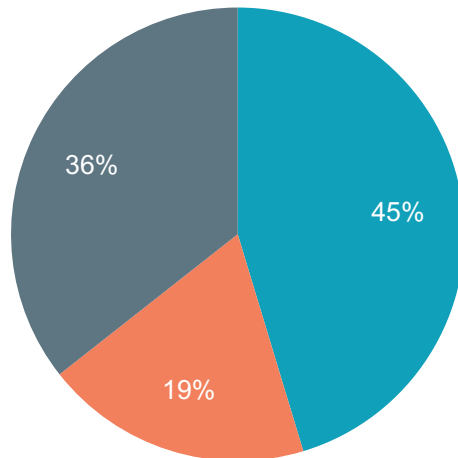
Based on fair value.

Information is unaudited, estimated and subject to change.

# GAAP FINANCING SOURCES

Chimera operates at 5.7:1 total leverage and 3.7:1 recourse leverage<sup>(1)</sup>

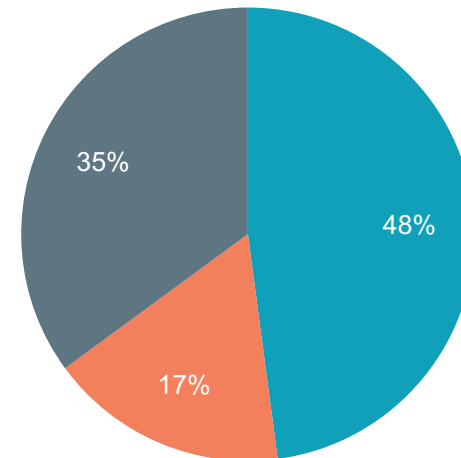
June 30, 2019



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

Total Portfolio: \$22.5 billion

March 31, 2019



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

Total Portfolio: \$23.6 billion

- (1) Leverage ratios as of June 30, 2019  
(2) Consists of tranches of RMBS and loan securitizations sold to third parties.

# 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
2018	CIM 2018-NR1	\$257,548	—	\$257,548	\$210,608	—	\$210,608
2018	CIM 2018-R6	478,251	334,775	143,476	436,780	293,517	143,263
2018	CIM 2018-R5	380,194	266,136	114,058	335,325	221,558	113,767
2018	CIM 2018-R4	387,222	271,056	116,166	346,615	230,916	115,699
2018	CIM 2018-R3	181,073	146,669	34,404	151,456	117,167	34,289
2018	CIM 2018-R2	380,292	266,204	114,088	321,052	206,767	114,285
2018	CIM 2018-R1	169,032	140,297	28,735	145,070	116,112	28,958
2017	CMLTI 2017-RP2	421,329	341,276	80,053	353,302	273,657	79,645
2017	CIM 2017-8	1,148,050	688,829	459,221	943,151	488,240	454,911
2017	CIM 2017-7	512,446	341,062	171,384	418,092	250,404	167,688
2017	CIM 2017-6	782,725	626,179	156,546	616,416	461,353	155,063
2017	CIM 2017-5	377,034	75,407	301,627	306,647	81,681	224,966
2017	CIM 2017-4	830,510	710,003	120,507	522,808	414,621	108,187
2017	CIM 2017-3	2,434,640	2,113,267	321,373	1,686,888	1,376,900	309,988
2017	CIM 2017-2	331,440	248,580	82,860	252,978	171,318	81,660
2017	CIM 2017-1	526,267	368,387	157,880	379,764	226,100	153,664
2016	CIM 2016-FRE1	185,811	115,165	70,646	132,555	66,497	66,058
2016	CIM 2016-4	601,733	493,420	108,313	397,801	292,541	105,260
2016	CIM 2016-3	1,746,084	1,478,933	267,151	1,090,927	844,116	246,811
2016	CIM 2016-2	1,762,177	1,492,563	269,614	1,095,218	845,531	249,687
2016	CIM 2016-1	1,499,341	1,266,898	232,443	923,769	714,597	209,172
2012	CSMC 2012-CIM1	741,939	707,810	34,129	44,551	18,928	25,623
2012	CSMC 2012-CIM2	425,091	404,261	20,830	36,436	19,922	16,514
2012	CSMC 2012-CIM3	329,886	305,804	24,082	99,945	82,681	17,264
2008	PHHMC 2008-CIM1	619,710	549,142	70,568	28,408	20,759	7,649
	TOTAL	\$17,509,825	\$13,752,123	\$3,757,702	\$11,276,562	\$7,835,883	\$3,440,679

All data as of June 30, 2019

\$ in thousands

Information is unaudited, estimated and subject to change.

# AGENCY SECURITIES AND REPO SUMMARY

## Agency Securities – As of June 30, 2019

SECURITY TYPE	COUPON <sup>(1)</sup>	CURRENT FACE	WEIGHTED AVERAGE MARKET PRICE	WEIGHTED AVERAGE CPR
Agency Pass-through	3.5%	\$620,190	103.0	10.0
	4.0%	7,181,831	103.8	13.9
	4.5%	386,226	105.5	18.7
	5.0%	270,623	105.7	34.2
Commercial	3.6%	3,036,622	105.9	0.1
Agency IO	1.1%	N/M <sup>(2)</sup>	5.4	5.2
Total		\$11,495,492		

## Agency Securities – As of March 31, 2019

SECURITY TYPE	COUPON <sup>(1)</sup>	CURRENT FACE	WEIGHTED AVERAGE MARKET PRICE	WEIGHTED AVERAGE CPR
Agency Pass-through	3.5%	\$615,631	101.7	7.3
	4.0%	7,360,542	103.0	4.7
	4.5%	409,267	104.7	12.5
	5.0%	301,504	105.7	28.9
Commercial	3.6%	3,080,065	101.9	—
Agency IO	1.0%	N/M <sup>(2)</sup>	5.6	6.2
Total		\$11,767,009		

## Repo Days to Maturity – As of June 30, 2019

MATURITY	PRINCIPAL BALANCE	WEIGHTED AVERAGE RATE	WEIGHTED AVERAGE DAYS
Within 30 days	\$4,337,493	2.66%	
30 to 59 days	5,873,771	2.61%	
60 to 89 days	5,196	2.68%	
90 to 360 days	—	—%	
Total	\$10,216,460	2.63%	31 Days

## Repo Days to Maturity – As of March 31, 2019

MATURITY	PRINCIPAL BALANCE	WEIGHTED AVERAGE RATE	WEIGHTED AVERAGE DAYS
Within 30 days	\$5,445,447	2.73%	
30 to 59 days	4,155,446	2.69%	
60 to 89 days	1,125,058	2.70%	
90 to 360 days	578,532	2.71%	
Total	\$11,304,483	2.71%	34 Days

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

(2) Notional Agency IO was \$2.8 billion and \$2.6 billion as of June 30, 2019 and March 31, 2019 respectively.

# INTEREST RATE SENSITIVITY

Chimera rebalanced its Agency hedge portfolio during the quarter

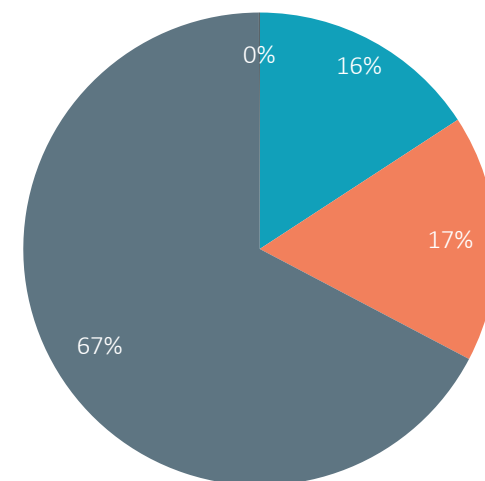
DESCRIPTION (\$ in thousands)		- 100 BASIS POINTS	- 50 BASIS POINTS	UNCHANGED	+50 BASIS POINTS	+100 BASIS POINTS
Agency Securities	Market Value	\$ 12,414,897	\$ 12,310,754	\$ 12,154,575	\$ 11,922,436	\$ 11,638,675
	Percentage Change	2.1 %	1.3 %	-	(1.9)%	(4.2)%
Swaps	Market Value	(324,172)	(158,685)	-	152,265	298,372
	Percentage Change	(2.7)%	(1.3)%	-	1.3 %	2.5 %
Futures	Market Value	(35,186)	(17,351)	-	16,886	33,327
	Percentage Change	(0.3)%	(0.1)%	-	0.1 %	0.3 %
Net Gain/(Loss)	Market Value	(99,036)	(19,857)	-	(62,988)	(184,201)
	Percentage Change in Portfolio Value <sup>(1)</sup>	(0.8)%	(0.2)%	-	(0.5)%	(1.5)%

## Total Notional Balance - Derivative Instruments

	June 30, 2019	March 31, 2019
Agency Interest Rate Swaps	4,931,700	6,733,200
Swaptions	25,000	53,000
Futures	619,700	619,700

(1) Based on instantaneous moves in interest rates.

## Hedge Book Maturities



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



