

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):
November 3, 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.)

520 Madison Avenue
New York, New York
(Address of principal executive offices)

10022
(Zip Code)

Registrant's telephone number, including area code: (212) 626-2300

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))
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Item 2.02. Results of Operations and Financial Condition

On November 3, 2015, the registrant issued a press release announcing its financial results for the quarter ended September 30, 2015. A copy of the press release is furnished as Exhibit 99.1 to this report.

On November 3, 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 November 3, 2015, issued by Chimera Investment Corporation

99.2 Supplemental Financial Information for the quarter ended September 30, 2015.

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: November 3, 2015

CHIMERA INVESTMENT CORPORATION RELEASES 3RD QUARTER 2015 EARNINGS

- **CORE EARNINGS OF \$98 MILLION OR \$0.50 PER SHARE**
- **PURCHASED 16.6 MILLION OR 8% OF CHIMERA'S OUTSTANDING SHARES FOR \$231 MILLION OR \$13.94 PER SHARE; A 17% DISCOUNT FROM Q2 2015 ENDING GAAP BOOK VALUE PER SHARE**
- **BECAME A MEMBER OF THE FEDERAL HOME LOAN BANK OF DES MOINES THROUGH WHOLLY-OWNED INSURANCE COMPANY**
- **GAAP BOOK VALUE OF \$16.38 PER SHARE**
- **GAAP NET LOSS OF \$48 MILLION OR \$0.24 PER SHARE**

NEW YORK--(BUSINESS WIRE)--November 3, 2015--"Chimera had a number of positive advances in the third quarter. We made significant progress in our transition to a fully independent, internally managed mortgage REIT, repurchased \$231 million of our stock and became a member of the Federal Home Loan Bank System. Chimera has also taken a number of steps to position our portfolio and balance sheet in light of the continuing volatility in the fixed income market. This includes lowering our interest rate risk by reducing our Agency portfolio by \$2 billion earlier this year, increasing the notional balances of our interest rate swaps and extending the term of our non-agency financing. Given the current uncertainty around interest rates, we believe defending book value in the near term while creating an investor friendly operating structure will be the right path to maximizing value for our shareholders over the long term."

3rd Quarter 2015 Financial Results and Highlights

- Core earnings⁽¹⁾ of \$0.50 per share down, from \$0.53 earned in the 2nd quarter of 2015 and \$0.56 earned in the 3rd quarter of 2014. Core earnings for the third quarter were based on 198 million average shares outstanding for the quarter compared to 189 million shares currently outstanding.
- Net interest income of \$144 million, down from \$150 million in the 2nd quarter of 2015 and \$151 million in the 3rd quarter of 2014
- GAAP book value of \$16.38 per share, down from \$16.73 per share for the 2nd quarter of 2015 and down from \$17.50 per share in the 3rd quarter of 2014
- Economic book value of \$15.28 per share, down from \$15.54 per share for the 2nd quarter of 2015 and \$15.75 for the 3rd quarter of 2014
- Purchased 8% of Chimera's outstanding shares during the quarter which is expected to be beneficial to Chimera's shareholders in future quarters.
 - Purchased all shares held by Annaly, 4.4% of outstanding, for \$14.05 per share.
 - Open market purchases were executed at \$13.81 per share for an average of \$13.94 per share on all purchases.
- Exercised call right on Springleaf 2012-2 trust and securitized related mortgage loans in a new CIM 2015-3AG trust reducing financing costs from 4.1% to 2.2%. Incurred \$2.4m of non-recurring deal expenses during the third quarter in relation to this transaction.

(1) Core earnings is a non-GAAP measure and is defined as GAAP net income (loss) 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, including \$9m of realized losses on treasury futures during the 3rd quarter of 2015. 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.

Gross asset yields were 8.3% on the residential mortgage credit portfolio and 2.8% on the Agency MBS portfolio. The net interest spread on the total portfolio was 3.4% and net interest margin was 4.0% reflecting total leverage of 3.8:1 and recourse "at risk" leverage of 2.5:1 at September 30, 2015.

The Company declared a common stock dividend of \$0.48 per share for the quarter ended September 30, 2015. The annualized dividend yield on the Company's common stock for the quarter ended September 30, 2015 was 14%.

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").

Please visit www.chimerareit.com and click on Investor Relations for additional information about the Company.

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

| | September 30, 2015 | December 31, 2014 |
|---|----------------------|----------------------|
| Assets: | | |
| Cash and cash equivalents | \$ 40,097 | \$ 164,620 |
| Non-Agency RMBS, at fair value | 3,789,967 | 3,404,149 |
| Agency RMBS, at fair value | 6,514,728 | 8,441,522 |
| Securitized loans held for investment, net of allowance for loan losses of \$0 million and \$7 million, respectively | - | 626,112 |
| Securitized loans held for investment, at fair value | 5,281,652 | 4,699,215 |
| Receivable for investments sold | 57,680 | 1,572,056 |
| Accrued interest receivable | 69,774 | 71,099 |
| Other assets | 173,512 | 172,601 |
| Derivatives, at fair value, net | 12,235 | 3,631 |
| Total assets (1) | \$ 15,939,645 | \$ 19,155,005 |
| Liabilities: | | |
| Repurchase agreements, RMBS (\$8.5 billion and \$9.3 billion pledged as collateral, respectively) | \$ 7,150,821 | \$ 8,455,381 |
| Securitized debt, collateralized by Non-Agency RMBS (\$2.2 billion and \$2.5 billion pledged as collateral, respectively) | 571,853 | 704,915 |
| Securitized debt, collateralized by loans held for investment (\$0 million and \$626 million pledged as collateral, respectively) | - | 521,997 |
| Securitized debt at fair value, collateralized by loans held for investment (\$5.3 billion and \$4.7 billion pledged as collateral, respectively) | 4,221,295 | 3,868,366 |
| Payable for investments purchased | 715,512 | 1,845,282 |
| Accrued interest payable | 39,842 | 31,888 |
| Dividends payable | 91,383 | 92,483 |
| Accounts payable and other liabilities | 11,516 | 2,469 |
| Investment management fees payable | 3,992 | 10,357 |
| Derivatives, at fair value | 14,714 | 14,177 |
| Total liabilities (1) | 12,820,928 | 15,547,315 |
| Commitments and Contingencies (See Note 16) | | |
| Stockholders' Equity: | | |
| Preferred Stock: par value \$0.01 per share; 100,000,000 shares authorized, 0 shares issued and outstanding, respectively | \$ - | \$ - |
| Common stock: par value \$0.01 per share; 300,000,000 shares authorized, 190,394,216 and 205,546,144 shares issued and outstanding, respectively | 10,163 | 10,275 |
| Additional paid-in-capital | 3,394,637 | 3,606,191 |
| Accumulated other comprehensive income | 935,248 | 1,046,680 |
| Accumulated deficit | (1,221,331) | (1,055,456) |
| Total stockholders' equity | \$ 3,118,717 | \$ 3,607,690 |
| Total liabilities and stockholders' equity | \$ 15,939,645 | \$ 19,155,005 |

(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 Corp.). As of September 30, 2015 and December 31, 2014, total assets of consolidated VIEs were \$7,649,737 and \$7,924,232, respectively, and total liabilities of consolidated VIEs were \$4,806,481 and \$5,111,348, respectively.

Core earnings

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. As defined, core earnings include interest income and expense as well as realized gains or losses on derivatives used to hedge interest rate risk. Core earnings are provided for the purpose of comparability to other peer issuers, but have important limitations. Core earnings as described above helps evaluate our financial performance without the impact of certain transactions and 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.

The following table provides GAAP measures of net income and net income per basic share available to common stockholders for the quarters ended September 30, 2015 and 2014 and details with respect to reconciling the line items to core earnings and related per average basic common share amounts:

| | For the Quarter Ended | | For the Nine Months Ended | |
|--|---|--------------------|---------------------------|--------------------|
| | September 30, 2015 | September 30, 2014 | September 30, 2015 | September 30, 2014 |
| | (dollars in thousands, except per share data) | | | |
| GAAP Net income | \$ (48,259) | \$ 377,580 | \$ 134,969 | \$ 582,717 |
| Adjustments: | | | | |
| Net other-than-temporary credit impairment losses | 17,832 | 1,990 | 52,748 | 8,871 |
| Net unrealized gains (losses) on derivatives | 71,540 | (12,975) | (20,543) | 11,720 |
| Net unrealized (gains) losses on financial instruments at fair value | 40,955 | (162,921) | 88,640 | (183,722) |
| Net realized (gains) losses on sales of investments | (3,539) | (64,107) | (42,789) | (68,145) |
| (Gains) losses on extinguishment of debt | 19,915 | - | 14,836 | 2,184 |
| Gain on deconsolidation | - | - | - | (47,846) |
| Realized (gains) losses on terminations of interest rate swaps | - | - | 99,703 | - |
| Other (income) expense | - | (23,783) | - | (23,783) |
| Core Earnings | \$ 98,444 | \$ 115,784 | \$ 327,564 | \$ 281,996 |
| GAAP net income per basic common share | \$ (0.24) | \$ 1.85 | \$ 0.65 | \$ 2.85 |
| Core earnings per basic common share | \$ 0.50 | \$ 0.55 | \$ 1.61 | \$ 1.36 |

CHIMERA INVESTMENT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

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

(Unaudited)

| | For the Quarter Ended | | For the Nine Months Ended | |
|---|-----------------------|--------------------|---------------------------|--------------------|
| | September 30, 2015 | September 30, 2014 | September 30, 2015 | September 30, 2014 |
| Net Interest Income: | | | | |
| Interest income (1) | \$ 211,876 | \$ 190,355 | \$ 670,825 | \$ 445,340 |
| Interest expense (2) | 67,910 | 38,886 | 194,410 | 81,991 |
| Net interest income | 143,966 | 151,469 | 476,415 | 363,349 |
| Other-than-temporary impairments: | | | | |
| Total other-than-temporary impairment losses | (3,129) | (726) | (6,389) | (4,939) |
| Portion of loss recognized in other comprehensive income | (14,703) | (1,264) | (46,359) | (3,932) |
| Net other-than-temporary credit impairment losses | (17,832) | (1,990) | (52,748) | (8,871) |
| Other investment gains (losses): | | | | |
| Net unrealized gains (losses) on derivatives | (71,540) | 12,975 | 20,543 | (11,720) |
| Realized gains (losses) on terminations of interest rate swaps | - | - | (99,703) | - |
| Net realized gains (losses) on derivatives | (21,160) | (23,152) | (80,023) | (48,692) |
| Net gains (losses) on derivatives | (92,700) | (10,177) | (159,183) | (60,412) |
| Net unrealized gains (losses) on financial instruments at fair value | (40,955) | 162,921 | (88,640) | 183,722 |
| Net realized gains (losses) on sales of investments | 3,539 | 64,107 | 42,789 | 68,145 |
| Gain on deconsolidation | - | - | - | 47,846 |
| Gains (losses) on Extinguishment of Debt | (19,915) | - | (14,836) | (2,184) |
| Realized losses on principal write-downs of Non-Agency RMBS | - | - | - | - |
| Total other gains (losses) | (150,031) | 216,851 | (219,870) | 237,117 |
| Other expenses: | | | | |
| Management fees | 4,088 | 9,381 | 24,610 | 21,873 |
| Expense recoveries from Manager | (1,140) | (1,975) | (6,905) | (4,820) |
| Net management fees | 2,948 | 7,406 | 17,705 | 17,053 |
| Compensation and benefits | 3,955 | - | 4,482 | - |
| General and administrative expenses | 8,534 | 2,538 | 22,028 | 11,996 |
| Servicing Fees of consolidated VIEs | 6,499 | 2,589 | 19,276 | 3,610 |
| Deal Expenses | 2,426 | - | 5,337 | - |
| Other (income) expense | - | (23,783) | - | (23,783) |
| Total other expenses | 24,362 | (11,250) | 68,828 | 8,876 |
| Income (loss) before income taxes | (48,259) | 377,580 | 134,969 | 582,719 |
| Income taxes | - | - | - | 2 |
| Net income (loss) | \$ (48,259) | \$ 377,580 | \$ 134,969 | \$ 582,717 |
| Net income (loss) per share available to common shareholders: | | | | |
| Basic | \$ (0.24) | \$ 1.85 | \$ 0.65 | \$ 2.85 |
| Diluted | \$ (0.24) | \$ 1.85 | \$ 0.65 | \$ 2.85 |
| Weighted average number of common shares outstanding: | | | | |
| Basic | 197,787,858 | 205,436,676 | 202,891,610 | 205,443,605 |
| Diluted | 197,875,408 | 205,501,776 | 202,979,160 | 205,508,748 |
| Comprehensive income (loss): | | | | |
| Net income (loss) | \$ (48,259) | \$ 377,580 | \$ 134,969 | \$ 582,717 |
| Other comprehensive income: | | | | |
| Unrealized gains (losses) on available-for-sale securities, net | 16,512 | (74,155) | (121,142) | 63,995 |
| Reclassification adjustment for net losses included in net income for other-than-temporary credit impairment losses | 17,832 | 1,990 | 52,748 | 8,871 |
| Reclassification adjustment for net realized losses (gains) included in net income | (3,903) | (62,477) | (43,038) | (70,817) |
| Reclassification adjustment for gain on deconsolidation included in net income | - | - | - | (47,846) |
| Other comprehensive income (loss) | 30,441 | (134,642) | (111,432) | (45,797) |
| Comprehensive income (loss) | \$ (17,818) | \$ 242,938 | \$ 23,537 | \$ 536,920 |

(1) Includes interest income of consolidated VIEs of \$142,053 and \$103,742 for the quarters ended September 30, 2015 and 2014, respectively. Includes interest income of consolidated VIEs of \$439,571 and \$274,215 for the nine months ended September 30, 2015 and 2014, respectively. See Note 8 for further discussion.

(2) Includes interest expense of consolidated VIEs of \$50,837 and \$28,984 for the quarters ended September 30, 2015 and 2014, respectively. Includes interest expense of consolidated VIEs of \$148,017 and \$66,859 for the nine months ended September 30, 2015 and 2014, respectively. See Note 8 for further discussion.

The following tables provide a summary of the Company's RMBS portfolio at September 30, 2015 and December 31, 2014.

All Portfolio Assets

| | September 30, 2015 | | | | | |
|-----------------------------|--|--|-----------------------------------|-------------------------------|---|--|
| | 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 RMBS | | | | | | |
| Senior | \$ 3,691,932 | \$ 57.29 | \$ 78.46 | 3.8% | 17.2% | |
| Senior, interest-only | 5,673,250 | 4.77 | 4.31 | 1.6% | 13.0% | |
| Subordinated | 821,814 | 63.76 | 77.25 | 3.1% | 10.1% | |
| Subordinated, interest-only | 297,851 | 5.61 | 4.65 | 1.3% | 10.9% | |
| Agency MBS | | | | | | |
| Residential pass-through | 5,061,800 | 105.21 | 105.68 | 3.8% | 3.1% | |
| Commercial pass-through | 853,404 | 102.21 | 104.14 | 3.4% | 3.0% | |
| Interest-only | 6,593,418 | 4.25 | 4.20 | 0.8% | 3.6% | |

(1) Bond Equivalent Yield at period end.

| | 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 RMBS | | | | | | |
| Senior | \$ 3,435,362 | \$ 55.09 | \$ 79.63 | 4.3% | 15.9% | |
| Senior, interest-only | 5,221,937 | 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% | |
| Agency MBS | | | | | | |
| 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% | |

(1) Bond Equivalent Yield at period end.

At September 30, 2015 and December 31, 2014, the repurchase agreements collateralized by RMBS had the following remaining maturities.

| | September 30, 2015 | | December 31, 2014 |
|-----------------------------------|------------------------|----|-------------------|
| | (dollars in thousands) | | |
| Overnight | \$ 33,119 | \$ | - |
| 1 to 29 days | 1,620,979 | | 2,652,717 |
| 30 to 59 days | 1,846,105 | | 1,371,856 |
| 60 to 89 days | 877,448 | | 656,915 |
| 90 to 119 days | 1,224,940 | | 2,068,740 |
| Greater than or equal to 120 days | 1,548,230 | | 1,705,153 |
| Total | \$ 7,150,821 | \$ | 8,455,381 |
| Average days to maturity | 114 Days | | 100 Days |

The following table summarizes certain characteristics of our portfolio at September 30, 2015 and December 31, 2014.

| | September 30, 2015 | December 31, 2014 |
|---|--------------------|-------------------|
| Interest earning assets at period-end (1) | \$ 15,586,347 | \$ 17,170,998 |
| Interest bearing liabilities at period-end | \$ 11,943,969 | \$ 13,550,659 |
| Leverage at period-end | 3.8:1 | 3.8:1 |
| Leverage at period-end (recourse) | 2.5:1 | 2.6:1 |
| Portfolio Composition, at amortized cost | | |
| Non-Agency RMBS | 9.8% | 5.1% |
| Senior | 4.3% | 1.5% |
| Senior, interest only | 1.8% | 1.4% |
| Subordinated | 3.6% | 2.2% |
| Subordinated, interest only | 0.1% | 0.1% |
| RMBS transferred to consolidated VIEs | 10.2% | 10.3% |
| Agency MBS | 44.3% | 52.1% |
| Residential | 36.4% | 50.9% |
| Commercial | 6.0% | N/A |
| Interest-only | 1.9% | 1.2% |
| Securitized loans held for investment | 35.7% | 32.5% |
| Fixed-rate percentage of portfolio | 85.6% | 92.5% |
| Adjustable-rate percentage of portfolio | 14.4% | 7.5% |
| Annualized yield on average interest earning assets for the year ended | 6.1% | 6.9% |
| Annualized cost of funds on average borrowed funds for the year ended (2) | 2.5% | 2.5% |

(1) Excludes cash and cash equivalents.

(2) Includes the effect of realized losses on interest rate swaps.

The tables below present the adjustments to GAAP book value that we believe are necessary to adequately reflect our calculation of estimated economic book value as of September 30, 2015 and December 31, 2014.

September 30, 2015
(dollars in thousands, except per share data)

| | | |
|---|----|-------------|
| GAAP Book Value | \$ | 3,118,717 |
| GAAP Book Value per Share | \$ | 16.38 |
| <u>Economic Adjustments:</u> | | |
| Assets of Consolidated VIEs | | (7,525,004) |
| Non-Recourse Liabilities of Consolidated VIEs | | 4,793,148 |
| Interests in VIEs eliminated in consolidation | | 2,522,817 |
| Total Adjustments - Net | | (209,039) |
| Total Adjustments - Net (per share) | | 1.10 |
| Economic Book Value | \$ | 2,909,678 |
| Economic Book Value per Share | \$ | 15.28 |

December 31, 2014
(dollars in thousands, except per share data)

| | | |
|---|----|-------------|
| GAAP Book Value | \$ | 3,607,690 |
| GAAP Book Value per Share | \$ | 17.55 |
| <u>Economic Adjustments:</u> | | |
| Assets of Consolidated VIEs | | (7,798,794) |
| Non-Recourse Liabilities of Consolidated VIEs | | 5,095,278 |
| Interests in VIEs eliminated in consolidation | | 2,367,953 |
| Total Adjustments - Net | | (335,563) |
| Total Adjustments - Net (per share) | | 1.65 |
| Economic Book Value | \$ | 3,272,127 |
| Economic Book Value per Share | \$ | 15.90 |

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 | | | | | |
|---|------------------------|-------------------|--------------------|----------------------|-------------------|--------------------|
| | September 30, 2015 | | | September 30, 2014 | | |
| | (dollars in thousands) | | | | | |
| | Average Balance | Interest | Average Yield/Cost | Average Balance | Interest | Average Yield/Cost |
| Assets: | | | | | | |
| Interest-earning assets (1): | | | | | | |
| Agency RMBS | \$ 5,935,743 | \$ 42,132 | 2.8% | \$ 7,614,237 | \$ 64,065 | 3.4% |
| Non-Agency RMBS | 1,450,827 | 27,579 | 7.6% | 812,667 | 22,544 | 11.1% |
| Non-Agency RMBS transferred to consolidated VIEs | 1,527,414 | 65,028 | 17.0% | 1,787,994 | 71,108 | 15.9% |
| Jumbo Prime securitized residential mortgage loans held for investment | 510,708 | 3,972 | 3.1% | 710,865 | 5,282 | 3.0% |
| Seasoned sub-prime securitized residential mortgage loans held for investment | 4,664,014 | 73,054 | 6.3% | 1,556,948 | 27,352 | 7.0% |
| Total | \$ 14,088,706 | \$ 211,765 | 6.0% | \$ 12,482,711 | \$ 190,351 | 6.1% |
| Liabilities and stockholders' equity: | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Agency repurchase agreements (2) | \$ 5,243,274 | \$ 18,690 | 1.4% | \$ 7,181,000 | \$ 23,872 | 1.3% |
| Non-Agency repurchase agreements | 1,772,806 | 9,739 | 2.2% | 560,836 | 3,162 | 2.3% |
| Securitized debt, collateralized by Non-Agency RMBS | 598,562 | 9,946 | 6.6% | 765,028 | 13,540 | 7.1% |
| Securitized debt, collateralized by jumbo prime residential mortgage loans | 401,222 | 3,227 | 3.2% | 588,699 | 5,205 | 3.5% |
| Securitized debt, collateralized by seasoned sub-prime residential mortgage loans | 3,843,969 | 35,449 | 3.7% | 1,255,689 | 10,239 | 3.3% |
| Total | \$ 11,859,833 | \$ 77,051 | 2.6% | \$ 10,351,252 | \$ 56,018 | 2.2% |
| Net economic interest income/net interest rate spread | | \$ 134,714 | 3.4% | | \$ 134,333 | 3.9% |
| Net interest-earning assets/net interest margin | \$ 2,228,873 | | 4.0% | \$ 2,131,459 | | 4.3% |
| Ratio of interest-earning assets to interest bearing liabilities | | 1.19 | | | 1.21 | |

(1) Interest-earning assets at amortized cost

(2) Interest includes cash paid on swaps

| | For the Nine Months Ended | | | | | |
|---|---------------------------|-------------------|--------------------|---------------------|-------------------|--------------------|
| | September 30, 2015 | | | September 30, 2014 | | |
| | (dollars in thousands) | | | | | |
| | Average Balance | Interest | Average Yield/Cost | Average Balance | Interest | Average Yield/Cost |
| Assets: | | | | | | |
| Interest-earning assets (1): | | | | | | |
| Agency RMBS | \$ 6,713,571 | \$ 154,739 | 3.1% | \$ 4,321,091 | \$ 109,322 | 3.4% |
| Non-Agency RMBS | 1,224,947 | 77,654 | 8.5% | 796,297 | 61,791 | 10.3% |
| Non-Agency RMBS transferred to consolidated VIEs | 1,583,689 | 202,096 | 17.0% | 1,921,600 | 225,417 | 15.6% |
| Jumbo Prime securitized residential mortgage loans held for investment | 560,772 | 18,225 | 4.3% | 742,858 | 21,446 | 3.8% |
| Seasoned sub-prime securitized residential mortgage loans held for investment | 4,581,975 | 219,250 | 6.4% | 518,983 | 27,352 | 7.0% |
| Total | \$ 14,664,954 | \$ 671,964 | 6.1% | \$ 8,300,829 | \$ 445,328 | 7.2% |
| Liabilities and stockholders' equity: | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Agency repurchase agreements (2) | \$ 5,945,916 | \$ 57,930 | 1.3% | \$ 3,921,089 | \$ 46,036 | 1.6% |
| Non-Agency repurchase agreements | 1,466,067 | 24,017 | 2.2% | 246,603 | 3,939 | 2.1% |
| Securitized debt, collateralized by Non-Agency RMBS | 645,086 | 27,111 | 5.6% | 823,113 | 39,559 | 6.4% |
| Securitized debt, collateralized by jumbo prime residential mortgage loans | 449,424 | 13,725 | 4.1% | 621,142 | 17,061 | 3.7% |
| Securitized debt, collateralized by seasoned sub-prime residential mortgage loans | 3,817,215 | 104,965 | 3.7% | 418,563 | 10,239 | 3.3% |
| Total | \$ 12,323,708 | \$ 227,748 | 2.5% | \$ 6,030,510 | \$ 116,834 | 2.6% |
| Net economic interest income/net interest rate spread | | \$ 444,216 | 3.6% | | \$ 328,494 | 4.6% |
| Net interest-earning assets/net interest margin | \$ 2,341,246 | | 4.0% | \$ 2,270,319 | | 5.3% |
| Ratio of interest-earning assets to interest bearing liabilities | | 1.19 | | | 1.38 | |

(1) Interest-earning assets at amortized cost

(2) Interest includes cash paid on swaps

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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.



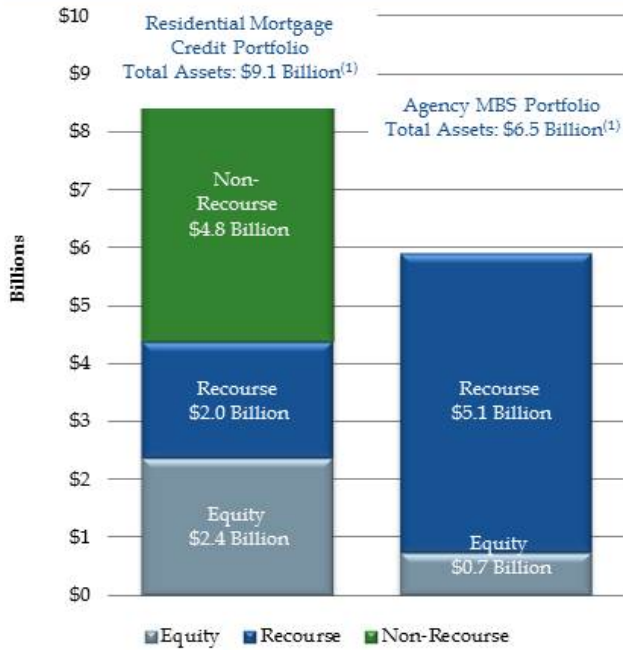
Information is unaudited, estimated and subject to change.

Portfolio Composition as of September 30, 2015

Total Portfolio: \$15.6 Billion

Total Capital: \$3.1 Billion

Total Leverage: 3.8:1



Net Investment Analysis

| | Residential Mortgage Credit Portfolio | Agency MBS Portfolio | Total Portfolio |
|---------------------------------|---------------------------------------|----------------------|-----------------|
| Gross Asset Yield: | 8.3% | 2.8% | 6.0% |
| Financing Cost ⁽²⁾ : | 3.5% | 1.4% | 2.6% |
| Net Interest Spread: | 4.8% | 1.4% | 3.4% |
| Net Interest Margin: | 5.5% | 1.6% | 3.8% |

(1) Excludes unsettled trades.

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

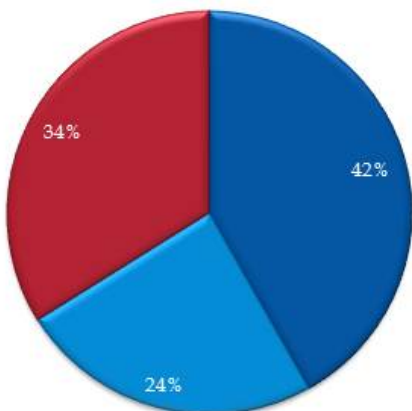


Information is unaudited, estimated and subject to change.

GAAP Asset Allocation: Quarter Over Quarter Comparison⁽¹⁾

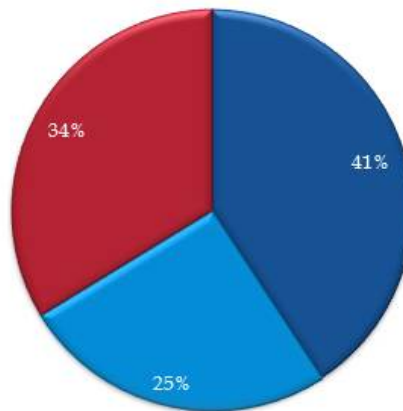
September 30, 2015

June 30, 2015



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

Total Portfolio: \$15.6 Billion



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

Total Portfolio: \$15.4 Billion

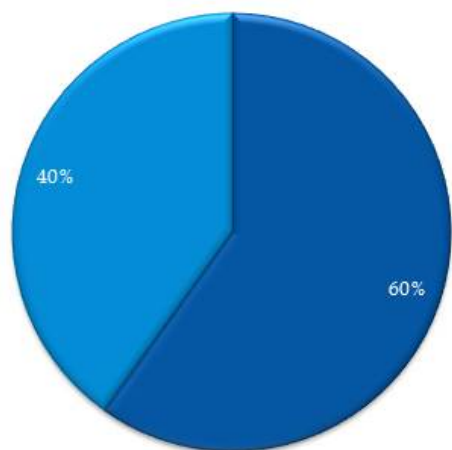
(1) Based on Fair Value.



Information is unaudited, estimated and subject to change.

GAAP Financing Sources: Quarter Over Quarter Comparison

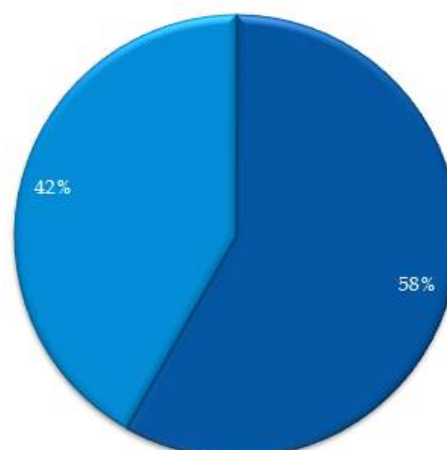
September 30, 2015



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

Total Financing: \$11.9 Billion

June 30, 2015



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

Total Financing: \$11.7 Billion

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



Information is unaudited, estimated and subject to change.

Agency & Repo Summary

(\$ in thousands)

Agency Securities – As of September 30, 2015

| Security Type | Coupon ⁽¹⁾ | Current Face | Weighted Average Price | Weighted Average CPR |
|---------------------|-----------------------|--------------------|------------------------|----------------------|
| Agency Pass-through | 3.50% | \$2,114,865 | 104.13 | 7.8 |
| | 4.00% | 2,541,855 | 106.51 | 14.5 |
| | 4.50% | 405,080 | 108.55 | 23.7 |
| Commercial | 3.4% | 853,404 | 102.21 | 2.0 |
| Agency IO | 0.8% | N/M ⁽²⁾ | 4.25 | 12.4 |
| Total | | \$5,915,204 | | |

Repo Days to Maturity – As of September 30, 2015

| Maturity | Principal Balance ⁽³⁾ | Weighted Average Rate | Weighted Average Days |
|----------------|----------------------------------|-----------------------|-----------------------|
| Within 30 days | 1,271,172 | 0.54% | |
| 30 to 59 days | 1,705,593 | 0.50% | |
| 60 to 89 days | 714,365 | 0.61% | |
| 90 to 360 days | 1,158,161 | 0.57% | |
| Over 360 days | 300,000 | 1.00% | |
| Total | \$5,149,291 | 0.57% | 80 |

- (1) Coupon is a weighted average for Commercial and Agency IO
 (2) Notional Agency IO was \$6.6 and \$6.8 billion as of 9/30/2015 and 6/30/2015 respectively.
 (3) Excludes unsettled trades

Agency Securities – As of June 30, 2015

| Security Type | Coupon ⁽¹⁾ | Current Face | Weighted Average Price | Weighted Average CPR |
|---------------------|-----------------------|--------------------|------------------------|----------------------|
| Agency Pass-through | 3.50% | \$1,928,081 | 102.8 | 7.9 |
| | 4.00% | 2,720,829 | 105.6 | 21.5 |
| | 4.50% | 437,109 | 108.2 | 20.6 |
| Commercial | 3.4% | 660,438 | 101.96 | 0.0 |
| Agency IO | 0.9% | N/M ⁽²⁾ | 4.44 | 9.4 |
| Total | | \$5,746,457 | | |

Repo Days to Maturity – As of June 30, 2015

| Maturity | Principal Balance ⁽³⁾ | Weighted Average Rate | Weighted Average Days |
|----------------|----------------------------------|-----------------------|-----------------------|
| Within 30 days | \$1,329,902 | 0.44% | |
| 30 to 59 days | 1,572,481 | 0.40% | |
| 60 to 89 days | 975,458 | 0.47% | |
| 90 to 360 days | 1,112,391 | 0.48% | |
| Over 360 days | 300,000 | 1.00% | |
| Total | \$5,290,232 | 0.48% | 87 |



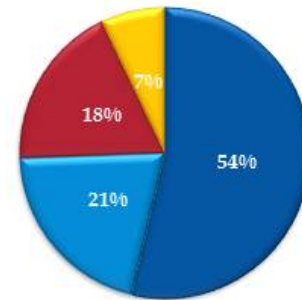
Information is unaudited, estimated and subject to change.

Interest Rate Sensitivity as of September 30, 2015

Agency, Swap and Derivative Portfolio

| Description (\$ in thousands) | | + 100 Basis Points | + 50 Basis Points | Unchanged | -50 Basis Points | -100 Basis Points |
|---|-------------------|--------------------|-------------------|-------------|------------------|-------------------|
| Agency Securities | Market Value | \$6,158,630 | \$6,338,277 | \$6,514,727 | \$6,643,396 | \$6,748,994 |
| | Percentage Change | (5.5%) | (2.7%) | - | 2.0% | 3.6% |
| Swap | Market Value | 174,953 | 87,978 | - | (87,378) | (159,102) |
| | Percentage Change | 2.7% | 1.4% | - | (1.3%) | (2.4%) |
| Futures | Market Value | 44,864 | 22,709 | - | (22,210) | (41,793) |
| | Percentage Change | 0.7% | 0.3% | - | (0.3%) | (0.6%) |
| Net Gain/(Loss) | | (136,281) | (65,764) | - | 19,080 | 33,371 |
| Percentage Change in Portfolio Value ⁽¹⁾ | | (2.1%) | (1.0%) | - | 0.3% | 0.5% |

Hedge Book Maturities



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

(1) Based on instantaneous moves in interest rates.



Information is unaudited, estimated and subject to change.

Consolidated RMBS & Loan Securitizations

| (\$ in thousands) | | | At Issuance / Acquisition | | | As of September 30, 2015 | | |
|-------------------|---------------------------|------------------------------|---------------------------|------------------------|----------------------------|--------------------------|---------------------------------|-------------------------------------|
| 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 |
| 2015 | Whole Loan Securitization | CSMC 2015-RPL4 | \$397,098 | \$186,636 | \$210,462 | \$392,753 | \$341,131 | \$51,622 |
| 2015 | Whole Loan Securitization | CIM 2015-3AG ⁽¹⁾ | 698,812 | 520,935 | 177,877 | 680,136 | 503,747 | 176,390 |
| 2015 | Whole Loan Securitization | CIM 2015-2AG ⁽²⁾ | 330,293 | 276,998 | 53,295 | 308,520 | 256,527 | 51,993 |
| 2015 | Whole Loan Securitization | CIM 2015-1EC | 268,731 | 214,985 | 53,746 | 256,260 | 201,301 | 54,959 |
| 2014 | Whole Loan Securitization | CSMC 2014-CM1 ⁽³⁾ | 333,865 | 268,087 | 65,779 | 294,051 | 229,439 | 64,642 |
| 2011-2013 | Whole Loan Securitization | SLFMT 2012-3A | 1,030,568 | 899,686 | 130,882 | 756,955 | 521,803 | 235,152 |
| 2011-2013 | Whole Loan Securitization | SLFMT 2013-1A | 1,021,846 | 1,019,291 | 2,555 | 781,311 | 721,298 | 60,013 |
| 2011-2013 | Whole Loan Securitization | SLFMT 2013-2A | 1,137,308 | 1,134,464 | 2,844 | 953,738 | 917,028 | 36,710 |
| 2011-2013 | Whole Loan Securitization | SLFMT 2013-3A | 500,390 | 499,139 | 1,251 | 449,584 | 286,344 | 163,240 |
| 2014 | RMBS Securitization | CSMC 2014-4R ⁽⁴⁾ | 367,271 | - | 367,271 | 300,443 | - | 300,443 |
| 2012 | Whole Loan Securitization | CSMC 2012-CM1 | 741,939 | 707,810 | 34,129 | 122,303 | 90,617 | 31,686 |
| 2012 | Whole Loan Securitization | CSMC 2012-CM2 | 425,091 | 404,261 | 20,830 | 97,296 | 77,658 | 19,638 |
| 2012 | Whole Loan Securitization | CSMC 2012-CM3 | 329,886 | 305,804 | 24,082 | 181,189 | 160,378 | 20,811 |
| 2010 | RMBS Securitization | CSMC 2010-1R | 1,730,581 | 691,630 | 1,038,951 | 751,180 | 46,530 | 704,650 |
| 2010 | RMBS Securitization | CSMC 2010-11R | 566,571 | 338,809 | 227,762 | 328,664 | 113,783 | 214,881 |
| 2009 | RMBS Securitization | CSMC 2009-12R | 1,730,698 | 915,566 | 815,132 | 685,116 | 159,975 | 525,141 |
| 2009 | RMBS Securitization | JPMRR 2009-7 | 1,522,474 | 856,935 | 665,539 | 622,852 | 218,431 | 404,420 |
| 2009 | RMBS Securitization | JMAC 2009-R2 | 281,863 | 192,500 | 89,363 | 110,740 | 50,065 | 60,675 |
| 2008 | Whole Loan Securitization | PHMC 2008-CM1 | 619,710 | 549,142 | 70,568 | 79,569 | 56,903 | 22,666 |
| TOTAL | | | \$14,034,995 | \$9,982,678 | \$4,052,318 | \$8,152,690 | \$4,952,958 | \$3,199,732 |

% of origination remaining

58%

50%

79%

- (1) Contains collateral from Springleaf 2012-2A Trust.
- (2) Contains collateral from Springleaf 2012-1A Trust.
- (3) Contains collateral from Springleaf 2011-1A Trust.
- (4) Contains collateral from CSMC 2010-12R Trust.



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