# New Residential Investment Corp.
# Quarterly Supplement

*First Quarter 2019*

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**FORWARD-LOOKING STATEMENTS.** Certain statements regarding New Residential Investment Corp. (together with its subsidiaries, "New Residential," "New Residential," the "Company" or "we") in this Presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation, the ability to succeed in various interest rate environments, the Company's expectations for closing, funding and financing various transactions (including but not limited to Covius Holdings), statements on future interest rates, spreads and market conditions, ability to take advantage of future investment opportunities, our targeted lifetime IRRs and yields, expected or projected cash flows, expected returns, ability to mitigate prepayment risk for the MSR asset, issuance of additional term notes in 2019, ability to continue to work with strong counterparties, ability to capitalize on certain partnership opportunities, expected ownership levels of Prosper, expectations regarding interest rates and housing, sustainability of earnings or our dividend, ability to create shareholder value, ability to continue diversifying servicing counterparties, actual unpaid principal balance of loans subject to our call rights and Excess MSRs, expected shortening or acceleration of callability timelines for call rights, projected overall callable balance of call rights, the ability to execute and profit from our deal collapse strategy, the value of call rights increasing as interest rates decline or decreasing as interest rates increase, ability to execute future servicer advance and call rights mortgage loan securitizations and call rights, expectation that servicer advance maturity dates will be extended, ability to access a long-term pipeline of residential mortgage assets, future mortgage origination rates, potential to be subject to certain claims and legal proceedings, expectations for future prepayment speeds, ability to help protect returns in the event of a rise in voluntary prepayment rates, expectation of potential future upside as advance balances continue to decline, investments benefiting from an increase in interest rates or an improving macro backdrop, the potential deployment of additional capital in 2019, performance of residential loans and consumer loans, the continuing decline of delinquencies, the Company's plan to issue additional non-qualified mortgage securities and statements regarding the Company's investment pipeline and investment opportunities. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond our control. New Residential can give no assurance that its expectations will be attained. Accordingly, you should not place undue reliance on any forward-looking statements made in this Presentation. For a discussion of some of the risks and important factors that could affect such forward-looking statements, see the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's most recent reports on Form 10-Q and Form 10-K and other filings with the U.S. Securities and Exchange Commission (the "SEC"), which are available on the Company's website (www.newresi.com). In addition, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this Presentation. New Residential expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

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**NON-GAAP MEASURES.** This Presentation includes non-GAAP measures, such as Core Earnings. See "Appendix" in this presentation for information regarding this non-GAAP measure, including a definition, purpose and reconciliation to net income, the most directly comparable GAAP financial measure.

# New Residential Investment Corp. – Differentiated Strategy

*New Residential Investment Corp. (NYSE: NRZ) is a publicly traded mortgage real estate investment trust (mREIT) with a diversified portfolio and a strong track record of performance*

**~$7.0 Billion**
Market Cap

**$33.4 Billion**
Total Assets[1]

**11.8%**
Dividend Yield[2]

**65%**
Book Value Growth Since Inception[3]

**147%**
Total Shareholder Return Since Inception[3]

**~$2.7 Billion**
Dividends Paid to Shareholders Since Inception[3][4]

## What Differentiates New Residential?[5]

### SCALE IN HARD-TO-REPLICATE INVESTMENTS

NRZ is one of the largest owners of mortgage servicing rights ("MSRs") and controls approximately 35%[6] of the Non-Agency market through clean up call rights

### WELL POSITIONED FOR CHANGING MARKET CONDITIONS

NRZ's portfolio is positioned to generate stable returns across various rate cycles

### A DIVERSIFIED PORTFOLIO

NRZ's portfolio includes MSRs, call rights, residential securities / loans, consumer loans and an origination and servicing operating company

### WELL CAPITALIZED – ABILITY TO EXECUTE ON FUTURE OPPORTUNITIES

With a strong balance sheet, liquidity and financial resources, NRZ is positioned to take advantage of potential investment and growth opportunities

### DIVERSIFIED NETWORK OF SUBSERVICERS & STRATEGIC PARTNERS

NRZ's strong relationships across a number of leading subservicers and other strategic partners provide operational leverage for NRZ to expand our footprint across the mortgage market

### STRONG & STABLE DIVIDENDS & RETURNS

NRZ has a consistent track record of earnings and book value growth as well as investment returns



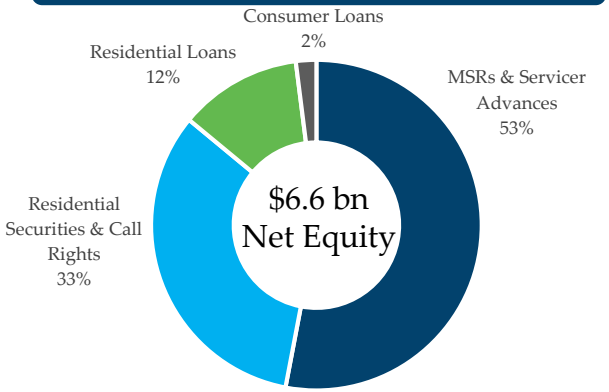
* Detailed endnotes are included in the Appendix.

# Q1 2019 Company and Financial Highlights

## Company and Financial Highlights

- **GAAP Net Income of $145.6 Million, or $0.37 Per Diluted Share[1]**
- **Core Earnings of $204.3 Million, or $0.53 Per Diluted Share[1][2]**
- **First Quarter Common Stock Dividend of $0.50 Per Common Share**
  - 11.8% dividend yield as of March 31, 2019[3]
- **$16.42 Book Value Per Share as of March 31, 2019**
  - Book value per share increased +1.0% QoQ relative to $16.25 as of December 31, 2018
  - Total economic return of +4.1% during Q1'19 comprised of +$0.17 increase in book value per share and $0.50 dividend per share
- **$752 Million of Common Equity Raised During the Quarter[4]**

## Investment Portfolio[5]




## Total Assets

**$33.4 Billion[6]**

## Market Cap

**~$7.0 Billion**

## Returns

**+4.1%**
**Q1'19 Economic Return**

**+17%**
**Q1'19 Total Shareholder Return[7]**

* Detailed endnotes are included in the Appendix.

# Established Portfolio of Hard-to-Replicate Strategies

*New Residential has a differentiated, hard-to-replicate portfolio with diversified and high-quality investment strategies*

## Portfolio Overview

| | MSRs & Servicer Advances | Residential Securities & Call Rights | Residential Loans | Consumer Loans |
|---|---|---|---|---|
| **Net Equity Investment[1]** | $3,513 million | $2,157 million | $780 million | $118 million |
| **% of Portfolio[2]** | 53% | 33% | 12% | 2% |
| **Targeted Lifetime Net Yield[3]** | MSRs: 12 – 18%<br>Advances: 15 – 25% | 12 - 20% | 15%+ | 15%+ |
| **Description** | An MSR is the contractual obligation to collect and process mortgage payments in exchange for a fee<br><br>Advances are required capital outlays by the servicer to fund missed payments from delinquent borrowers, payments of taxes, insurance premiums and foreclosure related expenses | Residential mortgage backed securities are created through the securitization of a pool of residential mortgage loans<br><br>We hold call rights on Non-Agency residential mortgage securitizations, which become exercisable once the current collateral balance reduces below a certain threshold of the original balance | Portfolios of single family residential loans | SpringCastle & Prosper Portfolios - Attractive one-off investments that have delivered significant returns |

# Market Backdrop is Supportive of NRZ Strategy…

*We believe that the economy remains stable and supportive of our overall strategy*[1]

## New Residential's Current View on Macro and Rate Environments

### The consumer is healthy

- Consumer financial health remains solid, supported by continued job growth and steady wages
- The unemployment rate is near the lowest level in 50 years

**Benefit to NRZ:**
Typically leads to lower delinquencies and defaults

### The U.S. housing market is stable

- Housing fundamentals remain strong and housing is projected to remain stable into 2020
- Household formation is outpacing housing completions

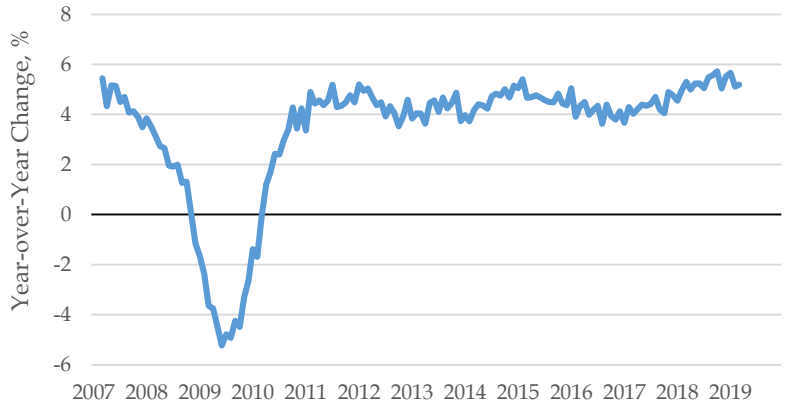
**Benefit to NRZ:**
Opportunity for more origination and therefore more assets to acquire

### The Fed is on hold

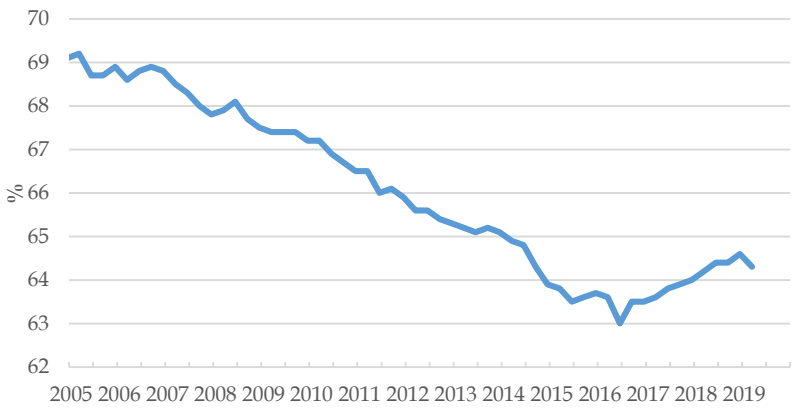
- Earlier this year the Fed communicated a neutral stance on interest rates ("The data are not currently sending a signal that we need to move in one direction or another" – Jerome Powell, March 20, 2019)

**Benefit to NRZ:**
We anticipate that this will lead to lower volatility and tighter credit spreads

### Wage Income Proxy[2]
(Avg. Hourly Earnings X Hours Worked)




### Homeownership Rate[3]




*Detailed endnotes are included in the Appendix.

# …Portfolio Composition Acts as a Natural Hedge for Various Rate Environments…[1]

*The investment strategies within New Residential's portfolio provide attractive risk-adjusted returns across various interest rate environments and act as a natural hedge for the overall portfolio*

| New Residential | NEUTRAL<br>We actively manage our business for different interest rate environments and believe our investments are well positioned to perform against various backdrops | |
|---|---|---|
| | **Higher Interest Rates** | **Lower Interest Rates** |
| **Excess MSRs / MSRs** | *POSITIVE*<br>▪ One of the few fixed income assets that should increase in value as interest rates rise because mortgages underlying the MSRs are less likely to be refinanced, thus extending the life of servicing fee stream | *NEUTRAL*<br>▪ New Residential has recapture provisions on 100% of the portfolio to help protect returns if voluntary prepayments rise; recapture mitigates prepayment risk<br>▪ Increased opportunity for MSR origination |
| **Non-Agency Securities & Call Rights** | *NEUTRAL*<br>▪ Over 90% of the Legacy Non-Agency securities portfolio[2] is floating rate, which would generate higher interest income as rates rise<br>▪ Bond portfolio consists of seasoned credit borrowers whose prepay speeds are less sensitive to interest rates | *POSITIVE*<br>▪ The value of call rights should increase as interest rates decline<br>▪ Lower interest rates result in additional excess spread and therefore lower principal write-downs |
| **Residential Loans** | *NEUTRAL*<br>▪ As we continue to see an improvement in borrower credit and the overall economy, we expect sustained stable loan performance | *NEUTRAL*<br>▪ Portfolio is comprised of seasoned borrowers with limited interest rate sensitivity |
| **Consumer Loans** | *NEUTRAL*<br>▪ Limited interest rate sensitivity given portfolio characteristics – mostly seasoned portfolio | |



*Detailed endnotes are included in the Appendix.

# …and Portfolio Characteristics Supportive of Potential Headwinds[1]

*While potential headwinds exist, our portfolio has the appropriate characteristics to deliver strong returns and value as interest rates move in either direction*

While Mortgage rates have fallen…and CPRs are forecasted to pick up…

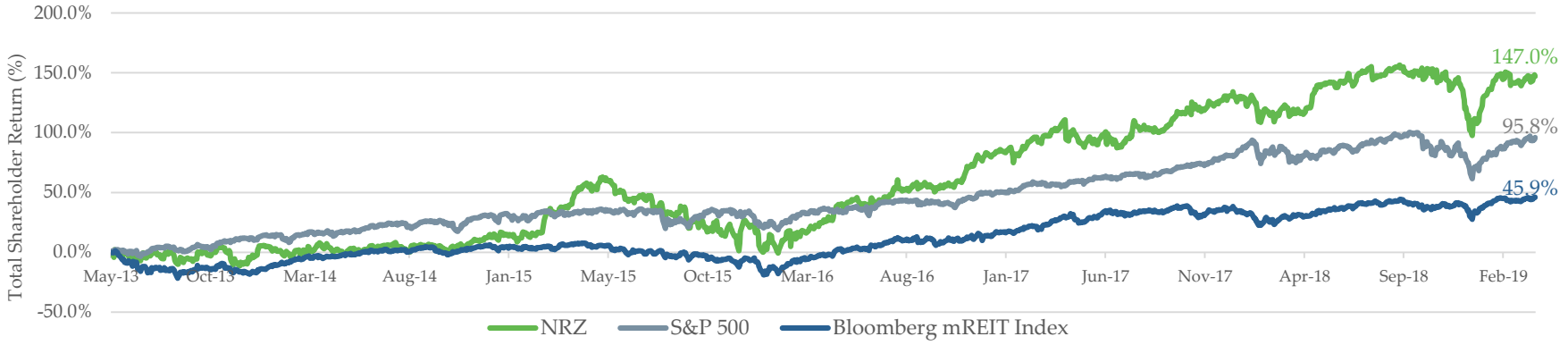
| | |
|---|---|
| …the refinanceable universe is actually quite small… | ▪ 13% of New Residential's portfolio is refinanceable (compared to 29% for the broader market)[2]<br>▪ Mortgage rates would have to decline another 60bps for the refinance population to increase above 30%[3] |
| …New Residential's loan and bond portfolios consist of seasoned loans... | ▪ Seasoned loans are less likely to refinance given lack of incentive to the borrower |
| …and New Residential has complementary value creation options in ancillary businesses | ▪ Increase in refinancing → increase mortgage origination<br>▪ New Residential benefits from mortgage origination through its ownership of NewRez (formerly New Penn Financial)<br>▪ New Residential has recapture capacity (through NewRez) which lengthens MSR cash flows, increasing gains-on-sale and providing insurance for our portfolio |

*Detailed endnotes are included in the Appendix.

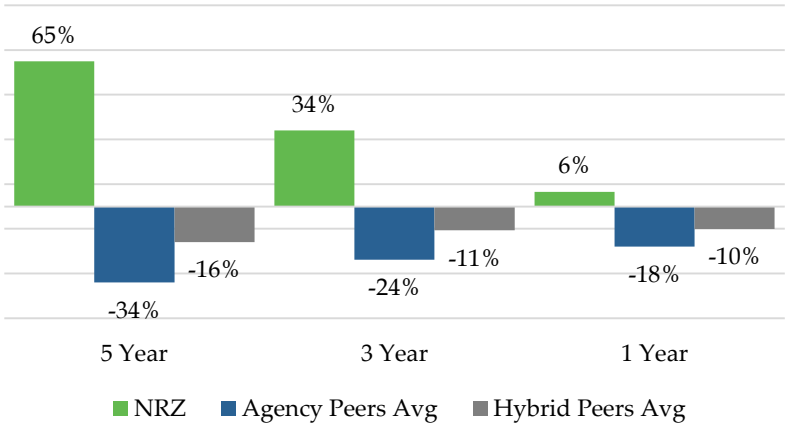
# NRZ's Track Record of Outperformance & Returns Since Inception

*New Residential has demonstrated strong and consistent performance and returns since inception*

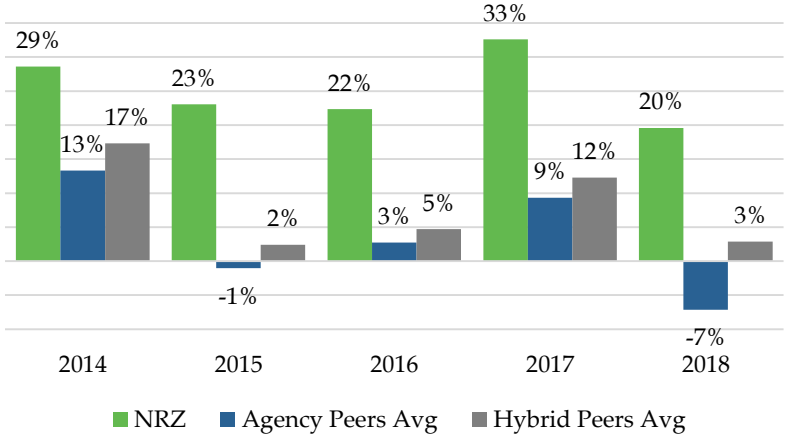
## NRZ's Total Shareholder Return Since Inception[1]




## NRZ's Book Value Performance Relative to Peers[2]



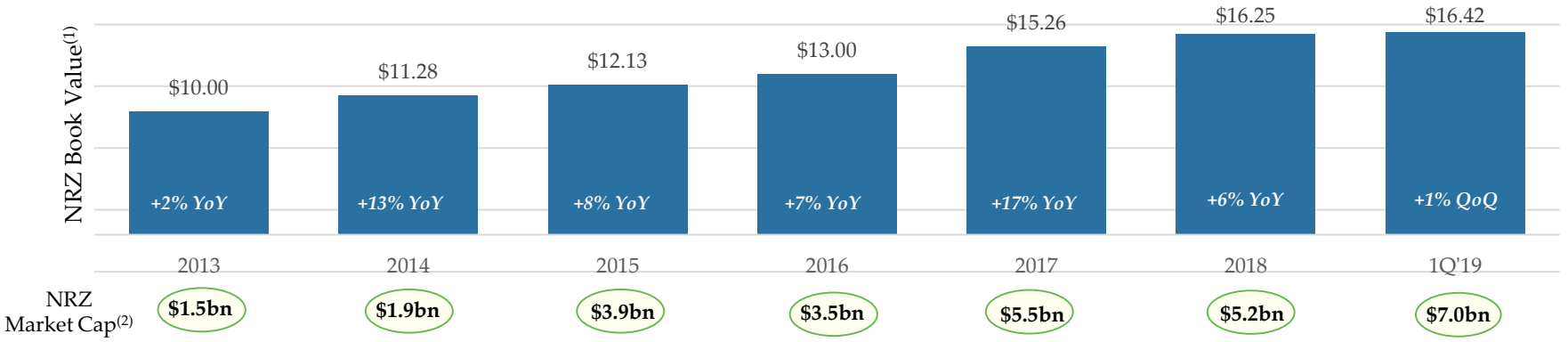

## NRZ's Annual Economic Return Relative to Peers[3]




*Detailed endnotes are included in the Appendix.

# Diversified Portfolio has Resulted in Book Value Growth Over Time

*New Residential has a strong track record of executing on core investment strategies, making attractive opportunistic investments and delivering consistent growth*




## Ability to Seek Out Attractive Opportunistic Investments & Execute on Strategic Initiatives

### FY 2015

**HLSS**

- Acquired HLSS and ~$145bn of Ocwen call rights
- Doubled New Residential's portfolio of servicing-related assets & achieved critical mass in call rights

### FY 2016

**Ability to Acquire MSRs Independently**

- Became eligible to own Fannie, Freddie and Non-Agency MSRs in all 50 U.S. States
- First agreement to purchase full MSRs in August 2016

**Diversification of Servicers**

- Expanded servicer network to help mitigate counterparty risk

### FY 2017

**Bulk MSR Acquisitions**

- Grew MSR portfolio - purchased / agreed to purchase MSRs totaling ~$237bn (including $110bn UPB from Ocwen and $92bn UPB from CitiMortgage)

### February 2017

**Prosper Consumer Loans**

- Joined 4-member consortium agreeing to purchase up to $5bn of unsecured consumer loans on a forward flow basis from Prosper
- Performance to date is in-line with original underwriting; achieving IRR greater than 20%(3)

### July 2018

**Shellpoint Partners**

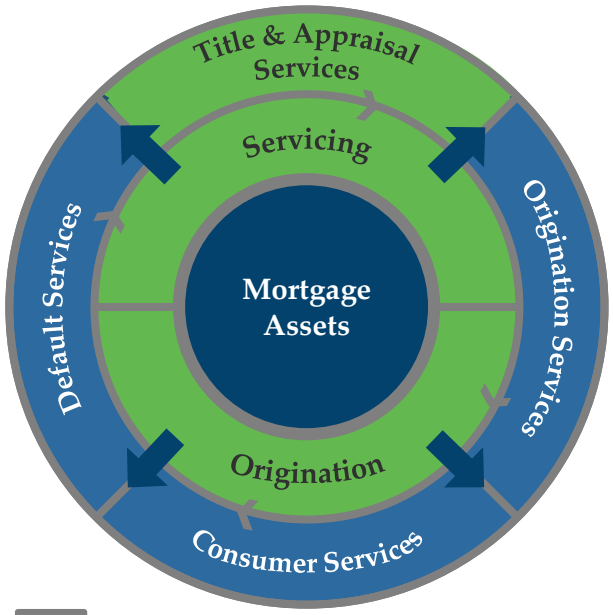
- Acquired Shellpoint Partners - Integrated mortgage platform, adding servicing, mortgage origination, recapture and ancillary revenue capabilities
  - Shellpoint Mortgage Servicing ("SMS") - Industry leading 3rd party servicer
  - NewRez (Formerly New Penn Financial) – Leading nationwide mortgage lender with a mortgage origination platform

*Detailed endnotes are included in the Appendix.

# NRZ is Focused on Maximizing Value of the Mortgage Asset…

*New Residential is pursuing strategic partnerships and investments to maximize value of our servicing portfolio*

- With a market leading position, New Residential owns $547 billion UPB of MSRs[(1)] which equates to approximately **3 million mortgage customers**[(2)]
- We have **strong purchasing power** and **unique partnership opportunities** across the financial services sector
- New Residential actively contracts with third parties to subservice the majority of our MSR portfolio and we expect **to continue to work with strong counterparties that can provide valuable services to New Residential and our customer base**[(3)]
- New Residential's diversified mortgage servicing strategy positions the company to capitalize on partnership opportunities that help: **improve servicing performance, minimize risk, enrich customer experience and maximize the value of each loan we service**[(3)]




Services already added through acquisition of Shellpoint Partners

Potential future ancillary service offerings

## What is the Opportunity for New Residential?[(3)]

**New Residential regularly pursues and explores partnerships with service providers that enhance our value proposition and long-term strategy. The below list denotes service offerings where potential partners have been identified.**

| | |
|---|---|
| Origination Services | ▪ Credit & Data Solutions<br>▪ Underwriting Verification Services<br>▪ Tax Tracking and Flood Services<br>▪ Origination Document Services |
| Consumer Services | ▪ Homeowner's Insurance |
| Default Services | ▪ Foreclosure and Auction Services<br>▪ Field Services<br>▪ Lien Tracking and Release Services<br>▪ Default Document Services |

* Detailed endnotes are included in the Appendix.

# …with Recent Acquisitions Starting to Drive Earnings….

*New Residential has made strategic acquisitions that enhance our ability to provide a suite of services to the consumer and drive earnings for our shareholders*

## Shellpoint
## $190 Million Acquisition; Closed July 2018

Shellpoint Partners™

NewRez

Shellpoint Mortgage Servicing

AVENUE 365 LENDER SERVICES

eStreet appraisal management

**Vertically integrated mortgage platform with origination and servicing capabilities**

Ancillary businesses include:

- ✓ Title insurance
- ✓ Appraisal management
- ✓ Real estate owned ("REO") management
- ✓ Other real estate services

## NRZ's Acquisition of Shellpoint has Resulted in…

- More comprehensive ability to capture the full economics of the MSR
  - Increased recapture
  - Increased ancillary income
  - Growth in servicing
  - Increased asset generation from the introduction of the Non-QM product

## Q1'19 Highlights[(1)]

NewRez

- Overall volume in Q1'19 was up +4% QoQ
- Recapture origination volume of $394 million in Q1'19 (up +40% QoQ)
- While Non-QM volume was down QoQ, volumes were up over 14x YoY relative to Q1'18
- Originated product for New Residential Non-QM securitizations in Q1'19 for $600 million

Shellpoint Mortgage Servicing

- Total UPB of $142 billion in Q1'19 (up +30% QoQ)
- SMS services loans for third party clients, which include banks, GSEs, hedge funds and other whole loan investors
  - Third party UPB was up +3% QoQ and up +28% YoY



* Detailed endnotes are included in the Appendix.

# ….and New Investments Moving the Strategy Forward*

*An investment in Covius Holdings ("Covius") will align New Residential with a business well-positioned to expand its service offerings across the financial services landscape***

## Covius Overview

**COVIUS™** — **Leading provider of technology-enabled services to the financial services industry**

| Services Today | Expansion Pipeline |
|---|---|
| ✓ Title and settlement | ✓ Credit & Data Solutions |
| ✓ Document and letter fulfillment | ✓ Underwriting Verification Services |
| ✓ Regulatory compliance | ✓ Tax Tracking and Flood Services |
| ✓ Quality assurance | ✓ Foreclosure Services |
| ✓ Loan due diligence | |
| ✓ Business process automation | |

## Investment Structure

- NRZ has entered into agreements to acquire a minority ownership stake in Covius with an option to increase ownership through specified future investments**
- Aquiline Capital Partners, a private equity firm investing in financial services and technology, has been Covius' primary shareholder since 2014 and will continue to be following the transaction
- Covius will be run as an independent third-party services business by its current management team, Rob Clements and John Surface

## Investment Rationale

- Strategic investment in one of the leading providers of services that are important to our businesses and to the broader mortgage market
- Will allow us to create additional value from our broader mortgage portfolio
- Attractive long term growth potential

* See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.
**The closing of the transaction is subject to satisfaction of certain closing conditions.

# New Residential Portfolio Update

# NRZ Portfolio – Q1 2019 & Subsequent Highlights

| | |
|---|---|
| **MSRs & Servicer Advances** | ▪ Acquired ~$22 billion UPB of MSRs for ~$276 million from 8 different counterparties during Q1'19<br>▪ MSR portfolio totaled $547 billion UPB as of March 31, 2019, compared to $539 billion as of December 31, 2018(1)<br>▪ Servicer advance balances continued their move lower in Q1'19, declining to $3.3 billion (~8% QoQ decline) |
| **Non-Agency Securities & Call Rights** | ▪ Acquired $411 million face value of Non-Agency securities at an average price of 78%<br>▪ Successfully executed on our call rights strategy during Q1'19, calling 19 deals worth ~$910 million in UPB(2)<br>▪ Completed two Non-Agency securitizations for ~$750 million (Seasoned Performing Loans $284 million; RPL $462 million) |
| **Residential Loans** | ▪ Acquired $1.4 billion UPB of loans ($690 million UPB of RPLs)<br>▪ The performance of our portfolio continues to improve as current loans have increased by 10%<br>▪ Completed two Non-QM securitizations for ~$600 million ($295 million and $306 million respectively) |
| **Consumer Loans** | ▪ SpringCastle and Prosper investments have achieved life-to-date IRRs of 86% and >20% respectively<br>▪ Related to Prosper – 94% of expected warrants had been earned by the Consortium as of March 31, 2019 |
| **Other** | ▪ Raised $752 million in gross proceeds(3) of common equity<br>▪ Negotiated certain subservicing contracts and reduced counterparty concentration risk<br>▪ Strong liquidity position with $341 million of cash on balance sheet as of March 31, 2019 |
| **Post Q1'19 Activity** | ▪ Since the end of Q1'19 (through April 30, 2019), New Residential has purchased $27 billion UPB of MSRs for $316 million(4) |



* Detailed endnotes are included in the Appendix.

# MSRs – Q1'19 Performance & Overview

*During the first quarter 2019, New Residential's MSR portfolio benefitted from enhanced economies of scale and improvement in counterparty risk, which offset lower interest rates during the quarter*

## Q1'19 MSR Portfolio Activity

- New Residential's MSR portfolio totaled $547 billion UPB as of March 31, 2019,[1] compared to $539 billion as of December 31, 2018
- New Residential purchased ~$22 billion UPB of MSRs for ~$276 million from 8 different counterparties in Q1'19 (+16% from $19 billion in Q4'18)
- Increased recapture and lower subservicing fees off-set prepayment risk for the MSR asset (New Residential has recapture agreements on 100% of its MSRs and has a captive originator, NewRez)

## Overall MSR Strategy[1][2]

- As mortgage originators and non-bank servicers further consolidate, New Residential is well positioned to acquire assets
- The MSR pipeline continues to be robust with over $300 billion of potential supply
- We plan to continue diversifying our subservicers and optimizing our subservicing contracts

| | Full MSRs[3] | | | | | Excess MSRs[3] | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | FHLMC | FNMA | GNMA | Non-Agency | Full MSR Total[4] | FHLMC | FNMA | GNMA | Non-Agency | Excess MSR Total[4] | TOTAL[4] |
| **UPB** ($bn) | 95 | 189 | 29 | 89 | **$402 bn** | 39 | 31 | 24 | 51 | **$145 bn** | **$547 bn**[1] |
| **WAC** | 4.3% | 4.3% | 3.8% | 4.5% | **4.3%** | 4.6% | 4.7% | 4.7% | 4.9% | **4.7%** | **4.4%** |
| **WALA** (Mth) | 55 | 69 | 33 | 157 | **83 Mth** | 80 | 101 | 96 | 158 | **119 Mth** | **88 Mth** |
| **Cur LTV** | 67% | 63% | 89% | 82% | **70%** | 57% | 51% | 62% | 69% | **61%** | **69%** |
| **Cur FICO** | 753 | 749 | 683 | 648 | **721** | 729 | 710 | 692 | 673 | **697** | **717** |
| **60+ DQ** | 0.5% | 1.0% | 3.4% | 14.7% | **4.1%** | 1.3% | 2.4% | 1.2% | 10.4% | **5.2%** | **4.2%** |



* Detailed endnotes are included in the Appendix.

# Call Rights – Q1'19 Performance & Overview

*As legacy mortgage performance continues to improve, we expect call volume and profit should continue to increase[1]*

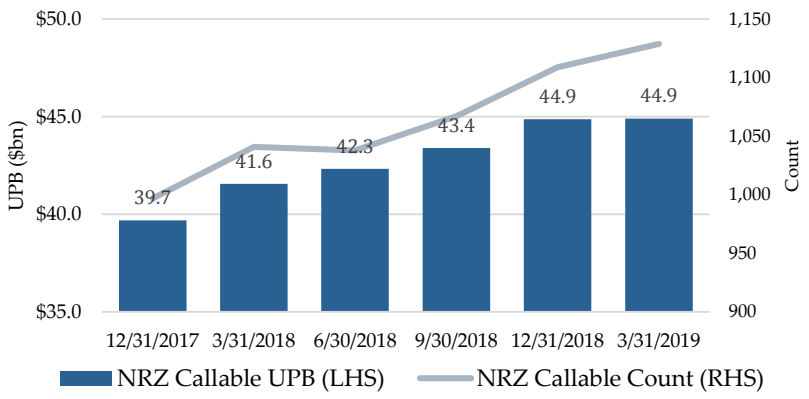
## Q1'19 Call Rights Portfolio Activity

- Successfully executed on our call rights strategy during Q1'19, calling 19 deals worth ~$910 million in UPB (+14% QoQ and +84% YoY)
- Completed ~$750 million of securitizations in Q1'19 across two Non-Agency (1 Seasoned Performing Loans and 1 RPL) securitizations
- 60+ day delinquencies declined to 12.6% from 14.0% (10% decline QoQ and 20% decline YoY)[2]

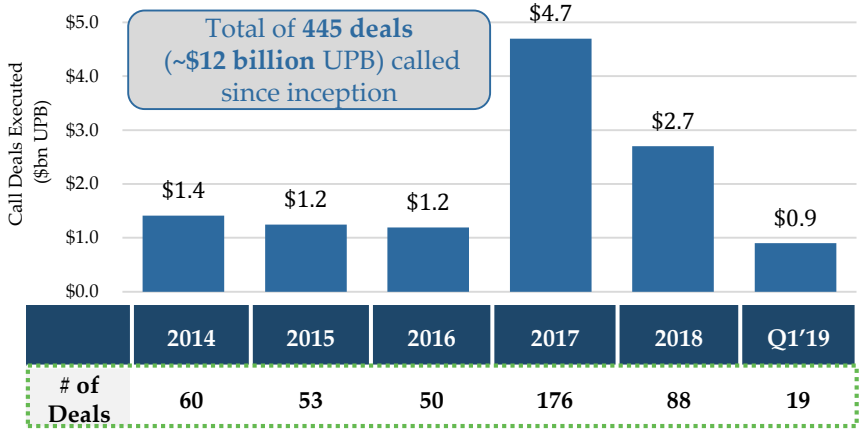
## Overall Call Rights Strategy

- Robust and strategic execution of call strategy over time
- Unique way to source assets at attractive prices
- Strong investor base with over 100 investors
- Large callable population
  - New Residential controls call rights to ~$116 billion of mortgage collateral, representing ~35% of the Non-Agency market[1][3]
  - ~$45 billion, or ~39%, of our call rights population is currently callable[3]

## New Residential Callable Population[3]




## Call Deals Executed by New Residential to Date (UPB)




* Detailed endnotes are included in the Appendix.

# Non-Agency Bond Portfolio - Q1'19 Performance & Overview

*New Residential's Non-Agency bond portfolio continued to add investments with attractive risk-adjusted returns*

## Q1'19 Non-Agency Bond Portfolio Activity

- Acquired $411 million face value of Non-Agency securities at an average price of 78%
- Technicals and fundamentals in the Non-Agency market remain attractive
  - Non-Agency bond prices increased during the quarter driven by lower market volatility – we believe spreads have more room to tighten[1]
- During the quarter, we continued to opportunistically invest in new issue AAA bonds with attractive risk-adjusted returns

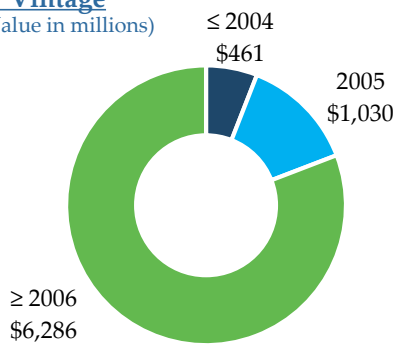
## Non-Agency Bond Portfolio Characteristics

- With ~20 points of discount in New Residential's bond portfolio, our Non-Agency bond positions help drive our collapse activity[2]
- 50%+ of our Legacy Non-Agency portfolio is currently callable or expected be callable within 3 years (<=15% factor)[1]
- Legacy Non-Agency portfolio consists of seasoned borrowers that are insensitive to refinancing in a lower rate environment
- Low LTV (~55%) driven by 10+ years of HPA and improved collateral performance

## New Residential Portfolio Composition[3]

| ($ in mm) | Total |
|---|---|
| **Current Face** | $10,348 |
| **Cost Basis** | $7,777 |
| **Carrying Value** | $8,328 |
| **WAC**[4] | 5.1% |
| **WALA**[4] | 156 |
| **60+ DQ** | 10.6% |

**By Vintage**
(Book Value in millions)




## Delinquency and Default Rates[5]

**16%**
Improvement in delinquency rates year over year[6]

**6%**
Improvement in default rates year over year

- Borrower delinquency and default rates have continued to improve across the legacy mortgage market
- Improving collateral performance helps accelerate New Residential's call opportunities

# Residential Loans – Q1'19 Performance & Overview

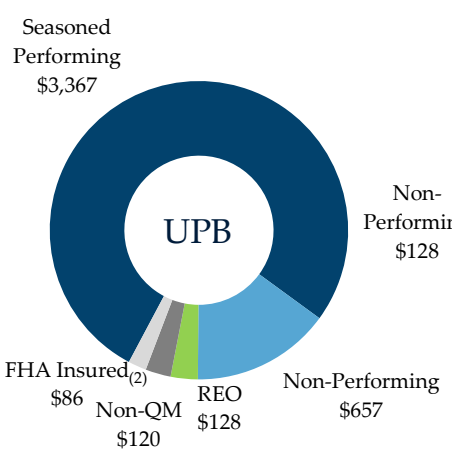
*Active portfolio management continues to drive performance and New Residential further benefits from diversity of subservicers*

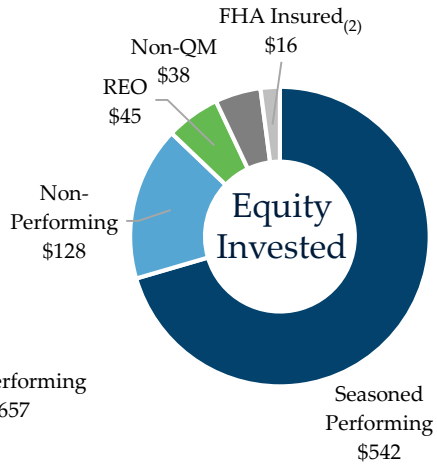
- **Q1'19 Residential Loan Portfolio Activity –** Acquired $1.4 billion UPB of loans ($690 million UPB of RPLs)
  - The performance of our portfolio continues to improve as current loans have increased by 10%
  - The securitization markets remain robust and supportive of acquiring called loans(1)
- **Diversity of Subservicers –** Direct integration with key special servicers allows flexibility to execute various loss mitigation strategies and improve performance
  - In addition to Shellpoint, New Residential has relationships with several other subservicers

## Active Portfolio *(as of Q1'19)*

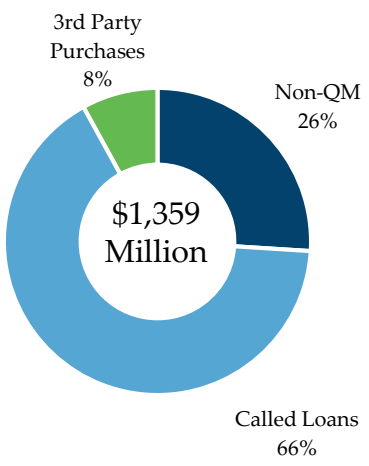
| | Total |
|---|---|
| **Loan Count** | 39,770 |
| **UPB** | $4,358 |
| **BPO** | $7,889 |
| **Carrying Value** | $4,048 |
| **Fair Value** | $4,089 |
| **% < 100 LTV** | 82% |

**Figures in $mm**




## Q1'19 Loan Acquisitions






* Detailed endnotes are included in the Appendix.

# Consumer Loans – SpringCastle & Prosper

*New Residential's consumer loan portfolios have provided differentiated and compelling revenue streams over time*

## SpringCastle

- In April 2013, New Residential invested $241 million to purchase interest in a $3.9 billion UPB consumer loan portfolio
- Since then, we have maximized the returns on our investment by increasing our equity investment in, and securing multiple refinancings of, the SpringCastle portfolio
  - October 2014 - $2.6 billion refinancing
  - March 2016 - Invested an additional $56 million to increase New Residential's interest in SpringCastle JV, from 30% to ~54%
  - October 2016 - Completed a $1.7 billion refinancing of the SpringCastle securitization, providing ~$23 million of liquidity

**86%**
**Life-to-Date IRR**

**$580 million**
**Life-to-Date Profit(1)**

## Prosper

- In February 2017, New Residential became part of a 4-member Consortium which agreed to purchase up to $5 billion of unsecured consumer loans from Prosper
- Locked in fixed rate warehouse financing - obtained an all-in financing rate of 4% for duration of investment
- As of March 31, 2019, 94% of expected warrants had been earned by the Consortium
  - By the end of May 2019, we anticipate we will own ~6% of Prosper(2)

**$3.4 billion**
**Unsecured Consumer Loans Purchased from Prosper**

**$2.9 billion**
**of Consumer Loans Securitized**

**Greater than 20%**
**Life-to-Date IRR(2)**



* Detailed endnotes are included in the Appendix.

# Servicer Advances - Q1'19 Performance & Overview[1]

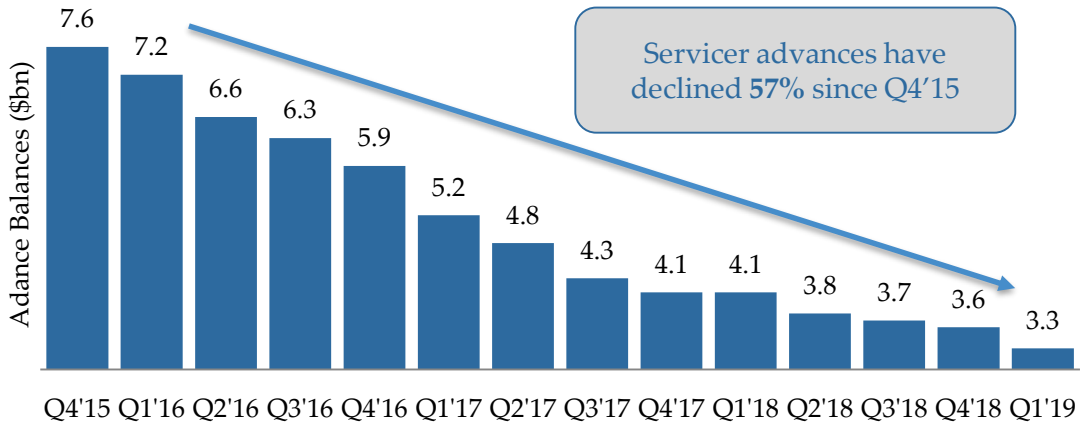
*In Q1'19, servicer advances continued to decline and financing capacity continued to improve*

- **Q1'19 Servicer Advances Activity** - Servicer advance balances continued their move lower in Q1'19, declining to $3.3 billion (~8% QoQ decline)
  - Net equity declined 11% QoQ, to $141 million as of March 31, 2019, from $158 million as of December 31, 2018
  - Outstanding advance balance of $3.3 billion is financed with $2.9 billion of debt, 87% LTV and a 3.2% interest rate[2]
  - This trend of declining advances is a positive for our portfolio as the Legacy Non-Agency mortgage market continues to improve and overall delinquencies trend lower[3]
    - We continue working with servicing partners to reduce advance balances and enhance returns by increasing advance rates, lowering cost of funds

## Portfolio Characteristics[4]

| | Advance Purchaser | HLSS | SLS | Total |
|---|---|---|---|---|
| **Servicer** | (NSM) | (Ocwen) | (SLS) | |
| **UPB** ($bn) | $37 | $85 | $1 | $123bn |
| **Adv Balance** | $0.6 | $2.7 | $0.02 | $3.3bn |
| **Adv / UPB** | 1.5% | 3.2% | 1.5% | 2.7% |
| **Debt** | $0.5 | $2.4 | $0.02 | $2.9bn |
| **Gross LTV** | 87% | 86% | 86% | 87% |
| **Capacity** | $0.6 | $2.7 | $0.03 | $3.4bn |
| **Maturity** | 2/20-3/21 | 10/19-12/21 | 11/19 | 10/19-12/21 |
| **Interest Rate** | 3.1% | 3.3% | 4.6% | 3.2% |

## Continue to Lower Advances & Improve Financing




| | December 31, 2015 | | March 31, 2019 |
|---|---|---|---|
| % of fixed rate advance debt | 38% | → | 93% |
| % of advance debt with maturity ≥ 2 year | 5% | → | 58% |

*Detailed endnotes are included in the Appendix.

# Financing – Diversified and Robust Platform

*New Residential has deep experience in accessing the capital markets through securitization transactions*

## Q1'19 Securitization Activity

- New Residential continues to be a strong issuer in the market and completed four securitizations in Q1'19 for a total of $1.3 billion
  - Two Non-QM (combined $600mm), 1 seasoned performing loans ($284mm) and 1 RPL ($462mm)
  - Continued improvement in execution and liquidity
  - After completing our first Non-QM securitization in Q4'18, we completed two more in Q1'19

## Securitization Strategy and Outlook[1]

- Strong securitization platform supports our robust call rights strategy, non-QM program as well as our opportunistic whole loan acquisitions
- The securitization issuance in Q1'19 was robust and we anticipate this trend will continue
- In particular, we expect the pipeline of called loans to feed the NRMLT securitization program

## Non-QM Loans

**January 2019**
**$294.5 Million**
Mortgage Securitization
NRZT 2018-NQM1

**March 2019**
**$305.8 Million**
Mortgage Securitization
NRZT 2018-NQM2

## Reperforming Loans

**February 2019**
**$461.7 Million**
Mortgage Securitization
NRZT 2019-RPL1

## Legacy RMBS

**January 2019**
**$284.1 Million**
Mortgage Securitization
NRZT 2019-1A

## Efficiency of MSR Financing

- Demonstrated efficient financing around MSR business
  - New Residential issued $2.1 billion of fixed rate MSR term notes in 2018
  - We expect to increase the share of our MSR fixed rate term financing in 2019[1]
- >70% of financing around MSR business is fixed-rate
- We have proactively increased fixed rate term financing to reduce cost of financing and extend maturities



*Detailed endnotes are included in the Appendix.

# What Differentiates and Uniquely Positions NRZ Going Forward?[1]

| | |
|---|---|
| Hard-to-Replicate Portfolio | New Residential has created a differentiated and hard-to-replicate portfolio of value-creating strategies |
| Balanced Investment Strategies | Our investment strategies and ancillary service offerings act as natural hedges in different interest rate environments |
| Focus on Capturing "Whole Mortgage Pie" | We see incremental long-term value related to the full mortgage asset that we are focused on further capturing through additional ancillary services |
| Opportunistic Approach to Growth Prospects | We have demonstrated that we will be opportunistic where it aligns with our long-term strategy; our size, liquidity and positioning allow us to be nimble when those opportunities arise |
| Proven Track Record | We have created substantial value and proven the strength of our strategy through execution and performance and are committed to building on this strength |
| Shareholder Focus | Our ultimate goal continues to be generating stable earnings and risk-adjusted returns for our shareholders |



*Detailed endnotes are included in the Appendix.

# Appendices

1) Financial Statements
2) GAAP Reconciliation & Endnotes

# 1) Financial Statements

# Condensed Consolidated Balance Sheets

| *($000s, except per share data)* | As of 3/31/19 *(Unaudited)* | As of 12/31/18 |
|---|---|---|
| ***ASSETS*** | | |
| Investments in: | | |
| Excess mortgage servicing rights, at fair value | $ 436,137 | $ 447,860 |
| Excess mortgage servicing rights, equity method investees, at fair value | 143,200 | 147,964 |
| Mortgage servicing rights, at fair value | 3,017,453 | 2,884,100 |
| Mortgage servicing rights financing receivables, at fair value | 1,717,872 | 1,644,504 |
| Servicer advance investments, at fair value | 697,628 | 735,846 |
| Real estate and other securities, available-for-sale | 9,747,450 | 11,636,581 |
| Residential mortgage loans, held-for-investment (includes $119,512 and $121,088 at fair value at March 31, 2019 and December 31, 2018, respectively) | 672,350 | 735,329 |
| Residential mortgage loans, held-for-sale | 997,164 | 932,480 |
| Residential mortgage loans, held-for-sale, at fair value | 3,204,322 | 2,808,529 |
| Real estate owned | 109,154 | 113,410 |
| Residential mortgage loans subject to repurchase | 140,135 | 121,602 |
| Consumer loans, held-for-investment | 1,005,660 | 1,072,202 |
| Consumer loans, equity method investees | 51,528 | 38,294 |
| Cash and cash equivalents | 340,911 | 251,058 |
| Restricted cash | 168,128 | 164,020 |
| Servicer advances receivable | 3,036,692 | 3,277,796 |
| Trades receivable | 7,049,723 | 3,925,198 |
| Deferred tax asset, net | 17,719 | 65,832 |
| Other assets | 856,342 | 688,408 |
| **Total Assets** | **$ 33,409,568** | **$ 31,691,013** |
| ***LIABILITIES*** | | |
| Repurchase agreements | $ 18,441,806 | $ 15,553,969 |
| Notes and bonds payable (includes $116,124 and $117,048 at fair value at March 31, 2019 and December 31, 2018, respectively) | 6,952,102 | 7,102,266 |
| Trades payable | 206,638 | 2,048,348 |
| Residential mortgage loans repurchase liability | 140,135 | 121,602 |
| Due to affiliates | 27,885 | 101,471 |
| Dividends payable | 207,715 | 184,552 |
| Accrued expenses and other liabilities | 521,078 | 490,510 |
| **Total Liabilities** | **$ 26,497,359** | **$ 25,602,718** |
| Noncontrolling interests in equity of consolidated subsidiaries | 89,928 | 90,625 |
| **Book Value** | **$ 6,822,281** | **$ 5,997,670** |
| *Per share* | $ 16.42 | $ 16.25 |

# Condensed Consolidated Income Statements

| ($ 000s) | 3 Months Ended March 31, 2019 (Unaudited) | 3 Months Ended December 31, 2018 (Unaudited) |
|---|---|---|
| Interest Income | $ 438,867 | $ 451,321 |
| Interest Expense | 212,832 | 185,324 |
| **Net Interest Income** | **226,035** | **265,997** |
| **Impairment** | | |
| Other-than-temporary impairment (OTTI) on securities | 7,516 | 6,827 |
| Valuation and loss provision (reversal) on loans and real estate owned (REO) | 5,280 | 32,488 |
| | **12,796** | **39,315** |
| **Net Interest Income after impairment** | **213,239** | **226,682** |
| Servicing revenue, net | 165,853 | (10,189) |
| Gain on sale of originated mortgage loans, net | 43,984 | 43,285 |
| **Other Income** | | |
| Change in fair value of investments in excess MSRs | 4,627 | (2,945) |
| Change in fair value of investments in excess MSRs, equity method investees | 2,612 | 2,733 |
| Change in fair value of investments in mortgage servicing rights financing receivables | (36,379) | (32,078) |
| Change in fair value of servicer advance investments | 7,903 | (2,751) |
| Change in fair value of investments in residential mortgage loans | 14,563 | 73,515 |
| Change in fair value of derivative instruments | (23,767) | (141,543) |
| Gain (loss) on settlement of investments, net | (27,323) | (2,222) |
| Earnings from investments in consumer loans, equity method investees | 4,311 | (1,540) |
| Other income (loss), net | 12,673 | (21,840) |
| | **(40,780)** | **(128,671)** |
| **Operating Expenses** | | |
| General and administrative expenses | 98,940 | 92,410 |
| Management fee to affiliate | 17,960 | 16,567 |
| Incentive compensation to affiliate | 12,958 | 29,731 |
| Loan servicing expense | 9,603 | 9,938 |
| Subservicing expense | 40,926 | 41,081 |
| | **180,387** | **189,727** |
| **Income Before Income Taxes** | **201,909** | **(58,620)** |
| Income tax (benefit) expense | 45,997 | (67,474) |
| **Net Income** | **$ 155,912** | **$ 8,854** |
| **Noncontrolling Interests in Income of Consolidated Subsidiaries** | **10,318** | **8,506** |
| **Net Income Attributable to Common Stockholders** | **$ 145,594** | **$ 348** |

# 2) GAAP Reconciliation & Endnotes

# Unaudited GAAP Reconciliation of Core Earnings

- *Management uses Core Earnings, which is a Non-GAAP measure, as one measure of operating performance.*
- *Please see next slide for the definition of Core Earnings.*

| *($000s, except per share data)* | 1Q 2019 | 4Q 2018 |
|---|---|---|
| ***Reconciliation of Core Earnings*** | | |
| Net income attributable to common stockholders | **$ 145,594** | **$ 348** |
| Impairment | 12,796 | 39,315 |
| Other Income Adjustments: | | |
| Other Income | | |
| Change in fair value of investments in excess mortgage servicing rights | (4,627) | 2,945 |
| Change in fair value of investments in excess mortgage servicing rights, equity method investees | (2,612) | (2,733) |
| Change in fair value of investments in mortgage servicing rights financing receivables | (6,497) | (11,066) |
| Change in fair value of servicer advance investments | (7,903) | 2,751 |
| Change in fair value of investments in residential mortgage loans | (14,563) | (73,515) |
| (Gain) loss on settlement of investments, net | 27,323 | 2,222 |
| Unrealized (gain) loss on derivative instruments | 23,767 | 141,543 |
| Unrealized (gain) loss on other ABS | (6,679) | 1,718 |
| (Gain) loss on transfer of loans to REO | (4,984) | (2,910) |
| (Gain) loss on transfer of loans to other assets | 521 | 329 |
| (Gain) loss on Excess MSR recapture agreements | (307) | 4,278 |
| (Gain) loss on Ocwen common stock | (2,786) | 15,515 |
| Other (income) loss | 1,562 | 2,910 |
| **Total Other Income Adjustments** | **2,215** | **83,987** |
| Other Income and impairment attributable to non-controlling interests | (2,432) | (5,159) |
| Change in fair value of investments in mortgage servicing rights | (15,765) | 160,947 |
| (Gain) loss on sale or securitization of originated mortgage loans | 15,844 | 4,766 |
| Non-capitalized transaction related expenses | 6,866 | 3,162 |
| Incentive compensation to affiliate | 12,958 | 29,731 |
| Deferred taxes | 46,331 | (67,374) |
| Interest income on residential mortgage loans, held for sale | 2,301 | 600 |
| Limit on RMBS discount accretion related to called deals | (19,556) | (45,473) |
| Adjust consumer loans to level yield | (4,852) | 734 |
| Core earnings of equity method investees: | | |
| Excess mortgage servicing rights | 2,028 | 2,669 |
| **Core Earnings** | **$ 204,328** | **$ 208,253** |
| ***Net Income Per Diluted Share*** | **$ 0.37** | **$ 0.00** |
| ***Core Earnings Per Diluted Share*** | **$ 0.53** | **$ 0.58** |
| ***Weighted Average Number of Shares of Common Stock Outstanding, Diluted*** | **388,601,075** | **358,509,094** |

# Reconciliation of Non-GAAP Measures

**Core Earnings**

- We have four primary variables that impact our operating performance: (i) the current yield earned on our investments, (ii) the interest expense under the debt incurred to finance our investments, (iii) our operating expenses and taxes and (iv) our realized and unrealized gains or losses, including any impairment, on our investments. "Core earnings" is a non-GAAP measure of our operating performance, excluding the fourth variable above and adjusts the earnings from the consumer loan investment to a level yield basis. Core earnings is used by management to evaluate our performance without taking into account: (i) realized and unrealized gains and losses, which although they represent a part of our recurring operations, are subject to significant variability and are generally limited to a potential indicator of future economic performance; (ii) incentive compensation paid to our Manager; (iii) non-capitalized transaction-related expenses; and (iv) deferred taxes, which are not representative of current operations.
- Our definition of core earnings includes accretion on held-for-sale loans as if they continued to be held-for-investment. Although we intend to sell such loans, there is no guarantee that such loans will be sold or that they will be sold within any expected timeframe. During the period prior to sale, we continue to receive cash flows from such loans and believe that it is appropriate to record a yield thereon. In addition, our definition of core earnings excludes all deferred taxes, rather than just deferred taxes related to unrealized gains or losses, because we believe deferred taxes are not representative of current operations. Our definition of core earnings also limits accreted interest income on RMBS where we receive par upon the exercise of associated call rights based on the estimated value of the underlying collateral, net of related costs including advances. We created this limit in order to be able to accrete to the lower of par or the net value of the underlying collateral, in instances where the net value of the underlying collateral is lower than par. We believe this amount represents the amount of accretion we would have expected to earn on such bonds had the call rights not been exercised.
- Our investments in consumer loans are accounted for under ASC No. 310-20 and ASC No. 310-30, including certain non-performing consumer loans with revolving privileges that are explicitly excluded from being accounted for under ASC No. 310-30. Under ASC No. 310-20, the recognition of expected losses on these non-performing consumer loans is delayed in comparison to the level yield methodology under ASC No. 310-30, which recognizes income based on an expected cash flow model reflecting an investment's lifetime expected losses. The purpose of the Core Earnings adjustment to adjust consumer loans to a level yield is to present income recognition across the consumer loan portfolio in the manner in which it is economically earned, avoid potential delays in loss recognition, and align it with our overall portfolio of mortgage-related assets which generally record income on a level yield basis. With respect to consumer loans classified as held-for-sale, the level yield is computed through the expected sale date. With respect to the gains recorded under GAAP in 2014 and 2016 as a result of a refinancing of the debt related to our investments in consumer loans, and the consolidation of entities that own our investments in consumer loans, respectively, we continue to record a level yield on those assets based on their original purchase price.
- While incentive compensation paid to our Manager may be a material operating expense, we exclude it from core earnings because (i) from time to time, a component of the computation of this expense will relate to items (such as gains or losses) that are excluded from core earnings, and (ii) it is impractical to determine the portion of the expense related to core earnings and non-core earnings, and the type of earnings (loss) that created an excess (deficit) above or below, as applicable, the incentive compensation threshold. To illustrate why it is impractical to determine the portion of incentive compensation expense that should be allocated to core earnings, we note that, as an example, in a given period, we may have core earnings in excess of the incentive compensation threshold but incur losses (which are excluded from core earnings) that reduce total earnings below the incentive compensation threshold. In such case, we would either need to (a) allocate zero incentive compensation expense to core earnings, even though core earnings exceeded the incentive compensation threshold, or (b) assign a "pro forma" amount of incentive compensation expense to core earnings, even though no incentive compensation was actually incurred. We believe that neither of these allocation methodologies achieves a logical result. Accordingly, the exclusion of incentive compensation facilitates comparability between periods and avoids the distortion to our non-GAAP operating measure that would result from the inclusion of incentive compensation that relates to non-core earnings.
- With regard to non-capitalized transaction-related expenses, management does not view these costs as part of our core operations, as they are considered by management to be similar to realized losses incurred at acquisition. Non-capitalized transaction-related expenses are generally legal and valuation service costs, as well as other professional service fees, incurred when we acquire certain investments, as well as costs associated with the acquisition and integration of acquired businesses.
- As of the third quarter of 2018, as a result of the Shellpoint Acquisition, we, through its wholly owned subsidiary, NewRez, originates conventional, government-insured and nonconforming residential mortgage loans for sale and securitization. In connection with the transfer of loans to the GSEs or mortgage investors, we report realized gains or losses on the sale of originated residential mortgage loans and retention of mortgage servicing rights, which we believe is an indicator of performance for the Servicing and Origination segment and therefore included in core earnings. Realized gains or losses on the sale of originated residential mortgage loans had no impact on core earnings in any prior period, but may impact core earnings in future periods.
- Management believes that the adjustments to compute "core earnings" specified above allow investors and analysts to readily identify and track the operating performance of the assets that form the core of our activity, assist in comparing the core operating results between periods, and enable investors to evaluate our current core performance using the same measure that management uses to operate the business. Management also utilizes core earnings as a measure in its decision-making process relating to improvements to the underlying fundamental operations of our investments, as well as the allocation of resources between those investments, and management also relies on core earnings as an indicator of the results of such decisions. Core earnings excludes certain recurring items, such as gains and losses (including impairment as well as derivative activities) and non-capitalized transaction-related expenses, because they are not considered by management to be part of our core operations for the reasons described herein. As such, core earnings is not intended to reflect all of our activity and should be considered as only one of the factors used by management in assessing our performance, along with GAAP net income which is inclusive of all of our activities.
- The primary differences between core earnings and the measure we use to calculate incentive compensation relate to (i) realized gains and losses (including impairments), (ii) non-capitalized transaction-related expenses and (iii) deferred taxes (other than those related to unrealized gains and losses). Each are excluded from core earnings and included in our incentive compensation measure (either immediately or through amortization). In addition, our incentive compensation measure does not include accretion on held-for-sale loans and the timing of recognition of income from consumer loans is different. Unlike core earnings, our incentive compensation measure is intended to reflect all realized results of operations. The Gain on Remeasurement of Consumer Loans Investment was treated as an unrealized gain for the purposes of calculating incentive compensation and was therefore excluded from such calculation.

# Endnotes to Slide 2

**Endnotes to Slide 2:**

Source: Company filings and data, and Bloomberg. Financial data as of March 31, 2019 unless otherwise noted. Market data as of March 29, 2019.

(1) Refer to the condensed consolidated balance sheet on slide 25 of this presentation for additional information.

(2) Dividend yield based on NRZ closing price of $16.91 on March 29, 2019 and annualized dividend based on a $0.50 per common share quarterly dividend.

(3) "Inception" date refers to May 2, 2013.

(4) Inclusive of dividend paid to shareholders on April 26, 2019.

(5) Based upon management's current views and estimates, and actual results may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements. All data as of March 31, 2019 unless otherwise indicated.

(6) Call rights UPB estimated as of March 31, 2019. The UPB of the loans relating to our call rights may be materially lower than the estimates in this Presentation, and there can be no assurance that we will be able to execute on this pipeline of callable deals in the near term, on the timeline presented above, or at all, or that callable deals will be economically favorable. The economic returns from this strategy could be adversely affected by a rise in interest rates and are contingent on the level of delinquencies and outstanding advances in each transaction, fair market value of the related collateral and other economic factors and market conditions. We may become subject to claims and legal proceedings, including purported class-actions, in the ordinary course of our business, challenging our right to exercise these call rights. Call rights are usually exercisable when current loan balances in a related portfolio are equal to, or lower than, 10% of their original balance. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

# Endnotes to Slide 3

**Endnotes to Slide 3:**

Source: Company filings and data, and Bloomberg. Financial data as of March 31, 2019 unless otherwise noted. Market data as of March 29, 2019.
(1) Per share calculations of GAAP Net Income and Core Earnings are based on 388,601,075 weighted average diluted shares during the quarter ended March 31, 2019.
(2) Core earnings is a non-GAAP measure. See Reconciliation pages in the Appendix for a reconciliation to the most comparable GAAP measure.
(3) Dividend yield based on NRZ closing price of $16.91 on March 29, 2019 and annualized dividend based on a $0.50 per common share quarterly dividend.
(4) Common offering gross proceeds includes the underwriters' full exercise of its overallotment option to purchase 6 million additional shares of common stock.
(5) MSRs and Servicer Advances: Excess MSRs - Net Investment of $389 million includes (A) $579 million investment in 3/31/19 Legacy NRZ Excess MSRs, and (B) $8 million of restricted cash and other assets, net of debt and other liabilities of $198 million (debt issued on the NRZ Agency Excess MSR portfolio). At 3/31/19 Net Investment excludes Excess MSR Cash (included in Cash as of 3/31/19). MSRs - Net Investment of $2,983 million includes $9,244 million of total assets, net of debt and other liabilities of $6,253 million and non-controlling interests in the portfolio of $8 million; includes Originations. Servicer Advances: Net Investment of $141 million includes (A) $135 million net investment in AP LLC Advances, with $684 million of total assets, net of debt and other liabilities of $496 million and non-controlling interests in the portfolio of $53 million and (B) $6 million net investment in SLS Advances, with $24 million of total assets, net of debt and other liabilities of $18 million. At 3/31/19 Net Investment excludes Servicer Advance Cash (included in Cash as of 3/31/19).

Residential Securities & Call Rights: Net Investment of $2,157 million includes (A) $1,695 million net investment in Non-Agency RMBS, with $9,074 million of assets, net of debt and other liabilities of $7,379 million, (B) $462 million in Agency RMBS, with $7,937 million of assets (including $6,986 million of Open Trades Receivable), net of debt and other liabilities of $7,475 million (including $203 million of Open Trades Payable) and (C) $0.3 million net investment in Call Rights. At 3/31/19, Net Investment excludes Residential Securities Cash (included in Cash as of 3/31/19).

Residential Loans: Net Investment of $780 million includes (A) $759 million net investment in Residential Loans & REO, with $4,150 million of total assets, net of debt and other liabilities of $3,391 million, (B) $20 million net investment in EBOs, with $56 million of total assets, net of debt and other liabilities of $36 million and (C) $0.6 million net investment in Reverse Loans, with $9 million of total assets, net of debt and other liabilities of $8 million. At 3/31/19 Net Investment excludes Residential Loan Cash (included in Cash as of 3/31/19).

Consumer Loans: Net Investment of $118 million includes $1,133 million of total assets, net of debt and other liabilities of $986 million and non-controlling interests in the portfolio of $29 million. At 3/31/19 Net Investment excludes Consumer Loan Cash (included in Cash as of 3/31/19).
(6) Refer to the condensed consolidated balance sheet on slide 25 of this presentation for additional information.
(7) Q1'19 Total Shareholder Return represents NRZ share price appreciation from December 31, 2018 through March 29, 2019 plus quarterly dividend of $0.50 per common share.

# Endnotes to Slides 4 & 5

**Endnotes to Slide 4:**

Source: Company filings and data. Data as of March 31, 2019.

(1) MSRs and Servicer Advances: Excess MSRs - Net Investment of $389 million includes (A) $579 million investment in 3/31/19 Legacy NRZ Excess MSRs, and (B) $8 million of restricted cash and other assets, net of debt and other liabilities of $198 million (debt issued on the NRZ Agency Excess MSR portfolio). At 3/31/19 Net Investment excludes Excess MSR Cash (included in Cash as of 3/31/19). MSRs - Net Investment of $2,983 million includes $9,244 million of total assets, net of debt and other liabilities of $6,253 million and non-controlling interests in the portfolio of $8 million; includes Originations. Servicer Advances: Net Investment of $141 million includes (A) $135 million net investment in AP LLC Advances, with $684 million of total assets, net of debt and other liabilities of $496 million and non-controlling interests in the portfolio of $53 million and (B) $6 million net investment in SLS Advances, with $24 million of total assets, net of debt and other liabilities of $18 million. At 3/31/19 Net Investment excludes Servicer Advance Cash (included in Cash as of 3/31/19). Targeted Lifetime Net Yield is targeted IRR for pools that have settled.

Residential Securities & Call Rights: Net Investment of $2,157 million includes (A) $1,695 million net investment in Non-Agency RMBS, with $9,074 million of assets, net of debt and other liabilities of $7,379 million, (B) $462 million in Agency RMBS, with $7,937 million of assets (including $6,986 million of Open Trades Receivable), net of debt and other liabilities of $7,475 million (including $203 million of Open Trades Payable) and (C) $0.3 million net investment in Call Rights. At 3/31/19, Net Investment excludes Residential Securities Cash (included in Cash as of 3/31/19). Targeted Lifetime Net Yield represents the targeted future IRR over a weighted average life of 6.9 years for Non-Agency RMBS, assuming actual and targeted leverage, and represents the IRR over a weighted average life of 6.1 years for Agency RMBS.

Residential Loans: Net Investment of $780 million includes (A) $759 million net investment in Residential Loans & REO, with $4,150 million of total assets, net of debt and other liabilities of $3,391 million, (B) $20 million net investment in EBOs, with $56 million of total assets, net of debt and other liabilities of $36 million and (C) $0.6 million net investment in Reverse Loans, with $9 million of total assets, net of debt and other liabilities of $8 million. At 3/31/19 Net Investment excludes Residential Loan Cash (included in Cash as of 3/31/19). Targeted Lifetime Net Yield represents the IRR over a weighted average life of 9.6 years.

Consumer Loans: Net Investment of $118 million includes $1,133 million of total assets, net of debt and other liabilities of $986 million and non-controlling interests in the portfolio of $29 million. At 3/31/19 Net Investment excludes Consumer Loan Cash (included in Cash as of 3/31/19). Targeted Lifetime Net Yield represents the IRR over a weighted average life of 3.5 years.

(2) "% of Portfolio" excludes cash. As of March 31, 2019, cash and cash equivalents totaled $341 million.

(3) Targeted Lifetime Net Yield is based upon management's expectations, and actual results may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

**Endnotes to Slide 5:**

(1) All statements made on this slide are based on current management beliefs, and actual results may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

(2) Source: Bureau of Economic Analysis. Data as of March 31, 2019.

(3) Source: Bloomberg. Data as of April 26, 2019.

# Endnotes to Slides 6 through 11

**Endnotes to Slide 6:**

(1) All statements made on this slide are based on current management beliefs, and actual results may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.
(2) As of March 31, 2019. Represents a percent of market value of principal and interest-paying securities and excludes consumer loans and new issue securities.

**Endnotes to Slide 7:**

(1) All statements made on this slide are based on current management beliefs. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements. Source: Company filings and data. Financial data as of March 31, 2019.
(2) Based upon management's current views and estimates and actual results may vary materially.
(3) Refinanceable assumes that there would be a 50bp incentive to refinance. Source: Barclays.

**Endnotes to Slide 8:**

(1) Source: Market data per Bloomberg as of March 29, 2019. Bloomberg Mortgage REIT Index refers to BBREMTG Index ("BBREMTG Index). "Inception" date refers to May 2, 2013.
(2) Source: Company filings and data, and Bloomberg. Five Year Book Value change shows book value performance from December 31, 2013 to December 31, 2018. Three Year Book Value change shows book value performance from December 31, 2015 to December 31, 2018. One Year Book Value change shows book value performance from December 31, 2017 to December 31, 2018. Agency and Hybrid Peers are based on BBREMTG Index constituents as of March 31, 2019. Averages for Agency and Hybrid Peers reflect average performance of companies within each sub-category.
(3) Source: Bloomberg, Company filings and data. Economic Return compares book value as of December 31 of the respective year plus dividends declared during that year to the December 31 book value of the previous year. Agency and Hybrid Peers are based on BBREMTG Index constituents as of March 31, 2019. Averages for Agency and Hybrid Peers reflect average performance of companies within each sub-category.

**Endnotes to Slide 9:**

Source: Company filings and data, and Bloomberg.
(1) Book value per share for 2013, 2014, 2015, 2016, 2017 and 2018 are as of year-end. Q1'19 represents book value per share as of March 31, 2019.
(2) Market cap for 2013, 2014, 2015, 2016, 2017 and 2018 are as of year-end for each respective period. Market cap for Q1'19 is as of March 29, 2019.
(3) Based on management's current views and estimates and actual results may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

**Endnotes to Slide 10:**

Source: Company filings and data.
(1) MSR UPB as of March 31, 2019. Includes Excess MSRs and Full MSRs.
(2) Source: Inside Mortgage Finance, "Top 50 Mortgage Servicing Participants: 4Q18" published February 1, 2019.
(3) Based on management's current views and estimates, and actual results may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

**Endnotes to Slide 11:**

(1) Source: Shellpoint Partners. Financial data as of March 31, 2019.

# Endnotes to Slides 14 through 16

**Endnotes to Slide 14:**

Source: Company filings and data. Financial data as of March 31, 2019 unless otherwise noted.

(1) MSR UPB as of March 31, 2019 and December 31, 2018 respectively. Includes Excess MSRs and Full MSRs.

(2) Call rights UPB estimated as of March 31, 2019. The UPB of the loans relating to our call rights may be materially lower than the estimates in this Presentation, and there can be no assurance that we will be able to execute on this pipeline of callable deals in the near term, on the timeline presented above, or at all, or that callable deals will be economically favorable. The economic returns from this strategy could be adversely affected by a rise in interest rates and are contingent on the level of delinquencies and outstanding advances in each transaction, fair market value of the related collateral and other economic factors and market conditions. We may become subject to claims and legal proceedings, including purported class-actions, in the ordinary course of our business, challenging our right to exercise these call rights. Call rights are usually exercisable when current loan balances in a related portfolio are equal to, or lower than, 10% of their original balance. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

(3) Common offering gross proceeds include the underwriter's full exercise of its overallotment option to purchase 6 million additional shares of common stock.

(4) Representative of activity that occurred during Q2'19 (through April 30, 2019).

**Endnotes to Slide 15:**

Source: Company filings and data. Financial data as of March 31, 2019 unless otherwise noted.

(1) MSR UPB includes Excess MSRs and Full MSRs.

(2) Based on management's current views and estimates, and actual results may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

(3) See "Abbreviations" in Appendix for more information.

(4) "Total" columns reflect weighted average calculations.

**Endnotes to Slide 16:**

Source: Company filings and data. Financial data as of March 31, 2019 unless otherwise noted.

(1) Based on management's current views and estimates, and actual results may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

(2) Delinquency rate represents delinquency for the total universe of deals that New Residential owns call rights to.

(3) Call rights UPB estimated as of March 31, 2019. The UPB of the loans relating to our call rights may be materially lower than the estimates in this Presentation, and there can be no assurance that we will be able to execute on this pipeline of callable deals in the near term, on the timeline presented above, or at all, or that callable deals will be economically favorable. The economic returns from this strategy could be adversely affected by a rise in interest rates and are contingent on the level of delinquencies and outstanding advances in each transaction, fair market value of the related collateral and other economic factors and market conditions. We may become subject to claims and legal proceedings, including purported class-actions, in the ordinary course of our business, challenging our right to exercise these call rights. Call rights are usually exercisable when current loan balances in a related portfolio are equal to, or lower than, 10% of their original balance. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

# Endnotes to Slides 17 through 19

**Endnotes to Slide 17:**

Source: Company filings and data. Financial data as of March 31, 2019 unless otherwise noted.

(1) Based on management's current views and estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.
(2) Stated discount does not reflect actual discount realized which cannot be computed until the time of the collapse.
(3) Represents principal and interest-paying securities, excludes bonds backed by consumer loans and new issue securities.
(4) "WAC" represents weighted average coupon of underlying loans in the deal and "WALA" represents weighted average loan age.
(5) Source: Bank of America U.S. Securitized products Research and Webbs Hill Advisors.
(6) Delinquency rate represents delinquency for the New Residential's Non-Agency Bond portfolio.

**Endnotes to Slide 18:**

Source: Company filings and data. Financial data as of March 31, 2019 unless otherwise noted.

(1) Based on management's current views and estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.
(2) EBO claims receivables is included in the FHA insured portfolio along with EBO loans.

**Endnotes to Slide 19:**

Source: Company filings and data. Financial data as of March 31, 2019 unless otherwise noted.

(1) +$702 million of distributions received +$212 million of asset value - $333 million of equity investments = $580 million life-to-date NRZ profit. Asset value as of March 31, 2019. Distributions received include cumulative equity distributions between periods. Represents market value of retained bonds owned by NRZ and market value of NRZ's equity portion of the October 2016 securitization.
(2) Based on management's current views and estimates, and actual results may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

# Endnotes to Slides 20 through 22

**Endnotes to Slide 20:**

Source: Company filings and data. Financial data as of March 31, 2019 unless otherwise noted.

(1) In January 2018, as part of the Company's previously announced MSR transfer agreement with Ocwen, NRZ paid Ocwen an approximately $280 million restructuring fee to obtain the remaining rights to MSRs on the legacy Non-Agency MSR portfolio totaling $87 billion UPB. As a result, the HLSS Advances are no longer classified as Servicer Advance Investments.

(2) Represents par value of advances and related debt obligations inclusive of a non-controlling interest ownership of ~27% in the Advance Purchaser portfolio.

(3) Based on management's current views and estimates, and actual results may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

(4) "Maturity" dates are expected to be extended but not guaranteed. See "Abbreviations" in the Appendix for more information.

**Endnotes to Slide 21:**

(1) Based on management's current views and estimates and actual results may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

**Endnotes to Slide 22:**

(1) Based on management's current views and estimates and actual results may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

# Abbreviations

***Abbreviations**: This Presentation may include abbreviations, which have the following meanings:*

- *60+ DQ – Percentage of loans that are delinquent by 60 days or more*
- *Age (mths) or Loan Age (mths) – Weighted average number of months loans are outstanding*
- *BPO – Broker's Price Opinion*
- *BV – Book Value*
- *CDR – Conditional Default Rate*
- *CLTV – Ratio of current loan balance to estimated current asset value*
- *CPR – Constant Prepayment Rate*
- *CRR – Constant Repayment Rate*
- *Cur - Current*
- *Current UPB – UPB as of the end of the current month*
- *DTI – Debt to Income*
- *EBO –Residential Mortgage Loans acquired through the GNMA early buy-out program*
- *Excess MSRs – Monthly interest payments generated by the related Mortgage Servicing Rights ("MSRs"), net of a basic fee required to be paid to the servicer*
- *FHLMC – Freddie Mac / Federal Home Loan Mortgage Corporation*
- *FICO – A borrower's credit metric generated by the credit scoring model created by the Fair Isaac Corporation*
- *Flow Arrangements – Contractual recurring agreements, often monthly or quarterly, to purchase servicing of newly originated or highly delinquent loans*
- *FNMA – Fannie Mae / Federal National Mortgage Association*
- *GNMA – Ginnie Mae / Government National Mortgage Association*
- *GWAC – Gross Weighted Average Coupon*
- *HPA – Home Price Appreciation*
- *LTD – Life to Date*
- *LTD Cash Flows –Actual cash flow collected from the investment as of the end of the current month*
- *LTV – Loan to Value*
- *NPL – Non-Performing Loans*
- *Original UPB – UPB at time of securitization*
- *PLS – Private Label Securitizations*
- *Proj. Future Cash Flows – Future cash flow projected with the Company's original underwriting assumptions*
- *QoQ – Quarter-over-quarter*
- *Recapture Rate – Percentage of voluntarily prepaid loans that are refinanced by the servicer*
- *REO – Real Estate Owned*
- *SI – Short Interest*
- *TSO – Total Shares Outstanding*
- *Uncollected Payments – Percentage of loans that missed their most recent payment*
- *UPB – Unpaid Principal Balance*
- *Updated IRR – Internal rate of return calculated based on the cash flow received to date through the current month and the projected future cash flow based on our original underwriting assumptions*
- *U/W LTD – Underwritten life-to-date*
- *WA – Weighted Average*
- *WAC – Weighted Average Coupon*
- *WAL – Weighted Average Life to Maturity*
- *WALA – Weighted Average Loan Age*
- *YoY – Year-over-year*