# New Residential Investment Corp.
# Quarterly Supplement

*Second Quarter 2018*

# Disclaimers

**IN GENERAL.** This disclaimer applies to this document and the verbal or written comments of any person presenting it. This document, taken together with any such verbal or written comments, is referred to herein as the "Presentation."

**FORWARD-LOOKING STATEMENTS.** Certain statements regarding New Residential Investment Corp. (together with its subsidiaries, "New Residential," "NRZ," 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, such as the transfer of MSRs from Ocwen, the Company's expectations for integrating Shellpoint Partners LLC ("Shellpoint") into the Company's business, our targeted lifetime IRRs and yields, expected or projected cash flows, expected returns, 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 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, potential to be subject to certain claims and legal proceedings, ability to maintain prepayment speeds, ability to help protect returns in the event of a rise in voluntary prepayment rates, the Prosper Consortium's plans to issue securitizations on a quarterly basis, 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 2018, performance of residential loans and consumer loans, the continuing decline of delinquencies, the ability of the Company to terminate servicing and subservicing contracts, the Company's plan to issue its first non-qualified mortgage security in second half of 2018, 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.

**CAUTIONARY NOTE REGARDING ESTIMATED / TARGETED RETURNS AND YIELDS.** The Company calculates the estimated return/yield, or the IRR, of an investment as the annualized effective compounded rate of return (assuming monthly compounding) earned over the life of the investment after giving effect, in the case of returns, to existing leverage. Life-to-date IRR, including life-to-date IRRs on the overall MSR portfolio, servicer advance investments, Non-Agency securities portfolio, residential loans and consumer loans, is based on the purchase price for an investment and the estimated value of the investment, or "mark," which is calculated based on cash flows actually received and the present value of expected cash flows over the life of the investment, using an estimated discount rate. Targeted returns and targeted yields reflect a variety of estimates and assumptions that could prove to be incorrect, such as an investment's coupon, amortization of premium or discount, costs and fees, and our assumptions regarding prepayments, defaults and loan losses, among other things. Income and cash flows recognized by the Company in future periods may be significantly less than the income and cash flows that would have been recognized had expected returns been realized. As a result, an investment's lifetime return may differ materially from an IRR to date. In addition, the Company's calculation of IRR may differ from a calculation by another market participant, as there is no standard method for calculating IRRs. Statements about estimated and targeted returns and targeted yields in this Presentation are forward-looking statements. You should carefully read the cautionary statement above under the caption "Forward-looking Statements," which directly applies to our discussion of estimated and targeted returns and targeted yields.

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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 Overview *

***New Residential (NYSE: NRZ) is a publicly traded mortgage real estate investment trust ("REIT") with a $6.2 billion market capitalization [1]***

## *What Makes NRZ a Different Kind of Mortgage REIT? [2]*

**MANAGE A DIVERSIFIED PORTFOLIO OF ASSETS**

*Includes mortgage servicing rights ("MSRs"), call rights, residential bonds / loans & consumer loans*

**WELL POSITIONED FOR RISING INTEREST RATES**

*Portfolio is positioned to generate stable returns across rate cycles*

**CREATED SCALE IN HARD TO REPLICATE INVESTMENTS**

*$520 billion UPB of MSRs [3] & ~$140 billion UPB of Call Rights [4]*

**DELIVERED STRONG & STABLE DIVIDENDS & RETURNS**

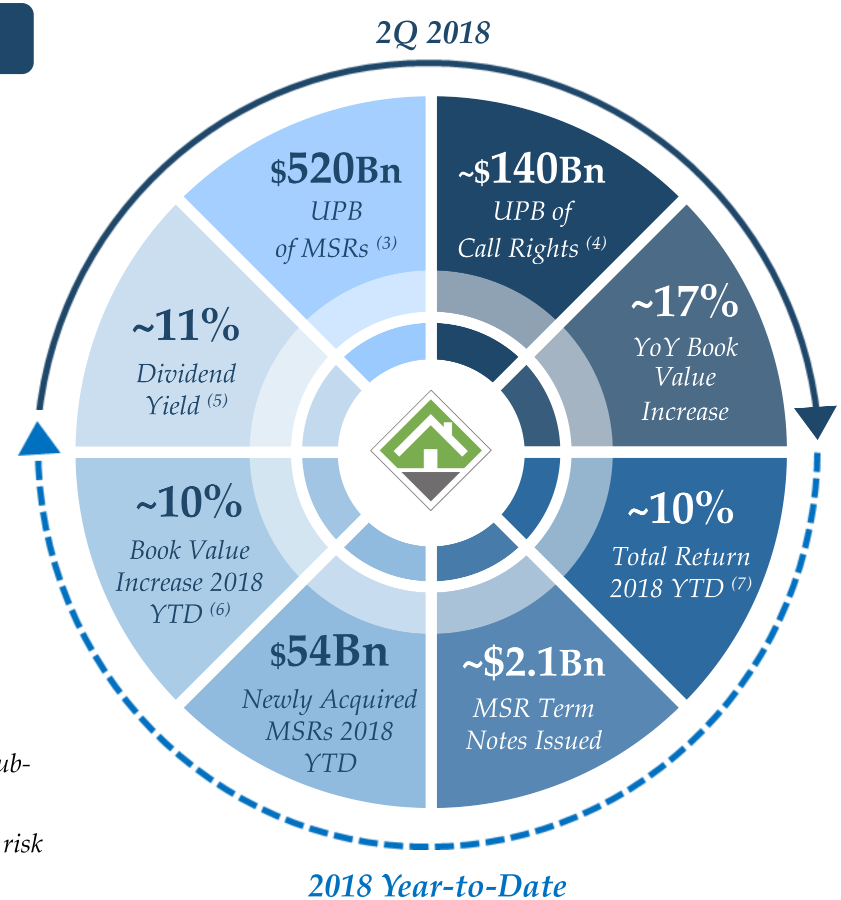
*Strong track record of earnings growth & investment returns*

**WELL CAPITALIZED TO EXECUTE ON FUTURE INVESTMENTS**

*With strong balance sheet and financial resources, NRZ is well positioned to take advantage of future investment opportunities*

**DIVERSIFIED & EXPERIENCED NETWORK OF SUBSERVICERS & FUNDING COUNTERPARTS**

*Diversified network of experienced sub-servicers and funding counterparts provides leverage and helps mitigate risk*

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* Detailed endnotes are included in the Appendix.

# Financial Performance

- **Second Quarter 2018:**
  - ✓ *GAAP Net Income of $175 million, or $0.51 per diluted share*
  - ✓ *Core Earnings of $198 million, or $0.58 per diluted share* [1]
  - ✓ *Second quarter dividend of $0.50 per common share*

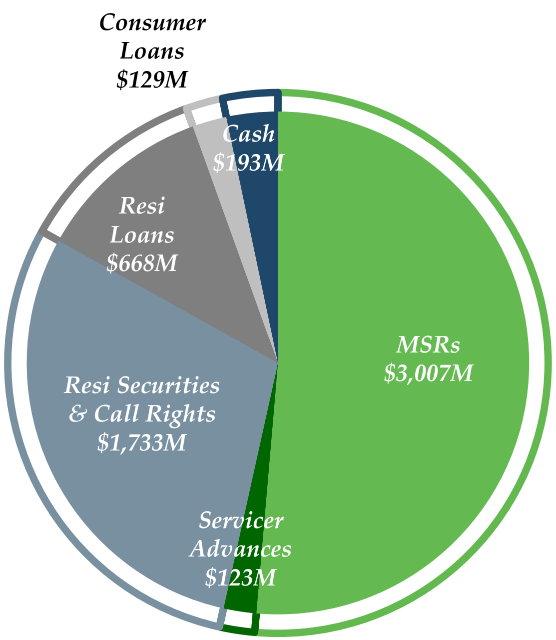
| | 2Q'18 | | 1Q'18 | |
|---|---|---|---|---|
| | *($mm)* | *($ / diluted share)* [2] | *($mm)* | *($ / diluted share)* [2] |
| ***GAAP Net Income*** | $175 | $0.51 | $604 | $1.81 |
| ***Core Earnings*** [1] | $198 | $0.58 | $195 | $0.58 |
| ***Common Dividend*** | $170 | $0.50 | $168 | $0.50 |

1) Core earnings is a non-GAAP measure. See Reconciliation pages in the Appendix for a reconciliation to the most comparable GAAP measure.
2) Per share calculations of GAAP Net Income and Core Earnings are based on 339,538,503 weighted average diluted shares during the quarter ended June 30, 2018 and 333,380,436 weighted average diluted shares during the quarter ended March 31, 2018. Per share calculations of Common Dividend are based on 339,862,769 basic shares outstanding as of June 30, 2018 and 336,135,391 basic shares outstanding as of March 31, 2018.

# New Residential Portfolio Overview – 2Q18 *

- **We believe our portfolio is well positioned for various interest rate environments**
- **In particular, MSRs, one of the few fixed income assets that should increase in value in a rising rate environment, make up more than 50% of NRZ's net investment**

## Net Investment (3)




## Net Investment & Targeted Lifetime Net Yield

*($ in mm)*

| | *As of 12/31/17* (1) | *As of 3/31/18* (2) | *As of 6/30/18* (3) | *Targeted Lifetime Net Yield** |
|---|---|---|---|---|
| *MSRs (Excess & Full)* | $2,368 | $3,039 | $3,007 | 12 – 18% |
| *Servicer Advances* | $159 | $146 | $123 | 20 – 25% |
| *Residential Securities & Call Rights* | $1,434 | $1,530 | $1,733 | 15 – 20% |
| *Residential Loans* | $524 | $725 | $668 | 15%+ |
| *Consumer Loans* | $129 | $112 | $129 | 15%+ |
| *Cash* | $296 | $233 | $193 | 15% |

*Detailed endnotes are included in the Appendix. Targeted lifetime net yields represent management's view and are estimated based on the current composition of our investment portfolio and a variety of assumptions, many of which are beyond our control, that could prove incorrect. As a result, actual yields may vary materially with changes in the composition of our investment portfolio, changes in market conditions and additional factors described in our reports filed with the SEC, which we encourage you to review. We undertake no obligation to update these estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

# New Residential 101 *

- **NRZ is a leading capital provider to the U.S. mortgage industry**
- **Our objective is to drive strong and sustainable risk-adjusted returns primarily through investments in three main portfolios:**

1 Mortgage Servicing Rights & Advances   2 Non-Agency Securities & Associated Call Rights   3 Opportunistic Investments

- **Portfolio consists of high-quality assets capable of generating stable returns across different market environments [(1)]**

## Key Market Data [(2)]

| | |
|---|---|
| *Exchange \| Ticker:* | *NYSE \| NRZ* |
| *Market Cap:* | *$6.2 Bn* |
| *Last Close:* | *$18.59* |
| *Dividend Yield:* | *11%* |
| *52 Week Range:* | *$15.24- $18.74* |
| *Avg. Vol. (3M):* | *2,528,985* |
| *Shares Outstanding:* | *339.9M* |
| *SI / % of Float:* | *9M / 2.7%* |
| *# of Inst. Owners:* | *448* |
| *Book Value / Share:* | *$16.80* |
| *Price-to-Book:* | *1.1x* |

## NRZ Portfolio Overview

### *$520Bn UPB of MSRs* [(3)]

**Mortgage Servicing Rights (“MSRs”)**

*An MSR is the contractual obligation to collect and process mortgage payments in exchange for a fee.*

**Servicer Advances**

*Advances are required capital outlays by the servicer to fund missed payments from delinquent borrowers and foreclosure related expenses. The servicer has limited risk of not being reimbursed because advances are almost always “top of the waterfall” in the event of property sale.*

### *~$140Bn UPB of Calls* [(4)]

**Non-Agency Call Rights**

*NRZ’s call rights give NRZ control over ~$140 billion UPB of non-agency mortgage loans* [(4)] *– the call rights allow NRZ to purchase loans in a securitization for a price generally equal to the current face value plus expenses.*

**Residential Securities & Residential Loans**

*A residential mortgage-backed security (“RMBS”) is comprised of a pool of mortgage loans. The cash flows from each pool of mortgages are packaged into different classes and tranches that are then issued as securities that may be purchased by investors.*

### *Opportunistic Investments*

*NRZ pursues opportunistic investments from time to time as the market evolves.*

**Shellpoint Partners** *(Jul 2018)*

*NRZ acquired Shellpoint, adding in-house servicing, asset origination and recapture capabilities.*

**HLSS** *(Oct 2015)*

*NRZ acquired HLSS, doubled the size of NRZ’s servicing-related assets and achieved critical mass in call rights.*

**Consumer Loans**

*SpringCastle & Prosper Portfolios - Attractive one-off investments that have delivered outsized returns.*

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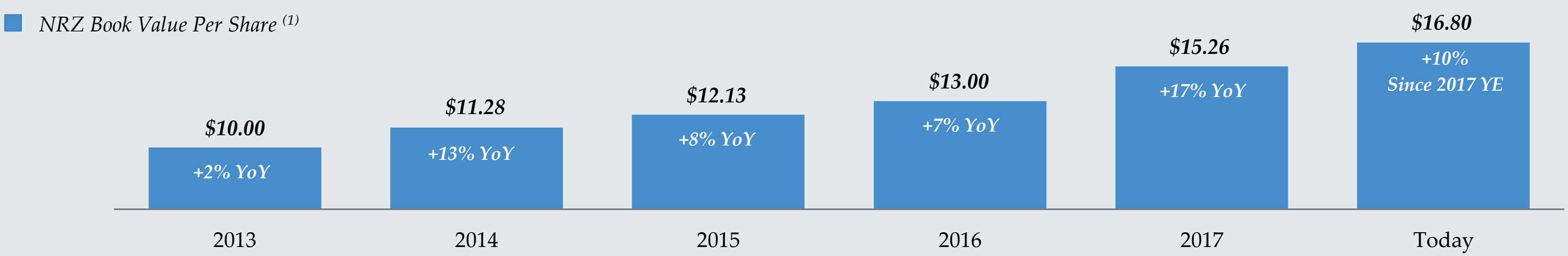
* Detailed endnotes are included in the Appendix.

# Consistent Growth & Robust Performance Since Inception *

***NRZ has a strong track record of executing on its core investment strategies while making attractive opportunistic investments***

## *Delivered Consistent Growth*




| NRZ Market Cap (2): | 2013 | 2014 | 2015 | 2016 | 2017 | Today |
|---|---|---|---|---|---|---|
| | $1.5Bn | $1.9Bn | $3.0Bn | $3.5Bn | $5.5Bn | $6.2Bn |

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

**FY 2015**

***HLSS***

*Acquired HLSS for $1.4Bn and acquired ~$145Bn of call rights from Ocwen*

-

*Doubled the size of NRZ's servicing-related assets & achieved critical mass in call rights*

**FY 2016**

***Ability to Acquire MSRs Independently***

*Became an eligible owner of non-Agency, Fannie and Freddie MSRs across all 50 U.S. States*

-

*NRZ made its inaugural full MSR purchase in Aug 2016*

-

***Diversification of Servicers***

*Expended network of servicer to help mitigate potential counterparty risks*

**FY 2017**

***Bulk MSR Acquisitions***

*Strategically grew MSR portfolio by purchasing or agreeing to purchase MSRs totaling ~$237Bn (e.g., $110Bn UPB from Ocwen (3), $92Bn UPB from CitiMortgage)*

-

*MSRs, one of the few fixed income assets that should increase in value as rates rise, continue to help NRZ position for rising rates*

**Feb 2017**

***Prosper Consumer Loans***

*Joined a 4-member consortium that agreed to purchase up to $5bn of unsecured consumer loans on a forward flow basis from Prosper*

-

*Initial investment performing in-line with original underwriting expectations thus far, achieving LTD IRR greater than 20%*

**Nov 2017 & July 2018**

***Shellpoint***

*Acquired Shellpoint (transaction closed in July 2018), a leading third party special servicer*

-

*Adding in-house servicing, asset origination and recapture capabilities to help enhance & grow NRZ's investments & diversify NRZ's servicing relationships*

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*Detailed endnotes are included in the Appendix.

# Shellpoint Partners (*"Shellpoint"*) *

***In July 2018, NRZ closed the previously announced acquisition of Shellpoint***

- Shellpoint is an integrated mortgage origination and servicing company with industry leading 3rd party servicing capabilities, a mortgage origination platform that can help improve recapture, and title and appraisal services that can help further diversify NRZ's revenue base (1)

## SHELLPOINT PARTNERS

***A vertically integrated, residential mortgage company with diversified revenue sources & extensive mortgage capabilities***

| *Mortgage Servicer* | *Originator* | *Title / Appraisal* |
| --- | --- | --- |
| Shellpoint Mortgage Servicing | npf new penn FINANCIAL | AVENUE 365 LENDER SERVICES; eStreet APPRAISAL MANAGEMENT COMPANY |
| *UPB Serviced: ~$69 Billion (2)* | *Annual Origination Vol: ~$6.5 Billion (3)* | *Appraisal Services Volume: ~20k Units (5)* |
| *Rated by S&P, Moody's & Fitch* | *# of Origination Offices: ~135+ (4)* | *Title Insurance Volume: ~7k Units (5)* |

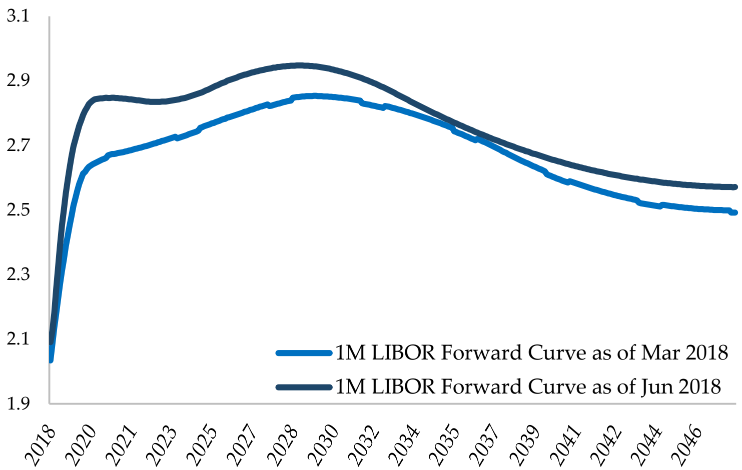
| *Rated Servicer* | *Origination Platform* |
| --- | --- |
| ☑ *Rated by **S&P**, **Moody's** and **Fitch*** | ☑ ***~$6.5 Billion** in annual loan production (3)* |
| ☑ *Approved by **Fannie**, **Freddie** & **Ginnie*** | ☑ *Approved by **Fannie**, **Freddie** & **Ginnie*** |

*Detailed endnotes are included in the Appendix.

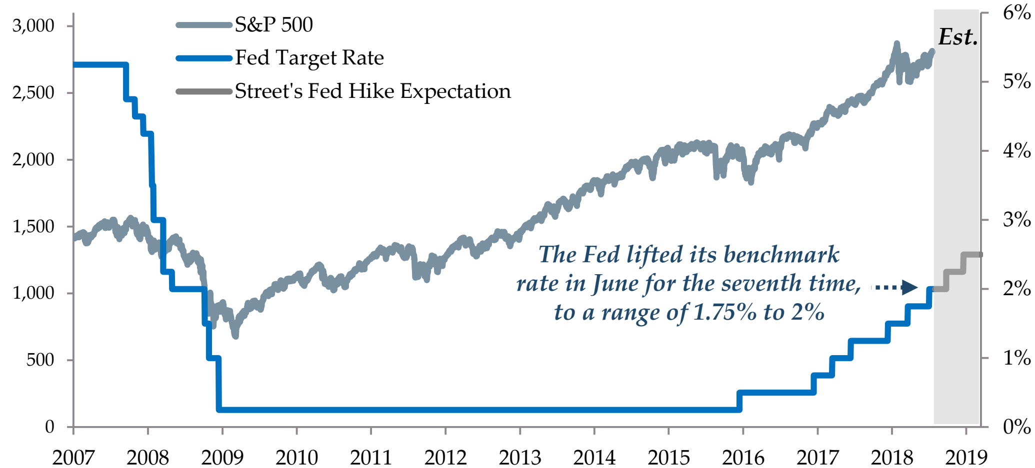
# Interest Rate Market Expectations *

*"We're gradually moving up rates and we think that is the policy that will help us get inflation to 2% sustainably."*
*- Statement made by Fed Chairman Jerome Powell on July 18, 2018*

## Forward LIBOR Curve




## Possibility of Four or More Hikes in 2018 & 2019




| | 2014 YE | 2015 YE | 2016 YE | 2017 YE | 1Q18 | 2Q18 | Today * |
|---|---|---|---|---|---|---|---|
| **10-Year Treasury Yield** | 2.17% | 2.27% | 2.45% | 2.40% | 2.74% | 2.86% | **2.97%** |
| **30-Year Fixed Rate Mortgage** | 3.83% | 4.01% | 4.32% | 3.99% | 4.44% | 4.55% | **4.52%** |
| **Non-Agency Spread (1)** | 263 | 295 | 233 | 142 | 117 | 110 | **110** |
| **3-Month Libor** | 0.26% | 0.61% | 1.00% | 1.69% | 2.31% | 2.34% | **2.34%** |
| **FN CC Spread v 10Yr** | 66 | 73 | 68 | 59 | 72 | 74 | **70** |
| **Case Shiller Home Price Index** | 173 | 182 | 192 | 204 | 208 | 210 | **210** |
| **S&P 500** | 2,059 | 2,044 | 2,239 | 2,674 | 2,641 | 2,718 | **2,846** |

***"We believe the market is underestimating the potential for rate increases in 2018 and 2019 with the economy at or beyond full employment, inflation at or above target, and a massive tax cut fueling demand growth in the economy."*** *- John Ryding, Chief Economist at RDQ Economics LLC*

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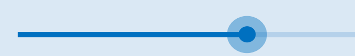
* Source: Bloomberg as of July 25, 2018.
1) Represents the averages of spreads provided by Bank of America across Option ARM, Alt-A and Subprime non-agency RMBS generally similar to the portfolio NRZ owns.

# What Do Higher Rates Mean for New Residential?*(1)

| | *Management's View: Portfolio Is Well Positioned for Rising Interest Rates* | *Estimated Impact to NRZ* (*Negative* / *Neutral* / *Positive*) |
|---|---|---|
| ***MSRs*** *(Full & Excess)* | ▪ *One of the few fixed income assets that should increase in value as interest rates rise*<br>▪ *Mortgages underlying the MSRs are less likely to be refinanced, thus extending the life of the cash flow stream*<br>***Higher Interest Rates*** → ***Lower Refinancing Incentive*** → ***Lower Prepayments*** → ***Longer Fee Stream*** → ***Higher Valuation*** |  |
| ***Servicer Advances*** | ▪ *Nearly all of NRZ's advance financing is either fixed-rate or capped floating rate financing*<br>▪ *Protected from increases in advance financing costs via agreements with servicing partners*<br>▪ *Slower prepay speeds on the base MSRs are expected to increase market value for advances* |  |
| ***Non-Agency Securities & Call Rights*** | ▪ *Over 93% of the Non-Agency securities portfolio [2] is floating rate, which would generate higher interest income as rates rise*<br>▪ *Potential opportunity to accelerate call strategy by purchasing more discounted securities* |  |
| ***Residential & Consumer Loans*** | ▪ *Limited interest rate sensitivity - portfolio is composed mostly of seasoned, credit-impaired borrowers who pay fixed-rate, high coupon payments, thus overall portfolio prepayment expectations are unlikely to change and overall duration is expected to remain low*<br>▪ *Additional hedges are typtically placed against assets in order to help manage duration risk* |  |
| ***Overall Impact*** | ▪ *We actively manage our business for various market cycles and believe we are well positioned based on the current rate environment* |  |

*Detailed endnotes are included in the Appendix.

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# NRZ Portfolio Update

# New Residential - 2Q 2018 & Subsequent Highlights*

**MSRs**

- *Acquired ~$20 billion UPB of MSRs for ~$245 million from five different counterparties during the second quarter of 2018*
- *Acquired ~$1 billion of flow MSRs during the quarter; expect an increase in flow MSR purchases in the coming quarters* (1)
- *Priced two fixed rate MSR notes in May and July 2018, totaling $1.2 billion, at a weighted average cost of funds of ~4.5%*

**Non-Agency Securities & Call Rights**

- *Executed clean-up calls on 32 seasoned Non-Agency deals, totaling approximately $1.1 billion UPB, during the quarter*
- *Completed a $435 million Non-Agency loan securitization in May 2018*
- *Purchased $696 million face value of Non-Agency RMBS during the quarter, bringing net equity to ~$1.6 billion as of 2Q18*

**Servicer Advances**

- *Advance balances totaling $3.8 billion as of 2Q18, down 21% YoY from $4.8 billion as of 2Q17; expect potential future upside as advance balances continue to decline* (1)

**Other**

- ***Shellpoint Closing -** On July 3, 2018, New Residential closed the previously announced acquisition of Shellpoint, a vertically integrated mortgage platform with established origination and servicing capabilities.*
- ***Consumer Loan Investments -** Continue to generate strong returns across portfolios*
  - *Prosper - Investment continues to perform in-line with original underwriting expectations, achieving LTD IRR ~20%* (2)
  - *SpringCastle - Generated a LTD IRR of 87% through a combination of distributions and refinancing proceeds as of quarter end*
- ***Residential Loans -** Active portfolio management continues to drive expedited loan resolutions and portfolio performance, achieving quarterly returns of approximately 15%*

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# MSRs – Portfolio Overview *

***NRZ's MSR portfolio totals $520 billion UPB [1]***

- **NRZ continues to selectively purchase MSR portfolios at compelling returns – notable MSR purchases include:**
  - **~$20Bn** UPB MSRs from five counterparties *(Settled in 2Q18)*
  - **~$12Bn** UPB MSR purchase from **Walter** *(Settled in Jan 2018)*
  - **~$15Bn** UPB MSR purchase from **Shellpoint** *(Settled in Jan & July 2018)*
    - **~$8Bn** UPB Agency MSRs *(Settled in Jan 2018)*
    - **~$7Bn** UPB PLS & Ginnie MSRs *(Settled in Jul 2018)*
  - **$110Bn** UPB MSR purchase from **Ocwen** *(Settled & awaiting final transfer in 2H18)* [2]
  - **$92.5Bn** UPB MSR purchase from **CitiMortgage** *(Settled in Mar 2017)*
  - **$54Bn** UPB Agency MSR purchase from **PHH** *(Settled in 2H17)*

## MSR Portfolio - Difficult to Replicate [3]

| | *Excess MSRs* | | | | | *Full MSRs* | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | FHLMC | FNMA | GNMA | Non-Agency | *Excess MSR Total*** | FHLMC | FNMA | GNMA | Non-Agency | *Full MSR Total*** | *TOTAL*** |
| **UPB** *($Bn)* | 41 | 37 | 29 | 59 | ***$166 Bn*** | 78 | 167 | 11 | 96 | ***$353 Bn*** | ***$520 Bn*** [1] |
| **WAC** | 4.6% | 4.6% | 4.7% | 4.7% | ***4.7%*** | 4.3% | 4.3% | 3.5% | 4.5% | ***4.3%*** | ***4.4%*** |
| **WALA** *(Mth)* | 86 | 97 | 84 | 146 | ***113 mth*** | 63 | 72 | 25 | 151 | ***90 mth*** | ***94 mth*** |
| **Cur LTV** | 62% | 56% | 66% | 72% | ***65%*** | 65% | 61% | 88% | 85% | ***69%*** | ***69%*** |
| **Cur FICO** | 718 | 708 | 694 | 675 | ***695*** | 743 | 744 | 698 | 643 | ***714*** | ***710*** |
| **60+ DQ** | 2.6% | 2.7% | 1.2% | 12.2% | ***6.3%*** | 1.0% | 1.2% | 3.1% | 15.9% | ***5.2%*** | ***5.4%*** |

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* Detailed endnotes and abbreviations are included in the Appendix.
** "Total" columns reflect weighted average calculations.

# MSRs – Robust MSR Financing Activity in 2018 *[1]

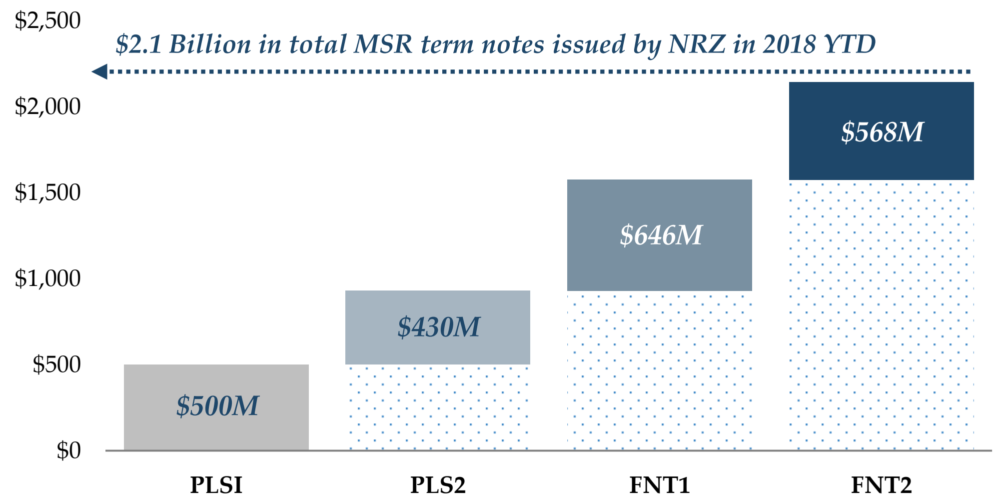
*To further enhance liquidity, NRZ completed over $2.1 billion in MSR financings in 2018 year-to-date*

- **2018 year-to-date, NRZ has issued four fixed rate MSR term notes, totaling $2.1 billion, at a weighted average cost of funds of ~4.1%**
- **New Residential has an additional $660 million in undrawn capacity [2]**

## Proven Access to Capital Markets [1]

*NRZ MSR Term Notes – 2018YTD*

| Deals | Date | Amount *($mm)* | Maturity | Adv. Rate | WAL | Coupon |
|---|---|---|---|---|---|---|
| **PLSI** | Jan'18 | $500 | 3 Yrs | 62% | 2.06 | 3.55% |
| **PLS2** | Feb'18 | $430 | 3 Yrs | 68% | 2.09 | 3.68% |
| **FNT1** | May'18 | $646 | 5 Yrs | 69% | 2.89 | 4.45% |
| **FNT2** | Jul'18 | $568 | 6 Yrs | 67% | 3.09 | 4.62% |
| | | **$2,144** | **~4 Yrs** | **67%** | **2.59** | **4.13%** |




| Dec 31, 2017 | | Today |
|---|---|---|
| 0% | % of fixed rate MSR debt | ~85% |
| ~64% | % of MSR debt with maturity ≥ 1 year | ~85% |

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* Detailed endnotes and abbreviations are included in the Appendix.

# Non-Agency Securities & Call Rights – Call Rights Opportunity*

**NRZ has access to ~$140 billion of mortgage collateral, representing ~30% of the Non-Agency market [(1)(2)]**

| Access to ~$140Bn of Loans [(1)] | Robust Execution Around Call Strategy | Continue to Grow Bond Portfolio | Continue to Scale Loan & REO Platform |
|---|---|---|---|
| **~$140Bn** Loan Collateral [(1)] | Call Volume Up ~290% [(4)] | Bond Portfolio +25% YoY [(5)] | Loan Portfolio +39% YoY [(7)] |

**Access to ~$140Bn of Loans**

- Focus on working with servicers, trustees and bond holders to clean up the legacy mortgage market
- Call strategy provides NRZ with access to a long-term pipeline of residential mortgage assets [(3)]

**Robust Execution Around Call Strategy**

- Execution and liquidity around NRZ's securitization platform continues to improve
- In 2017, call volume increased ~290% compared to 2016 [(4)]
- To date, NRZ has executed clean-up calls across 403 deals with an aggregate UPB of ~$10 billion

**Continue to Grow Bond Portfolio**

- NRZ strategically invests in securities that are accretive to deal collapses
- Non-Agency portfolio book value increased by ~$342 million QoQ [(6)]
- NRZ's net equity in Non-Agency RMBS, totaling $1.6 billion as of 2Q18, up from $1.4 billion from a year prior (in 2Q17)

**Continue to Scale Loan & REO Platform**

- Driven by our call strategy, the whole loan business continues to expand – Portfolio grew 39% YoY [(7)]
- NRZ works with leading special servicers and asset managers to offer loan modifications and solutions to borrowers, shorten timelines and optimize liquidation results

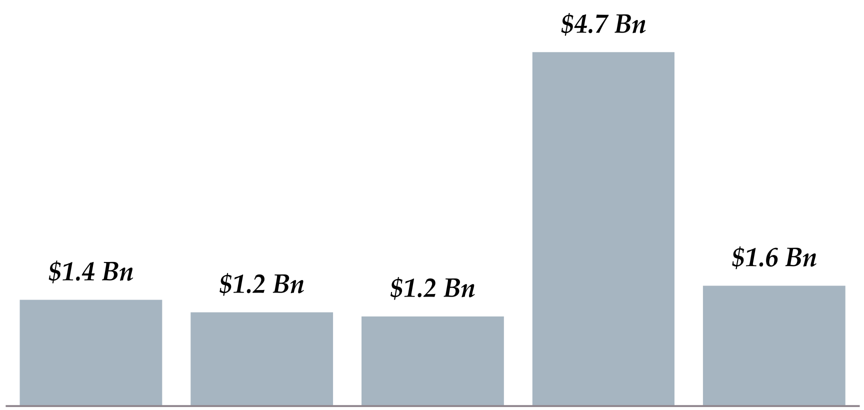
* Detailed endnotes are included in the Appendix.

# Non-Agency Securities & Call Rights – Portfolio Overview

*In 2Q18, NRZ called 32 Non-Agency RMBS deals with an aggregate UPB of ~$1.1 billion* (1)

- **In 2Q18, NRZ continued to execute its deal collapse strategy by executing clean-up calls on 32 seasoned, Non-Agency RMBS deals with an aggregate UPB of approximately $1.1 billion**
  - In May 2018, NRZ completed a $435 million Non-Agency loan securitization (2)
- **Callability timelines are expected to shorten as delinquencies decline** (3)
  - Delinquencies have declined by 4% (from 20% to 16%) in the past two years

## Call Deals Executed by NRZ to Date




| | 2014 | 2015 | 2016 | 2017 | 1H18 |
|---|---|---|---|---|---|
| *# of Deals* | 60 | 53 | 50 | 176 | 64 |

## Key Drivers to Clean-up Calls

| *Key Drivers* | *Illustrative Scenarios* (4) | *Illustrative Impact On Callable UPB* (3) |
|---|---|---|
| *Delinquency* | (↓10%) | ↑ *$2-3 Billion* |
| *Servicer Advances* | (↓ 2%) | ↑ *$2-3 Billion* |
| *Loan Value* | (↑1 pt) | ↑ *$1-2 Billion* |
| *Discount Bond Ownership* | (↑2 pts) | ↑ *$4-5 Billion* |

*Detailed endnotes are included in the Appendix.

# Non-Agency Securities & Call Rights – Bond Portfolio Overview *

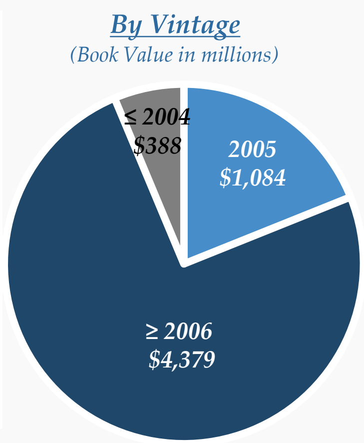
*$1.6 billion in net equity as of 2Q18, up from $1.4 billion from the prior year*

- **During the quarter, NRZ purchased $696 million face value of Non-Agency securities at an average price of 78% (1)**
- **Over 93% of the Non-Agency bond portfolio is floating rate as of 2Q18 (2)**

## Portfolio Composition & Performance *(As of 2Q18)* (2)

### *NRZ Portfolio Composition*

| *($ in mm)* | ***Total*** |
|---|---|
| ***Current Face*** | *$8,306* |
| ***Cost Basis*** | *$5,851* |
| ***Carrying Value*** | *$6,317* |
| ***WAC*** (3) | *4.9%* |
| ***WALA*** (3) | *144* |
| ***60+ DQ*** | *15.1%* |




### *Non-Agency Universe Transition Metrics* (4)

*Collateral performance continues to improve as average delinquency continues to trend down year-over-year*

| | Q2 2018 | 2017 | | 2016 | |
|---|---|---|---|---|---|
| ***Status*** | *3 Mth Avg* | *12 Mth Avg* | *24 Mth Avg* | *12 Mth Avg* | *24 Mth Avg* |
| ***90+DQ%*** | *14.1%* | *14.2%* | *15.4%* | *16.4%* | *17.7%* |
| ***REO%*** | *1.4%* | *1.9%* | *1.9%* | *1.9%* | *2.1%* |
| ***Total*** | ***15.5%*** | ***16.1%*** | ***17.3%*** | ***18.3%*** | ***19.8%*** |

*** All data as of June 30, 2018, unless otherwise stated.**
1) Excludes NRZT residuals.
2) Represents only principal and interest-paying securities; excludes consumer loans.
3) "WAC" represents weighted average coupon of underlying loans in the deal and "WALA" represents weighted average loan age.
4) Source: Bank of American Merrill Lynch Research – Non Agency Outstanding Delinquencies. As of July 23, 2018.

# Servicer Advances - Portfolio Overview *

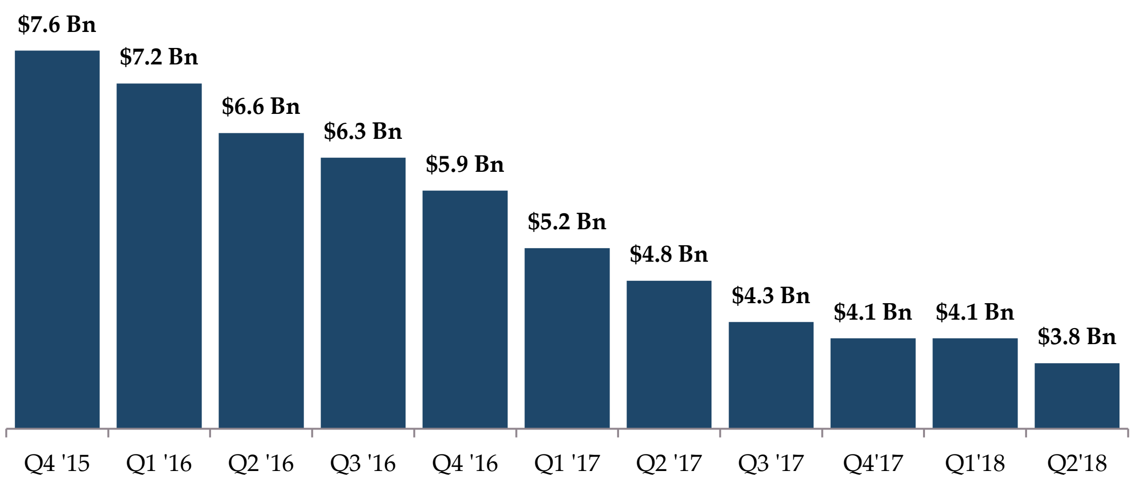
**_NRZ's Servicer Advance portfolio totals \$3.8 billion (1)_**

- **Outstanding advance balance of \$3.8 billion is funded with \$3.4 billion of debt; 88% LTV and a 3.3% interest rate (1)**
- **During the quarter, NRZ continued to focus on improving funding and lowering advances**
  - Will continue to work with advance lenders to extend maturities and expect potential future upside as advance balances continue to decline (2)

## Portfolio Characteristics (3)

| | *Advance Purchaser* | *HLSS* | *SLS* | Total |
|---|---|---|---|---|
| **Servicer** | *(NSM)* | *(Ocwen)* | *(SLS)* | |
| **UPB** *(\$Bn)* | *\$44* | *\$95* | *\$1* | **\$140Bn** |
| **Adv Balance** | *\$0.7* | *\$3.1* | *\$0.03* | **\$3.8Bn** |
| **Adv / UPB** | *1.5%* | *3.2%* | *1.9%* | **2.7%** |
| **Debt** | *\$0.6* | *\$2.7* | *\$0.03* | **\$3.4Bn** |
| **Gross LTV** | *89%* | *88%* | *88%* | **88%** |
| **Capacity** | *\$0.8* | *\$3.0* | *\$0.1* | **\$3.8Bn** |
| **Maturity** | *2/20-3/21* | *3/19-12/21* | *11/19* | **3/19-12/21** |
| **Interest Rate** | *3.1%* | *3.3%* | *4.2%* | **3.3%** |

## Continue to Lower Advances & Improve Financing




| *Dec 31, 2015* | | *Jun 30, 2018* |
|---|---|---|
| *38%* | *% of fixed rate advance debt* | *92%* |
| *5%* | *% of advance debt with maturity ≥ 2 year* | *64%* |

*All data as of June 30, 2018, unless otherwise stated. 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 Servicer Advance Investments. Detailed endnotes are included in the Appendix.

New Residential Investment Corp.

# Consumer Loans – Prosper Investment Overview *

- **To date, NRZ, as part of a 4-member Consortium, has acquired approximately $2.91 billion of unsecured consumer loans from Prosper Marketplace ("Prosper")**
  - Targeting 15% to 20% levered yield for the life of the investment (1)
  - Initial investment has performed in-line with original underwriting expectations thus far, achieving a LTD IRR greater than 20%
  - Locked in fixed rate warehouse financing - obtained an all-in financing rate of 4% for duration of investment
  - To date, the Consortium successfully securitized $2.1 billion of Prosper loans
- **The Consortium earns warrants to purchase shares of Prosper equity as loans are purchased on a forward flow basis**
  - As of June 30, 2018, the Consortium earned 58% of its expected warrants

*Sept – Nov 2016*

***NRZ's Initial Prosper Loan Purchase:*** *NRZ independently acquired $177 million of consumer loans from Prosper*

*Feb 2017*

***NRZ Joined 4-Member Consortium:*** *Consortium agreed to purchase up to $5bn of unsecured consumer loans on a forward flow basis (term of 24 months) from Prosper*

*May'17, Aug'17, Oct'17 & Mar'18*

***$2.1Bn in Loan Securitizations:*** *Consortium successfully securitized $2.1bn of Prosper loans through three securitization deals*

*As of 2Q18*

***Consortium Acquired ~$2.91Bn of Loans from Prosper:*** *Consortium purchased flow from Prosper on a monthly basis*

**Overview of Current Portfolio** *(As of 2Q18)* (2)

| | # of Loans | Cur Balance | WALA | GWAC | FICO | % Current | 30+DQ | IRR | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| **NRZ's Portfolio** | 7,502 | $59M | 20 | 14.1% | 717 | 94.9% | 4.4% | 15% | $13M |
| **Consortium** | 32,580 | $417M | 1 | 14.5% | 712 | 99.8% | 0.1% | +20% | $58M |
| **TOTAL** | **40,082** | **$476M** | **3** | **14.5%** | **713** | **99.2%** | **0.6%** | **+20%** | **$71M** |

*Detailed endnotes are included in the Appendix. Note that NRZ holds a 25% interest in the Consortium, therefore the Company holds a 25% interest in the Consortium's portfolio and balances.

# Consumer Loans – SpringCastle Investment Overview

***Through a combination of distributions and refinancing proceeds, NRZ generated a LTD IRR of 87% and received a LTD profit of $567 million***

| | | NRZ's Investment Interest | | | | | Portfolio Overview | | |
|---|---|---|---|---|---|---|---|---|---|
| | | *NRZ's Ownership %* | *NRZ's Equity Contribution* | *NRZ Distribution Received* [1] | *Current Asset Value* [2] | *LTD IRR* | *Total Portfolio (UPB)* | *Avg. Charge-Off Rate* | *30+ DQ* |
| **April 2013** | ***Initial Investment:*** *NRZ invested $241 million for a 30% interest in SpringCastle JV's $3.9 billion UPB consumer loan portfolio* | **30%** | ($241M) | - | -- | -- | **$3.9Bn** | **12.0%** | **10.6%** |
| **Oct 2014** | ***$2.6Bn Refinancing:*** *Completed a $2.6 billion asset backed secured refinancing of the $2.7 billion UPB consumer portfolio* | **30%** | -- | +$462M | -- | **70%** | **$2.7Bn** | **5.5%** | **8.5%** |
| **March 2016** | ***Increased Ownership Interest:*** *NRZ invested an additional $56 million to increase its interest in SpringCastle JV, from 30% to ~54%* | **54%** | ($56M) | +$65M | -- | **88%** | **$2.0Bn** | **5.6%** | **7.0%** |
| **Oct 2016** | ***$1.7Bn Refinancing:*** *Completed a $1.7 billion refinancing of the SpringCastle securitization, providing ~$23 million of liquidity* | **54%** | -- | +$50M | -- | **94%** | **$1.7Bn** | **5.3%** | **7.4%** |
| | *Performance Since $1.7 Billion Refinancing (Nov 2016 to June 2018)* | **54%** | ($36M) [3] | +$90M | **$233M** | **87%** | **$1.2Bn** | **5.4%** | **6.2%** |
| | | **54%** | **($333M)** | **+$667M** | **$233M** | **87%** | | | |

***+ $667M of Distribution Received + $233M of Asset Value[2] - $333M of Equity Investment = $567M LTD NRZ Profit***

1) Includes cumulative equity distributions between periods.
2) Asset value as of June 30, 2018. Represents market value of retained bonds owned by NRZ and market value of NRZ's equity portion of the Oct 2016 securitization.
3) Represents NRZ's purchase of additional SpringCastle bonds in January 2017.

New Residential Investment Corp.

# Residential Loans – Loan Portfolio Overview*

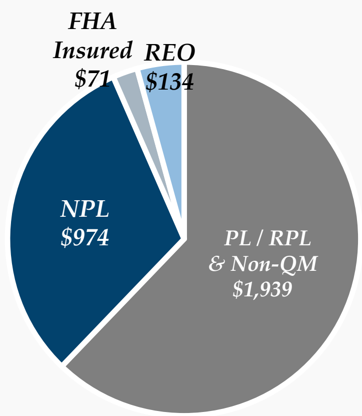
- **Portfolio Overview**
  - NRZ's residential loan portfolio consists of $3.1 billion UPB, which represents $621 million of equity
  - Portfolio Breakdown:
    - ***Seasoned Performing*** *- $304 million of equity invested, target strong levered returns through various funding options* (1)
    - ***Non-Performing*** *- $176 million of equity invested, seek strong returns through re-performance and shortened timelines* (1)
    - ***FHA Insured*** *- $4 million of equity invested, target strong return on government guaranteed loans* (1)(2)
    - ***Non-Qualified Mortgage ("Non-QM")*** *- $137 million of equity invested, plan to issue first non-QM security in 2H18* (3)
  - Re-performed approximately 8% of total non-performing portfolio during the quarter

## Active Portfolio *(As of 2Q18)*

| *($ in mm)* | ***Total*** |
|---|---|
| ***Loan Count*** | 35,191 |
| ***UPB*** | $3,118 |
| ***BPO*** | $6,008 |
| ***Carrying Value*** | $2,853 |
| ***Fair Value*** | $2,923 |
| ***% < 100 LTV*** | 80% |

**Portfolio Composition**(2)

*(UPB in millions)*

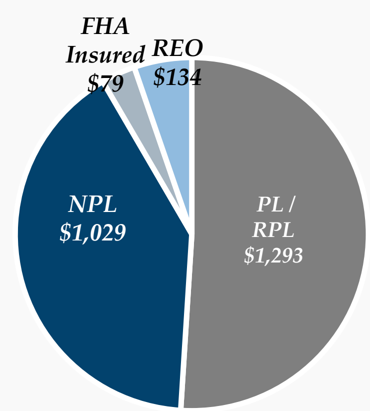



## Active Portfolio *(As of 1Q18)*

| *($ in mm)* | ***Total*** |
|---|---|
| ***Loan Count*** | 28,232 |
| ***UPB*** | $2,535 |
| ***BPO*** | $4,513 |
| ***Carrying Value*** | $2,226 |
| ***Fair Value*** | $2,313 |
| ***% < 100 LTV*** | 74% |

**Portfolio Composition**(2)

*(UPB in millions)*




*** All data as of June 30, 2018, unless otherwise stated.**

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

# Aim to Maintain Strong Track Record & Performance*

*Expect to continue executing on key strategic initiatives with the goal of generating attractive returns for shareholders*

## NRZ – Selected Key Milestones

**2015**

**Apr'15**
- *$1.4Bn Acquisition of HLSS*

**2Q15**
- *Call rights portfolio totaled ~30% of Non-Agency mortgage market*

**FY 2015**
- *Deployed ~$2.2Bn*
- *~7% Growth in BV*
- *Dividend up 21%*

**2016**

**3Q16**
- *Became (i) qualified to own MSRs in all 50 U.S. states and (ii) an approved Fannie Mae & Freddie Mac Servicer and FHA Lender*

**FY 2016**
- *Deployed ~$1.5Bn*
- *44% Total Return (2)*
- *~7% Growth in BV*

**Nov' 17**
- ***Agreements to acquire Shellpoint** (In-house servicing & origination)*

**FY 2017**
- *Deployed ~$3.3Bn*
- *2 dividend increases*
- *Call volume increased ~290% compared to full year 2016 (3)*

**1Q18 & 2Q18**
- *Acquired ~$54Bn UPB of MSRs*

**July' 18**
- ***Closed Shellpoint Acquisition** (In-house servicing & origination)*

**TODAY**

### WELL POSITIONED FOR RISING RATES (1)

- ☑ *MSRs are one of the few fixed income assets that are expected to increase in value as rates rise*
- ☑ *Key hedges in place to help protect against rising rates*

### A ROBUST & ACTIONABLE PIPELINE (1)

- ☑ *Robust pipeline & potential opportunities across the $26 trillion U.S. housing market (4)*
- ☑ *Continue to work on additional MSR purchases*

### WELL CAPITALIZED (1)

- ☑ *Well capitalized to execute on upcoming investments*
- ☑ *Remain optimistic in our ability to deploy capital in 2018 & 2019 at attractive returns*



*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 6/30/18 (Unaudited) | As of 3/31/18 (Unaudited) |
|---|---|---|
| *ASSETS* | | |
| Investments in: | | |
| Excess mortgage servicing rights, at fair value | $ 495,299 | $ 515,676 |
| Excess mortgage servicing rights, equity method investees, at fair value | 159,034 | 164,886 |
| Mortgage servicing rights, at fair value | 2,232,126 | 2,129,665 |
| Mortgage servicing rights financing receivables, at fair value | 1,904,919 | 1,886,771 |
| Servicer advance investments, at fair value | 843,438 | 955,364 |
| Real estate and other securities, available-for-sale | 8,084,927 | 7,585,323 |
| Residential mortgage loans, held-for-investment | 690,771 | 647,960 |
| Residential mortgage loans, held-for-sale | 2,021,319 | 1,441,955 |
| Real estate owned | 125,701 | 115,616 |
| Consumer loans, held-for-investment | 1,212,917 | 1,305,793 |
| Consumer loans, equity method investees | 57,820 | 46,135 |
| Cash and cash equivalents | 193,236 | 233,233 |
| Restricted cash | 161,441 | 179,688 |
| Servicer advances receivable | 3,215,361 | 3,393,375 |
| Trades receivable | 1,076,626 | 1,083,558 |
| Other assets | 468,796 | 326,943 |
| **Total Assets** | **$ 22,943,731** | **$ 22,011,941** |
| *LIABILITIES* | | |
| Repurchase agreements | $ 8,757,134 | $ 7,635,494 |
| Notes and bonds payable | 6,707,776 | 7,031,021 |
| Trades payable | 1,168,865 | 1,116,948 |
| Due to affiliates | 48,648 | 20,292 |
| Dividends payable | 169,931 | 168,068 |
| Deferred tax liability, net | 8,403 | 10,162 |
| Accrued expenses and other liabilities | 284,050 | 268,269 |
| **Total Liabilities** | **$17,144,807** | **$16,250,254** |
| Noncontrolling interests in equity of consolidated subsidiaries | 90,131 | 97,751 |
| **Book Value** | **$ 5,708,793** | **$ 5,663,936** |
| *Per share* | $ 16.80 | $ 16.85 |

# Condensed Consolidated Income Statements

| ($ 000s) | 3 Months Ended June 30, 2018 *(Unaudited)* | 3 Months Ended March 31, 2018 *(Unaudited)* |
|---|---|---|
| Interest Income | $ 403,805 | $ 383,573 |
| Interest Expense | 133,916 | 124,387 |
| **Net Interest Income** | **269,889** | **259,186** |
| **Impairment** | | |
| Other-than-temporary impairment (OTTI) on securities | 12,631 | 6,670 |
| Valuation and loss provision (reversal) on loans and real estate owned | 3,658 | 19,007 |
| | **16,289** | **25,677** |
| **Net Interest Income after impairment** | **253,600** | **233,509** |
| Servicing revenue, net | 146,193 | 217,236 |
| **Other Income** | | |
| Change in fair value of investments in excess MSRs | (5,276) | (45,691) |
| Change in fair value of investments in excess MSRs, equity method investees | 1,705 | 523 |
| Change in fair value of investments in mortgage servicing rights financing receivables | (119,103) | 271,076 |
| Change in fair value of servicer advance investments | (1,752) | (79,476) |
| Gain (loss) on settlement of investments, net | 14,655 | 103,302 |
| Earnings from investments in consumer loans, equity method investees | 2,982 | 4,806 |
| Other income (loss), net | 9,977 | 9,984 |
| | **(96,812)** | **264,524** |
| **Operating Expenses** | | |
| General and administrative expenses | 20,575 | 20,007 |
| Management fee to affiliate | 15,453 | 15,110 |
| Incentive compensation to affiliate | 26,732 | 14,589 |
| Loan servicing expense | 11,035 | 11,514 |
| Subservicing expense | 45,958 | 46,597 |
| | **119,753** | **107,817** |
| **Income Before Income Taxes** | **183,228** | **607,452** |
| Income tax expense (benefit) | (2,608) | (6,912) |
| **Net Income** | **$ 185,836** | **$ 614,364** |
| **Noncontrolling Interests in Income of Consolidated Subsidiaries** | **11,078** | **10,111** |
| **Net Income Attributable to Common Stockholders** | **$ 174,758** | **$ 604,253** |

# 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.*

| ***($000s, except per share data)*** | **2Q 2018** | **1Q 2018** |
|---|---|---|
| ***Reconciliation of Core Earnings*** | | |
| Net income attributable to common stockholders | **$ 174,758** | **$ 604,253** |
| Impairment | 16,289 | 25,677 |
| Other Income Adjustments: | | |
| Other Income | | |
| Change in fair value of investments in excess mortgage servicing rights | 5,276 | 45,691 |
| Change in fair value of investments in excess mortgage servicing rights, equity method investees | (1,705) | (523) |
| Change in fair value of investments in mortgage servicing rights financing receivables | 62,263 | (319,779) |
| Change in fair value of servicer advance investments | 1,752 | 79,476 |
| (Gain) loss on settlement of investments, net | (14,655) | (103,302) |
| Unrealized (gain) loss on derivative instruments | (1,240) | (2,446) |
| Unrealized (gain) loss on other ABS | (5,117) | 313 |
| (Gain) loss on transfer of loans to REO | (6,320) | (4,170) |
| (Gain) loss on transfer of loans to other assets | 175 | (55) |
| (Gain) loss on Excess MSRs | (1,365) | (2,905) |
| (Gain) loss on Ocwen common stock | 972 | (5,772) |
| Other (income) loss | 2,918 | 5,051 |
| **Total Other Income Adjustments** | **42,954** | **(308,421)** |
| Other Income and impairment attributable to non-controlling interests | (5,869) | (6,586) |
| Change in fair value of investments in mortgage servicing rights | (52,632) | (129,793) |
| Non-capitalized transaction related expenses | 6,373 | 7,137 |
| Incentive compensation to affiliate | 26,732 | 14,589 |
| Deferred taxes | (1,759) | (9,056) |
| Interest income on residential mortgage loans, held for sale | 2,562 | 4,306 |
| Limit on RMBS discount accretion related to called deals | (5,920) | (4,274) |
| Adjust consumer loans to level yield | (9,213) | (5,942) |
| Core earnings of equity method investees: Excess mortgage servicing rights | 3,432 | 2,614 |
| **Core Earnings** | **$ 197,707** | **$ 194,504** |
| ***Net Income Per Diluted Share*** | **$ 0.51** | **$ 1.81** |
| ***Core Earnings Per Diluted Share*** | **$ 0.58** | **$ 0.58** |
| ***Weighted Average Number of Shares of Common Stock Outstanding, Diluted*** | **339,538,503** | **333,380,436** |

# 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.*
- *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 Slides 2 & 5

***Endnotes to Slide 2:***

1) *As of July 25, 2018.*
2) *Based on management's current views and estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.*
3) *MSR UPB as of June 30, 2018. $520 billion UPB of MSRs.*
4) *Call rights UPB as of June 30, 2018. Our call rights may be materially lower than the estimates in this Presentation and there can be no assurance that we will 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 whether our loan servicing practices and other aspects of our business comply with applicable laws, agreements and regulatory requirements. Call rights are usually exercisable when current loan balance is equal to, or lower than, 10% of its original balance. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.*
5) *Dividend yield as of June 29, 2018.*
6) *2018 YTD increase in book value is calculated by dividing the increase of NRZ's book value per share as of June 30, 2018 over NRZ's book value per share as of December 31, 2017.*
7) *2018 YTD Total Return is calculated by dividing the appreciation in NRZ stock price plus dividends, declared by NRZ in 2018 as of July 25, 2018, over NRZ's closing stock price on December 29, 2017.*

***Endnotes to Slide 5:***

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) *As of July 25, 2018.*
3) *MSR UPB as of June 30, 2018. $520 billion UPB of MSRs.*
4) *Call rights UPB as of June 30, 2018. Our call rights may be materially lower than the estimates in this Presentation and there can be no assurance that we will 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 whether our loan servicing practices and other aspects of our business comply with applicable laws, agreements and regulatory requirements. Call rights are usually exercisable when current loan balance is equal to, or lower than, 10% of its original balance. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.*

# Endnotes to Slide 4

***1) Net Investment & Targeted Lifetime Net Yield as of 12/31/2017***

***MSRs (Excess & Full)*: Excess MSRs -** *Net Investment of **$877** million includes **(A) $706** million investment in 12/31/17 Legacy NRZ Excess MSRs, **(B) $639** million net investment in HLSS Excess MSRs acquired on 4/6/2015, and **(C) $16** million of restricted cash and other assets, **net of debt and other liabilities** of **$484** million (including $204 million of outstanding debt issued on the NRZ Agency Excess MSR portfolio and $280 million of outstanding debt issued on the Legacy NRZ PLS Excess MSR portfolio). At 12/31/17 Net Investment excludes Excess MSR Cash (included in Cash as of 12/31/17). **MSRs -** Net Investment of **$1,491** million includes **$6,339** million of total assets, **net of debt and other liabilities** of **$4,848** million. This reflects the transfer of Ocwen's interest in MSRs relating to the full $110 billion UPB of seasoned Non-Agency MSRs underlying NRZ's existing investment with Ocwen. This amount includes approximately $87 billion UPB of MSRs for which the required third-party consents have not yet been obtained and are subject to the New RMSR Agreement executed in January 2018 whereby NRZ and Ocwen will receive substantially identical compensation that it would receive if the MSRs had been transferred to NRM as named servicer and Ocwen as subservicer. Ocwen will continue to service the related mortgage loans while the two parties continue to seek third party consents to transfer Ocwen's remaining rights to NRZ. Targeted Lifetime Net Yield is targeted IRR for pools that have settled. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.*

***Servicer Advances*:** *Net Investment of **$159** million includes **(A) $151** million net investment in AP LLC Advances, with **$1,016** million of total assets, **net of debt and other liabilities** of **$794** million and **non-controlling interests** in the portfolio of **$71** million and **(B) $8** million net investment in Specialized Loan Servicing LLC ("SLS") advances, with **$47** million of total assets, **net of debt and other liabilities** of **$39** million. At 12/31/17 Net Investment excludes Servicer Advance Cash (included in Cash as of 12/31/17). This quarter's advance balance excludes HLSS advances in order to reflect the transfer of Ocwen's interest in MSRs relating to the full $110 billion UPB of seasoned Non-Agency MSRs underlying NRZ's existing investment with Ocwen. This amount includes approximately $87 billion UPB of MSRs for which the required third-party consents have not yet been obtained and are subject to the New RMSR Agreement executed in January 2018 whereby NRZ and Ocwen will receive substantially identical compensation that it would receive if the MSRs had been transferred to NRM as named servicer and Ocwen as subservicer. Ocwen will continue to service the related mortgage loans while the two parties continue to seek third party consents to transfer Ocwen's remaining rights to NRZ. Targeted Lifetime Net Yield is targeted IRR for loans that have been funded. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.*

***Residential Securities & Call Rights*:** *Net Investment of **$1,434** million includes **(A) $1,350** million net investment in Non-Agency RMBS, with **$5,969** million of assets, **net of debt and other liabilities** of **$4,619** million, **(B) $84** million in Agency RMBS, with **$3,186** million of assets (including $1,028 million of Open Trades Receivable), **net of debt and other liabilities** of **$3,102** million (including $1,125 million of Open Trades Payable) and **(C) $0.3** million net investment in Call Rights. At 12/31/17, Net Investment excludes Residential Securities Cash (included in Cash as of 12/31/17). Targeted Lifetime Net Yield represents the targeted future IRR over a weighted average life of 7.7 years for Non-Agency RMBS, assuming actual and targeted leverage, and represents the IRR over a weighted average life of 7.0 years for Agency RMBS.*

***Residential Loans*:** *Net Investment of **$524** million includes **(A) $503** million net investment in Residential Loans & REO, with **$2,550** million of total assets, **net of debt and other liabilities** of **$2,047** million, **(B) $21** million net investment in EBOs, with **$92** million of total assets, **net of debt and other liabilities** of **$71** million and **(C) $0.3** million net investment in Reverse Loans, with **$12** million of total assets, **net of debt and other liabilities** of **$11** million. At 12/31/17 Net Investment excludes Residential Loan Cash (included in Cash as of 12/31/17). Targeted Lifetime Net Yield represents the IRR over a weighted average life of 4.6 years.*

***Consumer Loans*:** *Net Investment of **$129** million includes **$1,498** million of total assets, net of debt and other liabilities of **$1,335** million and non-controlling interests in the portfolio of **$34** million. At 12/31/17 Net Investment excludes Consumer Loan Cash (included in Cash as of 12/31/17). Targeted Lifetime Net Yield represents the IRR over a weighted average life of 3.5 years.*

***Cash*: $296** *million of total cash and cash equivalents as of 12/31/17. Targeted Lifetime Net Yield assumes cash is invested at a 15% return. There can be no assurance that cash will be invested at targeted returns, and actual returns for all investments could differ materially.*

# Endnotes to Slide 4 (Cont'd)

***2) Net Investment & Targeted Lifetime Net Yield as of 3/31/2018***

*__MSRs (Excess & Full):__ **Excess MSRs -** Net Investment of **$489** million includes **(A) $679** million investment in 3/31/18 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 3/31/18 Net Investment excludes Excess MSR Cash (included in Cash as of 3/31/18). **MSRs -** Net Investment of **$2,550** million includes **$7,793** million of total assets, **net of debt and other liabilities** of **$5,243** million. This reflects the transfer of Ocwen's interest in MSRs relating to the full $110 billion UPB of seasoned Non-Agency MSRs underlying NRZ's existing investment with Ocwen. This amount includes approximately $87 billion UPB of MSRs for which the required third-party consents have not yet been obtained and are subject to the New RMSR Agreement executed in January 2018 whereby NRZ and Ocwen will receive substantially identical compensation that it would receive if the MSRs had been transferred to NRM as named servicer and Ocwen as subservicer. Ocwen will continue to service the related mortgage loans while the two parties continue to seek third party consents to transfer Ocwen's remaining rights to NRZ. Targeted Lifetime Net Yield is targeted IRR for pools that have settled. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.*

*__Servicer Advances:__ Net Investment of **$146** million includes **(A) $138** million net investment in AP LLC Advances, with **$926** million of total assets, **net of debt and other liabilities** of **$723** million and **non-controlling interests** in the portfolio of **$65** million and **(B) $8** million net investment in SLS advances, with **$43** million of total assets, **net of debt and other liabilities** of **$35** million. At 3/31/18 Net Investment excludes Servicer Advance Cash (included in Cash as of 3/31/18). This quarter's advance balance excludes HLSS advances in order to reflect the transfer of Ocwen's interest in MSRs relating to the full $110 billion UPB of seasoned Non-Agency MSRs underlying NRZ's existing investment with Ocwen. This amount includes approximately $87 billion UPB of MSRs for which the required third-party consents have not yet been obtained and are subject to the New RMSR Agreement executed in January 2018 whereby NRZ and Ocwen will receive substantially identical compensation that it would receive if the MSRs had been transferred to NRM as named servicer and Ocwen as subservicer. Ocwen will continue to service the related mortgage loans while the two parties continue to seek third party consents to transfer Ocwen's remaining rights to NRZ. Targeted Lifetime Net Yield is targeted IRR for loans that have been funded. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.*

*__Residential Securities & Call Rights:__ Net Investment of **$1,530** million includes **(A) $1,456** million net investment in Non-Agency RMBS, with **$6,398** million of assets, **net of debt and other liabilities** of **$4,942** million, **(B) $74** million in Agency RMBS, with **$2,322** million of assets (including $1,081 million of Open Trades Receivable), **net of debt and other liabilities** of **$2,248** million (including $1,103 million of Open Trades Payable) and **(C) $0.3** million net investment in Call Rights. At 3/31/18, Net Investment excludes Residential Securities Cash (included in Cash as of 3/31/18). Targeted Lifetime Net Yield represents the targeted future IRR over a weighted average life of 7.8 years for Non-Agency RMBS, assuming actual and targeted leverage, and represents the IRR over a weighted average life of 9.5 years for Agency RMBS.*

*__Residential Loans:__ Net Investment of **$725** million includes **(A) $707** million net investment in Residential Loans & REO, with **$2,202** million of total assets, **net of debt and other liabilities** of **$1,495** million, **(B) $18** million net investment in EBOs, with **$81** million of total assets, **net of debt and other liabilities** of **$63** million and **(C) $0.3** million net investment in Reverse Loans, with **$11** million of total assets, **net of debt and other liabilities** of **$11** million. At 3/31/18 Net Investment excludes Residential Loan Cash (included in Cash as of 3/31/18). Targeted Lifetime Net Yield represents the IRR over a weighted average life of 4.8 years.*

*__Consumer Loans:__ Net Investment of **$112** million includes **$1,428** million of total assets, net of debt and other liabilities of **$1,284** million and non-controlling interests in the portfolio of **$32** million. At 3/31/18 Net Investment excludes Consumer Loan Cash (included in Cash as of 3/31/18). Targeted Lifetime Net Yield represents the IRR over a weighted average life of 3.5 years.*

*__Cash:__ **$233** million of total cash and cash equivalents as of 3/31/18. Targeted Lifetime Net Yield assumes cash is invested at a 15% return. There can be no assurance that cash will be invested at targeted returns, and actual returns for all investments could differ materially.*

# Endnotes to Slide 4 (Cont'd)

***3) Net Investment & Targeted Lifetime Net Yield as of 6/30/2018***

*__MSRs (Excess & Full):__ **Excess MSRs -** Net Investment of **$463** million includes **(A) $652** million investment in 6/30/18 Legacy NRZ Excess MSRs, and **(B) $10** million of restricted cash and other assets, **net of debt and other liabilities** of **$199** million (debt issued on the NRZ Agency Excess MSR portfolio). At 6/30/18 Net Investment excludes Excess MSR Cash (included in Cash as of 6/30/18). **MSRs -** Net Investment of **$2,544** million includes **$7,745** million of total assets, **net of debt and other liabilities** of **$5,201** million.*

*__Servicer Advances:__ Net Investment of **$123** million includes **(A) $116** million net investment in AP LLC Advances, with **$821** million of total assets, **net of debt and other liabilities** of **$647** million and **non-controlling interests** in the portfolio of **$58** million and **(B) $7** million net investment in SLS advances, with **$35** million of total assets, **net of debt and other liabilities** of **$28** million. At 6/30/18 Net Investment excludes Servicer Advance Cash (included in Cash as of 6/30/18).*

*__Residential Securities & Call Rights:__ Net Investment of **$1,733** million includes **(A) $1,630** million net investment in Non-Agency RMBS, with **$6,941** million of assets, **net of debt and other liabilities** of **$5,311** million, **(B) $103** million in Agency RMBS, with **$2,356** million of assets (including $1,073 million of Open Trades Receivable), **net of debt and other liabilities** of **$2,253** million (including $1,130 million of Open Trades Payable) and **(C) $0.3** million net investment in Call Rights. At 6/30/18, Net Investment excludes Residential Securities Cash (included in Cash as of 6/30/18). Targeted Lifetime Net Yield represents the targeted future IRR over a weighted average life of 7.2 years for Non-Agency RMBS, assuming actual and targeted leverage, and represents the IRR over a weighted average life of 4.3 years for Agency RMBS.*

*__Residential Loans:__ Net Investment of **$668** million includes **(A) $647** million net investment in Residential Loans & REO, with **$2,879** million of total assets, **net of debt and other liabilities** of **$2,232** million, **(B) $20** million net investment in EBOs, with **$71** million of total assets, **net of debt and other liabilities** of **$51** million and **(C) $0.9** million net investment in Reverse Loans, with **$10** million of total assets, **net of debt and other liabilities** of **$9** million. At 6/30/18 Net Investment excludes Residential Loan Cash (included in Cash as of 6/30/18). Targeted Lifetime Net Yield represents the IRR over a weighted average life of 4.0 years.*

*__Consumer Loans:__ Net Investment of **$129** million includes **$1,352** million of total assets, net of debt and other liabilities of **$1,187** million and non-controlling interests in the portfolio of **$36** million. At 6/30/18 Net Investment excludes Consumer Loan Cash (included in Cash as of 6/30/18). Targeted Lifetime Net Yield represents the IRR over a weighted average life of 3.5 years.*

*__Cash:__ **$193** million of total cash and cash equivalents as of 6/30/18. Targeted Lifetime Net Yield assumes cash is invested at a 15% return. There can be no assurance that cash will be invested at targeted returns, and actual returns for all investments could differ materially.*

# Endnotes to Slides 6, 7, 9, 11 & 12

***Endnotes to Slide 6:***

1) *Book value per share for 2013, 2014, 2015, 2016 and 2017 are as of year-end. Book value per share for "Today" is as of June 30, 2018.*
2) *Market cap for 2013, 2014, 2015, 2016 and 2017 are as of year-end. Market cap for "Today" is as of July 25, 2018.*
3) *In January 2018, NRZ purchased from Ocwen $110 billion UPB of economic rights to MSRs. NRZ and Ocwen expect the legal ownership of the MSRs to transfer to New Residential in 2018 upon receiving certain third party consents. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.*

***Endnotes to Slide 7:***

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) *Shellpoint's servicing portfolio as of June 30, 2018 (includes Shellpoint's owned portfolio).*
3) *As of June 30, 2018. Shellpoint's annual origination volume is based on its last twelve months origination production.*
4) *As of June 30, 2018; includes desk rentals.*
5) *As of June 30, 2018. Appraisal services and title insurance volumes are calculated on a last twelve months basis.*

***Endnotes to Slide 9:***

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.*
2) *As of June 30, 2018. Represents a percent of market value of principal and interest-paying securities; excludes consumer loans.*

***Endnotes to Slide 11:***

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) *Represents the Consortium's LTD IRR on the Prosper investment. Note that NRZ holds a 25% interest in the Consortium, therefore the Company holds a 25% interest in the Consortium's portfolio and balances.*

***Endnotes to Slide 12:***

1) *MSR UPB as of June 30, 2018.*
2) *The $110 billion UPB MSR purchase from Ocwen remain subject to NRZ's satisfaction of certain contractual requirements and certain customary closing conditions, including but not limited to certain third party consents. There can be no assurance of if or when New Residential will be able to complete the agreed upon MSR purchases. Actual UPB amounts for unsettled MSR purchases are expected to decrease due to ordinary course loan amortization. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.*
3) *See "Abbreviations" in the Appendix for more information.*

# Endnotes to Slides 13 & 14

***Endnotes to Slide 13:***

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) *As of June 30, 2018.*

***Endnotes to Slide 14:***

1) *Our call rights may be materially lower than the estimates in this Presentation and there can be no assurance that we will execute on this pipeline of callable deals in the near term, 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 whether our loan servicing practices and other aspects of our business comply with applicable laws, agreements and regulatory requirements. Call rights are usually exercisable when current loan balance is equal to, or lower than, 10% of its original balance. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.*
2) *Size of Non-Agency mortgage market is approximately $492 billion. Source: Webbshill as of June 30, 2018.*
3) *Based on management's current views and estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.*
4) *Call volume percentage increase is calculated based on the total UPB NRZ called in 2017, totaling $4.7 billion, compared to the total UPB NRZ called in full year 2016, totaling $1.2 billion UPB.*
5) *Bond portfolio percentage increase is calculated based on the total face value of the NRZ's bond portfolio as of 2Q18, totaling $8.3 billion, compared to the total face value of the NRZ's bond portfolio as of 2Q17, totaling $6.7 billion.*
6) *Represents only principal and interest-paying securities; excludes consumer loans.*
7) *Loan portfolio percentage increase is calculated based on the total UPB of the NRZ's loan portfolio as of 2Q18, totaling $3.0 billion, compared to the total UPB of the NRZ's bond portfolio as of 2Q17, totaling $2.1 billion.*

# Endnotes to Slides 15, 17, 18 & 21

***Endnotes to Slide 15:***

1) *As of June 30, 2018.*
2) *Securitizations include other collateral that NRZ purchased from dealers.*
3) *Based on management's current views and estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.*
4) *Illustrative Scenarios: Delinquency: Assumes current delinquency pipeline for each deal immediately declines by 10% of outstanding UPB, resulting in higher loan values. Servicer Advances: Assumes servicer advances outstanding for each deal immediately declines by 2% of outstanding UPB, resulting in lower cost basis. Loan Value: Assumes aggregate loan value increases by 1 point or 1% of outstanding UPB, resulting in higher loan values. Discount Bond Ownership: Assumes ownership of discount bonds with difference between par and market value of 2 points or 2% of outstanding UPB, resulting in lower cost basis. In each scenario, the impact on callable UPB is also illustrative only in nature and represents forward-looking information based on management's current views and estimates regarding the potential impact of various scenarios on callable UPB. Actual results could differ materially from these illustrative forward-looking statements. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.*

***Endnotes to Slide 17:***

1) *Represents par value of advances and related debt obligations inclusive of a non-controlling interest ownership of ~27% in the Advance Purchaser portfolio.*
2) *Based on management's current views and estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.*
3) *"Maturity" dates are expected to be extended but not guaranteed. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements. See "Abbreviations" in the Appendix for more information.*

***Endnotes to Slide 18:***

1) *Based on management's targeted warehouse and securitization execution. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.*
2) *NRZ is one of four Consortium members. NRZ holds a 25% interest in the Consortium, and therefore holds a 25% interest in the Consortium's portfolio and balances. See "Abbreviations" in the Appendix for more information.*

***Endnotes to Slide 21:***

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) *2016 Total Return is calculated by dividing the appreciation in NRZ stock price plus dividends, declared by NRZ in 2016, over NRZ's closing stock price on December 31, 2015.*
3) *Call volume percentage increase is calculated based on the total UPB NRZ called in 2017, totaling $4.7 billion, compared to the total UPB NRZ called in full year 2016, totaling $1.2 billion UPB.*
4) *As of June 2018. Source: Federal Reserve Flow of Funds and Urban Institute – "Housing Finance at a Glance – A Monthly Chartbook".*

# Abbreviations

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

- *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*
- *DQ – Percentage of loans that are considered delinquent (e.g., 60+DQ refers to percentage of loans that are delinquent by 60 days or more)*
- *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*