# New Residential Investment Corp.
# Quarterly Supplement

Second Quarter 2020

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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. Overview

***We strategically combine investment management and operating businesses to generate attractive and sustainable risk-adjusted returns***

## Origination

**Leading non-bank originator**

## Servicing

**Leading non-bank servicer**

## Investment Management

**Leading provider of capital and services to the mortgage and financial services industry**

**$3.1bn**
*Market Cap*

**$18.5bn**
*Investment Portfolio*[1]

**~$3.4bn**
*Dividends Declared to Shareholders Since Inception*[2]

**$5.3bn**
*Net Equity*[3]

**$50bn UPB**
*FY'20E Origination Volume*[4]

**$325bn UPB**
*FY'20E Servicing Volume*[4]

**~$750-$800mm**
*FY'20E Origination and Servicing Pre-Tax Income*[4]

Detailed endnotes are included in the Appendix.

# Q2'20 Company and Financial Highlights

- **GAAP Net Loss of $8.9 Million, or ($0.02) per Diluted Share(1)**
- **Core Earnings of $140.2 Million, or $0.34 per Diluted Share(1)(2)**
  - $205.5 Million Pre-Tax Income ("PTI") from Origination and Servicing
- **Second Quarter Common Stock Dividend of $0.10 per Common Share**
  - 100% QoQ common stock dividend increase
  - 5.4% dividend yield as of June 30, 2020(3)
- **Cash of $1,013.2 Million as of June 30, 2020**
- **Net Equity of $5,292.3 Million as of June 30, 2020(4)**
- **$10.77 Book Value per Common Share as of June 30, 2020**
  - Book value per common share +0.6% QoQ from $10.71 as of March 31, 2020
  - Total economic return of 1.5% during Q2'20 comprised of +$0.06 increase in book value per common share and $0.10 dividend per common share(5)

Detailed endnotes are included in the Appendix.

# New Residential's Road to Recovery in Q2'20

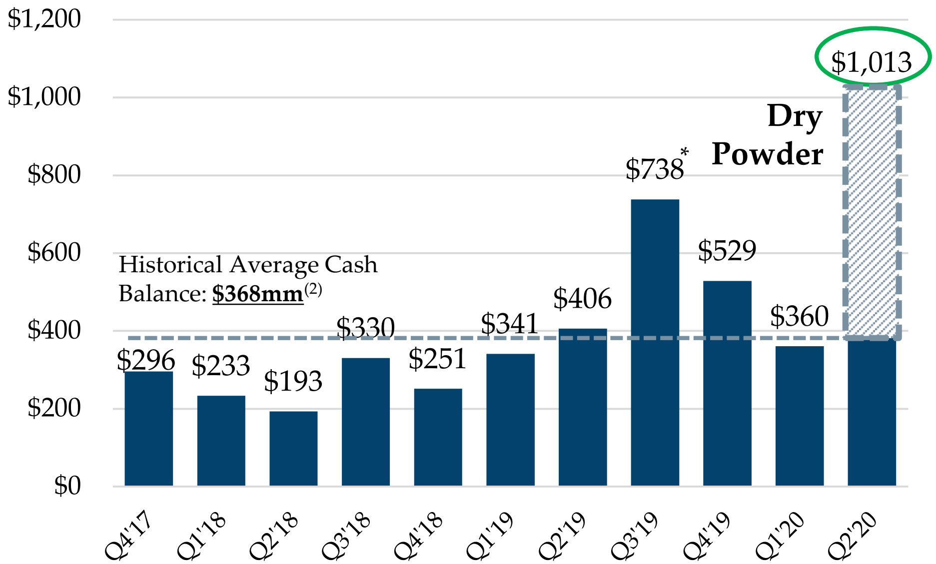
| Objectives | Q2'20 Actions |
|---|---|
| 1 Strengthen cash position to capitalize on opportunities amidst ongoing volatility | Retained **over $1 billion** of cash on balance sheet – more cash than ever before |
| 2 Lower overall leverage and risk profile | Reduced daily mark to market exposure to just **5%** of investment portfolio(1)* |
| 3 Continue to build out great Origination and Servicing company | Generated record PTI of **$205.5mm** in Origination and Servicing, **127% increase QoQ** |
| 4 Protect MSR through recapture | Grew Direct to Consumer ("DTC") origination volume by **44% QoQ** |
| 5 Create additional liquidity as needed for our advance servicing portfolio | Ended Q2'20 with **$2.2 billion** of unused advance capacity |
| 6 Work with borrowers to find homeowner solutions for their COVID-19 hardships | Loans in forbearance decreased to **7.8%**(2) from a peak of 8.4% |

Detailed endnotes are included in the Appendix.
*95% of investment portfolio has no daily mark to market financing. "No daily mark to market financing" refers to financings of MSRs, servicer advances, residential loans, non-agency residential securities and consumer loans that either do not contain a daily mark to market feature or contain a margin "holiday". Excludes financings of agency securities.

# More Cash on Balance Sheet Than Ever Before

We believe that we have sufficient dry powder even after taking into account potential stress scenarios(1)

## Cash on Balance Sheet ($mm)




*Includes $200mm of cash from acquisition of assets from Ditech.

| | Q2'18 | Q2'19 | Q2'20 |
|---|---|---|---|
| Cash on Balance Sheet | $193mm | $406mm | $1,013mm |
| Total Assets | $22.9bn | $36.8bn | $23.8bn |
| **Cash / Total Assets** | **0.8%** | **1.1%** | **4.3%** |

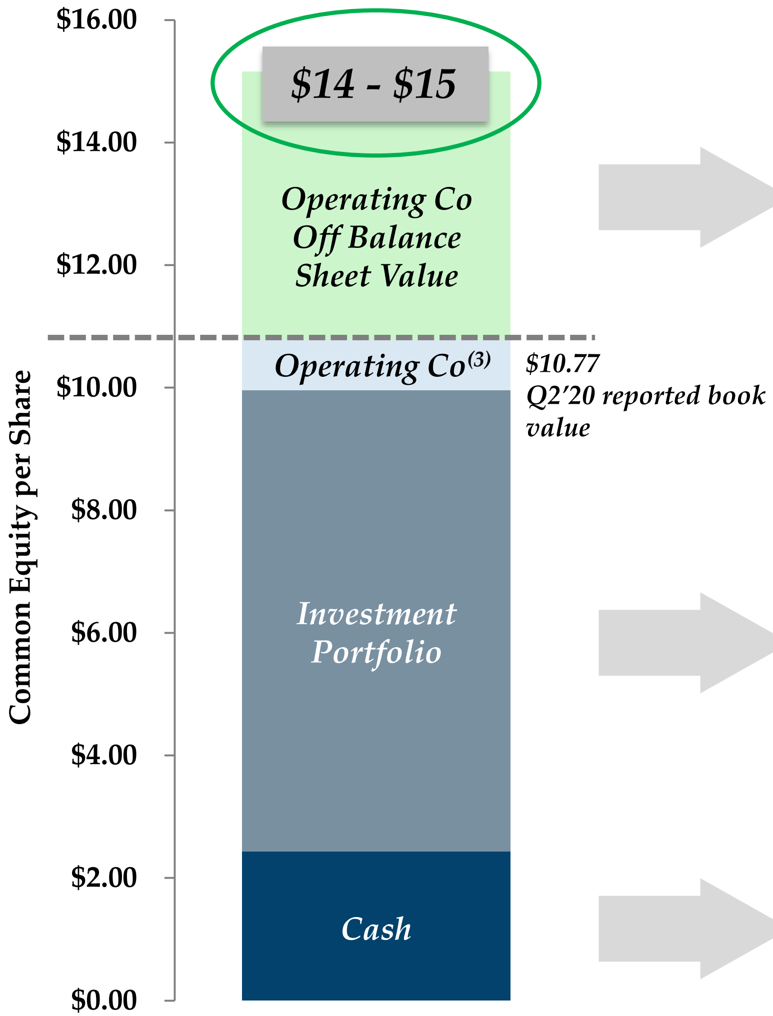
## Potential Earnings from Deployment(3)

| | |
|---|---|
| Cash on Balance Sheet | $1,013mm |
| Dry Powder (Base Case)(1) | $650mm |
| Dry Powder (Stress Case)(1) | $500mm |
| Earnings at 15% Yield(4) | $75mm - $98mm |
| Incremental Annual EPS | $0.18 - $0.23 |
| Incremental Quarterly EPS (A) | $0.05 - $0.06 |
| Q2'20 Core EPS(5) (B) | $0.34 |
| Q2'20 Pro Forma Core EPS (A + B) | $0.39 - $0.40 |

Detailed endnotes are included in the Appendix.

# Implied NRZ Book Value

Operating Company growth is creating substantial off-balance sheet value within NRZ[1]




**Illustrative Operating Company Valuation[1][2]**

| | Low | High |
|---|---|---|
| FY'20 PTI Estimate *($mm)* | $750 | $800 |
| P/E Multiple | 3.0x | 3.0x |
| **Enterprise Value** *($bn)* | **$2.3** | **$2.4** |
| Book Equity *($bn)* | ($0.6) | ($0.6) |
| **Off-Balance Sheet Value** *($bn)* | **$1.7** | **$1.8** |
| **Off-Balance Sheet Value per share** | **$4.01** | **$4.37** |

**$3.1bn of equity in investment portfolio[4]**

- Assets have absorbed substantial write-downs (MSRs at recent lows)

**Over $1.0bn of cash on the balance sheet**

- Helps protects portfolio from volatility
- Positions NRZ for opportunistic deployment

Detailed endnotes are included in the Appendix.

# Reduced Risk and Leverage

95% of investment portfolio(1)* has no daily mark to market exposure compared to 63%* at Q1'20

## Key Financing Highlights

**Daily Mark to Market Exposure Reduced Significantly***

**95%**
*of investment portfolio has no daily mark to market exposure(1)**

**Access to Incremental Unused Advance Financing Facilities**

**$2.2bn**
*Undrawn Advance Financing Facilities*

**Access to Efficient Financing in the Securitization Market**

**4**
*Securitizations for $1.4 billion UPB of collateral priced in Q2'20 and Q3'20(1)*

## Financing Updates through July 20, 2020(1)*

| | |
|---|---|
| MSRs | ▪ 99% of portfolio has no daily mark to market exposure (compared to 64% at 03/31/20)<br>▪ Completed MSR securitization of $265.5mm with $43.1 billion UPB of collateral<br>▪ Extended existing financing (non daily mark to market) with largest MSR lender through end of year |
| Servicer Advances | ▪ Increased servicer advance financing capacity by $1.6 billion<br>▪ Deployed no additional equity to fund servicer advances in Q2'20 |
| Residential Loans | ▪ 91% of portfolio has no daily mark to market exposure (compared to 22% at 03/31/20)<br>▪ Completed 2 securitizations with $609.3mm UPB of collateral (one Non-QM and one reperforming loan)<br>▪ Post Q2'20 - priced NPL securitization with $545.6mm UPB of collateral(1) |
| Non-Agency Residential Securities | ▪ 84% of portfolio has no daily mark to market exposure (compared to 50% at 03/31/20)<br>    ▪ The remaining 16% has 46% LTV |

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# Balanced Portfolio of Investments

Our portfolio is comprised of various revenue streams that operate across interest rate environments

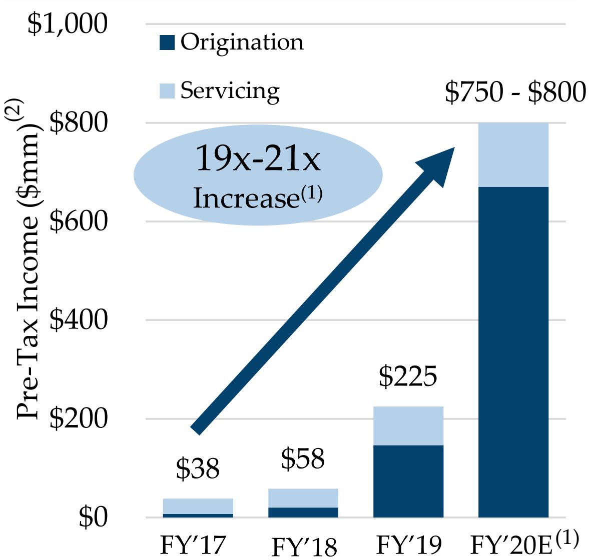
| | Core Businesses | Key Metric | Net Equity as of 06/30/20[1] | Current Environment |
|---|---|---|---|---|
| Operating Businesses | Origination | $50bn UPB FY'20E Volume[2] | $331mm | ▪ Elevated origination volumes<br>▪ Market share growth in all 4 production channels<br>▪ Continued investments in technology to drive efficiencies |
| Operating Businesses | Servicing | $325bn UPB FY'20E Volume[2] | $236mm | ▪ Help homeowners achieve permanent solutions for their COVID-19 related hardships<br>▪ GSE and Agency incentives help offset COVID-19 related servicing expenses |
| Investment Portfolio | Full and Excess MSR | $610bn UPB | $2.4bn | ▪ Recent speeds have been elevated, causing increased amortization<br>▪ Newly originated MSRs are less likely to be refinanced<br>▪ MSR pricing is still near multi-year lows with significant upside opportunity<br>▪ Improving recapture rates will benefit MSR value |
| Investment Portfolio | Servicer Advances | $3.5bn UPB | $623mm | ▪ Deployed no additional equity to fund servicer advances in Q2'20<br>▪ COVID-19 related forbearances have been better than expectations<br>▪ Unused advance capacity of $2.2 billion |
| Investment Portfolio | Residential Loans and Securities | $9.0bn UPB[3] | $1.9bn | ▪ Non-Agency spreads still have not returned to pre-COVID levels<br>▪ Potential for price improvement<br>▪ Agency securities operate as a hedge for MSR exposure |

Detailed endnotes are included in the Appendix.

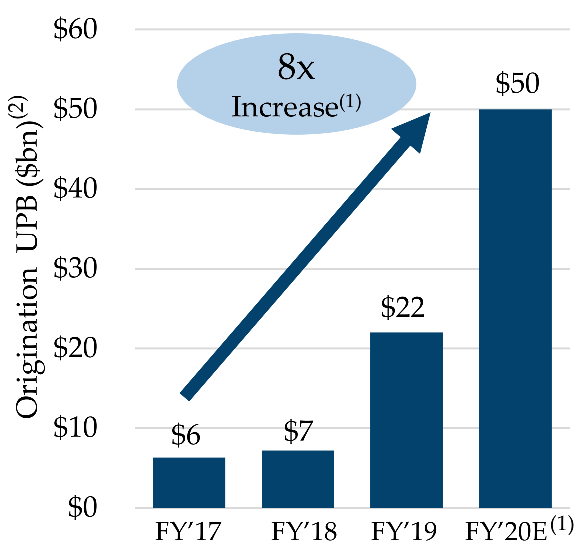
# Significant Growth in Mortgage Company Since Acquisition

Mortgage company positioned for continued profitability[1]

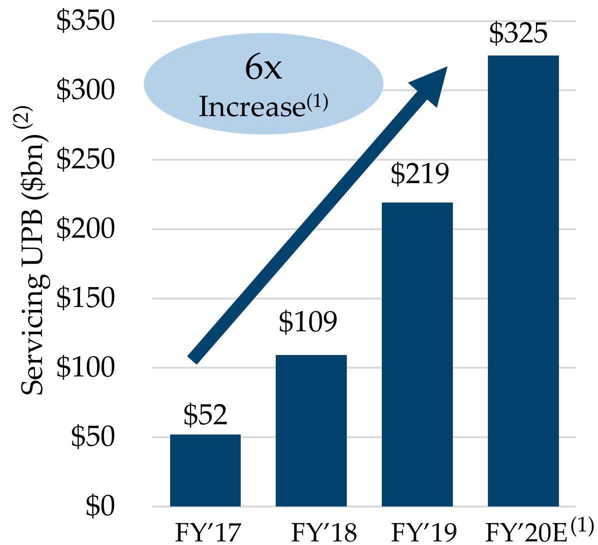
## Pre-Tax Income




## Origination Volume UPB




## Servicing Portfolio UPB




## Drivers of Continued Growth and Earnings Profitability for Origination and Servicing[1]

- **Origination**
  - Increased recapture on NRZ portfolio
  - Continued scale and market share growth across channels
  - Ongoing margin strength
- **Servicing**
  - Transfers from NewRez origination
  - Third-party servicing growth
  - Continued use and growth of proprietary digital processes to drive efficiencies and customer experience

Detailed endnotes are included in the Appendix.

# New Residential is Well Positioned in the Current Market Backdrop[1]

We believe we are well positioned for the way forward

| Market Trends | New Residential Position |
|---|---|
| **Low Mortgage Rates, High Margins and Elevated Refinancing Activity** | ✓ Significant earnings opportunity with mortgage origination volumes at record levels – FY'20 estimated earnings of **~$750 - $800 million**[1]<br>✓ Potential to improve profitability further as recapture efforts improve<br>✓ Higher mortgage origination gains will offset losses from faster prepays |
| **Potential Volatility Persists** | ✓ We have **over $1 billion** of cash on the balance sheet, more than ever before<br>✓ Diversified and hedged portfolio<br>✓ **95% of investment portfolio** has no daily mark to market exposure[2]* |
| **Increased Levels of Forbearance Requests Given COVID-19 Related Forbearance** | ✓ Highly reputable special servicer with proven track record of helping homeowners<br>✓ We have increased our committed servicer advance financing to **$5.1 billion** and have **~$2.2 billion in excess capacity**<br>✓ Proprietary digital processes to help homeowners and enhance productivity |

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# Operating Company

# Origination: Q2'20 Activity and Business Highlights

Continued strength in loan origination and profitability

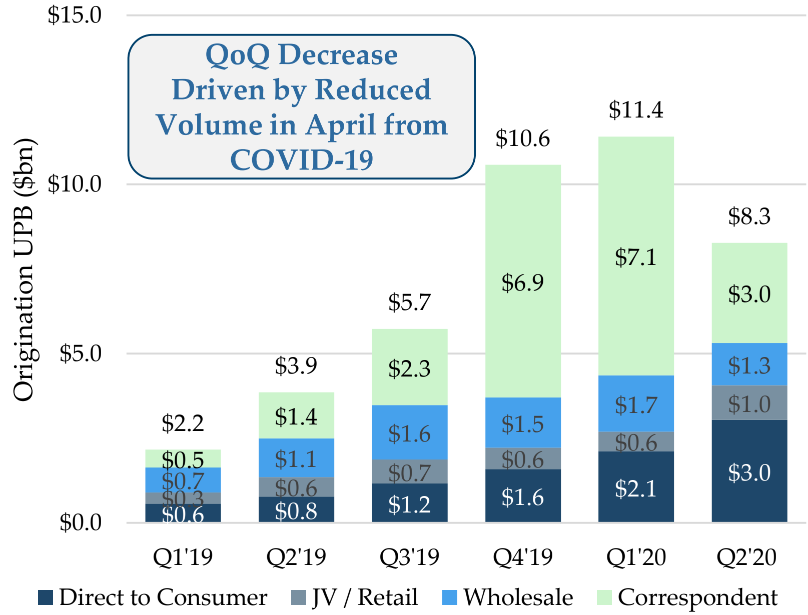
☑ Record profitability; Q2'20 Origination Pre-Tax Income of **$181.2 million**

☑ QoQ Pre-Tax Income increase of **201%**

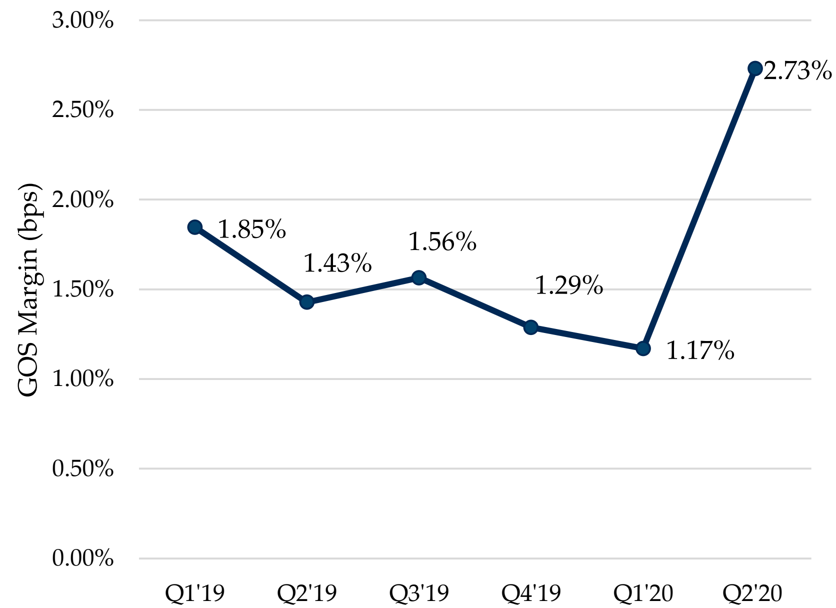
☑ Estimate FY'20 Production of **$50 Billion** UPB[1]

☑ **203.8%** Q2'20 Annualized ROE[2]

## Origination by Channel Over Time




## Origination Gain on Sale Margin[3]




Detailed endnotes are included in the Appendix.

# Direct to Consumer Origination

Continued growth and profitability in Direct to Consumer channel

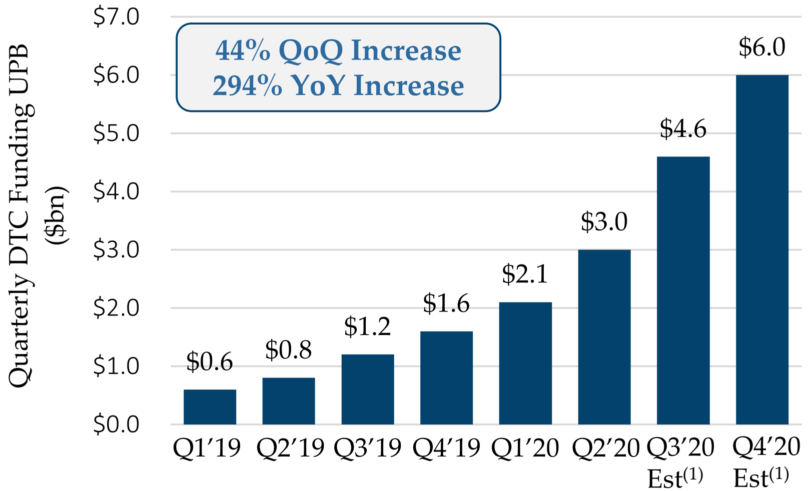
## Progress on DTC Objectives in Q2'20

- Continued emphasis on retaining existing customers
- Quarterly activity driven by lower rates and expanded operational capacity
- Room to improve recapture rates as more homeowners are serviced on our servicing platform
- Technology investments have resulted in higher lead conversion rates

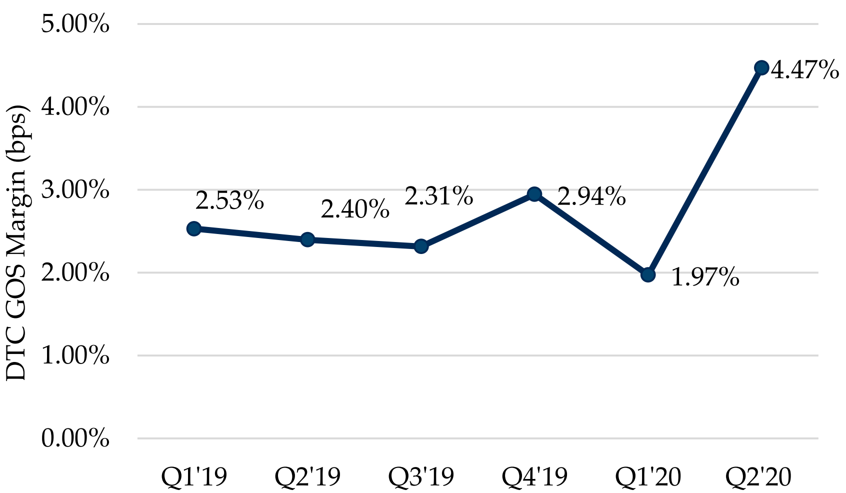
## On-Going Drivers of NewRez DTC Progress

- New marketing campaign engine analytics have driven increased response rates for e-mail and direct mail
- Recently established strategic relationship with Salesforce will help build enterprise value and drive recapture rates
- Continue to focus on self-serve digital mortgage enhancements and customer experience

## DTC Funding Growth




## DTC Gain on Sale Margins



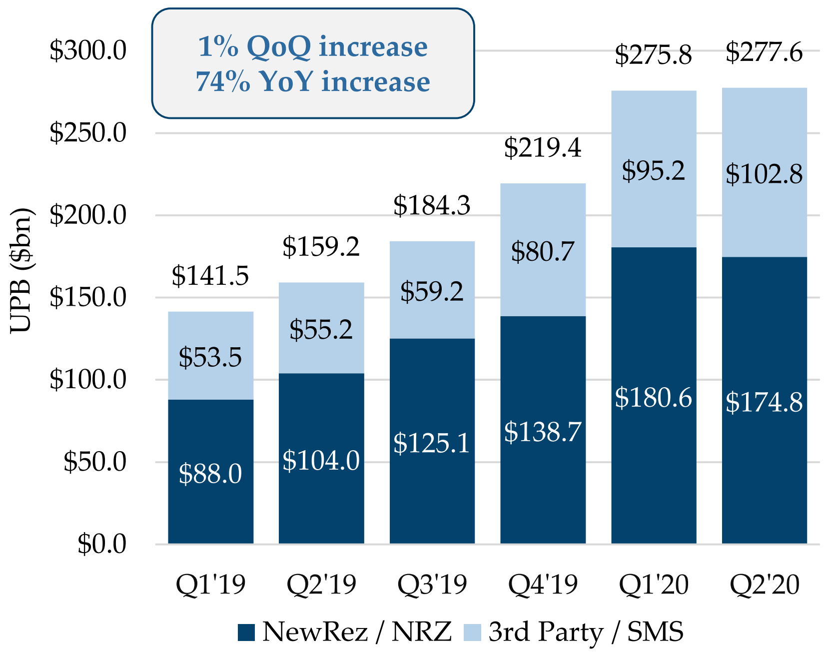

Detailed endnotes are included in the Appendix.

# Servicing: Q2'20 Activity and Business Highlights

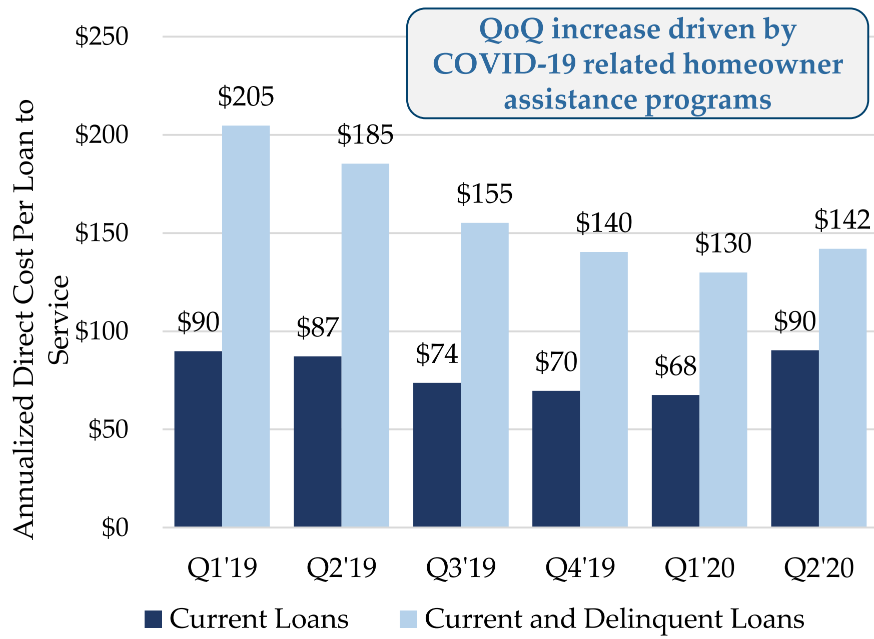
Industry-leading servicing, financial and operating performance

- ☑ Q2'20 Servicing Pre-Tax Income of **$24.3 million**
- ☑ Total Servicing Portfolio has **increased 74%** YoY
- ☑ Estimate FY'20 Servicing Portfolio of **$325 Billion** UPB(1)
- ☑ **43.5%** Q2'20 Annualized ROE(2)

## Servicing Portfolio Over Time




## Annualized Direct Cost To Service Over Time




Detailed endnotes are included in the Appendix.

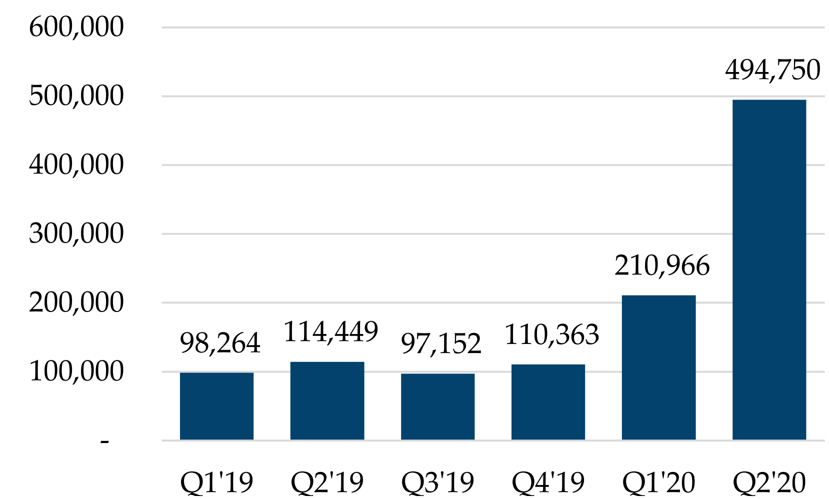
New Residential Investment Corp.

# Servicing: Helping Homeowners During COVID-19(1)

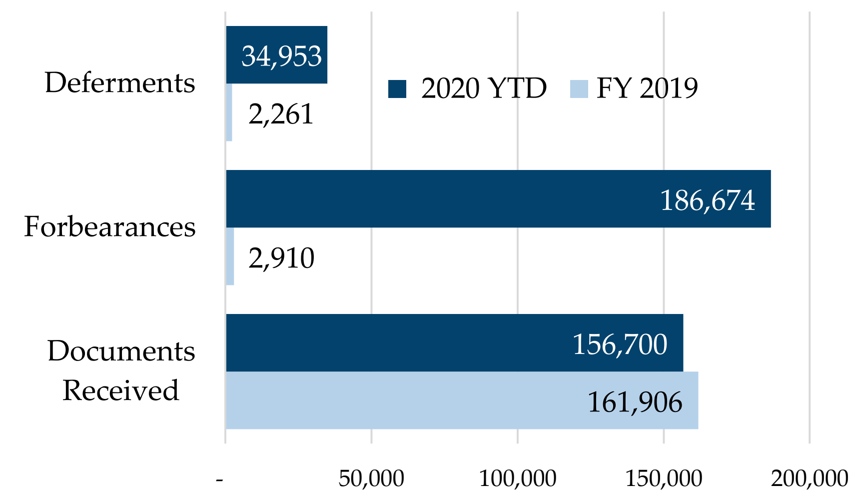
Committed to helping homeowners and clients navigate COVID-19 landscape

- Over 185,000 forbearances granted 2020 YTD (more than 60x FY'19 volumes)
- As COVID-19 hardship assistance ends, our servicing business will focus on helping homeowners move from forbearance to permanent solutions such as reinstatements, repayment plans, deferments and loan modifications
- Our servicing business upgraded its technology platform to allow for easier self-service access to loss mitigation options, including providing online digital deferment and modification approval

## Loss Mitigation Inbound Calls




## Loss Mitigation Activity(2)




**Our servicing business has maintained high levels of performance and operational execution in spite of unprecedented volumes**

Detailed endnotes are included in the Appendix

# Investment Portfolio

# MSRs

MSRs are one of the few fixed income assets that increase in value when interest rates rise

## MSR Portfolio Activity

- MSR portfolio totaled $610bn UPB as of June 30, 2020[1]
- Faster realized and projected future prepayment speeds led to Q2'20 mark to market loss
  - Since Q1'18, we have marked down our full MSRs by approximately $1bn
- Newly originated NewRez MSRs acquired during Q2'20 had an average mortgage rate of 3.45%, representing a historical low
  - Current newly originated MSRs are less likely to be refinanced
- 99% of portfolio has no daily mark to market exposure (compared to 64% at 03/31/20)[2]*

## MSR Strategy[3]

- MSR pricing is still near multi-year lows with significant upside opportunity
- Recapture performance is improving due to increased capacity and more sophisticated marketing
- We expect significant upside in our MSR portfolio as rates sell off and recapture performance continues to improve
- We are focused on issuing stable, long-term financing with limited mark to market risk
- We are working with our subservicers to minimize impact from COVID-19 on delinquencies and advances
- We believe ancillary services allow us to extract additional value from our MSR portfolio

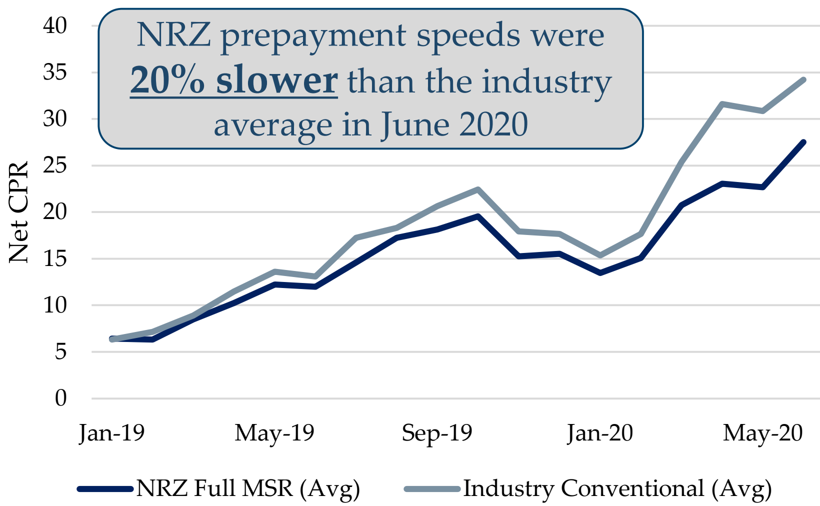
| | Full MSRs[4] | | | | | Excess MSRs[4] | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | FHLMC | FNMA | GNMA | Non-Agency | Full MSR Total[4] | FHLMC | FNMA | GNMA | Non-Agency | Excess MSR Total[4] | TOTAL[5] |
| **UPB** ($bn) | 117 | 241 | 58 | 78 | **$494 bn** | 31 | 23 | 19 | 42 | **$115 bn** | **$610 bn** |
| **WAC** | 4.2% | 4.3% | 3.9% | 4.5% | **4.3%** | 4.5% | 4.6% | 4.7% | 4.6% | **4.6%** | **4.3%** |
| **WALA** (Mth) | 51 | 72 | 34 | 174 | **79 Mth** | 87 | 106 | 108 | 174 | **131 Mth** | **84 Mth** |
| **Cur LTV** | 67% | 63% | 88% | 81% | **70%** | 52% | 47% | 56% | 66% | **57%** | **68%** |
| **Cur FICO** | 754 | 743 | 686 | 644 | **721** | 734 | 719 | 695 | 671 | **699** | **718** |
| **60+ DQ** | 3.2% | 3.9% | 7.8% | 13.8% | **5.8%** | 3.7% | 6.2% | 3.6% | 13.7% | **8.5%** | **6.0%** |

Detailed endnotes are included in the Appendix.
*"No daily mark to market" refers to financings that either do not contain a daily mark to market feature or contain a margin "holiday."

# MSR Portfolio: Difficult to Replicate and Set Up for Recovery

New Residential's MSR portfolio benefits from differentiated characteristics

## NRZ's Prepayment Speeds Slower than Industry(1)




## NRZ's Refinanceable Population Smaller than Industry

| | Lower Average Loan Size | More Seasoned Loans | More Credit Impaired | Smaller Refinanceable Population(6) |
|---|---|---|---|---|
| NRZ(4) | *$133k* | *79 WALA* | *721 FICO* | *33%* |
| Industry(5) | *$215k* | *38 WALA* | *749 FICO* | *72%* |

**These characteristics resulted in slower prepayment speeds than the industry in Q2'20**

## Recapture Improvement Provides Upside for Portfolio(2)(3)

| Change in Recapture | +20% | +10% | Base Case | -10% | -20% |
|---|---|---|---|---|---|
| Change in Market Value | +2.7% | +1.3% | - | -1.3% | -2.7% |
| Implied Recapture Rate | 23% | 21% | 19% | 17% | 15% |

## MSRs Set Up for Recovery in Value(3)

- ✓ MSR values increase as rates rise
- ✓ MSRs originated today reflect all-time low mortgage rates and are less likely to be refinanced
- ✓ Room to grow recapture
  - ✓ A 20% improvement in recapture rate could result in ~3% improvement in market value(2)
- ✓ MSR values are still near multi-year lows with significant upside

Detailed endnotes are included in the Appendix.

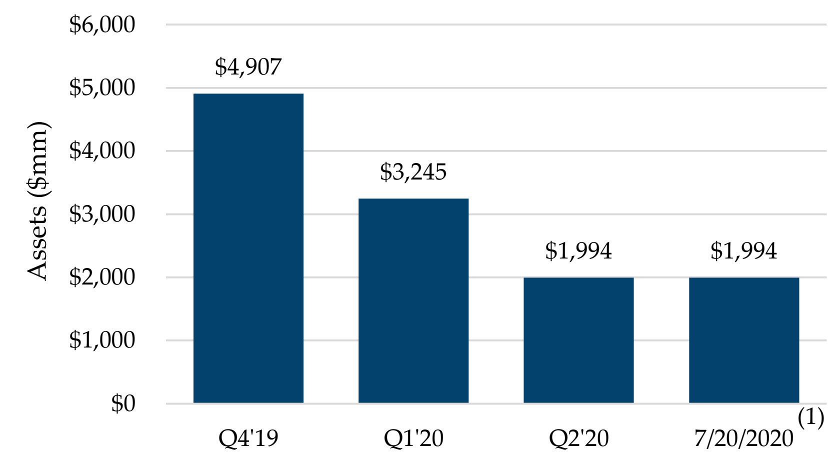
# Residential Loans

Repositioned for 2H 2020 and beyond

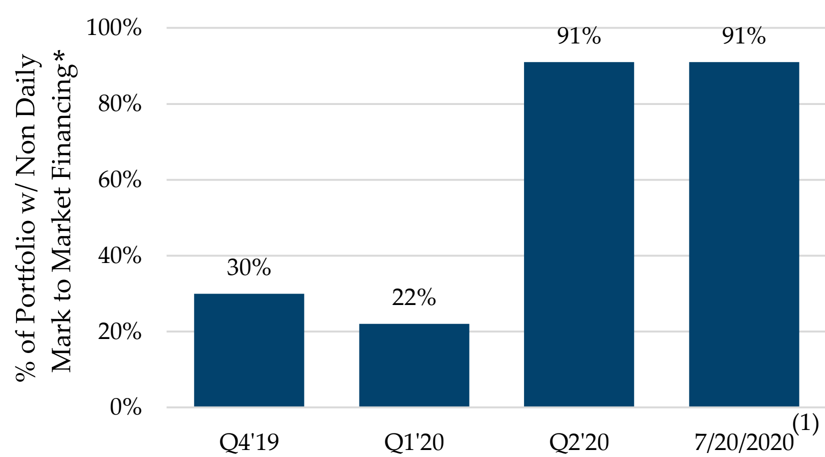
## Residential Loans Activity

- Delivered on our goal to dramatically reduce daily mark to market financing risk
  - Q1’20: 22% Non daily mark to market*
  - Today: 91% Non daily mark to market[(1)]*
  - Target: ~99% Non daily mark to market[(2)]*
- Rebalanced and de-risked portfolio in Q2’20
  - Asset balances dropped to $2.0bn from $3.2bn Q1’20[(2)]
  - Successfully securitized remaining $160mm Non-QM loans on our balance sheet
  - Priced seasoned performing loan securitization with $449mm UPB of collateral
  - Post Q2’20, priced NPL securitization with $546mm UPB of collateral[(1)]
  - Loan performance remains positive despite the broader market DQ trends
  - Clean pay performance increased by 10% QoQ in the portfolio
  - Current projected portfolio ROE >12%[(3)]

## Residential Loans Portfolio[(2)]




## Residential Loans Financing




Detailed endnotes are included in the Appendix.
*"Non daily mark to market” refers to financings that either do not contain a daily mark to market feature or contain a margin “holiday.”

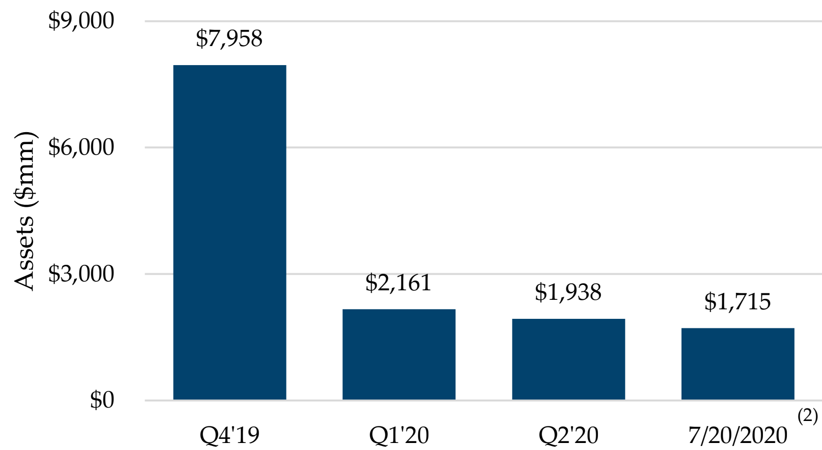
# Non-Agency Residential Securities

Mortgage credit has lagged the tightening relative to other fixed income assets and has room for additional upside[(1)]

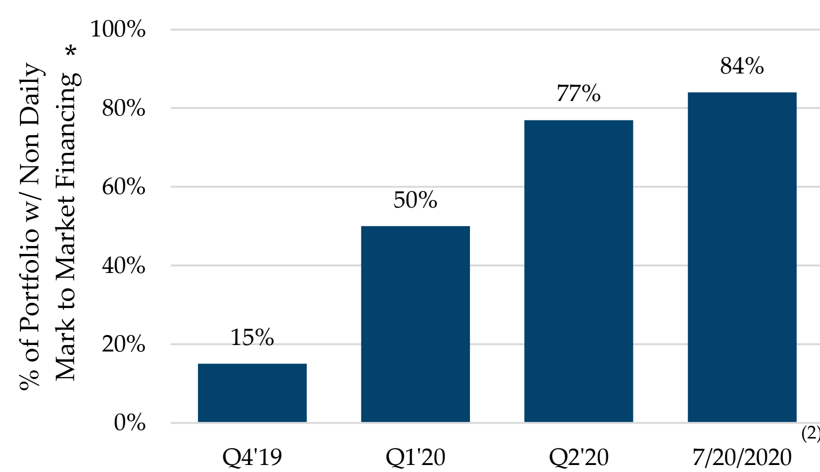
## Non-Agency Residential Securities Activity

- We significantly lowered daily mark to market financing exposure on the remaining portfolio
  - 84% of portfolio with non daily mark to market exposure[(2)]*
  - Reduced leverage on remaining 16% of portfolio
    - 46% LTV on remaining short term repurchase agreements as of July 20, 2020 (compared to 58% as of June 30, 2020)[(2)]
- We have retained assets that fit with our overall broader strategy
  - 80% serviced by NewRez/Shellpoint
  - Sold lower yielding assets in Q2’20
- We control call rights to $77bn of collateral, of which 44% is currently callable[(3)]
- Non-Agency spreads have improved by 200-300bps from COVID-19 lows and we expect the capital stack to compress further
- Current projected portfolio ROE >12%[(1)]

## Non-Agency Residential Securities Portfolio




## Non-Agency Residential Securities Financing




Detailed endnotes are included in the Appendix.
*"Non daily mark to market” refers to financings that either do not contain a daily mark to market feature or contain a margin “holiday.”

# Servicer Advances

There was no change in advance balances in Q2'20

## Advance Balances as of June 30, 2020

- Servicer advance balances as of June 30, 2020 were unchanged at ~$3.5bn relative to March 31, 2020
- Outstanding advance balances are financed with:[1]
  - $2.9 billion of debt ($1.9 billion in capital markets)
  - 82% LTV
  - Advance financing is non mark to market and non-recourse
- Advance balances as of June 30, 2020 are comprised of 11% Fannie / Freddie, 3% Ginnie and 86% PLS
- We expect to sign a new GNMA advance financing facility during Q3'20 that will add $100mm of advance liquidity upon closing[2]

## Servicer Advance Portfolio Characteristics

| | Fannie/Freddie | Ginnie | PLS[3] | Total |
|---|---|---|---|---|
| **Servicer** | **Various** | **NewRez** | **Various** | |
| **UPB** *($bn)* | $359 | $58 | $107 | **$523** |
| **Adv Balance** *($bn)* | $0.40 | $0.11 | $3.03 | **$3.53** |
| **Adv / UPB** | 0.11% | 0.18% | 2.84% | **0.68%** |
| **Debt** *($bn)* | $0.35 | N/A | $2.55 | **$2.90** |
| **Gross LTV** | 88% | N/A | 84% | **82%** |
| **Capacity** *($bn)* | $1.41 | N/A | $3.72 | **$5.12** |
| **Maturity** | 4/21 | N/A | 8/20-8/23 | **8/20-8/23** |
| **Interest Rate** | 2.93% | N/A | 2.70% | **2.73%** |

**~$2.2bn**
*Excess Capacity*
**Significant Excess Capacity**

**82%**
*LTV*
**Attractive Financing Terms**

**0%**
*Mark to market financing*
**Financing has No Exposure to Mark to Market**

Detailed endnotes are included in the Appendix.

# Improvement in Servicer Advances Outlook

The outlook for servicer advances has improved considerably

☑ Delinquencies through June 2020 came in **7%** better than projected as of Q1'20 (14% vs 21%)

☑ Positive outlook driven by reduction in forbearance requests and better than expected performance of borrowers in forbearance

☑ Deployed no additional equity to fund servicer advances in Q2'20

## Updated Servicer Advance Projections(1)

- In our updated base case scenario (September 2020), we project we would only need an additional $100mm of equity to fund advances through the end of Q3'20
- In our updated stress case scenario (December 2020), we project we would only need an additional $230mm of equity to fund advances through the end of 2020

| | Projections as of Q2'20 | | | | Projections as of Q1'20 | | | QoQ Change in Projections | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Figures $bn | 30d+ DQ | Servicer Advances | Equity | Incremental Equity | 30d+ DQ | Servicer Advances | Equity | 30d+ DQ | Servicer Advances | Equity |
| Mar-20 | 8% | $ 3.50 | $ 0.54 | | 8% | $ 3.50 | $ 0.54 | 0% | $ - | $ - |
| Jun-20 | 14% | $ 3.50 | $ 0.54 | | 21% | $ 4.07 | $ 0.66 | -7% | $ (0.58) | $ (0.13) |
| Sep-20 | 20% | $ 3.81 | $ 0.64 | $ 0.10 | 29% | $ 5.36 | $ 0.93 | -9% | $ (1.55) | $ (0.29) |
| Dec-20 | 25% | $ 4.37 | $ 0.77 | $ 0.23 | 35% | $ 6.82 | $ 1.27 | -10% | $ (2.46) | $ (0.50) |

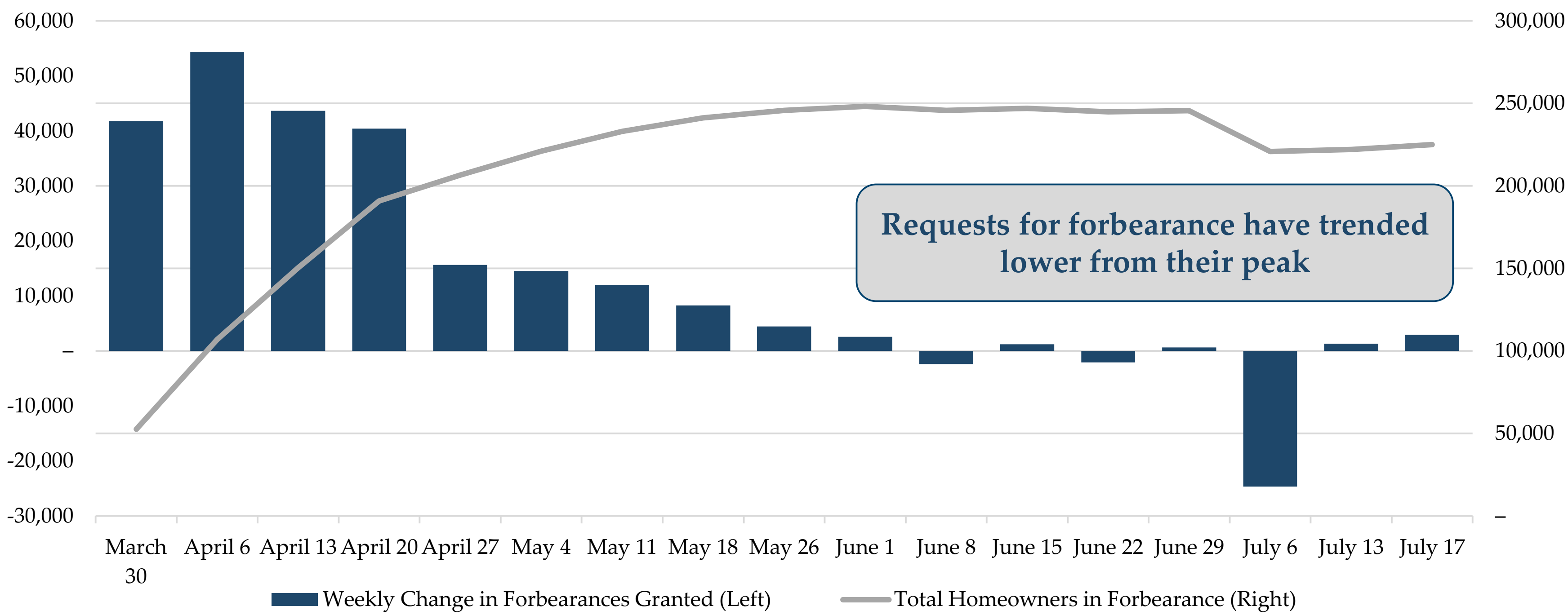
Note: Shaded periods have been realized.

Detailed endnotes are included in the Appendix.

# COVID-19 Related Forbearances Have Continued to Decline

Forbearance requests from borrowers in our MSR portfolio have steadily declined since peaking in April 2020[1]

**COVID-19 Forbearances Granted from March 25, 2020 through July 17, 2020[2]**




**~34%**

of borrowers in forbearance are current and made their June payment as of June 29, 2020

Number of borrowers granted forbearance have dropped to **7.8%** from a peak of 8.4%

Detailed endnotes are included in the Appendix.

# 1) Financial Statements

# Condensed Consolidated Balance Sheets

| (dollars in thousands, except per share data) | As of 6/30/2020 (Unaudited) | | As of 3/31/2020 (Unaudited) | |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Investments in: | | | | |
| Excess mortgage servicing rights assets, at fair value | $ | 458,923 | $ | 483,541 |
| Mortgage servicing rights, at fair value | | 3,551,159 | | 3,934,384 |
| Mortgage servicing rights financing receivables, at fair value | | 1,469,927 | | 1,604,431 |
| Servicer advance investments, at fair value | | 559,011 | | 515,574 |
| Real estate and other securities | | 6,144,236 | | 2,479,603 |
| VIE Consumer and residential loans held-for-investment, at fair value | | 1,516,794 | | 1,605,004 |
| Residential mortgage loans, held-for-sale ($2,824,909 and $3,283,973 at fair value at June 30, 2020 and March 31, 2020, respectively) | | 3,519,739 | | 4,548,506 |
| Residential mortgage loans subect to repurchase | | 1,075,008 | | 197,715 |
| Cash and cash equivalents | | 1,013,208 | | 360,453 |
| Restricted cash | | 138,932 | | 147,435 |
| Servicer advances receivable | | 2,947,678 | | 3,072,863 |
| Trades Receivable | | 163,477 | | 3,293,976 |
| Other assets | | 1,194,057 | | 1,949,990 |
| **Total Assets** | **$** | **23,752,149** | **$** | **24,193,475** |
| **LIABILITIES** | | | | |
| Repurchase agreements | $ | 9,171,498 | $ | 10,814,130 |
| Notes and bonds payable (includes $258,806 and $272,292 at fair value at June 30, 2020 and March 31, 2020, respectively) | | 6,879,462 | | 7,014,579 |
| Residential mortgage loan repurchase liability | | 1,075,008 | | 197,715 |
| Term loan, net of discount and issuance costs | | 533,383 | | - |
| Trades payable | | 105,930 | | 20,913 |
| Due to affiliates | | 16,894 | | 17,216 |
| Dividends payable | | 48,753 | | 28,033 |
| Accrued expenses and other liabilities | | 532,249 | | 770,425 |
| **Total Liabilities** | **$** | **18,363,177** | **$** | **18,863,011** |
| Preferred Stock, 7.50% Series A | | 150,026 | | 150,026 |
| Preferred Stock, 7.125% Series B | | 273,418 | | 273,418 |
| Preferred Stock, 6.375% Series C | | 389,548 | | 389,548 |
| Noncontrolling interests in equity of consolidated subsidiaries | | 96,681 | | 66,578 |
| **Book Value** | **$** | **4,479,299** | **$** | **4,450,894** |
| *Per Share* | *$* | *10.77* | *$* | *10.71* |

Beginning in the second quarter of 2020, the Company changed its presentation of certain balance sheet and income statement line items to better reflect how the Company is viewed and managed. As a result, the presentation of certain prior period amounts have been reclassified to be consistent with the current period presentation. Such reclassifications had no impact on net income, total assets, total liabilities, or stockholders' equity.

New Residential Investment Corp.

# Condensed Consolidated Income Statements

| (dollars in thousands) | Three Months Ended June 30, 2020 (Unaudited) | Three Months Ended March 31, 2020 (Unaudited) |
|---|---|---|
| **Revenues** | | |
| Interest income | $ 232,198 | $ 402,373 |
| Servicing revenue, net of change in fair value of $(441,033) and $(649,375), respectively | (90,459) | (289,115) |
| Gain on originated mortgage loans, held-for-sale, net | 310,022 | 179,698 |
| | **451,761** | **292,956** |
| **Expenses** | | |
| Interest expense | 116,403 | 216,855 |
| General and administrative expense | 217,373 | 206,363 |
| Management fee to affiliate | 22,479 | 21,721 |
| Loan servicing expense | 7,149 | 7,853 |
| Subservicing expense | 73,132 | 66,981 |
| | **436,536** | **519,773** |
| **Other Income (Loss)** | | |
| Change in fair value of investments | 102,776 | (566,276) |
| Gain (loss) on settlement of investments, net | (74,966) | (799,572) |
| Other income (loss), net | (3,207) | (36,813) |
| | **24,603** | **(1,402,661)** |
| **Impairment** | | |
| Provision (reversal) for credit losses on securities | (25,134) | 44,149 |
| Valuation and credit loss provision (reversal) on loans and real estate owned ("REO") | 3,424 | 100,496 |
| | **(21,710)** | **144,645** |
| **Income (Loss) Before Income Taxes** | **$ 61,538** | **$ (1,774,123)** |
| Income tax expense (benefit) | 17,409 | (166,868) |
| **Net Income (Loss)** | **44,129** | **(1,607,255)** |
| **Noncontrolling interests in Income (Loss) of Consolidated Subsidiaries** | **38,640** | **(16,162)** |
| **Dividends on preferred stock** | **14,357** | **11,222** |
| **Net Loss Attributable to Common Stockholders** | **$ (8,868)** | **$ (1,602,315)** |

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New Residential Investment Corp.

# Net Income by Segment (Q2'20 and Q1'20)

| Quarter Ended June 30, 2020 | Servicing and Originations | | | Residential Securities and Loans | | | |
|---|---|---|---|---|---|---|---|
| | Origination | Servicing | MSRs & Servicer Advances | Residential Securities & Call Rights | Residential Loans | Corporate & Other | Total |
| Interest income | $ 8,963 | $ 1,115 | $ 108,386 | $ 33,663 | $ 47,284 | $ 32,787 | $ 232,198 |
| Servicing revenue, net | (1,998) | 96,885 | (185,346) | - | - | - | (90,459) |
| Gain on originated mortgage loans, held-for-sale, net | 281,937 | 343 | 29,591 | - | (1,849) | - | 310,022 |
| Total revenue | 288,902 | 98,343 | (47,369) | 33,663 | 45,435 | 32,787 | 451,761 |
| Operating expenses | 108,129 | 74,018 | 152,048 | 18,023 | 36,749 | 47,569 | 436,536 |
| Other income (loss) | 390 | - | (90,665) | 47,837 | 36,676 | 30,365 | 24,603 |
| Impairment | - | - | (91) | (25,134) | 3,515 | - | (21,710) |
| Income (loss) before taxes | 181,163 | 24,325 | (289,991) | 88,611 | 41,847 | 15,583 | 61,538 |
| Income tax expense (benefit) | 20,083 | 1,224 | (6,832) | - | 2,918 | 16 | 17,409 |
| Net income (loss) | $ 161,080 | $ 23,101 | $ (283,159) | $ 88,611 | $ 38,929 | $ 15,567 | $ 44,129 |
| Noncontrolling interests in income (loss) of consolidated subsidiaries | 4,419 | - | 8,591 | - | - | 25,630 | 38,640 |
| Dividends on Preferred Stock | - | - | - | - | - | 14,357 | 14,357 |
| **Net income (loss) attributable to common stockholders** | **$ 156,661** | **$ 23,101** | **$ (291,750)** | **$ 88,611** | **$ 38,929** | **$ (24,420)** | **$ (8,868)** |

| Quarter Ended March 31, 2020 | Servicing and Originations | | | Residential Securities and Loans | | | |
|---|---|---|---|---|---|---|---|
| | Origination | Servicing | MSRs & Servicer Advances | Residential Securities & Call Rights | Residential Loans | Corporate & Other | Total |
| Interest income | $ 16,735 | $ 7,487 | $ 99,353 | $ 184,005 | $ 59,921 | $ 34,872 | $ 402,373 |
| Servicing revenue, net | (1,078) | 86,742 | (374,779) | - | - | - | (289,115) |
| Gain on originated mortgage loans, held-for-sale, net | 158,215 | 259 | 12,713 | - | 8,511 | - | 179,698 |
| Total revenue | 173,872 | 94,488 | (262,713) | 184,005 | 68,432 | 34,872 | 292,956 |
| Operating expenses | 113,639 | 64,548 | 141,663 | 114,863 | 47,529 | 37,531 | 519,773 |
| Other income (loss) | (16) | 499 | (156,933) | (966,039) | (192,271) | (87,901) | (1,402,661) |
| Impairment | - | - | - | 44,149 | 100,496 | - | 144,645 |
| Income (loss) before taxes | 60,217 | 30,439 | (561,309) | (941,046) | (271,864) | (90,560) | (1,774,123) |
| Income tax expense (benefit) | 11,958 | 6,045 | (109,785) | - | (75,201) | 115 | (166,868) |
| Net income (loss) | $ 48,259 | $ 24,394 | $ (451,524) | $ (941,046) | $ (196,663) | $ (90,675) | $ (1,607,255) |
| Noncontrolling interests in income (loss) of consolidated subsidiaries | 1,283 | - | (11,247) | - | - | (6,198) | (16,162) |
| Dividends on Preferred Stock | - | - | - | - | - | 11,222 | 11,222 |
| **Net income (loss) attributable to common stockholders** | **$ 46,976** | **$ 24,394** | **$ (440,277)** | **$ (941,046)** | **$ (196,663)** | **$ (95,699)** | **$ (1,602,315)** |

Beginning in the second quarter of 2020, the Company changed its presentation of certain balance sheet and income statement line items to better reflect how the Company is viewed and managed. As a result, the presentation of certain prior period amounts have been reclassified to be consistent with the current period presentation. Such reclassifications had no impact on net income, total assets, total liabilities, or stockholders' equity.

# 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)* | Q2 2020 | Q1 2020 |
|---|---|---|
| ***Reconciliation of Core Earnings*** | | |
| Net loss attributable to common stockholders | $ (8,868) | $ (1,602,315) |
| **Adjustments for Non-Core Earnings:** | | |
| Impairment | (21,710) | 144,645 |
| Change in fair value of investments | (27,516) | 955,532 |
| (Gain) loss on settlement of investments, net | 81,382 | 811,471 |
| Other (income) loss | 47,366 | 43,584 |
| Other Income and Impairment attributable to non-controlling interests | 19,332 | (22,279) |
| Non-capitalized transaction-related expenses | 14,195 | 16,902 |
| Preferred stock management fee to affiliate | 3,048 | 2,295 |
| Deferred taxes | 25,277 | (166,917) |
| Interest income on residential mortgage loans, held-for-sale | 8,424 | 12,143 |
| Adjust consumer loans to level yield | (995) | (515) |
| **Core earnings of equity method investees:** | | |
| Excess mortgage servicing rights | 265 | 3,825 |
| **Core Earnings** | **$ 140,200** | **$ 198,371** |
| ***Net Loss Per Diluted Share*** | **$ (0.02)** | **$ (3.86)** |
| ***Core Earnings Per Diluted Share*** | **$ 0.34** | **$ 0.48** |
| ***Weighted Average Number of Shares of Common Stock Outstanding, Diluted*** | **415,661,782** | **415,589,155** |

*Beginning in the second quarter of 2020, the Company changed its presentation of certain balance sheet and income statement line items to better reflect how the Company is viewed and managed. As a result, the presentation of certain prior period amounts have been reclassified to be consistent with the current period presentation. Such reclassifications had no impact on net income, total assets, total liabilities, or stockholders' equity.*

# Reconciliation of Non-GAAP Measures

**Core Earnings**

- New Residential has five primary variables that impact its operating performance: (i) the current yield earned on the Company's investments, (ii) the interest expense under the debt incurred to finance the Company's investments, (iii) the Company's operating expenses and taxes, (iv) the Company's realized and unrealized gains or losses, on the Company's investments, including any impairment, or reserve for expected credit losses and (v) income from its origination and servicing businesses. "Core earnings" is a non-GAAP measure of the Company's 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 the Company's performance without taking into account: (i) realized and unrealized gains and losses, which although they represent a part of the Company's recurring operations, are subject to significant variability and are generally limited to a potential indicator of future economic performance; (ii) incentive compensation paid to the Company's manager; (iii) non-capitalized transaction-related expenses; and (iv) deferred taxes, which are not representative of current operations.
- The Company's definition of core earnings includes accretion on held-for-sale loans as if they continued to be held-for-investment. Although the Company intends 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, the Company continues to receive cash flows from such loans and believes that it is appropriate to record a yield thereon. In addition, the Company's definition of core earnings excludes all deferred taxes, rather than just deferred taxes related to unrealized gains or losses, because the Company believes deferred taxes are not representative of current operations. The Company's definition of core earnings also limits accreted interest income on RMBS where the Company receives par upon the exercise of associated call rights based on the estimated value of the underlying collateral, net of related costs including advances. The Company 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. The Company believes this amount represents the amount of accretion the Company would have expected to earn on such bonds had the call rights not been exercised.
- Beginning January 1, 2020, the Company's investments in consumer loans are accounted for under the fair value option. Core Earnings adjusts earnings on the consumer loans to a level yield 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 the Company's 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 the Company's investments in consumer loans, and the consolidation of entities that own the Company's investments in consumer loans, respectively, the Company continues to record a level yield on those assets based on their original purchase price.
- While incentive compensation paid to the Company's manager may be a material operating expense, the Company excludes 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, the Company notes that, as an example, in a given period, it 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, the Company 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. The Company believes 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 the Company's 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 the Company's 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 the Company acquires certain investments, as well as costs associated with the acquisition and integration of acquired businesses.
- Since the third quarter of 2018, as a result of its acquisition of Shellpoint Partners LLC ("Shellpoint"), the Company, through its wholly owned subsidiary, NewRez (formerly New Penn Financial), 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, the Company reports realized gains or losses on the sale of originated residential mortgage loans and retention of mortgage servicing rights, which the Company believes is an indicator of performance for the Servicing and Origination segments 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.
- Beginning with the third quarter of 2019, as a result of the continued evaluation of how Shellpoint operates its business and its impact on the Company's operating performance, core earnings includes Shellpoint's GAAP net income with the exception of the unrealized gains or losses due to changes in valuation inputs and assumptions on MSRs owned by NewRez, and non-capitalized transaction-related expenses. This change was not material to core earnings for the quarter ended September 30, 2019.
- 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 the Company's activity, assist in comparing the core operating results between periods, and enable investors to evaluate the Company's 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 the Company's 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 and reserves, as well as derivative activities) and non-capitalized transaction-related expenses, because they are not considered by management to be part of the Company's core operations for the reasons described herein. As such, core earnings is not intended to reflect all of the Company's activity and should be considered as only one of the factors used by management in assessing the Company's performance, along with GAAP net income which is inclusive of all of the Company's activities.
- The primary differences between core earnings and the measure the Company uses to calculate incentive compensation relate to (i) realized gains and losses (including impairments and reserves for expected credit losses), (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 the Company's incentive compensation measure (either immediately or through amortization). In addition, the Company's 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, the Company's 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.
- Core earnings does not represent and should not be considered as a substitute for, or superior to, net income or as a substitute for, or superior to, cash flows from operating activities, each as determined in accordance with U.S. GAAP, and the Company's calculation of this measure may not be comparable to similarly entitled measures reported by other companies. Set forth below is a reconciliation of core earnings to the most directly comparable GAAP financial measure (in thousands):

# Endnotes to Slide 2

**Endnotes to Slide 2:**

Source: Company filings and data, and Bloomberg. Financial and market data as of June 30, 2020 unless otherwise noted.

(1) "Investment portfolio" refers to total assets less cash, restricted cash, other assets, trades receivable, goodwill and mortgage loans originated.

(2) "Inception" date refers to May 2, 2013. Dividends declared represents both common and preferred dividends. Inclusive of common and preferred dividends declared to shareholders on June 22, 2020.

(3) Net Equity:

Origination: Net Investment of $331 million includes $2,156 million of total assets, net of debt and other liabilities of $1,810 million and non-controlling interests in the portfolio of $15 million.

Servicing: Net Investment of $236 million includes $298 million of total assets, net of debt and other liabilities of $62 million.

Full and Excess MSR: Excess MSRs - Net Investment of $176 million includes (A) $459 million investment in June 30, 2020. Legacy NRZ Excess MSRs, and (B) $12 million of cash and cash equivalents, restricted cash and other assets, net of debt and other liabilities of $295 million (debt issued on the NRZ Agency Excess MSR portfolio). MSRs - Net Investment of $2,228 million includes $5,629 million of total assets, net of debt and other liabilities of $3,401 million.

Servicer Advances: Net Investment of $623 million includes (A) $120 million net investment in AP LLC Advances, with $596 million of total assets, net of debt and other liabilities of $436 million and non-controlling interests in the portfolio of $40 million, (B) $8 million net investment in SLS Advances, with $16 million of total assets, net of debt and other liabilities of $8 million, and (C) $495 million net investment in Servicer Advances Receivable, with $2,948 million of total assets, net of debt and other liabilities of $2,453 million.

Residential Securities & Call Rights: Net Investment of $1,050 million includes (A) $863 million net investment in Non-Agency RMBS, with $2,270 million of assets, net of debt and other liabilities of $1,407 million, (B) $187 million in Agency RMBS, with $4,214 million of assets, net of debt and other liabilities of $4,027 million (including $106 million of Open Trades Payable) and (C) $0.3 million net investment in Call Rights.

Residential Loans: Net Investment of $855 million includes (A) $835 million net investment in Residential Loans & REO, with $3,939 million of total assets, net of debt and other liabilities of $3,104 million, (B) $19 million net investment in EBOs, with $44 million of total assets, net of debt and other liabilities of $25 million and (C) $1 million net investment in Reverse Loans, with $7 million of total assets, net of debt and other liabilities of $6 million.

Other: Net Investment of ($207) million includes (A) $98 million net investment in Consumer Loans with $866 million of total assets, net of debt and other liabilities of $727 million and non-controlling interests in the portfolio of $41 million, and (B) ($305) million net investment in Corporate with $297 million of total assets, net of debt and other liabilities of $602 million.

(4) 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 3

**Endnotes to Slide 3:**

Source: Company filings and data. Financial data as of June 30, 2020 unless otherwise noted.

(1) Per common share calculations of GAAP Net Income (Loss) and Core Earnings are based on 415,661,782 weighted average diluted common shares during the quarter ended June 30, 2020.

(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 common stock closing price of $7.43 on June 30, 2020 and annualized dividend based on a $0.10 per common share quarterly dividend.

(4) Net Equity:

Origination: Net Investment of $331 million includes $2,156 million of total assets, net of debt and other liabilities of $1,810 million and non-controlling interests in the portfolio of $15 million.

Servicing: Net Investment of $236 million includes $298 million of total assets, net of debt and other liabilities of $62 million.

Full and Excess MSR: Excess MSRs - Net Investment of $176 million includes (A) $459 million investment in June 30, 2020. Legacy NRZ Excess MSRs, and (B) $12 million of cash and cash equivalents, restricted cash and other assets, net of debt and other liabilities of $295 million (debt issued on the NRZ Agency Excess MSR portfolio). MSRs - Net Investment of $2,228 million includes $5,629 million of total assets, net of debt and other liabilities of $3,401 million.

Servicer Advances: Net Investment of $623 million includes (A) $120 million net investment in AP LLC Advances, with $596 million of total assets, net of debt and other liabilities of $436 million and non-controlling interests in the portfolio of $40 million, (B) $8 million net investment in SLS Advances, with $16 million of total assets, net of debt and other liabilities of $8 million, and (C) $495 million net investment in Servicer Advances Receivable, with $2,948 million of total assets, net of debt and other liabilities of $2,453 million.

Residential Securities & Call Rights: Net Investment of $1,050 million includes (A) $863 million net investment in Non-Agency RMBS, with $2,270 million of assets, net of debt and other liabilities of $1,407 million, (B) $187 million in Agency RMBS, with $4,214 million of assets, net of debt and other liabilities of $4,027 million (including $106 million of Open Trades Payable) and (C) $0.3 million net investment in Call Rights.

Residential Loans: Net Investment of $855 million includes (A) $835 million net investment in Residential Loans & REO, with $3,939 million of total assets, net of debt and other liabilities of $3,104 million, (B) $19 million net investment in EBOs, with $44 million of total assets, net of debt and other liabilities of $25 million and (C) $1 million net investment in Reverse Loans, with $7 million of total assets, net of debt and other liabilities of $6 million.

Other: Net Investment of ($207) million includes (A) $98 million net investment in Consumer Loans with $866 million of total assets, net of debt and other liabilities of $727 million and non-controlling interests in the portfolio of $41 million, and (B) ($305) million net investment in Corporate with $297 million of total assets, net of debt and other liabilities of $602 million.

(5) Q2’20 Total Economic Return represents NRZ book value change from March 31, 2020 through June 30, 2020, plus common dividends declared during that time ($0.10), divided by NRZ book value as of March 31, 2020.

# Endnotes to Slides 4 to 7

**Endnotes to Slide 4:**
Source: Company filings and data. Financial data as of June 30, 2020 unless otherwise noted.
(1) Reflects Company data as of July 20, 2020.
(2) Reflects portfolio as of July 17, 2020 and reflects borrowers with respect to which New Residential owns the full MSR.

**Endnotes to Slide 5:**
Source: Company filings and data. Financial data as of June 30, 2020 unless otherwise noted.
(1) "Dry powder" represents cash available for investments and is calculated as cash on balance as of June 30, 2020 less historical average cash position. The difference between base and stress case scenarios is driven by projected servicer advance liquidity needs. More information can be found on page 22. Projections are 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) Average excludes Q2'20.
(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) Illustrative levered returns on future equity deployments. 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.
(5) Core earnings is a non-GAAP measure. See Reconciliation pages in the Appendix for a reconciliation to the most comparable GAAP measure.

**Endnotes to Slide 6:**
Note: All per share values on this slide are based on 415,661,782 basic common shares outstanding as of June 30, 2020. References to Operating Company for the purposes of calculating "Implied Book Value" includes Origination Segment and Servicing Segment, Guardian Asset Management and Covius Holdings.
(1) Valuation analysis and 2020 Operating Company earnings range are based on management's current views and estimates, and actual results and value realized from our operating company may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.
(2) Illustrative analysis adds (i) the difference between our operating company enterprise value and the GAAP Book Value in those operating company segments to (ii) NRZ's Book Value as of June 30, 2020. Operating company enterprise value is calculated by applying a 3.0x earnings multiple to a $750 million to $800 million full year 2020 earnings estimate. 3.0x earnings multiple based on trading levels relative to (i) tangible book value excluding deferred tax assets and (ii) current earnings excluding income earned on owned MSRs of certain publicly traded peers (COOP, PFSI). Book Value in the operating company segments does not contain corporate level debt or cash in excess of operating company needs.
(3) Equity in Operating Company excluding cash.
(4) Equity in Investment Portfolio is net of Preferred Equity and 2020 Senior Secured Term Loan. On May 19, 2020, the Company, as borrower, entered into a three-year senior secured term loan facility agreement in the principal amount of $600.0 million.

**Endnotes to Slide 7:**
Source: Company filings and data. Financial data as of June 30, 2020 unless otherwise noted.
(1) Represents activity after June 30, 2020 and through July 20, 2020.

# Endnotes to Slides 8 to 10

**Endnotes to Slide 8:**
Source: Company filings and data. Financial data as of June 30, 2020 unless otherwise noted.
(1) Net Equity:
Origination: Net Investment of $331 million includes $2,156 million of total assets, net of debt and other liabilities of $1,810 million and non-controlling interests in the portfolio of $15 million.

Servicing: Net Investment of $236 million includes $298 million of total assets, net of debt and other liabilities of $62 million.

Full and Excess MSR: Excess MSRs - Net Investment of $176 million includes (A) $459 million investment in June 30, 2020. Legacy NRZ Excess MSRs, and (B) $12 million of cash and cash equivalents, restricted cash and other assets, net of debt and other liabilities of $295 million (debt issued on the NRZ Agency Excess MSR portfolio). Full MSRs - Net Investment of $2,228 million includes $5,629 million of total assets, net of debt and other liabilities of $3,401 million.

Servicer Advances: Net Investment of $623 million includes (A) $120 million net investment in AP LLC Advances, with $596 million of total assets, net of debt and other liabilities of $436 million and non-controlling interests in the portfolio of $40 million, (B) $8 million net investment in SLS Advances, with $16 million of total assets, net of debt and other liabilities of $8 million, and (C) $495 million net investment in Servicer Advances Receivable, with $2,948 million of total assets, net of debt and other liabilities of $2,453 million.

Residential Securities & Call Rights: Net Investment of $1,050 million includes (A) $863 million net investment in Non-Agency RMBS, with $2,270 million of assets, net of debt and other liabilities of $1,407 million, (B) $187 million in Agency RMBS, with $4,214 million of assets, net of debt and other liabilities of $4,027 million (including $106 million of Open Trades Payable) and (C) $0.3 million net investment in Call Rights.

Residential Loans: Net Investment of $855 million includes (A) $835 million net investment in Residential Loans & REO, with $3,939 million of total assets, net of debt and other liabilities of $3,104 million, (B) $19 million net investment in EBOs, with $44 million of total assets, net of debt and other liabilities of $25 million and (C) $1 million net investment in Reverse Loans, with $7 million of total assets, net of debt and other liabilities of $6 million.

Other: Net Investment of ($207) million includes (A) $98 million net investment in Consumer Loans with $866 million of total assets, net of debt and other liabilities of $727 million and non-controlling interests in the portfolio of $41 million, and (B) ($305) million net investment in Corporate with $297 million of total assets, net of debt and other liabilities of $602 million.

(2) Based on management's current views and estimates, and actual results may vary materially. 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) Represents only principal and interest-paying securities; excludes consumer loans.

**Endnotes to Slide 9:**
Source: Company filings and data. Financial data as of June 30, 2020 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) 2017 and 2018 figures prior to the July 2018 closing of the acquisition of Shellpoint Partners LLC are unaudited.

**Endnotes to Slide 10:**
Source: Company filings and data. Financial data as of June 30, 2020 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) Represents activity after June 30, 2020 and through July 20, 2020.

# Endnotes to Slides 12 to 18

**Footnotes to Slide 12:**

Source: Company filings and data. Financial data as of June 30, 2020 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) Annualized ROE calculated as quarter over quarter average equity divided by Q2'20 annualized origination PTI and includes impact from ancillary origination businesses.

(3) Origination GOS Margin excludes impact from ancillary origination businesses.

**Footnotes to Slide 13:**

Source: Company filings and data. Financial data as of June 30, 2020 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.

**Footnotes to Slide 14:**

Source: Company filings and data. Financial data as of June 30, 2020 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) Annualized ROE calculated as quarter over quarter average equity divided by Q2'20 annualized servicing PTI and includes impact from ancillary servicing businesses.

**Footnotes to Slide 15:**

Source: Company data. Company data as of June 30, 2020 unless otherwise noted.

(1) Reflects servicing activity for NewRez / Shellpoint. 2020 YTD activity reflects activity through June 30, 2020.

(2) 2020 YTD activity reflects activity through June 30, 2020.

**Endnotes to Slide 17:**

Source: Company filings and data. Financial data as of June 30, 2020 unless otherwise noted.

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

(2) Reflects Company data as of July 20, 2020.

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

(5) "Total" columns reflect weighted average calculations accounting for partial Excess MSR ownership.

**Endnotes to Slide 18:**

Source: Company filings and data. Financial data as of June 30, 2020 unless otherwise noted.

(1) Source: Fannie Mae and Freddie Mac data as of July 30, 2020. Industry Conventional reflects average Industry 30-Year Conventional speeds.

(2) Assumes +/- 10% and+/- 20% parallel shifts in recapture rates over base case projections with all other assumptions held constant.

(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) Includes NRZ Full MSR portfolio population.

(5) FNMA/FHLMC/GNMA agency data via eMBS provider and PLS data via CoreLogic provider as of June 30, 2020.

(6) "Smaller Refinanceable Population" includes population of NRZ owned MSRs that are >=$100 of savings per month ITM. Analysis is based on loan level detail across NRZ's owned MSR portfolio.

# Endnotes to Slides 19 to 23

**Endnotes to Slide 19:**
Source: Company filings and data. Financial data as of June 30, 2020 unless otherwise noted.
(1) Represents activity after June 30, 2020 and through July 20, 2020.
(2) Loan asset value excludes GNMA repurchase right, REO and MDST consolidated bonds (fair value).
(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 20:**
Source: Company filings and data. Financial data as of June 30, 2020 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) Represents activity after June 30, 2020 and through July 20, 2020.
(3) Call rights UPB estimated as of June 30, 2020. 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 and, as a result, we may not be able to exercise such rights on favorable terms at all. Call rights are usually exercisable when current loan balances in a related portfolio are equal to, or lower than, 10% of their original balance.

**Endnotes to Slide 21:**
Source: Company filings and data. Financial data as of June 30, 2020 unless otherwise noted.
(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, and actual results may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward looking statements.
(3) PLS includes Advance Purchaser, HLSS, SLS and NewRez LLC. In the case of Advance Purchaser and SLS, New Residential is not the named servicer but is responsible for advances.

**Endnotes to Slide 22:**
Source: Company filings and data. Financial data as of June 30, 2020 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.

**Endnotes to Slide 23:**
Source: Portfolio data through July 17, 2020.
(1) There can be no assurances that these trends continue in the future. 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) Reflects borrowers with respect to which New Residential owns the full MSR.

# 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
- CTS – Cost to Service
- Cur - Current
- Current UPB – UPB as of the end of the current month
- DPD – Days past due
- DQ – Delinquency
- DTC – Direct to Consumer
- 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
- GOS – Gain on Sale
- HPA – Home Price Appreciation
- IRR – Internal Rate of Return
- LHS – Left Hand Side
- 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
- Non-QM – Non-qualified
- NPL – Non-Performing Loans
- MSR – Mortgage servicing rights
- MTM – Mark to market
- Original UPB – UPB at Time of Securitization
- P&I – Principal and Interest
- PLS – Private Label Securitizations
- Proj. Future Cash Flows – Future cash flow projected with the Company's original underwriting assumptions
- PTI – Pre-Tax Income
- QoQ – Quarter-over-quarter
- Recapture Rate – Percentage of voluntarily prepaid loans that are refinanced by the servicer
- REO – Real Estate Owned
- RHS – Right Hand Side
- RPL – Reperforming Loan
- 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