



New Residential Quarterly Supplement

Third Quarter 2014

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FORWARD-LOOKING STATEMENTS. Certain statements in this presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation references to potential or targeted/expected lifetime cash flows, such as the statement that we expect to receive over \$1.2 billion of cash flow from our Excess MSR investments, estimated or targeted/expected returns or yields (sometimes referred to as lifetime IRR, life-to-date IRR or current-to-maturity IRR), our portfolio's value being poised to increase in a rising interest rate environment, a robust investment pipeline and potential or implied investment multiples and discount rates. 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 contained 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 recently filed Form 10-Q, which is 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 TARGETED/EXPECTED RETURNS AND TARGETED/EXPECTED YIELDS. Expected returns and expected yields are estimates of the annualized effective rate of return that we presently expect to be earned over the expected average life of an investment (i.e., IRR), after giving effect, in the case of returns, to existing leverage, and calculated on a weighted average basis. Expected returns and expected yields reflect our estimates of an investment's coupon, amortization of premium or discount, and costs and fees, and they contemplate our assumptions regarding prepayments, defaults and loan losses, among other things. In the case of Excess MSRs, these assumptions include, but are not limited to prepayment rates and delinquency rates. Income recognized by the Company in future periods may be significantly less than the income that would have been recognized if an expected return or expected yield were actually realized, and the estimates we use to calculate expected returns and expected yields could differ materially from actual results. Statements about expected returns and expected 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 expected returns and expected yields.

PAST PERFORMANCE. Past performance is not a reliable indicator of future results and should not be relied upon for any reason.

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ESTIMATED RETURNS. The Company calculates the estimated return, 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 to existing leverage. Life to date IRR 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. IRRs are based on assumptions about collateral performance, and actual results and returns could differ materially from the Company's expectations as a result of higher than expected prepayment rates, delinquency rates and a variety of factors outside our control. 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, investment's lifetime return may differ materially from an IRR to date. The Company's calculation of IRR may differ from a calculation by another market participant, as there is no standard method for calculating IRRs.

Company Overview

New Residential is a publicly traded REIT (NYSE:NRZ) with a market capitalization of \$1.8 billion⁽¹⁾

- **NRZ primarily invests across the vast \$20 trillion U.S. housing market⁽²⁾**
- **Performance has been strong:**
 - Recorded the highest quarterly earning results in the company's history⁽³⁾ – Core Earnings of \$0.43 per share⁽⁴⁾
 - Since spin-off from NCT in May 2013, generated 29% annualized return on equity⁽⁵⁾ and paid \$2.19 of dividends per share
- **Our mission is simple:**
 - Identify and invest in assets that offer reliable mid-teens returns⁽⁶⁾ throughout various interest rate environments
 - Leverage our Manager and market expertise to seek investment opportunities with outsized returns⁽⁶⁾
- **Today, our portfolio primarily consists of:**
 - Excess MSR's
 - Residential Securities & Non-Agency RMBS Call Rights⁽⁷⁾
 - Other Investments – *Consumer Loans, Servicer Advances, Distressed Residential Loans*

1) Market Cap. as of November 3, 2014.

2) Source: Freddie Mac, October 2014, includes \$10 trillion of mortgage debt and \$10 trillion of home equity.

3) NRZ was formed on May 15, 2013 in a spin-off from Newcastle Investment Corp. (NYSE: NCT). Past performance is not a reliable indicator of future results and should not be relied upon for any reason.

4) Core Earnings is a Non-GAAP measure. See slides 25 and 26 for a reconciliation to the most comparable GAAP measure. New Residential completed a 1-for-2 reverse stock split in October 2014. The impact of this reverse stock split has been retroactively applied to all periods presented throughout this presentation.

5) Return On Equity ("ROE") is calculated by dividing annualized net income (loss) attributable to common stockholders since inception (of \$383 million, which is inception-to-date income of \$527 million annualized) by average quarter-end total New Residential stockholders' equity since inception (of \$1.3 billion). Return on equity for future periods may differ materially.

6) There can be no assurance that we will be able to identify such assets or that our investments will be able to generate mid-teens returns.

7) A "call right" is the option to purchase the remaining loans of a securitization at par once the deal balance falls below a certain percentage of the original balance.



Financial Highlights – 3Q'14*

- For the third quarter:

- ✓ GAAP Income of \$126 million, or \$0.88 per diluted share
- ✓ Core Earnings of \$63 million, or \$0.43 per diluted share⁽¹⁾
- ✓ Common dividend of \$49 million, or \$0.35 per share

	3Q'14			2Q'14		
	(\$mm)	(\$/ diluted share) ⁽²⁾		(\$mm)	(\$/ diluted share) ⁽²⁾	
		Pre Split	Post Split		Pre Split	Post Split
GAAP Income	\$126	\$0.44	\$0.88	\$124	\$0.44	\$0.88
Core Earnings⁽¹⁾	\$63	\$0.22	\$0.43	\$56	\$0.20	\$0.40
Regular Common Dividend	\$49	\$0.175	\$0.35	\$49	\$0.175	\$0.35
Special Dividend	-	-	-	\$21	\$0.075	\$0.15

*New Residential completed a 1-for-2 reverse stock split in October 2014. The impact of this reverse stock split has been retroactively applied to all periods presented throughout this presentation.

1) Core Earnings is a Non-GAAP measure. See slides 25 and 26 for a reconciliation to the most comparable GAAP measure.

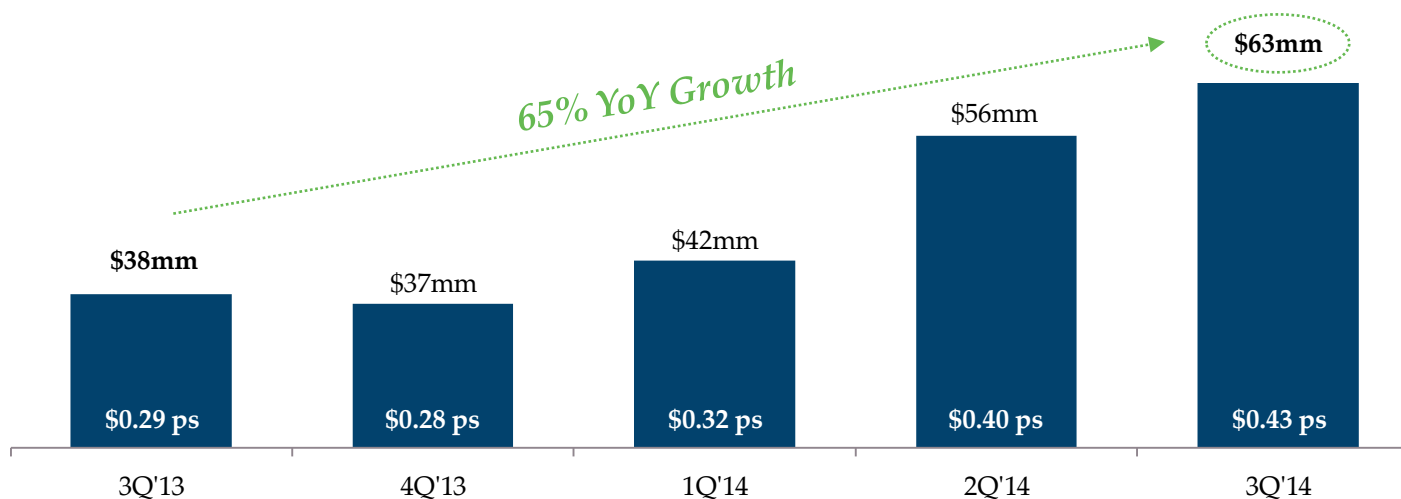
2) Except for Common Dividend of \$49 million which is based on 141,382,603 basic shares outstanding as of September 30, 2014 for 3Q'14 and \$70 million which is based on 141,106,567 basic shares outstanding as of June 30, 2014 for 2Q'14.

Consistently Strong Financial Performance

- NRZ has delivered significant value since inception⁽¹⁾:
 - ✓ *Core Earnings*⁽²⁾: 65% YoY growth from \$38 million in 3Q'13 to \$63 million in 3Q'14
 - ✓ *Net Income*: Doubled net income from \$63 million in 3Q'13 to \$126 million in 3Q'14
 - ✓ *Dividends*: Cumulative dividends of \$290 million (\$2.19 per share)

Core Earnings Growth⁽³⁾⁽⁴⁾

(\$ in mm)



1) NRZ was formed on May 15, 2013 in a spin-off from Newcastle Investment Corp. Past performance is not a reliable indicator of future results and should not be relied upon for any reason.

2) Core Earnings is a Non-GAAP measure. See slides 25 and 26 for a reconciliation to the most comparable GAAP measure.

3) In 3Q'13, we changed our definition of "Core Earnings". All presentations of Core Earnings in this presentation reflect the revised calculation.

4) All Core Earnings per share figures are shown per diluted share.

New Residential Today*

- Our core focus is on Excess MSR's and Non-Agency deal collapses
- We believe our portfolio is unique and with high barriers to entry
 - First to create Excess MSR's as a REIT-eligible asset class⁽¹⁾
 - Own call rights on approximately \$100 billion UPB across 810 Non-Agency deals

Net Investment & Expected Yield

(\$ in mm)

	<i>Net Investment</i>	<i>Expected Lifetime Net Yield*</i>
<i>Excess MSR's</i> ⁽²⁾	\$752	15 – 20%
<i>Resi. Securities & Call Rights</i> ⁽³⁾	\$141	12 – 20%
<i>Other Investments</i> ⁽⁴⁾	\$500	20%+
<i>Cash</i> ⁽⁵⁾	\$262	15%

*Detailed endnotes are included on slide 27. All amounts are as of September 30, 2014 unless otherwise noted in the endnotes. Expected lifetime net yields represent management's view and are estimated based on the current composition of our investment portfolio and a variety of assumptions that could prove incorrect. 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 Securities and Exchange Commission, which we encourage you to review. See "Disclaimers" for more information on forward-looking statements.

3Q Highlights: Executing Our Strategy

Continued Growth of Excess MSR

- ✓ Committed to or settled on \$25 billion UPB of additional Excess MSRs⁽¹⁾
 - \$20 million of equity invested in 3Q'14
- ✓ Currently evaluating \$150 billion UPB pipeline⁽¹⁾
- ✓ Originators selling MSRs to maintain profitability

Executed Deal Collapses and RMBS Purchases

- ✓ Collapsed 19 Non-Agency deals with a combined \$534 million UPB
 - In 3Q'14, NRZ executed 83% of all deal collapses in the Non-Agency universe⁽²⁾
- ✓ Non-Agency RMBS portfolio generated a 27% total return on the quarter⁽³⁾
- ✓ NRZ committed to acquire call rights on 53 additional Non-Agency deals

Harvesting Returns on Opportunistic Investments

- ✓ Completed \$2.6 billion refinancing of consumer loan portfolio⁽⁴⁾
 - On \$241 million initial investment⁽⁵⁾, received \$462 million total life-to-date cash flows
 - 70% life-to-date IRR with future potential upside⁽⁶⁾
- ✓ Sold \$138 million of residential loans, generating a 53% lifetime IRR⁽⁶⁾⁽⁷⁾

1) Some of our committed investments and pipeline investments are subject to definitive documentation, agency consent and board approval. Committed investments and pipeline investments are also subject to varying degrees of diligence and there can be no assurance that we will complete any such investments. Some of these investments may have been identified or committed to subsequent to quarter end.

2) Based on 23 deal collapses (\$651 million UPB) in 3Q'14 according to Web's Hill Analytics.

3) Annualized on average equity invested.

4) Subsequent to quarter end. The refinancing did not result in a current taxable event, and therefore, did not result in taxable income and an increase for the REIT distribution requirement.

5) Includes purchase price adjustment received subsequent to closing of acquisition.

6) Lifetime IRRs may differ materially from life to date IRRs. See slide 1 for information about IRRs generally.

7) Subsequent to quarter end.



Portfolio Update

Excess MSR – What Is It?

- **What is an MSR?**
 - Contractual right to cashflows in exchange for performing mortgage servicing duties
 - Typically calculated on the percentage of the unpaid principal balance (“UPB”) of a particular loan
- **We pioneered a REIT-eligible asset class by splitting the MSR into two components:**
 - 1 **Basic Servicing Fee** - Fixed fee retained by the servicer to cover operating costs and generate a profit
 - 2 **Excess MSR** - Remaining interest payments generated by the MSR after payment of the base servicing fee

Hypothetical MSR– Single Loan Example ⁽¹⁾	
Principal Balance	\$100,000
Loan Term	30 years
Annual Interest Rate	6.00%
Servicing Fee	0.30%
<i>Monthly Cashflow:</i>	
Payment from Borrower	\$600
MSR Fee	(\$25)
Net Paid to Mortgage Owner	\$575

MSR Components	
1	Basic Servicing <i>Retained by Servicer</i> \$5
2	Excess MSR <i>NRZ Investment</i> \$20

1) Purpose of example is for illustrative purposes only. This illustration uses assumptions that affect the results shown, including assumptions that are based upon factors that are beyond our control. Actual results could differ materially from this illustration as a result of differences between amounts assumed for example and actual amounts.

Excess MSRs – Large Market with Significant Growth Potential

- Approximately \$10 trillion mortgage servicing market⁽¹⁾
- **Historically dominated by banks; shift continues**
 - Driven by operational pressure and regulatory capital requirements
 - Refocus on core businesses and customers
- **We believe mortgage origination industry consolidation continues as a result of higher capital costs**
 - MSR sales expected to continue

Shift from Banks to Non-banks underway⁽²⁾

Company	4Q 2010		2Q 2014	
	UPB	% Share	UPB	% Share
Bank of America	\$2.1 tn	20%	\$0.8tn	8%
Wells Fargo	\$1.8 tn	17%	\$1.8 tn	19%
JP Morgan Chase	\$1.3 tn	12%	\$1.0 tn	10%
Citi	\$0.6 tn	6%	\$0.3 tn	4%
Total Top 4 Banks	\$5.8 tn	55%	\$3.9 tn	40%
Total Banks	\$9.3 tn	89%	\$7.4 tn	75%
Total Non-Banks	\$1.2 tn	11%	\$2.5 tn	25%

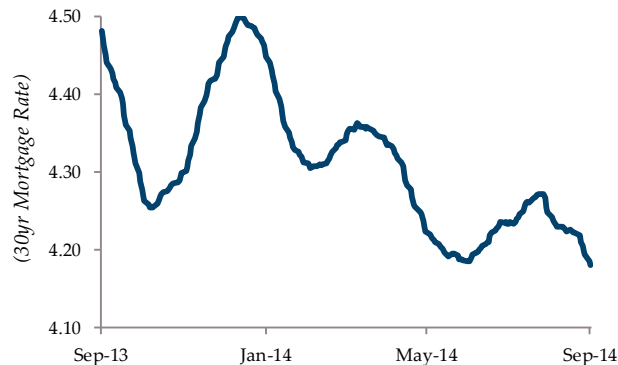
1) Source: Inside Mortgage Finance, 2Q'14.

2) Source: Inside Mortgage Finance, 4Q'11 and 2Q'14. Only "Total Banks & Non-Banks" UPB and market share are as of 3Q'11 and 2Q'13 from Inside Mortgage Finance.

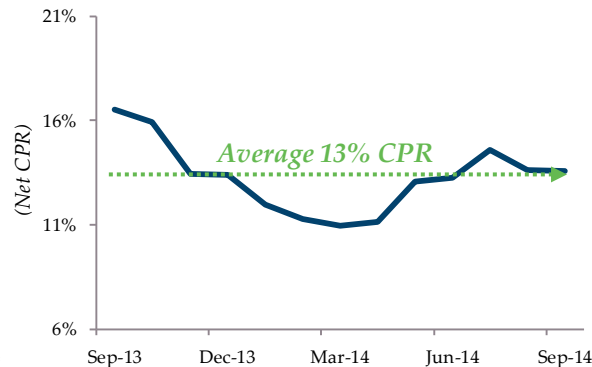
Excess MSR's – Long-Term, Predictable Cashflows

- We own a portfolio of \$251 billion UPB of Excess MSR's
 - Seasoned, credit-impaired borrowers⁽¹⁾ with limited refinance options
 - Stable prepayment speeds despite volatile interest rates; cashflows continue to grow as fewer borrowers default
- Life-to-date performance has resulted in a 31% IRR⁽²⁾
 - \$759 million initial investment⁽³⁾; \$333 million life-to-date total cash flows (44% of initial investment)
 - \$752 million carrying value as of 3Q'14
- Expected future cashflows of \$1.2 billion⁽⁴⁾

Volatile Rates

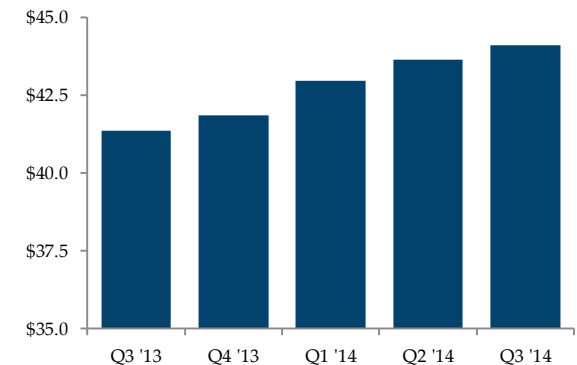


Stable Prepayments



Long-Term Cashflows⁽⁴⁾

(\$ in mm)



1) "Credit-impaired" is defined by management as a category of borrowers that have loan-to-value ratios and FICO scores that, in management's view, make it unlikely for such borrowers to be eligible for refinancing.

2) Lifetime IRRs may differ materially from life to date IRRs. See slide 1 for information about IRRs generally.

3) Since December 2011.

4) Expected future cashflows are subject to various risks and uncertainties and may differ materially from actual cashflows. See "Disclaimers" for more information on forward-looking statements.

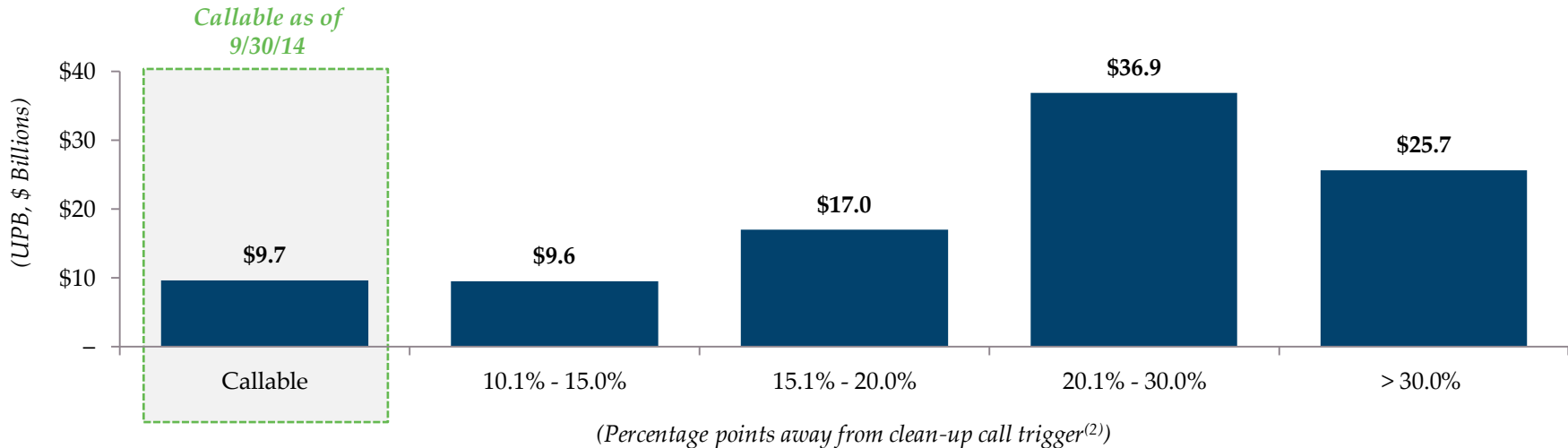
Resi Securities & Call Rights – Deal Collapse Opportunity

NRZ owns the clean-up call rights on 810 Non-Agency deals with a total UPB of ~\$100 billion

- **Multiple paths to monetize our call rights:**
 - ✓ Sell or re-securitize called loans for a gain
 - ✓ Selectively retain loans that meet our return threshold
 - ✓ Purchase underlying bonds at a discount; further improving call profitability
- **To date, we have collapsed approximately \$818 million of UPB across 35 deals**

*What is a deal collapse?
It is the exercise of the “clean-up call right”, or option, to purchase the remaining loans of a securitization at par once the deal balance falls below a certain percentage of the original balance*

Our call rights provide a steady, exclusive pipeline of callable deals...⁽¹⁾



1) There can be no assurance that we will execute on this pipeline of callable deals in the near term or that callable deals are necessarily economically favorable.

2) Percentage points away from clean-up call trigger calculated as the difference between the clean-up call trigger and the current deal balance.

Other Investments – Overview

Opportunistic investments targeting 20%+ returns

- Focus on large addressable markets with assets that offer significant upside and capital appreciation
- Leverage our manager and industry experience to source opportunities not broadly available
- NRZ has a proven track record of optimizing returns; achieved an average LTD IRR of 60%⁽¹⁾

(\$ in mm)	Initial Investment	Cash Received ⁽²⁾	Investment Multiple	Current Basis ⁽³⁾	LTD IRR	Expected Lifetime IRR ⁽⁴⁾	Remaining Average Life
Consumer Loans	\$241	\$462	1.9x	\$0	70%	81%	~3 Years
Servicer Advances	\$313	\$178	0.6x	\$135	75%	22%	~4 Years
Credit Impaired Residential Loans	\$200	\$21	0.1x	\$179	18%	18%	~3 Years
Total Opportunistic⁽⁵⁾	\$754	\$661	0.9x	\$314	60%	38%	3 Years

1) Lifetime IRRs may differ materially from life to date IRRs. See slide 1 for information about IRRs generally.

2) Includes cash received subsequent to quarter end.

3) Current basis for Consumer Loans of \$0 represents GAAP basis pro forma for refinancing completed October 3, 2014. Current basis for Servicer Advances of \$135 million and Credit Impaired Residential Loans of \$179 million represent cash basis.

4) Expected lifetime IRR is subject to various risks and uncertainties and may differ materially from actual lifetime IRR. See “Disclaimers” for more information on forward-looking statements.

5) LTD IRR, Expected Lifetime IRR and Remaining Average Life are weighed by initial investment and remaining average life.



3Q'14 Summary & Looking Forward

Record 3Q Results

- *Record GAAP Net Income and Core Earnings*
- *Active quarter across all businesses*

Robust Near-Term Pipeline

- *Currently have approximately \$262 million of cash to invest ⁽¹⁾*
- *Pipeline of MSR's looks better than it has in the past year*
- *Continued focus on Non-Agency deal collapses*

Aligned with a Rise in Rates

- *Higher interest rates seen on the horizon*
- *Our portfolio is well-positioned to benefit if and when rates rise*

1) Cash of \$262 million represents \$99 million of cash and cash equivalents (excluding cash and restricted cash related to servicer advances) as of September 30, 2014, pro forma for \$213 million of net proceeds received from the consumer loans refinancing completed on October 3, 2014, less \$49 million of common dividends payable as of October 31, 2014.



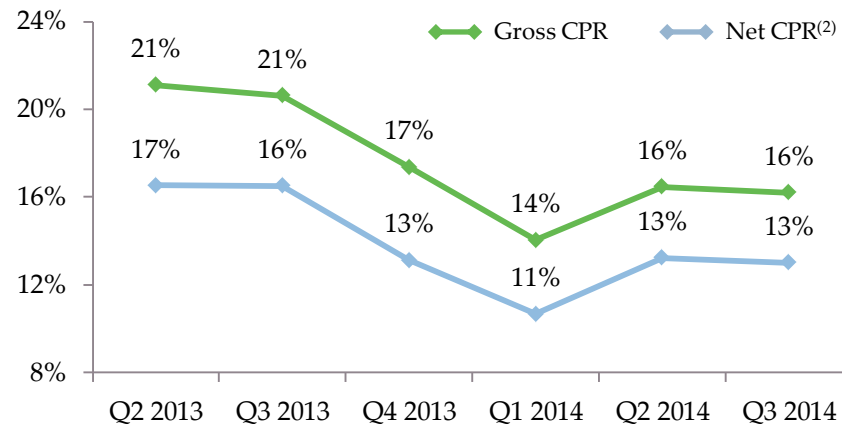
Appendix

Excess MSR – Investment Details

Credit Characteristics

	Acquisition	Current (9/30)	Change
WAC	5.1%	4.7%	(0.4%)
WALA (Yrs)	5.6	7.0	0.9
FICO	672	679	7
LTV	99.1	91.6	(7.5)
60+DQ	17.2	14.5	(2.7)

Prepayment Speeds⁽¹⁾



Portfolio Performance

(\$ in millions)	Since 2011				As of 3Q'14			
	Initial Investment	Return of Capital	Interest Income	Total Cashflows	Cost Basis	Fair Market Value	Lifetime IRR ⁽¹⁾⁽³⁾	LTD IRR ⁽³⁾
Agency	\$439	\$144	\$55	\$200	\$334	\$444	17%	34%
Non-Agency	\$320	\$98	\$35	\$133	\$261	\$308	16%	28%
Total Portfolio	\$759	\$242	\$90	\$333	\$595	\$752	17%	31%

1) For aggregate Excess MSR portfolio as of the end of each quarter.

2) Net CPR measures the portfolio run-off rate after taking into account the recapture rate.

3) Lifetime IRRs may differ materially from life to date IRRs. See slide 1 for information about IRRs generally.



Residential Loans & Securities – Performance Update

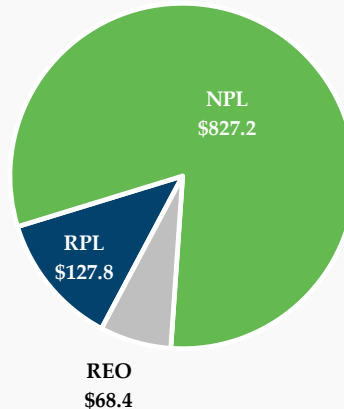
- **Residential Loans** – \$761 million fair market value portfolio acquired for 64% of BPO
 - Positioned to gain from faster loan resolutions with downside mitigated by positive equity loans⁽¹⁾
 - 18% LTD IRR – primarily driven by active portfolio management and strong servicer performance⁽²⁾
- **Non-Agency Securities** – \$295 million fair market value portfolio acquired for 67% of par
 - NRZ owns corresponding call rights on 95% of portfolio, of which 52% is currently callable

Residential Loans

Portfolio Composition

(UPB in millions)

(\$ in mm)	<u>Total</u>
Loan Count	4,431
UPB	\$1,023
BPO	\$1,121
Cost Basis	\$720
Fair Value	\$761
% < 100 LTV	47%

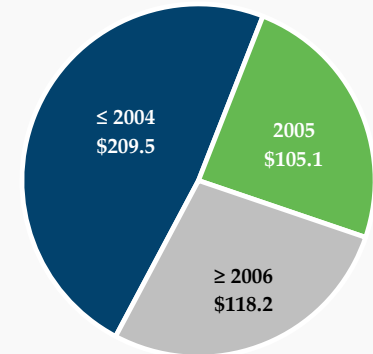


Non-Agency Securities

By Vintage

(Current Face in millions)

(\$ in mm)	<u>Total</u>
Current Face	\$433
Cost Basis	\$287
Carrying Value	\$295
WAC	6.1%
WALA	129
60+ DQ	22%



1) Loans where UPB is less than FMV of collateral.

2) Lifetime IRRs may differ materially from life to date IRRs. See slide 1 for information about IRRs generally.

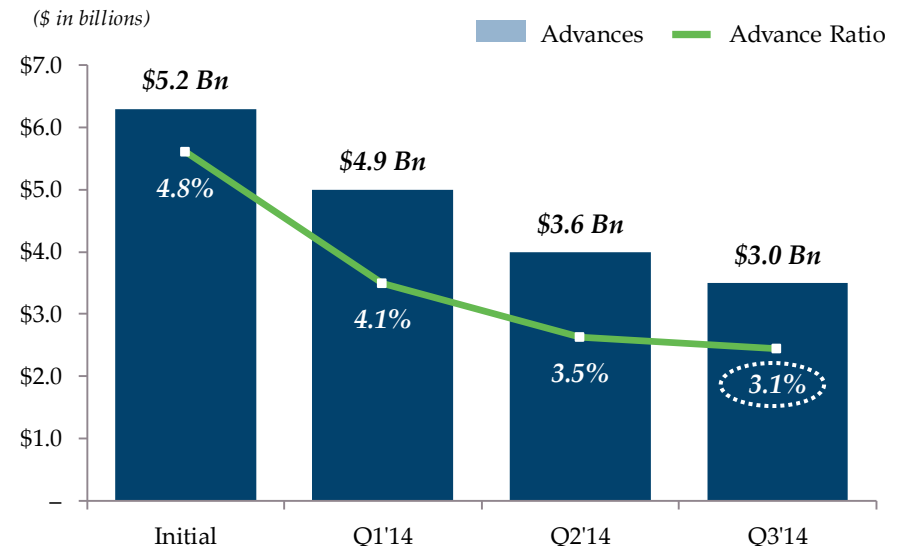
Other Investments – Servicer Advances Performance Update⁽¹⁾

- We have invested \$313 million⁽²⁾ for a 45% interest in \$5.2 billion of Non-Agency mortgage servicer advances and related rights to MSRs on loans with a UPB of \$107 billion
 - Structured with incentive fees to provide a floor to expected IRR with earnings upside⁽²⁾
 - Financed with non-recourse, non-mark to market debt
- Outperforming initial estimate due to lower advance balance
 - 22% updated lifetime IRR, up from 15% at initial underwriting

Investment Snapshot

	Initial ⁽³⁾	2Q'14	3Q'14
UPB (\$bn)	\$107.2	\$102.2	97.4
Adv. Balance (\$bn)	\$5.2	\$3.6	\$3.0
Advance Ratio	4.8% ⁽⁴⁾	3.5%	3.1%
Investment Basis (\$mm)	\$313	\$209	\$155
Carrying Value (\$mm)	\$313	\$246	\$209
LTV	89%	92%	92%
Targeted Lev. IRR ⁽⁵⁾	15%	22%	22%

Advance Ratio Continues to Trend Lower⁽¹⁾



- 1) Past performance is not a reliable indicator of future results and should not be relied upon for any reason.
- 2) Lifetime IRRs may differ materially from life to date IRRs. See slide 1 for information about IRRs generally.
- 3) Since December 2013.
- 4) Economics based on an initial advance / UPB ratio of 5.2%, which subsequently reduced to 4.8% by trade settlement.
- 5) Targeted levered IRRs are shown for illustrative purposes only, and actual levered IRRs may vary materially.

Other Investments – Consumer Loans Performance Update

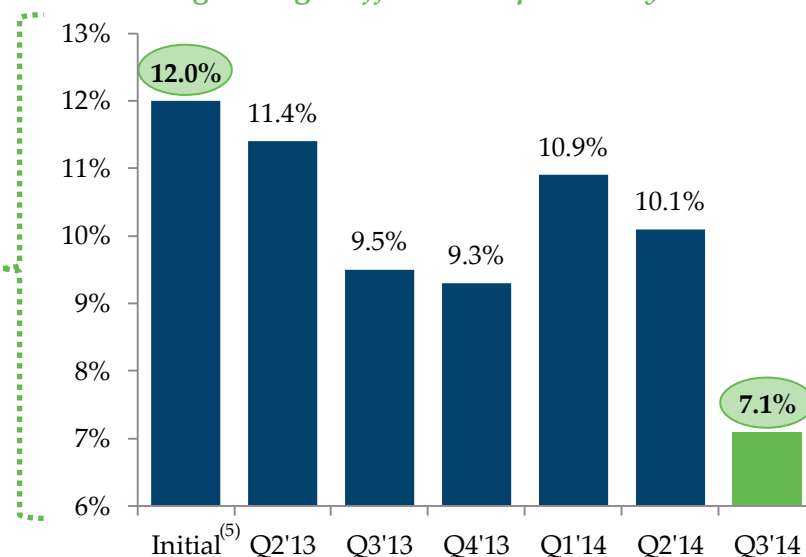
- In April 2013, NRZ invested \$241 million⁽¹⁾ to purchase an interest in a \$3.9 billion UPB consumer loan portfolio
- \$462 million lifetime cash received⁽²⁾
- Very strong return on investment:
 - ~1.9x cashflow multiple in less than 18 months
 - Expected to generate in excess of \$144 million nominal cashflows over the next 4+ years⁽³⁾
 - Originally underwritten to 20% return, LTD IRR of 70%⁽⁴⁾

Acquisition Summary and Performance Update

	At Acquisition	June 30, 2014	Sept. 30, 2014
UPB	\$3.9 bn	\$2.9 bn	\$2.8 bn
WAC	18.3%	18.1%	18.2%
Loan Accounts	~415,000	~306,000	~296,000
Avg. Loan Balance	\$9,456	\$9,559	\$9,574
Avg. Charge-Off Rate	12.0%	10.1%	7.1%

Improved Credit Performance

Avg. Charge-Off Rate Improved By 41%



1) Includes a purchase price adjustment received subsequent to closing of acquisition.

2) Includes proceeds received from refinancing completed October 3, 2014.

3) Actual results may differ materially.

4) Lifetime IRRs may differ materially from life to date IRRs. See slide 1 for information about IRRs generally and please review sensitivities on slide 19.

5) Represents charge-off rate at acquisition.



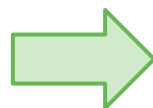
Other Investments – Consumer Loans Debt Refinance

- On October 3, NRZ along with its co-investors completed a \$2.6bn securitization of its consumer loan portfolio
 - Advance rate increased from 51% to 92%, and cost-of-funds decreased from 4.68% to 4.65%
- NRZ's portion of the refinance generated \$338 million gross proceeds and resulted in:
 - Repayment of \$125 million of repo debt held against the investment
 - \$213 million of cash available for reinvestment
- \$74 million gain on investment realized during 4Q'14⁽¹⁾
- \$99 million estimated fair value of remaining investment⁽²⁾ with further potential upside

Financial Impact

(\$ in millions)

	Pre-Refinance	Post-Refinance
Cash	–	\$213
Consumer Loans	\$264 ⁽⁴⁾	\$0
Repo Debt	\$125	\$0
Equity	\$139	\$213
Gain on Investment	–	\$74



Fair Value Sensitivity on NRZ's Remaining Investment

(\$ in millions)

Annualized Charge-Off Rate⁽³⁾

	10%	9%	8.3%	7%	6%
Nominal Cashflows	\$73	\$114	\$144	\$194	\$230
Fair Value	\$56	\$77	\$99	\$134	\$146
Per Share ⁽⁵⁾	\$0.40	\$0.54	\$0.70	\$0.95	\$1.03

1) The refinancing does not result in a current taxable event, and therefore, will not result in taxable income and an increase for the REIT distribution requirement.

2) Estimated fair value is calculated assume constant 12.6% voluntary prepayment, 91% severity, 8.3% weighted average charge-off rate.

3) Assumes constant 12.6% voluntary prepayment rate and 91% severity based on historical performance.

4) GAAP carrying value of JV investment as of September 30, 2014.

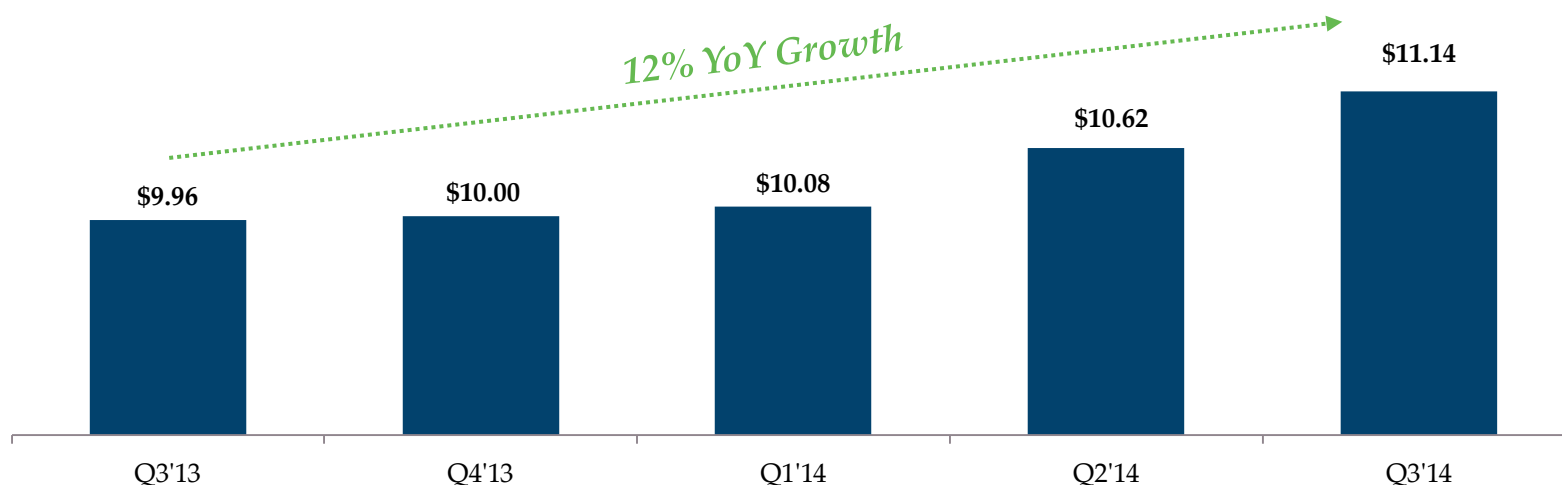
5) Based on 141,382,603 basic shares outstanding as of September 30, 2014.

Significant Book Value Accretion with Potential Upside

- **\$11.14 reported book value per share as of 3Q'14; 12% YoY growth**
 - Primarily attributable to business segments outperforming original underwriting and accretive reinvestment of capital
- **3Q'14 reported book value does not include:**
 - \$0.52 per common share of gains on consumer loans realized subsequent to quarter end⁽¹⁾, and
 - \$0.76 per common share of unrealized gains on consumer and residential loans⁽²⁾

Historical Book Value Per Share⁽³⁾

(\$ per common share)



1) On October 3, 2014, the equity method investee that holds NRZ's consumer loans executed a refinancing and distributed \$337.8 million of proceeds to NRZ. This amount exceeded NRZ's basis in the investee by \$73.8 million, which was recorded as a gain since the financing is non-recourse and NRZ is not committed to make any further investments in the investee.

2) Unrealized gains are an estimate of the present value of expected future cashflows, and actual gains may differ materially.

3) Past performance is not a reliable indicator of future results and should not be relied upon for any reason. All numbers in this table have been adjusted for the 1-for-2 reverse stock split effective October 17, 2014.





Financial Statements

Unaudited Consolidated Balance Sheet

(\$000, except where otherwise noted)

As of 9/30/14

ASSETS

Investments in:

Excess mortgage servicing rights, at fair value	\$ 409,236
Excess mortgage servicing rights, equity method investees, at fair value	342,538
Servicer advances, at fair value	3,214,113
Real estate securities, available-for-sale	2,079,712
Residential mortgage loans, held-for-investment	629,398
Residential mortgage loans, held-for-sale	492,399
Consumer loans, equity method investees	264,039
Cash and cash equivalents	187,601
Restricted cash	29,962
Real estate owned	52,740
Derivative assets	28,686
Other assets	42,977

Total Assets \$ **7,773,401**

LIABILITIES

Repurchase agreements	\$ 2,738,349
Notes payable	2,847,251
Trades payable	213,050
Due to affiliates	35,141
Dividends payable	49,484
Deferred tax liability	22,485
Accrued expenses and other liabilities	11,780

Total Liabilities \$ **5,917,540**

Noncontrolling interest in equity of consolidated subsidiaries	280,445
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Book Value \$ **1,575,416**

Per share \$ 11.14

Unaudited Consolidated Income Statement

(\$ 000s)	Ending September 30, 2014	
	3 months	9 months
Interest Income	\$ 97,587	\$ 261,733
Interest Expense	33,307	108,816
Net Interest Income	64,280	152,917
Impairment	1,134	2,534
Net Interest Income after impairment	63,146	150,383
Other Income		
Change in fair value of investments in excess MSR	28,566	40,670
Change in fair value of investments in excess MSR, equity method investees	31,833	50,950
Change in fair value of investments in servicer advances	22,948	105,825
Earnings from investments in consumer loans, equity method investees	22,490	60,185
Gain on settlement of investments	938	57,834
Other income	15,289	19,539
	122,064	335,003
Operating Expenses		
General and administrative expenses	7,499	14,886
Management fee to affiliate	5,124	14,525
Incentive compensation to affiliate	10,910	33,111
Loan servicing expense	1,778	2,210
	25,311	64,732
Income (Loss) Before Income Taxes	159,899	420,654
Income tax expense	7,801	29,483
Net Income (Loss)	\$ 152,098	\$ 391,171
Noncontrolling Interests in Income (Loss) of Consolidated Subsidiaries	25,726	92,524
Net Income (Loss) Attributable to Common Stockholders	\$ 126,372	\$ 298,647



3) GAAP Reconciliation & Endnotes

GAAP Reconciliation of Core Earnings

- Management uses Core Earnings, which is a Non-GAAP measure, as one measure of operating performance.
- Please see slide 26 for the definition of Core Earnings.

(\$000, except per share data)	3Q'14	2Q'14
<i>Reconciliation of Core Earnings</i>		
Net income (loss) attributable to common stockholders	\$ 126,372	\$ 123,503
Impairment	1,134	908
Other Income Adjustments:		
Other Income	(122,064)	(177,889)
Other Income attributable to non-controlling interests	12,619	44,741
Deferred taxes attributable to Other Income, net of non-controlling interests	4,459	16,303
Total Other Income Adjustments	(104,986)	(116,845)
Incentive compensation to affiliate	10,910	18,863
Non-capitalized deal inception costs	1,433	1,825
Core earnings of equity method investees:		
Excess mortgage servicing rights	9,158	8,646
Consumer loans	18,628	19,465
Core Earnings	\$ 62,649	\$ 56,365
<i>Per diluted share</i>	\$ 0.43	\$ 0.40

Reconciliation of Non-GAAP Measures

- *New Residential has four primary variables that impact the Company's operating performance: (i) the current yield earned on its investments, (ii) the interest expense incurred under the debt incurred to finance its investments, (iii) its operating expenses and (iv) its realized and unrealized gain or losses, including any impairment and deferred tax, on its investments. "Core earnings" is a non-GAAP measure of the Company's operating performance excluding the fourth variable above and adjusting the earnings from the consumer loan investment to a level yield basis. It is used by management to gauge the Company's current 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 only a potential indicator of future economic performance; (ii) incentive compensation paid to the Company's Manager; and (iii) non-capitalized deal inception costs.*
- *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, note that, as an example, in a given period, the Company 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 deal inception costs, management does not view these costs as part of the Company's core operations. Non-capitalized deal inception costs are generally legal and valuation service costs, as well as other professional service fees, incurred when the Company acquires certain investments. These costs are recorded as general and administrative expenses in the Company's statements of income. Management believes that the adjustments to compute "core earnings" specified above allow investors and analysts to readily identify 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 performance using the same measure that management uses to operate the business.*
- *The primary differences between core earnings and the measure we use to calculate incentive compensation relate to (i) realized gains and losses (including impairments) and (ii) non-capitalized deal inception costs. Both are excluded from core earnings and included in the Company's incentive compensation measure. Unlike core earnings, the Company's incentive compensation measure is intended to reflect all realized results of operations.*
- *Core earnings does not represent cash generated from operating activities in accordance with GAAP and therefore should not be considered an alternative to net income as an indicator of the Company's operating performance or as an alternative to cash flow as a measure of the Company's liquidity and is not necessarily indicative of cash available to fund cash needs.*

Endnotes to Slide 5

- 1) *We have received an IRS private letter ruling that our Excess MSR's represent interests in mortgages on real property and thus are qualifying "real estate assets" for purposes of the REIT asset test.*
- 2) *Net Investment of \$752 million represents carrying value of Excess MSR's.*
- 3) *Net Investment of \$141 million includes (1) \$75 million for Non-Agency Residential Securities which represents \$295 million carrying value, less \$215 million debt, less \$5 million open trades payable that had not yet settled as of September 30, 2014 and (2) \$66 million for Agency Residential Securities which represents \$1,785 million carrying value, less \$1,511 million debt, less \$208 million open trades payable that had not yet settled as of September 30, 2014.*
- 4) *Net Investment of \$500 million includes (1) \$209 million for Servicer Advances which represents \$3,341 million total assets related to Servicer Advances (including cash, restricted cash, and other assets), less \$2,852 million total liabilities related to Servicer Advances, less \$280 million noncontrolling interest, (2) \$291 million for Distressed Loans which represents \$1,122 carrying value of loans, \$28 million derivatives, and \$53 million REO, less \$911 million debt and (3) \$0 for Consumer Loans which represents the carrying value pro forma for the refinancing completed on October 3, 2014.*
- 5) *Cash of \$262 million represents \$99 million of cash and cash equivalents (excluding cash and restricted cash related to servicer advances) as of September 30, 2014, pro forma for \$213 million of net proceeds received from the consumer loans refinancing completed on October 3, 2014, less \$49 million of common dividends payable as of October 31, 2014.*

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
- Cash Basis – Initial investment less cash received life to date
- CDR – Conditional Default Rate
- CLTV – ratio of current loan balance to estimated current asset value
- CPR – Constant Prepayment Rate
- CRR – Constant Repayment Rate
- Current UPB – UPB as of the end of the current month
- 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
- 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
- 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

