

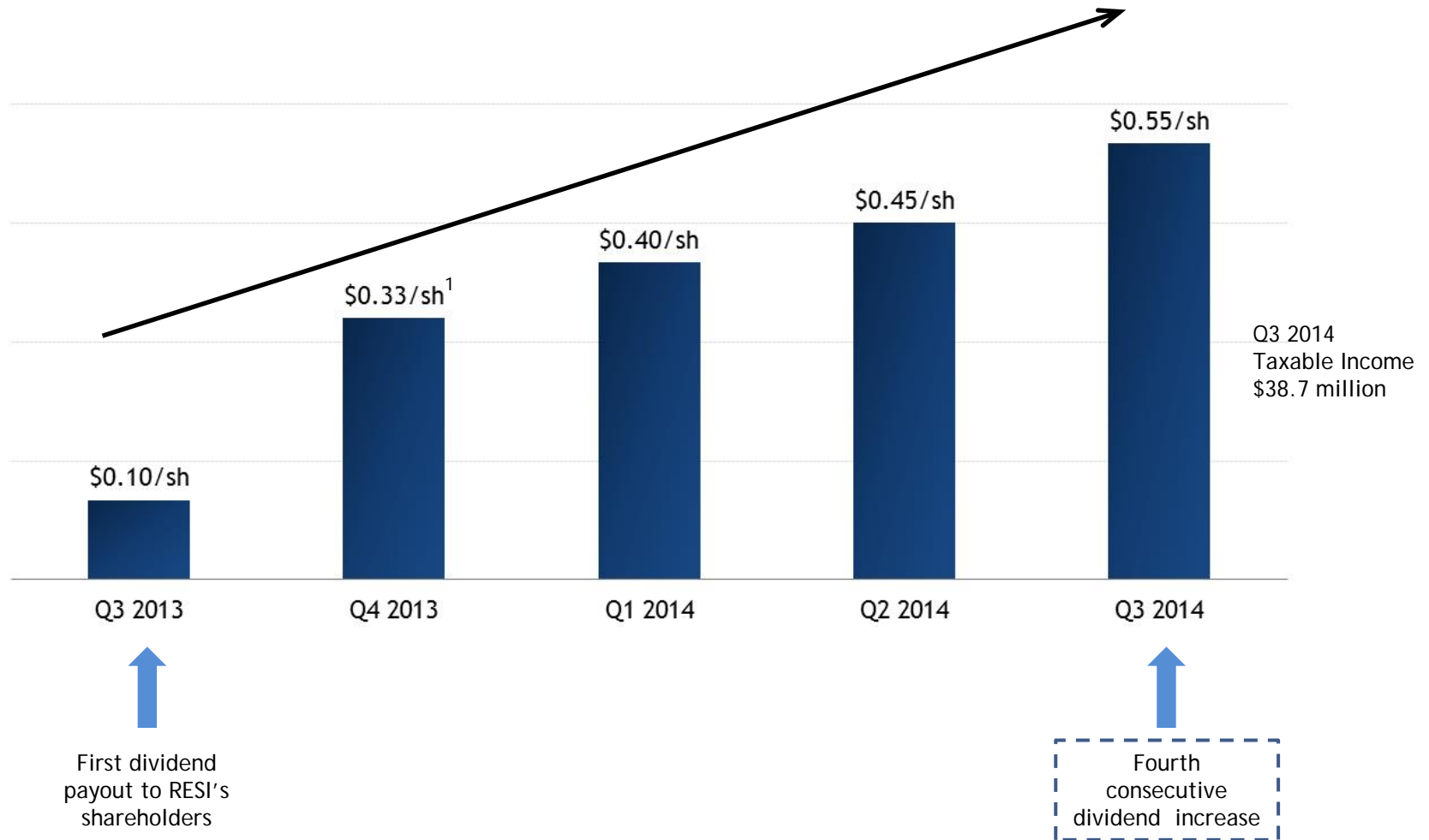


Conference Call  
Period ending September 30, 2014  
Earnings Release  
November 4, 2014

*This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, regarding management's beliefs, estimates, projections, anticipations and assumptions with respect to, among other things, the Company's financial results, future operations, business plans and investment strategies as well as industry and market conditions. These statements may be identified by words such as "anticipate," "intend," "expect," "may," "could," "should," "would," "plan," "estimate," "seek," "believe" and other expressions or words of similar meaning. We caution that forward looking statements are qualified by the existence of certain risks and uncertainties that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements. Factors that could cause the Company's actual results to differ materially from these forward-looking statements may include, without limitation, our ability to implement our business strategy; the ability of Altisource Residential Corporation ("Residential") to make distributions to its stockholders; the impact of changes to the supply of, value of and the returns on sub-performing and non-performing loans; Residential's ability to successfully modify or otherwise resolve sub-performing and non-performing loans; Residential's ability to convert loans to single-family rental properties generating attractive returns; our ability to predict costs; difficulties in identifying sub-performing and non-performing loans and single-family properties to acquire; our ability to effectively compete with competitors; Residential's ability to apply the net proceeds from financings in target assets in a timely manner; changes in interest rates and the market value of the collateral underlying Residential's sub-performing and nonperforming loan portfolios or acquired single-family properties; Residential's ability to obtain and access financing arrangements on favorable terms, or at all; the failure of Altisource Portfolio Solutions S.A. to effectively perform its obligations under various agreements with Residential; the failure of Ocwen Financial Corporation to effectively perform its servicing obligations under its servicing agreement with Residential; Residential's failure to qualify or maintain qualification as a REIT; Residential's failure to maintain its exemption from registration under the Investment Company Act of 1940, as amended; the impact of adverse real estate, mortgage or housing markets; the impact of adverse legislative or regulatory tax changes and other risks and uncertainties detailed in the "Risk Factors" and other sections described from time to time in the Company's current and future filings with the Securities and Exchange Commission. In addition, financial risks such as liquidity and credit risks could influence future results. The foregoing list of factors should not be construed as exhaustive.*

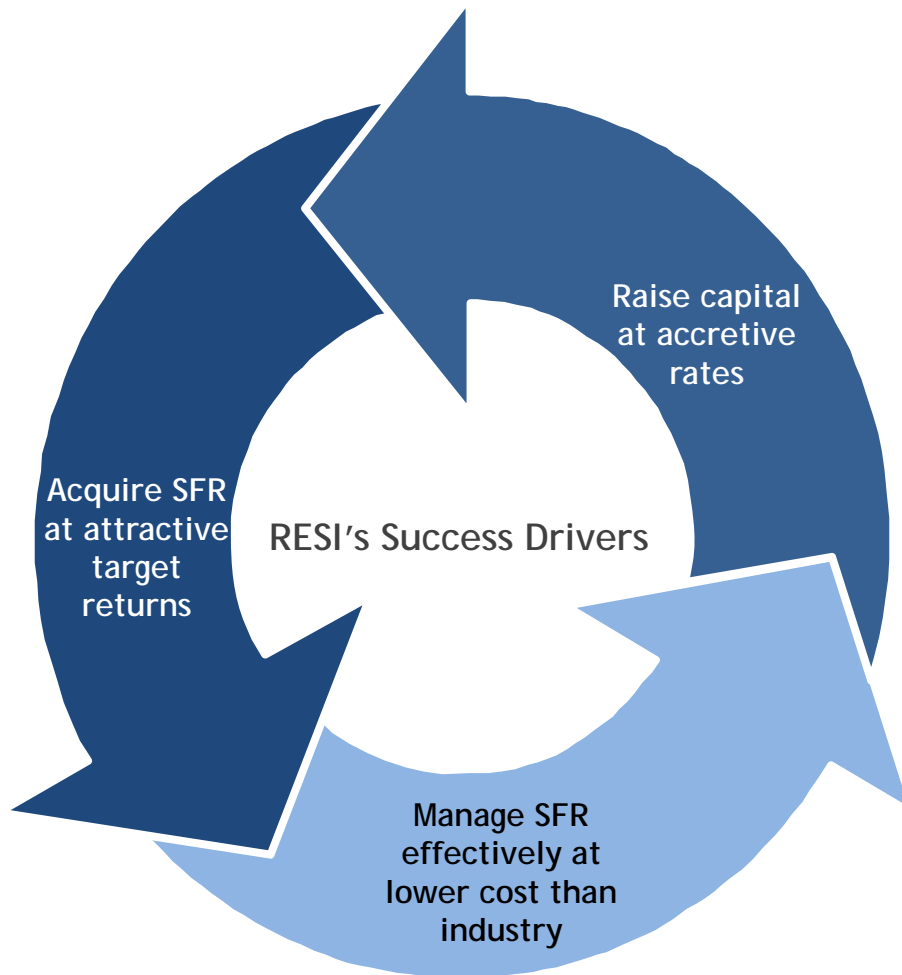
*The statements made in this presentation are current as of the date of this presentation only. The Company undertakes no obligation to publicly update or revise any forward-looking statements or any other information contained herein, whether as a result of new information, future events or otherwise.*

- William Erbey, Chairman
- Ashish Pandey, Chief Executive Officer
- Robin Lowe, Chief Financial Officer



The third quarter 2014 dividend represents an annualized return on equity of 9.6%<sup>2,3</sup>

1. Includes \$0.08/sh of 2013 catch-up dividend paid in Q1 2014.
2. Net of incentive fees paid to AAMC.
3. Based on \$0.55 per share dividend distributed on book value of \$23.03 per share.



## NPL Acquisitions

- RESI purchased 1,289 NPLs representing \$321 million in aggregate market value of underlying properties:
  - Includes final closing of the NPL portfolio that RESI agreed to acquire in the second quarter
  - Purchase price was ~57% of underlying property value

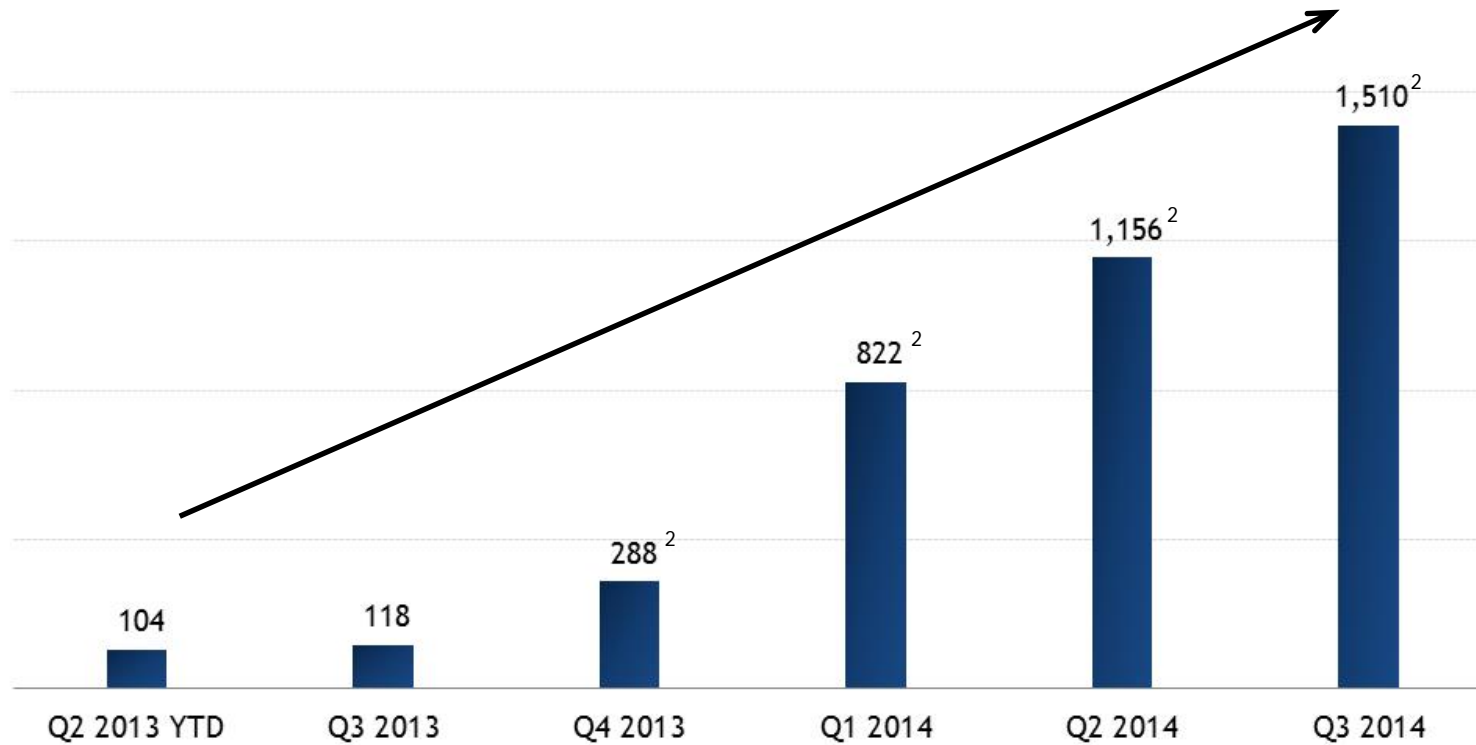
## Performance

- Successfully resolved 1,510 loans, a 31% increase over the previous quarter
- At quarter end, 216 properties were rented, 90 properties were listed for rent, and 270 properties were undergoing renovation

## Access to Capital

- Completed the sale of senior notes from RESI's first NPL securitization transaction:
  - Gross proceeds of \$150 million, or 73% of the price paid for the loans
  - Fixed interest rate of approximately 3.5%

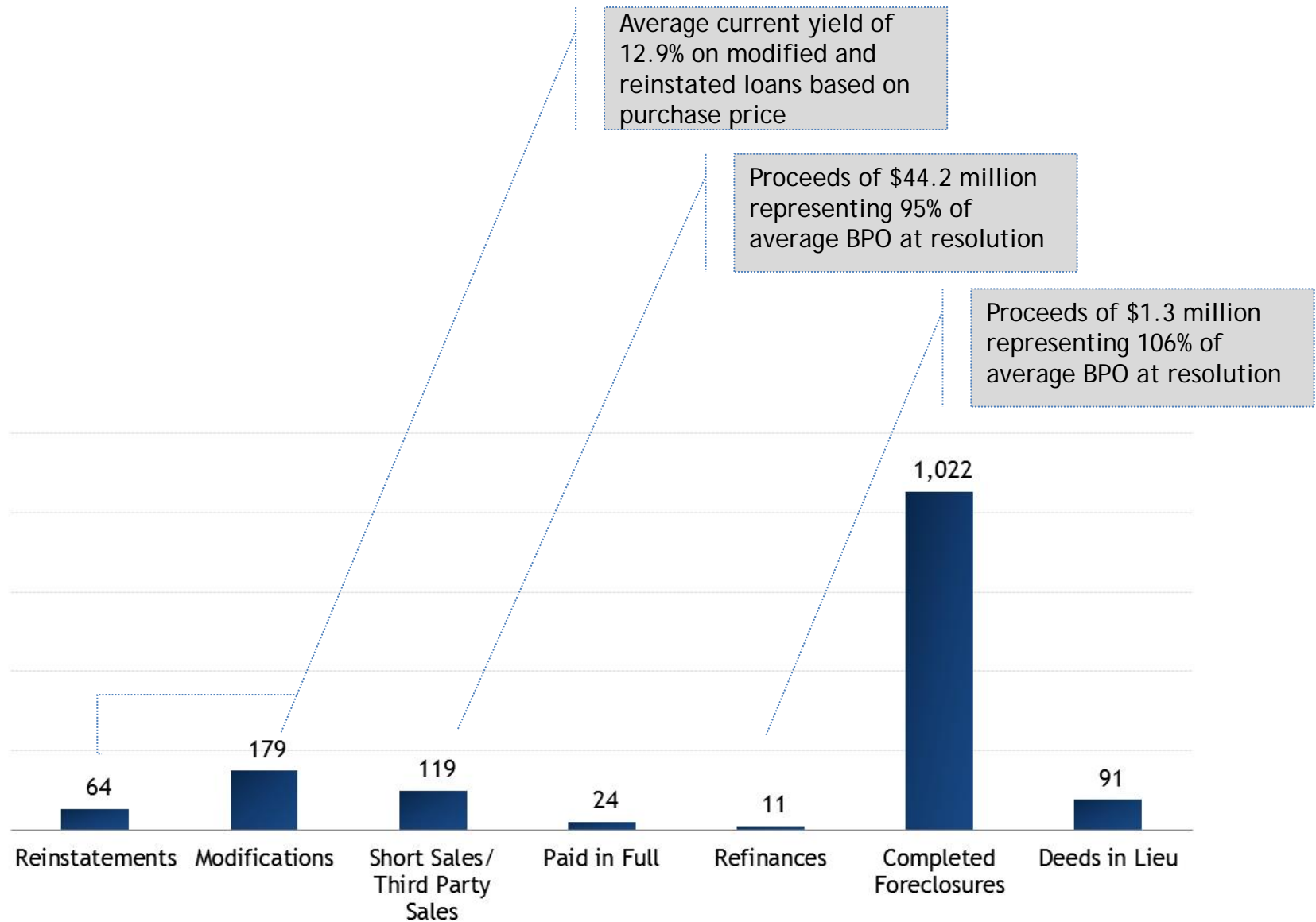
In the third quarter, RESI successfully resolved 1,510 loans<sup>1</sup>



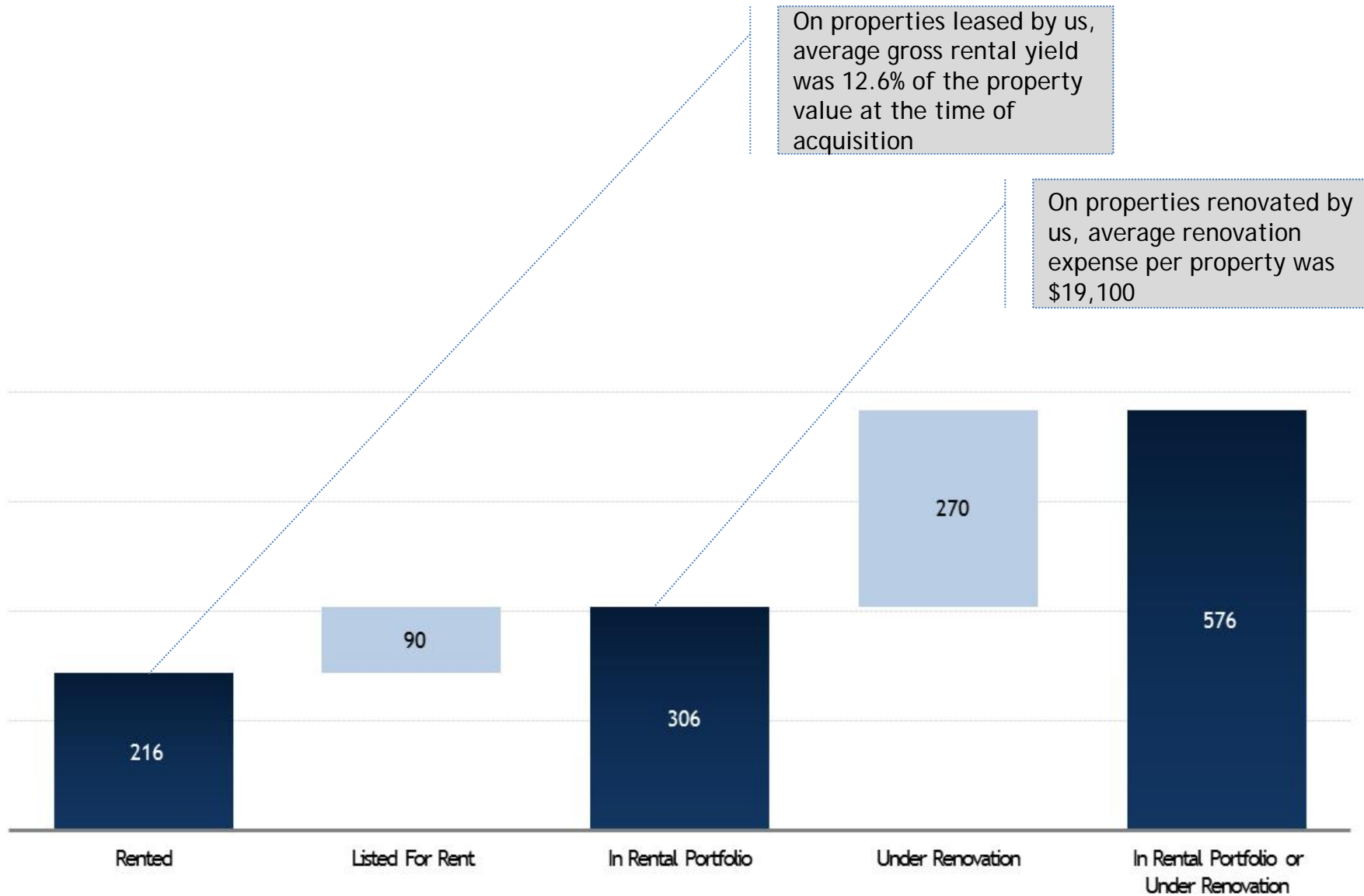
- Resolutions in the third quarter were 31% more than the prior quarter

1. Does not include 78 REOs that were sold in the second quarter.

2. Does not include 40 loans, 28 loans, 5 loans and 3 loans that were in active loss mitigation initiated by seller at the time of purchase and were subsequently resolved via short sales or third party sales during Q4 2013, Q1 2014, Q2 2014 and Q3 2014 respectively.



Sustaining third quarter's resolution run-rate would result in a substantial portion of the NPLs being resolved within the next eight quarters

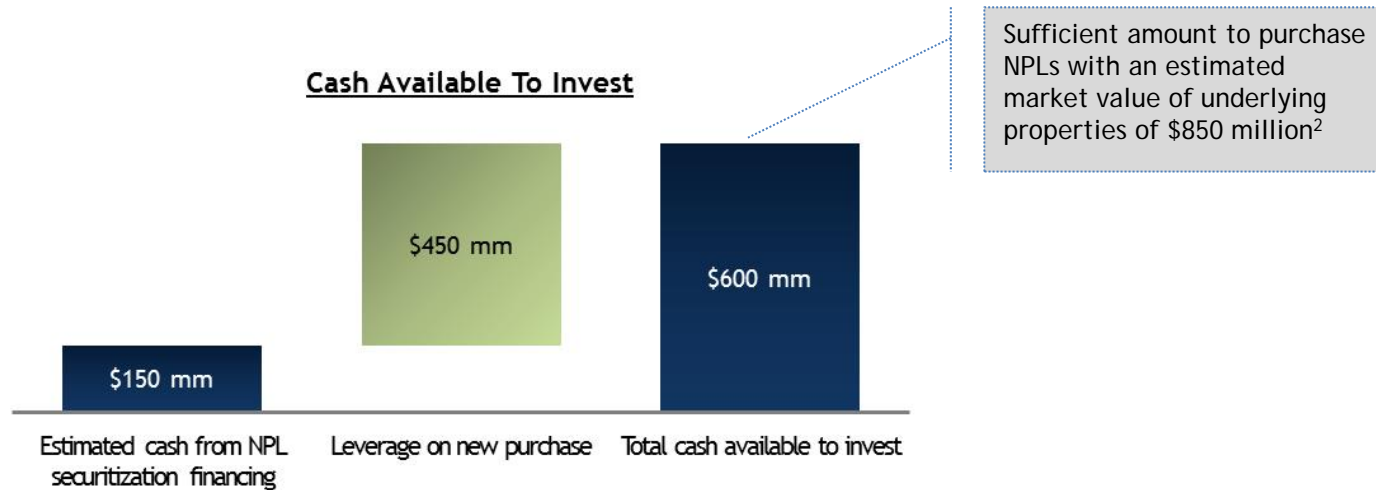




- In June 2014, agreed to acquire a pool in a privately negotiated transaction. Completed the final closing portion of this transaction in July 2014:
  - Acquired 1,243 NPLs with \$260 million in UPB and \$316 million in market value of underlying properties.
  
- Purchased another pool of 46 NPLs with \$5 million in market value of underlying properties and \$7 million in UPB
  
- During the quarter, agreed to acquire 246 NPLs with \$30 million in market value of underlying properties and \$32 million in UPB
  - Agreed to pay 70% of the market value of underlying properties
  
  - Transaction expected to close in the fourth quarter<sup>1</sup>

1. No assurance can be given that all or any of the pending acquisitions will be completed.

- Ability to draw additional cash by optimizing RESI's asset financing via NPL securitization:
  - Under similar terms as RESI's first NPL securitization and at an estimated 3:1 leverage, RESI expects to generate \$600 million of capital available for investment by the end of first quarter, 2015<sup>1</sup>



1. There can be no assurance that any future securitizations can be completed on reasonable terms or at all.  
2. Assumes purchase price at 70% of market value of underlying properties. Actual purchase price may vary materially.

## Income Statement

\$ in thousands, except per share data	Residential (GAAP)	NewSource Stand-alone (Non-GAAP)	AAMC Stand-alone (Non-GAAP)	Consolidating Entries	AAMC Consolidated (GAAP)
<b>Revenues:</b>					
Rental revenues	\$ 469	\$ -	\$ -	\$ -	\$ 469
Net unrealized gain on mortgage loans	88,726	-	-	-	88,726
Net realized gain on mortgage loans	13,727	-	-	-	13,727
Net realized gain on re-performing mortgage loans	302	-	-	-	302
Net realized gain on real estate	3,310	-	-	-	3,310
Interest income	2,568	-	-	-	2,568
Incentive management Fee	-	-	19,503	(19,503)	-
Expense reimbursements	-	-	1,801	(1,801)	-
<b>Total revenues</b>	<b>109,102</b>	<b>-</b>	<b>21,304</b>	<b>(21,304)</b>	<b>109,102</b>
<b>Expenses:</b>					
Residential property operating expenses	9,247	-	-	-	9,247
Real estate depreciation and amortization	313	-	-	-	313
Real estate selling costs and impairment	5,542	-	-	-	5,542
Mortgage loan servicing costs	21,226	-	-	-	21,226
Interest expense	11,699	-	-	-	11,699
General and administrative	1,819	286	3,330	-	5,435
Related party general and administrative	21,530	210	563	(21,304)	999
<b>Total expenses</b>	<b>71,376</b>	<b>496</b>	<b>3,893</b>	<b>(21,304)</b>	<b>54,461</b>
<b>Other income</b>	<b>-</b>	<b>1,586</b>	<b>-</b>	<b>-</b>	<b>1,586</b>
<b>Income before income taxes</b>	<b>37,726</b>	<b>1,090</b>	<b>17,411</b>	<b>-</b>	<b>56,227</b>
<b>Income tax expense</b>	<b>50</b>	<b>-</b>	<b>803</b>	<b>-</b>	<b>853</b>
<b>Net income</b>	<b>37,676</b>	<b>1,090</b>	<b>16,608</b>	<b>-</b>	<b>55,374</b>
<b>Net income attributable to noncontrolling interest in consolidated affiliate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(37,676)</b>	<b>(37,676)</b>
<b>Net income attributable to common stockholders</b>	<b>\$ 37,676</b>	<b>\$ 1,090</b>	<b>\$ 16,608</b>	<b>\$ (37,676)</b>	<b>\$ 17,698</b>
<b>Earnings per basic share</b>					<b>\$ 7.91</b>
<b>Earnings per diluted share</b>					<b>\$ 6.25</b>

Net income attributable to stockholders was \$17.7 million or \$6.25 per share for the three months ended September 30, 2014.

## Balance Sheet

\$ in thousands	Residential (GAAP)	NewSource Stand-alone (Non-GAAP)	AAMC Stand-alone (Non-GAAP)	Consolidating Entries	AAMC Consolidated (GAAP)
<b>Assets:</b>					
ResI estate held for use:					
Land	\$ 9,865	\$ -	\$ -	\$ -	\$ 9,865
Rental residential properties, net	38,470	-	-	-	38,470
Real estate owned	370,733	-	-	-	370,733
Total real estate held for use, net	<b>419,068</b>	-	-	-	<b>419,068</b>
Real estate assets held for sale	40,985	-	-	-	40,985
Mortgage loans	2,071,505	-	-	-	2,071,505
Mortgage loans held for sale	143,197	-	-	-	143,197
Cash and cash equivalents	76,027	5,899	9,898	-	91,824
Restricted cash	12,033	-	-	-	12,033
Accounts receivable	874	612	7	-	1,493
Related party receivables	19,254	15,000	49,338	(64,338)	19,254
Investment in affiliate	18,000	-	2,000	(20,000)	-
Deferred leasing and financing costs, net	3,688	-	-	-	3,688
Prepaid expenses and other assets	5,305	36	1,506	-	6,847
<b>Total assets</b>	<b>2,809,936</b>	<b>21,547</b>	<b>62,749</b>	<b>(84,338)</b>	<b>2,809,894</b>
<b>Liabilities:</b>					
Repurchase agreements	1,258,329	-	-	-	1,258,329
Other secured borrowings	165,000	-	-	(15,000)	150,000
Accounts payable and accrued liabilities	14,577	21	1,548	-	16,146
Related party payables	55,216	731	298	(49,338)	6,907
<b>Total liabilities</b>	<b>1,493,122</b>	<b>752</b>	<b>1,846</b>	<b>(64,338)</b>	<b>1,431,382</b>
Commitments and contingencies	-	-	-	-	-
Preferred stock	-	-	248,875	-	248,875
<b>Equity:</b>					
Common stock	572	-	25	(572)	25
Additional paid-in-capital	1,227,021	20,000	17,246	(1,247,021)	17,246
Retained earnings/(accumulated deficit)	89,221	795	31,508	(89,221)	32,303
Treasury stock	-	-	(236,751)	-	(236,751)
Total stockholders' equity	<b>1,316,814</b>	<b>20,795</b>	<b>(187,972)</b>	<b>(1,336,814)</b>	<b>(187,177)</b>
Noncontrolling interest in consolidated affiliate	-	-	-	1,316,814	1,316,814
<b>Total equity</b>	<b>1,316,814</b>	<b>20,795</b>	<b>(187,972)</b>	<b>(20,000)</b>	<b>1,129,637</b>
<b>Total liabilities and equity</b>	<b>\$ 2,809,936</b>	<b>\$ 21,547</b>	<b>\$ 62,749</b>	<b>\$ (84,338)</b>	<b>\$ 2,809,894</b>

About Altisource Asset Management	AAMC is an asset management company that provides portfolio management and corporate governance services to institutional investors.	Exchange	NYSE MKT
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