

The logo for Altisource Asset Management, featuring a stylized bar chart icon to the left of the text "Altisource" in a serif font and "Asset Management" in a sans-serif font below it. A trademark symbol (TM) is located at the top right of the word "Altisource".

AltisourceTM
Asset Management

Conference Call
Period ending March 31, 2014
Earnings Release
April 29, 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

- Ken Najour, Chief Financial Officer

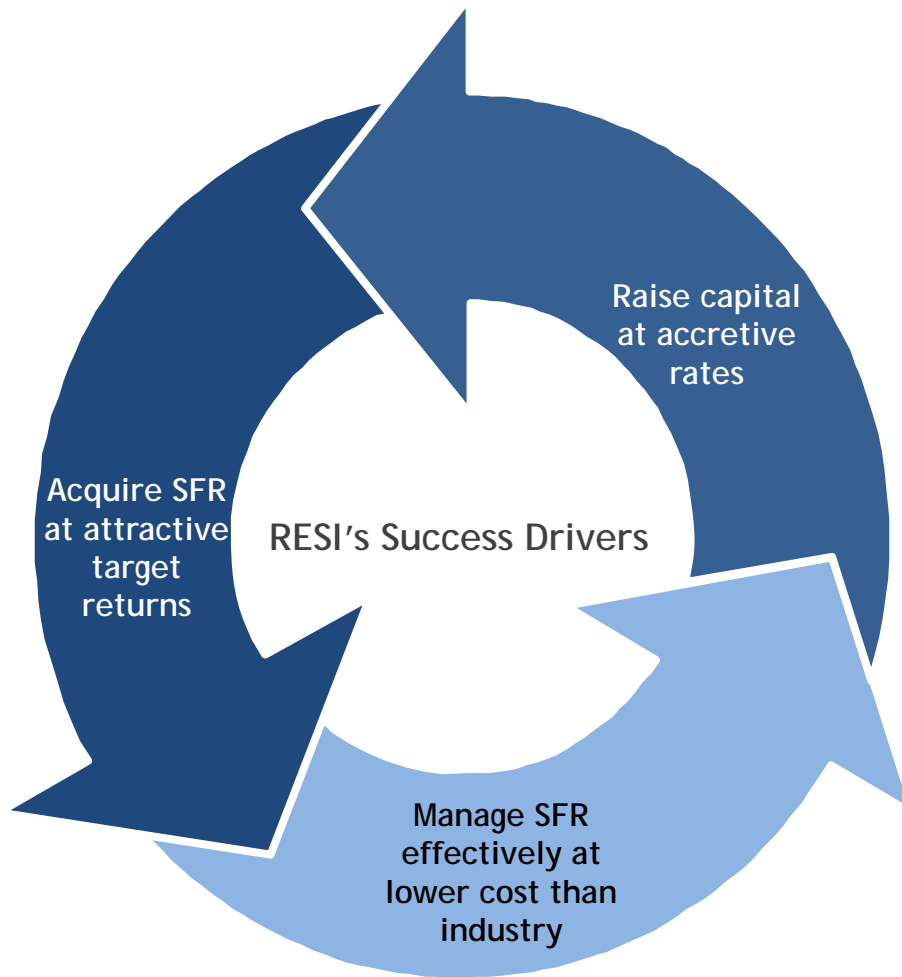
RESI

- RESI paid a cash dividend of \$22.8 million or \$0.40 per share for the quarter:
 - Estimated taxable income of \$25.8 million for the quarter
- Including catch-up dividend related to 2013 taxable income, we distributed an aggregate of \$27.4 million in the quarter:
 - Represents annualized ROE of 10.7%¹

AAMC

- AAMC reported net income of \$6.8 million for the quarter, or \$2.39 per share:
 - Represents first quarter of positive net income since inception in December 2012
 - Indicative of RESI's strong operating results
- In March 2014, AAMC issued 250,000 shares of new Series A Convertible Preferred Stock for aggregate net proceeds of \$248.9 million
- AAMC Board of Directors approved a \$300 million share repurchase program :
 - 42,240 shares repurchased as of March 31, 2014
 - Share repurchases expected to be accretive to AAMC's shareholders

1. Based on \$27.4 million of dividend distributed on \$1,027 million of average equity



NPL Acquisitions

- Completed the acquisition of 4,207 NPLs representing ~\$1.1 billion in unpaid principal balance and ~\$900 million in aggregate market value of underlying properties
 - Paid ~68% of the underlying property value and deployed an aggregate of \$613 million of capital

Performance

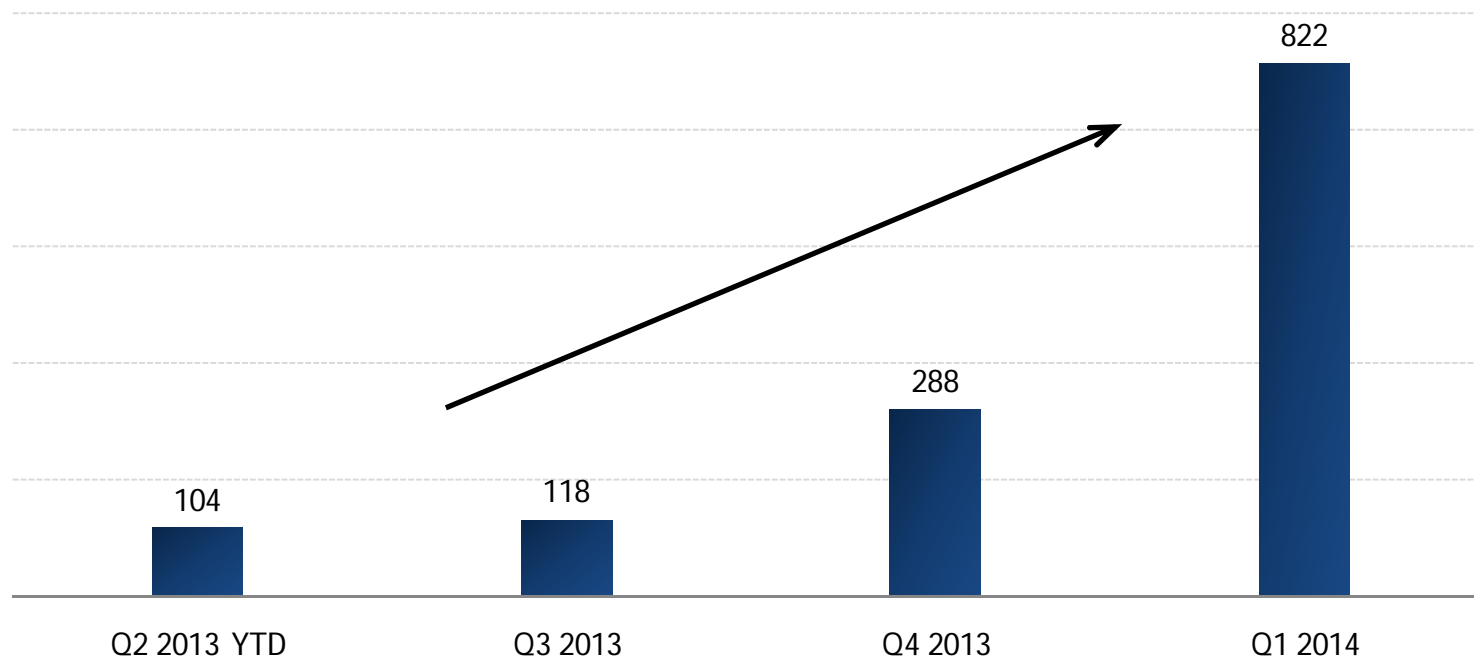
- Successfully resolved 822 loans, a 185% increase over the previous quarter
- At quarter end, 35 properties were rented, 17 properties were listed for rent and 48 properties were under renovation

Access to Capital

- Raised \$468 million of equity capital in January 2014
- Achieved 'Well Known Seasoned Issuer' or WKSI status insuring streamlined future equity raises
- Added \$100 million in borrowing capacity at attractive terms¹

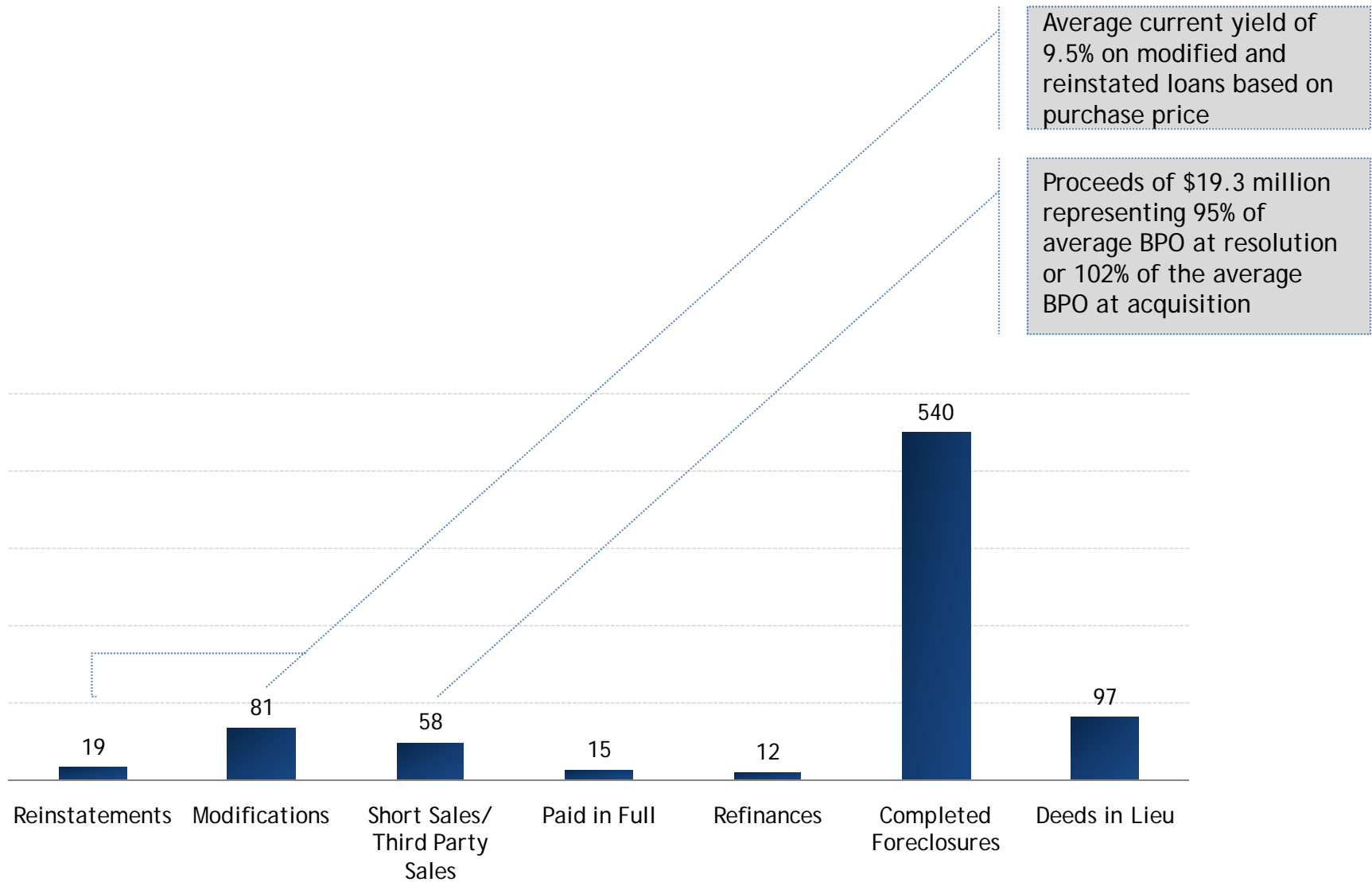
1. Completed in April 2014

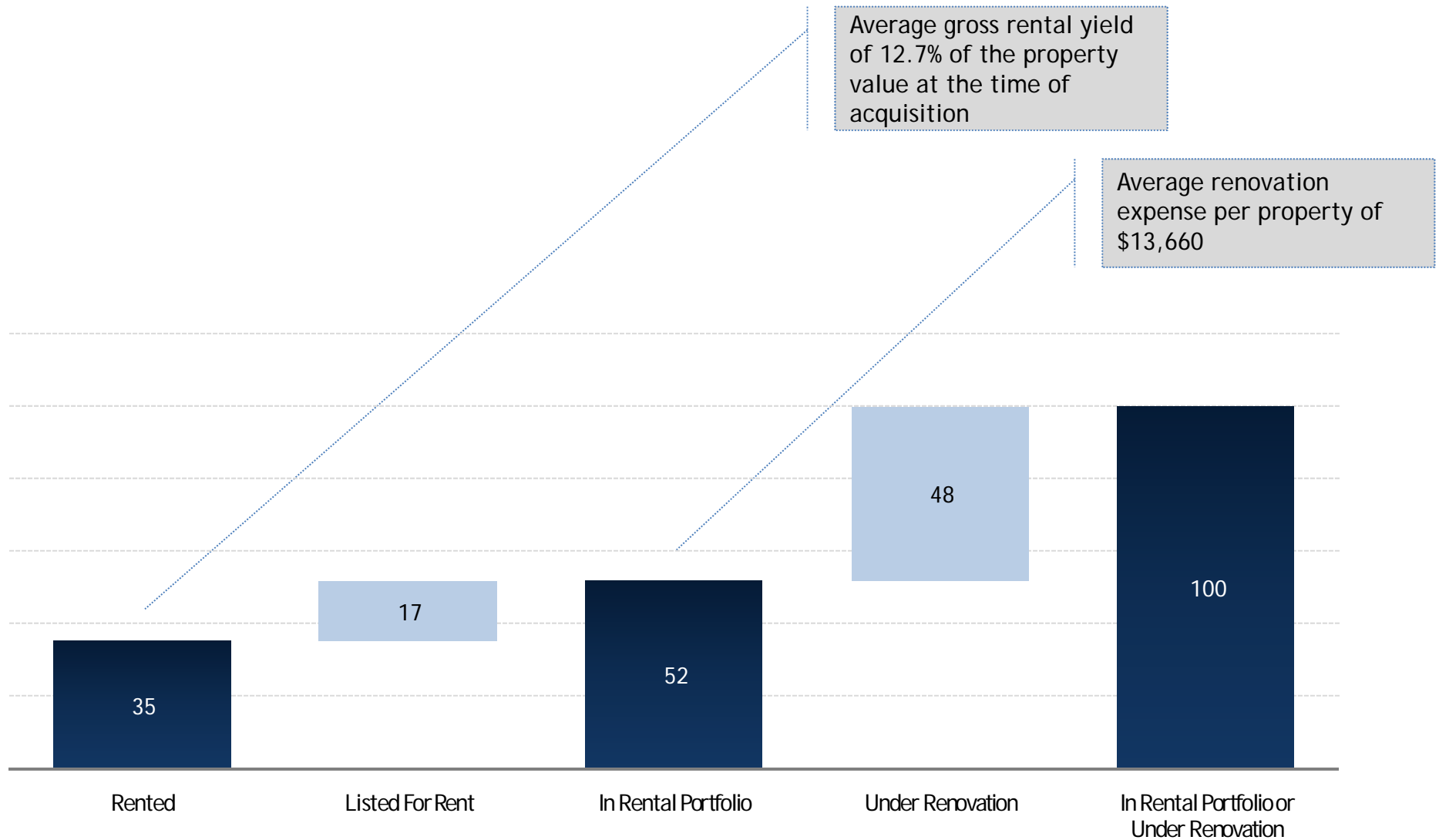
In the first quarter, Residential successfully resolved 822 loans^{1,2}



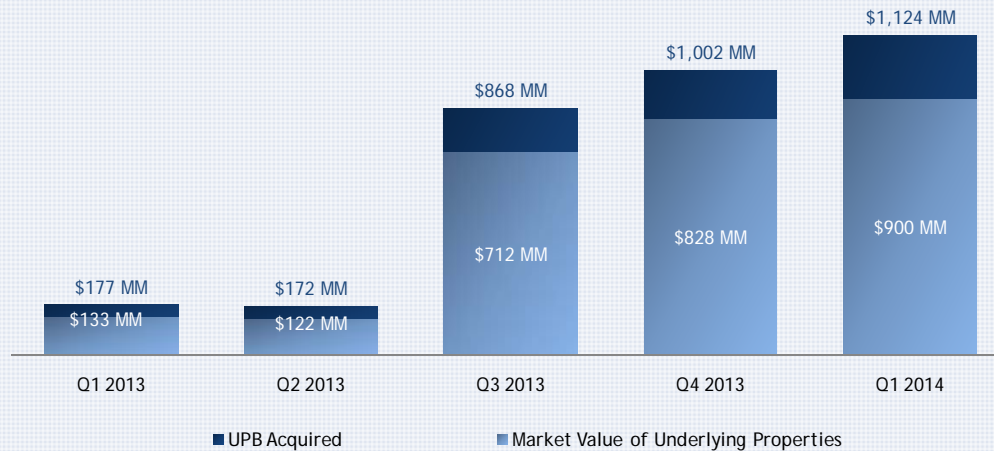
- Resolutions in the first quarter were 185% more than the prior quarter
- Q1 resolutions exceeded aggregate resolutions in 2013

1. Does not include 28 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. On these loans, we realized proceeds of approximately \$7 million representing 85% of average BPO values.
2. Does not include 2 REOs that were sold in the first quarter.





We expect to have 100 rental properties by the end of second quarter and 1,000 rental properties by the end of 2014.



- We purchased a total of 4,207 loans with \$1.1 billion in UPB and \$900 million in market value of underlying properties in the first quarter of 2014

- In March 2014, RESI agreed to acquire a pool of 915 assets, consisting of 668 mortgage loans with \$159 million of UPB and \$131 million in market value of underlying properties and 247 REOs with \$49 million in property value:
 - Purchase price agreed to be paid was approximately \$132 million. Assuming a purchase price of 83% of the property value for REOs, the purchase price for the NPLs was ~69% of the market value of the underlying properties
 - Transaction is expected to close in April 2014
- In February 2014, we completed the second closing of the previously announced HUD transaction consisting of 70 loans with \$8.0 million in UPB and \$8.2 million in market value of underlying properties

RESI First Quarter 2014 Taxable Income

	US GAAP	Adjustments	Tax
\$ in thousands	For the three months ended March 31, 2014	For the three months ended March 31, 2014	For the three months ended March 31, 2014
Rental revenues and net gain on investments:			
Rental revenue	\$ 69	\$ -	\$ 69
Net unrealized gains on mortgage loans	65,130	(25,539)	39,591
Net realized gains in mortgage loans	9,321	(123)	9,198
Total rental revenues and net gain on investments	74,520	(25,662)	48,858
Expenses:			
Residential property operating expenses	1,050	-	1,050
Real estate depreciation and amortization	48	(32)	16
Mortgage loan servicing costs	11,437	(8,622)	2,815
Interest expense	5,708	-	5,708
Related party general and administrative	12,632	(26)	12,606
General and administrative	1,392	(428)	964
Total expenses	32,267	(9,108)	23,159
Other income	108	-	108
Net income	\$ 42,361	\$ (16,554)	\$ 25,807

Taxable income estimate is \$25.8 million for the three months ended March 31, 2014.

RESI First Quarter 2014 GAAP Income Statement

Income Statement

\$ in thousands, except per share data	For the three months ended March 31, 2014	For the three months ended December 31, 2013	For the three months ended March 31, 2013
Rental revenues and net gain on investments:			
Rental revenue	\$ 69	\$ 30	\$ -
Net unrealized gains on mortgage loans	65,130	35,129	1,128
Net realized gains on mortgage loans	9,321	6,467	387
Total rental revenues and net gain on investments	74,520	41,626	1,515
Expenses:			
Residential property operating expenses	1,050	492	-
Real estate depreciation and amortization	48	21	-
Mortgage loan servicing costs	11,437	6,630	392
Interest expense	5,708	3,405	42
Related party general and administrative	12,632	8,057	1,078
General and administrative	1,392	1,702	987
Total expenses	32,267	20,307	2,499
Other income	108	325	-
Income (loss) before income taxes	42,361	21,644	(984)
Income Tax Expense	448	-	-
Net income (loss)	\$ 41,913	\$ 21,644	\$ (984)
Earnings (loss) per basic share	\$ 0.78	\$ 0.51	\$ (0.13)
Earnings (loss) per diluted share	\$ 0.77	\$ 0.50	\$ (0.13)

Net gain attributable to stockholders was \$41.9 million or \$0.77 per share for the three months ended March 31, 2014.

Book value per share at the end of the quarter was \$22.21 per share.

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)
Revenues and net gain on investments:					
Rental revenues	\$ 69	\$ -	\$ -	\$ -	\$ 69
Net unrealized gains on mortgage loans	65,130	-	-	-	65,130
Net realized gains on mortgage loans	9,321	-	-	-	9,321
Incentive management Fee	-	-	10,911	(10,911)	-
Expense reimbursements	-	-	1,780	(1,780)	-
Total revenues	74,520	-	12,691	(12,691)	74,520
Expenses:					
Residential property operating expenses	1,050	-	-	-	1,050
Real estate depreciation and amortization	48	-	-	-	48
Mortgage loan servicing costs	11,437	-	-	-	11,437
Interest expense	5,708	-	-	-	5,708
General and administrative	1,392	30	4,533	-	5,955
Related party general and administrative	12,632	311	671	(12,691)	923
Total expenses	32,267	341	5,204	(12,691)	25,121
Other income	108	-	-	-	108
Income (loss) before income taxes	42,361	(341)	7,487	-	49,507
Income tax expense	448	-	318	-	766
Net income (loss)	41,913	(341)	7,169	-	48,741
Net (income) loss attributable to noncontrolling interest in consolidated affiliate	-	-	-	(41,913)	(41,913)
Net income (loss) attributable to common stockholders	\$ 41,913	\$ (341)	\$ 7,169	\$ (41,913)	\$ 6,828
Earnings per basic share					\$ 2.88
Earnings per diluted share					\$ 2.39

Net gain attributable to stockholders was \$6.8 million or \$2.39 per share for the three months ended March 31, 2014.

Balance Sheet

\$ in thousands	Residential (GAAP)	NewSource Stand-alone (Non-GAAP)	AAMC Stand- alone (Non-GAAP)	Consolidating Entries	AAMC Consolidated (GAAP)
Assets:					
Resl estate assets:					
Land	\$ 1,367	\$ -	\$ -	\$ -	\$ 1,367
Rental residential properties, net	6,488	-	-	-	6,488
Real estate owned	121,895	-	-	-	121,895
	<u>129,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,750</u>
Real estate assets held for sale	4,224	-	-	-	4,224
Mortgage loans	1,766,142	-	-	-	1,766,142
Cash and cash equivalents	48,022	19,892	212,552	-	280,466
Restricted cash	7,334	-	-	-	7,334
Accounts receivable	681	-	245	-	926
Related Party receivables	10,444	-	12,308	(12,192)	10,560
Investment in affiliate	18,000	-	2,000	(20,000)	-
Deferred leasing and financing costs, net	1,808	-	-	-	1,808
Prepaid expenses and other assets	353	25	822	-	1,200
Total assets	<u>1,986,758</u>	<u>19,917</u>	<u>227,927</u>	<u>(32,192)</u>	<u>2,202,410</u>
Liabilities:					
Repurchase agreement	699,950	-	-	-	699,950
Accounts payable and accrued liabilities	5,835	17	2,398	-	8,250
Related party payables	12,540	320	3,086	(12,192)	3,754
Total liabilities	<u>718,325</u>	<u>337</u>	<u>5,484</u>	<u>(12,192)</u>	<u>711,954</u>
Commitments and contingencies					
Preferred stock	-	-	248,886	-	248,886
Equity:					
Common stock	571	-	24	(571)	24
Additional paid-in-capital	1,226,927	20,000	16,189	(1,246,927)	16,189
Retained earnings/(accumulated deficit)	40,935	(420)	1,909	(40,935)	1,489
Treasury Stock	-	-	(44,565)	-	(44,565)
Total Stockholders' equity	<u>1,268,433</u>	<u>19,580</u>	<u>(26,443)</u>	<u>(1,288,433)</u>	<u>(26,863)</u>
Noncontrolling interest in consolidated affiliate	-	-	-	1,268,433	1,268,433
Total equity	<u>1,268,433</u>	<u>19,580</u>	<u>(26,443)</u>	<u>(20,000)</u>	<u>1,241,570</u>
Total liabilities and equity	<u>\$ 1,986,758</u>	<u>\$ 19,917</u>	<u>\$ 227,927</u>	<u>\$ (32,192)</u>	<u>\$ 2,202,410</u>

- Increased funding available under one of RESI's existing repurchase facilities by \$100 million in April 2014
- RESI had \$400 million of unencumbered collateral at the end of the quarter:

Leverage assumption on future purchase

Leverage assumption on un-encumbered collateral	RESI Purchase Capacity (UPB) ¹	50%	62.5%	75%
	RESI Projected D/E Ratio (Post Purchase) ²	50%	62.5%	75%
50%	\$725 million 0.9x	\$975 million 1.0x	\$1,450 million 1.2x	
62.5%	\$900 million 1.0x	\$1,200 million 1.1x	\$1,825 million 1.3x	
75%	\$1,100 million 1.0x	\$1,450 million 1.2x	\$2,175 million 1.5x	

1. Assumes purchase price at 55% of UPB. Actual purchase price may vary materially.
 2. D/E ratio at the end of the quarter was 0.6x

About Altisource Asset Management	AAMC is an asset management company that provides portfolio management and corporate governance services to institutional investors. Its initial client is Altisource Residential Corporation, a REIT that is focused on providing affordable rental homes to families throughout the United States.	Exchange	NYSE MKT
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