



# AAMC Update

## Supplemental Investor Information

3<sup>rd</sup> Quarter 2015

George Ellison, CEO

Robin Lowe, CFO

# Forward Looking Statements

*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 achieve targeted returns on its invested capital; the impact of changes to the supply of, value of and the returns on sub-performing and non-performing loans and single-family rental properties; 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 and acquire 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 its master services agreement with Residential; the failure of Residential's servicers to effectively perform servicing obligations under their servicing agreements 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.*

# 3<sup>rd</sup> Quarter 2015 Highlights

## Financial

- Received \$5 million in fees from Residential
- Facilitated Residential's declaration and payment of \$0.55 per share dividend
- Facilitated the repurchase of \$20 million of RESI stock in the quarter

## Portfolio

- Advised Residential on the sale of 871 NPLs at carrying value; expected sale close 4Q15<sup>1</sup>
- Advised Residential on the purchase of 1,314 homes in Atlanta for \$111.4 million
- Residential's One-by-One program successfully piloted and will be expanded in 4Q15
- Increased Residential's leased properties in the quarter to 2,105, bringing the total rental portfolio to 2,516 homes<sup>2</sup>, while the NPL portfolio decreased to 7,611 loans<sup>2</sup>

## Operations

- 95% of Residential's stabilized rentals were leased at quarter end
- Residential's stabilized rental portfolio net operating margin estimated at 56% for the quarter
- Successfully on-boarded all 1,314 homes in the Atlanta portfolio acquisition

## Funding

- Residential had \$471 million of available financing capacity including cash at quarter end
- Advised Residential on the amendment of the repurchase facility with Wells Fargo: \$750 million available funding, 40% REO sublimit, facility term 2 years to September 27, 2017
- Restructured funding agreements are expected to drive significant contribution of REOs for sale in 4Q15

1) Sale is subject to completion of due diligence and final negotiation of definitive purchase agreement. Final purchase price is expected to be in the range of 1-2% of balance sheet carrying value for the loans.

2) Total rental homes includes leased, listed for rent, and under renovation or turn properties and excludes homes held for sale or other use. Loan portfolio excludes 871 NPLs held for sale as of quarter ended September 30, 2015.

# Consolidating Statement of Operations

\$s in thousands, except per share  
unaudited

Three months ended September 30, 2015

## Revenues:

	Residential (GAAP)	NewSource Stand-alone (Non-GAAP)	AAMC Stand-alone (Non-GAAP)	Consolidating Entries	AAMC Consolidated (GAAP)
Rental revenues	\$ 4,021	\$ -	\$ -	\$ -	\$ 4,021
Net unrealized gain on mortgage loans	27,499	-	-	-	27,499
Net realized gain on mortgage loans	12,874	-	-	-	12,874
Net realized gain on re-performing mortgage loans	100	-	-	-	100
Net realized gain on real estate	13,914	-	-	-	13,914
Interest income	115	242	-	(242)	115
Conversion Fee	-	-	329	(329)	-
Base management Fee	-	-	4,869	(4,869)	-
<b>Total revenues</b>	<b>58,523</b>	<b>242</b>	<b>5,198</b>	<b>(5,440)</b>	<b>58,523</b>

## Expenses:

Residential property operating expenses	16,574	-	-	-	16,574
Real estate depreciation and amortization	2,050	-	-	-	2,050
Real estate selling costs and impairment	10,705	-	-	-	10,705
Mortgage loan servicing costs	13,477	-	-	-	13,477
Interest expense	14,436	-	-	(242)	14,194
General and administrative	3,147	40	5,748	-	8,935
Related party general and administrative	4,988	210	-	(5,198)	-
<b>Total expenses</b>	<b>65,377</b>	<b>250</b>	<b>5,748</b>	<b>(5,440)</b>	<b>65,935</b>

## Other income

Other income	1,518	-	178	(1,696)	-
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## Income tax expense (benefit)

Income tax expense (benefit)	27	-	(124)	-	(97)
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## Net loss

Net loss	(5,363)	(8)	(248)	(1,696)	(7,315)
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## Net income attributable to noncontrolling interest in consolidated affiliate

Net income attributable to noncontrolling interest in consolidated affiliate	-	-	-	5,335	5,335
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<b>Net loss attributable to common stockholders</b>	<b>\$ (5,363)</b>	<b>\$ (8)</b>	<b>\$ (248)</b>	<b>\$ 3,639</b>	<b>\$ (1,980)</b>
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<b>(Loss) earnings per basic and diluted share</b>					<b>\$ (0.92)</b>
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# Consolidating Balance Sheet

\$s in thousands  
unaudited

As of September 30, 2015

	Residential (GAAP)	NewSource Stand-alone (Non-GAAP)	AAMC Stand-alone (Non-GAAP)	Consolidating Entries	AAMC Consolidated (GAAP)
<b>Assets:</b>					
Real estate held for use:					
Land	\$ 49,518	\$ -	\$ -	\$ -	\$ 49,518
Rental residential properties, net	200,136	-	-	-	200,136
Real estate owned	567,228	-	-	-	567,228
Total real estate held for use, net	<b>816,882</b>	-	-	-	<b>816,882</b>
Real estate assets held for sale	133,154	-	-	-	133,154
Mortgage loans	1,380,575	-	-	-	1,380,575
Mortgage loans held for sale	254,835	-	-	-	254,835
Cash and cash equivalents	83,881	6,189	62,564	-	152,634
Restricted cash	25,511	-	-	-	25,511
Accounts receivable	35,507	-	7	-	35,514
Related party receivables	-	-	6,701	(6,701)	-
Investment in affiliate	-	-	12,007	(12,007)	-
Deferred leasing and financing costs, net	9,806	-	-	-	9,806
Prepaid expenses and other assets	395	37	1,349	9	1,790
<b>Total assets</b>	<b>\$ 2,740,546</b>	<b>\$ 6,226</b>	<b>\$ 82,628</b>	<b>\$ (18,699)</b>	<b>\$ 2,810,701</b>
<b>Liabilities:</b>					
Repurchase agreements	\$ 929,478	\$ -	\$ -	\$ -	\$ 929,478
Other secured borrowings	513,049	-	-	-	513,049
Accounts payable and accrued liabilities	63,871	1,573	3,141	-	68,585
Related party payables	5,126	1,571	3	(6,700)	-
<b>Total liabilities</b>	<b>1,511,524</b>	<b>3,144</b>	<b>3,144</b>	<b>(6,700)</b>	<b>1,511,112</b>
<b>Commitments and contingencies</b>	-	-	-	-	-
<b>Redeemable preferred stock</b>	-	-	249,082	-	249,082
<b>Equity:</b>					
Common stock	572	-	25	(572)	25
Additional paid-in-capital	1,227,334	7,000	18,663	(1,232,020)	20,977
Retained earnings/(accumulated deficit)	21,099	(3,918)	63,786	(21,297)	59,670
Treasury stock	(19,983)	-	(252,072)	19,983	(252,072)
Total stockholders' equity	1,229,022	3,082	(169,598)	(1,233,906)	(171,400)
Noncontrolling interest in consolidated affiliate	-	-	-	1,221,907	1,221,907
<b>Total equity</b>	<b>1,229,022</b>	<b>3,082</b>	<b>(169,598)</b>	<b>(11,999)</b>	<b>1,050,507</b>
<b>Total liabilities and equity</b>	<b>\$ 2,740,546</b>	<b>\$ 6,226</b>	<b>\$ 82,628</b>	<b>\$ (18,699)</b>	<b>\$ 2,810,701</b>

- Continue to drive RESI's SFR growth while maintaining the appropriate ROE, liquidity and operational efficiencies
- Insurance Asset Management
- Origination of single family home first mortgages as well as multiple property lessor loans

# Shareholder Relations Information

About Altisource Asset Management Corporation	AAMC is an asset management company that provides portfolio management and corporate governance services to institutional investors.
Contact Information	All Investor Relations inquiries should be sent to <a href="mailto:shareholders@altisourceAMC.com">shareholders@altisourceAMC.com</a> .
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