



**Second Quarter 2015 Conference Call
August 10, 2015**

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.

- Increased estimated taxable income for Altisource Residential Corporation (“Residential”) by 42% for the second quarter of 2015 compared to the second quarter of 2014.
- Facilitated Residential’s declaration and payment of a \$0.55 per share dividend.
- Negotiated Residential’s agreement to purchase up to 1,325 single-family rental homes from Invitation Homes. Transaction expected to close in August 2015.
- Advised Residential on its completion of a third non-performing loan securitization in June 2015.
- Transferred \$1.2 Bn of Residential’s servicing to its two new mortgage servicers¹.
- Advised Residential on the sale of 189 re-performing mortgage loans for total proceeds of \$34.6 million.
- Initiated a program for Residential to acquire rental properties on a one-by-one basis using a proprietary valuation model. Expect to commence purchases in the third quarter of 2015.
- Earned asset management fees of \$5.2 million from Residential.

1. 2,208 loans with UPB of \$578 MM were transferred in April and 2,134 loans with UPB of \$623 MM were transferred in June.

Fees from Residential under new AMA

- AAMC earned approximately \$4.8 MM of base fee and \$400 K of conversion fee in Q2 2015.
- AAMC did not earn any incentive fee during the quarter since AFFO (a GAAP based metric) did not exceed the required return of 7% on RESI's invested capital, although RESI's estimated taxable income at \$37.7 MM represented a 11.9% return.
- As income from rental properties grows, AFFO will become a more consistent, regular annuity stream in achieving the required return hurdle.



1. Assumes that the hurdle rate remains at 7%; the hurdle rate may adjust in the range of 7% to 8.25%, depending on treasury rates. The \$22.2 million hurdle assumes RESI's invested capital remains at \$1.2 billion; any increase in invested capital would increase the \$22.2 million pro rata.
2. For illustration purposes only. Assumes avg. MV of \$135 K, rental NOI of 7%, leverage of 70% and cost of leverage of 3.5%. There is no assurance that RESI will achieve such results. Actual results 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)
Revenues:					
Rental revenues	\$ 2,140	\$ -	\$ -	\$ -	\$ 2,140
Net unrealized gain on mortgage loans	42,209	-	-	-	42,209
Net realized gain on mortgage loans	19,272	-	-	-	19,272
Net realized gain on re-performing mortgage loans	254	-	-	-	254
Net realized gain on real estate	12,404	-	-	-	12,404
Interest income	240	161	-	(161)	240
Conversion Fee	-	-	399	(399)	-
Incentive management Fee	-	-	4,962	(4,962)	-
Expense reimbursements	-	-	-	-	-
Total revenues	76,519	161	5,361	(5,522)	76,519
Expenses:					
Residential property operating expenses	16,857	-	-	-	16,857
Real estate depreciation and amortization	1,344	-	-	-	1,344
Real estate selling costs and impairment	8,839	-	-	-	8,839
Mortgage loan servicing costs	16,246	-	-	-	16,246
Interest expense	13,398	-	-	(161)	13,237
General and administrative	1,569	43	4,355	-	5,967
Related party general and administrative	5,151	210	-	(5,361)	-
Total expenses	63,404	253	4,355	(5,522)	62,490
Income before income taxes	13,115	(92)	1,006	-	14,029
Income tax expense	23	-	171	-	194
Net income	13,092	(92)	835	-	13,835
Net income attributable to noncontrolling interest in consolidated affiliate	-	-	-	(13,092)	(13,092)
Net income attributable to common stockholders	\$ 13,092	\$ (92)	\$ 835	\$ (13,092)	\$ 743
Earnings per basic share					\$ 0.31
Earnings per diluted share					\$ 0.27

Net income attributable to stockholders was \$0.7 million or \$0.27 per diluted share for the three months ended June 30, 2015.

AAMC 2Q2015 Financial Results (cont'd)

Balance Sheet

\$ in thousands	Residential (GAAP)	NewSource Stand-alone (Non-GAAP)	AAMC Stand-alone (Non-GAAP)	Consolidating Entries	AAMC Consolidated (GAAP)
Assets:					
Real estate held for use:					
Land	\$ 23,743	\$ -	\$ -	\$ -	\$ 23,743
Rental residential properties, net	97,533	-	-	-	97,533
Real estate owned	548,137	-	-	-	548,137
Total real estate held for use, net	669,413	-	-	-	669,413
Real estate assets held for sale	134,027	-	-	-	134,027
Mortgage loans at fair value	1,716,489	-	-	-	1,716,489
Mortgage loans held for sale	5,977	-	-	-	5,977
Cash and cash equivalents	70,502	5,092	70,303	-	145,897
Restricted cash	18,459	-	-	-	18,459
Accounts receivable	45,981	485	-	(485)	45,981
Related party receivables	-	14,991	6,524	(21,515)	-
Investment in affiliate	18,000	-	2,000	(20,000)	-
Deferred leasing and financing costs, net	8,605	-	-	-	8,605
Prepaid expenses and other assets	6,184	19	1,342	9	7,554
Total assets	\$ 2,693,637	\$ 20,587	\$ 80,169	\$ (41,991)	\$ 2,752,402
Liabilities:					
Repurchase agreements	\$ 810,236	\$ -	\$ -	\$ -	\$ 810,236
Other secured borrowings	538,916	-	-	(14,991)	523,925
Accounts payable and accrued liabilities	54,247	1,619	1,994	(485)	57,375
Related party payables	5,163	1,361	-	(6,524)	-
Total liabilities	1,408,562	2,980	1,994	(22,000)	1,391,536
Commitments and contingencies	-	-	-	-	-
Preferred stock	-	-	249,030	-	249,030
Equity:					
Common stock	572	-	25	(572)	25
Additional paid-in-capital	1,227,246	20,000	17,106	(1,247,246)	17,106
Retained earnings/(accumulated deficit)	57,257	(2,393)	64,086	(57,248)	61,702
Treasury stock	-	-	(252,072)	-	(252,072)
Total stockholders' equity (deficit)	1,285,075	17,607	(170,855)	(1,305,066)	(173,239)
Noncontrolling interest in consolidated affiliate	-	-	-	1,285,075	1,285,075
Total equity	1,285,075	17,607	(170,855)	(19,991)	1,111,836
Total liabilities and equity	\$ 2,693,637	\$ 20,587	\$ 80,169	\$ (41,991)	\$ 2,752,402

- Completed strategic hires. New core team in place.
- Lending/Origination.
- Insurance.

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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