



First Quarter Earnings Conference Call



May 4, 2015

Safe Harbor Disclosure

- ❖ We make forward-looking statements in this presentation that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, cash flow and plans and objectives. When we use the words “believe,” “expect,” “anticipate,” “estimate,” “plan,” “continue,” “intend,” “should,” “may” or similar expressions, we intend to identify forward-looking statements.
- ❖ Statements regarding the following subjects, among others, may be forward-looking: market trends in our industry, interest rates, real estate values, the debt financing markets or the general economy or the demand for residential real estate loans; our business and investment strategy; our projected operating results; actions and initiatives of the U.S. government and changes to U.S. government policies and the execution and impact of these actions, initiatives and policies; the state of the U.S. economy generally or in specific geographic regions; economic trends and economic recoveries; our ability to obtain and maintain financing arrangements; changes in the value of our mortgage portfolio; changes to our portfolio of properties; impact of and changes in governmental regulations, tax law and rates, accounting guidance and similar matters; our ability to satisfy the REIT qualification requirements for U.S. federal income tax purposes; availability of qualified personnel; estimates relating to our ability to make distributions to our shareholders in the future; general volatility of the capital markets and the market price of our shares of common stock; and degree and nature of our competition.
- ❖ The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Forward-looking statements are not predictions of future events. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Furthermore, forward-looking statements are subject to risks and uncertainties, including, among other things, those described under Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2014, which can be accessed through the link to our SEC filings on our website (www.great-ajax.com) or at the SEC's website (www.sec.gov). Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected may be described from time to time in reports we file with the SEC, including reports on Forms 10-Q, 10-K and 8-K. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Business Overview

- ❖ Leverage long-standing relationships to acquire loans through privately negotiated transactions from a diverse group of customers
 - Over 90% of acquisitions by Great Ajax Corp. have been privately negotiated
 - Acquisitions made in 72 transactions

 - ❖ Use our manager's proprietary analytics to price each pool on an asset-by-asset basis

 - ❖ Adjust individual loan bid price to accumulate clusters of loans in attractive demographic metropolitan areas
 - Typical acquisitions contain 25 – 100 loans with total market value between \$5 – \$20 million

 - ❖ Our affiliated servicer services the loans asset-by-asset and borrower-by-borrower

 - ❖ Objective is to maximize returns for each asset by utilizing full menu of loss mitigation and asset optimization techniques

 - ❖ Use moderate non-mark-to-market leverage
 - Three securitizations since inception totaling \$248.7 million of loan UPB
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Highlights - First Quarter 2015

- ❖ Acquired mortgage-related assets with aggregate UPB of \$102.2 million for total purchase price of \$76.7 million in 20 transactions
 - RPLs at an average price to UPB approximately equal to 73.8%
 - NPLs at an average price to UPB approximately equal to 65.6%
 - REO at an average price to market value approximately equal to 64.8%

 - ❖ At March 31, 2015 owned a portfolio of 1,828 mortgage loans with aggregate UPB of \$401.7 million and 38 properties

 - ❖ Net interest income of \$5.8 million and net income attributable to common stockholders of \$3.6 million

 - ❖ Net GAAP income of \$0.28 per diluted share

 - ❖ Net taxable income of \$0.12 per diluted share

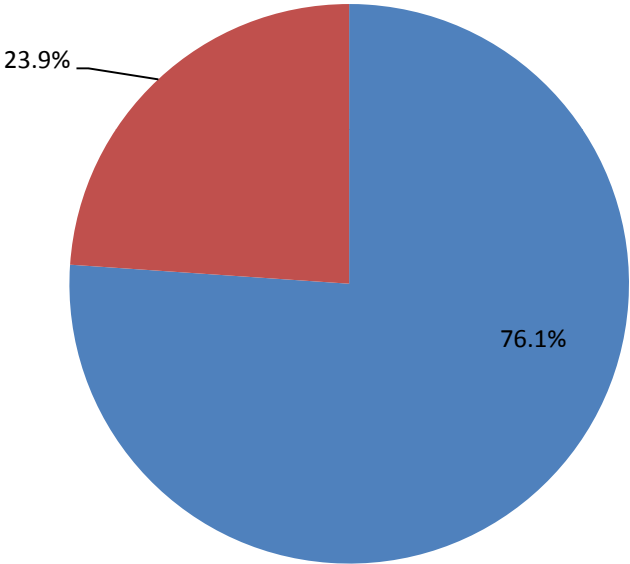
 - ❖ Completed IPO in Q1 2015

 - ❖ First quarter dividend is \$0.18 per share
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Portfolio Overview – as of March 31, 2015

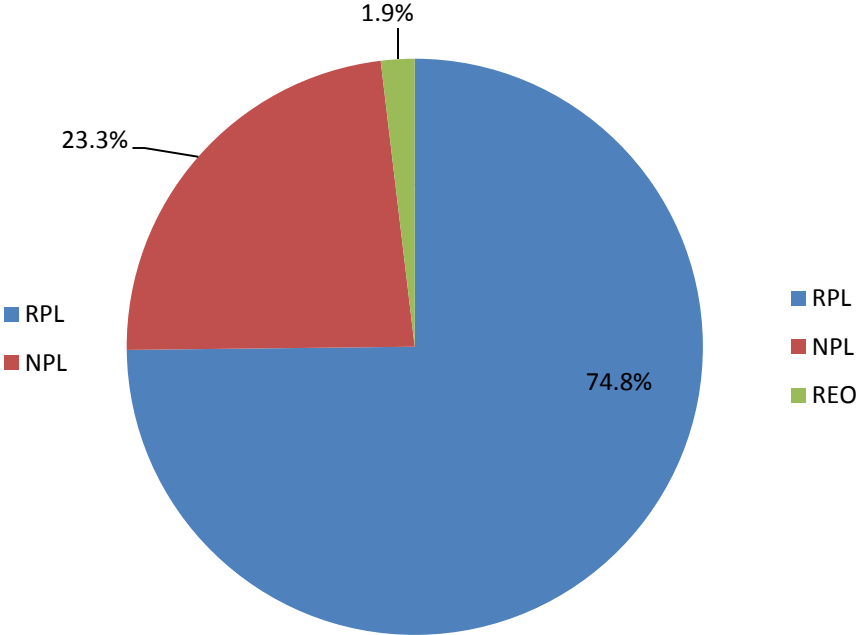


UPB as of Mar 31 2015



\$401.7 MM

Property Value as of Mar 31 2015

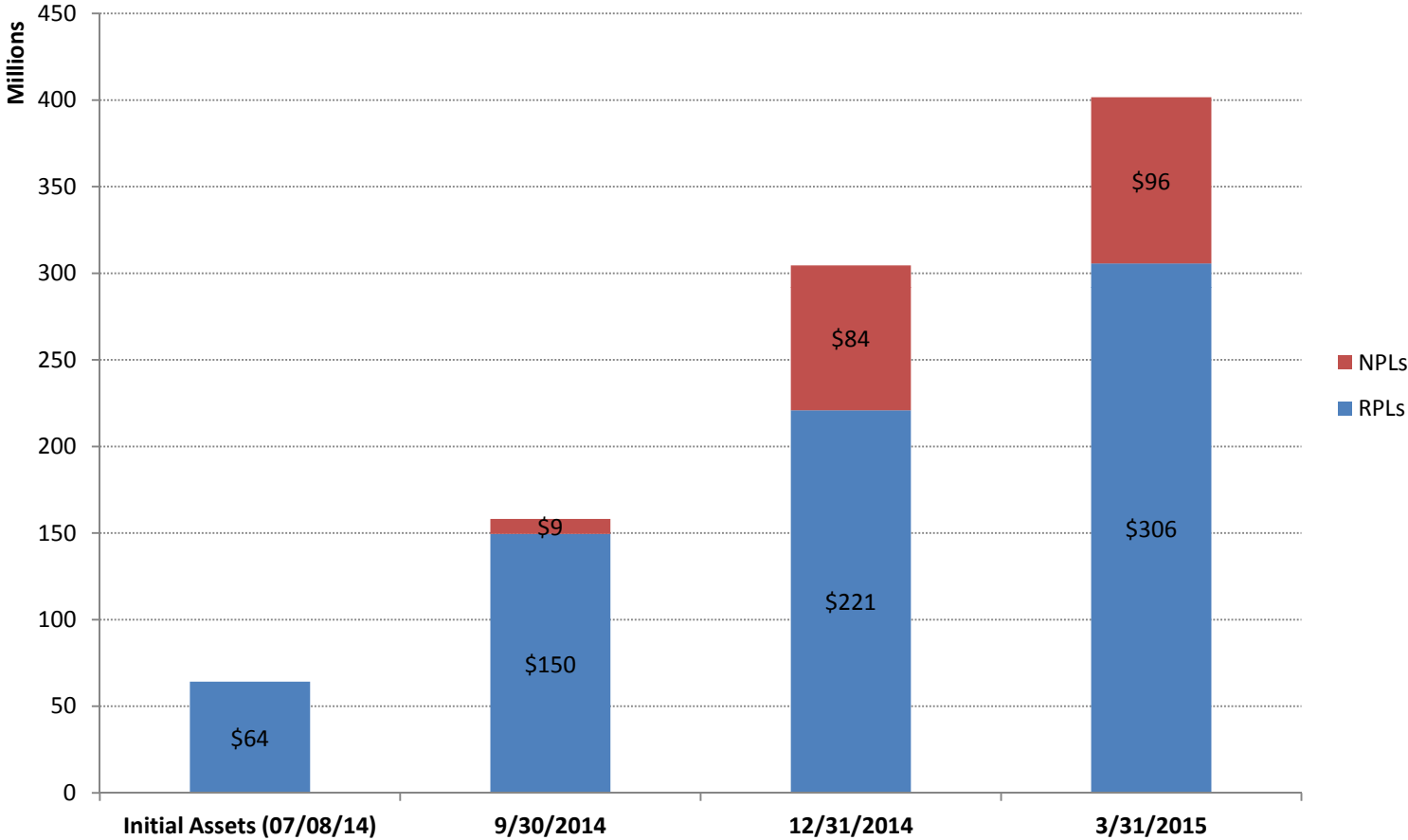


\$440.3 MM

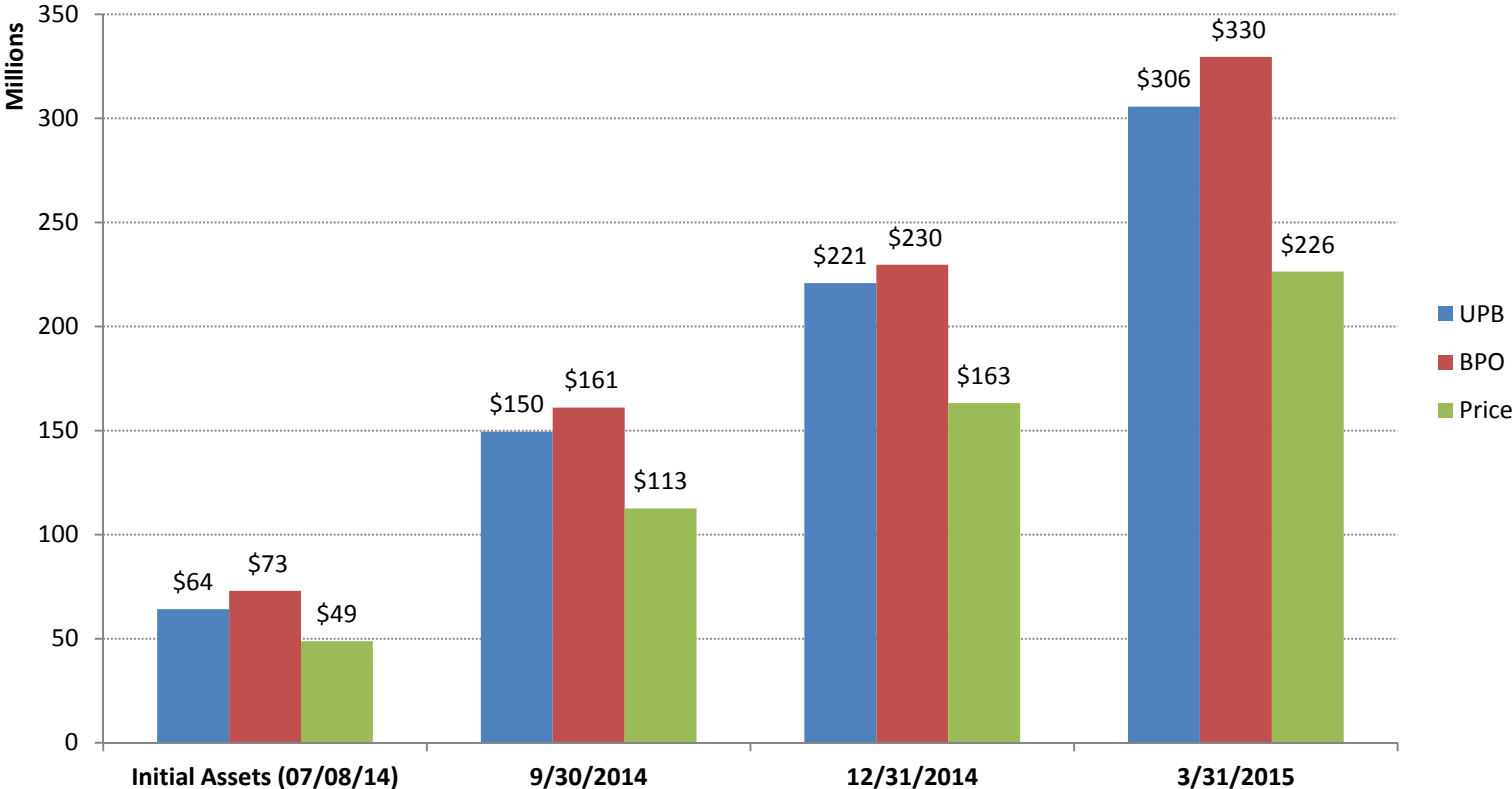
Portfolio Growth



Unpaid Principal Balance



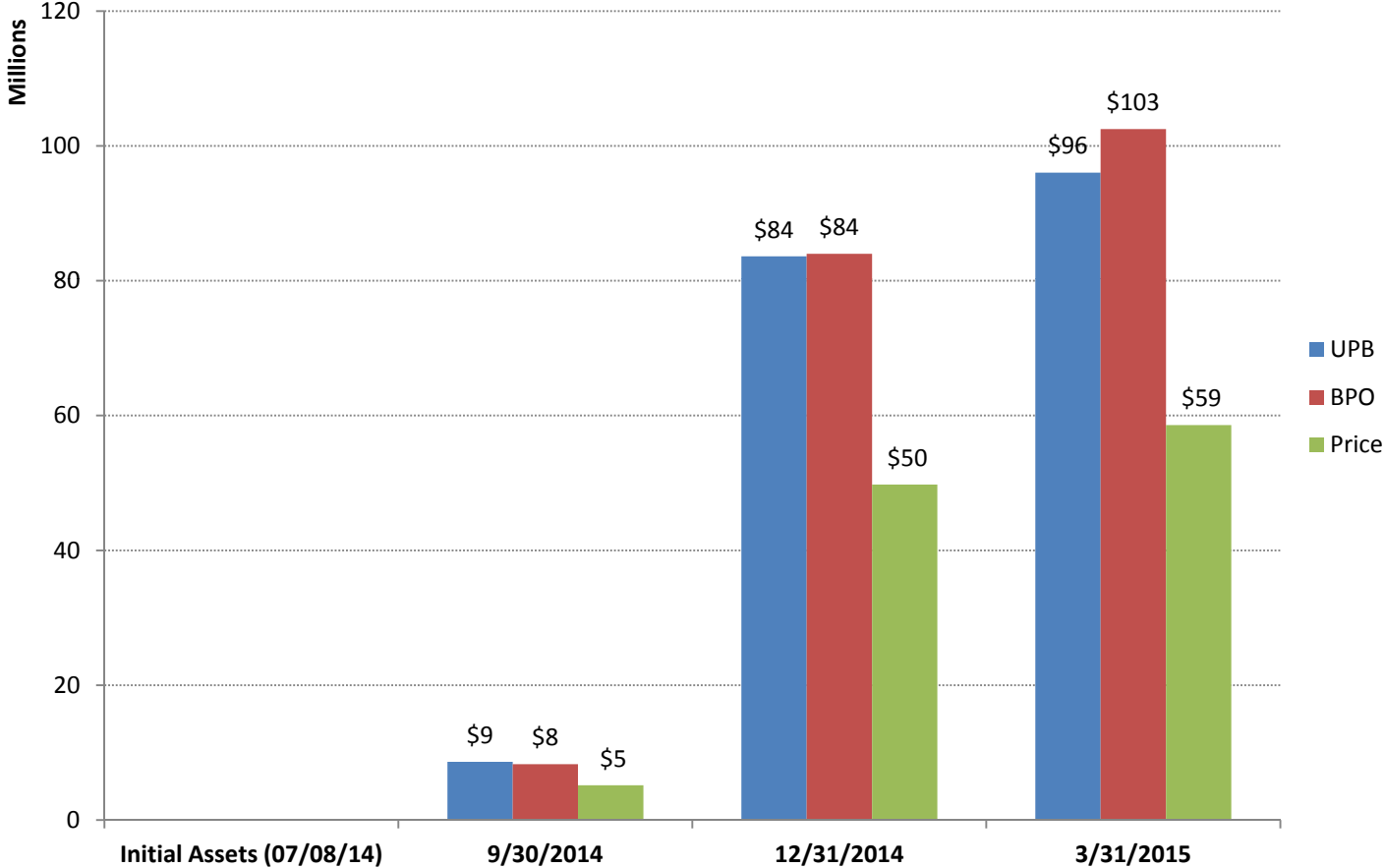
Re-performing Loans



Portfolio Growth

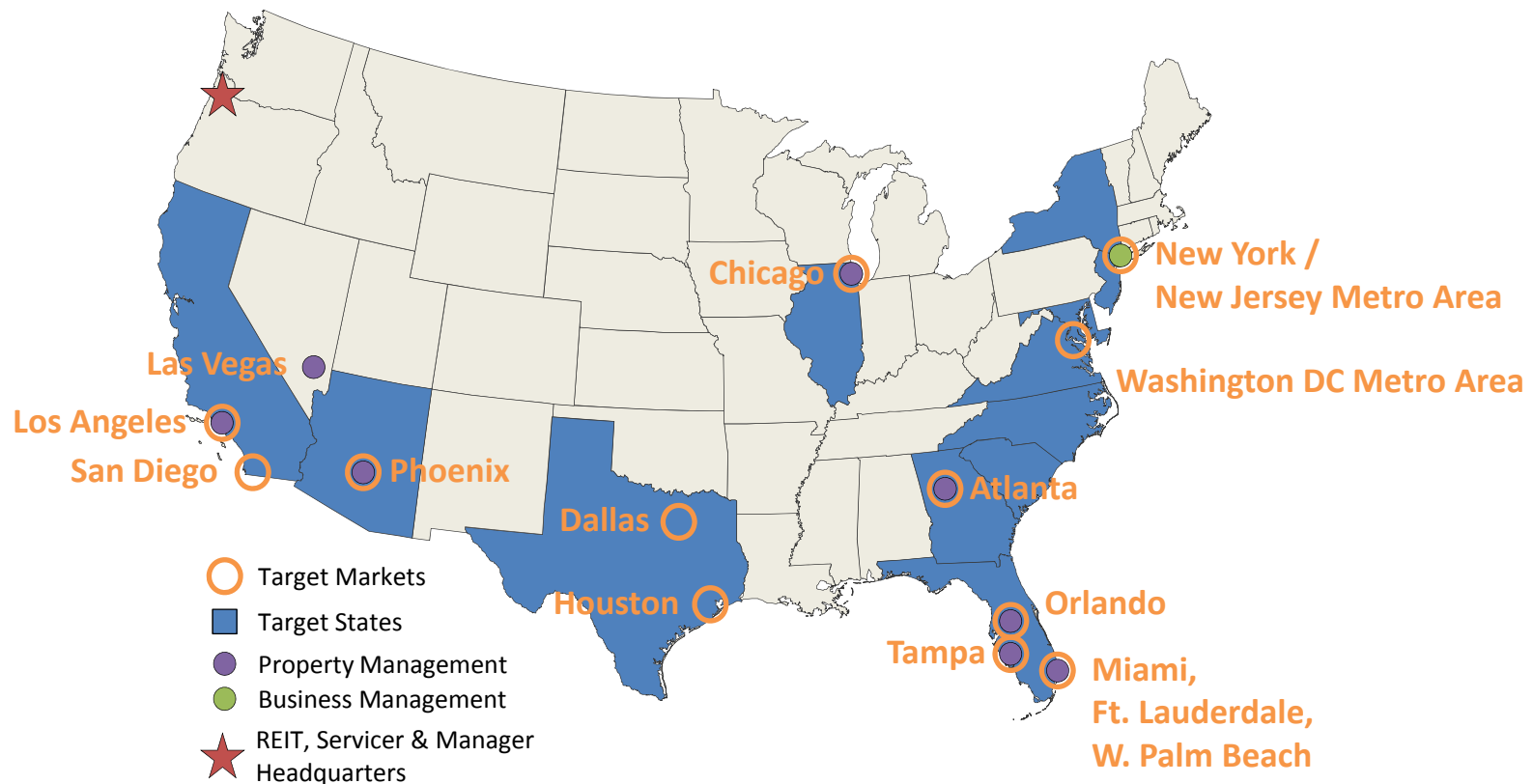


Non-performing Loans



Portfolio Concentrated in Attractive Markets

- ❖ Clusters of loans in attractive, densely populated markets
- ❖ Stable liquidity and home prices
- ❖ Over 80% of the portfolio in our target markets



Subsequent Events

❖ Third securitization closing on May 7, 2015

- ❖ Approximate leverage of 2.06x from the sale of senior bonds
- ❖ Senior Bond interest rate of 3.875%

❖ April Acquisitions

RPL

- ❖ UPB: \$47.9MM
- ❖ Collateral Value: \$50.8MM
- ❖ Price/UPB: 73.0%
- ❖ Price/Collateral Value: 68.8%

NPL

- ❖ UPB: \$13.4MM
- ❖ Collateral Value: \$12.7MM
- ❖ Price/UPB: 56.7%
- ❖ Price/Collateral Value: 59.8%

❖ May Acquisitions *

RPL

- ❖ UPB: \$139.9MM
- ❖ Collateral Value: \$175.9MM
- ❖ Price/UPB: 82.9%
- ❖ Price/Collateral Value: 65.9%

NPL

- ❖ UPB: \$2.5MM
- ❖ Collateral Value: \$2.8MM
- ❖ Price/UPB: 60.9%
- ❖ Price/Collateral Value: 54.1%

* While these acquisitions are expected to close by May 30, 2015, there can be no assurance that these acquisition agreements will close or that the terms thereof may not change.

Income Statement - First Quarter 2015

GREAT AJAX CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
(unaudited)

(Dollars in thousands)

	Three months ended
	March 31, 2015
INCOME:	
Loan interest income	\$ 6,884
Interest expense	(1,075)
Net interest income	<u>5,809</u>
Other income	<u>214</u>
Total income	<u>6,023</u>
EXPENSE:	
Related party expense - management fee	747
Related party expense - loan servicing fees	656
Loan transaction expense	260
Professional fees	385
Other expense	160
Total expense	<u>2,208</u>
Income before provision for income tax	3,815
Provision for income tax	-
Consolidated net income	<u>3,815</u>
Less: consolidated net income attributable to noncontrolling interests	175
Consolidated net income attributable to common stockholders	<u>\$ 3,640</u>
Basic earnings per common share	<u>\$ 0.28</u>
Diluted earnings per common share	<u>\$ 0.28</u>
Weighted average shares - basic	<u>13,008,268</u>
Weighted average shares - diluted	<u>13,680,687</u>

Balance Sheet as of March 31, 2015



GREAT AJAX CORP. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (unaudited)

ASSETS	March 31, 2015	December 31, 2014
Cash and cash equivalents	\$ 27,104	\$ 53,099
Mortgage loans, net	285,834	211,159
Property held-for-sale	5,541	1,316
Rental property, net	122	290
Receivable from servicer	1,737	1,340
Investment in affiliate	2,340	2,237
Prepaid expenses and other assets	3,661	3,317
Total Assets	\$ 326,339	\$ 272,758
 LIABILITIES AND EQUITY		
<i>Liabilities:</i>		
Secured borrowings	\$ 82,962	\$ 84,679
Borrowings under repurchase agreement	15,052	15,249
Management fee payable	374	258
Accrued expenses and other liabilities	2,800	1,292
Total liabilities	101,188	101,478
 <i>Equity:</i>		
Preferred stock \$.01 par value; 25,000,000 shares authorized, none issued or outstanding	-	-
Common stock \$.01 par value; 125,000,000 shares authorized, 15,226,163 and 11,223,984 shares issued and outstanding respectively	152	112
Additional paid-in capital	210,863	158,951
Retained earnings	4,589	2,744
Noncontrolling interests	9,547	9,473
Total equity	225,151	171,280
Total Liabilities and Equity	\$ 326,339	\$ 272,758