APOLLO RESIDENTIAL MORTGAGE

Investor Presentation
March 2013

Information is as of December 31, 2012 except as otherwise noted.
It should not be assumed that investments made in the future will be profitable or will equal the performance of investments in this document.

Forward Looking Statements

We make forward-looking statements in this presentation and other filings we make with the SEC 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, and such statements are intended to be covered by the safe harbor provided by the same. Forward-looking statements are subject to substantial risks and uncertainties, many of which are difficult to predict and are generally beyond our control. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives, including information about our ability to generate attractive returns while attempting to mitigate risk. When used in this release, the words "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may" or similar expressions, are intended to identify forward-looking statements. Statements regarding the following subjects, among others, may be forward-looking: the return on equity; the yield on investments; the ability to borrow to finance assets; and risks associated with investing in real estate assets, including changes in business conditions and the general economy.

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. Some of these factors are described in the Company's Annual Report on Form 10-K for the year ended December 31, 2012 and other filings with the Securities and Exchange Commission. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. 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.

This presentation may contain statistics and other data that in some cases has been obtained from or compiled from information made available by third-party service providers.

Company Overview

Ticker Symbol	NYSE: AMTG
IPO	July, 2011
Structure	Residential Mortgage REIT
Target Investments	Agency and Non-Agency residential mortgage-backed securities (RMBS), residential mortgage loans and other residential mortgage assets throughout the United States
Manager	Externally managed by ARM Manager, LLC (the “Manager”), an indirect subsidiary of Apollo Global Management, LLC (NYSE:APO)
Management Fee	1.5% of net equity(1)
Dividend Per Share (2)	$2.80
Dividend Yield (3)	12.6%
Common Equity Market Capitalization (4)	$688MM

(1) Fee is based on “equity” as defined in the management agreement, which reflects adjustments to stockholders’ equity.
(2) Current quarterly divided per share of $0.70 annualized.
(3) Based upon the annualized common stock dividend of $0.70 per share and AMTG’s closing share price of $22.20 on March 8, 2013. Past dividends and dividend yields are not indicative nor a guarantee of future dividends and dividend yields.
(4) Based upon the 31.0 million shares outstanding and the closing share price of $22.20 on March 8, 2013.

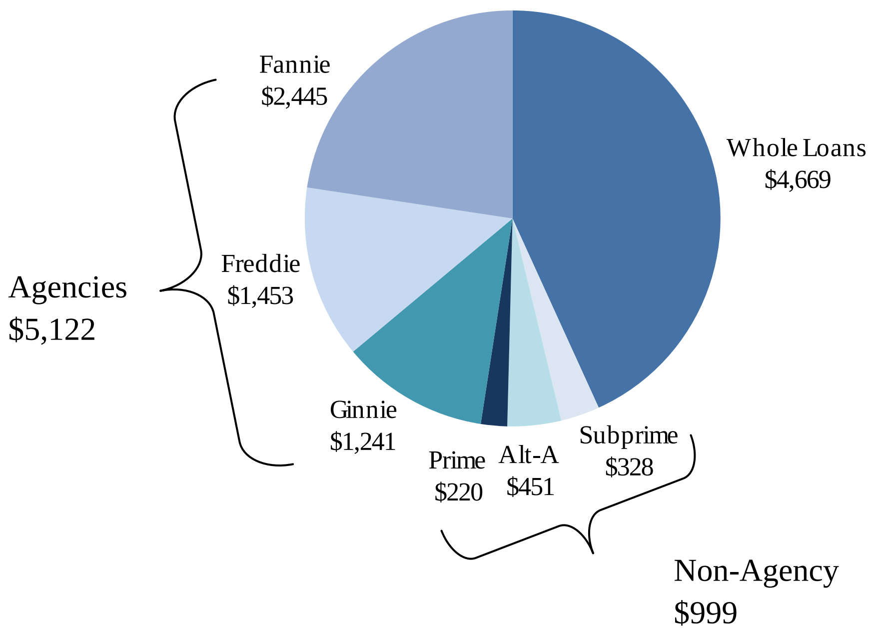
Investment Highlights

- Compelling opportunities exist across the residential mortgage spectrum
  - Attractive spreads in Agency RMBS market
  - Improving fundamentals in non-Agency RMBS sector create attractive returns on an absolute and relative basis
  - Shrinking of bank balance sheets creates opportunities to purchase whole loans
- Seasoned management team with extensive credit and Agency and non-Agency RMBS expertise
  - Michael Commaroto – CEO; Keith Rosenbloom – Agency PM; Paul Mangione – non-Agency PM
  - On average, over 20 years of experience through multiple investment cycles
  - Strong focus on risk management and credit fundamentals
- $4.23 billion RMBS portfolio at December 31, 2012 consisted of Agency RMBS with an estimated fair value of $3.63 billion and non-Agency RMBS with an estimated fair value of $605.2 million
  - Agency RMBS portfolio experienced prepayments at an average one month constant prepayment rate ("CPR") of 5.8% over the quarter ended December 31, 2012
  - Completed first whole loan pool purchase and securitization in February 2013
- Strong sponsorship from Apollo Global Management
  - Ability to leverage off of infrastructure and relationships

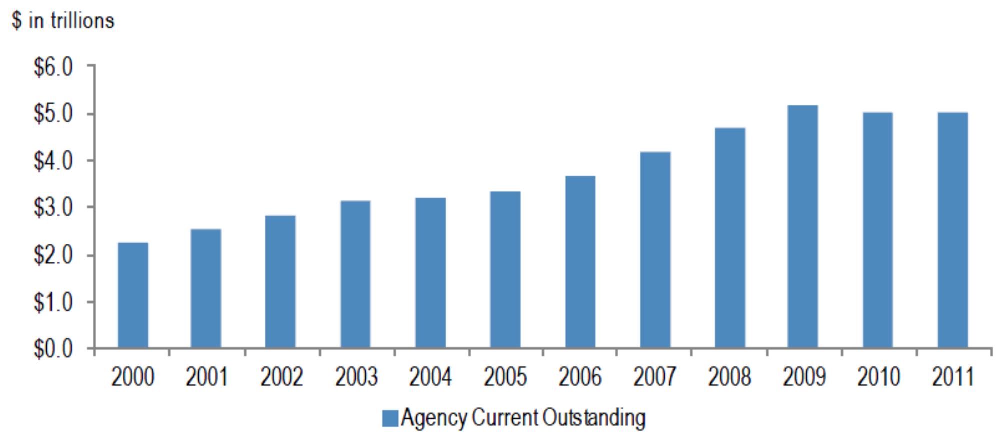
Residential Mortgage Market Overview

- The U.S. mortgage market is a $10.8 trillion market
  - Approximately 47% ($5.1 trillion) of mortgages outstanding financed in the Agency MBS market
  - Approximately 10% ($0.9 trillion) of mortgages comprise the non-Agency MBS market
  - The remainder, approximately 43% ($4.7 trillion), are outstanding as non-securitized whole loans

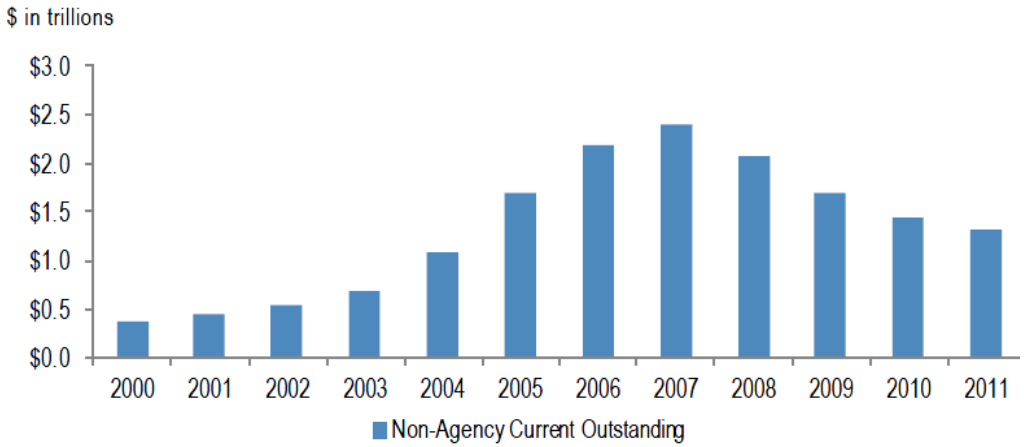
Current Outstanding Mortgages ($bn)(1)



Agency Current Outstanding MBS ($ trillion)



Non-Agency Current Outstanding MBS ($ trillion)

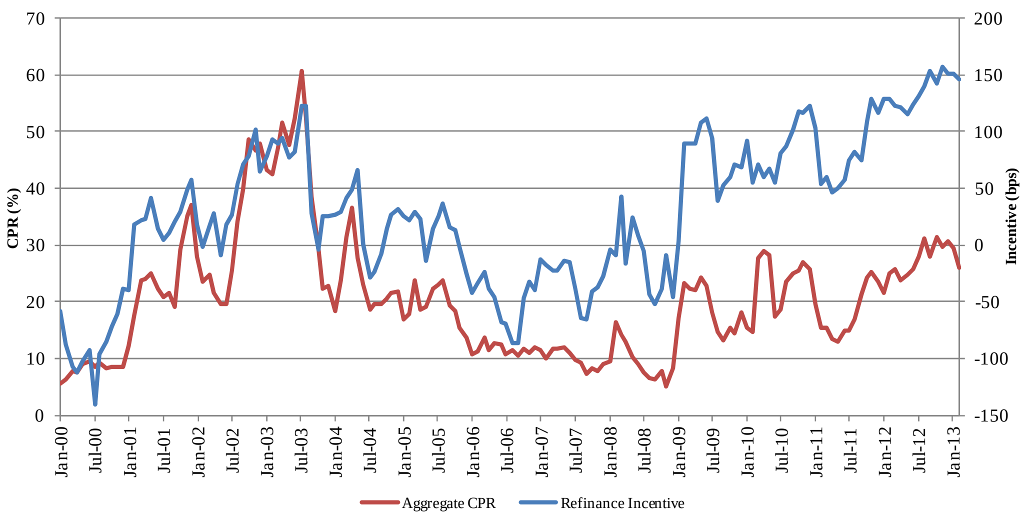


Source: JP Morgan and the Federal Reserve

(1) As of December, 2012

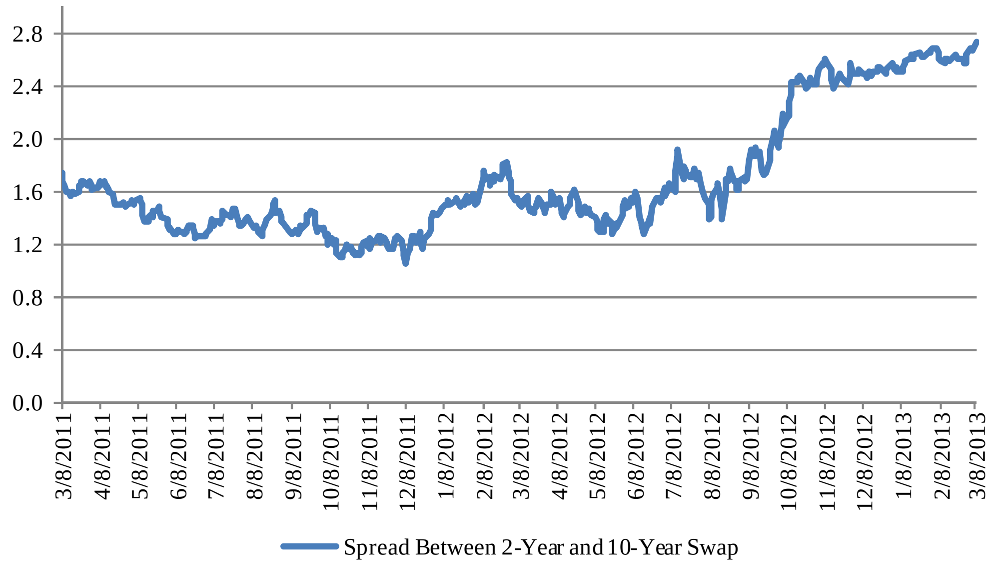
Market Dynamics – Agency RMBS

Prepayments Remain Muted Despite Historically High Refinance Incentives
Fixed Rate Agency RMBS CPR vs. Refinance Incentives



Source: Barclays Capital

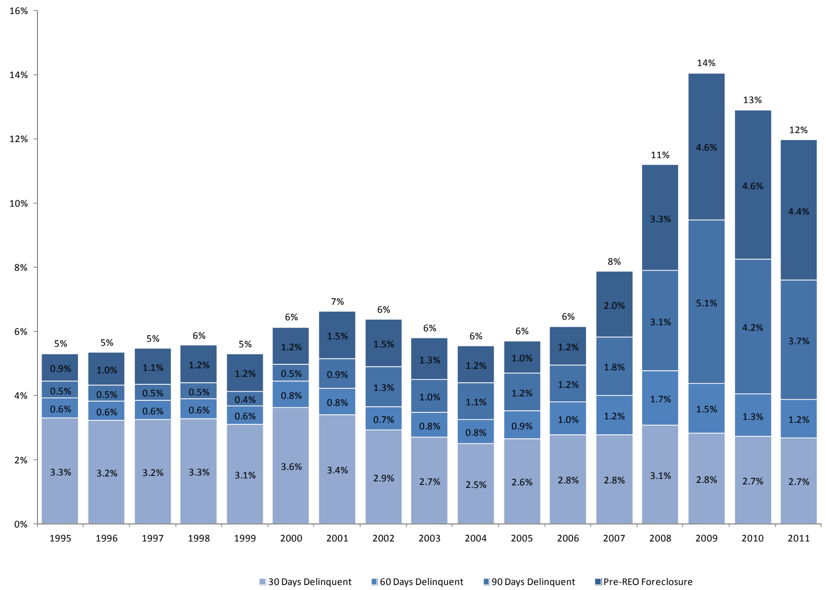
Recent Market Moves Have Caused Spreads to Widen
Spread Between Two-Year US Swap Rate/10-Year US Swap Rate



Source: Citigroup YieldBook

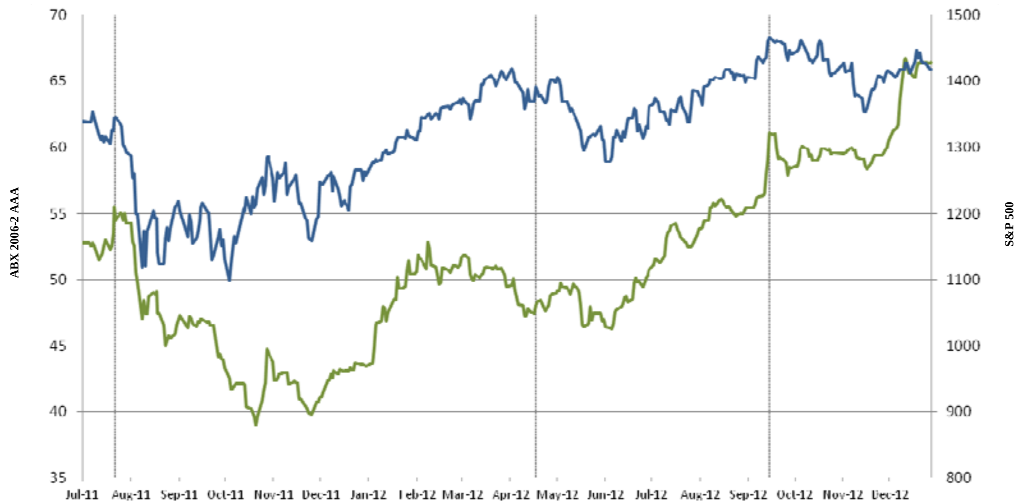
Market Dynamics – Non-Agency RMBS

Non-Current Mortgages Peaked in 2009



Source: MBA

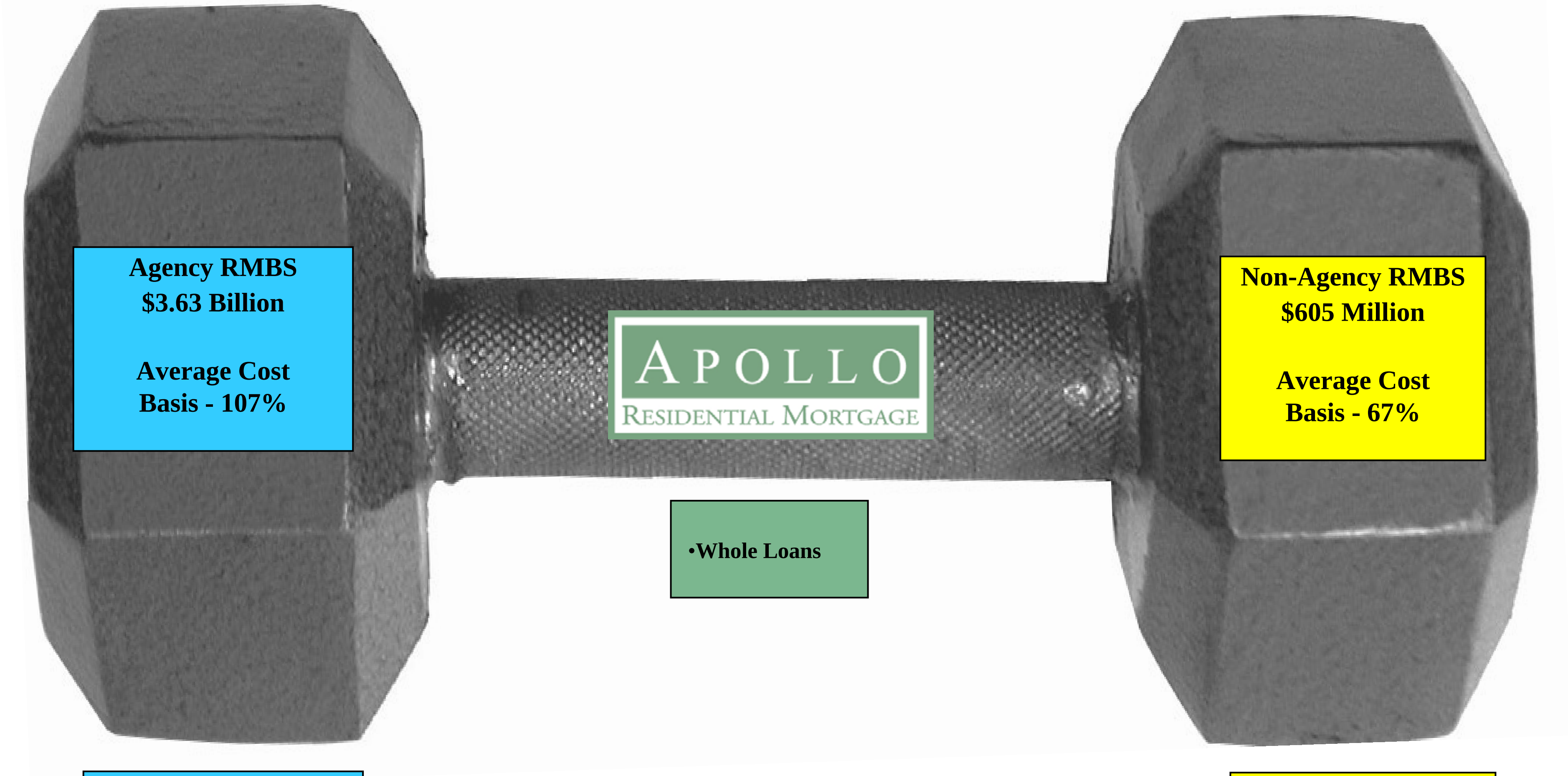
Non-Agency Pricing Continues to Rally Driven by Technicals and Positive Housing Sentiment ABX 06 – 2 AAA Index vs. S&P 500



Source: Bloomberg.

Investment Strategy

- AMTG is a hybrid residential mortgage REIT and has the ability to move between investment strategies and allocate assets to seek to optimize returns

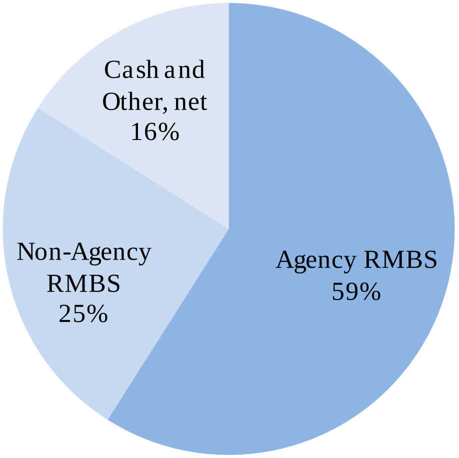


Returns driven by prepay-protected, premium RMBS with upside in the event an economic recovery is delayed

Returns driven by deep discount, floating rate RMBS with upside in the event of an economic recovery

Portfolio Summary and Net Interest Spread

Allocation of Portfolio Equity at 12/31/2012[1]



- AMTG targets a 60% Agency, 30% non-Agency, 10% cash portfolio equity allocation
- AMTG maintains a meaningful cash balance well in excess of its requirements to meet margin calls on the Company's repurchase agreements and to settle forward purchases of RMBS

(1) *Percentages reflect amount of equity allocated to Agency and non-Agency RMBS, net of associated assets and liabilities (the fair value of Swaps are allocated to Agency RMBS). Cash and other net, represents cash and other assets and liabilities not specifically allocable to Agency or non-Agency RMBS.*

Net Interest Spread at 12/31/2012

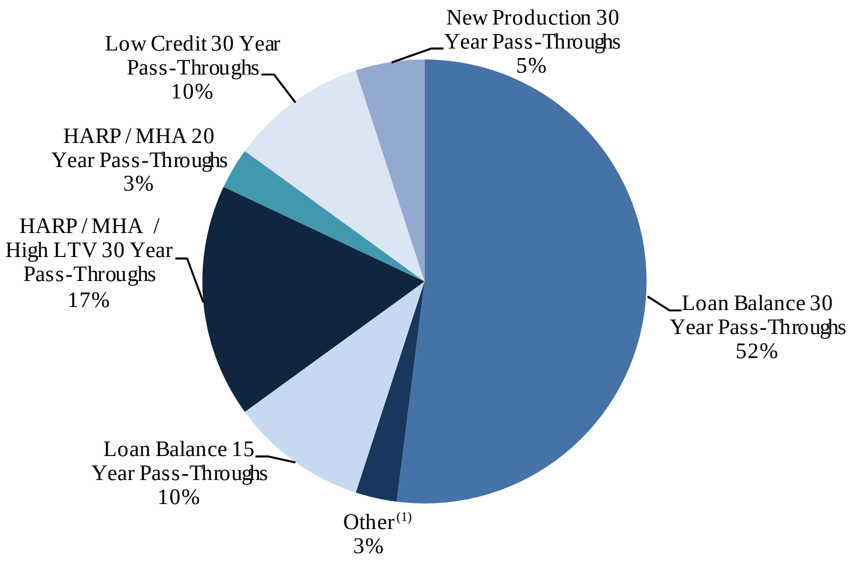
	Agency	Non-Agency	*Blended*
Asset Yield	2.7%	7.9%	*3.4%*
Interest Expense	0.5%	2.1%	*0.7%*
Net Interest Spread	**2.2%**	**5.8%**	**2.7%**
Debt / Equity (2)	*7.6x*	*2.4x*	*5.1x*
Levered Asset Yield (3)	19.6%	21.8%	17.3%

(2) *Debt/Equity ratios are adjusted for cash held to meet margin calls and certain other assets and liabilities specifically allocable to Agency or non-Agency RMBS. In prior presentations, cash and certain other assets and liabilities not specifically allocable to Agency or non-Agency RMBS were allocated based on a proportional breakdown of equity allocated to Agency and non-Agency RMBS portfolios. We believe that the new presentation better reflects our leverage by asset class.*

(3) *Levered Asset Yield calculated as Net Interest Spread multiplied by the Company's leverage (debt/equity) multiple, plus the weighted average unlevered yield on RMBS.*

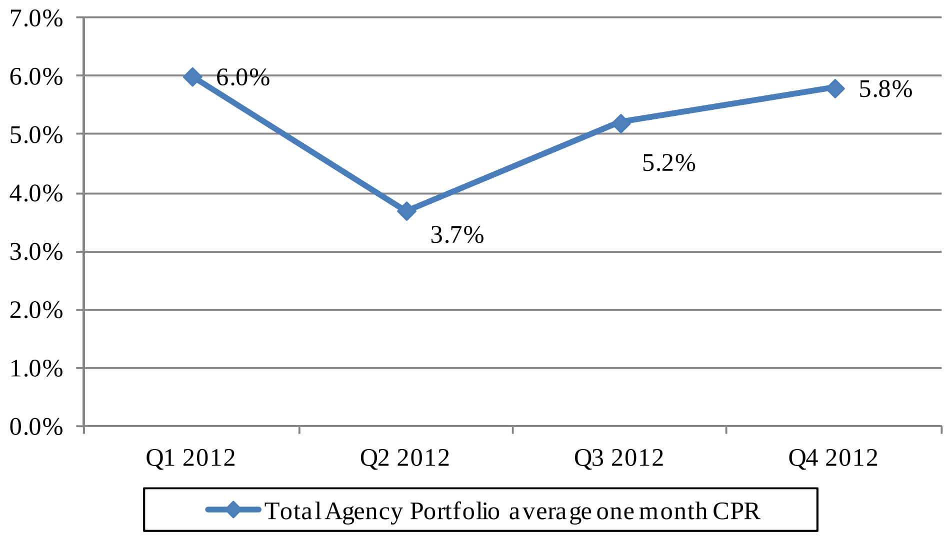
Agency Portfolio

Q4 2012 Agency Portfolio



- Agency portfolio continues to focus on securities with prepayment mitigation attributes such as lower loan balance and those that have already accessed the Home Affordable Refinance Program ("HARP").

Constant Prepayment Rates

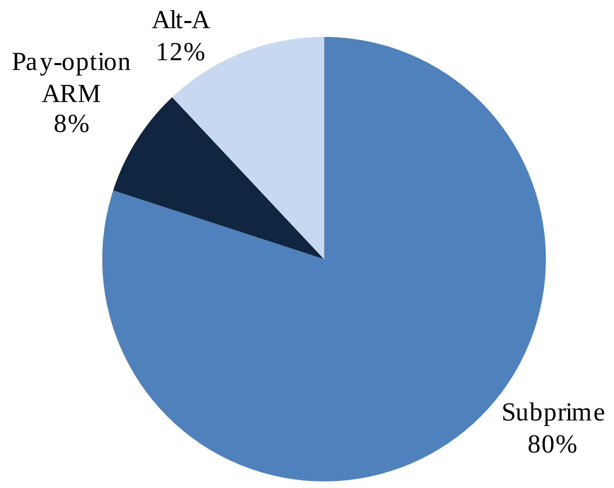


($ in thousands)	Estimated Fair Value		Q4 2012 CPR	
Agency Fixed Rate	$	3,572,168	5.6	%
Agency IOs and Agency IIOs		53,926	20.3	
Total	**$**	**3,626,094**	**5.8**	**%**

(1) *Other includes HARP/MHA 15 Year Pass-Throughs, New Production 20-Year Pass Throughs, Interest Only Securities and Inverse Interest Only Securities.*

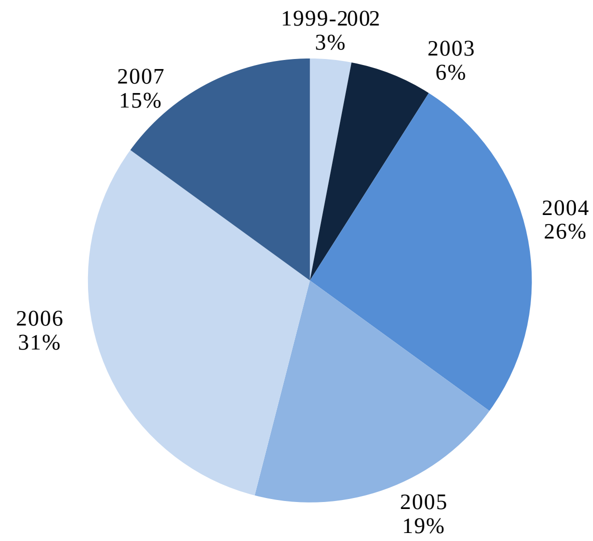
Non-Agency Portfolio

Q4 2012 Non-Agency Portfolio



- Non-Agency portfolio continues to focus on seasoned, sub-prime assets with significant credit enhancement, Alt-A and pay-option adjustable rate mortgages.

Q4 2012 Non-Agency Portfolio Vintage



- The vintage of the non-Agency portfolio is evenly distributed between RMBS originated during 1999 through 2005 and RMBS originated during 2006 through 2007.

Financing Overview

Financing / Hedging Summary

- Agency portfolio financed with repurchase agreement borrowings employing leverage of approximately 6 to 10 times
- Non-Agency portfolio financed with repurchase agreement borrowings employing leverage of approximately 1 to 3 times
- Interest rate risk associated with Agency RMBS borrowings mitigated primarily with 5-year interest rate swaps ("Swaps")
- In the fourth quarter, to further mitigate interest rate risk, the Company entered into an option to exercise a Swap at a later date ("Swaption")

Financing

Collateral ($ in thousands)	Repurchase Agreement Borrowing	Weighted Average Borrowing Rate	Weighted Average Remaining Maturity (days)
Agency RMBS	$3,223,577	0.5%	15
Non-Agency RMBS	430,859	2.1%	58
Total	**$3,654,436**	**0.7%**	**20**

Derivative Instruments

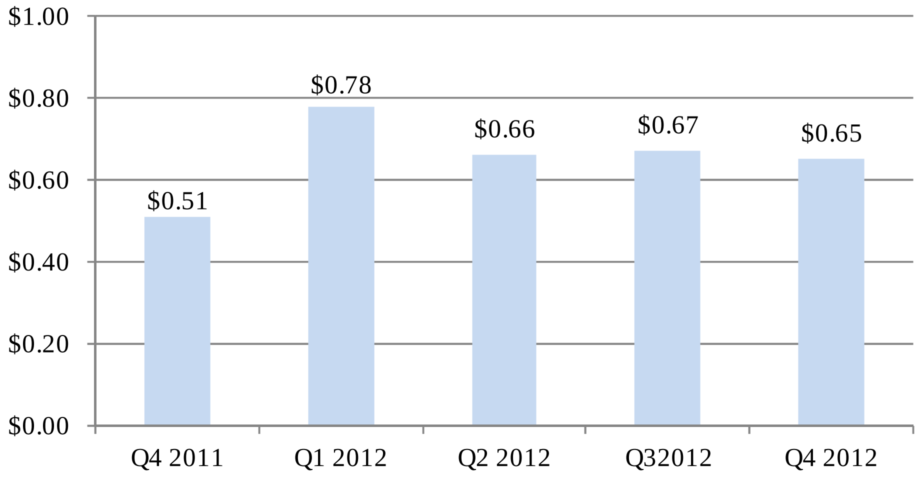
($ in thousands)	Notional Amount	Estimated Fair Value
Swaps, assets - interest rate derivatives	$ -	$ -
Swaption - assets - interest rate derivatives	75,000	750
Swaps, liabilities - interest rate derivatives	1,500,000	(23,184)
Total derivative instruments	$ 1,575,000	$ (22,434)

Interest Rate Swaps

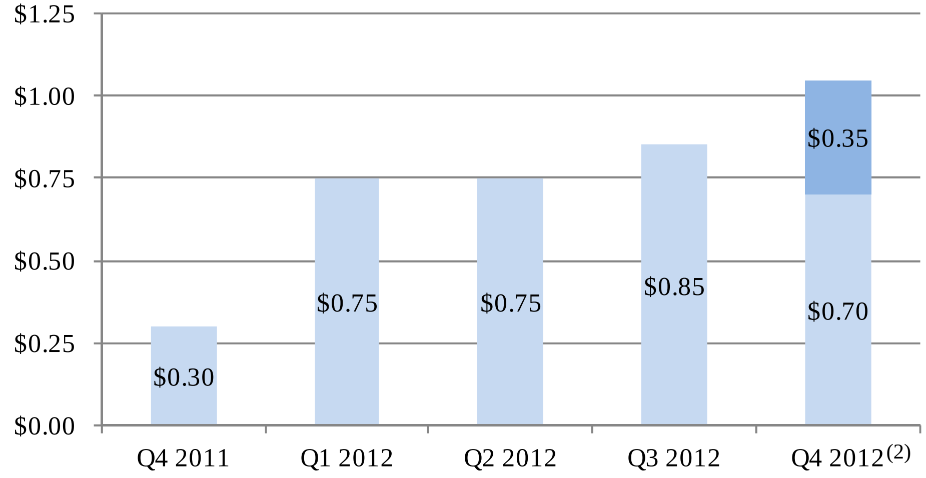
Term to Maturity ($ in thousands)	Notional Amount	Average Fixed Pay Rate	Average Maturity (Years)
Greater than 1 year and less than 3 years	$ -	-%	-
Greater than 3 years and less than 5 years	1,245,000	1.1	4.4
Greater than 5 years	255,000	1.9	9.6
Total	**$ 1,500,000**	**1.2%**	**5.3**

Financial Summary

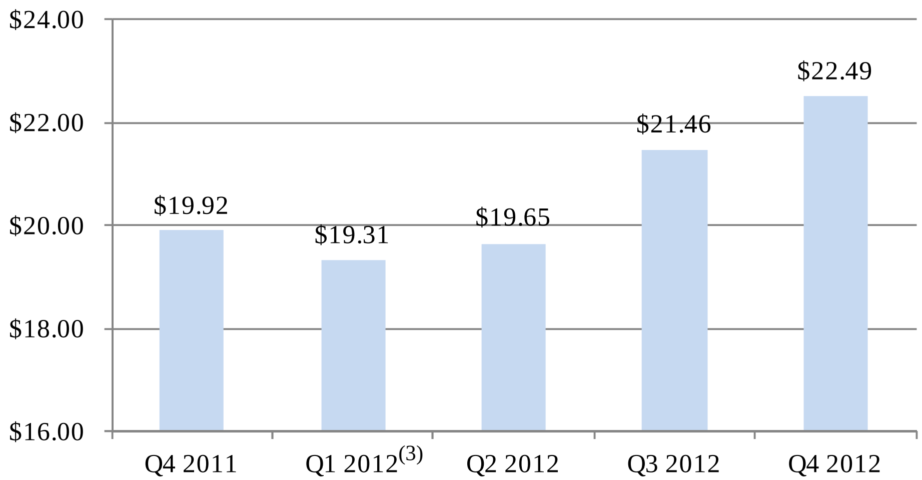
Operating Earnings per Common Share (1)



Dividend per Common Share



Book Value per Common Share



(1) *Operating Earnings and Operating Earnings per common share are non-GAAP financial measures. Operating Earnings and Operating Earnings per common share presented exclude, as applicable: (i) realized and unrealized gains and losses recognized through earnings; (ii) non-cash equity compensation; (iii) one time events pursuant to changes in GAAP; and (iv) certain other non-cash charges. Please see the Company's earnings release dated March 6, 2013 which is located in the investor relations section of AMTG's website for a reconciliation of Operating Earnings and Operating Earnings per common share to GAAP net income and GAAP net income per common share. Operating Earnings represents the earnings, as adjusted, allocable to common stock.*

(2) *The common stock dividend in the fourth quarter of 2012 consisted of a $0.70 per common share quarterly dividend and a $0.35 per common share special dividend.*

(3) *Pro-forma book value per common share at March 31, 2012 including the impact of the April 20, 2012 equity offering. Book value per common share at March 31, 2012 was $21.09.*

AMTG Investment Highlights

- Current macro environment continues to create compelling opportunities for investing in residential mortgage assets
- Seasoned management team with extensive whole loan, Agency and non-Agency RMBS expertise
- $4.23 billion RMBS portfolio at December 31, 2012 consisted of Agency RMBS with an estimated fair value of $3.63 billion and non-Agency RMBS with an estimated fair value of $605 million
- Strong sponsorship from Apollo Global Management
- 12.6% common stock dividend yield(1)

(1) Based upon the annualized third quarter common stock dividend of $0.70 per common share and the closing common share price of $22.20 on March 8, 2013.

Appendix

Agency Securities as of December 31, 2012

Agency Portfolio Composition Summary

($ in thousands)	Principal Balance	Unamortized Premium (Discount), Net	Amortized Cost[(1)(2)]	Estimated Fair Value[(1)]	Net Weighted Average Coupon	Weighted Average Yield[(3)]
Agency RMBS:						
30 Year Mortgages						
Coupon Rate						
3.5%	$ 1,228,402	$ 78,623	$ 1,307,025	$ 1,318,375	3.5 %	2.4 %
4.0%	1,406,138	113,864	1,520,002	1,543,258	4.0	2.6
4.5% and 5.0%	271,764	17,016	288,780	302,156	4.5	3.1
Total 30 Year Mortgages	2,906,304	209,503	3,115,807	3,163,789	3.8	2.5
15-20 Year Mortgages						
Coupon Rate						
3.0%	159,605	7,181	166,786	169,172	3.0	2.0
3.5%	221,949	12,883	234,832	239,207	3.5	2.3
Total 15-20 Year Mortgages	381,554	20,064	401,618	408,379	3.3	2.2
Agency IOs and IIOs[(4)]	-	-	53,996	53,926	5.9	13.3
Total Agency RMBS	**$ 3,287,858**	**$ 229,567**	**$ 3,571,421**	**$ 3,626,094**	**4.0 %**	**2.7 %**

(1) *Includes unsettled purchases with an aggregate cost of $49,965 and estimated fair value of $50,043 at December 31, 2012.*
(2) *Amortized cost is reduced by unrealized losses that are classified as other-than-temporary impairments. The Company recognized other-than-temporary impairments of $5,475 for the twelve months ended December 31, 2012.*
(3) *Weighted average yield at the date presented incorporates estimates for future prepayment assumptions on all RMBS and loss assumptions on non-Agency RMBS.*
(4) *Agency IOs and Agency IIOs have no principal balance and bear interest on a notional balance. The notional balance is used solely to determine interest distributions on interest-only class of securities.*

Non-Agency Securities as of December 31, 2012

	12/31/12 Holdings
Portfolio Characteristics	
Estimated Fair Value ($ in thousands)	$605,197
Amortized Cost to Par Value	67.2%
Net Weighted Average Coupon	1.2%
Collateral Attributes	
Weighted Average Loan Age (months)	91.0
Weighted Average Original Loan-to-Value	82.6%
Weighted Average Original FICO Credit Score	640
Current Performance	
60+ Day Delinquencies	35.7%
Average Credit Enhancement[(1)]	28.0%
3 Month CPR[(2)]	2.7%

(1) Credit enhancement is expressed as a percentage of all outstanding mortgage loan collateral. The Company's RMBS may incur losses if credit enhancement is reduced to zero.

(2) Information is based on loans for individual groups owned by the Company. Amounts presented reflect the weighted average monthly performance for the three months ended December 31, 2012.

Counterparty Summary

($ in thousands)	Number of Counterparties	Repurchase Agreement Borrowings	Swaps and Swaptions at Fair Value	Exposure (1)	Exposure as Percentage of Total Assets
North America					
United States	8	$ 2,004,620	$ (15,025)	$ 207,406	4.6 %
Canada[2]	1	116,381	-	56,025	1.2
Total North America	9	2,121,001	(15,025)	263,431	5.8
Europe[2]					
Germany	1	$ 268,446	$ -	$ 17,944	0.4 %
Switzerland	2	284,706	-	26,614	0.6
United Kingdom	2	292,355	(6,716)	22,486	0.5
Netherlands	1	122,334	-	6,881	0.2
Total Europe	6	967,841	(6,716)	73,925	1.7
Asia[2]					
Japan	2	$ 565,594	$ (693)	$ 32,343	0.7 %
Total Asia	2	565,594	(693)	32,343	0.7
Total Counterparty Exposure	**17**	**$ 3,654,436**	**$ (22,434)**	**$ 369,699**	**8.2 %**

(1) *Represents the amount of cash and/or securities pledged as collateral to each counterparty less the aggregate of repurchase agreement borrowings and unrealized loss on Swaps for each counterparty, net of collateral pledged.*
(2) *Includes foreign based counterparties as well as U.S. domiciled subsidiaries of such counterparties, as such transactions are generally entered into with a U.S. domiciled subsidiary of such counterparties.*

Sample Non-Agency Bond Opportunity

Subprime RMBS – AABST 2004-3 M1

Security Description

- 2004 vintage M1 tranche of a securitization, behind the AAA tranches but ahead of M2 thru B tranches
- Pays sequentially from AAA and then M1 thru B tranches while performance triggers fail
- Receives protection from credit losses from the subordinate bonds – has a 25.7% collateral enhancement (i.e. the collateral would have to lose 25.7% of its balance before this bond would take a principal loss)
- Stable structure
  - Because of its seasoned vintage and lower loan balance, has stable defaults and prepays, and very high quality (103% average LTV) loans
- Pays coupon of 1mL + 60

Collateral Summary

- Collateral is made up of loans from the following top 5 states:
  - California: 9.7%
  - New York: 9.0%
  - Texas: 8.3%
  - Ohio: 8.3%
  - Massachusetts: 6.7%
- Average loan balance of $110,066
- Average Loan-to-Value of 103%
- Weighted average FICO of 609

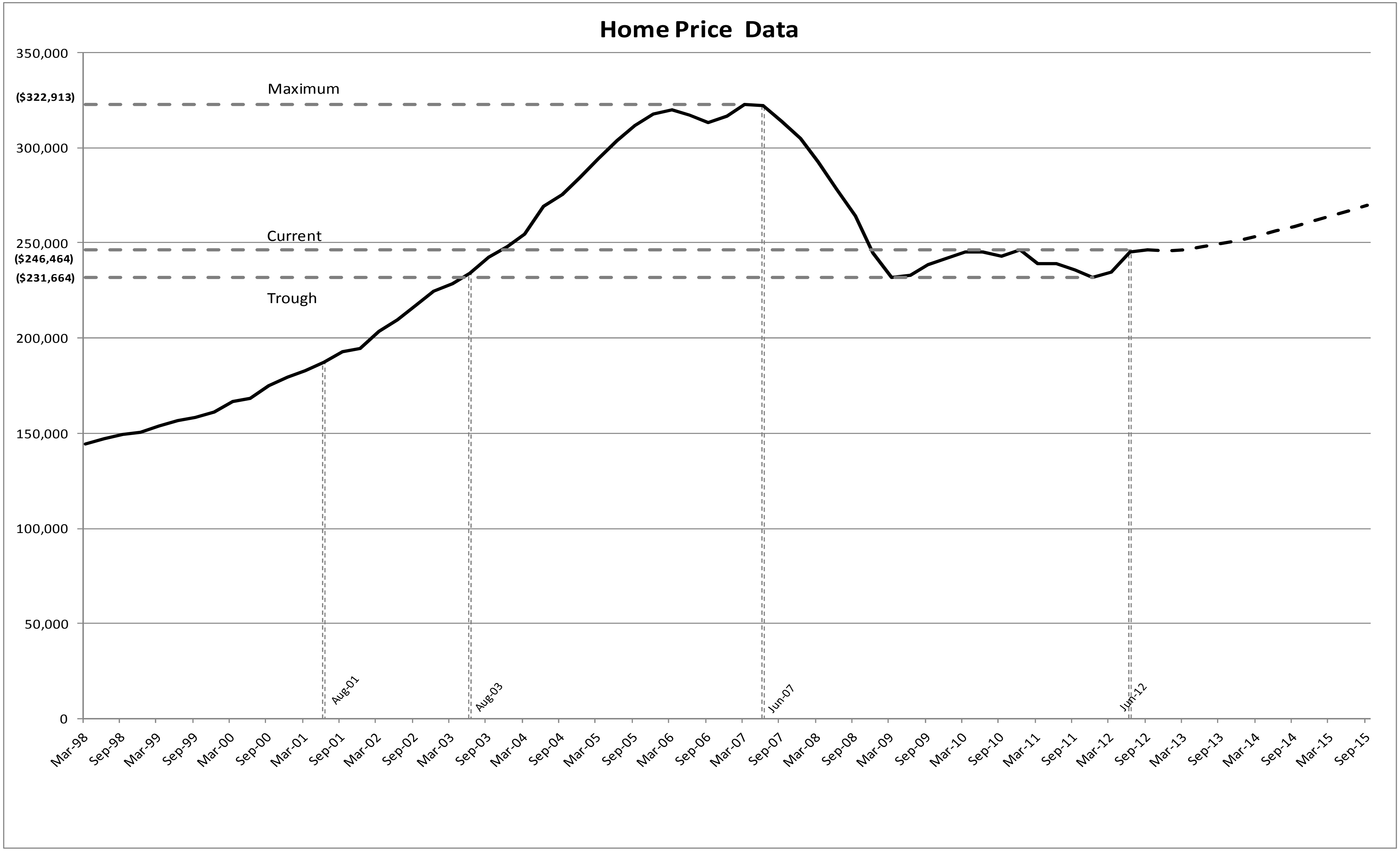
Returns Analysis – Assumes $79.00 Purchase Price

	Base Case	HPI Down 5%	HPI Down 10%	HPI Down 15%	HPI Down 20%
Unlevered IRR	**6.1%**	**6.1%**	**6.0%**	**5.9%**	**5.9%**
Average Life (Yrs)	*7.2*	*7.5*	*7.9*	*8.3*	*8.8*
Duration	*6.3*	*6.5*	*6.7*	*7.0*	*7.4*
Total Defaults	*46.2%*	*47.0%*	*48.0%*	*49.0%*	*50.2%*
Total Losses	*27.0%*	*28.1%*	*29.5%*	*31.0%*	*32.3%*

Included position selected on an objective, non-performance based criteris.

Sample Non-Agency Bond Opportunity

Bond Collateral Home Price Model Projections



Source: Moodys.com

APOLLO
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