APOLLO

COMMERCIAL REAL ESTATE FINANCE

Investor Presentation
January, 2013

Information is as of September 30, 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.

Legal Disclaimer

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. 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: our business and investment strategy; our operating results; our ability to obtain and maintain financing arrangements; the return on equity, the yield on investments 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 under "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as included in ARI's Annual Report on Form 10-K for the fiscal year ended December 31, 2011. 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: ARI
IPO	September, 2009
Structure	Commercial Mortgage REIT
Investments	Senior and subordinate commercial mortgage loans, investment grade commercial mortgage backed securities (CMBS) and other performing real estate debt investments
Manager	Externally managed by ACREFI Management, LLC (the "Manager"), an indirect subsidiary of Apollo Global Management, LLC (NYSE:APO)
Management Fee	1.5% of net equity
Dividend Per Common Share (1)	$1.60
Dividend Yield (2)	9.2%
Common Equity Market Capitalization (3)	$485 million

(1) *Current divided per common share of $0.40 annualized.*
(2) *Based upon the annualized current dividend per common share and ARI's closing common share price of $17.34 on January 10, 2013.*
(3) *Common equity market capitalization based upon the 28.0 million common shares outstanding and ARI's closing common share price of $17.34 on January 10, 2013.*

Investment Highlights

- Current macro environment continues to create compelling opportunities for CRE debt investments
  - $1.6 trillion of commercial mortgage debt will mature over the next five years in the U.S.; Deleveraging process only 50% complete as extensions have pushed out the “maturity wall” (1)
  - Ability to earn equity-like returns on debt investments with lower risk profiles
- Experienced management team with extensive relationships across the U.S.
  - Stuart Rothstein – CEO and CFO; Scott Weiner – CIO
  - Long-standing and deep relationships with global investment banks, insurance companies and CRE owners
  - Capacity to structure and underwrite complex transactions across a broad spectrum of property types
- Stable investment portfolio with amortized cost basis of $606 million at September 30, 2012
  - Levered weighted average IRR of approximately 14.9%(2)
  - Weighted average duration of 3.3 years
  - Investments diversified by geographic region and underlying property type
- Robust investment pipeline

(1) Source: Trepp, LLC

(2) The internal rate of return (“IRR”) reflects the returns underwritten by the Manager, calculated on a weighted average basis assuming no dispositions, early prepayments or defaults but assumes extensions as well as the cost of borrowings and derivative instruments under the Company’s master repurchase agreement with Wells Fargo Bank, N.A. (“Wells Facility”). The calculation also assumes extension options on the Wells Facility with respect to the Hilton CMBS are exercised. There can be no assurance the actual IRRs will equal the underwritten IRRs shown. See “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2011 for a discussion of some of the factors that could adversely impact the returns received by the Company from the investments over time. Substantially Substantially all of the Company’s borrowings under the Company's master repurchase facility with JPMorgan Chase Bank, N.A. (the "JPMorgan Facility") were repaid upon the closing of the Company’s Series A Preferred Stock offering in August 2012. The Company's ability to achieve its levered weighted average underwritten IRR is additionally dependent upon the Company re-borrowing approximately $53,000 under the JPMorgan Facility or any replacement facility. Without such re-borrowing, the levered weighted average IRR with regard to its portfolio of first mortgage loan will be significantly lower than the amount shown above, as indicated by the weighted average underwritten IRR above.

CRE Debt Market Overview

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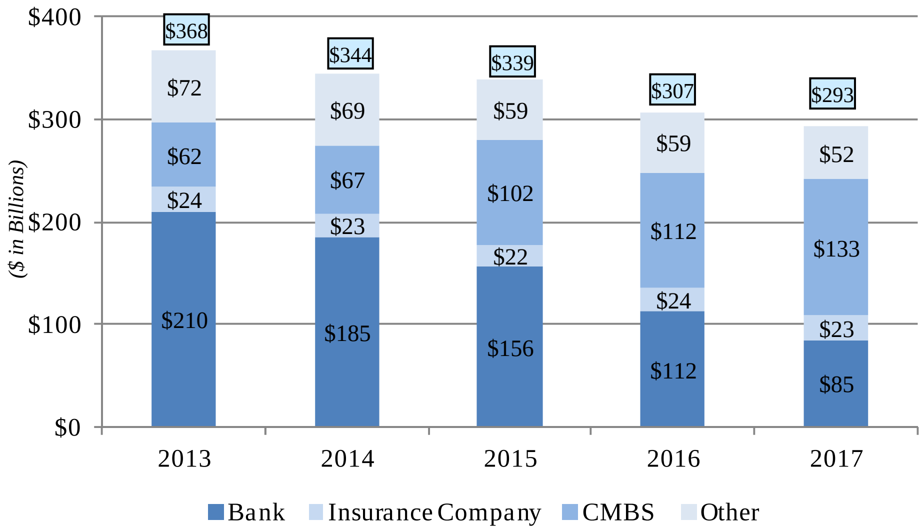
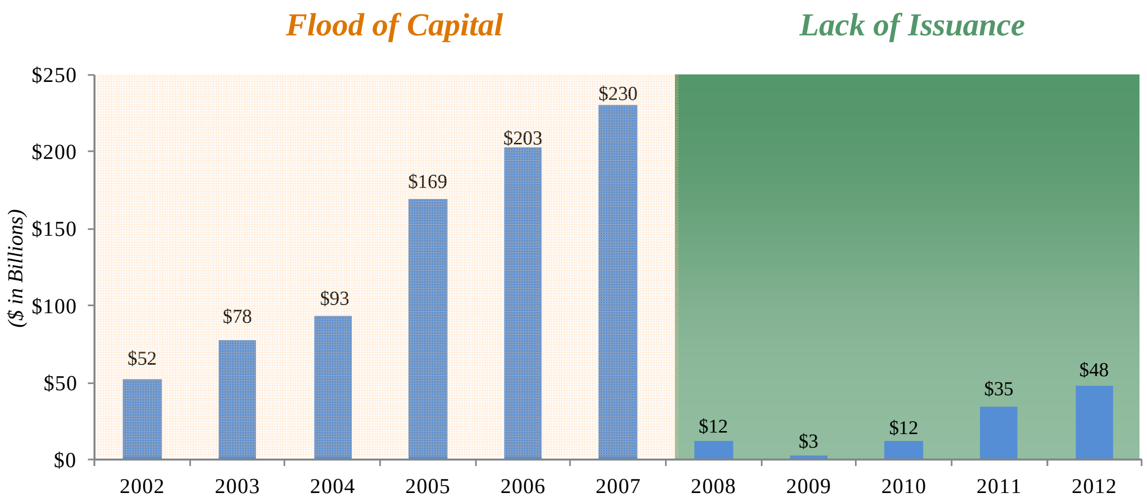
CRE Debt Market Overview

- $1.6 trillion of commercial mortgage debt is maturing in the next five years in the US(1)
- US CMBS issuance gained momentum in 2012 but is significantly lower than the 2005-2007 peak levels(2)

U.S. CRE Loan and CMBS Maturities(1)



U.S. CMBS Issuances(2)



(1) *Source: Trepp, LLC*
(2) *Commercial Mortgage Alert as of January, 2013*

Case Study – Pricing in the CRE Subordinated Debt Market

- While a borrower's overall total cost of funds on most CRE debt transactions has come down since our IPO, potential returns in the subordinate debt market remain attractive

Troy, MI Office Building
May, 2010

0%-55%
- $33 million first mortgage loan
- 6.45% rate
- LTV – 55%

55%-70%
- $9 million mezzanine loan
- 13.0% rate
- LTV – 55% - 70%

- $19 million equity

Whole Loan Interest Rate – 7.85%
Mezzanine Loan IRR(1) – 14.0%
Spread to 10-Year Treasury – 9.45%(2)

Kansas City, MO Office Building
September, 2012

0%-61.5%
- $60 million first mortgage loan
- 4.37% rate
- LTV – 61.5%

61.5%-71.5%
- $10 million mezzanine loan
- 11.75% rate
- LTV – 61.5% - 71.5%

- $30 million of equity

Whole Loan Interest Rate – 5.42%
Mezzanine Loan IRR(1) – 12.6%
Spread to 10-Year Treasury – 10.10%(2)

(1) The IRR for the investments listed reflect the returns underwritten by the Manager, calculated on a weighted average basis assuming no dispositions, early prepayments or defaults but assumes extensions as well as the cost of borrowings and derivative instruments under the Wells Facility. There can be no assurance the actual IRRs will equal the underwritten IRRs shown. See "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 for a discussion of some of the factors that could adversely impact the returns received by the Company from the investments over time.

(2) The spread between the 10-year US Treasury rate and the mezzanine loan interest rate on the date the transaction closed.

Overview of ARI and the Manager

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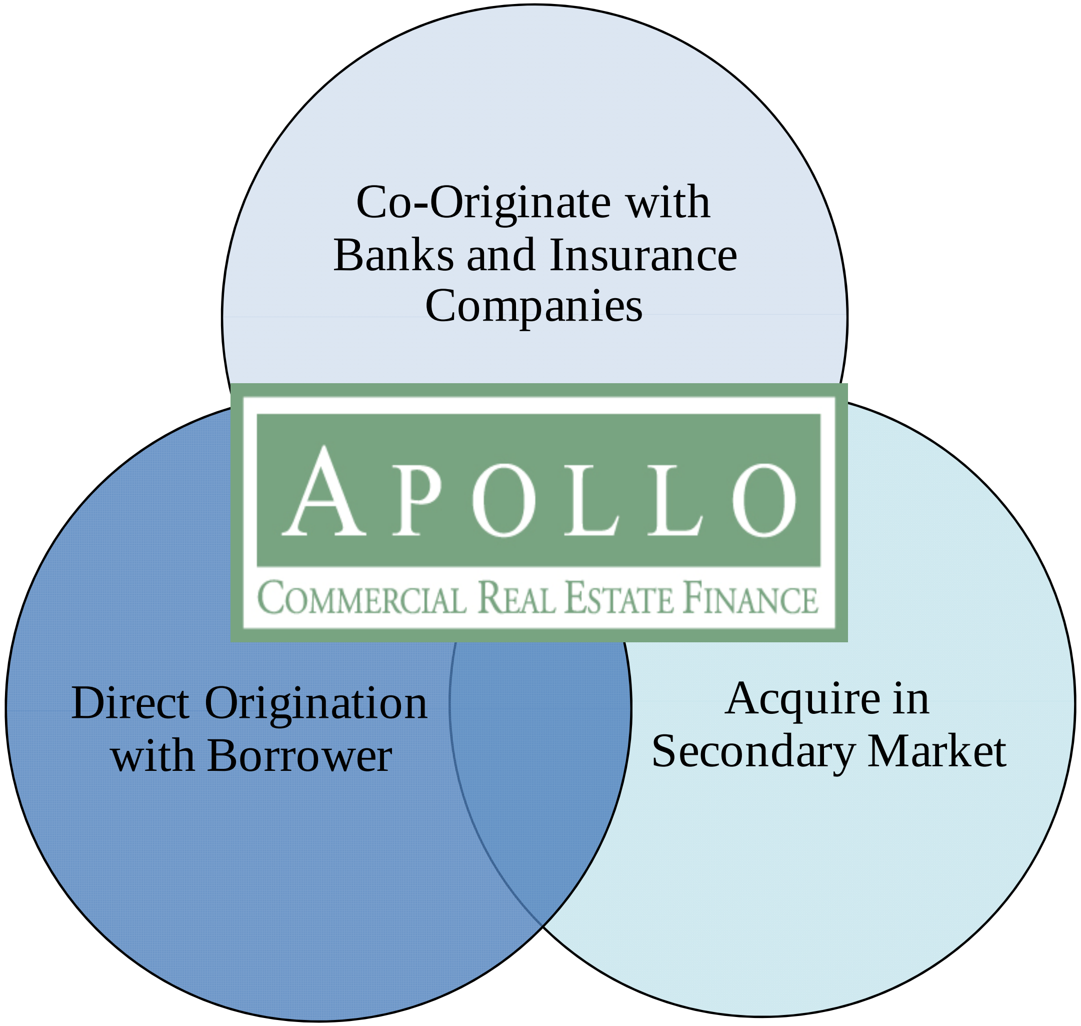
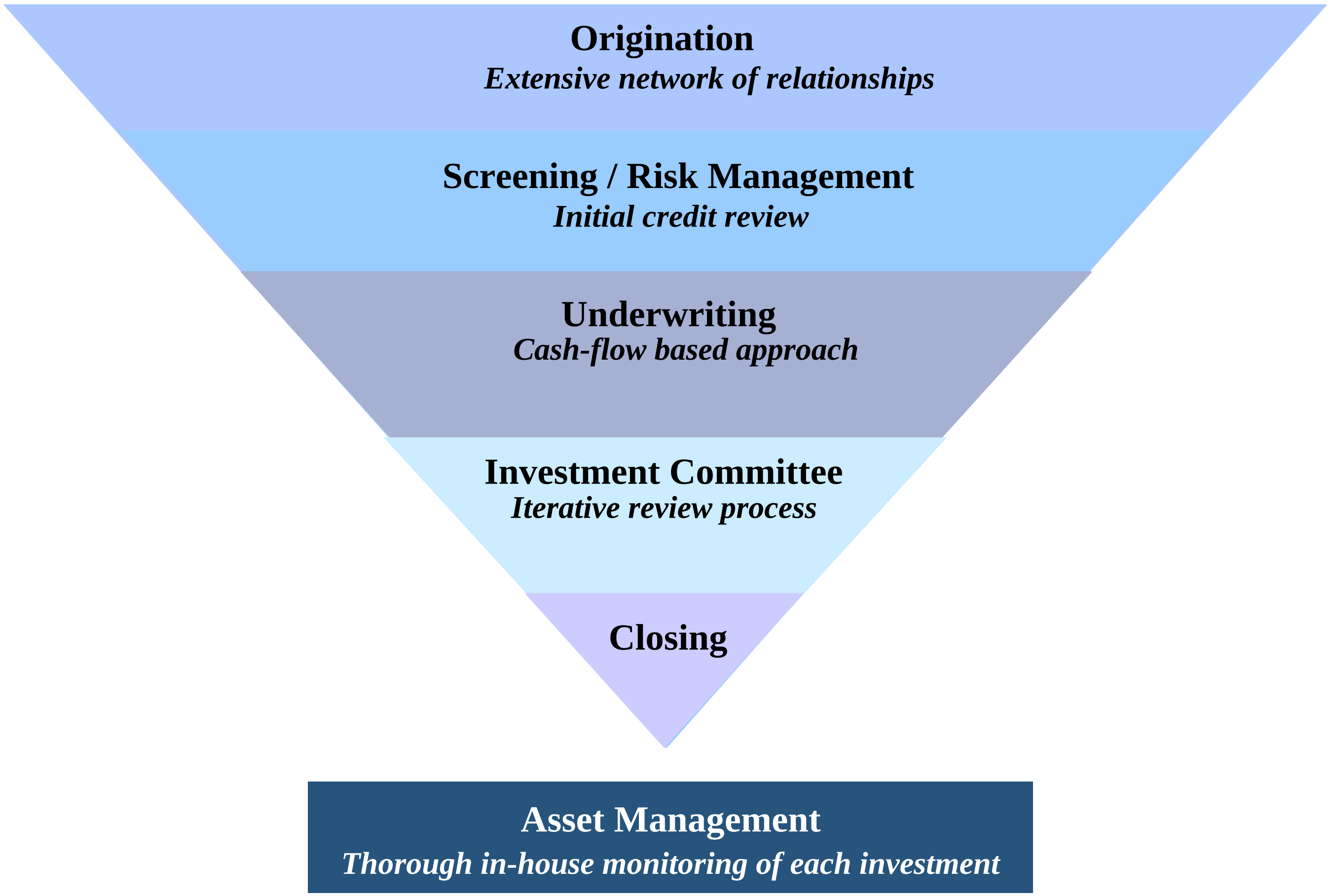
ARI Investment Strategy



Overview of the Manager and Investment Process

- ARI’s manager is housed within the $8.1B[1] AUM Real Estate Group at Apollo Global Management
- Dedicated team of investment, finance and asset management professionals
- Disciplined investment process to ensure proper risk management and attractive risk adjusted returns for shareholders



(1) As of September 30, 2012. Please refer to Apollo Global Management, LLC’s latest quarterly report on Form 10-Q which is available at www.sec.gov for the definition of “Assets Under Management” or “AUM”.

ARI Portfolio and Financing Overview

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Portfolio Overview

Asset Type ($000s)	Amortized Cost	Borrowings	Equity at Cost	Remaining Weighted Average Life (years)[1]	Current Weighted Average IRR[2][3]	Levered Weighted Average IRR[4]
First Mortgage Loans[2]	$104,101	$3	$104,098	2.1	11.3%	20.2%
Subordinate Loans	196,177	-	196,177	5.4	13.9	13.9
Repurchase Agreements	10,975	-	10,975	1.5	13.7	13.7
CMBS - AAA	223,781	194,069	29,712	2.1	15.6	15.6
CMBS - Hilton	70,521	48,898	21,623	3.1	11.7	11.7
Investments at September 30, 2012	**$605,555**	**$242,970**	**$362,585**	**3.3 Years**	**13.1%**	**14.9%**

As of September 30, 2012.

(1) Remaining Weighted Average Life assumes all extension options are exercised.

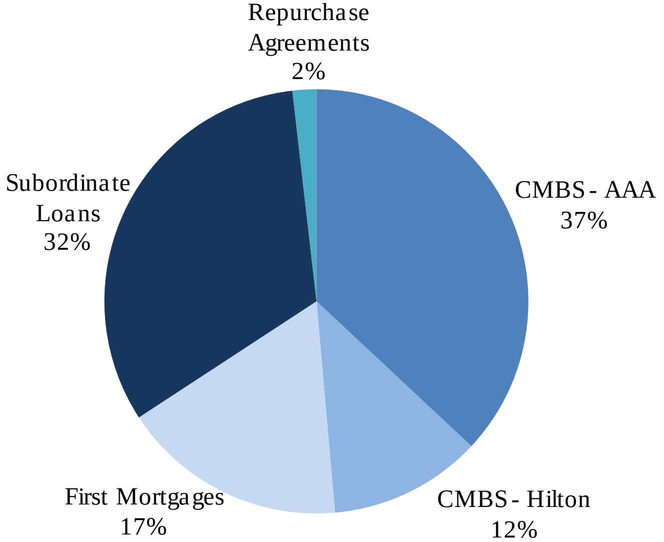
(2) Borrowings under the Company's master repurchase facility with JPMorgan (the "JPM Facility") bear interest at LIBOR plus 250 basis points, or 2.7% at September 30, 2012. The IRR calculation further assumes the JPM Facility or any replacement facility will remain available over the life of these investments.

(3) The IRR for the investments shown in the above table reflect the returns underwritten by the Manager, calculated on a weighted average basis assuming no dispositions, early prepayments or defaults but assumes extensions as well as the cost of borrowings and derivative instruments under the Wells Facility. The calculation also assumes extension options on the Wells Facility with respect to the Hilton CMBS are exercised. There can be no assurance the actual IRRs will equal the underwritten IRRs shown in the table. See "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 for a discussion of some of the factors that could adversely impact the returns received by the Company from the investments shown in the table over time.

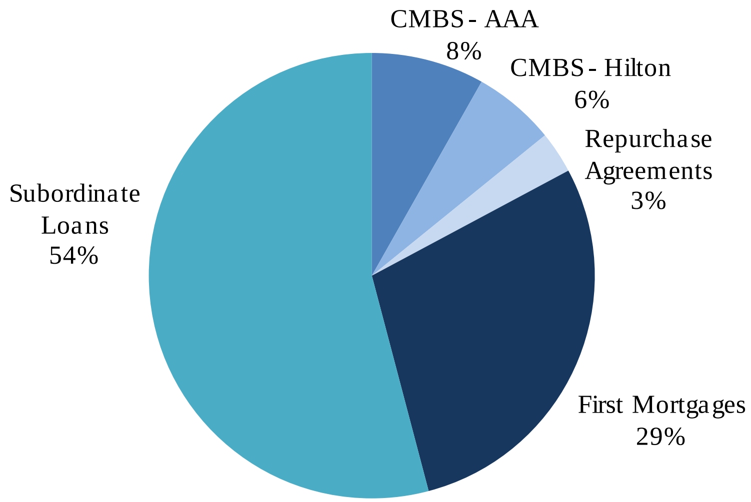
(4) Substantially all of the Company's borrowings under the JPMorgan Facility were repaid upon the closing of the Company's Series A Preferred Stock offering in August 2012. The Company's ability to achieve its underwritten levered weighted average IRR with regard to its portfolio of first mortgage loans is additionally dependent upon the Company re-borrowing approximately $53,000 under the JPMorgan Facility or any replacement facility. Without such re-borrowing, the levered weighted average IRRs will be as indicated in the current weighted average IRR column above.

Portfolio Diversification

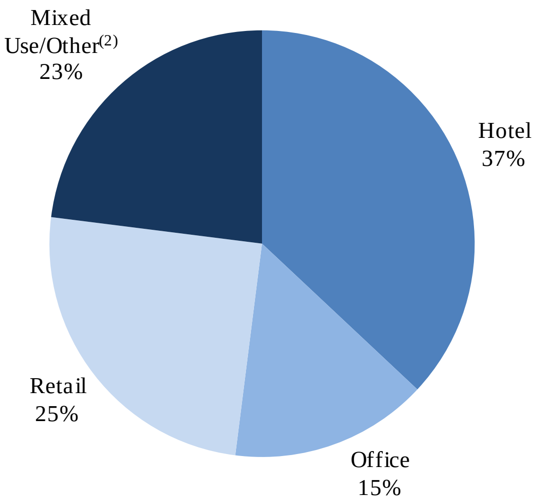
Gross Assets at Amortized Cost Basis



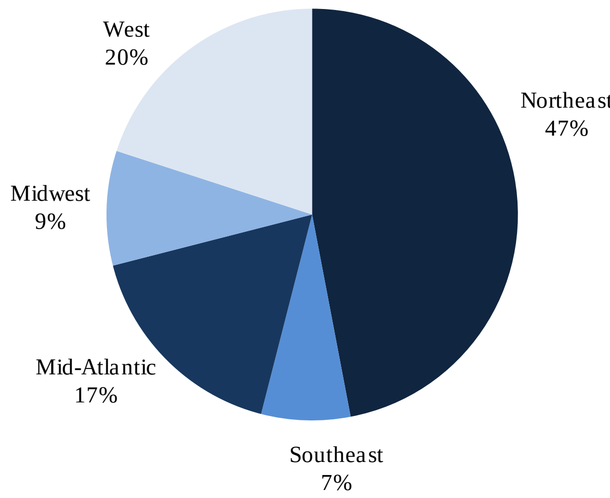
Net Invested Equity at Amortized Cost Basis



Loan Portfolio - Property Type by Face Amount[1]



Loan Portfolio - Geographic Diversification by Face Amount[1]

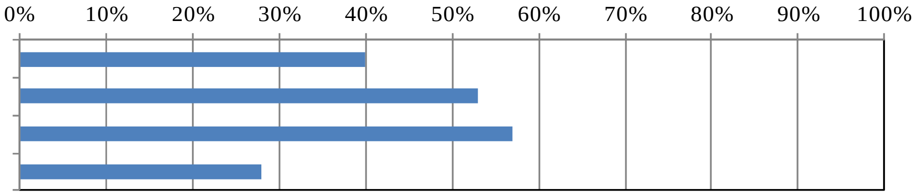


(1) Does not include CMBS (AAA or Hilton) or repurchase agreement investment secured by CDO bond.
(2) Other category includes the subordinate financing on a ski resort and a first mortgage loan on a development site with income producing parking lots.

Loan Portfolio – Loan Level LTV (Through Last Invested Dollar)

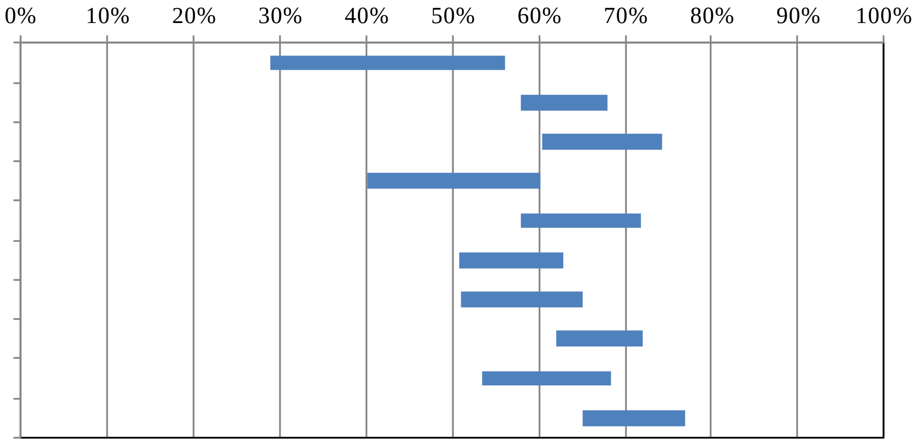
First Mortgages

Description ($ in thousands)	Location	Balance at September 30, 2012	Starting LTV	Ending LTV[1]
First Mortgage - Hotel	New York	$ 31,633	0%	40%
First Mortgage - Office	New York	$ 27,480	0%	53%
First Mortgage - Hotel	Maryland	$ 25,351	0%	56%
First Mortgage - Parking/Development Site[2]	Massachusetts	$ 23,844	0%	28%
Total		$ 108,308		



Subordinate Financing

Description ($ in thousands)	Location	Balance at September 30, 2012	Starting LTV	Ending LTV[1]
Subordinate - Ski Resort	California	$ 40,000	29%	56%
Subordinate - Retail	Various	$ 30,000	58%	68%
Subordinate - Retail	Virginia	$ 25,953	60%	74%
Subordinate - Hotel Portfolio	New York	$ 25,000	40%	60%
Subordinate -Retail	Various	$ 20,000	58%	72%
Subordinate - Hotel	New York	$ 15,000	51%	63%
Subordinate - Hotel	New York	$ 15,000	51%	65%
Subordinate - Office	Missouri	$ 10,000	62%	72%
Subordinate - Office	Michigan	$ 8,923	53%	68%
Subordinate - Mixed Use	North Carolina	$ 6,525	65%	77%
Total		$ 196,401		



(1) *Ending LTV represents the current loan balance as a percentage of the value as of the date of investment for all loans except the $31,633 New York, NY hotel loan, which is as of March 2011.*

(2) *Ending LTV is based upon the aggregate face value ($23.8 million) of the senior sub-participation interests at the date of investment; ARI purchased the senior sub-participation interests for $17.8 million (75% of face value).*

Financing Overview

- ARI had total borrowings outstanding of $243 million at September 30, 2012

Facility ($000s)	Debt Balance	Weighted Average Remaining Maturity[1]	Cost of Funds	Hedged Cost of Funds
Wells Facility	$242,967	1.3	1.8%	1.9%
JP Morgan Facility	3	0.3	2.7	2.7
Total Borrowings at September 30, 2012	**$242,970**	**1.3**	**1.8%**	**1.9%**

- ARI's borrowings had the following remaining maturities at September 30, 2012:

Facility ($000s)	Less than 1 year	1 to 3 years	3 to 5 years	Total
Wells Facility[1]	$196,275	$4,914	$41,778	$242,967
JP Morgan Facility	3	-	-	3
Total Borrowings at September 30, 2012	**$196,278**	**$4,914**	**$41,778**	**$242,970**

(1) *Assumes extension options on Wells Facility are exercised. Borrowings outstanding under the Wells Facility bear interest at LIBOR plus 125bps, 150bps or 235bps depending on the collateral pledged.*

ARI – 2012 Investments

$15 Million Mezzanine Loan, New York, NY
- 165 room hotel
- LTV – 63%
- Term – 3-years
- Underwritten IRR(1) – 14.0%

$15 Million Mezzanine Loan, New York, NY
- 226 room hotel
- LTV – 65%
- Term – 4-years
- Underwritten IRR(1) – 12.6%

$17.8 Million Senior Sub-Participation Interests in First Mortgage Loan, Boston, MA
- Acquired at 75% of par ($23.8 million of aggregate face value)
- Development site with 5.8 million buildable square feet and 3,325 parking spaces
- LTV – 28%
- Term – 2-years
- Underwritten IRR(1) – 21.7%(2)

$70.7 Million of Hilton CMBS
- Acquired at 94.4% of par
- LTV – 35% - 45%
- Term – 2-years
- Purchased using $49.5 million of debt from Wells Fargo Facility
- Underwritten IRR(1) – 11.7%

$6.5 Million Mezzanine Loan, Chapel Hill, NC
- Mixed-use project with 55,585 square feet of retail space and 114,476 square feet of office space
- LTV – 77%
- Term – 10-years
- Underwritten IRR(1) – 11.9%

$10.0 Million Mezzanine Loan, Kansas City, MO
- 845,241 square foot office tower complex
- LTV – 72%
- Term – 10-years
- Underwritten IRR(1) – 12.6%

(1) The IRR for the investments listed reflect the returns underwritten by the Manager, calculated on a weighted average basis assuming no dispositions, early prepayments or defaults but assumes extensions as well as the cost of borrowings and derivative instruments under the Wells Facility. There can be no assurance the actual IRRs will equal the underwritten IRRs shown. See "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 for a discussion of some of the factors that could adversely impact the returns received by the Company from the investments over time.

(2) After the payment of a one-time brokerage fee and other expenses and assuming the loan extension occurs.

ARI – 2012 Investments (cont.)

$50.0 Million Mezzanine Loan, Hotel Portfolio

- **Three full services hotels totaling 3,981 keys**
- **Located in Dallas, TX, Denver, CO and St. Louis, MO**
- **LTV – 61%**
- **Term – 4-years**
- **Underwritten IRR(1) – 12.8%**


$80.0 Million Whole Loan, Condo Conversion

- **$45 million first mortgage loan and $35 million mezzanine loan**
- **Located in New York, NY**
- **66 Units with 96,000 net salable square feet and 3,000 square feet of retail**
- **Loan-to-net sellout – 55%**
- **Term – 4-years(2)**
- **Underwritten IRR(3) – 11.0%**

2012 activity - $214 million of committed equity into $264 million of investments

(1) *The IRR for the investments listed reflect the returns underwritten by the Manager, calculated on a weighted average basis assuming no dispositions, early prepayments or defaults but assumes extensions as well as the cost of borrowings and derivative instruments under the Wells Facility. There can be no assurance the actual IRRs will equal the underwritten IRRs shown. See "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 for a discussion of some of the factors that could adversely impact the returns received by the Company from the investments over time.*

(2) *Two year initial term with two 12-month extension options*

(3) *The IRR for the investment listed reflects the returns underwritten by the Manager, calculated using the Manager's underwritten assumptions regarding the timing and magnitude of future fundings for the remaining commitments and associated loan repayments, as well as assuming no defaults. There can be no assurance the actual IRRs will equal the underwritten IRRs shown. See "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 for a discussion of some of the factors that could adversely impact the returns received by the Company from the investments over time.*

Case Study – NYC Condominium Conversion Whole Loan

- NYC Condominium Mezzanine Loan
  - Provided an $80 million whole loan commitment for a condominium conversion located in New York City; The property will have 66 units with approximately 96,000 net salable square feet and approximately 3,000 square feet of ground floor retail space
  - Funded $45 million of a first mortgage loan and $0.4 million of a $35 million mezzanine loan, the balance of which will be funded throughout the conversion process; On a fully funded basis, the Company's loan basis will represent an underwritten loan-to-net sellout of approximately 55%
  - Underwritten to generate an unlevered IRR of approximately 11%(1)

(1) The IRR for the investment listed reflects the returns underwritten by the Manager, calculated using the Manager's underwritten assumptions regarding the timing and magnitude of future fundings for the remaining commitments and associated loan repayments, as well as assuming no defaults. There can be no assurance the actual IRRs will equal the underwritten IRRs shown. See "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 for a discussion of some of the factors that could adversely impact the returns received by the Company from the investments over time.

Case Study – NYC Condominium Mezzanine Loan

- NYC Condominium Mezzanine Loan
  - Provided a $60 million mezzanine loan commitment secured by the pledge of preferred equity interests in a to-be-developed 352,624 net salable square foot, 146-unit condominium tower to be built in downtown New York City.
  - Funded $46 million at closing and will fund an additional $14 million within the next six months; On a fully funded basis, the Company's loan basis will represent an underwritten loan-to-net sellout of approximately 54%
  - Underwritten to generate an IRR of approximately 16%(1)

(1) *The IRR for the investment listed reflects the returns underwritten by the Manager, calculated using the Manager's underwritten assumptions regarding the timing and magnitude of future fundings for the remaining commitments and associated loan repayments, as well as assuming no defaults. There can be no assurance the actual IRRs will equal the underwritten IRRs shown. See "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 for a discussion of some of the factors that could adversely impact the returns received by the Company from the investments over time.*

ARI Financial Overview

Recent Financial Highlights

- Operating Earnings for the nine months ended September 30, 2012 of $26.5 million, or $1.27 per common share[(1)]
  - A per share increase of 19% as compared with Operating Earnings per common share for the same period in 2011
- Declared a dividend of $0.40 per share of common stock for the quarter ended December 31, 2012
  - 9.2% annualized dividend yield based on $17.34 closing common share price on January 10, 2013
  - Tenth consecutive quarter of $0.40 per common share dividend level
- GAAP book value of $16.58 per common share as of September 30, 2012

(1) *Operating Earnings is a non-GAAP financial measure that is used to approximate cash available for distribution and is defined by the Company as net income, computed in accordance with GAAP, adjusted for (i) non-cash equity compensation expense and (ii) any unrealized gains or losses or other non-cash items included in net income. Please see ARI's Q3 2012 earnings release dated November 1, 2012 which is available in the investor relations section of ARI's website for a reconciliation of operating earnings and operating earnings per diluted common share to GAAP net income and GAAP net income per diluted common share.*

Financial Overview

Income Statement	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	% Change	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011	% Change
Interest income *(in thousands)*	$ 15,004	$ 13,952	7.5%	$ 43,314	$ 38,354	12.9%
Interest expense *(in thousands)*	$ (1,768)	$ (3,716)	-52.4%	$ (6,939)	$ (10,836)	-36.0%
Net interest income *(in thousands)*	$ 13,236	$ 10,236	29.3%	$ 36,375	$ 27,518	32.2%
Operating earnings per share(1)	$ 0.44	$ 0.38	15.8%	$ 1.27	$ 1.07	18.7%
Basic and diluted weighted average common shares outstanding	20,992,312	19,647,989	6.8%	20,983,429	18,261,294	14.9%

Balance sheet	September 30, 2012	December 31, 2011	% Change
Investments at amortized cost *(in thousands)*	$ 605,555	$ 860,247	-29.6%
Net equity in investments at cost *(in thousands)*	$ 362,585	$ 318,220	13.9%
Common stockholders equity	$ 341,171	$ 336,978	1.2%
Preferred stockholders equity	$ 86,250	$ -	
Fixed rate debt *(in thousands)* (2)	$ -	$ 251,327	
Floating rate debt *(in thousands)*	$ 242,970	$ 290,700	
Debt to common equity	0.75x	1.6x	
Fixed charge coverage(3)	4.3x	3.9x	

(1) *Operating Earnings is a non-GAAP financial measure that is used to approximate cash available for distribution and is defined by the Company as net income, computed in accordance with GAAP, adjusted for (i) non-cash equity compensation expense and (ii) any unrealized gains or losses or other non-cash items included in net income. Please see the Company's Q3 2012 earnings release, which is posted in the Investor Relations section of the Company's website for a reconciliation of Operating Earnings and Operating Earnings per Share to GAAP net income and GAAP net income per share.*

(2) *Fixed rate debt refers to the TALF borrowings which were refinanced with the Wells repurchase facility during January 2012.*

(3) *Fixed charge coverage is EBITDA divided by interest expense plus the preferred stock dividends.*

Capitalization

- ARI completed two equity capital raises in 2012
  - In August, ARI completed an underwritten public offering of 3.45 million shares of 8.625% Series A Cumulative Redeemable Perpetual Preferred Stock, raising net proceeds of $83.2 million
  - In October, ARI completed an underwritten public offering of 7.4 million shares of common stock, including the partial exercise of the underwriters' option to purchase additional shares, at a price of $16.81 per share, resulting in net proceeds to the Company of $124.1 million

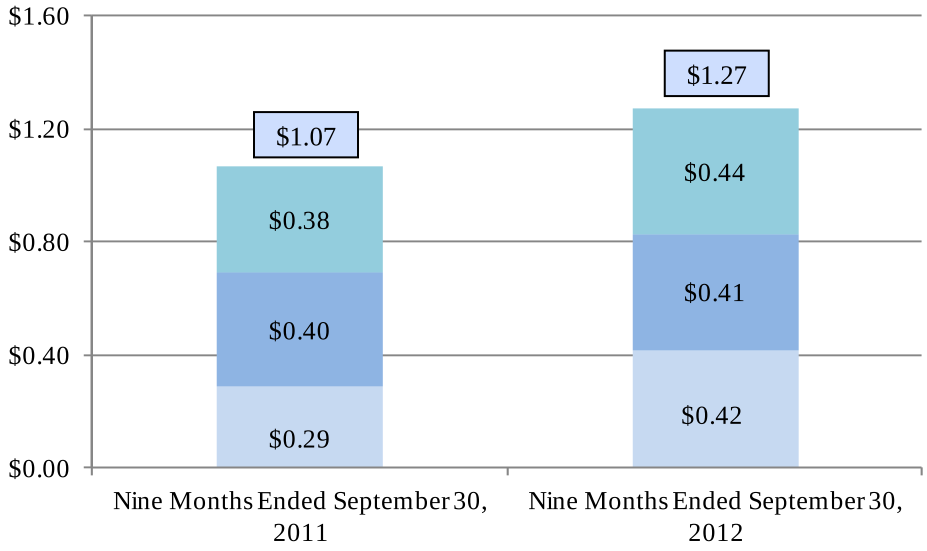
Capitalization

($ in thousands)	Pro Forma September 30, 2012 (1) (unaudited)
Wells Fargo Facilility	242,967
JP Morgan Facility	3
Other Debt	13,850
Total Debt	**$256,820**
Preferred Equity	86,250
Common Equity	465,355
Total Equity Capitalization	**$551,605**

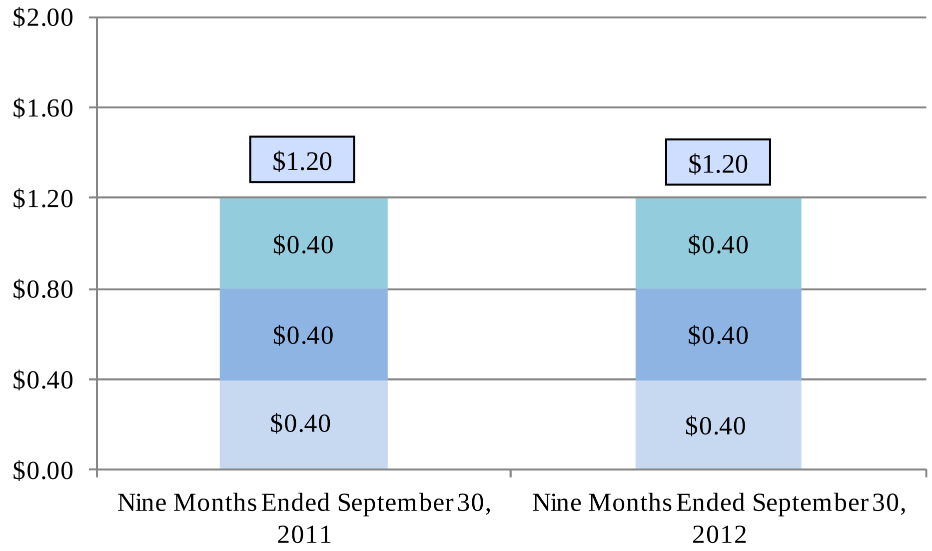
(1) Adjusted to include the common stock offering completed in October 2012.

Financial Overview – Nine Months 2012 vs. Nine Months 2011

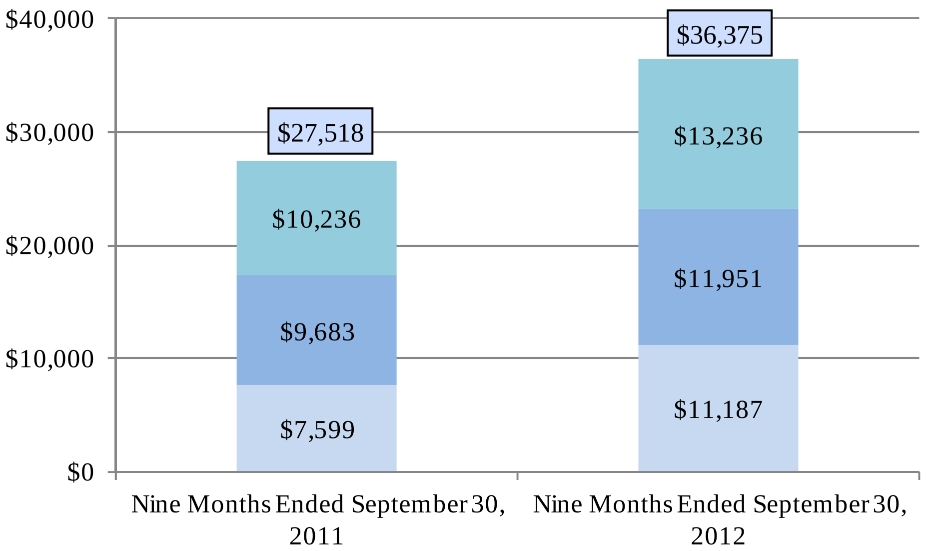
Operating Earnings per Common Share



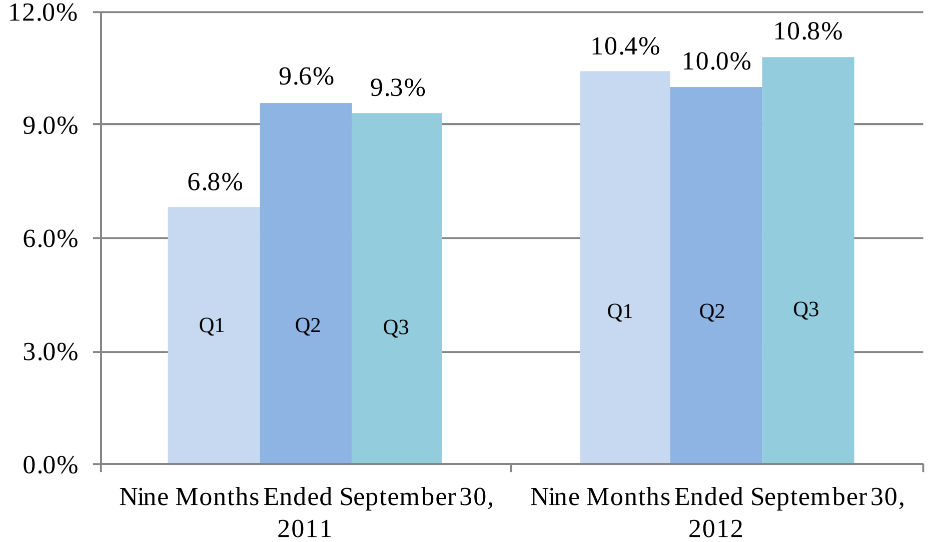
Dividends per Common Share



Net Interest Income ($000s)



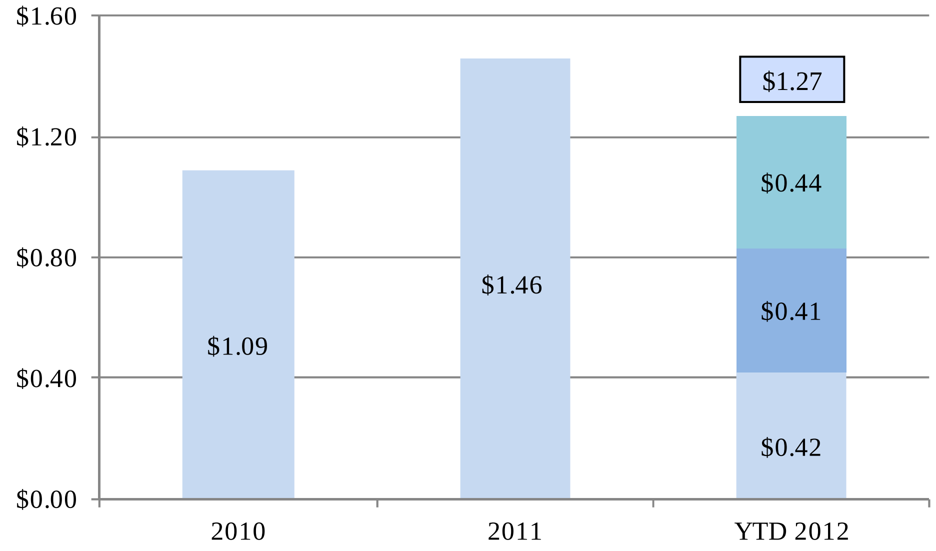
Return on Common Equity Based on Operating Earnings (1)



(1) *Return on common equity is calculated as annualized Operating Earnings for the period as a percentage of average stockholders equity for the period.*

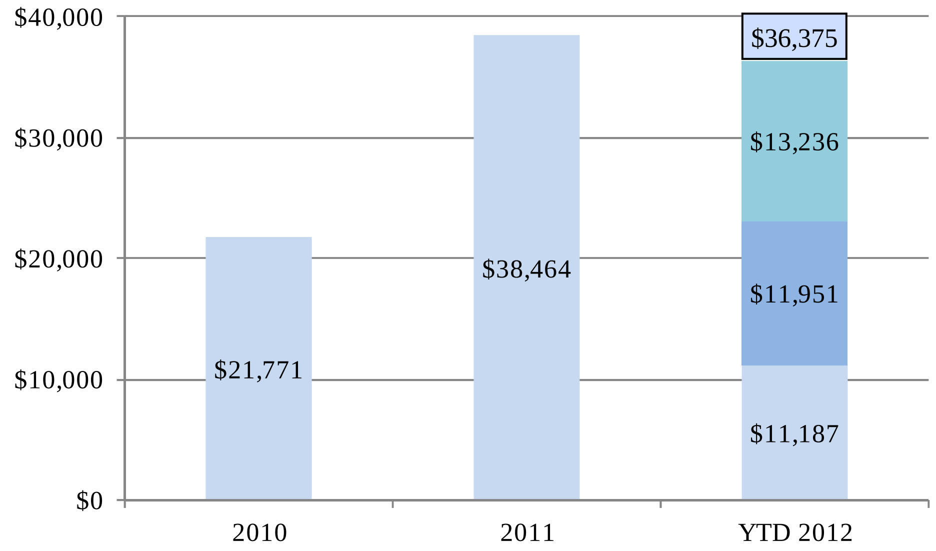
Financial Overview

Operating Earnings per Common Share

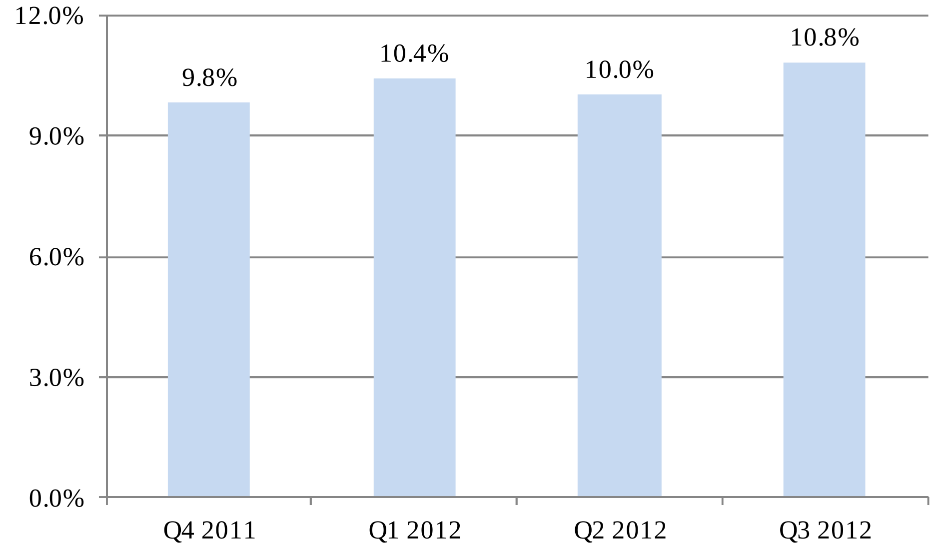


Dividends per Common Share

Net Interest Income ($000s)



Return on Common Equity Based on Operating Earnings (1)



(1) Return on common equity is calculated as annualized Operating Earnings for the period as a percentage of average stockholders equity for the period.

Strategic Focus and Opportunities

- Close transactions in pipeline
- Reinvest capital from expected loan, CMBS and Repurchase Agreement re-payments
- Expand direct origination channels