APOLLO
COMMERCIAL REAL ESTATE FINANCE

Supplemental Financial Information Presentation

Q1 2013

May 2, 2013

Information is as of March 31, 2013 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, 2012 and other periodic reports filed 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.

May 2, 2013

Stuart Rothstein

Chief Executive Officer and President

Scott Weiner

Chief Investment Officer of the Manager

Megan Gaul

Chief Financial Officer

Hilary Ginsberg

Investor Relations Manager

ARI – Financial Summary

Income Statement	Three Months Ended March 31, 2013	March 31, 2012	% Change
Interest income *(in thousands)*	$ 18,135	$ 14,429	25.7%
Interest expense *(in thousands)*	$ (1,068)	$ (3,242)	-67.1%
Net interest income *(in thousands)*	$ 17,067	$ 11,187	52.6%
Operating earnings per share[1]	$ 0.39	$ 0.42	-7.1%
Basic and diluted weighted average common shares outstanding	30,105,939	20,966,426	43.6%

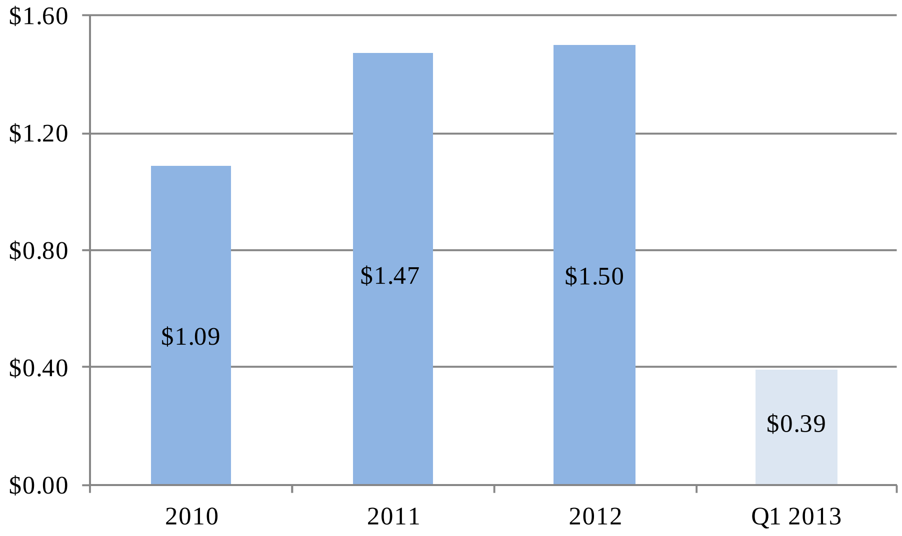
Balance sheet	March 31, 2013	December 31, 2012	% Change
Investments at amortized cost *(in thousands)*	$ 688,138	$ 669,478	2.8%
Net equity in investments at cost *(in thousands)*	$ 476,194	$ 444,320	7.2%
Common stockholders equity	$ 604,935	$ 460,674	31.3%
Preferred stockholders equity	$ 86,250	$ 86,250	-
Floating rate debt *(in thousands)*	$ 211,944	$ 225,158	-5.9%
Debt to common equity	0.4x	0.5x	
Fixed charge coverage[2]	5.1x	3.3x	

(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) equity compensation expense (a portion of which may become cash-based upon final vesting and settlement of awards should the holder elect net share settlement to satisfy income tax withholding) and (ii) any unrealized gains or losses or other non-cash items included in net income. Please see slide 22 for a reconciliation of Operating Earnings and Operating Earnings per Share to GAAP net income and GAAP net income per share.

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

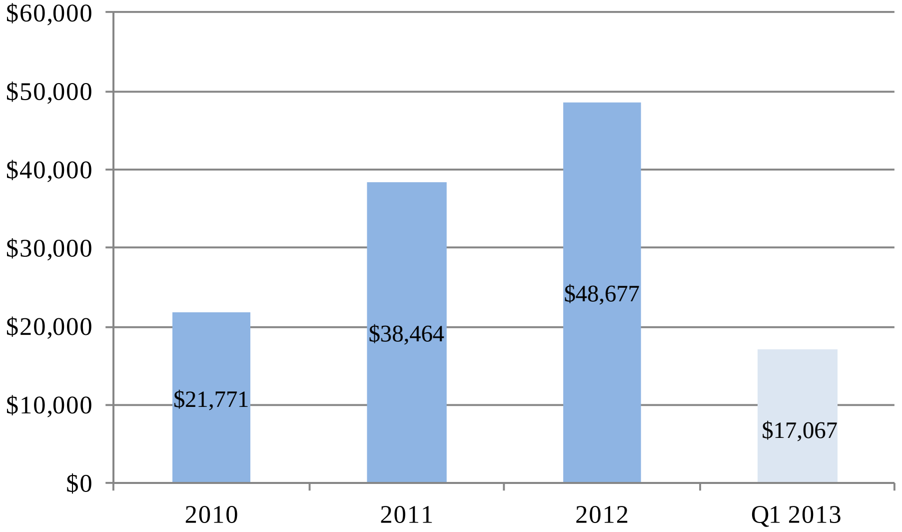
ARI – Annual Historical Overview

Operating Earnings per Share[1]

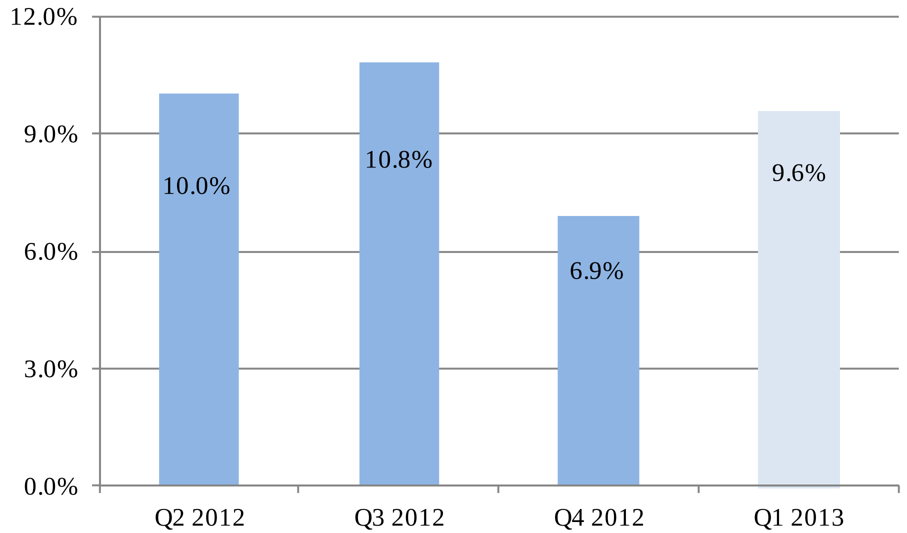


Dividends per Common Share

Net Interest Income ($000s)



Return on Common Equity Based on Operating Earnings [2]

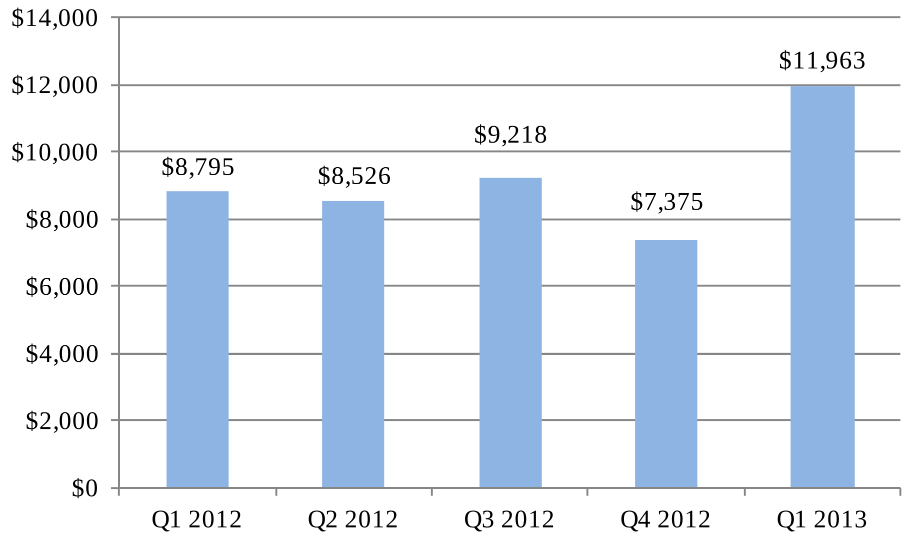


(1) Operating Earnings is a non-GAAP financial measure that is used to approximate cash available for distribution and is defined by the Company as net income, computed in accordance with GAAP, adjusted for (i) equity compensation expense (a portion of which may become cash-based upon final vesting and settlement of awards should the holder elect net share settlement to satisfy income tax withholding) and (ii) any unrealized gains or losses or other non-cash items included in net income. Please see slide 22 for a reconciliation of Operating Earnings and Operating Earnings per Share to GAAP net income and GAAP net income per share.

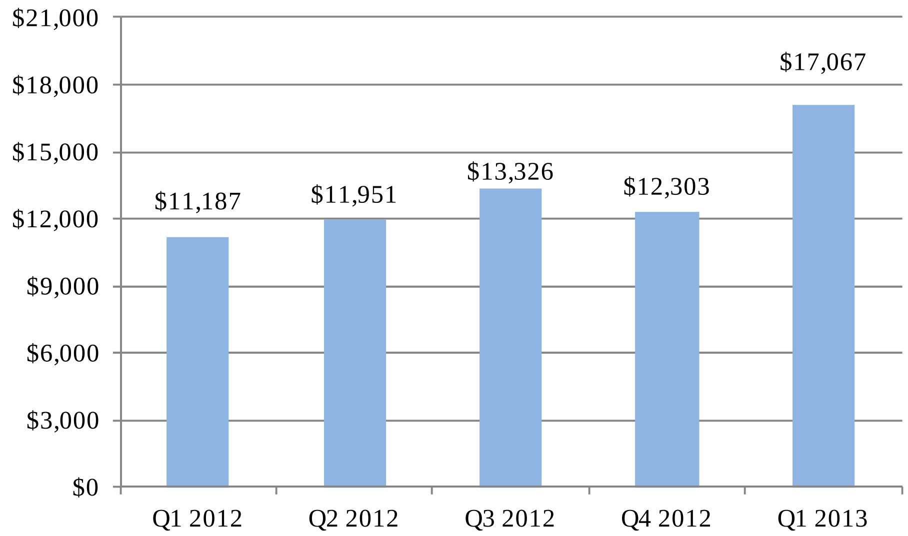
(2) Return on common equity is calculated as annualized Operating Earnings for the period as a percentage of average stockholders equity for the period.

ARI – Quarterly Historical Overview

Operating Earnings ($000s)(1)



Net Interest Income ($000s)



(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) equity compensation expense (a portion of which may become cash-based upon final vesting and settlement of awards should the holder elect net share settlement to satisfy income tax withholding) and (ii) any unrealized gains or losses or other non-cash items included in net income. Please see slide 22 for a reconciliation of Operating Earnings and Operating Earnings per Share to GAAP net income and GAAP net income per share.

ARI – Q1 Highlights

Financial Results & Earnings Per Share

- Operating Earnings for the quarter ended March 31, 2013 of $12.0 million, or $0.39 per diluted common share(1)
  - Net interest income of $17.1 million for Q1 2013
  - Total expenses of $4.1 million, comprised of management fees of $2.2 million, G&A of $1.0 million and non-cash stock based compensation of $0.9 million
  - GAAP net income available to common stockholders for the quarter ended March 31, 2013 of $10.1 million, or $0.33 per diluted common share

Dividends

- Declared a dividend of $0.40 per share of common stock for the quarter ended June 30, 2013
  - Twelfth consecutive quarter of maintaining consistent dividend level
  - 9.0% annualized dividend yield based on $17.74 closing price on April 30, 2013
- Declared a dividend on the Company's 8.625% Series A Cumulative Redeemable Perpetual Preferred Stock of $0.5391 per share for stockholders of record on March 28, 2013

(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) equity compensation expense (a portion of which may become cash-based upon final vesting and settlement of awards should the holder elect net share settlement to satisfy income tax withholding) and (ii) any unrealized gains or losses or other non-cash items included in net income. Please see slide 22 for a reconciliation of Operating Earnings and Operating Earnings per Share to GAAP net income and GAAP net income per share.

ARI – Q1 Highlights

Investment and Portfolio Activity

- Mezzanine Loan – Multifamily Conversion, New York, NY
  - $18 million mezzanine loan commitment secured by a pledge of the equity interests in the owner of two buildings in Midtown Manhattan which contain a total of 181,637 rentable square feet that is being converted into 215 multifamily units
  - Part of a $90 million, three year, interest only, floating rate financing comprised of the **$18 million mezzanine loan** and a $72 million first mortgage loan
  - Underwritten LTV (assuming first mortgage loan is fully funded) – 60%
  - Underwritten IRR(1) ~ 13%

- Mezzanine Loan – Hotel Portfolio, Rochester, MN
  - $25 million mezzanine loan secured by a pledge of the equity interests in the owner of a portfolio of four hotels totaling 1,231 keys located in Rochester, Minnesota
  - Part of a $145 million, five-year, fixed-rate financing comprised of a $120 million first mortgage loan and the $25 million mezzanine loan provided in connection with the acquisition of the portfolio
  - Appraised LTV – 69%
  - Underwritten IRR(1) ~ 12%

(1) *The internal rates of return (“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 Company’s master repurchase agreement with Wells Fargo Bank, N.A. (“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, 2012 for a discussion of some of the factors that could adversely impact the returns received by the Company from the investments over time.*

ARI – Q1 Highlights

Investment and Portfolio Activity

- Mezzanine Loan – Condominium Development, New York, NY
  - **$60 million mezzanine loan commitment** ($49 million of which has been funded) secured by a pledge of preferred equity interests in the owner of a to-be-developed 352,624 net saleable square foot, 57-story, 146-unit condominium tower located in the TriBeCa neighborhood of New York City
  - Initial term of 54 months, with one extension option for 12-months
  - Underwritten loan-to-net sellout (assuming loan is fully funded and based upon current unit presales) – 48%
  - Underwritten IRR(1) ~ 16%

- Repayments
  - Principal repayment on two mezzanine loans totaling $50 million secured by a portfolio of shopping centers
    - Received $2.5 million yield maintenance payment; Total realized IRR on investment – 15%
  - Full principal repayment on repurchase agreement secured by CDO bonds
    - Total realized IRR on investment – 17%

(1) *The IRR for the investment listed 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 Wells Facility. With respect to the mezzanine loan for the New York City condominium development that closed in January 2013, the IRR calculation assumes certain estimates with respect to the timing and magnitude of future fundings for the remaining commitments and associated loan repayments, as well as assuming no defaults. IRR is the annualized effective compounded return rate that accounts for the time-value of money and represents the rate of return on an investment over a holding period expressed as a percentage of the investment. It is the discount rate that makes the net present value of all cash outflows (the costs of investment) equal to the net present value of cash inflows (returns on investment). It is derived from the negative and positive cash flows resulting from or produced by each transaction (or for a transaction involving more than one investment, cash flows resulting from or produced by each of the investments), whether positive, such as investment returns, or negative, such as transaction expenses or other costs of investment, taking into account the dates on which such cash flows occurred or are expected to occur, and compounding interest accordingly. 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, 2012 for a discussion of some of the factors that could adversely impact the returns received by the Company from the investments over time.*

ARI – Q1 Highlights

Capital Markets Activity

- Common Stock Offering
  - Completed an underwritten public offering of 8,805,000 shares of common stock, raising net proceeds of approximately $148.4 million

Portfolio Summary

- Total investments with an amortized cost of $688 million at March 31, 2013
- Current weighted average underwritten IRR of approximately 12.9% and levered weighted average underwritten IRR of approximately 14.2% at March 31, 2013(1)

Book Value

- GAAP book value of $16.41 per share as of March 31, 2013
- Fair value of $16.71 per share as of March 31, 2013(2)
- ARI closed at $17.74 on April 30, 2013, a 8.1% premium to GAAP book value per share

(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. The calculation also assumes extension options on the Wells Facility with respect to the Hilton CMBS are exercised. With respect to the mezzanine loan for the New York City multifamily condominium conversion that closed in December 2012 and the mezzanine loan for the New York City condominium construction that closed in January 2013, the IRR calculation assumes certain estimates with respect to the timing and magnitude of future fundings for the remaining commitments and associated loan repayments, as well as assuming no defaults. IRR is the annualized effective compounded return rate that accounts for the time-value of money and represents the rate of return on an investment over a holding period expressed as a percentage of the investment. It is the discount rate that makes the net present value of all cash outflows (the costs of investment) equal to the net present value of cash inflows (returns on investment). It is derived from the negative and positive cash flows resulting from or produced by each transaction (or for a transaction involving more than one investment, cash flows resulting from or produced by each of the investments), whether positive, such as investment returns, or negative, such as transaction expenses or other costs of investment, taking into account the dates on which such cash flows occurred or are expected to occur, and compounding interest accordingly. See "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2012 for a discussion of some of the factors that could adversely impact the returns received by the Company from the investments over time. 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 million 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 current weighted average underwritten IRR above.*

(2) *The Company carries loans at amortized cost and its CMBS securities are marked to market. Management has estimated that the fair value of the Company's financial assets at March 31, 2013 was approximately $11.1 million greater than the carrying value of the Company's investment portfolio as of the same date. This represents a premium of $0.30 per share over the Company's GAAP book value as of March 31, 2013.*

ARI – Q1 Highlights

Financing Activity

- Amendment to JP Morgan Facility
  - Extended the term of the facility for two years (one-year term with one, 364 day extension)
  - Pricing to remain at LIBOR+2.50%
  - ARI paid a 0.5% fee for the first year and will pay a 0.25% extension fee for the 364 day extension

- Amendment to Wells Facility
  - Reduced interest rate for outstanding borrowings used to finance AAA CMBS to LIBOR+1.05% from LIBOR+1.25% - 1.50%
  - Reduced interest rate for outstanding borrowings used to finance Hilton CMBS to LIBOR+1.75% from LIBOR+2.35%
  - Extended the term for the outstanding borrowings used to finance the AAA CMBS until March 2014

Corporate Governance

- Chief Financial Officer
  - Board of Directors appointed Megan Gaul to the positions of Chief Financial Officer, Treasurer and Secretary, effective April 1, 2013

ARI – 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)	$142,833	$3	$142,830	2.3	10.9%	15.7%
Subordinate Loans	286,569	-	286,569	4.1	13.6%	13.6%
CMBS - AAA	188,824	164,204	24,620	1.8	16.2%	16.2%
CMBS - Hilton	69,912	47,737	22,175	2.6	12.5%	12.5%
Investments at March 31, 2013	**$688,138**	**$211,944**	**$476,194**	**3.0 Years**	**12.9%**	**14.2%**

As of March 31, 2013.

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

(2) *Borrowings under the Company's master repurchase facility with JPMorgan (the "JPMorgan Facility") bear interest at LIBOR plus 250 basis points, or 2.7% at March 31, 2013. The IRR calculation further assumes the JPMorgan Facility or any replacement facility will remain available over the life of these investments.*

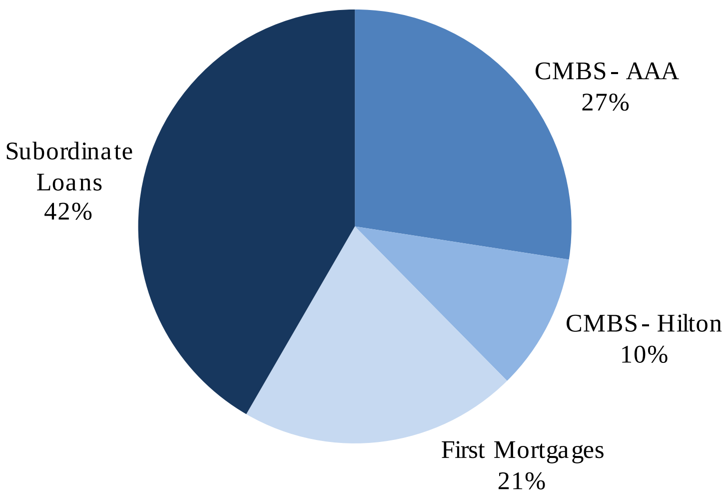
(3) *The IRR for the investments shown in the above table reflect the returns underwritten by the Manager, calculated on a weighted average basis assuming no dispositions, early prepayments or defaults but assumes extensions as well as the cost of borrowings and derivative instruments under the Wells Facility. The calculation also assumes extension options on the Wells Facility with respect to the Hilton CMBS are exercised. With respect to the mezzanine loan for the New York City multifamily condominium conversion that closed in December 2012 and the mezzanine loan for the New York City condominium construction that closed in January 2013, the IRR calculation assumes certain estimates with respect to the timing and magnitude of future fundings for the remaining commitments and associated loan repayments, as well as assuming no defaults. IRR is the annualized effective compounded return rate that accounts for the time-value of money and represents the rate of return on an investment over a holding period expressed as a percentage of the investment. It is the discount rate that makes the net present value of all cash outflows (the costs of investment) equal to the net present value of cash inflows (returns on investment). It is derived from the negative and positive cash flows resulting from or produced by each transaction (or for a transaction involving more than one investment, cash flows resulting from or produced by each of the investments), whether positive, such as investment returns, or negative, such as transaction expenses or other costs of investment, taking into account the dates on which such cash flows occurred or are expected to occur, and compounding interest accordingly. 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, 2012 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. 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.*

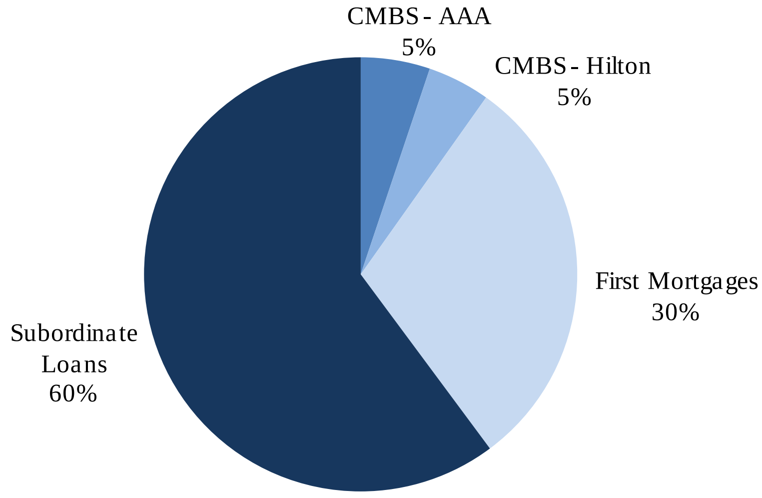
ARI – Portfolio Overview

- Diversified Investment Portfolio with Amortized Cost Basis of $688 million

Gross Assets at Amortized Cost Basis



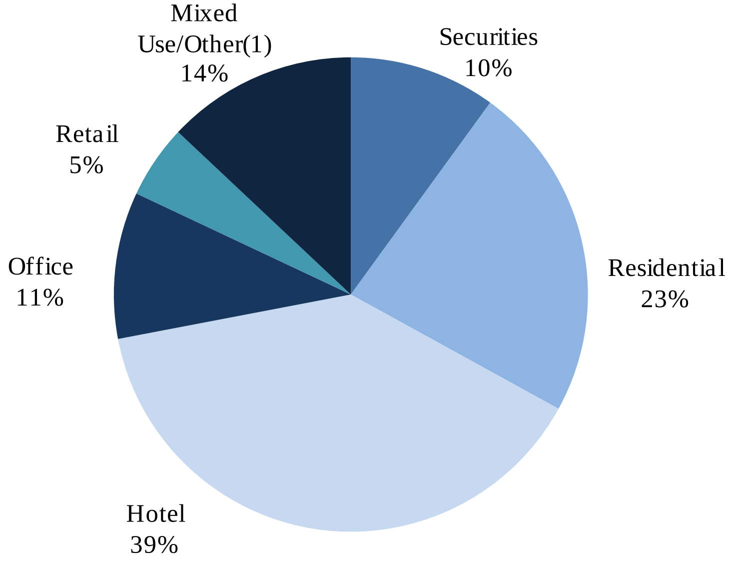
Net Invested Equity at Amortized Cost Basis



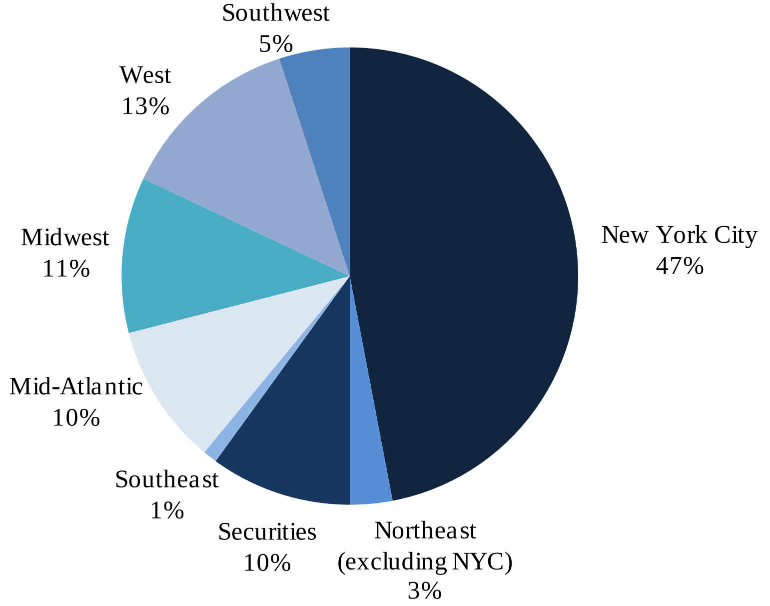
ARI – Portfolio Diversification

- The portfolio is diversified by property type and geographic location

Property Type by Net Equity



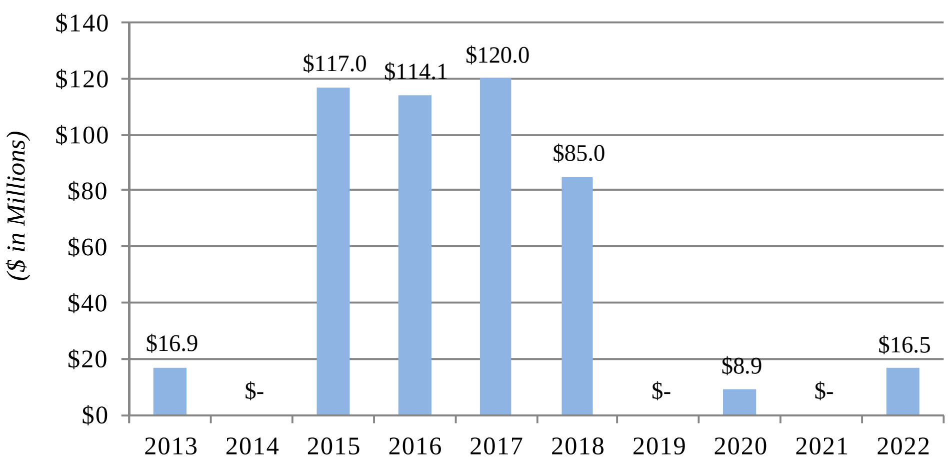
Geographic Diversification by Net Equity



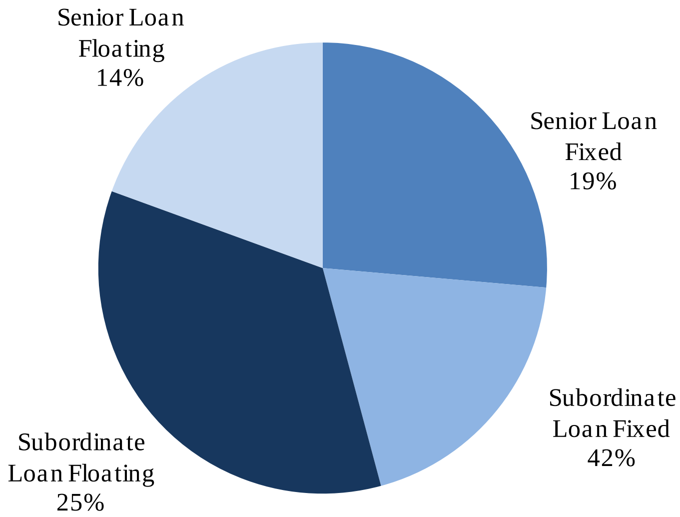
(1) *Other category includes the subordinate financing on a ski resort and a first mortgage loan on a development site with income producing parking lots.*

ARI – Loan Portfolio - Maturity and Type

Fully Extended Loan Maturity Schedule ($000s)[1][2]



Loan Position and Rate Type[1]

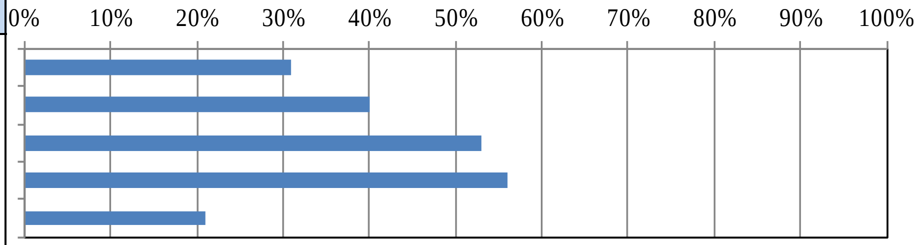


(1) *Based upon Face Amount of Loans; Does not include CMBS (AAA or Hilton).*
(2) *For the NYC condominium conversion loan and the NYC condominium development loan, the maturities reflect the fully funded amounts of the loans.*

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

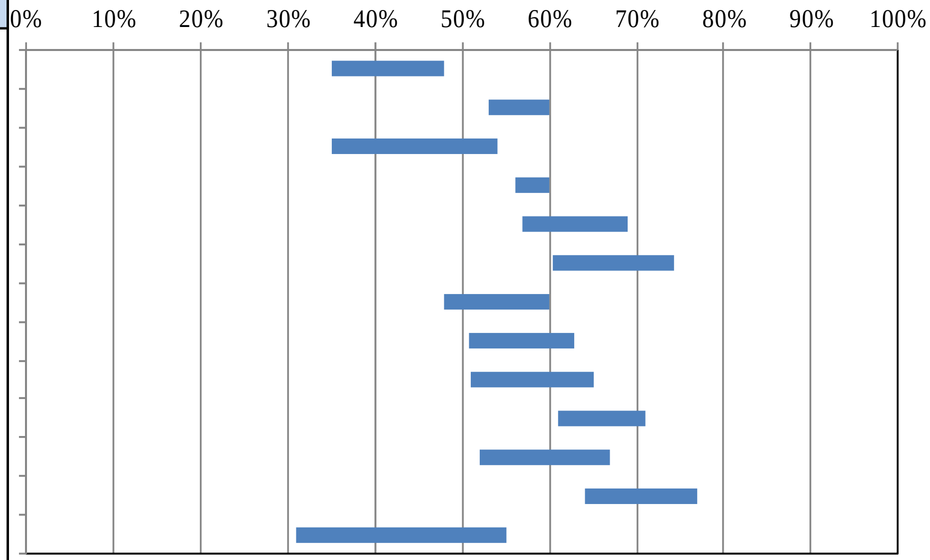
First Mortgage Loans

Description ($ in thousands)	Location	Balance at March 31, 2013	Starting LTV	Ending LTV(1)
First Mortgage - Condo Conversion(2)	New York	$ 45,000	0%	31%
First Mortgage - Hotel	New York	$ 31,501	0%	40%
First Mortgage - Office	New York	$ 27,351	0%	53%
First Mortgage - Hotel	Maryland	$ 25,186	0%	56%
First Mortgage - Parking/Development Site(3)	Massachusetts	$ 16,890	0%	21%
Total		$ 145,928		



Subordinate Financings

Description ($ in thousands)	Location	Balance at March 31, 2013	Starting LTV	Ending LTV(1)
Subordinate - Condo Development	New York	$ 50,009	35%	48%
Subordinate - Hotel Portfolio	Various	$ 49,799	53%	60%
Subordinate - Ski Resort	California	$ 40,000	35%	54%
Subordinate - Hotel Portfolio	New York	$ 25,000	56%	60%
Subordinate - Hotel Portfolio	Minnesota	$ 24,968	57%	69%
Subordinate - Retail	Virginia	$ 24,442	60%	74%
Subordinate - Multifamily Conversion	New York	$ 18,000	48%	60%
Subordinate - Hotel	New York	$ 15,000	51%	63%
Subordinate - Hotel	New York	$ 15,000	51%	65%
Subordinate - Office	Missouri	$ 9,945	61%	71%
Subordinate - Office	Michigan	$ 8,897	52%	67%
Subordinate - Mixed Use	North Carolina	$ 6,525	64%	77%
Subordinate - Condo Conversion(2)	New York	$ 350	31%	55%
Total		$ 287,935		



(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) Both loans are for the same property; Ending LTV for the Condominium Conversion mezzanine loan is based upon the committed amount of $35 million.
(3) 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).

ARI – CMBS Portfolio

CMBS - AAA	
CUSIP	**Description**
07388YAB8	BSCMS 07-PW16 A2
07401DAB7	BSCMS 2007-PW18 A2
12513YAC4	CD 2007-CD4 A2B
61754KAC9	MSC 07-IQ14 A2
92978YAB6	WBCMT 07-C32 A2

CMBS - AAA	
CUSIP	**Description**
36246LAB7	GSMS 2007-GG10 A2
46630JAK5	JPMCC 2007-LDPX A2S
61751NAD4	MSC 2007-HQ11 A31
92978TAB7	WBCMT 2007-C31 A2

CMBS – Hilton	
CUSIP	**Description**
05956KAA6	BALL 2010-HLTN

	Face	Amortized Cost	Remaining Weighted Average Life with Extensions (years)	Estimated Fair Value	Debt	Net Equity at Cost
CMBS – AAA	$185,974	$188,824	1.8	$189,554	$164,204	$24,620
CMBS – Hilton	72,395	69,912	2.6	73,119	47,737	22,175
CMBS – Total	**$258,369**	**$258,736**	**2.0**	**$262,673**	**$211,941**	**$46,795**

Portfolio Metrics – Quarterly Migration Summary

Portfolio Metrics ($ in thousands)	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
(Investment balances represent amortized cost)					
First Mortgage Loans	$ 142,833	$ 142,921	$ 104,101	$ 103,320	$ 108,817
Subordinate Loans	286,569	246,246	196,177	179,602	179,336
Repurchase Agreement	-	6,598	10,975	41,696	47,439
CMBS - AAA	188,824	203,463	223,781	280,697	330,413
CMBS - Hilton	69,912	70,250	70,521	70,719	-
Total Investments	$ 688,138	$ 669,478	$ 605,555	$ 676,034	$ 666,005
(Investment balances represent net equity, at cost)					
First Mortgage Loans	$ 142,830	$ 142,918	$ 104,098	$ 50,260	$ 40,210
Subordinate Loans	286,569	246,246	196,177	179,602	179,336
Repurchase Agreement	-	6,598	10,975	41,696	47,439
CMBS - AAA	24,620	26,636	29,712	32,520	43,763
CMBS - Hilton	22,175	21,922	21,623	21,260	-
Net Equity in Investments at Cost	$ 476,194	$ 444,320	$ 362,585	$ 325,338	$ 310,748
Weighted Average IRR(1)	14.2% (2)	14.1% (2)	14.9% (2)	15.0%	14.7%
Weighted Average Duration	3.0 Years	3.1 Years	3.3 Years	2.9 Years	2.8 Years
Loan Portfolio Weighted Average Ending LTV(3)	53.6%	55.6%	58.0%	57.1%	59.3%
Borrowings	$ 211,944	$ 225,158	$ 242,970	$ 350,696	$ 355,257

(1) *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. With respect to the mezzanine loan for the New York City multifamily condominium conversion that closed in December 2012 and the mezzanine loan for the New York City condominium construction that closed in January 2013, the IRR calculation assumes certain estimates with respect to the timing and magnitude of future fundings for the remaining commitments and associated loan repayments, as well as assuming no defaults. IRR is the annualized effective compounded return rate that accounts for the time-value of money and represents the rate of return on an investment over a holding period expressed as a percentage of the investment. It is the discount rate that makes the net present value of all cash outflows (the costs of investment) equal to the net present value of cash inflows (returns on investment). It is derived from the negative and positive cash flows resulting from or produced by each transaction (or for a transaction involving more than one investment, cash flows resulting from or produced by each of the investments), whether positive, such as investment returns, or negative, such as transaction expenses or other costs of investment, taking into account the dates on which such cash flows occurred or are expected to occur, and compounding interest accordingly. 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, 2012 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.*

(2) *Represents an underwritten levered weighted average IRR. The Company's ability to achieve the underwritten levered weighted average IRR, additionally depends upon the Company re-borrowing approximately $53,000 under the JPMorgan Facility or any replacement facility with regard to its portfolio of first mortgage loans. Without such re-borrowing, the levered weighted average IRR will be significantly lower than the amount shown above, as indicated in the weighted average IRR column on page 10.*

(3) *Does not include CMBS (AAA or Hilton).*

Financing Overview

- ARI had total borrowings outstanding of $211.9 million at March 31, 2013

Facility ($000s)	Debt Balance	Weighted Average Remaining Maturity(1)	Cost of Funds	Hedged Cost of Funds
Wells Facility(1)	$211,941	1.3 Years	1.4%	1.5%
JP Morgan Facility	3	1.8 Years	2.7%	2.7%
Total Borrowings at March 31, 2013	**$211,944**	**1.3 Years**	**1.4%**	**1.5%**

- ARI's borrowings had the following remaining maturities at March 31, 2013:

Facility ($000s)	Less than 1 year	1 to 3 years	3 to 5 years	Total
Wells Facility(1)	$166,467	$45,474	$-	$211,941
JP Morgan Facility	-	3	-	3
Total Borrowings at March 31, 2013	**$166,467**	**$45,477**	**$-**	**$211,944**

(1) *Assumes extension options on Wells Facility are exercised. At March 31, 2013, the interest rate with respect to outstanding borrowings used to finance AAA CMBS was LIBOR plus 105bps and the interest rate with respect to outstanding borrowings used to finance the Hilton CMBS was LIBOR plus 175bps.*

Financials

Consolidated Balance Sheets

(in thousands—except share and per share data)	March 31, 2013	December 31, 2012
Assets:		
Cash	$ 225,723	$ 108,619
Securities available-for-sale, at estimated fair value	64,216	67,079
Securities, at estimated fair value	198,457	211,809
Commercial mortgage loans, held for investment	142,833	142,921
Subordinate loans, held for investment	286,569	246,246
Repurchase agreements, held for investment	-	6,598
Interest receivable	4,475	4,277
Deferred financing costs, net	1,239	678
Other assets	-	203
Total Assets	$ 923,512	$ 788,430
Liabilities and Stockholders' Equity		
Liabilities:		
Borrowings under repurchase agreements	$ 211,944	$ 225,158
Derivative instruments, net	83	155
Accounts payable and accrued expenses	1,524	1,265
Payable to related party	2,160	2,037
Dividends payable	16,616	12,891
Total Liabilities	232,327	241,506
Stockholders' Equity:		
Preferred stock, $0.01 par value, 50,000,000 shares authorized and 3,450,000 shares issued and outstanding in 2013 and 2012	35	35
Common stock, $0.01 par value, 450,000,000 shares authorized 36,869,106 and 28,044,106 shares issued and outstanding in 2013 and 2012, respectively	369	280
Additional paid-in-capital	695,266	546,065
Retained earnings (accumulated deficit)	(4,297)	574
Accumulated other comprehensive (loss)	(188)	(30)
Total Stockholders' Equity	691,185	546,924
Total Liabilities and Stockholders' Equity	$ 923,512	$ 788,430

Consolidated Statement of Operations

	Three months ended	
	March 31, 2013	**March 31, 2012**
Net interest income:		
Interest income from securities	$ 3,087	$ 5,323
Interest income from commercial mortgage loans	3,592	2,234
Interest income from subordinate loans	11,454	5,313
Interest income from repurchase agreements	2	1,559
Interest expense	(1,068)	(3,242)
Net interest income	**17,067**	**11,187**
Operating expenses:		
General and administrative expenses (includes $883 and $1,083 of non-cash stock based compensation in 2013 and 2012, respectively)	(1,895)	(2,036)
Management fees to related party	(2,160)	(1,289)
Total operating expenses	**(4,055)**	**(3,325)**
Interest income from cash balances	-	1
Realized gain on sale of securities	-	262
Unrealized gain (loss) on securities	(1,080)	1,385
Gain (loss) on derivative instruments (includes unrealized gains (losses) of $72 and $(5) in 2013 and 2012, respectively)	-	(417)
Net income	**$ 11,932**	**$ 9,093**
Preferred dividends	(1,860)	-
Net Income available to common shareholders	**$ 10,072**	**$ 9,093**
Basic and diluted net income per share of common stock	$ 0.33	$ 0.43
Basic and diluted weighted average shares of common stock outstanding	30,105,939	20,966,426
Dividend declared per share of common stock	$ 0.40	$ 0.40

Reconciliation of Operating Earnings to Net Income

	Three Months Ended			
	March 31, 2013	Earnings Per Share (Diluted)	March 31, 2012	Earnings Per Share (Diluted)
Operating Earnings:				
Net income available to common stockholders	**$10,072**	**$0.33**	**$9,093**	**$0.43**
Adjustments:				
Unrealized (gain)/loss on securities	1,080	0.04	(1,385)	(0.06)
Unrealized (gain)/loss on derivative instruments	(72)	-	5	-
Equity based compensation expense	883	0.02	1,083	0.05
Total adjustments:	1,891	0.06	(297)	(0.01)
Operating Earnings	**11,963**	**$0.39**	**$8,796**	**$0.42**
Basic and diluted weighted average common shares outstanding		30,105,939		20,966,426

Financial Metrics – Quarterly Migration Summary

Financial Metrics ($ in thousands, except per share data)	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Net Interest Income	$ 17,067	$ 12,303	$ 13,236	$ 11,951	$ 11,187
Management Fee	2,160	2,040	1,518	1,292	1,289
General and Administrative Costs	1,012	935	1,154	1,876	953
Non-Cash Stock Based Compensation	883	380	1,276	886	1,083
Net Income Available to Common Stockholders	$ 10,072	$ 7,108	$ 10,992	$ 9,910	$ 9,093
GAAP Diluted EPS	$ 0.33	$ 0.26	$ 0.52	$ 0.47	$ 0.43
Operating Earnings(1)	$ 11,963	$ 7,375	$ 9,218	$ 8,526	$ 8,795
Operating EPS(1)	$ 0.39	$ 0.27	$ 0.44	$ 0.41	$ 0.42
Distributions Declared to Common Stockholders	$ 0.40	$ 0.40	$ 0.40	$ 0.40	$ 0.40
GAAP Book Value per Common Share	$ 16.41	$ 16.43	$ 16.58	$ 16.59	$ 16.46
Fair Value per Common Share(2)	$ 16.71	$ 16.84	$ 17.16	$ 17.22	$ 17.04
Total Stockholders' Equity	$ 691,185	$ 546,924	$ 427,421	$ 341,518	$ 338,377
Basic and diluted weighted average common shares outstanding	30,105,939	27,297,600	20,992,312	20,991,450	20,966,426
Return on Common Equity Based on Operating Earnings(3)	9.6%	6.8%	10.8%	10.0%	10.4%

(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) equity compensation expense (a portion of which may become cash-based upon final vesting and settlement of awards should the holder elect net share settlement to satisfy income tax withholding) and (ii) any unrealized gains or losses or other non-cash items included in net income. Please see slide 22 for a reconciliation of Operating Earnings and Operating Earnings per Share to GAAP net income and GAAP net income per share.*

(2) *The Company carries loans at amortized cost and its CMBS securities are marked to market. Management estimates the fair value of the Company's financial assets.*

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