APOLLO
COMMERCIAL REAL ESTATE FINANCE

Investor Presentation
April 2014

Information is as of December 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.

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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, 2013 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.

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Company Overview

APOLLO
COMMERCIAL REAL ESTATE FINANCE

Apollo Commercial Real Estate Finance, Inc. is a commercial mortgage real estate investment trust focused on investing in performing senior mortgage loans, subordinate debt and commercial mortgage-backed securities

Ticker (NYSE)	**ARI**
Equity Capitalization(1)	**$700 million**
Dividend per Common Share(2)	**$1.60**
Dividend Yield(3)	**9.7%**
Portfolio as of 12/31/2013	**$849 million**
Levered Weighted Average Portfolio IRR as of 12/31/2013(4)	**14.1%**

(1) Includes common equity market capitalization as of March 28, 2014 and preferred equity outstanding at December 31, 2013.

(2) Last quarter dividend per common share of $0.40 annualized.

(3) Based on the last quarter annualized dividend per common share and ARI's closing common share price of $16.53 on March 28, 2014.

(4) The underwritten IRR for the investments shown in this presentation reflect the returns underwritten by the Manager, calculated on a weighted average basis assuming no dispositions, early prepayments or defaults but assuming that extension options are exercised and that the cost of borrowings under the master repurchase agreement with Wells Fargo Bank, N.A. (the "Wells Facility") remains constant over the remaining terms and extension terms under this facility. With respect to certain loans, the IRR calculation assumes certain estimates with respect to the timing and magnitude of future fundings for the remaining commitments and associated loan repayments, and assumes 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 that the actual IRRs will equal the underwritten IRRs shown above. See "Item 1A—Risk Factors—The Company may not achieve its underwritten internal rate of return on its investments which may lead to future returns that may be significantly lower than anticipated" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 for a discussion of some of the factors that could adversely impact the returns received by the Company from its investments. 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 utilizing the master repurchase agreement with JPMorgan Chase Bank, N.A. (the "JPMorgan Facility") or any replacement facility and re-borrowing approximately $69,000 in total. Without such re-borrowing, the current weighted average underwritten IRR would be approximately 12.9%.

Investment Highlights

Experienced Management Team and Relationship with Apollo	➢ Apollo's CRE debt platform has invested $4.5 billion of equity into $7.7 billion of CRE debt investments since 2009 ➢ **ARI has deployed over $1.0 billion of equity into $1.7 billion of CRE debt investments since inception** ➢ Long standing and deep relationships with brokers, global investment banks, insurances companies and CRE owners ➢ Capacity to structure and underwrite complex transactions across a broad spectrum of property types
Stable Investment Portfolio	➢ Amortized cost basis of $849 million with a levered weighted average underwritten IRR of approximately **14.1%**(1) ➢ Weighted average duration of **3.3** years ➢ No realized or projected losses across the portfolio to date
Well Positioned in Rising Interest Rate Environment	➢ 52% of loans in the portfolio have floating interest rates ➢ Debt-to-common equity ratio of 0.4:1 and 0.6:1 pro-forma after March 2014 convertible notes offering ➢ Strong fixed charge coverage; For 12 months ended December 31, 2013, fixed charge coverage ratio was 5.3:1(2)
Macro Environment Continues to Create Opportunities	➢ $1.6 trillion of commercial mortgage debt will mature over the next five years in the U.S.(3) ➢ U.S. CMBS issuance in 2013 was $86.1 billion compared to $48.4 billion in 2012(4) ➢ Operating fundamentals across all property sectors continue to improve

Attractive Price and Dividend Yield	➢ As of March 28, 2014
	    ➢9.7% dividend yield(5)
	    ➢1.02x price/book

1) *The underwritten IRR for the investments shown in this presentation reflect the returns underwritten by the Manager, calculated on a weighted average basis assuming no dispositions, early prepayments or defaults but assuming that extension options are exercised and that the cost of borrowings under the Wells Facility remains constant over the remaining terms and extension terms under this facility. With respect to certain loans, the IRR calculation assumes certain estimates with respect to the timing and magnitude of future fundings for the remaining commitments and associated loan repayments, and assumes 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 that the actual IRRs will equal the underwritten IRRs shown above. See "Item 1A—Risk Factors—The Company may not achieve its underwritten internal rate of return on its investments which may lead to future returns that may be significantly lower than anticipated" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 for a discussion of some of the factors that could adversely impact the returns received by the Company from its investments. . 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 utilizing the JPMorgan Facility or any replacement facility and re-borrowing approximately $69,000 in total. Without such re-borrowing, the current weighted average underwritten IRR would be approximately 12.9%.*
2) *Defined as the sum of net income ($52.5mm); equity-based compensation expense ($3.5mm), amortization of deferred financing costs ($0.9mm), net unrealized losses / (gains) ($2.9mm) and interest expense, net of amortization of deferred financing costs ($3.5mm); less discount accretion ($5.7mm); divided by the sum of interest expense, net of amortization of deferred financing costs ($3.5mm) and preferred stock dividends ($7.4mm)*
3) *Source: Trepp, LLC*
4) *Source: Commercial Mortgage Alert, January 6, 2014*
5) *Based on the last quarter dividend per common share of $0.40 annualized*

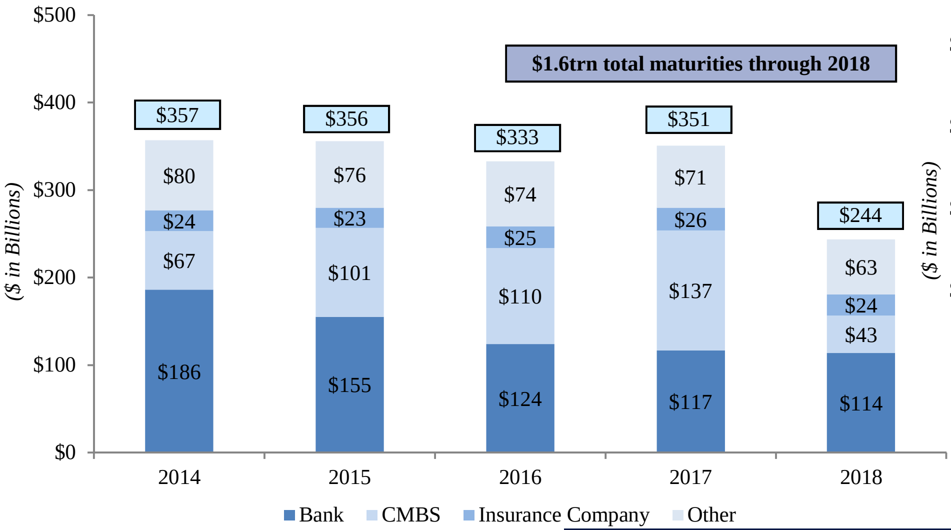
Agenda

1. **Commercial Real Estate Market Overview**
2. ARI Strategy Overview
3. Portfolio and Financial Overview

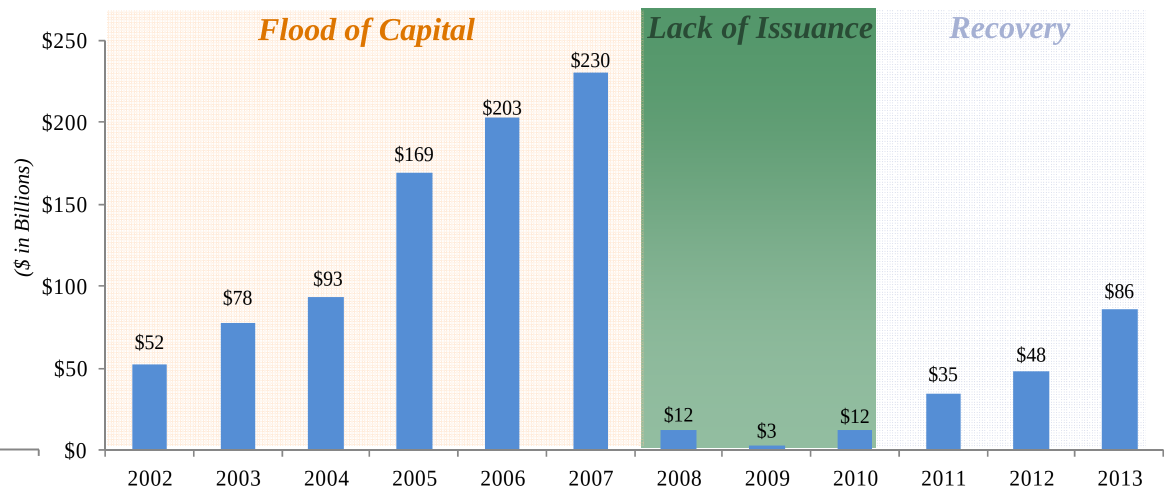
CRE Debt Market Overview

- $1.6 trillion of commercial mortgage debt is maturing in the next five years in the U.S.(1)
- U.S. CMBS issuance is gaining momentum but is significantly lower than the 2005-2007 peak levels(2)
- Pricing in the CMBS market has stabilized

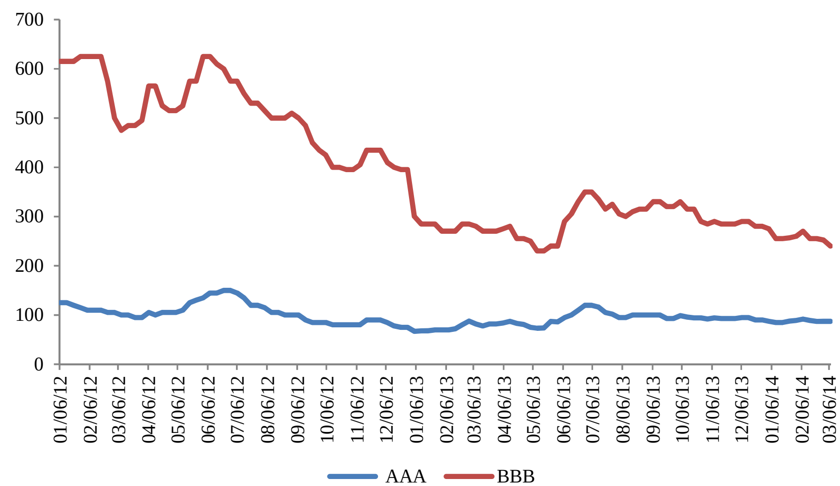
U.S. CRE Loan and CMBS Maturities(1)



U.S. CMBS Issuance (2)



New-Issue 10-Year AAA and BBB Spreads Over Swaps (3)

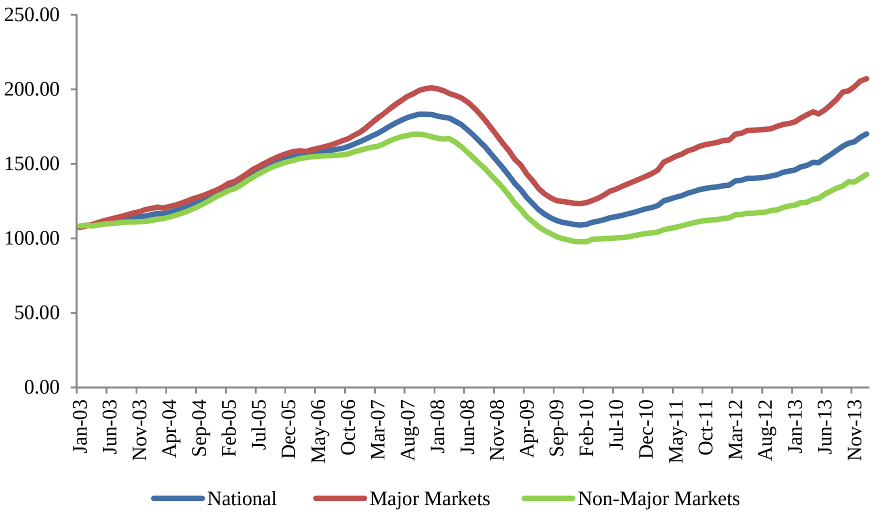


(1) *Source: Trepp, LLC*
(2) *Source: Commercial Mortgage Alert, January 6, 2014*
(3) *Source: Commercial Mortgage Alert and Trepp, LLC as of March 7, 2014*

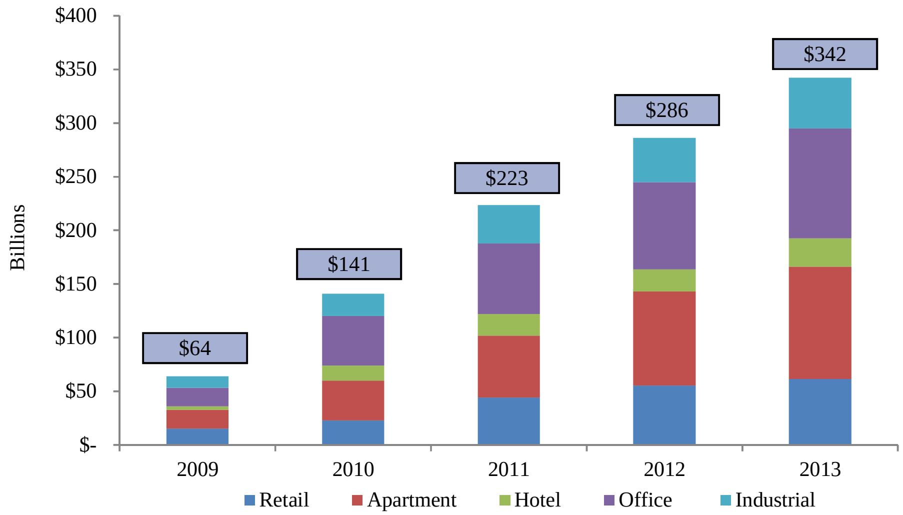
CRE Property Market Overview

- Commercial property transaction volume is accelerating, leading to an increased need for financing
- U.S. commercial property values have increased 53% from the March 2010 trough, and 65% in major markets(1)
- Lack of new supply has set the backdrop for improving operating fundamentals

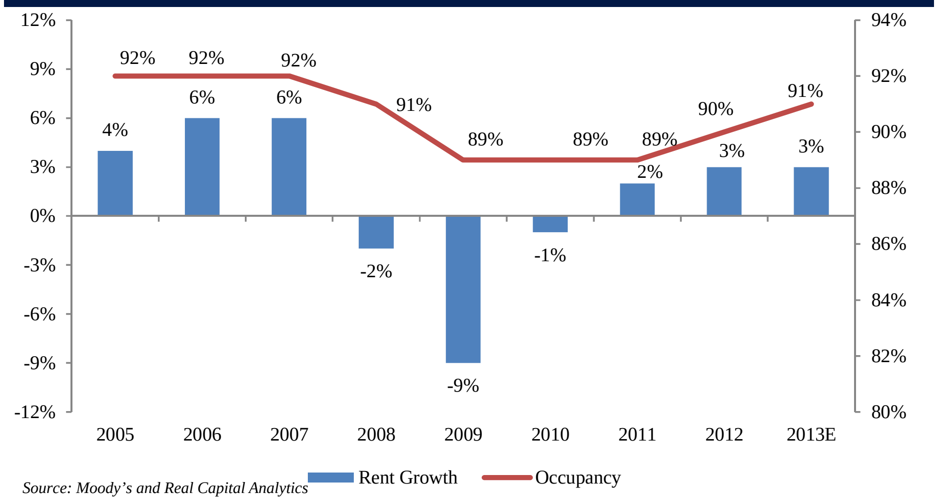
Moody's/RCA Commercial Property Price Index (1)



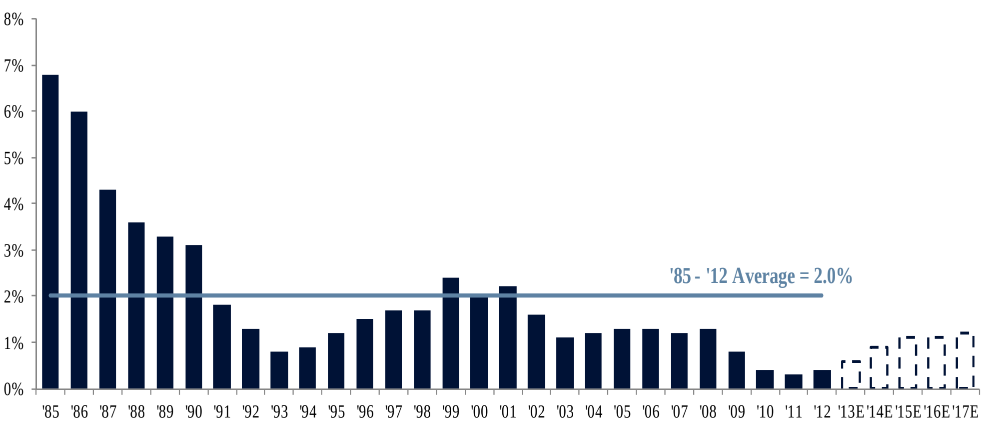
U.S. CRE Property Sales Volume(2)



Major Sector Average Occupancy & Rent Growth(3)



Annual Completions as % of Existing Stock(3)



(1) *Source: Moody's and Real Capital Analytics*
(2) *Source: Real Capital Analytics*
(3) *Source: Green Street Advisors; Supply is an equal weighted average of apartment, industrial, mall, office and strip center*

Current Market Dynamics Are Favorable For ARI

Market Dynamic	Benefits to ARI
$1.6 Trillion of CRE Debt Maturing over Next Five Years[(1)]	➢ Significant refinancing volume ➢ Robust opportunity for non-bank lenders due to regulatory and capital constraints at financial institutions
CRE Price Recovery Continues Throughout U.S.	➢ Price recovery has led to an increase in CRE transactions, which creates financing opportunities ➢ Increase in property values benefits ARI's existing portfolio
Lack of New CRE Supply	➢ Bolsters existing property values ➢ Improving operating fundamentals, including rent and occupancy growth, witnessed across all property types
Rising Interest Rates	➢ 52% of loans in ARI's portfolio are floating rate[(2)] ➢ As loans mature or pay-off, ARI is able to redeploy capital in a rising rate environment

(1) Source: Commercial Mortgage Alert, January 6, 2014
(2) As of December 31, 2013

Agenda

1. Commercial Real Estate Market Overview
2. **ARI Strategy Overview**
3. Portfolio and Financial Overview

ARI Benefits from Best-in-Class Sponsorship

- ARI is externally managed by an indirect subsidiary of Apollo Global Management, LLC (NYSE:APO), a leading global alternative investment manager with approximately $161 billion of Assets Under Management at December 31, 2013[(1)]

APOLLO

Principal Investment Businesses

Private Equity
$50bn AUM

- Opportunistic buyouts
- Distress for control
- Corporate carve-outs

Credit [(2)]
$101bn AUM

- U.S. Performing Credit
- Opportunistic Credit
- European Credit
- Non-Performing Loans
- Structured Credit

Real Estate
$9bn AUM

- Performing fixed income (CMBS, CRE Loans)
- Global private equity and distressed debt investments

CRE Debt
$6bn AUM

11 Investment Professionals

APOLLO COMMERCIAL REAL ESTATE FINANCE

- High-yield subordinate financing
- Transitional first mortgages
- Levered CMBS
- Non-core opportunistic strategies

Other Accounts and Funds Managed by Apollo

- Lower target return mezzanine loans
- Larger mezzanine loans in select markets
- CMBS

(1) Includes $1.1 billion of commitments that have yet to be deployed into one of the funds managed by Apollo Global Management LLC's (together with its subsidiaries, "Apollo") three business segments. Please refer to slide 26 for a definition of Assets Under Management

(2) Includes funds that are denominated in Euros and translated into U.S. dollars at an exchange rate of €1.00 to $1.37 as of December 31, 2013

ARI Strategic Focus

- Since ARI's IPO in 2009, the Company's investments have centered around four strategies: 1) Subordinate financings; 2) First mortgage loans; 3) CMBS and 4) Non-core opportunities
- As the macro environment has changed and the CRE debt markets have evolved, ARI consistently has identified attractive opportunities

Subordinate Financings

Overview
- Subordinate financing on stabilized, cash-flowing commercial properties or transitional properties
- Loan-to-value ("LTV") generally from 40% up to 80%

Strategy
- Partner with first mortgage lenders to provide subordinate financing which generates low-to-mid teen returns, without using leverage

Competitive Advantage
- "First-call" relationships
- Ability to execute quickly and underwrite transactions with complexity in operations or structure

First Mortgage Loans

Overview
- First mortgages on stabilized, cash-flowing commercial properties or transitional properties
- Loan-to-value ("LTV") generally from 0% up to 60%

Strategy
- Utilize bank facility to lever first mortgage loans and generate low-to-mid teen returns

Competitive Advantage
- Ability to offer borrowers "one-stop-shop" financing (both first mortgage and subordinate loan)

CMBS

Overview
- Legacy CMBS formerly rated AAA
- CMBS secured by Hilton hotel portfolio

Strategy
- Hold to maturity and lever utilizing repo with a similar term to the CMBS and generate low-to-mid teen returns

Competitive Advantage
- ARI initially utilized low-cost TALF financing
- Apollo manages over $2.5 billion of CMBS for certain accounts and funds and is in the market on a daily basis
- First call relationships with leverage providers

Non-Core Opportunities

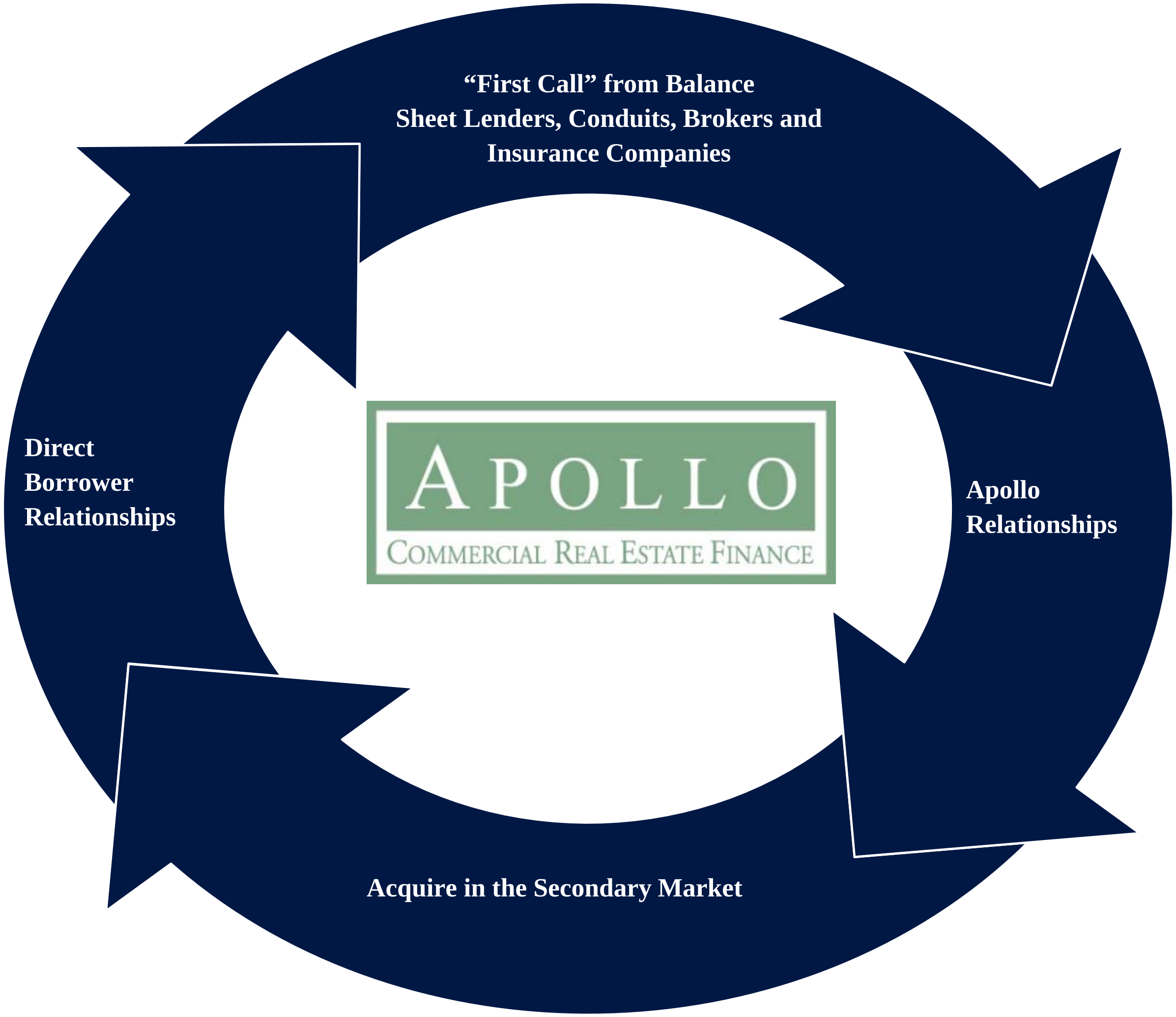
Overview
- Repurchase agreement to finance CDO bonds
- Subordinate financing on a ski resort
- Minority participation in German bank KBCD Bank Deutschland[(1)]

Strategy
- Take advantage of market dislocations in order to acquire assets or provide financing that generate attractive returns

Competitive Advantage
- Relationship with Apollo
- Real time market knowledge across Apollo's fully integrated platform
- Ability to effectively structure complex transactions

(1) *In September 2013, ARI announced that together with other investors, including affiliates of Apollo, the Company agreed to make an investment in an entity that has agreed to acquire a minority participation in KBC Bank Deutschland AG. ARI committed to invest up to $50 million, representing approximately 21% of the ownership. The acquisition is subject to antitrust and regulatory approval and there are no assurances the acquisition will close.*

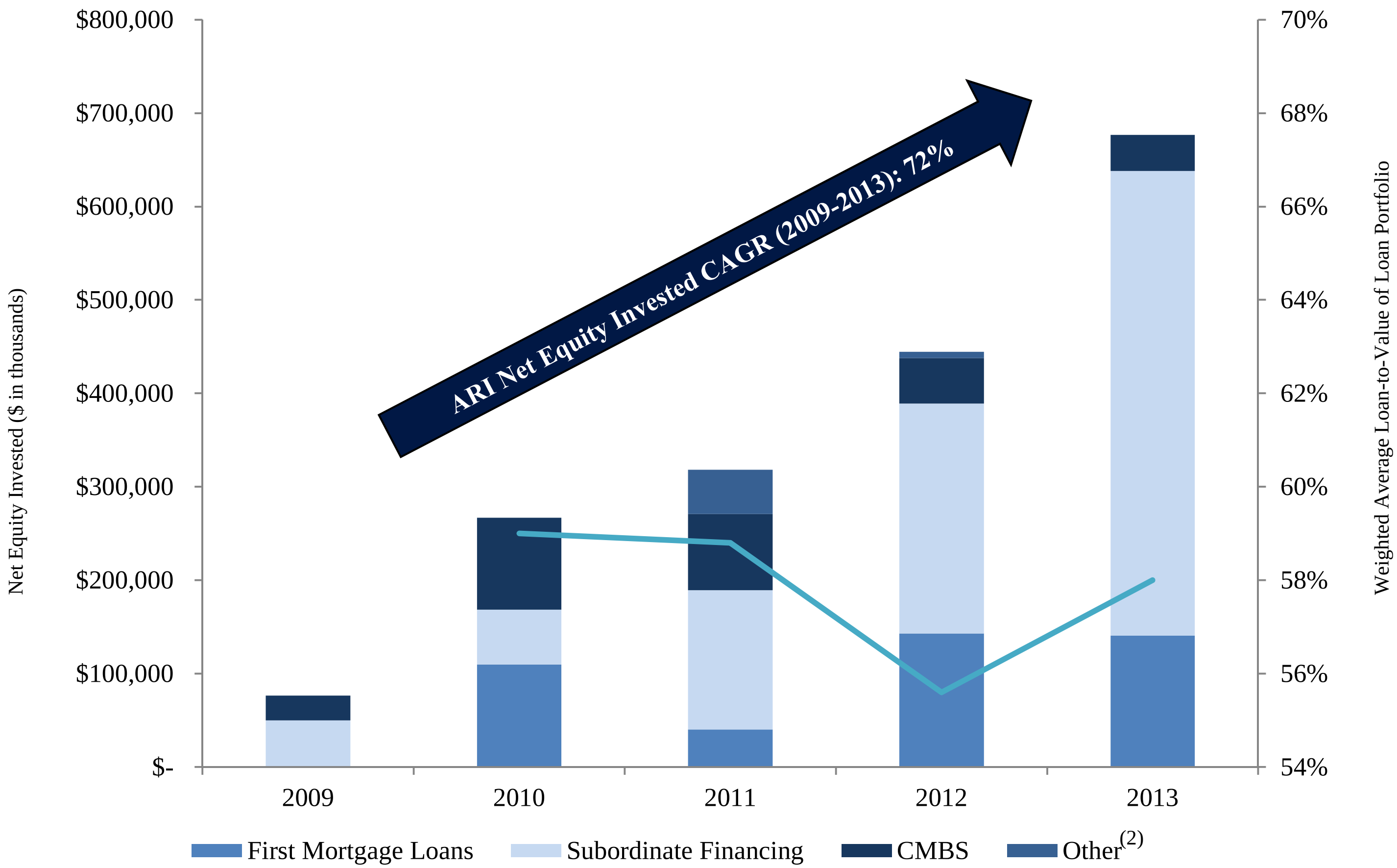
Transaction Sourcing



ARI Primarily Originates Investments, Enabling the Company to Negotiate Deal Structure and Economics

Portfolio Evolution

Net Equity Invested and Weighted Average Loan-to-Value(1)



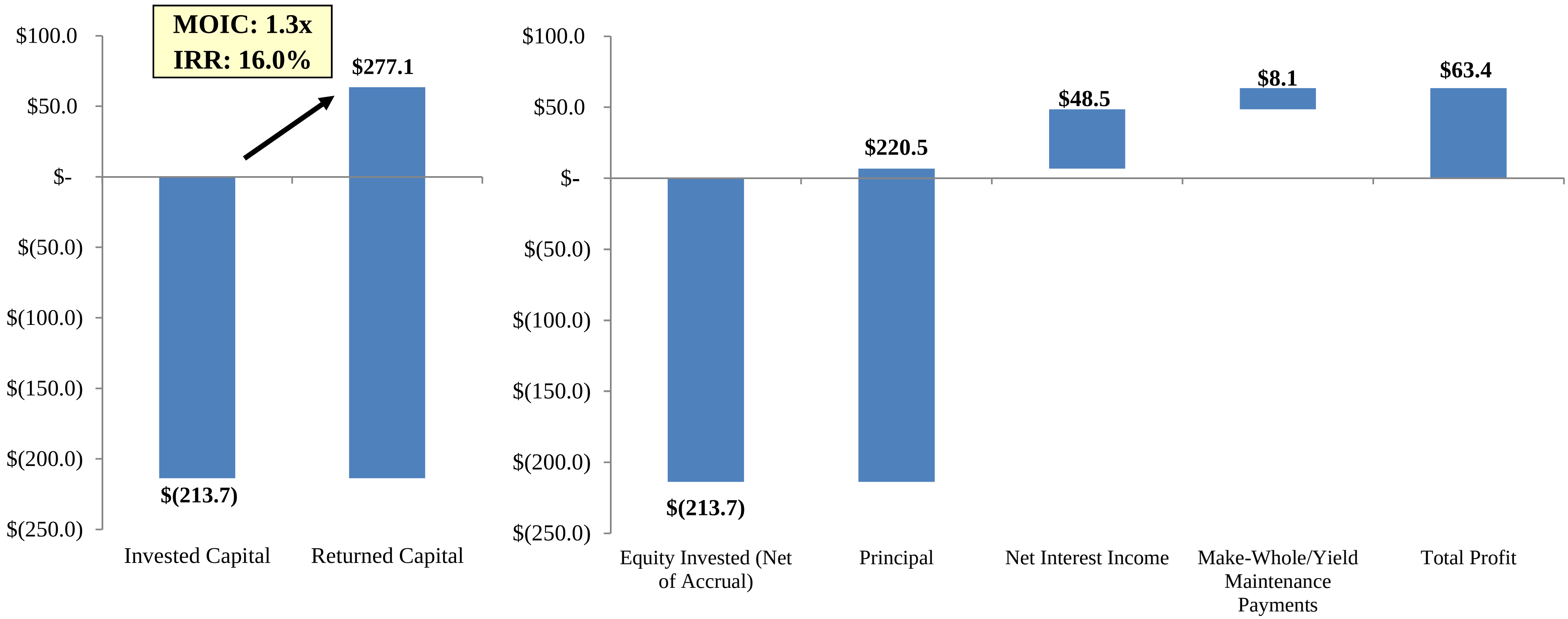
ARI has shifted its portfolio composition to capitalize on market opportunities and generate attractive, risk-adjusted returns

(1) *Weighted average loan-to-value does not include CMBS.*
(2) *Other includes a repurchase agreement investment secured by CDO bonds.*

Portfolio Performance

- Since inception, ARI has had 9 loans fully repay, representing ~$214 million of equity
  - The repaid loans resulted in a weighted average realized IRR of 16.0% and a multiple on invested capital (“MOIC”) of 1.3x
- The $126 million of equity invested in CMBS prior to 2013 continues to outperform projections
  - Bonds purchased at a premium continue to extend beyond the initial underwriting
- **No Realized or Projected Losses Across the Portfolio**

Loan Returns – All Fully Realized Loans Since Inception



(1) IRR and MOIC represent the levered return, assuming a mortgage was financed with 64% leverage on the JP Morgan Facility during the full term of the loan.

Highlighted Strategy – New York City Residential





Thesis: New York City continues to be one of the strongest residential markets, with high demand for both rental and for-sale housing. Attractive risk adjusted returns are achieved by targeting transactions with an attractive basis, strong sponsorship and creative structuring.

Overview

- Since December 2012, ARI has committed $264.4 million to five transactions in which ARI is financing residential assets throughout NYC
- Transactions include ground-up development, conversion of existing commercial buildings to for-sale condominiums and conversion to multifamily rental housing
- Combined, the transactions have a weighted average underwritten IRR(1) of ~13%
- The condominium transactions have a weighted average loan-to-net-sellout of 52%; The multifamily transactions have a weighted average underwritten LTV of 73%

Highlights

- For the ground-up development transaction, through December 31, 2013, a substantial majority of the units are now under executed contracts at an average sales price per square foot well-above our underwritten expectations
- For the downtown NYC condominium conversion, through December 31, 2013, a substantial majority of the units are now under executed contracts at an average sales price per square foot above our underwritten expectations
- Construction is underway at both of the multifamily conversions and pre-leasing feedback is strong

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Path for Continued Growth

- ARI has identified opportunities to leverage the existing Apollo platform and expand into new markets and product types

Opportunity	Market Dynamics	ARI’s Execution Strategy
Western Europe	➢ Commercial banks account for only 46% of Europe’s property lending[(1)] as many have retrenched or left the market ➢ Over the next four years €1 trillion of Europe’s €1.8 trillion commercial real estate debt will mature, with a significant portion made at the peak of the market in 2005-2007[(2)]	➢ Leverage existing “first-call” relationships with international investment banks and major market participants ➢ Establishing a dedicated CRE debt team in Apollo’s London Office ➢ Closing of KBCD Bank Deutschland transaction
First Mortgages on Transitional Assets	➢ There is less liquidity in the U.S. CRE debt market for transactions that have a “transitional” aspect to them (i.e. construction or lease up risk) and do not fit within the “conduit box”	➢ Source transactions through existing origination channels ➢ Leverage first mortgages with low-cost financing to generate attractive risk-adjusted returns

(1) Source: Cushman and Wakefiled
(2) Source: Citibank

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2. ARI Strategy Overview
3. **Portfolio and Financial Overview**

Portfolio Overview

Asset Type ($000s)	Amortized Cost	Borrowings	Equity at Cost(1)	Remaining Weighted Average Life (years)(2)	Current Weighted Average IRR(3)(4)	Levered Weighted Average IRR(5)
First Mortgage Loans(3)	$161,099	$20,383	$140,716	2.0	11.9%	21.6%
Subordinate Loans	497,484	-	497,484	3.9	13.1%	13.1%
CMBS	190,178	181,650	38,655	3.1	13.9%	13.9%
Investments at December 31, 2013	**$848,761**	**$202,033**	**$676,855**	**3.3 Years**	**12.9%**	**14.1%**

As of December 31, 2013.

(1) Includes $30.1 million of restricted cash related to the UBS Facility.

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

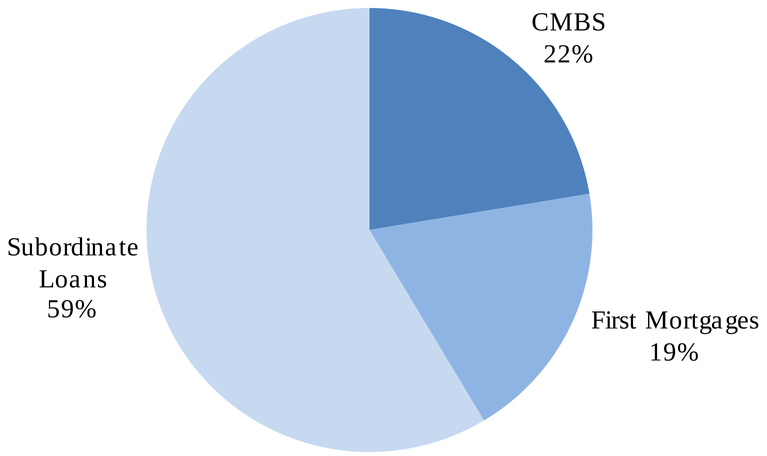
(3) Borrowings under the JPMorgan Facility bear interest at LIBOR plus 250 basis points, or 2.7% at December 31, 2013. The IRR calculation further assumes the JPMorgan Facility or any replacement facility will remain available over the life of these investments.

(4) The underwritten IRR for the investments shown in this table reflect the returns underwritten by the Manager, calculated on a weighted average basis assuming no dispositions, early prepayments or defaults but assuming that extension options are exercised and that the cost of borrowings under the Wells Facility remains constant over the remaining terms and extension terms under this facility. With respect to certain loans, the IRR calculation assumes certain estimates with respect to the timing and magnitude of future fundings for the remaining commitments and associated loan repayments, and assumes 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 that the actual IRRs will equal the underwritten IRRs shown in the table. See "Item 1A—Risk Factors—The Company may not achieve its underwritten internal rate of return on its investments which may lead to future returns that may be significantly lower than anticipated" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 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

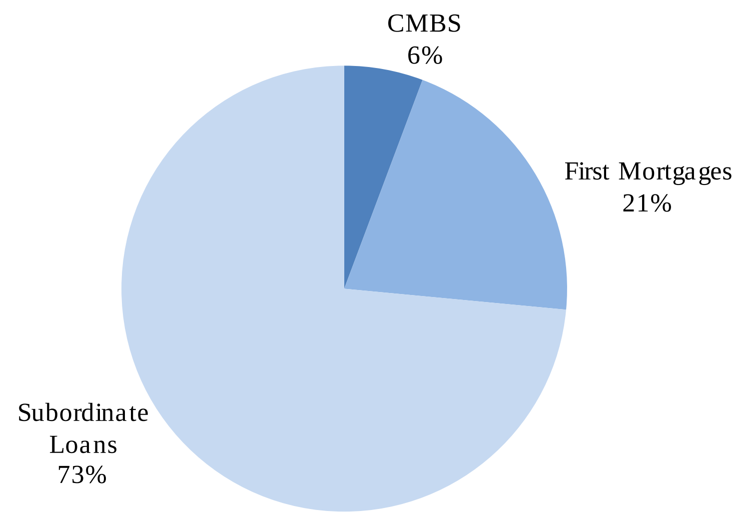
(5) The Company's ability to achieve its underwritten levered weighted average IRR with regard to its portfolio of first mortgage loans is additionally dependent upon the Company re-borrowing approximately $69,000 in total under the JPMorgan Facility or any replacement facility. Without such re-borrowing, the levered weighted average IRRs will be as indicated in the current weighted average IRR column above.

Portfolio Diversification

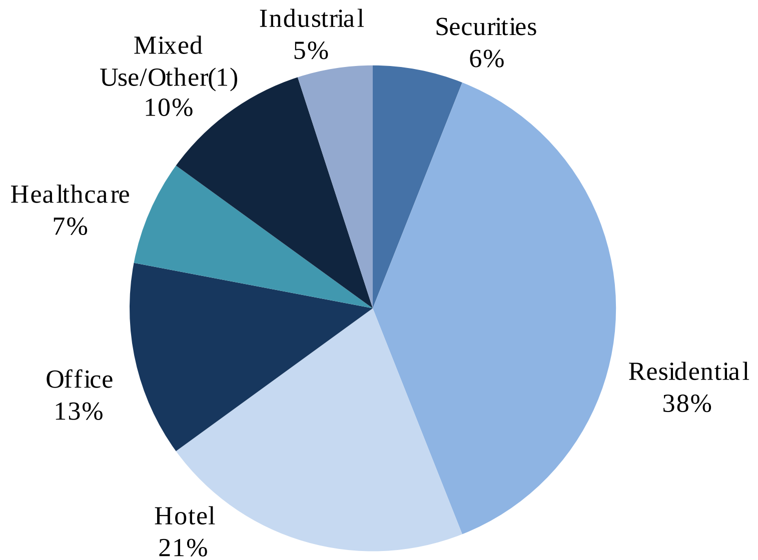
Gross Assets at Amortized Cost Basis



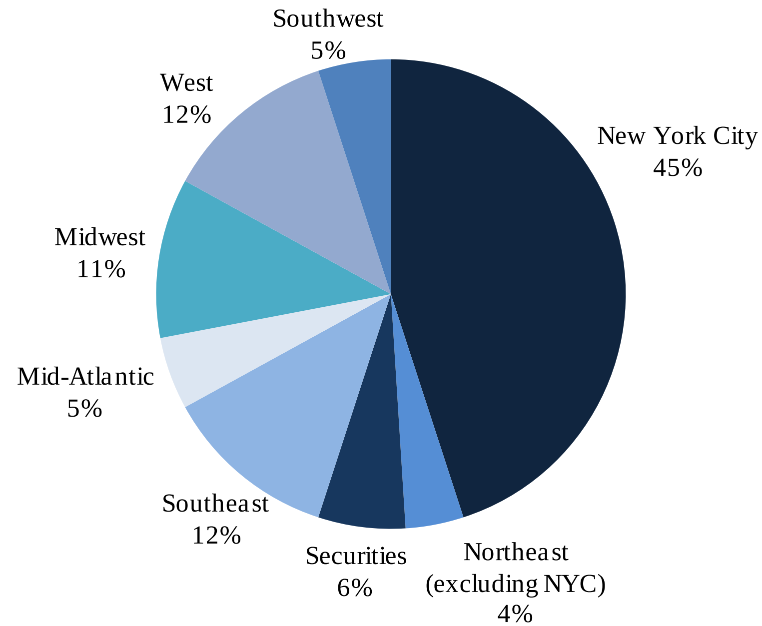
Net Invested Equity at Amortized Cost Basis



Property Type by Net Equity



Geographic Diversification by Net Equity

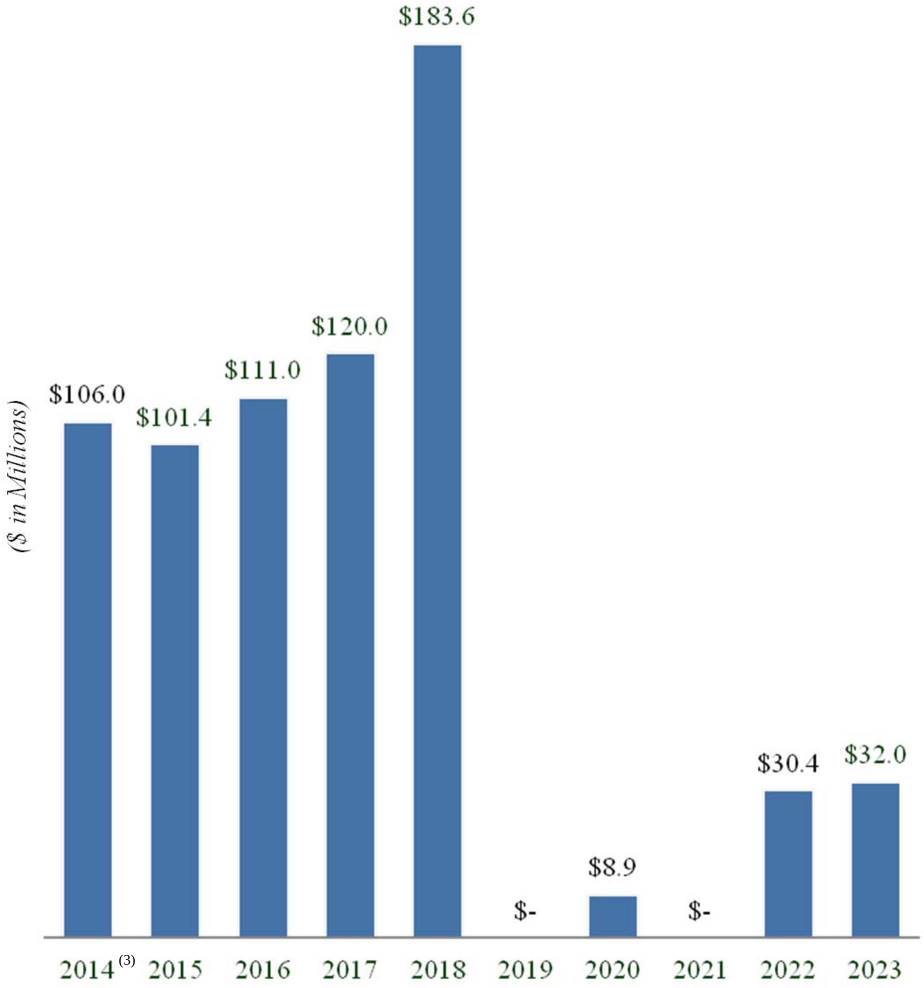


As of December 31, 2013

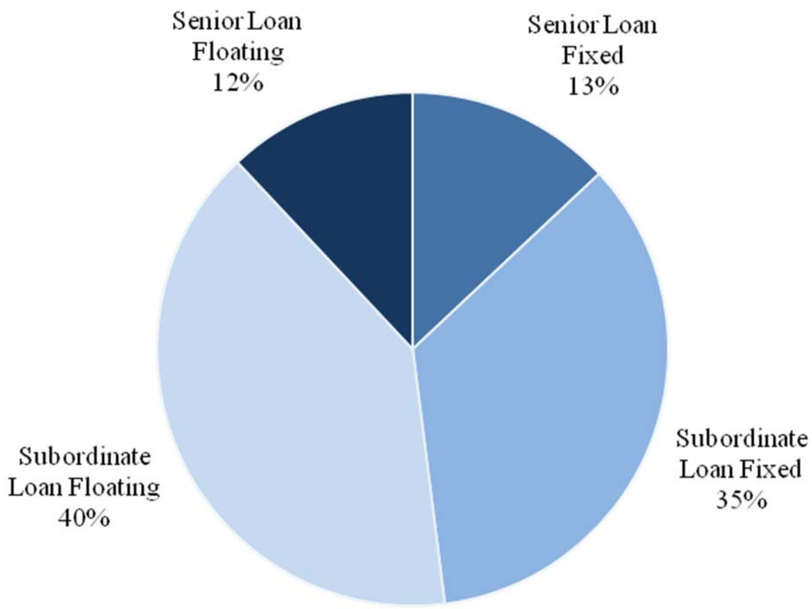
(1) Other category includes the subordinate financing on a ski resort

Loan Portfolio Overview

Fully Extended Loan Maturity Schedule ($mm)(1)(2)



Loan Position and Rate Type(1)



48% Fixed Rate
52% Floating Rate

As of December 31, 2013
(1) Based upon Face Amount of Loans; Does not include CMBS.
(2) Maturities reflect the fully funded amounts of the loans.
(3) Includes repayment of $15 million subordinate New York City hotel loan which had an extended maturity of February 2015 but was repaid in January 2014

Investment Highlights

- First call relationships for subordinate loan transactions
- Experienced management team
- Strong sponsorship through Apollo Global Management, LLC
- Well positioned in a rising interest rate environment
- Opportune time for CRE debt investing
- Attractive 9.7% dividend yield (as of March 28, 2014)[(1)]

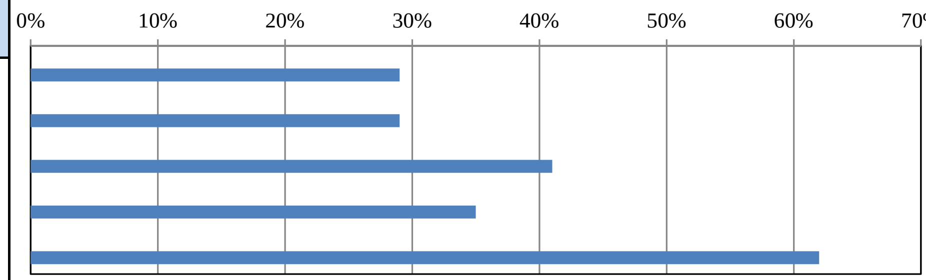
(1) Based on the last quarter dividend per common share of $0.40 annualized

Appendix

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

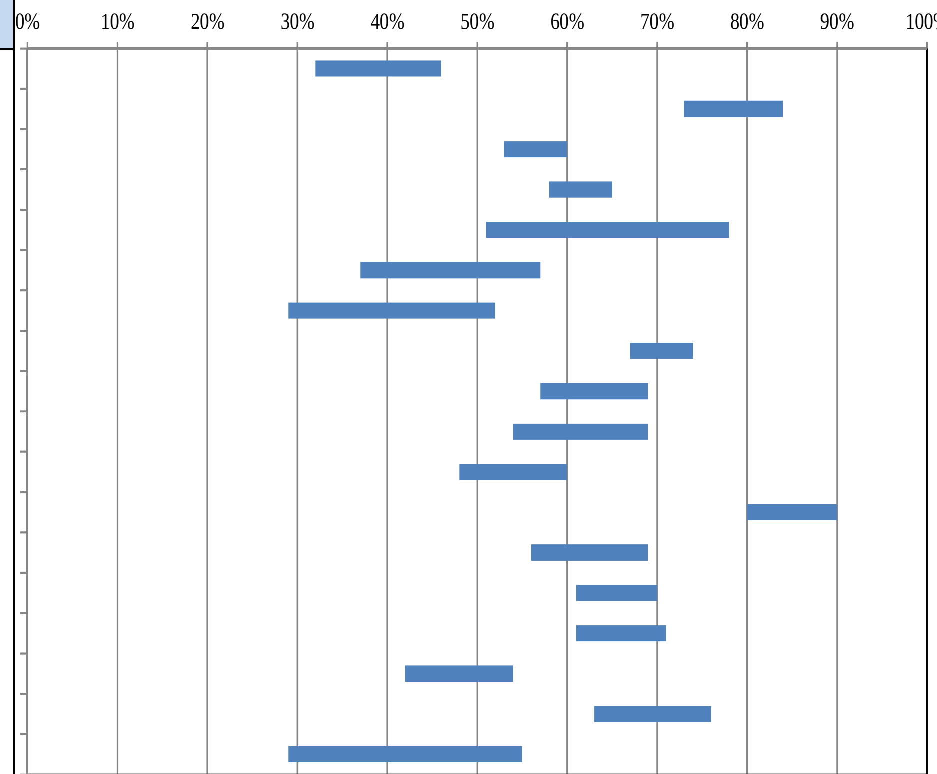
First Mortgage Loans

Description ($ in thousands)	Location	Balance at December 31, 2013	Starting LTV	Ending LTV
First Mortgage - Condo Conversion(1)	New York	$ 45,000	0%	29%
First Mortgage - Condo Conversion(2)	New York	$ 33,167	0%	29%
First Mortgage - Hotel	New York	$ 31,317	0%	41%
First Mortgage - Office	New York	$ 27,169	0%	35%
First Mortgage - Hotel	Maryland	$ 24,947	0%	62%
Total		$ 161,600		



Subordinate Financings

Description ($ in thousands)	Location	Balance at December 31, 2013	Starting LTV	Ending LTV
Subordinate - Condo Development	New York	$ 66,800	32%	46%
Subordinate - Office Portfolio	Florida	$ 50,000	73%	82%
Subordinate - Hotel Portfolio	Various	$ 48,431	52%	60%
Subordinate - Healthcare Portfolio	Various	$ 47,000	58%	65%
Subordinate - Multifamily Conversion	New York	$ 44,000	51%	78%
Subordinate - Ski Resort	California	$ 40,000	38%	57%
Subordinate - Condo Conversion(1)	New York	$ 35,000	29%	52%
Subordinate - Industrial Portfolio	Various	$ 32,000	67%	74%
Subordinate - Hotel Portfolio	Minnesota	$ 24,771	57%	69%
Subordinate - Mixed Use	Pennsylvania	$ 22,500	54%	69%
Subordinate - Multifamily Conversion	New York	$ 18,000	48%	60%
Subordinate - Multifamily/Condo/Hotel(3)	Various	$ 17,000	80%	90%
Subordinate - Hotel	New York	$ 15,000	56%	69%
Subordinate - Office	New York	$ 14,000	61%	70%
Subordinate - Office	Missouri	$ 9,849	61%	71%
Subordinate - Office	Michigan	$ 8,866	42%	54%
Subordinate - Mixed Use	North Carolina	$ 6,525	63%	76%
Subordinate - Condo Conversion(2)	New York	$ 295	29%	55%
Total		$ 500,037		



(1) Both loans are for the same property.
(2) Both loans are for the same property; Ending LTV is based upon the committed amount of $29.4 million.
(3) Ending LTV is based upon the committed amount of $19.5 million.

Consolidated Balance Sheets

(in thousands—except share and per share data)	December 31, 2013	December 31, 2012
Assets:		
Cash	$ 20,096	$ 108,619
Restricted cash	30,127	-
Securities available-for-sale, at estimated fair value	33,362	67,079
Securities, at estimated fair value	158,086	211,809
Commercial mortgage loans, held for investment	161,099	142,921
Subordinate loans, held for investment	497,484	246,246
Repurchase agreements, held for investment	-	6,598
Interest receivable	6,022	4,277
Deferred financing costs, net	628	678
Other assets	600	203
Total Assets	$ 907,504	$ 788,430
Liabilities and Stockholders' Equity		
Liabilities:		
Borrowings under repurchase agreements	$ 202,033	$ 225,158
Derivative instruments, net	-	155
Accounts payable and accrued expenses	2,660	1,265
Payable to related party	2,628	2,037
Dividends payable	17,227	12,891
Total Liabilities	224,548	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 36,888,467 and 28,044,106 shares issued and outstanding in 2013 and 2012, respectively	369	280
Additional paid-in-capital	697,610	546,065
Retained earnings (accumulated deficit)	(14,188)	574
Accumulated other comprehensive loss	(870)	(30)
Total Stockholders' Equity	682,956	546,924
Total Liabilities and Stockholders' Equity	$ 907,504	$ 788,430

Consolidated Statement of Operations

	Three months ended December 31, 2013	Three months ended December 31, 2012	Twelve months ended December 31, 2013	Twelve months ended December 31, 2012
Net interest income:				
Interest income from securities	$ 3,633	$ 3,120	$ 12,267	$ 15,347
Interest income from commercial mortgage loans	3,812	2,930	16,034	10,780
Interest income from subordinate loans	14,026	7,350	49,162	24,666
Interest income from repurchase agreements	-	366	-	6,286
Interest expense	(1,450)	(1,463)	(4,356)	(8,402)
Net interest income	**20,021**	**12,303**	**73,107**	**48,677**
Operating expenses:				
General and administrative expenses (includes $1,392 and $3,488 of equity-based compensation in 2013 and $380 and $3,624 in 2012, respectively)	(2,438)	(1,315)	(7,563)	(8,543)
Management fees to related party	(2,627)	(2,040)	(10,012)	(6,139)
Total operating expenses	**(5,065)**	**(3,355)**	**(17,575)**	**(14,682)**
Interest income from cash balances	1	6	20	7
Realized gain on sale of securities	-	-	-	262
Unrealized gain (loss) on securities	908	16	(3,065)	6,489
Loss on derivative instruments (includes unrealized gains of $0 and $155 in 2013 and $96 and $323 in 2012, respectively)	(1)	(2)	(2)	(572)
Net income	**$ 15,864**	**$ 8,968**	**$ 52,485**	**$ 40,181**
Preferred dividends	(1,860)	(1,860)	(7,440)	(3,079)
Net income available to common shareholders	**$ 14,004**	**$ 7,108**	**$ 45,045**	**$ 37,102**
Basic and diluted net income per share of common stock	$ 0.37	$ 0.26	$ 1.26	$ 1.64
Basic weighted average shares of common stock outstanding	36,886,619	27,297,600	35,212,211	22,259,386
Diluted weighted average shares of common stock outstanding	37,390,369	27,608,787	35,679,755	22,648,819
Dividend declared per share of common stock	$ 0.40	$ 0.40	$ 1.60	$ 1.60

Reconciliation of Operating Earnings to Net Income

	Three Months Ended			
	December 31, 2013	Earnings Per Share (Diluted)	December 31, 2012	Earnings Per Share (Diluted)
Operating Earnings:				
Net income available to common stockholders	**$14,004**	**$0.37**	**$7,108**	**$0.26**
Adjustments:				
Unrealized (gain)/loss on securities	(908)	(0.02)	(16)	-
Unrealized gain on derivative instruments	-	-	(96)	-
Equity-based compensation expense	1,392	0.04	380	0.01
Total adjustments:	484	0.02	268	0.01
Operating Earnings	**$14,488**	**$0.39**	**$7,376**	**$0.27**
Basic weighted average common shares outstanding		38,886,619		27,297,600
Diluted weighted average common shares outstanding		37,390,369		27,608,787

	Twelve Months Ended			
	December 31, 2013	Earnings Per Share (Diluted)	December 31, 2012	Earnings Per Share (Diluted)
Operating Earnings:				
Net income available to common stockholders	**$45,045**	**$1.26**	**$37,102**	**$1.64**
Adjustments:				
Unrealized (gain)/loss on securities	3,065	0.09	(6,489)	(0.29)
Unrealized gain on derivative instruments	(155)	(0.01)	(323)	(0.01)
Equity-based compensation expense	3,488	0.10	3,624	0.16
Total adjustments:	6,398	0.18	(3,188)	(0.14)
Operating Earnings	**$51,443**	**$1.44**	**$33,914**	**$1.50**
Basic weighted average common shares outstanding		35,212,211		22,259,386
Diluted weighted average common shares outstanding		35,679,755		22,648,819

Definitions

<u>Assets Under Management ("AUM") Definition</u> *– refers to the investments managed by Apollo Global Management, LLC, together with its subsidiaries ("Apollo") or with respect to which Apollo has control, including capital Apollo has the right to call from its investors pursuant to their capital commitments to various funds managed by Apollo. AUM equals the sum of: (i) the fair value of Apollo's private equity investments plus the capital that Apollo is entitled to call from its investors pursuant to the terms of their capital commitments; (ii) the net asset value of the credit funds managed by Apollo, other than certain collateralized loan obligations and collateralized debt obligations, which have a fee generating basis other than the mark-to-market value of the underlying assets, plus used or available leverage and/or capital commitments; (iii) the gross asset value or net asset value of Apollo's real estate entities and the structured portfolio company investments included within the funds Apollo manages, which includes the leverage used by such structured portfolio companies; (iv) the incremental value associated with the reinsurance investments of the portfolio company assets that Apollo manages; and (v) the fair value of any other investments that Apollo manages plus unused credit facilities, including capital commitments for investments that may require pre-qualification before investment plus any other capital commitments available for investment that are not otherwise included in the clauses above. The AUM measure includes AUM for which Apollo charges either no or nominal fees. The definition of AUM is not based on any definition of AUM contained in Apollo's operating agreement or in any of Apollo's fund management agreements. Apollo considers multiple factors for determining what should be included in the definition of AUM. Such factors include but are not limited to (1) Apollo's ability to influence the investment decisions for existing and available assets; (2) Apollo's ability to generate income from the underlying assets in the funds it manages; and (3) the AUM measures that Apollo uses internally or believes are used by other investment managers. Given the differences in the investment strategies and structures among other alternative investment managers, Apollo's calculation of AUM may differ from the calculations employed by other investment managers and, as a result, this measure may not be directly comparable to similar measures presented by other investment managers.*