

Investor Presentation September 2015

Forward Looking Statements and Other Disclosures



This presentation may contain forward-looking statements that are 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 management's control. These forward-looking statements may include information about possible or assumed future results of Apollo Commercial Real Estate Finance, Inc.'s ("ARI" or the "Company") business, financial condition, liquidity, results of operations, plans and objectives. When used in this presentation, the words "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may" or similar expressions, are intended to identify forward-looking statements. Statements regarding the following subjects, among others, may be forward-looking: ARI's business and investment strategy; ARI's operating results; ARI's ability to obtain and maintain financing arrangements; the return on equity, the yield on investments and risks associated with investing in real estate assets; and changes in business conditions and the general economy.

The forward-looking statements are based on management's beliefs, assumptions and expectations of future performance, taking into account all information currently available to ARI. 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 ARI. Some of these factors are described under "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in ARI's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and other periodic reports filed with the Securities and Exchange Commission ("SEC"), which are accessible on the SEC's website at www.sec.gov. If a change occurs, ARI's business, financial condition, liquidity and results of operations may vary materially from those expressed in ARI's 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 management to predict those events or how they may affect ARI. Except as required by law, ARI is not obligated to, and does not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation contains information regarding ARI's financial results that is calculated and presented on the basis of methodologies other than in accordance with accounting principles generally accepted in the United States ("GAAP"), including Operating Earnings and Operating Earnings per share. Please refer to slide 20 for a definition of "Operating Earnings" and the reconciliation of "Operating Earnings" to the applicable GAAP financial measure set forth on slide 26.

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. ARI makes no representation or warranty, expressed or implied, with respect to the accuracy, reasonableness or completeness of such information.

Past performance is not indicative nor a guarantee of future returns.

Index performance and yield data are shown for illustrative purposes only and have limitations when used for comparison or for other purposes due to, among other matters, volatility, credit or other factors (such as number and types of securities). Indices are unmanaged, do not charge any fees or expenses, assume reinvestment of income and do not employ special investment techniques such as leveraging or short selling. No such index is indicative of the future results of any investment by ARI.







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 ("CMBS")

Ticker (NYSE)	ARI
Equity Capitalization ⁽¹⁾	\$1.4 billion
Dividend per Share of Common Stock ⁽²⁾	\$1.76
Dividend Yield ⁽³⁾	10.5%
Book Value per Share of Common Stock	\$16.41
Price/Book ⁽⁴⁾	1.03x

Investment Highlights



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ARI has developed a full-scale commercial real estate debt origination platform that has deployed \$2.7 billion of capital into \$3.9 billion of investments since inception in 2009

Disciplined Investment Approach and Focused Investment Strategy

Macro Environment Continues to Create Compelling Opportunities Extensive Network of Origination Relationships

Creative and Thoughtful Underwriting and Execution

Experienced Management Team and Relationship with Apollo

- ➤ Apollo Global Management, LLC's ("Apollo") Real Estate Group has over \$10.6 billion of assets under management
- ➤ Long standing and deep relationships with brokers, global investment banks, insurance companies and commercial real estate owners

Stable and Diverse Investment Portfolio

- Amortized cost basis of \$2.1 billion with a levered weighted average underwritten internal rate of return ("IRR")⁽⁵⁾ of approximately 14.6% and a weighted average duration of 3.1 years
- ➤ Loan portfolio has weighted average loan-to-value of 62%
- ARI has not realized any principal losses since inception

Well Positioned for Rising Interest Rates

- ▶ 69% of loans in the portfolio have a floating interest rate, based upon face amount
- \triangleright Debt-to-common equity ratio of **1.2x**⁽⁶⁾
- Fixed rate loan portfolio has a weighted average interest rate of **10.7%** with a weighted remaining average term of 4.2 years⁽⁷⁾

Agenda

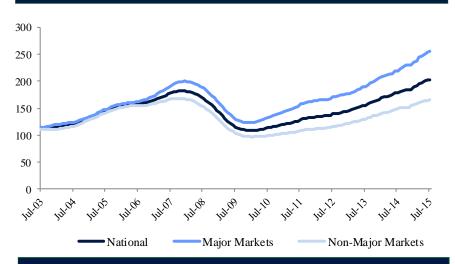


- 1. Commercial Real Estate Market Overview
- 2. ARI Strategy Overview
- 3. Portfolio and Financial Overview

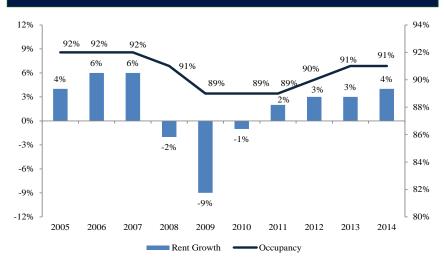
CRE Property Market Overview



Major U.S. Markets Have Surpassed the December 2007 Peak by 30%⁽⁸⁾



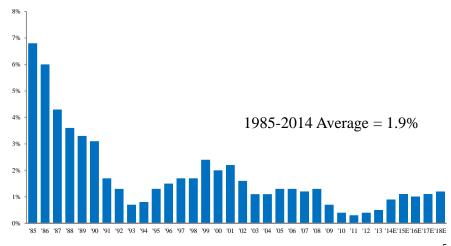
Operating Fundamentals Are Improving⁽¹⁰⁾



U.S. CRE Transaction Activity is Increasing⁽⁹⁾



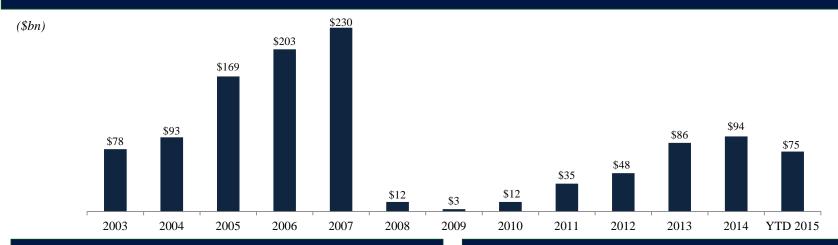
Construction Completions Remain Below the 30-Year Average⁽¹⁰⁾



CRE Debt Market Overview



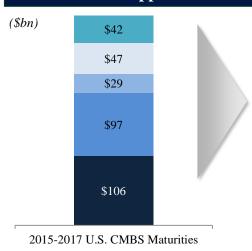
U.S. CMBS Issuance is Recovering but Still Well Below Peak Originations (11)



\$1.45 Trillion of CRE Loans Mature in the Next Five Years (12)



Significant Refinancing and Recapitalization Opportunities to Come⁽¹³⁾



 \blacksquare Office \blacksquare Retail \blacksquare Hotel \blacksquare Multifamily \blacksquare Other

- Current average LTV of 80% vs. 69% at origination
- **2.0x** maturity volume of 2010 2012 maturities
- 13% currently delinquent
- 7% currently in special servicing

Agenda



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- 2. ARI Strategy Overview
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Lending Strategy



ARI is a direct lender and offers a full range of commercial real estate mortgage loans, both domestically and internationally, across property types, including loans with fixed and floating interest rates. ARI is able to underwrite and structure complex transactions tailored to the needs of borrowers and originated approximately 90% of the loans completed in 2014.

Loan Programs

First Mortgage Loan Overview

- First mortgages on stabilized, cash-flowing commercial properties or transitional properties
- ➤ Loan-to-value ("LTV") generally from 0% up to 65%
- > Fixed or floating rate
- ➤ All commercial property types throughout North America and Europe

Mezzanine Loan Overview

- Subordinate financing (mezzanine loans or preferred equity) on stabilized, cash-flowing commercial properties or transitional properties
- > LTV generally from ~50% up to ~75%
- > Fixed or floating rate
- ➤ All commercial property types throughout North America and Europe

Strategy and Competitive Advantages

- ➤ Ability to offer "one-stop-shop" financing
- ➤ Ability to underwrite transactions with complexity in operations or structure
- ➤ Ability to principal large loans for future syndication
- ➤ Utilize bank facility to lever first mortgage loans and seek to generate low to mid-teen returns

Strategy and Competitive Advantages

- ➤ Directly originate or partner with first mortgage lenders to provide subordinate financing, which generates low to mid-teen returns without leverage
- > "First call" relationships with balance sheet lenders, conduits, brokers and insurance companies
- ➤ Directly originate whole debt capital stack (senior and sub)
- ➤ Ability to structure and underwrite complex transactions

ARI Strategy – First Mortgage Loans



Sample First Mortgage Loan Transactions

Transaction Summary

- ➤ \$210 million five-year, fixed rate loan secured by 229 destination homes in North and Central America, the Caribbean and England; at closing, ARI syndicated \$104 million and retained a \$106 million participation
- ➤ Appraised LTV 49%
- ➤ Underwritten IRR⁽⁵⁾ 8%
- ➤ Underwritten Levered IRR⁽⁵⁾ 15%

Transaction Summary

- ➤ \$34.0 million, five-year floating rate loan for the acquisition of a newly renovated, 301-key hotel located in Philadelphia
- ➤ Underwritten LTV 58%
- ➤ Underwritten IRR⁽⁵⁾ 7%
- ➤ Underwritten Levered IRR⁽⁵⁾ 13%

Transaction Summary

- ➤ \$34.5 million, five-year floating rate loan for the acquisition of a newly constructed 63-unit multifamily property in Brooklyn, NY
- ➤ Underwritten LTV 63%
- ➤ Underwritten IRR⁽⁵⁾ 7%
- ➤ Underwritten Levered IRR⁽⁵⁾ 12%



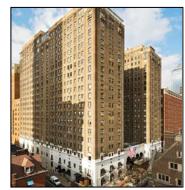
















ARI Strategy – Subordinate Financings



Sample Subordinate Loan Transactions

Transaction Summary

- ➤ \$82.5 million, five-year floating rate loan for the development of a 247-unit for-sale condominium, 116 affordable multifamily units and 90,000 sq. ft. of commercial space
- ➤ Underwritten Loan-to-net-sellout 58%
- ➤ Underwritten IRR⁽⁵⁾ 13%

Transaction Summary

- ➤ \$50 million, five-year floating rate loan secured by the equity interests in a portfolio of 167 skilled nursing facilities located across 19 states
- ➤ Refinanced existing \$47 million mezzanine loan originated in 2013
- ➤ Appraised LTV 62%
- ➤ Underwritten IRR⁽⁵⁾ 12%

Transaction Summary

- ➤ \$25 million, five-year floating rate loan secured by the equity interests in a portfolio of four hotels totaling 1,231 keys located in Rochester, MN
- ➤ Appraised LTV 69%
- ➤ Underwritten IRR⁽⁵⁾ 12%













Agenda



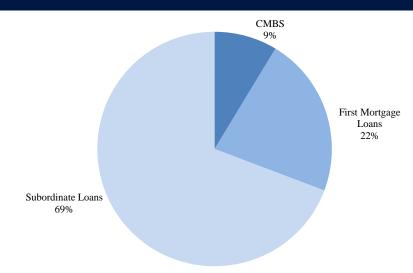
- 1. Commercial Real Estate Market Overview
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Portfolio Overview



Asset Type (\$000s)	Amortized Cost	Borrowings	Equity at Cost ⁽¹⁴⁾	Remaining Weighted Average Life (years) ⁽¹⁵⁾	Current Weighted Average Underwritten IRR ⁽⁵⁾	Fully-Levered Weighted Average Underwritten IRR ⁽⁵⁾⁽¹⁶⁾
First Mortgage Loans	\$ 704,040	\$ 428,835	\$ 275,205	3.1 Years	18.0%	18.0%
Subordinate Loans ⁽¹⁷⁾⁽¹⁸⁾	894,926	15,613	847,968	3.7	13.4	13.4
CMBS	511,412	433,904	107,635	1.9	16.2	16.2
Investments at June 30, 2015	\$ 2,110,378	\$ 878,352	\$ 1,230,808	3.1 Years	14.6%	14.6%

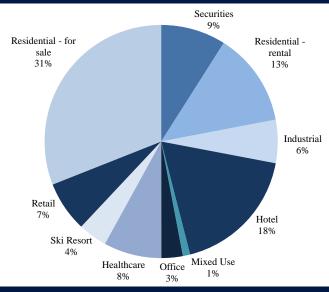
Net Invested Equity at Amortized Cost Basis(19)



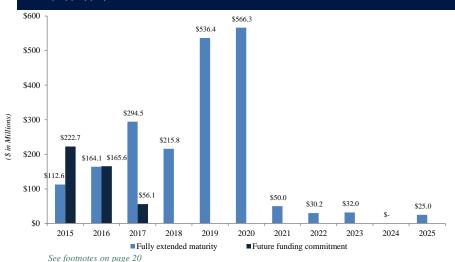
Portfolio Diversification



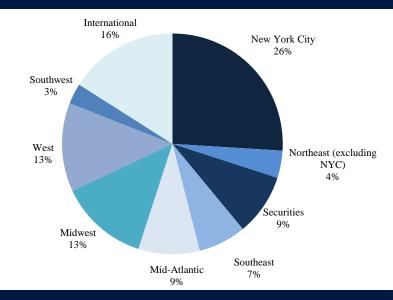
Property Type by Net Equity(19)



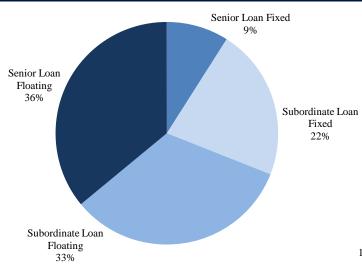
Fully Extended Loan Maturities and Future Fundings



Geographic Diversification by Net Equity⁽¹⁹⁾



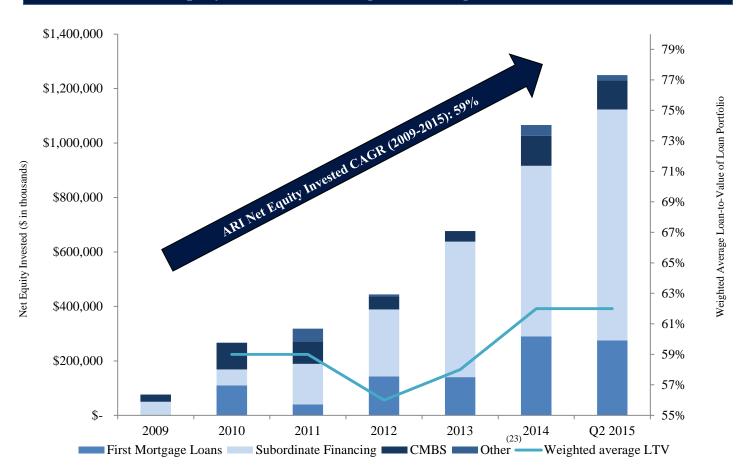
Loan Position and Rate Type(19)



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Net Equity Invested and Weighted Average Loan-to-Value⁽²²⁾



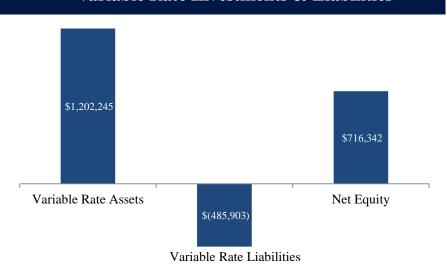
ARI has shifted its portfolio composition to capitalize on market opportunities and generate attractive, risk-adjusted returns

Financing Overview and Interest Rate Sensitivity



Facility (\$000s)	Debt Balance	Weighted Average Remaining Maturity ⁽²⁴⁾	Weighted Average Rate
UBS Facility	\$ 133,899	3.2 Years	2.8%
Deutsche Bank Facility	300,005	2.8	3.7
JPMorgan Facility	395,572	2.6	2.5
Goldman Sachs Loan	48,876	3.8	3.7
Total Borrowings at June 30, 2015	\$ 878,352	2.7 Years	3.7%

Variable Rate Investments & Liabilities



ARI anticipates a 0.5% increase in LIBOR results in approximately a \$0.05 per diluted share of common stock increase in Operating Earnings annually⁽²⁵⁾

Recent Capital Raise



- On September 21, 2015, ARI completed a private placement of common stock and 8.00% Fixed-to-Floating Series B Cumulative Redeemable Perpetual Preferred Stock ("Series B Preferred Stock") with QH RE Asset Company, LLC, a wholly owned subsidiary of the Qatar Investment Authority ("QIA") and received total gross proceeds of \$348 million
- > QIA is the sovereign wealth fund of the State of Qatar and has a long standing relationship with Apollo
- The purchase price per share of common stock was \$17.00, which is a 3.6% premium to ARI's June 30, 2015 book value per share of common stock of \$16.41 and a 1.0% premium to ARI's closing price of \$16.83 on September 21, 2015
- > The purchase price per share of the Series B Preferred Stock was \$24.71 and the liquidation preference is \$25.00 per share
- > Post offering, ARI's pro-forma equity market capitalization was approximately \$1.4 billion
- ARI intends to use the proceeds of the offering to repay outstanding amounts under the JP Morgan Facility and the balance, if any, to acquire the Company's target assets

Pro-Forma Equity Capitalization

(\$ in thousands)	June 30, 2015	As Adjuste		
Series A Preferred Stock, \$0.01 par value, 3,450,000 shares	\$ 35	\$	35	
Series B Preferred Stock, \$0.01 par value, 8,000,000 shares	-		80	
Common Stock, \$0.01 par value, 450,000,000 shares authorized	584		672	
Additional paid-in-capital	1,062,857		1,409,369	
Retained Earnings	(15,965)		(15,965)	
Accumulated other comprehensive income	(2,667)		(2,667)	
Total Stockholders' Equity	\$ 1,044,844	\$	1,391,524	

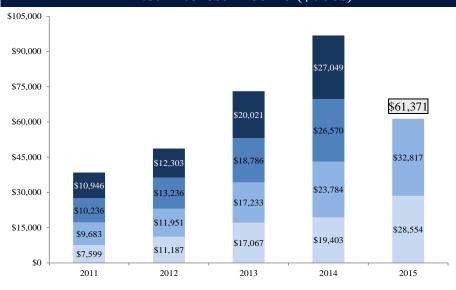
Financial Overview







Net Interest Income (\$000s)



Operating Earnings per Share of Common Stock⁽²⁶⁾



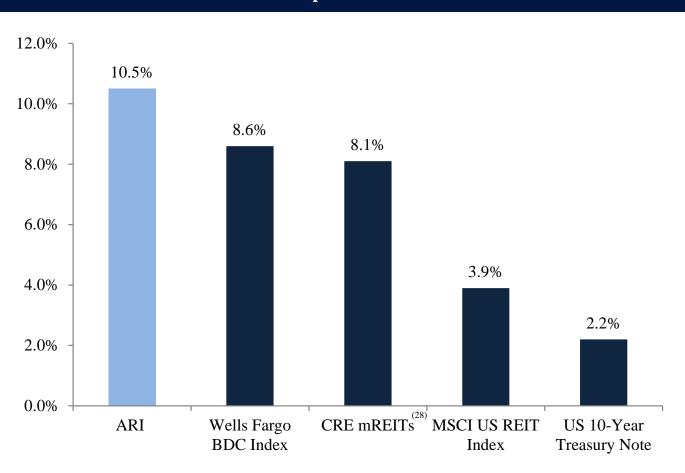
Dividends per Share of Common Stock





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Comparable Yields⁽²⁷⁾



Investment Highlights



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- ➤ Attractive **10.5%** dividend yield⁽³⁾ and **1.03x** price/book⁽⁴⁾
- > Experienced management team and sponsorship through Apollo Global Management, LLC
- > Strong origination platform with long standing relationships with CRE owners and intermediaries
- ➤ Robust investment pipeline for new investment transactions as well as fundings of previously closed transactions
- ➤ Stable investment portfolio with 14.6% levered weighted average IRR⁽⁵⁾
- ➤ Well positioned in a rising interest rate environment
- ➤ Macro environment continues to create compelling opportunities

Footnotes



- (1) Includes common equity and preferred equity market capitalization outstanding as of September 22, 2015 and pro-forma to include the common and preferred stock offering completed on September 21, 2015.
- (2) Third quarter 2015 dividend per share of common stock of \$0.44, annualized.
- (3) Based on the \$0.44 quarterly dividend per share of common stock, annualized and ARI's closing common share price on September 22, 2015.
- (4) Based upon the closing price of \$16.83 on September 22,2015 and the June 30, 2015 book value per share of common stock of \$16.41.
- (5) The underwritten IRR for the investments shown in this presentation reflect the returns underwritten by ACREFI Management, LLC (the "Manager"), calculated on a weighted average basis assuming no dispositions, early prepayments or defaults but assuming that the cost of borrowings remains constant over the remaining terms. With respect to certain loans, the IRR calculation assumes certain estimates with respect to the timing and magnitude of future fundings for the remaining terms. With respect to certain loans, the IRR calculation assumes certain estimates with respect to the timing and magnitude of future fundings for the remaining terms. With respect to the timing and magnitude of future fundings for the remaining terms with respect to the timing and magnitude of future fundings for the remaining terms. With respect to the timine 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 on an investment on an investment value of noney and represents the rate of returns on investment. It is the discount rate that makes the net present value of all cash outflows (returns on investment). It is derived from the negative and positive 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 this presentation. See "Item IA—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 ARI's Annual Report on Form 10-K for the year ended December 31, 2014 for a discussion of some of the factors that could adversely impact the returns rec
- (6) Debt to common equity is calculated as of June 30, 2015 and is net of participations sold.
- (7) Weighted average interest rate of fixed rate loans as of June 30, 2015. Does not include CMBS.
- (8) Source: Moody's/Real Capital Analytics Commercial Property Price Index
- (9) U.S. real estate transaction volume; Source: Real Capital Analytics
- (10) Source: Green Street Advisors; Supply is an equal weighted average of apartment, industrial, mall, office and strip center
- (11) Source: Commercial Mortgage Alert as of September 22, 2015.
- (12) Source: Trepp, LLC
- (13) Source: Barclays
- (14) CMBS includes \$30.1 million of restricted cash related to the Company's master repurchase agreement with UBS AG (the "UBS Facility").
- (15) Remaining Weighted Average Life assumes all extension options are exercised.
- (16) 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 under the JPMorgan Facility or any replacement facility with similar terms with regard to its portfolio of first mortgage loans. Without such re-borrowing, the levered weighted average underwritten IRR will be lower than the amount shown above, as indicated in the current weighted average underwritten IRR column.
- (17) Subordinate loans include CMBS, held-to-maturity, which represents a loan the Company closed during May 2014 that was subsequently contributed to a securitization during August 2014. During May 2014, the Company closed a \$155,000 floating-rate whole loan secured by the first mortgage and equity interests in an entity that owns a resort hotel in Aruba. During June 2014, the Company syndicated a \$90,000 senior participation in the loan and retained a \$65,000 junior participation. During August 2014, both the \$90,000 senior participation and the Company's \$65,000 junior participation were contributed to a CMBS securitization. In exchange for contributing its \$65,000 junior participation, the Company received a CMBS secured solely by the \$65,000 junior participation. ARI presents the participation sold as both assets and non-recourse liabilities because the participation does not qualify as a sale according to GAAP. At June 30, 2015, ARI had one such participation sold with a carrying amount of \$89,646.
- (18) Subordinate loans also are net of a participation sold during February 2015. The Company presents the participations sold as both assets and non-recourse liabilities because the participation does not qualify as a sale according to GAAP. At June 30, 2015, the Company had one such participation sold with a face amount of £20,000 and a carrying amount of \$31,345.
- (19) Subordinate loans include CMBS, held-to-maturity and are net of participations sold of \$120,991. ARI presents the participations sold as both assets and non-recourse liabilities because the participation does not qualify as a sale according to GAAP.
- (20) Based upon face amount of loans; Does not include CMBS, but does include CMBS, held-to-maturity. Maturities reflect the fully funded amounts of the loans.
- (21) Future funding dates are based upon the Manager's projections and are subject to change.
- (22) Weighted average loan-to-value does not include CMBS but does include CMBS, held-to-maturity.
- (23) Other includes a repurchase agreement investment secured by collateralized debt obligation or CDO bonds and equity investment in Bremer Kreditbank AG, or BKB Bank
- (24) Assumes extension options on the UBS Facility are exercised.
- (25) Based upon the Company's portfolio as of June 30, 2015, any such hypothetical impact on interest rates on the Company's variable rate borrowings does not consider the effect of any change in overall economic activity that could occur in a rising interest rate environment. Further, in the event of a change in interest rates of that magnitude, the Company may take actions to further mitigate the Company's exposure to such a change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, this analysis assumes no changes in the Company's financial structure.
- Operating Earnings is a non-GAAP financial measure that is used by the Company to approximate cash available for distribution and is defined by the Company as net income available to common stockholders, computed in accordance with GAAP, adjusted for (i) equity-based 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) (ii) any unrealized gains or losses or other non-cash items included in net income (iii) unrealized income from equity investments and (iv) the non-cash amortization expense related to the reclassification of a portion of the senior convertible notes to stockholders' equity in accordance with GAAP. Please see slide 26 for a reconciliation of Operating Earnings and Operating Earnings per Share to GAAP net income and GAAP net income per share.
- (27) As of September 21, 2015
- (28) Includes STWD, BXMT, CLNY and ACRE

Appendix

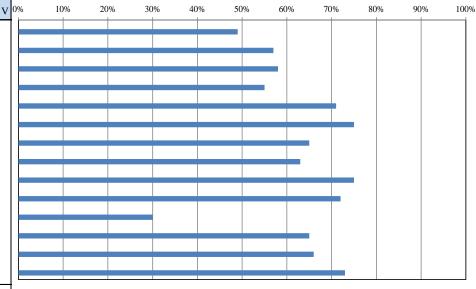


Loan Portfolio – Loan Level LTV (Through Last Invested Dollar)



First Mortgage Loans

Description (\$ in thousands)	Location	Balance at 6/30/2015	Starting LTV	Ending LTV
First Mortgage - Destination homes	Various	\$ 97,413	0%	49%
First Mortgage - Retail	New York	\$ 85,770	0%	57%
First Mortgage - Pre-development loan	New York	\$ 67,300	0%	58%
First Mortgage - Retail ⁽¹⁾	Ohio	\$ 67,000	0%	55%
First Mortgage - Multifamily	North Dakota	\$ 56,542	0%	71%
First Mortgage - Destination homes	New York/Hawaii	\$ 50,000	0%	75%
First Mortgage - Condo development ⁽²⁾	Maryland	\$ 50,000	0%	65%
First Mortgage - Hotel portfolio	Various	\$ 45,400	0%	63%
First Mortgage - Pre-development loan	Florida	\$ 45,000	0%	75%
First Mortgage - Multifamily	New York	\$ 34,500	0%	72%
First Mortgage - Condo conversion ⁽³⁾	New York	\$ 34,190	0%	30%
First Mortgage - Hotel	Pennsylvania	\$ 34,000	0%	65%
First Mortgage - Condo development (4)	Maryland	\$ 26,000	0%	66%
First Mortgage - Pre-development loan	Florida	\$ 16,800	0%	73%
Total/Weighted Average	•	\$ 709,915	_	61%



LTV is based upon the fully committed loan amount of \$165 million.

LTV is based upon the fully committed loan amount of \$80 million.

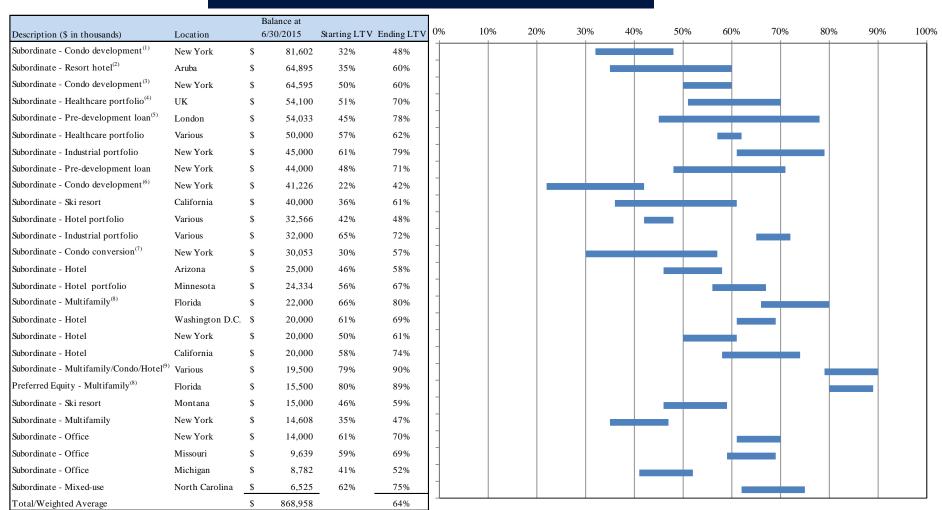
This first mortgage loan is for the same property as the \$30 million NYC condo conversion mezzanine loan listed on page 23.

⁽⁴⁾ LTV is based upon the fully committed loan amount of \$65.1 million.

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



Subordinate Financings



LTV is based upon the fully funded loan amount of \$60 million plus PIK interest.

(2) This is CMBS, held-to-maturity and is net of a participation sold. ARI presents the participation sold as both assets and non-recourse liabilities because the participation does not qualify as a sale according to GAAP. At June 30, 2015, this participation sold had a carrying amount of \$89,646.

LTV is based upon the fully committed loan amount of \$105 million.

Based upon £34.4 face amount converted to USD based upon the conversion rate on June 30, 2015, net of participation of \$31,345. Based upon £31.2 face amount plus PIK converted to USD based upon the conversion rate on June 30, 2015.

(6) LTV is based upon the fully funded loan amount of \$275 million.

Loan is for the same property as the \$34.1 million NYC condo conversion first mortgage loan listed on page 22. LTV for the mezzanine loan is based upon the fully committed amount of \$29.4 million plus PIK interest.

Mezzanine loan and preferred equity are secured by the same portfolio of properties.

LTV is based upon the fully funded loan amount of \$19.5 million.

Consolidated Balance Sheet



(in thousands—except share and per share data)				
	Ju	me 30, 2015	Decer	nber 31, 2014
Assets:		(Unaudited)		
Cash	\$	48,848	\$	40,641
Restricted cash		34,547		30,127
Securities available-for-sale, at estimated fair value		-		17,105
Securities, at estimated fair value		518,851		522,730
Securities, held-to-maturity		154,391		154,283
Commercial mortgage loans, held for investment		704,040		458,520
Subordinate loans, held for investment		830,181		561,182
Investment in unconsolidated joint venture		20,021		37,016
Derivative assets		262		4,070
Interest receivable		12,817		10,829
Deferred financing costs, net		8,898		7,444
Other assets		582		1,200
Total Assets	\$	2,333,438	\$	1,845,147
		_		
Liabilities and Stockholders' Equity				
Liabilities:				
Borrowings under repurchase agreements	\$	878,352	\$	622,194
Convertible senior notes, net		247,305		246,464
Participations sold		120,991		89,584
Derivative liabilities		2,109		-
Accounts payable and accrued expenses		8,253		7,578
Payable to related party		3,890		3,240
Dividends payable		27,694		21,018
Total Liabilities		1,288,594		990,078
Stockholders' Equity:				
Preferred stock, \$0.01 par value, 50,000,000 shares authorized and 3,450,000 shares issued and outstanding in 2015				
and 2014 (\$86,250 aggregate liquidation preference)		35		35
Common stock, \$0.01 par value, 450,000,000 shares authorized 58,429,155 and 46,900,442 shares issued and				
outstanding in 2015 and 2014, respectively		584		469
Additional paid-in-capital		1,062,857		868,035
Retained earnings (accumulated deficit)		(15,965)		(10,485)
Accumulated other comprehensive loss		(2,667)		(2,985)
Total Stockholders' Equity		1,044,844		855,069
Total Liabilities and Stockholders' Equity	\$	2,333,438	\$	1,845,147

Consolidated Statement of Operations



		Three mor	nths end	ded		Six mont	ths end	ed
	Jun	e 30, 2015	Jun	ne 30, 2014	Ju	ne 30, 2015	Jur	ne 30, 2014
Net interest income:								
Interest income from securities	\$	8,265	\$	4,366	\$	16,553	\$	6,785
Interest income from securities, held to maturity		3,349		-		6,394		-
Interest income from commercial mortgage loans		11,968		6,438		22,061		10,449
Interest income from subordinate loans		21,152		18,238		39,762		32,968
Interest expense		(11,917)		(5,258)		(23,399)		(7,015)
Net interest income		32,817		23,784		61,371		43,187
Operating expenses:								
General and administrative expenses (includes \$821 and \$1,939 of								
equity-based compensation in 2015 and \$362 and \$788 in 2014,								
respectively)		(2,059)		(1,479)		(4,414)		(2,921)
Management fees to related party		(3,887)		(2,966)		(7,228)		(5,531)
Total operating expenses		(5,946)		(4,445)		(11,642)		(8,452)
Income from unconsolidated joint venture	·	384		=		384		-
Interest income from cash balances		6		4		16		4
Realized loss on sale of securities		-		-		(443)		-
Unrealized gain on securities		(2,273)		4,749		1,136		6,934
Foreign currency gain		2,867		959		5,588		959
Loss on derivative instruments		(3,197)		(1,093)		(6,241)		(1,093)
Net income	\$	24,658	\$	23,958	\$	50,169	\$	41,539
Preferred dividends		(1,860)		(1,860)		(3,720)		(3,720)
Net income available to common stockholders	\$	22,798	\$	22,098	\$	46,449	\$	37,819
Basic and diluted net income per share of common stock	\$	0.39	\$	0.51	\$	0.85	\$	0.94
Basic weighted average shares of common stock outstanding		58,429,155		42,888,747		54,020,978		40,021,722
Diluted weighted average shares of common stock outstanding		59,022,217		43,099,354		54,621,401		40,236,109
Dividend declared per share of common stock	\$	0.44	\$	0.40	\$	0.88	\$	0.80

Reconciliation of Operating Earnings to Net Income



		Three Months Ended							
		Farnings Per Share June 30, 3025 (Diluted)			June 30, 2014	_	s Per Share iluted)		
Operating Earnings:									
Net income available to common stockholders	\$	22,798	\$	0.39	\$22,098	\$	0.51		
Adjustments:									
Equity-based compensation expense		821		0.01	362		0.01		
Unrealized (gain)/loss on securities		2,273		0.04	(4,749)		(0.11)		
Unrealized loss on derivative instruments		3,197		0.06	1,093		0.03		
Foreign currency gain		(2,867)		(0.05)	(959)		(0.02)		
Amortization of convertible senior notes related to equity reclassification		547		0.01	200		-		
Income from unconsolidated joint venture		(384)		(0.01)	-		-		
Total adjustments:		3,587		0.06	(4,053)		(0.09)		
Operating Earnings	\$	26,385	\$	0.45	\$ 18,045	\$	0.42		
Basic weighted average shares of common stock outstanding				58,429,155			42,888,747		
Diluted weighted average shares of common stock outstanding			-	59,022,217			43,009,354		

	Six Months Ended							
		June 30, 2015 Earnings Per Share (Diluted)			June	e 30, 2014	_	s Per Share iluted)
Operating Earnings:								
Net income available to common stockholders	\$	46,449	\$	0.85	\$	37,819	\$	0.94
Adjustments:								
Equity-based compensation expense		1,939		0.04		788		0.02
Unrealized gain on securities		(1,136)		(0.02)		(6,934)		(0.17)
Unrealized loss on derivative instruments		6,241		0.11		1,093		0.03
Foreign currency gain		(5,588)		(0.10)		(959)		(0.02)
Amortization of convertible senior notes related to equity reclassification		1,087		0.02		229		-
Income from unconsolidated joint venture		(384)		(0.01)		-		-
Total adjustments:		2,159		0.04		(5,783)		(0.14)
Operating Earnings	\$	48,608	\$	0.89	\$	32,036	\$	0.80
Basic weighted average shares of common stock outstanding				54,020,978				40,021,722
Diluted weighted average shares of common stock outstanding				54,621,401				40,236,109