



Supplemental Financial Information Package – Q4 2015
February 10, 2016

Information is as of December 31, 2015, 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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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.

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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 3 for a definition of “Operating Earnings” and the reconciliation of “Operating Earnings” to the applicable GAAP financial measure set forth on slide 18.

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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.

February 10, 2016

Stuart Rothstein

Chief Executive Officer and President

Scott Weiner

Chief Investment Officer of the Manager

Megan Gaul

Chief Financial Officer, Treasurer and Secretary

Hilary Ginsberg

Investor Relations Manager

Financial Summary

Income Statement	Three Months Ended			Twelve Months Ended		
	December 31, 2015	December 31, 2014	% Change	December 31, 2015	December 31, 2014	% Change
Interest income	\$ 55,516	\$ 37,789	46.9%	\$ 192,164	\$ 123,347	55.8%
Interest expense	\$ (12,275)	\$ (10,740)	14.3%	\$ (48,861)	\$ (26,541)	84.1%
Net interest income	\$ 43,241	\$ 27,049	59.9%	\$ 143,303	\$ 96,806	48.0%
Operating earnings ⁽¹⁾	\$ 32,352	\$ 21,179	52.8%	\$ 112,697	\$ 73,982	52.3%
Operating earnings per diluted share ⁽¹⁾	\$ 0.48	\$ 0.45	6.7%	\$ 1.90	\$ 1.69	12.4%
Diluted weighted average shares of common stock outstanding	67,754,673	47,085,617	43.9%	59,273,280	43,684,805	35.7%
Balance sheet	December 31, 2015	December 31, 2014	% Change			
Investments at amortized cost ⁽²⁾	\$ 2,464,897	\$ 1,618,623	52.3%			
Net equity in investments at cost	\$ 1,569,250	\$ 1,026,556	52.9%			
Common stockholders' equity	\$ 1,089,174	\$ 768,819	41.7%			
Preferred stockholders' equity	\$ 286,250	\$ 86,250	231.9%			
Outstanding repurchase agreement borrowings	\$ 925,774	\$ 622,194	48.8%			
Convertible senior notes	\$ 248,173	\$ 246,464	0.7%			
Debt to common equity ⁽³⁾	1.1x	1.2x				
Fixed charge coverage ⁽⁴⁾	2.7x	2.8x				

(1) 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 available to common stockholders, (iii) unrealized income from unconsolidated joint ventures, (iv) foreign currency gains/losses, and (v) the non-cash amortization expense related to the reclassification of a portion of the convertible senior notes to stockholders' equity in accordance with GAAP. Please see slide 18 for a reconciliation of Operating Earnings and Operating Earnings per Share to GAAP Net Income and GAAP Net Income per share.

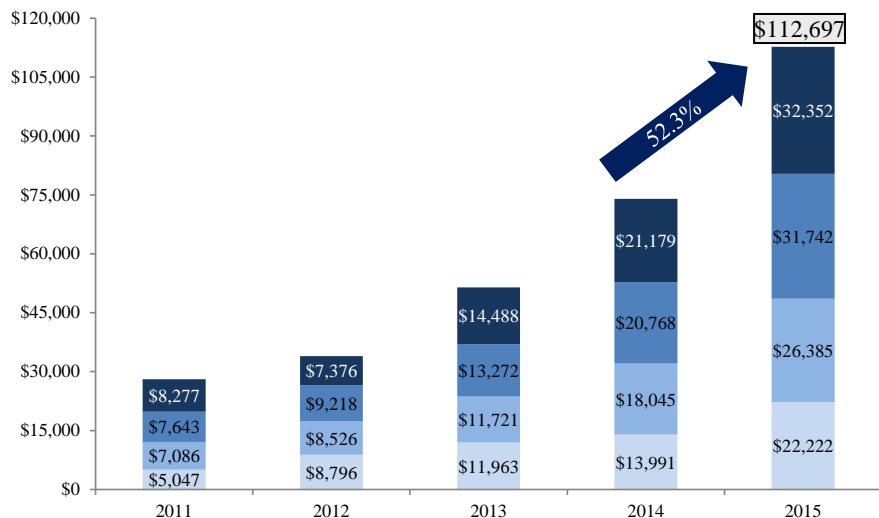
(2) Includes Commercial Mortgage-Backed Securities ("CMBS"), held-to-maturity, which are net of a participation sold during June 2014. ARI presents the participation sold as both assets and non-recourse liabilities because the participation does not qualify as a sale according to GAAP. At December 31, 2015, ARI had one such participation sold with a carrying amount of \$88,984. Subordinate loans also are net of a participation sold in February 2015. At December 31, 2015, this participation sold had a face amount of £19,850 and a carrying amount of \$29,250.

(3) Debt to common equity is net of participations sold.

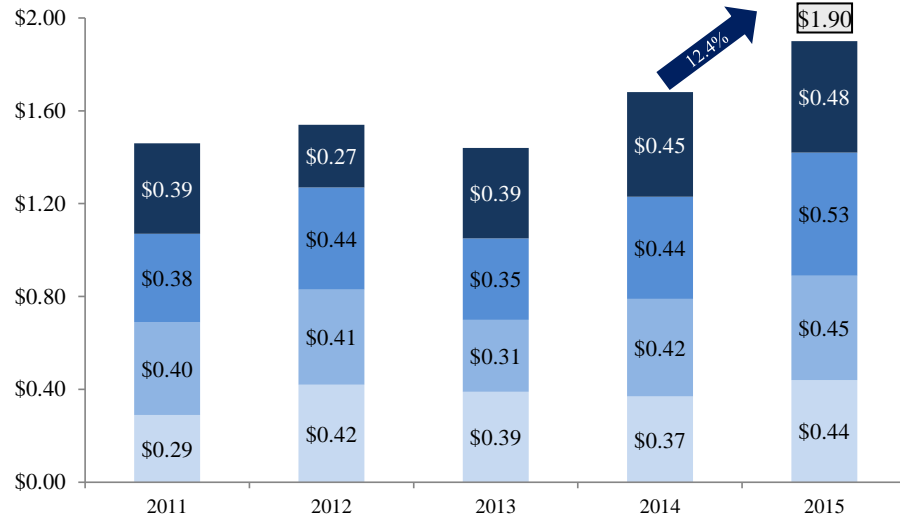
(4) Fixed charge coverage is EBITDA divided by interest expense plus the preferred stock dividends.

Historical Financial Overview

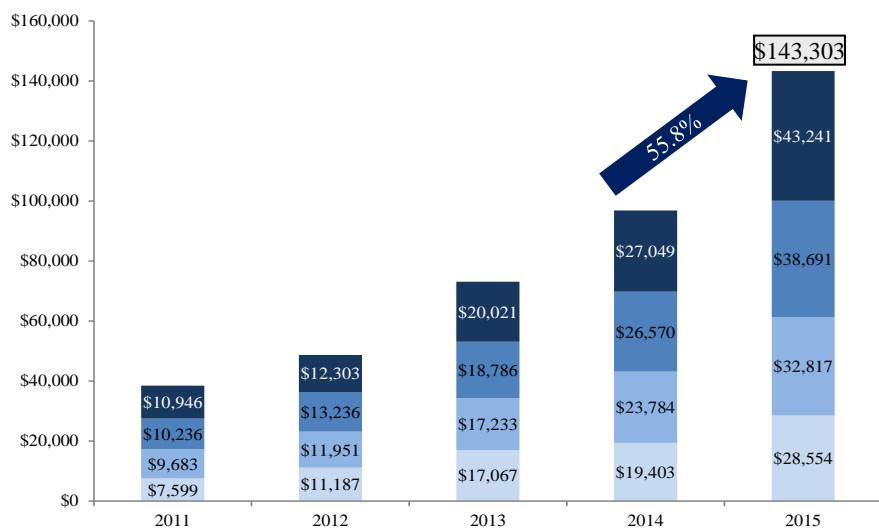
Operating Earnings (\$000s) ⁽¹⁾



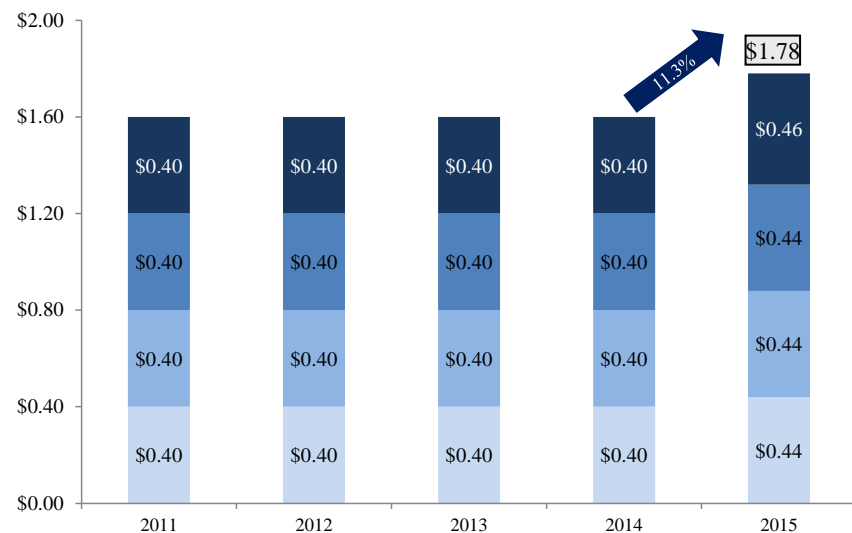
Operating Earnings per Share of Common Stock ⁽¹⁾



Net Interest Income (\$000s)



Dividends per Share of Common Stock



(1) 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 available to common stockholders, (iii) unrealized income from unconsolidated joint ventures, (iv) foreign currency gains/losses, and (v) the non-cash amortization expense related to the reclassification of a portion of the convertible senior notes to stockholders' equity in accordance with GAAP. Please see slide 18 for a reconciliation of Operating Earnings and Operating Earnings per Share to GAAP Net Income and GAAP Net Income per share.

Financial Results & Earnings Per Share

- Operating Earnings for the quarter ended December 31, 2015 of \$32.4 million, or \$0.48 per diluted share of common stock, a 6.7% per share increase as compared to Operating Earnings of \$21.2 million, or \$0.45 per diluted share of common stock for the quarter ended December 31, 2014⁽¹⁾
 - Net interest income of \$43.2 million
 - Total expenses of \$8.3 million, comprised of management fees of \$5.3 million, G&A of \$1.3 million and equity-based compensation of \$1.7 million
 - Net income available to common stockholders for the quarter ended December 31, 2015 of \$21.4 million, or \$0.32 per diluted share of common stock

Dividends

- Declared a dividend of \$0.46 per share of common stock for the quarter ended December 31, 2015
 - Second increase to quarterly dividend per share of common stock in 2015; 15% total increase for 2015
 - 11.8% annualized dividend yield based on \$15.61 closing price on February 8, 2016
- 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 December 31, 2015
- Declared a dividend on the Company's 8.00% Fixed-to-Floating Series B Cumulative Redeemable Perpetual Preferred Stock of \$0.6333 per share for stockholders of record on December 31, 2015

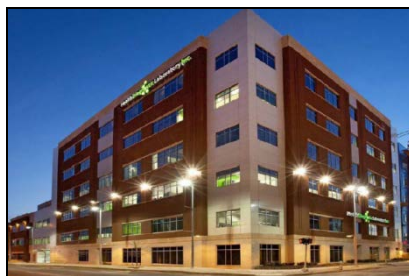
Book Value

- GAAP book value of \$16.21 per share as of December 31, 2015

⁽¹⁾ 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 available to common stockholders, (iii) unrealized income from unconsolidated joint ventures, (iv) foreign currency gains/losses, and (v) the non-cash amortization expense related to the reclassification of a portion of the convertible senior notes to stockholders' equity in accordance with GAAP. Please see slide 18 for a reconciliation of Operating Earnings and Operating Earnings per Share to GAAP Net Income and GAAP Net Income per share.

Summary of New Investments

	Quarter Ended 12/31/2015	Year Ended 12/31/2015
Number of Loans Closed	5	21
Commitments to New Loans (\$000s)	\$289,904	\$1,143,952
Funding of New Loans (\$000s)	\$289,904	\$1,032,050
Fixed Rate %/Floating Rate % ⁽¹⁾	0%/100%	4%/96%
First Mortgage %/Subordinate Loan % ⁽¹⁾	35%/65%	41%/59%
Weighted Average Loan-to-Value	68%	63%
Weighted Average Levered IRR ⁽²⁾	14%	15%
Funding of Previously Closed Loans (\$000s)	\$25,709	\$263,214



(1) Based upon committed amount of loan.

(2) The Internal Rate of Return ("IRR") for the investments shown in this presentation reflect the returns underwritten by ACREFI Management, LLC, the Company's external manager (the "Manager"), taking into account leverage and 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 remains constant over the remaining term. 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 herein. 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, 2014 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.

Commercial Real Estate Debt Portfolio Overview

Asset Type (\$000s)	Amortized Cost	Borrowings	Equity at Cost ⁽¹⁾	Remaining Weighted Average Life (years) ⁽²⁾	Current Weighted Average Underwritten IRR ⁽³⁾	Fully-Levered Weighted Average Underwritten IRR ⁽³⁾⁽⁴⁾
First Mortgage Loans	\$ 994,301	\$ 491,870	\$ 502,431	3.1	14.9%	14.9%
Subordinate Loans ⁽⁵⁾⁽⁶⁾	966,343	-	966,343	3.8	13.1	13.1
CMBS	504,253	433,904	100,476	1.6	16.1	16.1
Investments at December 31, 2015	\$ 2,464,897	\$ 925,774	\$ 1,569,250	3.1 Years	13.8%	13.8%

(1) CMBS includes \$30.1 million of restricted cash related to the Company's master repurchase agreement with UBS AG (the "UBS Facility").

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

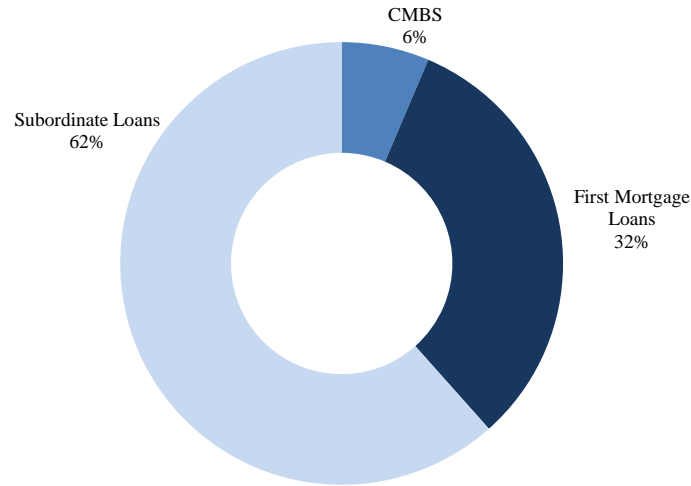
(3) The underwritten IRR for the investments shown in this table reflect the returns underwritten by the Manager, taking into account leverage and calculated on a weighted average basis assuming no dispositions, early prepayments or defaults but assuming that extension options are exercised and that the cost of borrowings remains constant over the remaining term. With respect to certain loans, the underwritten 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, 2014 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) Represents an underwritten levered weighted average IRR. The Company's ability to achieve the underwritten levered weighted average IRR additionally depends upon the availability of the JPMorgan Facility or any replacement facility with similar terms with regard to its portfolio of first mortgage loans. Without such availability, the levered weighted average underwritten IRR will be lower than the amount shown above.

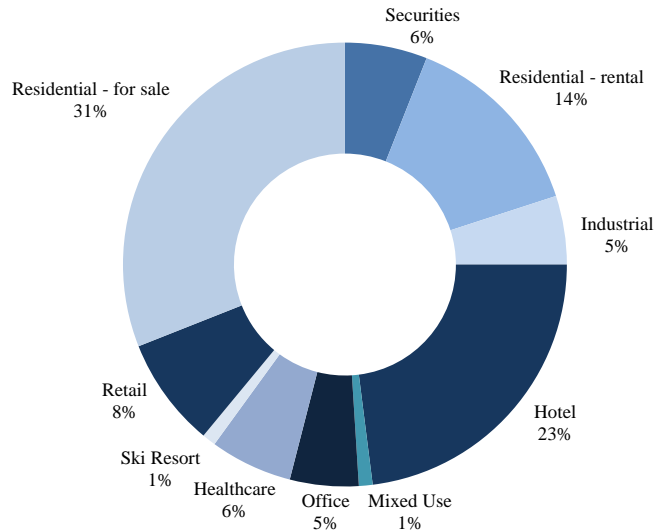
(5) Subordinate loans are net of a participation sold during February 2015. The Company presents the participation sold as both assets and non-recourse liabilities because the participation does not qualify as a sale according to GAAP. At December 31, 2015, the Company had one such participation sold with a face amount of £19,850 (\$29,250) and a carrying amount of £19,850 (\$29,250).

(6) Subordinate loans also include CMBS (Held-to-Maturity), which are net of a participation sold during June 2014. At December 31, 2015, the Company presented the participation sold as an asset of \$88,984 and non-recourse liabilities of \$88,951 because the participation does not qualify as a sale according to GAAP.

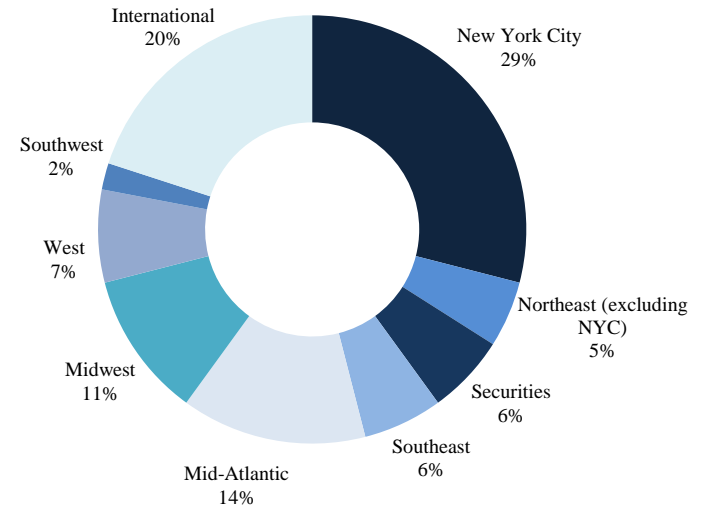
Net Invested Equity at Amortized Cost Basis⁽¹⁾



Property Type by Net Equity

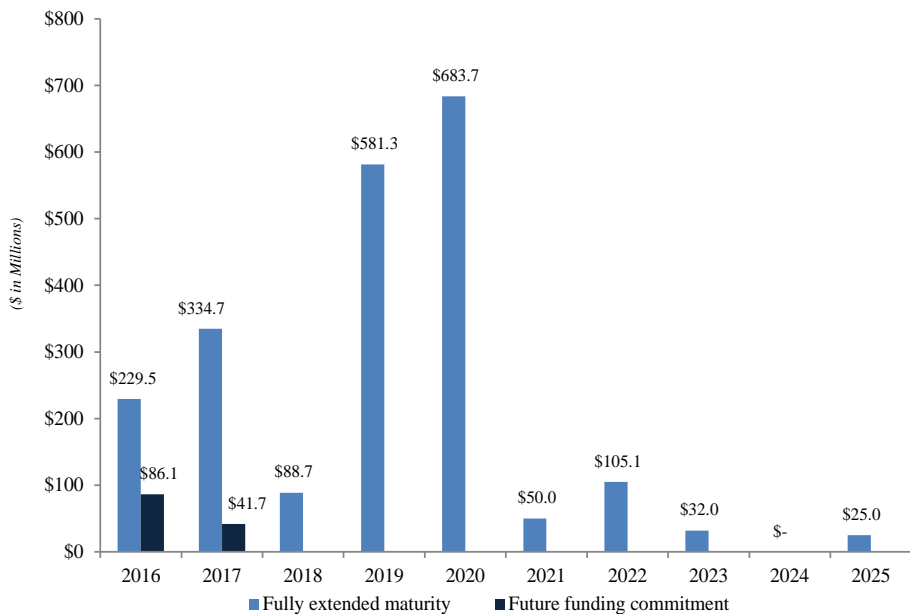


Geographic Diversification by Net Equity

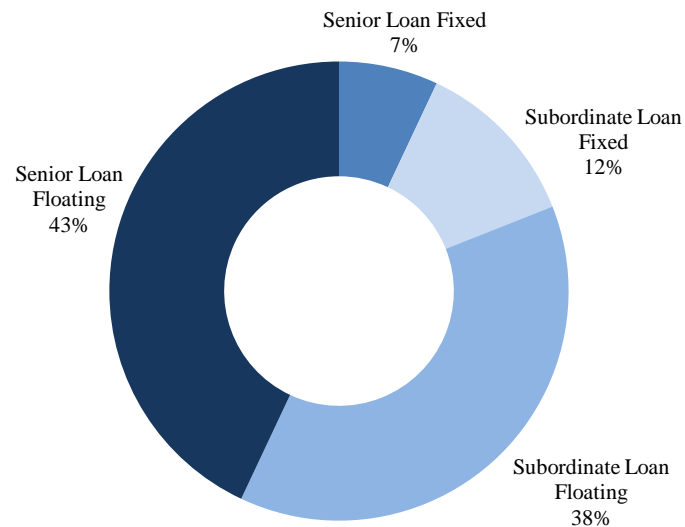


(1) Subordinate loans include CMBS, held-to-maturity and are net of participations sold of \$118,234. ARI presents the participations sold as both assets and non-recourse liabilities because the participation does not qualify as a sale according to GAAP.

Fully Extended Loan Maturities and Future Fundings (1)(2)(3)(4)



Loan Position and Rate Type⁽¹⁾⁽³⁾



81% Floating Rate/19% Fixed Rate

(1) Based upon face amount of loans; does not include CMBS, but does include CMBS, held-to-maturity.

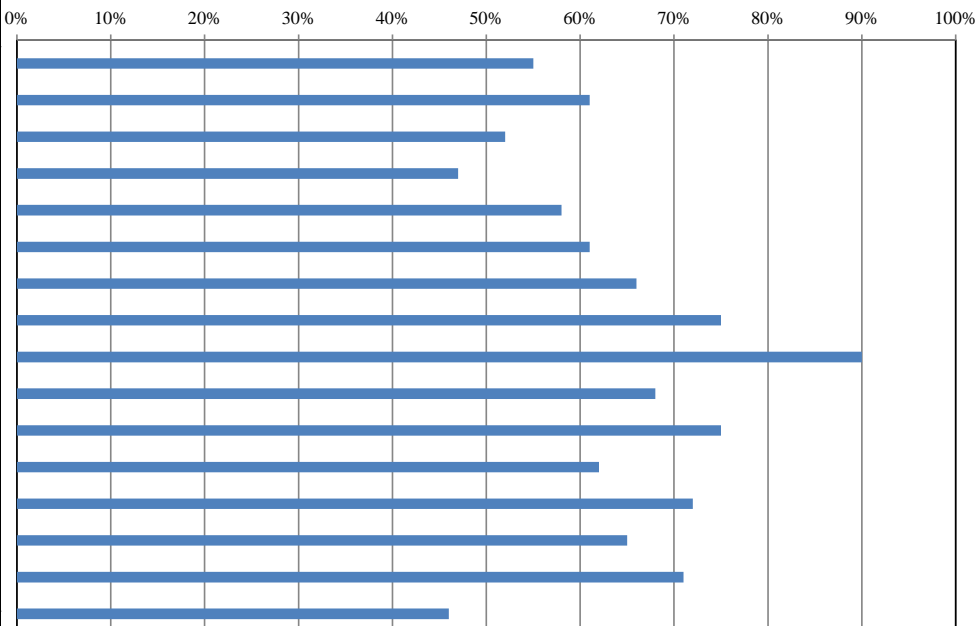
(2) Maturities reflect the fully funded amounts of the loans.

(3) Subordinate loans include CMBS, held-to-maturity and are net of participations sold of \$118,234. ARI presents the participations sold as both assets and non-recourse liabilities because the participation does not qualify as a sale according to GAAP.

(4) Future funding dates are based upon the Manager's projections and are subject to change.

Senior Loans

Description (\$ in thousands)	Location	Balance at	
		12/31/2015	Starting LTV Ending LTV
First Mortgage - Retail	Ohio	\$ 165,000	0% 55%
First Mortgage - Retail ⁽¹⁾	New York	\$ 105,680	0% 61%
First Mortgage - Hotel ⁽²⁾	New York	\$ 100,968	0% 52%
First Mortgage - Destination homes	Various	\$ 94,147	0% 47%
First Mortgage - Pre-development loan	New York	\$ 67,300	0% 58%
First Mortgage - Condominium	Maryland	\$ 65,125	0% 61%
First Mortgage - Office	Virginia	\$ 54,000	0% 66%
First Mortgage - Destination homes	New York/Hawaii	\$ 50,000	0% 75%
First Mortgage - Multifamily ⁽³⁾	North Dakota	\$ 54,691	0% 90%
First Mortgage - Condo development ⁽⁴⁾	Maryland	\$ 50,000	0% 68%
First Mortgage - Retail	Florida	\$ 45,000	0% 75%
First Mortgage - Hotel	St. Thomas	\$ 42,000	0% 62%
First Mortgage - Multifamily	New York	\$ 34,500	0% 72%
First Mortgage - Hotel	Pennsylvania	\$ 34,000	0% 65%
First Mortgage - Retail	Florida	\$ 33,000	0% 71%
First Mortgage - Condominium ⁽⁵⁾	New York	\$ 30,499	0% 46%
Total/Weighted Average		\$ 1,025,910	62%



(1) This whole loan includes a first mortgage with an outstanding balance of \$93,333 and a mezzanine loan with an outstanding balance of \$12,347. LTV is based upon fully committed loan amount of \$121,460.

(2) This whole loan includes a first mortgage with an outstanding balance of \$98,373 and a mezzanine loan with an outstanding balance of \$2,595.

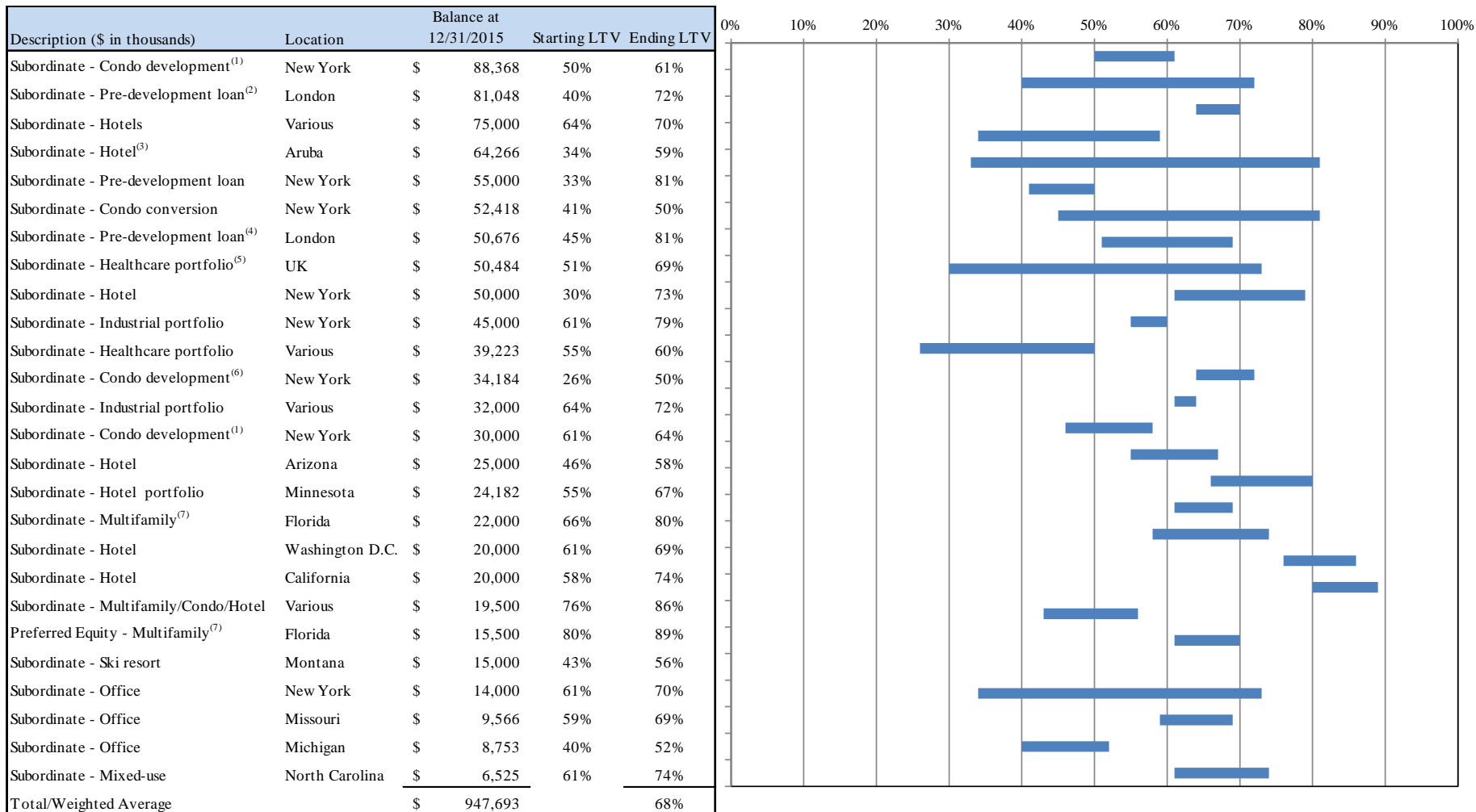
(3) This whole loan includes a first mortgage with an outstanding balance of \$49,691 and a mezzanine loan with an outstanding balance of \$5,000.

(4) LTV is based upon the fully committed loan amount of \$65,100.

(5) This whole loan includes a first mortgage loan with an outstanding balance of \$24,114 and a mezzanine loan with an outstanding balance of \$6,385.

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

Subordinate Loans



(1) LTV is based upon the fully committed loan amount of \$105,000; Both loans are secured by the same property. The \$30,000 loan is structured as a corporate loan and has additional collateral.

(2) Based upon £55.0 million face amount converted to USD based upon the conversion rate on December 31, 2015.

(3) 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 December 31, 2015, this participation sold had a carrying amount of \$88,984.

(4) Based upon £34.4 million face amount plus PIK converted to USD based upon the conversion rate on December 31, 2015.

(5) Based upon £19.8 million face amount converted to USD based upon the conversion rate on December 31, 2015, net of participation sold of \$29,250.

(6) LTV is based upon the fully committed loan amount of \$75,000.

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

CUSIP	Description
92978PAJ8	WBCMT 2006-C29 AJ
07388QAH2	BSCMS 2007-PW17 AJ
07401DAH4	BSCMS 2007PW18 AJ
46625YVZ3	JPMCC 2005-CB13 AJ
50180CAG5	LBUBS 2006-C7 AJ
60688CAJ5	MLCFC 2007-9 AJ
05947US25	BACM 2005-3 AJ
61756UAJ0	MSC 2007-1Q16 AJ
46629YAH2	JPMCC 2007-CB18AJ
17311QAE0	CGCMT 2007-C6 AJFX

CUSIP	Description
59025KAG7	MLMT 2007-C1 AM
22546BAH3	CSMC 2007-C5 AM
36159XAH3	GECCM 2007-C1 AM
46627QBC1	JMPCC 2006-CB15 AM
46631BAJ4	JPMCC 2007-LD11 AM
14986DAJ9	CD 2006-CD3 AJ
17311QBN9	CGCMT 2007-C6 AJ
17313KAK7	CGCMT 2008-C7 AJ
20047QAH8	COMM 2006-C7 AJ
61755YAK0	MSC 2007-IQ15 AJ

	Face	Amortized Cost	Remaining Weighted Average Life with Extensions (years)	Estimated Fair Value	Debt	Net Equity at Cost ⁽²⁾
CMBS – Total	\$ 511,482	\$ 504,253	1.6 Years	\$ 493,149	\$ 433,904	\$ 100,476

(1) Does not include CMBS, held-to-maturity.

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

Portfolio Metrics – Quarterly Migration Summary

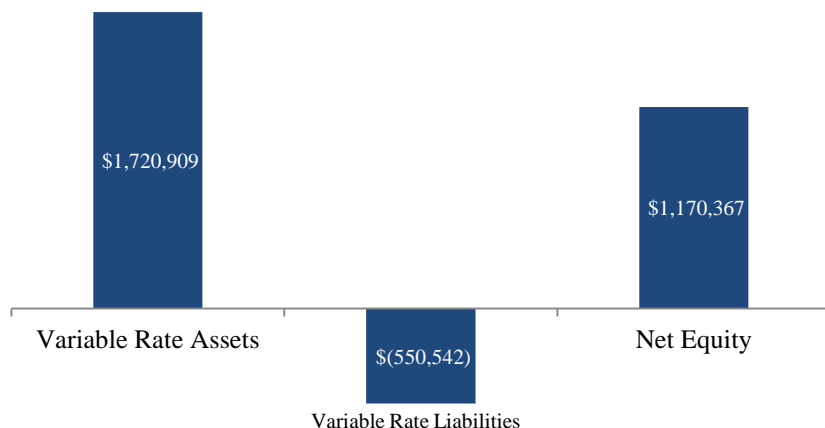
Portfolio Metrics (\$ in thousands)	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
(Investment balances represent amortized cost)					
First Mortgage Loans	\$ 994,301	\$ 905,681	\$ 704,040	\$ 563,390	\$ 458,520
Subordinate Loans ⁽¹⁾	966,343	926,304	894,926	736,838	625,881
CMBS	504,253	512,107	511,412	510,740	534,222
Total Investments	\$ 2,464,897	\$ 2,344,092	\$ 2,110,378	\$ 1,810,968	\$ 1,618,623
(Investment balances represent net equity, at cost)					
First Mortgage Loans	\$ 502,431	\$ 604,148	\$ 275,205	\$ 421,862	\$ 290,396
Subordinate Loans ⁽¹⁾	966,343	896,200	847,968	707,201	625,881
CMBS	100,476 ⁽⁴⁾	108,330 ⁽⁴⁾	107,635 ⁽⁴⁾	106,963 ⁽⁴⁾	110,279 ⁽⁴⁾
Net Equity in Investments at Cost	\$ 1,569,250	\$ 1,608,678	\$ 1,230,808	\$ 1,236,026	\$ 1,026,556
Levered Weighted Average Underwritten IRR ⁽²⁾	13.8% ⁽⁵⁾	13.9% ⁽⁵⁾	14.6% ⁽⁵⁾	14.2% ⁽⁵⁾	13.4% ⁽⁵⁾
Weighted Average Duration	3.1 Years	3.3 Years	3.1 Years	3.0 Years	3.2 Years
Loan Portfolio Weighted Average Ending LTV ⁽³⁾	65.0%	61.0%	62.0%	62.0%	62.0%
Borrowings Under Repurchase Agreements	\$ 925,774	\$ 735,437	\$ 878,352	\$ 575,433	\$ 622,194
Convertible Senior Notes	\$ 248,173	\$ 247,736	\$ 247,305	\$ 246,881	\$ 246,464
Debt-to-Common Equity	1.1x ⁽⁶⁾	0.9x ⁽⁶⁾	1.2x ⁽⁶⁾	0.9x ⁽⁶⁾	1.2x ⁽⁶⁾

- (1) Subordinate loans include CMBS, held-to-maturity and are net of participations sold of \$118,234. ARI presents the participations sold as both assets and non-recourse liabilities because the participation does not qualify as a sale according to GAAP.
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- (3) Does not include CMBS.
- (4) Includes \$30.1 million of restricted cash related to the UBS Facility.
- (5) Represents an underwritten levered weighted average IRR. The Company's ability to achieve the underwritten levered weighted average IRR additionally depends upon the availability under the JPMorgan Facility or any replacement facility with similar terms with regard to its portfolio of first mortgage loans. Without such availability, the levered weighted average underwritten IRR will be lower than the amount shown above.
- (6) Net of participations sold.

Financing Overview and Interest Rate Sensitivity

Facility (\$000s)	Debt Balance	Weighted Average Remaining Maturity ⁽¹⁾	Weighted Average Rate
UBS Facility	\$ 133,899	2.7 Years	2.8%
Deutsche Bank Facility	300,005	2.3 Years	3.7%
JPMorgan Facility	445,942	3.1 Years	2.6%
Goldman Sachs Loan	45,928	3.3 Years	3.8%
Total Borrowings at December 31, 2015	\$ 925,774	2.7 Years	2.9%

Variable Rate Investments & Liabilities (\$000s)



ARI anticipates a 0.5% increase in LIBOR results in approximately a \$0.09 per diluted share of common stock increase in Operating Earnings annually⁽²⁾

(1) Assumes extension options on the UBS Facility are exercised.

(2) Based upon the Company's portfolio as of December 31, 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.

Financials

Consolidated Balance Sheets

<i>(in thousands—except share and per share data)</i>	December 31, 2015	December 31, 2014
Assets:		
Cash	\$ 67,415	\$ 40,641
Restricted cash	30,127	30,127
Securities available-for-sale, at estimated fair value	-	17,105
Securities, at estimated fair value	493,149	522,730
Securities, held-to-maturity	153,193	154,283
Commercial mortgage loans, held for investment	994,301	458,520
Subordinate loans, held for investment	931,351	561,182
Investment in unconsolidated joint venture	22,583	37,016
Derivative assets	3,327	4,070
Interest receivable	16,908	10,829
Deferred financing costs, net	7,353	7,444
Other assets	236	1,200
Total Assets	\$ 2,719,943	\$ 1,845,147
Liabilities and Stockholders' Equity		
Liabilities:		
Borrowings under repurchase agreements	\$ 925,774	\$ 622,194
Convertible senior notes, net	248,173	246,464
Participations sold	118,201	89,584
Accounts payable and accrued expenses	9,246	7,578
Payable to related party	5,297	3,240
Dividends payable	37,828	21,018
Total Liabilities	1,344,519	990,078
Stockholders' Equity:		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized:		
Series A Preferred stock, 3,450,000 shares issued and outstanding (\$86,250 aggregate liquidation preference) in 2015 and 2014	35	35
Series B Preferred stock, 8,000,000 shares issued and outstanding (\$200,000 aggregate liquidation preference) in 2015	80	-
Common stock, \$0.01 par value, 450,000,000 shares authorized 67,195,252 and 46,900,442 shares issued and outstanding in 2015 and 2014, respectively	672	469
Additional paid-in-capital	1,410,138	868,035
Retained earnings (accumulated deficit)	(32,328)	(10,485)
Accumulated other comprehensive loss	(3,173)	(2,985)
Total Stockholders' Equity	1,375,424	855,069
Total Liabilities and Stockholders' Equity	\$ 2,719,943	\$ 1,845,147

Consolidated Statements of Operations

	Three months ended		Twelve months ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Net interest income:				
Interest income from securities	\$ 8,343	\$ 8,275	\$ 33,188	\$ 21,189
Interest income from securities, held to maturity	2,704	3,165	12,054	4,613
Interest income from commercial mortgage loans	18,846	9,328	56,092	27,802
Interest income from subordinate loans	25,623	17,021	90,830	69,743
Interest expense	(12,275)	(10,740)	(48,861)	(26,541)
Net interest income	43,241	27,049	143,303	96,806
Operating expenses:				
General and administrative expenses (includes \$1,693 and \$4,387 of equity-based compensation in 2015 and \$481 and \$1,576 in 2014, respectively)	(2,979)	(1,796)	(9,492)	(6,151)
Management fees to related party	(5,294)	(3,236)	(16,619)	(11,960)
Total operating expenses	(8,273)	(5,032)	(26,111)	(18,111)
Income from unconsolidated joint venture	2,972	(69)	3,464	(157)
Other income	983	9	1,239	34
Realized loss on sale of securities	-	-	(443)	-
Unrealized gain/(loss) on securities	(11,618)	(639)	(17,408)	4,147
Foreign currency gain/(loss)	(3,121)	(1,413)	(4,894)	(4,050)
Gain/(loss) on derivative instruments	3,054	2,137	4,106	4,070
Net income	\$ 27,238	\$ 22,042	\$ 103,256	\$ 82,739
Preferred dividends	(5,860)	(1,860)	(11,884)	(7,440)
Net income available to common stockholders	\$ 21,378	\$ 20,182	\$ 91,372	\$ 75,299
Basic and diluted net income per share of common stock	\$ 0.32	\$ 0.43	\$ 1.54	\$ 1.72
Basic weighted average shares of common stock outstanding	67,146,882	46,852,646	58,674,046	43,464,255
Diluted weighted average shares of common stock outstanding	67,754,673	47,085,617	59,273,280	43,684,805
Dividend declared per share of common stock	\$ 0.46	\$ 0.40	\$ 1.78	\$ 1.60

Reconciliation of Operating Earnings to Net Income

	Three Months Ended			
	December 31, 2015	Earnings Per Share (Diluted)	December 31, 2014	Earnings Per Share (Diluted)
Operating Earnings:				
Net income available to common stockholders	\$ 21,379	\$ 0.32	\$ 20,182	\$ 0.43
Adjustments:				
Equity-based compensation expense	1,693	0.02	481	0.01
Unrealized loss on securities	11,618	0.17	639	0.01
(Gain) on derivative instruments	(3,054)	(0.05)	(2,137)	(0.04)
Foreign currency loss	3,121	0.05	1,413	0.03
Amortization of convertible senior notes related to equity reclassification	564	0.01	532	0.01
Income from unconsolidated joint venture	(2,969)	(0.04)	69	-
Total adjustments:	10,973	0.16	997	0.02
Operating Earnings	\$ 32,352	\$ 0.48	\$ 21,179	\$ 0.45
Basic weighted average shares of common stock outstanding		67,146,882		46,852,646
Diluted weighted average shares of common stock outstanding		67,754,673		47,085,617

	Twelve Months Ended			
	December 31, 2015	Earnings Per Share (Diluted)	December 31, 2014	Earnings Per Share (Diluted)
Operating Earnings:				
Net income available to common stockholders	\$ 91,372	\$ 1.54	\$ 75,299	\$ 1.72
Adjustments:				
Equity-based compensation expense	4,387	0.08	1,576	0.04
Unrealized (gain)/loss on securities	17,408	0.29	(4,147)	(0.09)
(Gain) on derivative instruments	(4,106)	(0.07)	(4,070)	(0.09)
Foreign currency loss	4,894	0.08	4,050	0.09
Amortization of convertible senior notes related to equity reclassification	2,206	0.04	1,117	0.02
Income from unconsolidated joint venture	(3,464)	(0.06)	157	-
Total adjustments:	21,325	0.36	(1,317)	(0.03)
Operating Earnings	\$ 112,697	\$ 1.90	\$ 73,982	\$ 1.69
Basic weighted average shares of common stock outstanding		58,674,046		43,464,225
Diluted weighted average shares of common stock outstanding		59,273,280		43,684,805

Financial Metrics – Quarterly Migration Summary

Financial Metrics		Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
(\$ in thousands, except per share data)						
Net Interest Income	\$	43,241	\$ 38,691	\$ 32,817	\$ 28,554	\$ 27,049
Management Fee		5,294	4,097	3,887	3,341	3,236
General and Administrative Costs		1,693	1,343	1,238	1,238	1,315
Non-Cash Stock Based Compensation		1,286	756	821	1,117	481
Net Income Available to Common Stockholders	\$	21,378	\$ 23,543	\$ 22,798	\$ 23,653	\$ 20,182
GAAP Diluted EPS	\$	0.32	\$ 0.39	\$ 0.39	\$ 0.47	\$ 0.43
Operating Earnings ⁽¹⁾	\$	32,352	\$ 31,742	\$ 26,385	\$ 22,222	\$ 21,179
Operating Diluted EPS ⁽¹⁾	\$	0.48	\$ 0.53	\$ 0.45	\$ 0.44	\$ 0.45
Distributions Declared to Common Stockholders	\$	0.46	\$ 0.44	\$ 0.44	\$ 0.44	\$ 0.40
GAAP Book Value per Share of Common Stock	\$	16.21	\$ 16.35	\$ 16.41	\$ 16.44	\$ 16.39
Total Stockholders' Equity	\$	1,375,424	\$ 1,384,395	\$ 1,044,844	\$ 1,046,482	\$ 855,069
Diluted weighted average shares of common stock outstanding		67,754,673	59,934,008	59,022,217	50,171,687	47,085,617
Return on Common Equity Based on Operating Earnings ⁽²⁾		11.8%	12.8%	11.0%	10.9%	11.0%

(1) 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 available to common stockholders, (iii) unrealized income from unconsolidated joint ventures, (iv) foreign currency gains/losses, and (v) the non-cash amortization expense related to the reclassification of a portion of the convertible senior notes to stockholders' equity in accordance with GAAP. Please see slide 18 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.