



JMP Securities Financial Services and Real Estate Conference
September 27, 2016

Information is as of June 30, 2016 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 the footnote on slide 12 for a definition of “Operating Earnings” and the reconciliation of “Operating Earnings” to the applicable GAAP financial measure set forth in the Company’s earnings release dated July 26, 2016, which is available on the Company’s website, www.apollorreit.com.

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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.

Additional Information and Where to Find It

Copies of the documents filed by ARI with the SEC are available free of charge from the website of the SEC at www.sec.gov as well as on ARI’s website at www.apollorreit.com.

This document is for informational purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.



Apollo Commercial Real Estate Finance, Inc. is a leading commercial real estate finance company focused on originating first mortgage and subordinate loans and investing in commercial mortgage-backed securities (“CMBS”)

Ticker (NYSE)	ARI
Equity Capitalization⁽¹⁾	\$1.8 billion
Dividend per Share of Common Stock⁽²⁾	\$1.84
Dividend Yield⁽³⁾	10.8%
Book Value per Share of Common Stock	\$15.51
Price/Book⁽⁴⁾	1.10x

Seven-Year Track Record as an Innovative, Creative Global CRE Debt Provider

Experienced Team within Apollo Platform

- First call relationships with real estate owners and operators, senior lenders and brokers
- Full-scale commercial real estate debt investing platform that has deployed **\$11.6 billion** of capital since 2009, **\$2.4 billion** of which was deployed in 2015

Stable and Diverse Investment Portfolio

- **\$2.7 billion** commercial real estate debt portfolio with a **13.2%** fully levered internal rate of return⁽⁵⁾ (“IRR”)
- Weighted average loan to value (“LTV”) of **64%** at June 30, 2016

Attractive and Steady Dividend

- **10.8%** dividend yield⁽³⁾
- **94%** dividend payout ratio in 2015, based upon Operating Earnings

Well Positioned for Rising Interest Rates

- **85%** of loans in the portfolio have a floating interest rate, based upon face amount
- 50 basis point increase in LIBOR would result in approximately a **\$0.07** per diluted share of common stock increase in Operating Earnings⁽⁶⁾ annually⁽⁷⁾
- Debt-to-common equity ratio of **1.5x**⁽⁸⁾

Since the beginning of 2015, ARI has achieved certain financial and operational milestones

- ✓ Accretively raised ~ **\$900 million** of capital resulting in an ~ **\$1.4 billion** common equity market capitalization
 - Privately placed ~ **\$350 million** of common and preferred stock with a sovereign wealth fund
 - Acquired Apollo Residential Mortgage, Inc. (“AMTG”), which generated ~ **\$400 million** of investable capital
- ✓ Completed over **\$1.5 billion** of CRE debt transactions, growing portfolio to over **\$2.7 billion**
 - Achieved growth while maintaining discipline with respect to LTVs and expected returns
 - Continued to position portfolio for rise in short-term interest rates
- ✓ Expanded lending relationships to provide greater financial flexibility
 - Increased borrowing capacity on primary credit facility to **\$800 million**
- ✓ Increased dividend per share of common stock **15%**
 - Reported Operating Earnings⁽⁶⁾ per share equal to or in excess of dividend for **9** consecutive quarters

Acquisition of Apollo Residential Mortgage, Inc. (AMTG)

- On August 31, 2016, ARI completed the acquisition of AMTG for **89.25%** of AMTG's book value
- AMTG stockholders received **\$6.86**/share in cash and **~0.417** shares of ARI common stock per share of AMTG common stock
- ARI assumed **\$172.5 million** of AMTG's **8.0%** Series A Cumulative Redeemable Perpetual Preferred Stock
- ARI issued **13.4 million** shares of common stock at **\$16.75**/share, an **~ 8%** premium to book value⁽⁹⁾ and **~ 3%** premium to the closing price on August 31, 2016⁽¹⁰⁾
- At closing, Athene acquired **\$1.1 billion** of AMTG's non-Agency residential mortgage backed securities ("RMBS") and small-balance commercial MBS
- As of September 19, 2016, ARI liquidated **~ 95%** of the **~ \$2.8 billion** AMTG asset portfolio



Accretive Capital Raise Expected to Generate ~ \$400 Million of Investable Capital

ARI's Direct Origination Platform Offers First Mortgage and Subordinate Loans Across a Broad Spectrum of Property Types

First Mortgage Loans

- 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

Subordinate Loans

- 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

Directly Originate with Borrower or
Co-Originate with Senior Lender

Underwrite and Structure

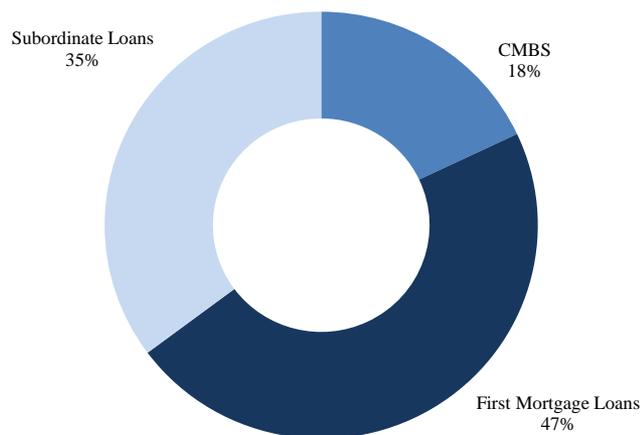
Pro-Actively Asset
Manage



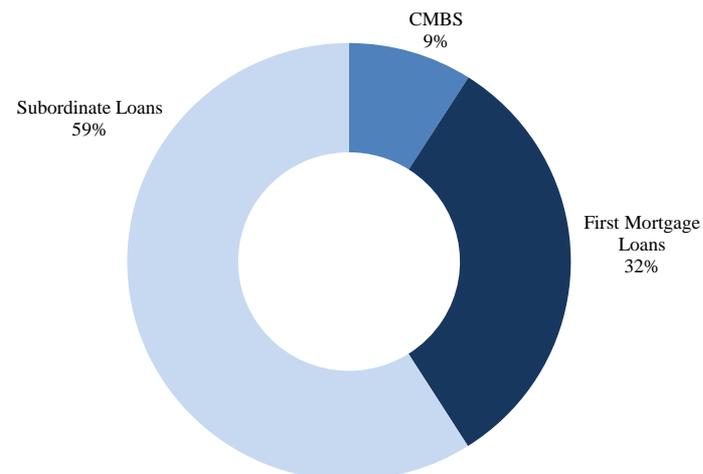
Portfolio Overview

Asset Type (\$000s)	Amortized Cost	Borrowings	Equity at Cost ⁽¹¹⁾	Remaining Weighted Average Life (years) ⁽¹²⁾	Current Weighted Average Underwritten IRR ⁽⁵⁾	Fully-Levered Weighted Average Underwritten IRR ⁽⁵⁾⁽¹³⁾	CMBS IRR Since Investment Date ⁽¹⁴⁾
First Mortgage Loans	\$ 1,278,034	\$ 779,005	\$ 499,029	2.7	15.4%	15.4%	
Subordinate Loans ⁽¹⁵⁾⁽¹⁶⁾	960,498	38,850	921,648	3.5	12.9	12.9	
CMBS	490,601	408,240	149,799	1.2	8.7	8.7	12.8%
Investments at June 30, 2016	\$ 2,729,133	\$ 1,226,095	\$ 1,570,476	2.7 Years	13.2%	13.2%	

Gross Assets at Amortized Cost Basis

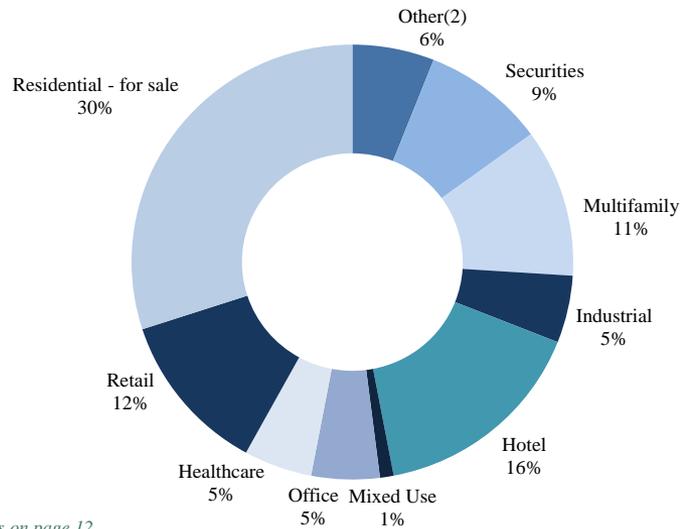


Net Invested Equity at Amortized Cost Basis⁽¹⁷⁾

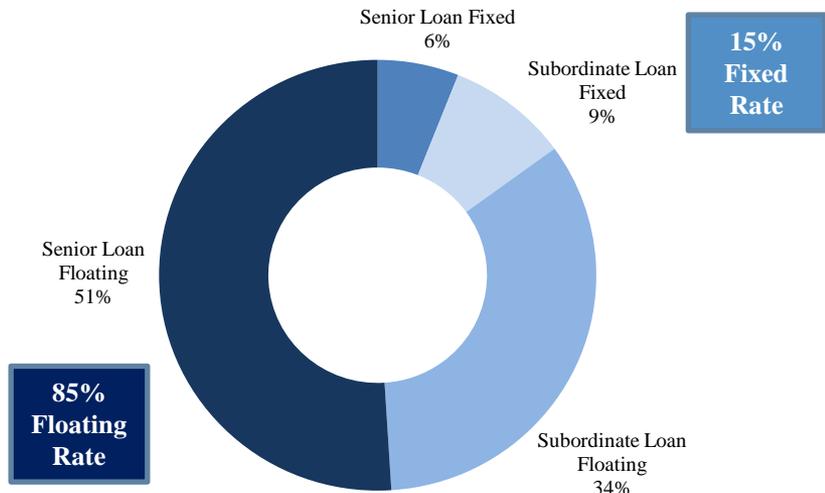




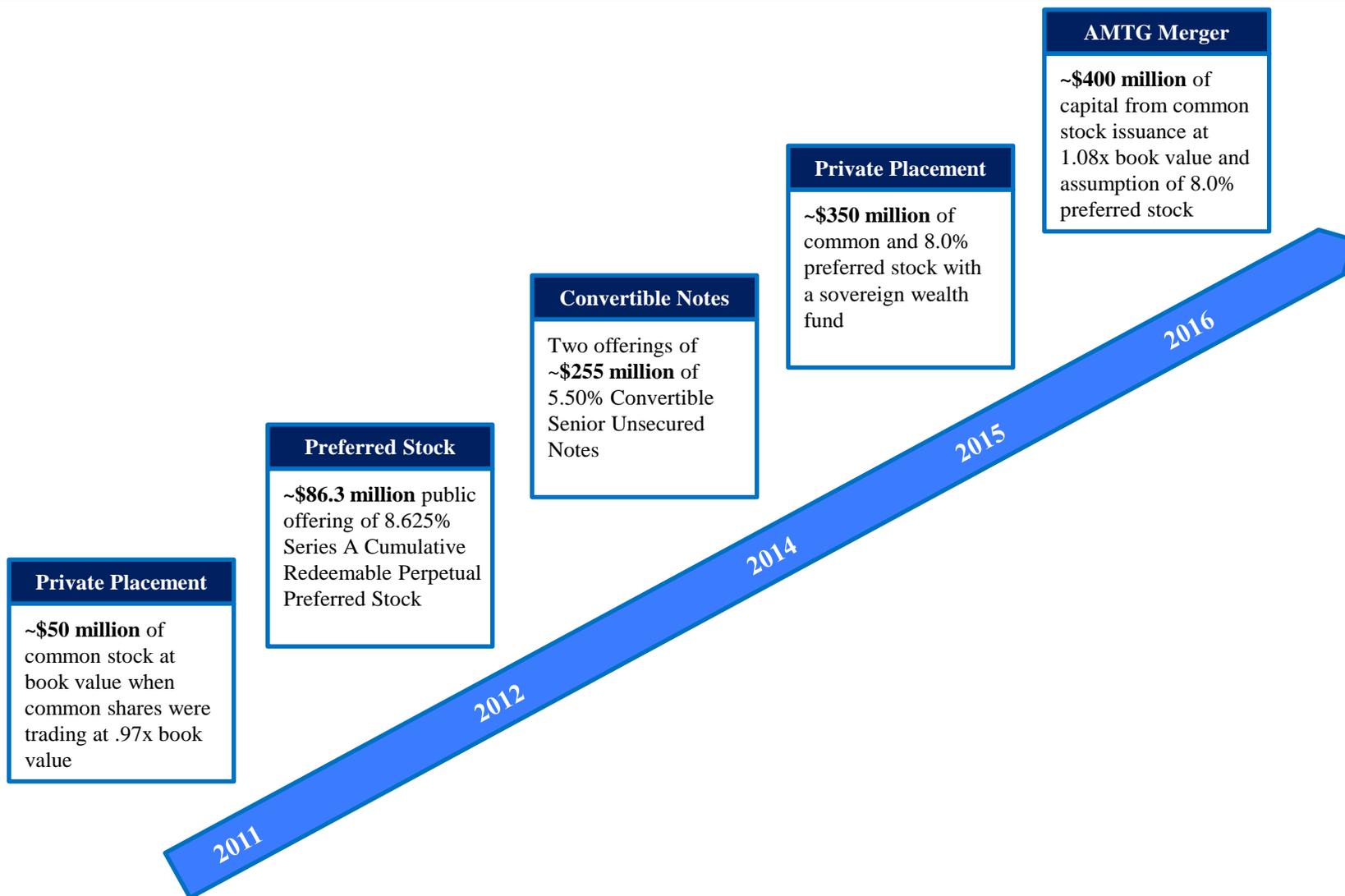
Property Type by Net Equity



Loan Position and Rate Type⁽¹⁷⁾⁽¹⁸⁾

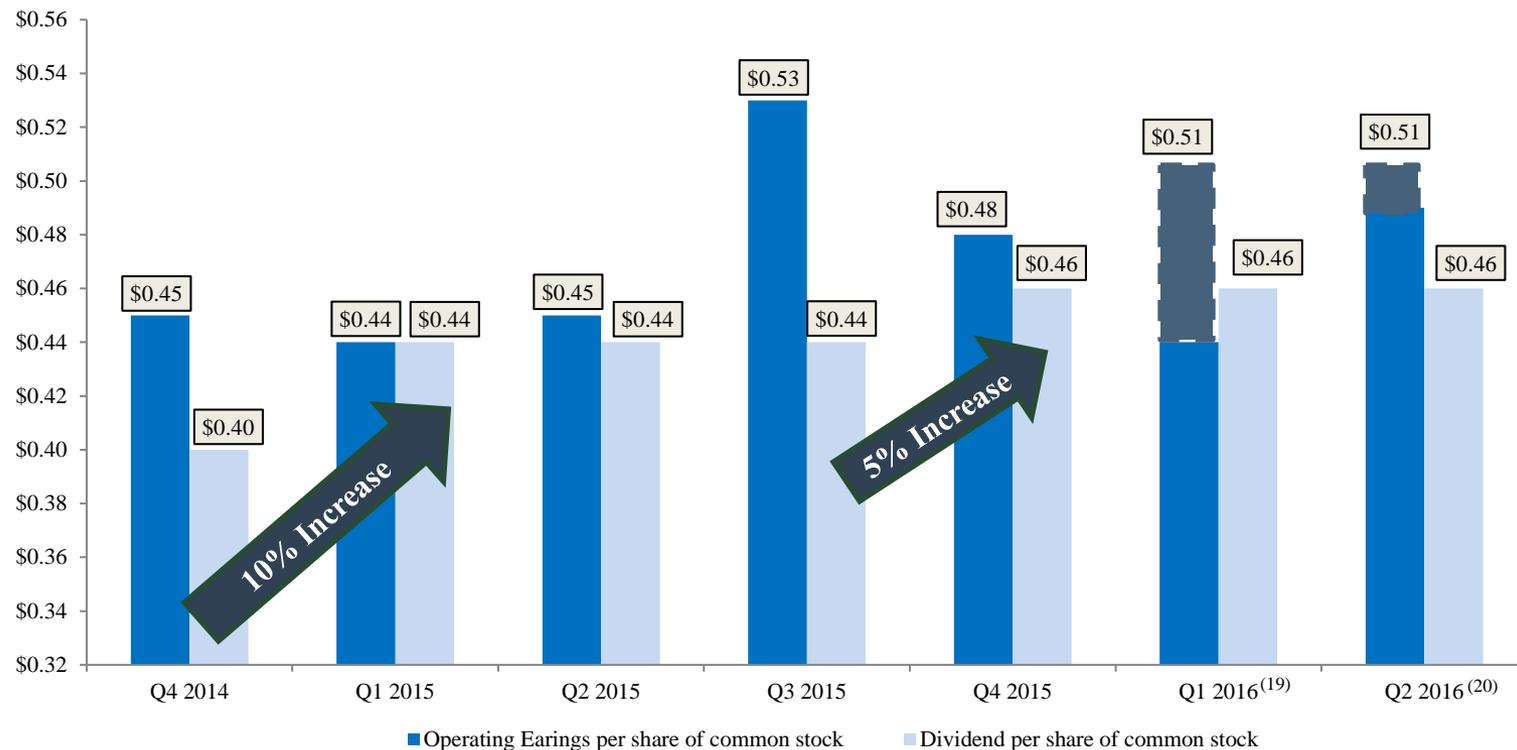


See footnotes on page 12

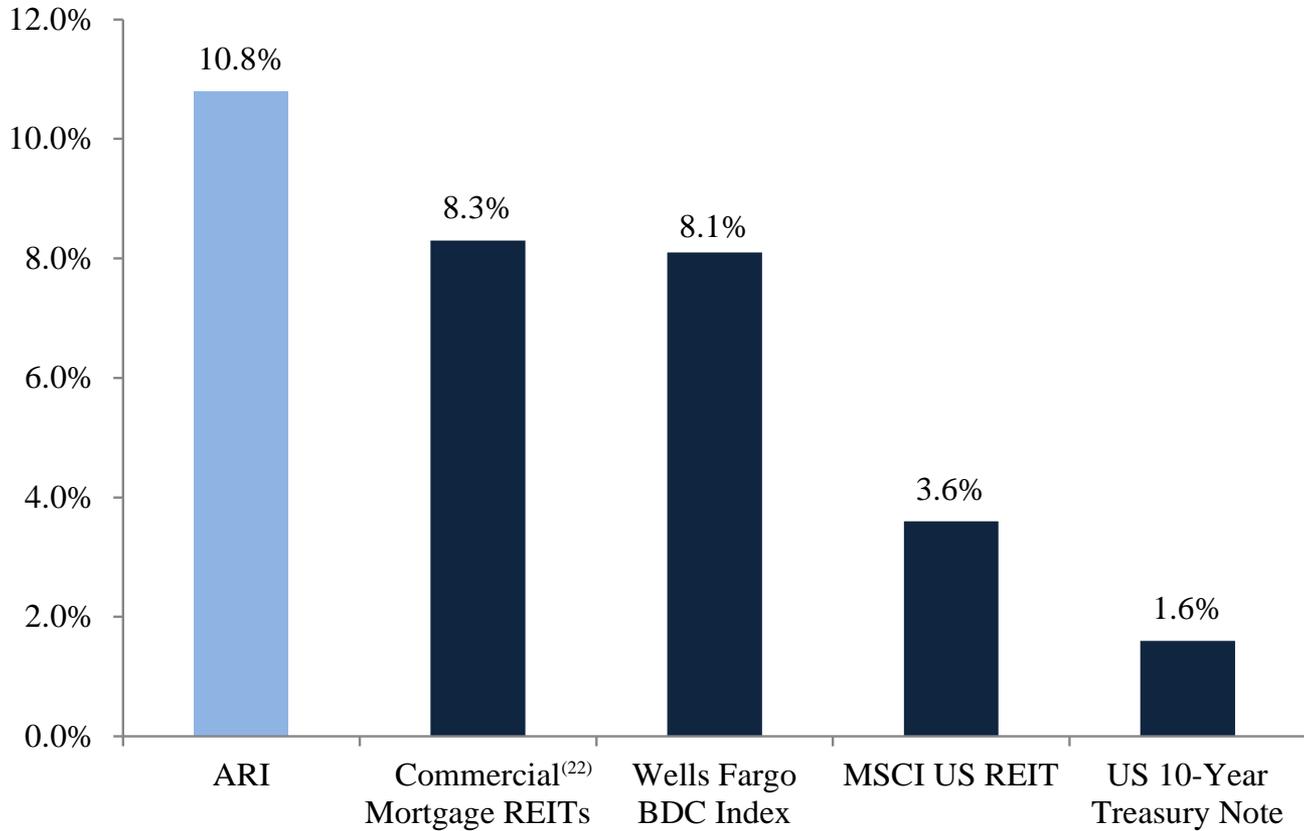


Since 2011, ARI has continued to find innovative ways to raise over \$1.1 billion of debt and equity capital

Operating Earnings and Dividends per share of Common Stock ⁽⁶⁾



Comparable Yields⁽²¹⁾



- (1) Calculated based upon the market value of common shares on September 21, 2016 and the liquidation preference of the outstanding Series A, Series B and Series C preferred stock. Includes the 13.4 million common shares issued in connection with the acquisition of AMTG and the assumption of \$172.5 million of AMTG's 8.0% Series A Cumulative Redeemable Perpetual Preferred Stock (now the Series C preferred stock).
- (2) Third quarter 2016 dividend per share of common stock of \$0.46, annualized.
- (3) Based on the \$0.46 quarterly dividend per share of common stock, annualized and ARI's closing common stock price on September 21, 2016.
- (4) Based upon the closing price on September 21, 2016 and the June 30, 2016 book value per share of common stock of \$15.51.
- (5) Internal rate of return ("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. The underwritten IRR for the investments shown in the table on slide 14 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. 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, 2015 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 or elsewhere in this presentation over time.
- (6) 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, (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, and (vi) provisions for loan loss. Please see slide 29 for a reconciliation of Operating Earnings and Operating Earnings per Share to GAAP Net Income and GAAP Net Income per share.
- (7) Based upon the Company's portfolio as of June 30, 2016, 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.
- (8) Debt to common equity is net of participation sold.
- (9) Premium to June 30, 2016 book value per share of common stock of \$15.51.
- (10) Premium to \$16.30 closing common stock price on August 31, 2016.
- (11) CMBS includes \$67,438 of restricted cash related to the Company's master repurchase agreements with UBS AG (the "UBS Facility") and Deutsche Bank (the "DB Facility").
- (12) Remaining Weighted Average Life assumes all extension options are exercised.
- (13) 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 Company's master repurchase agreement with JPMorgan Chase Bank, N.A. (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.
- (14) IRR calculated from date of investment in 2015 through June 30, 2016 and includes the historical and projected cash flows for the CMBS held.
- (15) 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 June 30, 2016, the Company had one such participation sold with a carrying amount of £19,749 (\$26,288).
- (16) Subordinate loans also include CMBS, held-to-maturity, which are net of a participation sold during June 2014. At June 30, 2016, the Company presented the participation sold with a carrying amount of \$88,099.
- (17) Subordinate loans include CMBS, held-to-maturity and are net of participations sold of \$114.4 million. ARI presents the participations sold as both assets and non-recourse liabilities because the participation does not qualify as a sale according to GAAP.
- (18) Based upon face amount of loans; does not include CMBS, but does include CMBS, held-to-maturity.
- (19) Operating Earnings per share for the quarter ended March 31, 2016 as reported on this chart excludes \$0.07 of expenses associated with ARI's acquisition of AMTG. Including those expenses, Operating Earnings for the quarter ended March 31, 2016 was \$0.44 per share of common stock.
- (20) Operating Earnings per share for the quarter ended June 30, 2016 as reported on this chart excludes \$0.02 of expenses associated with ARI's acquisition of AMTG. Including those expenses, Operating Earnings for the quarter ended June 30, 2016 was \$0.49 per share of common stock.
- (21) As of September 21, 2016.
- (22) Includes STWD, BXMT, LADR and ACRE.