

**NOTICE OF CONVERSION RATE ADJUSTMENT**  
**APOLLO COMMERCIAL REAL ESTATE FINANCE, INC.**  
**5.50% CONVERTIBLE SENIOR NOTES DUE 2019**

TO: The Holders of Apollo Commercial Real Estate Finance, Inc. (the "**Company**") 5.50% Convertible Senior Notes due 2019 (CUSIP No. 03762U AA3) (the "**Notes**").

NOTICE IS HEREBY GIVEN pursuant to Section 12.04 of the First Supplemental Indenture, dated as of March 17, 2014 (the "**Supplemental Indenture**"), between the Company and Wells Fargo Bank, National Association, as trustee (the "**Trustee**") to the Indenture, dated as of March 17, 2014, between the Company and the Trustee:

On March 15, 2017, pursuant to Section 12.04(k) of the First Supplemental Indenture, the Conversion Rate on the Notes was adjusted in recognition of carried-forward adjustments relating to cash dividends of \$0.46 per share of common stock and paid on December 28, 2016, which adjustment was deferred and carried forward as permitted under Section 12.04(k) of the Supplemental Indenture (the "**Conversion Rate Adjustment**").

The prior Conversion Rate was 55.5584 shares of the Company's common stock per \$1,000 principal amount of Notes. Pursuant to Section 12.04(d) and (k) of the Supplemental Indenture, the Conversion Rate with respect to the Notes was adjusted such that each Holder of Notes is entitled to receive 56.7586 shares of the Company's common stock per \$1,000 principal amount of Notes, subject to further adjustment as provided in Article XII of the Supplemental Indenture.

Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Supplemental Indenture. This notice is being sent to you pursuant to Section 12.04(k) of the Supplemental Indenture. No action is necessary or required on your part with respect to the Conversion Rate Adjustment. If you have any questions, please contact Hilary Ginsberg at the Company, telephone 212-822-0767.

No representation is made as to the correctness or accuracy of the CUSIP number listed in this notice or on the Notes. They are included solely for the convenience of the Holders.