



Investor Presentation

August 2017

Information is as of June 30, 2017 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.

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, 2016 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, which management believes are relevant to assessing the Company’s financial performance. Please refer to the footnote on slide 20 for a definition of “Operating Earnings” and the reconciliation of the applicable GAAP financial measure to “Operating Earnings” set forth on slides 25 and 26

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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.apollorait.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.

Mortgage REIT with an Eight-Year Track Record as an Innovative, Creative Global CRE Debt Provider

Experienced Team with
Strong Sponsorship

*Full-scale investment platform that has deployed **\$14.7 billion** of capital since 2009*

Stable and Diverse
Investment Portfolio

***\$3.6 billion** portfolio with a **13.3%** fully-levered internal rate of return (“IRR”)⁽¹⁾*

Well Positioned for
Rising Interest Rates

*100 bps increase in LIBOR would increase Operating Earnings⁽²⁾ per diluted share of common stock by approximately **\$0.18** on an annual basis⁽³⁾*

Attractive and Steady
Dividend

***\$1.84** annual dividend which generates a **10.2%** dividend yield⁽⁴⁾*

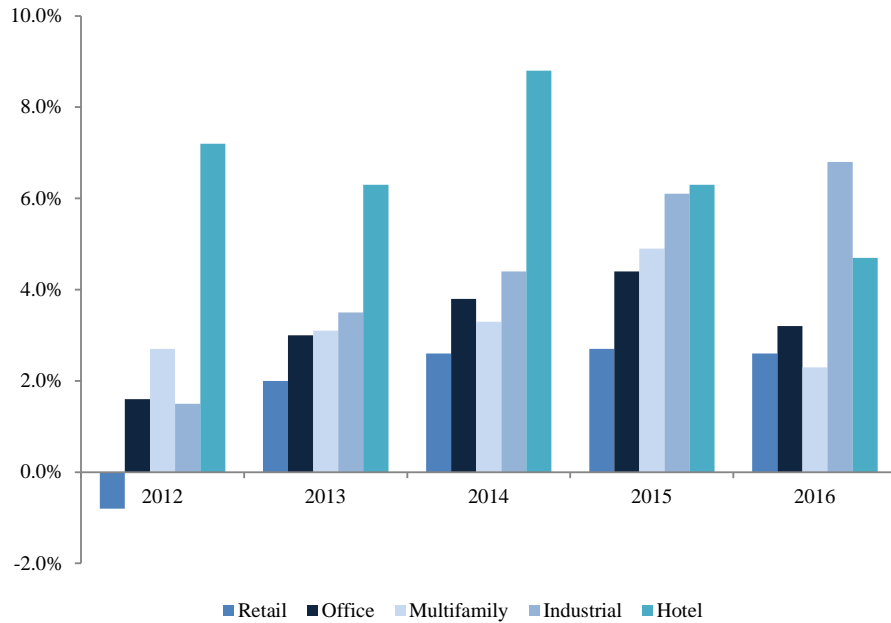
- 1. Commercial Real Estate Market Overview**
2. ARI Strategy and Portfolio Overview
3. Financial Overview

Positive Market Factors Impacting ARI's Commercial Real Estate Lending Business

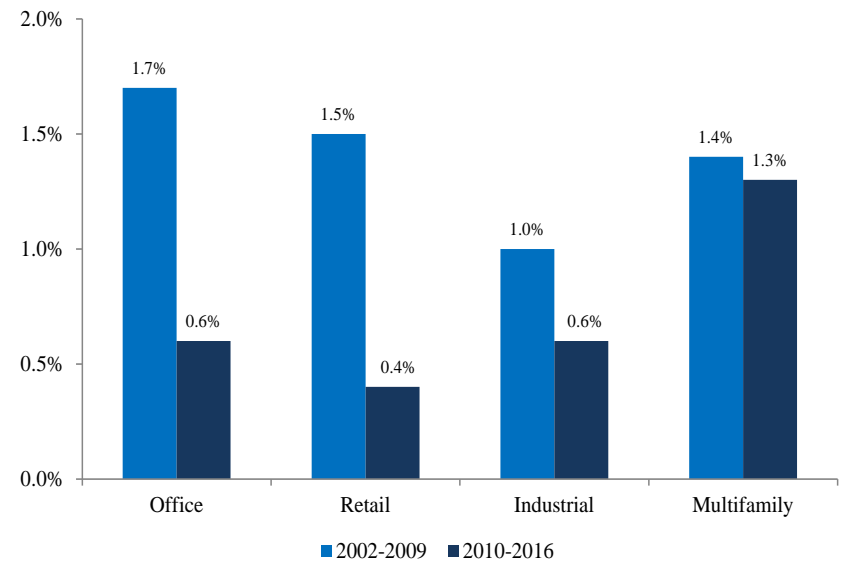
- ✓ **Steady CRE Operating Fundamentals**
- ✓ **Limited New Supply**
- ✓ **Strong Capital Flows into Transitional Assets from Real Estate Private Equity Funds**
- ✓ **Continued Robust U.S. CRE Transaction Volume**
- ✓ **2017 is Peak Year for U.S. CRE Debt Maturities**
- ✓ **Pull Back from Bank and CMBS Lenders Due to Regulatory Restraints**

Operating Fundamentals Remain Stable and New Supply Remains Muted

Revenue Growth Across Property Sectors is Steady⁽⁵⁾

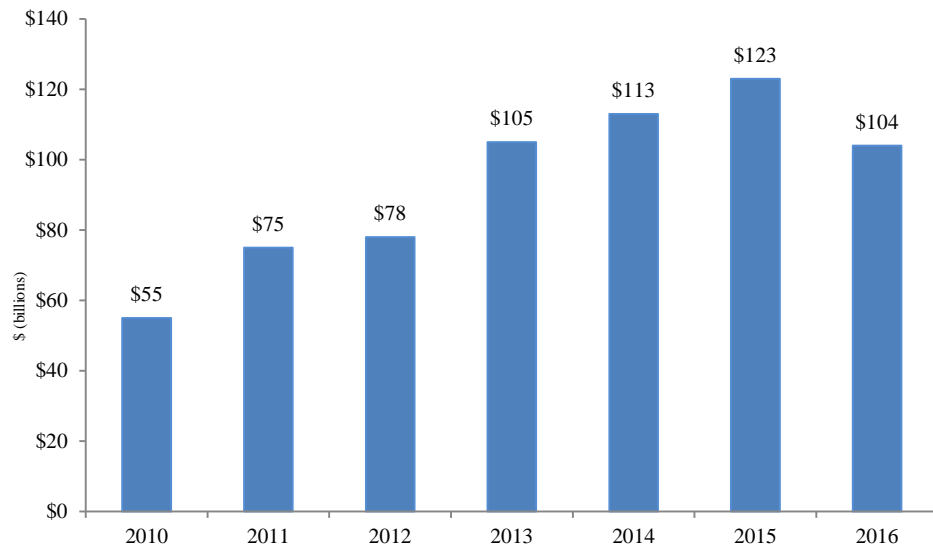


New Supply is Below Long Term Averages⁽⁶⁾

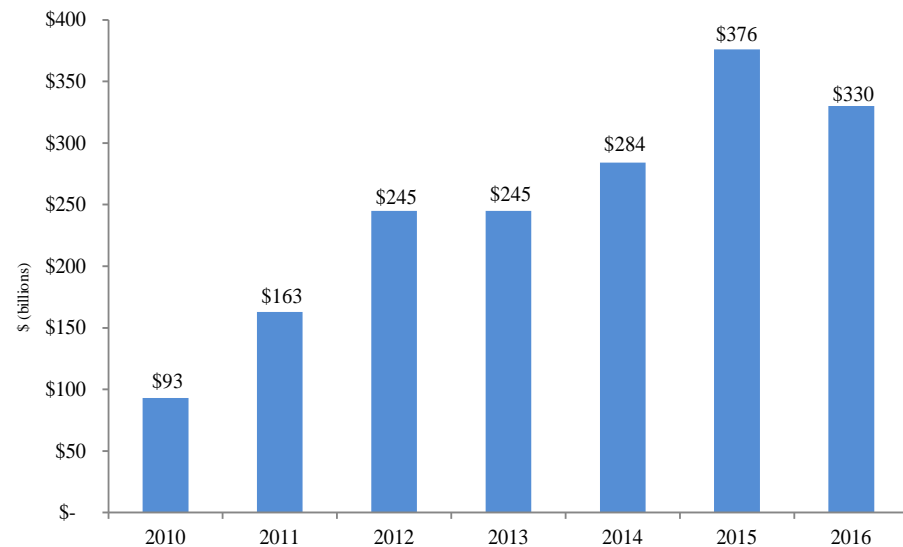


Strong Capital Flows Continue to Fuel Transaction Volume

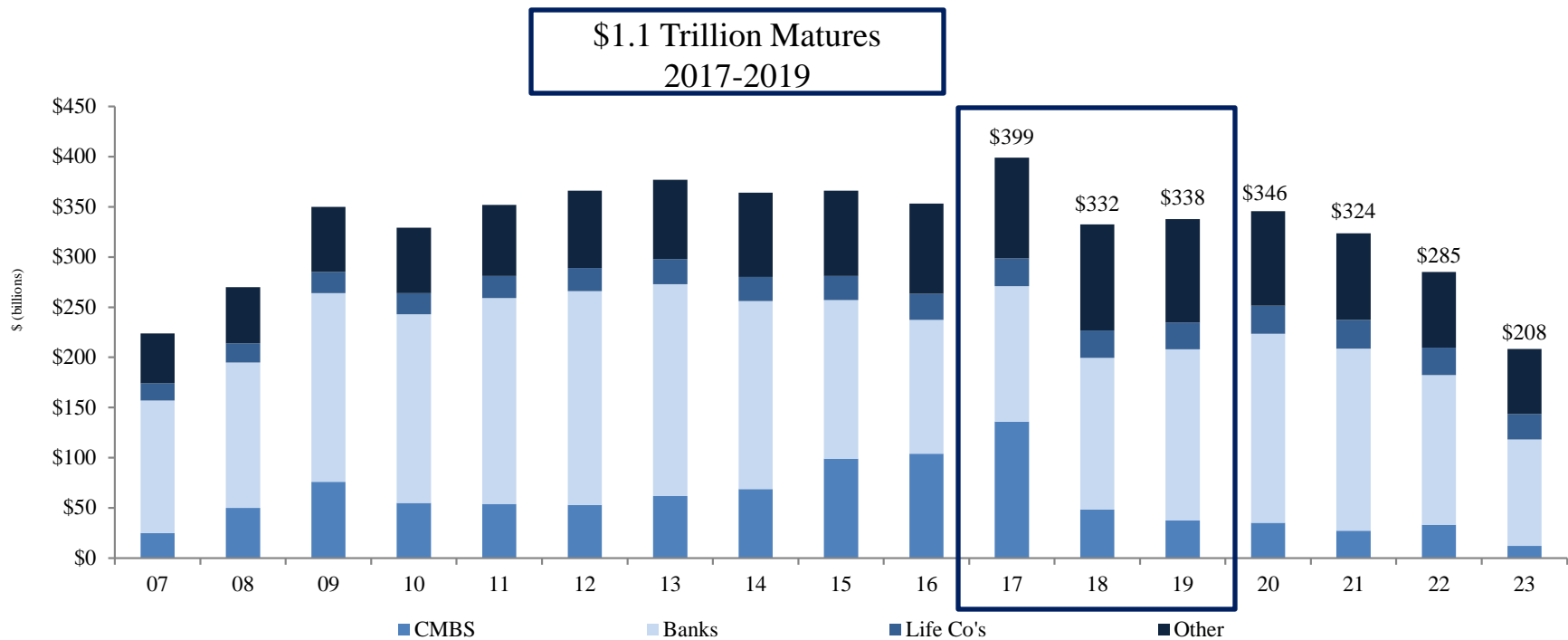
Fund Raising for Global Real Estate Private Equity⁽⁷⁾



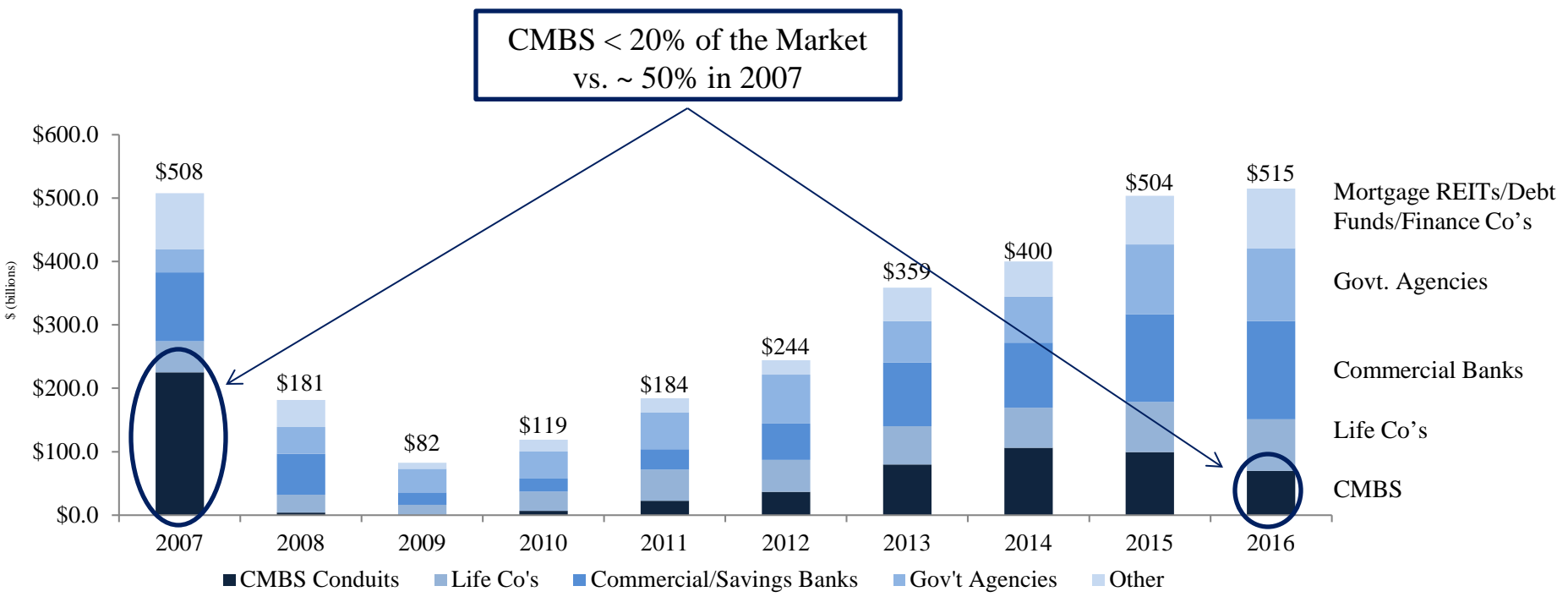
U.S. Sales Volume⁽⁸⁾



2017 is a Peak Year for U.S. CRE Debt Maturity⁽⁹⁾



CMBS and Bank Lenders Have Scaled Back on CRE Lending Activity⁽¹⁰⁾



See footnotes on page 20

1. Commercial Real Estate Market Overview
- 2. ARI Strategy and Portfolio Overview**
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ARI's Direct Origination Platform Offers First Mortgage and Subordinate Loans Across a Broad Spectrum of Property Types

First Mortgage Loans

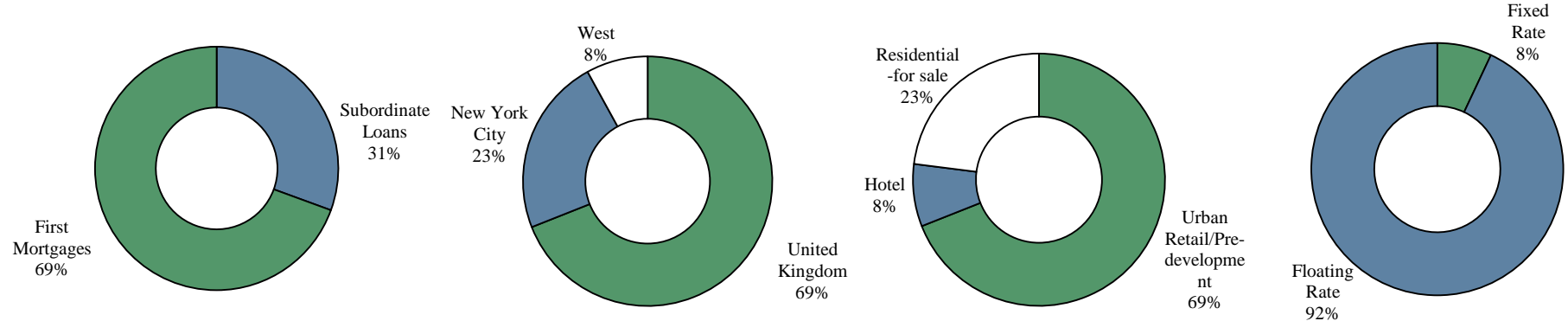
- First mortgages on stabilized, cash-flowing commercial properties or transitional properties
- Loan-to-Value (“LTV”) generally from 0% up to ~65%
- Fixed or floating rate
- All commercial property types throughout North America and Europe

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



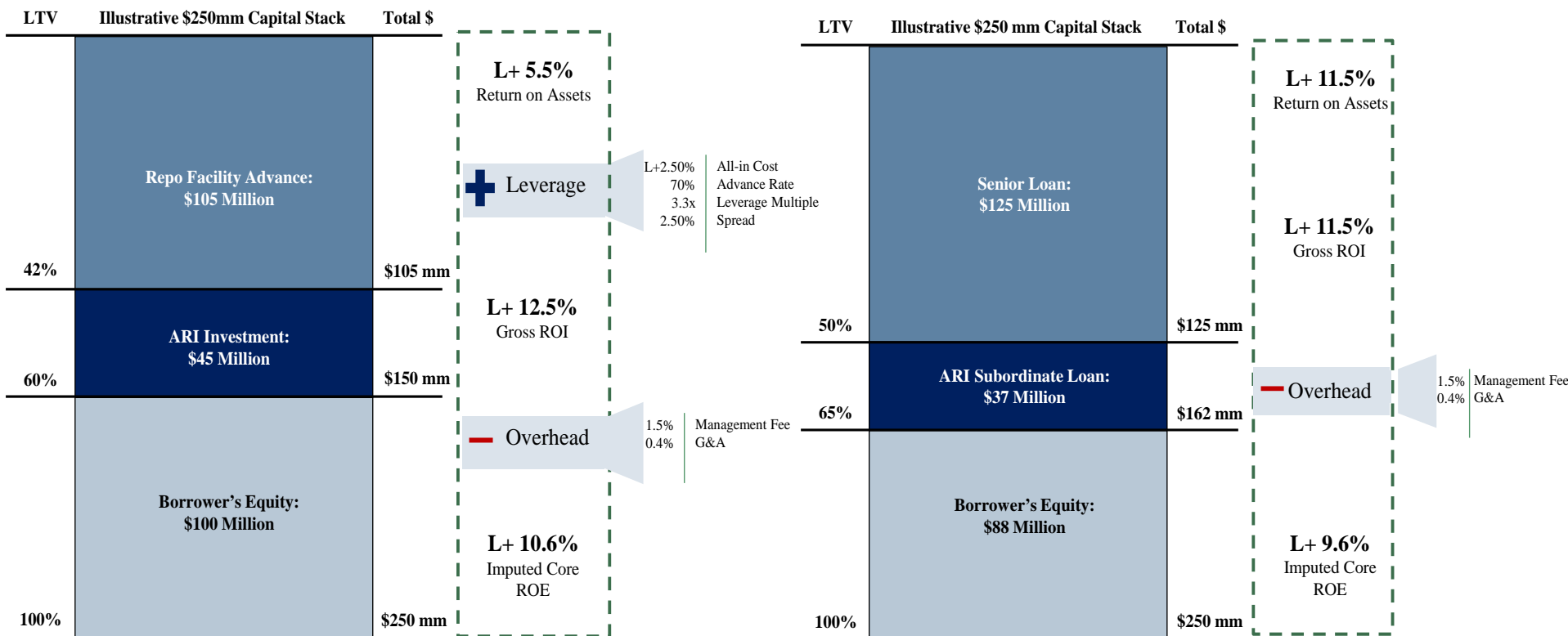
Q2 2017 Loan Origination Summary



See footnotes on page 20

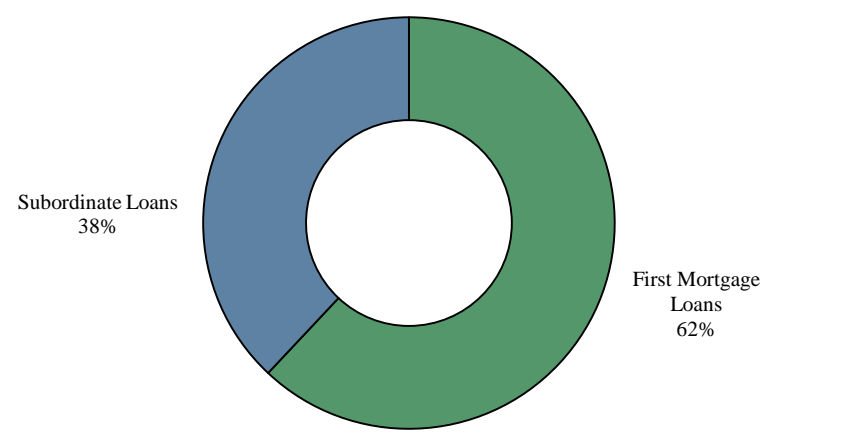
Illustrative First Mortgage Loan

Illustrative Subordinate Loan

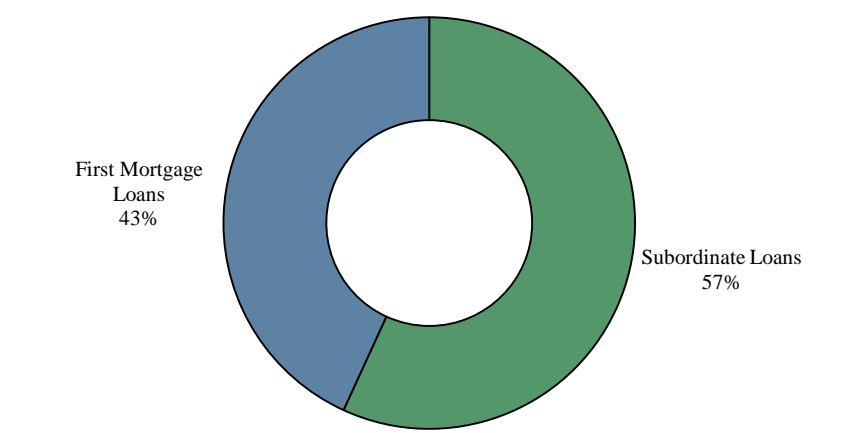


	2Q17	1Q17
Number of Loans	52 Loans	51 Loans
Amortized Cost	\$3,278,334	\$3,212,519
Net Equity at Cost	\$2,182,250	\$1,970,757
Unfunded Loan Commitments ⁽¹¹⁾	\$119,813	\$121,470
Current Weighted Average Underwritten IRR ⁽¹⁾	12.6%	14.0%
Fully Levered Weighted Average Underwritten IRR ⁽¹⁾⁽¹²⁾	13.8%	14.0%
Remaining Weighted Average Life ⁽¹³⁾	2.8 Years	3.0 Years
Weighted Average LTV	64%	63%

Loan Position at Amortized Cost

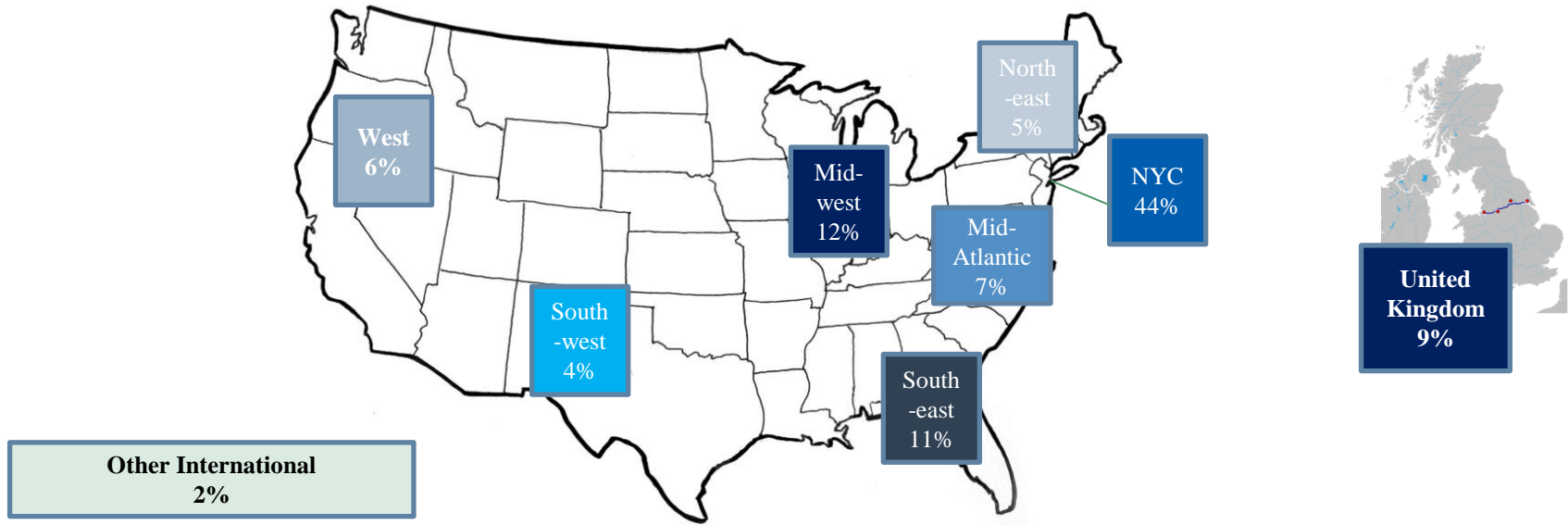


Loan Position by Net Equity at Amortized Cost

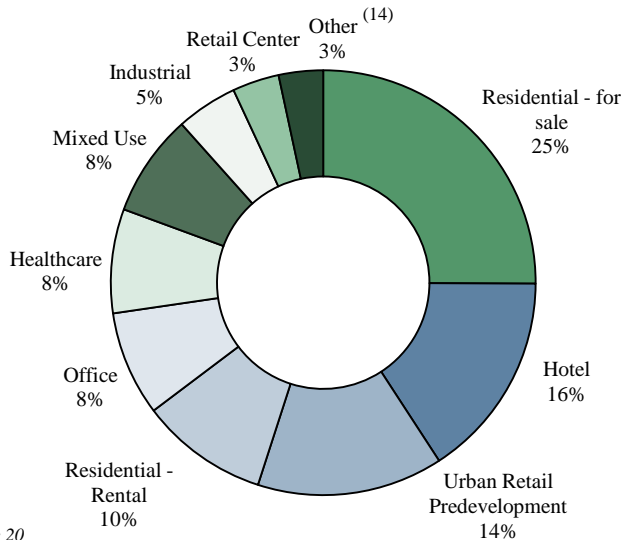


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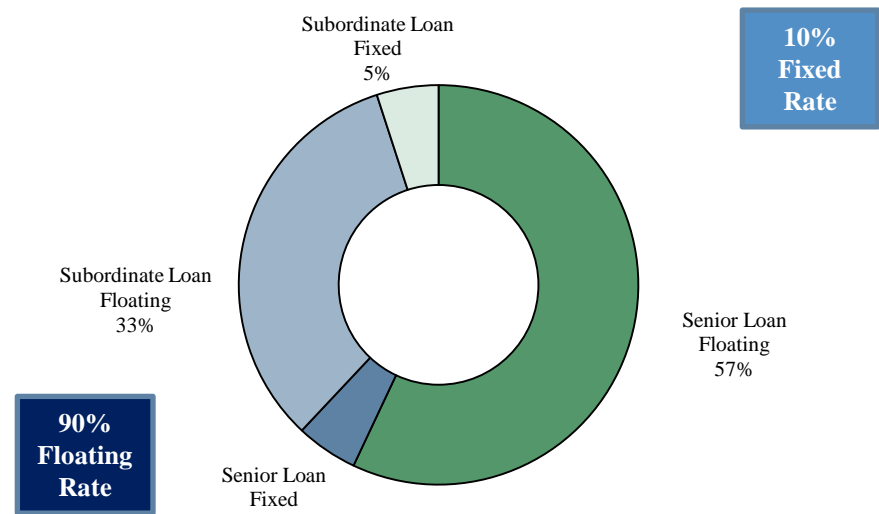
Loan Portfolio Diversification



Property Type by Net Equity



Loan Position and Rate Type⁽¹⁵⁾

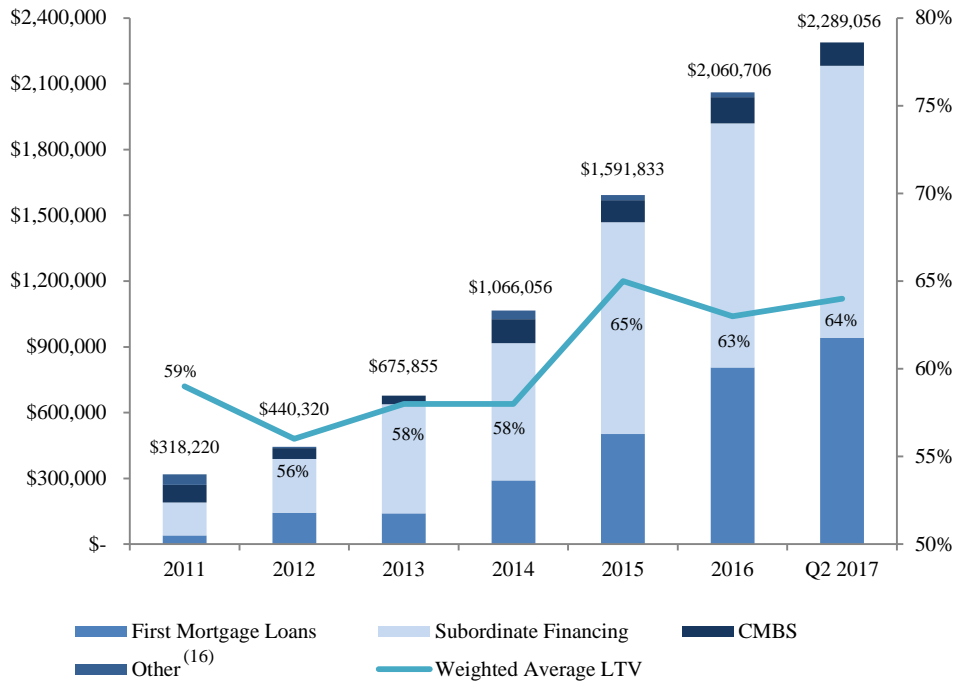


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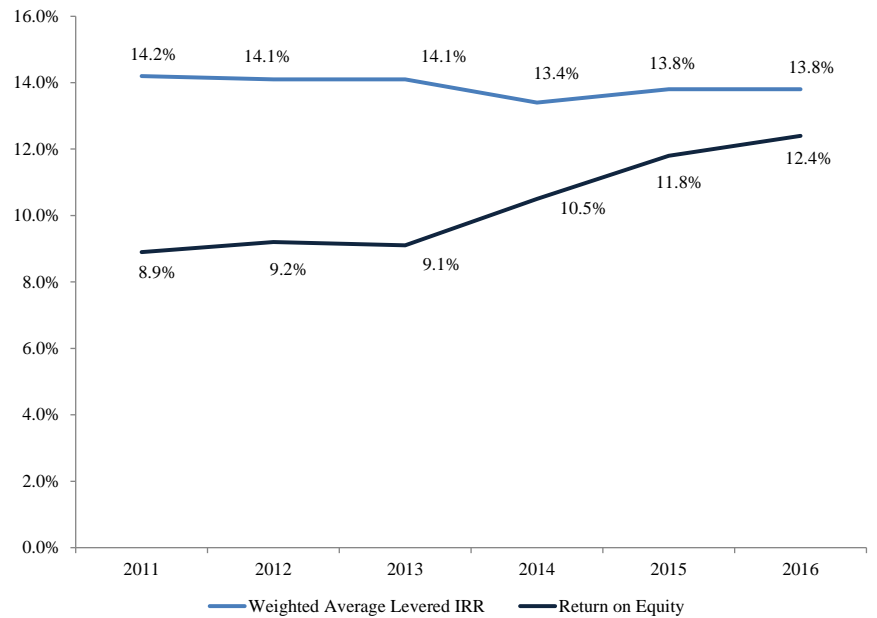
Portfolio Evolution with Consistent Returns

ARI has shifted its portfolio composition to capitalize on market opportunities and generate attractive, risk-adjusted returns, which have remained constant at the corporate and investment level

Net Equity Invested

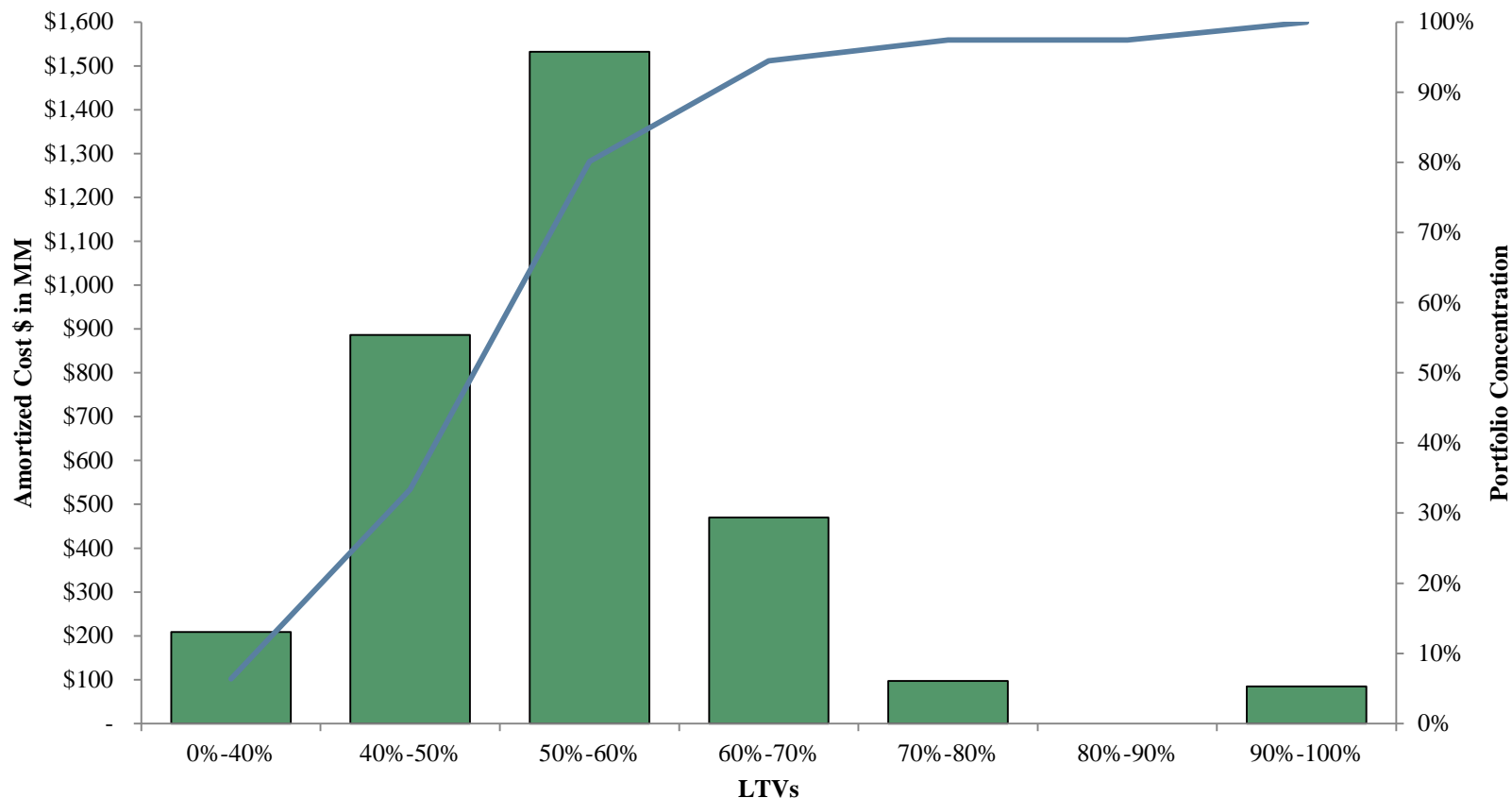


Weighted Average Levered IRR and Return on Equity ⁽¹⁾⁽¹⁷⁾



Loan Portfolio at Amortized Cost Across LTVs⁽¹⁸⁾

(\$ in millions)



Weighted Average LTV - 64%

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

Secured Credit Facilities
\$1.3 Billion Outstanding
3.53% W/A Rate

5.50% Convertible Notes
\$251 Million

Series A, Series B & Series C
Cumulative Preferred Stock
\$459 Million

Common Stock
\$1.7 Billion

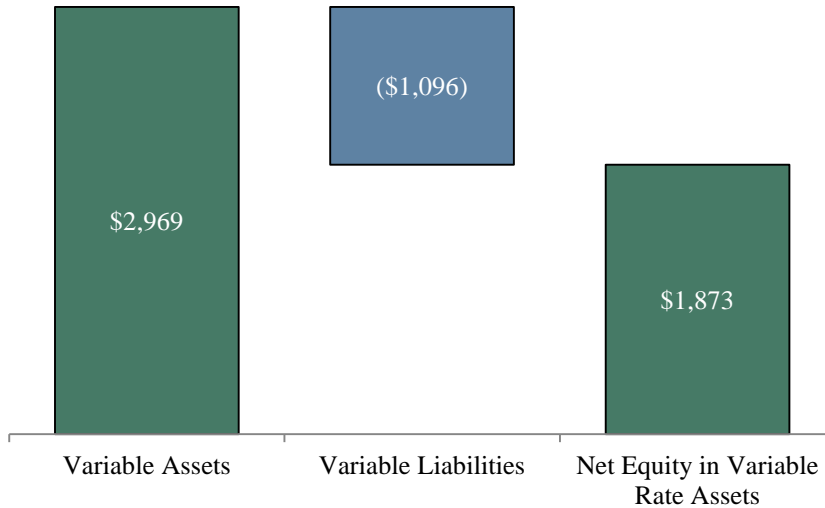
Facility	Maximum Size	Outstanding Balance	Maturity ⁽¹⁹⁾	W/A Rate ⁽²⁰⁾
<i>Loans</i>				
JPMorgan ⁽²¹⁾	\$1,118,000	\$794,404	Mar-20	L+2.26%
Deutsche Bank	563,813	263,980	Mar-20	L+2.56%
Goldman Sachs	52,524	37,700	Apr-19	L+3.50%
Subtotal	\$1,734,337	\$1,096,084		L+2.37%
<i>Securities</i>				
UBS	\$133,899	\$100,798	Sep-18	2.77%
Deutsche Bank	300,000	143,372	Apr-18	3.59%
Subtotal	\$433,899	\$244,170		3.25%
<i>Less Deferred Financing Costs</i>	N/A	(9,345)		
Total Borrowings at June 30, 2017	\$2,168,236	\$1,330,909		3.53%

- Convertible to common stock – conversion ratio of 56.7586 (\$17.62 effective conversion price)
 - Matures in March 2019
-
- Series A (\$86.25mm): publicly sold in July 2012; 8.625% rate, redeemed in August 2017
 - Series B (\$200mm): privately placed in September 2015; fixed at an 8.00% rate for 5 years and then floating at the greater of 3m LIBOR plus 6.46% or 8.00%, callable September 2020
 - Series C (\$172.50mm): assumed from AMTG transaction in August 2016, originally issued in September 2012; 8.00% rate, callable September 2017
-
- 105,437,919 shares issued and outstanding at June 30, 2017
 - 10.2% dividend yield⁽⁴⁾

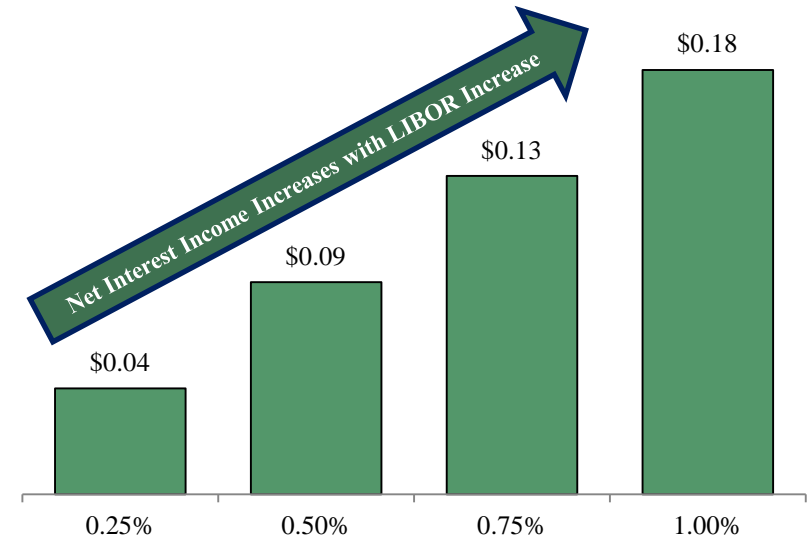
Debt to Common Equity Ratio⁽²²⁾: 0.9x
Fixed Charge Coverage⁽²³⁾: 2.3x

ARI's Portfolio Income and Operating Earnings are Positively Correlated to an Increase in LIBOR

Variable Rate Investments and Liabilities (\$000s)
(\$ in millions)



Operating Earnings Sensitivity to LIBOR⁽²⁾⁽³⁾



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

“First-Call” Relationship with Real Estate Owners and Operators, Senior Lenders and Brokers

Stable and Diverse \$3.6 Billion Investment Portfolio With ~ 13.3% Levered IRR⁽¹⁾

Demonstrated Ability to Access Attractively Priced Capital

Well Positioned for Rising Interest Rates

10.2% Dividend Yield⁽⁴⁾

- (1) *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 presentation 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 presentation. 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, 2016 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.*
- (2) *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, other than realized gains/losses related to interest income; (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) provision for loan losses. Please see slides 25 and 26 for a reconciliation of GAAP net income and GAAP net income per share to Operating Earnings and Operating Earnings per Share. Operating Earnings may also be adjusted to exclude certain other non-cash items, as determined by the Manager and approved by a majority of the Company's independent directors.*
- (3) *Based upon the Company's portfolio as of June 30, 2017, 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.*
- (4) *Based upon the \$1.84 annual dividend per share of common stock and the closing stock price on August 8, 2017.*
- (5) *Source: Wells Fargo and CoStar Realty Information, Inc.*
- (6) *Source: Reis.*
- (7) *Source: Prequin.*
- (8) *Source: Real Capital Analytics.*
- (9) *Source: Trepp.*
- (10) *Source: MBA Origination Survey.*
- (11) *Unfunded loan commitments are for loans that were previously closed but have yet to be funded.*
- (12) *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.*
- (13) *Remaining Weighted Average Life assumes all extension options are exercised.*
- (14) *Other includes, a data center and water park resorts.*
- (15) *Based upon face amount of loans.*
- (16) *Other includes a repurchase agreement investment secured by collateralized debt obligation or CDO bonds and equity investment in Bremer Kreditbank AG ("BKB Bank").*
- (17) *Return on common equity is calculated as Operating Earnings (see definition in footnote 2) for the period as a percentage of average stockholders' equity for the period.*
- (18) *LTV's are as of the date of loan origination.*
- (19) *Assumes extension options are exercised.*
- (20) *Assumes one-month LIBOR at March 31, 2017 was 0.98%.*
- (21) *The debt balance as of March 31, 2017, includes \$143 million of borrowings for the first mortgage loans secured by an assemblage of properties in the Design District of Miami that does not count toward the maximum capacity under the JPMorgan Facility.*
- (22) *Debt to common equity is net of participations sold.*
- (23) *Fixed charge coverage is EBITDA divided by interest expense plus the preferred stock dividends.*

CUSIP	Description
14986DAJ9	CD 2006-CD3 AJ
17311QBN9	CGCMT 2007-C6 AJ
17313KAK7	CGCMT 2008-C7 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

(\$ in millions)

	Face	Amortized Cost	Remaining Weighted Average Life with Extensions (years)	Estimated Fair Value	Debt	Net Equity at Cost ⁽¹⁾
CMBS – Total	\$300.1	\$293.3	2.3 Years	\$254.5	\$244.2	\$106.8

(1) Includes \$57.7 million of restricted cash related to the UBS Facility and the DB CMBS Facility.

Consolidated Balance Sheet

<i>(in thousands—except share and per share data)</i>	June 30, 2017	December 31, 2016
Assets:		
Cash and cash equivalents	\$ 214,016	\$ 200,996
Restricted cash	57,665	62,457
Securities, at estimated fair value	254,484	331,076
Securities, held-to-maturity	-	146,352
Commercial mortgage loans, held for investment, net	2,037,971	1,641,856
Subordinate loans, held for investment, net	1,240,363	1,051,236
Investment in unconsolidated joint venture	-	22,103
Derivative assets, net	-	5,906
Interest receivable	21,998	19,281
Other assets, net	40	1,714
Total Assets	\$ 3,826,537	\$ 3,482,977
Liabilities and Stockholders' Equity		
Liabilities:		
Borrowings under repurchase agreements (net of deferred financing costs of \$9,345 and \$6,763 in 2017 and 2016, respectively)	\$ 1,330,909	\$ 1,139,803
Convertible senior notes, net	250,949	249,994
Participations sold	-	84,979
Derivative liabilities, net	4,435	-
Accounts payable, accrued expenses and other liabilities	12,346	17,681
Payable to related party	7,742	7,015
Dividends payable	57,464	51,278
Total Liabilities	1,663,845	1,550,750
Commitments and Contingencies (See Note 14)		
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 2017 and 2016	35	35
Series B Preferred stock, 8,000,000 shares issued and outstanding (\$200,000 aggregate liquidation preference) in 2017 and 2016	80	80
Series C Preferred stock, 6,900,000 shares issued and outstanding (\$172,500 aggregate liquidation preference) in 2017 and 2016	69	69
Common stock, \$0.01 par value, 450,000,000 shares authorized 105,437,919 and 91,422,676 shares issued and outstanding in 2017 and 2016, respectively	1,054	914
Additional paid-in-capital	2,236,694	1,983,010
Retained earnings (accumulated deficit)	(75,240)	(48,070)
Accumulated other comprehensive loss	-	(3,811)
Total Stockholders' Equity	2,162,692	1,932,227
Total Liabilities and Stockholders' Equity	\$ 3,826,537	\$ 3,482,977

Consolidated Statement of Operations

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Net interest income:				
Interest income from securities	\$ 3,366	\$ 7,607	\$ 6,622	\$ 15,656
Interest income from securities, held to maturity	1,334	2,826	4,132	5,722
Interest income from commercial mortgage loans	37,089	24,140	71,487	45,267
Interest income from subordinate loans	39,640	28,067	74,030	57,442
Interest expense	(19,205)	(15,722)	(36,235)	(30,364)
Net interest income	62,224	46,918	120,036	93,723
Operating expenses:				
General and administrative expenses (includes \$3,461 and \$7,252 of equity-based compensation in 2017 and \$1,938 and \$3,606 in 2016, respectively)	(5,200)	(4,922)	(10,958)	(13,104)
Management fees to related party	(7,742)	(5,242)	(15,175)	(10,471)
Total operating expenses	(12,942)	(10,164)	(26,133)	(23,575)
Income/(loss) from unconsolidated joint venture	(3,305)	59	(2,847)	127
Other income	244	22	352	25
Provision for loan losses and impairments	(5,000)	(15,000)	(5,000)	(15,000)
Realized loss on sale of assets	-	-	(1,042)	-
Unrealized loss on securities	(4,510)	(11,728)	(1,658)	(26,802)
Foreign currency gain/(loss)	6,913	(13,082)	10,085	(17,557)
Gain/(loss) on derivative instruments (includes unrealized gains/(losses) of \$(7,435) and \$(10,324) in 2017 and \$13,408 and \$12,026 in 2016, respectively)	(7,389)	13,313	(10,434)	18,015
Net income	\$ 36,235	\$ 10,338	\$ 83,359	\$ 28,956
Preferred dividends	(9,310)	(5,860)	(18,620)	(11,675)
Net income available to common stockholders	\$ 26,925	\$ 4,478	\$ 64,739	\$ 17,281
Basic and diluted net income per share of common stock	\$ 0.28	\$ 0.06	\$ 0.68	\$ 0.24
Basic weighted average shares of common stock outstanding	95,428,134	67,402,311	93,530,831	67,393,751
Diluted weighted average shares of common stock outstanding	96,796,289	68,374,557	94,907,762	68,351,137
Dividend declared per share of common stock	\$ 0.46	\$ 0.46	\$ 0.92	\$ 0.92

Reconciliation of Net Income to Operating Earnings

	Three Months Ended			
	June 30, 2017	Earnings Per Share (Diluted)	June 30, 2016	Earnings Per Share (Diluted)
Operating Earnings:				
Net income available to common stockholders	\$ 26,925	\$ 0.28	\$ 4,478	\$ 0.06
Adjustments:				
Equity-based compensation expense	3,461	0.04	1,938	0.03
Unrealized loss on securities	4,510	0.05	11,728	0.17
Provision for loan losses and impairments	5,000	0.05	15,000	0.22
Unrealized (gain)/loss on derivative instruments	7,389	0.08	(13,313)	(0.19)
Foreign currency (gain)/loss, net	(6,958)	(0.08)	13,082	0.19
Amortization of convertible senior notes related to equity reclassification	618	0.01	582	0.01
(Income)/loss from unconsolidated joint venture	3,305	0.03	(59)	-
Realized gain from unconsolidated joint venture	346	-	-	-
Total adjustments:	17,671	0.18	28,958	0.43
Operating Earnings	\$ 44,596	\$ 0.46	\$ 33,435	\$ 0.49
Basic weighted average shares of common stock outstanding		95,428,134		67,402,311
Diluted weighted average shares of common stock outstanding		96,796,289		68,374,557

Reconciliation of Net Income to Operating Earnings

	Six Months Ended			
	June 30, 2017	Earnings Per Share (Diluted)	June 30, 2016	Earnings Per Share (Diluted)
Operating Earnings:				
Net income available to common stockholders	\$ 64,739	\$ 0.68	\$ 17,281	\$ 0.24
Adjustments:				
Equity-based compensation expense	7,252	0.08	3,606	0.06
Unrealized loss on securities	1,658	0.02	26,802	0.39
Provision for loan losses and impairments	5,000	0.05	15,000	0.22
Unrealized (gain)/loss on derivative instruments	10,434	0.12	(18,015)	(0.26)
Foreign currency (gain)/loss, net	(10,284)	(0.11)	17,557	0.26
Amortization of convertible senior notes related to equity reclassification	1,226	0.01	1,154	0.02
(Income)/loss from unconsolidated joint venture	2,847	0.03	(127)	-
Realized gain from unconsolidated joint venture	346	-	-	-
Total adjustments:	18,479	0.20	45,977	0.69
Operating Earnings	\$ 83,218	\$ 0.88	\$ 63,258	\$ 0.93
Basic weighted average shares of common stock outstanding		93,530,831		67,393,751
Diluted weighted average shares of common stock outstanding		94,907,762		68,351,137