



# Investor Presentation

## *November 2017*

*Information is as of September 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](http://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 23 for a definition of “Operating Earnings” and the reconciliation of the applicable GAAP financial measure to “Operating Earnings” set forth on slides 19 and 20.*

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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](http://www.sec.gov) as well as on ARI’s website at [www.apollorait.com](http://www.apollorait.com).*

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

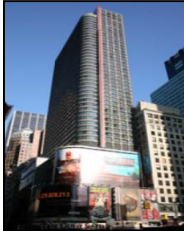
**Experienced Team with Strong Sponsorship**

Full-scale investment platform that has deployed **~\$15.4 billion** of capital since 2009



**Stable and Diverse Loan Portfolio**

**\$3.6 billion** portfolio of first mortgage and subordinate loans secured by institutional quality CRE



**Well Positioned for Rising Interest Rates**

**89%** of loan portfolio is floating rate



**Attractive Dividend Yield**

**\$1.84** annual dividend generating a **10.1%** dividend yield<sup>(1)</sup>



See footnotes on page 23

## Capital Deployment

- Committed to over \$1.5 billion of commercial real estate debt transactions (\$1.3 billion of which was funded at closing) through November 6, 2017
- Of the \$1.5 billion, ~ \$1.1 billion were first mortgages and ~\$417 million were subordinate loans
- On pace for record year of originations

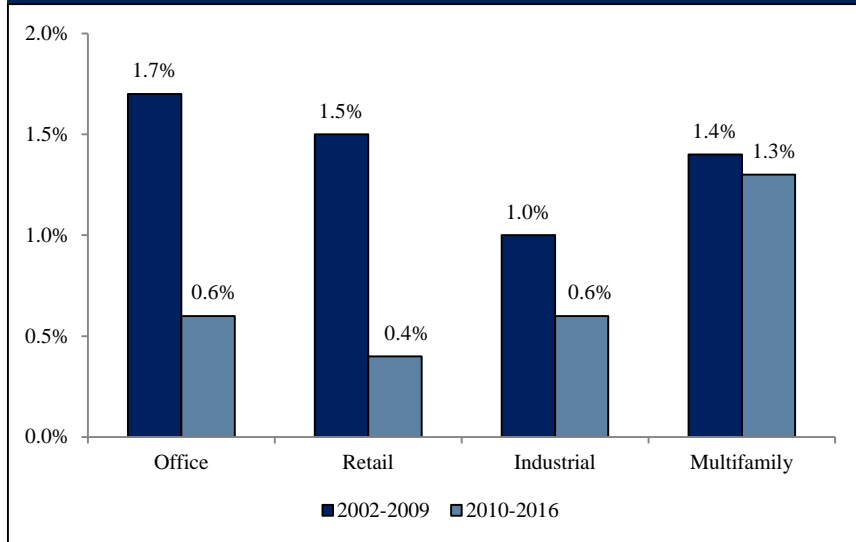
## Loan Portfolio

- Total loan portfolio of \$3.6 billion at September 30, 2017
- Weighted average loan-to-value (“LTV”) of 62%
- Weighted average remaining term of 2.5 years<sup>(2)</sup>
- 89% of the loans have floating interest rates

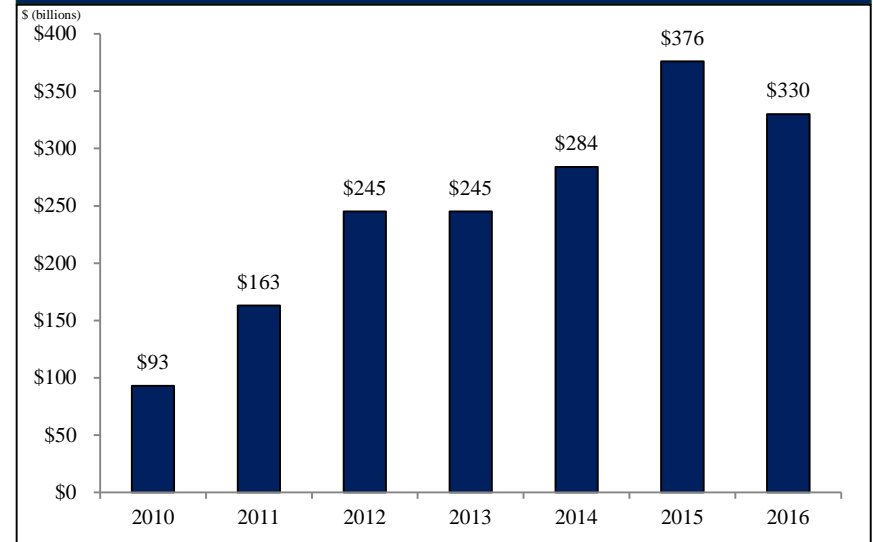
## Capitalization

- Completed underwritten public offering of 13.8 million shares of common stock at 1.1x book value, raising net proceeds of ~ \$249 million
- Redeemed the Company’s 8.625% Series A Preferred Stock
- Completed offerings of \$345 million of 4.75% Convertible Senior Notes with a 10% conversion premium (~\$19.91 conversion price) due 2022
- Upsized capacity on main repurchase facility for funding first mortgage loans to \$1.4 billion
- Included in S&P 600 SmallCap Index

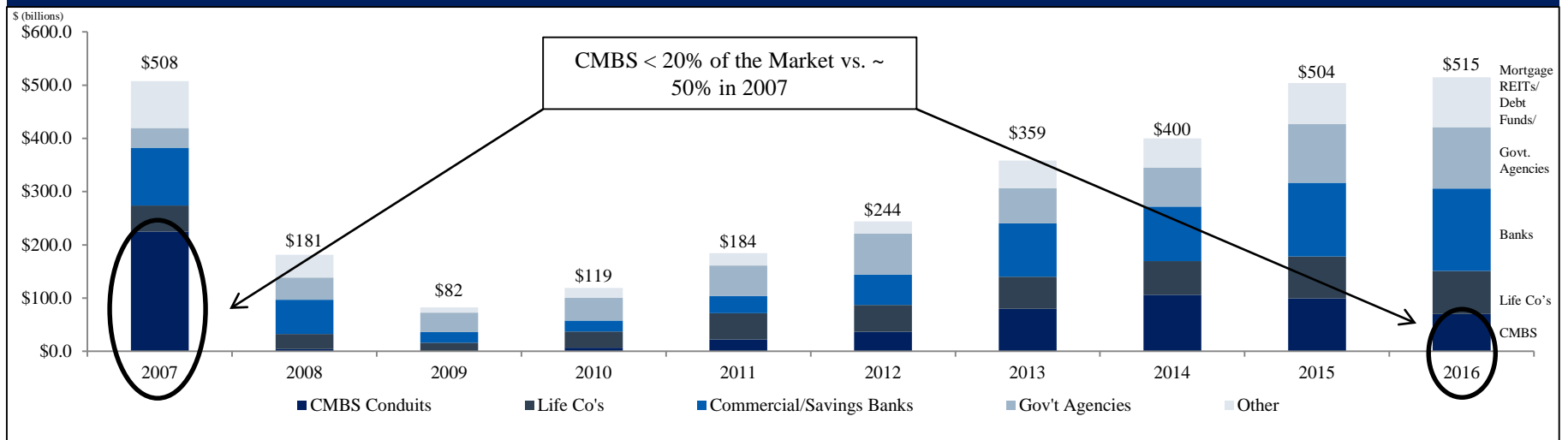
### New Supply is Below Long Term Averages<sup>(3)</sup>



### U.S. CRE Sales Volume Remains Steady<sup>(4)</sup>



### CMBS and Bank Lenders Have Scaled Back on CRE Lending Activity<sup>(5)</sup>



## ARI is Managed by Apollo's<sup>(6)</sup> Full-Scale CRE Credit Platform

### Platform Highlights

**\$15.4 Billion**

*of cumulative capital deployed since 2009 into first mortgages, mezzanine loans, preferred equity and CMBS on behalf of ARI, investment funds and managed accounts*

**\$9.2 Billion**

*of Assets Under Management<sup>(7)</sup> in ARI, investment funds and managed accounts*

**195**

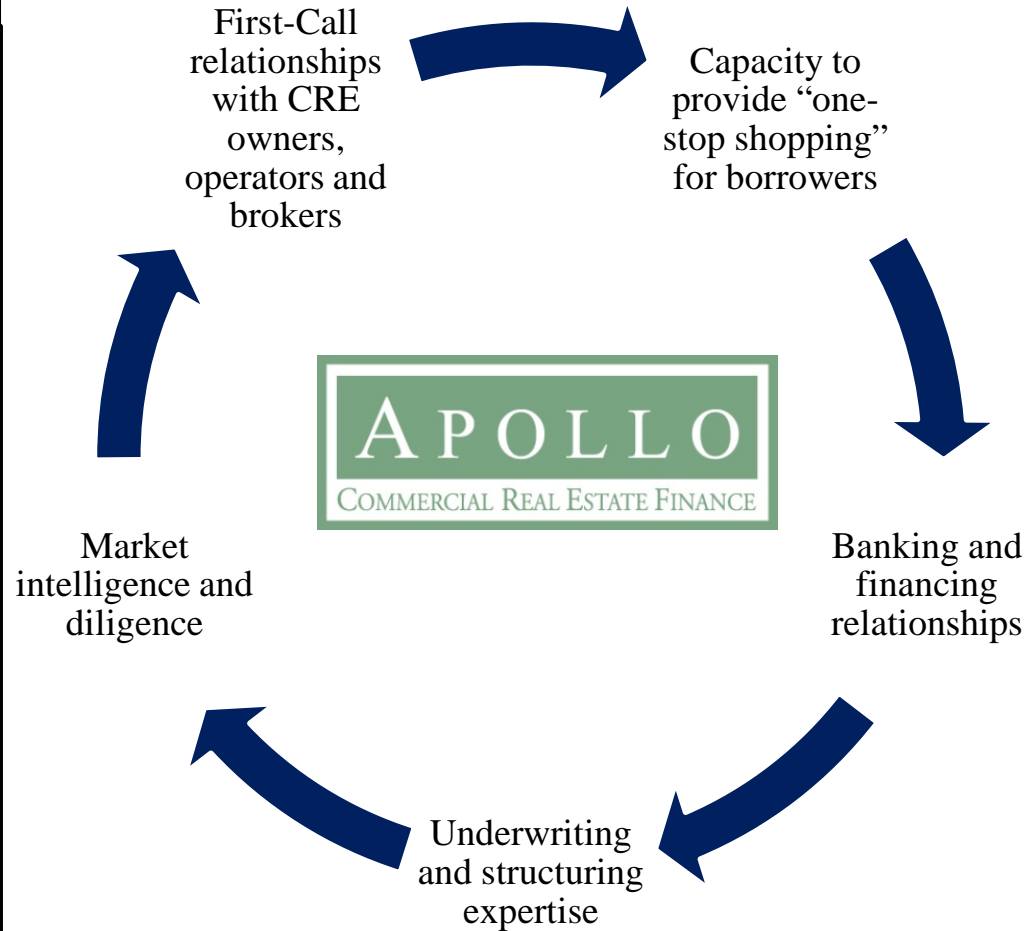
*transactions completed, including*

**\$2.6 Billion**  
*of office loans*

**\$4.8 Billion**  
*of hotels loans*

**\$2.8 Billion**

*of condominium and multifamily loans*



## ARI's Investment Strategy Focuses on Finding Attractive Relative Value

### Investment Process

Directly Originate with Borrower or  
Co-Originate with Senior Lender

Underwrite and Structure

Pro-Actively Asset  
Manage

### Target Investments

- ✓ First mortgage and subordinate loans on transitional and/or stabilized properties
- ✓ Major markets throughout the United States and Western Europe
- ✓ Institutional sponsorship with significant borrower equity
- ✓ Underwriting focused on “credit-first” philosophy and capital preservation
- ✓ Ability to pursue complexity in execution or operations

### Investment Sourcing Channels

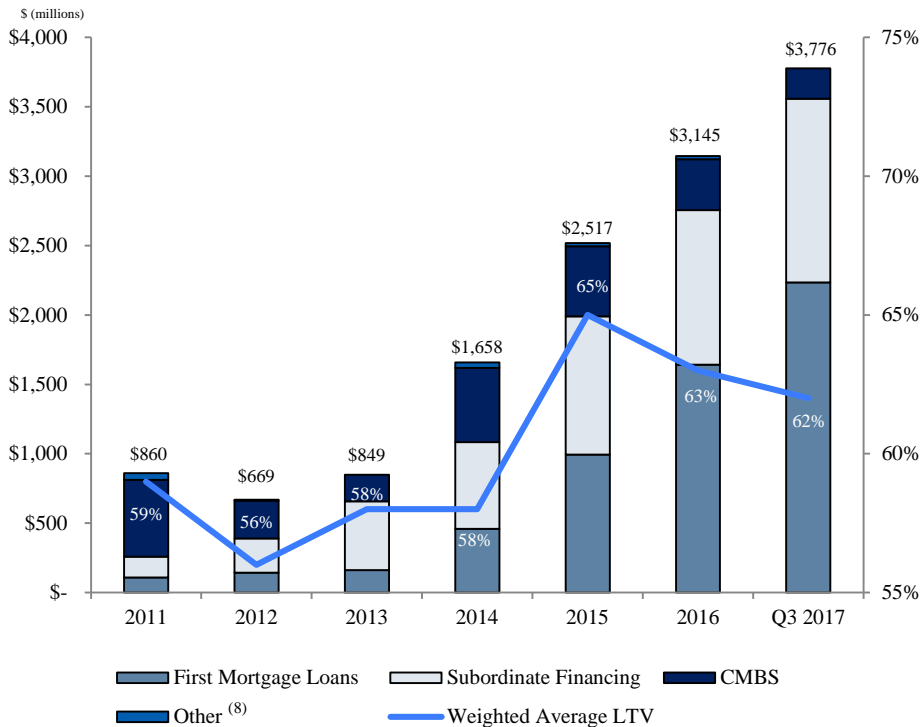
- ✓ Direct relationships with real estate owners and operators
- ✓ “First-call” relationships with CRE brokers
- ✓ Like-minded senior lenders
- ✓ Repeat borrowers
- ✓ Apollo's global real estate platform



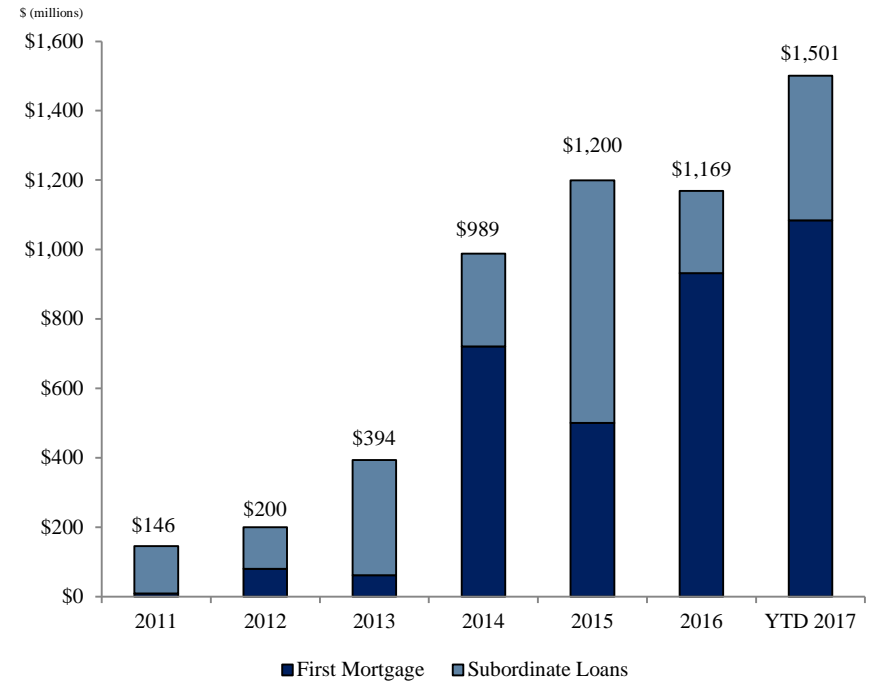


## Expanding Portfolio with an Increased Emphasis on Floating-Rate First Mortgage Loans

### Investment Portfolio at Amortized Cost and Loan-to-Value



### Annual Loan Originations

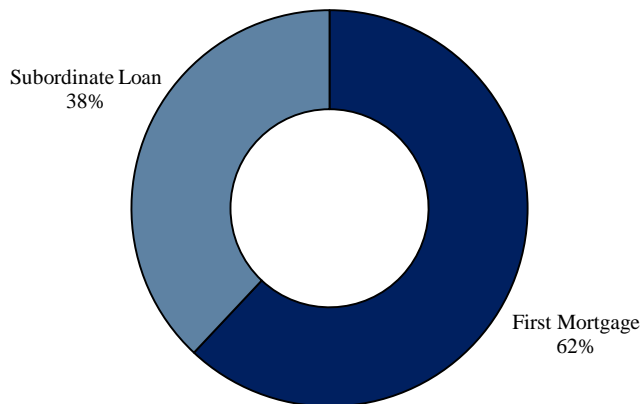


# Loan Portfolio Overview

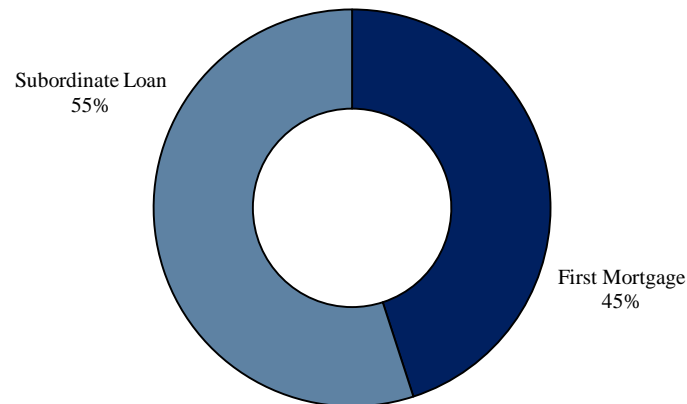
\$ (millions)

	3Q17	2Q17
Number of Loans	56 Loans	52 Loans
Amortized Cost	\$3,559	\$3,278
Net Equity at Cost	\$2,418	\$2,182
Unfunded Loan Commitments <sup>(9)</sup>	\$80	\$120
Weighted Average Unlevered All-in Yield on Floating-Rate Loans <sup>(10)</sup>	L+8.2%	L+7.8%
Weighted Average Unlevered All-in-Yield <sup>(10)</sup>	9.5%	9.2%
Weighted Average Remaining Term <sup>(2)</sup>	2.5 Years	2.8 Years
Weighted Average LTV	62%	64%

**Loan Position at Amortized Cost**



**Loan Position by Net Equity at Amortized Cost**

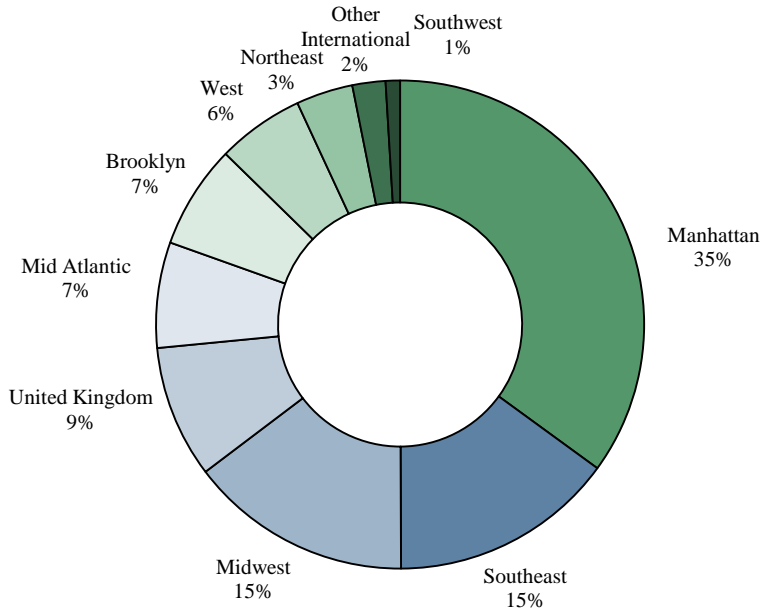


# Loan Portfolio Diversification

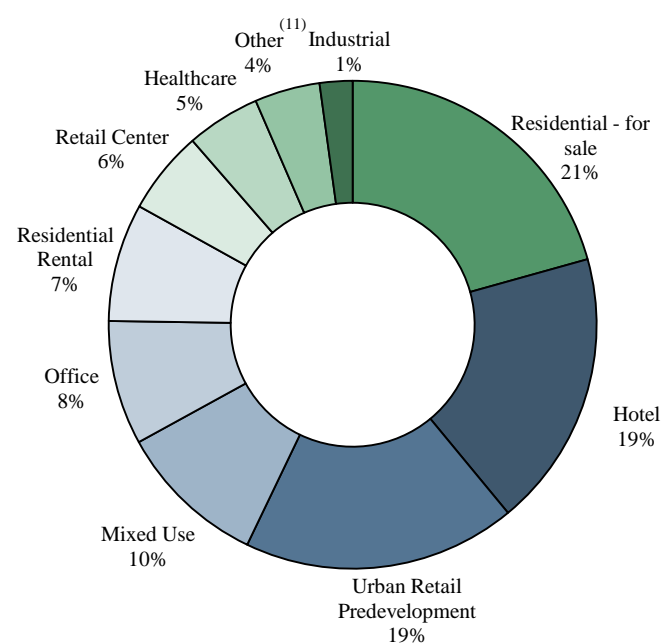
(\$ in millions)

Property Type	Geographic									Total	
	Manhattan, NY	Brooklyn, NY	Northeast	Southeast	Midwest	Mid Atlantic	West	Southwest	United Kingdom		Other International
Residential - for sale	\$558 / 16%	-	-	-	-	\$42 / 1%	-	-	\$136 / 4%	-	\$736 / 21%
Hotel	259 / 7%	-	34 / 1%	165 / 5%	80 / 2%	20 / 1%	28 / 1%	25 / 1%	-	42 / 1%	653 / 19%
Urban Retail Predevelopment	63 / 2%	128 / 4%	-	267 / 7%	-	-	56 / 2%	-	131 / 4%	-	645 / 19%
Mixed Use	172 / 5%	-	-	7 / 0%	173 / 5%	-	-	-	-	-	352 / 10%
Office	118 / 3%	75 / 2%	29 / 1%	-	17 / 1%	54 / 1%	-	-	-	-	293 / 8%
Residential Rental	76 / 2%	42 / 1%	1 / 0%	11 / 0%	41 / 1%	-	65 / 2%	6 / 0%	-	36 / 1%	278 / 7%
Retail Center	-	-	-	31 / 1%	166 / 5%	-	-	-	-	-	197 / 6%
Healthcare	-	-	9 / 0%	35 / 1%	14 / 1%	35 / 1%	36 / 1%	-	45 / 1%	-	174 / 5%
Other <sup>(11)</sup>	-	-	16 / 0%	13 / 1%	22 / 0%	96 / 3%	7 / 0%	-	-	-	154 / 4%
Industrial	-	-	45 / 1%	4 / 0%	10 / 0%	2 / 0%	13 / 0%	3 / 0%	-	-	77 / 1%
<b>Total</b>	<b>\$1,246 / 35%</b>	<b>\$245 / 7%</b>	<b>\$134 / 3%</b>	<b>\$533 / 15%</b>	<b>\$523 / 15%</b>	<b>\$249 / 7%</b>	<b>\$205 / 6%</b>	<b>\$34 / 1%</b>	<b>\$312 / 9%</b>	<b>\$78 / 2%</b>	<b>\$3,559 / 100%</b>

**Geographic Diversification by Amortized Cost**



**Property Type by Amortized Cost**



See footnotes on page 23

**Secured Credit Facilities  
\$1.3 Billion Outstanding  
3.55% W/A Rate**

**5.50%  
Convertible  
Notes  
\$251 Million**

**4.75%  
Convertible  
Notes  
\$230 Million**

**Series B & Series C  
Cumulative Preferred Stock  
\$372.5 Million**

**Equity Market  
Capitalization<sup>(12)</sup>  
\$1.9 Billion**

Facility (\$000s)	Maximum Size	Outstanding Balance	Maturity <sup>(13)</sup>	W/A Rate <sup>(14)</sup>
<i>Loans</i>				
JP Morgan <sup>(15)</sup>	\$1,118,000	\$840,360	Mar-20	L+2.27%
Deutsche Bank	565,491	265,659	Mar-20	L+2.35%
Goldman Sachs	34,180	34,180	Apr-19	L+3.50%
<b>Subtotal</b>	<b>\$1,717,671</b>	<b>\$1,140,198</b>		<b>L+2.32%</b>
<i>Securities</i>				
Deutsche Bank	\$300,000	\$149,317	Apr-18	3.48%
<b>Subtotal</b>	<b>\$300,000</b>	<b>\$149,317</b>		<b>3.48%</b>
<b>Less Deferred Financing Costs</b>	<i>NA</i>	(10,884)		
	<b>\$2,017,671</b>	<b>\$1,278,631</b>		<b>3.55%</b>

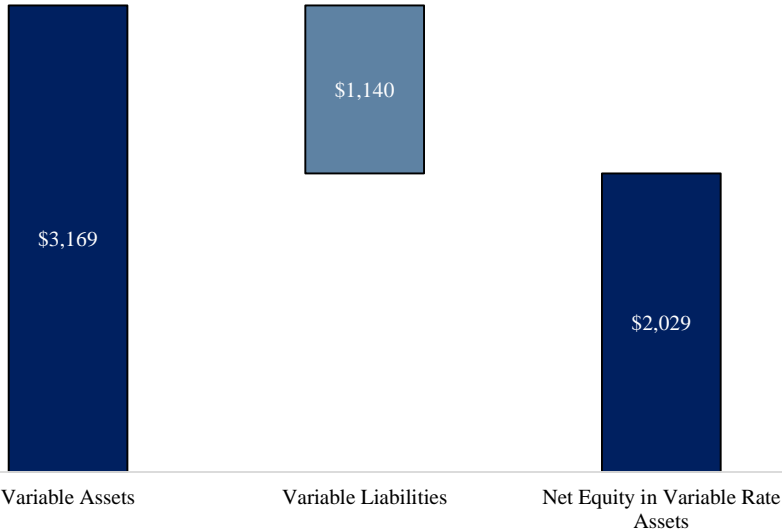
- 5.50% notes - convertible to common stock –ratio of 57.3034 (\$17.45 effective conversion price) and matures in March 2019
- 4.75% notes – convertible to common stock – ratio of 50.2260 (\$19.91 effective conversion price) and matures in August 2022
- Series B (\$200mm); fixed at an 8.00% rate for 5 years and then floating at the greater of 3m LIBOR plus 6.46% or 8.00%, callable September 2020
- Series C (\$172.50mm); 8.00% rate, callable September 2017
- 105,451,235 shares issued and outstanding at September 30, 2017
- 10.1% dividend yield<sup>(1)</sup>

**Debt to Common Equity Ratio: 1.0x  
Fixed Charge Coverage<sup>(16)</sup>: 2.3x**

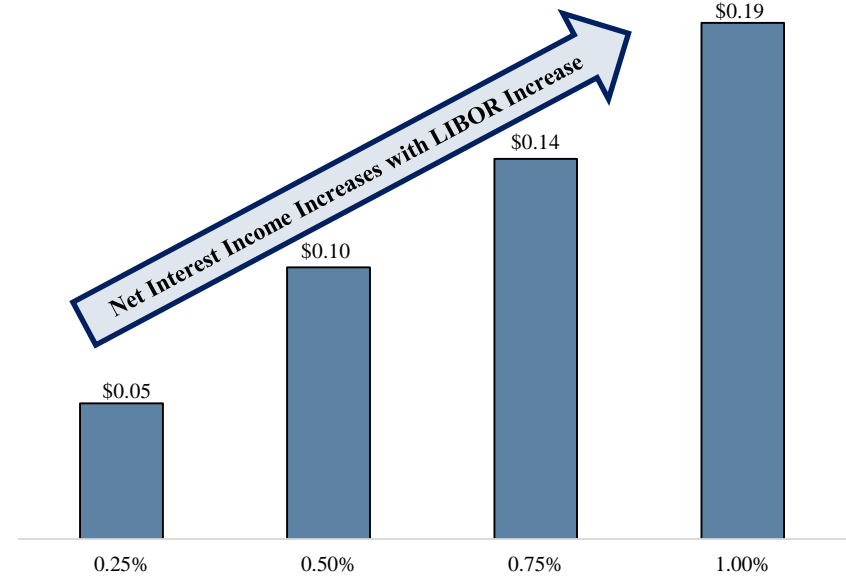
## ARI's Portfolio Income and Operating Earnings are Positively Correlated to an Increase in LIBOR

**Variable Rate Investments and Liabilities (\$000s)<sup>(17)</sup>**

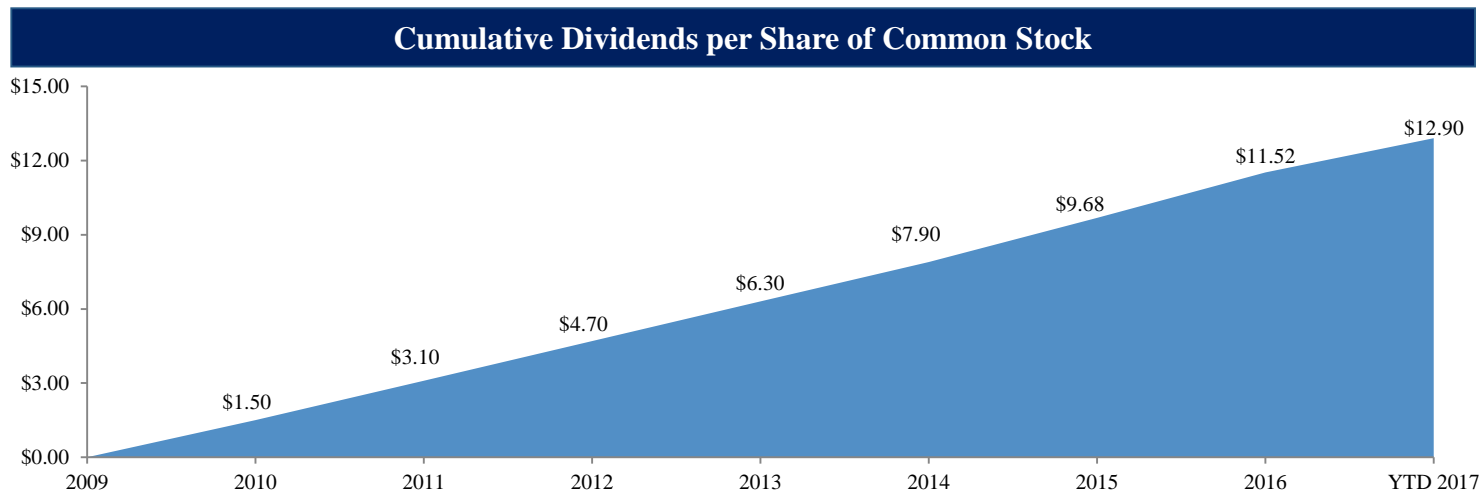
(\$ in millions)



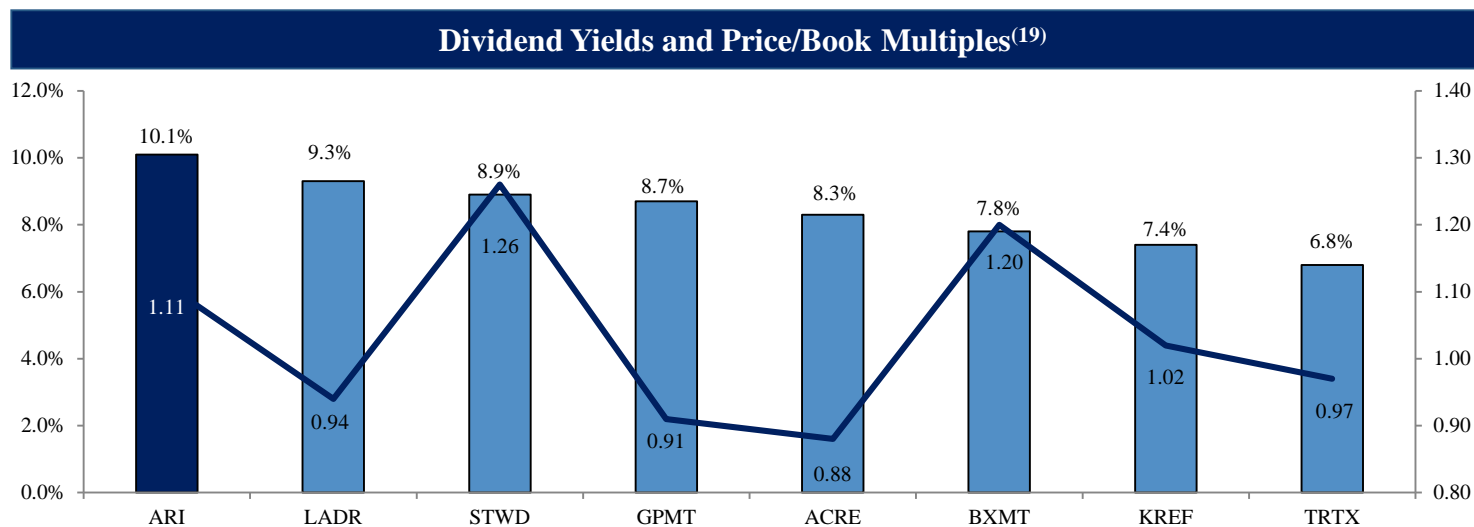
**Operating Earnings Sensitivity to LIBOR<sup>(18)</sup>**



## ARI Has Distributed \$618.1 Million of Dividends to Common Stock Investors Since 2010



## ARI Offers an Attractive Dividend Yield and Trades at a Premium to Book Value



See footnotes on page 23

**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 Loan Portfolio**

**Demonstrated Ability to Access Attractively Priced Capital**

**Well Positioned for Rising Interest Rates**

**10.1% Dividend Yield<sup>(1)</sup>**

# Appendix



CUSIP	Description
14986DAJ9	CD 2006-CD3 AJ
17313KAK7	CGCMT 2008-C7 AJ
50180CAG5	LBUBS 2006-C7 AJ
60688CAJ5	MLCFC 2007-9 AJ
61756UAJ0	MSC 2007-1Q16 AJ
46629YAH2	JPMCC 2007-CB18AJ

CUSIP	Description
59025KAG7	MLMT 2007-C1 AM
22546BAH3	CSMC 2007-C5 AM
36159XAH3	GECCM 2007-C1 AM
46627QBC1	JMPCC 2006-CB15 AM

CMBS shaded in gray were sold subsequent to quarter end.

(\$ in millions)

	Face	Amortized Cost	Remaining Weighted Average Life with Extensions (years)	Estimated Fair Value	Debt	Net Equity at Cost <sup>(20)</sup>
<b>CMBS – Total at 9/30/2017</b>	<b>\$222.5</b>	<b>\$217.2</b>	<b>2.0 Years</b>	<b>\$191.9</b>	<b>\$149.3</b>	<b>\$68.0</b>

# Consolidated Balance Sheet

	September 30, 2017	December 31, 2016
<i>(in thousands—except share and per share data)</i>		
<b>Assets:</b>	(unaudited)	
Cash and cash equivalents	\$ 140,229	\$ 200,996
Restricted cash	76	62,457
Securities, at estimated fair value	191,902	331,076
Securities, held-to-maturity	-	146,352
Commercial mortgage loans, held for investment, net	2,218,222	1,641,856
Subordinate loans, held for investment, net	1,340,378	1,051,236
Investment in unconsolidated joint venture	-	22,103
Derivative assets, net	-	5,906
Interest receivable	27,895	19,281
Other assets, net	14,240	1,714
<b>Total Assets</b>	<b>\$ 3,932,942</b>	<b>\$ 3,482,977</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities:</b>		
Borrowings under repurchase agreements (net of deferred financing costs of \$10,884 and \$6,763 in 2017 and 2016, respectively)	\$ 1,278,631	\$ 1,139,803
Convertible senior notes, net	471,911	249,994
Participations sold	-	84,979
Derivative liabilities, net	11,746	-
Accounts payable, accrued expenses and other liabilities	8,852	17,681
Payable to related party	8,309	7,015
Dividends payable	55,916	51,278
<b>Total Liabilities</b>	<b>1,835,365</b>	<b>1,550,750</b>
Commitments and Contingencies (See Note 14)		
<b>Stockholders' Equity:</b>		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized:		
Series A Preferred stock, 0 and 3,450,000 shares issued and outstanding (\$0 and \$86,250 aggregate liquidation preference) in 2017 and 2016, respectively	-	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 105,451,235 and 91,422,676 shares issued and outstanding in 2017 and 2016, respectively	1,055	914
Additional paid-in-capital	2,163,539	1,983,010
Retained earnings (accumulated deficit)	(67,166)	(48,070)
Accumulated other comprehensive loss	-	(3,811)
<b>Total Stockholders' Equity</b>	<b>2,097,577</b>	<b>1,932,227</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 3,932,942</b>	<b>\$ 3,482,977</b>

# Consolidated Statement of Operations

	Three months ended		Nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
<b>Net interest income:</b>				
Interest income from securities	\$ 2,625	\$ 8,029	\$ 9,247	\$ 23,685
Interest income from securities, held to maturity	-	2,875	4,132	8,597
Interest income from commercial mortgage loans	41,203	27,460	112,690	72,727
Interest income from subordinate loans	47,268	32,207	121,298	89,649
Interest expense	(19,855)	(17,256)	(56,089)	(47,620)
<b>Net interest income</b>	<b>71,241</b>	<b>53,315</b>	<b>191,278</b>	<b>147,038</b>
<b>Operating expenses:</b>				
General and administrative expenses (includes \$2,635 and \$9,887 of equity-based compensation in 2017 and \$1,828 and \$5,434 in 2016, respectively)	(4,629)	(8,352)	(15,587)	(21,456)
Management fees to related party	(8,309)	(5,903)	(23,484)	(16,374)
<b>Total operating expenses</b>	<b>(12,938)</b>	<b>(14,255)</b>	<b>(39,071)</b>	<b>(37,830)</b>
Income/(loss) from unconsolidated joint venture	-	80	(2,847)	207
Other income	359	309	710	334
Provision for loan losses and impairments	-	-	(5,000)	(15,000)
Realized loss on sale of assets	(4,076)	(225)	(5,118)	(225)
Unrealized gain/(loss) on securities	13,488	(9,798)	11,830	(36,601)
Foreign currency gain/(loss)	7,763	(4,369)	17,848	(21,926)
Bargain purchase gain	-	40,021	-	40,021
Gain/(loss) on derivative instruments (includes unrealized gains/(losses) of \$(7,302) and \$(17,626) in 2017 and \$(10,297) and \$1,731 in 2016, respectively)	(7,481)	4,815	(17,916)	22,831
<b>Net income</b>	<b>\$ 68,356</b>	<b>\$ 69,893</b>	<b>\$ 151,714</b>	<b>\$ 98,849</b>
Preferred dividends	(11,148)	(9,310)	(29,768)	(20,985)
<b>Net income available to common stockholders</b>	<b>\$ 57,208</b>	<b>\$ 60,583</b>	<b>\$ 121,946</b>	<b>\$ 77,864</b>
Basic and diluted net income per share of common stock	\$ 0.54	\$ 0.83	\$ 1.23	\$ 1.11
Basic weighted average shares of common stock outstanding	105,446,704	71,919,549	97,546,437	68,913,362
Diluted weighted average shares of common stock outstanding	106,812,721	72,861,611	98,919,689	69,865,603
Dividend declared per share of common stock	\$ 0.46	\$ 0.46	\$ 1.38	\$ 1.38

# Reconciliation of Net Income to Operating Earnings<sup>(21)</sup>

	Three Months Ended			
	September 30, 2017	Earnings Per Share (Diluted)	September 30, 2016	Earnings Per Share (Diluted)
<b>Operating Earnings:</b>				
<b>Net income available to common stockholders</b>	<b>\$ 57,208</b>	<b>\$ 0.54</b>	<b>\$ 60,583</b>	<b>\$ 0.83</b>
Adjustments:				
Equity-based compensation expense	2,635	0.02	1,828	0.03
Unrealized (gain)/loss on securities	(13,488)	(0.13)	9,798	0.13
Unrealized (gain)/loss on derivative instruments	7,481	0.07	(4,815)	(0.07)
Foreign currency (gain)/loss, net	(7,850)	(0.07)	4,861	0.07
Bargain purchase gain	-	-	(40,021)	(0.55)
Amortization of convertible senior notes related to equity reclassification	769	0.01	590	0.01
Series A preferred stock redemption charge	3,016	0.03	-	-
(Income)/loss from unconsolidated joint venture	-	-	(80)	-
<b>Total adjustments:</b>	<b>(7,437)</b>	<b>(0.07)</b>	<b>(27,839)</b>	<b>(0)</b>
<b>Operating Earnings</b>	<b>\$ 49,771</b>	<b>\$ 0.47</b>	<b>\$ 32,744</b>	<b>\$ 0.45</b>
Basic weighted average shares of common stock outstanding		105,446,704		71,919,549
Diluted weighted average shares of common stock outstanding		106,812,721		72,861,611

# Reconciliation of Net Income to Operating Earnings<sup>(21)</sup>

	Nine Months Ended			
	September 30, 2017	Earnings Per Share (Diluted)	September 30, 2016	Earnings Per Share (Diluted)
<b>Operating Earnings:</b>				
<b>Net income available to common stockholders</b>	<b>\$ 121,946</b>	<b>\$ 1.23</b>	<b>\$ 77,864</b>	<b>\$ 1.11</b>
Adjustments:				
Equity-based compensation expense	9,887	0.10	5,434	0.08
Unrealized (gain)/loss on securities	(11,830)	(0.12)	36,601	0.53
Provision for loan losses and impairments	5,000	0.05	15,000	0.22
Unrealized (gain)/loss on derivative instruments	17,916	0.18	(22,831)	(0.33)
Foreign currency (gain)/loss, net	(18,135)	(0.18)	22,417	0.33
Bargain purchase gain	-	-	(40,021)	(0.59)
Amortization of convertible senior notes related to equity reclassification	1,995	0.02	1,745	0.03
Series A preferred stock redemption charge	3,016	0.03	-	-
(Income)/loss from unconsolidated joint venture	2,847	0.03	(207)	-
Realized gain from unconsolidated joint venture	346	-	-	-
<b>Total adjustments:</b>	<b>11,042</b>	<b>0.11</b>	<b>18,138</b>	<b>0.27</b>
<b>Operating Earnings</b>	<b>\$ 132,988</b>	<b>\$ 1.34</b>	<b>\$ 96,002</b>	<b>\$ 1.38</b>
Basic weighted average shares of common stock outstanding		97,546,437		68,913,362
Diluted weighted average shares of common stock outstanding		98,919,689		69,865,603

# Senior Loan Portfolio Overview

Property Type	Origination Date	Amortized Cost (\$MM)	Unfunded Commitment (\$MM)	Fully-extended Maturity	Location
Urban Retail Predevelopment	1/2016	\$221	-	7/2019	Miami, FL
Retail Center	11/2014	166	-	5/2020	Cincinnati, OH
Hotel <sup>(22)</sup>	9/2015	139	-	9/2020	Manhattan, NY
Mixed Use	9/2016	131	1	10/2020	Chicago, IL
Urban Retail Predevelopment	3/2017	128	-	9/2018	Brooklyn, NY
Mixed Use	7/2017	124	-	6/2019	Manhattan, NY
Hotel	9/2016	105	-	8/2021	Manhattan, NY
Office	12/2016	105	-	12/2018	Manhattan, NY
Residential Rental	4/2014	82	-	4/2019	Various
Urban Retail Predevelopment	4/2017	80	-	9/2018	London, UK
Other	10/2016	80	-	8/2019	Manassas, VA
Hotel	3/2017	72	5	3/2022	Atlanta, GA
Urban Retail Predevelopment	12/2016	63	2	12/2018	Manhattan, NY
Hotel	1/2017	60	-	1/2022	Miami, FL
Residential Rental	11/2014	59	-	11/2021	Various
Hotel	1/2017	57	-	1/2022	St. Louis, MO
Urban Retail Predevelopment	12/2016	56	24	12/2020	Los Angeles, CA
Office	12/2015	54	1	1/2020	Richmond, VA
Urban Retail Predevelopment	7/2017	51	28	4/2019	London, UK
Urban Retail Predevelopment	6/2015	45	-	1/2018	Miami, FL
Residential Rental	5/2016	42	4	6/2018	Brooklyn, NY
Hotel	12/2015	42	2	12/2020	St. Thomas, USVI
Residential - for sale	2/2014	42	-	4/2018	Bethesda, MD
Residential Rental	11/2014	40	-	11/2019	Williston, ND
Mixed Use	7/2017	34	2	2/2019	Manhattan, NY
Hotel	5/2014	34	-	6/2019	Philadelphia, PA
Hotel	2/2017	34	-	2/2022	Miami, FL
Retail Center	2/2017	31	3	9/2020	Miami, FL
Office	3/2016	29	2	10/2018	Boston, MA
Mixed Use	7/2017	14	-	2/2019	Manhattan, NY
<b>Sub Total - Senior Loans</b>		<b>\$2,218</b>	<b>\$73</b>	<b>2.2 Years</b>	

Weighted Average Floating Rate Yield<sup>(10)</sup> - L+6.0% Weighted Average All-in Yield<sup>(10)</sup> - 7.3%  
Weighted Average LTV - 61%

# Subordinate Loan Portfolio Overview

Property Type	Origination Date	Amortized Cost (\$MM)	Unfunded Commitment (\$MM)	Fully-extended Maturity	Location
Residential - for sale	12/2015	\$136	-	10/2017	London, UK
Healthcare	10/2016	129	-	10/2021	Various
Residential - for sale	6/2015	128	3	7/2020	Manhattan, NY
Residential - for sale	12/2014	106	-	12/2019	Manhattan, NY
Residential - for sale	8/2017	99	-	10/2019	Manhattan, NY
Residential - for sale	2/2016	77	-	2/2021	Manhattan, NY
Office	3/2017	75	-	10/2018	Brooklyn, NY
Other	9/2017	74	-	9/2022	Various
Residential - for sale	7/2015	66	-	8/2020	Manhattan, NY
Residential Rental	10/2015	55	-	5/2019	Manhattan, NY
Industrial	6/2015	45	-	5/2020	Long Island, NY
Healthcare	1/2015	45	-	12/2019	Various
Mixed Use	1/2017	42	-	2/2027	Cleveland, OH
Industrial	5/2013	32	-	5/2023	Various
Residential - for sale	10/2016	32	-	11/2020	Manhattan, NY
Residential - for sale	9/2015	30	-	10/2019	Manhattan, NY
Hotel	6/2015	25	-	7/2025	Phoenix, AZ
Hotel	1/2013	24	-	2/2018	Rochester, MN
Residential - for sale	6/2017	20	5	12/2020	Manhattan, NY
Hotel	6/2015	20	-	7/2019	Washington, DC
Hotel	2/2015	20	-	1/2020	Burbank, CA
Hotel <sup>(22)</sup>	9/2015	15	-	9/2020	Manhattan, NY
Office	7/2013	14	-	7/2022	Manhattan, NY
Office	9/2012	9	-	10/2022	Kansas City, MO
Hotel	5/2017	8	-	6/2027	Anaheim, CA
Office	8/2017	8	-	9/2024	Troy, MI
Mixed Use	7/2012	7	-	8/2022	Chapel Hill, NC
<b>Sub Total - Subordinate Loans</b>		<b>\$1,340</b>	<b>\$7</b>	<b>2.8 Years</b>	

Weighted Average Floating Rate Yield<sup>(10)</sup> - L+12.0% Weighted Average All-in Yield<sup>(10)</sup> – 13.1%  
Weighted Average LTV - 64%

**TOTAL PORTFOLIO WEIGHTED AVERAGE:**  
Floating Rate Yield<sup>(10)</sup> – L+8.2% All-in-Yield<sup>(10)</sup> – 9.5% LTV – 62%

- (1) *Based upon the \$1.84 annual dividend per share of common stock and the closing stock price on November 6, 2017.*
- (2) *Remaining weighted average term assumes all extension options are exercised.*
- (3) *Source: Reis.*
- (4) *Source: Real Capital Analytics.*
- (5) *Source: MBA Origination Survey.*
- (6) *Apollo refers to Apollo Global Management, LLC and its consolidated subsidiaries.*
- (7) *Assets Under Management is as of September 30, 2017 and is defined as the amortized cost of the CRE debt investments held by ARI and other investment funds and accounts managed by Apollo that invest in commercial real estate debt.*
- (8) *Other includes a repurchase agreement investment secured by collateralized debt obligation or CDO bonds and equity investment in Bremer Kreditbank AG (“BKB Bank”).*
- (9) *Unfunded loan commitments are for loans that were previously closed but have yet to be funded.*
- (10) *Weighted Average Un-levered All-in-Yield reflects LIBOR at September 30, 2017 which was 1.23%. Weighted average all-in-yield includes the amortization of deferred origination fees, loan origination costs and accrual of both extension and exit fees.*
- (11) *Other includes, a data center and water park resorts.*
- (12) *Equity market capitalization based upon shares of common stock outstanding and closing stock price on September 30, 2017.*
- (13) *Assumes extension options are exercised.*
- (14) *Assumes one-month LIBOR at September 30, 2017 was 1.23%.*
- (15) *The debt balance as of September 30, 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.*
- (16) *Fixed charge coverage is EBITDA divided by interest expense plus the preferred stock dividends.*
- (17) *Based upon face amount.*
- (18) *Based upon the Company’s portfolio as of September 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.*
- (19) *Dividend yields are based upon closing stock prices as of November 7, 2017 and the most recently declared quarterly dividend per share of common stock, annualized. Price/book is based upon the closing stock price on November 7, 2017 and the reported book value per share of common stock on September 30, 2017.*
- (20) *Includes \$76k of restricted cash related to the Deutsche Bank CMBS Facility.*
- (21) *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 19 and 20 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.*
- (22) *Both loans are secured by the same property.*