APOLLO
COMMERCIAL REAL ESTATE FINANCE

# Investor Presentation

*March 2018*

*Information is as of December 31, 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.*

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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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*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.apolloreit.com.*

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# Company Overview

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

**Experienced Team with Strong Sponsorship**

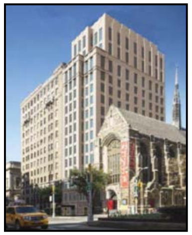
Full-scale investment platform that has deployed **~$21.2 billion** of capital since 2009, **$7.7 billion** of which was for ARI

**Stable and Diverse Loan Portfolio**

**$3.7 billion** portfolio of first mortgage and subordinate loans secured by institutional quality CRE

**Well Positioned for Rising Interest Rates**

**88%** of loan portfolio is floating rate



**Attractive Dividend Yield**

**$1.84** annual dividend generating a **10.1%** dividend yield[(1)]

*See footnotes on page 20*

# ARI Benefits from the Integrated Apollo CRE Credit Platform

## ARI is Managed by Apollo's[2] Full-Scale CRE Credit Platform

**$21.2bn**

*of capital deployed into first mortgages, mezzanine loans, preferred equity and CMBS*

**$9.1bn**

*of AUM[3] across publicly-traded REIT, private investment funds and managed accounts*

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**210**

*transactions completed*

**$3.2bn**

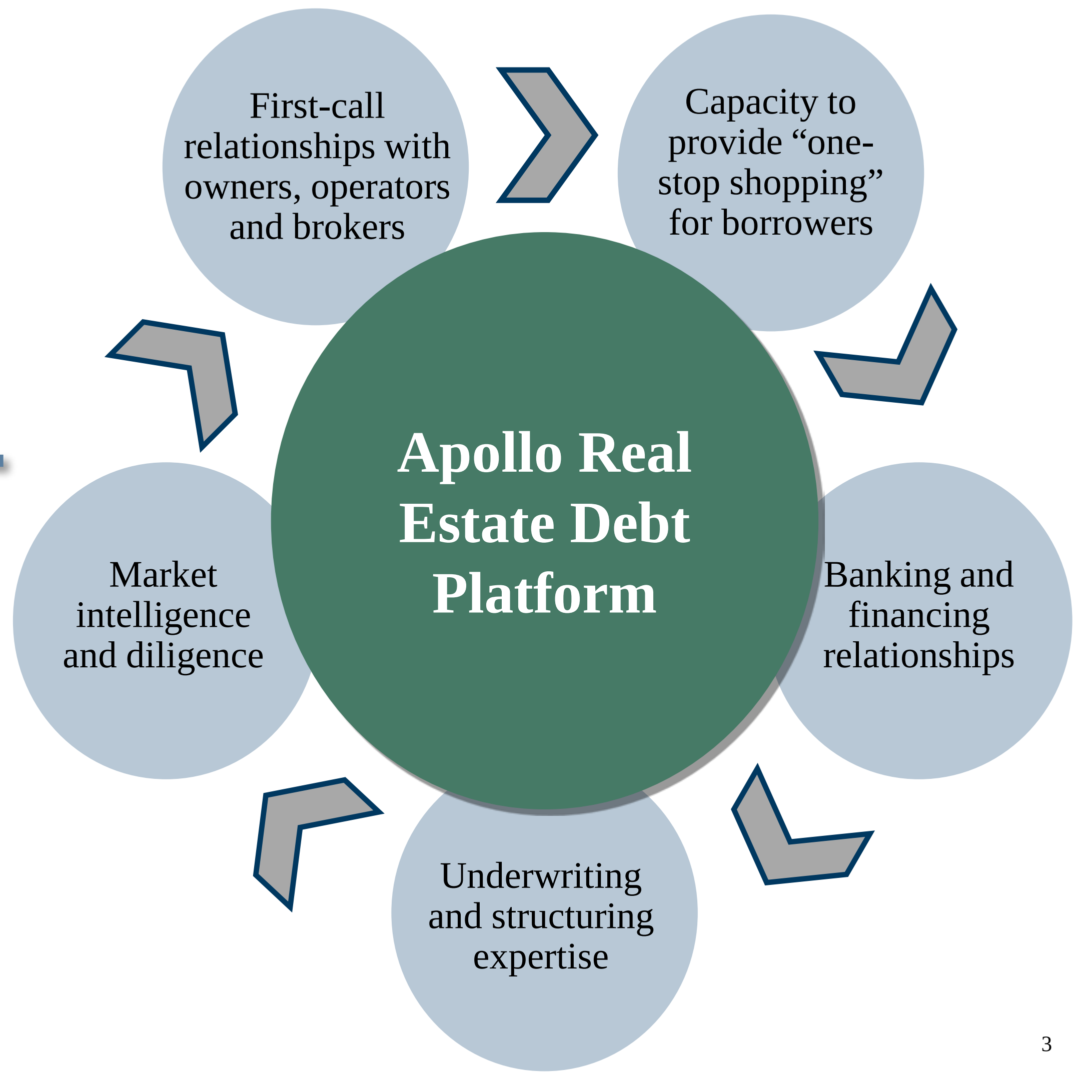
*office loans*

**$5.2bn**

*hotel loans*

**$3.4bn**

*condominium and multifamily loans*




*See footnotes on page 20*

# Investment Strategy

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## 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

# Transaction Economics

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## Illustrative First Mortgage Loan

| LTV | Illustrative $250mm Capital Stack | Total $ |
|---|---|---|
| 42% | **Repo Facility Advance: $105 Million** | $105 mm |
| 60% | **ARI Investment: $45 Million** | $150 mm |
| 100% | **Borrower's Equity: $100 Million** | $250 mm |

**L+ 5.5%**
Return on Assets

**+ Leverage**

| | |
|---|---|
| L+2.50% | All-in Cost |
| 70% | Advance Rate |
| 2.3x | Leverage Multiple |
| 2.50% | Spread |

**L+ 12.5%**
Gross ROI

**– Overhead**

| | |
|---|---|
| 1.5% | Management Fee |
| 0.4% | G&A |

**L+ 10.6%**
Imputed Core ROE

## Illustrative Subordinate Loan

| LTV | Illustrative $250 mm Capital Stack | Total $ |
|---|---|---|
| 50% | **Senior Loan: $125 Million** | $125 mm |
| 65% | **ARI Subordinate Loan: $37 Million** | $162 mm |
| 100% | **Borrower's Equity: $88 Million** | $250 mm |

**L+ 11.5%**
Return on Assets

**L+ 11.5%**
Gross ROI

**– Overhead**

| | |
|---|---|
| 1.5% | Management Fee |
| 0.4% | G&A |

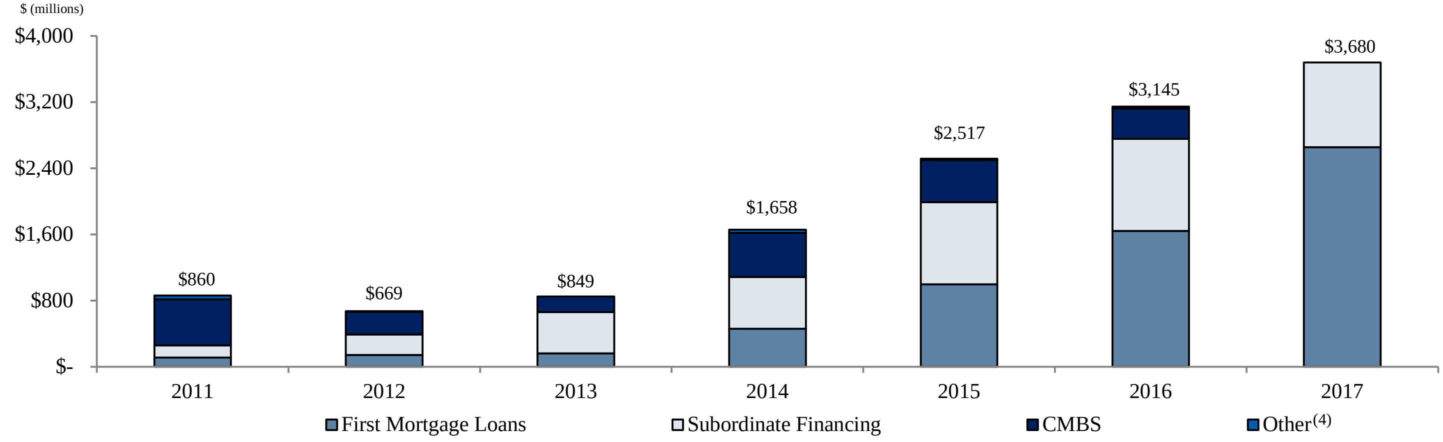
**L+ 9.6%**
Imputed Core ROE

## Target Low Double-Digit ROE's that are Positively Correlated to Increases in LIBOR

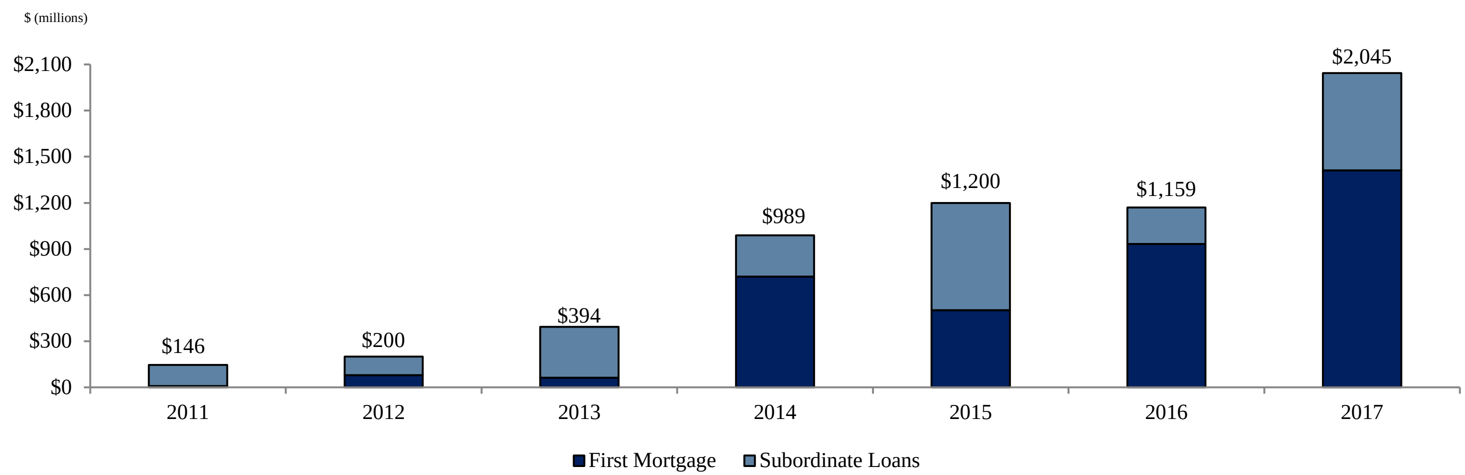
*For illustrative purposes only. Past performance is not indicative nor a guarantee of future results.*

# Portfolio Evolution

## Investment Portfolio at Amortized Cost




## Annual Loan Originations




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

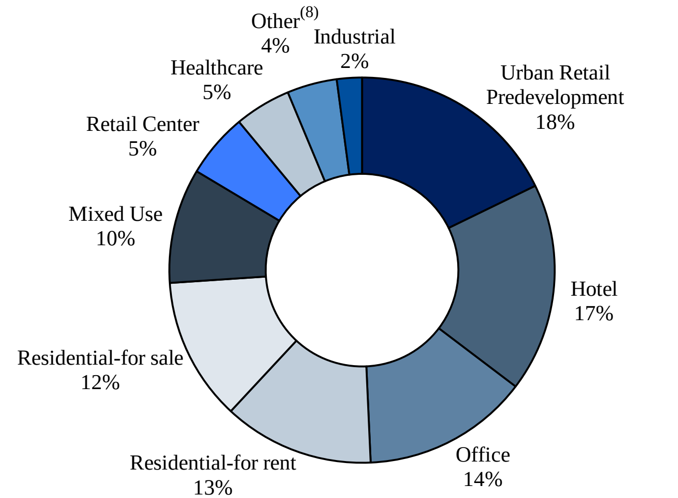
*See footnotes on page 20*

# Loan Portfolio Overview

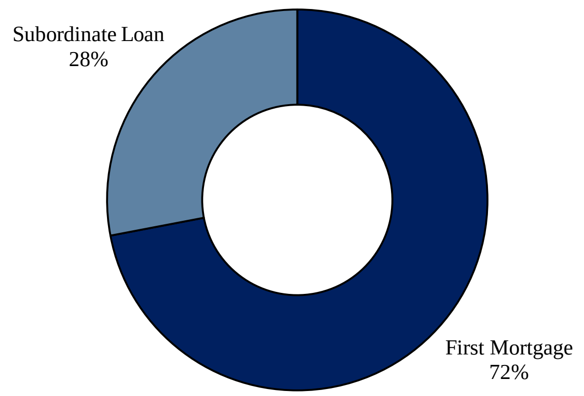
*($ in millions)*

| | 4Q17 |
|---|---|
| Number of Loans | 59 Loans |
| Amortized Cost | $3,680 |
| Net Equity at Cost | $2,335 |
| Unfunded Loan Commitments[5] | $436 |
| Weighted Average Unlevered Yield on Floating-Rate Loans [6] | L+7.4% |
| Weighted Average Unlevered All-in-Yield [6] | 9.1% |
| Weighted Average Remaining Term[7] | 2.8 Years |

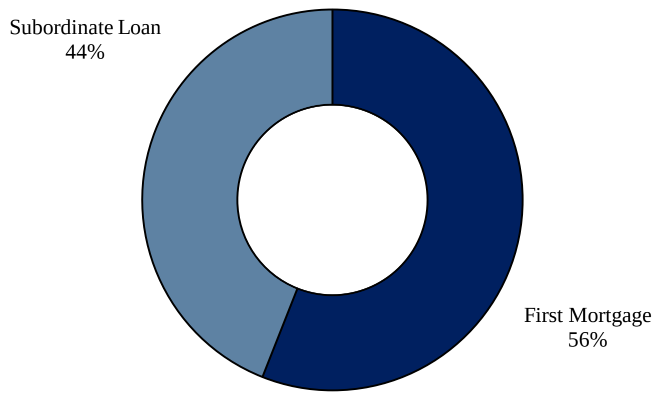
## Property Type By Amortized Cost




## Loan Position at Amortized Cost




## Loan Position by Net Equity at Amortized Cost




*See footnotes on page 20*

# Loan Portfolio Geographic Diversification

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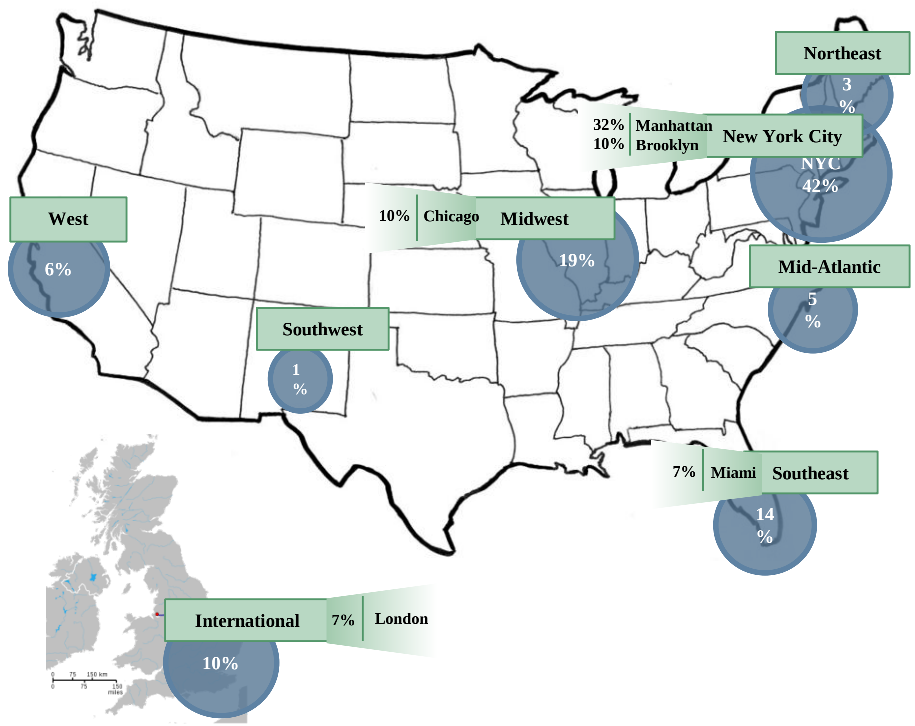
*($ in millions)*

| Property Type | Manhattan, NY | Brooklyn, NY | Northeast | Southeast | Midwest | Mid Atlantic | West | Southwest | United Kingdom | Other International | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Urban Retail Predevelopment | $65 / 2% | $128 / 3% | - | $267 / 7% | - | - | $58 / 2% | - | $137 / 4% | - | $655 / 18% |
| Hotel | 308 / 8% | - | - | 165 / 4% | 57 / 2% | 20 / 1% | 28 / 1% | 25 / 1% | - | 42 / 1% | 645 / 18% |
| Office | 134 / 4% | 75 / 2% | 30 / 1% | - | 198 / 5% | - | - | - | 78 / 2% | - | 514 / 14% |
| Residential Rental | 111 / 3% | 155 / 4% | 1 / 0% | 10 / 0% | 40 / 1% | - | 64 / 2% | 6 / 0% | 44 / 1% | 35 / 1% | 465 / 13% |
| Residential-for sale | 382 / 10% | - | - | - | - | 39 / 1% | 21 / 1% | - | - | - | 442 / 12% |
| Mixed Use | 174 / 5% | - | - | 7 / 0% | 174 / 5% | - | - | - | - | - | 355 / 10% |
| Retail Center | - | - | - | 31 / 1% | 168 / 5% | - | - | - | - | - | 199 / 5% |
| Healthcare | - | - | 9 / 0% | 35 / 1% | 14 / 0% | 35 / 1% | 36 / 1% | - | 45 / 1% | - | 174 / 5% |
| Other [8] | - | - | 16 / 0% | 13 / 0% | 22 / 1% | 96 / 3% | 7 / 0% | - | - | - | 154 / 4% |
| Industrial | - | - | 45 / 1% | 4 / 0% | 10 / 0% | 2 / 0% | 13 / 0% | 3 / 0% | - | - | 77 / 2% |
| **Total [9]** | **$1,174 / 32%** | **$358 / 10%** | **$101 / 3%** | **$532 / 14%** | **$683 / 19%** | **$192 / 5%** | **$227 / 6%** | **$34 / 1%** | **$304 / 8%** | **$77 / 2%** | **$3,680 / 100%** |




*See footnotes on page 20*

# Capital Structure

**Secured Debt Arrangements**
**$1.3 Billion**
**L+2.32% W/A Rate**

| Facility ($000s) | Maximum Size | Outstanding Balance | Maturity [11] | W/A Rate [12] |
|---|---|---|---|---|
| *Loans* | | | | |
| JP Morgan [13] | $1,393,000 | $944,529 | Mar-20 | L + 2.30% |
| DB | 566,009 | 319,286 | Mar-20 | L + 2.27% |
| Goldman[14] | 331,130 | 81,380 | Nov-20 | L + 2.73% |
| **Subtotal** | **$2,290,139** | **$1,345,195** | | **L + 2.32%** |
| **Less Deferred Financing Cost** | *N/A* | (14,348) | | |
| | **$2,290,139** | **$1,330,847** | | **L + 2.32%** |

**Convertible Notes**
**$600 Million**
**5.07% W/A Rate**

- 5.50% notes - convertible to common stock –ratio of 57.485 ($17.40 effective conversion price) and matures in March 2019
- 4.75% notes – convertible to common stock – ratio of 50.226 ($19.91 effective conversion price) and matures in August 2022

**W/ A Cost of Debt: 4.3%**

**Series B & Series C**
**Cumulative Preferred Stock**
**$341.8 Million**
**8.0% Coupon**

- Series B ($169.3mm); fixed at an 8.00% rate until September 2020 and then floating at the greater of 3m LIBOR plus 6.46% or 8.00%, callable September 2020
- Series C ($172.5mm); 8.00% rate, callable

**Equity Market Capitalization[10]**
**~$2.0 Billion**

- 107,121,235 shares issued and outstanding at December 31, 2017
- 10.1% dividend yield[1]

Debt to Common Equity Ratio [15] : 0.9x
Fixed Charge Coverage[16]: 2.8x

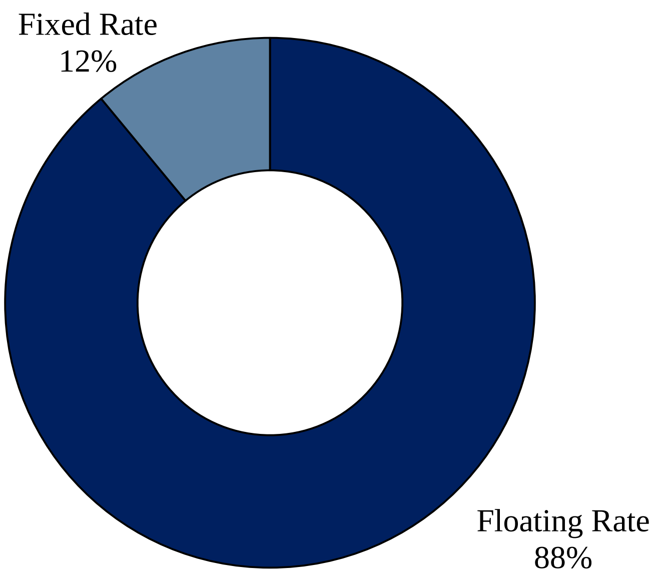
**Total Capitalization: $4.3 Billion**

*See footnotes on page 20*

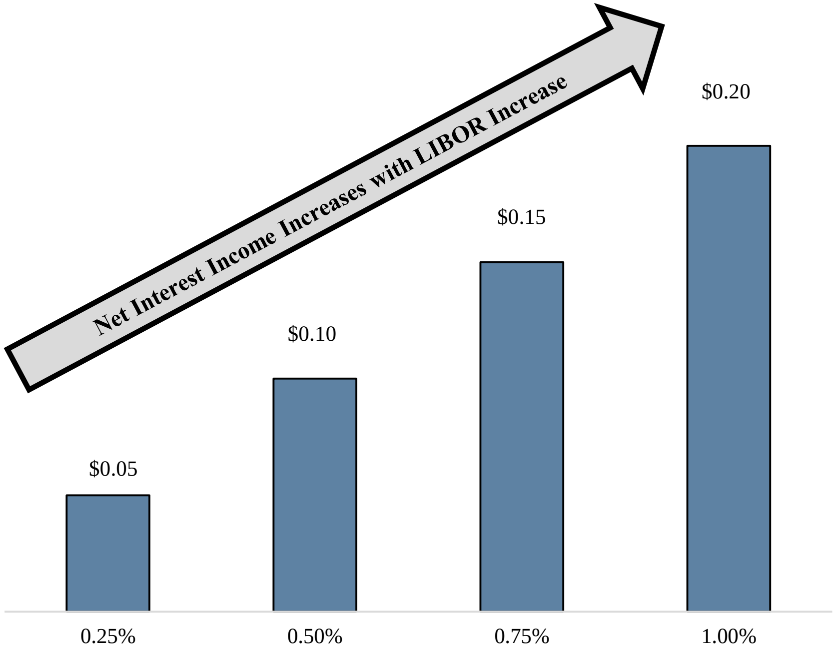
# Interest Rate Sensitivity

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

**Rate Profile of Loan Portfolio(17)**



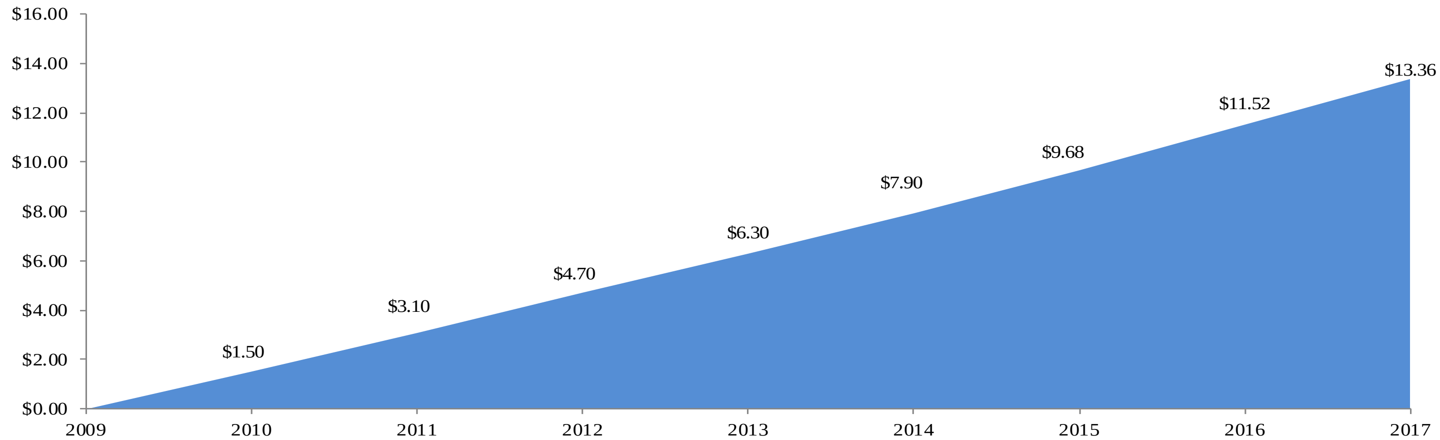

**Net Interest Income Sensitivity to LIBOR (18)**




*See footnotes on page 20*

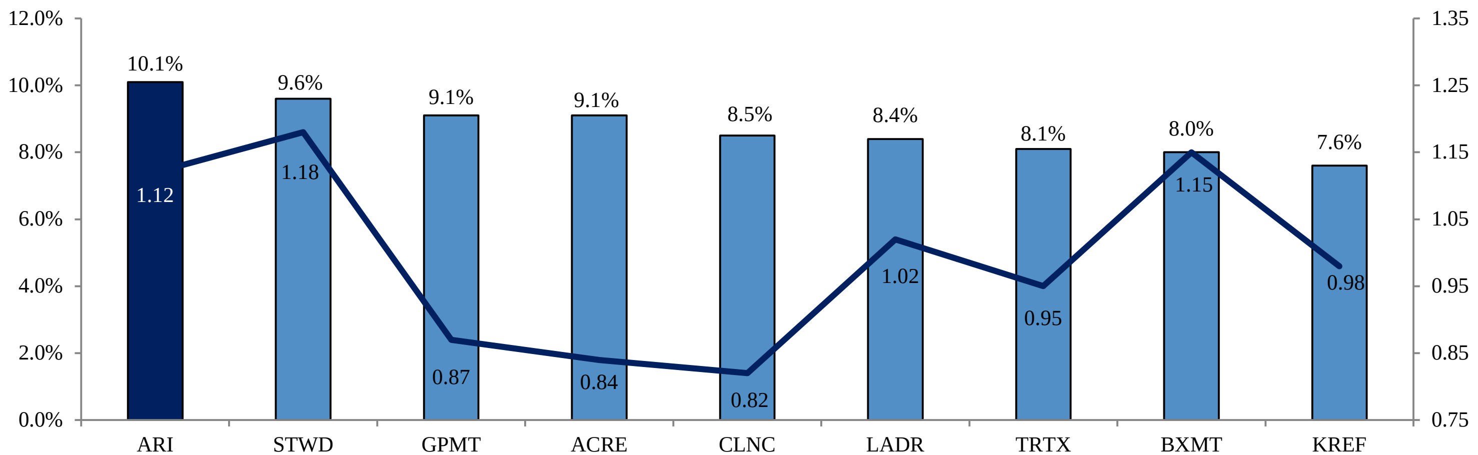
# ARI Has Distributed $688.4 Million of Dividends to Common Stock Investors Since 2010

## Cumulative Dividends per Share of Common Stock




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

## Dividend Yields and Price/Book Multiples(19)




*See footnotes on page 20*

# Investment Highlights

**Nine-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 $3.7 Billion Loan Portfolio**

**Demonstrated Ability to Access Attractively Priced Capital**

**Well Positioned for Rising Interest Rates**

**10.1% Dividend Yield[1]**

*See footnotes on page 20*

# Appendix

# Consolidated Balance Sheet

| (in thousands—except share data) | | December 31, 2017 | | December 31, 2016 |
|---|---|---|---|---|
| **Assets:** | | | | |
| Cash | $ | 77,671 | $ | 200,996 |
| Restricted cash | | - | | 62,457 |
| Securities, at estimated fair value | | - | | 331,076 |
| Securities, held-to-maturity | | - | | 146,352 |
| Commercial mortgage loans, net | | 2,653,826 | | 1,641,856 |
| Subordinate loans, net | | 1,025,932 | | 1,051,236 |
| Investment in unconsolidated joint venture | | - | | 22,103 |
| Derivative assets, net | | - | | 5,906 |
| Other assets | | 28,420 | | 20,995 |
| Loan proceeds held by servicer | | 302,756 | | - |
| Total Assets | $ | 4,088,605 | $ | 3,482,977 |
| | | | | |
| **Liabilities and Stockholders' Equity** | | | | |
| **Liabilities:** | | | | |
| Secured debt arrangements, net (net of deferred financing costs of $14,348 and $6,763 in 2017 and 2016, respectively) | $ | 1,330,847 | $ | 1,139,803 |
| Convertible senior notes, net | | 584,897 | | 249,994 |
| Participations sold | | - | | 84,979 |
| Derivative liabilities, net | | 5,644 | | - |
| Accounts payable, accrued expenses and other liabilities | | 70,906 | | 68,959 |
| Payable to related party | | 8,168 | | 7,015 |
| Total Liabilities | | 2,000,462 | | 1,550,750 |
| | | | | |
| **Stockholders' Equity:** | | | | |
| 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, 6,770,393 and 8,000,000 shares issued and outstanding ($169,260 and $200,000 aggregate liquidation preference) in 2017 and 2016, respectively | | 68 | | 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 107,121,235 and 91,422,676 shares issued and outstanding in 2017 and 2016, respectively | | 1,071 | | 914 |
| Additional paid-in-capital | | 2,170,078 | | 1,983,010 |
| Accumulated deficit | | (83,143) | | (48,070) |
| Accumulated other comprehensive loss | | - | | (3,811) |
| Total Stockholders' Equity | | 2,088,143 | | 1,932,227 |
| Total Liabilities and Stockholders' Equity | $ | 4,088,605 | $ | 3,482,977 |

# Consolidated Statement of Operations

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| *(in thousands—except share and per share data)* | Three months ended December 31, 2017 | Three months ended December 31, 2016 | Year ended December 31, 2017 | Year ended December 31, 2016 |
|---|---|---|---|---|
| **Net interest income:** | | | | |
| Interest income from securities | $ 1,219 | $ 3,901 | $ 10,466 | $ 27,586 |
| Interest income from securities, held-to-maturity | - | 2,872 | 4,132 | 11,469 |
| Interest income from commercial mortgage loans | 45,942 | 30,200 | 158,632 | 102,927 |
| Interest income from subordinate loans | 43,993 | 32,746 | 165,291 | 122,394 |
| Interest expense | (21,967) | (16,139) | (78,057) | (63,759) |
| **Net interest income** | **69,187** | **53,580** | **260,464** | **200,617** |
| **Operating expenses:** | | | | |
| General and administrative expenses (includes equity-based compensation of $3,427 and $13,314 in 2017, and $1,656 and $7,090 in 2016, respectively) | (5,138) | (3,527) | (20,725) | (24,983) |
| Management fees to related party | (8,169) | (7,015) | (31,652) | (23,388) |
| **Total operating expenses** | **(13,307)** | **(10,542)** | **(52,377)** | **(48,371)** |
| Loss from unconsolidated joint venture | - | (303) | (2,847) | (96) |
| Other income | 229 | 760 | 940 | 1,094 |
| Provision for loan losses and impairments | - | - | (5,000) | (15,000) |
| Realized gain (loss) on sale of assets | (37,575) | 4,059 | (42,693) | 3,834 |
| Unrealized gain (loss) on securities | 25,335 | 10,502 | 37,165 | (26,099) |
| Foreign currency gain (loss) | 658 | (7,359) | 18,506 | (29,284) |
| Bargain purchase gain | - | - | - | 40,021 |
| Loss on early extinguishment of debt | (1,947) | - | (1,947) | - |
| Gain (loss) on derivative instruments (includes unrealized gains (losses) of $6,103 and $(11,523) in 2017, and $877 and $2,608 in 2016, respectively) | (1,265) | 8,329 | (19,180) | 31,160 |
| **Net income** | **$ 41,315** | **$ 59,026** | **$ 193,031** | **$ 157,876** |
| Preferred dividends | (6,993) | (9,310) | (36,761) | (30,295) |
| **Net income available to common stockholders** | **$ 34,322** | **$ 49,716** | **$ 156,270** | **$ 127,581** |
| Basic and diluted net income per share of common stock | $ 0.32 | $ 0.60 | $ 1.54 | $ 1.74 |
| Basic weighted average shares of common stock outstanding | 106,721,887 | 82,670,237 | 99,859,153 | 72,371,374 |
| Diluted weighted average shares of common stock outstanding | 108,095,950 | 83,548,823 | 101,232,610 | 73,305,101 |
| Dividend declared per share of common stock | $ 0.46 | $ 0.46 | $ 1.84 | $ 1.84 |

# Reconciliation of Net Income to Operating Earnings[20]

| *(in thousands—except share and per share data)* | Three Months Ended | | | |
|---|---|---|---|---|
| | December 31, 2017 | Earnings Per Share (Diluted) | December 31, 2016 | Earnings Per Share (Diluted) |
| **Operating Earnings:** | | | | |
| **Net income available to common stockholders** | **$ 34,322** | **$ 0.32** | **$ 49,716** | **$ 0.60** |
| Adjustments: | | | | |
| Equity-based compensation expense | 3,427 | 0.03 | 1,655 | 0.02 |
| Unrealized gain on securities | (25,335) | (0.24) | (10,502) | (0.13) |
| (Gain) loss on derivative instruments | 1,264 | 0.01 | (8,329) | (0.10) |
| Foreign currency (gain) loss, net | (967) | (0.01) | 7,519 | 0.09 |
| Amortization of the Convertible Senior Notes related to equity reclassification | 1,051 | 0.01 | 599 | 0.01 |
| Loss from unconsolidated joint venture | - | - | 303 | - |
| Total adjustments: | (20,560) | (0.20) | (8,754) | (0.11) |
| **Operating Earnings[20]** | **$ 13,762** | **$ 0.12** | **$ 40,962** | **$ 0.49** |
| Realized loss and costs from sale of CMBS[21] | $ 39,522 | $ 0.37 | 1,245 | 0.02 |
| **Operating Earnings[20] excluding realized loss and costs from sale of CMBS** | **$ 53,284** | **$ 0.49** | **$ 42,207** | **$ 0.51** |
| Basic weighted average shares of common stock outstanding | | 106,721,887 | | 82,670,237 |
| Diluted weighted average shares of common stock outstanding | | 108,095,950 | | 83,548,823 |

*See footnotes on page 21*

# Reconciliation of Net Income to Operating Earnings[20]

| (in thousands—except share and per share data) | Year Ended | | | |
|---|---|---|---|---|
| | December 31, 2017 | Earnings Per Share (Diluted) | December 31, 2016 | Earnings Per Share (Diluted) |
| **Operating Earnings:** | | | | |
| **Net income available to common stockholders** | **$ 156,270** | **$ 1.54** | **$ 127,581** | **$ 1.74** |
| Adjustments: | | | | |
| Equity-based compensation expense | 13,314 | 0.13 | 7,090 | 0.10 |
| Unrealized (gain) loss on securities | (37,165) | (0.36) | 26,099 | 0.36 |
| (Gain) loss on derivative instruments | 19,180 | 0.19 | (31,160) | (0.42) |
| Foreign currency (gain) loss, net | (19,102) | (0.19) | 29,937 | 0.41 |
| Amortization of the Convertible Senior Notes related to equity reclassification | 3,046 | 0.03 | 2,344 | 0.03 |
| Income from unconsolidated joint venture | 2,847 | 0.03 | 96 | - |
| Provision for loan losses and impairments | 5,000 | 0.05 | 15,000 | 0.20 |
| Series A preferred stock redemption charge | 3,016 | 0.03 | - | - |
| Bargain purchase gain | - | - | (40,021) | (0.55) |
| Realized gain from unconsolidated joint venture | 346 | - | - | - |
| Total adjustments: | (9,518) | (0.09) | 9,385 | 0.13 |
| **Operating Earnings[20]** | **$ 146,752** | **$ 1.45** | **$ 136,966** | **$ 1.87** |
| Realized loss and costs from sale of CMBS[22] | 44,640 | 0.44 | 1,470 | $ 0.02 |
| **Operating Earnings[20] excluding realized loss and costs from sale of CMBS** | **$ 191,392** | **$ 1.89** | **$ 138,436** | **$ 1.89** |
| Basic weighted average shares of common stock outstanding | | 99,859,153 | | 72,371,374 |
| Diluted weighted average shares of common stock outstanding | | 101,232,610 | | 73,305,101 |

*See footnotes on page 21*

# Senior Loan Portfolio Overview

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| Property Type | Risk Rating | Origination Date | Amortized Cost ($MM) | Unfunded Commitment ($MM) | Fully-extended Maturity | Location |
|---|---|---|---|---|---|---|
| Urban Retail Predevelopment | 3 | 1/2016 | $222 | - | 7/2019 | Miami, FL |
| Office | 3 | 11/2017 | 181 | - | 1/2023 | Chicago, IL |
| Retail Center | 4 | 11/2014 | 168 | - | 5/2020 | Cincinnati, OH |
| Hotel (23) | 3 | 9/2015 | 139 | - | 9/2020 | Manhattan, NY |
| Mixed Use | 3 | 9/2016 | 132 | 1 | 10/2020 | Chicago, IL |
| Urban Retail Predevelopment | 3 | 3/2017 | 128 | - | 9/2018 | Brooklyn, NY |
| Mixed Use | 2 | 7/2017 | 124 | - | 6/2019 | Manhattan, NY |
| Office | 3 | 11/2017 | 120 | 127 | 12/2022 | Manhattan, NY |
| Hotel | 3 | 9/2016 | 105 | - | 8/2021 | Manhattan, NY |
| Urban Retail Predevelopment | 3 | 4/2017 | 81 | - | 9/2018 | London, UK |
| Other | 2 | 10/2016 | 80 | - | 8/2019 | Manassas, VA |
| Residential-for rent | 2 | 4/2014 | 79 | - | 4/2019 | Various |
| Office | 3 | 12/2017 | 78 | 60 | 3/2022 | London, UK |
| Hotel | 3 | 3/2017 | 72 | 5 | 3/2022 | Atlanta, GA |
| Residential-for rent | 3 | 10/2017 | 66 | - | 11/2021 | Brooklyn, NY |
| Urban Retail Predevelopment | 3 | 11/2016 | 65 | - | 12/2018 | Manhattan, NY |
| Hotel | 2 | 1/2017 | 60 | - | 1/2022 | Miami, FL |
| Residential-for rent | 3 | 11/2014 | 59 | - | 11/2021 | Various |
| Urban Retail Predevelopment | 3 | 12/2016 | 58 | 23 | 12/2020 | Los Angeles, CA |
| Hotel | 2 | 1/2017 | 57 | - | 1/2022 | St. Louis, MO |
| Urban Retail Predevelopment | 3 | 7/2017 | 56 | 25 | 4/2019 | London, UK |
| Hotel | 3 | 12/2017 | 49 | 40 | 12/2022 | Manhattan, NY |
| Residential-for rent | 3 | 11/2017 | 46 | - | 7/2018 | Brooklyn, NY |
| Urban Retail Predevelopment | 3 | 6/2015 | 45 | - | 1/2018 | Miami, FL |
| Residential-for rent | 3 | 10/2017 | 44 | - | 10/2022 | London, UK |
| Residential-for rent | 3 | 5/2016 | 43 | 3 | 6/2018 | Brooklyn, NY |
| Hotel | 3 | 12/2015 | 42 | 2 | 12/2020 | St. Thomas, USVI |
| Residential-for sale (24) | 5 | 2/2014 | 39 | - | 4/2018 | Bethesda, MD |
| Residential-for rent (24) | 5 | 11/2014 | 39 | - | 11/2019 | Williston, ND |
| Mixed Use | 3 | 7/2017 | 36 | - | 2/2019 | Manhattan, NY |
| Residential-for rent | 3 | 12/2017 | 34 | 6 | 1/2020 | Manhattan, NY |
| Hotel | 3 | 2/2017 | 34 | - | 2/2022 | Miami, FL |
| Retail Center | 3 | 2/2017 | 31 | 3 | 9/2020 | Miami, FL |
| Office | 3 | 3/2016 | 30 | 1 | 10/2018 | Boston, MA |
| Mixed Use | 3 | 7/2017 | 14 | - | 2/2019 | Manhattan, NY |
| **Sub Total - Senior Loans** | | | **$2,654** | **$296** | **2.6 Years** | |

**Weighted Average Floating Rate Yield(6) - L+5.7%    Weighted Average All-in Yield(6) – 7.4%**

*See footnotes on page 21*

# Subordinate Loan Portfolio Overview

APOLLO
COMMERCIAL REAL ESTATE FINANCE

| Property Type | Risk Rating | Origination Date | Amortized Cost ($MM) | Unfunded Commitment ($MM) | Fully-extended Maturity | Location |
|---|---|---|---|---|---|---|
| Residential-for sale | 3 | 6/2015 | $134 | - | 7/2020 | Manhattan, NY |
| Healthcare | 3 | 10/2016 | 129 | - | 10/2021 | Various |
| Residential-for sale | 3 | 2/2016 | 77 | - | 2/2021 | Manhattan, NY |
| Office | 3 | 3/2017 | 75 | - | 10/2018 | Brooklyn, NY |
| Other | 3 | 9/2017 | 74 | - | 9/2022 | Various |
| Residential-for sale | 3 | 7/2015 | 69 | - | 8/2020 | Manhattan, NY |
| Residential-for rent | 3 | 10/2015 | 55 | - | 5/2019 | Manhattan, NY |
| Residential-for sale | 3 | 11/2017 | 47 | - | 7/2020 | Manhattan, NY |
| Industrial | 3 | 6/2015 | 45 | - | 5/2020 | Long Island, NY |
| Healthcare | 3 | 1/2015 | 45 | - | 12/2019 | Various |
| Mixed Use | 3 | 1/2017 | 42 | - | 2/2027 | Cleveland, OH |
| Residential-for sale | 3 | 10/2016 | 32 | - | 11/2020 | Manhattan, NY |
| Industrial | 3 | 5/2013 | 32 | - | 5/2023 | Various |
| Hotel | 3 | 6/2015 | 25 | - | 7/2025 | Phoenix, AZ |
| Residential-for sale | 3 | 12/2017 | 21 | 34 | 4/2023 | Los Angeles, CA |
| Residential-for sale | 3 | 6/2017 | 21 | - | 12/2020 | Manhattan, NY |
| Hotel | 3 | 6/2015 | 20 | - | 7/2019 | Washington, DC |
| Hotel | 3 | 2/2015 | 20 | - | 1/2020 | Burbank, CA |
| Hotel [23] | 3 | 9/2015 | 15 | - | 9/2020 | Manhattan, NY |
| Office | 3 | 7/2013 | 14 | - | 7/2022 | Manhattan, NY |
| Office | 3 | 9/2012 | 9 | - | 10/2022 | Kansas City, MO |
| Hotel | 3 | 5/2017 | 8 | - | 6/2027 | Anaheim, CA |
| Office | 3 | 8/2017 | 8 | - | 9/2024 | Troy, MI |
| Mixed Use | 3 | 7/2012 | 7 | - | 8/2022 | Chapel Hill, NC |
| Residential-for sale | 3 | 12/2017 | 2 | 106 | 6/2022 | Manhattan, NY |
| **Sub Total - Subordinate Loans** | | | **$1,026** | **$140** | **3.3 Years** | |
| **Total Loans** | | | **$3,680** | **$436** | **2.8 Years** | |

**Weighted Average Floating Rate Yield[6] - L+12.2%    Weighted Average All-in Yield[6] – 13.5%**

**TOTAL PORTFOLIO WEIGHTED AVERAGE:**
**Floating Rate Yield[6] –L+7.4%    All-in-Yield[6] – 9.1%**

*See footnotes on page 21*

# Footnotes

APOLLO COMMERCIAL REAL ESTATE FINANCE

*(1) Based upon the $1.84 annual dividend per share of common stock and the closing stock price on March 1, 2018.*
*(2) Apollo refers to Apollo Global Management, LLC and its consolidated subsidiaries.*
*(3) "AUM" or Assets Under Management is as of December 31, 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.*
*(4) Other includes a repurchase agreement investment secured by collateralized debt obligation or CDO bonds and equity investment in Bremer Kreditbank AG ("BKB Bank").*
*(5) Unfunded loan commitments are for loans that were previously closed but have yet to be funded.*
*(6) Weighted Average Unlevered All-in-Yield and Weighted Average Floating Rate Yield reflects LIBOR at December 31, 2017 which was 1.56%. Weighted Average All-in-Yield includes the amortization of deferred origination fees, loan origination costs and accrual of both extension and exit fees.*
*(7) Weighted Average Remaining Term assumes all extension options are exercised.*
*(8) Other includes a data center and water park resorts.*
*(9) Amounts and percentages may not foot due to rounding.*
*(10) Equity market capitalization based upon shares of common stock outstanding and closing stock price on December 31, 2017.*
*(11) Assumes extension options are exercised.*
*(12) Assumes one-month LIBOR at December 31, 2017 was 1.56%.*
*(13) The debt balance as of December 31, 2017, includes $143 million of asset specific financing.*
*(14) As of December 31, 2017 the Company's secured debt arrangement with Goldman Sachs Bank USA provided for maximum total borrowings comprised of a $300,000 repurchase facility and $31,130 of a asset specific financing.*
*(15) Assumes ~$303 million of proceeds held by servicer from loan repayment are used to repay outstanding debt balance as of December 31, 2017. Represents total secured debt arrangements and Convertible Senior Notes to stockholders' equity.*
*(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 December 31, 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 price as of March 1, 2018 and the most recently declared quarterly dividend per share of common stock, annualized. Price/book is based upon the closing stock price on March 0, 2018 and the reported book value per share of common stock on December 31, 2017.*
*(20) 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 17 and 18 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.*
*(21) For the three months ended December 31, 2017, the loss from the sale of CMBS includes realized losses of $37,575 from the sale and loss on early extinguishment of debt of $1,947*
*(22) For the twelve months ended December 31, 2017, the loss from the sale of CMBS includes realized losses of $42,693 from the sale and loss on early extinguishment of debt of $1,947.*
*(23) Both loans are secured by the same property.*
*(24) Amortized cost for these loans is net of the recorded provisions for loan losses and impairments.*