

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

## Part I Reporting Issuer

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
APOLLO COMMERCIAL REAL ESTATE FINANCE, INC.		27-0467113	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
INVESTOR RELATIONS	212-822-0767	hmginsberg@apollo.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and ZIP code of contact	
3 BRYANT PARK		NEW YORK, NY 10036	
<b>8</b> Date of action		<b>9</b> Classification and description	
01/16/18,04/16/18,07/16/18,10/15/18		RETURN OF CAPITAL (NONTAXABLE DISTRIBUTION TO COMMON STOCKHOLDERS)	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
03762U105		ARI	

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► SEE ATTACHED

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**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► SEE ATTACHED

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**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► SEE ATTACHED

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**Part II** Organizational Action *(continued)*

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► SEE ATTACHED

**18** Can any resulting loss be recognized? ► SEE ATTACHED

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ► SEE ATTACHED

**Sign  
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►

Date ► 3/1/2019

Print your name ► Jai Agarwal

Title ► CFO

**Paid  
Preparer  
Use Only**

Print/Type preparer's name

JEFFREY PERRONE

Preparer's signature

Date

2/13/2019

Check ☐ if  
self-employed

PTIN

P00847435

Firm's name ► DELOITTE TAX LLP

Firm's EIN ► 86-1065772

Firm's address ► 30 ROCKEFELLER PLAZA, NEW YORK NY 10112-0015

Phone no. 212-492-4000

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

**Attachment to Form 9937**

**Apollo Commercial Real Estate Finance, Inc.  
EIN: 27-0467113**

**Consult your tax advisor regarding the tax consequences of the return of capital distributions made in 2018.**

**Part II - Organizational Action**

**Line 14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.**

Apollo Commercial Real Estate Finance, Inc. paid cash dividends on January 16, 2018, April 16, 2018, July 16, 2018, and October 15, 2018 to their common stockholders of record on December 29, 2017, March 30, 2018, June 29, 2018, and September 28, 2018. A portion of these distributions represent a non-dividend distribution.

**Line 15: Describe the quantitative effect of the organizational action based on the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.**

During calendar year 2018 Apollo Commercial Real Estate Finance, Inc. made distributions in excess of earnings and profits and these amounts are not taxable as dividends to shareholders. The amount of each distribution that is not taxable as a dividend under IRC Section 301(c)(2) on a per share basis is as follows:

<b>Distribution Date</b>	<b>Distribution Per Share</b>	<b>Per Share Amount Not Treated as Dividend</b>
01/16/2018	\$0.4600	\$ 0.0381
04/16/2018	\$0.4600	\$ 0.0417
07/16/2018	\$0.4600	\$ 0.0417
10/15/2018	\$0.4600	\$ 0.0417

These distributions are applied against and reduce the adjusted basis of the stock.

**Line 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.**

Apollo Commercial Real Estate Finance, Inc.'s earnings and profits were calculated under IRC Section 312. Apollo Commercial Real Estate Finance, Inc. made distributions to their Series B and Series C preferred shares of \$13,540,786 and \$13,800,000. Apollo Commercial Real Estate Finance, Inc.'s earnings and profits for 2018 totaled \$227,032,583. Since dividends on preferred shares are applied against E&P first, the preferred Series B & C dividends reduced the amount of earnings and profits allocable to the common shares to \$199,691,797.

In addition to the preferred dividends, \$219,588,663 dividends were paid to common shareholders. Since earnings and profits available for the common shares was

\$199,691,797, there is a return of capital of \$19,896,867 in 2018. The amount of return of capital was pro-rated evenly across the 4 distributions made in 2018.

**Line 17: List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

IRC Sections 301, 312, and 316.

**Line 18: Can any resulting loss be recognized?**

N/A

**Line 19: Provide any other information necessary to implement the adjustment, such as the reportable tax year:**

The reportable tax year is 2018.