



Arbor Realty Trust, Inc. Announces Pricing of \$100 million of 5.25% Convertible Senior Notes due 2021

June 29, 2018

UNIONDALE, N.Y., June 28, 2018 (GLOBE NEWSWIRE) -- Arbor Realty Trust, Inc. (the "Company") (NYSE:ABR) today announced the pricing of \$100 million in aggregate principal amount of its 5.25% Convertible Senior Notes due 2021 (the "Notes") in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). The Company also granted the initial purchasers of the Notes a 30-day option to purchase up to an additional \$15 million in aggregate principal amount of Notes solely to cover over-allotments on the same terms and conditions. The sale of the Notes to the initial purchasers is expected to settle on or about July 3, 2018, subject to customary closing conditions.

The Notes will bear interest at a rate equal to 5.25% per year, payable semiannually in arrears on January 1 and July 1 of each year, beginning on January 1, 2019, and will mature on July 1, 2021, unless earlier converted or repurchased. The Company will not have the right to redeem the Notes prior to maturity. The Notes will be convertible, subject to certain conditions, into cash, shares of the Company's common stock or a combination thereof, at the Company's sole election. The conversion rate will initially equal 86.9943 shares of common stock per \$1,000 principal amount of Notes, which is equivalent to an initial conversion price of approximately \$11.50 per share of common stock, representing an approximate 10% conversion premium based on the closing price of the Company's common stock of \$10.45 per share on June 28, 2018.

The Company intends to use a portion of the net proceeds to exchange approximately \$87.9 million in aggregate principal amount of its 6.50% Convertible Senior Notes due 2019 for a combination of cash and shares of the Company's common stock to be completed concurrently with the offering (the "Note Exchanges"). In connection with the Note Exchanges, the Company expects to pay approximately \$78.9 million in cash, which includes accrued interest, and issue approximately 3.4 million shares of its common stock, to settle such exchanges. The remaining net proceeds are intended to be used for general corporate purposes.

This offering was made to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The offer and sale of the Notes and the shares of the Company's common stock, if any, issuable upon conversion of the Notes have not been and will not be registered under the Securities Act or any state securities laws, and, unless so registered, the Notes and such shares may not be offered or sold in the United States or to U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall it constitute an offer, or the solicitation of any sale, of any securities in any jurisdiction in which such offer, solicitation or sale is unlawful.

About Arbor Realty Trust, Inc.

Arbor Realty Trust, Inc. (NYSE:ABR) is a real estate investment trust and national direct lender specializing in loan origination and servicing for multifamily, seniors housing, healthcare and other diverse commercial real estate assets. Arbor is a Fannie Mae DUS® Multifamily Lender and a Fannie Mae Small Loan lender, a Freddie Mac Program Plus® Seller/Service and a Freddie Mac Small Balance Loan Lender, a Fannie Mae and Freddie Mac Seniors Housing Lender, an FHA Multifamily Accelerated Processing (MAP)/LEAN Lender, a HUD-approved LIHTC Lender as well as a CMBS, bridge, mezzanine and preferred equity lender.

Safe Harbor Statement

Certain items in this press release may constitute forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements relating to the Company's expectations regarding the anticipated closing date, the consummation of the Note Exchanges and the anticipated use of the net proceeds from the offering. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The Company can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from the Company's expectations include, but are not limited to, risks and uncertainties related to the completion of the offering on the anticipated terms or at all, market conditions, the satisfaction of customary closing conditions related to the offering, and other risks detailed in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 and its other reports filed with the SEC. Such forward-looking statements speak only as of the date of this press release. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in events, conditions, or circumstances on which any such statement is based.

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