

Arbor Realty Trust, Inc. Reports Excess Inclusion Income Information Relating to 2017 Dividends

In accordance with the Internal Revenue Service guidance, Arbor Realty Trust, Inc. is required to report the portion of its 2017 dividends that are treated as excess inclusion income for federal income tax purposes. Therefore, the portion of 2017 dividends that are attributable to excess inclusion income is \$3,085,094 or 7.24% of the total common share distributions of \$42,612,112 for 2017. On a per share basis, \$.052 or 7.24% of the \$.72 dividend per share for 2017 is attributable to excess inclusion income.

Shareholders that may be required to report excess inclusion income to the Internal Revenue Service are:

- Tax-exempt shareholders that are required to report excess inclusion income as unrelated business income (commonly referred to as UBTI);
- Non-US shareholders are subject to the 30% US federal withholding tax on excess inclusion income without the reduction under any otherwise applicable income tax treaty; and
- US shareholders, including taxable entities, must report taxable income that in no event is a lower amount than their excess inclusion income. They may not use net operating losses to offset excess inclusion income.

The excess inclusion income information above should not be construed as tax advice. You should consult your own tax advisor regarding proper tax treatment of excess inclusion income.