ARBOR
ARBOR REALTY TRUST, INC.

Arbor Realty Trust Investor Presentation

November 2017

Forward-Looking Statements

Certain items in this presentation may constitute forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. 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. Arbor can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from Arbor’s expectations include, but are not limited to, continued ability to source new investments, changes in interest rates and/or credit spreads, changes in the real estate markets, and other risks detailed in Arbor’s Annual Report on Form 10-K for the year ended December 31, 2016 and its other reports filed with the SEC. Such forward-looking statements speak only as of the date of this presentation. Arbor 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 Arbor’s expectations with regard thereto or change in events, conditions, or circumstances on which any such statement is based.

Overview of our Franchise - Business Platforms

Senior management team with 30 plus years of successful operating capability in the financial services industry that are fully aligned with over 30% ownership

Balance Sheet Loan Origination & Structured Investment Platform

- Specialized real estate finance platform that invests in a diversified portfolio of structured finance assets in the multifamily and commercial real estate markets, with a focus on bridge and mezzanine loans
- Primary focus is multifamily, senior loans, which generate strong leveraged returns in a secure part of the capital stack
- $2.1 billion investment portfolio at September 30, 2017
- 88% of investment portfolio in bridge loans, with 75% of bridge loans to multifamily properties
- Small balance lending strategy is differentiated from peers – average size of ~$14 million per loan
- Industry leader in non-recourse floating rate securitization vehicles ("CLO's")
- Consistent track record of producing significant earnings from equity kickers and structured transactions

GSE (Agency) Loan Origination and Servicing Platform

- One of only 25 Fannie Mae DUS® licensed lenders nationwide, and a top 10 DUS lender for 10 straight years
- One of only 22 Freddie Mac Program Plus lenders, and the number One Freddie small balance lender as well as an Affordable Housing, and HUD originator
- Leading national multifamily agency loan origination and servicing platform with nearly 400 employees, including 20 originators in eight states with more than 20 years of experience on average
- Primary focus on small balance loans with ~$5 million average loan size
- Servicing portfolio of ~$15.6 billion as of September 30, 2017 (~48 bps servicing fee), prepayment protected, stable, long-dated income stream
- Originated $4.6 billion in loans in 2016, of which $3.8 billion were agency loans with a 5-year average growth rate of more than 20%

Significant Recent Accomplishments

- Acquired the agency platform of our manager on July 14, 2016 **and fully internalized the management structure on May 31, 2017**
- The acquisition was immediately accretive to core earnings and dividends
- **Increased dividend run rate to $0.76 per share, a 27% increase in a little over a year reflecting four increases over that time from $0.60 to $0.64, $0.64 to $0.68, $0.68 to $0.72 and $0.72 to $0.76 per share**
- **Total shareholder return of 22% thus far in 2017, 13% in 2016, and 23% annually for the last five years**
- **Record originations in 2016 of $4.6 billion, $3.8 billion from the agency business, a 22% increase over 2015 agency volume[1] ; Strong originations of nearly $4.4 billion through the first nine months of 2017**
- **Grew our servicing portfolio to ~$15.6 billion, with a w/a servicing fee of 48 basis points, a 43% increase from 2015 and a 31% increase since the agency business acquisition[1]**
- Increased our transitional balance sheet portfolio 17% in 2016 and 17% already for the first nine months of 2017
- Continued focus on new and improved non-recourse securitization vehicles closing eight CLOs since 2012, with $1.1 billion in non-recourse debt outstanding with replenishment rights[1]
- Effectively accessed accretive capital raising $100 million of 3 year convertible notes and $76 million of common equity with attractive terms

1 See growth charts and capitalization table on pages 8, 9 and 12.

Substantial Value Play

ABR's stock price trades below the Commercial Mortgage REIT peer group average:

Arbor Realty Trust (ABR)		*Peer Group Avg.* [1,2]
Price to book value of 0.94% [1]	VS.	Price to book value of 1.03%
Price to tangible book value of 1.04% [1]		~8% dividend yield
~9% dividend yield [1]		

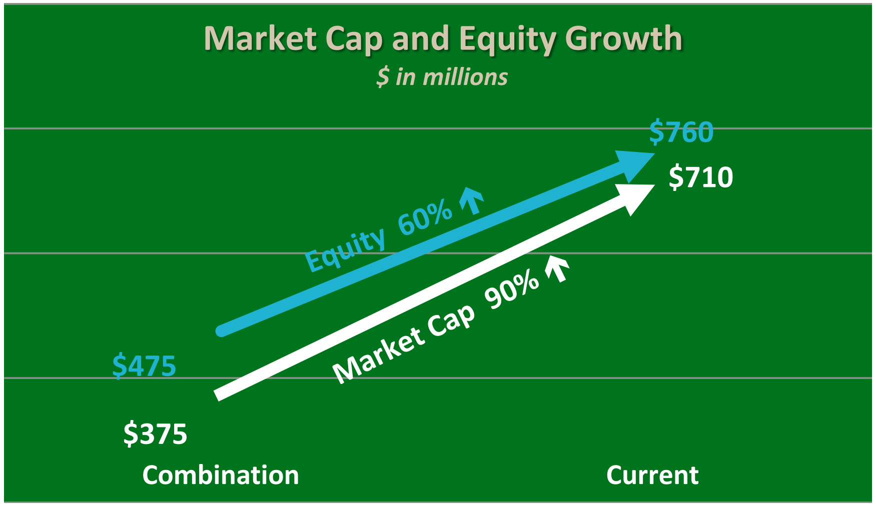
- **We believe ABR should be viewed and valued consistent with an operating franchise rather than a traditional mortgage REIT, resulting in a higher trading premium due to our significant GSE origination and servicing platform which:**
  - Generates a substantial recurring, predictable long-dated income stream through a large, mostly prepayment protected, servicing portfolio of over $15.6 billion with a w/a servicing fee of 48 basis points
  - Significantly diversifies and increases the stability and duration of our income streams, with GSE income representing ~70% of our income sources, over 50% of which is comprised of servicing income
  - Provides a very durable growth platform, while minimizing the impact of capital market and interest rate volatility
  - Contains significant escrow balances of ~$500 million earning approximately LIBOR, which will generate significant additional earnings power as interest rates rise
  - And is operated through an efficient corporate tax structure that could become even more accretive **if certain proposed corporate tax reduction plans under the Trump administration are implemented**

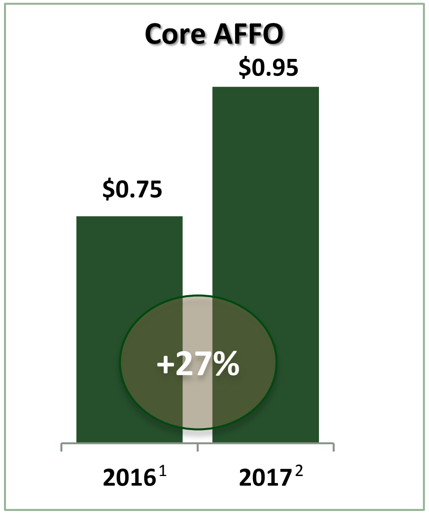
Conclusion: **We believe ABR's stock price should be in excess of $10.00 a share, due to our significant operating agency platform that generates a more predictable, stable earnings base to support the dividend, which should be valued based on similar P/E ratios as other public GSE platforms.**

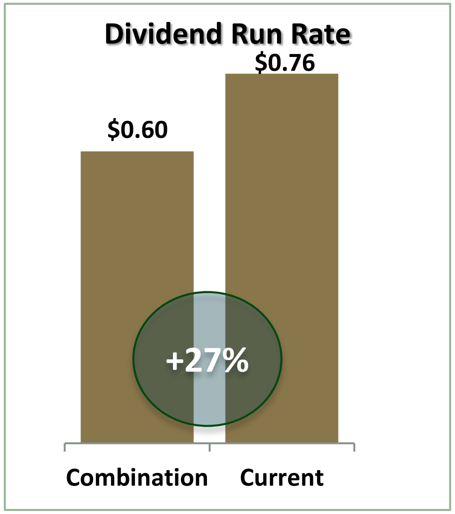
1. Based on a stock price of $8.55 on 11/3/17. 2. Source: JMP Securities LLC Aug. 7, 2017 ABR report and Thomson Reuters.

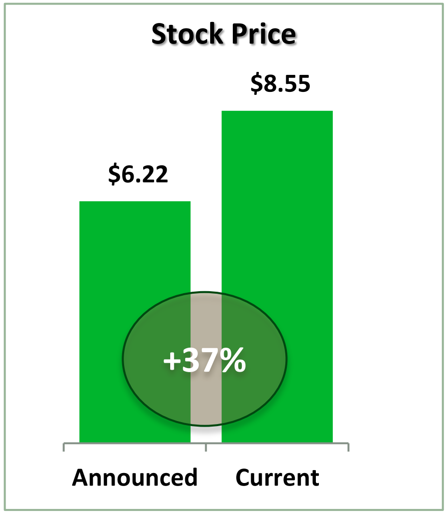
Benefits of the Combination to ART

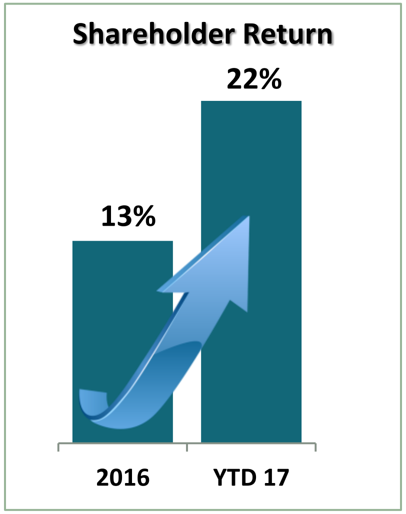
- **Immediately accretive**
- **Larger, more efficient company**
- **More stable & diversified earnings**
- **Greater access to capital**









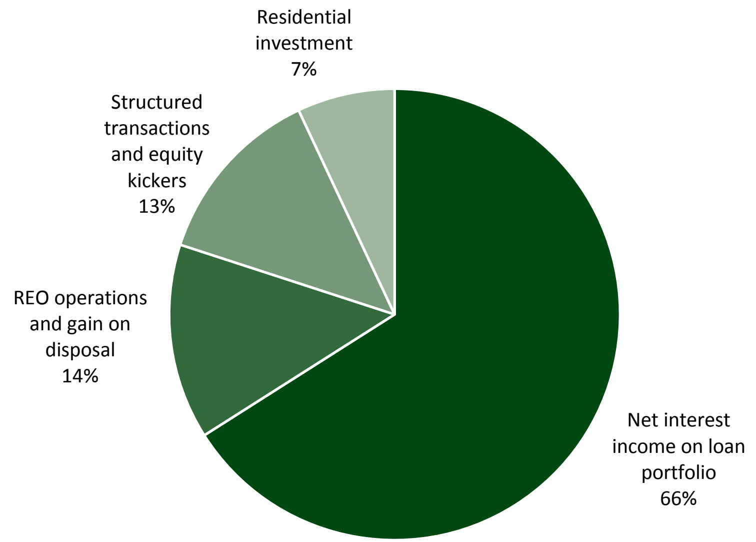


1 Amount reflects the annualized results of the first six months of 2016 prior to the combination.

2 Amount reflects the annualized results of the first nine months of 2017, which may not be indicative of the full year's results.

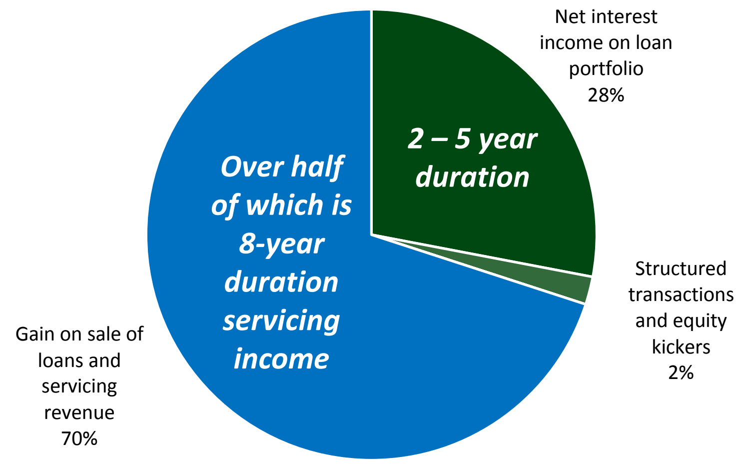
Diversification & Duration of Income Sources

2015 income sources



Total: $89.7mm

9M17 income sources



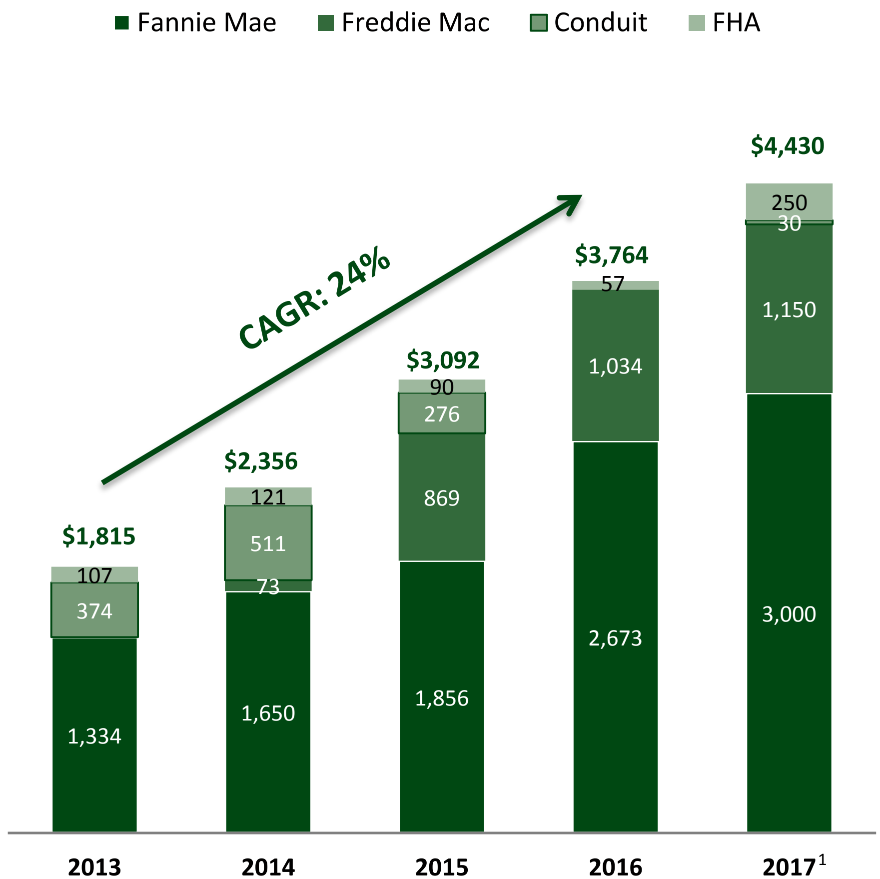
Total: $170.1mm

- **ABR significantly diversified its income sources while creating a long-dated, prepayment protected revenue stream**
  - Potential for additional benefit from increase in interest income on escrow balances due to future increases in LIBOR

GSE platform expands our product offerings and adds diversity, duration, and stability to our earnings streams

Leading, Nationwide Origination and Servicing Platform

Total Originations – GSE (Agency) Business *($ in millions)*



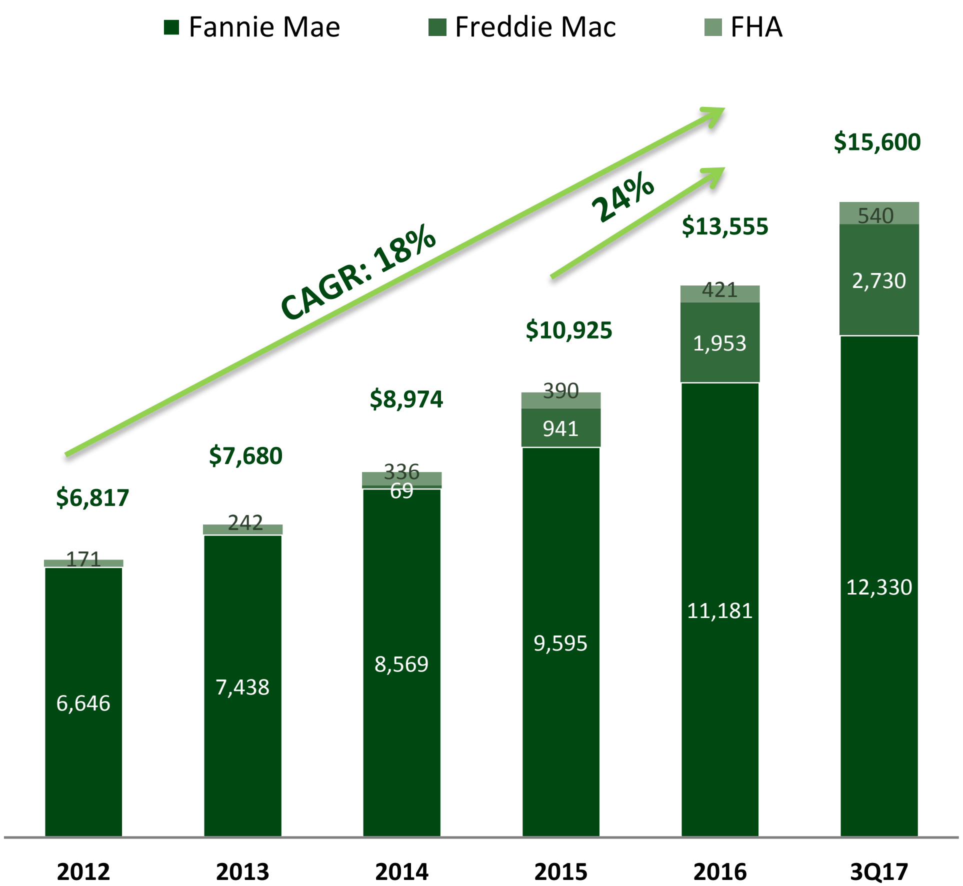
Overview of origination platform

- Operating since 1995, with originations of nearly $27 billion since inception
  - $12.9 billion in aggregate originations from 2012 – 2016 producing a 24% five year annual growth rate
  - Record 2016 originations of $3.8 billion
  - 44% growth in Fannie Mae originations in 2016
  - On pace for another record year with originations of $3.3 billion for the first nine months of 2017; annualized to $4.4 billion in chart for comparative purposes (~20% increase from 2016)
- One of only 25 licensed Fannie Mae DUS® lenders
- Top 10 multifamily DUS® lender for 10 consecutive years
- Top small balance lender for Fannie Mae in 2014, 2015 and 2016
- Number one small balance lender for Freddie Mac in 2015 and 2016
- 20 originators in eight states with more than 20 years average experience

1 Represents total originations for the first nine months of 2017 annualized, which may not be indicative of the full year's results.

Leading, Nationwide Origination and Servicing Platform

Servicing platform – Servicing portfolio growth *($ in millions)*

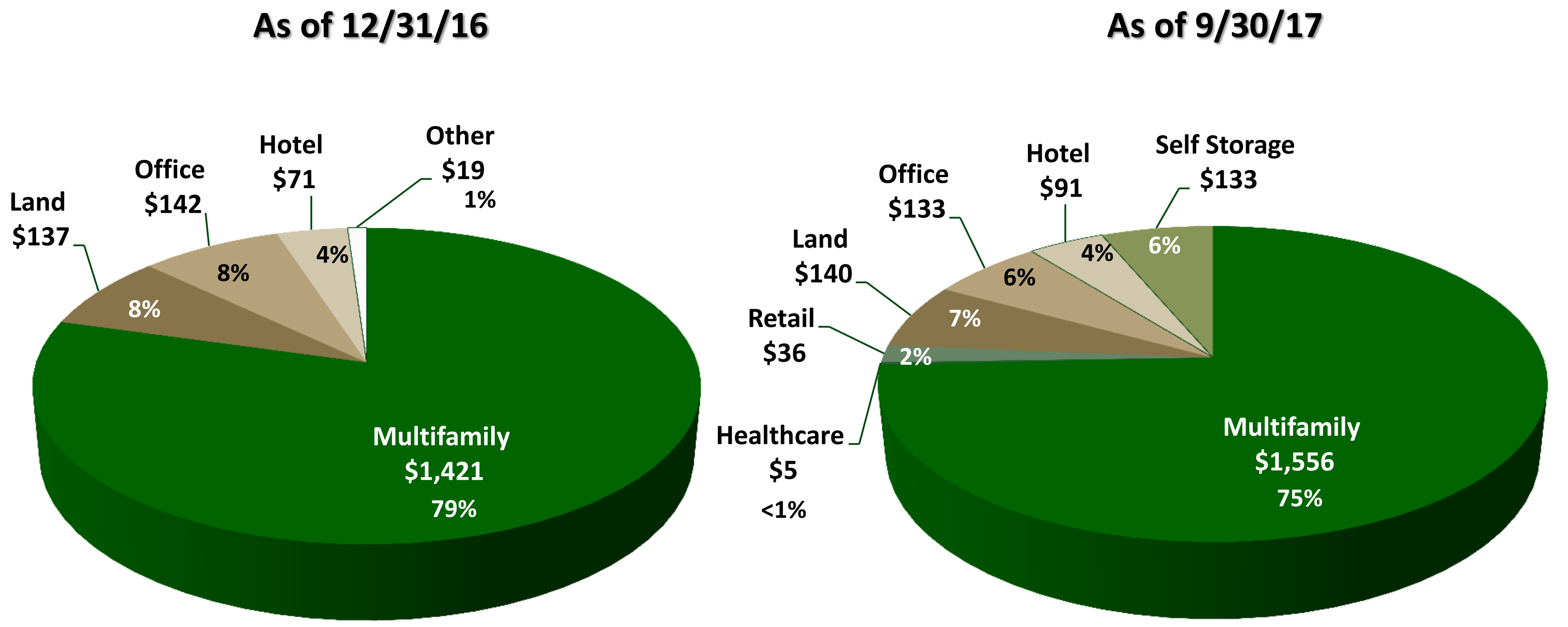


Overview of servicing platform

- ~$15.6 billion servicing portfolio at 9/30/17
  - 18% five year annual growth rate
  - 24% growth in 2016
- ~48 bps weighted average servicing fee
- Annual annuity income of approximately $75 million
- 8 years weighted average remaining life
  - Prepayment protection in commercial MSR has structural advantages compared to residential MSR
- Average loan size of ~$5 million
  - Focus on small balance ($1 - $5 million)
- 100% multifamily-focused servicing platform
- Over $500 million in escrow balances that a 1% increase in LIBOR would generate in excess of $0.04 a share in additional earnings
- Estimated fair market value of MSRs of ~$300 million

Note: All metrics shown as of 9/30/17 unless noted.

Composition by Asset Type *($ in millions)*

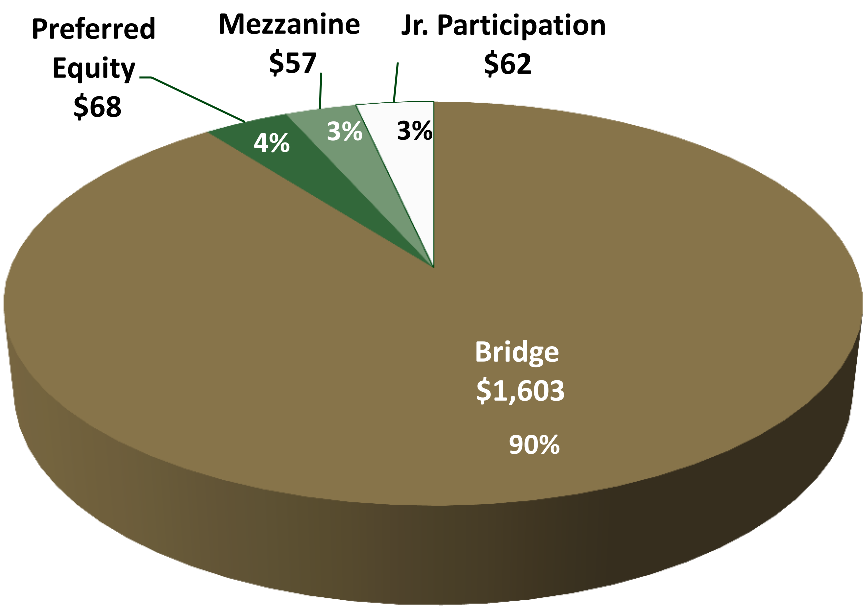


Portfolio Totals: $1,790 $2,094 17%

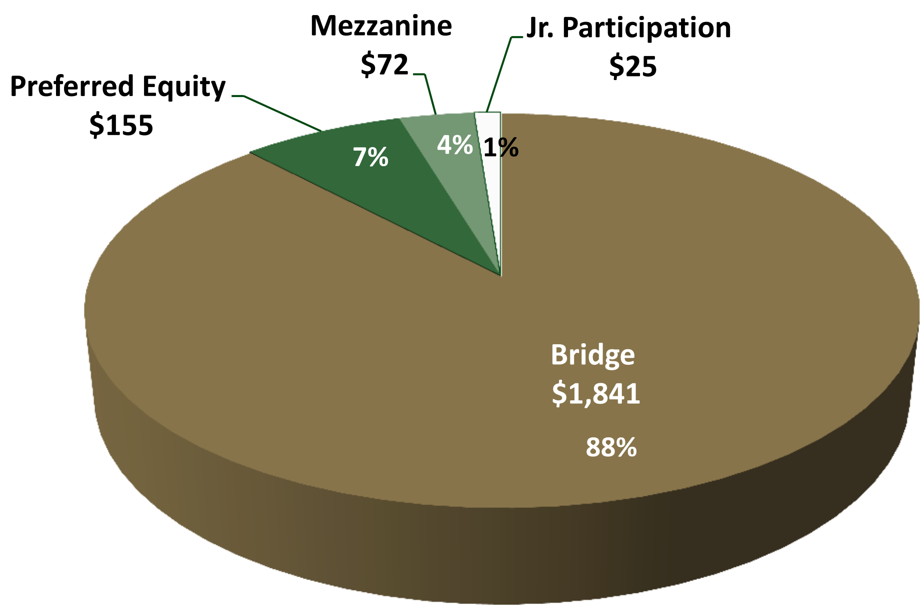
Balance Sheet Loan Portfolio Composition

Composition by Loan Type *($ in millions)*

As of 12/31/16



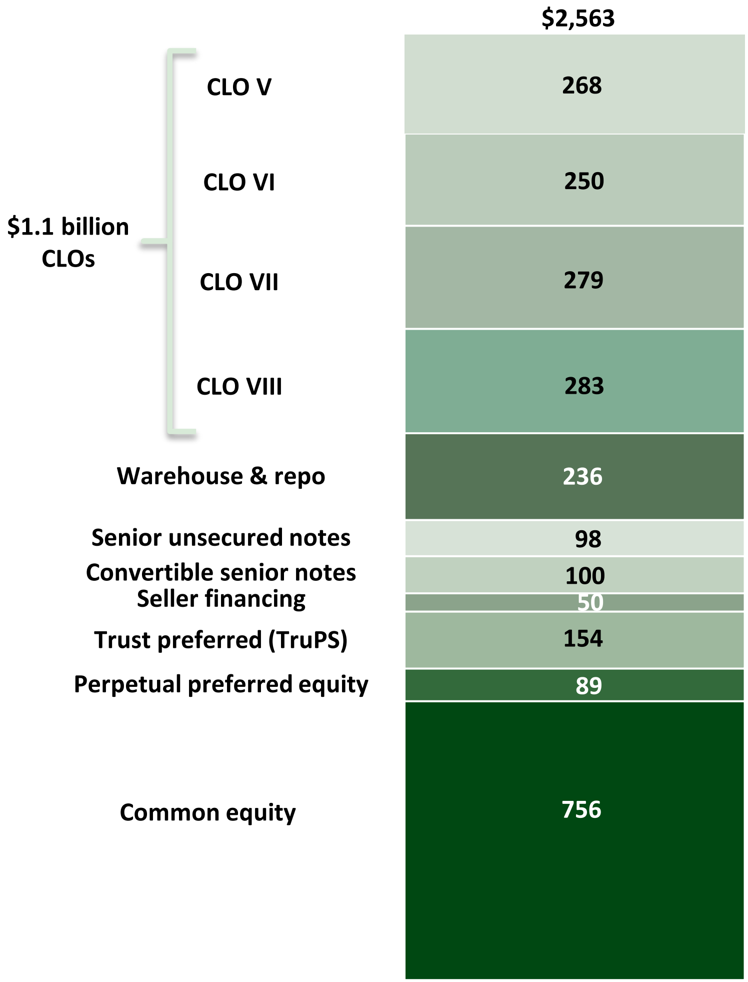
As of 9/30/17



Portfolio Totals: $1,790 $2,094 17%

Capital Structure

Capital structure ($ in millions) [1]



- Extensive experience with CRE CLOs
  - Match-funded with locked-in spreads
  - Non-recourse, 77% advance rate with long replenishment features
  - Target range of 65% to 75% of total financing (excluding TruPS)
  - CLO VII closed in April 2017 totaling $360 million with improved terms and an initial weighted average interest rate of 1.99% over LIBOR
  - CLO VIII closed in August 2017 totaling $365 million with improved terms and an initial weighted average interest rate of 1.31% over LIBOR, 68 basis points lower than CLO VII and 117 basis points lower than CLO VI
- 7 separate warehouse and repo facilities ($525 million committed)
- ~ 8% rate currently redeemable; no significant covenants
- 3 year paper, 6.5% coupon and $8.33 convert price
- 5 year paper, ~ 8% unsecured with no significant covenants
- ~30 year unsecured with no significant covenants – equity-like
- ~ 8.5% rate callable beginning February 2018 to February 2019
- Book value per common share of $9.12 as of 9/30/2017 [2]

Notes:

1 The table reflects actuals as of 9/30/17 and excludes short term debt related to our agency business as this debt is repaid within 30-45 days.

2 Based on common equity of $756 million and 82.9 million shares outstanding consisting of 61.7 million common shares and 21.2 million operating partnership units.

Financial Performance

(Amounts in 000s except per share amounts)	For the year ended December 31,			3 mos. ended			9 mos. ended
	2014	2015	2016	Mar. 2017	Jun. 2017	Sep. 2017	Sep. 2017
Net interest income	$59,869	$59,185	$53,505	$14,088	$14,057	$19,374	$47,519
Servicing revenue	-	-	30,759	20,075	21,541	24,447	66,063
Gain on sale, including fee based services, net	-	-	24,594	19,171	18,830	17,126	55,127
REO assets NOI, impairment and gains from disposals	6,388	12,212	1,811	(615)	(1,258)	85	(1,788)
Structured transactions and equity kickers	8,919	11,437	5,934	701	716	2,253	3,670
Residential mortgage banking JV income (loss)	-	6,600	9,600	62	(719)	(1,258)	(1,915)
Other income	1,645	270	542	111	731	540	1,382
Total net revenues	**$76,821**	**$89,704**	**$126,745**	**$53,593**	**$53,898**	**$62,567**	**$170,058**
Total operating expenses	31,163	36,601	70,199	34,167	34,420	38,640	107,227
Preferred stock dividends	7,256	7,554	7,554	1,888	1,889	1,889	5,666
Core AFFO	**$38,402**	**$45,549**	**$48,992**	**$17,538**	**$17,589**	**$22,038**	**$57,165**
Core earnings ROE on common equity	9.4%	9.9%	9.0%	10.6%	9.9%	11.7%	10.8%
Core AFFO per common share	$0.76	$0.89	$0.79	$0.24	$0.22	$0.26	$0.72
Dividend per common share	$0.52	$0.60	$0.64	$0.18	$0.18	$0.19	$0.57
Core earnings per share in excess of dividends	$0.24	$0.29	$0.15	$0.06	$0.04	$0.07	$0.15
Stockholders annual return	9.5%	14.2%	13.0%				21.7%
Stockholders five year return			**23.1%**				

Earnings in excess of dividends

Predictable annuity of income streams