

PRICING TERM SHEET

Arbor Realty Trust, Inc.

**\$125,000,000 aggregate principal amount of
5.375% Convertible Senior Notes due 2020 (the “notes”)**

The information in this pricing term sheet relates only to Arbor Realty Trust, Inc.’s offering (the “offering”) of its 5.375% Convertible Senior Notes due 2020 and should be read together with the preliminary prospectus supplement dated November 7, 2017 relating to the offering (the “preliminary prospectus supplement”) and the related base prospectus dated July 26, 2016, filed pursuant to Rule 424(b) under the Securities Act of 1933, as amended, including the documents incorporated by reference therein.

The information in this pricing term sheet updates and, to the extent inconsistent, supersedes the information in the preliminary prospectus supplement and the accompanying prospectus. You should read the entire preliminary prospectus supplement, accompanying prospectus and documents incorporated by reference therein carefully, especially the “Risk Factors” sections and the consolidated financial statements and related schedules and notes, before deciding to invest in our securities. Terms used but not defined herein have the meanings given in the preliminary prospectus supplement.

Issuer:	Arbor Realty Trust, Inc.
Ticker / Exchange for common stock:	ABR / New York Stock Exchange (the “NYSE”)
Title of securities:	5.375% Convertible Senior Notes due 2020
Aggregate principal amount offered:	\$125,000,000 aggregate principal amount of notes (or \$143,750,000 if the underwriters’ over-allotment option is exercised in full)
Maturity date:	November 15, 2020, unless earlier repurchased or converted
Price to public:	100% of principal amount plus accrued interest, if any, from November 13, 2017
Interest:	5.375% per annum, accruing from the Closing Date
Interest payment dates:	May 15 and November 15, beginning May 15, 2018
Interest payment record dates:	May 1 and November 1 of each year
Last reported sale price:	\$8.44 per share of the Issuer’s common stock on the NYSE on November 7, 2017
Conversion premium:	Approximately 10.00% over the Last Reported Sale Price
Initial conversion price:	Approximately \$9.28 per share of common stock
Initial conversion rate:	107.7122 shares of common stock per \$1,000 principal amount of the notes
Aggregate underwriting discount:	\$3,750,000 (\$4,312,500 if the underwriters’ over-allotment option is exercised in full)

Adjustment to conversion rate upon conversion upon a make-whole fundamental change

If and only to the extent a holder elects to convert its notes in connection with a make-whole fundamental change (as defined under “Description of notes—Conversion rights—Increase in conversion rate upon conversion upon a make-whole fundamental change” in the preliminary prospectus supplement), the Issuer will, under certain circumstances, increase the conversion rate by a number of additional shares of common stock. The following table sets forth the number of additional shares to be added to the conversion rate per \$1,000 principal amount of notes in connection with a make-whole fundamental change, as the case may be:

Stock Price

Effective Date	\$ 8.44	\$ 8.75	\$ 9.00	\$ 9.28	\$ 9.50	\$ 9.75	\$ 10.00	\$ 10.25	\$ 10.50	\$ 11.00
November 13, 2017	10.7712	9.7272	7.5315	5.4088	3.9775	2.5893	1.4425	0.5779	0.1228	0.0000
November 15, 2018	10.7712	9.2360	7.0272	4.9123	3.5034	2.1575	1.0662	0.2088	0.0000	0.0000
November 15, 2019	10.7712	8.3139	6.0297	3.8892	2.5055	1.2330	0.2536	0.0000	0.0000	0.0000
November 15, 2020	10.7712	6.5501	3.3859	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

The exact stock prices and effective dates may not be set forth in the table above, in which case:

- If the stock price is between two stock prices in the table or the effective date is between two effective dates in the table, the number of additional shares by which the conversion rate will be increased will be determined by a straight-line interpolation between the number of additional shares set forth for the higher and lower stock prices and the earlier and later effective dates, as applicable, based on a 365-day year.
- If the stock price is greater than \$11.00 per share (subject to adjustment in the same manner as the stock prices set forth in the column headings of the table above), no additional shares will be added to the conversion rate.
- If the stock price is less than \$8.44 per share (subject to adjustment in the same manner as the stock prices set forth in the column headings of the table above), no additional shares will be added to the conversion rate.

Notwithstanding the foregoing, in no event will the conversion rate per \$1,000 principal amount of notes exceed 118.4834 shares of common stock, subject to adjustment in the same manner as the conversion rate as set forth under “Description of notes—Conversion rights—Conversion rate adjustments” in the preliminary prospectus supplement.

Use of proceeds:

The Issuer estimates that the net proceeds of this offering will be approximately \$121.0 million (or approximately \$139.2 million if the underwriters’ over-allotment option is exercised in full), after deducting the underwriters’ discounts and commissions and estimated offering expenses payable by the Issuer.

The Issuer intends to use the net proceeds of this offering to

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make investments relating to its business and for general corporate purposes. The Issuer may also use a portion of the net proceeds from this offering to repay certain of its indebtedness; however, the Issuer has no current commitments or obligations to do so. Pending application of the net proceeds as described above, the Issuer intends to invest the proceeds in interest-bearing accounts and short-term interest-bearing securities that are consistent with the Issuer’s qualification as a REIT.

Trade date:

November 8, 2017

Closing/Settlement date:

November 13, 2017 (T+3)*

Joint book-running managers:

J.P. Morgan Securities LLC, JMP Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated

CUSIP / ISIN:

038923 AB4 / US038923AB43

No listing:

The notes will not be listed on any securities exchange.

* Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on the date of pricing will be required, by virtue of the fact that the notes initially will settle T + 3, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of notes who wish to trade the notes on the date of pricing should consult their own advisor.

The Issuer has filed a registration statement (including a base prospectus and a preliminary prospectus supplement) with the SEC for the offering to which this communication relates. Before you invest, you should read the preliminary prospectus supplement and the accompanying prospectus, and the information incorporated therein by reference, and other documents the Issuer has filed with the SEC for more complete information about the Issuer and this offering. You may obtain these documents for free by visiting EDGAR on the SEC web site at www.sec.gov. Alternatively, the Issuer, any joint book-running manager or any dealer participating in the offering will arrange to send you the preliminary prospectus supplement and the accompanying prospectus if you request them by contacting J.P. Morgan Securities LLC, Attention: Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717, or by telephone at (866) 803-9204, or by email at prospectus-eq_fi@jpmchase.com; JMP Securities LLC, 600 Montgomery Street, 10th Floor, San Francisco, CA 94111, Attention: Prospectus Department, or by telephone at (415) 835-8985; or BofA Merrill Lynch, NC1-004-03-43, 200 North College Street, 3rd Floor, Charlotte, NC 28255-0001, Attention: Prospectus Department, or by email at dg.prospectus_requests@baml.com.

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