



ARBOR

ARBOR REALTY TRUST, INC.

ARBOR REALTY TRUST INVESTOR PRESENTATION

CONFIDENTIAL

November 2022

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, including information about possible, anticipated or assumed future results of our business, our financial condition, liquidity, results of operations, plans and objectives. 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 Realty Trust, Inc. (“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, changes in economic conditions generally, and the real estate markets specifically, in particular, due to the uncertainties created by the COVID-19 pandemic, continued ability to source new investments, changes in interest rates and/or credit spreads, and other risks detailed in Arbor’s Annual Report on Form 10-K for the year ended December 31, 2021 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.

This presentation includes certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalent. For example, other companies may calculate such non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of these non-GAAP financial measures as tools for comparison. Additionally, as required by Regulation G, a reconciliation of distributable earnings to net income, the most directly comparable GAAP measure, is available in our SEC Filings.

Arbor Realty Trust

Company Overview

- Internally managed **multifamily focused** REIT with a **unique annuity-based business model** creating multiple **high quality** long-dated income streams from **one investment** through diverse product lines:
 - **Balance sheet** loan origination – strong risk-adjusted returns; drives GSE/Agency/APL pipelines
 - **GSE/Agency & Private Label** loan origination – capital light; significant earnings and cash flows with a high barrier to entry
 - **Servicing** – ~\$27B portfolio; generates significant prepayment protected annual income stream of ~\$115M with 9-year w/a remaining life
 - **SFR** – Proprietary single-family rental portfolio platform providing bridge, permanent and build-to-rent lending products, which also drives GSE/Agency/APL pipelines
- Best-in-class highly aligned management team with significant ownership (~12%)

Recent Highlights

- Generated distributable earnings of **\$0.56 per share** in 3Q22, which is \$0.16 in excess of our current dividend, representing a **payout ratio of 71%**
- 10 straight years of **dividend growth**; 10 consecutive quarters, a 33% increase, with the **lowest payout ratio** in the industry – annualized dividend of \$1.60
- 9M22 originations of \$8.9B
- Record originations of \$16.1B in 2021, **up 76% from 2020**
- Industry **leading total shareholder return** over 1,3 & 5-year periods ended 12/31/21*
 - 1 Yr. – 39%
 - 3 yr. – 119% (30% annualized)
 - 5 Yr. – 221% (26% annualized)
- Our **17.7% ROE** in 9M22 is unmatched in our industry
- Continued to **strengthen funding sources** in 9M22:
 - Closed three securitizations totaling \$3.6B
 - Increased warehouse capacity by \$1.7B
 - Raised ~\$400M through equity/debt offerings (\$1.9B in 2021)

NOTE: All amounts in this presentation are as of 9/30/22 unless otherwise noted.

*Assumes no reinvestment of the common dividend.

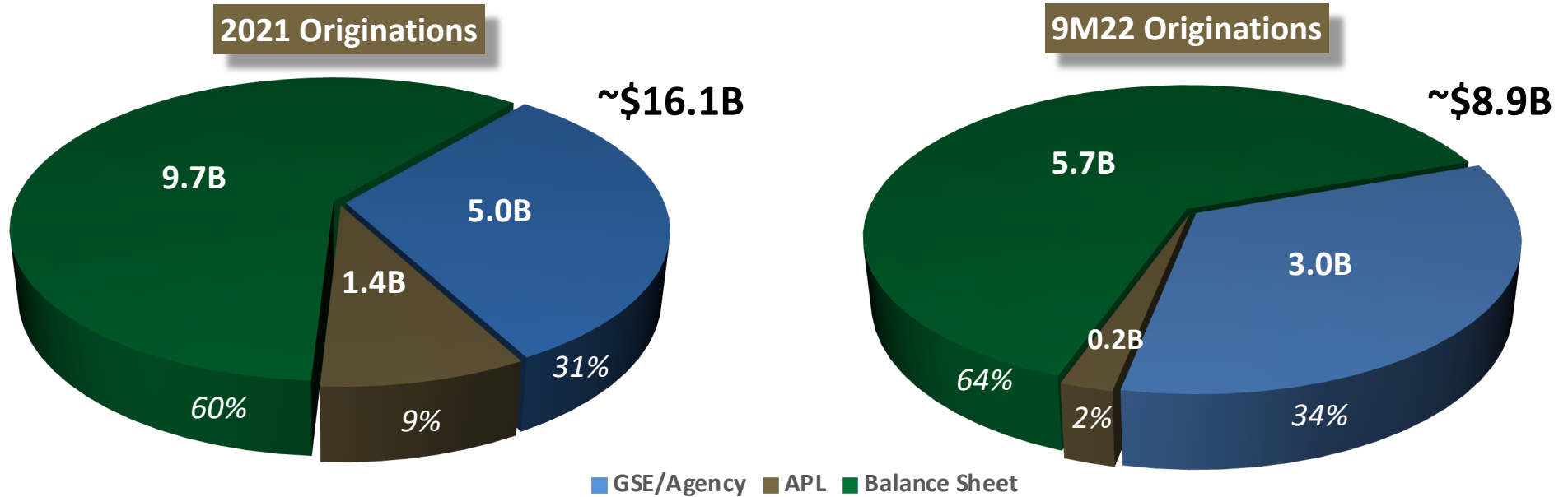
Differentiated Business Platform

Diverse business model offers several strategic advantages

- Premium operating platform with multiple products that produce many diverse income streams allowing us to generate strong earnings in all cycles
 - Primarily focused on **multifamily** asset class
 - Very stable liability structures
 - Over **\$8 billion** in non-recourse, non-mark to market CLO debt
 - CLOs represent **nearly 70%** of our outstanding secured indebtedness, with average pricing of **1.63%** over LIBOR/SOFR which is below the current market, which will drive higher levered returns going forward
- Well capitalized with **~\$500 million¹** in cash and liquidity currently on hand
 - An additional **~\$375 million¹** of deployable cash in our CLO vehicles
 - Over **\$2.5 billion** of availability in our structured warehouse lines
 - Provides us with the unique ability to remain offensive and take advantage of the many opportunities that we expect will exist during this economic downturn to generate superior returns on our capital
- Successfully operated through multiple cycles with a very seasoned and experienced asset management team
- Our financial results benefit greatly from rising interest rates, which will substantially increase the net interest income on our loan book, as well as earnings on our escrow balances
 - **~\$2 billion** of escrow balances earning 2.70% as of 9/30/22 for annualized run rate of \$54 million in escrow revenue, **up \$29 million** from 6/30/22
 - Structured loan book is **97% floating rate** and will benefit considerably from rising rates
 - ✓ Increase of **\$0.10 per share** annually assuming a **1%** rise in LIBOR/SOFR versus 9/30/22
 - ✓ Both LIBOR and SOFR have already increased significantly from 9/30/22

1. As of 10/31/22.

Highly Diversified Originations Platform



- **\$16.1 billion** of volume in 2021 represents a **76% increase** over our record 2020 volume of \$9.1 billion
- Strong 9M22 balance sheet origination volume
 - Projecting ~\$200 million per month in 4Q22 with superior credit quality and higher spreads
 - **Substantially higher levered returns** as we utilize our low-cost CLOs
 - Average CLO cost of **1.63%** over LIBOR/SOFR, which is below the current market

Average Duration:

GSE/Agency & APL – Predominately 10-year fixed-rate loans; includes long-dated prepayment protected servicing income creating a significant annual annuity

Balance Sheet – three to five years on average; feeds pipeline of future GSE/Agency & APL originations

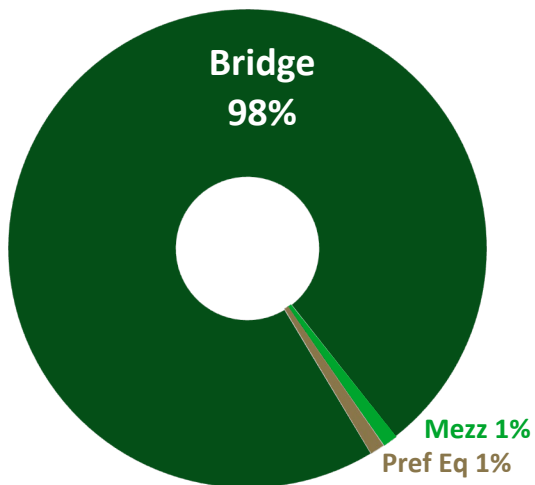
Balance Sheet Loan Portfolio Composition

- ✓ **Primary focus on stable multifamily, senior loans**
- ✓ **Generates strong leveraged returns**
- ✓ **Geographically diversified**
- ✓ **Balance Sheet business drives GSE/Agency & APL pipelines**

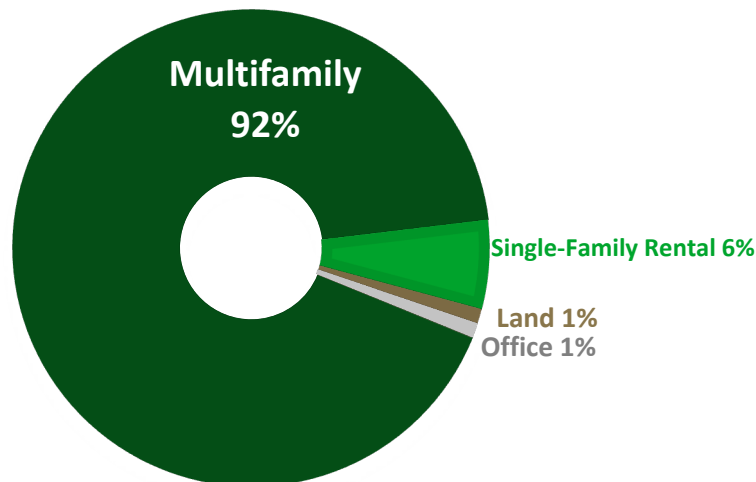
Portfolio Overview

Total Portfolio	\$15.0B
As of:	09/30/2022
➤ Average Loan Size	\$20.2M
➤ W/A Loan-to-Value	76%
➤ Allowance for Credit Losses (CECL)	<1%
➤ W/A Mos. to Maturity	22.5
➤ W/A Mos. to Maturity w/ext. option	40.0

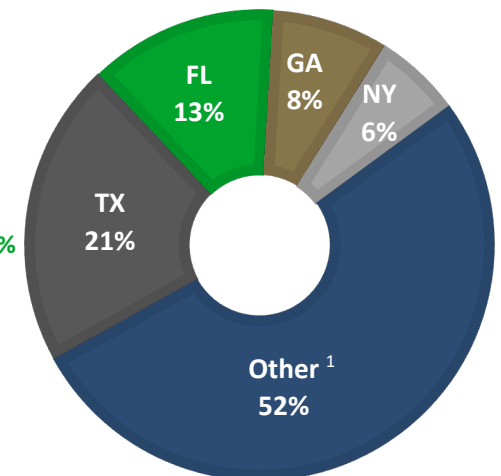
Loan Type



Asset Class



Geographical Location



1. No other individual state represented 6% or more of the total.

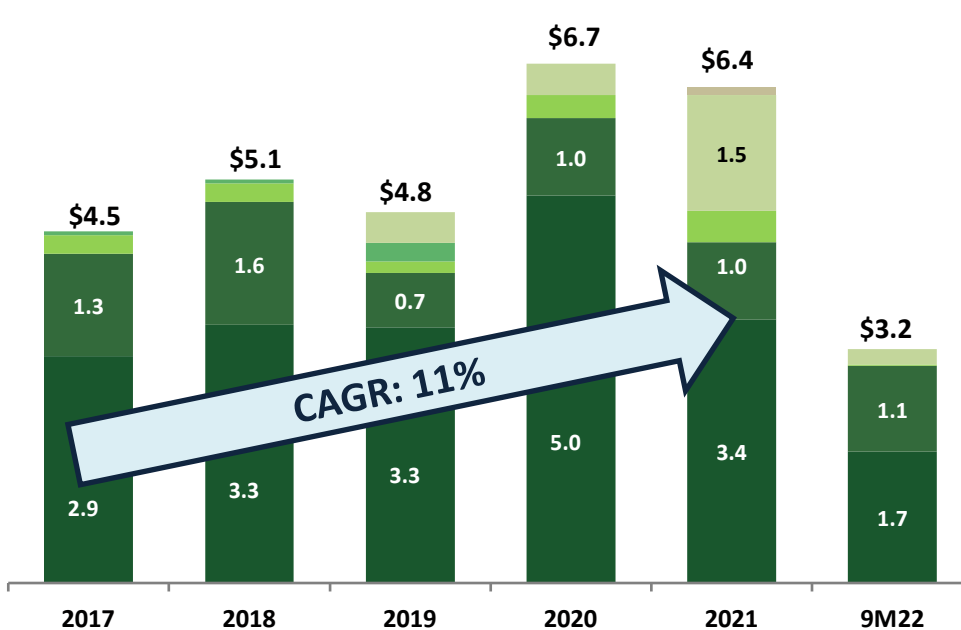
Leading Nationwide Origination and Servicing Platform

- ~\$54B of GSE/Agency originations since inception in 1995
- Highly scalable and difficult to replicate platform
- Focus on small balance loans (\$1M-\$9M) with average size of ~\$8M
- Industry leading performance with few delinquencies and forbearances to date

- ~\$27B servicing portfolio, 100% focused on multifamily
- Generates significant prepayment protection income stream of ~\$115M annually with 9 yr. w/a remaining life
- ~\$2B fee-earning escrow balances
- ~\$531M estimated fair market value of MSR¹

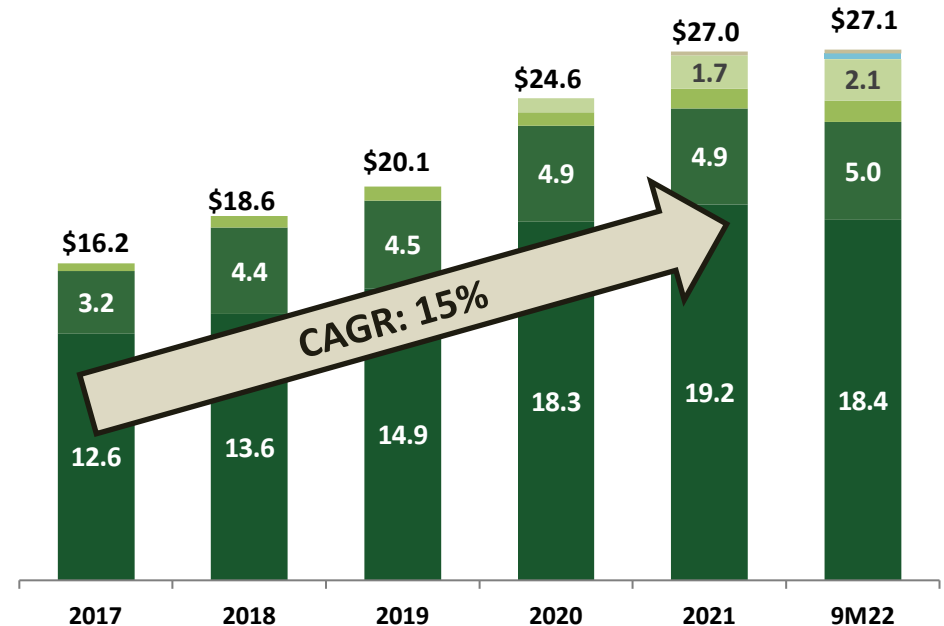
Total Agency Originations (\$ in B)

■ Fannie Mae ■ Freddie Mac ■ FHA ■ Conduit ■ Private Label ■ SFR



Agency Servicing Portfolio (\$ in B)

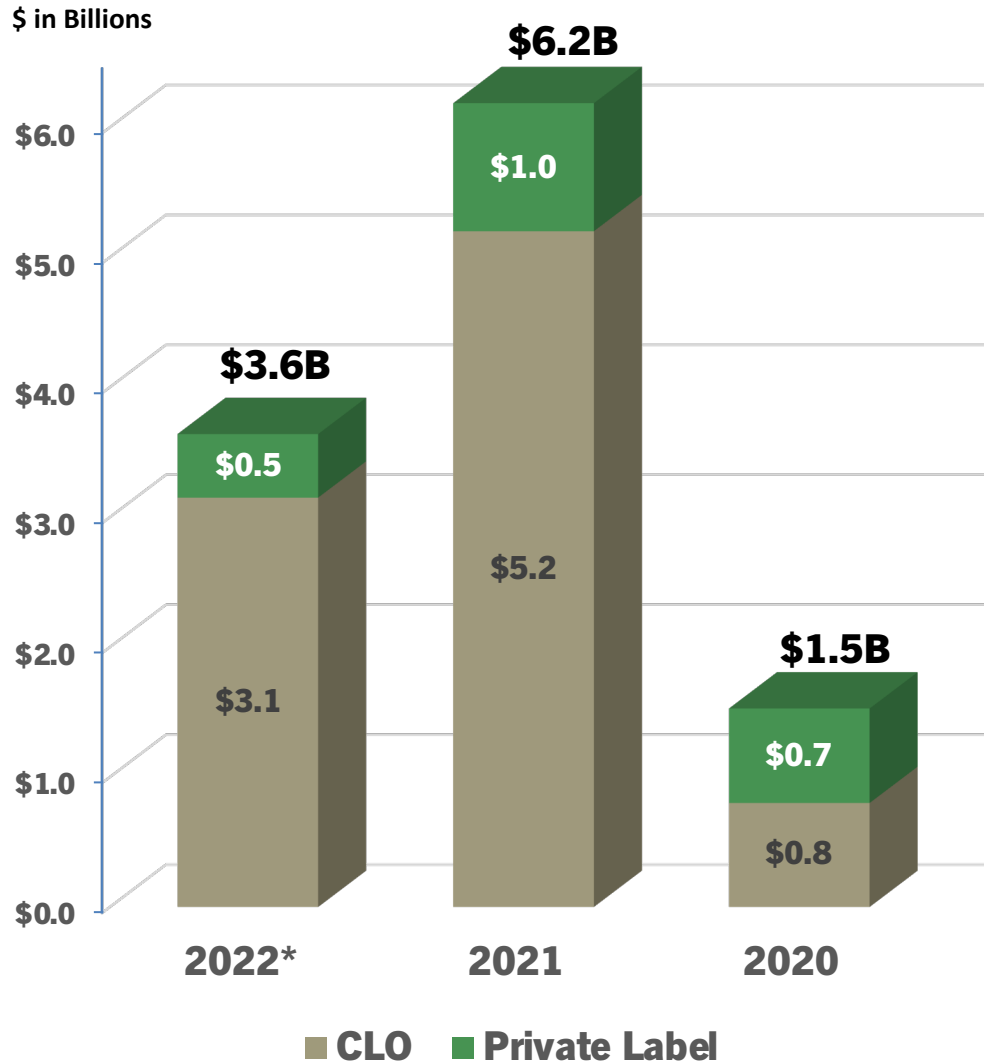
■ Fannie Mae ■ Freddie Mac ■ FHA ■ Private Label ■ Bridge ■ SFR



1. Mortgage servicing rights valued as of 9/30/22.

Industry Leading Securitization Platform

Assets Securitized



Platform Highlights

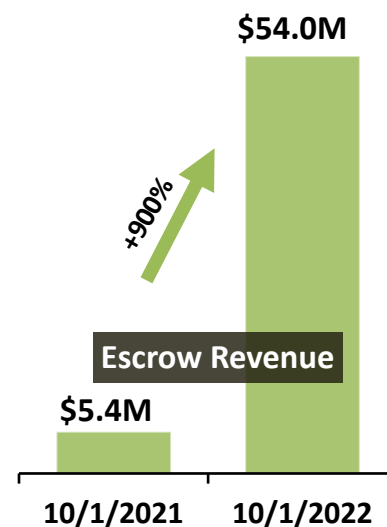
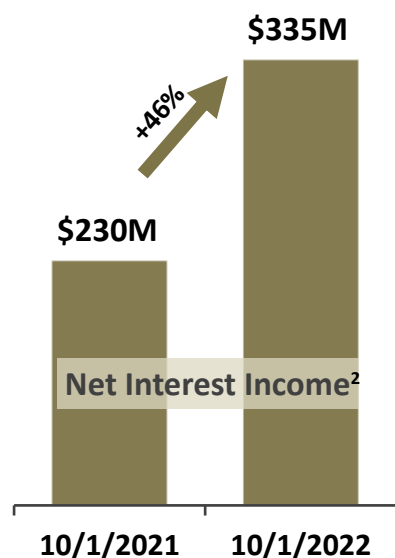
- Extensive in-house securitization experience closing 26 CRE securitizations totaling \$16.0 billion in assets
- \$11.6 billion of outstanding securitizations as of September 30, 2022:
 - CLO – \$9.4 billion
 - Private Label – \$2.2 billion
- History of strong performance and execution demonstrating the strength of our securitization platform
- Closed three securitizations in 9M22 totaling \$3.6 billion

* For the nine months ended September 30, 2022.

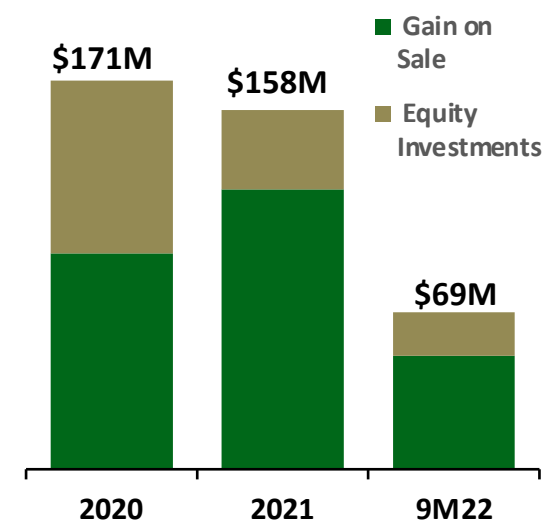
Annuity Based Business Model Drives Diversified Income Streams

Our diversified income streams provide a strong baseline of high-quality predictable earnings

Significant Long-dated, Predictable Annual Cash Flow¹



Other Diversified Platform Income Sources



Based on:	10/1/21	10/1/22
Asset Bal.	\$9.2B	\$15.0B
Asset Rate ³	4.97%	7.19%
Debt Bal.	\$8.6B	\$13.9B
Debt Rate ³	2.64%	5.33%

Based on:	10/1/21	10/1/22
Servicing Portfolio	\$26.2B	\$27.1B
Servicing Rate	0.457%	0.424%

Based on:	10/1/21	10/1/22
Escrow Balance	\$1.8B	\$2.0B
Escrow Rate	0.30%	2.70%

	2020	2021	9M22
Gain on Sale	\$95M	\$123M	\$50M
Equity Investments	\$76M	\$35M	\$19M

1. Annualized based on September 30, 2021 and 2022 portfolio and debt balances, which may not be indicative of actual results.

2. Structured only; does not include interest income from Agency loans held for sale.

3. Asset and debt rates reflect "all in" amounts, which include certain fees and costs.

Diversified Platform with Significant Opportunities

Structured Loan Business

- We have meaningfully grown our balance sheet loan business driven by our proprietary relationships and our expertise in structured loans
 - Grew our loan book 122% in 2021, 28% in 2020, and 30% in 2019
 - Already grew our loan book by 23% in first nine months of 2022
 - Drives GSE/Agency & Private Label pipelines
 - 97% variable rate loan book (based on LIBOR & SOFR); a 1% increase in these rates would produce **\$0.10 per share** annually in additional earnings

GSE/Agency Business

- We believe that the GSE/Agency segment will continue to be a significant portion of the overall mortgage loans market. We had a record year in 2020 and another strong year in 2021
- Strong footprint with heavy focus on workforce housing and demonstrated ability to grow market share in stable GSE/Agency segment
- ~\$2B in escrow balances currently earning 2.70%; expected to increase meaningfully as index rates rise

Single-Family Rental Platform

- Proprietary **Single-Family Rental** portfolio platform provides for significant opportunity in one of the fastest-growing asset classes in a market that is as big as multifamily
 - Produced over \$900M in 2021; over \$800M in 9M22
 - Drives GSE/Agency & Private Label pipelines

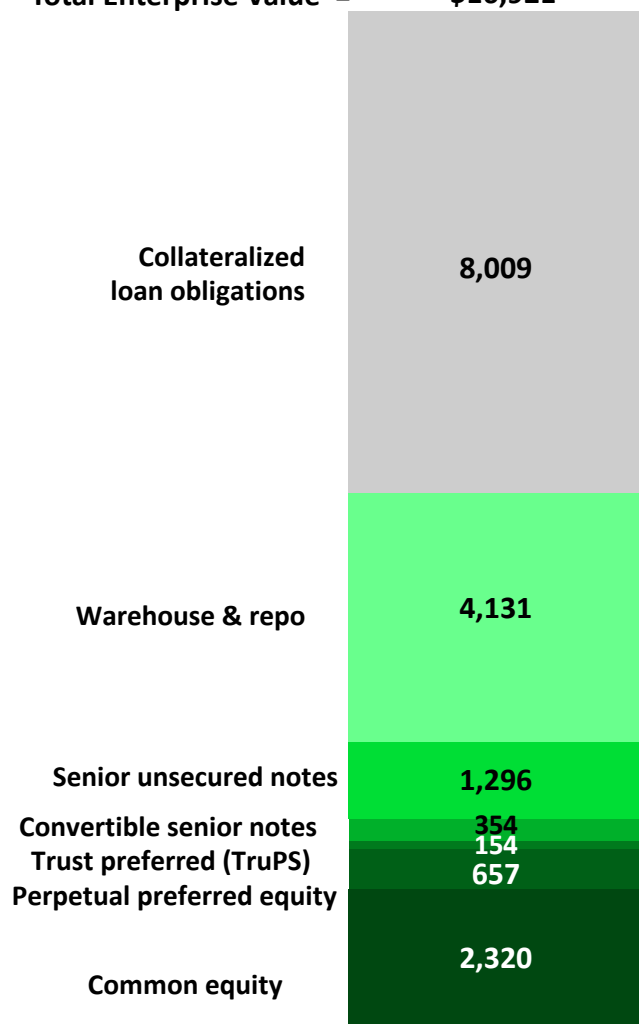
Private Label Program

- **Arbor Private Label loan program** is another complimentary loan product to our existing line of agency loan products which provides our clients with added flexibility and additional options
 - Completed 4 securitizations to date totaling \$2.2B, including a ~\$500M securitization in 1Q22

Highly Diversified Capital Structure

Capital Structure (\$ in M)

Total Enterprise Value = \$16,921



- Extensive experience with CRE CLOs
 - 8 outstanding nonrecourse CLOs
 - Match-funded with locked-in spreads
 - Wtd. average advance rate of 82.5%, with 2- to 4-year replacement periods


~\$12B of which ~66% is non-recourse, non-mark-to-market, long-dated CLO debt with average pricing of 1.63% (w/o fees) over LIBOR/SOFR, which is well below current market rates

- 19 separate warehouse and repo facilities (\$6.7B committed) ¹
- 5.04% wtd. average coupon rate, no significant covenants
 - \$900M, matures in 2026-2028; \$396M, matures in 2023-2024 ²
- 6.99% wtd. average coupon rate, no significant covenants
 - \$288M, matures in 2025; \$66M, matured in November 2022
- ~30 year unsecured with no significant covenants – equity-like
- \$427M, 6.25% rate; \$230M, 6.375% rate

1. Excludes Agency debt due to its short-term nature.

2. Does not include October 2022 issuance of \$150 million of 8.50% Senior Notes due October 2027. The proceeds were used to repurchase a portion of our 5.625% Senior Notes due April 2023 and for general corporate purposes.

Financial Performance

(Amounts in 000's, except per share amounts)	Year Ended			Quarter Ended	Quarter Ended	Quarter Ended	YTD
	2019	2020	2021	Mar-2022	Jun-2022	Sep-2022	Sep-2022
Net interest income	129,541	170,249	254,082	84,139	94,261	99,325	277,725
Servicing revenue	125,647	120,365	166,170	48,723	48,339	49,299	146,361
Gain on sale, incl. fee based services, net	65,652	94,606	123,037	18,744	16,510	14,360	49,614
Residential mortgage banking JV income	7,130	75,689	34,610	5,001	1,065	334	6,400
Other income (loss)	3,861	4,582	7,448	5,407	(3,317)	6,176	8,266
Total net revenues	331,831	465,491	585,347	162,014	156,858	169,494	488,366
Total operating expenses	165,071	223,070	249,730	60,037	51,933	54,054	166,024
Preferred stock dividends	7,554	7,554	21,888	9,056	11,214	10,342	30,612
Distributable earnings*	\$159,206	\$234,867	\$313,729	92,921	93,711	105,098	291,730
Distributable earnings ROE on common equity	14.6%	18.9%	18.5%	18.0%	17.0%	18.3%	17.7%
Distributable earnings per common share	\$1.37	\$1.75	\$2.01	\$0.55	\$0.52	\$0.56	\$1.63
Dividend per common share	\$1.20	\$1.32	\$1.48	\$0.38	\$0.39	\$0.40	\$1.17
Distributable EPS in excess of dividends	\$0.17	\$0.43	\$0.53	\$0.17	\$0.13	\$0.16	\$0.46
Dividend payout ratio	88%	75%	74%	69%	75%	71%	72%
Stockholders annual return	54%	7%	39%				
Stockholders three year return (annualized)				30%			

Strong earnings outlook driven by thriving multifamily focused GSE/Agency platform including sizable escrow balances that benefit from rising rates, as well as an extremely well-positioned balance sheet business with entrenched low-cost CLOs that allow for outsized levered returns, which provide significant distributable earnings well above our dividend run rate

*Distributable Earnings is a non-GAAP measure that excludes certain one-time items, as well as certain non-cash items. These adjustments are reflected on the appropriate line items shown on this page.



APPENDIX

Leading Asset Management Platform

~60-person asset management function with strong credit history and extensive experience in mitigating risk and modifying and working out assets through all cycles, led by a senior executive team with over 30 years of industry experience

- Proactive, hands-on approach to the daily oversight of all structured loans from origination to payoff
- Detailed monitoring of properties to ensure compliance with borrower's loan terms, business plan and stabilization
- Hands-on customer service throughout the life loan cycle and permanent financing

Structured Asset Management

Underwriting and Risk Management

- Aggressive approach to mitigating risk for loans in monetary default or that require increased attention and focus
- Promptly determine cause of delinquency and whether a workout is feasible
- Continuously service these loans to mitigate risk exposure and realize maximum recoveries

- Actively manage and maintain the credit quality of the performing loan portfolio
- Routine contact with borrower, including review of financials and property inspections
- Monitor for potential refinancing opportunities
- Perform periodic risk ratings to identify the need for heightened surveillance

Agency Portfolio Management

Loan Surveillance

- Proactively oversee loans requiring a heightened level of surveillance and attention
- Continual dialogue with investors and borrowers regarding loan level issues, plans for resolution and exit strategies
- Develop and review action plans to address watchlist items, highlight drivers of loan rating migration and corrective action steps

Best-in-Class, Highly Aligned Management Team



Internalized, highly aligned management team with significant ownership



Industry-leading expertise with deep-rooted relationships across commercial real estate space



Deep bench of talented employees



Best-in-class underwriting and origination capabilities



Ivan Kaufman

- President and Chairman of Arbor Realty Trust
- Over 35 years of executive leadership experience in the commercial real estate sector
- Founded Arbor in 1983 and has been CEO and President of Arbor Commercial Mortgage LLC since 1993



Gene Kilgore

- EVP, Structured Securitization
- Significant experience in structured finance and real estate industries
- 18-year tenure with Arbor



Paul Elenio

- Chief Financial Officer
- Over 30 years of experience in commercial real estate in operational and financial capacity
- Over 30-year tenure with Arbor



Fred Weber

- EVP, Managing Director of Structured Finance and Principal Transactions
- 30 years of experience in commercial real estate
- Over 20-year tenure with Arbor



John Caulfield

- Chief Operating Officer, Agency Lending
- Significant experience in the mortgage financing industry
- 35-year tenure with Arbor



Steve Katz

- EVP, Chief Investment Officer, Residential Financing
- More than 20 years of experience in mortgage trading, securitization, banking and servicing
- 10-year tenure with Arbor