



ARBOR

ARBOR REALTY TRUST, INC.

ARBOR REALTY TRUST INVESTOR PRESENTATION

CONFIDENTIAL

February 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 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

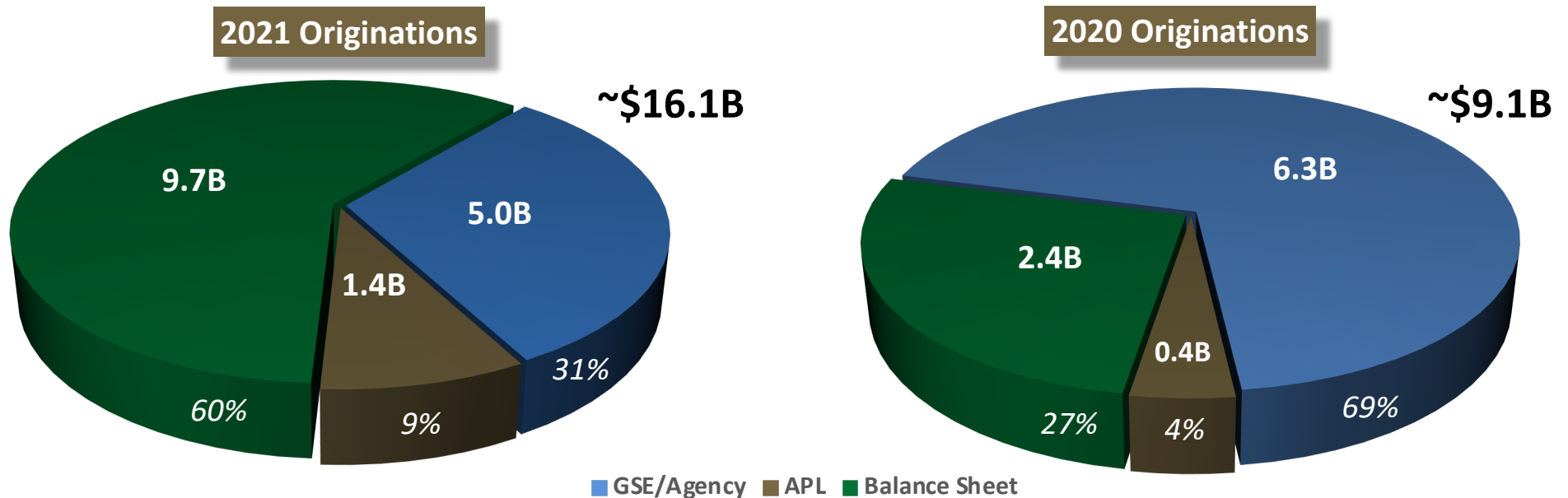
- Internally managed **multifamily focused** REIT with a **unique annuity-based business model** creating multiple **high quality** long-dated income streams from **one investment** through diverse product lines:
 - **Balance sheet** loan origination – strong risk-adjusted returns; drives GSE/Agency/APL 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 ~\$121M with 9 yr. 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 (~13%)

Recent Highlights

- Generated distributable earnings of **\$2.01 per share** in 2021, a **15% increase** over 2020
- 10 straight years of **dividend growth**; 7 consecutive quarters, a 23% increase, with the **lowest payout ratio** in the industry – annualized dividend of \$1.48
- Record originations of \$16.1B in 2021, **up 76%**
- 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 **19% ROE** is unmatched in our industry
- Continued to **strengthen funding sources**:
 - Added 5 new CLOs totaling \$7.3B¹
 - Increased warehouse capacity by \$3.0B
 - Completed 3 APL securitizations - \$1.5B¹
 - Raised \$1.7B through debt/equity offerings

1. Includes \$2.1 billion CLO and \$490 million APL securitization completed in February 2022.

Highly Diversified Originations Platform



- **\$16.1 billion** of volume in 2021 represents a **76% increase** over our record 2020 volume of \$9.1 billion
- Balance Sheet originations easily set a new annual record; \$9.7 billion is **more than two and a half times** our previous record

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

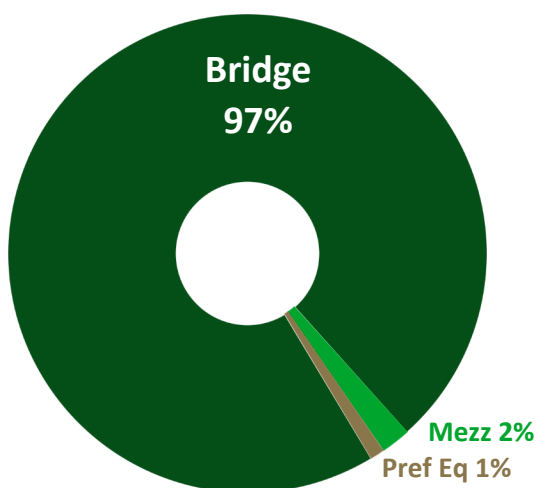
Balance Sheet Loan Portfolio Composition

- ✓ **Primary focus on stable multifamily, senior loans**
- ✓ **Generates strong leveraged returns**
- ✓ **Geographically diversified**
- ✓ **Grew our loan book by 122% in 2021**
- ✓ **Balance Sheet business drives GSE/Agency & APL pipelines**

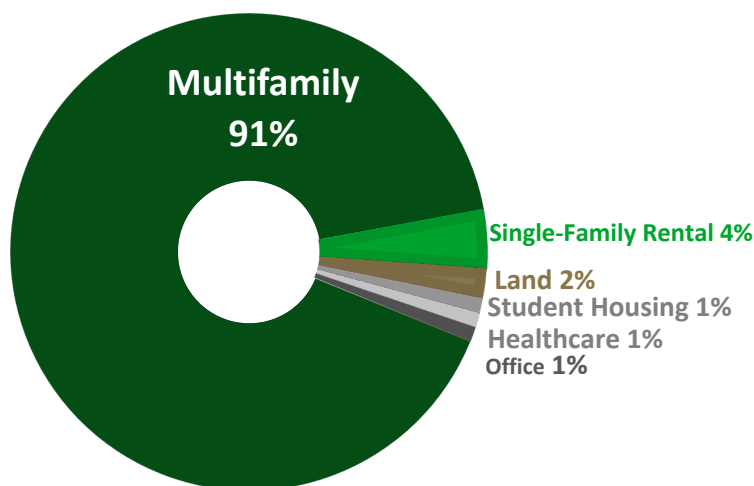
Portfolio Overview

Total Portfolio	\$12.2B
As of:	12/31/2021
➤ Average Loan Size	\$21.0M
➤ W/A Loan-to-Value	76%
➤ Allowance for Credit Losses (CECL)	<1%
➤ W/A Months to Maturity ¹	24.6

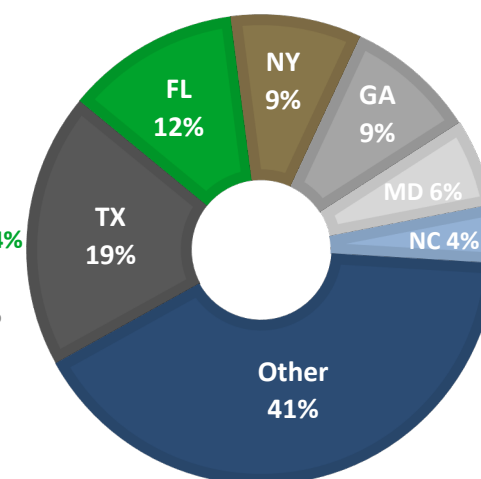
Loan Type



Asset Class



Geographical Location



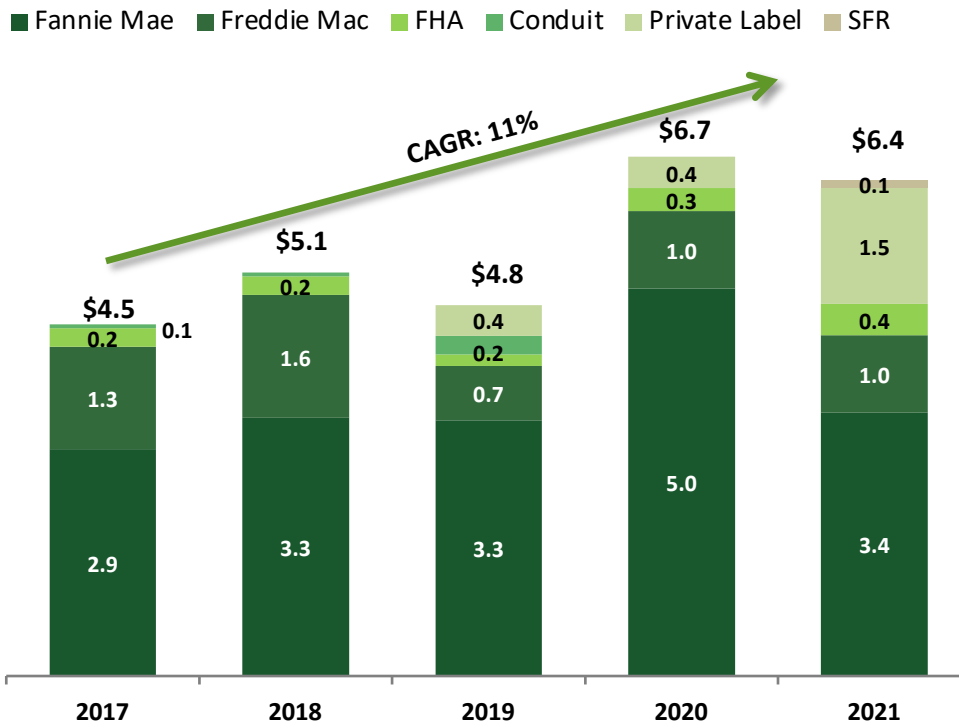
1. Maturity without extension options.
 2. No other individual state represented 4% or more of the total.

Leading Nationwide Origination and Servicing Platform

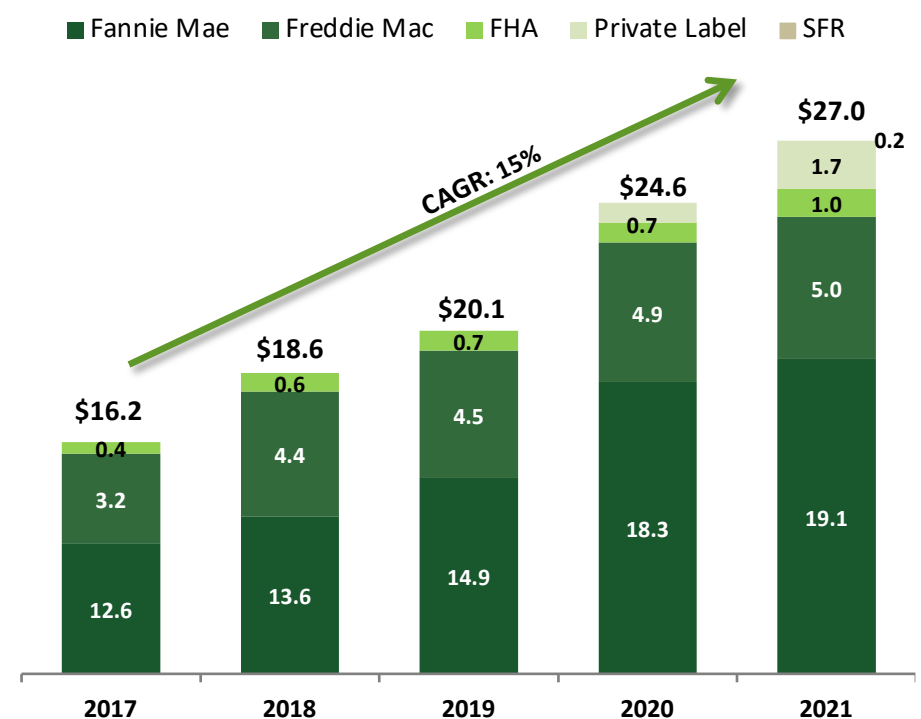
- ~\$51B of GSE/Agency originations since inception in 1995
 - Highly scalable and difficult to replicate platform
 - Focus on small balance loans (\$1M-\$9M) with average size of ~\$7M
 - Industry leading performance with few delinquencies and forbearances to date

- \$27B servicing portfolio, 100% focused on multifamily
 - Generates significant prepayment protection income stream of ~\$121M annually with 9 yr. w/a remaining life
 - \$2.0B fee-earning escrow balances
 - ~\$477M estimated fair market value of MSR¹

Total Agency Originations (\$ in B)



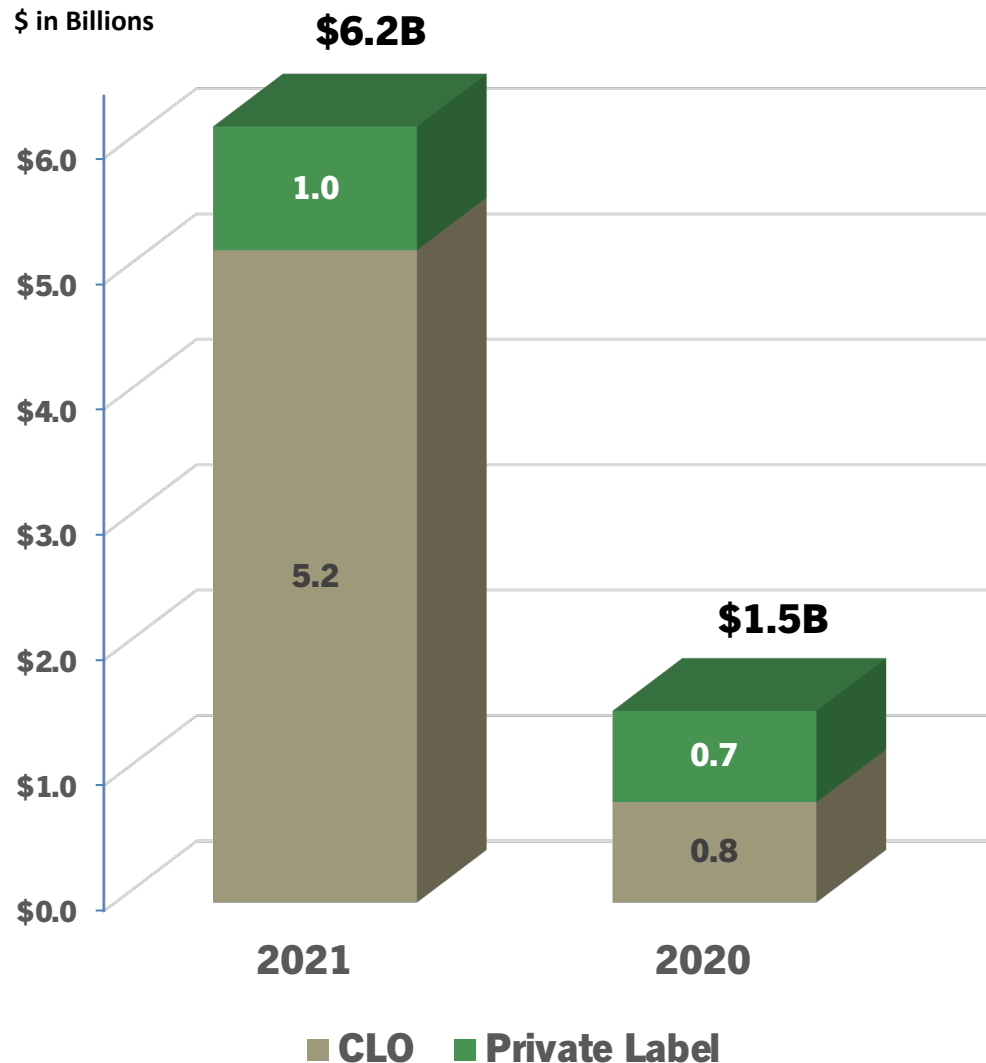
Agency Servicing Portfolio (\$ in B)



1. Mortgage servicing rights valued as of 12/31/21.

Industry Leading Securitization Platform

Assets Securitized



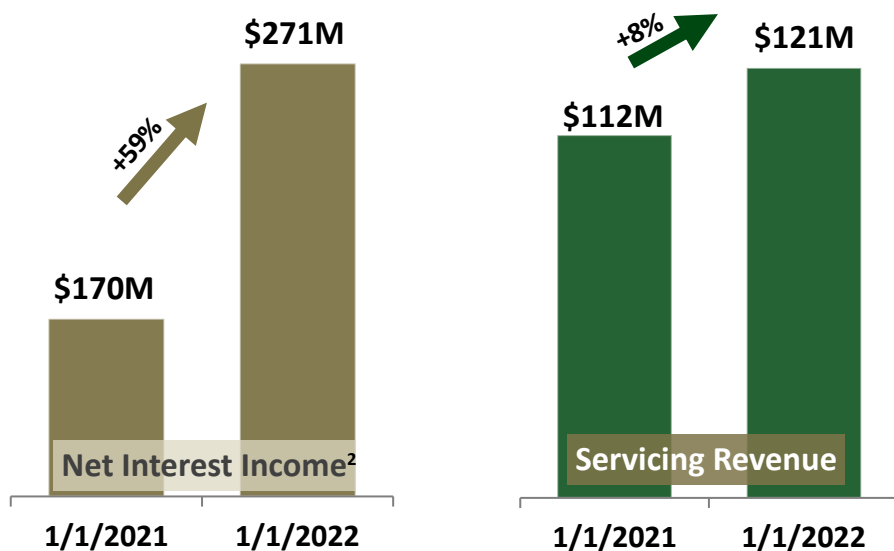
Platform Highlights

- Extensive in-house securitization experience closing 23 CRE securitizations totaling \$12.5 billion in assets
- \$8.7 billion of outstanding securitizations as of December 31, 2021:
 - CLO – \$7.0 billion
 - Private Label – \$1.7 billion
- Exceptional history of performance and execution demonstrating the strength of our securitization platform
- Closed two securitizations in 1Q22 totaling \$2.54 billion

Annuity Based Business Model Drives Diversified Income Streams

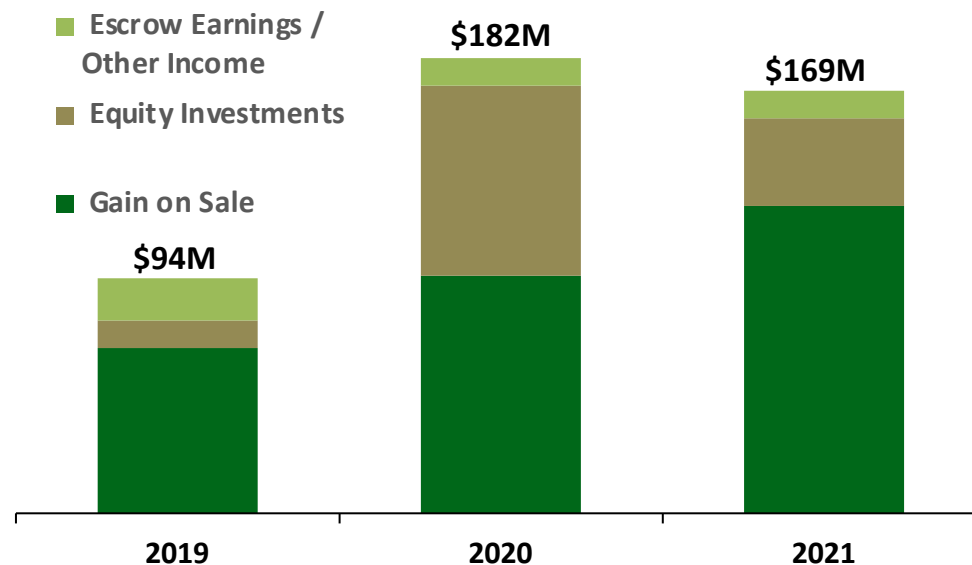
Our diversified income streams provide a very strong baseline of high-quality predictable earnings

Significant Long-dated, Predictable Annual Cash Flow¹



Based on:	1/1/21	1/1/22
Asset Bal.	\$5.5B	\$12.2B
Asset Rate ³	5.80%	4.62%
Debt Bal.	\$4.9B	\$11.2B
Debt Rate ₃	3.03%	2.61%

Other Diversified Platform Income Sources



	2019	2020	2021
Gain on Sale	\$66M	\$95M	\$123M
Equity Investments	\$11M	\$76M	\$35M
Escrow Earnings / Other Income	\$17M	\$11M	\$11M

1. Annualized based on December 31, 2020 and 2021 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.

Significant Growth Opportunities

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

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
 - Originations of \$1.4 billion in 2021, a 276% increase over 2020
 - Completed 4 securitizations to date totaling \$2.2 billion

Structured Loan Business

- We continued to meaningfully grow our balance sheet loan business in 2021 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
 - Drives GSE/Agency & Private Label pipelines

Single-Family Rental Platform

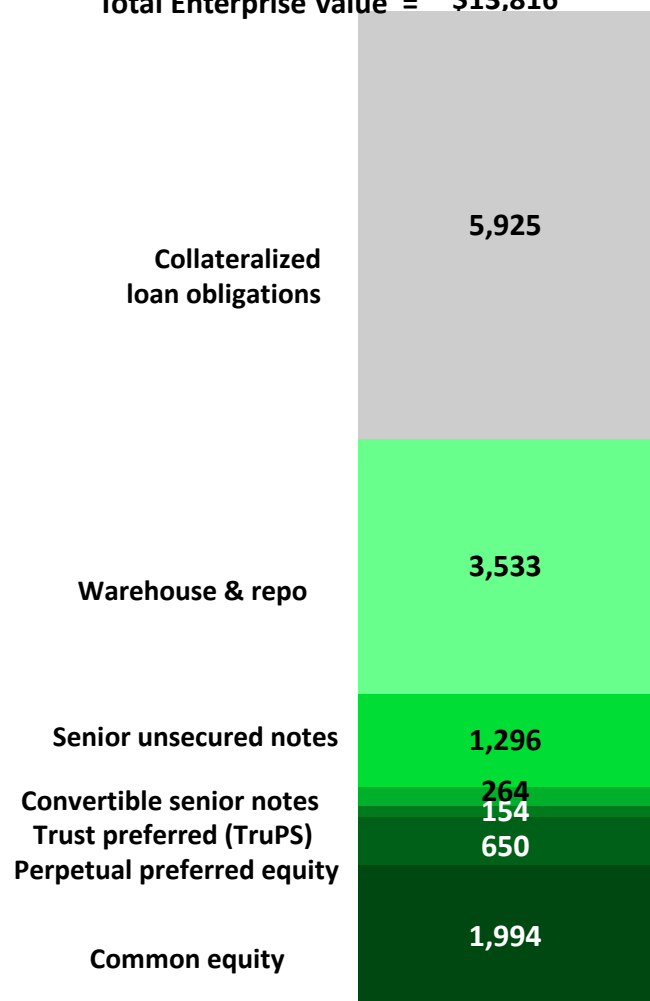
- Proprietary **Single-Family Rental** portfolio platform provides for significant opportunity in one of the fastest-growing asset classes in a market that is as big as multifamily
 - Produced over \$900M in 2021; currently have ~\$2B in our pipeline
 - Drives GSE/Agency & Private Label pipelines

Highly Diversified Capital Structure

The chart below is presented pro forma for the issuance of an additional \$75 million of Series F Preferred Stock in February 2022

Capital Structure (\$ in M)

Total Enterprise Value = \$13,816




- Extensive experience with CRE CLOs
 - Seven outstanding nonrecourse CLOs
 - Match-funded with locked-in spreads
 - Wtd. average advance rate of 82.6%, with long replenishment features
 - 2½- to 4-year replacement periods

- 16 separate warehouse and repo facilities (\$5.0B committed) ¹

- 5.11% wtd. average rate, no significant covenants
 - \$900M, matures in 2026-2028; \$396M, matures in 2023-2024
- 4.75% coupon and \$17.59 convert price, matures November 2022
- ~30 year unsecured with no significant covenants – equity-like
- \$420M, 6.25% rate ; \$230M, 6.375% rate

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

Financial Performance

(Amounts in 000's, except per share amounts)	Year Ended				
	2017	2018	2019	2020	2021
Net interest income	67,189	103,171	129,541	170,249	254,082
Servicing revenue	92,244	119,214	125,647	120,365	166,170
Gain on sale, incl. fee based services, net	72,799	70,001	65,652	94,606	123,037
Residential mortgage banking JV income	(1,804)	696	7,130	75,689	34,610
Other income	3,728	1,653	3,861	4,582	7,448
Total net revenues	234,156	294,735	331,831	465,491	585,347
Total operating expenses	167,284	162,300	165,071	223,070	249,730
Preferred stock dividends	7,554	7,554	7,554	7,554	21,888
Distributable earnings*	\$59,318	\$124,881	\$159,206	\$234,867	\$313,729
Distributable earnings ROE on common equity	8.2%	14.6%	14.6%	18.9%	18.5%
Distributable earnings per common share	\$0.74	\$1.33	\$1.37	\$1.75	\$2.01
Dividend per common share ¹	\$0.76	\$1.04	\$1.20	\$1.32	\$1.48
Distributable EPS in excess of dividends	(\$0.02)	\$0.29	\$0.17	\$0.43	\$0.53
Stockholders annual return	25%	30%	54%	7%	39%
Stockholders five year return (annualized)					26%

1. Does not include a \$0.15 special dividend in 2018

Strong earnings outlook driven by thriving multifamily focused balance sheet, GSE/Agency, private label and single-family rental platforms, 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 above.



APPENDIX



ARBOR
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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
- 17-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
- 22-year tenure with Arbor



John Caulfield

- Chief Operating Officer, Agency Lending
- Significant experience in the mortgage financing industry
- Over 30-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
- 9-year tenure with Arbor