



ARBOR

ARBOR REALTY TRUST, INC.

ARBOR REALTY TRUST INVESTOR PRESENTATION

November | 2019

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, 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, 2018 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. As required by Regulation G, a reconciliation of AFFO to net income, the most directly comparable GAAP measure, is available in our Annual Report on Form 10-K for the year ended December 31, 2018 and on Form 10-Q for the quarter ended September 30, 2019.

Arbor Realty Trust – Valued Franchise

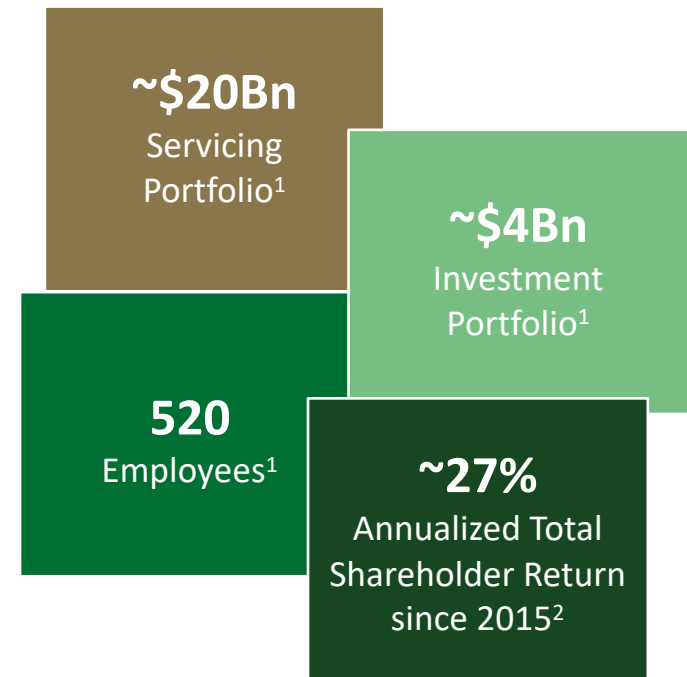
- **Arbor Realty Trust** is an internally-managed REIT with a unique business model, consisting of three primary business platforms:
 - Balance sheet loan origination
 - GSE (agency) loan origination
 - Servicing
- Complementary operating platforms with **diversified and recurring income streams**
 - Primary focus on small balance loans in the **highly-attractive and stable multifamily sector**
 - Prudent leverage and balance sheet strategy
- Led by a senior management team with **30+ years** of industry experience and **~25% ownership**
- **~27%** annualized total shareholder return since 2015 vs. **~7%** for peers²



Top 10
FNMA DUS
Producer For Over a Decade



#2
Small Loan
FNMA & FHLMC
Producer in 2018



Source: FactSet; Peer group consists of ACRE, ARI, BXMT, HCFT, LADR, RC, STAR, STWD and XAN; excludes CLNC, GPMT, JCAP, KREF and TRTX as they started trading after January 1, 2015

1. As of September 30, 2019.

2. As of November 12, 2019, which may not be indicative of the full year results.

Arbor's Unique Business Model Provides Substantial Competitive Advantages



- ✓ Strong risk-adjusted returns
- ✓ Drives agency pipeline once loans are eligible
- ✓ Match-funded with CLOs

- ✓ High ROE / capital-light
- ✓ Long-dated servicing fees
- ✓ High-barriers to entry

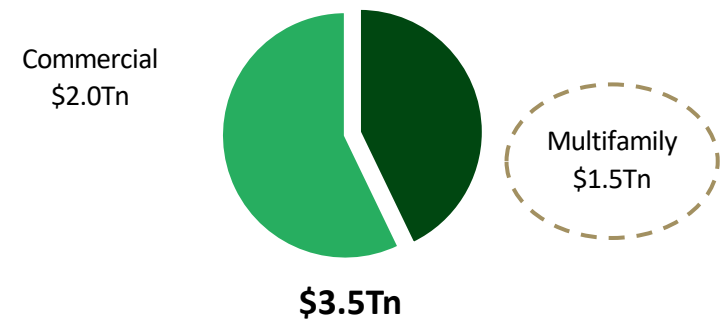
Combined Benefits

- ✓ **One-stop-shop** for multifamily borrowers offering flexible lending solutions with enhanced certainty and speed of execution
- ✓ **Safety and growth** of dividend combining benefits from both mortgage REIT and agency platform

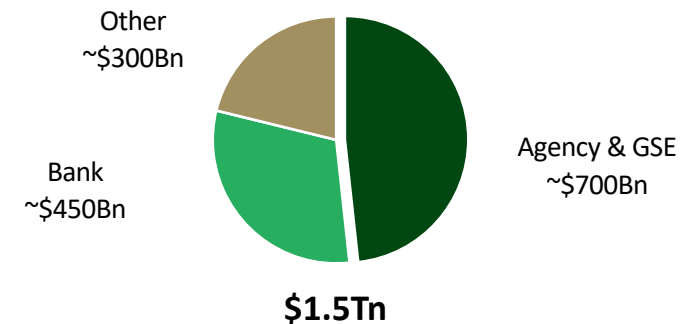
\$1.5Tn Multifamily Market Opportunity

- Arbor is focused on one of the largest and most attractive segments of the \$3.5Tn mortgage market, the **\$1.5Tn** multifamily market
- Multifamily continues to be a **highly-attractive asset class**
 - Long-term secular demand driven by reduced home ownership rates
 - Availability of GSE financing
 - Highly-liquid asset class with stable demand through economic cycles
- With its unique business model, Arbor is able to generate **industry-leading returns** in one of the **most stable and resilient** asset classes

Mortgage Debt Industry (Q2'19)



Multifamily Debt Industry (Q2'19)



Leading Nationwide Origination and Servicing Platform

- **\$37Bn of agency originations** since inception in 1995
 - Highly-scalable and difficult to replicate platform
 - Focus on small balance loans (\$1 - \$8M) with average size of ~\$5M
- **\$20Bn servicing portfolio**, 100% focused on multifamily
 - Generates significant prepayment protection income stream with a **9.2 year weighted average remaining life**
 - \$958M fee-earning escrow balances
 - ~\$325M estimated fair market value of MSR¹



DUS Producer



Small Loans
FNMA

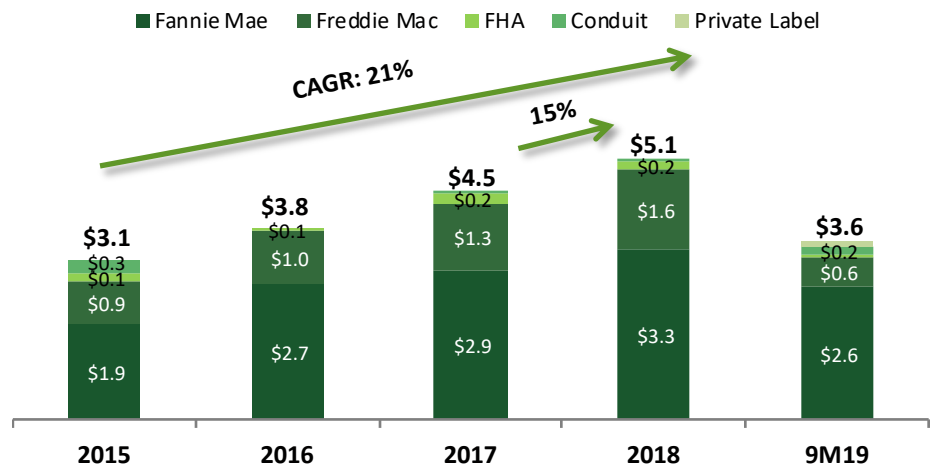


Small Loans
FHLMC

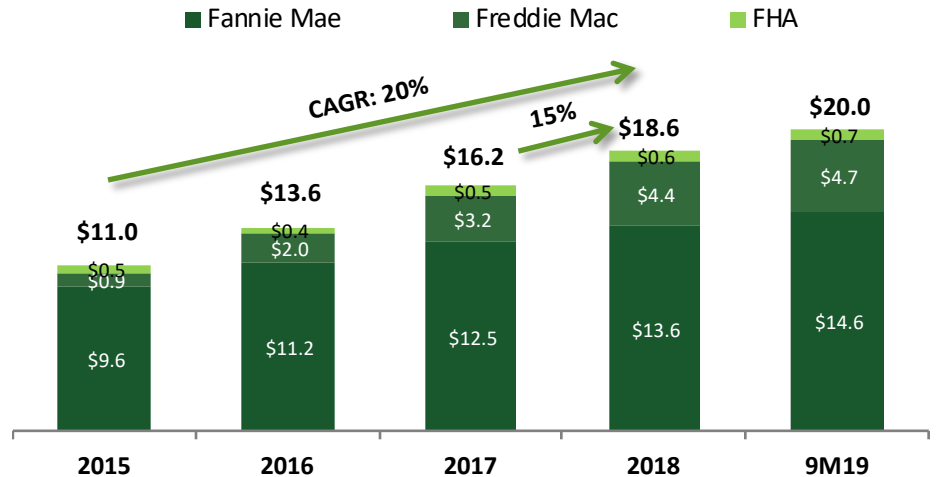


Green Loans
FNMA

Total Agency Originations (\$ in Bn)



Agency Servicing Portfolio (\$ in Bn)



Source: Fannie Mae, Freddie Mac, Mortgage Bankers Association

Note: Market rankings based on 2018 calendar year

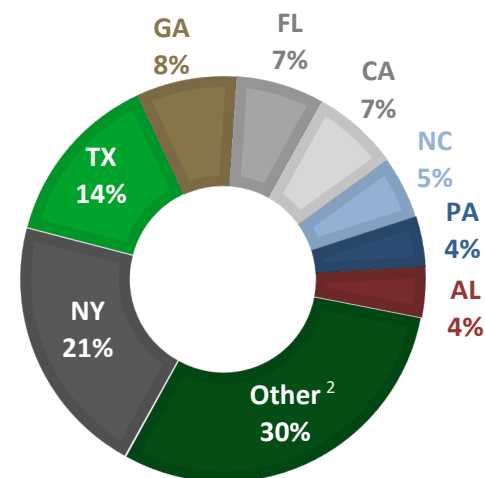
1. Mortgage servicing rights.

Balance Sheet Loan Portfolio Composition

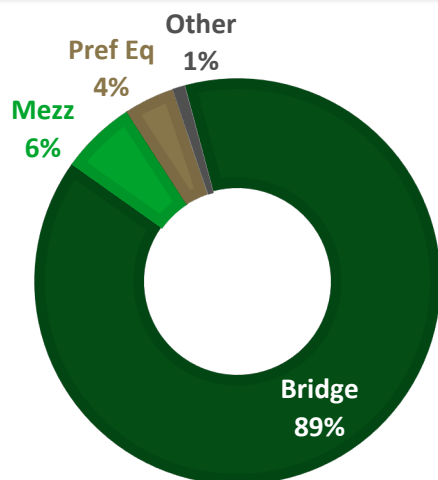
Portfolio Overview

Total Portfolio	\$4.0Bn
As of:	9/30/2019
▶ Average Loan Size	\$17.5M
▶ W/A Loan-to-Value	75%
▶ Allowance for Loan Losses	<2%
▶ W/A Months to Maturity ¹	20.8

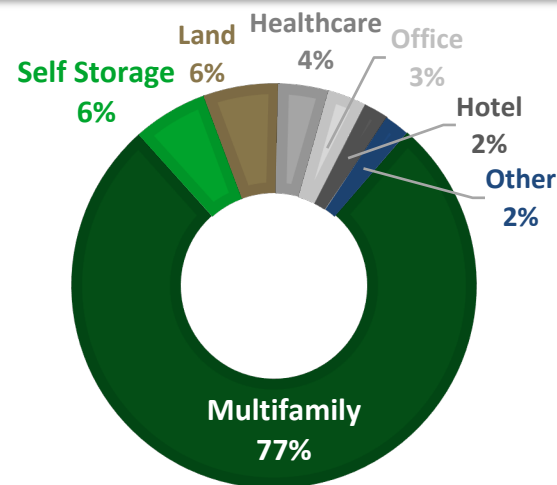
Geographical Location



Loan Type



Asset Class

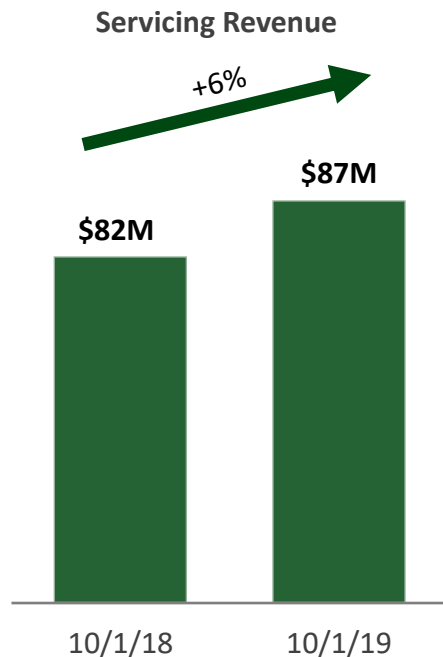


1. Maturity without extension options.

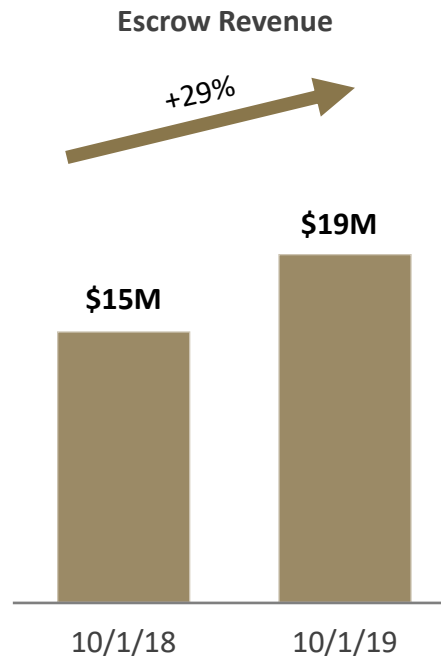
2. Other includes 13% and 9% for the Midwest and South regions, respectively. No other individual state represented 4% or more of the total.

Significant Growth in our Diversified, Long-Dated Income Streams ¹

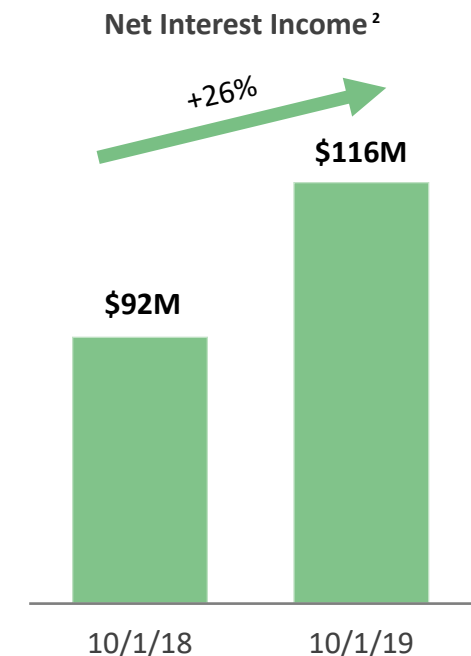
Considerable growth in our annualized run rate income streams providing a very strong baseline of predictable and stable core earnings



Based on:	10/1/18	10/1/19
Servicing Portfolio	\$17.8Bn	\$20.0Bn
Servicing Rate	0.462%	0.435%



Based on:	10/1/18	10/1/19
Escrow Balance	\$807M	\$958M
Escrow Rate	1.85%	2.02%



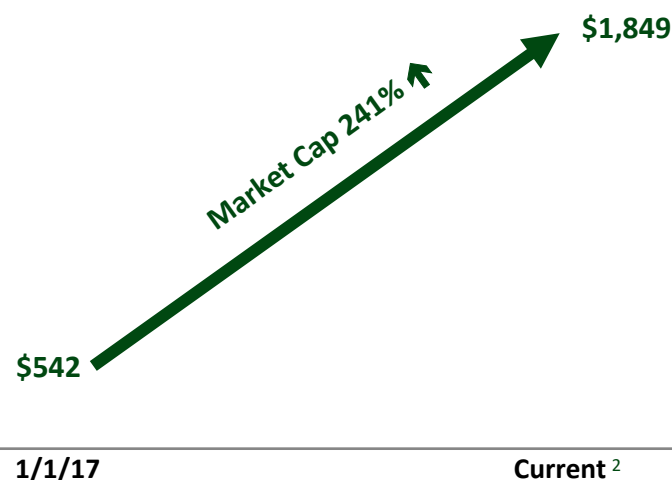
Based on:	10/1/18	10/1/19
Asset Bal.	\$3.2Bn	\$4.0Bn
Asset Rate ³	7.52%	7.04%
Debt Bal.	\$2.9Bn	\$3.5Bn
Debt Rate ³	5.03%	4.65%

1. Based on September 30, 2018 and 2019 portfolio, debt and escrow 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.

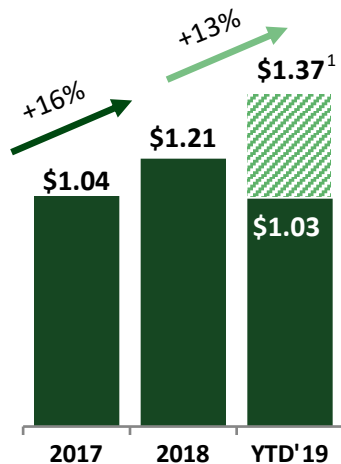
Key Performance Indicators

- ✓ Significant growth in earnings & dividends
- ✓ Increased stability & diversity of earnings
- ✓ Larger, more efficient company
- ✓ Greater access to capital

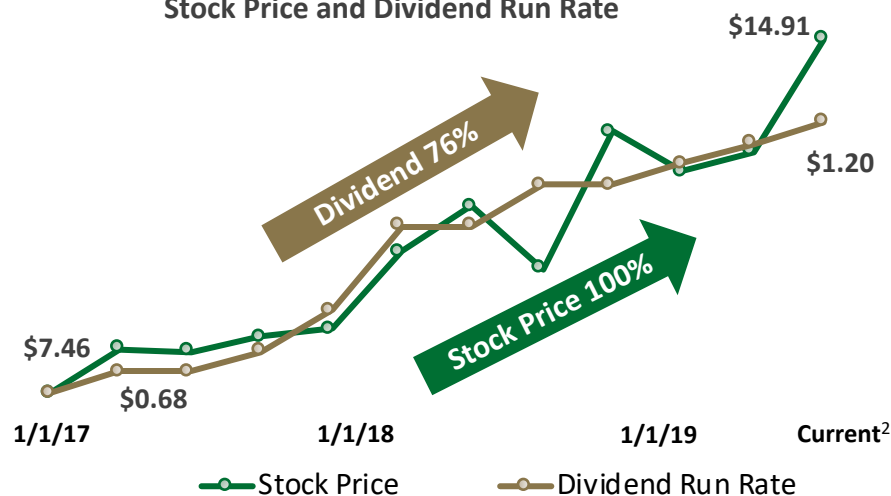
Market Cap Growth (\$ in M)



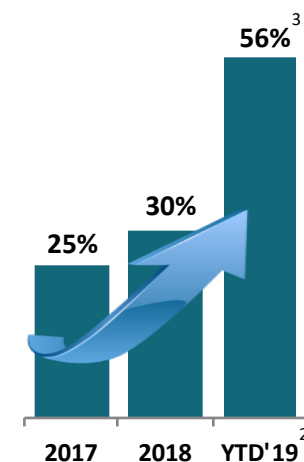
Core AFFO per Share



Stock Price and Dividend Run Rate



Stockholder Return



1. Annualized based on actual Core AFFO of \$1.03 for the first nine months of 2019, which may not be indicative of the full year results.

2. Based on the closing stock price of \$14.91 as of November 12, 2019.

3. 56% reflects YTD return as of November 12, 2019; annualized return equals 68% which may not be indicative of the full year results.

Significant Growth Opportunities

Agency Business

- We believe that the GSE-backed loans segment will continue to be a **significant and core portion** of the overall mortgage loans market
 - Majority of ABR's agency transaction volume is in small balance, affordable housing multifamily loans
- Strong footprint and **demonstrated ability to grow market share** in stable agency lending segment

Structured Loan Business

- We expect continued growth in our loan business driven by market demand, our proprietary relationships and our expertise in structured loans
 - We experienced **21% growth** in our loan book in the first nine months of 2019, on top of **24% growth** in 2018

Corporate Growth Initiatives

- Launched a Private Label loan program to further diversify our lending platform, allowing us to capitalize on inefficiencies in the GSE market and acts as a mitigant against any future GSE changes
- We are developing a single-family residential platform, providing additional bridge and permanent lending products, further diversifying our income streams and lending platforms
- Investment in residential banking joint venture provides additional income diversity
- We have room to grow our dividend with 86% payout ratio¹ vs. 97% for our peer group²

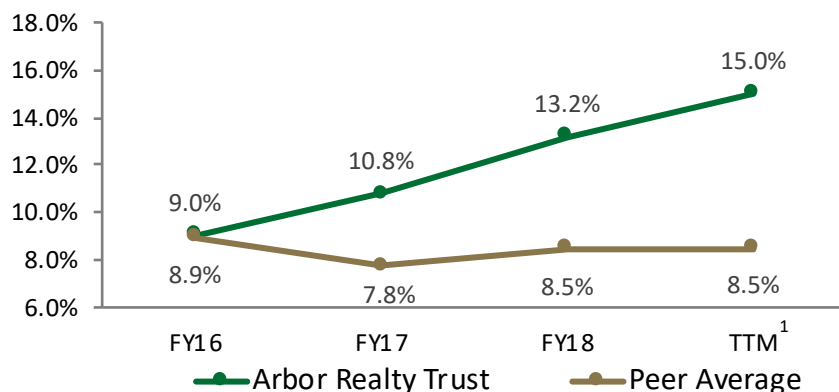
1. Based on annualized 9M 2019 core AFFO of \$1.37 and \$1.20 dividend, which may not be indicative of the full year results.
2. Peer group consists of ACRE, ARI, BXMT, CLNC, GPMT, HCFT, JCAP, KREF, LADR, RC, STAR, STWD, TRTX and XAN.

Substantial Value Play

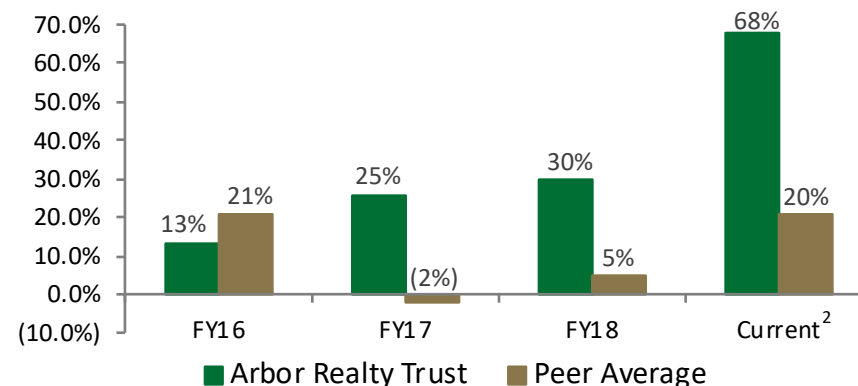
The quality and diversity of our income streams, combined with our complete operating platform, differentiates us from our peers and warrants a premium valuation

Outperformed peers by a considerable margin

Return on Equity

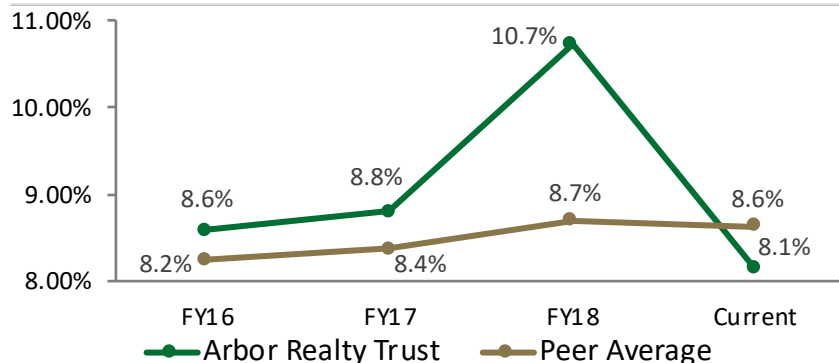


Shareholder Return

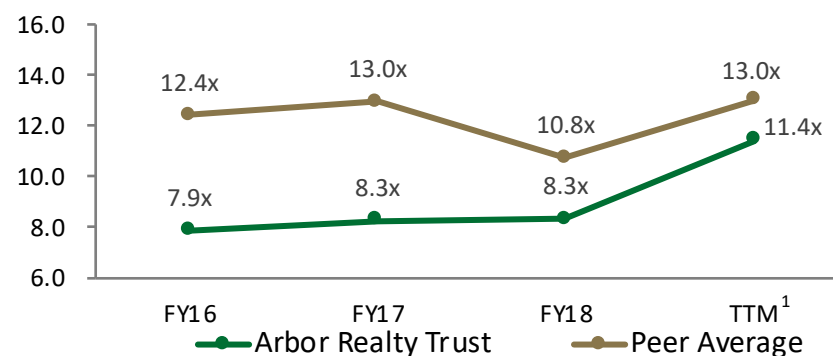


Currently trading in line with or below peer group across key metrics

Annualized Dividend Yield



Trailing P/E



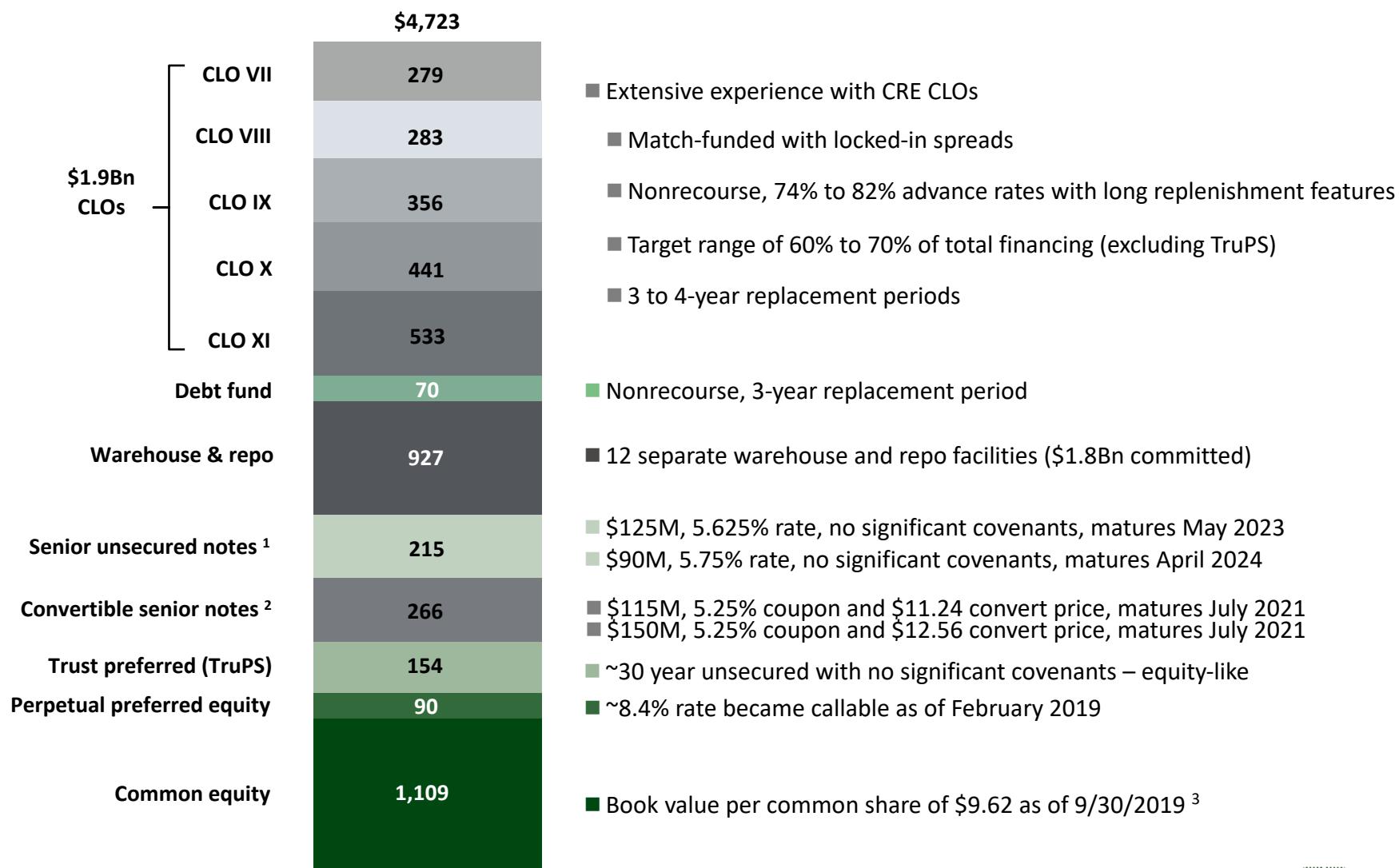
Note: Current market data as of November 12, 2019; Peers consist of ACRE, ARI, BXMT, CLNC, GPMT, HCFT, JCAP, KREF, LADR, RC, STAR, STWD, TRTX and XAN

1. Trailing twelve months (TTM) represents latest financial reporting period for all peers as of November 12, 2019.

2. Represents annualized shareholder returns for 2019 based on YTD shareholder returns as of November 12, 2019.

Highly Diversified Capital Structure

Capital Structure (\$ in M)



1. In October 2019, we issued \$110M of 4.75% senior unsecured notes, maturing October 2024.

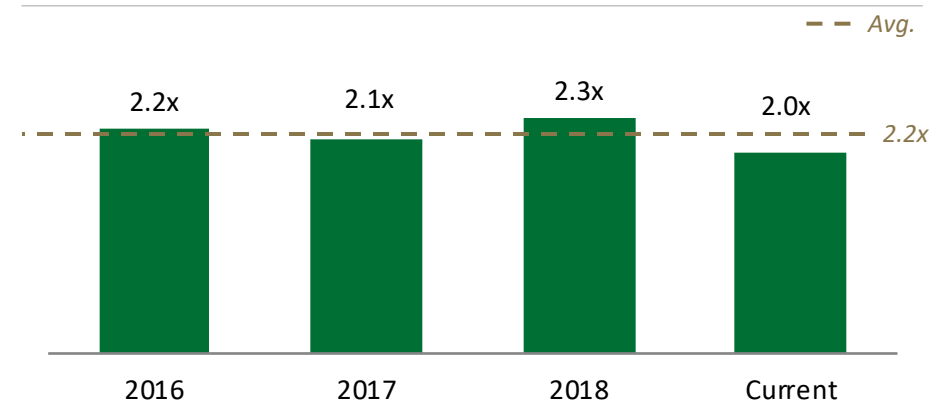
2. In November 2019, we exchanged substantially all of our 5.25% notes with 4.75% notes with a \$17.80 convert price maturing November 2022.

3. Based on common equity of \$1.1Bn and 115.3M shares outstanding consisting of 94.8M common shares and 20.5M operating partnership units as of September 30, 2019.

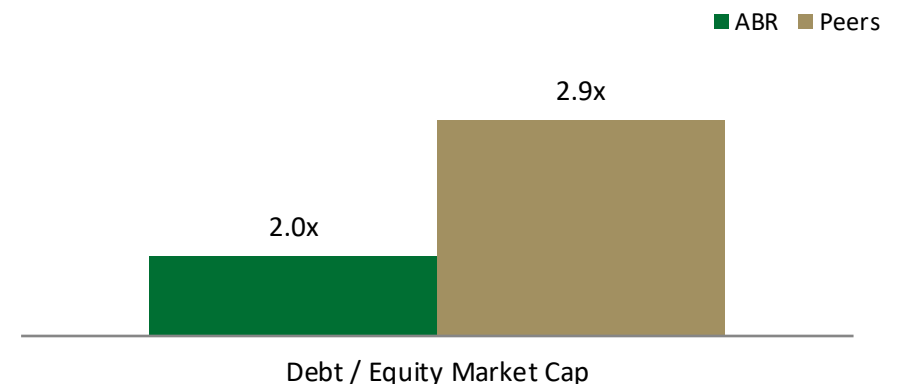
Prudent Balance Sheet Management

- Given our capital-light agency franchise, we believe debt / equity market cap is the relevant leverage statistic to compare versus peers who have more capital intensive profiles
 - Our debt / equity market cap is better than peers given our **more diversified and predictable earning streams**
 - Our leverage has **continued to be range bound** over time as we ramped up our agency platform
- Focus on primarily senior loans in the resilient multifamily asset class enhances **stability of capital structure**
- We are an industry leader in non-recourse match-funded securitized vehicles (CLOs)
 - Five existing, match-funded CLOs with **\$1.9Bn** balance and replenishment rights
- Effectively accessed **~\$300M** of capital over the last 12 months in the form of common equity and debt with attractive terms to fund our accretive growth

ABR Debt / Equity Market Cap¹



Comparison to Peers (Current)²




Source: Company filings, FactSet; Note: Peer group consists of ACRE, ARI, BXMT, CLNC, GPMT, HCFT, JCAP, KREF, LADR, RC, STAR, STWD, TRTX and XAN

1. Represents share price and debt data at November 12 in each year.

2. Represents market data as of November 12, 2019; for peers the ratio represents average; peer balance sheet data is based on Q2'19, while ABR information is as of Q3'19

Financial Performance

(Amounts in 000s except per share amounts)	Year Ended December 31,			Quarter Ended			YTD
	2016	2017	2018	Mar-2019	Jun-2019	Sep-2019	Sep-2019
Net interest income	\$53,505	\$67,189	\$103,171	\$29,412	\$35,057	\$32,445	\$96,914
Servicing revenue	30,759	92,244	119,214	30,292	29,526	32,695	92,513
Gain on sale, incl. fee based services, net	24,594	72,799	70,001	16,389	14,211	21,298	51,898
REO assets NOI, impairment & gains from disposals	1,811	(2,708)	(336)	407	(543)	(327)	(463)
Structured transactions & equity kickers	5,934	4,353	500	1,317	607	1,118	3,042
Residential mortgage banking JV income	9,600	(1,804)	696	834	2,657	2,600	6,091
Other income	542	2,083	1,489	337	290	20	647
Total net revenues	\$126,745	\$234,156	\$294,735	\$78,988	\$81,805	\$89,849	\$250,642
Total operating expenses	70,199	148,254	174,031	41,557	40,858	45,567	127,982
Preferred stock dividends	7,554	7,554	7,554	1,888	1,888	1,888	5,664
Core AFFO*	\$48,992	\$78,348	\$113,150	\$35,543	\$39,059	\$42,394	\$116,996
Core earnings ROE on common equity	9.0%	10.8%	13.2%	14.5%	15.0%	15.4%	15.0%
Core AFFO per common share	\$0.79	\$0.97	\$1.21	\$0.33	\$0.34	\$0.36	\$1.03
Dividend per common share ¹	\$0.64	\$0.76	\$1.04	\$0.28	\$0.29	\$0.30	\$0.87
Core EPS in excess of dividends	\$0.15	\$0.21	\$0.17	\$0.05	\$0.05	\$0.06	\$0.16
Stockholders annual return	13%	25%	30%				56%
Stockholders three-year return				21%			

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

2. 56% reflects YTD return as of November 12, 2019; annualized return equals 68% which may not be indicative of the full year results

Earnings in excess of dividends

Predictable annuity of income streams

*Core AFFO is a non-GAAP measure that excludes certain one-time items such as gains/losses on extinguishment of debt, acceleration of fees from early debt repayments, and gain on litigation settlement. These adjustments are reflected on the appropriate line items above.



APPENDIX



ARBOR
ARBOR REALTY TRUST, INC.

Best-in-class, highly aligned management team



Internalized, highly aligned management teams 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

- Founder, Chairman, President, and CEO 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
- Joined Arbor in 2004



Paul Elenio

- Chief Financial Officer
- 30 years of experience in commercial real estate in operational and financial capacity
- Joined Arbor in 1991 and has been CFO since 2005



Fred Weber

- EVP, Managing Director of Structured Finance and Principal Transactions
- 30 years of experience in commercial real estate
- Joined Arbor in 1999



John Caufield

- Chief Operating Officer, Agency Lending
- Significant experience in the mortgage financing industry
- More than 30 years tenure with Arbor



Steve Katz

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

Arbor's Background and History

1983	Arbor National Mortgage (a residential mortgage company) is founded by Ivan Kaufman. The company ultimately grows to greater than 1,200 employees in eight states	2004	Arbor Realty Trust (NYSE: ABR) goes public completing a \$135M IPO	2013 - 2016	ACM receives Freddie Mac Seller/ Servicer designation and becomes one of three nationwide lenders to offer the Freddie Mac Small Balance Loan (SBL) product ACM receives Fannie Mae and Freddie Mac Seniors Housing licenses Arbor becomes a Top Fannie Mae Small Loans Lender and the Top Freddie Mac SBL Lender
1992	Arbor National Mortgage goes public under the name Arbor National Holdings (IPO at \$9.00 per share)	2005 - 2008	ACM is rated as an Above Average commercial primary and special servicer by Standard & Poor's and Fitch ACM becomes a Top Ten Fannie Mae DUS [®] Multifamily Lender ART successfully accesses the nonrecourse securitization market to finance its structured finance assets	2016 - 2017	Arbor named a Top Fannie Mae DUS [®] Lender for 11 years in a row, one of only two lenders to achieve this tenure ART completes the acquisition of ACM's agency lending platform, integrating both the structured and agency business into one public entity and internalizes its management team
1993	Arbor Commercial Mortgage (ACM) is established as the commercial real estate finance subsidiary of Arbor National Holdings	2009 - 2011	ART is the only commercial mortgage REIT to successfully manage its securitization vehicles during the recession without any defaults or losses to its investors	2017 - 2018	Arbor is first Freddie Mac SBL Lender to cross \$2Bn threshold Arbor is the Top Freddie Mac SBL Lender (2016) and the Top Fannie Mae Small Loan Lender (2017) Developing single-family rental (SFR) platform
1995 - 2002	Arbor National Holdings is sold to Bank of America for \$17.50 per share; Ivan Kaufman retains ACM ACM obtains Fannie Mae DUS [®] Seller/Servicer license, one of 25 granted in the country; becomes FHA MAP lender and Ginnie Mae issuer Successfully operates a structured finance platform as a private company	2012	ART is first commercial REIT to access securitization market post-2008 recession through collateralized loan obligations (CLOs) with investment replenishment rights; 11 CLOs completed since 2012	2019	Market cap reaches \$1.8Bn Annual dividend increased to \$1.20 Servicing portfolio reaches \$20Bn Launches Private Label loan program
2003	ACM's structured business spins off into Arbor Realty Trust (ART) through a \$120M 144A offering				