



ARBOR

ARBOR REALTY TRUST, INC.

ARBOR REALTY TRUST INVESTOR PRESENTATION

CONFIDENTIAL

November 2021

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, 2020 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** – \$26B portfolio; generates significant prepayment protected annual income stream of ~\$120M 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 (~14%)

Recent Highlights

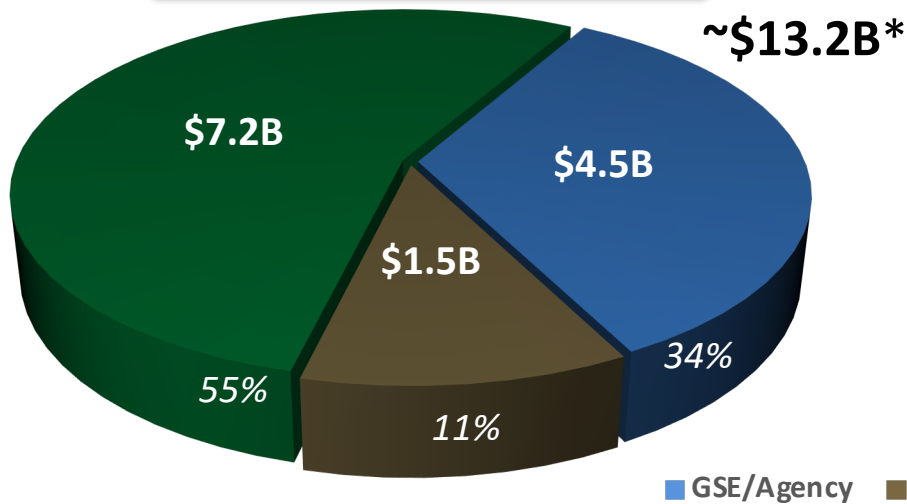
- Generated distributable earnings of **\$1.46 per share** in 9M21, a **16% increase** over 9M20
- 10 straight years of **dividend growth**; 6 consecutive quarters, while maintaining the **lowest payout ratio** in the industry – current annualized dividend of \$1.44
- Originations of \$9.9B in 9M21, **up 83%** from 9M20
- Industry **leading total shareholder return** over 1,3 & 5-year periods ended 12/31/20:
 - 1 Yr. – 7% vs negative (24%) return for peers
 - 3 yr. – 105% vs ~2% for peers
 - 5 Yr. – 166% vs 39% for peers
- Our **18% ROE** is unmatched in our industry
- Continued to **strengthen funding sources** in 9M21:
 - Added 3 new CLOs totaling \$3.1B
 - Increased warehouse capacity by over \$1.8B
 - Completed 2 APL securitizations - \$985M¹
 - Raised \$1.2B through debt/equity offerings²

1. Includes October 2021 APL securitization of \$535 million.

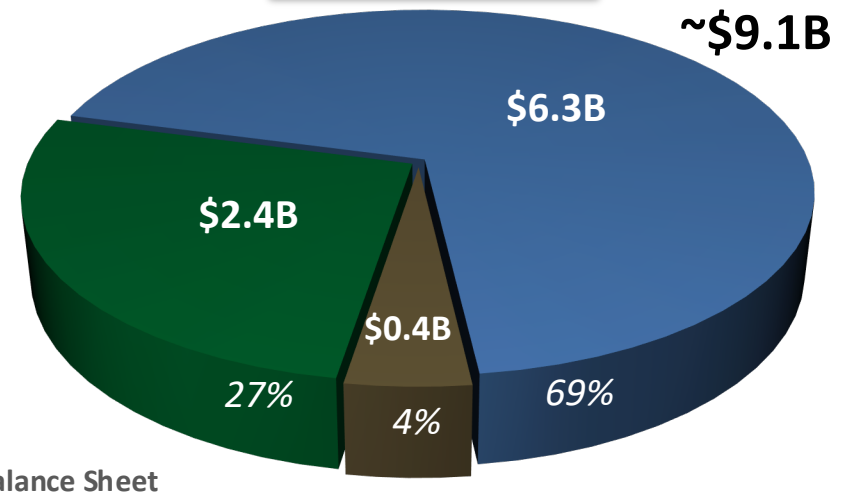
2. Includes October 2021 series F preferred equity raise of \$201 million.

Highly Diversified Originations Platform

9M21 Originations Annualized



2020 Originations



- **\$13.2 billion** of volume in 2021 represents a **45% increase** over our record 2020 volume of \$9.1 billion
- Balance Sheet originations have already set a new annual record; \$7.2 billion would be **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

*Includes annualized totals based on 9 months of actuals

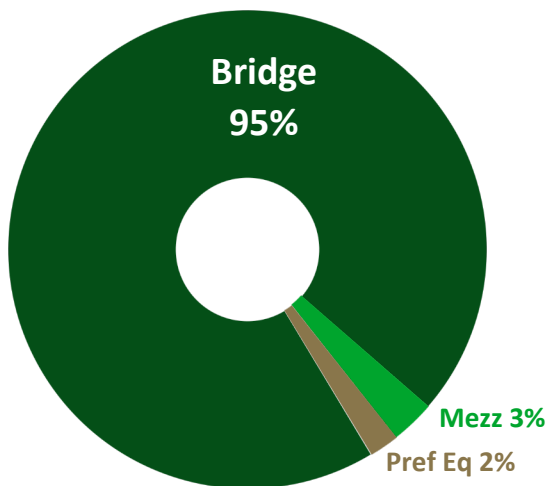
Balance Sheet Loan Portfolio Composition

- ✓ **Primary focus on stable multifamily, senior loans**
- ✓ **Generates strong leveraged returns**
- ✓ **Geographically diversified**
- ✓ **Grew our loan book by 67% in first nine months of 2021**
- ✓ **Grew our loan book 28% in 2020**
- ✓ **Balance Sheet business drives GSE/Agency & APL pipelines**

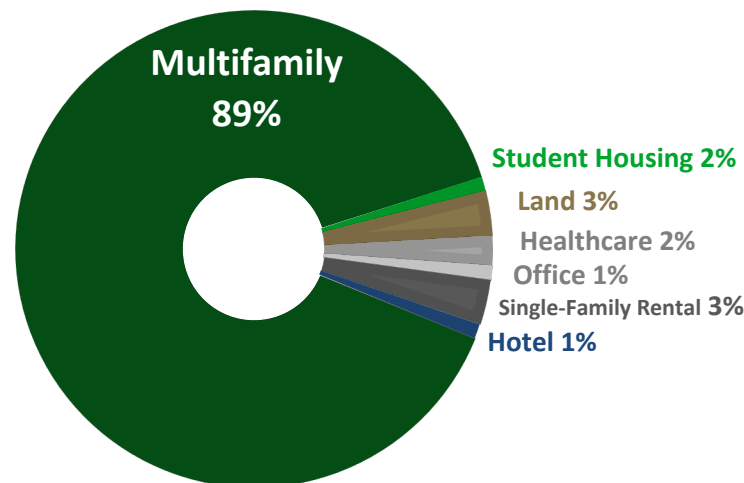
Portfolio Overview

Total Portfolio	\$9.2B
As of:	09/30/2021
➤ Average Loan Size	\$19.3M
➤ W/A Loan-to-Value	76%
➤ Allowance for Credit Losses (CECL)	<2%
➤ Allowance for Credit Losses (w/o CECL)	1%
➤ W/A Months to Maturity ¹	22.0

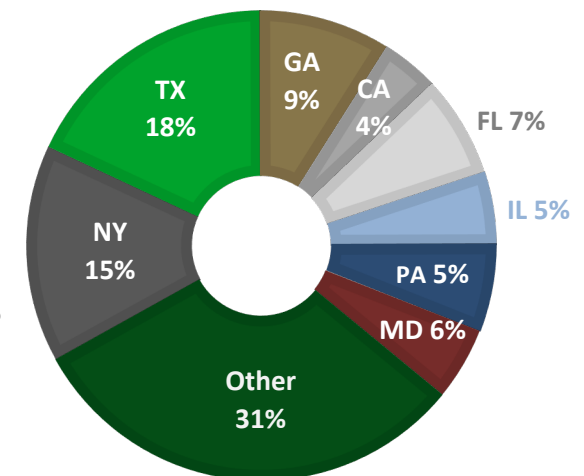
Loan Type



Asset Class



Geographical Location



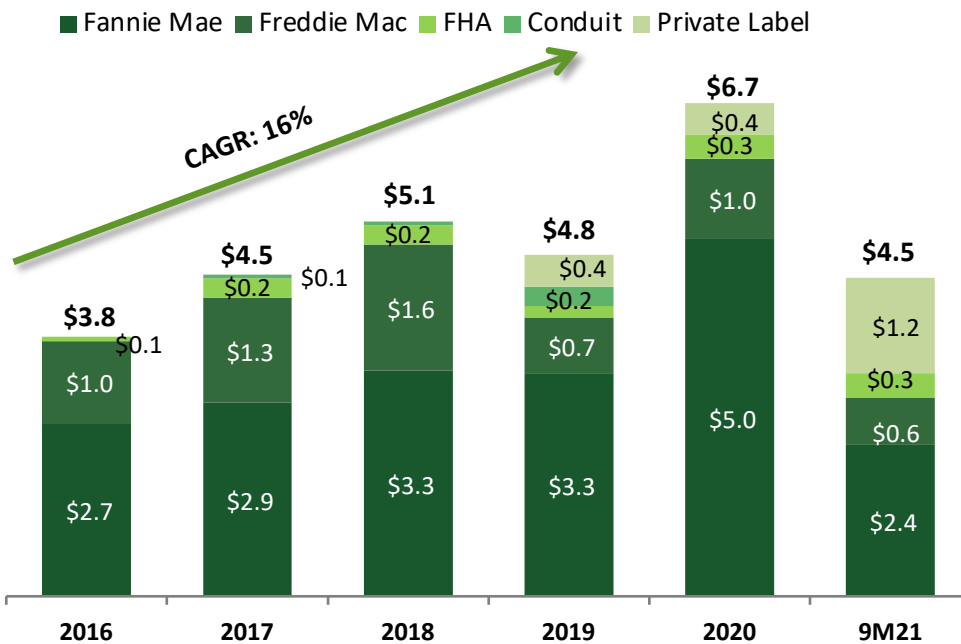
1. Maturity without extension options.
 2. No other individual state represented 4% or more of the total.

Leading Nationwide Origination and Servicing Platform

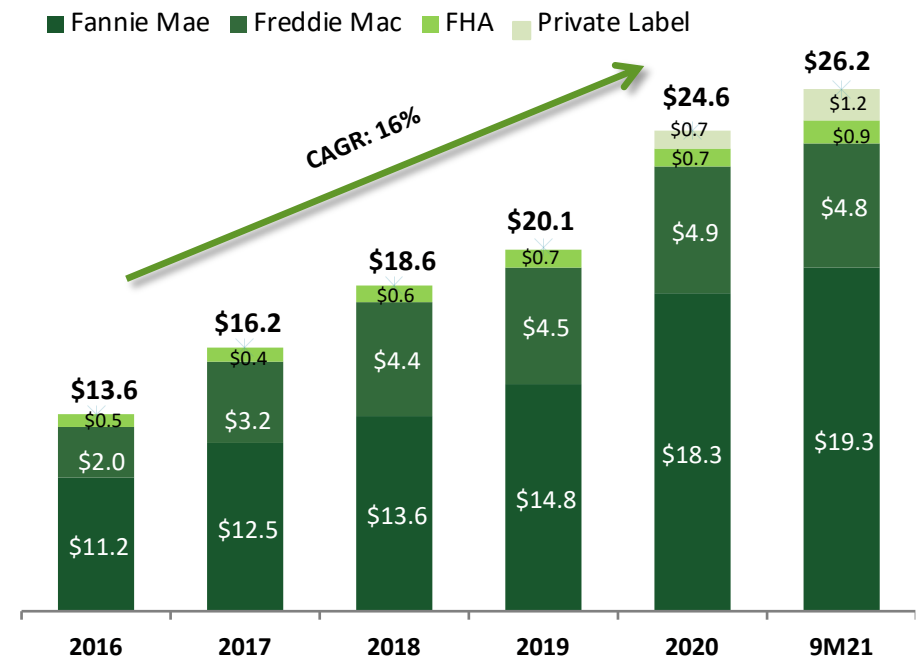
- ~\$49B of GSE/Agency originations since inception in 1995
 - Highly scalable and difficult to replicate platform
 - Focus on small balance loans (\$1M-\$9M) with average size of ~\$7M
 - Industry leading performance with few delinquencies and forbearances to date

- \$26B servicing portfolio, 100% focused on multifamily
 - Generates significant prepayment protection income stream of ~\$120M annually with 9 yr. w/a remaining life
 - \$1.8B fee-earning escrow balances
 - ~\$473M estimated fair market value of MSR¹

Total Agency Originations (\$ in B)



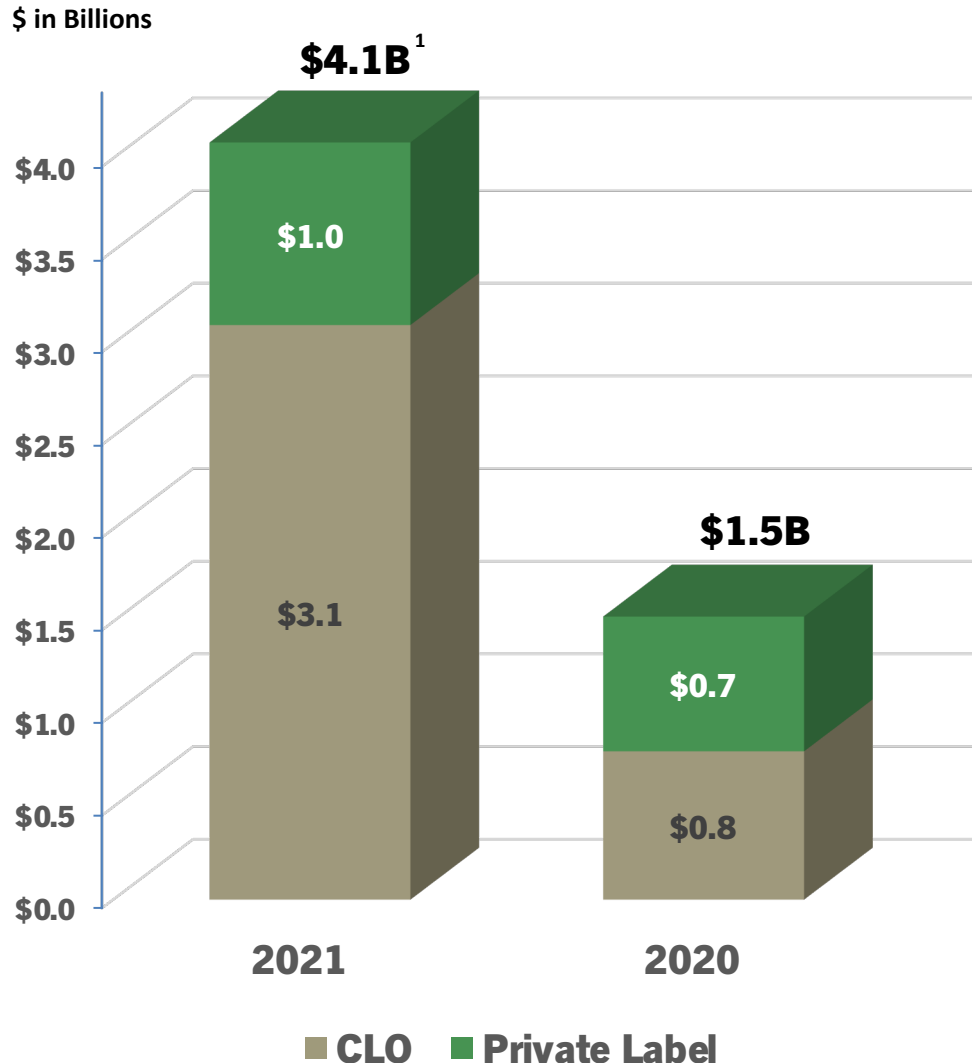
Agency Servicing Portfolio (\$ in B)



1. Mortgage servicing rights valued as of 9/30/21.

Industry Leading Securitization Platform

Assets Securitized 2020-2021



1. Includes October 2021 APL securitization of \$535 million.

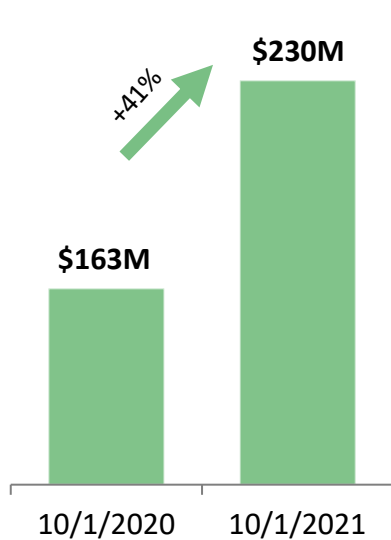
Platform Attributes

- Extensive in-house securitization experience closing 22 CRE securitizations to date totaling \$10.4 billion in assets¹
- \$7.4 billion of outstanding securitizations as of September 30, 2021:
 - CLO – \$5.7 billion
 - Private Label – \$1.7 billion¹
- Exceptional history of performance and execution demonstrating the strength of our securitization platform

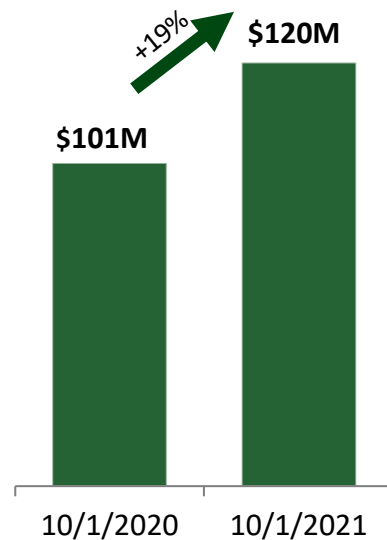
Unique Business Model Drives Growth in Diversified Long-Dated Income Streams ¹

Considerable growth in our diversified income streams providing a very strong baseline of high quality predictable earnings

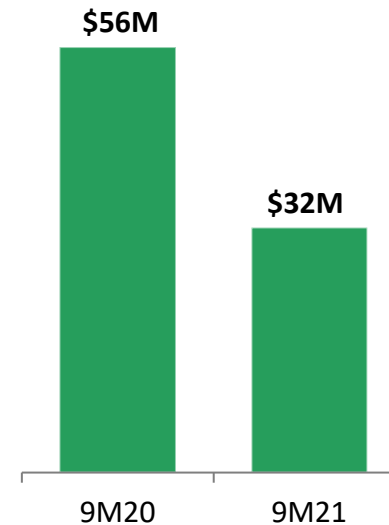
Net Interest Income ²



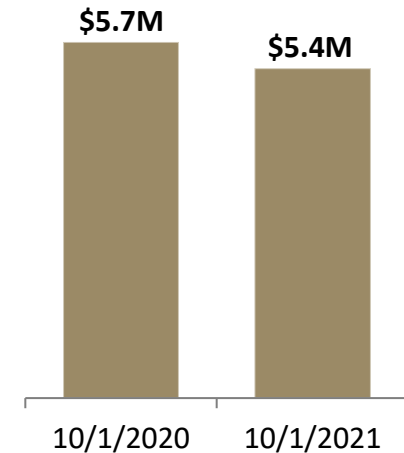
Servicing Revenue



Residential JV Income



Escrow Revenue



Based on:	10/1/20	10/1/21
Asset Bal.	\$5.1B	\$9.2B
Asset Rate ³	5.93%	4.97%
Debt Bal.	\$4.5B	\$8.6B
Debt Rate ³	3.09%	2.64%

Based on:	10/1/20	10/1/21
Servicing Portfolio	\$22.6B	\$26.2B
Servicing Rate	0.448%	0.457%

Based on:	10/1/20	10/1/21
Ownership %	16.3%	12.3%
Profits Interest	14.6%	9.2%

Based on:	10/1/20	10/1/21
Escrow Balance	\$1.1B	\$1.8B
Escrow Rate	0.50%	0.30%

1. Annualized based on September 30, 2020 and 2021 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.

Significant Growth Opportunities

GSE/Agency Business

- We believe that the GSE/Agency-backed loans segment will continue to be a significant portion of the overall mortgage loans market. We had a record year in 2020 and a strong first nine months of 2021
- Strong footprint and demonstrated ability to grow market share in stable GSE/Agency segment

Private Label Program

- **Arbor Private Label loan program** further diversifies our lending platforms, allowing us to capitalize on inefficiencies in the GSE market and serving as a mitigant against any future GSE changes
 - Arbor Private Label is another complimentary loan product to our existing line of agency loan products which provides our clients with added flexibility and additional options

Structured Loan Business

- We expect to continue 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 by **67%** in first nine months of 2021
 - Grew our loan book 28% in 2020, with 30% growth in 2019, and 24% in 2018
 - Drives GSE/Agency & Private Label pipelines

Corporate Growth Initiatives

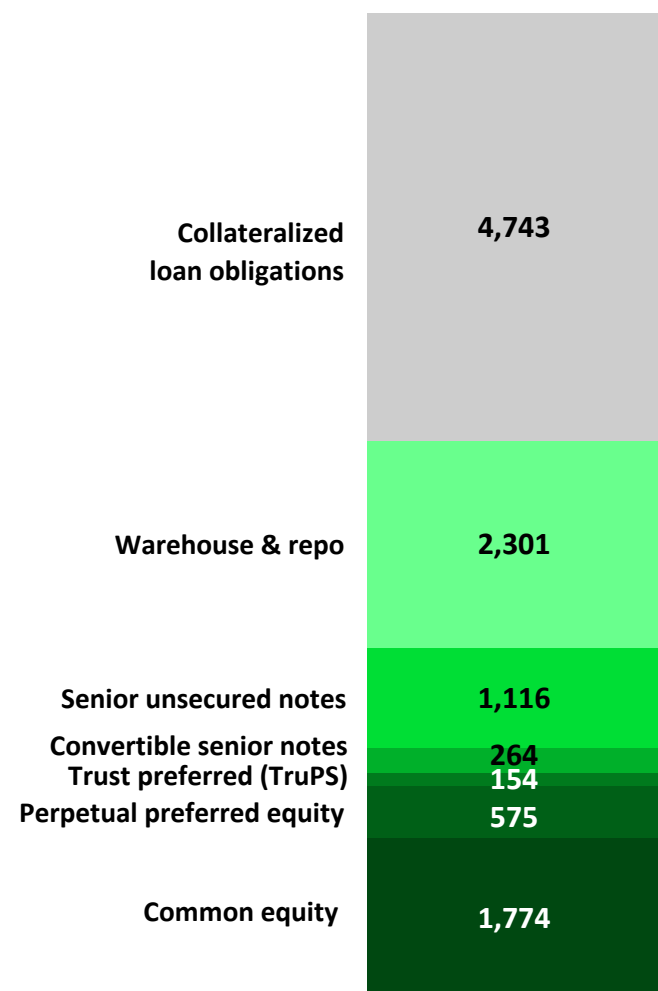
- Proprietary **Single-Family Rental** portfolio platform provides for significant opportunity in one of the fastest-growing asset classes in a market that is as big as multifamily
 - Produced \$500M in 9M21; currently have over \$1B in our pipeline
 - Drives GSE/Agency & Private Label pipelines

Highly Diversified Capital Structure

The chart below is presented pro forma for the issuance of \$201 million of series F preferred stock in October

Capital Structure (\$ in M)

Total Enterprise Value = \$10,927



- Extensive experience with CRE CLOs
 - Seven outstanding nonrecourse CLOs
 - Match-funded with locked-in spreads
 - Wtd. average advance rate of 82.7%, with long replenishment features
 - 2½- to 4-year replacement periods

- 13 separate warehouse and repo facilities (\$3.8B committed) ¹


- 5.05% wtd. average rate, no significant covenants
 - \$720M, matures in 2026-2027; \$396M, matures in 2023-2024
- 4.75% coupon and \$17.64 convert price, matures November 2022
- ~30 year unsecured with no significant covenants – equity-like
- \$230M, 6.375% rate; \$144M, 6.25%; pro forma for new issuance of \$201M at 6.25%

- Debt-to-Equity ratio of 3.3 including preferred stock and trust preferreds as equity ²

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

2. Pro forma for the \$201 million preferred stock issuance noted above; equity adjusted for \$55 million of CECL reserves (tax effected)

Financial Performance

(Amounts in 000's, except per share amounts)	Year Ended			Quarter Ended			YTD
	2018	2019	2020	Mar-2021	Jun-2021	Sep-2021	Sep-2021
Net interest income	103,171	129,541	170,249	48,960	58,770	69,920	177,650
Servicing revenue	119,214	125,647	120,365	33,567	35,613	43,845	113,025
Gain on sale, incl. fee based services, net	70,001	65,652	94,606	28,867	35,064	16,334	80,265
Residential mortgage banking JV income	696	7,130	75,689	22,499	4,785	5,416	32,700
Other income	1,653	3,861	4,582	433	1,237	1,865	3,535
Total net revenues	294,735	331,831	465,491	134,326	135,469	137,380	407,175
Total operating expenses	162,300	165,071	223,070	57,291	63,781	54,041	175,113
Preferred stock dividends	7,554	7,554	7,554	1,888	2,935	4,913	9,736
Distributable earnings*	\$124,881	\$159,206	\$234,867	\$75,147	\$68,753	\$78,426 ³	222,326
Distributable earnings ROE on common equity	14.6%	14.6%	18.9%	20.2%	16.6%	17.9%	18.2%
Distributable earnings per common share	\$1.33	\$1.37	\$1.75	\$0.52	\$0.45	\$0.49 ³	\$1.46
Dividend per common share ¹	\$1.04	\$1.20	\$1.32	\$0.34	\$0.35	\$0.36	\$1.05
Distributable EPS in excess of dividends	\$0.29	\$0.17	\$0.43	\$0.18	\$0.10	\$0.13	\$0.41
Stockholders annual return ²	30%	54%	7%				45%
Stockholders three year return (annualized)				27%			

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

2. 2021 YTD return based on 11/12/21 closing price of \$19.21

3. Does not include a COVID-related one-time realized loss of \$2.8 million on a non-multifamily asset in 3Q21

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

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
- 8-year tenure with Arbor