Arbor Realty Trust
Investor Presentation

June 2017

ARBOR
Arbor Realty Trust, Inc.

Overview of our franchise - business platforms

Senior management team with 30 plus years of successful operating capability in the financial services industry that are fully aligned with over 30% ownership

Balance Sheet Loan Origination & Structured Investment Platform

- Specialized real estate finance platform that invests in a diversified portfolio of structured finance assets in the multifamily and commercial real estate markets, with a focus on bridge and mezzanine loans
- Primary focus is multifamily, senior loans, which generate strong leveraged returns in a secure part of the capital stack
- $1.7 billion investment portfolio at March 31, 2017
- 90% of investment portfolio in bridge loans, with 80% of bridge loans to multifamily properties
- Small balance lending strategy is differentiated from peers – average size of ~$12 million per loan
- Industry leader in non-recourse floating rate securitization vehicles ("CLO's")
- Consistent track record of producing significant earnings from equity kickers and structured transactions

GSE (Agency) Loan Origination and Servicing Platform

- One of only 25 Fannie Mae DUS® licensed lenders nationwide, and a top 10 DUS lender for 10 straight years
- One of only 22 Freddie Mac Program Plus lenders, and the number One Freddie small balance lender as well as a Affordable Housing, and HUD originator
- Leading national multifamily agency loan origination and servicing platform with over 200 direct employees, including 20 originators in eight states with more than 20 years of experience on average
- Primary focus on small balance loans with ~$5 million average loan size
- Servicing portfolio of ~$14.5 billion as of March 31, 2017 (~48 bps svc fee), prepayment protected, stable, long dated income stream
- Originated $4.6 billion in loans in 2016, of which $3.8 billion were agency loans with a 5-year average growth rate of more than 20%

Significant Recent Accomplishments

- Acquired the agency platform of Arbor Commercial Mortgage, LLC on July 14, 2016 **and fully internalized the management structure on May 31, 2017**
- Immediate accretion to core earnings and dividends contributing to AFFO of $0.79 in 2016, a 9% ROE
- **Increased dividend run rate to $0.72 per share, a 20% increase from 2015 and increased the dividend three times in the past year from $0.60 to $0.64, $0.64 to $0.68 and from $0.68 to $0.72 per share**
- **Total shareholder return of 17% thus far in 2017, 13% in 2016, and 23% annually for the last five years**
- **Record originations in 2016 of $4.6 billion, $3.8 billion from the agency business, a 22% increase over 2015 agency volume[1]**
- **Grew our servicing portfolio to $14.5 billion, with a w/a servicing fee of 48 basis points, a 32% increase from 2015 and a 21% increase since the agency business acquisition[1]**
- Increased our transitional balance sheet portfolio 17% and earned $15 million of income from equity investments and structured transactions in 2016
- Continued focus on new and improved non-recourse securitization vehicles closing seven CLO's since 2012, with currently $1 billion in non-recourse debt outstanding with replenishment rights[1]
- Effectively accessed accretive capital raising $100 million of 3 year convertible notes and $76 million of common equity with attractive terms
- Strong liquidity position with approximately $200 million in cash on hand and capacity in our CLO vehicles to fund new investments

1 See growth charts and capitalization table on pages 6, 7 and 8.

Substantial Value Play

ABR's stock price trades below the Commercial Mortgage REIT peer group average:

Arbor Realty Trust (ABR)	VS.	*Peer Group Avg. (Source: Thomson Reuters)*
Price to book value of 0.93% [1] Price to tangible book value of 0.99% [1] ~ 8.5% dividend yield [1]		Price to book value of 1.03% ~ 8% dividend yield

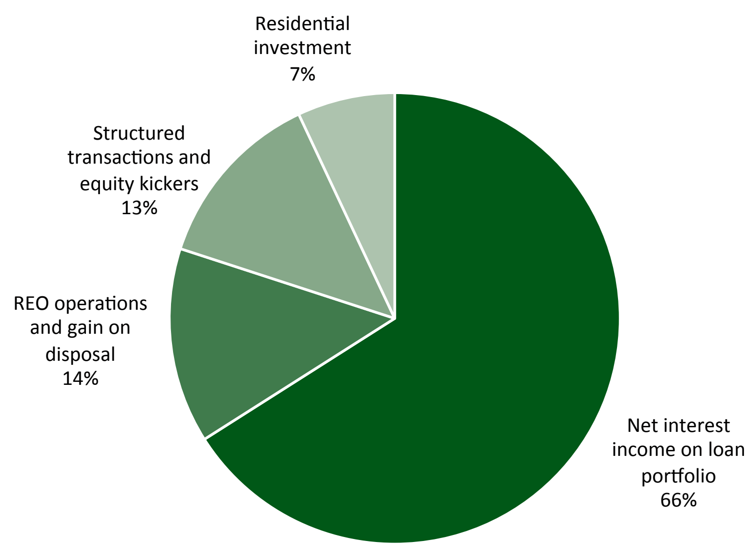
- **We believe ABR should be viewed and valued consistent with an operating franchise rather than a traditional mortgage REIT, resulting in a higher trading premium due to its significant GSE origination and servicing platform which:**
  - Generates a substantial recurring, predictable long dated income stream through a large, mostly prepayment protected, servicing portfolio of approximately $14.5 billion with a w/a servicing fee of 48 basis points
  - Significantly diversifies and increases the stability and duration of our income streams, with GSE income representing ~ 63% of our income sources, over 50% of which is comprised of servicing income
  - Provides a very durable growth platform, while minimizing the impact of capital market and interest rate volatility
  - Contains significant escrow balances of ~ $400 million earning approximately LIBOR, which will generate significant additional earnings power as interest rates rise
  - And is operated through an efficient corporate tax structure that could become even more accretive **if certain proposed corporate tax reduction plans under the Trump administration are implemented**

Conclusion: **We believe ABR's stock price should be in excess of $10.00 a share, due to our significant operating agency platform that generates a more predictable, stable earnings base to support the dividend, which should be valued based on similar P/E ratios as other public GSE platforms.**

1 based on a stock price of $8.40 on 6/20/17.

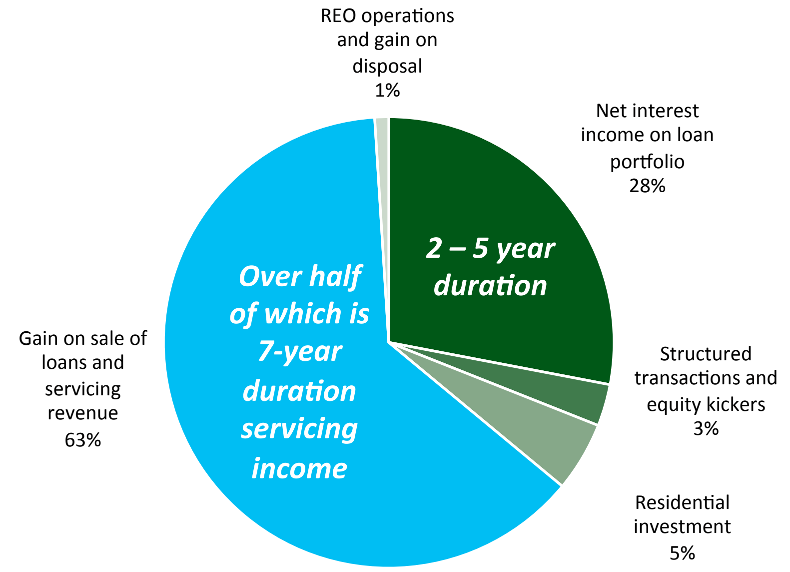
Diversification & duration of income sources

2015 income sources



Total: $89.7mm

Pro Forma 2016 income sources



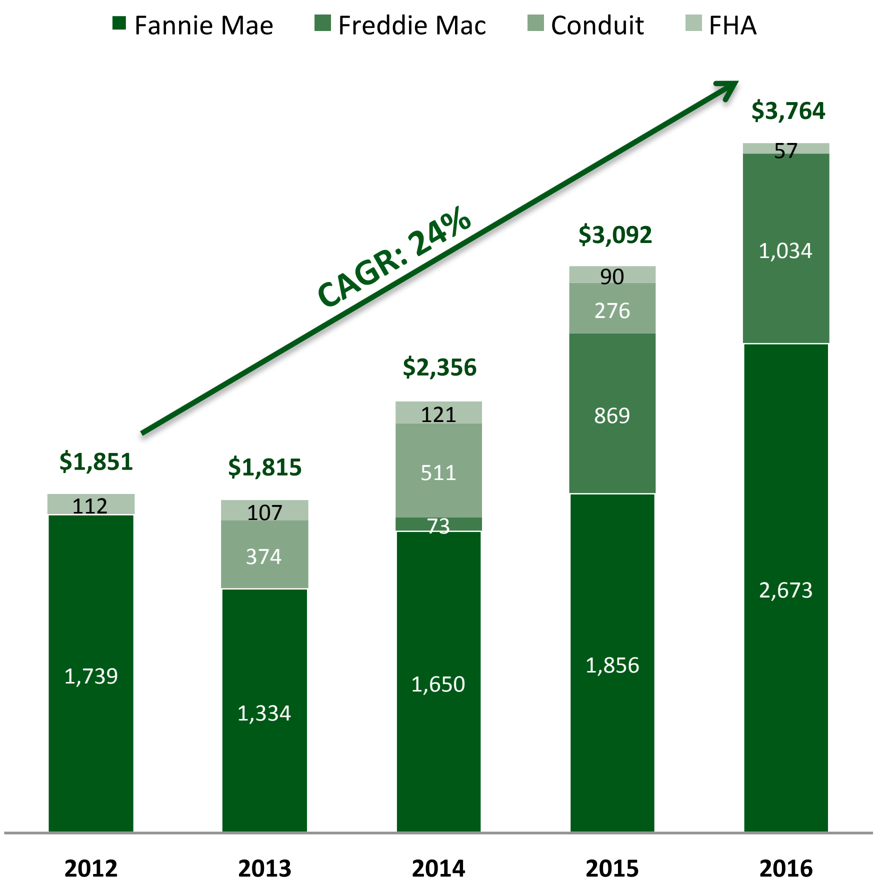
Total: $188.4mm

- **ABR significantly diversified its income sources while creating a long-dated, prepayment protected revenue stream**
  - Potential for additional benefit from increase in interest income on escrow balances due to future increases in LIBOR

GSE platform expands our product offerings and adds diversity, duration, and stability to our earnings streams

Leading, nationwide origination and servicing platform

Total Originations – GSE (Agency) Business ($mm)



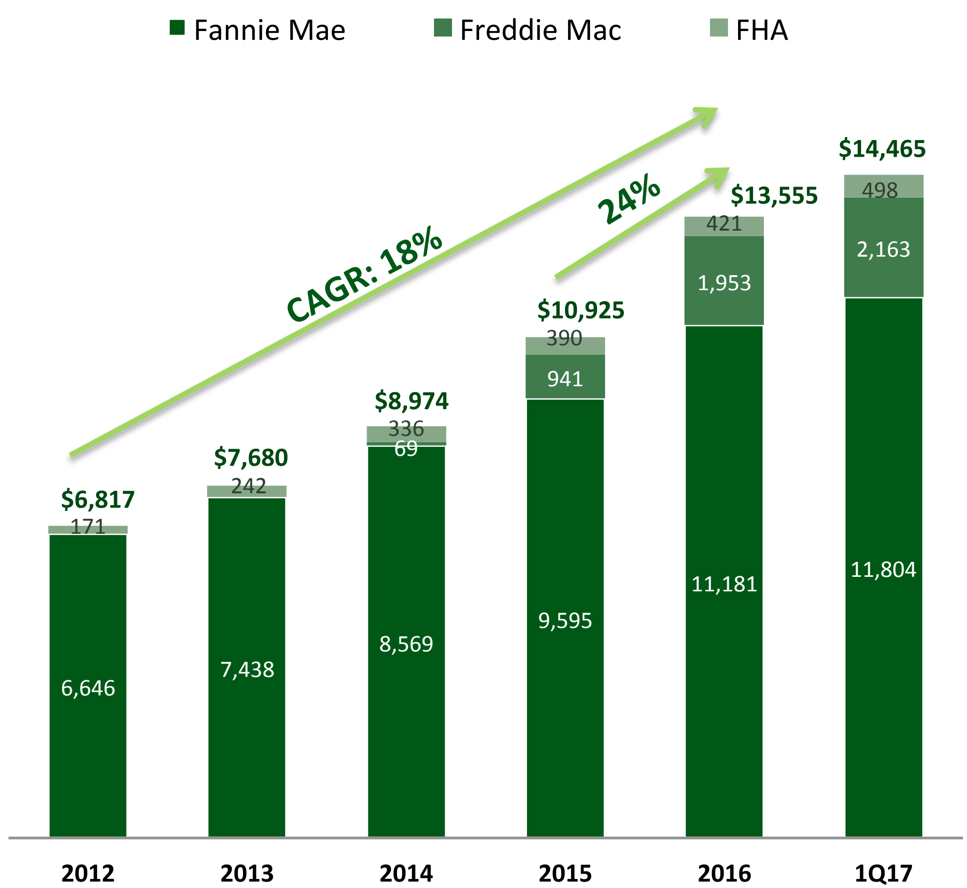
Overview of origination platform

- Operating since 1995, originated over $25 billion since inception
  - $12.9 billion in aggregate originations from 2012 – 2016 producing a 24% five year annual growth rate
  - Record 2016 originations of $3.8 billion
  - 44% growth in Fannie Mae originations in 2016
  - **Originated $1.3 billion in the first quarter of 2017**
- One of only 25 licensed Fannie Mae DUS® lenders
- Top 10 multifamily DUS® lender for 10 consecutive years
- Top small balance lender for Fannie Mae in 2014, 2015 and 2016
- Number one small balance lender for Freddie Mac in 2015 and 2016
- 20 originators in eight states with more than 20 years average experience

Note: All metrics shown as of 12/31/16

Leading, nationwide origination and servicing platform

Servicing platform – Servicing portfolio growth ($mm)



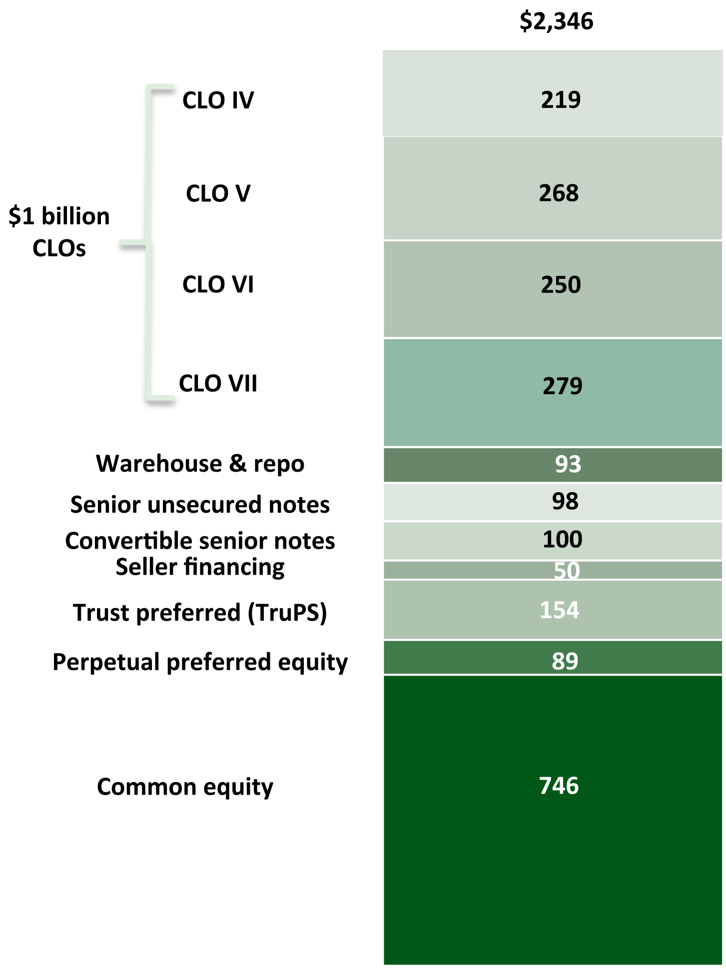
Overview of servicing platform

- ~ $14.5 billion servicing portfolio at 3/31/17
  - 18% five year annual growth rate
  - 24% growth in 2016
- ~48 bps weighted average servicing fee
- Annual annuity income of more than $68 million
- 8 years weighted average remaining life
  - Prepayment protection in commercial MSR has structural advantages compared to residential MSR
- Average loan size of ~$5 million
  - Focus on small balance ($1 - $5 million)
- 100% multifamily-focused servicing platform
- Approximately $385 million in escrow balances that a 1% increase in Libor would generate in excess of $0.04 a share in additional earnings
- Estimated fair market value of MSRs of approximately $280 million

Note: All metrics shown as of 3/31/17

Capital Structure

Capital structure ($mm)



- Extensive experience with CRE CLOs
  - Match-funded with locked-in spreads
  - Non-recourse, 76% advance rate with long replenishment features
  - ~ 75% of total financing (excluding TruPS) target range of 65% to 75%
  - CLO VII closed in April 2017 totaling $360 million with improved terms and an initial weighted average interest rate of 1.99% over LIBOR, 49 basis points lower than our last CLO
- Six separate warehouse and repo facilities ($500mm committed)
- ~ 8% rate redeemable after May 2017; no significant covenants
- 3 year paper, 6.5% coupon and $8.37 convert price
- 5 year paper, ~ 8% unsecured with no significant covenants
- ~30 year unsecured with no significant covenants – equity-like
- ~ 8.5% rate callable beginning February 2018 to February 2019
- Book value per common share of $9.04[1]

Notes: Table is as of 3/31/17 pro forma to give effect to the issuance of 9.5 million shares of common stock in a public offering receiving net proceeds of $76.2 million in May 2017, as well as the issuance of $279.0 million investment grade-related notes from the closing of CLO VII in April 2017 of which the proceeds were used to pay down $198.7 million of warehouse debt. The table excludes short term debt related to our agency business as this debt is repaid within 30-45 days.

[1] As of 3/31/17 pro forma, based on $746 million book value of common equity, 61.4 million common shares outstanding and 21.2 million operating partnership units outstanding.

Financial Performance

(Amounts in 000s except per share amounts)	For the year ended December 31, 2014	2015	2016	Qtr ended Mar. 31 2017
Net interest income	$59,869	$59,185	$53,505	$14,088
Servicing revenue	-	-	30,759	20,075
Gain on sale, including fee based services, net	-	-	24,594	19,171
REO assets NOI, impairment and gains from disposals	6,388	12,212	1,811	(615)
Structured transactions and equity kickers	8,919	11,437	5,934	701
Residential mortgage banking JV income	-	6,600	9,600	62
Other income	1,645	270	542	111
Total net revenues	**$76,821**	**$89,704**	**$126,745**	**$53,593**
Total operating expenses	31,163	36,601	70,199	34,167
Preferred stock dividends	7,256	7,554	7,554	1,888
Core AFFO	**$38,402**	**$45,549**	**$48,992**	**$17,538**
Core earnings ROE on common equity	9.4%	9.9%	9.0%	10.6%
Core AFFO per common share	$0.76	$0.89	$0.79	$0.24
Dividend per common share	$0.52	$0.60	$0.64	$0.18
Core earnings per share in excess of dividends	$0.24	$0.29	$0.15	$0.06
Stockholders annual return	9.5%	14.2%	13.0%	
Stockholders five year return			**23.1%**	

Earnings in excess of dividends

Predictable annuity of income streams