



ARBOR

ARBOR REALTY TRUST, INC.

ARBOR REALTY TRUST INVESTOR PRESENTATION

CONFIDENTIAL

February 2023

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, 2022 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 **premium operating platform** creating many **diverse income streams** generating strong earnings in all cycles
- **Balance sheet** loan origination – strong risk-adjusted returns; drives GSE/Agency/APL business
- **GSE/Agency & Private Label** loan origination – capital light; significant earnings and cash flows with high barriers to entry
- **Servicing** – Generates significant prepayment protected annual income stream with 9-year w/a remaining life
 - ~\$28.0B portfolio earning ~\$115M/year
 - \$2.3B escrow balance earning ~\$90M/year
 - ~\$205M combined or ~\$1.00 per share
- **SFR** – Single-family rental platform with strong levered returns and **3 turns on our capital** through construction/bridge/permanent lending opportunities
- Best-in-class highly aligned management team with significant ownership (~12%)

Recent Highlights

- Generated distributable earnings of **\$0.60 per share** in 4Q22, which is \$0.20 in excess of our current dividend, representing a **payout ratio of 67%**
- 10 straight years of **dividend growth**; 10 increases in the last 11 quarters, a 33% increase, with the **lowest payout ratio** in the industry – annualized dividend of \$1.60
- 2022 originations of \$10.9B
- Industry **leading total shareholder return** over 3 & 5-year periods ended 12/31/22*
 - 3 yr. – 21% (7% annualized)
 - 5 Yr. – 126% (18% annualized)
- Our **18.2% ROE** in 2022 is unmatched in our industry
- Continued to **strengthen funding sources** in 2022:
 - Closed four securitizations totaling \$3.9B
 - Increased warehouse capacity by \$1.8B
 - Raised ~\$600M through equity/debt offerings

NOTES: 1) All amounts in this presentation are as of 12/31/22 unless otherwise noted. 2) Any reference to 'escrow balance' includes operating cash.

*Assumes no reinvestment of the common dividend.

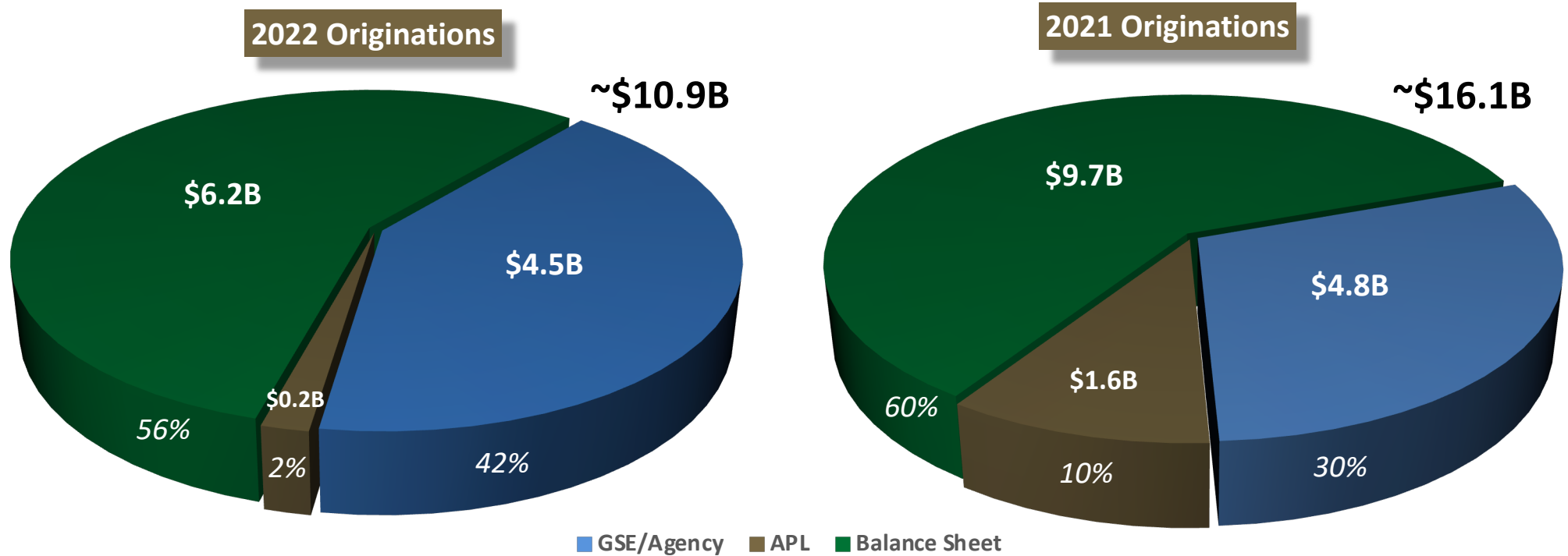
Differentiated Business Platform

Diverse business model offers several strategic advantages

- Unique business model with multiple products that produce many diverse long-dated income streams from a single investment, allowing us to generate strong earnings in all cycles
 - Primarily focused on **multifamily** asset class
 - Very stable liability structures
 - ~**\$8 billion** in non-recourse, non-mark to market securitized debt
 - Securitized debt represents ~**70%** of our outstanding secured indebtedness, with average pricing of **1.67%** over LIBOR/SOFR which is well below the current market and has meaningfully increased the levered returns on our capital
- Well capitalized with ~**\$685 million** in cash and liquidity currently on hand ¹
 - An additional ~**\$420 million** of deployable cash in our CLO vehicles ¹
 - Over **\$3.2 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
 - ~**\$2.3 billion** of escrow balances earning ~4% as of 12/31/22 for annualized run rate of ~**\$90 million** in revenue, up from ~\$5 million as of 12/31/21
 - Structured loan book is **97% floating rate** and will benefit considerably from rising rates
 - ✓ Increase of **\$0.05 per share** annually assuming a **50 basis point** rise in LIBOR/SOFR versus 12/31/22
 - ✓ Both LIBOR and SOFR have already increased ~20 basis points from 12/31/22

1. As of 2/16/23.

Highly Diversified Originations Platform



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

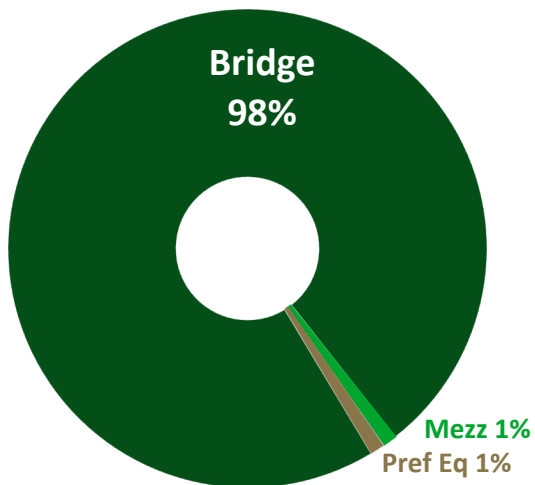
Balance Sheet Loan Portfolio Composition

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

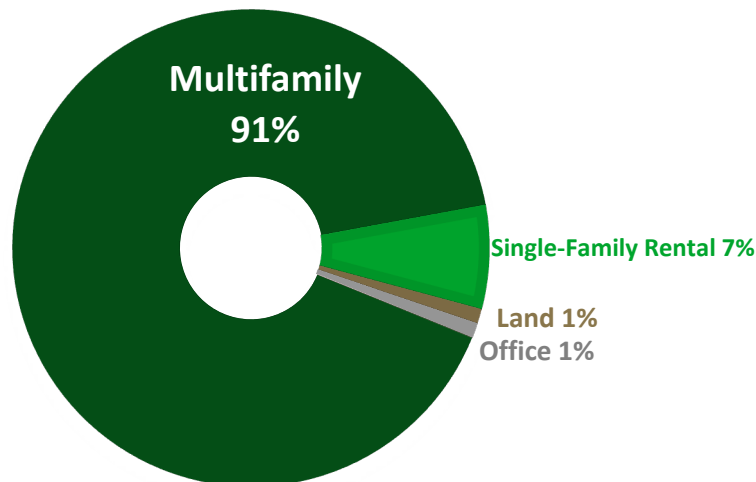
Portfolio Overview

Total Portfolio	\$14.5B
As of:	12/31/2022
➤ Average Loan Size	\$19.5M
➤ W/A Loan-to-Value	76%
➤ Allowance for Credit Losses (CECL)	<1%
➤ W/A Mos. to Maturity	20.6
➤ W/A Mos. to Maturity w/ext. option	37.9

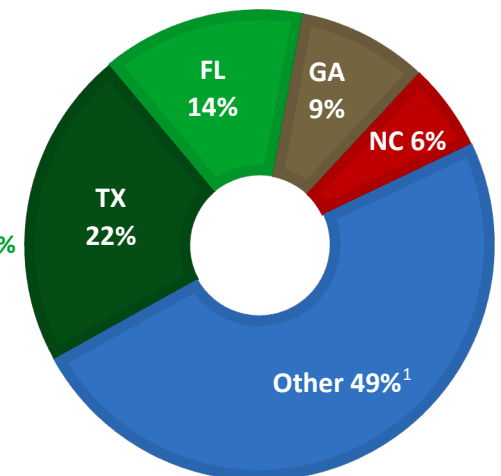
Loan Type



Asset Class



Geographical Location



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

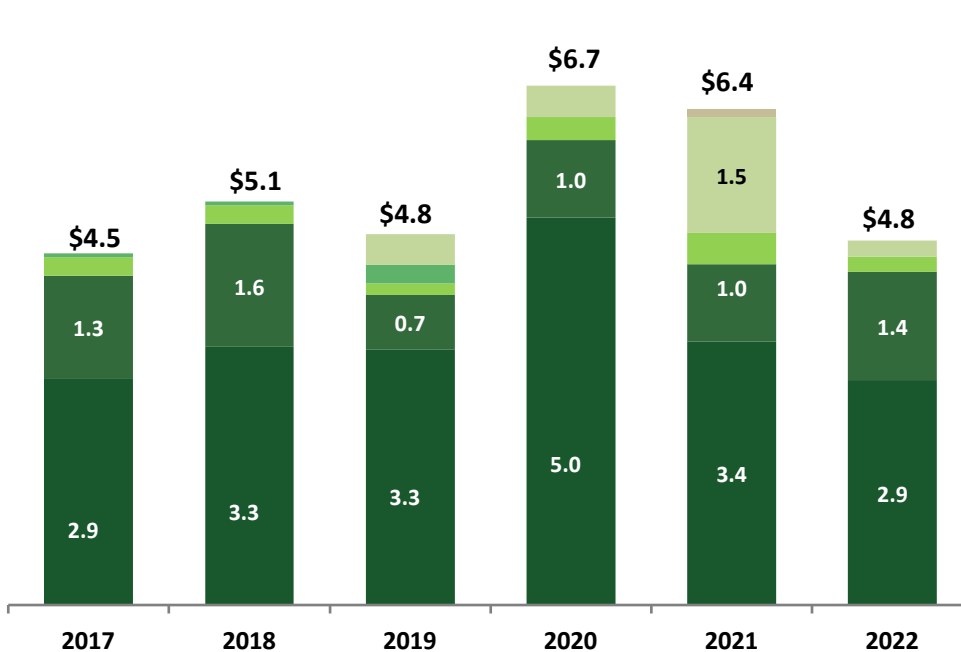
Leading Nationwide Origination and Servicing Platform

- ~\$56B 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

- ~\$28B servicing portfolio, 100% focused on multifamily
- Generates significant prepayment protection income stream of ~\$115M annually with 9 yr. w/a remaining life
- ~\$2.3B fee-earning escrow balances (~\$90M annually)
- ~\$531M estimated fair market value of MSR

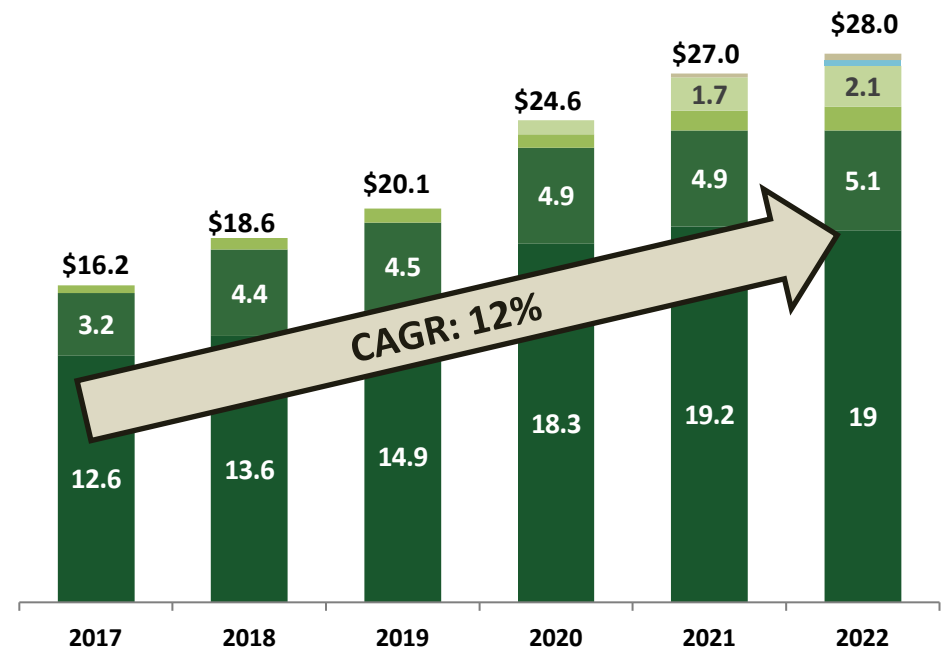
Total Agency Originations (\$ in B)

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



Agency Servicing Portfolio (\$ in B)

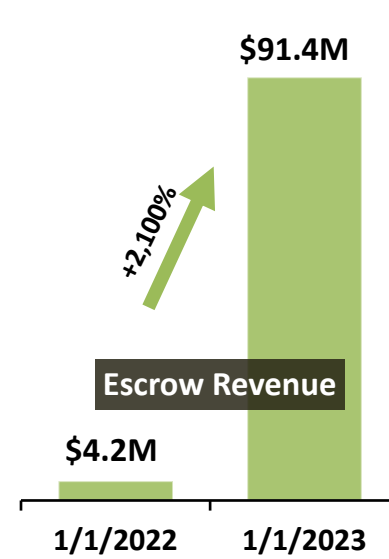
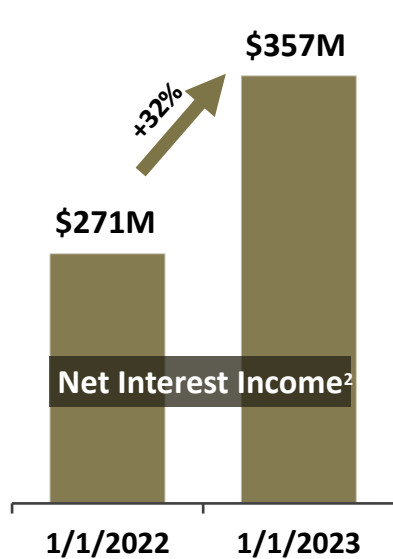
■ Fannie Mae ■ Freddie Mac ■ FHA ■ Private Label ■ Bridge ■ SFR



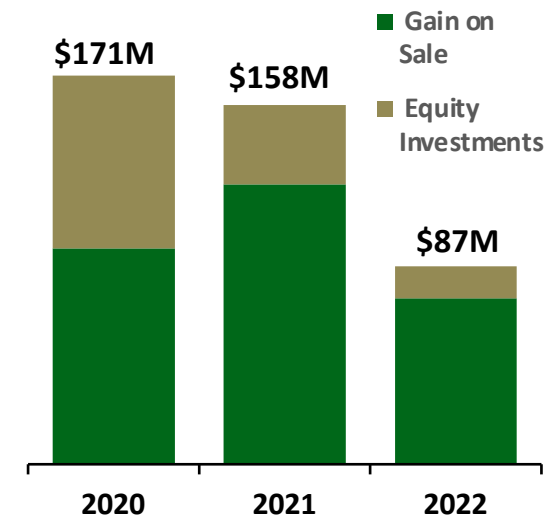
Annuity Based Business Model Drives Diversified Income Streams

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:	1/1/22	1/1/23
Asset Bal.	\$12.2B	\$14.5B
Asset Rate ³	4.62%	8.42%
Debt Bal.	\$11.2B	\$13.3B
Debt Rate ³	2.61%	6.50%

Based on:	1/1/22	1/1/23
Servicing Portfolio	\$27.0B	\$28.0B
Servicing Rate	0.449%	0.411%

Based on:	1/1/22	1/1/23
Escrow Balance	\$2.0B	\$2.3B
Escrow Rate	0.21%	4.00%

	2020	2021	2022
Gain on Sale	\$95M	\$123M	\$73M
Equity Investments	\$76M	\$35M	\$14M

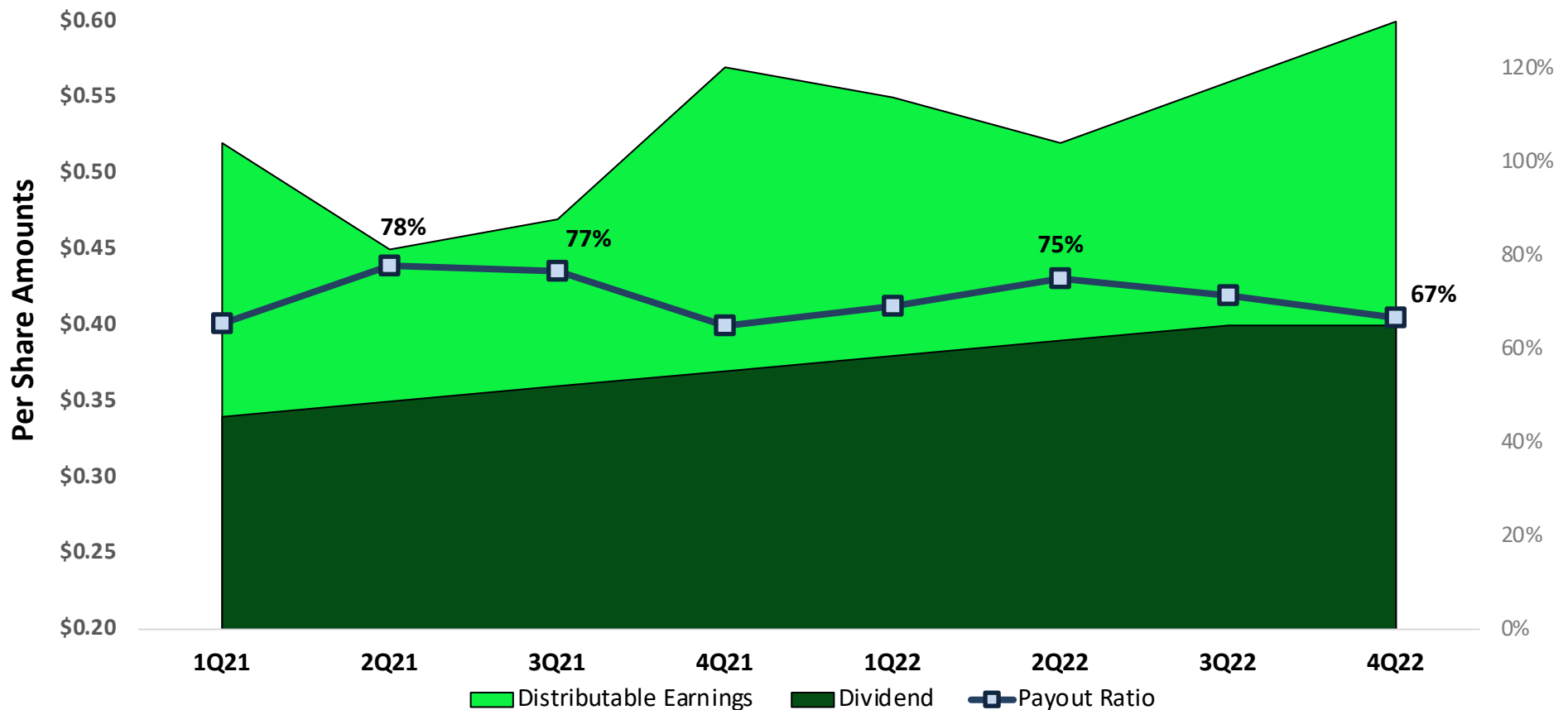
1. Annualized based on December 31, 2021 and 2022 portfolio and debt balances, which may not be indicative of actual results.

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.

Consistent Dividend Growth with Leading Payout Ratio

- Increased our dividend **3 times in 2022** and in **10 of the last 11 quarters**
- Lowest dividend payout ratio in the industry
- 10 straight years of dividend growth, putting us in an elite class of companies

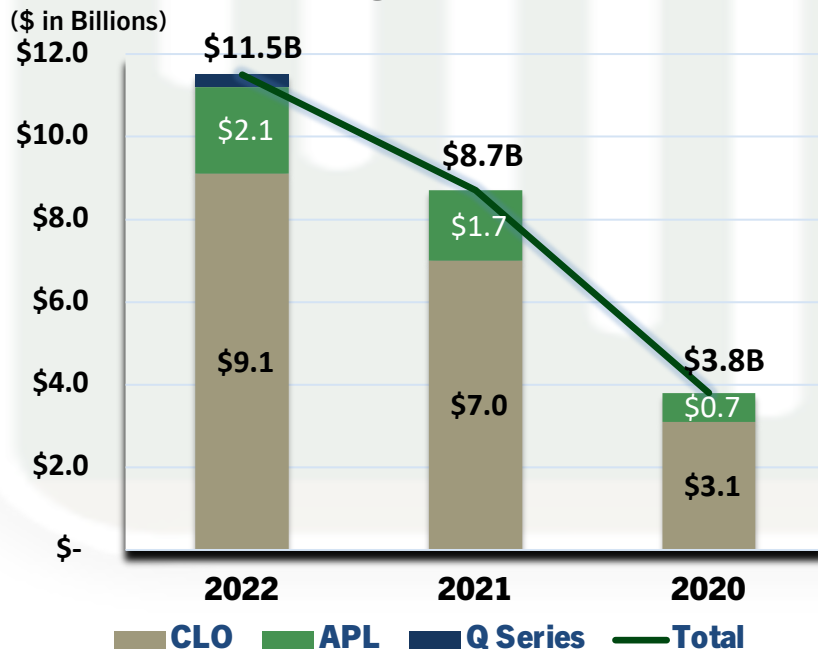


Industry Leading Securitization Platform

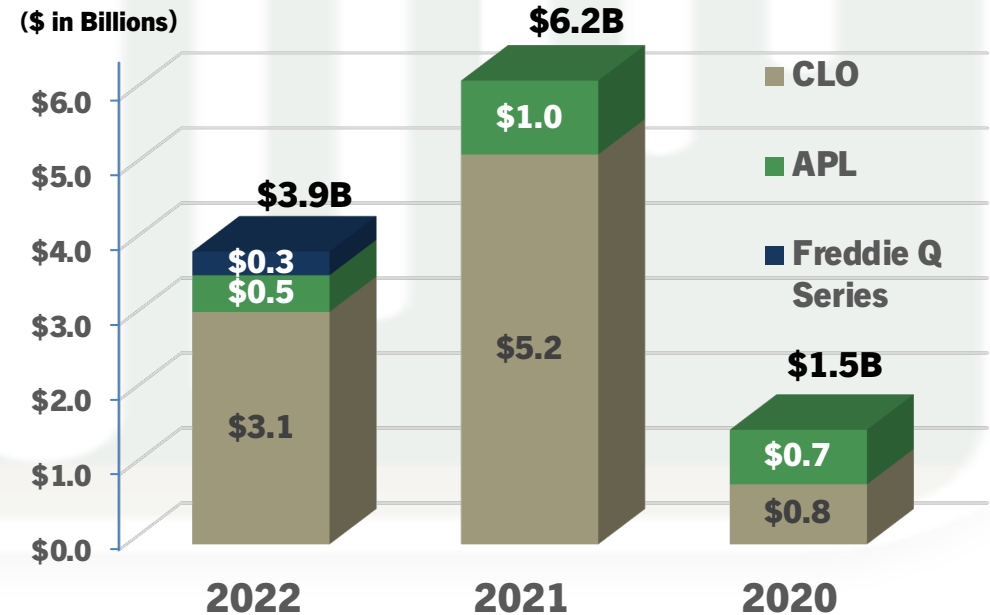
Platform Highlights

- Extensive in-house securitization experience closing 27 securitizations totaling \$16.4 billion in assets
- History of strong performance and execution demonstrating the strength of our platform
- Completed our first securitization vehicle through Freddie Mac's Q Series program, demonstrating our strong social commitment to providing liquidity to the affordable multifamily housing market

Outstanding Securitizations



New Securitizations



1. Amounts in the tables above reflect securitized asset balances.

Diversified Platform with Significant Opportunities

Structured Loan Business

- **Best in class** balance sheet loan origination business driven by our **proprietary relationships** and expertise in structured loans
 - Generated levered returns of **over 16%** in 4Q22, via our low-cost CLO structures
 - Balance sheet runoff naturally feeds our GSE/Agency business
 - 97% variable rate loan book (based on LIBOR & SOFR); a 50 basis point increase in these rates would produce **\$0.05 per share** annually in additional earnings

GSE/Agency Business

- Capital light, high ROE business that we expect will continue to be a significant portion of the overall mortgage lending market
- Strong footprint with deep borrower relationships and a heavy focus on workforce housing in stable GSE/Agency market
- One of the leading agency lenders in the achievement of affordable housing goals, a key reason we continue to be viewed very favorably by the agencies
- **\$28.0B** servicing portfolio and **\$2.3B** in escrows currently earning **\$205M** in annual cash flow

Single-Family Rental Platform

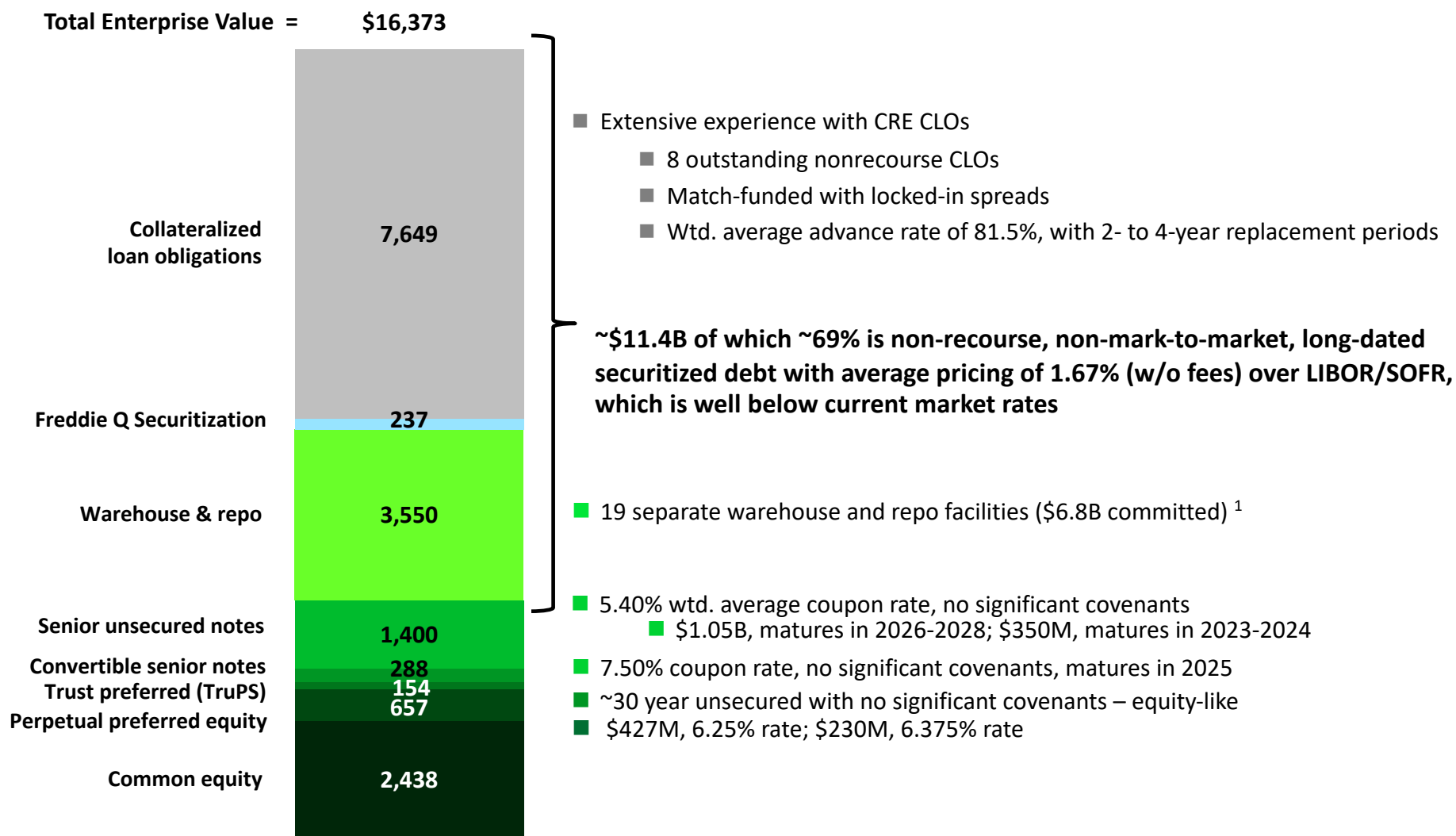
- Proprietary **Single-Family Rental** platform provides us with a significant opportunity in one of the fastest-growing asset classes in a market that is as big as multifamily
 - Produced ~\$1.2B in 2022; over \$900M in 2021 and we currently have a very robust pipeline
 - Generates strong levered returns and offers us 3 turns on our capital through construction, bridge and permanent lending opportunities

Private Label Program

- **Arbor Private Label loan program** is another complimentary loan product which provides our clients with added flexibility and additional options
 - Completed 4 securitizations to date totaling \$2.2B, including a ~\$500M securitization in 2022


Highly Diversified Capital Structure

Capital Structure (\$ in M)



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

Financial Performance

(Amounts in 000's, except per share amounts)	Year Ended				
	2018	2019	2020	2021	2022
Net interest income	103,171	129,541	170,249	254,082	390,784
Servicing revenue	119,214	125,647	120,365	166,170	196,570
Gain on sale, incl. fee based services, net	70,001	65,652	94,606	123,037	72,904
Residential mortgage banking JV income	696	7,130	75,689	34,610	4,914
Other income	1,653	3,861	4,582	7,448	6,974
Total net revenues	294,735	331,831	465,491	585,347	672,146
Total operating expenses	162,300	165,071	223,070	249,730	225,493
Preferred stock dividends	7,554	7,554	7,554	21,888	40,954
Distributable earnings*	\$124,881	\$159,206	\$234,867	\$313,729	\$405,699
Distributable earnings ROE on common equity	14.6%	14.6%	18.9%	18.5%	18.2%
Distributable earnings per common share	\$1.33	\$1.37	\$1.75	\$2.01	\$2.23
Dividend per common share	\$1.04	\$1.20	\$1.32	\$1.48	\$1.57
Distributable EPS in excess of dividends	\$0.29	\$0.17	\$0.43	\$0.53	\$0.66
Dividend payout ratio	78%	88%	75%	74%	70%
Stockholders annual return	30%	54%	7%	39%	(20%)
Stockholders five year return (annualized)					18%

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



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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