

ARBOR REALTY TRUST INVESTOR PRESENTATION

May 2018



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. 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, 2017 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.

OVERVIEW OF OUR FRANCHISE – BUSINESS PLATFORMS

Senior management team with 30+ years of successful operating capability in the financial services industry that is 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
- Primary focus is multifamily, senior loans, which generate strong leveraged returns in a secure part of the capital stack
- \$2.8 billion investment portfolio at March 31, 2018
- 90% of investment portfolio in bridge loans, 74% of which are loans to multifamily properties
- Small balance lending strategy is differentiated from peers – average size of ~\$16 million per loan
- Industry leader in non-recourse match funded securitization vehicles (CLOs); five existing CLOs with \$1.4 billion in non-recourse debt outstanding with replenishment rights
- Consistent track record of producing significant earnings from structured transactions and equity kickers

GSE (Agency) Loan Origination and Servicing Platform

- One of only 25 Fannie Mae DUS® licensed lenders nationwide, and a top 10 DUS lender for over a decade
- One of only 22 Freddie Mac Multifamily Conventional Loan lenders, and a top Freddie small balance lender as well as an Affordable Housing, and HUD originator
- Leading national multifamily agency loan origination and servicing platform with over 400 employees, including 24 originators in nine 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 ~\$16.7 billion as of March 31, 2018 (~48 bps servicing fee), mostly prepayment protected, stable, long-dated income stream
- Originated \$6.3 billion in loans in 2017 (of which \$4.5 billion were agency loans) with a 5-year average growth rate of more than 23%

SIGNIFICANT GROWTH DRIVERS

- Significant earnings growth generating an annual dividend run rate of \$1.00 per share, reflecting a 67% increase over the past two years (six increases over that time)
- Strong origination platform with record originations in 2017 of \$4.5 billion from the agency business, a 19% increase over 2016 agency volume, which produced strong margins
- Servicing portfolio growth of 20% in 2017; Portfolio totaling \$16.7 billion at March 31, 2018 with a w/a servicing fee of ~48 basis points, representing a 40% increase since the agency business acquisition
 - **Significant, long dated, predictable annuity of income of ~\$80 million gross annually, mostly prepayment protected**
- Recent tax reform that permanently reduces the corporate tax rates from 35% to 21% will increase AFFO by ~\$0.04 to \$0.06 per share annually
- Balance sheet investment portfolio growth of 48% in 2017 (on \$1.8 billion of originations) and another 5% in Q1'18 resulting in a portfolio totaling \$2.8 billion at March 31, 2018
- Achieved significant economies of scale by substantially reducing our debt costs in all of our borrowing facilities, while maintaining margins and generating leveraged returns in excess of 13% in a very competitive market
- Issued \$100 million of new 5-year unsecured debt at a fixed rate of 5.625% using the proceeds to repay our 7.375% unsecured debt, which increases annual AFFO by ~\$0.02 per share

SUBSTANTIAL VALUE PLAY

ABR's stock is extremely undervalued based on a number of factors:

Dividend Yield

- Dividend yield should be better than our pre-acquisition yield and more in line with our peers (currently trading at a yield of 10.8%¹)
- Pre-acquisition ~9%..... ~ \$11
- Peer Group² ~8.5%..... ~ \$12

Tax Reform

- Dividend is even more valuable under the new tax reform, substantially reducing the tax rate on REIT dividends, which if applied would translate to a trading price of..... ~ \$13

P/E Valuation

- Significant GSE operating platform should be valued at similar P/E ratios as other public GSE businesses resulting in a higher trading price
- P/E ratio of other GSEs 8x – 10x (& 1x BV on structured platform).... ~ \$13-\$15

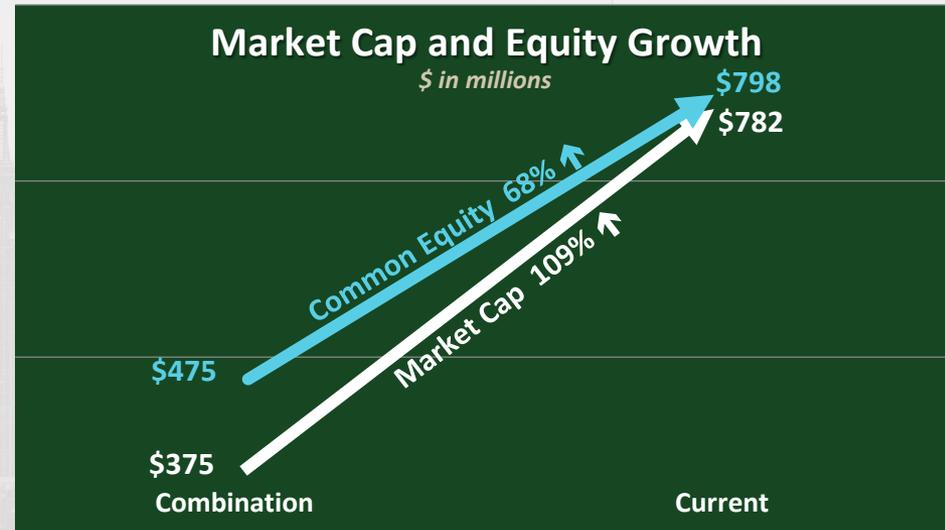
KEY PERFORMANCE INDICATORS

Significant growth in earnings & dividends

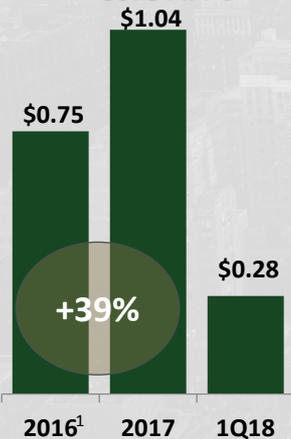
Increased stability & diversity of earnings

Larger, more efficient company

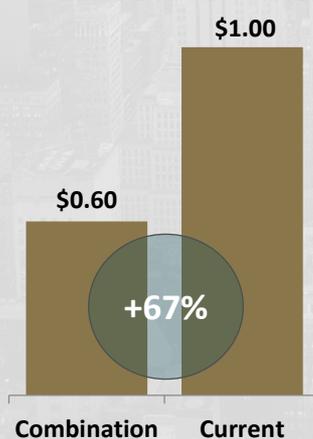
Greater access to capital



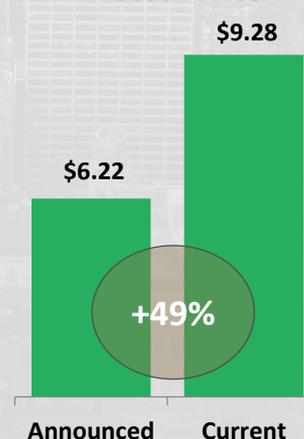
Core AFFO



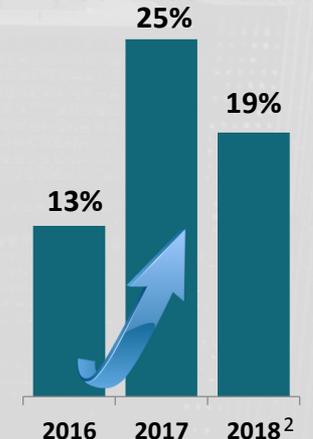
Dividend Run Rate



Stock Price



Stockholder Return

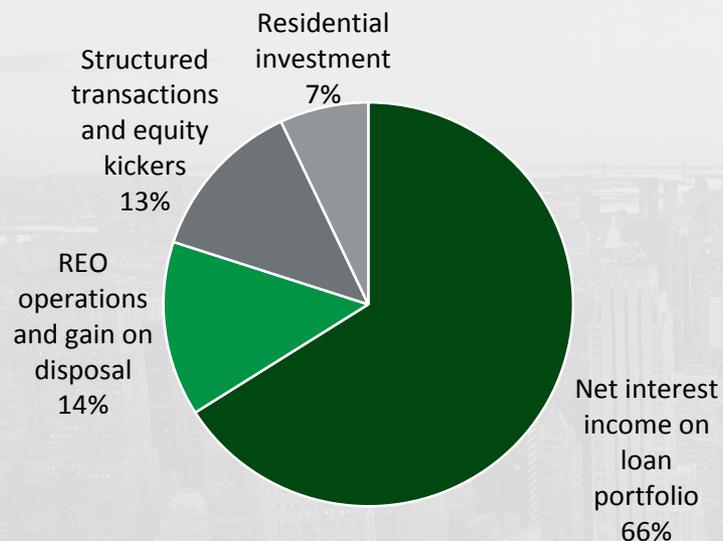


1 Amount reflects the annualized results of the first six months of 2016 prior to the combination.

2 Annualized based on a stock price of \$9.28 at 05/14/18.

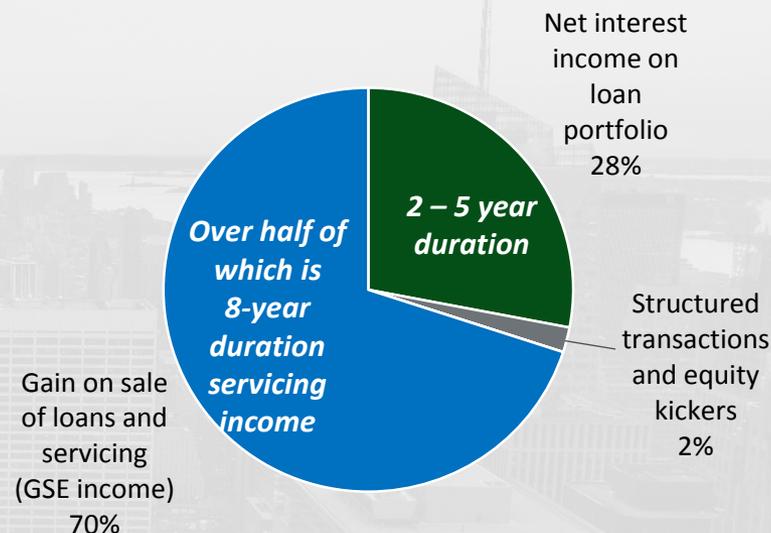
DIVERSIFICATION & DURATION OF INCOME SOURCES

2015 Income Sources



Total: \$89.7 million

2017 Income Sources



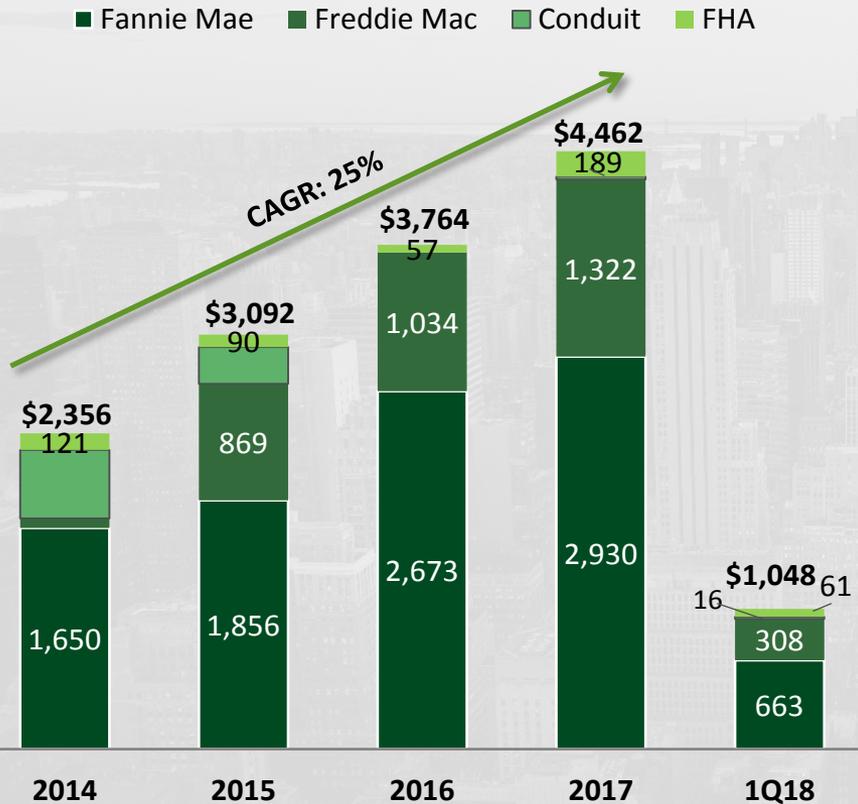
Total: \$234.2 million

- 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 ORIGATION AND SERVICING PLATFORM

Total Originations – GSE (Agency) Business (\$ in millions)

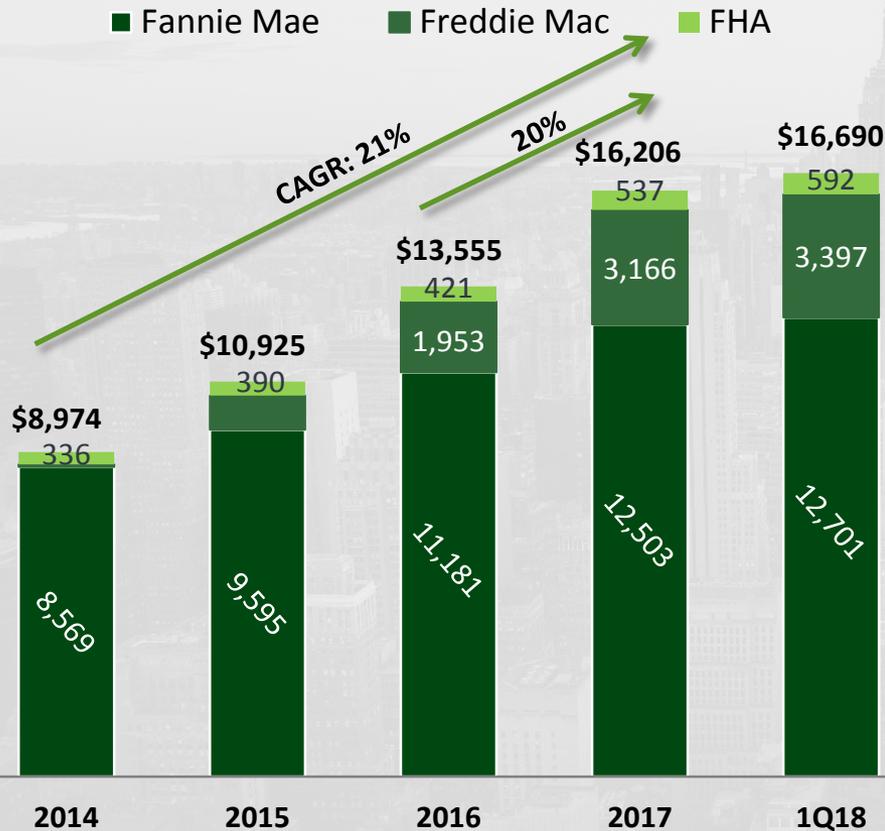


Overview of Origination Platform

- Operating since 1995, with originations of nearly \$29 billion since inception
- \$17.3 billion in aggregate originations from 2012 – 2017 producing a 25% four-year annual growth rate
- Record year in 2017 with originations of \$4.5 billion, a 19% increase from 2016
- One of only 25 licensed Fannie Mae DUS® lenders
- A top 10 multifamily DUS® lender for 11 consecutive years
- A top small balance lender for Fannie Mae in 2014, 2015, 2016 and number one small balance lender in 2017
- A top small balance lender for Freddie Mac in 2015, 2016 and 2017
- 24 originators in nine states with more than 20 years average experience

LEADING NATIONWIDE ORIGINATION AND SERVICING PLATFORM

Servicing Platform – Servicing Portfolio Growth (\$ in millions)



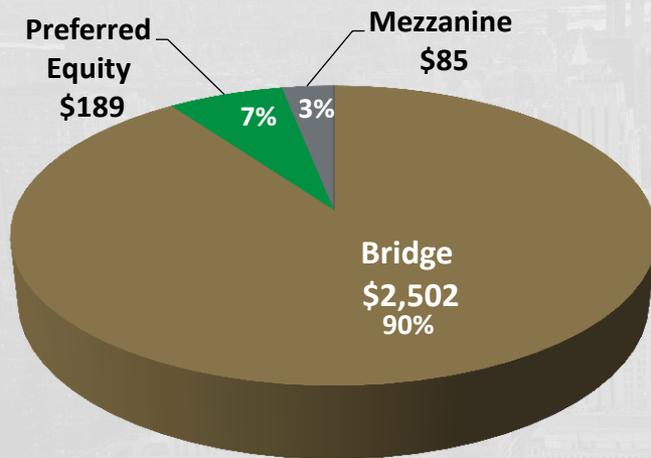
Overview of Servicing Platform

- ~\$16.7 billion servicing portfolio at March 31, 2018
 - 21% four-year annual growth rate
 - 20% growth in 2017
- ~48 bps weighted average servicing fee
- Annual annuity income of approximately \$80 million
- Approximately 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
- Nearly \$500 million in escrow balances; a 1% increase in LIBOR would generate approximately \$0.05 a share in additional earnings
- Estimated fair market value of MSRs of ~\$300 million

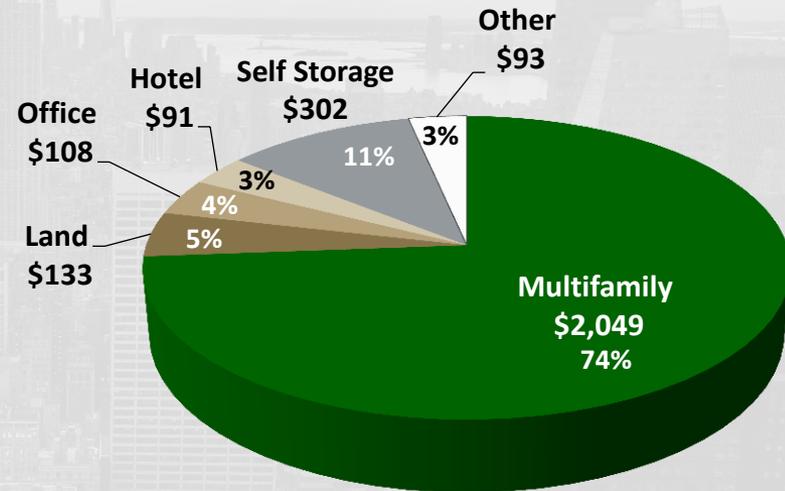
BALANCE SHEET LOAN PORTFOLIO COMPOSITION

Composition by Loan Type and Asset Type (\$ in millions)

As of 3/31/18



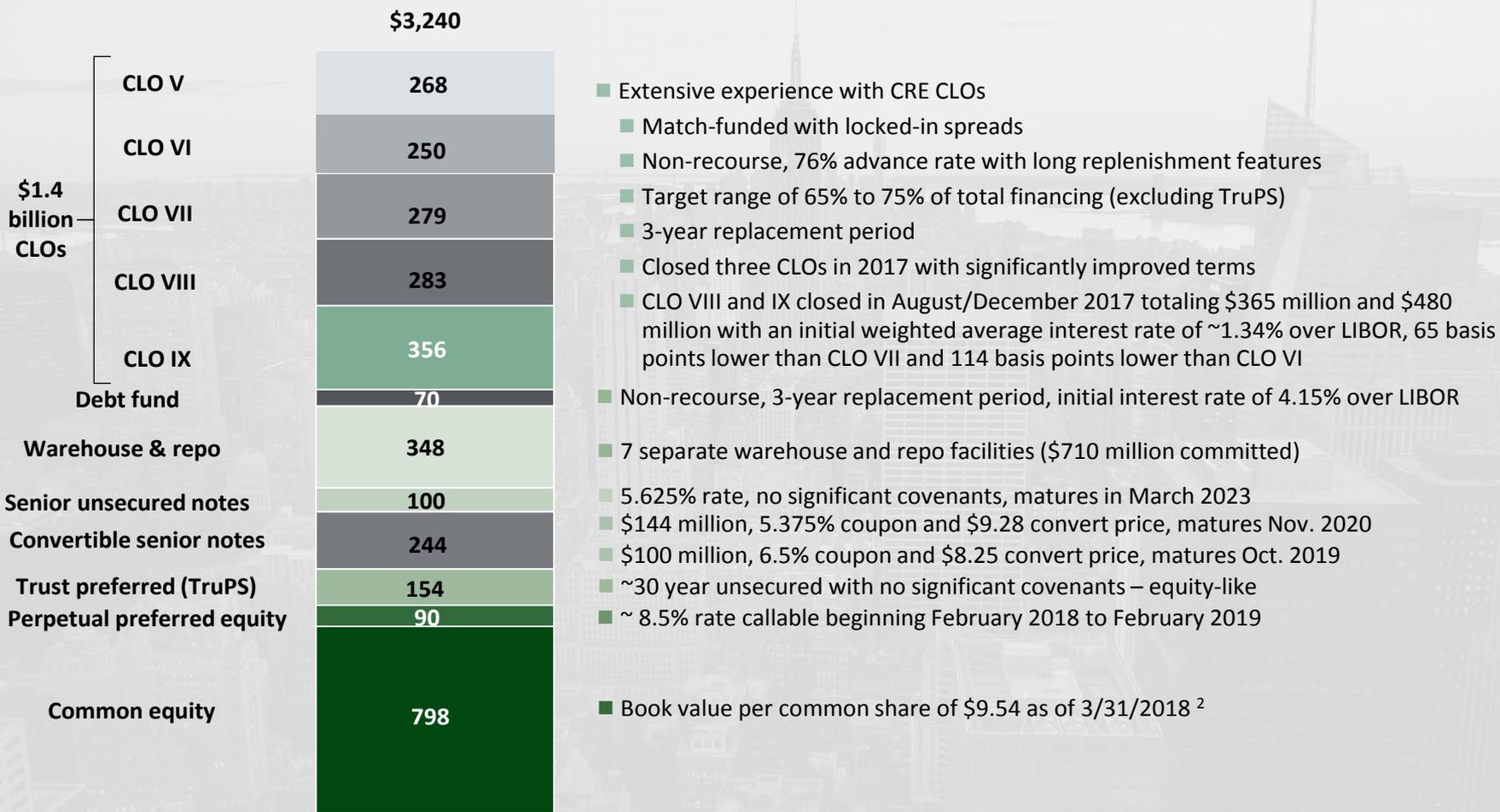
As of 3/31/18



Portfolio Totaling \$2,776

CAPITAL STRUCTURE

Capital Structure (\$ in millions) ¹



Notes:

¹ The table is as of 3/31/18 pro forma to give effect to the redemption in April 2018 of our 7.375% senior notes, which were replaced with our 5.625% senior notes. The table excludes short term debt related to our agency business as this debt is repaid within 30-45 days.

² Based on common equity of \$798 million and 83.7 million shares outstanding consisting of 62.5 million common shares and 21.2 million operating partnership units.

FINANCIAL PERFORMANCE

(Amounts in 000s except per share amounts)	Year Ended December 31,			3 Months Ended
	2015	2016	2017	March 31, 2018
Net interest income	\$59,185	\$53,505	\$67,189	\$20,615
Servicing revenue	-	30,759	92,244	26,222
Gain on sale, including fee based services, net	-	24,594	72,799	18,193
REO assets NOI, impairment and gains from disposals	12,212	1,811	(2,708)	114
Structured transactions and equity kickers	11,437	5,934	4,353	654
Residential mortgage banking JV income (loss)	6,600	9,600	(1,804)	92
Other income	270	542	2,083	234
Total net revenues	\$89,704	\$126,745	\$234,156	\$66,124
Total operating expenses	36,601	70,199	143,254	40,487
Preferred stock dividends	7,554	7,554	7,554	1,888
Core AFFO	\$45,549	\$48,992	\$83,348	\$23,749
Core earnings ROE on common equity	9.9%	9.0%	11.6%	12.1%
Core AFFO per common share	\$0.89	\$0.79	\$1.04	\$0.28
Dividend per common share	\$0.60	\$0.64	\$0.84	\$0.25
Core earnings per share in excess of dividends	\$0.29	\$0.15	\$0.20	\$0.03
Stockholders annual return	14%	13%	25%	
Stockholders three-year return				16%

Earnings in excess of dividends

Predictable annuity of income streams



APPENDIX



ARBOR'S BACKGROUND AND HISTORY

<p>1983</p> <p>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</p>	<p>2004</p> <p>Arbor Realty Trust (NYSE: ABR) goes public completing a \$135 million IPO</p>	<p>2013 - 2016</p> <p>ACM receives Freddie Mac Seller/ Servicer designation and becomes one of three nationwide lenders to offer the Freddie Mac Small Balance Loan (SBL) product</p> <p>ACM receives Fannie Mae and Freddie Mac Seniors Housing licenses</p> <p>Arbor becomes a Top Fannie Mae Small Loans Lender and the Top Freddie Mac SBL Lender</p>
<p>1992</p> <p>Arbor National Mortgage goes public under the name Arbor National Holdings (IPO at \$9.00 per share)</p>	<p>2005 - 2008</p> <p>ACM is rated as an Above Average commercial primary and special servicer by Standard & Poor's and Fitch</p> <p>ACM becomes a Top Ten Fannie Mae DUS[®] Multifamily Lender</p> <p>ART successfully accesses the non-recourse securitization market to finance its structured finance assets</p>	<p>2016 - 2017</p> <p>Arbor named a Top Fannie Mae DUS[®] Lender for 11 years in a row, one of only two lenders to achieve this tenure</p> <p>Arbor Realty Trust 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</p>
<p>1993</p> <p>Arbor Commercial Mortgage (ACM) is established as the commercial real estate finance subsidiary of Arbor National Holdings</p>	<p>2009 - 2011</p> <p>ART is the only commercial mortgage REIT to successfully manage its securitization vehicles during the recession without any defaults or losses to its investors</p>	<p>2017 - 2018</p> <p>Arbor is first Freddie Mac SBL Lender to cross \$2 billion threshold</p> <p>Arbor is the Top Freddie Mac SBL Lender (2016) and the Top Fannie Mae Small Loan Lender (2017)</p>
<p>1995 - 2002</p> <p>Arbor National Holdings is sold to Bank of America for \$17.50 per share; Ivan Kaufman retains ACM</p> <p>ACM obtains Fannie Mae DUS[®] Seller/Servicer license, one of 25 granted in the country; becomes FHA MAP lender and Ginnie Mae Issuer</p> <p>Successfully operates a structured finance platform as a private company</p>	<p>2012</p> <p>ART is first commercial REIT to access securitization market post-2008 recession through collateralized loan obligations (CLOs) with investment replenishment rights; nine CLOs completed since 2012</p>	<p>Arbor's servicing portfolio eclipses the \$16 billion mark</p>
<p>2003</p> <p>ACM's structured business spins off into Arbor Realty Trust (ART) through a \$120 million 144A offering</p>		

IVAN KAUFMAN

**Chairman, President and
Chief Executive Officer**



Ivan Kaufman has extensive experience operating a diverse array of real estate finance companies that span four decades and numerous real estate cycles. He is currently the Founder, Chairman, President and CEO of Arbor Realty Trust (NYSE: ABR), a leading multifamily and commercial real estate lender and real estate investment trust that became publicly traded in April 2004.

The foundation for the present-day Arbor was established in 1983, when Mr. Kaufman founded Arbor National Holdings, Inc. to focus on the origination and servicing of residential mortgage loans. The company became the leading provider of residential mortgage loans in the New York tristate region and went public in 1992 at \$9 per share. In 1995, the company was sold to Bank of America for \$17.50 per share. In conjunction with the sale of Arbor National Holdings, Arbor Commercial Mortgage was formed, creating the eventual platform of Arbor Realty Trust. In 2016, the two companies merged, creating one comprehensive real estate finance franchise.

Mr. Kaufman has served on the National and Regional Advisory Boards of Fannie Mae and on the Board of Directors of the Empire State Mortgage Bankers Association. He was previously named regional “Entrepreneur of the Year” by Inc. Magazine for his outstanding achievements in financial services. Mr. Kaufman has guest lectured at Harvard Business School’s Real Estate Club and is a featured presenter at Columbia University and Wharton Business School.

Mr. Kaufman earned a J.D. from Hofstra University School of Law and a B.A. in Business Administration from Boston University.

PAUL ELENIO

Chief Financial Officer



As Chief Financial Officer, Mr. Elenio is responsible for overseeing all aspects of Arbor's financial operations. This includes financial reporting, tax planning, budgeting and the appropriate utilization of Arbor's capital. He is also in charge of Investor Relations for Arbor.

Mr. Elenio joined Arbor National Holdings, the predecessor company of Arbor Commercial Mortgage, in 1991. As the Financial Reporting and Tax Supervisor, he was involved in Arbor National Holding's 1992 Initial Public Offering. In 1995, he was promoted to Vice President, Controller and in 2002 assumed the position of Vice President of Finance. In that role, he implemented the necessary financial planning and analysis required to successfully transition Arbor to a public company in April 2004. He was named Senior Vice President of Finance shortly thereafter.

Prior to joining Arbor, Mr. Elenio was employed with Ernst & Young from 1989 to 1990 in the auditing department. He graduated with a Bachelor of Business Administration in Accounting from St. Bonaventure University.

GENE KILGORE

**Executive Vice President,
Structured Securitization**



Gene Kilgore joined Arbor in October 2004 and is responsible for overseeing the development, marketing and implementation of Arbor's securitization platform. He has a unique and strategic expertise and brings a wealth of professional experience from his work in the structured finance and real estate industries. Prior to joining Arbor, Mr. Kilgore was a portfolio manager at ZAIS Group LLC with a CDO and real estate focus. Previously, he structured CDOs as a director in the risk finance group at Barclays Capital; rated CDOs and CMBS as a director with Standard & Poor's; and served as a vice president at Wachovia Bank with positions in commercial real estate and corporate lending.

Mr. Kilgore earned a Master of Science in Real Estate from the Massachusetts Institute of Technology. He also earned a Master of Business Administration from Emory University and a Bachelors of Science in Economics from the University of Tennessee at Chattanooga.

FRED WEBER

**Executive Vice President,
Managing Director of
Structured Finance & Principal
Transactions**



With more than 25 years of experience, Mr. Weber has earned a distinguished reputation for professional excellence and leadership in the mortgage banking and commercial real estate industries. He has extensive real estate finance and acquisition experience as well as substantial expertise in the restructuring and workouts of troubled loans.

Mr. Weber currently leads a team that serves the highly specialized and complex financing needs for clients of Arbor. As the Executive Vice President, Managing Director of Structured Finance & Principal Transactions, he manages a group that originates, underwrites and implements debt and equity transactions for various asset types and classes of commercial real estate nationwide. During his tenure, Mr. Weber has structured in excess of \$50 billion of sophisticated real estate and finance transactions.

Mr. Weber is a member of the Real Estate Finance Committee of the Real Estate Board of New York, the International Council of Shopping Centers and the Mortgage Bankers Association of New York. He is also a member of the National Association of Real Estate Investment Trusts, the Real Estate Lenders Association, the Urban Land Institute, the Commercial Real Estate Finance Council and the RealShare Structured Finance Advisory Board. He has lectured at the International Council of Shopping Centers and other industry conferences. Before joining Arbor, he was a partner and co-head of the real estate department with Kronish, Lieb, Weiner & Hellman. He was also a partner with the law firm of Weil, Gotshal & Manges.

JOHN G. CAULFIELD

**Chief Operating Officer,
Agency Lending**



John Caulfield is Arbor's Chief Operating Officer, Agency Lending. Mr. Caulfield has extensive experience in the mortgage financing industry and a tenured track record of more than three decades with Arbor and its family of companies.

As Arbor's COO, he has helped develop a unique sales and operations model that has supported Arbor's growth into a leading multifamily finance company. His responsibilities include managing the national sales team as well as the operational infrastructure that supports the firms' Fannie Mae, Freddie Mac, FHA and CMBS originations and servicing platforms. Mr. Caulfield oversees the end-to-end life of a loan process, from originations to screening through servicing. In addition, he oversees Arbor's capital markets division. He is a member of Arbor's DUS[®] Loan Committee and Arbor's Executive Committee.

Mr. Caulfield graduated from State University of New York with a Bachelor of Science in Finance.



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