



Third Quarter 2013
Earnings Results
November 7, 2013

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Forward Looking Statements and Non-GAAP Financial Measures

Forward-Looking Statements

Some of the statements contained in this presentation constitute forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, projections, plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases that are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

The forward-looking statements contained in this presentation reflect our current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause actual results to differ significantly from those expressed or contemplated in any forward-looking statement.

While forward-looking statements reflect our good faith projections, assumptions and expectations, they are not guarantees of future results. Furthermore, we disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, new information, data or methods, future events or other changes, except as required by applicable law. Factors that could cause our results to differ materially include, but are not limited to: (1) general economic conditions and multifamily and commercial real estate market conditions, (2) regulatory and or legislative changes to Freddie Mac, Fannie Mae or HUD, (3) our ability to retain and attract loan originators and other professionals, and (4) changes in federal government fiscal and monetary policies, including any constraints or cuts in federal funds allocated to HUD for loan originations.

For a further discussion of these and other factors that could cause future results to differ materially from those expressed or contemplated in any forward-looking statements, see the section entitled “Risk Factors” in our most recent Annual Report on Form 10-K and in our subsequent SEC filings. Such filings are available publicly on our Investor Relations web page at www.walkeranddunlop.com.

Non-GAAP Financial Measures

To supplement the financial statements presented in accordance with United States generally accepted accounting principles (GAAP), we present the following non-GAAP financial measures, each of which excludes selected expenses related to the CWCcapital acquisition: adjusted net income, adjusted diluted earnings per share, adjusted total expenses, adjusted income from operations and adjusted operating margin.

These supplemental measures exclude acquisition and integration costs specifically related to the CWCcapital acquisition, and amortization of customer contracts and other intangible assets acquired from CWCcapital. We believe that these non-GAAP measures facilitate a review of the comparability of our operating performance on a period-to-period basis because such costs are not, in our view, related to our ongoing operational performance. We use these non-GAAP measures to evaluate the operating performance of our business, for comparison with forecasts and strategic plans, and for benchmarking performance externally against competitors. Since we find these measures to be useful, we believe that investors benefit from seeing results “through the eyes” of management in addition to seeing GAAP results. We believe that these non-GAAP measures, when read in conjunction with our GAAP financials, provide useful information to investors by offering:

- the ability to make more meaningful period-to-period comparisons of our on-going operating results;
- the ability to better identify trends in our underlying business and perform related trend analyses; and
- a better understanding of how management plans and measures our underlying business.

These non-GAAP measures are not in accordance with or an alternative for GAAP, and may be different from non-GAAP measures used by other companies. We believe that these non-GAAP measures have limitations in that they do not reflect all of the amounts associated with the Company’s results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP measures. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the most directly comparable GAAP measures. We compensate for the limitations of non-GAAP financial measures by relying upon GAAP results to gain a complete picture of our performance.

For a reconciliation of these non-GAAP financial measures, refer to slides 11 and 12.



Q3'13 Highlights

Loan Origination Volume

- ▶ \$1.8 billion of loans originated in third quarter 2013
 - ▶ Interim loan originations of \$100.7 million, up 657% over third quarter 2012
 - ▶ Brokered originations of \$610.3 million, up 142% over third quarter 2012
- ▶ Q4'13 loan origination guidance \$1.5 billion - \$3.0 billion⁽¹⁾

Financial Results

- ▶ Total revenues of \$73.7 million, up 5% over third quarter 2012
- ▶ Gains from mortgage banking activities of \$45.3 million, down 15% compared to third quarter 2012
- ▶ Adjusted net income⁽²⁾ of \$8.7 million, or \$0.25 per diluted share, down 38.9% from third quarter 2012
- ▶ Adjusted operating margin⁽²⁾ of 19% compared to 34% for same period last year

Servicing Portfolio

- ▶ Servicing fees of \$23.0 million, up 72% over third quarter 2012 and 31% of total revenues
- ▶ Servicing portfolio totaled \$38.7 billion at September 30, 2013, up 14% over portfolio of \$33.9 billion at September 30, 2012

Diversification

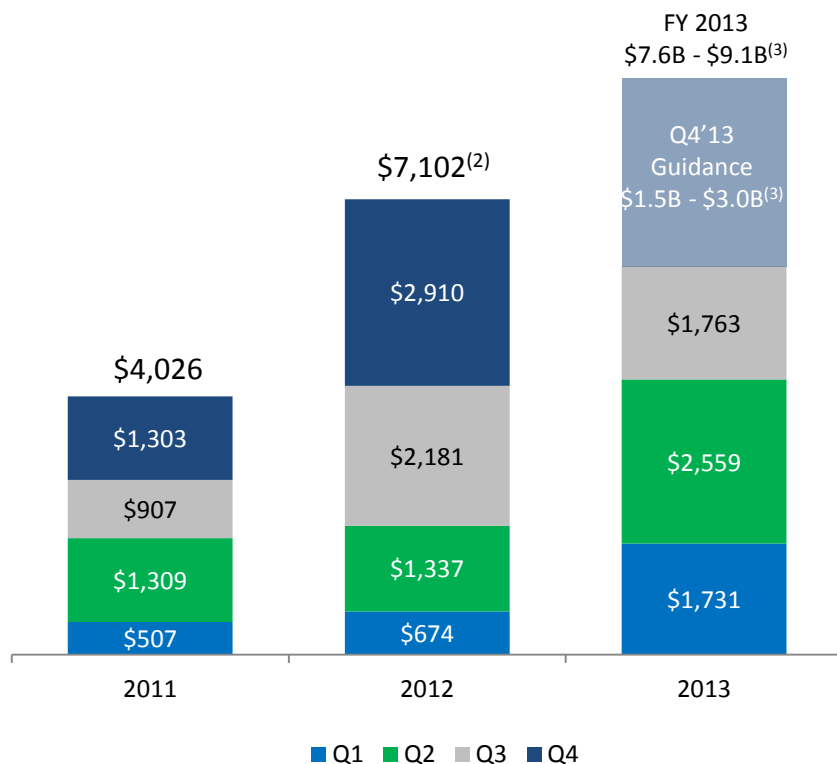
- ▶ Launched large loan bridge program to invest in multifamily and senior housing loans of \$30+ million
- ▶ Brokered originations made up 35% of overall Q3'13 originations, and will continue to be a large and growing share of our overall volumes
- ▶ Interim loan originations of \$100.7 million, up 657% over third quarter 2012
- ▶ As announced on November 6, we are partnering with Fortress on a CMBS platform which should be up and running by early 2014

⁽¹⁾Guidance provided on November 7, 2013.

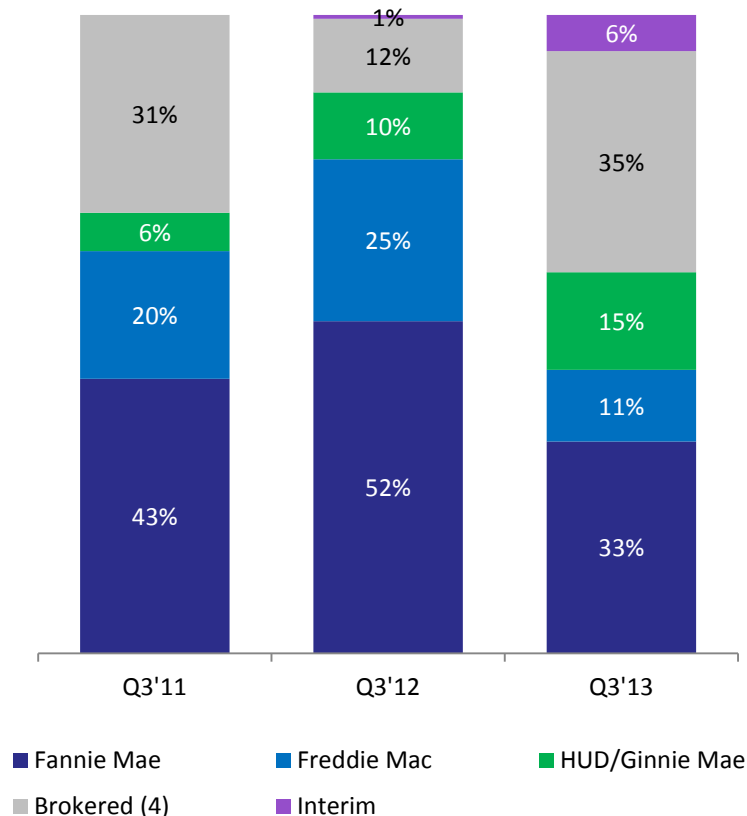
⁽²⁾Adjusted net income, adjusted diluted earnings per share and adjusted operating margin for Q3'13 exclude selected expenses relating to the CWCcapital acquisition. See slides 11 and 12 for a reconciliation of these non-GAAP financial measures to GAAP.

Quarterly and Annual Loan Originations

Loan Origination Volume by Quarter⁽¹⁾



Mix of Loans Originated



⁽¹⁾ Actual volume in millions, and guidance in billions.

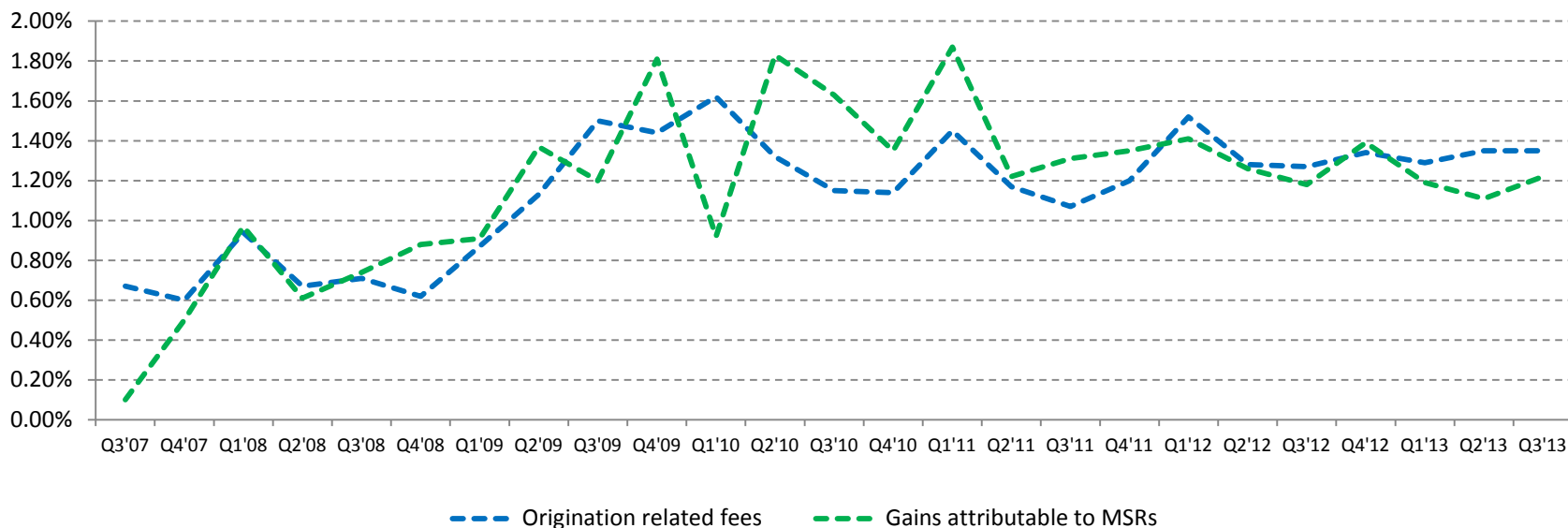
⁽²⁾ Includes loan origination volumes for eight months of W&D on a standalone basis and four months of W&D and CWCapital on a combined basis.

⁽³⁾ Guidance provided on November 7, 2013.

⁽⁴⁾ Brokered originations include CMBS, life insurance and commercial banks.

Origination Related Revenues - Historical Trend

Gains from Mortgage Banking Activities⁽²⁾



Gains from Mortgage Banking Activities:	Q3'13 ⁽¹⁾	Q3'12 ⁽¹⁾	Q3'13 ⁽²⁾	Q3'12 ⁽²⁾
Origination related fees	\$ 23,816	\$ 27,674	1.35%	1.27%
Gains attributable to MSRs	21,462	25,726	1.22%	1.18%
Total	\$ 45,278	\$ 53,400	2.57%	2.45%

⁽¹⁾ In thousands

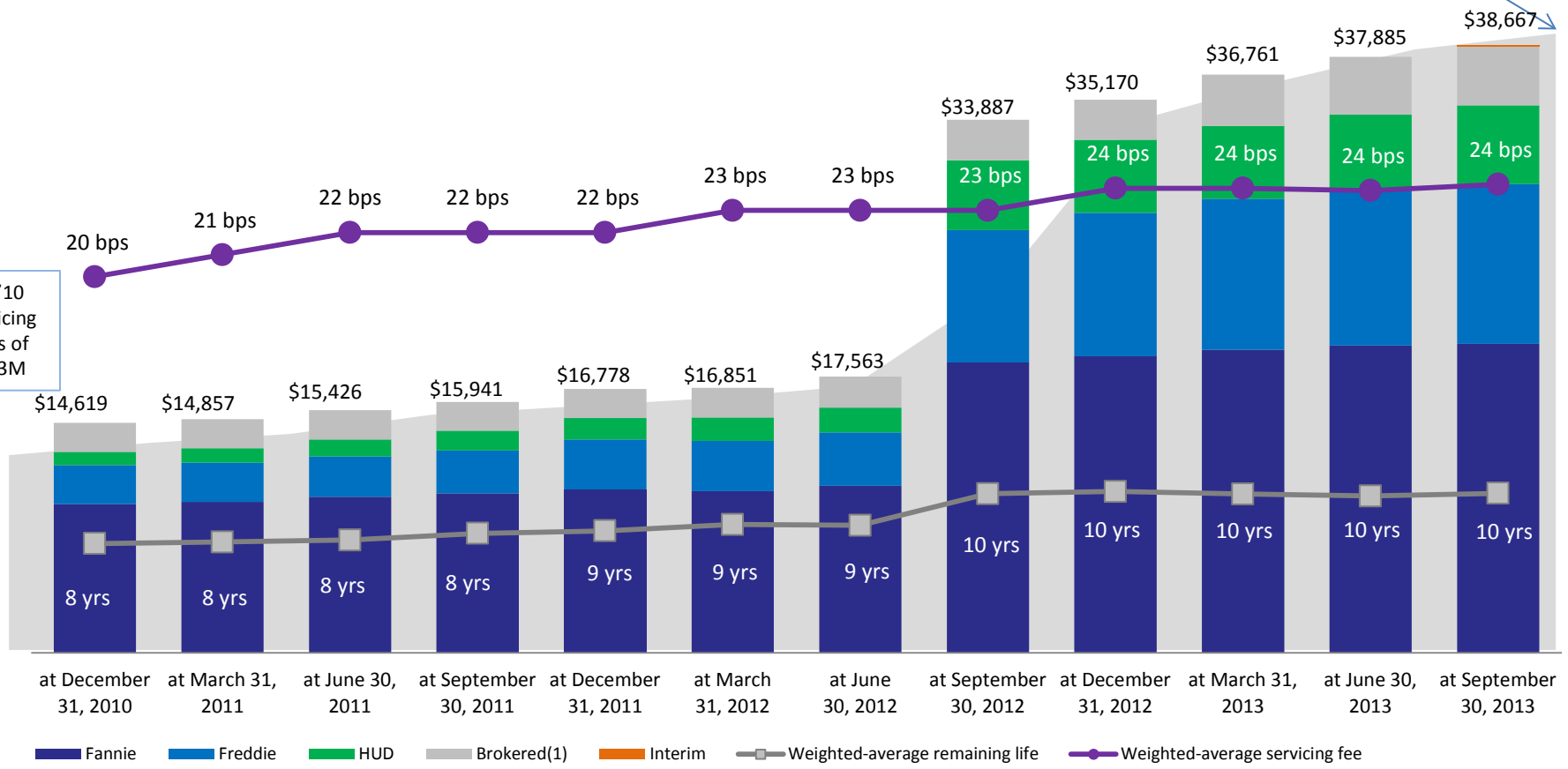
⁽²⁾ Origination related fees and gains attributable to MSRs presented as a percentage of quarterly origination volume

Servicing Portfolio & Associated Revenue Growth



Servicing Fees of \$23.0M, up 72.5% from Q3'12

Q4'10 Servicing Fees of \$7.3M



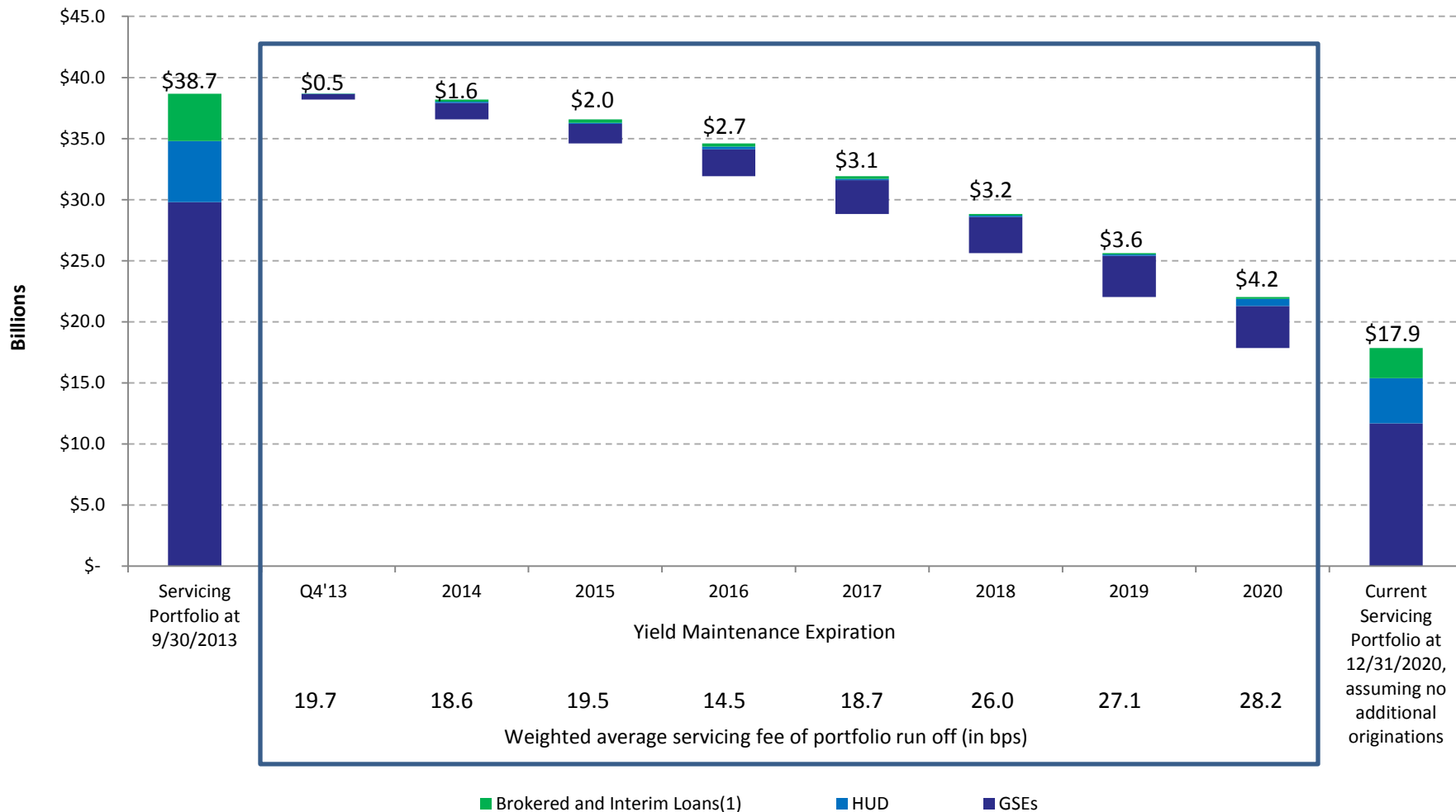
Servicing fees are illustrated by the gray background

Note: Total servicing portfolio presented in millions

⁽¹⁾ Brokered originations include CMBS, life insurance and commercial banks

& Servicing Portfolio Run Off

The chart below illustrates the maturity of the current servicing portfolio based on yield maintenance end date, without consideration of amortization, prepayments, loan defaults or future loan production.

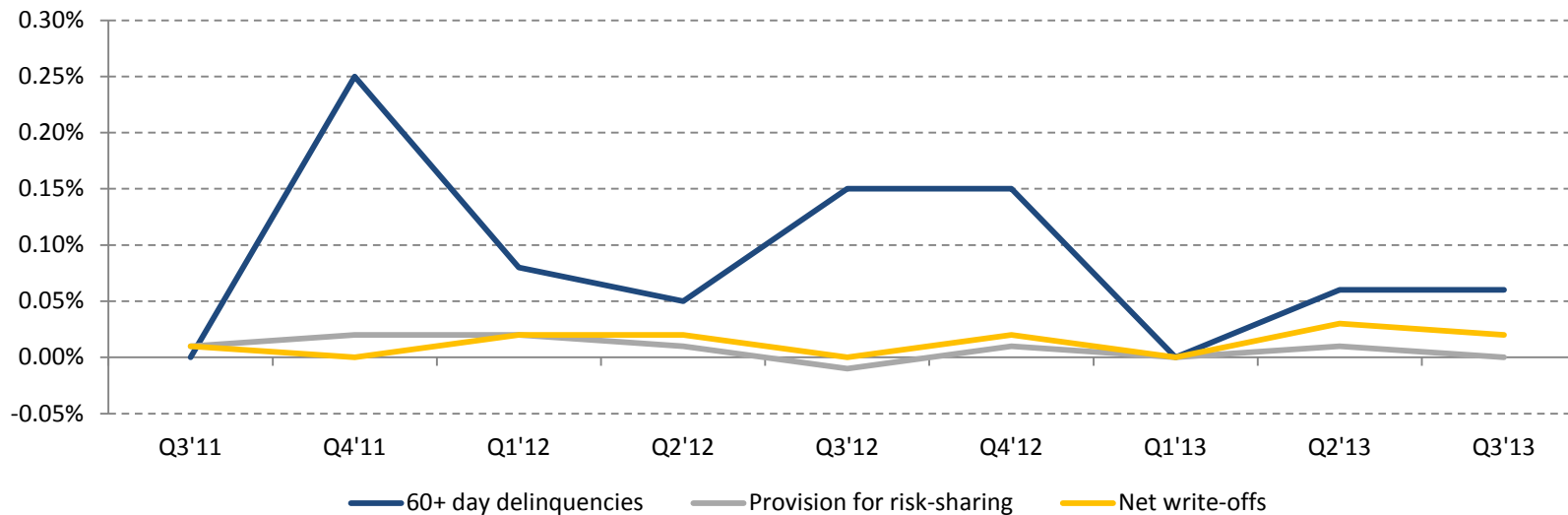


(1) Includes CMBS, life insurance, commercial banks and interim loans

Key Credit Metrics

Credit Remains a Strength of W&D

(as of and for the periods then ended)



Walker & Dunlop Key Credit Metrics⁽¹⁾

(as a percentage of the at risk servicing portfolio)

	Q3'12	Q2'13	Q3'13
As of period end:			
60+ day delinquencies	0.15%	0.06%	0.06%
Allowance for risk-sharing	0.13%	0.08%	0.06%
For the period ended:			
Provision for risk-sharing	-0.01%	0.01%	0.00%
Net write-offs	0.00%	0.03%	0.02%

⁽¹⁾Quarterly data, not annualized

Balance Sheets

(in thousands)	As of September 30, 2013 (unaudited)	As of September 30, 2012 (unaudited)
Assets		
Cash and cash equivalents	\$ 68,003	\$ 89,604
Pledged securities, at fair value	45,449	32,080
Loans held for sale, at fair value	365,210	1,293,320
Loans held for investment	118,864	16,426
Mortgage servicing rights	344,899	294,704
Goodwill and other intangibles	62,040	65,891
Other assets	63,251	86,679
Total assets	\$ 1,067,716	\$ 1,878,704
Liabilities and Stockholders' Equity		
Liabilities		
Notes payable	\$ 74,700	\$ 83,000
Warehouse notes payable	429,944	1,279,947
Allowance for risk-sharing obligations	8,461	16,844
Accounts payable and other accrued liabilities	164,141	159,124
Total liabilities	\$ 677,246	\$ 1,538,915
Total stockholders' equity	\$ 390,470	\$ 339,789
Total liabilities and stockholders' equity	\$ 1,067,716	\$ 1,878,704



Walker & Dunlop

Commercial Real Estate Finance

Appendix

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Adjusted Financial Metrics Reconciliation to GAAP

	For the three months ended	
	September 30,	
	2013	2012
(in thousands, except per share amounts)	(<i>unaudited</i>)	(<i>unaudited</i>)
Reconciliation of GAAP Net Income and GAAP Diluted Earnings Per Share to Adjusted Net Income and Adjusted Diluted Earnings Per Share		
GAAP net income	\$ 8,055	\$ 7,098
Shares ⁽¹⁾	34,383	25,444
GAAP diluted earnings per share	\$ 0.23	\$ 0.28
GAAP net income	\$ 8,055	\$ 7,098
Adjustments:		
Severance costs	—	1,058
Amortization of intangibles	1,055	7,353
Transition services agreement	—	1,000
Deal-related expenses	—	2,334
Income tax impact of adjustments	(389)	(4,569)
Adjusted net income	\$ 8,721	\$ 14,274
Shares ⁽¹⁾	34,383	25,444
Adjusted diluted earnings per share	\$ 0.25	\$ 0.56

⁽¹⁾Diluted weighted average shares outstanding

Adjusted Financial Metrics Reconciliation to GAAP

(in thousands)	For the three months ended September 30,	
	2013 <i>(unaudited)</i>	2012 <i>(unaudited)</i>
Reconciliation of GAAP Income from Operations and GAAP Operating Margin to Adjusted Income from Operations and Adjusted Operating Margin		
GAAP income from operations	\$ 12,704	\$ 11,778
Total revenues	73,650	70,126
GAAP operating margin	17%	17%
GAAP income from operations	\$ 12,704	\$ 11,778
Adjustments:		
Severance costs	—	1,058
Amortization of intangibles	1,055	7,353
Transition services agreement	—	1,000
Deal-related expenses	—	2,334
Adjusted income from operations	\$ 13,759	\$ 23,523
Total revenues	73,650	70,126
Adjusted operating margin	19%	34%
Reconciliation of GAAP Total Expenses to Adjusted Total Expenses		
GAAP total expenses	\$ 60,946	\$ 58,348
Adjustments:		
Severance costs	—	1,058
Amortization of intangibles	1,055	7,353
Transition services agreement	—	1,000
Deal-related expenses	—	2,334
Adjusted total expenses	\$ 59,891	\$ 46,603