Walker&Dunlop

Commercial Real Estate Finance

Third Quarter 2014 Earnings Results

November 6, 2014

www.walkerdunlop.com

Forward Looking Statements and Non-GAAP Financial Measures

Forward-Looking Statements

Some of the statements contained in this presentation may 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 titled ''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.walkerdunlop.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 certain expenses that are not reflective of our ongoing operations: adjusted net income, adjusted diluted earnings per share, adjusted total expenses, adjusted income from operations and adjusted operating margin. These supplemental measures exclude the amortization of customer contracts acquired from CWCapital and other acquisition and integration costs related specifically to the CWCapital acquisition.

In addition, we present adjusted EBITDA which is not a recognized measurement under GAAP. When analyzing our operating performance, readers should use adjusted EBITDA in addition to, and not as an alternative for, GAAP net income. Adjusted EBITDA represents GAAP net income before income taxes, interest expense on our term loan facility, depreciation and amortization, provision for credit losses, net of write-offs, stock based incentive compensation charges, and removes the benefit of non-cash revenues such as gains attributable to MSRs. In addition, adjusted EBITDA further excludes the impact of the aforementioned amortization of customer contracts and other acquisition and integration costs related specifically to the CWCapital acquisition. Because not all companies use identical calculations, our presentation of adjusted EBITDA may not be comparable to similarly titled measures of other companies. Furthermore, adjusted EBITDA is not intended to be a measure of free cash flow for our management's discretionary use, as it does not reflect certain cash requirements such as tax and debt service payments. The amounts shown for adjusted EBITDA may also differ from the amounts calculated under similarly titled definitions in our debt instruments, which are further adjusted to reflect certain other cash and non-cash charges, that are used to determine compliance with financial covenants.

We believe that adjusted net income, adjusted diluted earnings per share, adjusted total expenses, adjusted income from operations and adjusted operating margin facilitate a review of the comparability of our operating performance on a period-to-period basis because the amortization of customer contracts and other acquisition and integration related costs are not, in our view, related to our ongoing operational performance. We use these non-GAAP measures, including adjusted EBITDA, 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 our 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 more information on these non-GAAP financial measures, refer to the appendix of this presentation.

Q3 2014 Highlights & Key Points

Key Points

- ✓ Recognized highest origination volume in Company's history
- ✓ Positive regulatory landscape & commercial real estate market
- ✓ Results are evidence that our market position together with the investments we made in 2013 to broaden our platform are greatly benefitting our business and operating results
- ✓ Acquisition of Johnson Capital closed on November 1, 2014, significantly grows our Capital Markets platform and footprint
- ✓ Contributed $58 million in collateral to first CMBS securitization
- ✓ Grew servicing portfolio balance to over $41 billion and earned over $25 million in servicing fees during the quarter

Key Financial Metrics	Q3'14	Change from Q3'13	
Total Originations	$3.1 billion	77%	↑
Total Revenues	$98.1 million	33%	↑
Gains from Mortgage Banking	202 bps	21%	↓
Net Income	$15.1 million	88%	↑
Adjusted Diluted EPS (1)	$0.47	88%	↑
Adjusted EBITDA (1)	$20.7 million	90%	↑
Adjusted Operating (1) Margin	25%	32%	↑
Servicing Portfolio	$41.2 billion	7%	↑

(1) This is a non-GAAP financial measure, which excludes certain items that are not reflective of our ongoing operations. For a reconciliation of this measure to the equivalent GAAP measure, refer to the appendix of this presentation.

Growth in GSE Originations by Month

GSE volumes up dramatically after the 2014 scorecard was announced in May

Fannie Mae Originations
($ billions)

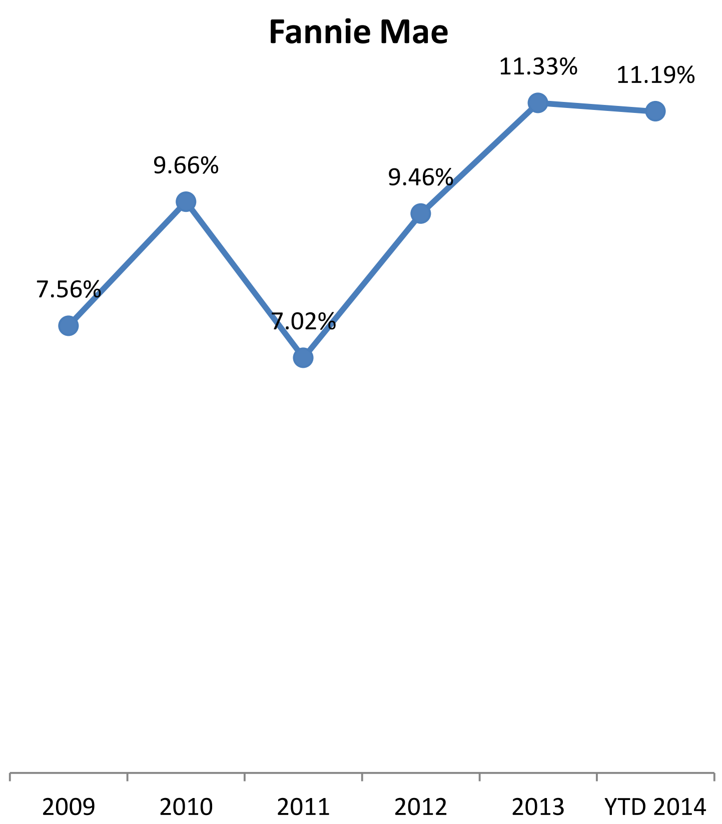
Month	2013	2014
January	$4.3	$1.4
February	$1.5	$1.0
March	$2.4	$1.1
April	$2.5	$1.0
May	$2.9	$1.5
June	$2.3	$2.2
July	$2.3	$3.0
August	$2.1	$2.6
September	$1.4	$3.5
YTD 9/30	$21.7	$17.3
October	$1.6	
November	$1.8	
December	$3.5	
Total	**$28.8**	

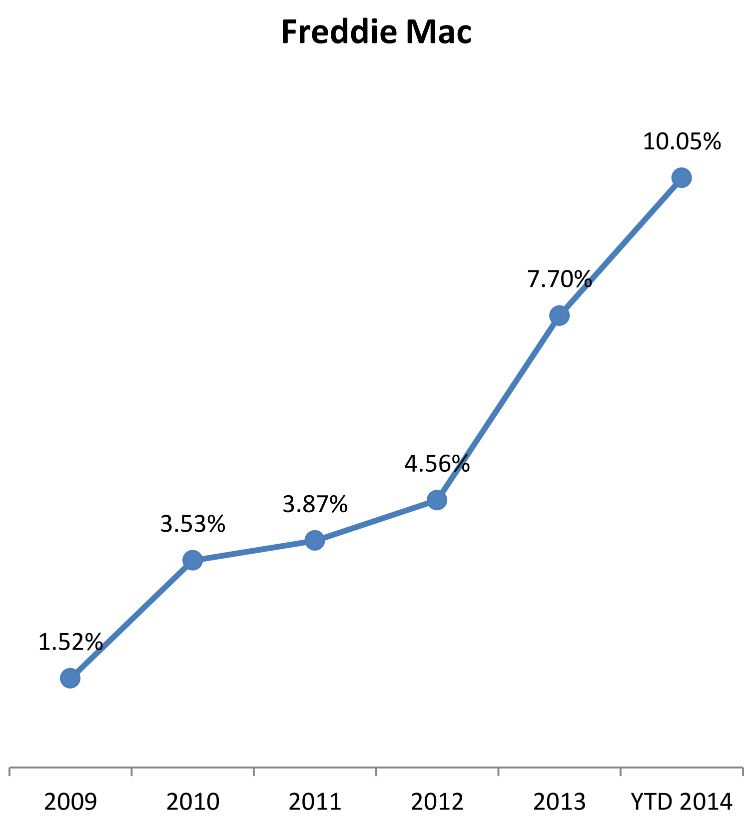
Freddie Mac Originations
($ billions)

Month	2013 (by qtr in 1H)	2014
January	NA	$1.3
February	NA	$0.7
March	$6.0	$1.0
April	NA	$0.9
May	NA	$1.2
June	$7.5	$2.0
July	$2.5	$1.9
August	$1.8	$2.3
September	$1.0	$2.8
YTD 9/30	$18.8	$14.1
October	$1.3	
November	$2.0	
December	$3.7	
Total	**$25.9**	

W&D Market Share with Fannie & Freddie

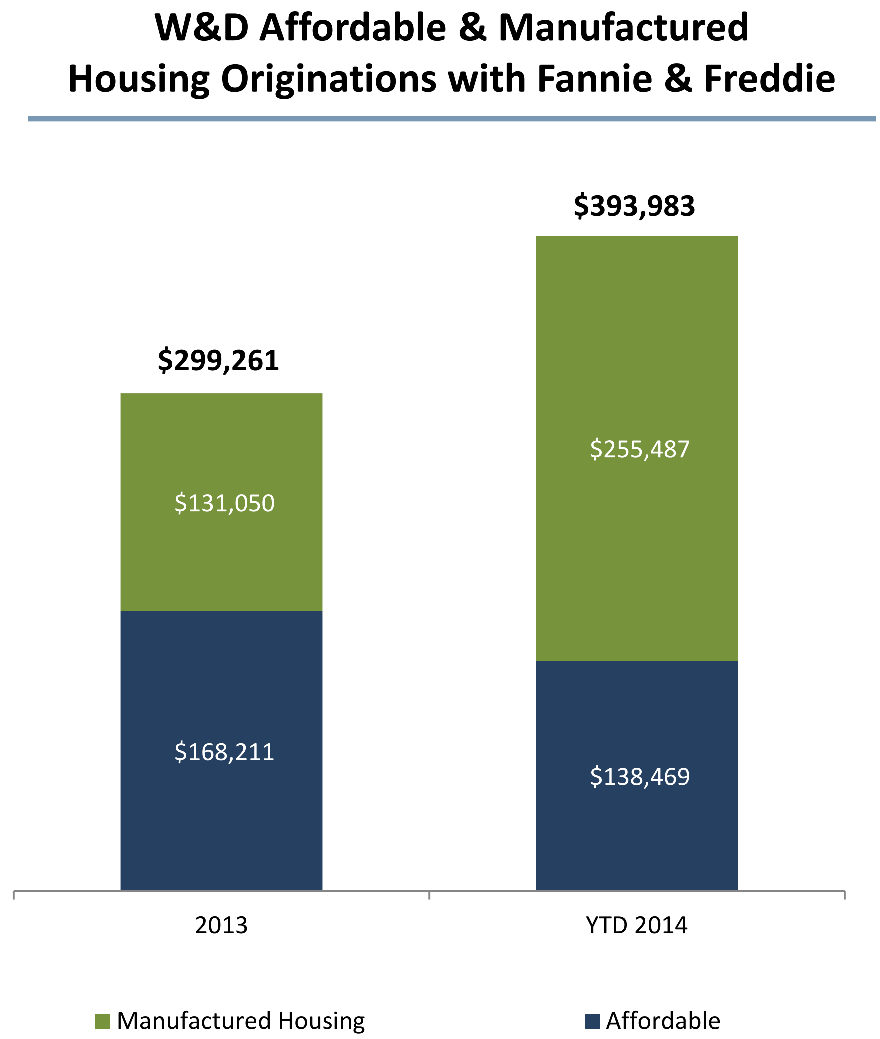
Walker & Dunlop Market Share





Note: Market share is calculated using loan delivery data for Walker & Dunlop, Fannie Mae and Freddie Mac

Growth in Affordable & Manufactured Housing

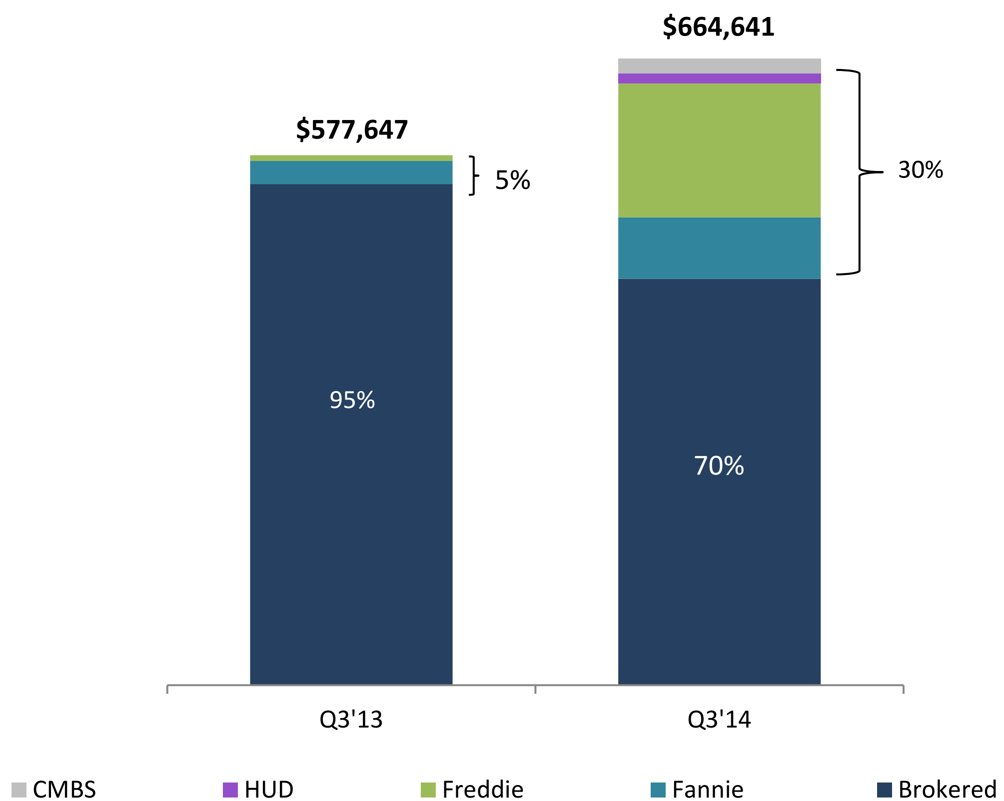


Note: Loan volumes are represented in thousands

Capitalizing on the Strength of the GSEs

Mix of Loans Originated by Capital Markets Team

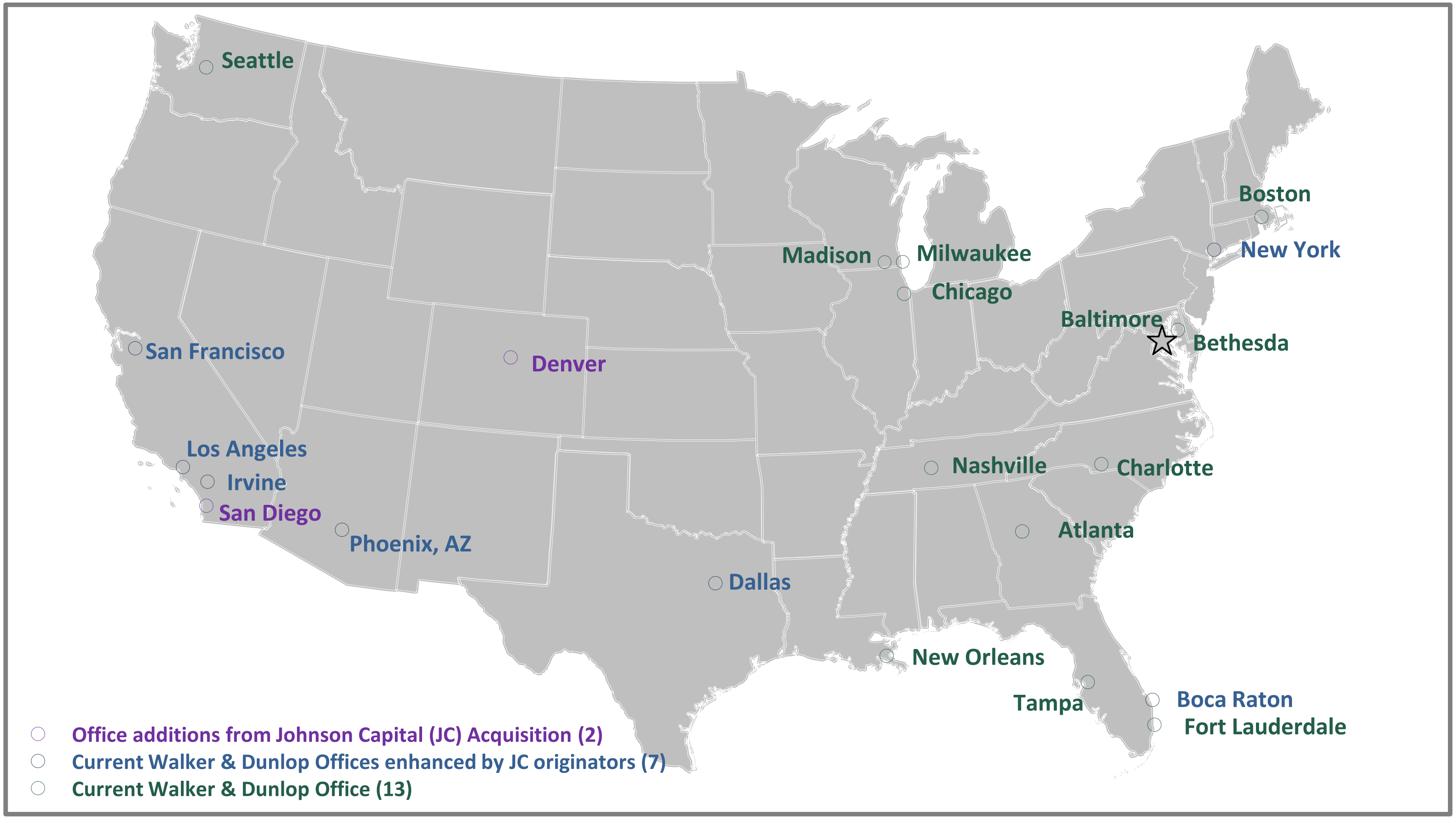
- Our Capital Markets originations with the GSEs grew significantly in the quarter and we expect this growth and focus on the GSEs to continue into 4Q'14



Note: Loan volumes are represented in thousands

The Johnson Capital Acquisition

Increased Market Presence Gained Through Acquisition



Note: Office data as of November 3, 2014.

Walker & Dunlop CMBS Platform

CMBS at W&D

- Contributed $58 million in assets to a securitization with Wells Fargo at the end of September
    - Assets securitized were priced at 255 basis points, gross
- Expecting to originate and contribute to second securitization close to $200 million in loans by the end of 2014
- Expect our CMBS joint venture to scale and meet the market opportunity in 2015

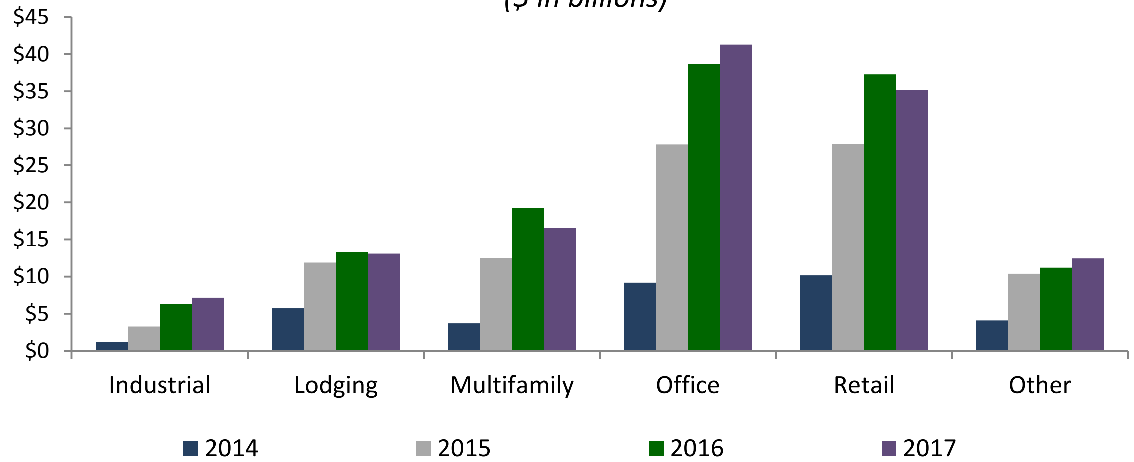
The CMBS Market

U.S. CMBS Volume[1]

- YTD 2014: $68.9 billion
    - 1Q: $20.4 billion
    - 2Q: $20.2 billion
    - 3Q: $28.3 billion
- FY 2014 Estimate: $90 - $100 billion

Maturing CMBS Loans 2014 -2017[2]

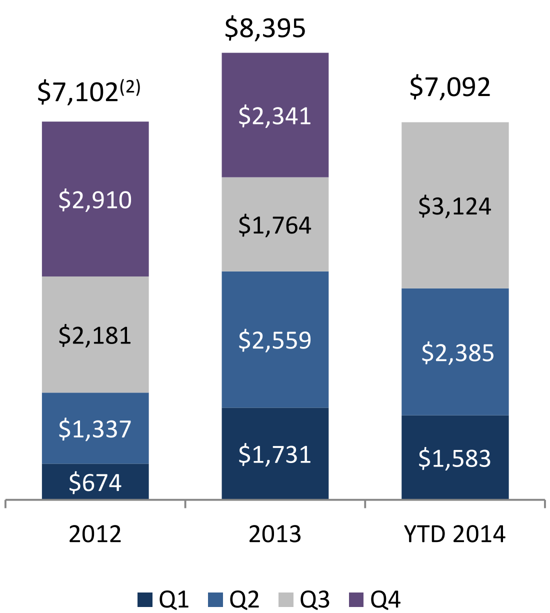
($ in billions)



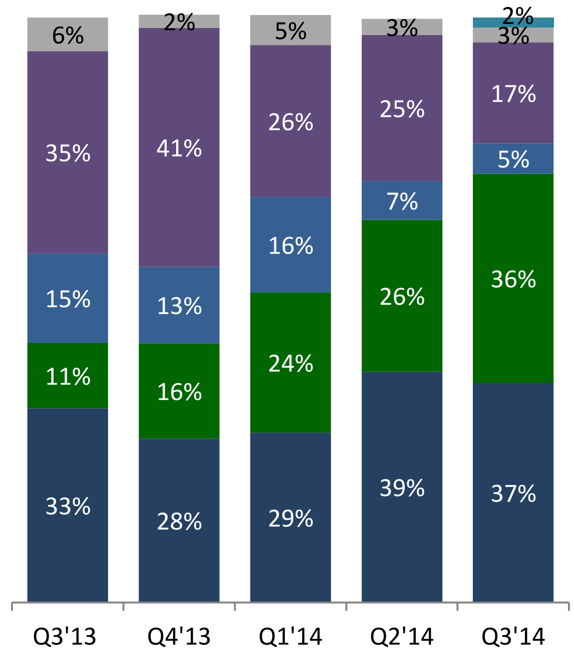
(1) Commercial Mortgage Alert, October 3, 2014.
(2) Trepp, June 2014

W&D Quarterly and Annual Loan Originations

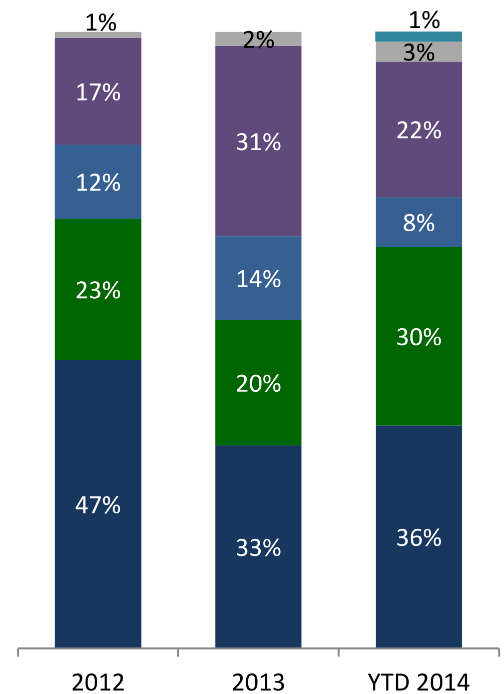
Loan Origination Volume by Quarter[1]



Mix of Loans Originated by Quarter



Mix of Loans Originated by Year



CMBS (3) Interim (4) Brokered (5) HUD/Ginnie Mae Freddie Mac Fannie Mae

(1) Loan origination volume in millions
(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) Brokered transactions for our CMBS partnership. For both the three and nine months ended September 30, 2014, the CMBS partnership's loan originations totaled $58.5 million
(4) Includes our on-balance sheet interim loans and loans made through our large loan bridge program
(5) Includes loans brokered to other CMBS originators, life insurance companies and commercial banks

Origination Fees & MSRs in a Competitive Landscape

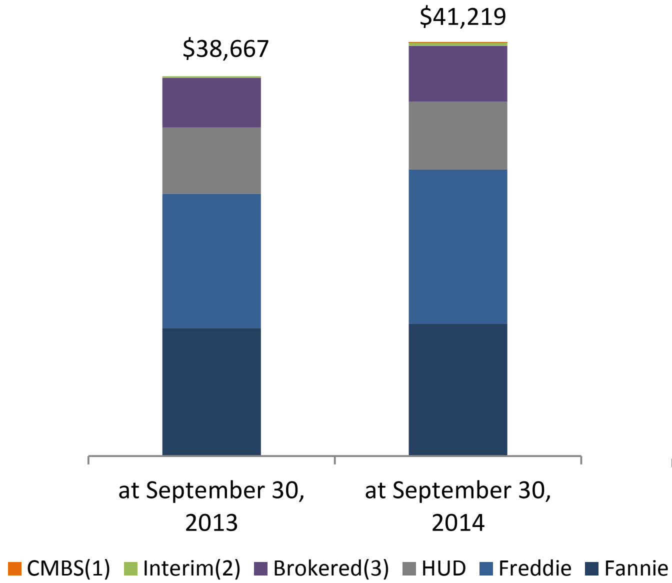
	Q3'13	Q3'14	Explanation
Origination related fees	1.35%	1.13%	Impacted by lower HUD originations and larger average transaction sizes
Gains attributable to MSRs	1.22%	0.89%	Result of competitive pressure on Fannie Mae servicing fees and larger transaction sizes
Average transaction size	$12.9 million	$15.9 million	Larger average transaction size contributes to margin compression
Weighted average portfolio servicing fee	24 bps	24 bps	Weighted average servicing fee is stable

$41 Billion Servicing Portfolio

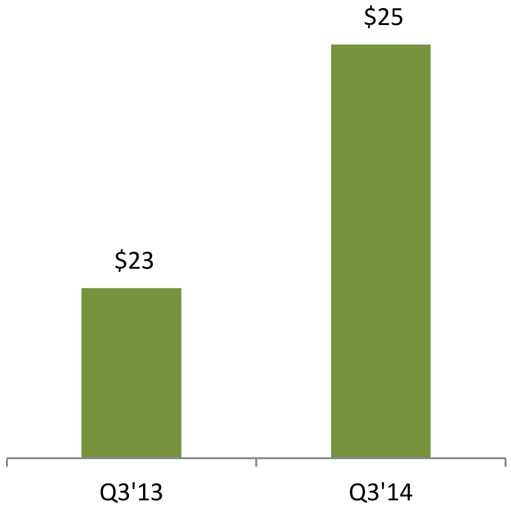
Origination platform has generated a $41 billion largely prepayment protected servicing portfolio

- The portfolio continues to grow organically and will also benefit from the $576 million of HUD loans acquired from Johnson Capital
- Weighted average servicing fee remains at 24 bps
- Book value of the mortgage servicing rights is $353 million and fair value is $436 million as of September 30, 2014
- Servicing fees have increased by 9% to $25 million in Q3 ‘14

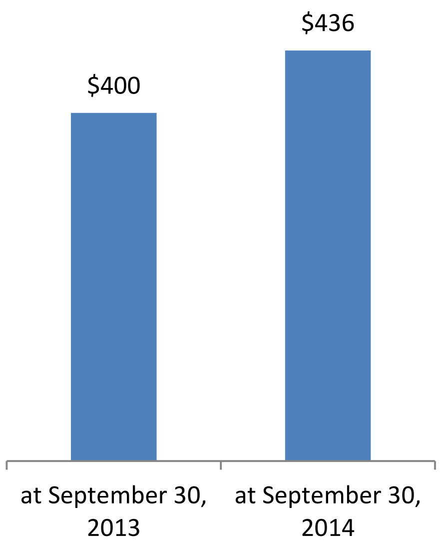
Servicing Portfolio by Loan Type



Total Servicing Fees



Fair Value of MSRs



Note: Numbers presented in millions

[(1)] Loans serviced by us that were originated through our CMBS partnership. All loans originated by the CMBS partnership, whether brokered by us or not, are serviced by us.

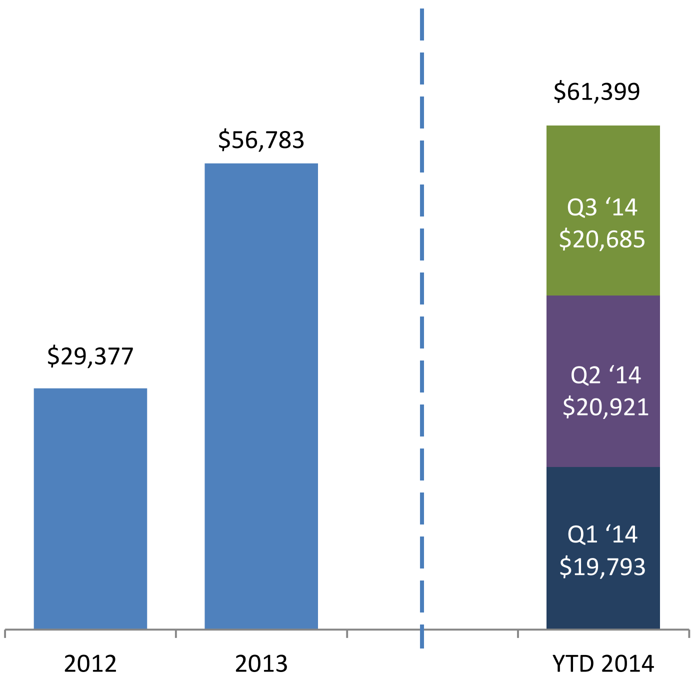
[(2)] Includes our on-balance sheet interim loans and loans made through our large loan bridge program

[(3)] Brokered originations include CMBS, life insurance and commercial banks

Dramatic Growth in Adjusted EBITDA

- Adjusted EBITDA[(1)] has grown 90% from Q3'13
- Represents the trend in cash earnings by eliminating significant non-cash revenues and expenses
- Key metric in determining both our cost of and ability to access debt
- Increased adjusted EBITDA led to a reduction in interest rate on our term debt

Adjusted EBITDA [(1)]



Reconciliation of Adjusted EBITDA

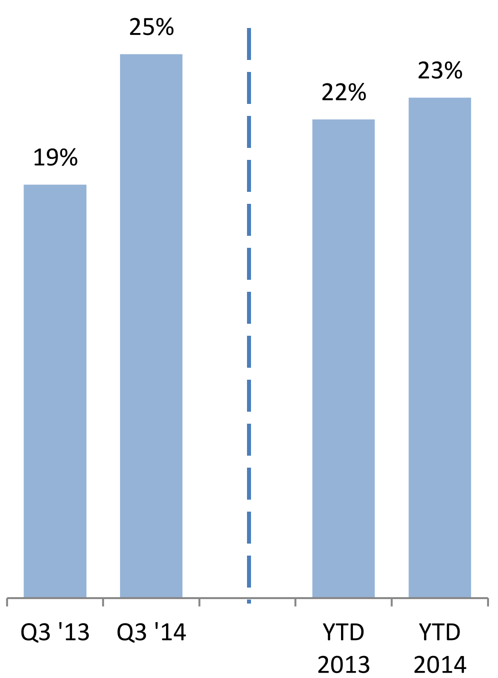
	For the three months ended September 30, 2014	For the three months ended September 30, 2013
GAAP net income	$15,113	$8,055
Recurring Adjustments:		
Income tax expense	9,381	4,649
Interest expense	2,592	854
Amortization and depreciation	19,818	20,513
Provision for credit losses	1,487	(155)
Net write-offs	(2,111)	(3,706)
Stock compensation expense	2,239	2,142
Gains attributable to MSRs	(27,834)	(21,462)
Adjusted EBITDA	**$20,685**	**$10,890**

Note: Numbers presented in thousands

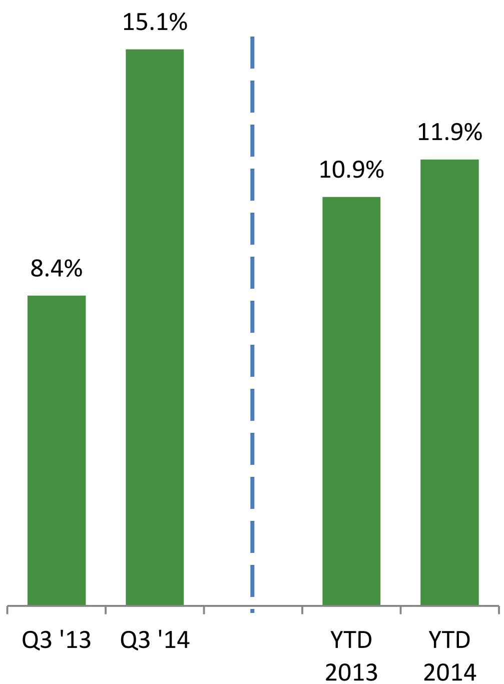
(1) This is a non-GAAP financial measure, which excludes certain items that are not reflective of our ongoing operations. For a reconciliation of the metric to GAAP net income, refer to the appendix of this presentation.

Improvements in Margin, ROE & EPS

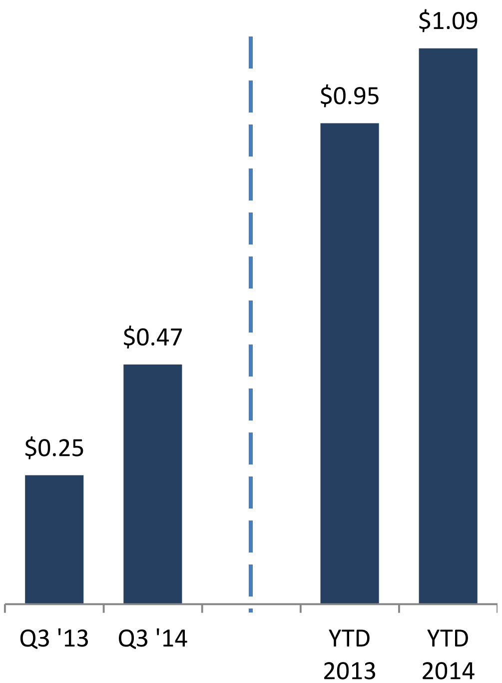
Adjusted Operating Margin(1)(2)



Return on Equity(3)



Adjusted Diluted EPS(1)



(1) This is a non-GAAP financial measure, which excludes certain items that are not reflective of our ongoing operations. For a reconciliation of the metric to GAAP, refer to the appendix of this presentation.
(2) GAAP Operating Margin and Adjusted Operating Margin were the same for Q3 '14 and YTD 2014
(3) ROE annualized for each period shown

Recognition of Excellence

- 2014 **100 Fastest Growing Companies** - FORTUNE Magazine
- 2014 **Healthiest Employer** – Washington Business Journal
- 2014 **Top Workplaces** – Washington Post
- 2014 **Best Places to Work** – Washington Business Journal
- 2014 **Fastest Growing Companies-** Washington Business Journal
- 2013 **Best Places to Work** – Washington Business Journal
- 2013 **50 Fastest Growing Companies** - Washington Business Journal
- 2013 **Great Place to Work** – Washingtonian Magazine
- 2013 **Great Place to Work**– FORTUNE Magazine

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Appendix

Balance Sheets

(dollars in thousands)	**As of September 30, 2014 (unaudited)**	**As of December 31, 2013**
Assets		
Cash and cash equivalents	$ 104,348	$ 175,990
Pledged securities, at fair value	60,740	49,651
Loans held for sale, at fair value	788,335	281,477
Loans held for investment, net	205,091	134,656
Mortgage servicing rights	352,704	353,024
Goodwill and other intangibles	61,215	61,777
Other assets	81,782	72,391
Total assets	$ 1,654,215	$ 1,128,966
Liabilities and Stockholders' Equity		
Liabilities		
Note payable	$ 172,139	$ 173,258
Warehouse notes payable	890,976	373,107
Allowance for risk-sharing obligations	3,871	7,363
Accounts payable and other liabilities	179,143	172,397
Total liabilities	$ 1,246,129	$ 726,125
Total stockholders' equity	$ 408,086	$ 402,841
Total liabilities and stockholders' equity	$ 1,654,215	$ 1,128,966

Adjusted Financial Metrics Reconciliation to GAAP

Reconciliation of GAAP Net Income and GAAP Diluted Earnings Per Share to Adjusted Net Income and Adjusted Diluted Earnings Per Share

(in thousands, except per share amounts)	For the three months ended September 30,		For the nine months ended September 30,	
	2014	**2013**	**2014**	**2013**
GAAP net income	$ 15,113	$ 8,055	$ 35,171	$ 30,324
Shares (1)	32,049	34,383	32,658	34,316
GAAP diluted earnings per share	$ 0.47	$ 0.23	$ 1.08	$ 0.88
GAAP net income	$ 15,113	$ 8,055	$ 35,171	$ 30,324
Adjustments:				
Amortization of intangible assets	—	1,055	509	2,764
Lease modification	—	—	—	825
Income tax impact of adjustments	—	(389)	(195)	(1,374)
Adjusted net income	$ 15,113	$ 8,721	$ 35,485	$ 32,539
Shares (1)	32,049	34,383	32,658	34,316
Adjusted diluted earnings per share	$ 0.47	$ 0.25	$ 1.09	$ 0.95

Adjusted Financial Metrics Reconciliation to GAAP

(in thousands, except per share amounts)	For the three months ended September 30, 2014	For the three months ended September 30, 2013	For the nine months ended September 30, 2014	For the nine months ended September 30, 2013
Reconciliation of GAAP Income from Operations and GAAP Operating Margin to Adjusted Income from Operations and Adjusted Operating Margin				
GAAP income from operations	$ 24,494	$ 12,704	$ 57,335	$ 48,836
Total revenues	98,055	73,650	248,174	233,569
GAAP operating margin	25%	17%	23%	21%
GAAP income from operations	$ 24,494	$ 12,704	$ 57,335	$ 48,836
Adjustments:				
Amortization of intangible assets	—	1,055	509	2,764
Lease modification	—	—	—	825
Adjusted income from operations	$ 24,494	$ 13,759	$ 57,844	$ 52,425
Total revenues	98,055	73,650	248,174	233,569
Adjusted operating margin	25%	19%	23%	22%
Reconciliation of GAAP Total Expenses to Adjusted Total Expenses				
GAAP total expenses	$ 73,561	$ 60,946	$ 190,839	$ 184,733
Adjustments:				
Amortization of intangible assets	—	(1,055)	(509)	(2,764)
Lease modification	—	—	—	(825)
Adjusted total expenses	$ 73,561	$ 59,891	$ 190,330	$ 181,144

Adjusted EBITDA reconciliation to Net Income

	For the nine months ended September 30,				For the year ended December 31,			
(dollars in thousands)		2014		2013		2013		2012
GAAP Net Income	$	35,171	$	30,324	$	41,530	$	33,772
Recurring Adjustments:								
Income tax expense		22,164		18,512		25,257		21,998
Interest expense		7,786		2,692		3,743		1,649
Amortization and depreciation		57,374		57,241		72,946		38,743
Provision for credit losses		1,595		997		1,322		3,140
Net write-offs		(4,737)		(8,206)		(9,188)		(6,450)
Stock compensation expense		6,514		6,846		9,194		5,176
Gains attributable to mortgage servicing rights (5)		(64,468)		(70,616)		(91,972)		(92,594)
Other Adjustments:								
Severance costs (2)		-		-		429		2,223
Amortization of intangible assets		-		-		3,009		15,182
Deal-related expenses (3)		-		-		-		6,538
Lease modification and exit charges		-		825		1,137		-
Loss on extinguishment of debt		-		-		1,214		-
Gain on termination of servicing (4)		-		-		(1,838)		-
Adjusted EBITDA	$	**61,399**	$	**38,615**	$	**56,783**	$	**29,377**

(1) Diluted weighted average shares outstanding.
(2) Severance costs incurred in connection with the CWCapital acquisition (2012) and cost reduction effort (2013).
(3) Includes legal, advisory fees, other professional fees, and a transition services agreement incurred in connection with the CWCapital acquisition.
(4) Gain attributable to the termination of the servicing rights associated with a portion of our Fannie Mae small loan portfolio.
(5) Represents the fair value of the expected net cash flows from servicing recognized at commitment, net of the expected guaranty obligation.