

Walker & Dunlop

First Quarter 2012
Earnings Results

May 9, 2012

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 that 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. 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.

Q1'12 – Quarterly Highlights and Key Points

- **Financial highlights**

- Origination volumes increase 33% over 1Q'11 to \$674.5 million with 199% increase in Capital Markets originations
- Total revenues increase 19% over 1Q'11 to \$34.4 million
- Origination fees up 40% over Q1'11 to \$10.3 million
- Total expenses up 37% to \$24.9 million from \$18.1 million in Q1'11 due to investments in people and growth of the business, amortization and depreciation and provision for risk sharing obligations
- Net income of \$5.8 million or \$0.27 per share, down 12% over Q1'11 net income of \$6.6 million or \$0.31 per share
- Servicing portfolio grew 13% to \$16.9 billion. Servicing fees were \$9.4 million in Q1'12, compared to \$7.7 million in Q1'11, a 22% increase

- **Loan origination guidance**

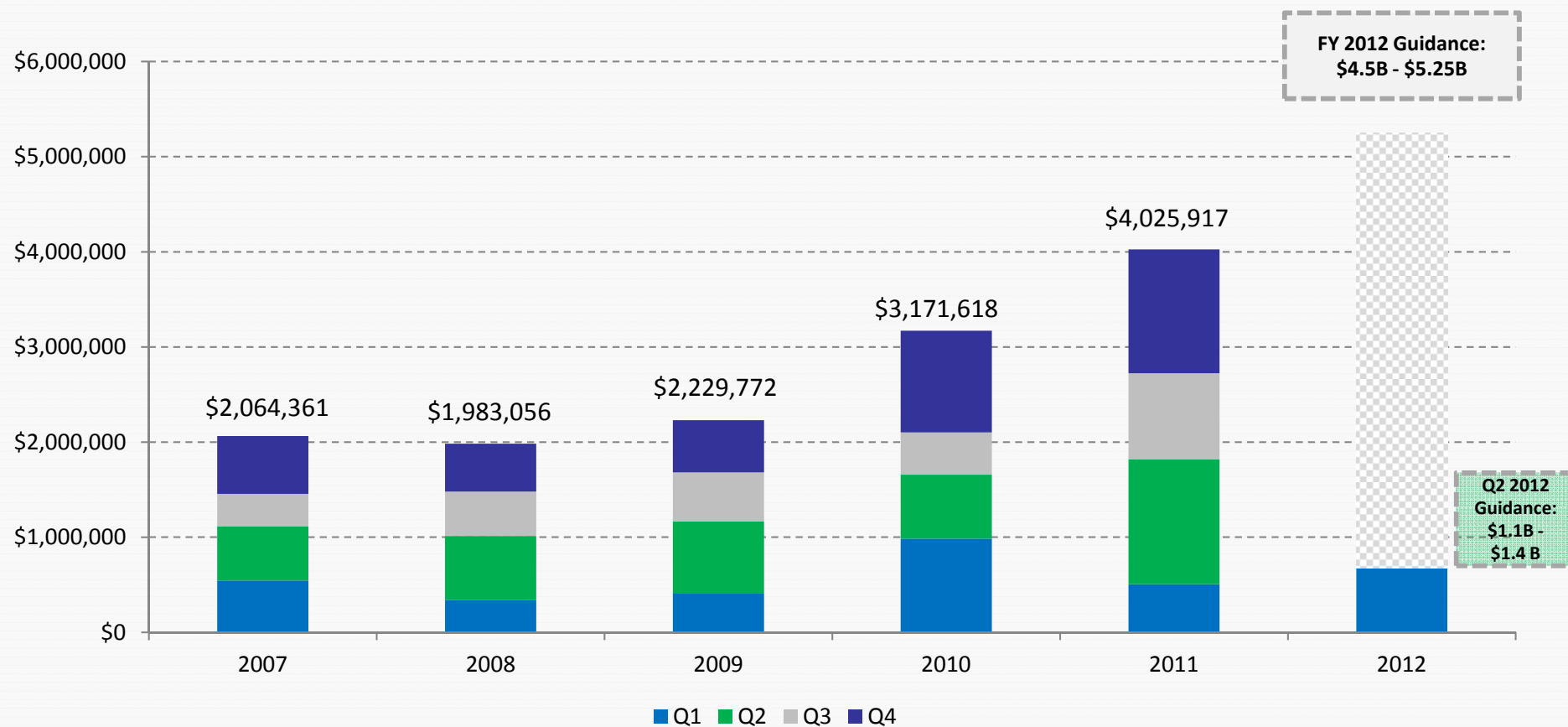
- 2Q'12: \$1.1 - \$1.4 billion
- FY 2012: \$4.5 - \$5.25 billion

- **Execution on Strategic Initiatives**

- New office opened in south Florida, expands Capital Markets presence outside the mid-Atlantic for the first time
- First interim loan closed in February 2012, with second closed May 4th
- Cushman & Wakefield alliance gaining traction, developed solid pipeline and expect loans to rate-lock during the Q2'12

Origination Volumes – Current and Historical

Loan Origination Volume⁽¹⁾



Guidance was given on May 9, 2012

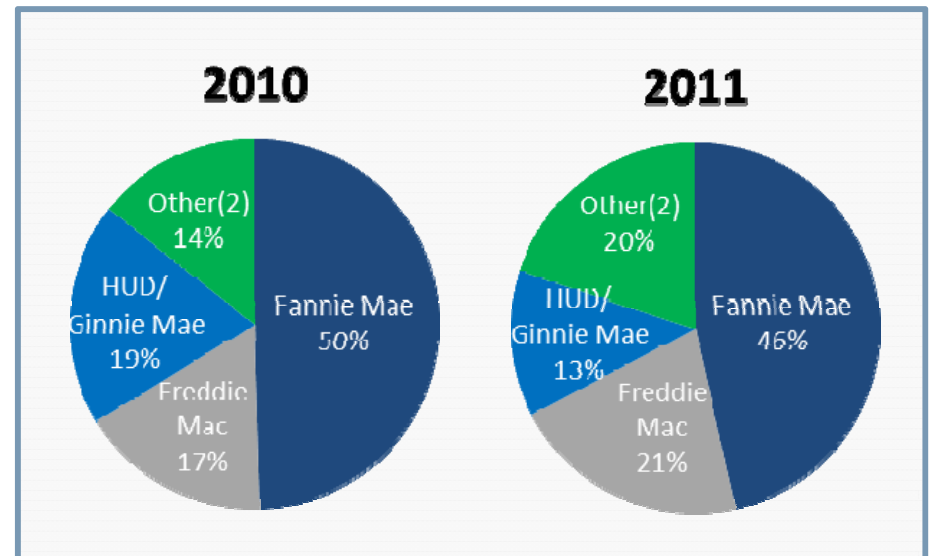
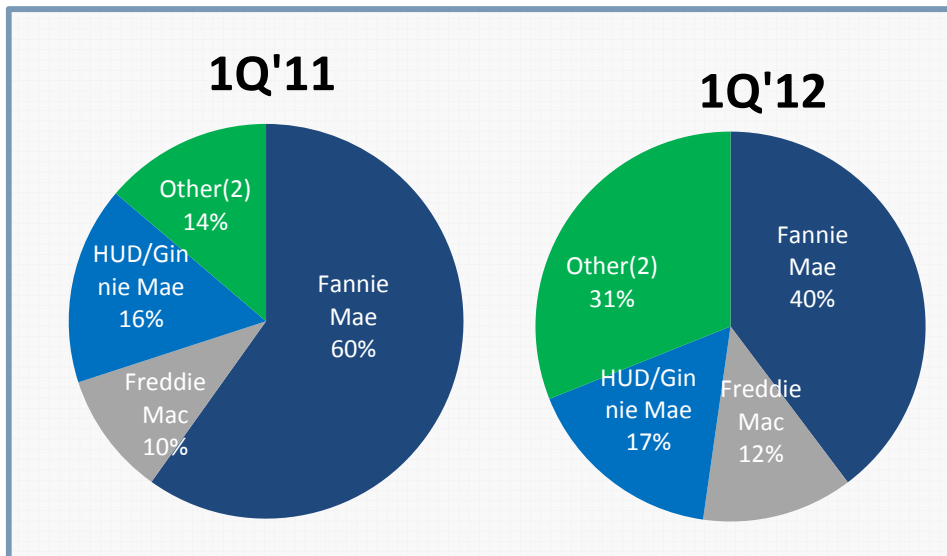
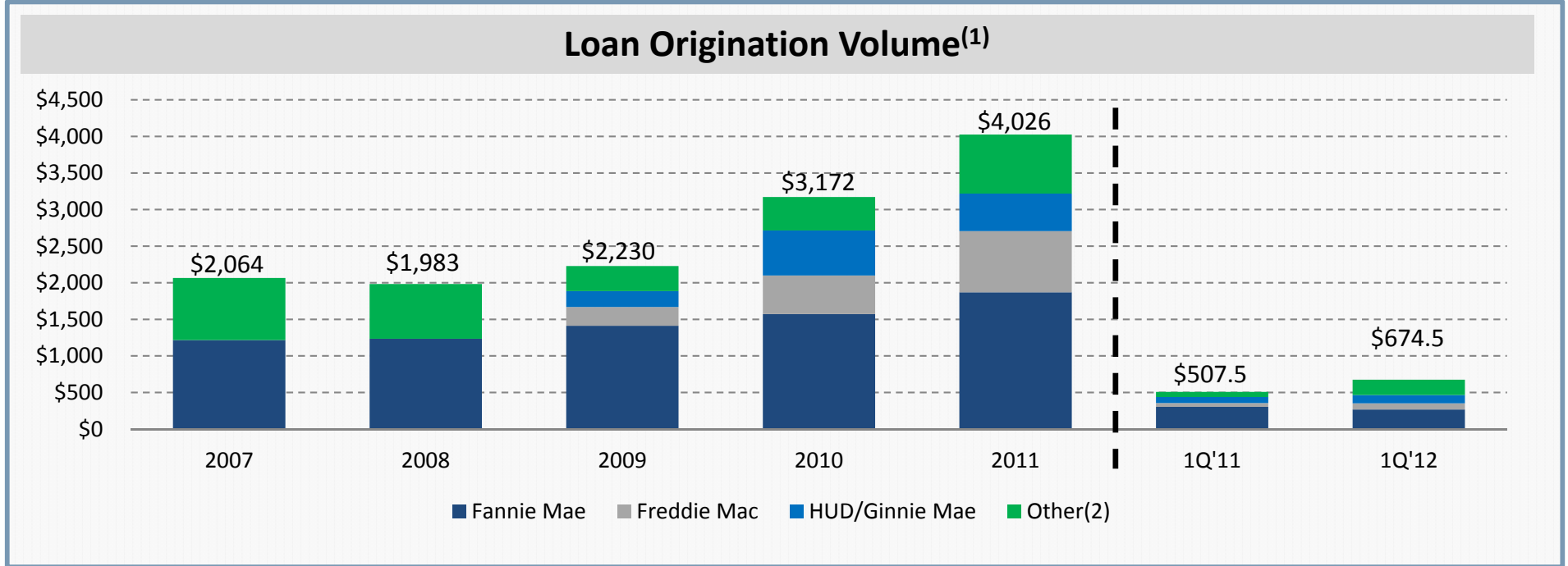
⁽¹⁾ Dollars in thousands

Q1'12 & FY 2011 - Financial Highlights

	1Q'12	1Q'11	% Change	FY 2011	FY 2010	% Change
<u>Financial Performance</u> (<i>\$ in thousands</i>)						
Total loan originations	\$674,456	\$507,497	33%	\$4,025,917	\$3,171,618	27%
Revenues	\$34,402	\$28,997	19%	\$152,350	\$121,834	25%
Income from operations	\$9,494	\$10,865	-13%	\$56,661	\$40,142	41%
Operating margin	28%	37%	-24%	37%	33%	12%
Net Income/2010 pro forma net income ⁽¹⁾	\$5,839	\$6,639	-12%	\$34,864	\$24,607	42%
<u>Servicing Portfolio and Credit</u>						
Servicing portfolio (<i>in thousands</i>)	\$16,850,945	\$14,856,510	13%	\$16,778,285	\$14,619,294	15%
Weighted-average servicing fee rate (bps)	23	21	10%	22	20	10%
60+ Day delinquencies as a % of the at risk portfolio	0.08%	0.48%	-83%	0.25%	0.85%	-71%

⁽¹⁾ 2010 pro forma net income: adjusted for taxes

Volumes & Diversification Increase

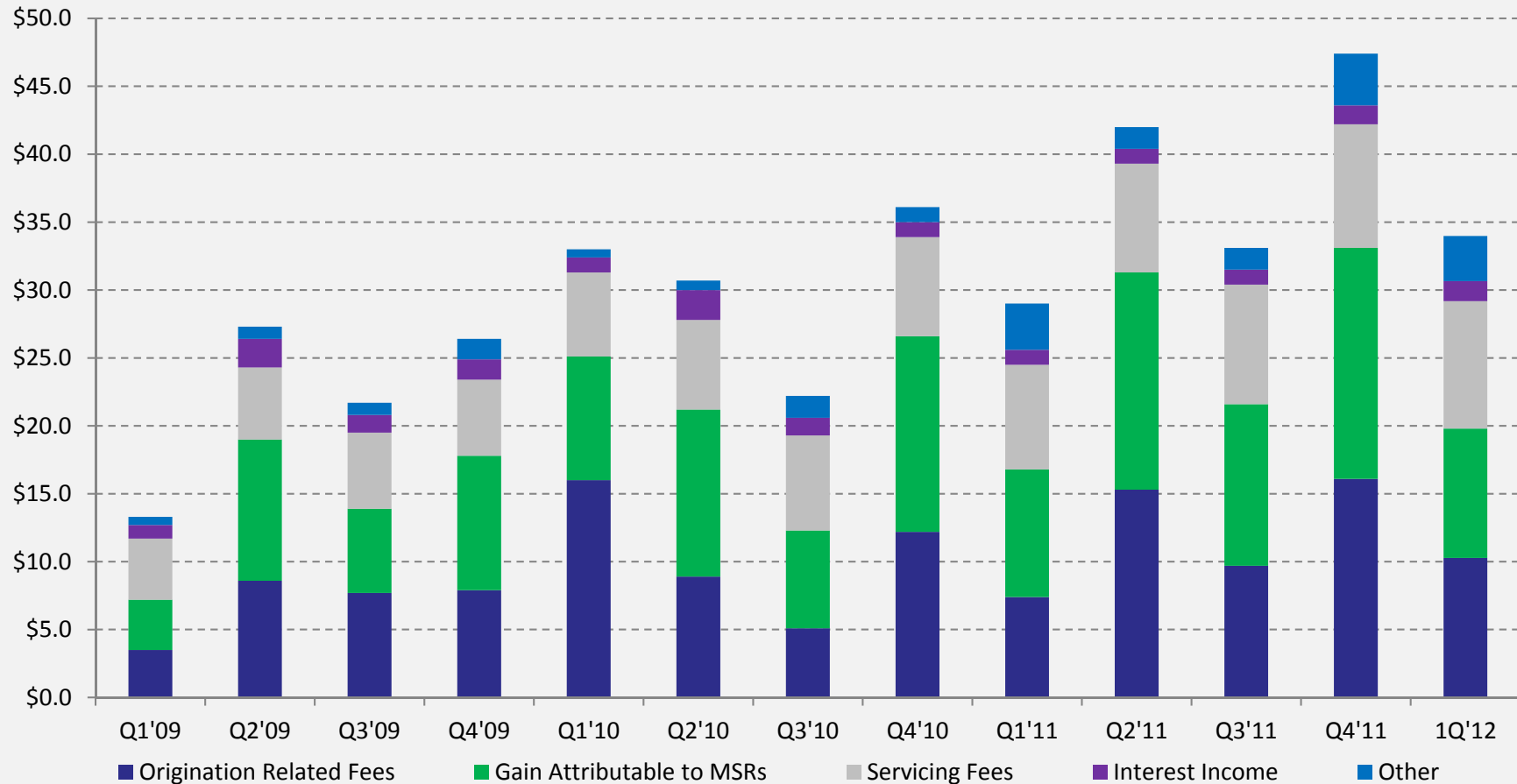


⁽¹⁾ Dollars in millions

⁽²⁾ Other includes CMBS, life insurance and commercial banks

Revenue Mix – A Historical Look

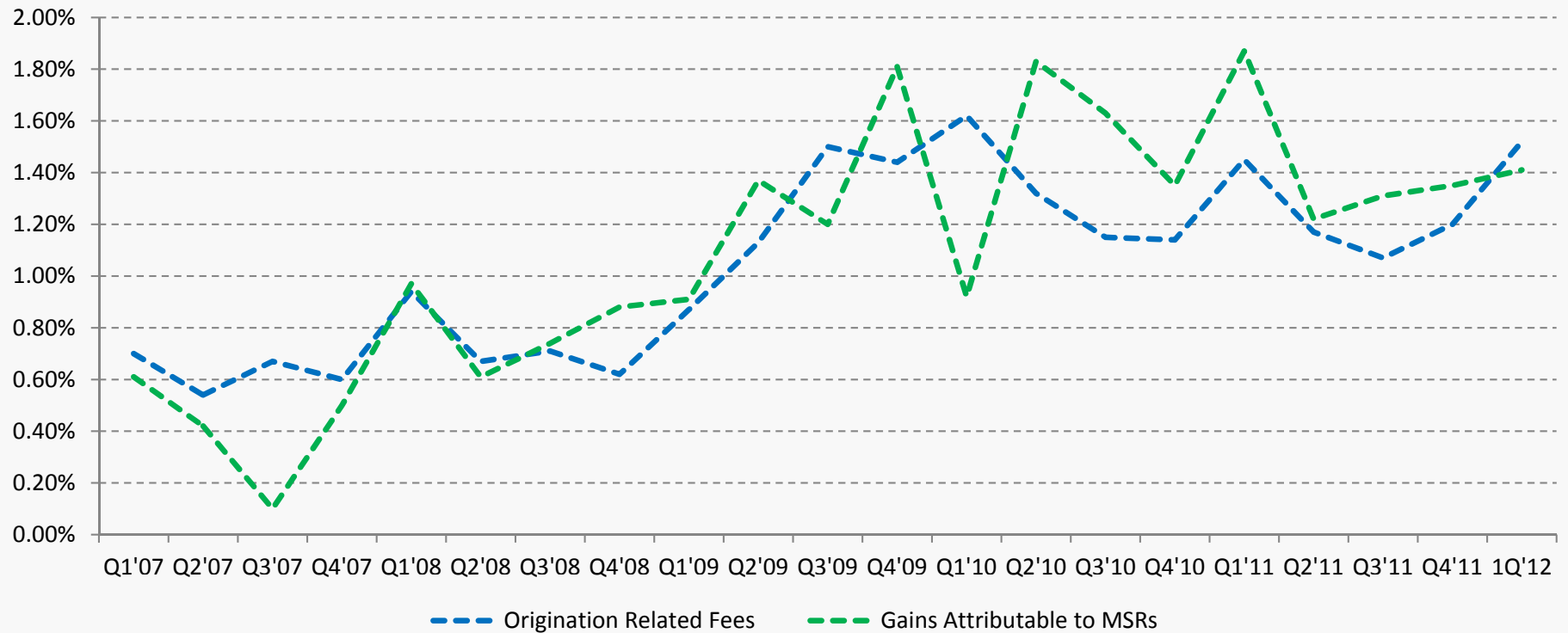
Historical Revenue Mix⁽¹⁾
 (\$ in millions)



⁽¹⁾ 2009 excludes gain on bargain purchase recognized in connection with the Column Guaranteed LLC asset purchase in January 2009.

Origination Revenues

Gains from Mortgage Banking Activities⁽¹⁾

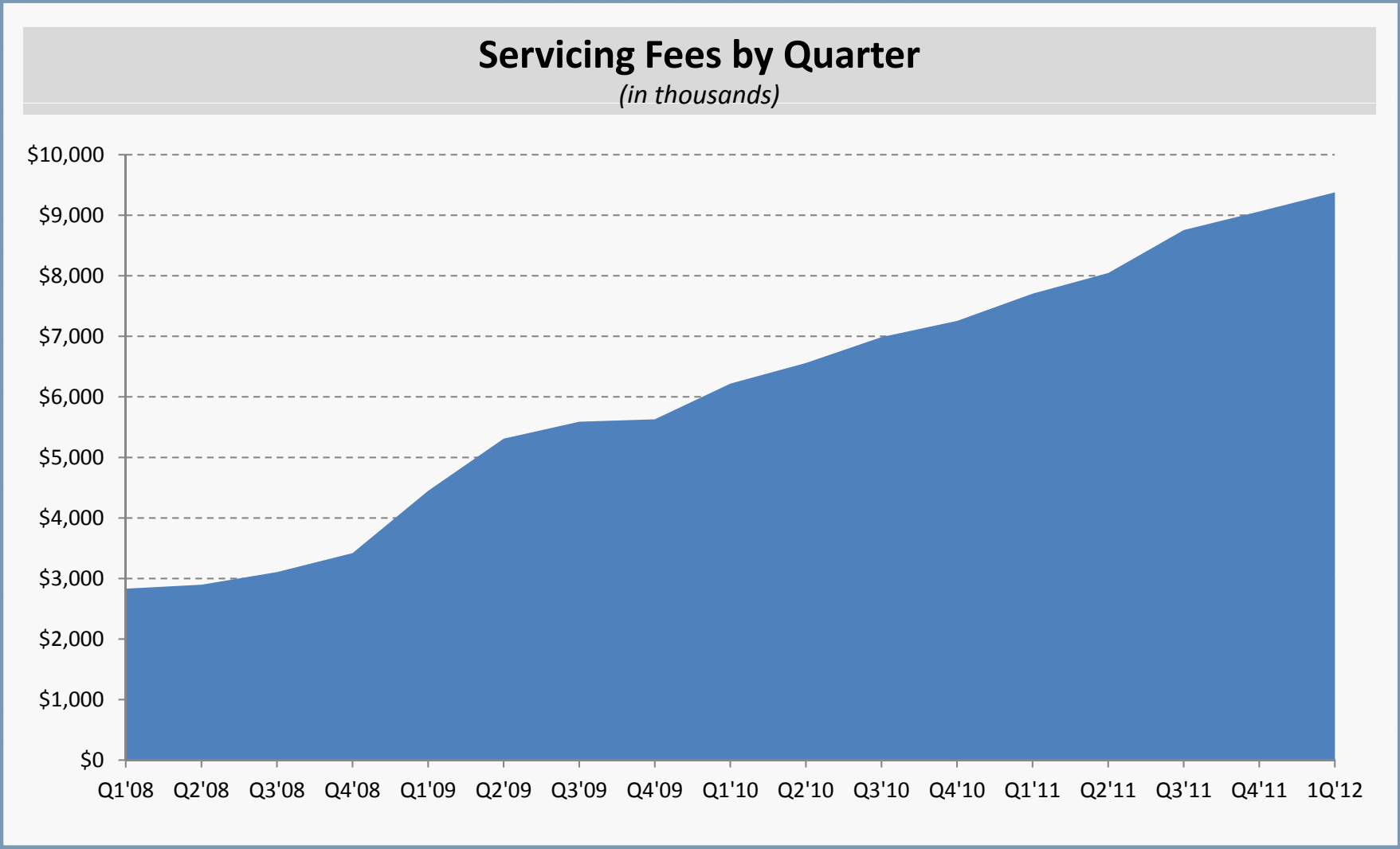


Gains from Mortgage Banking Activities:

	2008	2009	2010	2011	1Q 2012
Origination related fees ⁽¹⁾	0.71%	1.24%	1.33%	1.20%	1.52%
Gains Attributable to MSR ⁽¹⁾	0.77%	1.35%	1.36%	1.35%	1.41%
Total gain on sale margin:	1.48%	2.59%	2.69%	2.55%	2.93%

⁽¹⁾ Origination related fees and Gains Attributable to MSR, are presented as a percentage of total origination volume, respectively

Servicing Fees – Consistent Growth Over Time

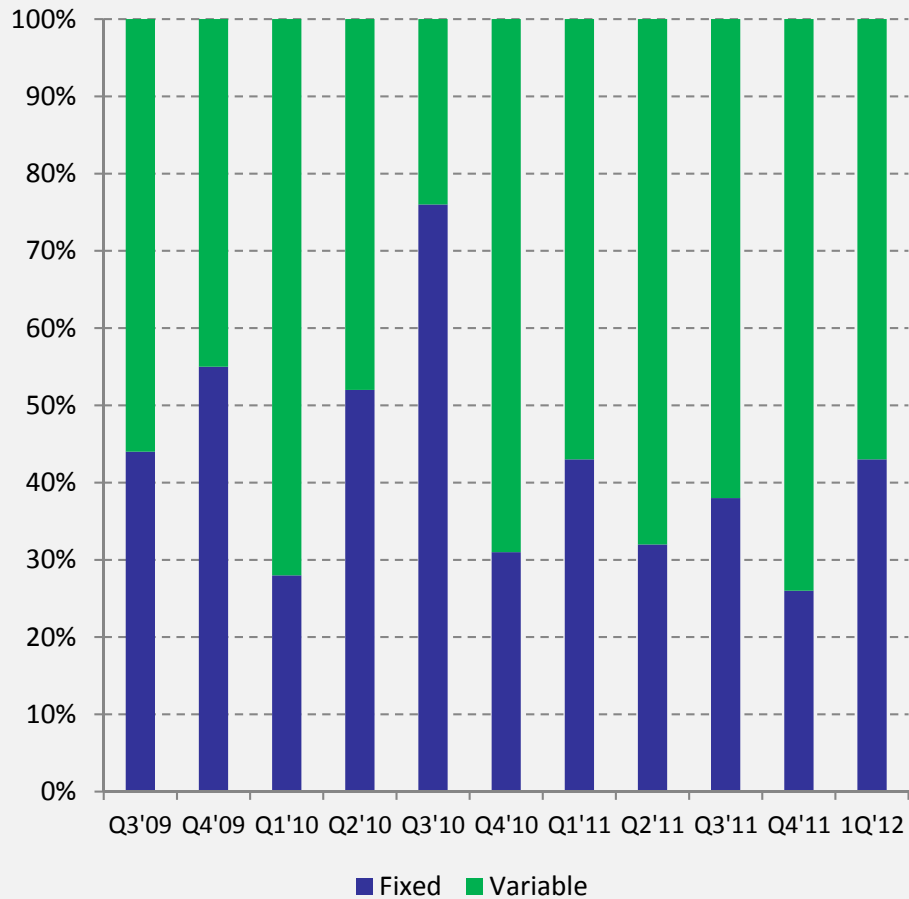


Key Expense and Margin Metrics

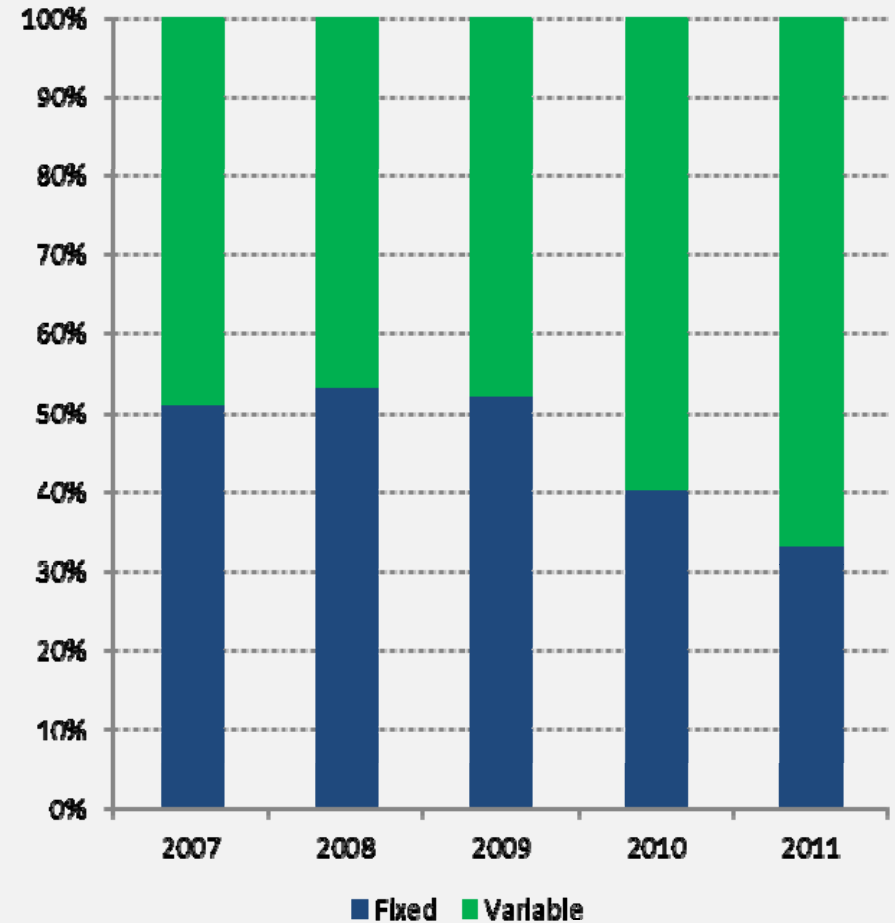
	Year Ended December 31,				1 st Quarter	
	2008	2009	2010	2011	2011	2012
Key Metrics: (as a percentage of total revenues)						
Personnel expense	35%	36%	35%	34%	32%	34%
Other operating expenses	13%	13%	11%	11%	10%	13%
Total Expenses	71%	68%	67%	63%	63%	72%
Operating Margin	29%	32%	33%	37%	37%	28%

Personnel Expense is Largest Expense and Variable

Components of Personnel Expense by Quarter



Components of Personnel Expense by Year



W&D Income Statement Quarterly Comparison

	For the three months ended March 31, ⁽¹⁾		% Change
	2012 <i>(unaudited)</i>	2011 <i>(unaudited)</i>	
Revenues			
Gains from mortgage banking activities	\$ 19,802	\$ 16,827	18%
Servicing fees	9,379	7,713	22%
Net warehouse interest income	937	717	31%
Escrow earnings and other interest income	539	370	46%
Other	3,745	3,370	11%
Total revenues	<u>\$ 34,402</u>	<u>\$ 28,997</u>	19%
Expenses			
Personnel	\$ 11,641	\$ 9,207	26%
Amortization and depreciation	7,259	4,907	48%
Provision for risk-sharing obligations	1,224	746	64%
Interest expense on corporate debt	168	252	-33%
Other operating expenses	4,616	3,020	53%
Total expenses	<u>\$ 24,908</u>	<u>\$ 18,132</u>	37%
Income from operations	\$ 9,494	\$ 10,865	-13%
Income tax expense	3,655	4,226	-14%
Net income	<u>\$ 5,839</u>	<u>\$ 6,639</u>	-12%
Gains from Mortgage Banking Activities			
Origination Related Fees	\$ 10,279	\$ 7,358	40%
Mortgage Servicing Rights ("MSRs")	9,523	9,469	1%
Total	<u>\$ 19,802</u>	<u>\$ 16,827</u>	18%

⁽¹⁾ Dollars in thousands

Balance Sheet

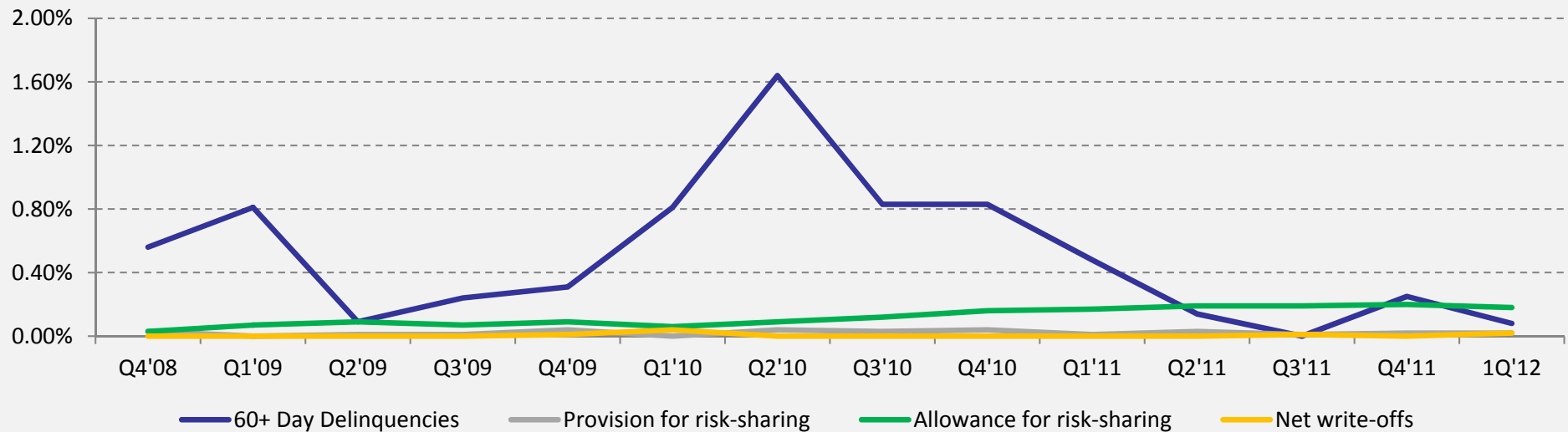
in thousands, except share data

	As of March 31, 2012 (unaudited)	As of December 31, 2011
Assets		
Cash and cash equivalents	\$ 40,811	\$ 53,817
Restricted cash	5,083	7,164
Pledged securities, at fair value	19,599	18,959
Loans held for sale, at fair value	268,207	268,167
Loans held for investment	6,947	—
Servicing fees and other receivables, net	15,140	18,501
Derivative assets	10,264	10,638
Mortgage servicing rights	142,621	137,079
Other assets	8,784	8,271
Total assets	\$ 517,456	\$ 522,596
Liabilities and Stockholders' Equity		
Liabilities		
Accounts payable and other accrued expenses	\$ 56,216	\$ 76,163
Performance deposits from borrowers	5,806	10,425
Derivative liabilities	762	5,223
Guaranty obligation, net of accumulated amortization	10,447	9,921
Allowance for risk-sharing obligations	14,522	14,917
Warehouse notes payable	236,685	218,426
Notes payable	22,969	23,869
Total liabilities	\$ 347,407	\$ 358,944
Stockholders' Equity		
Stockholders' Equity:		
Preferred shares, authorized 50,000,000, none issued.	\$ -	\$ -
Common stock, \$0.01 par value. Authorized 200,000,000; issued and outstanding 21,774,277 shares in 2012 and 21,748,598 shares in 2011	218	217
Additional paid-in capital	81,747	81,190
Retained earnings	88,084	82,245
Total stockholders' equity	\$ 170,049	\$ 163,652
Commitments and contingencies		
Total liabilities and stockholders' equity	\$ 517,456	\$ 522,596

Risk Management is a Core Competency

Credit Remains a Strength of WD⁽¹⁾

(as of and for the periods then ended)



Key Credit Metrics⁽²⁾

(as a percentage of the at risk servicing portfolio)

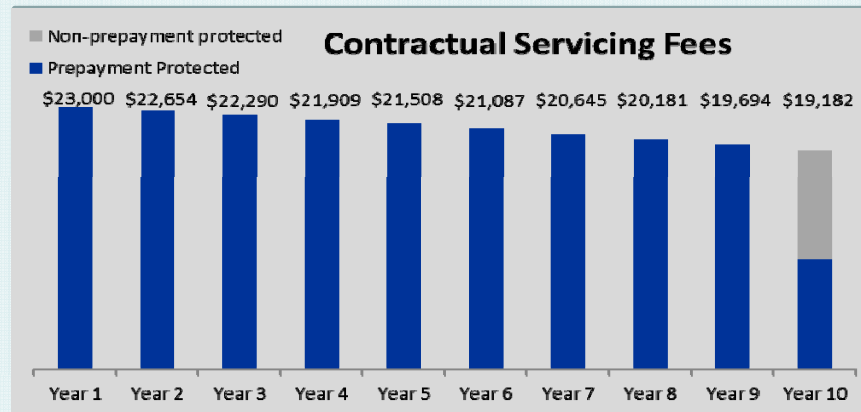
	Year Ended December 31,					Year Ended December 31,	
	2010	Q1'11	Q2'11	Q3'11	Q4'11	2011	Q1'12
As of period end:							
60+ Day Delinquencies	0.85%	0.48%	0.14%	0.00%	0.25%	0.25%	0.08%
Allowance for risk-sharing	0.16%	0.17%	0.19%	0.19%	0.20%	0.20%	0.18%
For the period ended:							
Provision for risk-sharing	0.11%	0.01%	0.03%	0.01%	0.02%	0.06%	0.02%
Net write-offs	0.03%	0.00%	0.00%	0.01%	0.00%	0.01%	0.02%

⁽¹⁾ As a percentage of the at risk servicing portfolio

⁽²⁾ Quarterly data, not annualized

Valuation of Mortgage Servicing Rights

Loan Size: \$10 million **Servicing Fee:** 0.23% **Term:** 10 years
Prepayment Protection: 9.5 years **Amortization:** 30 years



Total Contractual Servicing Fees:
\$212,150

**Adjust for expiration of
prepayment periods, servicing
costs and escrow earnings**

10 - 15% Discount Rate

Gain Attributable to MSR:
\$147,890⁽¹⁾

The estimated fair value of the future servicing right on the loan recognized at the time of rate lock

Record as Derivative Asset on Balance Sheet and as Gain Attributable to MSR on Income Statement

⁽¹⁾ For purposes of this example, a mid-point of 12.5% was used as a discount rate to determine the estimated fair value of this example MSR.

Accounting for an MSR – Income Statement⁽¹⁾

	Rate Lock	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Revenues												
	1 Record FV at rate lock											
Gains from mortgage banking activities	\$ 147,890	--	--	--	--	--	--	--	--	--	--	147,890
Servicing fees	--	23,000	22,654	22,290	21,909	21,508	21,087	20,645	20,181	19,694	19,182	212,150
Net warehouse interest income	--	--	3 Record servicing fee annually	--	--	--	--	--	--	--	--	--
Escrow earnings and other interest income	--	--	--	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--	--	--	--
Total revenues	\$ 147,890	23,000	22,654	22,290	21,909	21,508	21,087	20,645	20,181	19,694	19,182	360,040
Expenses												
Personnel	\$ --	--	--	--	--	--	--	--	--	--	--	--
Amortization and depreciation	--	16,033	15,792	15,538	15,272	14,993	14,700	14,392	14,068	13,729	13,373	147,890
Provision for risk-sharing obligations	--	--	4 Amortize MSR over life of loan	--	--	--	--	--	--	--	--	--
Interest expense on corporate debt	--	--	--	--	--	--	--	--	--	--	--	--
Other operating expenses	--	--	--	--	--	--	--	--	--	--	--	--
Total expenses	\$ --	16,033	15,792	15,538	15,272	14,993	14,700	14,392	14,068	13,729	13,373	147,890
Income from operations	\$ 147,890	6,967	6,862	6,752	6,637	6,515	6,387	6,253	6,113	5,965	5,809	212,150
Gains from Mortgage Banking Activities												
Origination Related Fees	\$ --	--	--	--	--	--	--	--	--	--	--	--
Gains attributable to MSRs	147,890	--	--	--	--	--	--	--	--	--	--	147,890
Total	\$ 147,890	--	--	--	--	--	--	--	--	--	--	147,890

Total earnings recognized over life of servicing right are equal to the contractual servicing fees on the loan.

⁽¹⁾ This slide illustrates only the activity directly associated with servicing fees. We have excluded the impact of escrow earnings and other ancillary fees, as well as the costs associated with servicing the loan.

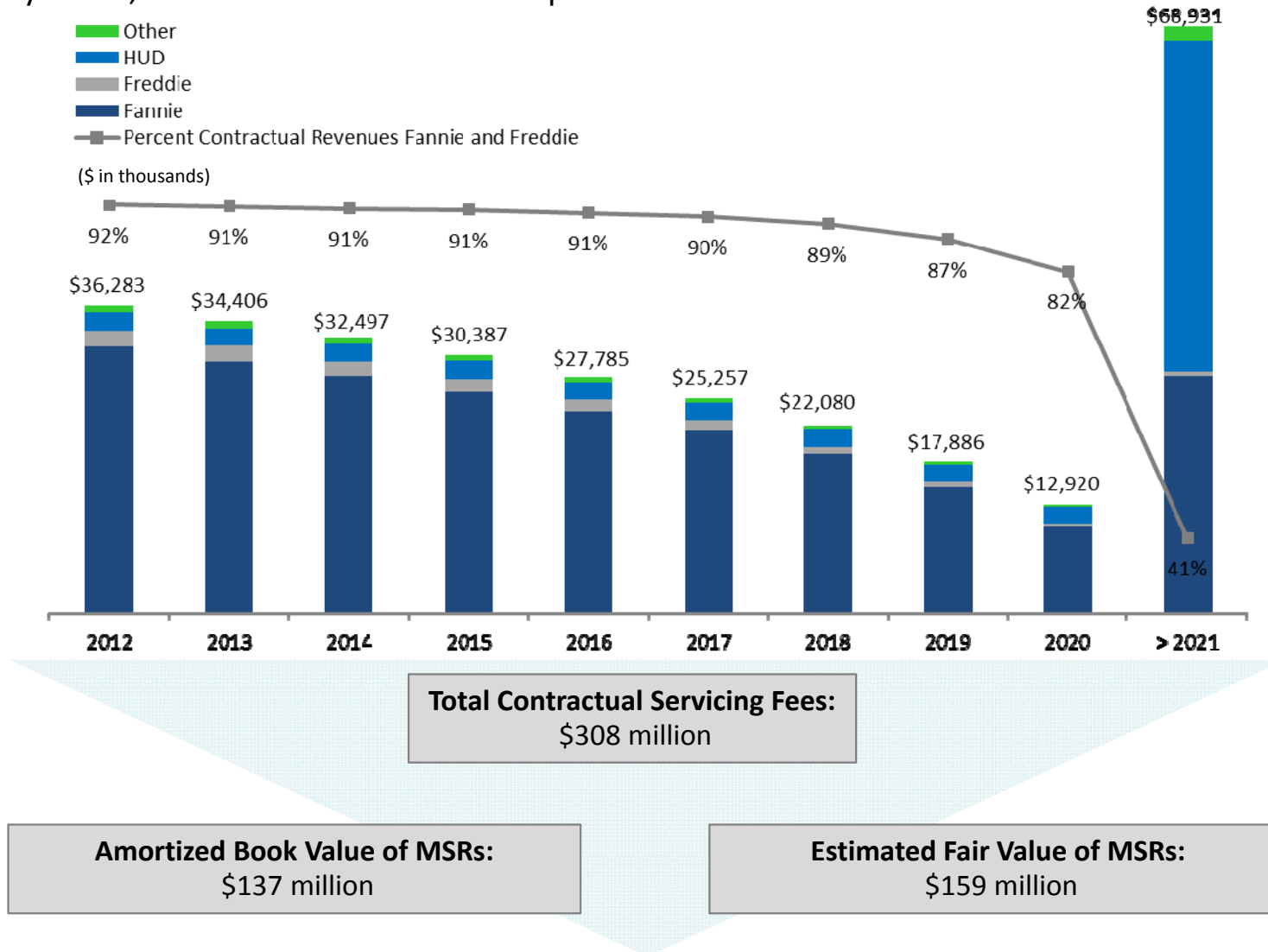
Accounting for an MSR – Balance Sheet

	Rate Lock	Loan Sale	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Assets													
Cash and cash equivalents	\$ --	--	23,000	22,654	22,290	21,909	21,508	21,087	20,645	20,181	19,694	19,182	212,150
Restricted cash	--	--	--	③ Record servicing fee annually	--	--	--	--	--	--	--	--	--
Pledged securities, at fair value	--	--	--	--	--	--	--	--	--	--	--	--	--
Loans held for sale, at fair value	--	--	--	--	--	--	--	--	--	--	--	--	--
Loans held for investment	--	--	--	--	--	--	--	--	--	--	--	--	--
Servicing fees and other receivables, net	--	② Reclass to MSR at sale	--	--	④ Amortize MSR over life of loan	--	--	--	--	--	--	--	--
Derivative assets	147,890	(147,890)	--	--	--	--	--	--	--	--	--	--	--
Mortgage servicing rights	--	147,890	(13,310)	(13,641)	(13,973)	(14,304)	(14,635)	(14,963)	(15,289)	(15,611)	(15,927)	(16,237)	--
Other assets	--	--	--	--	--	--	--	--	--	--	--	--	--
Total assets	\$ 147,890	--	9,690	9,013	8,317	7,605	6,873	6,124	5,356	4,570	3,767	2,945	212,150
Liabilities and Stockholders' Equity													
Liabilities													
Accounts payable and other	\$ --	--	--	--	--	--	--	--	--	--	--	--	--
Performance deposits from borrowers	--	--	--	--	--	--	--	--	--	--	--	--	--
Derivative liabilities	--	--	--	--	--	--	--	--	--	--	--	--	--
Guaranty obligation, net	--	--	--	--	--	--	--	--	--	--	--	--	--
Allowance for risk sharing obligations	--	--	--	--	--	--	--	--	--	--	--	--	--
Warehouse notes payable	--	--	--	--	--	--	--	--	--	--	--	--	--
Notes payable	--	--	--	--	--	--	--	--	--	--	--	--	--
Total liabilities	\$ --	--	--	--	--	--	--	--	--	--	--	--	--
Equity													
Preferred shares	\$ --	--	--	--	--	--	--	--	--	--	--	--	--
Common stock	--	--	--	--	--	--	--	--	--	--	--	--	--
Additional paid-in capital	--	--	--	--	--	--	--	--	--	--	--	--	--
Retained earnings	147,890	--	9,690	9,013	8,317	7,605	6,873	6,124	5,356	4,570	3,767	2,945	212,150
Total stockholders' equity	\$ 147,890	-	9,690	9,013	8,317	7,605	6,873	6,124	5,356	4,570	3,767	2,945	212,150
Total liabilities and stockholders' equity	\$ 147,890	-	9,690	9,013	8,317	7,605	6,873	6,124	5,356	4,570	3,767	2,945	212,150

Contractual Revenues on Servicing Portfolio

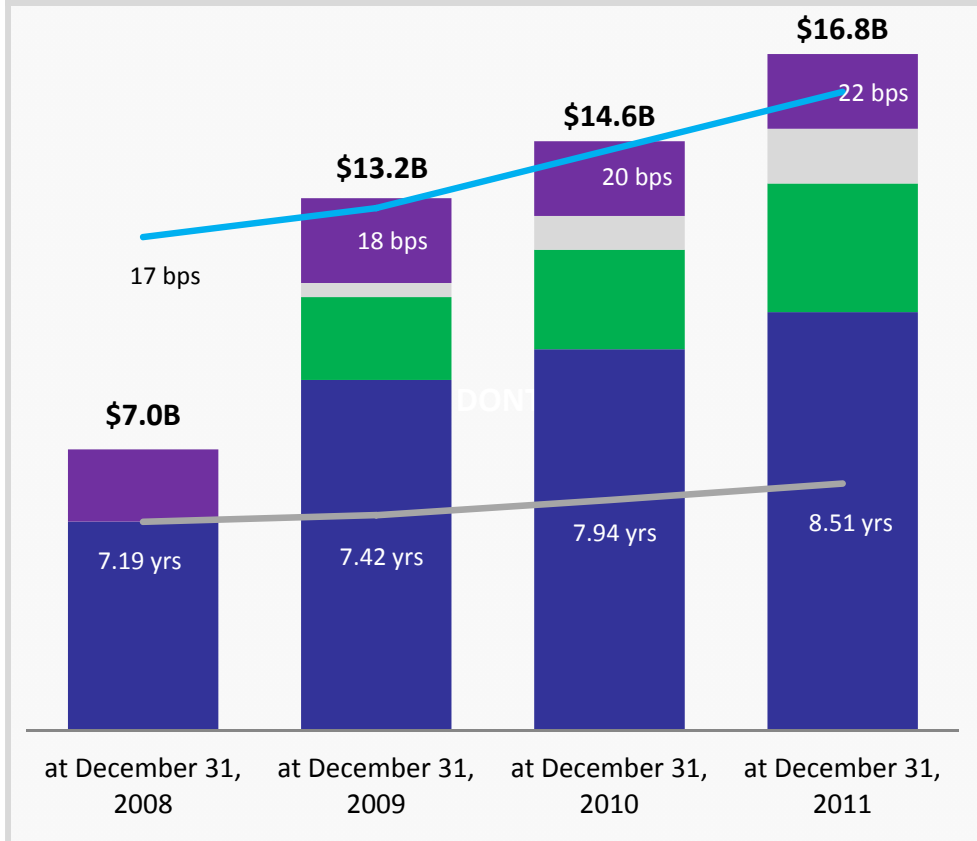
Servicing Portfolio at December 31, 2011: \$16.8 billion

The current servicing portfolio will provide \$308 million in total contractual servicing revenues over the remaining life of the portfolio, without consideration of escrow benefits, servicing costs, prepayments, loan defaults or future loan production.



The Servicing Portfolio

The Servicing Portfolio by Year



Year-Over-Year Comparison



Fannie

HUD

Weighted Average Remaining Life (in years)

Freddie

Other ⁽¹⁾

Weighted-average servicing fee (in basis points)

⁽¹⁾ Other includes CMBS, life insurance and commercial banks