

# ***Walker & Dunlop***

## First Quarter 2011 Earnings Results

May 12, 2011

# 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 Annual Report on Form 10-K for the year ended December 31, 2010.

# Key Points – Q1 2011

- **Strong quarterly results show the strength and profitability of our business model**
  - Produced the highest first quarter pre-tax earnings in the Company's history and generated 37% operating margins and 23% net income margins on moderate origination volumes of \$507 million
- **Volumes**
  - Vary by quarter
  - Q2 on track to do \$750 million - \$1.25 billion of originations
  - FY 2011 expect to do \$3.5 billion - \$4.25 billion of originations
- **Improving market fundamentals**
  - Addressable market strong
  - Positive impact on at-risk portfolio with improving metrics
  - Still believe 2Q'10 was height of weakness in portfolio
- **Business development activities**
  - Strategic alliance with Cushman & Wakefield on investment sales
  - Recruited actively during Q1'11 and will make some announcements in Q2'11
  - Analyzing several acquisition opportunities that would expand our geographic footprint and origination volumes

# W&D Consolidated Statements of Income

	For the three months ended March 31, <sup>(1)</sup>		% Change
	2011	2010	
<b>Revenues</b>			
Gains from mortgage banking activities	\$ 16,827	\$ 25,040	-33%
Servicing fees	7,713	6,219	24%
Net warehouse interest income	717	567	26%
Escrow earnings and other interest income	370	495	-25%
Other	3,370	616	447%
Total revenues	<u>\$ 28,997</u>	<u>\$ 32,937</u>	-12%
<b>Expenses</b>			
Personnel	\$ 9,207	\$ 15,349	-40%
Amortization and depreciation	4,907	3,444	42%
Provision for risk-sharing obligations	746	(76)	1082%
Interest expense on corporate debt	252	353	-29%
Other operating expenses	3,020	3,126	-3%
Total expenses	<u>\$ 18,132</u>	<u>\$ 22,196</u>	-18%
<b>Income from operations before income taxes</b>	\$ 10,865	\$ 10,741	1%
Income tax expense	4,226	-	
<b>Net income</b>	<u>\$ 6,639</u>	<u>\$ 10,741</u>	
<b>Gains from Mortgage Banking Activities</b>			
Origination Related Fees	\$ 7,358	\$ 15,978	-54%
Mortgage Servicing Rights ("MSRs")	9,469	9,062	4%
Total	<u>\$ 16,827</u>	<u>\$ 25,040</u>	-33%

<sup>(1)</sup> Dollars in thousands

# Providing Comparable Financial Results

## Pro forma Net Income

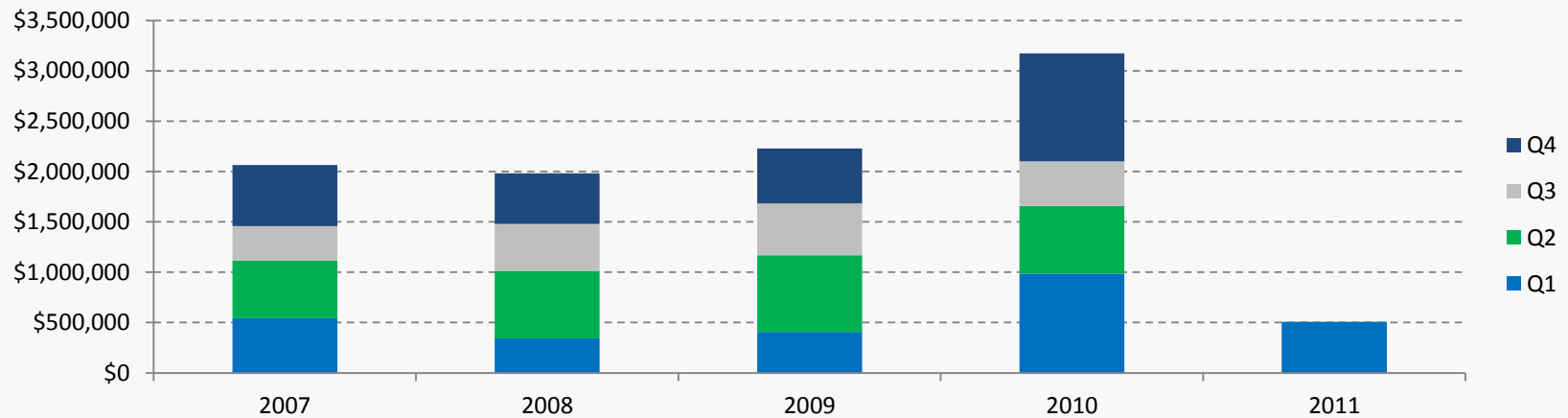
	<u>For the three months ended March 31,</u>	
	<u>2011</u>	<u>2010</u>
<b>Proforma net income</b>		
(in thousands, except share and per share data)		
Income from operations, as reported	\$ 10,865	\$ 10,741
Income tax expense	<u>4,226</u>	<u>—</u>
Net Income	\$ <u>6,639</u>	\$ —
Pro forma adjustments for income tax expense		<u>4,178</u>
Pro forma net income		\$ <u>6,563</u>
Earnings per diluted share	\$ 0.31	\$ 0.73
Pro forma earnings per diluted share	\$ —	\$ 0.45
Diluted weighted average shares outstanding	<u>21,651,192</u>	<u>14,741,504</u>

# Originations Volumes and Fees Vary By Quarter

	1Q 2011	4Q 2010	1Q 2010
<b>Total Revenues<sup>(1)</sup></b>	\$28,997	\$36,055	\$32,937
<b>Loan Origination Volumes<sup>(1)</sup></b>			
Fannie Mae	\$303,825	\$494,341	\$418,181
Freddie Mac	51,406	111,378	187,580
Ginnie Mae - HUD	82,316	170,859	368,445
Other <sup>(2)</sup>	69,950	293,073	11,359
<b>Total</b>	<b>\$507,497</b>	<b>\$1,069,651</b>	<b>\$985,565</b>

	1Q 2011	4Q 2010	1Q 2010
<b>Income from Operations<sup>(1)</sup></b>	\$10,865	\$10,616	\$10,741
<b>Total Loan Origination Volume<sup>(1)</sup></b>	\$507,497	\$1,069,651	\$985,565
<b>Average Gains from Mortgage Banking Activities</b>	332bps	249bps	254bps
<b>Personnel Expense as a % of Revenues</b>	32%	38%	47%
<b>Operating Margin</b>	37%	29%	33%

Loan Origination Volume<sup>(1)</sup> by Quarter



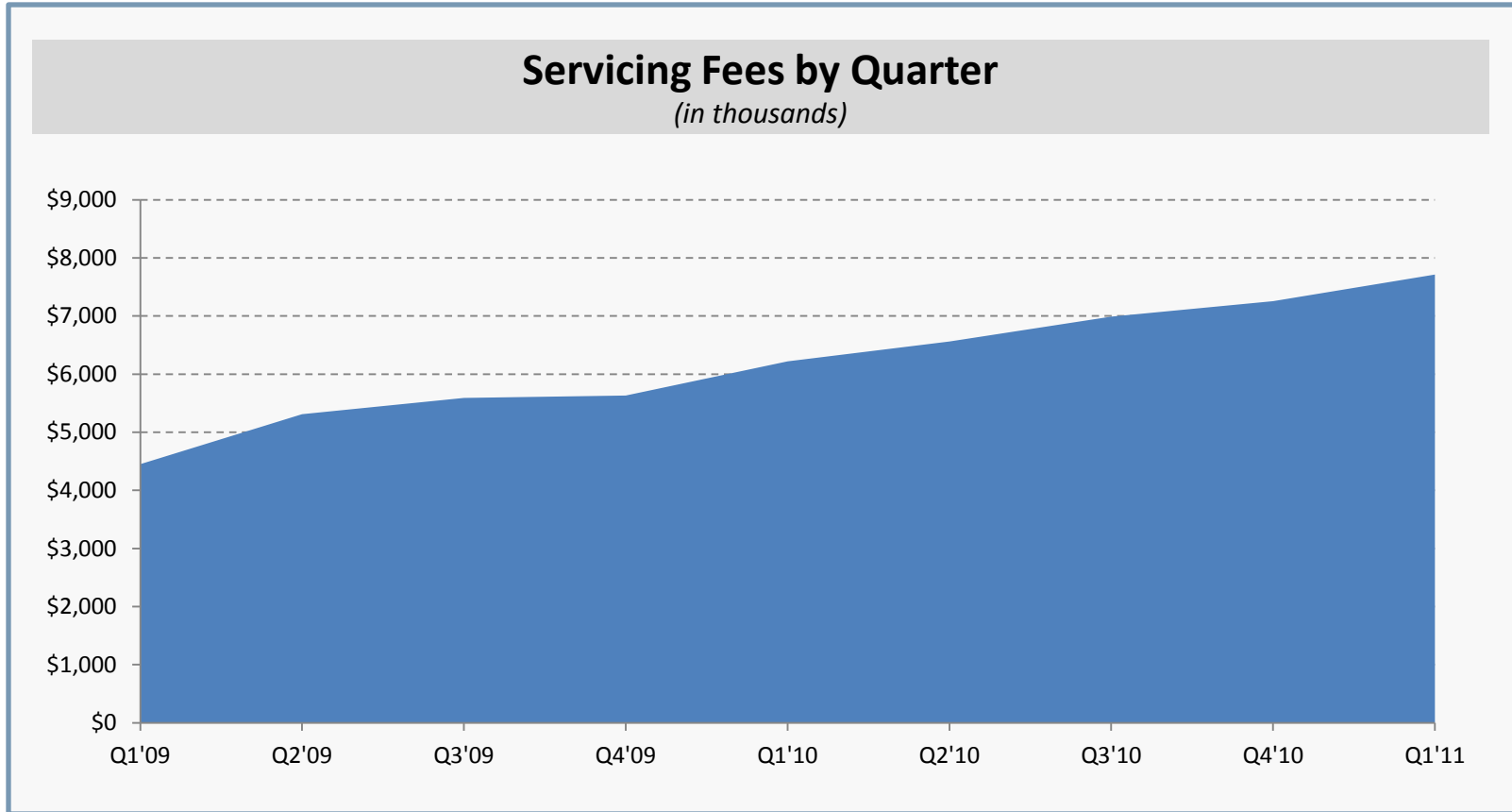
<sup>(1)</sup> Dollars in thousands

<sup>(2)</sup> CMBS, life insurance companies and commercial banks

# Key Metrics

<b>Key Expense Metrics:</b> (as a percentage of total revenues)	<b>Three Months Ended March 31,</b>		<b>Year Ended December 31,</b>
	<b>2011</b>	<b>2010</b>	<b>2010</b>
Operating Margin	37%	33%	33%
Personnel expenses	32%	DONT	35%
Other operating expenses	10%	9%	11%
Provision for risk sharing	3%	(0.02)%	6%

# Diversified Servicing Portfolio – Fees Over Time





# Diversified Servicing Portfolio – Growth in Portfolio & Fees

Loan Servicing Portfolio <sup>(1)</sup> as of:	at March 31,		at December 31,
	2011	2010	2010
<b>Fannie Mae</b>	\$9,600,772	\$8,723,736	\$9,459,813
Fannie Mae Full Risk	6,032,264	5,471,492	5,865,285
Fannie Mae Modified Risk	1,989,102	1,516,300	1,994,847
Fannie Mae No Risk	1,579,406	1,735,944	1,599,681
<b>Freddie Mac</b>	2,485,301	2,052,916	2,467,567
<b>HUD/Ginnie Mae</b>	920,946	400,257	836,924
<b>Other<sup>(2)</sup></b>	1,849,491	1,905,377	1,854,990
<b>Total</b>	<b>\$14,856,510</b>	<b>\$13,082,286</b>	<b>\$14,619,294</b>
<b>Weighted Average Servicing Fee</b>	<b>0.21%</b>	<b>0.19%</b>	<b>0.20%</b>

## Calculation of At-Risk Servicing Portfolio

	at March 31, 2011		at March 31, 2010		at December 31, 2010	
	Unpaid Principal Balance	At-Risk <sup>(3)</sup>	Unpaid Principal Balance	At-Risk <sup>(3)</sup>	Unpaid Principal Balance	At-Risk <sup>(3)</sup>
Fannie Mae Full Risk	\$6,032,264	\$6,032,263	\$5,471,492	\$5,344,459	\$5,865,285	\$5,865,585
Fannie Mae Modified Risk	1,989,102	814,672	1,516,300	626,489	1,994,847	816,357
Fannie Mae No Risk	1,579,406	0	1,735,944	0	1,599,681	0
<b>Total</b>	<b>\$9,600,772</b>	<b>\$6,846,935</b>	<b>\$8,723,736</b>	<b>\$5,970,948</b>	<b>\$9,459,813</b>	<b>\$6,681,942</b>

<sup>(1)</sup> Unpaid principal balance dollars in thousands

<sup>(2)</sup> CMBS, life insurance companies and commercial banks

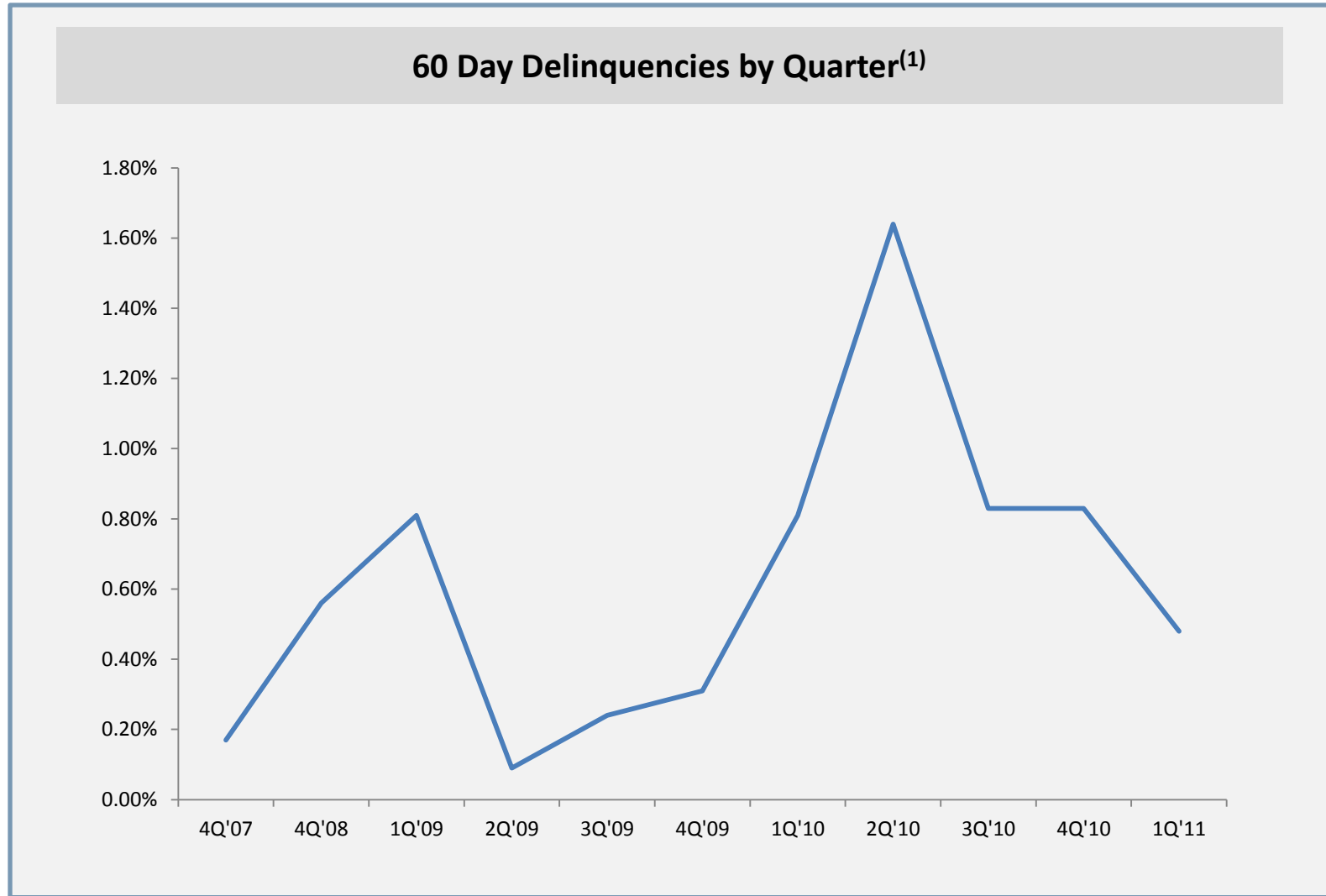
<sup>(3)</sup> At-Risk defined as balance of servicing portfolio subject to full Fannie Mae DUS risk sharing formula

# Putting Losses in Perspective

<b>Key Credit Metrics<sup>(1)</sup></b> <i>(as a percent of the at-risk servicing portfolio)</i>			
	<b>Three months ended March 31,</b>		<b>Year Ended</b>
	<b>2011</b>	<b>2010</b>	<b>December 31,</b>
			<b>2010</b>
60 Day Delinquencies	0.48%	0.81%	0.85%
Provision for risk-sharing	0.01%	0.00%	0.11%
Allowance for risk-sharing	0.17%	0.06%	0.16%
Net write-offs	0.00%	0.04%	0.03%

<sup>(1)</sup> Quarterly data not annualized

# Credit Remains a Strength of WD



<sup>(1)</sup> As a percentage of the at risk servicing portfolio

# IPO Proceeds Provide Growth Capital

## Add to Origination Capabilities

- Continue to broaden current origination network of 30 originators and 22 correspondents
- Expansion may include organic growth, as well as recruitment of origination professionals

## Acquire Complementary Businesses

- ✓ Build / buy / partner in investment sales
- Expand fund management business
- Acquire competitors with strong origination capabilities

## Expand Product Offerings

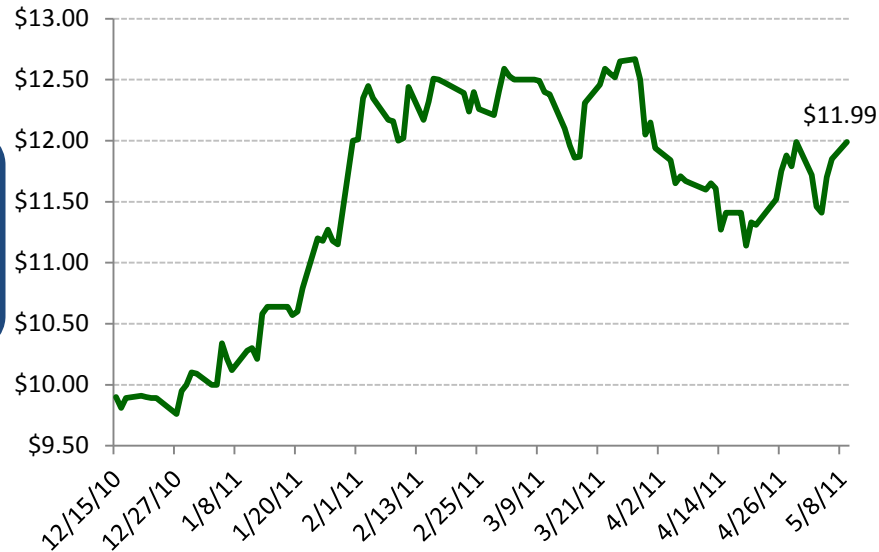
- Provide interim financing for multifamily properties
- Broaden lending focus (office, retail, hospitality, etc.) while maintaining underwriting discipline

**Capital Raised During Beginning of Cycle Positions Us Well**

# A Compelling Growth Story

Leading Originator  
and Servicer

Began trading on the NYSE under ticker symbol  
WD on December 15, 2010 <sup>(1)</sup>



Experienced and  
Aligned  
Management Team

Time-Tested Credit  
Culture

Attractive Growth  
Opportunities

<sup>(1)</sup>Market data as of 5.9.2011