

Walker & Dunlop

Morgan Stanley's Financials
Conference 2011

Willy Walker

Chairman, President & CEO

February 2, 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 registration statement on Form S-1, as most recently amended and filed on December 13, 2010.

Key Points of Today's Presentation

1

Established franchise with strong market position

2

Focused and nimble business model

3

Consistently profitable, time-tested credit culture

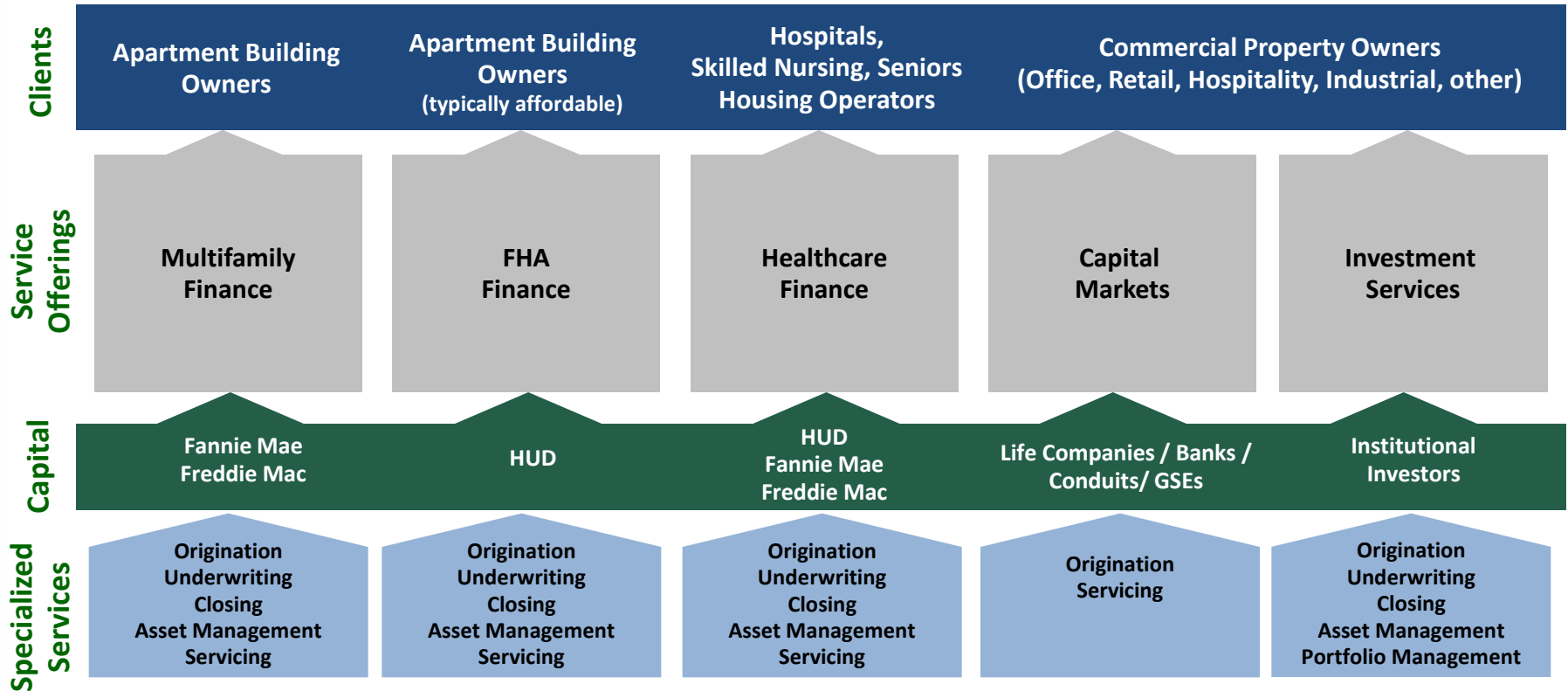
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Motivated and aligned management team

5

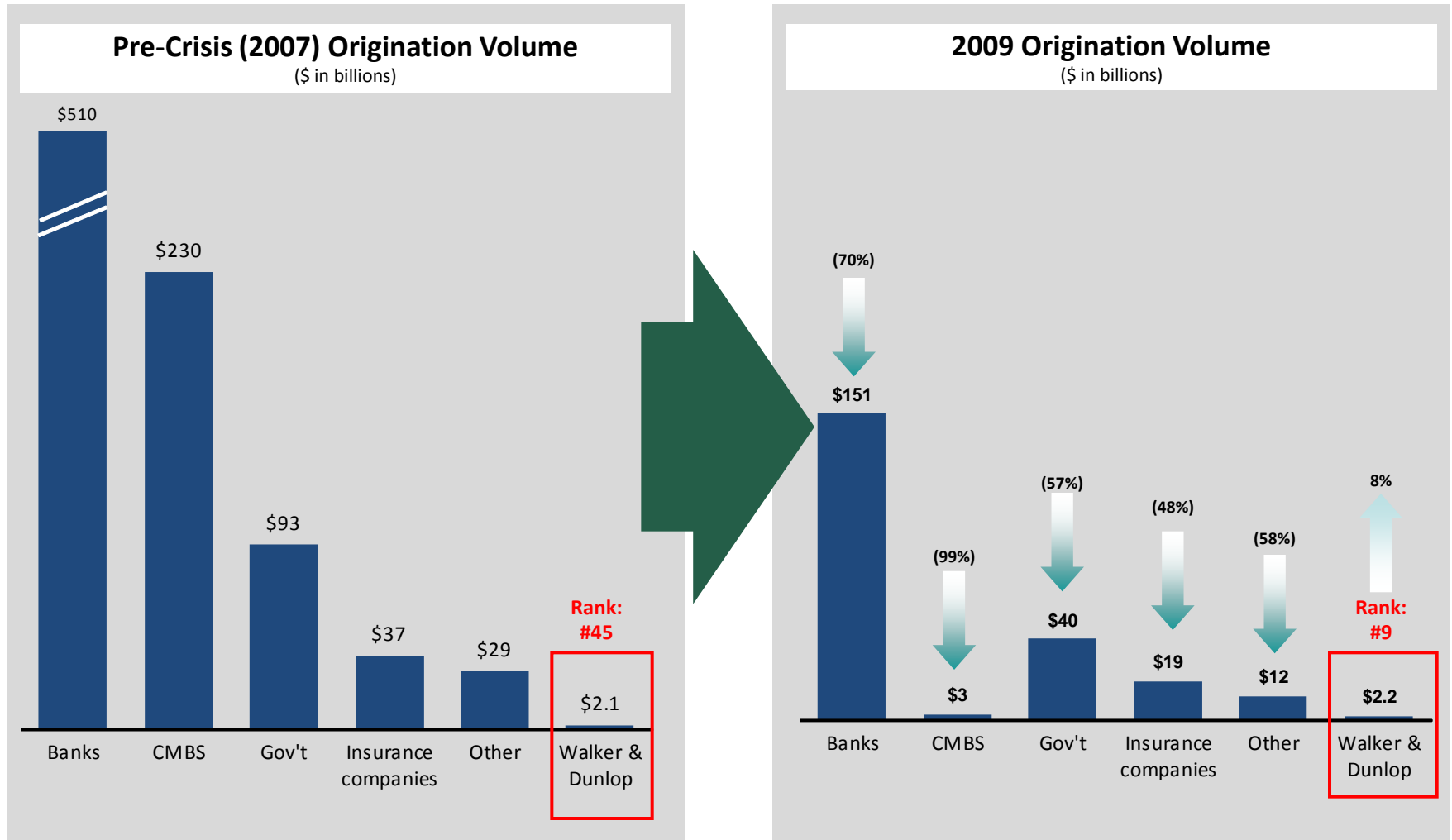
Significant growth opportunities

Walker & Dunlop's Established Platform



A leading provider of commercial real estate financial services since 1937

Growing Market Share During The Financial Crisis



Source: PPR, Federal Reserve, Trepp, Giliberto-Levy, FDIC.

2009 Rankings

Top Commercial Mortgage Lenders in 2009

(\$ millions)

Rank		Amount	Number	Avg Size
1	Wells Fargo Bank, N.A.	\$24,915	7,663	3.3
2	Deutsche Bank Commercial Real Estate	7,696	265	29
3	PNC Real Estate	7,604	671	11.3
4	Prudential Mortgage Capital Company	5,750	242	23.8
5	MetLife	3,881	41	94.6
6	CBRE Capital Markets, Inc	3,688	221	16.7
7	Capmark Financial Group Inc.	2,817	288	9.8
8	New York Life Investments LLC	1,959	49	40
9	Walker & Dunlop, LLC	1,920	193	9.9
10	KeyBank Real Estate Capital	1,830	169	10.8

2009 Total Originations: Fannie Mae

(\$ millions)

Rank		Amount	Number	Avg Size
1	PNC Real Estate	\$3,005	219	13.7
2	Wells Fargo Bank, N.A.	2,304	174	13.2
3	Deutsche Bank Commercial Real Estate	2,212	137	16.1
4	Prudential Mortgage Capital Company	1,824	60	30.4
5	Walker & Dunlop, LLC	1,534	158	9.7
6	CBRE Capital Markets, Inc	1,015	70	14.5
7	Grandbridge Real Estate Capital, LLC	882	93	9.5
8	Northmarq Capital LLC	834	81	10.3
9	AmeriSphere	736	67	11
10	M&T Realty Capital Corporation	637	71	9

2009 Total Originations: Freddie Mac

(\$ millions)

Rank		Amount	Number	Avg Size
1	CBRE Capital Markets, Inc	\$2,643	154	17.2
2	Wells Fargo Bank, N.A.	2,531	97	26.1
3	Deutsche Bank Commercial Real Estate	2,229	97	23
4	Capmark Financial Group Inc.	1,644	166	9.9
5	HFF, L.P.	1,367	58	23.6
6	PNC Real Estate	1,111	56	19.8
7	Northmarq Capital LLC	1106	80	13.8
8	CWCapital	620	34	18.2
9	KeyBank Real Estate Capital	608	55	11.1
10	Walker & Dunlop, LLC	498	22	22.6

2009 Total Originations: FHA/Ginnie Mae

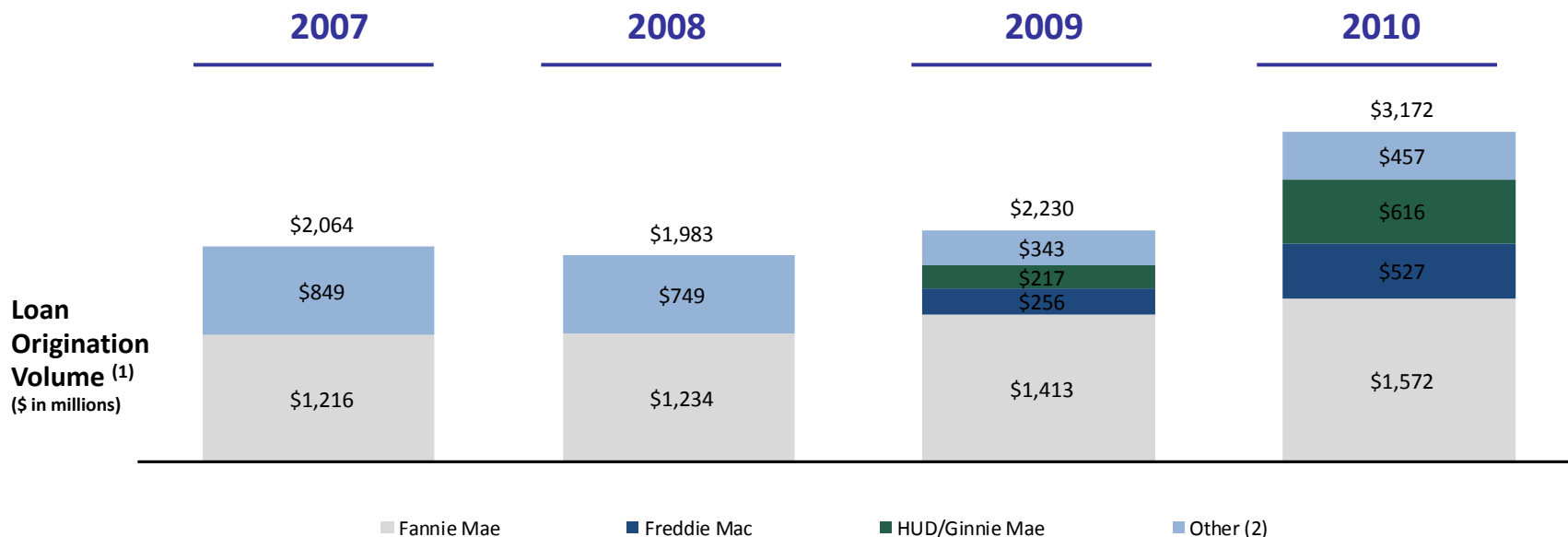
(\$ millions)

Rank		Amount	Number	Avg Size
1	Wells Fargo Bank, N.A.	\$1,760	93	18.9
2	Prudential Mortgage Capital Company	1,261	39	32.3
3	PNC Real Estate	639	96	6.7
4	Capmark Financial Group Inc.	564	67	8.4
5	Capital Funding Group, Inc.	493	69	7.1
6	P/R Mortgage & Investment Corp	395	43	9.2
7	CWCapital	331	27	12.3
8	Gershman Mortgage	249	22	11.3
9	Walker & Dunlop, LLC	241	24	10.1
10	AmeriSphere	162	11	NA

Source: Mortgage Bankers Association Annual Originations Rankings

Note: 2009 Mortgage Bankers Association annual originations rankings. Walker & Dunlop numbers included herein are based on loans closed, whereas WD typically discloses volumes based on loans rate-locked

Key Performance Metrics



Metric	2007	2008	2009	2010
Origination related fees ⁽³⁾⁽⁴⁾	0.62%	0.71%	1.24 %	1.42%

Metric	2007	2008	2009	2010
Operating Income Margin ⁽³⁾⁽⁴⁾	32%	29%	32%	34%

⁽¹⁾ 2010 origination volume are for the full year and are approximate and have not been audited. These amounts could be adjusted as the Company completes its year-end audit. no conclusions should be drawn about the Company's fourth quarter 2010 results from these announced volumes

⁽²⁾ Other includes CMBS, life insurance , commercial banks and brokered loans to agencies

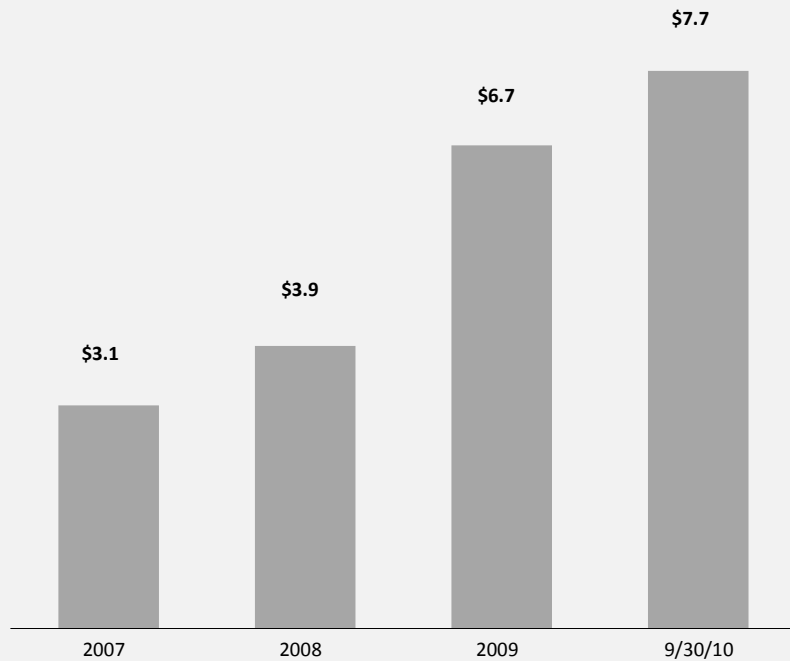
⁽³⁾ 2010 represents nine months ended September 30, 2010

⁽⁴⁾ Origination related fees as a percentage of origination volume. 2010 are calculated on volumes through September 30, 2010

Risk Management

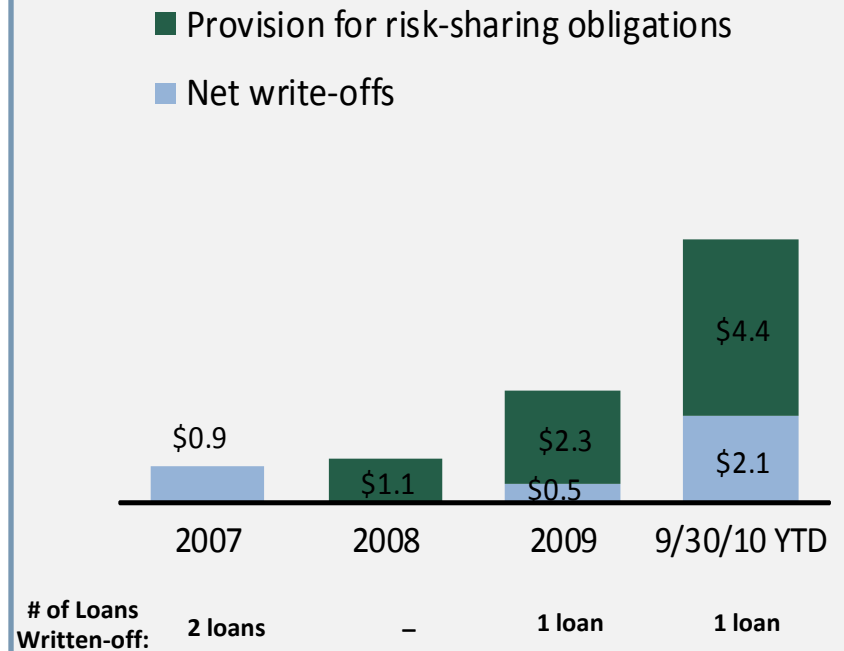
Balance of Risk-Sharing Portfolio ⁽¹⁾

(\$ in billions)



Net Write-offs ⁽²⁾

(\$ in millions)



of Loans Written-off: 2 loans - 1 loan 1 loan

⁽¹⁾ 9/30/10 represents balance at September 30, 2010

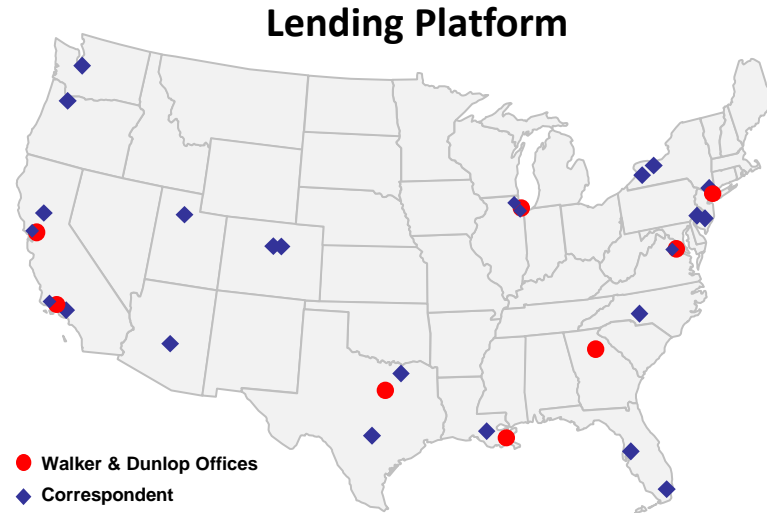
⁽²⁾ 9/30/10 YTD represents nine months ended September 30, 2010

What Differentiates Walker & Dunlop



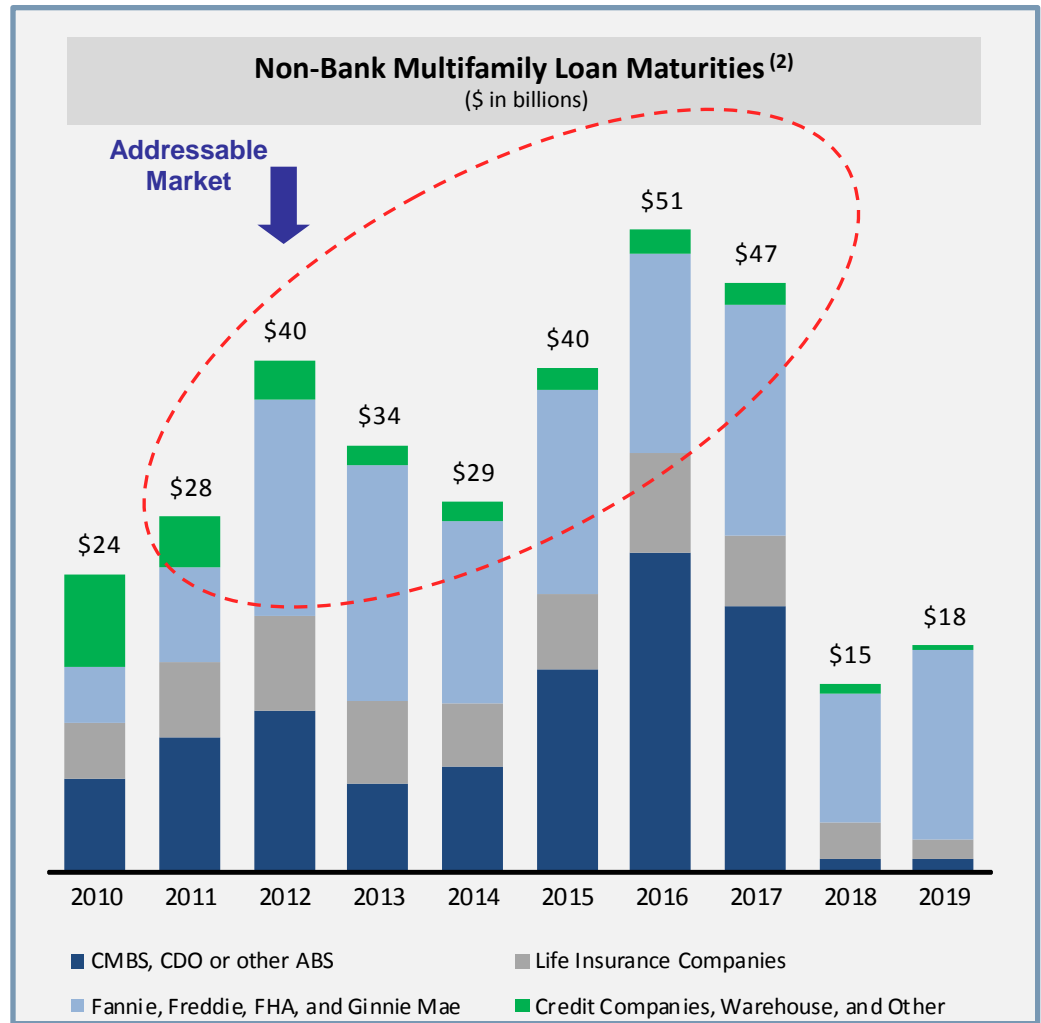
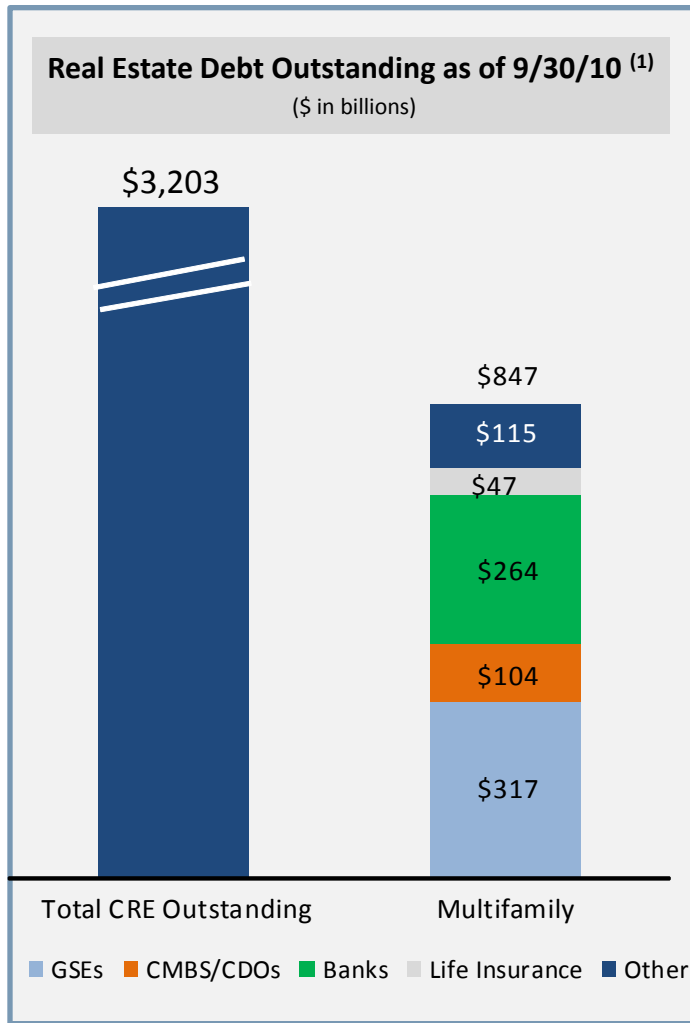
**Over 160 employees nationwide with significant equity ownership
in the Company**

Lending Platform – Significant Growth Opportunities



- 30 originators located in eight offices nationwide
- Correspondent relationships with 24 independently owned mortgage banking companies

Significant Market Opportunity



⁽¹⁾ Federal Reserve Flow of Funds Accounts of the United States

⁽²⁾ Mortgage Bankers Association Survey of Loan Maturity Volumes as of December 31 2009

IPO Proceeds Provide Growth Capital

Add to Origination Capabilities

- Continue to broaden current origination network of 30 originators and 23 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

Growth While Maintaining Credit Standards

A Compelling Growth Story



⁽¹⁾Market data as of 1.31.2011

Walker & Dunlop

Questions & Answers

Walker & Dunlop

Appendix

Key Metrics –Income and Balance Sheet Items

(\$ millions)	Year Ended December 31,			9 Months Ended Sep 30,		9 Months Ended, 9/30/09 - 9/30/10 Growth
	2007	2008	2009	2009	2010	
Origination Volume	\$2,064	\$1,983	\$2,230	\$1,682	\$2,102	25%
Servicing Portfolio	6,054	6,976	13,203	12,845	14,166	10%
Key Income Statement Items						
Gain From Mortgage Banking	\$21.9	\$29.4	\$57.9	\$40.1	\$58.5	46%
Servicing Fees	12.3	12.3	21.0	15.4	19.8	29%
Total Revenue	\$50.3	\$49.2	\$88.8	\$62.3	\$85.8	38%
Personnel	\$16.8	\$17.0	\$32.2	\$24.5	\$28.9	18%
Amortization and Depreciation	9.1	7.8	12.9	9.1	12.4	36%
Total Expenses	\$33.9	\$35.1	\$60.2	\$44.5	\$56.3	27%
Income from Operations	\$16.3	\$14.0	\$28.6	\$17.8	\$29.5	66%
<i>Operating Income Margin</i>	<i>32%</i>	<i>29%</i>	<i>32%</i>	<i>29%</i>	<i>34%</i>	
Gain on Bargain Purchase ⁽¹⁾	–	–	10.9	10.9	–	
Pre-Tax Income	\$16.3	\$14.0	\$39.5	\$28.7	\$29.5	
Key Balance Sheet Items						
Total Assets	\$89.5	\$183.3	\$243.7	\$197.7	\$284.1	
Total Liabilities	81.4	169.5	173.9	135.9	191.4	
Total Equity	8.1	13.9	69.8	61.8	92.7	

⁽¹⁾ Gain on bargain purchase represents the one-time gain recognized in connection with the Column transaction in January 2009.

Key Metrics – Origination Volume and Servicing

Loan Origination Volume ⁽¹⁾ for the years ended:	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010 ⁽²⁾
Fannie Mae	\$1,215,760	\$1,234,273	\$1,413,144	\$1,572,000
Freddie Mac	-	-	255,997	527,000
HUD/Ginnie Mae	-	-	217,186	616,000
Other⁽³⁾	848,601	748,783	343,445	457,000
Total	\$2,064,361	\$1,983,056	\$2,229,772	\$3,172,000

Loan Servicing Portfolio ⁽¹⁾ as of:	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010 ⁽²⁾
Fannie Mae	\$4,309,073	\$5,182,824	\$8,695,229	\$9,460,000
Freddie Mac	-	-	2,055,821	2,467,000
HUD/Ginnie Mae	-	-	350,676	\$837,000
Other⁽³⁾	\$1,745,113	1,793,384	2,101,591	1,889,000
Total	\$6,054,186	\$6,976,208	\$13,203,317	\$14,653,000

⁽¹⁾ Dollars in thousands

⁽²⁾ Numbers are approximate. Origination and servicing volumes in this release have not been audited. These amounts could be adjusted as the Company completes its year-end audit. The Company has decided to release the 2010 loan origination and servicing volumes in order to participate in industry surveys. No conclusions should be drawn about the Company's fourth quarter 2010 results from these announced volumes.

⁽³⁾ CMBS, life insurance companies and commercial banks

Key Metrics – Credit Metrics

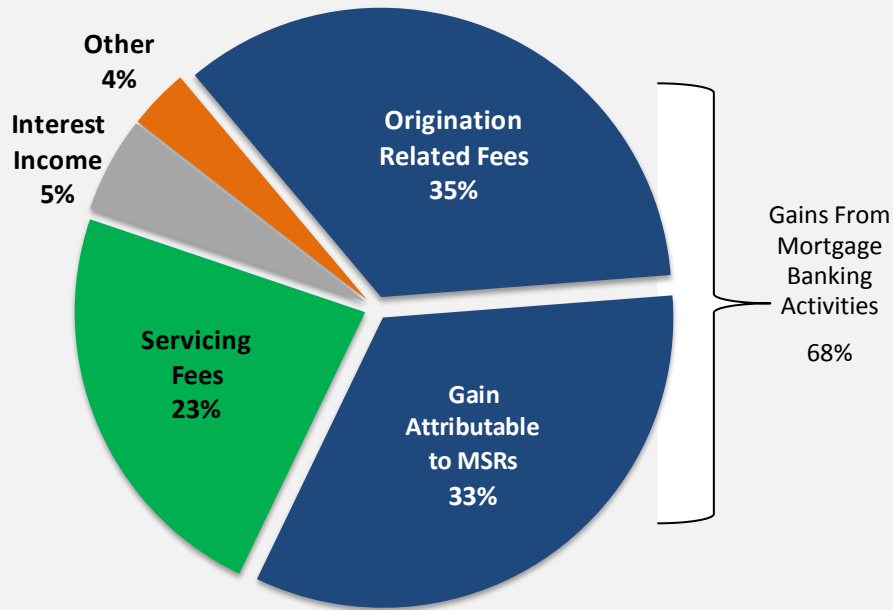
Key Credit Metrics (\$ in thousands)	Year ended December 31,			Nine Months ended September 30,	
	2007	2008	2009	2009	2010
Unpaid principal balance:					
Total servicing portfolio	\$ 6,054,186	\$ 6,976,208	\$ 13,203,317	\$ 12,844,826	\$ 14,165,850
Fannie Mae servicing portfolio:					
Fannie Mae Full Risk	\$ 2,369,743	\$ 3,202,044	\$ 5,476,467	\$ 5,091,039	\$ 5,736,752
Fannie Mae Modified Risk	726,153	717,472	1,226,669	1,630,809	2,001,830
Fannie Mae No Risk	1,213,177	1,263,308	1,992,093	1,647,049	1,433,511
Total Fannie Mae	<u>\$ 4,309,073</u>	<u>\$ 5,182,824</u>	<u>\$ 8,695,229</u>	<u>\$ 8,368,897</u>	<u>\$ 9,172,093</u>
Fannie Mae at risk servicing portfolio	\$ 2,761,733	\$ 3,560,095	\$ 5,870,363	\$ 5,630,768	\$ 6,536,724
60 Day delinquencies	4,557	19,814	17,934	13,433	54,006
At risk loan balances associated with allowance for risk-sharing obligations	\$ -	22,727	47,829	33,696	98,450
Allowance for risk-sharing obligations:					
Beginning balance	\$ 888	\$ -	\$ 1,101	\$ 1,101	\$ 5,552
Provision for risk-sharing obligations	-	1,101	2,265	(34)	4,397
Net write-offs	(888)	-	(498)	-	(2,148)
Contribution from Column	-	-	2,684	2,684	-
Ending balance	<u>\$ -</u>	<u>\$ 1,101</u>	<u>\$ 5,552</u>	<u>\$ 3,751</u>	<u>\$ 7,801</u>
60 Day delinquencies as a percentage of the at risk portfolio	0.17%	0.56%	0.31%	0.24%	0.83%
Provision for risk-sharing as a percentage of the at risk portfolio	0.03%	0.03%	0.04%	0.00%	0.07%
Allowance for risk-sharing as a percentage of the at risk portfolio	0.00%	0.03%	0.09%	0.07%	0.12%
Net write-offs as a percentage of the at risk portfolio	0.00%	0.00%	0.01%	0.00%	0.03%
Allowance for risk-sharing as a percentage of the specifically identified at risk balances	n/a	4.84%	11.61%	11.13%	7.92%

Source: Company filings

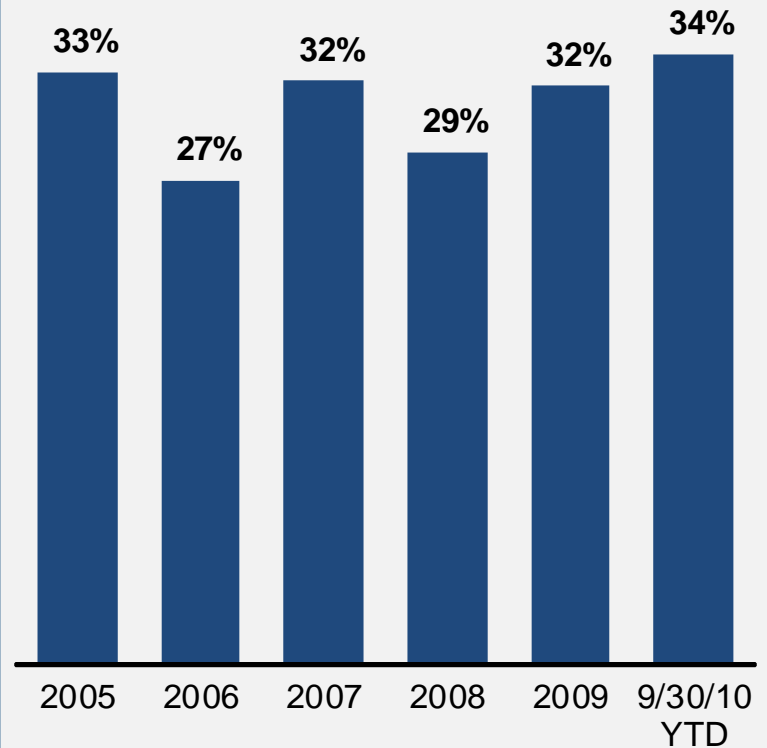
Financial Highlights

Revenue Mix ⁽¹⁾

9/30/10 YTD Total Revenues: \$85.8 million



Operating Income Margin ⁽¹⁾⁽²⁾



⁽¹⁾ 2010 YTD represents nine months ended September 30, 2010

⁽²⁾ 2009 excludes gain on bargain purchase recognized in connection with the Column transaction in January 2009

Risk-Sharing On Fannie Mae DUS Loans

- Retain risk-sharing position of up to the top 20% of the current unpaid principal balance for most loans in the Fannie Mae servicing portfolio
- Modified risk-sharing on loans above \$25 million caps WD's single loan exposure to \$5 million

**Full Risk Loans Require
WD to absorb:**

- 100% of first 5% of unpaid principal balance of losses
- 25% of losses from the next 20% of unpaid principal balance
- 10% of losses above 25% of unpaid principal balance
- Max loss - 20% of unpaid principal balance