

**FIRST QUARTER 2017 EARNINGS**

*May 3, 2017*

## 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, as it may be updated or supplemented by our subsequent Quarterly Reports on Form 10-Q and our other SEC filings. Such filings are available publicly on our Investor Relations web page at [www.walkerundunlop.com](http://www.walkerundunlop.com).

## Non-GAAP Financial Measures

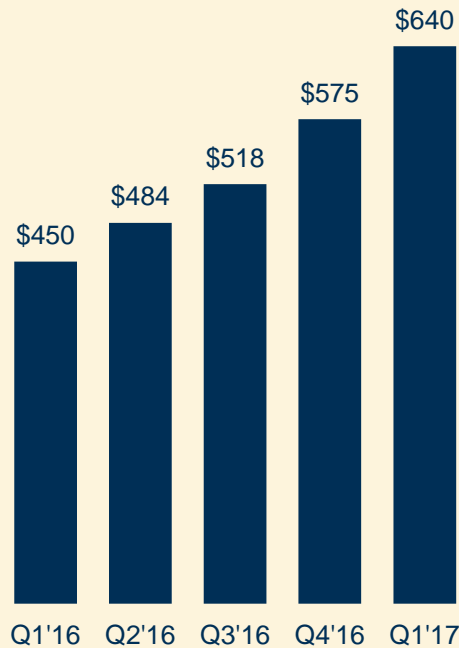
To supplement our financial statements presented in accordance with generally accepted accounting principles in the United States (GAAP), the Company uses adjusted EBITDA, a non-GAAP financial measure, in this presentation. The presentation of adjusted EBITDA is not intended to be considered in isolation of, as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. When analyzing our operating performance, readers should use adjusted EBITDA in addition to, and not as an alternative for, net income. Adjusted EBITDA represents net income before income taxes, interest expense on our term loan facility, and amortization and depreciation, adjusted for provision for credit losses net of write-offs and recoveries, stock-based compensation charges, non-cash revenues such as gains attributable to MSR's, and mark to market effects from CMBS activities. 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 use adjusted EBITDA to evaluate the operating performance of our business, for comparison with forecasts and strategic plans, and for benchmarking performance externally against competitors. We believe that this non-GAAP measure, when read in conjunction with our GAAP financials, provides useful information to investors by offering:

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

We believe that adjusted EBITDA has limitations in that it does not reflect all of the amounts associated with the Company's results of operations as determined in accordance with GAAP and that adjusted EBITDA should only be used to evaluate the Company's results of operations in conjunction with net income. For information on adjusted EBITDA, refer to the appendix of this presentation.

# QUARTERLY TRAILING 12-MONTH METRICS

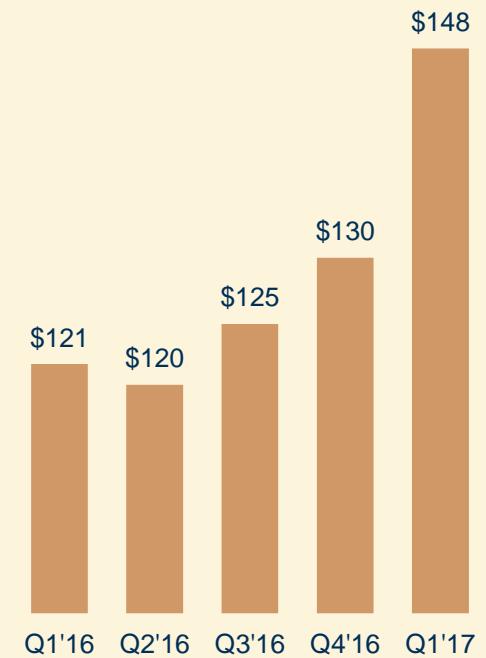
**Total Revenues**  
(in millions)



**Diluted EPS**



**Adjusted EBITDA<sup>(1)</sup>**  
(in millions)



# 2016 LENDER RANKINGS

## Fannie Mae<sup>(1)</sup>

- 1 Wells Fargo
- 2 **Walker & Dunlop**
- 3 CBRE
- 4 Berkadia
- 5 Berkeley Point
- 6 Capital One
- 7 Prudential Mortgage
- 8 Arbor Commercial Funding
- 9 Greystone
- 10 KeyBank

## Freddie Mac<sup>(2)</sup>

- 1 CBRE
- 2 Berkadia
- 3 **Walker & Dunlop**
- 4 HFF
- 5 Berkeley Point
- 6 KeyBank
- 7 Capital One
- 8 Wells Fargo
- 9 Northmarq
- 10 Greystone/JLL

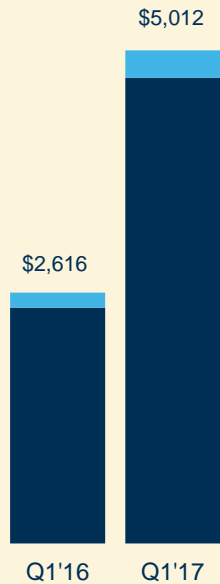
## FHA/Ginnie Mae<sup>(3)</sup>

- 1 Berkadia
- 2 Greystone
- 3 Red Mortgage Capital
- 4 **Walker & Dunlop**
- 5 Wells Fargo
- 6 Lancaster Pollard
- 7 Dwight Capital
- 8 Love Funding
- 9 KeyBank
- 10 JLL

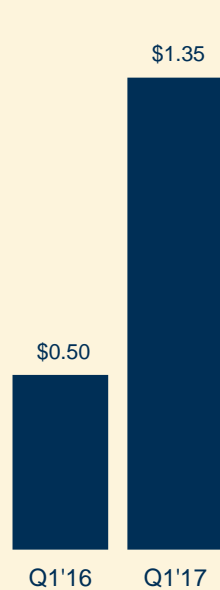
1) Source: Fannie Mae  
2) Source: Freddie Mac  
3) Source: Mortgage Bankers Association

# Q1'17 KEY METRICS

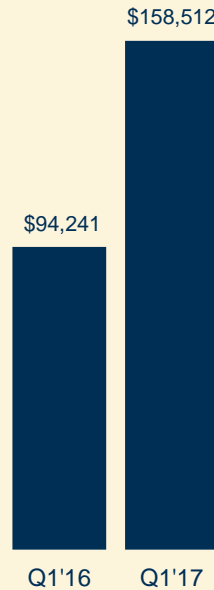
**Total Transaction Volume<sup>(1)</sup>**



**Diluted EPS**



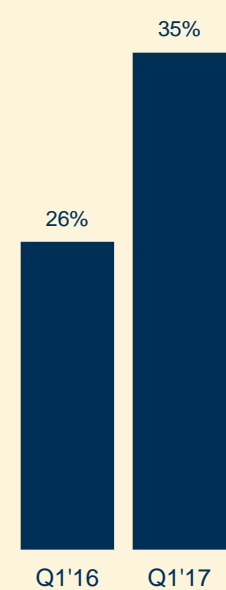
**Total Revenues<sup>(2)</sup>**



**Net MSR<sup>(2)(3)</sup>**



**Operating Margin**



- Investment sales volume
- Loan origination volume

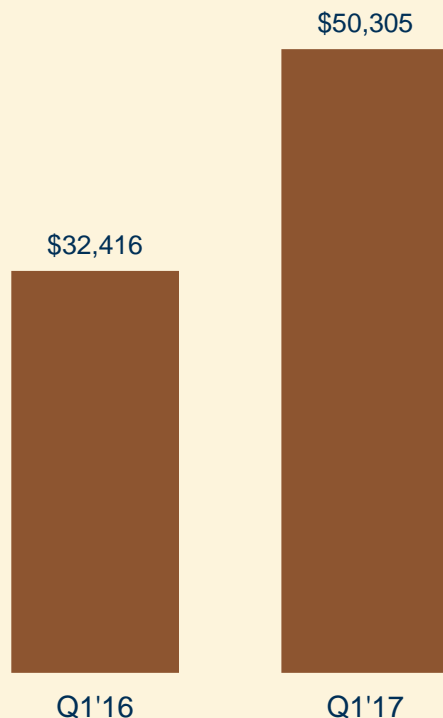
1) Dollars in millions  
 2) Dollars in thousands  
 3) Net MSR<sup>s</sup> calculated as the mortgage servicing rights added during the period net of any amortization and prepayments during the period



# GROWTH IN ADJUSTED EBITDA <sup>(1)</sup>

## Adjusted EBITDA

(in thousands)



- > Q1'17 Adjusted EBITDA benefited from a near doubling of loan origination volume year over year
- > Drivers of growth in adjusted EBITDA:
  - Loan origination fees increased \$27.5 million from Q1'16 with the increase in origination volumes
  - Servicing fees increased \$9.9 million from Q1'16 with the growth in the portfolio and increase in the weighted average servicing fee at quarter end from 25 to 27 basis points
  - Personnel expense increased by \$20.9 million from Q1'16 with growth in headcount and increases in variable compensation

# RECONCILIATION OF EXCESS TAX BENEFIT RECOGNIZED IN Q1'17 EPS

At Time of Grant		At Vesting		Q1'17
Shares Awarded	981,937	Shares Vested	981,937	
Weighted Average Grant Price	\$17.06	Weighted Average Fair Value upon Vesting	\$39.89	
Total Book Stock Compensation Expense Recognized	\$16,752,000	Total Tax Stock Compensation Expense Recognized	\$39,169,000	

Impact to Diluted EPS	Q1'17
Total Tax Stock Compensation Expense Recognized	\$39,169,000
Total Book Stock Compensation Expense Recognized	\$16,752,000
Difference between Book and Tax Expense	\$22,417,000
Effective Tax Rate	38.6%
Tax Benefit	\$8,653,000
<b>EPS Benefit</b>	<b>\$0.27</b>

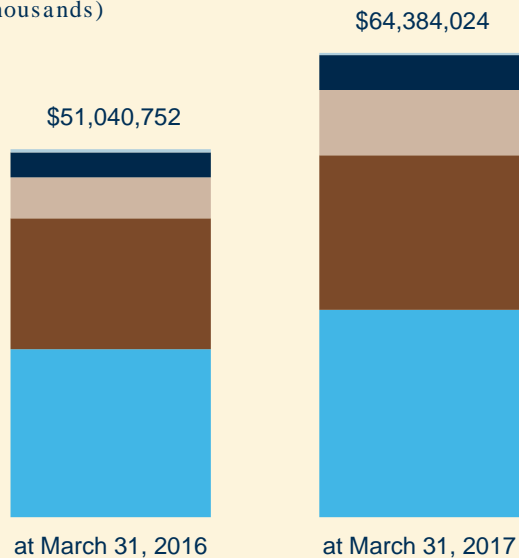
# \$64 BILLION COMMERCIAL LOAN SERVICING PORTFOLIO

- > As of March 31, 2017, the servicing portfolio had a weighted average remaining life of **10 years**
- > As of March 31, 2017, the weighted average servicing fee was **27 bps**, up from 25 bps at March 31, 2016

- > Unlike single family loans, multifamily loans are prepayment protected. As of March 31, 2017, **86%** of W&D's servicing fees were protected against prepayments
- > Servicing fees increased by **\$9.9 million** year over year due to the growth in the servicing portfolio

## Total Servicing Portfolio

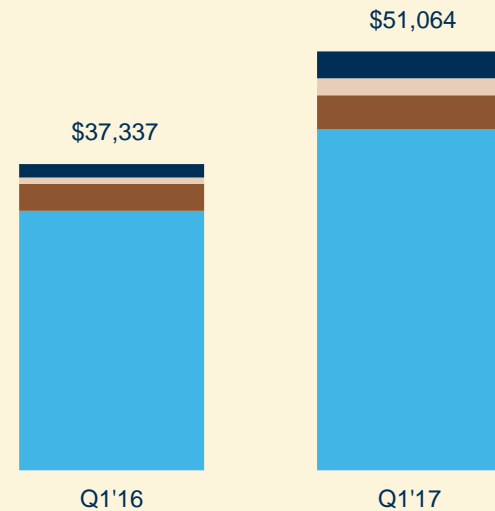
(in thousands)



■ Interim Loans (1) ■ Brokered (2) ■ HUD ■ Freddie Mac ■ Fannie Mae

## Servicing Revenues

(in thousands)



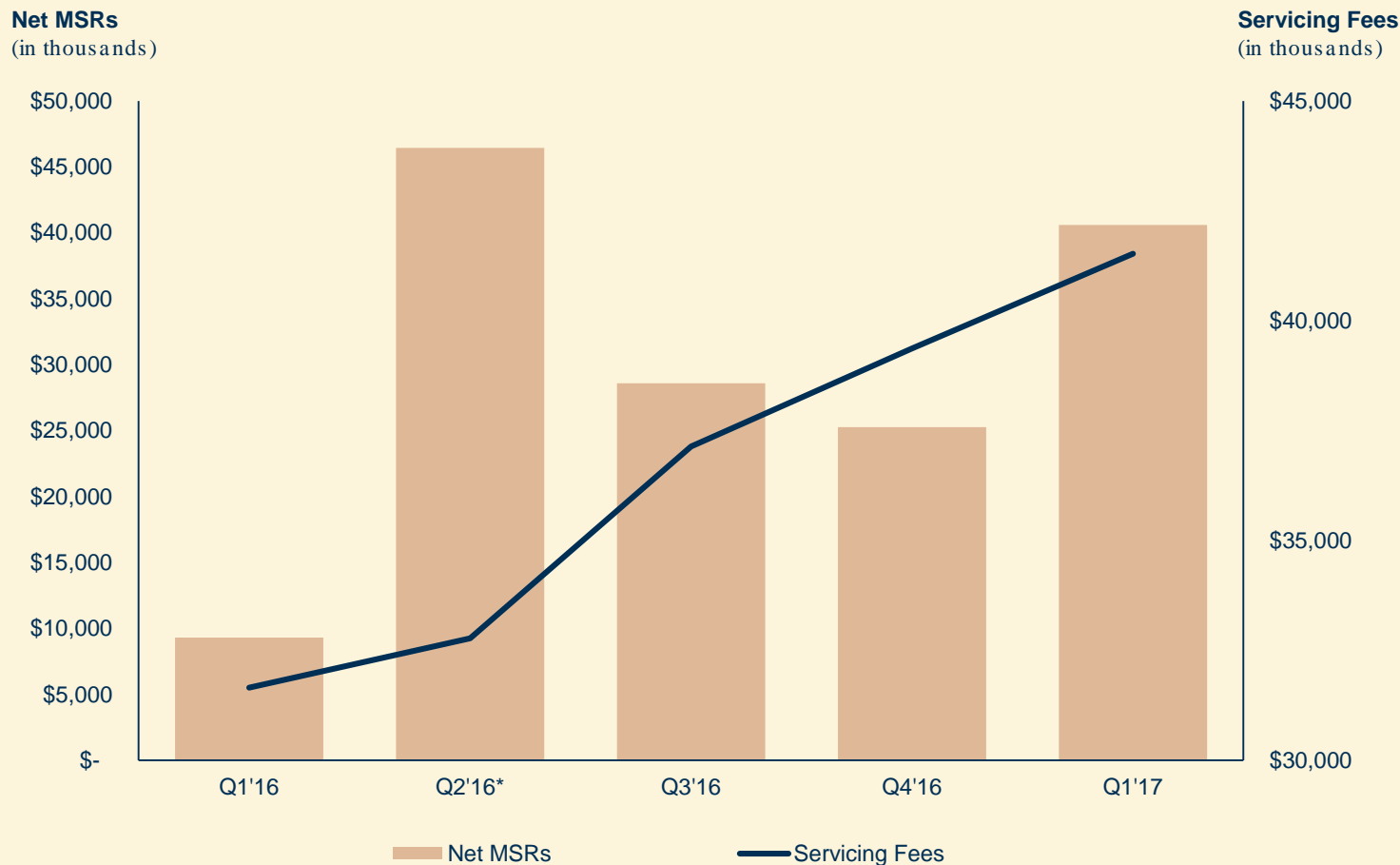
■ Escrow Earnings & Other Interest Income  
 ■ Assumption Fees  
 ■ Prepayment Fees  
 ■ Servicing Fees

1) Includes our on-balance sheet interim loans  
 2) Includes loans brokered to CMBS originators, life insurance companies and commercial banks





# NET NEW MSR<sub>s</sub> <sup>(1)</sup> FUEL CONSISTENT GROWTH OF SERVICING FEES



1) Net MSR<sub>s</sub> calculated as the mortgage servicing rights added during the period net of any amortization and prepayments during the period  
 \*Includes MSR<sub>s</sub> added with the purchase of a \$3.6 billion HUD servicing portfolio

# APPENDIX

# ADJUSTED EBITDA RECONCILIATION TO NET INCOME

For the three months ended, (in thousands)	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
<b>GAAP Net Income</b>	<b>\$43,221</b>	<b>\$36,790</b>	<b>\$29,628</b>	<b>\$32,021</b>	<b>\$15,458</b>	<b>\$20,411</b>	<b>\$20,251</b>	<b>\$20,153</b>
Adjustments:								
Income tax expense	13,063	24,175	18,851	19,595	8,849	13,592	12,735	12,351
Interest expense	2,403	2,432	2,485	2,465	2,469	2,485	2,484	2,472
Amortization and depreciation	32,338	30,603	29,244	26,425	25,155	24,385	25,644	23,470
Provision (benefit) for credit losses	(132)	(778)	283	292	(409)	1,068	94	398
Net recoveries (write-offs)	—	810	(2,567)	—	—	—	—	(808)
Stock compensation expense	4,947	5,693	5,270	3,656	3,858	3,187	3,635	3,178
Gains attributable to mortgage servicing rights (1)	(45,535)	(65,100)	(48,229)	(55,579)	(23,917)	(36,140)	(33,816)	(32,358)
Unrealized (gains) losses from proprietary CMBS mortgage banking activities	—	—	1,262	(1,785)	953	—	—	—
<b>Adjusted EBITDA</b>	<b>\$50,305</b>	<b>\$34,625</b>	<b>\$36,227</b>	<b>\$27,090</b>	<b>\$32,416</b>	<b>\$28,988</b>	<b>\$31,027</b>	<b>\$28,856</b>

W&D

W&D

*Phone* 301.215.5500

7501 Wisconsin Avenue, Suite 1200E

Bethesda, Maryland 20814