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# INVESTOR UPDATE

August 2021

# Western Alliance Bancorporation Overview

## The Bank for All Seasons

A **national banking platform** of specialized financial services paired with attractive regional markets provides complementary, diversified revenue streams and high operating leverage to produce **superior financial returns**

Serving a wide range of **commercial and consumer related clients** nationwide, from corporate and small business to public and non-profit borrowers

**Diversified business model** provides flexibility to adapt business and capital allocation in response to changing environment to **sustain results across market cycles**

### S&P GLOBAL MI

#1 Best-Performing of the 50  
Largest Public U.S. Banks, 2020

### FORBES

Top 15 "Best Banks in  
America" list 2016 - 2021

### INSTITUTIONAL INVESTOR

One of the "Most Honored  
Companies in America," 2021

## Summary

<b>NYSE</b> WAL	<b>Headquarters</b> Phoenix, AZ
<b>IPO</b> 2005	<b>Market Cap<sup>1</sup></b> \$9.9bn
<b>Offices</b> 53	<b>Employees</b> ~3,100
<b>Total Assets</b> \$49.1B	<b>LTM PPNR Growth</b> 35.4%
<b>NPAs/Assets<sup>2</sup></b> 0.20%	<b>LTM ROTCE</b> 24.1%
<b>LTM NCOs/ Avg. Loans</b> 0.05%	<b>TBV per Share 5-Year CAGR</b> 18.3%

# 2nd Quarter 2021 | Financial Highlights

## Highlights

Earnings & Profitability	Q2-21	Q1-21	Q2-20
Net Income	\$223.8	\$192.5	\$93.3
Net Revenue	\$506.5	\$337.0	\$319.7
Pre Provision Net Revenue <sup>1</sup>	\$277.4	\$202.4	\$204.9
EPS – Adjusted <sup>1</sup>	\$2.29	\$1.90	\$0.93
Net Interest Margin	3.51%	3.37%	4.19%
Efficiency Ratio <sup>1</sup>	44.5%	39.0%	35.1%
ROAA	1.86%	1.93%	1.22%
ROTCE <sup>1</sup>	28.1%	24.2%	13.6%
Balance Sheet & Capital			
Total Loans, HFI	\$30,026	\$28,711	\$25,029
Total Deposits	\$41,921	\$38,393	\$27,545
CET1 Ratio	9.2%	10.3%	10.2%
TCE Ratio <sup>1</sup>	7.1%	7.9%	8.9%
Tangible Book Value per Share <sup>1</sup>	\$32.86	\$33.02	\$27.84
Asset Quality			
(Recovery of) Provision for Credit losses	\$(14.5)	\$(32.4)	\$92.0
Net Charge-Offs	\$0.1	\$1.4	\$5.5
Net Charge-Offs/Avg. Loans	0.00%	0.02%	0.09%
Total Loan ACL/Funded HFI Loans	0.88%	0.97%	1.39%
NPA <sup>2</sup> /Total Assets	0.20%	0.27%	0.47%

Dollars in millions, except EPS

### Net Income

\$223.8 million

### EPS

\$2.17

EPS, Adjusted<sup>1</sup> \$2.29

### PPNR<sup>1</sup> Growth

Q2: \$75.0 million  
**35% YoY**

### ROTCE<sup>1</sup>

28.1%

### Loan Growth

Q2: \$1.3 billion  
\$2.0 billion<sup>3</sup>, excluding PPP  
**20% YoY**  
25%<sup>3</sup>, excluding PPP

### Deposit Growth

Q2: \$3.5 billion  
**52% YoY**

### Tangible Book Value PER SHARE<sup>1</sup>

\$32.86  
**18% YoY**

### NPA<sup>2</sup>/Total

0.20%

# Quarterly Income Statement

	Q2-21	Q1-21	Q2-20
<b>Net Interest Income</b>	<b>\$370.5</b> <b>1</b>	<b>\$317.3</b>	<b>\$298.4</b>
Mortgage Banking Related Activity	\$111.2	\$-	\$-
Other	24.8	19.7	21.3
<b>Non-Interest Income</b>	<b>\$136.0</b> <b>2</b>	<b>\$19.7</b>	<b>\$21.3</b>
<b>Net Revenue</b>	<b>\$506.5</b>	<b>\$337.0</b>	<b>\$319.7</b>
Salaries and Employee Benefits	(128.9) <b>3</b>	(83.7)	(69.6)
Deposit Costs	(7.1)	(6.3)	(3.5)
Other	(93.1)	(44.6)	(41.7)
<b>Non-Interest Expense, Adjusted<sup>1</sup></b>	<b>\$ (229.1)</b>	<b>\$ (134.6)</b>	<b>\$ (114.8)</b>
<b>Pre-Provision Net Revenue<sup>1</sup></b>	<b>\$277.4</b>	<b>\$202.4</b>	<b>\$204.9</b>
Recovery of (Provision for) Credit Losses	14.5 <b>4</b>	32.4	(92.0)
<b>Pre-Tax Income, Adjusted<sup>1</sup></b>	<b>\$291.9</b>	<b>\$234.8</b>	<b>\$112.9</b>
Income Tax, Adjusted <sup>1</sup>	(55.4)	(41.9)	(19.6)
<b>Net Income before Merger/Restructure Exp.<sup>1</sup></b>	<b>\$236.5</b>	<b>\$192.9</b>	<b>\$93.3</b>
Merger/Restructure Expense, Net of Tax	(12.7) <b>5</b>	(0.4)	0.0
<b>Net Income</b>	<b>\$223.8</b>	<b>\$192.5</b>	<b>\$93.3</b>
<b>Diluted Shares</b>	<b>103.4</b>	<b>101.4</b>	<b>100.0</b>
<b>Earnings Per Share</b>	<b>\$2.17</b>	<b>\$1.90</b>	<b>\$0.93</b>
Merger/Restructure Expense per Share	\$0.12	\$0.00	\$0.00
<b>Earnings Per Share - Adjusted<sup>1</sup></b>	<b>\$2.29</b> <b>6</b>	<b>\$1.90</b>	<b>\$0.93</b>

Dollars in millions, except EPS

## Q2 2021 Highlights

1

**Net Interest Income increased \$53.2 million**, primarily from interest income on AMH Loans HFS and loan growth, partially offset by increased interest expense from \$600 million subordinated debt issuance and assumption of AMH borrowings

2

**Non-Interest Income increased \$116.3 million**, representing 27% of net revenue, primarily from AMH mortgage banking related income

- \$20.4 billion loan production in Q2 (47% purchase / 53% refinance), down 3.6% compared to Q1
- Gain on Sale margin of 64bps in Q2, compared to 83bps in Q1 and 63bps in FY 2019
- \$57.1 billion in servicing portfolio UPB

3

**Salaries and Employee Benefits increased \$45.2 million** due to the addition of AMH employees and an increase in incentive compensation

4

**Recovery of Credit Losses of \$14.5 million** as economic forecasts continued to improve, offset by loan growth in low loss segments

5

**Merger/Restructure Expense, Net of Tax of \$12.7 million** as management has taken action to optimize the balance sheet with MSR dispositions

6

**AmeriHome contributed \$0.39 to EPS in 2Q**

# Consolidated Balance Sheet

	Q2-21	Q1-21	Q2-20
Investments & Cash	\$11,241	\$13,235	\$5,712
Loans, HFS	4,465 <b>1</b>	0	20
Loans, HFI	30,026 <b>2</b>	28,711	25,009
Allowance for Loan Losses	(233)	(247)	(311)
Mortgage Servicing Rights	726 <b>1</b>	0	0
Goodwill and Intangibles	611 <b>1</b>	298	297
Other Assets	2,233	1,400	1,179
<b>Total Assets</b>	<b>\$49,069</b>	<b>\$43,397</b>	<b>\$31,906</b>
Deposits	\$41,921 <b>3</b>	\$38,393	\$27,545
Borrowings	1,755 <b>4</b>	\$565	\$653
Other Liabilities	1,358	\$726	\$606
<b>Total Liabilities</b>	<b>\$45,034</b>	<b>\$39,684</b>	<b>\$28,804</b>
Shareholders' Equity	\$4,035	\$3,713	\$3,102
<b>Total Liabilities and Equity</b>	<b>\$49,069</b>	<b>\$43,397</b>	<b>\$31,906</b>
<b>Tangible Book Value Per Share</b>	<b>\$32.86 <b>5</b></b>	<b>\$33.02</b>	<b>\$27.84</b>

Dollars in millions, except per share calculations

- 1** **Acquisition of AmeriHome** resulted in an increase in mortgage servicing rights of \$0.7 billion and the recognition of approximately \$175 million of goodwill and \$139 million of intangible assets
- 2** **Loans, HFI increased \$1.3 billion, or 4.6%**, over prior quarter and \$5.0 billion, or 20.1%, over prior year
- 3** **Deposits increased \$3.5 billion, or 9.2%**, over prior quarter and \$14.4 billion, or 52.2%, over prior year
- 4** **Borrowings increased \$1.2 billion** over prior quarter due to \$600 million subordinated debt issuance and AMH borrowings assumed in the acquisition
- 5** **Tangible Book Value/Share<sup>1</sup> decreased \$0.16**, over prior quarter and increased \$5.02, or 18.0%, over prior year

# WAL's Value Proposition

Premier growth commercial bank with unique combination of sustained high quality growth, leading profitability, and stable earnings

1 Diversified business model – sustains leading growth across market cycles

2 Robust risk-adjusted loan and deposit growth

3 Industry-leading profitability

4 Demonstrated conservative credit culture – superior through-cycle asset quality

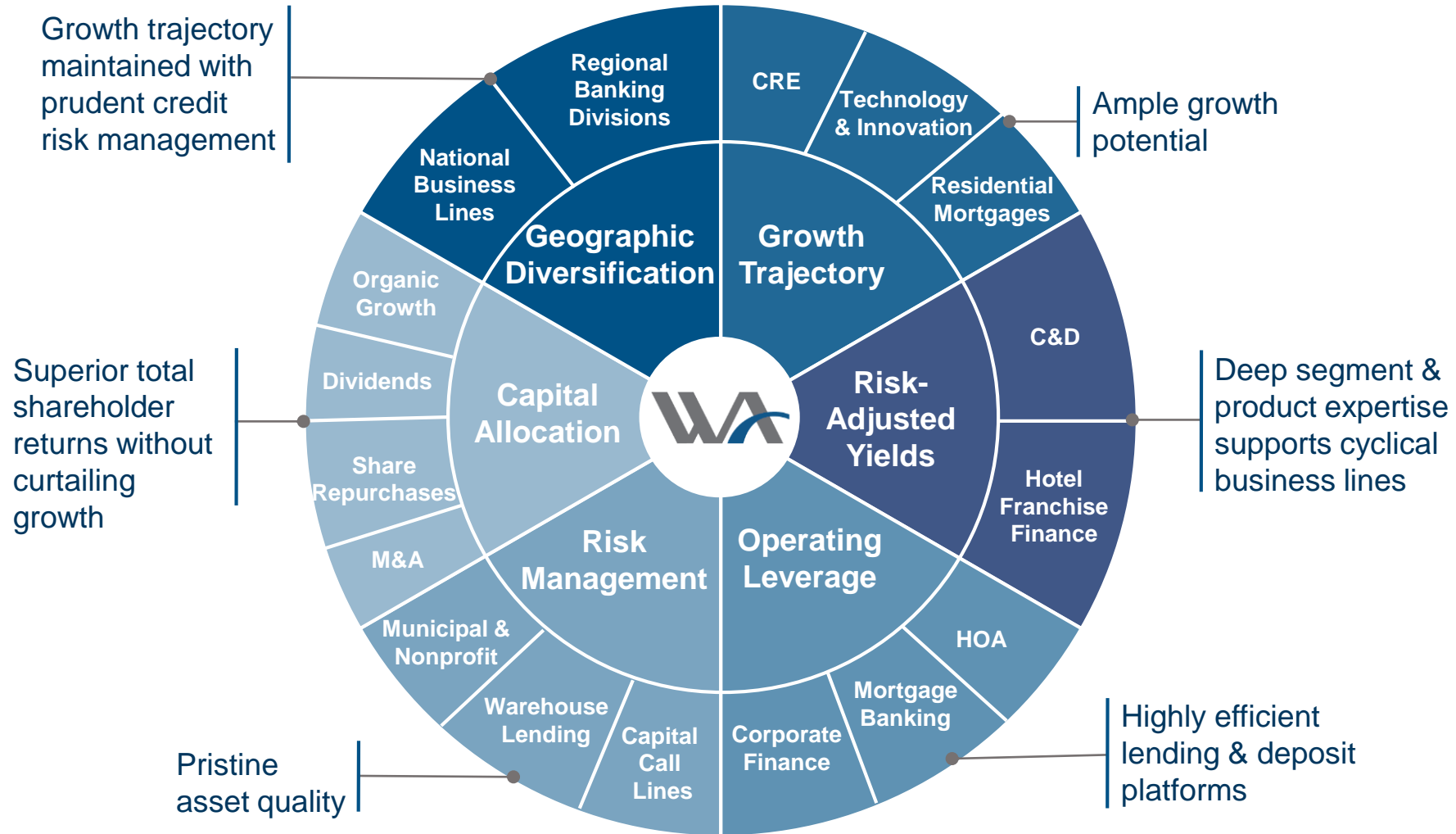
5 Top-decile efficiency produces strong operating leverage

6 Shareholder-focused capital management

7 Leading “quality growth” bank with superior earnings stability

# 1 Diversified Business Model Allows Flexibility to Sustain Growth

WAL actively adapts business and capital allocation in response to changing external environment

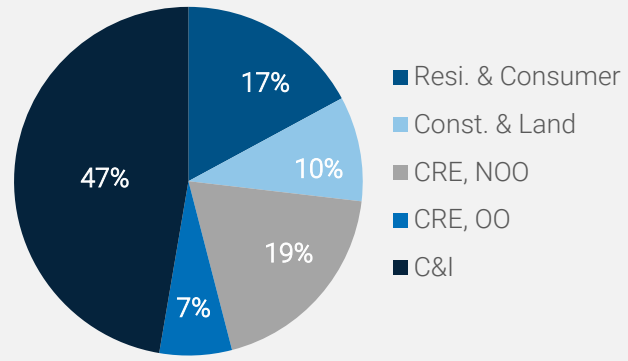


## 2 Robust Risk Adjusted Loan and Deposit Growth

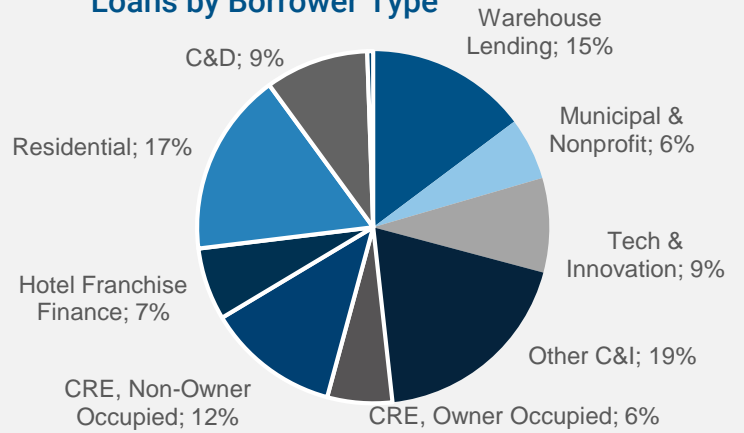
Diversified by product, client-type and geography emphasizing underwriting discipline

### Diversified Business Mix

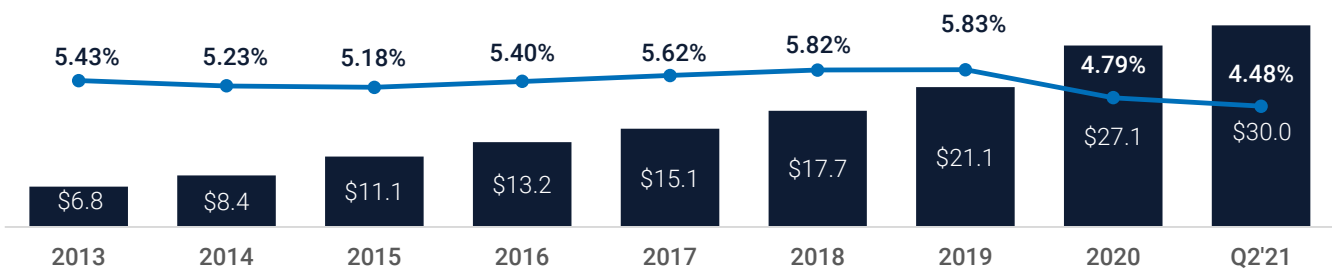
Loans by Product Type



Loans by Borrower Type

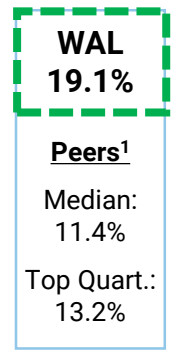


Loans and Loan Yields



Dollars in billions

Loan CAGR



- Diverse mix of regionally-focused commercial banking divisions & nationally-oriented specialized businesses
- Leverages deep segment expertise to provide specialized banking services to niche markets across the country
- Segment-focused model supports superior client value and company risk management
- National reach enables selective relationships with highest asset quality and profitability

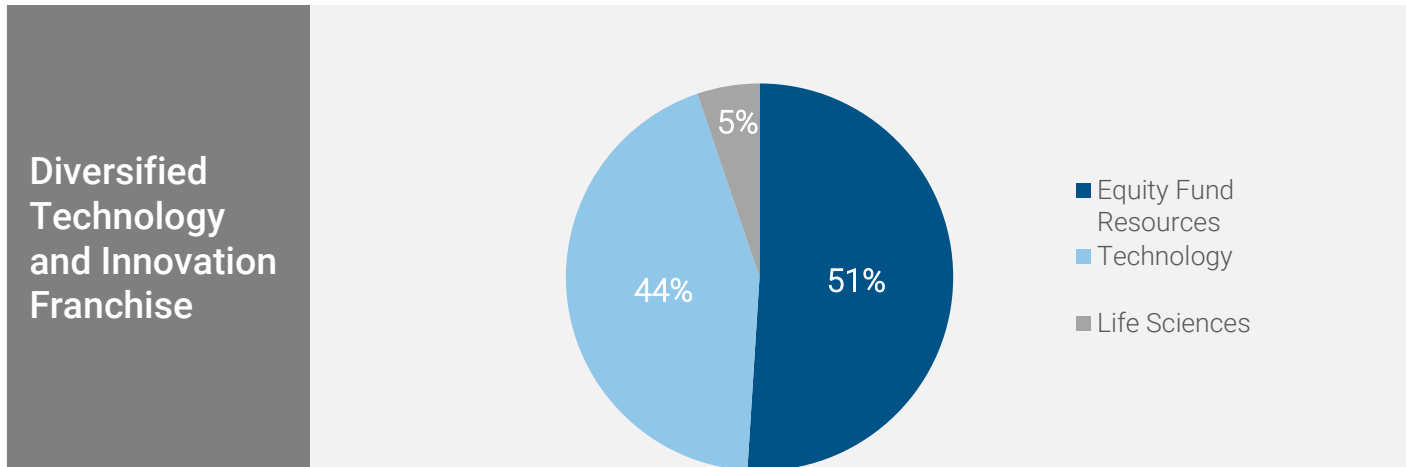
1) Peers consist of 59 publicly traded banks headquartered in the US with total assets between \$15B and \$150B, excluding target banks of pending acquisitions, as of June 30, 2021; Source: S&P Global Market Intelligence



# Tech. & Innovation Business is Premier Provider of Financial Services to Emerging Technology-Focused Ventures & Investors

Primarily focused on established growth companies with successful products and strong investor support, which provides greater operating and financial flexibility

- Bridge Bank (acquired in Aug-15) has a long-standing, successful track-record in national technology lending dated back to 2001
- Holistic banking relationship (TM, WC / AR lines, etc.) provides line-of-sight into business operations, performance against plan, and financial health
- Located in all major US technology hubs



## Highlights

- 1 Finances established growth tech firms with strong risk profile**
  - Validated Product: 98% with revenue > \$5MM
    - 91% of companies<sup>1</sup> with >6 months of liquidity
    - Minimal pre-revenue or mezzanine lending
  - Strong Institutional Backing: 98% backed by one or more quality VC / PE
  - Granular Portfolio: Avg. loan size \$2.7MM
  - Low Cost Deposit Franchise: Liquid borrowers with > 2:1 deposit coverage
- 2 Equity Fund Resources provides strong growth momentum and attractive risk-adjusted returns from leading investors**
  - EFR lending has never experienced a loss
- 3 Meaningful warrant and investment gains**
  - Since 2007, total warrant income ~2x cumulative NCOs

# Unique Mortgage Banking Platform That Enhances Growth, Returns and Diversification

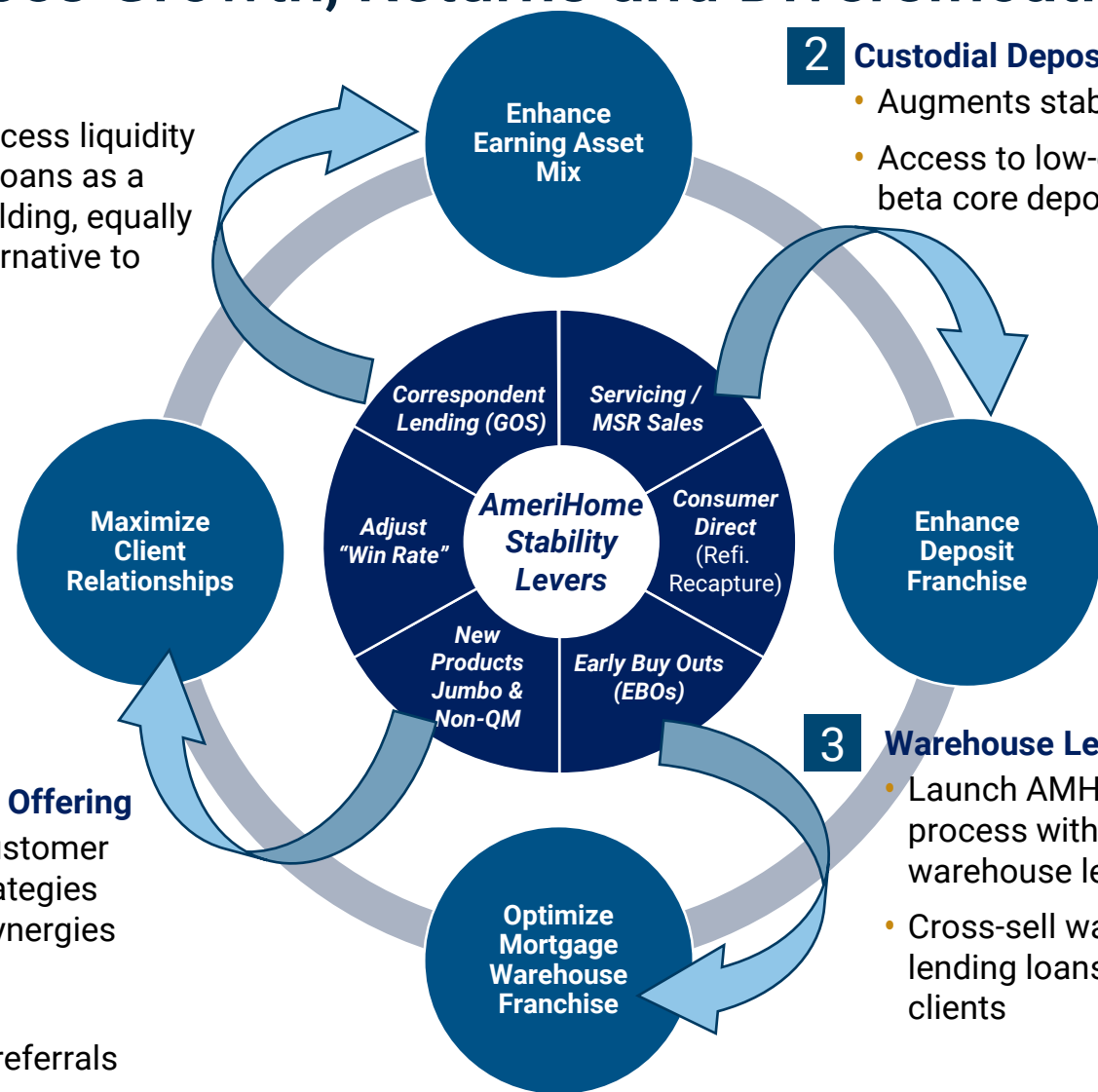
## Highlights

### 1 HFS Loans

- Deploy excess liquidity into HFS loans as a higher yielding, equally liquid alternative to cash

### 2 Custodial Deposits

- Augments stable funding
- Access to low-cost, low-beta core deposits



### 4 Direct Mortgage Offering

- Explore new customer acquisition strategies beyond WAL synergies
  - HOA leads
  - Lot banking
  - WAL client referrals

### 3 Warehouse Lending

- Launch AMH referral process with WAL warehouse lending team
- Cross-sell warehouse lending loans into AMH's clients

Opportunity to leverage the AmeriHome platform to drive increased value in numerous areas throughout the bank

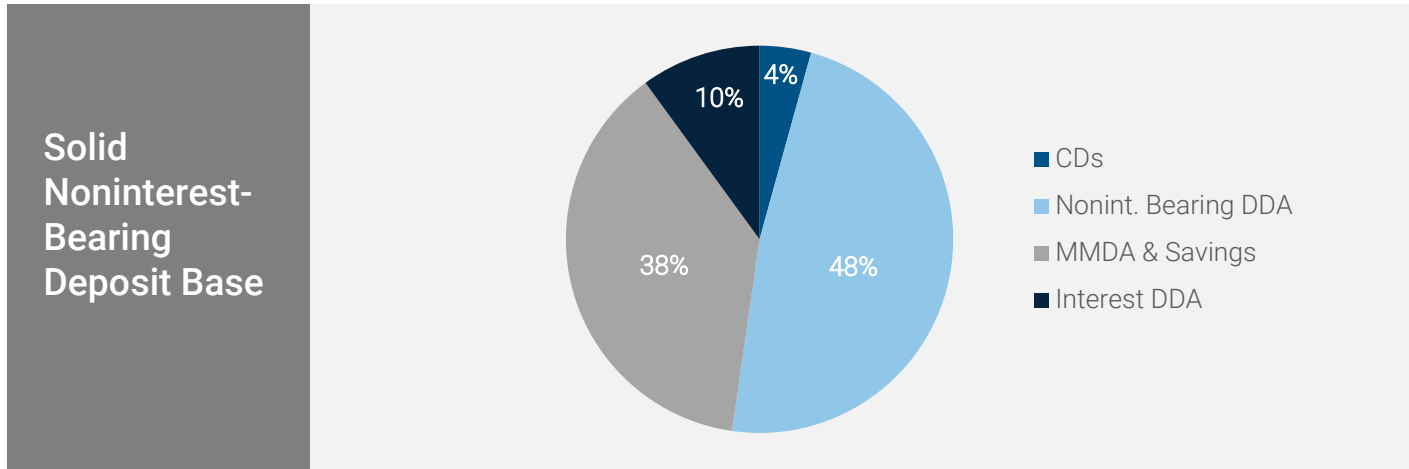
- Diversifies revenue across economic cycles
  - Non-Interest Income 27% of net revenue
- AmeriHome contributed \$0.39 (17%) to EPS in 2Q
  - \$20.4Bn loan production in Q2 (47% purchase / 53% refinance), down 3.6% compared to Q1
  - Gain on Sale margin of 64bps in Q2, compared to 83bps in Q1 and 63bps in FY 2019
  - \$57.1Bn in servicing portfolio UPB
- Operational leverage: ~65% variable expenses

### Business Fit with WAL

National, branch-light mortgage platform	Scalable, countercyclical business
Augments existing client base and adds to existing product offerings	Significant funding and capital synergies

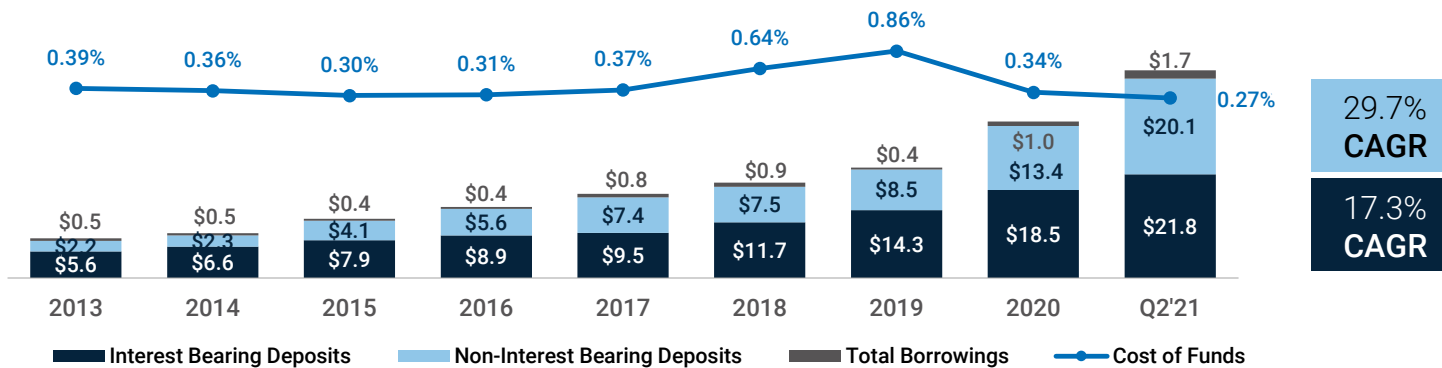
## Specialized, Low Cost Deposit Franchise

Diversified funding channels reflect long-term, stable relationships



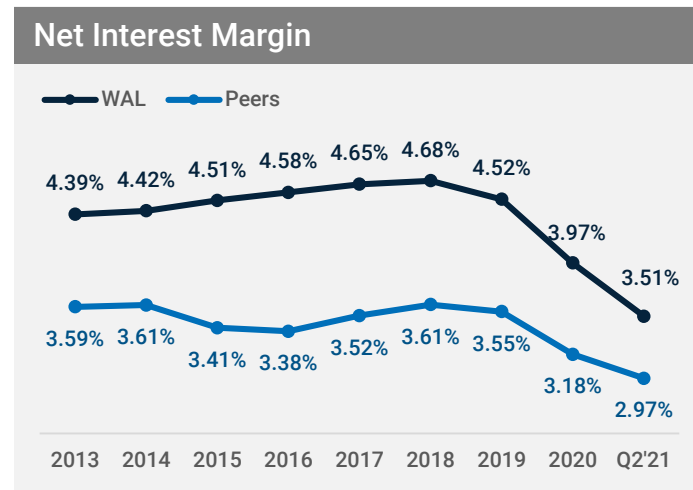
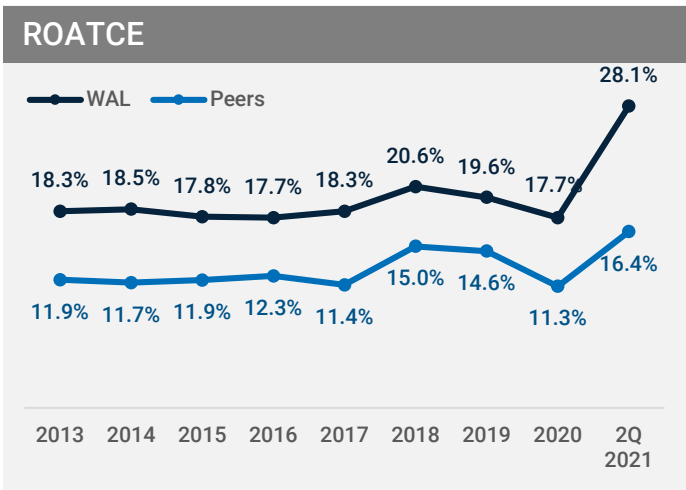
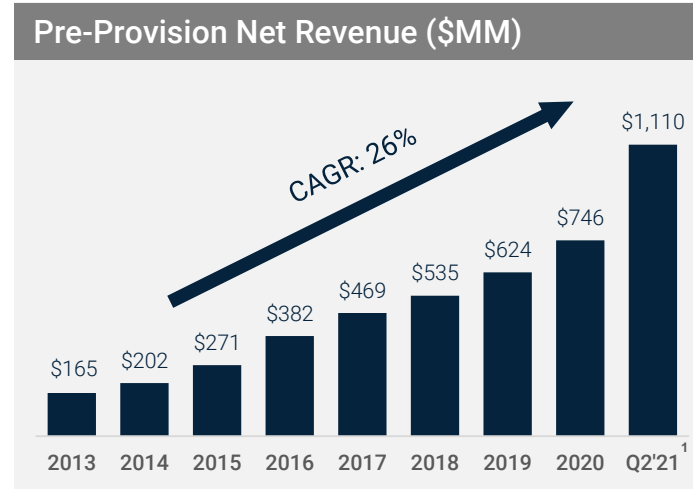
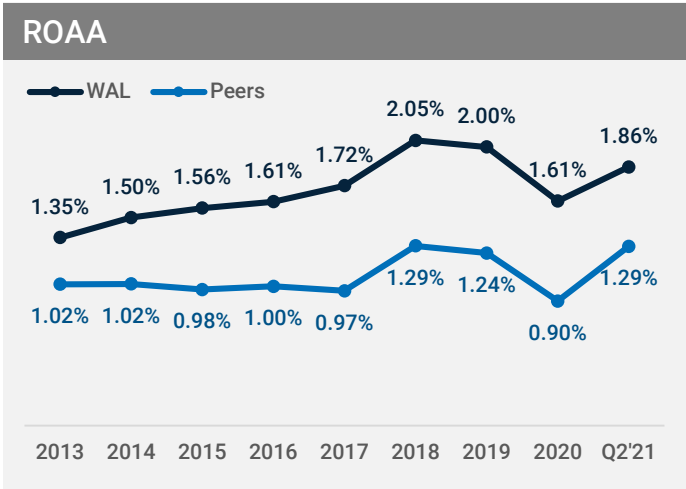
- **\$41.9Bn in stable deposits**, typically tied to lending relationship
- **Scalable national funding channels**, such as HOA, Tech & Innovation, Life Sciences and capital call lines
- Core deposits fund balance sheet growth
  - Deposits compose **96%** of total funding
  - 71.6% Loan-to-Deposit ratio
- **48%** of total deposits are noninterest-bearing

### Deposits, Borrowings, and Cost of Funds



Dollars in billions

## 3 Industry-Leading Profitability



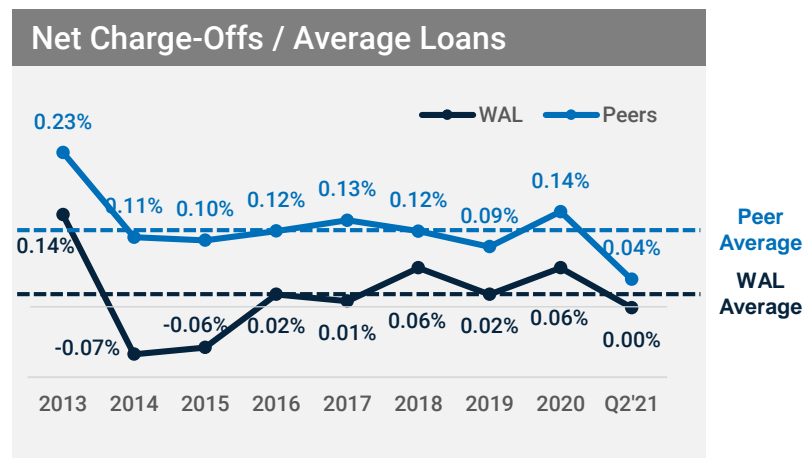
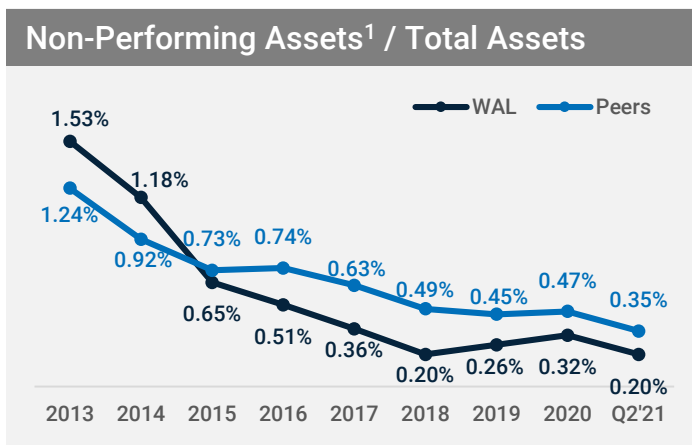
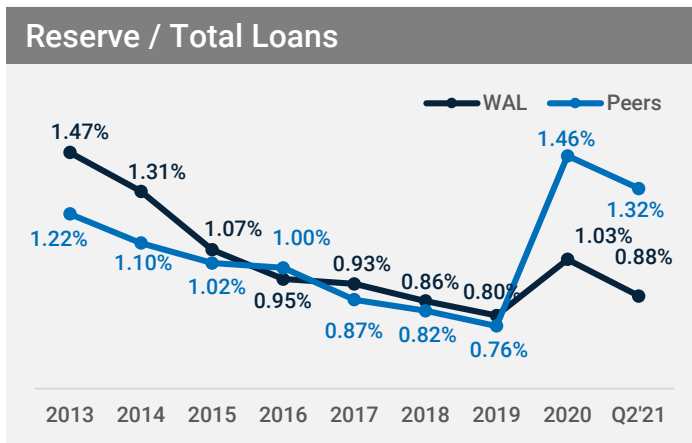
- Outstanding performance compared to peers with ROAA and ROATCE among highest in industry
- Net Interest Income continues to rise through strong earning asset growth

### Enhanced earnings asset mix through liquidity deployment into HFS loans

- In 2Q, **Net Interest Income increased \$53.2 million**, or 16.8%, over prior quarter primarily due to funding Loans HFS on-balance sheet
- In 2Q, NIM increased 14bps, driven by deployment of excess liquidity from cash and securities into Loans HFI and HFS
  - Cash / interest earning assets decreased to 4.5%, compared to 15.0% in Q1

## 4 Demonstrated Conservative Credit Culture

Peer average annual NCOs have been 5.7x greater than WAL's



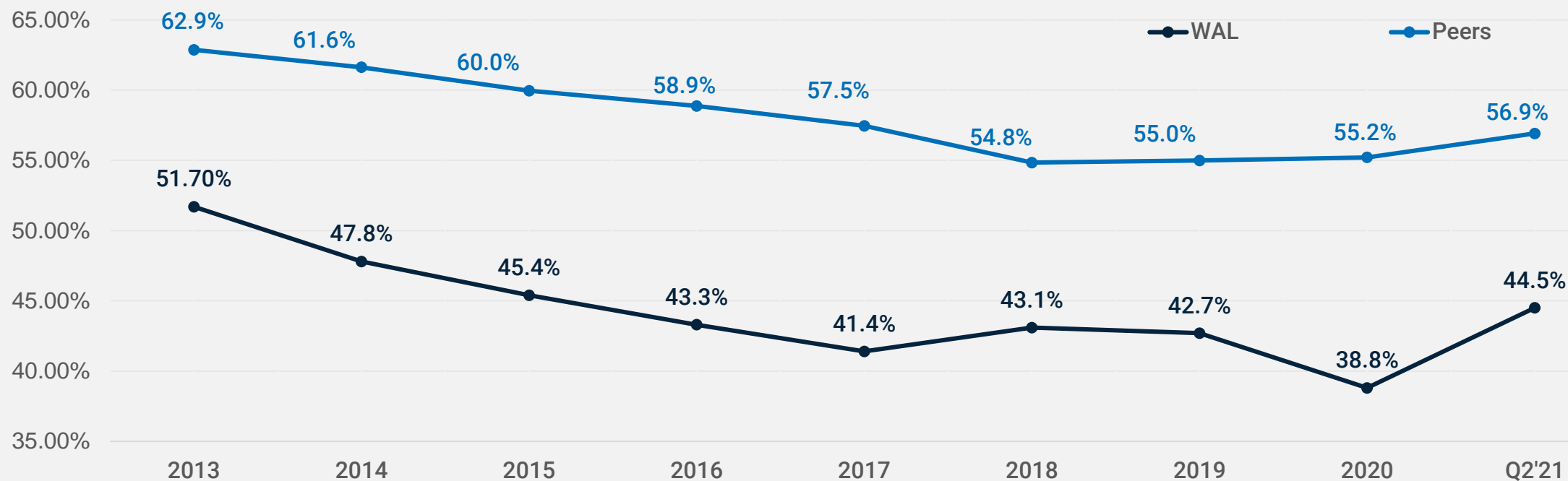
- Strong risk management culture and framework established throughout organization
  - Model focused on process-driven **early elevation and speed to resolution**
  - Leverage Segment Specialists to apply best practices to industry- or product-specific risks
- Balance sheet diversified since last credit cycle

## 5 Top Decile Efficiency Produces Strong Operating Leverage

Track record of simultaneously driving industry-leading growth and efficiency

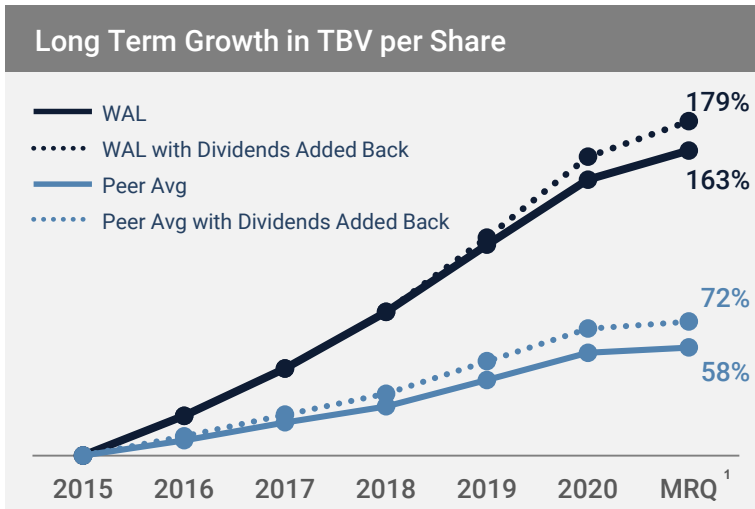
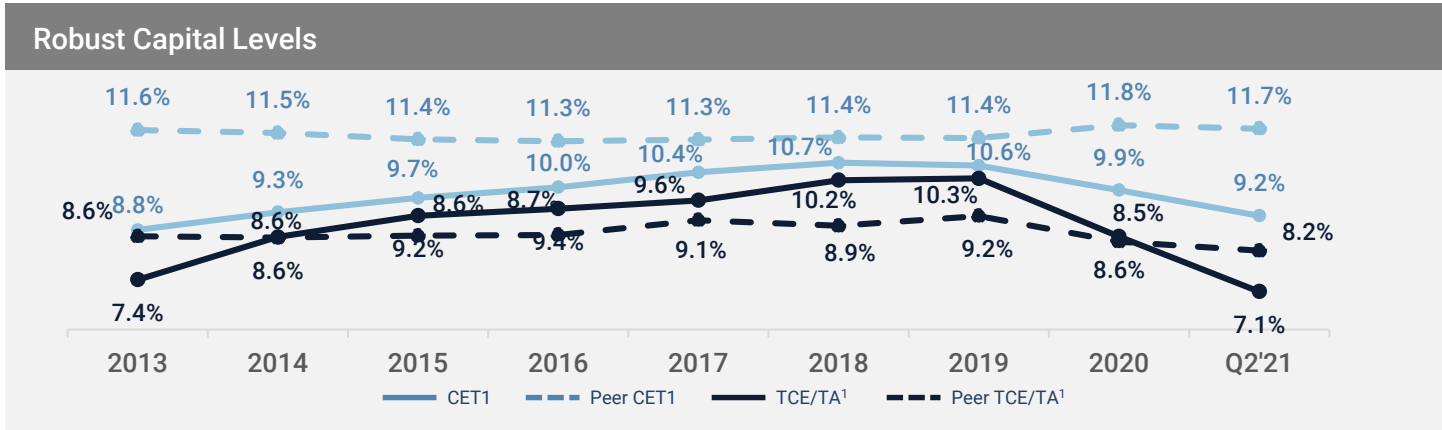
Continued focus on expense management, while investing in growth initiatives and scalable infrastructure to be a leading nationwide banking platform

### Diversified Business Mix



## 6 Shareholder-Focused Capital Management

WAL consistently generates more capital than needed to support organic growth



### Total Shareholder Return

	WAL	Peer Median	Peer Top Quartile
1 Year	153%	68%	89%
2 Year	111%	17%	35%
3 Year	67%	5%	24%
5 Year	186%	62%	112%
7 Year	326%	67%	123%

- Endeavor to provide superior total shareholder return without curtailing growth
- Strong returns bolster capital appreciation above peers
- Increased quarterly dividend to \$0.35 in 2Q21
- Disciplined M&A appetite

### Common Equity Tier 1

- CET1 remains strong at 9.2%

### Tangible Common Equity / Tangible Assets<sup>1</sup>

- TCE / TA decreased 80bps from the prior quarter to 7.1%, primarily due to AMH acquisition

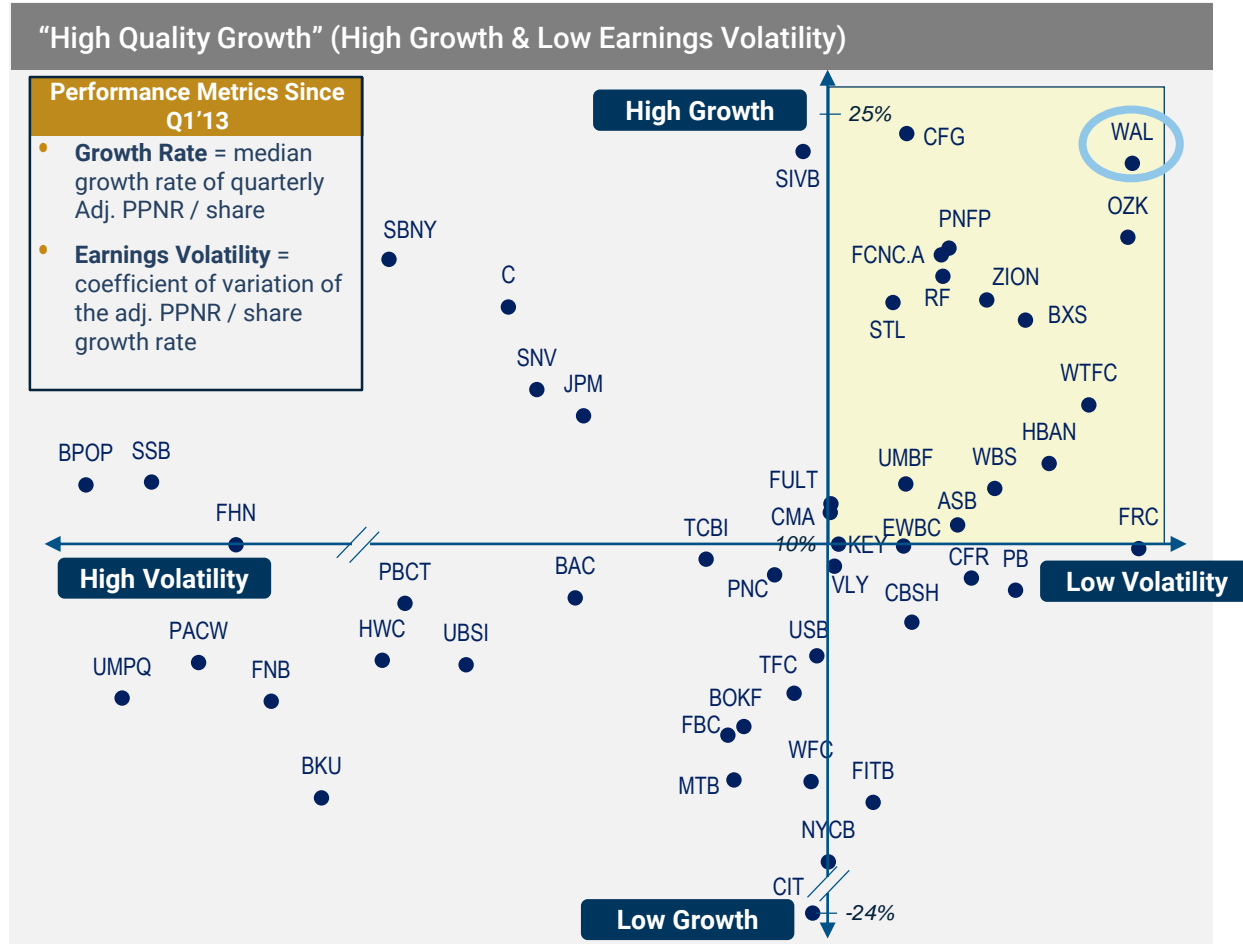
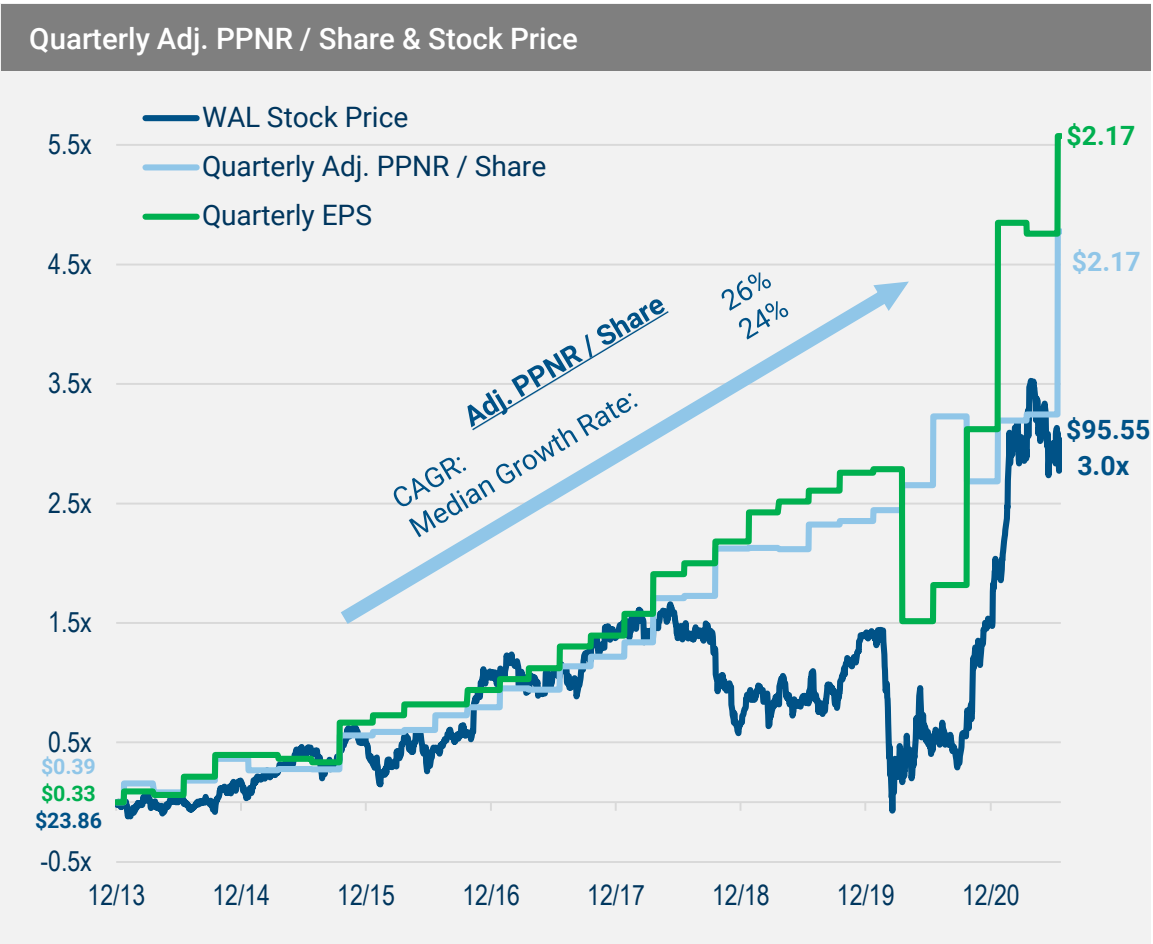
### Capital Actions

- Issued 700K shares under ATM offering
- Issued \$242M of credit-linked notes linked to ~\$1.9 billion reference pool to improve regulatory capital levels

# 7 Leading "Quality Growth" Bank with Superior Earnings Stability

WAL stands alone as the premier bank combining strong growth, low volatility of earnings with a discounted valuation relative to sector peers

Adj. PPNR per share (including realized charge-offs) represents the earnings power of WAL





# WAL Possesses A Unique Combination of Attractive Attributes

WAL is the #1 ranked bank when all three attributes are combined

## Valuation Disconnect

Company	Median Growth Rate	Earnings Volatility	P / E (NTM)
FRC	10%	83%	26.2x
SIVB	24%	146%	22.0x
CBSH	7%	126%	20.2x
CFR	8%	114%	17.8x
SBNY	20%	224%	15.7x
PNFP	20%	119%	14.7x
UBSI	5%	210%	14.7x
TCBI	9%	165%	14.0x
UMBF	12%	127%	13.5x
FCNC.A	20%	120%	13.3x
WFC	1%	145%	13.0x
JPM	14%	188%	12.9x
BAC	8%	189%	12.9x
PNC	9%	152%	12.7x
BOKF	3%	157%	12.6x
FULT	11%	141%	12.6x
USB	6%	144%	12.5x
PB	8%	106%	12.5x
WTFC	15%	92%	12.4x
EWBC	10%	127%	12.4x
ASB	10%	117%	12.4x
PBCT	8%	221%	12.2x
CIT	-24%	144%	12.1x
CMA	11%	141%	11.8x
BXS	18%	104%	11.7x

Company	Median Growth Rate	Earnings Volatility	P / E (NTM)
MTB	1%	159%	11.5x
SSB	12%	377%	11.4x
OZK	21%	85%	11.4x
UMPQ	4%	412%	11.3x
TFC	4%	148%	11.3x
VLV	9%	140%	11.2x
BKU	0%	261%	11.2x
HBAN	13%	100%	10.9x
FITB	0%	133%	10.8x
WAL	24%	84%	10.8x
ZION	19%	112%	10.7x
WBS	12%	110%	10.7x
STL	19%	129%	10.6x
FNB	4%	265%	10.6x
PACW	5%	364%	10.2x
SNV	15%	196%	10.1x
CFG	25%	127%	9.9x
FHN	10%	291%	9.8x
RF	19%	120%	9.7x
HWC	5%	226%	9.4x
KEY	10%	140%	9.4x
C	18%	202%	9.1x
BPOP	12%	443%	8.9x
NYCB	-2%	141%	8.8x
FBC	3%	160%	6.8x

## High Quality Growth at a Discounted Valuation

1 + 2 + 3 = 4

Company	Strong Growth	Earnings Predictability	Low Valuation	Combined	Rank
WAL	3	2	16	21	1
CFG	1	16	9	26	2
RF	8	13	7	28	3
OZK	4	3	23	30	4
ZION	9	9	15	33	5
HBAN	16	5	18	39	6
WBS	20	8	14	42	8
STL	10	19	13	42	8
BXS	12	6	26	44	9
WTFC	14	4	32	50	11
KEY	24	21	5	50	11
C	11	39	4	54	12
FCNC.A	6	14	41	61	14
SNV	13	38	10	61	14
PNFP	5	12	45	62	15
ASB	23	11	30	64	16
VLV	29	22	20	71	17
PB	32	7	33	72	19
BPOP	19	50	3	72	19
CMA	22	24	27	73	20
EWBC	26	18	31	75	21
NYCB	49	25	2	76	22
UMBF	18	17	42	77	23
FRC	27	1	50	78	24
FULT	21	23	35	79	26

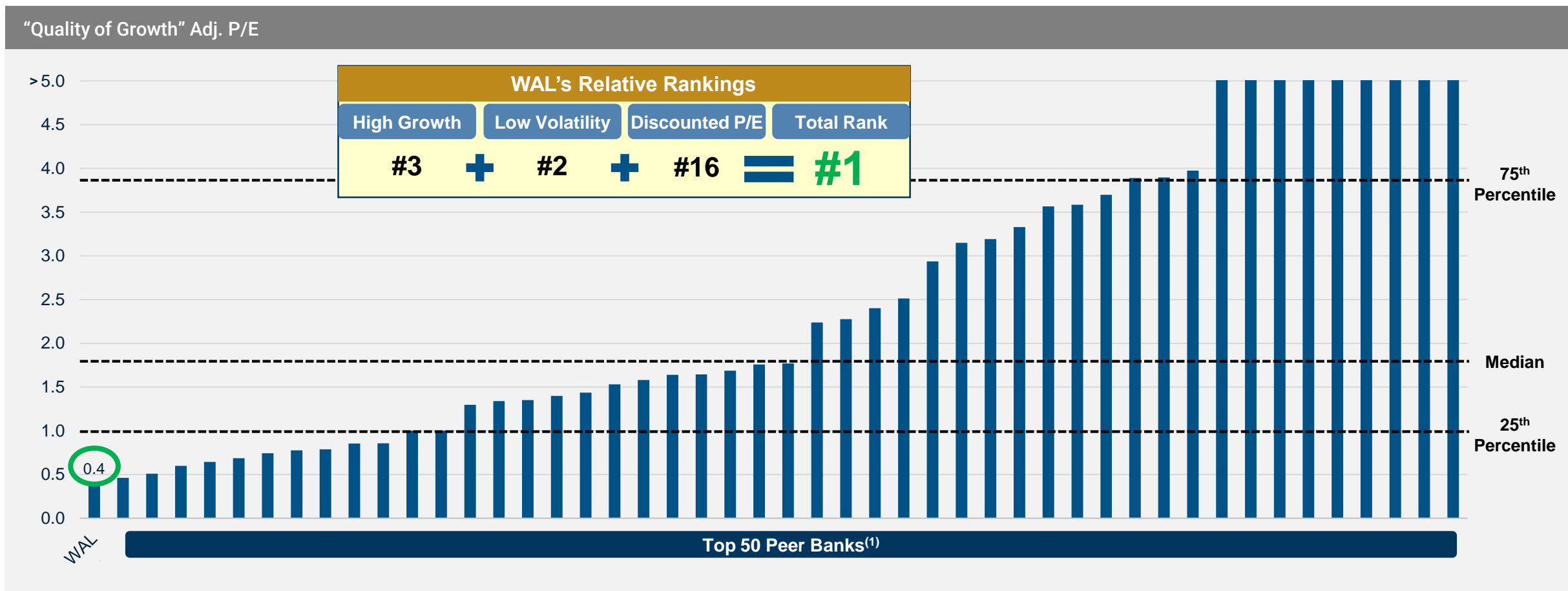
1 + 2 + 3 = 4

Company	Strong Growth	Earnings Predictability	Low Valuation	Combined	Rank
FHN	25	46	8	79	26
FBC	44	34	1	79	26
SIVB	2	29	49	80	28
FITB	48	20	17	85	29
HWC	37	43	6	86	30
CFR	31	10	47	88	31
SSB	17	48	24	89	32
JPM	15	36	39	90	33
TFC	40	30	21	91	34
SBNY	7	42	46	95	35
USB	36	26	34	96	37
PACW	38	47	11	96	37
CBSH	35	15	48	98	39
PNC	30	31	37	98	39
FNB	42	45	12	99	40
MTB	45	33	25	103	41
PBCT	34	41	29	104	42
CIT	50	27	28	105	43
TCBI	28	35	43	106	44
BAC	33	37	38	108	45
BKU	47	44	19	110	46
BOKF	43	32	36	111	47
UMPQ	41	49	22	112	48
WFC	46	28	40	114	49
UBSI	39	40	44	123	50

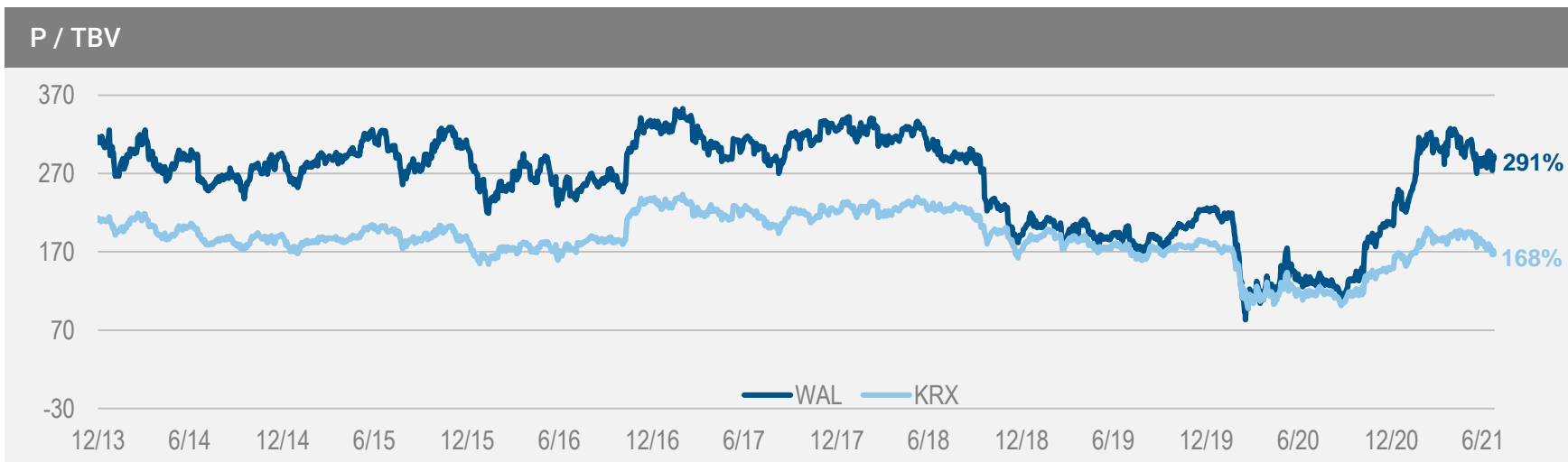
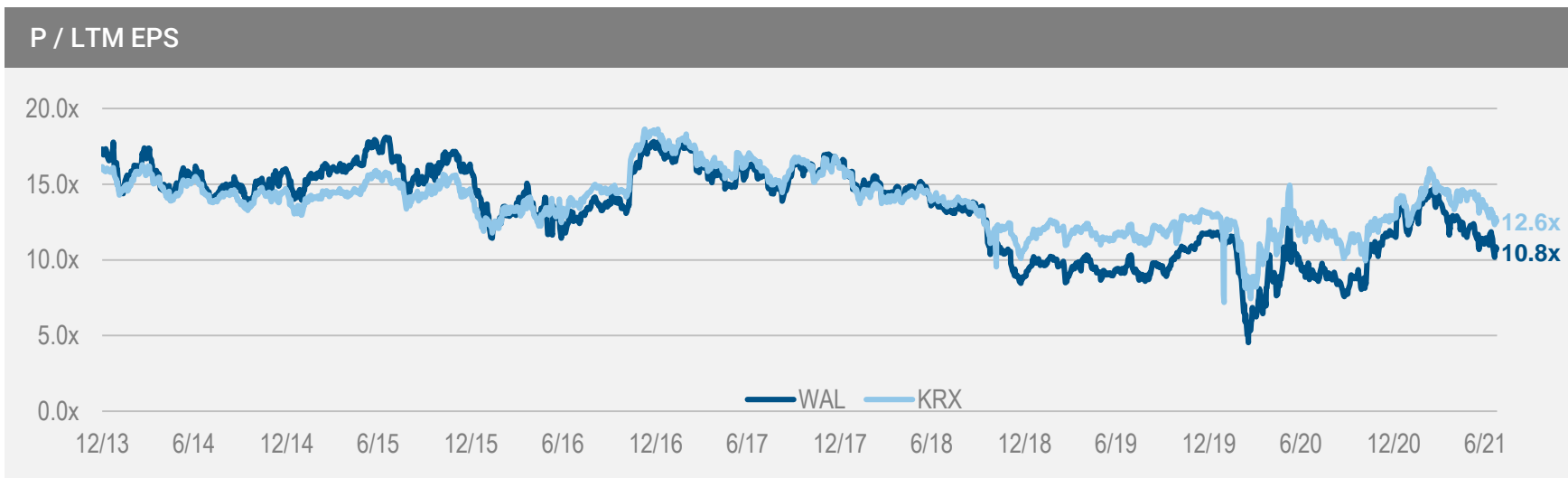
# Dispersion of “Quality of Growth” Adjusted Valuations

WAL stands alone as the premier bank combining strong growth, low volatility of earnings with a discounted valuation relative to sector peers

“Quality of Growth” Adj. P/E = NTM P/E / (median growth rate / coefficient of variation for adj. PPNR per share<sup>(2)</sup> growth rate)



# Historical Valuation Multiples



# Forward-Looking Statements

This presentation contains forward-looking statements that relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. Examples of forward-looking statements include, among others, statements we make regarding our expectations with regard to our business, financial and operating results, future economic performance and dividends. The forward-looking statements contained herein reflect our current views about future events and financial performance and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause our actual results to differ significantly from historical results and those expressed in any forward-looking statement. Some factors that could cause actual results to differ materially from historical or expected results include, among others: the risk factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 as filed with the Securities and Exchange Commission; the potential adverse effects of unusual and infrequently occurring events such as the COVID-19 pandemic and any governmental or societal responses thereto; changes in general economic conditions, either nationally or locally in the areas in which we conduct or will conduct our business; inflation, interest rate, market and monetary fluctuations; our ability to successfully integrate and operate AmeriHome; increases in competitive pressures among financial institutions and businesses offering similar products and services; higher defaults on our loan portfolio than we expect; changes in management's estimate of the adequacy of the allowance for credit losses; legislative or regulatory changes or changes in accounting principles, policies or guidelines; supervisory actions by regulatory agencies which may limit our ability to pursue certain growth opportunities, including expansion through acquisitions; additional regulatory requirements resulting from our continued growth; management's estimates and projections of interest rates and interest rate policy; the execution of our business plan; and other factors affecting the financial services industry generally or the banking industry in particular.

Any forward-looking statement made by us in this presentation is based only on information currently available to us and speaks only as of the date on which it is made. We do not intend and disclaim any duty or obligation to update or revise any industry information or forward-looking statements, whether written or oral, that may be made from time to time, set forth in this press release to reflect new information, future events or otherwise.

## Non-GAAP Financial Measures

This presentation contains both financial measures based on GAAP and non-GAAP based financial measures, which are used where management believes them to be helpful in understanding the Company's results of operations or financial position. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to the comparable GAAP financial measure, can be found in the Company's press release as of and for the quarter ended June 30, 2021. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.



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