Western Alliance Bancorporation®

EARNINGS CALL

1st Quarter 2022

APRIL 22, 2022

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, 2021 and the Company's subsequent Quarterly Reports on Form 10-Q, each 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; the impact on financial markets from geopolitical conflicts such as the war between Russia and Ukraine; inflation, interest rate, market and monetary fluctuations; 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 March 31, 2022. 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.

1st Quarter 2022 | Financial Highlights

Earnings & Profitability	Q1-22	Q4-21	Q1-21
Net Income	$240.1	$246.0	$192.5
Net Revenue	$555.8	$561.0	$337.0
Pre Provision Net Revenue[1]	$307.2	$323.2	$202.0
Net Interest Margin	3.32%	3.33%	3.37%
Efficiency Ratio[1]	44.1%	41.8%	39.1%
ROAA	1.64%	1.69%	1.93%
ROTCE[1]	23.9%	25.8%	24.2%
Balance Sheet & Capital			
Total Loans	$41,119	$39,075	$28,711
Total Deposits	$52,160	$47,612	$38,393
CET1 Ratio	9.0%	9.1%	10.3%
TCE Ratio[1]	6.7%	7.3%	7.9%
Tangible Book Value per Share[1]	$37.13	$37.84	$33.02
Asset Quality			
Provision for (Recovery of) Credit losses	$9.0	$13.2	$(32.4)
Net Charge-Offs	$0.2	$1.4	$1.4
Net Charge-Offs/Avg. Loans	0.00%	0.02%	0.02%
Total Loan ACL/Funded Loans[3]	0.73%	0.74%	0.97%
NPAs[2]/Total Assets	0.17%	0.15%	0.27%

Dollars in millions, except EPS

Highlights

Net Income
$240.1 million

EPS
$2.22

PPNR[1]
Q1: $307.2 million
52% YoY

ROTCE[1]
23.9%

Loan Growth
Q1: $2.0 billion
43% YoY

Deposit Growth
Q1: $4.5 billion
36% YoY

Tangible Book Value PER SHARE[1]
$37.13
12% YoY

NPAs[2]/ Total Assets
0.17%

1) Refer to slide 2 for further discussion of Non-GAAP financial measures.
2) Nonperforming assets includes nonaccrual loans and repossessed assets.
3) Ratio includes an allowance for credit losses of $9.5 million as of March 31, 2022 related to a $5.4 billion pool of loans covered under two separate credit linked notes.

Quarterly Income Statement

	Q1-22	Q4-21	Q1-21
Net Interest Income	**$449.5** 1	**$450.6**	**$317.3**
Mortgage Banking Related Income	78.0	75.5	-
Other	28.3	34.9	19.7
Non-Interest Income	**$106.3** 2	**$110.4**	**$19.7**
Net Revenue	**$555.8**	**$561.0**	**$337.0**
Salaries and Employee Benefits	(138.3) 3	(120.6)	(83.7)
Other	(110.3)	(117.2)	(51.3)
Non-Interest Expense	**$ (248.6)**	**$ (237.8)**	**$ (135.0)**
Pre-Provision Net Revenue[1]	**$307.2**	**$323.2**	**$202.0**
(Provision for) Recovery of Credit Losses	(9.0) 4	(13.2)	32.4
Pre-Tax Income	**$298.2**	**$310.0**	**$234.4**
Income Tax	(58.1)	(64.0)	(41.9)
Net Income	**$240.1**	**$246.0**	**$192.5**
Dividends on Preferred Stock	(3.2)	(3.5)	-
Net Income Available to Common Stockholders	**$236.9**	**$242.5**	**$192.5**
Diluted Shares	**106.6**	**104.5**	**101.4**
Earnings Per Share	**$2.22**	**$2.32**	**$1.90**

Dollars in millions, except EPS

Q1 2022 Highlights

1 **Net Interest Income decreased $1.1 million,** primarily from two fewer business days and the quarterly capture of credit linked notes issued in December 2021

2 **Non-Interest Income decreased $4.1 million,** driven by mark to market losses on equity securities and lower recovery from credit guarantees

- $13.7 billion loan production in Q1 (59% purchase / 41% refinance), down 25% compared to Q4 and 35% to Q1 2021
- Gain on Sale margin[2] of 21 bps in Q1, compared to 28 bps in Q4
- $65.5 billion in servicing portfolio UPB

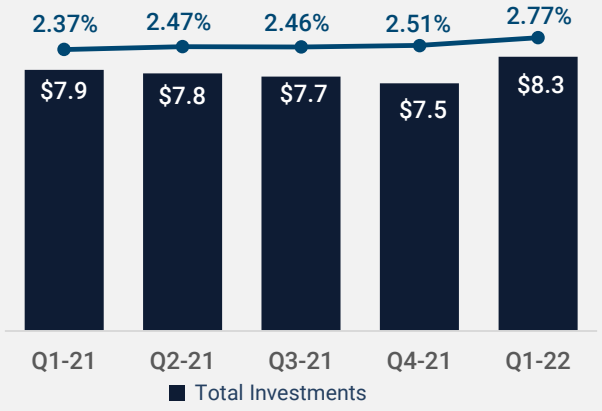
3 **Salaries and Employee Benefits increased $17.7 million** due to lower cost deferrals, seasonal compensation factors, and increased headcount

4 **Provision for Credit Losses of $9.0 million** primarily due to loan growth

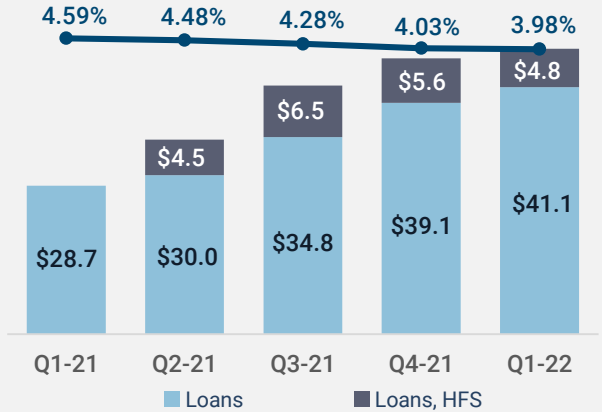
1) Refer to slide 2 for further discussion of Non-GAAP financial measures.
2) Gain on Sale margin represents spread as of the interest rate lock commitment date.

Net Interest Drivers

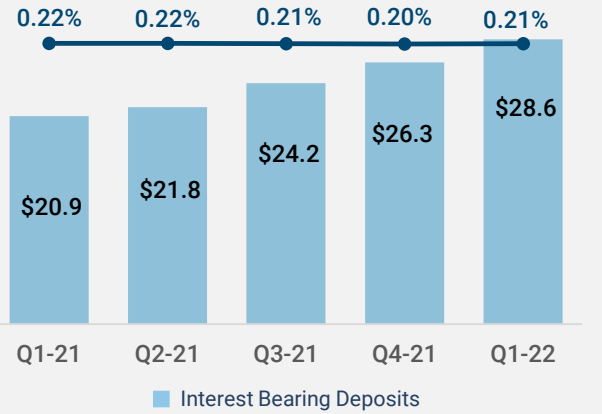
Total Investments and Yield



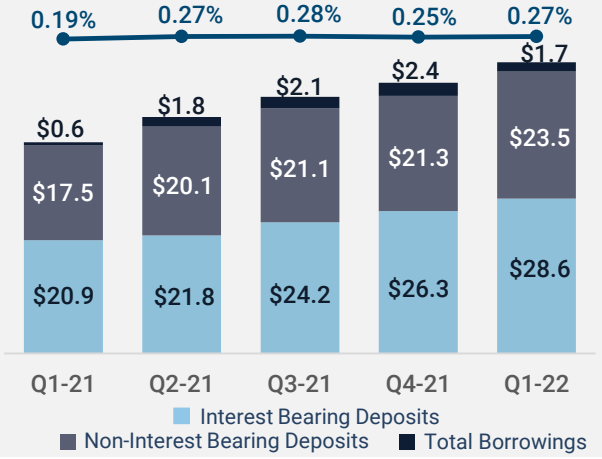
Loans and HFI Yield



Interest Bearing Deposits and Cost



Deposits, Borrowings & Cost of Liability Funding

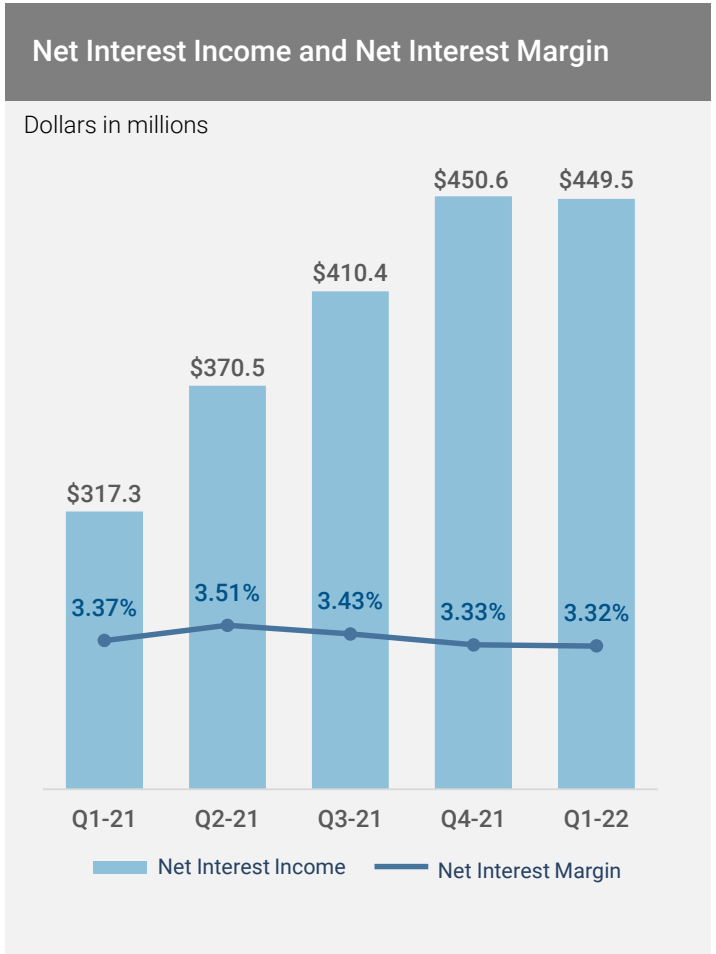


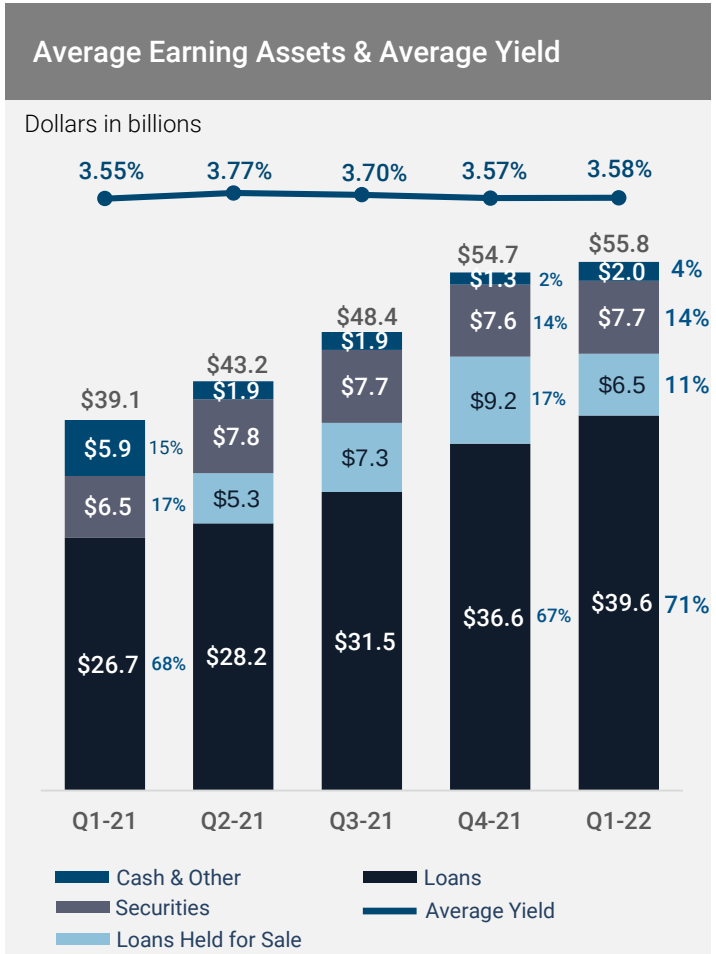
Dollars in billions, unless otherwise indicated

Q1 2022 Highlights

- **Loan yields decreased 5 bps** following continued mix shift into residential loans and lower prepayment and PPP fees
- Yield on Loans Held for Sale of 3.14%, increased from 3.04% in Q4
- **Cost of interest-bearing deposits increased 1 bps**, and total cost of funds increased 2 bps to 0.27% due to higher cost on short-term borrowings and qualifying debt

Net Interest Income

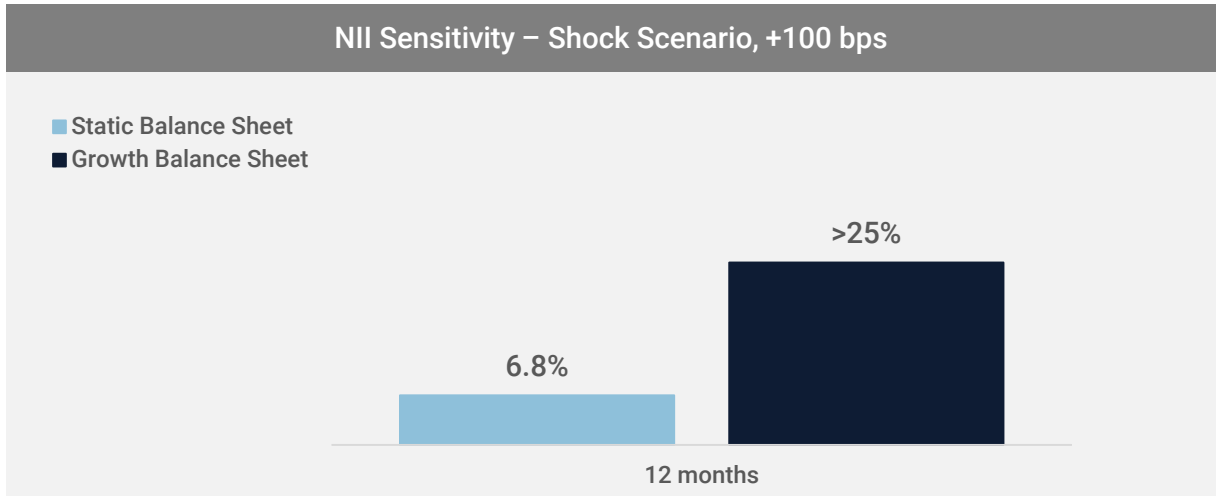


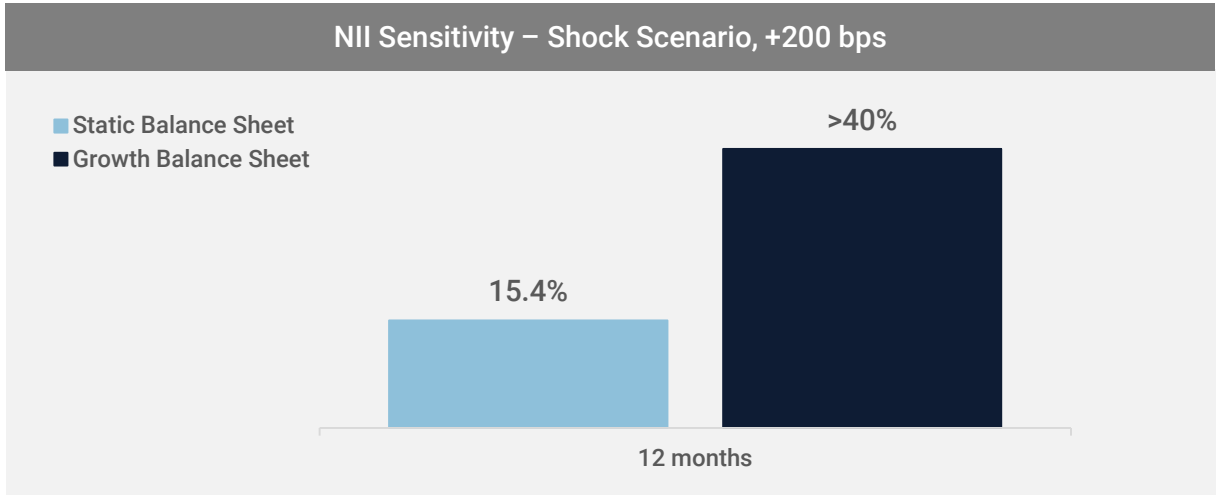


Q1 2022 Highlights

- **Net Interest Income decreased $1.1 million**, or 0.2%, over prior quarter primarily due to two fewer business days and interest expense on credit linked notes issued in December 2021
  - Average Earning Assets grew $1.2 billion, or 8.5% annualized
- **NIM decreased 1 bps**, driven by greater proportion of earning assets held in cash and loan mix migration to residential loans, partially offset by higher investment and HFS yields
  - Cash / avg. earning assets increased to 3.7%, compared to 2.3% in Q4
  - Avg. securities + cash / avg. earnings assets increased to 17%, compared to 16% in Q4
  - Loans, including Loans HFS / avg. earning assets decreased to 83%, down from 84% in Q4

Net Interest Income in a Rising Rate Environment





Highlights

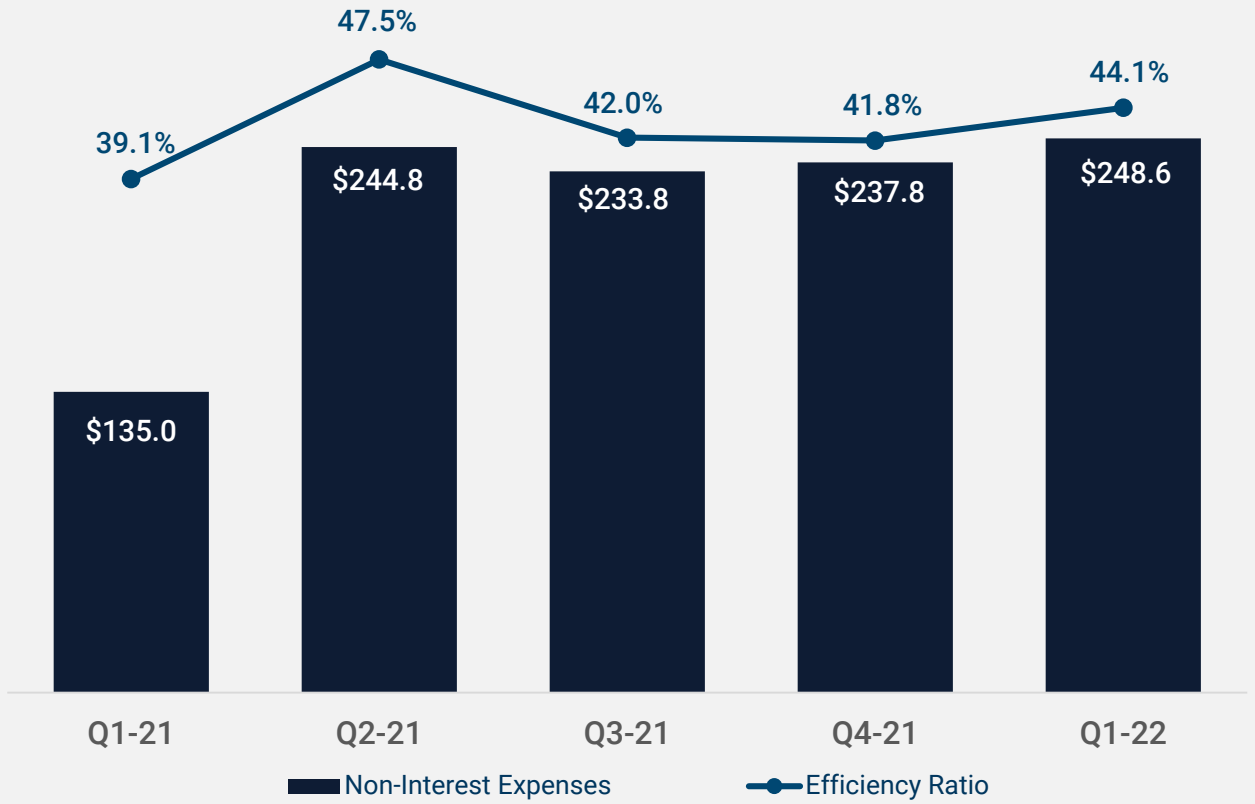
- WAL expects a **6.8% increase in NII under a 100bps rate shock on a static balance sheet**
- Nearly 57% of loans (ex-HFS) are contractually variable ($23.3 billion)
  - 72% of variable rate loans have rate floors
  - 80% of variable rate loans with rate floors are at floors, down from 94% in Q4
- Loans at floors will incrementally come off of floors with successive Federal Funds Rate increases
  - **84% of loans at floors will move off their floors after 100bps rise in rates**

Rate Floor Schedule

Rate Increase	Incremental Loan Balance	Cumulative Variable Rate Loans Off Floors
+25 bps	$2.8 billion	25%
+50 bps	$2.9 billion	51%
+75 bps	$2.3 billion	72%
+100 bps	$1.4 billion	84%
+150 bps	$1.2 billion	95%

Expenses and Efficiency[1]

Non-Interest Expenses and Efficiency Ratio



Dollars in millions

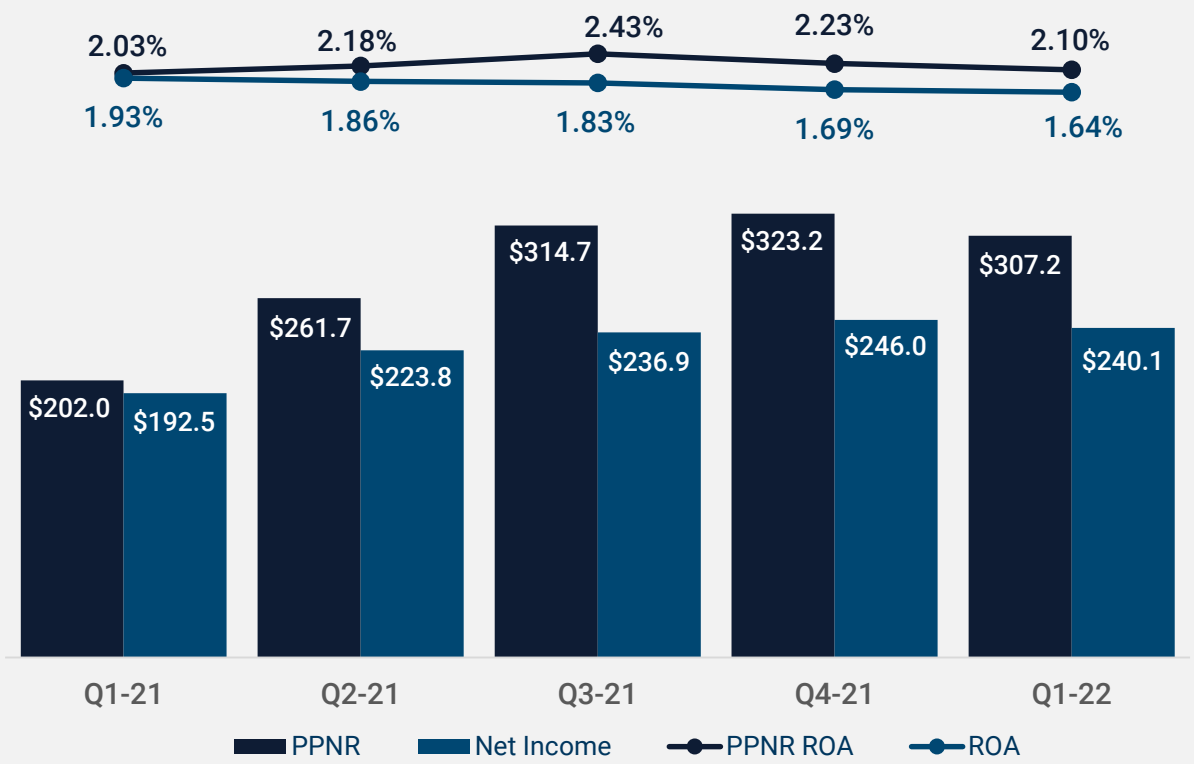
Q1 2022 Highlights

- **Efficiency ratio[1] increased 230 bps to 44.1%** compared to the prior quarter and increased 500 bps from the same period last year
- Higher efficiency ratio[1] was driven by the modest decline in non interest income and a marginal increase in seasonal salary and employee benefit costs, which were partially offset by lower other expenses

1) Refer to slide 2 for further discussion of Non-GAAP financial measures.

Pre-Provision Net Revenue[1], Net Income, and ROA

PPNR, Net Income & ROA



Dollars in millions

Q1 2022 Highlights

- **PPNR[1] decreased $16.0 million** from the prior quarter and increased $105.2 million, or 52.1%, from the same period last year
- PPNR ROA[1] decreased 13 bps from the prior quarter and increased 7 bps from the same period last year as balance sheet growth outpaced PPNR
- ROA decreased 5 bps from the prior quarter and 29 bps from the same period last year

1) Refer to slide 2 for further discussion of Non-GAAP financial measures.

Consolidated Balance Sheet

	Q1-22	Q4-21	Q1-21
Investments & Cash	$10,879	$8,057	$13,235
Loans, HFS	4,762	5,635	-
Loans HFI, net	41,119 1	39,075	28,711
Allowance for Loan Losses	(258)	(253)	(247)
Mortgage Servicing Rights	950	698	-
Goodwill and Intangibles	698	635	298
Other Assets	2,426	2,136	1,400
Total Assets	**$60,576**	**$55,983**	**$43,397**
Deposits	$52,160 2	$47,612	$38,393
Borrowings	1,726 3	2,398	$565
Other Liabilities	1,678	1,010	$726
Total Liabilities	**$55,564**	**$51,020**	**$39,684**
Shareholders' Equity	$5,012 4	$4,963	$3,713
Total Liabilities and Equity	**$60,576**	**$55,983**	**$43,397**
Tangible Book Value Per Common Share[1]	**$37.13 5**	**$37.84**	**$33.02**

Dollars in millions

Q1 2022 Highlights

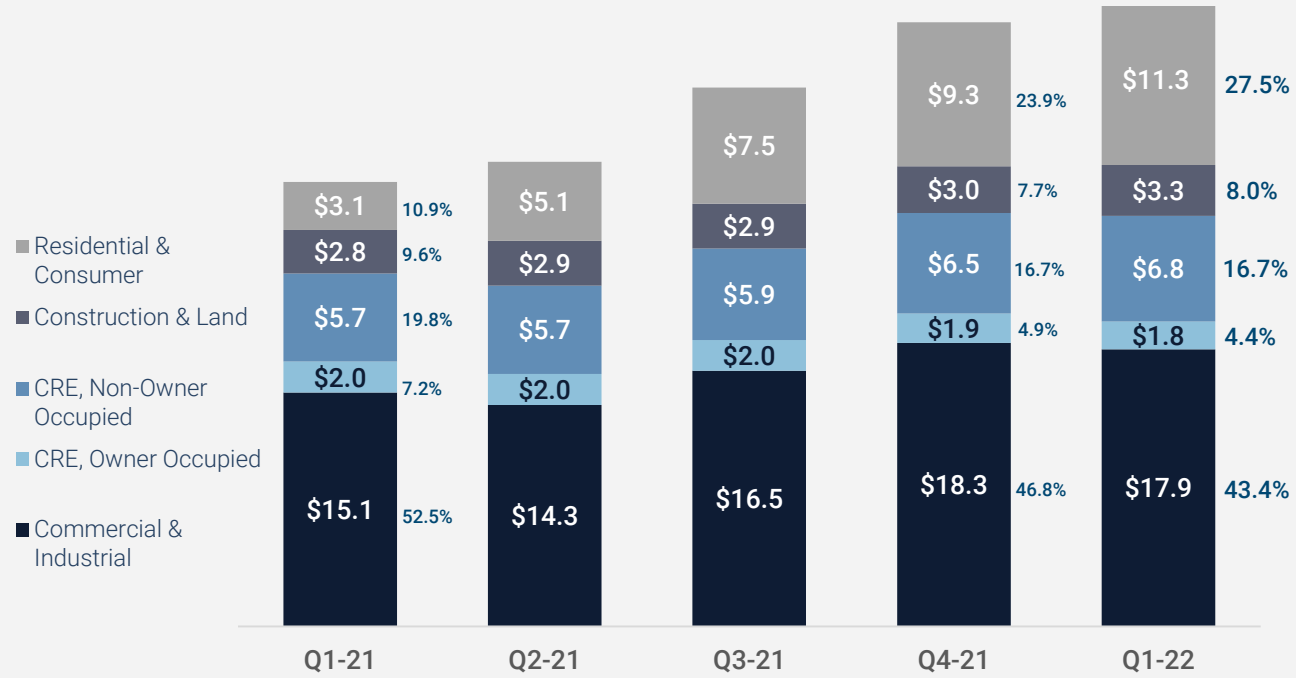
1. **Loans increased $2.0 billion, or 21.2%** annualized and $12.4 billion, or 43.2% over prior year
2. **Deposits increased $4.5 billion, or 38.7%** annualized and $13.8 billion, or 35.9% over prior year
3. **Borrowings decreased $672 million** over prior quarter from a $675 million reduction in overnight borrowings
4. **Shareholders' Equity increased $49 million** as a function of net income and common stock issuances, offset by dividends and losses on AFS securities recorded in OCI
5. **Tangible Book Value/Share[1] decreased $0.71,** over prior quarter and increased $4.11, or 12.4%, over prior year

1) Refer to slide 2 for further discussion of Non-GAAP financial measures.

Five Quarter Loan Growth and Composition

$12.4 Billion Year-Over-Year Growth

	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22
Total Loans, HFI	**$28.7**	**$30.0**	**$34.8**	**$39.1**	**$41.1**
Qtr. Change	***+$1.6***	***+$1.3***	***+$4.8***	***+$4.3***	***+$2.0***



Dollars in billions, unless otherwise indicated

1 Drivers of C&I Change (in millions):

PPP Payoffs	$(228)
Warehouse Lending	(640)
Other NBLs	223
Regional Banking	209
Total C&I Change	**$(436)**

Highlights

Quarter-over-quarter loan growth of $2.0 billion driven by (in millions):

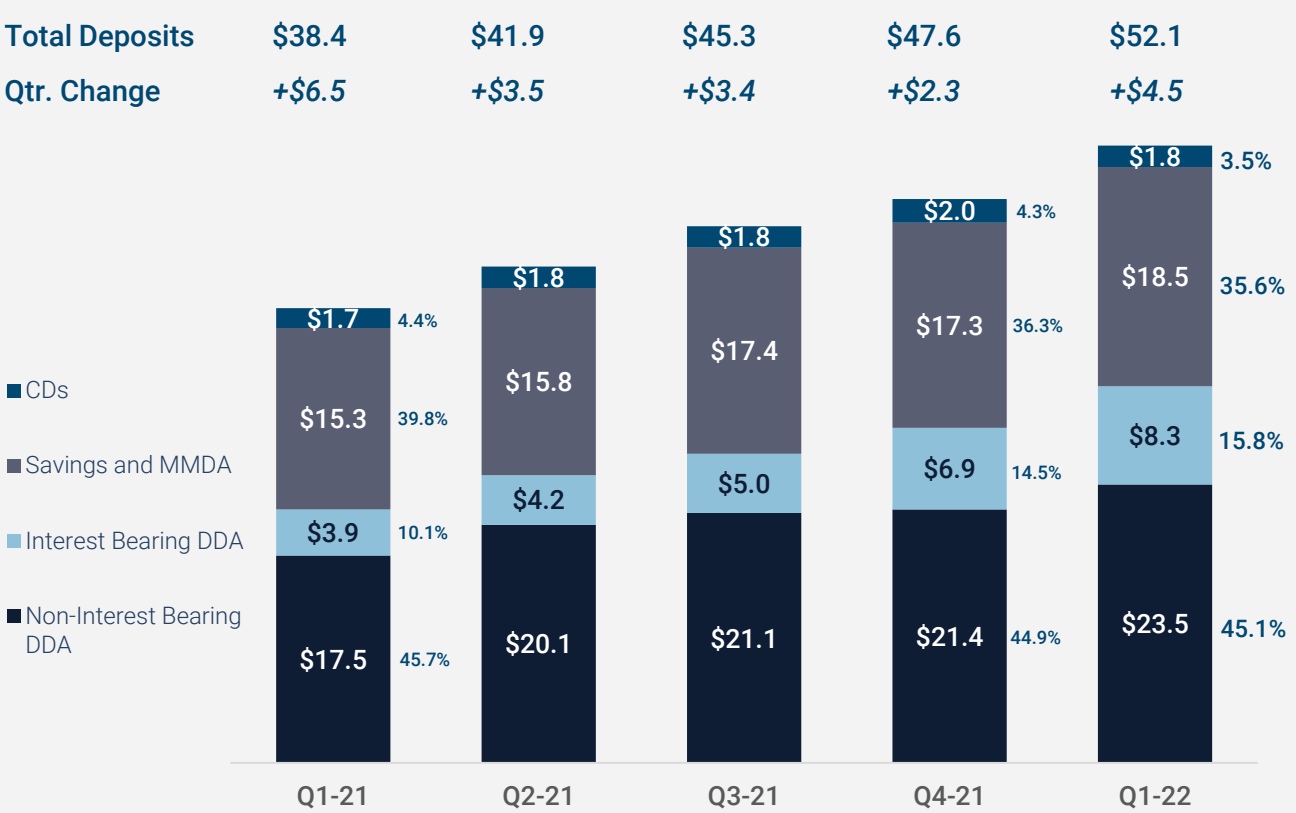
Residential & Consumer	$1,994
CRE, Non-OO	323
Construction & Land	255
Offset by decrease in:	
C&I [1]	(436)
CRE, OO	(93)
Total	**$2,043**

Year-over-year loan growth of $12.4 billion driven by (in millions):

Residential & Consumer	$8,186
C&I	2,791
CRE, Non-OO	1,168
Construction & Land	510
Offset by decrease in:	
CRE, OO	(247)
Total	**$12,408**

Five Quarter Deposit Growth and Composition

$13.8 Billion Year-Over-Year Growth



Dollars in billions, unless otherwise indicated

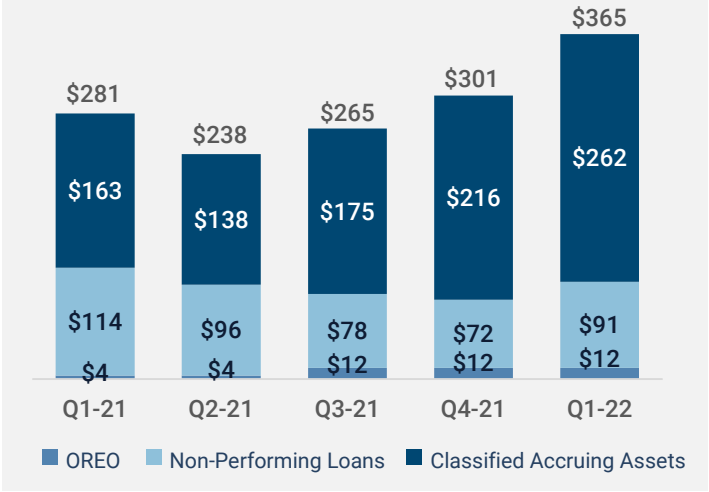
Highlights

Quarter-over-quarter deposit growth of $4.5 billion driven by (in millions):	
Non-Interest Bearing DDA	$2,167
Interest-Bearing DDA	1,344
Savings and MMDA	1,274
Offset by decrease in:	
CD	(238)
Total	**$4,547**

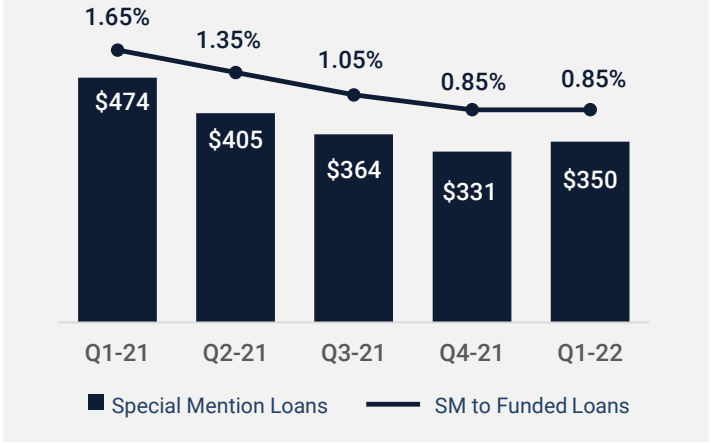
Year-over-year deposit growth of $13.8 billion driven by (in millions):	
Non-Interest Bearing DDA	$5,977
Interest-Bearing DDA	4,375
Savings and MMDA	3,277
CDs	137
Total	**$13,766**

Asset Quality

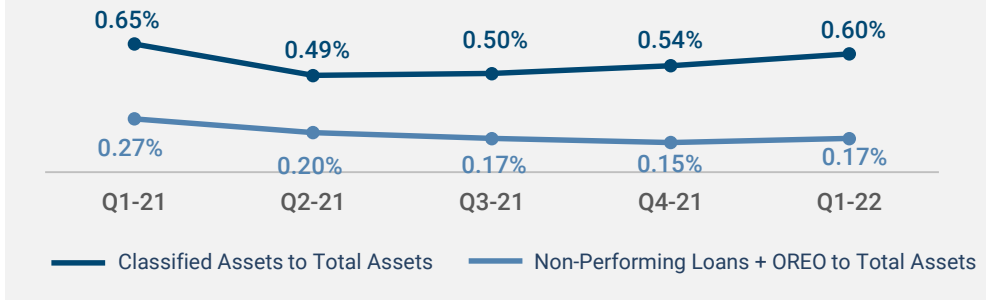
Classified Assets



Special Mention Loans



Asset Quality Ratios



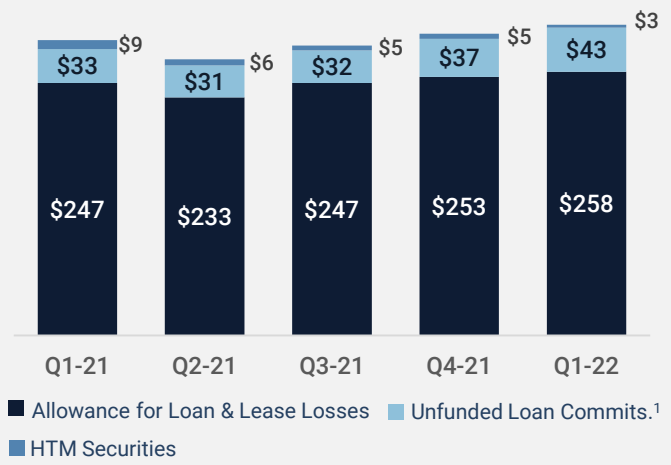
Dollars in millions

Q1 2022 Highlights

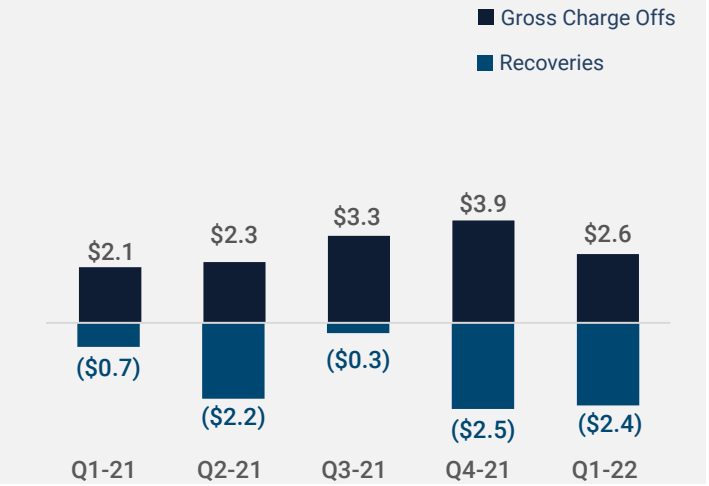
- Total Classified Assets of $365 million (60 bps to Total Assets) increased $64 million in Q1
  - Classified Assets increased due to temporary impact of Omicron variant
  - Non-Performing Loans + OREO of $103 million (17 bps to Total Assets) increased by $19 million in Q1
  - **Borrowers remain stable, liquid and supported**
- Special Mention loans of $350 million (85 bps to Funded Loans) remain flat as percentage to Funded Loans
- **Over last 5+ years, less than 1% of Special Mention loans have migrated to loss**

Credit Losses and ACL Ratios

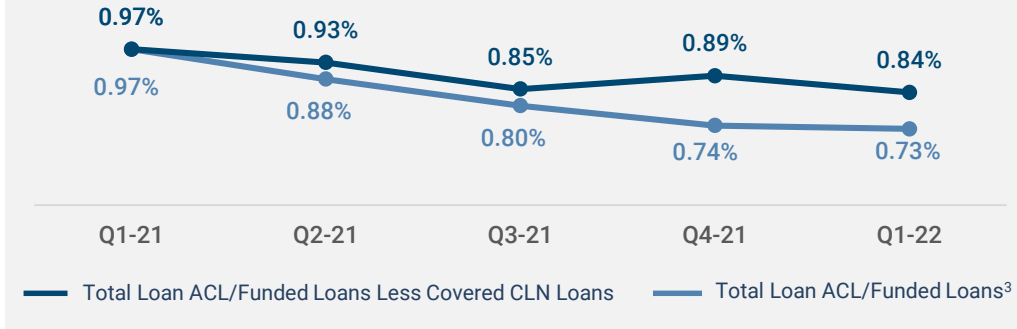
Allowance for Credit Losses



Gross Charge-offs and Recoveries



Loan ACL Adequacy Ratios[2]



Dollars in millions

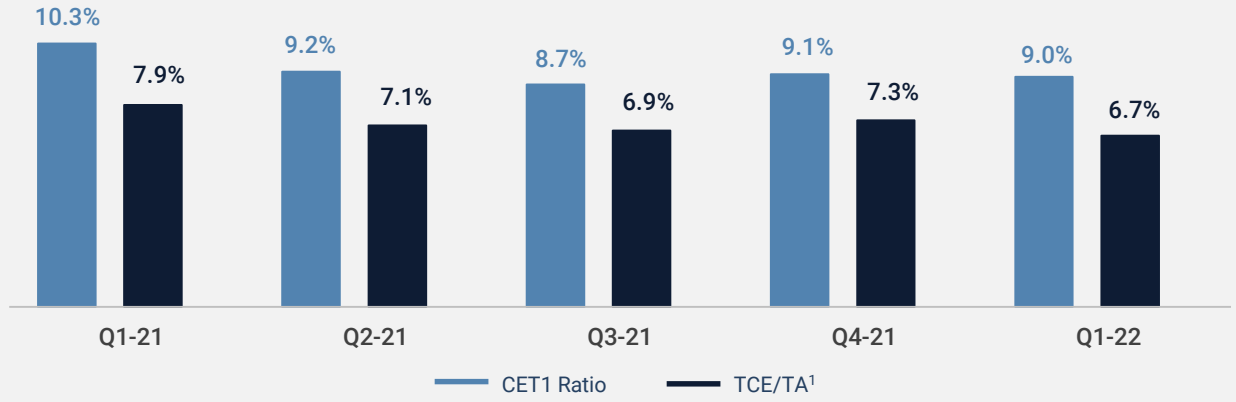
Q1 2022 Highlights

- **Provision expense of $9.0 million**, driven by strong loan growth
- Total Loan ACL / Funded Loans decreased 1 bps to 0.73% in Q1 as a result of continued loan growth in low loss segments
  - **Total Loan ACL[4] / Funded Loans less loans covered by credit linked notes is 0.84%**
- **Net Charge-Offs of $0.2 million, approximately 0 bps**, compared to $1.4 million, 2 bps, in Q4

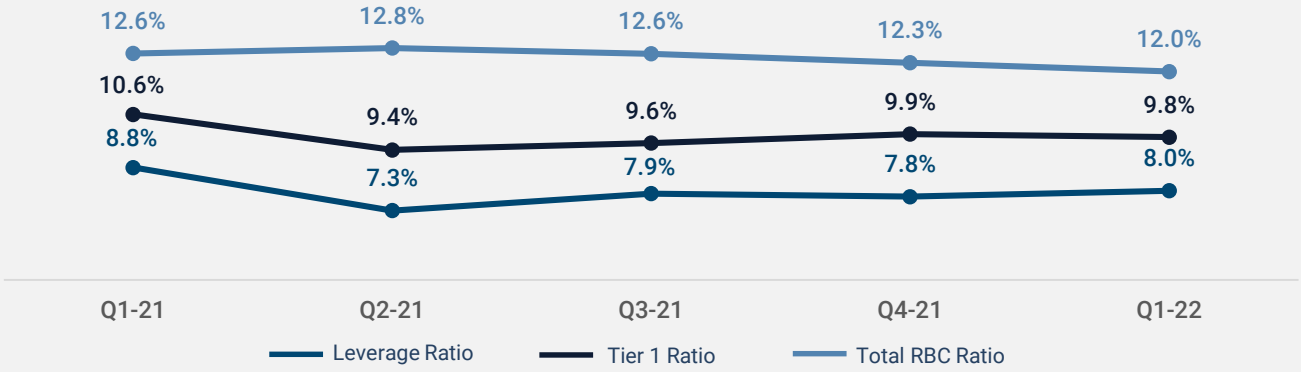
1) Included as a component of other liabilities on the balance sheet.
2) Total Loan ACL includes allowance for unfunded commitments.
3) Ratio includes an allowance for credit losses of $9.5 million as of March 31, 2022 related to an $5.4 billion pool of loans covered under 2 separate credit linked notes.
4) This is a non-GAAP ratio, refer to slide 2 for further discussion of Non-GAAP financial measures.

Capital Accumulation

Robust Common Capital Levels



Regulatory Capital



Q1 2022 Highlights

Regulatory Capital Levels

- Exceed "well-capitalized" levels and are stable after the initial impact of the AmeriHome transaction
- CET1 at 9.0%

Tangible Common Equity / Tangible Assets[1]

- TCE / TA decreased 600 bps from the prior quarter to 6.7% due to asset growth and AOCI loss impact

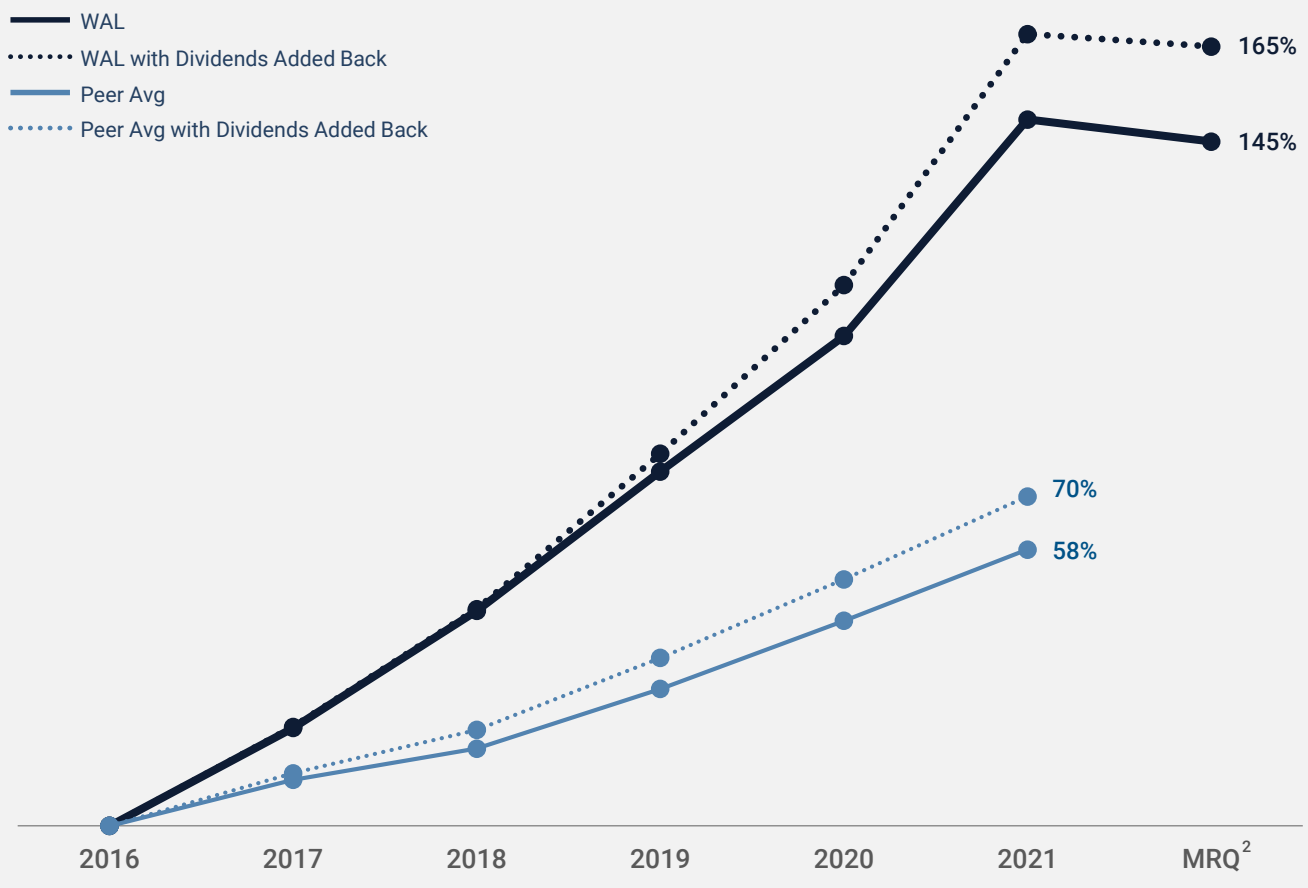
Capital Actions

- Issued $108 million of common stock (1.3 million shares) under ATM program

1) Refer to slide 2 for further discussion of Non-GAAP financial measures

Tangible Book Value Growth

Long-Term Growth in TBV per Share[1]



Highlights

Tangible Book Value per Share[1]

- TBVPS decreased $0.71 to $37.13 from prior quarter
  - Increased 12.4% year-over-year
  - Decreased 1.9% quarter-over-quarter, non-annualized
  - **18.6% CAGR since year end 2016**
- TBVPS has increased **2.5x that of peers** over the last 5 years
  - Quarterly common stock cash dividend of $0.35 per share

1) Refer to slide 2 for further discussion of Non-GAAP financial measures
2) MRQ is Q1-22 for WAL and Q4-21 for WAL Peers
Note: Peers consist of 29 major exchange traded US banks with total assets between $25B and $150B as of December 31, 2021, excluding target banks of pending acquisitions; S&P Global Market Intelligence.

Management Outlook

- Balance Sheet Growth
- Net Interest Income
- Pre-Provision Net Revenue
- Capital and Liquidity

Western Alliance Bank®

Questions & Answers