Western Alliance Bancorporation®

EARNINGS CALL

3rd Quarter 2024

October 18, 2024

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, including our statements on the slide entitled "Management Outlook." 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, 2023 and the Company's subsequent Quarterly Reports on Form 10-Q, each as filed with the Securities and Exchange Commission; adverse developments in the financial services industry generally such as the bank failures in 2023 and any related impact on depositor behavior; risks related to the sufficiency of liquidity; the potential adverse effects of unusual and infrequently occurring events 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 wars in Ukraine and the Middle East; 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 September 30, 2024. 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.

3rd Quarter 2024 | Financial Highlights

Earnings & Profitability	Q3 2024	Q2 2024	Q3 2023
Earnings per Share	$ 1.80	$ 1.75	$ 1.97
Net Income	199.8	193.6	216.6
Net Revenue	823.1	771.8	716.2
Pre-Provision Net Revenue[1]	285.7	285.0	290.0
Net Interest Margin	3.61%	3.63%	3.67%
Efficiency Ratio, Adjusted for Deposit Costs[1]	52.7	51.5	50.0
ROAA	0.96	0.99	1.24
ROTCE[1]	13.8	14.3	17.3
Balance Sheet & Capital			
Total Loans	$ 53,346	$ 52,430	$ 49,447
Total Deposits	68,040	66,244	54,287
CET1 Ratio	11.2%	11.0%	10.6%
TCE Ratio[1]	7.2	6.7	6.8
Tangible Book Value per Share[1]	$ 51.98	$ 48.79	$ 43.66
Asset Quality			
Provision for Credit losses	$ 33.6	$ 37.1	$ 12.1
Net Loan Charge-Offs	26.6	22.8	8.0
Net Loan Charge-Offs/Avg. Loans	0.20%	0.18%	0.07%
Total Loan ACL/Funded HFI Loans[2]	0.74	0.74	0.74
NPAs[3]/Total Assets	0.45	0.51	0.35

Dollars in millions, except EPS

Q3 2024 Highlights

Net Income
$199.8 million

EPS
$1.80

PPNR[1]
Q3: $285.7 million

ROTCE[1]
13.8%

Deposit Growth
Q3: $1.8 billion
25.3% Y-o-Y

Capital
CET1 Ratio: 11.2%
TCE Ratio[1]: 7.2%

Tangible Book Value PER SHARE[1]
$51.98
19.1% Y-o-Y

NPAs[3] / Total Assets
0.45%

1) Refer to slide 2 for further discussion of non-GAAP financial measures.
2) Ratio includes an allowance for credit losses of $11.8 million as of September 30, 2024 related to a pool of loans covered under 3 separate credit linked notes.
3) Nonperforming assets includes nonaccrual loans and repossessed assets.

Quarterly Income Statement

	Q3-24	Q2-24	Q3-23
Interest Income	$ 1,200.0	$ 1,147.5	$ 1,026.6
Interest Expense	(503.1)	(490.9)	(439.6)
Net Interest Income	**$ 696.9** 1	**$ 656.6**	**$ 587.0**
Mortgage Banking Revenue	58.6	84.9	79.2
Service Charges and Loan Fees	30.1	17.8	29.7
Gains on Securities Sales and FV Adj., Net	12.9	3.0	17.9
Other	24.6	9.5	2.4
Non-Interest Income	**$ 126.2** 2	**$ 115.2**	**$ 129.2**
Net Revenue	**$ 823.1**	**$ 771.8**	**$ 716.2**
Deposit Costs	(208.0)	(173.7)	(127.8)
Salaries and Employee Benefits	(157.8)	(153.0)	(137.2)
Insurance	(35.4)	(33.8)	(33.1)
Other	(136.2)	(126.3)	(128.1)
Non-Interest Expense	**$ (537.4)**	**$ (486.8)**	**$ (426.2)**
Pre-Provision Net Revenue[1]	**$ 285.7**	**$ 285.0**	**$ 290.0**
Provision for Credit Losses	(33.6) 3	(37.1)	(12.1)
Pre-Tax Income	**$ 252.1**	**$ 247.9**	**$ 277.9**
Income Tax	(52.3)	(54.3)	(61.3)
Net Income	**$ 199.8**	**$ 193.6**	**$ 216.6**
Dividends on preferred stock	(3.2)	(3.2)	(3.2)
Net income available to common stockholders	**$ 196.6**	**$ 190.4**	**$ 213.4**
Diluted Shares	**109.5**	**109.1**	**108.5**
Earnings Per Share	**$ 1.80**	**$ 1.75**	**$ 1.97**

Dollars in millions, except EPS

Q3 2024 Highlights

1 **Net Interest Income increased $40.3 million** primarily from higher average earning asset balances

2 **Non-Interest Income increased $11.0 million** primarily driven by the following:

- An increase in Service Charges & Loan Fees, partially offset by a decrease in Mortgage Banking revenue
- **Net Loan Servicing Revenue impacted by negative MSR fair value mark**, net of hedging, of $15.4 million due to accelerated prepayment speeds

Mortgage Banking Metrics

- $13.4 billion mortgage loan production in Q3 (83% purchase / 17% refinance), up 21% compared to Q2 and up 10% to Q3-23
- $13.6 billion interest rate lock commitment volume in Q3, up 12% compared to Q2 and up 16% to Q3-23
- Gain on Sale margin[2] of 20 bps in Q3, compared to 26 bps in Q2 and 38 bps in Q3-23
- $63.8 billion in servicing portfolio UPB

3 **Provision for Credit Losses of $33.6 million** due to net charge-offs of $26.6 million and 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.

Consolidated Balance Sheet

	Q3-24		Q2-24	Q3-23
Securities and Cash	$ 18,974	1	$ 21,345	$ 14,701
Loans, HFS	2,327		2,007	1,766
Loans, HFI	53,346	2	52,430	49,447
Allowance for Loan Losses	(357)		(352)	(327)
Mortgage Servicing Rights	1,011		1,145	1,233
Goodwill and Intangibles	661		664	672
Other Assets	4,118		3,342	3,399
Total Assets	**$ 80,080**		**$ 80,581**	**$ 70,891**
Deposits	$ 68,040	3	$ 66,244	$ 54,287
Borrowings	2,995	4	5,587	8,745
Qualifying Debt	898		897	890
Other Liabilities	1,470		1,519	1,223
Total Liabilities	**$ 73,403**		**$ 74,247**	**$ 65,145**
Stockholders' Equity	6,677	5	6,334	5,746
Total Liabilities and Equity	**$ 80,080**		**$ 80,581**	**$ 70,891**
Tangible Book Value Per Share[1]	**$ 51.98**	6	**$ 48.79**	**$ 43.66**

Dollars in millions, except per share data

Q3 2024 Highlights

1. **Securities and Cash decreased $2.4 billion, or 11.1%, to $19.0 billion** and increased $4.3 billion, or 29.1%, over prior year
2. **Loans, HFI increased $916 million, or 1.7%,** and increased $3.9 billion, or 7.9%, over prior year
3. **Deposits increased $1.8 billion, or 2.7%, to $68.0 billion** and increased $13.8 billion, or 25.3%, over prior year
4. **Borrowings decreased $2.6 billion** primarily related to repayment of short-term borrowings at quarter-end
5. **Stockholders' Equity increased $343 million** as a function of net income and recovery of AOCI, partially offset by dividends
6. **Tangible Book Value/Share[1] increased $3.19, or 6.5%,** and increased $8.32, or 19.1%, over prior year

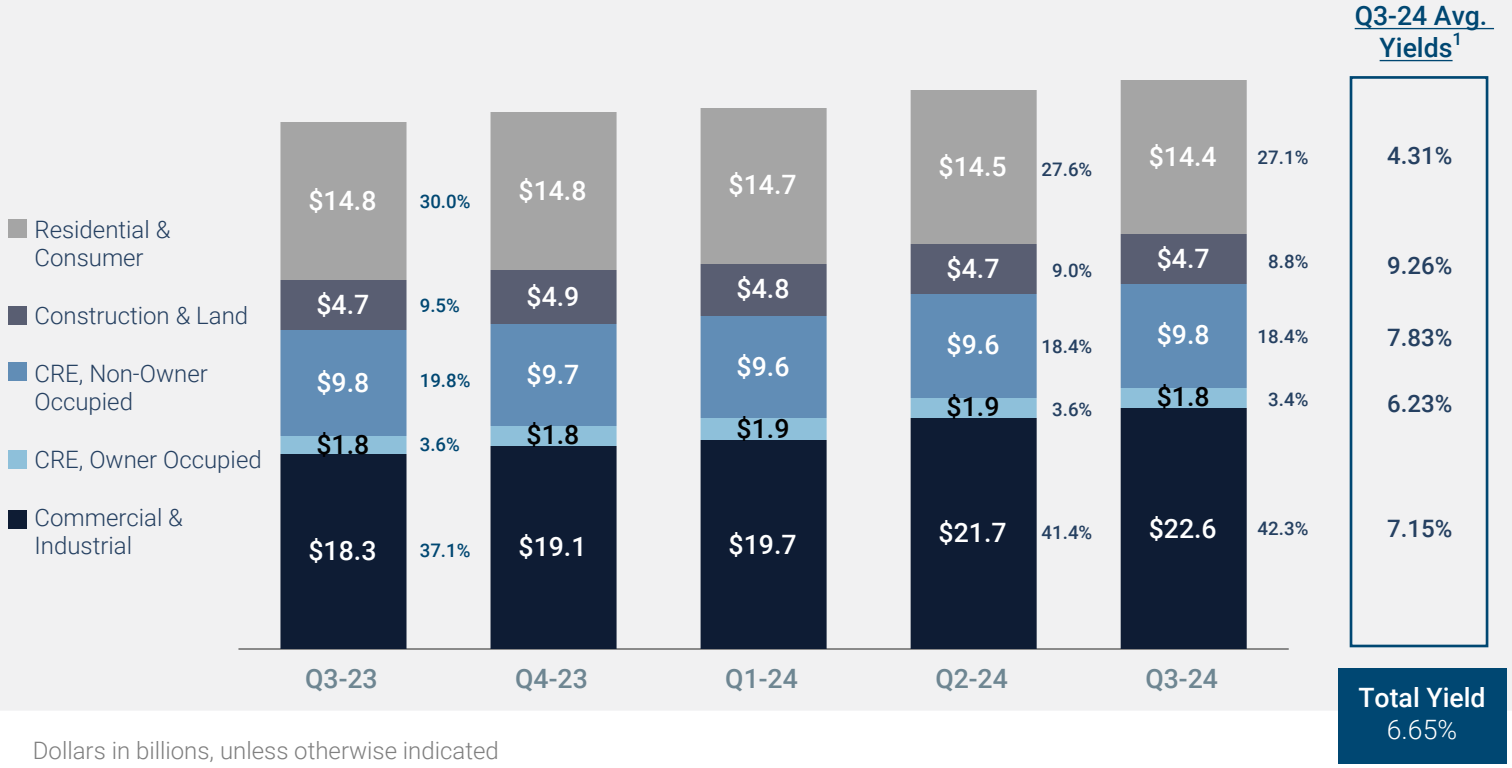
1) Refer to slide 2 for further discussion of non-GAAP financial measures.

Loan Composition

Diversified loan growth from Regional Banking and Mortgage Warehouse

$3.9 Billion Year-over-Year Growth

	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24
Total Loans, HFI	$49.4	$50.3	$50.7	$52.4	$53.3
Qtr Change	*+$1.6*	*+$0.9*	*+$0.4*	*+$1.7*	*+$0.9*



Q3-24 Avg. Yields[1]
4.31%
9.26%
7.83%
6.23%
7.15%

Total Yield 6.65%

Dollars in billions, unless otherwise indicated

Q3 2024 Highlights

Quarter-over-quarter loan increase of $916 million driven by (in millions):	
C&I	$861
CRE, Non-OO	154
Construction & Land	15
Offset by decreases in:	
CRE, OO	(69)
Residential & Consumer	(45)
Total	**$916**

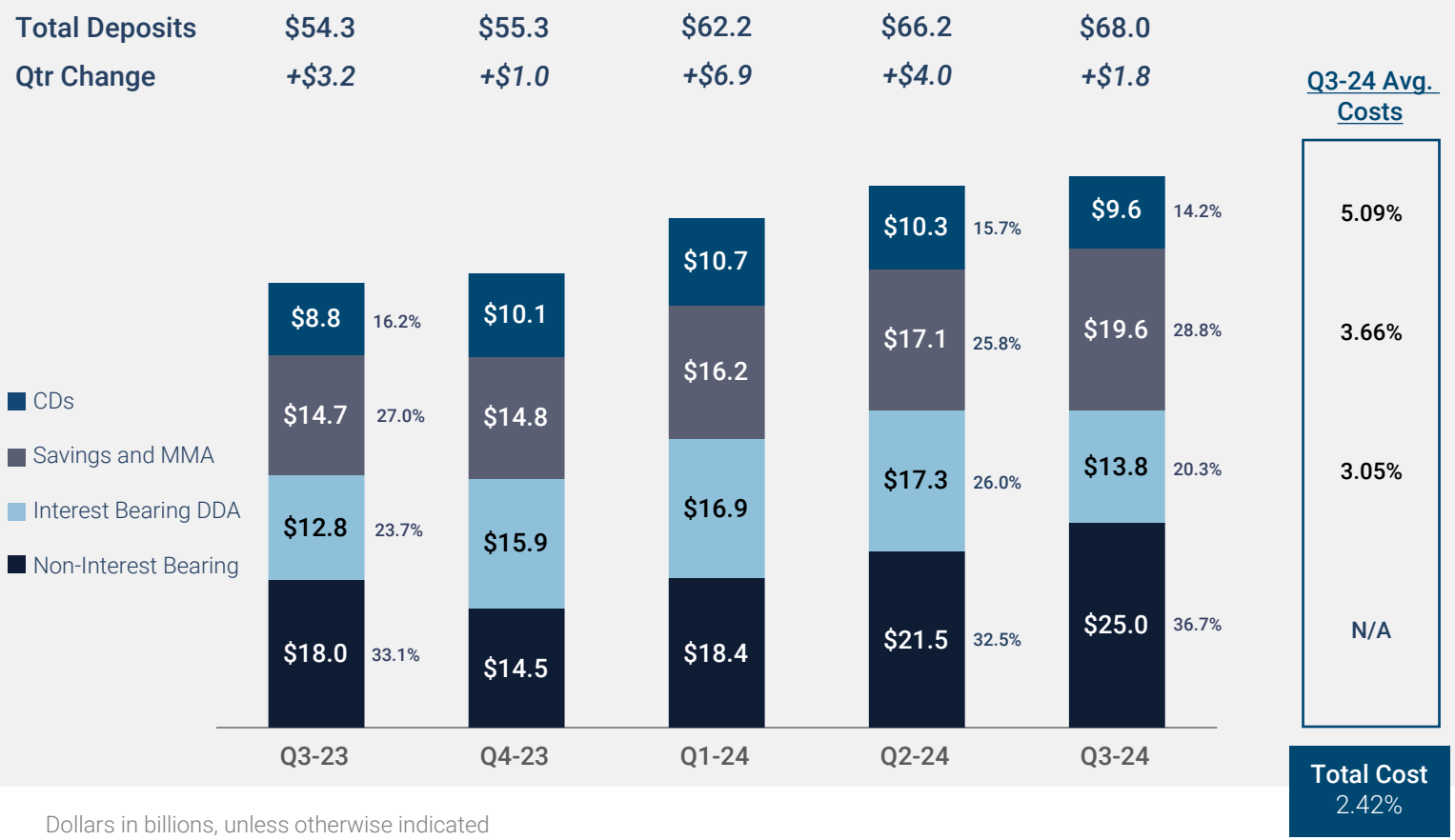
Year-over-year loan increase of $3.9 billion driven by (in millions):	
C&I	$4,207
Construction & Land	58
CRE, OO	46
Offset by decreases in:	
Residential & Consumer	(403)
CRE, Non-OO	(9)
Total	**$3,899**

1) Average yields on loans have been adjusted to a tax equivalent basis.

Deposit Composition

Continued market share gains in Mortgage Warehouse and Consumer Digital

$13.8 Billion Year-over-Year Growth

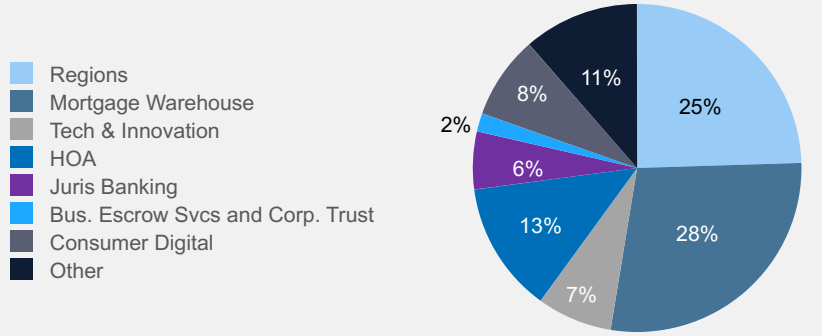


Dollars in billions, unless otherwise indicated

Q3 2024 Highlights

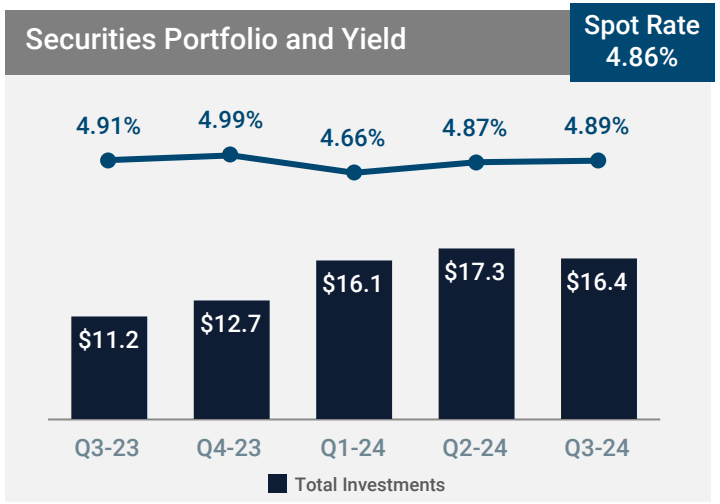
Quarter-over-quarter deposit growth of $1.8 billion as follows (in millions):	
Non-Interest Bearing	$3,443
Savings and MMA	2,488
Offset by decreases in:	
Interest-Bearing DDA	(3,421)
CDs	(714)
Total	**$1,796**

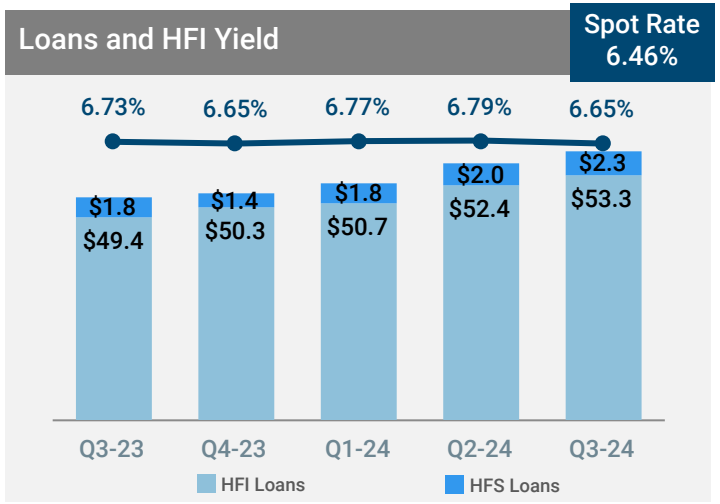
Deposit Composition (By Business Line)

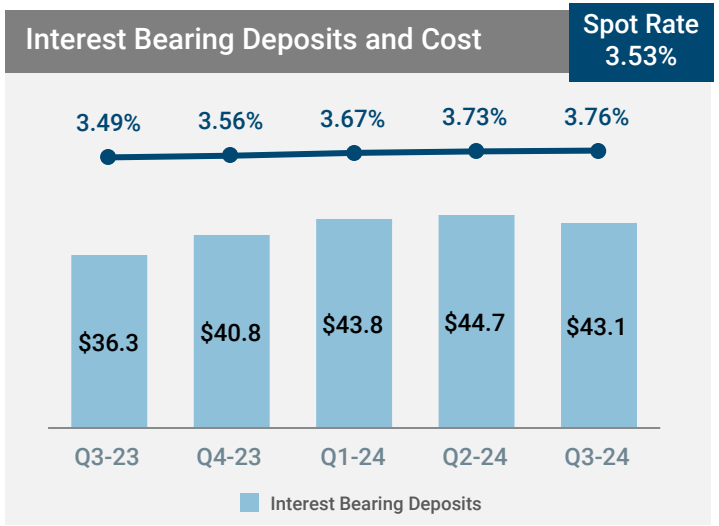


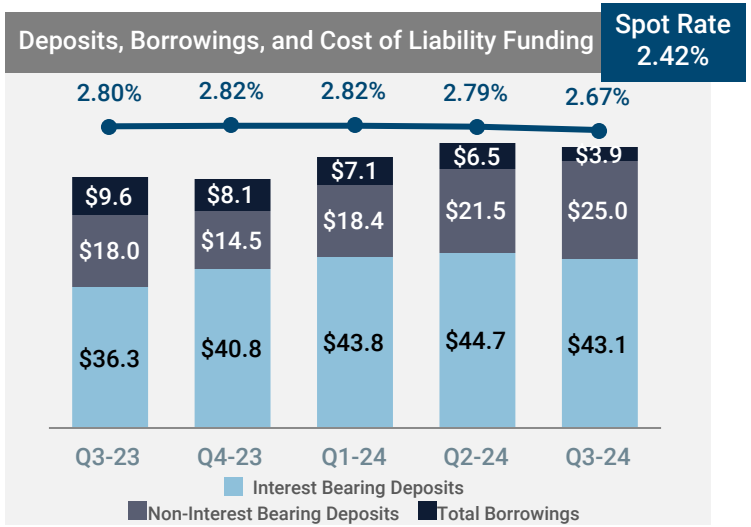
- **37% of total deposits are non-interest bearing**
  - Approximately 30% have no ECRs

Net Interest Drivers









Dollars in billions, unless otherwise indicated

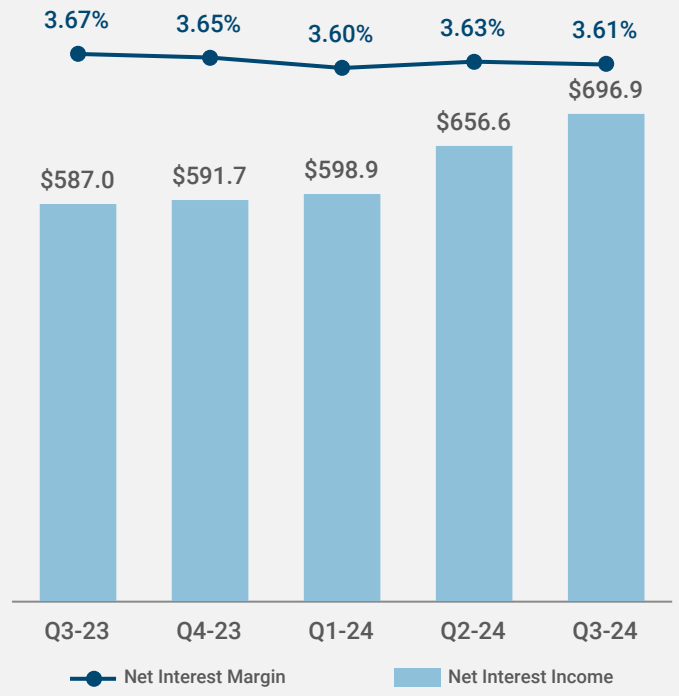
Q3 2024 Highlights

- **Securities Portfolio yields increased 2 bps,** primarily due to mix shift
- **Loan yields decreased 14 bps** due to the impact of a lower rate environment on variable rate loans
- **Cost of interest-bearing deposits increased 3 bps, while total cost of funds decreased 12 bps to 2.67%** due to an increase in non-interest bearing deposits
  - Interest-bearing deposit spot rate is 23 bps below Q3 average rate, demonstrating an improving funding cost
- **Enhanced liquidity profile**
  - Unencumbered HQLAs and cash represent 64% of Securities & Cash, compared to 53% in Q2
  - Total Securities and Cash were 24% of Total Assets, which was comparable to Q2

Net Interest Income

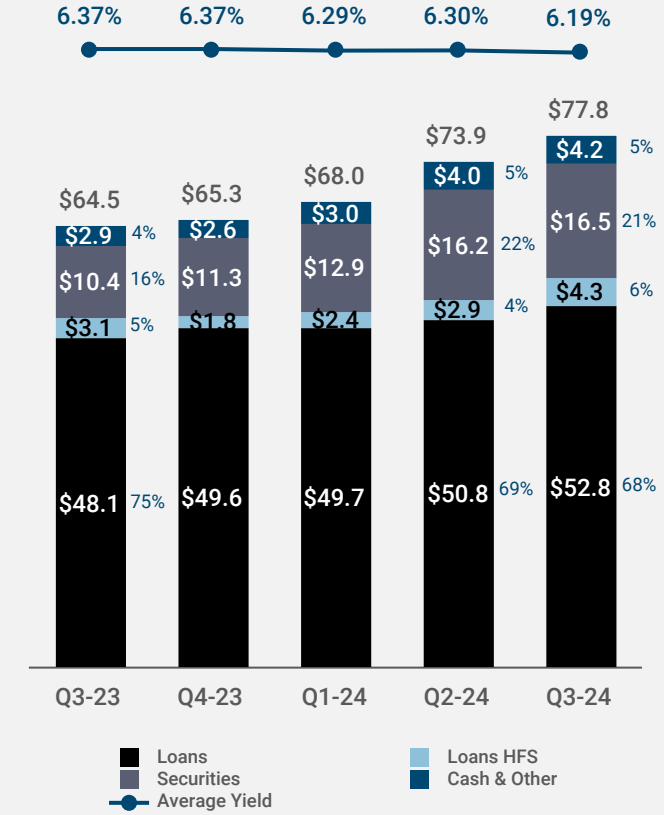
Net Interest Income and Net Interest Margin

Dollars in millions



Average Earning Assets & Average Yield

Dollars in billions

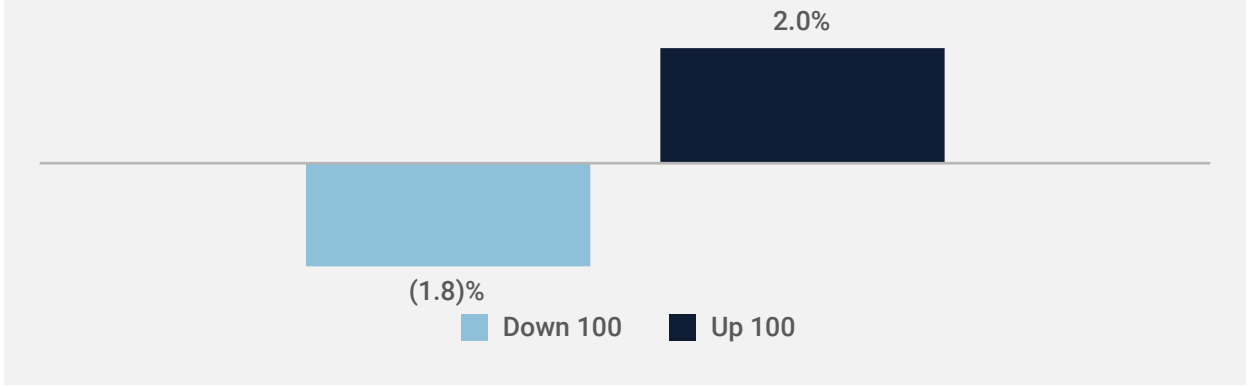


Q3 2024 Highlights

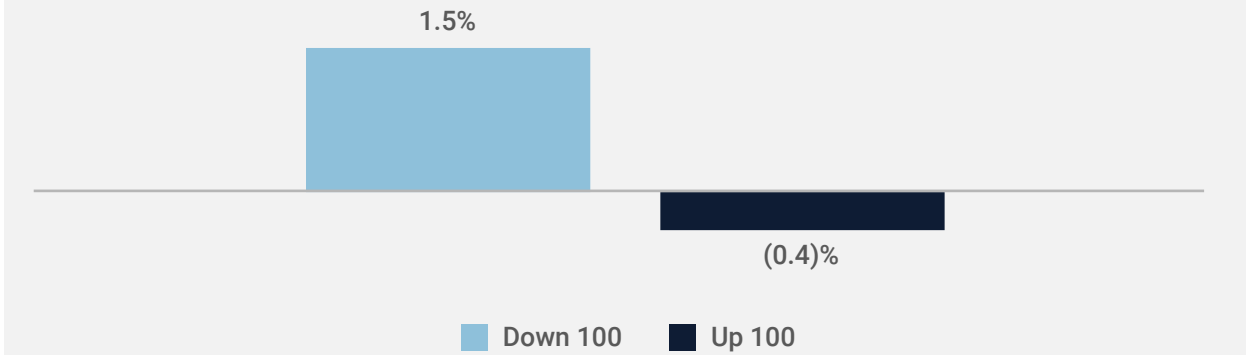
- **Net Interest Income increased $40.3 million,** or 6.1%, primarily due to a higher average earning asset balance
- **NIM decreased 2 bps,** driven by lower loan yields and stable cost of liability funding
    - **Yield on Average Earning Assets decreased 11 bps** to 6.19% due to lower loan yields and mix shift into lower-yielding Loans, HFS
- **Average Earning Assets grew $3.9 billion,** or 5.3%, primarily deployed into HFI and HFS loans

Interest Rate Sensitivity

NII Sensitivity - Ramp Scenario, 12 Mo. Balance Sheet[1]



Earnings-at-Risk - Ramp Scenario, 12 Mo. Balance Sheet[1]



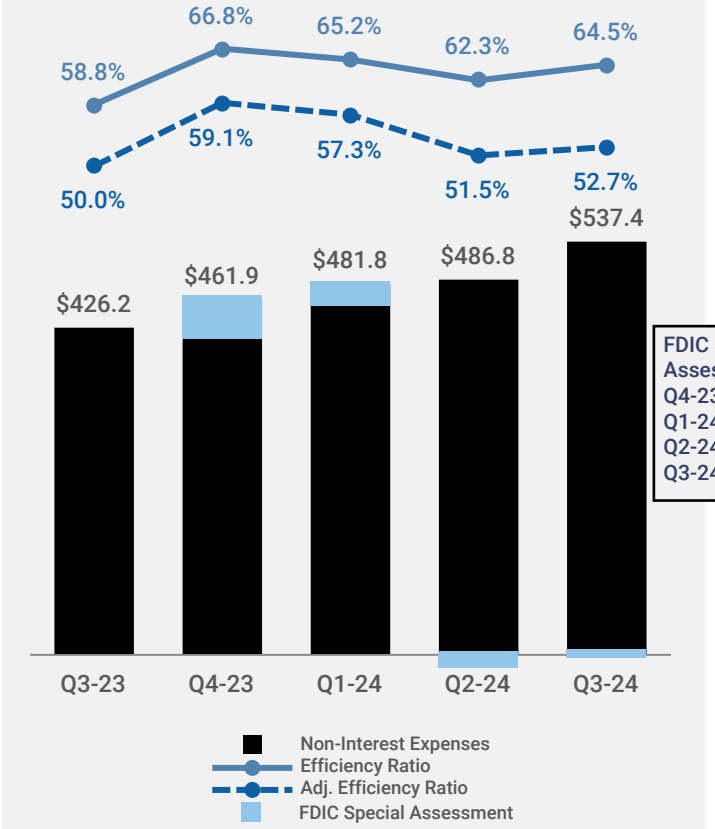
Q3 2024 Highlights

- Simulation assesses impact from a ramp scenario in market interest rates based on a dynamic balance sheet
- WAL estimates a -100 bps ramp scenario to reduce NII by (1.8%)
- **EaR is liability sensitive** with a -100 bps ramp scenario estimated to **improve earnings[2] by 1.5%**
  - The reduction in asset sensitivity from NII to EaR is driven by the estimated **decrease in ECR-related deposit costs and increase in AmeriHome mortgage income**
- **Of total earning assets, 51% are variable** with 35% repricing to SOFR and 9% repricing to Prime
- **Variable liabilities represent 82% of total earning assets** and are primarily modeled to changes in Fed Funds
  - Non-Maturity Deposit rates, including ECRs, are estimated to have a 65% beta

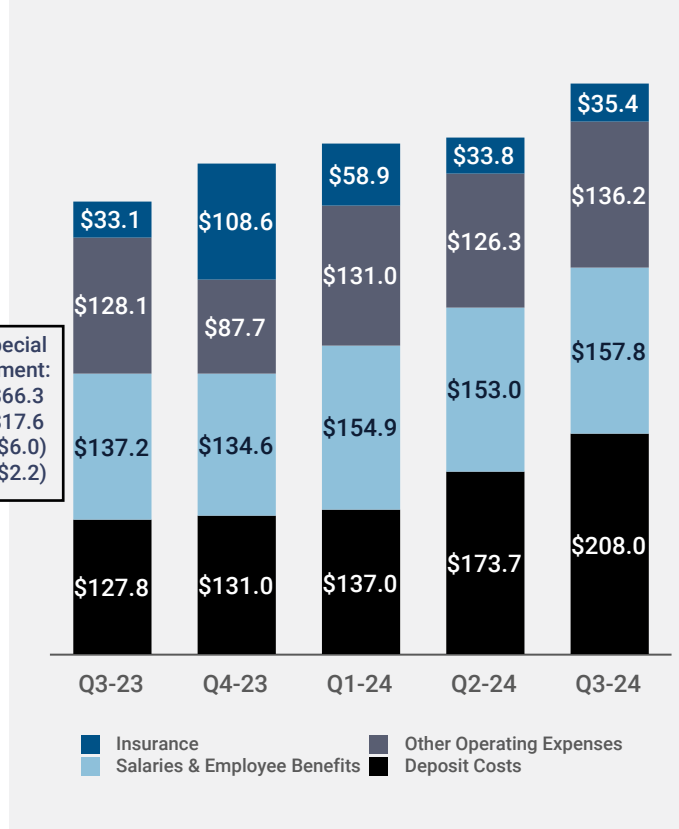
1) Projected using a simulation model that calculates the difference between a baseline forecast using forward yield curves, compared to forecasted results from gradual, parallel increases in rates upward or downward of 100 basis points over a 12-month period. Results include a lagged effect from rate changes.
2) Earnings defined as pre-tax net interest income adjusted for rate-sensitive non-interest income and expense accounts.

Non-Interest Expenses and Efficiency

Non-Interest Expenses and Efficiency Ratio[1]



Breakdown of Non-Interest Expenses



Dollars in millions

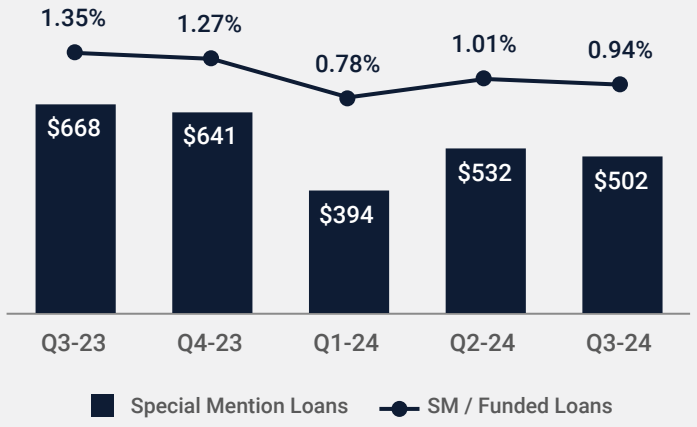
Q3 2024 Highlights

- **Adjusted efficiency ratio[1] (excluding deposit costs) increased 120 bps to 52.7%**, driven primarily by an increase in deposit costs
- Efficiency ratio[1] increased 220 bps to 64.5% and 570 bps from the same period last year
- **Deposit Costs increased $34.3 million to $208.0 million** from higher average ECR-related deposit balances
  - Total ECR-related deposit balances of $26.1 billion in Q3-24
  - Average ECR-related deposits of $27.8 billion in Q3-24 compared to $24.7 billion in Q2-24 and $17.1 billion in Q3-23

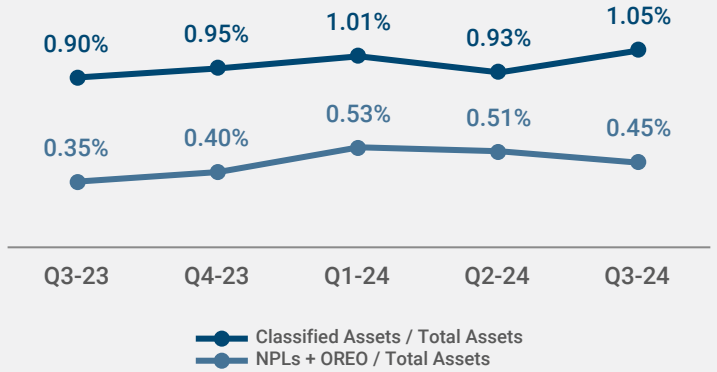
1) Refer to slide 2 for further discussion of non-GAAP financial measures.

Asset Quality

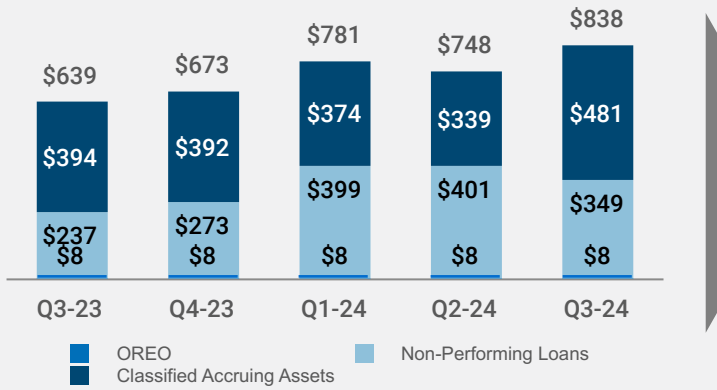
Special Mention Loans



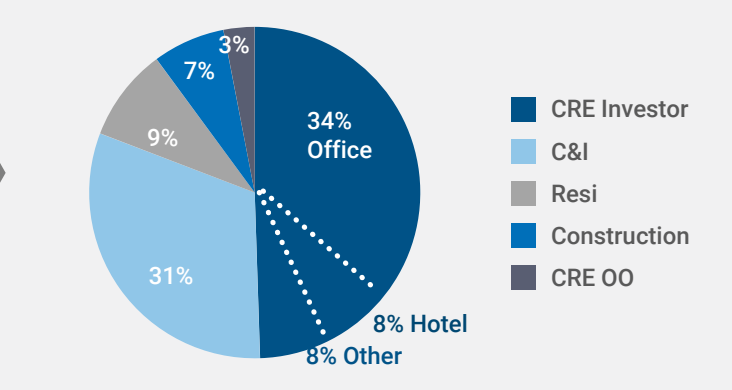
Asset Quality Ratios



Classified Assets



Classified Assets Mix



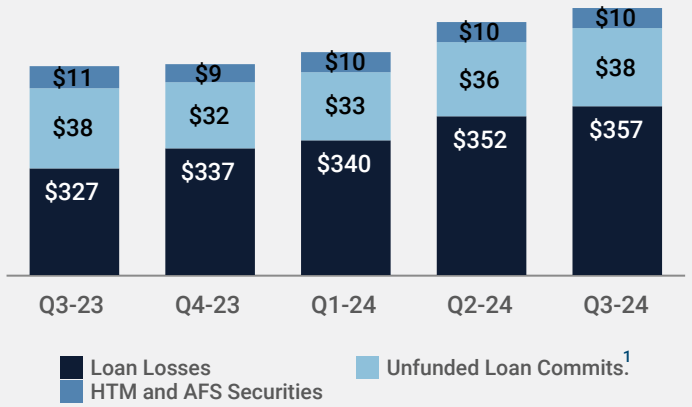
Dollars in millions

Q3 2024 Highlights

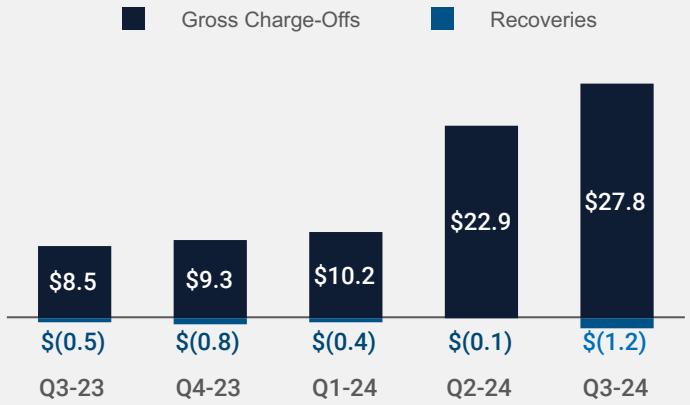
- **Criticized Assets increased $60 million quarterly** to $1.34 billion and **increased $33 million over prior year**
  - Special Mention Loans decreased $30 million to $502 million (94 bps to Funded Loans)
  - Total Classified Assets increased $90 million to $838 million (105 bps to Total Assets)
- **Non-Performing Assets (Non-Performing Loans + OREO) decreased $52 million** to $357 million (45 bps to Total Assets)
- **Over the last 10+ years, only ~1% of Special Mention loans have migrated to loss**

Credit Losses and ACL Ratios

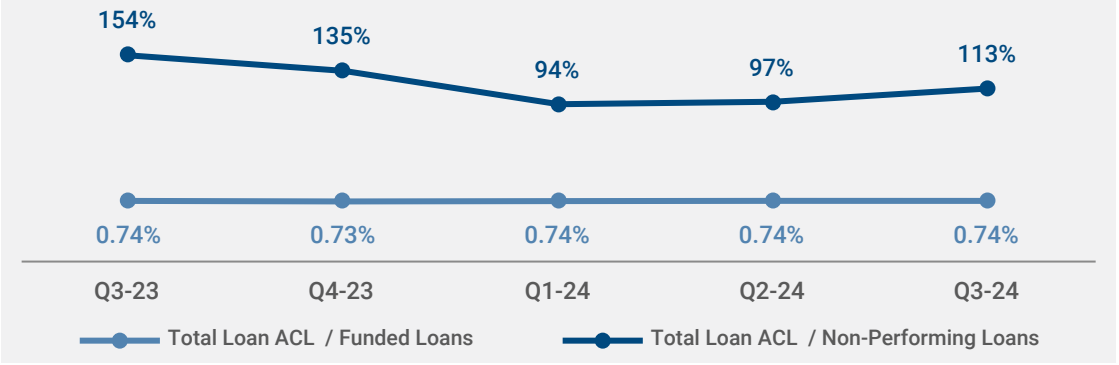
Allowance for Credit Losses



Gross Loan Charge-offs and Recoveries



Loan ACL Adequacy Ratios[2,3]



Dollars in millions

Q3 2024 Highlights

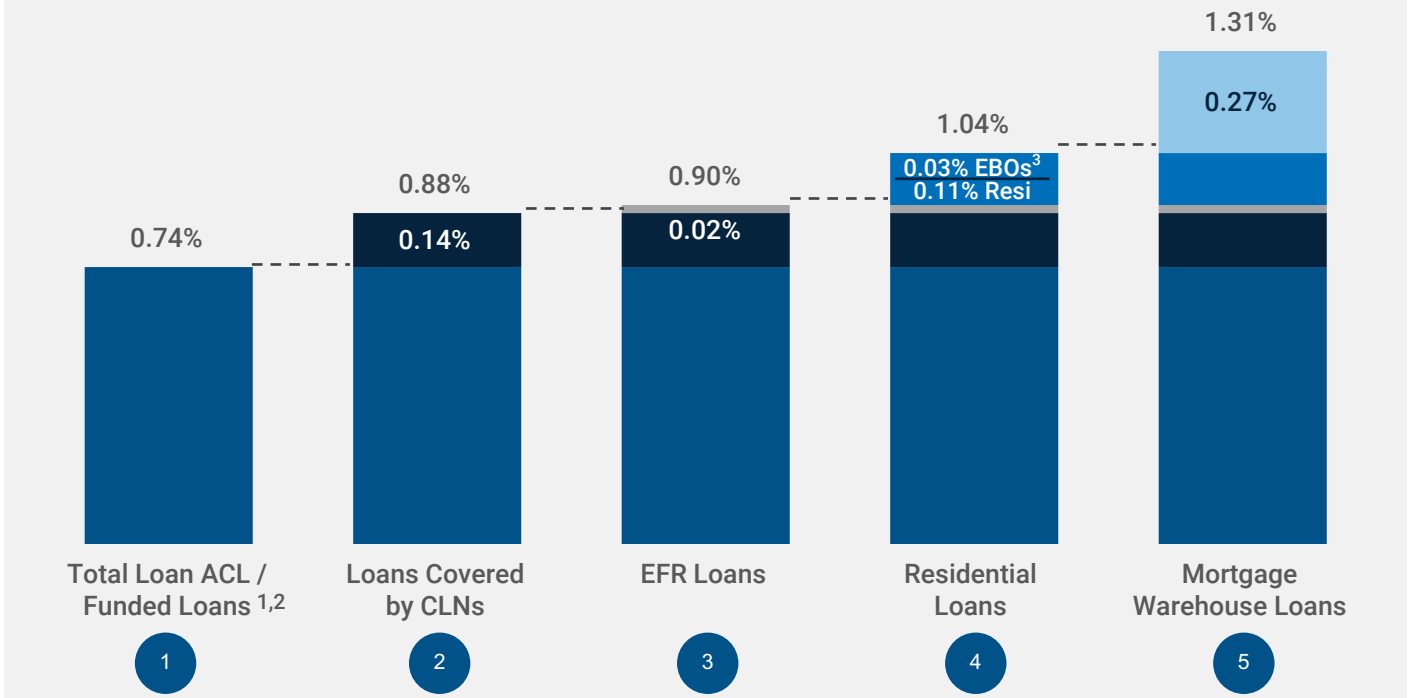
- **Provision Expense of $33.6 million,** primarily reflective of net charge-offs and loan growth
- **Net Loan Charge-Offs of $26.6 million, 20 bps,** compared to $22.8 million, 18 bps, in Q2
- Total Loan ACL / Funded Loans[3] flat at 0.74%
  - **Total Loan ACL / Funded Loans[3] less loans covered by Credit Linked Notes (CLN) is 0.88%**
- **19% of loan portfolio is credit protected,** consisting of government guaranteed, CLN protected[4], and cash secured assets

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 $11.8 million as of September 30, 2024 related to a pool of loans covered under 3 separate credit linked notes.
4) As of September 30, 2024, CLNs cover a substantial portion of Residential ($8.8 billion) loans outstanding.

Key Reserve Level Ratios

Reserve levels enhanced by credit protection and low loss loan categories

Adjusted Total Loan ACL / Funded Loans: Q3-24



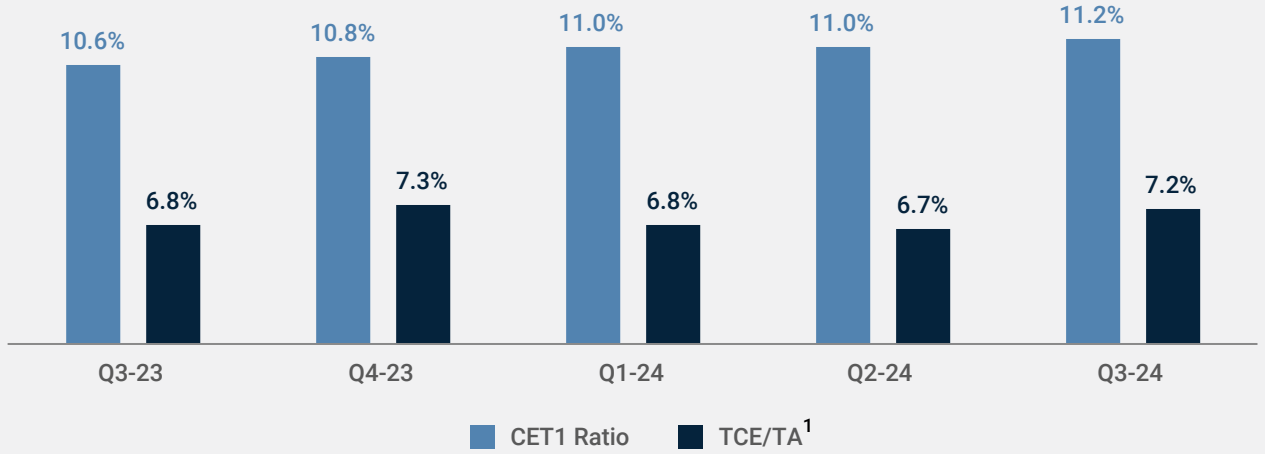
Q3 2024 Highlights

- WAL remains appropriately reserved
- **Total Loan ACL / Funded Loans of 0.74%**
  - CLNs offer credit protection from first losses on covered reference pools in historically low loss loan categories
  - Total Loan ACL / Funded Loans less loans covered by CLNs is 0.88%
  - Total Loan ACL / Funded Loans less loans covered by CLNs and select no-to-low-loss loan categories (EFR, Residential, and Mortgage Warehouse) is 1.31%
    - **>6x historical maximum annual loss rate[4]**
- **Reserves are a multiple of average losses times portfolio duration**
  - Estimated weighted average duration of the loan portfolio is <4 years
  - Adj. total ACL covers >16x historical average annual loss rate[4] x duration

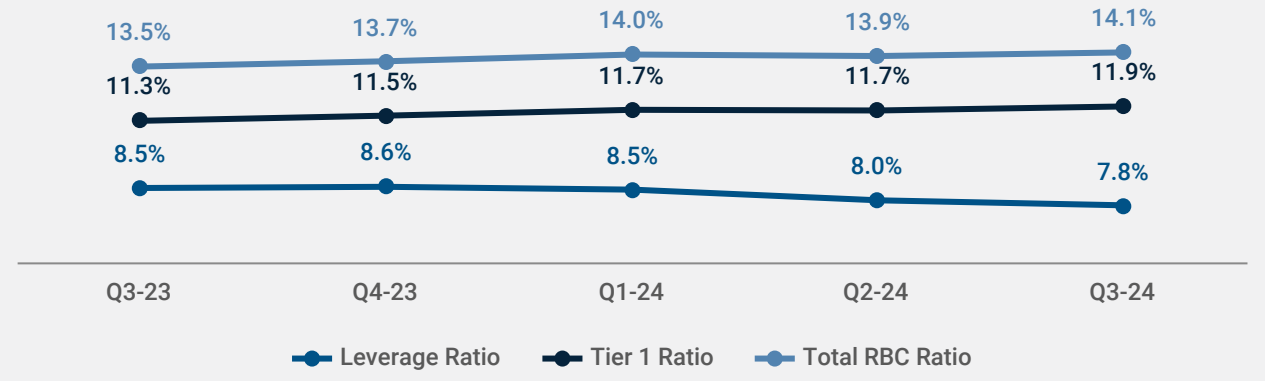
1) Total Loan ACL includes allowance for unfunded commitments.
2) Ratio includes an allowance for credit losses of $11.8 million as of September 30, 2024 related to a pool of loans covered under 3 separate credit linked notes.
3) Early Buyout Loans are government guaranteed.
4) Loss rates are based on the period from Q1-14 to Q3-24.

Capital Accumulation

Common Capital Levels



Regulatory Capital Levels



Q3 2024 Highlights

Regulatory Capital Levels

- Continue to exceed "well-capitalized" levels with CET1 of 11.2%

Tangible Common Equity / Tangible Assets[1]

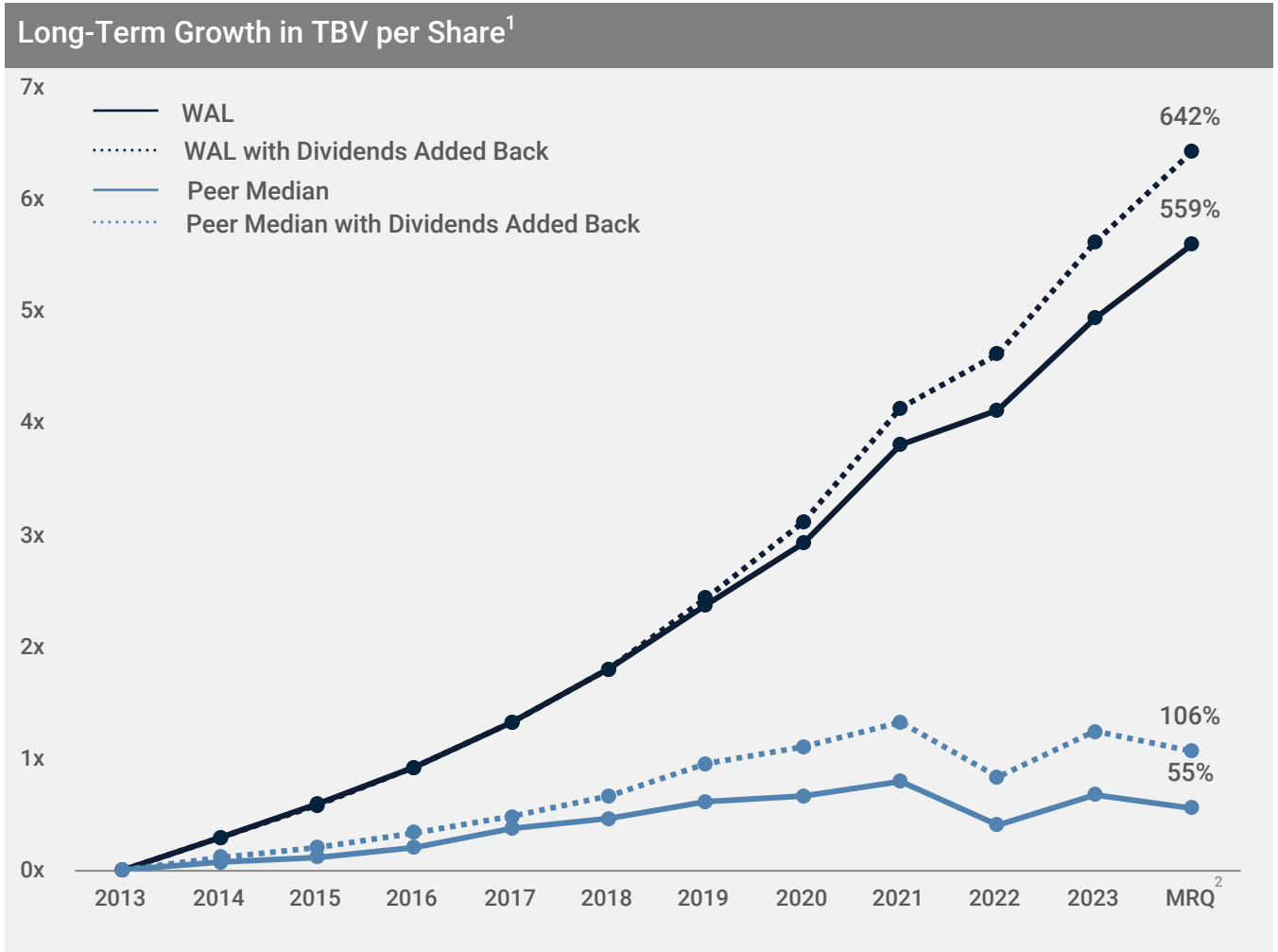
- TCE / TA increased 50 bps to 7.2% due to AOCI recovery

Capital Accretion

- CET1 increase quarter-over-quarter reflects continued organic capital generation

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

Tangible Book Value Growth



Q3 2024 Highlights

Tangible Book Value per Share[1]

- TBVPS increased $3.19 to $51.98 from organic earnings
  - Increased 6.5% quarter-over-quarter, non-annualized
  - Increased 19.1% year-over-year
  - **19.2% CAGR since year end 2013**
- TBVPS has increased **more than 10x that of peers**
  - Quarterly common stock cash dividend of $0.37 per share

1) Refer to slide 2 for further discussion of non-GAAP financial measures.
2) MRQ is Q3-24 for WAL and Q2-24 for peers.
Note: Peers consist of the 20 major exchange-traded US banks with total assets between $50 and $250 billion as of June 30, 2024.
S&P Global Market Intelligence.

Management Outlook

	Baseline	FY2024 Outlook	Q4 2024 QoQ Outlook	Commentary
Balance Sheet Growth	Loans (HFI): $50.3 bn Deposits: $55.3 bn (YE 2023)	L (HFI): +$4.5 bn D: +$11.0 bn	L (HFI): +$1.25 bn D: $(2.0) bn	• Q4 seasonal decline in property tax & insurance escrows for Mortgage Warehouse clients
Capital (CET1)	10.8% (YE 2023)	>11.0%	>11.0%	• Incremental capital build above 11.0% as loan growth continues
Net Interest Income	$2.37 bn (Q4 2023 Ann.)	Up 10% - 11%	Down ~3%	• ECR deposit cost reductions will outpace expected QoQ NII decline in Q4-24
Non-interest Income (Ex.) [1]	$397 mm (FY 2023)	Up 27% - 29%	Up 8% - 12%	• Growing commercial banking fees • Firming Mortgage Banking income
Non-interest Expense (Ex.) [2]	$1.74 bn (Q4 2023 Ann.)	Up 14% - 16%	Down 5% - 9%	• Expect ~25% QoQ reduction in ECR-related deposit costs in Q4-24
Net Charge-Offs	6 bps (FY 2023)	15 bps - 20 bps	Stable to Q3 2024	• Remains in-line with expectations
Effective Tax Rate	23% (FY 2023)	20% - 22%	20% - 22%	

1) Baseline Non-Interest Income excludes $116 million of FV adjustments.

2) Q4 2023 Annualized excludes: Gain on Debt Extinguishment of $39.3 million and FDIC Special Assessment of $66.3 million.

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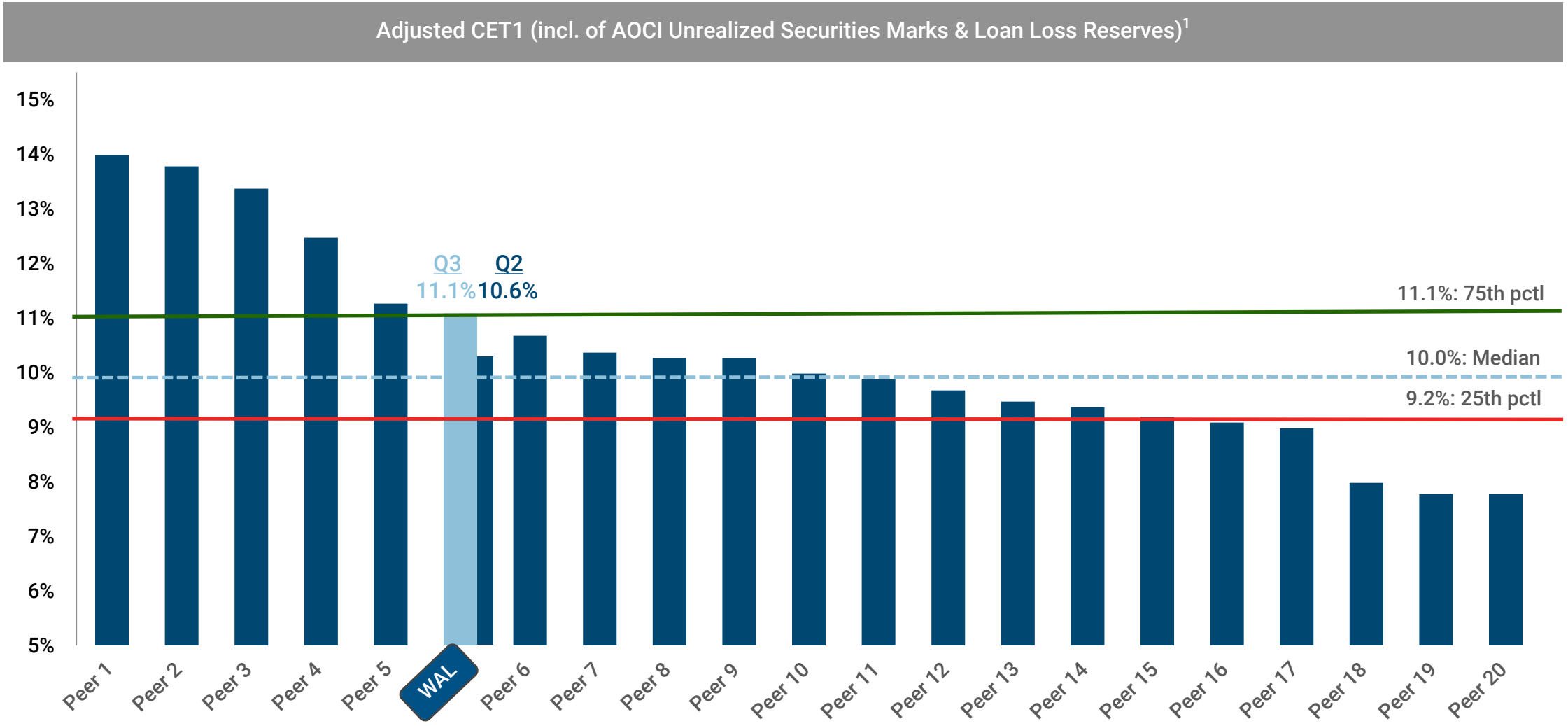
Questions & Answers

Western Alliance Bancorporation®

Appendix

Fortified Adjusted Capital

CET1 capital adjusted for AOCI securities marks & reserves remains solidly above peer median levels



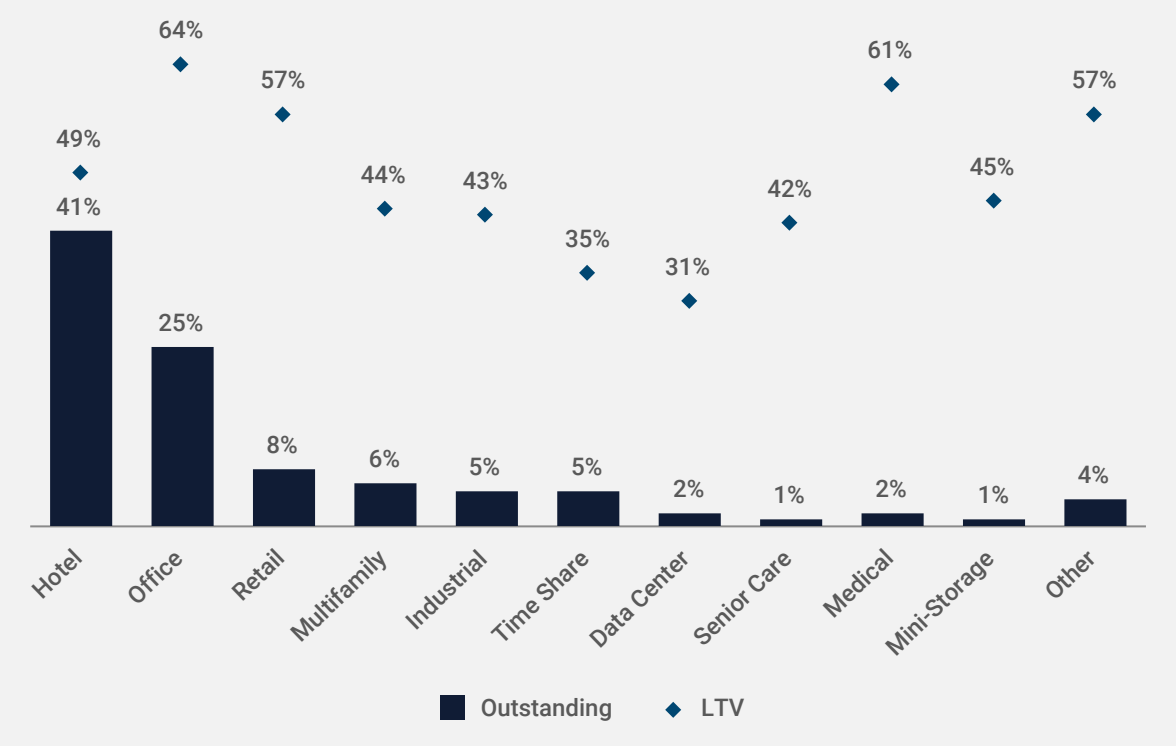
Source: S&P Global Market Intelligence. Peers consist of the 20 major exchange-traded US banks with total assets between $50 and $250 billion as of June 30, 2024.

1) As of Q2-24 for peers and Q3-24 for WAL.

Commercial Real Estate Investor Statistics

$9.8 billion; 18% of Total Loans

CRE Investor Portfolio (At Origination or Most Recent Appraisal)



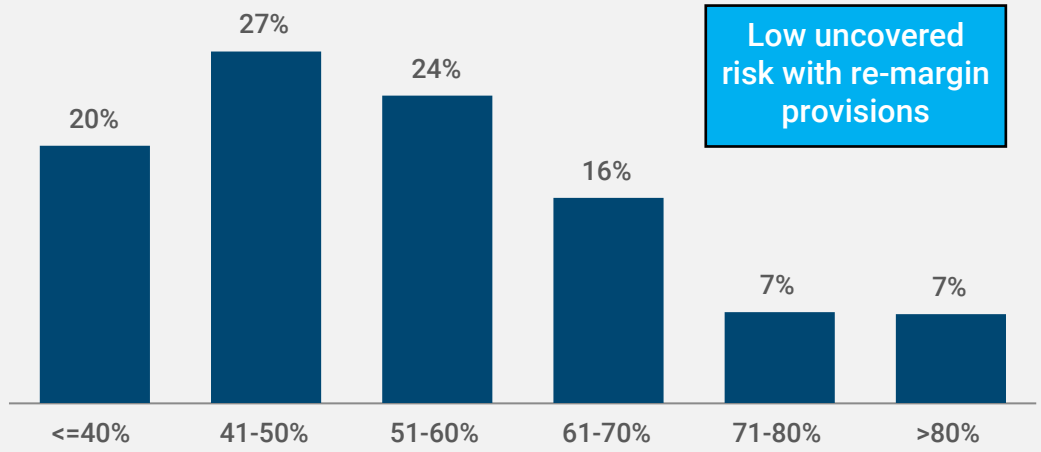
Limited Multi-Family Exposure

- **Only $575 million of Multi-Family,** concentrated in western regional markets
- **No exposure to NYC area Multi-Family**

Underwriting Criteria and Mitigating Factors

- **Low LTV & LTC (50% to low 60%)** range underwriting in areas minimizes tail risk
- **Simple capital structure -** no junior liens or mezzanine debt permitted within our structures
- Majority of CRE Investor (bulk of total CRE) is located in our **core footprint states**
- **Early elevation**, proactive and comprehensive review of CRE portfolio and re-margin discussions with sponsors where sweep/re-margin provisions have been triggered

Distribution by LTV

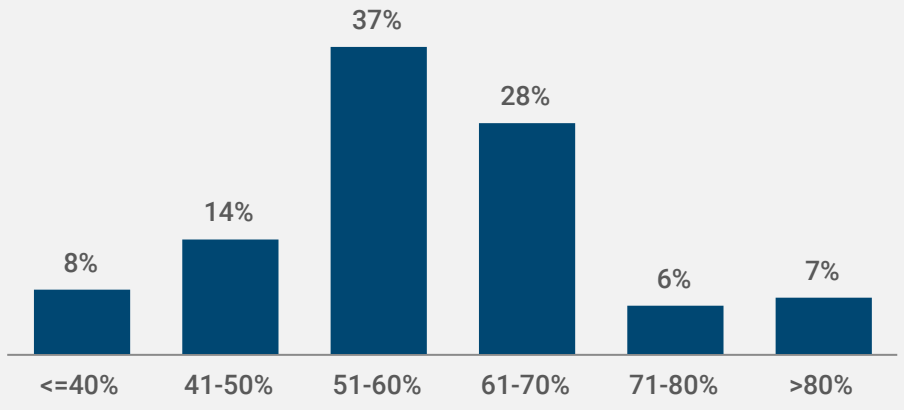


Note: LTV data assumes all loans are fully funded; based on most recent appraisals or appraisals at origination and utilizing, in most cases, "as stabilized" values for income producing properties.

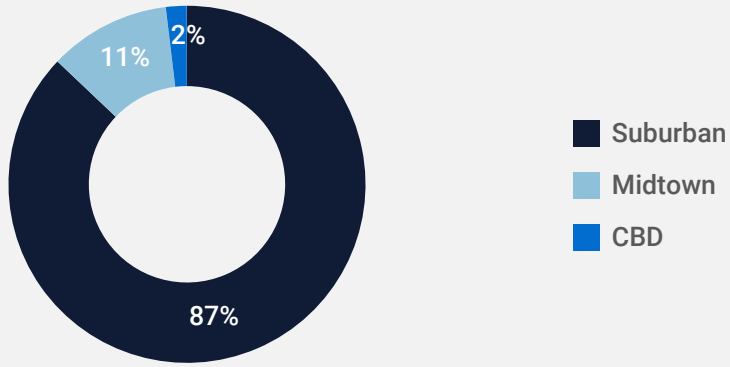
Commercial Real Estate Investor: Office

$2.4 Billion; 24% of Total CRE Investor; 5% of Total Loans

Distribution by LTV (At Origination or Most Recent Appraisal)



Key MSA Exposures



Underwriting Criteria and Mitigating Factors

- Primarily **shorter-term bridge loans for repositioning or redevelopment projects**
- **Strong sponsorship** from institutional equity and large regional and national developers
  - All direct relationships generated by WAL
  - Significant up-front cash equity required from sponsors
- **Conservative loan-to-cost underwriting**
  - Average LTV < 55%; Average LTC ~62%
  - No junior debt / mezzanine
- **Largely suburban exposure** in "Work From Home" MSAs
  - 2% in CBD, 10% in Midtown and **87% in Suburban MSAs**
- **Focused on B+ properties** accompanied by attractive amenities or those in core locations with appropriate business plans to reposition
  - Class A: 62%, Class B: 35%, Class C: 3%
  - 93% of Class B & C exposures have LTVs < 70%
- **Limited near-term maturity risk**
  - 7% to mature in 2024, 41% to mature in 2025 and 52% to mature in 2026+

Note: LTV data assumes all loans are fully funded; based on most recent appraisals or, in most cases, appraisals at origination and utilizing "as stabilized" values for income producing properties.