Western Alliance Bancorporation

Earnings Call
1st Quarter 2017

April 21, 2017

Alliance Bank of Arizona | Bank of Nevada | BridgeBank | First Independent Bank | Torrey Pines Bank | Alliance Association Bank

Financial Highlights

Q1 2017 Highlights

- Net income of $73.4 million and earnings per share of $0.70, compared to $69.8 million and $0.67 per share for Q4 2016, and $61.3 million and $0.60 per share for Q1 2016
- Net interest margin of 4.63%, compared to 4.57% in Q4 2016, and 4.58% in Q1 2016
- Operating efficiency ratio of 44.4%, compared to 42.4% in Q4 2016, and 45.6% in Q1 2016
- Total loans of $13.66 billion, up $454 million from prior quarter and total deposits of $15.36 billion, up $806 million from prior quarter
- Nonperforming assets (nonaccrual loans and repossessed assets) decreased to 0.44% of total assets, from 0.51% at December 31, 2016
- Net loan charge-offs (recoveries) to average loans outstanding of 0.04%, compared to (0.03)% in Q4 2016 and 0.08% in Q1 2016
- Tangible common equity ratio of 9.4% and tangible book value per share, net of tax, of $15.86, compared to 9.4% and $15.17, respectively, at December 31, 2016

Quarterly Consolidated Financial Results

$ in millions, except EPS

	Q1-17	Q4-16	Q1-16
Net Interest Income	$ 179.3	$ 175.3	$ 145.7
Operating Non-Interest Income	9.9	10.5	12.1
Net Operating Revenue	**$ 189.2**	**$ 185.8**	**$ 157.8**
Operating Non-Interest Expense	(88.3)	(82.7)	(75.8)
Operating Pre-Provision Net Revenue	**$ 100.9**	**$ 103.1**	**$ 82.1**
Provision for Credit Losses	(4.3)	(1.0)	(2.5)
Gains on OREO and Other Assets	0.5	—	0.3
Acquisition / Restructure Expense	—	(6.0)	—
Other	0.7	0.1	1.0
Pre-tax Income	**$ 97.8**	**$ 96.2**	**$ 80.9**
Income Tax	(24.5)	(26.4)	(19.5)
Net Income Available to Common	**$ 73.4**	**$ 69.8**	**$ 61.3**
Average Diluted Shares Outstanding	**104.8**	**104.8**	**102.5**
Earnings Per Share	**$ 0.70**	**$ 0.67**	**$ 0.60**

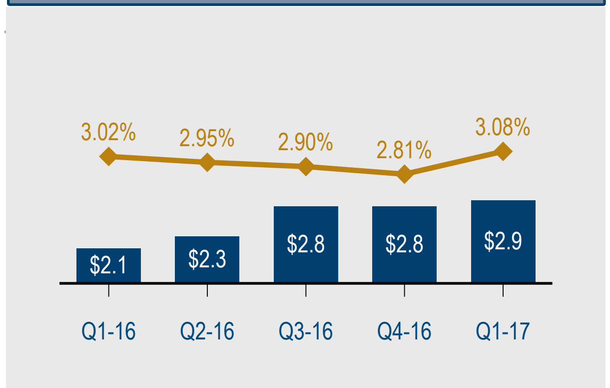
Q1 2017 Highlights

- Net Interest Income increased primarily as a result of higher yields on loans and securities from rising interest rates
- Operating Non-Interest Expense increased due to higher professional fees and compensation costs to support continued growth and also reflects seasonal compensation costs
- Provision for Credit Losses increased as a result of significant loan growth
- Income Tax decreased primarily as a result of cyclical excess tax benefits on share-based payment awards

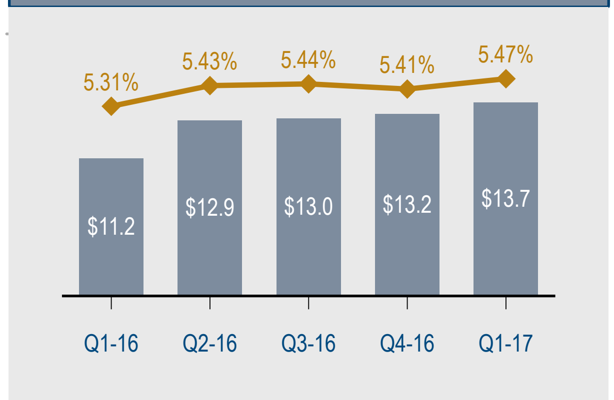
Net Interest Drivers

$ in billions, unless otherwise indicated

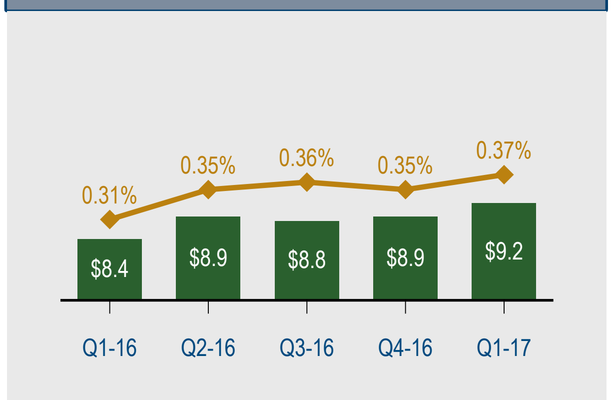
Total Investments and Yield



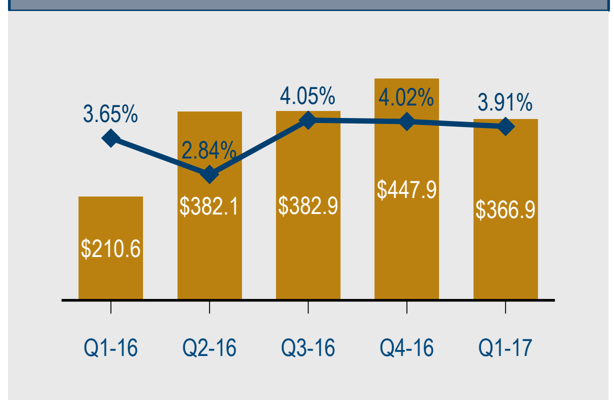
Loans and Yield



Interest Bearing Deposits and Cost of Funds



Borrowings and Cost of Borrowings



Q1 2017 Highlights

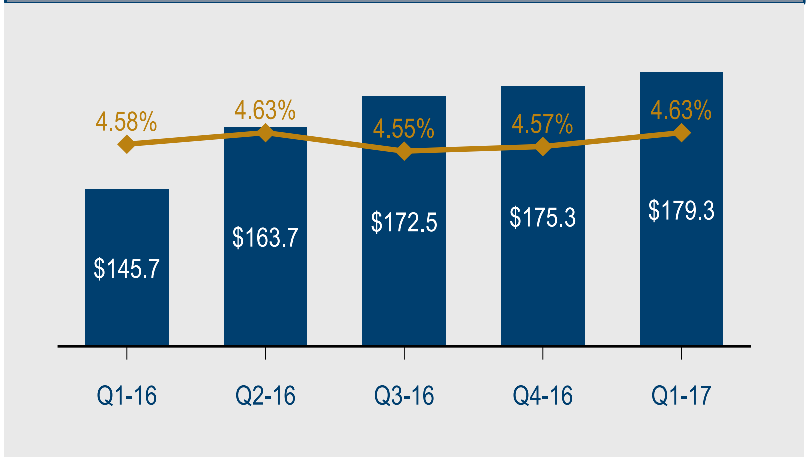
- Loan yield increased due to higher yields on C&I and CRE loans, reflecting an increase in accretion on acquired loans and rising interest rates
- Cost of funds increased two basis points due to volume and rate mix across all interest-bearing deposit categories
- Cost of funds for total deposits, including non-interest bearing deposits, increased two basis points to 0.23%

Investments
Loans
Interest Bearing Deposits
Borrowings

Net Interest Income and Accretion

$ in millions

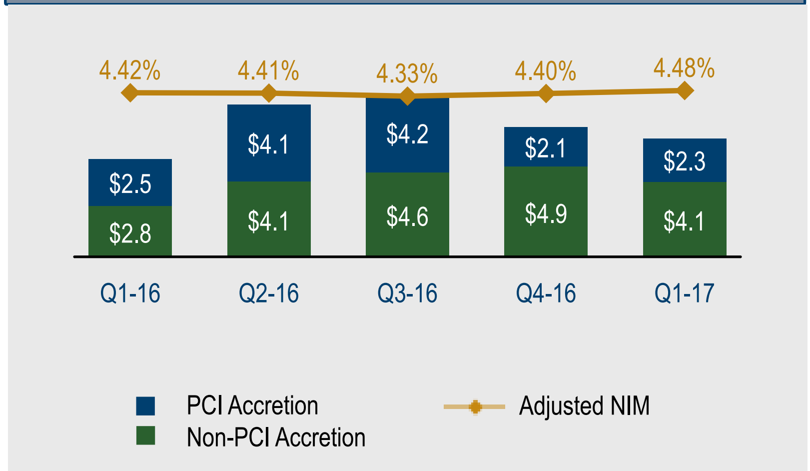
Net Interest Income and NIM



Q1 2017 Highlights

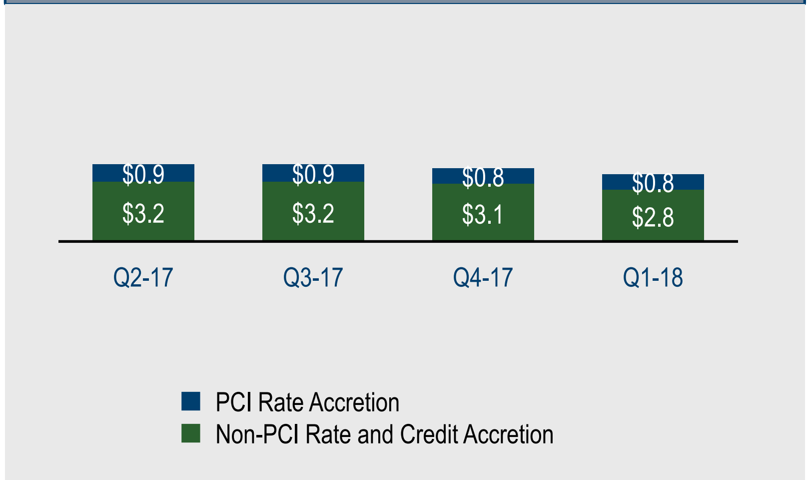
- NIM increased 6 basis points to 4.63% quarter-over-quarter as a result of rising interest rates and non-interest bearing DDA growth
- Adjusted NIM for acquired loan accretion was 4.48% for the quarter, an increase of 8 basis points from the prior quarter and is in line with the increase in NIM explained above

Acquired Loan Accretion and Adjusted NIM



Ending rate and credit marks on all acquired loans at 3/31/2017 is $65 million

Scheduled Acquisition Loan Accretion *

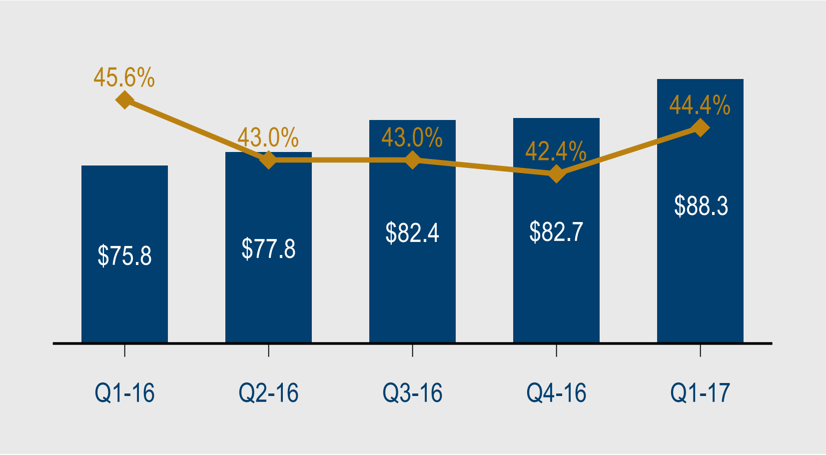


* Amounts do not include early loan payoffs

Operating Expenses and Efficiency

$ in millions

Operating Expenses and Efficiency Ratio



Breakdown of Operating Expenses

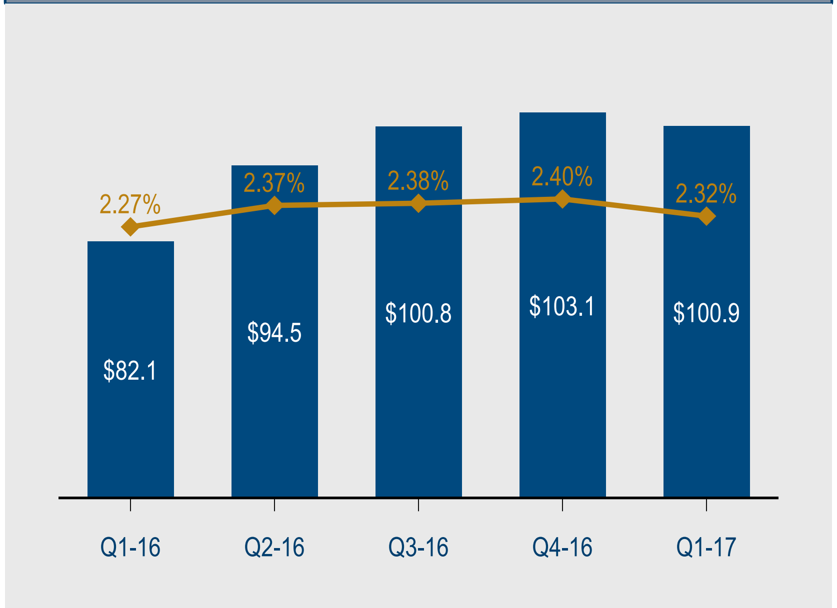
Q1 2017 Highlights

- The operating efficiency ratio increased from 42.4% in Q4 2016 to 44.4% due to higher professional and compensation costs to support continued growth and also reflects seasonal compensation costs in Q1 2017
- The operating efficiency ratio decreased from 45.6% in Q1 2016 to 44.4% as revenue growth outpaced expense growth

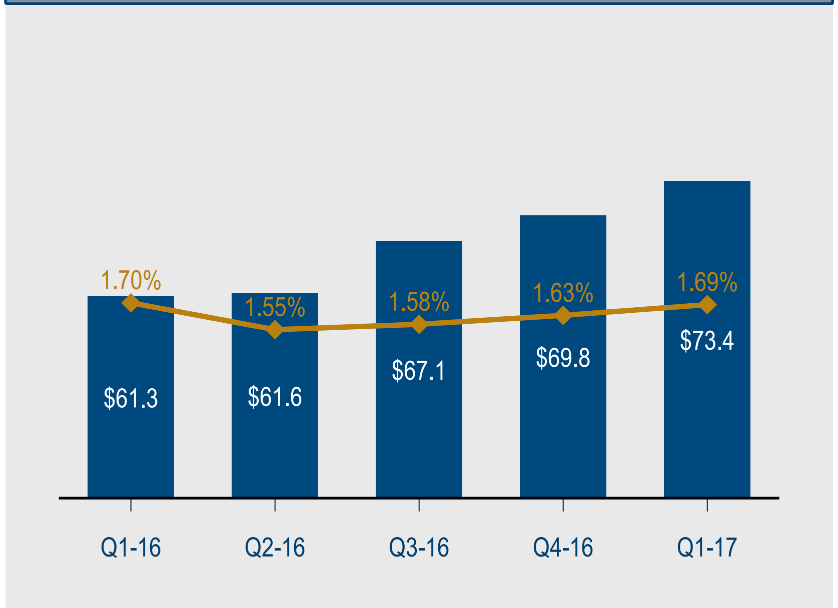
Operating Pre-Provision Net Revenue, Net Income, and ROA

$ in millions

Operating Pre-Provision Net Revenue and Operating PPNR ROA



Net Income and ROA



Consolidated Balance Sheet

$ in millions

	Q1-17	Q4-16	Q1-16
Investments & Cash	$ 3,516	$ 3,052	$ 3,131
Loans	13,663	13,209	11,241
Allowance for Credit Losses	(128)	(125)	(119)
Other Assets	1,072	1,065	995
Total Assets	**$ 18,123**	**$ 17,201**	**$ 15,248**
Deposits	$ 15,356	$ 14,550	$ 13,082
Borrowings	403	489	247
Other Liabilities	395	270	259
Total Liabilities	**$ 16,154**	**$ 15,309**	**$ 13,588**
Shareholders' Equity	1,969	1,892	1,660
Total Liabilities and Equity	**$ 18,123**	**$ 17,201**	**$ 15,248**
Tangible Book Value Per Share	**$ 15.86**	**$ 15.17**	**$ 13.16**

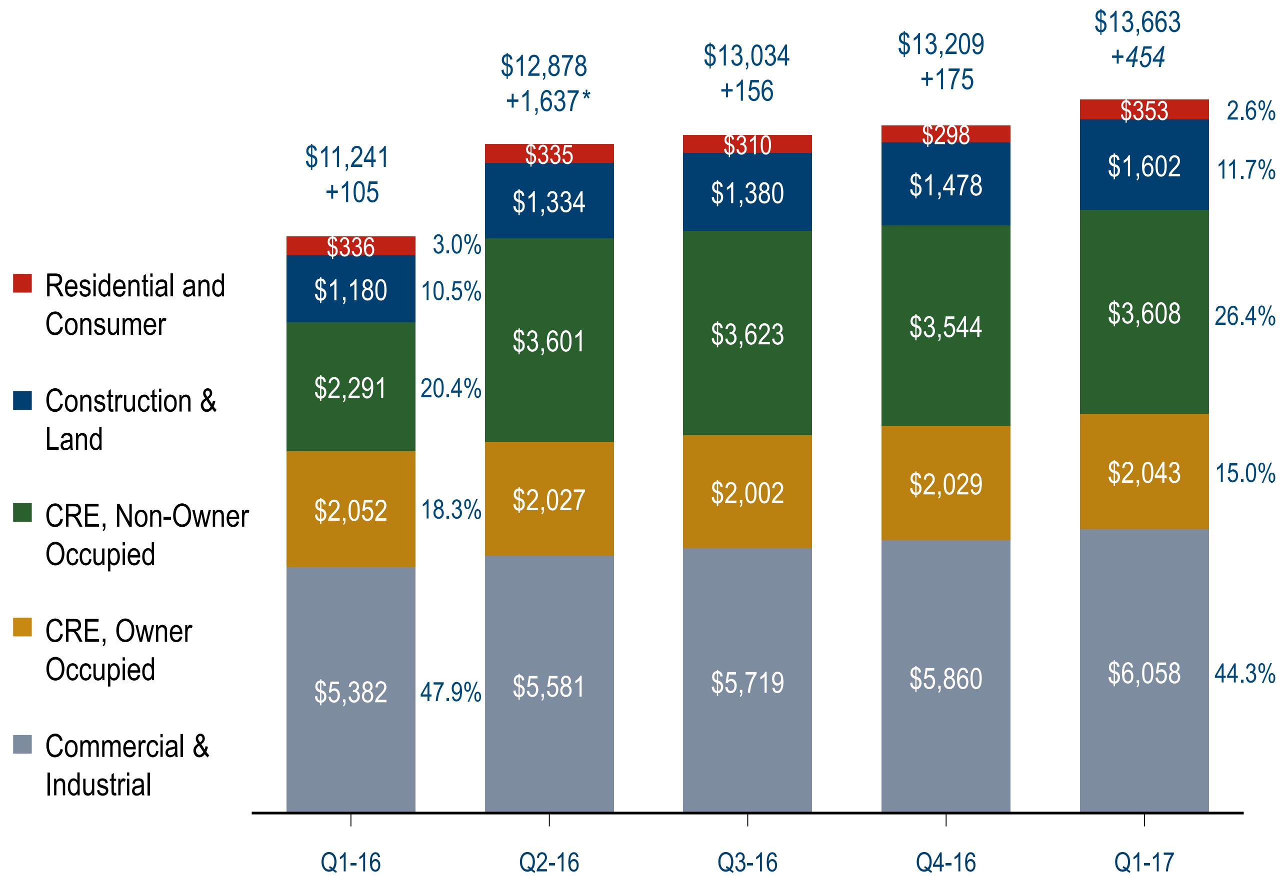
Q1 2017 Highlights

- Loans increased 3.4% over prior quarter and 21.6% over prior year
- Deposits increased 5.5% over prior quarter and 17.4% over prior year
- Loan to Deposit Ratio of 89.0%, compared to 90.8% in prior quarter and 85.9% in prior year
- Shareholders' Equity increased primarily as a function of Net Income
- Tangible Book Value/Share increased 4.5% over prior quarter and 20.5% over prior year

Loan Growth and Portfolio Composition

$ in millions

$2.42 Billion Year Over Year Growth



* Increase in loans includes $1.28 billion from the acquisition of GE's hotel franchise finance loan portfolio on April 20, 2016.

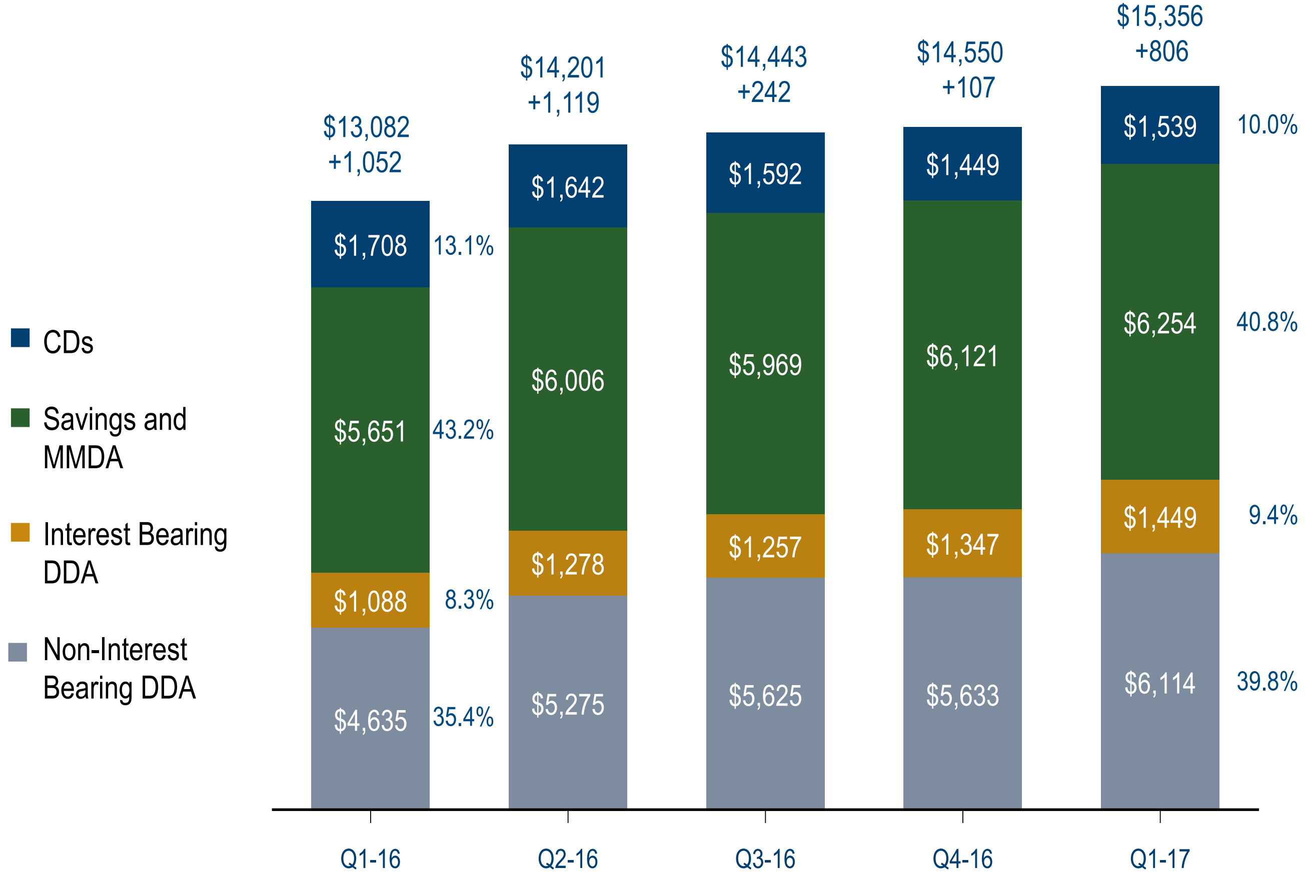
Q1 2017 Highlights

- Quarter-over-quarter loan growth driven by:
  - C&I $198 million
  - Construction & Land $124 million
  - Residential $55 million
- Year-over-year loan growth driven by:
  - CRE, Non-OO $1.32 billion*
  - C&I $676 million

Deposit Growth and Composition

$ in millions

$2.27 Billion Year Over Year Growth

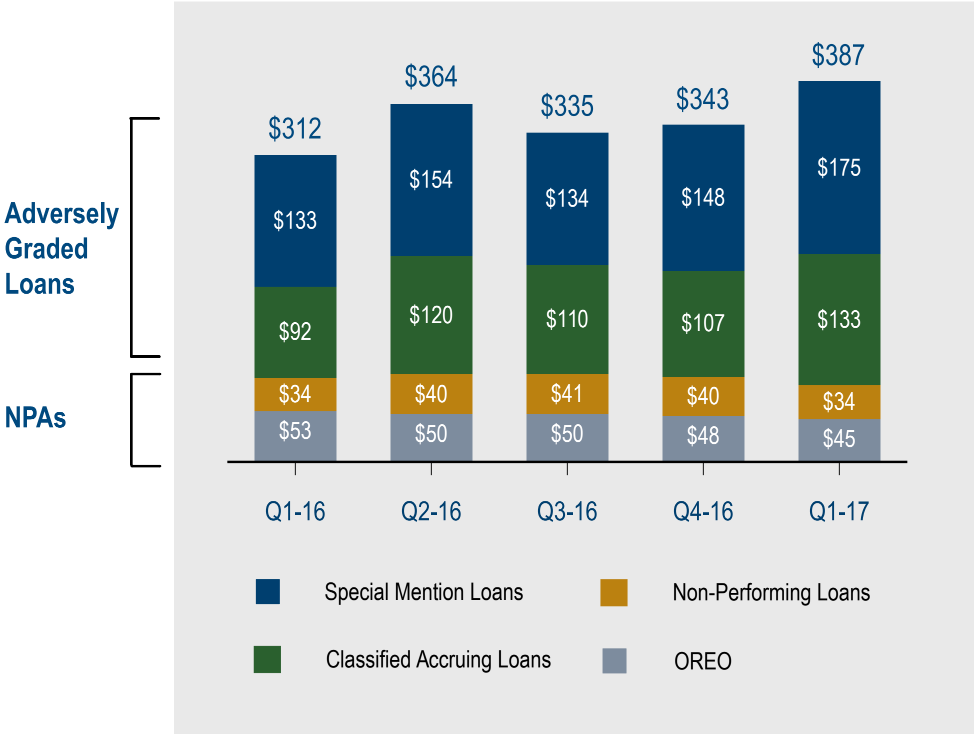


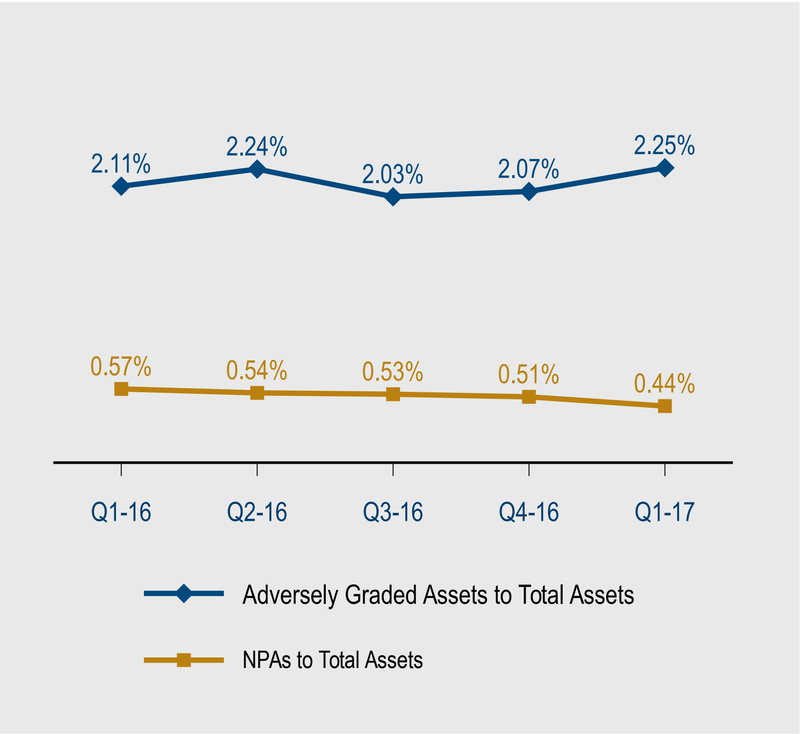
Q1 2017 Highlights

- Quarter-over-quarter deposit growth across all deposit types:
  - Non-interest bearing DDA of $481 million
  - Savings and MMDA of $133 million
  - Interest Bearing DDA of $102 million
  - CDs of $90 million
- Year-over-year deposit growth driven by:
  - Non-interest bearing DDA growth of $1.48 billion
  - Savings and MMDA growth of $603 million
  - Offset by CDs decrease of $169 million

Adversely Graded Loans and Non-Performing Assets *

$ in millions





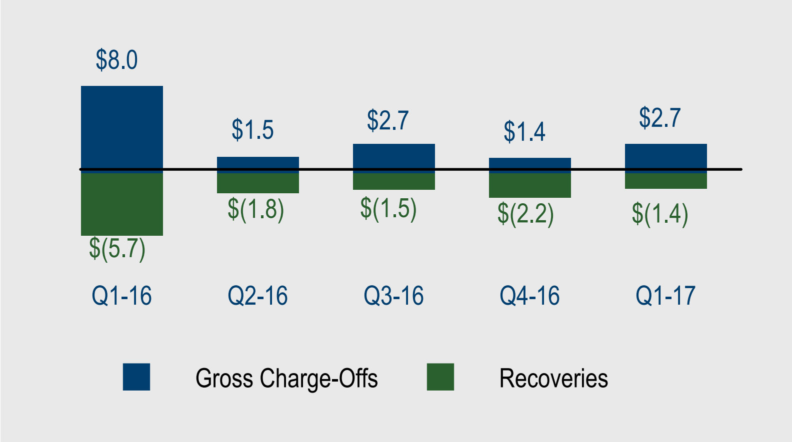
Accruing TDRs total $49 million as of 3/31/2017

* Amounts are net of total PCI credit and interest rate discounts of $26 million as of 3/31/2017

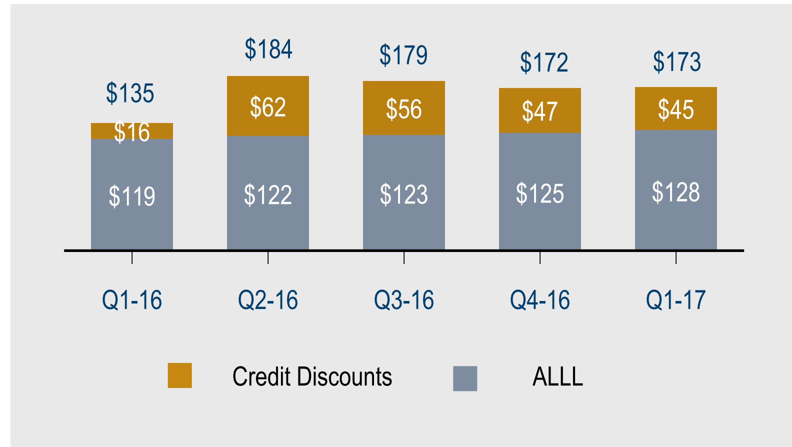
Charge-Offs, Recoveries, ALLL, and Provision

$ in millions

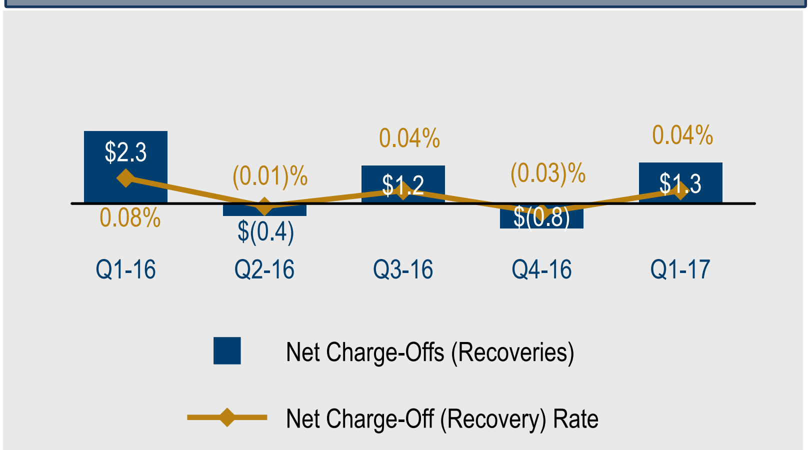
Gross Charge-Offs and Recoveries



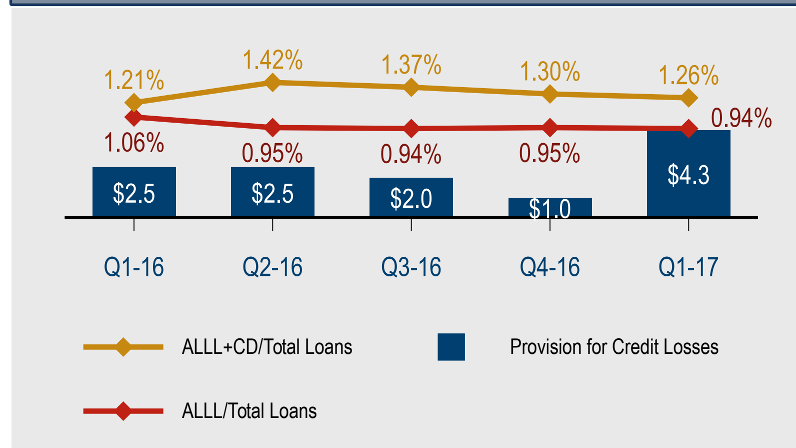
ALLL and Credit Discounts



Net Recoveries / Charge-Offs and Rate

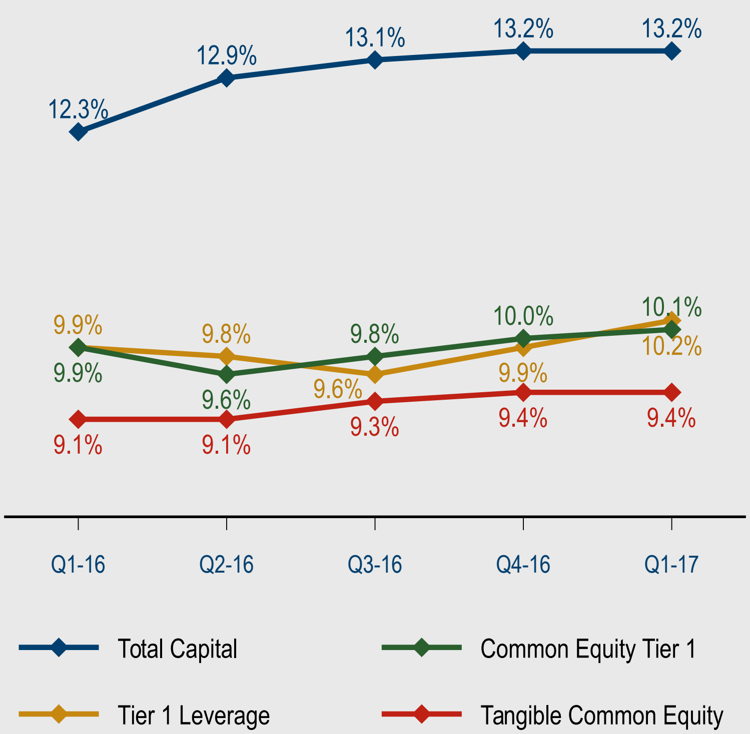


Provision for Credit Losses and ALL Ratios

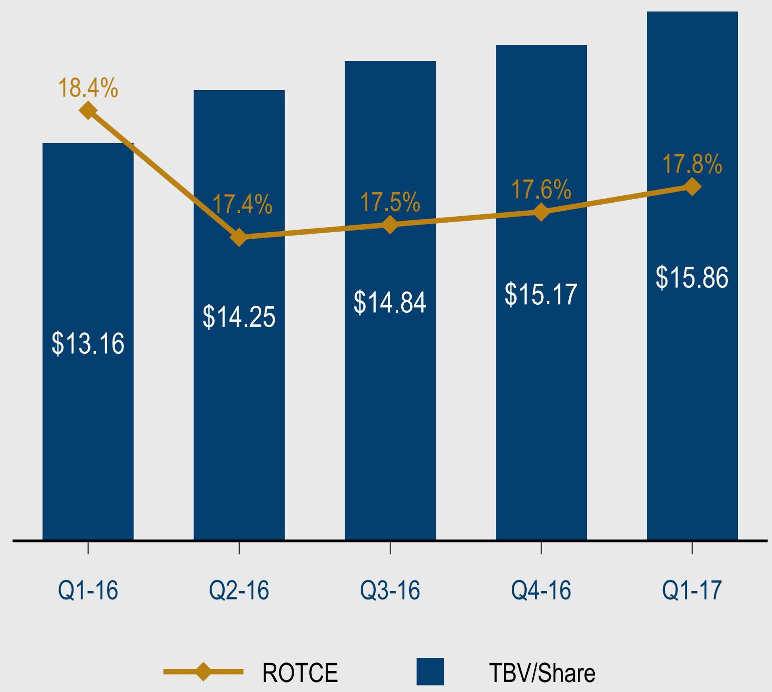


Capital

Capital Ratios



ROTCE and TBV/Share



Outlook 2nd Quarter 2017

- Loan and Deposit Growth
- Interest Margin
- Operating Efficiency
- Asset Quality

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, and future economic performance, including our recent domestic select-service hotel franchise finance loan portfolio acquisition. 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, 2016 as filed with the Securities and Exchange Commission; 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; 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.

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