EARNINGS CALL

2nd QUARTER 2019

July 19, 2019

2nd Quarter 2019 | Financial Highlights

Earnings

- **Record net income** of $122.9 million increased 17.4% from $104.7 million a year ago
  - Earnings per share growth of 20.2% to $1.19 from $0.99 per share

Balance Sheet Growth

- Total loans of $19.3 billion, up $1.1 billion from prior quarter, or 25.0% annualized growth
- Total deposits of $21.4 billion, up $1.2 billion from prior quarter, or 24.4% annualized growth
  - Non-interest bearing deposits grew $998 million bringing non-interest bearing deposits to over 40% of total deposits

Profitability

- Net interest margin[1] of 4.59%, a decrease from 4.71% in the prior quarter
- Net interest income of $254.7 million increased 13.6% from $224.1 million a year ago
- Operating efficiency ratio[2] of 42.0%, an improvement from 42.4% for Q1 2019, and from 42.1% for Q2 2018
- Quarterly ROTCE and ROA of 19.72% and 2.05%, respectively

Strong Asset Quality

- Nonperforming assets[3] to total assets of 0.27%, compared to 0.26% for Q1 2019
- Net loan charge-offs[1] to average loans of 0.03%, consistent with Q1 2019, and a decrease from 0.07% in Q2 2018

Capital Allocation

- Tangible common equity ratio[2] of 10.2% and tangible book value per share, net of tax, of $24.65, compared to 10.3% and $23.20, respectively, at Q1 2019
- **Share repurchases** of 792,688, at a weighted average price of $42.82, for a total of $33.9 million
- **Cash dividend** of $0.25 per share approved by the Board, to be initiated in Q3 2019

1 Beginning in Q1 2019, annualized performance metrics are calculated on an actual/actual basis, from a previous 30/360 basis. Prior period amounts have been restated to conform to the current presentation.
2 Refer to slide 17 for further discussion of Non-GAAP financial measures.
3 Nonperforming assets includes nonaccrual loans and repossessed assets.

Quarterly Consolidated Financial Results

$ in millions, except EPS

	Q2-19	Q1-19	Q2-18
Interest Income	$ 302.8	$ 291.2	$ 251.6
Interest Expense	(48.2)	(43.8)	(27.5)
Net Interest Income	**$ 254.7**	**$ 247.3**	**$ 224.1**
Provision for Credit Losses	(7.0)	(3.5)	(5.0)
Net Interest Income after Provision for Credit Losses	**$ 247.7**	**$ 243.8**	**$ 219.1**
Non-Interest Income	14.2	15.4	13.4
Salaries and Employee Benefits	(65.8)	(68.6)	(61.8)
Deposit Costs	(7.7)	(5.7)	(4.1)
Other Non-Interest Expense	(40.8)	(38.6)	(36.6)
Non-Interest Expense	(114.2)	(112.9)	(102.5)
Income before Income Taxes	**$ 147.7**	**$ 146.3**	**$ 130.0**
Income Tax	(24.8)	(25.5)	(25.3)
Net Income	**$ 122.9**	**$ 120.8**	**$ 104.7**
Diluted Shares	**103.5**	**104.5**	**105.4**
Earnings Per Share	**$ 1.19**	**$ 1.16**	**$ 0.99**
Return on Tangible Common Equity	**19.72%**	**20.49%**	**20.60%**

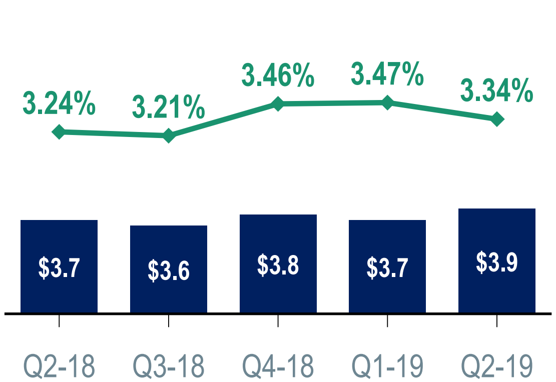
Q2 2019 Highlights

- Net Interest Income increased $7.3 million primarily as a result of loan growth outweighing reduced loan yields, partially offset by higher rates on deposits
- Provision for Credit Losses increased $3.5 million due to strong loan growth
- Salaries and Employee Benefits decreased $2.8 million due to high seasonal compensation costs in Q1-2019
- Diluted Shares decreased as a result of opportunistic share repurchases

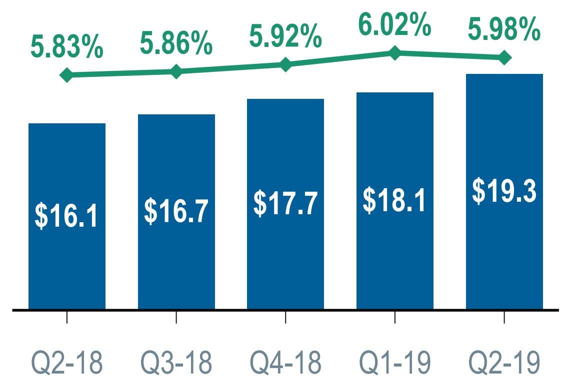
Net Interest Drivers[1]

$ in billions, unless otherwise indicated

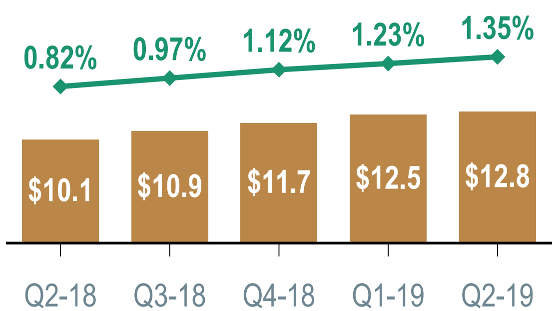
Total Investments and Yield



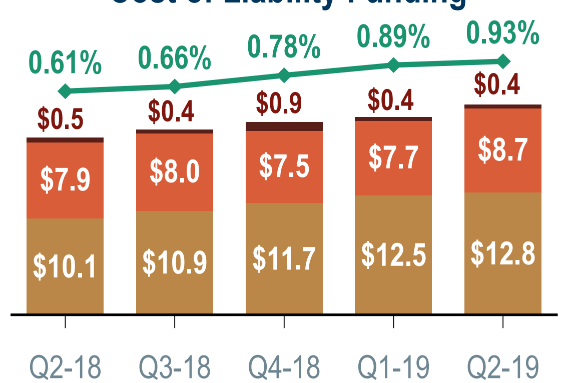
Loans and Yield



Interest Bearing Deposits and Cost



Deposits, Borrowings, and Cost of Liability Funding



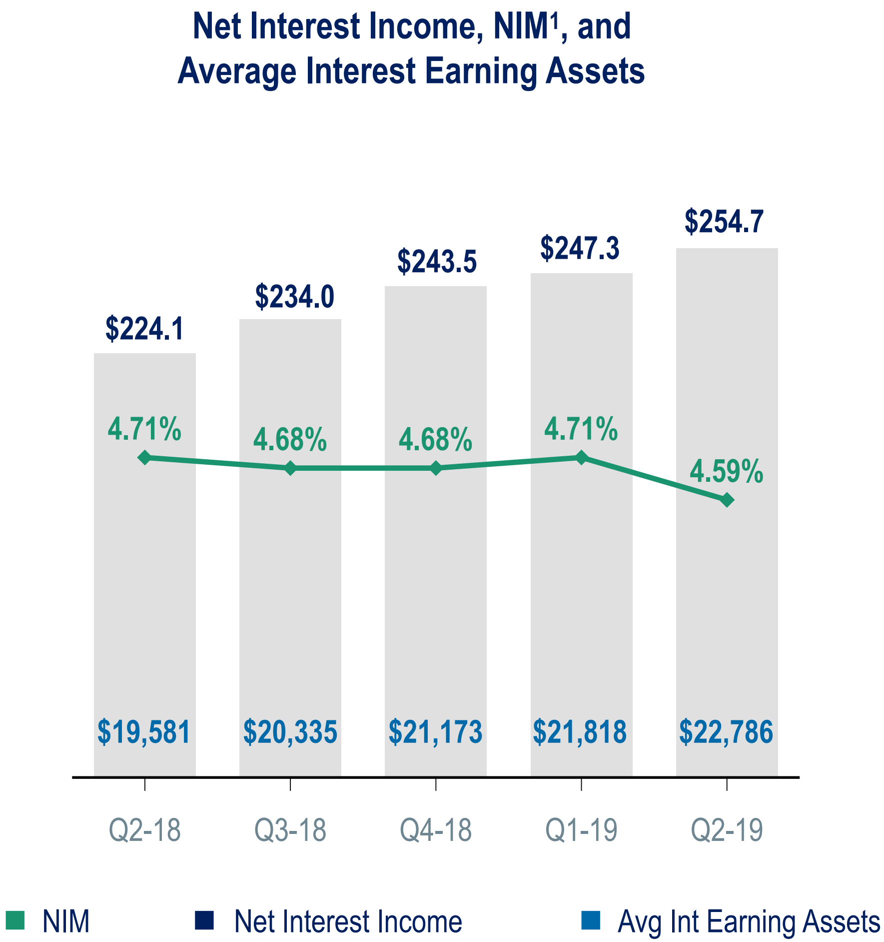
Q2 2019 Highlights

- Flattening yield curve reduced investment portfolio yields and incremental loan yield on new business
- Loan yields decreased 4 basis points due to decreased yields on C&I and construction loans, mainly resulting from a decline in LIBOR
- Cost of interest-bearing deposits increased 12 basis points due to deposit competition and more expensive term deposits, driving total cost of funds up 4 basis points to 0.93%

1 Beginning in Q1 2019, yields and costs are calculated on an actual/actual basis, from a previous 30/360 basis. Prior period amounts have been restated to conform to the current presentation.

Net Interest Income

$ in millions



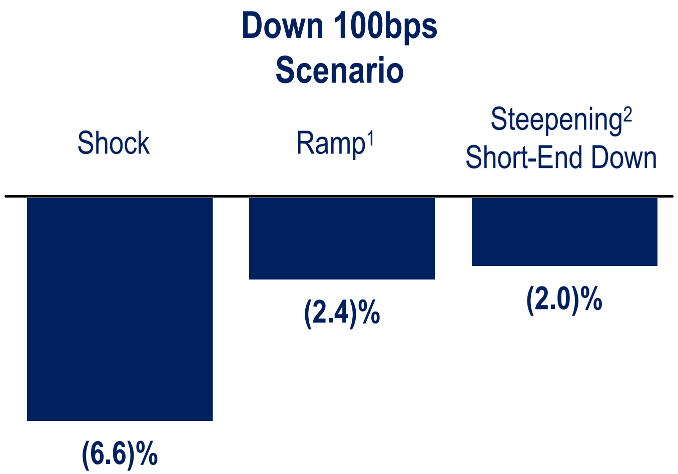
Q2 2019 Highlights

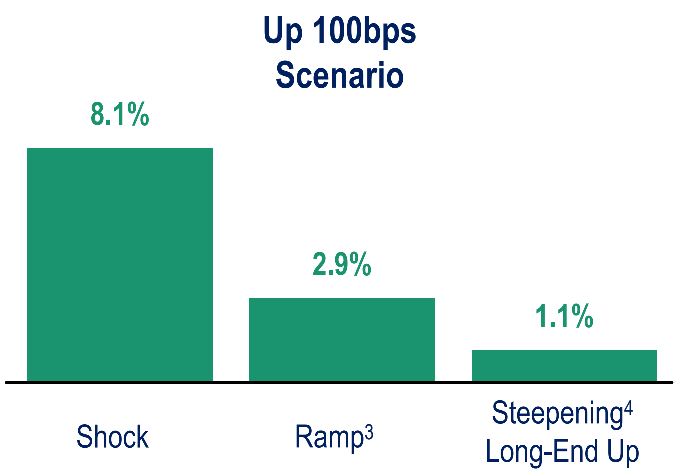
- NIM decreased 12 basis points to 4.59%, QOQ
- 32% total earning assets beta and 64% total funding cost beta, YOY
- Non-PCI accretion of $3.0 million due to an increase in early loan payoffs
- Acquired loan portfolio of $869 million at June 30 and scheduled acquired loan accretion for Q3-19 of $1.3 million
  - PCI marks of $6.8 million and Non-PCI marks of $8.9 million

1 Beginning in Q1 2019, NIM is calculated on an actual/actual basis, from a previous 30/360 basis. Prior period amounts have been restated to conform to the current presentation.

Interest Rate Environment

Percentage Increase/(Decrease) to Net Interest Income





Q2 2019 Highlights

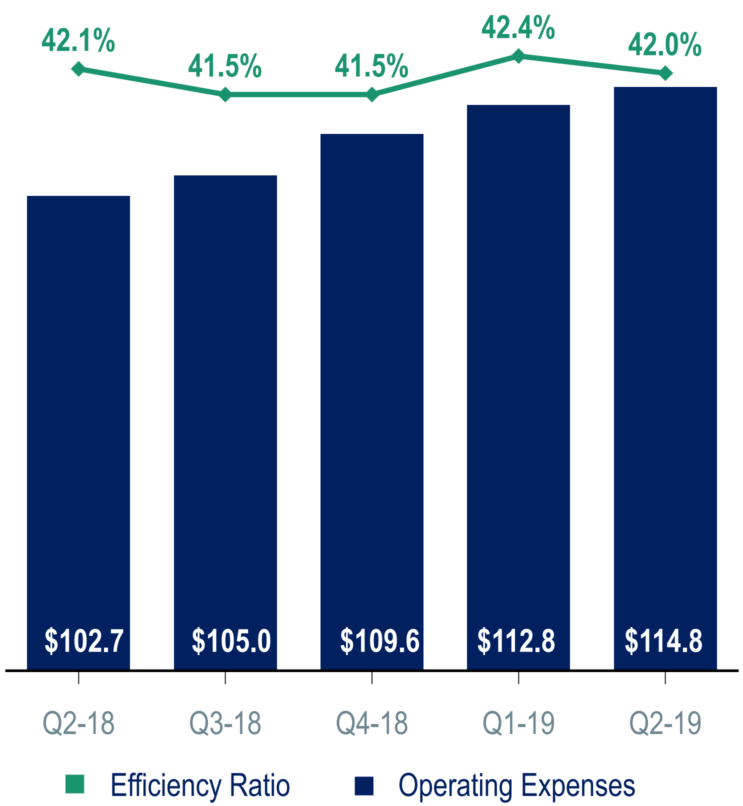
- Flattening yield curve and decline in LIBOR contributed to 6 basis points of NIM compression as 32% of earnings assets float with 1-month LIBOR
- Deposit repricing lags loan repricing
  - Anticipate higher deposit beta in a decreasing rate environment based on holistic relationship with business clients

1 Assumes a gradual quarterly parallel shift of -25bps over a 12-month period
2 Assumes a gradual quarterly non-parallel shift of -25bps to short rates over a 12-month period
3 Assumes a gradual quarterly parallel shift of +25bps over a 12-month period
4 Assumes a gradual quarterly non-parallel shift of +25bps to long rates over a 12-month period

Operating Expenses and Efficiency

$ in millions

Operating Expenses and Efficiency Ratio

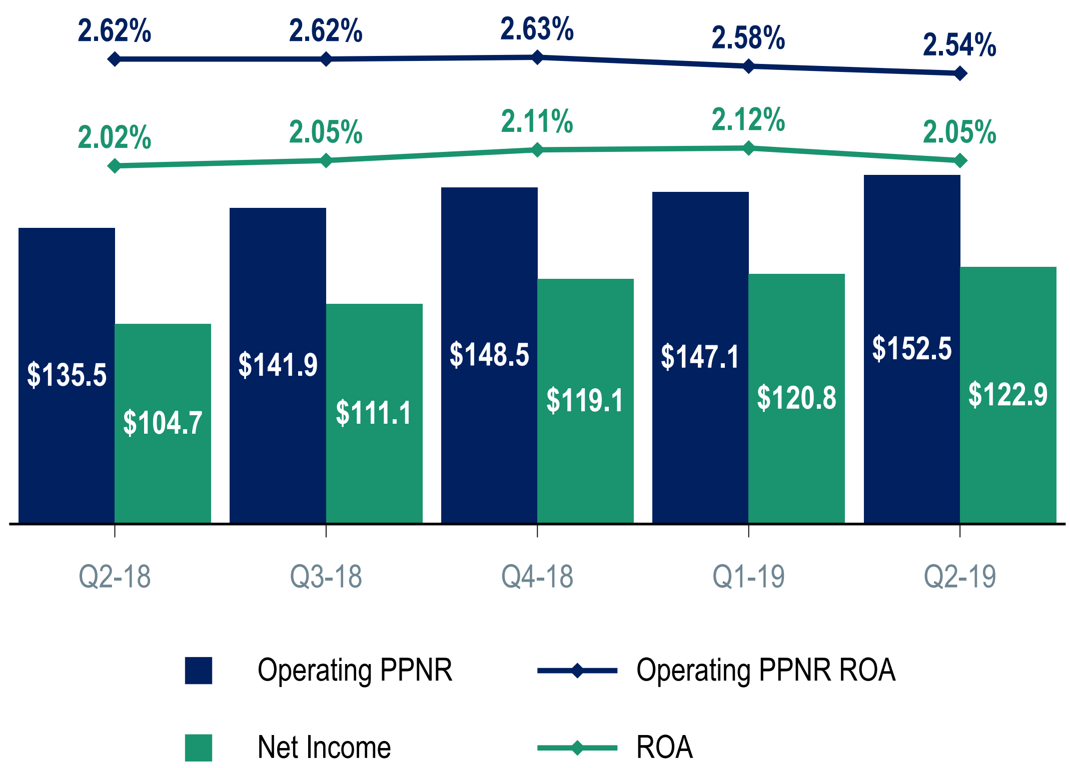


Q2 2019 Highlights

- The operating efficiency ratio improved 40 basis points to 42.0% compared to the prior quarter as revenue growth outpaced expense growth, and improved 10 basis points over the same period last year
- Operating expenses increased from the prior quarter primarily due to an increase in deposit and legal and professional costs

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

$ in millions



Q2 2019 Highlights

- Return on assets decreased 7 basis point from the prior quarter and increased 3 basis points from Q2-18
- Operating PPNR ROA decreased 4 basis points from the prior quarter and decreased 8 basis points from Q2-18

1 Beginning in Q1 2019, ROA is calculated on an actual/actual basis, from a previous 30/360 basis. Prior period amounts have been restated to conform to the current presentation.

Consolidated Balance Sheet

$ in millions

	Q2-19	Q1-19	Q2-18
Investments & Cash	$ 4,938	$ 4,525	$ 4,196
Loans	19,250	18,117	16,138
Allowance for Credit Losses	(160)	(155)	(147)
Other Assets	1,287	1,306	1,180
Total Assets	**$ 25,315**	**$ 23,793**	**$ 21,367**
Deposits	$ 21,440	$ 20,209	$ 18,088
Borrowings	401	389	454
Other Liabilities	623	474	434
Total Liabilities	**$ 22,464**	**$ 21,072**	**$ 18,976**
Shareholders' Equity	2,851	2,721	2,391
Total Liabilities and Equity	**$ 25,315**	**$ 23,793**	**$ 21,367**
Tangible Book Value Per Share	**$ 24.65**	**$ 23.20**	**$ 19.78**

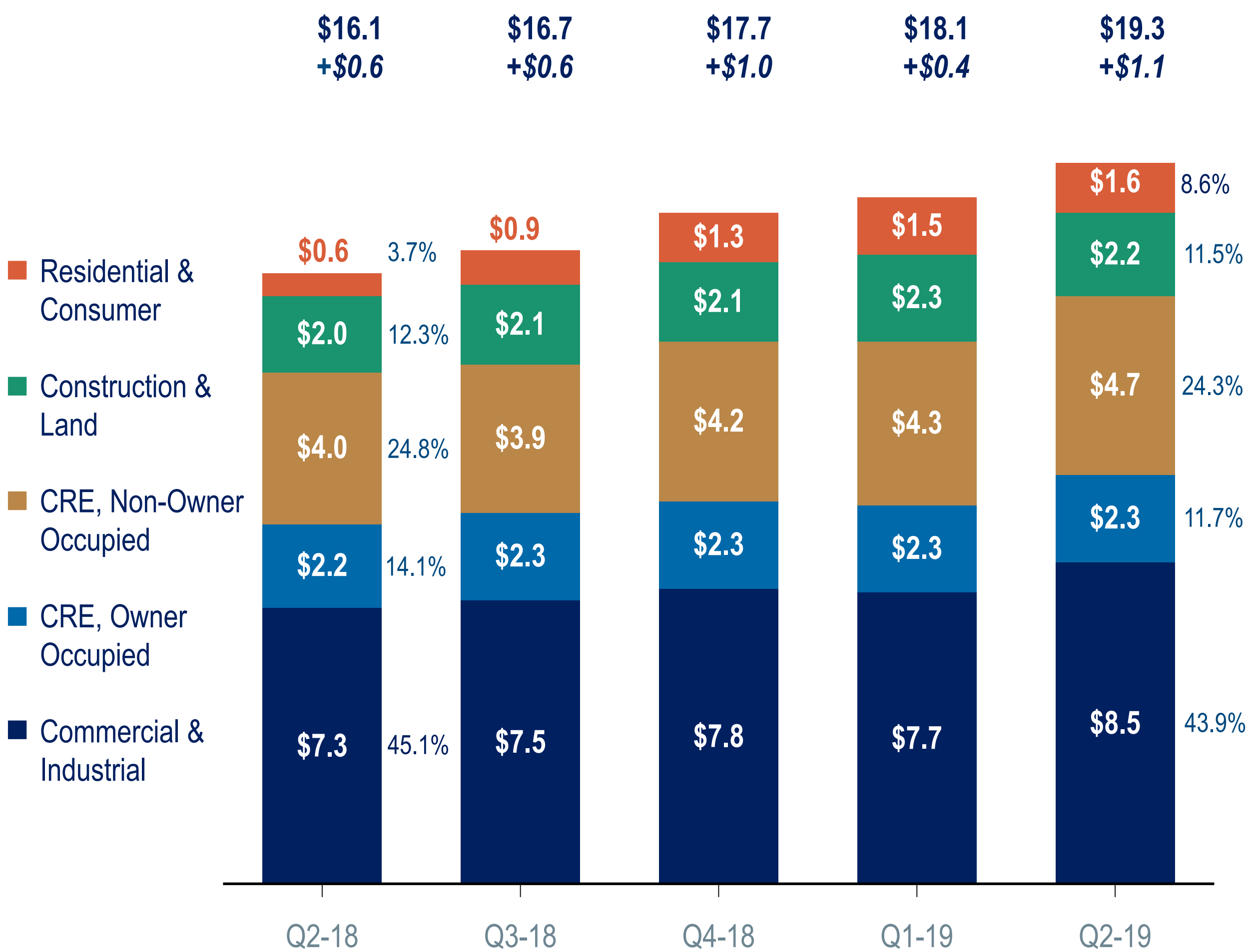
Q2 2019 Highlights

- Loans increased $1.1 billion (6.3%) over prior quarter and $3.1 billion (19.3%) over prior year
- Deposits increased $1.2 billion (6.1%) over prior quarter and $3.4 billion (18.5%) over prior year
- Shareholders' Equity increased $130 million over prior quarter and $460 million over prior year as a function of Net Income, partially offset by share repurchases
- Tangible Book Value/Share increased $1.45 over prior quarter and $4.87 (24.6%) over prior year

Five Quarter Loan Growth and Portfolio Composition

$ in billions, unless otherwise indicated

$3.1 Billion Year Over Year Growth



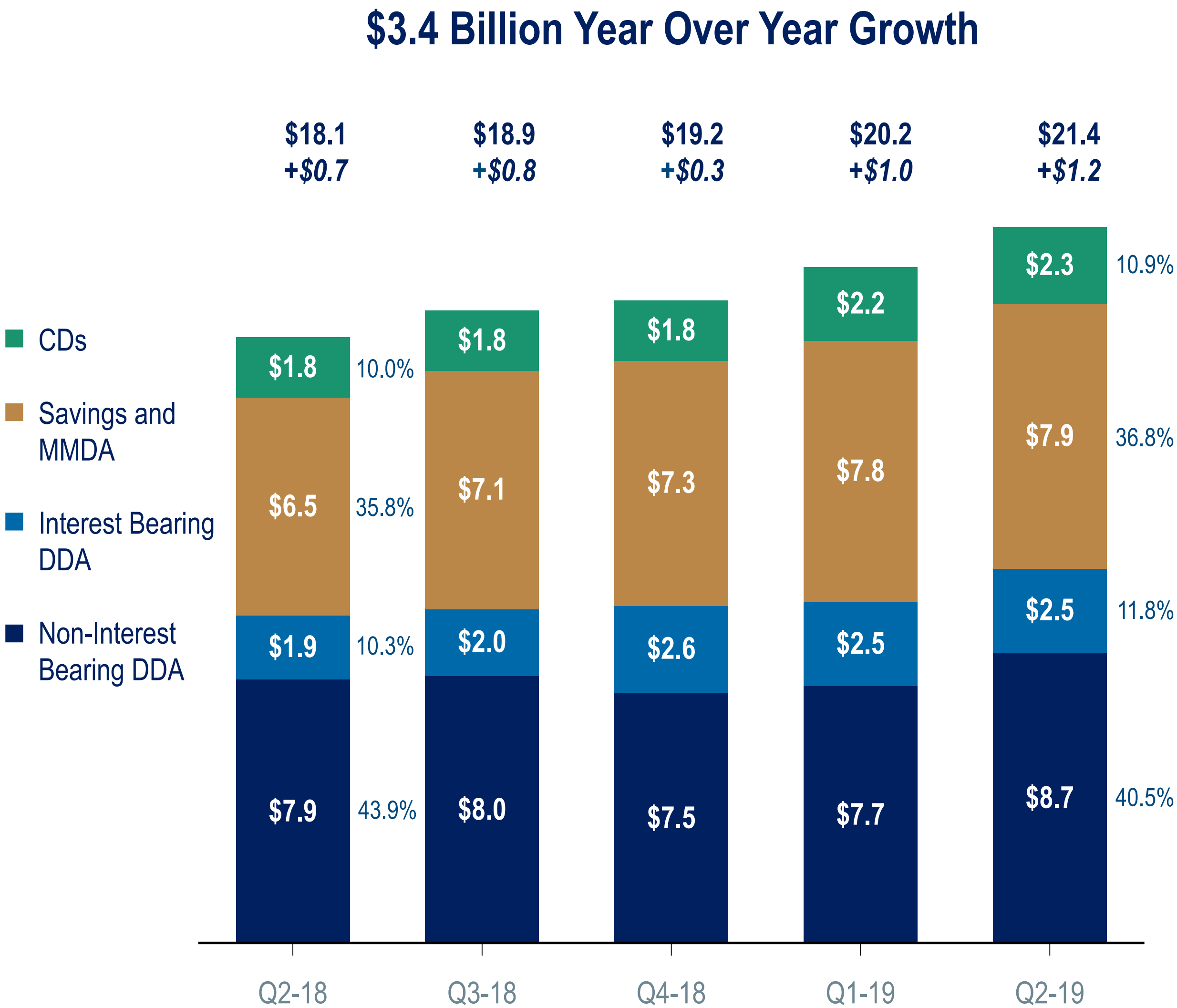
Highlights

Quarter-over-quarter loan growth of $1.1 billion driven by (in millions):		
C&I	$	730
CRE, Non-OO		381
Residential & Consumer		126
Offset by decreases in:		
Construction & Land	$	(73)
CRE, OO		(31)

Year-over-year loan growth of $3.1 billion driven by (in millions):		
C&I	$	1,176
Residential & Consumer		1,046
CRE, Non-OO		675
Construction & Land		232
Offset by a decrease in:		
CRE, OO	$	(16)

Five Quarter Deposit Growth and Composition

$ in billions, unless otherwise indicated



Highlights

Quarter-over-quarter deposit growth of $1.2 billion driven by all deposit types (in millions):

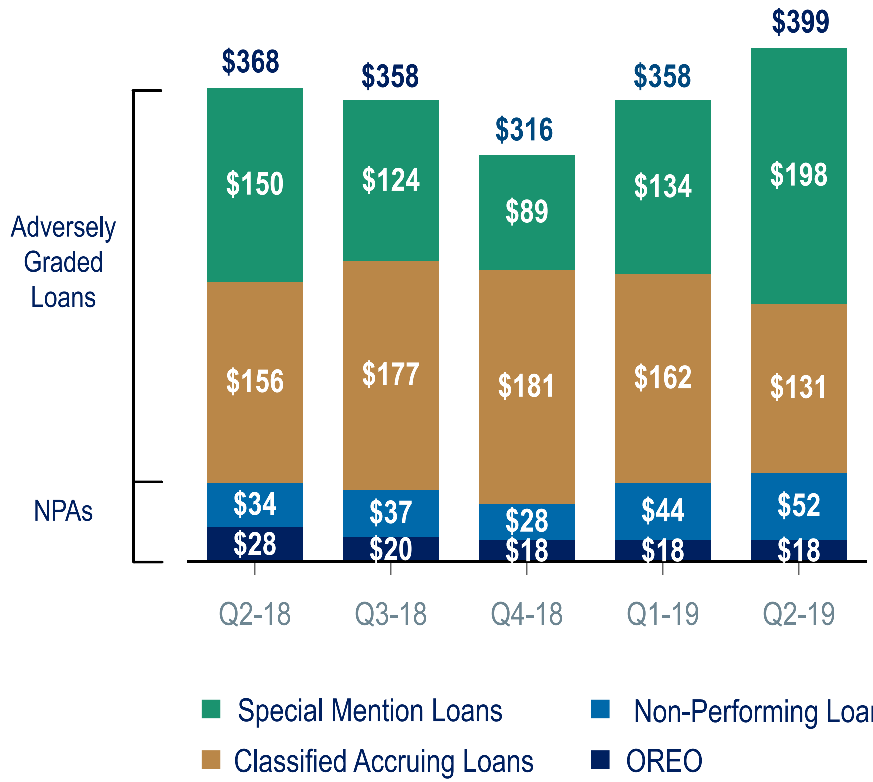
Non-Interest Bearing DDA	$ 998
CDs	107
Savings and MMDA	100
Interest Bearing DDA	26

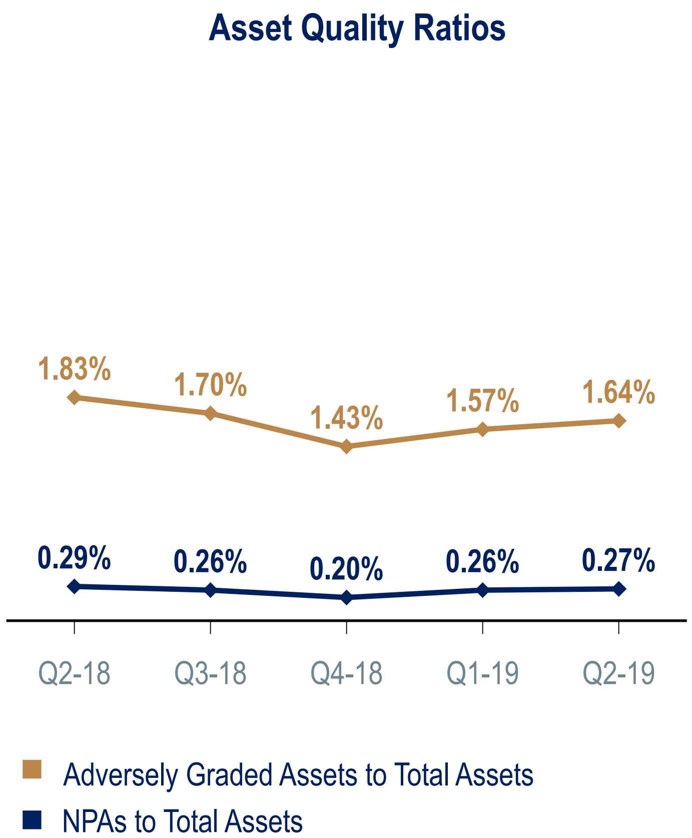
Year-over-year deposit growth of $3.4 billion driven by all deposit types (in millions):

Savings and MMDA	$ 1,429
Non-Interest Bearing DDA	729
Interest-Bearing DDA	661
CDs	533

Adversely Graded Loans and Non-Performing Assets[1]

$ in millions





Accruing TDRs total $52.2 million as of 6/30/2019

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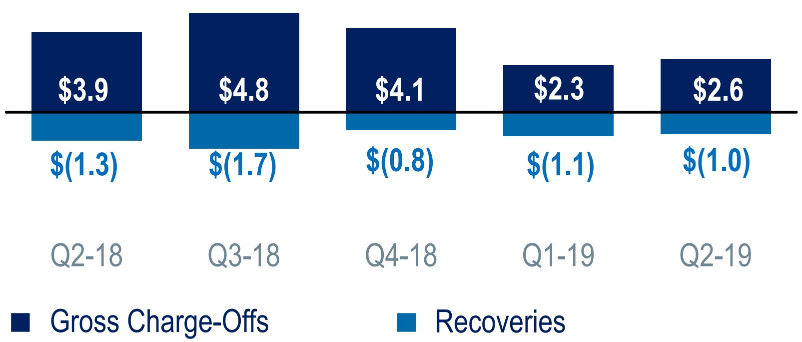
[1] Amounts are net of total PCI credit and interest rate discounts of $6.8 million as of 6/30/2019

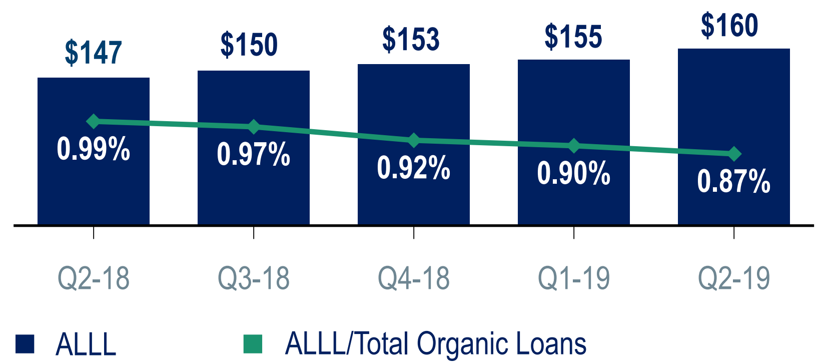
Charge-Offs, Recoveries, ALLL, and Provision

$ in millions

Gross Charge-Offs and Recoveries

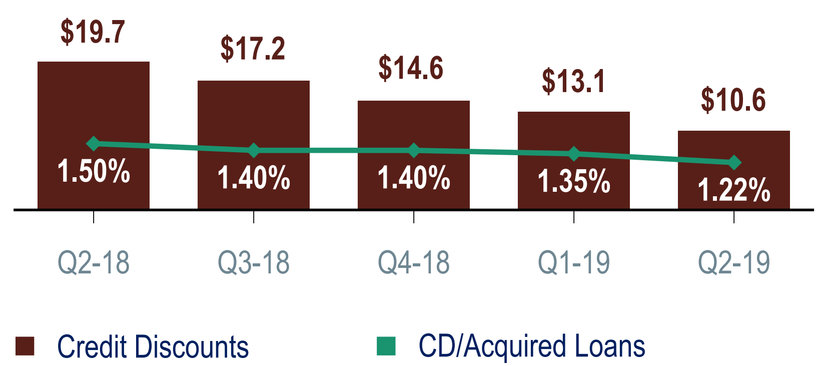


ALLL and ALLL to Organic Loans Ratio



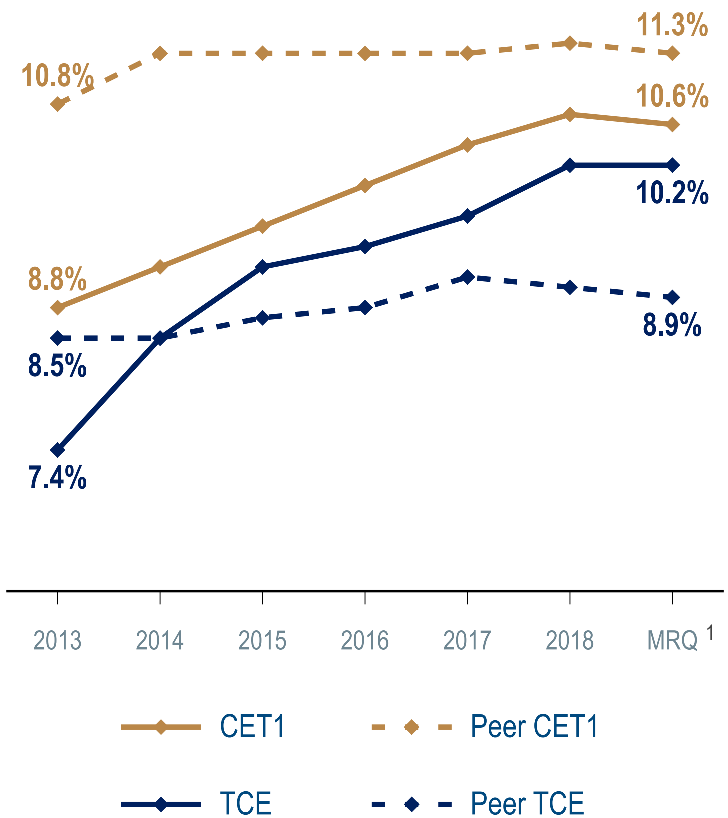
Provision for Credit Losses

Credit Discounts and CD to Acquired Loans Ratio

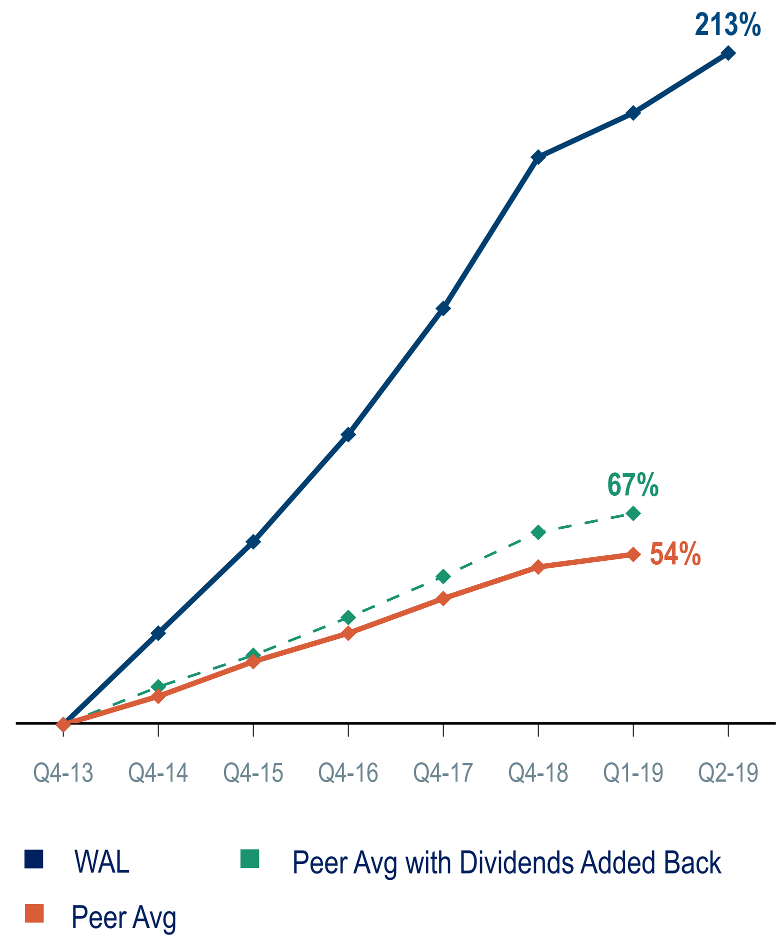


Superior Capital Growth

Robust Capital Levels



Growth in TBV per Share



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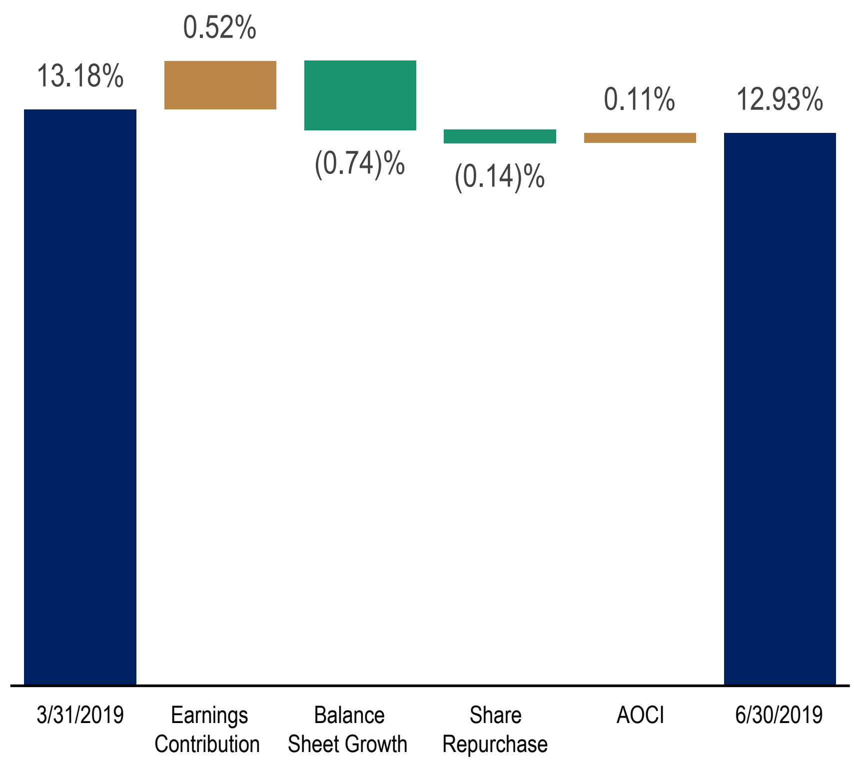
Note: Peers consist of 74 major exchange traded banks with total assets between \$10B and \$100B as of March 31, 2019, excluding target banks of pending acquisitions; S&P Global Market Intelligence.

[1] MRQ as of June 30, 2019 for WAL and March 31, 2019 for Peers.

Capital Allocation

Strong capital creation allows for a proactive capital allocation plan

Total Risk Based Capital Ratio: Impacts Quarter over Quarter



Q2 2019 Highlights

- Total risk based capital and CET1 remain robust at 12.9% and 10.6%, respectively
- Repurchased 792,688 shares at an average price of $42.82 for a total of $33.9 million
  - Completed repurchases under the current plan total 2.6 million shares or 2.5% of the shares outstanding at plan authorization
  - $142.5 million remaining of its original $250 million buyback authorization
- The Board approved a $0.25 per share quarterly dividend to be initially declared at its next meeting on July 30, 2019, with the record and payment dates expected to be August 16 and 30, respectively
  - Approximately $26 million quarterly based on current shares outstanding

Management Outlook

- Loan and Deposit Growth
  - Estimate $600 million in loan growth and $600 million in deposit growth per quarter
  - Mix shift from Construction to Residential loans
- Interest Margin
  - NIM compression from loan mix shift and lower rate environment, offset by balance sheet growth driving higher net interest income
  - Anticipate re-acceleration of deposit beta with declining rates
- Operating Leverage
  - Operating leverage to remain in top decile of peer group with strong expense discipline
- Asset Quality
  - Proactive credit monitoring
  - Maintaining conservative underwriting criteria for all asset classes
- Earnings
  - Continue to meet consensus EPS estimates in a declining rate environment

Questions and Answers

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, 2018 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.

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 to have 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 presentation to reflect new information, future events or otherwise.

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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, 2019. 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.