REFINITIV

DELTA REPORT

10-Q

WAL PR A - WESTERN ALLIANCE BANCORPO

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1278
CHANGES	473
DELETIONS	290
ADDITIONS	515

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended March 31, 2024 June 30, 2024
or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from__________ to __________

Commission file number: 001-32550

WESTERN ALLIANCE BANCORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**88-0365922**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
One E. Washington Street, Suite 1400 Phoenix Arizona	**85004**
(Address of principal executive offices)	**(Zip Code)**

(602) 389-3500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 Par Value	WAL	New York Stock Exchange
Depositary Shares, Each Representing a 1/400th Interest in a Share of 4.250% Fixed-Rate Reset Non-Cumulative Perpetual Preferred Stock, Series A	WAL PrA	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No ¨

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ý No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 26, 2024 July 26, 2024, Western Alliance Bancorporation had 110,110,512 110,086,404 shares of common stock outstanding.

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PART I

GLOSSARY OF ENTITIES AND TERMS

The acronyms and abbreviations identified below are used in various sections of this Form 10-Q, including "Management's Discussion and Analysis of Financial Condition and Results of Operations," in Item 2 and the Consolidated Financial Statements and the Notes to Unaudited Consolidated Financial Statements in Item 1 of this Form 10-Q.

ENTITIES / DIVISIONS:			
ABA	Alliance Bank of Arizona	**FIB**	First Independent Bank
AmeriHome	AmeriHome Mortgage Company, LLC	**TPB**	Torrey Pines Bank
BON	Bank of Nevada	**WA PWI**	Western Alliance Public Welfare Investments, LLC
Bridge	Bridge Bank	**WAB or Bank**	Western Alliance Bank
Company	Western Alliance Bancorporation and subsidiaries	**WABT**	Western Alliance Business Trust
CSI	CS Insurance Company	**WAL or Parent**	Western Alliance Bancorporation
DST	Digital Settlement Technologies LLC	**WATC**	Western Alliance Trust Company, N.A.

TERMS:			
ACL	Allowance for Credit Losses	**FOMC**	Federal Open Market Committee
AFS	Available-for-Sale	**FRB**	Federal Reserve Bank
ALCO	Asset and Liability Management Committee	**FVO**	Fair Value Option
AOCI	Accumulated Other Comprehensive Income	**GAAP**	U.S. Generally Accepted Accounting Principles
ASC	Accounting Standards Codification	**GNMA**	Government National Mortgage Association
ASU	Accounting Standards Update	**GSE**	Government-Sponsored Enterprise
Basel III	Banking Supervision's December 2010 final capital framework	**HFI**	Held for Investment
BOD	Board of Directors	**HFS**	Held for Sale
Capital Rules	The FRB, the OCC, and the FDIC 2013 Approved Final Rules	**HTM**	Held-to-Maturity
CDARS	Certificate Deposit Account Registry Service	**HUD**	U.S. Department of Housing and Urban Development
CECL	Current Expected Credit Losses	**ICS**	Insured Cash Sweep Service
CEO	Chief Executive Officer	**IRLC**	Interest Rate Lock Commitment
CET1	Common Equity Tier 1	**ISDA**	International Swaps and Derivatives Association
CFO	Chief Financial Officer	**LIBOR**	London Interbank Offered Rate
CLO	Collateralized Loan Obligation	**LIHTC**	Low-Income Housing Tax Credit
COVID-19	Coronavirus Disease 2019	**MBS**	Mortgage-Backed Securities
CRA	Community Reinvestment Act	**MSR**	Mortgage Servicing Right
CRE	Commercial Real Estate	**NPV**	Net Present Value
DTA	Deferred Tax Asset	**OCI**	Other Comprehensive Income
EBO	Early buyout	**PPNR**	Pre-Provision Net Revenue
ECR	Earnings credit rates	**SEC**	Securities and Exchange Commission
EPS	Earnings per share	**SERP**	Supplemental Executive Retirement Plan
ESG	Environmental, Social, and Governance	**SOFR**	Secured Overnight Financing Rate
EVE	Economic Value of Equity	**TDR**	Troubled Debt Restructuring
Exchange Act	Securities Exchange Act of 1934, as amended	**TEB**	Tax Equivalent Basis
FASB	Financial Accounting Standards Board	**TSR**	Total Shareholder Return
FDIC	Federal Deposit Insurance Corporation	**UPB**	Unpaid Principal Balance
FHA	Federal Housing Administration	**USDA**	United States Department of Agriculture
FHLB	Federal Home Loan Bank	**VA**	Veterans Affairs
FHLMC	Federal Home Loan Mortgage Corporation	**VIE**	Variable Interest Entity
FNMA	Federal National Mortgage Association	**XBRL**	eXtensible Business Reporting Language

Item 1. Financial Statements

WESTERN ALLIANCE BANCORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	March 31, 2024
	March 31, 2024
	March 31, 2024
	June 30, 2024

	June 30, 2024
	June 30, 2024
	(Unaudited)
	(Unaudited)
	(Unaudited)
	(in millions, except shares and per share amounts)
	(in millions, except shares and per share amounts)
	(in millions, except shares and per share amounts)
Assets:	
Assets:	
Assets:	
Cash and due from banks	
Cash and due from banks	
Cash and due from banks	
Interest-bearing deposits in other financial institutions	
Interest-bearing deposits in other financial institutions	
Interest-bearing deposits in other financial institutions	
Cash and cash equivalents	
Cash and cash equivalents	
Cash and cash equivalents	
Investment securities - AFS, at fair value; amortized cost of $15,251 at March 31, 2024 and $11,849 at December 31, 2023 (ACL of $1 at March 31, 2024 and December 31, 2023)	
Investment securities - AFS, at fair value; amortized cost of $16,423 at June 30, 2024 and $11,849 at December 31, 2023 (ACL of $1 at June 30, 2024 and December 31, 2023)	
Investment securities - AFS, at fair value; amortized cost of $15,251 at March 31, 2024 and $11,849 at December 31, 2023 (ACL of $1 at March 31, 2024 and December 31, 2023)	
Investment securities - AFS, at fair value; amortized cost of $16,423 at June 30, 2024 and $11,849 at December 31, 2023 (ACL of $1 at June 30, 2024 and December 31, 2023)	
Investment securities - AFS, at fair value; amortized cost of $15,251 at March 31, 2024 and $11,849 at December 31, 2023 (ACL of $1 at March 31, 2024 and December 31, 2023)	
Investment securities - HTM, at amortized cost and net of ACL of $8 (fair value of $1,253 and $1,251) at March 31, 2024 and December 31, 2023, respectively	
Investment securities - HTM, at amortized cost and net of ACL of $8 (fair value of $1,253 and $1,251) at March 31, 2024 and December 31, 2023, respectively	
Investment securities - HTM, at amortized cost and net of ACL of $8 (fair value of $1,253 and $1,251) at March 31, 2024 and December 31, 2023, respectively	
Investment securities - AFS, at fair value; amortized cost of $16,423 at June 30, 2024 and $11,849 at December 31, 2023 (ACL of $1 at June 30, 2024 and December 31, 2023)	
Investment securities - HTM, at amortized cost and net of ACL of $9 and $8 (fair value of $1,265 and $1,251) at June 30, 2024 and December 31, 2023, respectively	
Investment securities - HTM, at amortized cost and net of ACL of $9 and $8 (fair value of $1,265 and $1,251) at June 30, 2024 and December 31, 2023, respectively	
Investment securities - HTM, at amortized cost and net of ACL of $9 and $8 (fair value of $1,265 and $1,251) at June 30, 2024 and December 31, 2023, respectively	
Investment securities - equity	
Investment securities - equity	
Investment securities - equity	
Investments in restricted stock, at cost	
Investments in restricted stock, at cost	
Investments in restricted stock, at cost	
Loans HFS	
Loans HFS	
Loans HFS	
Loans HFI, net of deferred fees and costs	
Loans HFI, net of deferred fees and costs	
Loans HFI, net of deferred fees and costs	
Less: allowance for credit losses	
Less: allowance for credit losses	
Less: allowance for credit losses	
Net loans held for investment	
Net loans held for investment	

Net loans held for investment
Mortgage servicing rights
Mortgage servicing rights
Mortgage servicing rights
Premises and equipment, net
Premises and equipment, net
Premises and equipment, net
Operating lease right of use asset
Operating lease right of use asset
Operating lease right of use asset
Bank owned life insurance
Bank owned life insurance
Bank owned life insurance
Goodwill and intangible assets, net
Goodwill and intangible assets, net
Goodwill and intangible assets, net
Deferred tax assets, net
Deferred tax assets, net
Deferred tax assets, net
Investments in LIHTC and renewable energy
Investments in LIHTC and renewable energy
Investments in LIHTC and renewable energy
Other assets
Other assets
Other assets
Total assets
Total assets
Total assets
Liabilities:
Liabilities:
Liabilities:
Deposits:
Deposits:
Deposits:
Non-interest-bearing demand
Non-interest-bearing demand
Non-interest-bearing demand
Non-interest-bearing
Non-interest-bearing
Non-interest-bearing
Interest-bearing
Interest-bearing
Interest-bearing
Total deposits
Total deposits
Total deposits
Other borrowings
Other borrowings
Other borrowings
Qualifying debt
Qualifying debt

Qualifying debt
Operating lease liability
Operating lease liability
Operating lease liability
Other liabilities
Other liabilities
Other liabilities
Total liabilities
Total liabilities
Total liabilities
Commitments and contingencies (Note 14)
Commitments and contingencies (Note 14)
Commitments and contingencies (Note 14)
Stockholders’ equity:
Stockholders’ equity:
Stockholders’ equity:
Preferred stock (par value $0.0001 and liquidation value per share of $25; 20,000,000 authorized; 12,000,000 depositary shares issued and outstanding at March 31, 2024 and December 31, 2023)
Preferred stock (par value $0.0001 and liquidation value per share of $25; 20,000,000 authorized; 12,000,000 depositary shares issued and outstanding at March 31, 2024 and December 31, 2023)
Preferred stock (par value $0.0001 and liquidation value per share of $25; 20,000,000 authorized; 12,000,000 depositary shares issued and outstanding at March 31, 2024 and December 31, 2023)
Common stock (par value $0.0001; 200,000,000 authorized; 113,005,772 shares issued at March 31, 2024 and 112,169,523 at December 31, 2023) and additional paid in capital
Common stock (par value $0.0001; 200,000,000 authorized; 113,005,772 shares issued at March 31, 2024 and 112,169,523 at December 31, 2023) and additional paid in capital
Common stock (par value $0.0001; 200,000,000 authorized; 113,005,772 shares issued at March 31, 2024 and 112,169,523 at December 31, 2023) and additional paid in capital
Treasury stock, at cost (2,825,815 shares at March 31, 2024 and 2,703,218 shares at December 31, 2023)
Treasury stock, at cost (2,825,815 shares at March 31, 2024 and 2,703,218 shares at December 31, 2023)
Treasury stock, at cost (2,825,815 shares at March 31, 2024 and 2,703,218 shares at December 31, 2023)
Preferred stock (par value $0.0001 and liquidation value per share of $25; 20,000,000 authorized; 12,000,000 depositary shares issued and outstanding at June 30, 2024 and December 31, 2023)
Preferred stock (par value $0.0001 and liquidation value per share of $25; 20,000,000 authorized; 12,000,000 depositary shares issued and outstanding at June 30, 2024 and December 31, 2023)
Preferred stock (par value $0.0001 and liquidation value per share of $25; 20,000,000 authorized; 12,000,000 depositary shares issued and outstanding at June 30, 2024 and December 31, 2023)
Common stock (par value $0.0001; 200,000,000 authorized; 113,041,905 shares issued at June 30, 2024 and 112,169,523 at December 31, 2023) and additional paid in capital
Common stock (par value $0.0001; 200,000,000 authorized; 113,041,905 shares issued at June 30, 2024 and 112,169,523 at December 31, 2023) and additional paid in capital
Common stock (par value $0.0001; 200,000,000 authorized; 113,041,905 shares issued at June 30, 2024 and 112,169,523 at December 31, 2023) and additional paid in capital
Treasury stock, at cost (2,843,701 shares at June 30, 2024 and 2,703,218 shares at December 31, 2023)
Treasury stock, at cost (2,843,701 shares at June 30, 2024 and 2,703,218 shares at December 31, 2023)
Treasury stock, at cost (2,843,701 shares at June 30, 2024 and 2,703,218 shares at December 31, 2023)
Accumulated other comprehensive loss
Accumulated other comprehensive loss
Accumulated other comprehensive loss
Retained earnings
Retained earnings
Retained earnings
Total stockholders’ equity
Total stockholders’ equity
Total stockholders’ equity
Total liabilities and stockholders’ equity
Total liabilities and stockholders’ equity
Total liabilities and stockholders’ equity

See accompanying Notes to Unaudited Consolidated Financial Statements.

WESTERN ALLIANCE BANCORPORATION AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS

	Three Months Ended March 31,				
	Three Months Ended March 31,				
	Three Months Ended March 31,				
		Three Months Ended June 30,	Six Months Ended June 30,		
	2024	2024	2023	**2024**	2023
	2024				
	2024				
	(in millions, except per share amounts)				
	(in millions, except per share amounts)				
	(in millions, except per share amounts)		*(in millions, except per share amounts)*		
Interest income:					
Loans, including fees					
Loans, including fees					
Loans, including fees					
Investment securities					
Investment securities					
Investment securities					
Dividends and other					
Dividends and other					
Dividends and other					
Total interest income					
Total interest income					
Total interest income					
Interest expense:					
Interest expense:					
Interest expense:					
Deposits					
Deposits					
Deposits					
Qualifying debt					
Qualifying debt					
Qualifying debt					
Other borrowings					
Other borrowings					
Other borrowings					
Total interest expense					
Total interest expense					
Total interest expense					
Net interest income					
Net interest income					
Net interest income					
Provision for credit losses					
Provision for credit losses					
Provision for credit losses					
Net interest income after provision for credit losses					
Net interest income after provision for credit losses					
Net interest income after provision for credit losses					
Non-interest income:					
Non-interest income:					
Non-interest income:					
Net loan servicing revenue					

Net loan servicing revenue
Net loan servicing revenue
Net gain on loan origination and sale activities
Net gain on loan origination and sale activities
Net gain on loan origination and sale activities
Income from equity investments
Income from equity investments
Income from equity investments
Service charges and fees
Service charges and fees
Net loan servicing revenue
Service charges and fees
Commercial banking related income
Commercial banking related income
Commercial banking related income
Fair value gain (loss) adjustments, net
Fair value gain (loss) adjustments, net
Income from equity investments
Gain (loss) on sales of investment securities
Fair value gain (loss) adjustments, net
(Loss) gain on recovery from credit guarantees
(Loss) gain on recovery from credit guarantees
(Loss) gain on recovery from credit guarantees
Loss on sales of investment securities
Loss on sales of investment securities
Loss on sales of investment securities
Other income
Other income
Other income
Total non-interest income
Total non-interest income
Total non-interest income
Non-interest expense:
Non-interest expense:
Non-interest expense:
Salaries and employee benefits
Salaries and employee benefits
Salaries and employee benefits
Deposit costs
Deposit costs
Deposit costs
Salaries and employee benefits
Data processing
Insurance
Insurance
Insurance
Data processing
Data processing
Data processing
Legal, professional, and directors' fees
Legal, professional, and directors' fees

Legal, professional, and directors' fees
Occupancy
Occupancy
Occupancy
Loan servicing expenses
Loan servicing expenses
Loan servicing expenses
Business development and marketing
Business development and marketing
Business development and marketing
Loan acquisition and origination expenses
Loan acquisition and origination expenses
Loan acquisition and origination expenses
Gain on extinguishment of debt
Gain on extinguishment of debt
Gain on extinguishment of debt
Other expense
Other expense
Other expense
Total non-interest expense
Total non-interest expense
Total non-interest expense
Income before provision for income taxes
Income before provision for income taxes
Income before provision for income taxes
Income tax expense
Income tax expense
Income tax expense
Net income
Net income
Net income
Dividends on preferred stock
Dividends on preferred stock
Dividends on preferred stock
Net income available to common stockholders
Net income available to common stockholders
Net income available to common stockholders
Earnings per share:
Earnings per share:
Earnings per share:
Basic
Basic
Basic
Diluted
Diluted
Diluted
Weighted average number of common shares outstanding:
Weighted average number of common shares outstanding:
Weighted average number of common shares outstanding:
Basic
Basic

Basic
Diluted
Diluted
Diluted
Dividends declared per common share
Dividends declared per common share
Dividends declared per common share

See accompanying Notes to Unaudited Consolidated Financial Statements.

WESTERN ALLIANCE BANCORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended March 31,				
	Three Months Ended March 31,				
	Three Months Ended March 31,				
		Three Months Ended June 30,		**Six Months Ended June 30,**	
	2024	**2024**	2023	**2024**	2023
	2024				
	2024				
	(in millions)				
	(in millions)				
	(in millions)			*(in millions)*	
Net income					
Other comprehensive (loss) income, net:					
Other comprehensive (loss) income, net:					
Other comprehensive (loss) income, net:					
Unrealized (loss) gain on AFS securities, net of tax effect of $14.8 and $(20.7) respectively					
Unrealized (loss) gain on AFS securities, net of tax effect of $14.8 and $(20.7) respectively					
Unrealized (loss) gain on AFS securities, net of tax effect of $14.8 and $(20.7) respectively					
Unrealized gain (loss) on AFS securities, net of tax effect of $(0.5), $11.2, $14.3, and $(9.5) respectively					
Unrealized gain (loss) on AFS securities, net of tax effect of $(0.5), $11.2, $14.3, and $(9.5) respectively					
Unrealized gain (loss) on AFS securities, net of tax effect of $(0.5), $11.2, $14.3, and $(9.5) respectively					
Unrealized loss on junior subordinated debt, net of tax effect of $0.2 and $0.4 respectively					
Unrealized loss on junior subordinated debt, net of tax effect of $0.2 and $0.4 respectively					
Unrealized loss on junior subordinated debt, net of tax effect of $0.2 and $0.4 respectively					
Realized loss on sale of AFS securities included in income, net of tax effect of $(0.2) and $(3.2) respectively					
Realized loss on sale of AFS securities included in income, net of tax effect of $(0.2) and $(3.2) respectively					
Realized loss on sale of AFS securities included in income, net of tax effect of $(0.2) and $(3.2) respectively					
Realized loss on impairment of AFS securities included in income, net of tax effect of $— and $(0.4) respectively					
Realized loss on impairment of AFS securities included in income, net of tax effect of $— and $(0.4) respectively					
Realized loss on impairment of AFS securities included in income, net of tax effect of $— and $(0.4) respectively					
Net other comprehensive (loss) income					
Net other comprehensive (loss) income					
Unrealized (loss) gain on junior subordinated debt, net of tax effect of $0.2, $(1.7), $0.4, and $(1.3) respectively					
Unrealized (loss) gain on junior subordinated debt, net of tax effect of $0.2, $(1.7), $0.4, and $(1.3) respectively					
Unrealized (loss) gain on junior subordinated debt, net of tax effect of $0.2, $(1.7), $0.4, and $(1.3) respectively					
Realized (gain) loss on sale of AFS securities included in income, net of tax effect of $0.6, $(3.4), $0.3, and $(6.6) respectively					
Realized loss on impairment of AFS securities included in income, net of tax effect of $— , $—, $—, and $(0.4) respectively					
Net other comprehensive (loss) income					
Comprehensive income					

Comprehensive income

Comprehensive income

See accompanying Notes to Unaudited Consolidated Financial Statements.

WESTERN ALLIANCE BANCORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Three Months Ended March 31,								Three Months Ended June 30,						
	Preferred Stock Shares	Preferred Stock	Common Stock	Additional Paid in Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity	Preferred Stock	Common Stock	Additional Paid in Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
	(in millions)														
	(in millions)														
	(in millions)														
Balance, December 31, 2022															
Balance, March 31, 2023															
Net income															
Restricted stock, performance stock units, and other grants, net															
Restricted stock surrendered (1)															
Dividends paid to preferred stockholders															
Dividends paid to preferred stockholders															
Dividends paid to preferred stockholders															
Dividends paid to common stockholders															
Other comprehensive income, net															
Balance, March 31, 2023															
Other comprehensive loss, net															
Balance, June 30, 2023															
Balance, December 31, 2023															
Balance, December 31, 2023															

Balance, December 31, 2023
Balance, March 31, 2024
Balance, March 31, 2024
Balance, March 31, 2024
Net income
Restricted stock, performance stock units, and other grants, net
Restricted stock, performance stock units, and other grants, net
Restricted stock, performance stock units, and other grants, net
Restricted stock surrendered (1)
Dividends paid to preferred stockholders
Dividends paid to preferred stockholders
Dividends paid to preferred stockholders
Dividends paid to common stockholders
Other comprehensive loss, net
Balance, March 31, 2024
Balance, June 30, 2024

(1) Share amounts represent Treasury Shares.

WESTERN ALLIANCE BANCORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Six Months Ended June 30,								
	Preferred Stock		Common Stock				Accumulated Other		Total
	Shares	Amount	Shares	Amount	Additional Paid in Capital	Treasury Stock	Comprehensive Income (Loss)	Retained Earnings	Stockholders' Equity
	(in millions)								

Balance, December 31, 2022	12.0	$ 294.5	108.9	$ —	$ 2,163.7	$ (105.3)	$ (661.0)	$ 3,664.1	$ 5,356.0
Net income	—	—	—	—	—	—	—	357.9	357.9
Restricted stock, performance stock units, and other grants, net	—	—	0.7	—	16.6	—	—	—	16.6
Restricted stock surrendered (1)	—	—	(0.1)	—	—	(10.9)	—	—	(10.9)
Dividends paid to preferred stockholders	—	—	—	—	—	—	—	(6.4)	(6.4)
Dividends paid to common stockholders	—	—	—	—	—	—	—	(78.8)	(78.8)
Other comprehensive income, net	—	—	—	—	—	—	50.5	—	50.5
Balance, June 30, 2023	12.0	$ 294.5	109.5	$ —	$ 2,180.3	$ (116.2)	$ (610.5)	$ 3,936.8	$ 5,684.9
Balance, December 31, 2023	**12.0**	**$ 294.5**	**109.4**	**$ —**	**$ 2,198.1**	**$ (116.3)**	**$ (512.9)**	**$ 4,215.0**	**$ 6,078.4**
Net income	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**371.0**	**371.0**
Restricted stock, performance stock units, and other grants, net	**—**	**—**	**0.9**	**—**	**25.6**	**—**	**—**	**—**	**25.6**
Restricted stock surrendered (1)	**—**	**—**	**(0.1)**	**—**	**1.0**	**(8.6)**	**—**	**—**	**(7.6)**
Dividends paid to preferred stockholders	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(6.4)**	**(6.4)**
Dividends paid to common stockholders	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(81.5)**	**(81.5)**
Other comprehensive loss, net	**—**	**—**	**—**	**—**	**—**	**—**	**(45.3)**	**—**	**(45.3)**
Balance, June 30, 2024	**12.0**	**$ 294.5**	**110.2**	**$ —**	**$ 2,224.7**	**$ (124.9)**	**$ (558.2)**	**$ 4,498.1**	**$ 6,334.2**

(1) Share amounts represent Treasury Shares.

See accompanying Notes to Unaudited Consolidated Financial Statements.

WESTERN ALLIANCE BANCORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Three Months Ended March 31,		Six Months Ended June 30,	
	2024	**2024**	2023	**2024**	2023
		(in millions)			
Cash flows from operating activities:					
Net income					
Net income					
Net income					
Adjustments to reconcile net income to net cash (used in) provided by operating activities:					
Provision for credit losses					
Provision for credit losses					
Provision for credit losses					
Depreciation and amortization					
Stock-based compensation					
Deferred income taxes					
Amortization of net (discounts) premiums for investment securities					
Amortization of net discounts for investment securities					
Amortization of tax credit investments					
Amortization of operating lease right of use asset					
Amortization of net deferred loan fees and net purchase premiums					
Purchases and originations of loans HFS					
Proceeds from sales and payments on loans HFS					
Proceeds from sales and payments on loans HFS					
Proceeds from sales and payments on loans HFS					
Mortgage servicing rights capitalized upon sale of mortgage loans					
Net (gains) losses on:					

Change in fair value of loans HFS, mortgage servicing rights, and related derivatives
Change in fair value of loans HFS, mortgage servicing rights, and related derivatives
Change in fair value of loans HFS, mortgage servicing rights, and related derivatives
Fair value adjustments
Sale of investment securities
Extinguishment of debt
Other
Other assets and liabilities, net
Net cash (used in) provided by operating activities
Net cash used in operating activities
Cash flows from investing activities:
Investment securities - AFS
Investment securities - AFS
Investment securities - AFS
Purchases
Purchases
Purchases
Principal pay downs and maturities
Proceeds from sales
Investment securities - HTM
Purchases
Purchases
Purchases
Principal pay downs and maturities
Equity securities carried at fair value
Purchases
Purchases
Purchases
Redemptions
Proceeds from sale of mortgage servicing rights and related holdbacks, net
Proceeds from sale of mortgage servicing rights and related holdbacks, net
Proceeds from sale of mortgage servicing rights and related holdbacks, net
Sale (purchase) of other investments
Net increase in loans HFI
Net (increase) decrease in loans HFI
Net increase in loans HFI
Net (increase) decrease in loans HFI
Net increase in loans HFI
Net (increase) decrease in loans HFI
Purchase of premises, equipment, and other assets, net
Net cash used in investing activities
Net cash (used in) provided by investing activities
Net cash used in investing activities
Net cash (used in) provided by investing activities
Net cash used in investing activities
Net cash (used in) provided by investing activities

	Three Months Ended March 31,		Six Months Ended June 30,	
2024	**2024**	2023	**2024**	2023

(in millions)

Cash flows from financing activities:

Net increase (decrease) in deposits

Net increase (decrease) in deposits

Net increase (decrease) in deposits

Payments on long-term debt

Payments on long-term debt

Net proceeds from issuance of long-term debt

Payments on long-term debt

Net (decrease) increase in short-term borrowings

Net proceeds from repurchase obligations

Payments on repurchase obligations

Cash paid for tax withholding on vested restricted stock and other

Cash paid for tax withholding on vested restricted stock and other

Cash paid for tax withholding on vested restricted stock and other

Cash paid for tax withholding on vested restricted stock and other

Cash dividends paid on common stock and preferred stock

Cash dividends paid on common stock and preferred stock

Cash dividends paid on common stock and preferred stock

Cash dividends paid on common and preferred stock

Cash dividends paid on common and preferred stock

Cash dividends paid on common and preferred stock

Net cash provided by financing activities

Net cash provided by financing activities

Net cash provided by financing activities

Net increase in cash and cash equivalents

Cash, cash equivalents, and restricted cash at beginning of period

Cash, cash equivalents, and restricted cash at end of period

Supplemental disclosure:

Supplemental disclosure:

Supplemental disclosure:

Cash paid during the period for:

Cash paid during the period for:

Cash paid during the period for:

Interest

Interest

Interest

Income taxes, net

Non-cash activities:

Transfers of mortgage-backed securities in settlement of secured borrowings

Transfers of mortgage-backed securities in settlement of secured borrowings

Transfers of mortgage-backed securities in settlement of secured borrowings

Transfers of securitized loans HFS to AFS securities

Transfers of securitized loans HFS to AFS securities

Transfers of securitized loans HFS to AFS securities

Transfers of loans HFI to HFS, net of fair value loss adjustment (1)

Transfers of loans HFS to HFI, at amortized cost

(1) Activity for the three six months ended March 31, 2024 June 30, 2024 and 2023 excludes $89.1 million $220.3 million and $294.4 million $356.2 million, respectively, of loans transferred with an original designation of HFS, which sales activity was classified as operating cash flows.

See accompanying Notes to Unaudited Consolidated Financial Statements.

WESTERN ALLIANCE BANCORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations

WAL is a bank holding company headquartered in Phoenix, Arizona, incorporated under the laws of the state of Delaware. WAL provides a full spectrum of customized loan, deposit, and treasury management capabilities, including 24/7 funds transfer and other digital payment offerings through its wholly-owned banking subsidiary, WAB.

WAB operates the following full-service banking divisions: ABA, BON, FIB, Bridge, and TPB. The Company also serves business customers through a national platform of specialized financial services, including mortgage banking services through AmeriHome, and digital payment services for the class action legal industry. In addition, the Company has the following non-bank subsidiaries: CSI, a captive insurance company formed and licensed under the laws of the State of Arizona and established as part of the Company's overall enterprise risk management strategy, and WATC, which provides corporate trust services and levered loan administration solutions.

Basis of presentation

The accompanying Unaudited Consolidated Financial Statements as of March 31, 2024 June 30, 2024 and for the three and six months ended March 31, 2024 June 30, 2024 and 2023 have been prepared in accordance with GAAP for interim financial information and Article 10 of Regulation S-X and, therefore, do not include all of the information and footnotes required by GAAP for complete financial statements. Accordingly, these statements should be read in conjunction with the Company's audited Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. The accounts of the Company and its consolidated subsidiaries are included in the Consolidated Financial Statements.

The information furnished in these interim statements reflects all adjustments that are, in the opinion of management, necessary for a fair statement of the results for each respective period presented. Such adjustments are of a normal, recurring nature. The results of operations in the interim statements are not necessarily indicative of the results that may be expected for any other quarter or for the full year.

Recent accounting pronouncements

Improvements to Income Tax Disclosures

In December 2023, the FASB issued guidance within ASU 2023-09, *Income Taxes (Topic 740)*. The amendments in this update are intended to increase visibility into various income tax components that affect the reconciliation of the effective tax rate to the statutory rate, as well as the qualitative and quantitative aspects of those components. Public business entities will be required to disclose on an annual basis, specific categories in the rate reconciliation and provide additional information for reconciling items that meet or exceed a five percent threshold (computed by multiplying pretax income by the applicable statutory income tax rate) and include disclosure of state and local jurisdictions that make up the majority of the state and local income tax category in the rate reconciliation. Additional disclosure items include disaggregation of income taxes paid to and income tax expense from federal, state, and foreign jurisdictions as well as disaggregation of income taxes paid to individual jurisdictions in which income taxes paid are equal to or greater than five percent of total income taxes paid.

The amendments in this update are effective for fiscal years beginning after December 15, 2024 and interim periods within fiscal years beginning after December 15, 2025 and may be applied on a prospective or retrospective basis. The Company is currently evaluating the impact these amendments will have on its Consolidated Financial Statements.

Accounting for and Disclosure of Crypto Assets

In December 2023, the FASB issued guidance within ASU 2023-08, *Intangibles — Goodwill and Other — Crypto Assets (Topic 350)*. The amendments in this update require entities that hold certain crypto assets to measure such assets at fair value and recognize any changes in fair value in net income in each reporting period. Entities will also be required to present crypto assets measured at fair value separately from other intangible assets on the balance sheet and changes from the remeasurement of crypto assets separately from changes in the carrying amounts of other intangible assets in the income statement. Other disclosure items include the name, cost basis, fair value, and number of units for each significant crypto asset holding and the aggregate fair values and cost bases of crypto asset holdings that are not individually significant along with a rollforward of activity in the reporting period and disclosure of the method for determining the cost basis of the crypto assets.

The amendments in this update are effective for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years and are applied through a cumulative-effect adjustment to the opening balance of retained earnings (as of the beginning of the annual reporting period of adoption). As the Company does not currently hold any crypto assets meeting the criteria outlined in the update, the adoption of this guidance is not expected to have an impact on the Company's Consolidated Financial Statements.

Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued guidance within ASU 2023-07, *Segment Reporting (Topic 280).* The amendments in this update are intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures related to significant segment expenses. The amendments do not change how an entity identifies its operating segments, aggregates those operating segments, or applies the quantitative thresholds to determine its reportable segments and all existing segment disclosure requirements in ASC 280 and other Codification topics remain unchanged. The amendments in this update are incremental and require public entities that report segment information to disclose, on an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss as well as other segment items. Annual disclosure of the title and position of the chief operating decision maker and how the reported measures of segment profit or loss are used to assess performance and allocation of resources is also required.

The amendments in this update are effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024 and are applied on a retrospective basis. The Company is currently evaluating the impact these amendments will have on its Consolidated Financial Statements.

Recently adopted accounting guidance

Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method

In March 2023, the FASB issued guidance within ASU 2023-02, *Investments — Equity Method and Joint Ventures (Topic 323).* The amendments in this update permit entities to elect to account for tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. Previously this option was only permitted for LIHTC investments. Additionally, the amendments in this update require that all tax equity investments accounted for using the proportional amortization method apply the delayed equity contribution guidance in Subtopic 323-740 and disclosure of the nature of an entity's tax equity investments and their effect on an entity's financial position and results of operations.

The Company adopted this accounting guidance prospectively on January 1, 2024. The adoption of this guidance did not have a material impact on the Company's Consolidated Financial Statements.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management's estimates and judgments are ongoing and are based on experience, current and expected future conditions, third-party evaluations and various other assumptions that management believes are reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities, as well as identifying and assessing the accounting treatment with respect to commitments and contingencies. Actual results may differ from those estimates and assumptions used in the Consolidated Financial Statements and related notes. Material estimates that are susceptible to significant changes in the near term relate to: 1) the determination of the ACL; 2) certain assets and liabilities carried at or evaluated using fair value measurements; 3) goodwill impairment; and 4) accounting for income taxes.

Principles of consolidation

As of March 31, 2024 June 30, 2024, WAL has the following significant wholly-owned subsidiaries: WAB and eight unconsolidated subsidiaries used as business trusts in connection with the issuance of trust-preferred securities.

WAB has the following significant wholly-owned subsidiaries: 1) WABT, which holds certain investment securities, municipal and nonprofit loans, and leases; 2) WA PWI, which holds interests in certain limited partnerships invested primarily in low income housing tax credits and small business investment corporations; 3) Helios Prime, which holds interests in certain limited partnerships invested in renewable energy projects; 4) BW Real Estate, Inc., which operates as a real estate investment trust and holds certain of WAB's real estate loans and related securities; and 5) Western Finance Company, which purchases and originates equipment finance leases and provides mortgage banking services through its wholly-owned subsidiary, AmeriHome.

The Company does not have any other significant entities that should be consolidated. All significant intercompany balances and transactions have been eliminated in consolidation.

Reclassifications

Certain amounts in the Consolidated Income Statements for the prior periods have been reclassified to conform to the current presentation. The reclassifications had no effect on net income or stockholders' equity as previously reported.

2. INVESTMENT SECURITIES

The carrying amounts and fair values of investment securities are summarized as follows:

		March 31, 2024				June 30, 2024			
	Amortized Cost	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value
			(in millions)						
Held-to-maturity									
Tax-exempt									
Tax-exempt									
Tax-exempt									
Private label residential MBS									
Total HTM securities									
Available-for-sale debt securities									

Available-for-sale debt securities

Available-for-sale debt securities

U.S. Treasury securities

U.S. Treasury securities

U.S. Treasury securities

Residential MBS issued by GSEs

Private label residential MBS

Private label residential MBS

Private label residential MBS

Tax-exempt

Commercial MBS issued by GSEs

CLO

Corporate debt securities

Other

Other

Other

Total AFS debt securities

	December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value
	(in millions)			
Held-to-maturity				
Tax-exempt	$ 1,243	$ 1	$ (140)	$ 1,104
Private label residential MBS	186	—	(39)	147
Total HTM securities	$ 1,429	$ 1	$ (179)	$ 1,251
Available-for-sale debt securities				
U.S. Treasury securities	$ 4,853	$ 1	$ (1)	$ 4,853
Residential MBS issued by GSEs	2,328	3	(359)	1,972
CLO	1,407	1	(9)	1,399
Private label residential MBS	1,320	1	(204)	1,117
Tax-exempt	925	—	(67)	858
Commercial MBS issued by GSEs	531	8	(9)	530
Corporate debt securities	411	—	(44)	367
Other	74	4	(9)	69
Total AFS debt securities	$ 11,849	$ 18	$ (702)	$ 11,165

In addition, the Company held equity securities, which primarily consisted of preferred stock and CRA investments, with a fair value of $130 million$114 million and $126 million at March 31, 2024June 30, 2024 and December 31, 2023, respectively. Unrealized gainslosses on equity securities of $3.9 million$1.2 million and lossesgains of $8.5 million$0.1 million for the three months ended March 31, 2024June 30, 2024 and 2023, respectively, and unrealized gains of $2.7 million and losses of $8.4 million for the six months ended June 30, 2024 and 2023, respectively, were recognized in earnings as a component of Fair value gain (loss) adjustments, net.

Securities with carrying amounts of approximately $8.0 billion$8.2 billion and $7.7 billion at March 31, 2024June 30, 2024 and December 31, 2023, respectively, were pledged for various purposes as required or permitted by law.

The following tables summarize the Company's AFS debt securities in an unrealized loss position, aggregated by major security type and length of time in a continuous unrealized loss position:

March 31, 2024				June 30, 2024		
Less Than Twelve Months	**Less Than Twelve Months**	**More Than Twelve Months**	**Total**	**Less Than Twelve Months**	**More Than Twelve Months**	**Total**

	Gross Unrealized Losses	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
				(in millions)									
Available-for-sale debt securities													
Available-for-sale debt securities													
Available-for-sale debt securities													
U.S. Treasury securities													
U.S. Treasury securities													
U.S. Treasury securities													
Residential MBS issued by GSEs													
Private label residential MBS													
Tax-exempt													
Commercial MBS issued by GSEs													
Corporate debt securities (1)													
Other													
Other													
Other													
Total AFS securities													

(1) Includes securities with an ACL that have a fair value of $22 $23 million and unrealized losses of $6 $5 million.

	December 31, 2023					
	Less Than Twelve Months		More Than Twelve Months		Total	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
	(in millions)					
Available-for-sale debt securities						
U.S. Treasury securities	$ 1	$ 2,208	$ —	$ —	$ 1	$ 2,208
Residential MBS issued by GSEs	3	174	356	1,551	359	1,725
Private label residential MBS	—	—	204	1,020	204	1,020
CLO	—	—	9	845	9	845
Tax-exempt	3	67	64	773	67	840
Corporate debt securities (1)	—	—	44	359	44	359
Commercial MBS issued by GSEs	—	—	9	53	9	53
Other	—	—	9	54	9	54
Total AFS securities	$ 7	$ 2,449	$ 695	$ 4,655	$ 702	$ 7,104

(1) Includes securities with an ACL that have a fair value of $54 million and unrealized losses of $8 million.

The total number of AFS debt securities in an unrealized loss position at March 31, 2024 June 30, 2024 was 770, 840, compared to 708 at December 31, 2023.

On a quarterly basis, the Company performs an impairment analysis on its AFS debt securities in an unrealized loss position at the end of the period to determine whether credit losses should be recognized on these securities.

Qualitative considerations made by the Company in its impairment analysis are further discussed below.

Government Issued Securities

U.S. Treasury securities and commercial and residential MBS are issued by either government agencies or GSEs. These securities are either explicitly or implicitly guaranteed by the U.S. government and are highly rated by major rating agencies. Further, principal and interest payments on these securities continue to be made on a timely basis.

Non-Government Issued Securities

Qualitative factors used in the Company's credit loss assessment of its securities that are not issued and guaranteed by the U.S. government include consideration of any adverse conditions related to a specific security, industry, or geographic region of its securities, any credit ratings below investment grade, the payment structure of the security and the likelihood of the issuer to be able to make payments that increase in the future, and failure of the issuer to make any scheduled principal or interest payments.

For the Company's corporate debt and tax-exempt securities, the Company also considers various metrics of the issuer including days of cash on hand, the ratio of long-term debt to total assets, the net change in cash between reporting periods, and consideration of any breach in covenant requirements. The Company's corporate debt securities are primarily investment grade, issuers continue to make timely principal and interest payments, and the unrealized losses on these security portfolios primarily relate to changes in interest rates and other market conditions not considered to be credit-related issues. The Company continues to receive timely principal and interest payments on its tax-exempt securities and the majority of these issuers have revenues pledged for payment of debt service prior to payment of other types of expenses.

In consideration of the continued effects from the bank failures in 2023, the Company performed a targeted impairment analysis on its AFS debt securities issued by regional banks held in its corporate debt securities portfolio. The Company considered the issuers' credit ratings, probability of default, and other factors. As a result of the analysis, a $0.1 million recovery recoveries of credit losses totaling $0.5 million and $19.3 million provision for credit losses $0.6 million were recognized during the three and six months ended March 31, 2024 June 30, 2024, respectively, and 2023, a provision for credit losses of $2.2 million and $21.5 million was recognized during the three and six months ended June 30, 2023, respectively. The provision for credit losses for the three six months ended March 31, 2023 June 30, 2023 included recognition of a $17.1 million charge-off for one debt security issued by a regional bank that was sold. The Company does not intend to sell and it is more likely than not the Company will not be required to sell the remainder of these regional bank debt securities prior to their anticipated recovery, therefore, no additional credit losses on the Company's remaining portfolio have been recognized during the three and six months ended March 31, 2024 June 30, 2024.

For the Company's private label residential MBS, which consist of non-agency collateralized mortgage obligations secured by pools of residential mortgage loans, the Company also considers metrics such as securitization risk weight factor, current credit support, whether there were any mortgage principal losses resulting from defaults in payments on the underlying mortgage collateral, and the credit default rate over the last twelve months. These securities primarily carry investment grade credit ratings, principal and interest payments on these securities continue to be made on a timely basis, and credit support for these securities is considered adequate.

The Company's CLO portfolio consisted of highly rated securitization tranches, containing pools of medium to large-sized corporate, high yield loans. These were are variable rate securities that had have an investment grade rating of Single-A or better. Unrealized losses on these securities were are primarily a function of the differential from the offer price and the valuation mid-market price as well as changes in interest rates.

Unrealized losses on the Company's other securities portfolio relate to taxable municipal and trust preferred securities. The Company is continuing to receive timely principal and interest payments on its taxable municipal securities, these securities continue to be highly rated and the number of days of cash on hand is strong. The Company's trust preferred securities are investment grade and the issuers continue to make timely principal and interest payments.

The following table presents a rollforward by major security type of the ACL on the Company's AFS debt securities:

	Three Months Ended March 31, 2024				
	Three Months Ended March 31, 2024				
	Three Months Ended March 31, 2024				
	Balance, December 31, 2023	**Recovery of Credit Losses**	**Charge-offs**	**Recoveries**	**Balance, March 31, 2024**
	Three Months Ended June 30, 2024				
	Three Months Ended June 30, 2024				
	Three Months Ended June 30, 2024				
	Balance, March 31, 2024	**Recovery of Credit Losses**	**Charge-offs**	**Recoveries**	**Balance, June 30, 2024**
		(in millions)			
Available for sale securities					
Corporate debt securities					
Corporate debt securities					
Corporate debt securities					

	Three Months Ended March 31, 2023				
	Three Months Ended March 31, 2023				
	Three Months Ended March 31, 2023				
	Balance, December 31, 2022	Provision for Credit Losses	Charge-offs	Recoveries	Balance March 31, 2023
	Six Months Ended June 30, 2024				
	Six Months Ended June 30, 2024				
	Six Months Ended June 30, 2024				
	Balance, December 31, 2023	**Recovery of Credit Losses**	**Charge-offs**	**Recoveries**	**Balance, June 30, 2024**
		(in millions)			
Available for sale securities					

Corporate debt securities
Corporate debt securities
Corporate debt securities

	Three Months Ended June 30, 2023				
	Balance, March 31, 2023	Provision for Credit Losses	Charge-offs	Recoveries	Balance June 30, 2023
	(in millions)				
Available for sale securities					
Corporate debt securities	$ 2.2	$ 2.2	$ —	$ —	$ 4.4

	Six Months Ended June 30, 2023				
	Balance, December 31, 2022	Provision for Credit Losses	Charge-offs	Recoveries	Balance June 30, 2023
	(in millions)				
Available for sale securities					
Corporate debt securities	$ —	$ 21.5	$ (17.1)	$ —	$ 4.4

The credit loss model under ASC 326-20, applicable to HTM debt securities, requires recognition of lifetime expected credit losses through an allowance account at the time the security is purchased.

The following table presents a rollforward by major security type of the ACL on the Company's HTM debt securities:

	Three Months Ended March 31, 2024				
	Three Months Ended March 31, 2024				
	Three Months Ended March 31, 2024				
	Balance, December 31, 2023	**Provision for Credit Losses**	**Charge-offs**	**Recoveries**	**Balance, March 31, 2024**
	Three Months Ended June 30, 2024				
	Three Months Ended June 30, 2024				
	Three Months Ended June 30, 2024				
	Balance, March 31, 2024	**Provision for Credit Losses**	**Charge-offs**	**Recoveries**	**Balance, June 30, 2024**
	(in millions)				
Held-to-maturity debt securities					
Tax-exempt					
Tax-exempt					
Tax-exempt					

	Three Months Ended March 31, 2023				
	Three Months Ended March 31, 2023				
	Three Months Ended March 31, 2023				
	Balance, December 31, 2022	Provision for Credit Losses	Charge-offs	Recoveries	Balance March 31, 2023
	Six Months Ended June 30, 2024				
	Six Months Ended June 30, 2024				
	Six Months Ended June 30, 2024				
	Balance, December 31, 2023	**Provision for Credit Losses**	**Charge-offs**	**Recoveries**	**Balance, June 30, 2024**
	(in millions)				
Held-to-maturity debt securities					
Tax-exempt					
Tax-exempt					
Tax-exempt					

	Three Months Ended June 30, 2023

	Balance, March 31, 2023	Recovery of Credit Losses	Charge-offs	Recoveries	Balance June 30, 2023
			(in millions)		
Held-to-maturity debt securities					
Tax-exempt	$ 6.5	$ (0.5)	$ —	$ —	$ 6.0

	Six Months Ended June 30, 2023				
	Balance, December 31, 2022	Provision for Credit Losses	Charge-offs	Recoveries	Balance June 30, 2023
			(in millions)		
Held-to-maturity debt securities					
Tax-exempt	$ 5.2	$ 0.8	$ —	$ —	$ 6.0

No allowance has been recognized on the Company's HTM private label residential MBS as losses are not expected due to the Company holding a senior position in these securities.

Accrued interest receivable on HTM securities totaled $5 million at March 31, 2024 June 30, 2024 and December 31, 2023, and is excluded from the estimate of expected credit losses.

The following tables summarize the carrying amount of the Company's investment ratings position, which are updated quarterly and used to monitor the credit quality of the Company's securities:

	March 31, 2024									June 30, 2024							
	AAA	**AAA**	**Split-rated AAA/AA+**	**AA+ to AA-**	**A+ to A-**	**BBB+ to BBB-**	**BB+ and below**	**Unrated**	**Totals**	**AAA**	**Split-rated AAA/AA+**	**AA+ to AA-**	**A+ to A-**	**BBB+ to BBB-**	**BB+ and below**	**Unrated**	**Totals**
			(in millions)														
Held-to-maturity																	
Tax-exempt																	
Tax-exempt																	
Tax-exempt																	
Private label residential MBS																	
Total HTM securities (1)																	
Available-for-sale debt securities																	
Available-for-sale debt securities																	
Available-for-sale debt securities																	
U.S. Treasury securities																	
U.S. Treasury securities																	
U.S. Treasury securities																	
Residential MBS issued by GSEs																	
Private label residential MBS																	
Tax-exempt																	
Commercial MBS issued by GSEs																	
Commercial MBS issued by GSEs																	
Commercial MBS issued by GSEs																	
CLO																	

Corporate debt securities
Other
Other
Other
Total AFS securities (1)
Equity securities
Equity securities
Equity securities
Preferred stock
Preferred stock
Preferred stock
CRA investments
Total equity securities (1)

(1) For rated securities, if ratings differ, the Company uses an average of the available ratings by major credit agencies.

	December 31, 2023							
	AAA	Split-rated AAA/AA+	AA+ to AA-	A+ to A-	BBB+ to BBB-	BB+ and below	Unrated	Totals
	(in millions)							
Held-to-maturity								
Tax-exempt	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,243	$ 1,243
Private label residential MBS	—	—	—	—	—	—	186	186
Total HTM securities (1)	$ —	$ —	$ —	$ —	$ —	$ —	$ 1,429	$ 1,429
Available-for-sale debt securities								
U.S. Treasury securities	$ —	$ 4,853	$ —	$ —	$ —	$ —	$ —	$ 4,853
Residential MBS issued by GSEs	—	1,972	—	—	—	—	—	1,972
CLO	79	—	1,265	55	—	—	—	1,399
Private label residential MBS	1,090	—	26	—	—	1	—	1,117
Tax-exempt	9	16	361	386	—	—	86	858
Commercial MBS issued by GSEs	—	530	—	—	—	—	—	530
Corporate debt securities	—	—	—	76	211	80	—	367
Other	—	—	9	11	28	4	17	69
Total AFS securities (1)	$ 1,178	$ 7,371	$ 1,661	$ 528	$ 239	$ 85	$ 103	$ 11,165
Equity securities								
Preferred stock	$ —	$ —	$ —	$ —	$ 54	$ 35	$ 11	$ 100
CRA investments	—	26	—	—	—	—	—	26
Total equity securities (1)	$ —	$ 26	$ —	$ —	$ 54	$ 35	$ 11	$ 126

(1) For rated securities, if ratings differ, the Company uses an average of the available ratings by major credit agencies.

A security is considered to be past due once it is 30 days contractually past due under the terms of the agreement. As of March 31, 2024June 30, 2024, the Company did not have a significant amount of investment securities that were past due or on nonaccrual status.

The amortized cost and fair value of the Company's debt securities as of March 31, 2024June 30, 2024, by contractual maturities are shown below. MBS are shown separately as individual MBS are comprised of pools of loans with varying maturities. Therefore, these securities are listed separately in the maturity summary.

	March 31, 2024		June 30, 2024	
Amortized Cost	**Amortized Cost**	**Estimated Fair Value**	**Amortized Cost**	**Estimated Fair Value**

	(in millions)
Held-to-maturity	
Due in one year or less	
Due in one year or less	
Due in one year or less	
After one year through five years	
After five years through ten years	
After ten years	
Mortgage-backed securities	
Total HTM securities	
Available-for-sale	
Available-for-sale	
Available-for-sale	
Due in one year or less	
Due in one year or less	
Due in one year or less	
After one year through five years	
After five years through ten years	
After ten years	
Mortgage-backed securities	
Total AFS securities	

The following table presents gross gains and losses on sales of investment securities:

	Three Months Ended March 31, **Three Months Ended March 31,** **Three Months Ended March 31,** **Three Months Ended June 30,** **Three Months Ended June 30,** **Three Months Ended June 30,**
	2024
	2024
	2024
	(in millions)
	(in millions)
	(in millions)
Available-for-sale securities	
Available-for-sale securities	
Available-for-sale securities	
Gross gains	
Gross gains	
Gross gains	
Gross losses	
Gross losses	
Gross losses	
Net losses on AFS securities	
Net losses on AFS securities	
Net losses on AFS securities	

During the three and six months ended March 31, 2024 June 30, 2024, the Company sold AFS securities with a carrying value of $1.4 $329 million and $1.7 billion, respectively, and recognized a net loss gain of $0.9 million. $2.3 million and $1.4 million, respectively. CLOs were sold as part of the Company's efforts to shift the investment portfolio mix toward high quality liquid assets. During the three and six months ended March 31, 2023 June 30, 2023, the Company sold securities with a carrying value of $459 $355 million and $814 million, respectively, and recognized a net loss of $12.5 million. Sales $13.6 million and $26.1 million, respectively, as sales of CLOs were executed as part of the Company's balance sheet repositioning strategy and resulted in gross AFS securities losses for the three months ended March 31, 2023. strategy. Sales of MBS and tax-exempt municipal securities were completed also executed during the three and six months ended June 30, 2023 to secure gains.

3. LOANS HELD FOR SALE

The Company purchases and originates residential mortgage loans through its AmeriHome mortgage banking business channel that are held for sale or securitization.

The following is a summary of loans HFS by type:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
		(in millions)
Government-insured or guaranteed:		
EBO (1)		
EBO (1)		
EBO (1)		
Non-EBO		
Total government-insured or guaranteed		
Agency-conforming		
Non-agency		
Total loans HFS		
Total loans HFS		
Total loans HFS		

(1) EBO loans are delinquent FHA, VA, or USDA loans purchased from GNMA pools under the terms of the GNMA MBS program that can be repooled when loans are brought current either through the borrower's reperformance or through completion of a loan modification.

The following is a summary of the net gain on loan purchase, origination, and sale activities on residential mortgage loans to be sold or securitized:

	Three Months Ended March 31,				
	Three Months Ended March 31,				
	Three Months Ended March 31,				
		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2024	2023	2024	2023
	2024				
	2024				
	(in millions)				
	(in millions)				
	(in millions)		(in millions)		
Mortgage servicing rights capitalized upon sale of loans					
Net proceeds from sale of loans (1)					
Net proceeds from sale of loans (1)					
Net proceeds from sale of loans (1)					
Provision for and change in estimate of liability for losses under representations and warranties, net					
Provision for and change in estimate of liability for losses under representations and warranties, net					
Provision for and change in estimate of liability for losses under representations and warranties, net					
Change in fair value					
Change in fair value					
Change in fair value					
Change in fair value of derivatives:					
Change in fair value of derivatives:					
Change in fair value of derivatives:					
Unrealized gain (loss) on derivatives					
Unrealized gain (loss) on derivatives					
Unrealized gain (loss) on derivatives					
Realized gain on derivatives					

Realized gain on derivatives
Realized gain on derivatives
Total change in fair value of derivatives
Total change in fair value of derivatives
Unrealized gain on derivatives
Unrealized gain on derivatives
Unrealized gain on derivatives
Realized gain (loss) on derivatives
Total change in fair value of derivatives
Net gain on residential mortgage loans HFS
Net gain on residential mortgage loans HFS
Net gain on residential mortgage loans HFS
Loan acquisition and origination fees
Loan acquisition and origination fees
Loan acquisition and origination fees
Net gain on loan origination and sale activities
Net gain on loan origination and sale activities
Net gain on loan origination and sale activities

(1) Represents the difference between cash proceeds received upon settlement and loan basis.

4. LOANS, LEASES AND ALLOWANCE FOR CREDIT LOSSES

The composition of the Company's HFI loan portfolio is as follows:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
		(in millions)
Warehouse lending		
Municipal & nonprofit		
Tech & innovation		
Equity fund resources		
Other commercial and industrial		
CRE - owner occupied		
Hotel franchise finance		
Other CRE - non-owner occupied		
Residential		
Residential - EBO		
Construction and land development		
Other		
Total loans HFI		
Allowance for credit losses		
Total loans HFI, net of allowance		

Loans classified as HFI are stated at the amount of unpaid principal, adjusted for net deferred fees and costs, premiums and discounts on acquired and purchased loans, and an ACL. Net deferred fees of $102 million $105 million and $108 million reduced the carrying value of loans as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively. Net unamortized purchase premiums on acquired and purchased loans of $175 million $172 million and $177 million increased the carrying value of loans as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

Nonaccrual and Past Due Loans

Loans are placed on nonaccrual status when management determines that the full repayment of principal and collection of interest according to contractual terms is no longer likely, generally when the loan becomes 90 days or more past due.

The following tables present nonperforming loan balances by loan portfolio segment:

	March 31, 2024	June 30, 2024

	Nonaccrual with No Allowance for Credit Loss	Nonaccrual with No Allowance for Credit Loss	Nonaccrual with an Allowance for Credit Loss	Total Nonaccrual	Loans Past Due 90 Days or More and Still Accruing	Nonaccrual with No Allowance for Credit Loss	Nonaccrual with an Allowance for Credit Loss	Total Nonaccrual	Loans Past Due 90 Days or More and Still Accruing
			(in millions)						
Municipal & nonprofit									
Municipal & nonprofit									
Municipal & nonprofit									
Tech & innovation									
Other commercial and industrial									
Other commercial and industrial									
Other commercial and industrial									
CRE - owner occupied									
Hotel franchise finance									
Other CRE - non-owner occupied									
Residential									
Residential - EBO									
Construction and land development									
Other									
Total									

Loans contractually delinquent by 90 days or more and still accruing totaled $355 million $330 million at March 31, 2024 June 30, 2024 and primarily consisted of government guaranteed EBO residential loans.

Additionally, the recorded investment of consumer mortgage loans secured by residential real estate properties for which formal foreclosure proceedings are in process totaled $120 million at June 30, 2024.

	December 31, 2023			
	Nonaccrual with No Allowance for Credit Loss	Nonaccrual with an Allowance for Credit Loss	Total Nonaccrual	Loans Past Due 90 Days or More and Still Accruing
	(in millions)			
Municipal & nonprofit	$ —	$ 6	$ 6	$ —
Tech & innovation	23	10	33	—
Other commercial and industrial	19	34	53	—
CRE - owner occupied	8	1	9	—
Other CRE - non-owner occupied	82	1	83	—
Residential	—	70	70	—
Residential - EBO	—	—	—	399

Construction and land development	19	—	19	42
Total	$ 151	$ 122	$ 273	$ 441

Loans contractually delinquent by 90 days or more and still accruing totaled $441 million at December 31, 2023 and consisted of government guaranteed EBO residential loans and construction and land development loans.

The reduction in interest income associated with loans on nonaccrual status was approximately $4.9 million $6.9 million and $0.8 million $2.8 million for the three months ended March 31, 2024 June 30, 2024 and 2023. 2023, respectively, and $11.8 million and $3.6 million for the six months ended June 30, 2024 and 2023, respectively.

The following table presents an aging analysis of past due loans by loan portfolio segment:

	March 31, 2024							June 30, 2024					
	Current	Current	30-59 Days Past Due	60-89 Days Past Due	Over 90 days Past Due	Total Past Due	Total	Current	30-59 Days Past Due	60-89 Days Past Due	Over 90 days Past Due	Total Past Due	Total
				(in millions)									
Warehouse lending													
Municipal & nonprofit													
Tech & innovation													
Equity fund resources													
Other commercial and industrial													
CRE - owner occupied													
Hotel franchise finance													
Other CRE - non-owner occupied													
Residential													
Residential - EBO													
Construction and land development													
Other													
Total loans													

	December 31, 2023					
	Current	30-59 Days Past Due	60-89 Days Past Due	Over 90 days Past Due	Total Past Due	Total
			(in millions)			
Warehouse lending	$ 6,618	$ —	$ —	$ —	$ —	$ 6,618
Municipal & nonprofit	1,554	—	—	—	—	1,554
Tech & innovation	2,808	—	—	—	—	2,808
Equity fund resources	845	—	—	—	—	845
Other commercial and industrial	7,439	13	—	—	13	7,452
CRE - owner occupied	1,627	—	31	—	31	1,658
Hotel franchise finance	3,824	15	16	—	31	3,855
Other CRE - non-owner occupied	5,974	—	—	—	—	5,974
Residential	13,199	68	20	—	88	13,287
Residential - EBO	545	173	106	399	678	1,223
Construction and land development	4,820	—	—	42	42	4,862
Other	160	1	—	—	1	161
Total loans	$ 49,413	$ 270	$ 173	$ 441	$ 884	$ 50,297

Credit Quality Indicators

The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Company analyzes loans individually to classify the loans as to credit risk. This analysis is performed on a quarterly basis. The following tables present risk ratings by loan portfolio segment and origination year. The origination year is the year of origination or renewal.

	Term Loan Amortized Cost Basis by Origination Year	Term Loan Amortized Cost Basis by Origination Year	Revolving Loans Amortized Cost Basis	Total	Term Loan Amortized Cost Basis by Origination Year	Revolving Loans Amortized Cost Basis	Total
As of and for the three months ended March 31, 2024							
As of and for the six months ended June 30, 2024							
	(in millions)						
	(in millions)						
	(in millions)						
Warehouse lending							
Pass							
Pass							
Pass							
Special mention							
Classified							
Total							
Current period gross charge-offs							
Municipal & nonprofit							
Municipal & nonprofit							
Municipal & nonprofit							
Pass							
Pass							
Pass							
Special mention							
Classified							
Total							
Current period gross charge-offs							
Tech & innovation							
Tech & innovation							
Tech & innovation							
Pass							
Pass							
Pass							
Special mention							
Classified							
Total							
Current period gross charge-offs							
Equity fund resources							
Equity fund resources							
Equity fund resources							
Pass							
Pass							
Pass							
Special mention							
Classified							
Total							
Current period gross charge-offs							
Other commercial and industrial							
Other commercial and industrial							
Other commercial and industrial							
Pass							
Pass							

Pass								
Special mention								
Classified								
Total								
Current period gross charge-offs								
CRE - owner occupied								
CRE - owner occupied								
CRE - owner occupied								
Pass								
Pass								
Pass								
Special mention								
Classified								
Total								
Current period gross charge-offs								
Hotel franchise finance								
Hotel franchise finance								
Hotel franchise finance								
Pass								
Pass								
Pass								
Special mention								
Classified								
Total								
Current period gross charge-offs								

	Term Loan Amortized Cost Basis by Origination Year	**Term Loan Amortized Cost Basis by Origination Year**			**Term Loan Amortized Cost Basis by Origination Year**		
As of and for the three months ended March 31, 2024			**Revolving Loans Amortized Cost Basis**	**Total**		**Revolving Loans Amortized Cost Basis**	**Total**
As of and for the six months ended June 30, 2024							
	(in millions)						
	(in millions)						
	(in millions)						
Other CRE - non-owner occupied							
Other CRE - non-owner occupied							
Other CRE - non-owner occupied							
Pass							
Pass							
Pass							
Special mention							
Classified							
Total							
Current period gross charge-offs							
Residential							
Residential							
Residential							
Pass							
Pass							

Pass
Special mention
Classified
Cumulative fair value hedging adjustment
Total
Current period gross charge-offs
Residential - EBO
Residential - EBO
Residential - EBO
Pass
Pass
Pass
Special mention
Classified
Total
Current period gross charge-offs
Construction and land development
Construction and land development
Construction and land development
Pass
Pass
Pass
Special mention
Classified
Total
Current period gross charge-offs
Other
Other
Other
Pass
Pass
Pass
Special mention
Classified
Total
Current period gross charge-offs
Total by Risk Category
Total by Risk Category
Total by Risk Category
Pass
Pass
Pass
Special mention
Classified
Cumulative fair value hedging adjustment
Total
Current period gross charge-offs

	Term Loan Amortized Cost Basis by Origination Year	Term Loan Amortized Cost Basis by Origination Year	Revolving Loans Amortized Cost Basis	Total	Term Loan Amortized Cost Basis by Origination Year	Revolving Loans Amortized Cost Basis	Total
As of December 31, 2023 and gross charge-offs for the three months ended March 31, 2023							
As of December 31, 2023 and gross charge-offs for the six months ended June 30, 2023							
	(in millions)						
	(in millions)						
	(in millions)						
Warehouse lending							
Warehouse lending							
Warehouse lending							
Pass							
Pass							
Pass							
Special mention							
Classified							
Total							
Current period gross charge-offs							
Municipal & nonprofit							
Municipal & nonprofit							
Municipal & nonprofit							
Pass							
Pass							
Pass							
Special mention							
Classified							
Total							
Current period gross charge-offs							
Tech & innovation							
Tech & innovation							
Tech & innovation							
Pass							
Pass							
Pass							
Special mention							
Classified							
Total							
Current period gross charge-offs							
Equity fund resources							
Equity fund resources							
Equity fund resources							
Pass							
Pass							
Pass							
Special mention							
Classified							
Total							
Current period gross charge-offs							
Other commercial and industrial							
Other commercial and industrial							

Other commercial and industrial

Pass

Pass

Pass

Special mention

Classified

Total

Current period gross charge-offs

CRE - owner occupied

CRE - owner occupied

CRE - owner occupied

Pass

Pass

Pass

Special mention

Classified

Total

Current period gross charge-offs

Hotel franchise finance

Hotel franchise finance

Hotel franchise finance

Pass

Pass

Pass

Special mention

Classified

Total

Current period gross charge-offs

Other CRE - non-owner occupied

Other CRE - non-owner occupied

Other CRE - non-owner occupied

Pass

Pass

Pass

Special mention

Classified

Total

Current period gross charge-offs

	Term Loan Amortized Cost Basis by Origination Year	Term Loan Amortized Cost Basis by Origination Year	Revolving Loans Amortized Cost Basis	Total	Term Loan Amortized Cost Basis by Origination Year	Revolving Loans Amortized Cost Basis	Total
As of December 31, 2023 and gross charge-offs for the three months ended March 31, 2023							
As of December 31, 2023 and gross charge-offs for the six months ended June 30, 2023							
	(in millions)						
	(in millions)						
	(in millions)						
Residential							
Pass							

Pass
Pass
Special mention
Classified
Cumulative fair value hedging adjustment
Total
Current period gross charge-offs
Residential - EBO
Residential - EBO
Residential - EBO
Pass
Pass
Pass
Special mention
Classified
Total
Current period gross charge-offs
Construction and land development
Construction and land development
Construction and land development
Pass
Pass
Pass
Special mention
Classified
Total
Current period gross charge-offs
Other
Other
Other
Pass
Pass
Pass
Special mention
Classified
Total
Current period gross charge-offs
Total by Risk Category
Total by Risk Category
Total by Risk Category
Pass
Pass
Pass
Special mention
Classified
Cumulative fair value hedging adjustment
Total
Current period gross charge-offs

Restructurings for Borrowers Experiencing Financial Difficulty

The following tables present loan modifications during the period to borrowers experiencing financial difficulty:

	Amortized Cost Basis at March 31, 2024				
	Payment Delay and Term Extension	**Term Extension**	**Payment Delay**	**Total**	**% of Total Class of Financing Receivable**
Three Months Ended	*(dollars in millions)*				
Tech & innovation	$ —	$ —	$ 30	$ 30	1.0 %
Other commercial and industrial	—	8	—	8	0.1
CRE - owner occupied	—	31	—	31	1.8
Construction and land development	—	39	—	39	0.8
Total	$ —	$ 78	$ 30	$ 108	0.2 %

	Amortized Cost Basis at June 30, 2024				
	Payment Delay and Term Extension	**Term Extension**	**Payment Delay**	**Total**	**% of Total Class of Financing Receivable**
Three Months Ended	*(dollars in millions)*				
Other CRE - non-owner occupied	$ —	$ —	$ 70	$ 70	1.1 %
Total	$ —	$ —	$ 70	$ 70	0.1 %

	Amortized Cost Basis at June 30, 2024				
	Payment Delay and Term Extension	**Term Extension**	**Payment Delay**	**Total**	**% of Total Class of Financing Receivable**
Six Months Ended	*(dollars in millions)*				
Tech & innovation	$ —	$ —	$ 29	$ 29	0.9 %
Other commercial and industrial	—	8	—	8	0.1
CRE - owner occupied	—	31	—	31	1.8
Other CRE - non-owner occupied	—	—	70	70	1.1
Construction and land development	—	39	—	39	0.8
Total	$ —	$ 78	$ 99	$ 177	0.3 %

	Amortized Cost Basis at June 30, 2023				
	Payment Delay and Term Extension	Term Extension	Payment Delay	Total	% of Total Class of Financing Receivable
Three Months Ended	*(dollars in millions)*				
Other commercial and industrial	$ —	$ 27	$ —	$ 27	0.4 %
Hotel franchise finance	—	9	—	9	0.2
Construction and land development	—	28	—	28	0.6
Total	$ —	$ 64	$ —	$ 64	0.1 %

	Amortized Cost Basis at March 31, 2023						Amortized Cost Basis at June 30, 2023				
	Payment Delay and Term Extension	Payment Delay and Term Extension	Term Extension	Payment Delay	Total	% of Total Class of Financing Receivable	Payment Delay and Term Extension	Term Extension	Payment Delay	Total	% of Total Class of Financing Receivable
Three Months Ended	*(dollars in millions)*										
Six Months Ended	*(dollars in millions)*										
Tech & innovation											
Tech & innovation											
Tech & innovation	$2	$ —	$ 5	$	$ 7	0.3 0.3 %	$2	$ —	$ 5	$ 7	0.3 0.3 %

Other commercial and industrial																		
Other commercial and industrial																		
Other commercial and industrial																		
Hotel franchise finance																		
Hotel franchise finance																		
Hotel franchise finance	—	18	18	—	—	18	18	0.5	0.5 %									
Residential																		
Residential																		
Residential	—	—	—	1	1	1	1	0.0	0.0 %									
Construction and land development																		
Construction and land development																		
Construction and land development																		
Total																		
Total																		
Total	$2	$	$ 18	$	$ 6	$	$ 26	0.1	0.1 %	$2	$	$ 82	$	$ 6	$	$ 90	0.2	0.2 %

The performance of these modified loans is monitored for 12 months following the modification. As of March 31, 2024 June 30, 2024, modified loans of $129 million $85 million were current with contractual payments and $129 million $156 million were on nonaccrual status. As of December 31, 2023, modified loans of $95 million were current with contractual payments and $111 million were on nonaccrual status.

In the normal course of business, the Company also modifies EBO loans, which are delinquent FHA, VA, or USDA insured or guaranteed loans repurchased under the terms of the GNMA MBS program and can be repooled or resold when loans are brought current. current either through the borrower's reperformance or completion of a loan modification. During the three and six months ended March 31, 2024 and 2023, June 30, 2024, the Company completed modifications of EBO loans with an amortized cost of $90 million $103 million and $57 million $190 million, respectively. During the three and six months ended June 30, 2023, the Company completed modifications of EBO loans with an amortized cost of $35 million and $92 million, respectively. These modifications were largely payment delays and term extensions. Certain of these loans were repooled or resold after modification and are no longer included in the pool of loan modifications being monitored for future performance. As of March 31, 2024 June 30, 2024, modified EBO loans consisted of $38 million $23 million in loans that were current to 89 days delinquent and $12 million $9 million in loans greater than 90 days or more delinquent. As of December 31, 2023, modified EBO loans consisted of $26 million in loans that were current to 89 days delinquent and $12 million in loans greater than 90 days or more delinquent.

Collateral-Dependent Loans

The following table presents the amortized cost basis of collateral-dependent loans by loan portfolio segment:

	March 31, 2024				December 31, 2023								
	June 30, 2024				December 31, 2023								
	Real Estate Collateral	Real Estate Collateral	Other Collateral	Total	Real Estate Collateral	Other Collateral	Total	Real Estate Collateral	Other Collateral	Total	Real Estate Collateral	Other Collateral	Total
	(in millions)												
Municipal & nonprofit													
Municipal & nonprofit													
Municipal & nonprofit													
Tech & innovation													
Other commercial and industrial													
Other commercial and industrial													

Other commercial and industrial
CRE - owner occupied
Hotel franchise finance
Other CRE - non-owner occupied
Construction and land development
Construction and land development
Construction and land development
Total
Total
Total

The Company did not identify any significant changes in the extent to which collateral secures its collateral dependent loans, whether in the form of general deterioration or from other factors during the period ended March 31, 2024 June 30, 2024.

Allowance for Credit Losses

The ACL consists of the ACL on funded loans HFI and an ACL on unfunded loan commitments. The ACL on HTM securities is estimated separately from loans, see "Note 2. Investment Securities" of these Notes to Unaudited Consolidated Financial Statements for further discussion. Management considers the level of ACL to be a reasonable and supportable estimate of expected credit losses inherent within the Company's HFI loan portfolio as of March 31, 2024 June 30, 2024.

The below tables reflect the activity in the ACL on loans HFI by loan portfolio segment, which includes an estimate of future recoveries:

	Three Months Ended March 31, 2024				
	Balance, December 31, 2023	**Provision for (Recovery of) Credit Losses**	**Charge-offs**	**Recoveries**	**Balance, March 31, 2024**
	Three Months Ended June 30, 2024				
	Balance, March 31, 2024	**Provision for (Recovery of) Credit Losses**	**Charge-offs**	**Recoveries**	**Balance, June 30, 2024**
	(in millions)				
Warehouse lending					
Municipal & nonprofit					
Tech & innovation					
Equity fund resources					
Other commercial and industrial					
CRE - owner occupied					
Hotel franchise finance					
Other CRE - non-owner occupied					
Residential					
Residential - EBO					
Construction and land development					
Other					
Total					

	Three Months Ended March 31, 2023				
	Balance, December 31, 2022	Provision for (Recovery of) Credit Losses	Charge-offs	Recoveries	Balance, March 31, 2023
	(in millions)				
Warehouse lending	$ 8.4	$ (1.8)	$ —	$ —	$ 6.6
Municipal & nonprofit	15.9	2.5	—	—	18.4
Tech & innovation	30.8	7.4	1.8	—	36.4

Equity fund resources	6.4	(3.1)	—	—	3.3
Other commercial and industrial	85.9	(30.7)	7.3	(3.2)	51.1
CRE - owner occupied	7.1	1.5	—	—	8.6
Hotel franchise finance	46.9	0.8	—	—	47.7
Other CRE - non-owner occupied	47.4	19.0	—	—	66.4
Residential	30.4	1.3	—	—	31.7
Residential - EBO	—	—	—	—	—
Construction and land development	27.4	4.1	—	—	31.5
Other	3.1	—	0.1	—	3.0
Total	$ 309.7	$ 1.0	$ 9.2	$ (3.2)	$ 304.7

	Six Months Ended June 30, 2024				
	Balance, December 31, 2023	**Provision for (Recovery of) Credit Losses**	**Charge-offs**	**Recoveries**	**Balance, June 30, 2024**
	(in millions)				
Warehouse lending	**$ 5.8**	**$ 0.7**	**$ —**	**$ —**	**$ 6.5**
Municipal & nonprofit	**14.7**	**(0.7)**	**—**	**—**	**14.0**
Tech & innovation	**42.1**	**4.4**	**1.5**	**—**	**45.0**
Equity fund resources	**1.3**	**0.4**	**—**	**—**	**1.7**
Other commercial and industrial	**81.4**	**8.4**	**6.0**	**(0.5)**	**84.3**
CRE - owner occupied	**6.0**	**(1.0)**	**—**	**—**	**5.0**
Hotel franchise finance	**33.4**	**9.1**	**2.9**	**—**	**39.6**
Other CRE - non-owner occupied	**96.0**	**31.1**	**22.6**	**—**	**104.5**
Residential	**23.1**	**(4.3)**	**—**	**—**	**18.8**
Residential - EBO	**—**	**—**	**—**	**—**	**—**
Construction and land development	**30.4**	**(0.5)**	**—**	**—**	**29.9**
Other	**2.5**	**0.1**	**0.1**	**—**	**2.5**
Total	**$ 336.7**	**$ 47.7**	**$ 33.1**	**$ (0.5)**	**$ 351.8**

	Three Months Ended June 30, 2023				
	Balance, March 31, 2023	Provision for (Recovery of) Credit Losses	Charge-offs	Recoveries	Balance, June 30, 2023
	(in millions)				
Warehouse lending	$ 6.6	$ (1.4)	$ —	$ —	$ 5.2
Municipal & nonprofit	18.4	(1.9)	—	—	16.5
Tech & innovation	36.4	(2.8)	—	—	33.6
Equity fund resources	3.3	(1.6)	—	—	1.7
Other commercial and industrial	51.1	5.9	6.0	(0.8)	51.8
CRE - owner occupied	8.6	(0.6)	—	—	8.0
Hotel franchise finance	47.7	(2.0)	—	—	45.7
Other CRE - non-owner occupied	66.4	25.9	2.2	—	90.1
Residential	31.7	2.2	—	—	33.9
Residential - EBO	—	—	—	—	—
Construction and land development	31.5	0.2	—	—	31.7
Other	3.0	(0.1)	—	—	2.9
Total	$ 304.7	$ 23.8	$ 8.2	$ (0.8)	$ 321.1

	Six Months Ended June 30, 2023

	Balance, December 31, 2022	Provision for (Recovery of) Credit Losses	Charge-offs	Recoveries	Balance, June 30, 2023
			(in millions)		
Warehouse lending	$ 8.4	$ (3.2)	$ —	$ —	$ 5.2
Municipal & nonprofit	15.9	0.6	—	—	16.5
Tech & innovation	30.8	4.6	1.8	—	33.6
Equity fund resources	6.4	(4.7)	—	—	1.7
Other commercial and industrial	85.9	(24.8)	13.3	(4.0)	51.8
CRE - owner occupied	7.1	0.9	—	—	8.0
Hotel franchise finance	46.9	(1.2)	—	—	45.7
Other CRE - non-owner occupied	47.4	44.9	2.2	—	90.1
Residential	30.4	3.5	—	—	33.9
Residential - EBO	—	—	—	—	—
Construction and land development	27.4	4.3	—	—	31.7
Other	3.1	(0.1)	0.1	—	2.9
Total	$ 309.7	$ 24.8	$ 17.4	$ (4.0)	$ 321.1

Accrued interest receivable of $278 million $280 million and $281 million at March 31, 2024 June 30, 2024 and December 31, 2023, respectively, was excluded from the estimate of credit losses. Whereas, accrued interest receivable related to the Company's Residential-EBO loan portfolio segment was included in the estimate of credit losses and had an allowance of $3 million and $4 million as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively. Accrued interest receivable, net of any allowance, is included in Other assets on the Consolidated Balance Sheet.

In addition to the ACL on funded loans HFI, the Company maintains a separate ACL related to off-balance sheet credit exposures, including unfunded loan commitments. This allowance is included in Other liabilities on the Consolidated Balance Sheet.

The below table reflects the activity in the ACL on unfunded loan commitments:

	Three Months Ended March 31,				
	Three Months Ended March 31,				
	Three Months Ended March 31,				
		Three Months Ended June 30,	Six Months Ended June 30,		
	2024	2024	2023	2024	2023
	2024				
	2024				
	(in millions)				
	(in millions)				
	(in millions)		*(in millions)*		
Balance, beginning of period					
Provision for (Recovery of) credit losses					
Provision for (Recovery of) credit losses					
Provision for (Recovery of) credit losses					
Balance, end of period					
Balance, end of period					
Balance, end of period					

The following tables disaggregate the Company's ACL on funded loans HFI and loan balances by measurement methodology:

March 31, 2024			June 30, 2024	
Loans	Loans	Allowance	Loans	Allowance

	Collectively Evaluated for Credit Loss	Collectively Evaluated for Credit Loss	Individually Evaluated for Credit Loss	Total	Collectively Evaluated for Credit Loss	Individually Evaluated for Credit Loss	Total	Collectively Evaluated for Credit Loss	Individually Evaluated for Credit Loss	Total	Collectively Evaluated for Credit Loss	Individually Evaluated for Credit Loss	Total
			(in millions)										
Warehouse lending													
Municipal & nonprofit													
Tech & innovation													
Equity fund resources													
Other commercial and industrial													
CRE - owner occupied													
Hotel franchise finance													
Other CRE - non-owner occupied													
Residential													
Residential EBO													
Construction and land development													
Other													
Total													

	December 31, 2023					
	Loans			Allowance		
	Collectively Evaluated for Credit Loss	Individually Evaluated for Credit Loss	Total	Collectively Evaluated for Credit Loss	Individually Evaluated for Credit Loss	Total
	(in millions)					
Warehouse lending	$ 6,618	$ —	$ 6,618	$ 5.8	$ —	$ 5.8
Municipal & nonprofit	1,548	6	1,554	13.7	1.0	14.7
Tech & innovation	2,729	79	2,808	38.3	3.8	42.1
Equity fund resources	845	—	845	1.3	—	1.3
Other commercial and industrial	7,362	90	7,452	64.6	16.8	81.4
CRE - owner occupied	1,613	45	1,658	6.0	—	6.0
Hotel franchise finance	3,708	147	3,855	33.4	—	33.4
Other CRE - non-owner occupied	5,838	136	5,974	96.0	—	96.0
Residential	13,287	—	13,287	23.1	—	23.1
Residential EBO	1,223	—	1,223	—	—	—
Construction and land development	4,791	71	4,862	30.4	—	30.4
Other	161	—	161	2.5	—	2.5
Total	$ 49,723	$ 574	$ 50,297	$ 315.1	$ 21.6	$ 336.7

Loan Purchases and Sales

During the three and six months ended March 31, 2024 and 2023, June 30, 2024, loan purchases totaled $389 million $126 million and $511 million $515 million, respectively, and consisted primarily of commercial and industrial loans. Loan purchases during the three and six months ended June 30, 2023 totaled $511 million and $1.0 billion, respectively, which consisted primarily of commercial and industrial and residential loans. There were no loans purchased with more-than-insignificant deterioration in credit quality during the three and six months ended March 31, 2024 June 30, 2024 and 2023.

In the normal course of business, the Company also repurchases guaranteed or insured loans under the terms of the GNMA MBS program which can be repooled when loans are brought current either through the borrower's reperformance or completion of a loan modification and have demonstrated sustained performance for a period of time. The Company repurchased $104 million and $182 million of such EBO loans during the three and six months ended June 30, 2024, respectively. Prior to repurchase, these loans are classified as loans eligible for repurchase, which is included as a component of Other assets on the Consolidated Balance Sheet.

During the three and six months ended March 31, 2024 June 30, 2024, the Company sold loans with a carrying value of approximately $148 million $151 million and $388 million, respectively. The Company recognized a charge-off of $1.4 million $1.6 million and a net loss of $4.9 million $0.7 million on these loan sales during the three months ended June 30, 2024. During the six months ended June 30, 2024, the Company recognized a charge-off of $3.0 million and a net loss of $5.8 million on these loan sales. During the three and six months ended March 31, 2023 June 30, 2023, the Company loans with a carrying value of approximately $212 million and $1.1 billion, respectively, were transferred $6.9 billion of loans HFI (primarily commercial and industrial loans) to HFS and sold $915 million of those loans. The Company recognized a HFS. A net loss of $140.8 million on $8.6 million and $25.9 million for the three and six months ended June 30, 2023, respectively, was recognized related to these loan transfers and sales during the three months ended March 31, 2023. any subsequent loan sales.

5. MORTGAGE SERVICING RIGHTS

The following table presents the changes in fair value of the Company's MSR portfolio related to its mortgage banking business and other information related to its servicing portfolio:

	Three Months Ended March 31,			
	Three Months Ended March 31,			
	Three Months Ended March 31,			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2024 2024	2023	2024	2023
	2024			
	2024			
	(in millions)			
	(in millions)			
	(in millions)		(in millions)	
Balance, beginning of period				
Additions from loans sold with servicing rights retained				
Additions from loans sold with servicing rights retained				
Additions from loans sold with servicing rights retained				
Carrying value of MSRs sold				
Carrying value of MSRs sold				
Carrying value of MSRs sold				
Change in fair value				
Change in fair value				
Change in fair value				
Mark to market adjustments				
Mark to market adjustments				
Mark to market adjustments				
Realization of cash flows				
Realization of cash flows				
Realization of cash flows				
Balance, end of period				
Balance, end of period				
Balance, end of period				
Unpaid principal balance of mortgage loans serviced for others				
Unpaid principal balance of mortgage loans serviced for others				
Unpaid principal balance of mortgage loans serviced for others				

Changes in the fair value of MSRs are recorded as Net loan servicing revenue in the Consolidated Income Statement. Due to the regulatory capital impact of MSRs on capital ratios, the Company sells certain MSRs and related servicing advances in the normal course of business. The Company may also sell excess servicing spread related to certain mortgage loans serviced by the Company. During the three months ended March 31, 2024 June 30, 2024, MSR sales had an aggregate a net sales price gain of $156 million $0.8 million and the UPB of loans underlying these sales totaled $10.8 billion $16.4 billion. During the three six months ended March 31, 2023 June 30, 2024, MSR sales had an aggregate a net sales price gain of $350 million $3.5 million and the UPB of loans underlying these sales totaled $19.5 billion $27.2 billion. During the three months ended June 30, 2023, MSR sales had a net gain of $1.7 million and the UPB of loans underlying these sales totaled $8.8 billion. During the six months ended June 30, 2023, MSR sales had a net loss of $8.0 million and the UPB of loans underlying these sales totaled $28.3 billion. As of March 31, 2024 June 30, 2024 and December 31, 2023, the Company had a remaining receivable balance of $34 million $32 million and $41 million, respectively, related to holdbacks on MSR sales for servicing transfers, which are recorded in Other assets on the Consolidated Balance Sheet.

The Company receives loan servicing fees, net of subservicing costs, based on the UPB of the underlying loans. Loan servicing fees are collected from payments made by borrowers. The Company may receive other remuneration from rights to various borrower contracted fees, such as late charges, collateral reconveyance charges, and non-sufficient funds fees. Contractually specified servicing fees, late fees, and ancillary income associated with the Company's MSR portfolio totaled $67.0 million $70.1 million and $137.1 million for the three and six months ended March 31, 2024 June 30, 2024 and $62.9 million $54.0 million and $116.9 million for the three and six months ended March 31, 2023 June 30, 2023, which are recorded as Net loan servicing revenue in the Consolidated Income Statement.

In accordance with its contractual loan servicing obligations, the Company is required to advance funds to or on behalf of investors when borrowers do not make payments. The Company advances property taxes and insurance premiums for borrowers who have insufficient funds in escrow accounts, plus any other costs to preserve real estate properties. The Company may also advance funds to maintain, repair, and market foreclosed real estate properties. The Company is entitled to recover all or a portion of the advances from borrowers of reinstated and performing loans, from the proceeds of liquidated properties or from the government agency or GSE guarantor of charged-off loans. Servicing advances are charged-off when they are deemed to be uncollectible. As of March 31, 2024 June 30, 2024 and December 31, 2023, net servicing advances totaled $67 million $53 million and $87 million, respectively, which are recorded as Other assets on the Consolidated Balance Sheet.

The following table presents the effect of hypothetical changes in the fair value of MSRs caused by assumed immediate changes in interest rates, discount rates, and prepayment speeds that are used to determine fair value:

		March 31, June 30, 2024
		(in millions)
Fair value of mortgage servicing rights	$	1,178 1,145
Increase (decrease) in fair value resulting from:		
Interest rate change of 50 basis points		
Adverse change		(65) (63)
Favorable change		57
Discount rate change of 50 basis points		
Increase		(23) (22)
Decrease		24 23
Conditional prepayment rate change of 1%		
Increase		(33) (30)
Decrease		36 33
Cost to service change of 10%		
Increase		(14)
Decrease		14

Sensitivities are hypothetical changes in fair value and cannot be extrapolated because the relationship of changes in assumptions to changes in fair value may not be linear. In addition, the offsetting effect of hedging activities are not contemplated in these results and further, the effect of a variation in a particular assumption is calculated without changing any other assumptions, whereas a change in one factor may result in changes to another. Accordingly, no assurance can be given that actual results would be consistent with the results of these estimates. As a result, actual future changes in MSR values may differ significantly from those reported.

6. DEPOSITS

The table below summarizes deposits by type:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
		(in millions)
Non-interest-bearing demand deposits		

Interest-bearing transaction accounts	
Non-interest-bearing deposits	
Interest-bearing demand accounts	
Savings and money market accounts	
Time certificates of deposit ($250,000 or more)	
Other time deposits (1)	
Total deposits	

(1) Retail brokered time deposits over $250,000 of $5.7 billion $5.5 billion and $5.8 billion as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively, are included within Other time deposits as these deposits are generally participated out by brokers in shares below the FDIC insurance limit.

A summary of the contractual maturities for all time deposits as of March 31, 2024 June 30, 2024 is as follows:

	(in millions)
2024	
2025	
2026	
2027	
2028	
Thereafter	
Thereafter	
Thereafter	
Total	

Brokered deposits provide an additional source of deposits and are placed with the Bank through third-party brokers. At March 31, 2024 June 30, 2024 and December 31, 2023, the Company held wholesale brokered deposits of $6.5 billion $6.2 billion and $6.6 billion, respectively, excluding reciprocal deposits. In addition, WAB is a participant in the IntraFi Network, a network that offers deposit placement services such as CDARS and ICS, and other reciprocal deposit networks which offer products that qualify large deposits for FDIC insurance. At March 31, 2024 June 30, 2024, the Company had $14.5 billion $13.1 billion of reciprocal deposits, compared to $13.3 billion at December 31, 2023.

In addition, deposits for which the Company provides account holders with earnings credits or referral fees totaled $22.2 billion $25.0 billion and $17.8 billion at March 31, 2024 June 30, 2024 and December 31, 2023, respectively. The Company incurred $131.2 million $167.4 million and $85.6 million $87.8 million in deposit related costs on these deposits during the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. During the six months ended June 30, 2024 and 2023, the Company incurred $298.6 million and $173.4 million, respectively, in deposit related costs on these deposits. These costs are reported as Deposit costs in non-interest expense.

7. OTHER BORROWINGS

The following table summarizes the Company’s other borrowings by type:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
		(in millions)
Short-Term:		
Federal funds purchased		
Federal funds purchased		
Federal funds purchased		
FHLB advances		
FHLB advances		
FHLB advances		
Repurchase agreements		
Repurchase agreements		
Repurchase agreements		
Secured borrowings		
Total short-term borrowings		
Long-Term:		
Credit linked notes, net		
Credit linked notes, net		
Credit linked notes, net		

Total long-term borrowings

Total other borrowings

Total other borrowings

Total other borrowings

Short-Term Borrowings

Federal Funds Lines of Credit

The Company maintains overnight federal fund lines of credit totaling $839 million $1.3 billion as of March 31, 2024 June 30, 2024, which have rates comparable to the federal funds effective rate plus 0.10% to 0.20%.

FHLB and FRB Advances

The Company also maintains secured overnight lines of credit with the FHLB and the FRB. The Company's borrowing capacity is determined based on collateral pledged, generally consisting of investment securities and loans, at the time of the borrowing. As of March 31, 2024 June 30, 2024 and December 31, 2023, the Company had additional available credit with the FHLB of approximately $8.0 billion $8.5 billion and $6.1 billion respectively. The weighted average rate on FHLB advances was 5.66% and 5.67% as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

Repurchase Agreements

Warehouse borrowing lines of credit are used to finance the acquisition of loans through the use of repurchase agreements. Repurchase agreements operate as financings under which the Company transfers loans to secure these borrowings. The borrowing amounts are based on the attributes of the collateralized loans and are defined in the repurchase agreement of each warehouse lender. The Company retains beneficial ownership of the transferred loans and will receive the loans from the lender upon full repayment of the borrowing. The repurchase agreements may require the Company to transfer additional assets to the lender in the event the estimated fair value of the existing transferred loans declines.

As of March 31, 2024 June 30, 2024, the Company had access to approximately $2.3 billion in uncommitted warehouse funding, of which no amounts were drawn. As of December 31, 2023, there were $376 million in warehouse borrowings outstanding at a weighted average borrowing rate of 6.72%.

Other repurchase facilities include EBO loan and overnight customer repurchase agreements. The total carrying value of these repurchase agreements was $8 million and $6 million as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

Secured Borrowings

Secured borrowings consist of transfers of loans HFS not qualifying for sales accounting treatment. The weighted average interest rate on secured borrowings was 6.58% 6.99% and 6.10% as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

Long-Term Borrowings

Credit Linked Notes

The Company entered into credit linked note transactions that effectively transfer the risk of first losses on reference pools of the Company's loans purchased under its residential mortgage purchase program to the purchasers of the notes. The principal and interest payable on these notes may be reduced by a portion of the Company's loss on such loans if one of the following occurs with respect to a covered loan: (i) realized losses incurred by the Company on a loan following a liquidation of the loan or certain other events, or (ii) a modification of the loan resulting in a reduction in payments. The aggregate losses, if any, for each payment date will be allocated to reduce the class principal amount and (for modifications) the current interest of the notes in reverse order of class priority. Losses on residential mortgages have not generally been significant.

The Company's outstanding credit linked note issuances are detailed in the tables below:

	March 31, 2024						June 30, 2024					
Description	**Description**	**Issuance Date**	**Maturity Date**	**Interest Rate**	**Principal**	**Debt Issuance Costs**	**Description**	**Issuance Date**	**Maturity Date**	**Interest Rate**	**Principal**	**Debt Issuance Costs**
										(in millions)		
Residential mortgage loans (1)												
Residential mortgage loans (2)												
Residential mortgage loans (3)												
Residential mortgage loans (3)												
Residential mortgage loans (3)												
Total												
Total												
Total												

December 31, 2023					
Description	Issuance Date	Maturity Date	Interest Rate	Principal	Debt Issuance Costs

				(in millions)	
Residential mortgage loans (1)	December 12, 2022	October 25, 2052	SOFR + 7.80%	$ 90	$ 2
Residential mortgage loans (2)	June 30, 2022	April 25, 2052	SOFR + 6.00%	179	3
Residential mortgage loans (3)	December 29, 2021	July 25, 2059	SOFR + 4.67%	191	3
Total				$ 460	$ 8

(1) There are multiple classes of these notes, each with an interest rate of SOFR plus a spread that ranges from 2.25% to 11.00% (or, a weighted average spread of 7.80%) on a reference pool balance of $1.8 billion as of March 31, 2024 June 30, 2024 and December 31, 2023.

(2) There are multiple classes of these notes, each with an interest rate of SOFR plus a spread that ranges from 2.25% to 15.00% (or, a weighted average spread of 6.00%) on a reference pool balance of $3.5 billion and $3.6 billion as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

(3) There are six classes of these notes, each with an interest rate of SOFR plus a spread that ranges from 3.15% to 8.50% (or, a weighted average spread of 4.67%) on a reference pool balance of $3.7 billion $3.6 billion and $3.8 billion as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

During the three and six months ended March 31, 2023 June 30, 2023, the Company recognized a gain on extinguishment of debt of $12.7 million $0.7 million and $13.4 million related to the payoff or paydown of credit linked notes on its warehouse and equity fund resource loans. loans, respectively.

8. QUALIFYING DEBT

Subordinated Debt

The Company's subordinated debt issuances are detailed in the tables below:

	March 31, 2024						June 30, 2024					
Description	**Description**	**Issuance Date**	**Maturity Date**	**Interest Rate**	**Principal**	**Debt Issuance Costs**	**Description**	**Issuance Date**	**Maturity Date**	**Interest Rate**	**Principal**	**Debt Issuance Costs**
										(in millions)		
WAL fixed-to-variable-rate (1)												
WAB fixed-to-variable-rate (2)												
Total												

December 31, 2023					
Description	Issuance Date	Maturity Date	Interest Rate	Principal	Debt Issuance Costs
				(in millions)	
WAL fixed-to-variable-rate (1)	June 2021	June 15, 2031	3.00 %	$ 600	$ 6
WAB fixed-to-variable-rate (2)	May 2020	June 1, 2030	5.25 %	225	1
Total				$ 825	$ 7

(1) Notes are redeemable, in whole or in part, beginning on June 15, 2026 at their principal amount plus accrued and unpaid interest and has a fixed interest rate of 3.00%. The notes also convert to a variable rate of three-month SOFR plus 225 basis points on this date.

(2) Debt is redeemable, in whole or in part, on or after June 1, 2025 at its principal amount plus accrued and unpaid interest and has a fixed interest rate of 5.25% through June 1, 2025 and then converts to a variable rate per annum equal to three-month SOFR plus 512 basis points.

The carrying value of all subordinated debt issuances totaled $819 million and $818 million at March 31, 2024 June 30, 2024 and December 31, 2023. , respectively.

Junior Subordinated Debt

The Company has formed or acquired through acquisition eight statutory business trusts, which exist for the exclusive purpose of issuing Cumulative Trust Preferred Securities.

With the exception of debt issued by Bridge Capital Trust I and Bridge Capital Trust II, junior subordinated debt is recorded at fair value at each reporting date due to the FVO election made by the Company under ASC 825. The Company did not make the FVO election for the junior subordinated debt acquired in the Bridge acquisition. Accordingly, the carrying value of these trusts does not reflect the current fair value of the debt and includes a fair market value adjustment established at acquisition that is being accreted over the remaining life of the trusts.

The carrying value of junior subordinated debt was $78 million and $77 million as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively, with maturity dates ranging from 2033 through 2037. The weighted average interest rate of all junior subordinated debt as of March 31, 2024 June 30, 2024 and December 31, 2023 was 7.90% 7.92% and 7.93%, respectively.

In the event of certain changes or amendments to regulatory requirements or federal tax rules, the debt is redeemable in whole. The obligations under these instruments are fully and unconditionally guaranteed by the Company and rank subordinate and junior in right of payment to all other liabilities of the Company. Based on guidance issued by the FRB, the Company's securities continue to qualify as Tier 1 Capital.

9. STOCKHOLDERS' EQUITY

Stock-Based Compensation

Restricted Stock Awards

Restricted stock awards granted to employees generally vest over a 3-year period and stock grants made to non-employee WAL directors have generally vested over six months, with the 2024 grants vesting over 1 one year. The Company estimates the compensation cost for stock grants based upon the grant date fair value. Stock compensation expense is recognized on a straight-line basis over the requisite service period for the entire award. The aggregate grant date fair value for the restricted stock awards granted during the three and six months ended March 31, 2024 June 30, 2024 was $1.8 million and 2023 was $44.8 million and $44.5 million $46.6 million, respectively. Stock compensation expense related to restricted stock awards granted to employees is included in Salaries and employee benefits in the Consolidated Income Statement. For restricted stock awards granted to WAL directors, the related stock compensation expense is included in Legal, professional, and directors' fees. For the three and six months ended March 31, 2024 June 30, 2024, the Company recognized $12.1 million $11.4 million and $23.5 million, in stock-based compensation expense related to employee and WAL director stock grants, compared to $8.5 million $9.1 million and $17.6 million for the three and six months ended March 31, 2023 June 30, 2023.

Performance Stock Units

The Company grants performance stock units to members of its executive management that do not vest unless the Company achieves certain performance measures over a three-year performance period. For the 2024 award, the performance measures are based on the Company's relative return on equity and maintenance of a target CET1 ratio, and relative TSR performance. For the 2023 and 2022 awards, the performance measures are based on achievement of a specified cumulative EPS target and a TSR performance measure over a three-year performance period. factor.The number of shares issued will vary based on the cumulative EPS target and relative TSR performance factor measures that is are achieved. The Company estimates the cost of performance stock units based upon the grant date fair value and expected vesting percentage over the three-year performance period. During the three and six months ended March 31, 2024 June 30, 2024, the Company recognized stock-based compensation expense of $1.0 million $0.6 million and $1.6 million, compared to a $2.5 million net reversal respectively, for such units. During the three and six months ended June 30, 2023, the Company recognized stock-based compensation expense of $1.4 million for such units during the three months ended March 31, 2023 and a net reversal of expense of $1.1 million, respectively, on unvested performance stock units due to revised performance expectations.

The three-year performance period for the 2021 grant ended on December 31, 2023, and based on the Company's cumulative EPS and TSR performance measure for the performance period, these shares vested at 168% of the target award under the terms of the grant. As a result, 129,942 shares became fully vested and were distributed to executive management in the first quarter of 2024.

The three-year performance period for the 2020 grant ended on December 31, 2022, and based on the Company's cumulative EPS and TSR performance measure for the performance period, these shares vested at 180% of the target award under the terms of the grant. As a result, 157,784 shares became fully vested and distributed to executive management in the first quarter of 2023.

Cash Settled Restricted Stock Units

In 2024, the Company began granting cash settled restricted stock units to members of its executive management that vest equally on a monthly basis over a three-year period. As the awards are settled in cash and are not dependent on the occurrence of a future event, these awards are classified as liabilities on the Consolidated Balance Sheet. At each vesting date, the Company settles the vested stock units in cash at the settlement date stock price. During the three and six months ended March 31, 2024 June 30, 2024, the Company recognized compensation expense of $0.1 million $0.3 million and $0.4 million related to these awards. awards, respectively. There were no such awards units outstanding during the three and six months ended March 31, 2023 June 30, 2023.

Deferred Stock Units

In 2024, the Company began granting deferred stock unit awards to certain members of its management team, which are intended to provide retirement benefits on an unfunded, unsecured basis. These awards can be settled in either stock or cash, at the Company's option. Participants are credited dividend equivalent units for any cash dividends paid with respect to the shares of stock underlying the stock units. These awards vest on the later of (i) the one-year anniversary of the grant date and (ii) the participant's satisfaction of age- and service-related eligibility criteria for a qualified retirement. The aggregate grant date fair value for these deferred stock unit awards granted during the three and six months ended June 30, 2024 was $5.6 million. Stock compensation expense related to these deferred stock units is included in Salaries and employee benefits in the Consolidated Income Statement. For the three and six months ended June 30, 2024, the Company recognized $0.5 million in stock-based compensation expense related to these stock grants. There were no such units outstanding during the three and six months ended June 30, 2023.

Preferred Stock

The Company has 12,000,000 depositary shares outstanding, each representing a 1/400th ownership interest in a share of the Company's 4.250% Fixed-Rate Reset Non-Cumulative Perpetual Preferred Shares, Series A, par value $0.0001 per share, with a liquidation preference of $25 per depositary share (equivalent to $10,000 per share of Series A preferred stock). During the three and six months ended March 31, 2024 June 30, 2024 and 2023, the Company declared and paid a quarterly cash dividend of $0.27 per depositary share, for a total dividend payment to preferred stockholders of $3.2 million.

Common Stock Issuances

Pursuant to ATM Distribution Agreement

During the three months ended March 31, 2024 and 2023, the Company had no sales under the ATM program. Sales under the ATM program are made pursuant to a prospectus dated May 14, 2021 and prospectus supplements filed with the SEC in an offering of shares from the Company's shelf registration statement on Form S-3 (No. 333-256120). As of March 31, 2024 $6.4 million, the remaining number of shares that can be sold under this agreement totaled 1,107,769.

respectively.

Cash Dividend on Common Shares

During the three and six months ended March 31, 2024 June 30, 2024, the Company declared and paid a quarterly cash dividend of $0.37 per share, for a total dividend payment to stockholders of $40.7 million. $40.8 million and $81.5 million, respectively. During the three and six months ended March 31, 2023 June 30, 2023, the Company declared and paid a quarterly cash dividend of $0.36 per share for a total dividend payment to stockholders of $39.4 million. and $78.8 million, respectively.

Treasury Shares

Treasury share purchases represent shares surrendered to the Company equal in value to the statutory payroll tax withholding obligations arising from the vesting of employee restricted stock awards. During the three and six months ended March 31, 2024 June 30, 2024, the Company purchased treasury shares of 122,597 17,886 and 140,483, respectively, at a weighted average price of $61.55 $59.07 and $61.23 per share. share, respectively. During the three and six months ended March 31, 2023 June 30, 2023, the Company purchased treasury shares of 143,404, 7,815 and 151,219, respectively, at a weighted average price of $74.70 $31.96 and $72.49 per share. share, respectively.

10. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table summarizes the changes in accumulated other comprehensive income (loss) by component, net of tax, for the periods indicated:

	Three Months Ended March 31, Three Months Ended June 30,				
	Unrealized holding gains (losses) on AFS securities	Unrealized holding losses on SERP	Unrealized holding gains (losses) on junior subordinated debt	Impairment loss on securities	Total
	(in millions)				
Balance, March 31, 2024					
Other comprehensive income (loss) before reclassifications					
Amounts reclassified from AOCI					
Net current-period other comprehensive loss					
Balance, June 30, 2024					
Balance, March 31, 2023					
Balance, March 31, 2023					
Balance, March 31, 2023					
Other comprehensive (loss) income before reclassifications					
Amounts reclassified from AOCI					
Net current-period other comprehensive (loss) income					
Balance, June 30, 2023					

	Six Months Ended June 30,	Six Months Ended June 30,					Six Months Ended June 30,				
	Unrealized holding gains (losses) on AFS securities	Unrealized holding gains (losses) on AFS securities	Unrealized holding losses on SERP	Unrealized holding gains (losses) on junior subordinated debt	Impairment loss on securities	Total	Unrealized holding gains (losses) on AFS securities	Unrealized holding losses on SERP	Unrealized holding gains (losses) on junior subordinated debt	Impairment loss on securities	Total
	(in millions)										
Balance, December 31, 2023											
Other comprehensive loss before reclassifications											
Amounts reclassified from AOCI											
Net current-period other comprehensive loss											
Balance, March 31, 2024											
Balance, June 30, 2024											
Balance, December 31, 2022											
Balance, December 31, 2022											
Balance, December 31, 2022											
Other comprehensive income (loss) before reclassifications											
Other comprehensive income before reclassifications											
Amounts reclassified from AOCI											
Net current-period other comprehensive income (loss)											
Balance, March 31, 2023											

Net current-period other comprehensive income
Balance, June 30, 2023

11. DERIVATIVES AND HEDGING ACTIVITIES

The Company is a party to various derivative instruments. The primary types of derivatives the Company uses are interest rate contracts, forward purchase and sale commitments, and interest rate futures. Generally, these instruments are used to help manage the Company's exposure to interest rate risk related to IRLCs and its inventory of loans HFS and MSRs and also to meet client financing and hedging needs.

Derivatives are recorded at fair value on the Consolidated Balance Sheet, after taking into account the effects of bilateral collateral and master netting agreements. These agreements allow the Company to settle all derivative contracts held with the same counterparty on a net basis, and to offset net derivative positions with related cash collateral, where applicable.

Derivatives Designated in Hedge Relationships

The Company utilizes derivatives that have been designated as part of a hedge relationship in accordance with the applicable accounting guidance to minimize the exposure to changes in benchmark interest rates, which reduces asset sensitivity and volatility of net interest income and EVE to interest rate fluctuations, such that interest rate risk falls within Board approved limits. The primary derivative instruments used to manage interest rate risk are interest rate swaps, which convert the contractual interest rate index of agreed-upon amounts of assets and liabilities (i.e., notional amounts) from either a fixed rate to a variable rate, or from a variable rate to a fixed rate.

The Company has pay fixed/receive variable interest rate swaps designated as fair value hedges of certain fixed rate loans. As a result, the Company receives variable-rate interest payments in exchange for making fixed-rate payments over the lives of the contracts without exchanging the notional amounts. The variable-rate interest payments were based on LIBOR and were converted to SOFR plus a spread adjustment upon the discontinuation of LIBOR in June 2023.

The Company also has pay fixed/receive variable interest rate swaps, designated as fair value hedges using the portfolio layer method to manage the exposure to changes in fair value associated with pools of fixed rate loans, resulting from changes in the designated benchmark interest rate (federal funds rate). These portfolio layer hedges provide the Company the ability to execute a fair value hedge of the interest rate risk associated with a portfolio of similar prepayable assets, whereby the last dollar amount estimated to remain in the portfolio of assets was identified as the hedged item. Under these interest rate swap contracts, the Company received a variable rate and paid a fixed rate on the outstanding notional amount.

The Company also had pay fixed/receive variable interest rate swaps, designated as fair value hedges using the last-of-layer method. Upon termination of these last-of-layer hedges in 2022, the cumulative basis adjustment on these hedges was allocated across the remaining loan pool and is being amortized over the remaining term. At March 31, 2024 June 30, 2024, the remaining cumulative basis adjustment on the terminated last-of-layer hedges totaled $6 $3 million.

Derivatives Not Designated in Hedge Relationships

Management enters into certain contracts and agreements, including foreign exchange derivative contracts, back-to-back interest rate contracts, risk participation agreements and equity warrants, which are not designated as accounting hedges. Foreign exchange derivative contracts include spot, forward, forward window, and swap contracts. The purpose of these derivative contracts is to mitigate foreign currency risk on transactions entered into, or on behalf of customers. The Company's back-to-back interest rate contracts are used to allow customers to manage long-term interest rate risk. Contracts with customers, along with the related derivative trades the Company places, are both remeasured at fair value, and are referred to as economic hedges since they economically offset the Company's exposure.

The Company also uses derivative financial instruments to manage exposure to interest rate risk within its mortgage banking business related to IRLCs and its inventory of loans HFS and MSRs. The Company economically hedges the changes in fair value associated with changes in interest rates generally by utilizing forward purchase and sale commitments, interest rate futures and interest rate swaps. contracts.

Risk participation agreements are entered into with lead banks in certain loan syndications to share in the risk of default on interest rate swaps on participated loans. Equity warrants represent the right to buy shares in a company at a specified price and are acquired by the Company primarily in connection with negotiating credit facilities and certain other services to private, venture-backed companies in the technology industry.

Fair Value Hedges

As of March 31, 2024 June 30, 2024 and December 31, 2023, the following amounts are reflected on the Consolidated Balance Sheet related to cumulative basis adjustments for outstanding fair value hedges:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023

	Carrying Value of Hedged Assets/(Liabilities)	Carrying Value of Hedged Assets/(Liabilities)	Cumulative Fair Value Hedging Adjustment (1)	Carrying Value of Hedged Assets/(Liabilities)	Cumulative Fair Value Hedging Adjustment (1)	Carrying Value of Hedged Assets/(Liabilities)	Cumulative Fair Value Hedging Adjustment (1)	Carrying Value of Hedged Assets/(Liabilities)	Cumulative Fair Value Hedging Adjustment (1)
	(in millions)								
Loans HFI, net of deferred loan fees and costs (2)									

(1) Included in the carrying value of the hedged assets/(liabilities).

(2) As of March 31, 2024 June 30, 2024, included portfolio layer method derivative instruments with $3.5 billion designated as the hedged amount (from a closed portfolio of prepayable fixed rate loans with a carrying value of $6.6 $6.5 billion). The cumulative basis adjustment included in the carrying value of these hedged items totaled $(46) $(57.4) million.

For the Company's derivative instruments that are designated and qualify as fair value hedges, the gain or loss on the derivative instrument as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in current period earnings. The loss or gain on the hedged item is recognized in the same line item as the offsetting loss or gain on the related interest rate swaps. For loans, the gain or loss on the hedged item is included in interest income, as shown in the table below.

		Three Months Ended March 31,					Three Months Ended June 30,			
		2024		2024		2023		2024		2023
Income Statement Classification	Income Statement Classification	Gain/(Loss) on Swaps	Gain/(Loss) on Hedged Item	Gain/(Loss) on Swaps	Gain/(Loss) on Hedged Item	Income Statement Classification	Gain/(Loss) on Swaps	Gain/(Loss) on Hedged Item	Gain/(Loss) on Swaps	Gain/(Loss) on Hedged Item
		(in millions)								
Interest income										

	Six Months Ended June 30,			
	Six Months Ended June 30,			
	Six Months Ended June 30,			
	2024		2023	
Income Statement Classification	Gain/(Loss) on Swaps	Gain/(Loss) on Hedged Item	Gain/(Loss) on Swaps	Gain/(Loss) on Hedged Item
	(in millions)			
Interest income				

In addition to the gains and losses on the Company's outstanding fair value hedges presented in the above table, the Company recognized $3.0 million $2.9 million and $5.9 million, respectively in interest income related to the amortization of the cumulative basis adjustment on its discontinued last-of-layer hedges during the three and six months ended March 31, 2024 June 30, 2024 and 2023.

Fair Values, Volume of Activity, and Gain/Loss Information Related to Derivative Instruments

The following table summarizes the fair value of the Company's derivative instruments on a gross basis as of March 31, 2024 June 30, 2024, December 31, 2023, and March 31, 2023 June 30, 2023. The change in the notional amounts of these derivatives from March 31, 2023 June 30, 2023 to March 31, 2024 June 30, 2024 indicates the volume of the Company's derivative transaction activity during these periods. The derivative asset and liability balances are presented on a gross basis, prior to the application of bilateral collateral and master netting agreements. Total derivative assets and liabilities are adjusted to take into account the impact of legally enforceable master netting agreements that allow the Company to settle all derivative contracts with the same counterparty on a net basis and to offset the net derivative position with the related cash collateral. Where master netting agreements are not in effect or are not enforceable under bankruptcy laws, the Company does not adjust those derivative amounts with counterparties.

	March 31, 2024				December 31, 2023			March 31, 2023			June 30, 2024			December 31, 2023			June 30, 2023		
		Fair Value				Fair Value				Fair Value		Fair Value						Fair Value	
	Notional Amount	Notional Amount	Derivative Assets	Derivative Liabilities	Notional Amount	Derivative Assets	Derivative Liabilities	Notional Amount	Derivative Assets	Derivative Liabilities	Notional Amount	Derivative Assets	Derivative Liabilities	Notional Amount	Derivative Assets	Derivative Liabilities	Notional Amount	Derivative Assets	Derivative Liabilities
	(in millions)																		
Derivatives designated as hedging instruments:																			
Fair value hedges																			
Fair value hedges																			
Fair value hedges																			

Interest rate contracts

Interest rate contracts

Interest rate contracts

Total

Derivatives not designated as hedging instruments:

Derivatives not designated as hedging instruments:

Derivatives not designated as hedging instruments:

Foreign currency contracts

Foreign currency contracts

Foreign currency contracts

Forward purchase contracts

Forward sales contracts

Futures purchase contracts (1), (2)

Futures sales contracts (1), (2)

Forward contracts

Futures contracts (1)

Futures contracts (1)

Futures contracts (1)

Interest rate lock commitments

Interest rate lock commitments

Interest rate lock commitments

Interest rate contracts

Risk participation agreements

Risk participation agreements

Risk participation agreements

Equity warrants

Total

Margin

Total, including margin

(1) The Company enters into futures purchase and sales contracts that are subject to daily remargining and almost all of which are based on three-month SOFR to hedge against its MSR valuation exposure. The notional amount on these contracts is substantial as these contracts have a short duration and are intended to cover the longer duration of MSR hedges.

(2) The notional amounts previously reported for March 31, 2023 have been adjusted to account for the impact of offsetting contracts. To close a futures contract prior to settlement, the Company purchases an offsetting future with the same terms as the original contract and these contracts no longer require settlement.

The fair value of derivative contracts, after taking into account the effects of master netting agreements, is included in Other assets or Other liabilities on the Consolidated Balance Sheet, as summarized in the table below:

		March 31, 2024			December 31, 2023			March 31, 2023											
		June 30, 2024			December 31, 2023			June 30, 2023											
	Gross amount of recognized assets (liabilities)	**Gross amount of recognized assets (liabilities)**	**Gross offset**	**Net assets (liabilities)**	Gross amount of recognized assets (liabilities)	Gross offset	Net assets (liabilities)	Gross amount of recognized assets (liabilities)	Gross offset	Net assets (liabilities)	**Gross amount of recognized assets (liabilities)**	**Gross offset**	**Net assets (liabilities)**	Gross amount of recognized assets (liabilities)	Gross offset	Net assets (liabilities)	Gross amount of recognized assets (liabilities)	Gross offset	Net assets (liabilities)
					(in millions)														
Derivatives subject to master netting arrangements:																			
Assets																			
Assets																			
Assets																			
Foreign currency contracts																			
Foreign currency contracts																			
Foreign currency contracts																			
Forward purchase contracts																			
Forward sales contracts																			
Forward contracts																			
Forward contracts																			
Forward contracts																			
Interest rate contracts																			
Margin																			
Netting																			
	$																		
Liabilities																			
Foreign currency contracts																			
Foreign currency contracts																			
Foreign currency contracts																			
Forward purchase contracts																			
Forward sales contracts																			

Forward contracts
Interest rate contracts
Margin
Netting
$
Derivatives not subject to master netting arrangements:
Assets
Assets
Assets
Foreign currency contracts
Foreign currency contracts
Foreign currency contracts
Forward purchase contracts
Interest rate lock commitments
Interest rate lock commitments
Interest rate lock commitments
Interest rate contracts
Equity warrants
Equity warrants
Equity warrants
$
Liabilities
Foreign currency contracts
Foreign currency contracts
Foreign currency contracts
Forward purchase contracts
Forward sales contracts
Forward contracts
Interest rate lock commitments
Interest rate contracts
$
Total derivatives and margin
Assets
Assets

Assets

Liabilities

The following table summarizes the net gain (loss) on derivatives included in income: the below non-interest income line items:

	Three Months Ended March 31,	Three Months Ended June 30,		Six Months Ended June 30,	
	Three Months Ended March 31,				
	Three Months Ended March 31,				
	2024	2024	2023	2024	2023
	2024				
	2024				
	(in millions)				
	(in millions)				
	(in millions)		*(in millions)*		
Net gain (loss) on loan origination and sale activities:					
Interest rate lock commitments					
Interest rate lock commitments					
Interest rate lock commitments					
Forward contracts					
Forward contracts					
Forward contracts					
Interest rate swaps					
Interest rate contracts					
Interest rate contracts					
Interest rate contracts					
Other contracts					
Net gain on derivatives					
Interest rate swaps					
Interest rate swaps					
Other contracts					
Other contracts					
Other contracts					
Total gain (loss)					
Total gain (loss)					
Total gain (loss)					
Net loan servicing revenue:					
Net loan servicing revenue:					
Net loan servicing revenue:					
Forward contracts					
Forward contracts					
Forward contracts					
Futures contracts					
Futures contracts					
Futures contracts					
Interest rate swaps					
Interest rate swaps					
Interest rate swaps					
Total (loss) gain					
Total (loss) gain					

Total (loss) gain	
Interest rate contracts	
Net loss on derivatives	

Counterparty Credit Risk

Like other financial instruments, derivatives contain an element of credit risk. This risk is measured as the expected replacement value of the contracts. Management enters into bilateral collateral and master netting agreements that provide for the net settlement of all contracts with the same counterparty. Additionally, management monitors counterparty credit risk exposure on each contract to determine appropriate limits on the Company's total credit exposure across all product types, which may require the Company to post collateral to counterparties when these contracts are in a net liability position and conversely, for counterparties to post collateral to the Company when these contracts are in a net asset position. Management reviews the Company's collateral positions on a daily basis and exchanges collateral with counterparties in accordance with standard ISDA documentation and other related agreements. The Company generally posts or holds collateral in the form of cash deposits or highly rated securities issued by the U.S. Treasury or government-sponsored enterprises (FNMA and FHLMC), or guaranteed by GNMA. At March 31, 2024 June 30, 2024, December 31, 2023, and March 31, 2023 June 30, 2023 collateral pledged by the Company to counterparties for its derivatives totaled $146 million $130 million, $216 million, and $33 million $90 million, respectively.

12. EARNINGS PER SHARE

Diluted EPS is calculated using the weighted average outstanding common shares during the period, including common stock equivalents. Basic EPS is calculated using the weighted average outstanding common shares during the period.

The following table presents the calculation of basic and diluted EPS:

	Three Months Ended March 31,	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	**2024**	2023	**2024** 2023
	(in millions, except per share amounts)			*(in millions, except per share amounts)*	
Weighted average shares - basic					
Dilutive effect of stock awards					
Weighted average shares - diluted					
Net income available to common stockholders					
Earnings per Common Share:					
Earnings per Common Share:					
Earnings per Common Share:					
Basic					
Basic					
Basic					
Diluted					
Antidilutive restricted stock outstanding					
Antidilutive restricted stock outstanding					
Antidilutive restricted stock outstanding					

13. INCOME TAXES

The Company's effective tax rate was 23.5% 21.9% and 23.0% 17.1% for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. pectively, and 22.7% and 19.5% for the six months ended June 30, 2024 and 2023, respectively. The increase in the effective tax rate rates for the three and six month periods ended June 30, 2024 compared to the same period in 2023 was primarily due to an increase in nondeductible insurance premiums and shortfalls from stock compensation expense a decrease in expected investment tax credit benefits during 2024.

As of March 31, 2024 June 30, 2024, the net DTA balance totaled $300 million $276 million, an increase decrease of $13 million $11 million from $287 million at December 31, 2023. This overall increase decrease in the net DTA was primarily the result of a decrease an increase in DTLs related to MSRs that were partially offset by decreases in the fair market value of AFS securities. securities, paired with increases in credit carryovers and state net operating losses.

Although realization is not assured, the Company believes that the realization of the recognized deferred tax asset of $300 million $276 million at March 31, 2024 June 30, 2024 is more-likely-than-not based on expectations as to future taxable income and based on available tax planning strategies that could be implemented if necessary to prevent a carryover from expiring.

At March 31, 2024 June 30, 2024 and December 31, 2023, the Company had no deferred tax valuation allowance.

LIHTC and renewable energy projects

The Company holds ownership interests in limited partnerships and limited liability companies that invest in affordable housing and renewable energy projects. These investments are designed to generate a return primarily through the realization of federal tax credits and deductions.

Investments in LIHTC and renewable energy totaled $553 million $537 million and $573 million as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively. Unfunded LIHTC and renewable energy obligations are included in Other liabilities on the Consolidated Balance Sheet and totaled $308 million $305 million and $322 million as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively. For the three months ended March 31, 2024 June 30, 2024 and 2023, $18.6 million and $11.3 million, respectively, of amortization related to LIHTC investments of $17.1 million and $27.7 million, respectively, was recognized as a component of income tax expense. For the six months ended June 30, 2024 and 2023, amortization related to LIHTC investments of $35.7 million and $39.0 million, respectively, was recognized as a component of income tax expense.

14. COMMITMENTS AND CONTINGENCIES

Unfunded Commitments and Letters of Credit

The Company is party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and letters of credit. They involve, to varying degrees, elements of credit risk in excess of amounts recognized on the Consolidated Balance Sheet.

Lines of credit are obligations to lend money to a borrower. Credit risk arises when the borrower's current financial condition may indicate less ability to pay than when the commitment was originally made. In the case of letters of credit, the risk arises from the potential failure of the customer to perform according to the terms of a contract. In such a situation, the third party might draw on the letter of credit to pay for completion of the contract and the Company would look to its customer to repay these funds with interest. To minimize the risk, the Company uses the same credit policies in making commitments and conditional obligations as it would for a loan to that customer.

Letters of credit and financial guarantees are commitments issued by the Company to guarantee the performance of a customer to a third party in borrowing arrangements. The Company generally has recourse to recover from the customer any amounts paid under the guarantees. Typically, letters of credit issued have expiration dates within one year.

A summary of the contractual amounts for unfunded commitments and letters of credit are as follows:

	March 31, 2024	December 31, 2023	**June 30, 2024**	December 31, 2023
	(in millions)		*(in millions)*	
Commitments to extend credit, including unsecured loan commitments of $937 at March 31, 2024 and $989 at December 31, 2023				
Commitments to extend credit, including unsecured loan commitments of $749 at June 30, 2024 and $989 at December 31, 2023				
Credit card commitments and financial guarantees				
Letters of credit, including unsecured letters of credit of $6 at March 31, 2024 and $4 at December 31, 2023				
Letters of credit, including unsecured letters of credit of $2 at June 30, 2024 and $4 at December 31, 2023				
Total				

Commitments to extend credit are agreements to lend to a customer provided that there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The Company enters into credit arrangements that generally provide for the termination of advances in the event of a covenant violation or other event of default. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Company

upon extension of credit, is based on management's credit evaluation of the party. The commitments are collateralized by the same types of assets used as loan collateral.

The Company has exposure to credit losses from unfunded commitments and letters of credit. As funds have not been disbursed on these commitments, they are not reported as loans outstanding. Credit losses related to these commitments are included in Other liabilities as a separate loss contingency and are not included in the ACL reported in "Note 4. Loans, Leases and Allowance for Credit Losses" of these Notes to Unaudited Consolidated Financial Statements. This loss contingency for unfunded loan commitments and letters of credit was $33 million $36 million and $32 million as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively. Changes to this liability are adjusted through the provision for credit losses in the Consolidated Income Statement.

Commitments to Invest in Renewable Energy Projects

The Company has off-balance sheet commitments to invest in renewable energy projects, as described in "Note 13. Income Taxes" of these Notes to Unaudited Consolidated Financial Statements, subject to the underlying project meeting certain milestones. These conditional commitments totaled $38 million and $32 million as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively. .

Concentrations of Lending Activities

The Company does not have a single external customer from which it derives 10% or more of its revenues. The Company monitors concentrations of lending activities at the product and borrower relationship level. Commercial and industrial loans made up 39% 41% and 38% of the Company's HFI loan portfolio as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively. The Company's loan portfolio includes significant credit exposure to the CRE market. As of March 31, 2024 June 30, 2024 and December 31, 2023, CRE related loans accounted for approximately 32% 31% and 33% of total loans, respectively. Approximately 16% of CRE loans, excluding construction and land loans, were owner-occupied as of March 31, 2024 June 30, 2024 and December 31, 2023. No borrower relationships at both the commitment and funded loan level exceeded 5% of total loans HFI as of March 31, 2024 June 30, 2024 and December 31, 2023.

Contingencies

The Company is involved in various lawsuits of a routine nature that are being handled and defended in the ordinary course of the Company's business. Expenses are being incurred in connection with these lawsuits, but in the opinion of management, based in part on consultation with outside legal counsel, the resolution of these lawsuits and associated defense costs will not have a material impact on the Company's financial position, results of operations, or cash flows.

Lease Commitments

The Company has operating leases under which it leases its branch offices, corporate headquarters, and other offices. Operating During the three and six months ended June 30, 2024, operating lease costs totaled $7.0 million during the three months ended March 31, 2024 $7.1 million and $14.1 million, respectively, compared to $7.4 million $7.1 million and $14.5 million, respectively, for the three and six months ended March 31, 2023 June 30, 2023. Other lease costs, which include common area maintenance, parking, and taxes, and were included as occupancy expense, totaled $1.5 million $1.6 million and $3.1 million, respectively, during the three and six months ended March 31, 2024 June 30, 2024, compared to $1.3 million $1.2 million and $2.5 million, respectively, for the three and six months ended March 31, 2023 June 30, 2023.

15. FAIR VALUE ACCOUNTING

The fair value of an asset or liability is the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction occurring in the principal market (or most advantageous market in the absence of a principal market) for such asset or liability. In estimating fair value, the Company utilizes valuation techniques that are consistent with the market approach, the income approach, and/or the cost approach. Such valuation techniques are consistently applied. Inputs to valuation techniques include the assumptions market participants would use in pricing an asset or liability. ASC 825 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

In general, fair value is based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally-developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure financial instruments are recorded at fair value. These adjustments may include amounts to reflect counterparty credit quality and the Company's creditworthiness, among other things, as well as unobservable parameters. Any such valuation adjustments are applied consistently over time. The Company's valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While management believes the Company's valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. A more detailed description of the valuation methodologies used for assets and liabilities measured at fair value is set forth below.

Under ASC 825, the Company elected the FVO treatment for junior subordinated debt issued by WAL. This election is irrevocable and results in the recognition of unrealized gains and losses on the debt at each reporting date. These unrealized gains and losses are recognized in OCI rather than earnings. The Company did not elect FVO treatment for the junior subordinated debt assumed in the Bridge Capital Holdings acquisition.

The following table presents unrealized gains and losses from fair value changes on junior subordinated debt:

	Three Months Ended March 31,				
	Three Months Ended March 31,				
	Three Months Ended March 31,				
	2024				
	2024				
		Three Months Ended June 30,		**Six Months Ended June 30,**	
	2024	**2024**	2023	**2024**	2023
	(in millions)		*(in millions)*		
	(in millions)				
	(in millions)				
Unrealized losses					
Unrealized (losses) gains					
Changes included in OCI, net of tax					
Changes included in OCI, net of tax					
Changes included in OCI, net of tax					

Fair value on a recurring basis

Financial assets and financial liabilities measured at fair value on a recurring basis include the following:

AFS debt securities: Securities classified as AFS are reported at fair value utilizing Level 1 and Level 2 inputs. For these securities, the Company obtains fair value measurements from an independent pricing service. The fair value measurements consider observable data that may include quoted prices in active markets, dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information, and the bond's terms and conditions, among other things.

Equity securities: Preferred stock and CRA investments are reported at fair value utilizing Level 1 inputs.

Independent pricing service: The Company's independent pricing service provides pricing information on the majority of the Company's Level 1 and Level 2 AFS debt securities. For a small subset of securities, other pricing sources are used, including observed prices on publicly-traded securities and dealer quotes. Management independently evaluates the fair value measurements received from the Company's third-party pricing service through multiple review steps. First, management reviews what has transpired in the marketplace with respect to interest rates, credit spreads, volatility, and mortgage rates, among other things, and develops an expectation of changes to the securities' valuations from the previous quarter. Then, management selects a sample of investment securities and compares the values provided by its primary third-party pricing service to the market values obtained from secondary sources, including other pricing services and safekeeping statements, and evaluates those with notable variances. In instances where there are discrepancies in pricing from various sources and management expectations, management may manually price securities using currently observed market data to determine whether they can develop similar prices or may utilize bid information from broker dealers. Any remaining discrepancies between management's review and the prices provided by the vendor are discussed with the vendor and/or the Company's other valuation advisors.

Loans HFS: Government-insured or guaranteed and agency-conforming 1-4 family residential loans HFS are salable into active markets. Accordingly, the fair value of these loans is based primarily on quoted market or contracted selling prices or a market price equivalent, which are categorized as Level 2 in the fair value hierarchy.

Mortgage servicing rights: MSRs are measured based on valuation techniques using Level 3 inputs. The Company uses a discounted cash flow model that incorporates assumptions market participants would use in estimating the fair value of servicing rights, including, but not limited to, option adjusted spread, conditional prepayment rate, servicing fee rate, recapture rate, and cost to service.

Derivative financial instruments: Forward purchase and sales contracts are measured based on valuation techniques using Level 2 inputs, such as quoted market prices, contracted selling prices, or a market price equivalent. Interest rate and foreign currency contracts are reported at fair value utilizing Level 2 inputs. The Company obtains dealer quotations to value its interest rate contracts. IRLCs are measured based on valuation techniques that consider loan type, underlying loan amount, maturity date, note rate, loan program, and expected settlement date, with Level 3 inputs for the servicing release premium and pull-through rate. These measurements are adjusted at the loan level to consider the servicing release premium and loan pricing adjustment specific to each loan. The base value is then adjusted for estimated pull-through rates. The pull-through rate and servicing fee multiple are unobservable inputs based on historical experience. Equity warrants are measured using a Black-Scholes option pricing model based on contractual strike price, expected term, the risk-free interest rate, and volatility, adjusted for a lack of marketability. The volatility input is considered Level 3 as the underlying equity is not publicly traded and is determined using comparable publicly traded companies.

Junior subordinated debt: The Company estimates the fair value of its junior subordinated debt using a discounted cash flow model which incorporates the effect of the Company's own credit risk in the fair value of the liabilities (Level 3). The Company's cash flow assumptions are based on contractual cash flows as the Company anticipates it will pay the debt according to its contractual terms.

The fair value of assets and liabilities measured at fair value on a recurring basis was determined using the following inputs:

	Fair Value Measurements at the End of the Reporting Period Using:								
	Quoted Prices in Active Markets for Identical Assets (Level 1)	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Fair Value**
March 31, 2024		*(in millions)*							
June 30, 2024		*(in millions)*							
Assets:									
Assets:									
Assets:									
Available-for-sale debt securities									
Available-for-sale debt securities									
Available-for-sale debt securities									
U.S. Treasury securities									
U.S. Treasury securities									
U.S. Treasury securities									
Residential MBS issued by GSEs									

Private label residential MBS
Tax-exempt
Commercial MBS issued by GSEs
Corporate debt securities
Corporate debt securities
CLO
Corporate debt securities
Other
Total AFS debt securities
Total AFS debt securities
Total AFS debt securities
Equity securities
Preferred stock
Preferred stock
Preferred stock
CRA investments
Total equity securities
Loans HFS (2)
MSRs
Derivative assets (1)
Liabilities:
Junior subordinated debt (3)
Junior subordinated debt (3)
Junior subordinated debt (3)
Derivative liabilities (1)

(1) See "Note 11. Derivatives and Hedging Activities." In addition, the carrying value of loans is decreased by $66 million $77 million as of March 31, 2024 June 30, 2024 for the effective portion of the hedge, which relates to the fair value of the hedges put in place to mitigate against fluctuations in interest rates. Derivative assets and liabilities exclude margin of $139 million $121 million and $8 million $1 million, respectively.

(2) Includes only the portion of loans HFS that is recorded at fair value at each reporting period pursuant to the election of FVO treatment.

(3) Includes only the portion of junior subordinated debt that is recorded at fair value at each reporting period pursuant to the election of FVO treatment.

	Fair Value Measurements at the End of the Reporting Period Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
December 31, 2023		*(in millions)*		

Assets:				
Available-for-sale debt securities				
U.S. Treasury securities	$ 4,853	$ —	$ —	$ 4,853
Residential MBS issued by GSEs	—	1,972	—	1,972
CLO	—	1,399	—	1,399
Private label residential MBS	—	1,117	—	1,117
Tax-exempt	—	858	—	858
Commercial MBS issued by GSEs	—	530	—	530
Corporate debt securities	—	367	—	367
Other	28	41	—	69
Total AFS debt securities	$ 4,881	$ 6,284	$ —	$ 11,165
Equity securities				
Preferred stock	$ 100	$ —	$ —	$ 100
CRA investments	26	—	—	26
Total equity securities	$ 126	$ —	$ —	$ 126
Loans - HFS (2)	$ —	$ 1,377	$ 3	$ 1,380
Mortgage servicing rights	—	—	1,124	1,124
Derivative assets (1)	—	66	22	88
Liabilities:				
Junior subordinated debt (3)	$ —	$ —	$ 63	$ 63
Derivative liabilities (1)	—	100	—	100

(1) See "Note 11. Derivatives and Hedging Activities." In addition, the carrying value of loans is increased by $6 million as of December 31, 2023 for the effective portion of the hedge, which relates to the fair value of the hedges put in place to mitigate against fluctuations in interest rates. Derivative assets and liabilities exclude margin of $202 million and $(9) million, respectively.

(2) Includes only the portion of loans HFS that is recorded at fair value at each reporting period pursuant to the election of FVO treatment.

(3) Includes only the portion of junior subordinated debt that is recorded at fair value at each reporting period pursuant to the election of FVO treatment.

The change in Level 3 liabilities measured at fair value on a recurring basis included in OCI was as follows:

	Junior Subordinated Debt			Junior Subordinated Debt	
	Junior Subordinated Debt				
	Junior Subordinated Debt				
	Three Months Ended March 31,				
		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2024	2023	2024	2023
	2024				
	2024				
	(in millions)				
	(in millions)				
	(in millions)			(in millions)	
Beginning balance					
Change in fair value (1)					
Change in fair value (1)					
Change in fair value (1)					
Ending balance					
Ending balance					
Ending balance					

(1) Unrealized losses attributable to changes in the fair value of junior subordinated debt are recorded in OCI, net of tax, and totaled $(0.5) million and $(1.1) million $5.0 million for three months ended March 31, 2024 June 30, 2024 and 2023, respectively, and $(1.0) million and $3.9 million for the six months ended June 30, 2024 and 2023, respectively.

The significant unobservable inputs used in the fair value measurements of these Level 3 liabilities were as follows:

	March 31, 2024	Valuation Technique	Significant Unobservable Inputs	Input Value
	June 30, 2024	Valuation Technique	Significant Unobservable Inputs	Input Value

	(in millions)									
Junior subordinated debt										
Junior subordinated debt										
Junior subordinated debt	**$64**	**Discounted cash flow**	**Discounted cash flow**	**Implied credit rating of the Company**	**8.73 %**	**$64**	**Discounted cash flow**	**Discounted cash flow**	**Implied credit rating of the Company**	**8.60 %**

	December 31, 2023	Valuation Technique	Significant Unobservable Inputs	Input Value
	(in millions)			
Junior subordinated debt	$ 63	Discounted cash flow	Implied credit rating of the Company	8.92 %

The significant unobservable inputs used in the fair value measurement of the Company's junior subordinated debt as of March 31, 2024 June 30, 2024 and December 31, 2023 was the implied credit risk for the Company. As of March 31, 2024 June 30, 2024 and December 31, 2023, the the implied credit risk spread was calculated as the difference between the average of the 10 and 15-year 'BB' rated financial indexes over the corresponding swap indexes.

As of March 31, 2024 June 30, 2024, the Company estimates the discount rate at 8.73% 8.60%, which represents an implied credit spread of 3.43% 3.27% plus three-month SOFR (5.30% (5.33%). As of December 31, 2023, the Company estimated the discount rate at 8.92%, which was a 3.59% credit spread plus three-month SOFR (5.33%).

The change in Level 3 assets and liabilities measured at fair value on a recurring basis included in income was as follows:

	Three Months Ended March 31, 2024			
	Three Months Ended March 31, 2024			
	Three Months Ended March 31, 2024			
	Three Months Ended June 30, 2024			
	Three Months Ended June 30, 2024			
	Three Months Ended June 30, 2024		**Six Months Ended June 30, 2024**	
	MSRs	**MSRs**	**IRLCs (1)**	**MSRs**
	MSRs			**IRLCs (1)**
	MSRs			
	(in millions)			
	(in millions)			
	(in millions)		*(in millions)*	
Balance, beginning of period				
Purchases and additions				
Purchases and additions				
Purchases and additions				
Sales and payments				
Sales and payments				
Sales and payments				
Settlement of IRLCs upon acquisition or origination of loans HFS				
Settlement of IRLCs upon acquisition or origination of loans HFS				
Settlement of IRLCs upon acquisition or origination of loans HFS				
Change in fair value				
Change in fair value				
Change in fair value				
Realization of cash flows				
Realization of cash flows				
Realization of cash flows				
Balance, end of period				
Balance, end of period				
Balance, end of period				
Changes in unrealized gains for the period (2)				
Changes in unrealized gains for the period (2)				
Changes in unrealized gains for the period (2)				

	Three Months Ended March 31, 2023				
	Three Months Ended March 31, 2023				
	Three Months Ended March 31, 2023				
	Three Months Ended June 30, 2023				
	Three Months Ended June 30, 2023				
	Three Months Ended June 30, 2023		Six Months Ended June 30, 2023		
	MSRs	MSRs	IRLCs (1)	MSRs	IRLCs (1)
	MSRs				
	MSRs				
	(in millions)				
	(in millions)				
	(in millions)		*(in millions)*		
Balance, beginning of period					
Purchases and additions					
Purchases and additions					
Purchases and additions					
Sales and payments					
Sales and payments					
Sales and payments					
Settlement of IRLCs upon acquisition or origination of loans HFS					
Settlement of IRLCs upon acquisition or origination of loans HFS					
Settlement of IRLCs upon acquisition or origination of loans HFS					
Change in fair value					
Change in fair value					
Change in fair value					
Mark to market adjustments					
Mark to market adjustments					
Mark to market adjustments					
Realization of cash flows					
Realization of cash flows					
Realization of cash flows					
Balance, end of period					
Balance, end of period					
Balance, end of period					
Changes in unrealized gains for the period (2)					
Changes in unrealized gains for the period (2)					
Changes in unrealized gains for the period (2)					

(1) IRLC asset and liability positions are presented net.

(2) Amounts recognized as part of non-interest income.

The significant unobservable inputs used in the fair value measurements of these Level 3 assets and liabilities were as follows:

Asset/liability	Key inputs	March 31, June 30, 2024 Range	Weighted average
MSRs:	Option adjusted spread (in basis points)	(43) (29) - 297 232	213 192
	Conditional prepayment rate (1)	9.1% 9.3% - 22.0% 22.4%	16.1 16.3 %
	Recapture rate	20.0% - 20.0%	20 20.0 %
	Servicing fee rate (in basis points)	25.0 - 56.5	38.4 34.3
	Cost to service	$75 - $95	$ 86 84
IRLCs:	Servicing fee multiple	3.5 3.7 - 5.7 5.8	4.6 4.7
	Pull-through rate	68% 72% - 100%	86 87 %

Asset/liability	Key inputs	December 31, 2023 Range	Weighted average
MSRs:	Option adjusted spread (in basis points)	29 - 253	213
	Conditional prepayment rate (1)	9.5% - 23.9%	17.4 %
	Recapture rate	20.0% - 20.0%	20.0 %
	Servicing fee rate (in basis points)	25.0 - 56.5	35.6
	Cost to service	$93 - $100	$ 95
IRLCs:	Servicing fee multiple	3.2 - 5.4	4.3
	Pull-through rate	68% - 100%	89 %

(1) Lifetime total prepayment speed annualized.

The following is a summary of the difference between the aggregate fair value and the aggregate UPB of loans HFS for which the FVO has been elected:

	March 31, 2024			December 31, 2023		
	June 30, 2024			December 31, 2023		
	Fair value	UPB	Difference	Fair value	UPB	Difference
	(in millions)					
Loans HFS:						
Current through 89 days delinquent						
Current through 89 days delinquent						
Current through 89 days delinquent						
90 days or more delinquent						
Total						

Fair value on a nonrecurring basis

Certain assets are measured at fair value on a nonrecurring basis. That is, the assets are not measured at fair value on an ongoing basis, but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of credit deterioration). The following table presents such assets carried on the Consolidated Balance Sheet by caption and by level within the ASC 825 hierarchy:

	Fair Value Measurements at the End of the Reporting Period Using				Fair Value Measurements at the End of the Reporting Period Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Active Markets for Similar Assets (Level 2)	Unobservable Inputs (Level 3)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Active Markets for Similar Assets (Level 2)	Unobservable Inputs (Level 3)
	(in millions)				*(in millions)*			
As of March 31, 2024:								
As of June 30, 2024:								
Loans HFI								
Loans HFI								

Loans HFI

Other assets acquired through foreclosure

As of December 31, 2023:

Loans HFI

Loans HFI

Loans HFI

Other assets acquired through foreclosure

For Level 3 assets measured at fair value on a nonrecurring basis as of period end, the significant unobservable inputs used in the fair value measurements were as follows:

		March 31, June 30, 2024	Valuation Technique(s)		Significant Unobservable Inputs	Range
		(in millions)				
Loans HFI	$	441 348	Collateral method	Third party appraisal	Costs to sell	6.0% to 10.0%
			Discounted cash flow method	Discount rate	Contractual loan rate	3.0% to 8.0%
				Scheduled cash collections	Probability of default	0% to 20.0%
				Proceeds from non-real estate collateral	Loss given default	0% to 70.0%
Other assets acquired through foreclosure		8	Collateral method	Third party appraisal	Costs to sell	4.0% to 10.0%

		December 31, 2023	Valuation Technique(s)		Significant Unobservable Inputs	Range
		(in millions)				
Loans HFI	$	379	Collateral method	Third party appraisal	Costs to sell	6.0% to 10.0%
			Discounted cash flow method	Discount rate	Contractual loan rate	3.0% to 8.0%
				Scheduled cash collections	Probability of default	0% to 20.0%
				Proceeds from non-real estate collateral	Loss given default	0% to 70.0%
Other assets acquired through foreclosure		8	Collateral method	Third party appraisal	Costs to sell	4.0% to 10.0%

Loans HFI: Loans measured at fair value on a nonrecurring basis include collateral dependent loans. The specific reserves for these loans are based on collateral value, net of estimated disposition costs and other identified quantitative inputs. Collateral value is determined based on independent third-party appraisals or internally-developed discounted cash flow analyses. Appraisals may utilize a single valuation approach or a combination of approaches, including comparable sales and the income approach. Fair value is determined, where possible, using market prices derived from an appraisal or evaluation, which are considered to be Level 2. However, certain assumptions and unobservable inputs are often used by the appraiser, therefore qualifying the assets as Level 3 in the fair value hierarchy. In addition, when adjustments are made to an appraised value to reflect various factors such as the age of the appraisal or known changes in the market or the collateral, such valuation inputs are considered unobservable and the fair value measurement is categorized as a Level 3 measurement. Internal discounted cash flow analyses are also utilized to estimate the fair value of these loans, which considers internally-developed, unobservable inputs such as discount rates, default rates, and loss severity.

Total Level 3 collateral dependent loans had an estimated fair value of $441 million $348 million and $379 million at March 31, 2024 June 30, 2024 and December 31, 2023, respectively, net of a specific ACL of $3 million $28 million and $10 million at March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

Other assets acquired through foreclosure: Other assets acquired through foreclosure consist of properties acquired as a result of, or in-lieu-of, foreclosure. These assets are initially reported at the fair value determined by independent appraisals using appraised value less estimated cost to sell. Such properties are generally re-appraised every 12 months. Costs relating to the development or improvement of the assets are capitalized and costs relating to holding the assets are charged to expense.

Fair value is determined, where possible, using market prices derived from an appraisal or evaluation, which are considered to be Level 2. However, certain assumptions and unobservable inputs are often used by the appraiser, therefore qualifying the assets as Level 3 in the fair value hierarchy. When significant adjustments are based on unobservable inputs, such as when a current appraised value is not available or management determines the fair value of the collateral is further impaired below the appraised value and there is no observable market price, the resulting fair value measurement has been categorized as a Level 3 measurement. The Company had $8 million of such assets at March 31, 2024 June 30, 2024 and December 31, 2023.

Fair Value of Financial Instruments

The estimated fair value of the Company’s financial instruments is as follows:

	March 31, 2024							June 30, 2024				
				Fair Value					Fair Value			
	Carrying Amount	Level 1	Carrying Amount	Level 1	Level 2	Level 3	Total	Carrying Amount	Level 1	Level 2	Level 3	Total
					(in millions)							
Financial assets:												
Investment securities:												
Investment securities:												
Investment securities:												
HTM												
HTM												
HTM												
AFS												
Equity												
Derivative assets (1)												
Loans HFS												
Loans HFI, net												
Mortgage servicing rights												
Accrued interest receivable												
Financial liabilities:												
Deposits												
Deposits												
Deposits												
Other borrowings												
Qualifying debt												
Derivative liabilities (1)												
Accrued interest payable												

(1) Derivative assets and liabilities exclude margin of $139 million $121 million and $8 million $1 million, respectively.

	December 31, 2023				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
			(in millions)		
Financial assets:					
Investment securities:					
HTM	$ 1,429	$ —	$ 1,251	$ —	$ 1,251
AFS	11,165	4,881	6,284	—	11,165
Equity securities	126	126	—	—	126
Derivative assets (1)	84	—	66	18	84
Loans HFS	1,402	—	1,379	23	1,402
Loans HFI, net	49,960	—	—	46,877	46,877
Mortgage servicing rights	1,124	—	—	1,124	1,124
Accrued interest receivable	370	—	370	—	370
Financial liabilities:					
Deposits	$ 55,333	$ —	$ 55,379	$ —	$ 55,379
Other borrowings	7,230	—	7,192	—	7,192

Qualifying debt	895	—	734	76	810
Derivative liabilities (1)	100	—	100	—	100
Accrued interest payable	151	—	151	—	151

(1) Derivative assets and liabilities exclude margin of $202 million and $(9) million, respectively.

Interest rate risk

The Company assumes interest rate risk (the risk to the Company's earnings and capital from changes in interest rate levels) as a result of its normal operations. As a result, the fair values of the Company's financial instruments, as well as its future net interest income, will change when interest rate levels change and that change may be either favorable or unfavorable to the Company.

Interest rate risk exposure is measured using interest rate sensitivity analysis to determine the Company's change in EVE and net interest income resulting from hypothetical changes in interest rates. If potential changes to EVE and net interest income resulting from hypothetical interest rate changes are not within the limits established by the BOD, the BOD may direct management to adjust the asset and liability mix to bring interest rate risk within BOD-approved limits.

WAB has an ALCO charged with managing interest rate risk within the BOD-approved limits. Limits are structured to preclude an interest rate risk profile which does not conform to both management and BOD risk tolerances without BOD and ALCO approval. Interest rate risk is also evaluated at the Parent level, which is reported to the BOD and its Finance and Investment Committee.

Fair value of commitments

The estimated fair value of letters of credit outstanding at March 31, 2024 June 30, 2024 and December 31, 2023 approximates zero as there have been no significant changes in borrower creditworthiness. Loan commitments on which the committed interest rates are less than the current market rate are insignificant at March 31, 2024 June 30, 2024 and December 31, 2023.

16. SEGMENTS

The Company's reportable segments are aggregated with a focus on products and services offered and consist of three reportable segments:

- Commercial: provides commercial banking and treasury management products and services to small and middle-market businesses, specialized banking services to sophisticated commercial institutions and investors within niche industries, as well as financial services to the real estate industry.
- Consumer Related: offers both commercial banking services to enterprises in consumer-related sectors and consumer banking services, such as residential mortgage banking.
- Corporate & Other: consists of the Company's investment portfolio, Corporate borrowings and other related items, income and expense items not allocated to other reportable segments, and inter-segment eliminations.

The Company's segment reporting process begins with the assignment of all loan and deposit accounts directly to the segments where these products are originated and/or serviced. Equity capital is assigned to each segment based on the risk profile of their assets and liabilities. With the exception of goodwill, which is assigned a 100% weighting, equity capital allocations ranged from 0% to 20% during the period. Any excess or deficient equity not allocated to segments based on risk is assigned to the Corporate & Other segment.

Net interest income, provision for credit losses, and non-interest expense amounts are recorded in their respective segments to the extent the amounts are directly attributable to those segments. Net interest income is recorded in each segment on a TEB with a corresponding increase in income tax expense, which is eliminated in the Corporate & Other segment.

Further, net interest income of a reportable segment includes a funds transfer pricing process that matches assets and liabilities with similar interest rate sensitivity and maturity characteristics. Using this funds transfer pricing methodology, liquidity is transferred between users and providers. A net user of funds has lending/investing in excess of deposits/borrowings and a net provider of funds has deposits/borrowings in excess of lending/investing. A segment that is a user of funds is charged for the use of funds, while a provider of funds is credited through funds transfer pricing, which is determined based on the average estimated life of the assets or liabilities in the portfolio. Residual funds transfer pricing mismatches are allocable to the Corporate & Other segment and presented in net interest income.

The net income amount for each reportable segment is further derived by the use of expense allocations. Certain expenses not directly attributable to a specific segment are allocated across all segments based on key metrics, such as number of employees, number of transactions processed for loans and deposits, and average loan and deposit balances. These types of expenses include information technology, operations, human resources, finance, risk management, credit administration, legal, and marketing.

Income taxes are applied to each segment based on estimated effective tax rates. Any difference in the corporate tax rate and the aggregate effective tax rates in the segments are adjusted in the Corporate & Other segment.

The following is a summary of operating segment information for the periods indicated:

Balance Sheet:	Balance Sheet:	Consolidated Company	Commercial	Consumer Related	Corporate & Other	Balance Sheet:	Consolidated Company	Commercial	Consumer Related	Corporate & Other
At March 31, 2024:			*(in millions)*							
At June 30, 2024:			*(in millions)*							
Assets:										
Cash, cash equivalents, and investments										
Cash, cash equivalents, and investments										
Cash, cash equivalents, and investments										
Loans HFS										
Loans HFI, net of deferred fees and costs										
Less: allowance for credit losses										
Net loans HFI										
Other assets acquired through foreclosure, net										
Goodwill and other intangible assets, net										
Other assets										
Total assets										
Liabilities:										
Deposits										
Deposits										
Deposits										
Borrowings and qualifying debt										
Other liabilities										
Total liabilities										
Allocated equity:										
Total liabilities and stockholders' equity										
Excess funds provided (used)										
Income Statement:										
Income Statement:										
Income Statement:										
Three Months Ended March 31, 2024:										
Three Months Ended March 31, 2024:										
Three Months Ended March 31, 2024:			*(in millions)*							
Three Months Ended June 30, 2024:										
Three Months Ended June 30, 2024:										
Three Months Ended June 30, 2024:			*(in millions)*							
Net interest income										
Provision for (recovery of) credit losses										
Provision for credit losses										
Net interest income after provision for credit losses										
Non-interest income										
Non-interest expense										
Income before income taxes										
Income tax expense (benefit)										
Net income (loss)										
Income before provision for income taxes										
Income tax expense										
Net income										
Six Months Ended June 30, 2024:										
Six Months Ended June 30, 2024:										
Six Months Ended June 30, 2024:			*(in millions)*							

Net interest income
Provision for credit losses
Net interest income after provision for credit losses
Non-interest income
Non-interest expense
Income before provision for income taxes
Income tax expense
Net income

Balance Sheet:	Balance Sheet:	Consolidated Company	Commercial	Consumer Related		Corporate	Balance Sheet:	Consolidated Company	Commercial	Consumer Related	Corporate
At December 31, 2023:	At December 31, 2023:		*(in millions)*		At December 31, 2023:			*(in millions)*			
Assets:											
Cash, cash equivalents, and investments											
Cash, cash equivalents, and investments											
Cash, cash equivalents, and investments											
Loans held for sale											
Loans, net of deferred fees and costs											
Less: allowance for credit losses											
Total loans											
Other assets acquired through foreclosure, net											
Goodwill and other intangible assets, net											
Other assets											
Total assets											
Liabilities:											
Deposits											
Deposits											
Deposits											
Borrowings and qualifying debt											
Other liabilities											
Total liabilities											
Allocated equity:											
Total liabilities and stockholders' equity											
Excess funds provided (used)											
Income Statements:											
Income Statements:											
Income Statements:											
Three Months Ended March 31, 2023:											
Three Months Ended March 31, 2023:											
Three Months Ended March 31, 2023:			*(in millions)*								
Three Months Ended June 30, 2023:											
Three Months Ended June 30, 2023:											
Three Months Ended June 30, 2023:			*(in millions)*								
Net interest income											
Provision for (recovery of) credit losses											
Net interest income after provision for credit losses											
Provision for credit losses											

Net interest income (expense) after provision for credit losses	
Non-interest income	
Non-interest expense	
Income (loss) before income taxes	
Income (loss) before provision for income taxes	
Income tax expense (benefit)	
Net income (loss)	
Six Months Ended June 30, 2023:	
Six Months Ended June 30, 2023:	
Six Months Ended June 30, 2023:	*(in millions)*
Net interest income	
Provision for credit losses	
Net interest income (expense) after provision for credit losses	
Non-interest income	
Non-interest expense	
Income (loss) before provision for income taxes	
Income tax expense (benefit)	
Net income (loss)	

17. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue streams within the scope of ASC 606 include service charges and fees, interchange fees on credit and debit cards, success fees, and legal settlement service fees. These revenues totaled $13.5 million $16.9 million and $14.0 million $24.3 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, and $30.7 million and $38.3 million for the six months ended June 30, 2024 and 2023, respectively. The Company had no material unsatisfied performance obligations as of March 31, 2024 June 30, 2024 or December 31, 2023.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This discussion is designed to provide insight into management's assessment of significant trends related to the Company's consolidated financial condition, results of operations, liquidity, capital resources, and interest rate sensitivity. This Quarterly Report on Form 10-Q should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2023 and the interim Unaudited Consolidated Financial Statements and Notes to Unaudited Consolidated Financial Statements hereto and financial information appearing elsewhere in this report. Unless the context requires otherwise, the terms "Company," "we," and "our" refer to Western Alliance Bancorporation and its wholly-owned subsidiaries on a consolidated basis.

Forward-Looking Information

Certain statements contained in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 June 30, 2024 are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements. All statements other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including without limitation, statements regarding our expectations with respect to our business, financial and operating results, including our deposits, liquidity and funding, changes in economic conditions and the related impact on the Company's business, and statements that are related to or are dependent on estimates or assumptions relating to expectations, beliefs, projections, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts.

The forward-looking statements contained in this Form 10-Q reflect the Company's current views about future events and financial performance and involve certain risks, uncertainties, assumptions, and changes in circumstances that may cause the Company's actual results to differ significantly from historical results and those expressed in any forward-looking statement. Risks and uncertainties include those set forth in the Company's filings with the SEC and the following factors that could cause actual results to differ materially from those presented: 1) adverse financial market and economic conditions, including the effects of any recession in the United States, the impact of the bank failures that occurred in 2023 and related adverse developments in the banking industry, the potential impact on borrowers of supply chain disruptions and the economic and market impacts of the military conflicts in Ukraine and the Middle East; 2) changes in interest rates and increased rate competition; 3) exposure of financial instruments to certain market risks that may increase the volatility of earnings and AOCI; 4) the inherent risk associated with accounting estimates, including the impact to the allowance, provision for credit losses, and capital levels; 5) exposure to natural and man-made disasters in markets that we operate and the impact of climate change and ESG practices on us and our customers; 6) the potential adverse effects of unusual and infrequently occurring events, such as weather-related disasters, terrorist acts, geopolitical conflicts or public health events (such as the COVID-19 pandemic), and of governmental and societal responses thereto; 7) dependency on real estate and events that negatively impact the real estate market; 8) concentrations in certain business lines or product types within our loan portfolio; 9) residual risk retained by us on reference pools covered by credit linked notes; 10) exposure to environmental liabilities related to the properties to which we acquire title; 11) ability to compete in a highly competitive market; 12) expansion strategies through acquisitions or implementation of new lines of business or new products and services that may not be successful; 13) uncertainty associated with digital payment initiatives; 14) ability to recruit and retain qualified employees and implement adequate succession planning to mitigate the loss of key members of our senior management team; 15) ability to meet capital adequacy and liquidity requirements; 16) dependence on low-cost deposits; 17) risks related to representations and warranties made on third-party loan sales; 18) ability to borrow from the FHLB or the FRB; 19) a change in our creditworthiness; 20) information security breaches; 21) reliance on third parties to provide key components of our infrastructure; 22) perpetration of fraud; 23) ability to implement and improve our controls and processes to keep pace with growth; 24) the discontinuation of or substantial changes to interest rate benchmarks utilized in our lending, borrowing and hedging activities; 25) risk of operating in a highly regulated industry and our ability to remain in compliance; 26) ability to adapt to technological change; 27) failure to comply with state and federal banking agency laws and regulations; 28) results of any tax audit findings, challenges to our tax positions, or adverse changes or interpretations of tax laws; and 29) risks related to ownership and price of our preferred and common stock; and 30) ability to continue to declare quarterly dividends.

For more information regarding risks that may cause the Company's actual results to differ materially from any forward-looking statements, see “Risk Factors” in Part I, Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2023 and “Risk Factors” in Part II, Item 1A of this Form 10-Q. All forward-looking statements that are made or attributable to us are expressly qualified in their entirety by this cautionary notice. The forward-looking statements included herein are only made as of the date of this Form 10-Q. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Recent Banking Industry and Market Developments

Banking Industry

In November 2023, the FDIC approved a final rule implementing a special assessment to recover losses to the Deposit Insurance Fund associated with protecting uninsured depositors following the closures of Silicon Valley Bank and Signature Bank. The assessment base is equal to an institution’s estimated uninsured deposits as of December 31, 2022, adjusted to exclude the first $5 billion of estimated uninsured deposits. The special assessment will be collected over an eight-quarter collection period, at a quarterly rate of 3.36 basis points, with the first quarterly assessment period beginning on January 1, 2024. The amount of the total special assessment is subject to adjustment and will not be finalized by the FDIC until after termination of the receiverships. The Company recognized a charge reduction to expense of $17.6 million $6.0 million during the three months ended March 31, 2024 June 30, 2024 and a net charge of $11.6 million during the six months ended June 30, 2024 due to an adjustment of adjustments to the loss estimate.

Market Developments

The Company's loan portfolio includes significant credit exposure to the CRE market, with CRE related loans comprising approximately 32% 31% and 33% of total loans at March 31, 2024 June 30, 2024 and December 31, 2023, respectively. Approximately 16% of CRE loans, excluding construction and land loans, were owner occupied at March 31, 2024 June 30, 2024 and December 31, 2023, and approximately 5% were non-owner occupied office loans at March 31, 2024 June 30, 2024 and December 31, 2023. As elevated focus on the evolving industry dynamics facing the CRE market have emerged over the past year, the Company has been proactive in establishing enhanced monitoring policies and procedures as it relates to its CRE loans and has undertaken actions to limit growth of its CRE portfolio, as further discussed in “Item 1. Business, Lending Activities – Asset Quality” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023. During the three months ended June 30, 2024, the Company recognized gross charge-offs on CRE non-owner occupied loans totaling $17.6 million, which related to one office property. While the Company believes that its increased monitoring efforts to provide earlier identification of potential stressed loans and proactive engagement with borrowers has not incurred significant charge-offs on helped the Company assess its CRE credit related exposure to this portfolio to date, segment and establish adequate reserve levels, CRE market conditions may worsen, which could result in deterioration of asset quality in this portfolio.

Financial Overview and Highlights

WAL is a bank holding company headquartered in Phoenix, Arizona, incorporated under the laws of the state of Delaware. WAL provides a full spectrum of customized loan, deposit and treasury management capabilities, including 24/7 funds transfer and other digital payment offerings through its wholly-owned banking subsidiary, WAB.

WAB operates the following full-service banking divisions: ABA, BON and FIB, Bridge, and TPB. The Company also provides an array of specialized financial services across the country, including mortgage banking services through AmeriHome and digital payment services for the class action legal industry.

Financial Results Highlights for the First Second Quarter of 2024

- Net income available to common stockholders of $174.2 million $190.4 million, compared to $139.0 million $212.5 million for the first second quarter 2023
- Diluted earnings per share of $1.60, $1.75, compared to $1.28 $1.96 per share for the first second quarter 2023
- Net revenue of $728.8 million $771.8 million, compared to $551.9 million $669.3 million for the first second quarter 2023, with non-interest expense of $481.8 million $486.8 million, compared to $347.9 million $387.4 million for the first second quarter 2023
- PPNR of $247.0 million $285.0 million, up 21.1% 1.1% from $204.0 million $281.9 million in the first second quarter 2023[1]
- Total loans HFI of $50.7 billion $52.4 billion, up $403 million $2.1 billion, or 0.8% 4.2%, from December 31, 2023
- Total deposits of $62.2 billion $66.2 billion, up $6.9 billion $10.9 billion, or 12.5% 19.7%, from December 31, 2023
- Stockholders' equity of $6.2 billion $6.3 billion, an increase of $94 million $256 million from December 31, 2023
- Nonperforming assets (nonaccrual loans and repossessed assets) increased to 0.53% 0.51% of total assets compared to 0.17% 0.40% at March 31, 2023 December 31, 2023
- Annualized net loan charge-offs to average loans outstanding of 0.08% 0.18%, compared to 0.05% 0.06% for the first second quarter 2023
- Net interest margin of 3.60% 3.63%, decreased increased from 3.79% 3.42% in the first second quarter 2023
- Tangible common equity ratio of 6.8% 6.7%, an increase a decrease compared to 6.5% 7.3% at March 31, 2023 December 31, 2023[1]

- Book value per common share of $53.33, $54.80, an increase of 11.8%3.8% from $47.72 $52.81 at March 31, 2023 December 31, 2023
- Tangible book value per share, net of tax, of $47.30 $48.79, an increase of $5.74,$2.07, or 13.8%4.4%, from $41.56 $46.72 at March 31, 2023 December 31, 2023[1]
- Efficiency ratio of 65.2% 62.3% in the first second quarter 2024, compared to 62.0% 57.1% in the first second quarter 2023[1]

The impact to the Company from these items, and others of both a positive and negative nature, are discussed in more detail below as they pertain to the Company's overall comparative performance for the three and six months ended March 31, 2024 June 30, 2024.

[1] See Non-GAAP Financial Measures section beginning on page 57. 63.

As a bank holding company, management focuses on key ratios in evaluating the Company's financial condition and results of operations.

Results of Operations and Financial Condition

A summary of the Company's results of operations, financial condition, and selected metrics are included in the following tables:

	Three Months Ended March 31, / Three Months Ended March 31, / Three Months Ended March 31, / Three Months Ended June 30, / Three Months Ended June 30, / Three Months Ended June 30,					Six Months Ended June 30,				
	2024					2024	2024 Adjusted (1)	2023	2024	2023	2024	2023
	(in millions, except per share amounts)						(in millions, except per share amounts)			(in millions, except per share amounts)		
Net income												
Net income available to common stockholders												
Earnings per share - basic												
Earnings per share - diluted												
Return on average assets	Return on average assets	**0.98** **%**	1.06 %	0.81 %	Return on average assets	**0.99** **%**	1.23 %	**0.99** **%**	1.02 %			
Return on average equity												
Return on average tangible common equity (1)												
Net interest margin												

(1) See Non-GAAP Financial Measures section beginning on page 57. 63.

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
		(in millions)
Total assets		
Loans HFS		
Loans HFI, net of deferred fees and costs		
Investment securities		
Investment securities, net of allowance for credit losses		
Total deposits		
Other borrowings		
Qualifying debt		

Stockholders' equity

Tangible common equity, net of tax (1)

(1) See Non-GAAP Financial Measures section beginning on page 57. 63.

For all banks and bank holding companies, asset quality plays a significant role in the overall financial condition of the institution and results of operations. The Company measures asset quality in terms of nonaccrual loans as a percentage of gross loans and net charge-offs as a percentage of average loans. Net charge-offs are calculated as the difference between charged-off loans and recovery payments received on previously charged-off loans. The following table summarizes the Company's key asset quality metrics for loans HFI:

		March 31, 2024		December 31, 2023		
		June 30, 2024		December 31, 2023		
				(dollars in millions)		
Nonaccrual loans						
Repossessed assets						
Non-performing assets						
Nonaccrual loans to funded loans	Nonaccrual loans to funded loans	**0.79 %**	0.54 %	Nonaccrual loans to funded loans	**0.76 %**	0.54 %
Nonaccrual and repossessed assets to total assets						
Allowance for loan losses to funded loans						
Allowance for credit losses to funded loans						
Net charge-offs to average loans outstanding (1)						

(1) Annualized on an actual/actual basis for the three months ended March 31, 2024 June 30, 2024. Actual year-to-date for the year ended December 31, 2023.

Asset and Deposit Growth

The Company's assets and liabilities are comprised primarily of loans and deposits. Therefore, the ability to originate new loans and attract new deposits is fundamental to the Company's growth.

Total assets increased to $77.0 billion $80.6 billion at March 31, 2024 June 30, 2024 from $70.9 billion at December 31, 2023. The increase in total assets of $6.1 billion $9.7 billion, or 8.6% 13.7%, was primarily driven by an increase in deposits, which contributed to an increase increases in investment securities of $3.4 billion and an increase in cash of $2.0 billion $4.6 billion and $2.5 billion, respectively, and funded HFI loan growth of $2.1 billion. Loans HFI increased by $403 million $2.1 billion, or 0.8% 4.2%, to $50.7 billion $52.4 billion as of March 31, 2024 June 30, 2024, compared to $50.3 billion as of December 31, 2023. CBy loan type, commercial ommercial and industrial loans increased $646 million primarily drove the increase in loans HFI, increasing $2.6 billion from December 31, 2023, which was partially offset by decreases in residential real estate and construction and land development loans of $154 million $333 million and $108 million $177 million, respectively. Loans HFS increased $439 million $605 million from $1.4 billion as of December 31, 2023 primarily due to an increase in non-EBO agency-conforming and agency conforming non-EBO loans.

Total deposits increased $6.9 10.9 billion, or 12.5% 19.7%, to $62.2 billion $66.2 billion as of March 31, 2024 June 30, 2024 from $55.3 billion as of December 31, 2023. By type, the increase in deposits from December 31, 2023 was driven by an increase of $3.9 billion $7.0 billion in non-interest bearing demand deposits, $1.4 billion $2.3 billion in savings and money market accounts, $1.0 billion $1.4 billion in interest bearing demand deposits, and $564 million $262 million in certificates of deposit.

RESULTS OF OPERATIONS

The following table sets forth a summary financial overview:

	Three Months Ended March 31,						
	Three Months Ended March 31,						
	Three Months Ended March 31,						
		Three Months Ended June 30,		**Increase**	**Six Months Ended June 30,**		**Increase**
	2024	**2024**	2023	**(Decrease)**	**2024**	2023	**(Decrease)**
	2024						
	2024						
	(in millions, except per share amounts)						
	(in millions, except per share amounts)						
	(in millions, except per share amounts)				*(in millions, except per share amounts)*		
Consolidated Income Statement Data:							
Interest income							
Interest income							
Interest income							

Interest expense
Interest expense
Interest expense
Net interest income
Net interest income
Net interest income
Provision for credit losses
Provision for credit losses
Provision for credit losses
Net interest income after provision for credit losses
Net interest income after provision for credit losses
Net interest income after provision for credit losses
Non-interest income
Non-interest income
Non-interest income
Non-interest expense
Non-interest expense
Non-interest expense
Income before provision for income taxes
Income before provision for income taxes
Income before provision for income taxes
Income tax expense
Income tax expense
Income tax expense
Net income
Net income
Net income
Dividends on preferred stock
Dividends on preferred stock
Dividends on preferred stock
Net income available to common stockholders
Net income available to common stockholders
Net income available to common stockholders
Earnings per share:
Earnings per share:
Earnings per share:
Basic
Basic
Basic
Diluted
Diluted
Diluted

Non-GAAP Financial Measures

The following discussion and analysis contains financial information determined by methods other than those prescribed by GAAP. The Company's management uses these non-GAAP financial measures in their analysis of the Company's performance. Management believes presentation of these non-GAAP financial measures provides useful supplemental information that is essential to a complete understanding of the operating results of the Company. Since the presentation of these non-GAAP performance measures and their impact differ between companies, these non-GAAP 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.

Pre-Provision Net Revenue

Banking regulations define PPNR as the sum of net interest income and non-interest income less expenses before adjusting for loss provisions. Management believes that this is an important metric as it illustrates the underlying performance of the Company, it enables investors and others to assess the Company's ability to generate capital to cover credit losses through the credit cycle, and provides consistent reporting with a key metric used by bank regulatory agencies.

The following table shows the components used in the calculation of PPNR:

	Three Months Ended March 31,				
	Three Months Ended March 31,				
	Three Months Ended March 31,				
	2024				
	2024				
		Three Months Ended June 30,		**Six Months Ended June 30,**	
	2024	**2024**	2023	**2024**	2023
	(in millions)		*(in millions)*		
	(in millions)				
	(in millions)				
Net interest income					
Total non-interest income					
Net interest income					
Net interest income					
Net interest income					
Net revenue					
Net revenue					
Net revenue					
Total non-interest expense					
Total non-interest expense					
Total non-interest expense					
Pre-provision net revenue					
Pre-provision net revenue					
Pre-provision net revenue					
Total non-interest expense					
Total non-interest expense					
Total non-interest expense					
Adjusted for:					
Adjusted for:					
Adjusted for:					
FDIC special assessment					
FDIC special assessment					
FDIC special assessment					
Total non-interest expense, adjusted					
Total non-interest expense, adjusted					
Total non-interest expense, adjusted					
Pre-provision net revenue, adjusted					
Pre-provision net revenue, adjusted					
Pre-provision net revenue, adjusted					
Less:					
Less:					
Less:					
Provision for credit losses					
Provision for credit losses					
Provision for credit losses					
Income tax expense					

Income tax expense

Income tax expense

FDIC Special Assessment

FDIC Special Assessment

FDIC Special Assessment

Net income

Net income

Net income

Pre-Provision Net Revenue, Excluding FDIC Special Assessment

The following table shows PPNR for the three and six months ended June 30, 2024, adjusted to exclude the FDIC special assessment, which management believes is more comparable to historical earnings trends:

	Three Months Ended June 30, 2024		Six Months Ended June 30, 2024	
	(in millions)			
Pre-provision net revenue	**$**	**285.0**	**$**	**532.0**
FDIC special assessment		**(6.0)**		**11.6**
Pre-provision net revenue, excluding FDIC special assessment	**$**	**279.0**	**$**	**543.6**
Less:				
Provision for credit losses		**37.1**		**52.3**
Income tax expense		**54.3**		**108.7**
FDIC special assessment		**(6.0)**		**11.6**
Net income	**$**	**193.6**	**$**	**371.0**

Efficiency Ratio

The following table shows the components used in the calculation of the efficiency ratio, which management uses as a metric for assessing cost efficiency:

	Three Months Ended March 31, 2024		2023	
	(dollars in millions)			
Total non-interest expense	**$**	**481.8**	$	347.9
Total non-interest expense, adjusted	**$**	**464.2**	$	347.9
Divided by:				
Total net interest income		**598.9**		609.9
Plus:				
Tax equivalent interest adjustment		**9.6**		8.8
Total non-interest income		**129.9**		(58.0)
	$	**738.4**	$	560.7
Efficiency ratio - tax equivalent basis		**65.2 %**		62.0 %
Efficiency ratio - tax equivalent basis, adjusted		**62.9**		62.0

Net Income, Adjusted and Earnings Per Share, Adjusted

The following table shows the components used in the calculation of earnings per share for the three months ended March 31, 2024, adjusted to exclude the FDIC special assessment, which management believes is more comparable to historical earnings trends:

Three Months Ended March 31, 2024		(in millions, except per share amounts)
Net income	$	177.4
Adjusted for:		
FDIC special assessment		17.6
Tax effect of adjustments		(4.1)
Net income, adjusted	$	190.9
Dividends on preferred stock		3.2
Net income available to common stockholders, adjusted	$	187.7
FDIC special assessment		(17.6)
Tax effect of adjustments		4.1
Net income available to common stockholders	$	174.2
Weighted average number of common shares outstanding:		
Basic		108.5
Diluted		109.0
Earnings per share, adjusted:		
Basic, adjusted	$	1.73
Diluted, adjusted		1.72

Return on Average Equity, Adjusted and Return on Average Assets, Adjusted

The following table shows the components used in the calculation of return on average equity and return on average assets for the three months ended March 31, 2024, adjusted to exclude the FDIC special assessment, which management believes is more comparable to historical earnings trends:

Three Months Ended March 31, 2024		(dollars in millions)
Net income available to common stockholders, adjusted	$	187.7
Divided by:		
Average stockholders' equity		6,184
Return on average equity, adjusted		12.4%

Three Months Ended March 31, 2024		(dollars in millions)
Net income, adjusted	$	190.9
Divided by:		
Average assets		72,681
Return on average assets, adjusted		1.06%

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	**2024**	2023
	(dollars in millions)			
Total non-interest expense	**$ 486.8**	$ 387.4	**$ 968.6**	$ 735.3
Less: Deposit costs	**173.7**	91.0	**310.7**	177.9
Total non-interest expense, excluding deposit costs	**313.1**	296.4	**657.9**	557.4
Divided by:				
Total net interest income	**656.6**	550.3	**1,255.5**	1,160.2
Plus:				
Tax equivalent interest adjustment	**9.9**	8.7	**19.5**	17.5
Total non-interest income	**115.2**	119.0	**245.1**	61.0
Less: Deposit costs	**173.7**	91.0	**310.7**	177.9
	$ 608.0	$ 587.0	$ 1,209.4	$ 1,060.8
Efficiency ratio - tax equivalent basis	**62.3 %**	57.1 %	**63.7 %**	59.4 %
Efficiency ratio - tax equivalent basis, adjusted	**51.5**	50.5	**54.4**	52.5

Tangible Common Equity and Return on Average Tangible Common Equity

The following tables present financial measures related to tangible common equity. Tangible common equity represents total stockholders' equity reduced by goodwill and intangible assets and preferred stock. Management believes that tangible common equity financial measures are useful in evaluating the Company's capital strength, financial condition, and ability to manage potential losses.

	March 31, 2024	December 31, 2023
	(dollars and shares in millions)	
Total stockholders' equity	$ 6,172	$ 6,078
Less:		
Goodwill and intangible assets	666	669
Preferred stock	295	295
Total tangible common stockholders' equity	5,211	5,114
Plus: deferred tax - attributed to intangible assets	2	2
Total tangible common equity, net of tax	$ 5,213	$ 5,116
Total assets	$ 76,989	$ 70,862
Less: goodwill and intangible assets, net	666	669
Tangible assets	76,323	70,193
Plus: deferred tax - attributed to intangible assets	2	2
Total tangible assets, net of tax	$ 76,325	$ 70,195
Tangible common equity ratio	6.8 %	7.3 %
Common shares outstanding	110.2	109.5
Book value per common share	$ 53.33	$ 52.81
Tangible book value per common share, net of tax	47.30	46.72

	Three Months Ended March 31,	
	2024	2023
	(dollars in millions)	
Net income available to common stockholders	$ 174.2	$ 139.0
Divided by:		
Average stockholders' equity	6,184	5,588
Less:		
Average goodwill and intangible assets	668	679
Average preferred stock	295	295
Average tangible common equity	5,221	4,614
Return on average tangible common equity	13.4 %	12.2 %
Net income available to common stockholders, adjusted	$ 187.7	$ 139.0
Average tangible common equity	5,221	4,614
Return on average tangible common equity, adjusted	14.5 %	12.2 %

	June 30, 2024	December 31, 2023
	(dollars and shares in millions)	
Total stockholders' equity	$ 6,334	$ 6,078
Less:		
Goodwill and intangible assets	664	669
Preferred stock	295	295
Total tangible common stockholders' equity	5,375	5,114
Plus: deferred tax - attributed to intangible assets	2	2
Total tangible common equity, net of tax	$ 5,377	$ 5,116
Total assets	$ 80,581	$ 70,862
Less: goodwill and intangible assets, net	664	669

Tangible assets	**79,917**	70,193
Plus: deferred tax - attributed to intangible assets	**2**	2
Total tangible assets, net of tax	**$ 79,919**	$ 70,195
Tangible common equity ratio	**6.7 %**	7.3 %
Common shares outstanding	**110.2**	109.5
Book value per common share	**$ 54.80**	$ 52.81
Tangible book value per common share, net of tax	**48.79**	46.72

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	**2024**	2023
	(dollars in millions)			
Net income available to common stockholders	**$ 190.4**	$ 212.5	**$ 364.6**	$ 351.5
Divided by:				
Average stockholders' equity	**$ 6,330**	$ 5,652	**$ 6,257**	$ 5,620
Less:				
Average goodwill and intangible assets	**666**	676	**667**	677
Average preferred stock	**295**	295	**295**	295
Average tangible common equity	**$ 5,369**	$ 4,681	**$ 5,295**	$ 4,648
Return on average tangible common equity	**14.3 %**	18.2 %	**13.8 %**	15.2 %

Regulatory Capital

The following table presents certain financial measures related to regulatory capital under Basel III, which includes CET1 and total capital. The FRB and other banking regulators use CET1 and total capital as a basis for assessing a bank's capital adequacy; therefore, management believes it is useful to assess financial condition and capital adequacy using this same basis. Specifically, the total capital ratio takes into consideration the risk levels of assets and off-balance sheet financial instruments. In addition, management believes that the classified assets to CET1 plus allowance measure is an important regulatory metric for assessing asset quality.

As permitted by the regulatory capital rules, the Company elected the CECL transition option that delayed the estimated impact on regulatory capital resulting from the adoption of CECL over a five-year transition period ending December 31, 2024. Accordingly, beginning in 2024, capital ratios and amounts for 2024 include a 25% capital benefit that resulted from the increased ACL related to the adoption of ASC 326. 326, compared to a 50% capital benefit for 2023.

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
		(dollars in millions)
Common equity tier 1:		
Common equity		
Common equity		
Common equity		
Less:		
Non-qualifying goodwill and intangibles		
Non-qualifying goodwill and intangibles		
Non-qualifying goodwill and intangibles		
Disallowed deferred tax asset		
Disallowed deferred tax asset		
Disallowed deferred tax asset		
AOCI related adjustments		
Unrealized gain on changes in fair value liabilities		
Common equity tier 1		

Divided by: Risk-weighted assets						
Common equity tier 1 ratio	Common equity tier 1 ratio	11.0 %	10.8 %	Common equity tier 1 ratio	11.0 %	10.8 %
Common equity tier 1						
Common equity tier 1						
Common equity tier 1						
Plus: Preferred stock and trust preferred securities						
Plus: Preferred stock and trust preferred securities						
Plus: Preferred stock and trust preferred securities						
Tier 1 capital						
Tier 1 capital						
Tier 1 capital						
Divided by: Tangible average assets						
Tier 1 leverage ratio	**Tier 1 leverage ratio**	**8.5 %**	8.6 %	**Tier 1 leverage ratio**	**8.0 %**	8.6 %
Total capital:						
Total capital:						
Total capital:						
Tier 1 capital						
Tier 1 capital						
Tier 1 capital						
Plus:						
Subordinated debt						
Subordinated debt						
Subordinated debt						
Adjusted allowances for credit losses						
Tier 2 capital						
Tier 2 capital						
Tier 2 capital						
Total capital						
Total capital						
Total capital						
Total capital ratio	**Total capital ratio**	**14.0 %**	13.7 %	**Total capital ratio**	**13.9 %**	13.7 %
Classified assets to tier 1 capital plus allowance:						
Classified assets to tier 1 capital plus allowance:						
Classified assets to tier 1 capital plus allowance:						
Classified assets						
Classified assets						
Classified assets						
Divided by: Tier 1 capital						
Divided by: Tier 1 capital						
Divided by: Tier 1 capital						
Plus: Adjusted allowances for credit losses						
Total Tier 1 capital plus adjusted allowances for credit losses						
Classified assets to tier 1 capital plus allowance	**Classified assets to tier 1 capital plus allowance**	**12.0 %**	10.5 %	**Classified assets to tier 1 capital plus allowance**	**11.2 %**	10.5 %

Net Interest Margin

The net interest margin is reported on a TEB. A tax equivalent adjustment is added to reflect interest earned on certain securities and loans that are exempt from federal and state income tax. The following tables set forth the average balances, interest income, interest expense, and average yield (on a fully TEB) for the periods indicated:

Three Months Ended March 31,			Three Months Ended June 30,	
2024	**2024**	2023	**2024**	2023

(dollars in millions)

	Average Balance	Average Balance	Interest	Average Yield / Cost	Average Balance	Interest	Average Yield / Cost	Average Balance	Interest	Average Yield / Cost	Average Balance	Interest	Avera Yiel Co
Interest earning assets													
Loans held for sale													
Loans held for sale													
Loans held for sale		**$ 2,416**	**$ 39.1**	**6.51 %**	$ 2,153	$ 31.3	5.90 %						
Loans held for investment:													
Loans HFS													
Loans HFS													
Loans HFS		**$ 2,860**	**$ 43.0**	**6.05 %**	$ 6,343	$ 105.2	6.65 %						
Loans HFI:													
Commercial and industrial													
Commercial and industrial													
Commercial and industrial													
CRE - non-owner-occupied													
CRE - owner-occupied													
Construction and land development													
Residential real estate													
Consumer													
Total loans HFI (1), (2), (3)													
Securities:													
Securities - taxable													
Securities - taxable													
Securities - taxable													
Securities - tax-exempt													
Total securities (1)													
Cash and other													
Total interest earning assets													
Non-interest earning assets													

Cash and due from banks									
Cash and due from banks									
Cash and due from banks									
Allowance for credit losses									
Allowance for credit losses									
Allowance for credit losses									
Bank owned life insurance									
Bank owned life insurance									
Bank owned life insurance									
Other assets									
Other assets									
Other assets									
Total assets									
Total assets									
Total assets									
Interest-bearing liabilities									
Interest-bearing liabilities									
Interest-bearing liabilities									
Interest-bearing deposits:									
Interest-bearing deposits:									
Interest-bearing deposits:									
Interest-bearing transaction accounts									
Interest-bearing transaction accounts									
Interest-bearing transaction accounts	**$16,348**	**$**	**122.0**	**3.00 %**	$	10,534	$	68.2	2.63 %
Interest-bearing demand accounts									
Interest-bearing demand accounts									
Interest-bearing demand accounts	**$17,276**	**$**	**131.2**	**3.05 %**	$	11,893	$	80.2	2.71 %

Savings and money market accounts
Certificates of deposit
Total interest-bearing deposits
Short-term borrowings
Long-term debt
Qualifying debt
Total interest-bearing liabilities
Interest cost of funding earning assets
Non-interest-bearing liabilities
Non-interest-bearing demand deposits
Non-interest-bearing demand deposits
Non-interest-bearing demand deposits
Non-interest-bearing deposits
Non-interest-bearing deposits
Non-interest-bearing deposits
Other liabilities
Other liabilities
Other liabilities
Stockholders' equity
Stockholders' equity
Stockholders' equity
Total liabilities and stockholders' equity

Total liabilities and stockholders' equity										
Total liabilities and stockholders' equity										
Net interest income and margin (4)										
Net interest income and margin (4)										
Net interest income and margin (4)	**$ 598.9**	**3.60**	**3.60 %**	$ 609.9	3.79	3.79 %	**$ 656.6**	**3.63**	**3.63 %**	$ 550.3 3.

(1) Yields on loans and securities have been adjusted to a TEB. The taxable-equivalent adjustment was $9.6 million $9.9 million and $8.8 million $8.7 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively.

(2) Included in the yield computation are net loan fees of $33.1 million $32.1 million and $35.6 million $36.8 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively.

(3) Includes non-accrual loans.

(4) Net interest margin is computed by dividing net interest income by total average earning assets, annualized on an actual/actual basis.

	Three Months Ended March 31,		
	2024 versus 2023		
	Increase (Decrease) Due to Changes in (1)		
	Volume	Rate	Total
	(in millions)		
Interest income:			
Loans held for sale	$ 4.3	$ 3.5	$ 7.8
Loans:			
Commercial and industrial	(32.0)	9.5	(22.5)
CRE - non-owner occupied	(1.0)	16.7	15.7
CRE - owner-occupied	—	2.2	2.2
Construction and land development	16.5	7.3	23.8
Residential real estate	(11.9)	24.2	12.3
Consumer	(0.2)	0.1	(0.1)
Total loans HFI	(28.6)	60.0	31.4
Securities:			
Securities - taxable	45.9	—	45.9
Securities - tax-exempt	0.9	1.1	2.0
Total securities	46.8	1.1	47.9
Cash and other	(5.0)	4.0	(1.0)
Total interest income	17.5	68.6	86.1
Interest expense:			
Interest-bearing transaction accounts	43.4	10.4	53.8
Savings and money market accounts	(24.0)	38.4	14.4
Certificates of deposit	58.6	22.2	80.8
Total deposits	78.0	71.0	149.0
Short-term borrowings	(51.7)	18.0	(33.7)

Long-term debt	(22.8)	4.4	(18.4)
Qualifying debt	—	0.2	0.2
Total interest expense	3.5	93.6	97.1
Net change	$ 14.0	$ (25.0)	$ (11.0)

	Six Months Ended June 30,					
	2024			2023		
	Average Balance	Interest	Average Yield / Cost	Average Balance	Interest	Average Yield / Cost
	(dollars in millions)					
Interest earning assets						
Loans HFS	$ 2,638	$ 82.1	6.26 %	$ 4,260	$ 136.5	6.46 %
Loans HFI:						
Commercial and industrial	19,329	715.8	7.51	18,083	670.5	7.54
CRE - non-owner occupied	9,574	370.1	7.78	9,638	350.1	7.33
CRE - owner occupied	1,836	55.3	6.15	1,812	49.7	5.64
Construction and land development	4,831	229.4	9.55	4,325	196.8	9.18
Residential real estate	14,626	314.0	4.32	15,420	283.8	3.71
Consumer	55	1.9	7.13	73	2.5	6.99
Total loans HFI (1), (2), (3)	50,251	1,686.5	6.78	49,351	1,553.4	6.38
Securities:						
Securities - taxable	12,373	287.6	4.67	7,271	166.6	4.62
Securities - tax-exempt	2,213	46.9	5.34	2,090	41.9	5.06
Total securities (1)	14,586	334.5	4.78	9,361	208.5	4.72
Cash and other	3,468	99.4	5.77	2,956	71.3	4.86
Total interest earning assets	70,943	2,202.5	6.30	65,928	1,969.7	6.08
Non-interest earning assets						
Cash and due from banks	289			262		
Allowance for credit losses	(349)			(314)		
Bank owned life insurance	187			183		
Other assets	4,548			4,644		
Total assets	$ 75,618			$ 70,703		
Interest-bearing liabilities						
Interest-bearing deposits:						
Interest-bearing demand accounts	$ 16,812	$ 253.2	3.03 %	$ 11,217	$ 148.5	2.67 %
Savings and money market accounts	15,913	276.1	3.49	15,604	202.7	2.62
Certificates of deposit	10,278	261.6	5.12	6,578	131.5	4.03
Total interest-bearing deposits	43,003	790.9	3.70	33,399	482.7	2.90
Short-term borrowings	3,940	112.6	5.75	9,757	258.0	5.33
Long-term debt	441	24.4	11.13	1,049	50.0	9.62
Qualifying debt	895	19.1	4.28	894	18.8	4.24
Total interest-bearing liabilities	48,279	947.0	3.94	45,099	809.5	3.62
Interest cost of funding earning assets			2.69			2.48
Non-interest-bearing liabilities						
Non-interest-bearing deposits	19,589			18,600		
Other liabilities	1,493			1,384		
Stockholders' equity	6,257			5,620		
Total liabilities and stockholders' equity	$ 75,618			$ 70,703		
Net interest income and margin (4)		$ 1,255.5	3.61 %		$ 1,160.2	3.60 %

(1) Yields on loans and securities have been adjusted to a TEB. The taxable-equivalent adjustment was $19.5 million and $17.5 million for the six months ended June 30, 2024 and 2023, respectively.

(2) Included in the yield computation are net loan fees of $65.2 million and $72.4 million for the six months ended June 30, 2024 and 2023, respectively.

(3) Includes non-accrual loans.

(4) Net interest margin is computed by dividing net interest income by total average earning assets, annualized on an actual/actual basis.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024 versus 2023			2024 versus 2023		
	Increase (Decrease) Due to Changes in (1)			Increase (Decrease) Due to Changes in (1)		
	Volume	Rate	Total	Volume	Rate	Total
			(in millions)			
Interest income:						
Loans HFS	$ (52.4)	$ (9.8)	$ (62.2)	$ (50.5)	$ (3.9)	$ (54.4)
Loans HFI:						
Commercial and industrial	78.1	(10.3)	67.8	46.1	(0.8)	45.3
CRE - non-owner occupied	(1.4)	5.7	4.3	(2.5)	22.5	20.0
CRE - owner-occupied	0.7	2.7	3.4	0.7	4.9	5.6
Construction and land development	7.6	1.1	8.7	24.0	8.6	32.6
Residential real estate	(5.1)	23.1	18.0	(17.0)	47.2	30.2
Consumer	(0.4)	(0.1)	(0.5)	(0.6)	—	(0.6)
Total loans HFI	79.5	22.2	101.7	50.7	82.4	133.1
Securities:						
Securities - taxable	73.0	2.1	75.1	118.6	2.4	121.0
Securities - tax-exempt	1.7	1.3	3.0	2.6	2.4	5.0
Total securities	74.7	3.4	78.1	121.2	4.8	126.0
Cash and other	21.2	7.9	29.1	14.7	13.4	28.1
Total interest income	123.0	23.7	146.7	136.1	96.7	232.8
Interest expense:						
Interest-bearing demand accounts	40.9	10.1	51.0	84.3	20.4	104.7
Savings and money market accounts	30.1	28.9	59.0	5.4	68.0	73.4
Certificates of deposit	35.7	13.5	49.2	94.2	35.9	130.1
Total deposits	106.7	52.5	159.2	183.9	124.3	308.2
Short-term borrowings	(113.6)	2.1	(111.5)	(166.2)	20.8	(145.4)
Long-term debt	(10.8)	3.4	(7.4)	(33.7)	8.1	(25.6)
Qualifying debt	—	0.1	0.1	—	0.3	0.3
Total interest expense	(17.7)	58.1	40.4	(16.0)	153.5	137.5
Net change	$ 140.7	$ (34.4)	$ 106.3	$ 152.1	$ (56.8)	$ 95.3

(1) Changes attributable to both volume and rate are designated as volume changes.

Comparison of interest income, interest expense and net interest margin

The Company's primary source of revenue is interest income. For the three months ended March 31, 2024 June 30, 2024, interest income was $1.1 billion, an increase of $86.1 million $146.7 million, or 8.9% 14.7%, compared to $968.9 million $1.0 billion for the three months ended March 31, 2023 June 30, 2023. This increase was primarily the result of a $47.9 million increase in interest income from investment securities due to an increase in the average investment balance of $4.1 billion and a $31.4 million $101.7 million increase in interest income from loans HFI that was driven primarily by higher yields and partially offset by lower average HFI loan balances of $4.0 billion and higher yields and a $78.1 million increase in interest income from investment securities due primarily to an increase in the average investment balance of $6.3 billion. The increase in interest income was also the result of a $29.1 million increase in interest income from cash and other, largely driven by higher average cash and other balances of $1.4 billion. These increases were partially offset by a $62.2 million decrease in interest income from loans HFS driven by lower average HFS loan balances of $3.5 billion.

For the six months ended June 30, 2024, interest income was $2.2 billion, an increase of $232.8 million, or 11.8%, compared to $2.0 billion for the six months ended June 30, 2023. This increase was primarily the result of a $133.1 million increase in interest income from loans HFI driven by higher rates coupled with a $900 million increase in the average HFI loan balance and a $126.0 million increase in investment income from investment securities due primarily to an increase in the average investment balance of $5.2 billion. These increases were offset in part by a decrease in interest income from loans HFS of $54.4 million driven by a lower average HFS loan balance of $1.6 billion.

For the three months ended March 31, 2024 June 30, 2024, interest expense was $456.1 million $490.9 million, an increase of $97.1 million $40.4 million, or 9.0%, compared to $359.0 million $450.5 million for the three months ended March 31, 2023 June 30, 2023. The increase in interest expense was due to an increase in interest expense on deposits of $149.0 $159.2 million driven by a $7.6 billion an $11.6 billion increase in the average interest-bearing deposit balance and increased interest rates, partially offset by a $52.1 $118.9 million decrease in interest expense on total borrowings resulting from a decrease in average borrowing balances of $4.4 billion $8.4 billion.

For the six months ended June 30, 2024, interest expense was $947.0 million, an increase of $137.5 million, or 17.0%, compared to $809.5 million for the six months ended June 30, 2023. Interest expense on deposits increased $308.2 million for the same period driven by a $9.6 billion increase in average interest-bearing deposits and increased interest rates, partially offset by a $171.0 million decrease in interest expense on total borrowings resulting from a decrease in average borrowing balances of $6.4 billion.

For the three months ended March 31, 2024 June 30, 2024, net interest income was $598.9 million totaled $656.6 million, a decrease an increase of $11.0 million $106.3 million, or 1.8% 19.3%, compared to $609.9 million $550.3 million for the three months ended March 31, 2023 June 30, 2023. The decrease increase in net interest income was driven by the higher rate environment and reflects a $3.2 billion an $8.2 billion increase in average interest-bearing liabilities, interest-earning assets and related yields, partially offset by an increase in yields on interest-earning assets. funding costs driven by the higher rate environment. The decrease increase in net interest margin of 19 21 basis points to 3.60% 3.63% is largely the result of an increase in both the average balances and rates of loans HFI, investment securities, and balances of deposits, partially offset by higher yields on HFI loans and a decrease in borrowings the average loans HFS balance compared to the same period in 2023.

For the six months ended June 30, 2024, net interest income was $1.3 billion, an increase of $95.3 million, or 8.2%, compared to $1.2 billion for the six months ended June 30, 2023. The increase in net interest income reflects a $5.0 billion increase in average interest-earning assets and yields on interest-earnings assets, partially offset by an increase of $3.2 billion in average interest-bearing liabilities. The increase in net interest margin of 1 basis point to 3.61% is the result of a higher rate environment as explained in the above paragraphs.

Provision for Credit Losses

The provision for credit losses in each period is reflected as a reduction in earnings for that period and includes amounts related to funded loans, unfunded loan commitments, and investment securities. The provision is equal to the amount required to maintain the ACL at a level that is adequate to absorb estimated lifetime credit losses inherent in the loan and investment securities portfolios based on remaining contractual maturity, adjusted for estimated prepayments as of each period end. The Company's CECL models incorporate historical experience, current conditions, and reasonable and supportable forecasts in measuring expected credit losses. For the three and six months ended March 31, 2024 June 30, 2024, the Company recorded a provision for credit losses of $15.2 million $37.1 million and $52.3 million, respectively, compared to $19.4 million $21.8 million and $41.2 million for the three and six months ended March 31, 2023. June 30, 2023, respectively. The provision for credit losses for the three and six months ended March 31, 2024 June 30, 2024 is primarily reflective of loan growth, net charge-offs of $9.8 million, $22.8 million and a stable economic outlook. $32.6 million, respectively, and loan growth.

Non-interest Income

The following table presents a summary of non-interest income:

	Three Months Ended March 31,						
	Three Months Ended March 31,						
	Three Months Ended March 31,						
	2024						
	2024						
		Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
	(in millions)				(in millions)		
	(in millions)						
	(in millions)						
Net gain on loan origination and sale activities							
Net loan servicing revenue							
Net gain on loan origination and sale activities							
Net gain on loan origination and sale activities							
Net gain on loan origination and sale activities							
Income from equity investments							
Income from equity investments							
Income from equity investments							

Service charges and fees
Service charges and fees
Service charges and fees
Commercial banking related income
Commercial banking related income
Commercial banking related income
Fair value gain (loss) adjustments, net
Fair value gain (loss) adjustments, net
Income from equity investments
Gain (loss) on sales of investment securities
Fair value gain (loss) adjustments, net
(Loss) gain on recovery from credit guarantees
(Loss) gain on recovery from credit guarantees
(Loss) gain on recovery from credit guarantees
Loss on sales of investment securities
Loss on sales of investment securities
Loss on sales of investment securities
Other income
Other income
Other income
Total non-interest income
Total non-interest income
Total non-interest income

Total non-interest income for the three months ended March 31, 2024 June 30, 2024 compared to the same period in 2023 increased $187.9 million decreased $3.8 million. The increase decrease in non-interest income from the three months ended March 31, 2023 June 30, 2023 was primarily driven by a net fair value loss adjustment decrease in service charges and fees of $147.8 million recognized during the three months ended March 31, 2023 due to the Company's balance sheet repositioning in the prior year that did not reoccur. Also contributing to the increase in non-interest income was an increase in income from equity investments of $15.7 million $10.0 million and a net increase decrease in mortgage banking income of $1.5 million as net gain on loan origination and sale activities increased $13.9 million decreased $15.5 million from higher lower production volume and spreads.

spreads, partially offset by an increase in net loan servicing revenue of $14.0 million. The Company's balance sheet repositioning actions in the prior year also partially offset these decreases as sales activity related to loans and investment securities have normalized in the current period.

Total non-interest income for the six months ended June 30, 2024 increased $184.1 million compared to the same period in 2023. Non-interest income for the six months ended June 30, 2023 was impacted by the Company's balance sheet repositioning actions, which were largely completed by the end of 2023. These actions resulted in losses of $135.1 million related to fair value adjustments from transferring loans from HFI to HFS and losses on sales of investment securities of $26.1 million during the six months ended June 30, 2023, which did not reoccur in the current period.

Non-interest Expense

The following table presents a summary of non-interest expense:

	Three Months Ended March 31,						
	Three Months Ended March 31,						
	Three Months Ended March 31,						
	Three Months Ended June 30,		Increase (Decrease)	Six Months Ended June 30,			
	2024	**2024**	2023	**Increase (Decrease)**	**2024**	2023	**Increase (Decrease)**
	(in millions)				*(in millions)*		
	(in millions)						
	(in millions)						
Deposit costs							
Salaries and employee benefits							
Deposit costs							

Data processing
Insurance
Data processing
Legal, professional, and directors' fees
Occupancy
Loan servicing expenses
Business development and marketing
Loan acquisition and origination expenses
Gain on extinguishment of debt
Gain on extinguishment of debt
Gain on extinguishment of debt
Other expense
Other expense
Other expense
Total non-interest expense

Total non-interest expense for the three months ended March 31, 2024June 30, 2024 increased $133.9 million $99.4 million compared to the same period in 2023. The increase in non-interest expense was primarily driven by an increase in deposit costs related to higher ECR balances, which increased from $14.9 billion as of June 30, 2023 to $25.0 billion as of June 30, 2024, and insurance cost higher ECR rates.

Total non-interest expense for the six months ended June 30, 2024 increased s. $233.3 million compared to the same period in 2023. The increase in non-interest expense for this period was primarily driven by an increase in deposit costs from the prior year relates primarily to higher average and insurance costs. Higher ECR balances and rates while drove the increase in deposit costs. The increase in insurance costs is due to elevated insured and brokered deposit levels and a $17.6 net charge of $11.6 million charge related to the FDIC special assessment. assessment recognized during the six months ended June 30, 2024.

Income Taxes

The Company's effective tax rate was 23.5% 21.9% and 23.0% 17.1% for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, and 22.7% and 19.5% for the six months ended June 30, 2024 and 2023, respectively. The increase in the effective tax rate rates for the three and six month periods ended June 30, 2024 compared to the same period in 2023 was primarily due to an increase in nondeductible insurance premiums and shortfalls from stock compensation expense a decrease in 2024. expected investment tax credit benefits during 2024.

Business Segment Results

The Company's reportable segments are aggregated with a focus on products and services offered and consist of three reportable segments:

- Commercial: provides commercial banking and treasury management products and services to small and middle-market businesses, specialized banking services to sophisticated commercial institutions and investors within niche industries, as well as financial services to the real estate industry.
- Consumer Related: offers consumer banking services, such as mortgage banking and both commercial banking services to enterprises in consumer-related sectors. sectors and consumer banking services, such as residential mortgage banking.
- Corporate & Other: consists of the Company's investment portfolio, Corporate borrowings and other related items, income and expense items not allocated to other reportable segments, and inter-segment eliminations.

The following tables present selected reportable segment information:

	Consolidated Company	Consolidated Company	Commercial	Consumer Related	Corporate & Other	Consolidated Company	Commercial	Consumer Related	Corporate & Other
At March 31, 2024		*(in millions)*							
Loans HFI, net of deferred loan fees and costs									
At June 30, 2024		*(in millions)*							
Loans HFI, net of deferred fees and costs									
Deposits									
At December 31, 2023									
At December 31, 2023									
At December 31, 2023									

Loans HFI, net of deferred loan fees and costs

Loans HFI, net of deferred loan fees and costs

Loans HFI, net of deferred loan fees and costs

Loans HFI, net of deferred fees and costs

Loans HFI, net of deferred fees and costs

Loans HFI, net of deferred fees and costs

Deposits

Three Months Ended March 31, 2024			*(in millions)*	
Pre-tax income (loss)	**$ 231.8**	**$ 143.6**	**$ 92.8**	**$ (4.6)**
Three Months Ended March 31, 2023				
Pre-tax income (loss)	$ 184.6	$ 159.4	$ 56.8	$ (31.6)

Three Months Ended June 30, 2024			*(in millions)*	
Income before provision for income taxes	**$ 247.9**	**$ 128.4**	**$ 96.8**	**$ 22.7**
Six Months Ended June 30, 2024				
Income before provision for income taxes	**$ 479.7**	**$ 272.1**	**$ 189.6**	**$ 18.0**
Three Months Ended June 30, 2023				
Income (loss) before provision for income taxes	$ 260.1	$ 221.4	$ 56.7	$ (18.0)
Six Months Ended June 30, 2023				
Income (loss) before provision for income taxes	$ 444.7	$ 380.9	$ 113.3	$ (49.5)

BALANCE SHEET ANALYSIS

Total assets increased $6.1 billion $9.7 billion to $77.0 billion $80.6 billion at March 31, 2024 June 30, 2024, compared to $70.9 billion at December 31, 2023. The increase in total assets was primarily driven by an increase in investment securities of $3.4 billion as well an increase in and cash of $2.0 billion. $4.6 billion and $2.5 billion, respectively. Loans HFI also increased by $403 million $2.1 billion, or 0.8% 4.2%, to $50.7 billion $52.4 billion as of March 31, 2024 June 30, 2024, compared to $50.3 billion as of December 31, 2023. The increase in loans HFI from December 31, 2023 was driven by a $646 million $2.6 billion increase in commercial and industrial loans from December 31, 2023, partially offset by decreases in residential real estate and construction and land development loans of $154 million $333 million and $108 million $177 million, respectively. Loans HFS increased $439 million $605 million from $1.4 billion as of December 31, 2023 due to an increase in non-EBO agency conforming and agency conforming non-EBO loans.

Total liabilities increased $6.0 billion $9.4 billion to $70.8 billion $74.2 billion at March 31, 2024 June 30, 2024, compared to $64.8 billion at December 31, 2023. The increase in liabilities is due primarily to an increase in total deposits of $6.9 billion $10.9 billion, or 12.5% 19.7%, to $62.2 billion $66.2 billion. By type, the increase in deposits from December 31, 2023 was driven by increases of $3.9 billion $7.0 billion in non-interest bearing demand deposits, $1.4 billion $2.3 billion in savings and money market accounts, $1.0 billion $1.4 billion in interest bearing demand deposits, and $564 million $262 million in certificates of deposit. Other borrowings decreased $1.0 billion $1.6 billion from December 31, 2023 primarily due to a decrease in short-term borrowings.

Total stockholders' equity of $6.2 billion $6.3 billion at March 31, 2024 June 30, 2024 increased by $94 million $256 million, or 1.5% 4.2%, from December 31, 2023. The increase in stockholders' equity is primarily a function of net income, offset by quarterly dividends to common and preferred stockholders, and unrealized fair value losses on AFS securities, recorded net of tax in other comprehensive income.

Investment securities

Debt securities are classified at the time of acquisition as either HTM, AFS, or trading based upon various factors, including asset/liability management strategies, liquidity and profitability objectives, and regulatory requirements. HTM securities are carried at amortized cost, adjusted for amortization of premiums or accretion of discounts. AFS securities are debt securities that may be sold prior to maturity based upon asset/liability management decisions. Investment securities classified as AFS are carried at fair value with unrealized gains or losses on these securities recorded in AOCI in stockholders' equity, net of tax.

Amortization of premiums or accretion of discounts on MBS is periodically adjusted for estimated prepayments. Trading securities are reported at fair value, with unrealized gains and losses on these securities included in current period earnings.

The Company's investment securities portfolio is utilized as collateral for borrowings, required collateral for public deposits and repurchase agreements, and to manage liquidity, capital, and interest rate risk.

The following table summarizes the carrying value of the Company's investment securities portfolio:

	March 31, 2024	December 31, 2023	Increase (Decrease)
	June 30, 2024	December 31, 2023	Increase (Decrease)
		(in millions)	
Debt securities			
U.S. Treasury securities			
U.S. Treasury securities			
U.S. Treasury securities			
Residential MBS issued by GSEs			
Tax-exempt			
Private label residential MBS			
Private label residential MBS			
Private label residential MBS			
Commercial MBS issued by GSEs			
CLO			
Corporate debt securities			
CLO			
CLO			
CLO			
Corporate debt securities			
Corporate debt securities			
Other			
Total debt securities			
Equity securities			
Equity securities			
Equity securities			
Preferred stock			
Preferred stock			
Preferred stock			
CRA investments			
Total equity securities			

The increases in Residential MBS issued by GSEs and U.S. Treasury securities from December 31, 2023 are primarily due the Company's efforts to shift its investment portfolio mix toward high quality liquid assets, which also included the sale of CLOs.

Loans HFS

The Company purchases and originates residential mortgage loans through its AmeriHome mortgage banking business channel that are held for sale or securitization. As of March 31, 2024 June 30, 2024, loans HFS totaled $1.8 billion $2.0 billion, compared to $1.4 billion at December 31, 2023, an increase of $439 million $605 million primarily related to an increase in agency-conforming and non-EBO and agency-conforming loans.

Loans HFI

The table below summarizes the distribution of the Company's held for investment loan portfolio:

	March 31, 2024	December 31, 2023	Increase (Decrease)
	June 30, 2024	December 31, 2023	Increase (Decrease)

	(in millions)
Warehouse lending	
Municipal & nonprofit	
Tech & innovation	
Equity fund resources	
Other commercial and industrial	
CRE - owner occupied	
Hotel franchise finance	
Other CRE - non-owner occupied	
Residential	
Residential - EBO	
Construction and land development	
Other	
Total loans HFI	
Allowance for credit losses	
Total loans HFI, net of allowance	

Loans classified as HFI are stated at the amount of unpaid principal, adjusted for net deferred fees and costs, premiums and discounts on acquired and purchased loans, and an ACL. Net deferred loan fees of $102 million $105 million and $108 million reduced the carrying value of loans as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively. Net unamortized purchase premiums on acquired and purchased loans of $175 million $172 million and $177 million increased the carrying value of loans as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

Concentrations of Lending Activities

The Company monitors concentrations of lending activities at the product and borrower relationship level. As of March 31, 2024 June 30, 2024 and December 31, 2023, no borrower relationships at both the commitment and funded loan level exceeded 5% of total loans HFI.

Commercial and industrial loans made up 39% 41% and 38% of total loans HFI as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

In addition, the Company's loan portfolio includes significant credit exposure to the CRE market as CRE related loans accounted for approximately 32% 31% and 33% of total loans at March 31, 2024 June 30, 2024 and December 31, 2023 respectively. Non-owner occupied CRE loans are CRE loans for which the primary source of repayment is rental income generated from the collateral property. Owner occupied CRE loans are loans secured by owner occupied non-farm nonresidential properties for which the primary source of repayment (more than 50%) is the cash flow from the ongoing operations and activities conducted by the borrower who owns the property. These CRE loans are secured by multi-family residential properties, professional offices, industrial facilities, retail centers, hotels, and other commercial properties.

The following tables present the composition by property type and weighted average LTV of the Company's CRE non-owner occupied loans:

	March 31, 2024						June 30, 2024					
		Amount	Amount	Percent of CRE-Non OO	Percent of Total HFI Loans	Weighted Average LTV (1)			Amount	Percent of CRE-Non OO	Percent of Total HFI Loans	Weighted Average LTV (1)
	(dollars in millions)											
Hotel	Hotel	$3,933	40.8	40.8 %	7.8 %	47.8 %	Hotel	**$3,978**	**41.2**	**41.2 %**	**7.6 %**	**47.1 %**
Office												
Retail												
Multifamily												
Industrial												
Time share												
Senior care												
Medical												
Other												

Total CRE - non-owner occupied	Total CRE - non-owner occupied	$9,637	100.0	100.0 %	19.0 %	50.3 %	Total CRE - non-owner occupied	**$9,647**	**100.0**	**100.0 %**	**18.4 %**	**50.3 %**

(1) The weighted average LTVs in the above table are based on the most recent available information, if current appraisals are not available.

	December 31, 2023			
	Amount	Percent of CRE-Non OO	Percent of Total HFI Loans	Weighted Average LTV (1)
	(dollars in millions)			
Hotel	$ 4,235	43.9 %	8.4 %	48.1 %
Office	2,358	24.4	4.7	58.8
Retail	753	7.8	1.5	61.0
Multifamily	566	5.9	1.1	49.7
Industrial	565	5.8	1.1	50.4
Time share	378	3.9	0.8	34.9
Senior care	160	1.7	0.3	41.8
Medical	124	1.3	0.2	51.2
Other	511	5.3	1.0	43.4
Total CRE - non-owner occupied	$ 9,650	100.0 %	19.2 %	51.1 %

(1) The weighted average LTVs in the above table are based on the most recent available information, if current appraisals are not available.

The following table presents the Company's CRE non-owner occupied loans by origination year as of March 31, 2024 June 30, 2024:

	(in millions)
2024	
2023	
2022	
2021	
2020	
Prior	
Total	

The following table presents the scheduled maturities of the Company's CRE non-owner occupied loans as of March 31, 2024 June 30, 2024:

	(in millions)
2024	
2025	
2026	
2027	
2028	
Thereafter	
Total	

Approximately $2.5 billion, or 4.9% 4.7%, of total loans HFI consisted of CRE non-owner occupied office loans as of March 31, 2024 June 30, 2024, compared to $2.4 billion, or 4.7%, as of December 31, 2023. Of the non-owner occupied office loan balance as of March 31, 2024 June 30, 2024, $266 $235 million is scheduled to mature in the remainder of 2024. These office loans primarily consist of shorter-term bridge loans that enable borrowers to reposition or redevelop projects with more modern standards attractive to in-office employers in today's environment, including enhanced on-site amenities. The vast majority of these projects are located in suburban locations in the Company's core footprint states (Arizona, California, and Nevada), with central business district and midtown exposure totaling approximately 2% and 10% of office loans as of March 31, 2024 June 30, 2024, respectively.

The office loan portfolio largely consists of value-add loans that require significant up-front cash equity contributions from institutional sponsors and large regional and national developers. The properties underlying these loans have stable business trends and low vacancy rates. To a large extent, the financing structures of these loans do not carry junior liens or mezzanine debt, which enables maximum flexibility when working with clients and sponsors. In addition to adhering to conservative underwriting standards, asset-specific credit risk is mitigated through continued sponsor support of projects by re-appraisal rights of the Company, re-margining requirements and ongoing debt service, and debt yield covenants.

As of March 31, 2024 June 30, 2024 and December 31, 2023, 16% of the Company's CRE loans, excluding construction and land loans, were owner occupied, with substantially all of these loans secured by first liens and had an initial loan-to-value ratio of generally not more than 75%.

Non-performing Assets

Total non-performing loans increased $124 million $76 million to $534 million $486 million at March 31, 2024 June 30, 2024, from $410 million at December 31, 2023.

	March 31, 2024		December 31, 2023	
	June 30, 2024		December 31, 2023	
			(dollars in millions)	
Total nonaccrual loans (1)				
Loans past due 90 days or more on accrual status (2)				
Accruing restructured loans				
Total nonperforming loans				
Other assets acquired through foreclosure, net				
Other assets acquired through foreclosure, net				
Other assets acquired through foreclosure, net				
Nonaccrual loans to funded loans HFI				
Nonaccrual loans to funded loans HFI				
Nonaccrual loans to funded loans HFI	**0.79 %**	0.54 %	**0.76 %**	0.54 %
Loans past due 90 days or more on accrual status to funded loans HFI				

(1) Includes loan modifications to borrowers experiencing financial difficulty of $129 million $156 million and $111 million at March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

(2) Excludes government guaranteed residential mortgage loans of $349 million $330 million and $399 million at March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

Interest income that would have been recorded under the original terms of nonaccrual loans was $4.9 million $6.9 million and $0.8 million $2.8 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, and $11.8 million and $3.6 million for the six months ended June 30, 2024 and 2023, respectively.

The composition of nonaccrual loans HFI by loan portfolio segment were as follows:

	March 31, 2024				June 30, 2024			
	Nonaccrual Balance	**Nonaccrual Balance**	**Percent of Nonaccrual Balance**	**Percent of Total Loans HFI**		**Nonaccrual Balance**	**Percent of Nonaccrual Balance**	**Percent of Total Loans HFI**
			(dollars in millions)					
Municipal & nonprofit								
Municipal & nonprofit								
Municipal & nonprofit	**$ 5**	**1.3**	**1.3 %**	**0.01 %**	**$5**	**1.2**	**1.2 %**	**0.01 %**
Tech & innovation								
Other commercial and industrial								
Other commercial and industrial								
Other commercial and industrial								
CRE - owner occupied								
Hotel franchise finance								
Other CRE - non-owner occupied								
Residential								
Construction and land development								
Construction and land development								
Construction and land development								
Other								

Total non-accrual loans	Total non-accrual loans	$	399	100.0	100.0 %	0.79 %	Total non-accrual loans	$	401	100.0	100.0 %	0.76 %

	December 31, 2023			
	Nonaccrual Balance		Percent of Nonaccrual Balance	Percent of Total Loans HFI
	(dollars in millions)			
Municipal & nonprofit	$	6	2.2 %	0.01 %
Tech & innovation		33	12.1	0.06
Other commercial and industrial		53	19.4	0.11
CRE - owner occupied		9	3.3	0.02
Other CRE - non-owner occupied		83	30.4	0.16
Residential		70	25.6	0.14
Construction and land development		19	7.0	0.04
Total non-accrual loans	$	273	100.0 %	0.54 %

Restructurings for Borrowers Experiencing Financial Difficulty

The following tables present loan modifications during the period to borrowers experiencing financial difficulty:

	Amortized Cost Basis at March 31, 2024								
	Payment Delay and Term Extension		**Term Extension**		**Payment Delay**		**Total**		**% of Total Class of Financing Receivable**
Three Months Ended	*(in millions)*								
Tech & innovation	**$**	**—**	**$**	**—**	**$**	**30**	**$**	**30**	**1.0 %**
Other commercial and industrial		**—**		**8**		**—**		**8**	**0.1**
CRE - owner occupied		**—**		**31**		**—**		**31**	**1.8**
Construction and land development		**—**		**39**		**—**		**39**	**0.8**
Total	**$**	**—**	**$**	**78**	**$**	**30**	**$**	**108**	**0.2 %**

	Amortized Cost Basis at June 30, 2024								
	Payment Delay and Term Extension		**Term Extension**		**Payment Delay**		**Total**		**% of Total Class of Financing Receivable**
Three Months Ended	*(in millions)*								
Other CRE - non-owner occupied	**$**	**—**	**$**	**—**	**$**	**70**	**$**	**70**	**1.1 %**
Total	**$**	**—**	**$**	**—**	**$**	**70**	**$**	**70**	**0.1 %**

	Amortized Cost Basis at March 31, 2023								
	Payment Delay and Term Extension		Term Extension		Payment Delay		Total		% of Total Class of Financing Receivable
Three Months Ended	*(dollars in millions)*								
Tech & innovation	$	2	$	—	$	5	$	7	0.3 %
Hotel franchise finance		—		18		—		18	0.5
Residential		—		—		1		1	0.0
Total	$	2	$	18	$	6	$	26	0.1 %

	Amortized Cost Basis at June 30, 2024								
	Payment Delay and Term Extension		**Term Extension**		**Payment Delay**		**Total**		**% of Total Class of Financing Receivable**
Six Months Ended	*(dollars in millions)*								
Tech & innovation	**$**	**—**	**$**	**—**	**$**	**29**	**$**	**29**	**0.9 %**
Other commercial and industrial		**—**		**8**		**—**		**8**	**0.1**

CRE - owner occupied	—	31	—	31	1.8
Other CRE - non-owner occupied	—	—	70	70	1.1
Construction and land development	—	39	—	39	0.8
Total	$ —	$ 78	$ 99	$ 177	0.3 %

	Amortized Cost Basis at June 30, 2023				
	Payment Delay and Term Extension	Term Extension	Payment Delay	Total	% of Total Class of Financing Receivable
Three Months Ended	(dollars in millions)				
Other commercial and industrial	$ —	$ 27	$ —	$ 27	0.4 %
Hotel franchise finance	—	9	—	9	0.2
Construction and land development	—	28	—	28	0.6
Total	$ —	$ 64	$ —	$ 64	0.1 %

	Amortized Cost Basis at June 30, 2023				
	Payment Delay and Term Extension	Term Extension	Payment Delay	Total	% of Total Class of Financing Receivable
Six Months Ended	(dollars in millions)				
Tech & innovation	$ 2	$ —	$ 5	$ 7	0.3 %
Other commercial and industrial	—	27	—	27	0.4
Hotel franchise finance	—	27	—	27	0.7
Residential	—	—	1	1	0.0
Construction and land development	—	28	—	28	0.6
Total	$ 2	$ 82	$ 6	$ 90	0.2 %

The performance of these modified loans is monitored for 12 months following the modification. As of March 31, 2024 June 30, 2024, modified loans of $129 million $85 million were current with contractual payments and $129 million $156 million were on nonaccrual status. As of December 31, 2023, modified loans of $95 million were current with contractual payments and $111 million were on nonaccrual status.

In the normal course of business, the Company also modifies EBO loans, which are delinquent FHA, VA, or USDA insured or guaranteed loans repurchased under the terms of the GNMA MBS program and can be repooled or resold when loans are brought current. current either through the borrower's reperformance or completion of a loan modification. During the three and six months ended March 31, 2024 and 2023, June 30, 2024, the Company completed modifications of EBO loans with an amortized cost of $90 million $103 million and $57 million $190 million, respectively. During the three and six months ended June 30, 2023, the Company completed modifications of EBO loans with an amortized cost of $35 million and $92 million, respectively. These modifications were largely payment delays and term extensions. Certain of these loans were repooled or resold after modification and are no longer included in the pool of loan modifications being monitored for future performance. As of March 31, 2024 June 30, 2024, modified EBO loans consisted of $38 million $23 million in loans that were current to 89 days delinquent and $12 million $9 million in loans greater than 90 days or more delinquent. As of December 31, 2023, modified EBO loans consisted of $26 million in loans that were current to 89 days delinquent and $12 million in loans greater than 90 days or more delinquent.

Allowance for Credit Losses on Loans HFI

The ACL consists of an ACL on loans and on unfunded loan commitments. The ACL on AFS and HTM securities is estimated separately from loans and is discussed within the Investment Securities section.

The following table summarizes the allocation of the ACL on loans HFI by loan portfolio segment:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023

	Allowance for credit losses	Allowance for credit losses	Percent of total allowance for credit losses	Percent of loan type to total loans HFI	Allowance for credit losses		Percent of total allowance for credit losses	Percent of loan type to total loans HFI		Allowance for credit losses		P o allo fo lo
					(dollars in millions)							
Warehouse lending	Warehouse lending $ 7.3	2.1	2.1 %	13.6 %	$ 5.8	1.7	1.7 %	13.2 %	Warehouse lending	$ 6.5	1.8	1.8 %
Municipal & nonprofit												
Tech & innovation												
Equity fund resources												
Other commercial and industrial												
CRE - owner occupied												
Hotel franchise finance												
Other CRE - non-owner occupied												
Residential												
Residential - EBO												
Construction and land development												
Other												
Total	Total $ 340.3	100.0	100.0 %	100.0 %	$ 336.7	100.0	100.0 %	100.0 %	Total	$ 351.8	100.0	100.0 %

During the three months ended March 31, 2024 June 30, 2024 and 2023, annualized net loan charge-offs to average loans outstanding were 0.08% 0.18% and 0.05% 0.06%, respectively.

In addition to the ACL on funded loans HFI, the Company maintains a separate ACL related to off-balance sheet credit exposures, including unfunded loan commitments. This allowance balance totaled $33 million $36 million and $32 million at March 31, 2024 June 30, 2024 and December 31, 2023, respectively, and is included in Other liabilities on the Consolidated Balance Sheet.

Problem Loans

The Company classifies loans consistent with federal banking regulations using a nine category grading system. The following table presents information regarding potential and actual problem loans, consisting of loans graded as Special Mention, Substandard, Doubtful, and Loss, but which are still performing:

	March 31, 2024					June 30, 2024				
	Number of Loans	Number of Loans	Problem Loan Balance	Percent of Problem Loan Balance	Percent of Total Loans HFI		Number of Loans	Problem Loan Balance	Percent of Problem Loan Balance	Percent of Total Loans HFI
		(dollars in millions)								
Warehouse lending	Warehouse lending 1	$ $ 23	4.8	4.8 %	0.04 %	Warehouse lending	1	$ $ 13	2.1	2.1 % 0.03 %

Municipal & nonprofit

Tech & innovation

Other commercial and industrial

Other commercial and industrial

Other commercial and industrial

CRE - owner occupied

Hotel franchise finance

Other CRE - non-owner occupied

Residential

Construction and land development

Construction and land development

Construction and land development

Other

Total	Total	263	$	$	483	100.0	100.0 %	0.95 %	Total	279	$	$	623	100.0	100.0 %	1.19 %

	December 31, 2023			
	Number of Loans	Problem Loan Balance	Percent of Problem Loan Balance	Percent of Total Loans HFI
	(dollars in millions)			
Warehouse lending	1	$ 26	3.6 %	0.05 %
Municipal & nonprofit	2	18	2.5	0.04
Tech & innovation	14	49	6.8	0.10
Other commercial and industrial	50	95	13.2	0.19
CRE - owner occupied	9	3	0.4	0.01
Hotel franchise finance	9	203	28.3	0.40
Other CRE - non-owner occupied	15	251	35.0	0.50
Residential	143	72	10.0	0.14
Construction and land development	1	1	0.1	0.00
Other	20	1	0.1	0.00
Total	264	$ 719	100.0 %	1.43 %

Mortgage Servicing Rights

The fair value of the Company's MSRs related to residential mortgage loans totaled $1.2 billion and $1.1 billion as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively. The increase in MSRs is primarily related to new production of MSRs and valuation gains, partially offset by sales. .

The following is a summary of the UPB of loans underlying the Company's MSR portfolio by type:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
		(in millions)
FNMA and FHLMC		

GNMA

Non-agency

Total unpaid principal balance of loans

Goodwill and Other Intangible Assets

Goodwill represents the excess consideration paid for net assets acquired in a business combination over their fair value. Goodwill and other intangible assets acquired in a business combination that are determined to have an indefinite useful life are not subject to amortization, but are subsequently evaluated for impairment at least annually. The Company has goodwill and intangible assets totaling $666 million$664 million and $669 million$669 million at March 31, 2024June 30, 2024 and December 31, 2023, respectively.

The Company performs its annual goodwill and intangible assets impairment tests as of October 1 each year, or more often if events or circumstances indicate that the carrying value may not be recoverable. During the three and six months ended March 31, 2024June 30, 2024, there were no events or circumstances that indicated an interim impairment test of goodwill or other intangible assets was necessary. For the three and six months ended March 31, 2023June 30, 2023, the Company evaluated whether the effects from the bank failures in 2023 gave rise to a triggering event and elected to perform a Step 0 goodwill impairment assessment, which included assessing the financial performance of the Company and analyzing qualitative factors applicable to the Company. Based on this assessment, the Company determined that it was more likely than not the fair value of the Company and its reporting units exceeded their respective carrying values as of March 31, 2023June 30, 2023.

Deferred Tax Assets

As of March 31, 2024June 30, 2024, the net DTA balance totaled $300 million$276 million, an increasea decrease of $13 million$11 million from $287 million at December 31, 2023. This overall increasedecrease in the net DTA was primarily the result of a decreasean increase in DTLs related to MSRs that were partially offset by decreases in the fair market value of AFS securities. securities, paired with increases in credit carryovers and state net operating losses.

Deposits

Deposits are the primary source for funding the Company's asset growth. Total deposits increased to $62.2 billion$66.2 billion at March 31, 2024June 30, 2024, from $55.3 billion at December 31, 2023, an increase of $6.9 billion$10.9 billion, or 12.5%19.7%. By deposit type, the increase in deposits is attributable to increases of $3.9 billion$7.0 billion in non-interest bearing demand deposits, $1.4 billion$2.3 billion in savings and money market accounts, $1.0 billion$1.4 billion in interest bearing demand deposits, and $564 million$262 million in certificates of deposit.

WAB is a participant in the IntraFi Network, a network that offers deposit placement services such as CDARS and ICS, which offer products that qualify large deposits for FDIC insurance. At March 31, 2024June 30, 2024, the Company had $14.5 billion$13.1 billion of these reciprocal deposits, compared to $13.3 billion at December 31, 2023. At March 31, 2024June 30, 2024 and December 31, 2023, the Company also had wholesale brokered deposits of $6.5 billion$6.2 billion and $6.6 billion, respectively.

In addition, deposits for which the Company provides account holders with earnings credits or referral fees totaled $22.2 billion$25.0 billion and $17.8 billion at March 31, 2024June 30, 2024 and December 31, 2023, respectively. The Company incurred $131.2 million$167.4 million and $85.6 million$87.8 million in deposit related costs on these deposits during the three months ended March 31, 2024June 30, 2024 and 2023, respectively. TheseDuring the six months ended June 30, 2024 and 2023, the Company incurred $298.6 million and $173.4 million, respectively, in deposit related costs are reported as Deposit costs in non-interest expense. on these deposits. The increase in these costs from the prior year is due to an increase in earnings credit rates as well as an increase in average deposit balances eligible for earnings credits or referral fees. fees as well as an increase in earnings credit rates. These costs are reported as Deposit costs in non-interest expense.

The average balances and weighted average rates paid on deposits are presented below:

	Three Months Ended March 31,				Three Months Ended June 30,			
	2024		2024	2023	2024		2023	
	Average Balance	Average Balance	Rate	Average Balance / Rate	Average Balance	Rate	Average Balance	Rate
	(dollars in millions)							
Interest-bearing transaction accounts	$16,348	3.00 %	$ 10,534	2.63 %				
Interest-bearing demand accounts	$17,276	3.05 %	$ 11,893	2.71 %				
Savings and money market accounts								
Certificates of deposit								
Total interest-bearing deposits								

Non-interest-bearing demand deposits														
Non-interest-bearing deposits														
Total deposits	Total deposits	$ 59,907	2.56	2.56 %	$ 54,641	1.72	1.72 %	Total deposits	$ 65,278	2.53	2.53 %	$ 49,387	2.04	2.04 %

	Six Months Ended June 30,			
	2024		2023	
	Average Balance	**Rate**	Average Balance	Rate
	(dollars in millions)			
Interest-bearing demand accounts	**$ 16,812**	**3.03 %**	$ 11,217	2.67 %
Savings and money market accounts	**15,913**	**3.49**	15,604	2.62
Certificates of deposit	**10,278**	**5.12**	6,578	4.03
Total interest-bearing deposits	**43,003**	**3.70**	33,399	2.90
Non-interest-bearing deposits	**19,589**	**—**	18,600	—
Total deposits	**$ 62,592**	**2.54 %**	$ 51,999	1.87 %

Other Borrowings

Short-Term Borrowings

The Company utilizes short-term borrowed funds to support short-term liquidity needs. The majority of these short-term borrowed funds consist of advances from the FHLB, repurchase agreements, and federal funds purchased from correspondent banks or the FHLB. The Company’s borrowing capacity with the FHLB is determined based on collateral pledged, generally consisting of securities and loans. In addition, the Company has repurchase facilities, collateralized by securities, and EBO loans, including assets sold under agreements to repurchase, which are reflected at the amount of cash received in connection with the transaction, and may require additional collateral based on the fair value of the underlying assets. Total short-term borrowings decreased $1.0 billion $1.6 billion to $5.8 billion $5.2 billion at March 31, 2024 June 30, 2024 from $6.8 billion at December 31, 2023. The decrease was driven by decreases in FHLB advances of $450 million $1.1 billion, repurchase agreements of $374 million, and federal funds purchased of $175 million.

Long-Term Borrowings

The Company's long-term borrowings consist of credit linked notes, inclusive of issuance costs. At March 31, 2024 June 30, 2024, the carrying value of long-term borrowings was $441 million $436 million, compared to $446 million at December 31, 2023.

Qualifying Debt

Qualifying debt consists of subordinated debt and junior subordinated debt, inclusive of issuance costs and fair market value adjustments. At March 31, 2024 June 30, 2024, the carrying value of qualifying debt was $896 million $897 million, compared to $895 million at December 31, 2023.

Capital Resources

The Company and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements could trigger certain mandatory or discretionary actions that, if undertaken, could have a direct material effect on the Company’s business and financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and the Bank must meet specific capital guidelines that involve quantitative measures of their assets, liabilities, and certain off-balance sheet items (discussed in "Note 14. Commitments and Contingencies" to the Unaudited Consolidated Financial Statements) as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

As permitted by the regulatory capital rules, the Company elected the CECL transition option that delayed the estimated impact on regulatory capital resulting from the adoption of CECL over a five-year transition period ending December 31, 2024. Accordingly, beginning in 2024, capital ratios and amounts in 2024 include a 25% capital benefit that resulted from the increased ACL related to the adoption of ASC 326. 326, compared to a 50% capital benefit for 2023.

As of March 31, 2024 June 30, 2024 and December 31, 2023, the Company and the Bank exceeded the capital levels necessary to be classified as well-capitalized, as defined by the various banking agencies. The actual capital amounts and ratios for the Company and the Bank are presented in the following tables:

Total Capital	Total Capital	Tier 1 Capital	Risk-Weighted Assets	Tangible Average Assets	Total Capital Ratio	Tier 1 Capital Ratio	Tier 1 Leverage Ratio	Common Equity Tier 1	Total Capital	Tier 1 Capital	Risk-Weighted Assets
			(dollars in millions)								

March 31, 2024																				
June 30, 2024																				
WAL																				
WAL																				
WAL	**$7,349**	**$**	**$ 6,163**	**$**	**$ 52,545**	**$**	**$ 72,766**	**14.0**	**14.0 %**	**11.7 %**	**8.5 %**	**11.0 %**	**$7,523**	**$**	**$6,322**	**$**	**$54,028**	**$**	**$ 78,696**	**13.9**
WAB																				
Well-capitalized ratios																				
Minimum capital ratios																				
December 31, 2023																				
December 31, 2023																				
December 31, 2023																				
WAL																				
WAL																				
WAL	$7,201	$	$ 6,035	$	$ 52,517	$	$ 70,295	13.7	13.7 %	11.5 %	8.6 %	10.8 %	$7,201	$	$6,035	$	$52,517	$	$ 70,295	13.7
WAB																				
Well-capitalized ratios																				
Minimum capital ratios																				

The Company and the Bank are also subject to liquidity and other regulatory requirements as administered by the federal banking agencies. These agencies have broad powers and at their discretion, could limit or prohibit the Company's payment of dividends, payment of certain debt service and issuance of capital stock and debt as they deem appropriate and as such, actions by the agencies could have a direct material effect on the Company's business and financial statements.

The Company is also required to maintain specified levels of capital to remain in good standing with certain federal government agencies, including FNMA, FHLMC, GNMA, and HUD. These capital requirements are generally tied to the unpaid balances of loans included in the Company's servicing portfolio or loan production volume. Noncompliance with these capital requirements can result in various remedial actions up to, and including, removing the Company's ability to sell loans to and service loans on behalf of the respective agency. The Company believes that it is in compliance with these requirements as of March 31, 2024 June 30, 2024.

Critical Accounting Estimates

Critical accounting estimates are defined as those that are reflective of significant judgments and uncertainties and could potentially result in materially different results under different assumptions and conditions. The critical accounting estimates upon which the Company's financial condition and results of operations depend, and which involve the most complex subjective decisions or assessments, are included in the discussion entitled "Critical Accounting Policies" in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and all amendments thereto, as filed with the SEC. There were no material changes to the critical accounting policies disclosed in the Annual Report on Form 10-K.

Liquidity

Liquidity is the ongoing ability to accommodate liability maturities and deposit withdrawals, fund asset growth and business operations, and meet contractual obligations through unconstrained access to funding at reasonable market rates. Liquidity management involves forecasting funding requirements and maintaining sufficient capacity to meet the needs and accommodate fluctuations in asset and liability levels due to changes in the Company's business operations or unanticipated events.

The ability to have readily available funds sufficient to repay fully maturing liabilities is of primary importance to depositors, creditors, and regulators. The Company's liquidity, represented by cash and amounts due from banks, federal funds sold, loans HFS, and non-pledged marketable securities, is a result of the Company's operating, investing, and financing activities and related cash flows. The Company actively monitors and manages liquidity, and no less than quarterly will estimate probable liquidity needs on a 12-month horizon. Liquidity needs can also be met through short-term borrowings or the disposition of short-term assets.

The following table presents the available and outstanding balances on the Company's lines of credit:

	March 31, June 30, 2024	
	Available Balance	Outstanding Balance
	(in millions)	
Unsecured fed funds credit lines at correspondent banks	$ 839 1,283	$ —

In addition to lines of credit, the Company has borrowing capacity with the FHLB and FRB from pledged loans and securities and warehouse borrowing lines of credit. The borrowing capacity, outstanding borrowings, and available credit are presented in the following table:

	March 31, June 30, 2024
	(in millions)
FHLB:	
Borrowing capacity	$ 13,823 13,689
Outstanding borrowings	5,750 5,100
Letters of credit	101 138
Total available credit	$ 7,972 8,451
FRB:	
Borrowing capacity	$ 10,947 10,351
Outstanding borrowings	—
Total available credit	$ 10,947 10,351
Warehouse borrowings:	
Borrowing capacity	$ 2,250
Outstanding borrowings	—
Total available credit	$ 2,250

The Company has a formal liquidity policy and, in the opinion of management, its liquid assets are considered adequate to meet financial obligations and support client activity during normal and stressed operating conditions. At March 31, 2024 June 30, 2024, there were $12.0 billion $13.1 billion in liquid assets, comprised of $2.8 billion $3.3 billion in cash on deposit at the FRB and $9.2 billion $9.8 billion in securities not currently used as collateral for borrowings or other purposes. At December 31, 2023, the Company maintained $6.9 billion in liquid assets, comprised of $785 million in cash on deposit at the FRB and $6.1 billion in liquid securities not currently used as collateral for borrowings or other purposes.

The Parent maintains liquidity that would be sufficient to fund its operations and certain non-bank affiliate operations for an extended period should funding from normal sources be disrupted. In the Company's analysis of Parent liquidity, it is assumed the Parent is unable to generate funds from additional debt or equity issuances, receives no dividend income from subsidiaries and does not pay dividends to stockholders, while continuing to make non-discretionary payments needed to maintain operations and repayment of contractual principal and interest payments owed by the Parent and affiliated companies. Under this scenario, the amount of time the Parent and its non-bank subsidiary can operate and meet all obligations before the current liquid assets are exhausted is considered as part of the Parent liquidity analysis. Management believes the Parent maintains adequate liquidity capacity to operate without additional funding from new sources for over twelve months.

WAB maintains sufficient funding capacity to address large increases in funding requirements, such as deposit outflows. This capacity is comprised of liquidity derived from a reduction in asset levels and various secured funding sources. On a long-term basis, the Company's liquidity will be met by changing the relative distribution of its asset portfolios (for example, by reducing investment or loan volumes, or selling or encumbering assets). Further, the Company can increase liquidity by soliciting higher levels of deposit accounts through promotional activities and/or borrowing from correspondent banks, the FHLB of San Francisco, and the FRB. At March 31, 2024 June 30, 2024, the Company's long-term liquidity needs primarily relate to funds required to support loan originations, commitments, and deposit withdrawals, which can be met by cash flows from investment payments and maturities, and investment sales, if necessary.

The Company's liquidity is comprised of three primary classifications: 1) cash flows provided by operating activities; 2) cash flows used in investing activities; and 3) cash flows provided by financing activities. Net cash provided by or used in operating activities consists primarily of net income, adjusted for changes in certain other asset and liability accounts and certain non-cash income and expense items, such as the provision for credit losses, investment and other amortization and depreciation. For the three six months ended March 31, 2024 June 30, 2024 and 2023, net cash (used in) provided by operating activities was $(306.5) $(1.1) billion and $(100.1) million, and $357.3 million, respectively.

The Company's primary investing activities are the origination of real estate and commercial loans, the collection of repayments of these loans, and the purchase and sale of securities. The Company's net cash used in investing activities has been primarily influenced by its loan and securities activities. During the three six months ended March 31, 2024 June 30, 2024, the Company's cash balance decreased by $526 million $2.2 billion as a result of a net increase in loans, compared to a reduction increase in cash of $1.0 billion $1.6 billion during the three six months ended March 31, 2023 June 30, 2023 from a net increase decrease in loans. A net increase in investment securities of $3.3 billion $4.4 billion and $478 million $1.5 billion for the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively, partially offset the increase to the Company's cash balance during the three six months ended March 31, 2024 June 30, 2024 and March 31, 2023 June 30, 2023.

Net cash provided by financing activities has been impacted significantly by deposit levels. During the three six months ended March 31, 2024 June 30, 2024, net deposits increased $6.9 billion $10.9 billion, compared to a decrease in net deposits of $6.1 billion $2.6 billion during the three six months ended March 31, 2023 June 30, 2023.

Fluctuations in core deposit levels may increase the Company's need for liquidity as certificates of deposit mature or are withdrawn before maturity, and as non-maturity deposits, such as checking and savings account balances, are withdrawn. Additionally, the Company is exposed to the risk that customers with large deposit balances will withdraw all or a portion of such deposits, due in part to the FDIC limitations on the amount of insurance coverage provided to depositors. To mitigate the uninsured deposit risk, the Company participates in the CDARS and ICS programs, which allow an individual customer to invest up to $50 million and $225 million, respectively, through one participating financial institution or, a combined total of $275 million per individual customer, with the entire amount being covered by FDIC insurance. As of March 31, 2024 June 30, 2024, the Company has $1.6 billion of CDARS and $11.2 billion $10.0 billion of ICS deposits.

As of March 31, 2024 June 30, 2024, the Company has $6.5 billion $6.2 billion of wholesale brokered deposits outstanding, Brokered deposits are generally considered to be deposits that have been received from a third party who is engaged in the business of placing deposits on behalf of others. A traditional deposit broker will direct deposits to the banking institution offering the highest interest rate available. Federal banking laws and regulations place restrictions on depository institutions regarding brokered deposits because of the general concern that these deposits are not relationship based and are at a greater risk of being withdrawn and placed on deposit at another institution offering a higher interest rate, thus posing liquidity risk for institutions that gather brokered deposits in significant amounts.

Federal and state banking regulations place certain restrictions on dividends paid. The total amount of dividends which may be paid at any date is generally limited to the retained earnings of the bank. Dividends paid by WAB to the Parent would be prohibited if the effect thereof would cause the Bank's capital to be reduced below applicable minimum capital requirements. During the three and six months ended March 31, 2024 June 30, 2024, WAB paid dividends to the Parent of $60 million. and $120 million, respectively. Subsequent to March 31, 2024 June 30, 2024, WAB paid dividends to the Parent of $60 million.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Market risk is the risk of loss in a financial instrument arising from adverse changes in market prices and rates, foreign currency exchange rates, commodity prices, and equity prices. The Company's market risk arises primarily from interest rate risk inherent in its lending, investing, and deposit taking activities. To that end, management actively monitors and manages the Company's interest rate risk exposure. The Company generally manages its interest rate sensitivity by evaluating re-pricing opportunities on its earning assets to those on its funding liabilities.

Management uses various asset/liability strategies to manage the re-pricing characteristics of the Company's assets and liabilities, all of which are designed to ensure that exposure to interest rate fluctuations is within the Company's guidelines of acceptable levels of risk-taking. Hedging strategies, including the terms and pricing of loans and deposits and management of the deployment of its securities, are used to reduce mismatches in interest rate re-pricing opportunities of portfolio assets and their funding sources. Derivatives in a hedging relationship are also used to minimize the Company's exposure to changes in benchmark interest rates and volatility of net interest income and EVE to interest rate fluctuations, with their impact reflected in the model results discussed below.

Interest rate risk is addressed by ALCO, which includes members of executive management, finance, and operations. ALCO monitors interest rate risk by analyzing the potential impact on the net EVE and net interest income from potential changes in interest rates and considers the impact of alternative strategies or changes in balance sheet structure. The Company manages its balance sheet in part to keep the potential impact on EVE and net interest income within acceptable ranges despite changes in interest rates.

The Company's exposure to interest rate risk is reviewed at least quarterly by ALCO. Interest rate risk exposure is measured using interest rate sensitivity analysis to determine its change in both EVE and net interest income in the event of hypothetical changes in interest rates. If potential changes to EVE and net interest income resulting from hypothetical interest rate changes are not within the limits established by the BOD or, ALCO determines that interest rate exposures should be reduced, ALCO will either take hedging actions or adjust the asset and liability mix to bring interest rate risk within BOD-approved limits or in line with ALCO's proposed reduction. ALCO may also decide the best course of action for a limit breach is to accept the breach and present justification to the BOD. If the BOD does not agree to accept the limit breach, it will direct ALCO to remediate the breach. The Company's net interest income and EVE exposure limits are approved by the BOD on an annual basis, or more often if market conditions warrant. During the three six months ended March 31, 2024 June 30, 2024, there have been no changes to the Company's exposure limits.

Net Interest Income Simulation. To measure interest rate risk at March 31, 2024 June 30, 2024, the Company used a simulation model to project changes in net interest income that result from forecasted changes in interest rates. This analysis calculates the difference between a baseline net interest income forecast using current yield curves, compared to forecasted net income resulting from an immediate parallel shift in rates upward or downward, along with other scenarios directed by ALCO. The income simulation model includes various assumptions regarding re-pricing relationships for each of the Company's products. Many of the Company's assets are variable rate loans, which are assumed to re-price at the next rate re-set period and, proportional to the change in market rates, depending on their contracted index, including the impact of caps or floors. Some loans and investments contain contractual prepayment features (embedded options) and, accordingly, the simulation model incorporates prepayment assumptions. The Company's non-term deposit products re-price with a certain beta to underlying market rate changes. The Company regularly conducts sensitivity analysis for this assumption to determine the impact on the interest rate risk position. These betas are derived separately by deposit product and are based on both observed and projected market rate and balance trends. Current product deposit beta assumptions range between 47% 45% to 81% 83%, depending on product, with an average interest bearing deposit beta of 61% 62%, inclusive of ECR costs.

This analysis illustrates the impact of changes in net interest income for the given set of rate changes and assumptions. It does not account for all factors that could impact the Company's results, including changes by management to mitigate interest rate changes or secondary factors, such as changes to the Company's credit risk profile as interest rates change. The results will also be impacted by seasonality in the balance sheet. Furthermore, loan prepayment rate estimates and spread relationships change regularly. Interest rate changes impact actual loan prepayment speeds and these changes may result in differences in the market estimates incorporated in this analysis. These assumptions are inherently uncertain and as a result, actual results may differ from simulated results due to factors such as timing, magnitude and frequency of interest rate changes as well as changes in market conditions, customer behavior, management strategies, and changes that vary significantly from the modeled assumptions may have a significant effect on the Company's actual net interest income.

This simulation model assesses the changes in net interest income that would occur in response to an instantaneous and sustained increase or decrease (shock) in market interest rates based on a dynamic balance sheet. The Company's NII sensitivity assumptions have been updated to include more granular deposit beta assumptions by line of business. The Company continues to evaluate the scenarios that are presented as interest rates change and will update these scenario disclosures as appropriate.

Sensitivity of Net Interest Income

	Down 200	Down 100	Up 100	Up 200
	Down 200			
	Down 200			
	(change in basis points from Base)			
Parallel Shift Scenario				
Parallel Shift Scenario	(14.1)%	(6.9)%	6.8%	13.6%
Parallel Shift Scenario	(13.0)%	(6.7)%	6.8%	13.6%

At March 31, 2024 June 30, 2024, our net interest income exposure for the next twelve months related to these hypothetical changes in market interest rates was within our current guidelines.

Economic Value of Equity. The Company measures the impact of market interest rate changes on the NPV of estimated cash flows from its assets, liabilities, and off-balance sheet items, defined as EVE, using a simulation model. The Company's simulation model focuses on parallel interest rate shocks and takes into account assumptions related to loan prepayment trends that are sourced using a combination of third-party prepayment models and internal historical experience, terminal maturity for non-maturity deposits, decay attrition, and pricing sensitivity derived from the Company's data and other internally-developed analysis and models. These assumptions are reviewed at least annually and are adjusted periodically to reflect changes in market conditions and the Company's balance sheet composition. As simulated model results are based on a number of assumptions outlined above, including forecasted market conditions, actual amounts may differ significantly from the projections set forth below should market conditions vary from the underlying assumptions.

This simulation model assesses the changes in the market value of interest rate sensitive financial instruments that would occur in response to an instantaneous and sustained increase or decrease (shock) in market interest rates. The Company's EVE model assumptions have also been updated to include more granular deposit beta and attrition assumptions by line of business. The Company continues to evaluate the scenarios that are presented as interest rates change and will update these scenario disclosures as appropriate.

The following table shows the Company's projected change in EVE for this set of rate shocks at March 31, 2024 June 30, 2024:

Economic Value of Equity

		Interest Rate Scenario
		Interest Rate Scenario
		Interest Rate Scenario
	Down 200	
		(change in basis points from Base)
		(change in basis points from Base)
		(change in basis points from Base)
% Change		

At March 31, 2024 June 30, 2024, the Company's EVE exposure related to these hypothetical changes in market interest rates was within the Company's current guidelines.

Derivative Contracts. In the normal course of business, the Company uses derivative instruments to meet the needs of its customers and manage exposure to fluctuations in interest rates. For additional discussion on how derivatives in a hedging relationship (fair value hedges) are used to manage the Company's interest rate risk, see "Note 11. Derivatives and Hedging Activities" to the Unaudited Consolidated Financial Statements.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls

Based on their evaluation as of the end of the period covered by this Quarterly Report on Form 10-Q, the CEO and CFO have concluded that the disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act, as amended, is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. Additionally, the Company's disclosure controls and procedures were also effective in ensuring that information required to be disclosed by the Company in the reports it files or is subject to under the Exchange Act is accumulated and communicated to the Company's management, including the CEO and CFO, to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting during the quarter ended March 31, 2024 June 30, 2024, which have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

There are no material pending legal proceedings to which the Company is a party or to which any of its properties are subject. There are no material proceedings known to the Company to be contemplated by any governmental authority. From time to time, the Company is involved in a variety of litigation matters in the ordinary course of its business and anticipates that it will become involved in new litigation matters in the future.

Item 1A. Risk Factors.

There have not been any material changes to the risk factors previously disclosed in Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Issuer Purchases of Equity Securities

The following table provides information about the Company's purchases of equity securities that are registered by the Company pursuant to Section 12 of the Exchange Act for the periods indicated:

Period	Total Number of Shares Purchased (1)(2)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs
January 2024	73	$ 62.21	—	$ —
February 2024	122,524	61.55	—	—
March 2024	—	—	—	—
Total	122,597	$ 61.55	—	$ —

Period	Total Number of Shares Purchased (1)(2)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs
April 2024	17,388	$ 59.06	—	$ —
May 2024	176	61.29	—	—
June 2024	322	58.57	—	—
Total	17,886	$ 59.07	—	$ —

(1) Shares purchased during the period were transferred to the Company from employees in satisfaction of minimum tax withholding obligations associated with the vesting of restricted stock awards during the period.

(2) The Company currently does not have a common stock repurchase program.

Item 5. Other Information

Insider Adoption or Termination of Trading Arrangements

During the quarter ended March 31, 2024 June 30, 2024, none of our directors or officers informed us of the adoption or termination of any “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as those terms are defined in Item 408 of Regulation S-K.

Item 6. Exhibits

EXHIBITS

3.1	Amended and Restated Certificate of Incorporation, effective as of May 19, 2015 (incorporated by reference to Exhibit 3.1 of Western Alliance's Form 10-K filed with the SEC on March 1, 2019).
3.2	Certificate of Amendment designating the 4.250% Fixed-Rate Reset Non-Cumulative Perpetual Preferred Stock, Series A, effective September 22, 2021 (incorporated by reference to Exhibit 3.1 of Western Alliance's Form 8-K filed with the SEC on September 22, 2021).
3.3	Amended and Restated Bylaws of Western Alliance, effective as of June 14, 2022 (incorporated by reference to Exhibit 3.1 of Western Alliance's Form 8-K filed with the SEC on June 16, 2022).
3.4	Articles of Conversion, as filed with the Nevada Secretary of State on May 29, 2014 (incorporated by reference to Exhibit 3.1 of Western Alliance's Form 8-K filed with the SEC on June 3, 2014).
3.5	Certificate of Conversion, as filed with the Delaware Secretary of State on May 29, 2014 (incorporated by reference to Exhibit 3.2 of Western Alliance's Form 8-K filed with the SEC on June 3, 2014).
10.1±	Form of Deferred Stock Unit Agreement pursuant to the Company's 2005 Stock Incentive Plan.
31.1*	CEO Certification Pursuant Rule 13a-14(a)/15d-14(a).
31.2*	CFO Certification Pursuant Rule 13a-14(a)/15d-14(a).
32**	CEO and CFO Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes Oxley Act of 2002.
101*	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Consolidated Balance Sheets as of March 31, 2024 June 30, 2024 and December 31, 2023, (ii) the Consolidated Income Statements for the three months ended March 31, 2024 June 30, 2024 and 2023 and three six months ended March 31, 2024 June 30, 2024 and 2023, (iii) the Consolidated Statements of Comprehensive Income for the three months ended March 31, 2024 June 30, 2024 and 2023 and three six months ended March 31, 2024 June 30, 2024 and 2023, (iv) the Consolidated Statements of Stockholders' Equity for the three months ended March 31, 2024 June 30, 2024 and 2023 and the three six months March 31, 2024 June 30, 2024 and 2023, (v) the Consolidated Statements of Cash Flows for the three six months ended March 31, 2024 June 30, 2024 and 2023, and (vi) the Notes to Unaudited Consolidated Financial Statements. (Pursuant to Rule 406T of Regulation S-T, this information is deemed furnished and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934.).
104*	The cover page of Western Alliance Bancorporation's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024 June 30, 2024, formatted in Inline XBRL (contained in Exhibit 101).

* Filed herewith.

** Furnished herewith.

± Management contract or compensatory arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WESTERN ALLIANCE BANCORPORATION

May 2, August 1, 2024 — By: /s/ Kenneth A. Vecchione
Kenneth A. Vecchione
President and Chief Executive Officer

May 2, August 1, 2024 — By: /s/ Dale Gibbons
Dale Gibbons
Vice Chairman and Chief Financial Officer

May 2, August 1, 2024 — By: /s/ J. Kelly Ardrey Jr.
J. Kelly Ardrey Jr.
Chief Accounting Officer

DEFERRED STOCK UNIT AGREEMENT

Western Alliance Bancorporation (the "***Company***") has granted to the Participant named in the Notice of Grant of Deferred Stock Units (the "***Grant Notice***") to which this Deferred Stock Unit Agreement (the "***Agreement***") is attached an Award consisting of Stock Units subject to the terms and conditions set forth in the Grant Notice and this Agreement. The Award has been granted pursuant to the Western Alliance Bancorporation 2005 Stock Incentive Plan, as amended and restated effective April 7, 2023 (the "***Plan***"), the provisions of which are incorporated herein by reference. By signing the Grant Notice, the Participant: (a) acknowledges receipt of and represents that the Participant has read and is familiar with the Grant Notice, this Agreement, the Plan and a prospectus for the Plan (the "***Plan Prospectus***") in the form most recently prepared in connection with the registration with the Securities and Exchange Commission of shares issuable pursuant to the Plan, (b) accepts the Award subject to all of the terms and conditions of the Grant Notice, this Agreement and the Plan and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Plan Administrator upon any questions arising under the Grant Notice, this Agreement or the Plan. This Award, together with Awards of Deferred Stock Units on substantially the same terms to other select employees of the Company, is intended to be a "bona fide deferred compensation plan or arrangement" within the meaning of Title 12, Part 359 of the Code of Federal Regulations. In addition, this Awardtogether with Awards of Deferred Stock Units on substantially the same terms to other select employees of the Company, is intended to be an arrangement for providing retirement benefits on an unfunded, unsecured basis to a "select group of management or highly compensated employees" within the meaning of the Employee Retirement Income Security Act of 1974, as amended.

1. **Definitions and Construction.**

1.1 **Definitions.** Unless otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Grant Notice or the Plan.

(a)"***Disability***" means the occurrence of a "disability" as defined under Section 409A of the Code – i.e., the Participant is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

(b) "***Good Reason***" means within the two (2) year period immediately following a Corporate Transaction which constitutes a change in control (as defined by Section 409A of the Code) or, solely with respect to (i), (iii), and (v) below, a Merger of Equals, and without the Participant's consent:

(i) the Participant's Total Direct Compensation for a plan year is reduced by ten percent (10%) or more;

(ii) there is a material diminishment in the Participant's authorities, duties or responsibilities, or a material diminishment in the authority, duties, or responsibilities of the supervisor to whom the Participant is required to report, including a requirement that the Participant report to a corporate officer or employee instead of reporting directly to the Board, Chief Executive Officer, or President of the Company, whichever the Participant reported to immediately prior to the Corporate Transaction;

(iii) the Participant's principal place of employment is relocated to a location that is more than thirty (30) miles from the Participant's principal place of employment immediately prior to the Corporate Transaction;

(iv) there is a material diminishment in the budget over which the Participant retains authority; or

(v) there is any action or inaction of the Company or a successor that constitutes a material breach of any agreement under which the Participant provides Services.

The Participant may terminate the Participant's employment at any time for Good Reason within two (2) years following the initial existence of a condition constituting Good Reason if (A) the Participant has, within thirty (30) days after the initial existence of the condition constituting Good Reason, delivered notice to the Plan Administrator which sets forth in reasonable detail the specific condition that constitutes Good Reason, (B) the Company has not cured the condition within thirty (30) days of receipt thereof, and (C) the Participant provides the Plan Administrator with written notice of such termination on a date specified in the notice that is after the expiration of the thirty-day cure period and before the end of such two-year period.

(c) "***Merger of Equals***" means the consummation of any transaction (including without limitation a merger or reorganization in which the Company is the surviving entity) which results in any person or entity (other than persons who are stockholders or Affiliates immediately prior to the transaction) owning forty percent (40%) or more of the combined voting power of all classes of stock of the Company, including where, for the avoidance of doubt, a majority of the individuals who constitute the Board and the Company's officers (as determined under Rule 16a-1(f) of the Exchange Act) immediately prior to the Merger of Equals remain in effective control of the Company following the Merger of Equals.

(d) "***Payment Event***" means the earliest of the Participant's (i) death, (ii) Disability, or (ii) Qualified Retirement.

(e) "***Plan Administrator***" means the Compensation Committee of the Board.

(f) "***Qualified Retirement***" means the Participant's Separation from Service for any reason other than an involuntary termination of employment by the Company for Cause, when the Participant has provided at least five (5) years of Service to the Company and the sum of the Participant's combined age and years of Service to the Company is greater than or equal to sixty (60).

(g) "***Separation from Service***" means a "separation from service" as defined in Section 409A of the Code. For purposes of the Award, a Separation from Service shall be deemed to occur, without limitation, if the Company and the Participant reasonably anticipate that the level of bona fide services the Participant will perform after a certain date will permanently decrease to less than twenty percent (20%) of the average level of bona fide services provided by the Participant during the immediately preceding thirty-six (36) months. Subject to the preceding sentence, the Plan Administrator shall determine whether the Participant has incurred a Separation from Service for purposes of the Award, which determination shall be final, binding, and conclusive.

(h) *"**Stock Unit**"* means, if such Stock Unit is then a Vested Stock Unit, a right to receive one (1) share of Stock or, at the sole discretion of the Plan Administrator, an amount in cash equal to the Fair Market Value of one (1) share of Stock, as of the settlement date.

(i) "***Total Direct Compensation***" means, for any plan year, the sum of the Participant's base salary, annual bonus, and annual stock or other long-term incentive award for the plan year.

1.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive unless the context clearly requires otherwise.

2. **Administration.**

2.1. **Plan Administrator.** All questions of interpretation concerning the Grant Notice, this Agreement and the Plan shall be determined by the Plan Administrator. All determinations by the Plan Administrator shall be final and binding upon all persons having an interest in the Award. Any officer of the Company shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Company herein, provided that such officer has apparent authority with respect to such matter, right, obligation, or election. The Company intends that compensation provided pursuant to the Award shall comply with Section 409A of the Code and shall be administered, construed and interpreted in accordance with such intent.

2.2. **Claims Procedures.** Any claim for benefits under the Award by the Participant or the Participant's representative or beneficiary shall be made in accordance with the claims procedures set forth in the Western Alliance Bancorporation Severance and Change in Control Plan, as amended and restated effective July 28, 2021.

3. **The Award.**

3.1 **Grant of Stock Units.** On the Grant Date, the Participant shall acquire, subject to the provisions of this Agreement, a right to receive a number of Stock Units as set forth in the Grant Notice, subject to adjustment as provided in Section 8. The number of Stock Units ultimately earned by the Participant, if any, shall be that number of Stock Units which become Vested Stock Units.

3.2 **No Monetary Payment Required.** The Participant is not required to make any monetary payment (other than applicable tax withholding, if any) as a condition to receiving the Stock Units or shares of Stock issued upon settlement of the Stock Units, the consideration for which shall be past services actually rendered and/or future services to be rendered to the Company (or any Affiliate) or for its benefit. Notwithstanding the foregoing, if required by applicable state corporate law, the Participant shall furnish consideration in the form of cash or past services rendered to the Company (or any Affiliate) or for its benefit having a value not less than the par value of the shares of Stock issued upon settlement of the Stock Units.

3.3 **Dividend Equivalent Units**. If a cash dividend is paid with respect to the shares of Stock underlying the Stock Units, the Participant shall be credited as of the applicable dividend payment date with an additional number of whole and fractional Stock Units (the "**Dividend Equivalent Units**") equal to (i) the total cash dividend the Participant would have received had the Stock Units (including any previously credited Dividend Equivalent Units with respect thereto) been actual shares of Stock divided by (ii) the Fair Market Value of a share of Stock as of the applicable dividend payment date. Such Dividend Equivalent Units shall be added to the Award and shall be subject to the same vesting and payment provisions otherwise applicable to the Stock Units. Any fractional Dividend Equivalent Units shall be carried forward to the Payment Event, and on the Payment Event any fractional Dividend Equivalent Units then payable shall be settled in cash. References to "Stock Units" in this Agreement include any Dividend Equivalent Units that have been credited to the Award as of the applicable date.

4. **Vesting and Forfeiture of Stock Units**.

4.1 **Vesting Date.** Except as provided by Section 7, the Stock Units shall vest and become Vested Stock Units on the Vesting Date, as provided in the Grant Notice; provided, however, that the Stock Units shall vest and become Vested Stock Units upon the Participant's death or Disability prior to Separation from Service.

4.2 **Forfeiture of Stock Units.** Except as provided by Section 7, if the Participant experiences a Separation from Service for any reason before the Vesting Date (other than in connection with the Participant's death or Disability), the Participant shall immediately forfeit all Stock Units under this Award. Further, if the Participant experiences a Separation of Service which is an involuntary termination of employment by the Company for Cause at any time, including after the Vesting Date, the Participant shall immediately forfeit all Stock Units under this Award. The Participant shall not be entitled to any payment for forfeited Stock Units.

5. **Settlement of the Award.**

5.1 **Issuance of Shares of Stock.** Subject to the provisions of Section 5.3 and Section 5.4 below, the Vested Stock Units shall become payable upon the Payment Event. Payment shall be made as soon as administratively practicable (not more than thirty (30) days) after the Payment Event by the Company issuing to the Participant one (1) share of Stock with respect to each Vested Stock Unit or, at the Committee's discretion, paying to the Participant a sum of cash equal to the Fair Market Value of one (1) share of Stock, as of the settlement date. Shares of Stock issued in settlement of Stock Units shall not be subject to any restriction on transfer other than any such restriction as may be required pursuant to Section 5.4, Section 6 or the Company's Insider Trading Policy.

5.2 ***Beneficial Ownership of Shares; Certificate Registration.*** The Participant hereby authorizes the Company, in its sole discretion, to deposit for the benefit of the Participant with any broker with which the Participant has an account relationship of which the Company has notice any or all shares acquired by the Participant pursuant to the settlement of the Award. Except as provided by the preceding sentence, a certificate for the shares as to which the Award is settled shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

5.3 **Compliance with Section 409A**. The Company intends that compensation provided pursuant to the Award shall comply with Section 409A of the Code and shall be administered, construed and interpreted in accordance with such intent. In that regard, the Award is subject to Section 18.4 of the Plan, including the requirement for a 6-month payment delay following Separation from Service if the Participant is a "specified employee" within the meaning of Section 409A, as provided by Section 18.4 of the Plan.

5.4 ***Restrictions on Grant of the Award and Issuance of Shares.*** The grant of the Award and issuance of shares of Stock upon settlement of the Award shall be subject to compliance with all applicable requirements of federal, state law or foreign law with respect to such securities including, without limitation (and as provided in the introductory paragraph of this Agreement) Title 12, Part 359 of the Code of Federal Regulations. No shares of Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the Award shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Award, the Company may require the Participant to satisfy any qualifications that may be

necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

6. **Tax-Related Items.**

6.1 **Participant Responsible for Tax-Related Items**. Regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan ("***Tax-Related Items***") is and remains the Participant's responsibility and may exceed the amount (if any) withheld by the Company. The Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Stock Units, including but not limited to the grant, vesting, or payment of the Stock Units, (ii) does not commit to and is under no obligation to structure the terms of the Award or any aspect of the Stock Units to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any specific tax result and (iii) does not commit to and is under no obligation to use a withholding method for Tax-Related Items which results in the most favorable or any particular tax treatment for the Participant. If the Participant becomes subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

6.2 **Tax Withholding**. In the event the Company determines that it must withhold any Tax-Related Items, the Participant agrees, as a condition of the grant of the Stock Units, to make arrangements satisfactory to the Company to enable it to satisfy all withholding requirements by all legal means, including, but not limited to, withholding any applicable Tax-Related Items from the payment of the Stock Units (based on the fair market value of the shares on the applicable date for determining the tax withholding obligations). In addition, the Participant authorizes the Company to fulfill its withholding obligations by all legal means, including, but not limited to, withholding Tax-Related Items from the Participant's wages, salary, other cash compensation, and any cash payment in settlement of any portion of the Award, in an amount which does not exceed the maximum statutory tax rate in the applicable jurisdiction. The Company may refuse to pay out any Vested Stock Units if the Participant fails to comply with any obligations in connection with the Tax-Related Items. Notwithstanding the foregoing, if the Participant is subject to the short-swing profit rules of Section 16(b) of the Exchange Act, the Company will withhold in shares of Stock upon the relevant withholding event, unless otherwise determined by the Committee.

7. **Corporate Transaction**.

7.1 **Effect of Corporate Transaction on the Award.** In the event of a Corporate Transaction, the Vesting Date of any unvested Stock Units shall be accelerated to the date immediately preceding the consummation of the Corporate Transaction, conditioned upon the actual consummation of the Corporate Transaction. However, to the extent the Award is assumed, continued, or replaced upon the Corporate Transaction by a successor entity, or a parent or subsidiary thereof, no such acceleration shall occur. If the Award is assumed and within the two (2) year period immediately following the date of the Corporate Transaction, the Participant experiences a Separation from Service due to an involuntary termination by the Company without Cause or resignation for Good Reason, the Vesting Date of any unvested Stock Units shall be accelerated to the date of the Participant's Separation from Service. To the extent the vesting of the Award is accelerated pursuant to this Section, it shall become payable to the Participant as provided in Section 5.1, as if the Participant had experienced a Qualified Retirement.

7.2 **Federal Excise Tax Under Section 4999 of the Code.**

(a) ***Excess Parachute Payment.*** In the event that any acceleration of vesting the Stock Units and any other payment or benefit received or to be received by the Participant would subject the Participant to any excise tax pursuant to Section 4999 of the Code due to the characterization of such acceleration of vesting, payment or benefit as an "excess parachute payment" under Section 280G of the Code, the Participant may elect, in his or her sole discretion, to reduce the amount of any acceleration of vesting called for by this Agreement in order to avoid such characterization.

(b) ***Determination by Professional Tax Firm.*** To aid the Participant in making any election called for under Section 7.2(a), no later than the date of the occurrence of any event that might reasonably be anticipated to result in an "excess parachute payment" to the Participant as described in Section 7.2(a), the Company shall request a determination in writing by professional firm then engaged by the Company for general tax purposes. If the tax firm so engaged by the Company is serving as accountant or auditor for the acquiring company, the Company will appoint a nationally recognized tax firm to make the determinations required by this Section. As soon as practicable thereafter, the tax firm shall determine and report to the Company and the Participant the amount of such acceleration of vesting, payments and benefits which would produce the greatest after-tax benefit to the Participant. For the purposes of such determination, the tax firm may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Participant shall furnish to the tax firm such information and documents as it may reasonably request in order to make its required determination. The Company shall bear all fees and expenses the tax firm may charge in connection with its services contemplated by this Section 7.2(b).

8. **Adjustments for Changes in Capital Structure**. Subject to any required action by the stockholders of the Company, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, appropriate adjustments shall be made in the number of Stock Units subject to the Award and/or the number and kind of shares to be issued or used to determine cash payment in settlement of the Award, in order to prevent dilution or enlargement of the Participant's rights under the Award. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." Any fractional share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number. Such adjustments shall be determined by the Plan Administrator, and its determination shall be final, binding and conclusive.

9. **Rights as a Stockholder or Employee**. The Participant shall have no rights as a stockholder with respect to any shares which may be issued in settlement of the Award until the date of the issuance of a certificate for such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such certificate is issued, except as provided in Section 3.3 and Section 8. The Participant understands and acknowledges that, except as otherwise provided in a separate, written employment agreement between the Company or an Affiliate and the Participant, the Participant's employment is "at will" and is for no specified term. Nothing in this Agreement shall confer upon the Participant any right to continue in Service or interfere in any way with any right of the Company or any Affiliate to terminate the Participant's Service at any time.

10. **<u>Legends</u>.** The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing shares of Stock issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to this Award in the possession of the Participant in order to carry out the provisions of this Section.

11. **<u>Miscellaneous Provisions</u>.**

11.1 **Compensation Recovery (Clawback).** The Award is subject to the requirements of (i) Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (regarding recovery of erroneously awarded compensation) and any implementing rules and regulations thereunder (the "***Dodd Frank Clawback Rules***"), and (ii) the Company's Dodd Frank Clawback Policy and any other policies adopted by the Company to implement such requirements, all to the extent determined by the Company in its discretion to be applicable to the Participant. For the avoidance of doubt, if the Dodd-Frank Clawback Rules and any implementing policy apply to the Participant, then the Company may take action against this Award or any proceeds the Participant receives from it to recover any erroneously awarded compensation the Participant may have received from the Company (whether related to this Award or otherwise), all in accordance with the Dodd-Frank Clawback Rules and the applicable implementing policy and subject to the requirements of applicable law.

11.2 **Termination or Amendment.** The Plan Administrator may terminate or amend the Plan or this Agreement at any time; provided, however, that except as provided in Section 7 in connection with a Corporate Transaction, no such termination or amendment may adversely affect the Participant's rights under this Agreement without the consent of the Participant unless such termination or amendment is necessary to comply with applicable law or government regulation, including, but not limited to, Section 409A of the Code. No amendment or addition to this Agreement shall be effective unless in writing.

11.3 **Nontransferability of the Award.** Prior to the issuance of shares of Stock on the settlement date, neither this Award nor any Stock Units subject to this Award shall be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to the Award shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

11.4 **Unfunded Obligation.** The Participant shall have the status of a general unsecured creditor of the Company. Any amounts payable to the Participant pursuant to the Award shall be an unfunded and unsecured obligation for all purposes, including, without limitation, Title I of the Employee Retirement Income Security Act of 1974. The Company shall not be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Participant account shall not create or constitute a trust or fiduciary relationship between the Plan Administrator or the Company and the Participant, or otherwise create any vested or beneficial interest in the Participant or the Participant's creditors in any assets of the Company. The Participant shall have no claim against the Company for any changes in the value of any assets which may be invested or reinvested by the Company with respect to the Award.

11.5 **Further Instruments.** The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

11.6 **Binding Effect.** This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

11.7 **Delivery of Documents and Notices.** Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Participant by the Company or an Affiliate, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the address shown below that party's signature to the Grant Notice or at such other address as such party may designate in writing from time to time to the other party.

(a) ***Description of Electronic Delivery.*** The Plan documents, which may include but do not necessarily include: the Plan, the Grant Notice, this Agreement, the Plan Prospectus, and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. In addition, the Participant may deliver electronically the Grant Notice to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

(b) ***Consent to Electronic Delivery***. The Participant acknowledges that the Participant has read Section 11.7(a) of this Agreement and consents to the electronic delivery of the Plan documents and Grant Notice, as described in Section 11.7(a). The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 11.7(a) or may change the electronic mail address to which such documents are to be delivered (if the Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 11.7(a).

11.8 **Integrated Agreement.** The Grant Notice, this Agreement and the Plan shall constitute the entire understanding and agreement of the Participant and the Company with respect to the subject matter contained herein or therein and will supersede any prior agreements, understandings, restrictions, representations, or warranties between the Participant and the Company with respect to such subject matter other than those as set forth or provided for herein or therein. To the extent contemplated herein or therein, the provisions of the Grant Notice, the Agreement and the Plan shall survive any settlement of the Award and shall remain in full force and effect.

11.9 **Applicable Law.** This Agreement shall be governed by the laws of the State of Delaware as such laws are applied to agreements between Delaware residents entered into and to be performed entirely within the State of Delaware.

11.10 **Counterparts.** The Grant Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kenneth A. Vecchione, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Western Alliance Bancorporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Kenneth A. Vecchione

Kenneth A. Vecchione
President and Chief Executive Officer
Western Alliance Bancorporation

Date: May 2, August 1, 2024

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Dale Gibbons, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Western Alliance Bancorporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Dale Gibbons

Dale Gibbons
Vice Chairman and Chief Financial Officer
Western Alliance Bancorporation

Date: May 2, August 1, 2024

Exhibit 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is given by the undersigned Chief Executive Officer and Chief Financial Officer of Western Alliance Bancorporation (the “Registrant”) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Each of the undersigned hereby certifies, with respect to the Registrant's quarterly report on Form 10-Q for the quarter ended March 31, 2024 June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), that, to each of their knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date:	May 2, August 1, 2024	/s/ Kenneth A. Vecchione
		President and Chief Executive Officer
		Western Alliance Bancorporation
Date:	May 2, August 1, 2024	/s/ Dale Gibbons
		Vice Chairman and Chief Financial Officer
		Western Alliance Bancorporation

DISCLAIMER

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