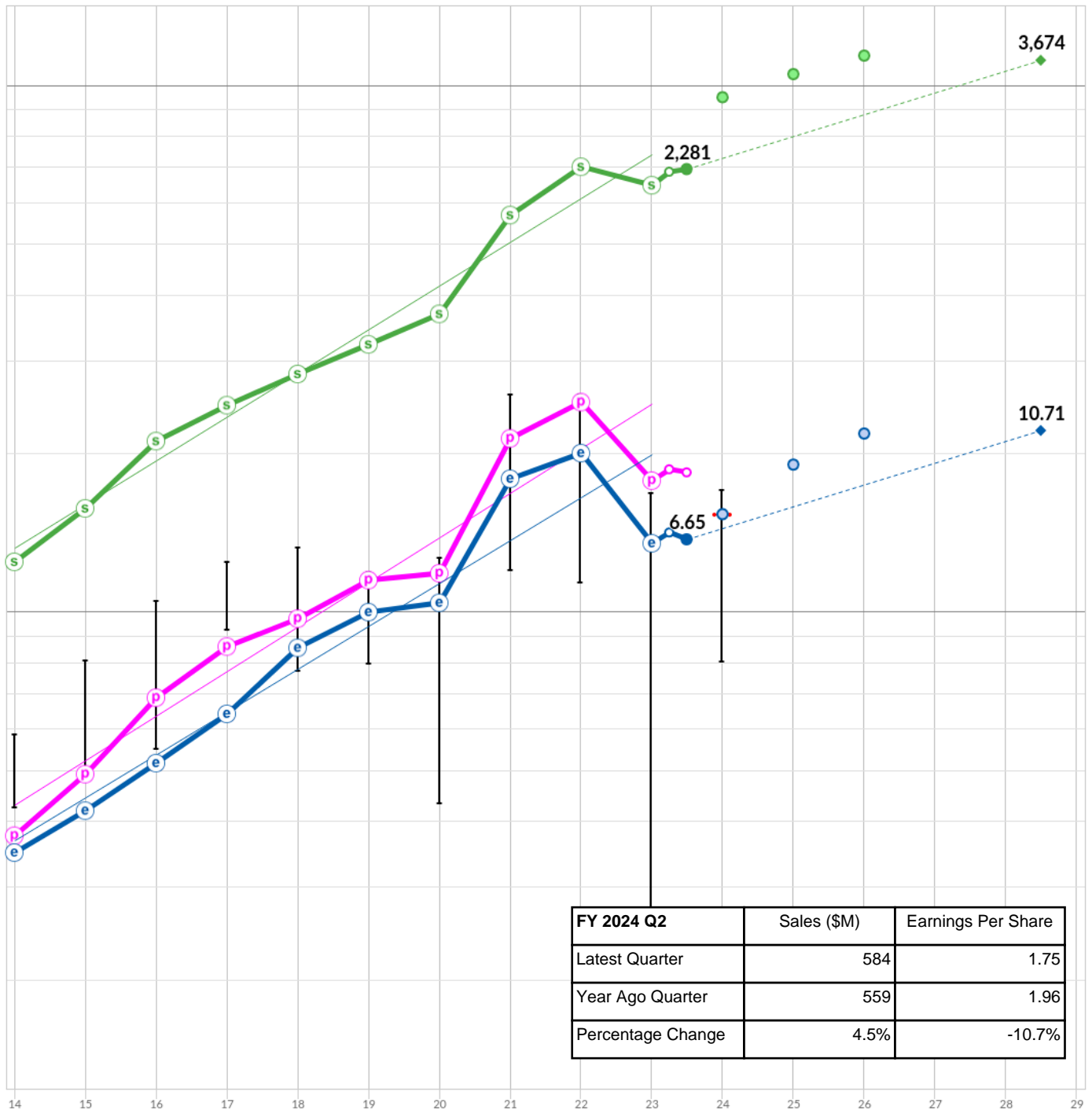


Stock Selection Guide

Company	Western Alliance		Date	08/09/24	
Prepared by	HENRIKSON		Data taken from	BI Stock Data	
Where traded	NYS	Industry	Banks - Regional		
Capitalization ---	Outstanding Amounts	Reference			
Preferred (\$M)	295.0	% Insiders	% Institution		
Common (M Shares)	109.1	2.7	63.3		
Debt (\$M)	6,641.0	% to Tot Cap	51.2	% Pot Dil	0.5

Symbol: WAL

1 VISUAL ANALYSIS of Sales, Earnings, and Price



- | | | | |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 21.1% | (3) Historical Earnings Per Share Growth | 20.6% |
| (2) Estimated Future Sales Growth | 10.0% | (4) Estimated Future Earnings Per Share Growth | 10.0% |

2 EVALUATING Management

Western Alliance

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Last 5 Year Avg.
% Pre-tax Profit on Sales	48.2%	50.0%	52.0%	55.6%	54.8%	57.0%	51.4%	60.2%	57.1%	43.9%	53.9%
% Earned on Equity	17.4%	13.8%	14.1%	15.2%	17.5%	17.0%	16.1%	20.5%	22.4%	13.1%	17.8%
% Debt To Capital	30.1%	18.5%	19.1%	25.6%	18.6%	13.5%	15.7%	27.1%	55.6%	57.2%	33.8%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CURRENT PRICE 74.13 (08/09/24)

52-WEEK HIGH 82.48

52-WEEK LOW 38.81

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2019	57.6	38.6	4.84	11.9	8.0	0.50	10.3	1.3
2020	61.2	20.9	5.04	12.1	4.1	1.00	19.8	4.8
2021	124.9	58.0	8.67	14.4	6.7	1.20	13.8	2.1
2022	124.9	54.9	9.70	12.9	5.7	1.42	14.6	2.6
2023	81.2	7.5	6.54	12.4	1.1	1.45	22.2	19.4
AVERAGE		36.0		12.7	5.1		16.2	
CURRENT/TTM			6.65	12.4	5.8	1.48	22.3	
AVERAGE PRICE EARNINGS RATIO: 8.9					CURRENT PRICE EARNINGS RATIO: 11.1			

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 11.1 X Estimate High Earnings/Share 10.71 = Forecasted High Price \$ 118.9

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 5.1 X Estimate Low Earnings/Share 6.65 = Forecasted Low Price \$ 33.9

(b) Avg. Low Price of Last 5 Years 36.0

(c) Recent Market Low Price 7.5

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{1.48}{19.44\%} = 7.6$

Selected Forecasted Low Price \$ 55.0

C ZONING using 25%-50%-25%

Forecasted High Price 118.9 Minus Forecasted Low Price 55.0 = 63.9 Range. 25% of Range 16.0

Buy Zone 55.0 to 71.0

Hold Zone 71.0 to 102.9

Sell Zone 102.9 to 118.9

Present Market Price of 74.13 is in the **HOLD** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Current Price}}{\text{Current Price} - \text{Low Price}} = \frac{118.9 - 74.13}{74.13 - 55.0} = \frac{44.75}{19.13} = 2.3$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price}}{\text{Current Price}} = \frac{118.9}{74.13} = 1.6037$ X 100 = 160.37 - 100 = 60.4 % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend}}{\text{Current Price}} = \frac{1.48}{74.13} = 0.0200 = 2.0\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{16.2\%}{11.10} = 1.5\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{16.2\%}{8.10} = 2.0\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 9.9 %
Average Yield 1.5 %
Annualized Rate of Return 11.4 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 3.2 %
Average Yield 2.0 %
Annualized Rate of Return 5.2 %

Notes: WAL 8/6/24

Date	Subject	Description	Type
08/11/24	WAL Q2 2024 Judgements	<p>WAL 2nd Quarter results were very good; both Q1 and Q2 quarter results have been good.</p> <ul style="list-style-type: none"> -EPS=\$6.65, down slightly, due to charge offs and increased insurance from \$6.65 in Q1. -Revenue = \$2,281, up from \$2,256 Q1, due to more loans and deposits. <p>Strong Financial Management. Data per Q2 2024 Financial Results and Management outlook on Q2 Earnings Call:</p> <ul style="list-style-type: none"> -Efficiency Ratio has improved: 62.3% and 51.5% adjusted for deposit costs - Efficiency ratios of 50% and lower are outstanding -Return on Average Assets was 14.3% (Ratio of >5% is good), up from 13.4% Q1 -Both Loans and deposits are up; loan quality improving with focus on higher percentage of housing and commercial storage businesses. Commercial Real Estate represents 5% of total loans; primarily shorter-term bridge loans for repositioning or redevelopment projects; conservative loan-to-cost underwriting (no junior debt/mezzanine) ; largely suburban exposure; focus on B+ properties. -Common Equity Tier 1 (Regulatory Capital levels) ratio = 11.7% (well above 6% standard per Basel Accord) <p>Management Outlook for YE 2024:</p> <ul style="list-style-type: none"> -Balance Sheet growth, Loans & deposits, by >\$14B -Capital build above 11% (from 10.8% in 2023) -Net Interest Income, up 9-14% <p>This stock is judged slightly overpriced (CFRA quantitative/industry report), so I was cautious in Judgements.</p>	Community
05/06/24	Update from Simply Wall St.	<ul style="list-style-type: none"> - First quarter 2024 results: - EPS: US\$1.61 (up from US\$1.29 in 1Q 2023). - Revenue: US\$713.6m (up 34% from 1Q 2023). - Net income: US\$174.2m (up 25% from 1Q 2023). - Profit margin: 24% (down from 26% in 1Q 2023). The decrease in margin was driven by higher expenses. <p>Revenue exceeded analyst estimates by 3.2%. Earnings per share (EPS) missed analyst estimates by 1.9%.</p> <p>Revenue is forecast to grow 11% p.a. on average during the next 3 years, compared to a 6.1% growth forecast for the Banks industry in the US.</p> <p>Over the last 3 years on average, earnings per share has fallen by 1% per year but the company's share price has fallen by 16% per year, which means it is performing significantly worse than earnings.</p>	Community
10/20/23	WAL Better deposits keep it going forward	<p>Although price dipped to 42.22 tonight, 3rd quarter earnings were lackluster but not out of line with their plans and slight improvement over 2nd quarter. On Oct 4th, Wells Fargo analyst, Timur Braziler named named WAL as one of his 4 top picks when he took over coverage of the sector.</p> <p>CEO commentary: "Western Alliance continued to execute its balance sheet repositioning strategy and produced strengthening profitability in the third quarter, highlighted by net interest income growth and net interest margin expansion, while maintaining stable asset quality. Deposit momentum continued to improve liquidity levels and demonstrates the vibrancy of the franchise," said Kenneth A. Vecchione, President and Chief Executive Officer. "Quarterly deposit growth of \$3.2 billion lowered our HFI loan-to-deposit ratio to 91%, with total insured and collateralized deposits representing 82% of deposits and available liquidity coverage of 293% of uninsured deposits. We achieved net income of \$216.6 million and earnings per share of \$1.97 for the third quarter 2023, which resulted in a return on tangible common equity¹ of 17.3%. Tangible book value per share¹ climbed 1.3% quarterly to \$43.66, or 17.5% year-over-year, with a CET1 ratio of 10.6%."</p>	Community

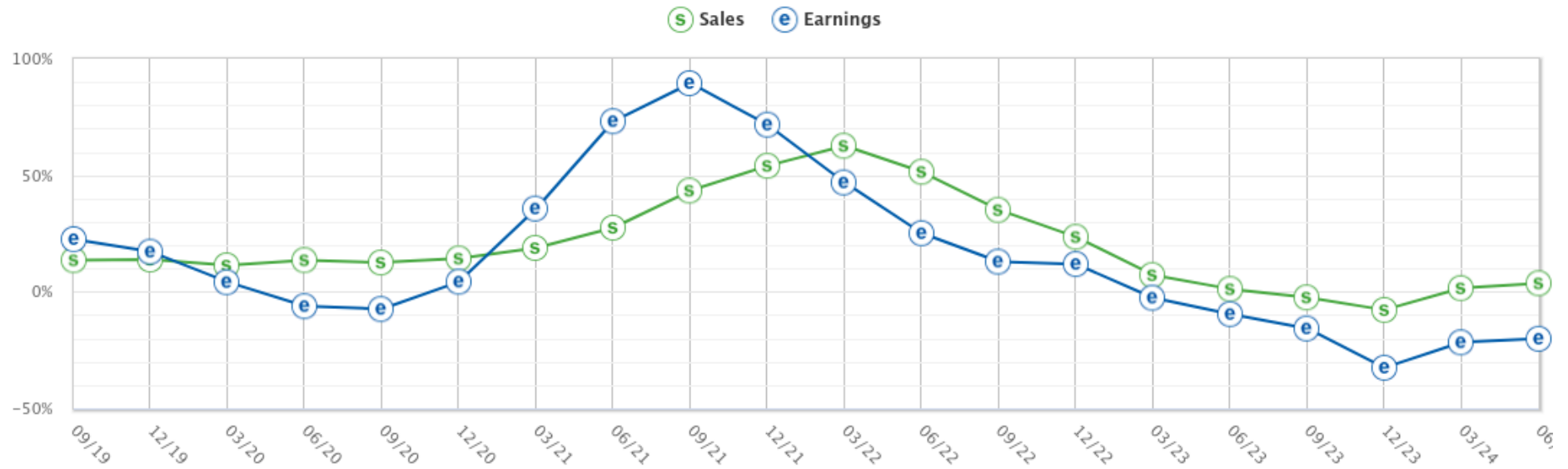
03/01/23	WAL Revenues + Earnings	<p>Pretty much in line w/ analysts expectations for full year:</p> <p>Full year 2022 results: EPS: US\$9.74 (up from US\$8.72 in FY 2021). Revenue: US\$2.47b (up 25% from FY 2021). Net income: US\$1.04b (up 17% from FY 2021). Profit margin: 42% (down from 45% in FY 2021). The decrease in margin was driven by higher expenses. Net interest margin (NIM): 3.67% (up from 3.41% in FY 2021). Cost-to-income ratio: 44.9% (up from 42.9% in FY 2021). Non-performing loans: 0.17% (down from 0.19% in FY 2021). Revenue was in line with analyst estimates. Earnings per share (EPS) were also in line with analyst expectations.</p> <p>Revenue is forecast to grow 14% p.a. on average during the next 2 years, compared to a 6.5% growth forecast for the Banks industry in the US.</p>	Community
11/03/22	WAL	<ol style="list-style-type: none"> 1. WAL's business is centered on commercial real estate. I expect slowing in this market but margins should remain very strong. 2. WAL's margins should increase at a rate at least equal to cost growth. Hence, stable margins. 3. The banking industry should see increased demand for credit along with higher lending rates leading to good revenue and earnings growth. This factor should last for quite some time and it affected my estimates of sales and earnings growth. 4. Hi and Lo prices will be affected by a compression of PEs due to inflationary pressures and the fear of worsening credit quality. This factor affected Hi and Lo price estimates. 5. The company's prospects remain strong. 	Community

Study Audit: WAL 8/6/24

Review Advised	Category	Explanation
✓	Historical Sales Growth	Is this company's sales growth sufficiently consistent? R-Squared (5 yr): 0.86
✓	Historical Sales Growth	Sales have declined during the last fiscal year. Therefore, it might be well to wait until this company has resumed positive growth and shown that it can sustain it. Prior Sales 2022: 2,306 Latest Sales 2023: 2,126
✓	Historical Earnings Growth	Is this company's earnings growth sufficiently consistent? R-Squared (5 yr): 0.40
✓	Historical Earnings Growth	Earnings have declined during the last fiscal year. Therefore, it might be well to wait until this company has resumed positive growth and shown that it can sustain it. EPS 2022: 9.70 EPS 2023: 6.54
✓	Recent Earnings Growth	Earnings growth seems lower recently compared to the company's long-term earnings growth. Check the company's latest report to determine if this is acceptable. EPS Quarter Change: -10.7% EPS 10 Yr Growth: 20.6%
✓	Recent Earnings Growth	Caution! Earnings declined this quarter from the same quarter last year. EPS Quarter Latest: 1.75 EPS Quarter Year Ago: 1.96
✓	%Pre-Tax Profit Margins	Caution! A significant down-trend in profit margins may indicate that management is having difficulty controlling costs. Pre-Tax Profit on Sales: 43.9% Pre-Tax Profit on Sales 5 Yr Avg: 53.9%
✓	%Debt to Capital	More than one-third of this company's capitalization consists of debt. You may want to consider the nature of the industry and this company's prior track record to determine whether this is acceptable. Last FY Debt to Capital: 57.2%
✓	SSG Results	This stock is selling at a higher multiple of earnings than the average that investors have paid for it over the past five years. Relative Value: 124.8%
✓	SSG Results	If purchased at the current price, your potential gain is projected to be less than three times your potential loss. Upside Downside Ratio: 2.3
✓	SSG Results	If purchased at the current price, this stock is not likely to double your money over the next five years. Total Return (High P/E): 11.4% Total Return Guideline: 14.9%

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data



Quarterly Data									Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change	\$		\$ Mil	%Sales	\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales	
06/24	1.75	-10.7	247.9	42.4	-4.7	584.0	4.5	21.9	6.65	968.6	42.5	2,281.0	235.7	24.3	-20.2	-15.0	3.7
03/24	1.60	25.0	231.8	40.2	25.6	577.3	28.9	23.5	6.86	980.8	43.5	2,255.7	226.8	23.1	-21.7	-18.4	1.6
12/23	1.33	-50.2	211.0	39.1	-42.1	539.2	-10.4	29.9	6.54	933.6	43.9	2,126.3	214.8	23.0	-32.6	-29.1	-7.8
09/23	1.97	-18.6	277.9	47.9	-15.7	580.5	-2.0	22.1	7.88	1,087.3	49.7	2,188.6	222.2	20.4	-15.7	-13.8	-2.4
06/23	1.96	-18.0	260.1	46.6	-19.6	558.7	-3.4	17.1	8.33	1,139.0	51.8	2,200.4	226.7	19.9	-9.6	-7.7	1.2
03/23	1.28	-42.3	184.6	41.2	-38.1	447.9	-16.0	23.0	8.76	1,202.5	54.2	2,220.2	246.9	20.5	-2.6	1.3	7.2
12/22	2.67	15.1	364.7	60.6	17.6	601.5	11.7	19.7	9.70	1,316.1	57.1	2,305.6	258.7	19.7	11.9	17.2	23.6

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data									
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit			Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
09/22	2.42	6.1	329.6	55.6	9.0	592.3	13.1	19.9	9.35	1,261.4	56.2	2,242.6	251.1	19.9	12.9	19.7	35.1	
06/22	2.39	10.1	323.6	55.9	17.2	578.5	21.7	19.6	9.21	1,234.2	56.8	2,174.1	251.1	20.3	25.1	34.5	51.5	
03/22	2.22	16.8	298.2	55.9	27.2	533.3	62.5	19.5	8.99	1,186.8	57.3	2,071.1	239.6	20.2	46.9	57.3	62.6	
12/21	2.32	20.2	310.0	57.6	28.9	538.5	62.2	20.7	8.67	1,123.0	60.2	1,866.0	222.2	19.8	71.7	80.4	54.0	
09/21	2.28	67.6	302.4	57.7	81.5	523.8	74.8	21.7	8.28	1,053.6	63.5	1,659.4	205.6	19.5	89.5	96.5	43.4	
06/21	2.17	133.3	276.2	58.1	144.7	475.5	51.6	19.0	7.36	917.8	63.9	1,435.3	171.8	18.7	73.2	74.6	27.5	
03/21	1.90	128.9	234.4	71.4	128.7	328.2	23.4	17.9	6.12	754.4	59.2	1,273.6	138.2	18.3	35.7	34.6	18.8	
12/20	1.93	54.4	240.6	72.5	55.9	331.9	19.6	19.5	5.05	622.5	51.4	1,211.4	114.3	18.4	4.3	3.0	14.3	
09/20	1.36	9.7	166.6	55.6	6.9	299.7	11.6	18.5	4.37	536.2	46.3	1,157.1	95.1	17.7	-7.4	-9.1	12.5	
06/20	0.93	-21.8	112.9	36.0	-23.6	313.7	20.8	17.4	4.25	525.6	46.7	1,125.9	92.9	17.7	-6.2	-4.9	13.6	
03/20	0.83	-28.4	102.5	38.5	-30.0	266.0	4.6	18.1	4.51	560.4	52.3	1,071.8	98.2	17.5	4.2	4.8	11.3	
12/19	1.25	10.6	154.3	55.6	10.2	277.6	12.9	17.0	4.84	604.2	57.0	1,060.1	105.0	17.4	17.2	18.4	13.8	
09/19	1.24	18.1	155.9	58.1	31.4	268.4	16.1	18.3	4.72	589.9	57.4	1,028.3	99.5	16.9	22.6	19.3	13.6	
06/19	1.19	20.2	147.7	56.9	13.6	259.7	12.2	16.8	4.53	552.6	55.8	991.0	76.6	13.9	26.2	11.9	12.5	
03/19	1.16	20.8	146.3	57.5	20.2	254.3	14.2	17.5	4.33	534.9	55.6	962.9	77.8	14.5	28.9	12.5	13.5	
12/18	1.13	32.9	140.0	56.9	12.6	245.9	11.8	14.9	4.13	510.3	54.8	931.2	73.8	14.5	33.2	13.0	14.4	
09/18	1.05	32.9	118.6	51.3	0.7	231.2	11.9	6.3	3.85	494.6	54.6	905.3	87.8	17.8	31.8	16.7	16.2	
06/18	0.99	30.3	130.0	56.2	16.1	231.5	16.3	19.5	3.59	493.8	56.1	880.7	116.5	23.6	29.6	22.8	16.8	
03/18	0.96	37.1	121.7	54.7	24.4	222.6	18.1	17.1	3.36	475.7	56.1	848.2	123.0	25.9	28.7	25.8	16.9	
12/17	0.85	26.9	124.3	56.5	29.2	219.9	19.1	28.1	3.10	451.8	55.5	814.1	125.8	27.8	23.5	25.1	17.2	
09/17	0.79	23.4	117.8	57.0	22.4	206.6	13.5	29.6	2.92	423.7	54.4	778.8	117.2	27.7	21.2	22.6	17.3	
06/17	0.76	26.7	111.9	56.2	27.3	199.0	16.9	28.6	2.77	402.2	53.3	754.2	111.9	27.8	17.9	22.7	19.5	
03/17	0.70	16.7	97.8	51.9	21.0	188.5	19.8	25.0	2.61	378.2	52.1	725.4	106.6	28.2	22.0	32.7	28.0	
12/16	0.67	17.5	96.2	52.1	19.3	184.7	19.8	27.4	2.51	361.2	52.0	694.3	101.0	28.0	26.1	39.7	34.2	
09/16	0.64	10.3	96.2	52.9	22.9	182.1	21.8	30.3	2.41	345.6	52.1	663.8	94.8	27.4	28.3	48.7	40.1	
06/16	0.60	53.8	87.9	51.7	94.1	170.2	60.7	29.9	2.35	327.7	51.9	631.2	85.1	26.0	33.6	57.5	47.1	
03/16	0.60	33.3	80.9	51.4	48.9	157.4	45.9	24.1	2.14	285.1	50.3	566.9	69.4	24.3	20.3	36.1	34.6	
12/15	0.57	24.2	80.6	52.3	47.8	154.1	39.5	25.3	1.99	258.5	50.0	517.4	64.1	24.8	17.8	30.9	26.3	
09/15	0.58	26.1	78.3	52.4	45.4	149.5	42.6	24.5	1.88	232.5	49.1	473.7	58.0	24.9				
06/15	0.39	-4.9	45.3	42.8	-3.1	105.9	8.3	23.4	1.76	208.0	48.5	429.1	51.6	24.8				
03/15	0.45	25.0	54.3	50.4	28.2	107.8	12.0	26.0	1.78	209.4	49.7	421.0	51.7	24.7				

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data									
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit			Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change	\$		\$ Mil	%Sales	\$ Mil		%Rate	EPS	Pre-Tax Profit	Sales	
12/14	0.46		54.5	49.3		110.5		25.9										
09/14	0.46		53.9	51.4		104.9		24.0										
06/14	0.41		46.7	47.8		97.9		22.9										
03/14	0.36		42.4	44.0		96.3		25.1										