

ADJUSTED FINANCIAL METRIC RECONCILIATION TO GAAP
Unaudited

<i>(in thousands)</i>	Year Ended December 31,					
	2017	2016	2015	2014	2013	2010
<i>Reconciliation of Walker & Dunlop Net Income to Adjusted EBITDA</i>						
Walker & Dunlop Net Income	\$ 211,127	\$ 113,897	\$ 82,128	\$ 51,422	\$ 41,530	\$ 8,227
Income tax expense	21,827	71,470	52,771	32,490	25,257	31,915
Interest expense on corporate debt	9,745	9,851	9,918	10,311	3,743	1,334
Amortization and depreciation	131,246	111,427	98,173	80,138	75,955	16,959
Provision (benefit) for credit losses	(243)	(612)	1,644	2,206	1,322	7,469
Net write-offs	—	(1,757)	(808)	(5,242)	(9,188)	(2,148)
Stock compensation expense	21,134	18,477	14,084	9,994	9,194	49
Gains attributable to mortgage servicing rights (1)	(193,886)	(192,825)	(133,631)	(96,515)	(91,972)	(43,052)
Severance costs (2)	—	—	—	—	429	—
Lease modification and exit charges	—	—	—	—	1,137	—
Loss on extinguishment of debt	—	—	—	—	1,214	—
Gain on termination of servicing (3)	—	—	—	—	(1,838)	—
Adjusted EBITDA	\$ 200,950	\$ 129,928	\$ 124,279	\$ 84,804	\$ 56,783	\$ 20,753

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- (1) Represents the fair value of the expected net cash flows from servicing recognized at commitment, net of the expected guaranty obligation.
- (2) Severance costs incurred in connection with a cost-reduction plan
- (3) Gain attributable to the termination of the servicing rights associated with a portion of our Fannie Mae small loan portfolio