JPMORGAN CHASE & CO
Form FWP
March 29, 2019

H The following is a summary of the terms of the notes offered by the preliminary pricing supplement highlighted below. Summary of Terms Issuer: JPMorgan Chase Financial Company LLC Guarantor: JPMorgan Chase & Co. Minimum Denomination: $1,000 Basket: The notes are linked to an equally weighted basket consisting of the following: • 50.00% of the S&P 500 ® Low Volatility High Dividend Index ; and • 50.00% of the EURO STOXX ® Select Dividend 30 Index (each an "Index" and together, the "Indices"). Pricing Date: April 30, 2019 Observation Date: April 26, 2022 Maturity Date: April 29, 2022 Participation Rate: At least 155.00%* Additional Amount: $1,000 î Basket Return î Participation Rate Payment At Maturity: If the Final Basket Value is greater than the Initial Basket Value, at maturity, you will receive a cash payment , for each $1,000 principal amount note, of $1,000 plus the Additional Amount. If the Final Basket Value is equal to or less than the Initial Basket Value, your payment at maturity will be calculated as follows: $ 1,000 + ($1,000 î Basket Return) In no event, however, will the payment at maturity be less than $950.00 per $1,000 principal amount note . If the Final Basket Value is less than the Initial Basket Value, you will lose up to 5.00% of your principal amount at maturity. You are entitled to repayment of at least $950.00 per $1,000 principal amount note at maturity, subject to the credit risks of JPMorgan Financial and JPMorgan Chase & Co. CUSIP: 48130WV40 Preliminary Pricing Supplement: http://sp.jpmorgan.com/document/cusip/48130WV40/doctype/Product_Termsheet/document.pdf For more information about the estimated value of the notes, which likely will be lower than the price you paid for the notes , p lease see the hyperlink above. Any payment on the notes is subject to the credit risk of JPMorgan Chase Financial Company LLC, as issuer of the notes, and the credit risk of JPMorgan Chase & Co., as guarantor of the notes . * The actual Participation Rate will be provided in the pricing supplement and will not be less than 155.00% J.P. Morgan Structured Investments | 1 800 576 3529 | jpm_structured_investments@jpmorgan.com Hypothetical Total Returns** Final Basket Value Basket Return Total Return on the Notes 165.00 65.00 % 100.75% 140.00 40.00% 62.00% 120.00 20.00% 31.00% 110.00 10.00 % 15.50% 105.00 5.00% 7.75% 101.00 1.00% 1.55% 100.00 0.00% 0.00% 99.00 - 1.00% - 1.00% 97.50 - 2.50% - 2.50% 95.00 - 5.00% - 5.00% 90.00 - 10.00% - 5.00% 80.00 - 20.00% - 5.00% 60.00 - 40.00% - 5.00% 40.00 - 60.00% - 5.00% 20.00 - 80.00% - 5.00% 0.00 - 100.00% - 5.00% 3 yr Equally Weighted Basket (SP5LVHD/ SD3E) Notes North America Structured Investments **Reflects Participation Rate equal to the minimum Participation Rate set forth herein, for illustrative purposes. The "total return" as used above is the number, expressed as a percentage, that results from comparing the payment at maturity per $1,000 principal amount note to $1,000. The hypothetical returns shown above apply only at maturity. These hypotheticals do not reflect fees or expenses that would be associated with any sale in the secondary market. If these fees and expenses were included, the hypothetical returns shown above would likely be lower .

J.P. Morgan Structured Investments | 1 800 576 3529 | jpm_structured_investments@jpmorgan.com Selected Risks • The notes may not pay more than 95.00% of the principal amount at maturity. • Any payment on the notes is subject to the credit risks of JPMorgan Chase Financial Company LLC and JPMorgan Chase & Co. Therefore the value of the notes prior to maturity will be subject to changes in the market's view of the creditworthiness of JPMorgan Chase Financial Company LLC or JPMorgan Chase & Co. • The notes are subject to the risks of correlation (or lack of correlation) of the Indices. • No interest payments, dividend payments or voting rights. • JPMorgan Chase & Co. is currently one of the companies that makes up the S&P 500 ® Index and may be included in the S&P 500 ® Low Volatility High Dividend Index. • There is no assurance that strategies employed by the S&P 500 ® Low Volatility High Dividend Index and the EURO STOXX ® Select Dividend 30 Index will be successful. • The S&P 500 ® Low Volatility High Dividend Index is subject to concentration risk. • The notes are subject to the risks associated with non - U.S. securities. • The notes do not provide direct exposure to fluctuations in foreign exchange rates. • Despite the names of the S&P 500 ® Low Volatility High Dividend Index and the EURO STOXX ® Select Dividend 30 Index, the Indices are price return indices, which means that the returns on the Indices will not include any dividends paid on the securities that make up the Indices. • As a finance subsidiary, JPMorgan Chase Financial Company LLC has no independent operations and has limited assets. Selected Risks (continued) • The estimated value of the notes will be lower than the original issue price (price to public) of the notes. • The estimated value of the notes is determined by reference to an internal funding rate. • The estimated value of the notes does not represent future values and may differ from others' estimates. • The value of the notes, which may be reflected in customer account statements, may be higher than the then current estimated value of the notes for a limited time period. • Lack of liquidity: J.P. Morgan Securities LLC (who we refer to as JPMS) intends to offer to purchase the notes in the secondary market but is not required to do so. The price, if any, at which JPMS will be willing to purchase notes from you in the secondary market, if at all, may result in a significant loss of your principal. • Potential conflicts: We and our affiliates play a variety of roles in connection with the issuance of notes, including acting as calculation agent and hedging our obligations under the notes, and making the assumptions used to determine the pricing of the notes and the estimated value of the notes when the terms of the notes are set. It is possible that such hedging or other trading activities of J.P. Morgan or its affiliates could result in substantial returns for J.P. Morgan and its affiliates while the value of the notes decline. • The tax consequences of the notes may be uncertain. You should consult your tax advisor regarding the U.S. federal income tax consequences of an investment in the notes. Additional Information SEC Legend: JPMorgan Chase Financial Company LLC and JPMorgan Chase & Co. have filed a registration statement (including a prospectus) with the SEC for any offeri ngs to which these materials relate. Before you invest, you should read the prospectus in that registration statement and the other documents relating to this offering that JPM organ Chase Financial Company LLC and JPMorgan Chase & Co. has filed with the SEC for more complete information about JPMorgan Chase Financial Company LLC and JPMorgan Chase & Co. and this offering. You may get these documents without cost by visiting EDGAR on the SEC we b site at www.sec.gov. Alternatively, JPMorgan Financial Company LLC and JPMorgan Chase & Co., any agent or any dealer participating in th e this offering will arrange to send you the prospectus and each prospectus supplement, underlying supplement as well as any product supplement and preliminary pricing supplement if you so request by calling toll - free 1 - 866 - 535 - 9248. IRS Circular 230 Disclosure: JPMorgan Chase & Co. and its affiliates do not provide tax advice. Accordingly, any discussion o f U .S. tax matters contained herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with JPMorgan Cha se & Co. of any of the matters address herein or for the purpose of avoiding U.S. tax - related penalties. Investment suitability must be determined individually for each investor, and the financial instruments described herein may not be suitable for all investors. This information is not intended to provide and should not be relied upon as providing accounting, legal, regulatory or tax advice. Investors should consult with their own advisors as to the se matters. This material is not a product of J.P. Morgan Research Departments. Free Writing Prospectus Filed Pursuant to Rule 433, Registration Statement Nos. 333 - 222672 and 333 - 222672 - 01 North America Structured Investments 3 yr Equally Weighted Basket (SP5LVHD/ SD3E) Notes The risks identified above are not exhaustive. Please see "Risk Factors" in the applicable product supplement and underlying sup plement and "Selected Risk Considerations" in the applicable preliminary pricing supplement for additional information.

t">   (36,946)
Net loans
2,401,256   452,759   517,979   (20,000) 3,351,994
Deposits
2,585,591   572,347   662,022   (4,113) 3,815,847
Stockholders   equity
477,907   64,544   53,620   8,497   (85,117)   519,451

Number of branches
17   8   10   35
Number of full-time equivalent employees
642   147   145   36   30   1,000

(in thousands)

Three Months Ended June 30, 2007:

Net interest income
$33,448 $6,649 $7,279 $18 $(1,568) $ $45,826
Provision for loan losses
1,318   149   545   2,012
Net interest income after provision for loan losses
32,130   6,500   6,734   18   (1,568)   43,814
Gain (loss) on sale of securities

Mark-to-market gains (losses)
(2,907) (419) (440)   (3,766)
Noninterest income, excluding securities and fair value gains (losses)
3,221   543   611   2,136   (492) 6,019
Noninterest expense
(19,603) (5,862) (5,842) (1,792) (1,667) 492   (34,274)
Income (loss) before income taxes
12,841   762   1,063   362   (3,235)   11,793
Income tax expense (benefit)
4,073   376   398   159   (1,159)   3,847
Net income (loss)
$8,768 $386 $665 $203 $(2,076) $ $7,946

(in thousands)

Six Months Ended June 30, 2007:

Net interest income
$62,414 $12,884 $13,973 $31 $(2,620) $ $86,682
Provision for loan losses
1,605   303   545   2,453
Net interest income after provision for loan losses

60,809 12,581 13,428 31 (2,620) 84,229

Gain (loss) on sale of securities

(5) 289 284

Mark-to-market gains (losses)

(2,921) (418) (440) (3,779)

Noninterest income, excluding securities and fair value gains (losses)

6,162 1,071 1,142 4,275 (289) (753) 11,608

Noninterest expense

(34,656) (11,509) (11,241) (3,534) (3,008) 753 (63,195)

Income (loss) before income taxes

29,389 1,725 2,889 772 (5,628) 29,147

Income tax expense (benefit)

9,582 745 1,109 336 (1,974) 9,798

Net income (loss)

$19,807 $980 $1,780 $436 $(3,654) $ $19,349

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ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Company s Annual Report on Form 10-K for the year ended December 31, 2007 and our unaudited consolidated financial statements and related footnotes in the Quarterly Report on Form 10-Q. Unless the context requires otherwise, the terms Company , us , we , and our refer to Western Alliance Bancorporation on a consolidated basis.

Forward-Looking Information

Certain statements contained in this document, including, without limitation, statements containing the words believes , anticipates , intends , expects , should and words of similar import, constitute forward-looking statemen within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Act of 1934. Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions in those areas in which we operate, demographic changes, competition, fluctuations in interest rates, changes in business strategy or development plans, changes in governmental regulation, credit quality, the availability of capital to fund the expansion of our business, and other factors referenced in this Report. Except as required by law, we disclaim any obligation to update any such factors or to publicly announce the results of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

Overview

During the second quarter of 2008, our earnings continue to be challenged by difficult economic conditions in our primary markets and the economic downturn generally, causing heavy reserves to our loan portfolio and losses in our securities portfolio. We continue to explore and invest in new and expanded business lines and products, including cash management services, credit cards, wealth management and equipment leasing, and we believe the current economic climate presents our Company with the opportunity to differentiate ourselves from our competitors. Loan growth for the quarter ended June 30, 2008 was $151.9 million, or 4.1%, as compared to growth of $52.9 million, or 1.6% for the same period in 2007. Deposit growth was $23.4 million, including $60.0 million of brokered deposits, or 0.6%, for the three months ended June 30, 2008, compared to growth of $33.3 million, or 0.9% for the same period in 2007. We reported net income of $2.4 million, or $0.08 per diluted share, for the quarter ended June 30, 2008, as compared to $7.9 million, or $0.25 per diluted share, for the same period in 2007. The decrease in earnings is primarily due to an increase of $4.9 million in noninterest expenses related to expansion efforts and an $11.1 million increase in the provision for loan losses related to higher historical losses, changes in size and mix of the loan portfolio and increases in specific reserves on impaired loans. Noninterest income, excluding changes in fair value of financial instruments measured at fair value, for the quarter ended June 30, 2008 increased 15.5% from the same period in the prior year due to increases in trust and investment advisory fees, service charges and other revenue. Noninterest expense for the quarter ended June 30, 2008 increased 14.3% from the same period in 2007, due primarily to increases in salaries and benefits and occupancy costs caused by the acquisitions of Shine Investment Advisory Services in 2007, the establishment of the PartnersFirst affinity credit card initiative in 2007 and continued branch expansion during 2007. Branch expansion is expected to be nominal through the remainder of 2008.

Selected financial highlights are presented in the table below.

Western Alliance Bancorporation and Subsidiaries
Summary Consolidated Financial Data
Unaudited

	At or for the three months ended June 30,			For the six months ended June 30,		
	2008	2007	Change %	2008	2007	Change %
Selected Balance Sheet Data:						
($ in millions)						
Total assets	$ 5,219.3	$ 4,746.8	10.0%			
Gross loans, including net deferred fees	3,874.6	3,388.9	14.3			
Securities	621.7	685.6	(9.3)			
Federal funds sold	10.9	73.0	(85.1)			
Deposits	3,653.7	3,815.8	(4.2)			
Customer repurchase agreements	185.6	195.7	(5.2)			
Borrowings	717.0	90.8	689.6			
Junior subordinated and subordinated debt	114.3	110.2	3.7			
Stockholders equity	525.4	519.5	1.1			
Selected Income Statement Data:						
($ in thousands)						
Interest income	$ 72,686	$ 76,846	(5.4)%	$ 149,478	$ 144,159	3.7%
Interest expense	24,684	31,020	(20.4)	54,614	57,477	(5.0)
Net interest income	48,002	45,826	4.7	94,864	86,682	9.4
Provision for loan losses	13,152	2,012	553.7	21,211	2,453	764.7
Net interest income after provision for loan losses	34,850	43,814	(20.5)	73,653	84,229	(12.6)
Gain (loss) on sale of securities	56		NA	217	284	(23.6)
Mark-to-market gains (losses)	651	(3,766)	(117.3)	(3,205)	(3,779)	(15.2)
Noninterest income, excluding securities and fair value gains (losses)	6,952	6,019	15.5	15,370	11,608	32.4
Noninterest expense	39,137	34,274	14.2	77,075	63,195	22.0
Income before income taxes	3,372	11,793	(71.4)	8,960	29,147	(69.3)
Minority interest	55		NA	120		NA
Income tax expense	902	3,847	(76.6)	2,283	9,798	(76.7)

Net Income	$ 2,415	$ 7,946	(69.6)	$ 6,557	$ 19,349	(66.1)
Memo: Intangible asset amortization expense, net of tax	$ 595	$ 557	6.8	$ 1,108	$ 814	36.1

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Western Alliance Bancorporation and Subsidiaries
Summary Consolidated Financial Data (Continued)
Unaudited

	At or for the three months ended June 30,			For the six months ended June 30,		
	2008	2007	Change %	2008	2007	Change %
Common Share Data:						
Diluted net income per share	0.08	0.25	(68.0)	0.21	0.63	(66.7)
Book value per share	15.43	17.24	(10.5)			
Tangible book value per share, net of tax (3)	8.59	9.73	(11.7)			
Average shares outstanding (in thousands):						
Basic	29,759	29,666	0.3	29,948	28,308	5.8
Diluted	30,211	31,835	(5.1)	30,676	30,509	0.5
Common shares outstanding	34,059	30,128	13.0			
Selected Performance Ratios:						
Return on average assets (6)	0.19%	0.68%	(72.1)%	0.26%	0.89%	(70.8)%
Return on average tangible assets (4)(6)	0.20	0.71	(71.8)	0.27	0.93	(71.0)
Return on average stockholders equity (6)	1.95	6.15	(68.3)	2.64	8.37	(68.5)
Return on average tangible stockholders equity (5)(6)	3.79	10.84	(65.0)	5.07	13.75	(63.1)
Net interest margin (1)(6)	4.25	4.52	(6.0)	4.22	4.55	(7.3)
Net interest spread (6)	3.73	3.42	9.1	3.63	3.41	6.5
Efficiency ratio tax equivalent basis (2)	70.68	64.23	10.0	69.43	63.16	9.9
Loan to deposit ratio	106.05	88.81	19.4			
Capital Ratios:						
Tangible Common Equity	5.7%	6.3%	(9.5)%			
Tier 1 Leverage ratio	7.9	8.2	(3.7)			
Tier 1 Risk Based Capital	8.4	8.9	(5.6)			
Total Risk Based Capital	11.0	10.7	2.8			
Asset Quality Ratios:						

Net charge-offs to average loans outstanding (6)	0.55%	0.31%	77.4%	0.63%	0.18%	250.0%
Nonaccrual loans to gross loans	1.15	0.02	5,650.0			
Nonaccrual loans and OREO to total assets	0.98	0.02	4,800.0			
Loans past due 90 days and still accruing to total loans	0.09	0.19	(52.6)			
Allowance for loan losses to gross loans	1.51	1.09	39.0			
Allowance for loan losses to nonaccrual loans	132.13%	5152.86%	(97.4)			

(1) Net interest margin represents net interest income as a percentage of average interest-earning assets.

(2) Efficiency ratio represents noninterest expenses as a percentage of the total of net interest income plus noninterest income (tax equivalent basis).

(3) Tangible book value per share (net of tax) represents stockholders equity less intangibles, adjusted for deferred taxes related to intangibles, as a percentage of the shares outstanding at

the end of the period.

(4) Return on average tangible assets represents net income as a percentage of average total assets less average intangible assets.

(5) Return on average tangible stockholders equity represents net income as a percentage of average total stockholders equity less average intangible assets.

(6) Annualized

Primary Factors in Evaluating Financial Condition and Results of Operations

As a bank holding company, we focus on several factors in evaluating our financial condition and results of operations, including:

Return on Average Equity (ROE) and Return on Tangible Average Equity (ROTE);

Return on Average Assets (ROA) and Return on Average Tangible Assets (ROTA);

Asset Quality;

Asset and Deposit Growth; and

Operating Efficiency.

Return on Average Equity. Our net income for the three months ended June 30, 2008 decreased 69.6% to $2.4 million compared to $7.9 million for the three months ended June 30, 2007. The decrease in net income was due primarily to an $11.1 million increase to the provision for loan losses caused by challenging economic conditions in our primary markets, partially offset by a $6.3 million decrease in interest expense due to lower costs of funds. Basic earnings per share decreased to $0.08 per share for the three months ended June 30, 2008 compared to $0.27 per share for the same period in 2007. Stockholders equity increased $31.5 million from the quarter ended March 31, 2008 due primarily to a private placement of 3.8 million shares of common stock totaling $30.2 million. Diluted earnings per share was $0.08 per share for the three month period ended June 30, 2008, compared to $0.25 per share for the same period in 2007. The decrease in net income and the increase in equity resulted in an ROE of 1.95% for the three months ended June 30, 2008 compared to 6.15% for the three months ended June 30, 2007. ROTE decreased 65.0% to 3.79% for the three months ended June 30, 2008.

Our net income for the six months ended June 30, 2008 decreased 66.1% to $6.6 million compared to $19.3 million for the six months ended June 30, 2007. Basic earnings per share decreased to $0.22 per share for the six months ended June 30, 2008 compared to $0.68 per share for the same period in 2007. Diluted earnings per share was $0.21 per share for the six month period ended June 30, 2008, compared to $0.63 per share for the same period in 2007. The decrease in net income combined with the increase in equity resulted in an ROE and ROTE of 2.64% and 5.07%, respectively, for the six months ended June 30, 2008 compared to 8.37% and 13.75%, respectively, for the six months ended June 30, 2007.

Return on Average Assets. Our ROA for the three and six months ended June 30, 2008 decreased to 0.19% and 0.26%, respectively, compared to 0.68% and 0.89%, respectively, for the same periods in 2007. The ROTA for the three and six months ended June 30, 2008 decreased to 0.20% and 0.27%, respectively, compared to 0.71% and 0.93%, respectively, for the three and six months ended June 30, 2007. The decreases in ROA and ROTA are primarily due to the decreases in net income as discussed above.

Asset Quality. 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. We measure asset quality in terms of nonaccrual and restructured loans and assets as a percentage of gross loans and assets, 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. As of June 30, 2008, impaired loans, including nonaccrual loans, were $59.1 million compared to $8.0 million at June 30, 2007. Nonaccrual loans as a percentage of gross loans were 1.15% as of June 30, 2008, compared to less than 0.02% as of June 30, 2007. For the three and six months ended June 30, 2008, net charge-offs as a percentage of average loans were 0.55% and 0.63%, respectively. For the same periods in 2007, net charge-offs as a percentage of average loans were 0.31% and 0.18%.

Asset Growth. The ability to produce loans and generate deposits is fundamental to our asset growth. Our assets and liabilities are comprised primarily of loans and deposits, respectively. Total assets increased 10.0% to $5.22 billion as of June 30, 2008 from $4.75 billion as of June 30, 2007. Gross loans grew 14.3% to $3.87 billion as of June 30, 2008 from $3.39 billion as of June 30, 2007. Total deposits decreased 4.2% to $3.65 billion as of June 30, 2008 from $3.82 billion as of June 30, 2007.

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Operating Efficiency. Operating efficiency is measured in terms of how efficiently income before income taxes is generated as a percentage of revenue. Our tax-equivalent efficiency ratio (noninterest expenses divided by the sum of net interest income and noninterest income, tax adjusted) was 70.68% for the three months ended June 30, 2008, compared to 64.23% for the same period in 2007. Our tax-equivalent efficiency ratios for the six months ended June 30, 2008 and 2007 were 69.43% and 63.16%, respectively. The increase was primarily driven by increases in salaries and benefits and occupancy costs associated with the acquisitions of First Independent Bank of Nevada and Shine Investment Advisory Services in 2007, the establishment of the PartnersFirst affinity credit card initiative in 2007 and continued branch expansion during 2007.

Critical Accounting Policies

The Notes to Audited Consolidated Financial Statements for the year ended December 31, 2007 contain a summary of our significant accounting policies, including discussions on recently issued accounting pronouncements, our adoption of them and the related impact of their adoption. We believe that certain of these policies, along with various estimates that we are required to make in recording our financial transactions, are important to have a complete picture of our financial position. In addition, these estimates require us to make complex and subjective judgments, many of which include matters with a high degree of uncertainty. The discussion of these critical accounting policies and significant estimates can be found in Note 1 of the Audited Consolidated Financial Statements filed with the Company s Annual Report on Form 10-K.

Results of Operations

Our results of operations depend substantially on net interest income, which is the difference between interest income on interest-earning assets, consisting primarily of loans receivable, securities and other short-term investments, and interest expense on interest-bearing liabilities, consisting primarily of deposits and borrowings. Our results of operations are also dependent upon our generation of noninterest income, consisting primarily of income from trust and investment advisory services and banking service fees. Other factors contributing to our results of operations include our provisions for loan losses, gains or losses on sales of securities and income taxes, as well as the level of our noninterest expenses, such as compensation and benefits, occupancy and equipment and other miscellaneous operating expenses.

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The following table sets forth a summary financial overview for the three and six months ended June 30, 2008 and 2007:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2008	2007	Increase	2008	2007	Increase
	(in thousands, except per share amounts)					
Consolidated Statement of Earnings Data:						
Interest income	$72,686	$76,846	$ (4,160)	$149,478	$144,159	$ 5,319
Interest expense	24,684	31,020	(6,336)	54,614	57,477	(2,863)
Net interest income	48,002	45,826	2,176	94,864	86,682	8,182
Provision for loan losses	13,152	2,012	11,140	21,211	2,453	18,758
Net interest income after provision for loan losses	34,850	43,814	(8,964)	73,653	84,229	(10,576)
Gain (loss) on sale of securities	56		56	217	284	(67)
Mark-to-market gains (losses)	651	(3,766)	4,417	(3,205)	(3,779)	574
Noninterest income, excluding securities and fair value gains (losses)	6,952	6,019	933	15,370	11,608	3,762
Noninterest expense	39,137	34,274	4,863	77,075	63,195	13,880
Net income before income taxes	(3,580)	5,774	(9,354)	(6,410)	17,539	(23,949)
Minority interest	55		55	120		120
Income tax expense	902	3,847	(2,945)	2,283	9,798	(7,515)
Net income	$ (4,537)	$ 1,927	$ (6,464)	$ (8,813)	$ 7,741	$(16,554)
Diluted earnings per share	$ 0.08	$ 0.25	$ (0.17)	$ 0.21	$ 0.63	$ (0.42)

The 69.6% decrease in net income for the three months ended June 30, 2008 compared to the same period in 2007 was attributable primarily to an $11.1 million increase to the provision for loan losses caused by challenging economic conditions in our primary markets, partially offset by a $6.3 million decrease in interest expense due to lower costs of funds. Net income for the six months ended June 30, 2008 and June 30, 2007 decreased $12.8 million from $19.3 million, which is due to the above mentioned items as well.

Net Interest Income and Net Interest Margin. The 4.7% increase in net interest income for the three months ended June 30, 2008 compared to the same period in 2007 was due to a decrease in interest expense of $6.3 million in excess of the $4.2 million decrease in interest income.

Net interest income for the six months ended June 30, 2008 increased 9.4% over the same period in 2007 due to an increase in interest income of $5.3 million, reflecting the effect of an increase of $689.0 million in average interest-bearing assets which was funded primarily with an increase of $159.3 million in average deposits and $684.9 million in average short-term borrowings and due to a decrease in interest expense of $2.9 million, reflecting the effect of a 1.13% decrease in average costs of funds.

The average yield on our interest-earning assets was 6.41% and 6.63% for the three and six months ended June 30, 2008, respectively, compared to 7.56% and 7.54% for the same periods in 2007. The decrease in the yield on our interest-earning assets is primarily a result of a decrease in market rates, repricing on our adjustable rate loans, and new loans originated with lower interest rates due to the lower interest rate environment.

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The cost of our average interest-bearing liabilities decreased to 2.68% and 3.00% in the three and six months ended June 30, 2008, respectively, from 4.14% and 4.13% in the three and six months ended June 30, 2007, respectively, which is a result of lower rates paid on deposit accounts and borrowings due to a lower interest rate environment.

Average Balances and Average Interest Rates. The tables below set forth balance sheet items on a daily average basis for the three and six months ended June 30, 2008 and 2007 and present the daily average interest rates earned on assets and the daily average interest rates paid on liabilities for such periods. Nonaccrual loans have been included in the average loan balances. Securities include securities available-for-sale, securities held-to-maturity and securities carried at market value pursuant to SFAS 159 elections. Yields on tax-exempt securities and loans are computed on a tax equivalent basis.

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	Three Months Ended June 30,					
	2008			2007		
($ in thousands)	Average Balance	Interest	Average Yield/Cost (6)	Average Balance	Interest	Average Yield/Cost (6)
Earning Assets						
Securities:						
Taxable	$ 611,134	$ 8,281	5.45%	$ 589,735	$ 8,251	5.61%
Tax-exempt (1)	78,910	886	6.95%	52,315	688	8.00%
Total securities	690,044	9,167	5.62%	642,050	8,939	5.81%
Federal funds sold and other	14,279	80	2.25%	36,034	509	5.67%
Loans (1) (2) (3)	3,840,060	62,817	6.58%	3,402,596	67,193	7.92%
Investment in restricted stock	42,757	622	5.85%	16,986	205	4.84%
Total earnings assets	4,587,140	72,686	6.41%	4,097,666	76,846	7.56%
Non-earning Assets						
Cash and due from banks	104,619			104,976		
Allowance for loan losses	(53,535)			(37,792)		
Bank-owned life insurance	89,108			85,566		
Other assets	473,269			405,603		
Total assets	$ 5,200,601			$ 4,656,019		
Interest Bearing Liabilities						
Sources of Funds						
Interest-bearing deposits:						
Interest checking	264,458	967	1.47%	269,838	1,663	2.47%
Savings and money market	1,584,594	8,790	2.23%	1,646,757	15,715	3.83%
Time deposits	788,845	7,451	3.80%	692,653	8,454	4.90%
Total interest-bearing deposits	2,637,897	17,208	2.62%	2,609,248	25,832	3.97%
Short-term borrowings	895,181	5,174	2.32%	241,415	2,677	4.45%
Long-term debt	51,004	695	5.48%	47,786	639	5.36%
Junior sub. and subordinated debt	116,003	1,607	5.57%	110,301	1,872	6.81%
Total interest-bearing liabilities	3,700,085	24,684	2.68%	3,008,750	31,020	4.14%
Noninterest-Bearing Liabilities						
Noninterest-bearing demand deposits	976,066			1,106,755		
Other liabilities	26,936			22,284		
Stockholders equity	497,514			518,230		

Total liabilities and stockholders equity	$ 5,200,601			$ 4,656,019		
Net interest income and margin (4)		$ 48,002	4.25%		$ 45,826	4.52%
Net interest spread (5)			3.73%			3.42%

(1) Yields on loans and securities have been adjusted to a tax equivalent basis.

(2) Net loan fees of $1.5 million and $1.7 million are included in the yield computation for June 30, 2008 and 2007, respectively.

(3) Includes average nonaccrual loans of $27,084 in 2008 and $1,503 in 2007.

(4) Net interest margin is computed by dividing net interest income by total average earning assets.

(5) Net interest spread represents average yield earned on interest-earning assets less the average rate paid on interest-bearing liabilities.

(6) Annualized.

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($ in thousands)	2008 Average Balance	2008 Interest	2008 Average Yield/Cost (6)	2007 Average Balance	2007 Interest	2007 Average Yield/Cost (6)
	Six Months Ended June 30,					
Earning Assets						
Securities:						
Taxable	$ 643,227	$ 17,995	5.63%	$ 554,778	$ 15,290	5.56%
Tax-exempt (1)	77,213	1,662	6.66%	45,126	1,133	7.69%
Total securities	720,440	19,657	5.74%	599,904	16,423	5.72%
Federal funds sold and other	15,502	195	2.53%	37,891	1,042	5.55%
Loans (1) (2) (3)	3,782,127	128,521	6.83%	3,215,937	126,213	7.91%
Investment in restricted stock	41,791	1,105	5.32%	17,155	481	5.65%
Total earnings assets	4,559,860	149,478	6.63%	3,870,887	144,159	7.54%
Non-earning Assets						
Cash and due from banks	102,969			102,066		
Allowance for loan losses	(52,081)			(35,704)		
Bank-owned life insurance	88,737			83,985		
Other assets	462,940			347,939		
Total assets	$ 5,162,425			$ 4,369,173		
Interest Bearing Liabilities						
Sources of Funds						
Interest-bearing deposits:						
Interest checking	264,017	2,231	1.70%	260,082	3,275	2.54%
Savings and money market	1,580,276	19,431	2.47%	1,516,035	28,660	3.81%
Time deposits	744,252	15,060	4.07%	653,088	15,770	4.87%
Total interest-bearing deposits	2,588,545	36,722	2.85%	2,429,205	47,705	3.96%
Short-term borrowings	905,850	12,754	2.83%	225,029	5,066	4.54%
Long-term debt	51,650	1,410	5.49%	47,537	1,155	4.90%
Junior sub. and subordinated debt	119,085	3,728	6.30%	106,197	3,551	6.74%
Total interest-bearing liabilities	3,665,130	54,614	3.00%	2,807,968	57,477	4.13%
Noninterest Bearing Liabilities						
Noninterest-bearing demand deposits	970,966			1,072,149		
Other liabilities	23,495			22,635		

Stockholders equity	502,834			466,421		
Total liabilities and stockholders equity	$ 5,162,425			$ 4,369,173		
Net interest income and margin (4)		$ 94,864	4.22%		$ 86,682	4.55%
Net interest spread (5)			3.63%			3.41%

(1) Yields on loans and securities have been adjusted to a tax equivalent basis.

(2) Net loan fees of $2.9 million are included in the yield computation for June 30, 2008 and 2007, respectively.

(3) Includes average nonaccrual loans of $24,013 in 2008 and $1,321 in 2007.

(4) Net interest margin is computed by dividing net interest income by total average earning assets.

(5) Net interest spread represents average yield earned on interest-earning assets less the average rate paid on interest-bearing liabilities.

(6) Annualized.

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Net Interest Income. The table below demonstrates the relative impact on net interest income of changes in the volume of earning assets and interest-bearing liabilities and changes in rates earned and paid by us on such assets and liabilities. For purposes of this table, nonaccrual loans have been included in the average loan balances.

	Three Months Ended June 30, 2008 v. 2007 Increase (Decrease) Due to Changes in (1)(2)			Six Months Ended June 30, 2008 v. 2007 Increase (Decrease) Due to Changes in (1)(2)		
	Volume	Rate	Total	Volume	Rate	Total
	(in thousands)					
Interest on securities:						
Taxable	$ 290	$ (260)	$ 30	$ 2,474	$ 231	$ 2,705
Tax-exempt	299	(101)	198	691	(162)	529
Federal funds sold	(122)	(307)	(429)	(282)	(565)	(847)
Loans	7,156	(11,532)	(4,376)	19,240	(16,932)	2,308
Other investment	375	42	417	651	(27)	624
Total interest income	7,998	(12,158)	(4,160)	22,774	(17,455)	5,319
Interest expense:						
Interest checking	(20)	(676)	(696)	33	(1,077)	(1,044)
Savings and Money market	(345)	(6,580)	(6,925)	790	(10,019)	(9,229)
Time deposits	909	(1,912)	(1,003)	1,845	(2,555)	(710)
Short-term borrowings	3,779	(1,282)	2,497	9,586	(1,898)	7,688
Long-term debt	44	12	56	112	143	255
Junior subordinated debt	79	(344)	(265)	403	(226)	177
Total interest expense	4,446	(10,782)	(6,336)	12,769	(15,632)	(2,863)
Net increase	$3,552	$ (1,376)	$ 2,176	$10,005	$ (1,823)	$ 8,182

(1) Changes due to both volume and rate have been allocated to volume changes.

(2) Changes due to mark-to-market gains/(losses) under SFAS 159 have been

allocated to
volume
changes.

Provision for Loan Losses. The provision for loan losses in each period is reflected as a charge against earnings in that period. The provision is equal to the amount required to maintain the allowance for loan losses at a level that, in our judgment, is adequate to absorb probable loan losses inherent in the loan portfolio.

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Our provision for loan losses was $13.2 million and $21.2 million for the three and six months ended June 30, 2008, respectively, compared to $2.0 million and $2.5 million for the same periods in 2007. Factors that impact the provision for loan losses are net charge-offs or recoveries, changes in the size and mix of the loan portfolio, the recognition of changes in current risk factors and specific reserves on impaired loans.

Noninterest Income. We earn noninterest income primarily through fees related to:

Trust and investment advisory services,

Services provided to deposit customers, and

Services provided to current and potential loan customers.

The following tables present, for the periods indicated, the major categories of noninterest income:

	Three Months Ended June 30, 2008	Three Months Ended June 30, 2007	Increase (Decrease)	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007	Increase (Decrease)
	(in thousands)					
Trust and investment advisory services	$2,734	$2,137	$ 597	$ 5,531	$ 4,242	$1,289
Service charges	1,411	1,167	244	2,838	2,236	602
Income from bank owned life insurance	573	960	(387)	1,373	1,888	(515)
Other	2,234	1,755	479	5,628	3,242	2,386
Non-interest income, excluding securities and fair value gains (losses)	$6,952	$6,019	$ 933	$15,370	$11,608	$3,762

The $0.9 million and $3.8 million, or 15.5% and 32.4%, respectively, increases in noninterest income excluding net investment securities gains and net unrealized gain/loss on assets and liabilities measured at fair value, from the three and six months ended June 30, 2007 to the same periods in 2008 was due to increases in investment advisory revenues, increases in service-related charges and other revenue.

Assets under management at Miller/Russell and Associates were $1.31 billion at June 30, 2008, down 17.1% from $1.58 billion at June 30, 2007. At Premier Trust, assets under management increased 26.6% from $259 million to $328 million from June 30, 2007 to June 30, 2008. On July 31, 2007, we acquired a majority interest in Shine Investment Advisory Services. Assets under management were $410 million as of the acquisition date and $403 million on June 30, 2008. This growth resulted in 28.0% and 30.4% increases, respectively, in trust and advisory fee revenue for the three and six month periods ending June 30, 2008, as compared to the three and six month periods ending June 30, 2007.

Service charges increased 20.9% and 26.9% or $0.2 million and $0.6 million, respectively, from the three and six months ended June 30, 2007 to the same periods in 2008 due to higher deposit balances and the growth in our customer base.

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Other income increased 27.3% and 73.6% from the three and six months ended June 30, 2007 to the same periods in 2008 due primarily to the growth of the company and its operations, as well as non-recurring income amounts of approximately $1.1 million, including a gain on the sale of a foreclosed property of approximately $0.4 million.

Unrealized gains/losses on assets and liabilities measured at fair value. During the three and six month periods ended June 30, 2008, we recognized net unrealized losses of $0.1 million and net unrealized gains of $1.3 million, respectively, on assets and liabilities measured at fair value. These gains and losses are primarily the result of losses caused by changes in market yields on securities similar to those in our portfolio, offset by a gain on our trust preferred liabilities due to a widening of interest rate spreads. We view the majority of these gains and losses as temporary in nature since the changes in value on most of our financial instruments were not related to a change in credit profile, but rather such gains and losses were the result of fluctuations in market yields.

Noninterest Expense. The following table presents, for the periods indicated, the major categories of noninterest expense:

	Three Months Ended June 30,		Increase	Six Months Ended June 30,		Increase
	2008	2007	(Decrease)	2008	2007	(Decrease)
			(in thousands)			
Salaries and employee benefits	$21,517	$18,821	$2,696	$43,451	$35,854	$ 7,597
Occupancy	5,179	4,872	307	10,207	9,111	1,096
Advertising and other business development	2,373	1,458	915	4,473	2,920	1,553
Data processing	1,437	628	809	2,206	1,063	1,143
Legal, professional and director fees	1,237	1,167	70	2,168	2,211	(43)
Customer service	1,113	1,897	(784)	2,313	3,220	(907)
Intangible amortization	915	557	358	1,704	814	890
Insurance	873	1,095	(222)	1,845	1,393	452
Audits and exams	637	632	5	1,285	1,163	122
Supplies	411	510	(99)	782	1,019	(237)
Telephone	384	361	23	785	701	84
Travel and automobile	364	269	95	702	556	146
Correspondent and wire transfer costs	334	457	(123)	635	875	(240)
Merger expenses		747	(747)		747	(747)
Other	2,363	803	1,560	4,519	1,548	2,971
	$39,137	$34,274	$4,863	$77,075	$63,195	$13,880

Noninterest expense grew $4.9 million and $13.9 million, respectively, from the three and six months ended June 30, 2007 to the same periods in 2008. These increases are attributable to our overall growth, and specifically to merger and acquisition activity and the opening of new branches. At June 30, 2008 and at June 30, 2007, we had 1,000 full-time equivalent employees.

Intangible amortization increased $0.4 million and $0.9 million, respectively, from the three months and six months ended June 30, 2007 to the same periods in 2008 as a result of decreases in the estimated amortizable lives of the core deposit intangibles acquired through prior acquisitions.

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Other noninterest expense increased, in general, as a result of the growth in assets and operations of our banking subsidiaries, including the acquisitions of First Independent and Shine.

Financial Condition

Total Assets

On a consolidated basis, our total assets as of June 30, 2008 and December 31, 2007 were $5.22 billion and $5.02 billion, respectively. Assets experienced growth from the period ending June 30, 2007 to the period ending June 30, 2008 of $472.5 million, or 10.0%, including loan growth of $485.6 million, or 14.3%.

Loans

Our gross loans including deferred loan fees on a consolidated basis as of June 30, 2008 and December 31, 2007 were $3.87 billion and $3.63 billion, respectively. Our overall growth in loans from December 31, 2007 to June 30, 2008 is a result of targeting quality credit customers in our markets.

The following table shows the amounts of loans outstanding by type of loan at the end of each of the periods indicated.

	June 30, 2008	December 31, 2007
	(in thousands)	
Construction and land development	$ 831,731	$ 806,110
Commercial real estate	1,624,520	1,514,533
Residential real estate	535,973	492,551
Commercial and industrial	836,962	784,378
Consumer	54,044	43,517
Net deferred loan fees	(8,665)	(8,080)
Gross loans, net of deferred fees	3,874,565	3,633,009
Less: Allowance for loan losses	(58,688)	(49,305)
	$ 3,815,877	$ 3,583,704

Non-Performing Assets

Non-performing assets include loans past due 90 days or more and still accruing interest, nonaccrual loans, and other real estate owned, or OREO. In general, loans are placed on nonaccrual status when we determine timely recognition of interest to be in doubt due to the borrower s financial condition and collection efforts. Restructured loans have modified terms to reduce either principal or interest due to deterioration in the borrower s financial condition. OREO results from loans where we have received physical possession of the borrower s assets that collateralized the loan.

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Impaired loans are loans for which it is probable that the Company will not be able to collect all amounts due according to the original contractual terms of the loan agreement. Other impaired loans include certain loans for which the original terms have been extended or modified, but which are well collateralized and for which no loss is expected. The following table summarizes the loans for which the accrual of interest has been discontinued, loans past due 90 days or more and still accruing interest, restructured loans, other impaired loans and OREO.

	June 30, 2008	December 31, 2007
	($ in thousands)	
Total nonaccrual loans	$ 44,416	$ 17,873
Loans past due 90 days or more and still accruing	3,597	779
Total nonperforming loans	48,013	18,652
Restructured loans	5,494	3,782
Impaired loans acquired through merger	767	2,760
Other impaired loans, excluding restructured loans	4,865	9,920
Total impaired loans, including nonperforming loans	$ 59,139	$ 35,114
Other real estate owned (OREO)	$ 6,847	$ 3,412
Nonaccrual loans to gross loans	1.15%	0.49%
Loans past due 90 days or more and still accruing to total loans	0.09	0.02
Interest income received on nonaccrual loans	$ 247	$ 30
Interest income that would have been recorded under the original terms of the loans	$ 417	$ 765

As of June 30, 2008 and December 31, 2007, nonaccrual loans totaled $44.4 million and $17.9 million, respectively. Nonaccrual loans at June 30, 2008 consisted of 63 loans.

Allowance for Loan Losses

Like all financial institutions, we must maintain an adequate allowance for loan losses. The allowance for loan losses is established through a provision for loan losses charged to expense. Loans are charged against the allowance for loan losses when we believe that collectibility of the principal is unlikely. Subsequent recoveries, if any, are credited to the allowance. The allowance is an amount that we believe will be adequate to absorb probable losses on existing loans that may become uncollectible, based on evaluation of the collectibility of loans and prior credit loss experience, together with the other factors noted earlier.

Our allowance for loan loss methodology incorporates several quantitative and qualitative risk factors used to establish the appropriate allowance for loan loss at each reporting date. Quantitative factors include our historical loss experience, peer group experience, delinquency and charge-off trends, collateral values, changes in non-performing loans, other factors, and information about individual loans including the borrower s sensitivity to interest rate movements. Qualitative factors include the economic condition of our operating markets and the

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state of certain industries. Specific changes in the risk factors are based on perceived risk of similar groups of loans classified by collateral type, purpose and terms. Statistics on local trends, peers, and an internal five-year loss history are also incorporated into the allowance. Due to the credit concentration of our loan portfolio in real estate secured loans, the value of collateral is heavily dependent on real estate values in Nevada, Arizona and California. While management uses the best information available to make its evaluation, future adjustments to the allowance may be necessary if there are significant changes in economic or other conditions. In addition, the Federal Deposit Insurance Corporation, or FDIC, and state banking regulatory agencies, as an integral part of their examination processes, periodically review the Banks allowance for loan losses, and may require us to make additions to the allowance based on their judgment about information available to them at the time of their examinations. Management periodically reviews the assumptions and formulae used in determining the allowance and makes adjustments if required to reflect the current risk profile of the portfolio.

The allowance consists of specific and general components. The specific allowance relates to impaired loans. For such loans that are classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan are lower than the carrying value of that loan, pursuant to SFAS 114, *Accounting by Creditors for Impairment of a Loan*. The general allowance covers non-impaired loans and is based on historical loss experience adjusted for the various qualitative and quantitative factors listed above, pursuant to SFAS 5, *Accounting for Contingencies*.

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The following table summarizes the activity in our allowance for loan losses for the period indicated.

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
	($ in thousands)			
Allowance for loan losses:				
Balance at beginning of period	$50,839	$37,519	$49,305	$33,551
Acquisitions		83		3,789
Provisions charged to operating expenses	13,152	2,012	21,211	2,453
Recoveries of loans previously charged-off:				
Construction and land development				
Commercial real estate				
Residential real estate				
Commercial and industrial	192	83	287	154
Consumer	4	9	12	17
Total recoveries	196	92	299	171
Loans charged-off:				
Construction and land development	1,082		4,405	
Commercial real estate			182	
Residential real estate	1,528		2,498	
Commercial and industrial	2,705	2,727	4,789	2,818
Consumer	184	33	253	200
Total charged-off	5,499	2,760	12,127	3,018
Net charge-offs	5,303	2,668	11,828	2,847
Balance at end of period	$58,688	$36,946	$58,688	$36,946
Net charge-offs to average loans outstanding	0.55%	0.31%	0.63%	0.18%
Allowance for loan losses to gross loans	1.51	1.09		

Net charge-offs totaled $5.3 million and $2.7 million for the three months ended June 30, 2008 and 2007, respectively. For the six months ended June 30, 2008 and 2007, net charge-offs totaled $11.8 million and $2.8 million, respectively. The provision for loan losses totaled $13.2 million and $21.2 million for the three and six months ended June 30, 2008, respectively, compared to $2.0 million and $2.5 million for the same periods in 2007. The increase in the provision for loan losses is due to higher historical losses, changes in size and mix of the loan portfolio and increases in specific reserves on impaired loans.

Investments

Securities are identified as either held-to-maturity, available-for-sale, or measured at fair value based upon various factors, including asset/liability management strategies, liquidity and profitability objectives, and regulatory requirements. Held-to-maturity securities are carried at cost, adjusted for amortization of premiums or accretion of discounts. Available-for-sale securities are securities that may be sold prior to maturity based upon asset/liability management decisions. Securities identified as available-for-sale are carried at fair value. Unrealized gains or losses on available-for-sale securities are recorded as accumulated other comprehensive income in stockholders equity. Amortization of premiums or accretion of discounts on mortgage-backed securities is periodically adjusted for estimated prepayments. Securities measured at fair value are reported at fair value, with unrealized gains and losses included in current earnings.

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We use our investment securities portfolio to ensure liquidity for cash requirements, manage interest rate risk, provide a source of income and to manage asset quality. The carrying value of our investment securities as of June 30, 2008 totaled $621.7 million, compared to $736.2 million at December 31, 2007.

In 2007 and 2008 we maintained a high level of investment in mortgage-backed securities while shifting from U.S. Government agency obligations to higher yielding debt obligations (primarily collateralized debt obligations secured by bank and other financial company trust preferred liabilities) and adjustable rate preferred stock of bank and other financial companies.

The carrying value of our portfolio of investment securities at June 30, 2008 and December 31, 2007 was as follows:

	Carrying Value	
	At June 30, 2008	At December 31, 2007
	(in thousands)	
U.S. Treasury securities	$ 2,995	$
U.S. Government-sponsored agencies	4,878	24,128
Mortgage-backed obligations	412,094	502,784
State and Municipal obligations	20,745	22,211
Adjustable rate preferred stock	69,219	29,710
Debt obligations and structured securities	96,937	142,127
Other	14,785	15,240
Total investment securities	$621,653	$ 736,200

As of May 31, 2008, the Company transferred its trust preferred CDO portfolio from available-for-sale to held-to-maturity. The Company considers the held-to-maturity classification to be more appropriate because it has the ability and the intent to hold these securities to maturity. The par value and fair value of these securities at the date of transfer were $121.4 million and $85.7 million, respectively. The unrealized losses of $35.7 million on the securities transferred to held-to-maturity remain in other comprehensive loss and continue to be subject to the other-than-temporary impairment consideration rules of SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities.*

Net unrealized losses, net of taxes, increased $17.4 million for the six months ended June 30, 2008 to $46.1 million from $28.7 million at December 31, 2007. The increase in unrealized losses is generally due to widening interest spreads which began in the third quarter of 2007. During March 2008, the near insolvency of Bear Stearns caused the debt of almost all financial companies to decline in value. This compounded the lack of liquidity for such securities that existed since late 2007. We are actively monitoring these portfolios for declines in fair value that are considered other-than-temporary. If current market conditions persist, we may have impairment charges against earnings next quarter for declines in securities fair values that are considered other-than-temporary.

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During the six months ended June 30, 2008, we recorded impairment charges totaling $5.3 million, including $2.2 million related to a security which suffered a significant downgrade and $3.1 million related to an auction-rate leveraged security that was discussed in our Form 10-K for the year ended December 31, 2007.

Goodwill

The Company recorded $217.8 million of goodwill from its merger-related activities during 2006 and 2007. In accordance with SFAS No. 141, goodwill is not amortized but rather tested for impairment annually on October 1. Impairment testing consists of comparing the fair value of the acquired reporting units with their carrying amounts, including goodwill. An impairment loss would be recorded to the extent the carrying value of the goodwill exceeds the fair value of the goodwill. At June 30, 2008, the Company s market capitalization was less than the total shareholders equity, which is one factor that is considered when determining goodwill impairment. If current market conditions persist, it is possible that we will have a goodwill impairment charge against earnings in a future period.

Deposits

Deposits have historically been the primary source for funding our asset growth. As of June 30, 2008, total deposits were $3.65 billion, compared to $3.55 billion as of December 31, 2007. Our deposits related to customer relationships increased approximately $47 million, and we acquired third party brokered certificates of deposit totaling approximately $60 million. We do not anticipate utilizing brokered deposits as a significant source of funding in future periods.

Although we expect deposit growth to continue to be the primary source of funding the asset growth of the Company, we anticipate augmenting our liquidity through the use of alternative sources of funding, including overnight and term advances from the Federal Home Loan Bank and Federal Reserve Bank, repurchase agreements, subordinated debt and lines of credit.

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The following table provides the average balances and weighted average rates paid on deposits for the three and six months ended June 30, 2008:

	Three months ended June 30, 2008 Average Balance/Rate		Six months ended June 30, 2008 Average Balance/Rate	
	($ in thousands)			
Interest checking (NOW)	$ 264,458	1.47%	$ 264,017	1.70%
Savings and money market	1,584,594	2.23	1,580,276	2.47
Time	788,845	3.80	744,252	4.07
Total interestbearing deposits	2,637,897	2.62	2,588,545	2.85
Noninterest bearing demand deposits	976,066		970,966	
Total deposits	$ 3,613,963	1.91%	$ 3,559,511	2.08%

Our customer repurchases declined $89.4 million from December 31, 2007 to June 30, 2008 due primarily to the transfer of customer funds to other products offered by our banks.

Capital Resources

Current risk-based regulatory capital standards generally require banks and bank holding companies to maintain three minimum capital ratios. Tier 1 risk-based capital ratio compares Tier 1 or core capital, which consists principally of common equity, and risk-weighted assets for a minimum ratio of at least 4%. Tier 1 capital ratio compares Tier 1 capital to adjusted total assets for a minimum ratio of at least 4%. Total risk-based capital ratio compares total capital, which consists of Tier 1 capital, certain forms of subordinated debt, a portion of the allowance for loan losses, and preferred stock, to risk-weighted assets for a minimum ratio of at least 8%. Risk-weighted assets are calculated by multiplying the balance in each category of assets by a risk factor, which ranges from zero for cash assets and certain government obligations to 100% for some types of loans, and adding the products together.

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The following table provides a comparison of our risk-based capital ratios and leverage ratios to the minimum regulatory requirements as of June 30, 2008.

	Actual		Adequately-Capitalized Requirements ($ in thousands)		Minimum For Well-Capitalized Requirements	
As of June 30, 2008	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total Capital (to Risk Weighted Assets)	$508,597	11.0	$370,549	8.0	$463,186	10.0
Tier I Capital (to Risk Weighted Assets)	$390,600	8.4	$185,274	4.0	$277,912	6.0
Leverage ratio (to Average Assets)	$390,600	7.9	$198,703	4.0	$248,378	5.0

The Company and each of its banking subsidiaries met the well capitalized guidelines under regulatory requirements as of June 30, 2008. The increases in our capital ratios for the quarter ended June 30, 2008, are primarily due to a private placement of 3.8 million shares of common stock to a limited number of accredited investors. Of the shares sold, approximately 45 percent were purchased by a total of 40 directors and officers of the Company and its subsidiaries. The issue was priced after the close of business on Tuesday, June 24, 2008 at $7.94 per share for an aggregate offering price of $30.2 million.

Segment Reporting

The Company adjusted its segment reporting composition in the current period in accordance with SFAS 131. We modified our reporting segments to more accurately reflect the way we manage and assess the performance of our business. We changed our segments to report our banking operations on a state-by-state basis rather than on a per bank basis, as we had done in the past, and we also created new segments to report our asset management and credit card operations. Previously, our asset management operations were included in Other and our credit card operations were included in Torrey Pines Bank.

The new structure is segmented as Nevada (Bank of Nevada and First Independent Bank of Nevada), Arizona (Alliance Bank of Arizona), California (Torrey Pines Bank and Alta Alliance Bank), Asset Management (Miller/Russell, Premier Trust and Shine), Credit Card Services (PartnersFirst) and Other (Western Alliance Bancorporation holding company and miscellaneous). Prior period balances were restated to reflect the change.

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. Our market risk arises primarily from interest rate risk inherent in our lending, investing and deposit taking activities. To that end, management actively monitors and manages our interest rate risk exposure.

There have not been any material changes in the market risk disclosure contained in the Company s Annual Report on Form 10-K for the year ended December 31, 2007.

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 Chief Executive Officer and Chief Financial Officer have concluded that the disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934) are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported in within the time periods specified in Securities and Exchange Commission rules and forms, except for the following:

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 June 30, 2008, which have materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting.

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Part II. Other Information

Item 1. Legal Proceedings

There are no material pending legal proceedings, other than ordinary routine litigation incidental to its business, to which Western Alliance or any of its subsidiaries is a party or of which any of their property is the subject.

Item 1A. Risk Factors

See the discussion of our risk factors in the Annual Report on Form 10-K for the year ended December 31, 2007, as filed with the SEC.

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

(a) None.
(b) None.
(c) None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

Not applicable.

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Item 6. Exhibits

31.1 CEO Certification Pursuant to Rule 13a-14(a)/15d-a4(a).

31.2 CFO Certification Pursuant to 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, as amended.

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Pursuant to the requirements of Section 13 or 15(d) 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

Date: August 11, 2008	By: /s/ Robert Sarver Robert Sarver President and Chief Executive Officer
Date: August 11, 2008	By: /s/ Dale Gibbons Dale Gibbons Executive Vice President and Chief Financial Officer
Date: August 11, 2008	By: /s/ Tom Edington Tom Edington Controller Principal Accounting Officer

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EXHIBIT INDEX

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