



October 24, 2008

Dear Client,

Given the unprecedented volatility of the economy and financial industry this past quarter, we want to take this opportunity to assure you that our company is healthy and strong, and that our performance, asset quality and capital remain among the best in the industry.

Although we continue to have good operating earnings and cash flow, our third quarter earnings report includes substantial non-cash charges, which are comprised of a goodwill charge related to an acquisition and write-downs of certain investments including Freddie Mac and Washington Mutual. None of these affects the performance of our banking franchise.

**Profitability.** Our core operations remained profitable this quarter including increases both in our revenue and our net interest margin, up from 4.25% in the second quarter 2008 to 4.36%.

**Asset Quality.** Non-performing assets (NPAs), as a percentage of total assets, are a key measure of a bank's financial health, signifying what proportion of a bank's loans are paying as agreed. Our non-performing assets continue to be below those of our competitors – and have moved even lower this past quarter, to 0.79% of total assets. (Non performing assets include loans on non-accrual, loans past due over 90 days, and repossessed assets.)

<b>Institution</b>	<b>Non-Performing Assets 9/30/08</b>
<b>Western Alliance</b>	0.79%
<b>Bank of America</b>	1.05%
<b>Wells Fargo</b>	1.26%
<b>Zions Bancorp</b>	1.89%

*Sources: SNL Financial LC and company press releases*

Banks that have failed typically report dramatic increases in their NPAs prior to failure. For example, in our markets, First National Bank failed in July and reported NPAs of 9.89% of total assets as of March 31, and Silver State Bancorp failed in September and reported NPAs of 13.68% as of June 30.

**Capital strength.** Western Alliance was one of only a few financial institutions to successfully raise capital during these turbulent times. As of September 30<sup>th</sup>, we achieved a record \$536 million in regulatory capital, including two successful capital raises in the past four months resulting in \$80 million in additional capital. The non-cash

goodwill charge has no effect on tangible or regulatory capital. Western Alliance and each of our subsidiary banks continue to maintain capital in excess of the levels needed to be considered "Well Capitalized" under federal banking regulations. We also expect to take advantage of the U.S. Treasury Department's recently announced Capital Purchase Program. This will enable us to further expand our existing active lending business, as well as position us to pursue potential growth opportunities.

<b>Institution</b>	<b>Tangible Common Equity/Tangible Assets 9/30/08</b>
<b>Western Alliance</b>	6.25%
<b>Bank of America</b>	3.15%
<b>Wells Fargo</b>	5.49%
<b>Zions Bancorp</b>	6.05%

*Sources: Company press releases and SNL Financial LC*

Western Alliance is approved by the FDIC as a bidder for FDIC bank resolutions and did make bids for the deposits of First National Bank of Nevada and Silver State Bancorp. We also have an investment grade rating from Moody's Investors Service, one of only 80 banking companies of 7,700 nationwide to have an investment grade rating from Moody's Investors Service or Standard & Poor's.

Last, we are pleased to offer our customers the special advantage of additional FDIC insurance through our WALTree Deposit program, providing up to five times the FDIC coverage of a single bank through our five individually chartered bank affiliates with just one bank contact.

With our proven management, seasoned bankers and our capital strength, we believe we are uniquely well positioned during these times to serve your banking needs. As always, we value your trust and thank you for your business. If there is anything we can do to serve you better, please do not hesitate to call.



**Robert Sarver**  
Chairman and CEO  
Western Alliance Bancorp

T: 702.252.6102