



FIRSTwestern

First Quarter 2025
Conference Call

Safe Harbor

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This presentation contains certain non-GAAP financial measures intended to supplement, not substitute for, comparable GAAP measures. Reconciliations of non-GAAP financial measures to GAAP financial measures are provided at the end of this presentation. Numbers in the presentation may not sum due to rounding.

Our common stock is not a deposit or savings account. Our common stock is not insured by the Federal Deposit Insurance Corporation or any governmental agency or instrumentality.

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Overview of 1Q25

1Q25 Earnings

- Net income available to common shareholders of \$4.2 million or \$0.43 per diluted share
- Net interest income improved to \$17.5 million compared to prior quarter of \$16.9 million
- Positive trends in a number of key areas resulted in improvement in profitability from prior quarter

Continued Execution on Strategic Priorities

- Continued priority on prudent risk management and conservative approach to new loan production with the contribution of new banking talent helping to drive solid loan production
- Successful resolution of two largest OREOs with sale of properties resulting in a net gain
- Positive trends in asset quality with declines in non-performing assets
- Continued success in deposit gathering efforts with increase in noninterest-bearing deposits during 1Q25

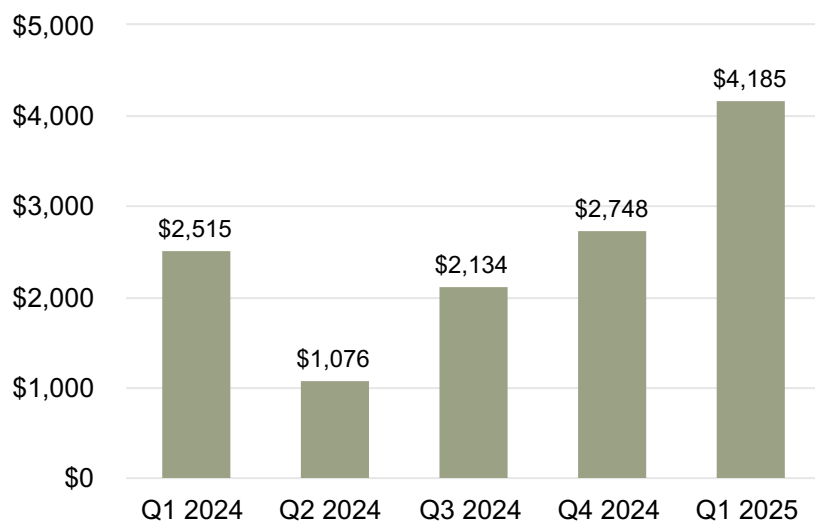
Positive Trends in Key Metrics

- Further increase in tangible book value per share
- Improvement in NIM from prior quarter and expectation of continued improvement due primarily to improved cost of funds
- Growth in mortgage banking revenue resulting from higher volumes due to lower interest rates and contribution of new MLOs

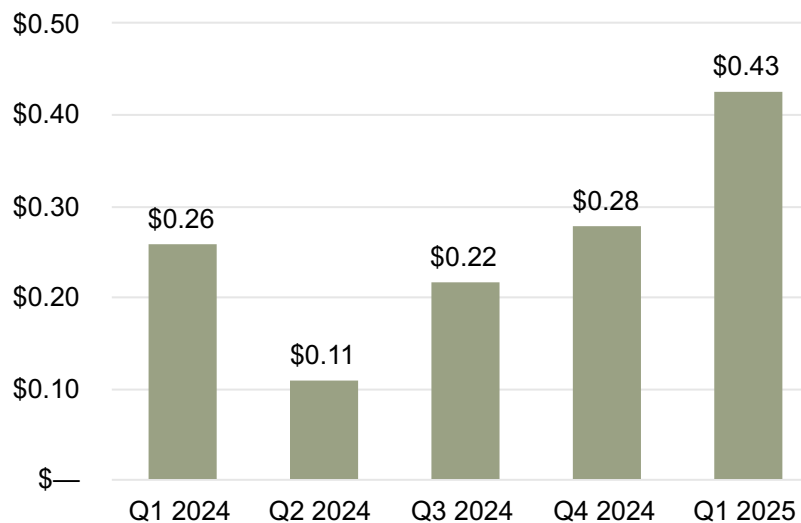
Net Income Available to Common Shareholders and Earnings per Share

- Net income of \$4.2 million, or \$0.43 diluted earnings per share, in 1Q25
- Tangible book value per share⁽¹⁾ increased 1.6% to \$23.18

Net Income Available to Common Shareholders



Diluted Earnings per Share



(1) See Non-GAAP reconciliation within the appendix

Loan Portfolio

Loan Portfolio Details

- Total loans held for investment were flat from prior quarter due to offsetting production and loan payoffs
- Total average loans held for investment increased \$21.4 million in the quarter
- New loan production in 1Q25 of \$70.8 million with focus primarily on relationship-based lending
- Average rate on new loan production of 6.89% was higher than average rate of loans paying off and accretive to NIM

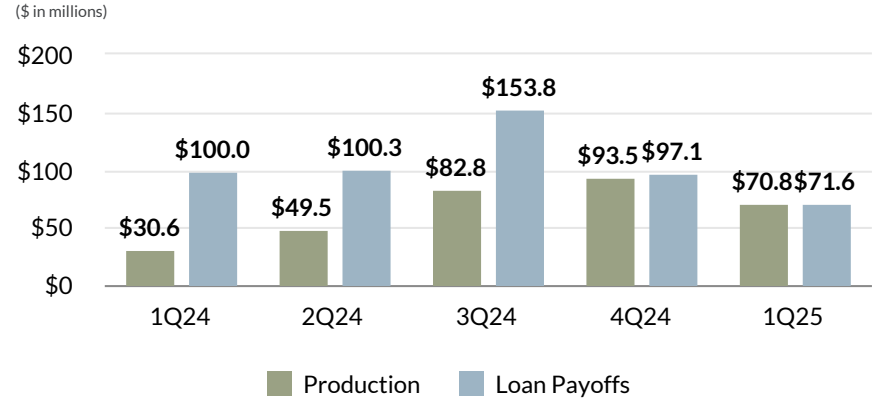
Loan Portfolio Composition⁽¹⁾

(\$ in thousands, as of quarter end)	1Q24	4Q24	1Q25
Cash, Securities and Other	\$ 151,178	\$ 120,005	\$ 101,078
Consumer and Other	18,556	17,333	16,688
Construction and Development	333,284	315,686	291,133
1-4 Family Residential	910,129	960,354	971,179
Non-Owner Occupied CRE	562,862	614,384	636,820
Owner Occupied CRE	194,338	173,223	182,417
Commercial and Industrial	297,573	220,501	223,197
Total	\$ 2,467,920	\$ 2,421,486	\$ 2,422,512
Loans accounted for at fair value ⁽²⁾	12,276	7,508	6,280
Total Loans HFI	\$ 2,480,196	\$ 2,428,994	\$ 2,428,792
Mortgage loans held for sale	10,470	25,455	10,557
Loans held for sale	—	251	—
Total Loans	\$ 2,490,666	\$ 2,454,700	\$ 2,439,349

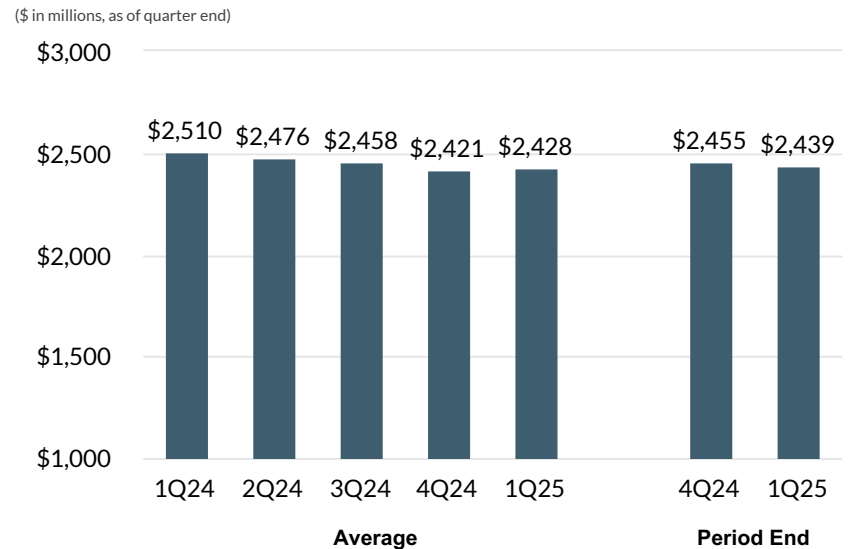
(1) Represents unpaid principal balance. Excludes deferred (fees) costs, and amortized premium/(unaccreted discount).

(2) Excludes fair value adjustments on loans accounted for under the fair value option.

Loan Production & Loan Payoffs



Total Loans⁽¹⁾



Total Deposits

- Total deposits increased 0.4% from \$2.51 billion in 4Q24 to \$2.52 billion in 1Q25
- Noninterest-bearing deposits increased 9.0% from \$376 million in 4Q24 to \$410 million in 1Q25 primarily due to operating account fluctuations and new client relationships
- Interest-bearing deposits decreased 1.4% from \$2.14 billion in 4Q24 to \$2.11 billion in 1Q25 primarily driven by a reduction in time deposits due to maturing high-cost CDs not renewing

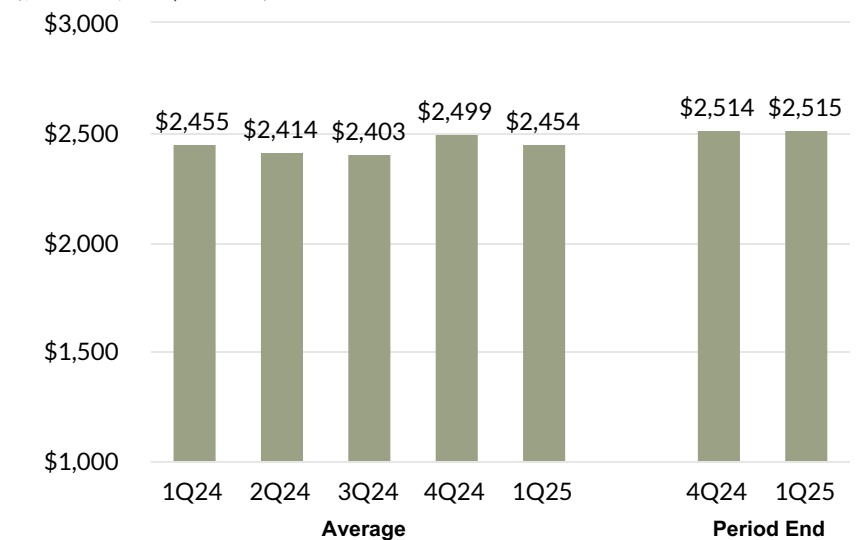
Deposit Portfolio Composition

(\$ in thousands, as of quarter end)

	1Q24	4Q24	1Q25
Money market deposit accounts	\$ 1,503,598	\$ 1,513,605	\$ 1,566,737
Time deposits	442,834	471,415	379,533
Interest checking accounts	132,415	139,374	144,980
Savings accounts	18,887	14,212	14,451
Noninterest-bearing accounts	434,236	375,603	409,696
Total Deposits	\$ 2,531,970	\$ 2,514,209	\$ 2,515,397

Total Deposits

(\$ in millions, as of quarter end)

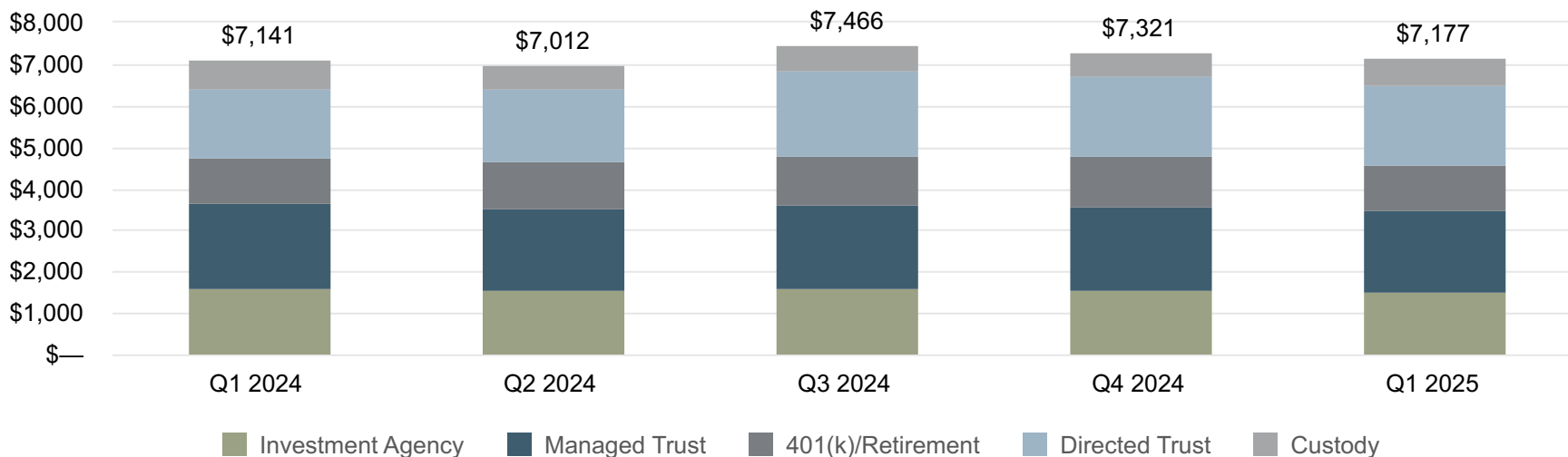


Trust and Investment Management

- Total assets under management decreased 2.0% during the quarter to \$7.18 billion and increased 0.5% from 1Q24
- The decrease in AUM from 4Q24 was driven by net withdrawals primarily in fixed fee accounts
- Compared to 1Q24, total AUM increased slightly from \$7.14 billion.

Total Assets Under Management

(\$ in millions, as of quarter end)

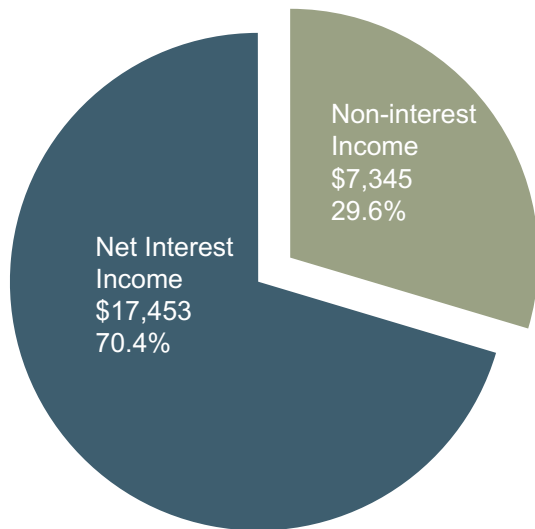


Gross Revenue

- Gross revenue⁽¹⁾ increased 3.4% from prior quarter
- Net interest income increased 3.6% from prior quarter primarily driven by NIM expansion
- Non-interest income increased \$0.9 million driven by higher net mortgage gain and net gain on the sale of OREO, partially offset by a decrease in insurance fees that are seasonally higher in the fourth quarter

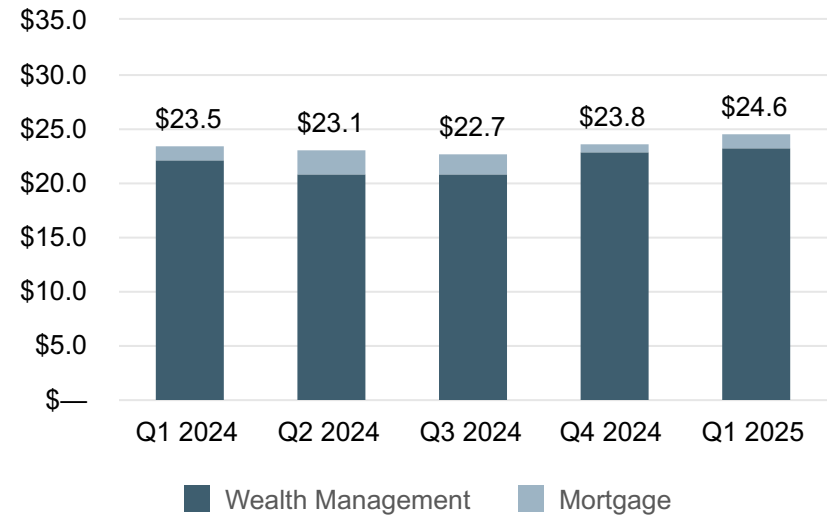
Gross Revenue⁽¹⁾

(\$ in thousands)



Gross Revenue⁽¹⁾

(\$ in millions)



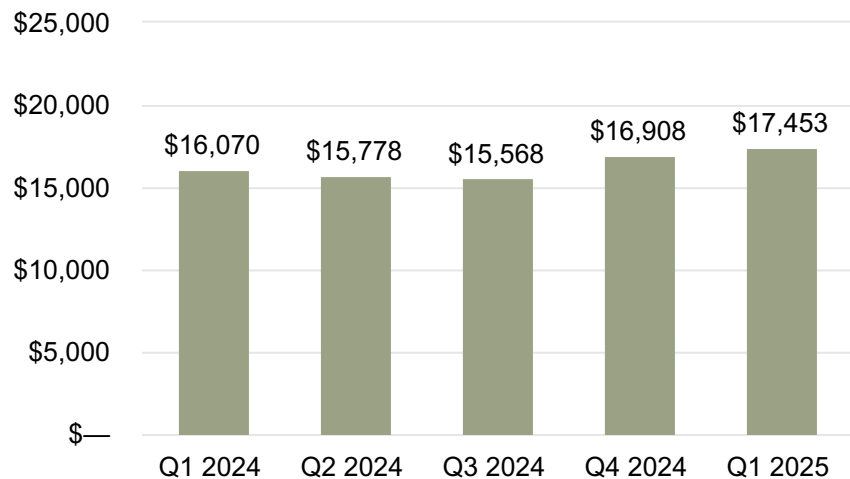
(1) See Non-GAAP reconciliation within the appendix

Net Interest Income and Net Interest Margin

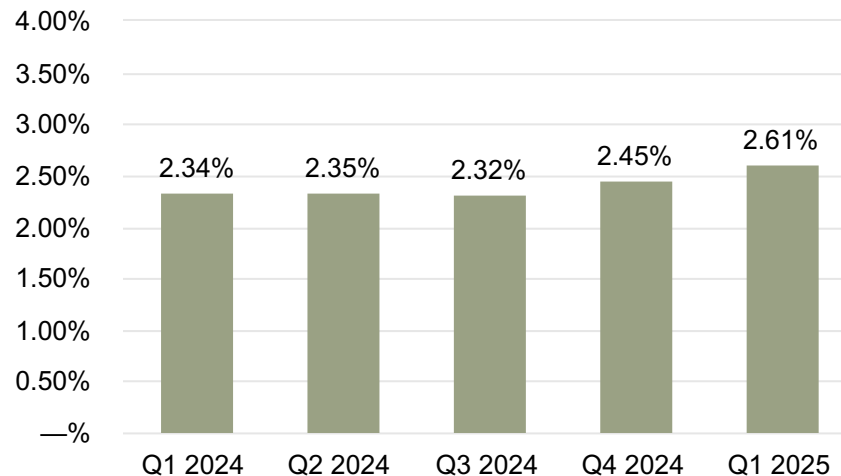
- Net interest income increased \$0.5 million, or 3.6%, from \$16.9 million in 4Q24 to \$17.5 million, primarily driven by a 16 basis point increase in net interest margin
- Net interest margin increased 16 basis points during the quarter from 2.45% in 4Q24 to 2.61% in 1Q25, primarily due to a decrease in cost of deposits and increase in interest-earning assets yield

Net Interest Income

(\$ in thousands)



Net Interest Margin

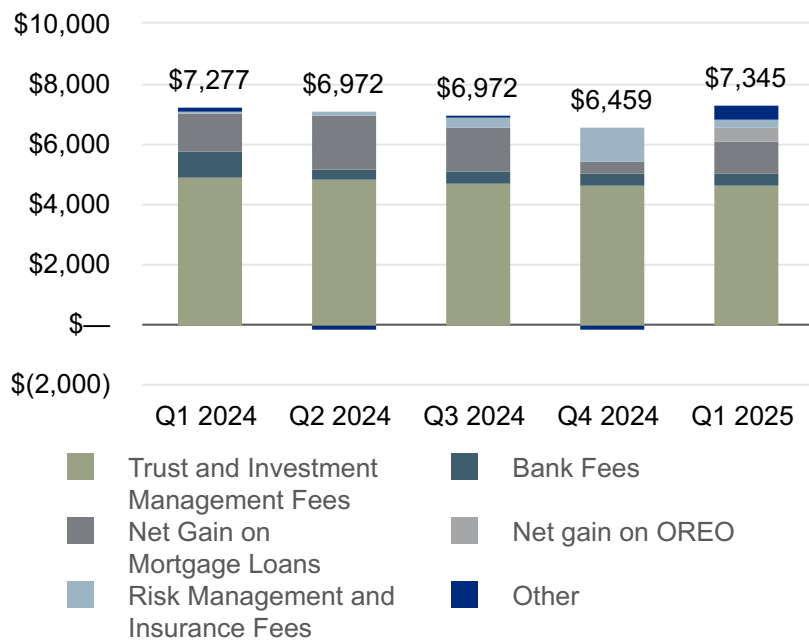


Non-Interest Income

- Non-interest income increased \$0.9 million to \$7.3 million from the prior quarter driven by higher net mortgage gain and net gain on the sale of OREO, partially offset by a decrease in insurance fees
- Lower mortgage rates and addition of MLOs led to higher level of mortgage production and contributed to an increase in Net gain on mortgage loans of \$0.7 million in 1Q25
- The sale of our two largest OREO properties resulted in a net gain of \$0.5 million
- Insurance fees are seasonally higher in the fourth quarter and as a result, decreased \$0.9 million from 4Q24; however, Insurance fees increased \$0.2 million from 1Q24

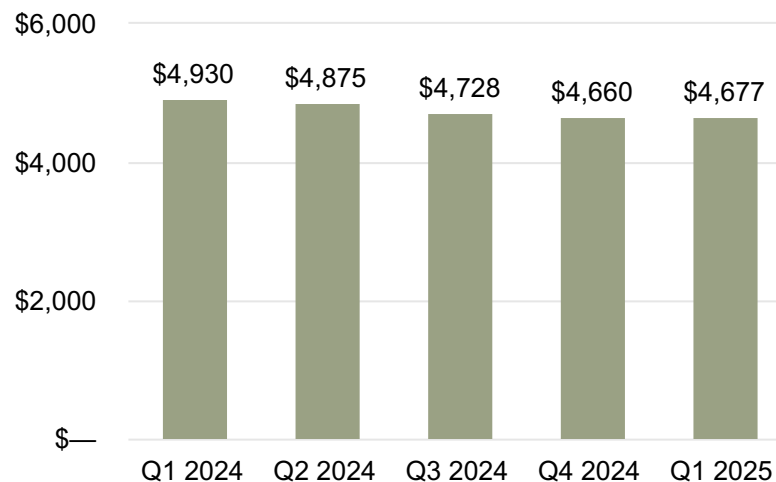
Total Non-Interest Income

(\$ in thousands)



Trust and Investment Management Fees

(\$ in thousands)

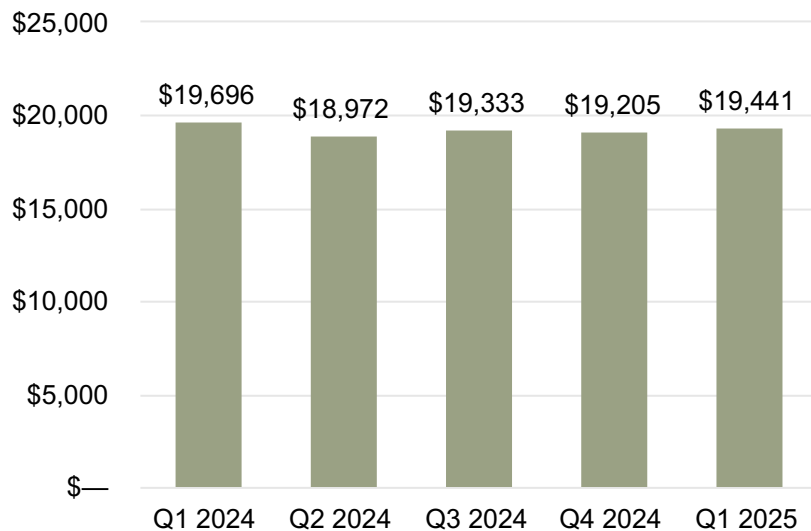


Non-Interest Expense and Efficiency Ratio

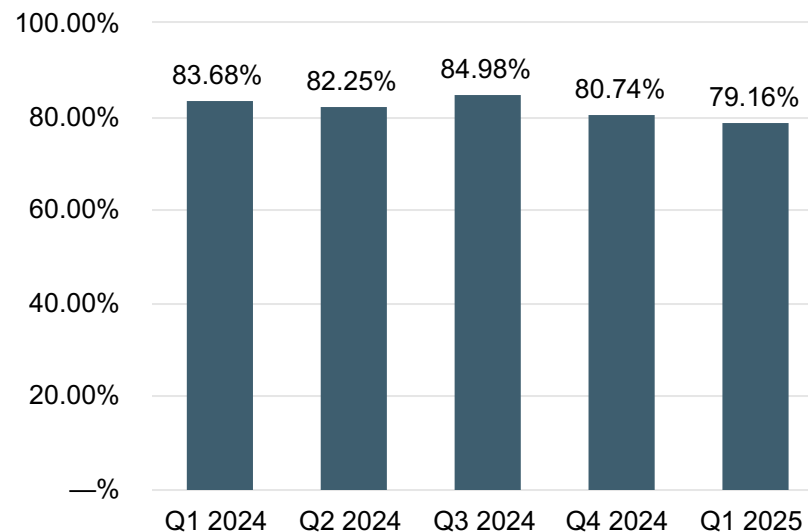
- Non-interest expense decreased to \$19.4 million from \$20.4 million in the fourth quarter of 2024, primarily driven by a one-time \$1.1 million OREO write-down recognized in 4Q24
- Non-interest expense decreased \$0.3 million from \$19.7 million in the first quarter of 2024 in spite of ongoing inflationary pressures
- The efficiency ratio improved in the quarter from 80.74% as of 4Q24 to 79.16% as of 1Q25
- The efficiency ratio improved 4.52% from 83.68% as of 1Q24

Adjusted Non-Interest Expense⁽¹⁾

(\$ in thousands)



Operating Efficiency Ratio⁽¹⁾

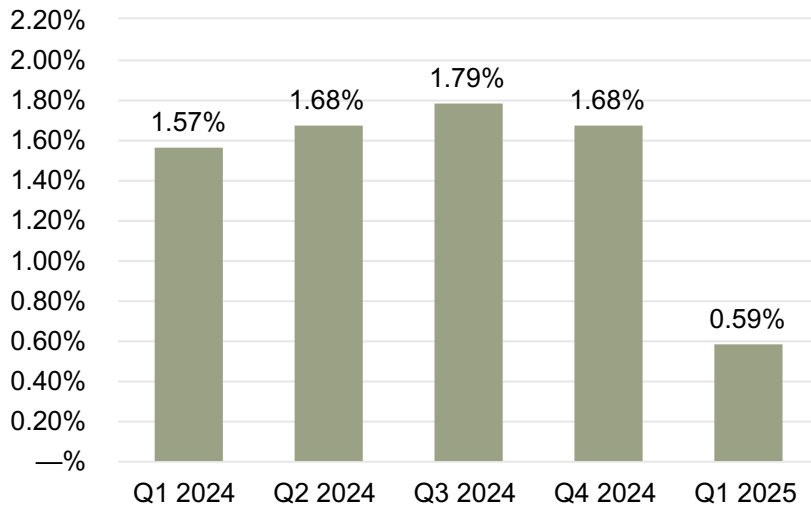


(1) See Non-GAAP reconciliation within the appendix

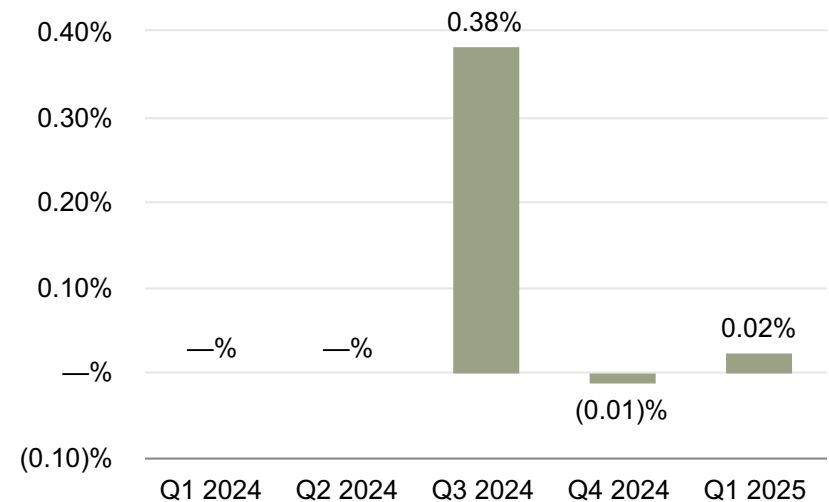
Asset Quality

- NPAs decreased \$31.8 million to \$17.1 million due to the sale of two OREO properties
- NPLs decreased \$0.3 million to \$12.8 million due to the charge-off of a non-performing loan that had previously been held for sale
- NPA/Total Assets decreased from 1.68% as of 4Q24 to 0.59% as of 1Q25
- ACL/Adjusted Total Loans⁽¹⁾ decreased from 0.76% in 4Q24 to 0.74% in 1Q25, primarily driven by decreased provision on pooled loans due to mix shifts within the loan portfolio

Non-Performing Assets/Total Assets



Net Charge-Offs (Recoveries)/Average Loans



(1) Adjusted Total Loans - Total Loans minus PPP loans and loans accounted for under fair value option; see Non-GAAP reconciliation within the appendix

Near Term Outlook

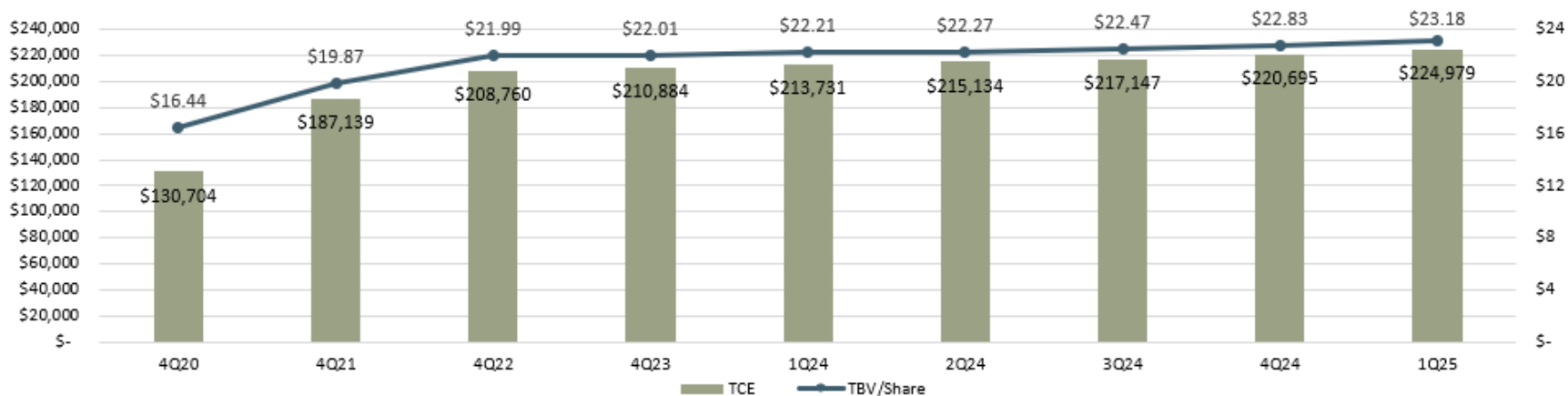
- First Western's markets continue to perform well and the strength of our balance sheet and franchise provides opportunities to capitalize on market disruption and challenges being faced by competing banks to add new clients and banking talent
- Addition of banking talent over the past several quarters should lead to higher level of loan growth in 2025 while still maintaining disciplined underwriting and pricing criteria
- Deposit gathering will remain a top priority throughout the organization
- Expected drivers of improved financial performance in 2025
 - Increased loan growth
 - Continued expansion in net interest margin
 - Redeployment of cash generated from sale of OREO properties into interest-earning assets
 - More robust business development activities in Wealth Management business
 - Higher level of mortgage production resulting from addition of MLOs
 - More operating leverage resulting from disciplined expense control
- Positive trends in key areas expected to continue, which should result in steady improvement in financial performance and further value being created for shareholders

Appendix

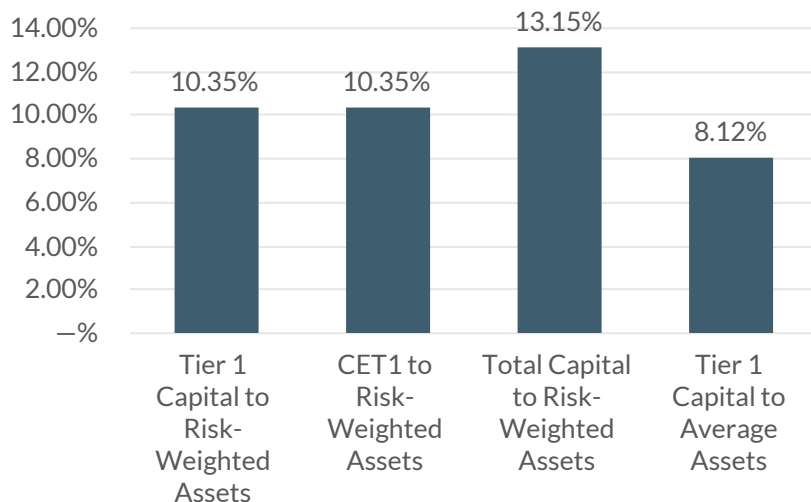
Capital and Liquidity Overview

Tangible Common Equity / TBV per Share⁽¹⁾

(TCE \$ in thousands)



Consolidated Capital Ratios (as of 03/31/25)



Liquidity Funding Sources (as of 03/31/25)

(\$ in thousands)

Liquidity Reserves:

Total Available Cash	\$	270,070
Unpledged Investment Securities		37,646

Borrowed Funds:

Secured:

FHLB Available		575,886
FRB Available		27,042

Other:

Brokered Remaining Capacity		277,387 ⁽²⁾
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Unsecured:

Credit Lines		29,000
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Total Liquidity Funding Sources \$ **1,217,031**

Loan-to-Deposit Ratio **96.4%**

(1) See Non-GAAP reconciliation within the appendix

(2) Based on internal policy guidelines

Non-GAAP Reconciliation

Consolidated Efficiency Ratio (Dollars in thousands)	For the Three Months Ended,				
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
Non-interest expense	\$ 19,696	\$ 19,001	\$ 19,368	\$ 20,427	\$ 19,361
Less: OREO expenses and write-downs	—	29	35	1,222	(80)
Adjusted non-interest expense	\$ 19,696	\$ 18,972	\$ 19,333	\$ 19,205	\$ 19,441
Net interest income	\$ 16,070	\$ 15,778	\$ 15,568	\$ 16,908	\$ 17,453
Non-interest income	7,277	6,972	6,972	6,459	7,345
Less: unrealized (loss) gain recognized on equity securities	(6)	(2)	24	(49)	11
Less: net (loss) gain on loans accounted for under the fair value option	(302)	(315)	(233)	(149)	6
Less: net gain (loss) on loans held for sale	117	—	—	(222)	222
Adjusted non-interest income	\$ 7,468	\$ 7,289	\$ 7,181	\$ 6,879	\$ 7,106
Adjusted total income	\$ 23,538	\$ 23,067	\$ 22,749	\$ 23,787	\$ 24,559
Efficiency ratio	83.68 %	82.25 %	84.98 %	80.74 %	79.16 %

Consolidated Tangible Common Book Value Per Share (Dollars in thousands)	As of,								
	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023	Mar. 31, 2024	Jun. 30, 2024	Sept. 30, 2024	Dec. 31, 2024	Mar. 31, 2025
Total shareholders' equity	\$ 154,962	\$ 219,041	\$ 240,864	\$ 242,738	\$ 245,528	\$ 246,875	\$ 248,831	\$ 252,322	\$ 256,555
Goodwill and other intangibles, net	24,258	31,902	32,104	31,854	31,797	31,741	31,684	31,627	31,576
Tangible common equity	\$ 130,704	\$ 187,139	\$ 208,760	\$ 210,884	\$ 213,731	\$ 215,134	\$ 217,147	\$ 220,695	\$ 224,979
Common shares outstanding, end of period	7,951,773	9,419,271	9,495,440	9,581,183	9,621,309	9,660,549	9,664,101	9,667,142	9,704,320
Tangible common book value per share	\$ 16.44	\$ 19.87	\$ 21.99	\$ 22.01	\$ 22.21	\$ 22.27	\$ 22.47	\$ 22.83	\$ 23.18

Net income available to common shareholders \$ 4,185

Return on tangible common equity (annualized) 7.44 %

(1) Represents the intangible portion of assets held for sale

Non-GAAP Reconciliation

Wealth Management Gross Revenue		For the Three Months Ended,				
(Dollars in thousands)	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	
Total income before non-interest expense	\$ 21,890	\$ 18,242	\$ 20,296	\$ 23,540	\$ 23,468	
Less: unrealized (loss) gain recognized on equity securities	(6)	(2)	24	(49)	11	
Less: net (loss) gain on loans accounted for under the fair value option	(302)	(315)	(233)	(149)	6	
Less: net gain/(loss) on loans held for sale at fair value	117	—	—	(222)	222	
Plus: provision for (release of) credit losses	72	2,334	501	(974)	80	
Gross revenue	\$ 22,153	\$ 20,893	\$ 21,006	\$ 22,986	\$ 23,309	
Mortgage Gross Revenue		For the Three Months Ended,				
(Dollars in thousands)	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	
Total income before non-interest expense	\$ 1,385	\$ 2,174	\$ 1,743	\$ 801	\$ 1,250	
Gross revenue	\$ 1,385	\$ 2,174	\$ 1,743	\$ 801	\$ 1,250	
Consolidated Gross Revenue		For the Three Months Ended,				
(Dollars in thousands)	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	
Total income before non-interest expense	\$ 23,275	\$ 20,416	\$ 22,039	\$ 24,341	\$ 24,718	
Less: unrealized (loss)/gain recognized on equity securities	(6)	(2)	24	(49)	11	
Less: net loss (gain) on loans accounted for under the fair value option	(302)	(315)	(233)	(149)	6	
Less: net gain (loss) on loans held for sale at fair value	117	—	—	(222)	222	
Plus: provision for (release of) credit losses	72	2,334	501	(974)	80	
Gross revenue	\$ 23,538	\$ 23,067	\$ 22,749	\$ 23,787	\$ 24,559	

Non-GAAP Reconciliation

Pre-tax, Pre-Provision Net Income (Dollars in thousands)	For the Three Months Ended,		
	March 31, 2024	December 31, 2024	March 31, 2025
Income before income taxes	\$ 3,579	\$ 3,914	\$ 5,357
Plus: provision for (release of) credit losses	72	(974)	80
Pre-tax, pre-provision net income	\$ 3,651	\$ 2,940	\$ 5,437

Allowance for Credit Losses to Bank Originated Loans Excluding PPP (Dollars in thousands)	As of				
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
Total loans held for investment	\$ 2,480,196	\$ 2,460,690	\$ 2,387,288	\$ 2,428,994	\$ 2,428,792
Less: PPP loans	3,779	3,129	2,603	2,087	1,641
Less: Purchased loans accounted for under fair value options ("FVO")	12,276	10,494	8,884	7,508	6,280
Adjusted loans excluding PPP and FVO	\$ 2,464,141	\$ 2,447,067	\$ 2,375,801	\$ 2,419,399	\$ 2,420,871
Allowance for credit losses	24,630	27,319	18,796	18,330	17,956
Allowance for credit losses to adjusted loans	1.00 %	1.12 %	0.79 %	0.76 %	0.74 %

Allocation of the Allowance for Credit Losses (ACL) (Dollars in thousands)	As of							
	March 31, 2025				December 31, 2024			
	ACL Amount	% of Loans	% of ACL	%(1)	ACL Amount	% of Loans	% of ACL	%(1)
Commercial:								
Construction and Development	\$ 4,299	1.5 %	23.9 %	12.0 %	\$ 5,184	1.7 %	28.3 %	13.0 %
Non-Owner Occupied CRE	4,310	0.7 %	24.0 %	26.2 %	4,340	0.7 %	23.7 %	25.3 %
Owner Occupied CRE	915	0.5 %	5.1 %	7.5 %	654	0.4 %	3.6 %	7.1 %
Commercial and Industrial	2,569	1.2 %	14.3 %	9.2 %	2,357	1.1 %	12.9 %	9.1 %
Total Commercial	12,093	0.9 %	67.3 %	54.9 %	12,535	1.0 %	68.4 %	54.5 %
Consumer:								
Cash, Securities and Other	391	0.4 %	2.2 %	4.2 %	410	0.3 %	2.2 %	5.0 %
Consumer and Other	151	0.9 %	0.8 %	0.7 %	185	1.1 %	1.0 %	0.7 %
1-4 Family Residential	5,321	0.5 %	29.6 %	40.2 %	5,200	0.5 %	28.4 %	39.8 %
Total Consumer	5,863	0.5 %	32.7 %	45.1 %	5,795	0.5 %	31.6 %	45.5 %
Total allowance for credit losses	\$ 17,956	0.7 %	100 %	100 %	\$ 18,330	0.8 %	100 %	100 %

(1) Represents the percentage of loans to total loans in the respective category