



FIRSTwestern

Fourth Quarter 2024
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.

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Overview of 4Q24

4Q24 Earnings

- Net income available to common shareholders of \$2.7 million or \$0.28 per diluted share
- Net interest income after provision for credit losses improved to \$17.9 million compared to prior quarter of \$15.1 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, but contributions of new banking talent helped drive fourth quarter new loan production to highest level in 2024
- Maintaining disciplined expense control while continuing to make investments in the business that will support profitable growth in the future
- Positive trends in asset quality with declines in non-performing loans and non-performing assets
- Continued success in deposit gathering efforts with increase in total deposits during 4Q24

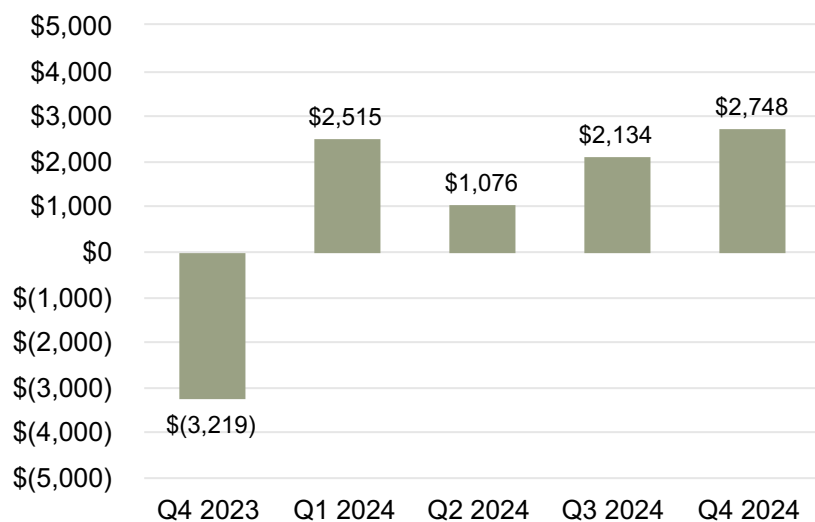
Positive Trends in Key Metrics

- Continued progress on resolving problem loans with largest OREO now under contract for sale
- 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
- Record quarter of Risk management and insurance fees

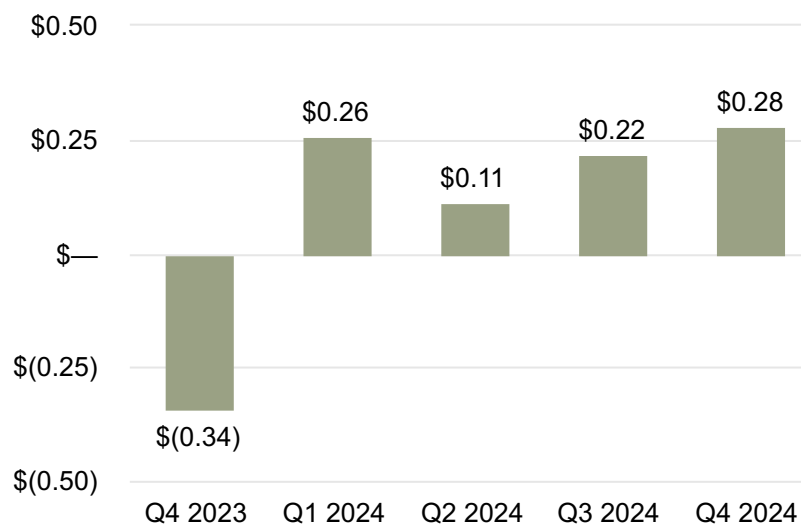
Net Income Available to Common Shareholders and Earnings per Share

- Net income of \$2.7 million, or \$0.28 diluted earnings per share, in 4Q24
- Provision for credit losses decreased \$1.5 million in 4Q24
- Tangible book value per share⁽¹⁾ increased 1.6% to \$22.83

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 increased \$41.7 million from prior quarter, reversing our five quarter average loan balance decline
- Loan growth driven by higher level of new loan production and increased utilization of existing lines of credit
- New loan production improved in 4Q24 to \$93.5 million with focus primarily on lending to clients that also bring deposits to the bank
- Average rate on new loan production of 7.44% was higher than average rate of loans paying off and accretive to NIM

Loan Portfolio Composition⁽¹⁾

(\$ in thousands, as of quarter end)

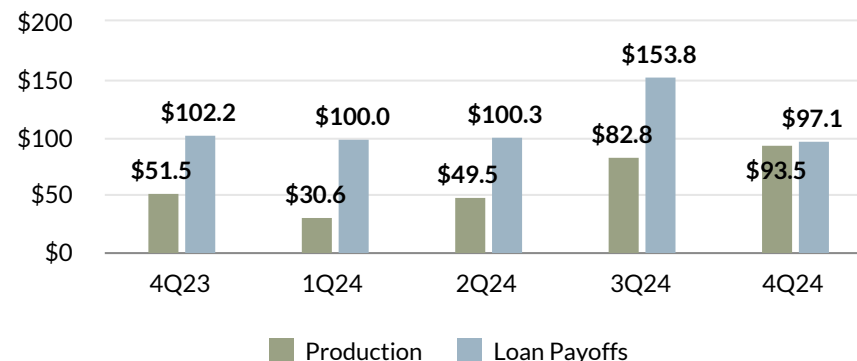
	4Q23	3Q24	4Q24
Cash, Securities and Other	\$ 140,053	\$ 116,856	\$ 120,005
Consumer and Other	31,296	14,978	17,333
Construction and Development	347,515	301,542	315,686
1-4 Family Residential	925,984	920,709	960,354
Non-Owner Occupied CRE	546,966	608,494	614,384
Owner Occupied CRE	197,205	176,165	173,223
Commercial and Industrial	336,842	239,660	220,501
Total	\$ 2,525,861	\$ 2,378,404	\$ 2,421,486
Loans accounted for at fair value ⁽²⁾	14,129	8,884	7,508
Total Loans HFI	\$ 2,539,990	\$ 2,387,288	\$ 2,428,994
Mortgage loans held for sale	7,254	12,324	25,455
Loans held for sale	—	473	251
Total Loans	\$ 2,547,244	\$ 2,400,085	\$ 2,454,700

(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.

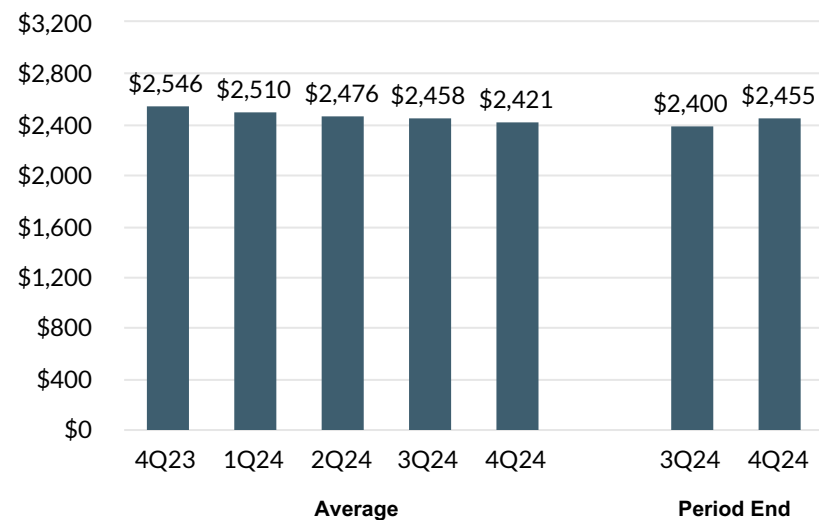
Loan Production & Loan Payoffs

(\$ in millions)



Total Loans⁽¹⁾

(\$ in millions, as of quarter end)



Total Deposits

- Total average deposits increased 4.0% from \$2.40 billion in 3Q24 to \$2.50 billion in 4Q24. The increase was driven by average interest-bearing and noninterest-bearing growth
- Total deposits increased 0.4% from \$2.50 billion in 3Q24 to \$2.51 billion in 4Q24
- Noninterest-bearing deposits decreased 20.7% from \$474 million in 3Q24 to \$376 million in 4Q24 primarily due to operating account fluctuations, migration to interest-bearing, and seasonal outflows
- Interest-bearing deposits increased 5.4% from \$2.03 billion in 3Q24 to \$2.14 billion in 4Q24 primarily driven by migration from noninterest-bearing and expanded deposit relationships

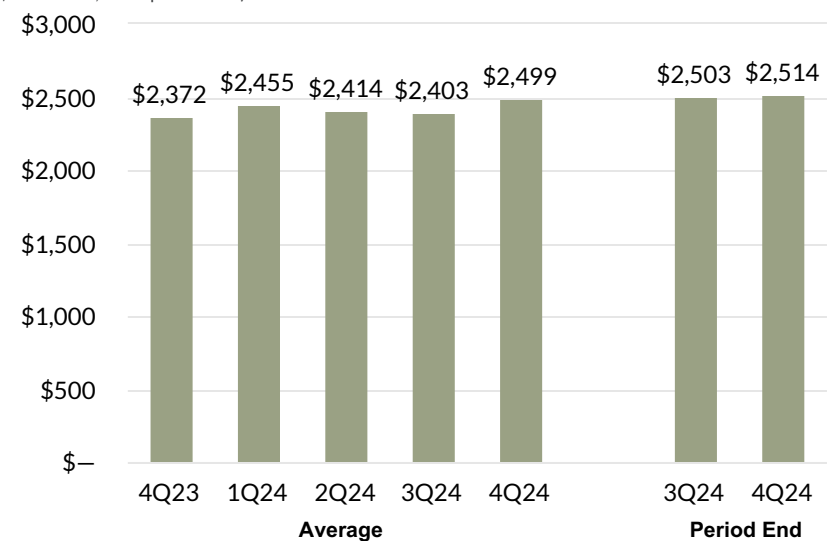
Deposit Portfolio Composition

(\$ in thousands, as of quarter end)

	4Q23	3Q24	4Q24
Money market deposit accounts	\$ 1,386,149	\$ 1,350,619	\$ 1,513,605
Time deposits	496,452	533,452	471,415
Interest checking accounts	147,488	130,255	139,374
Savings accounts	16,371	15,152	14,212
Noninterest-bearing accounts	482,579	473,576	375,603
Total Deposits	\$ 2,529,039	\$ 2,503,054	\$ 2,514,209

Total Deposits

(\$ in millions, as of quarter end)

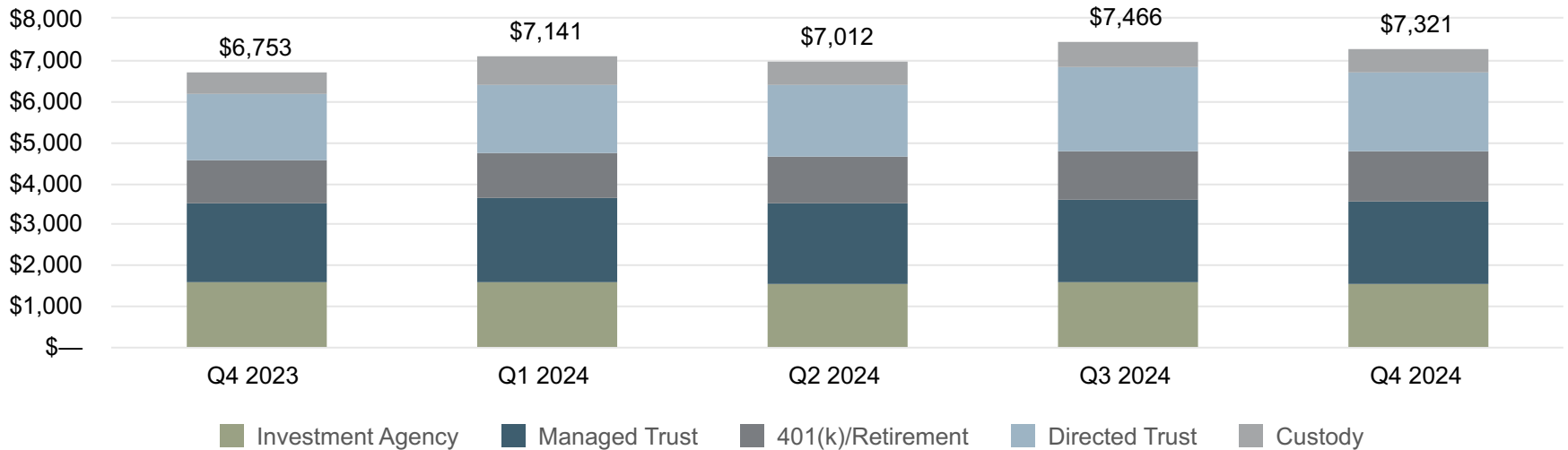


Trust and Investment Management

- Total assets under management decreased 1.9% during the quarter to \$7.3 billion and increased 8.4% from 4Q23
- The decrease in AUM from 3Q24 was primarily attributed to net withdrawals and lower market values at the end of the fourth quarter of 2024

Total Assets Under Management

(\$ in millions, as of quarter end)

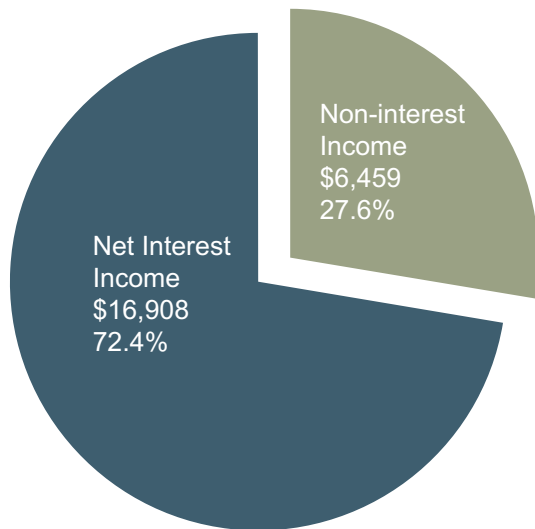


Gross Revenue

- Gross revenue⁽¹⁾ increased 4.8% from prior quarter
- Net interest income increased 8.3% from prior quarter primarily driven by NIM expansion and growth in interest-earning assets
- Non-interest income declined \$0.5 million driven by lower net mortgage gain and a write-down on one loan held for sale, offset partially by higher Risk management and insurance fees

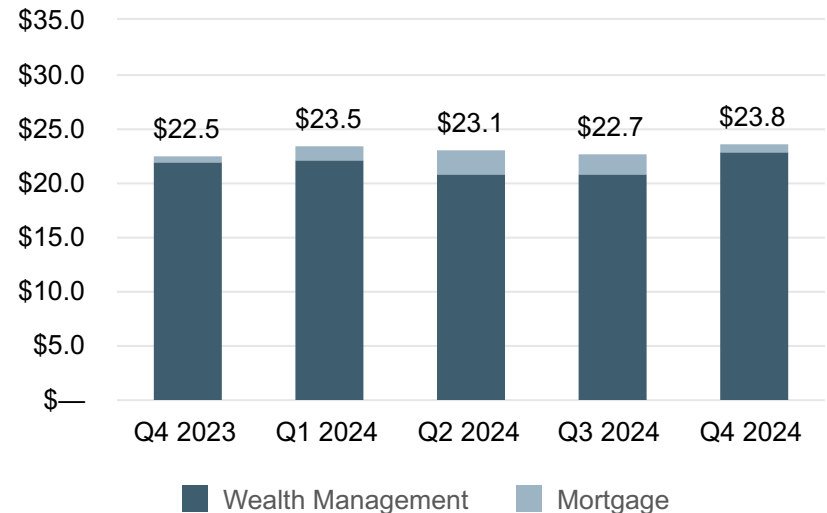
Gross Revenue⁽¹⁾

(\$ in thousands)



Gross Revenue⁽¹⁾

(\$ in millions)



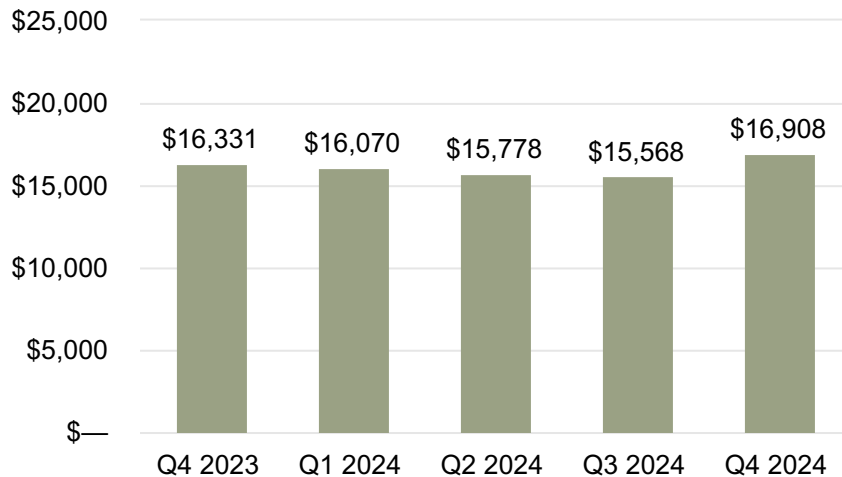
(1) See Non-GAAP reconciliation within the appendix

Net Interest Income and Net Interest Margin

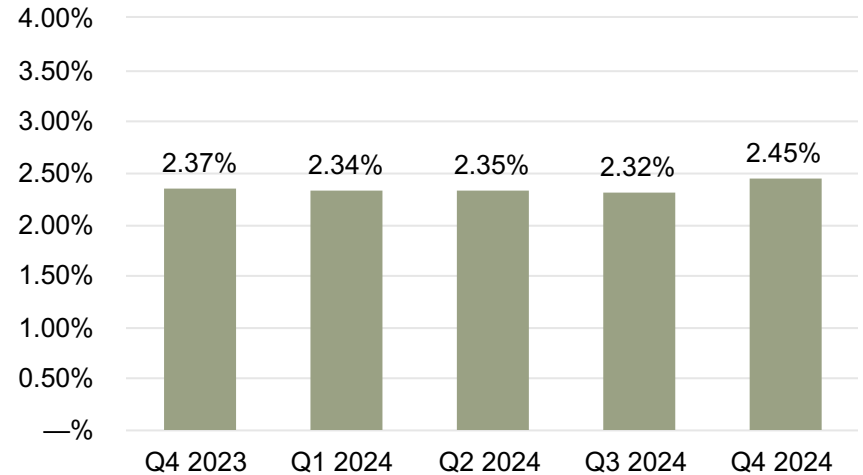
- Net interest income increased \$1.3 million, or 8.3%, from \$15.6 million in 3Q24 to \$16.9 million, primarily driven by an increase in interest-earnings assets and a 13 basis point increase in net interest margin
- Net interest margin increased 13 basis points during the quarter from 2.32% in 3Q24 to 2.45% in 4Q24, primarily due to a decrease in cost of deposits, partially offset by a decrease in interest-earning assets yield

Net Interest Income

(\$ in thousands)



Net Interest Margin

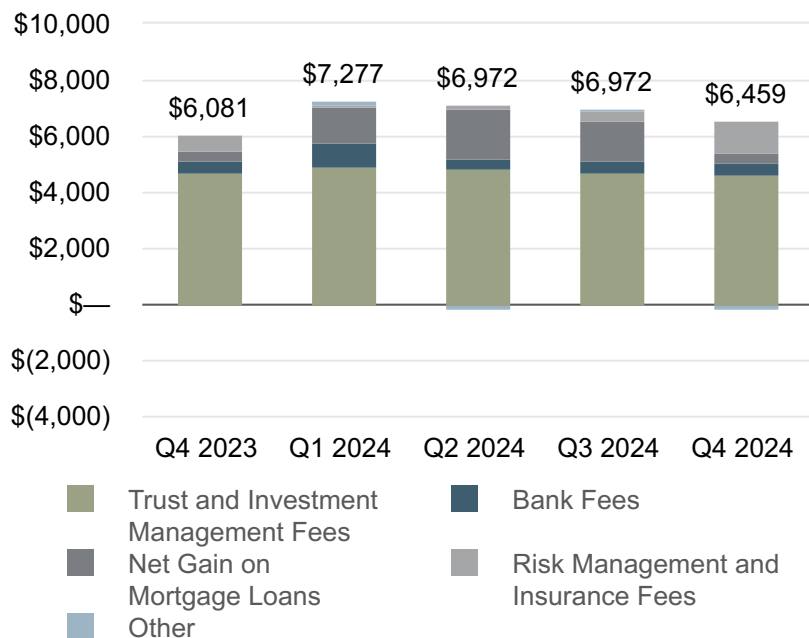


Non-Interest Income

- Non-interest income decreased \$0.5 million to \$6.5 million from the prior quarter driven by a decrease in Net gain on mortgage loans and a write-down on one loan held for sale, offset partially by an increase in Risk management and insurance fees
- Record quarter of Risk management and insurance fees of \$1.1 million, which doubled the level recorded in 4Q23
- Higher mortgage rates and seasonality in Colorado drove a 35% reduction in lock volume quarter over quarter
- Non-interest income increased \$0.4 million from 4Q23, primarily due to the record quarter in risk management and insurance fees

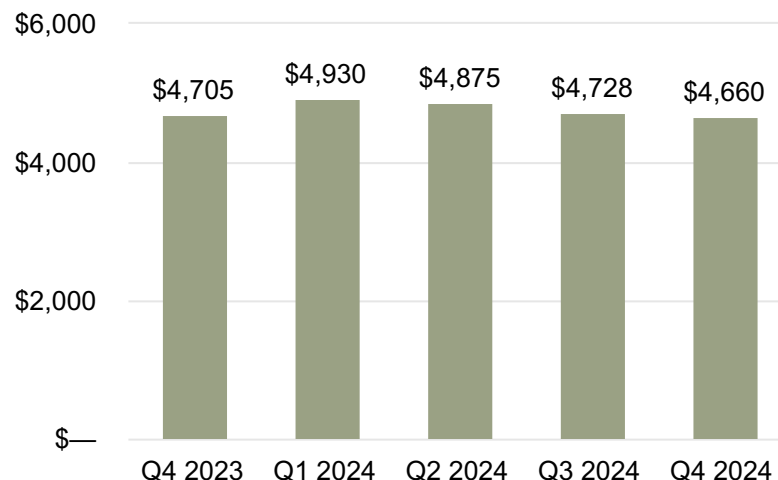
Total Non-Interest Income

(\$ in thousands)



Trust and Investment Management Fees

(\$ in thousands)



Non-Interest Expense and Efficiency Ratio

- Non-interest expense increased to \$20.4 million from \$19.4 million in the third quarter, primarily driven by a \$1.1 million write-down on OREO driven by updated appraisals received during the quarter, partially offset by decreases in Salaries and employee benefits
- Non-interest expense excluding OREO expenses and write-downs decreased to \$19.2 million from \$19.4 million in the third quarter
- The efficiency ratio improved in the quarter from 84.98% as of 3Q24 to 80.74% as of 4Q24

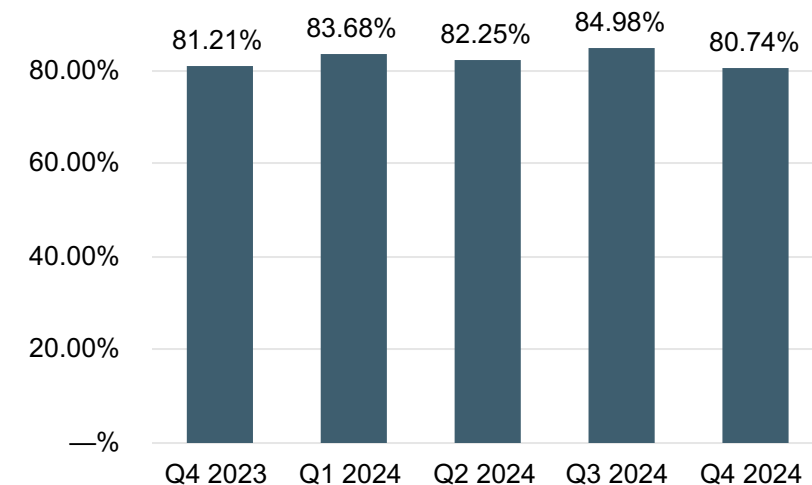
Adjusted Non-Interest Expense⁽¹⁾

(\$ in thousands)



Operating Efficiency Ratio⁽¹⁾

100.00%

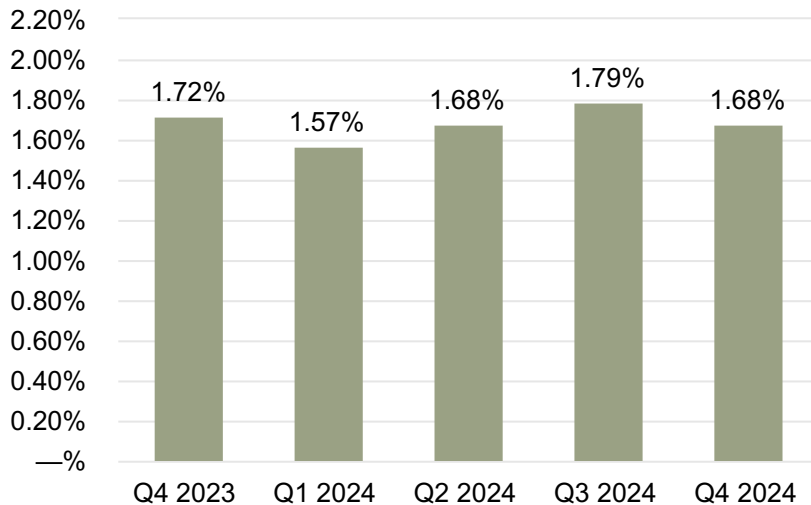


(1) See Non-GAAP reconciliation within the appendix

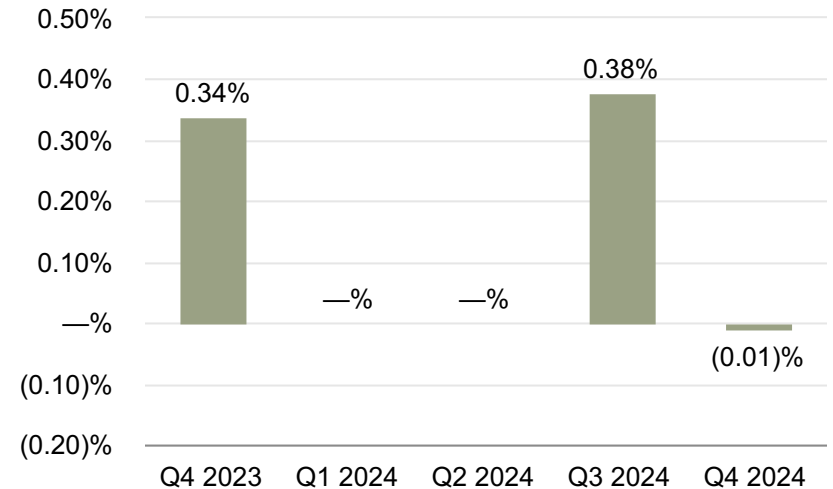
Asset Quality

- NPAs decreased \$3.1 million to \$49.0 million due to pay downs, the migration of one non-performing loan into performing, and the write-down of OREO
- NPLs decreased \$1.9 million to \$13.1 million due to pay downs and the migration of one non-performing loan into performing
- NPA/Total Assets of 0.80% when excluding OREO under contract that is anticipated to close in 1Q25
- ACL/Adjusted Total Loans⁽¹⁾ decreased from 0.79% in 3Q24 to 0.76% in 4Q24, primarily driven by decreased provision on pooled loans

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

2025 Outlook and Priorities

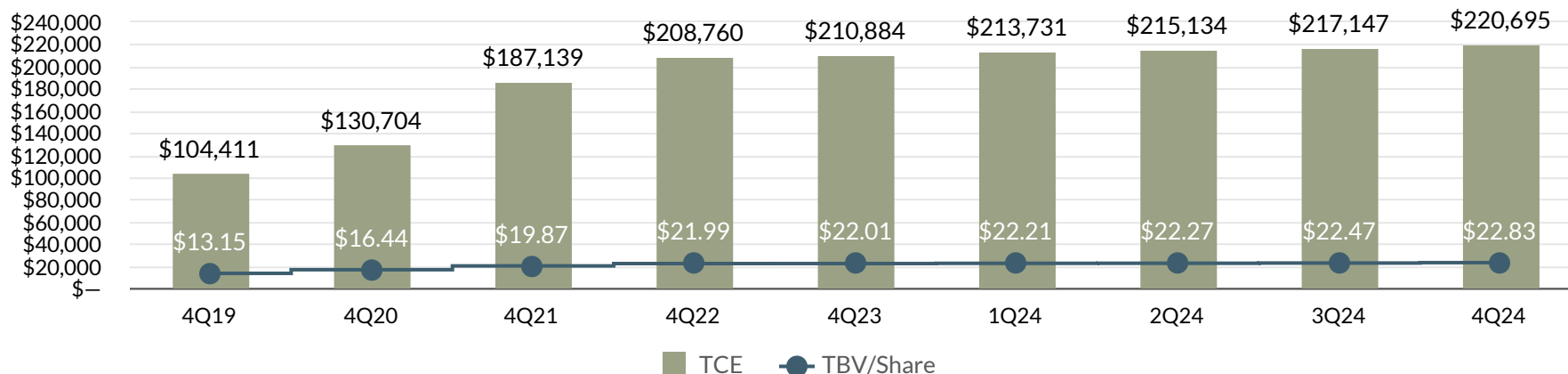
- First Western's markets continue to perform well and the strength of our balance sheet and franchise provides opportunities to capitalize on market disruption and challenges being faced by competing banks to add new clients and banking talent
- Addition of banking talent over past several quarters 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
 - More operating leverage resulting from disciplined expense control
- Addition of MLOs will positively impact mortgage banking fees if environment is favorable for loan demand in 2025
- 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

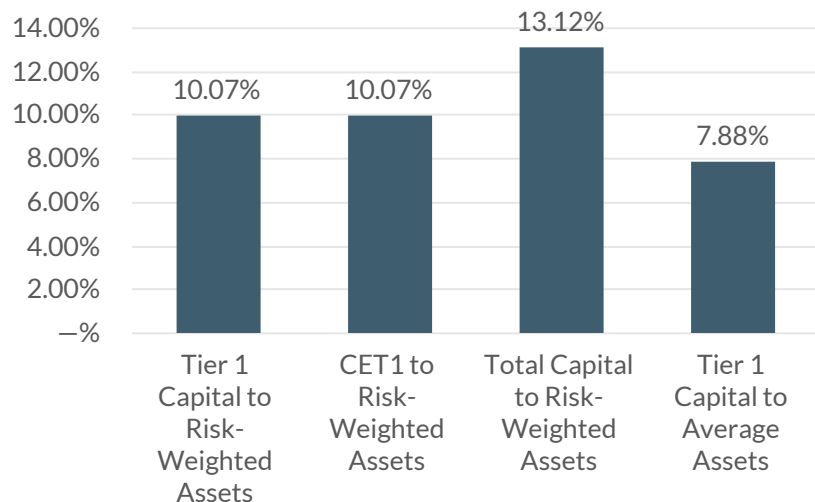
Capital and Liquidity Overview

Tangible Common Equity / TBV per Share⁽¹⁾

(TCE \$ in thousands)



Consolidated Capital Ratios (as of 12/31/24)



Liquidity Funding Sources (as of 12/31/24)

(\$ in thousands)

Liquidity Reserves:

Total Available Cash	\$	234,400
Unpledged Investment Securities		37,077

Borrowed Funds:

Secured:

FHLB Available		581,994
FRB Available		28,290

Other:

Brokered Remaining Capacity		244,318 ⁽²⁾
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Unsecured:

Credit Lines		29,000
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Total Liquidity Funding Sources \$ **1,155,079**

Loan-to-Deposit Ratio **96.5%**

(1) See Non-GAAP reconciliation within the appendix

(2) Based on internal policy guidelines

Non-GAAP Reconciliation

Wealth Management Gross Revenue		For the Three Months Ended,				
(Dollars in thousands)	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	
Total income before non-interest expense	\$ 13,362	\$ 21,890	\$ 18,242	\$ 20,296	\$ 23,540	
Less: unrealized (loss)/gain recognized on equity securities	(2)	(6)	(2)	24	(49)	
Less: net loss on loans accounted for under the fair value option	(91)	(302)	(315)	(233)	(149)	
Less: net gain/(loss) on loans held for sale at fair value	—	117	—	—	(222)	
Plus: provision for (release of) credit losses	8,493	72	2,334	501	(974)	
Gross revenue	\$ 21,948	\$ 22,153	\$ 20,893	\$ 21,006	\$ 22,986	
Mortgage Gross Revenue		For the Three Months Ended,				
(Dollars in thousands)	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	
Total income before non-interest expense	\$ 557	\$ 1,385	\$ 2,174	\$ 1,743	\$ 801	
Gross revenue	\$ 557	\$ 1,385	\$ 2,174	\$ 1,743	\$ 801	
Consolidated Gross Revenue		For the Three Months Ended,				
(Dollars in thousands)	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	
Total income before non-interest expense	\$ 13,919	\$ 23,275	\$ 20,416	\$ 22,039	\$ 24,341	
Less: unrealized (loss)/gain recognized on equity securities	(2)	(6)	(2)	24	(49)	
Less: net loss on loans accounted for under the fair value option	(91)	(302)	(315)	(233)	(149)	
Less: net gain/(loss) on loans held for sale at fair value	—	117	—	—	(222)	
Plus: provision for (release of) credit losses	8,493	72	2,334	501	(974)	
Gross revenue	\$ 22,505	\$ 23,538	\$ 23,067	\$ 22,749	\$ 23,787	

Non-GAAP Reconciliation

Pre-tax, Pre-Provision Net Income (Dollars in thousands)	For the Three Months Ended,		
	December 31, 2023	September 30, 2024	December 31, 2024
(Loss)/Income before income taxes	\$ (4,357)	\$ 2,671	\$ 3,914
Plus: provision for (release of) credit losses	8,493	501	(974)
Pre-tax, pre-provision net income	\$ 4,136	\$ 3,172	\$ 2,940

Allowance for Credit Losses to Bank Originated Loans Excluding PPP (Dollars in thousands)	As of				
	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024
Total loans held for investment	\$ 2,539,990	\$ 2,480,196	\$ 2,460,690	\$ 2,387,288	\$ 2,428,994
Less: PPP loans	4,343	3,779	3,129	2,603	2,087
Less: Purchased loans accounted for under fair value options ("FVO")	14,129	12,276	10,494	8,884	7,508
Adjusted loans excluding PPP and FVO	\$ 2,521,518	\$ 2,464,141	\$ 2,447,067	\$ 2,375,801	\$ 2,419,399
Allowance for credit losses	23,931	24,630	27,319	18,796	18,330
Allowance for credit losses to adjusted loans	0.95 %	1.00 %	1.12 %	0.79 %	0.76 %